

Western Carolina
Regional Sewer Authority d.b.a.



ANNUAL REPORT
to the community

The year ended **June 30, 2008**





Dear Valued Community Member,



Western Carolina Regional Sewer Authority is now d.b.a. Renewable Water Resources (ReWa). In keeping with the organization's expanding green practices, we decided to turn over a new, green leaf with the organization as a whole. ReWa's goal is to promote a cleaner environment, and to protect the public health and water quality of the Upstate waterways, while developing the necessary sewer infrastructure. We also work to provide timely and important information to the community we serve. Our 2008 Annual Report offers highlights from our accomplishments over the past year, as well as details regarding our strong financial position. Our mission is to constantly improve our operations, stewardship and service capabilities to complement the community growth of the Upstate.

This past year, ReWa reconvened the Upstate Roundtable, a volunteer collaboration of community, business and governmental leaders, and technical experts, who were charged with reviewing and addressing needed wastewater infrastructure growth. The current Upstate Roundtable builds from the original 20-year plan adopted in 1994. The report will guide ReWa in the strategic planning and growth required, ensuring efficient service in the future, while still protecting our environmental resources. The Upstate Roundtable will issue its new report in early 2009, describing the current objectives and initiatives recommended by the five committees. You can read more about the Upstate Roundtable on page 9 or by visiting www.UpstateRoundtable.org.

Complementing the work of the Upstate Roundtable, ReWa also maintains an ongoing capital improvements program addressing our current and future infrastructure needs. Due to projected residential and industrial growth, several plants are under construction to increase capacity, including the Durbin Creek and Gilder Creek Treatment Plants. Additional projects include the facility upgrades for the addition of ultraviolet disinfection, sewer line rehabilitation and stricter South Carolina Department of Health & Environmental Control (SCDHEC) limits. The capital improvements program will also consolidate service area needs in the newer and higher-capacity Piedmont Regional facility, allowing ReWa to eventually decommission the Grove Creek and Piedmont Treatment Plants.

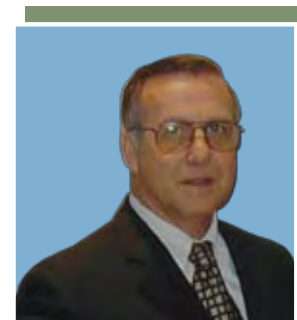
One of the "green"-est capital improvements for ReWa in the past year has been the completion of a consolidated and energy-efficient administration building, featured on the cover. The new sustainable facility is a huge step to replace ReWa's aged and maintenance-intensive buildings, while serving as a testament of our dedication to environmental stewardship. ReWa worked diligently in collaboration with architects, Pazdan-Smith Group, to strategically plan and execute numerous green-building techniques. We are currently pursuing LEED Certification.

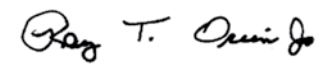
In additional efforts to protect our resources, ReWa has partnered with the Greenville County Council and City Council to establish needed regulations regarding stormwater runoff. The new Stormwater Management Ordinance established provisions to control and reduce the discharge of pollutants to Greenville's waterways. This reduction not only minimizes property damage and erosion, but helps ensure water quality standards and protect public health and the local environment.

Enclosed in our Annual Report, you will find additional information regarding our contributions to economic growth, community partnerships and system-wide improvements. You can also visit our new ReWa web site at www.ReWaOnline.org for regular updates and news. Keeping our customers informed is an important step in maintaining a healthy community relationship. In turn, ReWa welcomes customer feedback, so we encourage you to contact us at any time. Thank you for your support.

Board of Commissioners

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



Sincerely,

Ray T. Orvin, Jr.
Executive Director



Durbin Creek Treatment Plant –

Due to projected residential and industrial growth in the Durbin Creek service area, ReWa is upgrading the capacity of this plant to 5.2 MGD. The project also includes the addition of filtration and ultraviolet disinfection to produce tertiary quality water.

Sewer Line Rehabilitation –

To keep the sewer system in the best possible condition, ReWa conducts ongoing maintenance projects to reverse the damage created by normal deterioration of underground components. ReWa committed \$8 million to rehabilitation work this past year, focusing on portions of the areas served by the Durbin Creek, Lower Reedy, Grove Creek and Georges Creek facilities. Rehabilitation will continue in 2009 in other parts of the ReWa service area.

Mauldin Road Treatment Plant –

Construction continued on this project to upgrade the Mauldin Road facility, ReWa's largest, to meet stricter permit limits set by SCDHEC. The project includes new filters, the addition of ultraviolet disinfection, increased aeration capacity and additional biosolids facilities.

Grove Creek Treatment Plant –

The Grove Creek Pump Station and Force Main was constructed to divert effluent discharge from Grove Creek to the Saluda River. This project was designed to take the Grove Creek Treatment Plant out of service and divert the flows to the new Piedmont Regional Treatment Plant.

Gilder Creek Treatment Plant –

Due to continued development in the area served by the Gilder Creek Treatment Plant, preliminary planning and engineering was completed expanding the plant's capacity to 11.3 MGD.

Effluent Reuse –

A preliminary engineering study has been initiated to evaluate the possibilities of using treated effluent for irrigation purposes.

Sustainable Administration Building –

Construction was completed on an energy-efficient building to replace other separate, aged and maintenance-intensive facilities. The new building houses the Engineering, Customer Service, Human Resources, Accounting, Administration, Purchasing and Pretreatment Departments.

Taylor's Pump Station and Force Main –

The Taylor's Pump Station is under construction and scheduled for completion in April 2009. Upon completion, the Taylor's Treatment Plant will be taken out of service and its flow pumped to, and treated at, the Pelham Treatment Plant.

Piedmont Regional Treatment Plant –

Selection of an engineer to design the Piedmont Regional Treatment Plant was initiated. This plant will replace the existing Grove Creek and Piedmont Plants. Construction is scheduled to begin late 2009.

Green Energy Project –

Preliminary planning and engineering are currently under way to facilitate the reuse of methane, which is generated as a by-product of the wastewater treatment process, as an alternative "green" source of energy. Potential future uses for our methane gas include power generation, vehicle fuel or heating for buildings. This project will reduce our dependency on traditional fossil fuel sources.

Woodfern-Pitts Sewer Replacement –

Construction has begun on a replacement sewer with increased capacity in the Botany Woods area of Wade Hampton.

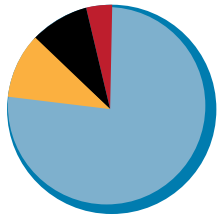
River Basin Planning –

The Enoree, Reedy and Saluda River Basins are being studied to ensure that appropriate wastewater collection and treatment can support future growth and development in ReWa's service area.



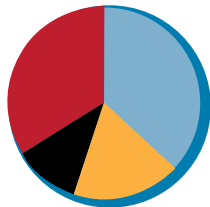
Financial Reporting to the Community

Revenues
Total Revenues: \$68,892,985



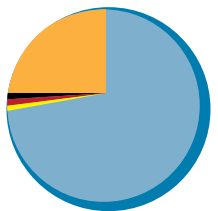
- Domestic & Commercial 77%
- New Account Fee & Other 10%
- Industrial Income 9%
- Interest Income 4%

Expenditures
Total Expenditures: \$68,892,985



- Operating Expenses 37%
- Long-Term Debt Interest & Other 18%
- Capital Improvements 11%
- Depreciation 34%

Net Assets: \$246,601,482



- Invested in Capital Assets, Net of Related Debt 74%
- Unrestricted 21%
- Depreciation Restricted 2%
- Debt Service Restricted 2%
- Other Restrictions (One Month's Operating Expense + Contingency) 1%

2008 FINANCIAL STATUS

Western Carolina Regional Sewer Authority (WCRSA) continues to maintain stable financial health. Long-range planning and careful allocation of resources allow WCRSA to sustain an excellent revenue bond rating as well.

The growth in the Upstate has required WCRSA to increase 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. Despite the high cost of these requirements, WCRSA's financial position has remained strong.

There has been a small decrease in total revenues from \$69.9 million in Fiscal Year (F. Y.) 2007 to \$68.9 million in F. Y. 2008. Expenses for operations, depreciation and long-term debt expense increased approximately 8% from \$57 million in F. Y. 2007 to \$61.7 million in F. Y. 2008. Net assets increased approximately 3% from investments in capital projects of \$7.2 million (net of income and expense). Although, WCRSA realized small increases in income from user charges, a decrease in investment income and revenues from new construction (New Account Fees) created an overall decrease in total revenues.

The increase in expense is due to growth in depreciation expense, higher fuel costs and an increase in worker's compensation. WCRSA invested \$67.1 million in capital improvements: \$49.1 million of internal equity and \$18 million in new debt from the State Revolving Fund Loan. There has not been a significant change in long-term debt (2.3%) since F. Y. 2007. WCRSA remains in an excellent financial state.

REPORT DISCLOSURE

The Abbreviated Balance Sheet presented in this report gives an overview of WCRSA's financial health at a specific point in time (June 30, 2008). The Revenues and Expenditures charts present a summary for a period of time (the year ended June 30, 2008). The Abbreviated Balance Sheet and Revenues and Expenditures charts summarize data from WCRSA's Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The CAFR, which is approximately 85 pages in length, contains extensive financial information. The abbreviated reports consolidate all of WCRSA's funds. Anyone interested in reviewing the complete CAFR may contact our Accounting Department at 561 Mauldin Road, Greenville, SC 29607, phone # 864-299-4036 or visit our web site at www.ReWaonline.org for an electronic version. 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 H. Carnes
Controller

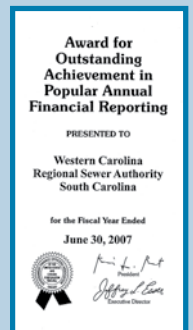


ReWa Chairman J.D. Martin presents Pamela Carnes with the 2007 CAFR Award

FINANCIAL REPORTING AWARD

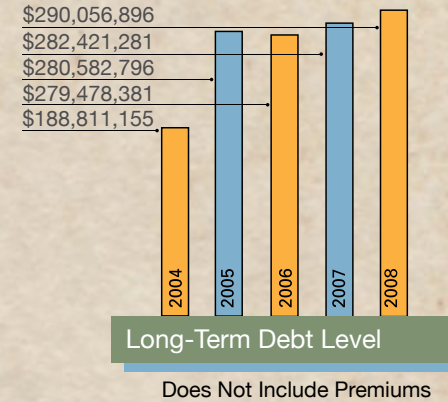
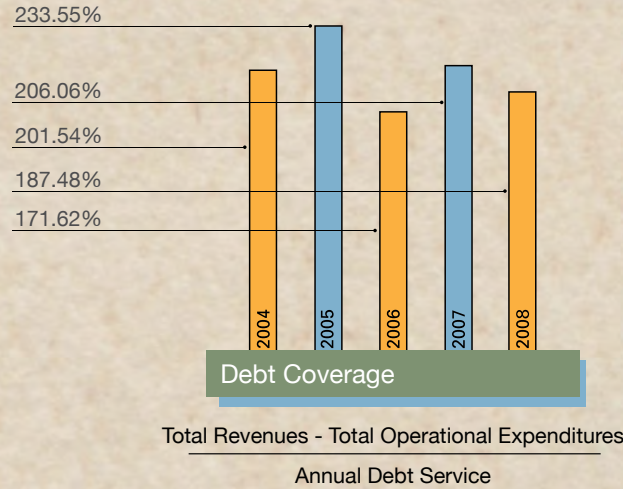
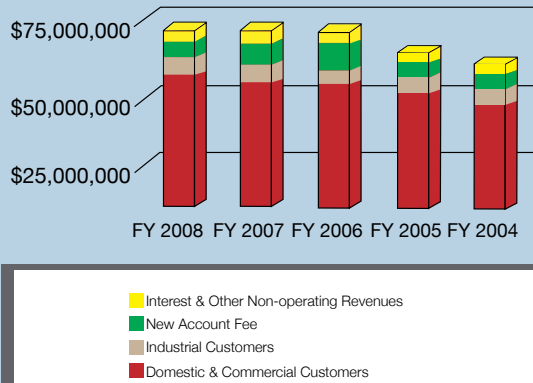
WCRSA was presented with two prestigious financial reporting awards in 2008. WCRSA received the Popular Annual Financial Report Award for the 2007 Annual Report to the Community. This is the 10th consecutive year the organization has received the award. (See right).

WCRSA also received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the 15th 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 more than 12,000 government finance professionals. (See above right).

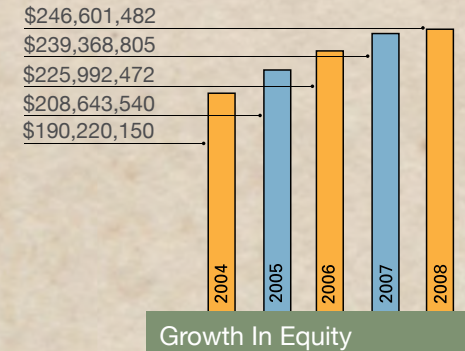
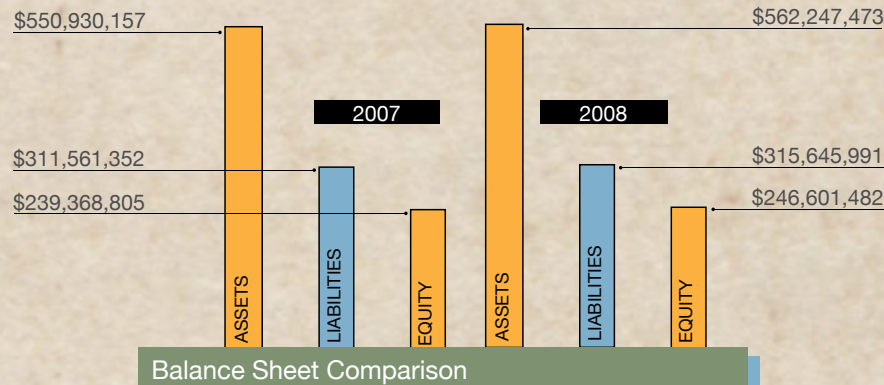
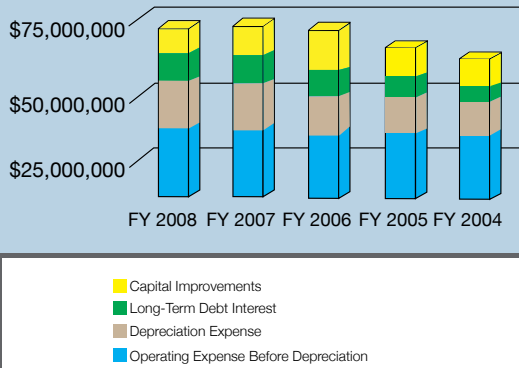




Income Comparison



Expense Comparison



Abbreviated Balance Sheet 2008

Assets	\$562,247,473
Liabilities	\$315,645,991
Equity	\$246,601,482
Total Liabilities	\$562,247,473

Renewable Water Resources (ReWa)



Western Carolina Regional Sewer Authority is d.b.a. Renewable Water Resources (ReWa). In keeping with our expanding green practices, including the development of our sustainable Administrative Building, we decided to turn over a new, green leaf with our organization as a whole. Our goal is to protect the community's rivers and streams; we clean water from homes and businesses, making it safe to place back into our environment.

The drought this past year reminded the community how precious water is as a resource, so it is our commitment, as an organization and as individual community members, to preserve our water environments. Focusing on developing renewable resources sustainability helps ensure that our limited resources will be available for future generations.

Our name – Renewable Water Resources (ReWa) – reflects our promise to the community to protect, clean and renew the valuable environmental resources of our community.

Complementing ReWa's dedication to our natural resources, the new environmentally-friendly Administrative Building raises the level of awareness for both ReWa employees and customers. Pursuing LEED Certification with environmental features as detailed in the floorplan, the building allows ReWa to exemplify responsible consumption of resources.



ReWa's Executive Director and Board of Commissioners

Additional Environmental Features:

Fuel Use Reduction

Over 21,000,000 gallons of gas can be saved per year if every customer of ReWa used a bicycle to commute four days a week for four miles. We are doing our part in reducing fuel consumption by encouraging our employees to bike to work.

"Bike to Work" Program

The employees who choose to reduce automobile emissions by biking to work are provided with a locker room and shower.

Fuel Efficient/Carpool Preferred Parking

For those who drive zero emission vehicles or vehicles with an ACEEE score of at least 40, we have created preferred parking spots to reward reducing energy consumption. There is also preferred parking for those who carpool, to encourage employees and customers alike to reduce automobile emissions.

Bird Habitat

ReWa's property is closely monitored by local specialists to remain a natural bird habitat. The property is also designed to counter the loss of natural habitats and cultivate new ones.

Temperature Control

The heating and cooling systems have been designed for maximum controllability by our employees, allowing them to adjust the temperature of their environment immediately.

Air Filtration

The safety of our visitors and employees is a top priority; therefore, a state-of-the-art filtration system has been installed to reduce pollutants that contribute to poor health.

Construction Waste Reduction

During the construction of this building, steel, wood, concrete and gypsum wallboard wastes were minimized and recycled at levels well beyond typical new construction.

Local Materials

During construction, local and regional materials were used extensively, which cultivated the local economy, as well as reduced costs and energy associated with transportation of goods.

Efficient Heating/Cooling Systems

The building is equipped with a highly efficient heating and cooling system, including well-insulated walls and roofs to save energy costs and reduce demand for fossil fuels overall.

Limited Site Disturbance

In the planning and development of the Administrative Building, special care was taken to minimize site disturbance, and protect or restore the habitat. The new building was constructed on top of the previous building's footprint.

Recycled Content Materials

To reduce consumption, the building was constructed with 10-20% post-consumer recycled content in materials, such as steel and drywall.

Natural Lighting

The building is designed to maximize daily exposure to create a pleasant work environment and increase the efficiency of our employees.

Environmental Features

Greenville Greenways



Just across the Reedy River from ReWa, you can enter the Greenville Greenways trail system, a network of trails through Greenville County.

Recycling Room



Use of recycled and recyclable materials at ReWa reduces waste, raw material consumption and energy use, minimizing our environmental impact.

Energy Efficiency



ReWa is proud to have a highly efficient building with the expectation for a 10-15% reduction of energy use beyond a typical new building.

Recycle/Reuse



To conserve and reuse our water resources, ReWa recycles its effluent in the landscaping irrigation system.

Air Quality



Use of low emitting carpets, paints and sealants maximizes indoor air quality and minimizes health risks and toxic manufacturing wastes.

Water Conservation



ReWa installed low-flow toilets and faucets in all restrooms that will reduce water consumption more than 20% beyond typical levels.

Wildlife Protection



Low levels of exterior lighting help ReWa to minimize light pollution that can impact nocturnal wildlife environments.

Waterways Protection



More than 80% of our property remains as green space.



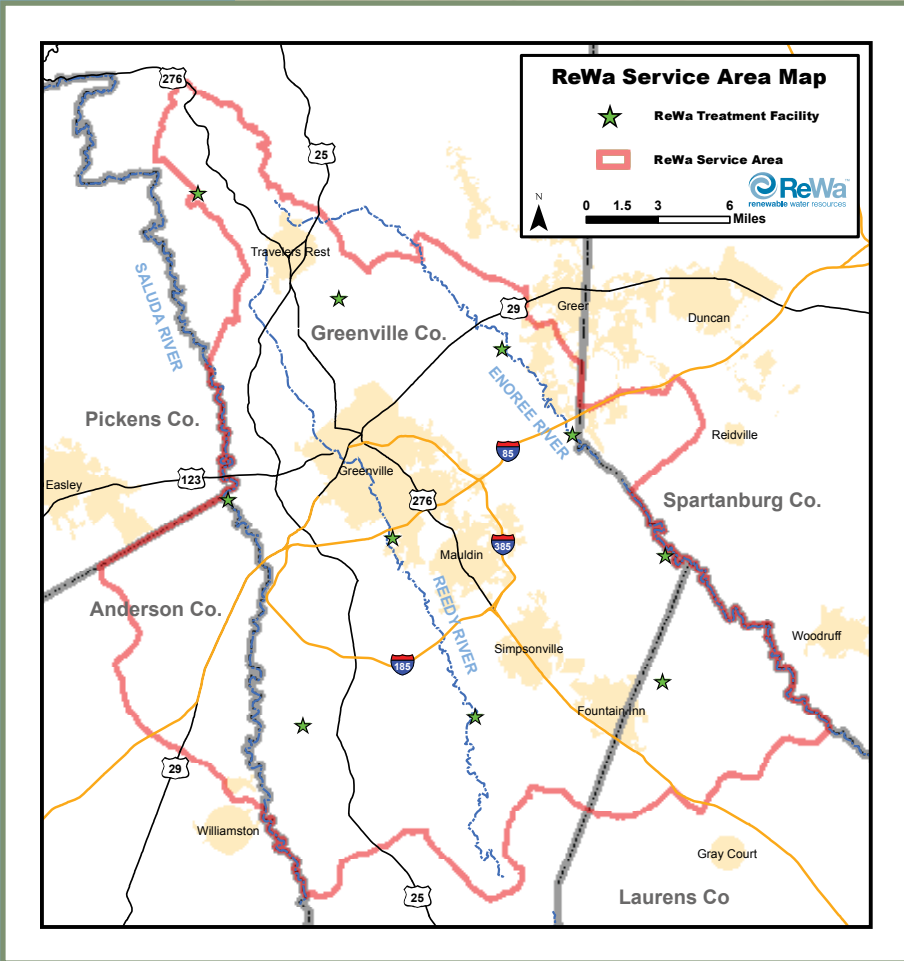
Community Area

Community Partners

ReWa works with 18 public partners that maintain more than 1,750 miles of lateral/collector sewer lines connected to ReWa’s approximately 350 miles of trunk lines and 10 treatment facilities. The entire system is required to meet all federal and state regulations.

ReWa is joining with these partners to protect and rehabilitate the sewer system. The partnership is essential for providing the necessary sewer infrastructure to support economic growth. See below our service area and list of public partners.

Community



- 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
- Metropolitan Sewer Sub-district
- Parker Sewer & Fire District
- Pickens County
- Piedmont Public Service District
- City of Simpsonville Public Works
- Slater Water, Sewer & Light District
- Taylors Fire & Sewer District
- City of Travelers Rest
- Wade Hampton Fire & Sewer District



The Upstate Roundtable is a volunteer collaboration of community, business and governmental leaders, as well as technical experts who are charged with reviewing and solving the challenges of aligning the Upstate's wastewater infrastructure capacity with its growth. The identified strategies are designed to optimize future capacity within the five Upstate counties of Anderson, Greenville, Laurens, Pickens and Spartanburg. The wastewater treatment system within those counties is served by the Enoree, Reedy and Saluda River Basins. The Upstate Roundtable will devise a Strategic Plan to focus its resources towards issues facing the organization and the community it serves.

The Upstate Roundtable has five major objectives to achieve its mission:

- To conduct an inventory of current assets, including projects which are in the active planning stage, and assess those factors which impact the full utilization of those assets. This inventory will consist of roads, water, sewer, electrical, gas and telephone services.
- To provide a coordinated forecast of sewer infrastructure needs over the next 20 years and develop a plan for meeting these needs efficiently and economically.
- To identify the resources – human, physical and financial – which will be required to implement the long-range plan.
- To educate the community on the necessity for implementing the long-range plan and to promote and encourage active cooperation among all essential entities, both governmental and private.
- To focus special efforts on planning for the construction of regional sewer facilities in the Enoree, Reedy and Saluda River Basins.

These original objectives remain the active focus of the Upstate Roundtable. However, with the increasing development in the Upstate, additional issues will naturally emerge, including:

- Non-point source discharge • Septic tank usages • Micro-constituents in effluent • State regulations
- Effluent reuse • Regional mutual aid • At-risk sub districts • Inflow & Infiltration • Dealing with growth

The work of the Upstate Roundtable will be carried out by the following five committees under the guidance of George Fletcher, Executive Chair and ReWa Commissioner:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Policy & Community Issues Committee - J.D. Martin, Chair – ReWa Commissioner - Brad Wyche, Vice Chair – Upstate Forever | <ul style="list-style-type: none"> • Finance Committee - Gary Gilliam, Chair – ReWa Commissioner - Kathy McKinney, Vice Chair – Haynesworth Sinkler Boyd, P.A. |
| <ul style="list-style-type: none"> • Technical Committee - John Boyette, Chair – ReWa Commissioner - Jim Gossett, Vice Chair – Gossett Engineering | <ul style="list-style-type: none"> • Regulatory & Legislative Committee - Butch Merritt, Chair – ReWa Commissioner - Dwight Loftis, Vice Chair – SC House of Representatives |
| | <ul style="list-style-type: none"> • Communications Committee - Barbara Wilson, Chair – ReWa - Debbie Nelson, Vice Chair – DNA Creative Communications |





Community Recognition



Excellence in Management Award

The National Association of Clean Water Agencies (NACWA) presented ReWa with the 2007 Excellence in Management Recognition Award. This NACWA Award recognizes significant achievements in the utility management area.

Public Service Award

For outstanding advocacy of environmental stewardship, ReWa nominated South Carolina State Rep. James Hodges Harrison for the 2007 National Environmental Achievement Awards' (NEAA) Public Service Award from NACWA. Harrison's contribution to environmental policy-making earned him the NEAA at the state level for South Carolina.

Peak Performance Awards

Ten of ReWa's treatment plants received Peak Performance Awards from NACWA at the Association's 38th Annual Meeting. NACWA's Gold Peak Performance Awards were presented to the Durbin Creek, Georges Creek, Gilder Creek, Lower Reedy, Mauldin Road, Pelham and Slater – Marietta Treatment Plants to recognize their 100% compliance with the National Pollution Discharge Elimination System (NPDES) permit requirements in 2007. NACWA's Silver Peak Performance awards were presented to Grove Creek, Piedmont and Taylors Treatment Plants.

Biosolids Award

The Water Environment Association of South Carolina (WEASC) presented ReWa's Solids Manager Joey Collins with the Biosolids/Residuals Management Program of the Year Award. This award recognizes significant achievement in recycling or reuse of natural resources, regulation compliance and excellence in project management. ReWa is currently working towards the National Biosolids Partnership Environmental Management System Certification.

Blue Ridge Foothills District Awards

The Blue Ridge Foothills District of WEASC presented two ReWa employees – John Barry and Greg Page – with the Blue Ridge Foothills district awards. Barry received the Wastewater Operator of the Year award for excellent achievement in the direct operation of a wastewater system. Page was named the Maintenance Person of the Year for excellent achievement in the maintenance of a water, wastewater, collection or distribution system.



Management



Public Service



Peak Performance



Biosolids



Blue Ridge

Compliance Excellency Awards

ReWa recently recognized 34 Greenville industries for demonstrating excellent compliance with environmental regulations throughout 2007. The Compliance Excellency Awards are presented annually to local industries that are in complete compliance with the Sewer Use and Pretreatment Regulation. ReWa applauds these good neighbors for their outstanding efforts in helping to achieve a cleaner environment in the Upstate.

Bausch & Lomb, Inc.
ByrTech Custom Machine Works, Inc.
C H Patrick & Co., Inc.
Cognis Corporation
Columbia Farms
Columbia Farms – Pelham

Cytec Carbon Fibers, LLC
EEEE, Inc.
Ethox Chemicals, Inc.
General Electric Gas Turbine**
Great American Tank Wash, Inc.
GTP Greenville, Inc.

Henkel Corporation
Irix Manufacturing, Inc. #1
ITG Automotive Safety - Dunean Plant
JPS Composite Materials
Kemet Corporation – Fountain Inn
Kemet Corporation – Simpsonville*

KS Gleitlager USA, Inc.
Lockheed-Martin Aircraft Center
Mitsubishi Polyester Films, Inc.
Morgan AM&T
Nippon Carbide Industries (SC), Inc.
Nutra Manufacturing, Inc.

Ortec, Inc.
Roll Technology Corporation
Roy Metal Finishing Co., Inc.
Roy Metal Finishing – Mauldin
Saint Gobain Abrasives, Inc.
Southern Weaving Company

Span Packaging Services, LLC
Specialty Shearing & Dyeing, Inc.
Teknor Apex Carolina Company
Vopak Logistics Services USA-
Piedmont, LLC



2008 Reedy River Sweep

ReWa employees and volunteers participated in the 18th annual Reedy River Sweep. The ReWa “Stream Team” group, in partnership with employees from Black & Veatch and Clemson Extension, removed trash and debris from a 1.5-mile section of the Reedy River. The portion runs through the property of the Mauldin Road Wastewater Treatment Plant at the intersection of I-85 and Mauldin Road, and serves as the receiving stream for the plant’s effluent. The fall workday was scheduled in conjunction with the South Carolina Beach Sweep/River Sweep weekend. The statewide program is organized by the SC Sea Grant Consortium, the SC Department of Natural Resources and the SCANA Corporation.

Community Groups

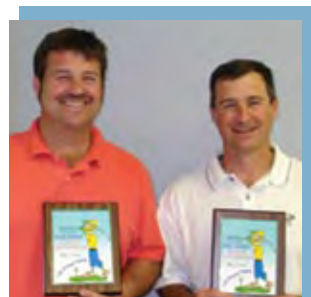
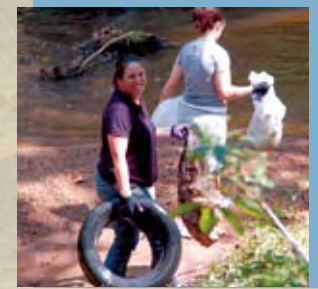
ReWa frequently hosts community groups on tours of our various facilities. Tour groups this year included Upstate Roundtable, local businesses, Boy Scout and Girl Scout Troops, summer day camps, colleges and universities, private schools and Anderson County School District 5. Several hundred guidance counselors and teachers from Anderson County School District 5 participated in the half day tour of our Mauldin Road Treatment Plant and discussion of how students could prepare for career opportunities within the organization. Also, a summer day camp group of six to twelve year olds toured the Lower Reedy Wastewater Treatment Plant as part of their “Green Week.”

Environmental Awareness Day

ReWa employees and a Boy Scout Troop from St. Mary’s Catholic School recently held their own river sweep, removing trash and debris from the Brushy Creek section that flows into the Reedy River at the Mauldin Road facility. Fifteen Scouts from Troop #521 attended, along with family and friends.

United Way Pacesetter

ReWa is a strong supporter of both the March of Dimes and the United Way. In the spring, ReWa sponsors a team in the March of Dimes’ Walk America. ReWa is also proud to be a United Way Pacesetter. Throughout the year, employees hold various fundraising events to support these charities. A favorite event is the annual Fish Fry. Employees team up to catch the fish and prepare a luncheon for the entire organization. ReWa also holds its annual Freshwater Freddie Golf Tournament. All proceeds from these popular events go to benefit the United Way of Greenville County. ReWa surpassed its annual goal of \$74,000, raising a total of \$75,948.





Departmental Directory

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

Western Carolina
Regional Sewer Authority d.b.a.



561 Mauldin Road
Greenville, SC 29607

www.ReWaOnline.org



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