

**Security Water District/Enterprise**

Regular Board Meeting

**January 17, 2024, 5:30 p.m.**

231 Security Boulevard, El Paso County, Colorado  
Call-In Number: 1-605-313-5949, Access Code: 895871#

**Agenda**

**CALL TO ORDER AND INTRODUCTION OF GUESTS**

**PUBLIC COMMENT** (Please limit to 5 minutes per person)

**CONSENT CALENDAR:**

- Adoption of the minutes of the regular Board meeting of December 13, 2023.
- Acceptance of the Treasurer's reports for the month of December 2023 subject to audit.

**LEGAL REPORT** – consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

- a. PFAS Settlement (Monson, Heald)
- b. Base Ranch update (Monson, Heald, Sukalski, Bernard).
- c. Current Water Court Cases (Monson).
- d. Other Legal Issues in Progress (Monson).

**OLD BUSINESS** - consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

**W-1:** SAMS Facility Operations, Upgrades and Grants – For Discussion and Possible Action (Heald, Sukalski, Bernard, Davis, Sams, Morton).

District staff and consultants will provide the latest information regarding the SAMS facility operations, improvements, and new construction, as well as other PFAS-related information.

**NEW BUSINESS** - consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

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**W-2:** 2024 Water Rates, Fees and Charges – For Discussion and Possible Action (Heald, Sukalski, Walker).

Recommended motion: "... to approve the 2024 water rates, fees and charges as recommended by Harvey Economics Co. and District staff, and approve Resolution W-2024-01-1, which implements those rates, fees and charges."

Harvey Economics Co. has completed its Water Rate Study and will be providing a presentation and proposal to update water rates, fees and charges during this meeting. District staff plans to implement any rate modifications approved by the Board on February 17, 2024, to be effective with the April, 2024 billing. This possible Board action has been properly posted in accordance with state law. A copy of the final Harvey Economics report is included as Enclosure W-2. Draft Resolution W-2024-01-1 will be provided during the meeting.

**W-3:** Designation of Location, Dates and Time of 2024 Board Meetings – For Discussion and Possible Action (Heald).

Recommended motion: "...to designate the location, dates and time of 2024 regular Board meetings as: the Security Water and Sanitation Districts' office, 231 Security Boulevard in El Paso County, Colorado, at 5:30 p.m. on the following dates:

January 17, 2024	February 21, 2024	March 20, 2024	April 17, 2024
May 15, 2024 *	June 18, 2024 **	July 17, 2024	August 21, 2024
September 18, 2024	October 16, 2024	November 20, 2024	December 11, 2024
January 15, 2025			

\* The May meeting will be held at the Dick Gilham Water Reclamation Facility, 6510 Southmoor Drive, Fountain, CO 80817)

\*\* The June meeting will be held on Tuesday, June 18, 2024 at 5:30 p.m.

In addition, all Board meeting notices will be prominently posted at the Security Water and Sanitation Districts' office, the Security Fire Department Station #1 at 400 Security Boulevard, the Security Public Library at 715 Aspen Drive and the office of the El Paso County Clerk and Recorder, 1675 W. Garden of the Gods Road, Colorado Springs, Colorado."

In order to comply with Colorado law, it is necessary for the Board to make the preceding designations during its first meeting of each year.

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**W-4: 2023 Financial Audit – For Discussion and Possible Action (Heald).**

Recommended motion: "...to authorize the acceptance of a proposal from Hoelting & Company, Inc. to perform the 2023 financial audit."

The District has received a proposal from Hoelting & Company, Inc. to perform the 2023 financial audit. Hoelting & Company, Inc. has considerable experience and expertise in performing governmental audits. District staff recommends that the Board accept the audit proposal and engage Hoelting & Company, Inc. to complete the 2023 financial audit. Please see Enclosure W-4 for a copy of the 2023 audit proposal from Hoelting & Company, Inc.

**W-5: Purchase of New Service Vehicles - For Discussion and Possible Action (Bernard, Heald).**

Recommended motion: "...to purchase the two new service vehicles recommended by the District's Manager of Operations and Superintendent at a cost not to exceed \$110,000."

The District's Manager of Operations and Superintendent are recommending that the District purchase two new service vehicles to replace two old vehicles in its fleet. Details of this recommendation are attached as Enclosure W-5 and additional information will be provided during this meeting.

**W-6: Update of the Water Distribution System Design Criteria and Standard Specification – For Discussion and Possible Action (Heald, Bernard).**

The District's engineering consultants and staff have developed the updated draft Water Distribution System Design Criteria and Standard Specification document that is included with the electronic Board packet. It has been many years since the criteria and specifications were last updated. Staff's recommendation is for Board members to review the document over the next month and be prepared to consider approving the updated criteria and specifications during the February 21, 2024 Board meeting. Additional details will be provided during this meeting.

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**W-7:** Renewal of Environmental Services Agreement with the Air Force Civil Engineer Center – For Discussion and Possible Action (Heald, Monson).

Recommended motion: "... to authorize the Board President to execute the Air Force Environmental Services Agreement once finalized by the District's General Manager and attorneys."

District staff and attorneys have been presented with a renewal of the Environmental Services Agreement (ESA) with the Air Force Civil Engineer Center (AFCEC). The existing ESA is not scheduled to expire until July 23, 2024, however the AFCEC would like to realign the term of the agreement to the calendar year. Consequently, it is proposed this ESA begin as of January 1, 2024, and extend for a two-year term. The District's attorneys have not yet completed their review of the Draft document, so changes to the document could be proposed. Additional details will be provided to the Board during this meeting. Please see Enclosure W-7 for a copy of the draft ESA.

**JOINT MEETING OF THE SECURITY WATER DISTRICT AND THE SECURITY SANITATION DISTRICT (agenda items: W-8 and W-9 only):**

**W-8:** Allocation of Security Water District and Security Sanitation District 2024 Common Costs – For Discussion and Possible Action (Heald, Sukalski, Monson).

Recommended motion: "... to approve Resolution W-2024-01-2 concerning the allocation of Security Water District and Security Sanitation District common costs as described."

District staff and the District's attorney have developed a plan for the payment of common administrative expenses over the coming years. Resolution W-2024-01-2 implements that conceptual plan for 2024 and the coming years. Additional information will be provided during this meeting. Please see Enclosure W-8 for a copy of draft resolution W-2024-01-2.

**W-9:** Commitment of the Security Water District's Excess Reserves to the Security Sanitation District in 2024 – For Discussion and Possible Action (Heald, Sukalski, Monson).

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Recommended motion: "... to approve Resolution W-2024-01-3 concerning the commitment of Security Water District's excess reserves to the Security Sanitation District for completion of the wastewater treatment plant improvements as described."

District staff and the District's attorney have developed a plan for the use of Security Water District's reserve that exceed the funding requirements for the 2024 budget for the Security Sanitation District to ensure that the wastewater treatment plant improvements can be completed in 2024. Resolution W-2024-01-3 implements that conceptual plan for 2024 and the immediate future. Additional information will be provided during this meeting. Please see Enclosure W-9 for a copy of draft resolution W-2024-01-3.

**OTHER** - consideration of the following reports, including items reasonably related to these reports, where formal action may or may not be taken:

Superintendent's Report (Davis)

Manager of Operations Report (Bernard)

Assistant Manager's Report (Sukalski)

General Manager's Report (Heald)

**EXECUTIVE SESSION:** (if necessary) Consideration of the following items (motion will include subject matter to be discussed in as much detail as possible without compromising the purpose for which the session is being called):

**Next Regular Meeting: February 21, 2024, 5:30 p.m., at 231 Security Boulevard, El Paso County, Colorado.**

**ADJOURN**

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**CALL TO ORDER AND INTRODUCTION OF GUESTS**

**PUBLIC COMMENT** (Please limit to 5 minutes per person)

**CONSENT CALENDAR:**

- Adoption of the minutes of the regular Board meeting of December 13, 2023.
- Acceptance of the Treasurer’s reports for the month of December 2023 subject to audit.

**LEGAL REPORT** – consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

- a. Other Legal Issues in Progress (Monson)

**OLD BUSINESS** - consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

**S-1:** Design and Construction of Wastewater Treatment Plant Improvements – For Discussion and Possible Action (Sukalski, Bernard, Sipe, Sams, Morton).

District staff and consultants will provide the Board with the latest information regarding the status of wastewater plant improvements being designed by GMS, Inc., and constructed by the Construction Manager at Risk (CMAR), Moltz Construction, Inc.

**NEW BUSINESS** - consideration of the following items, including items reasonably related to these items, where formal action may or may not be taken:

**S-2:** Designation of Location, Dates and Time of 2024 Board Meetings – For Discussion and Possible Action (Heald).

Recommended motion: “...to designate the location, dates and time of 2024 regular Board meetings as: the Security Water and Sanitation Districts’ office, 231 Security Boulevard in El Paso County, Colorado, at 5:30 p.m. on the following dates:

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\* The May meeting will be held at the Dick Gilham Water Reclamation Facility, 6510 Southmoor Drive, Fountain, CO 80817)

\*\* The June meeting will be held on Tuesday, June 18, 2024 at 5:30 p.m.

In addition, all Board meeting notices will be prominently posted at the Security Water and Sanitation Districts' office, the Security Fire Department Station #1 at 400 Security Boulevard, the Security Public Library at 715 Aspen Drive and the office of the El Paso County Clerk and Recorder, 1675 W. Garden of the Gods Road, Colorado Springs, Colorado.”

In order to comply with Colorado law, it is necessary for the Board to make the preceding designations during its first meeting of each year.

**S-3:** 2023 Financial Audit – For Discussion and Possible Action (Heald).

Recommended motion: “...to authorize the acceptance of a proposal from Hoelting & Company, Inc. to perform the 2023 financial audit.”

The District has received a proposal from Hoelting & Company, Inc. to perform the 2023 financial audit. Hoelting & Company, Inc. has considerable experience and expertise in performing governmental audits. District staff recommends that the Board accept the audit proposal and engage Hoelting & Company, Inc. to complete the 2023 financial audit. Please see Enclosure S-3 for a copy of the 2023 audit proposal from Hoelting & Company, Inc.

**S-4:** 2024 Wastewater Rates – For Discussion and Possible Action (Heald, Sukalski, Sams).

Recommended motion: “... to approve the 2024 wastewater rates as recommended by GMS, Inc. and District staff and approve resolution S-2024-01-1, which implements those rates.”

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GMS, Inc. is expected to provide a memorandum for this meeting recommending revised user charges for 2024 and 2025. District staff, therefore, is likely to recommend that the Board consider implementing the recommended rates for 2024, to be effective on February 17, 2024 and reflected on the April, 2024 billing. This possible Board action has been properly posted in accordance with state law. A copy of the GMS report and draft Resolution S-2024-01-1 will be provided during this meeting.

**JOINT MEETING OF THE SECURITY WATER DISTRICT AND THE SECURITY SANITATION DISTRICT (agenda items S-5 and S-6 only):**

**S-5:** Allocation of Security Water District and Security Sanitation District 2024 Common Costs – For Discussion and Possible Action (Heald, Sukalski, Monson).

Recommended motion: "... to approve Resolution S-2024-01-2 concerning the allocation of Security Water District and Security Sanitation District common costs as described."

District staff and the District's attorney have developed a plan for the payment of common expenses over the coming years. Resolution S-2024-01-2 implements that conceptual plan for 2024 and the coming years. Additional information will be provided during this meeting. Please see Enclosure S-5 for a copy of draft resolution S-2024-01-2.

**S-6:** Commitment of the Security Water District's Excess Reserves to the Security Sanitation District in 2024 – For Discussion and Possible Action (Heald, Sukalski, Monson).

Recommended motion: "... to approve Resolution S-2024-01-3 concerning the commitment of Security Water District's excess reserves to the Security Sanitation District for completion of the wastewater treatment plant improvements as described."

District staff and the District's attorney have developed a plan for the use of Security Water District's reserve that exceed the funding requirements for the 2024 budget for the Security Sanitation District to ensure that the wastewater treatment plant improvements can be completed in 2024. Resolution S-2024-01-3 implements that conceptual plan for 2024 and the immediate future. Additional information will be provided during this meeting. Please see Enclosure S-6 for a copy of draft resolution S-2024-01-3.



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**OTHER** - consideration of the following reports, including items reasonably related to these reports, where formal action may or may not be taken:

Superintendent's Report (Sipe)

Manager of Operations Report (Bernard)

Assistant Manager's Report (Sukalski)

General Manager's Report (Heald)

**EXECUTIVE SESSION:** Consideration of the following items (motion will include subject matter to be discussed in as much detail as possible without compromising the purpose for which the session is being called):

- Discussion of Possible Purchase of Real Estate Near Dick Gilham Water Reclamation Facility -
  - Concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, C.R.S. 24-6-402(4)(a).
  - Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, C.R.S. 24-6-402(4)(e).

**S-7:** Possible Purchase of Real Estate Near Dick Gilham Water Reclamation Facility – For Discussion and Possible Action (Heald, Monson).

Subsequent to the preceding Executive Session, the Board may consider taking formal action on this agenda item. Additional information will be provided during the public meeting.

**Next Regular Meeting: February 21, 2024, 5:30 p.m., at 231 Security Boulevard, El Paso County, Colorado.**

**ADJOURN**