

# CEMEX'S TEMPORARY CLOSURE



Dan Coyro/Sentinel

Lifelong Davenport resident Junior Olimpio, 70, was the last baby born in Davenport's hospital and has seen five different owners of the cement plant. 'It will be a disaster for the town if the closing is permanent.'

## Residents ponder Davenport's future

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DAVENPORT — As Cemex officials prepare to temporarily shutter the plant in March, many Davenport residents and county leaders say they're worried about the North Coast's future without the cement factory and its trickle-down benevolence, even for the short term.

By most accounts, Cemex is viewed as a good neighbor to Davenport's 400

residents, three restaurants and Pacific Elementary School, the town's only school, which depends on the plant to pay for the children's music program and offer pro bono plumbing and security help.

The company has not decided if community contributions will continue during the temporary closure.

The priority is to figure out which employees will be part of the skeleton



Davenport Bakery gets busy when the tour buses stop for lunch.

Dan Coyro/Sentinel

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# Davenport

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crew kept on to maintain the plant and ensure it's ready to run again when cement demand picks up, Cemex spokeswoman Jennifer Borgen said.

"We're going through all the operational details right now," she said. "We're focused on the logistical questions."

County leaders say they value the company's 102-year presence with salaries and benefits for about 125 workers, and its stature as one of the region's top taxpayers.

There are others who say they won't miss the plant's dust on their homes and cars, or the noise and odors that emanate from cement production. The estimated six-month closure could be a positive thing for the environment and community, they say.

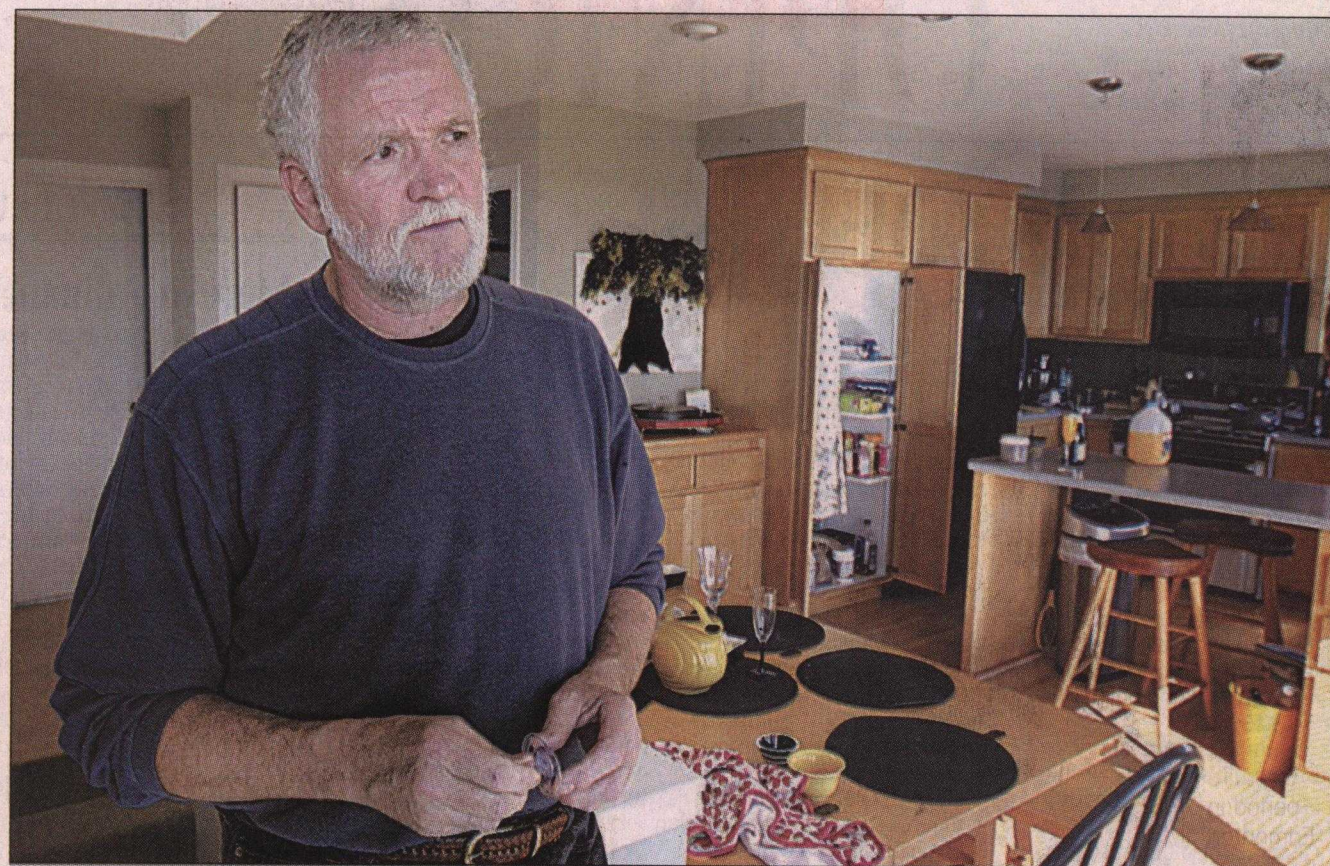
Cemex announced this week that the factory will halt production in Davenport on March 9 for a minimum of six months and lay off the majority of the local work force.

The halt is being driven primarily by what company officials describe as a dramatic fall in demand for cement in California during the past year and predictions of ongoing abysmal cement sales in 2009; Cemex says the drop in demand was sparked largely by the downturn in the housing market statewide and tightening credit conditions.

Cemex plans to rehire the same crew when the economy turns around and it makes sense to restart the plant, Borgen said.

Since summer, the company has been plagued with problems related to excessive levels of chromium 6 found in its cement dust by the Monterey Bay Unified Air Pollution Control District.

Curtailling the chromium was aided by intermittently suspending operations during the



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Davenport resident Bruce Kosanovic wonders who will take care of the town's water when Cemex closes.

past six months. However, that was not a factor in the decision to furlough workers in March, Borgen said.

Weighing on many minds in Davenport is the role Cemex plays in providing the town's water and sewer treatment, as well as other support the company lends the community.

Water for Davenport flows out of Mill Creek and San Vicente Creek, both located on Cemex's 10,000-acre property.

Cemex provides water to the county Public Works Department, and pays half of the cost to treat and distribute the water to the community.

The water deal is part of the conditions established in the company's operating permit issued by the county.

"We are dependent on them for water; we're dependent on

them for sewer treatment," 10-year resident Bruce Kosanovic said. "Is that going to change? That's a huge question I have. That's going to be a real concern."

County Supervisor Neal Coonerty, whose district covers the North Coast and most of the city of Santa Cruz, said he doesn't expect Cemex to renege on the water agreement during the temporary closure.

"Since they're not leaving the site or closing permanently, I expect the water agreement with the county will remain," Coonerty said.

Company officials say they plan to continue the "status quo" for the time being.

County Public Works officials say meetings will be held this week with Coonerty to discuss possible options with the North

Coast water supply during the closure.

"We need to talk internally," Assistant Director of Public Works John Presleigh said. "We just want to continue serving folks up there and make sure they continue to get water."

Junior Olimpio, 70, born and raised in Davenport, worked at the factory for 10 years starting in 1962. Three of his family members are still employed there.

Three of his five grown children have spent time working at the plant as well.

He fears the temporary closure could last longer than anyone anticipates — though no date has been estimated for the plant to resume operations — and such an event would be "a disaster here in Davenport."

"The plant has always

worked with the town," Olimpio said. "I don't think people realize how different it will be here with the plant closing down."

Pacific Elementary School has counted on an annual donation of \$15,000 from Cemex for the past 15 years to fund its music program, Smith said.

The school wrote a letter of request to Cemex in December to keep the money coming in 2009, but has not yet received a reply.

Borgen said such decisions are "based on the health of our business," and she was unsure whether the music money would be provided this year.

"That money is our music program," Smith said.

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