**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 39 TO TITLE 6 SO AS TO PROVIDE THAT EACH ENTITY, INCLUDING POLITICAL SUBDIVISIONS, IN A COUNTY PROVIDING WATER SERVICE WHICH IS PART OF A JOINT REGIONAL WATER ASSOCIATION AND OBTAINS ITS WATER, IN WHOLE OR IN PART, FROM A REGIONAL PRODUCING CENTER SHALL HAVE A SPECIAL WATER BOARD TO PERFORM THE FUNCTION OF ESTABLISHING WATER RATES FOR THE ENTITY BASED ON THE COST ASSOCIATED WITH THE DELIVERY OF THE WATER TO THE CUSTOMER, TO PROVIDE FOR THE MEMBERSHIP OF THE BOARD AND OTHER FUNCTIONS IT SHALL PERFORM, AND TO PROVIDE A PROCEDURE WHERE PROPERTY OWNERS IN AN AREA SERVED BY A “FOR PROFIT” WATER COMPANY OF A CERTAIN SIZE IN THE COUNTY MAY PETITION A CONTIGUOUS ENTITY TO PROVIDE WATER SERVICE IN THE AREA IN ORDER TO UPGRADE THEIR WATER SERVICE AND FOR THE MANNER IN WHICH AND REQUIREMENTS UNDER WHICH THAT ENTITY MAY PROVIDE WATER SERVICE IN THIS AREA.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Title 6 of the 1976 Code is amended by adding:

“CHAPTER 39

Water Rates, Boards, and Service

Section 6‑39‑10. Notwithstanding any other provision of law, the water rates of all entities, including political subdivisions, providing water to citizens of a particular county, which are part of a joint regional water association and which obtain water, in whole or in part, from a regional water processing and producing center in the county, are subject to the provisions of this chapter. Each contiguous area served by these entities shall have a water board separate and apart from the governing body of the entity to be comprised of nine members elected in the manner provided in Section 6‑39‑20. Members must be residents of that county and the area they represent. If the entity serves customers in both incorporated areas of a municipality and in contiguous unincorporated areas of the county which are provided water by the municipality, two or more separate subboards consisting of nine persons each must be established in the manner required by this chapter to perform the functions provided by Section 6‑39‑30 in that area. Service on these water boards or subboards is not considered an office of honor or profit for purposes of the prohibition on dual office holding.

Section 6‑39‑20. All persons desiring to serve on a water board of a particular entity in the county shall file a statement of their candidacy with the county Board of Elections and Registration at least ninety days before the date scheduled for the election. A person filing a statement of candidacy for a water board must be a resident of the county and the area of the entity of which they file for election. The elections for water board members must be nonpartisan and must be held at the same time as the general election in even‑numbered years beginning with 2012. The results of the elections must be determined in accordance with the nonpartisan plurality method provided for in Section 5‑15‑61. At the 2012 election, all nine members of a particular water board must be elected with the five members receiving the highest number of votes shall serve for terms of four years each and the four members receiving the next highest number of votes to serve for terms of two years each. Thereafter, their successors must be elected for terms of four years each. All members shall serve until their successors are elected and qualify. Vacancies must be filled by appointment of the legislative delegation of the county for the remainder of the unexpired term.

Section 6‑39‑30. The board or subboard shall have the sole responsibility to determine the water rates to be charged by the entity to customers in the area over which it has jurisdiction. The governing board of the entity shall have responsibility for all other water‑related functions of the entity. All water rates must be determined based only on the cost associated with the delivery of the water to the customer, with the delivery of the water from the regional pumping facility, if applicable, and its cost at the facility.

Section 6‑39‑40. The owners of real property with improvements thereon in any contiguous area in the county who are served by a ‘for profit’ water system where there are less than five hundred customers in the area served may petition another entity which provides water service and which adjoins any portion of this area to upgrade the water service of customers in that area by installing parallel water lines in the area. The petition must be signed by a majority of the property owners in the area. The entity, if it accepts and agrees to the property owners’ petition, is authorized to install water lines within this area for customers who sign up for water service from the entity.

Section 6‑39‑50. The Public Service Commission shall have no jurisdiction over the provisions of this chapter or the water rates and service provided by entities providing water service under this chapter.”

SECTION 2. This act takes effect January 1, 2013, after the water board members of a particular entity elected at the 2012 election in the manner provided by this act qualify and take office.

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