



August 20, 2015

**VIA EMAIL**

Attn: Scott Jellison  
Metropolitan District Commission  
555 Main Street  
Hartford, CT 06103  
SJellison@themdc.com

**RE: NIAGARA BOTTLING, LLC GENERAL BUSINESS MATTERS**  
*Subject: Exemption from Special Sewer Service Charge*

Dear Mr. Jellison:

Niagara Bottling, LLC (“Niagara”) is considering expansion into the Northeast, which would involve construction of a new manufacturing facility and would require the consumption of up to 1.8 million gallons of water per day. Since water is our main resource, its cost can be a significant factor in our decision to select one site over another. At this stage, the Special Sewer Service Charge (“SSSC”) imposed by MDC, if not mitigated in some way, makes our move to an area within MDC jurisdiction essentially cost prohibitive. The projected cost of the SSSC, based on the attached MDC chart, averages approximately \$4.30/ccf of water consumption over the next 40 years. This increases our projected water costs (currently \$2.53/ccf) by 170%.

Niagara is taking the position that the SSSC does not apply to our operations, or at the very least should be drastically reduced, for the following reasons:

1. The Project being funded by the SSSC is designed to decrease nitrogen being discharged from the District treatment facilities, but our operations do not affect nitrogen levels in the system.
  - a. Section S12x of the Ordinances of the Metropolitan District Relating to Sewers (the “Ordinance”) refers to the SSSC as being applied directly toward funding the Clean Water Project “relating to the reduction of nitrogen discharged from District Wastewater Treatment Facilities.” Since our process discharge has the same composition as the incoming water, just with higher levels of TDS, we would not be impacting the nitrogen levels in the wastewater system.
2. The MDC has the discretion to reduce the SSSC for operations serviced by on-site wastewater collection, treatment, and disposal, and our operations qualify for such a reduction.
  - a. Incoming water is processed through reverse osmosis prior to filling the bottles, and any amount discharged is also subject to other treatment, including pH neutralization, prior to its introduction into the wastewater system. The Ordinance clearly states that the MDC may “allow for a reduction in the special sewer service charge” in such a situation.
3. Our discharge accounts for approximately 15% of our water consumption, since most of the water is used in filling bottles to be shipped out as product.
  - a. Our unique operations yield discharge volumes which are much lower than those of other water users, since most of our water inflows end up leaving our facility as product.



Therefore, our impact on the sewer system is accordingly lower than similar water users, which warrants at least a reduction in the SSSC, perhaps only assessed on actual metered discharge.

Feel free to contact me via phone (951-300-3299) or email ([tuhlick@niagarawater.com](mailto:tuhlick@niagarawater.com)) with any questions.

Sincerely,

Todd Uhlick  
Director of Expansion & Real Estate  
Niagara Bottling, LLC

cc: Art Ross, Newmark Grubb Knight Frank  
Paul Earnhart, Lee & Associates  
Geoff Kamansky, Niagara Bottling, LLC