



**Training Proposal for:
Niagara Bottling, LLC
Agreement Number: ET15-0276**

Panel Meeting of: August 22, 2014

ETP Regional Office: North Hollywood

Analyst: N. Weingart

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Bernardino, San Joaquin	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 820	U.S.: 1,936	Worldwide: 1,936
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	[Substantial Contribution]	[High Earner Reduction]	=	Total ETP Funding
\$236,000		\$0	\$0		\$236,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$308,035
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate	Business Skills, Computer Skills, Conti. Impr., Mfg. Skills	300	8-200	0-50	\$720	\$14.90
				Weighted Avg: 40			
2	Retrainee Job Creation Initiative Priority Rate	Business Skills, Computer Skills, Cont. Impr., Mfg. Skills	25	8-200	0-50	\$800	\$12.19
				Weighted Avg: 40			

Minimum Wage by County: Job Number 1 \$14.90 per hour and Job Number 2 \$12.19 per hour for San Bernardino and San Joaquin Counties.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Up to \$1.25 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Manufacturing/Mechanic Staff		140
Distribution/Logistics Staff		34
Engineering/IT Staff		23
Sr. Engineering/IT Staff		10
Customer Service Staff		22
Corporate Support Staff		45
Manager		26
Job Number 2		
Manufacturing/Mechanic Staff		10
Distribution/Logistics Staff		2
Engineering/IT Staff		2
Sr. Engineering/IT Staff		6
Customer Service Staff		2
Corporate Support Staff		2
Manager		1

INTRODUCTION

Niagara Bottling, LLC (Niagara) (www.niagarawater.com) manufactures purified bottled drinking water, spring water, distilled water, vitamin waters, and sports drinks. Niagara is headquartered in Ontario and maintains two manufacturing plants each in Ontario and Stockton. The Company has 18 production sites in the United States including California, Arizona, Texas, Colorado, Florida, Indiana, Ohio, North Carolina, Pennsylvania, and Georgia. Its customers are leading retailers (including grocery, club, and convenience stores) and wholesale customers across the United States. Niagara meets the Panel's out-of-state competition standards and priority designation status as a manufacturer.

Family-owned and operated since 1963, Niagara reports that it is the largest, private-label bottled water supplier in the United States. The Company manufactures almost all of its products in-house including bottles, water, and caps (the only purchased products are resins, labels, and shrink wrap). Niagara places the utmost importance on product innovation, environmental sustainability, and continuous quality improvement in order to provide customers with the best possible value in bottled water.

Clean/Green Operations

Niagara uses state-of-the-art, high-speed, automated manufacturing equipment and processes. In the past 15 years, Niagara has reduced the amount of plastic in its Eco Air Bottle® bottles by over 60%, making it lightweight and 100% recyclable. With the new Eco-Air Bottle design, Niagara has been able to: (1) transport more water per truckload which reduces CO2 emissions; (2) help conserve valuable resources by using fewer raw materials; and (3) use less energy for production, all of which reduces Niagara's carbon footprint. In addition, the Company utilizes the Eco-Air Package™ which completely eliminates the need for a cardboard tray and decreased label and bottle cap size to further reduce material usage.

PROJECT DETAILS

Niagara staff asserts that by the end of this decade, sales of bottled water are expected to surpass those of carbonated soft drinks. Statistics show that the sale of water in standard, lightweight plastic bottles grew at a rate of more than 20% every quarter since 1993 and continues to grow.

Niagara has created a curriculum that addresses three current issues. First, the Company recently acquired the second bottling company in Stockton and purchased two new advanced, high-speed bottling machines for its other California plants to increase production. Second, Niagara's original equipment manufacturers periodically introduce equipment upgrades as overall technology improves. Finally, Niagara's engineering staff is tasked with developing process enhancements that enable equipment to run faster and more efficiently to help maintain desired production levels.

Retrainee - Job Creation

Niagara opened three new plants in 2013 and another in 2014, creating 600 new jobs across the U.S. Two more plants are under consideration this year. Niagara anticipates adding 83 new employees in California in 2014-2015 to support customer demand, and provide increased internal facility support from the Ontario headquarters.

In this proposal, Niagara has committed to hiring 25 new employees (Job Number 2). Because of the Company's expansion, its headquarters will need to hire corporate support staff to provide

customer service, sales, planning, transportation, and other services. To be eligible for reimbursement, trainees must be hired during the three-month period prior to Panel approval, or during the contract term. Newly-hired employees will be reimbursed at a higher rate and are subject to a lower post-retention wage.

Training Plan

To prepare for anticipated growth, maintain or surpass production and environmental standards, and to integrate new employees and new facilities into current operations, Niagara will provide the following Class/Lab training and/or Computer-Based Training:

Business Skills (15%): Training will be offered to all occupations to foster consistent customer service, more effective communications, and sharper negotiation skills. Train-the-Trainer skills will be offered to select employees to build the company's internal training staff.

Computer Skills (5%): Training will be offered to all occupations on computer systems and software applications to increase the quality and quantity of output and promote efficient, error-free operations.

Continuous Improvement (15%): Training will be offered to all occupations in an ongoing effort to provide the best quality products and service to customers. Teambuilding and effective Leadership skills will also help Niagara incorporate new staff into the overall operation.

Manufacturing Skills (65%): Training will be offered to Manufacturing/Mechanic Staff, Distribution/Logistics Staff, Engineering/IT Staff and Managers to optimize manufacturing equipment, maintenance, and warehouse skills. With frequent upgrades, Niagara must ensure that all affected workers receive training to keep pace with technology, perform their jobs in a safe manner, and get cross-trained to meet production needs.

Training Infrastructure

Training will begin upon Panel approval, and will be held at company worksites in Ontario and Stockton. Classes will be delivered by in-house experts and outside vendors. Niagara has designated one staff member as the main point of contact to be responsible for managing the scheduling, training delivery, and documentation of training for all four California facilities. This person will meet with ETP staff and work with the third party administrator (see Administrative Services below).

Commitment to Training

Niagara's 2014 training budget for all California facilities is approximately \$700,000 and includes anti-harassment, diversity, basic job and computer skills, new employee on-boarding, OSHA, performance appraisal, driver safety, and interviewing skills. Much of the company-provided training is mandatory and given company-wide. The Company also has elective training based on job duties.

The proposed ETP funding will allow Niagara to implement new curriculum for new equipment and process improvements. Additional funds will allow the Company to increase the amount of training it can provide to the incumbent and newly hired workforce.

Niagara represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

High Unemployment Area

Some trainees work in San Joaquin County, a High Unemployment Area with unemployment exceeding the state average by at least 25%. However, a wage modification is not requested.

LMS

The LMS has been reviewed and approved by ETP staff for documentation of all training.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Niagara retained Training Funding Partners (TFP) in Fountain Valley to assist with development of this proposal for a flat fee of \$9,500.

ADMINISTRATIVE SERVICES

Niagara also retained TFP to perform administrative services in connection with this proposal for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Service
- Effective Communication
- Negotiation
- Train-the-Trainer

COMPUTER SKILLS

- Microsoft Office (Intermediate/Advanced)
- Adobe Acrobat/Reader
- SharePoint

CONTINUOUS IMPROVEMENT

- Effective Leadership
- Project Management
- Problem Solving/Troubleshooting
- Process Improvement
- Teambuilding

MANUFACTURING SKILLS*

- Blow Molding Machine
- Bottle Processing
- Capping Processes
- Electrical Safety
- Injection Molding
- Manufacturing Equipment/Maintenance
- Palletizing
- Quality Control
- Reverse Osmosis
- Water Treatment
- Wrapping

CBT Hours

0-50

BUSINESS SKILLS

- Internal Customer Service (1 hour)
- Intellectual Property Overview (1 hour)
- Communicating with Professionalism and Etiquette (1 hour)
- The Customer Service Representative (3.5 hours)
- Support Center Services and Work Environment (3 hours)
- Communication Skills (3.5 hours)
- Customer Interactions (3.5 hours)
- Interpersonal Communication: Communicating with Confidence (1 hour)
- Customer Service Confrontation and Conflict (1 hour)

- Customer Advocacy: Communicating to Build Trusting Customer Relationships (1 hour)
- Workplace Conflict: Recognizing and Responding to Conflict (1 hour)
- Receiving Feedback and Criticism (1 hour)
- Building Trust (1 hour)
- Giving Feedback (1 hour)
- Personal Productivity Improvement: Managing Your Workspace (1 hour)
- Business Writing: Editing and Proofreading (1 hour)
- Interpersonal Communication: Targeting Your Message (1 hour)
- Business Writing: How to Write Clearly and Concisely (1 hour)
- Time Management: Planning and Prioritizing Your Time (1 hour)
- Time Management: Avoiding Time Stealers (1 hour)
- Time Management: Analyzing Your Use of Time (1 hour)

COMPUTER SKILLS

- Understanding the Risks of Using Internet Media (1 hour)
- Using Lookup, Reference, Math, and Text Functions in Excel 2010 (1 hour)
- Adobe Reader X (1 hour)
- Getting Started with SharePoint 2010 (1 hour)
- Using Conditional Formatting, Tables and Sparklines in Excel 2010 (1 hour)
- Moving Data and Modifying Worksheets in Excel 2010 (1 hour)
- Adobe Acrobat 9: Fundamentals (2 hours)
- Saving, Sending, and Printing Excel 2010 Workbooks (1 hour)

CONTINUOUS IMPROVEMENT

- Being an Effective Team Member (1 hour)
- Problem Solving: The Fundamentals (1 hour)
- Effective Team Communication (1 hour)
- Team and Customer Relationships (3 hours)
- Getting Results without Direct Authority: Building Relationships and Credibility (1 hour)
- Problem Solving: Digging Deeper (1 hour)
- Decision Making: The Fundamentals (1 hour)
- The Value of Peer Relationships (1 hour)
- Elements of a Cohesive Team (1 hour)
- Problem Solving: Determining and Building Your Strengths (1 hour)
- Leading Teams: Fostering Effective Communication and Collaboration (1 hour)
- Forming Peer Relationships and Alliances at Work (1 hour)
- Leadership Essentials: Leading Innovation (1 hour)
- Personal Productivity: Self-organization and Overcoming Procrastination (1 hour)
- Using Feedback to Improve Team Performance (1 hour)
- Leading Teams: Building Trust and Commitment (1 hour)
- Giving Constructive Criticism (1 hour)
- Rebuilding Trust (1 hour)
- Developing Strategic Peer Relationships in Your Organization (1 hour)

MANUFACTURING SKILLS

- Compressed Gas Safety (0.5 hours)
- Confined Spaces (1 hour)
- Electrical Safety (0.5 hours)
- Fire Safety and Prevention (0.5 hours)
- Hand and Power Tool Safety (0.5 hours)
- Hazardous Material Handling and Storage (1 hour)
- Heat Stress Recognition and Prevention (0.5 hours)
- Lockout/Tagout (0.5 hours)
- Lockout/Tagout for Authorized Persons (1.5 hours)
- Machine Guarding (Update Available) (0.5 hours)
- PPE: Eye and Face Protection (1 hour)
- PPE: Hand Protection (0.5 hours)
- PPE: Personal Protective Equipment (1 hour)
- Workplace Inspections (1 hour)

*Safety training will be limited to 10% of total training hours, per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per-trainee.