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PRESS RELEASE

FOR IMMEDIATE RELEASE

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CALIFORNIA COASTAL COMMISSION APPROVES COASTAL DEVELOPMENT PERMIT FOR CITY'S WATER RECLAMATION FACILITY

Morro Bay, Calif. – The Coastal Development Permit for the City of Morro Bay's Water Reclamation Facility project was unanimously approved by the California Coastal Commission on Thursday, July 11, 2019 marking an important step in the permitting process for the City's largest-ever infrastructure project.

"The Coastal Commission decision is vital for a drought-resistant and sustainable water future for Morro Bay and allows us to move forward to secure funding that will help reduce costs for our community," said Morro Bay Mayor John Heading.

The California Coastal Commission staff recommended approval of the permit application for the estimated \$126 million project, which includes construction of a new wastewater treatment facility with a water reclamation component that would replenish area groundwater by approximately 825 acre-feet of water per year, or about 80 percent of Morro Bay's yearly water needs.

To meet state and federal requirements, the City must construct a new wastewater treatment facility in an inland location away from the coastal zone and coastal hazards, including sea-level rise, tsunami, and flood inundation. The Water Reclamation Facility Project is consistent with the Coastal Act policies by protecting the environment and coastal resources, and it will also provide a locally-controlled water source for the Morro Bay community.

A secure water supply and reliable infrastructure requires investment, and the City is pursuing all available options to keep the project affordable for ratepayers. To date, the City has received a recommendation by the State Water Resources Control Board for up to \$105 million in low-interest loans and grants, and is finalizing a low-interest loan agreement with the U.S. Environmental Protection Agency for the Water Infrastructure Finance and Innovation Act (WIFIA) loan program.

This Water Reclamation Facility Project has been in development since 2013 as the City analyzed options to relocate the existing wastewater treatment facility located near the beach on Atascadero Road. As part of the planning process, the City convened a Citizens Advisory Committee as an advisory body to review technical components of the project and provide recommendations to the City. Community input has been an important part of the project, and in the last two years alone, the City held more than 50 public meetings where the project has been discussed.

With the July 11, 2019 Coastal Commission action, the City will continue with acquisition of property, acquiring remaining permits, and finalizing funding agreements before beginning construction later this summer.

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 on South Bay Boulevard north of Highway 1, two new lift stations, approximately 3.5 miles of pipelines 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 September 2019 and project completion by 2022.

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