

# Winter 2010 Connections

DESTIN WATER USERS INC.

*"...member-owned and not-for-profit since 1964."*



## DWU Works for You

### Construction Updates

The capital improvement program will be minimal in 2010, with Destin Water Users (DWU) undertaking very little construction. However, we must finish building a reclaimed water transmission main that began in 2009. It is currently on hold awaiting the resolution of several right of way issues. Additionally, DWU will build the remainder of our reclaimed water aquifer storage and recovery system. This system is presently undergoing operational testing. Upon conclusion of the testing, the remaining construction will be completed. All other projects have been put on hold pending a rebound in the real estate market.

### Regulatory Structure – A Brief Overview

Regulation is one of our most challenging areas with permitting and compliance occupying a great deal of time for the DWU staff. For example, our monthly wastewater reclamation facility report to the Florida Department of Environmental Protection (FDEP) is more than 80 pages. We also produce monthly reports of our water system for both the FDEP and the Northwest Florida Water Management District. Our fuel storage tanks must be reported to the FDEP annually, and we are also required to regularly update our Risk Management Plan for the Florida

Department of Emergency Management.

DWU is also required to prepare additional annual reports for water, wastewater, and reclaimed water.

In addition to reporting requirements, DWU is subject to several onsite assessments. FDEP conducts twice yearly site inspections of our wastewater reclamation facility and a bi-annual, detailed inspection of our water system. Our laboratory is inspected annually by the Florida Department of Health.

### Reclaimed Water

A certain level of expertise is required to understand and navigate all of the regulations that DWU is subject to, many of which are interrelated making for a very complex regulatory framework. Each year those regulations seem to become longer and more detailed, with added parameters that we have to test and lower limits that we must meet. Even further regulations could soon be in place: the FDEP and the Water Management Districts are looking to gain control of reclaimed water.

Because the majority our state's utilities are forward thinking and exercise a strong desire to improve our environment whenever possible, Florida is presently the nation's leader in the use of reclaimed water. That use, which continues to grow, is directly

responsible for a significant decline in per capita drinking water use in the state. As a result, state agencies have now determined that they need to regulate this growth in order to improve upon it. Unfortunately, they have neither the knowledge nor the experience to do so. DWU would like to see Florida remain a leader in this area, and recommends allowing the true experts in the field to continue to do what they do best.

It is important to note that it is unusual for DWU to have an actual water quality problem. We have experienced violations of reporting requirements, however in the bureaucratic world all violations are created equal. When you read about drinking water quality being "unsafe," remember, those

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# Annual Meeting Notice

At the annual meeting, voting will be held for several bylaw updates and for three director positions.

## The candidates for the positions are:

Rick Scali  
Sandy Trammell  
Tom Weidenhamer

All three are Destin residents, and all are willing to serve. Nominations from the floor can be made at the annual meeting but the candidate being nominated must be there to accept. In addition, the candidate must be a member of Destin Water Users, Inc.

DWU's annual meeting is scheduled for Tuesday, March 2, 2010, at 5:00 pm. The meeting will be held in DWU's new offices located at 218 Main Street.

## "DWU WORKS FOR YOU" CONTINUED

statements probably derive from a cold hard statistic and not from an actual problem with the water.

## EPA Rule Update

By the time you read this article, the U.S. Environmental Protection Agency (EPA) will have instituted a new rule limiting the discharge of nutrients. The rule is punitive in effect and draconian in implication. Further, there is no scientific evidence that it will in fact improve water quality.

The EPA is required to hold hearings on the new rule, the first of which will be on February 16th. DWU and many other Northwest Florida utilities will be there to provide comment and information. As a reminder, in order to comply with the new rule, DWU will have to spend \$34 million. But that pales in comparison to what the City of Destin will have to spend – almost 10 times our cost. In effect, your utility bill stands to increase significantly and your property taxes may double. DWU will continue to keep you informed on this issue.

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**Richard Griswold,**  
*DWU General Manager*

# Message from the President



The Destin Water Users, Inc. board of directors has approved a Spartan budget for 2010. With last year's revenues much lower than expected, the board has selected a prudent course of action to balance costs and services as well as to replenish some of our emergency reserves that were spent to make it through 2009.

At this point, more cost cutting will only lead to a reduction in services. Yet we anticipate our expenses to go up, especially in some of the major categories like electric power and regulatory costs. Electric power is estimated to increase by \$160,000 and regulation will increase by \$60,000. In the end, rates will go up 2.5 percent in order to keep DWU functioning reliably.

The board will be very busy this year, especially in the coming months. While monitoring our financial status will remain a top priority, we are closely following the activities of the U.S. Environmental Protection Agency as it begins to impose a

draconian measure on our customers.

In preparation for the annual meeting in March, the board is reviewing and modifying our bylaws. In addition, we are modernizing and updating the employee handbook to make sure all bylaws and programs are appropriate, current, and legal. With a significant portion of our workforce retiring in five years, we are developing a succession plan to replace these employees so that our operations continue smoothly.

All in all, the board is prepared to work hard for you in 2010 and is optimistic that the economy in Destin will stabilize and begin its climb back up.

**Tom Weidenhamer, President**  
Destin Water Users, Inc. Board of Directors

## *Information and instructions for voting (If you cannot attend the annual meeting)*

DWU's bylaws allow a member who cannot attend the annual meeting to vote by proxy. The person you designate to hold your proxy (the "proxy holder") will be authorized to cast votes for you on any issue that arises at the annual meeting.

To vote by proxy, you must follow the instructions below.

1. Fill out the proxy form printed below, including the name of the person you designate as your proxy holder.
2. A proxy holder is prohibited from holding more than four proxies, in addition to his or her own vote. Therefore, it is extremely important for you to contact the person you are

designating as your proxy holder and make sure that he or she has been assigned no more than four proxies. If a proxy holder is assigned more than four proxies, only the first four proxies filed with the Secretary will be valid.

3. Mail or deliver your proxy form to DWU by 5 p.m. on Friday, February 26, 2010. Proxies received after that date will be counted, but DWU requests your cooperation in making the process of validating proxies more efficient for all members.

4. Ballots will be distributed at the meeting to members with valid proxies.

**Please clip and mail to DWU, P.O. Box 308, Destin, FL 32540-0308**

MEMBER NAME (PLEASE PRINT) \_\_\_\_\_

MEMBER LOCATION/ADDRESS \_\_\_\_\_

SIGNATURE OF MEMBER \_\_\_\_\_

LIMITED PROXY – I do hereby appoint as my lawful agent, the undersigned, to exercise my vote on any and all questions and on the election of directors that may be voted on during the membership meeting of all members to be held at DWU's new offices located at 218 Main Street on Tuesday, March 2, 2010, at 5 p.m.

ASSIGN PROXY TO: \_\_\_\_\_

# *Proposed Bylaw Amendments*

*To be Voted on at the Annual Meeting on Tuesday, March 2, 2010 at 5:00pm.*

*The meeting will be held in DWU's new offices located at 218 Main Street.*

At the annual meeting, various reports will be heard and voting on bylaws and directors will take place. This year, the board of directors recommends the following proposed changes to the bylaws:

### **Proposed Amendment No. 1**

Article V, Section 9, currently states that no member may cast more than five proxy votes exclusive of his/her own vote(s). To make this provision consistent with other provisions of the bylaws, the proposed amendment would provide that no member may cast more than four votes.

Article V, Section 9, would be amended to read as follows: "Each member(s), holding a certificate, may elect to designate a proxy to cast his/her vote at regular or special membership meetings. However, no member or representative may cast more than four proxy votes exclusive of his/her own vote(s)."

### **Proposed Amendment No. 2**

Article VII, section 4, currently states that all items voted upon at meetings shall be by secret ballot.

The last sentence of Article VII, section

4 would be amended to read as follows: "All voting on elections and bylaws at any meeting of the members, annual or special, shall be by secret ballot."

### **Proposed Amendment No. 3**

Article IX, section 1(b) currently states that the Board of Directors has the authority:

"To select and appoint all officers, agents, or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may be consistent with these by-laws, fix their compensation and pay for faithful services."

To make the bylaws consistent with current company practice, Article IX, section 1(b) would be amended to give the Board of Directors authority:

"To select and appoint all agents of the corporation, prescribe such duties and designate such powers as may be consistent with these By-Laws, fix their compensation and pay for faithful services. The Board of Directors shall have the authority to select and appoint the General Manager, and to determine, by majority vote, the method

by which the General Manager shall be selected and the terms and conditions of the General Manager's employment."

### **Proposed Amendment No. 4**

Article IX, section 1(j), as set forth below, would be added to reflect that the Board of Directors has the authority:

"To create, modify, and dissolve specific Board committees and to set forth the duties and powers of such committees as may be needed from time to time. The President shall nominate the members of the committees, and the Board shall vote to approve or disapprove. There shall be no limit on the number of committees that may be selected."

### **Proposed Amendment No. 5**

Article XI, section 7, and Article XII, section 2, currently references the Farmers Home Administration. To address changes in the names of federal government agencies, both of these sections would be amended to reference the Farmer's Home Administration, "or its successors or assigns."



DESTIN WATER USERS, INC.  
P.O. Box 308  
Destin, FL 32540-0308

#### OFFICE HOURS

The DWU office is open Monday thru Friday  
7:30 a.m. – 4:30 p.m.

#### PHONE NUMBERS

Administrative Office –  
Bill Payment Questions and Concerns  
850/837-6146  
Emergencies, Nights, Sundays and Holidays  
850/837-6551

#### PAYMENT OPTIONS

Running late? Pay your DWU bill over the  
phone! We accept MasterCard and Visa.  
Contact a Customer Service Representative  
for more information.

#### WANT YOUR MONTHLY BILL PAID AUTOMATICALLY?

We can do it! Visit Customer Service and  
complete an electronic transfer form. The  
automatic bank draft option is easy and it  
saves you time. . . your bill will be paid with  
no worries!

STANDARD MAIL  
PRESORT  
U.S. POSTAGE PAID  
PERMIT #230  
Mailed From  
Zip Code 32548

# Congratulations

DWU is honored to recognize the  
following employees of the month:

*October*

**Walt Kitchin**

*November*

**Rachel Bowman**

*December*

**Alan Becker**

## 2009 Destin Water Users, Inc. Employee of the Year

**Rachel Bowman**



Rachel Bowman has been selected as the Employee of the Year for 2009. Rachel is the Human Resources Manager at Destin Water Users, Inc. This past year was filled with challenges. In order for Rachel to simply keep up, she had to devote most weekends to the job. Rachel worked more hours in 2009 than any other staff member just to keep things going. No one is more deserving of this award and we offer our congratulations to her.