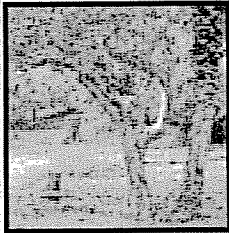


Buildout Reduction



PRESERVING CAMBRIA'S
QUALITY OF LIFE FOREVER.





Introduction

For decades, Cambria's natural beauty and small-town charm have attracted residents and visitors from around the world.

And, like many communities across America, Cambria is at a crossroads. The town has experienced significant growth, straining its already limited water supply, infrastructure and public services. A substantial amount of Monterey pine forest and open space has vanished.

Without careful planning, the things that make Cambria special will be gone forever and it will become like so many other faceless towns...congested with traffic, devoid of open space, and burdened with the high cost of additional infrastructure.

The Cambria Community Services District (CCSD) is proud to present an innovative Buildout Reduction Plan (BRP) to ensure Cambria's small-town character, natural resources, and quality of life remain intact.



TOTAL BUILDOUT

<i>Water Meter Allocations</i>	<i>Single-family</i>	<i>Multi-family</i>	<i>Total Residential</i>
Existing residential water connections	3,569	217	3,786
Pending connections	3	3	6
Intent to serve letters outstanding	n/a	n/a	31
Grandfathered meters	n/a	n/a	42
Existing CCSD waitlist positions	666	35	701
Potential additional CCSD connections	n/a	n/a	84
	Maximum total connections		4,650

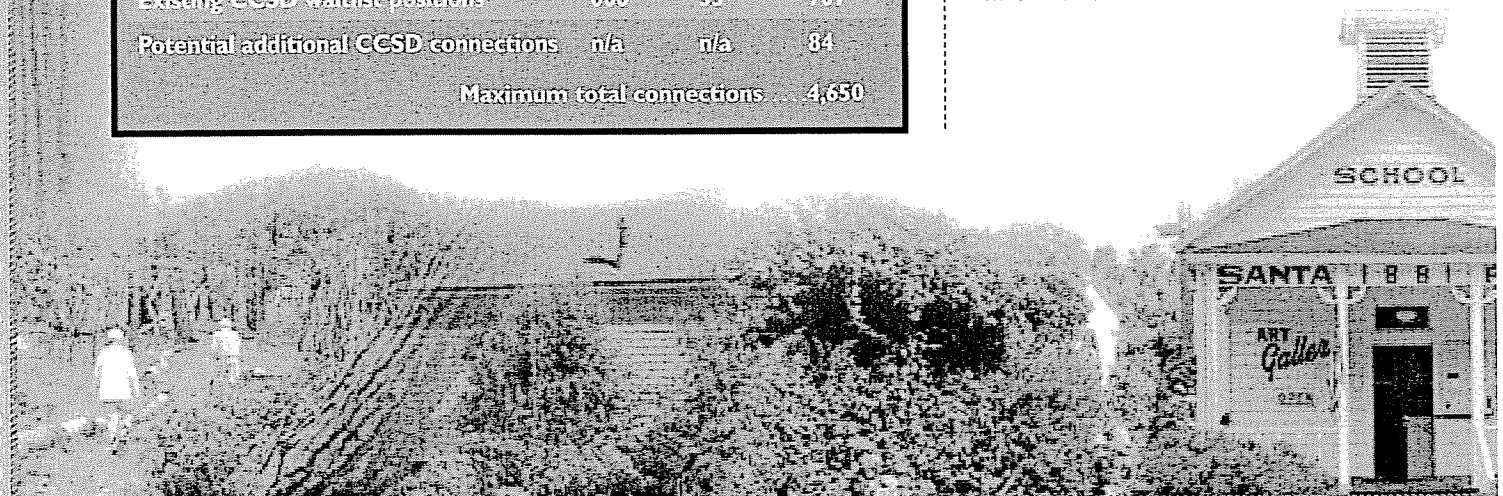
Background

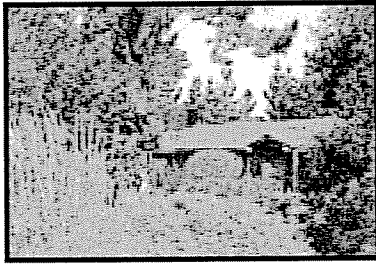
Following decades of severe water supply challenges, the CCSD Board declared a water emergency in 2001 and stopped the issuance of all new water connections until a viable water supply could be identified.

The CCSD is developing a Water Master Plan, scheduled for completion in 2007, which identifies a maximum of 4,650 residential water connections as the target capacity for final Cambria buildout. This is considered a sustainable number based on Cambria's limited infrastructure, services and resources. It includes 3,784 current residential water connections and 866 pending connections (701 are on the CCSD waitlists).

Buildout reduction and the target 4,650 residential water connections are consistent with County and California Coastal Commission recommendations.

In early 2006, the Citizen's Finance Committee, a broad cross-section of Cambria stakeholders, was appointed by the CCSD Board to develop a Buildout Reduction Plan (BRP). They completed their work and presented a report in May 2006, which is the basis for most of the information in this brochure.





Concept

The BRP's main goals are to conserve water, minimize infrastructure impacts, and preserve the town's dwindling forests and open space, allowing Cambria to retain its small-town character and quality of life. The

BRP also satisfies the California Environmental Quality Act's requirement to mitigate any growth-inducing impacts of the Water Master Plan.

The BRP seeks to retire or merge building sites¹ that exceed the approved maximum 4,650 water connections. This includes multi-family connections and lots. It does not include commercial connections, which are limited to 20% of the residential water allocation in a given year.

Most of the estimated 879 lots to be retired will be owned and maintained by the CCSD with open space easements held by land trusts. Some may be owned by land trusts if they complement existing forest and open space reserves. Most will be open space and forest habitat.

It's not known who will sell their lots, so there is no master lot list. The purchase of the 879 lots will occur over the 22-year life of the BRP. The choice of lots will depend on cost, habitat and forest protection attributes, open space proximity, and relationship to existing development.

Controlling growth on the edge of Cambria complements the BRP. In November 2006, Cambrians will have an opportunity to vote for the creation of a water service growth boundary. This measure would require voter approval for adjacent areas to be annexed and to obtain water and sewer connections.

¹ A building site must be a minimum of 3,500 square feet or have two underlying lots and at least 50 feet of street frontage.

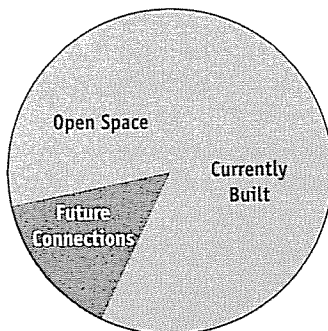
How the BRP Works

Of the 4,650 maximum residential connections, 84 are unallocated. Of these, 65 would be sold through the BRP. Selected local land trusts with land acquisition experience and community knowledge would sell three of the 65 unallocated water connections a year over the 22-year life of the program and use the proceeds to purchase and retire potential building sites. Property sales to the land trusts would be voluntary; no landowner would be forced to sell. Lots would be retired with a deed restriction or conservation easement. Once a lot is retired, it would remain retired forever. Market value of lots will be determined by a qualified real estate appraiser.

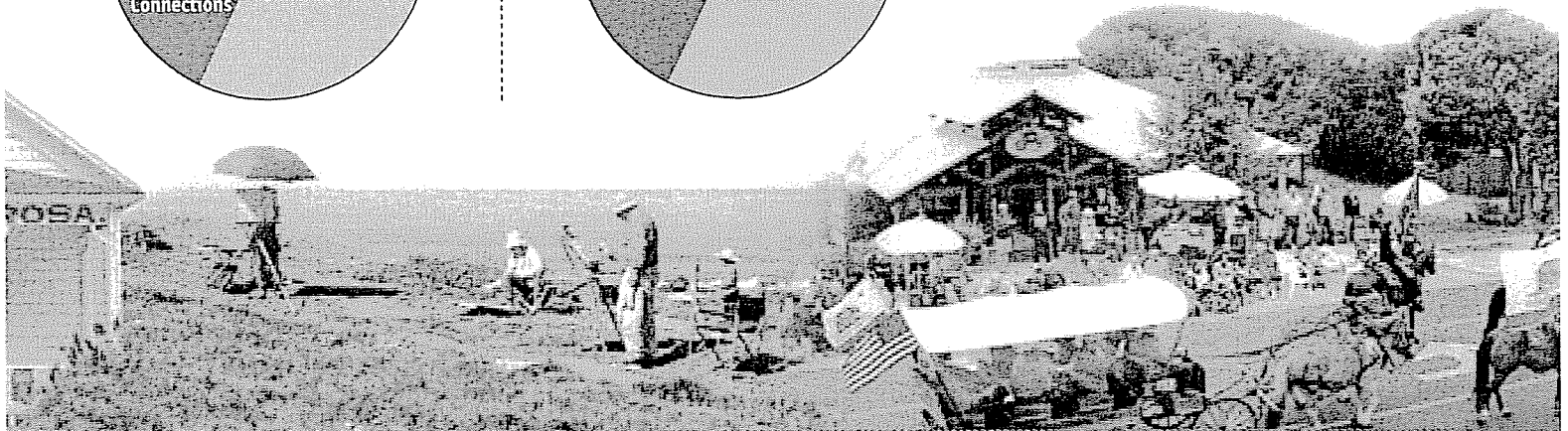
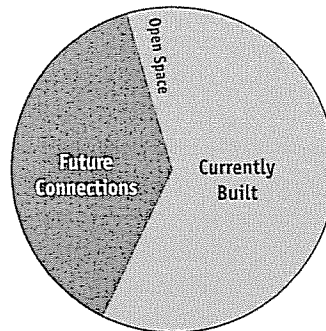
Land trusts will have flexibility in choosing lots for purchase and retirement as long as a potential building site is retired. Factors for consideration include adjacency to other retired lots, least costs for greatest benefit and strategic importance for habitat or open space protection.

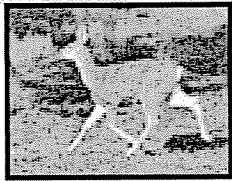
Lot maintenance will be the responsibility of the lot owner—private party, land trust or CCSD—and will consist mainly of weed abatement and fuel reduction for fire safety. CCSD cost of maintenance will be funded through the BRP.

▶ With Buildout Reduction



▶ Without Buildout Reduction





Timing

Based on the County's current 1% growth rate, complete buildout will be achieved in approximately 22 years. If this growth rate is increased, development could occur

faster, but the 4,650 maximum residential connections would remain the same. Building site retirement can occur faster than approval of water connections.

The CCSD could begin implementing the BRP sometime in 2007 when the Water Master Plan is approved. The BRP ends when all the lots are retired.

When the BRP is implemented and water connections are sold, buyers can expect to build when the CCSD Board lifts its moratorium and when a water supply project is far enough along to ensure that supplemental water is available to meet the new demand.

Program Implementation

Following is the sequence of steps to implement the BRP:

1. Approve Buildout Reduction Program
2. Approve and adopt Water Master Plan Program EIR
3. Adopt Water Master Plan
4. Incorporate proposed water rate adjustment into Water and Wastewater Rate Analysis and Modeling Study currently underway
5. As funds accumulate, make them available for lot purchases and retirements
6. Offer conditional Intent to Serve Letters to a portion of the CCSD waitlist
7. Begin donating meters (three a year) to land trusts for sale, subject to lifting of moratorium
8. Lift moratorium once a viable water supply project has made substantial progress and is nearing completion

FOR MORE INFORMATION:

For more details on the Buildout Reduction Program, please go to the CCSD website at www.cambriacsd.org and click on "Buildout Reduction Report" on the home page. You may also contact CCSD General Manager Tammy Rudock at 805-927-6230 or by email at trudock@cambriacsd.org.

LOT OWNERS NOT ON CCSD WAIT LIST

Please note that no one will be forced to sell his or her property. Due to their size or location, many properties have been ineligible for water service for decades. The purchase of land in the CCSD has never guaranteed water service.

For those lot owners who have a buildable lot but are not on the CCSD water wait list, several options are available under the BRP:

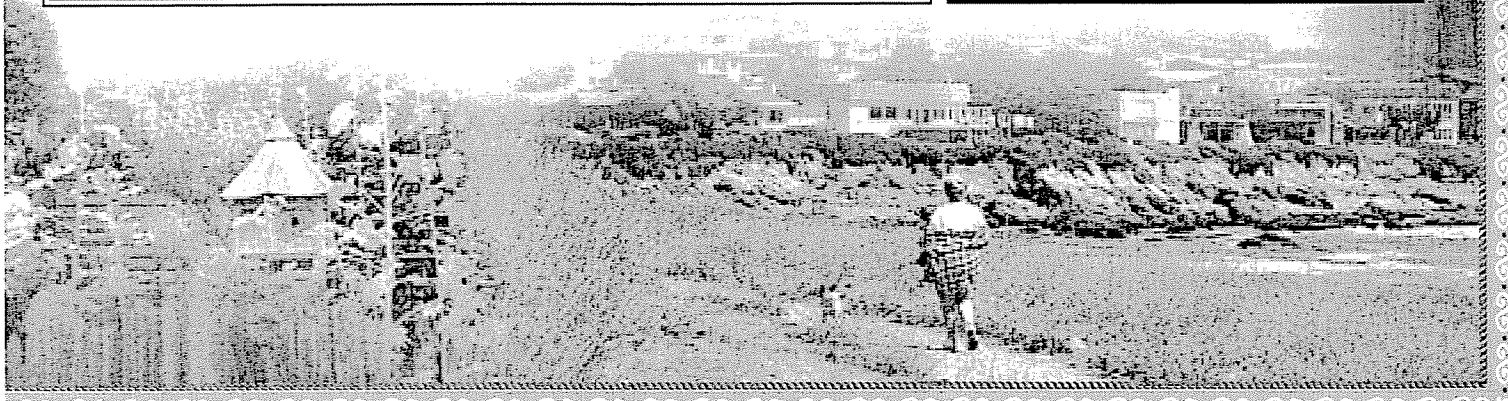
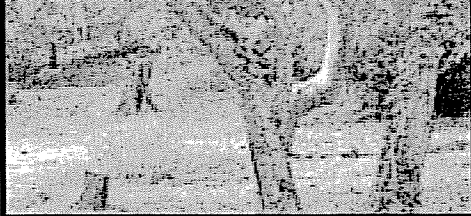
- Acquire and move a meter or CCSD waitlist position from another lot
- Purchase an unallocated water connection from a land trust
- Sell the property at fair market value
- Donate the property
- Merge the property with an adjacent parcel
- Retain the property

LOT OWNERS WITH A CCSD WATER POSITION

The 701 properties on the CCSD water wait lists will receive water connections during the 22-year projected life of the BRP.

SPECIAL PROJECT AREAS

Special Project Areas 1 and 2 are County planning areas with restrictions because of their unique resources, i.e. the trees and habitat of Area 1 and the viewshed and habitat of Area 2. Water entitlements may not be transferred to Area 1 and, after September 24, 2007, may not be transferred to Area 2 either. These areas are not included in the BRP because other acquisition programs are already in place for them.



Funding



BRP funding would come from a fee for new water connections, water rate increases for existing CCSD commercial and residential customers, a fee for remodels, and the sale of 65 unallocated water connections (3 per year for the 22-year program).

A current study is underway to review all water rates including the proposed BRP increase. Preliminary rate projections to fund the BRP are \$8.81 per month for residential customers and \$39.40 per EDU per month for commercial accounts. All commercial users will receive the same percentage rate increase as residential users. A one-time buildout reduction fee for new residential and commercial connections is estimated at \$10,127. A fee for major remodels would be approximately \$1,000.

ESTIMATED BRP COSTS

Cost Item	Property Acquisition Costs
Land Acquisition ²	\$29,313,000
Program Administration	\$2,200,000
Initial Weed Abatement	\$439,500
Transaction Costs ³	\$2,931,300
Merger Incentive Costs	\$3,549,600
TOTAL	\$38,433,400
Annual operational/maintenance fees estimated at \$283,284 ⁴	

² 861 lots at \$33,000 each and 18 lots at \$50,000 each.

³ Costs include appraisal, title insurance, recording fee, escrow agent, buyer-paid commissions and miscellaneous closing costs.

⁴ The O & M cost shown is an average annual expense that covers the first 22 years of the program. The cost is less during the initial years as lots are acquired, and levels off at \$370,325 per year after all the lots are acquired.

⁵ To promote specified conservation goals (like forest and habitat protection), conservation easements restrict what can occur on a lot, typically prohibiting construction.

⁶ From September 2005 – February 2006, vacant lots without a water meter sold for an average of \$13.12/sq ft or \$18,750 to \$75,000 for a single (25 x 70 sq ft) lot, depending on location.

Lot Mergers and Retirements

Under the 4,650 maximum water connections, 3,357 lots would remain vacant. The program, however, will target only potential building sites, not all vacant lots. This will reduce program costs because many lots are already retired, owned by conservation groups, in protected Special Project Areas, or too small to acquire water rights.

Some lot owners may voluntarily merge vacant lots with existing improved lots or may purchase part of an adjacent building site and merge it with their own home site. The County and CCSD offer incentives for mergers. There may also be tax benefits for merging lots. Other owners may elect to voluntarily retire a potential building site with deed restrictions or conservation easements.⁵

Acquisition Costs

The BRP generates funds to pay lot owners who want to sell their lots at fair market value. No one will be forced to sell his or her property. Lot size and views are key factors in Cambria land costs. Below are estimates based on asking prices and sales from September 2005 through February 2006.⁶

	Single-family Residence
Average lot size	2,500 sq ft
Percent view lots	25%
Price per square foot, view lots	\$30.00
Price per square foot, non view lots	\$7.50
Weighted average	\$13.12/sq ft
Average price per lot	\$33,000





CAMBRIA
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Photography by Merle Bassett

**This Committee was appointed by the CCSD Board of Directors.*