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Official Electronic Mail Sent Via Email. No hard copy to follow.

April 15, 2026

Angelica Cantu
Acting Assistant Utilities Director
City of Laredo
acantu1@ci.laredo.tx.us

Re: State Fiscal Year 2026 Drinking Water State Revolving Fund Lead Service Line Replacement Funding Application Invitation (Equivalency)

Dear Ms. Cantu:

Congratulations! We are pleased to invite the **City of Laredo** to submit an application for funding through the Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF) Lead Service Line Replacement (LSLR) Program.

The project is listed in the Intended Use Plan (IUP) as being eligible to receive funding, as shown below:

Project Description	Lead Service Line Inventory and Replacement
Project Information Form (PIF) Number	17149
Eligible Phases	PDC
Eligible Project Cost	\$ 43,064,898.10

The maximum commitment amount for the planning, design, and construction phases for the replacement of service lines is based on the total number of known eligible lead or galvanized service lines requiring replacement.

Principal Forgiveness Eligibility

All financing through the LSLR program will be made at the ratio of 51 percent principal forgiveness and 49 percent loan/bond. The financed portion of the approved project covering the service line inventory will carry a zero percent (0%) interest rate. The financed portion of the financial assistance must include the two percent (2%) loan origination fee. The TWDB recommends consulting with bond counsel about issuing taxable bonds for the inventory portion.

Because all financial assistance will include financing, your system should ensure that your entity can take on a loan/bond, and you have accounted for the costs associated with a loan/bond in your project estimates on your full application.

Required Documentation and Deadlines

To be considered for funding under the State Fiscal Year (SFY) 2026 DWSRF LSLR Program, please follow the requirements below:

- 1) **Submit the Intent to Apply form to DWSRF@twdb.texas.gov by 5:00 P.M., CST on May 13, 2026.** Failure to fully complete and submit the Intent to Apply form by the deadline will remove the project from funding consideration, permitting the TWDB to invite, in rank order, additional projects on the project priority list.
- 2) **The completed application must be received by the TWDB staff no later than 5:00 P.M., CST on June 10, 2026.** Applications will not be accepted after the deadline. Early submission is recommended for an expedited review. Please visit our website at www.twdb.texas.gov/financial/applications/ to access submission instructions, guidance documents, and frequently asked questions.
 - **Entities must submit a completed application form (TWDB-0148 or TWDB-0150) by email only to DWSRF@twdb.texas.gov** with the subject line of “LSLR Application Submittal for [ENTER YOUR SYSTEM NAME]” on the email. *Note: The TWDB is not able to use the Online Loan Application System (OLA) for these submittals.*
- 3) **A pre-application meeting is required** for all DWSRF LSLR projects to ensure that the applicant and the corresponding TWDB staff discuss the project and ask initial questions prior to application submission.

After submitting an Intent to Apply form, please contact Ms. Diana Sanchez by phone at 512-475-1554 or by e-mail at Diana.Sanchez@twdb.texas.gov to schedule a pre-application meeting with Regional Water Project Development (RWPD) Team 6.

Please take note of the following tips and reminders:

- If applicants requesting an SRF loan intend to sell bonds to the TWDB, a financial advisor and bond counsel are required. We highly encourage engagement with these consultants prior to submitting the application.
- Because the inventory financing carries a zero percent (0%) interest rate, the TWDB recommends speaking with bond counsel about issuing taxable bonds for the inventory portion.
- Please ensure to reflect any changes to the project amount in both the Intent to Apply form and the application budget.
- For bond purposes only, the TWDB SRF-financed amounts must be rounded up to the nearest \$5,000. Please round up any loan/bond totals in the application budget and confirm the dollar amounts with your TWDB project team before passing resolutions to minimize adjustments during the review period.

Angelica Cantu
April 15, 2026
Page 3

We look forward to working with the City of Laredo and are committed to providing exceptional service and timely responses to all inquiries. Should you have any questions or concerns, please contact Rebekkah Sandt, Engineer, by phone at 512-475-1977 or by email at DWSRF@twdb.texas.gov.

Sincerely,

Marvin Cole-Chaney

Marvin Cole-Chaney
Director, Program Administration and Reporting
Water Supply and Infrastructure

Attachment: Intent to Apply Form

cc: Eliud De Los Santos, City of Laredo - edelossant@ci.laredo.tx.us
Clay Schultz, Team Manager; RWPD Team 6 –
wsi-rwpd-team6@twdb.texas.gov
WSI-RWPD-Applications@twdb.texas.gov