



City Council Report

Date: January 26, 2026
To: City Council
Through: Marc Heirshberg, Assistant City Manager
Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Brian A. Ritschel, Management and Budget Director
Christopher Hassert, Water Resources Director
Subject: Fiscal Year 2025/2026 Non-Residential Water Utility Rate Recommendations

This report and attached information describe recommended non-residential water utility rates, components, fees and/or charges. The associated Notice of Intention was adopted at the December 8, 2025 City Council meeting, with ordinance introduction on January 26, 2026, and the public hearing on February 9, 2026 as stated in the Notice of Intention.

City Council discussed and provided direction at the November 13, 2025 study session to reduce residential and multi-unit water rate adjustments from the original staff recommendation. To offset the revenue loss in the residential and multi-unit categories, non-residential rates adjustments were set above the amounts included in the September 22, 2025 Notice of Intention. Because A.R.S. § 9-511.01 governing water and wastewater rates requires the City Council to adopt a Notice of Intention to list the maximum increase before adopting that maximum or lesser amount, a new Notice of Intention is necessary to begin the process for the incremental non-residential water rates increase from the rates adopted on December 8, 2025 to the rates Council has requested. The non-residential water rate adjustments for consideration at the February 9, 2026 City Council meeting and public hearing will be for the additional increases needed to offset the decrease in residential and multi-unit rates that was approved on December 1, 2025. These discussions are available online at the City of Mesa website, Mesaaz.gov, under City Council Meetings, agendas and minutes.

PURPOSE AND RECOMMENDATION

The purpose of this report is to provide staff recommendations for non-residential water utility rate adjustments. The rate adjustments are recommended to be effective April 1, 2026.

For each utility, the forecasted expenses (uses) are compared to the forecasted revenues (sources). The table below shows the projected net sources and uses for FY 2025/26 and FY 2026/27 if the recommended non-residential water utility rate adjustments are adopted. The FY 2025/26 and FY 2026/27 net sources and uses are projected to be negative, however the net sources and uses for the Utility Fund does improve throughout the forecast period (see Attachment 2 for more detail).

<u>Utility</u>	<u>FY 25/26</u>	<u>FY 26/27</u>
Water	(\$5,924,000)	(\$4,456,000)

The method of implementation of rate adjustments can vary from year to year based on the needs and goals of the individual utilities. The impact on individual customers can vary based on the method of implementation and customer consumption.

Non-residential water rates were increased at the December 1, 2025 City Council meeting and public hearing with a January 1, 2026 effective date. Council direction at the November 13, 2025 study session necessitated further increases above what was noticed for the December 1, 2025 meeting. At the February 9, 2026 meeting, Council will consider rate increases that represent the remaining rate difference between the November 13, 2025 Council rate direction (Column A) and the December 1, 2025 approved increases (Column B) in the table below. The percentage increases for both columns are based off of the base rates effective February 1, 2025.

Non-Residential Rates	Column A Non-Residential Increases related to 2.5% Residential Increase Scenario	Column B Non-Residential increases approved at December 1, 2025 public hearing
Service Charge	+7.5%	+4.5%
General Usage	+20.0%	+13.0%
Landscape Usage	+25.0%	+20.0%
General Excess Surcharge	+25.0%	+13.0%
Landscape Excess Surcharge	+25.0%	+15.0%
Large Comm./Industrial	+25.0%	+19.0%

The following table below shows the typical/median monthly bill for commercial general and commercial landscape customers:

Customer	Effective 2/1/25	Effective 1/1/26	Effective 4/1/26
Commercial General (9 kgal)	\$78.59	\$84.39	\$87.83
Commercial Landscape (29 kgal)	\$177.01	\$204.06	\$211.79

BACKGROUND AND DISCUSSION

Each utility is operated as a separate business center. As such, rate schedules are adjusted annually in a manner consistent with costs of capital, as well as the fixed and variable costs of operation and maintenance. In addition, rates are reviewed and updated with the requirements of Title 3, Chapter 3 of the Mesa City Code. To develop rate recommendations, staff consider the following five (5) Financial Principles to ensure the reliability, sustainability, and affordability of the utilities:

- Balance net sources and uses
- 20% or higher reserve fund balance
- Rate adjustments that are predictable and smoothed throughout the forecast
- Equity between residential and non-residential rates
- Affordable utility services

In alignment with the City Code and the Financial Principles, the reserve balances are combined in the Utility Fund and are managed to maintain a targeted ending reserve balance of 20% or higher of the following year's estimated expenditures. The reserve balance allows for the smoothing of rate adjustments. This smoothing avoids large rate increases and minimizes the impact to customers in any single year.

The Utility Fund Cash Flow Projections (Attachment 1) includes projections of growth. The Water, Wastewater, and Solid Waste utilities have a citywide service area and are expected to grow by an average of about 0.9% per year during the forecast.

The Utility Fund Cash Flow Projections also include expenditures that are increased by inflationary factors in future years. Some inflationary factors are unique to the individual utilities, such as those used for chemicals or purchased water. Other citywide expenditure pressures that are included in the forecast are listed below.

Capital Investment

The City continues to place a high priority on infrastructure investment to attract and service future development. The FY 2025/26 capital improvement program (CIP) includes the planning for increased customer demand, maintaining system reliability, and satisfying contractual commitments. The debt service on utility systems revenue bonds and obligations is funded through the utility rates paid by customers. The City issues obligations on an as-needed basis in order to minimize the interest cost. Anticipated future debt service has been included in the forecast and rate recommendations.

Review of the General Fund Contribution

The Utility Fund contribution to the General Fund is calculated based off 30% of each utility's gross operating revenues. The amount of the transfer throughout the forecast period is adjusted based on the gross operating revenue forecast. The adjustment for FY 2025/26 is projected to be an increase of \$9.2 million, increasing from \$137.8 million to \$147.0 million.

WATER UTILITY

Rates for water service are comprised of two components: Service Charge, with a flat monthly rate based on the water meter size and Usage Charge, based on units of water consumption.

The water utility forecast includes increased costs for debt service, joint venture costs for the operation of the Val Vista Water Treatment Facility, and power, commodity, and chemicals at the City's water treatment plants. Staff reviews and forecasts all costs each year to ensure rates are sufficient to keep up with expenses. This includes significant cost increases for operational (\$4.1M) and debt service (\$12.7M) costs from FY 2024/25 to FY 2025/26.

Over the last few years, the City has concentrated on aligning its fixed revenues with fixed costs. The goal is to achieve revenues from the Service (fixed) Charge at 35% to 40% of overall rate revenues. FY 2024/25 fell slightly below this goal at 33.3% of total rate revenues. The variable rate component (Usage Charge) is based on water consumption rounded to 1,000-gallon increments.

Non-Residential Water

Consistent with the direction promoting equity with residential rates and furthering conservation efforts, the City is focused on identifying necessary and discretionary water use. Additionally, FY 2024/25 continued the recent trend of higher usage for non-residential customers compared to residential customers. The impact of increased non-residential water usage impacts the amount of water and infrastructure needed to serve these customers.

Staff recommends the following non-residential usage rate adjustments compared to the rate effective February 1, 2025, consistent with the rate option selected by Council at the November 13, 2025 study session. A portion of these increases were approved at the December 1, 2025 public hearing (effective January 1, 2026):

Non-residential service charge: 7.5% increase
General Commercial usage charge: 20.0% increase
General excess surcharge usage: 25.0% increase
Landscape usage: 25.0% increase
Landscape excess surcharge usage: 25.0% increase
Large Commercial and Industrial: 25.0% increase

Prior to FY 2020/21, the general commercial usage rate was aligned with the necessary usage tier (Residential Tier 1). The proposed rate increases continue to move the non-residential usage rates closer to the usage tiers representing discretionary usage (Residential Tiers 2, 3, and 4). As the recommended increase is higher for the Usage Charge, the monthly bill increase will be smaller for customers that consume less water.

Typical Non-residential Water Consumer Impact:

Customer	Effective 2/1/25	Effective 1/1/26	Effective 4/1/26
Commercial General (9 kgal)	\$78.59	\$84.39	\$87.83
Commercial Landscape (29 kgal)	\$177.01	\$204.06	\$211.79

The projected annualized increase in revenue for all Water utility recommendations is approximately \$3,774,000.

ALTERNATIVES

Modify the FY 2025/26 utility rate adjustment proposal. Examples include but are not limited to: increase, reduce or eliminate a recommended percentage.

The budgetary impact would need to be calculated by staff based on the modification requested.

FISCAL IMPACT

The projected annualized increase in revenues in the Utility Fund from the recommended rate adjustments is as follows:

Utility	Annualized Increase
Water	\$3,774,000

The projected ending reserve balance for the Utility Fund with similar adjustment to rates each year is:

Fiscal Year	Ending Reserve Balance
24/25	20.1%
25/26	13.6%
26/27	11.4%
27/28	10.8%
28/29	13.4%
29/30	19.0%
30/31	26.6%

Attachments:

1. FY 2025/26 Utility Rate Adjustments Recommendations Summary
2. City of Mesa Utility Fund Cash Flow Projections

***City of Mesa, Arizona Utility Rate Adjustments Recommendations for FY 25/26**

as of 12/08/2025

<p>Electric</p> <p>Residential: \$1 service charge increase, 2% Summer Tier 1 usage increase, 4% Summer Tier 2 usage increase, 5% Winter Tier 1 usage increase, and 36.1% Winter Tier 2 usage increase</p> <table> <thead> <tr> <th>examples:</th><th>Current</th><th>Recommended</th><th>change</th><th>pct change</th></tr> </thead> <tbody> <tr> <td>low</td><td>\$ 62.88</td><td>\$ 64.34</td><td>\$ 1.46</td><td>2.3%</td></tr> <tr> <td>average</td><td>\$ 135.71</td><td>\$ 137.98</td><td>\$ 2.27</td><td>1.7%</td></tr> <tr> <td>high</td><td>\$ 223.76</td><td>\$ 228.67</td><td>\$ 4.91</td><td>2.2%</td></tr> </tbody> </table> <p>(Including pass through of electric energy supply costs)</p> <p>Commercial: \$5 service charge increase, 5% Summer Tier 2 usage increase, and 3% Winter Tier 2 usage increase</p> <table> <thead> <tr> <th>examples:</th><th>Current</th><th>Recommended</th><th>change</th><th>pct change</th></tr> </thead> <tbody> <tr> <td>average</td><td>\$529.60</td><td>\$534.60</td><td>\$ 5.00</td><td>0.9%</td></tr> </tbody> </table>	examples:	Current	Recommended	change	pct change	low	\$ 62.88	\$ 64.34	\$ 1.46	2.3%	average	\$ 135.71	\$ 137.98	\$ 2.27	1.7%	high	\$ 223.76	\$ 228.67	\$ 4.91	2.2%	examples:	Current	Recommended	change	pct change	average	\$529.60	\$534.60	\$ 5.00	0.9%	<p>Gas Residential connections</p> <p>7% Tier 1 usage increase, 15% Summer Tier 2 usage increase, 24% Winter Tier 2 usage increase</p> <table> <thead> <tr> <th>examples:</th><th>Current</th><th>Recommended</th><th>change</th><th>pct change</th></tr> </thead> <tbody> <tr> <td>low</td><td>\$ 24.43</td><td>\$ 24.70</td><td>\$ 0.27</td><td>1.1%</td></tr> <tr> <td>average</td><td>\$ 41.06</td><td>\$ 42.49</td><td>\$ 1.43</td><td>3.5%</td></tr> <tr> <td>high</td><td>\$ 67.88</td><td>\$ 72.80</td><td>\$ 4.92</td><td>7.2%</td></tr> </tbody> </table> <p>(including pass through of natural gas energy supply costs)</p> <p>Commercial: \$3.00 increase on service charge; 3% Tier 1 usage increase, and 5% Tier 2 usage increase</p> <table> <thead> <tr> <th>examples:</th><th>Current</th><th>Recommended</th><th>change</th><th>pct change</th></tr> </thead> <tbody> <tr> <td>average</td><td>\$510.19</td><td>\$521.91</td><td>\$ 11.72</td><td>2.3%</td></tr> </tbody> </table>	examples:	Current	Recommended	change	pct change	low	\$ 24.43	\$ 24.70	\$ 0.27	1.1%	average	\$ 41.06	\$ 42.49	\$ 1.43	3.5%	high	\$ 67.88	\$ 72.80	\$ 4.92	7.2%	examples:	Current	Recommended	change	pct change	average	\$510.19	\$521.91	\$ 11.72	2.3%																																																						
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*Includes rate increases effective January 1, 2026 and the proposed non-residential water increases effective April 1, 2026.

Attachment 2 - City of Mesa Utility Fund Cash Flow Projections

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
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

**Per Council direction provided at the November 13, 2025 Study Session, rate increases for non-residential Water customers above the amounts considered at the December 1, 2025 public hearing will be considered at the public hearing scheduled on February 9, 2026. The Water Commercial (usage) line forecast include the combined the December 1, 2025 and February 9, 2026 increases.

City of Mesa Utility Fund Cash Flow Projections

TOTAL	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
Sources of Funding							
Revenues	\$463,446,299	\$491,897,193	\$530,060,239	\$573,691,976	\$620,012,248	\$671,498,712	\$728,962,606
EECAF/PNGCAF Revenues	\$45,602,237	\$42,541,355	\$42,844,952	\$46,391,062	\$46,643,914	\$45,873,658	\$45,534,881
Total Sources	\$509,048,536	\$534,438,548	\$572,905,191	\$620,083,038	\$666,656,163	\$717,372,369	\$774,497,486
Uses of Funding							
Operating Expenditures	\$201,693,807	\$222,875,316	\$228,221,235	\$235,056,449	\$238,808,813	\$246,766,060	\$257,413,144
EECAF/PNGCAF Expenditures	\$44,348,809	\$42,541,355	\$42,844,952	\$46,391,062	\$46,643,914	\$45,873,658	\$45,534,881
Expenditure Subtotal	\$246,042,616	\$265,416,671	\$271,066,187	\$281,447,512	\$285,452,728	\$292,639,717	\$302,948,024
Project Costs	\$751,861	\$1,308,172	\$308,047	\$419,541	\$321,857	\$340,466	\$460,220
General Fund Transfer	\$137,786,286	\$146,973,079	\$158,430,684	\$171,446,860	\$185,300,894	\$200,680,413	\$217,911,088
Debt Service Transfer	\$116,185,455	\$134,885,383	\$144,003,259	\$150,251,140	\$156,453,641	\$162,374,111	\$169,459,302
Lifecycle/ Infrastructure Transfers	\$10,150,067	\$10,660,207	\$11,428,780	\$12,371,712	\$13,302,493	\$14,316,097	\$15,457,912
Capital Transfer	\$1,253,317	\$3,535,940	\$638,627	\$4,204,984	\$4,589,930	\$1,324,256	\$3,594,363
Other Transfers	\$423,573	\$564,764	\$705,955	\$847,146	\$988,337	\$988,337	\$988,337
Total Uses	\$512,593,175	\$563,344,217	\$586,581,539	\$620,988,893	\$646,409,879	\$672,663,395	\$710,819,246
Net Sources and Uses	(\$3,544,639)	(\$28,905,669)	(\$13,676,348)	(\$905,855)	\$20,246,283	\$44,708,974	\$63,678,240
Beginning Reserve Balance	\$117,019,543	\$113,474,904	\$84,569,235	\$70,892,888	\$69,987,032	\$90,233,315	\$134,942,289
Ending Reserve Balance	\$113,474,904	\$84,569,235	\$70,892,888	\$69,987,032	\$90,233,315	\$134,942,289	\$198,620,529
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

City of Mesa Utility Fund Cash Flow Projections

WATER	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
Sources of Funding							
Residential Rate Revenues	\$107,694,178	\$113,330,743	\$117,146,301	\$123,171,437	\$128,756,016	\$134,683,243	\$140,775,731
Non-Residential Rate Revenues	\$88,596,264	\$96,803,318	\$112,041,989	\$128,008,163	\$146,493,740	\$168,212,044	\$194,015,643
Other Revenues	\$10,551,261	\$8,021,746	\$7,979,304	\$8,143,225	\$8,315,905	\$8,479,710	\$8,642,813
Total Sources	\$206,841,703	\$218,155,807	\$237,167,594	\$259,322,825	\$283,565,661	\$311,374,997	\$343,434,186
Uses of Funding							
Operating Expenditures	\$80,801,285	\$84,936,468	\$90,176,143	\$93,241,245	\$94,585,085	\$98,784,927	\$103,267,543
Project Costs	\$6,694	\$213,033	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$61,493,443	\$64,887,675	\$70,583,639	\$77,201,096	\$84,445,331	\$92,764,792	\$102,377,088
Debt Service Transfer	\$56,344,337	\$69,017,012	\$75,515,112	\$77,815,975	\$83,043,978	\$86,922,229	\$86,386,626
Lifecycle/ Infrastructure Transfers	\$4,136,834	\$4,363,116	\$4,743,352	\$5,186,457	\$5,671,313	\$6,227,500	\$6,868,684
Capital Transfer	\$426,836	\$449,575	\$338,841	\$192,660	\$208,735	\$103,516	\$569,874
Other Transfers	\$159,839	\$213,118	\$266,398	\$319,677	\$372,957	\$372,957	\$372,957
Total Uses	\$203,369,268	\$224,079,997	\$241,623,485	\$253,957,109	\$268,327,399	\$285,175,922	\$299,842,771
Net Sources and Uses	\$3,472,435	(\$5,924,190)	(\$4,455,891)	\$5,365,716	\$15,238,263	\$26,199,075	\$43,591,415
WASTEWATER	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
Sources of Funding							
Residential Rate Revenues	\$57,601,223	\$62,346,522	\$67,442,859	\$73,265,188	\$79,169,964	\$85,569,516	\$92,472,551
Non-Residential Rate Revenues	\$48,183,069	\$51,602,892	\$56,460,788	\$61,803,857	\$67,600,487	\$73,958,976	\$81,007,878
Other Revenues	\$3,102,839	\$3,149,180	\$3,210,083	\$3,276,341	\$3,346,431	\$3,413,257	\$3,480,645
Total Sources	\$108,887,131	\$117,098,594	\$127,113,730	\$138,345,386	\$150,116,881	\$162,941,749	\$176,961,074
Uses of Funding							
Operating Expenditures	\$40,130,560	\$46,237,687	\$47,718,785	\$49,286,091	\$51,271,786	\$52,810,415	\$56,163,842
Project Costs	\$26,666	\$87,683	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$32,666,139	\$35,129,578	\$38,134,119	\$41,503,616	\$45,035,064	\$48,882,525	\$53,088,322
Debt Service Transfer	\$41,105,133	\$43,947,255	\$45,492,677	\$47,585,657	\$48,890,055	\$47,637,556	\$53,893,103
Lifecycle/ Infrastructure Transfers	\$2,177,743	\$2,341,972	\$2,542,275	\$2,766,908	\$3,002,338	\$3,258,835	\$3,539,221
Capital Transfer	\$26,965	\$1,383,075	\$209,080	\$139,607	\$123,618	\$55,980	\$56,193
Other Transfers	\$39,078	\$52,104	\$65,130	\$78,157	\$91,183	\$91,183	\$91,183
Total Uses	\$116,172,285	\$129,179,355	\$134,162,066	\$141,360,035	\$148,414,043	\$152,736,493	\$166,831,865
Net Sources and Uses	(\$7,285,154)	(\$12,080,760)	(\$7,048,336)	(\$3,014,649)	\$1,702,838	\$10,205,256	\$10,129,209

City of Mesa Utility Fund Cash Flow Projections

SOLID WASTE	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
Sources of Funding							
Revenues	\$76,611,113	\$81,707,316	\$86,385,175	\$91,722,228	\$97,256,197	\$103,141,869	\$109,394,532
Uses of Funding							
Operating Expenditures	\$50,382,935	\$58,551,086	\$56,884,935	\$57,923,348	\$58,180,878	\$59,400,161	\$61,208,313
Project Costs	\$161,804	\$489,655	\$308,047	\$419,541	\$321,857	\$340,466	\$460,220
General Fund Transfer	\$22,983,334	\$24,512,195	\$25,915,552	\$27,516,668	\$29,176,859	\$30,942,561	\$32,818,360
Debt Service Transfer	\$649,377	\$656,657	\$644,742	\$634,431	\$613,293	\$544,698	\$514,900
Lifecycle/ Infrastructure Transfers	\$1,532,222	\$1,634,146	\$1,727,703	\$1,834,445	\$1,945,124	\$2,062,837	\$2,187,891
Capital Transfer	\$799,516	\$1,621,306	\$89,244	\$3,871,752	\$4,255,560	\$1,163,976	\$2,967,514
Other Transfers	\$75,671	\$100,895	\$126,119	\$151,343	\$176,567	\$176,567	\$176,567
Total Uses	\$76,584,859	\$87,565,941	\$85,696,343	\$92,351,527	\$94,670,138	\$94,631,266	\$100,333,764
Net Sources and Uses	\$26,254	(\$5,858,624)	\$688,832	(\$629,299)	\$2,586,058	\$8,510,604	\$9,060,768
ELECTRIC	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
Sources of Funding							
Revenues	\$21,911,680	\$21,897,991	\$22,876,980	\$24,231,820	\$25,554,794	\$26,924,724	\$28,277,546
EECAF Revenues	\$30,773,774	\$24,994,061	\$24,637,972	\$26,956,444	\$27,947,259	\$27,465,349	\$27,484,403
Total Sources	\$52,685,454	\$46,892,052	\$47,514,953	\$51,188,263	\$53,502,053	\$54,390,073	\$55,761,948
Uses of Funding							
Operating Expenditures	\$9,268,294	\$10,200,617	\$10,385,736	\$10,748,964	\$10,846,676	\$11,217,453	\$11,445,227
EECAF Expenditures	\$30,157,167	\$24,994,061	\$24,637,972	\$26,956,444	\$27,947,259	\$27,465,349	\$27,484,403
Expenditure Subtotal	\$39,425,461	\$35,194,678	\$35,023,709	\$37,705,408	\$38,793,936	\$38,682,801	\$38,929,630
Project Costs	\$305,619	\$229,925	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$6,416,944	\$6,532,386	\$6,855,174	\$7,241,782	\$7,627,506	\$8,022,449	\$8,426,911
Debt Service Transfer	\$3,986,506	\$4,981,839	\$5,289,950	\$5,965,151	\$6,983,946	\$8,099,973	\$8,317,678
Lifecycle/ Infrastructure Transfers	\$1,053,709	\$937,841	\$950,299	\$1,023,765	\$1,070,041	\$1,087,801	\$1,115,239
Capital Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Transfers	\$61,654	\$82,205	\$102,756	\$123,308	\$143,859	\$143,859	\$143,859
Total Uses	\$51,249,893	\$47,958,874	\$48,221,887	\$52,059,414	\$54,619,287	\$56,036,883	\$56,933,317
Net Sources and Uses	\$1,435,561	(\$1,066,822)	(\$706,935)	(\$871,150)	(\$1,117,234)	(\$1,646,811)	(\$1,171,368)

City of Mesa Utility Fund Cash Flow Projections

NATURAL GAS	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
Sources of Funding							
Revenues	\$47,649,496	\$51,609,316	\$55,050,556	\$58,572,269	\$61,987,224	\$65,547,833	\$69,293,392
PNGCAF Revenues	\$14,828,463	\$17,547,294	\$18,206,979	\$19,434,619	\$18,696,655	\$18,408,309	\$18,050,478
Total Sources	\$62,477,959	\$69,156,610	\$73,257,535	\$78,006,888	\$80,683,879	\$83,956,142	\$87,343,870
Uses of Funding							
Operating Expenditures	\$19,641,784	\$21,775,032	\$21,859,787	\$22,493,812	\$22,672,776	\$23,272,084	\$23,974,678
PNGCAF Expenditures	\$14,191,642	\$17,547,294	\$18,206,979	\$19,434,619	\$18,696,655	\$18,408,309	\$18,050,478
Expenditure Subtotal	\$33,833,426	\$39,322,325	\$40,066,766	\$41,928,430	\$41,369,431	\$41,680,393	\$42,025,155
Project Costs	\$251,078	\$287,876	\$0	\$0	\$0	\$0	\$0
General Fund Transfer	\$13,773,968	\$15,482,795	\$16,502,338	\$17,534,464	\$18,556,686	\$19,597,824	\$20,719,845
Debt Service Transfer	\$14,100,102	\$16,282,620	\$17,060,778	\$18,249,926	\$16,922,369	\$19,169,655	\$20,346,995
Lifecycle/ Infrastructure Transfers	\$1,249,559	\$1,383,132	\$1,465,151	\$1,560,138	\$1,613,678	\$1,679,123	\$1,746,877
Capital Transfer	\$0	\$75,335	\$0	\$0	\$0	\$0	\$0
Other Transfers	\$87,010	\$116,013	\$145,016	\$174,020	\$203,023	\$203,023	\$203,023
Total Uses	\$63,295,142	\$72,950,096	\$75,240,050	\$79,446,978	\$78,665,186	\$82,330,018	\$85,041,895
Net Sources and Uses	(\$817,183)	(\$3,793,486)	(\$1,982,515)	(\$1,440,090)	\$2,018,693	\$1,626,125	\$2,301,975
DISTRICT COOLING	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
Sources of Funding							
Revenues	\$1,545,176	\$1,428,168	\$1,466,205	\$1,497,448	\$1,531,491	\$1,567,539	\$1,601,876
Uses of Funding							
Operating Expenditures	\$1,468,949	\$1,174,427	\$1,195,849	\$1,362,990	\$1,251,612	\$1,281,020	\$1,353,541
General Fund Transfer	\$452,458	\$428,450	\$439,862	\$449,234	\$459,447	\$470,262	\$480,563
Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Transfer	\$0	\$6,649	\$1,462	\$965	\$2,018	\$783	\$782
Other Transfers	\$321	\$428	\$535	\$642	\$749	\$749	\$749
Total Uses	\$1,921,728	\$1,609,954	\$1,637,707	\$1,813,831	\$1,713,826	\$1,752,814	\$1,835,634
Net Sources and Uses	(\$376,552)	(\$181,786)	(\$171,502)	(\$316,383)	(\$182,335)	(\$185,275)	(\$233,758)