**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 TO AT LEAST SEVEN THOUSAND CUSTOMERS 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 CERTAIN FACTORS, TO PROVIDE DEFINITIONS, AND TO PROVIDE FOR THE MEMBERSHIP OF THE BOARD AND OTHER FUNCTIONS IT SHALL PERFORM.

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 at least seven thousand customers in 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 6‑39‑30. 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 6‑39‑40 in that area.

Section 6‑39‑20. As used in this chapter:

(1) ‘Joint regional water association’ means an association, consisting of all providers of retail water service in a county, including political subdivisions of this State, which obtain the water provided from a common regional water processing and producing center.

(2) ‘Regional water processing and producing center’ means a location within the county from which water is obtained by association members on a wholesale basis from pumping and storage facilities at the center location for transmission to the retail customers of the water provider. It also means any location outside the county from which water is obtained on a wholesale basis by the regional producing center.

Section 6‑39‑30. 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 serving for terms of four years each and the four members receiving the next highest number of votes serving 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 6‑39‑40. The board or subboard shall have the sole responsibility to determine the retail 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 retail water rates must be determined based only on the cost associated with the delivery of the water to the customer, the cost of the general water operations of the provider, and the cost of the water at the regional producing center.”

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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