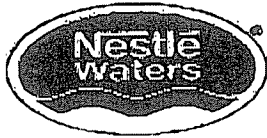


Item No. 9.1.3



101 Brock Road South, Guelph, Ontario N1H 6H6 TEL 519-763-9452 FAX 519-763-9156

MUNICIPAL CLERKS OFFICE

Distributed to:

Council **NESTLÉ WATERS CANADA Reg. Council**

Mayor

CAO Date: Mar 31/09

DCAOs

Solicitor Item No. 9.1.3

Communications

Other J. Church

10000-35
TR# 28587

HALIFAX REGIONAL MUNICIPALITY

MAR 27 2009

MUNICIPAL CLERK

March 16, 2009

Mr. Peter J. Kelly
 Mayor
 Regional Municipality of Halifax
 Post Office Box 1749
 Halifax, Nova Scotia
 B3J 3A5

RECEIVED
 MAR 23 2009
 MAYOR'S OFFICE

Dear Mayor Kelly;

The purpose of my writing is to express my concern about recent media reports indicating that a ban on the sale of bottled water could possibly be discussed once again at the Regional Municipality of Halifax.

In our position as Canada's largest manufacturer and distributor of bottled water, the possibility of a ban is troubling to our employees, customers and business partners who live and conduct commerce in your community.

Given the current uncertain economic environment that exists across this province and this country, we are of the view that a ban would impact the current employment outlook for our industry as well as future job creation, environmental stewardship and industry investment prospects.

We believe we have a solution to concerns recently expressed by some of your fellow members of Council about bottled water, if those concerns are principally related to recycling and litter. We and our industry partners recently entered into a \$7.2 million, three-year agreement with the Government of Quebec and municipalities across that province to collect and recycle plastic beverage containers and other recyclable materials in public spaces. The pilot program that triggered this agreement resulted in, on average, an 85 percent participation rate amongst consumers and businesses. We would be interested in talking to you about the feasibility of introducing this methodology in your facilities.

It is important to note that bottled water makes up about 40 percent of all beverages sold in plastic containers in Canada. Waste audits conducted nationally indicate that bottled water containers account for less than one-fifth of 1 percent of the waste stream. If the bottled water industry was to disappear tomorrow, there would be no appreciable reduction in the amount of refuse going to landfill.

-2-

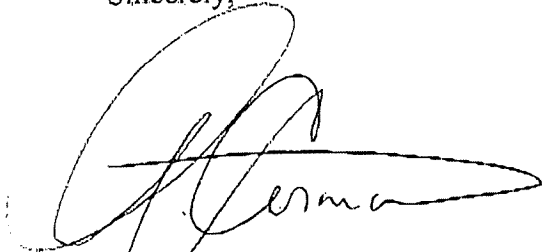
Bottled water is proving to be particularly helpful at a time when the incidence of obesity and diabetes are on a significant increase amongst young Canadians born after 2000. More than 60 percent of Canadians consume bottled water each and every day because it is a portable, accessible and healthy choice. They are not choosing bottled water over municipal tap water.

They are choosing bottled water over other bottled beverages that do not have the same health benefits as bottled water does. All residents of Halifax need to be encouraged to consume more water, whether from bottled or tap sources, to help them live more healthy lifestyles.

I have attached a brief document that I am certain will assist you in your future discussions with colleagues and constituents about bottled water. If you require additional copies, please have your staff contact John Challinor II, our Director of Corporate Affairs, by telephone at 1 888 565-1445, Ext. 6441 or via email at john.challinor@waters.nestle.com.

Mayor Kelly, I would appreciate the opportunity to meet with you and your senior staff at your earliest convenience so that a common understanding about our products and your concerns is achieved. In the interim, should you have any further comments, questions or concerns, please feel free to contact me by telephone at 1 888 565-1445, Ext. 6422 or via email at gail.cosman@waters.nestle.com.

Sincerely,



Gail Cosman
President

In the Know



Your guide to bottled water and Nestlé Waters Canada

WHO WE ARE

Nestlé Waters Canada, a division of Nestlé Waters North America, is the leading bottled water company in Canada. Our family of well-known brands includes Nestlé[®] Pure Life[®] Natural Spring Water and Montclair[®] Natural Spring Water, as well as international bottled water brands such as Perrier[®], S. Pellegrino[®] and Acqua Panna[®]. We are affiliated with Nestlé Waters, based in Paris, the bottled water subsidiary of the Swiss company Nestlé, S.A.

Nestlé Waters Canada currently operates facilities in Puslinch, Ontario; Laval, Quebec; Hope, British Columbia; and Chilliwack, British Columbia. We employ more than 500 associates across Canada.

Your Health

According to the Dietitians of Canada, the human body needs 8 - 12 cups of liquids a day to stay well hydrated¹. With no calories, carbohydrates, caffeine or artificial additives, bottled water is the natural choice for a growing number of active, health-conscious consumers.

In recent years, Canadian consumers, and consumers around the world, have chosen bottled water as a safe and accessible healthy beverage alternative to sweetened drinks in record numbers. Currently, 63% of Canadians say that they are trying to increase their water consumption as part of a healthy lifestyle². In fact, 95% of current bottled water drinkers switched from other packaged beverages to bottled water⁴.

At Nestlé Waters Canada, we are proud to provide high quality beverage products to meet this significant and growing demand.

Water Use

It may come as a surprise but bottled water actually requires significantly less water to produce than most other beverages, making it a water source-friendly beverage.

WATER USE	
Product	Water to Produce
Nestlé Waters Canada	1.5 litres
Spring Water (Alcoa)	1.5 litres
Coca-Cola Bottling (Alcoa)	1.5 litres
Perrier	1.5 litres

Source: Eshleman, K., *Drinking Water Research Foundation study summary*, Coca-Cola Company, Environmental Protection Agency (EPA)

COUNTING CALORIES		
Average calories for a 12-ounce beverage:		
	Calories	Teaspoons of Sugar
Bottled Water	0	0
Soft Drinks	140	6
Sweetened Tea	130	7
Energy Drink	120	0
Soft Alcohols	120	0

While bottled water manufacturers are an obvious user of water, the total extraction of water by Canadian-based water bottling companies is actually very small. Commercial bottled water production in Ontario accounts for less than 0.0014% of all water used by other permitted users including commercial, agricultural, industrial and recreational⁵.

¹ Dietitians of Canada, *Beat the Heat with Lots of Fluids*, August 11, 2006. <http://www.dietitians.ca/resources/resourcesearch.asp?fr=view&contentid=6698> (October 10, 2007)
² <http://www.honkedonjules.com/> (October 10, 2007)
³ ACNielsen PanelTrack Health & Wellness Survey 2006
⁴ Neilson HomeScan 2006
⁵ Ontario Ministry of the Environment, 2007

How much water do bottled water producers use compared to others?

(Permits issued by the Ontario Ministry of the Environment as of May 2007)

PERMITS		
Industry	Total Permits	Total Permitted Taking (million cubic metres per day)
Agriculture	2,944	7.59
Water Supply	1,196	18.36
Commercial*	691	2.12
Miscellaneous**	612	792.81
Industrial***	514	515.03
Dewatering/Dewatering Construction	345	18.57
Recreational	120	3.04
Remediation	90	6.18
Construction	52	6.72
Bottled Water	23	0.02
Municipal	1	0.01

* Includes municipal, communal and campgrounds water supply
 ** Includes aquaculture, golf course irrigation, mall/businesses, snowmaking, other
 *** Includes dams & reservoirs, heat pumps, pumping tests, wildlife conservation, other
 **** Includes aggregate washing, brewing & soft drinks, cooling water, food processing, manufacturing, pipeline testing, power production, other
 ***** Hospitals, schools, other

Source: Ontario Ministry of the Environment

ENVIRONMENTAL EXCELLENCE

At Nestlé Waters Canada, we recognize that water is essential to our ecology and sustaining life in all its forms. That is why painstaking care is taken to select sources that are high-quality, abundant and readily replenished. We monitor the water levels and conditions at our sources, and we use state-of-the-art quality practices in our bottling processes to ensure a safe and natural beverage.

Earth-Friendly Facilities

Mindful of the environment and natural resources, Nestlé Waters Canada is a leader in conserving natural resources and minimizing waste. In 2006, we invested \$2.5 million in new technology that made our Puslinch bottling facility 10% more water efficient. We hope to increase our water efficiency by another 20% in 2008. We are continuously working to find new and innovative ways to make our Canadian facilities more efficient.

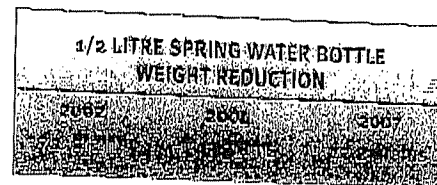
Reducing our Impact

Bottled water containers in general use less plastic than carbonated soft drinks or other plastic beverage containers. At Nestlé Waters Canada, we are committed to finding new and innovative ways to reduce our packaging. For example, in the last five years, we have reduced the plastic content in our packaging by approximately 30% and our corrugate use by 65%.

Our "Eco-Shape" bottle, available in 500 millilitres, has reduced the amount of plastic in our bottles by 15%. The bottle feels different to the consumer, but we believe they will appreciate the lower plastic resin content. This new bottle design is for all of our brands in North America and will save approximately 30 million kilograms of plastic resin a year.

In addition to reducing the environmental impact of our bottles, we constantly look for ways to reduce the environmental impact of our activities. We have started to produce our plastic bottles onsite,

reducing the kilometres traveled by our trucks. Our new \$15 million warehouse expansion, expected to begin in 2008, will reduce the number of trucks traveling to and from our facility by 1,500 per year.



Reusing Materials

When possible, Nestlé Waters Canada's facilities reduce waste by reusing items such as corrugate, wooden pallets and shipping containers.

Recycling Focused

All of our packaging is 100% recyclable and our corrugated trays are made from 100% recycled fibre. Nestlé Waters Canada promotes the recycling of our bottles. We also actively support long-term research into new environmentally focused packaging technologies such as biodegradable bottles.

COMMONLY ASKED QUESTIONS

Why should I drink bottled water?

We believe that bottled water is a healthy beverage choice, and we are proud to provide Canadians with a high quality product that supports a healthy lifestyle.

Over the last five years, many beverages including soft drinks, sports drinks and juices have experienced a slowdown in their sales growth. During the same time period, the demand for bottled water has increased as Canadians indicate their preference for a healthy bottled beverage.

How much bottled water are Canadians drinking?

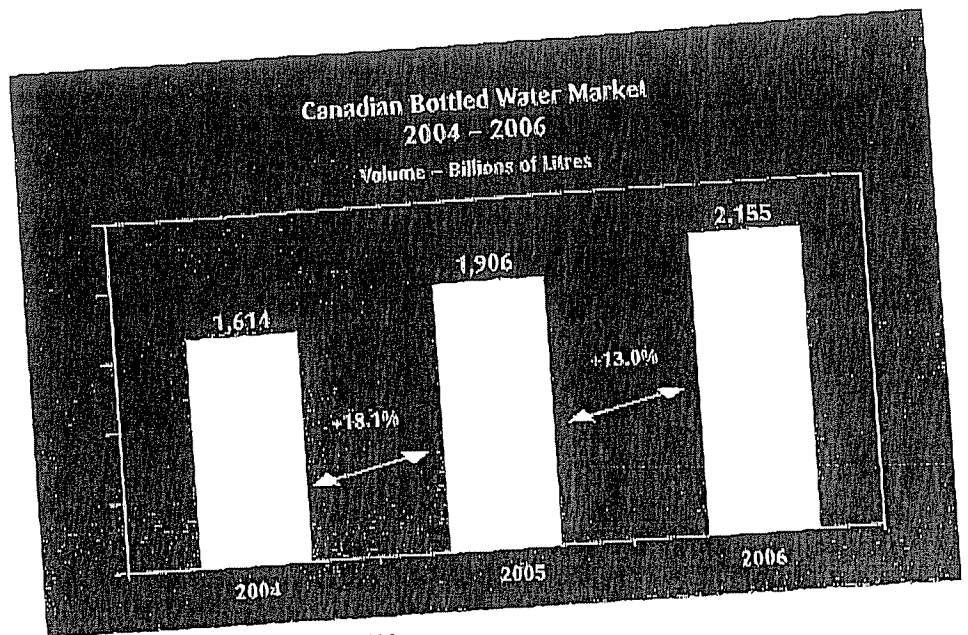
The Canadian bottled water industry has been growing rapidly over the past decade, moving the product into the mainstream⁶. Bottled water has become a staple for Canadian consumers with 52% choosing it for its portability and taste⁷.

Beverage	Volume of Market Share
Carbonated Soft Drinks	15.1%
Coffee	14.3%
Milk	11.5%
Tea	8.8%
Beer	9.5%
Fruit Beverages	8.6%
Bottled Water	9.1%
All Others	23.1%

Source: Beverage Marketing Corporation, 2006

Do bottled water companies use a lot of water?

While bottled water is an obvious use of groundwater, the amount of water extracted by Nestlé Waters Canada is actually very small when compared with other uses.



Source: Beverage Marketing Corporation 2006

At Nestlé Waters Canada, we know that every drop counts and we are proud of our efficient water use. For example, to produce 1 litre of Nestlé Waters Canada bottled water brands, only 1.5 litres of water are required. This includes water used by equipment and in-line sanitation.

Will you use up the water and leave?

Our sources are vital to our business, so it only makes sense for us to do everything we can to protect them. We plan to bottle water, at a sustainable rate, well into the future. Properly managed, sources are renewable indefinitely. Protecting these resources is not only the fiscally responsible way to operate, but also the right thing to do.

Nestlé Waters Canada researches historical and geological records and only selects water pumping sites that nature can naturally replenish. Recharge patterns are critical in determining the amount of water a source can safely yield, and Nestlé Waters Canada is committed to meticulously managing our sources – now and in the future.

Product	Water to Produce
1 litre Nestlé Waters Canada	1.5 litres
1 slice of brown bread	28 litres
1 can of fruit or vegetables	38 litres
1 litre of white bread	70 litres
1 head of lettuce to grow	100 litres
1 kg of beef to produce	1,000 litres

Source: Environment Canada, Freshwater Website: Did you know?

How do you monitor the environmental impact of the bottling plant?

We monitor the water level of our production wells on a continuous basis and regularly collect data from on-site and off-site monitoring wells. We also monitor water levels and temperatures of the creeks near our facilities.

Our program, which includes both surface and groundwater monitoring locations, exceeds the requirements of our individual permits.

We report our monitoring results quarterly to the Ontario Ministry of the Environment. Monitoring reports related to our activities in Puslinch and Erin, Ontario, are available from the Ontario Ministry of the Environment.

⁶ http://www.finewaters.com/Bottled_Water/Canada/ (October 10, 2007)

⁷ Statistics Canada, Households and the Environment Survey 2006

OPEN COMMUNICATION, CLOSE CONSULTATION

At Nestlé Waters Canada, we believe that corporate responsibility is more than just good business – it's a bond we share with the communities where we live and serve. Our commitment to being a good neighbour comes in various forms including disaster relief and support of local community programs.

Nestlé Waters Canada is proud to support environmental, community, health and fitness and educational programs and events across Canada. We routinely work with a variety of national and regional organizations including:

Unicef Canada

United Way of Canada

Second Harvest Food Bank

Habitat for Humanity Canada

Girl Guides of Canada

The Foundation for Families
(Canadian Tire)

Kids Help Phone

Friends of Mill Creek

Puslinch Fire Department

Table pour la récupération
hors foyer

Hope Volunteer
Search and Rescue

British Columbia Ambulance
Service Flood Relief

Chilliwack Initiation
Hockey Tournament

Waste Reduction Week

Nestlé Waters Canada welcomes questions from the public. Canadians can contact Gail Cosman, President of Nestlé Waters Canada, directly at comments_for_the_president@waters.nestle.com. Gail personally responds to all inquiries.

How do you monitor the quality of your bottled water?

Nestlé Waters Canada takes a multi-barrier approach to water safety. We subject all of our finished products and our source water to daily microbiological analysis that exceeds the microbiological requirements as outlined in the Safe Drinking Water Act. Water samples are also sent to a third party independent lab for analysis every week. On a daily basis we conduct 1,700 quality and 60 quantity tests.

Is the Canadian bottled water industry regulated?

Yes. Bottled water is extensively and strictly regulated under the Food and Drugs Act and Regulations as a food product. The Food and Drugs Act sets identity standards, provides a basis for labelling requirements and establishes the safety parameters for bottled water and all other food products. Manufacturers and Importers of bottled water are inspected and monitored by the Canadian Food Inspection Agency (CFIA) to help ensure that the products are safe and wholesome⁹.

How much do you pay for the water you take?

In Ontario, we currently pay a \$3,000 application fee for our Permit to take Water, but do not pay for the water itself. In the future, we will pay \$3.71 per million litres extracted to the Province of Ontario. Nestlé Waters Canada fully supports the concept of paying our fair share for water usage along with other water users.

Water is a shared resource. Why should Nestlé Waters Canada be allowed to bottle this valuable natural resource?

Canadian consumers are choosing bottled water as a healthy beverage alternative in record numbers.

At Nestlé Waters Canada, we believe that bottled water manufacturers have an important role to play in offering consumers a healthy, portable and convenient alternative to other bottled beverages. We are proud to provide high quality beverage products to meet this significant and growing demand.

I've seen bottles of Nestlé Pure Life in the U.S. and other countries around the world. Are you shipping our water around the world?

Nestlé Pure Life is a global brand produced locally and close to the consumer. Nestlé Pure Life is produced around the globe, from local water sources, in countries as widespread as China, South Africa, Mexico, Canada and the U.S.

In Canada, for example, 98% of the water extracted at our Puslinch, Ontario, facility goes to Ontario and Quebec, ensuring that the vast majority of water stays within the Great Lakes/St. Lawrence water basin. The other 2% of the water is distributed within Canada and the northeast United States.

⁹ <http://www.inspection.gc.ca/english/fsa/concern/specif/bottwate.shtml> (November 13, 2007)

Nestlé Waters Canada
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Guelph, ON N1H 6H9
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comments_for_the_president@waters.nestle.com
www.nestle-watersna.com



Nestlé Waters Canada
is a proud sponsor of
Waste Reduction Week
in Canada





NESTLÉ WATERS CANADA

101 Brock Road South, Guelph, Ontario N1H 6H9 TEL 519-763-9462 FAX 519-763-8156

March 9, 2009

Mr. Brock Carlton
Chief Executive Officer
Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3

Dear Brock;

The purpose of my writing is to respectfully request the opportunity to have bottled water industry representatives appear before your Board of Directors at its earliest convenience to make a presentation about the industry's progress related to environmental stewardship – and respond to any questions, comments or concerns you and your Board may have.

The genesis of this outreach is a recent Federation of Canadian Municipalities resolution regarding bottled water, where some mis-information about our industry was communicated in the resolution and, beyond that, an unfortunate call-to-action was advised about our products.

Contrary to what the resolution states, the facts about bottled water are as follows:

“Whereas bottled water consumes significant amounts of non-renewable fossil fuels to extract, package and transport water creating unnecessary air quality and climate change impacts.”

The bottled water available to 40 percent of the Canadian population comes from within the Great Lakes Basin, so shipment by air doesn't occur. Bottled water produced by Coke and Pepsi is bottled in Mississauga and Brampton. Bottled water produced by Nestlé Waters Canada is bottled in Aberfoyle. There are bottling plants located in Quebec and across Western Canada to serve those areas of the country. There probably isn't another mass-produced packaged food product used by Canadians that is in as close proximity to them as bottled water is. Nestlé Waters Canada recently mapped its carbon footprint and determined that the bottle represents 55 percent of its greenhouse gas emissions. It has reduced the amount of plastic it uses in that bottle by 30 percent since 2000. Bottled water has the smallest carbon footprint of any consumer beverage, whether measured by water volume, plastics/oil usage or greenhouse gas emissions.

“Whereas it takes about three litres of water to manufacture a one litre plastic bottle of water.”

This is incorrect. According to Environment Canada, it takes 1.5 litres of water to produce one litre of bottled water. By comparison, it takes 3 litres of water to produce one litre of soft drinks; it takes 28 litres of water to produce one slice of brown bread; it takes 42 litres of water to produce one litre of beer; it takes 53 litres of water to grow and market an orange; and it takes 183 litres of water to produce one 8-ounce glass of milk. Water is a fundamental requirement for the processing, manufacture and distribution of all food consumed by human beings.

“Whereas bottled water companies use municipal water and groundwater sources when a growing percentage of Canadian municipalities have faced water shortages in recent years.”

According to Environment Canada, the Canadian bottled water industry uses just .02 percent of permitted water in Canada compared to thermal power generation (64 percent), manufacturing (14 percent), municipalities (12 percent), agriculture (9 percent) and mining (1 percent). According to A.C. Nielsen, more than 90 percent of bottled water comes from spring sources on private property. The remainder comes from municipal sources. The Canadian bottled water industry has never been cited by any provincial or federal environmental agency as being the source of any shortages of municipal water supply.

“Whereas although bottled water creates a container that can be recycled, between 40% and 80% of empty bottles end up as litter and/or are placed directly into the garbage and take up unnecessary space in landfills.”

This is incorrect. According to the provincial stewardship agencies responsible, the recovery rate for plastic beverage containers averaged 60 percent across Canada in 2007, but varied between 55 and 93 percent provincially. A 2005 single family housing waste audit conducted over four seasons in Toronto found an 87.8 percent recycling rate for PET beverage containers. Plastic water bottles make up just 40 percent of the total volume of plastic beverage containers used by the beverage industry. Most plastic beverage containers contain soft drinks and sweetened juices. Plastic water bottles account for about one-fifth of one percent of the municipal solid waste stream in Canada. If the bottled water industry was to disappear tomorrow, there would be no appreciable reduction in the amount of refuse going to landfill.

“Whereas tap water is safe, healthy, highly regulated and accessible to residents, employers, employees and visitors to Canadian municipalities and substantially more sustainable than bottled water.”

This is incorrect. Bottled water is held to the same scrutiny as tap water. By law, Health Canada regulations for bottled water must be as strong and protective of public health as Ontario Ministry of Environment regulations for tap water. Bottled water is regulated as a packaged food product by Health Canada through the Food and Drug Act. With respect to regulation, the Regional Municipality of Waterloo, for example, reported on September 9, 2008, that it did 10,000 tests on its water supply in 2007. Nestlé Waters Canada performs more than 1,700 tests on its water supply daily at its Aberfoyle plant or more in one week than Waterloo Region does in one year. A copy of our testing activities is available upon request. Testing is also conducted via surprise inspections by the Canadian Food Inspection Agency, Health Canada, the Canadian Bottled Water Association and NSF. Nestlé Waters Canada takes a multi-barrier approach to water safety. The Company subjects its finished products and source water to microbiological analysis every day that exceeds the microbiological requirements outlined in the Safe Water Drinking Act, which governs both municipal tap water and bottled water. The Company is required to test for 160 compounds in both source and finished product for coliform, E-coli (daily), coliform, E-coli (weekly), chemicals (quarterly) and metals, chemicals and minerals (annually). Water samples are also sent to a third party independent lab for analysis every week. Basic chemical and physical analysis of bottled water is completed daily. Annually, we conduct a full spectrum analysis on each water source for primary inorganics, secondary inorganics, radiologicals, volatile organic compounds, organics, disinfection byproducts, pesticides, herbicides, physical contaminants as well as several other potential chemical contaminants. In addition to the tests identified above, there are many on-line quality checks performed by our operators on an hourly basis to ensure the chemical, microbiological and physical safety of the finished goods produced at our plants. Our testing levels meet or exceed all requirements of Health Canada and other governing bodies. The annual monitoring reports are conditions of our permits and are submitted to the province and other public agencies. As such, they become public documents upon receipt.

“Whereas some municipalities have enacted bylaws to restrict the sale and purchase of water bottles within their own operations.”

Thirty-six municipalities and school boards across Canada have formally rejected calls for bans on bottled water, while just 13 local governments have approved same, to date. But, rather than focus on bottled water, several thousand local governments have quite rightly determined that repairing aging water and sewer infrastructure, improving on the delivery of basic municipal services and keeping property taxes low are more important priorities -- and most Canadians agree. In a survey conducted last Fall by Leger Marketing, a majority of Canadian taxpayers said they are opposed to bans on bottled water.

Brock, we view municipalities across Canada as important partners in environmental sustainability, health and wellness and emergency support – and the vast majority of them view us the same way. Today, we and our industry partners fund a minimum of 50 percent of the cost of municipal recycling programs across Canada. At our industry's initiative and expense, we are in the process of implementing a pilot public spaces recycling program in Sarnia modelled on the successful program we introduced in Quebec in June 2008.

In 2008, Nestlé Waters Canada was a minor sponsor of the annual FCM Conference. We are currently reviewing what our participation level will be this year.

I have attached some related background information about our Company and our industry that I trust you will find insightful.

In conclusion, as we have for the last 25 years, we are only interested in continuing to work constructively with Canadian municipalities, rather than allow that strong relationship to erode because of isolated mis-information, mis-understandings and mis-communications.

Brock, please let me know if a presentation to the Board or a Committee of the Board is desired and/or possible by contacting me via Canada Post, email at john.challinor@waters.nestle.com or by telephone at 1 888 565-1445, Ext. 6441.

Sincerely,

John B. Challinor II APR
Director of Corporate Affairs

cc: Elizabeth Griswold, Executive Director, Canadian Bottled Water Association
Jean Perrault, President, FCM
Justin Sherwood, President, Refreshments Canada