



COMMUNITY REUSE ORGANIZATION

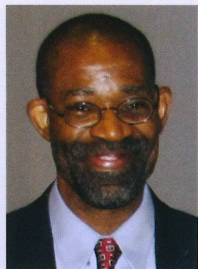
two states, one future



2017
ANNUAL
REPORT

2017

Transition, Celebration, and Farewell



Once again, it is my privilege to report to you the activities of the SRS Community Reuse Organization (SRSCRO). Here you will find details describing some of the activities of the organization from the past year. These things would not be possible without the professional staff at the SRSCRO. Without their boundless energy and dedication, we would not be able to serve our region as well as we do.

We find ourselves at a time of transitions at Savannah River Site (SRS) and all around us. We are at the cusp of major workforce transitions at SRS, such the likes we have not seen in 30 years. Thousands of younger workers will be replacing retiring workers over the next 3-5 years and the transition has already started. We will see transitions in the SRS contractors as well as Department of Energy (DOE) re-bids the liquid waste and operating contracts. Moreover, transitions are occurring within the community as local

leaders retire or leave political office. This institutional knowledge will be difficult to replace. Nevertheless, the SRSCRO will be there to assist as we have done in the past.

Finally, 2017 marks the end of my term as Chair of the SRSCRO. I believe I am leaving the organization as healthy, if not stronger, as it was when I followed Dr Susan Winsor into the post two years ago. Mr. David Jameson will assume the chair, his second time in this position. I am sure he will lead capably and dynamically as he has done before.

As we enter the 25th year of the organization, I want to express my sincere appreciation to the SRSCRO Board. It has been my privilege to work with such a talented group of people. For this, I am grateful. I could not possibly thank them enough. I look forward to continuing to work with them as we celebrate our longevity in the year to come!

Sanford Loyd
Sanford Loyd, Chair

SRSCRO MISSION

The mission of the SRS Community Reuse Organization is to facilitate economic development opportunities associated with Savannah River Site technology, capabilities and missions and to serve as an informed, unified community voice for the five-county, two-state region.

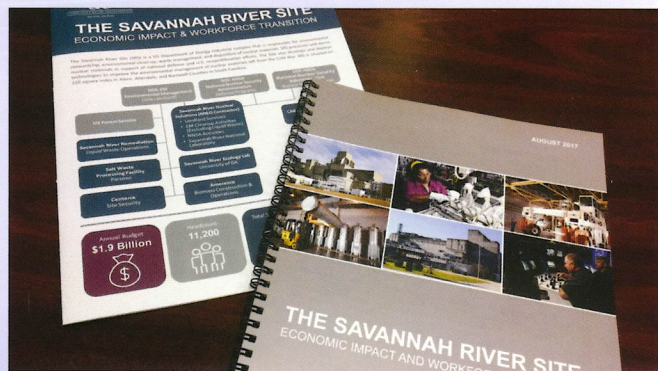
SRS Economic Impact Study

The operations at Savannah River Site (SRS) create jobs, generate income, and contribute to the tax revenues across the SRS Community Reuse Organization (SRSCRO) region. According to the Economic Impact Study released by the SRSCRO this year, SRS generated an economic impact of roughly \$2.4 billion per year in the regional economy in 2016.

The five-county region studied includes Aiken, Allendale and Barnwell Counties in South Carolina, and Columbia and Richmond Counties in Georgia. These counties were chosen because this is the area which comprises the SRSCRO's major area of influence as the Department of Energy's designated Community Reuse Organization for the Savannah River Site.

SRS employed 8,566 residents of the five-county region in 2016 (over 80 percent of the Site's total workforce). The average job at SRS pays approximately 2.3 times the regional average salary.

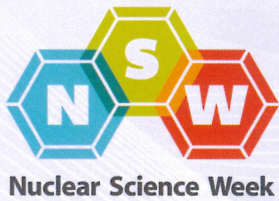
In addition to measuring the economic impact of SRS, the analysis estimates the consequences of the potential impact of future job fluctuations and future workforce transition, and adds research to identify how communities in the region can prepare for anticipated changes in the makeup of the SRS workforce. For example, the projected impact of a 1,000-job loss or gain at SRS would be a total regional job impact of 1,700, and a loss or gain of \$200 million in output.



To see the full report from the SRS Economic Impact Study, visit our website at www.srscro.org

A large segment of the report highlights broader implications for the five-county communities of a "next generation workforce." Implications "where further investments may be needed" include single-family housing and rental property inventory; educational programming to attract new residents; and "quality of place" projects to complement existing community amenities.

The study was prepared by TIP Strategies, an economic development consulting firm with offices in Austin, Texas and Seattle, Washington. The firm collaborated with Simon Medcalfe, Associate Professor of Finance at Augusta University's Hull College of Business.

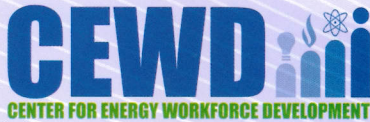


Collaboration and Networking

One important feature of successful and maturing non-profits is networking – networking/collaboration enables partners to exploit each other's strengths and differences for mutual benefits. By combining these strengths and resources, the results indicate a positive relationship between networking and the ability of the SRS Community Reuse Organization to improve on its mission and objectives.



This year the SRSCRO was asked to serve on the advisory committee for the CSRA Alliance for Fort Gordon. The primary mission of this organization is to promote, coordinate, and advocate for the "Fort Gordon Cyber District" to stimulate investment in cyber growth and capitalize on opportunities for the benefit of all. In addition, the SRSCRO serves on the Augusta Regional Airport Air Service Advisory Committee, which has been established to promote air service and additional uses of airport facilities.



On the workforce side, the SRSCRO actively serves on education/workforce committees for the Citizens for Nuclear Technology Awareness (CNTA), Columbia County Chamber of Commerce and the Energy Pathway Advisory Committee for the Richmond County Technical Career Magnet School. Nationally, the SRSCRO serves on the Nuclear Science Week Steering Committee and participates in the Center for Energy Workforce Development. The SRSCRO also hosts a workforce committee for regional nuclear employers.

Waste Disposition – New Approach

In 2013, representatives of the five counties surrounding the Savannah River Site and of the Carlsbad community began a discussion of using the Waste Isolation Pilot Plant (WIPP) to dispose of the high-level waste (HLW) currently stored at SRS that meet the technical definition of transuranic (TRU) waste. There was general agreement among these stakeholders that WIPP had the potential to be a disposal site for such waste and that this approach would benefit both the SRS region and the Carlsbad community.

Since then, the SRS Community Reuse Organization has continued its grassroots efforts and established outreach efforts to other potentially affected communities through collaboration with the Energy Communities Alliance (ECA). Recently, the ECA prepared a "whitepaper" which outlines alternative approaches to waste management, beginning with clarifying how nuclear waste types across the complex are defined. Only the U.S. classifies some of its nuclear waste by origin. In most major nuclear countries, wastes are categorized by their content, not their source.

The SRSCRO and the ECA members support a two-pronged approach with two distinct but complementary strategies:



"In order to ensure that radioactive waste is dispositioned in a safe and efficient manner and to ensure the protection of the public, workers and the environment, DOE shall consider the radiological characteristics of wastes resulting from the reprocessing of spent nuclear fuel as provided for in the statutory definition of high-level waste section 2(12) of the Nuclear Waste Policy Act. Regardless of origin or previous categorization, some reprocessing wastes shall be managed, treated and disposed of as other than high-level waste, i.e., as low-level waste, mixed low-level waste, or transuranic waste, in accordance with its radiological characteristics."

- An administrative approach that will use existing Department of Energy (DOE) authorities provided under DOE Order 435.1 to provide the clarity in how waste is defined.
- A legislative approach to codify the statutory change in the legal definition.

The SRSCRO has developed clarifying legislative language consistent with the existing definition of HLW for consideration. The text in the block to the left could be placed in legislation (e.g., the National Defense Authorization Act or other appropriate legislation) to capture and clearly define radioactive wastes currently being incorrectly categorized.

If this course is followed, an estimated \$40 billion or more could be saved on the remaining lifecycle cost of DOE's Environmental Management program, which currently stands at \$257 billion. This savings is a conservative estimate based on reducing years of operations; reducing the number, size and duration of storage facilities pending availability of a HLW repository; accelerating tank retrievals and closures; and, avoiding unnecessary and costly treatment facilities.

WORC Grant



Over 245 student scholarships have been awarded through the Workforce Opportunities in Regional Careers (WORC) grant program that is administered by the SRSCRO. WORC is a five-year program funded by the Department of Energy Environmental Management and the National Nuclear Security Administration to promote regional education and training for Savannah River Site workforce needs. Five college and university partners are sub-awardees of the \$5M award that involves recruitment, scholarships and retention strategies for students entering programs of study relevant to the nuclear industry.

The WORC partnership includes Aiken Technical College, Augusta Technical College, Augusta University, University of South Carolina Aiken and the University of South Carolina Salkehatchie. At least seventy students from these regional institutions were hired for summer internship programs at the Savannah River Site during the year.

The WORC grant, now in its second year, is an example of how the SRSCRO contributes to our regional workforce needs by Growing Our Own through Collaboration®.

Manufacturing & Education Connections

The SRS Community Reuse Organization hosted Manufacturing & Education Connections to foster partnerships in the Georgia and South Carolina region. During the half-day event, decision-makers from local school districts, colleges and universities became more aware of the modern manufacturing careers available locally. Regional manufacturers expanded their understanding of how educators are working to develop future employees.



Representatives from local colleges, public school districts and manufacturing facilities speak candidly during Table Topic discussions at the Manufacturing and Education Connections event.

Successful partnerships between industry and education were in the spotlight. Reaching Potential through Manufacturing in Augusta, Georgia is one of several examples. RPM - a partnership between Textron Specialized Vehicles and the Richmond County School System - helps students at risk of not graduating make up lost ground toward a high school diploma while earning income and real world experiences. Students chosen for the program assemble parts and components for E-Z-Go golf carts and off-road vehicles.

Other manufacturers in the immediate area also see value in employing young people early, although most admit that more must be done. Those companies include MTU America, which builds diesel-powered engines from its Graniteville, S.C. plant, and Barnwell, S.C.-based Swiss KRONO USA, which manufactures laminate flooring.

Model programs throughout the SRSCRO region provide a roadmap for informing students and their parents about manufacturing careers. Successful Best Practices include Columbia County's Students in Business program, Southern Carolina Initiatives, National Manufacturing Day and STEM Premier®, a social media platform that connects students, colleges and employers.

The day's message was clear - we must continue informing students that working for a manufacturer is rewarding both personally and financially. It starts with teaching young people a skill and inspiring them to work with their hands, their head and their hearts.

Manufacturing & Education Connections was born out of the Regional Workforce Summit hosted in 2016 by the SRSCRO where industry and education leaders in the five-county region expressed the need to connect more frequently on workforce topics.

STEM Career ConnectionsSM

What do nuclear, cyber and manufacturing industries have in common? Why do these employers want high school students to develop skills in science, technology, engineering and math (STEM)? Do STEM careers require either a two or four-year degree?

Area students are finding answers to these questions and more at STEM Career ConnectionsSM, hosted annually by the SRS Community Reuse Organization in partnership with local industries.

Now in its fifth year, STEM Career ConnectionsSM provides hands-on interactive exhibits and engaging speakers that help students expand their understanding of local technology-based careers. Students, and their teachers, are surprised by the high-tech workforce needed by regional manufacturers. They are interested to learn about the area's nuclear industry including the many technician and engineering disciplines that are in demand. This year, students were particularly intrigued by a cyber-security demonstration that clarified the importance of computer coding skill development.

So far, over 1200 local students have attended STEM Career ConnectionsSM. Students say the event is helping them recognize that the SRSCRO region is full of opportunity.



High school students learn about skills they need for regional high-technology careers at the 5th annual STEM Career ConnectionsSM.

SUMMARY STATEMENTS OF FINANCIAL POSITION

As of June 30, 2017 and 2016

ASSETS

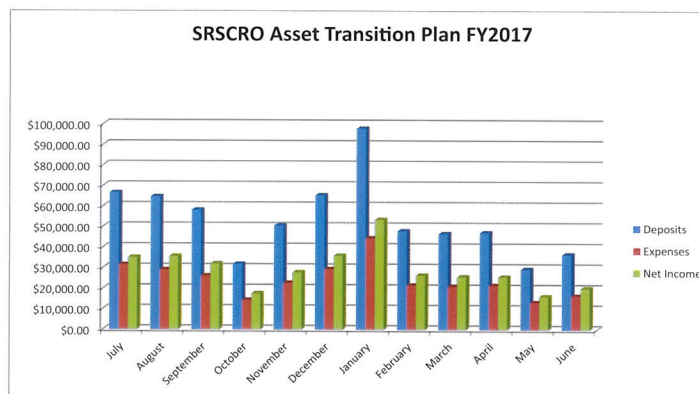
CURRENT ASSETS	2017	2016
Cash and Cash Equivalents	\$ 568,084	\$ 569,976
Investments	\$ 5,585,764	\$ 4,536,052
Accounts Receivable	\$ 5,602	\$ 48,609
Grant Reimbursements Receivable	\$ 108,557	\$ -
Inventory	\$ 161,229	\$ 116,128
Total Current Assets	\$ 6,429,236	\$ 5,270,765

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2017	2016
Accounts Payable	\$ 104,335	\$ 78,002
Deferred Revenue	\$ 15,500	\$ 8,500
Total Liabilities	\$ 119,835	\$ 86,502
NET ASSETS	\$ 6,309,401	\$ 5,184,263
Total Liabilities and Net Assets	\$ 6,429,236	\$ 5,270,765

Asset Transition Program

Through an agreement with the Department of Energy, the SRS Community Reuse Organization is the designated agency for donation of excess/surplus material no longer needed for Savannah River Site operations. This agreement initiated the Asset Transition Program which now includes the Asset Removal Projects and the Assets for Services projects. An example of the Assets for Services project includes the removal and disposal of 39 aged trailers formerly used as temporary offices at SRS in exchange for site assets. Projects like this have generated an estimated taxpayer savings of \$7.8 million in avoided disposal costs and avoided trailer demolition costs. Altogether, the Asset Transition Program generated \$794,832 in gross revenue in FY2017 with net profits going toward economic and workforce missions of the SRSCRO.



In Fiscal Year 2017, the Asset Transition Program and Asset Removal Projects returned approximately \$794,832 in gross revenue to the SRSCRO.

SRSCRO BOARD OF DIRECTORS 2017

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*Southern Carolina Alliance;
Congressional Appointment*

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*North Augusta Chamber of Commerce;
North Augusta Chamber of Commerce Appointment*

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Economic Development Partnership Appointment*

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Greater Aiken Chamber of Commerce Appointment*

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Congressional Appointment*

Dr. Forest Mahan

*Aiken Technical College;
Congressional Appointment*

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Allendale/Barnwell County Council Appointment (Rotating)*

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*(Retired);
Southern Carolina Alliance Appointment*

Chuck Smith, SC Representative at Large*

*Edward Jones Investments;
Aiken County Council Appointment*

Carolyne Williams

*(Retired);
Southern Carolina Alliance Appointment*

Will Williams

*Economic Development Partnership;
Economic Development Partnership Appointment*

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Development Authority of Columbia County Appointment*

Michael Duckworth

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Augusta Metro Chamber of Commerce Appointment*

Sanford Loyd, SRSCRO Chair*

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Augusta Metro Chamber of Commerce Appointment*

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*(Retired);
Columbia County Commission Appointment*

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Augusta Metro Chamber of Commerce Appointment*

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Columbia County Chamber of Commerce Appointment*

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**Executive Committee Member*



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WWW.SRSCRO.ORG