

## **Nestlé Waters North America Reaches Agreement on Water Withdrawal Amounts at Sanctuary Springs Source**

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STANWOOD, Mich., Jan. 26 /PRNewswire/ -- Nestlé Waters North America today announced that the company and Michigan Citizens for Water Conservation (MCWC) have reached an agreement on the amount of water the bottler will withdraw from its Sanctuary Springs source. The agreement was reached following a decision by the Michigan Court of Appeals on November 29, 2005, and addresses issues sent back to the lower court for further consideration.

"This agreement is an important step in bringing certainty to Nestlé's Ice Mountain operations," said Tim Gratto, Ice Mountain Plant Manager. "Importantly, it protects the jobs of the nearly 200 employees at Ice Mountain here in Mecosta County, and brings confidence to our community, which has been very supportive of us."

Under terms of the agreement, Nestlé will withdraw an average of 218 gallons of water per minute (313,000 gallons per day) from its four wells at the Sanctuary site at varying rates depending on the time of the year and environmental conditions at the site. The withdrawal rates will be in effect for a minimum of two years and may later be modified either by agreement of the parties involved or through further legal action.

"The scientific evaluations conducted by Nestlé Waters on the groundwater system and reliant ecosystems indicate higher water withdrawal levels are environmentally safe and sustainable," said Michael Haines, an attorney for Nestlé Waters with the Grand Rapids law firm of Mika Meyers Beckett and Jones. "However, in order to bring certainty to our operations and reduce conflict, we believe this agreement is the prudent decision at this time, and is a sensible and thoughtful way to move forward."

Nestlé's daily water use from the site will be similar to that of a well-known soft drink bottling operation in Michigan (381,000 gallons per day, according to 2000 MDEQ records). Water use by manufacturing, agriculture and food and beverage processors across Michigan varies widely, including groundwater uses that reach well into the tens of millions of gallons per day. One baby food producer, for example, reports its daily water use at 1.8 million gallons per day.

In developing the Sanctuary spring water source, Nestlé Waters conducted extensive hydrologic and ecologic assessments. The Michigan Department of Environmental Quality (MDEQ) permitted the operation for water withdrawals of 400 gallons per minute (576,000 gallons per day) under the rules and regulations for Michigan water users. During its review of the company's studies, the MDEQ indicated they were among the most comprehensive ever submitted to the

regulatory agency. Nestlé Waters obtained all necessary permits for its operations, and is fully compliant with the rules and regulations that govern water bottlers in Michigan.

The company utilizes a network of environmental monitoring devices that provide accurate and on-going information about water conditions at the site, including groundwater and surface water levels and flows, wetland conditions and other environmental factors. The information is used to ensure protection of the environment and other water users, and is shared with regulators and the community.

Nestlé Waters and MCWC reached the agreement through a confidential facilitated mediation process. Circuit Court Judge Dennis Kolenda, who was assigned the case after it was sent back to the Mecosta Circuit Court by the Court of Appeals, has entered an order giving effect to the stipulation reached by the parties.

The agreement between Nestlé Waters and MCWC allows either party to pursue appeals to the Michigan Supreme Court. Nestlé Waters is currently reviewing its options to appeal some aspects of the case to the Supreme Court.

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