



1965 Placentia Avenue  
Costa Mesa, CA 92627

*Dedicated to serving the  
community's water needs*



## Public Hearings

**DATE:**  
Wednesday, January 12, 2022

**TIME:**  
4:30 p.m.

**LOCATION:**  
Mesa Water District Boardroom  
1965 Placentia Avenue  
Costa Mesa, CA 92627

**INFORMATION:**  
Learn more at  
[MesaWater.org/rates-study](https://mesawater.org/rates-study)

## NOTICE OF PUBLIC HEARINGS FOR PROPOSED WATER RATE ADJUSTMENTS AND LEVY OF A CAPITAL CHARGE BY WAY OF THE OFFICE OF THE ORANGE COUNTY TREASURER-TAX COLLECTOR

***Aviso importante: Si necesitas esta notificación en  
Español, por favor llame al 949.631.1205.***

The Mesa Water District (Mesa Water®) Board of Directors (Board) will hold two public hearings on Wednesday, January 12, 2022, at 4:30 p.m., at its main office on 1965 Placentia Avenue, Costa Mesa, CA 92627, in its Boardroom. The first public hearing will be to receive public comments and protests concerning proposed water rate adjustments, which would take effect over a five-year period. The second public hearing will be to receive public comments and protests with respect to a proposal to levy a capital charge to be collected by way of the Office of the Orange County Treasurer-Tax Collector.

If approved, the first water rate adjustment would not take place until January 1, 2023, with subsequent water rate adjustments taking place annually thereafter for the following four years.

## Notice of Public Hearings and Availability of Secretary's Report

Pursuant to California Law including Health and Safety Code Section 5473.1, notice is hereby given that the Mesa Water District (Mesa Water®) Board of Directors (Board) will hold two public hearings on **Wednesday, January 12, 2022, at 4:30 p.m.**, at its main office on 1965 Placentia Avenue, Costa Mesa, CA 92627, in its Boardroom. The first public hearing will be to receive public comments and protests concerning proposed water rate adjustments, which would take effect over a five-year period. The second public hearing will be to receive public comments and protests with respect to a proposal to levy a capital charge to be collected by way of the Office of the Orange County Treasurer-Tax Collector.

If approved, the first water rate adjustment would not take place until **January 1, 2023**, with subsequent water rate adjustments taking place annually thereafter for the following four years. Customers and property owners in Mesa Water's service area are encouraged to attend and participate in the public hearings. More information may be found on Mesa Water's website at [MesaWater.org/rates-study](https://mesawater.org/rates-study).

Notice is also hereby given, pursuant to California Law including Health and Safety Code Section 5473.1, that the Secretary's Report describing the proposed rates and charges, and the properties/parcels subject to such rates and related information (Secretary's Report), will be available for public review at [MesaWater.org/rates-study](https://mesawater.org/rates-study) by December 21, 2021, and will be presented to the Board and public at the January 12, 2022 public hearings. A copy can also be requested by contacting Denise Garcia, Mesa Water District Secretary, at **949.631.1205**.

Following the conclusion of the second public hearing, the Board may take action to accept the Secretary's Report and levy such capital charges by way of the Office of the Orange County Treasurer-Tax Collector. If the Board takes such action, the charges collected would constitute a lien on the affected property(ies) pursuant to California Law including Health and Safety Code Section 5473.5.

## How You Can Participate

**Contact Mesa Water for more information or to ask questions:** Call **949.631.1205** or email [info@MesaWater.org](mailto:info@mesawater.org).

**Attend a Board Meeting:** Mesa Water's Board and Committee meetings are open to the public; upcoming meetings are listed at [MesaWater.org](https://mesawater.org).

**Attend the Public Hearings:** Mesa Water's Board will consider the proposed water rate adjustments and the proposal to levy a capital charge to be collected by way of the Office of the Orange County Treasurer-Tax Collector at two public hearings conducted in its Boardroom – located at 1965 Placentia Avenue, Costa Mesa, CA 92627 – on **Wednesday, January 12, 2022, at 4:30 p.m.** These hearings will include the opportunity for the public to provide comments, ask questions and submit written protests.

**Submit Written Protest(s):** All written protests to either/both (1) Mesa Water's proposed water rate adjustments and (2) the proposal to levy a capital charge to be collected by way of the Office of the Orange County Treasurer-Tax Collector must be received no later than the conclusion of the public hearings on January 12, 2022, and must stipulate to which public hearing matter the protest(s) pertains. Written protests may be submitted during the public hearings or can be mailed or hand-delivered to: **Denise Garcia, Mesa Water District Secretary, 1965 Placentia Avenue, Costa Mesa, CA 92627**. (Please call Denise Garcia at 949.631.1205 in advance, if hand-delivering.) Protests received after this date and time will not be considered or counted. A postmark date is NOT acceptable. Protests may be provided concerning (1) the proposed water rate adjustments and (2) the proposal to levy a capital charge by way of the Office of the Orange County Treasurer-Tax Collector.

Mesa Water's Board reserves the option of modifying the proposed water rate adjustments following the conclusion of the public hearings.

To be considered valid, each written protest must identify the affected property (either by assessor's parcel number or street address), indicate that the proposed water rate adjustments or the levying of a capital charge by way of the Office of the Orange County Treasurer-Tax Collector is being protested, and include the printed name and signature of the record property owner or tenant, as applicable. Only one protest per topic, per parcel will be counted. Comments made by phone, fax, email, instant message, text, social media, [MesaWater.org](https://mesawater.org), or through other electronic means, will NOT be accepted or counted as formal written protests.

If written protests are submitted by a majority of the owners of affected properties, the proposed water rate adjustments will not be imposed.

If written protests are submitted by a majority of the owners of affected properties, the capital charge will not be imposed by way of the Office of the Orange County Treasurer-Tax Collector.

**For questions about how to submit a written protest, please call Denise Garcia, Mesa Water District Secretary at 949.631.1205.**

## Senate Bill 323: 120-Day Statute of Limitations for New or Increased California Water and Sewer Rates

With the enactment of SB 323, customers must bring a civil action to new or increased water rates within 120 days of the effective date or date of final passage, adoption or approval of the resolution adopting the applicable water rate(s).

## Mesa Water District's Mission

*Mesa Water District, a local independent special district, manages its finances and water infrastructure, and advocates water policy, while reliably providing an abundance of clean, safe water to benefit the public's quality of life.*





## Water Supply Investments and Other Factors That Influence Water Rates

Mesa Water is committed to providing its customers an abundance of local, reliable, clean, safe water, and continually investing in, and actively maintaining its infrastructure, which pumps, treats and delivers nearly five billion gallons of safe, clean drinking water to residential and business customers each year.

Critical factors in considering a new rate schedule include repair or replacement of Mesa Water’s systems and assets. Even without the need for repair, a water system requires regular wide-ranging maintenance to help achieve its designed lifespan.

Mesa Water is currently constructing \$70 million of needed water system upgrades including wells, reservoirs and pipelines. The two new groundwater wells and the pipes connecting them to the main distribution system will increase our local groundwater production capacity by 11 million gallons per day. The reservoir upgrades will increase the storage capacity of our reservoirs by more than 15 million gallons thus increasing the reliability of our operations. Various pipeline replacements will help to maintain our world-class water system.

Other factors in considering a new rate schedule are the rising Replenishment Assessment charged to Mesa Water for pumping groundwater, increasing energy consumption costs and rising labor costs.

### Proposed Water Rate Adjustments

Mesa Water’s Strategic Plan includes the goal of being financially responsible and transparent. Mesa Water has a perpetual agency philosophy requiring a scheduled systematic review of its long-range financial plan and goals. To ensure the provision of high-quality water for our customers, the financing of current and future infrastructure projects, the funding of Mesa Water cash reserves, and the servicing of long-term debt, it is important to conduct regular water rate studies, in relation to costs, and to make any needed adjustments.

Additionally, as a public agency, Mesa Water’s rate setting is regulated by state law. Mesa Water may only charge its customers for the costs associated with providing water services.

Over the past several years, Mesa Water’s responsible rates and cost controls have continued to result in Mesa Water accomplishing a number of key achievements, including but not limited to:

- **Efficient Operations** – Since Fiscal Year 2011, Mesa Water has been Orange County’s most efficient water agency based on expenditures per capita.
- **Financial Strength and Stability** – Both Fitch and Standard & Poor’s have consistently reaffirmed Mesa Water’s existing AAA credit rating – the highest achievable by an organization – due to Mesa Water’s exceptional financial management and policies. In Fiscal Year 2021, the Board approved a \$70 million Capital Improvement Program Renewal to fund key infrastructure projects, critical to providing local, safe and reliable water to Mesa Water’s service area. AAA credit ratings allow Mesa Water to save ratepayers money by borrowing funds at the lowest available interest rate for infrastructure improvements.

The proposed water rate adjustments are based on a multi-year financial plan and a rate study prepared by an independent consultant. Information concerning the financial basis for the proposed water rate adjustments will be available for public review and on Mesa Water’s website at [MesaWater.org/rates-study](https://www.mesawater.org/rates-study) by December 21, 2021, and will be presented to the Board and public at the January 12, 2022 public hearings.

### Proposed Capital Charge Collection Method

As part of the recent rate study and analysis, Mesa Water is proposing to move a portion of the fixed/basic charge (costs for the operations, maintenance, repair and rehabilitation of the water system) to a capital charge to be collected by way of the Office of the Orange County Treasurer-Tax Collector. This is to maintain stable revenue for the necessary operation, maintenance, repair and rehabilitation of the water system when water consumption and the water usage or commodity rate may vary due to seasonal events such as rain or mandatory cutbacks during extreme drought. Collection of the Capital Charge through the Office of the Orange County Treasurer-Tax Collector, as referenced in this notice, will involve the levy of the Mesa Water Capital Charge(s) on the annual Orange County property tax roll billing. Such charges would be initially collected in the 2022/2023 fiscal year and would be collected thereafter in subsequent fiscal years as described in the Secretary’s Report. (Please see final page of this notice for more information on how to obtain a copy of the Secretary’s Report).

### Proposed Schedule of Water Rates

Please see the following page of this notice for the schedule of proposed water rate adjustments; the adjustments only apply to the Mesa Water rates and charges listed in this notice. For an average Mesa Water residential customer, the first adjustment would be an increase of 8%, or 2% of the average bi-monthly bill. Water rate adjustments over the five-year period would go into effect without further hearings. Mesa Water’s Board reserves the right to reduce the affected water rates during the five-year period.

The term “rate(s)” (as such term is used and referenced herein) also includes potential changes to Mesa Water’s charges (such as the Capital Charge, Basic (Meter) Charge and Fireline Standby Charge) for purposes of this notice.



## How Your Water Bill is Calculated

The rates that will be approved will not exceed these proposed rates.

Proposed Rates 2023 through 2027						
	2022	2023	2024	2025	2026	2027
Per Unit* CCF	Adopted	Proposed	Proposed	Proposed	Proposed	Proposed
Effective Date	1/1/22	1/1/23	1/1/24	1/1/25	1/1/26	1/1/27
Usage Charges						
Potable Water	\$4.72	\$4.87	\$4.93	\$5.02	\$5.11	\$5.21
Construction	\$5.21	\$4.87	\$4.93	\$5.02	\$5.11	\$5.21
Fireline Water	\$5.21	\$4.87	\$4.93	\$5.02	\$5.11	\$5.21
Recycled Water	\$3.08	\$3.40	\$3.56	\$3.72	\$3.89	\$4.07
Bi-Monthly Potable Water and Recycled Water Basic Charge						
Meter Size						
5/8-inch	\$30.03	\$29.55	\$30.99	\$31.54	\$32.16	\$32.83
3/4-inch	\$45.36	\$36.30	\$37.77	\$38.57	\$39.50	\$40.42
1-inch	\$75.37	\$49.79	\$51.33	\$52.62	\$54.16	\$55.61
1 1/2-inch	\$151.36	\$83.52	\$85.23	\$87.76	\$90.83	\$93.57
2-inch	\$242.04	\$124.00	\$125.91	\$129.92	\$134.83	\$139.13
3-inch	\$529.38	\$252.17	\$254.72	\$263.42	\$274.15	\$283.40
4-inch	\$953.36	\$441.06	\$444.55	\$460.16	\$479.48	\$496.00
6-inch	\$2,119.97	\$960.50	\$966.58	\$1,001.20	\$1,044.12	\$1,080.67
8-inch	\$3,626.88	\$1,635.11	\$1,644.55	\$1,703.85	\$1,777.42	\$1,839.97
10-inch	\$5,746.80	\$2,579.55	\$2,593.70	\$2,687.56	\$2,804.04	\$2,902.99
Monthly Potable Water and Recycled Water Basic Charge						
Meter Size						
5/8-inch	\$15.02	\$22.81	\$24.21	\$24.52	\$24.83	\$25.24
3/4-inch	\$22.68	\$26.18	\$27.60	\$28.03	\$28.50	\$29.03
1-inch	\$37.69	\$32.92	\$34.38	\$35.06	\$35.83	\$36.63
1 1/2-inch	\$75.68	\$49.79	\$51.33	\$52.62	\$54.16	\$55.61
2-inch	\$121.02	\$70.03	\$71.67	\$73.70	\$76.16	\$78.39
3-inch	\$264.69	\$134.11	\$136.08	\$140.46	\$145.82	\$150.52
4-inch	\$476.68	\$228.56	\$230.99	\$238.83	\$248.49	\$256.82
6-inch	\$1,059.99	\$488.28	\$492.01	\$509.35	\$530.81	\$549.15
8-inch	\$1,813.44	\$825.58	\$830.99	\$860.67	\$897.46	\$928.81
10-inch	\$2,873.40	\$1,297.81	\$1305.57	\$1,352.53	\$1,410.77	\$1,460.32
Capital Charge (Collected by way of property owner's annual property tax bill)						
Potable Water Meter						
5/8-inch	–	\$99.92	\$163.45	\$198.13	\$235.17	\$274.93
3/4-inch	–	\$149.88	\$245.17	\$297.20	\$352.76	\$412.39
1-inch	–	\$249.79	\$408.61	\$495.33	\$587.92	\$687.31
1 1/2-inch	–	\$499.57	\$817.21	\$990.65	\$1,175.84	\$1,374.61
2-inch	–	\$799.31	\$1,307.54	\$1,585.04	\$1,881.35	\$2,199.37
3-inch	–	\$1,748.49	\$2,860.23	\$3,467.27	\$4,115.44	\$4,811.11
4-inch	–	\$3,147.29	\$5,148.40	\$6,241.08	\$7,407.79	\$8,659.99
6-inch	–	\$6,993.96	\$11,440.89	\$13,869.06	\$16,461.75	\$19,244.41
8-inch	–	\$11,989.65	\$19,612.96	\$23,775.53	\$28,220.13	\$32,990.42
10-inch	–	\$18,983.61	\$31,053.84	\$37,644.58	\$44,681.87	\$52,234.83
Bi-Monthly Fireline Class I & II						
Fireline Service Size						
5/8-inch	\$8.30	\$17.38	\$2.91	\$2.92	\$2.92	\$2.94
3/4-inch	\$8.30	\$17.38	\$2.91	\$2.92	\$2.92	\$2.94
1-inch	\$8.30	\$17.38	\$18.81	\$18.94	\$19.02	\$19.24
1 1/2-inch	\$8.30	\$19.90	\$21.44	\$21.69	\$21.93	\$22.28
2-inch	\$8.30	\$24.24	\$25.96	\$26.43	\$26.95	\$27.51
3-inch	\$24.08	\$39.81	\$42.21	\$43.47	\$44.94	\$46.32
4-inch	\$51.29	\$66.67	\$70.23	\$72.85	\$75.98	\$78.75
6-inch	\$148.96	\$163.09	\$170.79	\$178.29	\$187.39	\$195.15
8-inch	\$317.40	\$329.38	\$344.25	\$360.16	\$379.55	\$395.92
10-inch	\$570.77	\$579.52	\$605.16	\$633.73	\$668.59	\$697.92
Monthly Fireline Class I & II						
Fireline Service Size						
5/8-inch	\$3.95	\$16.72	\$1.46	\$1.46	\$1.46	\$1.47
3/4-inch	\$3.95	\$16.72	\$1.46	\$1.46	\$1.46	\$1.47
1-inch	\$3.95	\$16.72	\$18.12	\$18.21	\$18.26	\$18.44
1 1/2-inch	\$3.95	\$17.98	\$19.44	\$19.59	\$19.71	\$19.96
2-inch	\$3.95	\$20.15	\$21.70	\$21.96	\$22.22	\$22.58
3-inch	\$11.47	\$27.93	\$29.82	\$30.48	\$31.22	\$31.98
4-inch	\$24.42	\$41.37	\$43.83	\$45.17	\$46.74	\$48.20
6-inch	\$70.93	\$89.57	\$94.11	\$97.89	\$102.44	\$106.40
8-inch	\$151.14	\$172.72	\$180.84	\$188.83	\$198.52	\$206.78
10-inch	\$271.80	\$297.79	\$311.30	\$325.61	\$343.05	\$357.78
*One unit equals 100 cubic feet (CCF) or 748 gallons.						

