



Water Reclamation Facility Operation and Performance 2006-2009

Hilmar Cheese Company (HCC) California operates a state-of-the-art water reclamation facility to carefully treat all water. Internationally recognized environmental engineers and experts designed the comprehensive, multi-stage system. On-going improvements are being made to increase energy efficiency, maximize production of recycled water, improve water quality and ensure long-term sustainable operation of the facility.

Through use of this facility, Hilmar Cheese Company has been in **complete and total compliance** with all state and regional water quality requirements. These requirements were established in the March 2006 Settlement Agreement between HCC and the Central Valley Regional Water Quality Control Board. Monthly reports to regulators continue to document that the *facility performs significantly better than required*. More importantly, the facility shows *ongoing progress in producing greater amounts of recycled water for agricultural and internal Company use*.

Hilmar Cheese Company performance includes:

- **All water is highly treated in Hilmar Cheese Company's water reclamation facility.**
All process water goes through multiple stages to remove organics. Most of the treated process water then proceeds through additional ultra filtration and reverse osmosis stages to remove salts and other minerals. The current system enables Hilmar Cheese Company to be in full and complete compliance with regulatory requirements. HCC has steadily improved its system and increased the amount of process water treated by these additional steps.
- **Recycling water multiple times through the production process.**
Recycled water makes up about 70% of the water used in production processes such as cleaning and sanitization.
- **Increasing the amount of recycled water produced for crop irrigation.**
Currently, about 75-80% of the water treated in the water reclamation facility is used for crop irrigation. This far exceeds the regulatory requirement that approximately 35% of recycled water be suitable for irrigation purposes.
- **Achieving the goal of having ALL water treated in the water reclamation facility used for either crop irrigation or internal use by 2011.**
Crop irrigation water is increasingly scarce in the San Joaquin Valley and Hilmar Cheese Company is now making more than one million gallons, on average, available to local family farms each day. The Company is also finding new internal uses for recycled water.
- **Investing more than \$150 million in equipment and operations of the water reclamation facility for long-term sustainability.** This investment includes more than \$90 million dollars since 2006. The improvements made will ensure increased reliability and sustainability of the water reclamation facility while continuing to meet the stringent State of California regulatory requirements. As part of an ongoing commitment to research, development and demonstration, HCC is seeking time to pilot-test alternative technologies. This research effort is important to identify water reclamation systems that provide long-term sustainability for the Company.