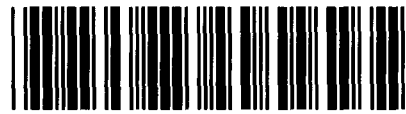


Control Number: 46170



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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

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**COMMISSION STAFF'S RECOMMENDATION ON INSUFFICIENCY OF DOCUMENTS**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 10 regarding sufficiency of closing documents. In support thereof, Staff shows the following:

**I. Background**

On June 6, 2017, Order No. 10 was entered permitting the transaction proposed in the application to proceed and be consummated, that the parties provide documentation that all assets were transferred, and that the disposition of any remaining deposits were addressed pursuant to 16 TAC § 24.109(f). On June 29, 2017, Simply Aquatics, Inc. (Simply Aquatics) filed an invoice addressed to the owner of Vista Verde Water Systems, Inc. (Vista Verde), which only contained the amount of customer deposits.

**II. Recommendation**

The filing made by Simply Aquatics is not sufficient to accomplish consummation of the sale/transfer. As supported by the attached memorandum of Patricia Garcia of the Water Utilities Division, Simply Aquatics' filing only provided the amount of customer deposits held by Vista Verde and failed to demonstrate that all assets were transferred to Vista Verde and how many customer deposits were addressed. The filing does not meet the standard in TAC § 24.109(f). Because the filing is insufficient, Staff will not be proposing a procedural schedule at this time.

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**III. Conclusion**

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

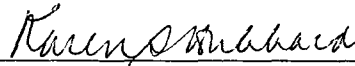
**Dated: July 21, 2017**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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(512) 936-7268 (facsimile)

**DOCKET NO. 46170**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on July 21, 2017, in accordance with 16 TAC § 22.74.



Karen S. Hubbard

# Public Utility Commission of Texas

## Memorandum

**To:** Karen Hubbard  
Legal Division

**Thru:** Tammy Benter, Director  
Heidi Graham, Manager  
Water Utilities Division

**From:** Patricia Garcia, Engineering Specialist  
Water Utilities Division

**Date:** July 21, 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.

Pursuant to 16 TAC § 24.109(f), Staff recommended that the transaction proceed as proposed and Order No 10, issued June 6, 2017, requested that the Applicants provide documentation, as evidence, that all assets were transferred to the acquiring entity, and that the disposition of any remaining deposits were addressed pursuant to 16 TAC § 24.109(f).

On June 29, 2017, Simply Aquatics filed an invoice addressed to the owner of Vista Verde, George Davis. The invoice only provided the amount of customer deposits held by Vista Verde. The invoice does not demonstrate that all assets were transferred to the acquiring entity and how customer deposits have been addressed. Therefore, Staff recommends the documentation submitted be deemed insufficient.