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**Sent:** Wednesday, February 16, 2011 6:54 AM

**To:** Minister, ENV ENV:EX

**Cc:** Bruce Rozenhart; Zupo,John,GUELPH,Retail; griswold@cbwa.ca; Thorpe,David,GUELPH,Manufacturing; Lauerman,Bruce,HELENA,Manufacturing

**Subject:** THANK-YOU

Mr. Minister, thank-you for taking time away from your busy schedule last week to meet Bruce Rozenhart and me regarding the Government's proposed changes to the Water Sustainability Act.

As you requested, we have put our thoughts in letter form and forwarded same to your Ministry as part of the public consultation process.

Generally, we are supportive of what the Government proposes regarding water management, as our Company currently has these processes in place as part of its best practices regimen. While the proposed legislation would not materially affect our current business operations, it will impact new neighbours in our watershed.

Should you or your staff have any questions, comments or concerns, please do not hesitate to contact me at your earliest convenience.

Thanks!

JC

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The Healthy Hydration Company™

February 10, 2011

The Honourable Murray Coell  
Minister of Environment  
Government of British Columbia  
Post Office Box 9047 – Station Provincial Government  
Victoria, British Columbia  
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Dear Mr. Minister;

The purpose of my writing is to follow-up on our meeting of February 8, 2011, at your office regarding your Government's proposed Water Sustainability Act.

As British Columbia's largest manufacturer and distributor of bottled water and an industry leader when it comes to the management of spring water resources world-wide, Nestlé Waters Canada, Nestlé Waters North America and Nestlé S.A. have more than 150 years experience in effective stewardship of water.

We willingly share our best practices with local, regional and provincial/state governments as well as industry and other stakeholders -- and will gladly assist your Government however you deem appropriate.

As I indicated during our earlier discussions, we agree with the proposed policy directions, in principle. Our specific comments are as follows:

**1. Policy Direction -- Protect Stream Health and Aquatic Environments**

Agreed. We believe a four-season biological study will help all stakeholders to better understand relevant influences.

**2. Policy Direction – Consider Water in Land-use Decisions**

Agreed. We believe a hydrogeological study that defines total fresh water volume available for taking in a given surface or ground water resource will help all stakeholders better understand cumulative volumetric impacts on that resource. Water should be allocated on a first-come, first-served basis and use-specific reserves should be set aside only as a last resort.

**3. Policy Direction – Regulate Groundwater Use**

Agreed. However, withdrawal maximums should be established by site-specific resource (see Policy Direction 2 comments) capacity rather than via an umbrella regulatory dictate. Annual rentals based on water use purpose are prejudicial. Annual rentals should deploy a single flat rate. All commercial/industrial/agricultural/municipal extraction should require a hydrogeological study to support the volume extraction requested. The permit fee should be based on the magnitude of the user's operations, including a full-recovery cost analysis that includes administrative and program management expense incurred by provincial authorities to manage the permitting and follow-on regulatory processes.

**4. Policy Direction – Regulate During Scarcity**

Agreed. It should be a staged system, based on scarcity levels.

**5. Policy Direction – Improve Security, Water Use Efficiency and Conservation**

Agreed. However, it must be recognized that the agricultural sector is the most inefficient user of the resource provincially, nationally and internationally, but is also the most important industrial user because it grows food for human consumption. Again, water should be allocated on a first-come, first-served basis and use-specific reserves should be set aside only as a last resort.

**6. Policy Direction – Measure and Report**

Agreed. All agricultural/commercial/industrial/municipal water-takers should be required to report water use annually as a condition of their permits. Industrial, commercial and municipal water takers should establish programs to monitor air temperature, wetland biology, ground water levels, surface water levels and temperature, stream flow and domestic wells adjacent to their main source of water taking to understand influence of water-taking. Industrial, commercial and municipal water takers should provide an understanding of the water balance in their watershed that addresses the following components:

- Renewable fresh water resources;
- Re-charge potential and distribution; and
- Sustainability of the proposed water taking.

**7. Policy Direction – Enable a Range of Governance Approaches**

Disagree. Water governance should remain the sole responsibility of the Ministry of Environment. Local and Regional Governments are users and, thus, are conflicted.

Mr. Minister, your Government has the opportunity to create an Act that is superior to that found in either the provinces of Ontario and Quebec. While both provinces are exemplary in their protection of water, they fall short in the following areas:

- Only 2% of Ontario industrial water-takers are required to pay for the water they take, other than those industries that are connected to a municipal source. In Quebec, less than 15% of industrial water-takers are required to pay for the water they use. The current water-taking fees in both provinces are not valued based on a full-recovery cost analysis that included administrative and program management expense incurred by them to manage the regulatory, monitoring and enforcement processes. While Ontario charges a flat-rate fee, Quebec has developed a confusing, unfair and unenforceable multi-tiered rate based on planned water use, i.e., production versus administrative;

- The current water-taking permits in both provinces are not valued based a full-recovery cost analysis that included administrative and program management expense incurred by them to manage the permitting and follow-on regulatory processes; and
- The revenues associated with water-taking permits and water-taking fees are not being used to support water resource management activities in either province.

Should you or your staff have any questions, comments or concerns, please do not hesitate to contact me at your earliest convenience by telephone at 1 888 565-1445, Ext. 6441, or via email at [john.challinor@waters.nestle.com](mailto:john.challinor@waters.nestle.com).

Sincerely,

John B. Challinor II APR  
Director of Corporate Affairs

cc: Elizabeth Griswold, Executive Director, Canadian Bottled Water Association  
Sean Murry, Ministerial Assistant to the Minister of Environment, Government of B.C.  
Water Act Modernization, Ministry of Environment, Government of B.C.