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Southern Exposure: Private Canadian Bottled Water Company Moves South

In October of this year, Canada's largest private label bottled water company, [Ice River Springs](#) (also known as Aquafarms and Aquafarms 93) announced plans to open two new water bottling plants in the United States. One plant will be located near the New Hampshire/Vermont border and another in Indiana.

The company also plans to build a plant in Pulaski, Tennessee, and there have been reports of plans to expand operations into Florida and Texas.

This rapid expansion to the United States is based on the company's desire to 'better serve' its US customers. With US customers like Wal-Mart, Sam's Club and Weis Supermarkets Ice River Springs has become a major supplier of bottled water to the United States.

Several critical questions surround this rapid expansion to the United States.

Who is Ice River Springs?

Ice River Springs is a privately owned Ontario based company that has quietly positioned itself as a major player in the North American bottled water industry. It is considered to be one of the four largest bottled water companies operating in Canada.

The company has two major plants in Canada (one in Ontario and another in British Columbia), and one in North Carolina. The company's Morganton, North Carolina plant is located in a part of the State that is experiencing the worst droughts on record. In late September, 2007, the town of Morganton banned lawn watering, residential car washing and running fountains, but the company made no indication they will stop taking water for its operations.

With major contracts with Wal-Mart in the US and Canada and Loblaws (bottlers of Presidents Choice Spring Water) in Canada, Ice River Springs is positioned to compete with some of the biggest companies in the world in the bottled water sector.

Despite their high profile clients, Ice River Springs operate in virtual anonymity. Privately held companies are not required to disclose detailed financial information to regulatory bodies, thus leaving Ice River Springs essentially hidden from public scrutiny. In addition, they are a private label bottler, meaning that they put other companies' labels on their product and don't have a major marketing campaign of their own.

This behind-the-curtain status enables privately held bottlers to operate under the radar, except when they take water in areas where neighbours are paying attention.

Being behind the curtain does not affect their ability to exercise influence in the industry. For example, Ice Springs' owner, Sandy Gott sits on the Canadian Bottled Water Association's board of directors. Like its bigger multinational bottled water competitors, Ice River Springs uses paid lobbyists to put pressure on politicians to push for or against policies that effect the company's profits. Former federal Liberal Member of Parliament in the Government of Canada, Paul Bonwick, is registered with Canada's federal lobby registry as a lobbyist for Ice River Springs. Bonwick has been lobbying the provincial government in Ontario on behalf of Ice River Springs with the hopes of preventing a fee or tax on water-taking.

Why New Hampshire/Vermont, Indiana?

The company's plans in both New Hampshire/Vermont and Indiana are virtually identical.

The company locates plants in small rural communities that are desperate for economic development and jobs. This strategy aims for quick approval and inadequate deliberation by local authorities on the long term environmental and resource management concerns.

Focusing on economically depressed communities often adds up to a water taker benefiting from a speedy approval process. In a State of Indiana [Press Release](#) Ice River Springs' President Jamie Gott (husband of Sandy Gott) said that, "the entire process from conception to excavation was smooth and expedited."

In both plans, the company's strategies for acquiring its main ingredient are very similar.

The company has announced that it will take a small percentage of its water from local municipal systems where the plants are located, and truck the majority of the water from 'springs' in other locations. How this percentage will break down, as well as what fees will be paid to the municipalities and what limits there will be on water taking from municipal systems, are questions that remain unanswered.

What is clear in both cases is that Indiana and Vermont (where the company will be sourcing its spring water) have weak groundwater regulations leaving the company free to purchase water from bulk water providers who operate with little oversight.

Vermont/New Hampshire plant

In early October 2007, Ice River Springs announced a plan to build a 273,000 square foot water bottling plant in Claremont, New Hampshire. The new facility would manufacture plastic bottles and caps and bottle water. Reportedly, 75% of its water would come from a source in Vermont, and the rest from Claremont's municipal water supply.

The plan was approved at a Claremont Planning Board meeting on October 22. At this meeting Michael Rowe, Ice River Springs' Chief Financial Officer, announced that the plant's spring water will be trucked from a source in Vermont owned by Pristine Mountain Springs Inc. It is worth noting that at the meeting, Ice River Springs officials inaccurately reported the location of the source as Randolph, Vermont. The source spring is actually located in Stockbridge, Vermont.

Ice River Springs' source for spring water is subject to the State of Vermont's very weak groundwater regulations, which have allowed the source's owner to operate with little oversight.

The State does have a permitting process, which Vermont environmental groups characterize as poorly implemented and very weak when it comes to permit reviews.

For example, the review process does not examine whether the water taking is in the public interest. Nor are withdrawals for water bottling treated differently than public uses of water.

New permit applicants are required to provide impact studies related to water takings. The State water program, however, is not focusing its energies on commercial water takings and officials must rely heavily on the information submitted by applicants. Moreover, due to the technical nature of the review, the general public does not have a meaningful opportunity to participate.

In an effort to improve the situation, Vermont recently adopted an interim permitting program that would require large water withdrawals to undergo much more scrutiny. However, all existing bulk water suppliers are not subject to this new program.

Pristine Mountain Springs Inc., Ice River Springs' source for its New Hampshire plant, has been operating since at least 1993, and is therefore not subject to the new program.

Pristine Mountain Springs, located in Stockbridge, Vermont, is a bulk water business owned by Ronald Colton. The water system used by Pristine Mountain Springs was originally constructed in the 1960s to supply water for a surrounding housing

development. Colton purchased the water system in 1977 and began pumping water under two business names, Pristine Mountain Springs Inc. and Colton Springs. The spring, which is actually an artesian well that is at least 50' below existing surface levels, is estimated by Colton to have a flow of 900 gallons (3,400 litres) per minute, or 1.3 million gallons (4.9 million litres) per day.

Existing state permitting requirements do require bulk water suppliers to provide some information, including monthly reports on water withdrawals. However, state officials recently acknowledged to Vermont activists that they do not have the staff to ensure that monthly reports are in fact being filed. The regulatory scenario under which Pristine Mountain Springs, Inc. is operating does not require an investigation of withdrawals to evaluate if they are having impacts on surrounding habitat or aquifers.

As a result of the lax State oversight, it is unclear what the impacts of his water takings are on the area aquifer or what the impacts may be on local waterways.

An important concern is the location of the spring, which is in close proximity to 31 houses, all with individual septic systems. The state of Vermont has grandfathered existing septic tanks and leach fields located within 300 feet of Pristine Mountain Springs, raising questions about how well protected this so-called "pristine" source really is.

The case of Pristine Mountain Springs Inc. shows a major deficiency in regulation by the State of Vermont that has resulted in an essentially unregulated corporate water grab. Total amounts of withdrawals are unknown, but based on old contracts could be in the millions of gallons per month.

Impacts on habitat, wildlife, and surrounding aquifers are unknown. Hence, the need for greater regulatory controls, corporate disclosures and opportunities for meaningful public debate about the impacts of small, medium and large bottled water takers on local communities.

These cases become even more complex when bottlers can arrange water grabs from straddling or nearby operators. Multi-state proposals like Ice River Springs' increase the number and range of communities affected and makes regulation even more difficult. This case demonstrates the need for both local and regional oversight of the impacts on affected communities and aquifers.

Indiana

Two weeks after the New Hampshire plant announcement, Ice River Springs announced the construction of a \$20 million 273,000 square foot facility in Newton County, Indiana. This plant is scheduled to open in the spring of 2008.

The plant will be located in Kentland and like the Claremont NH plant, will take 20% of its water from a source in Kentland and the remaining 80% will come from a spring 60 kilometres (38 miles) south of town. Kentland Town Council President Dave Smart said the company will extract 100,000 gallons (378,514 litres) of water per day.

Indiana is similar to Vermont in that it has weak groundwater taking regulations. No permit is required from the state of Indiana for individuals or companies to take groundwater. However, if the withdrawal capacity of a well is greater than 100,000 gallons per day (378,514 litres) the well must be registered with Indiana's Department of Natural Resources.

Ice River Springs purchased rights to a spring water source in Attica, Indiana, from another company. This is the same source, which at one time, was used by an Illinois company known as Sparkling Springs, which was purchased by Nestlé in 2002. It is unclear if Nestlé is continuing to use the Attica spring as its source.

The Indiana Department of Natural Resources says that the spring in Attica only has a 50 gallon per minute capacity (189 litre), and therefore does not have to be registered with the State. This adds up to 72,000 gallons per day (272,549 litres). Ice River Springs will be taking 80,000 gallons per day from this well. If Nestlé is also taking water from this source the amount could be even higher. It remains to be seen if the spring will register its well with the State.

Unlike Ice River Springs' Vermont source, more details about the company's source for the Kentland plant are not readily available. This leaves a number of questions about environmental impact unanswered. This is mostly due to the fact that since there is no water taking permit required in Indiana, there is no database of permit holders. Add to this the fact that wells with a capacity of less than 100,000 gallons per day are not required to register with the State, there are very few sources of information for the public to assess the impact of water bottling operations in the State of Indiana.

Unless local residents begin questioning Ice River Springs' plan in Indiana, the company will be able to operate its plant with very little environmental oversight from regulatory authorities.

Conclusion

Under the recent wave of intense criticism from the public, the International Bottled Water Association (IBWA), repeatedly states that bottled water companies account for less than 0.02% of the total ground water withdrawn in the United States each year.

While the amount may appear to be low, when compared with an aggregate of sectors taking water the position is simplistic. This is because it ignores the impacts of specific cases like Stockbridge, Vermont and Attica, Indiana where unknown amounts of water are being taken and sold to bottled water corporations.

Ice River Springs' parallel plans to expand into the US are designed to give the company easy access to land, desperate labour forces and most importantly water.

Both Vermont and Indiana have unenviable environmental oversight policies and practices and as such are enabling operators to exploit spring water from questionable sources that are not subject to regular monitoring.

The result will be an unmitigated corporate water grab by a rapidly expanding corporation.

What can be done to improve the situation described above?

- Investigate Ice River Springs source of spring water in Attica, Fountain County, Indiana. This can be done by visiting the spring source itself or by contacting Indiana's Department of Natural Resources Water Division and inquiring about this specific spring. Contact the division of water here: water_inquiry@dnr.IN.gov or by calling them toll free at 877-928-3755
- Investigate Ice River Springs source of spring water in Stockbridge, Windsor County, Vermont. This can be done by visiting the spring source itself or by contacting Vermont's Department of Conservation Water Supply Division and inquiring about Pristine Mountain Springs' operations. You can contact the Water Supply Division by calling them toll free at 800-823-6500
- Contact Ice River Springs and ask them what kind of impact their water takings in Indiana, Vermont and New Hampshire will have on the environment. You can contact Ice River Springs here: info@iceriversprings.ca or by calling them at 519-922-3303

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[US] Nestlé Waters to close plant in Fort Worth

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[US] Austin leaders urged to toss bottled water

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[US] International Bottled Water Association Press Release: Corporate Accountability International Campaign Confuses Consumers and Provides Bottled Water Misinformation

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[US] Alice Waters, 4 cities join anti-bottled water campaign to curb consumption

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