



CONSTRUCTION COMPLETED IN CUAUHTEMOC, MEXICO: LEMNA BUILT, OWNS AND OPERATES WASTEWATER TREATMENT PLANT

Investment to serve as the model for 178 communities nation-wide

Construction was completed on a Lemna Wastewater Treatment Plant for the City of Cuauhtémoc in the State of Chihuahua, Mexico. In July 2004, Lemna de México S.A. de C.V., a subsidiary of Lemna International, signed a long-term wastewater treatment services contract with the city water utility, the Junta Municipal de Agua y Saneamiento or JMAS. Lemna built, owns and operates a wastewater treatment plant utilizing Lemna's patented LemTec™ Biological Treatment Process to treat 280 liters per second (6.4 MGD) of municipal wastewater from the Cuauhtémoc municipal sewer system. Lemna and JMAS signed a twenty-year service contract that provides for future expansion of the wastewater treatment plant flow to 600 liters per second (13.7 MGD) in two phases.

The Mexican government passed a law requiring all medium-sized municipalities to treat their wastewater by January 1, 2007. The government has not provided sufficient funding to cover the capital costs of wastewater treatment facilities, making compliance extremely difficult for many communities. Most municipalities currently discharge untreated sewage into lakes, rivers and the ocean, polluting the environment and threatening to contaminate drinking water sources. Lemna's solution meets the city's requirement for a cost-effective and flexible treatment system that can expand easily to meet future demands, whether from more stringent discharge requirements or larger wastewater quantities as the population grows.

Lemna invested 5,103,000 USD to build the plant and a connecting pipeline. The Cuauhtémoc JMAS will pay Lemna a fixed monthly fee of a little over 1 peso per cubic meter of treated wastewater. At the end of the twenty-year contract period, Lemna will give the plant and pipeline to JMAS. JMAS will sell the treated effluent to farmers to irrigate their orchards and fields, obtaining revenues to offset the treatment cost. This will cut back on the overuse of precious groundwater resources, which are under great pressure because of a twelve-year drought in the state. The treated water will be significantly less expensive to farmers, as well, encouraging economic growth.

At the contract signing in Cuauhtémoc, Enrique Wiebe, President of JMAS, stated "Cuauhtémoc is proud to work with Lemna in this pioneering project, paving the way for other Mexican communities to make use of this effective technology for the good of its people and of the environment".

This first project will serve as a model for the 178 municipalities that are required to provide wastewater treatment by 2007.

