

ORDINANCE NO. 5970

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA ADOPTING TITLE 8, CHAPTER 10, SECTION 13 "CAPACITY FEE" TO FUND CITY WATER AND WASTEWATER CAPITAL INFRASTRUCTURE PROJECTS.

WHEREAS, the City of Mesa (the "City") owns, operates and maintains a municipal treatment and distribution system which provides water and wastewater service to approximately 500,000 customers within a service area of 128 square miles.

WHEREAS, the City has been committed the past 100 years and continues its commitment to providing safe and reliable drinking water to its customers.

WHEREAS, additional capacity requires future utility infrastructure including water supply facilities, treatment facilities, water reclamation facilities, pump stations, lift stations, transmission mains, and sewer interceptors.

WHEREAS, funding is necessary to construct capital improvement projects that add capacity to the water and wastewater systems.

WHEREAS, in developing the capacity fee, the City analyzed and incorporated the Mesa General Plan 2050 for Mesa land use planning and the 2025 Mesa Integrated Master Plan for water and wastewater projected infrastructure needs prepared by Black & Veatch in association with Carollo and Clear Creek Associates.

WHEREAS, the City prepared a Capacity Fees Study Report dated August 2025 for which Black & Veatch reviewed and affirmed the analysis, methodology, and mathematical calculations.

WHEREAS, the City seeks to establish a water and wastewater capacity fee, as authorized by Arizona Revised Statutes §§ 9-511 and 9-511.01, in which new customers requiring a service connection or existing customers requiring larger service connections pay a fee to fund the necessary additional capacity.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MESA as follows:

Section 1: Mesa City Code Title 8, Chapter 10 is amended to add new section 8-10-13 as follows:

8-10-13: Capacity Fee

- (A) This Section is enacted pursuant to Arizona Revised Statutes §§ 9-511 and 9-511.01.
- (B) The intent of this Section is that new customers bear a proportionate share of adding necessary capacity to the City's water and wastewater systems.
- (C) The City will assess water and wastewater capacity fees for new or upsized water connections by meter size in the amounts in Table 1.

- (D) Any person who obtains a building permit is required to pay the water and wastewater capacity fee upon requesting a connection to the City’s water or wastewater systems.
- (E) Any person who requests a new or upsized water meter connection is required to pay the water and wastewater capacity fee before the City installs the new or upsized meter connection.
- (F) The capacity fees received under this section will be placed in a Capacity Fee Fund, a separate and distinct fund.
- (G) The monies in the Capacity Fee Fund shall be used only to fund water and wastewater capital improvement projects and debt service for such capital improvement projects.
- (H) The capacity fees received under this section are not to be included in “gross revenues” under Mesa City Code 3-3-4(D)(3) and are not subject to the General Fund Transfer authorized in Mesa City Code, Title 3, Chapter 3.
- (I) If the City has removed water meters on unused property, the water and wastewater capacity fee will be assessed based on the upsized water connection from the prior meter removed by the City.
- (J) New water meters installed for irrigation purposes only are exempt from payment of the wastewater capacity fee.
- (K) If a water or wastewater customer pays a capacity fee for a meter size, or has an existing meter, and later requests a larger meter size, the City will only assess the Customer the increase fee amount from the original size meter to the larger size meter.

Table 1 – Water and Wastewater Capacity Fees

Meter Size (Inches)	Max Continuous Flow (Gallons per Minute)	Multiplier	Water	Wastewater	Total
0.75	30	1.00	\$7,719	\$1,809	\$9,528
1	50	1.67	\$12,864	\$3,015	\$15,880
1.5	100	3.33	\$25,729	\$6,030	\$31,759
2	160	5.33	\$41,166	\$9,649	\$50,814
3	320	10.67	\$82,331	\$19,297	\$101,629
4	800	26.67	\$205,829	\$48,243	\$254,072
6	1500	50.00	\$385,929	\$90,456	\$476,385
8	3500	116.67	\$900,501	\$211,065	\$1,111,566
10	5500	183.33	\$1,415,072	\$331,673	\$1,746,746

Section 2: This Ordinance is effective thirty (30) days following adoption by the Mesa City Council.

Section 3: This Ordinance will apply to building permit applications filed on or after the effective date of the Ordinance that request or require a new or upsized water meter.

Section 4: The capacity fees in this Ordinance for meters sizes 0.75 inch and 1 inch will be phased in as described in this Section 4. The applicable capacity fee under this Ordinance for meters sizes 0.75 inch and 1 inch will be based on the complete permit application date for the construction of each dwelling, building, or improvement, as applicable, so long as the applicant obtains the application resulting permit for the dwelling, building, or improvement within 180 days of the permit application date; if the applicant does not obtain such permit within 180 days, the capacity fee shall be based on the date the construction permit for the dwelling, building, or improvement is issued. The capacity fee for meters sizes 0.75 inch and 1 inch will be phased in as follows:

- a) For Meters Sizes 0.75 Inch and 1 Inch for First 6 Months After Effective Date. For all complete building permit applications filed on or after the effective date of this Ordinance until, and including, June 30, 2026, and only as to each dwelling, building, or improvement in a complete application, the capacity fee for meters sizes 0.75 and 1 inch shall be fifty percent (50%) of the fee shown in Table 1 of this Ordinance.
- b) For Meters Sizes 0.75 Inch and 1 Inch After 6 Months From The Effective Date For all building permit applications filed on or after July 1, 2026, the capacity fee for meters sizes 0.75 and 1 inch shall be one hundred percent (100%) of the fee shown in Table 1 of this Ordinance.
- c) For All Other Meter Sizes From And After The Effective Date. For all building permit applications filed on or after the effective date of this Ordinance, the capacity fee for all meters sizes not identified in Section 4(a) or (b) above shall be one hundred percent (100%) of the fee shown in Table 1 of this Ordinance.


Section 5: The capacity fee amounts in Table 1 are calculated utilizing the American Water Works Association (AWWA) incremental cost method based on the cost or value to expand the existing City water and wastewater infrastructure necessary for future growth.

Section 6: The various City officers and employees are hereby authorized and directed to perform all acts necessary to give effect to this Ordinance, including the City Clerk who shall codify in Mesa City Code Title 8 – Health, Sanitation and Environment, Chapter 10 – Municipal Water System.

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 1st day of December, 2025.



APPROVED:



Mayor

ATTEST:



City Clerk