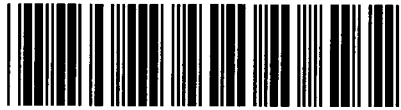


Control Number: 45570



Item Number: 330

Addendum StartPage: 0

DOCKET# 45570

STEPHEN SMITH AND DONNA SMITH: FILING PARTY

SUBMITTING COURTESY CORRESPONDENCE FROM
TRENT ASHBY, STATE REPRESENTATIVE

RECEIVED
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PUBLIC UTILITY COMMISSION
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330



STATE OF TEXAS
HOUSE OF REPRESENTATIVES

TRENT ASHBY

District 57

September 26, 2016

Stephen Smith
499 Lakeside Loop
Trinity, Texas 75862

Dear Mr. Smith,

Thank you again for your original correspondence regarding your concern with the high water rates imposed by Monarch Water. Monarch had a hearing on September 7th with the Public Utility Commission (PUC) to discuss the rate increase they proposed on February 29th of this year. My office has been in contact with the PUC as this case has moved forward, and we will continue to monitor and express our concern on your behalf.

A decision on the rate increase should be made at some point before the end of 2016. In the meantime, it would be helpful for you and any other affected constituent to submit a formal letter of opposition to Monarch's proposal with the PUC. In the letter, please include the Docket Number for this particular case: 45570. Here is the contact information to use when sending your letter:

Public Utility Commission
Central Records Division
PO Box 13326
Austin, TX 78711

Though this case is not currently in the hands of the Legislature, I will monitor any relevant legislation pertaining to similar rate increases that may arise in the upcoming session. Thank you again for taking the time to write to me about this important issue. If you have more questions about this water rate increase, feel free to contact my office at any time.

Sincerely,

A handwritten signature in black ink that reads "Trent".

Trent Ashby
State Representative



STATE OF TEXAS
HOUSE OF REPRESENTATIVES

TRENT ASHBY

District 57

September 26, 2016

Donna Smith
499 lakeside Loop
Trinity, Texas 75862

Dear Mrs. Smith,

Thank you again for your original correspondence regarding your concern with the high water rates imposed by Monarch Water. Monarch had a hearing on September 7th with the Public Utility Commission (PUC) to discuss the rate increase they proposed on February 29th of this year. My office has been in contact with the PUC as this case has moved forward, and we will continue to monitor and express our concern on your behalf.

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Sincerely,

A handwritten signature in black ink that reads "Trent".

Trent Ashby
State Representative

Docket Case No# 45570

We moved here not long ago, 2 adults in their 60's. We have lived in several other states and have never seen where electricity cost less than water. Our home is 1200 sq. ft. all electric.

Please note the six months where we compared our total electric house bills to our water bills below:

Power Bill

Bill Date	Bill Amount
Sep-16	\$ 115.91
Aug-16	\$ 113.24
Jul-16	\$ 92.41
Jun-16	\$ 82.49
May-16	\$ 131.55
Apr-16	\$ 89.13

Water Bill

Bill Date	Bill Amount
Sep-16	\$ 132.80
Aug-16	\$ 125.89
Jul-16	\$ 141.33
Jun-16	\$ 141.33
May-16	\$ 132.80
Apr-16	\$ 133.10

Totals: \$ 624.73

Totals: \$ 807.25

Please note that we do not drink the water from the tap or cook with the water. The lines on Harbor Point were put in 40 years ago, and are located only a few inches below the soil surface. Breaks and repairs happen often. There generally is a very strong smell of chlorine in the water. When water stops or comes to a trickle, you must run the water in the house to clear the lines of sediment debris and color.

Water has been stopped at least 4 times or more within the last six months. Due to the taste of the water, and not knowing if a break has occurred, we pay for bottled water at the store, because it tastes much better, and looks clearer when compared to our tap water in a glass. I always use bottle water to cook with.

So we end up having to buy and pay water two times.

I can't fathom raising rates on water here, since we have problems and the rates were to high to start with.

Does JP Morgan need more money?

Regards,

Donna Smith

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[Home](#) > [Payment History](#)

PAYMENT HISTORY

[Account Summary](#)

[Billing History](#)

[Pay Online Now](#)

[Scheduled Payments](#)

[Payment History](#)

myPowerUsage

[Account Management / Paperless](#)

[Notifications](#)

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Select Account

Current Account

Account Number
 Account Holder Name Stephen E Smith
 Service Address 499 Lakeside Loop

The following data represents the most recent historical payments against your account.

Payment History

Payment Date	Status	Payment Amount	Total Payment Amount
08-Sep-2016	Processed	\$ 115.94	\$ 115.94
08-Aug-2016	Processed	\$ 113.24	\$ 113.24
11-Jul-2016	Processed	\$ 92.41	\$ 92.41
08-Jun-2016	Processed	\$ 82.49	\$ 82.49
09-May-2016	Processed	\$ 131.55	\$ 131.55
07-Apr-2016	Processed	\$ 89.13	\$ 89.13
09-Mar-2016	Processed	\$ 74.52	\$ 74.52

[Previous](#) Page 1 of 2 [Next](#)


Total Payment Report


To view or print your payment history, select a beginning and end date to run the report.


From to [submit](#)

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 1157 East Church Street, P O Box 1121, Livingston, Texas 77351
 (936) 327-5711

[LEGAL](#)


Payment History

 Logout

Status All ▾
Period(Months) 6 ▾
Sort by 

Payment Method All ▾

Payment Confirmation	Date Received	Payment Method	Amount Paid
701600065544	09/11/2016	Payment: Payment Run	\$132.80
701700059798	08/10/2016	Payment: Payment Run	\$125.89
701300064028	07/13/2016	Payment: Payment Run	\$141.33
701200055487	06/10/2016	Payment: Payment Run	\$141.33
701600054507	05/12/2016	Payment: Payment Run	\$132.80
701200050519	04/15/2016	Payment: Payment Run	\$133.10

2015 Annual Drinking Water Quality Report

(Consumer Confidence Report)

HARBOR POINT

1-866-654-7992

The Utility's water system, owned and operated by **SouthWest Water Company**, provides our water customers an annual water quality report to show the source of your water, test results, and general information for those with health concerns. The analysis was made using the data from the most recent U.S. Environmental Protection Agency (EPA) required tests and is presented in the attached pages. If you have questions concerning water quality or the source of your water, please call our Regulatory Department at (512) 219-2294.

Our drinking water meets or exceeds all federal (EPA) drinking water requirements.

This report is a summary of the quality of the water we provide our customers. The analysis was made by using the data from the most recent U.S. Environmental Protection Agency (EPA) required tests and is presented in the attached pages. We hope this information helps you become more knowledgeable about what's in your drinking water.

Water Sources

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals, and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water before treatment include: microbes, inorganic contaminants, pesticides, herbicides, radioactive contaminants, and organic chemical contaminants.

Public Participation Opportunities

The Utility does not hold regularly scheduled meetings. However, if you wish to contact the owners, please call our Customer Care Department at 1-866-654-7992.

Special Notice for the ELDERLY, INFANTS, CANCER PATIENTS, people with HIV/AIDS or other immune problems:

You may be more vulnerable than the general population to certain microbial contaminants, such as *Cryptosporidium*, in drinking water. Infants, some elderly or immune-compromised persons such as those undergoing chemotherapy for cancer; those who have undergone organ transplants; those who are undergoing treatment with steroids; and people with HIV/AIDS or other immune system disorders can be particularly at risk from infections. You should seek advice about drinking water from your physician or health care provider. Additional guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* are available from the **Safe Drinking Water Hotline (1-800-426-4791)**.

En Español: Este informe incluye información importante sobre el agua potable. Si tiene preguntas o comentarios sobre éste informe en español, favor de llamar al tel 1-866-654-7992 para hablar con una persona bilingüe en español.

Inorganic Contaminants

Year	Contaminant	Average Level	Minimum Level	Maximum Level	MCL	MCLG	Source of Contaminant
2012	Barium (ppm)	0.028	0.028	0.028	2	2	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits.
2012	Chromium (ppb)	1.4	1.4	1.4	100	100	Discharge from steel and pulp mills; erosion of natural deposits.
2014	Cyanide (ppb)	0.024	0.024	0.024	200	200	Discharge from steel/metal factories; Discharge from plastic and fertilizer factories
2012	Fluoride (ppm)	0.47	0.47	0.47	4	4	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories.
2015	Nitrate (ppm)	0.296	0.296	0.296	10	10	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits.
2012	Selenium (ppb)	2.09	2.09	2.09	50	50	Discharge from petroleum and metal refineries; erosion of natural deposits; discharge from mines.

Radioactive Contaminants

Year	Contaminant	Average Level	Minimum Level	Maximum Level	MCL	MCLG	Source of Contaminant
2012	Combined Radium 226 & 228 (pCi/L)	1.0	1.0	1.0	5	0	Erosion of natural deposits.

Organic Contaminants TESTING WAIVED, NOT REPORTED, OR NONE DETECTED

Maximum Residual Disinfectant Level

Year	Disinfectant	Average Level	Minimum Level	Maximum Level	MRDL	MRDLG	Source of Disinfectant
2015	Chlorine (ppm)	1.91	0.20	4.00	4.00	4.00	Disinfectant used to control microbes

Disinfection Byproducts (DBP1)

Year	Contaminant	Average Level	Minimum Level	Maximum Level	MCL	Unit of Measure	Source of Contaminant
2011	Total Haloacetic Acids	12.2	12.2	12.2	60	ppb	Byproduct of drinking water disinfection.
2011	Total Trihalomethanes	30.7	30.7	30.7	80	ppb	Byproduct of drinking water disinfection.

Unregulated Initial Distribution System Evaluation for Disinfection Byproducts (DBP2)

Year	Contaminant	Average Level	Minimum Level	Maximum Level	MCL	Unit of Measure	Source of Contaminant
2015	Total Haloacetic Acids	12.7	9.1	16.3	60	ppb	Byproduct of drinking water disinfection.
2015	Total Trihalomethanes	54.1	48.5	59.6	80	ppb	Byproduct of drinking water disinfection.

Unregulated Contaminants

Bromoform, chloroform, dichlorobromomethane, and dibromochloromethane are disinfection byproducts. There is no maximum contaminant level for these chemicals at the entry point to distribution.						
Year	Contaminant	Average Level	Minimum Level	Maximum Level	Unit of Measure	Source of Contaminant
2014	Bromoform	9.41	9.41	9.41	ppb	Byproduct of drinking water disinfection.
2014	Bromodichloromethane	8.67	8.67	8.67	ppb	Byproduct of drinking water disinfection.
2014	Chloroform	1.71	1.71	1.71	ppb	Byproduct of drinking water disinfection.

Unregulated Contaminants are those for which the EPA has not established drinking water standards. The purpose of unregulated contaminant monitoring is to assist EPA in determining the occurrence of unregulated contaminants in drinking water and whether future regulations are warranted.

Lead and Copper

Year	Contaminant	The 90 th Percentile	Number of Sites Exceeding Action Level	Action Level	Unit of Measure	Source of Contaminant
2014	Lead	5.2	0	15	ppb	Corrosion of household plumbing systems; erosion of natural deposits.
2014	Copper	0.099	0	1.3	ppm	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. This water supply is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

Turbidity – NOT REQUIRED

Total Coliform REPORTED MONTHLY TESTS FOUND NO TOTAL COLIFORM BACTERIA

Fecal Coliform REPORTED MONTHLY TESTS FOUND NO FECAL COLIFORM BACTERIA

Secondary and Other Constituents Not Regulated (No associated adverse health effects)

Year	Contaminant	Average Level	Minimum Level	Maximum Level	Limit	Source of Contaminant
2012	Calcium (ppm)	18.7	18.7	18.7	NA	Abundant naturally occurring element.
2012	Chloride (ppm)	98.8	98.8	98.8	300	Abundant naturally occurring element; used in water purification; byproduct of oil field activity.
2012	Hardness as CaCO ₃	54.8	54.8	54.8	NA	Naturally occurring calcium.
2012	Manganese (ppm)	0.0207	0.0207	0.0207	0.05	Abundant naturally occurring element.
2012	Sodium (ppm)	172	172	172	NA	Erosion of natural deposits; byproduct of oil field activity.
2012	Sulfate (ppm)	230	230	230	300	Naturally occurring; common industrial byproduct; byproduct of oil field activity.
2012	Total Alkalinity as CaCO ₃ (ppm)	83	83	83	NA	Naturally occurring soluble mineral salts.
2012	Total Dissolved Solids (ppm)	687	687	687	1000	Total dissolved mineral constituents in water.
2012	Zinc (ppm)	0.027	0.027	0.027	5	Moderately abundant naturally occurring element used in the metal industry.

In the water loss audit submitted to the Texas Water Development Board for the time period of Jan-Dec 2015, our system lost an estimated 341,875 gallons of water, or 3.92% of total water produced. If you have any questions about the water loss audit please call our Customer Care Department at 1-866-454-2334.

§ Membranes for desalination and wastewater treatment
§ Water infrastructure — corrosion resistance, pipes, valves, and pumps
§ Chemicals for water treatment

It also created the Credit Suisse Water Index which has the equally weighed index of 30 stocks out of 128 global water stocks. For investors, it offered "Credit Suisse PL100 World Water Trust (PL100 World Water)," launched in June 2007, with \$112.9 million.

Credit Suisse partnered with General Electric (GE Infrastructure) in May 2006 to establish a U.S.\$1 billion joint venture to profit from privatization and investments in global infrastructure assets. Each partner will commit U.S.\$500 million to target electricity generation and transmission, gas storage and pipelines, water facilities, airports, air traffic control, ports, railroads, and toll roads worldwide. This joint venture has estimated that the developed market's infrastructure opportunities are at U.S.\$500 billion, and emerging world's infrastructure market is U.S.\$1 trillion in the next five years (Credit Suisse's press release, May 31, 2006).

In October 2007, Credit Suisse partnered with Cleantech Group (a Michigan-based market-research, consulting, media, and executive-search firm that operates cleantech forums) and Consensus Business Group (a London-based equity firm owned by U.K. billionaire Vincent Tchenguiz) to invest in clean technologies worldwide. The technologies will also clean water technologies.

During its Asian Investment Conference, it said that "Water is a focus for those in the know about global strategic commodities. As with oil, the supply is finite but demand is growing by leaps and unlike oil there is no alternative." (Credit Suisse, February 4, 2008). Credit Suisse sees the global water market with U.S.\$190 billion in revenue in 2005 and was expected to grow to U.S.\$342 billion by 2010. It sees most significant growth opportunities in China.

JPMorgan Chase: Build Infrastructure War Chests to Buy Water, Utilities, and Public Infrastructure Worldwide

One of the world's largest banks, JPMorgan Chase has aggressively pursued water and infrastructure worldwide. In October 2007, it beat out rivals Morgan Stanley and Goldman Sachs to buy U.K.'s water utility Southern Water with partners Swiss-based UBS and Australia's Challenger Infrastructure Fund. This banking empire is controlled by the Rockefeller family; the family patriarch David Rockefeller is a member of the elite and secretive Bilderberg Group, Council on Foreign Relations, and Trilateral Commission.

JPMorgan sees infrastructure finance as a global phenomenon, and it is joined by its global peers in investment and banking institution in their rush to cash in on water and infrastructure. JPMorgan's own analysts estimate that the emerging markets' infrastructure is approximately U.S.\$21.7 trillion over the next decade.

JPMorgan created a U.S.\$2 billion infrastructure fund to go after India's infrastructure projects in October 2007. The targeted projects are transportation (roads, bridges, railroads) and utilities (gas, electricity, water). India's finance minister has been estimated that India requires about U.S.\$500 billion in infrastructure investments by 2012. In this regard, JPMorgan is joined by Citigroup, the Blackstone Group, 3i Group (Europe's second-largest private-equity firm), and ICICI Bank (India's second-largest bank) (International Herald Tribune, October 31, 2007). Its JPMorgan Asset Management has also established an Asian Infrastructure & Related Resources Opportunity Fund which held a first close on U.S.\$500 million (€333 million) and will focus on China, India, and other Southern Asian countries, with the first two investments in China and India (Private Equity Online, August 11, 2008). The fund's target is U.S.\$1.5 billion.

JPMorgan's Global Equity Research division also published a 60-page report called "Watch water. A guide to evaluating corporate risks in a thirsty world" (April 1, 2008).

In 2010, J.P. Morgan Asset Management and Water Asset Management led a \$275 million buyout bid for SouthWest Water.

Allianz Group: Water Is Underpriced and Undervalued

Founded in 1890, Germany's Allianz Group is one of the leading global services providers in insurance, banking, and asset management in about 70 countries. In April 2008, Allianz SE launched the Allianz RCM Global Water Fund which invests in equity securities of water-related companies worldwide, emphasizing long-term capital appreciation. Allianz launched its Global EcoTrends Fund in February 2007 (Business Wire, February 7, 2007).

Allianz SE's Dresdner Bank AG told its investors that "Investments in water offer opportunities. Rising oil prices obscure our view of an even more serious scarcity: water. The global water economy is faced with a multi-billion dollar need for capital expenditure and modernization. Dresdner Bank sees this as offering attractive opportunities for returns for investors, with a long-term investment horizon." (Frankfurt, August 14, 2008).

Like Goldman Sachs, Allianz has the philosophy that water is underpriced. A co-manager of the Water Fund in Frankfurt, said, "A key issue of water is that the true value of water is not recognized. ... Water

The New York Times

SouthWest Water Goes Private for \$275 Million

By Dealbook March 3, 2010, 7:37 am EST

SouthWest Water said it agreed to be acquired by institutional investors for about \$275 million, a deal that would take the water treatment company private, Reuters reported.

The company, which provides water production and wastewater treatment services, said it would be bought for \$11 a share in cash by investors advised by **J.P. Morgan Asset Management** and **Water Asset Management**.

The offer represents a premium of 56 percent to the company's closing price on Tuesday, the news service said.

[Go to Article from Reuters »](#)

Comments are no longer being accepted.

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MORNING BRIEFING: Cool Hand Pence [VIEW MORE](#)


EDITION: UNITED STATES

UPDATE 3-SouthWest Water to go private in \$275 mln deal


Today's Mortgage Rates	30-Year Fixed	3.38%	3.38% APR
3.17% APR	15-Year Fixed	2.75%	2.75% APR
ARM	5/1 ARM	3.13%	3.17% APR

FUNDS NEWS | Wed Mar 3, 2010 | 11:08am EST

UPDATE 3-SouthWest Water to go private in \$275 mln deal



"WHAT A COMEBACK"
- AUTOBILD



THE CADILLAC CT6

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- 3 Baghdad bristles at Turkey's military presence, warns of 'regional war'

* Institutional investors offer \$11/shr MORNING BRIEFING: Cool Hand Pence [VIEW MORE](#)

* Offer at 56 pct premium to stock's Tuesday close 4 **Hurricane Matthew takes aim at Bahamas, U.S. after pummeling Haiti, Cuba**

* Shares jump 51 pct to new year-high (Recasts, adds details, analyst comments, share movement) 5 **Philippine defense chief says Duterte may be 'misinformed' on U.S. alliance**

By A.Ananthalakshmi

BANGALORE, March 3 SouthWest Water Co SWWC.O said it agreed to be acquired by institutional investors led by J.P. Morgan Asset Management and Water Asset Management LLC for about \$275 million in cash, taking the water utility private.

Los Angeles-based SouthWest, which operates and maintains water and wastewater infrastructure, said the investors are offering \$11 a share, representing a 56 percent premium to the stock's closing price on Tuesday.

Including the assumption of debt, the deal has an enterprise value of about \$427 million, it said.

Shares of the company were up \$3.43 at \$10.50 IN morning trade Wednesday on Nasdaq. They touched a year high of \$10.67.

"We believe the partnership that is acquiring them is taking a long-term view on the asset valuation," said Debra Coy, analyst with Janney Montgomery Scott.

JP Morgan Asset Management is the investment arm of JPMorgan Chase (JPM.N) and has about \$1.5 trillion assets under supervision.

Water Asset Management, the third largest shareholder of SouthWest, is a water industry focused investment firm.

The offer also calls for a near-term cash injection of \$16 million prior to the closing of the transaction. SouthWest will issue 2.7 million shares at \$6.00 per share in a private placement.

The deal represents 11.4 multiple on the company's 2010 EBITDA, according to analyst Coy's estimates.

ALSO IN FUNDS NEWS

Deals of the day- Mergers and acquisitions

BRIEF-Lonestar Resources US Inc enters into repurchase facilitation agreement

"I presume the valuation is partly predicated on the potential for earnings improvement over several years," said Coy, who downgraded the stock to "sell" from "buy" on valuation.

She doesn't expect a higher offer -- either from a financial buyer or another utility -- as it would be difficult to better the offer price.

"M&A between publicly traded utilities has been quite lately. I don't think that will change," Coy said.

Other publicly-traded water utilities include American Water Works (AWK.N), American States Water Co (AWR.N) and California Water Service Group (CWT.N).

The transaction could take up to a year to close due to the requirement for state utility commission approvals, analyst Coy said.

Wells Fargo Securities LLC acted as financial advisor to SouthWest's special board committee in exploring strategic alternatives, while Macquarie Capital (USA) Inc acted as financial advisor to the investors. (Reporting by A.Ananthalakshmi; Editing by Gopakumar Warrier)

NEXT IN FUNDS NEWS

EDITOR'S PICK



LIVE: Election 2016

[Reference for Business \(/index.html\)](#) / [Company History Index \(/index.html\)](#) / [Utilities \(/Utilities.html\)](#)

Southwest Water Company - Company Profile, Information, Business Description, History, Background Information on Southwest Water Company

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VARIDESK Sit-Stand Des

Invest your budget in sit-stand desks. A healthy way to boost productivity. [Go to varidesk.com](#)

225 North Barranca Avenue, Suite 200
West Covina, California
U.S.A.

Company Perspectives:

Southwest Water is a unique player in the water and wastewater (</knowledge/Wastewater.html>) operations industry, capitalizing on the rapid growth of service outsourcing, while maintaining a solid foundation in the regulated utility business. Working with cities, utility districts, private companies, and developers, the company provides a broad range of operation and maintenance services for water and wastewater systems. Southwest Water is also an active player in the growing utility submetering, billing, and collection industry. With half a century of experience and a leadership position within its market niche, Southwest Water is well positioned for continued growth in the more than \$20 billion per year U.S. water and wastewater industry.

History of Southwest Water Company

Southwest Water Company owns and operates water and wastewater treatment systems (/knowledge/Sewage_treatment.html), manages and operates water and wastewater treatment systems under contract, and provides utility submetering services. The company's regulated public utilities are operated through southern California-based Suburban Water Systems, New Mexico Utilities, Inc., and two utilities in Texas, Windermere Utility Company and Hornsby (</knowledge/Hornsby.html>) Bend Utility Company. Southwest Water's contract operations are conducted through ECO Resources, Inc., which operates in California, New Mexico, Texas, and Mississippi. The company's submetering activities are operated through Master Tek International, Inc., which serves customers in 30 states, coast to coast. Southwest Water serves more than one million customers, predominantly in California and Texas.

Origins

Southwest Water's corporate lineage stretches throughout much of the 20th century. The company's earliest predecessor began supplying water to customers in the Los Angeles area (/knowledge/Greater_Los_Angeles_Area.html) as early as 1907. A more direct route to Southwest Water's past began on December 10, 1954, when Suburban Water Systems—an integral (</knowledge/Integral.html>) component of the company's corporate structure in the 21st century—was incorporated.

From its birth as a regulated water utility, Suburban Water Systems benefited from the strident growth and development surrounding it. Operating in a regulated industry, Suburban Water Systems was dependent almost entirely on population growth within its service area for its own financial success. Rate increases only provided modest growth, whereas the establishment of new communities, the expansion of existing neighborhoods, and new industrial and commercial development could provide a substantial surge in the company's bottom line. Such was the case for Suburban Water Systems between the mid-1950s and the late 1960s. The Los Angeles area became the greater Los Angeles area, as the suburban sprawl that would later describe the region began to take shape. Officials at Suburban Water Systems witnessed their service area transform from agricultural use to residential, business, and industrial use, a conversion that added meaningfully to the company's stature.

The more than decade-long growth period experienced by Suburban Water Systems tapered off by the late 1960s. Population expansion within the company's service area slowed considerably, reaching its saturation point. Modest growth of the pace typical of a regulated water utility in a mature market set in, prompting company management to pursue opportunities elsewhere. Suburban Water Systems officials moved quickly, completing an acquisition just as business in the Los Angeles area began to lose its robust vigor. In 1969, Suburban Water Systems purchased New Mexico Utilities, Inc., a small water utility serving 800 customers. In 1975, the name of the combined businesses was changed to Southwest Water Company, with Suburban Water Systems and New Mexico Utilities, Inc. operating as its two subsidiaries.

In the decade after the name Southwest Water was adopted, growth was recorded at a measured pace, presided over by a leader whose contributions to Southwest Water's financial health were substantial. Anton C. Garnier (</knowledge/Garnier.html>), who would serve as Southwest Water's president, chief executive officer, and chairman as the company entered the 21st century, spent his entire

contract with the City of Dos Palos, California, to provide water treatment and distribution, meter reading, and wastewater treatment and collection services for the community's 8,000 residents. A similar arrangement was brokered for a Brazoria County municipal utility district in suburban Houston, giving the company a three-year, \$900,000 contract.

In 1999, another year hailed as the best in the company's history, Southwest Water outstripped the accomplishments of the previous year. During the year, the company secured 20 new contracts and renewed contracts with 22 existing clients. A drier 1999 in California also produced gains in the company's regulated operations, leading to a 12 percent increase in water sales. In New Mexico, more good news was to be found, as residential and commercial development expanded the company's utility customer base by 16 percent. Early in the year, Southwest Water signed a five-year, \$2.3 million contract with Discovery Bay, a community service district located east of Oakland, California, that added 8,000 new customers. The company also added 22,000 new customers in northwest Mississippi by signing a five-year, \$4.1 million contract with the City of Olive Branch. Perhaps the most significant of the company's renewed contracts was a 20-year renewal with EPCWA, a \$20 million agreement that included the financing, construction, and operation of a \$6.7 million reverse osmosis water treatment facility.

Southwest Water's contract operations expanded by 16 percent in 1999, accounting for 53 percent of the company's total revenues. Regulated utility business, which constituted the company's entire business before 1985, accounted for 45 percent of Southwest Water's revenue volume. Garnier would soon add another dimension to Southwest Water's operations, as the company prepared to enter the 21st century enjoying the most successful years in its history. New contracts continued to arrive in 2000, beginning with an agreement with Lamont, California, that was expected to generate \$3.2 million in revenue during the ensuing five years. The addition of the contract in Lamont combined with the contracts signed in 1999 gave the company more than 60,000 new customers. On the regulated utility side of Southwest Water's business, the company's customer count increased as well in February 2000, when the City of West Covina's water distribution system was acquired, increasing the company's customer base in California by 11 percent.

Garnier steered Southwest Water in a new direction in 2000, engineering the company's first foray into a non-governmental market. In April 2000, Southwest Water purchased Master Tek International, Inc., a leading company in the submetering industry. Master Tek's customers were property owners of multi-family housing units for whom Master Tek provided utility metering, billing, and collection services, enabling ([/knowledge/Enabling.html](#)) property owners to bill individual utility usage. The company served customers in 30 states, greatly broadening Southwest Water's geographic scope, and generated approximately \$6 million in annual revenues.

Southwest Water's record-setting year also included substantial gains in the company's regulated utility operations. In October 2000, the company acquired an additional 31 percent stake in Windermere Utility Company, bolstering the 49 percent interest the company acquired in 1996. Also in October, the company purchased 100 percent of Hornsby Bend Utility Company, a water utility situated adjacent to Windermere Utility. Collectively, the two companies were referred to as the "Texas Utilities." By the end of the year, thanks largely to the two acquisitions, Southwest Water recorded a 15 percent increase in its regulated utility customer base. The company's contract operations recorded a 29 percent increase in revenues, as compared to the total recorded in 1999.

Strengthened considerably by the achievements during 2000, Southwest Water posted an impressive 30 percent increase in its overall revenue. For the year, the company generated \$104.7 million in sales and \$5.3 million in net income. With more than one million customers residing in 30 states, the company represented a rising force in the water and wastewater services industry, its decision to diversify, while maintaining the financial stability engendered by regulated operations, holding it in good stead for its second half-century of business.

Principal Subsidiaries: ECO Resources, Inc.; Master Tek International, Inc.; Suburban Water Systems; New Mexico Utilities, Inc.; Hornsby Bend Utility Company; Windermere Utility Company (80%).

Principal Competitors: California Water Service Group; Lower Colorado River Authority; Western Water Company.

(Chronology

- **Key Dates:**
- **1954:** Suburban Water Systems is incorporated.
- **1969:** Suburban Water Systems acquires New Mexico Utilities, Inc.
- **1975:** Suburban Water Systems changes its name to Southwest Water Company.
- **1985:** ECO Resources, Inc. is acquired, providing entry into contract operations.
- **1996:** A 49 percent stake in Windermere Utility Company is acquired.
- **2000:** Master Tek International, Inc. is purchased, adding utility submetering to the company's business activities.

(Additional Details

- **Public Company**
- **Incorporated:** 1954 as Suburban Water Systems
- **Employees:** 643
- **Sales:** \$104.74 million (2000)
- **Stock Exchanges:** NASDAQ
- **Ticker Symbol:** SWWC
- **NAIC:** 221310 Water Supply and Irrigation Systems; 551112 Offices of Other Holding Companies

(Further Reference

- Bekey, Michelle, "Southwest Water Taps New Markets," *California Business*, July 1985, p. 37.