



*Dedicated to  
Satisfying our Community's  
Water Needs*

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April 6, 2017

The Honorable Michael Scheafer  
President, Board of Directors  
Costa Mesa Sanitary District  
290 Paularino Avenue  
Costa Mesa, CA 92626

Dear President Scheafer:

Both Mesa Water District and the Costa Mesa Sanitary District (CMSD) are dedicated to providing economical, effective and efficient services to our community. To that end, Mesa Water's March 23, 2017 Board workshop included a discussion of advisory Measure TT which was placed on the November 8, 2016 ballot and asked voters a neutral question: "Shall the Mesa Water District and the Costa Mesa Sanitary District pursue consolidation?" Measure TT passed with 55% (21,545 "yes" votes) in favor of pursuing consolidation, which could result in substantial ratepayer cost-savings.

As CMSD has correctly claimed, consolidating with Mesa Water® would be a decision made by the Orange County Local Agency Formation Commission (OC LAFCO). The nonbinding Measure TT was a preliminary step to a formal consolidation process by OC LAFCO. With Measure TT's passage, Mesa Water believes that the appropriate next step is for OC LAFCO -- as the proper entity and venue for considering consolidations -- to conduct a focused Municipal Service Review (MSR) for further study of the potential benefits and cost-savings of consolidation.

A focused MSR is quite different from the MSRs conducted by OC LAFCO every five years which simply study each agency's services independently. A focused MSR reviews an area's specific municipal service -- such as water and wastewater -- provided by an agency or agencies. Mesa Water understands that a focused MSR is the proper OC LAFCO study for considering consolidation of CMSD and Mesa Water.

In the interest of preserving the public's trust that they are receiving the most economical, effective and efficient wastewater, trash and water services possible for our community, a focused MSR by OC LAFCO is the most responsible next step to the passage of Measure TT. It would be ideal if CSMD and Mesa Water could collaboratively take this action and, to ensure good process and transparency, Mesa Water herein invites CMSD to together request from OC LAFCO a focused MSR.



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Mike, I am open to meeting or talking with you (or your designee) about this matter in order to facilitate a through exploration of this issue which is important to the customers and community we serve. Please feel free to call me on my cell phone at 949.939.2447 or have CMSD's General Manager Scott Carroll call Mesa Water's General Manager Paul Shoenberger at 949.631.1206. Thank you again for your thoughtful consideration.

Sincerely,

Ethan Temianka  
Mesa Water Board President

c: CMSD Board of Directors  
Mesa Water Board of Directors  
Scott C. Carroll, CMSD General Manager  
Paul E. Shoenberger, P.E., Mesa Water General Manager