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AGENDA ITEM MEMO

BOARD MEETING DATE: December 16, 2025

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Georgia Sanchez, Chief Financial Officer
Ashley Harden, General Counsel

FROM: Michael Perez, Assistant General Counsel
Alejandro Imatzu, Interim Director, Financial Compliance

SUBJECT: Union Water Supply Corporation's Request for Partial Release of Lien

ACTION REQUESTED

Consider approving a request from Union Water Supply Corporation (UWSC) for a partial release of lien and authorization of the Executive Administrator to take all necessary actions to give effect to this approval.

BACKGROUND

The Texas Water Development Board (TWDB) currently holds one UWSC loan with a principal amount currently outstanding of \$1,270,800 and a final payment date of February 1, 2044.

As part of the pledged security for the loans, the TWDB holds a Deed of Trust that creates a security interest in the real and personal property that comprises UWSC's system.

The United States Government identified a need to acquire a portion of a tract of land owned by the UWSC, which also secures TWDB's loan, as part of the "RGV 17 Mile Barrier Project". The 1.262-acres of land identified is immediately south of UWSC's older water treatment plant and adjacent to the Rio Grande River. The older water treatment plant is no longer in operation and UWSC has no current plans to rehabilitate it. UWSC has submitted an offer to sell the tract of land to the United States Government for \$68,852.

By letter dated November 19, 2025, UWSC asks the Board to approve a release lien on the 1.262-acres of land.

[Our Mission](#)

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Leading the state's efforts
in ensuring a secure
water future for Texas

L'Oreal Stepney, P.E., Chairwoman | W. Brady Franks, Board Member | Ashley Morgan, Board Member
Bryan McMath, Executive Administrator

KEY ISSUES

Staff has reviewed the impact that releasing the lien on the identified property will have on UWSC's ability to repay its outstanding loan with TWDB. Staff has concluded that this limited release of property from the Deed of Trust will not impair UWSC's ability to repay its TWDB loan.

RECOMMENDATION

As there is no adverse effect to UWSC's ability to repay its TWDB loan, the Executive Administrator recommends that the Board approve a partial release of lien limited to the identified property.

LEGAL/SPECIAL CONDITIONS

- UWSC shall pay all costs of documentation and filing of the partial release of lien.
- UWSC must provide the TWDB with relevant documents concerning the sale of the identified property and the partial release of lien.

Attachment(s):

1. Proposed Resolution (25-)
2. Letter from Union Water Supply Corporation

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

(25-)

Recitals:

The Texas Water Development Board (TWDB) currently owns one debt obligation of Union Water Supply Corporation (Corporation) in the original principal amount of \$1,665,000 identified as L1000072.

The Corporation's debt obligation is secured by an executed and recorded Deed of Trust and Security Agreement (Deed of Trust), pursuant to which the Corporation granted the TWDB a security interest in its properties and assets, including all improvements, and any other property, both real and personal described in the Deed of Trust.

The United States Government identified a need to acquire a tract of land owned by the Corporation and which is also securing the Corporation's debt obligation to TWDB.

The Corporation has submitted an offer to sell the tract of land to United States Government.

The Corporation has submitted a request to TWDB for a release of lien on the 1.262-acre tract of land.

The TWDB finds that the sale of the tract of land will not impair the ability of the Corporation to meet its obligations to TWDB under the Corporation's debt obligations.

The TWDB finds it is in the public interest for TWDB to grant a partial release of lien and to consent to the Corporations sale of property of the identified tract of land.

NOW THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

1. The TWDB approves the release of lien and security interest and consents to the sale of the identified the tract of land to the United States Government.
2. The TWDB authorizes the Executive Administrator to execute a release of lien to the identified property and any other documents necessary to give effect to this Resolution upon all conditions having been met.

Such approval is conditioned as follows:

1. The Corporation shall pay all costs of documentation of filing the partial release of lien.
2. The Corporation must provide TWDB with relevant documents concerning the sale of the identified property and the partial release of lien.

APPROVED and ordered of record this the 16th day of December, 2025.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator

ROMERO MOLINA
ATTORNEY AND COUNSELOR AT LAW
504 NORTH BRITTON AVENUE
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November 19, 2025

Michael Perez
Assistant General Counsel, Office of General Counsel
Texas Water Development Board
1700 Congress Ave.,
Austin, TX 78701

Re: Request for Partial Release of Lien concerning a portion of Tract 1: (Old Water Plant) of a Union Water Supply Corporation Deed of Trust and Security Agreement dated December 20, 2013, recorded in Volume 1405, Page 321, Official Records, Starr County, Texas, executed by UNION WATER SUPPLY CORPORATION, in favor of EXECUTIVE ADMINISTRATOR OF THE TEXAS WATER DEVELOPMENT BOARD, Trustee, securing the payment of one note in the principal amount of \$2,995,875.00, and any other amounts payable under the terms of said Deed of Trust, payable as therein provided to the order of TEXAS WATER DEVELOPMENT BOARD.

Dear Mr. Perez:

I am counsel for Union Water Supply Corporation and have been authorized by them to issue this correspondence to you on their behalf.

Reference is herein made to a request that has been made to Union Water Supply Corporation by the United States of America to acquire a parcel of land owned by Union Water Supply Corporation and of which the Texas Water Development Board has a security interest and lien upon. The United States of America has informed us that acquisition of said tract is necessary for the completion of a "Border Wall Project" which they are in the process of constructing along the Rio Grande River. The property they wish to acquire is a portion of a water plant that has been replaced by a new location and which the Corporation has no immediate plans of operating in the future, except in case of an "Emergency", which the Corporation does not foresee occurring now or in the foreseeable future.

As such, we have forwarded to United States of America an "Offer to Sell", a copy of which is attached hereto as an exhibit.

In order to finalize the acquisition by the United States of America, it will be necessary to secure from the Texas Water Development Board, a "partial release of lien" of the instrument described above concerning the property covered by the Exhibit attached hereto, consisting of a portion of the "Old Water Plant".

We would request that you consider and approve this request so this property may be secured by the United States and the Border Wall project proceed without further delay.

If you require any further information to act on our request please contact me at your convenience.

Very Truly Yours,

A handwritten signature in black ink that reads "Romero Molina". The signature is written in a cursive style with a large, sweeping initial 'R'.

Romero Molina

Attorney for

Union Water Supply Corporation

Enc.