



Control Number: 51530



Item Number: 29

Addendum StartPage: 0

**DOCKET NO. 51530**

**APPLICATION OF ESPERANZA § PUBLIC UTILITY COMMISSION**  
**WATER SERVICE COMPANY, INC. §**  
**AND EL PASO WATER UTILITIES § OF TEXAS**  
**PUBLIC SERVICE BOARD FOR SALE, §**  
**TRANSFER, OR MERGER OF §**  
**FACILITIES AND CERTIFICATE §**  
**RIGHTS IN HUDSPETH COUNTY §**

2021 JUL -6 PM 2:17

**EL PASO WATER UTILITIES PUBLIC SERVICE BOARD'S**  
**NOTICE OF COMPLETED TRANSACTION**

El Paso Water Utilities Public Service Board (El Paso Water) files this Notice of Completed Transaction and provides the following as proof of the transfer of the water system and customers of the Esperanza Water Service Company, Inc. to El Paso Water:

1. Affidavit of Closing;
2. Conveyance, Bill of Sale, and Assignment;
3. Special Warranty Deed and Assignment of Easements.

The transaction was consummated on June 30, 2021. There are no outstanding customer deposits associated with this water system.

**CONCLUSION AND PRAYER**

El Paso Water respectfully requests that this Notice of Completed Transaction be accepted and found sufficient, and that the Sale, Transfer, or Merger Application, as amended, be approved, and the Applicants be granted all other orders, acts, and relief to which they are entitled.

Respectfully submitted,

**ATTORNEY FOR EL PASO WATER  
UTILITIES PUBLIC SERVICE BOARD**

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Austin, TX 78746

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BY: *Emily W. Rogers*  
Emily W. Rogers

**CERTIFICATE OF SERVICE**

I certify that this pleading was provided to all parties of record via electronic mail or regular mail on July 6, 2021 in accordance with the Order Suspending Rules, issued in Project No 50664.

*Emily W. Rogers*  
Emily W. Rogers

**AFFIDAVIT OF CLOSING**

**PUBLIC UTILITY COMMISSION OF TEXAS  
DOCKET NO. 51530**

STATE OF TEXAS

COUNTY OF EL PASO

**AFFIDAVIT OF CLOSING**

BEFORE ME, the undersigned authority, on this day personally appeared Irene Epperson, Vice President of Esperanza Water Service Company, Inc., a for-profit water supply corporation ("Seller"), personally known to me to be the person whose name is subscribed hereto and upon his/her oath depose and state that:

"I am a citizen of the United States, of legal age, and have never been known by any other name than set out below; I am Irene Epperson, Vice President of Esperanza Water Service Company, Inc., authorized agent of Seller, and am authorized to make this affidavit on its behalf.

Seller and the El Paso Water Utilities Public Service Board ("Purchaser") entered into that certain Asset Transfer Agreement dated effective as of July 30, 2020 ("Contract"), which provided for the lease and eventual sale and transfer to Purchaser of Seller's water supply system, consisting of real property rights, easements, pipelines and related infrastructure and personal property as more fully described in the Contract (collectively the "Assets").

Pursuant to the terms of the Contract the Seller has agreed that upon closing it will decertify and transfer its CCN No. 12881 to Purchaser so that the Purchaser may acquire the necessary rights to provide retail water service to the customers within CCN No. 12881 in accordance with Chapter 13 of the Texas Water Code.

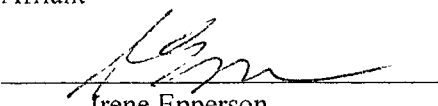
The sale and transfer to the Purchaser of Seller's water supply system, the transfer of Seller's CCN No. 12881, to Purchaser shall be collectively referred to as the "Transfer."

In addition, after the receipt by the Public Utility Commission of Texas ("PUC") of the applicable closing documents, Seller understands that PUC staff will prepare proposed maps, certificates, and recommendations for both the Seller and the Purchaser to review and approve before their submittal to the PUC for approval of the Transfer; provided, however, that Seller understands that it has the right to grant the Purchaser the right to consent to the proposed maps, certificates and recommendations on behalf of the Seller.

The Seller hereby certifies that (i) as of the date hereof the portion of the water supply system and the Assets have been sold to Purchaser in accordance with the terms of the Contract, (ii) Seller concurs with the Transfer under the applicable provisions of Chapter 13 of the Texas Water Code, (iii) Seller agrees that the PUC may take action to transfer CCN No. 12881 to the Purchaser; and (iv) Seller has granted Purchaser the authority to provide the necessary Seller's consent to PUC with respect to the proposed maps, certificates and the recommendation for decertification, and approval and issuance of any CCN necessary to effectuate the Transfer, and hereby authorizes the PUC to effectuate the Transfer upon receipt of Purchaser's signed consent form without the further involvement of Seller, including, but not limited to, executing all necessary consent documents on behalf of the Seller.

Executed this 30<sup>th</sup> day of June, 2021.

Affiant

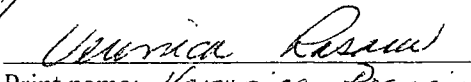
  
Irene Epperson  
Vice President of Esperanza  
Water Service Company, Inc.

STATE OF TEXAS       §  
                                     §  
COUNTY OF EL PASO   §

SWORN AND SUBSCRIBED TO under oath by Irene Epperson, Vice President of Esperanza Water Service Company, Inc., before the undersigned notary public in witness of which I place my hand and seal on this 30<sup>th</sup> day of June, 2021.

SEAL



  
Print name: Veronica Rosario  
Notary Public for the State of Texas  
Commission expires: 6/25/2025

Esperanza Water Service Company, Inc.

## **CONVEYANCE, BILL OF SALE, AND ASSIGNMENT**

This Conveyance, Bill of Sale and Assignment ("Assignment") is entered into by and between Esperanza Water Service Company, Inc. ("Grantor"), a Texas corporation, and the City of El Paso for the benefit of El Paso Water Utilities Public Service Board ("Grantee"), the board established by the City of El Paso, Texas' May 22, 1952 City Ordinance No. 752 to manage and operate the water and wastewater systems of the City of El Paso.

### **RECITALS**

A. Concurrently with the execution and delivery of this instrument, the Grantor is conveying to Grantee by Special Warranty Deed all of that certain parcel of real property, together with improvements thereon ("Improvements"), in Hudspeth County, Texas (the "Property"), more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes.

B. It is the desire of the Grantor to bargain, sell, convey, transfer, set over and assign unto Grantee the following:

- (i) All of the Grantor's right, title and interest in items of furniture, fixtures, equipment, machinery, supplies and other items of tangible personal property presently owned, used or held for use by the Grantor and affixed, attached to, placed or located on the Property or used by the Grantor exclusively in connection with the ownership, operation and/or maintenance of the retail water system operated on the Property ("Utility System"), including without limitation, all facilities, wells, water lines, distribution lines, tanks, pumps, pipes, fittings, treatment equipment, meters, copies of records, permits, materials and supplies, inventories, and those items listed in Exhibit "B" attached hereto and made a part hereof (collectively, the "Tangible Personal Property");
- (ii) All of the Grantor's right, title and interest in customer deposits, if any, on the Closing Date, if any, with accrued statutory interest, held by the Grantor in connection with the Grantor's operation of the Utility System ("Customer Deposits");
- (iii) To the extent assignable, all of the Grantor's right, title and interest in and to (a) all plans, drawings, specifications, surveys, engineering reports, and other materials related to the Land and the Utility System, which are conveyed without representation or warranty as to the information or conclusions set out therein; (b) all warranties and guaranties related to the Improvements and the Tangible Personal Property; (c) all licenses, permits, franchises, approvals and any other development rights and benefits relating to the Property; and (d) all insurance policies, software and intellectual property rights, all contract rights, interest in any claims, causes of action or judgments (collectively, the "Intangible Property"); and

- (iv) All of the Grantor's rights, title, and interest in and to the contracts listed in Exhibit "C" attached hereto and made a part hereof ("Contractual Rights").

C. The Tangible Personal Property, Customer Deposits, Contractual Rights, and Intangible Property are hereinafter collectively referred to as the "Transferred Properties."

### **CONVEYANCE, ASSIGNMENT AND AGREEMENT**

For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby BARGAIN, SELL, CONVEY, TRANSFER, SET-OVER AND ASSIGN unto Grantee, its successors and assigns, the Transferred Properties.

TO HAVE AND TO HOLD the Transferred Properties, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and Grantee's successors and assigns forever, and the Grantor does hereby bind the Grantor and the Grantor's successors to warrant and forever defend all and singular the Transferred Properties unto Grantee, and Grantee's successors and assigns against any person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through or under the Grantor, but not otherwise.

This Assignment is given pursuant to that certain Closing Agreement dated effective July 30, 2020 (the "Agreement") by and between the Grantor and Grantee concerning the Property and the Transferred Properties.

This Assignment shall be construed under and in accordance with the laws of the State of Texas and shall be performable in Hudspeth County, Texas. This Assignment and the covenants, conditions and agreements herein shall inure to the benefit of and be binding upon the Grantor and Grantee, and their respective heirs, executors, administrators, successors and assigns.

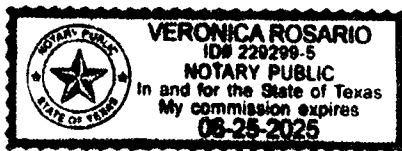
EXECUTED the 30<sup>th</sup> day of June, 2021.

**ESPERANZA WATER SERVICE COMPANY, INC:**

By: [Signature]  
Name: Irene Epperson  
Title: Vice President

THE STATE OF TEXAS           §  
  §  
COUNTY OF EL PASO         §

On this 30<sup>th</sup> day of June, 2021 before me the undersigned Notary, personally appeared Irene Epperson, the Vice President of Esperanza Water Service Company, Inc., who attested that she has the authority as Vice President to sign the foregoing instrument on behalf of Esperanza Water Service Company, Inc., and acknowledged this instrument before me.



[Signature]  
Notary Public, State of Texas

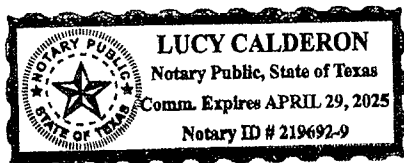
EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

By: [Signature]  
Name: John E. Balliew  
Title: President and CEO

THE STATE OF TEXAS           §  
  §  
COUNTY OF EL PASO       §

This instrument was acknowledged before me on the 28<sup>th</sup> day of June, 2021 by  
John E. Balliew, President & CEO

[Signature]  
Notary Public, State of Texas



## **EXHIBIT "A" TO CONVEYANCE**

### **IMPROVEMENT ON PROPERTY**

1. All active and inactive water wells and water well pumping equipment and improvements, including the well control and regulator room located at the Diablo Wells, two storage facilities at such wells, two generators and fuel tank used to provide fuel for pumping of the wells, together with security fencing at the well site, and water meters;
2. Test wells and test well improvements;
3. Office building at 38581 Texas 20, Fort Hancock, and improvements, well equipment building, electrical control room, the building known as the regulator room which includes the pressure reduction gauge, a chlorination system, and a sand trap, which regulator room is located at the end of the six inch transmission line;
4. Water distribution and transmission pipelines, gate and air release valves, tapping sleeves, and other facilities used to provide water service to customers in the service area, and water meters;
5. Water storage tanks, including active and inactive water storage tanks and all related improvements, and any equipment necessary for operation of the same;
6. Gathering pipelines;
7. Diablo transmission pipeline, which brings water from the Diablo Wells to the regulator room at 38581 Texas 20, including all air release valves and other improvements and equipment related to operation of the Diablo pipeline and all related appurtenances;
8. RO system located at the mid-transmission line break point where the seven 21,000 storage tanks are located, including generators, pressure tanks, water pumps, booster pumps, chlorinator system, and all other related appurtenances and equipment necessary for operation of the RO system, including the RO discharge water line; and
9. RO discharge ponds located on FM 192 (related to the old RO system).

## **EXHIBIT "B" TO CONVEYANCE**

### **TANGIBLE PERSONAL PROPERTY**

1. All of the furniture, equipment, inventory, spare parts, supplies, and other tangible personal property now currently owned, possessed and/or used by Esperanza in Hudspeth County, Texas to support, maintain, or operate a water treatment and distribution system.
2. All intangible personal property owned, possessed or used by Esperanza in operating or maintaining a water treatment and distribution system in Hudspeth County, Texas.
3. All papers and records (whether in written or other form) of any kind related to the operation and maintenance of the water system, including but not limited to, member/customer lists, customer service agreements, supplier lists, distributor lists, purchase and sales records, personnel and independent contractor records, lease records, environmental control records, maintenance records, operating and management manuals, plans, specifications and designs related to the water system, water system computer systems and software documentation, and forms.
4. All permits, licenses, franchises, consents, authorities, special authorities, and other similar acts of any governmental body (federal, state, local, or foreign) or any other entity held by Esperanza that may lawfully be assumed, assigned or transferred, subject to any action by such body that may be required in connection with such assumption, assignment or transfer, including but not limited to the TPDES Permit No. 000527700.
5. All water charges and other income from the sale of water collected after Closing in accordance with Section 6.2.4 of the Agreement.
6. All water pumping, storage, and treatment equipment and distribution lines thereof together with all appurtenances thereto presently owned by Esperanza, including, but not limited to, water wells, and storage and pumping facilities, pump house and mechanical equipment, generators, pumps, motors, electrical material, pipes, valves, meters, casing, reservoirs and tanks.
7. All wastewater treatment facilities and equipment and evaporation pond;
8. All vehicles, trailers, shop tools, tools, heavy equipment, M & E Welder, fuel tank, storage container, including the John Deere Tractor, Product Identification Number: LV01101710672;
9. Any and all facilities, contracts and properties related to Esperanza's water distribution system that have not otherwise been transferred to El Paso by specific document including all pipes, pumps, valves, fittings, tools, machinery, equipment, funds, accounts, property, appurtenances, easements, rights-of-way, licenses, leases and all other similar items.

## **EXHIBIT "C" TO CONVEYANCE**

### **CONTRACTUAL RIGHTS**

1. Contract Agreement between Esperanza Water Service Company, Inc. and Hudspeth County, Texas dated November 19, 2010.
2. Amended Bulk Sales Agreement for Sale of Water between Esperanza Water Service Company and Traveling Tiger Centers, L.L.C. dated September 4, 2019.
3. Lease Audit No. 191166 from Southern Pacific Transportation Company, dated May 2, 1980, and referenced by the Railroad Management Company LLC as License 0236929, for the right to construct, reconstruct, maintain and operate approximately 6,600 feet of longitudinal two-inch pipeline at or near Fort Hancock, Hudspeth County, Texas.

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**SPECIAL WARRANTY DEED AND ASSIGNMENT OF EASEMENTS**

THE STATE OF TEXAS

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KNOW ALL BY THESE PRESENTS:

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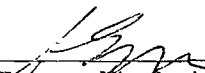
COUNTY OF EL PASO

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That Esperanza Water Service Company, Inc. (hereinafter called "Grantor"), for and in consideration of the sum of TEN and NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid to Grantor by the City of El Paso for the benefit of El Paso Water Utilities Public Service Board (hereinafter called "Grantee"), the receipt and sufficiency of which are hereby acknowledged and for the payment of which no lien, express or implied, is retained, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to Grantee the real property situated in Hudspeth County, Texas described in Exhibit "A" attached hereto and made a part hereof (the "Land"), together with (i) any and all improvements located thereon; (ii) all right, title and interest of Grantor, if any, in and to any land lying in the bed of any alley, street, road or access way, open or proposed, in front of, at a side of, or adjoining the Land to the centerline thereof; (iii) to the extent assignable, all rights, privileges, and easements whether appurtenant to the Land or in gross, which are owned or held by Grantor, including without limitation, those easements more particularly described in Exhibit "B" hereto, and, to the extent such are used by Grantor in connection with Grantor's water treatment and retail water system operated on the Land, the right to access the water lines and other appurtenances on lands owned by customers of the retail water system operated on the Land, all development rights relating to the Land and any other easements, rights-of-way, or appurtenances arising or used in connection with the beneficial use and enjoyment of the Land; and (iv) any and all reversionary interests of the Grantor in and to the Land (the Land and all of the related improvements, appurtenances, rights and interests referenced in items (i) through (iv) above are collectively referred to herein as the "Property"). This conveyance is made and accepted subject and subordinate to (i) any and all matters affecting the state of title to the Property and recorded in the appropriate public records or that would be apparent on a Land survey and (ii) all zoning, building and other laws, regulations and ordinances of any and all municipal, governmental and quasi-governmental bodies and agencies having jurisdiction over the Property or any part thereof (collectively, the "Permitted Exceptions").

**TO HAVE AND TO HOLD** the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, and Grantee's successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's successors to warrant and forever defend all and singular the Property unto Grantee, and Grantee's successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof by, through or under Grantor, but not otherwise.

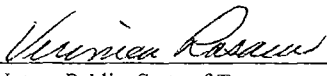
IN WITNESS WHEREOF, this Special Warranty Deed is executed by Grantor on the  
30<sup>th</sup> day of June, 2021.

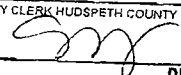
  
Irene Epperson, Vice President  
Esperanza Water Service Company, Inc.


THE STATE OF TEXAS       §  
  §  
COUNTY OF EL PASO       §

This instrument was acknowledged before me on this 30<sup>th</sup> day of June, 2021  
by Irene Epperson, Vice President of Esperanza Water Service Company, Inc.



  
Notary Public, State of Texas

**FILED FOR RECORD**  
AT 11 40 O'CLOCK A M.  
ON THE 1st DAY OF July  
A.D., 20 21  
  
Hon. Brenda Sanchez  
COUNTY CLERK HUDSPETH COUNTY TEXAS  
BY  DEPUTY

**STATE OF TEXAS**  
**COUNTY OF HUDSPETH**  
I hereby certify that this instrument  
was FILED on the date and at the time  
stamped hereon by me and was duly  
RECORDED in the Volume and Page  
of the 00000153020  
Records of Hudspeth County, Texas  
  
 COUNTY CLERK  
HUDSPETH COUNTY, TEXAS

## EXHIBIT "A" TO DEED

### LAND

PARCEL 1: A tract of land out of Section 13, Block A, TEXAS AND PACIFIC RAILROAD COMPANY SURVEYS, Hudspeth County, Texas; and being more particularly described by metes and bounds in Warranty Deed recorded in Volume 219, Page 205, Deed Records, Hudspeth County, Texas.

PARCEL 2: A tract of land out of Sections 13 and 14, Block A, TEXAS AND PACIFIC RAILROAD COMPANY SURVEYS, Hudspeth County, Texas; and being more particularly described by metes and bounds in Warranty Deed recorded in Volume 229, Page 846, Deed Records, Hudspeth County, Texas.

PARCEL 3: A tract of land out of Section 11, Block 65 1/2, PUBLIC SCHOOL LANDS, Hudspeth County, Texas; and being more particularly described by metes and bounds in Warranty Deed recorded in Clerk's File No. 128232, Official Public Records, Hudspeth County, Texas.

PARCEL 4: A tract of land out of Sections 13, Block A, TEXAS AND PACIFIC RAILROAD COMPANY SURVEYS, Hudspeth County, Texas; and being more particularly described by metes and bounds in Warranty Deed recorded in Clerk's File No. 141970, Official Public Records, Hudspeth County, Texas.

PARCEL 5: A tract of land out of Sections 13 Block A, TEXAS AND PACIFIC RAILROAD COMPANY SURVEYS, Hudspeth County, Texas; and being more particularly described by metes and bounds in Warranty Deed recorded in Clerk's File No. 148719, Official Public Records, Hudspeth County, Texas.

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**EXHIBIT "B" TO DEED**

**EASEMENTS**

**I. Easements (non TXGLO).**

**(a) Easement for Water Lines dated September 10, 2015**

Grantor: Fort Hancock East, Inc.  
Grantee: Esperanza Water Service Company, Inc.  
Property: Section 13, Block A, T&P Railway Co. Surveys, Hudspeth County, Texas  
Purpose: These were easements across Fort Hancock East's property for existing Esperanza Water Service Company, Inc. water lines and for lines from the old RO plant down to the RO ponds. One of these easements covers the Esperanza Water Service Company's distribution water line which runs parallel to FM 192 for purposes of serving the farms and customers east of McNary down towards Esperanza. The document describes a total of three easements.  
Recording Data: Filed for record October 16, 2015, Instrument No. 00000141971.

**II. Easements and Leases (TXGLO).**

**(b) State of Texas Groundwater Lease No. SL20130045 dated June 13, 2013**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: Exploring, evaluating, drilling for, producing, developing and extracting groundwater from the premises for potable municipal water use. This site is now for EWS two production wells completed in 2013 and put into production in 2014. This lease covers 160 acres located in Sections 35, 38, and 39, Block 74, Twp 6S, T&P Railway Co. Surveys.  
Term: 30 years, commencing 6/1/2013 and terminating 5/31/2043  
Recording Data: Recorded July 8, 2013, Instrument No. 00000138105

**(c) State of Texas Amendment to Groundwater Lease No. SL20130045 dated October 1, 2020**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: Exploring, evaluating, drilling for, producing, developing and extracting groundwater from the premises for potable municipal water use. This amendment to the lease covers 680 acres located in Sections 35, 38, and 39, Block 74, Twp 6S, T&P Railway Co. Surveys and includes an option to locate additional wells in the North ½ of Sections 46 and 47, Block 74, Twp 6S, T&P Railway Co.  
Recording Data: Recorded January 11, 2021, Instrument No. 00000151891.

**(d) State of Texas Miscellaneous Easement No. ME20130140 dated June 13, 2013**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: As a right of way to construct, maintain, operate, inspect, and repair one (1) 6-inch water line and one (1) access road  
Term: 30 years, commencing 6/1/2013 and terminating 5/31/2043  
Recording Data: Recorded July 8, 2013, Instrument No. 00000138104

**(e) State of Texas Amendment to Miscellaneous Easement No. ME20130140 dated September 25, 2020**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: To include an additional 1.99 acres surface area with the right to use the easement to include reverse osmosis system and related equipment  
Term: 30 years, commencing 08/01/2021 and terminating 5/31/2043  
Recording Data: Recorded November 3, 2020, Instrument No. 00000151595

**(f) State of Texas Miscellaneous Easement (Pipeline) No. ME20200132 dated September 25, 2020**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: As a right of way to construct, maintain, operate, inspect, and repair one (1) 4.5 inch O.D. pipeline for transporting RO wastewater and the rights of ingress and egress  
Term: 10 years, commencing 7/1/2020 and terminating 6/30/2030  
Recording Data: Recorded November 3, 2020, Instrument No. 00000151596

**(g) State of Texas Sanitary Control Easement dated March 26, 2014**

Lessor: Commissioner of the Texas General Land Office  
Lessee: Esperanza Water Service Company, Inc.  
Purpose: To protect the water supply of the wells by creating a sanitary control easement around the wells  
Recording Data: Recorded May 12, 2014, Instrument No. 00000139627