

COUNCIL MINUTES

December 1, 2025

The City Council of the City of Mesa met in the Council Chambers at City Hall, 20 East Main Street, on December 1, 2025, at 5:56 p.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Alicia Goforth
Dorean Taylor

COUNCIL ABSENT

Jennifer Duff
Francisco Heredia

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

Mayor's Welcome.

Mayor Freeman conducted a roll call.

Mayor Freeman excused Councilmembers Duff and Heredia from the entire meeting.

Mayor Freeman led a moment of silence.

Pledge of Allegiance was led by members from the Mayor's Youth Committee.

There were no awards, recognitions, or announcements.

1. Take action on all consent agenda items.

All items listed with an asterisk (*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

It was moved by Vice Mayor Somers, seconded by Councilmember Goforth, that the consent agenda items be approved.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth–Taylor

NAYS – None

ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried unanimously by those present.

*2. Approval of minutes of previous meetings as written.

Minutes from the Study Sessions held on September 11, October 20, and November 17, 2025; from the Special meeting held on November 17, 2025; and from the Regular Council meeting on November 17, 2025.

3. Take action on the following contracts:

*3-a. Three-Year Term Contract with Two-Year Renewal Options for Legal Processing Services for the Mesa Police Department. **(Citywide)**

This contract will establish Legal Processing Services for the City departments including Police, Court, City Attorney, and Code Compliance to serve legal documents and provide same day courier services and timely transport of documents. The City requires services to be delivered with confidentiality, timeliness, thorough documentation, and professionalism.

A committee representing the Mesa Police Department, Courts, and Procurement Services evaluated responses and recommend awarding the contract to the single respondent Hot Shot Legal Services, LLC (a Mesa business) at \$150,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

*3-b. Ten-Month Use of a Cooperative Term Contract with Renewals for Heavy Duty Fleet, Construction, and Agricultural/Industrial Parts, Service, and Accessories for the Fleet Services and Mesa Fire and Medical Departments. **(Citywide)**

This contract provides a comprehensive range of Original Equipment Manufacturer (OEM) parts, components, accessories, and repair and maintenance services for more than 300 City-owned heavy-duty trucks, construction and industrial fleet vehicles, and associated equipment. While a significant portion of repair and maintenance is performed in-house, Fleet Services also engages qualified vendors to supplement internal resources to ensure timely, efficient support for departmental needs.

Fleet Services Department, Procurement Services, and Mesa Fire and Medical Departments recommend authorizing the purchase using the Maricopa County cooperative contract with Arnold Machinery Company; Drake Truck Bodies, LLC dba Drake Equipment of Arizona; Empire Southwest, LLC (a Mesa business); GJH Motors, LLC; Hydraulic Controls, Inc.; JB Poindexter & Co, Inc. dba Reading Truck Equipment, LLC; Kenz and Leslie of Arizona, Inc.; Lawson Products, Inc.; Master Machinery; Norwood Equipment, LLC; Sanderson Ford; Sun Country Truck Equipment, Inc.; TruckPro LLC dba Arizona Brake & Clutch Supply; United Truck & Equipment Inc., dba United Built Equipment; and W.W. Williams Company, LLC at \$1,200,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

*3-c. Use of a Cooperative Contract for the Purchase of One Asphalt Paver (Replacement) for the Fleet Services and Transportation Departments. **(Citywide)**

Transportation is seeking to replace an asphalt paver that has reached the end of its useful life and meets the City's established replacement criteria. This equipment plays a critical role in the Transportation Department's asphalt maintenance programs, supporting the repair and construction of road surfaces.

The Fleet Services and Transportation Departments and Procurement Services recommend authorizing the purchase using the State of Arizona cooperative contract with Empire Southwest, LLC dba Empire Machinery (a Mesa business) at \$305,832.16, based on estimated requirements.

*3-d. Five-Year Term Use of a Cooperative Contract for the Purchase of Library Equipment, Maintenance, and Support for the Library Services Department. **(Citywide)**

This contract will provide library equipment and services, including self-checkout kiosks, automated book sorters, security gates, and maintenance coverage, essential to supporting daily circulation operations, streamlining check-in and check-out processes, and maintaining security and efficiency across all branch locations. Bibliotheca's equipment is reliable, user friendly, and fully integrated with the Library's existing systems, ensuring smooth operation and a consistent user experience for both staff and patrons.

The Library Services Department and Procurement Services recommend authorizing the purchase using the Maricopa County cooperative contract with Bibliotheca, LLC at \$550,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

*3-e. Two-Year Use of a Cooperative Term Contract with Renewal Options and Dollar Limit Increase for HVAC Services for Citywide Facilities for the Facilities Management Department. **(Citywide)**

This purchase provides comprehensive Heating, Ventilation, and Air Conditioning (HVAC) support for City facilities, including equipment purchase, installation, preventative maintenance, and repair using multiple contracts and vendors to support varying manufacturer's systems.

Council previously approved cooperative contracts with five vendors. The cooperative contracts with two of the vendors, Comfort Systems Southwest and Daikin Comfort, were rebid. Facilities Management would like to add the new contracts with these vendors to the existing vendor pool.

The dollar limit increase with the overall vendor pool will ensure adequate funding for HVAC-related initiatives scheduled for the current and following fiscal years. The dollar limit increase is within Facilities Management's budget.

The Facilities Management Department and Procurement Services recommend authorizing the purchase using the Omnia Partners cooperative contracts with Comfort Systems Southwest and Daikin Comfort and increasing the dollar limit by \$1,000,000 from \$4,000,000 to \$5,000,000 annually (total for all 5 vendors under contract), with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

4. Take action on the following resolutions:

*4-a. Approving and authorizing the City Manager to execute a waiver of the Arizona Department of Transportation's (ADOT) four-year notice provision for right-of-way abandonment as allowed by A.R.S. § 28-7209. Execution of the Waiver will allow ADOT to proceed with the abandonment and transfer to the City of previously identified traffic interchanges along the Superstition Freeway between South Crismon Road and South Signal Butte Road. **(District 5) – Resolution No. 12445**

- *4-b. Approving and authorizing the City Manager to execute a project agreement with the Maricopa Association of Governments for the Mountain Road: State Route 24 to Pecos Road project and related reimbursement. The total project cost is estimated at \$13,553,887. The City is eligible for reimbursement of 70%, or up to \$9,487,721, and responsible for the remaining project costs estimated at \$4,066,166. This project will be funded using the Transportation Fund. **(District 6)** – Resolution No. 12446
- *4-c. Designating the Authorized Applicant Agent and Alternate Authorized Applicant Agent on behalf of the City of Mesa for filing applications with the Arizona Department of Emergency and Military Affairs (AZDEMA) for Disaster Relief Funding. The AZDEMA is requesting an update to the previously approved Resolution #10720 to indicate the title, and name of the designated Authorized Applicant Agent. **(Citywide)** – Resolution No. 12447
- *4-d. Approving and authorizing the City Manager to enter a Memorandum of Understanding with the Federal Bureau of Investigation to participate in the Central Arizona Safe Trails Task Force (STTF). **(Citywide)** – Resolution No. 12448
- *4-e. Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with Pinal County Sheriff's Office for cooperative law enforcement training. **(Citywide)** – Resolution No. 12449

5. Take action on the following resolutions declaring the 2024 editions of technical codes from the International Family of Codes and amendments to those technical codes to be public records and available to the public, and introduction of the following ordinances pertaining to Mesa City Code Title 4 (Building Regulations), and setting December 8, 2025 as the date of the public hearing on these ordinances:

- *5-a. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 1 (Mesa Administrative Code). The amendments include but are not limited to: Amending Section 4-1-2, subparagraph A, to update the effective date; and amending Sections 4-1-1, 4-1-2, and 4-1-5 to correct references to certain technical codes. **(Citywide)** – Ordinance No. 5979
- *5-b. A resolution declaring as a public record those certain documents filed with the City Clerk known as the "2024 International Building Code and its appendices C, E, I, and J" and titled "Amendments to the 2024 International Building Code." **(Citywide)** – Resolution No. 12450
- *5-c. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 2 (Mesa Building Code) pertaining to the adoption by reference of the 2024 International Building Code and its appendices C, E, I, and J and Amendments to the 2024 International Building Code. The amendments include but are not limited to: Repealing in its entirety Section 4-2-1 and replacing it with a new Section 4-2-1 (Adopted by Reference); replacing Section 4-2-2 with a new Section 4-2-2 (Amendments to the 2024 International Building Code); and renumbering the Penalty Clause as Section 4-2-3. **(Citywide)** – Ordinance No. 5980
- *5-d. A resolution declaring as a public record those certain documents filed with the City Clerk known as the "2024 International Residential Code and its appendices BB, BF, and NE" and titled "Amendments to the 2024 International Residential Code." **(Citywide)** – Resolution No. 12451

- *5-e. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 3 (Mesa Residential Code) pertaining to the adoption by reference of the 2024 International Residential Code and its appendices BB, BF, and NE and Amendments to the 2024 International Residential Code. The amendments include but are not limited to: Repealing in its entirety Section 4-3-1 and replacing it with a new Section 4-3-1 (Adopted by Reference); replacing Section 4-3-2 with a new Section 4-3-2 (Amendments to the 2024 International Residential Code); and renumbering the Penalty Clause as Section 4-3-3. **(Citywide)** – Ordinance No. 5981
- *5-f. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2023 National Electrical Code” and titled “Amendments to the 2023 National Electrical Code.” **(Citywide)** – Resolution No. 12452
- *5-g. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 4 (Mesa Lighting and Electrical Code) pertaining to the adoption by reference of the 2023 National Electrical Code and Amendments to the 2023 National Electrical Code. The amendments include but are not limited to: Repealing in its entirety Section 4-4-2 and replacing it with a new Section 4-4-2 (Adopted by Reference); replacing Section 4-4-3 with a new Section 4-4-3 (Amendments to the 2023 National Electrical Code); and renumbering the Penalty Clause as Section 4-4-4. **(Citywide)** – Ordinance No. 5982
- *5-h. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Plumbing Code and its appendices C and E” and titled “Amendments to the 2024 International Plumbing Code.” **(Citywide)** – Resolution No. 12453
- *5-i. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 5 (Mesa Plumbing Code) pertaining to the adoption by reference of the 2024 International Plumbing Code and its appendices C and E and Amendments to the 2024 International Plumbing Code. The amendments include but are not limited to: Repealing in its entirety Section 4-5-1 and replacing it with a new Section 4-5-1 (Adopted by Reference); replacing Section 4-5-2 with a new Section 4-5-2 (Amendments to the 2024 International Plumbing Code); and renumbering the Penalty Clause as Section 4-5-3. **(Citywide)** – Ordinance No. 5983
- *5-j. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Mechanical Code” and titled “Amendments to the 2024 International Mechanical Code.” **(Citywide)** – Resolution No. 12454
- *5-k. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 6 (Mesa Mechanical Code) pertaining to the adoption by reference of the 2024 International Mechanical Code and Amendments to the 2024 International Mechanical Code. The amendments include but are not limited to: Repealing in its entirety Section 4-6-1 and replacing it with a new Section 4-6-1 (Adopted by Reference); replacing Section 4-6-2 with a new Section 4-6-2 (Amendments to the 2024 International Mechanical Code); and renumbering the Penalty Clause as Section 4-6-3. **(Citywide)** – Ordinance No. 5984
- *5-l. A resolution declaring as a public record that certain documents have been filed with the City Clerk known as the “2024 International Fuel Gas Code and its appendices A and B” and titled “Amendments to the 2024 International Fuel Gas Code.” **(Citywide)**

- *5-m. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 7 (Mesa Fuel Gas Code) pertaining to the adoption by reference of the 2024 International Fuel Gas Code and its appendices A and B and Amendments to the 2024 International Fuel Gas Code. The amendments include but are not limited to: repealing in its entirety Section 4-7-1 and replacing it with a new Section 4-7-1 (Adopted by Reference); replacing Section 4-7-2 with a new Section 4-7-2 (Amendments to the 2024 International Fuel Gas Code); and renumbering the Penalty Clause as Section 4-7-3. **(Citywide)** – Ordinance No. 5985
- *5-n. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Existing Building Code” and titled “Amendments to the 2024 International Existing Building Code.” **(Citywide)** – Resolution No. 12456
- *5-o. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 8 (Mesa Existing Building Code) pertaining to the adoption by reference of the 2024 International Existing Building Code and Amendments to the 2024 International Existing Building Code. The amendments include but are not limited to: Repealing in its entirety Section 4-8-1 and replacing it with a new Section 4-8-1 (Compliance Options); repealing in its entirety Section 4-8-3 and replacing it with a new Section 4-8-3 (Option B - International Existing Building Code, Adopted by Reference); replacing Section 4-8-4 with a new Section 4-8-4 (Option B – Amendments to the 2024 International Existing Building Code); and renumbering the Penalty Clause as Section 4-8-5. **(Citywide)** – Ordinance No. 5986
- *5-p. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Energy Conservation Code and its appendix RE” and titled “Amendments to the 2024 International Energy Conservation Code.” **(Citywide)** – Resolution No. 12457
- *5-q. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 9 (Mesa Energy Conservation Code) pertaining to the adoption by reference of the 2024 International Energy Conservation Code and its appendix RE and Amendments to the 2024 International Energy Conservation Code. The amendments include but are not limited to: Repealing in its entirety Section 4-9-1 and replacing it with a new Section 4-9-1 (Adopted by Reference); replacing Section 4-9-2 with a new Section 4-9-2 (Amendments to the 2024 International Energy Conservation Code); and renumbering the Penalty Clause as Section 4-9-3. **(Citywide)** – Ordinance No. 5987
- *5-r. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Swimming Pool and Spa Code” and titled “Amendments to the 2024 International Swimming Pool and Spa Code.” **(Citywide)** – Resolution No. 12458
- *5-s. An ordinance amending Mesa City Code Title 4 (Building Regulations), Chapter 10 (Mesa Swimming Pool and Spa Code) pertaining to the adoption by reference of the 2024 International Swimming Pool and Spa Code and Amendments to the 2024 International Swimming Pool and Spa Code. The amendments include but are not limited to: Repealing in its entirety Section 4-10-1 and replacing it with a new Section 4-10-1 (Adopted by Reference); replacing Section 4-10-2 with a new Section 4-10-2 (Amendments to the 2024 International Swimming Pool and Spa Code); and renumbering the Penalty Clause as Section 4-10-3. **(Citywide)** – Ordinance No. 5988

6. Take action on the following resolution declaring the 2024 edition of the International Fire Code and amendments to that code to be public records and available to the public, and introduction of the following ordinance pertaining to Mesa City Code Title 7 (Fire Regulations), and setting December 8, 2025 as the date of the public hearing on this ordinance:

- *6-a. A resolution declaring as a public record those certain documents filed with the City Clerk known as the “2024 International Fire Code and its Appendices B, C, E, F, I, L, N, and O” and titled “Amendments to the 2024 International Fire Code.” **(Citywide)** – Resolution No. 12444
- *6-b. An ordinance amending Mesa City Code Title 7 (Fire Regulations) pertaining to the adoption by reference of the 2024 International Fire Code and its appendices B, C, E, F, I, L, N, and O and Amendments to the 2024 International Fire Code. The amendments include but are not limited to: in Chapter 1 (Fire Prevention Standards), amending Section 7-1-1 (Assuming Jurisdiction of Fire Prevention Standards) to update a statutory citation; in Chapter 2 (Fire Code), repealing in its entirety Section 7-2-1 (Adopted by Reference) and replacing it with a new Section 7-2-1; in Chapter 2 (Fire Code), repealing in its entirety Section 7-2-2 (Amendments to the 2024 International Fire Code) and replacing it with a new Section 7-2-2; in Chapter 2 (Fire Code), repealing in its entirety Section 7-2-3 and replacing it with a new Section 7-2-3 (Penalty Clause); in Chapter 2 (Fire Code), adopting a new Section 7-2-4 (Digital/Electronic Drawing File Submissions); in Chapter 3 (Fire Calls Outside City Limits), amending Section 7-3-1 to include gender-neutral terms; repealing and deleting in its entirety Chapter 4 (Fire Investigators); and renumbering Chapter 5 (Cost Recovery) as Chapter 4. **(Citywide)** – Ordinance No. 5978

7. Take action on the following resolutions declaring certain documents to be public records available for public use and inspection, and introduction of the following ordinances and setting December 8, 2025 as the date of the public hearing on these ordinances, all pertaining to Zoning Ordinance amendments for battery energy storage systems.

- *7-a. See: **(Items not on the Consent Agenda)**
- *7-b. See: **(Items not on the Consent Agenda)**
- *7-c. See: **(Items not on the Consent Agenda)**
- *7-d. See: **(Items not on the Consent Agenda)**

8. Introduction of the following ordinance and setting December 8, 2025 as the date of the public hearing on this ordinance:

- *8-a. Proposed amendments to Chapters 5, 8, 31, 32, 86, and 87 of Title 11 of the Mesa City Code pertaining to Middle Housing. The amendments include, but are not limited to: Modifying land use tables and footnotes to permit Middle Housing in certain circumstances; adding eligibility requirements and development standards for Middle Housing; adding parking requirements for Middle Housing; modifying the definition of “Single Residence, Attached”; adding definitions for “Duplex”, “Fourplex”, “Middle Housing”, “Structure, Attached”, “Structure, Detached”, “Structure, Semi-Detached”, “Townhouse”, and “Triplex”. **(Citywide)** – Ordinance No. 5989

Staff Recommendation: Adoption

P&Z Board Recommendation: Adoption (Vote: 4-0)

Items not on the Consent Agenda

7. Take action on the following resolutions declaring certain documents to be public records available for public use and inspection, and introduction of the following ordinances and setting December 8, 2025 as the date of the public hearing on these ordinances, all pertaining to Zoning Ordinance amendments for battery energy storage systems.

- *7-a. A resolution declaring the document titled "Section 11-31-37: Battery Energy Storage System (BESS) and BESS Facilities, Option 1" to be a public record available for public use and inspection at the Office of the City Clerk. **(Citywide)** – Resolution No. 12441

The following resident submitted a comment card in support of Item 7.

- Nicholas Connell, unknown residence

The following resident submitted a comment card in opposition to Item 7-a, Resolution No. 12441.

- Lynda Parick-Hayes, a Mesa resident

Mary Maybeno, a Mesa resident, expressed her concern about Battery Energy Storage System (BESS) facilities near residential areas.

Jeff Crockett, a Mesa resident, emphasized the importance of renewable energy and BESS in supporting Arizona's utility systems to operate more efficiently. He urged the Council to set the related resolutions for discussion and a vote at the December 8 meeting, even though agreement has not been reached on separation requirements. He supports Items 7-c and 7-d.

Court Rich, Co-Founder of Rose Law Group, requested the Council move forward with approval. He highlighted that future projects will still require PAD approval and noted the Fire Department's strong involvement and up-to-date knowledge.

- *7-b. Proposed amendments to Chapters 4, 5, 6, 7, 8, 10, 31, 86, and 87 of Title 11 of the Mesa City Code pertaining to Battery Energy Storage Systems. The amendments include, but are not limited to: adding definitions for Battery Energy Storage System, Battery Energy Storage System Facility, Augmentation, and Nameplate Capacity; modifying land use tables to add Battery Energy Storage System and Battery Energy Storage System Facility; establishing development and other standards specific to Battery Energy Storage System Facilities. **(Citywide)** – Ordinance No. 5976

The following resident submitted a comment card in opposition to Item 7-b, Ordinance No. 5976.

- Lynda Parick-Hayes, a Mesa resident

Mary Maybeno, a Mesa resident, voiced her strong concern about the proposed BESS ordinance due to safety regarding unique fire hazards that are difficult to extinguish, hazards of battery disposals, and the constant humming noise.

Cepand Alizadeh, Government Relationships Specialist with Arizona Technology Council, thanked the City for its extensive work on the zoning updates and for adjusting the size threshold to 5 megawatts (MW). He suggested that the proposed separation requirement of

1,000 feet of BESS facilities from residences be re-examined and reduced; and recommended following the National Fire Protection Association (NFPA) 855 standards.

Autumn Johnson, Arizona Solar Energy Association representative, noted that the original draft ordinance proposed a 400-foot setback, and stated that most written comments at that time argued for smaller setbacks. She emphasized that at a Planning and Zoning (P&Z) meeting, the setback was increased to 1,000 feet, but the Commission ultimately recommended returning to 400 feet. She noted that even 400 feet would be the largest setback in Arizona and is far beyond national norms. She recommended following the NFPA standards of 100 feet. She expressed opposition to a 1,000-foot setback.

Matt Quinn, Fire and Risk Alliance representative, offered his expertise and agreed with the previous speakers. He stated there is no technical justification for a 1,000-foot separation and recommended using the NFPA 855 standard, noting that 100 feet is an appropriate and commonly taught standoff distance.

Planning Director Mary Kopaksie-Brown outlined the purpose of the proposed BESS ordinance options and explained how staff and the P&Z Board worked through key issues. She noted the distinction between principal and accessory uses and explained that the threshold for principal-use BESS was increased from 1 MW to 5 MW after research showed 1 MW was too low for typical non-utility projects, while accessory uses would remain fully regulated under the base zoning requirements. She reviewed how setback distances evolved, and staff's original proposed 400 feet from residential. She explained that other sensitive uses (schools, parks, churches) were increased to a 1,000-foot separation for residential only after stakeholder feedback and considerations. She stated that battery disposal will be addressed through a required decommissioning plan submitted to the fire marshal, and noise impacts must be mitigated so that ambient noise at residential property lines does not increase. She indicated the challenge is that no consistent national standard exists beyond NFPA guidance.

Battalion Chief Fire Marshal Shawn Alexander explained how the Fire Department manages battery-related incidents and appropriate disposal, including coordinating with hazardous-waste contractors. He commented that newer technologies reduce the likelihood of long-duration failures.

In response to a question from Mayor Freeman, Fire Marshal Alexander clarified that the City's updated fire and building code ordinances, recently introduced on the consent agenda, include adoption of the latest NFPA 855 standard of a 100-foot setback from the property line to the first battery to address hazards. He emphasized that this 100-foot requirement comes from the fire code and is separate from the 400-foot and 1,000-foot zoning setbacks being discussed for placement near residential areas.

Responding to multiple questions from Vice Mayor Somers, Fire Marshal Alexander commented that the Fire Department is fully prepared to address emergencies and this readiness is not dependent on a 400-foot or 1,000-foot setback. He confirmed that the NFPA standard is a minimum standard.

In response to a question from Councilmember Adams, Fire Marshal Alexander presented an image demonstrating the difference between a separation distance versus a setback distance. (See Page 8 of Attachment 1)

Discussion ensued regarding separation distances and setbacks for various property types, and the option to increase the setbacks for sensitive sites and safety issues for future sites.

Vice Mayor Somers stated he will not support a 400-foot separation from residential properties due to fire safety issues; however, he will support Items 7-a and 7-b since they are for a 1,000-foot separation.

- *7-c. A resolution declaring the document titled "Section 11-31-37: Battery Energy Storage System (BESS) and BESS Facilities, Option 2" to be a public record available for public use and inspection at the Office of the City Clerk. **(Citywide)** – Resolution No. 12442

This Resolution is a modified version of Resolution No. 12441, modifying the required separation of BESS Facilities from residential uses and zoning districts from 1,000 to 400 feet, as recommended by the Planning and Zoning Board.

- *7-d. Proposed amendments to Chapters 4, 5, 6, 7, 8, 10, 31, 86, and 87 of Title 11 of the Mesa City Code pertaining to Battery Energy Storage Systems. The amendments include, but are not limited to: Adding definitions for Battery Energy Storage System, Battery Energy Storage System Facility, Augmentation, and Nameplate Capacity; modifying land use tables to add Battery Energy Storage System and Battery Energy Storage System Facility; establishing development and other standards specific to Battery Energy Storage System Facilities. **(Citywide)** – Ordinance No. 5977

This Ordinance is a modified version of Ordinance No. 5976, modifying the required separation of BESS Facilities from residential uses and zoning districts from 1,000 to 400 feet, as recommended by the Planning and Zoning Board.

It was moved by Councilmember Goforth, seconded by Mayor Freeman, that Items 7-a through 7-d be approved.

Upon tabulation of votes, it showed:

AYES – Freeman–Goforth
NAYS – Somers–Adams–Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion failed by majority vote of those present.

It was moved by Vice Mayor Somers, seconded by Councilmember Taylor, that Items 7-a and 7-b be approved.

Upon tabulation of votes, it showed:

AYES – Somers–Adams–Goforth–Taylor
NAYS – Freeman
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

9. Discuss, receive public comment, and take action on the following ordinance:

- *9-a. An ordinance adopting Mesa City Code Section 8-10-13 titled "Capacity Fee" authorizing a water and wastewater capacity fee to fund City water and wastewater infrastructure projects. **(Citywide)** – Ordinance No. 5970

Mayor Freeman announced that this was the time and place for a public hearing for a Capacity Fee regarding Item No. 9-a, Ordinance No. 5970.

Noah James Markham, a Tempe resident, voiced his concern regarding a drought and its effects on Arizona.

There being no more citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

It was moved by Councilmember Goforth, and seconded by Vice Mayor Somers, that Ordinance No. 5970 be approved.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth–Taylor

NAYS – None

ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried unanimously by those present.

10. Discuss, receive public comment, and take action on the following ordinances adopting titles and schedules of terms/rates/fees/charges for City-owned utilities:

- *10-a. An ordinance adopting titles and schedules of terms/rates/fees/charges for electric utility services. **(Districts 1, 3 and 4)** – Ordinance No. 5971
- *10-b. An ordinance adopting titles and schedules of terms/rates/fees/charges for natural gas utility services. **(Citywide)** – Ordinance No. 5972
- *10-c. An ordinance adopting titles and schedules of terms/rates/fees/charges for water utility services. **(Citywide)** – Ordinance No. 5973
- *10-d. An ordinance adopting titles and schedules of terms/rates/fees/charges for wastewater utility services. **(Citywide)** – Ordinance No. 5974
- *10-e. An ordinance adopting titles and schedules of terms/rates/fees/charges for solid waste utility services. **(Citywide)** – Ordinance No. 5975

Office of Management and Budget Director Brian Ritchel displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Ritschel provided an overview of the four key factors considered throughout the rate setting process. He explained that, following Council discussion, the proposed residential rate adjustment was reduced from 5.5% to 2.5%. He noted that this shift places a greater share of the adjustment on commercial customers to achieve equity between residential and commercial customers. (See Pages 2 through 5 of Attachment 2)

Mr. Ritschel presented a chart illustrating that the 2.5% increase for residential and multi-unit customers is projected to have a negative \$29 million in net sources and uses in FY25/26. He noted that the annual revenue that the rates will bring in continues to be less than the utility fund expenses due to increased costs of chemicals, water, and operations and maintenance of the system. (See Page 6 of Attachment 2)

Mr. Ritschel discussed the principle of smooth rates utilizing yearly incremental increases for water and wastewater throughout the forecast to sustain maintenance on their systems while neighboring cities have significantly higher increases. He shared a similar forecast of yearly incremental increases for solid waste, natural gas and electric rate increases, while neighboring cities and private companies' rates are higher than Mesa. (See Pages 7 and 8 of Attachment 2)

Mr. Ritschel outlined the next steps should Council approve the rate adjustments, noting that Council action is scheduled for February 9, 2026, with non-residential water rates taking effect on April 1, 2026. He emphasized the non-residential rates have had an additional increase above the Notice of Intent that were adopted from 16% to 22%. (See Page 9 of Attachment 2)

Mayor Freeman thanked staff for the presentation.

Mayor Freeman announced that this was the time and place for a public hearing for ordinances adopting titles and schedules of terms/rates/fees/charges for City-owned utilities regarding Item Nos. 10-a through 10-e, Ordinance Nos. 5971 through 5975.

The following resident submitted a comment card in opposition to the ordinances adopting titles and schedules of terms/rates/fees/charges for City-owned utilities, Items 10-a through 10-e:

- Lynda Parick-Hayes, a Mesa resident

The following citizens submitted a comment card and spoke in opposition to the ordinances adopting titles and schedules of terms/rates/fees/charges for City-owned utilities, Items 10-a through 10-e:

- Carey Davis, a Mesa resident
- Mark Kimball, a Mesa resident
- Reid Gottschalk, a Mesa resident
- Mark Hunsaker, a Mesa resident
- Nathan Scott, a Mesa resident
- Nancy Thompson, a Mesa resident
- Leslee Wilson, a Mesa resident
- Bradley Bettencourt, a Mesa resident
- Mary Maybeno, a Mesa resident

The following citizen submitted a comment card and spoke in support of the ordinances adopting titles and schedules of terms/rates/fees/charges for City-owned utilities, Items 10-a through 10-e:

- Noah James Markham, a Tempe resident

Councilmember Adams noted that he previously proposed reducing the residential rate increase to 0%, which helped lead to a compromise of a 2.5% increase and he is in favor of the rate adjustment. He said the discussions stemming from that compromise have been productive, and that the City must make decisions in a reasonable, fact-based order. He clarified that the \$16 million Cubs payment was a contractual obligation from a prior Council, not irresponsible spending.

Councilmember Taylor expressed her opposition to the rate increases and will continue to seek solutions to identify options for reducing rate adjustments.

Councilmember Goforth explained that the City aims to minimize impacts on residents and does not want higher utility rates. She noted the original proposed increase of 6% was reduced to 2.5% for residential customers. She supports Mesa's philosophy of making small, gradual rate adjustments to avoid large spikes seen in other cities, while remaining mindful of financial pressures on households and small businesses. She discussed the increasing costs associated with operating costs and expressed her support for the water rate adjustments.

Vice Mayor Somers encouraged clearer communication with residents about funding and budgeting to help them see how spending affects the budget and where the money is directed. He explained the funding sources for the Chicago Cubs contract which was voter approved.

Mayor Freeman stated that the City provides every major utility and its rates are the third lowest city. He emphasized transparency, referencing a recent Council meeting discussing the Cubs agreement to clarify that the funding was contractually established more than a decade ago and continues to generate economic benefits for Mesa. He also addressed how rates, fees, and charges are managed across the City's four utilities, each with different structures, and stressed that the City is mindful of its decisions. He added that approximately \$28 million is being invested to offset the utility rate increase, underscoring the City's commitment to residents. He mentioned that significant due diligence has been done and highlighted the importance of moving forward with a smooth, responsible rate adjustment.

There being no more citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

It was moved by Vice Mayor Somers, seconded by Councilmember Adams, that Ordinance No. 5971 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth
NAYS – Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

It was moved by Councilmember Goforth, seconded by Vice Mayor Somers, that Ordinance No. 5972 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth
NAYS – Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

It was moved by Councilmember Adams, seconded by Vice Mayor Somers, that Ordinance No. 5973 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth
NAYS – Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

It was moved by Vice Mayor Somers, seconded by Councilmember Adams, that Ordinance No. 5974 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth
NAYS – Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

It was moved by Councilmember Adams, seconded by Vice Mayor Somers, that Ordinance No. 5975 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Goforth
NAYS – Taylor
ABSENT– Duff–Heredia

Mayor Freeman declared the motion carried by majority vote of those present.

11. Items from citizens present.

Reggie Bron, a Mesa resident, shared his opposition to the Immigration and Customs Enforcement (ICE) 287(g) agreement, stating that it occupies Mesa's police officers' time and leaves the community less safe and potentially liable to wrongful lawsuits.

Elizabeth Lee, a Gilbert resident, voiced her opposition to the ICE 287(g) agreement, noting that 73% of individuals detained by ICE have no criminal convictions and that only a small fraction of arrests fall under 287(g). She added that the program creates fear among families who may hesitate to call for help, and urged greater transparency by publishing stop data, ICE referrals, and detainer outcomes.

Noah James Markham, a Tempe resident, expressed concern about what he views as an excessive number of Mormon temples and Catholic churches. He urged the City to cancel the ICE 287(g) agreement and stated his support for the Fiesta Mall project, noting that Mesa needs more entertainment options.

12. Adjournment.

Without objection, the Regular Council Meeting adjourned at 8:02 p.m.

ATTEST:



Mark Freeman
MARK FREEMAN, MAYOR

Holly Moseley
HOLLY MOSELEY, ~~DEPUTY CITY~~ CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 1st day of December 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Holly Moseley
HOLLY MOSELEY, ~~DEPUTY CITY~~ CLERK

Ir
(Attachments – 2)

Battery Energy Storage Systems (BESS) Public Meeting

Mary Kopaskie-Brown, Planning Director

Rachel Phillips, Assistant Planning Director



Background

- Battery Energy Storage System (BESS) and BESS Facilities are not defined uses within the Mesa Zoning Ordinance (MZO)
- BESS are electrochemical devices that:
 - Charge or collect energy from the grid or generation facility
 - Store that energy so that it can be discharged later
 - Provide electricity or other grid services
- BESS includes battery cells; thermal, battery, and energy management systems; inverters; and related control and safety components
- BESS Facilities are the physical sites that store BESS and all associated equipment and infrastructure

Background

BESS and BESS Facilities are an emerging and increasingly prominent land use

- Provide grid stability by storing excess power for use during peak demand periods, outages, or emergencies
- They have unique public health and safety considerations, including but not limited to:
 - Fire and explosion risk
 - Electric shock hazard
 - Environmental impacts if improperly managed or disposed of
 - Emergency response challenges



Purpose

- City of Mesa's Planning Division, Building Division, Fire & Medical, and Energy Resources Department are proposing Zoning and Fire Code amendments to:
 - Mitigate potential health, safety, and environmental impacts
 - Ensure land use compatibility and appropriate siting of BESS and BESS Facilities
 - Ensure high-quality design and address visual impacts
 - Support electric capacity and economic development in the city

Proposed MZO Amendments

- Create land use definitions for BESS and BESS Facility
- Establish criteria for BESS and BESS Facility as either a principal or accessory use:
 - Principal Use - Nameplate capacity $\geq 5,000$ kilowatts
 - Accessory Use - Nameplate capacity $\leq 5,000$ kilowatts and exclusively serves the subject property
- Principal use permitted in the GI and HI Districts with approval of a Planned Area Development (PAD) Overlay District
 - Must comply with all BESS and BESS Facility standards
- Accessory use permitted in Agricultural, Residential, Commercial, Employment, and Downtown Districts
 - Doesn't have to comply with BESS and BESS Facilities standards

Proposed MZO Amendments

Additional Application Requirements

- Operational Plan which includes:
 - Compliance Statement - evidence of compliance with all applicable zoning, building, fire, and federal, state and local environmental laws
 - Preliminary Emergency Response Plan - procedures for safe shutdown, de-energizing, or isolation of equipment and systems under emergency conditions
 - Preliminary Decommissioning Plan - steps required for the complete physical removal of all BESS components
- Good Neighbor Policy - compliant response procedures
- Initial Sound Study - establish baseline levels at nearest residential zoning district, residential use, church, park, school, or other sensitive use

Proposed MZO Amendments

Development Standards

Underground Utilities – if deemed necessary by the Development Services Department or the utility provider

- Site Screening
 - 1-ft above tallest piece of equipment
 - Opaque wall or fence with high quality materials
 - Articulated every 40 ft. with an offset or landscape pocket
- Separation Requirements
 - 1,000 ft. from residential zoning district and uses
 - Planning & Zoning Board recommended 400 ft. from residential zoning district and uses
 - 400 ft. from churches, parks, school, and other sensitive uses
 - 150 ft. from commercial or industrial buildings



Separation vs Setback



Setback -

- Fire Code
- Property line to BESS Equipment

Separation -

- Zoning Code
- Site screen wall to either:
 - Property line of zoning district or use
 - Building

Proposed MZO Amendments

- Substation Screening
 - 1-ft above the tallest piece of ground-mounted equipment
 - Opaque wall that matches the site wall
 - When 10-ft. tall or less - articulated every 40 ft. with an offset or landscape pocket
 - When greater than 10-ft. tall, consist of:
 - A 10-ft. masonry wall that matches the site wall; and
 - A decorate louvre, slated, or perforated upper screen, no more than 75% opaque, mounted on the masonry wall
 - When located internal to the site
 - Combination of 10-ft. masonry wall and louvres, slats, etc.; or
 - Fully decorate louvre, slated, or perforated screen

Proposed MZO Amendments

Operational Requirements

- On-Going Sound Studies
 - Within 30-days of receiving a Certificate of Occupancy
 - Annual Sound Study for 5 years thereafter
- Ownership or Operator Changes
 - Must notify the Development Services Department within 30 days
 - Approval remains in effect – new owner/operator assume all obligations
- Augmentation permitted if it complies with the approved Site Plan and Phasing Plan
 - Site Plan Modification or modification to phasing plan follows procedures in Ch. 69: Site Plan Review
 - Increase in Nameplate Capacity requires City Council approval

Public Participation

• Open Houses

- In-person at the Mark @Eastmark on October 1st
 - 17 attendees
- Zoom on October 13th
 - 24 attendees
- Comments & Questions
 - Environmental impacts - setbacks from waterway & detention of water
 - Sound study levels
 - Zoning separation and Fire Code setbacks
 - Applicability to Eastmark



Public Comment

11 people spoke at the Planning & Zoning Board hearing - Oct 22nd

- Comments & Questions
 - The 1-megawatt threshold is too low; the nameplate capacity should be higher for accessory use
 - A 1,000-foot separation is too high; doesn't align with National Fire Protection Association (NFPA) standards
 - The ordinance is in conflict with Mesa's Energy and Climate goals which site the use of battery storage
 - How do we address projects already in development?
- Question & Answer Summary and public comments are included in the packet



Questions?

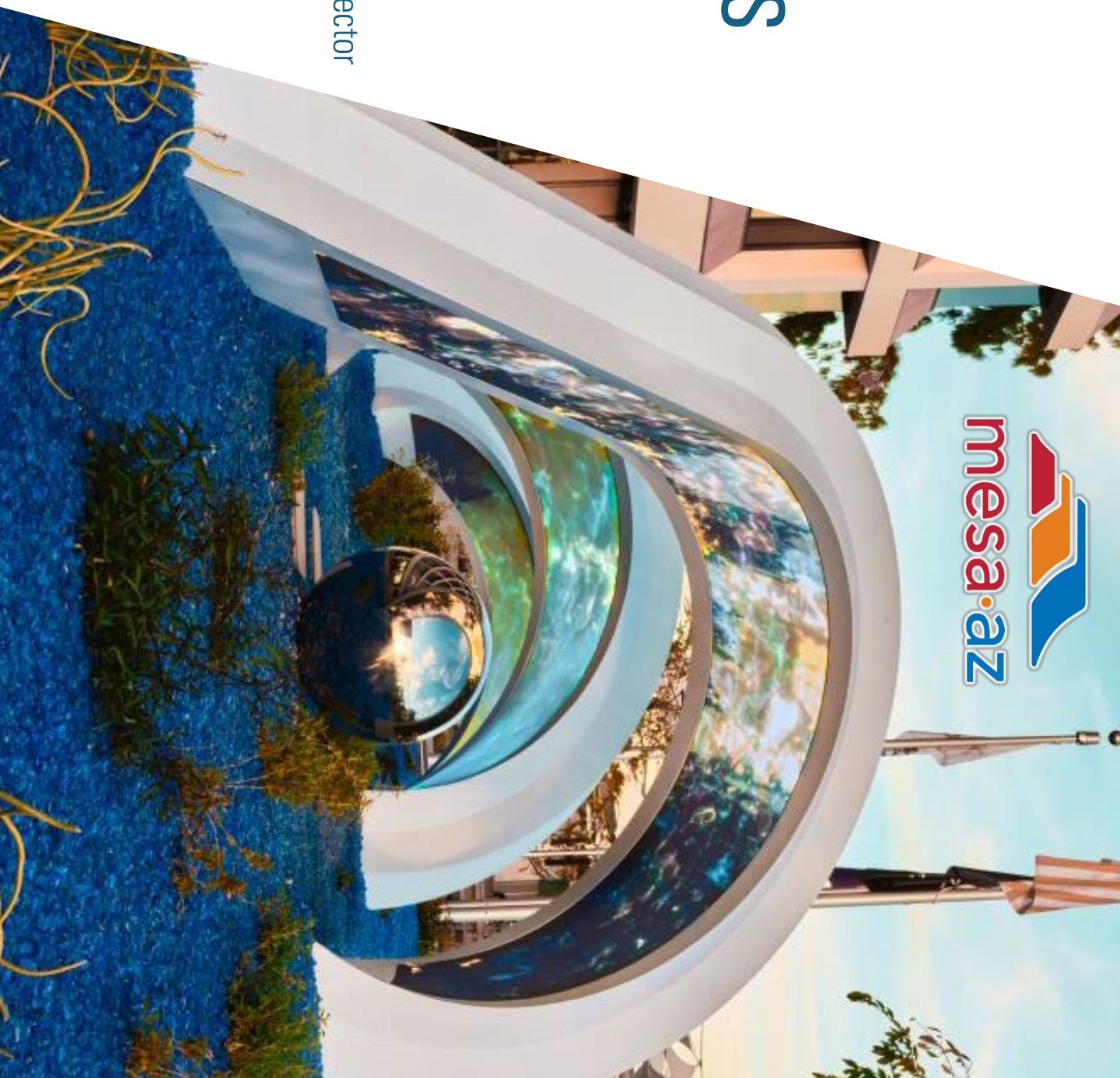


FY 2025/26 UTILITY RATES PUBLIC HEARING

City Council

Presented by: Brian A. Ritschel – Management & Budget Director

December 1, 2025



Utility Rates Adjustments Main Focuses

- Equity between residential and non-residential rates
- Growth pays for growth
- Conservation of discretionary water use
- Smooth rate adjustments throughout the forecast

Customer Impact - Water

Typical Customer		Current Monthly Bill	Impact to Current Bill – AF&E Committee	Recommended Rate Adj. with Capacity Fee	2.5% Res. & Multi-Unit Rate Adjustment
Residential (6 kgals/month)		\$43.57/mo	+5.5% \$45.95/mo (+\$2.38/mo)	+4.2% \$45.41/mo (+\$1.84/mo)	+2.5% \$44.64/mo (+\$1.07/mo)
	Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.6% \$43.93/mo (+\$3.47/mo)	+8.7% \$43.98/mo (+\$3.52/mo)	+2.5% \$41.49/mo (+\$1.03/mo)
Commercial – General (9 kgals/month)		\$78.59/mo	+7.7% \$84.64/mo (+\$6.05/mo)	+7.4% \$84.39/mo (+\$5.80/mo)	+11.8% \$87.83/mo (+\$9.24/mo)
Commercial – Landscape (29 kgals/month)		\$177.01/mo	+12.1% \$198.39/mo (+\$21.38/mo)	+15.3% \$204.06/mo (+\$27.05/mo)	+19.6% \$211.79/mo (+\$34.78/mo)

Customer Impact - Water

Typical Customer		Current Monthly Bill	Impact to Current Bill – AF&E Committee	Recommended Rate Adj. with Capacity Fee	2.5% Res. & Multi-Unit Rate Adjustment
Residential (6 kgals/month)		\$43.57/mo	+5.5% \$45.95/mo (+\$2.38/mo)	+4.2% \$45.41/mo (+\$1.84/mo)	+2.5% \$44.64/mo (+\$1.07/mo)
	Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.6% \$43.93/mo (+\$3.47/mo)	+8.7% \$43.98/mo (+\$3.52/mo)	+2.5% \$41.49/mo (+\$1.03/mo)
Commercial – General (9 kgals/month)		\$78.59/mo	+7.7% \$84.64/mo (+\$6.05/mo)	+7.4% \$84.39/mo (+\$5.80/mo)	+11.8% \$87.83/mo (+\$9.24/mo)
	Commercial – Landscape (29 kgals/month)	\$177.01/mo	+12.1% \$198.39/mo (+\$21.38/mo)	+15.3% \$204.06/mo (+\$27.05/mo)	+19.6% \$211.79/mo (+\$34.78/mo)

Customer Impact - Water

Typical Customer				2.5% Res. & Multi-Unit Rate Adjustment	
Current Monthly Bill		Impact to Current Bill – AF&E Committee		Recommended Rate Adj. with Capacity Fee	
Residential (6 kgals/month)	\$43.57/mo	+5.5%	\$45.95/mo (+\$2.38/mo)	+4.2%	\$45.41/mo (+\$1.84/mo)
				+2.5%	\$44.64/mo (+\$1.07/mo)
Multi-unit Development (6 kgals/month)	\$40.46/mo	+8.6%	\$43.93/mo (+\$3.47/mo)	+8.7%	\$43.98/mo (+\$3.52/mo)
				+2.5%	\$41.49/mo (+\$1.03/mo)
Commercial – General (9 kgals/month)	\$78.59/mo	+7.7%	\$84.64/mo (+\$6.05/mo)	+7.4%	\$84.39/mo (+\$5.80/mo)
				+11.8%	\$87.83/mo (+\$9.24/mo)
Commercial – Landscape (29 kgals/month)	\$177.01/mo	+12.1%	\$198.39/mo (+\$21.38/mo)	+15.3%	\$204.06/mo (+\$27.05/mo)
				+19.6%	\$211.79/mo (+\$34.78/mo)

UTILITY FUND FORECAST
2.5% INCREASE FOR RESIDENTIAL AND MULTI-UNIT

As of 11/10/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,905,668)	(\$13,676,348)	(\$905,855)	\$20,246,283	\$44,708,974	\$63,678,240
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290
Ending Reserve Balance	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290	\$198,620,530
Ending Reserve Balance Percent*	20.1%	13.6%	11.4%	10.8%	13.4%	19.0%	26.6%

*As a % of Next Fiscal Year's Expenditures

Water & Wastewater Rate Increases

	Water			Wastewater		
	FY 23/24	FY 24/25	FY 25/26	FY 23/24	FY 24/25	FY 25/26
Mesa	3.0%	4.5%	2.5%	4.75%	7.5%	7.5%
Chandler	7.0%	0.0%	15.0%	8.0%	0.0%	15.0%
Gilbert	48.0%	25.0%	25.0%	0.0%	55.0%	0.0%
Tempe	14.7%	6.4%	11.0%	6.3%	9.9%	9.5%
Scottsdale	4.2%	6.3%	4.5%	5.8%	8.0%	6.0%
Phoenix	13.4%	13.0%	0.0%	13.4%	7.0%	0.0%
Glendale	5.4%	4.3%	10.4%	3.0%	2.7%	4.2%
Tucson	12.8%	6.8%	3.5%	0.0%	0.0%	3.0%

Solid Waste, Natural Gas & Electric Rate Increases

	Solid Waste			Natural Gas			
	FY 23/24	FY 24/25	FY 25/26	FY 23/24	FY 24/25	FY 25/26	
Mesa	3.0%	5.5%	5.5%	Mesa	3.6%	2.7%	3.5%
Chandler	7.0%	0.0%	6.0%	Southwest Gas	0.0%	8.9%	0.0%
Gilbert	44.0%	0.0%	2.0%				
Tempe	5.0%	3.7%	4.5%				
Scottsdale	0.0%	8.0%	5.0%				
Phoenix	4.0%	2.0%	2.0%				
Glendale	3.9%	3.0%	4.2%				
Tucson	19.4%	15.0%	0.0%				

* Proposed effective date July 8, 2026

NEXT STEPS

REMAINING NON-RESIDENTIAL WATER RATES

December 8, 2025 - Council Action on Notice of Intention

January 26, 2026 - Introduction of Non-Residential Water Utility Ordinances

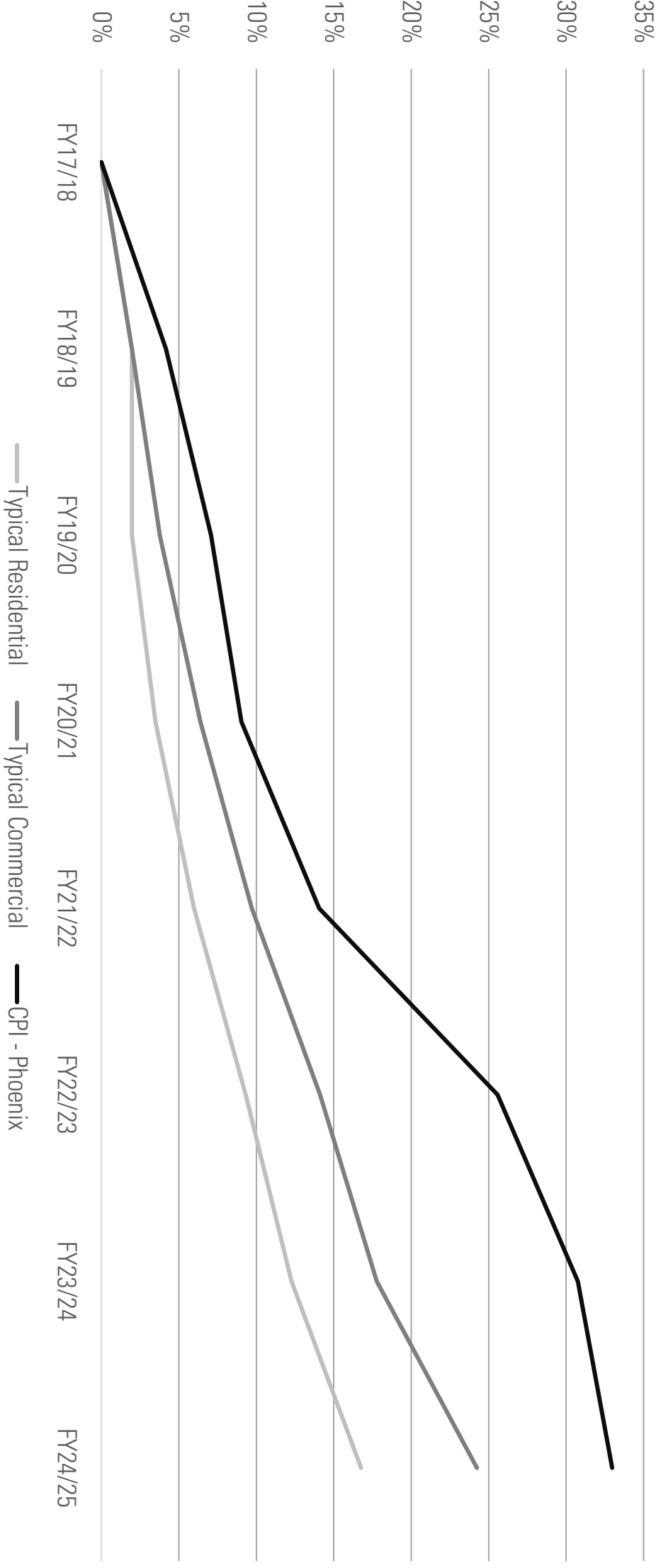
February 9, 2026 - City Council Action on Non-Residential Water Rates

April 1, 2026 - Effective Date for Non-Residential Water Rates

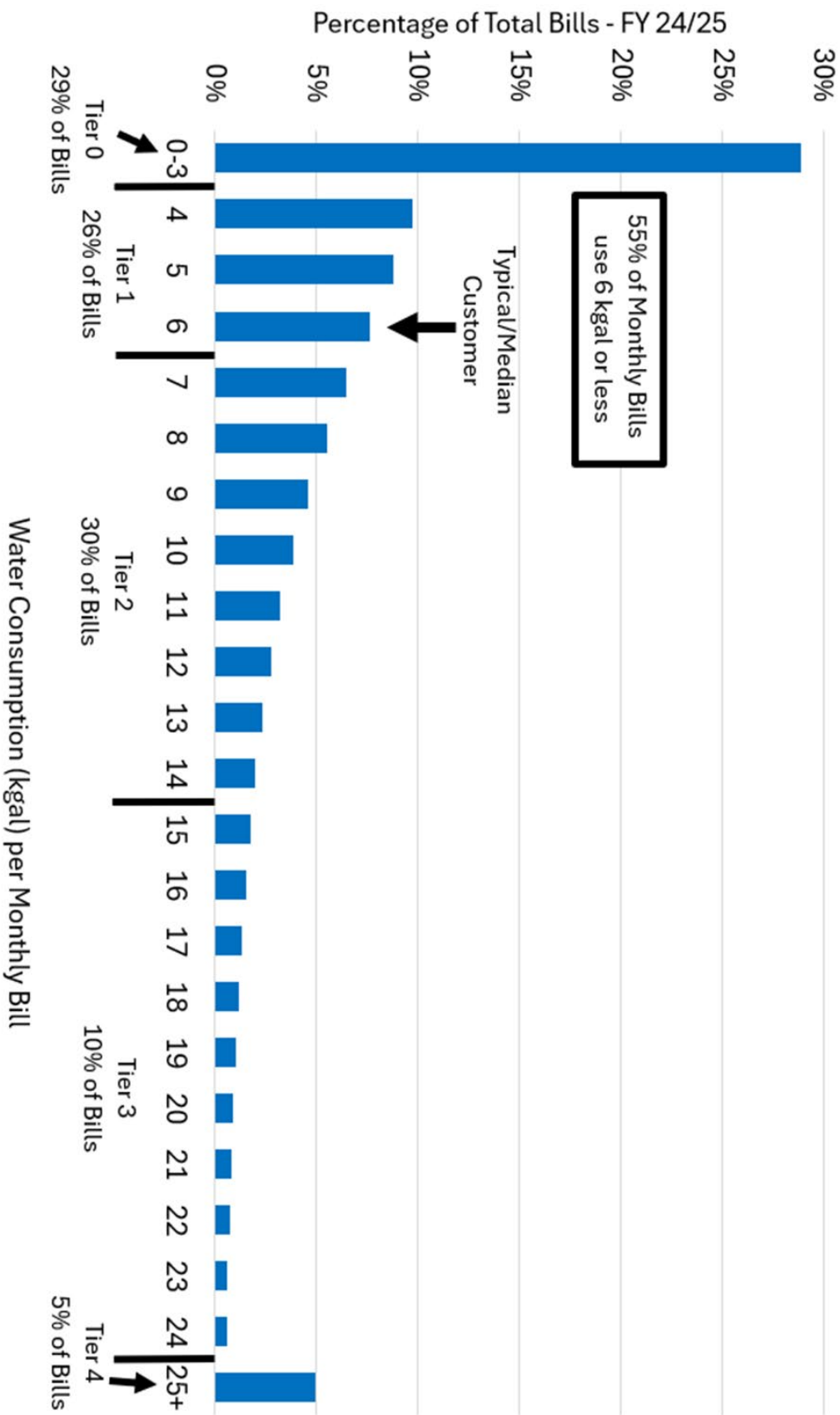
m.e.s.a.n



CPI Growth and Effective Water Rate Adjustment - Typical Customer (Cumulative)



RESIDENTIAL MONTHLY WATER CONSUMPTION



UTILITY FUND FORECAST

2.5% INCREASE FOR RESIDENTIAL AND MULTI-UNIT

As of 11/7/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER	\$3,472,435	(\$5,924,190)	(\$4,455,891)	\$5,365,716	\$15,238,263	\$26,199,075	\$43,591,415
WASTEWATER	(\$7,285,154)	(\$12,080,760)	(\$7,048,336)	(\$3,014,649)	\$1,702,838	\$10,205,256	\$10,129,209
SOLID WASTE	\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC	\$1,435,561	(\$1,066,822)	(\$706,935)	(\$871,150)	(\$1,117,234)	(\$1,646,811)	(\$1,171,368)
NATURAL GAS	(\$817,183)	(\$3,793,486)	(\$1,982,515)	(\$1,440,090)	\$2,018,693	\$1,626,125	\$2,301,975
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$28,905,668)	(\$13,676,348)	(\$905,855)	\$20,246,283	\$44,708,974	\$63,678,240
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290
Ending Reserve Balance	\$113,474,904	\$84,569,236	\$70,892,888	\$69,987,033	\$90,233,316	\$134,942,290	\$198,620,530
Ending Reserve Balance Percent*	20.1%	13.6%	11.4%	10.8%	13.4%	19.0%	26.6%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	2.50%	3.50%	3.50%	3.50%	3.50%	3.50%
WATER Commercial (usage)	8.50%	20.00%	13.00%	13.00%	13.00%	13.00%	13.00%
WASTEWATER Residential	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
WASTEWATER Non-Residential	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

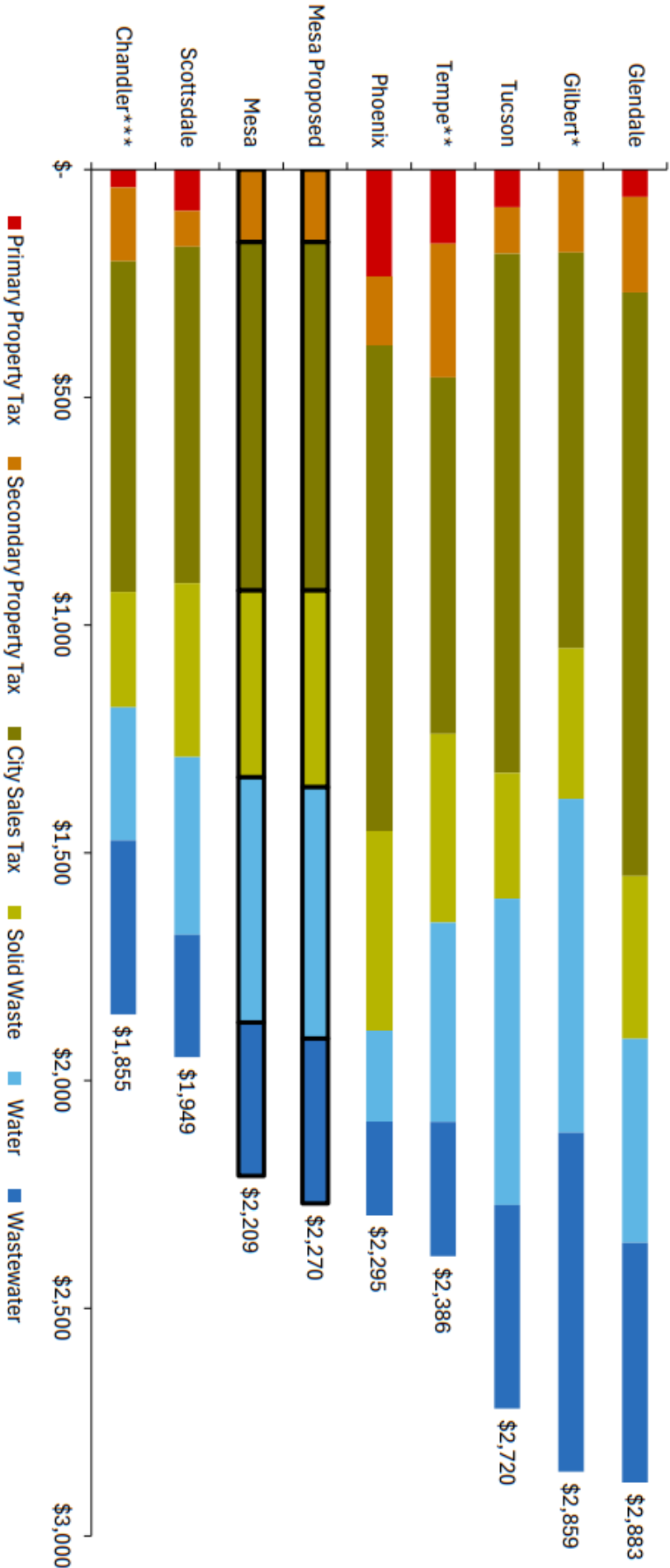
UTILITY FUND FORECAST

NO ADDITIONAL NON-RESIDENTIAL RATE ADJUSTMENTS IN FY 25/26

As of 11/25/2025	FY 24/25 Estimate	FY 25/26 Projected	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast	FY 30/31 Forecast
WATER	\$3,472,435	(\$6,488,553)	(\$6,944,186)	\$2,471,791	\$11,871,281	\$22,276,431	\$39,015,819
WASTEWATER	(\$7,285,154)	(\$12,080,760)	(\$7,048,336)	(\$3,014,649)	\$1,702,838	\$10,205,256	\$10,129,209
SOLID WASTE	\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC	\$1,435,561	(\$1,066,822)	(\$706,935)	(\$871,150)	(\$1,117,234)	(\$1,646,811)	(\$1,171,368)
NATURAL GAS	(\$817,183)	(\$3,793,486)	(\$1,982,515)	(\$1,440,090)	\$2,018,693	\$1,626,125	\$2,301,975
DISTRICT COOLING	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)
TOTAL NET SOURCES AND USES	(\$3,544,639)	(\$29,470,031)	(\$16,164,642)	(\$3,799,780)	\$16,879,302	\$40,786,329	\$59,102,644
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,004,873	\$67,840,231	\$64,040,451	\$80,919,752	\$121,706,082
Ending Reserve Balance	\$113,474,904	\$84,004,873	\$67,840,231	\$64,040,451	\$80,919,752	\$121,706,082	\$180,808,726
Ending Reserve Balance Percent*	20.2%	13.6%	11.0%	9.9%	12.1%	17.2%	24.4%
*As a % of Next Fiscal Year's Expenditures							
WATER Residential (Tier 1 usage)	6.00%	2.50%	3.50%	3.50%	3.50%	3.50%	3.50%
WATER Commercial (usage)	8.50%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
WASTEWATER Residential	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
WASTEWATER Non-Residential	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
SOLID WASTE Residential	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Commercial	10.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
SOLID WASTE Rolloff	6.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ELECTRIC Residential - svc charge	\$2.75	\$1.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
ELECTRIC Non-Residential - svc charge	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
GAS Residential - svc charge	\$0.00	\$0.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
GAS Non-Residential - svc charge	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00

Homeowner's Comparison

estimated as of April 2026



*includes proposed 25% Water increase
**includes proposed 11% Water, 9.5% Wastewater, 4.5% Solid Waste increases
***includes proposed 15% Water, 15% Wastewater, and 6% Solid Waste increases