

# Mount Shasta Herald

## News

### **Nestlé has water rights option at mill site**

**By Deborra Clayton**  
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Nestle Waters North America has acquired the option to purchase water rights associated with the Cal Cedar mill in McCloud.

Nestle's northern California water resource manager Dave Palais said Nestle will exercise that option if the company proceeds with the purchase of the mill property for its proposed water bottling plant.

The water rights entitle the owner to use approximately 5,400 gallons of water per minute flowing from the McCloud River out of Lakin Dam onto the mill site via a 22 inch pipe.

The water rights are not included in the contract Nestle signed with the McCloud Community Services District in October, 2003, and are not part of the bottling plant and water collection and transfer project itself, Palais said.

He said Nestle has not determined how the water company will use the water, but stressed its purchase will not affect the contractual agreement with MCSD for the purchase of spring water.

"For Nestle, plans for this water fall into the same category as various proposals we have received, such as crane shed use," said Palais.

"We will not determine our course of action in those areas until the bottling plant and spring collection pipelines have successfully undergone EIR/EA scrutiny and our discretionary permits are in place," he said.

Mike Baldi, a Cal Cedar employee since 1985 who is still employed at the mill site, said currently the pipe ends, and is capped, where the mill's old boilers stood.

"When the mill company owned the town the water was used to produce steam and electricity for town," Baldi explained. "It was also an auxiliary town water supply available for emergencies."

MCSD general manager Pete Kampa reported, "During the past 10 years or so the water has been earmarked as a backup supply for the fire sprinkler system in the mill."

Baldi said a small overflow line comes off the main pipe and empties into Squaw Creek.

"There is no appreciable difference in the flow of Squaw Creek above or below where the small pipe trickles water into the creek," he said.

McCloud business owner Richard McFarland, whose residential property abuts Squaw Valley Creek, is concerned about the possible use of this water by Nestle.

He said he believes the 5,400 gallons per minute has been part of the watershed since the mill stopped using it decades ago.

"If they decide to use that water now, it's unclear what the impact would be on Squaw Valley Creek and the McCloud River," he said.

McFarland reported that, to his knowledge, water has not been flowing from the overflow pipe since autumn 2004. When it is flowing, he estimates, the overflow comprises 20 to 30 per cent of the Squaw Creek flow below the overflow pipe outlet.

Siskiyou County planning director Wayne Virag confirmed that water rights are real property, the title to which is sometimes transferred as part of land purchase and other times as a separate purchase.

In this case the water rights, which Palais said Nestle discovered through due diligence when considering the purchase of the Cal Cedar mill, are separate from the property but legally available for purchase by whomever buys the mill property.