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## Press Release

### **Basin Water Completes Start-up of New Groundwater Nitrate Removal System in Avondale, Arizona**

Ten-Year Agreement Provides Assurances for Compliance, Cost of Capital and Cost of Operation for the Lifetime of Wellhead Treatment System

RANCHO CUCAMONGA, Calif.--(BUSINESS WIRE)--June 11, 2007--Basin Water Inc. (NASDAQ:BWTR) announced today that it has completed permitting and start-up of a turnkey nitrate removal system for the City of Avondale, Arizona. Using Basin Water's proprietary high-efficiency ion exchange technology, the system will handle a 1,300 gpm (82L/s) flow at the City's Northeast Pump Station Well with influent nitrate levels in the 13-16 mg/L range - lowering nitrate levels below the 10 mg/L level required by State and Federal regulations. Extremely low waste rates made possible by Basin Water technology will allow off-site disposal via trucking and add millions of gallons of additional water to the well's capacity. Avondale has entered into a 10-year contract with Basin Water for a turnkey solution that guarantees the life of the assets employed, the regulatory performance, the reliability of compliance, and costs for the life of the contract. This approach offers the best lifecycle cost for the citizens of Avondale.

According to Orlando Carreno, Vice President, Western Region of Basin Water, the relationship with Avondale represents a new direction in providing reliable and sustainable sources of water in the face of increasing groundwater contamination. "We are excited to be working when our technology and expertise combined allow us to develop water treatment solutions not possible before," he said. "In order to meet the needs for high quality drinking water of our nation's growing and shifting population demands, we believe our cost-effective, highly efficient wellhead treatment systems, like this system in Avondale, will be required all over the United States. We are grateful for the opportunity to work with the Avondale Water Resources Department on behalf of the citizens of this fast growing community," he said.

#### New business model creates new opportunities

With over 50 installations in the United States today, Basin Water has refined its groundwater contamination solutions to offer a number of attractive benefits to both public and private water purveyors. Basin Water treatment systems are low profile and have a small footprint, making them ideal for placement at a wellhead or in residential areas. The design of the systems means that they can be rapidly built, deployed, and permitted at the site. They offer very low waste rates compared with conventional ion exchange systems and other treatment approaches, allowing disposal of waste via trucking and eliminating the need for new waste-handling facilities. Automatic operation of these systems means they require minimal training and operator supervision for a customer. To these the company adds a long-term service-based operation and maintenance program that maintains reliability, guarantees compliance, capital and operations cost as well as flexible financing options that feature payment based on performance. The combination of these benefits delivers reliable water supplies at the lowest cost.

Avondale is a rapidly growing city, located 15 mi west of Phoenix. Within its 54 square miles, Avondale's population doubled in the 1990s and doubled again between 2000 and 2006. With a 2007 population of around 72,000 people, the city is expected to grow to 123,000 people by 2020, with an estimated build-out population of 170,000 residents. Providing adequate supplies of drinking water to this population is critical to the city's quality of life today and its growth into the future. The long-term use of fertilizer in its agricultural sectors has resulted in higher levels of nitrate in groundwater reserves -- a fact that has become increasingly obvious and a matter of concern as the city has had to tap more groundwater resources to meet the needs of its growing population. Two previous Basin Water projects helped put a 'shut-in well' back in service and provided treatment for a newly drilled well

According to Steve Ruppenthal, Water Operations Superintendent at the City of Avondale Water Resources Department, Basin Water's proprietary technology and flexibility in working with the city were key to meeting the goals of the community at the Northeast Pump Station Well. "Basin Water has worked with city of Avondale employees and other contractors in designing a system that will fit within the existing structure and simultaneously provide the automated operation and reliability that we require. This system shows its adaptability to being housed in a low-profile building that blends aesthetically with the existing neighborhood," he said. "This is the third nitrate removal project we have worked on with Basin Water since 2003 and they have met or exceeded their promises in every situation," he added.

About Basin Water

Basin Water, Inc. is a provider of reliable, long-term sources of water for many communities, which includes designing, building and implementing systems for the treatment of contaminated groundwater. Basin Water employs treatment technologies including its own proprietary, scalable ion -exchange wellhead treatment system which reduces groundwater contamination levels in an efficient, flexible and cost effective manner. Additional information may be found on the company's web site: [www.basinwater.com](http://www.basinwater.com).

#### Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including expectations relating to future revenues and income, the company's ability to gain new business and control costs, involve risks and uncertainties, as well as assumptions that, if they prove incorrect or never materialize, could cause the results of the company to differ materially from those expressed or implied by such forward-looking statements. Actual results may differ materially from these expectations due to various risks and uncertainties, including: the company's limited operating history, significant operating losses associated with certain of the company's contracts, the company's ability to improve its business processes, the company's ability to consummate any acquisitions of water resource projects and convert non -potable water into drinking water supplies, the company's ability to identify and consummate acquisition opportunities that improve the company's revenues and profitability, significant fluctuations in its revenues from period to period, its ability to effectively manage its growth, the success of the company's strategic partners, its long sales cycles, market acceptance of its technology, the geographic concentration of its operations and customers, its ability to meet customer demands and compete technologically, the company's ability to protect its intellectual property, regulatory approvals of the company's systems, changes in governmental regulation that may affect the water industry, particularly with respect to environmental laws, the company's ability to attract and retain qualified personnel and management members and the company's ability to manage its capital to meet future liquidity needs and the timing of the company's stock repurchases, if any. More detailed information about these risks and uncertainties are contained in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2006 and Quarterly Report on Form 10Q for the quarter ended March 31, 2007. The company assumes no obligation to update these forward -looking statements to reflect any change in future events.

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