

# Discussion grows over Nestle water bottling plant

by [Suzanne Hurt](#), published on October 25, 2009 at 9:53PM

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Discussion over a Nestlé water-bottling plant appears to be growing in Sacramento, as the Swiss multinational prepares a facility for operation and new hires begin work.

The Sacramento City Council, which was not involved in the decision to approve the plant, will discuss the issue publicly for the first time after a request two weeks ago by council members Kevin McCarty and Lauren Hammond. They asked the council to consider an emergency ordinance requiring a special permit before Nestlé Waters North America begins bottling city tap water and spring water at a plant in South Sacramento.

Such a permit could "trigger" an environmental analysis of this and future facilities, McCarty said Wednesday night at Crest Theatre, where he and 165 others watched "Tapped," a documentary on the bottled water industry.

Save Our Water Sacramento, a group formed last month to oppose the plant, also is seeking a temporary City Council moratorium on beverage bottling plants in Sacramento.

"Ultimately, Save Our Water wants to see the Nestlé plant stopped," said Midtown resident Jenny Esquivel, a leader of the organization.

That group and others have begun raising questions and concerns about the plant and the bottled water industry. Primary concerns include the lack of an environmental impact study and

information about the operation, impacts of extracting and bottling a potentially unlimited amount of water, and the commercialization of a natural resource, representatives said.

"Nestlé just got kicked out of McCloud. The final nail in the coffin was when the attorney general sent them that letter demanding they do a proper, more rigorous environmental review," Esquivel said. "Rather than do that, what Nestlé did was pick up that project and move to Sacramento.

"It's not like those environmental issues disappear," she said.

Attorney General Jerry Brown threatened to sue the company in 2008 over an inadequate environmental review of its plan to bottle spring water in McCloud, near Mount Shasta. On Sept. 10, Nestlé Waters Chief Executive Officer Kim Jeffery sent a [letter](#) to the McCloud community announcing that the company was abandoning the project.

"Earlier this summer, we were able to secure a new facility in Sacramento to serve our customers in Northern California," he wrote. "As a result, and after conducting a thorough analysis of our business operations in the region, we have determined that the Sacramento plant production will replace the production we expected in McCloud and therefore we do not have a need to build a new facility in McCloud."

Several companies bottle water in Sacramento, where water is "ridiculously cheaper" than other areas of the country because of the city's location at the confluence of two rivers, McCarty said.

### **Nestlé continues retrofit, hiring**

Supporters point to the financial and economic benefits the plant could bring. Nestlé [plans](#) to spend \$14 million to retrofit an industrial facility at 8670 Younger Creek Road and to create 40 new jobs, said Jim Rinehart, the city's economic development manager. That doesn't include equipment costs, he added.

In addition, Nestlé is using about 16 construction workers to modify the 214,000-square-foot building and install equipment for two production lines, plus contractors and skilled tradespeople to make the facility operational, according to Rinehart and a company Web site.

The warehouse was nothing more than four walls, a ceiling and a floor when Nestlé's lease began two months ago. Crews are halfway through building warehouse docks, reinforcing concrete flooring to support heavy equipment, and building a front office, lab, and areas for manufacturing, chemical storage and shipping, said Chris Kemp, a project manager who has overseen manufacturing and quality assurance at Nestlé facilities since 2002.

The amount of tap water bottled by Nestlé would not be limited by the city. Nestlé has [reported different figures](#) for the amount of water that would be bottled each year. The company has told the city's utilities department that it would "consume" 250 acre feet — nearly 82 million gallons — as well as 78 million to 117 million gallons a year, and bottle that under its Pure Life brand. Consumers would pay about \$111 million to \$166 million for that amount of Pure Life water.

Nestlé expects to bottle 30 million gallons of Sacramento tap water in 2010, Kemp said. Existing water pipes could bring 250 acre feet of water to the warehouse if operations were run 24 hours a day all year, he said, adding that's expected during peak months, but not the rest of the year.

Nestlé can't say how much Sacramento water it'd use annually after the first year, Kemp said, adding only sales will determine that.

In this state, water isn't just critical to all life. It's also big business.

"California runs on three things: energy, information and water," said Richard Howitt, a UC Davis water economist who said the amount of city water Nestlé wants isn't considered large. "A million gallons sounds like a lot, but in the grand scheme, it's really not."

Globally, the company used 10.82 billion gallons of water in 2006 and sold \$10 billion of water under different brand names in 2007, according to a [report](#) from Food and Water Watch in Washington, D.C. Nestlé sold at least \$997 million of water in this country in 2007, making it the top bottled water company here.

### **Groups Oppose Water's Commercialization**

Food and Water Watch and other organizations are fighting the commercialization of drinking water, which occurs when water that is free or accessible at a very low cost through a government treatment system is instead bottled and sold at market price.

"It's not just happening in Sacramento and California. It's happening all over the country and all over the world: A corporation like Nestlé is beginning to get a stranglehold by setting the price for water," said Ruth Caplan, past chairwoman of the Sierra Club's water privatization task force. "So people who can afford the price will get the water. And people who can't afford the price will have to choose between water and food, and that's really about life and death.

"Many of us believe water is a fundamental right for people and nature," she said.

When asked for Nestlé's response to the concern that access to water is a human right, Kemp said the company doesn't have any water rights in Sacramento.

"The city plans for the growth of residents and businesses. We feel we're part of that growth in the city of Sacramento," he said.

Concerned residents such as the people who formed Save Our Water Sacramento have sought information about the plant since the city and the Sacramento Area Commerce & Trade Organization announced Nestlé's plans in July. Group members said they were given the runaround after asking for specifics about jobs and other logistics, so they began requesting public documents, Esquivel said.

The company has filled 11 of the 40 jobs expected to be created by the plant. Seven hires are local residents, including two plant managers and a lead mechanic, and the other four transferred here, Rinehart said.

The four who already worked for Nestlé include Kemp, who plans to move here permanently to manage the plant; a logistics manager; a controller; and a mechanic with ties to Northern California. Two others on the plant management team — a technical operations manager and a female quality assurance manager — come from cities 30 minutes north or 60 minutes south of Sacramento, Kemp said.

"We can't restrict our hiring search to candidates in a given Zip code or a given city," he said.

The 11 hires will have started working by Monday and will help set up the facility. Nestlé will hire an additional 29 people, whose permanent positions will begin Nov. 30 or Dec. 7.

The plant is targeted to begin operation by January and is expected to require 100 trucks per day in the peak season, generally May through Labor Day. Fifty trucks a day will suffice when there's less demand. Seven to 10 seasonal workers are expected to be hired during peak times, Kemp said.

Neither Nestlé nor the city's Economic Development Department would disclose the rate paid to lease the building from Buzz Oates Real Estate Co. Taxpayers will benefit from possessory interest taxes, a tenant's equivalent to property taxes, and sales tax on the water, because Sacramento is considered the point of sale, Rinehart said.

Groups concerned about the plant and the bottled water industry say the lack of information from Nestlé is one of the company's and industry's primary problems. City Department of Utilities staff did not respond to requests for information about the city's water sources.

But according to the department's Web site, 85 percent of the city's water supply comes from the American and Sacramento rivers. The other 15 percent comes from underground aquifers.

Food and Water Watch is sponsoring a California bottled water bill, [AB 301](#), recently re-introduced by state Assemblyman Felipe Fuentes. The measure would require water-bottling businesses to report the amount of water bottled each year, the source of the water and the location of each extraction point, and for the information to be available to the public through the state Department of Public Health.

### **Bottling water raises concerns**

Water is a natural resource that should be managed sustainably, said Mark Schlosberg, western regional director for [Food and Water Watch](#). Water from aquifers, where rainwater is stored underground, can recharge some streams during dry spells. Aquifers also provide water for springs and wetlands. A limited amount of water can be pumped from aquifers before their levels drop, he said.

Pumping systems take water that falls to the ground in Northern California and distribute that to the Central Valley and Southern California, Schlosberg said.

"In California, water's very connected," he said. "If you have a lot of these little straws coming in and sucking up water, it can add up to a lot. Also, this is a time when we're asking everyone in California to conserve water."

People have a right to know how the extraction of that much water during a continued drought may impact the Sacramento River Valley, Sacramento residents and wildlife, as well as the water rate residents will pay, said Schlosberg and Caplan.

"There has to be CEQA review of these sites," Caplan said, referring to the California Environmental Quality Act.

Nestlé's plans were announced in July. Last week, Mayor Kevin Johnson said he'd prefer to have information on such facilities before they're approved by city staff.

"When Nestlé can take water -- our water -- and sell it at a price, that's a little bit concerning to me, just in general. What are those parameters in what they can and cannot do?" he asked at a press conference. "And... do they have caps in terms of what their limitations may or may not be? Those are two concerns that the public is bringing forward, and I think they're very valid."

[Nestlé](#) has followed all Sacramento regulations, gotten the required permits and provided the city with requested information, said Kemp, adding that a full environmental impact report was not required.

Mass production of the water bottles that would be required to hold even 50 million gallons of water, transportation of those bottles and the trash they'd create also troubles people alarmed by the growing industry.

Save Our Water Sacramento estimates that 800 million half-litre water bottles would need to be produced to hold 50 million gallons. Kemp and another Nestlé spokesperson disputed that number. After agreeing to provide the company's estimate, they later said that wasn't possible.

More than 400,000 barrels of oil would go into making that many bottles, according to Save Our Water Sacramento. Americans drinking bottled water in 2006 disposed of more than 30 billion bottles in 2006, 86 percent of which go to landfills rather than being recycled, according to Food and Water Watch. That group estimated that 7.86 billion bottles could have come from Nestlé.

The safety of drinking bottled water also is a growing concern, according to these groups.

Tap water is regulated by the U.S. Environmental Protection Agency and state and local governments, and is rigorously tested in government-certified labs. There is little to no government testing of bottled water, which is regulated by the Food and Drug Administration, according to Food and Water Watch.

Researchers are studying chemicals used to make water bottles and other products. Phthalate, often used in soft plastic bottles, has been shown to leach into bottle contents and to increase the risk of cancer and to cause liver and reproductive problems, according to these groups. Often used in hard plastics to make five-gallon water jugs for offices, Bisphenol-A, or BPA, is an estrogenlike chemical which studies are linking to a host of problems in children and adults, including decreased sperm counts, accelerated puberty, aggression, hyperactivity, and increased risk of heart disease and diabetes.

Bottled water consumption has increased in the last decade but there hasn't been the political pressure to ensure enough federal funding to maintain municipal water treatment systems, said Caplan and Schlosberg. Nestlé executives have said projected problems with the breakdown of the water infrastructure have led to a very positive climate for bottled water, Caplan said.

"They're banking on people not wanting to drink tap water. That's their whole business plan, as far as I can tell," Caplan said. "People have been brainwashed into thinking bottled water is safer."

*Photo by Eric Whalen. Sacramento Press reporter Kathleen Haley contributed to this report. Suzanne Hurt is a staff reporter for The Sacramento Press.*