

## [Monarch Update!](#)

Wed, Mar 3, 2010 at 10:17 am

### Monarch Sold

Hello All,

I just wanted all of you to know that James Havis and I met with Asst. City Manager (James Earp) last month concerning Monarch. Last week I have had meeting with the City Manager (Tom Mattis) and Asst. City Manager to determine whether Kyle can or will purchase Monarch Water. The price given to the City was 16 million dollars. The City felt this was top price and could be brought down. In the midst of me trying to talk with the Council about bringing on a consultant to determine the worth of Monarch, another company has bought Monarch (Southwest Water) out.

I don't think the issues with our water will change and I do still expect an increase in our bill. Bottom line is I think we still need to push ahead to still if Kyle will purchase this new company. At this point I am not sure how the new company feels or what the cost would be if they decided to sale. I have a call into the Southwest Waters to gather more information and will keep you updated. **Please see information below and the attached document:**

Ray Bryant

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**From:** Charles Profilet  
**Sent:** Wednesday, March 03, 2010 9:22 AM  
**Subject:** SWWC Announcement

I'm pleased to announce that SouthWest Water has reached an agreement to be acquired by institutional investors advised by J.P. Morgan Asset Management and Water Asset Management L.L.C. This is very exciting news that will bolster our financial resources and help us to continue to be leaders in our industry and our communities. A copy of today's press release announcing this new partnership is attached.

JP Morgan Asset Management and Water Asset Management are U.S. based, long-term investors dedicated to water-related companies, assets and infrastructure. We are extremely pleased with their long-term commitment to our business, our clients and our employees. They recognize the value of our relationships in our communities and are fully committed to continuity of our operations.

**Charles W. Profilet, Jr., P.E.**

Managing Director, Texas Utilities | SouthWest Water Company

12535 Reed Road | Sugar Land, Texas 77478

[Click on Link:](#)

[swwc-announcement.doc](#)

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## **More Information on the Sale of Monarch**

Wed, Mar 3, 2010 at 5:08 PM

I spoke to a Southwest Water Company representative this afternoon. Gary Rose (Operation Manager for all Utilities for Southwest Water in the state of Texas) informed me that J.P. Morgan Asset Management and Water Asset Management L.L.C. has tendered an offer to purchase Southwest Water Company effective 03/03/10. This offer has not been completed as of yet. Texas Commission of Environmental Quality (TCEQ) has to agree to the sell, as well as the shareholders. If transaction goes through, Southwest Water Company transfers from a “Publically Traded Company” to a “Privately Held Company”.

He went on to say that the existing Management at Southwest Water Company will remain in place if the sale is successful. Also, the “Blue Ribbon Panel” will remain in place as well.

I believe strongly that we still need to keep this company under the microscope. Residents are not satisfied with this company. We still have a fight ahead. I plan to take this to our State Representative. I’ll keep you updated!

Ray Bryant

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