



Mr. Ramon Chavez
Assistant City Manager
City of Laredo
1110 Houston Street
Laredo, Texas 78040

RE: Request for Water Service Connection Outside City Limits Pursuant to Section 31-3 of the City of Laredo Code of Ordinances

Dear Mr. Chavez:

On behalf of Webb County Municipal Utility District No. 1, also known as World Logistics Park (the "District"), we respectfully submit this request for potable water service from the City of Laredo for property located outside the current city limits pursuant to Section 31-3 of the City of Laredo Code of Ordinances, which authorizes the extension of water service outside the city limits for industrial development.

The proposed development consists of approximately 605 developable acres intended exclusively for industrial use. At ultimate build-out, the project is anticipated to contain approximately 8,000,000 square feet of industrial warehouse and logistics space across approximately 60 industrial lots. The development is intended to support continued industrial growth, job creation, and economic development within Webb County and the greater Laredo region and has already attracted major industrial users, including Amazon. As contemplated under Section 31-3, this request is consistent with the City's existing authority and longstanding practice of providing utility service to industrial developments located outside municipal boundaries.

Based on the anticipated number of service connections and the proposed developable acres, please see the chart below for the City of Laredo anticipated flows based on recommendations from the City of Laredo Utilities Department.

Water Distribution Calculations				
12' Water line provided to site from the COL lines at Reuthinger and I-35 and connect to the distribution system within World Logistics Park (already constructed)				
	Residential (lots)	Commercial (acres)	Industrial (acres)	Multi-family (units)
Quantity			605.00	
Flow Rate (gal/min)	0.00	0.00	52.52	0.00
Peak Flow Rate (gal/min)	0.00	0.00	131.29	0.00

Total Flow Rate (gal/min)	52.52
Total Peak Factor (gal/min)	131.29

Equation

Industrial

$(\# \text{ of Acres}) * (5 * \text{people/acre}) * (25 \text{ gallons/person-day}) * (1 \text{ day} / 24 \text{ hrs}) * (1 \text{ hr} / 60 \text{ min})$

*As per City of Laredo Recommendation

At ultimate build-out, the industrial lots are anticipated to consist primarily of warehouse and logistics users, with each lot employing approximately 20 to 30 personnel. Based on these assumptions, the project is expected to support approximately 1,200 to 1,800 direct jobs within the development. The resulting economic activity will further strengthen the industrial base of the region and generate additional commercial activity that benefits both Webb County and the City of Laredo.

In addition to the significant employment opportunities anticipated within the development, the project represents a substantial private-sector investment to the City of Laredo and Webb County. Based on the anticipated development of approximately 8,000,000 square feet of industrial warehouse and logistics facilities, the total private investment is expected to exceed several hundred million dollars and may ultimately approach or exceed one billion dollars as the project reaches full build-out. This investment will generate long-term economic benefits for the region through job creation, construction activity, increased commercial activity, and continued expansion of the Laredo logistics and industrial market.

The District's preference is for the City to provide individual water meters to each user and/or lot within the development rather than utilizing a single master meter arrangement. We believe this structure provides several benefits to the City, including:

- Improved administration and regulation of utility rates;
- Greater operational transparency and accountability among end users;
- Increased utility connections and customer accounts for the City's water system; and
- A scalable framework for future industrial developments seeking similar utility partnerships with the City.

The District acknowledges that extended water infrastructure may occasionally require flushing due to line stagnation. To address this concern, Webb County Municipal Utility District No. 1 is willing to assume responsibility for any reasonable costs incurred by the City associated with flushing water lines attributable to stagnation conditions resulting from the development.

Further, all offsite infrastructure required to serve the development, including but not limited to the extension of water lines from the nearest City connection point and any hydropneumatic tanks, booster pumps, pressure improvement facilities, or related infrastructure necessary to maintain adequate system pressure, shall be designed, constructed, and funded solely by the developer and/or the District. The District is not requesting that the City incur any capital costs associated with extending service to the project, unless any upgrade is requested by the City that is above and beyond the scope of work to World Logistics Industrial Park.

The District and its developers have already made substantial investments in the project through the planning, design, permitting, and construction of critical public infrastructure necessary to support industrial development. Significant expenditures have been incurred for roadway improvements, drainage facilities, utility infrastructure, and other public improvements required to facilitate development within the project area. These investments reflect the District's long-term commitment to creating a premier industrial and logistics development that will contribute to the economic growth of Webb County and the greater Laredo region. The requested water service connection represents a logical extension of these efforts and will help ensure that existing and future users have access to the infrastructure necessary to support continued development and operations.

Fire-flow requirements for individual industrial users are anticipated to be addressed on a site-by-site basis at the time each lot is developed. Due to the size and nature of anticipated warehouse and industrial users, each end user will be responsible for determining its required fire-flow demand in accordance with applicable fire code, insurance, and authority-having-jurisdiction requirements and for providing any necessary onsite fire protection infrastructure, including private fire storage tanks, pumps, sprinkler systems, and related improvements. Accordingly, the District's request is intended to address domestic and operational potable water demand only and does not request that the City provide project-wide fire-flow capacity for the development.

The District further notes that it is not seeking annexation of the project area at this time. Webb County Municipal Utility District No. 1 was established following an extensive formation process that required approximately two and one-half years to complete and involved substantial expenditures by the developer and landowners. The District was specifically created to finance, construct, operate, and maintain public infrastructure necessary to support industrial development within the project area.

Additionally, the District anticipates issuing bonds in the near future to reimburse eligible infrastructure costs previously incurred in connection with the development. Maintaining the District's current status is therefore important to preserving the financial framework upon which the project has been planned and developed.

Furthermore, the District is presently positioned to provide and coordinate many of the local services and infrastructure needs associated with the development. As such, annexation is not necessary to facilitate the orderly development of the project or the provision of essential services at this time. The District believes that the requested water service arrangement provides a practical and mutually beneficial solution that allows the City to expand utility service, generate additional utility revenue, and support regional economic development while permitting the District to continue fulfilling its intended role as the local provider of infrastructure and services for the project area.

Accordingly, the District's request is limited solely to the provision of potable water service pursuant to Section 31-3 of the City of Laredo Code of Ordinances and should not be construed as a request for annexation or a commitment to future annexation. The District respectfully requests that the City evaluate this request independently of any annexation considerations and based upon the merits of the proposed industrial development, the economic benefits it will bring to the region, and the District's commitment to fund all infrastructure necessary to facilitate service.

Importantly, this request is not unprecedented. Several industrial users and developments in the Mines Road corridor currently receive water service from the City of Laredo while remaining outside the municipal boundaries under similar arrangements. Accordingly, the District believes this request is reasonable, consistent with existing practices, and aligned with the City's longstanding support of industrial development throughout the region.

This request also presents an opportunity to establish a framework for future industrial developments outside the current city limits to purchase potable water from the City in a manner that supports continued economic growth while maintaining the City's oversight and administration of utility services.

Given the active industrial development occurring within the project, time is of the essence. Multiple users are currently under construction or nearing completion within the development and are preparing to commence operations in the near term. Additionally, Amazon has already commenced development of its facility within the project area, further demonstrating the immediate need for reliable potable water service. Timely consideration of this request is therefore critical to supporting existing development commitments, facilitating ongoing construction activity, and ensuring that current and future users have access to the utility infrastructure necessary to operate successfully.

Accordingly, the District respectfully requests approval of potable water service to the project pursuant to Section 31-3 and welcomes the opportunity to meet with City staff to discuss any technical, engineering, or administrative requirements necessary to implement service.

Thank you for your time and consideration. We appreciate the City's continued collaboration and look forward to working together toward a successful solution that benefits both the City of Laredo and the continued industrial growth of the region.

Respectfully submitted,

WEBB COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
(World Logistics Park)

By: _____

Name: Ricardo M. Villarreal

Title: MUD Engineer

Exhibit "A"



Exhibit "B"



