

RESOLUTION 2026-04-16-a

A RESOLUTION OF THE GRAND WATER & SEWER SERVICE AGENCY ESTABLISHING A WATER PRESSURE ENHANCEMENT SURCHARGE FOR SERVICE AREAS BENEFITTED BY PRESSURE-ENHANCING FACILITIES.

WHEREAS, The Agency owns and operates a public culinary water system to provide reliable water service for domestic use and fire protection; and

WHEREAS, Certain geographic areas within the Agency require the construction, operation, and maintenance of water pressure-enhancing facilities, including but not limited to booster pump stations, standby generators, electrical power service, telemetry, and associated appurtenances (collectively, the "Pressure Enhancement Facilities"); and

WHEREAS, Such Pressure Enhancement Facilities are necessary to:

- Provide adequate domestic water pressure; and
- Meet minimum fire flow requirements; and
- Enable otherwise non-buildable properties to qualify for development due to insufficient static pressure; and

WHEREAS, the construction, operation, maintenance, repair, and eventual replacement of Pressure Enhancement Facilities create additional capital and operational costs not incurred in gravity-served areas of the Agency; and

WHEREAS, The Board finds that it is equitable and appropriate that customers receiving direct benefit from Pressure Enhancement Facilities bear the proportional costs associated with those facilities; and

WHEREAS, The Agency has prepared life-cycle cost projections and equipment replacement schedules for pumps, standby generators, electrical systems, and related infrastructure, and has determined that a dedicated surcharge is necessary to ensure long-term financial sustainability and system reliability.

NOW, THEREFORE, THE GRAND WATER AND SEWER SERVICE AGENCY (AGENCY) RESOLVES THAT:

1. **Adoption of Policy.** The Board hereby adopts the Water Pressure Enhancement Surcharge Policy attached hereto as Exhibit A.
 2. **Establishment of Surcharge.** A monthly Water Pressure Enhancement Surcharge ("Surcharge") shall be imposed upon all service connections located within designated Pressure Enhancement Service Areas as defined in the Policy.
 3. **Purpose of Surcharge.** Revenues collected from the Surcharge shall be restricted solely for:
 - Repair and replacement of booster pumps;
 - Repair and replacement of standby generators;
 - Electrical and power service costs associated with pressure enhancement;
 - Routine and extraordinary maintenance of Pressure Enhancement Facilities;
 - Capital reserve funding based on projected equipment life cycles.
- **Rate Calculation.** The Surcharge shall be calculated based on:

- Standard equipment life-cycle analysis;
- Projected replacement costs;
- Anticipated annual maintenance expenses;
- Estimated electrical power consumption;
- Appropriate reserve funding targets.

4. **Periodic Review.** The Board shall review the Surcharge at least every three (3) years, or as necessary, to ensure adequacy of funding and fairness of allocation.
5. **Effective Date.** This Resolution shall take effect once approved by the board.

Adopted by the Grand Water and Sewer Service Agency **April 16th, 2026** by the following vote:

Aye: Gary Wilson, Dale Weiss, Steve Getz, Ben Wilson, Miles Loftin,
Kevin Clyde, Preston Paxman, Don Hamilton, Ken Helfenbein, Brian Martinez

Nay: Ø

Absent: Brian Backus, Mike Holyoak, Rani Derasary, Rick Thompson

Abstained: Ø

ATTEST:


BENJAMIN MUSSELMAN, AGENCY MANAGER

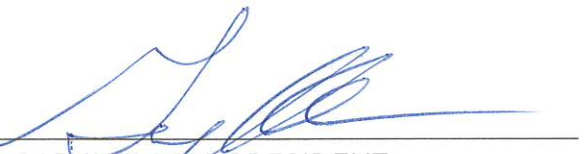

GARY WILSON, PRESIDENT

EXHIBIT A

WATER PRESSURE ENHANCEMENT SURCHARGE POLICY

1. PURPOSE

The purpose of this Policy is to establish a fair and proportional funding mechanism for water pressure-enhancing infrastructure required to serve specific areas that cannot be adequately served by gravity pressure alone.

2. DEFINITIONS

Pressure Enhancement Facilities: Infrastructure including booster pumps, pump stations, standby generators, electrical service upgrades, telemetry, control systems, and associated improvements necessary to increase water pressure.

Pressure Enhancement Service Area (PESA): A defined geographic area designated by the Board that receives water service dependent upon Pressure Enhancement Facilities.

3. APPLICABILITY

A. The Surcharge applies to all active service connections within a designated Pressure Enhancement Service Area.

B. The Surcharge applies regardless of seasonal occupancy.

C. The Board may create separate surcharge rates for different service areas if infrastructure costs differ materially.

4. RATE METHODOLOGY

The Surcharge shall be calculated using the following methodology:

A. Capital Replacement Reserve

1. Determine estimated replacement cost of:
 - Booster pumps
 - Standby generators
 - Electrical and control systems
2. Assign projected useful life to each asset.
3. Divide replacement cost by useful life to determine annual reserve funding requirement.

B. Operations and Maintenance

1. Estimate annual:
 - Electrical power costs
 - Routine maintenance
 - Emergency repair allowances
 - Testing and inspection costs

C. Total Annual Cost

Annual Reserve Requirement
Annual O&M Costs
= Total Required Annual Revenue

D. Allocation

Total Required Annual Revenue
÷ Number of benefited equivalent residential connections (ERCs)
= Annual Surcharge per ERC

The Board may adjust for meter size, usage classification, or equivalent demand factors as appropriate.

5. USE OF FUNDS

Surcharge revenues shall:

- Be accounted for separately within the Agency's financial system;
- Be restricted exclusively to Pressure Enhancement Facilities;
- Not be transferred to unrelated system operations.

6. NEW DEVELOPMENT

A. New service connections within a PESA shall pay the applicable Surcharge upon connection.

B. Nothing in this Policy replaces or limits impact fees, connection fees, or developer-installed infrastructure requirements.

7. ADJUSTMENT AND REVIEW

The Board shall:

- Review life-cycle assumptions periodically;
- Adjust rates as necessary to prevent underfunding or overcollection;
- Consider updated engineering cost estimates and inflation factors.

8. SEVERABILITY

If any portion of this Policy is deemed invalid, remaining provisions shall remain in effect.