



Control Number: 51224



Item Number: 42

Addendum StartPage: 0

DOCKET NO. 51224

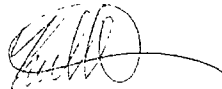
COMPLAINT OF JOHN BLALOCK §  
 AGAINST MERCY WATER SUPPLY §  
 CORPORATION §

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 OF TEXAS  
 FILING CLERK

**MERCY WATER SUPPLY CORPORATION'S RESPONSES  
 TO STAFF'S FIRST REQUEST FOR INFORMATION**

COMES NOW, Mercy Water Supply Corporation ("Mercy"), and files this, its Responses to Staff's First Request for Information, which was received on November 12, 2020. Pursuant to 16 Tex. Admin. Code § 22.144(c), a "party upon whom a request is served shall serve a full written response ... within 20 days after receipt of the request." Twenty days after November 12, 2020, is December 2, 2020. Pursuant to Rule 11 of the Texas Rules of Civil Procedure, Mercy and Commission Staff ("Staff") agreed to an extension to December 4, 2020 to file responses. Mercy's responses are timely filed.

Respectfully submitted,



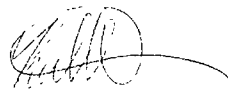
By: Katelyn A. Hammes

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ATTORNEYS FOR MERCY WATER  
 SUPPLY CORPORATION

**CERTIFICATE OF SERVICE**

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 4<sup>th</sup> day of December, 2020.

A handwritten signature in black ink, appearing to read 'Katelyn A. Hammes', written over a horizontal line.

Katelyn A. Hammes

**PUC DOCKET NO. 51224**

**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**

**STAFF 1-1:** Admit or deny that Ms. Gloria Ann Meeks (Ms. Meeks) never possessed a membership with Mercy. If deny, provide all dates Ms. Meeks did possess such a membership.

**RESPONSE:** Deny. According to Mercy's records, Ms. Meeks obtained a Membership with Mercy in 1988, 1991, and 1994.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-2:** Admit or deny that Ms. Meeks never applied for water service from Mercy.

**RESPONSE:** Deny. Mercy has records indicating that Ms. Meeks applied for service on March 15, 1994 for 159 Bowen Road, Cleveland, Texas 77327.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-3:** Admit or deny that Mercy had knowledge that at the time of Ms. Reba Ivey's (Ms. Ivey) August 11, 1995 Service Application and Agreement, the Northern and Southern Tracts had been previously partitioned.

**RESPONSE:** Mercy does not have enough information to answer this RFI. Mercy has no record of when the first page of the Partition Deed was provided. In Ms. Ivey's record, Mercy found a copy of only the first page of the Partition Deed, which identifies 154 Bowen Road, Cleveland, Texas as the property in question. This first page does not show how the property was to be divided, who received which tract, whether there was shared ownership, or which tract retained the 154 Bowen Road address.

A copy of the Partition Deed in its entirety may be found in Exhibit D to Mercy's Response to Complaint. This full copy was obtained while preparing to respond to this Complaint.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-4:** Admit or deny that Mercy had knowledge that a pipeline was needed to provide water service to the Northern Tract in accordance with Ms. Ivey's request for water service in 1995.

**RESPONSE:** Deny. Mercy's Operator believed the service address to be the location at which Mercy installed the meter and was not aware the property had been partitioned.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker

**STAFF 1-5:** Admit or deny that installation of a pipeline from the water meter installed on the Southern Tract is and would have been necessary for the Northern Tract to receive water service from the meter.

**RESPONSE:** Based on clarification received by Staff, “pipeline” refers to the private service connection from the meter to the residential, commercial or industrial structure.

Admit to the extent that Mercy’s Tariff requires its customers to be responsible for connecting their one residential, commercial, or industrial structure to the installed meter tap, in accordance with Section E, Paragraphs 19, 23-24. Mercy Water Supply Corporation’s Response to Complaint at 35–38, Exhibit A at 25–28 (Sept. 24, 2020)

However, it is not necessary that the Northern Tract receive service via the meter on the Southern Tract. Service by this means violates Mercy’s Tariff, which expressly requires that Mercy install the meter on the property to which it is providing service unless otherwise approved by the Board. Mercy’s Tariff at Section E, Paragraph 26. Mercy Water Supply Corporation’s Response to Complaint at 36, Exhibit A at 26 (Sept. 24, 2020). No approval to place the meter on the Southern Tract exists in Mercy’s records for Ms. Ivey’s account. Mercy is able and willing to extend its line to appropriately place a meter on the Northern Tract to service the Northern Tract.

It is Mercy’s practice to place the meter at the location where the customer requests, unless that location is infeasible for safety or other legal reasons. *See, e.g.*, Mercy Water Supply Corporation’s Response to Complaint at 36, Exhibit A at 26 (Sept. 24, 2020) (Section E, Paragraph 20). Mercy would not have placed the meter at its current location on the Southern Tract unless the applicant specifically requested it to be placed there.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker



**STAFF 1-6:** Admit or deny that the address of the Northern Tract was changed from 154 Bowen Rd., Cleveland, TX, as reflected on the August 11, 1995 Service Application and Agreement completed by Ms. Ivey, to 1611 Bowen Loop, Cleveland, Texas 77328.

**RESPONSE:** Mercy does not have enough information to admit or deny this RFI. It is unclear based on the information Mercy has which of the partitioned tracts retained the 154 Bowen Road, Cleveland, Texas address and which became 159 Bowen Road, Cleveland, Texas.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker

**STAFF 1-7:** Admit or deny that Mercy never provided water service to the Southern Tract. If deny, provide the dates of all such service.

**RESPONSE:** Deny. According to Mercy's Tariff, Section E, Paragraph 26, "service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter tap located on that designated real estate unless otherwise approved by the board." Mercy Water Supply Corporation's Response to Complaint at 38, Exhibit A at 28 (Sept. 24, 2020). Mercy installed the meter on the Southern Tract, as requested by the applicant. Under the Tariff, the Southern Tract is the tract that received water service.

Based on information provided by Mr. Blalock, there are faucets on the Southern Tract on the private service line leading from the meter to the Northern Tract. Ms. Meeks also applied for service for a property addressed as 159 Bowen Road, Cleveland, Texas. As explained in response to Staff RFI 1-6, Mercy does not know which of the partitioned tracts retained the 154 Bowen Road, Cleveland, Texas address and which became 159 Bowen Road, Cleveland, Texas.

See Mercy's responses to Staff RFIs 1-1 and 1-26.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker

**STAFF 1-8:** Admit or deny that Mr. John Blalock (Mr. Blalock) came into the Mercy office and attempted to transfer Ms. Ivey's membership to himself. If admit, provide all dates on which such visits occurred.

**RESPONSE:** Deny. From 2004 to present, Mr. Blalock has not come into the Mercy office and attempted to transfer Ms. Ivey's Membership to himself.

The first time Kelley Allbright asked Mr. Blalock for proof of ownership in relation to Ms. Ivey's account was when he brought in the check issued pursuant to Ms. Ivey's cancelled Membership and requested that Mercy change the check's issued to name to his. This was also the first Mercy learned of Ms. Ivey's death and the first opportunity Mercy had to request proof of ownership of the Northern Tract. Ms. Allbright informed him she could change who the check was issued to if he provided proof that he was Ms. Ivey's executor. He has not provided Mercy any such proof, and Mercy still is safeguarding the check with Ms. Ivey's Membership Fee.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-9:** Admit or deny that at the time Mr. Blalock came into the Mercy office, Mercy requested that Mr. Blalock produce proof of ownership to the Northern Tract.

**RESPONSE:** Admit. See Mercy's response to Staff RFI 1-8. From 2004 to present, Mr. Blalock has not come into the office to produce ownership of any property.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-10:** Admit or deny that Mr. Blalock produced to Mercy proof of ownership to the Northern Tract. If admit, provide all such documentation showing proof of ownership.

**RESPONSE:** Deny. Mr. Blalock has not produced to Mercy proof of ownership to the Northern Tract.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-11:** Admit or deny that Mercy had possession of a right-of-way easement signed by Ms. Meeks, dated August 21, 1995.

**RESPONSE:** Admit. Ms. Ivey's record included a right-of-way easement that purposed to grant Mercy access across 1-3/4 acres of land and was signed only by Ms. Meeks. As this easement was granted after the filed partition deed, this easement actually only provided Mercy a right-of-way easement across the 0.7997 acres Ms. Meeks owned.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-12:** Admit or deny that Ms. Ivey's Mercy membership was transferred to Mr. Adrian Rodz.

**RESPONSE:** Deny. Please also see Mercy's response to Staff RFI 1-30.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-13:** Admit or deny that Mr. Blalock is the legal owner of the Northern Tract.

**RESPONSE:** Mercy is unable to admit or deny this RFI because it does not have enough information to determine whether Mr. Blalock is currently a legal owner of any property.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright



**STAFF 1-14:** Please produce all records relating to the membership of Ms. Ivey.

**RESPONSE:** The responsive documents may be found in Mercy's Responses to Complainant's RFI 1-1.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-15:** Please produce all records relating to the membership of Ms. Meeks.

**RESPONSE:** Please see the enclosed responsive documents.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

# **Responsive to Staff's RFI 1-15**

**CORPORATION USE ONLY**

Date Approved \_\_\_\_\_  
 Service Classification \_\_\_\_\_  
 Cost \_\_\_\_\_  
 Work Order Number \_\_\_\_\_  
 Eng. Update \_\_\_\_\_  
 Account Number \_\_\_\_\_

# WATER SUPPLY CORPORATION

## SERVICE APPLICATION AND AGREEMENT

Please Print:

DATE 3-15-94APPLICANT'S NAME Gloria Weeks

CO-APPLICANT'S NAME \_\_\_\_\_

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

159 Bowen Rd  
Cleveland TN 37327
PHONE NUMBER - Home (713) 592-2327 Work ( ) \_\_\_\_\_

PROOF OF OWNERSHIP PROVIDED BY \_\_\_\_\_

DRIVER'S LICENSE NUMBER OF APPLICANT 09241008

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

Warrenty Deed

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

ACREAGE 799 HOUSEHOLD SIZE 4NUMBER IN FAMILY 4 LIVESTOCK & NO. \_\_\_\_\_

SPECIAL SERVICE NEEDS OF APPLICANT: \_\_\_\_\_

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname

Race/National Origin (Not of Hispanic Origin)

☒ WHITE ☐ BLACK ☐ AMERICAN INDIAN ☐ HISPANIC ☐ ASIAN OR PACIFIC ☐ OTHER  
 OR ALASKAN NATIVE ISLANDER (SPECIFY)

☐ MALE☒ FEMALE

Responsive to Staff RFI 1-15

EQUAL OPPORTUNITY PROGRAM

Sheet 1 of 4

SERVICE APPLICATION AND AGREEMENT (CONT'D)

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
between \_\_\_\_\_ Water Supply Corporation, a  
corporation organized under the laws of the State of Texas  
(hereinafter called the Corporation) and \_\_\_\_\_,  
(hereinafter called the Applicant and/or Member)

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the Bylaws and Tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new Applicant or continued Membership as a Transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this Agreement.

The Board of Directors shall have the authority to cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service.

If this agreement is completed for the purpose of assigning utility service as part of a rural domestic water and/or wastewater system loan project contemplated with the Farmers Home Administration, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining

- a. the number of taps to be considered in the design and
- b. the number of potential ratepayers considered in determining the financial feasibility of constructing either
  - (1) a new water system or
  - (2) expanding the facilities of an existing water system,the Applicant thereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a

SERVICE APPLICATION AND AGREEMENT (CONT'D)

Member, the monthly charges for such service as prescribed in the Corporation's published rates, fees, and conditions of service. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property.

The Corporation's authorized employees shall have access to the Member's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspection to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Natural Resource Conservation Commission or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits the connection of service pipelines from its water service meter to any private well or other unknown water supply.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution by the Applicant of this agreement, Applicant hereby shall comply with the terms of said Program.

SERVICE APPLICATION AND AGREEMENT (CONT'D)

The Member shall install at his own expense any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, clean-outs, and other equipment as may be specified by the Corporation. The use of pipes and pipe fittings that contain more than 8.0% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

By execution hereof, the Member shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as required by the Corporation.

By execution of this Service Application and Agreement, Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of water utility service under the terms and conditions of the Corporation's Tariff.

By execution of this Service Application and Agreement, Applicant agrees that non-compliance with the terms of this Agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this form shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

Gloria Meeks  
Applicant/Member

\_\_\_\_\_  
Witnesseth

\_\_\_\_\_  
Approved and Accepted

Account Number 419

MEEKS, GLORIA

MEEKS, GLORIA  
1601 BOWEN LOOP  
CLEVELAND, TEXAS

77327 593-1991  
Date Turned On 12-04-96 Meter 33903738 Seq.# 3885  
Meter Check Date 1-24-94 Old Acct. Num 120060

Rate Code 1 Route # 4 Pump/Well # 1

Last Reading 35174 12-22-00 Prev. Reading 34409 Usage  
12 Month Average 14400 Last Year Avg. 14400 Prev. Year Av  
Months on System 84 Total Usage 1126150 Average Usage

Last 'Paid on Time' Date 12-22-00 Year to Date Charges  
Last Late Charge Date 12-21-00 Number of Late Months

Membership Information  
Membership Amount 100.00 Date 5-04-94

	Usage	Charges	ReadDate	Reading	Current Balance
JAN -	6,720	39.18	1-27-00	18561	Previous Balance
FEB -	17,430	71.47	2-28-00	20304	
MAR -	5,890	36.68	3-27-00	20893	Balance
APR -	9,520	47.62	4-27-00	21845	
MAY -	8,060	43.22	5-23-00	22651	
JUN -	8,440	44.37	6-22-00	23495	
JUL -	16,030	67.25	7-24-00	25098	
AUG -	35,740	126.68	8-23-00	28672	
SEP -	38,790	135.87	9-21-00	32551	
OCT -	11,030	47.17	10-24-00	33654	
NOV -	7,550	41.68	11-27-00	34409	
DEC -	7,650	41.98	12-22-00	35174	

Last Payment 10-17-00 352.69 Check # 1

Age 1 41.98 Age 2 41.68 AGE 3 47.17  
Account Balance - 130.83 12-30-2000  
NOTE CAN LOCK



Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains.





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Account Number 419

MEEKS, GLORIA

MEEKS, GLORIA  
\* 159 BOWEN ROAD  
CLEVELAND, TEXAS

77327  
Service Address BOWEN ROAD

Date Turned On 6-19-94 Meter 33903738 Seq.# 3885  
Meter Check Date 1-24-94 Old Acct. Num 120060  
Rate Code 1 Route # 4 Pump/Well # 1

Last Reading 61754 12-20-95 Prv. Reading 61157 Usage 5970  
12 Month Average 20930  
Months on System 23 Total Usage 385980 Average Usage 16780

Last 'Paid on Time' Date 12-20-95 Year to Date Charges 1901.47  
Last Late Charge Date 12-20-95 Number of Late Months 15

Membership Information  
Membership Amount 100.00 Date 5-04-94

	Usage	Charges	ReadDate	Reading
JAN -	21,940	85.07	1-24-95	39425
FEB -	20,380	80.36	2-21-95	41463
MAR -	22,480	106.70	3-24-95	43711
APR -	23,010	88.29	4-24-95	46012
MAY -	17,770	67.50	5-22-95	47789
JUN -	23,050	88.42	6-26-95	50094
JUL -	30,710	111.51	7-25-95	53165
AUG -	18,310	177.54	8-22-95	54996
SEP -	26,340	98.33	9-25-95	57630
OCT -	21,210	82.87	10-23-95	59751
NOV -	14,060	61.31	11-27-95	61157
DEC -	11,990	55.07	12-20-94	37231

Last Payment 12-11-95 50.00 Check # 1

Age 1 61.31 Age 2 25.32  
Account Balance - 123.55 12-30-1995

Responsive to Staff RFI 1-15

# MERGY WATER SUPPLY CORPORATION

P.O. BOX 1177  
CLEVELAND, TEXAS 77327  
(713) 593-1177

October 10, 1993

TO ALL IN-ACTIVE METER/METER BOX HOLDERS IN MERGY  
WATER SUPPLY CERTIFICATE OF CONVENIENCE AREA.

Gentlemen.

This is to advise you that the meter/meter box on  
your property will be removed if we have not received  
this letter returned to us by 12/22/93 signed and arrange-  
ments have not been made to re-active this account.

The removal of the meter and or meter boxes will  
began the first of 1994.

This is for your information and oblige.

Very truly yours,

C. H. Brown

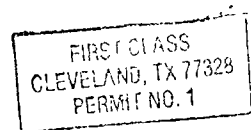
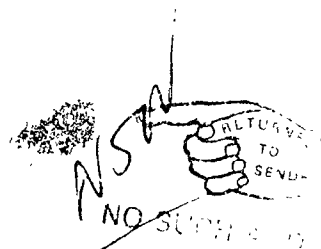
C. H. Brown, President

\_\_\_\_\_ Yes, I will be in your office before said date to re-active  
my meter.

\_\_\_\_\_ No, I do not wish to have this meter reactivated.

Please sign, check yes or no and return to our office.  
If we have not heard from you within this time frame,  
we will assume you no longer want the meter.

MERCY WATER SUPPLY CORPORATION  
P. O. BOX 1177  
CLEVELAND, TEXAS  
77327



~~Gloria Howard  
159 Browen Rd  
Cleveland, TX, 77327~~

10/26/93

MERCY WATER SUPPLY CORPORATION  
P. O. BOX 1177  
CLEVELAND, TEXAS 77327  
(281) 593-1177

DATE 8/21

WORK ORDER

*Full Meter*  
*10-5-01*

RECONNECT \_\_\_\_\_

LEAKS \_\_\_\_\_

SET METER \_\_\_\_\_

NAME 2/1

LOCATION \_\_\_\_\_

BILLING ADDRESS \_\_\_\_\_

METER NUMBER \_\_\_\_\_ METER READING \_\_\_\_\_

CHARGES PAID \_\_\_\_\_

*419 Gloria Mays* *18856*  
*Ref*  
*1601 Ked.*  
*Bowen Loop*

*meter #*  
Responsive to Staff *33713738*

*6th*

*Seq. 3885*

*From End.*



CBI  
TEK

LIMIT

ADDRESS

~~159 Brown Road~~ PO Box 2053  
Cleveland, Texas 77327

MADE IN U.S.A.

Son Jones

DATE

Balance forward

FOLIO

DEBIT

CREDIT

BALANCE

1/19 L-C 8.5 1/22  
1/21 January chp  
2/5 P/A  
2/26 Feb chp  
3-21 L  
3-31 March chp.  
4-11 L-C 4/17  
4/26 April chp.  
5-11 L-C  
5-31 May chp.  
6-8 L-C  
6-30 June chp.  
7-6 F.I.  
7-17 L-C  
7-11 Reconnect Fee  
7-30 July chp.  
8/2 P.A.  
8-30 August chp  
9-11 L-C  
9-30 Sept chp.  
10-3 P.A.  
10-31 Oct chp  
11-11 L-C  
11-30 Nov chp.  
12-16 L-C  
12-30 Dec chp.

273

218

248

242

220

100

100

100

266

376

564

628

394

273

4379

4973

248

4850

242

4400

220

2000

100

2000

100

100

2000

2000

2000

5321

206

7532

11297

564

12569

628

7499

141.11

4973

5221

11071

10313

14713

14932

16933

17033

19033

2033

2133

4133

6133

53

55

131

113

118

244

250

325

9459

9732

141.11

4973

5221

11071

10313

14713

14932

16933

17033

19033

2033

2133

4133

6133

53

55

131

113

118

244

250

325

Responsive to Staff RFI 1-15

Month	Date		Reading	Consumption
	On	Off		
Dec.			2320	2200
Nov.			120	
Oct.				
Sep.				
Aug.			Pulled	
July				
June			Pulled	
May				
Apr.				
Mar.			Pulled	
Feb.			Pulled	
Jan.			Pulled	
			287990	
Name Gloria Howard				
Address 15900 Bowen Road				
Cleveland, Texas Year 1990				
Meter No. 33903544 Acct. No. 120060				

Month	Date		Reading	Consumption
	On	Off		
Dec.			Pulled	
Nov.			Pulled	
Oct.			Pulled	
Sep.			Pulled	
Aug.			Pulled	
July			95610	00
June			95610	3430
May			92180	14390
Apr.			77790	11030
Mar.			66760	9960
Feb.			56800	19720
Jan.			37080	34760
			2320	
Name <u>Glenn Howard</u>				
Address				
Year <u>1992</u>				
Meter No.			Acct. No. <u>120060</u>	

47.09  
235

Month	Date		Reading	Consumption
	On	Off		
Dec.			287990	20330
Nov.			267660	49560
Oct.			227100	32990
Sep.			194110	21140
Aug.			173670	13070
July			160600	1610
June			<del>158990</del> <del>meter full</del>	
May			164770	1040
Apr.			163730	10000
Mar.			153730	11500
Feb.			142230	11910
Jan.			130320	9930
			120390	
Name <u>Gloria Howard</u>				
Address _____				
Year <u>1990</u>				
Meter No. <u>486</u> Acct. No. <u>120060</u>				

Month	Date		Reading	Consumption
	On	Off		
Dec.			120390	13590
Nov.			106800	15,190
Oct.			91610	11,930
Sep.			103 79680	
Aug.				
July			—	—
June			—	—
May			—	—
Apr.			—	—
Mar.			300490 <i>Revised</i>	15600
Feb.			<i>Meter 2/5/89</i> 284890	52200
Jan.			232690	27080
			205610	
Name <i>Gloria Howard</i>				
Address				
Year <i>89</i>				
Meter No. <del>506</del> Acct. No. <i>120060</i>				

33903544

Month	Date		Reading	Consumption
	On	Off		
Dec.			35980	9540
Nov.			26440	3360
Oct.			23080	6780
Sep.			16300	8040
Aug.			8260	3200
July			5660	2870
June			2170	1790
May			400	370
Apr.			0030	
Mar.				
Feb.				
Jan.				
Name <u>Blonia Helen Howard</u> Address <u>159 N. 1st St.</u> <u>Portland</u> Year <u>87</u> Meter No. <u>606</u> Acct. No. <u>12646</u>				

Month	Date		Reading	Consumption
	On	Off		
Dec.			205610	46810
Nov.			158800	31250
Oct.			127552	19620
Sep.			108530 <del>53880</del>	26960
Aug.			81570	8860
July			72710	2840
June			69870	12900
May			56970	5280
Apr.			51670	9120
Mar.				
Feb.				
Jan.			42270	6290
			35980	
Name				
Address				
Year				
Meter No.			Acct. No.	

No 553



**MERCY WATER SUPPLY CORPORATION**  
(a TEXAS NON-PROFIT CORPORATION)

Federal Employer ID No. 76-0007238

This Is To Certify That

Dora M. M. M.

is / are the owner of one (1) share of stock of the Mercy Water Supply Corporation, a Texas non-profit corporation, Federal Employer ID No. 76-0007238, organized under the provisions of Article 1434a, Vernon's Annotated Texas Statutes, as amended, and that such Certificate is transferable by the holder hereof in person or by duly authorized attorney upon the books of the Corporation.

Witness the Seal of the Corporation and the signature of its President, or its Vice President and its Secretary, this 4<sup>th</sup> day of May, 1972

Attest:

[Signature]  
Secretary

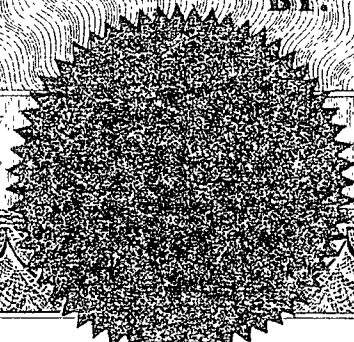
**MERCY WATER SUPPLY CORPORATION**

BY:

[Signature]  
its President

**SEAL**

Value 100.00





Value 100<sup>00</sup>



**MERCY WATER SUPPLY CORPORATION**  
(a TEXAS NON-PROFIT CORPORATION)

Federal Employer ID No. 76-0007238

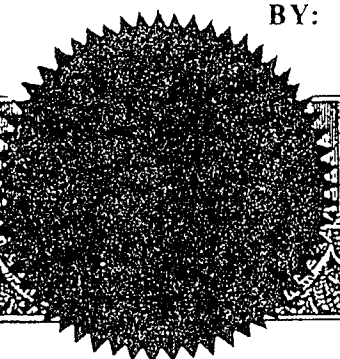
This Is To Certify That Gloria Muehs  
is /are the owner of one (1) share of stock of the Mercy Water Supply Corporation, a  
Texas non-profit corporation, Federal Employer ID No. 76-0007238, organized un-  
der the provisions of Article 1434a, Vernon's Annotated Texas Statutes, as amended.  
and that such Certificate is transferable by the holder hereof in person or by duly  
authorized attorney upon the books of the Corporation.

Witness the Seal of the Corporation and the signature of its President, or its Vice  
President and its Secretary, this 2 day of 'Dec.', 19 91

Attest: Nathan Lott  
Secretary

MERCY WATER SUPPLY CORPORATION  
BY: E. H. Brown  
its President

SEAL



Nº 284



**MERCY WATER SUPPLY CORPORATION**  
(a TEXAS NON-PROFIT CORPORATION)

Federal Employer ID No. 76-0007238

This Is To Certify That

*Glenn Howard*

is / are the owner of one (1) share of stock of the Mercy Water Supply Corporation, a Texas non-profit corporation, Federal Employer ID No. 76-0007238, organized under the provisions of Article 1434a, Vernon's Annotated Texas Statutes, as amended, and that such Certificate is transferable by the holder hereof in person or by duly authorized attorney upon the books of the Corporation.

Witness the Seal of the Corporation and the signature of its President, or its Vice President and its Secretary, this 17 day of Jan, 19 88

Attest:

*Matthew K. H.*

Secretary

MERCY WATER SUPPLY CORPORATION

BY:

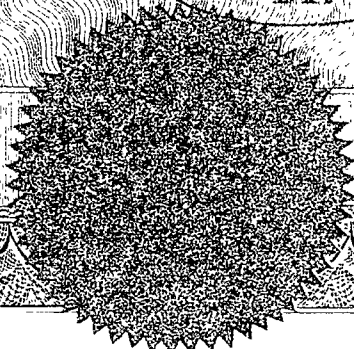
*Glenn Howard*

Its

President

SEAL

*Value 100.00*



# Gas Customer Information

## MEMBERSHIP INFORMATION

MPEKS, GEORGE  
1601 EOWEN LANE  
CLEVELAND, OH 44115

7327 59.1-19%

Date Formed On: 11-04-93 5441 390.00 12-01-01

Meter Check Date: 1-14-94 0111 111.00 12-01-01

Rate Code: 7 Route #: 4 Pump: W-11 4.1

Last Reading: 38056 6-26-01 Prev. Reading: 38056 Usage: 0  
12 Month Average: 4800 Last Year Avg: 14400 Prev. Year Avg: 14400  
Months on System: 96 Total Usage: 1154970 Average Usage: 12000

Last 'Paid on Time' Date: 10-17-00 Year to Date Charges: 99.65  
Last Late Charge Date: 9-21-01 Number of Late Months: 7

## Membership Information

Membership Amount: 0.00 00.00 5000.00

	Usage	Charge	Paid Date	Balance
JAN -	8,250	25.49	1-12-01	25.49
FEB -	5,840	18.51	2-14-01	4.98
MAR -	1,210	3.95		8.93
APR -	10,140	31.11	4-13-01	0.00
MAY -	5,100	16.21	5-17-01	16.21
JUN -	700	2.25	6-15-01	13.96
JUL -	0	0.00	7-12-01	13.96
AUG -	0	0.00	8-16-01	13.96
SEP -	0	0.00	9-13-01	13.96
OCT -	0	113.50	10-11-01	129.54
NOV -	0	0.00	11-15-01	129.54
DEC -	0	0.00	12-26-01	129.54

Last Payment: 10-17-01 100.00 Check # 5

Account Balance: 0.00 12-27-00  
NOTE: CAN LOCK

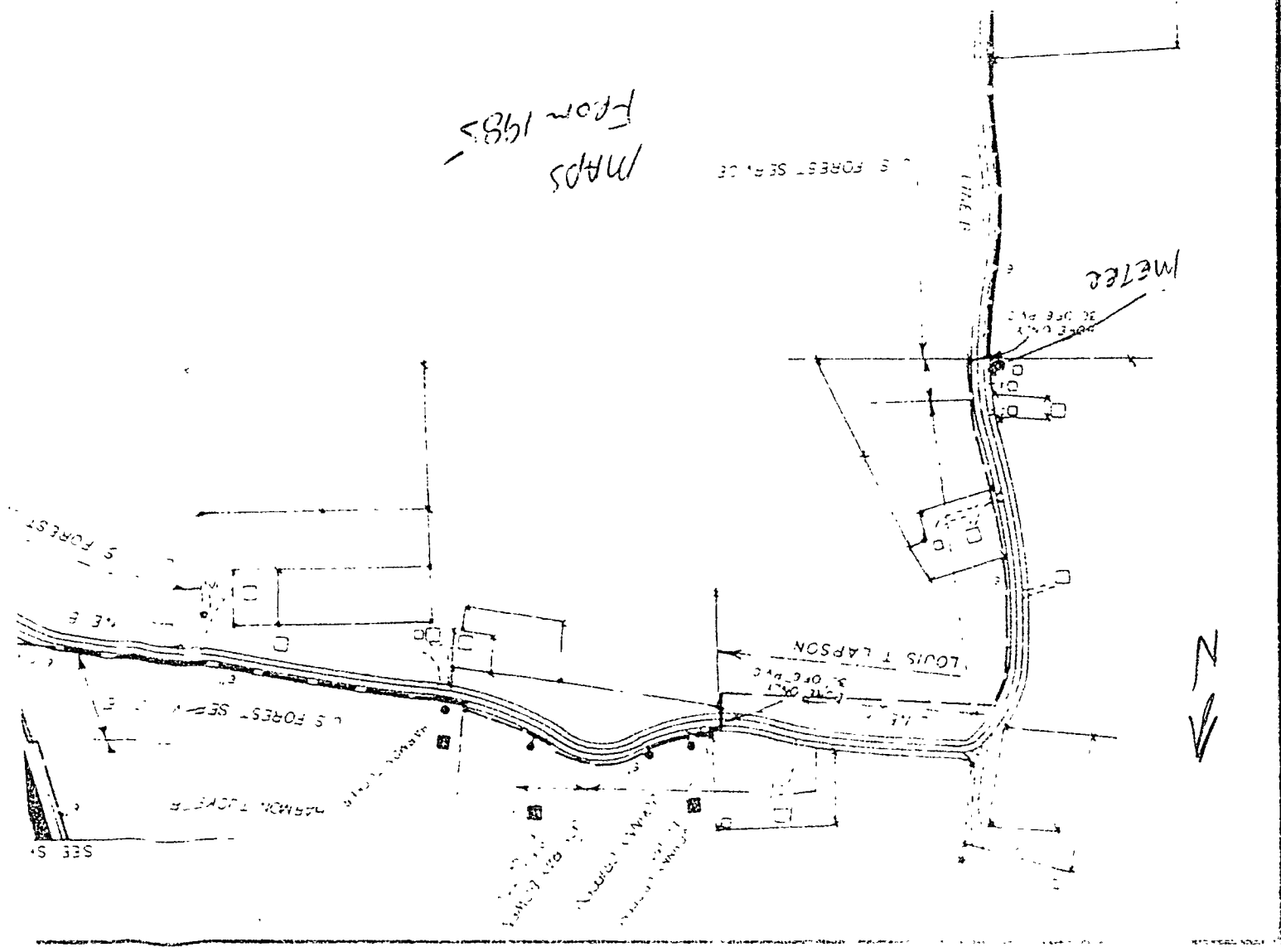
**STAFF 1-16:** Please produce all documentation reflecting the intended service location of the water meter installed on the Southern Tract at the time of installation.

**RESPONSE:** Please see the enclosed responsive document.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker

# **Responsive to Staff's RFI 1-16**



**STAFF 1-17:** Please produce all documentation reflecting Mr. Blalock's attempts to transfer Ms. Ivey's membership to himself.

**RESPONSE:** No responsive documents exist.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-18:** Please provide all documentation relating to the membership of Mr. Blalock with Mercy.

**RESPONSE:** No responsive documents exist. Mr. Blalock is not a Member of Mercy.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright



**STAFF 1-19:** Please produce all documentation showing that Ms. Ivey failed to comply with conditions relating to the transfer of her membership.

**RESPONSE:** Please see Mercy's Tariff, Section E, Paragraph 18(c), discussing the transfers of Membership. Mercy Water Supply Corporation's Response to Complaint at 33–34, Exhibit A at 23–24 (Sept. 24, 2020).

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-20:** Please produce all documentation showing that Mr. Blalock failed to comply with conditions relating to the transfer of Ms. Ivey's membership to himself or receipt of water service.

**RESPONSE:** Please see Mercy's Tariff, Section E, paragraphs 10, discussing Denial of Service, and 18, discussing Membership eligibility, Membership, and the requirements to transfer Membership. Mercy Water Supply Corporation's Response to Complaint at 27–28, 33–35, Exhibit A at 17–18, 23–25 (Sept. 24, 2020).

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-21:** Please produce all records reflecting all changes of address for Ms. Ivey's membership from the inception of the membership to the present.

**RESPONSE:** No responsive documents exist. However, Ms. Ivey's billing address changed between 1997 and 1998.

Please see Mercy's Response to Complainant's RFI 1-1 at 27–28.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-22:** Please produce a complete copy of Mercy's tariff.

**RESPONSE:** Please see Mercy Water Supply Corporation's Response to Complaint, Exhibit A (Sept. 24, 2020).

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-23:** Please produce a complete copy of Mercy's bylaws.

**RESPONSE:** Please see the enclosed responsive documents.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

# **Responsive to Staff's RFI 1-23**

**BYLAWS**  
**of**  
**MERCY WATER SUPPLY CORPORATION**

Bylaws of Mercy Water Supply Corporation, having been presented to the Board of Directors of said Corporation and duly adopted as follows:

**ARTICLE I**

The President shall preside and vote at all Members' and Directors' meetings. The President shall perform all other duties that usually pertain to the office or are delegated by the Board of Directors.

**ARTICLE II**

The Vice-President shall, in case of the absence or disability of the President, perform the duties of the President.

**ARTICLE III**

The Secretary-Treasurer shall have custody of all monies, records and securities of the Corporation. The Secretary-Treasurer shall keep minutes of all meetings of the Corporation. All monies of the Corporation shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the Directors. Checks must be signed by the Secretary-Treasurer or assistant or deputy secretary, and the President or a designee of that office. The Secretary-Treasurer shall have custody of the seal of the Corporation and affix it as directed by resolution passed by the Board of Directors or Members. The Board of Directors may appoint an employee as assistant or deputy secretary to assist the Secretary-Treasurer in all official duties pertaining to that office.

The position of the Secretary-Treasurer, and other Board positions and/or employees entrusted with receipt and disbursement of funds, shall be placed under a fidelity bond in an amount which shall be set from time to time, but not less than once each year, by the Board of Directors. The fidelity bond coverage amount shall approximate the total annual debt service requirements for all USDA Rural Development, Rural Utilities Service (RUS) loans and be evidenced by a position fidelity schedule bond as acceptable to USDA Rural Development, RUS, or its successor agencies and assigns.

#### **ARTICLE IV**

Section 1. A person must be a member of the Corporation and at least 18 years old in order to serve as a Director. A person is not qualified to serve as a director if the person has been determined by a final judgment of a court exercising probate jurisdiction to be totally mentally incapacitated; or partially mentally incapacitated without the right to vote; or has been finally convicted of a felony from which the person has not been pardoned or otherwise released from the resulting disabilities.

Section 2. The Board of Directors shall consist of 7 Directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter on the first Tuesday of March<sup>1</sup>, the Board of Directors shall elect a President, a Vice-President and a Secretary-Treasurer from among the Directors. The Directors shall be elected by the Members at the Members' meetings provided for in Article VI of the Bylaws. The Directors shall be divided into three (3) classes, each class to be as near as equal in number as possible. The terms of the Directors of the first class shall expire at the first annual meeting of the Members after their election; the terms of the Directors of the second class shall expire at the second annual meeting after their election; and terms of the Directors of the third class shall expire at the third annual meeting after their election. At each annual meeting after such classification, the number of Directors equal to the number of

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<sup>1</sup> This election shall be held between January 1 and May 1, but after the Members' annual meeting. Insert day of week, week of month, and month of year (i.e., second Tuesday of April).



the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. Directors, as such, shall not receive any stated salary for their services, except as provided for by state law.

Not later than the 60<sup>th</sup> day after a Director dies, resigns or is determined by the Board to not meet one of the qualifications set forth in Section 1, a successor who meets those qualifications shall be appointed by a majority of the remaining Directors to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the remaining balance of the previously vacated term.

Section 3. Directors may be removed from office in the following manner, except as otherwise provided in Article V. Any Member or Director may present charges against a Director by filing such charges in writing with the Secretary-Treasurer of the Corporation. The charges must be accompanied by a petition signed by at least ten (10) percent of the Members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the Membership and shall be effective if approved by a vote of 2/3 majority of those voting if a quorum is present. The Director(s) against whom such charges have been presented shall be informed in writing of such charges at least twenty (20) days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges shall have the same opportunity. If the removal of a Director(s) is approved, such action shall also vacate any other office(s) held by the removed Director(s) in the Corporation. A vacancy in the Board thus created shall immediately be filled by a qualified person other than the removed Director upon a vote of a majority of the Members present and voting at such meeting, in accordance with the written annual or special meetings procedures as adopted by the Board. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 4. The President of the Board, or Vice-President, shall preside at any meeting of the Members convened to consider removal of a Director as provided under Section 2, unless the President is the subject of charges, in which event the Vice-President shall preside. In the event

both the President and the Vice-President are the subject of charges, those Directors who are not the subject of any charges shall appoint one of the other Directors to preside over the meeting. Any meeting convened to consider the removal of a Director shall be conducted in accordance with the procedures prescribed by the Board. The fact that the President, Vice-President, or other Officer or Director has been made the subject of charges does not prevent such individual from continuing to act as Officer and/or Director. Any Director that has been removed under the provisions of this Article shall not be precluded from subsequent election to a position on the Board of Directors.

Section 5. The Board of Directors shall adopt and maintain a conflict of interest policy designed to promote the business of the Corporation and serve the interests of the Membership. Such policy, at a minimum, shall be in conformance with the provisions of the Texas Business Organizations Code pertaining to duties and responsibilities of the Board of Directors.

## **ARTICLE V**

Section 1. Meetings of the Board of Directors shall be held at such time and place as the Board may determine at the previous meeting, and shall include posting of the meeting as required by the Texas Open Meetings Act. The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Chapter 551, Texas Government Code, including any subsequent amendment thereto. In the event of any conflict between the provisions of these Bylaws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.

Section 2. Any Director failing to attend two (2) consecutive meetings may be given written notice by the balance of the Board of Directors that failure by said Director to attend a third consecutive meeting, without justifiable cause acceptable to the balance of the Board of Directors, shall give rise to removal of said Director from the Board. A successor shall be appointed by a majority vote of the Directors remaining to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the balance of the term.

Section 3. The Board of Directors shall provide access for the public, new service applicants, or Members to the meetings of the Board of Directors by setting aside a time for hearing of suggestions, proposals, or grievances; however, there shall be no deliberations or actions by the Board unless such has first been noticed in accordance with the Texas Open Meetings Act. The Board of Directors shall establish reasonable rules for access to such meetings.

Section 4. The Board of Directors may, upon lawful notice to the public, meet in executive session when permitted, in the manner and for such limited purposes as provided for in the Texas Open Meetings Act, as amended, and for no other reason. All proceedings of any meeting at which a quorum of Directors is present to discuss the business of the Corporation shall be recorded in the manner required by the Texas Open Meetings Act.

Section 5. In conducting their duties as members of the Board, Directors: (1) shall be entitled to rely, in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or the Corporation's affairs that have been prepared or presented by one or more officers or employees of the Corporation, or by legal counsel, public accountants, or other persons retained by the Corporation for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the Corporation are at least that of their book value; and (3) in determining whether the Corporation has made adequate provision for the discharge of its liabilities and obligations, may rely in good faith and with ordinary care, on the financial statements of, or other information concerning, any person or entity obligated to pay, satisfy or discharge some or all of the Corporation's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more Officers or employees of the Corporation, legal counsel, public accountants, or other persons provided the Directors reasonably believes such matters to fall within such person's professional or expert competence. Nevertheless, Directors must disclose

any knowledge they may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

## ARTICLE VI

Section 1. There shall be a regular meeting of the Members annually, on the first Tuesday of March,<sup>2</sup> to transact all business that may be properly brought before it.

Section 2. The Board of Directors shall adopt, and from time to time may revise, written procedures for conducting annual or special Membership meetings, including notification to the Membership of the proposed agenda, location, and date of the meeting; election procedures; approval of the ballot form to be used; and validation of eligible voters, ballots, and election results. At least thirty (30) days before the date of a Membership meeting that includes an election, the Corporation shall mail to each member of record at the address last known to the Corporation written notice of such meeting indicating the time, place, and purpose of such meeting; the election ballot; and for director elections, a statement of each candidate's qualifications, including biographical information as provided in each candidate's application. The election ballot for director elections must include the number of directors to be elected and the names of the candidates.

Failure to hold or call an annual or special meeting in accordance with these Bylaws shall give each Member rights to compel the Board of Directors to properly hold an annual or special meeting of the Membership.

Section 3. The Board shall select an independent election auditor not later than thirty (30) days before the scheduled date of a Membership meeting where an election will be held. The independent election auditor is not required to be an experienced election judge or auditor and may serve as an unpaid volunteer. At the time of selection and while serving in the capacity of an

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<sup>2</sup> This meeting shall be held between January 1 and May 1. Insert the day of the week, week of month and month of year.

independent election auditor, the independent election auditor may not be associated with the Corporation as an employee; a director or candidate for director; or an independent contractor engaged by the Corporation as part of the Corporation's regular course of business. The independent election auditor shall receive and count the ballots before the meeting is adjourned. The independent election auditor shall provide the board with a written report of the election results.

Section 4. For any election, a member may vote in person at the Membership meeting; by mailing a completed ballot to the office of the independent election auditor or to the Corporation's main office which must be received by noon on the business day before the date of the meeting; or by delivering a completed ballot to the office of the independent election auditor or to the Corporation's main office by noon on the business day before the date of the meeting.

A quorum for the transaction of business at a meeting of the Membership is a majority of the members present. In determining whether a quorum is present, all members who mailed or delivered ballots to the independent election auditor or the Corporation on a matter submitted to a vote at the meeting are counted as present.

Section 5. The Board of Directors shall establish a standing Credentials Committee of three (3) Members, of which the Secretary-Treasurer shall be the chairperson. This committee shall at no time have sufficient board members appointed to constitute a quorum of the Board of Directors. This committee, in accordance with procedures adopted by the Board under Section 2, shall recommend for Board approval the election procedures and all related forms and notices, recommend for Board approval a person to fill the role of independent election auditor, ensure that the election procedures are implemented, and serve other functions designated in the Corporation's election procedures. Should the individual holding the office of Secretary-Treasurer be running for re-election, the Board shall appoint an officer not currently running for re-election to serve as chairperson of this committee.

Section 6. After fixing a date for the notice of a meeting, the Board of Directors shall prepare an alphabetical list of the names of all voting members who are entitled to vote as of the record date of the meeting. The list must show the address of each voting member. No later than two (2) business days after the date notice is given of the meeting, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. Any voting Member, or voting Member's agent or attorney, shall be allowed, on written demand, to inspect and, at a reasonable time and at their expense, copy the list. Further, the Board shall make the list of voting Members available at the meeting, and shall allow inspection of such list by any voting Member or voting Member's agent or attorney at any time during the meeting, including any adjournments thereof.

## ARTICLE VII

A special meeting of the Members or Directors may be called by the President, or by demand by a majority of the board members or one-third (1/3) of the Members. Such special meetings shall be held upon giving notice as required by the Texas Open Meetings Act.

Prior to convening any special meeting of the Members, the President shall request in writing that the Secretary-Treasurer give at least ten (10) days prior notice to the Members, and that such special meeting is otherwise noticed, as required under Texas Business Organizations Code Section 22.156, and as provided under Article V of these Bylaws. Such notice shall specify the time, place and purpose of the meeting, and shall be addressed and mailed to each of the Members at their address last known to the Corporation, personally delivered to each Member, or sent by facsimile to each Member.

Emergency meetings of the Directors may be held on rare occasions and only when clearly authorized by the Texas Open Meetings Act. Notice of such emergency meeting shall be provided under Article V of the Bylaws and the Texas Open Meetings Act, at least two hours before the meeting is convened. It shall be the responsibility of the President, or a designee of

that office, to ensure that proper notice is posted and Directors are properly notified. In no event shall any emergency meeting of the Directors be convened where the business of such meeting could be considered at a regular or special meeting of the Directors receiving at least seventy-two (72) hours notice as provided under Article V of these Bylaws.

## **ARTICLE VIII**

The Corporation shall conduct its business on a non-profit basis, and no dividends shall ever be paid upon the Memberships of such Corporation. All profits arising from the operation of such business shall be annually paid out to the persons who have, during the past year, transacted business with the Corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid and, provided also, that the Directors of the Corporation may allocate to sinking fund(s) and reserve accounts such amount of profits as they deem necessary for maintenance, operation, capital improvements, expansions and replacements of all facility components, as provided by Section 67.008 (d) of the Texas Water code. Funds allocated by the Board to a sinking fund for replacement, amortization of debts, and the payment of interest that are not required to be spent in the year in which deposited shall be invested in accordance with the provisions of Section 67.014 (b) of the Texas Water Code.

## **ARTICLE IX**

The Directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the Government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the Corporation. Securities so purchased shall be deemed at all times to be part of the reserve fund account. There shall be deposited in such fund the sum as required by a total of all loan resolutions executed by the Corporation. Such deposits shall be made monthly and shall continue until the total amount deposited equals the sum as required by the executed loan resolutions provided, however, that

after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by the executed loan resolutions.

Withdrawals may be made from this fund only upon prior written approval from USDA Rural Development, RUS. Approval shall be made only for emergency repairs, obsolescence of equipment, improvements to facility, and for making up any deficiencies in revenue for loan payments.

## ARTICLE X

Section 1. The Corporation shall have Members as defined by the Texas Water Code. All customers of the Corporation must hold a Membership or obtain their service through a Membership. A person or entity that holds an interest in property solely as security for the performance of an obligation or that only builds on or develops the property for sale to others is not required to hold a Membership as a condition to receive service on a limited basis. Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served, or which may reasonably be served by the Corporation, shall have the right to become a Member of the Corporation upon payment of the Membership fee hereinafter provided and upon compliance with the Corporation's conditions of water and/or sewer service as provided for in its published charges, rates and conditions of service. Membership shall not be denied because of the applicant's race, color, religion, sex, age, marital status, familial status, handicap, income from Public Assistance, disability or national origin. It is the intent of the Corporation to provide service on a nondiscriminatory basis.

Section 2. The Membership fee shall be as determined by the Board of Directors. Payment of Membership fee or transfer of Membership shall entitle an applicant to further qualify for one (1) connection to the system or shall entitle a transferee of Membership to continue to qualify for service to an existing connection to the system by meeting the conditions for water and/or sewer as provided in the Corporation's published rates, charges, and conditions of service. A person may own more than one Membership, but each Member shall be entitled to only one vote regardless of the number of Memberships owned. Membership certificates shall be in such form as shall be determined by the Board of Directors.



Section 3. The Membership fee may be revised by the Board of Directors as the Board may determine to be appropriate. In determining the amount of the Membership fee, however, the Board shall ensure that the fee is sufficient to establish the potential Member as being legitimately interested in securing water service from the Corporation for such potential Members' own needs. Furthermore, the Board shall determine and administer such fee in a manner or in an amount which does not unreasonably deny service to financially deprived potential Members. In no event, however, shall the Membership fee exceed an amount equal to the sum of twelve (12) charges of the Corporation's minimum monthly water and/or sewer rate unless previously approved by USDA Rural Development. RUS. Membership fees will be refundable.

## **ARTICLE XI**

Where necessary for determining those Members entitled to notice of, or those Members entitled to vote at any meeting or any adjournment thereof, or where necessary to make a determination of Members for any other proper purpose, ownership of Memberships shall be deemed to be vested in those persons who are the record owners of Memberships as evidenced by the Membership transfer book on the 15<sup>th</sup> day of the month preceding the month of the date upon which the action requiring such determination is to be taken. Nothing herein shall preclude the holder of a Membership from mortgaging such Membership or, upon notification of the Corporation, preclude the holder of such mortgages from exercising legal rights pursuant to such mortgages upon proper notice to the Corporation.

## **ARTICLE XII**

Section 1. In order to ensure that business done by the Corporation shall continue within the capacity of its facilities and to prevent undue financial burden on the Members of the

Corporation, Membership in the Corporation shall be transferred in accordance with the following:

(a) Except as herein provided. Membership in the Corporation shall be deemed personal estate and a person or entity that owns any stock of, is a Member of, or has some other right of participation in the Corporation may not sell or transfer that stock, Membership, or other right of participation to another person or entity except: (1) by will to a transferee who is a person related to the testator within the second degree by consanguinity; (2) by transfer without compensation to a transferee who is a person related to the owner of the stock or other interest within the second degree by consanguinity; or (3) by transfer without compensation or by sale to the Corporation.

(b) Subsection (a) of this section does not apply to a person or entity that transfers the Membership or other right of participation to another person or entity as part of the conveyance of real estate from which the Membership or other right of participation arose.

(c) The transfer of stock, Membership, or another right of participation under this section -----  
----- does not entitle the transferee to water and/or sewer service unless each condition for water and/or sewer service is met as provided in the Corporation's published rates, charges, and conditions of service. Water and/or sewer service provided by the Corporation as a result of stock, Membership, or other right of participation may be conditioned on ownership of the real estate designated to receive service and from which the Membership or other right of participation arose.

(d) The Corporation may cancel a persons or other entity's stock, Membership, or other right of participation if the person or other entity fails to meet the conditions for water and/or sewer service prescribed by the Corporation's published rates, charges, and conditions of service. or fails to comply with any other condition placed on the receipt of water and/or sewer service under the stock, Membership, or other right of participation authorized under Subsection (c) of this section. The Corporation may, consistent with the limitations prescribed by Subsection (a) of this section and as provided in the Corporation's tariff, reassign canceled stock, or a cancelled Membership, or other right of participation to any person or entity that has legal title to the real estate from which the canceled Membership or other right of participation arose and for which water service is requested, subject to compliance with the conditions for water prescribed by the Corporation's published rates, charges, and conditions of service.

Section 2. Notwithstanding anything to the contrary here-in-above provided, the consideration for the transfer of any Membership in the Corporation from the original Members, their transferees, pledges, administrators or executors, or other persons, shall never exceed the amount of the original costs of such Membership. No gain or profit shall ever be realized from the sale or transfer of a Membership.

### **ARTICLE XIII**

The Board may employ a manager to handle the business of the Corporation under the direction of the Board. The Board shall set the salary for the manager.

### **ARTICLE XIV**

Notwithstanding the ownership of a Membership certificate, all Members shall be billed, disconnected, or reconnected, and otherwise shall receive service in accordance with the written policies of the Corporation, including the tariff of the Corporation. In the event a member should surrender the Membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the water and/or sewer service shall be discontinued and the obligation to pay for water service shall terminate except as for the minimum charge for the current month and the charge for water used during the current month, and except as for any prior unpaid amounts due the Corporation. Any remaining balance from the membership fee will be refunded to the former member. In the event Membership is terminated, cancelled, withdrawn, or surrendered, whether voluntarily or involuntarily, the former Member's rights and interest in the assets of the Corporation will not be forfeited.

### **ARTICLE XV**

Upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation shall be distributed among the Members and former Members in direct proportion to

the amount of their patronage with the Corporation insofar as practicable. Any indebtedness due the Corporation by a Member for water and/or sewer service or otherwise shall be deducted from such Member's share prior to final distribution. By application for and acceptance of Membership in the Corporation, each Member agrees that upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that Member shall be in turn immediately transferred by the individual Member to an entity that provides a water supply or wastewater service, or both, that is exempt from ad valorem taxation. By application for and acceptance of membership in the Corporation, each Member grants the Corporation's Board of Directors that Member's permission to execute all instruments and documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.

#### **ARTICLE XVI**

The fiscal year of the Corporation shall be January to December.

#### **ARTICLE XVII**

For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the USDA Rural Development, RUS, the Corporation shall insure with a reputable insurance company such of its properties and in such amounts as is required by the State Director of the USDA Rural Development, RUS, for the State of Texas.

#### **ARTICLE XVIII**

Section 1. If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water and/or sewer charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or

as may be required by USDA Rural Development, RUS, so that the sum of such assessments and the amount collected from water and/or sewer and other charges is sufficient to fully pay all costs of operation, maintenance, replacement and repayment on indebtedness for the year's operations. but this provision shall not operate for the benefit of any third party creditor other than USDA Rural Development, RUS, without a favorable vote of the majority of the Members. Any assessments levied to make up operations deficits in any year shall be levied against Members in proportion to their patronage with the Corporation.

Section 2. In the event a Member should surrender their Membership certificate properly endorsed by the Secretary-Treasurer of the Corporation, the obligation to pay such assessments shall be limited to assessments made and levied prior to the date of surrender of the Membership certificate provided, however, that this paragraph and the second sentence of Article XIV shall not apply to relieve a Member of their obligation under special arrangements covering Multiple Membership certificates held by one Member which may have been required or approved by the USDA Rural Development, RUS.

## **ARTICLE XIX**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors, and committees, and shall keep a record of the name and addresses of its Members entitled to vote at its registered office or principle office in Texas.

Annually, the Board of Directors shall prepare or cause to be prepared a report of the financial activity of the Corporation for the preceding year including a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds or such financial reports as required by USDA Rural Development, RUS. Such report shall be approved by the Board of Directors.

With prior written request, corporate records, books, and annual reports, subject to exceptions provided by the Public Information Act, Chapter 552, Texas Government Code, including any amendments thereto, shall be available for public inspection and copying by the

public or their duly authorized representatives during normal business hours subject to a reasonable charge for the preparation of copies.

In the event of any conflict between the provisions of the Open Record Public Information Act and the provisions of the Bylaws, the provisions of the Public Information Act shall prevail.

## **ARTICLE XX**

These Bylaws may be altered, amended, or repealed by a vote of a majority of the Members voting at any regular meeting of the Members, or at any special meeting of the Members called for that purpose, except that the Members shall not have the power to change the purpose of the Corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provisions for the safety and security of the property and funds of the Corporation or its Members, or to deprive any Member of rights and privileges then existing, or so to amend the Bylaws as to effect a fundamental change in the intents and purposes of the Corporation. Notice of any amendment to be made at a special meeting of the Members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the USDA Rural Development, RUS, or its successor agencies and assigns, these Bylaws shall not be altered, amended, or repealed without the prior written consent of the State Director of the USDA Rural Development, RUS, for the State of Texas.

## **ARTICLE XXI**

The seal of the Corporation shall consist of a circle within which shall be inscribed "MERCY WATER SUPPLY CORPORATION."

## **ARTICLE XXII**

The Corporation pledges its assets for use in performing the functions of the corporation as provided by law and the Corporation's Articles of Incorporation.

### **ARTICLE XXIII**

**If newly formed Corporation:**

The above Bylaws were adopted by a majority vote of the initial Board of Directors of the Mercy Water Supply Corporation. at a meeting held on the 6 day of March , 2012.

**If an existing Corporation:**

The above Bylaws were adopted as amended by the Members of the Mercy Water Supply Corporation, at a meeting held on the 6 day of March, 2012.

James Clark  
President

Attest:

Tom Carter  
Secretary-Treasurer

**STAFF 1-24:** Please provide the location of all water pipes providing service to the tract of land at the time Ms. Ivey signed up for service in 1995.

**RESPONSE:** Please see document responsive to Staff RFI 1-16.

Prepared by: Katelyn Hammes

Sponsored by: Randy Baker



**STAFF 1-25:** Please provide the date Mercy was aware that the address of the Northern Tract had changed from 154 Bowen Rd., Cleveland, TX, as reflected on the August 11, 1995 Service Application and Agreement completed by Ms. Ivey, to 1611 Bowen Loop, Cleveland, Texas 77328.

**RESPONSE:** Mercy has insufficient information to answer this RFI. Mercy has no information to determine which tract retained the 154 Bowen Road address after the partition deed was recorded.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-26:** Please state all dates water service was provided to the meter located on the Southern Tract, and the dates no water service was provided, from the inception of Ms. Ivey's membership to the present.

**RESPONSE:** Mercy began providing service to the meter on or about August 23, 1995. Mercy has record of 7 meter disconnections for non-payment occurring on or about the following dates:

On August 7, 1996 a reconnection fee was applied to Ms. Ivey account and a payment was made the same day

On January 27, 2010 a reconnection fee was applied to Ms. Ivey's account. On February 9, 2010, Mercy received a payment.

On September 14, 2010 a reconnection fee was applied to Ms. Ivey's account. On September 17, 2010, Mercy received a payment.

January 20, 2015 a reconnection fee was applied to Ms. Ivey's account. On January 22, 2015, Mercy received a payment.

November 6, 2015 a reconnection fee was applied to Ms. Ivey account and a payment was made the same day.

May 26, 2016 a reconnection fee was applied to Ms. Ivey's account. On June 1, 2016, Mercy received a payment.

August 10, 2016 a reconnection fee was applied to Ms. Ivey's account. On August 12, 2016, Mercy received a payment.

Besides the abovementioned disconnections and reconnections for nonpayment, Mercy's records indicate it has otherwise provided continuous service to the meter located on the Southern Tract until August 7, 2020, when Mr. Rodz requested the meter be shut off.

Please see Mercy's Response to Complainant's RFI 1-1, pages 42-60.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-27:** Please state whether you believe Ms. Ivey's membership was liquidated, as provided for in Mercy's tariff, and if so, when this occurred.

**RESPONSE:** On August 7, 2020, Ms. Ivey's Membership was cancelled due to policy non-compliance in accordance with Section E, paragraph 18(f) of Mercy's Tariff, Mercy Water Supply Corporation's Response to Complaint at 33–35, Exhibit A at 23–25 (Sept. 24, 2020), and Tex. Water Code Section 67.016(e). This was the date Mercy learned Ms. Ivey failed to:

- (1) meet the conditions for water or sewer service prescribed by the corporation's published rates, charges, and conditions of service; or
- (2) comply with any other condition placed on the receipt of water or sewer service under the stock, membership, or other right of participation.

TWC § 67.016(e). Specifically, Mercy discovered Ms. Ivey was not a record owner of a fee simple title to the property served by Mercy, as required for Membership. Additionally, under the Tariff, Section E, Paragraph 26 the service requested by an Applicant shall be for the real estate designated to receive the service (the Southern Tract, where the meter was installed) and such service shall be through a meter tap located on that designated real estate unless otherwise approved by the Board. Mercy Water Supply Corporation's Response to Complaint at 38, Exhibit A at 28 (Sept. 24, 2020). Mercy serviced and placed the meter on the Southern Tract at Ms. Ivey's request. The use of this meter designated for the Southern Tract to provide water to the Northern Tract violates Mercy's policy.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-28:** Please provide the date you contend Ms. Ivey's membership was no longer in effect.

**RESPONSE:** Mercy contends Ms. Ivey's Membership was no longer in effect either upon her death in January 2015, or when Mercy cancelled her Membership due to policy non-compliance in accordance with Section E, paragraph 18(f) of Mercy's Tariff, Mercy Water Supply Corporation's Response to Complaint at 34, Exhibit A at 24 (Sept. 24, 2020), and Tex. Water Code Section 67.016(e), on August 7, 2020.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-29:** Please provide all dates on which Mr. Blalock appeared in person at the Mercy office(s) inquiring into transferring Ms. Ivey's Mercy membership to himself.

**RESPONSE:** Mr. Blalock has not personally appeared at Mercy's office inquiring into transferring Ms. Ivey's Membership to himself.

Prepared by: Kelley Allbright

Sponsored by: Katelyn Hammes

**STAFF 1-30:** Please provide the basis on which Ms. Ivey's membership was transferred to Mr. Adrian Rodz.

**RESPONSE:** Ms. Ivey's membership was not transferred to Mr. Rodz. Mercy reassigned the cancelled Membership in accordance with Texas Water Code Section 67.016(g), which requires Mercy to "reassign canceled stock or a canceled membership or other right of participation to a person or entity that acquires the real estate from which the membership or other right of participation arose through judicial or nonjudicial foreclosure." TWC § 67.016(g). Mercy's Tariff also requires such a reassignment of cancelled Membership in accordance with Section E, paragraph 18(g)(2). Mercy Water Supply Corporation's Response to Complaint at 34–35, Exhibit A at 24–25 (Sept. 24, 2020)

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright

**STAFF 1-31:** Please state whether the service requested by and provided to Ms. Ivey was classified as standard or non-standard.

**RESPONSE:** The service requested by and provided to Ms. Ivey was classified as standard.

Prepared by: Katelyn Hammes

Sponsored by: Kelley Allbright