

**BUILDOUT REDUCTION PROGRAM QUESTIONS FROM
MAY 16, 2006 TOWNHALL MEETING**

Isn't the BRP a growth control measure and therefore not part of the CCSD's business?

The BRP is a feasible mitigation for the growth-inducing impacts of the CCSD Water Master Plan EIR. The CCSD is required to comply with California Environmental Quality Act (CEQA) in its water planning and to consider the growth-inducing impacts of water projects and implement feasible mitigations to reduce significant environmental impacts caused by this growth. The CCSD has the authority to mitigate these impacts via its authority and obligation to conserve water by reducing future water demand.

How does affordable housing fit into the BRP? Is it within the 4,650 maximum residential water connections?

Affordable housing would be supplied within the 4,650 maximum residential water connections as encouraged by the County housing programs. The CCSD has a history of assisting, where legal, the establishment of affordable housing in Cambria.

Why does the BRP use "water connections" instead of numbers of people?

The CCSD has authority only over water connections.

Why doesn't the BRP address the implementation of the Forest Management Plan?

The BRP addresses the practical and economic feasibility of implementing a buildout reduction plan in Cambria, not the best way to manage the retired lots. This maintenance activity will be considered later using the Forest Management Plan as a guide.

How many commercial water connections will be permitted under the BRP?

Current permits require that 20% of the CCSD new water connections be allocated to commercial uses. Approximately 140 commercial EDUs are possible (20% of 701).

How can the BRP so callously ignore the people who have building sites and no water position? My child cannot afford to buy a meter at the prices mentioned in the report.

The BRP was developed with the basic premise that fair market value be paid for lots that are purchased and retired. These lot owners will be in the same, if not better, position than they were prior to the BRP. It should be noted that the

CCSD does not set the price for water waitlist positions or water meters. If you own a lot without a water entitlement before the BRP is implemented you can buy a meter, buy a CCSD waitlist position, sell your lot at fair market value, or wait the almost 30 years to see how the remaining water meters will be allocated.

If you own a lot without a water entitlement after the BRP is implemented you can buy a meter (there will be more for sale), buy a CCSD waitlist position, sell your lot at fair market value (these lots will be acquired under the BRP and by other buyers), or wait the almost 30 years to see how the remaining water meters will be allocated.

If the BRP is implemented and water connections are sold, how soon can buyers expect to build?

The earliest these connections could be used is when the CCSD Board lifts its moratorium. The CCSD Board can consider lifting the moratorium when the desalination plant is far enough along so that supplemental water would be produced in time to meet the new demand.

Will the increase in water rates for the BRP be fixed for everyone or be related to how much water is used?

It may be handled either way or a combination of both.

With some lots costing more than a million dollars, how can 879 lots be purchased?

The money collected for the BRP will be used to acquire the most lots for the least amount of money. The least expensive lots that meet the criteria of size and location will be purchased. It is unlikely that any million-dollar lots will be acquired.

What is the total cost to rate payers?

A current rate study by Black and Veatch is being done to look at all the rates including the proposed BRP increase, which will not be implemented until all the rate modifications are studied to alleviate a major financial burden on our customers.

Will some commercial users be paying more than others based upon the type of business?

All commercial users will receive the same percentage increase in rates. This is the same percentage increase in residential rates.

What happens if the 1% growth cap is raised?

Development could occur faster, but the 4,650 maximum residential connections would remain the same regardless of how fast it is reached.

How does the Transfer of Development Credits Program relate to the BRP and the retirement of lots?

The BRP does not allow for the transfer of development credits from any lot acquired with BRP funds. Therefore the TDC program is unaffected by the BRP.

How and why were the committee members chosen and how might they benefit personally from the BRP?

Since the BRP could impact people with different interests in the Cambria community, the CCSD Board appointed a committee to undergo an extensive public review process. This committee represents a cross section of constituencies and stakeholders to review and comment on the BRP. Committee members commenting on the BRP have no conflict of interest just as no member of the public does. The public's comments and recommendations are as valuable as the committee's.

How can the CCSD, which deals with water and wastewater, justify buying lots?

The CCSD has the authority to acquire lots for parks, recreation and open space. It may also acquire lots for water conservation and fire prevention. The BRP is a legal mitigation for the growth-inducing impacts of the CCSD Water Master Plan EIR, which studies the desalination plant. The CCSD is required to consider the growth-inducing impacts of the desalination plant and implement feasible mitigations to reduce the significant environmental impacts caused by this growth. Under the BRP the lots will be acquired by land trusts who may transfer the lots to the CCSD if the land trust retains an open space easement over the lots.

Why don't you put this matter (BRP) up for a community vote?

In August 2000, the CCSD sent registered voters, District customers, and property owners on the water wait list an advisory ballot to obtain their views on constructing a desalination plant. Fifty eight percent of respondents voted in favor of desalination. On July 23, 2003, as part of Water Master Plan Phase 4, the CCSD Board of Directors approved desalination as the alternative water source for Cambria and specified that the plant capacity be limited to 4,650 total residential hookups. A vote is not required to adopt the remaining portions of the BRP.

Years ago another District Counsel opined that the CCSD is legally prohibited from denying anyone water once desalination is developed. What, if anything, has changed this?

The BRP decreases the future demand for water by reducing potential building sites. When the required number of lots is retired, there will be no lots left that will require water service.

Will the lots be retired forever and can the government condemn lots?

The likelihood of government exercising condemnation authority to acquire enough lots to defeat the purposes of the BRP is slim to none. There must be a public purpose to acquire land by condemnation. Since the acquired lots will already be dedicated to a public purpose, the public purpose for condemnation must be greater than the need for open space and forest preservation.

Has a graduated connection fee that increases proportionately to the square footage of a residence been considered?

It has been considered, but determined to be too complex to administer. It won't save money for any one household.