

## New Rates to Appear in August Bill

Beginning in July, the City of Morro Bay’s combined water and sewer bill will increase in order to fund operations and maintenance of the entire water and sewer system, along with important infrastructure improvements including the new Water Reclamation Facility (WRF). The increase will appear in the August bill for water/sewer use in July.

The new rates are part of a five-year rate plan approved in 2015, along with a \$41 per month surcharge to help fund the WRF. The surcharge was analyzed by a four-member commission made up of financial experts, and was approved by the City last year. The total increase will result in an average customer paying approximately \$191 per month for combined water and sewer service.

## What Are the New Rates?

Total proposed WRF water and sewer rate surcharges for a single-family home will not exceed \$41 per month (\$25 WRF sewer surcharge/\$16 WRF water surcharge). Combined surcharges per multi-family or condominium dwelling unit will not exceed \$32.80 per month. Surcharges for commercial and other non-residential customers vary based on customer class and water use and will not exceed the levels shown on the tables below.

Proposed WRF Sewer Charges	
<b>Residential WRF Sewer Charges</b>	
Fixed monthly surcharge per residential dwelling unit	
Single Family Home	<b>\$25.00</b>
Multi-Family/Condominium Unit	<b>\$20.00</b>
<b>Non-Residential WRF Sewer Charges</b>	
Volumetric surcharge per hcf of metered water use	
Class A - Low Strength	\$3.43
Class B - Domestic Strength	\$4.10
Class C - Moderate Strength	\$4.77
Class D - Mod-High Strength	\$5.43
Class E - High Strength	\$6.77
<b>Minimum Monthly Charge</b>	<b>\$20.00</b>

Proposed WRF Water Surcharges	
<b>Residential WRF Water Surcharges</b>	
Fixed monthly surcharge per residential dwelling unit	
Single Family Home	<b>\$16.00</b>
Multi-Family/Condominium Unit	<b>\$12.80</b>
<b>Non-Residential WRF Water Surcharges</b>	
Volumetric surcharge per hcf of metered water use	
Surcharge per hcf of water use	\$3.64
<b>Minimum Monthly Charge</b>	<b>\$12.80</b>

1 hcf = 100 cubic feet = 748 gallons

## What Will The Rate Increase Fund?

The City is taking important steps to invest in our infrastructure now to ensure safe, reliable water and wastewater service in the future. The proposed rate increase covers both day-to-day costs of providing around the clock service, and investment in necessary improvements to the City's infrastructure.

One such investment is the \$126 million WRF. This facility will replace the City's existing wastewater treatment plant with an advanced water purification facility that will meet state regulations, protect the environment, and contribute a safe and reliable water source for Morro Bay. The project will create a drought buffer and will be capable of providing up to 80 percent of the City's water needs in the future.

---

**The City continues to actively seek state and federal grants and low-interest loans that could reduce future charges.**

---

## About the WRF

The City of Morro Bay WRF is a critical part of Our Water – The City's program to plan and build infrastructure for a sustainable future for the environment, our economy and the community.

Together, Our Water projects will meet state requirements by locating a treatment facility outside the area of coastal hazards like sea-level rise, and will take advantage of technologies that allow for advanced water purification, providing a reliable drinking water supply even during extended periods of drought. This innovative purification technology also makes the project eligible for low-interest funding, which helps minimize costs.

**The new rates will fund ongoing costs of operating the City's expansive water and wastewater systems, and to pay for a new water reclamation facility that will meet state regulations, protect the environment, and provide a locally-controlled water source in the future.**

## Keeping Rates Affordable

City leaders understand the importance of keeping services in top working order while planning for the future. They also understand that hardship that can come with rate increases, and have worked in partnership with community leaders and regulatory agencies to reduce costs. That includes moving the project planning forward now, to avoid additional cost increases associated with increasing construction costs and reduced grant and loan options.

Help is available for those who are eligible for financial assistance.

The City has created a water and sewer utility discount program in which low-income customers who qualify for assistance through PG&E CARE or SoCal Gas CARE can also receive a discount from the City of Morro Bay. Qualifying residents will receive a 10 percent discount on the overall monthly utility bill. Applications can be found online at <http://www.morrobayca.gov/DocumentCenter/View/11080/Utility-Discount-Program>.

