



The Healthy Hydration Company™

November 15, 2013

The Honourable Mary Polak  
Minister of Environment  
The Government of British Columbia  
Parliamentary Building – Room 112  
Victoria, British Columbia  
V8V 1X4

Dear Madame Minister;

The purpose of my writing is to offer our thoughts, as requested, to your Government's October 2013 legislative proposal entitled, *A Water Sustainability Act for B.C.*

During our many discussions with your Government about this matter, conversations that date back to 2009, we have been supportive, in principle, of the sustainable management of groundwater across the province, including paying for the water we draw. Historically, our support has been contingent on the following parameters:

1. All commercial, municipal and domestic groundwater users should pay a reasonable fee for their use of the resource in order to fund provincial groundwater management;
2. All water-drawing permit and water-drawing fee pricing should be based on a full cost recovery model that takes into consideration the provinces' mapping over time of the watersheds to calculate total volumetric capacity; an audit of annual draws in each watershed, sub-watershed or aquifer that measures total cumulative annual draws; proper management and enforcement of the regulation; and development, maintenance and replacement costs associated with any common management and/or distribution infrastructure. All monies collected should be used solely to support the management and enforcement of the regulation; and
3. Groundwater should be regulated solely by the Ministry of Environment and managed on a first-come, first-served basis.

Following our reading of the legislative proposal overview, it is clear that your Government has heard our views and is supportive of our perspective on a number of important matters, in principle, including the following:

- All permits and fees will be calculated using a full cost recovery model. Watershed Sustainability Plans will include key hydro-geological and biological science-based considerations; and
- Groundwater regulation, as it pertains to commercial groundwater users, will remain the sole responsibility of the Ministry of Environment and the First in Time, First in Right (FITFIR) principle will be deployed thoughtfully when determining who has access to the resource within a given watershed, sub-watershed or aquifer. It is understood that some commercial users need to be able to set aside a reserve amount of water for emergency purposes as well as to support future business growth/demand.

We are also supportive of the following proposed measures:

- Environmental Flow Needs (EFNs) will be considered in water allocation decisions, except in very low-risk situations. We would add that EFN-determined timing, rate and amount of groundwater withdrawals should only be regulated in those cases where there is a direct, demonstrated relationship between groundwater withdrawals and surface water;
- Based on the volume of their withdrawals, some domestic/private users should be exempt from the requirements of the Act. However, these users may be required to report their annual draws;
- Reasonable initiatives to promote water use efficiency and water conservation, which we encourage the Province to enact immediately;
- The Groundwater Protection Regulation of the proposed Water Sustainability Act will require submission by commercial, municipal and some domestic groundwater users of well records, well pump installation and reporting, and well maintenance;
- Commercial, municipal and some domestic groundwater drawers will be required to undertake water conservation audits to ensure the resource is being used efficiently and without waste; and
- Stronger anti-dumping regulations will be imposed.

We offer the following recommendations:

- Before the Act is approved, the Ministry of Environment should perform a regulatory audit to ensure that the new legislation is consistent with other existing Acts and regulations and does not cause, for example, burdensome or wholesale changes to existing regulatory processes required by other agencies of government;

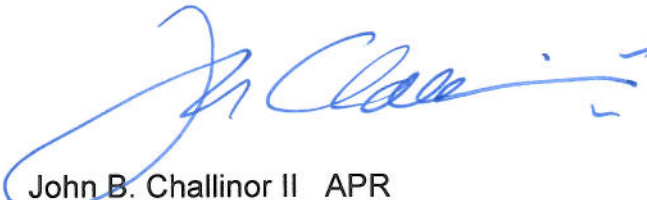


- Given that Nestlé Waters Canada manages its water withdrawals using practices that are protective of the environment and respectful of other nearby water users, and given that the Company donated about one million bottles of water for emergency purposes across Canada (including British Columbia) through the Canadian Red Cross in both 2012 and 2013 in its position as the official supplier of bottled water to that emergency organization, bottled water production should be considered an essential human need function during times of drought;
- Ongoing hydro-geological mapping of the nine watersheds, their sub-watersheds and all aquifers, in general, as well as an independent audit of the current annual commercial, municipal and domestic draws in a given watershed, sub-watershed or aquifer should be required;
- The deployment of advisory committees or groups in the development of Water Sustainability Plans and/or the delegation or sharing of responsibility and accountability for decisions to people or agencies outside of the Province of British Columbia should be based on a governance principle that requires a majority of the individuals be water-drawers in the affected watershed, sub-watershed or aquifer and, further, that they be fluent with basic hydrologic or hydro-geologic principles;
- The development of the Water Objectives and Water Sustainability Plans should be a transparent process that encourages participation by all stakeholders but, ultimately, requires their approval by the Province of British Columbia;
- While we acknowledge there is a larger connection between groundwater and surface water, the Act should recognize that this should not drive all aspects of regulation because it is also true that groundwater extraction may have little or no hydro-geologic effect on surface water, in some instances. Hydro-geologic science should serve as the foundation of all regulation, guidelines or policies;
- The Act should establish a regulatory framework for existing and new groundwater extraction and use, paralleling the framework for surface water but acknowledging those differences that reflect the distinct nature of the resource;
- Water well construction and record keeping requirements should be improved, including having that construction undertaken by a certified well driller, regardless of depth. Each well should be properly completed, properly drilled and constructed, sealed from the influence of surface contamination and properly sealed within its casing to prevent cross-aquifer mixing;
- Groundwater well owners should be required to properly close or abandon their wells to prevent possible contamination of the watershed, sub-watershed or aquifer and, if found negligent in this regard, they should be subject to a fine as well as be required to fund proper closure under the management of the Ministry of Environment;
- All groundwater wells issued a withdrawal permit should be metered and annual withdrawals reported to ensure the Ministry of Environment has access to accurate volumetric draw information for a given watershed, sub-watershed or aquifer; and
- Reasonable, economic-based water-drawing fees for permitted users should be established using a single, flat rate, regardless of whether or not the use of the resource is consumptive, non-consumptive, production-based or domestic.

Madame Minister, on behalf of the senior management team and employees at Nestlé Waters Canada, thank-you for your Ministry's single-minded focus on this important matter over the last five years as well as for the opportunity to provide our comments on this ground-breaking resources legislation.

Should you or your staff have any questions or comments, please do not hesitate to contact me 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,

A handwritten signature in blue ink, appearing to read "John B. Challinor II". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke extending to the right.

John B. Challinor II APR  
Director of Corporate Affairs