

TOWN OF McBEE
EMERGENCY TOWN COUNCIL MEETING
JUNE 15, 2015

Present: Mayor John Campolong, Shilon Green, A.C. McLeod Jr., Charlie Sutton, and Terri King (Administrator)

Note to Minutes: Terri King, Administrator, typed minutes.

Meeting Called to Order: Mayor John Campolong called meeting to order on June 15, 2015 at 10:30 a.m. regarding issuing an injunction to prevent AO Smith from changing our water lines over to another carrier.

Open Discussion:

Mayor Campolong:

I have had some conversation with AO Smith and the decision was made that we would allow our lawyers to discuss this further. They are having trouble getting in touch with their lawyer, we have gotten a lawyer who will be handling this, Belton Zeigler of Womble Carlyle, who handles utility cases.

Councilman A. C. McLeod:

What led up to this? You have discussed this with AO Smith's plant manager and he explained to you they were going to do what?

Mayor Campolong:

When I spoke with the plant manager, the decision was made that our lawyers would get together and discuss this situation. He indicated to me that they – AO Smith – were going to change their service.

Councilman A. C. McLeod:

We received an 811 notice today to mark water lines for another customer of the town's that is considering switching over to ARW.

Mayor Campolong:

This injunction will be based on Federal Code 1926(b)

7 CFR 1782.14 - Protection of service areas—7 U.S.C. 1926(b)

This code will cover this same problem.

Councilman A. C. McLeod:

This issue is that the citizens of this town have got a 40 year loan with the USDA to install the wells, water tanks, and provide water to the citizens and AO Smith. We are obligated to pay that loan and if we don't keep our customers, there is no way that we can pay this loan off.

This is a malicious act of Alligator to take our customers and we don't have any choice except to issue an injunction until we can work it out with our lawyers.

Mayor Campolong:

We do have the same Federal Code 1926(b) that Alligator used in order to secure the Nestle Waters services by stating that the Town could not provide Nestle their water. They were able to use this ruling due to their indebtedness to Rural Development. We have the same obligation. I have a letter going to the District Manager of AO Smith – Sam Carver, that I am not sure is aware of everything. I will add, that if we lose AO Smith as a customer, we will have to increase our water rates by 3.5 times in order to maintain our water system.

Councilman A. C. McLeod:

We have a wholesale company, who sells water to the Town and to provide wholesale water to whomever needs it. Therefore, they do not have any right to the territory of our customers and I think this is a malicious act by them, so we don't have any choice but to ask for an injunction until this is settled.

Motion to Stop the construction of the water line going into AO Smith until our lawyers have been able to discuss the problem made by Mayor John Campolong and seconded by Councilman Shilon Green. All were in favor.

Motion to adjourn made by Mayor John Campolong and seconded by Shilon Green. All were in favor.