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CHAPTER 19.

 STATE GRANTS FOR WATER AND SEWER AUTHORITIES, DISTRICTS OR SYSTEMS

**SECTION 6‑19‑10.** State authorized to make grants.

The State may make grants in aid in the financing of any public water supply authorities or districts, any sewer authorities or districts, any water and sewer authority, any rural community water or sewer system legally organized in the State, any nonprofit corporation organized pursuant to Chapter 36 of Title 33, any general purpose local government, water or sewer system; or any municipal water or sewer system in any city, town, or village of less than one thousand five hundred population in accordance with the most recent studies conducted by the United States Bureau of the Census.

**SECTION 6‑19‑20.** Purposes for which funds may be used.

The grants may be made to districts, authorities, nonprofit corporations or communities to assist in financing of, but not limited to, engineering and legal service costs, specific projects for construction, be it original or enlargement of supply, treatment, purification, storage and distribution facilities for water systems and collection, treatment, forced mains, lift stations and disposal facilities for sewer systems or any other item necessary for the physical operation of the water or sewer systems, where grant funds are necessary to reduce the project cost per user to a reasonable level. The grants may be made to supplement funds from loan proceeds or other private or public sources when such grants are not available through any other state or federal agency. Grants authorized under the provisions of this chapter may be applied to National Demonstration Water Projects upon the approval of the advisory committee.

**SECTION 6‑19‑30.** Source of funds; administration of grants; appointment and duties of advisory committee.

The fund for such grants shall be from either revenue‑sharing trust funds or from general appropriations to the Department of Health and Environmental Control, which shall administer such grants for intermission to public water supply authorities or districts, sewer authorities or districts, water and sewer authorities, rural community water or sewer systems, nonprofit corporations or municipal sewer systems to which the grant is made. The Governor, with the advice and consent of the Senate, shall appoint an advisory committee composed of six members, one from each congressional district of the State. In addition an employee of the Department of Health and Environmental Control, designated by the commissioner thereof, shall serve ex officio as a member of the committee. The Governor may invite any director or his representative from any agency providing water and sewer funds to serve as an advisory nonvoting member to the committee. Of those initially appointed by the Governor and serving on April 1, 1975, the members representing the third and sixth districts shall serve until June 30, 1977, the members representing the second and fourth districts shall serve until June 30, 1978, and the members representing the first and fifth districts shall serve until June 30, 1979. Thereafter all members shall be appointed for terms of three years. In the event of a vacancy a successor shall be appointed for the unexpired term in the manner of original appointment. The advisory committee shall meet as soon after its appointment as may be practicable and shall organize by electing a chairman, vice‑chairman, secretary, and such other officers as it may deem desirable. The advisory committee shall select the projects to be funded in accordance with Section 6‑19‑40. Funds may also be expended from gifts or grants from any source which are made available for the purpose of carrying out the provisions of this chapter. Appropriations made to the fund but not expended at the end of the fiscal year for which appropriated shall not revert to the general fund but shall accrue to the credit of the fund. Grants shall be made only for water supply and waste water facilities projects on which construction was not commenced before April 1, l974.

**SECTION 6‑19‑35.** Utilization of funds; advisory committee responsibility.

The objective of the South Carolina Rural Water and Sewer Act is to assure that the financing available for rural area facilities is fully utilized by communities, authorities or districts in accordance with State guidelines and sound local priorities. Consistent with this objective the act shall consist of but not be limited to the following criteria:

(1) The advisory committee will be responsible for coordinating the activities of the Federal and State agencies and for working with State, regional and local planning agencies to develop the necessary area plans and priority listings. To the extent feasible, the State coordination program will be utilized to foster consolidated approaches to the delivery of water and waste disposal services and other common policies among existing agencies that will lead to improved and expanded service. State government funds will be applied when necessary to assist projects not eligible for supplementary assistance from other sources.

(2) The Department of Health and Environmental Control may, upon approval of the advisory committee, by a memorandum of understanding entered into with other funding agencies, designate one of such agencies, including itself, to administer or supervise any portion of a project funded under this act.

**SECTION 6‑19‑40.** Applications for grants; rules for consideration and approval.

(a) Application for a grant hereunder may be made to the advisory committee and accompanied by an application to the primary financial source and processed by the Department of Health and Environmental Control. The Department of Health and Environmental Control, on approval of the advisory committee, shall make the necessary rules and regulations for the consideration and processing of all State grant requests appropriated under this chapter, which shall generally conform to those used by Federal grant and loan agencies, which rules shall be filed in the office of the Secretary of State. The rules shall contain, but shall not be limited to the following criteria:

(1) Preliminary engineering costs study;

(2) Bonded indebtedness of the district, authority or community;

(3) Financial conditions of the district, authority or community;

(4) Costs per connection;

(5) Economic level in the district, area or community;

(6) Ratio of contracted users to potential users which shall not be less than sixty‑seven percent;

(7) Conformity to overall State, regional or local plans;

(8) Operation and maintenance costs identified and proper replacement costs;

(9) Amount of connection charges and minimum user charges; and

(10) Sustaining costs of rural water and sewer systems.

(b) No funds shall be dispensed until the applicant furnishes evidence of a commitment from the primary financial source.

**SECTION 6‑19‑50.** Maximum amount of grants.

In any case, the grant shall not be in excess of six hundred dollars per connection or twenty‑five percent of the total project cost, whichever is less, or a maximum of four hundred thousand dollars, and no district or authority system may receive more than one grant for any purpose in any one‑year period.

**SECTION 6‑19‑60.** Restrictions on use of funds.

Grant funds shall not be used for easements or rights‑of‑way or for the administrative costs of the applicant or for land purchase unless land purchase is for an integral part of the treatment process, intake sites, or storage sites.

**SECTION 6‑19‑70.** Minimum amount of funds for unincorporated communities.

No less than thirty‑five percent of any designated funds shall be designated to unincorporated areas.