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UTILITIES - SOUTH CAROLINA

West Anderson Water District v. City of Anderson

Court of Appeals of South Carolina - June 15, 2016 - S.E.2d - 2016 WL 3342245

West Anderson Water District (the District) sought review of the circuit court's order interpreting a contract between the District and the City of Anderson (the City) that allowed the City to provide water service to a certain site within the District's boundaries.

The District argued that the individuals serving on the District's governing board at the time the contract was executed did not have authority to bind successor boards. The District also argued that the circuit court's interpretation of the disputed contractual provision substantially compromised the District's central, primary function, i.e., the provision of water and sewer service.

The Court of Appeals held that:

- The District had the authority - derived from its enabling legislation - to enter into contracts that extend beyond the current members' terms, binding successor boards;
- The District had not delegated its decision-making authority to a private person or entity, or even another public entity, but rather it has delegated the function of providing water and sewer service to the site to the City for a limited period of time, and thus there existed no compromise of the District's central, primary function.