



DESTIN WATER USERS

CONNECTIONS

WE LIVE AND WORK IN A LITTLE PIECE OF PARADISE, AND DWU IS INTENT ON DOING OUR PART TO KEEP IT THAT WAY.

A MESSAGE FROM THE GENERAL MANAGER

Some of the information from our annual report is included in this newsletter, so I'd like to share a few things about the staff, Team DWU, that serve our customers every day. Many of them are seen in the cover photo.

The past year has been a challenging one, but one the team at DWU has done a great job with. On a day-to-day basis, we serve a customer base behind 9,140 water meters. In the winter months we have a smaller population that grows in summer months to 3-4 times the winter. We have worked to make our systems reliable year-round. I'd like to highlight a few successes of our team members this year.

First, there was a challenge with the directional drillers in town. Our Field Services team who maintains our infrastructure out in our service area were busy. The Field Crew side responded to well over 100 directional drill strikes to DWU assets and averaged over 400 locate tickets a month. They also work hard to maintain meters, perform backflow inspections, respond to customer needs and try to squeeze in a few projects, like fire hydrant replacements or main line upgrades. The Lift Stations crew works to ensure our wastewater collection system keeps running so they built and installed 4 new control panels, completed over 500 FOG interceptor inspections, and managed several lift station rebuilds.

Our Water Operators continue to ensure our customers have clean, safe and reliable drinking water. Over the last 12 months we have pumped 1.6 billion gallons of potable water into our distribution system. The operators also took over 600 samples in the distribution system to ensure system reliability as well as issued 45 precautionary boil water notices (PBWNs) to notice customers when there may be an issue.

The Wastewater Operators continue to maintain equipment and treat wastewater to high standards; in fact, they treated

just over 1 Billion gallons of wastewater. The new sludge screw presses are in operation and allowing us to save on hauling costs. The biggest challenge they face daily is the grease that ends up at our treatment plant, so members need to help us get the FOG out and don't put Fats, Oils & Grease down the drain. In addition, the team produced over 900 million gallons of reclaimed water for our irrigation system.

DWU received several updated FDEP permits this year. Our laboratory remains busy ensuring permit compliance for water and wastewater. They process around 500 water and 1700 wastewater samples internally each year and prepare and ship out another 500+ additional samples to be analyzed.

Additional support staff at DWU includes our human resources staff, our IT staff, the warehouse team ensuring parts are available, as well as the electricians, fabricator and janitor to provide support to all departments.

In our main office, we have had some turnover in customer service staff, but helping our customers get signed up for new service, take payments, and help with dispatching staff as needed to help customers has continued without interruption. In fact, our phone system received over 46,800 calls this past year. Customer Service staff have also increased customer engagement, and we now have almost 5,800 enrolled in auto pay for their bills and about 840 enrolled in the usage portal to see how they use water. As for the finance team, the audit tells us that things are going quite well. In addition, the operations administrative assistant is rebuilding our Facebook presence. We will be making updates to our website this coming year.

In every utility there is always continued growth or redevelopment. The engineering and asset management team work throughout the year to make sure not only

DWU's large projects, but also developments coming to the area, meet our criteria. Once installed, they then set up items in our Cityworks asset management system, to then be used by all departments to track maintenance.

As you can see, there's never a dull moment at Destin Water Users—no two days are alike. While emergencies can arise at any time, our team stays focused and ready. Looking ahead, we continue moving forward with a dedicated group committed to our mission.

In closing, we are financially strong and have a responsible plan to manage our assets, while staying true to our mission. DWU is committed to preserving our little piece of paradise. Guided by our values of Vision, Quality, and Stewardship, we will focus on what matters most. We are grateful for the support of our Board and the trust of our members, and we look forward to continuing this important work together.

Monica Wallis GENERAL MANAGER

2025 EMPLOYEE OF THE YEAR

The Employee of the Year for 2025 is Jacob Salyers. In any organization, there are people who do their jobs, and then there are people who embody the very spirit of hard work. Jacob falls firmly into the latter category. He is one of the most dedicated individuals we have had the pleasure of working with. His commitment is clear in his “anytime, anywhere” attitude. Whether it’s a last-minute project, an unexpected challenge, or a task others avoid, Jacob is always the first to step up. If there is a need, He fills it. His reliability sets him apart—when he says he’s on it, you can consider it done. He is the person we rely on when the pressure is high because he never lets the team down. Jacob is direct, genuine, and focused on doing the right thing rather than saying the polished thing. He doesn’t seek the spotlight, but his grit, dependability, and willingness to help make him truly deserving as the Employee of the Year.



CONGRATULATIONS JACOB!

EMPLOYEES OF THE MONTH



NATHAN MCELROY
December 2025



CLIFF COX
January 2026



JON DOUGHTY
January 2026



WINSTON FOGLER
February 2026

A MESSAGE FROM THE PRESIDENT

It has been an honor to serve the members of Destin Water Users as President this past year, and I appreciate the Board’s confidence in electing me. I also thank my fellow Board members for their dedication and service, and we welcome new Directors Jennifer Gutai Comella and Terry Phillips.

Your Board remains actively involved in guiding the Corporation, meeting monthly to review operations, finances, and policies to ensure strong infrastructure, financial stability, and excellent customer service. Directors also serve on

committees to provide additional oversight where needed.

The Board focuses on long-term planning and governance, while the General Manager handles daily operations. Over the past year, we’ve worked on key projects to strengthen our system and prepare for the future, and I’d like to highlight a few.

We continue to enhance our meter data system and Customer Usage Portal. Members can monitor their water

usage, set alerts for unusual activity, and identify potential leaks. If you have not yet enrolled in the portal, I encourage you to contact our customer service team for assistance.

DWU has a long-standing partnership with South Walton Utility Company in our wellfield which provides over 60% of our drinking water. We also continue to partner with the City of Destin and Okaloosa County to coordinate utilities and infrastructure for community projects such as Tarpon Beach Park, the Crosstown Connector, and the Linear Trail. We work closely with the Destin Fire Control District to ensure hydrant testing and maintenance are conducted regularly to support public safety throughout our service area.

On the west side of town, the well located near our water tower at Calhoun and Forrest has been placed into service and is fully operational. On the east side of our system, construction continues on our final planned water tower in Kelly Plantation. This 500-million-gallon storage tank is expected to be online in early 2027, following completion of construction, painting, and final inspections.

At the WWTP, this past year has been focused less on construction and more on design and planning. We are

completing design and permitting work for the new property acquired from Indian Bayou. We are also evaluating improvements to our reclaimed water pump station to enhance performance and ensure long-term reliability.

Much of DWU’s work is forward-thinking, with built-in redundancies to ensure reliable service. As operational costs rise, the Board will review our rate structure to meet current needs and future demands responsibly.

Our mission statement reads:

“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 our work reflects that commitment. The projects and planning efforts outlined this evening demonstrate our dedication to serving you — our members — and to preserving the community we are proud to call home.

Thank you for your continued trust and support.

Tom Weidenhamer PRESIDENT

2025 TREASURER’S REPORT

Destin Water Users (DWU) continues to provide essential services to the community, ensuring safe drinking water and reliable wastewater management.

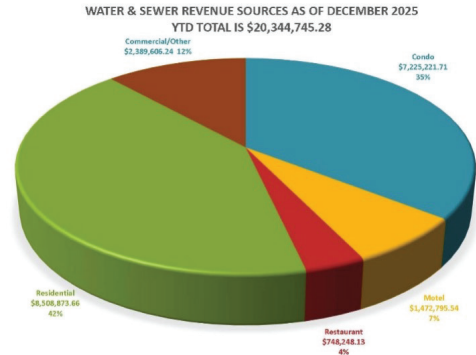
During the calendar year 2025, DWU maintained stable financial performance while continuing to invest in infrastructure improvements. Revenues slightly exceeded budget expectations while operating expenses were just below budgeted projections.

AUDITED FINANCIAL PERFORMANCE (FY2025)

- **Operating Revenue:** \$20.98 million, reflects a 7.7% increase from the prior year
- **Operating Expenses:** \$16.2 million, a 10.4% increase from the previous year, driven by rising costs of materials, chemicals, utilities, and labor costs.
- **Net Income:** \$5.1 million, a 13.1% increase over the prior year
- **Capital Investment:** \$6.5 million allocated to renewal of infrastructure, compliance upgrades, and system resilience projects.

KEY DRIVERS

- **Rate Adjustment:** Implemented a 5% rate increase effective January 1, 2025, so as to align with long-term financial planning goals.
- **Consumption Trend:** Slight increase in demand across most usage categories.
- **Net Income:** Grant income, decrease in debt service costs
- **Cost Pressures:** Inflationary impacts on materials, contracted services, increased compliance costs.



FINANCIAL OUTLOOK

The utility’s financial position remains stable. Long-term sustainability will depend on continued investment in infrastructure, prudent rate setting, and proactive asset management.

Destin Water Users is financially sound, meeting debt service obligations while also preparing for future challenges. Strategic planning, operational efficiency, and infrastructure investment remain top priorities to ensure safe and reliable service along with meeting the constantly changing regulatory compliance environment.

Jim Wood SECRETARY/TREASURER



DESTIN WATER USERS

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JIMMY NEILSON
Vice-President



JIM WOOD
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