

A Look Back: Cultivating Sustainability since 1925



Mauldin Road Facility Then And Now



GREENVILLE, SOUTH CAROLINA

Board of Commissioners

J.D. Martin

Chairman

Appointed 2001

L. Gary Gilliam

Vice Chairman

Appointed 2006

Ray C. Overstreet

Secretary/Treasurer

Appointed 2010

Michael B. Bishop

Appointed 2006

John V. Boyette, Jr.

Appointed 2004

George W. Fletcher

Appointed 2001

Daniel K. Holliday

Appointed 2013

Billy "Butch" D. Merritt, Jr.

Appointed 1984

Willie J. Whittaker, Jr.

Appointed 1985



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1925
*Greater Greenville
Sewer District*

Board of Commissioners

B. A. Morgan
Chairman

W. C. Bobo

Alvin H. Dean

DuPont Guerry, Jr.
Secretary

T. C. Gower

Dear Valued Community Member,

At Renewable Water Resources (ReWa or the Agency), our mission is to protect the public health and water quality of the Upstate waterways, while providing and developing the necessary sewer infrastructure for the growing population and economic development.

We would like to share with you how our organizational and operational framework has created an award-winning and responsible organization with a culture of continuous improvement focused on environmental sustainability. Throughout our 89 years of service, ReWa has optimized operational efficiencies by incorporating advanced technology, such as a membrane bioreactor, which provides the highest quality of clean water for our community. Preserving our local waterways is of utmost importance to ReWa as demonstrated by our public education campaigns, community outreach programs and environmental stewardship initiatives.

Reaching this point in our organizational journey has truly been a culmination of smaller successes and note-worthy achievements at every turn. In this year's annual report, we would like to present some of those highlights through our history – both organizational and educational. You will also find an overview of the past fiscal year: recognizing the outstanding accomplishments of our staff and emphasizing our strong financial position.

We believe in keeping an open conversation with our community, so I welcome you to contact us with any questions or feedback at 864-299-4000 or www.rewaonline.org.

We would like to thank you for your continued support.

Sincerely,



Ray T. Orvin, Jr.
EXECUTIVE DIRECTOR
Serving Since 1993



LEARN MORE ABOUT REWA'S PUBLIC EDUCATION CAMPAIGNS:



www.PipePatrol.org



www.BeFreshwaterFriendly.org



www.aRiverRemedy.org

Historical Highlights

Organizational & Operational

Greenville continues to thrive as an economic engine which is indicated by the numerous accolades and national recognitions. This growth, benefiting the whole community, is possible because of the clean, safe and reliable infrastructure from regional water and wastewater systems. At ReWa, we are passionate about clean water. We make every effort to foster growth and development in the Upstate by providing high quality wastewater treatment. The timeline below reflects the milestones that have shaped our service to the community throughout the years.



AN ACT.

THE CREATION AND ESTABLISHMENT OF A SEWER DISTRICT
COUNTY AND TO PROVIDE FOR THE GOVERNMENT THEREOF.
Be it enacted by the General Assembly of the State of
South Carolina: That there be and there is hereby created a
Greenville County a District to be known as the
Greenville Sewer District, with such duties, power and
jurisdiction as may be provided and including such territory and
water as may be designated.

1925: South Carolina ACT ("ACT") 362 created the Greater Greenville Sewer District to improve sanitary conditions and established a governing Commission of five members, all residents of Greenville County.

1945: Methane gas, a renewable byproduct of the treatment process, was utilized to partially power the anaerobic digestion (biological) process.

1928:

The Mauldin Road Facility, designed by J.E. Sirrine, was constructed and remains in operation today.



1948:

The Federal Water Pollution Control Act was the first major law to address water pollution and conservation by creating water quality programs.

1929: ACT 443 provided for the creation of subdistricts, many of which are still current partners. See back cover for a current list of subdistrict partners.

1920

1940

1960

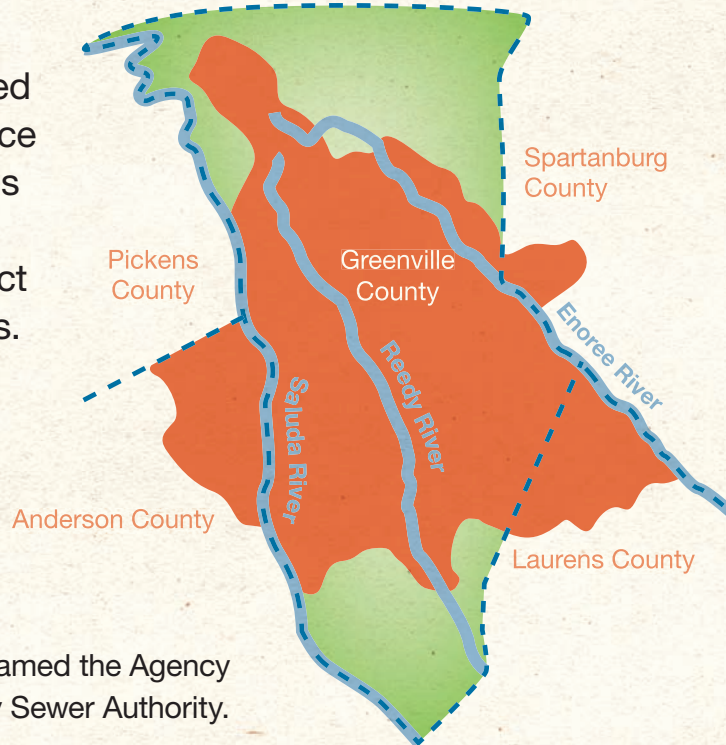
1970

1967:

ACT 745 broadened the Agency's service area and functions to operate and maintain subdistrict treatment facilities.

REWA SERVICE AREA

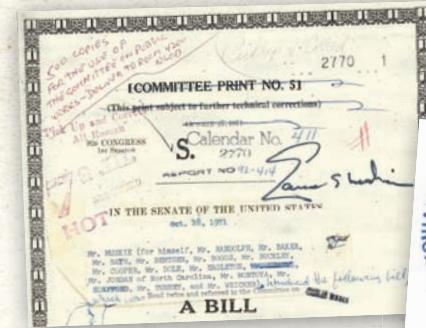
- = County Lines
- = ReWa Service Area
- = Rivers



1968: ACT 1541 renamed the Agency to Greenville County Sewer Authority.



1969: ACT 688 established the Agency as the primary wastewater treatment provider in the growing Greenville area by transferring ownership of the subdistrict trunk lines and treatment facilities from the subdistricts to the Agency. The Commission was increased to seven members to include representation from Anderson and Laurens Counties.



1972:

The Federal Water Pollution Control Act Amendments, commonly known as the Clean Water Act, was passed into law and was enacted to restore and maintain the integrity of the nation's waters under the supervision of the EPA.



1974:

ACT 1415 renamed the Agency to Western Carolina Regional Sewer Authority.

1979: ACT 277 increased the Commission to nine members.

Historical Highlights

1980

1984:

De-chlorination was introduced into the Agency's treatment process.

1989:

The Agency launched its **Biosolids Program** with a demonstration project of recycling biosolids at the Durbin Creek Facility hay fields.



To read more about our **BIOSOLIDS PROGRAM**, visit www.rewaonline.org/biosolids-program.php.



1990



1994: A water reuse demonstration project was initiated at the Durbin Creek Facility.



UpstateRoundtable

1994: The Upstate Roundtable, a volunteer community collaboration, developed a 20-year strategic plan to align regional wastewater infrastructure with projected growth, while promoting environmental sustainability.

1996: The Biosolids Land Application Program was introduced, providing the local farming community with environmentally-friendly fertilizer.

1998: Advanced phosphorus removal was introduced into the Agency's treatment process.

2000

2004: The Agency enhanced effluent quality by introducing ultraviolet disinfection and installing deep bed sand filters.



2008:

The Upstate Roundtable reconvened to update the 20-year strategic plan, guiding the Agency through 2030.



2008: Construction was completed on the Agency's Silver LEED certified administration building.

2009:

ACT 102 renamed the Agency to **Renewable Water Resources** reflecting the promise to renew the valuable resources of our community.

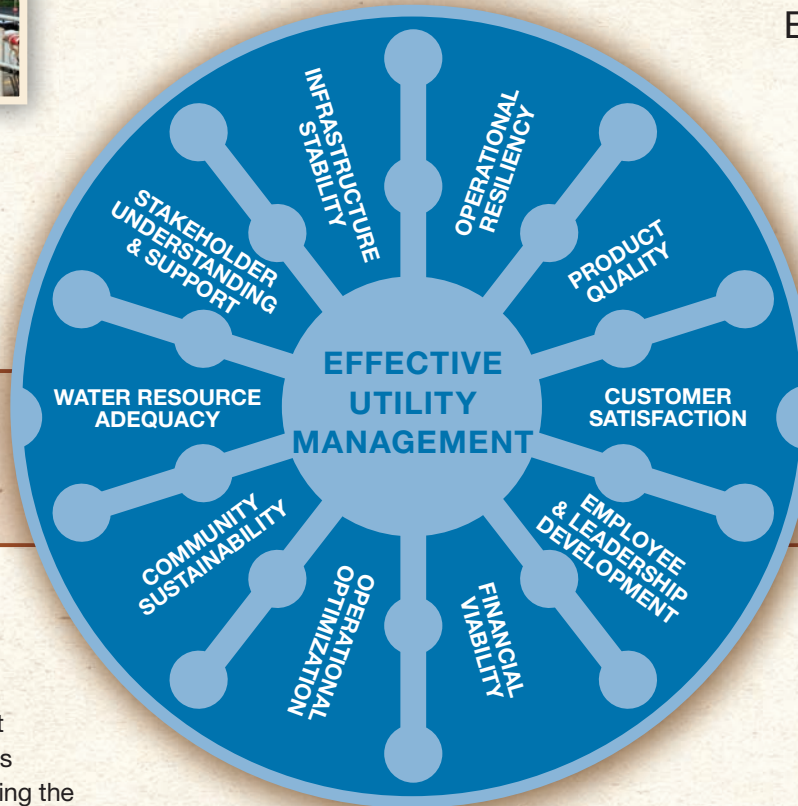
2010: ACT 311 expanded the Agency's authority to use, market and set rates related to the generation of goods and energy derived from byproducts of the treatment process, such as methane gas.



2011:
Methane gas was utilized to power generators.

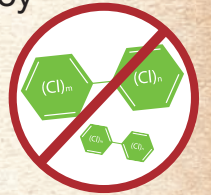
2010

2010:
The Agency adopted the National Association of Clean Water Agencies' (NACWA) **Effective Utility Management Primer**, which includes the ten attributes of effectively managed water sector utilities.



2013 & 2014:

The Agency demonstrated operational resiliency in response to the illegal dumping of Polychlorinated Biphenyls (PCBs).



2013: Partnered with the City and County of Greenville under the EPA's 5R approach, which is a collaborative effort that provides flexibility on how organizations apply their resources to achieve water quality standards.

2014

2014: Invested \$13.9 million in capital improvement projects which included plant control system implementations, sewer line rehabilitations and pump station upgrades.



2012: The Piedmont Regional Facility was constructed, signifying the attainment of all needs identified in the 1994 Upstate Roundtable plan. This facility provides a higher level of treatment via the addition of membrane bioreactor technology.



2012: The National Biosolids Partnership recognized the Agency as the 33rd organization in the United States to be certified and accepted into the Environmental Management System for the Biosolids Program.

2014:

In the year ending June 30, 2014, the Agency treated an average of **42 million gallons** of wastewater per day and served over **127,000 customers**.

Historical Highlights

Educational

Over the last two decades, ReWa has developed and implemented various educational programs for adults and children alike. The goal of the educational efforts is twofold: to increase awareness of behaviors that have environmental consequences, and to educate how changing those actions can have a positive result in our community.



2000: Created the **Fats, Oils and Grease (FOG)** program to educate the community on the hazards of pouring FOG down the drain.



2010: Project Rx: A River Remedy inaugural event was held to collect unused and expired medications for proper disposal. www.aRiverRemedy.org

2000

2010



2001: Freshwater Freddie, the Agency's educational mascot, was designed as a fun way to incorporate the Agency's educational initiatives into local school programs.



2011: Launched the **Be Freshwater Friendly** program aimed at educating the Upstate on how small changes in our day-to-day actions can have a great impact on our local waterways. The program initially featured five focus areas: **Curb Control, Label Wise, Septic Smarts, Yard Savvy** and **Poop Etiquette**. www.BeFreshwaterFriendly.org

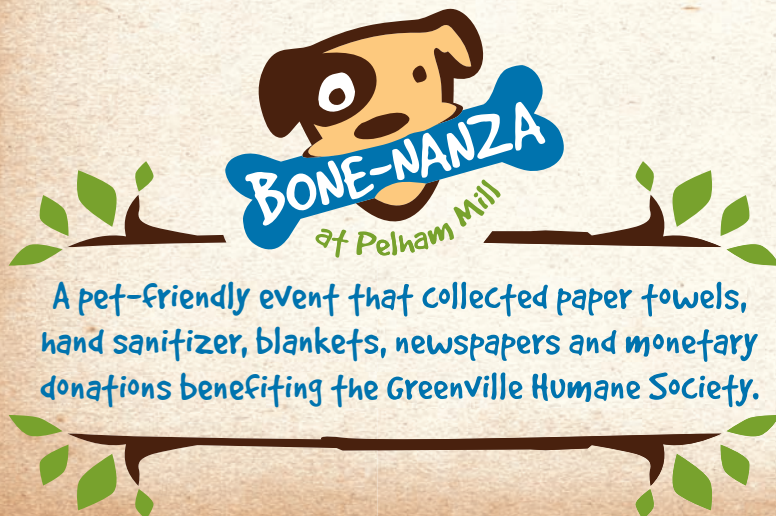
2012: Rebranded the FOG program as **Pipe Patrol**, a new focus area for Be Freshwater Friendly, and launched an educational website for residents and restaurants. www.pipepatrol.org



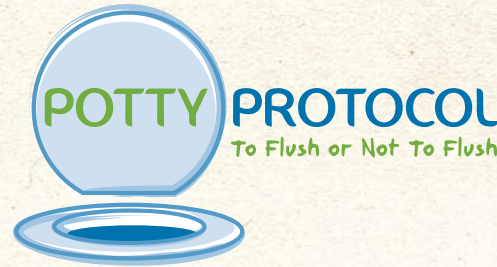
2013

2013: Promoted the **Poop Etiquette** focus of the Be Freshwater Friendly program at the inaugural **Bonenanza** dog park event. This past year, **Gunner** (pictured right) was the winner of the Casting Paw contest at the event, and he was featured as the face of our spring ad campaign.

Poop Etiquette raises awareness on the importance of picking up after our four-legged friends.



2014



2014: Be Freshwater Friendly introduced its newest focus - **Potty Protocol** - to educate the community about never using the toilet as a trash can. The only safe item you should ever flush is toilet paper. www.PottyProtocol.org



2014:

The Green Charter School hosted the first Be Freshwater Friendly essay contest for their 5th and 6th grade students to share their ideas on how to "Be Freshwater Friendly."



5th Grade Winner:
Jenny Zhang

6th Grade Winner:
Joseph Fernandez



Stay tuned for our **June 30, 2015** annual report.

Discover how we evolve in our **90th year** of operation.

Community & Awards

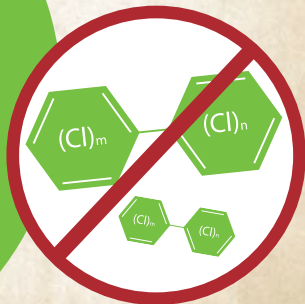
PCB Update

Three of the Agency's water resource recovery facilities were affected by illegal dumping of PCBs. These chemicals were used as coolants and lubricants in transformers, capacitors and other electrical equipment. PCBs were banned by Congress in 1979 because of evidence that they can build up in the environment and cause adverse health and environmental effects.

While there is an ongoing criminal investigation being conducted by the EPA to identify the source of this contamination; the Agency believes the PCBs entered the system through multiple discharges into grease interceptors at food service establishments, which either overflowed into our trunk lines or were later pumped by unknowing septage haulers and transported to the Agency's facilities. The Agency initiated a rigorous cleanup process, as well as implemented regulation changes and procedures to minimize the potential for future contamination. For more information on this topic, visit www.rewaonline.org/sewer-use-regulation.php.

PCB Information

Several utilities and businesses in North and South Carolina have been adversely impacted by illegal dumping of PCBs. The cost of ReWa's cleanup process has been almost \$5.0 million to date. If you have any knowledge or suspect anyone of illegally disposing of hazardous materials, such as PCBs, near a manhole or septage receiving facility, **call Crime Stoppers at 1-864-23-CRIME or ReWa at 864-299-4000.**



Employee Giving

ReWa continues to highlight the importance of community giving as a Pacesetter for United Way of Greenville County. Through company fundraisers and individual donations, our 200 employees raised more than \$104,000 for United Way this past year.



Employees also support the March of Dimes through the March for Babies Walk and various fundraisers throughout the year.

Community Involvement

We value community involvement and actively partner with many organizations:



To see more ways ReWa stays involved in our community, please visit www.rewaonline.org.

Educational Tours

Would you like to tour a ReWa facility? We regularly host facility tours for various age groups to learn about the importance of the wastewater treatment process and how day-to-day actions impact our waterways. Tour topics may be customized to age or interest of group. Request a tour at rewaonline.org/tours.php.



Can't come to us? We will come to you! In-class presentations are also available for area schools and other organizations. Please contact Ashley Rhinehart at ashleyr@re-wa.org.

Individual Awards



Dana Green
WEASC
Wastewater
Operator
of the Year



Joshua Webb
WEASC
Maintenance
Person
of the Year

Organizational Awards

- WEASC Collection System of the Year Award
- NACWA Excellence in Management Award
- NACWA Peak Performance Awards
- SC Chamber of Commerce Safety Awards
- NACWA National Environmental Achievement Public Information and Education Award for the Be Freshwater Friendly Campaign
- SC Department of Health and Environmental Control Facility Excellence Awards



Compliance Excellency Awards

Our Agency proudly recognized 43 local industries for demonstrating excellent compliance with environmental regulations throughout calendar year 2013. Our staff applauds these good neighbors for their outstanding efforts in helping to achieve a cleaner environment in the Upstate. To view our award recipients, visit rewaonline.org/industrial-awards.php.

Financial Reporting Awards

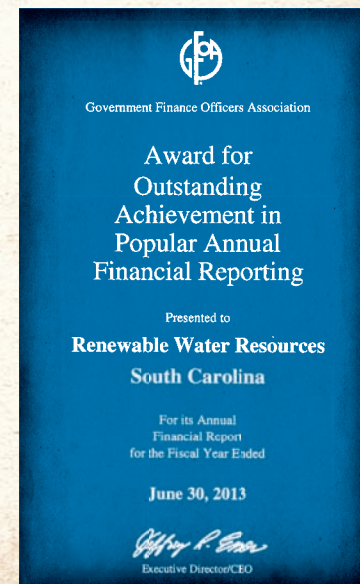
ReWa was presented with two prestigious financial awards from the Government Finance Officers Association (GFOA) in 2014.

The GFOA presented the **Outstanding Achievement in Popular Annual Financial Reporting Award** to ReWa for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2013. 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 this honor, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. ReWa has received this honor for the last 16 consecutive years; however, the award is valid for a period of one year only. 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, 2013. This is the 21st 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.



Visit rewaonline.org
to view all of our awards.



Financials

Fiscal Year 2014

During fiscal year 2014, ReWa's net position increased 2.4% or \$6.7 million to \$290.6 million as a result of current year operations. ReWa's financial position continues to be strong and stable despite being faced with the aforementioned PCB challenges as nearly \$5.0 million was spent on the PCB remediation plan. ReWa's sound financial practices, as well as management's agility has enabled us to implement several new programs to safeguard ReWa's system and minimize the potential of future contamination while maintaining our Capital Improvement Program and operational compliance.



Abbreviated Statements of Net Position

June 30,	Total Assets & Deferred Outflows	Total Liabilities & Deferred Inflows	Total Net Position
2014 ¹	\$568,999,724	\$278,351,552	\$290,648,172
2013 ¹	\$583,864,166	\$299,916,911	\$283,947,255
2012	\$596,170,447	\$316,117,266	\$280,053,181
2011	\$596,465,874	\$328,956,841	\$267,509,033
2010	\$587,940,157	\$328,058,968	\$259,881,189

¹ During fiscal year 2014, ReWa adopted GASB No. 65, Items Previously Reported as Assets and Liabilities which required retroactive application, therefore fiscal year 2013 net position has been restated.

$$\begin{array}{l}
 \text{Total Assets} \quad \& \quad \text{Deferred Outflows} \quad - \quad \text{Total Liabilities} \quad \& \quad \text{Deferred Inflows} \quad = \quad \text{Net Position} \\
 \text{(what we own)} \quad \quad \quad \text{(resources used which are} \quad \quad \quad \text{(what we owe)} \quad \quad \quad \text{(resources received which are} \\
 \quad \quad \quad \text{applicable to a future period)} \quad \quad \quad \text{applicable to a future period)}
 \end{array}$$

Net Position

2014	\$290,648,172
2013	\$283,947,255
2012	\$280,053,181
2011	\$267,509,033
2010	\$259,881,189

- New Account Fee**
 A one-time charge implemented as a means of covering the costs to provide capacity.
- Operating Expenses**
 Expenses incurred in carrying out ReWa's day-to-day operating activities.
- Capital Expenditures**
 Amounts spent to purchase or upgrade assets (buildings, trunk lines, equipment, vehicles, etc.) in order to increase capacity or efficiency. Capital expenditures are typically funded through a combination of internal reserves and debt. Such expenditures are capitalized as assets when placed in service and depreciated over their useful life.
- Depreciation**
 A decrease in value of an asset over time.

Report Disclosure

The abbreviated Statements of Net Position presented in this report provide an overview of ReWa's financial health as of June 30, 2014. It illustrates the relationship between ReWa's assets, plus deferred outflows of resources, minus liabilities, and deferred inflows of resources, with the difference representing net position. Monitoring net position is another way to assess ReWa's Financial Viability (one of the ten attributes identified in the Effective Utility Management Primer); other indicators include debt coverage, overall debt levels, as well as, bond ratings. Please refer to page 15 for additional information on debt.

The Comprehensive Annual Financial Report (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 or by contacting the Controller, Patricia Dennis, by mail at 561 Mauldin Road, Greenville, SC 29607, by phone at 864-299-4036 or via email at patriciad@re-wa.org. As you review this report, please feel free to share any questions or comments.

Sincerely,

Patricia R. Dennis

Patricia R. Dennis, CPA
CONTROLLER



Financials

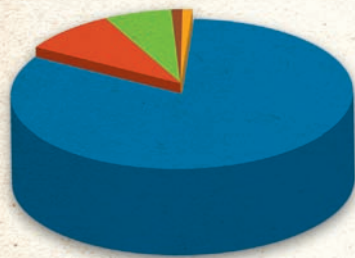
Revenues & Expenses

Revenues totaled \$78.3 million; although consumption continued to decrease in fiscal year 2014 there was a 4.5% increase in domestic and commercial revenue due to the application of the fourth of five approved annual rate increases approximating 4.0% per year, as well as customer growth of 1.0%. Total expenses increased \$6.2 million or 9.5%; the majority of which was due to PCB remediation. The remainder of the increase was comprised of increases in electricity, billing expense, and other postemployment benefits obligation.



2014 Total Revenues

\$78,363,203



- Domestic & Commercial Customers 82%
- Industrial Customers 9%
- New Account Fees 7%
- Investment & Other Non-Operating Revenues 1%
- Septic Haulers & Others 1%

2014 Total Expenses

\$71,662,286



- Operating Expenses Before Depreciation 49%
- Depreciation Expense 37%
- Long-Term Debt Interest 13%
- Amortization & Other Expenses 1%

Total Revenue & Expense

FIVE-YEAR TREND

REVENUE

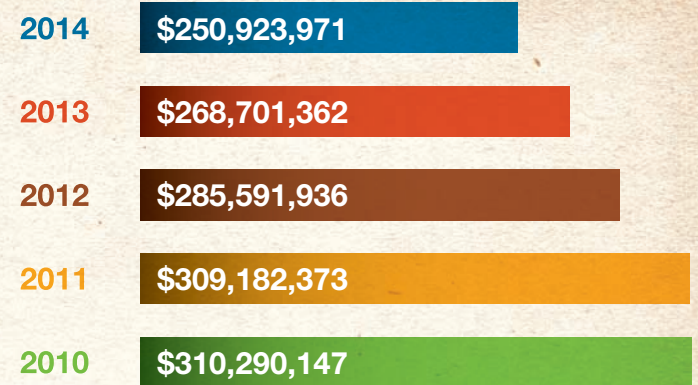
EXPENSE



Debt Coverage



Total Debt



ReWa's bond ratings are considered "high" grade meaning we have a very strong capacity to meet financial commitments.

Over the last five years, ReWa has decreased total debt, excluding premiums, by \$59.4 million or 19% through refundings and principal payments.

Why are Bond Ratings Important?

Ratings provide an assessment of an organization's credit worthiness, based on its borrowing and repayment history, as well as its assets and liabilities. A good credit rating makes it easier and less expensive to borrow money.

Bond Ratings	Senior Lien Debt	Junior Lien Debt
Standard & Poor's Ratings Services	AA	AA
Moody's Investors Service	Aa3	Aa2

Subdistricts

Anderson County
Wastewater Management

Berea Public Service District

City of Fountain Inn

Gantt Fire, Sewer &
Police District

City of Greenville

Greer Commission
of Public Works

Laurens County Water &
Sewer Commission

Marietta Water, Fire,
Sanitation & Sewer District

City of Mauldin

Over the last 10 years,
the subdistricts and ReWa
have demonstrated a
commitment to the reduction of
Inflow & Infiltration (I&I)
with line and conveyance
improvement projects.

Metropolitan
Sewer Subdistrict

Parker Sewer &
Fire Sub-District

Pickens County Public
Service Commission

Town of Pelzer

City of Simpsonville

Taylors Fire & Sewer District

City of Travelers Rest

Wade Hampton Fire &
Sewer District

Town of West Pelzer

Subdistrict Sewer Line

We believe success is built upon partnerships within our community.
By working closely with our partners, we provide the necessary
infrastructure to support development and growth in the Upstate.
Special thanks to all of our community partners and supporters!



Residential Service Lateral Line

Manhole

ReWa Trunk Line

 **ReWa**[®]
renewable water resources



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