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

We feel it is important for public utilities to evaluate how they can become more effective, especially in the face of today’s challenges, including aging infrastructure and increasingly stringent regulatory requirements. Recognizing this need, we are adopting the ten attributes of an effective utility and five keys to management success. These strategies are sponsored by the U.S. Environmental Protection Agency (EPA) in conjunction with six national water and wastewater associations, and will serve as ‘Best Practices’ for ReWa.

We are at the beginning of implementing these strategies throughout all organizational levels. Each attribute will have goals and metrics to evaluate our progress. You can learn more about the efficiency effort on pages six and seven, which include the Ten Attributes of Effectively Managed Water Sector Utilities and the Five Keys to Management Success.

In our 2010 Community Report, you will also find information regarding our strong financial position, community partnerships and highlights from our accomplishments over the past year. We welcome you to visit our web site regularly for monthly updates, or sign up for our quarterly community e-newsletter. We believe maintaining open communication with our community is important, so I welcome you to contact us with any questions or customer feedback. Visit www.rewaonline.org or call 864-299-4000.

Thank you for your continued support.

Sincerely,

Ray T. Orvin, Jr.
EXECUTIVE DIRECTOR
Drinking Water, also known as potable water, is retrieved from local waterways and treated with small amounts of chemicals, such as chlorine, to kill any germs or environmental elements. Fluoride is also added to drinking water to minimize tooth decay. These treatments are performed by drinking water providers, like the Greenville Water System, to achieve optimal water for human consumption.

ReWa is responsible for providing clean, reusable water that is made safe before it is returned to the environment. ReWa’s system receives wastewater from homes, businesses and industries. Our extensive treatment process removes waste, then filters and disinfects the water to achieve Clean Water.

Renewing Resources – ReWa is focused on developing sustainable alternatives to ensure that our limited resources will be available and protected for future generations. Visit our website at www.rewaonline.org to learn more.
ReWa continues to maintain strong financial health and sound bond ratings. Through long-range planning, like the Upstate Roundtable, ReWa has been able to increase capacity and improve the quality of treatment. The goal of the Upstate Roundtable was to align regional wastewater infrastructure with the Upstate’s projected growth, while promoting environmental sustainability. In fiscal year 2010, ReWa was able to accomplish the first step towards this goal by expanding ReWa’s legislation to use, market and set rates related to the generation of goods and energy derived from by-products of the treatment process and alternate sources. This legislation lays the groundwork towards implementing numerous objectives identified in the Upstate Roundtable plan. ReWa is currently developing strategies, utilizing the management tools provided by Effective Utility Management and the Balance Scorecard, to execute and monitor the Upstate Roundtable’s recommendations.

ReWa’s overall financial position improved during fiscal year 2010 as net assets grew 1.1%. Net assets increased approximately $2.9 million to $259.9 million. Although there was a modest increase in domestic and commercial customer revenues in fiscal year 2010, total revenues decreased $0.6 million to $65.4 million as new account fees and investment revenues in fiscal year 2010, total revenues decreased $0.6 million to $65.4 million as new account fees and investment revenue continue to decline. Total expenses increased by 0.5% or $0.3 million to $62.5 million primarily due to an increase in interest expense on long-term debt which was offset by decreases in operating expenses before depreciation.

The Abbreviated Balance Sheet (far right) presented in this report provides an overview of ReWa’s financial health as of June 30, 2010. The Revenue and Expense charts present a summary of the results of operations for the period ended June 30, 2010. The Abbreviated Balance Sheet and Revenue and Expense charts summarize data from ReWa’s Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP). In fiscal year 2010, ReWa restated fiscal year 2009 net assets to reflect the cumulative impact of certain unbilled services. For comparative purposes, the information for years ended June 30, 2006, 2007, and 2008 have been adjusted to reflect the application of this methodology. Additional information on the restatement can be found in Note 18 of the notes to the financial statements which are included in the complete CAFR. The complete CAFR is available upon request by contacting our Accounting Department at 561 Mauldin Road, Greenville, SC 29607, by calling 864-299-4036 or by visiting our web site www.rewaonline.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.

Patricia R. Dennis, CPA
Controller
balance sheet comparison:

<table>
<thead>
<tr>
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<th>2010</th>
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<tr>
<td>Assets</td>
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<td>Liabilities</td>
<td>$340,018,131</td>
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<td>Net Assets</td>
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growth in net assets:

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long-term debt level:

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<tr>
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<td>$253,169,851</td>
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debt coverage:

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<td>Annual Debt Service</td>
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<td>1.8</td>
<td>1.6</td>
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<tr>
<td>Total Revenues – Total Operating Expenses</td>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
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2010 ABBREVIATED BALANCE SHEET

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<tbody>
<tr>
<td>Assets</td>
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<td>$328,058,968</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$259,881,189</td>
</tr>
<tr>
<td>Total Liabilities &amp; Net Assets</td>
<td>$587,940,157</td>
</tr>
</tbody>
</table>

renewable water resources annual report to the community 2010
Water and wastewater utilities across the country face many similar challenges, including rising costs, aging infrastructure and increasingly stringent regulations. Effective Utility Management can help utilities enhance the stewardship of their infrastructure, improve performance in many critical areas, and respond to the current and future challenges. The U.S. Environmental Protection Agency (EPA) partnered with six major water and wastewater associations to collaboratively develop strategies for excellence in utility management. Here are a few highlights from the Effective Utility Management Primer, which ReWa is in the process of adopting throughout the organization.

**FIVE KEYS TO MANAGEMENT SUCCESS**

The Keys to Management Success are comprised of frequently used management approaches and systems that experience indicates help water and wastewater utilities manage more effectively.

- **Leadership** – Effective leadership produces organizational alignment and clear direction reflecting the utility’s vision and goals to strive for improvement

- **Strategic Business Planning** – After development, it drives and guides utility objectives, measurement efforts, investments and operations

- **Organizational Approaches** – Contribute to overall Effective Utility Management and are critical to the success of management improvement efforts

- **Measurement** – A measurement system serves many vital purposes that include focusing attention on key issues, clarifying expectations, facilitating decision-making, improving processes and learning

- **Continual Improvement Management Framework** – Plan-do-check-act framework—a complete start-to-finish system that plays a central role in Effective Utility Management and is critical to making progress on the attributes

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**CONTINUOUS IMPROVEMENT MANAGEMENT FRAMEWORK**

- **Plan**
- **Do**
- **Check**
- **Act**
TEN ATTRIBUTES OF EFFECTIVELY MANAGED WATER SECTOR UTILITIES

When used together, these attributes can guide a utility to success for the benefit of the environment and community.

Product Quality – Produces clean water that meets all health and environmental needs and regulations

Customer Satisfaction – Performs affordable and reliable service in a timely manner that exceeds customers’ expectations

Employee and Leadership Development – Creates a desirable learning environment for employees fostering improvement, collaboration and leadership

Operational Optimization – Uses performance improvements effectively to sustain day-to-day operations while minimizing resource use

Financial Viability – Establishes reasonable rates and responsibly utilizes funds

Infrastructure Stability – Maintains and enhances all systems efficiently while considering future growth

Operational Resiliency – Proactively identifies, assesses and responds to potential risks in an appropriate manner

Community Sustainability – Understands and considers the impact its decisions have on the community, as well as on the watershed health and welfare

Water Resource Adequacy – Manages operations with a long-term view of sustaining water resources and their replenishment

Stakeholder Understanding & Support – Actively involves community members in the decisions that will affect them
COMMUNITY PARTNERSHIPS & EVENTS

ReWa partners with a variety of community groups and events to extend its educational programs to the public and contribute to other environmental efforts. Below are a few examples of our outreach programs:

- Greenville County Recreation District’s Greenville Greenways trail system
- Metropolitan Arts Council’s Flat Out Under Pressure art competition and recycling project
- Home Builders Association of South Carolina’s Greenville Greenbuild 2010
- Greenville Technical College’s EarthFest 2010
- The Children’s Museum of the Upstate’s Greenzilla Earth Day celebration & educational water feature, the Reedy River Bend
- City of Greenville’s Business in Action Conference
- Bryson Middle School’s Career Day
- South Carolina’s Adopt-A-Highway Program

RIVER SWEEP

In September, for the 15th consecutive year, ReWa held its annual Reedy River Sweep, a volunteer event for ReWa employees to give back to the environment. Blake Visin, Director of Information Systems, was the organizer of ReWa’s “Stream Team.” Visin said, “Our employees enjoy participating in this event because our jobs focus on protecting Upstate waterways. We feel this clean-up effort is important because it provides us with another opportunity to protect the water quality of the Reedy River.”

This year’s River Sweep was a record-breaker with the largest number of participants removing a record-low amount of trash and debris. There were 46 participants this year, collecting less than a ton of trash and debris from the Reedy River’s section at ReWa’s Mauldin Facility. The Stream Team’s efforts throughout the years are starting to payoff, as evidenced by the low amount of trash collected. The 1.5-mile riverfront at the intersection of I-85 and Mauldin Road runs through the property and serves as the receiving stream for the plant’s effluent. The event was scheduled in conjunction with the 22nd annual state-wide South Carolina Beach Sweep/River Sweep week, which is organized by the SC Sea Grant Consortium, the SC Department of Natural Resources, and the SCANA Corporation.

ReWa also works with the local Boy Scout Troop from St. Mary’s Catholic school on a second River Sweep at Brushy Creek. More than 45 Boy Scouts and family members cleaned 1.5 tons of debris off a one-mile stretch of creek that flows into the Reedy River.
EDUCATIONAL TOURS

ReWa regularly hosts facility tours for various groups, including local schools, colleges, businesses and other environmental interest groups as part of ReWa’s public education program. This program is an ongoing effort to increase awareness about the importance of protecting the aquatic environment of the Upstate. The tours and content are tailored to the group’s age and interest level. Touring groups learn about wastewater treatment processes and how day-to-day actions impact our rivers, lakes and streams. Some of the common tour topics include: clean water vs. drinking water, the lifecycle of water, green building and LEED certification, biosolids and reuse programs, sustainability, recycling products, safe water practices, biological vs. chemical treatment, career possibilities and new technology.

Some of this year’s tour attendees included:
- Greenville Soil & Water Commission
- U.S. Green Building Council
- Clemson University
- Schneider Electric
- St. Mary’s Catholic School of Greenville
- Furman University’s Osher Lifelong Learning Institute & Bridges to a Brighter Future Program
- Greenville County Disability & Special Needs Board
- Boy Scout Troops
- Bob Jones High School
- 2010 National Student Leadership Conference

ORGANIZATIONAL GIVING

Throughout the year, ReWa is a strong supporter of both the March of Dimes and the United Way. In addition to donations, employees support these charities through fundraising events, such as a chili cook-off, fish fry, golf tournament and the March for Babies Walk. ReWa surpassed its combined annual goals, raising more than $93,000.

YMCA PARTNERSHIP

ReWa has an ongoing partnership with the YMCA of Greenville to provide educational classes for after-school daycare kids to learn more about protecting our environment and the wastewater treatment process. The monthly classes included a variety of lessons for children ages 4-14 years old. Some of the lesson topics have included the biological processes and “good” bacteria ReWa uses to treat the water, environmental hazards of pouring Fats, Oils and Grease (FOG) down the drain and the importance of “going green” to protect our environment.
ReWa is proud to recognize the following staff and local businesses for their exceptional performance this year.

**INDIVIDUAL AWARDS**

- Glen McManus, Director of Operations, was inducted into the South Carolina Chapter of the Water Environment Federation’s SS Society, in recognition of his outstanding service.
- Fred Nesbitt, Plant Operator for the Mauldin Facility, received the Water Environment Association of South Carolina Wastewater Plant Operator of the Year Award.
- Karen Sprinkle, Pretreatment Data Control Technician, received the Water Environment Association of South Carolina Young Professional of the Year Award.
- Angela Allen, Engineering Project Supervisor, received the Water Environment Association of South Carolina Engineer of the Year Award.
- Russell Morris, Operations Mechanic, received the Water Environment Association of South Carolina Maintenance Person of the Year Award.
- Samantha Bartow, Administrative Assistant for the Collection System Department, received the Blue Ridge Foothills District Collection System Operator of the Year Award.

**ORGANIZATIONAL AWARDS**

- All nine of ReWa’s treatment plants – Durbin Creek, Gilder Creek, Grove Creek, Lower Reedy, Marietta, Mauldin Road, Pelham and Piedmont – as well as four facilities – Administration Building, Collection System, Maintenance Shop and Solids Department – won the South Carolina Chamber of Commerce Safety Awards.
- Eight of ReWa’s treatment plants – Durbin Creek, Georges Creek, Gilder Creek, Grove Creek, Lower Reedy, Marietta, Mauldin Road and Pelham – won the South Carolina Department of Health & Environmental Control’s (SCDHEC) Outstanding Facility Award.
- All nine of ReWa’s treatment plants received Peak Performance Awards from the National Association of Clean Water Agencies. Georges Creek, Gilder Creek and Mauldin Road plants received Platinum level awards; Durbin Creek, Grove Creek, Lower Reedy and Marietta plants received Gold level awards; Pelham and Piedmont plants received Silver level awards.
- ReWa received second place in the Water Environment Association of South Carolina’s 23rd annual Operations Challenge competition.

**COMPLIANCE EXCELLENCE AWARDS**

ReWa proudly recognized 29 local industries for demonstrating excellent compliance with environmental standards in ReWa’s Sewer Use and Pretreatment Regulation. Visit www.rewaonline.org to view the full list of excellent industry participants.

Four industries in particular have demonstrated exceptional longstanding commitment:

- 17 Consecutive Years – General Electric Gas Turbine, LLC
- 15 Consecutive Years – Kemet Electronics Corporation – Simpsonville
- 14 Consecutive Years – Safety Component Fabric Tech
- 12 Consecutive Years – Mitsubishi Polyester Films, Inc.
ReWa works with 17 public partners to maintain their 1,880 miles of lateral/collector sewer lines that connect to ReWa’s 360 miles of major sewer trunk lines/gravity sewer and 9 treatment facilities. The entire system is required to meet all federal and state regulations. See the list of public partners below.

**ReWa Partners:**

- Anderson County Wastewater Management
  - 864-260-4023
- Berea Public Service District
  - 864-294-4848
- City of Fountain Inn
  - 864-409-3334
- Gantt Fire, Sewer & Police District
  - 864-277-7301
- City of Greenville
  - 864-467-4598
- Greer Commission of Public Works
  - 864-848-5500
- Laurens County Water & Sewer Commission
  - 864-682-3250
- Marietta Water, Fire, Sanitation & Sewer District
  - 864-836-6878
- City of Mauldin
  - 864-288-4910
- Metropolitan Sewer Subdistrict
  - 864-277-4442
- Parker Sewer & Fire Subdistrict
  - 864-467-4030
- Pickens County Public Service Commission
  - 864-898-5851
- Piedmont Public Service District
  - 864-845-6817
- City of Simpsonville Public Works
  - 864-967-9531
- Taylors Fire & Sewer District
  - 864-244-5596
- City of Travelers Rest
  - 864-834-7958
- Wade Hampton Fire & Sewer District
  - 864-244-0390
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
299-4000

Purchasing
299-4000

Solids Management
299-4040

561 Mauldin Road • Greenville, SC 29607
www.rewaonline.org

This report is printed and distributed to the community for less than 25¢ per piece.