



City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442
(805) 772-6200
Online: morro-bay.ca.us

PRESS RELEASE

Contact: Scott Collins, City Manager – O: (805) 772-6206
Email: scollins@morrobayca.gov

August 2, 2018

Morro Bay's Pursuit of Federal Innovation Loan could Save Ratepayers Millions, and is Supported by U.S. Congressman Carbajal

Morro Bay, CA – The City's Wastewater Reclamation Facility (WRF) project reached another major milestone with the recent submission of a complete application for a low-interest loan through the Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program. The loan will fund 49% of the total project cost of \$126 million. Securing the EPA WIFIA low-interest loan will save the Morro Bay residents nearly \$20 million. The pursuit of the WIFIA loan is an example of the City's continued efforts to minimize any proposed rate increases. The City's current proposed rate increase is \$41 per month for the average single-family household.

U.S. Congressman Carbajal (CA-24) supports the City's pursuit of the WIFIA loan, because, as he states, "helping offset the cost of Morro Bay's water reclamation facility is vital to pass along those savings to the community. I fully support Morro Bay's application for a WIFIA low-interest loan as one way to help strategically reduce the overall financial impact of the project and increase water security in the area."

"We greatly appreciate Congressman Carbajal's support for the WIFIA application," stated City Manager, Scott Collins. "We continue to pursue state and federal funding to reduce the financial impact of the WRF project on rate payers."

Morro Bay is part of an elite group

The City submitted a letter of interest to the EPA in April 2017 and was invited to submit a formal application for a WIFIA loan last July. A total of 43 letters of interest were submitted from agencies across the United States. The City is one of the 12 agencies nationwide to be selected to move forward in the process by the EPA. In addition to Morro Bay, San Francisco Public Utilities Commission, Orange County Water District, and San Diego were also invited to participate. Like Morro Bay, two of the other projects in California will use highly treated wastewater to create a new, sustainable potable water supply for the local community. These 12 projects represent the most innovative projects currently in the wastewater industry.

WIFIA Funds are Being Dispersed

In April 2018, the EPA announced that it has nearly \$5.5 billion available for loans. On August 1st, the EPA signed its fourth WIFIA loan agreement with Orange County Water District for \$135 million. This project is virtually identical to the one being undertaken by Morro Bay that will turn wastewater into a drought-proof water supply through groundwater replenishment. This announcement comes on the heels of news that the San Francisco Public Utilities Commission has signed a loan agreement for \$699 million to fund an advanced biosolids treatment facility. Since April 2018, the EPA has loaned over \$1 billion through the WIFIA program. Morro Bay is poised to be the next agency to receive WIFIA funding. In addition to the completed application, the City recently received a credit rating of "A" with a stable financial outlook.

To learn more about the City's WRF project, please visit: <http://morrobaywrf.com/>

To learn more about the WIFIA low-interest loan program, please visit: <https://www.epa.gov/wifia>