



South Walton
Utility Company, Inc.

369 MIRAMAR BEACH DRIVE ■ MIRAMAR BEACH, FLORIDA 32550-4938
PHONE: (850) 837-2988 ■ FAX: (850) 837-7648
www.swuci.org

First Class Presort
US POSTAGE PAID
CASS Data & Mailing

Sept. 2009, Vol. 35

Pipeline

A Newsletter of South Walton Utility Company, Inc.

Inside This Issue

Make Your Voice Heard

Board of Directors is your voice at SWUCI

Nominating and Election procedures

Mark Your Calendar

Annual Meeting coming soon

Be Water Wise

Water Saving Tips

In the Pipeline

AWT Plant Upgrade & Wetlands

Application System Project

Meet Diane Redys

Receptionist

In the Pipeline: AWT Plant Upgrade & Wetlands Application System Project

Construction continues on the Advanced Wastewater Treatment (AWT) Plant expansion. We are currently on schedule, with approximately 75 percent of the work complete. The Florida Department of Environmental Protection has issued SWUCI partial clearance to place some of our larger upgraded structures into service. The rehabilitation of existing components of the plant is the next step, which J & P Construction is scheduled to begin within 60 days. Upon completion of the AWT expansion, SWUCI will have treatment capacity to handle future development for our area, which equates to 4.75 million gallons daily.



Additionally, we are set to begin construction on our Wetlands Application System project within the next three months. Be on the look-out for construction along the north side of Highway 98 from Miramar Beach Drive to Danny Wuerffel Way. This project will allow SWUCI to discharge our AWT reclaimed water into the receiving wetlands surrounding Regatta Bay and Emerald Bay.

Mark Your Calendar!

SWUCI Annual Meeting

November 17, 2009
5:00 p.m.
South Walton Utility Company, Inc.
Main Office
369 Miramar Beach Drive

All members are encouraged to attend. Elections for the SWUCI Board of Directors will be held. For nomination instructions, see page 2.

AUTHORIZATION FOR ELECTRONIC TRANSFER OF FUNDS

SOUTH WALTON UTILITY COMPANY, INC.

369 MIRAMAR BEACH DRIVE • MIRAMAR, FL 32550-4938
Phone: (850) 837-2988 • Fax: (850) 837-7648

CUSTOMER NAME(S) _____

SWUCI _____

ACCOUNT _____

NUMBER(S) _____

Please deduct payments from my: **Direct debits will occur on the 1st of the month. If the 1st falls on a weekend or holiday, direct-debit entries will be deducted on the next working day after the 1st. Please allow two (2) weeks processing time before your direct-debit order is operational.**

Checking Account
 Savings Account

SOUTH WALTON UTILITY COMPANY, INC., IS HEREBY AUTHORIZED TO PROCESS AN ELECTRONIC DEBIT — FROM THE ACCOUNT DESCRIBED ABOVE — ONCE A MONTH IN THE AMOUNT OF MY MONTHLY WATER/SEWER BILL.

SIGNATURE _____ DATE _____

Please be sure to include a voided check for bank account verification, and mail together with this completed form to:
South Walton Utility Company, Inc.
369 Miramar Beach Drive, Miramar Beach, FL 32550-4938

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."



Service Flag

Ever wonder about the small star flag on SWUCI's flag pole? It is a service flag. Whenever someone inside our SWUCI family has a personal family member overseas in the U.S. military we will proudly fly the flag until they return home. At this time there are three such individuals, whom we wish Godspeed and a safe return home.



MAKE YOUR VOICE HEARD

South Walton Utility Company, Inc. (SWUCI) is member-owned and operated. We rely on a key group of dedicated volunteers to keep the company headed in the right direction. As a member of SWUCI, you have the opportunity to help decide who that group is by voting on the Board of Directors.

"As a member of SWUCI, you have a voice in the selection of our Board of Directors," said Pete DeBogory, SWUCI General Manager. "The upcoming election is your opportunity to make your voice heard."

Members of the Board of Directors are elected to three-year terms. The current Board appoints a nominating committee to recommend candidates for upcoming vacancies. Individual members can also make Board nominations. Directors and officers receive no compensation for their services.

Members are encouraged to attend the monthly meetings. Meetings are generally held the fourth Tuesday of the month but may change so call the office to confirm the date.

Current Board members are:

Jack J. McGill – President, Board member since 1997

Mike Flynt – Vice-President, Board member since 2000

Mike Richardson – Secretary, Board member since 1997

Bill Berberich – Treasurer, Board member since 2001

David Brown – Board member since 2004

Ray Kinard – Board member since 2005

Bill McQuillan – Board member since 2006



MEET DIANE REDYS

Receptionist

Diane Redys is the voice you hear at the other end of the phone when you call SWUCI.

She has been our receptionist since 2005. As our company's first impression for members and others who contact us, Diane always has a smile. It's clear that she enjoys people and enjoys helping them. As a result, everyone on the SWUCI team enjoys working with her. Thanks for all that you do Diane!

Rules for Nominations from the Membership

HOW TO NOMINATE A DIRECTOR

Any member of SWUCI can nominate a candidate for election to the Board of Directors by following these guidelines:

1. The individual(s) being nominated must be an eligible member of SWUCI.

- To be an eligible member of SWUCI, the individual must have an active account as of the nomination record date of September 15.
- Once elected to the Board of Directors, an individual can serve on the Board only so long as that individual remains an eligible member of the company.

2. You must prepare a petition nominating the individual of your choice on which you have presented sufficient information to validate that individual's status as an eligible member of SWUCI. A separate petition is required for each individual being nominated.

- The petition must include the signatures, addresses and account numbers of fifteen (15) eligible members of SWUCI in addition to the individual being nominated who are eligible as of the nomination record date of September 15, 2009.

3. You must provide a short (one page) biography of the individual being nominated which specifically sets forth the qualifications you feel this individual possesses which will make him/her an asset to SWUCI and its members by serving on the Board of Directors. Please keep in mind that this individual, if elected, will be expected to attend the monthly Board meetings, the Annual Member meetings and any special meetings as properly called.

4. All of this information must be delivered to SWUCI by mail or delivery to the Administrative Offices of SWUCI, 369 Miramar Beach Drive, Miramar Beach, FL 32550-4938.

- This information must be received no later than 4:30 p.m. on September 30.
- This time frame is required to permit the individual's name and biography to be included on the printed ballot that will be mailed to all members.
- Petitions received after that date cannot be accepted and will not be considered.

5. Nominations for Directors will not be accepted from the floor at the Annual Meeting.

A Letter From the President



Our project to upgrade the wastewater plant on Miramar Beach Drive is under construction. We expect our new Advanced Wastewater Treatment (AWT) plant to be complete in December of this year. The project is partially funded by a \$12.1 million loan from the Florida Department of Environmental Protection (FDEP). We also are using \$6.9 million of SWUCI's reserves, for a total cost of \$19 million.

Work on the site has involved relocation of existing processing equipment and the addition of a new processing train. In the course of this work, there have been times when unpleasant odors have been noticeable in the area adjacent to the Miramar Beach plant. The good news is, this will be eliminated when the current phase of the construction is complete. Rest assured that the facility is designed to be substantially odor-free.

We have recently received our Wetland Disposal permit from FDEP. This will permit us to direct reclaimed water flow from the AWT facility into wetlands located in Emerald Bay, Regatta Bay and Kelly Plantation. We have just solicited bids for the construction of a pipeline along Emerald Coast Parkway and to the edge of the permitted wetlands. A contract will shortly be awarded to J & P Construction for this work, which is expected to complete by mid-2010.

In late July, we were able to sell our office building at 79

Scenic Gulf Highway for \$850,000. Proceeds from the sale will be put toward the Wetlands Disposal project mentioned above.

It is time now to begin the preparation of the 2010 budget. I would like to share some of the key assumptions that will guide us in that effort. In overall terms, we view 2010 as a very challenging year. We expect no growth, yet we are hopeful that there will be no further deterioration in market demand for our water and sewer services. We further assume that there will be cost increases for utilities, insurance, operating supplies and interest expenses as well as depreciation. All of these costs must be absorbed within the confines of the assumptions listed below, and still yield a positive net income from operations:

- 1) Zero percent growth in water and sewer revenues.
- 2) No cost of living increase for salaries.
- 3) No increase in tap fee revenue over this year.
- 4) Maintain current staffing levels with no new hires.
- 5) Begin repayment to the FDEP for the AWT plant upgrade loan.

If you have any questions regarding the budget or the process in which it is prepared, please contact us.

As always, thank you for the opportunity to serve our community.

Jack McGill, President

Founder's Day Celebration Open House

On August 13, SWUCI held an Open House to celebrate Founder's Day. Members enjoyed hamburgers and hot dogs while learning more about their utility and its history.

SWUCI was spearheaded in 1966 by Col. Michael Grimaldi. He led an organization of prospective customers for the purpose of obtaining a community water and wastewater system.

"The story goes that several friends were sitting around Colonel Grimaldi's dining room table in 1966, and the decision was made that a water and wastewater system were necessary," says Pete DeBogory, SWUCI General Manager. "They needed 80 founding members to contribute \$10 each. As soon as they reached 80, the company was born."



SWUCI employees Bill Degan and Ben Keen explain to members how water meters operate at the Founders' Day Picnic and Open House on August 13, 2009.