



CUSTOMER UPDATE

February, 2016

Dear Security Water and Sanitation District Customer:

Enclosed you will find information on water and sewer rate changes for 2016. The Board of Directors passed a resolution to increase water rates at the last board meeting and will be voting on sewer rates February 17. You will also find an update on how we are working diligently to address water safety issues recently reported in the news media. We are extremely committed to ensure we deliver you high quality and cost effective water.

Changes in Rates

Water rates increases are necessary to maintain and operate our existing water system and invest in new infrastructure to ensure our system can continue to deliver your water reliably. Water rates encompass not only the cost of the water itself, but also the infrastructure to transport, treat and deliver the water. The following table outlines water rates for 2016.

SECURITY WATER AND SANITATION DISTRICTS/ENTERPRISES RATE CHANGES

WATER RATES

Beginning with the April 1, 2016 billing (meter reads from February 18th thru March 18th)

RESIDENTIAL Service Charge \$12.14 - 3/4" meter \$14.86 - 1" meter

Higher service charges apply to larger meter sizes

Volume Charge	0-5000 gals \$2.76 / 1000 gals	5001-15000 gals \$3.45 / 1000 gals	15001-25000 gals \$4.31 / 1000 gals	25001 + gals \$6.47 / 1000 gals
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COMMERCIAL Service Charge \$13.64 - 3/4" meter \$16.36 - 1" meter

Higher service charges apply to larger meter sizes

Volume Charge \$3.59 per 1000 gallons

COMMERCIAL IRRIGATION Service Charge \$13.64-3/4" meter \$16.36 - 1" meter

Higher charges apply to larger meter sizes

Volume Charge \$4.48 per 1000 gallons

These new rates will increase the average residential winter time water bill by about \$4.03 per month.

PROPOSED SEWER RATES

Beginning with the April 1, 2016 billing

RESIDENTIAL Service Charge \$6.30

Volume Charge \$5.83/1000 gals of average water use during Dec, Jan, Feb

COMMERCIAL Service Charge \$6.30

Volume Charge \$5.83/1000 gals of actual monthly water usage

If approved by the board, this new rate will increase the average residential sewer bill by about \$1.35 per month.

Fees described herein may be revised as determined in the reasonable discretion of the Boards of Directors of the Security Water and Sanitation Districts and as permitted by law.

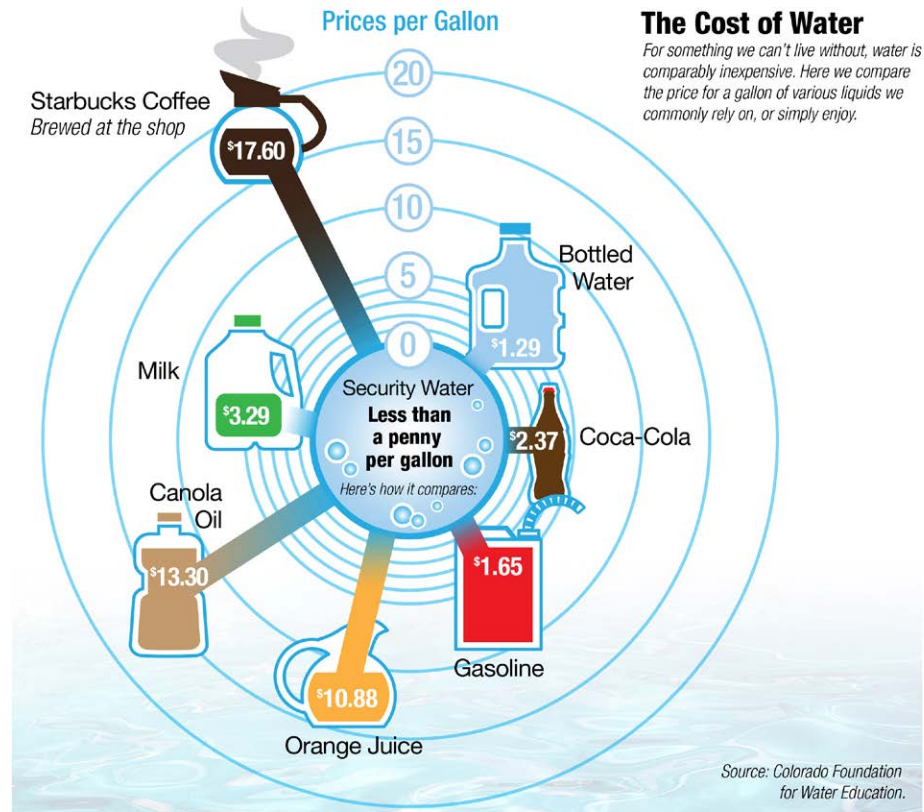
Investing in Our Water System

A major investment Security Water has made over the past decade has been in the Southern Delivery System (SDS) water project. We are partnering with Colorado Springs Utilities, Fountain and Pueblo West on this new delivery system that will transport water from Pueblo Reservoir to our communities. SDS is critical for Security for a number of reasons. It will increase the reliability of our existing system as it will allow us to transport more water from Pueblo Reservoir. It will also help our community meet future water needs as it grows. SDS will increase our system capacity by almost 20 percent.

Security is investing its proportionate share in SDS. The cost of building a major infrastructure would have made it impossible for a utility our size to construct a project like SDS without partnering with other communities and sharing the costs. SDS will be critical in times we need to reduce our reliance on well water – whether it be for maintenance and safety of our existing system or to provide water for our future.

Security Water a Good Value

The new water rates will increase the average residential customer's winter time bill by about \$4 per month. If approved by the board, the new rate for sewer service will increase the average residential bill by about \$1.35 per month. The chart to the right shows how our water compares to other everyday purchases.



Update on Water Safety

Public safety is the number one priority of Security Water. Security Water has always met and continues to meet all drinking water regulations. We want to assure residents that according to all federal and state regulatory requirements, your water is safe for drinking, bathing, cooking and irrigation.

You may have seen recent media coverage about the recent discovery of perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) in water sources near Security, Fountain and Weldfield. These compounds are not regulated by the state or the U.S. Environmental Protection Agency. However, the EPA imposed a provisional health advisory in 2009 of 0.2 micrograms of PFOS per liter of water (0.0002 parts per million) and 0.4 µg/L (0.0004 parts per million) for PFOAs.

In 2013, the EPA asked water systems that serve 10,000 people or more to sample water supplies for these compounds. Security Water complied, sampled water twice and shared its findings with the agency. The EPA did not alert Security Water or other nearby water districts to take any action.

We learned through media that the EPA reported three samples in Security exceeded advisory levels for PFOS. Results ranged from 0.21-1.3 ug/L and were found primarily in three groundwater wells in the Windmill Gulch aquifer. This well water is blended with surface water from Pueblo Reservoir and treated before it enters the drinking water supply, which greatly reduces the amount of PFOS in it. However, out of an abundance of caution, Security Water suspended using these wells Jan. 15 until further testing is conducted.

Security Water does not know how or when PFOA and PFOS entered these water sources. We have requested assistance from the EPA and CDPHE. Until a source is identified, we will continue to monitor drinking water to ensure it meets standards and will update the public once more information is known. Thank you for your patience as we work through these issues.



For more information, please contact us:

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