"City of Choice"

City of Cibolo and City of Schertz Joint Council Workshop

Thursday, October 22, 2026, 6:30 PM
Hal Baldwin Municipal Complex Council Chambers
1400 Schertz Parkway Building #4
Schertz, Texas 78154

1. Call to Order

2. Roll Call and Excused Absences

3. Invocation

4. Pledge of Allegiance

5. Citizens to be Heard

This is the only time during the Council Meeting that a citizen can address the City Council. It is the opportunity for visitors and guests to address the City Council on any issue to include agenda items. All visitors wishing to speak must fill out the Sign-In Roster prior to the start of the meeting. City Council may not deliberate any non-agenda issue, nor may any action be taken on any non-agenda issue at this time; however, City Council may present any factual response to items brought up by citizens. (Attorney General Opinion - JC-0169) (Limit of three minutes each.) All remarks shall be addressed to the Council as a body. Remarks may also be addressed to any individual member of the Council so long as the remarks are (i) about matters of local public concern and (ii) not disruptive to the meeting or threatening to the member or any attendee including City staff. Any person violating this policy may be requested to leave the meeting, but no person may be requested to leave or forced to leave the meeting because of the viewpoint expressed.

6. Discussion/Direction

6.A. Discussion/Review on the purpose of CVLGC according to the Articles of Incorporation.

6.B. Discussion on the City of Cibolo and City of Schertz Water Portfolios and Projected Future Water Needs

6.C. Discussion/Direction on how CVLGC can Support each City's Goals

6.D. Discussion/Direction on the Framework of a Transaction for the Sale or Lease of the CVLGC's Water Assets

6.E. Discussion/Update on the Timeline of CVLGC's Review of Offers

7. Adjournment

This Notice of Meeting is posted pursuant to the Texas Government Code 551.041 - .043 on the front bulletin board of the Cibolo Municipal Building, 200 South Main Street, Cibolo, Texas which is a place readily accessible to the public at all times and that said notice was posted on

Valerie A. Chapman, TRMC

City Secretary

Pursuant to Section 551.071, 551.072, 551.073, 551.074, 551.076, 551.077, 551.084 and 551.087 of the Texas Government Code, the City of Cibolo reserves the right to consult in closed session with the City Attorney regarding any item listed on this agenda. This agenda has been approved by the city's legal counsel and subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551. This has been added to the agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144.

A possible quorum of Council, committees, commissions, boards and corporations may attend this meeting.

This facility is wheelchair accessible and accessible parking space is available. Request for accommodation or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (210) 566-6111. All cell phones must be turned off before entering the Council Meeting.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the_____day of_____2026.

_____

Name and Title

Date Posted: October 16, 2026 04:04 pm

City of Cibolo

City of Cibolo and City of Schertz Joint Council Workshop Staff Report

A. Discussion/Review on the purpose of CVLGC according to the Articles of Incorporation.

Meeting	Agenda Group
Thursday, October 22, 2026, 6:30 PM	Discussion/Direction Item: 6A.

From
Valerie Chapman, City Secretary

PRIOR CITY COUNCIL ACTION:

The Articles of Incorporation for the Cibolo Valley Local Government Corporation (CVLGC) were filed with the State of Texas in July 2011, to include the cities of Cibolo, Schertz, Seguin, Converse, and Selma. An amendment to the Articles of Incorporation was filed in September 2014, naming the cities of Cibolo and Schertz as the only remaining members of CVLGC. Article IV of the amended Articles of Incorporation state the purpose of CVLGC is to aid, assist, and act on behalf of Cibolo and Schertz (collectively, "Cities") in acquiring, constructing, leasing, improving, enlarging, extending, repairing, maintaining, and operating a water utility system (the "project") pursuant to the provisions of Chapter 522 of the Texas Local Government Code, as amended ("Chapter 522"), and other applicable laws.

BACKGROUND:

The purpose for which the Corporation is organized are as follows per Article IV in the Articles of Incorporation

a. to aid, assist, and act on behalf of Cibolo and Schertz (collectively, "Cities") in acquiring, constructing, leasing, improving, enlarging, extending, repairing, maintaining, and operating a water utility system (the "project") pursuant to the provisions of Chapter 552 of the Texas Local Government Code, as amended ("Chapter 552"), and other applicable laws of the State;
b. to aid, assist, and act behalf of tile Cities in accomplishing a governmental purpose of the Cities in the provision of water for public use;
c. to engage in activities permitted under the laws of the State, including, but not limited to, Chapter 552 and to own and operate all property, real, personal, or mixed, and conduct such activities as are now or hereafter permitted under the laws of the State, including, but not limited to, Chapter 552, and as are convenient or necessary to the ownership, maintenance, and operation of the Project;
d. to receive, hold, administer, and disburse any money, securities, or other property which may be transferred to the Corporation by gift, devise, bequest, or otherwise, for any of the uses or purposes set forth above, and to invest, lend, conserve, use, and disburse such money, securities, or other property, and the Income derived therefrom, for the uses and purposes herein specified, in accordance with the judgment and discretion of the Board of Directors;
e. to purchase, exchange, contract for, lease, rem; and in any and all other ways acquire, take, own, improve, and hold and to sell, convey, mortgage, lease, rent to others, or otherwise dispose of real estate, improvements in real estate, interests in real estate, and personal property of every kind, character, and description;
f. to borrow money or raise money and to issue notes, bills, bonds, and other obligations and to mortgage, pledge, hypothecate, or otherwise encumber any and all of the revenues and assets of the Corporation as security therefor for the purpose of carrying out the goals of the Corporation; and

g. to do any and all things necessary or convenient to the accomplishment of any of the purposes or for the exercise of any of the powers herein set forth, whether herein specified or not, either alone or in connection with other firms, individuals, or corporations, whether in the State or throughout the United States, and elsewhere.

Further, the Article IV concludes, "The Corporation shall have the purposes and powers permitted by the Act, but the Corporation does not have, and shall not exercise the powers of sovereignty of the Cities, including the power to tax, the power of eminent domain, and police power. However, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code, as amended), the Corporation is a governmental unit and its actions are governmental functions."

STAFF RECOMMENDATION:

N/A

FINANCIAL IMPACT:

N/A

MOTION(S):

N/A

Attachments

1. CVLGC-Articles of Incorp Original 2011-07-11
2. CVLGC-Articles of Incorporation Amend #4 FILED 2014-09-08

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

Cibolo Valley Local Government Corporation
File Number: 801451363

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above corporation pursuant to the provisions of the Local Government Corporation Act have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated: 07/11/2011

Effective: 07/11/2011

Hope Andrade
Secretary of State

ORIGINAL COPY

FILED
In the Office of the
Secretary of State of Texas

JUL 11 2011

Corporations Section

ARTICLES OF INCORPORATION OF THE CIBOLO VALLEY LOCAL GOVERNMENT CORPORATION

We, the undersigned natural persons, each of whom is eighteen (18) years of age or older, a resident of the City of Cibolo, Texas ("Cibolo"), the City of Converse, Texas ("Converse"), the City of Schertz, Texas ("Schertz"), the City of Seguin, Texas ("Seguin"), or the City of Selma, Texas ("Selma"), and a citizen of the State of Texas (the "State"), acting as incorporators of a nonprofit corporation (the "Corporation") created in accordance with the provisions of the Texas Transportation Corporation Act, Chapter 431 of the Texas Transportation Code, as amended (the "Act"), and the Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, as amended ("Chapter 394"), hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the Corporation is the Cibolo Valley Local Government Corporation.

ARTICLE II

The Corporation is a public, nonprofit corporation.

ARTICLE III

Subject to the provisions of Article XV hereof, the period of its duration is perpetual.

ARTICLE IV

The purposes for which the Corporation is organized are as follows:

(a) to aid, assist, and act on behalf of Cibolo, Converse, Schertz, Seguin, and Selma (collectively, the "Cities") in acquiring, constructing, leasing, improving, enlarging, extending, repairing, maintaining, and operating a water utility system (the "Project") pursuant to the provisions of Chapter 552 of the Texas Local Government Code, as amended ("Chapter 552"), and other applicable laws of the State;

(b) to aid, assist, and act on behalf of the Cities in accomplishing a governmental purpose of the Cities in the provision of water for public use;

(c) to engage in activities permitted under the laws of the State, including, but not limited to, Chapter 552 and to own and operate all property, real, personal, or mixed, and conduct such activities as are now or hereafter permitted under the laws of the State, including, but not limited to, Chapter 552, and as are convenient or necessary to the ownership, maintenance, and operation of the Project;

(d) to receive, hold, administer, and disburse any money, securities, or other property which may be transferred to the Corporation by gift, devise, bequest, or otherwise, for any of the uses or purposes set forth above, and to invest, lend, conserve, use, and disburse such money,

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securities, or other property, and the income derived therefrom, for the uses and purposes herein specified, in accordance with the judgment and discretion of the Board of Directors;

(e) to purchase, exchange, contract for, lease, rent, and in any and all other ways acquire, take, own, improve, and hold, and to sell, convey, mortgage, lease, rent to others, or otherwise dispose of real estate, improvements in real estate, interests in real estate, and personal property of every kind, character, and description;

(f) to borrow money or raise money and to issue notes, bills, bonds, and other obligations and to mortgage, pledge, hypothecate, or otherwise encumber any and all of the revenues and assets of the Corporation as security therefor for the purpose of carrying out the goals of the Corporation; and

(g) to do any and all things necessary or convenient to the accomplishment of any of the purposes or for the exercise of any of the powers herein set forth, whether herein specified or not, either alone or in connection with other firms, individuals, or corporations, whether in the State or throughout the United States, and elsewhere.

The Corporation shall have the purposes and powers permitted by the Act, but the Corporation does not have, and shall not exercise the powers of sovereignty of the Cities, including the power to tax, the power of eminent domain, and police power. However, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code, as amended), the Corporation is a governmental unit and its actions are governmental functions.

The Corporation is formed as a local government corporation pursuant to the provisions of Subchapter D of the Act.

ARTICLE V

(a) Before the consummation of the sale and delivery of any bonds or notes, the Corporation shall obtain approval by the governing body of each of the Cities (collectively, the "Governing Bodies") as evidenced by the adoption of written resolutions.

(b) In the exercise of the powers of the Corporation, the Corporation may enter into loan, lease, trust, or other agreements as authorized by the Act that are necessary and appropriate to the fulfillment of the public purpose of the Corporation, all of which agreements, and the specific uses, and the method of withdrawals and expenditure of the proceeds of the bonds or notes, and must be included as a part of the approval process of the Governing Bodies required by paragraph (a) above.

ARTICLE VI

The Corporation shall have no members and shall be a nonstock corporation.

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ARTICLE VII

The Governing Bodies have, by resolutions adopted on February 22, 2011 (Cibolo), June 14, 2011 (Converse), March 15, 2011 (Schertz), December 21, 2010 (Seguin), and June 7, 2011 (Selma), authorized the creation of the Corporation and approved these Articles of Incorporation and the Corporation's Bylaws pursuant to Subchapter D of the Act.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given under the Act, Chapter 394, Chapter 552, and under the general laws of the State to nonprofit corporations incorporated under the Texas Nonprofit Corporation Law (now known as Chapter 22 of Title 1 of the Texas Business Organizations Code, as amended) which are consistent with the provisions of the Act with respect to the development and operation of the Project together with all powers incidental thereto or necessary therefor.

The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to nonprofit corporations in the State and which are necessary or useful for the development and operation of the Project.

The Corporation is a constituted authority and a public instrumentality within the meaning of the regulations of the United States Treasury Department and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to section 103 of the Internal Revenue Code of 1986, as amended, and the Corporation is authorized to act on behalf of the Cities as provided in these Articles of Incorporation. However, the Corporation is not a political subdivision or political corporation of the State within the meaning of its constitution and laws, including, without limitation, Article III, Section 52 of the constitution, and no agreements, bonds, debts, or obligations of the Corporation are or shall ever be deemed to be the agreements, bonds, debts, or obligations, or the lending of credit, or a grant of public money or thing of value, of or by the Cities or any other political corporation, subdivision, or agency of the State, or a pledge of the faith and credit of any of them. However, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practice and Remedies Code, as amended), the Corporation is a governmental unit and its actions are governmental functions.

ARTICLE VIII

These Articles of Incorporation may at any time and from time to time be amended as provided in the Act and Chapter 394 so as to make any changes therein and add any provisions thereto which might have been included in the Articles of Incorporation in the first instance. Any such amendment shall be effected in either of the following manners: (i) the members of the Board of Directors of the Corporation shall file with each of the Governing Bodies, a written application requesting permission to amend the Articles of Incorporation, specifying in such application the amendments proposed to be made, the Governing Bodies may consider such application and, if they shall each by appropriate resolution duly find and determine that it is advisable that the proposed amendments be made and shall approve the form of the proposed amendments, then the Board of Directors of the Corporation may amend the Articles of Incorporation by adopting such amendments at a meeting of the Board of Directors and delivering the articles of amendment to the Secretary of State; or (ii) the Governing Bodies may collectively, at their sole discretion, and at any time, amend these Articles of Incorporation, and

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change the structure, organization, programs, or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act and any limitation provided by the Constitution and general laws of the State and the United States of America on the impairment of contracts entered into by the Corporation), by written resolution adopting the amendment to the Articles of Incorporation of the Corporation or articles of dissolution at a meeting of each of the Governing Bodies and delivering articles of amendment or dissolution to the Secretary of State, as provided in the Act and Chapter 394. Restated articles of incorporation may be filed with the Secretary of State as provided in the Act and Chapter 394.

ARTICLE IX

The Corporation shall be subject to the Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, and the Public Information Act, Chapter 552 of the Texas Government Code, as amended.

ARTICLE X

The street address of the initial registered office of the Corporation is 600 River Drive West, Seguin, TX 78155, and the name of its initial registered agent at such address is R. Alan Cockerell.

ARTICLE XI

The initial Bylaws of the Corporation shall be adopted by the Corporation's Board of Directors and shall, together with these Articles of Incorporation, govern the initial affairs of the Corporation until and unless amended in accordance with the provisions of the Act and Chapter 394 and these Articles of Incorporation. The Bylaws and each amendment and repeal of the Bylaws must be approved by each of the Governing Bodies by resolution.

ARTICLE XII

The number of directors constituting the initial Board of Directors of the Corporation is five (5). One (1) director has initially been appointed by each of the Governing Bodies. The names and addresses of the persons who are to serve as the initial Board of Directors, each of whom is a resident of one of the Cities are as follows:

Lesley Pedde	200 South Main Cibolo, Texas 78108
Shawna Dowell	403 South Seguin Converse, Texas 78109
Justin Murray	1400 Schertz Parkway Schertz, Texas 78154
Robert Crabb	205 North River Street Seguin, Texas 78156

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William Weeper	9375 Corporate Drive Selma, Texas 78154-1250

ARTICLE XIII

The name and street address of each incorporator, each of whom is a resident of one of the Cities are as follows:

Jennifer Hartman	200 South Main Cibolo, Texas 78108
Al Suarez	403 South Seguin Converse, Texas 78109
Hal Baldwin	1400 Schertz Parkway Schertz, Texas 78154
Betty Ann Matthies	205 North River Street Seguin, Texas 78156
Tom Daly	9375 Corporate Drive Selma, Texas 78154-1250

ARTICLE XIV

No director shall be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director, except to the extent the director is found liable, (i) for any breach of the director's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith that constitute a breach of duty or which involve intentional misconduct of the director or a knowing violation of law, (iii) for any transaction from which the director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the director's office, or (iv) for acts or omissions for which the liability of a director is expressly provided by statute. Any repeal or amendment of this Article by the Board of Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director existing at the time of such repeal or amendment. In addition to the circumstances in which a director is not personally liable as set forth in the preceding sentences, a director shall not be liable to the fullest extent permitted by an amendment to the State statutes hereafter enacted that further limits the liability of a director.

ARTICLE XV

(a) The Governing Bodies, by written resolutions, may authorize and direct the dissolution of the Corporation. However, the Corporation shall not be dissolved, and its business shall not be terminated, by act of the Governing Bodies or otherwise, so long as the Corporation shall be obligated to pay any bonds, notes, or other obligations.

(b) No action shall be taken pursuant to paragraph (a) of this Article or pursuant to paragraph (b) of Article XVI of these Articles of Incorporation, in any manner or at any time that

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would impair any contract, lease, right, or other obligation theretofore executed, granted, or incurred by the Corporation.

ARTICLE XVI

(a) All properties owned by the Corporation shall be held for the use and benefit of the public on a nondiscriminatory basis. No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses and other obligations shall be distributed to or inure to the benefit of its directors or officers, or any individual, private firm, or private corporation or association, except in reasonable amounts for services rendered.

(b) If, after the close of any fiscal year (as determined by the Bylaws), the Board of Directors shall determine that sufficient provision has been made for the full payment of all current expenses, together with all amounts payable on the contracts, agreements, bonds, notes, and other obligations of the Corporation, and that all of the terms, provisions, and covenants therein have been met, then any net earnings derived from sources thereafter accruing in connection with public facilities financed pursuant to the Act, and revenues received in connection with public facilities financed pursuant to the Act shall be used solely for the purposes permitted by the Act and these Articles of Incorporation.

(c) If the Corporation ever should be dissolved when it has, or is entitled to, any interest in any funds or property of any kind, real, personal or mixed, such funds or property or rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the Cities, on an equal basis, after satisfaction of debts and claims.

ARTICLE XVII

The Corporation may indemnify any director, officer, employee or agent or former director, officer, employee, or agent of the Corporation for expenses and costs, including attorney's fees, actually or necessarily incurred by the person in connection with any claim asserted against the person, by action in court or other forum, by reason of such person having been a director, officer, employee or other agent, except that the Corporation may not provide indemnity in a matter if the director, officer, employee, or agent is guilty of negligence or misconduct in relation to the matter.

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IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of June, 2011.

Jennifer Hartman, Incorporator

Al Suarez, Incorporator

Hal Baldwin, Incorporator

Betty Ann Matthies, Incorporator

Tom Daly, Incorporator

ORIGINAL COPY

STATE OF TEXAS §
§
COUNTY OF Guadalupe §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Jennifer Hartman, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 20 day of June, 2011.

[SEAL]

PEGGY CIMICS
Notary Public, State of Texas
My Commission Expires
August 07, 2014

Peggy Cimics
Notary Public in and for the State of Texas
Printed Name: Peggy Cimics
My Commission Expires: 8-7-14

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ORIGINAL COPY

STATE OF TEXAS §
§
COUNTY OF Bexar §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Al Suarez, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 8th day of July, 2011.

[SEAL]

Notary Public in and for the State of Texas
Printed Name: A. I. Hieronymus
My Commission Expires: July 31, 2011

A. I. HIERONYMUS
MY COMMISSION EXPIRES
July 31, 2011

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COPY

STATE OF TEXAS §
§
COUNTY OF Guadalupe §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Hal Baldwin, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 7th day of July, 2011.

[SEAL]

BRENDA LOUISE DENNIS
NOTARY PUBLIC
STATE OF TEXAS
My Commission Expires 11-03-2014

Brenda Louise Dennis
Notary Public in and for the State of Texas
Printed Name: Brenda Louise Dennis
My Commission Expires: 11-03-2014

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STATE OF TEXAS §
§
COUNTY OF Guadalupe §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Betty Ann Matthies, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 7th day of June, 2011.

[SEAL]

NAOMI J. MANSKI
Notary Public
State of Texas
My Comm. Exp. 08-15-2014

Naomi J. Manski
Notary Public in and for the State of Texas
Printed Name: Naomi J. Manski
My Commission Expires: 8-15-2014

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STATE OF TEXAS §
§
COUNTY OF Guadalupe §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Tom Daly, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 20th day of June, 2011.

[SEAL]

KENNETH E. ROBERTS
My Commission Expires
September 26, 2013

Notary Public in and for the State of Texas
Printed Name: Kenneth E. Roberts
My Commission Expires: 9/26/2013

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Resolution CVLGC2011-01

A RESOLUTION ADOPTING THE ARTICLES OF INCORPORATION OF THE CIBOLO VALLEY LOCAL GOVERNMENT CORPORATION

WHEREAS, it is in the best interest of Cibolo Valley Local Government Corporation to adopt the Articles of Incorporation;

WHEREAS, subject to approval by the Incorporators, the Articles of Incorporation are hereby adopted;

NOW, THEREFORE, BE IT RESOLVED and **ORDERED** by the Board of Directors of the Cibolo Valley Local Government Corporation that:

1. The Board hereby adopts the Articles of Incorporation of the Cibolo Valley Local Government Corporation.

PASSED AND APPROVED THIS 28TH DAY OF JULY, 2011.

CIBOLO VALLEY LOCAL GOVERNMENT CORPORATION

Shawna L Dowell
Board President

ATTEST:

William A. Weeper
Board Secretary

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FILED
In the Office of the
Secretary of State of Texas

SEP 08 2014

Corporations Section

ARTICLE OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE CIBOLO VALLEY LOCAL GOVERNMENT CORPORATION, A TEXAS LOCAL GOVERNMENT CORPORATION

This article of amendment is submitted for filing pursuant to the applicable provisions of the Texas Business Organizations Code, Chapter 431, Texas Transportation Code, as amended, and Chapter 394, Texas Local Government Code, as amended.

Article I - Entity Name and Type

The name of the entity as currently shown in the records of the secretary of state and the type of filing entity are: Cibolo Valley Local Government Corporation, a Texas local government corporation (hereinafter "Corporation"). The Corporation's date of formation is July 11, 2011, and its assigned file number is 801451363.

Article II - Amendments to Articles of Incorporation

Set forth below is an identification by reference or description of each added, altered, or deleted provision.

The Articles of Incorporation of the Corporation is amended by the alteration of the provisions identified or referenced below. A full text version of each altered provision so identified or referenced follows:

(A) Article IV (a) shall be changed to read as follows: "to aid, assist, and act on behalf of Cibolo and Schertz (collectively, "Cities") in acquiring, constructing, leasing, improving, enlarging, extending, repairing, maintaining, and operating a water utility system (the "project") pursuant to the provisions of Chapter 552 of the Texas Local Government Code, as amended ("Chapter 552"), and other applicable laws of the State;"

(B) The first paragraph of Article VII shall read as follows: "The Governing Bodies have, by resolutions adopted on February 22, 2011 (Cibolo) and March 15, 2011 (Schertz), authorized the creation of the Corporation and approved these Articles of Incorporation and the Corporation's Bylaws pursuant to Subchapter D of the Act. The cities of Seguin and Selma were member cities of the Corporation, but by resolutions adopted on January 8, 2013 (Cibolo), January 15, 2013 (Converse), January 29, 2013 (Schertz), January 15, 2013 (Seguin), and January 3, 2013 (Selma), the cities of Selma and Seguin are no longer member cities of the Corporation. The City of Converse, likewise was a member city of the Corporation, but by resolutions adopted on July 8, 2014 (Cibolo), July 15, 2014 (Converse), and July 15, 2014 (Schertz), the City of Converse is no longer a member city of the Corporation."

(C) Article XII shall read as follows: "The number of directors constituting the Board of Directors is four (4). Two (2) directors shall be appointed by each of the Governing Bodies."

Article III - Approval of Amendments

This filing amending the Articles of Incorporation has been approved by the Board of Directors of the Corporation on July 24, 2014, in the manner required by the Texas Business Organizations Code, Chapter 431, Texas Transportation Code, as amended, Chapter 394, Texas Local Government Code, as amended, and by the governing documents of the Corporation. The amendments to the Corporation's Articles of Incorporation contained herein were adopted and approved by a majority vote of the Corporation's Board of Directors.

Article IV - Effective Date of Filing

This Article of Amendment becomes effective when the document is filed by the secretary of state.

Article V - Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: August 28, 2014

Cibolo Valley Local Government Corporation

President, Cibolo Valley Local Government Corporation

ATTEST:

Secretary, Cibolo Valley Local Government Corporation

STATE OF TEXAS §
§
COUNTY OF GUADALUPE §

BEFORE ME, a notary public, on this day personally appeared JUSTIN MURRAY, Board President, Cibolo Valley Local Government Corporation, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Notary Public's Signature

ARTURO D RODRIGUEZ JR
My Commission Expires
November 25, 2017

STATE OF TEXAS §
§
COUNTY OF GUADALUPE §

BEFORE ME, a notary public, on this day personally appeared GARTH COURSEN, Board Secretary, Cibolo Valley Local Government Corporation, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Notary Public's Signature

ARTURO D RODRIGUEZ JR
My Commission Expires
November 25, 2017

City of Cibolo

City of Cibolo and City of Schertz Joint Council Workshop Staff Report

B. Discussion on the City of Cibolo and City of Schertz Water Portfolios and Projected Future Water Needs

Meeting	Agenda Group
Thursday, October 22, 2026, 6:30 PM	Discussion/Direction Item: 6B.

From
Valerie Chapman

PRIOR CITY COUNCIL ACTION:

N/A

BACKGROUND:

N/A

STAFF RECOMMENDATION:

N/A

FINANCIAL IMPACT:

N/A

MOTION(S):

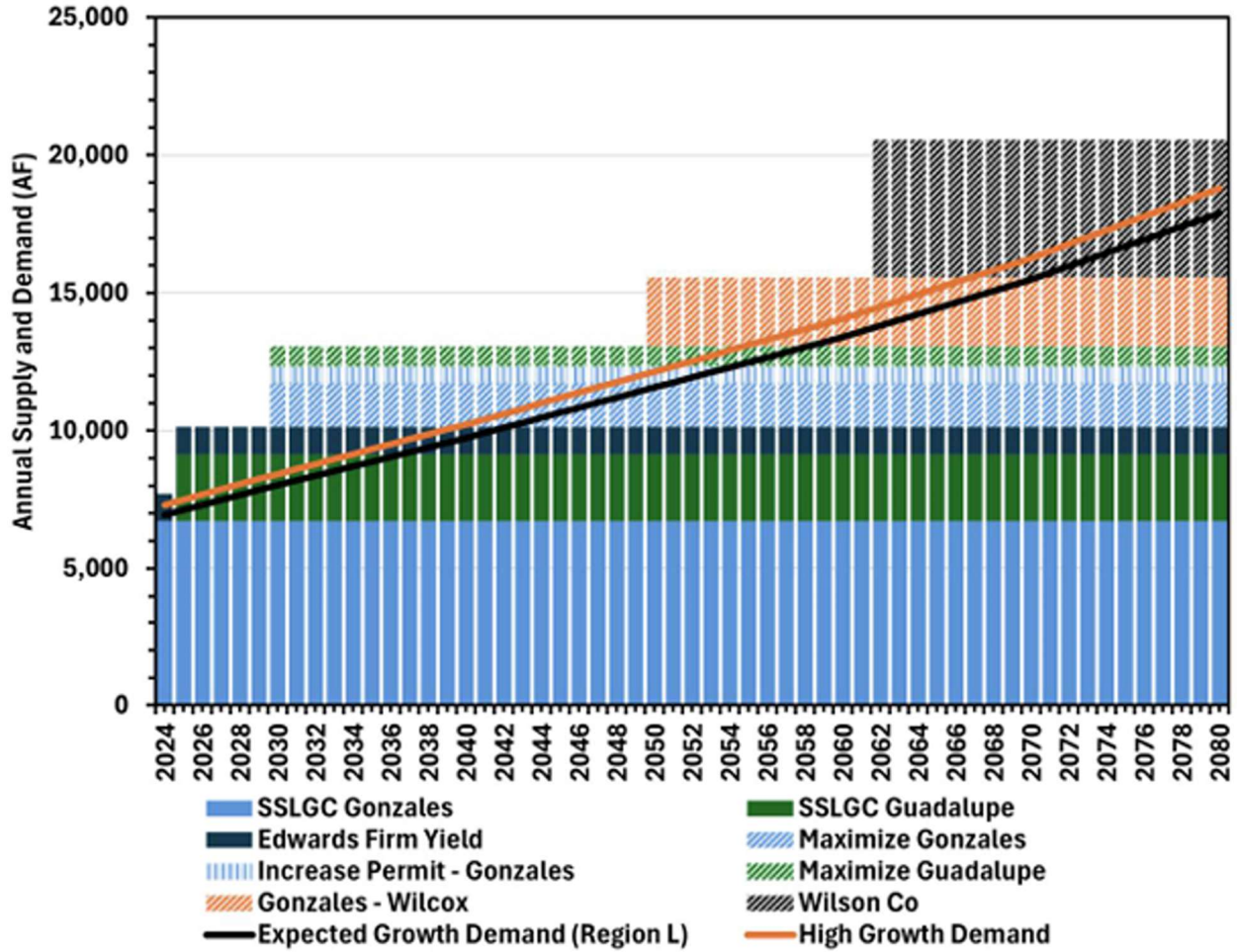
N/A

Attachments

1_Schertz_Future_Water_Supply_and_Demand
2_Water_Providers_Serving_Schertz
3_City_of_Cibolo_Water_Summary
4_Cibolo_Water_CCN_Area_Map

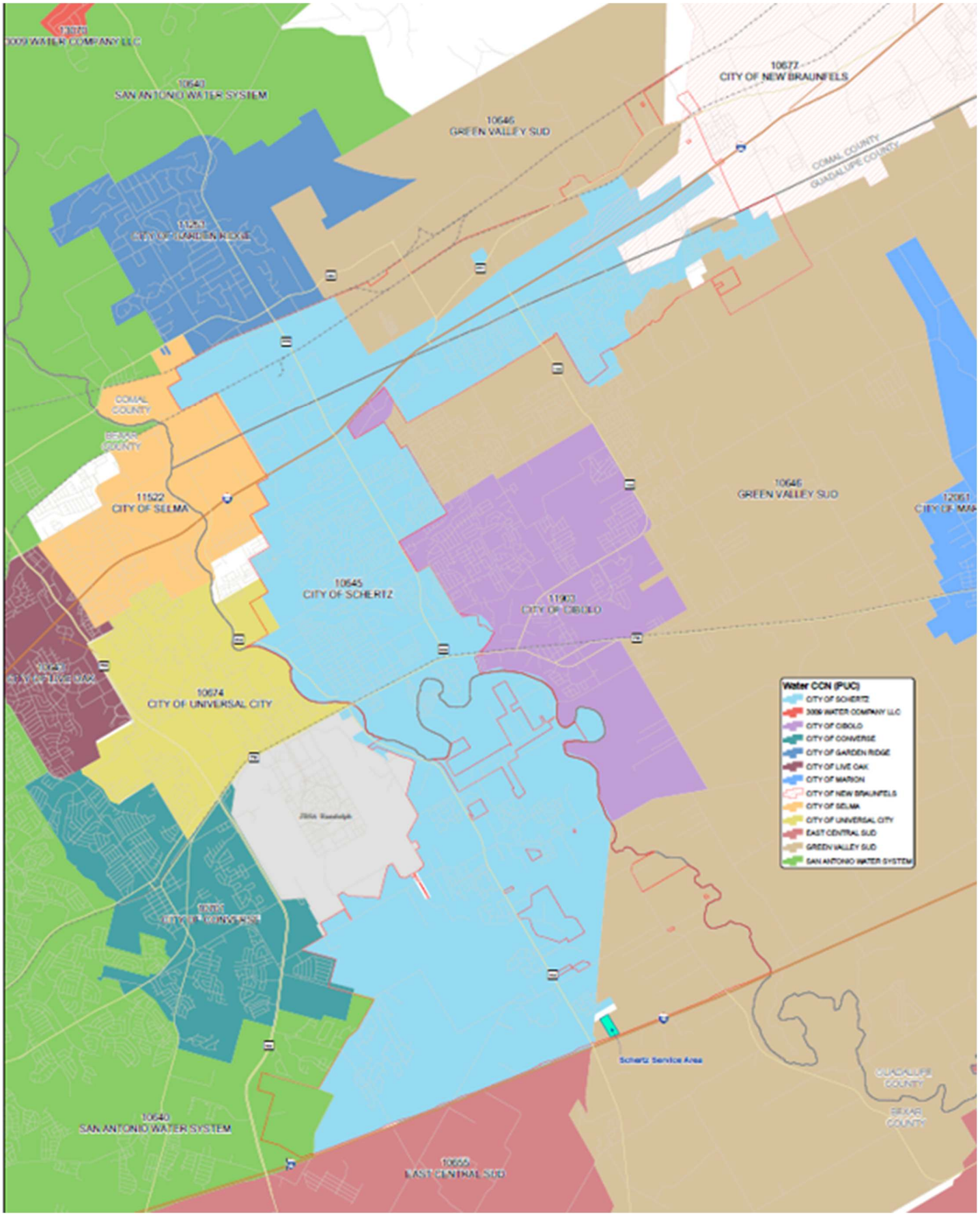
Schertz' Future Water Supply and Demand

Figure 24. Schertz Future Supply Alternative Options and Projected Demand



Per the Expected Growth Projection, Schertz will need and additional approximately 2,500 acre feet of water in approximately 2070.

Water Providers Serving Schertz



City of Cibolo, TX – Water Supply Analysis – 10/12/2026

From: Jordan Furnans, PhD, PE, PG
Windward Water Resources Engineering & Geoscience (Windward)

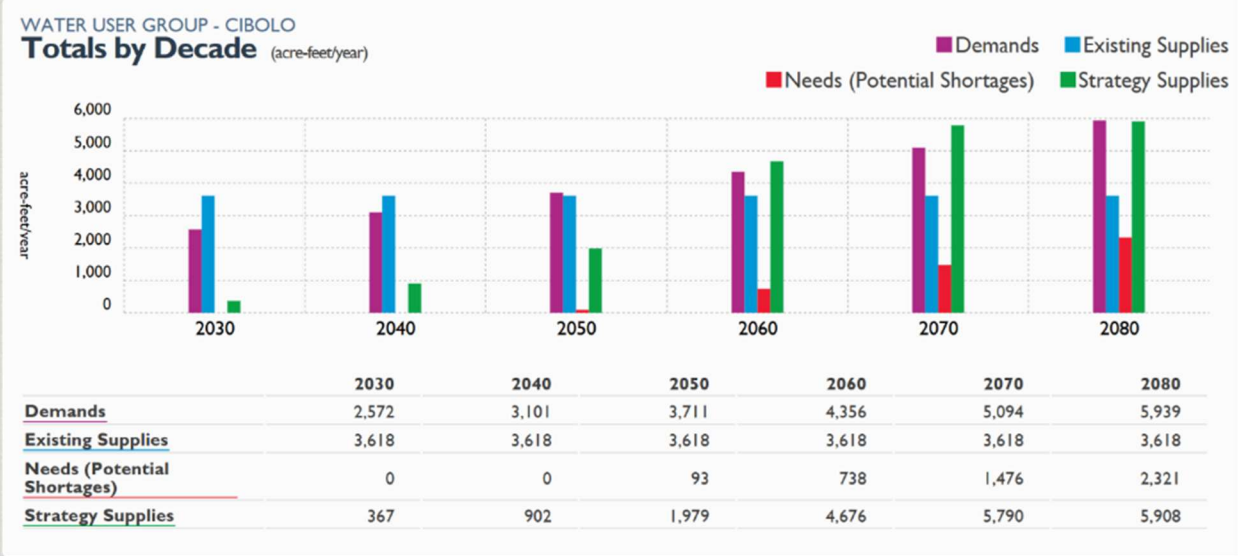
The City of Cibolo currently has 3,800 acre-feet/year of water to serve the customers in its water service area. Current annual water consumption is approximately 2,550 acre-feet/year. As demonstrated in the charts below, the water supply is sufficient until 2050.

Source	Amount (Acre-feet/year)
Lake Dunlap	1,230
River Mill	190
Wells Ranch 1	700
Wells Ranch 2	1,280
Schertz Lease	400
Total	**3,800**

Current Water Supplies
= 3,800 acre-ft/yr

Recent Usage
= 2550 acre-ft/yr (approx)

2027 TWDB Predicted Shortages:
2050 – 93 acre-ft
2060 – 738 acre-ft
2070 – 1,476 acre-ft
2080 – 2,321 acre-ft



	2030	2040	2050	2060	2070	2080
Demands	2,572	3,101	3,711	4,356	5,094	5,939
Existing Supplies	3,618	3,618	3,618	3,618	3,618	3,618
Needs (Potential Shortages)	0	0	93	738	1,476	2,321
Strategy Supplies	367	902	1,979	4,676	5,790	5,908

Additional water is not needed until 2050 at the earliest, likely 2060 is a more realistic needs-timeframe. Cibolo must consider the future water supply, based upon current assets or other water supply options needed to serve future customers to year 2080.

City of Cibolo Analysis - Anticipated water Needs at full Water CCN Build-Out (SF4):
12,950 connections
3,750 acre-ft/yr Minimum Historical Usage Rate
4,800 acre-ft/yr Maximum Historical Usage Rate

Maximum Anticipated Additional Water Need for City of Cibolo – **1,000 acre-ft/year**

CIBOLO WATER CCN AREA

09/22/2026

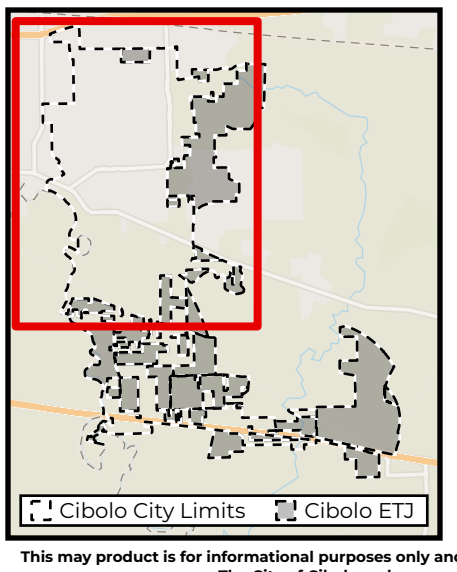
City of Cibolo Jurisdiction

- Cibolo City Limits
- Cibolo ETJ

Cibolo Water CCN Boundary

Cibolo Water Meters

- Residential
- Commercial
- Irrigation
- Other
- Hydrant
- Temporary
- Master



City Limits Area: 21.04 Square Miles

Water CCN Area: 8.98 Square Miles

CITY OF CIBOLO TEXAS

This may product is for informational purposes only and may not have been prepared for or be suitable for legal purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of the property boundaries. The City of Cibolo makes no warranty, representation, or guarantee regarding the accuracy of this map. This map is intended for display purposes only and does not replace official recorded documents.

City of Cibolo

City of Cibolo and City of Schertz Joint Council Workshop Staff Report

D. Discussion/Direction on the Framework of a Transaction for the Sale or Lease of the CVLGC's Water Assets

Meeting	Agenda Group
Thursday, October 22, 2026, 6:30 PM	Discussion/Direction Item: 6D.

From
Valerie Chapman, City Secretary

PRIOR CITY COUNCIL ACTION:

N/A

BACKGROUND:

N/A

STAFF RECOMMENDATION:

N/A

FINANCIAL IMPACT:

N/A

MOTION(S):

N/A

Attachments

1_Summary-Schertz_City_Council_Direction_2026-10-13
2_Summary-Cibolo_Council_Direction_2026-10-13

Summary of Direction from the Schertz City Council Workshop on October 13, 2026, to Provide Consensus on Goals for CVLGC Water Rights*

Need to move in a timely manner so as not to lose the water rights due to inactivity.

Ensure Schertz is guaranteed it will have rights to the amount of water it needs in the future, when it is needed. The excess can be used to structure a favorable deal.

It doesn't make sense for CVLGC to develop the water as that creates a situation where Schertz has with two water corporations to support and a duplication of costs/overhead.

A goal would be to minimize the development costs placed on Schertz now while we are still paying for infrastructure and capacity with SSLGC.

There are benefits to partnering with an entity that already has an obligation to serve Schertz' residents and businesses and that Schertz has an ongoing working relationship with.

Seek a win-win scenario with the most benefit through how the partnership is structured.

*This is staff's summary of the general consensus and direction. The entire conversation can be viewed on the City of Schertz' website – discussion starts 3:01:30 into the meeting video.

City of Cibolo City Council

Review of CVLGC Assets and City Needs Moving Forward

Question 1: Do we find CVLGC's purpose to be beneficial to contributing to the City's future water needs?

Summary of Responses:

The responses reflect a generally favorable but mixed perspective regarding CVLGC's potential role in meeting the City's future water needs. A majority expressed support for the organization's purpose, while others questioned its current value and effectiveness, particularly without additional partnerships beyond the City of Schertz.

There was recognition that CVLGC could provide long-term benefits through the acquisition, development, and management of water resources. However, concerns remain about whether its existing structure and partnerships are sufficient to deliver meaningful benefits to Cibolo.

Key Considerations:

- CVLGC has the potential to contribute to the City's long-term water supply strategy.
- Additional partnerships may be necessary to make development financially and operationally feasible.
- The organization's future value depends on its ability to develop water resources that benefit Cibolo.
- Further evaluation of CVLGC's role, structure, and potential financial obligations may be warranted.

Overall Assessment: Responses indicate majority support for CVLGC's purpose, with reservations about its current ability to deliver measurable benefits to the City.

Question 2: Do we want to retain the water rights for long-term sustainability?

Summary of Responses:

The responses demonstrate a general preference for retaining water rights as a means of protecting the City's long-term water supply and financial interests. Several perspectives

emphasized the potential value of the existing assets, the favorable original acquisition cost, and the possibility that replacing these resources in the future could be substantially more expensive.

However, there were differing opinions regarding the quantity of water rights the City should retain. Some questioned whether maintaining access to approximately 5,500 acre-feet is necessary when projected future demand may be considerably lower. Estimates referenced in the responses ranged from approximately 1,000 acre-feet after 2050 to more than 2,000 acre-feet over the 2050–2080 planning period.

There was also concern about committing additional taxpayer resources to assets that may not be needed for several decades.

Key Considerations:

- Retaining water rights may provide long-term security against rising water acquisition costs.
- Existing water rights represent assets that could appreciate in value or provide future financial opportunities.
- Updated population growth projections and water demand forecasts are needed to determine the appropriate volume of water rights to retain.
- The financial implications of maintaining, permitting, and ultimately developing the water rights should be weighed against future alternatives.
- Retaining all existing rights may not be necessary if projected demand can be met through a smaller allocation.

Overall Assessment: A majority favor retaining water rights, although there is less agreement regarding the amount needed and the level of additional financial investment that would be justified.

Question 3: In pursuing additional water needs, what would be the best and/or worst outcome of CVLGC assets and role?

Summary of Responses:

The responses consistently emphasized the importance of securing a reliable, affordable, and sustainable water supply while protecting the City's financial interests.

The most favorable outcome would involve successfully permitting and developing the existing water rights, potentially through partnerships that reduce financial exposure. Several responses identified the opportunity to generate revenue from the assets while preserving access to water for the City's future needs.

Other favorable outcomes included minimizing future water acquisition costs, securing a return on the City's investment, and establishing a proactive strategy rather than responding to a water shortage after it occurs.

The least favorable outcomes focused on failing to develop the resources, allowing leases to expire, losing access to valuable water rights, or becoming dependent on other providers at significantly higher costs. Concerns were also expressed about the possibility of transferring the water assets to an entity that may not prioritize Cibolo's future needs.

Additionally, uncertainty surrounding groundwater conservation district regulations and permitting decisions could reduce the amount of water ultimately available for production.

Key Considerations:

Best-case outcomes:

- Successfully permit and develop water rights to meet future demand.
- Identify partnerships that reduce development costs and financial risk.
- Generate revenue from existing water assets while preserving future access.
- Maintain greater control over the City's long-term water supply.
- Protect the City's original investment and reduce future water acquisition costs.
- Establish a proactive strategy that balances future water needs with financial responsibility.

Worst-case outcomes:

- Water leases expire before the assets are developed or otherwise utilized.
- The City faces a future water shortage without adequate supply agreements.
- Alternative water supplies become significantly more expensive.
- Groundwater regulations or permitting restrictions substantially reduce available water production.
- The City invests additional resources without realizing sufficient financial or operational benefits.
- Water assets are transferred to an entity that does not prioritize Cibolo's future needs.

Overall Assessment: There is broad agreement that the City should avoid losing the potential value of its water assets or becoming vulnerable to future shortages. However, differing perspectives remain regarding whether the best approach is to develop the assets, retain them for future use, establish partnerships, or evaluate alternatives that provide comparable long-term security with less financial risk.