RESOLUTION NO. 10621

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA DECLARING AS A PUBLIC RECORD PROPOSED SCHEDULES OF TERMS, RATES, FEES AND CHARGES FOR CITY-OWNED WATER UTILITIES

BE IT RESOLVED by the City Council of the City of Mesa, Maricopa County, State of Arizona, as follows:

Section 1: That the following Schedules of Terms, Rates, Fees and Charges for City-Owned Water Utilities, a true and correct copy of which is attached hereto and incorporated herein by reference is declared to be a public record pursuant to A.R.S. §9-801, *et seq.*, three copies of which shall be filed in the Office of the City Clerk and kept available for public use and inspection.

Additions to the text are shown in bold, and underline: **Abc**
Deletion to the text are shown in strike-outs: ~~Abc~~

SCHEDULE NO.	TITLE
W1.1, W2.1, W1.2, W2.2, W1.3, W2.3, W1.4, W2.4, W1.5, W2.5, W1.6, W2.6, W1.7, W2.7	Residential Water Service
W1.11, W2.11, W1.21, W2.21, W1.31, W2.31, W1.41, W2.41, W1.51, W2.51, W1.61, W2.61, W1.71, W2.71	Residential Landscape Water Service
W3.1, W4.1, W3.2, W4.2, W3.3, W4.3, W3.4, W4.4, W3.5, W4.5, W3.6, W4.6, W3.7, W4.7	Commercial & Multi-Unit Dwelling Water Service
W30.1, W30.2, W30.3, W30.4, W30.5, W30.6, W30.7	Water Service for Fire Line Detection Meters
I1.1, I3.1	Irrigation Water Service
WHS	Crismon Road Water Hauling Station Bulk Water Sales
WH1	Water Hydrant Meter Service
W31.1	Commercial and Industrial Large Water Service
WR3.1	Large Turf Facility Untreated Water Service
WR6.1	Interdepartmental Large Turf Facility Reclaimed Water Service

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 4th day of May, 2015.

APPROVED:

Mayor

ATTEST:

City Clerk

CITY OF MESA CORPORATE SEAL MARICOPA COUNTY, AZ

RESIDENTIAL WATER SERVICE

WESTERN ZONE - Inside W1.1, Outside W2.1
RWCD ZONE - Inside W1.2, Outside W2.2
EASTERN ZONE - Inside W1.3, Outside W2.3
DESERT SAGE PRESSURE ZONE - Inside W1.4, Outside W2.4
COUNTY LINE PRESSURE ZONE - Inside W1.5, Outside W2.5
APACHE JUNCTION PRESSURE ZONE - Inside W1.6, Outside W2.6
RANGE RIDER PRESSURE ZONE - Inside W1.7, Outside W2.7

APPLICATION

These rates are applicable to all residential water service inside and outside the City limits required for domestic purposes in individually metered dwelling units for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge and surcharges per billing cycle per 1,000 gallons in excess of 3,000 shall be as follows:

Usage Charge: ~~$2.74~~ **$2.88** per 1,000 gallons, ~~first 12,000~~ **4,000 through 11,000** gallons and
~~$4.11~~ **$4.32** per 1,000 gallons, next ~~12,000~~ **11,000** gallons and
~~$4.60~~ **$4.90** per 1,000 gallons, ~~all additional 1,000 gallons~~ **next 2,000 gallons** and
$5.05 per 1,000 gallons, all additional 1,000 gallons

Service Charge:*

~~$24.14~~	**$25.35**	- ¾"service
~~$27.04~~	**$28.39**	- 1"service
~~$37.85~~	**$39.74**	- 1½"service
~~$49.64~~	**$52.12**	- 2"service
~~$98.33~~	**$103.25**	- 3"service
~~$155.72~~	**$163.51**	- 4"service
~~$298.22~~	**$313.13**	- 6"service
~~$441.64~~	**$463.72**	- 8"service
~~$598.31~~	**$628.23**	- 10"service

* Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W1.4, W2.4):	~~$0.0797~~ **$0.0837** per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W1.5, W2.5):	~~$0.1542~~ **$0.1619** per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W1.6, W2.6):	~~$0.2329~~ **$0.2445** per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W1.7, W2.7):	~~$0.3084~~ **$0.3238** per 1,000 gallons

ADJUSTMENTS

1. Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

RESIDENTIAL LANDSCAPE WATER SERVICE

WESTERN ZONE - Inside W1.11, Outside W2.11
RWCD ZONE - Inside 1.21, Outside 2.21
EASTERN ZONE - Inside 1.31, Outside 2.31
DESERT SAGE PRESSURE ZONE - Inside W1.41, Outside W2.41
COUNTY LINE PRESSURE ZONE - Inside W1.51, Outside W2.51
APACHE JUNCTION PRESSURE ZONE - Inside W1.61, Outside W2.61
RANGE RIDER PRESSURE ZONE - Inside W1.71, Outside W2.71

APPLICATION

These rates are applicable to all residential water service inside and outside the City limits required solely for landscape purposes in individually metered dwelling units for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be ~~$4.11~~ **4.32** per 1,000 gallons in excess of 3,000, plus applicable surcharges.

Service Charge:*

~~$28.65~~ **$30.08**	-	¾"service
~~$31.55~~ **$33.13**	-	1"service
~~$42.36~~ **$44.48**	-	1½"service
~~$54.15~~ **$56.86**	-	2"service
~~$102.84~~ **$107.98**	-	3"service

* Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W1.41, W2.41):	~~$0.0797~~ **$0.0837** per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W1.51, W2.51):	~~$0.1542~~ **$0.1619** per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W1.61, W2.61):	~~$0.2329~~ **$0.2445** per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W1.71, W2.71):	~~$0.3084~~ **$0.3238** per 1,000 gallons

ADJUSTMENTS

1. Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

COMMERCIAL & MULTI-UNIT DWELLING WATER SERVICE

WESTERN ZONE - Commercial W3.1, Multi-unit W4.1
RWCD ZONE - Commercial W3.2, Multi-unit W4.2
EASTERN ZONE - Commercial W3.3, Multi-unit W4.3
DESERT SAGE PRESSURE ZONE - Commercial W3.4, Multi-unit W4.4
COUNTY LINE PRESSURE ZONE - Commercial W3.5, Multi-unit W4.5
APACHE JUNCTION PRESSURE ZONE - Commercial W3.6, Multi-unit W4.6
RANGE RIDER PRESSURE ZONE - Commercial W3.7, Multi-unit W4.7

APPLICATION

These rates are applicable to all commercial water service inside and outside the City limits which no other specific schedule is provided and to all water service for multiple dwelling units inside and outside the City limits not having a water meter for each dwelling unit (includes trailers or mobile homes)~~. In addition, all sales of water used for construction purposes when delivered from hydrants or temporary connections, shall be charged at the service charge rate listed below for a 3" service~~ for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge for water delivered shall be ~~$2.74~~ **$2.88** per 1,000 gallons in excess of 3,000, plus a surcharge rate of ~~$1.37~~ **$1.44** per 1,000 gallons**, plus applicable pumping surcharges.

Service Charge:*

~~$24.14~~	**$25.35**	¾"service
~~$27.04~~	**$28.39**	1"service
~~$37.85~~	**$39.74**	1½"service
~~$49.64~~	**$52.12**	2"service
~~$98.33~~	**$103.25**	3"service
~~$155.72~~	**$163.51**	4"service
~~$298.22~~	**$313.13**	6"service
~~$441.64~~	**$463.72**	8"service
~~$598.31~~	**$628.23**	10"service

* Includes 3,000 gallons of water as a minimum for capacity availability.
** Surcharge applies to all water used each billing cycle from March through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W3.4, W4.4):	~~$0.0797~~ **$0.0837** per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W3.5, W4.5):	~~$0.1542~~ **$0.1619** per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W3.6, W4.6):	~~$0.2329~~ **$0.2445** per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W3.7, W4.7):	~~$0.3084~~ **$0.3238** per 1,000 gallons

ADJUSTMENTS

1. Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

WATER SERVICE FOR FIRE LINE DETECTION METERS

WESTERN ZONE - W30.1
RWCD ZONE -W30.2
EASTERN ZONE - W30.3
DESERT SAGE PRESSURE ZONE - W30.4
COUNTY LINE PRESSURE ZONE - W30.5
APACHE JUNCTION PRESSURE ZONE - W30.6
RANGE RIDER PRESSURE ZONE - W30.7

APPLICATION

These rates are applicable to all fire line check valves with detection meters for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the Service Charge, the Usage Charge shall be ~~$3.81~~ **$4.00** per 1,000 gallons for all water delivered in excess of 3,000 gallons plus applicable surcharges.

Service Charge:*

~~$27.92~~ **$29.32**	-	¾"service
~~$30.82~~ **$32.36**	-	1"service
~~$41.62~~ **$43.70**	-	1½"service
~~$53.42~~ **$56.09**	-	2"service
~~$102.10~~ **$107.21**	-	3"service

*Includes 3,000 gallons of water as a minimum for capacity availability.

Plus: For all water used in the upper pressure zones, the following pumping surcharges will apply:

DESERT SAGE PRESSURE ZONE (W30.4):	~~$0.0797~~ **$0.0837** per 1,000 gallons
COUNTY LINE PRESSURE ZONE (W30.5):	~~$0.1542~~ **$0.1619** per 1,000 gallons
APACHE JUNCTION PRESSURE ZONE (W30.6):	~~$0.2329~~ **$0.2445** per 1,000 gallons
RANGE RIDER PRESSURE ZONE (W30.7):	~~$0.3084~~ **$0.3238** per 1,000 gallons

ADJUSTMENTS

1. Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

IRRIGATION WATER SERVICE

APPLICATION

These rates are applicable to all customers receiving irrigation water delivered through the city irrigation system for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: $~~48.03~~ **$50.43** per hour for all additional time.

Minimum: $~~24.02~~ **$25.22** that includes one-half hour water delivery, except no charge will be made when no water is delivered.

DELIVERY RATE

The normal delivery rate shall be 75 miner's inches with a minimum rate of 50 miner's inches. Where desirable, a customer's run may be divided with another and the charges shall be divided proportionally. There will be no charge made during any billing cycle unless water is actually delivered to the customer being charged.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

CRISMON ROAD WATER HAULING STATION
BULK WATER SALES

APPLICATION

The rate is applicable to all customers receiving bulk water at the Crismon Road Water Hauling Station. Water is delivered to customers on site using mobile customer-owned bulk water containers. Customers pay for bulk water in advance.

MONTHLY BILLING CYCLE

Rate: The rate for water shall be ~~$6.43~~ **$6.91** per 1,000 gallons for all water.

TERMS AND CONDITIONS

The following special terms and conditions shall apply to the provision of water to customers at the City of Mesa ("City") Crismon Road Water Station ("Water Station"):

1. Water Station Access:

A. Access to the Water Station will be supplied pursuant to prepaid contractual accounts ("Access Accounts") with each customer in accordance with these special terms and conditions.

B. No sale or transfer of Access Accounts from one person to another shall be permitted unless approved in advance by the City.

C. Credit balances on any Access Account shall be redeemable only as water deliveries at the Water Station, not for cash.

D. Availability of additional Access Accounts is within the sole discretion of the City.

2. Water Station Access Cards:

A. Access Account holders shall be issued reusable magnetic strip access cards ("Access Cards") on which prepaid dollar balances shall be programmed by the City. Account holders shall use the Access Cards at the Water Station in order to obtain water dispensation.

B. The maximum number of Access Cards issued per Access Account shall be two (2) for residential customers and two (2) per registered tanker truck or trailer for commercial customers. Issuance of additional Access Cards shall be at the sole discretion of the City.

C. Prepaid amounts shall be programmed onto the Access Cards, which must be presented at a City of Mesa Utility Payment Center. The maximum prepaid balance on any Access Card shall be limited to two hundred dollars ($200.00) for residential customers and five hundred dollars ($500.00) for commercial customers.

D. Access Cards shall be owned by the Access Account holder. The City shall not be responsible for lost or stolen Access Cards nor any unused balance thereon.

E. Access Cards with unused balances on cancelled Access Accounts will still be redeemable at the Water Station until the balance reaches zero.

3. Continuity of Supply:

The City will use reasonable diligence to provide a steady and continuous water supply and dispensation at the Water Station, but does not guarantee against fluctuations or interruptions. The City may, without incurring any liability therefore, suspend water availability for periods reasonably necessary to accomplish repairs to or changes in any of the City's facilities, including the Water Station. The City shall not be liable to Any Access Account holder for any damages occasioned by fluctuations or interruptions in water availability at the Water Station, regardless of cause. All maintenance of the Water Station shall be performed by the City.

4. Metering:

A. The readings of the City's meter(s) at the Water Station will be conclusive as to the amount of water dispensed, unless the Customer reports any inaccuracy within twenty four (24) hours of the inaccurately metered transaction.

B. In the event the City verifies based on a reported inaccuracy that the metering at the Water Station is inaccurate by an amount in excess of the manufacturer's tolerance, Mesa will correct such error by adjusting for the difference in the reporting Customer's prepaid account to the extent practicable, and only for the reported transaction. Any refunds to customer resulting from a reported inaccurate transaction shall be made via a credit to the customer's prepaid account.

C. Any Customer that reports an inaccuracy at the Water Station which subsequently proves to be within the manufacturer specification shall be responsible for a service charge to cover the vehicle expense, driving time and labor expense for meter testing as follows: $250.00.

D. Any Account holder may also request that the City conduct third party accuracy testing of the Water Station metering equipment, but shall be responsible for advance payment of third party costs of such testing in the amount of $500.00, which shall be refunded by City in the event that the metering is demonstrated to be outside of the manufacturers specification in a manner that is favorable to the Access Account holder. In no event shall any Access Account be adjusted for any transaction not reported to City within twenty four (24) hours.

E. The City may compute or re-compute deliveries at the Water Station based on a reasonable usage estimate derived from Access Account history if any of the following conditions apply:

1. The meter(s) at the Water Station fails to register accurately;
2. Access is temporarily supplied without a meter; or
3. A contrivance has been used to circumvent the accurate registration of metering devices.

4. Termination and Refusal of Water Station Access: The City may, in addition to any other applicable conditions or circumstances described herein, terminate Access Accounts and/or refuse Water Station Access if any of the following conditions exist:

A. When necessary to comply with an order of any Governmental Agency having such jurisdiction.

B. A condition exists which in the City's judgment is unsafe or hazardous.

C. Applicant has failed to make payment of charges otherwise owed to the City.

D. Applicant falsifies his or her identity for the purpose of obtaining access.

E. Applicant is acting as an agent for a prior Customer of City who is deriving benefits of the Water Station and who owes a delinquent bill to City.

F. The City is otherwise not accepting additional customers for Water Station Access Accounts.

G. Reasonable cause otherwise exists which supports termination of Accounts and/or Access.

Reactivation of any terminated Access Account shall be at the sole discretion of the City.

5. Administration Charges:

A. An administrative fee of ~~$14.78~~ **$15.00** shall be assessed to activate an Access Account, which activation shall be at the sole discretion of the City.

B. Following the initial conversion to the Access Accounts, an Access Account transfer and activation charge shall be assessed for any requested transfer in the amount of ~~$29.56~~ **$30.00**, which transfer shall be at the sole discretion of the City. Access Account holders must provide the City with the Access Card in order to transfer an Access Account.

C. City and State Transaction Privilege tax will be assessed on all charges as applicable.

6. Payment:

The City reserves the right to suspend or terminate any Access Account for payment items (checks, credit cards, etc.) returned by a financial institution unpaid. Payment is effective upon receipt in hand of the full balance due at a City of Mesa Utility Payment Center.

7. Unauthorized Use of Water Station and Violations:

A. Unauthorized use of the Water Station shall mean the taking of water by bypassing, modifying, disabling or otherwise willfully rendering inoperative or inaccurate any meter or other service apparatus at the Water Station so as to cause a loss or reduction of registration.

B. If unauthorized use occurs, the City shall charge an estimated usage according to applicable rates in accordance with the Schedule of Fees and Charges, plus City and State Transaction Privilege tax as applicable.

C. Unauthorized use of the Water Station is subject to criminal prosecution as well as liability for all damages.

8. Violation; Penalty

Among other penalties that may apply, any person that violates any provision of this Ordinance shall be guilty of a misdemeanor. Upon conviction, individuals shall be punished by a fine not to exceed $2,500, or by imprisonment for a period not to exceed six (6) months, or by such fine and imprisonment. Upon conviction, businesses shall be punished by a fine not to exceed $20,000. Each instance of violation shall be a separate offense, punishable as described above.

WATER HYDRANT METER SERVICE

APPLICATION

These rates are applicable to all water hydrant meter service for the billing of utilities for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for service provided on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Service Charge:*	$~~89.24~~ **$103.25** (3"service)
Usage Charge:	$~~6.43~~ **$6.91** per 1,000 gallons for all water delivered

*Includes 3,000 gallons of water as a minimum for capacity availability.

ADJUSTMENTS

1. Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

COMMERCIAL AND INDUSTRIAL LARGE WATER SERVICE

APPLICATION

These rates are applicable to all commercial and industrial water service inside the City limits provided the customer's premises is: (i) an existing customer having an average monthly billed usage (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 8,500 kgal, or if a new customer or a customer with less than twelve (12) months of billing history an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 8,500 kgal; and (ii) is supplied at one point of delivery and measured through one meter. These rates are applicable on or after ~~July 31, 2014~~ **July 30, 2015** for usage occurring on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the service charge, the rate per billing cycle for water used shall be $~~1.62~~ **$1.70** per 1,000 gallons for all water used, plus a surcharge rate of $~~0.71~~ **$0.75** per 1,000 gallons*.

Service Charge:*

$~~155.72~~ **$163.51**	-	4"service
$~~298.22~~ **$313.13**	-	6"service
$~~441.64~~ **$463.72**	-	8"service
$~~598.31~~ **$628.23**	-	10"service

* Surcharge applies to all water used each billing cycle from March through November that exceeds the average of the combined billing cycle usage for the billing cycles December through February.

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

CUSTOMER ELIGIBILITY

A Customer must satisfy all of the following conditions to be and remain eligible to receive service under this Schedule W31.3:

1. The Customer must have an average monthly billed demand (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 8,500 kgal, or if a new customer or a customer with less than twelve (12) months of billing history, an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 8,500 kgal;

2. The Customer must: (i) be regulated directly by the Arizona Department of Water Resources (DWR) as an individual user under the Groundwater Code and Management Plans adopted pursuant thereto, or (ii) voluntarily satisfy the conservation requirements applicable to Large Industrial Users under the Groundwater Code and Management Plans adopted pursuant thereto; and (iii) otherwise maintain compliance with applicable requirements of the Groundwater Code and Management Plans adopted pursuant thereto.

3. The Customer must provide a copy of all documentation required under Section 2 above, including conservation plans, and otherwise demonstrate compliance with all other applicable Management Plan and Groundwater Code requirements on an annual basis.

LARGE TURF FACILITY UNTREATED WATER SERVICE

APPLICATION

These rates are applicable to all customers inside the corporate limits of the City of Mesa receiving for direct use at one point of delivery at a City Turnout Facility with the Central Arizona Project non-potable water supplied by City for landscape purposes which has and retains the characteristics of water collected for treatment as set forth in A.R.S. § 45-101(4) for the billing cycles ended on or after ~~July 31, 2014~~ **July 30, 2015** for usage occurring on and subsequent to the date on which those same billing cycles started.

MONTHLY BILLING CYCLE

Rate: In addition to the service charge, the rate per billing cycle for water delivered shall be $~~0.74~~ **$0.78** per 1,000 gallons.

Service Charge:$~~500.00~~ **$525.00**

ADJUSTMENTS

Taxes & Impositions. The applicable proportionate part of any taxes or governmental impositions that are assessed on the basis of the gross revenues of the City and/or the price or revenue from the energy or services sold hereunder shall be added to each utility bill.

TERMS AND CONDITIONS

See generally the Terms and Conditions for the Sale of Utilities.

The City will use reasonable diligence to provide water pursuant to this Schedule WR 3.1, but does not guarantee against fluctuations or interruptions. All water is subject to availability of deliveries through the CAP Canal and compliance with Customer Eligibility requirements. The City may curtail service to Customer as necessary to assure continued residential, commercial and multi-unit dwelling, fire line, and hydrant service to City customers or to meet a system emergency. The City shall not be liable to Customer for any damages occasioned by fluctuations or interruptions in water availability under this Schedule WR 3.1 regardless of cause.

CUSTOMER ELIGIBILITY

A Customer must satisfy all of the following conditions to be and remain eligible to receive service under this Schedule WR 3.1:

(i) the Customer must have an average monthly billed demand (in thousands of gallons or "kgal") in the last twelve (12) months of equal to or greater than 8,500 kgal, or if a new customer or a customer with less than twelve (12) months of billing history, an anticipated average monthly billed usage in the next twelve (12) months of equal to or greater than 8,500 kgal;

(ii) the Customer must receive water supplied by City at one point of delivery located at a City Turnout Facility with the Central Arizona Project;

(iii) the Customer must dedicate to, or provide the City with funding necessary for, a CAP Turnout Facility acceptable to the City;

(iv) the Customer must be regulated by the Arizona Department of Water Resources (DWR) as a turf facility and listed with the City of Mesa as an Individual User;

(v) the Customer must provide a copy of all DWR conservation plans and demonstrate compliance with all Individual User requirements on an annual basis;

(vi) on or before September of each year, the Customer must submit a proposed monthly scheduling order for the following calendar year. The proposed schedule must be consistent with Customers regulation by DWR. Notwithstanding the schedule, all water delivered shall be subject to the discretion of the City.

Availability of service under this Schedule WR3.1 is within the sole discretion of the City, and may be denied for reasons including but not limited to the following: (1) turnouts or capacity are not available in the City or CAP system to provide the service, (2) reclaimed water as defined in A.R.S. 45-101(4) is not available to provide the service, (3) such service would adversely affect City's ability to supply residential, commercial and multi-unit dwelling, fire line, and hydrant customers (4) such service would otherwise pose a hazard to public safety.