

McCloud Public Forum

February 18, 2009
Meeting Summary

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I. Introduction and Overview

On February 18, 2009, Nestlé Waters North America (Nestlé Waters) hosted a public forum at the McCloud Elementary School in the Town of McCloud. This public forum was intended to provide community members with an opportunity to learn about the revised proposed project and to provide feedback. Participants had the opportunity to voice their issues and concerns, and to ask questions regarding the proposed water bottling facility in McCloud. This document summarizes individual comments and concerns expressed by individuals during the meeting or through written comment cards submitted to MIG after the meeting. Data or information sources referenced by the commenters have not been verified by MIG.

More than 100 participants attended the evening meeting. Participants included local McCloud residents, as well as regional residents from Dunsmuir, Mt. Shasta, Redding, Middletown, Montague, and other communities. There were also representatives from a variety of interest groups including California Trout, natural resources, economic development, conservation, local Native American tribes, local non-profit organizations, and local agencies, among others. A group of participants carried signs that read “No – McCloud’s Water is Too Valuable to Sell” to communicate their opinion of the proposed project.

Joan Chaplick, Facilitator, MIG, Inc. (MIG), began the meeting with welcoming remarks to participants. She provided an overview of the agenda, described the meeting outcomes, and reviewed the general format for the public forum. Ms. Chaplick then introduced Brendan O’Rourke, National Director of Natural Resources, and Dave Palais, Natural Resource Manager, with Nestlé Waters, and Andi Nelson, Recorder, MIG.

II. Presentation

Brendan O’Rourke and Dave Palais with Nestlé Waters presented a PowerPoint presentation with an overview of the current project proposal. In the early 1990s, the McCloud Community Services District (MCSD) assessed the possible development of a water bottling facility in the town. In 2003, Nestlé entered into a contract with MCSD that allowed the company to purchase up to 1,600 acre-feet of water each year from the community. It was agreed that total payments to the MCSD would start at \$300,000 per year and grow to about \$400,000 per year by the tenth year of operation. In 2004, the company acquired an option to purchase the former Mill property and completed the sale in January 2006. Since that time, the environmental review of the initial proposed water bottling facility was tabled following release of a draft environmental impact report and the original project proposal has undergone design revision.

Mr. O’Rourke and Mr. Palais described the differences between the former and the revised proposed project. Table 1 compares the original and revised proposed project.

Table 1. Original and Revised Proposed Project Comparison

Project Design Components	Original	Revised
Total Water Usage (annual total)	Capped by MCSD at 1,600 ac-ft	Proposed by NWNA 600 ac-ft
Instantaneous Water Supply Needs (gallons-per-Minute)	Capped by MCSD at 1,250 gpm	Proposed by NWNA 600 gpm
Groundwater Wells	MCSD owned if requested by NWNA	No Groundwater Wells
Trucks/Day (average)	200	110
Trucks/Day (max)	300	200
Employees at Maximum Build-out	≈ 240	≈ 100
Maximum Plant Building Size	1,000,000 sq-ft	350,000 sq-ft
Springs used for bottling facility supply	Intake Spring Upper Elk Spring Lower Elk Spring	Upper Elk Spring Lower Elk Spring

The revised proposed water bottling facility project includes: up to a 350,000 square-foot plant building; a maximum of 600 acre-feet of water use annually; an average of 110 trucks per day or 220 truck roundtrips, and maximum of 200 trucks per day or 400 truck roundtrips; approximately 100 jobs at build-out; no use of groundwater wells; and, the use of two of MCSD’s three springs, Upper Elk Spring and Lower Elk Spring, for bottling facility supply.

III. Community Comments

Following the presentation, Ms. Chaplick invited forum participants to comment on and ask questions about the revised proposed project. She requested that participants speak one at a time and use one of two microphones provided. Given the number of participants with questions and comments, she started by calling on individuals at the front of the room on one side, worked her way to the back, and then to the other side. Participants were asked to wait until she reached their portion of the room to be called upon. Public forum participants also had the opportunity to provide comments and questions on comment cards. Ms. Chaplick facilitated the discussion while Ms. Nelson graphically recorded community comments.

For organizational purposes, issues identified by participants at the meeting and on comment cards have been summarized and grouped by category. A wallgraphic documenting the results of the meeting is included on the last pages of this document. Twelve comment cards were received, transcribed, and are included as an appendix to this meeting summary.

Environmental Effects

Participants frequently cited potential project impacts on the environment and local residents. Potential effects noted during the public forum include biological, truck and traffic, air quality, visual, and noise impacts. Plastic bottle waste management and the ecological footprint of the proposed bottling facility are also of concern.

Biological Effects

Several participants commented on the biological effects of the proposed facility. A private land owner from Calistoga shared his belief that the local bottling facility water withdrawals have severely impacted the fish population. The participant suggested that Nestlé Waters ensure that similar biological impacts do not occur as a result of the proposed bottling facility. Increased pollution was also a concern articulated by participants. Studies cited by meeting attendees suggest that plastic bottles contribute to pollution problems in waterways.

Representatives from California Trout voiced their concerns regarding the proposed project's biological impacts. California Trout is a statewide organization whose mission is to protect and restore wild trout and steelhead waters throughout California. The region is a widely recognized destination for trout fishing. Meeting participants asked if there is a plan for an adaptive management process and the development of a threshold to measure impacts on trout fish and other biological populations. Participants requested that an adaptive management plan be developed, if it has not yet been. Nestlé Waters representatives stated that there is a plan for a long-term monitoring program. The program will be similar at all spring sites where bottled water will be sourced. Nestlé Waters sited fish population monitoring programs at bottling facilities in Pennsylvania and Texas as examples.

Participants asked if bottles would be prewashed onsite. There was concern that plastic bottles contain toxics that are released into the wastewater stream when the bottles are washed, causing potential problems downstream. One participant shared the high cancer rate in the county, which may be related to toxicity in the environment. Toxics from the proposed bottling facility operations could contribute to existing toxicity rates in the region. One participant commented on potential toxicity that leaks from plastic bottles into bottled water. Nestlé Waters responded that their PET plastic bottles do not require washing or rinsing before being filled.

Truck and Traffic

The number of trucks traveling to and from the proposed water bottling facility arose as a concern among several residents. Participants asked about the number of truck trips per day, the speed of the trucks, and the number of extra lanes that will be built to accommodate the trucks. One participant is concerned that 150 to 200 trucks per day will impact residents' and tourists' travel patterns along Highway 89. There was a request to express the number of truck trips in the proposal as roundtrips rather than as one-way trips. It was suggested that in other communities, Nestlé Waters facilities use contract truckers who do not comply with route restrictions. Nestlé Waters representatives said that they did not believe that contract truckers were ignoring route restrictions in communities around any of their facilities. One participant asked if Nestlé Waters would be willing to pay pre-established fines if truckers do not comply with route regulations.

Truck water shipments to and from the proposed Nestlé Waters facility will occur 24 hours per day. One participant related that traffic from the former lumber mill consisted of over 169 trucks per day between the hours of 6:00 a.m. and 6:00 p.m. In the commenter's opinion, McCloud did not experience significant issues with truck traffic at that time.

The Environmental Impact Report (EIR) for the initial proposed project included the following mitigation measure for truck traffic: the addition of a left lane and a passing lane along Highway 89. The EIR for the revised proposed project will assess the impact of truck traffic to and from the proposed facility.

Air Quality Effects

Some participants expressed concern that truck emissions could impact the air quality of McCloud. Several participants voiced concern regarding truck emissions and pollution along Highway 89. One participant stated that current emission standards regulate truck engines and emissions. According to the participant, lumber mill trucks did not impact air quality, and, therefore, Nestlé Water's trucks will not have significant air quality impacts. It was suggested that truck idling may impact nearby air quality. One participant suggested that since truck idling is illegal, there will not be significant air quality impacts from truck idling. Nestlé Waters representatives stated that proposed truck bays are preliminary, and air quality impacts will be evaluated in the EIR process.

Visual and Noise Effects

The physical infrastructure of the bottling factory is of concern to several participants. The building is located in close proximity to a residential neighborhood. The noise, light, truck bays, and truck idling generated by the proposed project may be a nuisance to nearby residents. There was also concern expressed about the view impacts of the bottling factory. One participant asked about the height of the proposed building and suggested that the structure be built below grade level to minimize visual impacts.

Other Environmental Effects

Meeting participants asked if the water bottles are recyclable. Some participants voiced concern that plastic bottles contribute a large amount of waste to landfills and pollution each year. Nestlé Waters confirmed that the bottles are 100 percent recyclable and are the lightest weight water bottle available. The company is investigating opportunities to increase the rate of recycling and decrease the weight of the water bottle. One meeting attendee suggested that Nestlé Waters develop an education program to promote recycling plastic bottles. The company currently sponsors programs such as Project WET. Project WET (Water Education for Teachers) is a nonprofit water education program and publisher whose global mission is to reach children, parents, educators, and communities with water education.

Participants asked the origin of the water bottles. The initial proposed project facility had the capacity to make the water bottles onsite. The company representatives stated that they had not yet determined whether they would be making the bottles onsite from resin pellets or whether the performs used to make bottles would be produced elsewhere and brought in to the proposed bottling facility in McCloud.

Cultural and Historic Effects

Several members of the local Native American tribe attended the meeting to express concern regarding the proposed project's impact on tribal land and to share their opposition to the project. Tribe members are apprehensive about the social and environmental justice impacts of the proposed facility including potential water

shortages and pollution. The proposed project pipes stretch over tribal land and through sacred sites. It was suggested that the project would have significant impacts, and that protecting the tribal land could provide more benefits for the community than the proposed facility.

Participants shared that CEQA requires certain measures and monitoring for the proposed project's impact on tribal land. There were concerns expressed that the requirements of Section 106 of the National Historic Preservation Act were not complied with under the previous proposed project EIR.

The participant commented they would be closely monitoring these activities for the proposed project. Nestlé Waters agreed to comply with the Section 106 process when assessing the environmental impacts of the current project. One tribe member asked what Nestlé's Waters alternative plan is for the project should it not comply with the 106 process.

One meeting participant asked if the newly proposed facility design retains the location of the existing historic buildings. It was suggested that several McCloud residents cherish the historic buildings as a link to the town's history. A local non-profit organization was formed to preserve and protect historic buildings. Participants wondered if Nestlé Waters would consider working with the organization to preserve the buildings and facilitate the placement of other businesses in those buildings.

Environmental Monitoring

Several forum participants asked questions and voiced issues and concerns regarding monitoring the environmental effects of the proposed project. Participants asked about the timeframe of the baseline condition for environmental assessment documents. A baseline condition is the existing environmental condition prior to the development of a proposed project, which serves as a foundation for environmental analysis. Nestlé Waters agreed to fund watershed studies to collect additional baseline data over the next two years for the proposed project. A suggestion was made to expand the baseline condition to five years due to climate change impacts and current scientific research.

Participants asked about the soil toxicology of the project site as reported in the EIR and if there are any planned future actions to address the site's possible toxicity. One participant asked if the survey of soil toxicity was conducted by an independent entity. A request was made to have an onsite tour of the project site to assess the soil toxicity levels. A study of the site's toxicity was conducted during Phase 1 and 2 of the proposed project. Nestlé Waters confirmed that the soil toxicity was remediated during this time and signed off on by the state Department of Toxic Substances Control.

One meeting attendee asked Nestlé Waters representatives to define a favorable study and sustainable yield. Participants asked several questions about planned monitoring programs. Nestlé Waters representatives confirmed that the two spring sites will have a monitoring program, necessary environmental protection, and various environmental studies to ensure environmental protection. All environmental monitoring information and studies will be available to the community. Another participant requested that

environmental studies include a baseline assessment, long-term monitoring, and adaptive management. The participant suggested that additional studies of the proposed project should include the following components: socioeconomics, transportation, air quality, and noise.

One participant requested that environmental studies and monitoring be conducted by local environmental professionals. At other Nestlé Waters facilities, such as water bottling plants in Allentown and Michigan, a third party conducts the environmental monitoring procedures.

Water Source, Conservation, and Quality

The water source for the proposed bottling plant and water conservation issues were key topics of discussion during the public forum. Several participants expressed concern regarding current water shortages and the high value of water resources. The California Water Resources Control Board recently released warnings of water shortages in the region. One participant emphasized the value of water in the State of California for agricultural use.

Participants asked about the source, amount, and timing of water withdrawal from Upper Elk Spring and Lower Elk Spring. One participant requested that the amount of water used by the bottling factory be expressed in acre feet. One meeting attendee wondered if the amount of water used by the facility would impact the level of water wells in the community.

The possibility of including a water use maximum based on a historical maximum flow of the two springs in the contract with MCS D was explored. Water use could be adjusted so that in periods of low flow, the facility uses less water, as determined in the contract. Participants asked if more water would be required if the facility were to expand in the future. Future expansion plans would require an additional environmental review process, which would assess the impacts on water.

Participants wondered who has jurisdiction over the water and determines how it can be used. Nestlé Waters representatives confirmed that the company does not have jurisdiction over the water. Nestlé Waters representatives clarified that the revised proposed project requires less water than the previous project. Future discussions with the MCS D will determine if Nestlé Waters will use the Upper Elk Spring and/or the Lower Elk Spring.

The quality of the drinking water is also of concern to community members. One participant asked if there is aluminum in the water. Nestlé Waters representatives stated that the company is concerned with the quality, as well as the quantity, of the water. Two copies of water quality laboratory tests were submitted by a community member during the comment period after the public forum: 1) dated July 2008 for the snow surface of Mt. Shasta; and 2) dated February 2009 for a backyard rain gauge located in the town of Mt. Shasta. In the materials referenced, both laboratory tests show that the required action limit for aluminum in drinking water is exceeded.

Bottling Facility Management, Operations, and Employment

The proposed bottling facility management, operations, and employment particulars are of concern to residents. One participant asked the source of the water to wash facility vehicles. Nestlé Waters will discuss this issue with the MCSD and address it in the future.

Meeting participants were interested in the employment opportunities generated by the proposed bottling facility. Participants asked about the employee benefits, the number of seasonal and full-time employees, and the qualifications required for new employment opportunities. Meeting attendees requested that McCloud residents be considered and given priority for the employment opportunities.

Nestlé Waters representatives stated that the company's policy is to provide wages that is above the average wage of comparable jobs in the region, plus extensive benefits and 401K opportunities. Current policy is that benefits are provided on the first of the month after 90 days of employment. The 350,000 square-foot facility will require approximately 100 total jobs, which includes full time jobs, as well as a few seasonal jobs. Nestlé Waters representatives stated they would not give hiring preference based on where an applicant resides, but will make hiring decisions based on individual qualifications. Nestlé Waters representatives will provide information about the types of positions that would be hired for the proposed plant so that residents could determine in advance if they have the qualifications to be considered for any of the positions.

McCloud Community Services District

The McCloud Community Services District (MCSD), water rights of the community, and the contract agreement between MCSD and Nestlé Waters were discussed during the public forum. Residents inquired about the feasibility study conducted by the MCSD for a water bottling facility on the site. Participants asked if other, smaller companies were considered. A representative from MCSD explained that the study determined that Nestlé Waters was the primary choice since it is an established company and the proposal was the most cost-effective. It was determined that it was not feasible or competitive for the town to bottle and market its own water.

Many participants had questions and comments about the contract. Should the project proceed, the contract agreement between MCSD and Nestlé Waters provides an opportunity to include the needs and ideas expressed by the community during the public forum. The contract could be written to give residents priority on water use, especially in drought conditions, and also address issues such as toxics, contamination, and air quality. For example, the contract could include a provision that legally restricts the use of groundwater. A few participants commented that the development of the contract should occur after the Final EIR is completed. The length of the contract term has not been determined.

A former MCSD Board member stated that service district fees will likely increase in the future to pay for needed services. It was suggested that the proposed water bottling project could pay for new infrastructure needs, such as new water lines.

Several residents who live just outside of town expressed concerns that, although they are impacted by the decisions of the MCSD, they cannot impact the service district's decisions.

Nestlé Waters Corporation

Nestlé corporation's status as an internationally-based company, the corporation's experiences in other communities, and pending lawsuits were points of discussion during the public forum and in submitted comment cards.

Internationally-Based Company

Participants were curious about the corporate culture and ethics of the Nestlé corporation. One participant expressed distrust of the company based on past ethical, environmental, and political conduct. Another participant cited a situation in which Nestlé marketed baby formula abroad that had negative effects as an example of the corporation's dishonesty.

Experiences in Other Communities

Several participants suggested that Nestlé Waters has experienced conflict and other challenges in other communities in regards to water bottling facilities. One commenter expressed concern that Nestlé Waters representatives did not adequately answer comments or concerns regarding experiences in other communities. Nestlé Waters representatives responded that along with the two locations, Fryeburg Maine and Mecosta Michigan, they also operate over 25 plants and dozens of spring sites. They generally enjoy good relationships with the communities where they operate.

Pending Nestlé Waters Lawsuits

Several participants highlighted two pending lawsuits: 1) Fryeburg, Maine; and 2) Mecosta County, Michigan. The lawsuit in Fryeburg, Maine pertains to the permitting of a 24 hour/7 days per week truck loading station in a residentially zoned area and the lawsuit in Mecosta, Maine pertains to the amount of pumped water. Nestlé Waters representatives briefly explained the lawsuits in Fryeburg, Maine and Mecosta County, Michigan. Nestlé Waters is not the defendant in the Fryeburg, Maine lawsuit and is the defendant in the Mecosta County, Michigan lawsuit. Nestlé Waters is taking action in Maine to request that the court uphold the decision of the planning board, which was overturned by the zoning board of appeals. One participant asked if Nestlé Waters could reclaim the funds devoted to these lawsuits and terminate the lawsuits as an expression of good faith to local and regional residents. The facilitator suggested that since many of the meeting participants were not familiar with these lawsuits that additional background be provided on these topics at a future meeting.

After the meeting, one community member submitted information regarding pending lawsuits including: 1) a flyer giving a timeline of the lawsuit in Fryeburg, Maine and repeated appeals; and 2) a timeline of other headlines from around the United States about legal cases involving Nestlé Waters and various municipalities.

The Town of McCloud

Several comments and questions regarding the effects and benefits of the proposed project on the McCloud community and town surfaced during the public forum and on

comment cards. One participant recommended that adding the McCloud name on water bottle labels will heighten awareness of the community. He referenced bottled water distributed during emergencies that identified the source of the water.

Several community members addressed the relationship of the current economic condition in McCloud and the proposed facility. Participants expressed concern regarding the declining population, organizational membership and support, and number of available jobs in McCloud. Several participants supported the project's provision of jobs and the positive impact these jobs might have on their local economy.

One community member asked if, given the current economy, the proposed project facility was economically feasible in McCloud. Nestlé Waters representatives stated that the economic feasibility of the project will be assessed in future studies.

Requested Changes to the Proposed Project

Several community members requested specific and general changes to be made to the revised proposed project. One participant asked that firefighting facilities, specifically a helicopter dipping site, be included on the Mill site in the project design. Nestlé Waters representatives confirmed that the project engineers will consider this option when developing the design further.

Several community members inquired about the use of the railroad for goods movement. One participant suggested that the use of rail would contribute to the local economy by using existing infrastructure and would minimize the amount of project truck traffic. Nestlé Waters representatives stated that the company is open to including rail use in the proposed project design as an alternative to truck transport.

The 250-acre site is the only land in the area that is zoned industrial. Due to the limited opportunities for other industrial businesses in the area, several participants suggested that a portion of the parcel be made available for other industrial use and operations. One community member expressed concern that Nestlé Waters holds more land than is necessary for the water bottling plant. Nestlé Waters stated that the amount of land it owns and the size of the facility were addressed early in the project development phase.

One commenter asked if the proposed project building facility would consider green building design and techniques. The community member expressed interest in the extent of green building opportunities that have been considered. Nestlé Waters indicated that the proposed plant would be built to the US Green Building Council's LEED specifications.

Project Alternatives

Participants suggested several alternatives to the proposed project for the project site. One community member shared his experience working internationally on renewable energy projects. He expressed that economic development in the community is possible through other means, such as renewable energy projects. One participant wondered if the plant could be located in another area. Another participant suggested that the presence of two other water plants in the area negates the need for another water bottling facility.

In order to accurately determine the community's opinion of the proposed project, one community member suggested that a community survey of the region be conducted to gauge if people approve of the proposed project.

There was discussion of returning the land parcel to the community of McCloud. Several participants responded with concern and asked who the land would be returned or donated to in the community. The non-profit McCloud Building and Land Preservation is a potential recipient of the parcel. Several respondents expressed concern that donating the land to this non-profit would not meet the needs of the entire community nor provide as many employment opportunities.

After the public forum, one community member submitted a compact disc which contained a five-minute trailer for a documentary called "Tapped." The documentary contains material in opposition to water bottling facilities.

Other Comments

Several additional comments were made specific to future meetings, additional information and public process. One meeting attendee requested that future public meetings regarding the proposed project be held on Saturdays. Nestlé Waters representatives were open to hosting the meetings on Saturdays and clarified that future meetings will be topic related. The next meeting will address the process for the water-based studies.

One participant requested that the next meeting include the development of citizen committees. These committees could work with Nestlé Waters to develop the content and process of water-based studies, similar to the Protect Our Water Coalition. The participant also suggested that Nestlé Waters further explore issues regarding trust in future meetings. There was a request for a presentation on the specific site monitoring plans and data for all spring water sources used by Nestlé Waters water bottling plants, as well as how the company has decreased water use when effects are identified. Nestlé Waters representatives proposed that the next public meeting address water studies and other hydrogeological issues. Representatives stated that comments received during this public forum will be considered and will inform the selected topic and timing of the next public meeting.

One participant shared his opinion regarding the benefits of bottled water. Bottled water is convenient and effectively distributes water in the case of natural disasters, such as after Hurricane Katrina, and to firefighters.

One participant requested that Nestlé Waters confirm the toll free phone number provided in the presentation. They dialed the number as a test and found that it was not working at that time.

There were several requests for additional information. One community member requested scientific data regarding water levels and shortages in the area. Several McCloud community members requested information regarding employment opportunities, qualifications, and employee benefits at the proposed project facility.

IV. Closing Remarks and Next Steps

Brendan O'Rourke and Dave Palais made closing remarks and thanked all of the participants for coming. Joan Chaplick noted that MIG will summarize the results from this public forum and provide a transcription of all the comments received through the comment cards. The meeting summary will be available on the Nestlé project website. Participants were reminded to turn in their comment cards as the end of the meeting or mail or fax them to MIG's office by February 27. The next meeting will focus on water studies of Squaw Valley Creek and will be held in late May 2009.

Attachment 1. Comment Card Responses

Comment 1

- The newly proposed facility lay-out seems to leave the historic buildings in place. Is this the plan?
- Many McCloud residents cherish the historic buildings as a tie to the town's history. There is a local non-profit organization that was formed to preserve and protect historic buildings. Would you consider working with that organization to not only preserve the buildings but facilitate the placement of other businesses in those buildings?
- It is my understanding that in other towns where you use contract truckers, the truckers ignore the contract provisions which restrict their routes. Are you willing to accept substantial fines if truckers end up on our town's streets?
- Why won't you use the railroad to haul the bottled water? It would contribute to the financial viability of a local (important) business and would keep trucks off the road. Many businesses in town are dependent upon tourists coming here. We need you to keep the roads clear for them!
- What LEED rating will you be looking to achieve?
- Are you willing to be incorporated into the McCloud Services District?

Comment 2

- Is NWA willing to include in the contract with McCloud S.D. a water use maximum based on an historical maximum flow of the springs involved and adjusted by decrease in that flow so that in low flow times NWA is taking less water by an agreed upon (by contract) amount?

Comment 3

- You must know that water in plastic bottles gets tainted (polluted) by the plastic.
- My main gripe is about the ridiculous amount of trucks moving up Highway 89 – 150-200 trucks will be terrible for us getting in and out of McCloud.
- Another fear I have is regarding my water well. Hoping you don't take so much that my water dries up.
- We (a lot of us) depend on tourists. I believe that your trucks will slow down and possibly tee off these tourists and hope they will want to slug behind your trucks.
- Also what about the air pollution that so many trucks give off. Will we be affected?

Comment 4

- I am not a member of the McCloud Community Services District but live in the McCloud area. My concern is for the town of McCloud. Because of our declining population, our community organizations, including our churches have been dwindling in memberships. These are organizations that have given scholarships to McCloud students, helped with the McCloud Elementary ski program, and many other worthwhile and essential programs and projects. Our churches are also in decline. One of the churches is no longer having services and the Catholic Church which has had many families in the past is now down to only a few. This is not good for our town. I believe that we need an industry here in McCloud that would bring

jobs and families so that our town can survive. I also believe that with a fair and right contract, a water bottling plant would be a good fit for McCloud. As you can tell, I am in support of the Nestle Project.

Comment 5

- Good meeting Joan! Although the “respect” issue evaporated at times, I feel you kept good control of the meeting and allowed everyone to voice their opinion.

Comment 6

- I would like to compliment you on a very well conducted meeting. You did a very good job! Thank you! I had to leave early and so did not get to speak. I have a few comments and hope that these will be looked at and discussed.
- The first concerns the issue of truck traffic. When P&M/Cal-Cedar was in operations they received over 169 trucks between the hours of 6:00 am and 6:00 pm; this is about half of the time that Nestle would be transporting. I wish it noted that we did not have any significant issues with truck traffic on Highway 89 at that time!
- There was also a comment about truck emissions and air pollution caused by the truck traffic. Today’s emission standards are more stringent than in the past years. Trucks of today must pass significant testing in order to operate. Past truck emissions were not a significant factor in our air quality and I do not believe that it will be so if Nestle were to operate.
- Another comment/question was made in regards to your turning the land back to McCloud if Nestle did not build a plant. Who is McCloud? The mill site has not been owned by McCloud since the 1960’s! If Nestle were to sell or “donate” the land as has been suggested to the McCloud Building and Land Preservation non-profit they would be turning the land over to an off-shoot of the McCloud Watershed/McCloud Concerned Citizen entities. The same people who are fighting this project! It would be preferable to have the land remain in Nestle possession and lie dormant than have this group with their hidden agendas gain access to this land. I would also be interested in purchasing the land, but I would prefer that you keep it!
- There are many people who are in favor of this project. As a business owner I wish to make it clear that Nestle is a good fit and would benefit the town of McCloud!
- I am very much in favor of keeping our options open. I want to hear what Nestle has to say. I want to see studies done and have every assurance this is safe for our waters and environment. I know people are against this because they do not like Nestle as a company...others want the land for personal gain or use. They have developed land projects for use to benefit themselves hence the request for Nestle to “give” it to McCloud and what better than the “McCloud Building and Land Preservation?” This is a non-profit formed by an off-shoot of the Watershed Council that was on the project plan to turn the land into a subdivision/cottage industry. No jobs there! Please reply (Nestle) to this flier. We need jobs with benefits! Nestle needs to refute charges or the claims are believed. No wonder 3 real estate agents and contractors are against it. (Note: this comment was accompanied by a copy of a flier giving a timeline of Nestlé’s suit against the town of Fryeburg, Maine and repeated appeals, as well as a timeline of other headlines from around the United States about legal cases involving Nestle and various municipalities.)

Comment 7

- Submitted: Copies of laboratory tests – one dated July 2008 for the snow surface of Mt. Shasta, the other dated February 2009 for a backyard rain gauge located in the town of Mt. Shasta; both showing that the required action limit for aluminum in drinking water is significantly exceeded.

Comment 8

- Thank you for including my comments in your meeting summary.
- First, for the next meeting planned in May, it is great to cover the process for the water-based studies. I'd also like to see a presentation of the specific site monitoring plans and data for all of the spring sources Nestle uses for their bottling plants (mentioned by Mr. O'Rourke) as well as how they've cut back use when impacts are shown.
- The meeting should also include the development of Citizen Committees to go through a similar process as the one Protect Our Waters Coalition went through with Nestlé to develop the water based studies, to develop study processes for Broadly Conceived Scientific Studies – The discussion should explore a protocol for addressing necessary scientific studies as broadly conceived and including but not limited to components such as socio-economics, transportation, air quality, and noise. All studies would be designed by an independent research team convened by the Citizens committees and Nestle and include consideration of factors such as:
 - a. Baseline Assessment
 - b. Long-term Monitoring
 - c. Adaptive Management
- Second, I think Nestle should start planning for the subsequent meeting to address Trust issues. I was disappointed that Mr. O'Rourke turned the two questions regarding lawsuits (in Michigan and Maine) around to say "they are suing us" placing the blame on the citizens rather than telling the truth about these cases. While initial suits have been brought by citizens (including here in McCloud), Nestle has not once abided by the first court decision (which have all ruled against Nestle and for the citizens). Each time Nestle has appealed to a higher court—in the case of the McCloud contract they won, in the case of Michigan, they lost, but continued to appeal (and kept pumping—and are now reopening the entire case again)—and in Fryeburg it is Nestlé's 5th appeal—all the courts in Maine have upheld the ruling of the Planning Board, and so now Nestle is starting around the courts again! While Mr. O'Rourke stated that they would consider leaving if the majority of McCloud Citizens didn't want the plant, it is hard to believe they would honor this considering the citizens of Fryeburg have said "No" 5 times and Nestle is still pressing for the truck loading station. So, that background to say that I think the Trust issues meeting should bring the attorney's and citizens from both sides of the Michigan and Fryeburg cases so the citizen's of McCloud can learn the truth about these cases.
- Finally, I pulled the following statements from the Kearny's and West interviews and meeting write up and request these to be included in your meeting summary so the important information is not lost. From the Kearns and West meeting summary: The specific issues and concerns that were raised during the interviews were:
 - o Process and Public Participation – Interviewees expressed frustration about the level of public participation to date. There was also concern over the level of

- information exchange between groups. There was also concern about the Brown Act and the noticing of the meetings and their agendas.
- o Reputation and Trust – Interviewees expressed that trust in Nestle is a large issue with many community members and must be addressed in order to move forward.
 - o Contract and Studies /Studies and Contract – Interviewees expressed concern over how the contract was announced and the decision made. Other interviewees brought up that the contract and discussion was on meeting agendas of the McCloud Services District and the public was invited to attend those meetings.
 - o Socio-Economics and Development – Interviewees expressed interest in developing the local economy and local jobs. There was concern over having one large employer as the basis of the economy.
 - o Sound Science – There was interest in having the decisions based on sound scientifically based information and that the information be the basis for the contract as well as the CEQA document.
 - o Water – Quality, Quantity, Access and Cost- There was much concern over the amount of water that would be taken, the compensation to the District for that water, if there would be any water quality issues, and who would have access to the water during dry years.
 - o Traffic and Noise –There was concern that the project would increase traffic on Highway 89 and increase noise within the town of McCloud. There were questions of mitigation measures and compensation.
 - o Air Quality and Climate Change – There was concern about how the trucks and the use of plastic bottles would impact air quality and climate change.
 - o Communicate the outcome of the community meetings – There was a discussion on what the outcome of the meeting and future meetings could be. Some voiced concern that the meetings were premature because there needed to be a decision by the community to pursue a new contract and use information from the scientific studies.
 - o Need for time to heal and build relationships – Some audience members expressed that there needed to be a process that helped the community come together.
 - o Need to address and respond to issues and concerns that were collected during the scoping meeting for the CEQA process conducted by the County – There was a comment that the issues and concerns were collected at previous scoping meetings and that those comments were never responded to.
 - o Need for decision to have a project – Multiple comments were made that the McCloud community needs to make their own decision on whether they want to have a water bottling plant and, if so, should that be Nestle.
 - o Mitigation for transportation impacts – A question was asked how the community would be reimbursed for any damage done to the roads due to increased truck traffic.
 - o Differing perceptions of McCloud’s socio-economic direction – Housing developments in town were given as examples of the town growing. There was comment about a stakeholder quote depicting the town as “dying” and that it was inaccurate in terms of what is actually happening in town.

- Need to find a way to address the issue of trust- There were multiple comments related to trust and Nestle given their past actions McCloud and in other small communities around the country.
- Pro-Nestle, Anti-Nestle, Pro-McCloud – There was a comment that the common ground for participants is that they are all pro-McCloud. There was concern expressed that the issues and concerns being raised regarding Nestle did not mean that they were anti-McCloud.
- Loss of community services impacts those living in the area including Squaw Creek – There was a comment that the level of community services has been impacted due to the loss of local jobs and industry and that the surrounding area was also impacted.
- Need to better understand water rights – There was a discussion about water rights and beneficial use. A suggestion was made that there be an effort to better educate the community on these issues. There was also some concern over international law and trade and the possible preemption of California environmental regulations and water rights.
- Need to have studies completed and other information made available before decisions can be made – There were concerns about making decisions before the scientific studies are completed. There were questions regarding the source and volume of the water. There was also an interest expressed that additional efforts on water valuation would be important for decision-making.
- Need for a meeting with only community members to discuss their issues and concerns – There was a suggestion that the community members hold a meeting without Nestle in the room to discuss the future of McCloud and how to make a decision on whether or not the community wants the facility.
- Dependency on one large employer – There was concern about having one large employer in a small economy. There was a suggestion that small businesses develop as well.
- Need to look at other resources that are available to create economic development – There was a suggestion that biomass and cogeneration plants be looked at as well.
- Bond – There was a suggestion that Nestle post a bond that would ensure that mitigation for impacts would be secured.
- Need to address the issue of misinformation about the project – There was concern about the level of misinformation that was being brought up at the meeting and a need to dispel that information. There was a comment that the MCSD Board represents the community and when they listen to issues and concerns that are raised, they should not take into account views that are based on misinformation.
- Define Initial Structure and Topics for Future Meetings – There were requests that the meeting format and location be changed. There were several suggestions regarding topics for future meetings. Those suggestions were:
 - Information exchange (educational meetings) – There were suggestions that the meetings be used to exchange information and be educational to participants.
 - Water rights – Some suggested education on water rights and what does Nestle actually own or control.

- Water valuation – There was interest in discussing how to place a correct price on water.
- Scientific study overview – the participants would benefit from an overview of the hydrologic and biological studies being planned and conducted.
- Trust – Many participants suggested a meeting that would address the concern of how Nestle is operating in other small communities and how McCloud can trust that a similar instance will not occur.
- I did notice a couple of comments that I heard that the recorder didn't write down. One was that the Winnemem Wintu tribe is 'digging their heels in against this project', and that a tribe member asked very clearly twice what Nestle's alternate plan was for the project (assuming they cannot satisfy the 106 process), and Mr. O'Rourke failed to answer her both times. The other comment I thought was important, but not recorded was the comment regarding Nestle making available some of the 240 acre parcel, as it is the only industrial land in the area, and them sitting on it is disallowing other very real economic development opportunities for McCloud--and I recall the wording being something like wanting to "avoid a situation where land is held hostage for water." That is a very real concern. With Nestle controlling the industrial property, if they are going to wait out the economic storm while sitting on the property then McCloud is basically between a rock and a hard place as far as other economic opportunities that Nestle is blocking. And I guess one more comment is that for the most part, the Nestle representatives failed to answer any of the comments or concerns that would reveal their negative track record in other communities, and I am concerned that the people of McCloud will not be able to get honest information from Nestle.
- Thanks for your facilitation time.

Comment 9

- I am uncomfortable having Nestle hire out to conduct environmental studies. I want some of our own experts to conduct the study – from our local pool.
- I do not trust Nestle – given their history of ethical, environmental, and political conduct over the past decades. We already have 2 water plants running in our area. I do not want a third.

Comment 10

- Dave Palais did a wonderful job of side stepping questions. Nestle is back to business as usual. Push-Push-Push.
- Trust is a major issue for McCloud with Nestle, after all Nestle had to earn their #4 ranking on the corporate criminal list. Tell Nestle to leave McCloud and stay away.
- Today in Sacramento the California Water Resource Board issued more warnings for water shortages. Our agriculture in this state is more important to us than the profit line for Nestle.
- (This respondent lives less than one block from Nestle property.)

Comment 11

- Comment consisted of a CD accompanied by the note: "This short clip expresses my opinion better than my words." The clip consisted of a five-minute trailer for a documentary called "Tapped." The website for the film describes it as follows: "By the year 2030 the United Nations estimates two-thirds of the world will lack access to

clean drinking water. Tapped will illustrate the impact of the global water crisis on America and what we can do as individuals to enact change sooner rather than later. Tapped examines the role of the bottled water industry and its effects on our health, climate change, pollution, and our reliance on oil.” The documentary is clearly anti-bottled water and also specifically contains anti-Nestle material.

Comment 12

- Dear Nestle, thank you for the public meeting on 2/18/09. It was very well run with mediator, sound techs etc. I apologize for the rude people with the signs! Please disregard them as a small minority of the McCloud community.
- Your plans for a reduced size bottling plant sound very reasonable to me. I encourage you to proceed. Your project is a low impact one and our community needs the jobs. My main concern is town water supply in drought years. Most years there is plenty of water for town with a lot of excess going back into Squaw Creek.
- All those other concerns, noise, traffic on Highway 89, pollution, Native American sites, watershed health etc. will be addressed in the EIS and CEQA studies. I am confident they can be mitigated.



QUESTIONS?

- CONFIRM TOLL FREE #
- WHERE WILL WASH WATER COME FROM?
 - DISCUSSION W/ COMM SERV. DIST TO COME
- FRYBERG + MICHIGAN ISSUE - RECLAIM \$, STOP LAWSUITS?
 - CANNOT STOP LAWSUIT - AGAINST NESTLE
- WATER WITHDRAWAL IMPACT STUDY - TIMING?, BASELINE COND
 - CEQA REQUIRES PROPOSED PROJECT TO ANALYZE COLLECTING BASELINE OVER NEXT 2 YRS
- SOIL TOXICOLOGY OF SITE IN ENVIR. STUDY? NEXT STEPS?
 - PHASE 1 & 2 STUDY CONDUCTED, TOXICITY REMEDIATED
- GROUNDWATER - LEGALLY BINDING AGREEMENT?
 - NOT YET, BUT YES WE ARE WILLING
- FIRE FIGHTING FACILITIES - HELICOPTER DIPPING SITE
 - ENGINEERS CAN KEEP IN MIND IN ONE POOL
- BOTTLED WATER BOTTLES - CONVENIENT, McCLOUD WANTS
 - JOB, ANCHOR INDUSTRY, UNEMPLOYMENT

- CONTRACT - OPPORTUNITY TO INCLUDE NEEDS, IDEAS
- EMPLOYEE BENEFITS, SEASONAL WORK, #?
 - PAY ABOVE AVERAGE PAY, BENEFITS, 401K
 - FULL TIME JOBS, SOME SEASONAL - 1/2 OF MONTH AFTER TO HIRE
 - CANNOT GUARANTEE # OF MCCLOUD EMPLOYEES
- TRUCK TRAFFIC - # OF TRIPS, SPEED OF TRUCKS, LANES
 - ETB - ADD LEFT LANE, PASSING LANE (MITIGATIONS)
 - SHIPMENTS 24 HRS/DAY
 - CEQA WILL ANALYZE IMPACTS
 - UPPER ELK OR LOWER ELK SPRING? WHY THIS STATEMENT?
 - CURRENT CONCEPT REQUIRES LESS WATER
 - DISCUSSION TO COME WY DISTRICT
 - TAKE MORE H₂O IN FUTURE?
 - EXPANSION WOULD REQUIRE ADD'L CEQA
 - EXPRESS TRAFFIC AS ROUND TRIP
 - SOCIAL + ENVIRONMENTAL JUSTICE - TRIBE LAND, PIPES WILL GO THROUGH SITES
 - WILL COMPLY W/ 106 PROCESS
 - CORPORATE CULTURE, ETHICS - MARKETING BABY FORMULA - TRUST?
 - NESTLE N. AMER PRACTICES ENVIR. ETHICS
 - ALUMINUM IN H₂O? JURISDICTION?
 - NESTLE HAS NO JURISDICTION
 - CONCERNED W/ QUALITY AS WELL, & QUANTITY
 - NEVER STARTED THAT IN DISTRICT

- QUALIFICATIONS FOR JOBS? - PRIOR EXPERIENCE
- REQUEST FOR OPPORTUNITIES, QUALIFICATIONS INFO.
- FAVORABLE STUDIES - DEFINITION? SUSTAINABLE YIELD?
 - DONT KNOW # AC WHEN NOT FEASIBLE
 - STUDIES WILL DETERMINE ECON. FEASIBILITY, SUSTAINABILITY
- ENVIRONMENTAL IMPACTS OF PLANT
 - PRIVATE LAND OWNER, CAUSTOSA
 - COMMUNITY SHOULD HOLD COMPANY ACCOUNTABLE
- CONTRACT - RESIDENTS GET H₂O PRIORITY, TOXICS CONTAMINATION, AIR QUALITY - WAIT FOR FINAL EIR
- HIGH CANCER RATE IN COUNTY - RELATED TO TOXICITY IN ENVIRON. - INDUSTRY COULD IMPACT THIS
- WATER IS VALUABLE RESOURCE, DO RIGHT THING FROM BEGINNING
- TRIBAL LAND - PROTECTION FOR RIVER, ENFORCED, WATER SAKRITAGE, POSITION FROM PLANT - RESPONSE?
 - COST TO TRIBE IS LARGE
 - PROTECTING ENVIR. COULD BRING MORE H₂O, \$ TO IMPROVE ENVIRON. - WOULD BE AVAILABLE TO COMMUNITY
 - SPRING SITES HAVE MONITORING PROGRAM, PROTECTION, STUDIES
 - SMALLER BOTTLING COMMUNITY CONSIDERED?
 - FEASIBILITY STUDY - BEST OPTION = EST. COMPANY - DANON PLANT
 - TOO EXPENSIVE - CLOSE TO RESIDENTIAL
 - PHYSICAL INFRASTRUCTURE - NOISE, LIGHT, TRUCK BAYS + IDLING - MORE INED, RAILWAY USE
 - PRELIMINARY NOW, AT TIME OF EIR NOTICE, WILL BE INCLUDED
 - FUTURE EXPANSION = 300,000 FT² ORIGIN OF BOTTLES? - SAID THEY WOULD BE MADE HERE?
 - WASH BOTTLES? NO
 - NOT DETERMINED

- RECYCLABLE BOTTLES? LANDFILLS!
 - 100% RECYCLABLE, LOOKING TO INCREASE RECYCLING RATE
 - WASH BOTTLES - TOXICS?
 - DISANITIZE SOME, BUT MAJORITY - NO
 - MCCLOUD RESIDENTS, SERVICE DISTRICT FEES WILL INCREASE - PROJECT MAY MAKE \$ FOR DISTRICT WHO WILL PAY FOR WATER LINES?
 - TROUT FISHING INDUSTRY - ONE OF BEST, ADAPTIVE MNGT. PROCESS, THRESHOLD?
 - LONG TERM MONITORING PROGRAM - SIMILAR TO ALL SPRING SITES
 - EG PENNSYLVANIA, TX
 - MCCLOUD - POPULATION ↓, CONCERNED - NEED JOBS
 - LENGTH OF CONTRACT TERM?
 - ON TABLE FOR NEGOTIATION
 - CONCERN THAT NON-RESIDENTS CANNOT IMPACT SERVICES DISTRICT'S DECISIONS
 - EDUCATION PROGRAM - PROMOTE RECYCLING
 - SPONSOR PROJECT WET (WATER EDUC. TEACHERS)
 - BOTTLING INDUSTRY - STILL ECON. FEASIBLE?
 - POLLUTION FROM PLASTIC BOTTLES - MAJOR CONCERN
 - LIGHTEST WATER-BOTTLE, NEED TO DECREASE HEIGHT OF BLDG?
 - VIEW IMPACTS - SUBTERRANEAN STRUCTURE
 - CLIMATE CHANGE, 5 YR. BASELINE
 - AMT. OF WATER USED - INCLUDED IN AC FT.
 - COMMUNITY SURVEY OF REGION - WANT OR NOT?
 - DYES
 - LAND CONTROL - HOLD MORE LAND THAN NEEDED - ADDRESS EARLY ON.

OTHER COMMENTS

- NESTLE HAS BEEN VERY NICE
- NUMBER OF ORGANIZATIONS SUPPORT PROJECT
- FUTURE MTGS ON SATURDAYS
- NUMBER OF PEOPLE AT MTG DO NOT WANT PLANT (STOOD UP)
- ECON DEV'T POSSIBLE WITH GREEN OPPORTUNITIES
- SCIENTIFIC DATA - CONCERNS ABOUT WATER SHORTAGE
- OTHER LOCATION FOR PLANT?
- FUTURE MTGS WILL

NEXT STEPS

- NEXT MTG - WATER STUDIES OF SQUAW VALLEY CREEK - LATE MAY 2009

MCCLOUD PUBLIC FORUM

February 18, 2009

Prepared By:

