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# PRESS RELEASE

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## **Morro Bay One of Twelve Communities Selected to apply for Federal Water Infrastructure Loan**

The U.S. Environmental Protection Agency (EPA) has invited the City of Morro Bay to apply for an \$82 million Water Infrastructure Finance and Innovation Act (WIFIA) loan. The City of Morro Bay submitted a letter of interest to EPA in April 2017 and was selected from a group of projects that represent large and small communities from across the United States.

“Our new Water Reclamation Facility (WRF) project will replace the City’s aging wastewater treatment plant,” said Jamie L. Irons, mayor of Morro Bay. “Ultimately water reclamation is the future to insure resilient and sustainable communities. The future WRF project will ultimately produce enough reclaimed water to reduce our reliance on imported water.”

“This is a huge project for our small community,” said Councilmember John Heading, “and I am looking forward to continued robust community discussion in the days and months ahead.”

The full water recycling aspect of the project will allow the City to achieve locally-controlled water independence, no longer dependent on state water supplies which are drought-affected and likely facing substantial cost increases that cannot be controlled locally in the decades ahead. Water independence reduces the risk of losing access to state water due to earthquake, climate change or other natural disasters.

“I think it's vital that the City become 100% water independent and that's what we're shooting for with this project,” Councilmember Robert “Red” Davis said. “We don't know how expensive State Water will become in the future and we don't know what climate change will do to us. We have to be able to produce our own clean drinking water.”

“I think it is a positive response impact to the project from the Federal Government,” said Public Works Director Rob Livick, “and we look forward to working with EPA, the community and other stakeholders as we move forward to refine Morro Bay’s WRF project for the improvement of the region’s water quality and securing the City’s water supply future.”

The next steps to bring the project into fruition include working with the EPA over the next year on the formal application for this WIFIA loan, and as the City Council has directed staff at their July 11, 2017 meeting, due to the high community costs of the project, re-examine the potential costs of developing the project at alternative sites, including the Righetti site adjacent to Highway 41; the Giannini site, on Little Morro Creek Road; and a location West of Highway 1 near the existing wastewater plant on Atascadero Road. With a better understanding of relative costs at these sites, the Council will then be able to determine whether to continue pursuing the project at the current South Bay Boulevard site or another location.