



Control Number: 46170



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RECEIVED

APPLICATION OF VISTA VERDE §  
WATER SYSTEMS INC. AND SIMPLY §  
AQUATICS, INC. FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN MONTGOMERY COUNTY §

PUBLIC UTILITY COMMISSION

OF TEXAS

2017 JAN 27 AM 11:4  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION FINDING  
APPLICATION ADMINISTRATIVELY COMPLETE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Response to Order No. 4 and Supplemental Recommendation Finding Application Administratively Complete. In support thereof, Staff shows the following:

**I. Background**

On July 14, 2016, Vista Verde Water Systems, Inc. (Vista Verde) and Simply Aquatics, Inc. (Simply Aquatics) (collectively the Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Montgomery County. Specifically, Simply Aquatics seeks approval to acquire all of the water system assets of Vista Verde held under water certificate of convenience and necessity (CCN) No. 13034, and the certificate itself. The total area being requested includes approximately 346 acres and serves 45 current customers.

On November 21, 2016, Order No. 4 was issued requiring the Applicants to amend the application to cure the deficiencies identified by Staff by December 30, 2016. On December 12 and 29, 2016 the Applicants filed supplemental application materials, including updated mapping content. Order No. 4 also required Staff to file a supplemental recommendation regarding the administrative completeness of the amended application and propose additional deadline as appropriate by January 27, 2017. Accordingly, this pleading is timely filed.

**II. Recommendation on Administrative Sufficiency**

Staff has reviewed the application and notice in accordance with Tex. Water Code Ann. § 13.301 (TWC) and 16 Tex. Admin. Code §§ 24.8, 24.109 and 24.112 (TAC) and, as supported by the attached memorandum from Patricia Garcia, Engineer and Tracy Montes, GIS Specialist with

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the Water Utilities Division, Staff recommends that the application be deemed administratively complete and accepted for filing pursuant to 16 TAC § 24.8(a). In addition, Staff recommends the following:

1. The Applicants shall provide notice to the following:
  - a) any districts, utilities, and cities within two (2) miles of the proposed area;
  - b) the county judge of each county and each groundwater conservation district that is wholly or partly included in the proposed area to be certified;
  - c) each city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed area to be certified;
  - d) any customers transferred, or other affected parties in the requested area.
  
2. The Applicants shall provide notice to the following entities:
  - Aqua Texas Inc. (CCN No. 13203)
  - City of Conroe
  - Conroe Resort Utilities LLC (CCN NO. 11942)
  - Del Lago Estates Water Supply Corporation (WSC) (CCN No. 12103)
  - Keenan WSC (CCN No. 11409)
  - Lake Bonanza WSC (CCN No. 12703)
  - Lake Lorraine Civic Organization (CCN No. 11357)
  - MSEC Enterprises Inc. (CCN No. 12887)
  - Pine Lake WSC Inc. (CCN No. 12941)
  - Quadvest LP (CCN No. 11612)
  - Saddle & Surrey Acres WSC (CCN No. 12774)
  - Stanley Lake Municipal Utility District (MUD) (CCN No. 11222)
  - T & W Water Service (CCN No. 12892)
  - Vista Verde Water Systems, Inc. (CCN No. 13034)
  - Lone Star Groundwater Conservation District (GCD)
  - Martin Creek MUD
  - Montgomery County MUD 8
  - Montgomery County MUD 9
  - Montgomery County Utility District 3
  - Montgomery County Utility District 4
  - San Jacinto River Authority
  - Stanley Lake MUD
  - Montgomery County Judge

Within 30 days of the Commission order, Staff recommends that the Applicants be required to file a copy of the actual notices issued, the map issued with the individual mailed notices, and the signed affidavits (copies attached), indicating that the notices were given.

### 3. Proposed Procedural Schedule

Staff proposes the following procedural schedule:

Event	Deadline
Deadline for Applicants to file affidavits of proof of notice.	March 14, 2017
Deadline for Staff to file comments on proof of notice.	Within 10 working days of Applicants filing proof of completed notice with the Commission
Deadline for intervention; deadline for intervenors to request a hearing on the merits	30 days after notice is issued

### 4. Conclusion

Staff respectfully requests that an order be issued consistent with this Recommendation.

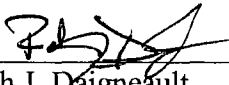
**Dated: January 27, 2017**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

  
\_\_\_\_\_  
Ralph J. Daigneault  
State Bar No. 24040755  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7348  
(512) 936-7268 (facsimile)  
[ralph.daigneault@puc.texas.gov](mailto:ralph.daigneault@puc.texas.gov)

**DOCKET NO. 46170**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 27, 2017, in accordance with 16 TAC § 22.74.

  
\_\_\_\_\_  
Ralph J. Daigneault

## PUC Interoffice Memorandum

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**To:** Ralph Daigneault  
Legal Division

**Thru:** Tammy Benter, Director  
Heidi Graham, Work Lead  
Lisa Fuentes, Work Lead  
Water Utilities Division

**From:** Patricia Garcia, Engineering Specialist  
Tracy Montes, GIS Specialist  
Water Utilities Division

**Date:** January 27, 2017

**Subject:** **Docket 46170**, *Application of Vista Verde Water Systems, Inc. and Simply Aquatics, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montgomery County*

On July 14, 2016, Simply Aquatics, Inc., (Simply Aquatics or Purchaser) and Vista Verde Water Systems, Inc. (Vista Verde or Seller), (collectively Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Montgomery County, Texas pursuant to Texas Water Code Ann. § 13.301 (TWC) and the 16 Tex. Admin. Code §§ 24.109 and 24.112 (TAC). Specifically, Simply Aquatics seeks approval to acquire all of the water system assets, customers and service area under Vista Verde's Certificate of Convenience and Necessity (CCN) No. 13034. If approved, Simply Aquatics will be issued a water CCN to serve the area formerly covered by CCN No. 13034 and CCN No. 13034 will be cancelled.

Order No. 4 established deadlines for Staff to respond to the application by January 27, 2017. Based upon a review of the application, Staff recommends that the application be deemed sufficient for filing and administratively complete. Staff further recommends the following:

1. The Applicants provide notice to the following:
  - a) any districts, utilities, and cities within two (2) miles of the proposed area;
  - b) the county judge of each county and each groundwater conservation district that is wholly or partly included in the proposed area to be certified;
  - c) each city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed area to be certified;
  - d) any customers transferred, or other affected parties in the requested area.
  
2. The Applicants provide notice to the following entities:
  - Aqua Texas Inc. (CCN No. 13203)
  - City of Conroe
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  - Lake Bonanza WSC (CCN No. 12703)
  - Lake Lorraine Civic Organization (CCN No. 11357)
  - MSEC Enterprises Inc. (CCN No. 12887)
  - Pine Lake WSC Inc. (CCN No. 12941)

Quadvest LP (CCN No. 11612)  
Saddle & Surrey Acres WSC (CCN No. 12774)  
Stanley Lake Municipal Utility District (MUD) (CCN No. 11222)  
T & W Water Service (CCN No. 12892)  
Vista Verde Water Systems, Inc. (CCN No. 13034)  
Lone Star Groundwater Conservation District (GCD)  
Martin Creek MUD  
Montgomery County MUD 8  
Montgomery County MUD 9  
Montgomery County Utility District 3  
Montgomery County Utility District 4  
San Jacinto River Authority  
Stanley Lake MUD  
Montgomery County Judge

Within 30 days of the Commission order, Staff recommends that the Applicants be required to file a copy of the actual notice sent and notarized affidavit attesting that the notice was given.

**Notice to Current Customers, Neighboring Systems, and Cities**

**SIMPLY AQUATICS, INC. NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER CERTIFICATED SERVICE AREA UNDER CCN NO. 13034, FROM VISTA VERDE WATER SYSTEMS, INC. IN MONTGOMERY COUNTY, TEXAS**

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 2017  
(Name of Customer, Neighboring System, or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City State Zip)

Simply Aquatics, Inc. P.O. Box 849 Kirbyville TX 75956  
(Purchaser's or Transferee's Name) (Address) (City) (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to obtain a CCN, purchase water facilities and to transfer water certificated service area under CCN No. 13034, in Montgomery County, TX from:

Vista Verde Water Systems, Inc. P.O. Box 157 Kirbyville TX 75956  
(Seller's or Transferor's Name) (Address) (City) (State) (Zip Code)

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction includes the following subdivision: Vista Verde

The proposed area subject to this transaction is located approximately 3.4 miles southeast of downtown Montgomery, Texas, and is generally bounded on the north by State Highway 105; on the east by Pine Lake Road; on the south by Mail Route Road; and on the west by FM 2854.

The total proposed area for the CCN being requested includes approximately 346 acres and 45 current customers.

This transaction will have the following effect on the current customers' rates and services: No change.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.



Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled.

Persons who wish to intervene or comment should file a request in writing within thirty (30) days from the date of this publication or notice with:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, Commission will not transfer the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

*Si desea informacion en Espanol, puede llamar al 1-888-782-8477*

\_\_\_\_\_  
Utility Representative

\_\_\_\_\_  
Utility Name

# PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND  
AFFECTED PARTIES  
DOCKET NO. 46170

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual  
notice to the following entities and customers:

	DATE
_____	_____
_____	_____
_____	_____

### OATH

I, \_\_\_\_\_, being duly sworn, file this form as  
\_\_\_\_\_ (indicate relationship to applicant, that is,  
owner, member of partnership, title of officer of corporation, or other authorized representative of  
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am  
personally familiar with the notices given with this application, and have complied with all notice  
requirements in the application and application acceptance letter; and that all such statements made  
and matters set for therein are true and correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,  
or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_