

Pipeline

A Newsletter of South Walton Utility Company, Inc.

Inside This Issue

Mark Your Calendar:

Annual Meeting is coming soon

Making Your Vote Count

- » Board of Directors is your voice at SWUCI
- » Nominating and Election procedures

It's Hurricane Season

- » We are prepared—Are you?
- » How you can help restore water after a storm

We're Upgrading

- » Online billpay is here
- » Plant improvements are on the way
- » Grant gives SWUCI new wells, water storage

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."



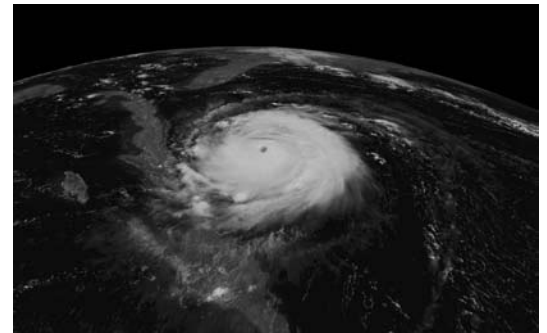
SWUCI Urges Customers to Be Prepared

THIS HURRICANE SEASON IS NOT OVER YET

It's been a year since the disastrous 2005 hurricane season ravaged the Gulf Coast states and devastated New Orleans. The images of damaged homes and beaches are still fresh in our minds.

Water is one of the most vital resources required to help our customers reclaim their lives after a storm. SWUCI is prepared to help restore water in the event that a storm damages our region. We have back up generators and GIS equipment on hand to help us identify water lines and return water service as quickly as possible. We are also a partner in FlaWARN, a disaster relief partnership between utilities throughout the state. FlaWARN is a network of utilities helping utilities that provides manpower and equipment to communities hardest hit by a storm, so that water and wastewater service can be restored as quickly as possible.

So what can you do to help get ready for a storm? There are many steps that home and business owners can take to prepare for a hurricane, steps that will limit the amount of water lost to storm-damaged lines.



This satellite photo shows a hurricane as it approaches Florida. SWUCI urges customers to be prepared during hurricane season.

Mark Your Calendar!

SWUCI Annual Meeting

Tuesday, November 14, 2006 at 5 p.m.

South Walton Utility Company, Inc. – Main Office
79 Scenic Gulf Drive, Miramar Beach

All members are encouraged to attend. Elections for the SWUCI Board of Directors will be held. For nomination instructions, see page 3.



First, turn off water at the valve supplying your home or business. Should lines become damaged in a storm this will minimize water loss. During mandatory evacuations water valves will be turned off to entire subdivisions to minimize water loss due to line damage.

Second, you should store at least one gallon of water per person per day. Account for two quarts for hydration and two quarts for body washing, food preparation and keeping eating utensils clean. Fill bathtubs and sinks with water for household use.

Be sure to pay close attention to weather advisories when a storm approaches. You can monitor the South Walton Utilities Web site at www.swuci.org and listen to local radio stations for emergency information and advisories.

Have a copy of SWUCI's instructions for boiling water on hand, so you'll know how to sanitize water if pollutants are present after water service is restored. You can download and print our boil water notice at:

www.swuci.org/pdf_docs/Precautionary-Boil-Water-Notice.pdf ♦

Before a hurricane strikes remember to:

- ♦ Turn off water service at outside meters
- ♦ Fill containers with water for drinking
- ♦ Fill bath tubs and sinks with water for household use
- ♦ Log on at www.swuci.org for critical updates

Stay tuned to radio and television newscasts – SWUCI will provide updates to local media.



Upgrades in the Works

SWUCI MAKES PLANS FOR FUTURE WASTEWATER TREATMENT AND STORAGE CAPABILITIES

New upgrades will be coming down the pipe at the South Walton Utilities Wastewater Treatment Plant. This multi-million dollar project will nearly double SWUCI's water treatment capacity from 2.5 million gallons per day to 4.5 million per day. The improvements will also ease operations and increase energy efficiency.

Once the upgrades are completed, the plant will meet Advanced Waste Treatment (AWT) standards, the highest nutrient reduction standards in Florida. AWT standards double the reduction of nitrogen and phosphorus levels from below 10 milligrams per liter under our current treatment processes, to below 5 milligrams, which increases wastewater disposal options while further decreasing environmental impact.

Projected costs for the plant upgrades are in excess of \$10 million and contract bids will be accepted on October 17.

SWUCI has also signed an agreement with the Northwest Florida Water Management District, sealing an agreement which provides a \$1.6 million grant to increase our capacity to store water.

The grant, which will be matched by SWUCI, will create two additional water wells and a ground storage tank at

the General Bill V. Brown wellfield north of Freeport.

In 2003, SWUCI commissioned engineers at Baskerville-Donovan to conduct a reclaimed water study to help determine the best way to tackle the problem of reclaimed water storage in South Walton, which is currently used to irrigate local golf courses. While this process conserves our fresh water supply, it also causes some inconveniences, especially during Florida's rainy months.

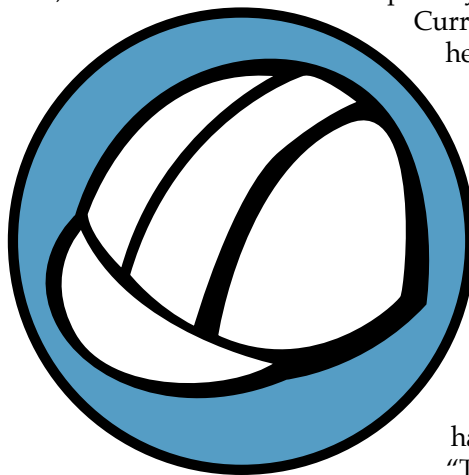
Currently, SWUCI turns off irrigation during heavy rains, routing the water to local percolation (perc) ponds.

"The perc ponds can only hold so much water," said Bruce Morrison, operations manager at SWUCI.

"Once they're filled to capacity, then our customers are faced with area flooding. The new upgrades will help alleviate this problem."

Water storage is a critical part of growth management as more people move to South Walton. SWUCI is working hard to plan for anticipated build-out.

"These enhancements will increase our ability to provide service to current and future customers," said Pete DeBogory, SWUCI general manager. "These projects will nearly double our capacity, allowing us to serve our customers with ease, efficiency, and the least impact on our environment." ♦



A Letter from the President



Greetings,

South Walton Utility Company recently became one of the first non-municipal utility companies to receive grant monies from the Northwest Florida Water Management District. SWUCI was awarded \$1.6 million in matching funds for the construction of two new water wells and two storage tanks for the Bill V. Brown wellfield. Construction for the tanks and wells is set to begin early in 2007.

In the June edition of Pipeline, you learned of plans to convert our wastewater treatment plant to meet Advanced Water Treatment standards. This project is moving forward, and we hope to award the contract for construction in October. This upgrade will allow several options for reclaimed water disposal and increase our plants capacity to handle the areas growth for many years.

If you have not yet visited the SWUCI Web site, then I encourage you to log on. We offer convenience and information for our customers at www.swuci.org. Here, you can track the progress of our many projects, communicate with management, and take advantage of our quick and easy online bill pay system.

September brings us the height of hurricane season. So far, we have been spared the perils of the past several years. SWUCI has taken many steps in recent years to protect our coastal assets from storms while increasing our ability to operate immediately after severe weather. Our treatment plant, maintenance facilities, and all critical lift stations and water wells are equipped with electrical generators. While we hope to not see a storm, we are in a better position to restore water and wastewater services if one hits our area.

September is also the time for SWUCI customers to cast their vote and elect new members to our Board of Directors. Three board positions are vacant this year, and we encourage SWUCI customers to participate in selecting those who will represent the member-customers of our utility.

After serving on the Board of Directors for the past seven years, my term is ending. My term on the board has been the most rewarding experience of community service I have encountered. I am confident that leadership is in place to ensure that the future needs of SWUCI and its members will be met.

Your Vote Counts at SWUCI

It's election season again. In addition to voting for our local, state, and national political officers, South Walton Utility Company members have a chance to determine who will represent them on our Board of Directors. As a member-owned and operated utility, SWUCI customers have a say in how our utility operates by electing the Board of Directors. This volunteer Board serves the membership and keeps our heads "above water".

The members of SWUCI's Board of Directors are also our customers. This helps the utility stay focused on what's truly important: service and value.

Members of the Board of Directors serve three-year terms. The current Board appoints a nominating committee to recommend candidates for upcoming vacancies. Individual members can also make nominations for the Board.

HOW TO NOMINATE A DIRECTOR

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

The candidate/nominee must be an eligible member of SWUCI.

Eligible members are customers who have an active account as of the nomination record date of September 15, 2006.

1. Prepare a petition of nomination with proof of candidate's eligibility and customer support

This petition must include:

- Signatures, addresses and account numbers of 15 eligible SWUCI members

- Signature, address and account number of the nominee

NOTE: A separate petition must be filed for each nominee.

2. Provide a brief, one-page biography of the nominee which identifies qualifications that will make the nominee an asset to SWUCI.

3. Deliver all nomination materials to SWUCI via mail or delivery no later than 4:30 p.m. on September 30, 2006 to the SWUCI Administrative Offices, 79 Scenic Gulf Drive, Miramar Beach, FL 32550-4938. Petitions received after the deadline will not be accepted or considered.

4. Nominations for Directors will not be accepted from the floor at the Annual Members Meeting on Tuesday, November 14, 2006. 💧



*South Walton
Utility Company, Inc.*

**First Class Presort
US POSTAGE PAID
CASS Data & Mailing**

79 SCENIC GULF DRIVE ■ MIRAMAR BEACH, Florida 32550-4938
Phone: (850) 837-2988 ■ Fax: (850) 837-7648
www.swuci.org



Online Bill Pay Now Available

SAFE, SIMPLE AND FAST!

South Walton Utility customers can now access online bill pay. With the click of a mouse, you can quickly review usage history and pay your utility bill - no more checks, no more stamps!

Go to **www.swuci.org** and follow the link to the secure web page or click on 'View Your Account' under the Customer Service drop down menu. Enter your customer number for your login ID and PIN, both printed on your bill, and review water usage, account information and pay your bill.

