



Control Number: 51224



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Addendum StartPage: 0

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SOAH DOCKET NO. 473-21-1880.WS

10:00 AM

COMPLAINT OF JOHN BLALOCK § PUBLIC UTILITY COMMISSION
AGAINST MERCY WATER SUPPLY §
CORPORATION § OF TEXAS

**MERCY WATER SUPPLY CORPORATION'S
STATEMENT OPPOSING MEDIATION**

COMES NOW, Mercy Water Supply Corporation ("Mercy") and timely files this Statement Opposing Mediation, after conferring with Staff of the Public Utility Commission of Texas ("Commission Staff") and Allie Blalock as representative of John Blalock (together, the "Parties"), as required by the State Office of Administrative Hearings ("SOAH") Order No. 3.¹

I. BACKGROUND

Mercy is a non-profit water supply corporation operating under Chapter 67 of the Texas Water Code ("TWC"). Mercy holds Water CCN No. 11652. Mr. Blalock lives at 1611 Bowen Loop, Cleveland, Texas 77328, (the northernmost of two 0.0779-acre tracts, hereinafter referred to as the "Northern Tract") where Mercy had never installed a water meter for service. Mr. Blalock utilized water from the meter installed at 1601 Bowen Loop, Cleveland, Texas 77238 (the southernmost of two 0.0779-acre tracts, hereinafter referred to as the "Southern Tract") and does not have an account with Mercy in his name, in violation of Mercy's tariff and service application and agreement.

On August 27, 2020, John Blalock ("Blalock") filed a complaint against Mercy under 16 Texas Administrative Code ("TAC") § 22.242, essentially complaining that Mercy improperly discontinued his water service.²

On September 14, 2020, Mercy was ordered to provide temporary service pending the duration of this proceeding,³ and Mercy complied. Mr. Blalock thus is receiving temporary service

¹ SOAH Order No. 3—Granting Continuance and Requesting Prehearing Conference Dates (May 4, 2021).

² Complaint of John Blalock Against Mercy Water Supply Corporation (Aug. 27, 2020).

³ Order No. 3—Requiring Mercy Water Supply Corporation to Restore Water Service (Sept. 14, 2020).

84

from a meter that is meant for a different piece of property, termed in this proceeding the “Southern Tract,” that is not owned by Blalock.

On April 5, 2021, Commission Counsel issued an Order of Referral, referring this Docket to SOAH to conduct a hearing and issue a proposal for decision, if necessary. On May 3, the Parties convened for a prehearing conference to be conducted over Zoom videoconference. Due to his unanticipated health concerns, Blalock asked to reset the prehearing conference, and Commission Staff and Mercy agreed.

On May 4, the ALJs entered SOAH Order No. 3, in which they ordered the Parties to “confer with each other as to whether mediation would be a beneficial tool to resolve the current dispute and file . . . a statement regarding whether the parties are interested in participating in mediation hosted by [SOAH].”

II. MERCY OPPOSES MEDIATION

Mercy opposes mediation in this proceeding. Mercy has good-faith reasons to believe that Blalock would not mediate the case in good faith. During this proceeding, Mercy was forced to file two motions to compel, both granted, to obtain basic information from Blalock. Eventually, Blalock admitted in discovery that he has never taken the steps to become a member of Mercy, nor has anyone transferred a membership to him. Mercy has filed a motion for sanctions against Blalock for the costs associated with his abuse of the discovery process.⁴

In addition to Blalock’s abusive litigation tactics in this case, which have resulted in Mercy having to file a motion for sanctions against him, Blalock has harassed Mercy further by bringing a frivolous and abusive lawsuit against Mercy in state court. On November 2, 2020, Blalock and his household sued Mercy regarding the discontinuation of his water service, seeking \$4 million in relief.⁵ After the court dismissed almost all of the claims, the Blalock Household amended its petition to argue that Mercy violated the Racketeer Influenced and Corrupt Organizations Act (“RICO”), falsely alleging that Mercy engaged in mail and wire fraud, and falsely alleging that


⁴ Mercy Water Supply Corporation’s Motion for Sanctions (Feb. 16, 2021).

⁵ *Blalock Household v. Mercy Water Supply Corp.*, Case No. CV-16,563 (258th Dist. Ct., San Jacinto County, Tex., Nov. 2, 2020) (the “Civil Suit”).

Mercy has engaged in “aggravated perjury” and “destruction of evidence.” Mercy filed its response to the First Amended Petition on March 17, 2021, and filed a Notice removing the case to federal court the same day.

Mercy believes Blalock’s conduct through this proceeding and in the Civil Suit has been frivolous and harassing. Mercy does not believe that Blalock would mediate in good faith, and thus Mercy opposes mediation in this case.

Respectfully submitted,

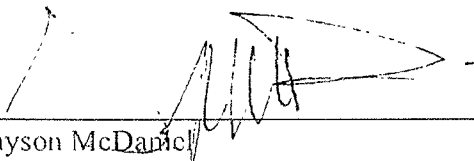
By: 

John J. Carlton
State Bar No. 03817600
Grayson E. McDaniel
State Bar No. 24078966
The Carlton Law Firm P.L.L.C.
4301 Westbank Drive, Suite B-130
Austin, Texas 78746
(512) 614-0901
Fax (512) 900-2855
john@carltonlawaustin.com
grayson@carltonlawaustin.com

ATTORNEYS FOR MERCY WATER
SUPPLY CORPORATION

CERTIFICATE OF CONFERENCE


I hereby certify that I conferred with Allie Blalock, representing Complainant, and Justin Adkins, representing Commission Staff, regarding Mercy's opposition to mediation, as required by SOAH Order No. 3.



Grayson McDaniel

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 11th day of May 2021.



John Carlton