



MEETING AGENDA
City Council
REGULAR SESSION CITY COUNCIL
August 4, 2026
6:00 P.M.

HAL BALDWIN MUNICIPAL COMPLEX COUNCIL CHAMBERS
1400 SCHERTZ PARKWAY BUILDING #4
SCHERTZ, TEXAS 78154

CITY OF SCHERTZ CORE VALUES

Do the right thing

Do the best you can

Treat others the way you want to be treated

Work cooperatively as a team

AGENDA
TUESDAY, AUGUST 4, 2026 at 6:00 p.m.

Call to Order

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas.
(Councilmember Guerrero)

Discussion and Action Items

- 1. Appointment of Mayor Pro Tem** - Discussion, consideration, and/or action regarding the confirmation, appointment, or election of the Mayor Pro Tem. (Mayor/Council)

• Oath of Office: New Mayor Pro Tem

Employee Introductions

- EMS: Linda Castleman Donlea-Administrative Assistant;
- Animal Control: Kariza Menchaca-Kennel Technician
- Police: David Salazar III-Police Officer; Mark Perez-Police Officer
- Police-Dispatch: Eugenio Gonzalez-Public Safety Communications Officer
- Public Works-Water: Zion Thomas-Water/Wastewater Operator Trainee; Frederick Jones-Water/Wastewater Operator Trainee; Lorenzo Blanco-Water/Wastewater Operator Trainee; Desmond Garcia Water/Wastewater Operator Trainee

City Events and Announcements

- Announcements of upcoming City Events (DCM Brian James/ACM Sarah Gonzalez)
- Announcements and recognitions by the City Manager (CM Steve Williams)
- Announcements and recognitions by the Mayor (Mayor Ralph Rodriguez)

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

All handouts and/or USB devices must be submitted to the City Secretary no later than noon on the Monday preceding the meeting. Handouts will be provided to each Councilmember prior to the start of the meeting by the City Secretary. All USB devices will be vetted by City IT staff to ensure City property is protected from malware.

Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

2. **Minutes**-Approval of the minutes from the July 21, 2026 Regular Council Meeting (City Secretary Sheila Edmondson)
3. **Resolution 26-R-088** - Rejecting all Bids for the Library Foundation Repair Project (Assistant City Engineer John Nowak)

Discussion and Action Items

4. **Resolution 26-R-089** - Authorizing an Interlocal Agreement with the City of Garden Ridge Regarding Sewer Capacity and Wheeling (Deputy City Manager Brian James)

5. **Declaration of Emergency - July 15, 2026** (Fire Chief Greg Rodgers)
6. **Ordinance 26-B-018** - Consideration and approval by the city council of the City of Schertz, Texas authorizing the issuance of “City of Schertz, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; and other matters incident and related thereto. (Finance Director James Walters)

Public Hearings

7. **Ordinance 26-S-017** - Conduct a public hearing and consider a request to rezone approximately 0.26 acres of land from General Business District (GB) to Main Street Mixed-Use District (MSMU), generally located approximately 50-feet southwest of the intersection of Main Street and Lindbergh Ave, specifically known as Guadalupe County Property Identification Number 67454, City of Schertz, Texas (Senior Planner Daisy Marquez)

Information available in City Council Packets - NO DISCUSSION TO OCCUR

8. **National League of Cities Membership** (City Secretary Sheila Edmondson)
9. **August 2026 Projects in Progress** (City Engineer Kathy Woodlee)

Requests and Announcements

- Requests by Mayor and Councilmembers for updates or information from Staff
- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda
- City and Community Events attended and to be attended (Council)

Adjournment

CERTIFICATION

I, SHEILA EDMONDSON, CITY SECRETARY OF THE CITY OF SCHERTZ, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS PREPARED AND POSTED ON THE OFFICIAL BULLETIN BOARDS ON THIS THE 29TH DAY OF JULY 2026 AT 5:00 P.M., WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

SHEILA EDMONDSON

I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE

CITY COUNCIL WAS REMOVED BY ME FROM THE OFFICIAL BULLETIN BOARD ON _____ DAY OF _____, 2026.

TITLE: _____

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1030.

The City Council for the City of Schertz reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Closed Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

COUNCIL COMMITTEE AND LIAISON ASSIGNMENTS

Mayor Rodriguez Member Audit Committee Investment Advisory Committee Main Street Committee TIRZ II Board Liaison Board of Adjustments Senior Center Advisory Board-Alternate	Councilmember Davis– Place 1 Member Interview Committee Main Street Committee - Chair TIRZ II Board Liaison Parks & Recreation Advisory Board Schertz Housing Authority Board Transportation Safety Advisory Board
Councilmember Watson – Place 2 Member Audit Committee Liaison Library Advisory Board Senior Center Advisory Board Cibolo Valley Local Government Corporation (CVLGC)-Ex-Officio	Councilmember Macaluso – Place 3 Member Interview Committee Hal Baldwin Scholarship Committee TIRZ II Board
Councilmember Guerrero – Place 4 Member Hal Baldwin Scholarship Committee Investment Advisory Committee Liaison Schertz Historical Preservation Committee	Councilmember Westbrook – Place 5 Member Schertz-Seguin Local Government Corporation (SSLGC) Liaison Planning and Zoning Commission Schertz Historical Preservation Committee

Councilmember Dietz – Place 6 Member Animal Services Advisory Committee Audit Committee Interview Committee-Chair Investment Advisory Committee Main Street Committee Liaison Building and Standards Commission Economic Development Corporation - Alternate Senior Center Advisory Board	Councilmember Sheridan – Place 7 Member Main Street Committee Liaison Economic Development Corporation
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CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026
Department: City Secretary
Subject: Appointment of Mayor Pro Tem - Discussion, consideration, and/or action regarding the confirmation, appointment, or election of the Mayor Pro Tem. (Mayor/Council)

● Oath of Office: New Mayor Pro Tem

BACKGROUND

On August 28, 2018, City Council amended their Rules of Conduct and Procedure (Ordinance 18-M-30) regarding the appointment of the Mayor Pro Tem.

Below is the amended article: Article 5 Section 5.1 Appointment Procedure for the Mayor Pro Tem.

- a. The Council will discuss, and with a majority vote, appoint the Councilmember to serve as the Mayor Pro Tem for the City.
- b. The appointed Mayor Pro Tem must be a Councilmember and must meet the qualifications of Section 4.02 of the City Charter. In addition, to be appointed to the position of Mayor Pro Tem, a Councilmember must be an elected member of Council and a member in good standing.
- c. Term dates for the Mayor Pro Tem position will begin in February and August of each year. Terms will sequentially rotate according to each Councilmember's place.
- d. If the Councilmember that is up for appointment as Mayor Pro Tem is vacant or is held by a Councilmember who is not qualified or chooses not to serve as Mayor Pro Tem, the Mayor Pro Tem appointment will go to the next qualified Councilmember.
- e. The position will have a term of office of six (6) months.
- f. The appointed Mayor Pro Tem may be removed by Council by a two-thirds (2/3) majority vote of the members of Council at any time during his or her term.
- g. Council reserves the right to alter this procedure at any time by resolution or rule.

Qualifications.

The Mayor and each Councilmember must have attained the age of eighteen or older on the first day of the term of office applied for, be a registered voter of the City of Schertz, and have been a resident of the City for at least twelve consecutive months immediately preceding the deadline for filing for an application for a place on the ballot.

Section 4.05 Mayor and Mayor Pro Tem.

The Mayor shall be the official head of the City government. He or she shall be the chair and shall preside at all meetings of the City Council. The Mayor may vote only in the event of a tie. He or she shall, unless another signatory is otherwise designated by the City Council, sign all official documents such as ordinances, resolutions, conveyances, grant agreements, official plats, contracts, and bonds. He or she shall appoint special committees as instructed by the City Council, with committee membership to be composed of nominees by the City Council. He or she shall perform

such other duties consistent with this Charter or as may be imposed upon him or her by the City Council. The Mayor shall not have veto powers.

The Mayor Pro Tem shall be a Councilmember appointed by the City Council for a term and pursuant to procedures established by the City Council from time to time. The Mayor Pro Tem shall act as Mayor during the absence or disability of the Mayor and in this capacity shall have the rights conferred upon the Mayor. While acting as Mayor, the Mayor Pro Tem may vote on any matter before the City Council.

RECOMMENDATION: Council will discuss and consider the appointment of the next Mayor Pro Tem regarding the above qualifications. Next in line to serve is Councilmember Michelle Watson. If appointed, Councilmember Michelle Watson will be sworn in as the new Mayor Pro Tem on August 4, 2026.

CITY COUNCIL MEMORANDUM

City Council Meeting: **August 4, 2026**
Department: **City Secretary**
Subject: **Minutes-Approval of the minutes from the July 21, 2026 Regular Council Meeting (City Secretary Sheila Edmondson)**

Attachments

Draft Minutes 7-21-2026 City Council Meeting

DRAFT

MINUTES REGULAR MEETING

July 21, 2026

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on July 21, 2026, at 6:00 p.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Ralph Rodriguez; Mayor Pro Tem Mark Davis; Councilmember Michelle Watson; Councilmember Paul Macaluso; Councilmember Ben Guerrero; Councilmember Robert Westbrook; Councilmember Sarah Dietz; Councilmember Robert Sheridan

Staff present: Steve Williams, City Manager; Daniel Santee, City Attorney; Brian James, Deputy City Manager; Sheila Edmondson, City Secretary; Sheree Courney, Deputy City Secretary

Call to Order

Mayor Rodriguez called the meeting to order at 6:00 p.m.

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Councilmember Macaluso)

Councilmember Paul Macaluso provided the opening prayer and led the Pledges of Allegiance to the Flags of the United States and State of Texas.

Presentations

Presentation of the Schertz City Flag to Ms. Allison Heyward (Mayor Rodriguez/CM Steve Williams)

Mayor Rodriguez presented a City of Schertz flag to former Place 6 Councilmember Ms. Allison Heyward in recognition of her dedicated service and contributions to the City of Schertz.

Municipal Clerk's Office Achievement of Excellence Award- Presenter City Secretary Shelley Goodwin, TRMC, MMC, City of Rockport, TX

Mayor Rodriguez introduced Ms. Shelley Goodwin, City Secretary for the City of Rockport and a Trustee of the Texas Municipal Clerks Association (TMCA), who presented the Municipal Clerk's Office Achievement of Excellence Award to City Secretary Sheila Edmondson, Deputy City Secretary Sheree Courney, Assistant City Secretary Irene Chavez, and Records Management Coordinator Mellissa Zipp.

Ms. Goodwin provided an overview of the award criteria and application process, noting that the award recognizes excellence in the efficient and effective management of a municipal clerk's office. She explained that recipients must demonstrate achievement in at least nine of twelve performance categories, including records management, compliance with the Open Meetings Act and Public Information Act, and open government transparency. Ms. Goodwin stated that completing the application process is an accomplishment in itself and that the award reflects the office's commitment to professionalism, innovation, transparency, and exceptional public service. On behalf of the TMCA Board of Trustees and Directors, she congratulated the City Secretary's Office and the City of Schertz on receiving the award.

Ms. Edmondson thanked Ms. Goodwin for presenting the award and recognized the City Secretary's Office staff for their dedication and hard work, specifically acknowledging Deputy City Secretary Sheree Courney for leading the application process. She noted that this is the second time the City of Schertz has received the award and the first time it has been earned by the current City Secretary's Office team.

City Events and Announcements

- **Announcements of upcoming City Events** (Deputy City Manager Brian James)
Deputy City Manager Brian James provided the announcements of upcoming city events.
- **Announcements and recognitions by the City Manager** (City Manager Steve Williams)
City Manager Steve Williams provided kudos to staff for the hard work they put in during the rain event, from the first responders to the staff that assisted with opening a shelter and answering phones all night. He shared an email from Ms. Claire Layton, who expressed kudos to the City for the presentation of "current and useful" information on the website during the event.
- **Announcements and recognitions by the Mayor** (Mayor Ralph Rodriguez)
Mayor Rodriguez also provided kudos to the city staff, and thanked the residents for their cooperation during the event.

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

All handouts and/or USB devices must be submitted to the City Secretary no later than noon on the Monday preceding the meeting. Handouts will be provided to each Councilmember prior to the start of the meeting by the City Secretary. All USB devices will be vetted by City IT staff to ensure City property is protected from malware.

Mayor Rodriguez recognized the following resident:

Gregory Sebold, 3841 Green Ridge, speaking on behalf of the Scenic Hills Community Association, reiterated the community's concerns regarding stormwater drainage issues that he stated have resulted in more than \$300,000 in damages to the community. He described the community as a 55+ neighborhood of 211 lots and stated that many residents have been significantly impacted financially by recurring flooding and related infrastructure damage. Mr. Sebold referenced concerns previously presented to the Council regarding a roadway collapse and stated that a meeting had been scheduled with Mr. Brian James and the HOA president for later this week. He remains concerned that the City does not acknowledge responsibility for the drainage issues. He contended that residential development and subsequent stormwater improvements redirected runoff into the Scenic Hills storm drainage system, contributing to flooding and infrastructure damage. Mr. Sebold cited Texas Water Code Section 11.086 regarding the diversion of surface water and requested that the City Council adopt a resolution to compensate Scenic Hills Community Association residents for damages they attribute to the stormwater diversion.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

1. **Minutes**-Approval of the minutes from the July 7, 2026 Regular Council Meeting (Deputy City Secretary Sheree Courney/Assistant City Secretary Irene Chavez)
2. **Resolution 26-R-086** - Authorizing an Interlocal Agreement with the Schertz-Cibolo-Universal City Independent School District for the 2026-2027 School Year for School Resource Officer services (Police Chief James Lowery)

3. **Resolution 26-R-081** — Authorizing a Memorandum of Understanding with Schertz-Cibolo-Universal City Independent School District for the Schertz Young Leaders Program. (Recreation Manager Cassie Paddock)

Mayor Rodriguez asked if any items needed to be removed for separate action.

No items were removed.

Mayor Rodriguez asked for a motion to approve Consent Agenda Items #1-3.

Moved by Councilmember Michelle Watson, seconded by Councilmember Sarah Dietz

AYE: Mayor Pro Tem Mark Davis, Councilmember Michelle Watson,
Councilmember Paul Macaluso, Councilmember Ben Guerrero,
Councilmember Robert Westbrook, Councilmember Sarah Dietz,
Councilmember Robert Sheridan

Passed

Discussion and Action Items

4. **Ordinance 26-M-029 - Amending Council Rules of Conduct and Procedure: Appointment Process for City Council Liaison Positions** (Deputy City Secretary Sheree Courney)

Mayor Rodriguez recognized Deputy City Secretary Sheree Courney, who presented Ordinance 26-M-029, amending the City Council Rules of Conduct and Procedure by reinstating Section 5.3, Appointment Procedure for City Council Member and City Council Liaison Positions to City Boards, Commissions, and Committees, which had been inadvertently omitted with the adoption of Ordinance 23-M-28. The proposed revisions incorporated Council direction provided during the June 16, 2026, workshop and the July 7, 2026, City Council meeting.

The ordinance establishes qualifications, appointment procedures, biennial review of assignments, expectations for Council Members and Council Liaisons serving on Boards, Commissions, and Committees, procedures for reassignment and removal, standards of conduct, and the role of liaisons in facilitating communication between the City Council and advisory bodies. The ordinance also amends Section 6.1(b) to require the City Council agenda to identify the name and title of the individual(s) expected to present each agenda item. Ms. Courney stated the amendments create a single, comprehensive Council Liaison policy by consolidating the applicable provisions of the Code of Ethics and the Council Rules of Conduct and Procedure.

Mayor Rodriguez opened the floor to Council for discussion.

No discussion occurred.

Mayor Rodriguez asked for a motion to approve Ordinance 26-M-029.

Moved by Councilmember Michelle Watson, seconded by Councilmember Robert Westbrook

AYE: Mayor Pro Tem Mark Davis, Councilmember Michelle Watson,
Councilmember Paul Macaluso, Councilmember Ben Guerrero,
Councilmember Robert Westbrook, Councilmember Sarah Dietz,
Councilmember Robert Sheridan

Passed

5. Boards, Commissions, and Committees: Appoint City Councilmembers as Members and/or Liaisons to City Council Boards, Commissions, and Committees (Deputy City Secretary Sheree Courney)

Mayor Rodriguez recognized Deputy City Secretary Sheree Courney, who opened the discussion by noting that, with the adoption of Ordinance 26-M-029, Section 5.3(b), newly elected officials may assume the appointments of their predecessors pending the next scheduled biennial review, unless the Council objects or the newly elected official declines the assignment. Then Council was asked whether there were any objections. No objections were noted. Newly elected Councilmembers Sarah Dietz and Robert Sheridan III, were then asked whether they were willing to accept their predecessors' assignments in order to ratify the appointments. Both Councilmembers agreed to assume and fulfill the responsibilities of their predecessors' assignments.

6. Resolution 26-R-083- TML Intergovernmental Risk Pool-Nomination to Board of Trustees (City Secretary Sheila Edmondson)

Mayor Rodriguez recognized City Secretary Sheila Edmondson who introduced Resolution 26-R-083 to nominate a candidate for reappointment. Council considered nominations for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees. Four trustee positions have terms expiring October 1, 2026:

- **Place 1:** J.W. "Buzz" Fullen, Commissioner, Henderson Housing Authority
- **Place 2:** Emily Crawford, City Manager, Abilene
- **Place 3:** David Rutledge, Mayor, Bridge City (not seeking reappointment)
- **Place 4:** Austin Bleess, City Manager, Jersey Village

The governing body of each Pool member may nominate one qualified individual for election. Nominations must be submitted to the Board Secretary by August 2, 2026. Ballots will be distributed to Pool members by Board Secretary David Reagan on or before August 17, 2026.

Council was advised that there is currently one nomination each for Places 1 and 4, and two nominations each for Places 2 and 3. Mr. David Rutledge, the current trustee for Place 3, is not seeking reappointment, while the trustees for Places 1, 2, and 4 are seeking reappointment.

Mayor Rodriguez asked whether any member of the Council wished to nominate any of the candidates. City Manager Steve Williams expressed his endorsement of Ms. Emily Crawford for reappointment. Councilmember Westbrook asked former Councilmember Allison Heyward for her perspective on the endorsement, and she indicated her support for Ms. Crawford's nomination.

Councilmember Westbrook recommended the nomination of Ms. Emily Crawford. Mayor Rodriguez asked for a motion to nominate Ms. Emily Crawford for the Texas Municipal League Intergovernmental Risk Pool.

Moved by Councilmember Robert Westbrook, seconded by Councilmember Paul Macaluso

AYE: Councilmember Michelle Watson, Councilmember Paul Macaluso, Councilmember Ben Guerrero, Councilmember Robert Westbrook, Councilmember Sarah Dietz, Councilmember Robert Sheridan

Other: Mayor Pro Tem Mark Davis (ABSTAIN)

Passed

7. Resolution 26-R-084 - Authorizing expenditures with HEAT Safety Equipment for Fire Department Self-Contained Breathing Apparatus (SCBA) (Fire Chief Greg Rodgers)

Mayor Rodriguez recognized Fire Chief Greg Rodgers, who introduced Resolution 26-R-084 authorizing expenditures with HEAT Safety Equipment for Fire Department Self-Contained Breathing Apparatus (SCBA). Chief Rodgers presented the proposed replacement of the department's SCBA, explaining that replacement is required to comply with NFPA 1580, which was adopted by the Texas Commission on Fire Protection (TCFP) in 2024 and is now mandatory for Texas fire departments. The standard establishes a 15-year service life for SCBAs, and because the department's equipment spans multiple standards, the system must be replaced as a whole to maintain compliance and ensure firefighter safety.

The Chief reported the department currently has approximately 50 SCBAs. By 2027, roughly two-thirds of the inventory will no longer meet current standards. The new equipment will improve firefighter communications, reduce carcinogen exposure through enhanced cleaning capabilities, and restore interoperability with neighboring mutual aid departments that have already upgraded their systems.

The replacement program is expected to keep the department compliant through at least 2042, with the potential to extend to 2047 depending on future standards. The Chief also noted that replacing the system now establishes a long-term replacement plan, includes warranty coverage that minimizes maintenance costs, and avoids continued repair expenses on aging equipment.

Mayor Rodriguez opened the floor to Council for discussion.

Council requested clarification regarding SCBA terminology, replacement planning, equipment service life, standards updates, and procurement. The Fire Chief explained that National Fire Protection Association (NFPA) develops fire service standards and Texas Commission on Fire Protection (TCFP) adopts applicable standards as mandatory requirements. The Chief also stated that the new SCBAs are expected to meet their 15-year service life with proper maintenance, with warranty coverage for normal-use failures and City responsibility for damage caused by negligence.

Council also discussed the age of the current equipment, NFPA updates, vendor selection, and the importance of interoperability with mutual aid partners. The Fire Chief explained that existing SCBAs were purchased under previous standards, that NFPA standards are generally updated every four to five years, and that the purchase will be made through a competitively bid cooperative purchasing program. He stated that future wholesale replacements will be planned through the City's capital improvement program to reduce financial impacts. He emphasized that compatible SCBAs are essential for emergency operations and firefighter safety, allowing agencies to work together and share equipment during major incidents.

Mayor Rodriguez asked for a motion to approve Resolution 26-R-084.

Moved by Councilmember Paul Macaluso, seconded by Councilmember Ben Guerrero

AYE: Mayor Pro Tem Mark Davis, Councilmember Michelle Watson,
Councilmember Paul Macaluso, Councilmember Ben Guerrero,
Councilmember Robert Westbrook, Councilmember Sarah Dietz,
Councilmember Robert Sheridan

Passed

8. Resolution 26-R-080 - Requesting Financial Assistance from the Texas Water Development Board; Authorizing the Filing of an Application for Assistance (City Engineer Kathryn Woodlee)

Mayor Rodriguez recognized City Engineer Kathryn Woodlee, who introduced Resolution No. 26-R-080, authorizing the filing of an application for financial

assistance through the Texas Water Development Board's one-time Water Supply Infrastructure Grant Program. She explained that the program was established following the Legislature's appropriation of \$1.038 billion for statewide water infrastructure projects. Ms. Woodlee stated that the proposed project, previously delayed due to easement acquisition issues, is being reactivated for grant consideration. The application is due July 31.

She noted a typographical error in the resolution regarding the population eligibility threshold, clarifying that the correct category is 10,001 to 150,000, making the City eligible to apply for up to \$21 million in grant funding. She added that the project is estimated at approximately \$32 million and is included in the Capital Improvement Program (CIP). If awarded, the grant would accelerate project implementation and allow previously allocated bond funds to be redirected to other capital projects.

Mayor Rodriguez opened the floor to Council for discussion.

No discussion occurred.

Mayor Rodriguez asked for a motion to approve Resolution 26-R-080.

Moved by Councilmember Michelle Watson, seconded by Mayor Pro Tem Mark Davis

AYE: Mayor Pro Tem Mark Davis, Councilmember Michelle Watson,
Councilmember Paul Macaluso, Councilmember Ben Guerrero,
Councilmember Robert Westbrook, Councilmember Sarah Dietz,
Councilmember Robert Sheridan

Passed

Information available in City Council Packets - NO DISCUSSION TO OCCUR

9. Check Report - June 2026 (Finance Director James Walters)

Requests and Announcements

- Requests by Mayor and Councilmembers for updates or information from Staff**

Councilmember Watson requested information on amending the Unified Development Code (UDC) to provide a more defined classification for data centers and consider removing them from the Industrial zoning district. She indicated she would provide a follow-up email with additional details but indicated a 90-day deadline for the information. She also requested information on Council recognitions from the City Secretary and possibly the Mayor.

Councilmember Westbrook asked for information on the City's membership in the National League of Cities, including the renewal timeline and whether the Council

wishes to continue its membership. Staff indicated the membership is believed to be included in the budget.

- **Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda**

No requests by Mayor or Councilmembers that items or presentations be placed on a future City Council agenda.

- **City and Community Events attended and to be attended (Council)**

*Councilmember Guerrero attended the Chupacabra Ribbon Cutting

*Councilmember Dietz attended the NEP and The Chamber Luncheons and will be attending the TML Newly Elected Officials Training next week.

*Councilmember Sheridan attended the SSLGC meeting and The Chamber Luncheon.

*Mayor Rodriguez will be attending the 82nd Guam Liberation Day celebration at Pickrell Park on Saturday, July 25, 2026.

Adjournment

Mayor Rodriguez adjourned the meeting at 6:58 p.m.

Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, TRMC
City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026
Department: Engineering
Subject: Resolution 26-R-088 - Rejecting all Bids for the Library Foundation Repair Project (Assistant City Engineer John Nowak)

BACKGROUND

The Library has a pier and beam foundation. The gap between the piers and the foundation beams was sealed with composite plastic panels and the area outside the perimeter backfilled with native soils and base material. The plastic panels bowed inward over time, collapsing into the crawl space underneath the floor of the Library. This has caused "sinkholes" adjacent to the exterior walls of the Library, most notably in the rear paver courtyard. To correct the situation, the composite, plastic panels should be replaced with more durable panels, such as reinforced concrete panels.

Staff began developing a project to replace the plastic panels with concrete ones. Unintech, one of our on-call Engineering firms, was retained to develop the project for us. A detailed bid package was created and the project bid (# 2026-005). Bids were opened on July 1, 2026 and two bids were received. A third "proposal" was received after the bid opening time. Not only was this "proposal" received after the bid opening, it was not submitted on the required bid documents, did not have a bid bond, and contained work elements very different than the bid package contained. For these reasons, the "proposal" is deemed "non-responsive" and can not be considered for the bidding process. The two bids received were close to each other, with lowest bid received at \$729,380.00 and the other bid at \$729,473.80. The bids amount significantly exceeded the estimated project cost (\$241,367.72) and the available budget for the project.

In reviewing the bid tabs, staff noted that several line items in the bid had unit prices significantly higher than the estimated unit prices. It was also noted that there were some irregularities with one of the bids. The extensions of the unit prices did not match the bid form, resulting in a lower summed amount. However, this lower summed amount (\$699,607.82) still far exceeds the estimate and budget. The bid unit prices were often several factors higher than the estimated unit prices. For example, the asphalt cost per ton was bid at \$750 vs. a typical city project unit price of \$120 per ton and the paver removal cost was estimated at \$65 per ton (based on an estimated cost from a contractor that installs pavers) vs. the bid price of \$450 per ton. Neither Staff nor our consultant are able to justify why the unit pricing in the bids is so high.

Because the bids received were so high, Staff and our Consultant recommend rejecting all bids and re-bidding the project.

Before the project is re-bid, our consultant will reach out to the bidders to try to glean why the unit pricing was so high and get feedback on the plans and bid package. This information will be used to revise the bid package to hopefully obtain better bids when the project is re-bid.

GOAL

To reject all the bids received for the Library Foundation project and allow the project to be re-bid.

COMMUNITY BENEFIT

The lowest bid received exceeds the available project budget by a very significant margin. Proceeding with the lowest bid would require adding significant funding to this project, delaying proceeding with other, important projects. By rejecting all the bids, the project bid package can be refined and the project re-bid to receive more favorable bids for the project.

SUMMARY OF RECOMMENDED ACTION

Reject all bids received for the project and allow the project to be re-bid.

RECOMMENDATION

Approve Resolution 26-R-088

Attachments

Resolution 26-R-088

RESOLUTION NO. 26-R-088

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ,
TEXAS REJECTING ALL BIDS FOR THE LIBRARY FOUNDATION
REPAIR PROJECT # 2026-005**

WHEREAS, the City of Schertz decided to undertake a project to repair the foundation of the City of Schertz Library (Library); and

WHEREAS, project plans and a bid package were prepared for the Library Foundation Repair Project # 2026-005; and

WHEREAS, the Library Foundation Repair Projects was publicly advertised for bids in accordance with public entity procurement regulations; and

WHEREAS, two bids were received and opened on July 1, 2026 for the Library Foundation Repair Project; and

WHEREAS, City Staff and the City's consultant (Unintech Consulting Engineers) reviewed the bids and determined that the unit prices in the bids do not seem reasonable and the bid totals far exceed the Engineer's Estimate and project budget; and

WHEREAS, the City Council has determined that it is in the best interest of the City to reject all bids for the Library Foundation Repair project and allow the project to be re-bid.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The City Council hereby rejects all bids received for the Library Foundation Repair Project, # 2026-005.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the

City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this ____ day of _____, 2026.

CITY OF SCHERTZ, TEXAS

Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

EXHIBIT A

LIBRARY FOUNDATION REPAIR PROEJCT BID ANALYSIS



UNITECH CONSULTING ENGINEERS, INC.

STRUCTURAL • CIVIL • SURVEYING

July 16, 2026

John Nowak P.E.
Assistant City Engineer
11 Commercial Place
Schertz, TX 78154
Office (210) 619-1825

RE: 2026 LIBRARY FOUNDATION REPAIR PROJECT . RFP #2026 – 005
Bid Results and Recommendation

Dear Mr. Nowak

We have evaluated the bids received on July 14th for the 2026 LIBRARY FOUNDATION REPAIR PROJECT which consists of the replacement of the failing soil retainers around the foundation of the Schertz Public Library.

Two (2) were received as shown below.

Dalrymple Gravel and Contracting Company Inc with a bid in the amount of \$729,380.00, and Du-West Company Services with a bid in the amount of \$729,473.80.

Engineer's Estimate was in the amount of \$241,367.72.

During our evaluation of the bids, UNITECH identified some irregularities. The extension of the unit prices for the Du-West Company Services bid did not match the bid form provided, and the summed amount was \$699,607.82 which is different than their bid form, in addition their total cost of \$356,382.00 for trench excavation safety protection appears to be significantly higher than the engineer's estimate and the competing bid. The Dalrymple Gravel and Contracting Company Inc unit prices for the traffic control appears to be significantly higher than the engineers estimate and greater than the competing bid by a 195% and the unit cost of the precast soil retainers exceeded the engineers estimate and the competing bid by 100%. This work is not along a street or right of way and should not have any traffic control except barricades in the parking lot. The preliminary bids received by UNITECH during design for the precast

The low bid was submitted by Dalrymple Gravel and Contracting Company Inc in the amount of \$729,380.00. Our evaluation indicates that these bids are not in line with the scope of work. Therefore, we recommend the contract not be awarded at this time.

Sincerely,

Mark B Hill, PE
Unitech Consulting Engineers, Inc.

Bid Tabulation 2026 LIBRARY FOUNDATION REPAIR PROJECT

Bid Date 7/1/2026

Project #		RFP #2026 – 005			Engineers Estiamte		Dalrymple Gravel and Contract		Any Services		Lowest Unit Price		Difference of Lowest to Engineer	
ITEM	SPEC	DESCRIPTION	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	% Different	Amount
1	1502	MOBILIZATION	LS	1	\$ 19,418.16	\$ 19,418.16	\$ 75,000.00	\$ 75,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	-3%	\$ 581.84
2		TRAFFIC CONTROL AND REGULATION	LS	1			\$ 145,000.00	\$ 145,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	-200%	\$ 1,500.00
3	1410	TPDES -STORM WATER POLLUTION PREVENTION PLAN	LS	1	\$ 5,825.45	\$ 5,825.45	\$ 50,000.00	\$ 50,000.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	199%	\$ (5,815.45)
4	1740	SITE RESTORATION	LF	936	\$ 20.00	\$ 18,720.00	\$ 5.00	\$ 4,680.00	\$ 5.00	\$ 4,680.00	\$ 5.00	\$ 4,680.00	120%	\$ (14,040.00)
5	2221.1	REMOVE ASPHALT SURFACE	SY	73	\$ 20.00	\$ 1,460.00	\$ 75.00	\$ 5,475.00	\$ 75.00	\$ 5,475.00	\$ 75.00	\$ 5,475.00	-116%	\$ 4,015.00
6	2221.4	REMOVE SIDEWALK AND DRIVEWAY	SF	306	\$ 30.00	\$ 9,180.00	\$ 10.00	\$ 3,060.00	\$ 16.00	\$ 4,896.00	\$ 10.00	\$ 3,060.00	100%	\$ (6,120.00)
7	2221.8	REMOVAL OF CURB AND GUTTER	LF	67	\$ 20.00	\$ 1,340.00	\$ 45.00	\$ 3,015.00	\$ 20.00	\$ 1,340.00	\$ 20.00	\$ 1,340.00	0%	\$ -
8	2260	TRENCH EXCAVATION SAFETY PROTECTION	LF	936	\$ 5.00	\$ 4,680.00	\$ 85.00	\$ 79,560.00	\$ 380.75	\$ 356,382.00	\$ 85.00	\$ 79,560.00	-178%	\$ 74,880.00
9	2741.1	HOT MIX ASPHALT PAVEMENT, TYPE D (3") (PG 64-22)	TON	4.62	\$ 120.00	\$ 554.40	\$ 750.00	\$ 3,465.00	\$ 500.00	\$ 2,310.00	\$ 500.00	\$ 2,310.00	-123%	\$ 1,755.60
10	2741.2	HOT MIX ASPHALT PAVEMENT, TYPE B (5") (PG 64-22)	TON	7.7	\$ 120.00	\$ 924.00	\$ 750.00	\$ 5,775.00	\$ 800.00	\$ 6,160.00	\$ 750.00	\$ 5,775.00	-145%	\$ 4,851.00
11	2743	TACK COAT	GAL	2.8	\$ 5.00	\$ 14.00	\$ 125.00	\$ 350.00	\$ 200.00	\$ 560.00	\$ 125.00	\$ 350.00	-185%	\$ 336.00
12	2771	CONCRETE CURB	LF	67	\$ 30.00	\$ 2,010.00	\$ 100.00	\$ 6,700.00	\$ 90.00	\$ 6,030.00	\$ 90.00	\$ 6,030.00	-100%	\$ 4,020.00
13	2775	CONCRETE SIDEWALK	SY	34	\$ 92.00	\$ 3,128.00	\$ 275.00	\$ 9,350.00	\$ 300.00	\$ 10,200.00	\$ 275.00	\$ 9,350.00	-100%	\$ 6,222.00
14	2775	STAMPED/STAINED CONCRETE SIDEWALK	SY	177	\$ 227.00	\$ 40,179.00	\$ 275.00	\$ 48,675.00	\$ 400.00	\$ 70,800.00	\$ 275.00	\$ 48,675.00	-19%	\$ 8,496.00
15	2811	Irrigation, Tree Bubbler	EA	8	\$ 200.00	\$ 1,600.00	\$ 75.00	\$ 600.00	\$ 300.00	\$ 2,400.00	\$ 75.00	\$ 600.00	91%	\$ (1,000.00)
16	2811	Irrigation, Shrub Bubbler - 6"	EA	147	\$ 98.00	\$ 14,406.00	\$ 75.00	\$ 11,025.00	\$ 200.00	\$ 29,400.00	\$ 75.00	\$ 11,025.00	27%	\$ (3,381.00)
17	2915	TREES, 2" CALIPER	EA	4	\$ 460.00	\$ 1,840.00	\$ 1,000.00	\$ 4,000.00	\$ 2,000.00	\$ 8,000.00	\$ 1,000.00	\$ 4,000.00	-74%	\$ 2,160.00
18	2915	PLANT MATERIALS 5 GAL	EA	151	\$ 41.69	\$ 6,295.19	\$ 50.00	\$ 7,550.00	\$ 200.00	\$ 30,200.00	\$ 50.00	\$ 7,550.00	-18%	\$ 1,254.81
19	2922	BERMUDA SODDING	SY	355	\$ 12.00	\$ 4,260.00	\$ 15.00	\$ 5,325.00	\$ 22.54	\$ 8,001.70	\$ 15.00	\$ 5,325.00	-22%	\$ 1,065.00
20	2922	TOPSOIL	CY	40	\$ 44.00	\$ 1,760.00	\$ 200.00	\$ 8,000.00	\$ 220.00	\$ 8,800.00	\$ 200.00	\$ 8,000.00	-128%	\$ 6,240.00
21	SUP-1	PRECAST FOUNDATION SOIL RETAINER	LF	936	\$ 85.00	\$ 79,560.00	\$ 250.00	\$ 234,000.00	\$ 82.56	\$ 77,276.16	\$ 82.56	\$ 77,276.16	3%	\$ (2,283.84)
22	SUP-2	CONCRETE PAVER REMOVAL	TON	31	\$ 65.00	\$ 2,015.00	\$ 425.00	\$ 13,175.00	\$ 600.00	\$ 18,600.00	\$ 425.00	\$ 13,175.00	-147%	\$ 11,160.00
23	SUP-4	HAND RAIL	LF	16	\$ 16.00	\$ 256.00	\$ 350.00	\$ 5,600.00	\$ 500.00	\$ 8,000.00	\$ 350.00	\$ 5,600.00	-183%	\$ 5,344.00
ESTIMATED CONSTRUCTION TOTAL					\$ 241,367.72		\$ 729,380.00		\$ 699,607.82		\$ 320,666.16		\$ 101,240.96	

There is no significant traffic control required in the plans

More than 200% of the engineer's and competing bid price

Approx 150% greater than the engineer's and competing bid price

More than 200% of the engineer's and competing bid price

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026
Department: Executive Team
Subject: Resolution 26-R-089 - Authorizing an Interlocal Agreement with the City of Garden Ridge Regarding Sewer Capacity and Wheeling (Deputy City Manager Brian James)

BACKGROUND

The City of Garden Ridge is requesting the City of Schertz convey their sewer flows through the City of Schertz system to CCMA's system. CCMA, the sewer treatment for this area, does not have sewer lines to the City of Garden Ridge. Rather than the City of Garden Ridge or CCMA acquiring easements and constructing a separate sewer line, it is more cost effective and less impactful for Schertz property owners from whose land the easement might be needed, for the City of Schertz and the City of Garden Ridge to cooperate on providing service. Capacity will be available in the line and Garden Ridge will be compensating the City of Schertz as outlined in the Fiscal Impact section. The amount of capacity the City of Garden Ridge has capacity in the line is up to 750 LUEs.

GOAL

Partner with other communities to provide win-win solutions.

COMMUNITY BENEFIT

Protects the City's financial stability, integrity and credibility. Develops and maintains water, wastewater and drainage infrastructure.

SUMMARY OF RECOMMENDED ACTION

Approval of Resolution 26-R-089 authorizing an interlocal agreement with the City of Garden Ridge for sewer capacity and wheeling charges.

FISCAL IMPACT

In exchange for Schertz conveying sewer flow from the City of Garden Ridge to CCMA's line, the City of Garden Ridge has agreed to pay a fee equal to Thirty-Four cents (\$0.34) per the estimated average daily gallons of flow for the prior calendar year. This charge is to offset Schertz' cost to operate and maintain the line. Additionally, the City of Garden Ridge will make payments in an amount equal to the Schertz Sewer Impact fee that would be charged if the development were subject to the City of Schertz Sewer Impact Fees, Article V Water and Wastewater Capital Recovery Fees in effect as of the effective date of this Agreement or as may be increased in the future as development ties onto the line. This is to cover the cost associated with the capacity in the Schertz' system that the City of Garden Ridge will be using.

RECOMMENDATION

Approval of Resolution 26-R-089.

Attachments

Resolutionn 26-R-089 w Attachments

RESOLUTION 26-R-089

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING AN INTERLOCAL AGREEMENT WITH THE CITY OF GARDEN RIDGE REGARDING SEWER CAPACITY AND WHEELING AND RELATED MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City of Garden Ridge is seeking to provide sanitary sewer treatment service to a portion of their city; and

WHEREAS, the service area of Cibolo Creek Municipal Authority ("CCMA"), a conservation and reclamation district that provides sanitary sewer treatment services, includes the portion of Garden Ridge for which the city is seeking to provide sanitary sewer treatment service; and

WHEREAS, CCMA does not have sanitary sewer lines that run to the boundary of Garden Ridge; and

WHEREAS, the City of Schertz does have sanitary sewer lines, near Garden Ridge that do connect to CCMA sanitary sewer lines; and

WHEREAS, for purposes of facilitating delivery of treated wastewater from Garden Ridge to CCMA's sanitary sewer lines, Garden Ridge has requested that Schertz wheel the sanitary sewer flows from Garden Ridge to CCMA's sanitary sewer lines; and

WHEREAS, Schertz and Garden Ridge each and jointly recognize the benefit of wheeling services being provided by Schertz.

NOW THEREFORE, BE IT RESOLVED, THAT THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The City Council hereby authorizes an Interlocal Agreement with the City of Garden Ridge regarding Sewer Capacity and Wheeling generally per the attached Exhibit "A."

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED on the _____ day of _____, 2026.

CITY OF SCHERTZ, TEXAS

Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

Exhibit “A”

Interlocal Agreement with the City of Garden Ridge Regarding Sewer Capacity and Wheeling

INTERLOCAL AGREEMENT
Regarding Sewer Capacity and Wheeling
Between
The City of Schertz
and
The City of Garden Ridge

This INTERLOCAL AGREEMENT (this “Agreement”) is entered into by and between THE CITY OF SCHERTZ (“SCHERTZ”) and THE CITY OF GARDEN RIDGE (“Garden Ridge”). Schertz and Garden Ridge are each sometimes referred to herein as a “Party” and, collectively, as the “Parties.”

RECITALS

WHEREAS, Garden Ridge is seeking to provide sanitary sewer treatment service to a portion of the city; and

WHEREAS, the service area of Cibolo Creek Municipal Authority (“CCMA”), a conservation and reclamation district that provides sanitary sewer treatment services, includes the portion of Garden Ridge for which the city is seeking to provide sanitary sewer treatment service; and

WHEREAS, CCMA does not have sanitary sewer lines that run to the boundary of Garden Ridge; and

WHEREAS, the City of Schertz does have sanitary sewer lines, near Garden Ridge that do connect to CCMA sanitary sewer lines; and

WHEREAS, for purposes of facilitating delivery of treated wastewater from Garden Ridge to CCMA’s sanitary sewer lines, Garden Ridge has requested that Schertz wheel the sanitary sewer flows from Garden Ridge to CCMA’s sanitary sewer lines; and

WHEREAS, Schertz and Garden Ridge each and jointly recognize the benefit of wheeling services being provided by Schertz,

WHEREAS, Schertz has costs associated with maintaining and servicing its sanitary sewer lines; and

WHEREAS Schertz and Garden Ridge each and jointly recognize the reasonableness of Garden Ridge paying a wheeling charge to Schertz for conveying sanitary sewer flows and having to maintain and operate Schertz’ sanitary sewer lines being utilized to convey those flows to CCMA’s sanitary sewer lines; and

WHEREAS, certain sanitary sewer lines of Schertz need to be extended and upsized to be able to convey Garden Ridge’s sanitary sewer flows while still providing necessary sanitary sewer capacity in Schertz; and

WHEREAS both Schertz and Garden Ridge each and jointly recognize the reasonableness of Garden Ridge paying for that capacity; and

WHEREAS, in the interest of providing a funding mechanism for Garden Ridge to pay Schertz for wheeling and upsizing costs, Schertz and Garden Ridge desire to enter into this interlocal cooperative agreement as authorized by the Interlocal Cooperation Act located at Chapter 791 of the Texas Government Code; and

WHEREAS, adoption of this Agreement is hereby found and determined to be in the best interest of Schertz and Garden Ridge.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, Schertz and Garden Ridge, intending to be bound, agree as follows:

Article 1. Sanitary Sewer Conveyance Capacity.

- 1.1 Schertz agrees to allow Garden Ridge to convey up to 183,750 gallons per day of capacity through Schertz sanitary sewer lines to the CCMA take point. 183,750 gallons per day equates to 750 Land Use Equivalents (“LUEs”) based on the standard of 245 Gallons Per Day (“gpd”). Discharge to the system will be metered and actual flows will be evaluated monthly.
- 1.2 Notwithstanding any other terms of this Agreement, Garden Ridge agrees to make timely investigation and cause repair to be made to its collection and conveyance system if inflow and infiltration or illicit discharges to Schertz’ sanitary sewer line are suspected or detected.
- 1.3 Garden Ridge will be responsible for ensuring that the influent entering Schertz’ sanitary sewer line from Garden Ridge complies with Schertz’ and CCMA’s pretreatment requirements. Garden Ridge agrees to enforce these pretreatment requirements and take such action as is necessary to control the strength of raw industrial sewage reaching Schertz’ sanitary sewer line in order that the quality of discharge from the CCMA sewer treatment plant as required by any permit may be maintained. Garden Ridge will assist and cooperate in good faith at all times to ensure compliance with applicable federal state and local regulations and permit requirements, including any request for information and records.
- 1.4 Payment for the sanitary sewer capacity shall be made by Garden Ridge to Schertz prior to issuance of building permits or time of tap purchases, whichever occurs first, for development that will convey sanitary sewer flows through Schertz’ sanitary sewer lines. Payment shall be in an amount equal to the Schertz Sewer Impact fee that would be charged if the development were subject to the City of Schertz Sewer Impact Fees, Article V Water and Wastewater Capital Recovery Fees in effect as of the effective date of this Agreement or as may be increased in the future. The Schertz Sewer Impact Fee as of the effective date of this Agreement is outlined in Exhibit “A”.
- 1.5 Capacity through Schertz wastewater sewer lines for the full 750 LUEs shall be available to begin receiving flows from Garden Ridge by no later than January 1, 2028. Schertz may allow flows prior to that if in their sole determination excess capacity is available to accommodate flows from Garden Ridge.
- 1.6 All payments by Garden Ridge under this Article 1 shall be paid using current revenue available to Garden Ridge.

Article 2. Payment for Wheeling Services.

- 2.1 Garden Ridge agrees to compensate Schertz for wheeling services as follows:
 - (a) **Wheeling Charge and Payment.** Beginning the first year after Garden Ridge sends sewer flows through the Schertz sanitary sewer lines, Garden Ridge will pay Schertz, on an annual basis by March 1 of each year, a fee equal to Thirty-Four cents (\$0.34) per the estimated average daily gallons of flow for the

prior calendar year. The average daily gallons of flow will be based on the anticipated flows from time of payment of the fee for sanitary sewer capacity. Schertz agrees to invoice Garden Ridge generally by February 1 of each year. Metered flow rates will be used to adjust the estimated annual average daily flow amount with agreement of both Schertz and Garden Ridge.

(b) **Wheeling Charge Annual Increase.** The wheeling charge will increase by 3% each year.

(c) All payments by Garden Ridge under this Article 2 shall be paid using current revenue available to Garden Ridge.

Article 3. Term.

3.1 Unless earlier terminated pursuant to Section 3.2, this Agreement shall commence on the date upon which the last of Garden Ridge or Schertz, acting on behalf of their respective governing bodies, signs this Agreement, and automatically expires in twenty (20) years.

3.2 Schertz or Garden Ridge may terminate this Agreement upon three (3) years' written notice of termination.

Article 4. Miscellaneous.

4.1 **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties with respect to payments by Garden Ridge to Schertz for wheeling charges and for sewer capacity to be provided. This Agreement supersedes all prior understandings, representations, correspondence and discussions, whether written or oral, concerning the subject matter of this Agreement.

4.2 **Modification.** This Agreement may be amended or modified only by a separate writing executed by the Parties and approved by their respective governing bodies at a meeting conducted in accordance with the Texas Open Meetings Act.

4.3 **Force Majeure.** If by reason of Force Majeure Schertz shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then if Schertz gives notice and full particulars of such Force Majeure in writing to the other Party within a reasonable time after occurrence of the event or cause relied on, the obligation of Schertz hereunder, so far as it is affected by Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and Schertz shall endeavor to remove or overcome such inability with all reasonable diligence and dispatch. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, partial or entire failure of water supply, or on account of any other causes not reasonably within control of the Party claiming such inability.

4.4 **Mandatory Mediation.** Anything to the contrary herein notwithstanding, it is agreed that, prior to and as a condition precedent to commencing any action, suit or legal proceeding (collectively called a "Proceeding") for the enforcement or interpretation of this Agreement, save and except an action for specific performance of a Party's payment obligations under Sections 2.1(a) or 2.1(b), the Parties shall first participate in non-binding mediation. It is agreed that in the event that a Party commences any Proceeding other than an action seeking specific performance as described in the preceding sentence, then the Court shall abate such proceeding until such time as mediation is

completed and shall further assess against the Party that filed the Proceeding in violation of this provision all costs and reasonable attorney's fees incurred by the Party who did not bring the Proceeding.

- 4.5 **Remedies.** In the event that a Party hereto is determined by the other Party to be in default of an obligation under this Agreement, and such Party fails to cure the alleged breach within ten (10) days following delivery of written notice from the non-defaulting Party specifying the default, then the non-defaulting Party may, strictly subject to the mandatory provisions of Section 4.5, exercise any rights and remedies available at law. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, and all remedies (other than termination) existing at law or in equity may be availed of by any Party hereto and shall be cumulative.
- 4.6 **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Guadalupe County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Guadalupe County, Texas.
- 4.7 **Notices.** Any notice, communication, request, or reply (collectively called "Notice") required or permitted to be given, made or accepted by any Party must be in writing and may be given by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to the City Manager of such Party, addressed to the Party to be notified. Notice deposited in the mail in the manner described herein shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. For the purposes of notice, the addresses of the Parties hereto shall, until changed as hereinafter provided, be as follows:

If to Schertz, to: Steve Williams, City Manager
City of Schertz
1400 Schertz Parkway
Schertz, TX 78154
Phone: 210-619-1000

With Copy to: Denton, Navarro, Rocha, Bernal, & Zech
Attn. T. Daniel Santee
2517 N. Main Avenue
San Antonio, TX 78212
Phone: 210-227-3243

If to Garden Ridge, to: Ryan Rapelye, City Manager
9400 Municipal Parkway
Garden Ridge, TX 78266
Phone: 210-651-6632

With Copy to: Langley & Banack, Inc.
Attn. Marc J. Schnall
745 E. Mulberry Ave., Suite 700
San Antonio, TX 78212
Phone : 210-253-7108

The Parties shall have the right at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten (10) days' written notice to the other Party hereto.

- 4.8 **Approvals and Consents.** Unless otherwise provided herein, any approval or consent required by the provisions of this Agreement by a Party shall be evidenced by a written resolution adopted by the governing body of the Party giving such approval or consent. Upon receipt of such written resolution duly certified by the appropriate Party, the opposite Party may conclusively act on the matter requiring such approval.
- 4.9 **No Waiver.** No waiver or waivers of any breach or default by a Party hereto or of performance by any other Party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstance.
- 4.10 **Severability.** The Parties agree that in case any one or more of the articles, sections, subsections, provisions, clauses, or words of this Agreement are, should be, or are held to be, for any reason, invalid or unconstitutional under the laws of the State of Texas or the United States of America, or in contravention of any such laws, then such invalidity, unconstitutionality, or contravention shall not affect any other articles, sections, subsections, provisions, clauses, or words of this Agreement or the application of the same to any other situation or circumstance, and it is intended that this Agreement shall be severable and shall be construed and applied as if any such invalid or unconstitutional article section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Parties shall be construed and remain in force accordingly.
- 4.11 **No Assignment.** No Party may assign any right, duty, obligation or interest it may have under this Agreement to any other person, entity or party.
- 4.12 **State or Federal Laws, Roles, Orders, or Regulations.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.
- 4.13 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendment to be duly executed as of the Effective Date first above written.

{Signature pages to follow}

Signature Page to Interlocal Agreement

This Agreement has been executed by the Parties as of the dates of the Acknowledgments to be effective as of the Effective Date.

City:

City of Garden Ridge,
a Texas municipal corporation

By: _____

Name: Ryan Rapelye, its City Manager

Date: _____

THE STATE OF TEXAS §

§

COUNTY OF GUADALUPE §

This instrument was acknowledged before me on the ____ day of _____, 2026, by Ryan Rapelye, City Manager of the City of Garden Ridge, Texas, a Texas municipal corporation, on behalf of said City.

(SEAL)

Notary Public in and for
The State of Texas

My Commission expires:

Signature Page to Interlocal Agreement

This Agreement has been executed by the Parties as of the dates of the Acknowledgments to be effective as of the Effective Date.

City:

CITY OF SCHERTZ,
a Texas municipal corporation

By: _____
Name: Steve Williams, its City Manager
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

This instrument was acknowledged before me on the _____ day of _____, 2026, by Steve Williams, City Manager of the City of Schertz, Texas, a Texas municipal corporation, on behalf of said City.

(SEAL)

Notary Public in and for
The State of Texas

My Commission expires:

Exhibit “A”

City of Schertz Sewer Impact Fees

SEWER COLLECTION IMPACT FEE

Meter Size	Meter Type			
5/8"	MULTI-JET	1.0	\$	5,556.00
3/4"	MULTI-JET	1.3	\$	7,222.80
1"	MULTI-JET	2.0	\$	11,112.00
2"	ULTRASONIC	16.7	\$	92,785.20
3"	ULTRASONIC	33.3	\$	185,014.80
4"	ULTRASONIC	66.7	\$	370,585.20
6"	ULTRASONIC	106.7	\$	592,825.20
8"	ULTRASONIC	186.7	\$	1,037,305.20
10"	ULTRASONIC	366.7	\$	2,037,385.20
12"	ULTRASONIC	366.7	\$	2,037,385.20

NOTE: Town of Garden Ridge is Responsible for Paying any Impact Fees Due to CCMA.

CITY COUNCIL MEMORANDUM

City Council Meeting: **August 4, 2026**
Department: **City Secretary**
Subject: **Declaration of Emergency - July 15, 2026 (Fire Chief Greg Rodgers)**

BACKGROUND

In alignment with the Texas Disaster Act of 1975, discuss and take action to ratify the Mayor's Local Disaster Declaration in preparation for major flooding event in the City of Schertz, Texas that also impacted all or parts of Regions 5, 6, 7, and 8 in the State of Texas.

Attachments

Declaration of Disaster-Flooding

CITY OF SCHERTZ, TEXAS

MAYORAL DECLARATION OF LOCAL DISASTER DUE TO FLOODING

WHEREAS, the City of Schertz on the 15th of July, 2026, has suffered widespread or severe damage, injury, or loss of life or property (or there is imminent threat of same) resulting from severe flooding and

WHEREAS, the Mayor of the City of Schertz has determined that extraordinary measures must be taken to alleviate the suffering of people and to protect or rehabilitate property,

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF THE CITY OF SCHERTZ:

That a local state of disaster is hereby declared for the City of Schertz pursuant to §418.108(a) of the Texas Government Code.

Pursuant to §418.108(b) of the Texas Government Code, the state of disaster shall continue for a period of not more than seven days from the date of this declaration unless continued or renewed by the City Council of the City of Schertz.

Pursuant to §418.108(c) of the Texas Government Code, this declaration of a local state of disaster shall be given prompt and general publicity and shall be filed promptly with the City Secretary.

Pursuant to §418.108(d) of the Texas Government Code, this declaration of a local state of disaster activates the City emergency management plan.

That this proclamation shall take effect immediately from and after its issuance. ORDERED this 15th of July, 2026.

Mayor Ralph Rodriguez

Ralph Rodriguez

07/15/2026 Date 1630 Time

Mayor

City of Schertz, Texas

ATTEST:

[Signature]

07/15/26 Date 1630 Time

City Secretary

Ratification by City Council

This declaration was presented to the City of Schertz City Council and ratified on the ____ day of _____, 2026

Mayor

ATTEST:

City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026

Department: Finance

Subject: Ordinance 26-B-018 - Consideration and approval by the city council of the City of Schertz, Texas authorizing the issuance of “City of Schertz, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; and other matters incident and related thereto. (Finance Director James Walters)

BACKGROUND

The City of Schertz has created and adopted a Capital Improvements Plan that outlines when major capital projects will occur and how they will be funded. This Plan assumes no increase in the tax rate and all debt raised to fund the projects can be funded at the existing rate. Potential projects funded through debt for 2026 include:

Lower Seguin Road Improvements

Street Preservation & Maintenance

Northcliffe Country Club Estates Road Rehabilitation

Savannah Drive Mill and Overlay Rehabilitation

Generators for Community Center/Building1 and the Public Safety Complex

Wendy Swan Drainage Improvements

The Ordinance authorizes the sale of Obligations for the projects previously proposed and properly noticed subsequent the Notice of Intention Resolution adopted by the Council on June 2, 2026. The Certificates will fund street improvements, utility improvements, and facility improvements in an amount of \$9,850,000. As of today, no petition has been filed to push this sale of debt to the November election.

On August 4, 2026, the city received the quote for the sale of the bonds for the council's review. Council may agree to the terms of the sale based on the interest rates offered and adopt Ordinance 26-B-018 or may reject all proposals and cancel the sale of the bonds.

GOAL

To approve a bond ordinance and improve roadways, utilities, and facilities in the City of Schertz.

COMMUNITY BENEFIT

This sale of bonds is aimed to fund improvements to roadways and drainage throughout the City, offering better and more reliable services to residents and businesses in Schertz.

SUMMARY OF RECOMMENDED ACTION

Staff recommends approval of the bond ordinance.

FISCAL IMPACT

When the Certificates of Obligation (CO's) are approved, it is estimated that there will be no further impact on the city's tax rate. The debt payments on \$8,750,000 fit within the taxes raised at the existing rate. The Drainage Fund can also pay for its \$1,100,000 portion of the debt payments at the existing drainage fee amount. A presentation on the annual debt service amounts for the General Fund and Drainage Fund will be presented based on the results of the bond sale for Council's consideration.

RECOMMENDATION

Staff recommends approving the Ordinance 26-B-018 authorizing the sale of the Certificates.

**Motion: I MOVE THAT THE CITY COUNCIL ADOPT AN ORDINANCE AUTHORIZING THE
“CITY OF SCHERTZ, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2026”**

Attachments

Ordinance 26-B-018 Issuing Certificates of Obligation Bonds Series 2026

ORDINANCE 26-B-018

An Ordinance authorizing the issuance of “City Of Schertz, Texas Combination Tax And Limited Pledge Revenue Certificates Of Obligation, Series 2026”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; providing the terms and conditions of said certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an Official Statement pertaining thereto; authorizing the execution of a Paying Agent/Registrar Agreement and sale documentation; complying with the requirements of the Letter of Representations previously executed with the Depository Trust Company; authorizing the execution of any necessary engagement agreement with the city’s financial advisors; and providing an effective date

WHEREAS, the City Council of the City of Schertz, Texas (the *City*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$9,850,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) (a) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (b) for drainage improvements, including designing, engineering, and construction costs related thereto; (c) renovating, equipping, and improving public safety facilities, including replacing generators at the City’s public safety building; (d) renovating, equipping, and improving administrative office buildings housing the governmental functions of the City, including replacing generators at the City’s civic center and City hall building; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects. This notice has been duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-five (45) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation; and

WHEREAS, in accordance with the provisions of Section 271.049, as amended, Texas Local Government Code, the City confirms that notice of the City’s intention to issue certificates of obligation was approved by resolution at a public meeting and stated (1) the then-current principal of all outstanding debt of the City; (2) the then-current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full, based on the City’s expectations relative to the interest due on any variable rate debt obligations, as applicable (3) the maximum principal amount of the certificates of obligation to be authorized; (4) the estimated

combined principal and interest required to pay the certificates of obligation in full; (5) the estimated interest rate for the certificates of obligation or that the maximum interest rate for the certificates of obligation may not exceed the maximum legal interest rate; and (6) the maximum maturity date of the certificates of obligation; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Secretary prior to the date tentatively set in such notice for the passage of this ordinance; and

WHEREAS, the City Council hereby finds and determines that the issuance of the certificates of obligation, under the terms herein specified, is in the best interests of the City and its residents; and

WHEREAS, the City Council hereby finds and determines that certificates of obligation in the principal amount of \$____, described in such notice should be issued and sold at this time; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of _____ AND NO/100 DOLLARS (\$____,____), to be designated and bear the title of "CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026" (the *Certificates*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) (a) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (b) for drainage improvements, including designing, engineering, and construction costs related thereto; (c) renovating, equipping, and improving public safety facilities, including replacing generators at the City's public safety building; (d) renovating, equipping, and improving administrative office buildings housing the governmental functions of the City, including replacing generators at the City's civic center and City hall building; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Chapter 1502, as amended, Texas Government Code, and the City's Home Rule Charter.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Certificate Date. The Certificates are issuable in fully registered form only; shall be dated August 1, 2026 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and the Certificates shall

become due and payable on February 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
-------------------------------------	-----------------------------------	-------------------------------

The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on February 1 and August 1 in each year (each, an *Interest Payment Date*), commencing February 1, 2027, while the Certificates are Outstanding.

SECTION 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar, for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holders*) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day

which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a Special Record Date) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

A. Mandatory Redemption. The Certificates stated to mature on February 1, 20__, February 1, 20__, February 1, 20__ and February 1, 20__ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Certificates Stated to Mature on February 1, 20__		Term Certificates Stated to Mature on February 1, 20__	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>

*Payable at Stated Maturity.

Term Certificates Stated to Mature on February 1, 20__		Term Certificates Stated to Mature on February 1, 20__	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>

*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Certificates having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

D. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the

portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

F. Transfer/Exchange of Certificates. Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five (45) days prior to the date fixed for redemption of the Certificates or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5. Execution - Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro Tem under the seal of the City reproduced or impressed thereon and attested by its City Secretary. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Certificates, or if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly

executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Certificates, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7. Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully registered Certificate in the total principal amount of \$_____, with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate*) and, in either case, the Initial Certificate shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers or their designee, shall cancel the Initial

Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Certificate.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Guadalupe, Comal, and Bexar
CITY OF SCHERTZ, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2026

Certificate Date: August 1, 2026
Interest Rate:
Stated Maturity:
CUSIP No.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of Schertz, Texas (the *City*), a body corporate and municipal corporation in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2027.

Principal and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$ __, __, __ (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) (a) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (b) for drainage improvements, including designing, engineering, and construction costs related thereto; (c) renovating, equipping, and improving public safety facilities, including replacing generators at the City's public safety building; (d) renovating, equipping, and improving administrative office buildings housing the governmental functions of the City, including replacing generators at the City's civic center and City hall building; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, and the City's Home Rule Charter.

The Certificates stated to mature on February 1, 20 __, February 1, 20 __, February 1, 20 __ and February 1, 20 __ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Certificates
Stated to Mature
on February 1, 20 __

	Principal
<u>Year</u>	<u>Amount (\$)</u>

Term Certificates
Stated to Mature
on February 1, 20 __

	Principal
<u>Year</u>	<u>Amount (\$)</u>

*Payable at Stated Maturity.

Term Certificates
Stated to Mature
on February 1, 20 __

	Principal
<u>Year</u>	<u>Amount (\$)</u>

Term Certificates
Stated to Mature
on February 1, 20 __

	Principal
<u>Year</u>	<u>Amount (\$)</u>

*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As provided in the Ordinance, the Certificates having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holders of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price, and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the City's combined utility system (the *System*), such lien on and pledge of the limited amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations

hereafter issued by the City. The City has previously authorized the issuance of the currently outstanding Limited Pledge Obligations (identified and defined in the Ordinance) that are payable, in part, from and secured by a lien on and pledge of a limited amount of the Net Revenues of the System in the manner and as described in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein without definition have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a Special Record Date) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Certificates does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax and collection of Pledged Revenues as aforestated. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City has caused this Certificate to be duly executed under its official seal.

CITY OF SCHERTZ, TEXAS

By _____
Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF	§	
PUBLIC ACCOUNTS	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____

Acting Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do not print on Definitive Certificates.

D. *Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued under the provisions of the within-mentioned Ordinance; the Certificate or Certificates of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:	BOKF, NA, DALLAS, TEXAS, as Paying Agent/Registrar
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_____	By: _____ Authorized Signature
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*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guaranteed:

F. Form of Initial Certificate. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (i) immediately under the name of the Certificate the headings "Interest Rate and "Stated Maturity shall both be completed "as shown below";
- (ii) the first two paragraphs shall read as follows:

The City of Schertz, Texas (the *City*), a body corporate and municipal corporation in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
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(Information to be inserted
from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Certificate Date specified above, or from the most

recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2027.

Principal of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

[END OF FORM]

G. Insurance Legend. If bond insurance is obtained by the City or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the insurer, to appear under the following header.

[BOND INSURANCE]

SECTION 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 44 of this Ordinance have the meanings assigned to them in Sections 27 and 44 of this Ordinance, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Additional Limited Pledge Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or other evidences of indebtedness hereafter issued by the City payable in part from a limited pledge of and lien on Net Revenues of the System such pledge being subordinate and inferior to the lien thereon and pledge thereof securing the payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, which pledge of revenues is limited pursuant to Section 1502.052, as amended, Texas Government Code, all as further provided in Section 20 of this Ordinance, and (ii) any obligations issued to refund the foregoing as determined by the City Council in accordance with applicable law.

B. The term *Authorized Officials* shall mean the Mayor, the Mayor Pro Tem, the City Manager, the Assistant City Manager, the Director of Finance, and/or the City Secretary.

C. The term *Certificates* shall mean the \$____,____,____ “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026” authorized by this Ordinance.

D. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

E. The term *City* shall mean the City of Schertz, located in Guadalupe, Comal, and Bexar Counties, Texas and, where appropriate, the City Council of the City.

F. The term *Closing Date* shall mean the date of physical delivery of the Initial Certificates in exchange for the payment of the agreed purchase price for the Certificates.

G. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

H. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

I. The term *Depository* shall mean an official depository bank of the City.

J. The term *Fiscal Year* shall mean the annual financial accounting period for the System now ending on September 30th of each year; provided, however, the City Council may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

K. The term *Government Securities* shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; and (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

L. The term *Gross Revenues* for any period shall mean all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income

derived from the investment or deposit of money in any special fund or account (except the Certificate Fund) created and established for the payment or security of the Certificates.

M. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

N. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being February 1 and August 1 of each year, commencing February 1, 2027, while any of the Certificates remain Outstanding.

O. The term *Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System, such pledge being junior and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues of the System that are or will be pledged to the payment of the currently outstanding Limited Pledge Obligations, and the Certificates, or any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City all as further provided in Section 20 of this Ordinance and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

P. The term *Limited Pledge Obligations* shall mean (i) the Certificates and the outstanding and unpaid obligations of the City that are payable, in part, from and secured by a subordinate and inferior lien on and pledge of a limited amount of the Net Revenues of the System and designated as follows:

(1) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016A”, dated August 1, 2016, originally issued in the aggregate principal amount of \$2,375,000;

(2) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Taxable Series 2016B”, dated August 1, 2016, originally issued in the aggregate principal amount of \$1,475,000;

(3) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2017”, dated May 15, 2017, originally issued in the aggregate principal amount of \$5,475,000;

(4) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018”, dated July 1, 2018, originally issued in the aggregate principal amount of \$10,440,000;

(5) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019”, dated August 1, 2019, originally issued in the aggregate principal amount of \$7,495,000;

(6) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022”, dated January 1, 2022, originally issued in the aggregate principal amount of \$9,390,000;

(7) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022A”, dated August 1, 2022, originally issued in the aggregate principal amount of \$18,530,000;

(8) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2024”, dated September 1, 2024, originally issued in the aggregate principal amount of \$19,165,000;

(9) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2025”, dated July 1, 2025, originally issued in the aggregate principal amount of \$53,675,000;

(10) Upon issuance, the Certificates; and

(ii) any obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with any applicable law.

Q. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, they are, in the judgment of the City Council (reasonably and fairly exercised), necessary to maintain operation of the System and render adequate service to the City and the inhabitants thereof, or are necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues, (2) payments to pension, retirement, health, hospitalization, and other employee benefit funds for employees of the City engaged in the operation or maintenance of the System, (3) payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract, (4) payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the City hereunder, and (5) any legal liability of the City arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Certificates or other bonds, notes, warrants, or similar obligations of the City payable from Net Revenues.

R. The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the Maintenance and Operating Expenses of the System.

S. The term *Ordinance* shall mean this ordinance as finally passed and adopted by the City Council of the City.

T. The term *Outstanding* when used in this Ordinance with respect to the Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 29 of this Ordinance; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Ordinance.

U. The term *Pledged Revenues* shall mean, while the Certificates remain Outstanding, an amount of Net Revenues not in excess of \$1,000. The Pledged Revenues shall be deposited, allocated, and expended in accordance with Section 10 of this Ordinance.

V. The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that may be transferred in whole or in part by the City in any given Fiscal Year (however, any amounts transferred prior to the final maturity date of the Certificates may not exceed the total amount of \$1,000) to the Certificate Fund.

W. The term *Prior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, and (ii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

X. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Ordinance.

Y. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on February 1 of each year the Certificates are Outstanding as set forth in Section 2 of this Ordinance.

Z. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a lien on and pledge of the Net Revenues of the System, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City, all as further provided in Section 20 of this Ordinance and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with any applicable law.

AA. The term *System* shall mean all properties, facilities and plants currently owned, operated, and maintained by the City for the supply, treatment, and transmission of treated potable water, for the collection and treatment of wastewater, together with all future extensions, improvements, replacements and additions thereto, whether situated within or without the limits of the City and the City expressly reserves the right at its sole discretion to include additional utility, telecommunications, technology, or similar enterprise services as components of the System; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of *Special Facilities Bonds*, which are hereby defined as being special revenue obligations of the City which are not payable from Net Revenues but which are payable from and equally and ratably secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10. Certificate Fund – Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026, INTEREST AND SINKING FUND” (the *Certificate Fund*), which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may deposit the Pledged Revenue Amount to the Certificate Fund. The Pledged Revenue Amount, if deposited, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. This Pledged Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities, including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed

by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Small Business Administration, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the City.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the

Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12. Pledge of Revenues. The City hereby covenants and agrees that, subject to (i) any prior lien on and pledge of the Net Revenues of the System to the payment and security of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the lien on and pledge of a limited amount of the Net Revenues to the payment and security of the currently outstanding Limited Pledge Obligations, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

SECTION 13. System Fund. The City hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the City and shall be deposited as collected into the “CITY OF SCHERTZ, TEXAS UTILITY SYSTEM FUND” (the *System Fund*). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

- First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the System required by statute or ordinances authorizing the issuance of any indebtedness of the City to be a first charge on and claim against the Gross Revenues of the System;
- Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Prior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Junior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Fourth: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Subordinate Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance; and
- Fifth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of the currently outstanding Limited

Pledge Obligations, including the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinances authorizing their issuance.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 14. Deposits to Certificate Fund – Surplus Certificate Proceeds. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the System Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of (i) any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the currently outstanding Limited Pledge Obligations, including the Certificates, and any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 15. Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16. Maintenance of System - Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the holders of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

SECTION 17. Rates and Charges. The City hereby covenants and agrees with the Holders of the Certificates that rates and charges for utility services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses; provided, however, that the City expressly reserves the right to utilize other lawfully available funds to pay the Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (ii) the interest on and principal of any Junior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (iii) the interest on and principal of any Subordinate Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iv) the amounts that may be deposited in the special funds established for the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the System and/or secured by a lien on the System or the Net Revenues thereof.

SECTION 18. Records and Accounts - Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, as amended, Texas Government Code, or other applicable law. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the System and all properties comprising the same. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 19. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20. Issuance of Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, in whole or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System;

B. Junior Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is junior and inferior to the lien on and pledge thereof securing the payment of any Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing in whole or in part the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City;

C. Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of any Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

D. Additional Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph.

Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the currently outstanding Limited Pledge Obligations and the Certificates) upon such terms and conditions as the City Council may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part, from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance or in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance or in the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations to be budgeted and appropriated for the payment of the Certificates or the currently outstanding Limited Pledge Obligations, respectively. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates, the Limited Pledge Obligations, and any Additional Limited Pledge Obligations shall be subordinate and

inferior to the pledge of and lien on the Net Revenues securing the payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City.

SECTION 21. Special Covenants. The City hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, and the City's Home Rule Charter;

B. other than for the payment of the currently outstanding Limited Pledge Obligations and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System;

C. as long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease or encumber (except in the manner provided in Section 20 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

D. to the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing utility systems other than those owned by the City, and the operation of any such systems by anyone other than the City is hereby prohibited; and

E. no free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

SECTION 22. Application of the Covenants and Agreements of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. It is expressly recognized that prior to the issuance of any Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional

Limited Pledge Obligations, the City must comply with each of the conditions precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations and the Certificates, as appropriate.

SECTION 23. Notices to Holders – Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24. Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other

governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 26. Sale of Certificates at Negotiated Sale – Approval of the Official Statement – Proceeds of Sale. The Certificates authorized by this Ordinance are hereby sold by the City to Frost Bank, as the initial purchasers of the Certificates pursuant at a negotiated sale (the *Purchasers*, having all of the rights, benefits, duties, and obligations of a Holder) in accordance with the provisions of an Purchase Contract (the *Purchase Contract*), dated as of August 4, 2026, attached hereto as Exhibit B and incorporated herein by reference as a part of the Ordinance for all purposes, at the price of par, plus a [net] reoffering premium of \$_____ (including the Purchasers' compensation of \$_____), plus accrued interest to the date of initial delivery of the Certificates to the Purchasers and is hereby approved and confirmed. The Initial Certificate shall be registered in the name of Frost Bank. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the City. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Council, and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the City. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract. Proceeds from the sale of the Certificates shall be applied as follows:

(1) Accrued interest, in the amount of \$_____, received from the Purchasers shall be deposited into the Certificate Fund.

(2) The City received a [net] reoffering premium from the sale of the Certificates of \$_____ which is hereby allocated by the City in the following manner: (A) \$_____ to pay the Purchasers' compensation, (B) \$_____ to pay the costs of issuance, and (C) the remaining \$_____ shall be deposited into the construction account established in paragraph (3) below.

(3) The balance of the proceeds (including a portion of the reoffering premium in the amount of \$_____ as described above and principal in the amount of \$_____,____.00, totaling \$_____ derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates. This special construction account

shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with SEC Rule 15c12-12, as amended (the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 4, 2026, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

SECTION 27. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

"Closing Date" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Certificates means the combined yield on the Bonds and the Certificates, treating them as a single issue and as calculated pursuant to Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if- (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

J. Certificates Not Hedge Bonds.

(1) The City reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.

(2) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The City hereby directs and authorizes any Authorized Official, either individually or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

L. Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as qualified tax-exempt obligations for purposes of section 265(b) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2026 by the City (including any subordinate entities) will not exceed \$10,000,000; and the City will take such action or refrain from such action as is necessary in order that the Certificates will not be considered “private activity bonds” within the meaning of section 141 of the Code.

SECTION 28. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, is hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the City’s financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in

such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificate. To the extent applicable, if at all, the City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, Austin, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 31. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on

the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the City nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33. Ordinance a Contract, Amendments - Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Paying Agent/Registrar, and the Holders.

SECTION 35. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 36. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 37. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 39. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of the City.

SECTION 40. Authorization of Paying Agent/Registrar Agreement. The City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 41. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 42. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 43. No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 44. Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt

obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Rule means SEC Rule 15c2-12, as amended from time to time.

SEC means the United States Securities and Exchange Commission.

Undertaking means the City’s continuing disclosure undertaking, described in Paragraphs B through F below, hereunder accepted and entered into by the City for the purpose of compliance with the Rule.

B. Annual Reports.

The City shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2026, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 26 of this Ordinance, being the information described in Exhibit C hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor’s opinion on the statement, shall be filed in the office of the City Secretary within 180 days after the last day of the City’s fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the City changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The City shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;

- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of Holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has

been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change

in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Certificates or the initial purchasers in a competitive sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the City hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit E, with which the City shall follow to assure compliance with the Undertaking. The City has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the City’s financial affairs, its

municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the City and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 45. Book-Entry Only System.

The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificates described in Section 7) in the form of a single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit D (the *Representation Letter*).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium, if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the

availability within a reasonable period of time through DTC of bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 46. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Purchase Contract, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47. Contracts with Financial Advisor. The City Council authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 48. City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, Bond Counsel to the City, and/or Financial Advisor to the City to provide to the Texas

MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 49. Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

[The remainder of this page intentionally left blank.]

PASSED, APPROVED, AND ADOPTED on the ____ day of August, 2026.

CITY OF SCHERTZ, TEXAS

Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

INDEX TO EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Purchase Contract
Exhibit C	Description of Annual Financial Information
Exhibit D	DTC Letter of Representations
Exhibit E	General Policies and Procedures Concerning Compliance with the Rule

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

See Tab No. __

EXHIBIT B

PURCHASE CONTRACT

See Tab No. __

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 44 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

(1) The City's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City appended to the Official Statement as Appendix D, but for the most recently concluded fiscal year.

(2) The information in the Official Statement under Table 1 of the Official Statement and Tables 1 through 18 of Appendix A to the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT D

DTC LETTER OF REPRESENTATIONS

See Tab No. ____

EXHIBIT E

GENERAL POLICIES AND PROCEDURES CONCERNING COMPLIANCE WITH THE RULE

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 44 of the Ordinance. “Certificates” refer to the Certificates that are the subject of the Ordinance to which this Exhibit is attached.

II. As a capital markets participant, the City is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the City’s compliance with the Rule.

III. The City is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 44C of the Ordinance, which provisions are a part of the Undertaking.

IV. The City is aware that “participating underwriters” (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the City is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The City now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the City’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the City’s obligations under the Rule, the advice from and discussions with the City’s internal senior staff (including staff charged with administering the City’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the City Manager of the City (the “Compliance Officer”) shall be responsible for satisfying the City’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the City’s information of the type described in Section 44B of the Ordinance;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 44C of the Ordinance;

4. the Compliance Officer shall work with external consultants of the City, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the City and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the City, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any City agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the City; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the City’s internal staff identified by the Compliance Officer to assist with the City’s satisfaction of the terms and provisions of the Undertaking.

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026

Department: Planning & Community Development

Subject: Ordinance 26-S-017 - Conduct a public hearing and consider a request to rezone approximately 0.26 acres of land from General Business District (GB) to Main Street Mixed-Use District (MSMU), generally located approximately 50-feet southwest of the intersection of Main Street and Lindbergh Ave, specifically known as Guadalupe County Property Identification Number 67454, City of Schertz, Texas (Senior Planner Daisy Marquez)

BACKGROUND

The applicant is requesting to rezone approximately 0.26 acres of land from General Business District (GB) to Main Street Mixed-Use District (MSMU). The subject property is currently not platted. The application wishes to use the flexibility of the Main-Street Mixed Use District (MSMU) that is permitted.

On July 9, 2026, fifteen (15) public hearing notices were mailed to the surrounding property owners within a 200-foot boundary of the subject property. At the time of the staff report, zero (0) responses in favor, zero (0) responses neutral, and zero (0) responses in opposition were received. A public hearing notice was also sent to the school district. A public hearing notice was published in the “San Antonio Express” on July 15, 2026. A notice sign was placed on the property. The Planning and Zoning Commission held a public hearing for the item on July 22, 2026.

Subject Property:

	Zoning	Land Use
Existing	General Business District (GB)	Undeveloped
Proposed	Main Street Mixed-Use District (MSMU)	Parking Lot

Adjacent Properties:

	Zoning	Land Use
North	Right-of-Way	Main Street
South	Railroad	Union Pacific
East	Main Street Mixed-Use (MSMU)	Restaurant
West	General Business District (GB)	Automobile Repair and Service, Major

Zoning:

Dimensional and Developmental Standards											
				Minimum Lot Size and Dimensions			Minimum Yard Setbacks			Miscellaneous Lot Requirements	
		Code	Zoning District	Area Sq.Ft.	Width (ft)	Depth (ft)	Front (ft)	Rear (ft)	Side (ft)	Max Height (ft)	Max Impervious Coverage

Table 21.5.7.B. Non-Residential Zoning District	Existing	GB	General Business	10,000	100	100	25	0 adj to non-res 25 adj to residential	0 adj to non-res 25 adj to res	120	80%
Table 21.5.7.A. Residential Zoning District	Proposed	MSMU	Main Street Mixed-Use	5,000	50	100	10	5	10	35	80%

Main Street Mixed-Use District (MSMU) Site Design Requirements:

Main Street Mixed-Use District (MSMU) was established to create a flexible zoning district that allowed the original and smaller lots of Schertz within the Main Street Corridor flexibility due to the characteristics of the lots. The minimum off-street parking spaces required for the Main Street Mixed-Use District (MSMU) are 2 parking spaces. As per UDC Article 9, Main Street Mixed-Use District (MSMU) is also allowed additional flexibility in the following site design requirement subsections:

- 21.9.7.D.9. The 20-foot landscape buffer with one tree every 20 linear feet adjacent to Right-of-Way is not required for Main Street Mixed-Use District (MSMU) properties.
- 21.9.7.D.13. Main Street Mixed-Use District (MSMU) zoned properties are exempt from the planting island requirements.
- 21.9.7.D.14. Main Street Mixed-Use District (MSMU) zoned properties adjacent to residential uses or zoning is only required to provide a 5-foot landscape buffer and are not required to provide an 8-foot masonry wall.

GOAL

The applicant is requesting to rezone approximately 0.26 acres of land from General Business District (GB) to Main Street Mixed-Use District (MSMU).

COMMUNITY BENEFIT

It is the City's desire to promote safe, orderly, efficient development and ensure compliance with the City's vision of future growth.

SUMMARY OF RECOMMENDED ACTION

When considering zone changes, staff looks to the criteria listed in UDC Section 21.5.4.D. The criteria are listed below:

1. Whether the proposed zoning change implements the policies of the adopted Comprehensive Land Plan, or any other applicable adopted plans.

The proposed zone change implements the policies of the adopted Comprehensive Land Plan. The subject property is designated as Main Street on the Future Land Use Map. The Main Street Future Land Use Designation is intended for residential, commercial, cultural, and entertainment uses to create a dynamic urban core.

The property is also part of the Main Street Corridor that is eligible for Main Street Grants. The proposed zone change to Main Street Mixed-Use District (MSMU) implements the Future Land Use Map designation of Main Street.

2. Whether the proposed zoning change promotes the health, safety, and general welfare of the City.

As part of promoting health, safety, and welfare, the City should encourage development compatible with surrounding uses, utilizing standards and transitional uses to alleviate negative impacts. Any new development will be required to meet the site design requirements listed in Article 9 of the Unified Development Code. Per the letter of intent, the applicant wishes to use the lot to revitalize Main Street.

As part of the zone change, the Engineering Department provided a traffic impact evaluation and concluded that there would be no adverse impact to the City's transportation system due to the zone change request. The intent of the proposed zone change and no change on impact to the City's transportation system promotes the health, safety, and general welfare of the community.

3. Whether the uses permitted by the proposed change will be consistent and appropriate with existing uses in the immediate area;

The proposed Main Street Mixed-Use District (MSMU) is intended for properties along Main Street and in proximity to Main Street, and permits single-family, multi-family, and low-intensity commercial uses. Along Main Street, there are existing commercial uses which include restaurants, professional offices, parking lots, and retail. The applicant intends to revitalize the lot in compliance with the Main Street Mixed-Use (MSMU) permitted uses and site design requirements, which are consistent with and appropriate with the existing uses in the immediate area.

4. Whether other factors are deemed relevant and important in the consideration of the amendment.

Staff has ensured all UDC requirements have been met for the proposed zone change application. The City of Schertz Fire, EMS, and Police Departments have reviewed the proposed zone change request and do not provide objections. The Planning and Zoning Commission held a public hearing for the item on July 22, 2026.

RECOMMENDATION

Staff Recommendation:

Staff recommends approval of Ordinance 26-S-017 due to the location of the subject property on Main Street and compatibility of the proposed zoning district with the Comprehensive Land Use Plan Future Land Use Map.

Planning and Zoning Commission Recommendation:

The Planning and Zoning Commission held a public hearing for the item on July 22, 2026, and made a recommendation of approval to City Council.

Attachments

Ordinance 26-S-017 With Attachments

Aerial Exhibit

200-Foot Notification Map

Zone Change Exhibit

City Council Presentation Slides

SCUC ISD Demographic Report

SCUC ISD 10-Year Forecasting

ORDINANCE NO. 26-S-017

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS, TO REZONE APPROXIMATELY 0.26 ACRES OF LAND FROM GENERAL BUSINESS DISTRICT (GB) TO MAIN STREET MIXED-USE DISTRICT (MSMU), GENERALLY LOCATED APPROXIMATELY 50- FEET SOUTHWEST OF THE INTERSECTION OF MAIN STREET AND LINDBERGH AVENUE, SPECIFICALLY KNOWN AS GUADALUPE COUNTY PROPERTY IDENTIFICATION NUMBER 67454, CITY OF SCHERTZ, TEXAS.

WHEREAS, an application to rezone approximately 0.26 acres of land from General Business District (GB) to Main Street Mixed Use District (MSMU), generally located approximately 50-feet southwest of the intersection of Main Street and Lindbergh Avenue, specifically known as Guadalupe County Property Identification Number 67454, more specifically described in Exhibit A attached herein (herein, the “Property”) has been filed with the City; and

WHEREAS, the City’s Unified Development Code Section 21.5.4.D. provides for certain criteria to be considered by the Planning and Zoning Commission in making recommendations to City Council and by City Council in considering final action on a requested zoning (the “Criteria”); and

WHEREAS, on July 22, 2026, the Planning and Zoning Commission conducted a public hearing and, after considering the Criteria, made a recommendation to City Council to approve the requested zone change with a unanimous vote; and

WHEREAS, on August 4, 2026, the City Council conducted a public hearing and, after considering the Criteria and recommendation by the Planning and Zoning Commission, determined that the requested zoning be approved as provided for herein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The Property, as shown and more particularly described in the attached Exhibit A, approximately 0.26 acres of land is hereby zoned Main Street Mixed-Use District (MSMU).

Section 2. The Official Zoning Map of the City of Schertz, described and referred to in Article 2 of the Unified Development Code, shall be revised to reflect the above amendment.

Section 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 4. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 5. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 7. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 8. This Ordinance shall be effective upon the date of final adoption hereof and any publication required by law.

Section 9. This Ordinance shall be cumulative of all other ordinances of the City of Schertz, and this Ordinance shall not operate to repeal or affect any other ordinances of the City of Schertz except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, are hereby repealed.

PASSED, APPROVED and ADOPTED on this ____ day of _____ 2026.

CITY OF SCHERTZ, TEXAS

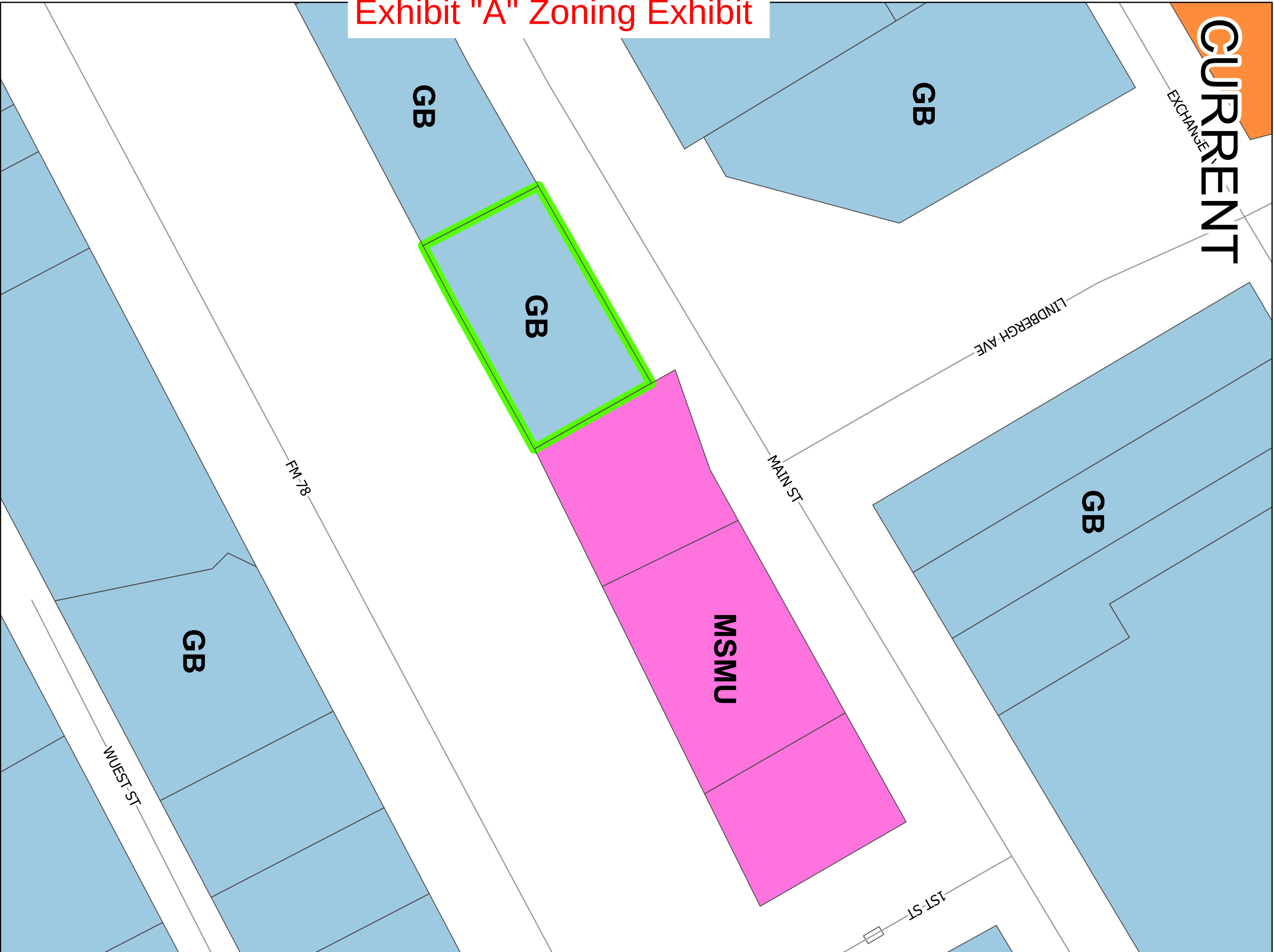
Ralph Rodriguez, Mayor

ATTEST:

Sheila Edmondson, City Secretary

Exhibit "A"
Zoning Exhibit

CURRENT



PROPOSED



COMMUNITY ★ SERVICE ★ OPPORTUNITY

Last update: July 1, 2026

City of Schertz, GIS Specialist: Bill Gardner,

gis@schertz.com (210) 619-1165

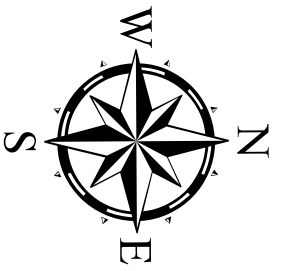
The City of Schertz provides this Geographic Information System product "as is" without any express or implied warranty of any kind including but not limited to the implied warranties of merchantability and fitness for a particular purpose. In no event shall The City of Schertz be liable for any special, indirect, or consequential damages or any damages whatsoever arising out of or in connection with the use of or performance of these materials. Information published in this product could include technical inaccuracies or typographical errors. Periodical changes may be added to the information herein. The City of Schertz may make improvements and/or changes in the product(s) described herein at any time.

Proposed Zoning Change Property ID 67454

Classification

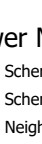
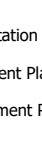
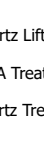
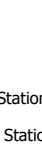
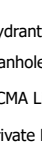
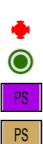
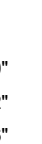
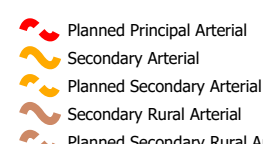
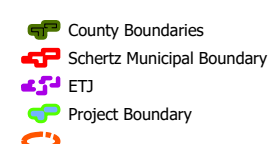
- | | |
|--|--|
| (PRE) Pre-Development | (R-4) Apartment/Multi-Family Residential |
| (PDD) Planned Development | (R-6) Single-Family Residential |
| (PUB) Public Use | (R-7) Single-Family Residential |
| (R-A) Single-Family Residential/Agricultural | (AD) Agricultural District |
| (R-1) Single-Family Residential | (GH) Garden Home/Single-Family Residential (Zero Lot Line) |
| (R-2) Single-Family Residential | (TH) Townhome |
| (R-3) Two-Family Residential | (MHP) Manufactured Home Subdivision |
| | (MHP) Manufactured Home Parks |
| | (GB) General Business |

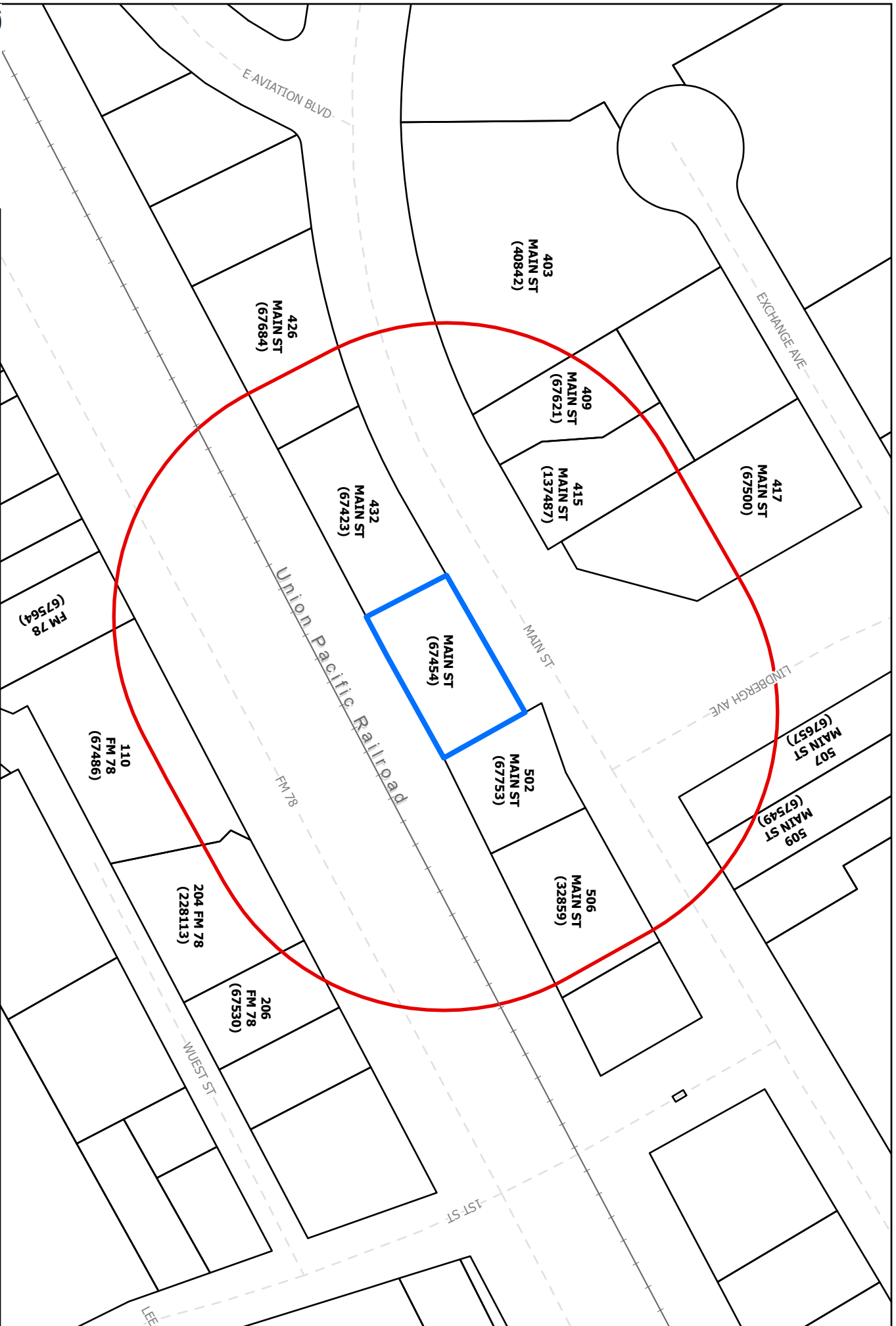
- | | |
|------------------------------|--|
| (GB-2) General Business II | (NS) Neighborhood Services |
| (OP) Office and Professional | (MSMU) Main Street Mixed Use |
| (MSMU) Main Street Mixed Use | (M-1) Manufacturing (Light) |
| (M-1) Manufacturing (Light) | (M-2) Manufacturing (Heavy) |
| (M-2) Manufacturing (Heavy) | (DVI) Development Agreement (Delayed Annexation) |





Proposed Zone Change
Property ID 67454
PLZC20260166





City of Schertz
Proposed Zone Change
Property ID 67454

 Project Boundary  Parcels
 200' Buffer


0 50 100 200 Feet



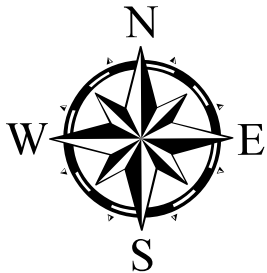
**Proposed
Zoning Change
Property ID 67454**

Classification

- (PRE) Pre-Development
- (PDD) Planned Development
- (PUB) Public Use
- (R-A) Single-family Residential/Agricultural
- (R-1) Single-Family Residential
- (R-2) Single-Family Residential
- (R-3) Two-Family Residential

- (R-4) Apartment/Multi-Family Residential
- (R-6) Single-family Residential
- (R-7) Single-family Residential
- (AD) Agricultural District
- (GH) Garden Home/Single-Family Residential (Zero Lot Line)
- (TH) Townhome
- (MHS) Manufactured Home Subdivision
- (MHP) Manufactured Home Parks
- (GB) General Business

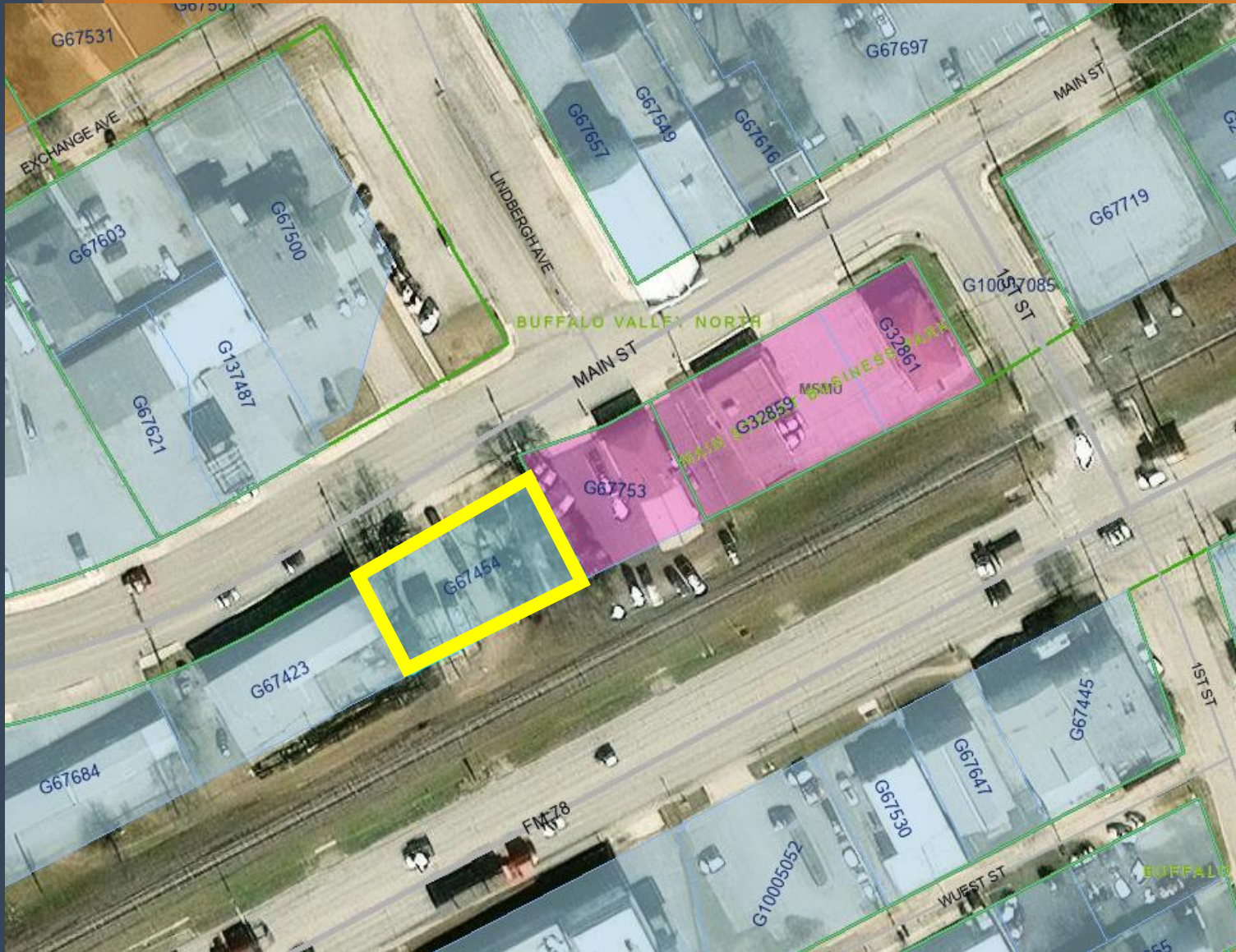
- (GB-2) General Business II
- (NS) Neighborhood Services
- (OP) Office and Professional
- (MSMU) Main Street Mixed Use
- (MSMU-ND) Main Street Mixed Use New Development
- (M-1) Manufacturing (Light)
- (M-2) Manufacturing (Heavy)
- (DVL) Development Agreement (Delayed Annexation)



Ord. 26-S-017

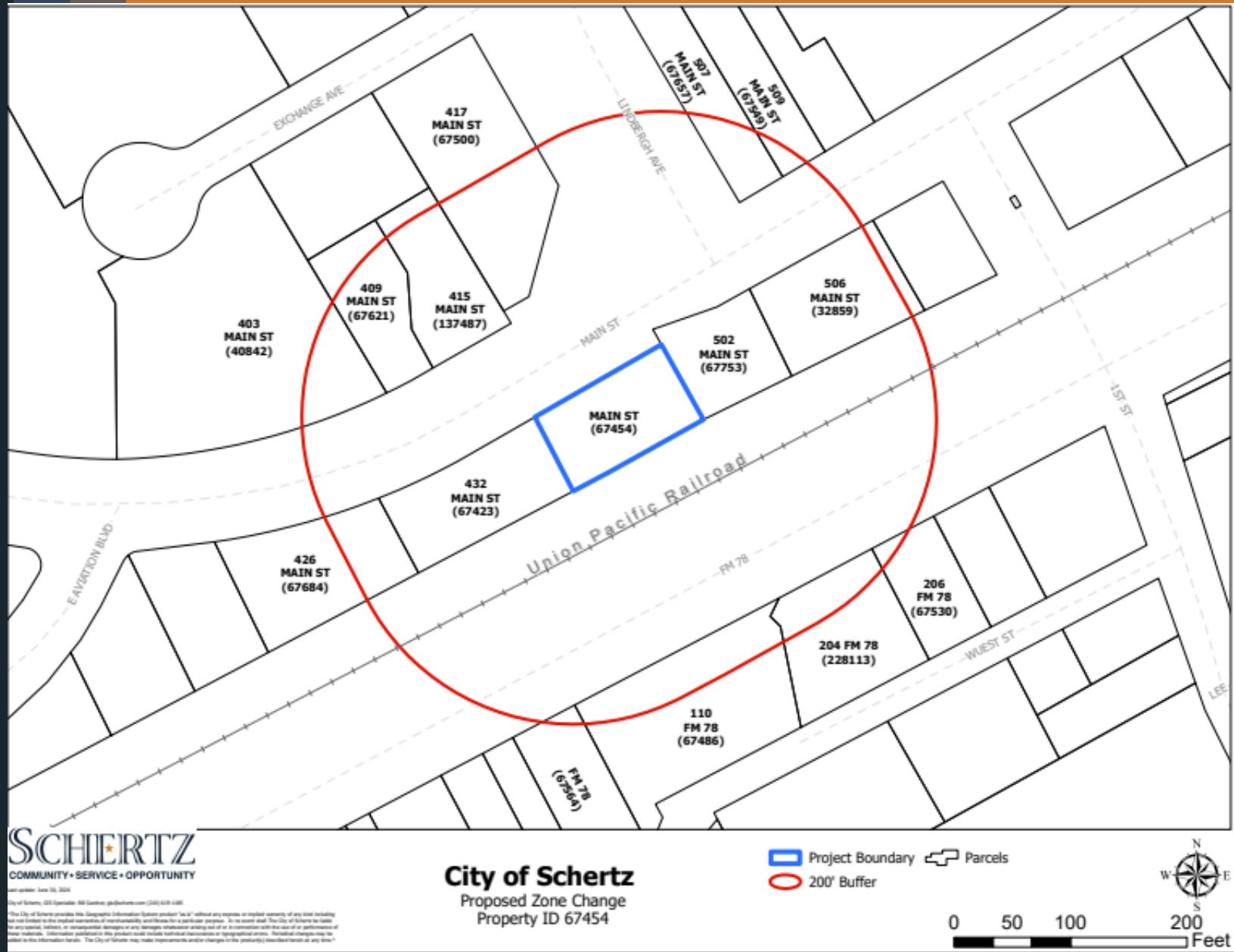
0.26 acre zone change to MSMU

Daisy Marquez| Senior Planner



	Zoning	Use
Subject Property	General Business District (GB)	Undeveloped
North	Right of Way	Main St
South	Railroad	Union Pacific
East	Main Street Mixed-Use (MSMU)	Melanies
West	General Business District (GB)	Automobile Repair and Service

- 0.26 acres
- Not platted



- 15 public notices sent on 07.9.2026
- Responses
 - (0) in Favor
 - (0) neutral to
 - (0) in opposition
- Published in the “San Antonio Express” on July 15, 2026
- One sign placed on the property
- July 22, 2026 - P&Z Commission Meeting

**Dimensional
Requirements
21.5.7 &
Permitted Uses
21.5.8**

Existing

Proposed

General Business District (GB)

Main Street Mixed-Use (MSMU)

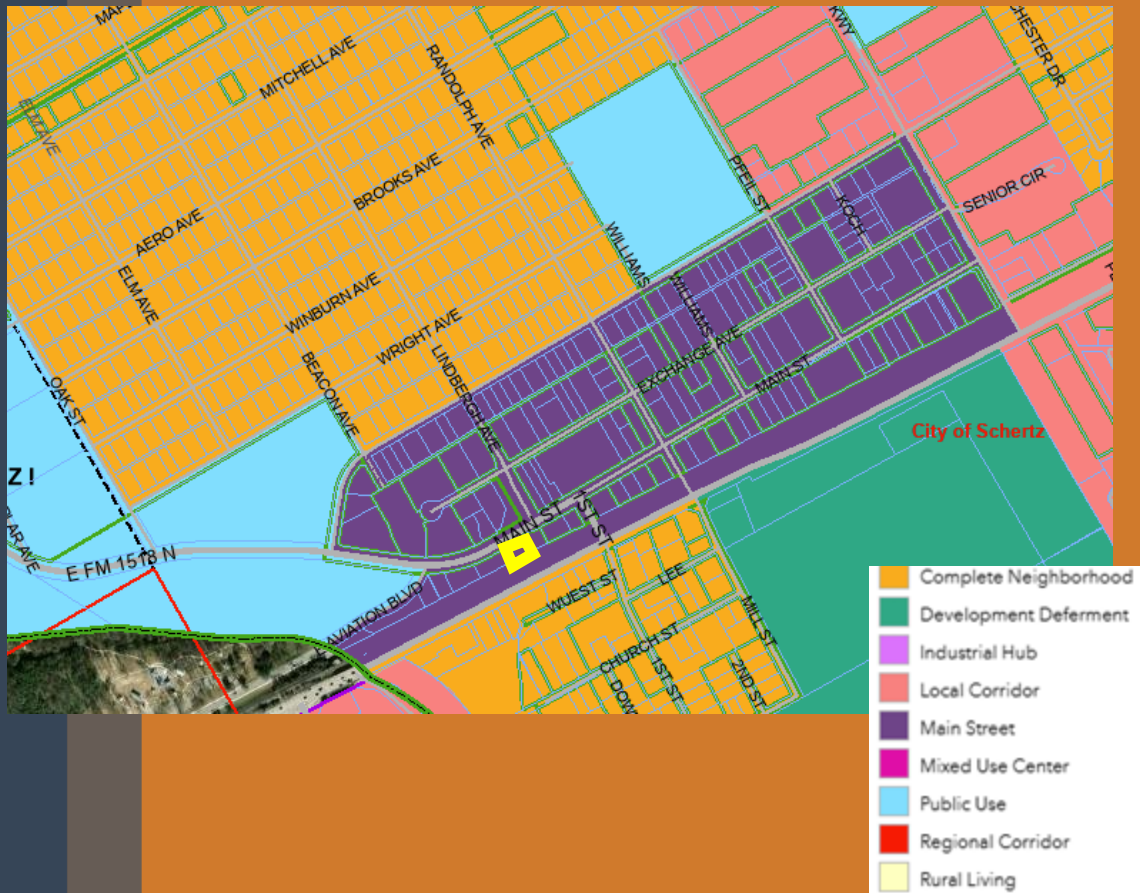
Permitted Uses *Not a comprehensive List*	Appliances, Furniture and home furnishing store; building material and hardware sales; car wash. Automated; Commercial Amusement, Indoor	Art Gallery, Book Store, Bank, Beauty Salon, Farmer's Market, Florist, Furniture Sale, Health/ Fitness Center, Tavern
Area Square Feet ; Width and Depth	10,000 sqft; 100 ft x100 ft	5,000 sqft; 50 ft x100 ft
Setbacks	Front: 20' Side: 0' adj to non-res/ 25' adj to res Rear:0' adj to non-res/ 25' adj to res	Front: 10 Side: 5 Rear: 10
Maximum Height	120 ft	35'
Max. Impervious Coverage	80%	80%

Main Street Mixed-Use District (MSMU)

- Flexible zoning district
- Minimum 2 Parking Spaces
- 21.9.7.D.9- ROW screening not required
 - 20-foot landscape buffer with 1 tree every 20 linear feet
- 21.9.7.D.13- exempt from planting island requirements
- 21.9.7.D.14- adjacent to residential requires only a 5-foot landscape buffer

UDC Section 21.5.4.D Criteria for Approval

1. Whether the proposed zoning change implements the policies of the adopted Comprehensive Land Plan or any other applicable adopted plans.



- Future Land Use Plan: Main Street
 - Residential, commercial, cultural, and entertainment spaces to create a dynamic core
- Main Street Corridor
- Implements the Comp. Plan

UDC Section 21.5.4.D Criteria for Approval

2. Whether the proposed zoning change promotes the health, safety, and general welfare of the City.

- Any new development is required to meet the site design requirements and be compliant with the UDC and its requirements
- Applicant wishes to revitalize Main Street
- TIA Summary
 - No adverse impact to the City Transportation System

UDC Section 21.5.4.D Criteria for Approval

3. Whether the uses permitted by the proposed change will be consistent and appropriate with existing uses in the immediate area;

- MSMU is intended for properties on Main Street, in proximity to Main Street, and within the Main Street Comprehensive Land Use Area
- Existing uses:
 - Commercial, restaurant, retail and personal services

UDC Section 21.5.4.D Criteria for Approval

4. Whether other factors are deemed relevant and important in the consideration of the amendment

- All UDC requirements have been met
- Schertz Fire, EMS, and Police Departments have reviewed the proposed zone change without objections
- Planning and Zoning Commission held a public hearing for the item on July 22, 2026

Staff Recommendation

Staff recommends approval of Ord. 26-S-017 due to the location of the subject property on Main Street and compatibility of the proposed zoning district with the Comprehensive Land Use Plan Future Land Use Plan.

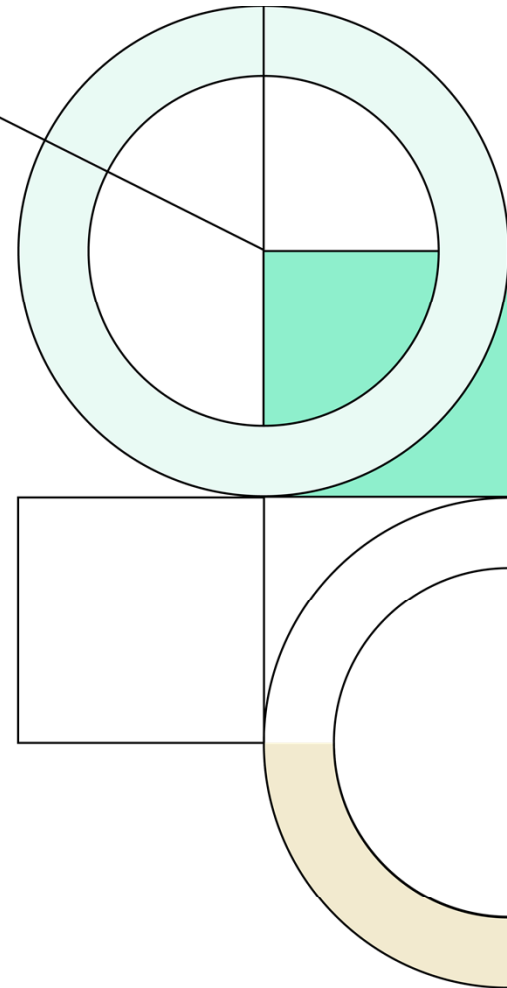
Planning and Zoning Commission

The Planning and Zoning Commission held a public hearing for the item on July 22, 2026 and made a recommendation of approval to City Council with a 6-0 vote.



4Q24

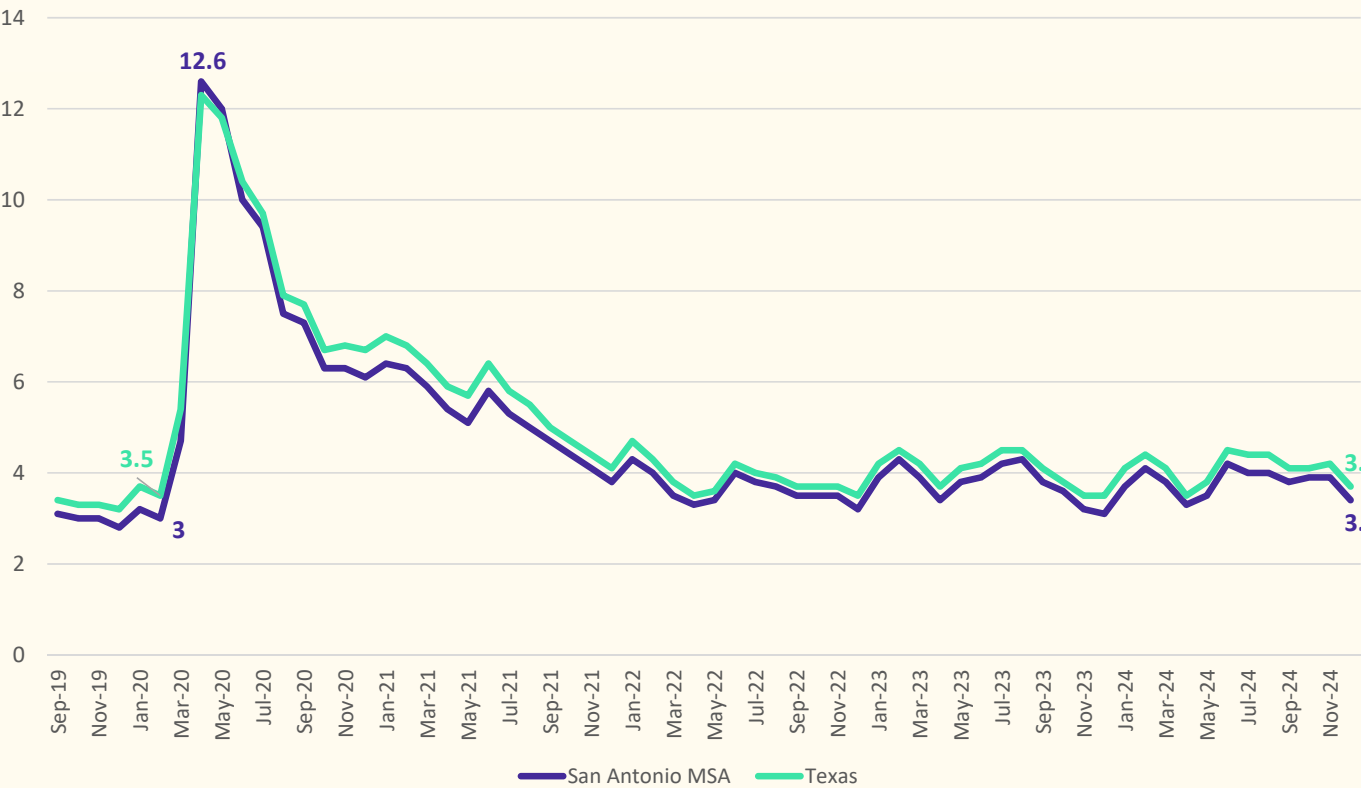
Demographic Report



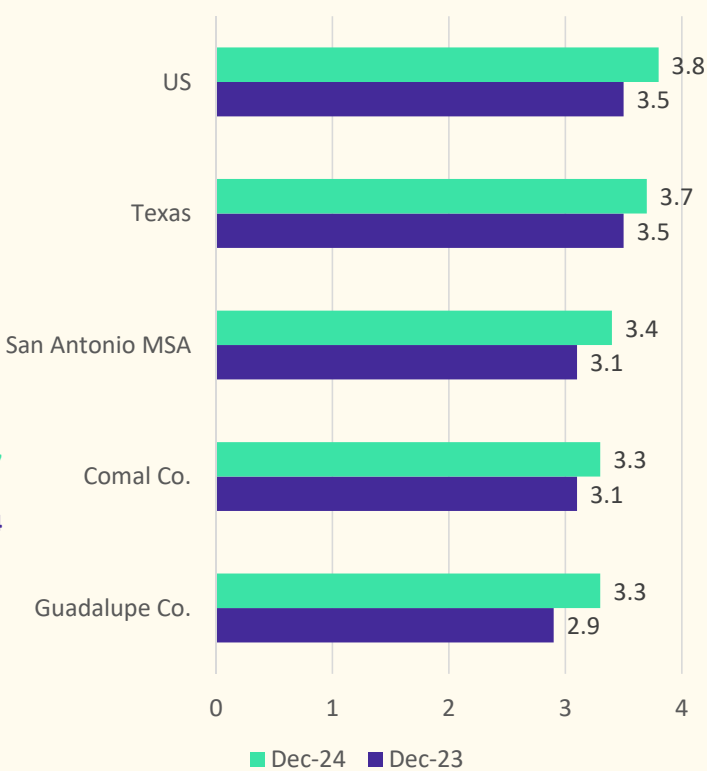


Local Economic Conditions

Unemployment Rate, Sept 2019 – Dec 2024



Unemployment Rate, Year Over Year

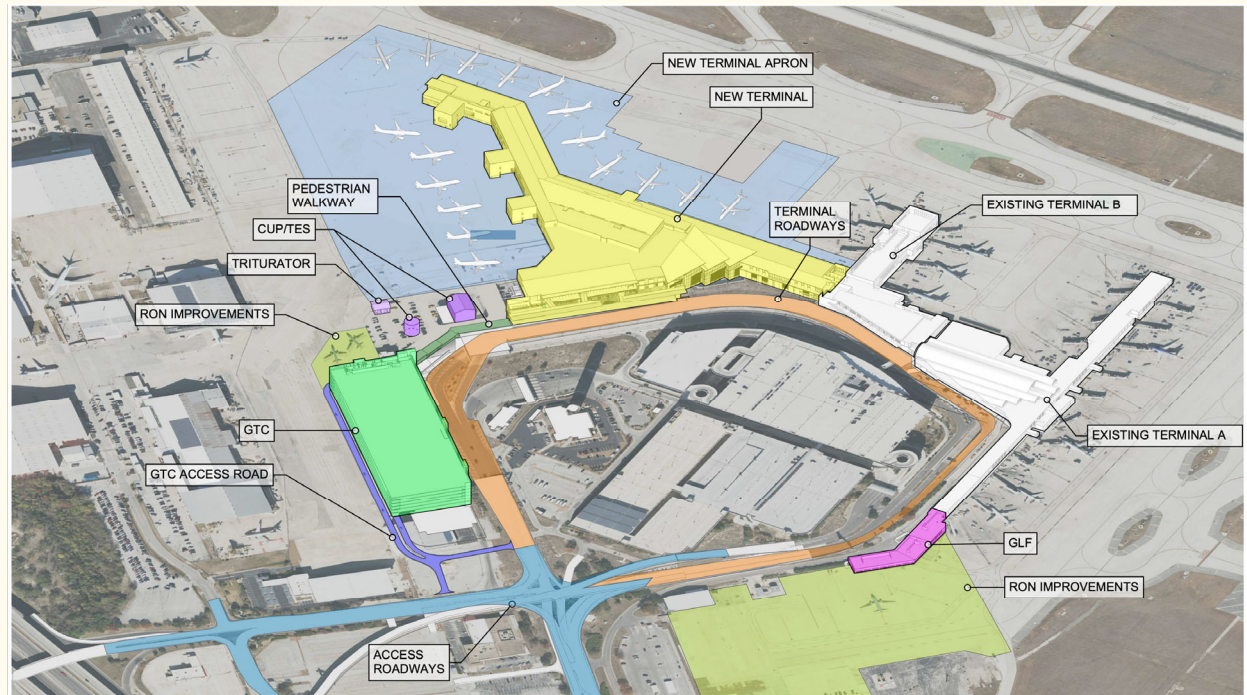




Local Economic Conditions

San Antonio International Airport

- Broke ground on third terminal at end of 2024
- Estimated total cost = \$2.5 billion
- Third terminal will anchor the expansion & improvement project housing as many as 17 new gates spanning approx. 850,000 sq. ft.
- Will include concessions and lounge areas while housing new Federal Inspection Station to accommodate expanded international air service
- Expected to generate \$3.2 billion in revenue for the city over 15 years
- New ground loading facility also added at Terminal A including new passenger gates and overnight aircraft parking
- The third terminal is scheduled for completion in 2028





Housing Activity by MSA

Top 25 Housing Starts Markets (4Q2024)

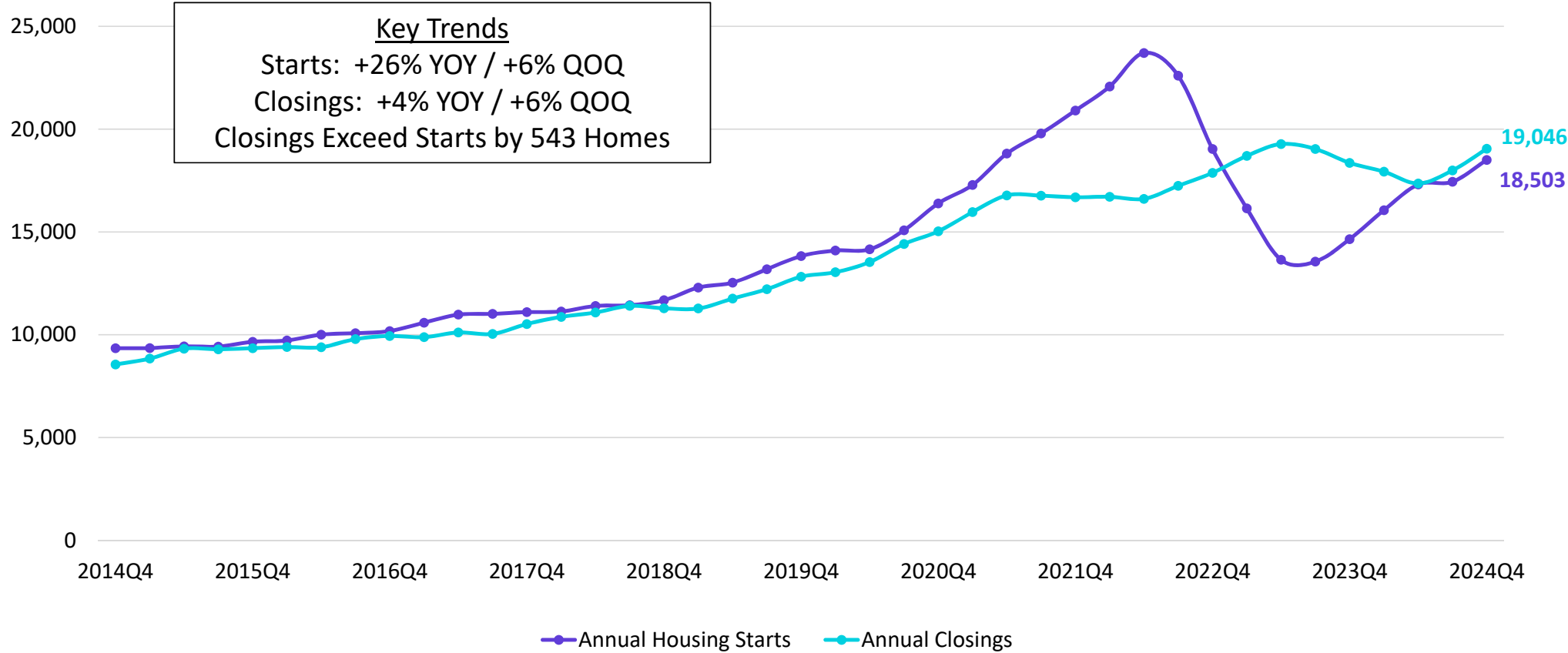
Rank	Market	4Q24 Annualized Starts	4Q24 YOY Change	4Q19 Annualized Starts	Change from 2019
1	Dallas	47,421	13%	34,816	36%
2	Houston	39,036	10%	30,646	27%
3	Phoenix	22,800	32%	21,598	6%
4	San Antonio	18,232	25%	13,816	32%
5	Atlanta	18,206	2%	23,113	-21%
6	Austin	16,293	2%	18,952	-14%
7	Orlando	13,524	-15%	14,624	-8%
8	Tampa	12,131	1%	12,296	-1%
9	Charlotte	11,991	2%	12,136	-1%
10	Raleigh	11,848	15%	10,033	18%
11	Las Vegas	11,499	18%	9,852	17%
12	Riverside/San Bernardino	11,025	-4%	9,780	13%
13	Washington, DC	10,963	8%	12,608	-13%
14	Jacksonville	10,341	5%	8,833	17%
15	Sarasota	10,010	12%	6,071	65%
16	Nashville	9,348	2%	8,955	4%
17	Miami	9,087	4%	8,058	13%
18	Portland	8,789	85%	5,273	67%
19	Seattle	8,270	32%	8,579	-4%
20	Denver	8,199	8%	9,925	-17%
21	Lakeland	7,846	7%	5,084	54%
22	Boise	7,456	42%	6,468	15%
23	Minneapolis	7,436	12%	7,852	-5%
24	Indianapolis	7,196	15%	6,019	20%
25	Chicago	7,020	9%	6,110	15%

Source: Zonda



San Antonio New Home Starts & Closings

Annual Housing Starts vs. Annual Closings

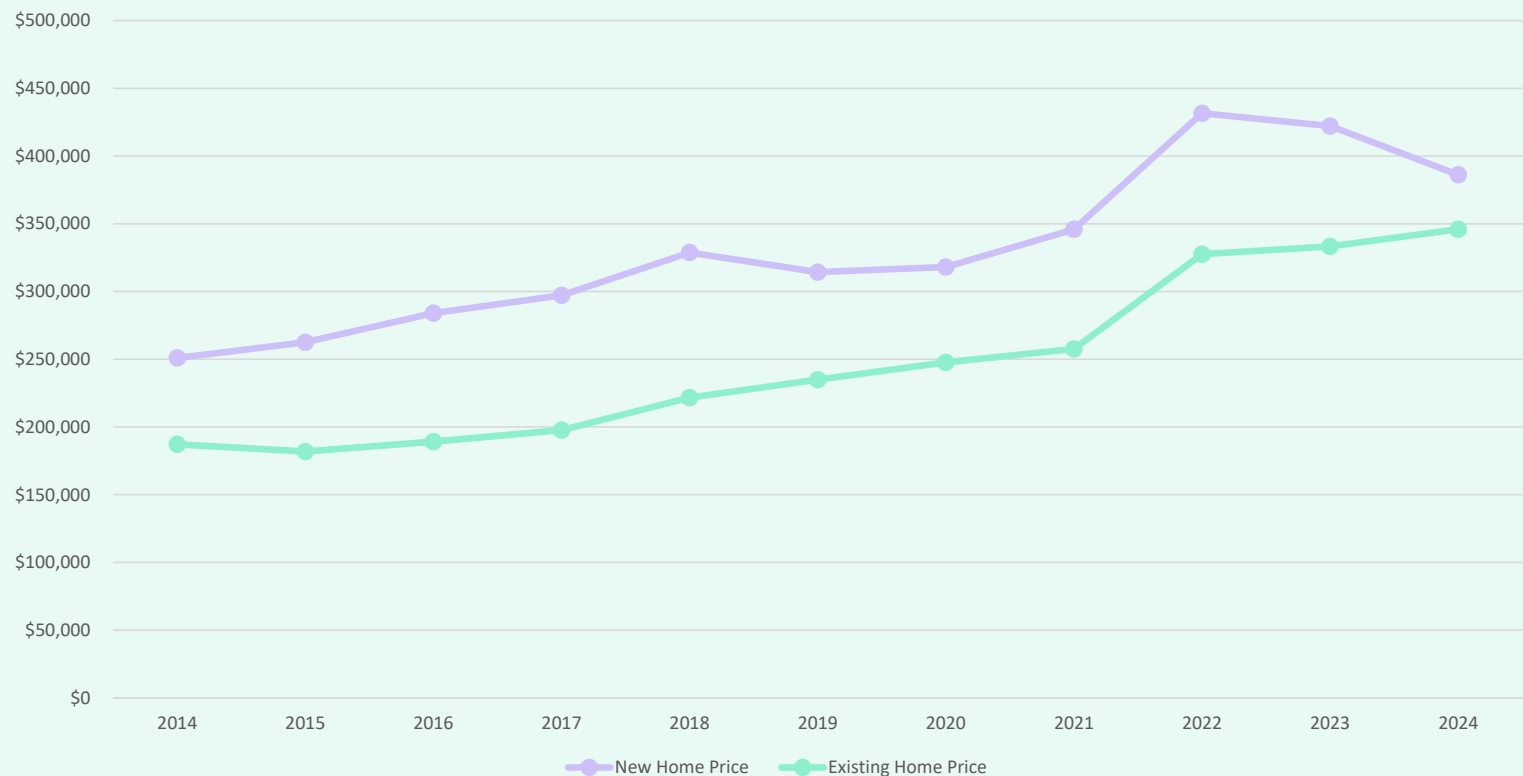


Source: Zonda



SCUC ISD Housing Market Analysis

Average New vs. Existing Home Sale Price, 2013 - 2024



- The average new home sale price in SCUC ISD has risen 54% between 2014 and 2024, an increase of more than \$135,200
- The average existing home sale price in SCUC ISD has risen 85% in the last 10 years, an increase of more than \$158,800

	Avg New Home	Avg Existing Home
2014	\$250,897	\$187,097
2015	\$262,532	\$181,881
2016	\$284,037	\$189,189
2017	\$297,182	\$197,710
2018	\$328,762	\$221,637
2019	\$314,299	\$234,868
2020	\$318,065	\$247,691
2021	\$345,858	\$257,537
2022	\$431,606	\$327,526
2023	\$422,149	\$333,286
2024	\$386,156	\$345,921



San Antonio New Home Ranking Report

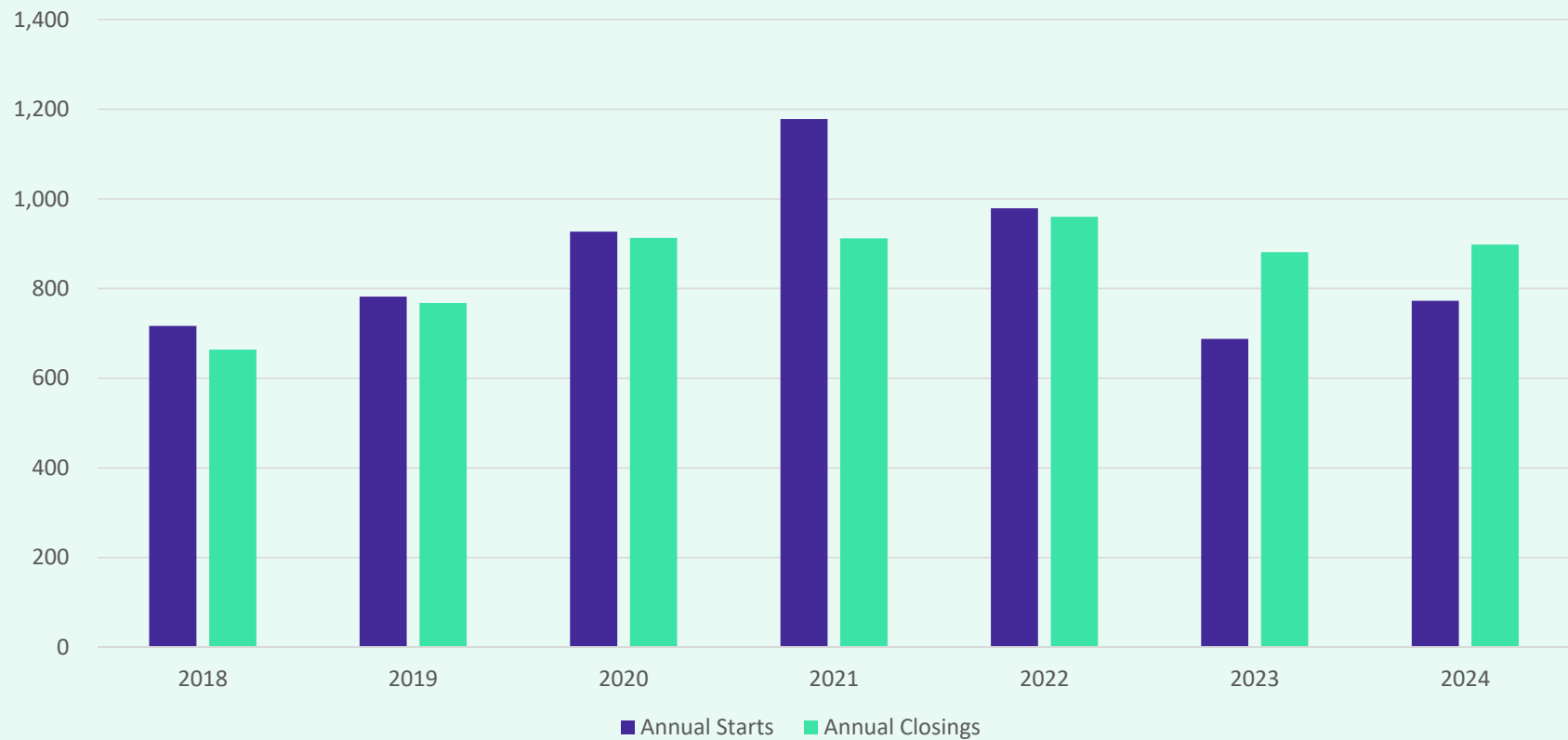
ISD Ranked by Annual Closings – 4Q24

Rank	District Name	Annual Starts	Annual Closings	Inventory	VDL	Future
1	NORTHSIDE ISD (BEXAR)	3,739	3,920	1,909	6,114	21,246
2	COMAL ISD	2,691	3,028	1,670	4,843	21,591
3	MEDINA VALLEY ISD	2,377	2,410	1,232	5,228	27,810
4	EAST CENTRAL ISD	2,513	2,230	1,243	4,351	24,478
5	SOUTHWEST ISD	1,301	1,328	628	2,269	7,296
6	JUDSON ISD	615	899	207	547	871
7	SCUC ISD	787	894	391	2,113	5,896
8	NAVARRO ISD	841	832	453	1,290	6,635
9	BOERNE ISD	777	761	497	1,545	9,427
10	SOUTHSIDE ISD	700	730	322	927	16,702
11	NEW BRAUNFELS ISD	656	589	407	854	6,164
12	NORTH EAST ISD	397	361	234	906	5,196
13	SEGUIN ISD	325	342	204	668	5,384
14	SOUTH SAN ANTONIO ISD	300	238	164	86	790
15	MARION ISD	230	174	139	327	4,559
16	FLORESVILLE ISD	116	137	49	227	0
17	SAN ANTONIO ISD	59	87	126	305	772
18	LYTLE ISD	91	76	44	319	1,046
19	PLEASANTON ISD	54	61	25	72	0
20	ALAMO HEIGHTS ISD	3	41	8	15	19

* Based on additional Zonda Education housing research



District New Home Starts and Closings



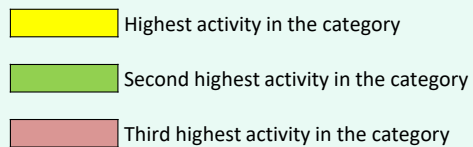
Starts	2018	2019	2020	2021	2022	2023	2024
1Q	175	201	237	294	349	103	189
2Q	180	176	197	300	393	187	260
3Q	177	207	261	265	174	241	163
4Q	185	198	232	319	63	157	161
Total	717	782	927	1,178	979	688	773

Closings	2018	2019	2020	2021	2022	2023	2024
1Q	133	138	165	190	181	280	235
2Q	185	211	249	258	227	247	249
3Q	185	240	286	268	218	199	200
4Q	161	179	213	196	334	155	214
Total	664	768	913	912	960	881	898



District Housing Overview by Elementary Zone

Elementary	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Under Const.	Inventory	Vacant Dev. Lots	Future
CIBOLO VALLEY	76	11	123	30	13	33	118	36
GREEN VALLEY	0	0	0	0	0	0	0	0
PASCHAL	1	0	3	2	1	1	41	242
ROSE GARDEN	234	64	230	53	85	137	827	2,499
SCHERTZ	0	0	21	0	0	1	0	60
SIPPEL	298	70	277	68	76	154	729	1,817
WATTS	47	7	80	20	8	16	15	580
WIEDERSTEIN	131	9	160	41	13	49	383	662
Grand Total	787	161	894	214	196	391	2,113	5,896



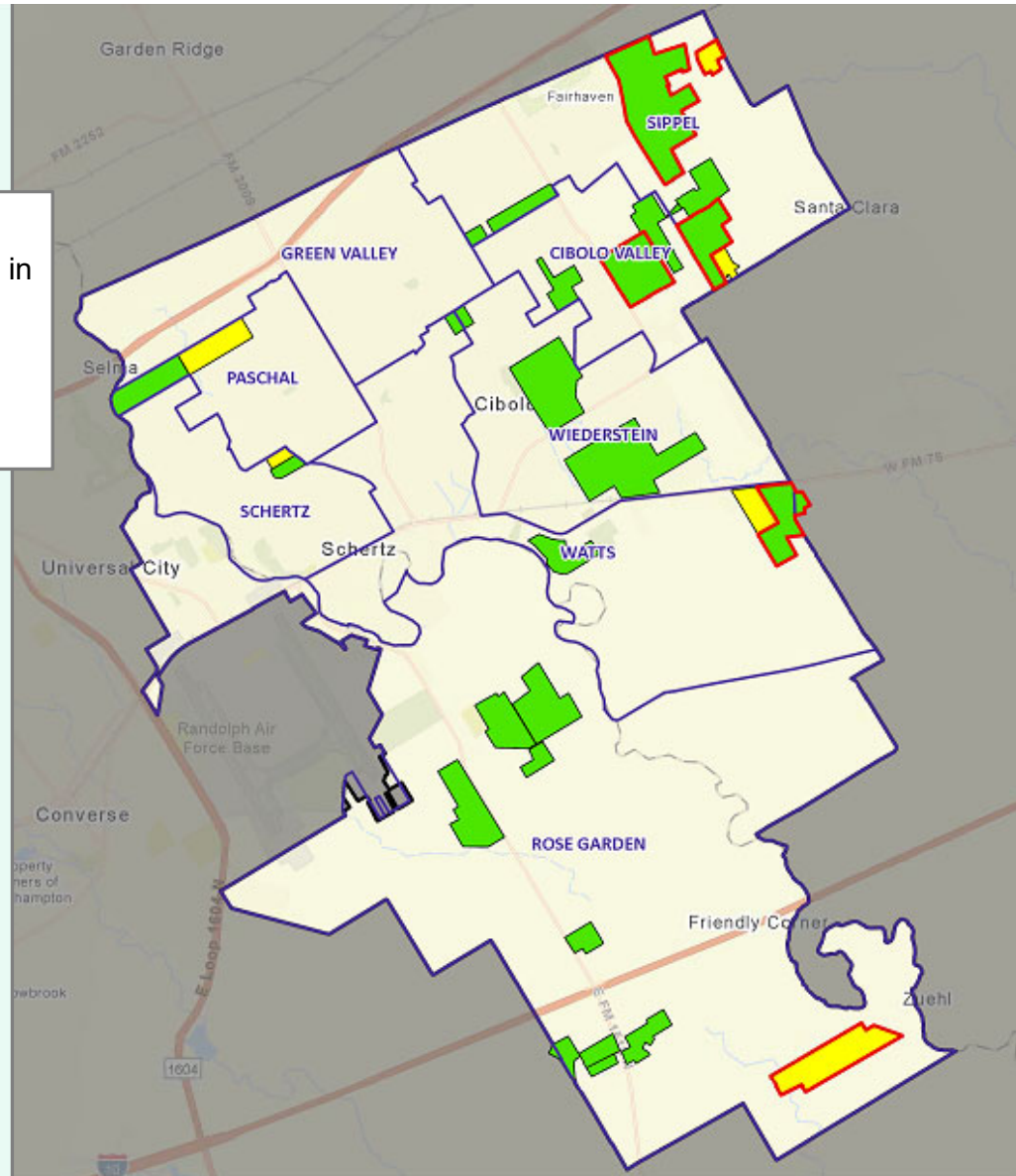


District Housing Overview

- The district has 23 actively building subdivisions
- Within SCUC ISD there are 6 future subdivisions in various stages of planning
- Of these, groundwork is underway on more than 500 lots within 6 subdivisions
- 462 lots were delivered in the 4th quarter

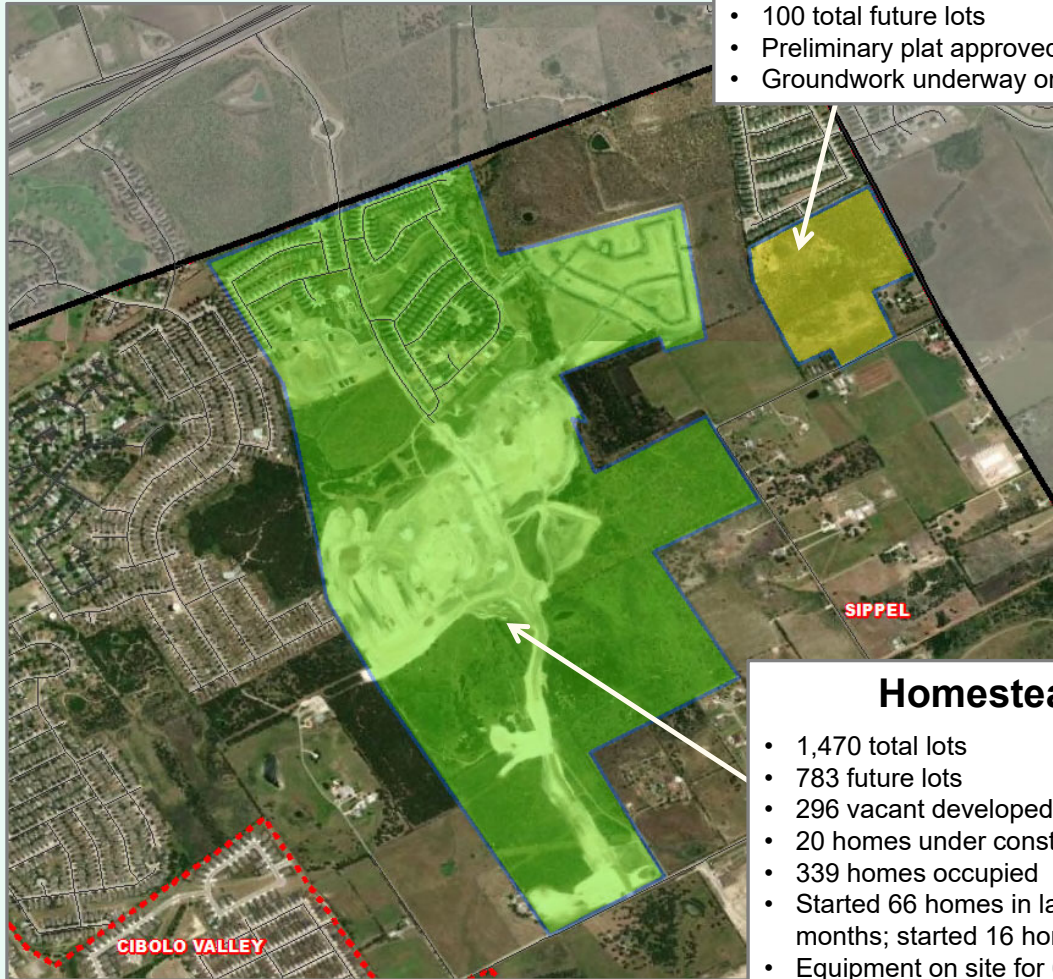
Subdivisions

-  ACTIVE
-  FUTURE
-  Groundwork Underway





Residential Activity



Mont Blanc

- 100 total future lots
- Preliminary plat approved Jan 2023
- Groundwork underway on all lots

Homestead

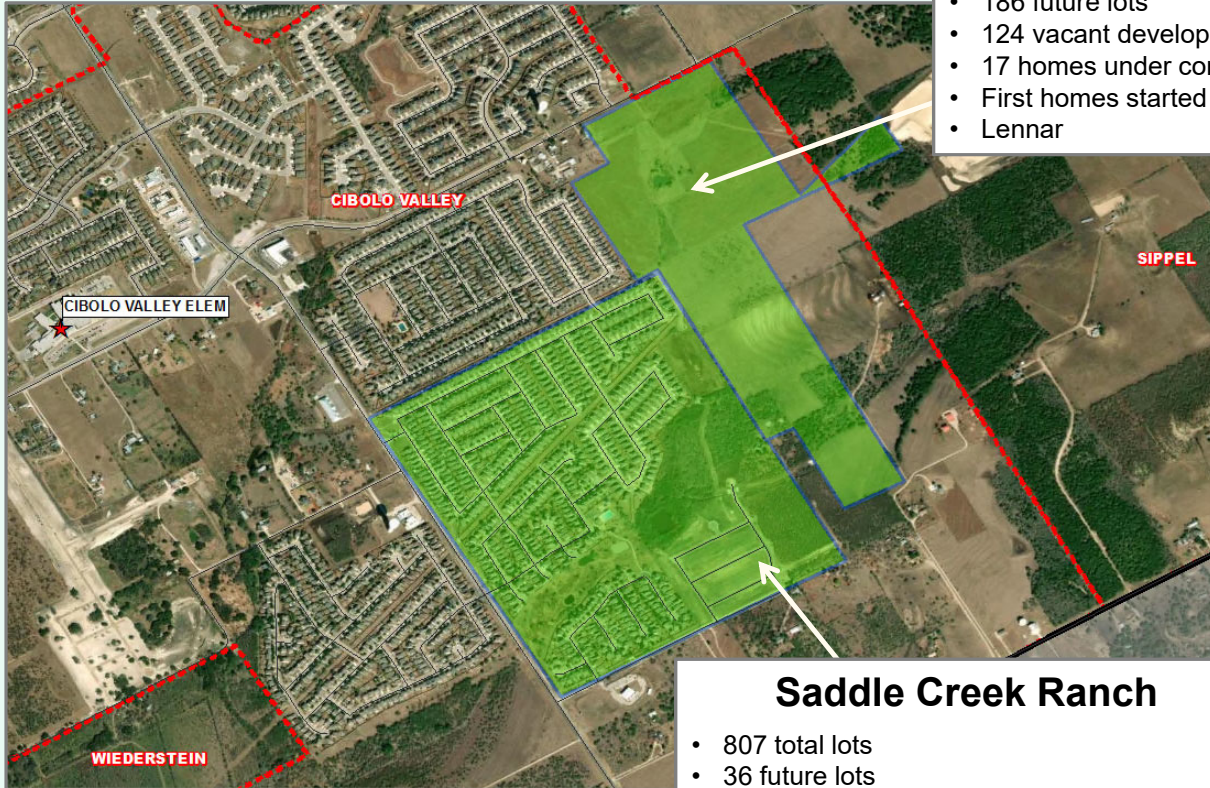
- 1,470 total lots
- 783 future lots
- 296 vacant developed lots
- 20 homes under construction
- 339 homes occupied
- Started 66 homes in last 12 months; started 16 homes in 4Q24
- Equipment on site for 62 lots in Phase 11
- \$400K - \$700K

January 24, 2025





Residential Activity



Grace Valley – Cibolo Farms

- 331 total lots
- 186 future lots
- 124 vacant developed lots
- 17 homes under construction
- First homes started 4Q24
- Lennar

January 24, 2025

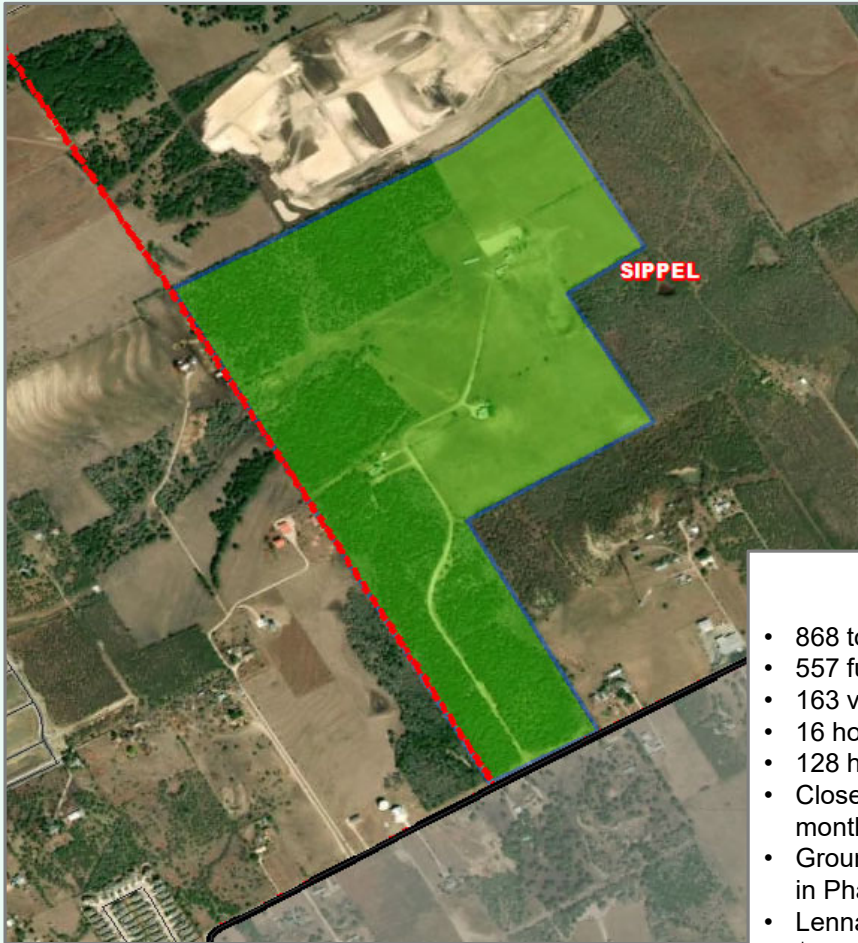


Saddle Creek Ranch

- 807 total lots
- 36 future lots
- 61 vacant developed lots
- 7 homes under construction
- 690 homes occupied
- Closed 61 homes in last 12 months; closed 16 homes in 2Q24
- Groundwork underway on remaining lots
- \$290K+



Residential Activity



Grace Valley

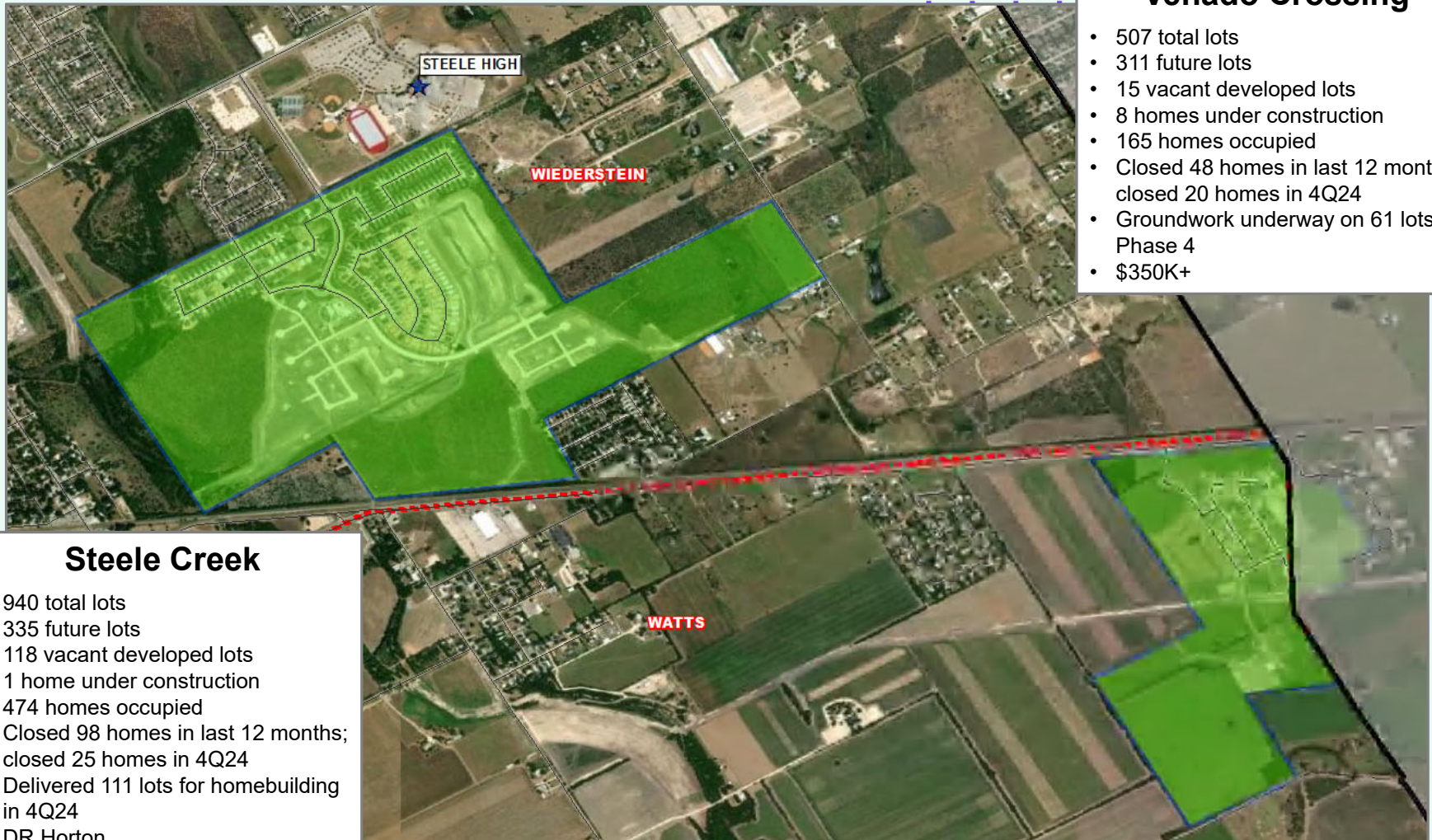
- 868 total lots
- 557 future lots
- 163 vacant developed lots
- 16 homes under construction
- 128 homes occupied
- Closed 123 homes in last 12 months; closed 32 homes in 4Q24
- Groundwork underway on 111 lots in Phase 3A
- Lennar
- \$237K+

January 24, 2025





Residential Activity



Steele Creek

- 940 total lots
- 335 future lots
- 118 vacant developed lots
- 1 home under construction
- 474 homes occupied
- Closed 98 homes in last 12 months; closed 25 homes in 4Q24
- Delivered 111 lots for homebuilding in 4Q24
- DR Horton
- \$365K+

Venado Crossing

- 507 total lots
- 311 future lots
- 15 vacant developed lots
- 8 homes under construction
- 165 homes occupied
- Closed 48 homes in last 12 months; closed 20 homes in 4Q24
- Groundwork underway on 61 lots in Phase 4
- \$350K+



Residential Activity



January 24, 2025



Saddlebrook Ranch

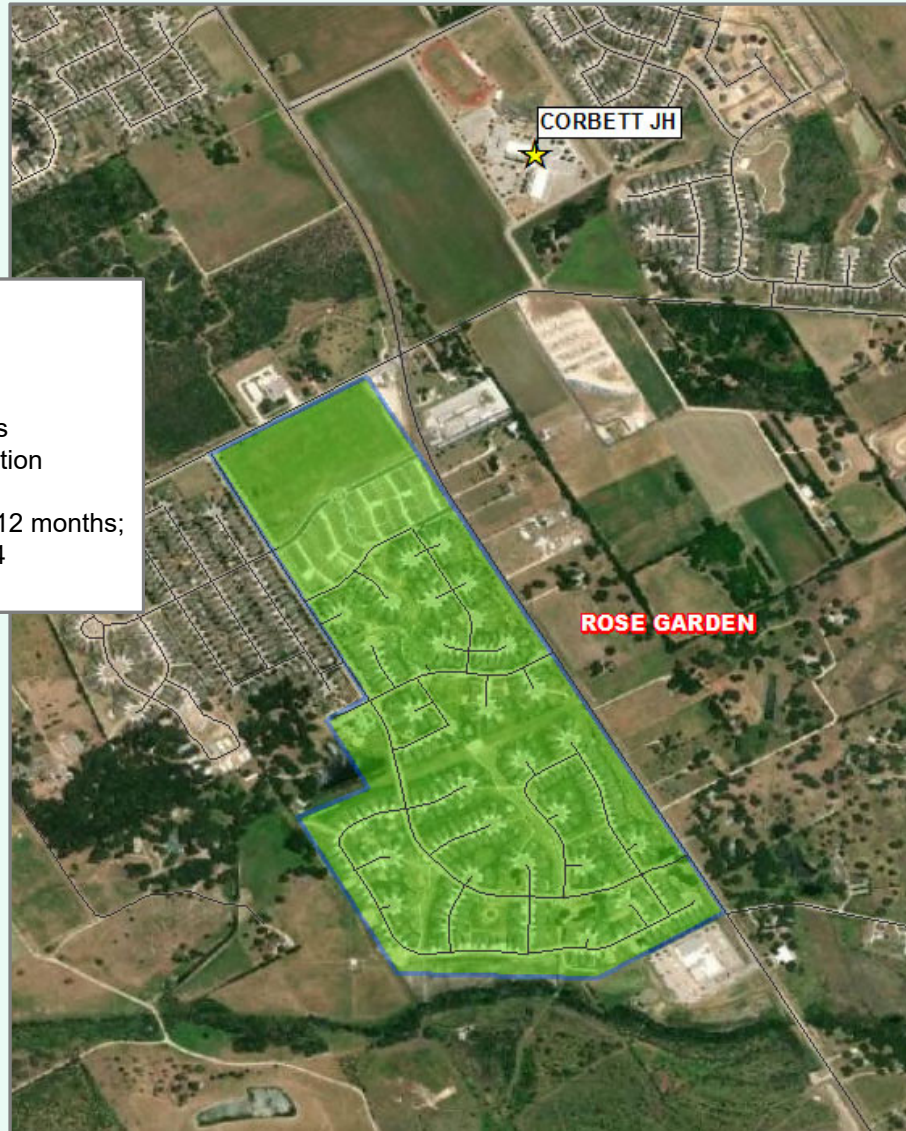
- 635 total lots
- 335 future lots
- 287 vacant developed lots
- 12 homes under construction
- Started first homes 3Q24
- Delivered 132 lots for homebuilding in Phase 4 & 5 in 4Q24
- Ashton Woods
- \$362K+



Residential Activity

Crossvine

- 1,017 total lots
- 168 future lots
- 291 vacant developed lots
- 19 homes under construction
- 516 homes occupied
- Started 56 homes in last 12 months;
started 15 homes in 4Q24
- \$400K+





Residential Activity

Clearwater Creek

- 1,156 total future lots
- Prelim plat Phase 1 (104 lots) approved April 2022
- Groundwork underway on Phase 1
- Lennar

ROSE GARDEN

January 24, 2025

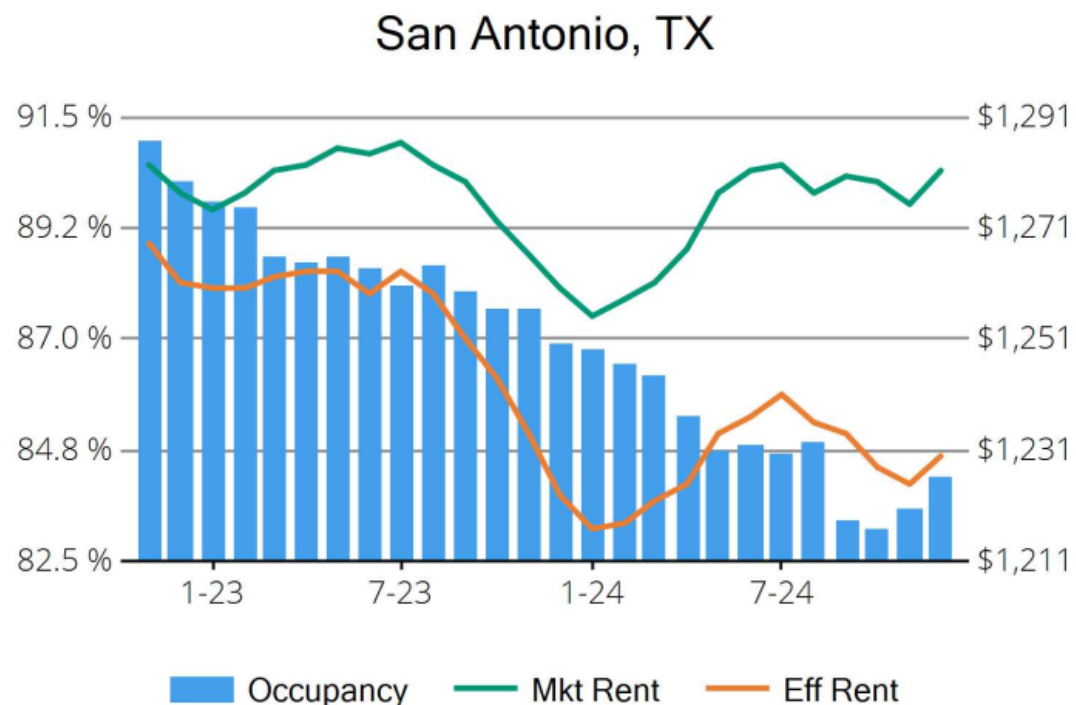




Housing Market Trends: Multi-family market- December 2024

Stabilized and Lease-up Properties

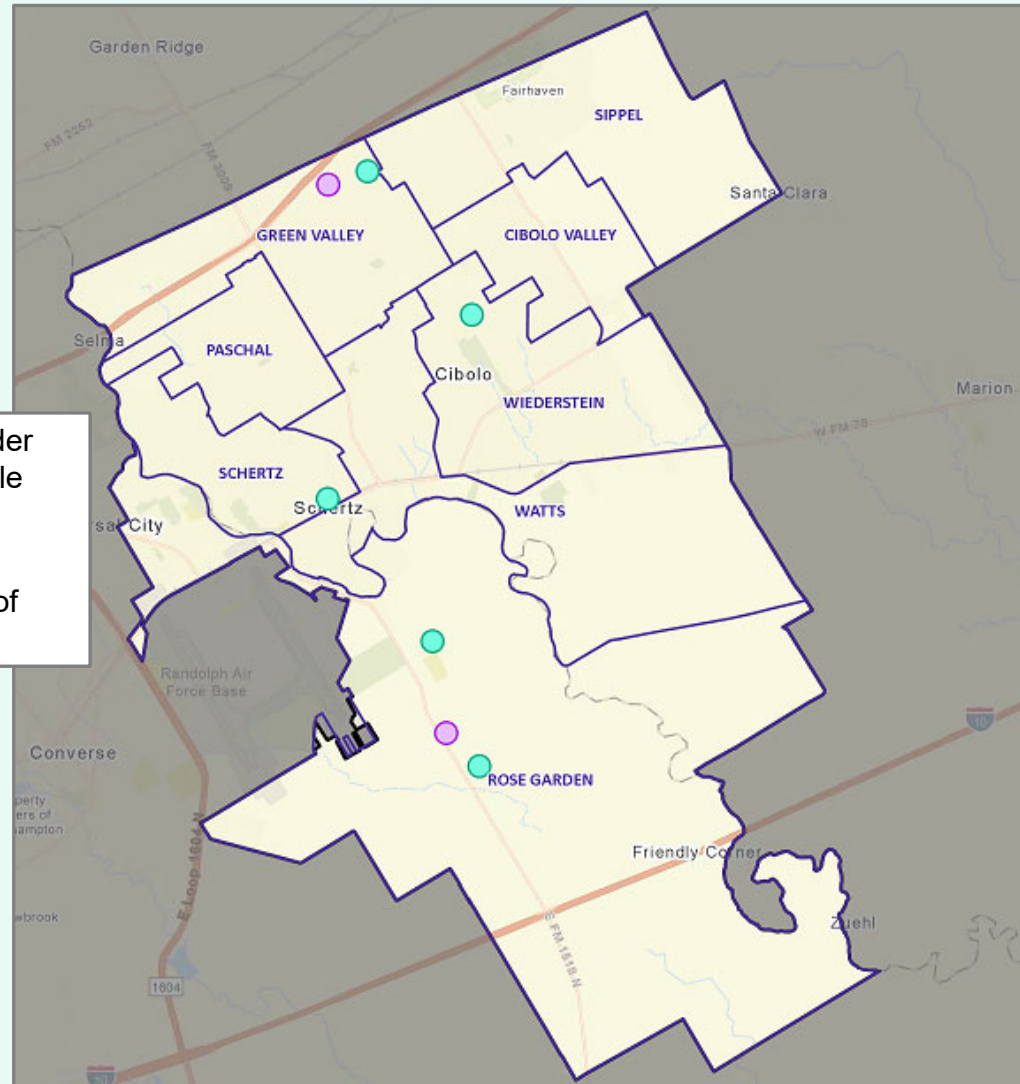
Conventional Properties	Dec 2024	Annual Change
Occupancy	84.2	-3.2%
Unit Change	12,642	
Units Absorbed (Annual)	4,991	
Average Size (SF)	865	+0.8%
Asking Rent	\$1,281	+1.8%
Asking Rent per SF	\$1.48	+0.9%
Effective Rent	\$1,230	+0.5%
Effective Rent per SF	\$1.42	-0.3%
% Offering Concessions	47%	+17.6%
Avg. Concession Package	7.6%	+20.2%





District Multifamily Overview

- There are 618 multifamily units under construction, 318 of which are single family rental homes
- There are nearly 1,300 future multifamily units in various stages of planning across the district



Multi-Family Developments

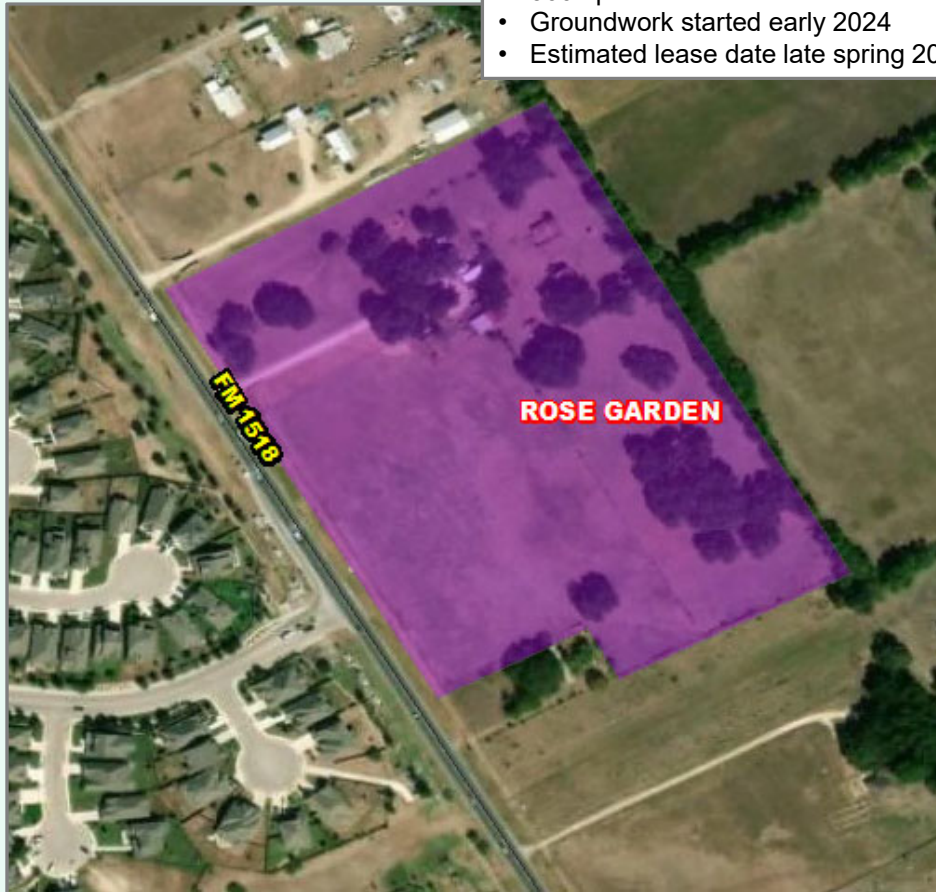
- FUTURE
- UNDER CONSTRUCTION



Multi-Family Activity

Aviator 1518

- 300 apartment units under construction
- Groundwork started early 2024
- Estimated lease date late spring 2025



January 24, 2025





Multi-Family Activity

Schertz Station

- 318 single-family rental homes under construction
- Groundwork started July 2024
- Estimated lease date August 2025

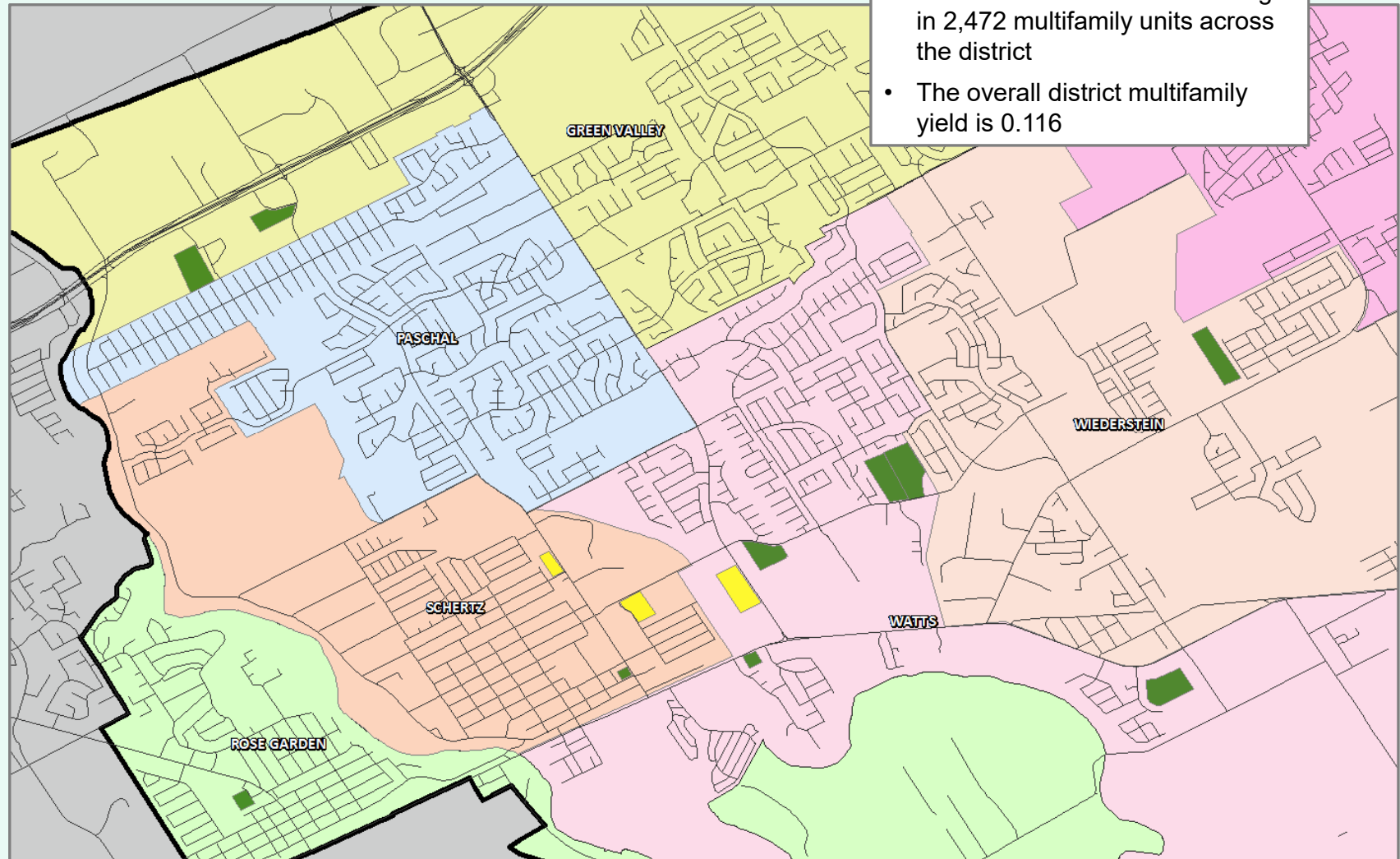
January 24, 2025





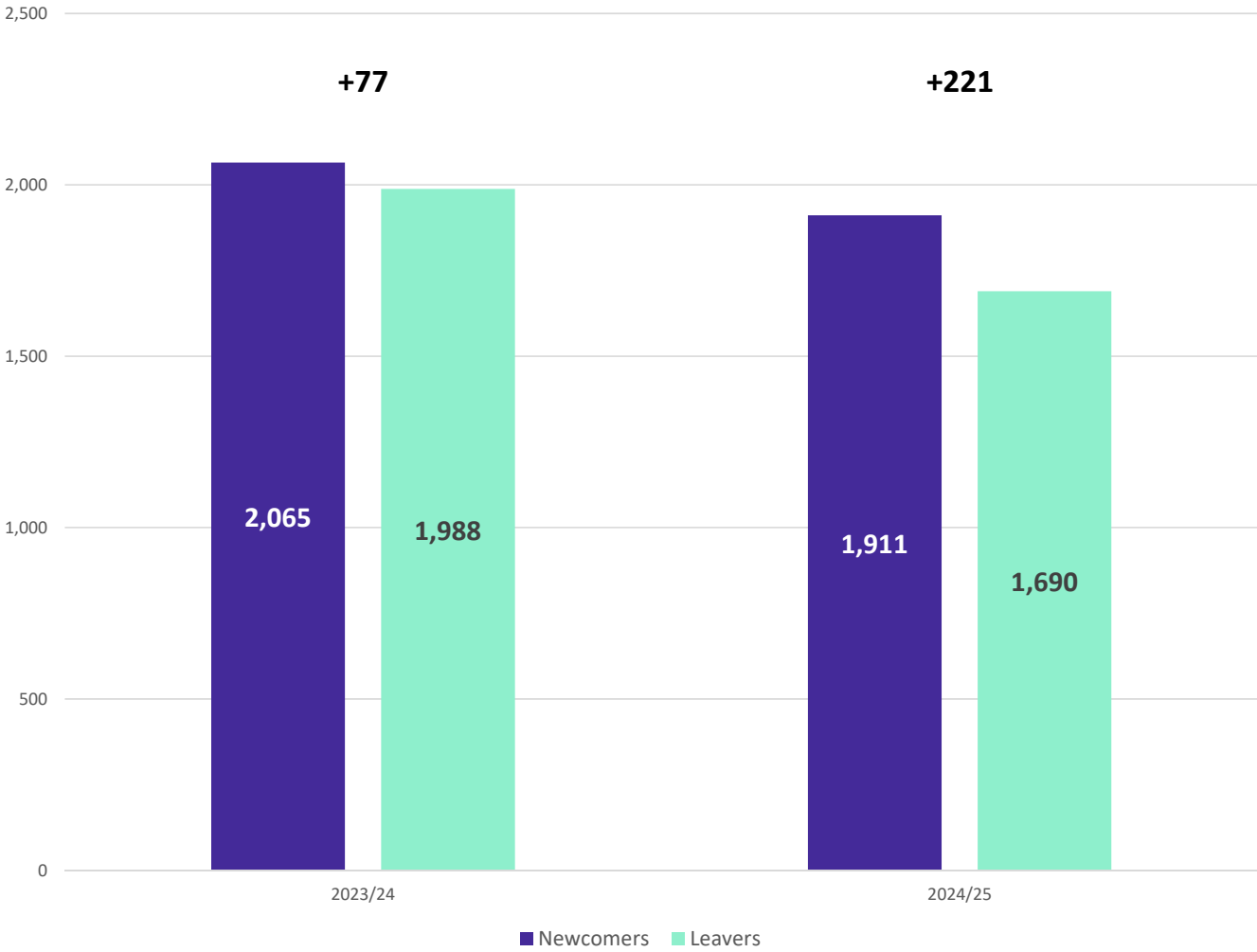
District Multifamily Yield

- There are 287 students residing in 2,472 multifamily units across the district
- The overall district multifamily yield is 0.116





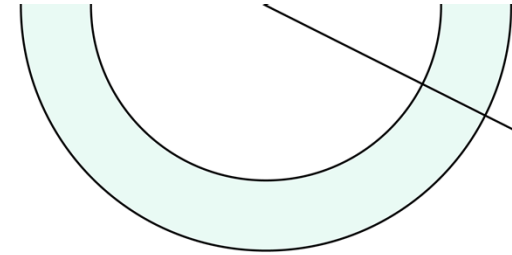
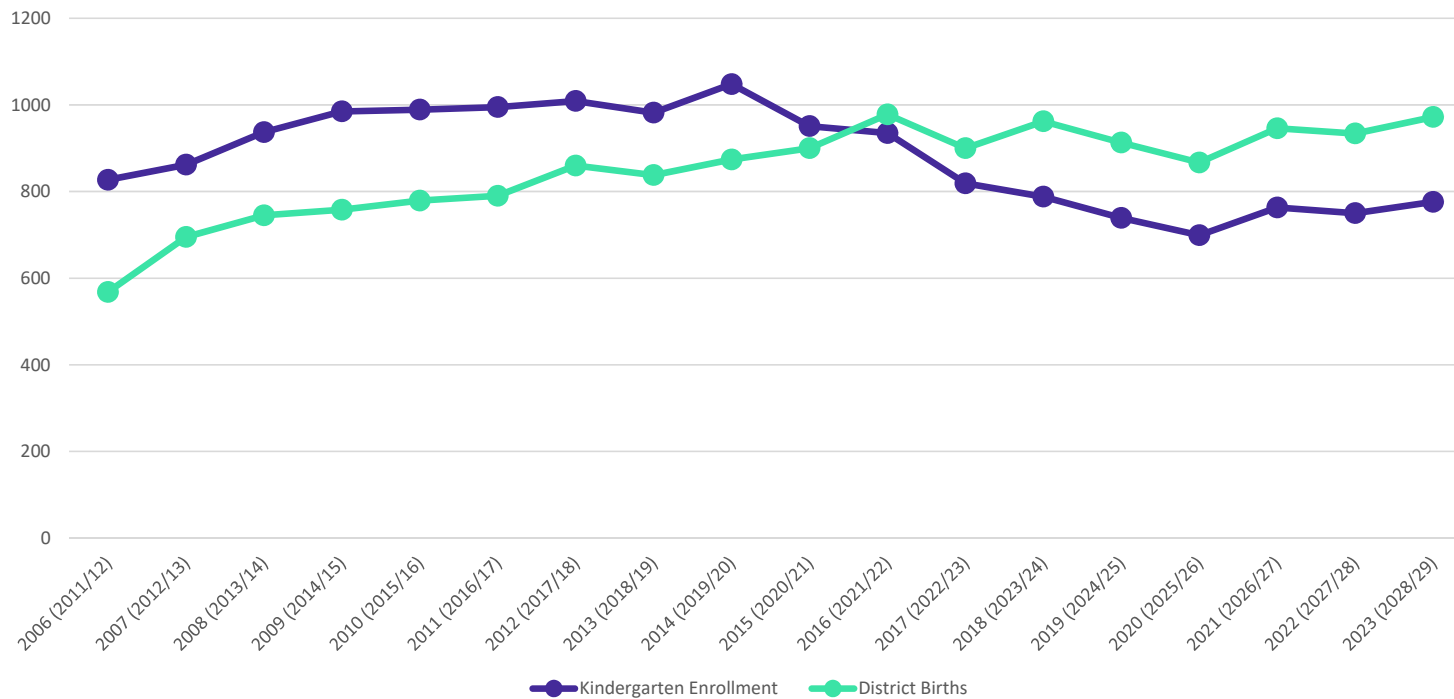
Newcomers and Leavers





Birth Rate Analysis

Schertz-Cibolo-U City ISD KG Enrollment vs. District Births



	Kindergarten Enrollment	District Births	Ratio
2006 (2011/12)	827	568	1.456
2007 (2012/13)	862	695	1.240
2008 (2013/14)	937	745	1.258
2009 (2014/15)	985	758	1.299
2010 (2015/16)	989	779	1.270
2011 (2016/17)	995	790	1.259
2012 (2017/18)	1,009	860	1.173
2013 (2018/19)	982	838	1.172
2014 (2019/20)	1,048	874	1.199
2015 (2020/21)	951	900	1.057
2016 (2021/22)	935	978	0.956
2017 (2022/23)	819	900	0.910
2018 (2023/24)	788	962	0.819
2019 (2024/25)	739	913	0.809
2020 (2025/26)	699	867	0.806
2021 (2026/27)	763	946	0.807
2022 (2027/28)	750	934	0.803
2023 (2028/29)	776	972	0.798



Ten Year Forecast by Grade Level

Year (Oct.)	EE/PK	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Total Growth	% Growth
2020/21	325	951	1,019	1,040	1,077	1,135	1,143	1,232	1,248	1,219	1,293	1,394	1,305	1,292	15,673		
2021/22	455	935	997	1,019	1,074	1,116	1,124	1,221	1,287	1,318	1,428	1,347	1,305	1,264	15,890	217	1.4%
2022/23	436	819	962	998	1,077	1,114	1,067	1,133	1,230	1,306	1,478	1,371	1,247	1,283	15,521	-369	-2.3%
2023/24	430	788	838	967	997	1,090	1,079	1,097	1,178	1,264	1,435	1,459	1,238	1,286	15,146	-375	-2.4%
2024/25	444	737	814	895	989	1,018	1,121	1,116	1,112	1,232	1,469	1,403	1,394	1,202	14,946	-200	-1.3%
2025/26	452	715	766	853	925	1,022	1,057	1,171	1,147	1,150	1,415	1,438	1,354	1,374	14,839	-107	-0.7%
2026/27	458	780	747	805	886	972	1,051	1,094	1,207	1,189	1,315	1,388	1,374	1,352	14,618	-221	-1.5%
2027/28	461	768	815	789	838	922	998	1,091	1,120	1,253	1,370	1,286	1,335	1,363	14,409	-209	-1.4%
2028/29	463	797	806	858	825	877	953	1,038	1,119	1,160	1,436	1,342	1,237	1,326	14,237	-172	-1.2%
2029/30	463	811	826	836	888	851	903	988	1,057	1,161	1,331	1,406	1,287	1,232	14,040	-197	-1.4%
2030/31	463	833	840	860	865	918	878	938	1,015	1,098	1,335	1,303	1,352	1,279	13,977	-63	-0.4%
2031/32	463	850	867	874	894	900	948	913	961	1,052	1,264	1,307	1,252	1,343	13,888	-89	-0.6%
2032/33	463	862	877	899	906	926	929	985	935	997	1,207	1,237	1,254	1,246	13,723	-165	-1.2%
2033/34	463	885	890	910	931	939	957	966	1,009	970	1,146	1,184	1,185	1,247	13,682	-41	-0.3%
2034/35	463	902	917	924	943	965	971	995	991	1,047	1,115	1,124	1,140	1,180	13,677	-5	0.0%

Yellow box = largest grade per year
Green box = second largest grade per year



Ten Year Forecast by Campus

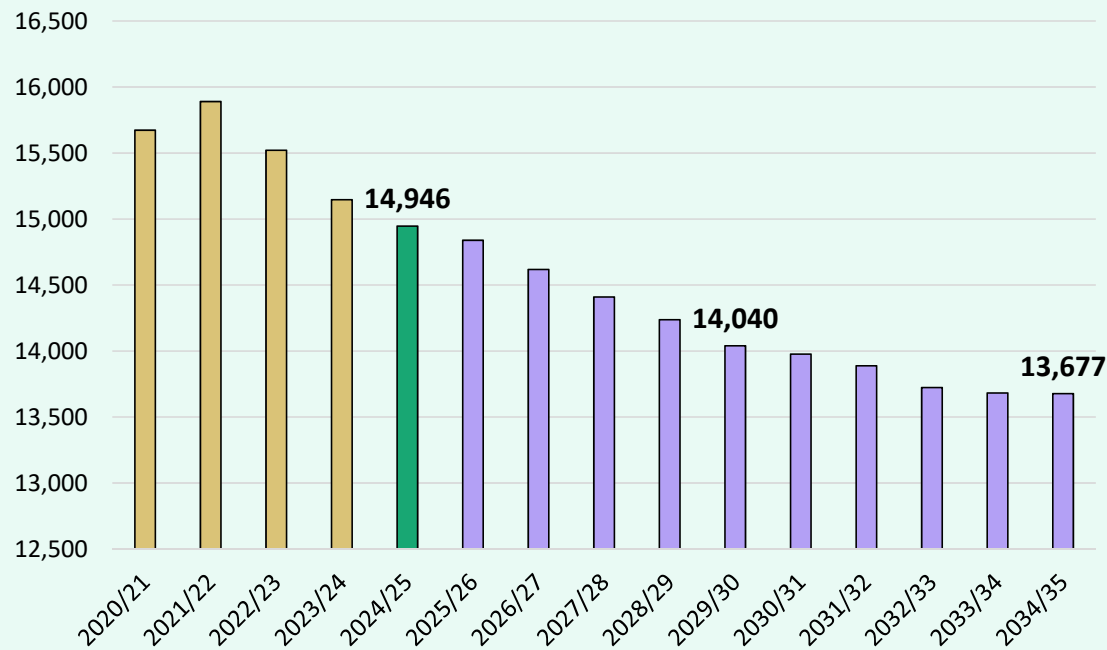
Campus	Functional Capacity	Max Capacity	Fall	ENROLLMENT PROJECTIONS									
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CIBOLO VALLEY EL	1,038	1,200	591	535	523	519	510	512	521	526	534	544	554
GREEN VALLEY EL	732	899	503	481	463	469	462	453	451	450	450	448	449
NORMA PASCHAL EL	704	871	574	556	545	521	531	524	528	527	530	531	531
ROSE GARDEN EL	1,031	1,200	861	838	814	813	814	830	856	876	906	936	969
SCHERTZ EL	683	1,017	663	635	618	571	561	561	564	556	553	550	545
SIPPEL EL	704	997	641	625	628	645	647	665	689	707	731	757	783
WATTS EL	739	906	500	486	473	457	473	480	494	505	519	530	546
WIEDERSTEIN EL	704	997	564	577	584	598	628	650	676	701	710	722	737
ELEMENTARY TOTALS			4,897	4,733	4,648	4,593	4,626	4,675	4,779	4,848	4,933	5,018	5,114
Elementary Percent Change			-4.17%	-3.35%	-1.80%	-1.18%	0.72%	1.06%	2.22%	1.44%	1.75%	1.72%	1.91%
Elementary Absolute Change			-213	-164	-85	-55	33	49	104	69	85	85	96
JORDAN INT	888	1,126	811	781	754	752	711	675	665	694	728	737	755
SCHLATHER INT	832	1,116	724	740	683	615	607	607	556	569	583	585	599
WILDER INT	855	1,188	702	707	708	722	673	609	595	598	603	601	612
INTERMEDIATE TOTALS			2,237	2,228	2,145	2,089	1,991	1,891	1,816	1,861	1,914	1,923	1,966
Intermediate Percent Change			2.80%	-0.40%	-3.73%	-2.61%	-4.69%	-5.02%	-3.97%	2.48%	2.85%	0.47%	2.24%
Intermediate Absolute Change			61	-9	-83	-56	-98	-100	-75	45	53	9	43
DOBIE JH	1,285	1,540	1,231	1,184	1,262	1,256	1,180	1,108	1,073	1,052	992	1,023	1,058
CORBETT JH	1,285	1,500	1,113	1,113	1,134	1,117	1,099	1,110	1,040	961	940	956	980
JUNIOR HIGH SCHOOL TOTALS			2,344	2,297	2,396	2,373	2,279	2,218	2,113	2,013	1,932	1,979	2,038
Junior High School Percent Change			-4.01%	-2.01%	4.31%	-0.96%	-3.96%	-2.68%	-4.73%	-4.73%	-4.02%	2.43%	2.98%
Junior High School Absolute Change			-98	-47	99	-23	-94	-61	-105	-100	-81	47	59
CLEMENS HS	2,733	3,300	2,589	2,618	2,531	2,523	2,523	2,491	2,503	2,492	2,388	2,309	2,206
STEELE HS	2,733	3,200	2,790	2,871	2,806	2,739	2,726	2,673	2,674	2,582	2,464	2,361	2,261
ALSELC			89	92	92	92	92	92	92	92	92	92	92
HIGH SCHOOL TOTALS			5,468	5,581	5,429	5,354	5,341	5,256	5,269	5,166	4,944	4,762	4,559
High School Percent Change			0.92%	2.07%	-2.72%	-1.38%	-0.24%	-1.59%	0.25%	-1.95%	-4.30%	-3.68%	-4.26%
High School Absolute Change			50	113	-152	-75	-13	-85	13	-103	-222	-182	-203
DISTRICT TOTALS			14,946	14,839	14,618	14,409	14,237	14,040	13,977	13,888	13,723	13,682	13,677
District Percent Change			-1.32%	-0.72%	-1.49%	-1.43%	-1.19%	-1.38%	-0.45%	-0.64%	-1.19%	-0.30%	-0.04%
District Absolute Change			-200	-107	-221	-209	-172	-197	-63	-89	-165	-41	-5

Yellow box = exceeds Functional capacity
Pink box = exceeds Max capacity



Key Takeaways

Enrollment Projections



- Annual closings near 900 in 2024
- Housing market remains cloudy with continued high interest rates and looming tariffs
- The district has more than 390 homes currently in inventory and more than 2,100 vacant developed lots available for builders
- Groundwork is underway on approx. 500 lots within 6 subdivisions
- Schertz-Cibolo-Universal City ISD is forecasted to enroll more than 14,000 students by 2029/30



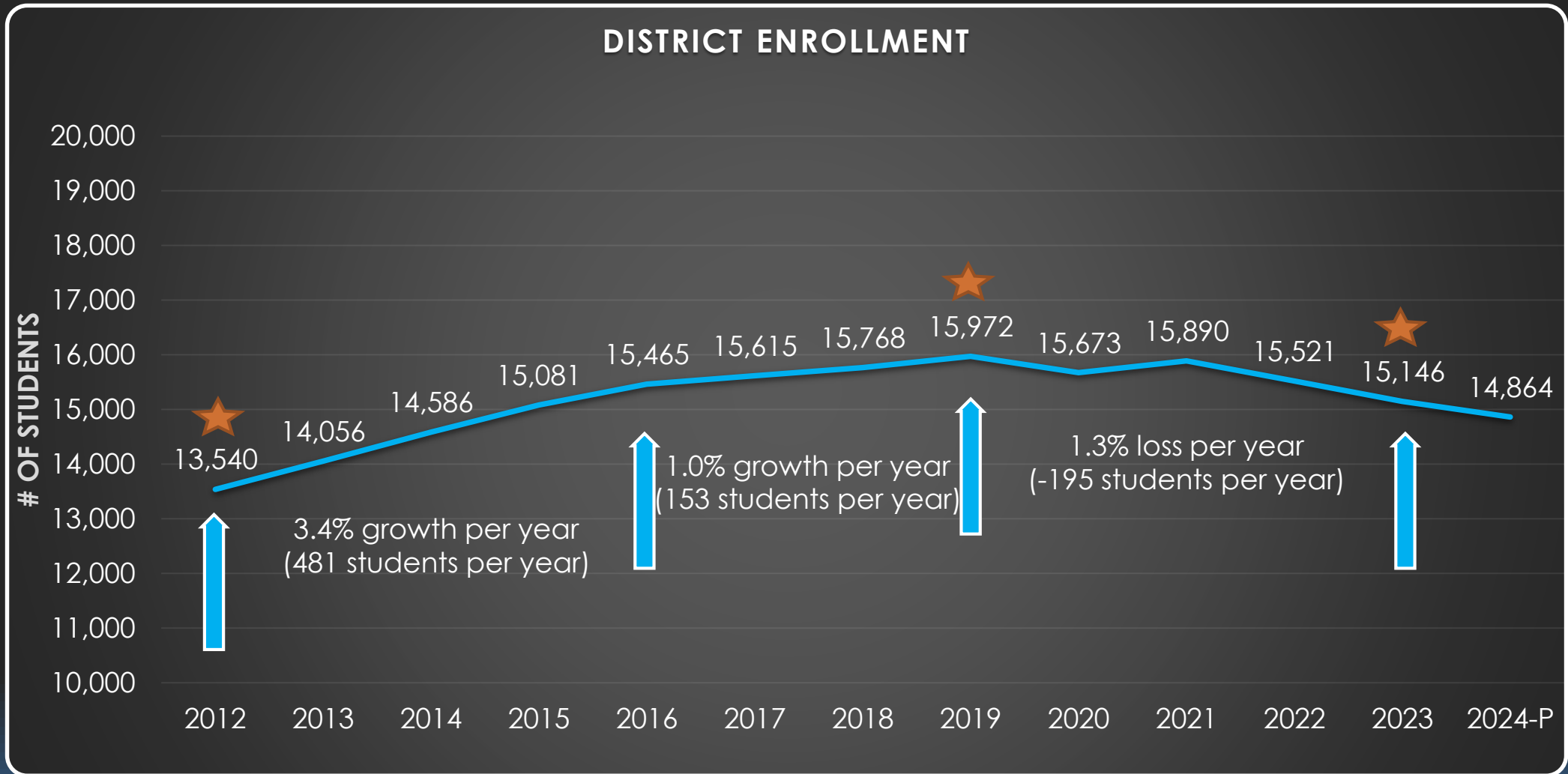
SCHERTZ - CIBOLO - UNIVERSAL CITY ISD

10 YEAR CAMPUS FORECASTING

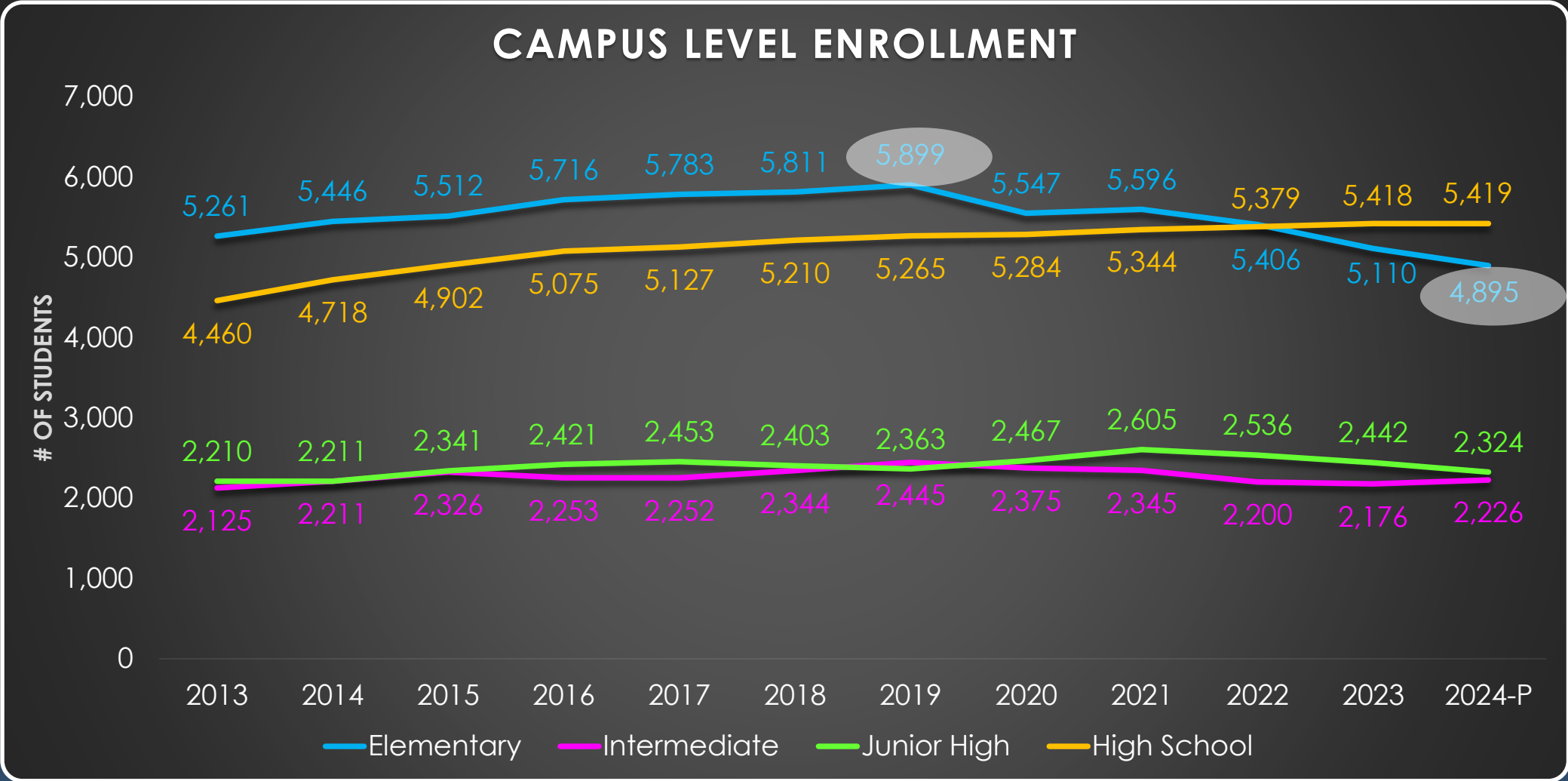
FORECASTING CONSIDERATIONS

- ENROLLMENT
 - HISTORICAL TRENDS
 - PROJECTIONS
 - TRANSFERS TO CHARTERS AND OTHER ISDs
- CAMPUS CAPACITY
- BONDING CAPACITY

HISTORICAL ENROLLMENT



HISTORICAL ENROLLMENT BY CAMPUS LEVEL



ENROLLMENT HISTORY BY LEVEL – OCTOBER

- 2019 TO 2023 ENROLLMENT DECREASE
 - HIGH SCHOOL ENROLLMENT HAS REMAINED STRONG
 - WE HAVE ADDED 154 HIGH SCHOOL STUDENTS SINCE 2019
 - AND JUNIOR HIGH HAS ONLY LOST 39 STUDENTS SINCE 2019
- ELEMENTARY IS WHERE WE HAVE FELT THE LARGEST DROP IN ENROLLMENT
 - SPECIFICALLY, 918 STUDENTS LOST SINCE 2019
 - AND 219 STUDENTS LOST AT THE INTERMEDIATE LEVEL.

STUDENT TRANSFERS

PEIMS YEAR	TRANSFER IN	TRANSFER OUT	DIFFERENCE
2012	216	681	-465
2013	212	704	-492
2014	244	647	-403
2015	302	702	-400
2016	297	907	-610
2017	290	1061	-771
2018	304	1079	-775
2019	296	1283	-987
2020	300	1591	-1291
2021	317	1981	-1664
2022	308	2695	-2387
2023	Data available in March		

First Year of Founders Charter School



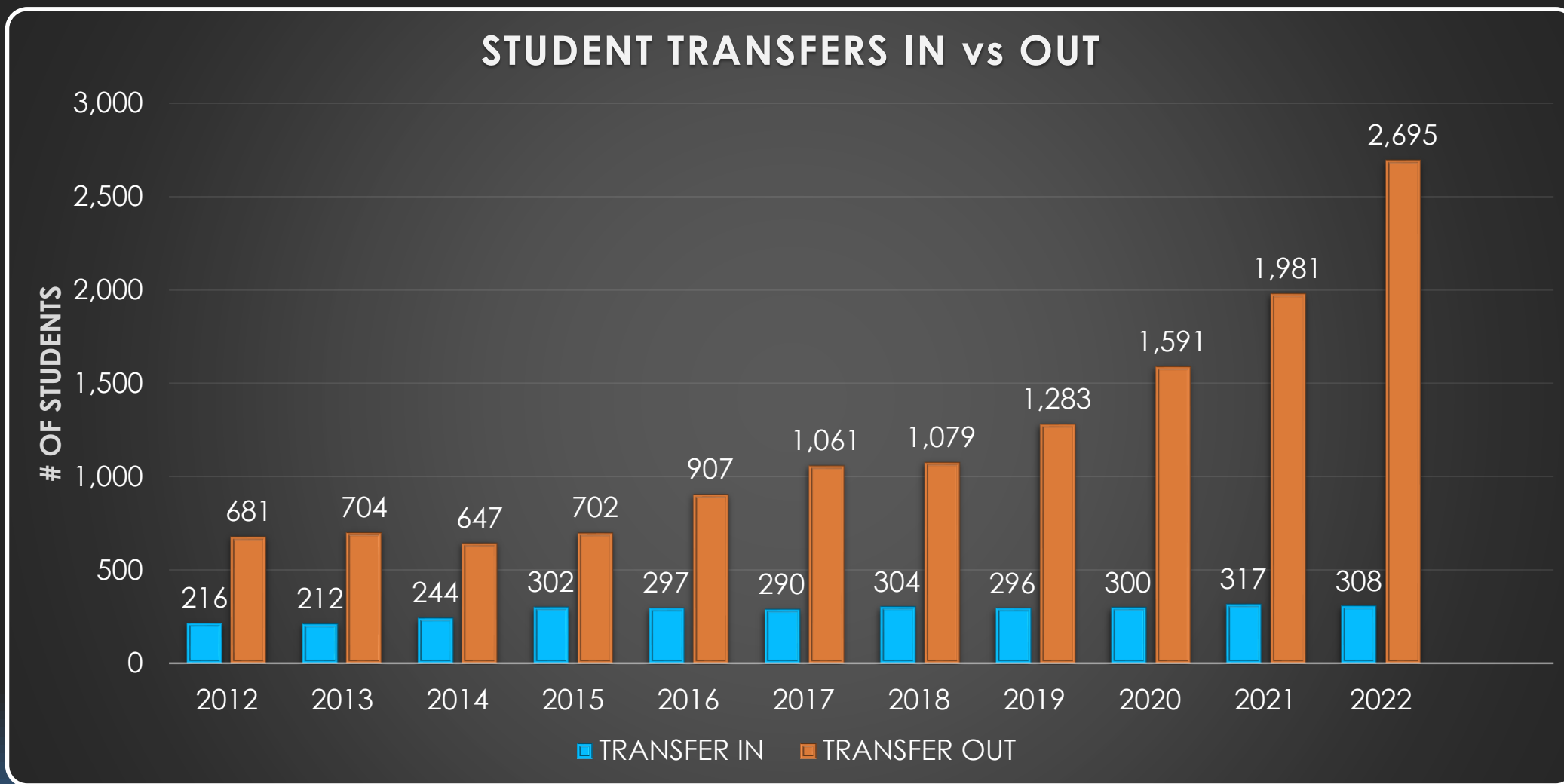
First Year of School of Science and Technology



First Year of Legacy Traditional School



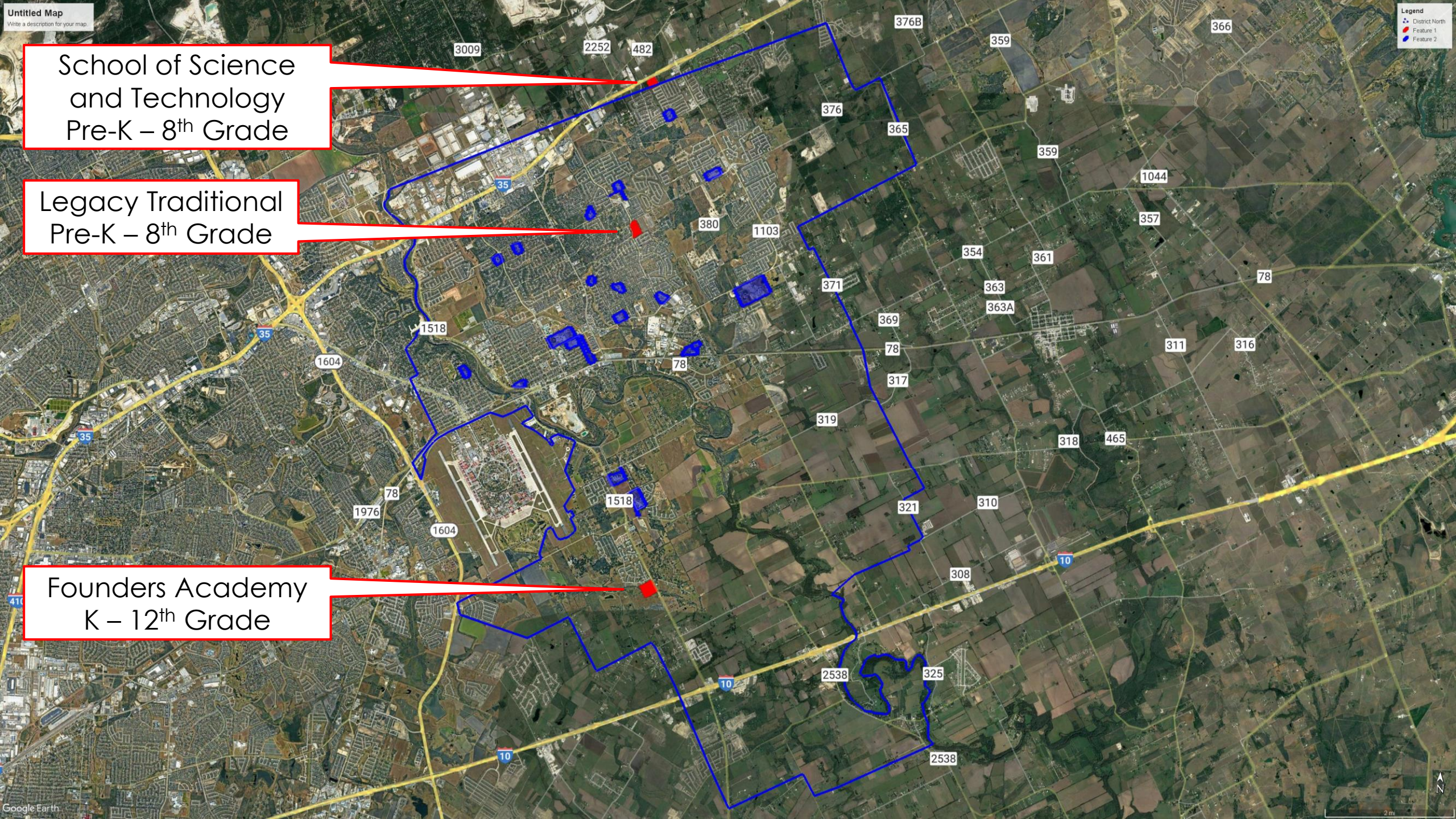
STUDENT TRANSFERS IN VS. OUT



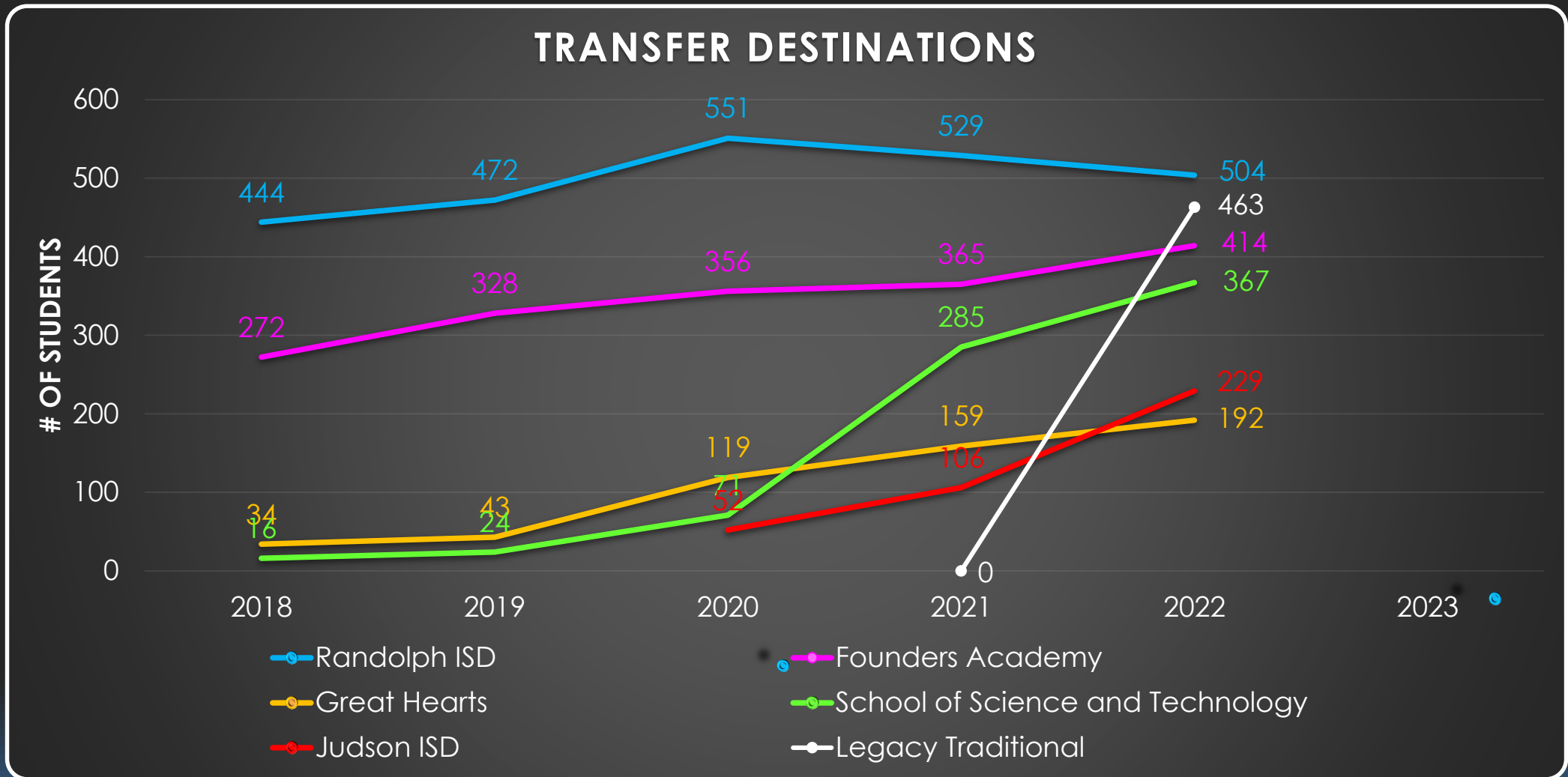
School of Science
and Technology
Pre-K – 8th Grade

Legacy Traditional
Pre-K – 8th Grade

Founders Academy
K – 12th Grade

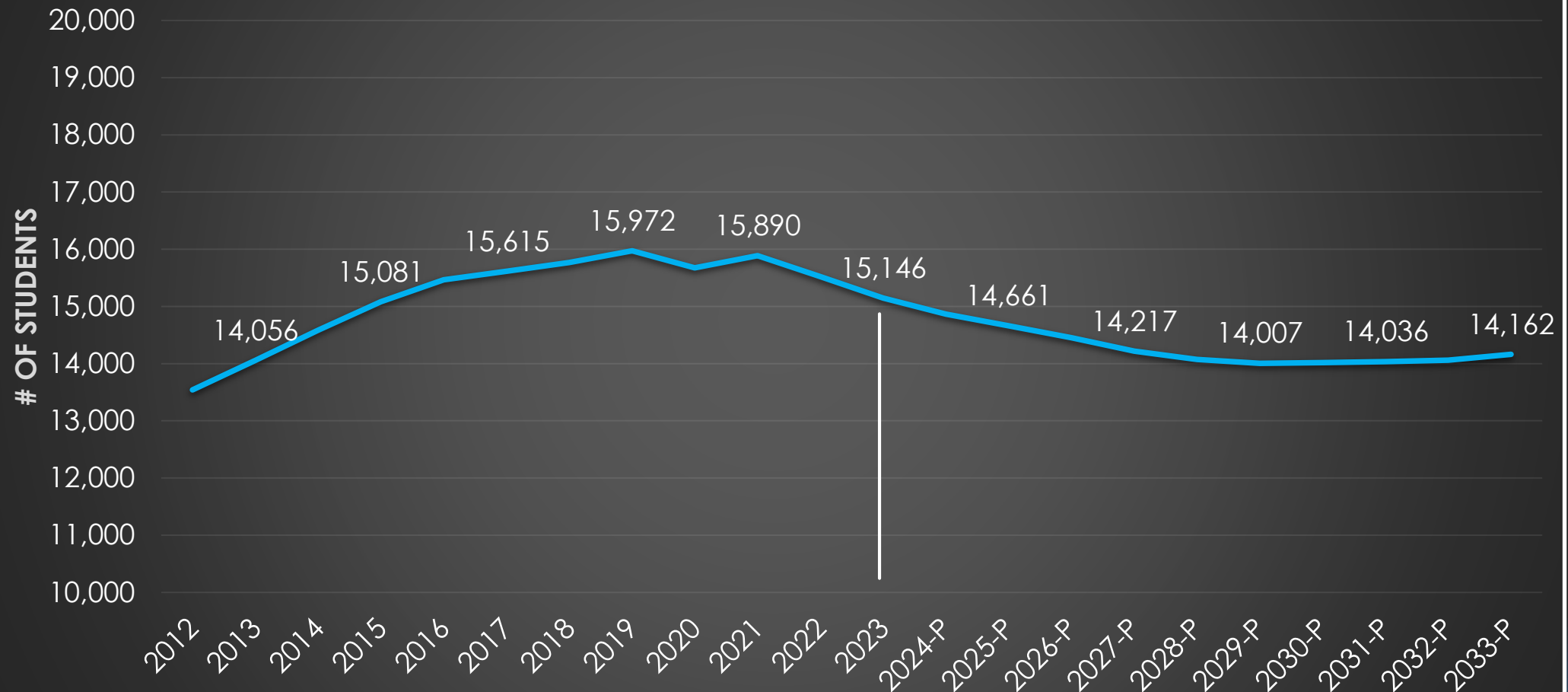


MAIN DESTINATIONS FOR TRANSFERS OUT



SO, HOW MANY STUDENTS WILL WE HAVE IN THE FUTURE?

DISTRICT HISTORICAL ENROLLMENT AND PROJECTIONS



ENROLLMENT PROJECTIONS

- OVER THE NEXT 6 YEARS OUR DISTRICT IS PROJECTED TO LOSE ON AVERAGE 1.3% OF OUR ENROLLMENT ANNUALLY.
 - RESULTING IN THE POTENTIAL DECLINE IN ENROLLMENT OF ANOTHER 1,139 STUDENTS OVER THE SAME PERIOD
 - LARGER GRADUATING CLASSES CONTINUE TO BE REPLACED WITH SMALLER PRE-K AND KINDER
 - GROWTH IN CHARTER ENROLLMENT IS LIKELY TO CONTRIBUTE TO THE SMALLER ELEMENTARY CLASS SIZES

PEIMS YEAR	PROJECTED ENROLLMENT	GROWTH (DECLINE)	PERCENTAGE CHANGE
2023	15,146	-375	-2.42%
2024-P	14,864	-282	-1.86%
2025-P	14,661	-203	-1.37%
2026-P	14,451	-210	-1.43%
2027-P	14,217	-234	-1.62%
2028-P	14,073	-144	-1.01%
2029-P	14,007	-66	-0.47%
2030-P	14,017	10	0.07%
2031-P	14,036	19	0.14%
2032-P	14,059	22	0.16%
2033-P	14,162	103	0.73%

ENROLLMENT PROJECTIONS

- BEGINNING IN 2030 THE DISTRICT IS EXPECTED TO BEGIN ADDING STUDENTS
 - INCOMING ELEMENTARY ENROLLMENT AND GRADUATING CLASSES BEGIN TO REACH A BALANCE
 - IN 2033 WE ARE PROJECTED TO RETURN TO THE ENROLLMENT WE HAD IN 2013

PEIMS YEAR	PROJECTED ENROLLMENT	GROWTH (DECLINE)	PERCENTAGE CHANGE
2023	15,146	-375	-2.44%
2024-P	14,864	-282	-1.86%
2025-P	14,661	-203	-1.37%
2026-P	14,451	-210	-1.43%
2027-P	14,217	-234	-1.62%
2028-P	14,073	-144	-1.01%
2029-P	14,007	-66	-0.47%
2030-P	14,017	10	0.07%
2031-P	14,036	19	0.14%
2032-P	14,059	22	0.16%
2033-P	14,162	103	0.73%

WHY HAS IT BECOME SO HARD TO PROJECT ENROLLMENT?

- PRIOR TO COVID AND AREA CHARTER SCHOOLS, SCUC WAS ESSENTIALLY THE ONLY OPTION FOR PARENTS MOVING INTO OUR GROWING COMMUNITY.
 - WHEN PROJECTING GROWTH, BIRTH RATES AND HOUSING GROWTH WERE THE ONLY TWO MAJOR VARIABLES WE HAD TO CONSIDER.
- BEGINNING 2017 WITH THE FIRST AREA CHARTER SCHOOL, PARENTS BEGAN TO EXERCISE THEIR CHOICE.
 - WITH COVID WE SAW VIRTUAL LEARNING ENTER THE GAME AND HOMESCHOOLING BECAME MORE PREVALENT
 - OUR COMMUNITY ALSO CONTINUED TO EXPERIENCE AGING IN PLACE
- PROJECTING ENROLLMENT IS MUCH MORE DIFFICULT WITH THESE ADDED VARIABLES.

FORECASTING CONSIDERATIONS

- ENROLLMENT
 - HISTORICAL TRENDS
 - PROJECTIONS
 - TRANSFERS TO CHARTERS AND OTHER ISDs
- CAMPUS CAPACITY

UNDERSTANDING CAMPUS CAPACITY

- DESIGN CAPACITY

- CAPACITY OF A CAMPUS AS ARCHITECTURALLY DESIGNED WITH EVERY FULL-SIZE CLASSROOM AT FULL CAPACITY
- EX. SIPPEL ELEMENTARY HAS A DESIGN CAPACITY OF 750 STUDENTS

- FUNCTIONAL CAPACITY

- DESIGN CAPACITY OF A CAMPUS MINUS 10% TO ACCOUNT FOR SPECIAL PROGRAMS ON A CAMPUS THAT REDUCE THE CAPACITY OF A FULL-SIZE CLASSROOM
- EX. SIPPEL ELEMENTARY HAS A FUNCTIONAL CAPACITY OF 675 STUDENTS

- MAXIMUM CAPACITY

- CAMPUS CAPACITY CONSIDERING THE ADDITION OF PORTABLE CLASSROOM BUILDINGS TO THE DESIGN CAPACITY AND THE NUMBER OF STUDENTS THE COMMON AREAS OF THE CAMPUS CAN SUPPORT
- EX. SIPPEL ELEMENTARY HAS A MAXIMUM CAPACITY OF 1058 STUDENTS

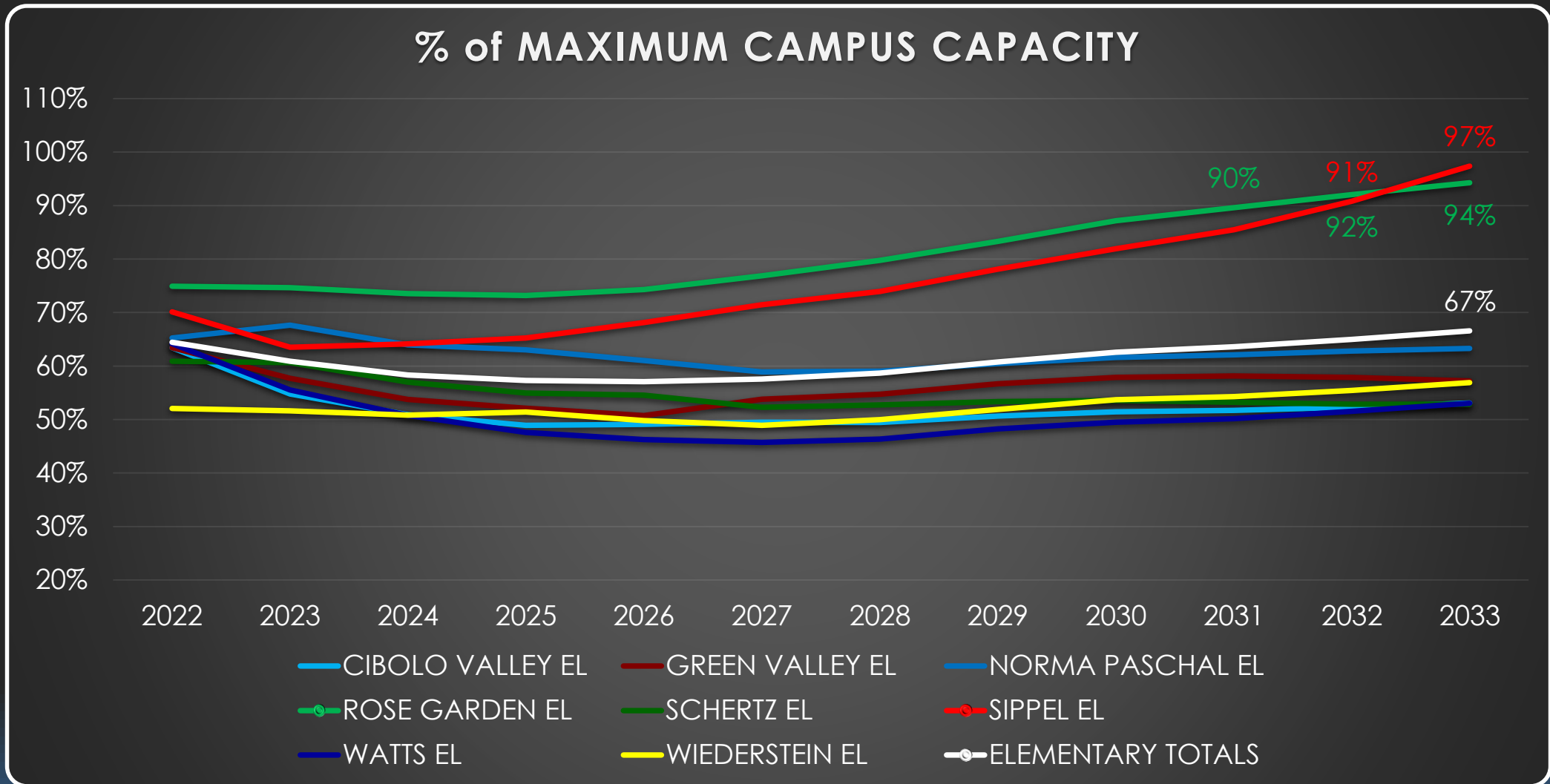
PLANNING USING OUR MAXIMUM CAPACITY

- WE BEGIN CONSIDERING THE USE OF **CAPACITY RELIEF TOOLS** WHEN A CAMPUS REACHES **90%** OF ITS MAXIMUM CAPACITY. THE DISTRICT HAS SEVERAL TOOLS AT OUR DISPOSAL
- TOOLS TO REDUCE/MAINTAIN THE ENROLLMENT OF A CAMPUS INCLUDE:
 - CAPPING ENROLLMENT OF THE CAMPUS TO NEW STUDENTS
 - MOVING SPECIAL PROGRAMS TO CAMPUSES WITH LOWER ENROLLMENTS
- TOOLS TO BALANCE THE ENROLLMENT AT CAMPUSES INCLUDE:
 - REZONING THE ATTENDANCE BOUNDARIES
- TOOLS TO INCREASE THE CAPACITY OF THE CAMPUS/DISTRICT INCLUDE:
 - ADDING PORTABLE CLASSROOM BUILDINGS
 - ADDING TO OR RENOVATING THE EXISTING BUILDING
 - BUILDING A NEW CAMPUS TO THE DISTRICT

ELEMENTARY CAPACITIES

Campus	Functional Capacity	Max Capacity	Previous Year	Current PEIMS	ENROLLMENT PROJECTIONS									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CIBOLO VALLEY EL	891	1,200	761	657	611	587	589	594	594	608	617	620	627	637
% Max Capacity			63%	55%	51%	49%	49%	49%	49%	51%	51%	52%	52%	53%
GREEN VALLEY EL	673	924	586	533	497	482	469	497	506	524	535	537	535	529
% Max Capacity			63%	58%	54%	52%	51%	54%	55%	57%	58%	58%	58%	57%
NORMA PASCHAL EL	673	924	603	625	591	582	564	544	546	559	569	574	580	585
% Max Capacity			65%	68%	64%	63%	61%	59%	59%	60%	62%	62%	63%	63%
ROSE GARDEN EL	891	1,200	899	896	882	878	891	923	957	999	1,046	1,075	1,104	1,131
% Max Capacity			75%	75%	74%	73%	74%	77%	80%	83%	87%	90%	92%	94%
SCHERTZ EL	675	1,102	671	668	628	605	601	576	581	588	591	586	582	582
% Max Capacity			61%	61%	57%	55%	55%	52%	53%	53%	54%	53%	53%	53%
SIPPEL EL	675	1,058	742	672	679	690	721	756	782	827	867	904	961	1,030
% Max Capacity			70%	64%	64%	65%	68%	71%	74%	78%	82%	85%	91%	97%
WATTS EL	673	924	593	513	469	440	428	423	428	446	457	463	476	490
% Max Capacity			64%	56%	51%	48%	46%	46%	46%	48%	49%	50%	52%	53%
WIEDERSTEIN EL	675	1,058	551	546	538	544	527	517	529	549	568	574	587	602
% Max Capacity			52%	52%	51%	51%	50%	49%	50%	52%	54%	54%	55%	57%
ELEMENTARY TOTALS	5,826	8,390	5,406	5,110	4,895	4,808	4,790	4,830	4,922	5,099	5,250	5,335	5,453	5,587
% Max Capacity			64%	61%	58%	57%	57%	58%	59%	61%	63%	64%	65%	67%
Elementary Percent Change			-3.40%	-5.48%	-4.21%	-1.78%	-0.37%	0.83%	1.91%	3.59%	2.96%	1.63%	2.20%	2.46%
Elementary Absolute Change			-190	-296	-215	-87	-18	40	92	177	151	85	117	134

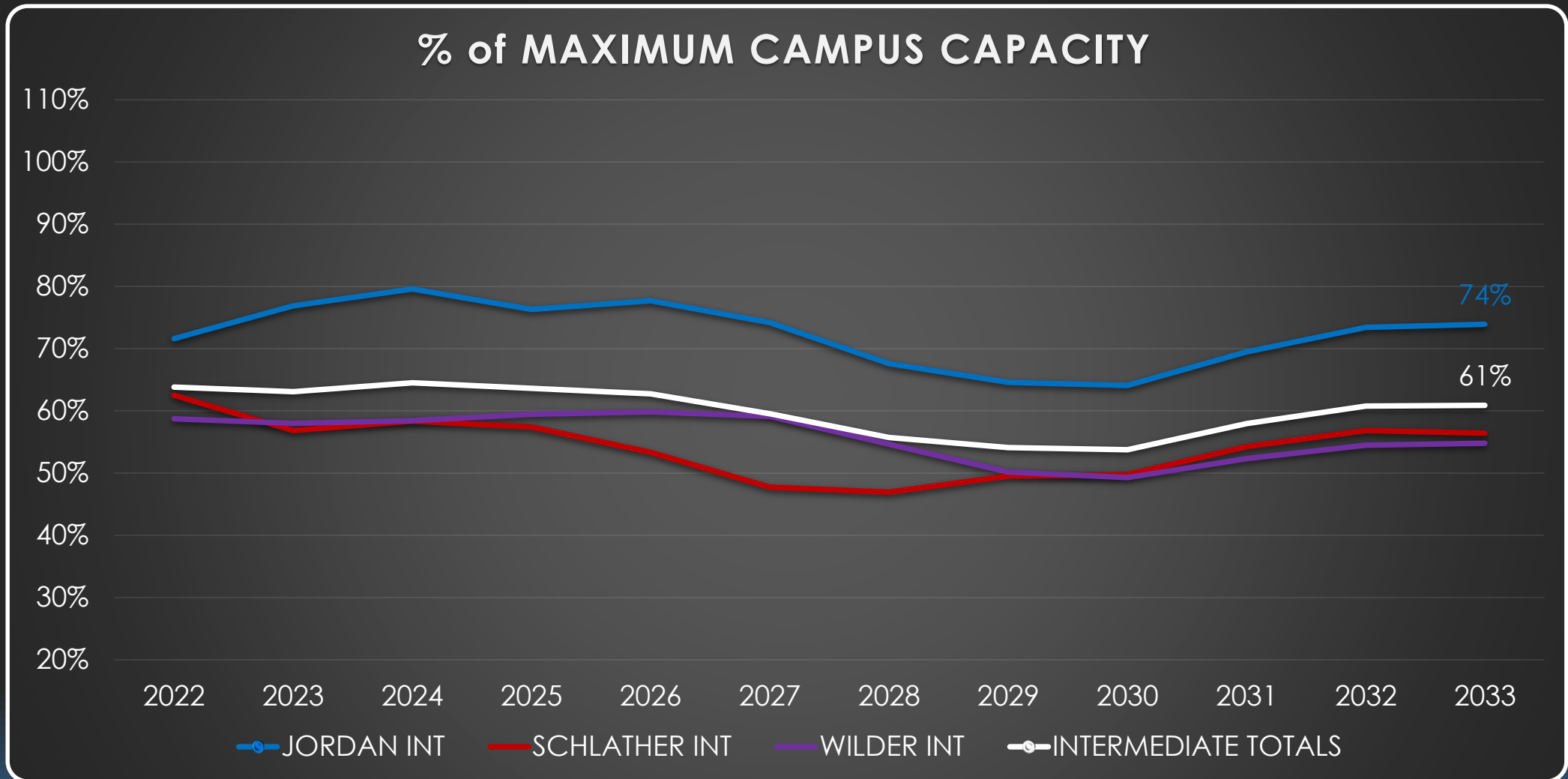
ELEMENTARY CAPACITIES



INTERMEDIATE CAPACITIES

Campus	Functional Capacity	Max Capacity	Previous Year	Current PEIMS	ENROLLMENT PROJECTIONS									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
JORDAN INT	810	1,000	716	769	796	763	777	742	676	646	641	695	734	739
% Max Capacity			72%	77%	80%	76%	78%	74%	68%	65%	64%	70%	73%	74%
SCHLATHER INT	810	1,200	750	682	700	689	640	573	563	594	597	651	682	677
% Max Capacity			63%	57%	58%	57%	53%	48%	47%	50%	50%	54%	57%	56%
WILDER INT	810	1,250	734	725	730	743	748	739	683	627	616	654	681	685
% Max Capacity			59%	58%	58%	59%	60%	59%	55%	50%	49%	52%	54%	55%
INTERMEDIATE TOTALS		3,450	2,201	2,176	2,226	2,195	2,165	2,054	1,922	1,867	1,854	2,000	2,097	2,101
% Max Capacity			64%	63%	65%	64%	63%	60%	56%	54%	54%	58%	61%	61%
Intermediate Percent Change			-6.13%	-1.09%	2.30%	-1.39%	-1.37%	-5.13%	-6.43%	-2.86%	-0.70%	7.87%	4.85%	0.19%
Intermediate Absolute Change			-144	-24	50	-31	-30	-111	-132	-55	-13	146	97	4

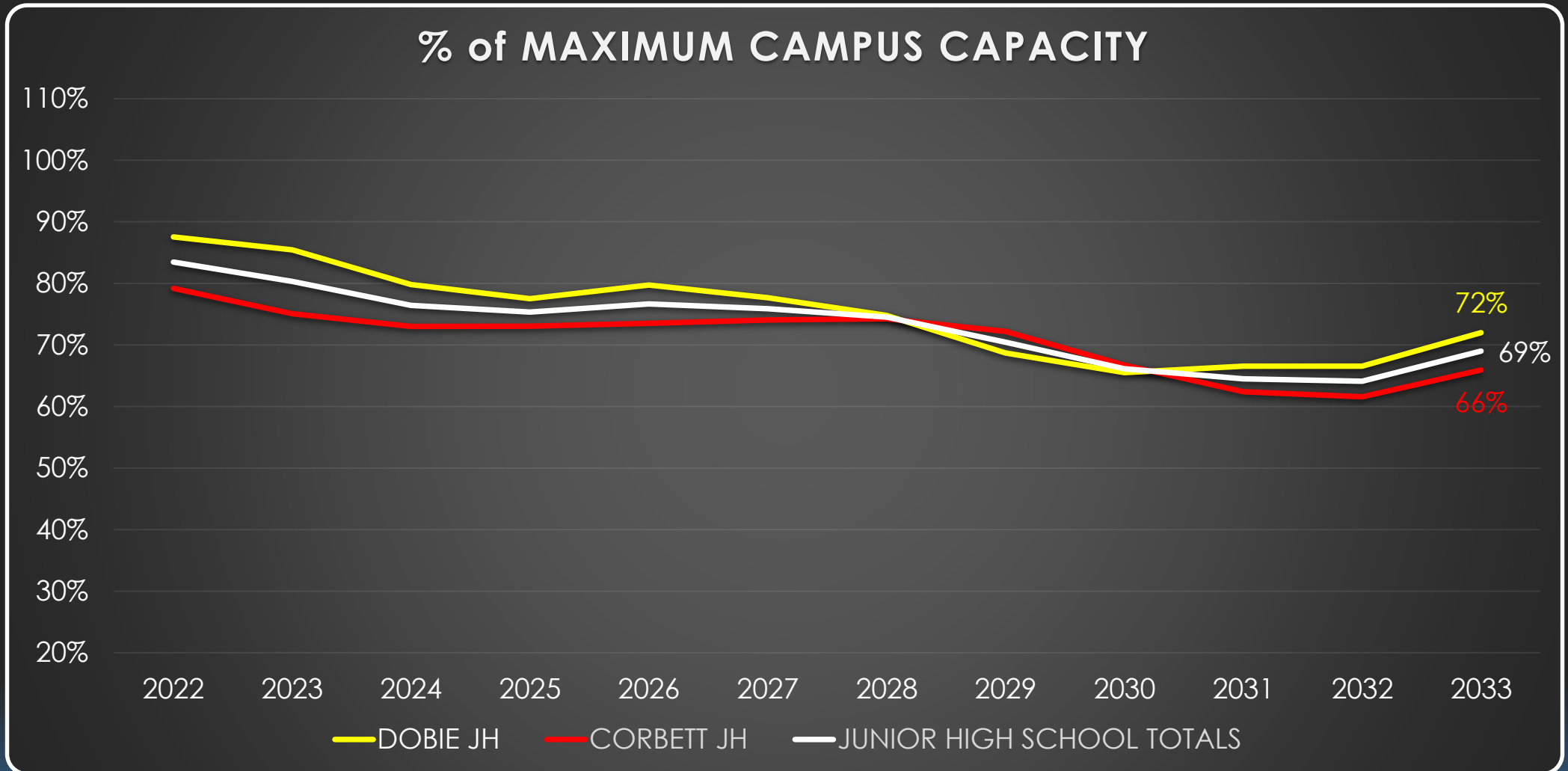
INTERMEDIATE CAPACITIES



JUNIOR HIGH CAPACITIES

Campus	Functional Capacity	Max Capacity	Previous Year	Current PEIMS	ENROLLMENT PROJECTIONS									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
DOBIE JH	1,300	1,540	1,348	1,316	1,229	1,194	1,228	1,196	1,152	1,058	1,009	1,025	1,025	1,109
% Max Capacity			88%	85%	80%	78%	80%	78%	75%	69%	66%	67%	67%	72%
CORBETT JH	1,080	1,500	1,188	1,126	1,095	1,096	1,103	1,111	1,114	1,083	1,001	936	924	989
% Max Capacity			79%	75%	73%	73%	74%	74%	74%	72%	67%	62%	62%	66%
JUNIOR HIGH SCHOOL TOTALS		3,040	2,537	2,442	2,324	2,290	2,331	2,307	2,266	2,141	2,010	1,961	1,949	2,098
% Max Capacity			83%	80%	76%	75%	77%	76%	75%	70%	66%	65%	64%	69%
Junior High School Percent Change			-2.62%	-3.71%	-4.83%	-1.46%	1.79%	-1.03%	-1.78%	-5.52%	-6.12%	-2.44%	-0.61%	7.64%
Junior High School Absolute Change			-68	-94	-118	-34	41	-24	-41	-125	-131	-49	-12	149

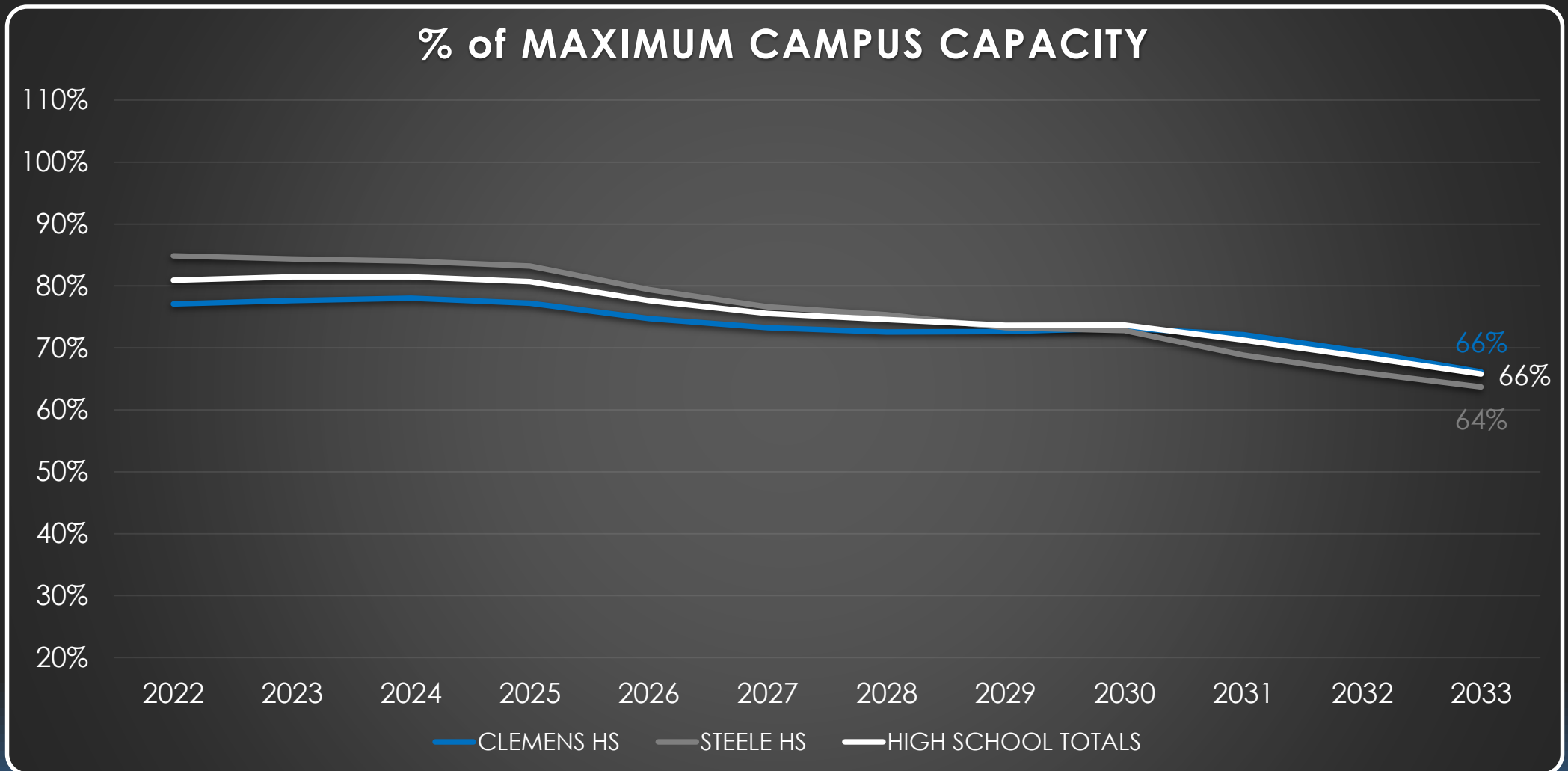
JUNIOR HIGH CAPACITIES



HIGH SCHOOL CAPACITIES

Campus	Functional Capacity	Max Capacity	Previous Year	Current PEIMS	ENROLLMENT PROJECTIONS									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CLEMENS HS	2,700	3,300	2,544	2,563	2,576	2,550	2,469	2,419	2,397	2,400	2,418	2,383	2,292	2,183
% Max Capacity			77%	78%	78%	77%	75%	73%	73%	73%	73%	72%	69%	66%
STEELE HS	2,160	3,200	2,716	2,700	2,688	2,663	2,541	2,452	2,411	2,345	2,330	2,202	2,113	2,038
% Max Capacity			85%	84%	84%	83%	79%	77%	75%	73%	73%	69%	66%	64%
HIGH SCHOOL TOTALS		6,650	5,381	5,418	5,419	5,368	5,165	5,026	4,963	4,900	4,903	4,740	4,560	4,376
% Max Capacity			81%	81%	81%	81%	78%	76%	75%	74%	74%	71%	69%	66%
High School Percent Change			0.69%	0.71%	0.02%	-0.94%	-3.78%	-2.69%	-1.25%	-1.27%	0.06%	-3.32%	-3.80%	-4.04%
High School Absolute Change			37	38	1	-52	-204	-137	-64	-63	3	-163	-180	-183

HIGH SCHOOL CAPACITIES



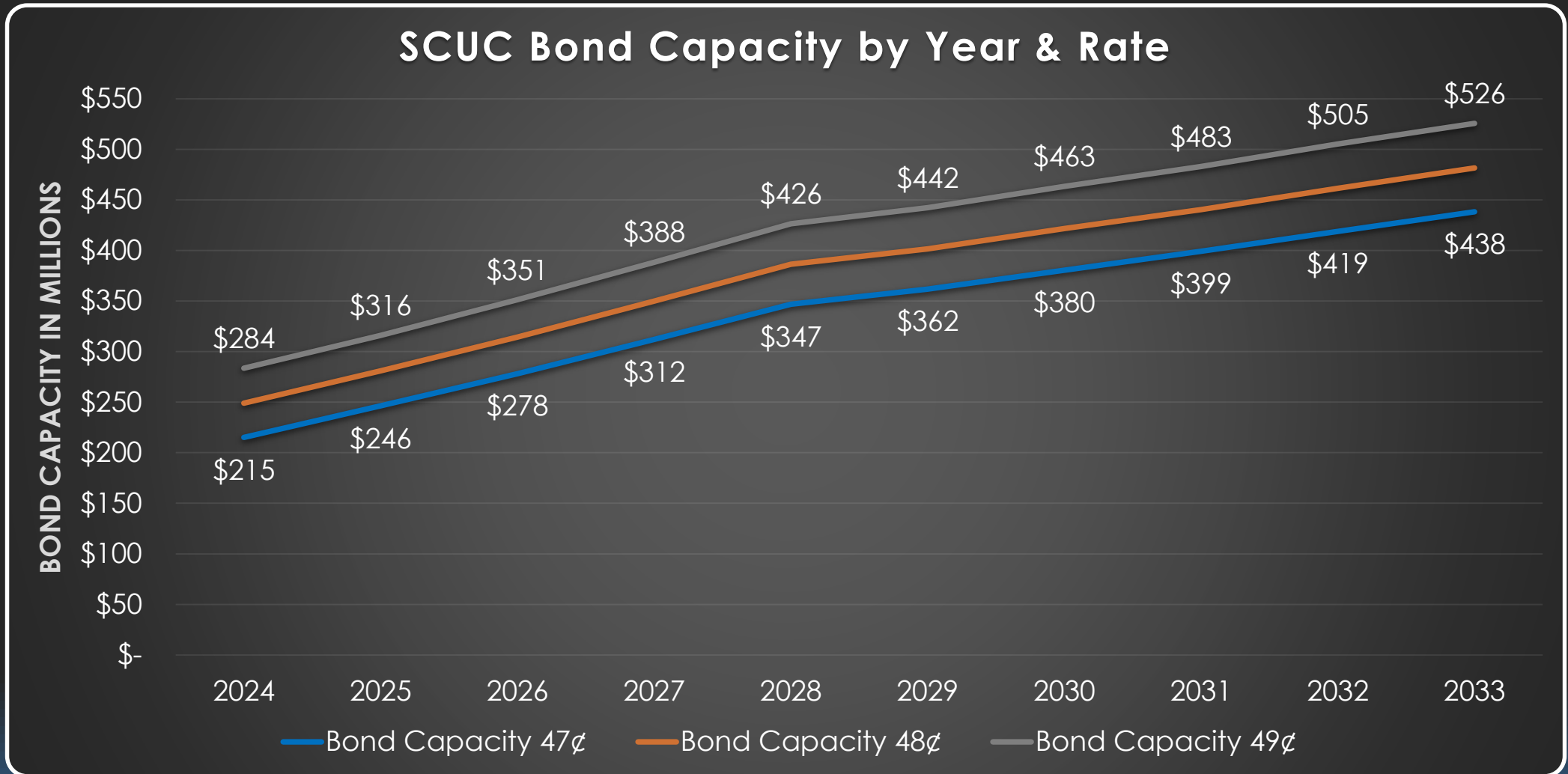
FORECASTING CONSIDERATIONS

- ENROLLMENT
 - HISTORICAL TRENDS
 - PROJECTIONS
 - TRANSFERS TO CHARTERS AND OTHER ISDs
- CAMPUS CAPACITY
- BONDING CAPACITY

PROJECTING BONDING CAPACITY - SCUC

- PROJECTING TAX REVENUE
 - ASSUMES NO REFINANCING FOR BOND SAVINGS
 - DEFEASING PRINCIPAL
 - MODEST PROPERTY VALUE GROWTH
 - 4.0% ANNUAL INCREASE FOR 2024-2028
 - 2.0% ANNUAL INCREASE FOR 2029-2033
- AS DEBT IS RESTRUCTURED AND PROPERTY VALUES INCREASE, WE BEGIN TO HAVE SOME BONDING CAPACITY
 - CAPACITY FOR ADDITIONAL DEBT IS LOWER AT FIRST, MORE IN LATER YEARS
- FORECASTING USING THREE OPTIONS FOR I&S TAX RATE
 - **\$0.47** PER \$100 OF VALUATION (CURRENT), **\$0.48** PER \$100 VALUATION, AND **\$0.49** PER \$100 VALUATION

PROJECTED AVAILABLE BOND DOLLARS



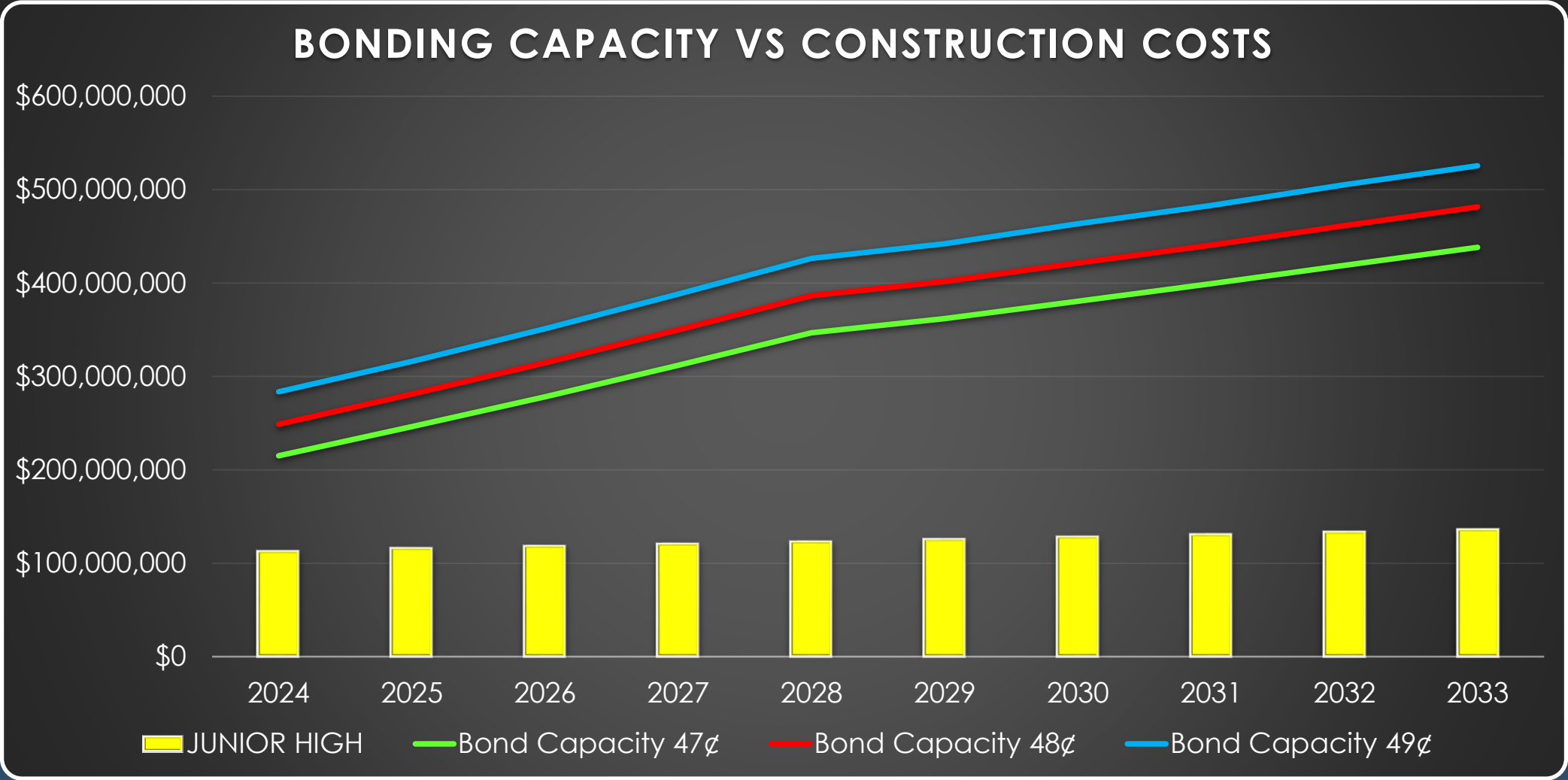
PROJECTING FACILITY COSTS - SCUC

- PROJECTING FUTURE COSTS OF NEW FACILITIES
 - FLUCTUATING MATERIALS AND LABOR COSTS MAKE LONG-TERM PROJECTIONS DIFFICULT
 - THE MARKET HAS SEEN HUGE INFLATION OVER THE LAST SEVERAL YEARS, BUT SEEMS TO HAVE STABILIZED DURING 2023
 - 2020-2023 WE EXPERIENCED 7-15% INFLATION ANNUALLY
 - PROJECTING PAST 2024
 - 3% ANNUAL INFLATION FOR 2024
 - 2% ANNUAL INFLATION FOR 2025 AND BEYOND
- CONSTRUCTION ESTIMATE RULES OF THUMB – 2024 DOLLARS
 - HIGH SCHOOL - \$235 MILLION
 - JUNIOR HIGH SCHOOL - \$113 MILLION
 - INTERMEDIATE/ELEMENTARY - \$72 MILLION

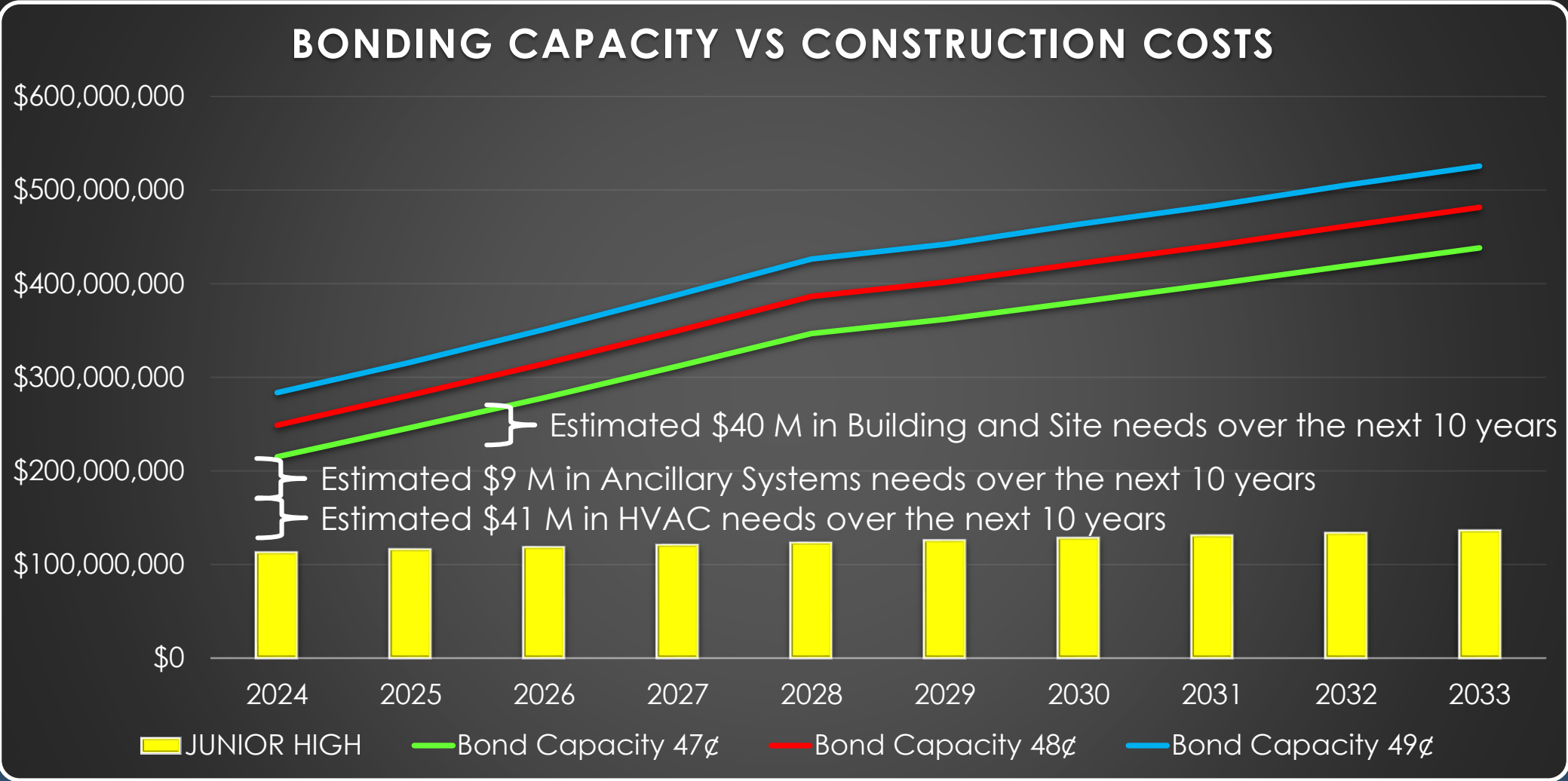
PROJECTING FACILITY COSTS - SCUC

YEAR	High School	Junior High	Elementary/ Intermediate
2024	\$ 235,000,000	\$ 113,000,000	\$ 72,000,000
2025-P	\$ 242,050,000	\$ 116,390,000	\$ 74,160,000
2026-P	\$ 246,891,000	\$ 118,717,800	\$ 75,643,200
2027-P	\$ 251,828,820	\$ 121,092,156	\$ 77,156,064
2028-P	\$ 256,865,396	\$ 123,513,999	\$ 78,699,185
2029-P	\$ 262,002,704	\$ 125,984,279	\$ 80,273,169
2030-P	\$ 267,242,758	\$ 128,503,965	\$ 81,878,632
2031-P	\$ 272,587,614	\$ 131,074,044	\$ 83,516,205
2032-P	\$ 278,039,366	\$ 133,695,525	\$ 85,186,529
2033-P	\$ 283,600,153	\$ 136,369,435	\$ 86,890,260
2034-P	\$ 289,272,156	\$ 139,096,824	\$ 88,628,065

PROJECTED BOND CAPACITIES VS. CONSTRUCTION COSTS



PROJECTED BOND CAPACITIES VS. CONSTRUCTION COSTS



TAKE AWAYS....

- STUDENT ENROLLMENT/PROJECTIONS
 - PRIOR TO COVID-19 SCUC ISD'S ENROLLMENT GROWTH HAD SLOWED TO 1% PER YEAR
 - COVID AND THE OPENING OF CHARTER SCHOOLS HAS IMPACTED DISTRICT ENROLLMENT, ESPECIALLY AT THE YOUNGER GRADES
 - THIS MULTI-YEAR IMPACT IS REDUCING OUR ENROLLMENT EVEN WITH NEW HOUSING
 - AN AVERAGE 1% ANNUAL DECLINE IN ENROLLMENT IS FORECASTED FOR THE NEXT SIX YEARS
- CAPACITY RELIEF TOOLS
 - WE HAVE MULTIPLE TOOLS TO HELP RELIEVE OUR CAMPUSES ONCE THEY SURPASS 90% OF THEIR MAX CAPACITY AND MOVE CLOSER TO 100%
- WITH OUR PROJECTED ENROLLMENT DECLINING, OUR ATTENTION MUST BE FOCUSED ON MAINTAINING THE INFRASTRUCTURE OF OUR EXISTING BUILDINGS AND IDENTIFYING FUTURE PROGRAMMATIC NEEDS FOR OUR STUDENTS
- WE ALSO NEED TO CONSIDER IF 2 JUNIOR HIGHS CONTINUE TO MEET THE NEEDS OF OUR DISTRICT

QUESTIONS/COMMENTS



Agenda No.

CITY COUNCIL MEMORANDUM

**City Council
Meeting:**

August 4, 2026

Department:

City Secretary

Subject:

**Information available in City Council Packets - NO DISCUSSION
TO OCCUR**

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026
Department: City Secretary
Subject: National League of Cities Membership (City Secretary Sheila Edmondson)

BACKGROUND

National League of Cities (NLC) Membership Information.

- Membership ID #0000043650
- Membership: Expiration date February 28, 2027
- POC: Katya (Ka-tia) Mayer
- Sr. Regional Specialist-South
- 202-968-7540

The Mayor's and the City Secretary's email addresses are in our NLC profile as point-of-contact.

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026

Department: Engineering

Subject: August 2026 Projects in Progress (City Engineer Kathy Woodlee)

Attachments

August 2026 Projects in Progress

CITY COUNCIL MEMORANDUM

City Council Meeting: August 4, 2026
Department: City Manager
Subject: Update on Major Projects in Progress

Background

This is the monthly update on large projects that are in progress or in the planning process. This update is being provided so Council will be up to date on the progress of these large projects. If Council desires more information on any project or on projects not on this list, please reach out to staff and that information will be provided.

Facilities Projects:

1. Fleet Building Parking Lot

Project Description – Pave the open grassy area located at 27 Commercial Place

- Project Status: Site Plan Development and Construction Design
- Projected Completion: To be determined
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: To be determined

Project Update: This project is being pushed back to FY26-27 due to the need to reallocate funding from this project to help fund the repairs of the retention wall and pavers at the Schertz Library. In the interim, Public Works has graded a small area of the lot to provide additional improved surface for parking and storage of vehicles and equipment in order to comply with the City's regulations regarding the use of unimproved surfaces.

2. Library Retention Wall (Pavers)

Project Description – Replacing the failing plastic panels around the library foundation with concrete panels. This includes removal and replacement of some of the concrete pavers in the rear courtyard.

- Project Status: Design
- Projected Completion: Spring 2026
- Project Cost: \$350,000
- Consultant: Unintech Consulting Engineering
- Contractor: To be determined

Project Update: The project was bid and two bids were received. An additional "proposal" came in after the bid opening. This "proposal" couldn't be considered as a responsive bid for the project. Both responsive bids far exceeded the Engineer's Estimate and budget available for the project. In reviewing the bids, some of the individual bid items had extremely high unit prices. There is an agenda item for the August 4th meeting to reject all the bids received, which will allow the project to be re-bid. Our consultant is reaching out to the bidders to determine what in the bid package triggered such high costs. That information will be used to revise the bid package to hopefully receive more favorable bids.

3. Fire Station 4

Project Description – Fire Station 4 Build

- Project Status: All walls are up and building is wrapped. CMU is almost complete on the front, after metal cross bracing is welded in place (this is for wind strength). Metal studs are in place, and they are working through all rough-in for electrical and plumbing. Coming will be set ceiling cassettes, drywall one side of walls, rough-in apparatus bay walls, and electrical HVAC overhead rough-in.
- Projected Completion: March 2027
- Total Project Cost: Estimated \$13.25 million
- Building Cost: Estimated \$10 million
- Consultant: AGCM – Owner Rep
- Architect: Martinez Architecture
- Contractor: Marksman – CMAR

Project Update: We had 3 rain days in July so far due to the weather we all went through. We have been doing daily walk-throughs so we can find any items that need addressing before the walls get closed in. This has proved beneficial so far and will continue until all in wall work is completed and they prepare to close in all walls. From here, we will begin to make our shopping list for appliances and equipment for the station, so it is here when they are ready to go. If present pace of construction continues, they are predicting an early completion. However, they will not commit to a date modification at this point.

4. FM 78 Build Out PD CID Property Room

Project Description – Remodel a portion of the County Building that PD will utilize for CID and Property.

- Project Status: Approved by the County
- Projected Completion: TBD
- Consultant: AG/CM (Owners Representative)
- Contractor: TBD

Project Update: An internal estimate, prepared with support from an owner's representative, placed the project cost between \$530,000 and \$560,000, which is \$1.4 million less than the Parkhill proposal. City staff will present a resolution to the City Council recommending the rejection of all proposals and rebidding the project under a Design-Build delivery model. The decision to switch to a Design-Build framework aims to better integrate the design and construction phases and streamline project management. Staff has also agreed to engage an owner's representative to oversee the project and protect the city's interests at an estimated cost of \$67K, thus, we are requesting a CIP increase of \$250K for a total estimated project cost of \$650K.

June 18 Update- On 6/16/26, City Staff met with AG/CM for the preliminary meeting. Purchasing will obtain the RFQ documents from AG/CM and use the city-standard RFQ to initiate the new bidding process for the project. This does not have to go on the agenda for the City Council to approve before going out for review. AG/CM mentioned the total, estimated project time could be 11 months.

July 8, 2026 – AG/CM and city staff met with potential contractors to discuss the scope of work and answer any questions. Five companies were represented at the meeting. SOQs are due no later than 1400 hours on July 30, 2026.

5. Police Department Building Remodel

Project Description – Remodel office areas within building #6 where the Police Department operates. Areas to remodel may include the current CIS division, P&E holding area, and possibly other offices along that hallway.

- Project Status: Once the FM 78 project is nearing completion, we can move forward.
- Projected Completion: TBD
- Consultant: TBD
- Contractor: TBD

Project Update: In a **holding status** until administrative tasks with the FM 78 build out for the property room and CID are completed. No update as of June 2026.

6. HVAC Replacement

Project Description – Replacing aged HVAC units at the following locations City Hall (5 units), Council Chambers (1), Library (9) and YMCA (11).

- Project Status: In progress
- Projected Completion: estimated August 2026
- Contractor: Way Mechanical

Project Update: The installation and replacement of the Council Chambers HVAC unit have been completed. The contractor has completed the installation of the railing at City Hall. City Hall is currently pending an installation date for the 5 RTUs. Lastly, due to summer schedules, the Library and YMCA installation and replacement will take place in August 2026.

Drainage Projects:

1. FM 78 South Channel Silt Removal

Project Description – Silt removal for the existing FM 78 South Drainage channel to include permitting, easement acquisition and construction.

- Project Status: Easement Acquisition
- Projected Completion: Spring 2027
- Project Cost: Design \$32,100, Drainage Report \$4,600
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Easement negotiations are continuing with the property owners. After easements are acquired, the project will be rebid, and construction will proceed.

2. Pickrell Park & FM 1518 Drainage

Project Description – Installation of underground drainage, upgraded creek outfalls and provide localized surface drainage swales. Sanitary sewer relocation within areas of conflict with proposed drainage improvements

- Project Status: Preliminary Engineering Study
- Projected Completion: TBD
- Project Cost: \$41,987 - \$47,500 NTE (study only)
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Staff is reviewing the latest revisions provided by Unintech. Recommendations from the study will be used to develop a project to improve the drainage in this area of the City.

3. Wendy Swan Drainage

Project Description – Removal of an existing concrete retaining wall, install underground drainage and fill to grade with localized surface drainage.

- Project Status: Design
- Projected Completion: Summer 2026
- Project Cost: Design \$108,500 (\$125,000 NTE), Construction Estimate \$800,000
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Staff has received final plans and specifications. Staff has sent out correspondence via certified mail trying to obtain a temporary easement/right-of-entry to relocate a property owner's fence from the park property onto the property owner's property.

4. Friesenhahn Lift Station Drainage Improvements

Project Description – Drainage study of Friesenhahn Lift Station site will be performed and used to develop plans for construction of recommended improvements to remedy poor drainage conditions around the site.

- Project Status: Study and Design
- Projected Completion: TBD
- Project Cost: Design \$74,815 Construction Estimate TBD
- Consultant: Utility Engineering Group
- Contractor: TBD

Project Update: No change from the last update. UEG is working to update the recommendations discussed with staff, and these will be used in the design phase of the project.

Water and Wastewater Projects:

1. Woman Hollering Creek Wastewater Interceptor Main and Lift Station

Project Description – Design and construction of a sanitary sewer system to collect and convey wastewater to the future CCMA water reclamation plant off Trainer Hale Road in Southern Schertz. The system consists of approximately 19,000 linear feet of 30" gravity wastewater line running generally along Woman Hollering Creek from the existing Sedona lift station on FM 1518 to a new lift station on IH 10 and approximately 6,000 feet of force main from the lift station to CCMA plant. It also includes an additional 18" gravity line approximately 1,500 feet in length that will first serve the Hallie's Cove Subdivision. The system is necessary for the new CCMA plant to begin operation and to allow the existing Woman Hollering Lift Station at Sedona to be taken out of service.

- Project Status: Construction
- Projected Completion: Summer 2026
- Project Cost: Engineering/Design \$1,187,594, Land purchases, ROW, legal and advertising \$700,810, Construction \$11,200,000, and miscellaneous costs for a project total of \$13,088,404
- Design Engineer: Cobb Fendley & Associates, Inc.
- Owner's Representative: AGCM, Inc.
- Contractor: Thalle Construction Co, Inc.

Project Update: The collection and conveyance system including the lift station was put into operation March 3, 2025. The CCMA South Plant is operational. The contractor continues to work on correction of items identified on the punchlist for the project to be completed. Remaining work includes correction of pump issues, relocation and elevation of main disconnect, repair of settling crane foundation and subsequent crane operational testing. It is still estimated that the remainder of the work on the project may still take several months to complete but as stated, the project is operational.

2. Riata Lift Station Relocation

Project Description – Relocation of the Riata Lift Station ahead of TxDOT's IH 35 NEX project to remove it from conflict with the proposed highway improvements. The design phase included identification of a new site for the lift station, design of new lift station and design of the abandonment of the existing lift station. Property and easement acquisitions were required. The new lift station is needed to maintain sewer services.

- Project Status: Begin Construction 4th Quarter of 2024.
- Projected Completion: Summer 2026
- Project Cost: Design & Acquisition of easements and existing lift station \$478,000; Construction: \$2,800,000
- Consultant: Utility Engineering Group, PLLC
- Contractor: Keystone Construction

Project Update: Keystone has planted the required trees along the front of the lift station. Final closeout documents are being sent and reviewed for completion by staff. UEG and staff continue to work with TxDOT for the reimbursement of the cost of design, site acquisition, and construction.



Riata Lift Station Location

3. FM 1518 Utility Relocations

Project Description – Relocation of water and sewer utilities to avoid conflicts as part of the TxDOT FM 1518 Improvement Project.

- Project Status: Construction
- Projected Completion: The City's utility relocation portion of the project is expected to be completed in the Fall of 2026.
- Project Cost: Design NTE \$980,000, Construction Joint Bid \$8,986,837/Aztec 16" Line \$884,270
- Consultant: Halff Associates, Inc.
- Contractor: SER Construction Partners (TxDOT's General Contractor)/Qro Mex Construction (Aztec 16" Line-completed)

Project Update: No change since last update. SER has slowed down on the installation of water and sewer on the north end of the project due to CCMA working on their utility relocations within the same area. Once CCMA is completed in the area, SER will resume utility installation.

4. Corbett Ground Storage Tank

Project Description – Construction of a new 3-million-gallon Ground Storage Tank (GST). The GST will be used to fill the existing Corbett Elevated Storage Tank and provide additional water storage capacity. This new GST will receive water directly from the Schertz Seguin Local Government Corporation.

- Project Status: Construction Phase
- Projected Completion: Summer 2026
- Project Cost: Design \$547,100, Construction \$8,665,220
- Consultant: Unintech Consulting Engineers
- Contractor: Pesado Construction Co.

Project Update: There are a couple remaining punchlist items that Pesado is working to complete. They are also providing the final closeout document including O&M manuals for staff review.

5. Water Loop Lines

Project Description – Install 12” water main lines to provide a looped distribution system from Ware Seguin to Lower Seguin and Pfeil Road to N Graytown Road.

- Project Status: Design/Easement Acquisition
- Projected Completion: Fall 2026
- Project Cost: Design NTE \$254,974, Construction Estimate \$4,400,000

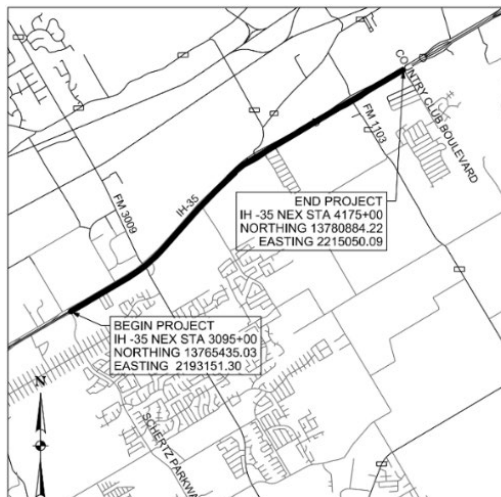
Project Update: Unintech has begun assembling the construction contract documents to begin the bidding process for the section of water line along IH 10 between Pfeil and N. Graytown roads. Advertising and bidding will be done in August.

6. IH 35 NEX-North Utility Relocations

Project Description – Relocation of water and sewer utilities to avoid conflicts as part of the TxDOT IH 35 NEX project.

- Project Status: Design - Construction
- Projected Completion: Joint Bid Construction is planned for Fall 2027
- Project Cost: Design & Easement Acquisition Services - \$1,250,000
- Project Cost: Construction Sewer Only - \$1,787,074 (\$2,000,000 NTE)
- Consultant: Halff Associates, Inc.

Project Update: No new updates - Blackrock Construction continues the sewer construction effort along IH 35. Halff is working to revise plans of a sewer crossing of IH 35 due to conflicts discovered with other utility providers. This is being coordinated with the contractor, TxDOT, and the other utilities to ensure a change in the vertical alignment does not create any other concerns. Once these plans are approved, Blackrock will continue with the bore to install the sewer line casing.



7. Robin Hood Way Waterline Replacement

Project Description – Replacement and upsizing of water line in Robin Hood Way, Sherlock Lane, and Nottingshire. The main replacement is to increase flows in the area, particularly to meet fire flow requirements. The project also includes street resurfacing and rehabilitation work that was previously removed from the SPAM project.

- Project Status: Design
- Projected Completion: Fall 2027
- Project Cost: \$5,350,000
- Consultant: Kimley- Horn & Associates

Project Update:

The additional survey work has been completed, and our consultant is revising the project plans. Some value engineering is also ongoing with the proposed street work in the project. We anticipate having the project ready to bid before the end of this fiscal year and construction starting in early 2027.

8. Bell North Sewer Extension

Project Description – Ten commercial properties on the west end of Bell North Drive are served by private grinder pumps that pump into a public wastewater force main that discharges into a manhole near 17316 Bell North Drive. This project is the construction of a gravity sewer main within Bell North Drive that will flow toward and discharge into the main on Doerr Lane.

- Project Status: 90% Completion
- Projected Completion: Summer 2026
- Project Cost: Design \$95,000
- Project Cost: Construction \$513,900 (\$575,000 NTE)
- Consultant: Freeland Turk Engineering Group LLC
- Contractor: RL Jones, LP

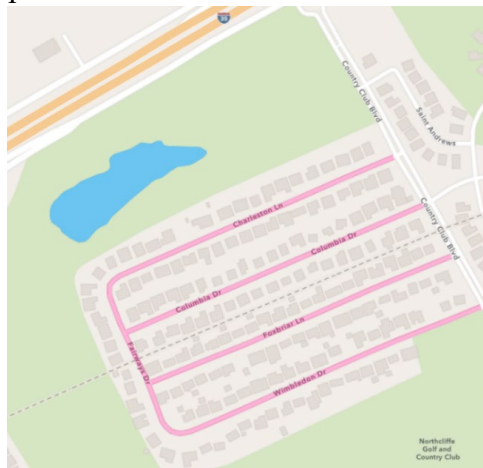
Project Update: No change from last update. RL Jones has completed their punch-list items. The City is currently coordinating with the remaining businesses that continue to operate on onsite septic systems, which were not identified or included during the original design phase.

9. Northcliffe Country Club Estates Water and Wastewater Main Replacement

Project Description – replacement of the water and wastewater mains and rehabilitation of the streets in the Northcliffe Country Club Estates subdivision.

- Project Status: Design
- Projected Completion: Fall 2027
- Project Cost: \$8,733,400 (estimated)
- Consultant: Unintech Consulting Engineers, Inc.

Project Update: The project is expected to be bid later this month.



10. Cibolo West Wastewater Trunk Main

Project Description – Installation of approximately 21,680 LF of gravity wastewater trunk main that will collect wastewater at the location of the Saddlebrook Wastewater Lift Station as well as areas north of Schaefer Road and convey flows south along a route including along Weir and Trainer Hale Roads and the west side of Cibolo Creek to the CCMA South Water Reclamation Plant. Having this line in place will ultimately allow the decommissioning of the Corbett and Saddlebrook Lift Stations. The project is a collaboration between the City of Schertz and Green Valley Special Utility District (GVSUD).

- Project Status: Easement Acquisition
- Projected Completion: Fall 2027
- Total Project Cost: \$26,743,000
- Consultant for Route Study: Lockwood, Andrews, & Newnam, Inc.
- Consultant for PER and Easement Acquisition: Halff Associates, Inc.

Project Update: After a meeting with Halff, staff is awaiting a scope and fee proposal to prepare a preliminary engineering report and easement acquisitions. Staff plans to present the results of the route study and bring the PER task order to Council during a coming meeting.

11. Elevated Storage Tank Pipe Replacement and Tank Painting

Project Description – Rehabilitation of vertical fill and drain line piping in the East Live Oak and Northcliffe elevated storage tanks due to increased signs of fatigue at the welded joints. The project also includes the painting of the interior and exterior of the East Live Oak and Northcliffe elevated tanks and the Ware Seguin ground storage tank.

- Project Status: Design
- Projected Completion: Design expected to be complete by Fall 2026.
- Total Project Cost: \$2,600,000 Estimated Total
- Consultant for Study: Unintech Consulting Engineers, Inc.

Project Update: Staff has provided their preference on pipe materials to replace the damaged riser piping. Unintech will begin work on their design for staff review.

12. Schertz Parkway 16” Water Transmission Main Replacement

Project Description – Replacement of approximately 1,200 linear feet of 16” water transmission main along Schertz Parkway between Mare Way and Maske Road.

- Project Status: Design
- Projected Completion: Winter 2026
- Project Cost: Design \$180,824 (\$245,000 NTE), Easements \$50,000, Construction Estimate \$1,500,000
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Final plans have been received. Consultant is still working to obtain the required construction easement for the new waterline. Project is waiting until easement is acquired before bidding. Staff has processed a task order for appraisal services to help determine the easement cost. Unintech has also provided an option to install a liner in the existing pipe rather than construct a new water line. Staff is scheduled to meet with CPM Pipelines to discuss this option and make a determination which option we want to use for this project.

13. FM 3009 18” Water Transmission Main Replacement

Project Description – Replacement of approximately 7,600 linear feet of 18” water transmission main.

- Project Status: Design
- Projected Completion: Fall 2027
- Project Cost: Design \$431,752 (\$550,000 NTE), Construction Estimate (including easement acquisition) \$4,800,000
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Preliminary plans have been reviewed by staff and returned to Unintech for correction and final design.

14. IH 35 Ground Storage Tank and Pump Station

Project Description – Construction of a 3-million-gallon ground storage tank and pump station adjacent to the existing IH 35 elevated storage tank to provide storage capacity that can be filled during non-peak hours of the day.

- Project Status: Design
- Projected Completion: Fall 2027
- Project Cost: Design \$728,068 (\$800,000 NTE), Construction Estimate (including land acquisition) \$13,750,000
- Consultant: Unintech Consulting Engineers, Inc.
- Contractor: TBD

Project Update: Unintech is working to incorporate staff comments into the engineering report and will begin the preliminary design of the proposed ground storage tank and pump station.

15. Dedicated Transmission Main 24”

Project Description – Construction of a 24” dedicated water transmission main to connect the Live Oak water storage facility to the IH 35 storage tank.

- Project Status: Design 90% complete, resuming Easement Acquisition Negotiations
- Projected Completion: to be determined
- Project Cost: Design \$2,502,060, Easement Acquisition \$1,000,000, Construction \$28,572,940
- Consultant: Kimley-Horn & Associates

Project Update: Project was placed on hold and shifted to future budget years but is currently expected to resume pending award of a grant through the Texas Water Development Board (TWDB) Water Supply Infrastructure Grant (WSIG), the application for which was authorized by Council on July 7, 2026.

16. Lift Station Decommissioning

Project Description – Decommissioning of Elbel and Whisper Branch Lift Stations including regulatory documentation and physical demolition and abandonment. The project also includes the development of a lift station decommissioning standard guidance document that can be used by the City for future lift station decommissioning projects.

- Project Status: Design
- Projected Completion: TBD
- Project Cost: Design \$49,635 Construction Estimate TBD
- Consultant: Utility Engineering Group
- Contractor: TBD

Project Update: No change since last update. UEG is working on the preliminary design for the decommissioning and a draft of the guidance document. Staff has provided some decommissioning needs of the electrical components at each site.

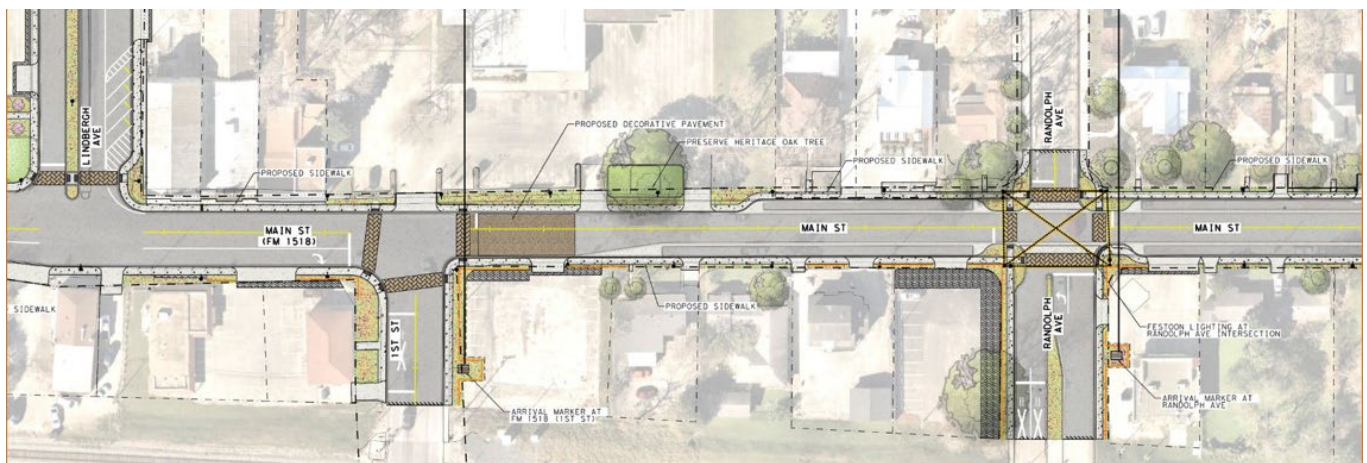
Street Projects:

1. Main Street Improvements Project

Project Description – The project will improve sidewalks, provide street lighting, way-finding signage, landscaping, utility relocations, and architectural elements such as decorative concrete, decorative lighting, screening, and area signage. This project will also replace aging water and sanitary sewer mains and reconstruct the street with a new, stronger pavement section. Additionally, Lindbergh between Main and Exchange will be reconstructed.

- Project Status: Design
- Projected Completion: Fall 2028
- Project Cost: \$25,880,893
- Consultant: Kimley- Horn Associates

Project Update: No change from last month. Utility outreach is ongoing and the project scope is being increased some. Some modifications to the Aviation Boulevard/FM 1518 intersection to improve the right turn movement from FM 1518 to Aviation Boulevard will be added to the project.



2. Lookout Road Reconstruction

Project Description – The project involves reconstruction of Lookout Road from Schertz Parkway to Doerr Lane. A traffic signal at the Lookout Road/Schertz Parkway intersection will also be installed. The project also includes the replacement and upsizing the existing sanitary sewer main in Lookout Road from Doerr Lane to Schertz Parkway.

- Project Status: Design
- Projected Completion: Fall 2027
- Project Cost: Design \$571,000 (\$20,000 from Selma), Construction estimate \$6,738,092 (\$100,000 from Selma)
- Design Consultant: Halff Associates, Inc.

Project Update: The design amendment to shift the Schertz Parkway alignment will be presented to Council for approval later this month. We have closed on the Right-of-Way acquisition for the Republic Distributing site. We have agreement with CAT for the Right-of-Way needed from their site and the documents are going through their legal team so we can close on that parcel. Staff will be providing a project update to the EDC Board in the near future.

3. Lower Seguin Road Reconstruction

Project Description – The project will reconstruct a 2.9-mile segment of Lower Seguin Road to widen and improve the street to the section identified in the Master Thoroughfare Plan. The City intends to pursue Federal DCIP funding for project construction.

- Project Status: Design
- Projected Completion: Fall 2028
- Project Cost: \$18,200,000
- Consultant: Halff Associates, Inc.

Project Update: We expect to hear the results of our DCIP funding application towards the end of this month. The next funding call for DEAGG funding will be early September. We will be submitting a revised application for funding from that program. Right-of-Way and Easement acquisition for the project is underway, and the project plans continue to be refined.

4. Buffalo Valley South Resurfacing and Rehabilitation and Utility Replacements

Project Description – Water and sanitary sewer main replacements and street rehabilitation of Buffalo Valley South, specifically Mill Street, 1st St, 2nd St, Bowman St, Lee St, Church St, Zuehl St, and Wuest. PCI data was used to select the streets in the project. Project will be funded with a combination of SPAM funding (for the street rehabilitation) and ARP funding for the utility replacement.

- Project Status: Construction
- Projected Completion: April 16 (Substantial Completion)
- Project Cost: \$5,977,000
- Design Consultant: Unintech Consulting Engineering
- Contractor: E-Z Bel Construction, LLC

Project Update: The contractor is nearly finished with all the punch list items. Staff is scheduling another full project walkthrough to verify the punch list completion early this month. A brief ribbon cutting marking the project completion is scheduled for August 18th, before the Council Meeting. Additional details will be provided to Council closer to the 18th.

5. Boenig Drive Reconstruction

Project Description – Reconstruction of Boenig Drive between Ware Seguin Road and Graytown Road. The reconstruction includes reconfiguration of the intersection with Ware Seguin Road to improve efficiencies and eliminate having two street intersections side-by side on Ware Seguin Road.

- Project Status: Design
- Projected Completion: Spring 2027
- Project Cost: \$3,240,000
- Consultant: Unintech Consulting Engineers, Inc.

Project Update: The utility conflicts have been fully identified and explained to the utility companies. CPS is in the process of going through their process to relocate their facilities out of the way of the project. Their process is expected to take a few months to complete, which will cause a delay in getting the project out to bid. We anticipate bidding the project in early January. If CPS is able to complete their work sooner, we will be able to bid the project sooner.

6. 2024 SPAM Rehabilitation

Project Description – Rehabilitation of St. Andrews, Maple, and part of the Silvertree Subdivision streets. Rehabilitation involves removing the existing pavement, applying cement stabilizing to the material underneath, and placing a new layer of pavement on the street.

- Project Status: Construction
- Projected Completion: Summer 2026
- Project Cost: \$3,581,000
- Consultant: Kimley-Horn Associates
- Contractor: E-Z Bel Construction, LLC

Project Update: The recent rains have caused some delays in the project. The paving in Dove Meadows has been completed. Staff has done a more detailed walkthrough of the Dove Meadows area and distributed fliers to the residents asking them to provide us with any outstanding items so a complete punch list can be provided to the contractor. All of the concrete work has been completed on Maple Drive, and the street work is well underway. Paving is expected to be completed early this month.

7. 2025 SPAM Resurfacing

Project Description – Resurfacing of the streets in the Ashley Woods, Woodbridge, and Rio Vista subdivisions. Resurfacing involves performing localized concrete repairs; base repairs; asphalt level up; crack sealing; and applying a slurry seal to the surface of the streets.

- Project Status: Design
- Projected Completion: Summer 2027
- Project Cost: \$1,282,231
- Consultant: Kimley-Horn Associates

Project Update: We continue to see project costs increase. As a result, the project scope is still being refined in order to fit within budget. The final scope revisions will likely need to wait until after the Northcliffe Country Club Estates and Robin Hood Way Waterline Replacement projects have been bid, so any “excess funding can be identified and added to the resurfacing project.

8. Kramer Farm Rehabilitation

Project Description – Rehabilitation of the western streets in Kramer Farm Subdivision. Rehabilitation involves removing the existing pavement, applying cement stabilizing to the material underneath, and placing a new layer of pavement on the street.

- Project Status: Design
- Projected Completion: Summer 2027
- Project Cost: \$1,446,582
- Consultant: Kimley-Horn Associates

Project Update: Final plan changes are expected to be completed this month. Once the changes are completed, the project will go out for bid.

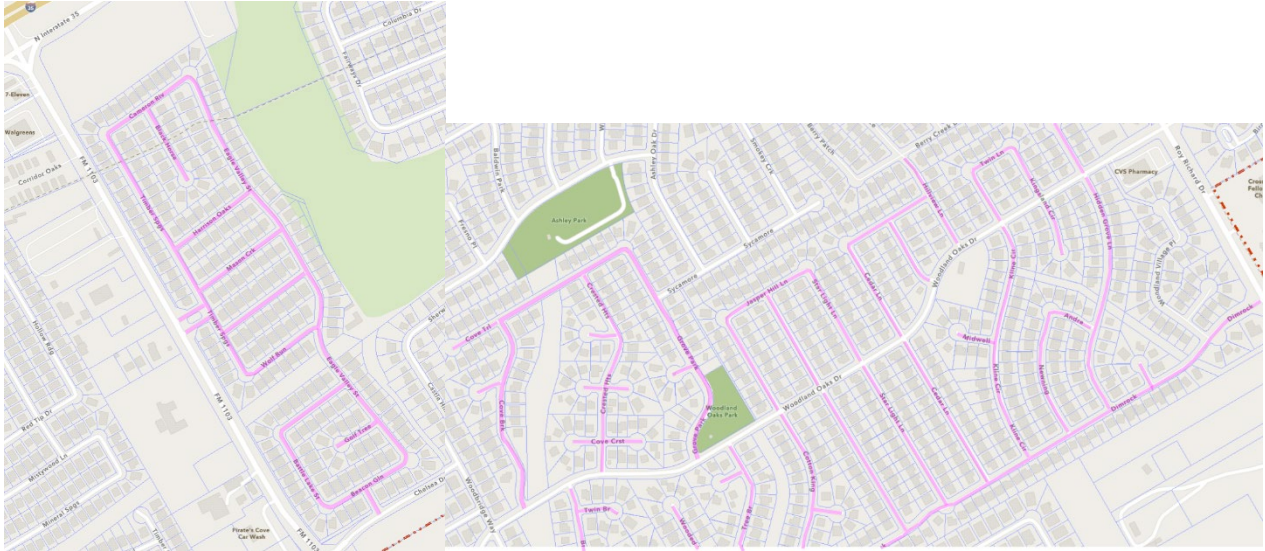
9. 2026 SPAM Resurfacing

Project Description – resurfacing of the streets in the Fairway Ridge; Woodland Oaks; and Horseshoe Oaks Subdivisions. The project also includes the TSAC-recommended crosswalk improvements.

- Project Status: Design
- Projected Completion: Summer 2027
- Project Cost: \$1,780,000
- Consultant: Kimley-Horn Associates

Project Update: We continue to see project costs increase. As a result, the project scope is still being refined in order to fit within budget. The final scope revisions will likely need to wait until after the

Northcliffe Country Club Estates and Robin Hood Way Waterline Replacement projects have been bid, so any “excess funding can be identified and added to the resurfacing project.

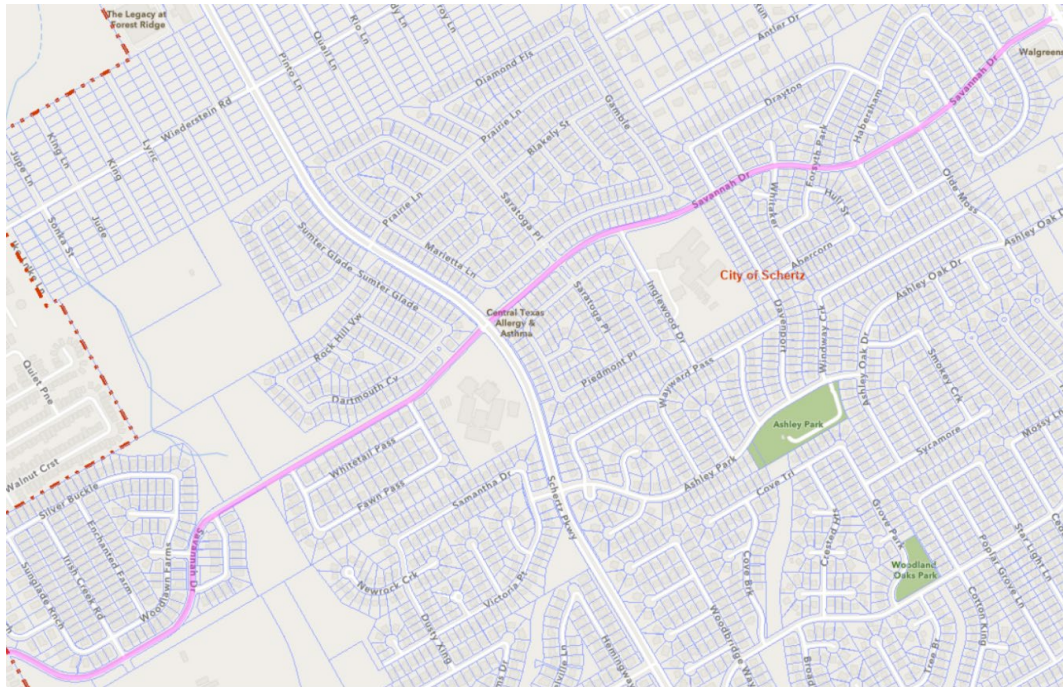


10. Savannah Drive Overlay

Project Description – Resurfacing of Savannah Drive from the Selma City Limits to FM 3009.

- Project Status: Construction
- Projected Completion: Spring 2027
- Project Cost: \$1,460,000
- Consultant: Kimley-Horn Associates

Project Update: No change from last month. Final plan comments have been provided, and the final changes are being made to the bid package. Once the changes are completed, the project will go out for bid.



11. FM 3009 Overpass

Project Description – TxDOT project for overpass construction at the FM 3009/FM 78 intersection to elevate the main lanes of FM 3009 over the railroad tracks and FM 78. On and off ramps will be provided so vehicles can travel between FM 3009 and FM 78 at the intersection. The project includes some improvements to FM 78 to improve operational efficiencies of the on and off ramps.

- Project Status: Schematic Design and Environmental Clearance
- Projected Completion: TBD
- Project Cost: \$100,000,000 (TxDOT)
- Consultant: Kimley-Horn Associates

Project Update:

TxDOT is preparing for a public outreach meeting for the project. They expect to hold the meeting in September. Once we know the date of this meeting, we will provide it to Council and the public.

Parks & Recreation Projects:

1. Schertz Soccer Complex Irrigation Water Storage Project

Project Description – Upgrading electrical components, upsizing well pump and piping, and adding storage capacity for irrigation of the Schertz Soccer Complex.

- Project Status: Under Construction
- Projected Completion: Fall 2026
- Project Cost: \$200,000 (estimated total)
- Consultant: Unintech Engineering
- Contractor: Kutscher Drilling and Specified Water Systems

Project Update: The first draw was submitted to Specified Water Systems for production of the tank, and it is in stock at the warehouse yard. The contractor is waiting on the liner to ship so it can be installed in the tank. The contractor is working on scheduling the pad pour for the tank and acquiring the proper permits. Installation of the tank and final connections should be made in August.

I.T. Projects:

1. Asset Management- Work Order System – Open Gov

Project Description- Replace the current work order and asset management systems

- Project Status: In progress
- Projected Completion: Fall 2025
- Project Cost: Approximately \$470,000
- Contractor: Open Gov

Project Update: Parks, Street, and Drainage staff is currently working in the sandbox test environment. Due to turnover in the GIS department, the newly hired GIS staff is working closely with the contractor and their GIS consulting team in training them on OpenGov and transferring maps and in-field assets into the new system.

Studies and Plans:

1. Master Thoroughfare Plan and Roadway Impact Fee Update

Project Description – Update to City’s Master Thoroughfare Plan and Roadway Impact Fee Program.

- Project Status: Study
- Projected Completion: Schedule Pending
- Total Project Cost: \$149,460 (\$170,000 NTE)
- Consultant for Study: Kimley-Horn Associates

Project Update: The draft fee report is still being worked on. Some of the elements in the report are taking longer to complete than originally anticipated. After further consideration, Staff decided to expand the public outreach effort for the update. The first public outreach effort will be a “targeted group” later this month. Additional outreach meeting dates are being developed. Staff expects to have an outreach schedule completed later this month.

2. Southern Schertz Interim Sewer Service Study

Project Description – Until the completion of expansion of the CCMA South Water Reclamation Plant, treatment capacity in southern Schertz is severely limited. This project is a study to identify potential short-term and long-term sewer service treatment options for the City’s southern service area.

- Project Status: Study
- Projected Completion: Schedule Pending
- Total Project Cost: \$59,695
- Consultant for Study: Utility Engineering Group

Project Update: Staff and the consultant continue to evaluate potential solutions to provide interim capacity. It was determined that a temporary package treatment plant is likely not a viable option due to a conflict with CCMA’s current and future permits for discharge in the same watershed (mid Cibolo Creek).

3. Regional Flood Planning

Staff has been collecting and sharing information including previous studies, maps, photographs, and anecdotal accounts of flood events with the AECOM, the consultant preparing the Flood Management Evaluation (FME). Progress meetings are being scheduled.

TxDOT Roadway Projects:

Note: If links do not work, please contact engineering@schertz.com

1. **FM 1103 Improvement Project:** Construction officially began in November 2022 and was originally expected to be complete in fall 2026. Minor progress is being made on the roadway while utility relocation continues. General project updates are available by signing up at this link: [FM 1103 Construction Newsletter](#)
2. **FM 1518 Improvement Project:** SER Construction, LLC, formally began construction on April 9, 2024. The contractor has leased property owned by the City on Schaefer Road to stage construction activities. The first few months of the project will be mainly underground utility construction and will mostly take place outside travel lanes. While there may be some delays, major traffic disruptions should not be experienced much during this phase of the project. The project is currently anticipated to be completed in 2028. Updates regarding the FM 1518 project are available by visiting and subscribing at the following link: [FM 1518 Expansion](#)
3. **IH-35 NEX (I-410 South to FM 1103):** The central segment of the I-35 Northeast Expansion project continues with Alamo NEX Construction handling the design-build project. The central section runs from 410 N to FM 3009. Utility coordination work for the northern segment of the project is underway. TxDOT consultants have met with Public Works and Engineering Staff to begin establishing relocation needs. The City will be reimbursed for the costs of all relocations needed except for any upsizing or improvements above current conditions. Updates about the project can be obtained by signing up at the following link: [I 35 NEX Project Updates](#)
4. **IH-10 Graytown Road to Guadalupe County Line:** Work for the widening of the main lanes and utility relocations continues. Work on the FM 1518 bridge over IH 10 continues and will involve numerous episodes of the rerouting of traffic including shifting lanes and detours as necessary. Updates regarding the IH 10 project are available by signing up at the following link: [IH 10 Expansion Information](#)