

The Boston Globe

THURSDAY, APRIL 7, 2011

Metro Machines pour purified water into reusable bottles

Business



Water, minus the plastic

Randolph firm's vending machines dispense water, without bottles

By Calvin Hennick
GLOBE CORRESPONDENT

It's one of those ideas that is so simple, you wonder why nobody ever thought of it before: selling bottled water without the bottle from a vending machine.

Ken Kellaway Jr., a former trucking company executive, has founded a company called Pura Vida H2O Inc., based in Randolph, to provide vending machines that will dispense purified water into reusable bottles. The machines filter and chill ordinary tap water on site, so there's no need to truck water in to replenish the supply, and there are no plastic bottles.

The idea is that consumers can avoid the waste that comes with throwing away all those plastic bottles; plus, it's cheaper than most bottled water. The machines will dispense 16 ounces of water for 50 cents or 24 ounces for 75 cents. Some machines will also dispense a full gallon of water for a dollar and will sell reusable stainless steel bottles for \$10.

Kellaway said the idea took shape as he noticed more people with reusable water bottles. "I started having discussions with people about why they were carrying them," he said. "The younger generation, specifically, was getting frustrated with the lack of alternatives. They didn't want to drink bottled water."

The former owner of several trucking, warehouse, and distribution businesses, Kellaway sold his last company to a private equity firm in 2008. For Pura Vida, he started making vending machines in January, contracting the manufacturing out to three companies on the West Coast. About 10 of the machines are up and running outside the state, he said, and 10 are installed in Massachusetts, but still await-

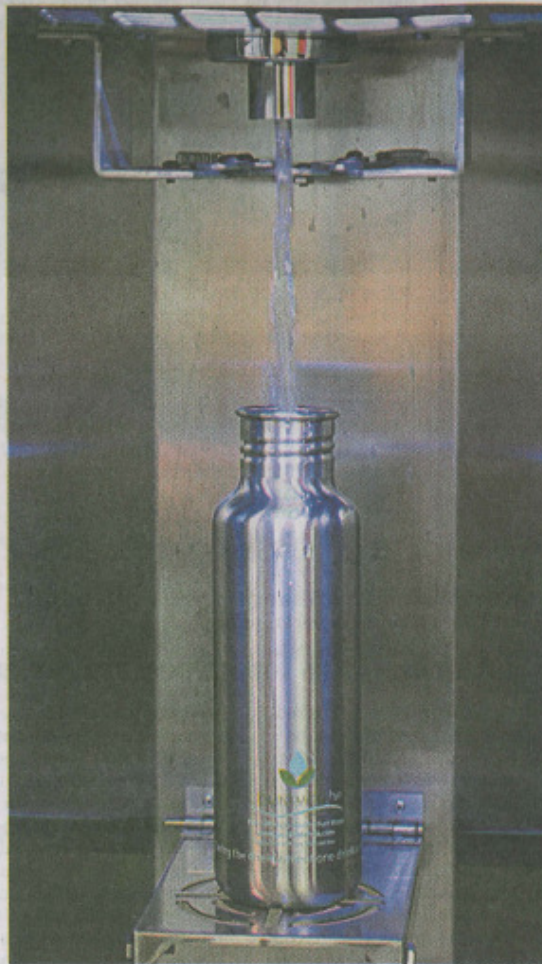
VENDING MACHINES, Page B9

Before slipping slightly, bottled water sales in the United States peaked in 2007 at **8.8b** gallons sold for

\$11.6b, making the US market for bottled water the largest in the world, according to Beverage Marketing, a provider of beverage industry data.

Worldwide, water bottlers sold **53.5b** gallons of bottled water in 2009, up from **41b** gallons in 2004.

According to the trade group National Association for PET Container Resources, **28%** percent of plastic bottles were recycled in 2009.



BARRY CHIN, GLOBE STAFF

Pura Vida machines filter tap water to be dispensed into a customer's container. Some will sell stainless steel bottles.



H2O CHOICES

Would you pay for purified, non-bottled water? Take our survey at www.boston.com/business.

Mass. firm vends water, minus bottle

► VENDING MACHINES

Continued from Page B7

ing state approval, which he expects within weeks.

The company has orders for 200 machines, and Kellaway said he expects to have 450 units placed by mid-summer, including 150 in Massachusetts. The machines are going into health clubs, campuses, and office buildings, including Boston College High School and Fitness Unlimited in Milton.

Pura Vida sold the machines both by contacting prospective sites directly and by working through a vending machine placement company. According to Kellaway, no other vendor sells single servings of purified water without a bottle. He said he hopes to place 10,000 of the machines across the country in the next five years, and become "the ATM machine of water."

Relatively uncommon a few decades ago, bottled water sales rose to \$11.6 billion in 2007 before dipping in recent years, according to the Beverage Marketing Corporation consulting firm. Bottled water has come under fire by critics, who say the product creates unnecessary waste.



BARRY CHIN/GLOBE STAFF

Ken Kellaway Jr., founder of Pura Vida, hopes to place 10,000 of the machines in the United States in the next five years.

Jean Hill, a Concord activist who is campaigning for a ban on bottled water sales in her town, said the machines sounded like a "fine" alternative to bottled water, but she questioned the need.

"In Concord, our municipal tap water is tested frequently, and it's about half a cent a glass," Hill said. "So why buy any water? To me, it's a waste of money, unless you're in an area where the drinking water is not potable."

Kellaway said tap water travels through aging pipes and is often dispensed in "unsanitary" settings.

"It'll be much easier to fill a canteen at a Pura Vida station than to find a public restroom or water fountain," he said.

Jack Kutner, co-owner of the Clear Conscience Cafe in Cambridge — which has installed a

Pura Vida machine and doesn't sell bottled water — said he thinks it will take time for consumers to get used to the idea.

"I think there's going to have to be some educational push," Kutner said. "My guess is a few people will think it's the right thing to do, and they'll become regular users, and other people will see that."

Kellaway acknowledged that buying water without a bottle will require a shift in consumer behavior. But, he said, the rise of bottled water itself over the last few decades shows that such a change is possible. To help the process, some of his machines will have built-in screens that play explanatory videos.

"We have seen that people will change behavior if a good product is offered," Kellaway said.