

**Re: Acquisition of SouthWest Water Company — Your Merger Consideration**

Dear Former Stockholder of SouthWest Water Company:

As you may be aware, the acquisition of SouthWest Water Company (“SWWC”) by SW Merger Acquisition Corp. (“Parent”) was completed on September 13, 2010. As a result of the merger, each share of SWWC common stock held at the effective time of the merger automatically converted into a right to receive a cash payment of \$11.00 per share, without interest (other than (i) shares held by holders who properly elected to exercise appraisal rights under Delaware law, (ii) shares owned by SWWC as treasury shares and (iii) shares owned by SW Merger Sub Corp., Parent or any direct or indirect subsidiary of Parent or SWWC).

Please promptly follow the instructions on the enclosed Letter of Transmittal from our Paying Agent, American Stock Transfer & Trust Company, to receive the cash merger consideration payable with respect to your shares. **IN PARTICULAR, AS NOTED IN THE ENCLOSED LETTER OF TRANSMITTAL, YOU MUST FILL OUT, SIGN, AND DATE THE FORM W-9 (OR SUBMIT AN APPROPRIATE FORM W-8, AS APPLICABLE); OTHERWISE THE PAYING AGENT MAY WITHHOLD A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE MERGER.** The completed Letter of Transmittal, together with the SWWC stock certificates being surrendered and a Form W-9 or Form W-8 (as applicable), should be returned to the paying agent, American Stock Transfer and Trust Company, in the enclosed envelope, or to the address below.

**By Hand or Overnight to:**  
**American Stock Transfer and Trust Company, LLC**  
**Operations Center**  
**Attn: Reorganization Department**  
**6201 — 15<sup>th</sup> Avenue**  
**Brooklyn, NY 11219**

**By Mail to:**  
**American Stock Transfer and Trust Company, LLC**  
**Operations Center**  
**Attn: Reorganization Department**  
**PO Box 2042**  
**New York, NY 10272-2042**

If you have any questions about responding to this request, please call American Stock Transfer and Trust Company, LLC, at (877) 248-6417 or (718) 921-8317.

Sincerely,

Mark A. Swatek  
Chief Executive Officer