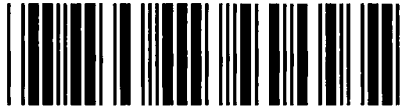




Control Number: 50969



Item Number: 9

Addendum StartPage: 0



Docket # 47411  
Docket # 49532  
Docket # 50969

October 22, 2020

Creighton McMurray  
PUC Commission Staff  
1701 N. Congress Ave  
PO Box 13326  
Austin, Tx 78711-3326

**RE: FRAUDULENT INFORMATION PROVIDED BY JAMES NELSON, OWNER OF  
WATERCO PUBLIC UTILITY COMMISSION HEARING ON OCTOBER 16, 2020**

Dear Commission Staff,

James Nelson, owner of WATERCO has provided false information to the Public Utility Commissioners during his testimony in the public hearing held on October 16, 2020.

There are many false statements and several grave concerns I have however, in this first document I will provide documentation on the following statements made by James Nelson, owner of WATERCO.

1. **PAGE 14 - NELSON:** *I caught the attention of Public Utility Commission and TCEQ because I hooked up a lady temporarily. She filed a complaint that I didn't have a license to sell her water. She had no water. I was just being a good guy.*
2. **PAGE 15 - NELSON:** *However, it did bring attention to WATERCO, which had been in operation for about 18-19 years, and I have been servicing a developer's group of folks that couldn't afford to put a water well. And so I allowed them - I took over the community well, which at that time had 11 people.*
3. **PAGE 15 - NELSON:** *I then Communicated and talked, called Abilene. And Jennelle Crane, investigator, came to my residence, which is Waterco, here in Nocona Lake Estates, and she looked at what I was doing. And the request that I made was that, if I opened a second well because there was a need for it on an undeveloped street -- it had no water out here in the estates, but it had about -- it's had several residents that -- and they all -- they needed water. They had no way of getting the water.*
4. **PAGE 15 & 16 - NELSON:** *So, I activated a well and hooked up a second well, which had seven more people tied to it. So, I ended up, I believe, with about 18-19 people, if you added the wells together, but I was assured at that time that by having less than 15 per well that I was okay and wasn't a public water system. And I asked her to put that on paper, She did and sent me a memo stating just that.*

James Nelson is an opportunistic liar and has taken this opportunity during the public hearing to once again, provide false information to one of the State of Texas's water regulating agencies.

1. **PAGE 14 - NELSON:** *I caught the attention of Public Utility Commission and TCEQ because I hooked up a lady temporarily. She filed a complaint that I didn't have a license to sell her water. She had no water. I was just being a good guy.*

Should you look closely, you will find that James Nelson even contradicts his previous submissions to PUC.

James Nelson shows here, he was not working in compliance with the PUC and TCEQ by waiting until he "caught the eye" of PUC and TCEQ due to the complaint I filed in July 2017. The stewardship of the public water service company here in Nocona Lake Estates is unlawful and Nelson has always and continues to this date to neglect his responsibilities as a public water service provider.

As I mentioned in the public hearing, the water service was connected to the property I purchased on January 6, 2017. I moved into the property a couple of weeks prior to the finalization of the sale. At this time I had water service. The property owner explained that he did not mess with the water guy, he just puts a 30 dollar check in his mail box. The owner showed me the mail box to place it in.

As you can see, there is no mention of this being a temporary connection..

**Photo of original service agreement**

January 23, 2017 (Monday) Subject: "Waterco"

TAMMIE,

Waterco is a Community Water Supplier for Only Nocona Lake Estates.

Jim Nelson & Gloria are the Owners

(a) 306 Oak St (across the street)

your monthly water rate is \$30.00 - it's due before the 6<sup>th</sup> of each month -- if you pay after the 5<sup>th</sup> please add \$5.00 late fee and pay \$35.00 before the 1<sup>st</sup> of the following month.

If two (2) payments become due your water will be "cut off" on the 10<sup>th</sup> and a \$35.00 "Turn-On" fee is added to the balance of your bill when it's turned on.

The "Turn-on Fee" also includes a \$25.00 deposit - held for 1 year -- then this process starts all over again.

you are aware you owe \$30.00 for Jan. 17. Please pay prior to the 1<sup>st</sup> of February '17. (There will be no \$5.00 Late Charge)

Thanks!  
Jim

2. PAGE 15 - NELSON: However, it did bring attention to WATERCO, which had been in operation for about 18-19 years, and I have been servicing a developer's group of folks that couldn't afford to put a water well. And so I allowed them - I took over the community well, which at that time had 11 people.

In Docket 47411 - Item 5 - Page 7, you will find James Nelson's "History of Waterco" statement dated August 2, 2017.

Photo of "History of Waterco"  
Statement

August 2, 2017

To Whom it may concern,

The following is "History" of "Waterco" -- a community well service for water to folks in Nacona Lake Estates where a public water utility does not exist.

In May 2009 the upper Trinity Groundwater Conservation District held public meetings for anyone 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 "Waterco" well sites to inspect and again established "Waterco" exempt, due to low resident usage of water, not to be considered a public water system.

"Waterco" has (9) users (unmetered) 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 certified service of a public water utility.

"Waterco" maintains less than (15) potential connections

James Nelson  
"Waterco"

3. **PAGE 15 - NELSON:** *I then Communicated and talked, called Abilene. And Jennelle Crane, investigator, came to my residence, which is Waterco, here in Nocona Lake Estates, and she looked at what I was doing. And the request that I made was that, if I opened a second well because there was a need for it on an undeveloped street -- it had no water out here in the estates, but it had about -- it's had several residents that -- and they all -- they needed water. They had no way of getting the water.*

James Nelson, owner of WATERCO utilities this experience with Jennelle Crane, TCEQ Investigator, intentionally to deceive the Public Utility Commission in the public hearing, just as he has used this experience to deceive the consumers of WATERCO, and the Commission Staff.

Here is the document in which Nelson presents as if it is an official document establishing WATERCO as an exempt status.

**Photo of Jennelle Crane's business card along with notes provided by some one which at this time has not been identified.**

9-27-2012

Today I investigated 2 wells that were reported to be used for Public Water System wells. The Owner of these wells is James Nelson. These wells are Reg ID 1517 and 1518. The GPS locations of these wells are as follows,

Reg ID 1517  
33° 50' 78.5"N  
97° 40' 15.5"W

Reg ID 1518  
33° 50' 89.3"N  
97° 40' 10.1"W

There is a septic tank that is 63 feet from the well head of Well #1

These two wells are used to service people in the neighborhood. TCEQ visited the location on July 16, 2012 and determined that these wells are not Public Water Systems. They do not have enough customers. The wells are not tied together. One system has 11 customers and the other has 9 customers.

A copy of the TCEQ letter was submitted to the UTGCD

Jennelle Crane

7/26/12

JENNELLE CRANE  
Emergency Response Coordinator  
Environmental Investigator - Water Section  
(Region 3 - Abilene)

#1 #2  
#1 11 customers  
#2 9 customers

UTGCD  
Texas Commission on Environmental Quality  
1977 Industrial Boulevard, Abilene, TX 79603  
Phone: 325.692.1200  
Fax: 325.692.1201  
www.tceq.state.tx.us



I requested the information in which Jennelle Crane issued this exempt status from Nubia Estrada, the current investigator at TCEQ working with WATERCO. She spoke to Jennelle and we found out Nelson's story is false. Jennelle Crane still works for TCEQ. The facts that were given to me indicated that Nelson did not disclose the second well. Jennelle investigated one well and one well only. The investigation is explained here in the TCEQ final investigation of WATERCO in which TCEQ reports the WATERCO well was not reported.

**Photo of Statement regarding Jennelle Crane's 2012 Investigation. Page 2 of 4 - last paragraph.**

During the pre-investigation of the complaint conducted on January 5 through January 31, 2018, Ms. Estrada noted that on July 26, 2012 Ms. Jennelle Crane had conducted an active/inactive FI of the Welco well (Keck Street well). The Waterco well was not mentioned in the investigation report. The investigation conducted on July 26, 2012 noted the Welco well to serve five residences on Keck Street. During the pre-investigation Ms. Estrada also obtained bacteriological chain of custody (COC) forms from the Wichita Falls-Wichita County Public Health

Jon Niemann, Chairman  
Emily Lindsey, Commissioner  
Toby Baker, Executive Director

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
Protecting Texas by Reducing and Preventing Pollution

February 28, 2019

Ms. Tammy Bean  
179 Oak Street  
Nocona, Texas 76255-4914

Re: Investigation Request at:  
Waterco, 206 Oak Street, Nocona (Montague County), Texas  
Investigation No.: 1350409, Incident No.: 275956

Dear Ms. Bean:

The Texas Commission on Environmental Quality (TCEQ) Abilene Region Office has completed a final investigation in response to your concern regarding the above-referenced facility. Enclosed is a copy of the investigation report.

For more information about our complaint process, you may access the publication GI-278: *Do You Want to Make an Environmental Complaint? Do You Have Information or Evidence?* on our website at [www.tceq.texas.gov](http://www.tceq.texas.gov).

We appreciate your concern in bringing this matter to our attention. If we can be of further assistance, please contact Ms. Nubia Estrada in the Abilene Region Office at (325) 698-9674.

Sincerely,

*Cliff Moore*  
Cliff Moore  
Water Section Work Leader  
Abilene Region Office  
CM/NE/bh

Enclosure: Copy of Investigation Report

TCEQ Region 3 • 1327 Industrial Blvd. • Abilene, Texas 79602-7833 • 325-698-9574 • Fax 325-692-5060  
Regional Headquarters: 312-239-1669 • [www.tceq.texas.gov](http://www.tceq.texas.gov) • How is our customer service? [www.tceq.texas.gov/customer-service](http://www.tceq.texas.gov/customer-service)

COMP CG\_MONTAGUE\_CP\_20180201\_INVESTIGATION  
Texas Commission on Environmental Quality  
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact [ceq@tceq.texas.gov](mailto:ceq@tceq.texas.gov)

Customer: NELSON, JAMES  
Customer Number: CN604134213

Regulated Entity Name: NOCONA LAKE COMMUNITY WATER #  
Regulated Entity Number: RN106503808

Investigation # 1480210  
Investigator: NUBIA ESTRADA  
Conducted: 02/01/2018 -- 02/01/2018  
Program(s): PUBLIC WATER SYSTEM/SUPPLY  
Investigation Type: Compliance Investigation  
Additional ID(s): RQ3106503808

Incident Numbers  
478959  
Site Classification: GROUNDWATER  
No Industry Code Assigned  
Location: 188 OAK ST NOCONA TX MONTAGUE COUNTY

Address: 188 OAK ST,  
NOCONA, TX, 76255  
Local Unit: REGION 03 - ABILENE  
Activity Type(s): PWS COMPL - PWS Complaint  
PWS ACT GWFC - Active  
Status/Ground Water Focused

Principal(s):	Role	Name	Phone
RESPONDENT		MR JAMES NELSON	

Contact(s):	Role	Title	Name	Phone
REGULATED ENTITY CONTACT	REGULATED ENTITY CONTACT	WATERCO OWNER	NELSON JAMES	Cell (214) 336-5604
REGULATED ENTITY MAIL CONTACT	REGULATED ENTITY MAIL CONTACT	WATERCO OWNER	NELSON JAMES	Cell (214) 336-5604
PARTICIPATED IN	PARTICIPATED IN	WATERCO OWNER	NELSON JAMES	Cell (214) 336-5604
PARTICIPATED IN	PARTICIPATED IN	CITIZEN	ARTHUR BOLDUC	Cell (940) 224-3544

Other Staff Member(s):	Role	Name
Supervisor	Supervisor	CLIFFORD MOORE
QA Reviewer	QA Reviewer	CLIFFORD MOORE



NOCONA LAKE COMMUNITY WATER 2 - NOCONA  
2/1/2018 Inv. # - 1480210  
Page 2 of 4

**Associated Check List**

Checklist Name	Unit Name
PWS COMPLAINT INVESTIGATION	Waterco/Welco
PWS INVESTIGATION - EQUIPMENT	Waterco/Welco
MONITORING AND SAMPLING revised 06/2013	

**Investigation Comments:**  
Waterco and Welco  
Nocona Lake Estates  
Montague County  
TCEQ PWS ID NO. N/A  
CCN No. N/A

**INTRODUCTION**

On February 1, 2018 Ms. Nubia Estrada, Ms. Samantha Harden, and Mr. Matthew Pippin, Texas Commission on Environmental Quality (TCEQ) Abilene Region investigators, conducted a complaint focused (active/inactive) investigation (FI) for the Waterco and Welco wells of Nocona Lake Estates. The wells assumed owner, Mr. James Nelson, was not notified of the complaint prior to the investigation. A letter was sent to the complainant to notify them of the results of this investigation. A letter was sent to Mr. Nelson stating the investigation is ongoing.

On January 5, 2018, a complaint was logged in the Abilene Region Office regarding the Nocona Lake Estates Waterco and Welco wells. The complainant alleged the Waterco and Welco wells met the definition of a public water system and should be subject to the TCEQ regulations of public drinking water.

**Daily Activity**

On February 1, 2018 Ms. Estrada, Ms. Harden, and Mr. Pippin arrived at Mr. Nelson's residence and met with Mr. Nelson and Mr. Arthur Bolduc, his business partner, to speak to them regarding the Waterco and Welco wells. Mr. Nelson stated his business, Waterco, originally consisted of two wells but he had sold one of the wells to Mr. Bolduc and the well was now considered a separate business called Welco. Mr. Nelson and Mr. Bolduc reported the Waterco well to serve nine connections and the Welco well to serve seven connections. Mr. Nelson stated that no disinfection was being provided, but coliform sample tests were conducted every quarter. According to Mr. Nelson, before he started his water business, a community well was set up where people could take water until they could have a private well drilled. During the discussion, Ms. Estrada asked Mr. Nelson if he could provide a copy of the sale contract between him and Mr. Bolduc and to mark on a Google map printout of the Nocona Lake Estates the area serviced by the two wells. Documents obtained from Mr. Nelson during the investigation are included in the report.

Following the discussion of the wells, Mr. Nelson granted Ms. Estrada, Ms. Harden, and Mr. Pippin access to the wells. The Waterco well is located on Walnut Street and is housed in a locked building. At the Waterco well, there was a water meter, a pressure tank, a pressure gage, and a sampling tap. Mr. Nelson stated the pressure tank capacity to be approximately 80 gallons. The well head, well casing, and concrete sealing block around the well were noted to not be in good condition. The Welco well is located behind a house on Keck Street inside a locked building. At the Welco well there was an unscreened well blow off, a sampling tap connected to a water hose with no backflow prevention assembly, a pressure gage, and a 120-gallon pressure tank. The well head and casing was located low to the ground and was difficult to inspect due to hoses and clutter around it. Photographs of the wells taken by Ms. Estrada are included in the report. The Waterco and Welco wells are registered through the Upper Trinity Groundwater Conservation District (GCD) as well numbers 1518 and 1517, respectively. Mr. Nelson stated the Upper Trinity GCD had been there earlier in the day to flow test the two wells to verify exempt/non-exempt status. A letter from the Upper Trinity GCD to Mr. Nelson, submitted by Mr. Nelson to the PUC on February 22, 2018 (PUC Docket #48039), indicate the flow rates for each well to be 10 gpm (Waterco) and 6.2 gmp (Welco).

During the pre-investigation of the complaint conducted on January 5 through January 31, 2018, Ms. Estrada noted that on July 26, 2012 Ms. Jennelle Crane had conducted an active/inactive FI of the Welco well (Keck Street well). The Waterco well was not mentioned in the investigation report. The investigation conducted on July 26, 2012 noted the Welco well to serve five residences on Keck Street. During the pre-investigation Ms. Estrada also obtained bacteriological chain of custody (COC) forms from the Wichita Falls-Wichita County Public Health

NOCONA LAKE COMMUNITY WATER 2 - NOCONA  
2/1/2018 Inv. # - 1480210  
Page 3 of 4

District Laboratory noting that Mr. Nelson had submitted one bacteriological sample from each well in 2013, 2014, and 2017 for analysis. The laboratory had no record of bacteriological samples submitted for 2015 and 2016 and noted that samples had been submitted for analysis in 2012, but the COC forms were not obtained for that year. A copy of certificate of ownership for Waterco was also obtained from the Montague County Clerk's Office. All documents obtained during the pre-investigation are included in the report.

**GENERAL FACILITY AND PROCESS INFORMATION**

Waterco and Welco provide water to residents of the Nocona Lake Estates at Lake Nocona (Montague County), Texas. Water from the Welco well is discharged through a pressure tank (120 gallons) to customers on Keck Street. Water from the Waterco well is also discharged through a pressure tank (~ 80 gallon), but the distribution system boundaries of this well are unknown. Disinfection is not provided.

**BACKGROUND**

**Prior Enforcement Action**  
An active/inactive FI for the Welco well (Keck Street well) was conducted on July 26, 2012. A letter was sent to Mr. Nelson, owner of the well, noting that at the time of the investigation the well did not meet the definition of a public water system.

**Complaints**  
One complaint, the complaint resulting in this active/inactive FI, has been filed against Waterco and Welco.

**Agreed/Court Orders**  
Waterco and Welco have not been sent to enforcement in the past five years.

**ADDITIONAL INFORMATION**

**Conclusions and Recommendations**  
This investigation is ongoing and the two wells are being further evaluated. The TCEQ is coordinating investigation efforts with the public utility commission (PUC).

**No Violations Associated to this Investigation**

Signed Nubia Estrada Date 5/27/2018  
Environmental Investigator

Signed Matthew Pippin Date 5/29/2018  
Supervisor

Jennelle Crane's contact info:



TCEQ COMMISSION ON ENVIRONMENTAL QUALITY

BACK TO: Return

Search Result

Search again

Last Name	First Name	Phone	Email
CRANE	JENNELLE	512/239-6118	jennelle.crane

**4. PAGE 15 & 16 - NELSON: *So, I activated a well and hooked up a second well, which had seven more people tied to it. So, I ended up, I believe, with about 18-19 people, if you added the wells together, but I was assured at that time that by having less than 15 per well that I was okay and wasn't a public water system. And I asked her to put that on paper, She did and sent me a memo stating just that.***

Once again Nelson provides the Public Utility Commission with false information regarding the investigation done by TCEQ Investigator, Jennelle Crane.

The personal statements provided by James Nelson, owner of Waterco, documented in the transcript of the PUC Public hearing on October 16, 2020, were intentionally misleading in order to defraud the Public Utility Commission.

**It is at this time I believe it is necessary for the Public Utility Commission to investigate the testimony of James Nelson, owner of WATERCO, by seeking input from Jennelle Crane with TCEQ.**

I will continue to report the fraudulent testimony provided by Nelson in the upcoming docket submissions in the next 48 hours.

Enough is enough.

Tammy Bean  
179 Oak Street  
Nocona, Texas 76255