



Family-owned water utility thrives on liquidity

Quadvest finds cost savings and efficiencies by relying on Bank of Texas to manage customers' monthly payments.

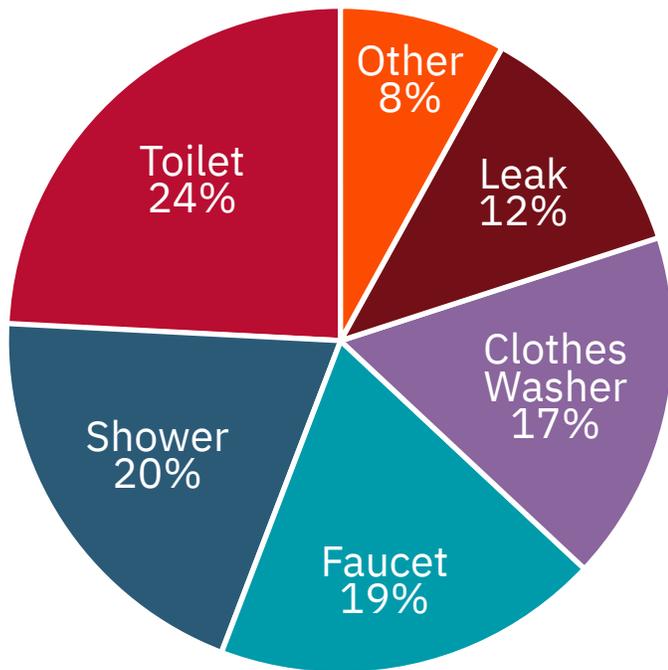
Whether we're bathing, cleaning or cooking, most of us take for granted that water will be just a turn of the faucet away. Its abundance and availability likely contribute to individuals using an average of 80-100 gallons daily in U.S. homes—300 gallons per average family—according to figures from the U.S. Geological Survey and U.S. Environmental Protection Agency.

Residents in the Houston metropolitan area—the counties of Harris, Liberty, Montgomery, Walker, Waller and Fort Bend, specifically—can thank locally owned Quadvest for delivering that water, as it has for more than 40 years. And it may just be water under the bridge, but Quadvest is no ordinary provider. Unlike traditional municipal suppliers, Quadvest

is family owned by the five children of Gary Sequeira, who founded the company in 1978 with his father-in-law, Odell Vaught. The siblings now manage the company, led by CEO Simon Sequeira.

Privately-owned Quadvest builds the initial water delivery and wastewater systems for developers of new homes and subdivisions. Its facilities carry treated groundwater to homes and move treated wastewater to streams, having removed any harmful bacteria. Its customers are primarily residential, serving more than 17,000 homes in dozens of subdivisions. And, like the city, the company is growing at a healthy clip.

How much water do we use?



Source: Water Research Foundation, residential end uses of water, version 2, 2016

Since 2015, Bank of Texas has helped expand Quadvest's facilities, with involvement in all of Quadvest's financial operations—except for one project's initial capital-intensive equipment, funded by an industry-specific financier.

Quadvest's project involvement begins in a development's planning stages and accelerates after groundbreaking. Depending on the subdivision's size, Quadvest can build out the water delivery system in six to nine months and the wastewater facilities in up to 12 months. "We're one of the faster-to-market players in the industry," said CFO Jeff Eastman. As the water flows to new homes, Bank of Texas' involvement ramps up.

“We listened to what was important to them, brought in the right partners to discuss our solutions and kept the dialogue open. They wanted a partnership, not a transaction.”

Erik Olson

Commercial market manager at Bank of Texas

THE VALUE OF REFERRALS

Just as referrals have powered Quadvest's growth, they've also played a role in its choice of banker. Quadvest's relationship with Bank of Texas began in 2015 when Eastman, CFO since 2011, sought financing to expand the company's headquarters. Introduced by the company's CPA to Bank of Texas, Eastman felt an immediate connection when he described an ideal arrangement for Quadvest's owner-occupied real estate.

“What I appreciated is that they were much more out-of-the-box thinkers from the outset when it came to the products they could offer,” Eastman said, referring to financing that accommodates the separate ownership of the facilities and the business.

“We listened to their story—their start, challenges, goals and transition,” said Erik Olson, commercial market manager at Bank of Texas. “Our team then strategized on their construction project by offering a no-money-down loan that involved the existing property and mortgage, as well as the equity built over time.” That proved to be a difference-maker for all parties, and the beginning of a productive relationship.



WHEN WATER FLOWS, BUSINESS GROWS

While a construction loan can be seen as a “one-and-done” transaction, most of Bank of Texas’ work for Quadvest is ongoing.

The company receives hundreds of recurring payments daily from customers—a challenge as cumbersome as it is constant. Online payment systems have helped, but many customers still pay by check, according to Eastman, and all accounts must be updated, regardless of payment channel. “A large level of sophistication is required to fulfill or collect weekly and monthly payments from 17,500 distinctive customers,” he said.

Bank of Texas has helped Quadvest modernize its operational processes by centralizing collections and implementing new technologies. “Where Treasury’s Hari Patel and Britni Whitlock have been really good is by looking at our treasury operations and suggesting ways to help save money and increase efficiencies,” said Eastman.

With the Bank of Texas Treasury team’s guidance, Quadvest has transitioned from receiving payments at the company’s headquarters to a Bank of Texas **lockbox** for secure handling and expedited crediting to Quadvest’s operating account. Relevant customer information is transmitted daily to Quadvest for account updating. It’s a far cry from manually receiving nearly 1,000 checks a day, on average, requiring delivery to the bank for depositing and later posting.

“The Bank of Texas Treasury team is constantly looking at how we’re transacting and seeing if new products can save us money or effort. They’re constantly in our ears on that.”

Jeff Eastman
CFO Quadvest



5 business benefits of a lockbox

1. Secure receipt of customer payments for immediate deposit and processing.
2. Faster availability of funds for operational needs or visibility to real-time bank account balances.
3. Eliminates traditional check handling, from mailroom to bank delivery.
4. Can seamlessly update customers’ account balances or financial exposures.
5. Reduces internal mishandling that could result in fraud or loss.



Meet Erik Olson, commercial market manager

JOINED BANK OF TEXAS: December 2010

EDUCATION: Bachelor of Arts, Finance, University of North Texas

WHAT MAKES BANK OF TEXAS DIFFERENT? We're dedicated to the Texas footprint. Texans love Texans and have pride in partnering with other Texans. We know the market and understand what it takes to help our clients be successful.

WHY DO YOU CHOOSE TO WORK AT BANK OF TEXAS? I was at larger institutions for 10 years and ultimately learned I was just a number. Bank of Texas actually feels like a family. I reach out to teammates daily to brainstorm and ask their opinions. We want everyone to be successful. We feel the same about our clients; they become family and we're all here to make them successful.

