"Water Made Easy": Alex Buehler on Integrated Water Services' Turnkey Water Treatment Solutions



An IWS installation in the Hill Country of Texas.

ntegrated Water Services (IWS) focuses on the rapid delivery of manufactured, packaged, modular, and scalable water treatment solutions for the chronically underserved middle market—all designed by operators, for operators. This one-stop shop offers an inventory of equipment available on demand, a suite of capital solutions, technical and digital services, and a long list of field services for water treatment throughout North America. In this interview, Municipal Water Leader hears from Alex Buehler, the president and CEO of IWS, about the company's dedication to human health and prosperity and its mission to nurture life and power economies.

Municipal Water Leader: Please tell us about your background and how you came to be in your current position.

Alex Buehler: I have been in my current position as the president and CEO of IWS for about 2 years. Before that, I developed a career in industrial products and services and in energy, water, wastewater, and infrastructure. I have completed multiple reps of CEO and executive experience throughout those industrial end markets, including both products and services. I have worked in both private equity-backed and publicly traded businesses, both domestic and international, and often with a heavy component of vertical integration that spans manufacturing, integration, field services, and ongoing aftermarket support.

My background includes the full operating spectrum from distressed, turnaround, and special situations to



An IWS BluBox unit being deployed.

growth, strategic transformation, and mergers and acquisition platform creation—always with a keen eye on deep value creation.

I was recruited to this business after finishing a brief international assignment as an interim CEO in Copenhagen, Denmark, where I led the restructuring and public capital raise for a membrane and filter business focused on technology, manufacturing, and integration while subsequently recruiting its next CEO. As I was transitioning the business to the new CEO and moving back to the board of directors (ultimately as nonexecutive chairman), I was contacted by one of the partners at IWS's financial sponsor, Sciens Water. I started here as executive chairman. This initial role provided me an opportunity to assess the business, management team, strategic plan, capital needs, and alignment with the financial sponsor; meanwhile, the sponsor could assess me in the role. Fortunately, after aligning on a strategic plan and organization design after about 7 months, I transitioned from executive chairman to president and CEO in May 2023 and have served in those positions since.

Municipal Water Leader: Please introduce IWS.

Alex Buehler: Founded in 2003, IWS has been around for over 20 years. It was started in Colorado as a founder-led business focused on contracting and construction for small to midsize municipal, commercial, and industrial water and wastewater treatment plants. Most of the business was

municipal and hard bid. The business expanded through the Rocky Mountain area, including in Montana, New Mexico, and Wyoming. Later, we expanded westward into California and more recently planted a flag in Texas. Today, we are active across North America.

IWS focuses on turnkey solutions for the middle market, which we believe is chronically underserved and largely uncontested. We rapidly deploy product solutions that are manufactured, packaged, modular, and scalable. These systems are designed by operators, for operators. They have a compact footprint and are easy to operate. Importantly, we supplement packaged systems with flexible procurement models. The traditional procurement model heavily relies on design engineers and often includes a design-bid-build procurement process involving owners, engineers, general contractors, and subcontractors. That model is highly customized, time consuming, expensive, and sometimes combative.

Our flexible procurement models focus on design-build to deliver speed and economy to asset owners who are underresourced and often overlooked. While we specialize in decentralized treatment systems for the middle market, we are also focused on serving large, strategic customers with many small systems, which have a pronounced need for standardized, packaged systems across their platform, deployed without unnecessary, expensive, and time-consuming customization. As I mentioned, we offer vertical integration that spans engineering, manufacturing, integration, construction, controls and automation, and continuing services after commissioning. This allows us to offer a bundled solution and a single source of accountability to our customers.

Beyond that, we maintain an existing inventory of equipment, available on demand. This is perfect for emergencies, disaster recovery, temporary solutions, backup, or additional capacity to accommodate surge events. We can also supplement our offering with a range of capital solutions, tailored to customer needs and balanced for capital expenses or operational expenses sensitivity.

Our capital solutions include equipment rental; lease; full project financing; water as a service; and even design, build, own, operate, and maintain (DBOOM) or any combination thereof. In summary, our value proposition is standardized, packaged solutions for the middle market, with a procurement model that offers speed and economy and a range of capital solutions to overcome financial constraints.

Municipal Water Leader: Please describe the services you provide.

Alex Buehler: We specialize in high-value services that span the entire project life cycle, beginning with the earliest stages of project development and permitting. Beyond permitting, our expertise includes engineering, plant assessments, feasibility studies, and capital planning. Often, clients in the middle



An IWS BluBox unit treating wastewater in the town of Spruce Pine, North Carolina, after Hurricane Helene.

market space prefer a design-build model because of its speed, efficiency, and single source of accountability, and naturally, our business model supports that approach. Additionally, we perform construction and commissioning, including operator training. Finally, we perform continuing services such as remote monitoring, aftermarket parts and services, and operations and maintenance. In summary, we can perform all services as part of a turnkey model, or we can conduct distinct components selected from an à la carte menu.

Municipal Water Leader: You also provide capital solutions by assisting with grant writing, loans, financing, and leasing programs. Please explain these services.

Alex Buehler: I would start with capital planning as a component of our value proposition. We have developed assessment and prioritization models to best allocate capital to the most critical systems and components across a client's portfolio. Separately, we have formed partnerships to help our customers secure public or private capital to meet their priorities. Again, some of our customers can be capital constrained, and these tools help them overcome financial hurdles and better allocate capital, obtaining the solution they need on time and within budget limitations.

Beyond the planning side, we offer a full portfolio of capital solutions. This portfolio includes rental units, capital (or finance) leases, operating leases, rent-to-own options,



An IWS BluBox unit deployed on site.

project financing, water as a service, and DBOOM. The goal is always to deliver on the motto *water made easy*, so we offer our customers the right procurement process and capital solution to comport with their timelines and budgets. The bottom line is this: We want to make it easy for our customers to contract and work with us; therefore, all options are on the table to facilitate the transaction, and more importantly, to develop an enduring relationship.

Municipal Water Leader: Your company has significant experience operating in California, a state with stringent environmental regulations. How does IWS ensure compliance with these regulations and deliver effective water solutions in this challenging regulatory environment?

Alex Buehler: Stepping back, when facing stringent and sometimes challenging regulations, our preferred technology is the membrane bioreactor (MBR), which combines ultrafiltration with biological treatment. California's regulations are certainly in that category. Title 22 of the California Code of Regulations is probably the most stringent state regulation, encompassing tight effluent limits for nitrogen; phosphorus; per- and polyfluoroalkyl substances, or PFAS; and biological oxygen demand. California sets the pace and the standard that other states look to replicate.

Our MBR technology, known as BluBox, complies with the tightest effluent requirements, facilitating water reuse as a component of the circular economy. By coupling MBR technology and disinfection technology, such as UV, it treats water to the highest standards, allowing it to be fully reused. We are deploying our BluBox units across geographic areas that have adopted reuse standards similar to those of California and that have increasingly stringent treatment targets. Examples include Colorado, which has tight and evolving regulations, such as those specified in Colorado Regulation 85, and central Texas, where local restrictions along the I-35 corridor between Austin and San Antonio exceed statewide mandates because of water scarcity and the fragility of the Edwards aquifer. Areas such as these are applying higher standards for water, wastewater quality, and reuse conditions. Because of escalating

regulations, space constraints, and decentralization, we see a buoyant market for MBR technologies in many geographic hotspots across North America.

Municipal Water Leader: IWS has a strong presence in Texas that includes your headquarters and manufacturing facilities. Would you tell us about your recent project in the Texas Hill Country? How did the design of this project help mitigate increased effluent loads to local municipalities?

Alex Buehler: Texas represents the perfect confluence of market drivers. The market drivers we typically look for when identifying a priority geographic market are high population growth and migration, often to arid regions. Climate change and weather events in the background add to those factors. The water and wastewater market across the nation is large, has high growth, and is profoundly fragmented, and the infrastructure serving that market is deeply degraded owing to years of underinvestment and deferred maintenance. When you start with that background and add factors such as population growth, water scarcity, and evolving regulations, there are increasing demands on asset owners and operators who are already overburdened and underresourced.

Then, you zoom in on a place like Texas, which shows a powerful trend toward decentralization. The centralized treatment facilities are approaching capacity, and the expansive network of pipelines and lift stations needed to accommodate suburban and exurban sprawl has become prohibitively expensive to build and maintain. Meanwhile, traditional design-bid-build procurement models often include customized designs of sprawling concrete structures, such as tanks. They simply do not provide economy and speed to smaller systems and municipalities.

Also developing in the background is a pronounced demographic shift. Many knowledge experts are retiring from the water and wastewater space. We call this the *silver tsunami*. The industry is not attracting new entrants; one can say that it does not appeal to the younger generation. This is leaving us with a significant experience gap, as we lack the requisite institutional knowledge and capability to operate and maintain aging assets.

The existing technology providers that dominate this space focus their time and attention on larger systems, such as that of the City of Houston. They are not looking at smaller systems in the suburban or exurban areas between Austin and San Antonio. At the same time, the service providers often flourish on the other side of the spectrum, serving the smallest systems through one- or two-person boutique shops. Again, this leaves that middle market chronically underserved and largely overlooked. We target a combination of market drivers—some macro, some micro, some idiosyncratic—that have led us to central Texas. We have completed several projects in central Texas for home builders facing those market conditions. **Municipal Water Leader:** Would you describe your emergency wastewater treatment solutions, such as your recent project in Spruce Pine, North Carolina, following Hurricane Helene?

Alex Buehler: That was an important one for us. We were contacted by the Town of Spruce Pine shortly after the hurricane and the ensuing rainfall wiped out its treatment plant. It faced a situation in which it needed to discharge raw wastewater into the river without treatment. Because we have equipment in inventory necessary for disaster recovery and temporary solutions, the town was able to obtain two rental units. We deployed those units quickly through a leasing arrangement, which is among the capital solutions I mentioned earlier. We deployed and commissioned those units in about 8 days, which shows how fast we can move when the situation requires it. Additionally, we immediately mobilized a technical team to the site to assist the town and its general contractor to rapidly restore wastewater treatment and protect the town's waterways as they worked to bring the town's permanent treatment plant online. This, in my mind, represents the prototypical model of wastewater treatment for disaster recovery: standardized, packaged systems, available on demand and offered with flexible procurement models and capital solutions.

Municipal Water Leader: How does IWS become involved in assisting communities that require emergency wastewater treatment?

Alex Buehler: We attempt to raise our profile in the areas most affected by disasters such as hurricanes and wildfires so that communities in need can find us. Specifically, we operate a direct sales channel composed of territory managers, key account managers, and products specialists, and we solidify this through local crews, both insourced and outsourced, that can provide much-needed construction and maintenance services in affected areas. Separately, we also use indirect sales channels that consist of manufacturing reps, engineering firms, distributors, dealers, and other strategic partners who can help us connect to communities affected by natural disasters. These direct and indirect activities are supported by elements of marketing such as our website, e-mail campaigns, webinars, participation in trade shows (some of which focus on disaster recovery), and other general marketing. Again, the objective is to amplify our profile so that communities beset by emergencies and natural disasters can find us.

Municipal Water Leader: What are the primary factors driving the demand for emergency wastewater treatment solutions, and how do IWS's products and services address those needs?

Alex Buehler: You must start with the fact that the water treatment infrastructure in the United States is deeply

degraded by years of underinvestment and deferred maintenance. When you put weather events on top of that, it shocks the fatigued infrastructure. That is made worse by procurement models that are slow and expensive because of heavy customization and long lead times for equipment. We believe that the middle market craves speed, economy, and turnkey support, girded by flexible procurement models and capital solutions. We are stepping in to fill that market void—in some cases, working to disrupt that market—with our standardized, packaged, and modular solutions.

Municipal Water Leader: How can readers interested in using your services best contact you?

Alex Buehler: You can find us on our website at <u>integratedwaterservices.com</u>. We have a wealth of information on the website, including product and service details along with contact information. Please contact us through the website, by e-mail, or by phone, as we are always excited to engage existing and new customers and exhibit our core values: pioneering, purposeful, passionate, accountable, and respectful.

Municipal Water Leader: What is your vision for the future?

Alex Buehler: I will start with our purpose, the reason we exist. We at IWS believe that clean water is vital to human health and prosperity and that water treatment provides clean water to nurture life and power economies. What we do at IWS is provide water treatment systems that are compact, simple, fast, and economical. In doing so, we deliver treatment systems in a box, available on demand, ready to deploy, and with capital flexibility. We like to say this is water made easy. We are seeking to disrupt the water industry with simple, standardized, packaged, modular, and scalable systems that are fast, affordable, easy to operate, and tailored for the middle market. We offer turnkey solutions and bundled services that provide a single source of accountability and avoid the pitfalls of outdated and expensive procurement models. We are trying to step into this breach and satisfy the need that others are not satisfying, and trying to do so with speed, economy, and simplicity. Our tagline is "Clean Water. Clear Choice." We are here to help. We would love to understand more about your needs and requirements so that we can deploy our knowledge experts to help you with your problem. M



Alex Buehler is the president and CEO of Integrated Water Services. For more on IWS, visit <u>integratedwaterservices.com</u>.