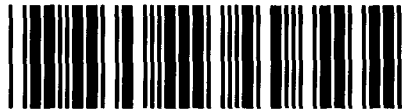


Control Number: 48039



Item Number: 7

Addendum StartPage: 0

February 21, 2018

PUC COPY
2018 MAR -1 PM 12:34

PUBLIC UTILITY COMMISSION
FILING CLERK

Public Utility Commission
State of Texas
1701 N Congress Ave.
PO Box 13326
Austin, Texas 78711-3326

RE: Docket #48039 - WATERCO Exempt Utility Registration Application

To Whom It May Concern,

This letter is written in protest of WATERCO's Exempt Utility Registration Application.

This company is required by the PUC of Texas to apply for a Certificate of Convenience and Necessity (CCN). This information can be found in Docket #47411.

In an information investigation, June 2017, the PUC Consumer Protection Division found WATERCO with 15 or more possible connections therefore a CCN is needed for operation for WATERCO. Docket #47411 Item #1 Exhibit E.

Kenneth W. Anderson, Jr.
Commissioner
Brandy Martin Marquez
Commissioner
Brian H. Floyd
Executive Director



Greg Abbott
Governor

Ms. Tammy Bean
7/5/2017
Page 2

Thank you for the opportunity to address your concerns. If we can assist you with future utility concerns, please contact us toll free through our Customer Assistance Call Center at 1-888-782-8477.

Sincerely,

Customer Protection Division
Public Utility Commission of Texas

cc: WaterCO

7/5/2017

Ms. Tammy Bean
170 Oak St.
Nocona TX 76255

RE: Complaint # C-17017060208

Dear Ms. Bean:

The Customer Protection Division (CPD) of the Public Utility Commission of Texas (PUC) received your complaint against Waterco on 6/7/2017. In your complaint you mentioned concerns regarding the company billing for service without holding a CCN. With the information provided, CPD sent the complaint to Waterco with a request to research your complaint and file their response to your concerns. On 7/5/2017, CPD reviewed the documentation provided by you and Waterco in order to ensure the company had acted consistently with applicable Substantive Rules.

Certificate of Convenience and Necessity (CCN) grants a CCN holder the exclusive right to provide retail water and/or sewer utility service in an identified geographic area. Chapter 15 of the Texas Water Code requires a CCN holder to provide continuous and adequate services to the area within its CCN boundaries. WaterCO, a non-profit Water Supply Corporation with fewer than 15 potential connections that are not located inside the service area of a CCN holder and only provides water service are not required to hold a CCN but must file an application to become an exempt utility.

Retail public utility. Any person, corporation, public utility, water supply, or sewer service corporation, municipality, political subdivision or agency, operating, maintaining, or controlling in any state facilities for providing potable water service or sewer service or both for compensation.

CPD has determined that Waterco is not in compliance with PUC Substantive Rules 624.101 Certificate of Convenience and Necessity (CCN) Required. CPD has forwarded this information to the Water Division for further assistance.

7

In a formal investigation, August 16, 2017, the PUC Staff findings required WATERCO to apply and obtain a CCN. WATERCO stated they would apply. Docket #47411 Item #6.

PUC DOCKET NO. 47411

FORMAL COMPLAINT OF TAMMY BEAN AGAINST WATERCO, OWNERS JIM & GLORIA NELSON, AND THE WATERCO BOARD

PUBLIC UTILITY COMMISSION OF TEXAS

COMMISSION STAFF'S STATEMENT OF POSITION

Comes now the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Statement of Position in response to Order No. 1. In support thereof, Staff would show the following:

I. Background

On July 17, 2017, Tammy Bean filed a complaint against WATERCO, its owners Jim and Gloria Nelson, and the WATERCO Board (collectively, WATERCO). Ms. Bean alleges that WATERCO has violated Commission rules and regulations, including operation of a water utility without a certificate of convenience and necessity, and have retaliated against her. In Order No. 1, issued July 18, 2017, the Administrative Law Judge (ALJ) ordered Staff to file a statement of position by August 16, 2017. Therefore, this pleading is timely filed.

II. Compliance with Requirements for Informal Resolution

The procedural rules of the Public Utility Commission of Texas (Commission) require that a complaint against a utility must first be presented to the Commission for informal resolution. The applicable Commission's procedural rule states: "A person who is aggrieved by the conduct of an electric utility or telecommunications utility or other person must present a complaint to the commission for informal resolution before presenting the complaint to the commission."¹

Staff has verified that prior to the filing of this formal complaint against WATERCO, Complainant presented an informal complaint to the Customer Protection Division (CPD) of the

¹ 16 TAC § 22.242(c).

potable water to the public or for the resale of potable water to the public for any use or for the collection, transportation, treatment, or disposal of sewage or other operation of a sewage disposal service for the public, other than equipment or facilities owned and operated for either purpose by a municipality or other political subdivision of this state or a water supply or sewer service corporation, but does not include any person or corporation not otherwise a public utility that furnishes the services or commodity only to itself or its employees or tenants as an incident of that employee service or tenancy when that service or commodity is not resold to or used by others.

WATERCO appears to be a water corporation owning and operating for compensation equipment and facilities for the sale and provision of potable water to the public. Although each well may have less than 15 connections, WATERCO as a water utility has more than 15 potential connections and therefore is required to obtain a CCN under 16 TAC § 24.101(a). In addition, if WATERCO was qualified as an exempt utility, WATERCO must still register with the PUC under 16 TAC § 24.103(e) and maintain a current copy of their tariff with current rates. A search of the exempt utility database at the PUC yields no results for the WATERCO system.

IV. Conclusion

Because WATERCO is a water utility with 15 or more connections, it should be required to obtain a CCN in order to operate pursuant to a Commission approved tariff.

Commission which concluded its investigation on July 23, 2015.² Therefore, Complainant has complied with the requirements of informal resolution.

III. Staff's Statement of Position

Complainant has alleged that WATERCO improperly threatened to disconnect her service and that WATERCO has been operating a water system without a Certificate of Convenience and Necessity (CCN).³ WATERCO responded, explaining that WATERCO had been deemed an exempt utility by the TCEQ due to the number of users of the system: 9 users on Well No. 1 and 11 users on Well No. 2.⁴ WATERCO included in its response a letter from the TCEQ determining that these wells were not Public Water Systems due to the wells not being tied together.⁵

After discussions with Complainant and WATERCO, Staff understands that water service is not disconnected at this time. The Commission may require continuation of service pending resolution of a complaint.⁶ At this time, Staff recommends that service be continued in this case.

A water utility is exempt from the requirement to possess a CCN to provide retail water if it has less than 15 potential connections, is not owned or affiliated with a retail public water utility that provides water service, is not located within the certificated service area of another retail public water utility, and is not within the corporate boundaries of a district or municipality, unless it receives written authority.⁷ A water utility is defined in 16 TAC § 24.3.

Water and sewer utility. -- Any person, corporation, cooperative corporation, affected county, or any combination of those persons or entities, other than a municipal corporation, water supply or sewer service corporation, or a political subdivision of the state, except an affected county, or their lessees, trustees, and receivers, owning or operating for compensation in this state equipment or facilities for the production, transmission, storage, distribution, sale, or provision of

¹ CPD # 201706008.

² Formal Complaint at 1-5 (July 17, 2017).

³ WATERCO Response at 6 (Aug. 4, 2017).

⁴ *Id.* at 10.

⁵ 16 TAC § 24.82(a).

⁷ 16 Tex. Admin. Code 24.103(e) (TAC).

Date: August 16, 2017

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Karen S. Hubbard
Managing Attorney

Alexander Petak
State Bar No. 24088216
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13126
Austin, Texas 78711-3326
(512) 946-7377
(512) 936-7268 (facsimile)
Alexander.Petak@puc.texas.gov

PUC DOCKET NO. 47411
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 16, 2017 in accordance with 16 TAC § 22.74.

Alexander Petak

On September 8, 2017, I agreed to abate the complaint on the agreement WATERCO would apply and obtain the required CCN. WATERCO agree to apply for the required CCN. Docket #47411 Item #10.

DOCKET NO. 47411

FORMAL COMPLAINT OF TAMMY
BEAN AGAINST WATERCO,
OWNERS JIM & GLORIA NELSON,
AND THE WATERCO BOARD

§
§
§
§

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2017 SEP -03 PM 2:00
PUBLIC UTILITY COMMISSION
OF TEXAS

ORDER NO. 3
GRANTING REQUEST AND ABATING PROCEEDING

This Order addresses Commission Staff's September 7, 2017, joint procedural schedule and request to abate this case. Commission Staff recommended, after conferring with Tammy Bean and WATERCO, its owners Jim and Gloria Nelson, and the WATERCO Board (collectively, WATERCO), that WATERCO will obtain a certificate of convenience and necessity (CCN) in a separate docket and that this proceeding will be abated pending successful resolution of that proceeding. Commission Staff represented that WATERCO will file a CCN application for the area they are serving and that Ms. Bean does not object to abatement of her complaint pending successful resolution of the CCN application by WATERCO.

For the foregoing reasons, Commission Staff's request to abate is granted. This proceeding is abated pending successful resolution of WATERCO's CCN application. Not later than 10 days following resolution of WATERCO's CCN application, the parties shall file a request to unabate this complaint and provide a procedural schedule for further processing, if appropriate.

Signed at Austin, Texas the 8th day of September 2017.

PUBLIC UTILITY COMMISSION OF TEXAS


JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

On December 29, 2017, WATERCO submitted the Exempt Utility Application along with a newly formed company, WELCO, stating they both had 15 potential connections. WATERCO owner, Jim Nelson also state WATERCO and WELCO do not want to apply for the required CCN.

WATERCO has partnered up with WELCO to avoid the necessary required CCN.

Docket #47411 Item #13.

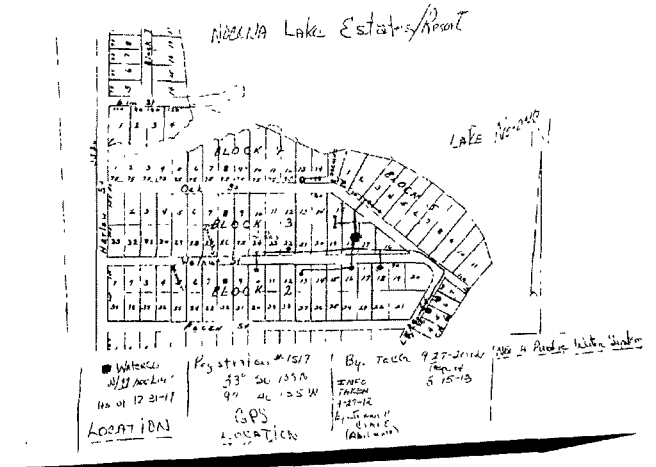
WATERCO Exempt Utility Application and map - Docket #47411 Item #13. Dated December 18, 2017

EXEMPT UTILITY INFORMATION FORM

- Water System Name or Subdivision: "WATERCO" of Neosho Lake Estates
- Water System Address (City/ST/ZIP/Code): 206 Oak St., Neosho, TX 76255
- Water System Phone Number and Fax: 214-334-5604 Reg #1517 (9-27-0)
- Is the applicant the original owner of this system? ☒ Yes ☐ No
If the answer is no, when was the system acquired?
Who was the immediate preceding owner? Vernie Netherland, Neosho, TX (2000)
- If applicant does not own the system, please provide the following information:
Who owns the utility's assets?
Address and Telephone Number
What type of agreement do you have to operate them?
- Water Service Connections: Reg #1517
Are your connections ☐ Metered ☒ Unmetered
Number of Active Connections: 11
Number of Potential Connections: 15
- Source of water for your system:
Well(s) ☒
Purchased: June 2000
Surface Water
(Purchased From Whom)
- Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.
- Number of population served: 11

CERTIFICATION The information provided on this form is true to the best of my knowledge and belief. A copy of the required CUSTOMER NOTICE and SERVICE RULES will be provided to each current customer and will be provided to each future customer at the time they connect to the system.

James Nelson 12/18/17
Signature of person completing this form Date



WELCO's Exempt Utility Registration information and map. Docket #47411. Item #13. Dated December 19, 2017

EXEMPT UTILITY INFORMATION FORM (Waterco)

- Water System Name or Subdivision: WELCO of Neosho Lake Estates
- Water System Address (City/ST/ZIP/Code): 186 Oak St., Neosho, TX 76255
- Water System Phone Number and Fax
- Is the applicant the original owner of this system? ☒ Yes ☐ No
If the answer is no, when was the system acquired?
Who was the immediate preceding owner? James Nelson 186 Oak St. Neosho, TX
- If applicant does not own the system, please provide the following information:
Who owns the utility's assets?
Address and Telephone Number: 186 Oak St. Neosho, TX 76255 (214) 334-5604
What type of agreement do you have to operate them? See Purchase Contract
- Water Service Connections:
Are your connections ☐ Metered ☒ Unmetered
Number of Active Connections: 6
Number of Potential Connections: 15
- Source of water for your system:
Well(s) ☒
Purchased
Surface Water
(Purchased From Whom) James Nelson (as of 12/11/17) Jan 1, 2018
- Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.
- Number of population served: 6

CERTIFICATION The information provided on this form is true to the best of my knowledge and belief. A copy of the required CUSTOMER NOTICE and SERVICE RULES will be provided to each current customer and will be provided to each future customer at the time they connect to the system.

William Bolten 12/19/17
Signature of person completing this form Date



On February 2, 2017, WATERCO wrote a letter to Judge Jeffrey J. Hahn at which time WATERCO and WELCO submitted different Exempt Utility Registration Application with different numbers indicated for the possible number of connections. Docket #47411 Item #29, 30 & 31.

47411

EXEMPT UTILITY INFORMATION FORM

- Water System Name or Subdivision: Waters of Nacogdoches Lake Estates
- Water System Address (City/ST/ZIP/Code): 206 Oak St, Nacogdoches, TX 76255
- Water System Phone Number and Fax: 214-336-5604 Reg #1517 (927-11)
- Is the applicant the original owner of this system? ☒ Yes ☐ No
- If the answer is no, when was the system acquired? James Nelson 2008
- Who was the immediate preceding owner? James Nelson
- If applicant does not own the system, please provide the following information:
 - Who owns the utility's assets? N/A
 - Address and Telephone Number: N/A
 - What type of agreement do you have to operate them? N/A
- Water Service Connections:
 - Are your connections ☐ Metered ☒ Unmetered
 - Number of Active Connections: 9
 - Number of Potential Connections: 11 total
- Source of water for your system:
 - Well(s): Waters Well Located 142 Walnut St, 33°50'115" N 97°40'155" W
 - Purchased: August 2008
 - Surface Water: N/A
 - (Purchased From Whom): N/A
- Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.
- Number of population served: 11

CERTIFICATION The information provided on this form is true to the best of my knowledge and belief. A copy of the required **CUSTOMER NOTICE** and **SERVICE RULES** will be provided to each current customer and will be provided to each future customer at the time they connect to the system.

James Nelson February 2, 2018
Signature of person completing this form Date

47411

EXEMPT UTILITY INFORMATION FORM

- Water System Name or Subdivision: Waters of Nacogdoches Lake Estates
- Water System Address (City/ST/ZIP/Code): 188 Oak St, Nacogdoches, TX 76255
- Water System Phone Number and Fax: 940-224-3544 Reg #1518 (927-11)
- Is the applicant the original owner of this system? ☐ Yes ☒ No
- If the answer is no, when was the system acquired? James Nelson 2008
- Who was the immediate preceding owner? James Nelson
- If applicant does not own the system, please provide the following information:
 - Who owns the utility's assets? Not Known
 - Address and Telephone Number: 188 Oak St, Nacogdoches, TX 76255
 - What type of agreement do you have to operate them? Purchase Contract
- Water Service Connections:
 - Are your connections ☐ Metered ☒ Unmetered
 - Number of Active Connections: 7
 - Number of Potential Connections: 9 total
- Source of water for your system:
 - Well(s): Waters Well 140 Walnut St, Nacogdoches, TX 76255
 - Purchased: N/A
 - Surface Water: N/A
 - (Purchased From Whom): James Nelson 206 Oak St, Nacogdoches, TX 76255
- Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.
- Number of population served: 12

CERTIFICATION The information provided on this form is true to the best of my knowledge and belief. A copy of the required **CUSTOMER NOTICE** and **SERVICE RULES** will be provided to each current customer and will be provided to each future customer at the time they connect to the system.

James Nelson 2/2/18
Signature of person completing this form Date

As of February 21, 2018, WATERCO has NOT transferred the registration of well #1517 to WELCO with the Upper Trinity Groundwater Conservation District.

The applications for both WATERCO (Docket #48039) and WELCO (Docket #48040) are incomplete. A detailed map for the service area and connections is required for the Exempt Utility Registration Application. In Docket #47411 Item #13, both WATERCO and WELCO have submitted inaccurate mapping.

One area of incorrect mapping is my own lots. The WATERCO map submitted in item #13 indicated there was not a connection on my lot and the one next to mine. This mapping was corrected in my submission to Docket #47411 Item #19 is attached.

WATERCO and WELCO continue to submit a letter dated 9.27.2012 supposedly submitted by the Upper Trinity Groundwater Conservation District. The current status of WATERCO's well #1518 and WELCO's well #1517 with the UPTGCD is:

Furthermore, the two wells in question would constitute municipal supply wells (not domestic) and are considered exempt from metering and fees based on the understanding by the District that the wells fail to produce 25 gallons per minute or greater.

On the same document dated 9.27.2018, WATERCO misleads the public by adding the business card of Jenelle Chase with handwriting stating the number of wells. This inspection of WATERCO's well by Texas Quality and Environment Commission, at this time ONLY included well #1517 on Keck Street.

WATERCO misrepresents the number of connections each and every time it is investigated. WATERCO and WELCO are colluding in order to avoid the required CCN in Docket #47411.

Respectfully submitted,

Tammy Bean
179 Oak Street
Nocona, Texas 76255
940.600.2540

January 9, 2018

Alexander Petak
Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, Texas 78711-3326

**RE: DOCKET #47411 WATERCO'S APPLICATION FOR EXEMPT STATUS AND MAPPING
BOUNTIFUL FRAUDULENT INACCURACIES**

Alex,

Waterco's APPLICATION FOR EXEMPT STATUS in Item #13 of Docket #4711 is bountiful with inaccuracies with the intent to mislead the Public Utility Commission. The mapping supplied is inaccurate. The mapping did not meet the expectations of PUC mapping requirements.

My findings are as follows:

1. The Application for Water Well #1517

- a. Information states this application is for Well #1517 registered by TCEQ
- b. Information states this well has 11 connections
- c. Information states this well has a potential of 15 connections
- d. In the WATERCO consumer RATE INCREASE NOTICE, Waterco states well #1517 is WATECO's well #1

Effective January 1, 2018, "Waterco" (Register #1517 w/TECQ 9-27-2012), owner Jim Nelson is selling "Waterco" #2 (all of the Keck Street customers), which includes the well, the land and all improvements to Art and Becky Bolduc.

This will allow "Waterco" #1 to retain its exempt status by having less than 15 users. It also allows M/M Baldac to retain the same exempt status as they change "Waterco" #2 to "Welco" (Register #1518 w/TECQ 9-27-2012).

EXEMPT UTILITY INFORMATION FORM	
1. Water System Name or Subdivision	"Waterco" of Neacum Lake Estates
2. Water System Address (City/ST/ZIP/Code)	206 Oak St. Neacum, TX 76235
3. Water System Phone Number and Fax	214-336-5405 / Ray 4-1917 (9-27-12)
4. Is the applicant the original owner of this system?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If the answer is no, when was the system acquired?	
Who was the immediate preceding owner?	
If applicant does not own the system, please provide the following information:	
Who owns the utility assets?	
Address and Telephone Number	
What type of agreement do you have to operate them?	
6. Water Service Connections	
Are your connections <input type="checkbox"/> Metered <input checked="" type="checkbox"/> Unmetered	
Number of Active Connections	
Number of Potential Connections	
7. Source of water for your system:	
Well/ Surface Water	
(Purchased From Whom)	
8. Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.	
9. Number of population served	
CERTIFICATION The information provided on this form is true to the best of my knowledge and belief. A copy of the required CUSTOMER NOTICE and SERVICE RULES will be provided to each current customer and will be provided to each future customer at the time they connect to the system.	
Signature of person completing this form	
Date	

Application for Exempt Utility Registration (form TCEQ Form 10414)

Page 4 of 10

2. The Application for Water Well #1518

- Information does not state what well number is assigned by TCEQ
- Information states Bolduc's purchased this well on a 5 year contract
- The box where it asks "Is the applicant the original owner of this system?" The box is checked "yes."
- Author Bolduc signature is on the document.
- In parenthesis WATERCO #2 is documented by applicant at top right
- Number of Potential Connections is listed as "15"
- In WATERCO's consumer RATE INCREASE NOTICE well #1518

Effective January 1, 2018, "Waterco" (Register #1517 w/TECQ 9-27-2012), owner Jim Nelson is selling "Waterco" #2 (all of the Keck Street customers), which includes the well, the land and all improvements to Art and Becky Bolduc

This will allow "Waterco" #1 to retain its exempt status by having less than 15 users. It also allows M/M Bolduc to retain the same exempt status as they change "Waterco" #2 to "Welco" (Register #1518 w/TECQ 9-27-2012)

EXEMPT UTILITY INFORMATION FORM (Waterco#2)

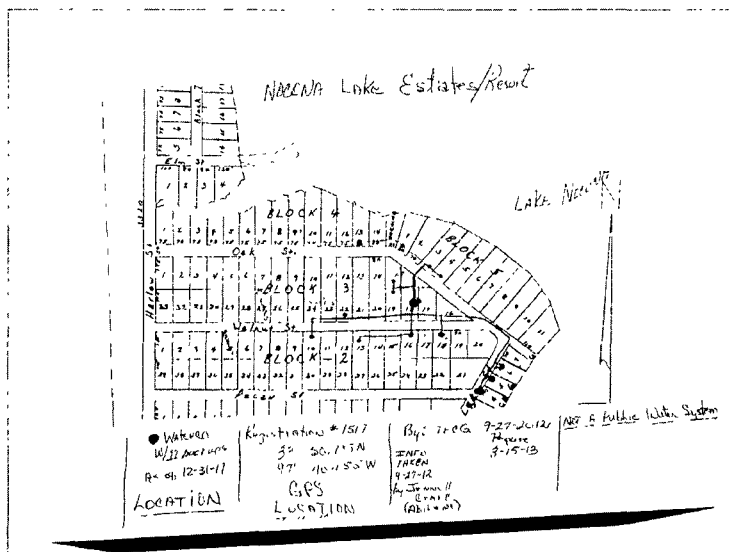
- Water System Name or Subdivision: Welco of Nacoria Lake Estates
- Water System Address (City/Street/County): 1506 Oak St., Nacoria, TX 76625
- Water System Phone Number and Fax: _____
- Is the applicant the original owner of this system? ☒ Yes ☐ No
- If the answer is no, when was the system acquired? _____
- Who was the immediate preceding owner? Jim Nelson, 306 Oak St., Nacoria, TX
- If applicant does not own the system, please provide the following information:
 Who owns the utility's assets? M/M Bolduc
 Address and Telephone Number: 1506 Oak St., Nacoria, TX 76625 (409) 234-3441
 What type of agreement do you have to operate them? See Bolduc, Contract
- Water Service Connections:
 Are your connections ☐ Measured ☒ Unmeasured
 Number of Active Connections: 15
- Source of water for your system:
 Well(s) ☒ _____
 Purchased Surface Water ☐ _____
 (Purchased From Whom) James Nelson, Oak St. 1506, Nacoria, TX 76625
- Provide a detailed map of the area to be served with each copy of the application submitted. Maps should include sufficient information to accurately delineate the service area. Attach a map identifying the exact service area with each copy of the application.
- Number of population served: 8

CERTIFICATION: The information provided on this form is true to the best of my knowledge and belief. A copy of the required CUSTOMER NOTICE and SERVICE RULES will be provided to each current customer and will be provided to each "new" customer as the user they connect to the system.

Art Bolduc 12/17/17
Signature of person completing this form Date

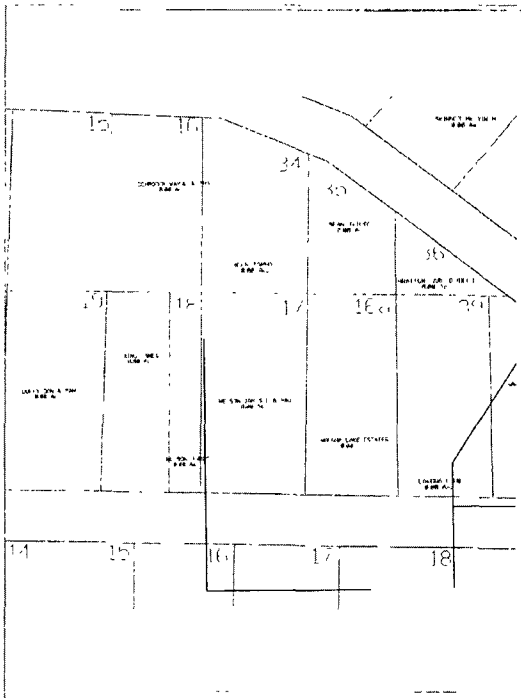
3. The mapping submitted for Waterco's system

- The plat from the county is used to submit this application. This plat is dated 1963. It is still used by the Montague County District Clerk's office. However, the Montague County office has more current plats

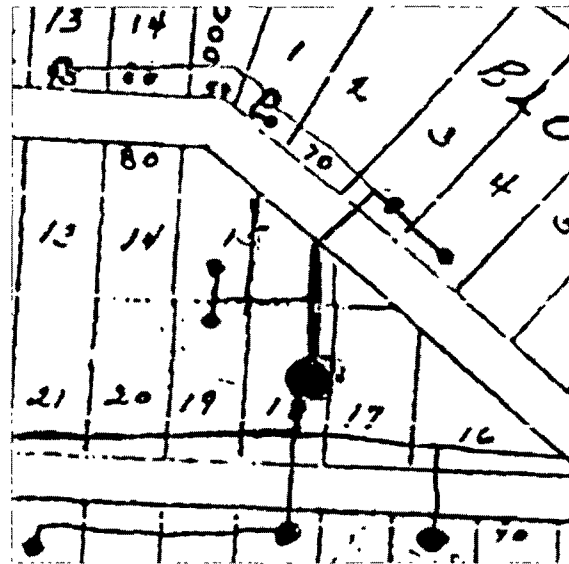


- b. The inaccuracies submitted in the Application for Exempt Status is shown on my own personal property.

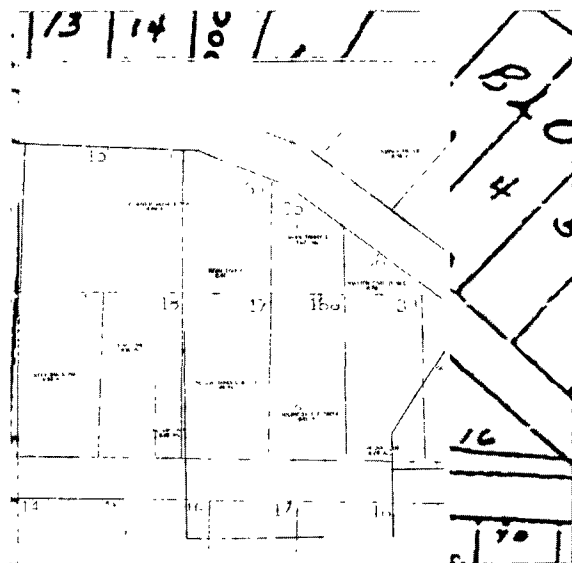
Montague County Tax



Submitted by WATERCO



- c. An overlay of the two maps show Waterco's system running right under my house.
- d. Waterco's map does not show a connection on my property therefore, one more connection should be added to the number of connections for this system.



-

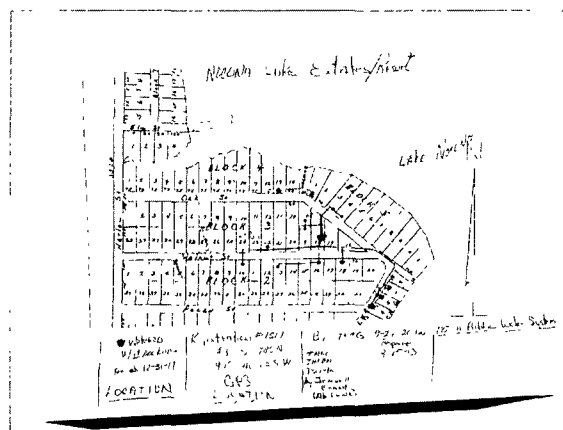
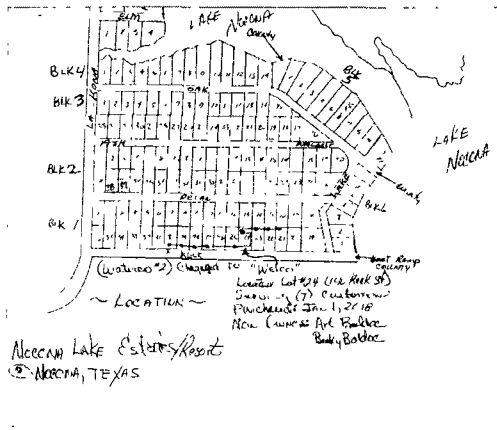
- [illegible]

*Sharon the results of other
work had been*

4. Upper Trinity Groundwater Conservation District - Registration of Well #1517 and #1518. This registration information was provided by Waterco's owners in Item #5 of Docket #47411.

Well No.	County	Owner	Location	Depth	Permit No.	Permit Date	Permit Status	Permit Type	Permit Fee	Permit Term	Permit Expiration	Permit Notes
1517	Montague	Waterco	Walnut St. & Keck St.	100	1517	10/1/11	Active	TE	1000	10/1/11	10/1/12	9/27/12 William Davis - visit to each and place GPS location on each well - took Pic. - notes etc
1518	Montague	Waterco	Walnut St. & Keck St.	100	1518	10/1/11	Active	TE	1000	10/1/11	10/1/12	

- Upper Trinity Groundwater Conservation District have Waterco's well located on Walnut Street as #1518
- Upper Trinity Groundwater Conservation District have Waterco's well located on Keck Street as #1517
- Waterco's system #2 is not identified by a registration number. WATERCO is only utilizing registration #1517 and not #1518 on any documentation in the overall application process for EXEMPT STATUS.



5. Docket #47411 - Item 5 - History of WATERCO submitted by James Nelson

a. This document states "In May and November 'WATERCO' registered two wells and found to be exempt from a public water system." TCEQ does not provide and Exempt Status to a company. The exempt status is in regards to the quality and quantity of water used for Waterco's wells.

b. The statement is to be proven false due to the fact these James Nelson did not register these wells under WATERCO's name. The applications clearly show James Nelsons name is on the registration for existing wells. James Nelson selects for "domestic" use on application.

c. In September 2012, the TCEQ sent a representative out to follow up on a complaint from an anonymous person in regards to Nelson operating as a public water service. Only TCEQ knows whether or not this complaint was focused on one well or two. Their complaints are held with confidentiality unlike PUC.

d. WATERCO states it has 20 wells on its system.

e. By definition in the Texas Administrative Code (71) -- "Two or more systems with each having a potential to serve less that 15 connections or less that 25 individuals but owned by the same person, firm, or corporation and located on adjacent land will be considered a public water system when the total potential service connections in the combined systems are 15 or greater or if the total number of individuals served by the combined systems total 25 or greater at least 60 days out of the year."

In when it may concern,
the following is history of "Waterco" -- a
company used services for water to folks in
Brownsville, Texas, since a public water utility
could not exist.
In May 2009 the upper twenty groundwater
conservation district held public meetings for
citizens providing water to residents from a
water well for domestic use.
In May and November "Waterco" registered
two wells and found to be exempt from
a public water system.
In September 2012 -- The Texas Commission on
Environmental Quality sent a coordinator to Brownsville
water sites to inspect and again established
"Waterco" exempt due to low resident volume
of water, not to be considered a public water
system.
"Waterco" has (9) users (residents on one well #1)
and (11) users on a #2 well. These wells are not
joined together.
"Waterco" is not owned or affiliated with a public
water utility.
"Waterco" is not located within any watershed
of a public water utility.
"Waterco" maintains less than (15)
connections
James Nelson
"Waterco"

Texas Administrative Code

TITLE 30
PART 1
CHAPTER 290
SUBCHAPTER D
RULES 290.38

ENVIRONMENTAL QUALITY
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
PUBLIC DRINKING WATER
RULES AND REGULATIONS FOR PUBLIC WATER SYSTEMS
Definitions

(71) Public water system--A system for the provision to the public of water for human consumption through pipes or other constructed conveyances, which includes all uses described under the definition for drinking water. Such a system must have at least 15 service connections or serve at least 25 individuals at least 60 days out of the year. This term includes any collection, treatment, storage, and distribution facilities under the control of the operator of such system and used primarily in connection with such system, and any collection or pretreatment storage facilities not under such control which are used primarily in connection with such system. Two or more systems with each having a potential to serve less than 15 connections or less than 25 individuals but owned by the same person, firm, or corporation and located on adjacent land will be considered a public water system when the total potential service connections in the combined systems are 15 or greater or if the total number of individuals served by the combined systems total 25 or greater at least 60 days out of the year. Without excluding other meanings of the terms "individual" or "served," an individual shall be deemed to be served by a water system if he lives in, uses as his place of employment, or works in a place to which drinking water is supplied from the system.

6. In Waterco's RATE INCREASE NOTICE to consumers Waterco's owners Jim and Gloria Nelson states:

a. Waterco #2 well #1517 is changed to WELCO which is said to be on Keck Street. And #1 is well #1518 is on Walnut.

Effective January 1, 2018, "Waterco" (Register #1517 w/TECQ 9-27-2012), owner Jim Nelson is selling "Waterco" #2 (all of the Keck Street customers), which includes the well, the land and all improvements to Art and Becky Bolduc.

This will allow "Waterco" #1 to retain its exempt status by having less than 15 users. It also allows M/M Bolduc to retain the same exempt status as they change "Waterco" #2 to "Welco" (Register #1518 w/TECQ 9-27-2012).

b. Waterco misleads the consumer to believe the complaint was to shutdown Waterco. In reality, the PUC is requiring Waterco to obtain its CCN. There has never been any mention of shutting down Waterco.

The remainder of 2017, "Waterco" (Jim Nelson) has worked with the PUC of Texas to resolve the complaint and avoid a shutdown of "Waterco" service to Nocona Lake Estates. This adjustment is the result of compliance with PUC of Texas to continue servicing Nocona Lake Estate with water at a reasonable rate - "exempt", as it has been since 2009.

c. In this statement Waterco also states *"This adjustment is the result of compliance with PUC of Texas to continue servicing Nocona Lake Estate with water at a reasonable rate - "exempt", as it has been since 2009."* This is misleading in order to take advantage of the consumers lack of knowledge about the process and regulations of providing water service to their homes. The exempt status Nelson received in 2009 from the Upper Trinity Groundwater Conservation District does not give any exempt status to WATERCO for his public water utility service provided to Nocona Lake Estates. The Upper Trinity Groundwater Conservation District does not have authority to do so.

7. Collusion efforts are obvious. James and Gloria Nelson have promoted their business through handwritten notice agreements; every document submitted to PUC Docket #47411 stating they are doing business as WATERCO; and on the Consumer RATE INCREASE notice WATERCO is listed as an "exempt Community Water system. The collusion and confusion is clearly in effort to avoid WATERCO's required CCN.

Bottom Line: Every document submitted by WATERCO's owner Jim and Gloria Nelson are counterfactual to the fact WATERCO should be able to obtain an EXEMPT STATUS with the Public Utility Commission of Texas. The documents submitted by Nelsons own handwriting admits WATERCO has a potential of 15 customers on well #1517 and #1518.

The community of Nocona Lake Estates deserve a water utility service provider with integrity, customer service, quality water and systems in place and a water utility service that is in compliance with the STATE OF TEXAS.

Respectfully,
Tammy Bean