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CHAPTER 13.

RURAL COMMUNITY WATER DISTRICTS

ARTICLE 1.

GENERAL PROVISIONS

**SECTION 6‑13‑10.** Authority to establish and functions of water districts.

There may be created in the counties of this State water districts which shall be bodies corporate and politic of perpetual succession. It shall be the purpose and function of any district created under the provisions of this article to acquire, construct and operate a waterworks system, utilizing therefor water from available sources, by purchase or otherwise, at such convenient points as the district shall select, to provide a flow of water through pipes for domestic, commercial or industrial users who can be conveniently and economically served within or without the service area as may be created. To this end the district shall perform the functions prescribed by this article, and shall be vested with the powers herein granted and all other powers that may be necessary or incidental in carrying out the functions herein prescribed and exercising the powers herein granted. The water mains, distribution facilities, tanks, their several component parts, and all apparatus, equipment and property incident thereto or used or useful in the operation thereof and all additions, improvements, extensions and enlargements to any of them shall be referred to in this article as the system.

**SECTION 6‑13‑15.** Authority to provide service; sewerage collection, treatment, and disposal facilities.

(A)(1) A rural water district established pursuant to this chapter prior to March 7, 1973, may provide sewer service to the area within its boundaries and its legal service area if, prior to the district utilizing the provisions of this section:

(a) the district’s board has been selected from an area that encompasses the boundaries and the entire legal service area to which service has been extended by the district;

(b) the district has received permission, by written resolution, from the governing body of the county in which the district is located; and

(c) the provision of sewer service authorized by this section is consistent with any comprehensive plan or land use plan adopted pursuant to Chapter 29 of Title 6.

(2) A rural water district established pursuant to this chapter prior to March 7, 1973, utilizing the provisions of this section, must not provide sewer service to:

(a) areas outside the district’s boundaries and legal service area at the time the district’s governing body determines to utilize the provisions of this section; or

(b) those parts of the area within the district’s boundaries and legal service area where sewer service is being provided by another private or governmental entity at the time the district’s governing body determines to utilize the provisions of this section.

(B) The water district may build, acquire, construct, operate, and maintain sewage collection, treatment, and disposal facilities or contract for the use of any facilities as are, in the opinion of the governing body of the water district, necessary for the district. The district may impose such schedule of rates and charges for the use of sewage collection, treatment, and disposal facilities as the governing body of the district shall from time to time approve. The governing body of the district may place into effect and revise, whenever it wishes or is required, a schedule of rates for the sewer service made available by it to persons, firms, and corporations within the district. The powers of the district granted in Section 6‑13‑50 shall apply to the provision of sewer service by the district except for Section 6‑13‑50(23).

(C) Unless they are owned by another political subdivision or other entity, the treatment and disposal facilities, transmission and collection lines, pump stations and their several component parts, and all other apparatus, equipment, and property incident to the provision of sewer service or used or useful in the provision of sewer service and all additions, improvements, extensions, and enlargements to any of them shall constitute a portion of the system belonging to the water district.

(D) The powers provided to a water district by this section are in addition to all other powers authorized by law.

**SECTION 6‑13‑20.** Procedure for creation of district.

In order to create a district under the provisions of this article, at least twenty‑five owners of real property residing within the boundaries of the proposed district shall file a petition with the governing body of the county which, among other things, shall propose a name for the district. The petition shall set forth a full description of the area of the district. Upon receipt of the petition, the governing body shall call for an election to be held within the area within sixty days. Notice of the election shall be published in a newspaper having general circulation within the area for at least two consecutive weeks prior to the election. The governing body shall have prepared and distributed a sufficient number of ballots, including absentee ballots, if requested. The ballots shall contain the question regarding the formation of the district and such other instructions as the governing body deems necessary. The governing body shall appoint managers for the election and such other personnel as it deems necessary and shall canvass the results of the ballots. The final result shall be filed in the office of the clerk of court and, if favorable, also in the offices of the Secretary of State and the Code Commissioner, together with a full description of the district. Should a majority of those voting in the election vote in favor of the creation of the district, it shall become immediately effective.

**SECTION 6‑13‑30.** Board of directors; membership; terms; vacancies; officers; revision of size of board.

(A) The district shall be operated and managed by a board of directors to be known as the “\_\_\_\_\_\_\_\_\_\_ Rural Community Water District Board of \_\_\_\_\_\_\_\_\_\_ County” which shall constitute the governing body of the district. The board shall consist of five resident electors of the area who shall be appointed by the Governor, upon the recommendation of a majority of the county legislative delegation. The original appointments shall be for a term of two years for two appointees, for a term of four years for two appointees, and for a term of six years for one appointee. All terms after the initial appointments shall be for six years. All appointees shall hold office until their successors shall have been appointed and qualified. Any vacancy shall be filled in like manner as the original appointment for the unexpired portion of the term.

Immediately after appointment, the board shall meet and organize by the election of one of its members as chairman, one as vice‑chairman, one as secretary, and one as treasurer. The offices of the secretary and treasurer may be combined in the discretion of the board.

(B) Notwithstanding the provisions of subsection (A), the board of a rural community water district created by this article may revise the size of the board to not less than five members nor more than ten members by the procedure set forth in this subsection. To revise the board membership, the board must hold a public hearing in the district and adopt a resolution to increase or reduce the board membership by a vote of not less than seventy‑five percent of the existing board members. A resolution to increase the board must include the initial term of appointment for each seat added, not to exceed six years, and after that time the terms must be as provided for in subsection (A). A board member’s seat that is eliminated because of a resolution reducing the size of the board must cease to exist upon the expiration of the term of the board member serving in the seat being eliminated.

**SECTION 6‑13‑40.** Qualifications of voters.

Any person who is qualified to vote under the general law of this State and who resides in the district shall be eligible to vote.

**SECTION 6‑13‑50.** Powers of district.

The district, acting through its governing body, is hereby vested with all such powers as may be necessary or incidental to carry out its purposes, functions, and responsibilities including, but without limiting the following:

(1) To have perpetual succession.

(2) To sue and be sued.

(3) To adopt, use and alter a corporate seal.

(4) To define a quorum for meetings.

(5) To maintain a principal office.

(6) To make bylaws for the management and regulation of its affairs.

(7) To build, construct, maintain and operate ditches, tunnels, culverts, flumes, conduits, mains, pipes, dikes, dams and reservoirs.

(8) To build, construct, maintain and operate distribution systems for the distribution of water for domestic or industrial use.

(9) To acquire and operate any type of machinery, appliances or appurtenances, necessary or useful in constructing, operating and maintaining the system.

(10) To contract for or otherwise acquire a supply of water and sell water for industrial or domestic use.

(11) To prescribe rates and regulations under which such water shall be sold for industrial and domestic use.

(12) To enter into contracts of long duration for the sale of water with persons, private corporations, municipal corporations or public bodies or agencies.

(13) To prescribe such regulations as it shall deem necessary to protect from pollution all water in its pipes, tanks, reservoirs, distribution systems or elsewhere within its system. Provided, that prior to the adoption of any regulation, the district shall hold a public meeting for the consideration thereof, and shall advertise in a newspaper of general circulation in the district the time and place of such meeting, and the general nature and scope of the regulation to be considered for adoption, and such notice shall be published on two occasions prior to such meeting, and at least ten days prior thereto.

(14) To make contracts of all sorts and to execute all instruments necessary or convenient for the carrying on of the business of the district, including contracts and franchise agreements with nonprofit corporations to provide water and sewerage service for periods up to forty years.

(15) To acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal or mixed, or any interest therein.

(16) To make use of county and State highway rights of way in which to lay pipes and lines in such manner and under such conditions as the appropriate officials in charge of such rights of way shall approve.

(17) Subject always to the limitations of Section 15, Article VIII, of the Constitution of this State, to make use of all the streets and public ways of an incorporated municipality for the purpose of laying pipes and lines.

(18) To alter and change county and State highways wherever necessary to construct the system under such conditions as the appropriate officials in charge of such highways shall approve.

(19) To exercise the power of eminent domain for any corporate function. The power of eminent domain may be exercised through any procedure prescribed bySections 28‑5‑10 through 28‑5‑390 and 57‑5‑310 through 57‑5‑590, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of these Code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. The provisions of this item shall not apply to public utilities and railroads which have the power of eminent domain.

(20) To appoint officers, agents, employees and servants, to prescribe the duties of such, to fix their compensation and to determine if and to what extent they shall be bonded for the faithful performance of their duties.

(21) To make contracts for construction and other services; provided, that such contracts shall be let on competitive bidding and shall be awarded to the lowest responsible bidder.

(22) To borrow money and to make and issue negotiable bonds, notes and other evidences of indebtedness, payable from all or any part of the revenues derived from the operation of its system. The sums borrowed may be those needed to pay all costs incident to the construction and establishment of the system, and any extensions, additions and improvements thereto, including engineering costs, legal costs, construction costs; the sum needed to pay interest during the period prior to which the system or any extension, addition or improvement thereof, shall be fully in operation; such sum as is needed to supply working capital to place the system in operation; and all other expenses of any sort that the district may incur in establishing, extending or enlarging the system. Neither the full faith and credit of the State of South Carolina, nor the county, shall be pledged for the payment of the principal and interest of the obligations, and there shall be on the face of each obligation a statement, plainly worded, to that effect. Neither the members of the board, nor any person signing the obligations, shall be personally liable thereon. To the end that a convenient procedure for borrowing money may be prescribed, the district shall be fully empowered to avail itself of all powers granted by Chapters 17 and 21 of this title, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of the Code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. In exercising the power conferred upon the district by such Code provisions, the district may make or omit all pledges and covenants authorized by any provision thereof, and may confer upon the holders of its securities all rights and liens authorized by law. Notwithstanding contrary provisions in the Code, the district may:

(a) Disregard any provision requiring that bonds have serial maturities, and issue bonds in such form and with such maturities as the district shall determine.

(b) Provide that its bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the operation of its system, as such net revenues may be defined by the district.

(c) Covenant and agree that upon it being adjudged in default as to the payment of any installment of principal or interest upon any obligation issued by it, or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(d) Confer upon a corporation trustee the power to make disposition of the proceeds from all borrowings and of all revenues derived from the operation of the system, in accordance with the resolution adopted by the authority as an incident to the issuance of any notes, bonds or other types of securities.

(e) Dispose of bonds, notes or other evidence of indebtedness at public or private sale, and upon such terms and conditions as it shall approve.

(f) Make provision for the redemption of any obligations issued by it prior to their stated maturity, with or without premium, and on such terms and conditions as the district shall approve.

(g) Covenant and agree that any cushion fund established to further secure the payment of the principal and interest of any obligation shall be in a fixed amount.

(h) Covenant and agree that no free service will be furnished to any person, municipal corporation, or any subdivision or division of the State.

(i) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which such consent shall be given.

(j) Prescribe the events of default and the terms and conditions upon which all or any obligations shall become or may be declared due before maturity and the terms and conditions upon which such declarations and their consequences may be waived.

(23) To extend its system or systems beyond the defined limits of the district, within or without the county, but contiguous to the district, to provide services to those living outside the district and outside any incorporated municipality when, in the discretion of the board, it is feasible and practicable so to do, in which case any person or agency receiving such service shall be subject to the same rules, regulations and requirements concerning services being received from the district as persons residing within the district. The board may, in its discretion, establish rates and charges higher than those within the district for the extension of its system and the provision of services beyond the limits of the district.

**SECTION 6‑13‑60.** Exemption of rates from State regulation.

The rates charged for services furnished by the system, as constructed, improved, enlarged and extended, shall not be subject to supervision or regulation by any State bureau, board, commission, or like instrumentality or agency thereof.

**SECTION 6‑13‑70.** Exemption of evidences of indebtedness and district property from taxes.

(1) Bonds, notes or other evidence of indebtedness issued pursuant to Section 6‑13‑50 (22) and interest payable thereon are hereby exempted from any and all State, county, municipal and other taxation whatsoever under the laws of this State, and it shall be plainly stated on the face of each such obligation as follows: “The principal of and interest on this (bond, note, or other evidence of indebtedness) are exempted from any and all State, county, and municipal and other taxation whatsoever under the laws of the State.”

(2) All property of the district shall be exempted from all ad valorem taxes levied by the State, county or any municipality, division, subdivision or agency thereof, direct or indirect.

**SECTION 6‑13‑80.** Audits; annual reports.

The district shall conduct its affairs on the fiscal year basis employed by the State. As shortly after the close of its fiscal year as may be practicable, an audit of its affairs shall be made by certified public accountants of good standing, to be designated by the district. Copies of such audits incorporated into an annual report of the district shall be filed with the auditor and treasurer of the county, and with the secretary to the legislative delegation of the county.

**SECTION 6‑13‑90.** Wilful damage to system, pollution of water or unlawfully obtaining water; penalties.

It shall be unlawful for any person to wilfully injure or destroy, or in any manner hurt, damage, tamper with, or impair the system of the district, or any part thereof, or any machinery, apparatus or equipment of the district, or to pollute the water in any part of its system, or to obtain water therefrom except in accordance with the regulations promulgated by the district. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined not less than ten dollars nor more than one hundred dollars, or be imprisoned for not more than thirty days, in the discretion of the court, and shall be further liable to pay all damages suffered by the district.

**SECTION 6‑13‑100.** Contracts for sale of water to municipalities and public water systems.

The municipalities of the county and all public bodies and public agencies now or hereafter operating water distribution systems in the county shall be fully empowered to enter into contracts to buy water from the district. These contracts shall extend over such period of time and shall contain such terms and conditions as shall be mutually agreeable to the district and to the contracting municipality, public body or public agency.

**SECTION 6‑13‑110.** Protection of existing districts.

All rights, powers and duties of any district now existing in the county are hereby expressly reserved.

**SECTION 6‑13‑120.** Procedure for dissolution of district.

(A) For purposes of this section, “assuming service provider” includes, but is not limited to, a county, municipality, special purpose district as defined by Section 6‑11‑810(d), or corporation not‑for‑profit as defined by Section 33‑36‑10.

(B) A district created pursuant to the provisions of this article may be dissolved if the procedures proscribed in subsections (C) or (D) of this section are followed.

(C) A petition signed by not less than twenty‑five percent of the resident customers of the district, excluding corporations, requesting the dissolution of the district and identifying the assuming service provider must be presented to the governing body of the district. The governing body shall verify the petition within thirty days, and notify the county election commission of the county, or counties if the district is located in more than one county, in which the district is located of those customers eligible to vote in a referendum which must be held within sixty days after notification to the election commission. The district shall give thirty days notice to its customers of the referendum by including in the monthly statement for services a separate sheet of paper on which is printed the notice of the referendum which must state the time, date, purpose, and location where customers may vote. The commission, or commissions, if the district is located in more than one county, shall prepare the ballots, conduct the referendum, and determine its results pursuant to the election laws of this State, mutatis mutandis. The district shall reimburse the commission, or commissions, if the district is located in more than one county, for all costs incurred in conducting the referendum. If sixty percent of the resident users of the district voting in the referendum, excluding corporations, vote in favor of the dissolution of the district and its transfer to the assuming service provider, it is effective upon the assumption, by ordinance if assumed by a municipality or county, or by resolution if assumed by a special purpose district or nonprofit corporation, of all debts and obligations by the governing body of the assuming service provider. An assuming service provider must be located in the county where the district is located or be authorized to serve a contiguous area.

(D) A petition signed by not less than seventy‑five percent of the resident customers of the district, excluding corporations, requesting the dissolution of the district and identifying the assuming service provider must be presented to the governing body of the district. The governing body shall verify the petition within thirty days. If the verified petition is signed by seventy‑five percent of the resident users of the district, excluding corporations, requesting the dissolution of the district and its transfer to the assuming service provider, it is effective upon the assumption, by ordinance if assumed by a municipality or county, or by resolution if assumed by a special purpose district or nonprofit corporation, of all debts and obligations by the governing body of the assuming service provider. An assuming service provider must be located in the county where the district is located or be authorized to serve a contiguous area.

(E) The governing body of the district must notify the Secretary of State within sixty days of the referendum as provided in subsection (C), or verification of the petition as provided in subsection (D), if the district is dissolved.

ARTICLE 3.

PIONEER RURAL WATER DISTRICT OF OCONEE AND ANDERSON COUNTIES

**SECTION 6‑13‑210.** Creation and purpose of Pioneer Rural Water District of Oconee and Anderson Counties.

There is hereby created a body corporate and politic of perpetual succession to be known as the Pioneer Rural Water District of Oconee and Anderson Counties (hereinafter called the district). It shall be the purpose and function of the district to acquire, construct and operate a waterworks system, utilizing therefor water from available sources, by purchase or otherwise, at such convenient points as the district shall select to provide a flow of water through pipes to the areas described in Section 6‑13‑220, and to such other domestic, commercial or industrial users who can be conveniently and economically served within or without the service area as herein provided. To this end the district shall perform the functions prescribed by this article, and shall be vested with the powers herein granted and all other powers that may be necessary or incidental in carrying out the functions herein prescribed and exercising the powers herein granted. The water mains, distribution facilities, tanks, their several component parts, and all apparatus, equipment and property incident thereto or used or useful in the operation thereof and all additions, improvements, extensions and enlargements to any of them shall be referred to in this article as the system.

**SECTION 6‑13‑220.** Service area.

The district shall include and be comprised of the following territory which shall be known as the service area:

COMMENCING at the southern limits of the Town of Westminster along Highway 123, thence to the Dunlop Plant, thence down Coneross Creek to the Hartwell Lake, thence around the shoreline of Hartwell Lake in a southerly and westerly direction to Choestoe Creek, thence to South Carolina State Highway No. 20, thence northward to the Corporate Limits of the Town of Westminster, thence along the southern limits of Westminster to point of beginning.

**SECTION 6‑13‑230.** Creation and membership of Pioneer Rural Water District Board of Oconee and Anderson Counties.

The district shall be operated and managed by a board of directors to be known as the Pioneer Rural Water District Board of Oconee and Anderson Counties which shall constitute the governing body of the district. The board shall consist of five resident electors of the area who shall be appointed by the Governor, upon the recommendation of a majority of those persons attending a meeting of residents of the area held pursuant to at least one week’s notice in a local newspaper giving the time and place of the meeting. The chairman and secretary of the meeting shall certify the names of those recommended to the Governor. The original appointments shall be for a term of two years for two appointees, for four years for two appointees, and for six years for one appointee. All terms after the initial appointments shall be for six years. All appointees shall hold office until their successors shall have been appointed and qualify. The initial terms of office shall begin as of June 8 1965. Any vacancy shall be filled in like manner as the original appointment for the unexpired portion of the term. Immediately after appointment, the board shall meet and organize by the election of one of its members as chairman, one as vice chairman, one as secretary and one as treasurer. The offices of the secretary and treasurer may be combined in the discretion of the board.

**SECTION 6‑13‑240.** Powers and duties of district and board.

The district, acting through its governing body, is hereby vested with all such powers as may be necessary or incidental to carry out its purposes, functions and responsibilities including, but without limitation, the following:

(1) To have perpetual succession.

(2) To sue and be sued.

(3) To adopt, use and alter a corporate seal.

(4) To define a quorum for meetings.

(5) To maintain a principal office.

(6) To make bylaws for the management and regulation of its affairs.

(7) To build, construct, maintain and operate ditches, tunnels, culverts, flumes, conduits, mains, pipes, dikes, dams and reservoirs.

(8) To build, construct, maintain and operate distribution systems for the distribution of water for domestic or industrial use.

(9) To acquire and operate any type of machinery, appliances or appurtenances, necessary or useful in constructing, operating and maintaining the system.

(10) To contract for or otherwise acquire a supply of water and sell water for industrial or domestic use.

(11) To prescribe rates and regulations under which such water shall be sold for industrial and domestic use.

(12) To enter into contracts of long duration for the purchase and sale of water with persons, private corporations, municipal corporations, or public bodies or agencies.

(13) To prescribe such regulations as it shall deem necessary to protect from pollution all water in its pipes, tanks, reservoirs, distribution systems or elsewhere within its system.

(14) To make contracts of all sorts and to execute all instruments necessary or convenient for the carrying on of the business of the district.

(15) To acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal or mixed, or any interest therein.

(16) To make use of county and state highway rights of way in which to lay pipes and lines in such manner and under such conditions as the appropriate officials in charge of such rights of way shall approve.

(17) Subject always to the limitations of Section 15, Article VIII, of the Constitution of South Carolina, 1895, to make use of all the streets and public ways of an incorporated municipality for the purpose of laying pipes and lines.

(18) To alter and change county and state highways wherever necessary to construct the system under such conditions as the appropriate officials in charge of such highways shall approve.

(19) To exercise the power of eminent domain for any corporate function. The power of eminent domain may be exercised through any procedure prescribed by Sections 28‑5‑10 through 28‑5‑390 and Sections 57‑5‑310 through 57‑5‑590, Code of Laws of South Carolina, 1976, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of these code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. Provided, that the power of eminent domain conferred hereunder shall not extend to the property of any public utility that the utility could have acquired under its power of eminent domain.

(20) To appoint officers, agents, employees and servants, to prescribe the duties of such, to fix their compensation and to determine if and to what extent they shall be bonded for the faithful performance of their duties.

(21) To make contracts for construction and other services; provided, that such contracts shall be let on competitive bidding and shall be awarded to the lowest responsible bidder.

(22) To borrow money and to make and issue negotiable bonds, notes and other evidences of indebtedness, payable from all or any part of the revenues derived from the operation of its system. The sums borrowed may be those needed to pay all costs incident to the construction and establishment of the system, and any extensions, additions and improvements thereto, including engineering costs, legal costs, construction costs; the sum needed to pay interest during the period prior to which the system, or any extension, addition or improvement thereof, shall be fully in operation; such sum as is needed to supply working capital to place the system in operation; and all other expenses of any sort that the district may incur in establishing, extending or enlarging the system. Neither the full faith and credit of the State of South Carolina, nor Oconee and Anderson Counties, shall be pledged for the payment of the principal and interest of the obligations, and there shall be on the face of each obligation a statement, plainly worded, to that effect. Neither the members of the board, nor any person signing the obligations, shall be personally liable thereon. To the end that a convenient procedure for borrowing money may be prescribed, the district shall be fully empowered to avail itself of all powers granted by Chapters 17 and 21 of this title, Code of Laws of South Carolina, 1976, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of the code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. In exercising the power conferred upon the district by such code provisions, the district may make or omit all pledges and covenants authorized by any provision thereof, and may confer upon the holders of its securities all rights and liens authorized by law. Notwithstanding contrary provisions in the code, the district may:

(a) Disregard any provision requiring that bonds have serial maturities, and issue bonds in such form and with such maturities as the district shall determine.

(b) Provide that its bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the operation of its system, as such net revenues may be defined by the district.

(c) Covenant and agree that upon it being adjudged in default as to the payment of any installment of principal or interest upon any obligation issued by it, or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(d) Confer upon a corporation trustee the power to make disposition of the proceeds from all borrowings and of all revenues derived from the operation of the system, in accordance with the resolutions adopted by the authority as an incident to the issuance of any notes, bonds or other types of securities.

(e) Dispose of bonds, notes or other evidence of indebtedness at public or private sale, and upon such terms and conditions as it shall approve.

(f) Make provision for the redemption of any obligations issued by it prior to their stated maturity, with or without premium, and on such terms and conditions as the district shall approve.

(g) Covenant and agree that any cushion fund established to further secure the payment of the principal and interest of any obligation shall be in a fixed amount.

(h) Covenant and agree that no free service will be furnished to any person, municipal corporation, or any subdivision or division of the State.

(i) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which consent shall be given.

(j) Prescribe the events of default and terms and conditions upon which all or any obligations shall become or may be declared due before maturity and the terms and conditions upon which such declarations and their consequences may be waived.

(23) To extend its system or systems, within Oconee and Anderson Counties, beyond the defined limits of the district to provide services to those living outside the district and outside any incorporated municipality when, in the discretion of the board, it is feasible and practicable so to do, in which case any person or agency receiving such service shall be subject to the same rules, regulations and requirements concerning services being received from the district as persons residing within the district. The board may, in its discretion, establish rates and charges higher than those within the district for the extension of its system and the provision of services beyond the limits of the district.

(24) To construct, operate, or maintain sewer lines or to contract with other entities to construct, operate, or maintain sewer lines. The authority granted in this item does not give the district the power to construct or operate a sewerage treatment facility.

**SECTION 6‑13‑250.** Rates shall not be regulated.

The rates charged for services furnished by the system, as constructed, improved, enlarged and extended, shall not be subject to supervision or regulation by any state bureau, board, commission or like instrumentality or agency thereof.

**SECTION 6‑13‑260.** Exemption of evidences of indebtedness and district property from taxes.

(1) Bonds, notes or other evidences of indebtedness issued pursuant to Section 6‑13‑240 (22) and interest payable thereon are hereby exempted from any and all State, county, municipal and other taxation whatsoever under the laws of this State, and it shall be plainly stated on the face of each such obligation as follows:

“The principal of and interest on this (bond, note, or other evidence of indebtedness) are exempted from any and all State, county, municipal and other taxation whatsoever under the laws of the State of South Carolina.”

(2) All property of the district shall be exempt from all ad valorem taxes levied by the State, county or any municipality, division, subdivision or agency thereof, direct or indirect.

**SECTION 6‑13‑270.** Fiscal year, audit and annual report.

The district shall conduct its affairs on the fiscal year basis employed by the State. As shortly after the close of its fiscal year as may be practicable, an audit of its affairs shall be made by certified public accountants of good standing, to be designated by the district. Copies of such audits incorporated into an annual report of the district shall be filed with the Auditor and Treasurer of Oconee County, and the Auditor and Treasurer of Anderson County, and with the secretary to the Legislative Delegation of Oconee County and Anderson County.

**SECTION 6‑13‑280.** Wilful damage or destruction of district property, pollution of waters or obtaining water illegally.

It shall be unlawful for any person to wilfully injure or destroy, or in any manner hurt, damage, tamper with, or impair the system of the district, or any part thereof, or any machinery, apparatus or equipment of the district, or to pollute the water in any part of its system, or to obtain water therefrom except in accordance with the regulations promulgated by the district. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined not less than ten dollars nor more than one hundred dollars, or be imprisoned for not more than thirty days, in the discretion of the court, and shall be further liable to pay all damages suffered by the district.

**SECTION 6‑13‑290.** Contracts for purchase or sale of water with other public entities.

The municipalities of Oconee and Anderson Counties and all public bodies and public agencies now or hereafter operating water distribution systems in Oconee and Anderson Counties shall be fully empowered to enter into contracts to buy water from the district or sell water to the district. These contracts shall extend over such period of time and shall contain such terms and conditions as shall be mutually agreeable to the district and to the contracting municipality, public body or public agency.

ARTICLE 5.

SALUDA VALLEY RURAL WATER DISTRICT OF PICKENS AND ANDERSON COUNTIES

**SECTION 6‑13‑410.** Creation and purpose of Saluda Valley Rural Water District of Pickens and Anderson Counties.

There is hereby created a body corporate and politic of perpetual succession to be known as the Saluda Valley Rural Water District of Pickens and Anderson Counties (hereinafter called the district). It shall be the purpose and function of the district to acquire, construct and operate a waterworks system, utilizing therefor water from available sources, by purchase or otherwise, at such convenient points as the district shall select to provide a flow of water through pipes to the areas described in Section 6‑13‑420, and to such other domestic, commercial or industrial users who can be conveniently and economically served within or without the service area as herein provided. To this end the district shall perform the functions prescribed by this article, and shall be vested with the powers herein granted and all other powers that may be necessary or incidental in carrying out the functions herein prescribed and exercising the powers herein granted. The water mains, distribution facilities, tanks, their several component parts, and all apparatus, equipment and property incident thereto or used or useful in the operation thereof and all additions, improvements, extensions and enlargements to any of them shall be referred to in this article as the system.

**SECTION 6‑13‑420.** Service area.

The district shall include and be comprised of the following territory which shall be known as the service area:

Beginning at a point in the center line of the Saluda River, joint corner of Anderson, Pickens and Greenville Counties; thence down the center line of the Saluda River in a southerly direction to the mouth of Brushy Creek; thence up the center line of Brushy Creek in a northerly direction for a distance of one mile; thence along a straight line in a southwesterly direction to the intersection of the center lines of Interstate Highway No. 85 and South Carolina Highway No. 86; thence in a northwesterly direction along the center line of South Carolina Highway No. 86 to the intersection of the center lines of such highway and a paved county road, the intersection being 0.5 miles southeast of the junction of South Carolina Highways No. 8 and No. 86; thence along a straight line in a northerly direction to the intersection of the center lines of Road S‑4‑485 and Brushy Creek; thence along the center line of Brushy Creek in a northerly direction across the Anderson‑Pickens County line to a point; thence N 60° E to the intersection of the center lines of Roads S‑39‑29 and S‑39‑133; thence in a northeasterly direction along the center line of Road S‑39‑133 to its intersection with the center line of Road S‑39‑28; thence in an easterly direction along the center line of Road S‑39‑28 to its intersection with the center line of a paved county road, the intersection being 0.3 miles west of the junction of Roads S‑29‑28 and S‑39‑39; thence in a northerly direction along the center line of the county road to the intersection of its center line with the center lines of U. S. Highway No. 123 and Road S‑39‑189; thence in a northerly direction along the center line of Road S‑39‑189 to its intersection with the center line of the Southern Railway right‑of‑way; thence in a northeasterly direction along the center line of the Southern Railway right‑of‑way to its intersection with Georges Creek; thence up Georges Creek in a northwesterly direction to the center of the mouth of Burdine Creek; thence northeasterly in a straight line to the intersection of the center lines of South Carolina Highway No. 183 and a paved county road at the old Vineland School site; thence in a northerly direction to the intersection of the center lines of Roads S‑39‑110 and S‑39‑205 at Hunts Church; thence due east to a point in the center line of the Saluda River; thence down the center line of the Saluda River to the point of beginning.

**SECTION 6‑13‑430.** Creation and membership of Saluda Valley Rural Water District Board of Pickens and Anderson Counties.

The district shall be operated and managed by a board of directors to be known as the Saluda Valley Rural Water District Board of Pickens and Anderson Counties which shall constitute the governing body of the district. The board shall consist of five resident electors of the area who shall be appointed by the Governor upon the recommendation of a majority of those persons attending a meeting of residents of the area held pursuant to at least one week’s notice in a local newspaper giving the time and place of the meeting. The chairman and secretary of the meeting shall certify the names of those recommended to the Governor. The initial board shall be selected as follows: one member from Anderson County and one member from Pickens County shall be selected to serve for terms of two years and one member from each of the two counties shall be selected to serve for terms of four years. One member from either of the two counties shall be selected to serve for a term of six years. The persons attending the meeting shall determine which of the counties the member shall represent. A meeting shall be held each two years for the purpose of selecting persons to be recommended for appointment as successors to members of the board, except successors to the director, initially appointed for six years, shall be appointed so that the counties represented shall be alternated each six years. All terms after the initial appointments shall be for six years. All appointees shall hold office until their successors shall have been appointed and qualify. The initial terms of office shall begin as of June 14, 1968. Any vacancy shall be filled in like manner as the original appointment for the unexpired portion of the term. Immediately after appointment, the board shall meet and organize by the election of one of its members as chairman, one as vice chairman, one as secretary and one as treasurer. The offices of the secretary and treasurer may be combined in the discretion of the board.

**SECTION 6‑13‑440.** Powers of district and board.

The district, acting through its governing body, is hereby vested with all such powers as may be necessary or incidental to carry out its purposes, functions and responsibilities including, but without limitation, the following:

(1) To have perpetual succession.

(2) To sue and be sued.

(3) To adopt, use and alter a corporate seal.

(4) To define a quorum for meetings.

(5) To maintain a principal office.

(6) To make bylaws for the management and regulation of its affairs.

(7) To build, construct, maintain and operate ditches, tunnels, culverts, flumes, conduits, mains, pipes, dikes, dams and reservoirs.

(8) To build, construct, maintain and operate distribution systems for the distribution of water for domestic or industrial use.

(9) To acquire and operate any type of machinery, appliances or appurtenances, necessary or useful in constructing, operating and maintaining the system.

(10) To contract for or otherwise acquire a supply of water and sell water for industrial or domestic use.

(11) To prescribe rates and regulations under which such water shall be sold for industrial and domestic use.

(12) To enter into contracts of long duration for the purchase and sale of water with persons, private corporations, municipal corporations or public bodies or agencies.

(13) To prescribe such regulations as it shall deem necessary to protect from pollution all water in its pipes, tanks, reservoirs, distribution systems or elsewhere within its system.

(14) To make contracts of all sorts and to execute all instruments necessary or convenient for the carrying on of the business of the district.

(15) To acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal or mixed, or any interest therein.

(16) To make use of county and State highway rights‑of‑way in which to lay pipes and lines in such manner and under such conditions as the appropriate officials in charge of such rights‑of‑way shall approve.

(17) Subject always to the limitations of Section 15, Article VIII of the Constitution of South Carolina, 1895, to make use of all the streets and public ways of an incorporated municipality for the purpose of laying pipes and lines.

(18) To alter and change county and State highways wherever necessary to construct the system under such conditions as the appropriate officials in charge of such highways shall approve.

(19) To exercise the power of eminent domain for any corporate function. The power of eminent domain may be exercised through any procedure prescribed bySections 28‑5‑10 through 28‑5‑390 and Sections 57‑5‑310 through 57‑5‑590 of the 1976 Code, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of these code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. Provided, that the power of eminent domain conferred hereunder shall not extend to the property of any public utility that the utility could have acquired under its power of eminent domain.

(20) To appoint officers, agents, employees and servants, to prescribe the duties of such, to fix their compensation and to determine if and to what extent they shall be bonded for the faithful performance of their duties.

(21) To make contracts for construction and other services; provided, that such contracts shall be let on competitive bidding and shall be awarded to the lowest responsible bidder.

(22) To borrow money and to make and issue negotiable bonds, notes and other evidences of indebtedness, payable from all or any part of the revenues derived from the operation of its system. The sums borrowed may be those needed to pay all costs incident to the construction and establishment of the system, and any extensions, additions and improvements thereto, including engineering costs, legal costs, construction costs; the sum needed to pay interest during the period prior to which the system, or any extension, addition or improvement thereof, shall be fully in operation; such sum as is needed to supply working capital to place the system in operation; and all other expenses of any sort that the district may incur in establishing, extending or enlarging the system. Neither the full faith and credit of the State of South Carolina, nor Pickens and Anderson Counties, shall be pledged for the payment of the principal and interest of the obligations, and there shall be on the face of each obligation a statement, plainly worded, to that effect. Neither the members of the board, nor any person signing the obligations, shall be personally liable thereon. To the end that a convenient procedure for borrowing money may be prescribed, the district shall be fully empowered to avail itself of all powers granted by Chapters 17 and 21 of this title, Code of Laws of South Carolina, 1976, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of the code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. In exercising the power conferred upon the district by such code provisions, the district may make or omit all pledges and covenants authorized by any provision thereof, and may confer upon the holders of its securities all rights and liens authorized by law. Notwithstanding contrary provisions in the Code, the district may:

(a) Disregard any provision requiring that bonds have serial maturities, and issue bonds in such form and with such maturities as the district shall determine.

(b) Provide that its bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the operation of its system, as such net revenues may be defined by the district.

(c) Covenant and agree that upon it being adjudged in default as to the payment of any installment of principal or interest upon any obligation issued by it, or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(d) Confer upon a corporation trustee the power to make disposition of the proceeds from all borrowings and of all revenues derived from the operation of the system, in accordance with the resolutions adopted by the authority as an incident to the issuance of any notes, bonds or other types of securities.

(e) Dispose of bonds, notes or other evidence of indebtedness at public or private sale, and upon such terms and conditions as it shall approve.

(f) Make provision for the redemption of any obligations issued by it prior to their stated maturity, with or without premium, and on such terms and conditions as the district shall approve.

(g) Covenant and agree that any cushion fund established to further secure the payment of the principal and interest of any obligation shall be in a fixed amount.

(h) Covenant and agree that no free service will be furnished to any person, municipal corporation or any subdivision or division of the State.

(i) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto and the manner in which consent shall be given.

(j) Prescribe the events of default and terms and conditions upon which all or any obligations shall become or may be declared due before maturity and the terms and conditions upon which such declarations and their consequences may be waived.

(23) To extend its system or systems, within Pickens and Anderson Counties, beyond the defined limits of the district to provide services to those living outside the district and outside any incorporated municipality when, in the discretion of the board, it is feasible and practicable so to do, in which case any person or agency receiving such service shall be subject to the same rules, regulations and requirements concerning services being received from the district as persons residing within the district. The board may, in its discretion, establish rates and charges higher than those within the district for the extension of its system and the provision of services beyond the limits of the district.

**SECTION 6‑13‑450.** Rates shall not be regulated.

The rates charged for services furnished by the system, as constructed, improved, enlarged and extended, shall not be subject to supervision or regulation by any State bureau, board, commission or like instrumentality or agency thereof.

**SECTION 6‑13‑460.** Exemption of evidences of indebtedness and district property from taxes.

(1) Bonds, notes or other evidences of indebtedness issued pursuant to Section 6‑13‑440(22) and interest payable thereon are hereby exempted from any and all State, county, municipal and other taxation whatsoever under the laws of this State, and it shall be plainly stated on the face of each such obligation as follows:

“The principal of and interest on this (bond, note or other evidence of indebtedness) are exempted from any and all State, county, municipal and other taxation whatsoever under the laws of the State of South Carolina.”

(2) All property of the district shall be exempt from all ad valorem taxes levied by the State, county or any municipality, division, subdivision or agency thereof, direct or indirect.

**SECTION 6‑13‑470.** Fiscal year, audit and annual report.

The district shall conduct its affairs on the fiscal year basis employed by the State. As shortly after the close of its fiscal year as may be practicable, an audit of its affairs shall be made by certified public accountants of good standing, to be designated by the district. Copies of such audits incorporated into an annual report of the district shall be filed with the Auditor and Treasurer of Pickens County, and the Auditor and Treasurer of Anderson County, and with the secretary to the Legislative Delegation of Pickens County and with the secretary to the Legislative Delegation of Anderson County.

**SECTION 6‑13‑480.** Wilful damage or destruction of district property, pollution of waters or obtaining water illegally.

It shall be unlawful for any person to wilfully injure or destroy, or in any manner hurt, damage, tamper with or impair the system of the district, or any part thereof, or any machinery, apparatus or equipment of the district, or to pollute the water in any part of its system, or to obtain water therefrom except in accordance with the regulations promulgated by the district. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined not less than ten dollars nor more than one hundred dollars, or be imprisoned for not more than thirty days, in the discretion of the court, and shall be further liable to pay all damages suffered by the district.

**SECTION 6‑13‑490.** Contracts for purchase or sale of water with other public entities.

The municipalities of Pickens and Anderson Counties and all public bodies and public agencies now or hereafter operating water distribution systems in Pickens and Anderson Counties shall be fully empowered to enter into contracts to buy water from the district or sell water to the district. These contracts shall extend over such period of time and shall contain such terms and conditions as shall be mutually agreeable to the district and to the contracting municipality, public body or public agency.

**SECTION 6‑13‑500.** Board abolished in Pickens County.

At such time that a board of directors is elected pursuant to the provisions of Section 6‑13‑430, the Saluda Valley Rural Community Water District, which was organized wholly in Pickens County pursuant to the provisions of Article 1 of this chapter, shall be abolished.

ARTICLE 7.

MITFORD RURAL WATER DISTRICT OF FAIRFIELD AND CHESTER COUNTIES

**SECTION 6‑13‑610.** Creation and purpose of Mitford Rural Water District of Fairfield and Chester Counties.

There is hereby created a body corporate and politic of perpetual succession to be known as the Mitford Rural Water District of Fairfield and Chester Counties (hereinafter called the district). It shall be the purpose and function of the district to acquire, construct and operate a water works system, utilizing therefor water from available sources, by purchase or otherwise, at such convenient points as the district shall select to provide a flow of water through pipes to the areas described in Section 6‑13‑620, and to such other domestic, commercial or industrial users who can be conveniently and economically served within or without the service area as herein provided. To this end the district shall perform the functions prescribed by this article, and shall be vested with the powers herein granted and all other powers that may be necessary or incidental in carrying out the functions herein prescribed and exercising the powers herein granted. The water mains, distribution facilities, tanks, their several component parts, and all apparatus, equipment and property incident thereto or used or useful in the operation thereof and all additions, improvements, extensions and enlargements to any of them shall be referred to in this article as the system.

**SECTION 6‑13‑620.** Service area.

The district shall include and be comprised of the following territory which shall be known as the service area:

BEGINNING where Rocky Creek empties into the Catawba River, also being the point where the Chester‑Fairfield County line intersects the Catawba River, and proceeding upstream (Chester County) with the center of Rocky Creek to center of Hodges Branch; thence running upstream with the center of Hodges Branch to a point 1000’ west of S. C. Hwy. #12‑53; thence running in a southerly direction 1000’ west of and parallel to S. C. Hwy. #12‑53 to a point 1000’ (measured perpendicularly) northwest of S. C. Hwy. #12‑75; thence running southwesterly and parallel to and at a distance of 1000’ from Hwy. # 12‑75 to the Fairfield County line and continuing with same road into Fairfield County (# 20‑89) to a point where this line intersects the centerline of Hwy. # 20‑52; thence approximately S 18 E about 8,700 feet to the center of the S. C. Hwy. # 200 bridge over Mitford Branch; thence running downstream with the center of Mitford Branch to Wateree Creek; thence with the center of Wateree Creek downstream to the west bank of the Catawba River; thence running upstream with the west bank of the Catawba River to the Chester‑Fairfield County Line, being the point of beginning.

**SECTION 6‑13‑630.** Creation and membership of Mitford Rural Water District Board of Fairfield and Chester Counties.

The district shall be operated and managed by a board of directors to be known as the Mitford Rural Water District Board of Fairfield and Chester Counties which shall constitute the governing body of the district. The board shall consist of five resident electors of the area who shall be appointed by the Governor, upon the recommendation of a majority of those persons attending a meeting of residents of the area held pursuant to at least one week’s notice in a local newspaper giving the time and place of the meeting. The chairman and secretary of the meeting shall certify the names of those recommended to the Governor. The original appointments shall be for a term of two years for two appointees, for four years for two appointees, and for six years for one appointee. All terms after the initial appointments shall be for six years. All appointees shall hold office until their successors shall have been appointed and qualified. The initial terms of office shall begin as of April 12, 1965. Any vacancy shall be filled in like manner as the original appointment for the unexpired portion of the term. Immediately after appointment, the board shall meet and organize by the election of one of its members as chairman, one as vice chairman, one as secretary and one as treasurer. The offices of the secretary and treasurer may be combined in the discretion of the board.

**SECTION 6‑13‑640.** Powers of district and board.

The district, acting through its governing body, is hereby vested with all such powers as may be necessary or incidental to carry out its purposes, functions and responsibilities including, but without limitation, the following:

(1) To have perpetual succession.

(2) To sue and be sued.

(3) To adopt, use and alter a corporate seal.

(4) To define a quorum for meetings.

(5) To maintain a principal office.

(6) To make bylaws for the management and regulation of its affairs.

(7) To build, construct, maintain and operate ditches, tunnels, culverts, flumes, conduits, mains, pipes, dikes, dams and reservoirs.

(8) To build, construct, maintain and operate distribution systems for the distribution of water for domestic or industrial use.

(9) To acquire and operate any type of machinery, appliances or appurtenances, necessary or useful in constructing, operating and maintaining the system.

(10) To contract for or otherwise acquire a supply of water and sell water for industrial or domestic use.

(11) To prescribe rates and regulations under which such water shall be sold for industrial and domestic use.

(12) To enter into contracts of long duration for the sale of water with persons, private corporations, municipal corporations, or public bodies or agencies.

(13) To prescribe such regulations as it shall deem necessary to protect from pollution all water in its pipes, tanks, reservoirs, distribution systems or elsewhere within its system.

(14) To make contracts of all sorts and to execute all instruments necessary or convenient for the carrying on of the business of the district.

(15) To acquire, purchase, hold, use, lease, mortgage, sell, transfer and dispose of any property, real, personal or mixed, or any interest therein.

(16) To make use of county and state highway rights‑of‑way in which to lay pipes and lines in such manner and under such conditions as the appropriate officials in charge of such rights‑of‑way shall approve.

(17) Subject always to the limitations of Section 15, Article VIII, of the Constitution of this State, to make use of all the streets and public ways of an incorporated municipality for the purpose of laying pipes and lines.

(18) To alter and change county and state highways wherever necessary to construct the system under such conditions as the appropriate officials in charge of such highways shall approve.

(19) To exercise the power of eminent domain for any corporate function. The power of eminent domain may be exercised through any procedure prescribed by Sections 28‑5‑10 through 28‑5‑390 and Sections 57‑5‑310 through 57‑5‑590, Code of Laws of South Carolina, 1976, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of these code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. Provided, that the power of eminent domain conferred hereunder shall not extend to the property of any public utility that the utility could have acquired under its power of eminent domain.

(20) To appoint officers, agents, employees and servants, to prescribe the duties of such, to fix their compensation and to determine if and to what extent they shall be bonded for the faithful performance of their duties.

(21) To make contracts for construction and other services; provided, that such contracts shall be let on competitive bidding and shall be awarded to the lowest responsible bidder.

(22) To borrow money and to make and issue negotiable bonds, notes and other evidences of indebtedness, payable from all or any part of the revenues derived from the operation of its system. The sums borrowed may be those needed to pay all costs incident to the construction and establishment of the system, and any extensions, additions and improvements thereto, including engineering costs, legal costs, construction costs; the sum needed to pay interest during the period prior to which the system, or any extension, addition or improvement thereof, shall be fully in operation; such sum as is needed to supply working capital to place the system in operation; and all other expenses of any sort that the district may incur in establishing, extending or enlarging the system. Neither the full faith and credit of the State of South Carolina, nor Fairfield and Chester Counties, shall be pledged for the payment of the principal and interest of the obligations, and there shall be on the face of each obligation a statement, plainly worded, to that effect. Neither the members of the board, nor any person signing the obligations, shall be personally liable thereon. To the end that a convenient procedure for borrowing money may be prescribed, the district shall be fully empowered to avail itself of all powers granted by Chapters 17 and 21 of this title, Code of Laws of South Carolina, 1976, as now or hereafter constituted, it being the intent of this provision that further amendments and modifications of the code provisions shall be deemed to amend and revise correspondingly the powers granted by this paragraph. In exercising the power conferred upon the district by such code provisions, the district may make or omit all pledges and covenants authorized by any provision thereof, and may confer upon the holders of its securities all rights and liens authorized by law. Notwithstanding contrary provisions in the code, the district may:

(a) Disregard any provision requiring that bonds have serial maturities, and issue bonds in such form and with such maturities as the district shall determine.

(b) Provide that its bonds, notes or other evidence of indebtedness be payable, both as to principal and interest, from the net revenues derived from the operation of its system, as such net revenues may be defined by the district.

(c) Covenant and agree that upon it being adjudged in default as to the payment of any installment of principal or interest upon any obligation issued by it, or in default as to the performance of any covenant or undertaking made by it, in such event the principal of all obligations of such issue may be declared forthwith due and payable, notwithstanding that any of them may not have then matured.

(d) Confer upon a corporation trustee the power to make disposition of the proceeds from all borrowings and of all revenues derived from the operation of the system, in accordance with the resolutions adopted by the authority as an incident to the issuance of any notes, bonds or other types of securities.

(e) Dispose of bonds, notes or other evidence of indebtedness at public or private sale, and upon such terms and conditions as it shall approve.

(f) Make provision for the redemption of any obligations issued by it prior to their stated maturity, with or without premium, and on such terms and conditions as the district shall approve.

(g) Covenant and agree that any cushion fund established to further secure the payment of the principal and interest of any obligation shall be in a fixed amount.

(h) Covenant and agree that no free service will be furnished to any person, municipal corporation, or any subdivision or division of the State.

(i) Prescribe the procedure, if any, by which the terms of the contract with the holders of its obligations may be amended, the number of obligations whose holders must consent thereto, and the manner in which consent shall be given.

(j) Prescribe the events of default and terms and conditions upon which all or any obligations shall become or may be declared due before maturity and the terms and conditions upon which such declarations and their consequences may be waived.

(23) To extend its system or systems, within Fairfield and Chester Counties, beyond the defined limits of the district to provide services to those living outside the district and outside any incorporated municipality when, in the discretion of the board, it is feasible and practicable so to do, in which case any person or agency receiving such service shall be subject to the same rules, regulations and requirements concerning services being received from the district as persons residing within the district. The board may, in its discretion, establish rates and charges higher than those within the district for the extension of its system and the provision of services beyond the limits of the district.

**SECTION 6‑13‑650.** Rates shall not be regulated.

The rates charged for services furnished by the system, as constructed, improved, enlarged and extended, shall not be subject to supervision or regulation by any state bureau, board, commission or like instrumentality or agency thereof.

**SECTION 6‑13‑660.** Exemption of evidences of indebtedness and district property from taxes.

(1) Bonds, notes or other evidences of indebtedness issued pursuant to Section 6‑13‑640(22) and interest payable thereon are hereby exempted from any and all State, county, municipal and other taxation whatsoever under the laws of this State, and it shall be plainly stated on the face of each such obligation as follows:

“The principal of and interest on this (bond, note, or other evidence of indebtedness) are exempted from any and all State, county, municipal and other taxation whatsoever under the laws of the State of South Carolina.”

(2) All property of the district shall be exempt from all ad valorem taxes levied by the State, county or any municipality, division, subdivision or agency thereof, direct or indirect.

**SECTION 6‑13‑670.** Fiscal year, audit and annual report.

The district shall conduct its affairs on the fiscal year basis employed by the State. As shortly after the close of its fiscal year as may be practicable, an audit of its affairs shall be made by certified public accountants of good standing, to be designated by the district. Copies of such audits incorporated into an annual report of the district shall be filed with the Auditor and Treasurer of Fairfield County, and the Auditor and Treasurer of Chester County, and with the secretary to the Legislative Delegation of Fairfield County and Chester County.

**SECTION 6‑13‑680.** Wilful damage or destruction of district property, pollution of waters or obtaining water illegally.

It shall be unlawful for any person to wilfully injure or destroy, or in any manner hurt, damage, tamper with, or impair the system of the district, or any part thereof, or any machinery, apparatus or equipment of the district, or to pollute the water in any part of its system, or to obtain water therefrom except in accordance with the regulations promulgated by the district. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined not less than ten dollars nor more than one hundred dollars, or be imprisoned for not more than thirty days, in the discretion of the court, and shall be further liable to pay all damages by the district.

**SECTION 6‑13‑690.** Contracts for purchase or sale of water with other public entities.

The municipalities of Fairfield and Chester Counties and all public bodies and public agencies now or hereafter operating water distribution systems in Fairfield and Chester Counties shall be fully empowered to enter into contracts to buy water from the district. These contracts shall extend over such period of time and shall contain such terms and conditions as shall be mutually agreeable to the district and to the contracting municipality, public body or public agency.