



Control Number: 46806



Item Number: 5

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RECEIVED

BILL OF SALE AND ASSIGNMENT

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PUBLIC UTILITY COMMISSION
FILING CLERK

Date: October 15, 2014

Grantor: Cherry Hill Subdivision, Melvin Block

Grantor's Mailing Address: P.O. Box 389
Vidor, Texas 77670

Grantee: City of Bridge City

Grantee's Mailing Address: P.O. Box 846
Bridge City, Texas 77611
(409) 735 - 6801

Consideration: Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Grantee,

Grantor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, sells, assigns, and transfers to Grantee:

- 1) The Facilities of the Cherry Hill Subdivision, Melvin Block serving Certificate of Convenience and Necessity Number: 11438 as those are defined in that certain "Agreement for Sale of Water System Assets" between Grantor and Grantee and dated October 15, 2014 ("Agreement"), which Facilities are listed in the Inventory attached hereto as Exhibit A; and,
- 2) The Intangible Assets of the Cherry Hill Subdivision, Melvin Block, which include all Deeds for real property, contracts, leases, option rights, permits, certificates, licenses, reimbursement rights, service agreements, deposits, warranties from vendors or manufacturers or other third parties, regulatory correspondence, as-built plans and specifications, engineering reports, files, records, information, data and other intangible assets of that are related to the ongoing operation and ownership of the Facilities, including, but not limited to any adjoining, certificated areas that Cherry Hill Subdivision, Melvin Block may have by agreement outside of its current certificated area.

CITY OF BRIDGE CITY ACKNOWLEDGES AND AGREES THAT IT IS ACCEPTING THE WATER SYSTEM ASSETS IN THEIR "AS-IS, WHERE-IS" CONDITION WITH RESPECT TO THEIR RESPECTIVE PHYSICAL AND OPERATING CONDITION AND USEFULNESS FOR THE PURPOSE OF OPERATING THE SYSTEM AND "WITH ALL FAULTS" AND DEFECTS WITH RESPECT TO THEIR RESPECTIVE PHYSICAL AND OPERATING CONDITION AND USEFULNESS FOR THE PURPOSE OF OPERATING THE SYSTEM AS OF THE CLOSING AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS, OR ANY OTHER GUARANTEES, EITHER EXPRESS OR IMPLIED, AS TO THEIR CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER

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WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF GRANTOR OTHER THAN THIRD-PARTY WARRANTIES RELATED TO THE SYSTEM TO THE EXTENT SAME ARE ASSIGNABLE.

Notwithstanding the foregoing, Grantor makes to Grantee those certain, limited representations and warranties set forth in the attached "Closing Certificate," attached hereto as **Exhibit B**, and incorporated herein for all purposes,

Grantor, agrees to hereafter cooperate with Grantee, take such actions and execute such other specific documents as may be necessary or appropriate to accomplish the transfers contemplated in the Agreement and this document, Grantee hereby assumes and agrees to perform all of Grantor's obligations under the Intangible Assets,

By this Bill of Sale and Assignment, Grantor expresses its concurrence to the transfer to Grantee by the Texas Commission on Environmental Quality of those portions of Certificate of Convenience and Necessity No. 11438 that relate to the Cherry Hill Subdivision, Melvin Block as those portions are depicted in **Exhibit A** attached hereto, pursuant to Texas Commission on Environmental Quality provided in Application No. 37979-S.

When the context requires, singular nouns and pronouns include the plural, References to defined terms shall refer to those terms as defined in the Agreement.

Executed and effective on the date set forth on the first page above,

GRANTOR:

Cherry Hill Estates Water System

By: Melvin Block

Melvin Block, Owner

ACCEPTED:

GRANTEE:

City of Bridge City

By: Jerry Jones

Jerry Jones, City Manager

Attest:

By: Jaime Hoffpauir
Name: Jaime Hoffpauir
Title: Clerk

Cherry Hill Water Supply

Attn: Mrs. Kohl

Regarding the TTHM exceedents levels, We purchase water from the City of Bridge City. They have installed a new system that has brought the TTHM levels well below the EPA requirements for the last two quarters. Due to the new procedures by the City of Bridge City this should no longer be a problem.

**Thank you ,
Melvin Block
Cherry Hill Water Supply**

Cherry Hill Water Supply

Attn: Mrs Kohl

Public Utility Commission of Texas

This is regarding the last compliance investigation at Cherry Hill Water System by the TCEQ on 02-24-2016. The violations as listed in the violation letter were all brought into compliance with the TCEQ Region 10 office, Beaumont, Tx.

Thank you,

Melvin Block

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 14, 2016

**CERTIFIED MAIL {7015 0640 0004 7938 6417}
RETURN RECEIPT REQUESTED**

Mrs. Debbie Block, Owner
Cherry Hills Subdivision
PO Box 389
Vidor, Texas 77670

Re: Notice of Violation for Public Water Supply Comprehensive Compliance Investigation at:
Cherry Hill Subdivision, Orange County, PWS ID No. 1810018, Investigation No.1314813

Dear Mrs. Block:

On February 24, 2016, Ms. Paige Pritchard, Mrs. Claire Carlton and Mr. Dustin Lorange of the Texas Commission on Environmental Quality (TCEQ) Beaumont Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by **August 12, 2016** a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Beaumont Region Office at (409) 898-3838 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Beaumont Region Office within 10 days from the date of this letter. At that time, Mrs. Brittney Teakell will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

Mrs. Debbie Block, Owner

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April 14, 2016

If you or members of your staff have any questions, please feel free to contact Ms. Paige Pritchard in the Beaumont Region Office at (409) 898-3838.

Sincerely,

A handwritten signature in black ink, appearing to read "Brittney Teakell". The signature is fluid and cursive, with the first name being more prominent.

Brittney Teakell, Water Section Team Leader
Beaumont Region Office

BT/PP/bd

Attachment: Summary of Investigation Findings

Summary of Investigation Findings

CHERRY HILL WATER SYSTEM

Investigation #

, ORANGE COUNTY,

1314813
Investigation Date: 02/24/2016

Additional ID(s): 1810018

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 597977 Compliance Due Date: 08/12/2016
30 TAC Chapter 290.121(b)(1)

Alleged Violation:

Investigation: 1314813

Comment Date: 04/12/2016

Failure by Cherryhill Subdivison to have a complete monitoring plan.

During the investigation, it was noted that the monitoring plan was not up to date. The lead and copper section of the monitoring plan was not updated to display the water system is now required to take samples every three years. It was noted that the water system still had the all plastic waiver rule in the monitoring plan. On March 7, 2016, the water system submitted documentation displaying that the monitoring plan had been up dated with a list of all the lead and copper samples; however the plan lacked the methods and compliance calculations. The violation will remain outstanding until this section is completed.

Recommended Corrective Action: Update the monitoring plan. Submit a copy of the updated monitoring plan to the Beaumont Regional Office.

Track No: 600286 Compliance Due Date: 08/12/2016
30 TAC Chapter 290.46(f)(3)(A)(iii)

Alleged Violation:

Investigation: 1314813

Comment Date: 04/05/2016

Failure by Cherry Hill Subdivision to maintain a record of the date, location, and nature of all complaints made to the water system and any subsequent action.

During the investigation, it was noted that the water system does not list the location of customer complaints in their complaint records. The water system instead records the name of the complainant.

Recommended Corrective Action: Begin maintaining a record of the locations of all customer complaints to the water system. Establish a Standard Operating Procedure (SOP) which will aid the water system in ensuring the location of complaints are noted in the record. Submit the SOP and three months of records containing all complaints lodged with actions taken to the Beaumont Regional Office.

AREA OF CONCERN

Track No: 597979
30 TAC Chapter 290.42(I)

Alleged Violation:

Investigation: 1314813

Comment Date: 03/15/2016

Failure by Cherryhill Subdivison to have an adequate plant operations manual.

During the investigation, it was noted that the plant operations manual did not have protocols for natural and man-made disasters included in the manual.

Recommended Corrective Action: Update the Plant Operations Manual to include natural and man-made disaster protocols. Submit a copy to the Beaumont Regional Office.

Resolution: On March 7, 2016, the water system submitted documentation displaying that protocols for natural and man-made disasters had been included in the plant operations manual.

Track No: 597980

30 TAC Chapter 290.46(i)

Alleged Violation:

Investigation: 1314813

Comment Date: 04/07/2016

Failure by Cherryhill Subdivison to adopt an adequate customer service agreement.

During the investigation, it was noted that the water system did not adopt an adequate customer service agreement. It was noted that the percentage requirement for lead pipes and pipe fittings, had not been updated.

Recommended Corrective Action: Submit an adequate Customer Service Agreement to the Beaumont Regional Office.

Resolution: On March 7, 2016, the water system submitted documentation displaying that the customer service agreement now reflects the percentage requirement for lead pipes and pipe fittings at 0.25%.

During the investigation, it was noted that the plant operations manual did not have protocols for natural and man-made disasters included in the manual.

Recommended Corrective Action: Update the Plant Operations Manual to include natural and man-made disaster protocols. Submit a copy to the Beaumont Regional Office.

Resolution: On March 7, 2016, the water system submitted documentation displaying that protocols for natural and man-made disasters had been included in the plant operations manual.

Track No: 597980

30 TAC Chapter 290.46(i)

Alleged Violation:

Investigation: 1314813

Comment Date: 04/07/2016

Failure by Cherryhill Subdivision to adopt an adequate customer service agreement.

During the investigation, it was noted that the water system did not adopt an adequate customer service agreement. It was noted that the percentage requirement for lead pipes and pipe fittings, had not been updated.

Recommended Corrective Action: Submit an adequate Customer Service Agreement to the Beaumont Regional Office.

Resolution: On March 7, 2016, the water system submitted documentation displaying that the customer service agreement now reflects the percentage requirement for lead pipes and pipe fittings at 0.25%.