



Nestlé Waters in McCloud

Frequently Asked Questions

2003 - 2008 Archives

Q: Will the trucks go through downtown McCloud?

A: No trucks will pass through downtown McCloud except in the rare instance of an emergency (and then only for a limited period of time). As part of its Good Neighbor policy, NWNA is committed to minimizing its operation's impact on the community in which it operates.

Q: How much noise or pollution will the factory produce?

A: There will be no considerable pollution from the Arrowhead Mountain Spring Water facility. Where possible, natural sound barriers will be built around the factory to reduce or eliminate any noise. The factory will be built to achieve the stringent LEED (Leadership in Energy and Environmental Design) standards set by the U.S. Green Building Council. These standards mandate that the factory be water and energy efficient, minimize waste, and use recycled building materials, among other requirements that must be met to achieve certification. For more information please go to LEED.

Currently, NWNA has four LEED certified factories. The most recent was our Arrowhead Mountain Spring Water facility in Cabazon, CA which is the first manufacturing Arrowhead Mountain Spring Water facility in the nation to achieve Silver-rated certification.

Q: What other ways will Arrowhead contribute to the community?

A: NWNA takes an active role as a good corporate citizen in each of the communities where we are located. As a good neighbor, this includes active involvement in local projects that help to build a better neighborhood and environment in which to live and work. NWNA has already contributed to McCloud Community Recreation Council, McCloud Community Resource Center, and McCloud Junior Grange to name just a few. In total, NWNA has donated more than \$20,000 since 2003 to support area community organizations, including a \$5,000 donation toward the completion of a storage building for the New McCloud ambulance.

In McCloud, we will contribute an additional \$100,000 a year to the McCloud Community Services District for the "McCloud-Arrowhead Community Enhancement Program" (MACEP) – an annual fund of \$100,000 to be applied to parks, recreation facilities and community centers, purchasing scholastic and sports-related equipment for schools,

sponsoring community events and acquiring fire suppression and emergency services equipment for use by the local community. The use of the funds will be solely determined by MCSD. NWNA also actively supports, through donations and gift resources, local schools and charities, sponsors local community events and encourages its employees to volunteer in the community.

Q: What economic benefits will the Arrowhead factory bring to McCloud and Siskiyou County?

A. At start-up, NWNA will invest approximately \$60 million for the land, factory, and equipment. That figure is expected to double by the time the factory is fully built out. NWNA will contribute to the overall tax base in the County with additional payroll, payroll taxes and associated sales taxes from its bottling facilities in addition to the revenue generated for MCSD as outlined in the contract. For more detailed information on the economic benefits the proposed project will bring to the McCloud community, go here.

Q: When construction begins, will Arrowhead be taking bids from local contractors and supplies?

A: Yes. NWNA is dedicated to supporting local businesses and whenever possible prefers hiring locally.

Q: How many people will Arrowhead employ and who will get these jobs?

A. The Arrowhead Mountain Spring Water facility will bring full-time, year-round employment to the region. Initially, NWNA will employ approximately 60 people, increasing to as many as 240 by the time the Arrowhead Mountain Spring Water facility is fully built out. Whenever possible, NWNA strives to hire directly from the communities where its facilities are located. Some people may be brought in from other factories to serve as “anchor” employees familiar with our processes to train new, locally-hired employees.

Q: How will factory automation affect the number of workers needed to run the factory?

A: New factories do use automation. However, hundreds of workers are still employed in the management, production, maintenance, quality-control, administrative and delivery aspects of water bottling. The proposed McCloud factory looks to employ up to 240 workers at full build out.

Q: How many of the employees at the Arrowhead plant will be hired on a seasonal basis and are seasonal jobs counted in the employment projections the company has produced?

A: In all of NWNA’s California factories, only full-time workers are employed and included in the head count numbers. Temporary workers are occasionally called in to fill unexpected vacancies or shortages of workers.

Q: What positions will be available?

A. NWNA will employ a wide range of skilled workers to run the Arrowhead Mountain Spring Water bottling facility and to transport water products and other raw materials. Positions at the Arrowhead Mountain Spring Water facility will include high-tech and

computer aided specialists, laboratory and scientific-based experts, forklift operators, maintenance, engineering, managerial and administrative personnel, among others.

Q: How much will the jobs pay? What are the benefits?

A: Nestlé Waters just announced that the McCloud factory will have a \$10/hr entry level wage for all employees and higher for more skilled positions. This delivers on NWNNA's commitment to bring full time, good paying jobs with benefits to McCloud. NWNNA offers a generous array of benefits which include medical, dental and vision insurance, life insurance, 401(k) and profit sharing. In McCloud, NWNNA is currently conducting a wage survey that should be available soon.

Q: What qualities do you seek in your employees?

A. NWNNA seeks employees who will thrive in and contribute to a team-based workforce environment. Some of the basic qualifications include good communication and interpersonal skills, some professional/technical knowledge and two years of previous work history. The characteristics we look for are: teamwork, cooperation, leadership, initiative, self-directed, integrity, analysis (problem-solving), judgment (problem solution), strong communication skills, planning and organizing, respect for others, safety, commitment, attention to detail and a "can do" attitude.

Q: How will you protect the surrounding environment?

A: NWNNA is passionate about protecting the long-term health of the environment and the sustainability of our resources. Some of the brands in the NWNNA family have been in business for over 100 years. The longevity of our brands represents the legacy the company brings with it whenever it comes into a community and illustrates NWNNA's solid commitment to long-range environmental stewardship and involvement in the local community. NWNNA meets its commitment to the environment by requiring comprehensive testing before any site development takes place to ensure that a spring source can support our use without harm. NWNNA establishes long-term monitoring procedures using advanced scientific equipment to make certain that the surrounding environment and other water users are protected. Moreover, as a matter of corporate policy, NWNNA strives to find ways to enhance the environment where we work. NWNNA currently preserves the natural habitat of over 12,000 acres surrounding its spring sites all over the country. In California, residents have the added protection from the third party environmental review mandated by the California Environmental Quality Act (CEQA). CEQA will analyze all environmental, historical, traffic impacts and address many other issues that may come from NWNNA's proposed project.

Q: Where is the proposed factory going to be located?

A. In August 2004 Nestlé Waters North America announced the acquisition of an option to purchase the former California Cedar Products lumber mill site in a deal that is the first step in NWNNA's proposed plans to build a new multi-million dollar Arrowhead Mountain Spring Water bottling facility. The Cal Cedar lumber mill on Mill Road sits on approximately 250 acres. The lumber mill was closed in 2003.

Q: How long will it take to get through the CEQA/NEPA review process?

A: The length of the environmental review under the California Environmental Quality Act

and the National Environmental Policy Act can take from 9 months to 3 years. The reviews for the proposed Arrowhead Mountain Spring Water bottling facility have been under way for over a year.

Q: When will construction begin?

A. Nestlé Waters North America remains committed to bringing a project to the area and we stand behind the economic benefits this project will bring to the community but, due to the recent legal activity surrounding the project, has made it impossible to estimate when hiring will begin.

Q: What are the capital costs of building the Arrowhead Mountain Spring Water facility?

A: At start-up, the capital investment will be approximate \$60 million. When fully built-out, NWNA's investment will double to approximately \$120 million.

Q: What relationship will Arrowhead have with the McCloud Community Services District?

A: NWNA will be a customer of the District, purchasing spring water from MCSD like any other business in town. MCSD will retain all water rights to any spring water or groundwater used by NWNA and NWNA will pay MCSD for all the water it uses as outlined in the contract between NWNA and MCSD.

Q: Where will Arrowhead draw its water?

A: The project description contemplates using water from any or all of three springs which are located approximately five miles from McCloud. NWNA will draw water through a separate pipe than the one used by the McCloud Community Services District. Additionally, NWNA can never draw more than 1,600 acre-feet of spring water in any given year.

Q: What if there is a drought?

A. NWNA's maintains an ongoing written commitment to ensure that its bottling operations do not adversely affect the community. In the case of drought, NWNA will face the same restrictions as the McCloud Community Service District's other customers. NWNA and the McCloud Community Services District have already agreed on a limit to the maximum amount of water NWNA may use. This restriction provides additional assurance that McCloud's other water users will be protected at times of peak demand and during drought conditions. Furthermore, NWNA may be able to provide additional drought protection to McCloud through our own storage and delivery systems.

Q: Could Arrowhead drill a well and bypass the community for water?

A: No. NWNA is committed to making this project a success for the residents of McCloud and the surrounding area based on the contract negotiated between MCSD and NWNA. NWNA may not drill any wells without first obtaining approval from the McCloud Community Services District. Any wells drilled to support NWNA bottling or manufacturing needs will be paid for by NWNA and well-ownership will be dedicated to the McCloud Community Services District. Any water taken from a well would be metered and billed to NWNA and the amount would then be part of the total 1,600 acre feet a year allotment. Nestlé Waters will have some flexibility to tanker water to the McCloud factory from other

springs if there is a disruption in service or if the McCloud District is otherwise unable to meet its needs. Should Nwana decide to use well water for a non-spring bottled water product, it will pay the district for any well water it uses. This payment will be in addition to all of the other payments Arrowhead is obligated to pay (including the Exclusivity Payment and the MACEP Fee). Also, because of concerns expressed by some community members, Nwana has voluntarily agreed to include any water used from a groundwater well within the 1,600 acre-foot limit established in the contract by MCSD.