

FAQs for the BAJAGUA PROJECT

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1. Q: WHAT IS THE STATUS OF THE BAJAGUA PROJECT?

A: President Clinton signed Public Law 106-457 on November 7, 2001, after being passed unanimously by the U.S. Congress. Title VIII of the law deals with the Bajagua Project and requests the relevant U.S. agencies negotiate with their Mexican counterparts to amend the governing Treaty Minute and complete the construction of the secondary sewage treatment component of the International Water Treatment Plant (IWTP) in Mexico. In 2003, Congress unanimously reauthorized the law, which was signed by Republican President George W. Bush. As a result, the US IBWC and their counterparts in Mexico, CILA, have signed Minute 311 to officially recognize the public private partnership project, known as Bajagua. Currently, formal discussions are taking place between the United States and Mexico on the exact nature of the contract, the location of the plant and the process for choosing a preferred bidder. It is anticipated that the Request for Qualifications will occur in late 2006 and the Request for Proposals to the short-listed firms in early 2007. The current schedule has the Bajagua plant up and running by the Court ordered deadline of September 2008.

2. Q: WHAT ARE TREATY MINUTES 283 & 311?

A: Treaty Minutes 283 and 311 are sub-agreements to a Treaty between the U.S. and Mexico that sets forth the conceptual plan for solving wastewater collection, treatment, and disposal issues on the U.S. – Mexico border at San Diego. Minute 283 includes provisions for the construction and operation of a 25-mgd secondary wastewater treatment plant by the International Boundary and Water Commission (IBWC). The advance primary treatment component has been built and is operating. An ocean outfall has also been constructed to convey and dispose of the treated effluent approximately 3 miles offshore. Under Minute 283, Mexico has the responsibility to provide for pre-treatment, dispose of the sludge generated by the IWTP and contribute to funding the project. Treaty Minute 311 updates Minute 283 and allows for the construction of a private treatment plant in Tijuana at a capacity size of 59 mgd.

3. Q: WHAT IS THE RELATIONSHIP BETWEEN THE BAJAGUA PROJECT AND THE U.S. EPA COMPREHENSIVE PLAN?

A: PL 106-457 directed the U.S. EPA to conduct a 24-month comprehensive analysis of sewage treatment needs in the Tijuana region. The intent of Congress was to determine whether the Bajagua Project treatment capacity should be expanded from 50 mgd to 75 mgd. The EPA hired a technical consultant to perform the analysis. The plan assumed a 50 mgd capacity in place at the Bajagua Project. The Bajagua Project initially designed conveyance and facilities infrastructure at 75 mgd or more, in anticipation of the Plan's recommendations. Ultimately, the plan determined that the capacity need for the City of Tijuana was 59 mgd. The EPA determined amount has formed the basis for the latest version of the Bajagua Project.

4. Q: WHAT IS THE STATUS OF DISCUSSIONS WITH MEXICO?

A: From its inception, the Mexican government, at all levels, has expressed their support for the Bajagua Project. The government delayed formalizing support until the process and attendant legislation was approved by the United States authorities. Since that time, the IBWC and their counterparts in Mexico, CILA, have been informally and formally negotiating the details to allow for the construction of the project. The first act was the signing of Minute 311 between the two countries. The second was the agreement to authorize the Request for Qualifications process, which occurred in November 2006. The next steps include the finalization of the site acquisition and land use process, as well as the short listing of qualified firms to initiate the Request for Proposals, anticipated to occur in early 2007.

5. Q: WHAT IS THE STATUS OF THE LAWSUIT BETWEEN THE STATE OF CALIFORNIA AND THE SURFRIDER FOUNDATION v IBWC?

A: The parties agreed to a stipulated settlement which set forth a set of milestones and a timeline for bringing the IWTP to compliance with the Clean Water Act and California Ocean Plan. The IBWC is proceeding with the development of the Bajagua Project, as the preferred alternative under the latest EPA Record of Decision adopted in 2003, in order to meet the settlement with the Court. At this time, the project is proceeding on schedule, and all sides anticipate the Bajagua plant to be up and running by September 2008 consistent with the consent decree.

6. Q: ARE THERE OPPORTUNITIES TO RECLAIM WATER WITH THE BAJAGUA PROJECT?

A: Yes! The Bajagua Project envisions a reclaimed water component to help supplement the region's critical water needs. The growth projections for the Tijuana area are enormous and will place additional strain on an already overburdened water system. Tijuana is expected to add approximately 2.6 million people to the city in the next 20 years, which could result in increased water demand of 140,400 acre feet of water. Currently, the City of Tijuana uses approximately 65,000 acre-feet of water per year. Recent discussions on Colorado River water allocation highlight the problem of water supply in northern Baja California. The Bajagua Project, if built to treat 59 mgd of sewage, can provide in excess of 45,000 acre-feet of reclaimed water per year to the City of Tijuana. This represents approximately 70% of Tijuana's current usage. Because of

this significant benefit, the Mexican government, at all levels, has supported the getting the Bajagua Project built immediately.

7. Q: WHAT IS RECLAIMED WATER AND WHAT CAN IT BE USED FOR?

A: Reclaimed water is wastewater that has been highly treated for use as nonpotable (non-drinking) or potable purposes, which includes industrial, some agricultural uses, landscaping irrigation, such as along roads, in parks or for use with home landscaping, and can potentially be used in ground water injection areas for potential potable purposes, as is done in some jurisdictions in the United States. The treatment level envisioned for the Bajagua Project would create purified water that can be used in industrial applications in the burgeoning maquiladora region. With advanced treatment its purity can be higher than that of potable (drinkable) water. As such, it can also potentially be used to recharge the groundwater supply.

8. Q: IS THE PROJECT ON SCHEDULE?

A: The Bajagua Project should be completed by the Court ordered deadline of September 2008. This schedule is in keeping with previous statements about how quickly the project can be completed and operational. When the DBO contract is awarded, the Bajagua Project anticipates a 16- month construction schedule with operations projected for September 2008.

9. Q: WHAT PRELIMINARY WORK HAS BEEN DONE?

A: For the last several years, the Bajagua Team is working with the City of Tijuana, the State of Baja, California, and the Mexican federal government to finalize the selection of the project site. Preliminary engineering has been completed, and the formal bid process is now commencing. The U.S. federal government is nearing completion of it's the contract negotiations. While this has taken longer than anticipated, the timeline for the project is still on track. Upon prompt resolution of procedural matters, the Bajagua Project is poised to aggressively pursue construction and operation under the terms of the consent decree.