

Niagara Bottling, LLC
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**Testimony of Niagara Bottling, LLC
FOR INFORMATIONAL PURPOSES regarding Raised Bill No. 422,
AN ACT CONCERNING RESIDENTIAL WATER RATES, PUBLIC DRINKING WATER SUPPLY EMERGENCIES
AND SELLERS OF BOTTLED WATER
Before the Planning & Development Committee
March 11, 2016**

To Senator Catherine A. Osten, Representative Philip J. Miller, Co-Chairs, and all members of the Connecticut Planning & Development Committee:

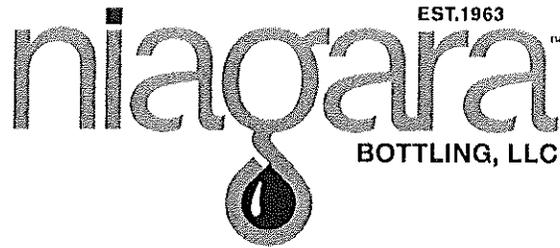
On behalf of the 2,800 team members of the Niagara family, thank you for allowing Niagara Bottling, LLC, (Niagara) to provide testimony on Raised Bill No. 422, "AN ACT CONCERNING RESIDENTIAL WATER RATES, PUBLIC DRINKING WATER SUPPLY EMERGENCIES AND SELLERS OF BOTTLED WATER." Written testimony was also submitted online via the Planning & Development Committee testimony portal.

Instead of reading the written testimony verbatim, I wanted to tell you a little about Niagara and highlight the concerns the company has with SB 422.

Niagara Bottling, LLC is a family business started in 1963. It is American owned and operated. Headquartered in Ontario, CA, the company operates 21 state-of-the-art advanced manufacturing plants across the country. In addition to being an industry leader in supply chain efficiency and bottle design, Niagara is probably one of the most philanthropic companies that you will encounter. In between the thousands of hours of hands-on, local community initiatives and the millions of dollars contributed towards national causes, the social impact of this company is tremendous. We have great partnerships with the elected officials in all of our plant homes – including Groveland, FL; a community that many of today's detractor's only wish would make negative comments about us. As an industry leader, Niagara continues to raise the bar of innovation. In the past 15 years, Niagara has reduced the amount of plastic in its Eco-Air® Bottle by over 60%. Our bottle is not only lightweight, but it is 100% recyclable.

Recent reports about the company, its wages and its social commitment to product stewardship has not only been inaccurate, but hurtful to the 2,800 team members who are the Niagara family. We are a great company and an even greater neighbor. We look forward to demonstrating such in our new home in Bloomfield, CT.

Senate Bill No. 422 raises concerns for not only Niagara, a company looking to expand into a state where it already has market share, but to the bottled water employers who currently exist within the state. Bottled water is a safe, healthy, and convenient option for consumers. Niagara believes that during any emergency situation resident access to safe and clean drinking water should be of paramount importance.



Unfortunately, the intent of SB 422 is likely to have lasting unintended consequences. The bill fails to differentiate between essential and non-essential uses and also fails to account for the broader economic impacts that arise from targeting a specific sector of the economy. According to an economic impact analysis of the bottled water industry in Connecticut, conducted by John Dunham & Associates in 2015, there are 6,240 direct, supplier and ancillary jobs currently in the state that generate over \$75.67 million in tax revenue.

The bottled water industry provides access to safe, healthy, clean drinking water for human consumption and remains resolute community partners during natural disasters, when local tap water supplies are compromised and by simply being available when needed or wanted. SB 422 unfairly targets an industry that serves a public good but fails to consider how other industries utilize the same water resources. SB 422 attempts to treat one commercial water user differently from all other commercial users.

Bottled water companies often pay massive impact and capacity fees for municipal water supplies. These fees enable water authorities to complete necessary infrastructure upgrades, perform system maintenance, and acquire new water sources. It is not an uncommon business practice for water providers to negotiate volumetric rates or connection fees. Several water providers across the country offer this benefit to large water users. There are water suppliers within the state of Connecticut that have followed the practice for years and offer an Economic Development Rate (EDR) to both commercial and industrial users.

Finally, the provision in SB 422 regarding sewer rates doesn't take into account the actual use of the water by bottling companies. In many cases, sewage rates are based on the assumption that the amount of water leaving a commercial facility or residence is nearly equal to the amount that comes into the facility or home. However, that is not the case for bottled water facilities. On average, only 1.32 liters of water (including the liter of water consumed) are used to produce one liter of finished bottled water. This means the vast majority of the water coming into a bottled water plant is used for bottling purposes and does not exit the facility through the sewage line. By contrast, nearly all the water that enters the average commercial or residential facility will come back out through a public sewage system. Because of the uniquely efficient manner in which bottled water companies utilize water and the reduced impacts on sewer systems than other users, it makes sense to allow water suppliers the flexibility to establish rates based upon the actual impacts to the wastewater system that each user generates.

Niagara is a good steward of resources who works continually to raise the bar on sustainability within the industry. We respectfully request that the Committee reject SB 422 in its entirety and work in partnership with the industry to find ways to reduce anthropogenic impacts.

Thank you.



Respectfully submitted,

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