

RESOLUTION NO. 12438

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA
DECLARING AS A PUBLIC RECORD
PROPOSED TITLES AND SCHEDULES OF TERMS, RATES, FEES AND CHARGES
FOR CITY-OWNED WASTEWATER 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 Titles and Schedules of Terms, Rates, Fees and Charges for City-Owned Wastewater Utilities, true and correct copies of which are attached hereto as exhibits and incorporated herein by reference, are declared to be public records 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.

<u>TITLE</u>	<u>SCHEDULE NO.</u>
Residential Wastewater Service – Combined	S1.1, S2.1
Residential Wastewater Service – Separate	S1.11, S2.11
General Commercial Wastewater Service	S3.1, S4.1, S7.1, S7.4, S7.2, S8.1, S9.1, S9.2
Multi-Unit Dwelling Wastewater Service	S3.2, S4.2
Multi-Unit Dwelling Wastewater Service - Alternate Rate	S3.2a, S4.2a
Commercial Restaurants Wastewater Service	S3.3, S4.3
General Commercial with Food Preparation Facilities Wastewater Service	S3.4, S4.4
Laundry/Dry Cleaners Wastewater Service	S3.5, S4.5
Recreational Vehicle (R.V.) Storage Facilities	S4.6
Industrial Wastewater Service	S5.1, S5.2
Governmental Agencies Wholesale Service	S8.2
Wastewater Meter Service	SM3.1, SM4.1, SM7.1, SM7.4, SM9.1, SM9.2

Additions to the text in the attachments are shown in bold, and underline: **Abc**

Deletion to the text in the attachments are shown in strike-outs: ~~Abc~~

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 17th day of November, 2025.

ATTEST:

APPROVED

City Clerk

Mayor

RESIDENTIAL WASTEWATER SERVICE - COMBINED

Inside City Limits – \$1.1, Outside City Limits – \$2.1

APPLICATION

These rates are applicable to all dwelling units receiving wastewater service inside and outside the City limits having an individual water meter measuring combined domestic and landscape use for monthly billing cycles commencing on and after the Effective Date. This rate also applies to customers with City of Mesa wastewater utility service but not City of Mesa water utility service.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$24.44 \$25.92
<u>Usage Charge:</u> **	\$1.98 \$2.13 per 1,000 gallons of average winter water consumption
<u>Plus:</u> **	\$3.58 \$3.85 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$35.49 \$38.15
<u>Usage Charge:</u> **	\$1.98 \$2.13 per 1,000 gallons of average winter water consumption
<u>Plus:</u> **	\$6.27 \$6.74 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

**Average winter water consumption shall be based upon the water deliveries listed on the utility bills during the past December, January, February, and March billing cycles. The average will be computed at the end of March each year on the three lowest readings of this four-month period. Additionally, customers shall be billed based on the assumption that 90 percent of their average winter water deliveries are discharged to the wastewater system.

Customers who do not have an individual average winter water consumption established shall be assessed a flat monthly charge based on the most recent citywide residential class average winter water consumption.

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.
2. Sewer Protection Charge. A \$0.41 per month charge will be applied to residential customers within Leisure World (between South Power Road and RWCD Canal and between East Broadway Road and East Southern Avenue). This charge allows Leisure World customers to access the City's Household Hazardous Materials Facility to dispose of acceptable residential hazardous materials.

TERMS AND CONDITIONS

See Terms and Conditions for the Sale of Utilities.

City of Mesa
Mesa, Arizona

Residential Wastewater Service - Separate
Effective Date ~~02/01/25~~ **TBD**
Ordinance No. ~~5900~~ **TBD**
Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

RESIDENTIAL WASTEWATER SERVICE - SEPARATE

Inside City Limits – S1.11, Outside City Limits – S2.11

APPLICATION

These rates are applicable to all dwelling units receiving wastewater services inside and outside the City limits having both a domestic use water meter and a separate landscape use water meter for billing cycles commencing on and after the Effective Date. Wastewater charges computed on domestic water meter usage only.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$24.11 \$25.92
<u>Usage Charge:</u> **	\$1.98 \$2.13 per 1,000 gallons of actual water consumption
<u>Plus:</u> **	\$3.58 \$3.85 per 1,000 gallons of actual water consumption in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$35.49 \$38.15
<u>Usage Charge:</u> **	\$1.98 \$2.13 per 1,000 gallons of actual water consumption
<u>Plus:</u> **	\$6.27 \$6.74 per 1,000 gallons of actual water consumption in excess of 5,000 gallons

* 2,000 gallons of water included as a minimum based on availability of service.

** Based on metered domestic water deliveries per billing cycle.

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.

City of Mesa
Mesa, Arizona

General Commercial Wastewater Service
Effective Date ~~02/01/25~~**TBD**
Ordinance No. ~~5900~~**TBD**
Supersedes Schedule Effective ~~02/01/24~~**02/01/25**

GENERAL COMMERCIAL WASTEWATER SERVICE

Inside City Limits – S3.1, Outside City Limits – S4.1

GENERAL COMMERCIAL WASTEWATER SERVICE – Public Authorities

Hospitals – Inside City Limits – S7.1, Outside City Limits – S7.4

Federal – Inside City Limits – S7.2

State & Local Govts – Inside City Limits – S8.1

Schools – Inside City Limits – S9.1, Outside City Limits – S9.2

APPLICATION

These rates are applicable to all commercial utility customers receiving wastewater service inside and outside the City limits for which no other specific schedule is provided for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$26.63 \$28.89
<u>Usage Charge:</u>	\$2.13 \$2.31 per 1,000 gallons for water delivered
<u>Plus:</u>	\$3.83 \$4.16 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$39.47 \$42.82
<u>Usage Charge:</u>	\$2.13 \$2.31 per 1,000 gallons for water delivered
<u>Plus:</u>	\$6.73 \$7.30 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

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.

City of Mesa
Mesa, Arizona

Multi-Unit Dwelling Wastewater Service
Effective Date ~~02/01/25~~ **TBD**
Ordinance No. ~~5900~~ **TBD**
Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

MULTI-UNIT DWELLING WASTEWATER SERVICE

Inside City Limits – S3.2, Outside City Limits – S4.2

APPLICATION

These rates are applicable to all multiple dwelling units receiving wastewater service inside and outside the City limits not having a water meter for each dwelling unit (includes trailers, or mobile homes) for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$26.63 \$28.89
<u>Usage Charge:</u> **	\$2.13 \$2.31 per 1,000 gallons for water delivered
<u>Plus:</u> **	\$3.83 \$4.16 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$39.47 \$42.82
<u>Usage Charge:</u> **	\$2.13 \$2.31 per 1,000 gallons for water delivered
<u>Plus:</u> **	\$6.73 \$7.30 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

**Based on 95 percent of a customer's metered water deliveries per billing cycle.

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.

City of Mesa
Mesa, Arizona

Multi-Unit Dwelling Wastewater Service – Alternate Rate
Effective Date ~~02/01/25~~ **TBD**
Ordinance No. ~~5900~~ **TBD**
Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

MULTI-UNIT DWELLING WASTEWATER SERVICE – ALTERNATE RATE

Inside City Limits – S3.2a, Outside City Limits – S4.2a

APPLICATION

These rates are applicable to all multiple dwelling units receiving wastewater service inside and outside the City limits not having a water meter for each dwelling unit (includes trailers, or mobile homes) and the water meter services both domestic and landscape use for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$26.63 \$28.89
<u>Usage Charge:</u> **	\$2.13 \$2.31 per 1,000 gallons of average winter water consumption
<u>Plus:</u> **	\$3.83 \$4.16 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$39.47 \$42.82
<u>Usage Charge:</u> **	\$2.13 \$2.31 per 1,000 gallons of average winter water consumption
<u>Plus:</u> **	\$6.73 \$7.30 per 1,000 gallons of average winter water consumption in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

** Average winter water consumption shall be based upon the water usage listed on the utility bills received during the past December, January, February, and March billing cycles. The average will be computed at the end of the March each year on the three lowest reading of this four-month period. Additionally, customers shall be billed based on the assumption that 95 percent of their average winter water consumption is discharged to the wastewater system.

Customers who do not have an average winter water consumption established shall be assessed a charge per billing cycle based on the most recent citywide residential class average winter water consumption per unit.

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.

City of Mesa
Mesa, Arizona

Commercial Restaurants Wastewater Service
Effective Date ~~02/01/25~~ **TBD**
Ordinance No. ~~5900~~ **TBD**
Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

COMMERCIAL RESTAURANTS WASTEWATER SERVICE

Inside City Limits – S3.3, Outside City Limits – S4.3

APPLICATION

These rates are applicable to all commercial restaurant utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$47.16 \$51.17
<u>Usage Charge:</u>	\$6.43 \$6.98 per 1,000 gallons for water delivered
<u>Plus:</u>	\$6.37 \$6.91 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$74.58 \$80.92
<u>Usage Charge:</u>	\$6.43 \$6.98 per 1,000 gallons for water delivered
<u>Plus:</u>	\$12.52 \$13.58 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

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.

City of Mesa
Mesa, Arizona

General Commercial with Food Preparation Facilities Wastewater Service

Effective Date ~~02/01/25~~ **TBD**

Ordinance No. ~~5900~~ **TBD**

Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

GENERAL COMMERCIAL WITH FOOD PREPARATION FACILITIES
WASTEWATER SERVICE

Inside City Limits – \$3.4, Outside City Limits – \$4.4

APPLICATION

These rates are applicable to all general commercial with food preparation facilities utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$38.18 \$41.43
<u>Usage Charge:</u>	\$4.45 \$4.83 per 1,000 gallons for water delivered
<u>Plus:</u>	\$5.28 \$5.73 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$59.05 \$64.07
<u>Usage Charge:</u>	\$4.45 \$4.83 per 1,000 gallons for water delivered
<u>Plus:</u>	\$10.01 \$10.86 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

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.

LAUNDRY/DRY CLEANERS WASTEWATER SERVICE

Inside City Limits – \$3.5, Outside City Limits – \$4.5

APPLICATION

These rates are applicable to all laundry/dry cleaners utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on water consumption)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u> *	\$29.00 \$31.47
<u>Usage Charge:</u>	\$2.60 \$2.82 per 1,000 gallons for water delivered
<u>Plus:</u>	\$4.06 \$4.41 per 1,000 gallons for water delivered in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u> *	\$43.37 \$47.06
<u>Usage Charge:</u>	\$2.60 \$2.82 per 1,000 gallons for water delivered
<u>Plus:</u>	\$7.33 \$7.95 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

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.

City of Mesa
Mesa, Arizona

Recreational Vehicle (R.V.) Storage Facilities
Effective Date ~~02/01/25~~**TBD**
Ordinance No. ~~5900~~**TBD**
Supersedes Schedule Effective ~~02/01/24~~**02/01/25**

RECREATIONAL VEHICLE (R.V.) STORAGE FACILITIES – S4.6

APPLICATION

These rates are applicable to all recreational vehicle (R.V.) storage facilities receiving wastewater service located inside and outside the City limits that discharge into a wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

<u>Rate:</u>	\$178.75 \$193.94 Wastewater Service Charge
<u>Plus:</u>	All environmental waste program charges as applicable based on monitoring requirements to be determined by the City of Mesa.

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.

INDUSTRIAL WASTEWATER SERVICE

Inside City Limits – S5.1, Outside City Limits – S5.2

APPLICATION

These rates are applicable to all industrial customers with discharge receiving wastewater service that requires billing based on loading under the Mesa City Code located inside and outside the City limits that discharge into a sanitary wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

Inside City Limits:

Rate: Varies by quantity and strength of wastewater discharged. Rate components used to calculate individual wastewater charges are as follows:

Capital Component:

Flow: ~~\$3.742~~ **\$4.060** per 1,000 gallons discharged in excess of 5,000 gallons
BOD: ~~\$0.290~~ **\$0.315** per pound discharged in excess of the pounds contributed in the first 5,000 gallons
SS: ~~\$0.241~~ **\$0.261** per pound discharged in excess of the pounds contributed in the first 5,000 gallons

User Charge Component:

Flow: ~~\$1.101~~ **\$1.195** per 1,000 gallons discharged
BOD: ~~\$0.537~~ **\$0.583** per pound discharged
SS: ~~\$0.320~~ **\$0.347** per pound discharged
Minimum: ~~\$20.55~~ **\$22.30** (includes the use of 5,000 gallons; capital component)
~~\$5.15~~ **\$5.59** (user charge billing component)

Outside City Limits:

Rate: Varies by quantity and strength of wastewater discharged. Rate components used to calculate individual wastewater charges are as follows:

Capital Component:

Flow: ~~\$6.148~~ **\$6.671** per 1,000 gallons discharged in excess of 5,000 gallons
BOD: ~~\$0.699~~ **\$0.758** per pound discharged in excess of the pounds contributed in the first 5,000 gallons
SS: ~~\$0.505~~ **\$0.548** per pound discharged in excess of the pounds contributed in the first 5,000 gallons

User Charge Component:

Flow: ~~\$1.101~~ **\$1.195** per 1,000 gallons discharged
BOD: ~~\$0.537~~ **\$0.583** per pound discharged
SS: ~~\$0.320~~ **\$0.347** per pound discharged
Minimum: ~~\$45.83~~ **\$49.73** (includes the use of 5,000 gallons; capital component)
~~\$5.15~~ **\$5.59** (user charge billing component)

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.

City of Mesa
Mesa, Arizona

Governmental Agencies Wholesale Service
Effective Date ~~02/01/25~~ **TBD**
Ordinance No. ~~5900~~ **TBD**
Supersedes Schedule Effective ~~02/01/24~~ **02/01/25**

GOVERNMENTAL AGENCIES WHOLESALE SERVICE – S8.2

APPLICATION

These rates are applicable to State & Local Governments receiving wastewater service outside the City limits that discharge into a sanitary wastewater main owned and operated by the City of Mesa for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE

The charge per billing cycle shall consist of the following components:

<u>Service Charge:</u> *	\$20.97 \$22.75
<u>Usage Charge:</u>	\$1.63 \$1.77 per 1,000 gallons for water delivered
<u>Plus:</u>	\$3.08 \$3.34 per 1,000 gallons for water delivered in excess of 5,000 gallons

*2,000 gallons of water included as a minimum based on availability of service.

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.

WASTEWATER METER SERVICE
Inside City Limits – SM3.1, Outside City Limits – SM4.1
WASTEWATER METER SERVICE – Public Authorities
Hospitals – Inside City Limits – SM7.1, Outside City Limits – SM7.4
Schools – Inside City Limits – SM9.1, Outside City Limits – SM9.2

APPLICATION

These rates are applicable to all eligible commercial, industrial, and public authority utility customers receiving wastewater service inside and outside the City limits for billing cycles commencing on and after the Effective Date.

MONTHLY BILLING CYCLE (Based on wastewater flow)

The charge per billing cycle shall consist of the following components:

Inside City Limits:

<u>Service Charge:</u>	\$177.98 \$193.11
<u>Usage Charge:</u>	\$2.13 \$2.31 per 1,000 gallons for wastewater discharged
<u>Plus:</u>	\$3.83 \$4.16 per 1,000 gallons for wastewater discharged in excess of 5,000 gallons

Outside City Limits:

<u>Service Charge:</u>	\$190.80 \$207.02
<u>Usage Charge:</u>	\$2.13 \$2.31 per 1,000 gallons for wastewater discharged
<u>Plus:</u>	\$6.73 \$7.30 per 1,000 gallons for wastewater discharged in excess of 5,000 gallons

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.

All water that is collected in the customer's sewer must be discharged through a single outfall. This schedule shall not apply where the customer's sewer system includes additional unmetered outfalls, which require wastewater billing based on water delivered.

The Customer shall be responsible for all costs associated with the purchase, installation and maintenance of City approved meters in an approved location. Construction plans must be approved by the applicable City Departments before any purchase of the meters and their installation can proceed.

CUSTOMER ELIGIBILITY

In addition to the requirements set forth above regarding Terms and Conditions, a Customer must satisfy the following conditions to be and remain eligible to receive service under this Schedule SM3.1 or SM4.1:

Customers must discharge a minimum of an average annual volume of wastewater discharged through the outfall of 2400 kgal (or an anticipated volume in such amount if a new customer or a customer with less than twelve (12) months of billing history).

In addition, the Customer must either: (i) receive water service from the City with an average annual billed water demand at the same location as the sewer connection (in thousands of gallons or “kgal”) of equal to or greater than 11,000 kgal (not including water delivered under Landscape, Fire or Large Turf services), or if a new customer, an anticipated average annual billed usage of equal to or greater than such amount; or (ii) discharge water not delivered by the City.

Notwithstanding the preceding, all customers subject to rates applicable under Multi-Unit Dwelling Wastewater Schedule Numbers S3.2, S3.2a, S4.2, S4.2a, and Industrial Wastewater Service Schedule Numbers S5.1 and S5.2 are not eligible for service under this Schedule SM3.1 and SM4.1.