

Front-page

FEATURED

Q&A: Niagara Bottling Co. and Eau Claire's water supply

By Andrew Dowd Leader-Telegram staff

May 26, 2022

EAU CLAIRE — A California-based bottled water company's proposal to build in Eau Claire had been kept under wraps for months while a deal was being worked on, but then it became public a week ago as the project sought the City Council's approval.

When word of Niagara Bottling Co.'s plans spread around Eau Claire, it was met with what Councilman Jeremy Gragert called "a visceral reaction" from constituents caught off-guard by the major proposal and concerned about its use of municipal water.

When it came time to vote Tuesday on the high-tech water bottling plant — the biggest potential boon to Eau Claire's industrial sector in recent years — the council opted to delay a decision. Before it returns for a vote on June 14, council members said they wanted more time to educate themselves and the public about what could become the city's new No. 1 water user.

Here are some of the questions raised this week about the proposed Niagara Bottling Co. plant and the city's water supply:

What are the concerns residents have about the proposed plant?

Leading up to Tuesday's meeting, council members said they were flooded by emails from constituents about the proposed deal — the vast majority in opposition to it.

"Overall the largest concern is over the protection of our water resources here and in Wisconsin," said Councilwoman Kate Beaton. She along with Councilman Andrew Werthmann requested Monday night's public discussion on the bottling plant deal.

Other worries expressed in those emails included the high profits in the bottled water industry, how the plant would contribute to environmental issue of plastic waste and the long-term impact that climate change will have on water supplies.

"Certainly here in Eau Claire we have safe water now, but we really need to be protective of our water and not take it for granted," said Beaton, who has a professional background in water quality advocacy.

During Monday night's public discussion on the deal, several residents remarked how they were taken aback at how such a large deal would remain a secret from the public until just days before it could be approved.

How did such a large deal come about and stay secret until now?

In late 2021, Eau Claire was among the cities that submitted potential sites to a Wisconsin Economic Development Corp. inquiry being done for a manufacturer seeking 30 acres of land.

Dubbed "Project Horseshoe" by the agency, it was done confidentially due to competitive reasons for both the company and communities that were competing for the business, according to Eau Claire's economic development manager, Aaron White.

Niagara began looking at five Wisconsin communities, narrowed their search to two and Eau Claire ultimately was the company's first choice.

"This is months of vetting that accumulated roughly two weeks ago when we came down to the final details of the project," White said at Monday's meeting.

That vetting was done by leaders of several city departments prior to the proposed agreement reaching the City Council, which made it public knowledge when the agenda came out on May 19.

Why is it coming to light now?

Niagara Bottling Co. is looking to sign a development agreement with the city because it wants to buy 30 acres of land in Eau Claire's Gateway Northwest Business Park.

Had the company found an existing industrial facility that met its needs in Eau Claire instead of looking to build new in a business park tied to the city, White said it wouldn't need to enter into such an agreement.

Councilwoman Emily Anderson noted that by choosing a site the city is affiliated with, it does allow for some regulation compared to another site that would not require the city's approval.

Why was this agreement not automatically subject to a public hearing?

Very few items that come before the City Council are required by law to have public hearings before votes. Rezoning, some land use decisions and certain grants are required to have public hearings before votes.

"Contracts including development agreements do not require public hearings and very rarely have included public discussions," said City Attorney Stephen Nick.

However, public discussions of other items or issues can be put on Monday night City Council agendas. This is done either when the city manager and council president put that on the agenda, or at the request of two council members.

What economic benefits does Eau Claire expect from the new plant?

The developer's estimated investment in the land, building and site work is \$65 million, according to documents provided the city. When other costs including equipment to run the highly-automated plant are added in, the company said its overall investment is expected to exceed \$100 million.

A clause in the proposed deal requires that the company will pay property taxes for a facility valued at no less than \$50 million — even if the facility doesn't turn out to be worth that much. That amounts to about \$1 million annually in property taxes.

For about 20 years, those taxes will pay for public expenses — including extending Venture Drive to the plant's location — in the tax increment finance district where the facility would be located. After the district's costs are paid off, taxes on the bottling plant would go to city and county government, public schools and the local technical college.

The plant would employ 58 full-time workers making an average salary of over \$59,000 when it opens, according to the agreement.

How much will the plant be paying for water compared to Eau Claire homes?

Residential customers pay \$2.21 per 100 cubic feet of water — a unit of volume called a ccf that is equal to 748 gallons.

Businesses are charged \$2.28 per ccf, for the first 25 ccf they use each month. The rate declines as businesses use more water. Above that initial 25 ccf usage, the rate goes down to \$1.90 per ccf and stays there for the next 2,475 ccfs used during a month. For water in excess of 2,500 ccfs used in a month, the rate drops to \$1.61 per ccf.

Based on the Niagara Bottling plant's maximum capacity when it would be fully built out, it would use 310.25 million gallons annually. Lane Berg, city utilities manager, calculated that volume of water would cost \$676,598 based on the city's current water rates. (The calculation of the water bill does not include fixed fees on utility bills or charges for wastewater, fire protection and storm sewer.)

Eau Claire homeowners pay about 0.3 cents per gallon and Niagara Bottling will pay 0.2 cents per gallon.

What are the other major users of water in the city?

Other companies already do use large amounts of Eau Claire's water in manufacturing processes and essentially transport it elsewhere within their products.

"This is not the first company that does that," White said. "We have many companies, both small locally owned up to international companies currently in Eau Claire that ship water regionally, nationally and internationally every day."

Currently Nestle USA tops the list of Eau Claire water users with nearly 251 million gallons used annually. Toilet paper manufacturer Cascades Tissue, electronics components maker Hutchinson Technology, rubber mixing plant American Phoenix, and horseradish and condiment company Silver Springs Foods are the other manufacturers in the top 10. The list also includes Mayo Clinic Health System, HSHS-Sacred Heart Hospital, UW-Eau Claire and the Eau Claire school district. Convenience store chain Kwik Trip is in 10th place currently.

Though they're too small to make the top 10, White noted there are several breweries and distilleries in Eau Claire that use city water to produce their beverages.

Niagara Bottling Co.'s plant would be built in two phases. Phase one would use up to 155.125 million gallons a year, which would make it Eau Claire's No. 2 water user. If the company proceeds with building its second phase, the capacity would double and it would surpass Nestle in terms of water consumption.

How do those compare to previous years?

At this week's City Council meetings, Berg and White mentioned how conservation measures and changes in local industry have led to less water use by Eau Claire manufacturers.

In 1982, the city's top water user was the Uniroyal tire plant, which used 555 million gallons of water that year, according to city records. That's close to the combined total of what Nestle currently uses and Niagara Bottling Co. anticipates using.

Coming in second place in 1982 was the Pope & Talbot paper plant, which used 504 million gallons of water. The two top users of water 40 years ago consumed 29% more water than last year's top 10 did.

The list from 40 years ago also shows how some big institutional water users have reduced their consumption. For example, UW-Eau Claire used 104 million gallons in 1982, but it was down to 42 million last year.

What is the capacity of Eau Claire's waterworks compared to demand?

The city's water treatment plant typically pumps 8 million to 9 million gallons daily in seasons where use is normal, according to a city fact sheet. In summer when people are watering lawns, filling pools and washing cars, usage rises to 15 million to 17 million gallons a day.

Last year the maximum gallons pumped in a day was 16.27 million gallons on June 12 and the minimum was 6.35 million pumped on Dec. 24, according to an annual report the utility filed with the state Public Service Commission.

The treatment plant is capable of pumping 25 million gallons a day.

"We have an abundant resource of water," Berg said.

The aquifer, the underground source of water that city wells tap into, has a capacity is 2.132 trillion gallons of water, according to a city fact sheet.

How do aquifers get replenished?

"In Wisconsin our aquifers are replenished by rain and snow melt," Mike Parsen, a hydrogeologist at UW-Madison, said in a phone interview with the Leader-Telegram.

About a third of that precipitation percolates below plant roots and gets into the water table to recharge groundwater, he said.

Wisconsin gets more precipitation than arid states and places with more frequent droughts where water availability have become major issues.

But even with the bountiful water supply Wisconsin has, Parsen said it is still a finite resource.

"The aquifers where you folks are are quite plentiful," said Parsen, who has done research on groundwater in the Chippewa Valley, "but with any water use, it's important to understand if there are any impacts with those withdrawals."

What protection does the agreement give to city residents for water if there's a problem with the city's supply?

The proposed agreement with Niagara Bottling Co. acknowledges the city's police and emergency powers to protect and preserve life, safety and public welfare.

In the unlikely event that sufficient drinking water for city residents' consumption is at risk, the city can reduce or even terminate service to the bottling plant during such an emergency.

The city would give advance notice of such a disruption in supply and work to maintain service to the bottling plant, the agreement adds.

How is PFAS contamination currently affecting the city's water pumping capacity?

During 2021, the city shut down multiple wells or rerouted their water to holding ponds to prevent chemicals known as PFAS from getting into drinking water.

Even with half of the city's 16 wells offline, Berg said there's still enough water to meet demand.

"Just the other day we ran eight of our wells and were able to sustain a rate of 14 million gallons per day," he said in an email.

More wells can be brought back online to meet demand, and the city will continue to monitor for PFAS, Berg added.

Water samples last week showed a concentration of 5.3 parts per trillion for PFOA and PFOS — two PFAS chemicals — combined. Recently the state's Natural Resources Board proposed a limit of 70 parts per trillion for the combination of those two chemicals.

What is the city doing to address the contamination?

The city has been working with consultant Gannett Fleming to determine how to get PFAS out of its water supply, which could also boost capacity.

"We are working to strengthen our system even more with the addition of more wells and/or treatment systems for PFAS," Berg wrote.

Those improvements would be done in 2023, prior to Niagara Bottling Co.'s prospective spring 2024 start of production.