



Control Number: 48565



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**PUC DOCKET NO. 48565**

**APPLICATION OF AQUA TEXAS, §  
INC. AND TOWN OF BUFFALO GAP §  
FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN TAYLOR §  
COUNTY (GAP WATER SYSTEM) §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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**STATUS UPDATE NO. 1**

COME NOW, Aqua Texas, Inc. ("Aqua") and the Town of Buffalo Gap ("Town") (collectively, the "Applicants") and file this Status Update No. 1 regarding the status of the Applicants' efforts to conclude the transaction, address customer deposits, and submit evidence of same.

On August 2, 2018, Aqua and the Town filed an application for Sale, Transfer or Merger of Facilities and Certificate Rights in Taylor County related to the Gap Water System. On November 28, 2018, the Commission issued Order No. 4 Approving Transaction to Proceed which ordered the Applicants to file updates regarding the status of efforts to conclude the transaction, address customer deposits, and submit documents evidencing same beginning on December 20, 2018, and each month thereafter.

The Town reports as follows:

1. The funds which will be utilized by the Town to purchase the Gap Water System owned by Aqua are currently committed by the United States Department of Agriculture ("USDA") as part of a project to bring water from Abilene, Taylor County, Texas to the Town of Buffalo Gap, the City of Lawn, and the Tuscola-Taylor County Water Control and Improvement District No. 1. The Town must close the loan in order to obtain the funds to purchase the system.
2. Closing will require the Town to meet all of the items described in the USDA Letter of Conditions. The two most significant items include the completion and approval of the plans

for construction of the overall project and securing all easements and rights-of-way needed to construct the project. The Town is currently working on completing both of these items.

3. After the finalized plans and documentation that all necessary easements have been obtained have been submitted to USDA, USDA must review those before issuance of authorization to go out for bid for construction of the project and issuance of closing instructions.

4. USDA requires that the project be bid, awarded, and construction contracts be signed prior to closing. Upon closing with USDA, the Town will have the funds available to provide to Aqua for purchase of the Gap Water System.

5. The Town currently estimates that the process will proceed as follows:

- a. Plan Approval – February 15, 2019
- b. Submission of Closing Instructions – February 15, 2019
- c. Receive closing instructions and authorization to bid the project from USDA – April 15, 2019
- d. Obtain Executed Contract and Close Loan (Obtain Funds) – June 15, 2019

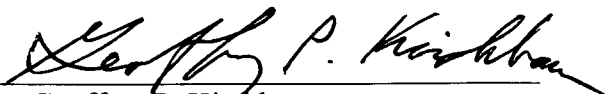
6. There is a possibility that the process will not take as long as is currently estimated. The Town may receive closing instructions by March 15<sup>th</sup> rather than April 15<sup>th</sup>. However, if the issuance of closing instructions takes the full sixty days, it may be necessary to request an extension of the 180-day period to close authorized in Order No. 4 because the Town may not have the funds to purchase the Gap Water System before the end of that 180-day period on May 28, 2019.

7. This contingency was addressed in the Application itself, as well as the Asset Purchase Agreement between Aqua and the Town. The Town will do everything in its power to attempt to meet the current deadline set by the Commission.

Aqua hereby reports as follows:

1. Aqua must wait for completion of the process reported above by the Town before concluding the transaction with the Town.
2. Per the proposed transaction contract, customer deposits held by Aqua for Gap Water System customers will be refunded prior to closing the transaction with the Town. However, given the report above by the Town, it is too soon for Aqua to take such action.
3. After concluding the transaction with the Town and addressing customer deposits, Aqua and the Town will submit documents to the Commission evidencing same.

Respectfully submitted,

By: 

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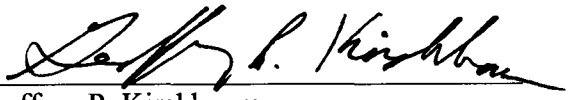
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**ATTORNEY FOR TOWN OF BUFFALO GAP**

### **CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on December 20, 2018 in accordance with P.U.C. Procedural Rule 22.74.

  
Geoffrey P. Kirshbaum