



Measure TT Report

Shall the Mesa Water District and the Costa Mesa Sanitary District Pursue Consolidation?

At its July 28, 2016 board meeting, Mesa Water District determined to place Measure TT on the ballot to ask voters if they support the pursuit of consolidation of Mesa Water® and the Costa Mesa Sanitary District (CMSD) to reduce the size and cost of local government, or if they prefer the status quo and wish for the two districts to remain separate. An impartial “Optimal Governance Structure Study” by Arcadis U.S., Inc. projects that substantial cost savings, efficiencies and ratepayer benefits are possible if the two districts combine:

- **\$15.6 million** in one-time savings that could provide a **\$650** rebate per customer
- **\$2.7 million** in annual savings that could reduce customers’ sewer rates by up to **28%**
- The potential for increased flexibility and transparency, and improved customer service

Frequently Asked Questions About Measure TT

What is the purpose of Measure TT?

Measure TT is about reducing the size and cost of local government; Measure TT’s only purpose is to determine the level of public support for consolidation of Mesa Water and the Sanitary District.

Why is Measure TT being placed on the ballot now?

Measure TT is in response to years of public discussion about why our community has two districts separately providing water and sewer and trash collection services.

CMSD claims that the Optimal Governance Structure Study, upon which Measure TT is based, used out-of-date and bad information...is that true?

No. The study used verifiable, publicly available information from both districts, including their most recent independently audited financial reports.

Is Measure TT an attempt to acquire the Sanitary District’s assets and cash reserves?

No. Measure TT is not about one district acquiring the assets or reserves of another; by law, the water, sewer and trash funds must remain separate and cannot be used for other purposes.

CMSD has also called Measure TT a hostile takeover attempt...is that the case?

No. There is no such thing as a hostile takeover in local government. Measure TT is a non-binding advisory measure to determine if voters support the water and sanitary districts’ pursuit of consolidation. The Orange County Local Agency Formation Commission (OC LAFCO) would make the ultimate decision regarding consolidation of the districts.

Would a consolidated water/sanitary district be financially strong?

The consolidated district would be AAA-rated and financially strong with a projected **\$40 million** in reserves **after** customer rebates.

How would a consolidated water/sanitary district benefit our community?

Most water and sanitary services in Orange County are provided by one agency which can be more efficient, economical and effective than having two separate districts serving the same community.

From Orange County’s Sample Ballot & Voter Information Pamphlet



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Impartial Analysis Mesa Water District / Costa Mesa Sanitary District Measure TT

Measure TT is an advisory measure which seeks to obtain public input as to whether the Mesa Water District and Costa Mesa Sanitary District should pursue consolidation. It has been placed on the ballot by the Mesa Water District, for the express purpose of starting a process to provide water, wastewater, and solid waste services, as set forth in the “Optimal Governance Structure Study” provided by Arcadis U.S., Inc., which was commissioned by the Mesa Water District in June 2016.

The Arcadis study concludes that combining the two districts could result in significant cost savings. Specifically, the study determined consolidation could result in: (a) **a one-time cost savings of approximately \$15.6 million**; which creates the potential to offer customers a **one-time rebate of up to \$650**, and (b) additional **annual cost savings of \$2.7 million**; which could include a **reduction in wastewater rates by approximately 28%**. The study also notes that consolidation could provide the potential for increased flexibility and transparency, increased environmental benefits, and improved customer service, thereby allowing a consolidated single district to more efficiently provide water, wastewater, and solid waste services.

A “Yes” vote indicates that proceeding with consolidation of the two districts is preferred and a “No” vote indicates the status quo of two separate districts is preferred. Since the Measure is advisory only, if approved by the voters it would not automatically result in the consolidation of the two districts. Rather, the consolidation process would require additional actions by the Mesa Water District and the Costa Mesa Sanitary District, as well as the Local Agency Formation Commission (“LAFCO”).

The study is available for public review at Mesa Water District’s headquarters located at 1965 Placentia Ave., Costa Mesa, CA or on the internet at MesaWater.org/SDSE.

See your Voter Information Pamphlet