

The mismanagement of water supplies is also a serious problem. Considerable quantities are lost through leakage. Metering water consumption and tariffs based on consumption have only recently been introduced. In Mexico City, four Mexican companies working with foreign partners have been contracted to install water metres and to conduct a study of water usage. The ultimate goal is to privatize the entire system.

Other major cities are following Mexico City's example to meet the increasing demand for potable water. The cities of Cancún, Naucalpan, Guadalajara and Puebla are already working under similar schemes to transfer the potable water system to the private sector. The State of Mexico, after the completion of a feasibility study, is in the process of preparing the technical requirements that must be met by companies to bid on four wastewater treatment plants for the cleaning of the *Lago de Guadalupe*, Lake Guadalupe.

The price of water is high and it varies greatly from city to city. In 1993, household water prices ranged from a low of C \$0.13 per cubic metre in the Hermosillo region, to as much as C \$0.37 in Ciudad Lerdo. Prices escalate rapidly with consumption and are much higher for industrial use. Industrial prices in the Federal District begin at C \$0.45 and rise with consumption to C \$1.18 per cubic metre. Prices have risen dramatically over the past two years as the government has removed subsidies and begun to implement cost-recovery pricing. The high price of water for industrial use, has placed a new emphasis on recycling water at the plant level.

## **SEWAGE TREATMENT**

Two-thirds of Mexico's 320 river basins are considered polluted by government authorities. Twenty of them receive almost 80 percent of all organic waste. Water pollutants come from municipal, industrial and agricultural sources. Mexico generates almost 14,500 million cubic metres of wastewater annually.

Municipal sewage treatment capacity is grossly inadequate. About 24 percent of total wastewater discharges come from municipal sources. Around 22 million people who live in urban areas do not have sewage service. Most plants use the stabilization lagoon and activated mud techniques. Less than 400 plants treat only 18 percent of municipal discharges, leaving some 2.9 billion cubic metres per year that is discharged untreated into the natural water systems.