

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Todd Chenoweth, General Counsel  
Rebecca Trevino, Chief Financial Officer  
Joe Koen, Project Engineer

**FROM:** Annette Mass, Assistant General Counsel

**DATE:** December 28, 2018

**SUBJECT:** Request for a Partial Release of Lien

**ACTION REQUESTED**

Approval of a request from the Ben Wheeler Water Supply Corporation (Corporation) for a partial release of lien and authorization for the Executive Administrator to execute all necessary documents relating to the transaction.

**BACKGROUND**

In 2003 the Texas Water Development Board (TWDB) made commitment to the Corporation for \$458,000 from the Rural Water Loan Assistance Fund and subsequently closed the loan on December 4, 2004.

The TWDB currently holds the following debt of the Corporation:

Loan ID	Original Principal	Principal Remaining Balance	Call Date	Program	Type of Proceeds
1668	\$458,000	\$399,873.56	1/15/2015	RWAF	Taxable

As part of the pledged security for the loan, the TWDB holds a Deed of Trust and Security Agreement that creates a security interest in the real property of the Corporation as well as the personal property of the Corporation necessary to operate the system. Because the TWDB holds a security interest in the Corporation’s system, the TWDB must release from its lien, any portion of the property that the Corporation wishes to convey. In addition, pursuant to Section 2.03(k) of the Loan Agreement between the Corporation and the TWDB, the Corporation may not impair its title to the land used for the system without TWDB approval.

**Our Mission :** **Board Members**

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas :

- : Kathleen Jackson, Board Member | Peter Lake, Board Member
- :
- :
- :
- : Jeff Walker, Executive Administrator

**KEY ISSUES**

As explained in a letter from the Corporation's Engineer, Attachment B, the parcel of land is the site of a plugged well and a dismantled pump station that are of no use to the Corporation. The Corporation would like to release the parcel from the lien so it may transfer the property to the owner of the adjoining property.

The letter from the Corporation's Engineer additionally states that the Corporation meets all of the capacity requirements of the Texas Commission on Environmental Quality (TCEQ) without the well and pump station that are located on the parcel. The Corporation has submitted a site map and verification from the TCEQ that the well has been plugged. On May 15, 2017, the Corporation passed a motion to transfer the title of the parcel of land. According to the Van Zandt County Appraisal District, the value of the land is \$2,210.

**RECOMMENDATION**

Because the plugged well and dismantled pump station are of no use to the operation of the Corporation's system, the Executive Administrator recommends a release of lien be granted on the following parcel in Van Zandt County: Property ID R000022300.

Attachment(s):

- A- Proposed Resolution
- B- Letter and supporting documents from the Corporation

A RESOLUTION OF  
THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING A REQUEST OF  
BEN WHEELER WATER SUPPLY CORPORATION  
FOR PARTIAL RELEASE OF LIEN

(18- )

WHEREAS, the Texas Water Development Board (TWDB), through TWDB Resolution No. 03-56, made a commitment to provide financial assistance from the Rural Water Assistance Fund to the Ben Wheeler Water Supply Corporation (Corporation) through a loan in the amount of \$458,000; and

WHEREAS, the Corporation's debt to the TWDB is secured by a Deed of Trust and Security Agreements (the "Deeds of Trust") dated December 6, 2004, on the Corporation's water system assets; and

WHEREAS, the Corporation now desires to convey a parcel of land located in Van Zandt County, covered under the Deed of trust and more specifically identified in Attachment A hereto; and

WHEREAS, the Loan Agreement between the Corporation and the TWDB prohibit the Corporation from conveying the any parcel of land without prior TWDB approval; and

WHEREAS, the TWDB finds that the security pledged by the Corporation will be sufficient to meet the debt obligations of the Corporation, and that a limited release of this property from the Deed of Trust will not compromise the security offered by the Corporation nor impair the Corporation's ability to meet its debt obligations under the Loan Agreement; and

WHEREAS, the TWDB further finds that it is in the public interest for the TWDB to grant this partial release of lien in order to permit the Corporation to release the parcel of land from the Deed of Trust.

NOW THEREFORE, based on said considerations and findings, the Texas Water Development Board resolves as follows:

1. The TWDB approves a release from its lien on the following property:  
Property ID R00002230, in Van Zandt County
2. The Corporation will pay any and all costs of documentation and filing of the release of lien;
3. The Corporation must provide to the TWDB all relevant documents regarding the conveyance of the Properties; and
4. The TWDB authorizes the Executive Administrator to take all actions necessary to give effect to this Resolution.

APPROVED and ordered of record this the 11<sup>th</sup> day of January 2018.

TEXAS WATER DEVELOPMENT BOARD

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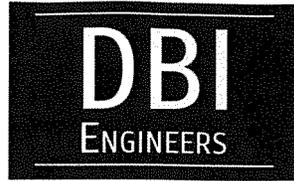
Peter Lake  
Authorized Representative of the  
Texas Water Development Board

DATE SIGNED: \_\_\_\_\_

ATTEST:

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Jeff Walker  
Executive Administrator



July 27, 2017

Mr. Todd Chenoweth  
General Counsel  
Texas Water Development Board  
P.O. Box 13231  
Austin, Texas 78711-3231

RE: Ben Wheeler WSC  
RWAFF Project No. 21490  
Partial Release of Lien and Transfer of Property

Dear Mr. Chenoweth:

Ben Wheeler Water Supply Corporation (BWWS) currently has a loan, with the TWDB and is in compliance with all of the requirements of the loan. BWWS has recently taken its Well and Pump Station #2 out of service. The water well has been plugged in accordance with the requirements of the TCEQ and the pump station has been dismantled. The well and pump station were taken out of service because the water quality from the water well continued to decline and significant iron treatment was required. Additionally, a new higher quality and quantity water well has recently been drilled at the BWWS office site which replaced the well at Pump Station #2.

BWWS meets all of the capacity requirements of the TCEQ without Well and Pump Station #2. Additionally, the site is land-locked and somewhat remote. Access to the site requires crossing the adjoining property owner's land.

BWWS respectfully requests approval to release of the property as collateral for the note and approval to transfer the property to the adjoining property owner.

Please let me know what additional information you may require or what questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddy W. Daniel".

Eddy W. Daniel, P.E.  
Corporation Engineer

cc: Mary Stone, Manager - Ben Wheeler WSC  
Rebecca Trevino, Chief Financial Officer - TWDB