

Record Searchlight

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Residents don't bottle criticism Nestlé's proposed plant in McCloud meets resistance

By David Benda

McCLOUD — Not everybody here is ready just yet to open the spigot to the world's largest bottled water company.

"I am for the plant as long as it provides the jobs and economic boost to the community. I think where I am leery is, there's nothing in the contract that will keep Nestle here at all," McCloud resident Mike Rorke said Tuesday.

Rorke was one of dozens of residents Monday who heard a pitch from Nestle Waters North America Inc. to build a plant that one day could employ 240 workers in the Siskiyou County town.

The Nestle presentation was followed by a unanimous vote by the McCloud Community Services District to endorse a 50-year contract with the Greenwich, Conn.-based company.

Nestle wants to start building the plant in 2005 and open it in 2006. Initially, the facility would employ 60 workers. The plant would bottle Nestle's Arrowhead Mountain Spring Water product.

District General Manager Pete Kampa and Nestle Natural Resource Manager David Palais spent Tuesday in Yreka meeting with Siskiyou County officials, including County Administrator Howard Moody.

"We talked about how we get the CEQA (California Environmental Quality Act) process going," Kampa said.

Rorke, whose wife owns a Main Street business, was among the residents who voiced concerns about the project. The plant's impact on McCloud's water supply, the lack of any guarantee in the contract regarding jobs, and Nestlé's ability to transport the water to its other Northern California plants before opening in McCloud were among the issues raised by residents.

Rorke pointed out that the contract states Nestle could terminate its deal with the district after 10 years.

Bruce French preceded Kampa as district manager. He knows the district did its homework and research on the deal with Nestle. Still, he has some questions.

Nestle wants to build an independent pipeline system from one of three springs north of town to its McCloud plant, which would represent an investment of \$60 million. That figure would double by the time the factory is fully built out, said Palais, who is also a geologist.

Initially, Nestle will draw water from Intake Springs through a separate system from the one used by the district. Eventually, Nestle may construct similar independent pipelines to the district's sources at Elk Springs.

Nestle can't draw more than 1,600 acre-feet of water — or 521 million gallons — a year. The company will buy the water from the district.

Typically, Intake, Elk and Lower Elk springs generate about 14,000 acre-feet of water a year. The community's use is estimated at 2,644 acre-feet a year — and assumes the town grows by 50 percent, Kampa said. In addition, recent renovations to McCloud's water system have added 1,364 acre-feet a year to the supply available for McCloud.

But McCloud businessman Richard McFarland pointed out that the contract allows Nestle the option to pump groundwater from wells with no cap on the amount. McFarland said it could affect spring flows into Squaw Valley Creek and McCloud River.

Hydrogeologist Paul Horton was dubious of McFarland's claim.

"It would require incredible pumping" to hurt flows, said Horton, who worked with Kampa on the contract.

Kampa added that the environmental review process could put a cap on the amount of groundwater Nestle is able to pump.

Siskiyou County Supervisor Joan Smith has concerns that Nestle will be able to truck water out of McCloud before the bottling plant opens.

"I just don't think it would be a good idea to take the resource and not have jobs," said Smith, whose district includes McCloud.

But Nestle can't start trucking water out of McCloud until all permits for the plant are issued. The company also can transport water beyond five years from Monday's deal if construction of the plant has started.

"We are probably two years into the future before all that occurs," Kampa said of permits being issued.

Kampa said the revenue his district will receive from the Nestle plant is significant. The district's services to McCloud include water, sewer, street lighting, snow plowing, road maintenance, fire protection, park and library services.

The deal with Nestle establishes a community enhancement fund. Nestle will contribute \$100,000 annually to the fund. Payments start when all plant approval permits are in place or five years after the deal is signed, whichever comes first.

Kampa estimates that during the plant's first year of operation, revenue from Nestle will constitute 34.5 percent of the district's \$846,000 operating budget.

"That's pretty substantial," Kampa said.

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