

JOINT RESOLUTION

**OF THE CITY OF ABBEVILLE, S.C. AND THE TOWN OF CALHOUN FALLS, S.C.,
EXPRESSING INTENT TO NEGOTIATE AND EFFECTUATE THE TRANSFER OF
THE CALHOUN FALLS WATER AND SEWER SYSTEM TO THE CITY OF
ABBEVILLE**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ABBEVILLE AND THE
TOWN COUNCIL OF CALHOUN FALLS:**

WHEREAS, the Town of Calhoun Falls ("Calhoun Falls") owns and operates a water and sewer system serving its residents and customers (the "CF System"); and

WHEREAS, the City of Abbeville ("Abbeville") owns and operates a regional water and sewer system with the capacity and expertise to operate and maintain additional infrastructure; and

WHEREAS, both governing bodies recognize the long-term operational, financial, and service delivery benefits of transferring ownership and responsibility of the CF System to Abbeville; and

WHEREAS, the parties have developed a preliminary term sheet outlining the general structure of such a transfer, including the conveyance of assets and obligations, operational control, and service commitments; and

WHEREAS, the proposed framework contemplates that Abbeville would assume ownership and operation of the CF System, integrate it into its utility system, and provide water and sewer service in the CF System service area; and

WHEREAS, the framework further contemplates the granting of an exclusive franchise to Abbeville for a defined period, along with provisions for a franchise fee, cost-of-service rate structure, and the handling of existing debts and obligations; and

WHEREAS, both councils understand that any final agreement will require additional due diligence, financial analysis, legal documentation, and formal approval by each governing body;

BE IT THEREFORE RESOLVED, that the City of Abbeville and the Town of Calhoun Falls hereby express their mutual intent to proceed in good faith toward the negotiation and execution of a definitive agreement for the transfer of the CF System to Abbeville, substantially consistent with the terms outlined in the preliminary term sheet; and

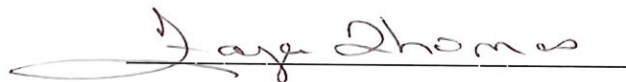
BE IT FURTHER RESOLVED, that such negotiations shall include, but not be limited to:

- the transfer of all system assets and obligations;
- Abbeville's assumption of ownership and operational responsibility;
- the establishment of an exclusive service franchise within Calhoun Falls;
- provisions for a franchise fee not to exceed an agreed-upon percentage of revenues; and
- the development of a cost-based rate structure ensuring the financial sustainability of the transferred system; and

BE IT FURTHER RESOLVED, that the appropriate officials, staff, engineers, attorneys, and financial advisors of both municipalities are hereby authorized to collaborate, conduct necessary analyses, and prepare the required agreements and supporting documents for consideration by each council; and

BE IT FURTHER RESOLVED, that this Resolution does not constitute a binding agreement but serves as a formal statement of intent to move forward with the process necessary to complete the proposed transfer.

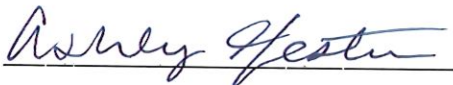
ADOPTED IN REGULAR MEETING this 15 day of June, 2026.



Faye Thomas
Mayor Pro Tem

Attest:

Approval as to Form:



Ashley A. Hester
City Clerk



Tommy E. Hite, Jr., Heather Stone
Thomas E. Hite, III
City Attorney