



RENEWAL



GREENVILLE, SOUTH CAROLINA

ANNUAL REPORT TO THE COMMUNITY
FOR THE YEAR ENDED JUNE 30, 2012

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Dear Valued Community Member, at Renewable Water Resources (ReWa or the Agency), our goal is to promote a cleaner environment. We protect the public health and water quality of the Upstate waterways, while providing and developing the necessary sewer infrastructure for growth. Our name – Renewable Water Resources – is our ongoing promise to protect, clean and renew the valuable environmental resources of our community.

For several years, we have focused our organizational strategy on national best practices, as established in the National Association of Clean Water Agencies Effective Utility Management Primer. In last year’s annual report, we shared with you the progress we had made in each of the ten effective utility management attributes. We keep an internal scorecard of our performance and progress, and update it regularly to ensure each department and project is held accountable to a higher standard for utilities.

This year, we are excited to share with you the significant strides we have made within the attribute of Product Quality. We have advanced our technology and operations to produce several renewable by-products, of which we will share more on pages six and seven. When thinking about the by-products derived from ReWa’s wastewater treatment, clean water likely comes to mind. ReWa is currently engaged in several projects that use our renewable by-products while maintaining our commitment to protect the local environment.

These renewable initiatives are part of our investment in the community. In addition to addressing changes in technology and the treatment process, we also want to stress the importance of prevention through environmental stewardship. That is why we have also focused heavily on our public education and community outreach which is featured on pages eight and nine. As a community, our actions impact those around us as well as future generations, so we at ReWa want to encourage Upstate residents to learn more about how their home, neighborhood and county can positively impact the health of South Carolina as a whole.

You can learn more about these outreach initiatives, as well as organizational and community updates, through our website or quarterly e-newsletter. In this annual community report, you will also find a summary of our past fiscal year, highlighting our strong financial position, as well as award recognition for the outstanding efforts of our staff. Please feel free to contact us with any feedback or questions; we feel it is important to stay in touch with our community. Visit www.rewaonline.org or call 864-299-4000.

Thank you for your continued support.

Sincerely,

Ray T. Orvin, Jr.
EXECUTIVE DIRECTOR



Wastewater treatment utilities across the country are facing challenges, such as the need for increased capacity and stricter environmental regulations. One of our current operational improvements is the Inflow & Infiltration (I & I) Reduction Program.

I & I is a process through which rainwater and groundwater enter our sewer system, affecting the wastewater treatment process. The additional amount of water that I & I adds to the sewer system can double or even triple the volume that treatment plants normally receive.

Removing excess water from the collections system helps by:

- Reducing the need to build new wastewater treatment plants in the future
- Reducing the potential for property damage
- Ensuring a clean environment for future generations

ReWa has created an Upstate-wide I & I Reduction Program in partnership with its 16 subdistricts (see back cover) to maintain approximately 2,050 miles of lateral/collector sewer lines which connect to ReWa's 344 miles of major sewer trunk lines. The program includes flow monitoring, periodic sewer line inspections, manhole inspections, and active repair and rehabilitation programs.

The success of the I & I Reduction Program has provided an industry model for other communities to address this infrastructure and environmental challenge.

ReWa recently documented the successes of the I & I Reduction Program in the whitepaper titled:

"Inflow & Infiltration: A System-Wide Sewer Rehabilitation Program."

To read the whitepaper, visit www.rewaonline.org/inflow-infiltration.php.

Throughout the past six years, the I & I Reduction Program has decreased I & I by more than

54%

ReWa Service Area



FINANCIALS

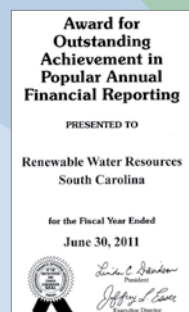
ReWa is focused on continual improvement through both long-term and near-term strategic planning.

ReWa is committed to long-term strategic planning as demonstrated by the Upstate Roundtable Plans of 1994 and 2009, conducting rate studies in five-year increments and maintaining rolling five-year capital improvement plans. Additionally, ReWa believes that near-term monitoring is the only way to achieve long-term goals. As mentioned in prior years, management has developed reporting tools utilizing a combination of the framework set forth in the Effective Utility Management Primer and the Balanced Scorecard to ensure achievement of both long-term and near-term plans. Bond ratings and rate adequacy are indicators of an organization's financial viability, one of the ten attributes identified in the Effective Utility Management Primer.

Consistent with the Financial Viability attribute, the Upstate Roundtable Plan set forth the objective for ReWa to obtain the lowest cost of funding. In fiscal year 2012, ReWa refunded \$79.8 million of the Series 2005 bonds with the Sewer System Refunding Revenue Bonds, Series 2012 in the amount of \$71.4 million. The refunding generated a net present value savings of \$6.5 million, as well as the recapture of \$8.6 million from the debt service reserve. Moody's Investors Service assigned its Aa3 rating to the Series 2012 and affirmed the Aa3 rating on ReWa's junior lien debt and the Aa2 rating on ReWa's senior lien debt; furthermore, Standard & Poor's Ratings Services assigned its AA to the Series 2012 and affirmed its AA rating on ReWa's senior and junior lien debt. Additionally, ReWa was able to benefit from two grants in fiscal year 2012. ReWa received \$0.5 million from the US Department of Energy, administered by the State of South Carolina, to produce electricity using digester gas and \$0.1 million through the Budget and Control Board Office of Local Government to increase energy efficiency at ReWa's facilities.

ReWa's overall financial position improved during fiscal year 2012 as net assets grew 4.7%. Net assets can be calculated by taking total assets (what we own) less total liabilities (what we owe). Net assets increase when revenues are greater than expenses. In fiscal year 2012, total revenues equaled \$75.0 million, total expenses were \$63.0 million and capital project cost reimbursements were \$0.6 million, resulting in a net asset increase of \$12.6 million to \$280.1 million. The increase is attributable to scheduled rate increases, modest customer growth and a significant increase in new account fees, as well as decreases in interest, amortization, and other non-operating expenses.

FINANCIAL REPORTING AWARDS



ReWa was presented with two prestigious financial awards from the Government Finance Officers Association in 2012. The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to ReWa for its Popular Annual Financial Report for the fiscal year ended June 30, 2011 (see left). The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

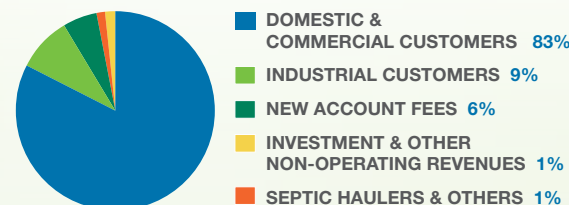
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual

Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

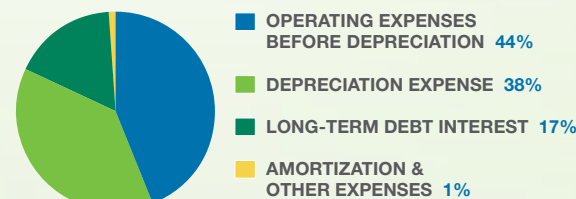
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. ReWa has received a Popular Award for the last 14 consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

ReWa also received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This is the 19th consecutive year that ReWa has achieved this impressive award. Receipt of this award represents the highest form of recognition in the area of governmental accounting and financial reporting.

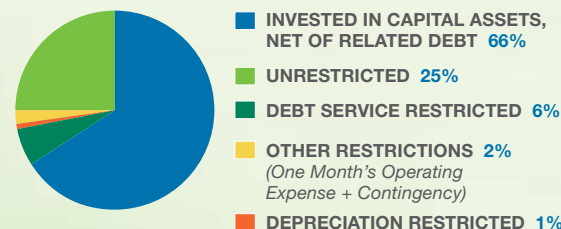
2012 TOTAL REVENUES \$74,954,485



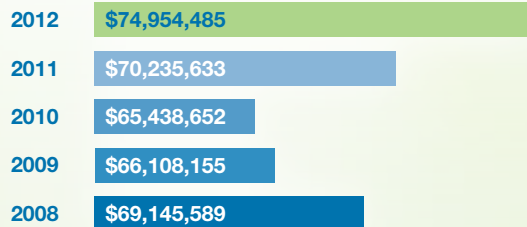
2012 TOTAL EXPENSES \$63,020,630



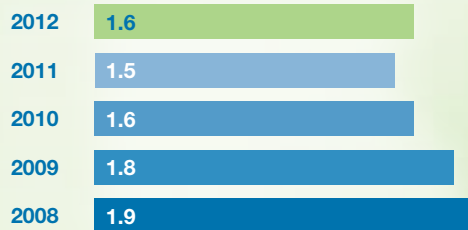
2012 NET ASSETS¹ \$280,053,181



TOTAL REVENUES

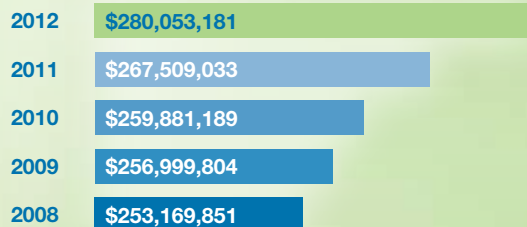


DEBT COVERAGE



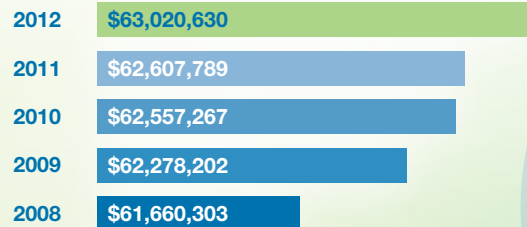
Total Revenues – Total Operating Expenses
Annual Debt Service

NET ASSETS¹

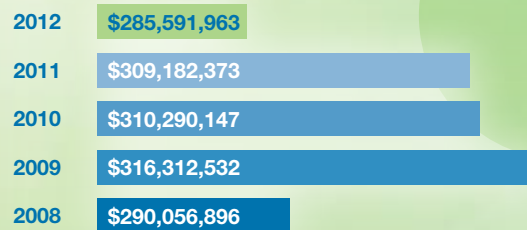


¹ Includes Capital Project Cost Reimbursements

TOTAL EXPENSES



LONG-TERM DEBT LEVEL



Does Not Include Premiums

ABBREVIATED BALANCE SHEET COMPARISON



REPORT DISCLOSURE

The abbreviated Balance Sheets presented in this report provide an overview of ReWa's financial health as of June 30, 2011 and 2012, respectively. It illustrates the relationship between ReWa's assets and liabilities with the difference representing net assets. Monitoring net assets is another way to assess ReWa's Financial Viability; other indicators include debt coverage, overall debt levels, as well as the aforementioned bond ratings. All of the financial information presented in this report is intended to summarize and simplify the information contained in the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles and consists of audited financial statements, notes, and required supplementary information. In addition, the statistical section of the CAFR offers ten-year trend data on the following subjects: financial, revenue capacity, debt capacity, demographic and economic information, and operating information. This report is intended to enhance the understandability of the CAFR and is not regarded as a replacement. The CAFR is available on our website at www.rewaonline.org, by contacting our Accounting Department by mail at 561 Mauldin Road, Greenville, SC 29607 or by phone at 864-299-4036. As you review this report, please feel free to share any questions or comments with us.

Patricia R. Dennis

Patricia R. Dennis, CPA
Controller

RENEWABLE BY-PRODUCTS



In 2010, our Agency adopted the Effective Utility Management Primer and the ten attributes of effectively managed water sector utilities (displayed above). These best practices were developed by a partnership between the US Environmental Protection Agency (EPA) and six national major water and wastewater associations to guide utilities to success for the benefit of the environment and community.

ReWa has gone above and beyond the industry standards in the Product Quality attribute which is defined as producing Clean Water that meets all health and environmental needs and regulations. In addition to Clean Water, ReWa is reusing the by-products of Biosolids Fertilizer and Methane Gas. ReWa also strives for zero environmental impact to local Air Quality.

BIOSOLIDS FERTILIZER

With state-of-the-art equipment, ReWa wastewater treatment plants reclaim safe organic material from the millions of gallons of wastewater cleaned daily. These nutrient-rich organics, called biosolids, can be beneficially reused as a natural and environmentally friendly fertilizer.

All biosolids recycling must meet strict quality standards established by the EPA and the South Carolina Department of Health & Environmental Control (SCDHEC). The use of biosolids as a fertilizer and soil amendment is beneficial to farmers, communities and municipalities. This method of reuse is more environmentally friendly than previously utilized methods of land-filling or incineration, and is more cost effective for rate payers and farmers.



The National Biosolids Partnership (NBP) recognized ReWa as the 33rd organization in the United States to be certified and admitted to the Environmental Management System for its Biosolids Program. ReWa is the first organization in South Carolina to receive this qualification. The NBP certification recognizes that ReWa's biosolids program is independently verified. ReWa fulfills excellence in biosolids management practices, exceeds or augments regulatory compliance obligations, and provides meaningful opportunities for public participation.

Learn more at www.rewaonline.org/biosolids-program.php.



METHANE GAS

The newest product to be reclaimed at ReWa's facilities is methane gas. With a \$500,000 grant from the US Department of Energy, ReWa constructed a Combined Heat & Power (CHP) generator at its largest plant on Mauldin Road.



Administered by the SC Department of Energy, the funding was provided to further developments in 'green' power. ReWa's CHP system will utilize methane gas, an existing by-product of the digester stage of the treatment process, to fuel an engine generator. The 1,100 horsepower engine generates up to 800 kilowatts of energy. **ReWa's system volume will generate enough energy to power the equivalent of 480 homes.**

This energy will be used to power the Mauldin Road facility and/or to sell back to the power grid as green energy, greatly reducing utility costs. In addition, the lifetime savings of this project is approximately \$4 million.

The methane reuse process not only generates electricity, but also recovers heat from the engine exhaust and engine cooling, which in turn maintains the process that generates the methane gas. Utilizing this sustainable energy source represents a great leap forward in environmental stewardship.



CLEAN WATER

Despite our recent rainy season, many areas in South Carolina remain in moderate or even severe drought status. As the demands on our water supplies continue to increase, we must seek alternative ways to manage our needs.

The beneficial reuse of treatment facility effluent for non-potable uses has long been a solution in other parts of the country where water resources are not as readily available as in the Upstate. **In efforts to bring this environmentally sound practice to the Upstate, ReWa is now in the planning stages to make its treated clean water available within practical distances of its treatment plants.**



Clean water will be fully treated to meet SCDHEC and EPA permit regulations using processes that meet all of SCDHEC's design standards. The final product will pass through deep bed sand filters and will be disinfected with ultraviolet wavelengths and/or chlorination. This will make the clean water safe for uses such as golf course and recreational field irrigation. This product is nationally represented by purple infrastructure.

AIR QUALITY

Air quality and air emissions are a priority in our sustainability goals. **In addition to being good environmental stewards in saving energy, ReWa goes above and beyond State and Federal regulations and DHEC permit standards.** ReWa also monitors for potential air pollutants at our wastewater treatment facilities to contain and reduce its sources as we strive for zero environmental impact with the by-product of Air Quality.

As one of the larger power users in Greenville County, ReWa voluntarily participates in Duke Energy's PowerShare® Program to reduce ReWa's energy usage, operating costs and carbon footprint. ReWa curtails its electricity usage during peak energy demands and utilizes other cost effective sources of energy: either methane from the treatment process or diesel powered generators. The program reduces ReWa's need to utilize power through Duke Energy enabling them to maintain low energy rates and balance supply and demand.

To qualify for this program, ReWa's participating wastewater treatment facilities are required to follow more stringent regulations for air quality. ReWa is proactively performing equipment upgrades and operational improvements and tracking Nitrogen Oxide (NOx) to prevent potential air pollutants.



PROJECT Rx[®] a River Remedy

Project Rx: A River Remedy is a semi-annual medication take-back event led by ReWa, along with several other community partner organizations. The event is the result of studies reporting the hazards of improper disposal of unwanted prescription and over-the-counter medications by flushing or pouring them down the drain. Project Rx holds two major take-back events each year; one in the Spring and one in the Fall at various locations throughout the Upstate. At the event you can drop off your old or expired medication to be properly



www.ARiverRemedy.org

disposed of. The events are typically held in conjunction with the US Drug Enforcement Administration's National Drug Take-Back Day and are for households only.

The five events have collected a combined weight of 6,756 lbs of unwanted medications for proper disposal. This past April, the National Association of Clean Water Agencies recognized ReWa with the 2012 Public Service Award for Project Rx.

Quick Tips

- Mark out all of your personal information on the prescription label with a dark permanent marker.
- Keep all medications in the original containers, leaving the labels on the bottles to identify the drug. Event staff will need this information to ensure proper disposal procedures.
- If the pills are individually wrapped in plastic and foil, carefully pop out all the pills, put them in a sealed plastic bag and write the name of the drug on the bag.

pipe patrol

Although most of us are aware of the potential health risks associated with excessive fats, oils and grease in our diet, we do not realize that putting these into our sewer system poses a public health hazard and threatens the environment.

Pipe Patrol is an educational campaign designed by ReWa to inform our community about the hazards of pouring fats, oils, and grease (FOG) down the drain. **Pouring FOG down your drain can harm your home and your local environment as well as cause problems during the wastewater treatment process.** By being conscious of your disposal of FOG, you



www.PipePatrol.org

can help prevent sewer pipe blockages in your home which can be inconvenient and expensive to the homeowner. Utilize the tips below to help reduce the required maintenance and expense of FOG lined pipes, and protect our community from sewer overflows.

Tips To Avoid The Fog Clog

- Pour FOG into a container rather than down the drain. Once the FOG cools and hardens it can be disposed of in your garbage.

- Empty soup and vegetable cans or pickle and mayonnaise jars with resealable lids make great FOG disposable containers.
- Add kitty litter or put your FOG container into the freezer to speed up the FOG hardening process.
- Scrape food scraps from dishes and utensils directly into the trash rather than the sink or the garbage disposal.
- Wipe greasy dishes, pots and pans with a dry paper towel to soak up FOG residue before rinsing or washing them.



www.BeFreshwaterFriendly.org

Be Freshwater Friendly is a campaign to help educate the Upstate on how small changes in our day-to-day actions can have a great impact in our local rivers, lakes and streams. Being friendly to freshwater sources will protect aquatic wildlife, provide clean water for drinking and recreational use, and preserve our watershed for the long-term.

YARD SAVVY **Green Your Grass, Not Your Lakes**

Lawn fertilizers contain Nitrogen and Phosphorus as major ingredients to enhance lawn growth. Excess amounts of these nutrients can lower oxygen content in our waterways and negatively impact aquatic life.

- When maintaining your lawn and garden, start by testing the soil. You may find you don't need additional nutrients.
- Look for fertilizer with low concentration N-P-K (Nitrogen-Phosphorus-Potassium).
- Do not overwater and water only in the mornings. Excess runoff can carry pollutants such as Phosphorus with it.

LABEL WISE **It's All About the Fine Print**

Many common products, like paints, pesticides and personal care products contain Nitrogen and Phosphorus. While everyone needs to use these types of items, you can help by reducing the amount used each time and by properly disposing of excess.

- Look for products with low "phosphate" or some variation when shopping.
- Use or save extra latex or acrylic paint, or solidify with kitty litter before throwing in the trash.
- Check with your local solid waste division for proper hazardous waste disposal methods.

POOP ETIQUETTE **It's Everybody's Business**

Pet waste is not something people typically think of as pollution, but unscooped waste can be washed by rain into our rivers, lakes and streams. Pet waste contributes Nitrogen, Phosphorus, parasites and fecal bacteria to water bodies.

- Pick up all pet waste especially if you walk your dog near creeks or streams.
- Use a plastic bag to scoop the poop and dispose of it in the trash.
- Do not put pet waste in your compost pile.

SEPTIC SMARTS **Maintain & Sustain**

Septic tanks need to be regularly inspected and pumped to minimize the chance of failure. When septic tanks fail, contents can be a major source of pollution to the environment.

- Inspect your system annually.
- Pump out every 3-5 years.
- Use septic system additives only when necessary.



ORGANIZATIONAL AWARDS

ORGANIZATIONAL AWARDS

- ReWa received the 2011 Excellence in Management Recognition award from the National Association of Clean Water Agencies (NACWA).
- ReWa received certification and induction into the National Biosolids Partnership Environmental Management System Program.
- Five of ReWa's wastewater treatment plants: Georges Creek, Grove Creek, Lower Reedy, Marietta and Piedmont won the South Carolina Department of Health and Environmental Control's Outstanding Facility Award.
- Eight of ReWa's wastewater treatment plants: Durbin Creek, Georges Creek, Gilder Creek, Grove Creek, Lower Reedy, Marietta, Pelham, and Piedmont, as well as multiple departments: Administrative & Engineering Services, Industrial Pretreatment, Instrumentation, Laboratory, Maintenance and Solids Management won the South Carolina Chamber of Commerce Safety Awards.
- ReWa's Operations Challenge Team placed sixth at the National Water Environment Federation's Annual Technical Exhibition and Conference, competing against 26 other teams from the US and Canada. The team was eligible for national competition after winning second place at the state competition.
- ReWa received the Achievement of Excellence in Procurement Award from the National Purchasing Institute.
- All of ReWa's wastewater treatment plants received 2011 Peak Performance Awards from NACWA. Georges Creek, Gilder Creek, Marietta, and Mauldin Road plants received Platinum level awards; Durbin Creek, Grove Creek, Lower Reedy, and Piedmont plants received Gold level awards; and the Pelham plant received the Silver level award.



INDIVIDUAL AWARDS

- Charles Vasulka, Engineering Supervisor, received the 2011 Engineer of the Year award from the Water Environment Association of South Carolina (WEASC).
- Ted Kelly, Electrical/Electronics/Instrumentation Technician, received the 2011 Maintenance Person of the Year Award from WEASC.
- Dr. Stephen P. Graef, Environmental Consultant/former Technical Services Director, received the prestigious Order of the Silver Crescent award from SC Governor Nikki Haley. Graef was also recognized with the 2012 National Environmental Achievement Award from NACWA.

COMPLIANCE EXCELLENCY AWARDS

ReWa proudly recognized 44 local industries for demonstrating excellent compliance with environmental standards in ReWa's Sewer Use & Pretreatment Regulation. Visit www.rewaonline.org to view the full list of our excellent industry participants.

Two industries in particular have demonstrated exceptional longstanding commitment:

- 19 consecutive years- General Electric Gas Turbine, LLC
- 14 consecutive years- Mitsubishi Polyester Films, Inc.

COMMUNITY PARTNERSHIP EVENTS

ReWa participates in a variety of community events to extend its educational programs to the public and contribute to other environmental efforts. Below are a few examples of our outreach programs this year:

- Greenville Technical College's EarthFest 2012
- Metropolitan Arts Council Flat Out Under Pressure art competition and recycling project
- South Carolina's Adopt-A-Highway Program
- The Goodwill Foundation's 5th Annual Goodwill Big Dig
- Upstate Spice of Life Show's Green Living Program



EMPLOYEE GIVING

Throughout the year, ReWa is a strong supporter of both the March of Dimes and United Way. In addition to donations, employees support these charities through fundraising events, such as a Horse Shoe tournament (pictured left), the Freshwater Freddie Golf Tournament and the March for Babies Walk. As a United Way Pacesetter, ReWa surpassed its annual United Way goal of \$92,000 and raised \$94,420 with 97% employee participation. ReWa employees also raised \$3,023 for the March of Dimes.



RIVER SWEEP

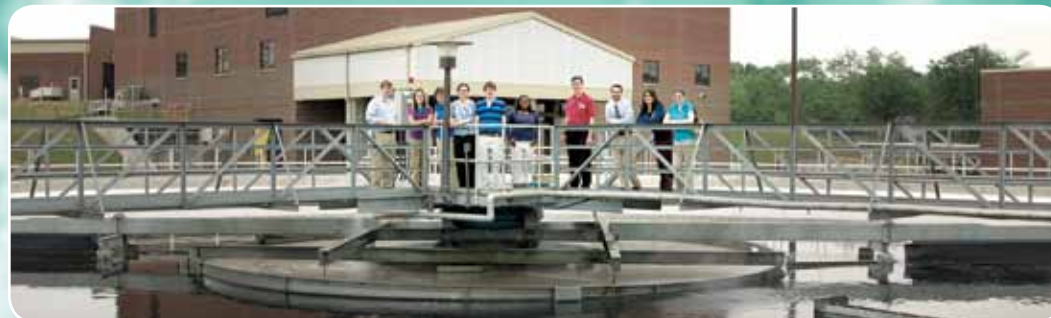
In September, ReWa held its Annual Reedy River Sweep, a volunteer event for ReWa employees to give back to the environment. The participants collected trash and debris from the Reedy River at the Mauldin Road Facility. The 1.5-mile riverfront at the intersection of I-85 and Mauldin Road runs through the property and serves as the receiving stream for the plant's effluent. Over the past several years, the River Sweep team has collected more than a ton of trash and debris.



EDUCATIONAL TOURS

ReWa regularly hosts facility tours for various groups as part of ReWa's public education program. This program is an ongoing effort to increase awareness about the importance of the wastewater treatment process and how day-to-day actions impact our rivers, lakes, and streams. Some of this year's attendees included:

- Boy Scouts
- Christ Church Episcopal School
- Furman University
- Greenville Classical Academy
- Greenville Technical College
- Home schoolers
- Pendleton High School
- Piedmont Community
- Tanglewood Middle School



REWA & SUBDISTRICTS

**Anderson County
Wastewater Management**
864-260-4023

**Berea Public
Service District**
864-294-4848

City of Fountain Inn
864-409-3334

**Gantt Fire, Sewer
& Police District**
864-277-7301

City of Greenville
864-467-4598

**Greer Commission
of Public Works**
864-848-5500

**Laurens County Water
& Sewer Commission**
864-682-3250

**Marietta Water, Fire,
Sanitation & Sewer District**
864-836-6878

City of Mauldin
864-288-4910

**Metropolitan
Sewer Subdistrict**
864-277-4442

**Parker Sewer &
Fire Subdistrict**
864-467-4030

**Pickens County Public
Service Commission**
864-898-5851

**Renewable
Water Resources**
864-299-4000

**City of Simpsonville
Public Works**
864-967-9531

**Taylors Fire &
Sewer District**
864-244-5596

City of Travelers Rest
864-834-7958

**Wade Hampton Fire
& Sewer District**
864-244-0390



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This report is printed and distributed to the community for less than 23¢ per piece.



561 MAULDIN ROAD | GREENVILLE, SC 29607

WWW.REWAONLINE.ORG