

2006 ANNUAL REPORT TO THE COMMUNITY





DEAR VALUED CUSTOMERS:

At Western Carolina Regional Sewer Authority, it is our goal to keep our customers informed about our progress and our objectives. Our 2006 annual report highlights the hard work and commitment of the Western Carolina employees and our dedication to environmental stewardship in the Upstate. We are pleased to share with you our organization's strong financial position, current capital program and 2006 accomplishments.

Our capital improvements program has continued to progress throughout 2006 with a variety of projects to improve the wastewater treatment system and to provide service for anticipated economic development. We are currently upgrading our plants to include the ultraviolet (UV) disinfection process and deep bed filtration. These processes reduce the number of disease-causing organisms in the plant effluent prior to discharging it to receiving streams. As projected in the Upstate Roundtable Report, our focus on consolidating sources and merging facility systems into regional plants has been extremely successful and it is projected that the Western Carolina system will have eight regional treatment plants within the next three years.

A strong concern for Western Carolina is excessive levels of Inflow and Infiltration (I & I) throughout our system. A focus of 2006 has been the development of programs to measure and correct the excessive levels of I & I throughout the Western Carolina system. I & I occurs when rainwater and groundwater enter the sewer system and take up the available system capacity that is needed to convey and treat wastewater from homes and businesses. Western Carolina is working with its 17 subdistricts and municipalities to address these issues.

Western Carolina recently revamped its web site, www.wcrsa.org, adding valuable educational information. Customers can now find information about the wastewater treatment process, environmental stewardship and I & I on the site. In addition, the new interactive site offers employment listings, purchasing procedures and industrial user information. Further, it serves as a source for a variety of Western Carolina forms and applications.

A new endeavor for our 2007 public education program will be the launch of our FOG campaign to inform students about the proper disposal of fats, oils and grease. In this campaign, we will distribute materials through the Roper Mountain Science Center and the Greenville County Schools.

Western Carolina is dedicated to supporting our community through a variety of projects. Our organization provided 25 acres to the Northwood Little League to build a new baseball facility. Another community-focused project includes the collaboration between Western Carolina and the Conestee Foundation in the opening of the Lake Conestee Nature Park on the shores of the Reedy River adjacent to our Mauldin Road plant site.

At Western Carolina, our focus reaches beyond our efforts to improve our system and provide service that exceeds state and federal regulations. Investing in the community and keeping our customers informed are just as important. Thank you so much for supporting us and we encourage you to contact us at any time.



Sincerely,

Ray T. Orvin, Jr.
Executive Director

Board of Commissioners

John V. Boyette, Jr., Chairman
J.D. Martin, Vice Chairman
James "Jimmy" T. Martin, Sec./Treas.
Michael B. Bishop
George W. Fletcher
Ralph S. Hendricks
Jane M. Mattson
Billy "Butch" D. Merritt
Willie J. Whittaker



ENVIRONMENTAL ACHIEVEMENTS



PEAK PERFORMANCE AWARDS

Eleven of Western Carolina's plants received Peak Performance Awards from the National Association of Clean Water Agencies (NACWA) at the Association's 36th Annual Meeting in Washington, DC. Gold Peak Performance Awards were presented to the Georges Creek, Grove Creek, Piedmont, Lower Reedy, Durbin Creek, Gilder Creek, Pelham, Mauldin Road and Idlewild wastewater treatment plants to recognize their 100% compliance with the National Pollutant Discharge Elimination System (NPDES) permit requirements in 2005. NACWA's Silver Peak Performance Awards were presented to the Marietta and Taylors wastewater treatment plants.



EMPLOYEES RECEIVE STATE ENVIRONMENTAL AWARDS

The Water Environment Association of South Carolina (WEASC) presented five Western Carolina employees, Larry Needham, Calvin Howard, Perry Ashmore, Samantha Bartow and Ann Sims, with awards for their outstanding performances. Needham received the honor of Maintenance Person of the Year, while Howard was awarded Wastewater Operator of the Year. Ashmore received the Hatfield Laboratory Analyst Award and Bartow was honored with the Noel. M. Hurley Membership Award. Sims was presented with the Crystal Crucible Award. Western Carolina would like to congratulate these employees for their extraordinary accomplishments.



POLLUTION PREVENTION

CompX National Cabinet Lock of Mauldin was awarded the Pollution Prevention Award. Western Carolina presents this award annually to encourage industries to devise and implement pollution prevention strategies. CompX was recognized for investing in an environmentally friendly state-of-the-art metal plating line. This process has led to a reduction in both hazardous waste generation and the usage of water and chemicals, along with an increase in production.



W.A.I.T. CERTIFICATION

Western Carolina's Durbin Creek Facility received the Wildlife and Industries Together (W.A.I.T.) certification. Durbin Creek was given the award by the South Carolina Department of Natural Resources and is the second Western Carolina facility to earn this honor. The Durbin Creek Facility mounted 47 birdhouses on a bluebird trail, implemented meadows with annually planted wildlife food plots, applied a mowing rotation schedule and created areas of natural hardwoods to meet requirements for the certification.



NATIONAL PUBLIC EDUCATION AWARD

NACWA awarded Western Carolina with the Public Information and Education Award for the "Freshwater Freddie Ultimate Water Guide for Kids". This honor recognizes Western Carolina's emphasis on its public education program.

VIRTUAL VELOCITY WINS FIRST PLACE

Western Carolina's 2006 Operations Challenge team, "Virtual Velocity", once again brought home the grand prize at the WEASC's Annual Environmental Conference. The Operations Challenge is an event where teams compete in various categories, including process control, laboratory, pump repair, safety and collection events to test their operations skills. The team also competed in the National Operations Challenge at WEFTEC in Dallas, Texas.



COMPLIANCE EXCELLENCY AWARDS

Western Carolina Regional Sewer Authority recognized 29 local industries for demonstrating excellent compliance with environmental regulations throughout 2005. The Compliance Excellency Awards are presented annually to local industries that are in complete compliance with the Sewer Use and Pretreatment Regulation. Western Carolina applauds these good neighbors for their outstanding efforts in helping to achieve a cleaner environment in the Upstate.

Air Products Polymers, LP
 Air Products Remediation
 Bausch & Lomb, Inc.
 Caterpillar, Inc.
 C. H. Patrick & Company, Inc.
 C. F. Sauer Company
 Columbia Farms
 Cryovac, Sealed Air Corporation
 Fabri-Kal Corporation
 GE Gas Turbine Manufacturing Operations*
 Great American Tank Wash, Inc.
 GTP Greenville, Inc.
 Irix Manufacturing, Inc. #2
 Kemet Electronics Corporation – Fountain Inn
 Kemet Electronics Corporation – Simpsonville**

KS Bearings, Inc.
 Lockheed-Martin Aircraft Center
 Michelin North America US1
 Mitsubishi Polyester Film, LLC
 National Electric Carbon Products, Inc.
 Nicca USA, Inc.
 Nutra Manufacturing, Inc.
 Para Chem Southern
 Roy Metal Finishing Co., Inc. – Mauldin
 Safety Components Fabric Tech, Inc.**
 Southern Water Treatment Company, Inc.
 Stevens Aviation, Inc.
 T & S Brass & Bronze Works, Inc.
 Vopak Logistics Services, LLC

*Received this award for 13 consecutive years.

** Received this award for 11 consecutive years.

2006 FINANCIAL STATUS

Western Carolina continues to maintain a stable financial health. Long range planning and careful allocation of resources allow the Agency to sustain an excellent revenue bond rating as well.

The growth in the Upstate has required that Western Carolina increase wastewater treatment capacity and simultaneously improve the quality of treated water returned to receiving streams. Our mission is to protect the public health and provide the necessary sewer infrastructure to support economic growth as we are faced with ever increasing challenges each year. Despite the high cost of these requirements, Western Carolina's financial position has remained strong as is evidenced by the charts produced from balance sheet data. These charts graphically demonstrate that long-term debt has decreased and system equity has increased. Western Carolina remains in an excellent financial state.

REPORT DISCLOSURE

The Abbreviated Balance Sheet presented in this report gives an overview of Western Carolina's financial health at a specific point in time (June 30, 2006). The Revenues and Expenditures charts present a summary for a period of time (the year ended June 30, 2006).

The Abbreviated Balance Sheet and Revenues and Expenditures charts summarize data from Western Carolina's Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The CAFR, which is approximately 90 pages in length, contains extensive financial information. The Abbreviated Balance Sheet and the Revenue and Expenditures charts do not conform to GAAP, but are presented in the accrual basis of accounting. The abbreviated reports consolidate all of Western Carolina's funds.

Anyone interested in reviewing the complete CAFR may contact our Accounting Department or visit our website at www.wcrsa.org. Copies of the CAFR are also on file at the County Treasurers' offices located in our service area. As you review this report, please feel free to share any questions or comments with us.

Pamela Carnes

Pamela Carnes
Controller

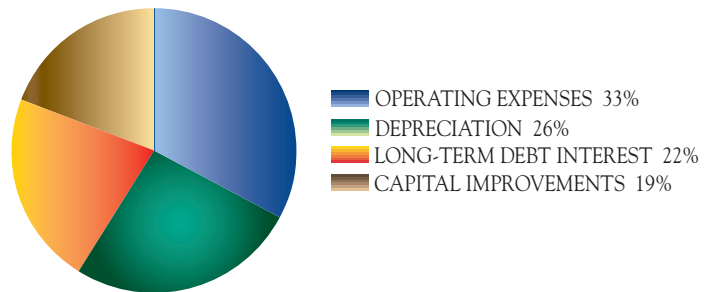
REVENUES

Total Revenues: \$69,580,239



EXPENDITURES

Total Expenditures: \$69,580,239



ABBREVIATED BALANCE SHEET 2006

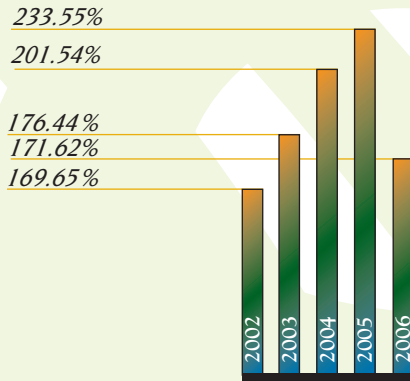
ASSETS	\$534,727,435
LIABILITIES	\$308,734,963
EQUITY	\$225,992,472
TOTAL LIABILITIES & EQUITY	\$534,727,435



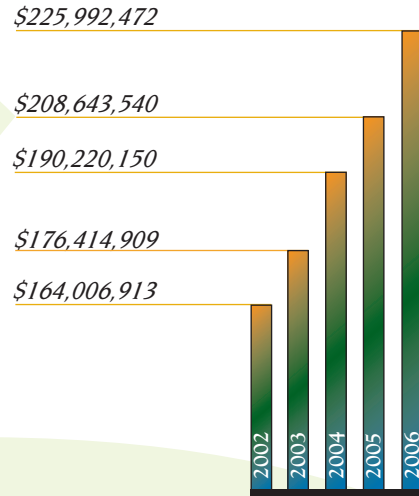
John Boyette, Chairman of the Western Carolina Commission, presents Pamela H. Carnes, Controller, the Certificate of Achievement for Excellence in Financial Reporting for the 2005 Comprehensive Annual Financial Report.

DEBT COVERAGE

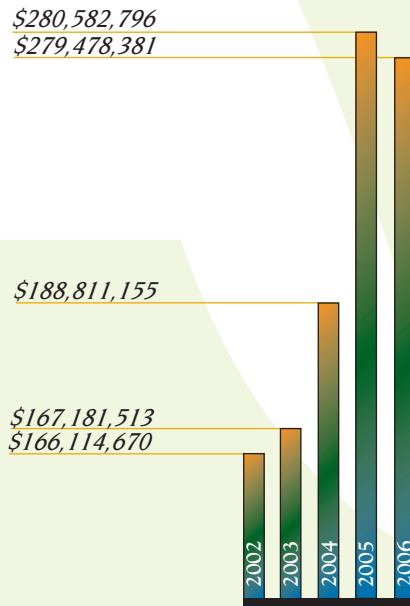
$\frac{\text{Total Revenues}-\text{Total Operational Expenditures}}{\text{Annual Debt Service}}$



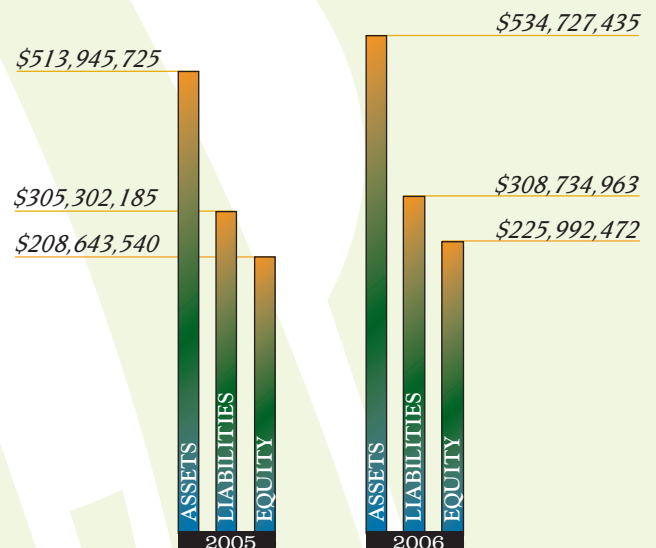
GROWTH IN EQUITY



LONG TERM DEBT LEVEL



BALANCE SHEET COMPARISON



FINANCIAL REPORTING AWARD

Western Carolina was presented with two prestigious financial reporting awards in 2006. Western Carolina received the Popular Annual Financial Report Award for the 2005 Annual Report to the Community. This is the eighth consecutive year the organization has received the award. Western Carolina also received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the 13th consecutive year. This award represents the highest form of recognition in the area of governmental accounting and financial reporting. The CAFR award is presented annually by the Government Finance Officers Association of the United States and Canada (GFOA). GFOA is a nonprofit professional association serving over 12,000 government finance professionals.

WHAT IS WASTEWATER TREATMENT?

Western Carolina Regional Sewer Authority provides wastewater treatment services to over 400,000 customers in Greenville County and parts of Anderson, Spartanburg, Pickens, and Laurens Counties, in a safe, cost-effective, and environmentally sound manner. Western Carolina's treatment facilities employ state-of-the-art practices to produce three beneficial end products, which include clean water, biosolids, a nutrient-rich, environmentally sound organic fertilizer and methane gas, a by-product of the treatment process that is recycled to supplement other energy sources.

Wastewater treatment is a complicated process that cleans used water thoroughly so that it is safe for integration back into the environment. Liquid waste travels through customers' sewer pipes from sinks, showers, toilets and yards to wastewater treatment plants where a lengthy cleansing process cleans and disinfects the water before returning it to rivers and streams.

Different types of processes can be used in the disinfection process. Western Carolina is upgrading its system to include the ultraviolet (UV) disinfection process. Disinfection is achieved with UV light. Unlike the current CO₂ disinfection process used by Western Carolina, the UV process does not add chemicals to the water that would require subsequent removal or produce potentially harmful by-products. UV can be considered the most effective, safest, sustainable and pollution free disinfection method.

The diagram below shows the processes through which the water travels. For a more detailed overview of the wastewater treatment process, visit our web site at www.wcrsa.org.



Primary Treatment **Secondary Treatment** **Advanced Treatment**
 Grit Chambers Trickling Filters Advanced Treatment
 Settling Tanks Activated Sludge Effluent
 Biosolids Lagoons

DEPARTMENTAL DIRECTORY

Administration	299-4000	Laboratory	299-4040
Accounting	299-4036	Maintenance Shop	299-4050
Collection System	299-4033	Operations	299-4040
Customer Service	299-0260	Pretreatment	299-4703
Engineering	299-4020	Purchasing	299-4027
Human Resources	299-4009	Solids Management	299-4040
Information Systems	299-4040		



Teachers' Workshop

Western Carolina held its annual Teachers' Workshop for high school teachers in the Anderson, Oconee and Pickens areas in conjunction with Tri-County Technical College. Participants were introduced to the various occupations and career opportunities in the wastewater treatment industry. The teachers toured the large Mauldin Road Waste Water Treatment Plant (WWTP) and laboratories in this one-day event. They also participated in activities regarding wastewater treatment, learned about the biosolids treatment processes and observed the use of equipment and vehicles at the plant. Programs such as this workshop are designed to expand the educators' knowledge about the wastewater treatment field so they, in turn, may expose their students to potential career opportunities in the industry.

Student Groups

In order to increase awareness and education about the wastewater treatment process in the Upstate, Western Carolina offers tours to local high schools, colleges and other groups. These tours allow students the chance to apply classroom concepts in a real world setting on topics such as water pollution, conservation and aquatic environments. To schedule a tour, please call (864) 299-4040 ext. 312.

Statewide Biosolids Training

WEASC held its annual Biosolids Training Workshop at Western Carolina's Mauldin Road WWTP. Among the 21 attendees were environmental managers, plant operators, consultants, lab professionals, regulators and engineers. These environmental professionals were educated about the benefits of establishing a biosolids management program at their facilities. The two-day workshop consisted of presentations concerning surface water protection, sampling techniques, land application site selection, biosolids characterization, management practices, as well as a half-day field demonstration at the Durbin Creek Plant.

Touch-A-Truck

Western Carolina partnered with the Greenville County Recreation District in this year's Touch-A-Truck event. The program was held at Southside Park and offered preschool to elementary aged children the opportunity to explore large equipment, including "Jake", a Western Carolina sewer jet truck.

2006 Reedy River Sweep

Western Carolina employees and volunteers participated in the 16th annual Reedy River Sweep. The group, "Stream Team", worked in partnership with Black & Veatch to remove garbage and other litter from a 1.5 mile segment of the Reedy River. This portion of the waterway flows through the Mauldin Road WWTP, located at the intersection of Mauldin Road and Interstate 85, and is the receiving site for the plant's effluent. The clean up was held in concurrence with the 18th annual South Carolina Beach Sweep and River Sweep. This statewide environmental program is coordinated by the SC Department of Natural Resources, the SC Sea Grant Consortium and the SCANA Corporation.

United Way Pacesetter

Western Carolina is a strong supporter of both the United Way and the March of Dimes. As a United Way Pacesetter, employees contributed more than \$65,000 in 2006. The remaining funds came from various fundraising events including the Freshwater Freddie Golf Tournament and the annual employee fish fry.



CAPITAL IMPROVEMENTS 2006 PROJECTS

[Pelham WWTP](#)

Construction continues at the Pelham Wastewater Treatment Plant (WWTP) to increase its capacity from 7.5 Million Gallons Per Day (MGD) to 22.5 MGD in order to accommodate its growing service area. With this greater capacity, the Pelham facility will also be able to serve the Taylors area, allowing Western Carolina to take the Taylors WWTP out of service. It is anticipated that construction will be completed next year and the Pelham WWTP will become the second largest facility in Western Carolina's system. The renovated and improved plant will be called the Pelham Regional Wastewater Treatment Plant.

[Enoree River Trunk Line](#)

The Enoree River Trunk Line Project includes the addition of a sewer conveyance system that will assist in allowing the Taylors WWTP to be decommissioned. Western Carolina is currently constructing this project, which will include three miles of sewer trunk line.

[Gilder Creek WWTP](#)

Construction is complete on Phase II of the Gilder Creek WWTP. The upgrade increases the plant capacity to 8 MGD and incorporates tertiary treatment. New facilities include primary treatment, two additional secondary treatment units, anaerobic digesters, effluent filtration and ultraviolet disinfection.



[Lower Reedy WWTP](#)

The Lower Reedy WWTP is being expanded from 7.5 MGD to 11.5 MGD in order to meet future capacity needs in the service area and to provide the necessary modifications to meet stringent regulatory requirements. Now in the construction phase, this upgrade incorporates ultraviolet disinfection and effluent filtration and is approved by the South Carolina Department of Health and Environmental Control (SCDHEC) for meeting its strict environmental standards.

[Durbin Creek WWTP](#)

Due to projected residential and industrial growth in the Durbin Creek service area, Western Carolina is upgrading the capacity of this WWTP to 5.2 MGD. Construction has started for the Durbin Creek project and will incorporate grit removal and screenings, ultraviolet disinfection, and effluent filtration. The current aeration basins will be modified and reused.

[Sewer Rehabilitation](#)

To keep the sewer system in the best possible condition, Western Carolina conducts ongoing maintenance projects to reverse the damage created by normal wear and tear. Much of this year's focus was the Lakeside, Piedmont, Durbin Creek, Taylors, Pelham and Mauldin Road WWTP basins. Rehabilitation will continue in 2007 in other parts of the Western Carolina service area.

[Mauldin Road WWTP](#)

Construction is underway to provide capabilities to the Mauldin Road WWTP that will accommodate stringent permit limits set by SCDHEC. The project includes ultraviolet disinfection and effluent filtration, increased aeration capacity and sludge handling facilities.

[Piedmont WWTP](#)

After the construction of a new regional WWTP, the existing Piedmont and Grove Creek WWTPs will be taken out of service. The preliminary engineering report has been completed and the design for the plant will be evaluated. Construction is scheduled to begin next year.

[Grove Creek Pump Station/Force Main](#)

The Grove Creek Pump Station/Force Main is currently being upgraded to divert effluent discharge to the Saluda River Basin. The project was designed to take the Grove Creek WWTP out of service and divert the flows to the new Piedmont Regional WWTP.

[Peters Creek Trunk Line](#)

The Peters Creek Trunk Line is completed in the Gilder Creek WWTP basin. This project provides sewer service to an area which was not previously sewered. This project is a cooperative effort between Western Carolina, the Metropolitan Sewer Subdistrict and developers.



WHAT IS FOG?

Western Carolina, along with the organization's mascot, Freshwater Freddie, is kicking off a public awareness campaign to educate the community on the environmental problems created by pouring fats, oils and grease (FOG) into the sewer system.

The grease problem affects Western Carolina and collaborating agencies by forcing them to devote considerable resources toward the removal of grease from the sewer lines. If lines become backed up due to excessive oils and grease, lines can back up into streets and homes. These increased operations and maintenance costs ultimately impact customers with higher user fees.

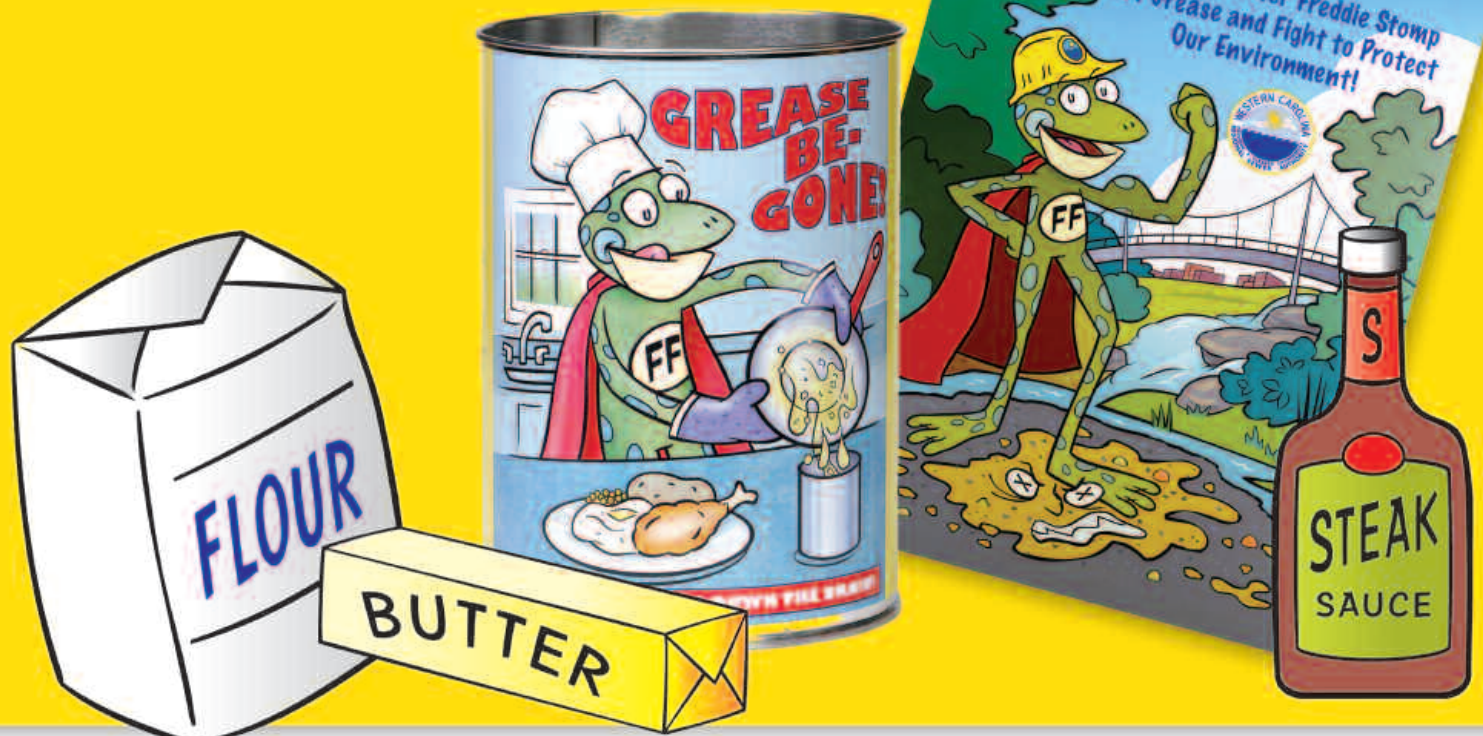
Recognizing that most individuals are unaware of the potential public health hazards created by grease, a "Grease Be Gone" can, complete with a liner and tips, was created to promote the proper disposal of grease. In addition, Western Carolina has developed an informational brochure and a children's coloring book, with tips on how individuals can help alleviate this serious problem. These materials will be distributed at community events during the upcoming year. For more information on how to receive these materials, visit our website at www.wcrsa.org.

The goal of the FOG campaign is to change the way individuals dispose of grease and food scraps in their homes in order to protect the health of our community and the rivers and streams of the Upstate.

Here's how you can help:

- Do not pour grease into sinks, garbage disposals and toilets.
- Pour grease into a disposable container.
- Allow the grease to harden.
- Throw the solid grease into the trash.

- Do not put crumbs and food scraps down the sink drains.
- Catch food scraps in sink drain baskets.
- Empty sink drain baskets into trash or compost.



PARTNERING WITH SATELLITES

Western Carolina works with 17 subdistricts and municipalities that maintain over 1750 miles of lateral/collector sewer lines connected to Western Carolina's approximately 290 miles of the trunk lines and 10 treatment facilities. The entire system is required to meet all federal and state regulations.

Western Carolina is partnering with these satellites to protect and rehabilitate the sewer system. This partnership is essential for providing the necessary sewer infrastructure to support economic growth.

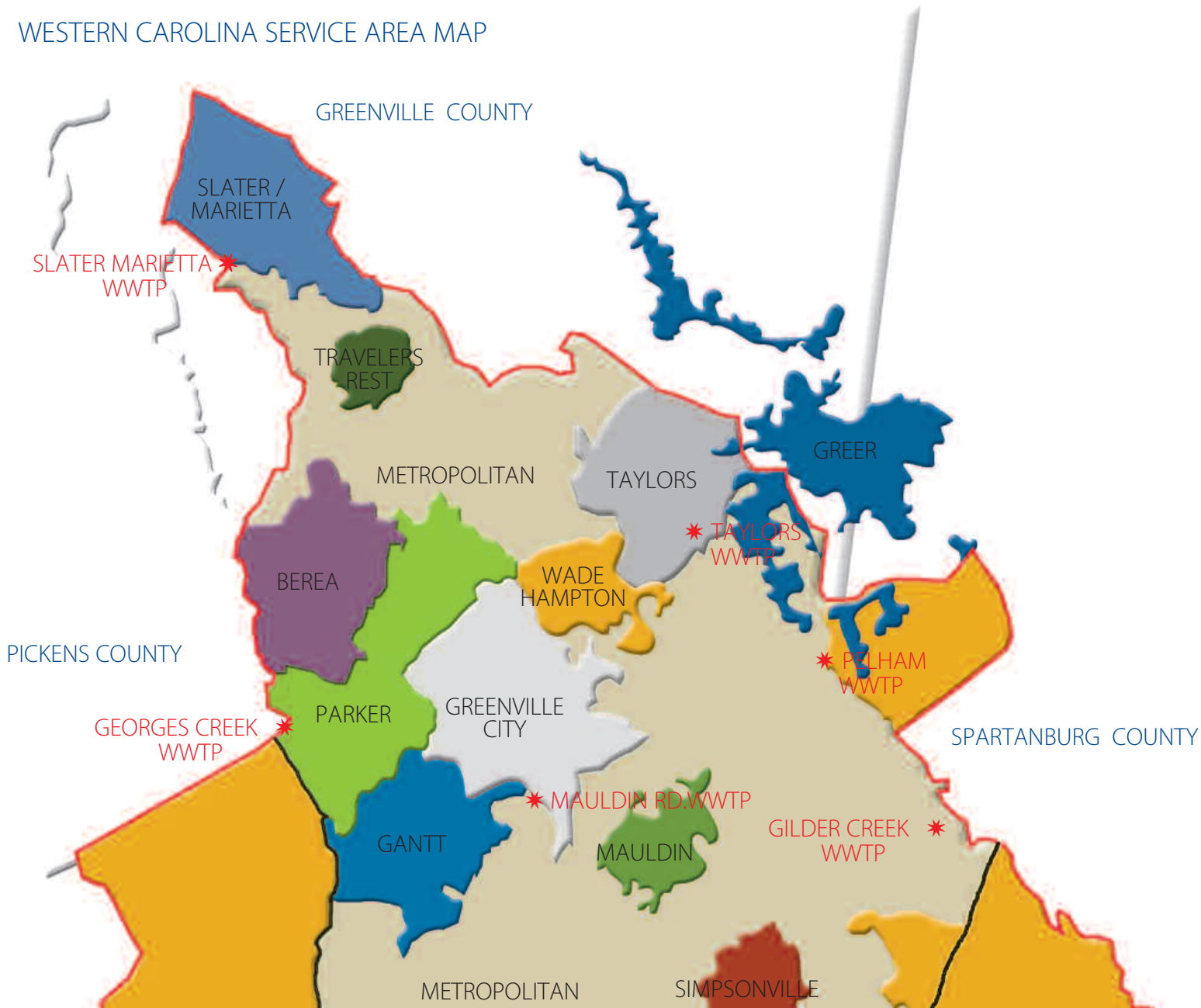
The following collaborative programs are currently underway to enhance system-wide operations:

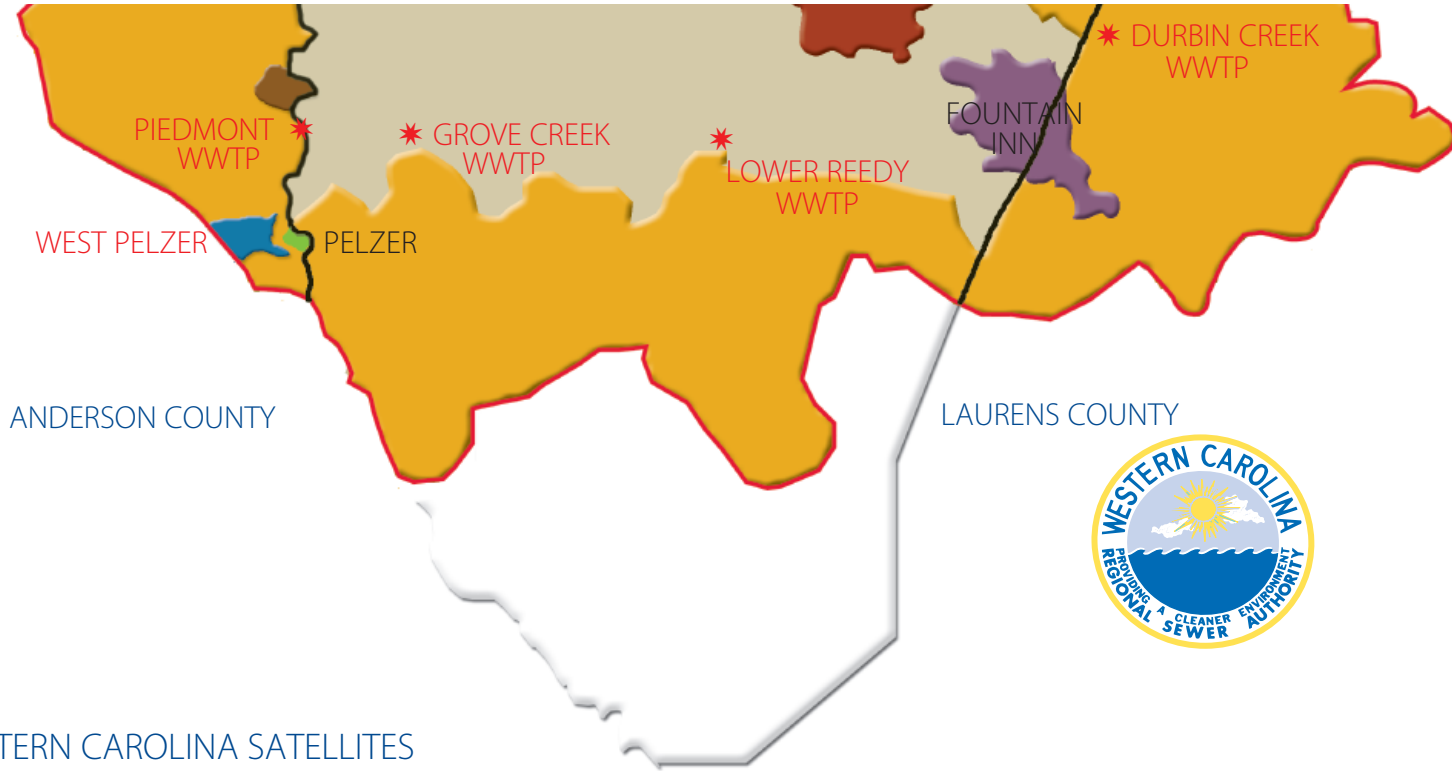
- Grease Control
- Public Education
- 20-Year Capital Plan
- Engineering Technical Support
- GIS Mapping System
- Industrial User Capacity
- Root Maintenance
- Flow Monitoring
- Emergency Maintenance Technical Support

Additional programs planned for the future include:

- State Revolving Fund
- Emergency Response
- Group Purchasing
- Contract Services

WESTERN CAROLINA SERVICE AREA MAP





WESTERN CAROLINA SATELLITES

ANDERSON COUNTY WASTEWATER MANAGEMENT

731 Michelin Blvd.
Anderson, SC 29626 260-4023

BEREA PUBLIC SERVICE DISTRICT

7401 White Horse Rd.
Greenville, SC 29611 294-4848

CITY OF FOUNTAIN INN

315 N. Main St.
Fountain Inn, SC 29644 409-3334

GANTT FIRE, SEWER & POLICE DISTRICT

103 Lydia St.
Greenville, SC 29605 277-7301

CITY OF GREENVILLE

P. O. Box 2207
Greenville, SC 29602 467-4335

GREER COMMISSION OF PUBLIC WORKS

P.O. Box 216
Greer, SC 29652 848-5517

LAURENS COUNTY WATER & SEWER COMMISSION

P.O. Box 1006
Laurens, SC 29360 682-3250

MARIETTA WATER, FIRE, SANITATION & SEWER DISTRICT

P.O. Box 249
Marietta, SC 29661 836-6878

CITY OF MAULDIN

P.O. Box 249
Mauldin, SC 29662 234-3491

METROPOLITAN SEWER SUBDISTRICT

120 Augusta Arbor Way
Greenville, SC 29605 277-4442

PARKER SEWER & FIRE SUBDISTRICT

117 Smythe St.
Greenville, SC 29611 467-4030

PIEDMONT PUBLIC SERVICE DISTRICT

P.O. Box 57
Piedmont, SC 29673 845-6817

CITY OF SIMPSONVILLE PUBLIC WORKS

110 Woodside Park Dr.
Simpsonville, SC 29681 967-9531

SLATER WATER, SEWER & LIGHT DISTRICT

P.O. Box 5
Slater, SC 29683 836-3176

TAYLORS FIRE & SEWER DISTRICT

3335 Wade Hampton Blvd.
Taylors, SC 29687 244-5596

CITY OF TRAVELERS REST

6711 State Park Rd.
Travelers Rest, SC 29690 834-9020

WADE HAMPTON FIRE & SEWER DISTRICT

4211 E. North St. Ext.
Greenville, SC 29615 244-0390

WHAT IS INFLOW AND INFILTRATION?

Inflow is direct rainwater runoff entering the sewer system and infiltration is rainwater and groundwater that seeps into the sewer system. The diagram below illustrates Inflow and Infiltration (I & I). I & I occurs due to cracks and roots in sewer lines, damaged manholes, storm sewer cross connections, and manholes below grade and without watertight lids.

When I & I is mixed with sewerage the necessary capacity for the receiving wastewater treatment plant can double and even triple. Excessive I & I can also lead to surcharged manholes, overflowing manholes, and the exposure of our community to the diseases and pollutants carried in wastewater. Excessive I & I increases the cost of wastewater treatment due to the unnecessary use of electricity, technology, manpower and the construction required to meet the increased capacity.

I & I can be reduced by identifying problem areas with flow monitoring programs, conducting periodic inspections of sewer lines and manholes and implementing active repair and rehabilitation programs. Western Carolina is partnering with the 17 subdistricts and municipalities to reduce I & I. A full system-wide program will allow for a significant reduction in I & I levels, as well as the ability to support future economic growth, ensure a consistent rate structure and create a more efficient system and a healthier environment. Infiltration is different than stormwater.

WHAT IS STORMWATER?

Stormwater is water that accumulates during rain and snow storms and runs off land and impervious areas such as paved streets, parking lots and building rooftops. Stormwater discharges may contain a number of pollutants such as runoff from roads including oil, antifreeze, transmission or brake fluid, or gasoline. In addition, runoff from land may contain fertilizers, pesticides, or other harmful chemicals.

Excessive stormwater may cause flooding, property damage and erosion. To prevent flooding, stormwater drainage systems carry excess stormwater through pipes directly to local waterways. In contrast to wastewater, stormwater does not undergo any biological treatment process before entering our waterways.

