

STATE OF SOUTH CAROLINA	)	COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE	)	C.A. No.: 2025-CP-01-00036
		(Complex – Judge Addy)
CITY OF ABBEVILLE,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
TOWN OF CALHOUN FALLS; TERRICO	)	PLAINTIFF CITY OF ABBEVILLE’S
HOLLAND IN HIS OFFICIAL CAPACITY	)	STATUS REPORT AND
AS MAYOR OF THE TOWN OF CALHOUN	)	MOTION FOR RELIEF
FALLS; AND WENDI W. LEWIS IN HER	)	
OFFICIAL CAPACITY AS	)	
CLERK/TREASURER OF THE TOWN OF	)	
CALHOUN FALLS,	)	
	)	
Defendants.		

Plaintiff City of Abbeville (“Abbeville”) submits this Status Report in advance of the Court’s October 12, 2026 status hearing, reporting on the compliance of Defendant Town of Calhoun Falls (“Calhoun Falls”) with this Court’s Order on Rule to Show Cause dated March 11, 2026 (the “March 11 Order”), and moves pursuant to Rule 7(b), SCRCP, the Court’s inherent contempt power, S.C. Code Ann. § 6-21-350, and Section IX(B) of the parties’ Intergovernmental Contract for the additional relief set forth below. Abbeville separately files herewith its Status Report by Plaintiff on the form prescribed by the Court.

I. BACKGROUND

This is an action for breach of contract. Calhoun Falls is a wholesale water customer of Abbeville under an Intergovernmental Contract for the Sale and Purchase of Water prepared under the Revenue Bond Act for Utilities. Calhoun Falls has consistently failed to pay amounts due for water received and is now in arrears in the amount of \$471,420.49 as of September 22, 2026. On April 21, 2025, this Court preliminarily enjoined Calhoun Falls to pay all Abbeville water invoices

on a current basis. By Order of June 15, 2025, entered with the consent of intervenor McCormick County, the Court approved the assignment to Abbeville of amounts owed to Calhoun Falls by McCormick County, with Calhoun Falls remaining obligated to pay the difference between each Abbeville invoice and the McCormick County payment.¹ After two rule-to-show-cause proceedings and hearings on January 15 and February 26, 2026, the Court found it undisputed that Calhoun Falls had not complied with either order and that its arrearage continued to grow.

Rather than appoint a receiver or impose rates, the Court entered the March 11 Order to “enhance Calhoun Falls’s ability to comply.” The March 11 Order imposed specific, dated reporting obligations designed to give Abbeville and the Court visibility into Calhoun Falls’s water deliveries, revenues, costs, and meter installation, and it established a weekly payment mechanism tied to those reports. The Court expressly reserved its authority to impose an adequate schedule of rates and warned that any official or employee who causes Calhoun Falls to act contrary to the Order may be individually subject to contempt. (March 11 Order ¶¶ 6, 8.)

II. STATUS REPORT

A. With Two Lump Sum Payments, Calhoun Falls Has Kept Pace With Current Charges but Has Not Made Progress on the Arrearage.

Abbeville attaches as Exhibit A its utility ledger for the Calhoun Falls account and a spreadsheet reconciling every invoice, payment, and meter reading since this Court’s preliminary injunction. Those records show the following.

Calhoun Falls has improved its current payment practice. Since entry of the March 11 Order it has paid regularly, generally \$7,500.00 at a time and often weekly, and it has twice made substantial lump-sum payments — \$100,000.00 on June 25, 2026 and \$50,000.00 on July 21, 2026.

¹The March 11 Order refers to this order in Paragraph 1 as the “June 17, 2025” order. Abbeville refers to the same order.

Measured against the invoices issued after the April 21, 2025 preliminary injunction, Calhoun Falls is current: as of September 16, 2026 it had paid \$4,417.25 more than those invoices totaled. Abbeville acknowledges that improvement and does not suggest otherwise.

Abbeville cannot, however, treat that result as evidence that Calhoun Falls is now able to meet its obligations going forward. Calhoun Falls is current only because of the two lump sum payments. Without them, the \$7,500.00 weekly checks would have fallen well short of the invoices issued over the same period, and the balance would have continued to climb. Two payments of that size, made within a month of each other and unlike anything before or since, are not a payment practice; they are events. Abbeville does not know what funded them, whether the source is recurring, or whether it remains available, and Calhoun Falls has produced none of the revenue or cost reports that would answer those questions. Nothing in the record gives Abbeville or the Court any basis to believe that Calhoun Falls can sustain current payments once those funds are exhausted, much less begin retiring the arrearage. That uncertainty is itself a product of the non-reporting described below.

The arrearage is another matter entirely. When this Court issued the preliminary injunction on April 21, 2025, Calhoun Falls owed Abbeville \$448,087.37. Seventeen months later, as of September 22, 2026, the balance on the account is \$471,420.49. Calhoun Falls owes Abbeville more today than it did on the day the injunction issued. The reason is arithmetic. The \$4,417.25 by which Calhoun Falls has run ahead of its current invoices is far less than the late-payment penalties that continue to accrue on the unpaid balance, which totaled \$20,586.75 in the twelve months ending September 22, 2026 alone. At the rate the historic arrearage is actually being retired — \$4,417.25 in seventeen months — it will never be paid.

That is the precise problem the additional \$15,000.00 monthly payment requested below is designed to solve. The March 11 Order's waterfall directs money to the arrearage only after current costs and current charges are satisfied. Six months of operation demonstrate that nothing meaningful is reaching the arrearage, and that penalties are accruing faster than it is being reduced.

The payments are also unverifiable. Paragraph 5(b) of the March 11 Order requires each weekly check to equal the difference between Weekly Revenue and Weekly Costs, or the amount allocated to Abbeville under the Paragraph 5(a)(ii)(3) waterfall. Because Calhoun Falls has provided none of the underlying revenue or cost reports, Abbeville cannot determine whether any payment tendered is the amount the Order requires, and the Court cannot either.

B. Calhoun Falls Has Increased Rates Without the Required Notice or Reporting.

Since entry of the March 11 Order, Calhoun Falls has increased the rates it charges its residential ratepayers and the rate it charges McCormick County. Calhoun Falls has given Abbeville some notice of the change in the McCormick County rate, but not within the 24 hours Paragraph 3 requires, and not with the documentation of the change. More significantly, the rate increases should have generated additional water and sewer revenue available under the Paragraph 5 waterfall for payment of current charges and the arrearage. The arrearage has not declined. Without the weekly reports, neither Abbeville nor the Court can determine where the increased revenue is going.

C. Calhoun Falls Has Produced Only a Fraction of the Required Documentation.

Calhoun Falls has not ignored the March 11 Order altogether. It has furnished Abbeville with some information regarding the water delivered to McCormick County and some notice of the change in the McCormick County rate, and Abbeville acknowledges those partial productions. But they are the only two categories out of ten in which anything at all has been produced, and

even as to those two the reports have come sporadically rather than on the monthly and 24-hour schedules the Order fixes, none has been timely, and none has been accompanied by the underlying records. As to the remaining eight categories — which include every report bearing on the Town’s revenues, its costs, the allocation of those costs, the calculation of the weekly payments, and the condition of its meters — Abbeville has received nothing whatever. The following table summarizes each obligation:

No.	Order ¶	Item Calhoun Falls Was Required to Provide	Deadline	Status
1	¶ 2	Monthly report of total water delivered by Calhoun Falls to McCormick County in the preceding month	First business day of each month (April–September 2026)	PARTIALLY RECEIVED — sporadic and untimely
2	¶ 3	Notice of any change in the rate charged to McCormick County for water	Within 24 hours of adoption	PARTIALLY RECEIVED — untimely
3	¶ 5(a)(1)	Weekly report of “Weekly Revenue” (water and sewer receipts, excluding solid waste, with pro rata allocation of partial payments)	Second business day of each week, beginning week of March 23, 2026	NOT RECEIVED
4	¶ 5(a)(2)	Weekly report of “Weekly Costs,” with employee-labor costs separately disclosed for each employee	Second business day of each week	NOT RECEIVED
5	¶ 5(a)(ii)(1)	Itemized disclosure of each item included in Current O&M Costs	Weekly, with Weekly Costs report	NOT RECEIVED
6	¶ 5(a)(ii)(2)	Disclosure of the allocation of shared-employee costs between the water/sewer system and other Town functions	Weekly, with Weekly Costs report	NOT RECEIVED
7	¶ 5(a)(ii)(3), 5(b)	Calculation supporting the weekly check (Weekly Revenue less Weekly Costs, or the court-ordered waterfall allocation)	Second business day of each week, with check	NOT RECEIVED
8	¶ 7	Monthly meter report: total customer connections and number with working, properly calibrated meters	April 30, May 31, June 30, July 31, and August 31, 2026	NOT RECEIVED
9	¶ 8	Signed acknowledgments from each elected official and employee that he or she received and read the Order	Five business days after March 11, 2026	NOT RECEIVED
10	¶ 9	Copy of the accounting represented to the Court at the January 15, 2026 hearing	Upon entry of Order	NOT RECEIVED

Every one of these obligations was specific, dated, and within Calhoun Falls's control. None depended on a Town Council vote or the exercise of legislative discretion. Calhoun Falls's partial performance as to two items confirms that it is able to report when it chooses to; it has simply not reported on the subjects that matter most. By Abbeville's count, Calhoun Falls has produced none of the approximately twenty-six weekly revenue reports, none of the approximately twenty-six weekly cost reports, none of the accompanying itemizations, cost allocations, and payment calculations, and none of the five monthly meter reports, and it has produced neither the signed acknowledgments nor the accounting. The final meter deadline of September 30, 2026 will have passed by the October 12 hearing, and Abbeville has no information about whether Calhoun Falls ever resumed the meter installation program the Court was advised on February 26, 2026 had ceased.

D. Status of Merger Negotiations.

Abbeville and Calhoun Falls are presently engaged in negotiations regarding a potential merger, acquisition, transfer, or other integration of the Calhoun Falls water and sewer system into Abbeville's system. Abbeville is pursuing those negotiations in good faith and does not intend the relief sought here to impair them. The relief sought is interim, but the negotiations should not suspend Calhoun Falls's compliance with this Court's orders or leave the existing debt outstanding indefinitely. Indeed, the reporting required by the March 11 Order is precisely the information Abbeville needs to evaluate the condition, revenues, and obligations of the Calhoun Falls system in those negotiations. Calhoun Falls's non-compliance therefore harms not only Abbeville's collection efforts but the prospects of a negotiated resolution.

E. Abbeville Has Subpoenaed the Town Clerk and the Utility Clerk.

Because Calhoun Falls has produced only a fraction of the ordered documentation, Abbeville has caused subpoenas to be issued to the two Town employees with custody of and personal knowledge concerning the billing, collection, revenue, cost, and meter records at issue: Marsha Lomax, Town Clerk/Treasurer, and Amanda Brandt, Utility Clerk. Each subpoena, issued under Rule 45, SCRCP, commands her to appear and give testimony at the term of court commencing October 12, 2026 at 9:00 a.m. in the Court of Common Pleas for Abbeville County, and to produce at that time each category of documents and information listed in the table above, together with the records underlying it. Abbeville intends to examine these witnesses concerning the Town's water and sewer revenues, its operating and employee costs and their allocation, the amounts billed to and collected from McCormick County and from Town customers, the status of meter installation and calibration, and the reasons the March 11 Order's reporting requirements have not been met. Abbeville respectfully asks the Court to direct that these witnesses appear as commanded and produce the subpoenaed records.

III. MOTION FOR RELIEF**A. The Court Should Formally Re-Order the Reporting Requirements.**

Abbeville requests that the Court reaffirm each reporting obligation of the March 11 Order, require Calhoun Falls to produce all past-due reports within five (5) business days of the Court's order on this motion, and require that each report going forward be certified as true and complete by the Town's Clerk/Treasurer, a party to this action in her official capacity. Abbeville further requests that Calhoun Falls provide, by the tenth (10th) day of each month, a consolidated monthly reporting package for the preceding month showing: (a) total gallons purchased from Abbeville; (b) total gallons delivered to McCormick County; (c) total gallons billed to Calhoun Falls

customers; (d) amounts billed to and collected from McCormick County; (e) water and sewer amounts billed to and collected from Calhoun Falls customers; (f) operating and maintenance expenses, including employee costs and allocations; (g) number of active customer connections; (h) number of working, properly calibrated meters; (i) amounts paid to Abbeville; and (j) the remaining arrearage. The package allows Abbeville and the Court to verify, in one place, what the weekly reports are meant to show piecemeal. Because Paragraph 2 conditions Abbeville's authority to read the Calhoun Falls-to-McCormick County meter on Calhoun Falls first providing its monthly report, and Calhoun Falls has provided none, Abbeville further requests authority to access and read that meter at any time. Finally, the March 11 Order directs that information under "Sections 1, 2, 7, and 10" be emailed to designated recipients, but the Order contains no Section 10; Abbeville requests clarification that all reports and notices under Paragraphs 2, 3, 5, 7, 8, and 9 be delivered by email to each designated recipient.

B. The Court Should Order an Additional \$15,000.00 Per Month Toward the Arrearage.

The March 11 Order's weekly mechanism was designed to pay current charges first and arrearages second. (§ 5(b).) Six months of operation have shown that nothing of consequence reaches the arrearage: \$4,417.25 of a \$448,087.37 debt has been retired in seventeen months, while penalties of \$20,586.75 accrued in the last twelve months alone, leaving a balance of \$471,420.49. Calhoun Falls has now raised its rates, giving it additional revenue from which to pay. The Court expressly reserved its authority under S.C. Code Ann. § 6-21-350 and Contract Section IX(B) to ensure that Calhoun Falls's rates and charges are adequate to assure payment to Abbeville. (§ 6.) Abbeville requests that Calhoun Falls be ordered to pay \$15,000.00 per month, in addition to all current charges, on or before the fifteenth (15th) day of each month, to be applied solely to the arrearage. The payment should continue until the arrearage is satisfied, incorporated into a court-

approved or written negotiated resolution between the parties, or modified by further order of the Court.

C. The Court Should Impose a \$10,000.00 Monthly Sanction for Continued Non-Reporting.

A court may use civil contempt both to coerce compliance with its orders and to compensate the injured party for losses caused by non-compliance, including attorney's fees and costs. *Curlee v. Howle*, 277 S.C. 377, 287 S.E.2d 915 (1982); *Poston v. Poston*, 331 S.C. 106, 502 S.E.2d 86 (1998). Abbeville has been forced to bring three rule-to-show-cause proceedings and this motion to obtain compliance with orders Calhoun Falls has never disputed. Abbeville requests that, following the cure period, for each calendar month in which Calhoun Falls fails to timely provide every report and notice required by the March 11 Order, Calhoun Falls be sanctioned \$10,000.00, payable to Abbeville and applied to Abbeville's attorney's fees and costs incurred in enforcing this Court's orders, and not credited against the water debt, arrearage, or current charges, subject to such accounting or proof of fees and costs as the Court may require. Calhoun Falls may avoid the sanction entirely by complying, and the sanction is thus coercive and purgeable in character.

D. The Court Should Determine Whether the Current Clerk/Treasurer Should Be Substituted or Added as a Party.

Abbeville raises one further matter for the Court's direction. Defendant Wendi W. Lewis was named in her official capacity as Clerk/Treasurer of the Town of Calhoun Falls. Abbeville is informed that Ms. Lewis no longer holds that office and that Marsha Lomax is now the Town's Clerk/Treasurer. Several obligations of the March 11 Order run to the holder of that office, and Abbeville asks in this Motion that future reports be certified by the Clerk/Treasurer. Rule 25(d)(1), SCRCP, provides that when a public officer sued in an official capacity ceases to hold office the

action does not abate, the successor is automatically substituted, and the court may order substitution at any time. Abbeville has not amended the caption and does not presume the point. Abbeville respectfully requests that the Court determine whether Ms. Lomax should be substituted for Ms. Lewis, or added as a Defendant in her official capacity, and enter such order as it deems appropriate so that the relief granted binds the officer who currently holds the records and performs the duties at issue.

IV. RELIEF REQUESTED

Abbeville respectfully requests that the Court enter an order:

1. Reaffirming all obligations of the March 11, 2026 Order, which remain in full force and effect;
2. Requiring Calhoun Falls to produce all past-due and incomplete reports, notices, acknowledgments, and the January 15, 2026 accounting, together with the records underlying them, within five (5) business days, and thereafter to timely provide all reports on the schedule established by the March 11 Order, together with the consolidated monthly reporting package described above, each certified by the Clerk/Treasurer as true and complete;
3. Authorizing Abbeville to access and read the Calhoun Falls-to-McCormick County meter at any time, and clarifying that all reports and notices be delivered by email to each designated recipient;
4. Requiring Calhoun Falls to remain current on all ongoing water charges owed to Abbeville;
5. Requiring Calhoun Falls to pay Abbeville an additional \$15,000.00 per month, separate from and in addition to all current charges, on or before the fifteenth (15th)

day of each month, applied solely to the arrearage until satisfied, incorporated into a negotiated resolution, or modified by the Court;

6. Imposing, following the cure period, a sanction of \$10,000.00 for each calendar month in which Calhoun Falls fails to timely provide all documentation required by the March 11 Order, payable to Abbeville and applied to its attorney's fees and costs incurred in monitoring and enforcement, not credited against the water debt, and subject to such proof as the Court may require;
7. Determining whether Marsha Lomax, the current Clerk/Treasurer of the Town of Calhoun Falls, should be substituted for Wendi W. Lewis or added as a Defendant in her official capacity under Rule 25(d)(1), SCRCF;
8. Directing that Marsha Lomax, Town Clerk, and Amanda Brandt, Utility Clerk, appear at 9:00 a.m. on October 12, 2026 in the Court of Common Pleas for Abbeville County as commanded by the subpoenas served upon them, and produce at that time all records and information required by the March 11, 2026 Order;
9. Directing the parties to continue good-faith negotiations concerning a potential merger, acquisition, or integration of the Calhoun Falls water system, without suspending Calhoun Falls's current-payment, arrearage-payment, or reporting obligations; and
10. Granting such other and further relief as the Court deems just and proper, including the relief reserved in Paragraph 6 of the March 11 Order.

Respectfully submitted,

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Abbeville, South Carolina
September __, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing upon counsel for Defendants by electronic mail and by depositing a copy in the United States mail, first class postage prepaid, addressed as follows:

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Abbeville, South Carolina September __, 2026