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TODAY'S local news

Water deal strengthens city's hand

By Erin Carlyle/Staff Writer

A water management agreement guaranteeing Santa Maria a strong say in Orcutt's development future was approved Tuesday evening by the City Council - and it offers no hope to the stalled Orcutt Plaza shopping center.

Instead, the agreement outlines a process by which Orcutt developers would ask the city for water - because Orcutt's water purveyor, Cal Cities Water Company, has no water left to offer.

The council intends to provide water only to residential projects, not commercial ones, said Tim Ness, Santa Maria city manager.

"Cal Cities has come to us and said, 'We have these requests for water but we can't deliver,'" Ness said.

"What we can do through mutual cooperation with one another is allow them to take some of the water through our system," allowing Cal Cities to avoid building an expensive pipeline to get the water to Orcutt projects, Ness said.

But the deal leaves the pending Orcutt Plaza, stalled for more than a year because of trouble securing a water source, without hope for delivering water - at least through this agreement.

The developers have county approval to build the shopping center in unincorporated territory just south of the city at Santa Maria Way and Bradley Road, on vacant land near the Santa Maria Way interchange of Highway 101.

They also have an agreement to purchase water from Solvang - but have not found a way to deliver the water to their site. Without a guarantee of water, the development is blocked.

However, Steve Orosz, agent for the project, remains hopeful that the shopping center - slated to include a Vons supermarket, Borders bookstore, Petco and Starbucks - will move ahead soon.

Unlike the residential projects that will get water as a result of Tuesday's agreement, the water for Orcutt Plaza cannot be routed through city infrastructure because the city has refused to allow it.

Among their reasons, city officials have said they do not want a new shopping center to be built outside city limits because retail sales there would send sales tax money to the county, not the city.

"Giving up is not in our vocabulary," Orosz said. "We are working with the county to beat the water requirement and we've got a couple of things in the works."

In a related action, the council Tuesday also approved selling 500 acre-feet of the city's excess state water entitlement to Orcutt developers, bringing the total available for Orcutt projects to 900 acre-feet.



Issues revolving around water have blocked the Orcutt Plaza shopping center, between Highway 101 and the intersection of Bradley Road and Santa Maria Way, even though the development was approved more than a year ago.//Photos by Ed Souza/Staff

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At the center of the new water management agreement is the fact that Cal Cities has committed its 550 acre-feet of state water to specific upcoming development projects. Santa Maria, by contrast, uses only about 13,000 acre-feet of its 17,820 acre-feet of entitlement, leaving plenty left to sell.

Santa Barbara County policy requires all new Orcutt developments to secure a "supplemental" water source other than the Santa Maria groundwater basin, long suspected of being overused.

Although a court ruling earlier this year found the basin was not in "overdraft" - a condition in which more water is pumped than the basin can sustain and remain healthy over the long term - county policy requiring supplemental water for the area has not changed. County lawyers say a change is unlikely until a subsequent court phase determines just how much can be pumped safely.

Meanwhile, Cal Cities Water Co. must find a way to deliver the 550 acre-feet of state water it has promised to Orcutt projects - including 350 acre-feet to the 725-home Rice Ranch development.

County policy allows Cal Cities to pump as much groundwater as it returns to the basin in the form of supplemental water - so far the only source is state water - so that the net impact to the basin is neutral.

Cal Cities delivers about 200 acre-feet of state water to the Tanglewood neighborhood, so it can pump 200 acre-feet elsewhere from the basin.

But Cal Cities cannot deliver the remainder of its 550-acre feet without the city's help - unless the company builds an expensive pipeline or other infrastructure. Channeling the water through Santa Maria's pipes is the most economical way to go, said Rob Saperstein, attorney for Cal Cities.

Tuesday's agreement allows that to be done, said Dwayne Chisam, Santa Maria utilities director.

The 500 acre-feet the city made available Tuesday will sell at \$25,200 per acre-foot, and the profit could help lower the cost of water for city rate payers, Chisam said. Last year the council approved selling 400 acre-feet of excess state water to Orcutt projects, and most of that has been used up.

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