Measure TT represents a catalyst for change in our community that could result in greater government transparency, enhanced service and efficiency, and substantial cost-savings for customers, including:

- **$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%**

Nationally recognized consulting firm Arcadis, U.S. Inc. conducted an impartial Optimal Governance Structure Study of Mesa Water® and the Costa Mesa Sanitary District (CMSD) to determine the potential cost-savings and efficiencies that could be achieved by consolidating the two districts. The study used the most current, verifiable and publicly available information from both districts, including their most recent independently audited financial reports and other data. The study found that consolidation of Mesa Water and CMSD would maximize the potential for economical, effective and efficient services for ratepayers.

**Here is what a consolidated water and sanitary district might look like:**

- **Reserves:** Over $40 million in projected reserves AFTER realizing $15.6 million in one-time cost-savings, and AFTER returning those savings in the form of an immediate $650 rebate per customer. The rebates would come from surplus real estate and excess reserves that the new consolidated district would not need, and cannot legally use to pay off debt.

- **Efficient Governance:** Rather than one 5-member Board overseeing 17 sewer/trash employees and a separate 5-member Board overseeing 55 water employees, there would be one locally elected (by division) 5-member Board that would oversee the combined employees.

- **Financial Strength:** The consolidated district would have the necessary financial strength to maintain a strong AAA rating—the highest score possible from credit rating agencies such as Fitch and Standard & Poor’s.
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](http://MesaWater.org/SDSE).