

Tapping into the demand for quality water

BY MIKE W. THOMAS

Jeff Leeka is counting on people's desire for quality water to keep his company afloat during these economic hard times.

Leeka owns the Pure Water Technology franchise for all of San Antonio and South Texas. His company leases water filtering units to businesses, academic and government entities. The units, which rent for \$60 to \$100 per month depending on volume, filter and oxygenate tap water on-site and eliminate the need to have bottled water shipped in on a regular basis.

"People want better quality, especially when it is something they consume every day, and that is what we offer," Leeka says. The Pure Water Technology units use a filtering system that is similar to what they use at bottled water plants, he says. In addition, the units oxygenate the water once a day.

"That is our secret formula," Leeka says. "The oxygen eliminates the bacteria and other microbiological contamination that affects the taste."

Leeka, a retired AT&T executive, bought the Pure Water Technology franchise in San Antonio in 2004 shortly after it was set up by the same people who founded Documation, a digital media integration company. Leeka says he was attracted to the business opportunity because he likes working with technology and he wanted to find some way to use technology to better people's lives.

Leeka says the technology behind Pure Water Technology was developed 15 years ago to be a better-quality alternative to the cheaper water-filtering systems on the market.

"A lot of the cheap systems will filter your water, but then it will still taste funky," Leeka says. "So what is the right way to do it? We go through all the same steps that SAWS (San Antonio Water System) does, but then rather than using chlorine to eliminate bacteria, we oxygenate the water once a day at the source."

Pure Water Technology of San Antonio currently employs eight people and had revenues last year of about \$1 million. Leeka says he is counting on the business to grow as people become more educated about their water choices and start demanding more quality.

Environmental impact

Another factor that Leeka says makes a difference is the environmental impact Pure Water Technology has by filtering water on-site — at the client's workplace. This, Leeka says, eliminates the need to have bottled water shipped in and diverts those same plastic bottles from ending up in the landfill.

"As a company, we have probably saved millions of bottles from going into the landfills," Leeka says. "To me, that is the definition of going green."

The plastic bottle issue was a big factor for Trinity University when it began encouraging its depart-



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Jeff Leeka of Pure Water Technology says public demand for quality water and coffee is boosting his business during the recession.

ments to switch to using Pure Water Technology, says Cindy Lara, purchasing director for Trinity University.

"The environmental issue was a factor for us," Lara says. "But also not having those big trucks driving across campus all the time delivering bottled water was a factor. It had become a safety issue for us as well."

Lara says the fixed monthly fee to rent the filtering units is also easier for each department to budget.

"Some departments are still using bottled water, but we are encouraging them to switch over more and more," she says.

Point-of-use systems are a perfect go-green solution, Leeka says, because it eliminates so much waste and reduces fuel consumption resulting from the transport and delivery of bottled water.

Good cup of coffee

After about a year and a half in the water business, Leeka says he began getting requests from customers for better quality coffee services. So in 2006, Pure Water Technology became the largest area distributor for Green Mountain Coffee — which is based in Waterbury, Vt. Green Mountain, Leeka says, is the same brand of coffee that McDonald's uses for its new premium coffee sales as the fast food giant competes head-to-head with Starbucks.

"Consumer Reports did a blind taste-test a few years ago between McDonald's, which was using Green Mountain, and Starbucks," Leeka says. "And McDonald's won."

Today, in addition to selling Green Mountain Coffee,

Pure Water Technology also rents single-cup coffee makers made by Keurig, a coffee machine company now owned by Green Mountain. The Keurig machines can be set up to use the water that is being filtered by the Pure Water Technology units.

"Buying premium coffee is important," Leeka says. "But the primary ingredient in coffee is still water. If the water doesn't taste good, then nothing else matters."

The coffee segment now accounts for about 20 percent of Pure Water Technology's business, and while it has been good for the company, Leeka says margins on coffee are very thin and you have to sell a high volume to make a lot of profit.

Last year, Leeka traveled to Waterbury to attend "Java University," a training program put on by Green Mountain for its coffee distributors. Leeka says one thing that impressed him was how Green Mountain is pushing the fair trade issue, meaning that they are making sure that the farmers who grow the coffee beans are getting a fair price for their product.

"Coffee is one of the top commodities in the world but a lot of the farmers in these smaller countries were being taken unfair advantage of," Leeka says.

"Now Green Mountain is going in and offering a fair price for their products provided that they let the company go in and show them how to grow and pick better quality beans."

Leeka says both Pure Water Technology and Green Mountain Coffee are doing well during the economic recession because they are offering a quality product that people want.