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PRESS RELEASE

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Morro Bay Completes Draft Water Reclamation Facility Master Plan First Detailed Project Cost Estimate On Track to Water Independence

The draft Facility Master Plan, completed (and posted to the City's [Website](#)) on November 10 for the City of Morro Bay, lays out the technology, engineering and cost details for construction of a new Water Reclamation Facility (WRF) at the City's preferred South Bay Boulevard site. Draft water reclamation information indicates the "Phase II" reclamation component of the facility will allow the community to achieve water independence.

Morro Bay is on track to build a modern Water Reclamation Facility by June 2021 that meets the community's Council-approved critical goal of "advanced water treatment" for a total project cost of up to \$126-140M, plus a construction contingency of \$25-28M.

The facility will allow the City to achieve locally-controlled water independence, potentially no longer dependent on state water supplies which are drought-affected and, in the decades ahead, facing substantial cost increases that cannot be controlled locally.

The City estimates a likely reduction in water users' costs of at least \$1.5M a year, or \$45M over 30 years. The Plan also indicates the City can likely reduce the anticipated combined Phase I and Phase II construction timeline from seven years to five years.

The City is hosting a public workshop to review the Facility Master Plan at 6:00 p.m. on Monday, November 14 at the Morro Bay Community Center, 1001 Kennedy Way in Morro Bay.

The Plan was developed by the Irvine, CA, office of Black and Veatch, a leading engineering and construction company specializing in water infrastructure development.

In 2013, the City received a comparison estimate of \$100M for construction of a water treatment and reclamation facility in the Morro Valley. That estimate was intended only to compare construction costs at the proposed Rancho Colina site in the Morro Valley against a proposed California Mens' Colony site, then under possible consideration. That comparison estimate was developed using the mid-range of possible treatment options and did not include additional costs common to both sites, such as the \$5M projection to decommission the City's existing 62-year

old waste water treatment plant that sits in a flood zone on the beach and dumps almost a million gallons a day of treated water into the ocean. Treatment for agricultural irrigation was the basis for developing cost ranges.

Factors affecting the fully-engineered cost estimate of \$126-\$140M, before contingencies, compared to the 2013 comparison estimate of \$100M include:

- The community-developed and Council-approved project goal of producing tertiary disinfected water suitable for highest and best use such as groundwater injection to replenish City Water Supplies requires what is essentially the most advanced treatment technology currently available, technology more expensive than the mid-range of treatment options considered in the 2013 comparison estimate.
- The community's June 2016 decision to move the preferred WRF site from the Morro Valley to the South Bay Boulevard location was made with the understanding that project costs may increase 10-15%.
- The Facility Master Plan identified essential design elements not known in the 2013 estimate, such as the need to handle large wet-weather peak flows which requires the construction of a large equalization tank. High peak flows were considered in past Master Plan efforts for the previous project (prior to 2013), but were not as significant a concern until water reuse and advanced treatment became critical project goals.
- The comparison estimate did not include other significant costs, which would be similar at any site, such as decommissioning of the existing waste water treatment plant or construction of a full recycled water transmission system.
- The comparison estimate was developed for a facility that would produce water for agricultural reuse, not for groundwater injection supporting a sustainable water supply.
- The \$100M comparison estimate was developed three years ago in December 2013.

The draft Facility Master Plan is a key component of the project description that is being used to complete a comprehensive Environmental Impact Report (EIR), a critical step in finalizing the draft plan and site design. The City plans to complete the Draft EIR for public review by August 2017, and finalize the environmental study by November 2017. A detailed project design will be developed in 2018, with anticipated construction to begin in mid-2019. The facility is projected to be operational by June 2021.

The entire draft Facility Master Plan is available for download at: <http://morrobaywrf.com/draft-water-reclamation-facility-master-plan-nov-2016/>