

Pipeline

A Newsletter of South Walton Utility Company, Inc.

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Water Quality Report

South Walton's water meets, exceeds state standards

Open for Business

New Field Maintenance Facility benefits SWUCI staff and customers

Grant Gives Millions for New Wells

Funds will create inland wells at Rockhill

GIS Improvements

Expanded system makes hurricane recovery easier

Lucky Number

13 new generators purchased

Convenience with a Click

www.swuci.org will offer account lookup and bill pay options

South Walton Utility Company Mission Statement

"From water to wastewater, our mission is to provide our members quality and reliable service in a responsive and equitable manner."



New SWUCI Building Complete

MORE CONSTRUCTION PROJECTS IN FULL SWING

SWUCI is happy to announce the completion of its new Field Maintenance Facility. SWUCI employees moved into the building in December, and are excited about relocating to the new property.

"The additional space and amenities of the new field maintenance facility will go a long way in helping us provide a high level of service to our customers," said Pete DeBogory, SWUCI General Manager.

Features of the new facility include:

- ◆ A warehouse for extra storage
- ◆ Additional office spaces
- ◆ Training room complete with projector and screen
- ◆ Emergency operations will be enhanced by this new structure, which is built to withstand winds up to 140 mph. The facility will be used as a utility command center

during hurricane recovery and has a 400kW generator to keep things running smoothly, even during a power outage.

Additional improvements are in progress. Currently, construction on the Phase II parking area and pavilion is underway, which will provide more space for SWUCI support staff and employees.



The new SWUCI Field Maintenance Facility

SWUCI Receives Millions For New Inland Wells

Grant from Northwest Florida Water Management District will help supply needed water to South Walton

The Northwest Florida Water Management District has awarded South Walton Utilities Company, Inc. and Regional Utilities \$6 million toward development of seven additional inland wells northeast of Freeport. The project, supplying coastal communities, is expected to cost about \$17 million.

The new wells will:

- ◆ Accommodate long-term public demand
- ◆ Broaden current area-wide supplies
- ◆ Expand the transmission and distribution system
- ◆ Offer additional storage

GIS Program Makes Preparation for Hurricane Season Easier



With the anticipation of a busy hurricane season, South Walton Utility Company, Inc. continues making improvements to its Geographic Information System program.

“Expansion of our GIS capabilities is just one of the steps that SWUCI is taking to be better prepared for future hurricanes.” SWUCI General Manager Pete DeBogory explained.

Established in 2004, the recent enhancements to the GIS program are due largely to its success as a

pilot project. The GIS program equips SWUCI with the tools necessary for efficiently responding to emergency situations during hurricane seasons.

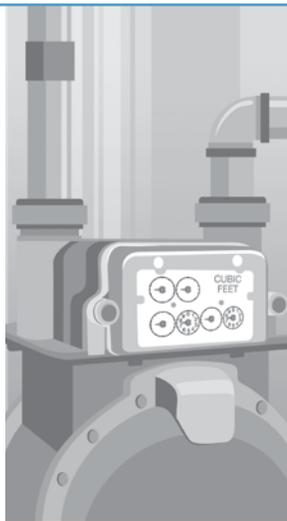
The information recorded through the GIS program is invaluable in the location of water valves, meters and manholes that may be covered during storms, which means quicker restoration of power and water services to SWUCI customers.

Lucky 13

Board Approves Purchase of New Generators

SWUCI now has permanently mounted generators at its 14 most critical lift stations and all ten company wells, thanks to a vote by the board of directors to purchase 13 new generators.

“These generators will provide adequate stand-by power for our water supply system during a storm, and will help maintain the company sewer system during power outages,” said Board Treasurer Jack J. McGill.

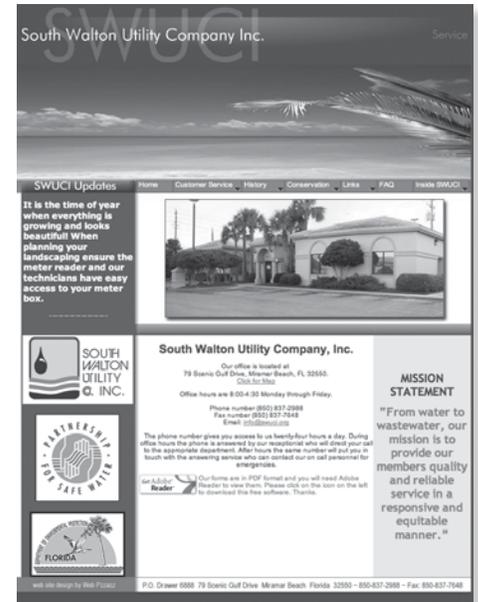


“New Inland Wells” CONT. FROM COVER

◆ Yield 9 million gallons per day

“We are most thankful for the award because it provides SWUCI with the necessary resources for staying well ahead of any water supply crisis through alternative water supply development,” said Operations Manager Bruce Morrison. “SWUCI also appreciates the District for acknowledging this region as an area of special concern.”

Viewing Accounts, Online Payment Options in the Works



Accessing your SWUCI account will soon become easier, faster and more efficient. Beginning in July 2006, members will be able to access all account information on the SWUCI Web site. Our updated web site features will allow members to view usage and payment history as well as provide a secured billing service for online credit card payments.

To access your SWUCI account online, log on at www.swuci.org and select ‘Your Account Info’ from the Customer Service dropdown menu. Enter your customer number as the User ID and the PIN number that is printed on your bill.

“We hope that all our customers will take advantage of our online improvements,” said Ken Creel, SWUCI Board President.

A Letter From the President



Greetings,

A good leader is hard to find, and even harder to replace. As your board president, I hope to continue the success achieved by General Bill Brown, who served this community and South

Walton Utility Company for nine years. I was fortunate enough to witness Bill's exemplary leadership first-hand. Bill and the SWUCI Board made it their mission to find and employ a first class team of managers and staff to ensure the continued success for your member-owned utility.

The installation of our well fields north of Freeport ranks high among the many achievements accomplished during Bill's tenure. It is my privilege to announce that the South Walton Utility Company's Board of Directors has proclaimed this well field the General Bill V. Brown Well Field.

In this newsletter, you'll read about several exciting SWUCI projects that are complete or approaching their final phases. Here are a few highlights:

- ◆ Our new field maintenance facility is open
- ◆ Expansion of our state-of-the art GIS system now makes recovery from storms and hurricanes faster and easier
- ◆ 13 new auxiliary generators will provide backup for

our water wells and major sewer lift stations during power outages

- ◆ Customers will soon be able to view statements and make payments online
- ◆ SWUCI has been awarded a \$2 million grant by the Northwest Florida Water Management District to construct additional water wells and ground storage tanks at the Bill Brown Well Field

Currently, the most important issue before the Board is an upgrade to the Wastewater Treatment Plant. This upgrade will achieve the advanced wastewater treatment we need as we seek alternatives for disposal of reclaimed water produced by our sewer plant. The cost estimate for the project is \$10.3 million. The good news is that we expect to award the contract for the upgrade this August, with a targeted completion date next summer. The better news is that we expect to accomplish this plant upgrade without increasing your sewer rates.

I would also like to take this opportunity to introduce our newest Board member, Ray Kinard. Welcome Ray, and thanks for your willingness to serve the community.

I hope that everyone has a safe and exciting summer season.

Kenneth D. Creel, President

Meet Our Board



2006 SWUCI Board Members are (left to right) Bill Berberich, Ray Kinard, Ken Creel, President, Mike Flynt, Vice President, Mike Richardson, Secretary, Jack McGill, Treasurer and not shown Dave Brown.

SWUCI is pleased to announce its current board of directors.

"South Walton Utility Company, Inc. is a member-owned and operated utility that relies on a key group of volunteers to keep the company focused on the present with an eye on the future." said Ken Creel, SWUCI Board President.

Members of the Board of Directors are elected to three-year terms. The directors and officers receive no compensation for their services, but everyone appreciates the hard work and service they put in throughout the year.



South Walton
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Welcome Aboard!



South Walton Utility welcomes new employees (L to R) Tim Hahr, Karl Mead, Matt Shelters, and Jared Duncan to the Field Maintenance crew. Their duties include setting water meters and repairing broken lines. Say hello to them if you see them in your neighborhood.

CONGRATULATIONS!

Robert Stygar has been promoted to Wastewater Treatment Plant (WWTP) Manager. Our WWTP plant currently processes an average of 1.5 million gallons of reclaimed water daily.

