
Item (H)(1)(B) - AWMP and CIP & Stakeholder Engagement & User Rate Study

From Jesse Stephens <JStephens@bcrsd.com>

Date Fri 2/13/2026 11:23 AM

To Jesse Stephens <JStephens@bcrsd.com>

Dear Board of Trustees,

We've had an initial meeting with DNR after submitting our request to appear on the April 2026 Clean Water Commission Agenda. They have requested that our request be postponed until the July Clean Water Commission meeting in order for the various staff member reviewing this to have enough time to provide a staff report and recommendation letter to the Clean Water Commission. We have another meeting scheduled with this group on Friday, February 20th. It is beneficial to the District to obtain a formal staff support letter as we head into this meeting with the Clean Water Commission. Also, various questions have been raised by DNR staff on how the Joint Tier-2 authority with the City of Columbia works once our updated plan has been reviewed and approved. We have communicated this to the City and they may be reaching out to DNR to clarify if there are additional expectations being placed on the city as a result of the revised rule making currently under consideration for permit issuance. Because of this, it is prudent to hold off on formal board approval of our plan this month pending this upcoming meeting on the 20th. I will continue to keep you posted.

Also, the work on the User Rate Study is progressing. John and I have been working on this with Stephen Connelly, and will have more time to devote to this in the coming weeks now that the 2025 financial reports are complete and the Audit process is beginning. We have done work to clarify a more detailed projection on year by year projected spending for the various capital improvement projects we would consider as part of the next bond election. Attached are two scenarios that differ by how the South Route K project is treated. The two scenarios are building of a new treatment plant vs. connection to the City of Columbia via pump station. This one project makes the most difference to the user rate study as even with SRF financing, it is projected to increase overall debt service by \$1,000,000 per year if a new treatment plant is built. Both of these scenarios along with strategic spending of cash are being examined in order to accomplish the following three goals:

- 1) Maintain 150 days of operating cash in order to obtain the most attractive bond or lease purchase financing available, which will help further the second and third goal below.
- 2) Maintain a minimum debt service ratio of 1.10 as required by all bond covenants.
- 3) Maintain the smallest levelized year by year rate increase possible.



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