

We live and work in a little piece of paradise, and DWU is intent on doing our part to keep it that way.



DESTIN WATER USERS INC.

CONNECTIONS



SPRING 2022

A MESSAGE FROM THE GENERAL MANAGER



GM Message	1
2021 Treasurer's Report	2
Employees of The Month	3
Message from The President	3
2021 Employee of the Year	4

In 2021, we laid out an aggressive work program with a budget of approximately \$30 million for operations and capital improvements, understanding it would take teamwork to accomplish this plan. We also realized that we would have to continue to manage COVID and the supply chain issue challenges. We managed our way through, and we are prepared to face the future.

Our financial condition is sound. Total gallons billed increased 7.56 percent over the previous year, and we ended up 3.3 percent ahead of our projected revenue forecast for the year. One thing that helped us see strong numbers was Florida's open for business mentality which has encouraged folks to come and visit the Emerald Coast.

We implemented a 1.76 percent rate increase in 2021 and the scheduled rate study plan we postponed until 2022 because of COVID and the uncertainty we had about our future.

We have used cash on hand to pay for projects and invested some of the excess cash we planned for future projects to improve their earning potential. This aggressive fund management has helped us stretch our dollars.

Improvements were completed at the wastewater treatment plant to upgrade our operations and replace aging infrastructure, including construction of a new Headworks, and completion of plans to build hardened office and storage facilities. We completed numerous repairs and

Continued on page 2

Message from the GM continued

upgrades to our water, wastewater, and lift station facilities, including the expansion of our reuse distribution system to Destin Elementary School. All these projects were designed to improve our operational efficiency and prepare us for the future.

During the past year, we dealt with employee turnover. It was a challenge getting qualified applicants, but we were successful, and some employees sought opportunities to move within the organization or pursue cross training. Some adjustments were made in our 2022 budget to combat pressure from the rising minimum wage and to make us competitive with other local utilities.

We tried to increase our public recognition through positive public relations

submitting applications for various awards, sponsoring an award-winning float in the Destin Christmas parade, hosting plant tours for Destin Forward, utilizing Facebook and our website to positively showcase DWU on the web.

We were spared from a major disaster this past year, but we were prepared to respond and ready to help through FlaWARN. We also completed a risk and resilience assessment looking at all threats from malevolent acts to natural hazards and prepared an Emergency Response Plan as required under the America's Water and Infrastructure Act (AWIA).

As we look forward, our future is bright. We have good people willing and able to

do what it takes to conduct our mission. We are in a strong financial position, and we have a plan to effectively and efficiently operate and maintain our assets, but most importantly, we are focused on our mission statement that we live and work in a little piece of paradise and DWU is intent on doing our part to keep it that way. We do this by focusing on our core values of Vision, Quality and Stewardship. Using these guiding principles keeps us focused on what is important while navigating through a changing and challenging landscape. We are thankful for the support the Board of Directors has provided us to conduct the business of the corporation and we look forward to the opportunities that lie ahead to serve our members.

2021 Treasurer's Report

It is my pleasure and responsibility to present this year's Treasurer's Report for Destin Water Users (DWU). Each year, the staff assembles an annual operating budget that it deems necessary to perform and accomplish the operating requirements of DWU. The Board of Directors has the responsibility to review, discuss, and approve the annual budget. Throughout the budget period, the Board evaluates monthly the performance of DWU staff across three major categories: 1) the comparison to budgeted goals, 2), the comparison to previous year's performance, and 3) as a comparison to our peer group, which is defined as similar utilities, of similar size, from across the nation.

Ultimately, while financial management is the primary focus of the treasurer, the entire DWU Board shares accountability in making sure that the financial information for DWU is accurate, timely and properly presented to the Board. As the elected treasurer of your volunteer Board of Directors, it is my duty to report on the operating results of Destin Water Users for the calendar year 2021. I am pleased to report that Destin Water Users compares favorably in all reported categories and it is the opinion of this Board that DWU is in sound financial condition as of calendar year end 2021.

JIM WOOD,
Secretary/Treasurer



CURRENT YEAR 2021 COMPARED TO PREVIOUS YEAR 2020

Based on Audited Financial Statements:

	<u>2020</u>	<u>2021</u>	<u>Increase/(Decrease)</u>
Operating & Other Revenue	\$17,188,494	\$19,302,285	\$2,113,791
Operating & Other Expenses	\$13,615,514	\$14,145,184	\$529,670
Total Net Income	\$3,572,980	\$5,157,101	\$1,584,121

CURRENT YEAR 2021 COMPARED TO 2021 BUDGET

Based on Internal Cash Budget vs Actual Report

	<u>Budget</u>	<u>2021</u>	<u>Increase/(Decrease)</u>
Cash Operating Income	\$17,243,880	\$18,634,309	\$1,390,429
Operating & Maint. Expense	\$11,250,219	\$10,520,043	\$(730,176)
Renewal & Replace Costs	\$7,421,000	\$3,955,649	\$(3,465,351)
Debt Service Costs	\$3,523,488	\$3,523,488	\$0
Total Net	\$(4,950,827)	\$635,129	\$5,585,956

SELECTED KEY RATIOS

	<u>DWU</u>	<u>PEER GROUP AVERAGE</u>
CURRENT RATIO	8.48	1.43
AVG DAYS TO COLLECT	24.03 days	77.00 days
DEBT TO EQUITY RATIO	0.40	1.60
RETURN ON ASSETS	4.41%	2.90%
RETURN ON EQUITY	6.17%	7.53%



DECEMBER 2021

Jessica Law



JANUARY 2022

Tony Kent



FEBRUARY 2022

Jon Doughty

EMPLOYEES OF THE MONTH



TOM WEIDENHAMER, PRESIDENT

Message from the PRESIDENT

I'm honored to serve the members of Destin Water Users as President of the Board of Directors and I thank the Board for their hard work, and dedication to serving the members of DWU especially considering the pandemic and the challenges that has created.

The Destin Water Users Board of Directors actively manages and provides guidance for the operation of the Corporation meeting monthly to conduct the business of the corporation. We receive operations reports, review financial records, and make policy decisions to ensure that the corporation is fiscally sound; that the infrastructure is strong and that we always provide excellent customer service. All Directors serve on various committees to provide additional review and direction when needed. During this past year, Jack Scelsi resigned his position as a director and Ken Wampler was appointed to fill his seat. We thank Jack for his service and welcome Ken to the Board.

During this past year, we worked on several projects to improve our infrastructure and prepare us for the future.

We continued implementation of our advanced meter reading infrastructure (AMI) that reads meters from a central location and provides daily reports on consumption and issues or concerns on individual meters. We refined data collection and notification process. We resolved communications issues between our base station and customers' meters and worked on coordinating data with our billing software. We plan to add the customer portal so customers can access detailed information about their water usage later this year.

Cityworks is a GIS based asset management program that links asset management, inventory, work orders, purchase orders and preventative maintenance making it easier to manage operations, track what is happening and plan for future repairs and improvements. As we have gathered more information and history on our assets, the program has helped us understand the cost of our operations and it helps us make better planning decisions; thereby, complying with the regulatory mandates requiring local utilities to have an asset management plan.

We have continued making ongoing repairs to our gravity sewer system. We plan to begin evaluation of sewer force mains and water lines soon. We began work on replacing an existing coastal well and we completed construction of a new Headworks, upgraded a sludge pumping station and isolated our Supervisory Control and Data Acquisition (SCADA)

System from our business network at the wastewater treatment plant.

We completed several smaller projects working on sewer force mains; building new water lines to serve customers; renovating lift stations; upgrading lift station communications systems; making improvements at our water and sewer treatment plant to improve process operations; and completing various studies and plans to evaluate and plan for our future.

The projects mentioned are forward thinking projects that are preparing us for our future. Your Board of Directors is looking ahead and planning for tomorrow. These projects are addressing concerns we see and fixing them before they cause problems or interrupt service to you, our members. We completed this work during the ongoing uncertainty of a pandemic taking measured steps to ensure the safety of our workforce and the public and to sustain operations of the utility.

The mission statement of DWU is: "We live and work in a little piece of paradise, and DWU is intent on doing our part to keep it that way." We believe that the Board of Directors is actively living up to our mission statement and the projects we have highlighted prove that. We are here to serve you the members of DWU and to do our part to preserve this piece of paradise we call Destin.

Tom Weidenhamer



DESTIN WATER USERS, INC.

P.O. Box 308
Destin, FL 32540-0308

OFFICE HOURS

The DWU office is open Monday through 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 American Express, MasterCard, Visa and Discover. Contact a Customer Service Representative for more information. You can also pay your bill online at www.dwuinc.com or dial 1-833-394-8398

WANT YOUR MONTHLY BILL PAID AUTOMATICALLY?

You can now sign up for autopay using a credit card or your checking account by visiting www.dwuinc.com

PAY ONLINE

WWW

Paying your DWU bill is easier than ever! Simply go online to dwuinc.com and click "Payment Options" at the top of the page. It will take you to the correct location and provide instructions on getting set up for this convenient payment method.



**2021
EMPLOYEE
OF THE
YEAR**

Christopher Schaefer

We are recognizing Chris for his leadership, volunteerism, and hard work. Chris serves as a Field Crew Leader and he has shown tremendous growth in his leadership skills and abilities to guide, direct and complete tasks and projects. Chris has volunteered to serve on the Safety Committee and the Social Committee, and he proved himself by helping advance our safety culture, arranging social events and leading the construction of our award-winning Christmas Parade float. His accomplishments speak to his

hard work, and we appreciate his dedication to apply his Class "C" water license and work the Water On-Call rotation. Chris's actions show that he is living the mission statement of DWU that we live and work in a little piece of paradise, and DWU is intent on doing our part to keep it that way. Congratulations Chris and thank you for striving to grow as an employee and doing your part to make DWU a better place to work; thereby, preserving our little piece of paradise.

DESTIN WATER USERS BOARD OF DIRECTORS



Tom
WEIDENHAMER
President



Jim
FOREMAN



Ames
HUDSON



Jimmy
NEILSON
Vice-President



Sandy
TRAMMELL



Ken
WAMPLER



Jim
WOOD
Secretary/Treasurer