



City of Morro Bay
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PRESS RELEASE

FOR IMMEDIATE RELEASE

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CITY OF MORRO BAY SECURES MILLIONS OF DOLLARS IN FEDERAL FUNDING FOR LARGEST CITY INFRASTRUCTURE PROGRAM

Morro Bay, Calif. – This Monday marked a historic milestone for the City of Morro Bay and its Water Reclamation Facility (WRF) Program as it secured up to \$62 million in low-interest funding from the United States Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program. Alone, this loan will make available up to 49 percent of the project cost in low-interest funding, which is ultimately expected to save Morro Bay ratepayers \$29 million over the life of the project.

“Securing this low-interest federal funding is a sound financial decision for the City,” said Mayor John Headding. “Signing the agreements now means that we will lock in near-historic low-interest rates and ensure maximum benefit for our rate payers.”

The City has been working with WIFIA staff since 2017 to secure this low-interest funding. These dollars in combination with state funding, will allow the City to fulfill its obligation to meet state and federal regulations to relocate the wastewater treatment plant, and will allow for the viability of an advanced water purification facility to contribute a safe and reliable water source.

"In Congress, I was proud to help advocate for this Morro Bay water federal funding and I am thrilled that our community is receiving this EPA loan to improve our wastewater infrastructure," said Rep. Salud Carbajal (CA-24). "The importance of a sustainable water source in Morro Bay cannot be overstated—with these funds, we will be able to modernize our wastewater treatment, better prepare for the impacts of flooding, become more resilient and improve the lives of Central Coast residents."

Approximately 55 percent of the total WIFIA funding will be allocated to the water system portion of the program and 45 percent of the funding will be allocated to the wastewater portion of the program.

“Communities like Morro Bay experience real, on-the-ground benefits when they are able to improve critical infrastructure for clean water and flood protection,” said EPA Pacific Southwest Regional Administrator John Busterud. “EPA is committed to continuing our support through low-interest, flexible financing that improves quality of life and protects the environment.”

To date, EPA has issued 17 WIFIA loans totaling over \$3.7 billion in credit assistance to help finance over \$8.4 billion for water infrastructure projects and create more than 16,000 jobs.



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The WRF Program was also placed on the Clean Water State Revolving Fund (SRF) fundable list for the Fiscal Year 2019/2020. SRF funding (grant and low interest loans) combined with the WIFIA loan and cash on hand will fully fund the WRF project.

About the Water Reclamation Facility

The City of Morro Bay Water Reclamation Facility Program involves replacing 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's homes and businesses. The project will create a drought buffer and is capable of providing up to 80 percent of the City's water needs in the future.

The project includes construction of a new one million gallon per day advanced treatment facility, two new lift stations, an approximately 3.5 mile pipeline alignment, and wells to inject the purified water into the groundwater aquifer, which can be extracted for reuse through the City's existing infrastructure. The current schedule includes construction beginning as early as spring 2020 and project completion by 2023.

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