

**SPECIAL
SUBCOMMITTEE MEETING
MORRO BAY CITY COUNCIL AND CAYUCOS SANITARY DISTRICT**

DATE: 7:30 A.M., Thursday, August 25, 2005
PLACE: Conference Room
Public Services Building
955 Shasta
Morro Bay, CA 93442

MINUTES

CALL TO ORDER AND ROLL CALL

Morro Bay City Councilmember Thad Baxley called the meeting to order at 7:37 a.m.

Present for the City of Morro Bay: Thad Baxley, Betty Winholtz, Bob Hendrix, Bruce Ambo, Robert Schultz and Bruce Keogh.

Present for the Cayucos Sanitary District: Robert Enns, Bill Gibeaut, Tim Carmel, Bonnie Connelly and Bill Callahan.

A. PUBLIC COMMENT on Special Meeting Agenda Items

No comments.

B. Consideration of Whether or Not to Record Depreciation Expense Within the FY 05-06 Budget
Bob Crosby, CPA, presented the pros and cons of two thought processes regarding this topic and gave examples of how other cities operate. Baxley clarified there was no law that required a change in the current policies followed by the CSD or City of Morro Bay. Cayucos tabled the item pending further discussion by their full Board.

C. Consideration of Whether or Not to Establish a Capital Outlay Fund for Replacement of WWTP Facilities in Accordance with Sections G and I (15) of the Joint Powers Agreement

Due to the tabling of Item B, Enns suggested this item also be tabled but asked for Crosby's comments. Crosby replied it would be a repeat of the discussion on the previous topic.

D. Review and Discuss Terms of Topics Related to Task One of the 9.5 Year Compliance Schedule: Initial Coordination with the City and District

At the September 8, 2005 JPA meeting, the sub-committee will recommend doing a RFP for a Facility Plan with the three options – secondary, partial tertiary and full tertiary – costed separately.

E. Consideration of scheduling for next subcommittee meeting

If another meeting is necessary, it will be September 29, 2005, at 8:00 a.m. in the CSD office.

F. Adjournment

The meeting was adjourned at 9:00 a.m.