



Re:aligned



Annual Report to the Community | For the Year Ended June 30, 2016



Re:aligned



“Greenville continues to experience economic prosperity and an enriched quality of life. ReWa has realigned resources and refocused planning efforts to ensure success and demonstrate commitment to our thriving community. As part of this realignment, we proudly welcome Executive Director, Graham W. Rich, whose experience and strategic mindset will guide ReWa down this new path.” — L. Gary Gilliam

Board of Commissioners

Michael B. Bishop
John V. Boyette, Jr.
Timothy A. Brett
John T. Crawford, Jr.*
R. L. Fogleman, Jr.*

L. Gary Gilliam, *Chairman*
Daniel K. Holliday, *Vice Chairman*
J.D. Martin
Butch Merritt, *Secretary/Treasurer*
Ray C. Overstreet

**Appointed September 2016*



This path begins with...

Mission

Enhancing our community's quality of life by transforming wastewater into renewable resources through responsible and innovative solutions.

Vision

Through the passion of our workforce, ReWa will be a community partner and an industry leader safeguarding our water environment for future generations.

Values

Accountability
Dedication
Integrity and Trust
Professionalism
Safety
Unity

Environmental Stewardship & Economic Development

Supporting growth, enhancing quality of life

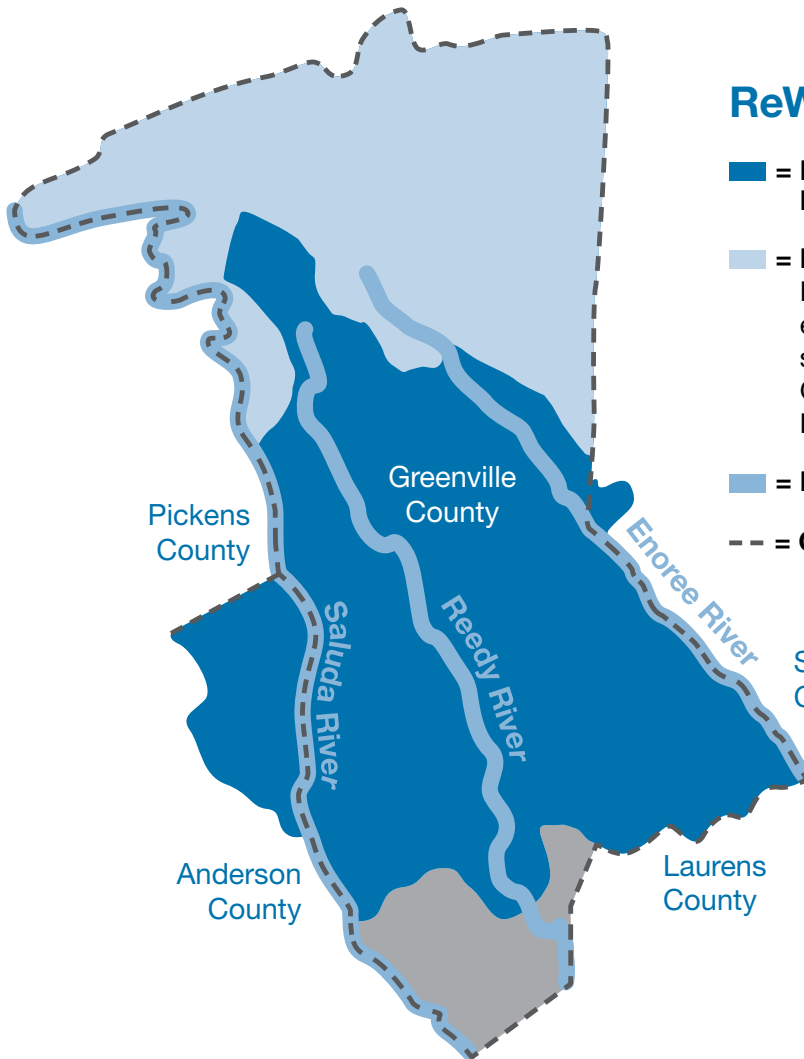


“I am honored to embark upon this journey for myself and ReWa. Planning for the future is critical to ensure environmental protection and prosperity within our community. ReWa’s realignment began with the formulation of our mission, vision and values: our Guiding Principles. This realignment continues to unfold as we evaluate existing infrastructure and future growth opportunities through the revision of ReWa’s strategic plan.” — Graham W. Rich



“Clean water is one of the hallmarks of a strong and vibrant community. ReWa is committed to protecting this resource and being a good steward of the environment. ReWa is a valuable and needed ally for the prosperity of Greenville.”

— Knox White
Mayor, City of Greenville



ReWa Service Area

- = ReWa Service Area Prior to Expansion
- = Expanded Service Area
In 2016, Act No. 298 expanded ReWa's service area in Northern Greenville County to the North Carolina border
- = Rivers
- = County Lines

“ReWa has always been a vital partner to residential home building and development as a provider of a vital community utility. But in recent years, they have evolved into a community partner with ours and many other organizations. They have led discussions about community growth and development patterns, built coalitions to solve critical infrastructure challenges, and partnered with us and others to educate our industry and the community about effective tools and techniques for responsible community development. We consider them an important partner to the Home Builders Association.”

— Michael Dey
Executive Vice President & Chief Executive Officer,
Home Builders Association of Greenville



Community



“Here in the heart of Greenville, ReWa is doing an amazing job of protecting our resources. A great example is the Richland Creek sewer project in the North Main neighborhood.”

— Amy Ryberg Doyle
Greenville City Council

Richland Creek Sewer Improvement Project

ReWa is rehabilitating a three mile section of the Richland Creek trunk line to ensure environmental compliance and provide capacity for growth.

What is Dig Greenville?

This new and exciting gravity sewer tunnel project will address a portion of Greenville County's 100 year capacity projection. At just over one mile long, the tunnel will span from Hudson Street to Cleveland Park and will be located approximately 100 feet below ground. We expect to break ground in late 2017.



Sign-up for the Dig Greenville eblast!
rewaonline.org/DigGreenville



Cancer Survivors Park
IN DOWNTOWN GREENVILLE

“ReWa has been and continues to be an essential and highly valued partner with the Cancer Survivors Park Alliance in bringing the Cancer Survivors Park to Greenville. Their generous donation of a portion of the land on which the park will be built and their continued participation in the design and building phases are invaluable.”

— Kay Roper
Executive Director,
Cancer Survivors Park Alliance



Focused

New Partnership with Greenville Health System

In addition to the drop box located at the Greenville County Law Enforcement Center in downtown Greenville, permanent drop boxes can also be found at the following Greenville Health System campuses:



- **Greenville Memorial Hospital** by Upstate Medical Pharmacy
- **Greer Memorial Hospital** near the main entrance
- **Oconee Memorial Hospital** near the emergency entrance



Small Changes, Great Impact

Demonstrating how small changes in our day-to-day actions positively impact local rivers, lakes and streams.
befreshwaterfriendly.org



Avoid the FOG Clog

Protecting private and public infrastructure by reducing improper disposal of Fats, Oils and Grease (FOG).
pipepatrol.org



Interested in Touring a ReWa Water Resource Recovery Facility?

Contact Ashley Rhinehart at ashleyr@re-wa.org or call 864-299-4000 ext. 283.



DURING FISCAL
YEAR 2016

20

TOURS

32

PRESENTATIONS

Accountability

Fiscal year 2016 in review

ReWa's overall financial condition improved as revenues exceeded expenses in fiscal year 2016. Net position totaled \$304.7 million at the end of fiscal year 2016, an increase of \$21.4 million. ReWa has long recognized the value of conservative and sound financial practices which has enabled us to overcome the challenges of the past and prepared us for the future.

Abbreviated Statements of Net Position

June 30,	Total Assets & Deferred Outflows	Total Liabilities & Deferred Inflows	Total Net Position
2016	\$ 571,069,545	\$ 266,348,878	\$ 304,720,667
2015 ¹	\$ 565,854,456	\$ 282,558,631	\$ 283,295,825
2014 ²	\$ 568,999,724	\$ 278,351,552	\$ 290,648,172
2013 ²	\$ 583,864,166	\$ 299,916,911	\$ 283,947,255
2012	\$ 596,170,447	\$ 316,117,266	\$ 280,053,181

¹ During fiscal year 2015, ReWa adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The cumulative effect of this change in accounting principle is shown in fiscal year 2015 net position.

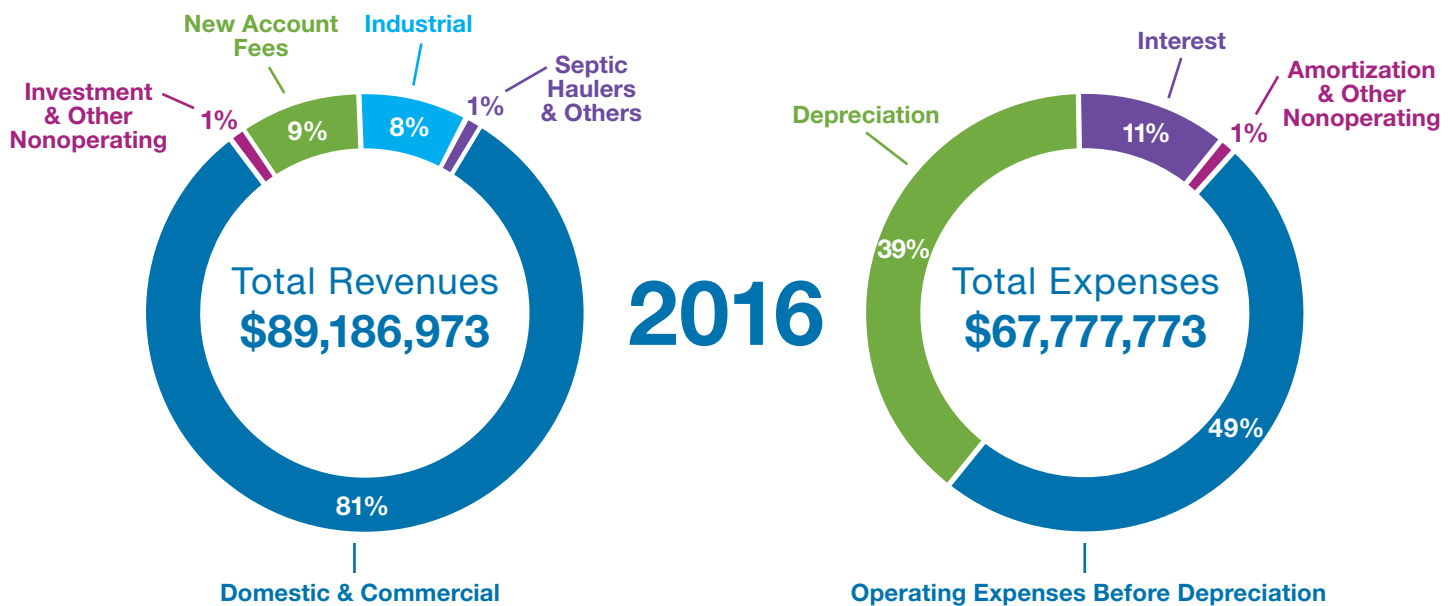
² During fiscal year 2014, ReWa adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities which required retroactive application.

Total Assets <i>(what we own)</i>	&	Deferred Outflows <i>(resources used which are applicable to a future period)</i>	–	Total Liabilities <i>(what we owe)</i>	&	Deferred Inflows <i>(resources received which are applicable to a future period)</i>	=	Net Position
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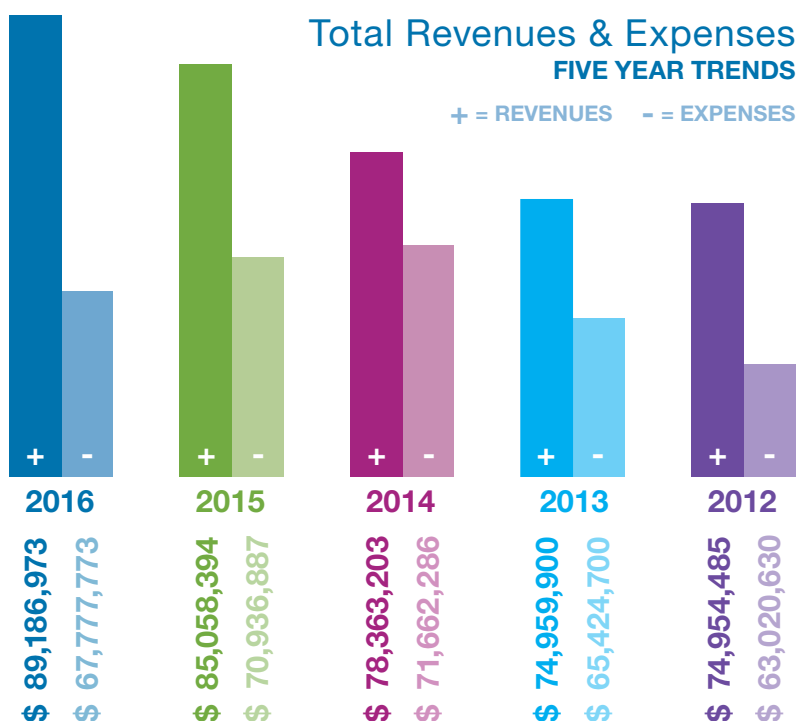
GASB – The independent organization that establishes accounting and financial reporting standards for U.S. state and local governments. The GASB is the official source of generally accepted accounting principles (GAAP) for state and local governments.

GASB Statement No. 68 – ReWa's employees are members of the South Carolina Retirement System, a multiple-employer defined benefit pension plan. As such, GASB Statement No. 68 requires each participating employer to recognize their long-term pension obligation. The statement is intended to enhance comparability and transparency.

Revenues & Expenses



Operating revenues totaled \$88.4 million; domestic and commercial revenues increased \$2.9 million to \$72.0 million, industrial revenue increased \$0.2 million to \$7.6 million and new account fees increased \$0.8 million to \$8.2 million during fiscal year 2016. Domestic and commercial revenue experienced an increase in consumption along with customer growth of 1.8%. New account fees increased 10.8% due to continued growth and development. Total expenses decreased \$3.1 million to \$67.8 million, \$1.0 million of which is attributable to a decrease in interest expense. The remaining \$2.1 million is in operating expenses before depreciation which is predominately due to conclusion of the PCB remediation plan. This decrease was offset by increases in legal, general insurance and employee related expenses.



- **Operating Revenues**

Revenues received while carrying out ReWa's day-to-day operating activities.

- **New Account Fee**

A one time charge implemented to offset some of the costs incurred to provide capacity.

- **Operating Expenses**

Expenses incurred in carrying out ReWa's day-to-day operating activities.

Transparency

Integrity at work

Report Disclosure

The abbreviated Statements of Net Position presented in this report provide an overview of ReWa's financial health as of June 30, 2016 and the four preceding fiscal years. 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 a way to assess ReWa's financial health; other indicators include debt coverage, overall debt levels, as well as bond ratings. Please refer to the following page 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 performance, 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, rewaonline.org, 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, CPA
CONTROLLER



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Renewable Water Resources
South Carolina**

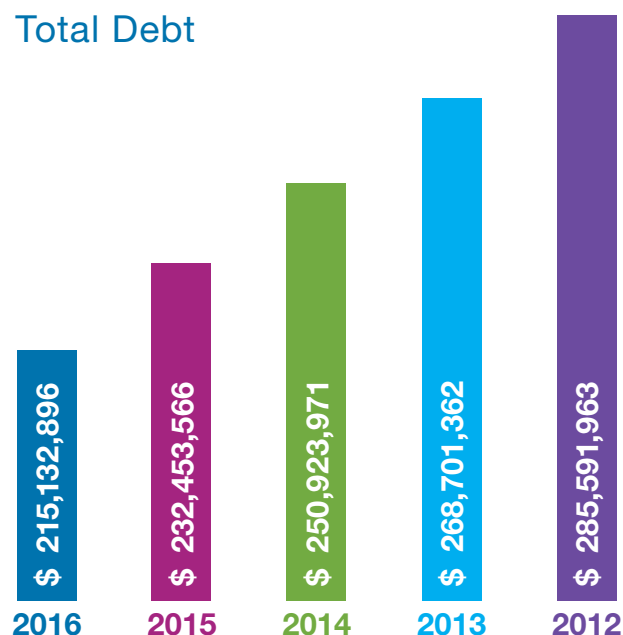
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015


Executive Director GFOA

Debt

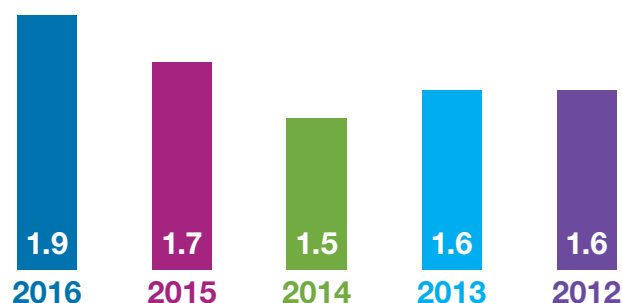
Total Debt



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

Over the past five years, ReWa has decreased total debt, excluding premiums, by **\$70.5 million** or **25%** through refundings and principal payments.

Debt Coverage



Debt Coverage – Represents our ability to pay annual debt service which is comprised of both principal and interest.

$$\frac{(\text{Operating} + \text{Interest Revenues}) - \text{Operating Expenses}}{\text{Annual Debt Service}}$$

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 high credit rating makes it less expensive to borrow money.

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

Resource

NPDES Permit

The National Pollutant Discharge Elimination System (NPDES) permit program addresses water pollution by regulating point sources that discharge pollutants to waters of the United States. Created in 1972 by the Clean Water Act, the NPDES permit program is authorized to state governments by the EPA to perform many permitting, administrative and enforcement aspects of the program.



Sewer Use Regulation

Federal and State law requires ReWa to closely monitor entities discharging wastewater. ReWa's Sewer Use Regulation (SUR) regulates 107 industries, 1,550 restaurants and 27 septage haulers. To view the SUR, visit rewaonline.org.

TREATMENT PROCESS

HEADWORKS

Large objects, rags and grit are screened and removed from the wastewater.

EQUALIZATION TANKS

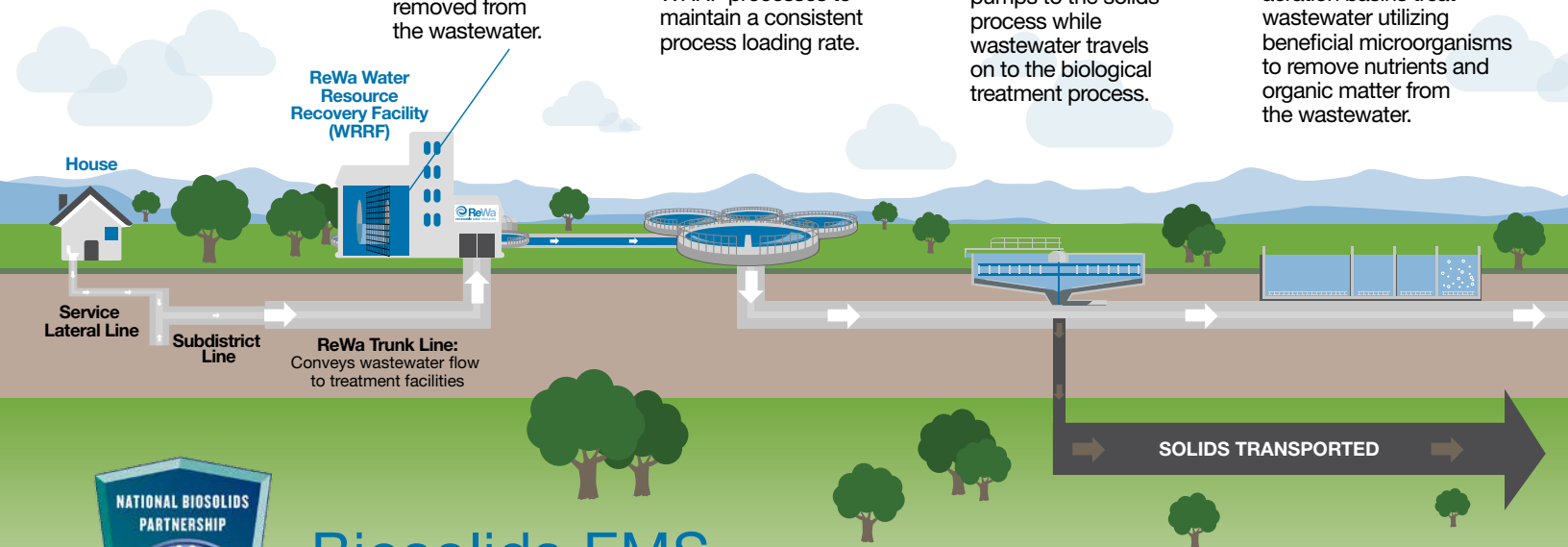
Equalizes flow to WRRF processes to maintain a consistent process loading rate.

PRIMARY CLARIFIER

Settled material pumps to the solids process while wastewater travels on to the biological treatment process.

BIOLOGICAL TREATMENT

Anaerobic, anoxic and aeration basins treat wastewater utilizing beneficial microorganisms to remove nutrients and organic matter from the wastewater.



Biosolids EMS

ReWa continues to uphold a Platinum level certification from the National Biosolids Partnership for its Biosolids Environmental Management System. The use of biosolids as a fertilizer and soil amendment is beneficial to farmers, communities and municipalities. To maintain the certification, ReWa conducts internal and external audits. If you are interested in observing an audit, please contact Joey Collins at 864-299-4040 ext. 352 or joeyc@re-wa.org.

Recovery

What is 5(r)?

The name 5(r) refers to the subcategory of the Clean Water Act that defines a new process by which our rivers and lakes are cleaned through a “grassroots” approach. It encourages local involvement and citizen action to reduce surface water pollution. Unlike most regulatory actions for polluted waters, the Reedy River watershed improvement strategy is not being driven by a state-created plan. Just the opposite: the local watershed stakeholders are creating the water quality improvement plan for the watershed.

Reedy River
Water Quality Group



Following this new 5(r) process supported by the EPA and DHEC, the Reedy River Water Quality Group has become a national leader in water quality restoration by working with the public to reduce the amount of pollutants flowing into the river. cleanreedy.org

SECONDARY CLARIFIER

Treated solids are separated and sent to either the digesters or recycled back to the biological treatment step. Remaining water is sent to filtration.

DEEP BED SAND FILTERS

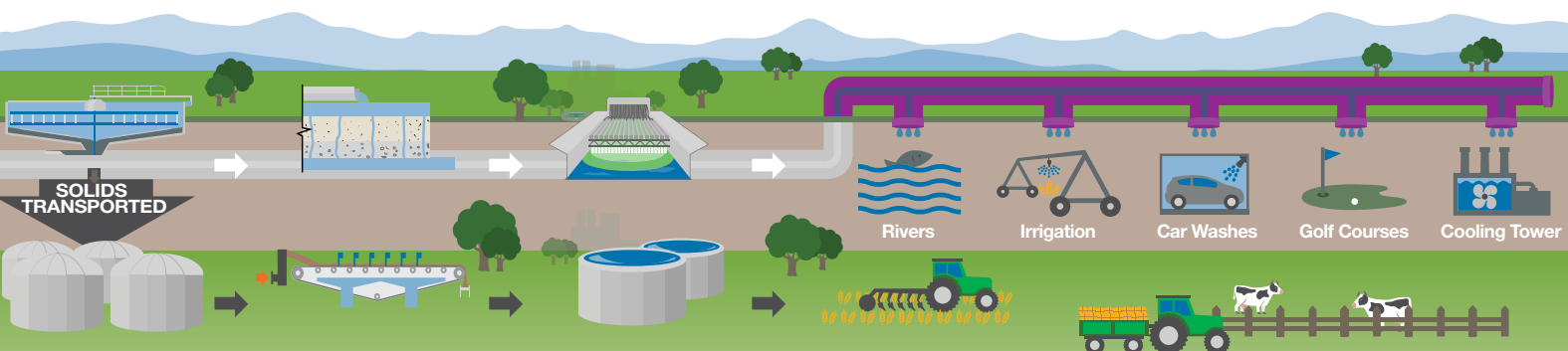
Purifies water using technology similar to a drinking water facility.

ULTRAVIOLET LIGHT

Disinfects water by killing bacteria prior to being diffused into local waterways.

CLEAN WATER DELIVERY

Clean water or **Purple Pipe** water is diffused into local waterways to support aquatic life, recreation, drinking water supplies and other uses.



ANAEROBIC DIGESTER

Produces a safe, organic agricultural grade fertilizer called “biosolids.” Methane gas is recovered from this process to generate electricity.

GRAVITY BELT THICKENER

Uses gravity and polymer to separate solids and water, so storage and transportation costs are reduced.

BIOSOLIDS HOLDING TANKS

A tank that stores biosolids prior to transportation to farm fields.

BIOSOLIDS DELIVERY

Biosolids are applied as fertilizer to area farm fields.



Before Biosolids



After Biosolids

ReWa Revealed

1ST PLACE

Blackwater Bruisers

2016 STATE
OPERATIONS
CHALLENGE
COMPETITION



**Roper Mountain
Science Center**

**SPIRIT OF
EINSTEIN AWARD**



Accountability

Professionalism



12

**SC CHAMBER
SAFETY
AWARDS**



Safety



**FINANCIAL
REPORTING
AWARDS**

18 Consecutive Years

Popular Annual Financial Report (PAFR)
for the fiscal year ended June 30, 2015

23 Consecutive Years

Comprehensive Annual Financial Report (CAFR)
for the fiscal year ended June 30, 2015

*“We are ReWa. You may not see us, but we are there, behind the scenes, ensuring that the Upstate continues to have quality infrastructure to protect our environment for future generations. As shown throughout this report, it takes a unique blend of talents and disciplines to fuel our mission. I would like to thank our employees for their dedication and daily demonstration of our **values**.”*

— Graham W. Rich



Terry Childress

WEASC Blue Ridge Foothills District
Maintenance Person of the Year

and

WEASC Dennis Pittman
Collection System Award (State)



Dedication

6

SCDHEC
FACILITY
EXCELLENCE
AWARDS



Unity



7

NACWA PEAK
PERFORMANCE
AWARDS

42

COMPLIANCE
EXCELLENCE
AWARDS



Integrity and Trust

What do you value?

\$207

ENTERTAINMENT

\$45

REWA

\$120

ELECTRICITY

\$20

WATER

\$468

RESTAURANTS

\$80

GYM

\$146

CELL PHONE

\$16

TRASH

\$189

CABLE & INTERNET

Protecting our local environment at an equitable cost.

**Average monthly expenses in Greenville*

