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.

Last year we shared with you our new strategic direction, based on the Effective Utility Management Primer. It was developed by the U.S. Environmental Protection Agency (EPA) in conjunction with six national water and wastewater associations. We have now adopted the best practices from this document as protocols within our organization, many of which are featured on pages six and seven. These best practices will allow us to streamline our operations to maximize performance and efficiency.

Another program that has greatly improved our efficiency is our Inflow & Infiltration (I & I) Reduction Program. I & I is an ongoing concern for plant capacity and overflow prevention (see page three for more information). Partnering with the 17 sub-districts in our service area has been very successful, allowing us to look at the bigger picture and tackle the issue cohesively.

In other good news, ReWa had the pleasure of welcoming new leadership to its Board of Commissioners. Mr. Jimmy Martin stepped down from the Commission after many years of dedicated service. Filling his position is Mr. Ray Overstreet (photo left), who is a resident of Fountain Inn and brings with him a wealth of knowledge in industrial engineering and business management. We look forward to his valuable contribution as one of ReWa’s commissioners.

You can learn more about these changes, as well as timely news and updates, through our website or quarterly e-newsletter. In this annual community report, you will also find a summary of our past fiscal year, highlighting our strong financial position, new campaigns and continued community partnerships. Please feel free to contact us with any feedback or questions; we feel it is important to stay in touch with our community. Visit www.rewaonline.org or call 864-299-4000.

Thank you for your continued support.

Sincerely,

Ray T. Orvin, J.r.
EXECUTIVE DIRECTOR
ReWa works with 17 public partners to maintain their 1,955 miles of lateral/collector sewer lines that connect to ReWa’s 360 miles of major sewer trunk lines/gravity sewers and nine treatment facilities. The entire system is required to meet all federal and state regulations. ReWa also works with the public partners to ensure a community-wide focus on potential risks to the environment, like I & I.

I & I is a process through which rainwater and groundwater enters the sewer system, affecting the treatment process. The additional amount of water that I & I adds to the sewer system can double or even triple the volume that treatment plants normally receive. This is why I & I is a primary cause for sewer overflows, which is a risk to the community and the environment. ReWa and its public partners have developed an Upstate-wide program targeting the reduction of I & I. The program includes flow-monitoring, periodic sewer line and manhole inspections, and active repair and rehabilitation programs.

Throughout the past five years, the I & I Reduction Program has decreased I & I by more than 54% (or 22,614,144 gallons).*

* Based on comparing a 1.5” rain event in 2007 vs. a 1.5” rain event in 2011.
ReWa is committed to long-term strategic planning as demonstrated by the Upstate Roundtable Plans of 1994 and 2009, conducting rate studies in five-year increments and maintaining rolling five-year capital improvement plans. Additionally, ReWa believes that near-term monitoring is the only way to achieve long-term goals. As mentioned last year, management has developed reporting tools utilizing a combination of the framework set forth in the Effective Utility Management Primer and the Balanced Scorecard to ensure achievement of both long-term and near-term plans. Bond ratings are a good indicator of an organization’s financial viability, one of the ten attributes identified in the Effective Utility Management Primer.

In fiscal year 2011, ReWa issued two series of revenue bonds under a revised bond resolution which created an additional lien on net revenues, subordinate to the existing senior lien debt issued under the previous bond resolution and thereby closing the senior lien. In both instances, Moody’s Investors Service assigned its Aa3 rating to the junior lien debt and affirmed the Aa2 rating on the senior lien debt; furthermore, Standard & Poor’s Ratings Services assigned its AA to the junior lien debt and affirmed its AA rating on the senior lien debt. The Series 2010A were issued to refund seven state revolving loans generating a net present value savings of $2.5 million, as well as to recapture $7.8 million from the debt service reserve fund, resulting in a cash flow savings of $12.8 million over the life of the loan.

Consistent with the Financial Viability attribute, the Upstate Roundtable Plan set forth the objective for ReWa to obtain the lowest cost of funding; in fiscal year 2011, ReWa was able to benefit from the borrowing incentives created under the American Recovery and Reinvestment Act of 2009. In December 2010, ReWa issued the Series 2010B Recovery Zone Economic Development Bonds (“RZEDB”) in the amount of $26.8 million to partially fund the construction of the Piedmont Regional Wastewater Treatment Plant. The RZEDB designation entitles ReWa to a 45% interest subsidy from the US Treasury, effectively reducing the borrowing rate to 2.7%. The construction of this plant was the only project from the 1994 Upstate Roundtable Plan not completed by the time the Upstate Roundtable was reconvened in 2009. The need for the project was reiterated in the 2009 plan and construction is now underway.

ReWa’s overall financial position improved during fiscal year 2011 as net assets grew 2.9%. Net assets can be calculated by taking total assets (what we own) less total liabilities (what we owe). Net assets increase when revenues are greater than expenses. In fiscal year 2011, total revenues equaled $70.2 million and total expenses were $62.6 million, resulting in a net asset increase of $7.6 million to $267.5 million. The increase is attributable to scheduled rate increases, modest customer growth and a slight increase in new account fees, as well as decreases in depreciation and interest, amortization, and other non-operating expenses.

**FINANCIAL REPORTING AWARDS**

ReWa was presented with two prestigious financial awards from the Government Finance Officers Association in 2011. For the 13th consecutive year, ReWa received the Award for Outstanding Achievement in Popular Annual Financial Reporting for our 2010 Annual Report to the Community (see left).

ReWa also received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This is the 18th consecutive year that ReWa has achieved this impressive award. Receipt of this award represents the highest form of recognition in the area of governmental accounting and financial reporting.
The abbreviated Balance Sheets presented in this report provide an overview of ReWa’s financial health as of June 30, 2010 and 2011, respectively. It illustrates the relationship between ReWa’s assets and liabilities with the difference representing net assets. Monitoring net assets is another way to assess ReWa’s Financial Viability; other indicators include debt coverage, overall debt levels, as well as, the aforementioned bond ratings. All of the financial information presented in this report is intended to summarize and simplify the information contained in the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles and consists of audited financial statements, notes, and required supplementary information. In addition, the statistical section of the CAFR offers ten-year trend data on the following subjects: financial, revenue capacity, debt capacity, demographic and economic information, and operating information. This report is intended to enhance the understandability of the CAFR and is not regarded as a replacement. The CAFR is available on our website www.rewaonline.org or by contacting our Accounting Department by mail at 561 Mauldin Road, Greenville, SC 29607 or by phone at 864-299-4036. As you review this report, please feel free to share any questions or comments with us.

Patricia R. Dennis, CPA
Controller

ABBREVIATED BALANCE SHEET COMPARISON

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$596,465,874</td>
<td>$328,956,841</td>
<td>$267,509,033</td>
</tr>
<tr>
<td>2010</td>
<td>$587,940,157</td>
<td>$328,058,968</td>
<td>$259,881,189</td>
</tr>
</tbody>
</table>

* Includes Capital Project Cost Reimbursements
The EPA partnered with six major water and wastewater associations to collaboratively develop strategies for excellence in utility management. 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. ReWa is renewing its strategy with the best practices established by the National Association of Clean Water Agencies (NACWA), and have highlighted below some Effective Utility Management projects on the move.

**Attributes in Action**

**Product Quality** - ReWa continues its long-term goal of reaching zero non-compliance instances, having only one occurrence this past year. All of ReWa’s plants won Peak Performance awards from NACWA, recognizing their compliance excellence with permitting standards.

**Customer Satisfaction** - In response to a demonstrated customer need, ReWa added a full-time position in the Customer Service Department to serve as a direct liaison for developers, one of ReWa’s top customer groups.

**Water Resource Adequacy** - ReWa is developing a reclaimed water master plan. The first phase is to evaluate the demand for irrigation, industrial, and agricultural uses of the highly-treated effluent thereby preserving the drinking water resources. This is particularly important to sustain growth and mitigate the impacts of potential drought in the region.

**Financial Viability** - A component of financial viability is monitoring market conditions and seeking the lowest cost of funding. ReWa issued two series of bonds in fiscal year 2011. The first, Series 2010A, refunded seven state revolving loans for a net present value savings of $2.5 million, as well as to recapture $7.8 million from the debt service reserve fund, resulting in a cash flow savings of $12.8 million over the life of the loan. The second, Series 2010B, was designated as a Recovery Zone Economic Development Bond under the American Recovery and Reinvestment Act of 2009 entitling ReWa to a 45% interest subsidy from the US Treasury, effectively reducing the borrowing rate to 2.7%.

**Community Sustainability** - ReWa continues to be very active in the development of watershed management approaches which ensure adequacy and quality of the three river basins within its community. In the Reedy River basin, ReWa is a major participant in a workable implementation strategy to ensure that the water quality of the Reedy River will be protected and preserved for local and downstream users.

**Infrastructure Stability** - ReWa has been evaluating approaches for a formal asset management program and has recently contracted with a national firm to develop and implement a program to formalize and enhance current asset management processes and activities.

**Employee & Leadership Development** - ReWa continues to support the professional enhancement of its employees, which is often recognized in the form of industry awards. For example, the Water Environment Federation awarded ReWa’s West Division Operations Manager Adger Turner the prestigious Hatfield Award, in recognition of outstanding performance and professionalism.

**Operational Resiliency** - ReWa continues to be proactive in anticipating the future water quality requirements, shown by the construction of a state-of-the-art facility in Anderson County that will replace four antiquated secondary treatment facilities, and will employ membrane technology to produce the cleanest effluent of any of ReWa’s facilities. ReWa is also constructing its first green energy addition at a facility, a combined heat and power project that will utilize the methane gas produced from the digestion of the biosolids to generate electricity.

**Operational Optimization** - ReWa has received grant funding from the Water and Sewer Energy Efficiency Grants Program (WSEE) through the South Carolina Budget and Control Board. The Program is a competitive grant program for publicly-owned water and wastewater systems for the replacement of energy-intensive equipment with new high-efficiency pumps, motors, and other equipment that will reduce energy demands and costs. The primary criterion for successful selection was energy savings realized by the project.

**Stakeholder Understanding & Support** - ReWa continues to produce this annual report to the community, to provide an opportunity to share organizational progress, to educate the public on pertinent issues, and to provide contact information for feedback.
ExcelLence in management

ReWa was one of five agencies nationally selected to receive the Excellence in Management Recognition award from NACWA. The Excellence in Management Recognition Program recognizes public clean water utilities that implement progressive management initiatives and thereby advance the goals of the Clean Water Act.

ReWa continues its significant efforts to maximize efficiency during an era of rising costs and ever-expanding water quality challenges. During the three-year award application period, ReWa implemented numerous successful programs addressing the areas of product quality, employee and leadership development, operational optimization, financial viability, operational resiliency, and stakeholder understanding.

ReWa’s C-MOM (capacity, management, operations, maintenance) program, centralized operational software, and debt refinancing are examples that have all resulted in the reduction of management challenges, such as collection system overflows, unstable lagoon and package plants, I & I, and decreased costs from outstanding debt and plant maintenance.

**Pictured Left to Right:** Phil Friess, NACWA Awards Committee Chair; Jeff Theerman, NACWA President, 2010-2011; Ken Kirk, NACWA Executive Director; David Williams, NACWA President, 2011-2012; Ray T. Orvin, jr., ReWa Executive Director; and John V. Boyette, jr., ReWa Vice Chair.

“Renewable Water Resources truly embodies the spirit of the Excellence in Management Recognition Program. It is an honor and an inspiration to showcase the achievements and commitment of this utility and those of our nation to America’s Waters.”

- Ken Kirk, NACWA Executive Director

Biosolids

ReWa is participating in the National Biosolids Partnership’s (NBP) Biosolids Management Program (BMP). The BMP is a management system approach based on continual improvement and is used to develop, implement, and monitor environmentally-sustainable practices. Agencies must successfully pass a third-party audit to be a certified BMP agency through the NBP. In fiscal year 2011, ReWa completed its first third-party onsite readiness review. Staff have worked to correct all non-conformances identified in the onsite readiness review. In mid-fiscal year 2012, ReWa expects to receive certification through the NBP.
PROJECT Rx
a River Remedy

COMMUNITY PARTNERSHIPS

ABOUT
Project Rx: A River Remedy is a semi-annual medication take-back event led by ReWa, along with several community partner organizations. The event evolved from recent studies about the hazards of improper disposal of unwanted prescription and over-the-counter medications by flushing or pouring them down the drain. The first two events, held in November 2010 and June 2011, collected a combined weight of 1,175 lbs of unwanted medications that were properly disposed of by the Greenville County Sheriff’s Office.

PROPER DISPOSAL
Project Rx holds two major take-back events each year; one in the spring and one in the fall at various locations throughout the Upstate. At the event, you can drop off any form of medication (pills or liquids) to be properly disposed of through ReWa’s partnership with local law enforcement and the U.S. Drug Enforcement Administration (DEA).

QUICK TIPS
- Keep all of the medications in the original containers, leaving the labels on the bottles to identify the drug. Event staff will need this information to ensure proper disposal procedures.
- Black out all of your personal information on the prescription label with a dark permanent marker. Make sure to leave the drug name visible.
- If the pills are individually wrapped in plastic and foil, carefully pop out all of the pills and put them in a sealed Ziploc bag. Make sure to bring all of the original boxes and containers for drug identification purposes.

F.A.Q.S
Question: How does the take-back event work?
Answer: Participants can bring their medications in the original containers and drive to one of our main locations. When onsite, Project Rx volunteers will be there to guide you through the process. We will take, sort, and dispose of the medications, and send you back on your way within a few minutes.

Question: Will anyone know I came to the event?
Answer: We are very conscious of protecting the identities of our participants. Our volunteers will mark off with a permanent marker any personal information you have on prescription labels. We do not ask for any personal information at the event, only how you heard about us and generally where you are coming from – this helps us track where the greatest demand is for the next Project Rx.

Question: How do you dispose of the medications that are collected?
Answer: Law enforcement is a big part of Project Rx – we want a safe and secure event. They will take all collected medications and incinerate them. Incineration is currently the safest way to dispose of medications and is the same process for how law enforcement disposes of illicit drugs.

Question: Can I volunteer at an event?
Answer: We appreciate the community’s interest in supporting the event. Due to security and safety reasons, we have strict protocols for who is allowed to work at the event, especially with controlled substances. Instead, we ask you to support us in promotion - let us know if you want some flyers or save-the-date cards to hand out, or connect with us on social media. We’d love to hear from you!

F. A. Q. S
Decades of work in partnership between ReWa and the Greenville County Recreation District (GC RD) resulted in the development of the following community facilities that are enjoyed year-round by area residents and visitors:

**GHS Swamp Rabbit Trail**
One of the most notable projects involves the Greenville Hospital System Swamp Rabbit Trail. This major 13.5 mile and growing greenway project connects communities and destinations between Mauldin and Travelers Rest. A portion of the trail is made possible through ReWa’s agreement to allow GC RD to build the trail on parcels of ReWa’s property. The project is valued at $4 million and funded through a Hospitality Tax, contributions from the Greenville Hospital System, and various grants. Additionally, ReWa is allowing GC RD to utilize sewer line easements throughout the county to create connector trails to the Swamp Rabbit Trail.

**Pelham Mill Park**
This historic site is home to one of Greenville’s earliest textile mills. The original dam, constructed in the 19th century, is a focal point and draws visitors to a scenic view of the Enoree River shoals. The project will restore a historic post office, which was moved to the site when Highway 14 was widened. The area, which includes contiguous property owned by ReWa, also features a dog park.

**Greenville Greenways**
In the spring of 2010 Greenville County Council unanimously supported adoption of the Greenville County Comprehensive Greenway Plan that outlines the county-wide growth of a greenway network. ReWa hosted the public input meeting at the ReWa office and internationally-acclaimed consultants, Greenway Inc., said response and input was the highest they had ever experienced. One phase of the plan can be seen directly outside of ReWa’s office windows. Another section of the GHS Swamp Rabbit Trail will be completed later this year and will run along the Reedy River access from ReWa’s offices to the Augusta Acres neighborhood providing inviting pedestrian access to the 437-acre Conestee Park and Lake Conestee Nature Park.

**Lake Conestee Nature Park**
ReWa’s partnership with the GC RD significantly expands the trail system to the existing 300-acre Lake Conestee Nature Park. The park is operated by the GC RD.

**Brusby Creek Athletic Complex**
This state-of-the-art three-field athletic complex is home to thousands of upstate soccer enthusiasts during the spring and fall seasons. ReWa conveyed the land to the GC RD in the late 1980s.

**Pavilion**
The 16-acre site on ReWa property was conveyed to the GC RD in the late 1980s. This multi-purpose indoor recreation complex was recently expanded by eight acres. The facility offers the Upstate’s only ice skating rink, tennis courts, soccer fields, a historic miniature children’s train, and various programs ranging from summer day camps to special seasonal events.

**Corey Burns Park**
This 28-acre site on ReWa property, adjacent to the former Taylors Wastewater Treatment Plant, was developed in early 2008. The park offers a 5-field tournament venue for baseball, concessions, and restroom facilities.
ORGANIZATIONAL AWARDS

- ReWa received the 2010 Corporate Humanitarian Award from the National Recreation & Parks Association for its ongoing partnership with the Greenville County Recreation District in creating 7 recreational facilities (shown on previous page).
- ReWa received the Biosolids & Residuals Management Award from the Water Environment Association of South Carolina.
- The U.S. Green Building Council certified ReWa with the Silver LEED rating for its sustainable Administration Building.
- Eight of ReWa’s wastewater treatment plants: Durbin Creek, Georges Creek, Gilder Creek, Grove Creek, Lower Reedy, Marietta, Mauldin, and Piedmont, as well as four departments: Industrial Pretreatment, Instrumentation, Laboratory, and Solids won the South Carolina Chamber of Commerce Safety Awards.
- Eight of ReWa’s wastewater treatment plants: Durbin Creek, Georges Creek, Gilder Creek, Grove Creek, Lower Reedy, Marietta, Mauldin Road, and Pelham won the South Carolina Department of Health and Environment Control’s Outstanding Facility Award.
- All of ReWa’s wastewater treatment plants received Peak Performance Awards from the National Association of Clean Water Agencies. Georges Creek, Gilder Creek, Marietta, and Mauldin Road plants received Platinum level awards; Durbin Creek, Grove Creek, Lower Reedy, and Piedmont plants received Gold level awards; the Pelham plant received the Silver level award.
- ReWa’s Operations Challenge Team received second place in the Water Environment Association of South Carolina’s Annual Operations Challenge competition. The team was also invited to participate in the National Operations Challenge in October 2011.

VISIT OUR WEB SITE TO VIEW ALL OF OUR ORGANIZATIONAL, COMMUNITY AND EMPLOYEE AWARDS.

www.rewaonline.org

INDIVIDUAL AWARDS

- Adger Turner, West Division Operations Manager, received the William D. Hatfield Award from the Water Environment Federation. Adger was also inducted into the Water Environment Federation’s Quarter Century Operators Club.
- Hagan “Festus” Stroud, Line Maintenance Supervisor, received the Collection System Operator of the Year Award from the Blue Ridge Foothills District of the Water Environment Association of South Carolina.
- Doug Allen, Mauldin Road Plant Operator II, received the Wastewater Operator of the Year Award from the Blue Ridge Foothills District of the Water Environment Association of South Carolina.

COMPLIANCE EXCELLENCE AWARDS

ReWa proudly recognized 34 local industries for demonstrating excellent compliance with the environmental standards in ReWa’s Sewer Use & Pretreatment Regulation. Visit www.rewaonline.org to view the full list of our excellent industry participants.

Two industries in particular have demonstrated exceptional longstanding commitment:

- 18 Consecutive Years - General Electric Gas Turbine, LLC
- 13 Consecutive Years - Mitsubishi Polyester Films, Inc.

POLLUTION PREVENTION AWARDS

ReWa also recognized KS Gleitlager USA, Inc. with its 2010 Pollution Prevention Award for its innovative efforts of preventing pollution through waste minimization, water conservation, recycling, product reformulation, and toxic materials substitution.

www.rewaonline.org
COMMUNITY PARTNERSHIPS & EVENTS

ReWa participates in a variety of community events to extend its educational programs to the public and contribute to other environmental efforts. Below are a few examples of our outreach programs this year:

• Greenville Technical College’s EarthFest 2011
• Metropolitan Arts Council’s Flat Out Under Pressure art competition and recycling project
• South Carolina’s Adopt-A-Highway Program
• The Children’s Museum of the Upstate’s Clean Water Day
• The Goodwill Foundation’s 4th Annual Goodwill Big Dig
• The Sterling School’s Go Green Night
• Upstate Spice of Life Show’s Green Living Program
• YMCA’s After-School Program

EDUCATIONAL TOURS

ReWa regularly hosts facility tours for various groups as part of ReWa’s public education program. This program is an ongoing effort to increase awareness about the importance of the wastewater treatment process and protecting the aquatic environment of the Upstate.

Touring groups learn more about wastewater treatment processes and how day-to-day actions impact our rivers, lakes, and streams.

Some of this year’s attendees included:

• Bon Secours St. Francis Health System Lifewise Senior Program
• Tanglewood Middle School
• Home-schoolers
• American Institute of Chemical Engineers
• Greenville Technical College biology students
• Furman University microbiology students

ORGANIZATIONAL GIVING

Throughout the year, ReWa is a strong supporter of both the March of Dimes and the United Way. Employees support these charities through donations and fundraising events, such as the Freshwater Freddie Golf Tournament, and the March for Babies Walk. ReWa surpassed its annual goal of $92,000 and raised more than $94,400, with 97% employee participation.

RIVER SWEEP

In September, ReWa held its Annual Reedy River Sweep, a volunteer event for ReWa employees to give back to the environment. The participants collected trash and debris from the Reedy River’s section at ReWa’s Mauldin Road Facility. 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 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 SCANA Corporation.
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

Renewable Water Resources
864-299-4000

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

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