Resolution #__-____

RESOLUTION OF INTENT TO COLLABORATE WITH THE CITY OF SALUDA REGARDING ITS WATER SYSTEM

WHEREAS, the City of Saluda owns and operates a water system within the City of Saluda, and in North and South Lake Summit; and

WHEREAS, there currently exists a Water Usage Agreement between the City of Hendersonville and the City of Saluda dated July 1, 2018 outlining the terms and conditions of Saluda's purchase of treated drinking water from Hendersonville to provide drinking water to Saluda's customers of its water system; and

WHEREAS, the City of Hendersonville issued a letter in support of the City of Saluda receiving a grant to perform a Merger and Regionalization Feasibility Study ("MRF") in June of 2025 regarding a potential merger of the Saluda water system into the City's water system, but specifically withheld any commitment for a merger at that time; and

WHEREAS, the North Carolina Department of Environmental Quality awarded a study grant for this purpose ; and

WHEREAS, in September of 2025, a MRF was completed by High Country Engineering, PC; and

WHEREAS based on the finding in the MRF, the City Council wishes to proceed with discussions with the City of Saluda regarding the extent to which the City of Hendersonville and the City of Saluda might collaborate on the ownership and operation of the Saluda water system.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA that City Council wishes to publicly state its intent to enter into formal discussions with the City of Saluda regarding the potential for a collaborative arrangement between the City of Saluda and the City of Hendersonville, up to and including a merger of Saluda's water system into the City of Hendersonville's water system. Staff are specifically directed to enter into formal discussions with the staff for the City of Saluda and bring back a recommendation to City Council regarding this collaboration.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 1st day of October, 2026.

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Attest: Barbara G. Volk, Mayor, City of Hendersonville

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Jill Murray, City Clerk

Approved as to form:_____ Angela S. Beeker, City Attorney