

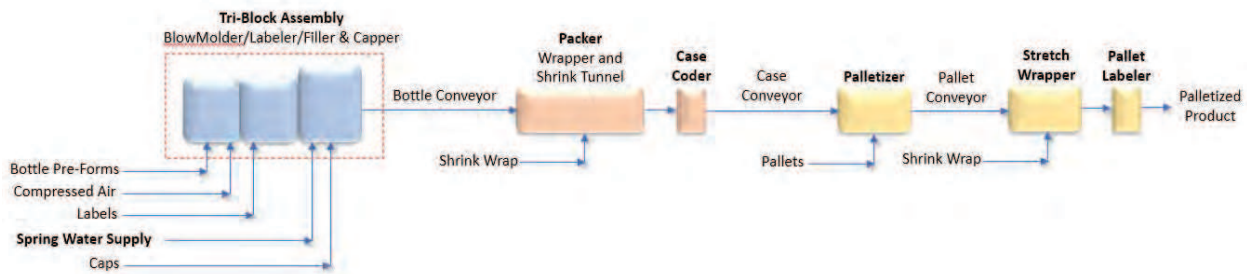
High speed packaging lines like the existing lines at High Springs are designed to operate continuously at their rated speed for long periods of time. It is not uncommon for lines in good operating condition to produce at 100% of rated speed for multiple days in a row. Therefore, the support systems including the water processing and utility systems are designed with adequate capacity to supply the lines at the rated speeds of the lines (peak flows).

Planned downtime events include preventative maintenance, CIP procedures, and downtime required for equipment upgrades. There are also unplanned downtime events for machine failures, jams, etc. On average, lines such as these can operate at an overall 80-85% efficiency over a long period of time. The total water usage by each line includes 2% of spring water for overfills meaning additional water placed above the 16.9 oz. indicated on the label. This is to ensure that when consumers receive the product it always has at least 16.9 oz in the bottle. This is typical for this type of bottling.

4. FUTURE BOTTLING LINES

NWNA commonly adds bottling lines to facilities when the market demand justifies the investment. The existing facility has room for an additional high-speed water bottling line adjacent to Line 1 with minor modifications to the building. The trend in water bottling across the industry is towards higher and higher line speeds. This allows companies to produce more product with fewer packaging lines. Currently, a line with a single blow molder and filler can fill 0.5L bottles at speeds up to 90,000 bph. Water bottling companies such as NWNA also often replace lower speed lines with new, higher speed lines. NWNA has already replaced line 1 with a high-speed line. Line 2 is planned to be replaced within the next year with a high-speed line of at least 90,000 bph. With the renovation of Line 2 to a new higher speed line, and the planned Line 3, the High Springs Facility will have a total of three (3) high speed lines without the need for a building expansion. The figure below shows the unit operations of a “typical” high speed water bottling line such as those described above.

Figure 4.1 – High Speed Bottling Line Flow Diagram



With a building expansion that “squares off” the existing building, NWNA will add enough space for the planned fourth additional high-speed line (Line 4) and there would be enough space for a fifth line. At this time there is no plan for this fifth line, however, a buildout total of five (5) high speed lines will be possible. If third party warehousing is used it is possible even more bottling capacity could be installed in the building footprint. The peak production capacity of the site is only limited by the physical land owned by NWNA. For the purposes of the water use estimation below, we used the planned four (4) high speed lines. Again, it’s possible more lines could be installed.

Building expansions combined with packaging line additions are commonly completed in 14-18 months from beginning of design to start of line production in this industry.