Board Agenda

Wednesday, Aug. 19, 2026
LCRA General Office Complex
Board Room – Hancock Building
3700 Lake Austin Blvd.
Austin, TX 78703
Earliest start time: 12:30 p.m.

***This agenda item requires the approval of at least 12 members of the Board.**

Executive Session

1. Competitive Electric Matters, Including Generation and Generation Project Updates, Market and Risk Updates, Resource Planning, Resource Options and Agreements
   a. Competitive Electric Matters – Contracts and Contract Changes
2. Legal Advice on Pending and Anticipated Litigation, Claims and Settlements
3. Legal Advice on Legal Matters
4. General Manager Fiscal Year 2027 Goals Approval
5. General Auditor Fiscal Year 2026 Performance Evaluation and Fiscal Year 2027 Goals Approval

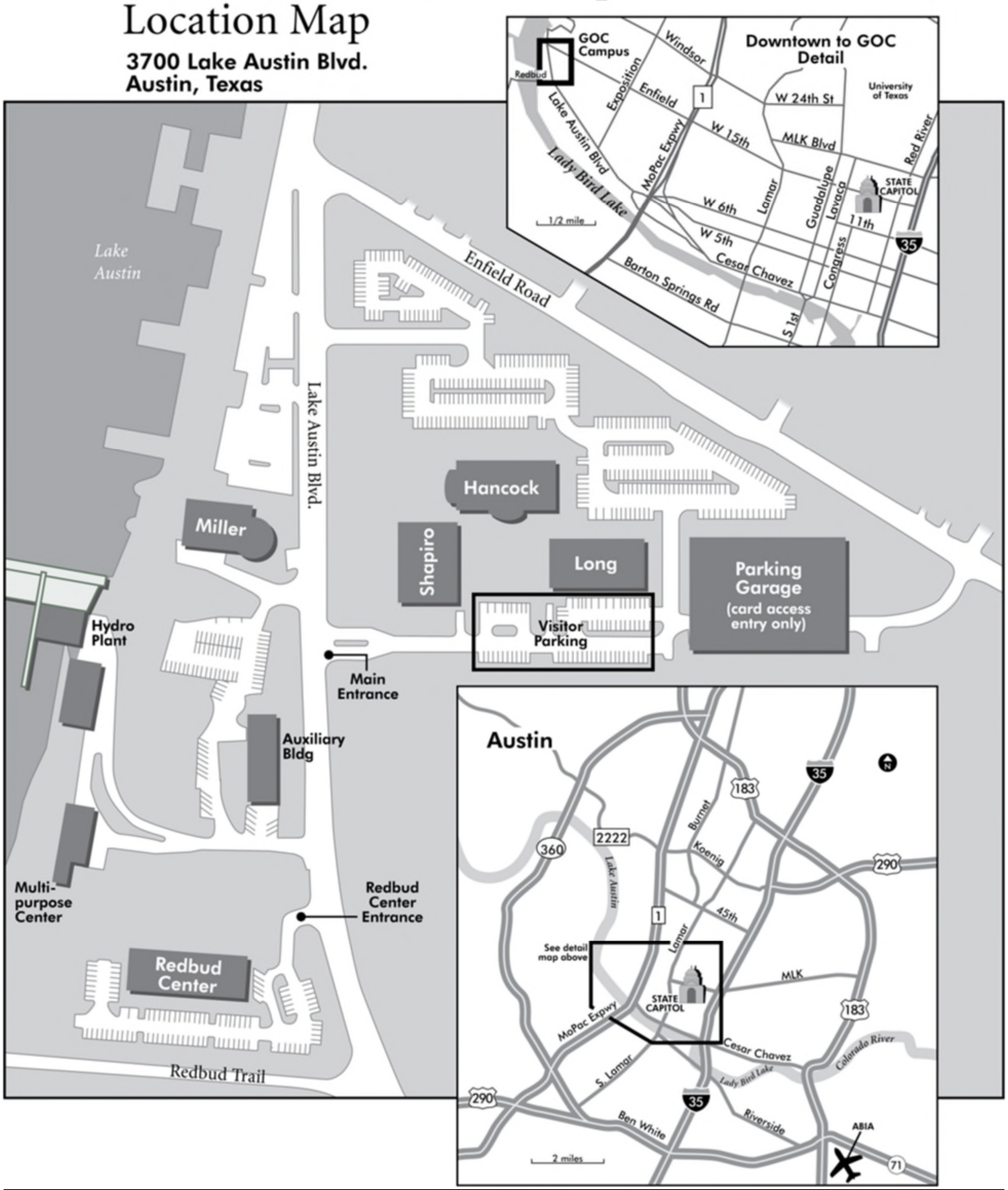
The Board may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code.

Legal Notice

Legal notices are available on the Texas secretary of state website three business days before the meeting at the following link:
https://www.sos.texas.gov/open/index.shtml

LCRA General Office Complex Location Map

**3700 Lake Austin Blvd.
Austin, Texas**



1. Comments From the Public

Summary

This part of the meeting is intended for comments from the public on topics under LCRA's jurisdiction. Per the Texas Open Meetings Act, for topics not related to an item listed on the Board of Directors agenda, the Board cannot respond to or take action during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room. Please see the Protocols for Public Communication at Board and Committee Meetings as shown in Exhibit A for details.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

Exhibit(s)

A – Protocols for Public Communication at Board and Committee Meetings

EXHIBIT A

PROTOCOLS FOR PUBLIC COMMUNICATION AT BOARD AND COMMITTEE MEETINGS Approved by the LCRA Board of Directors on Dec. 11, 2018

1. Oral Presentations on Issues Under LCRA's Jurisdiction. Any person wishing to make an oral presentation at a Board meeting on any matter under LCRA's jurisdiction must complete a registration form that indicates the agenda item or other topic on which they wish to comment, along with the speaker's name, address and other relevant information. Any person making an oral presentation to the Board may distribute related materials to the Board at the meeting.

2. Time Allocation. The presiding officer may limit the length of time for each speaker. Speakers may not trade or donate time to other speakers without permission from the presiding officer, and repetitive testimony shall be minimized.

3. Rules of Decorum. Speakers and members of the audience must avoid disruptive behavior that interferes with the orderly conduct of a public meeting. Placards, banners, and hand-held signs are not allowed in Board or committee meetings, and speakers and members of the audience must avoid personal affronts, profanity, booing, excessive noise, and other disruptive conduct. The presiding officer may direct that anyone who disrupts a meeting be removed from the room.

4. Recording. Any person making an audio or video recording of all or any part of a Board meeting must do so in a manner that is not disruptive to the meeting. During a meeting, members of the public must remain in or behind the public seating area and are not permitted to record from any other area of the meeting room.

5. Committee Meetings. The protocols outlined in 1-4 above also apply to members of the public wishing to address any LCRA Board committee whose membership comprises the entirety of the LCRA Board on matters within the scope of each of those committees.

FOR DISCUSSION

2. Financial Report

Summary

Staff will present financial highlights for LCRA covering fiscal year 2026.

Presenter(s)

Jim Travis
Chief Financial Officer

Lower Colorado River Authority

Financial Highlights

June 2026

Lower Colorado River Authority

Table of Contents

Key terms:

4CP – Four-month coincident peak is the average of the peak Electric Reliability Council of Texas electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.

Net margin – Total operating revenues, including interest income, less direct and assigned expenses.

Lower Colorado River Authority

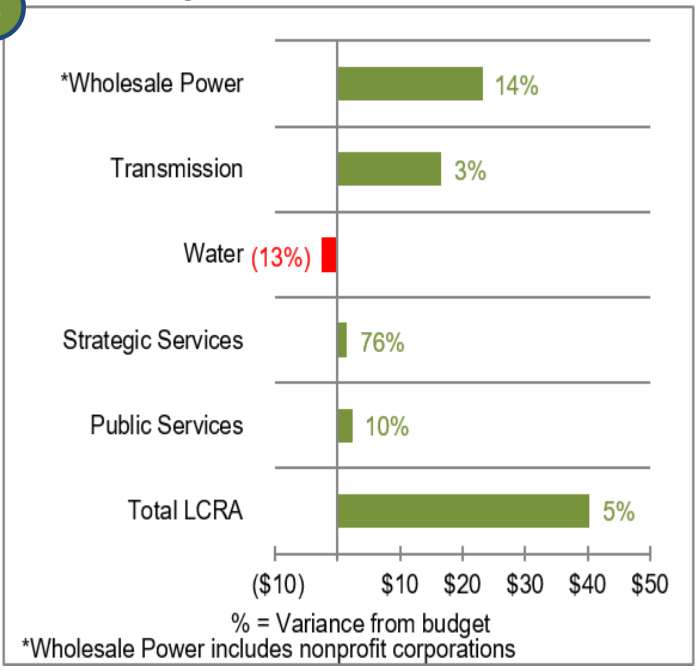
June 30, 2026

(Dollars in Millions)

Budget-to-Actual Highlights

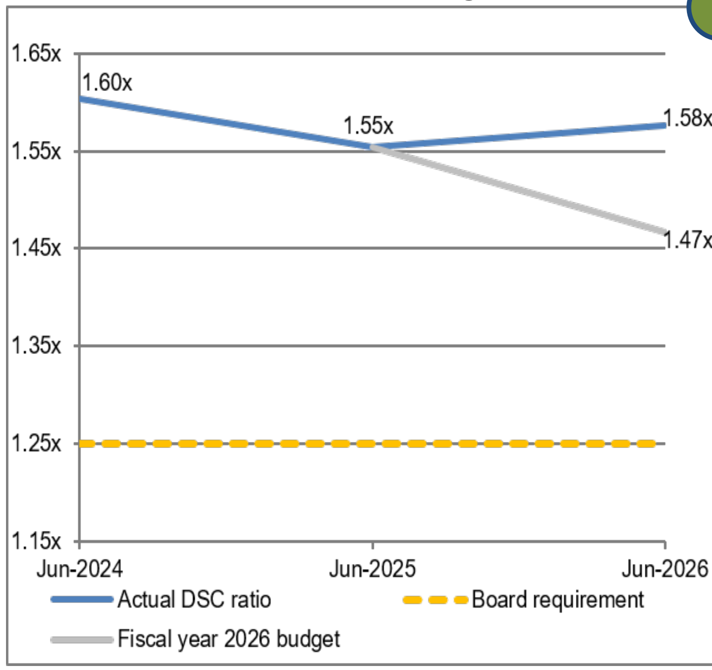
A

Net Margin Fiscal Year-to-Date Variances



Debt Service Coverage

B



Key takeaways:

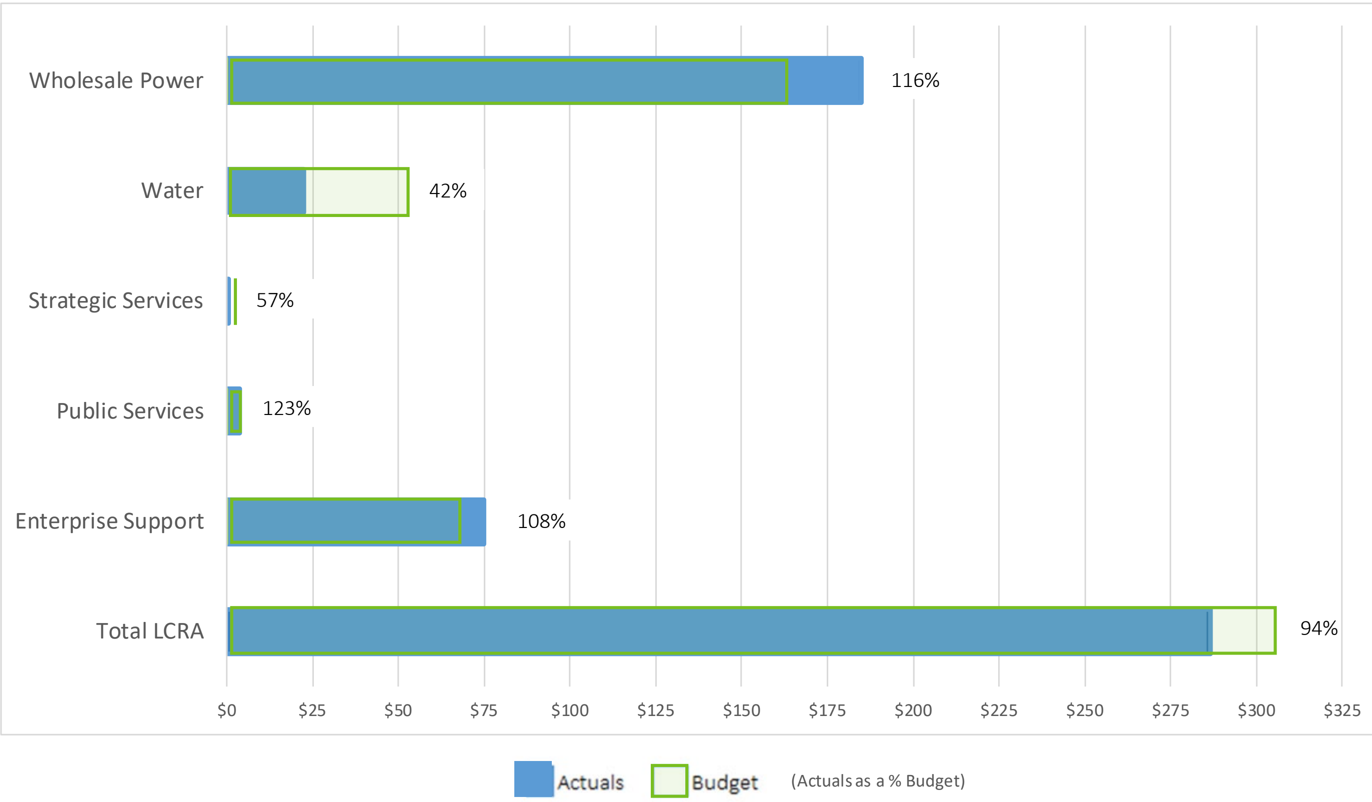
- Higher-than-budgeted revenues combined with lower-than-budgeted nonfuel expenses primarily drove Wholesale Power's year-end performance.
- Lower-than-budgeted expenses combined with higher-than-budgeted interest income, partially offset by lower-than-budgeted cost of service revenues, primarily drove Transmission's year-end performance.
- A deferral of current year revenues, partially offset by lower-than-budgeted expenses, primarily drove Water's year-end performance.
- Higher-than-budgeted Transmission and Environmental Lab net margins, partially offset by lower-than-budgeted Telecom net margin, primarily drove Strategic Services' year-end performance.
- Lower-than-budgeted Parks expenses combined with higher-than-budgeted Parks revenues primarily drove Public Services' year-end performance.
- The higher-than-budgeted debt service coverage ratio primarily is due to higher-than-budgeted LCRA net margin combined with lower-than-budgeted debt service.

Lower Colorado River Authority

June 30, 2026

(Dollars in Millions)

Capital Performance



Key takeaways:

- LCRA capital spending for FY 2026 was $18.4 million less than the June 2026 LCRA Board-amended capital budget of $305 million, primarily due to less spending than was forecast for two Wholesale Power projects and three Enterprise projects.

General manager project approval:

- For any project not previously authorized by the Board in the capital plan, authority is delegated to the general manager/CEO to approve any capital project with a lifetime budget not to exceed $1.5 million, according to LCRA Board Policy 301 – Finance. Additionally, the LCRA Board delegated authority to the GM/CEO to approve additional funding for an approved capital project that is expected to exceed its lifetime budget, so long as such additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions.

  The GM/CEO approved one budget reset for a capital project this quarter:
  - Operational Technology HyperFlex™ Replacement from $1 million to $1.395 million.

  The GM/CEO approved one new Wholesale Power project this quarter.

Lower Colorado River Authority

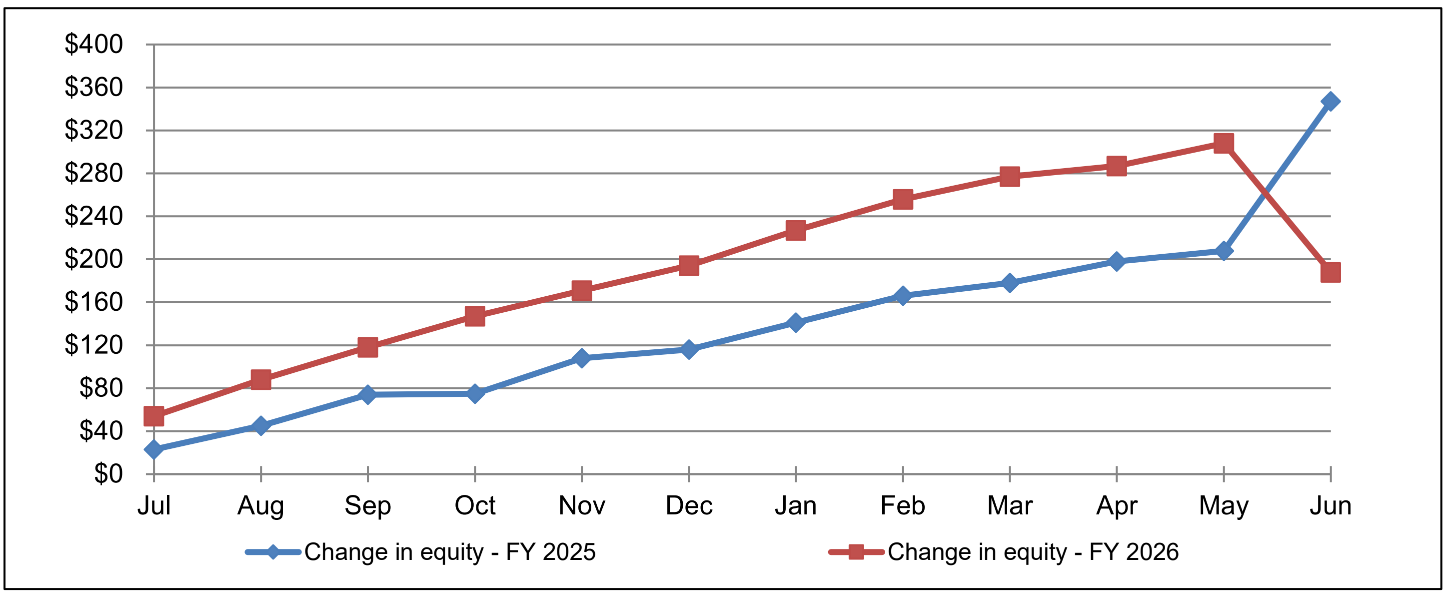
June 30, 2026

(Dollars in Millions)

Board Metrics

Board Metric	Description	Compliant
Equity Ratio	LCRA will attempt to maintain a long-term average 30% equity ratio. At no time will the equity ratio fall below 20% without specific Board approval in the business plan.	✓
Debt Service Reserves	LCRA will covenant debt service reserves in the amount of six months of average annual debt service requirements on outstanding debt. Debt service reserves may be collected through nonfuel rates or met with proceeds from additional debt or through the use of a surety to mitigate rate impacts.	✓
Operating Reserves	LCRA will target three months of average operating and maintenance expense for the purposes of operating liquidity and maintaining reserves for liquidity of two to three months. Compliance will be evaluated at the end of each fiscal year. These reserves will be collected through nonfuel rates. If at any time the operating reserves are projected to fall below the minimum two months established by this policy, the Board will promptly implement a plan, to be recommended by staff, to increase rates, reduce costs or otherwise cause there to be sufficient revenues to replenish the operating reserves to such target levels within 12 months.	✓

Consolidated Net Income Trends
Cumulative Fiscal Year to Date



Key takeaways:

- Net income decreased compared with the prior year primarily due to the absence of a one-time benefit recorded in FY 2025 for the discontinuation of accounting for regulated operations related to depreciation expense, as well as the impact of higher asset retirements.
- Higher revenue more than offset higher operations and maintenance expense, depreciation expense, and interest expense.

Lower Colorado River Authority

June 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Net Position

	June 30, 2026		June 30, 2025	
Assets				
Cash and cash equivalents - unrestricted	$	587	$	429
Current assets		581		526
Total current assets		1,168		955
Cash and cash equivalents - restricted		64		29
Capital assets		9,077		7,862
Noncurrent assets		1,007		1,046
Total noncurrent assets		10,148		8,937
Total Assets	$	11,316	$	9,892
Liabilities				
Bonds and notes payable	$	711	$	764
Current liabilities		632		518
Total current liabilities		1,343		1,282
Bonds and notes payable		6,762		5,661
Pension liability		97		153
Noncurrent liabilities		478		348
Total noncurrent liabilities		7,337		6,162
Equity				
Total equity		2,636		2,448
Total Liabilities and Equity	$	11,316	$	9,892

Key takeaway:

- Assets and liabilities are trending higher compared with June 2025 due to construction activities related to the capital plan.

Lower Colorado River Authority

June 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Revenues, Expenses and Changes in Equity

	Fiscal Year 2026	Fiscal Year 2025
Operating Revenues		
Electric	$ 1,675	$ 1,514
Water and irrigation	37	39
Other	65	73
Total Operating Revenues	1,777	1,626
Operating Expenses		
Fuel and purchased power	475	460
Operations and maintenance	507	464
Depreciation, depletion and amortization	321	268
Regulatory items previously deferred	2	(103)
Total Operating Expenses	1,305	1,089
Operating Income	472	537
Nonoperating Revenues (Expenses)		
Interest on financings	(256)	(224)
Other nonoperating income (expenses)	(28)	34
Total Nonoperating Expenses	(284)	(190)
Change in Equity	188	347
Equity - Beginning of Period	2,448	2,101
Equity - End of Period	$ 2,636	$ 2,448

Lower Colorado River Authority

June 30, 2026

(Dollars in Millions)

Consolidated Condensed Statements of Cash Flows

	Fiscal Year	
	2026	**2025**
Cash Flows From Operating Activities		
Received from customers	$ 1,723	$ 1,627
Payments	(924)	(992)
Net cash provided by operating activities	799	635
Cash Flows From Noncapital Financing Activities	8	1
Cash Flows From Capital and Related Financing Activities		
Purchase of property, plant and equipment	(1,443)	(1,226)
Other capital and financing activities	767	569
Net cash used in capital and financing activities	(676)	(657)
Cash Flows From Investing Activities		
Sale and maturity of investment securities	282	348
Purchase of investment securities	(265)	(382)
Note payments and interest received	45	43
Net cash used in investing activities	62	9
Net Increase in Cash and Cash Equivalents	193	(12)
Cash and Cash Equivalents - Beginning of Period	458	470
Cash and Cash Equivalents - End of Period	$ 651	$ 458

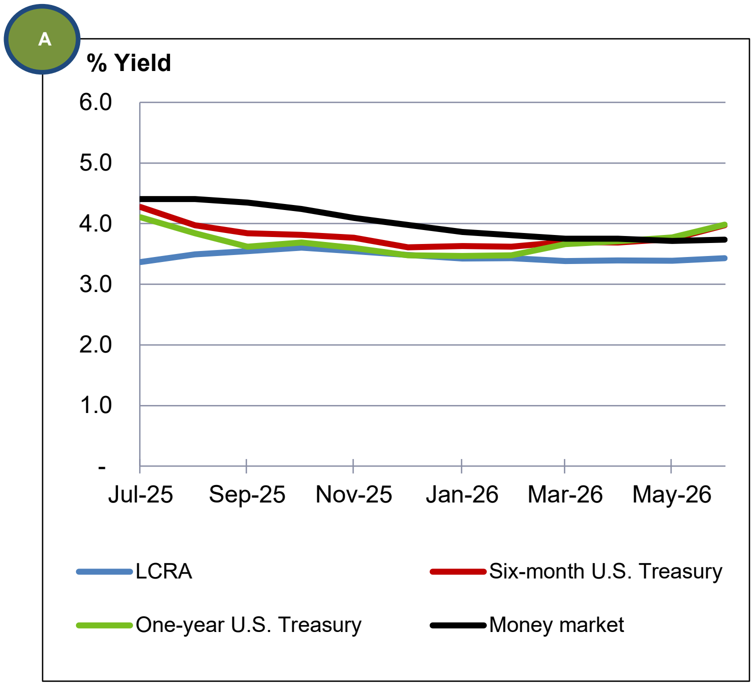
Lower Colorado River Authority

June 30, 2026

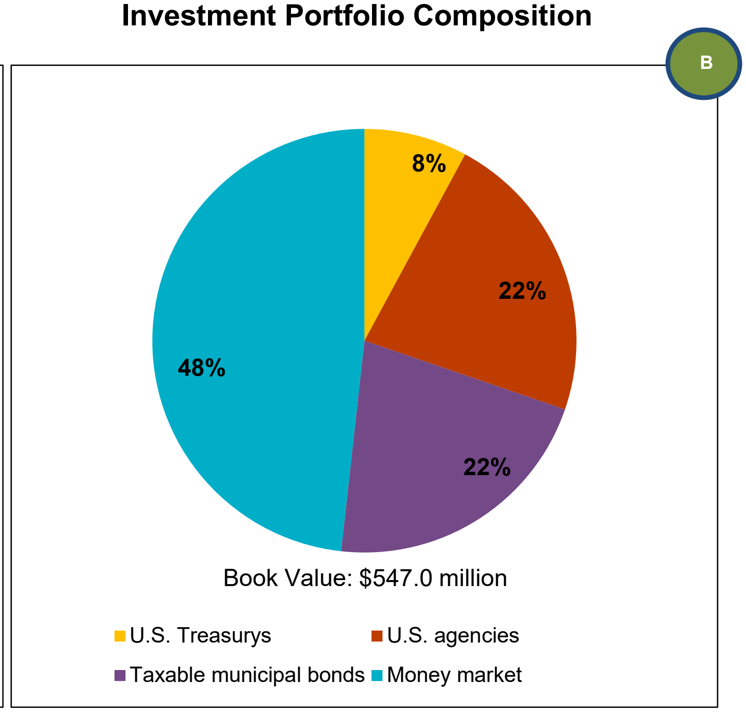
(Dollars in Millions)

Investments and Debt

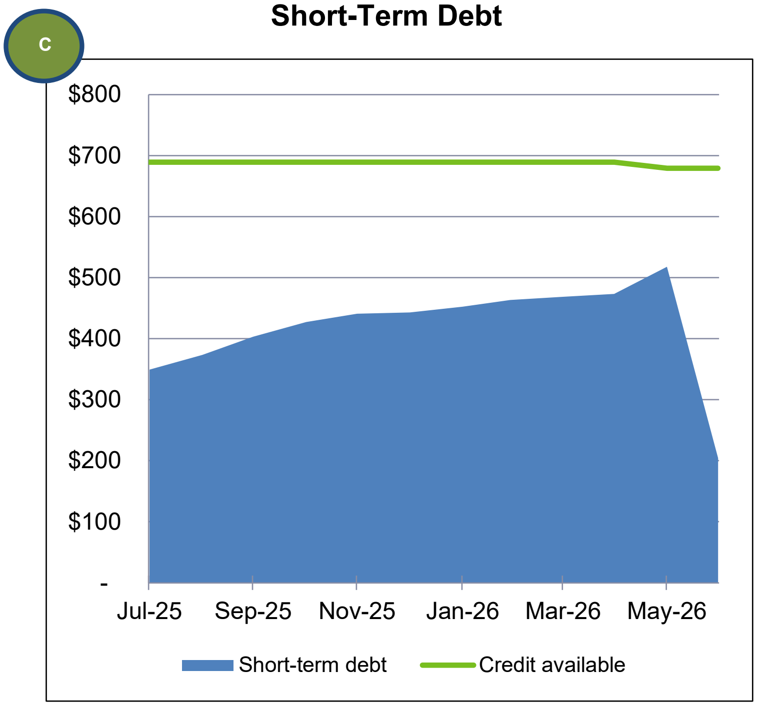
Investment Portfolio Yield



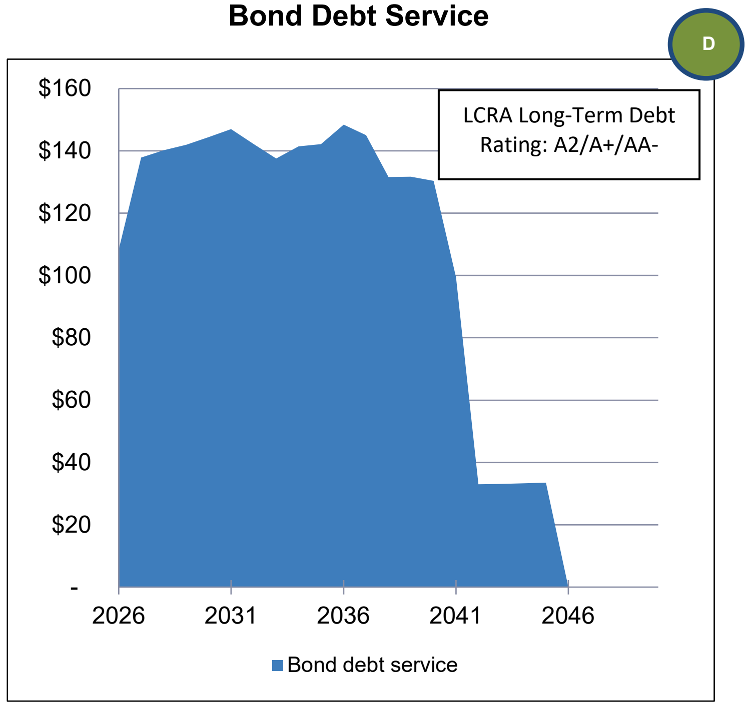
Investment Portfolio Composition



Short-Term Debt



Bond Debt Service



Key takeaways:

- The Federal Open Market Committee maintained the target rate at its June 2026 meeting.
- The federal funds target rate range is 3.50%-3.75%.
- The Core Consumer Price Index (year over year) as of May 2026 was 2.9%.

THIS PAGE INTENTIONALLY LEFT BLANK

This agenda item requires the approval of at least 12 members of the Board.

FOR ACTION (CONSENT)

3. Conveyance of Easement in Matagorda County – CenterPoint Energy

Proposed Motion

Authorize the general manager or his designee to grant a 5-foot-wide gas pipeline easement across an LCRA-owned irrigation canal in the Gulf Coast Agricultural Division in Matagorda County to CenterPoint Energy.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

Budget Status and Fiscal Impact

The fiscal year 2027 business plan contains the administrative costs associated with the conveyance of this easement. The proceeds of $5,000 will be credited to the LCRA Strategic Reserve Fund.

Summary

CenterPoint Energy has a Texas Department of Transportation permit adjacent to an LCRA-owned canal in Matagorda County. CenterPoint Energy asked LCRA to convey an easement across the canal to facilitate replacement of an existing gas line.

The canal is part of the Gulf Coast Agricultural Division's canal system.

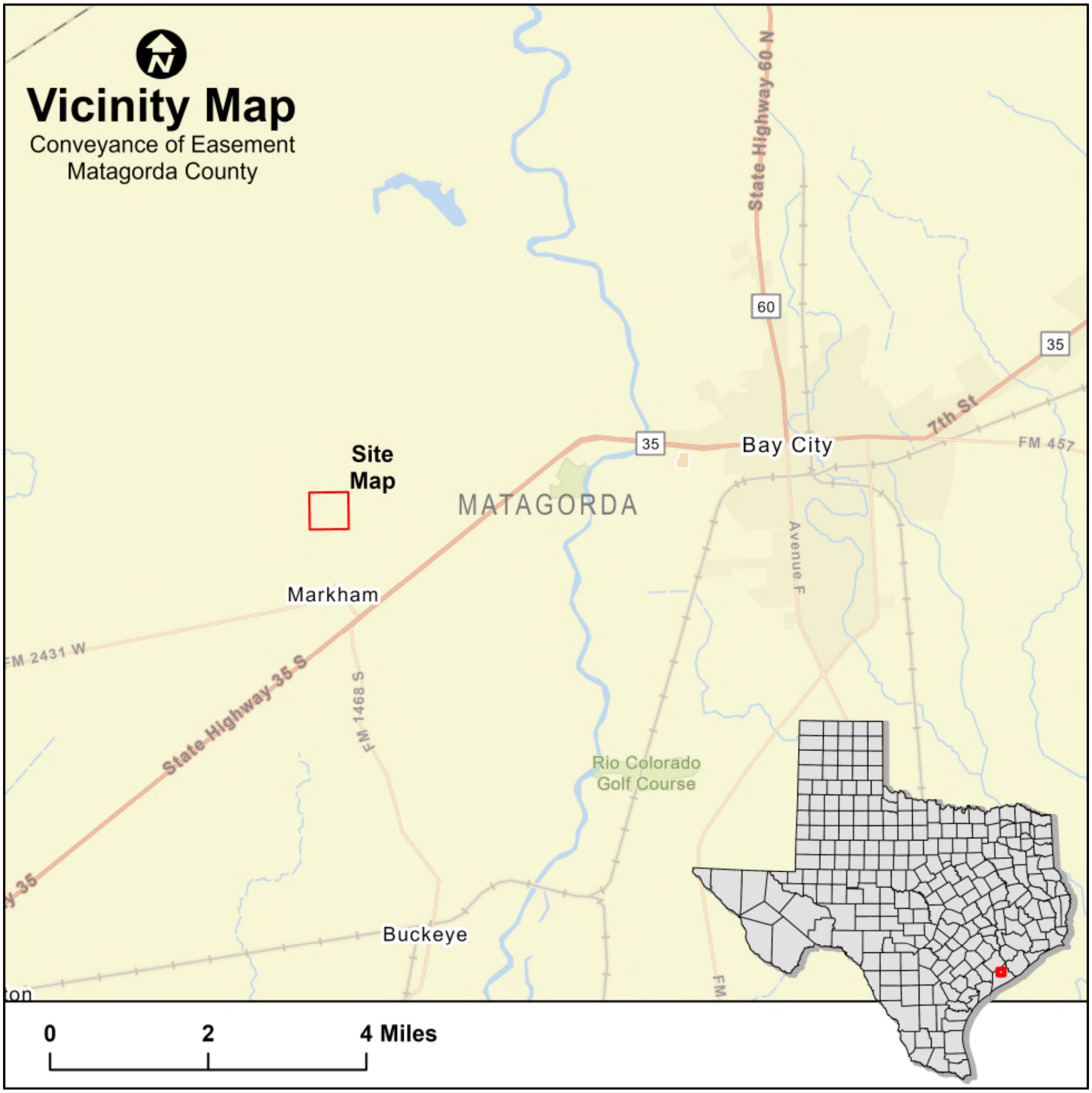
LCRA staff has reviewed available market data and determined $5,000 is at or above the market value of the easement to be conveyed. CenterPoint Energy is working with LCRA to approve construction plans.

LCRA staff will comply with environmental and cultural due diligence procedures set forth in Board Policy 401.403 – Land Disposition before the conveyance of the easement.

Exhibit(s)

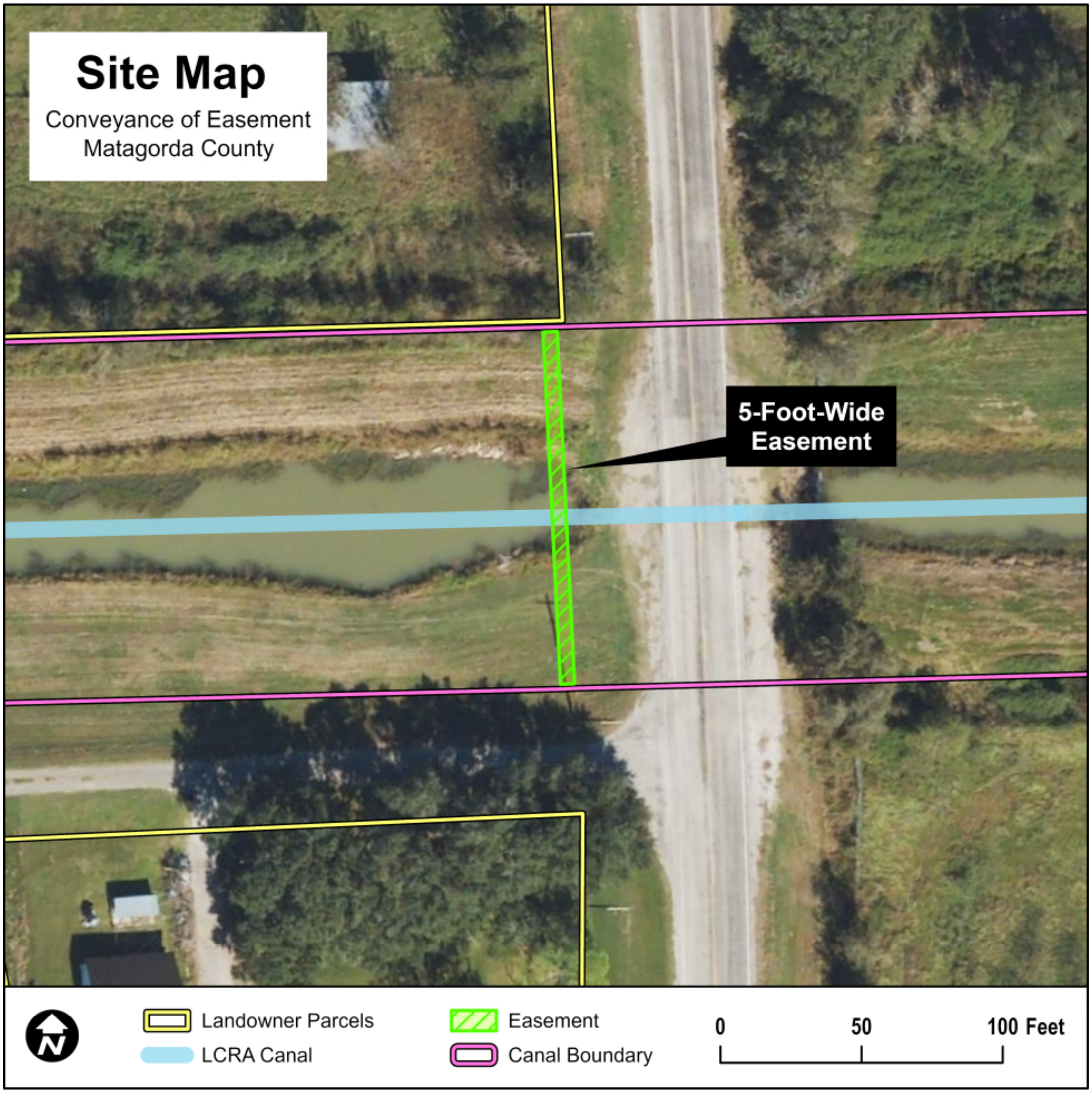
A – Vicinity Map
B – Site Map

EXHIBIT A



Vicinity Map
Conveyance of Easement
Matagorda County
Site Map
Markham
MATAGORDA
Bay City
7th St
FM 457
35
60
State Highway 60 N
State Highway 35 S
FM 2431 W
FM 1468 S
Avenue F
Rio Colorado Golf Course
Buckeye
0
2
4 Miles

EXHIBIT B


Site Map
Conveyance of Easement
Matagorda County
5-Foot-Wide Easement
Landowner Parcels
LCRA Canal
Easement
Canal Boundary
0
50
100 Feet

This agenda item requires the approval of at least 12 members of the Board.

<u>FOR ACTION (CONSENT)</u>

4. Conveyance of Easements in Matagorda County – Union Pacific

Proposed Motion

Authorize the general manager or his designee to grant a 0.333-acre easement and a 1.041-acre easement across LCRA-owned irrigation canals in the Gulf Coast Agricultural Division in Matagorda County to Union Pacific Railroad.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

Budget Status and Fiscal Impact

The fiscal year 2027 business plan contains the administrative costs associated with the conveyance of these easements. The proceeds of $10,000 will be credited to the LCRA Strategic Reserve Fund.

Summary

Union Pacific Railroad has contracts to purchase property on both sides of two LCRA-owned canals in Matagorda County. Union Pacific Railroad asked LCRA to convey easements across the canals to connect the LyondellBasell plant in Bay City to the railroad's 32,000-mile network.

The canals are part of the Gulf Coast Agricultural Division's canal system.

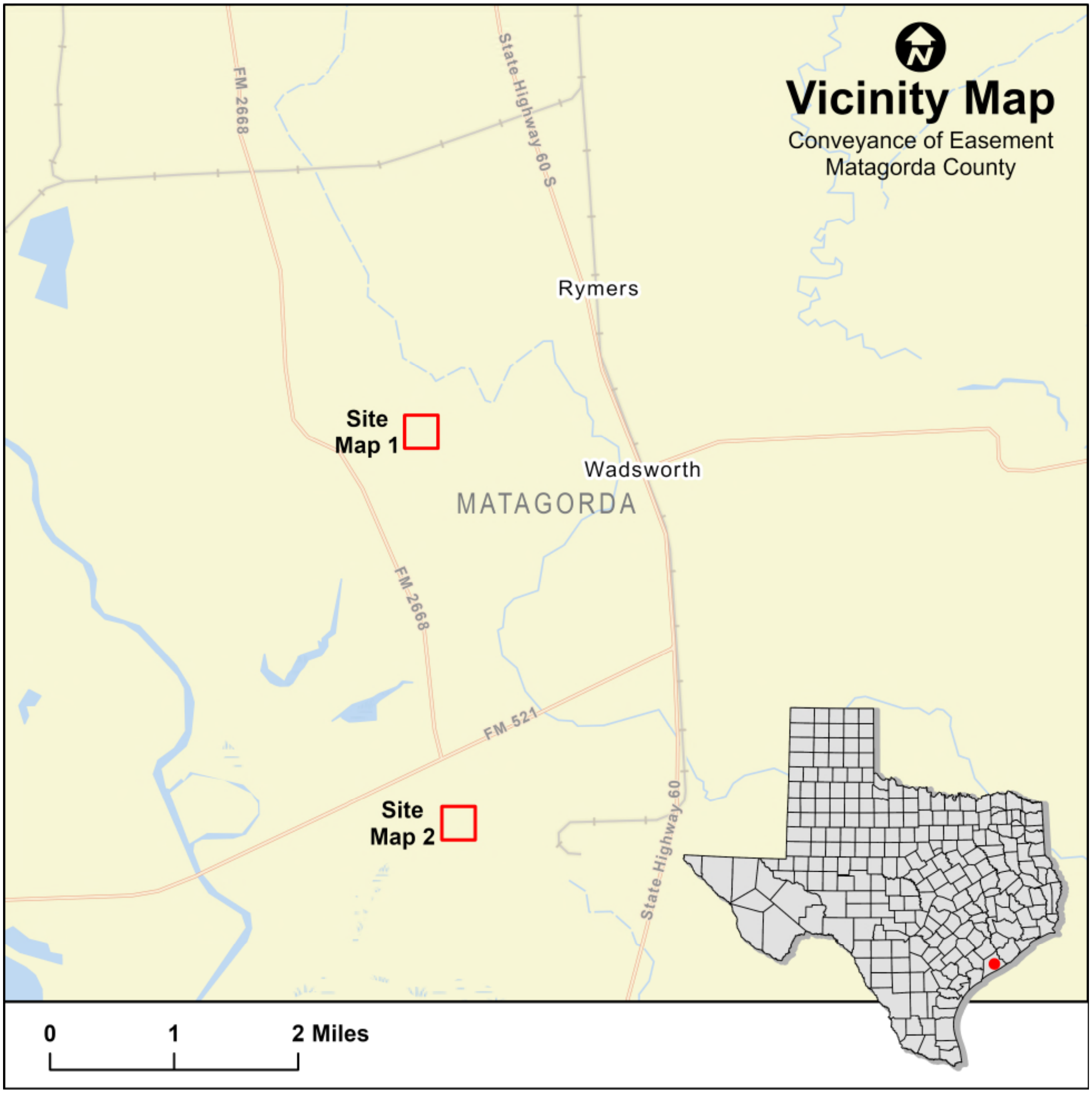
LCRA staff has reviewed available market data and determined $10,000 is at or above the market value of the easements to be conveyed. Union Pacific Railroad is working with LCRA to approve construction plans, which require a bridge to cross the canals.

LCRA staff will comply with environmental and cultural due diligence procedures set forth in Board Policy 401.403 – Land Disposition before the conveyance of the easement.

Exhibit(s)

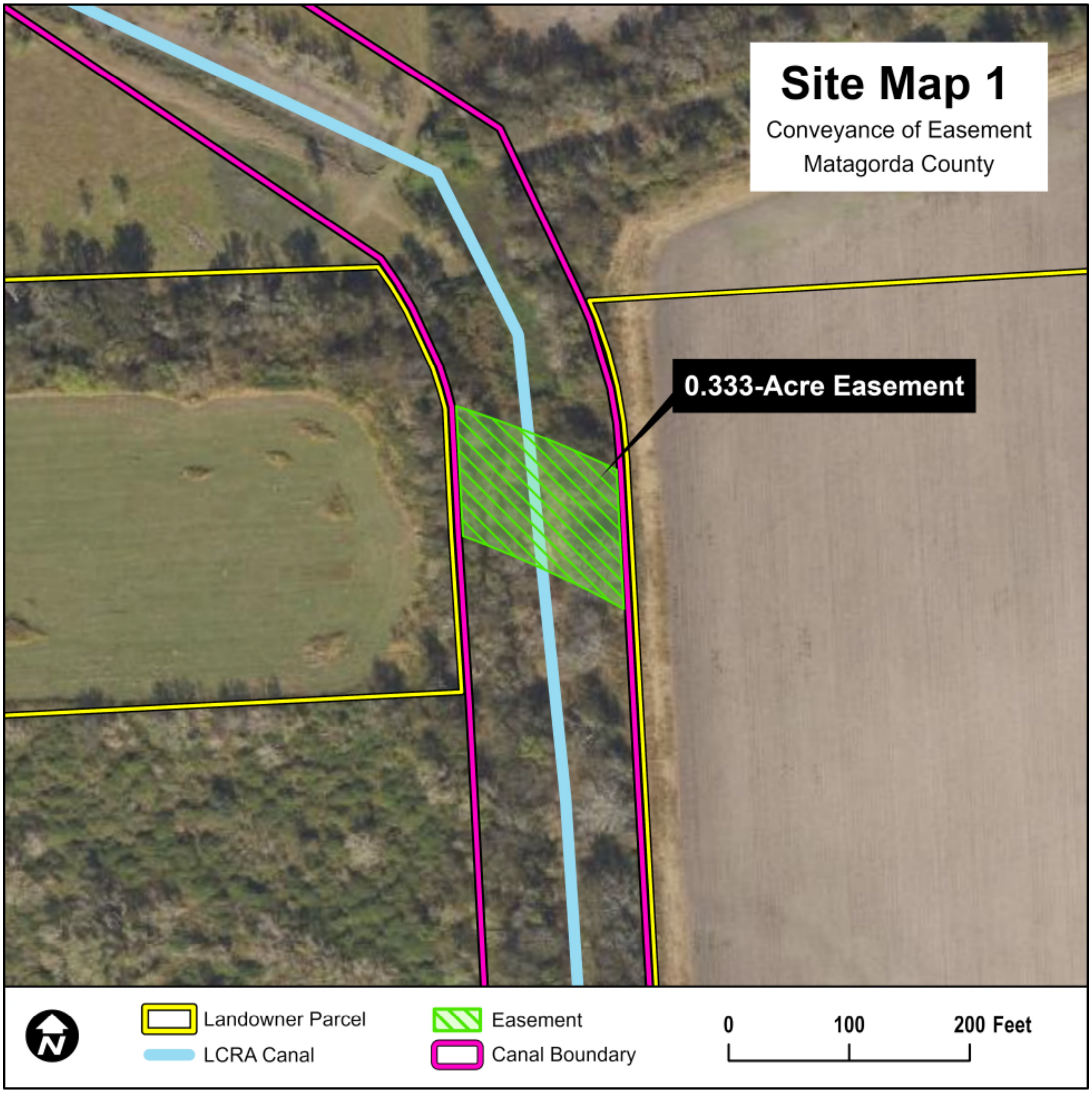
A – Vicinity Map
B – Site Map

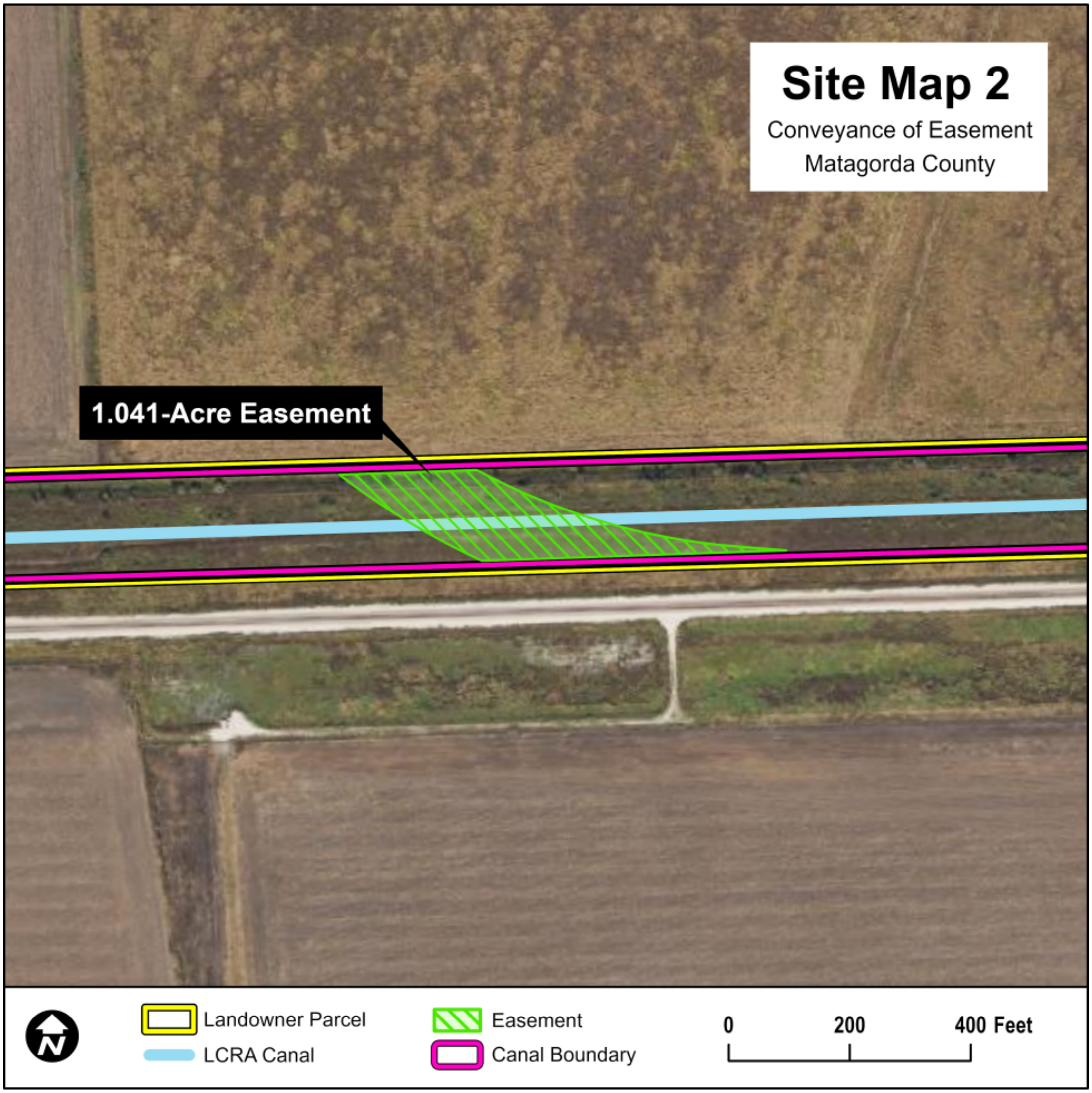
EXHIBIT A



Vicinity Map
Conveyance of Easement
Matagorda County
FM 2668
State Highway 60 S
Rymers
Site Map 1
Wadsworth
MATAGORDA
FM 2668
FM 521
Site Map 2
State Highway 60
0
1
2 Miles

EXHIBIT B


Site Map 1
Conveyance of Easement
Matagorda County
0.333-Acre Easement
Landowner Parcel
LCRA Canal
Easement
Canal Boundary
0
100
200 Feet


Site Map 2
Conveyance of Easement
Matagorda County
1.041-Acre Easement
Landowner Parcel
LCRA Canal
Easement
Canal Boundary
0
200
400 Feet
N

FOR ACTION (CONSENT)

This agenda item requires the approval of at least 12 members of the Board.

5. Conveyance of Access Easement in Fayette County

Proposed Motion

Authorize the general manager or his designee to convey a 50-foot-wide access easement to Trevor Malota, Bradley Malota and Priscilla Malota across portions of LCRA Parcel A-54(14) in Fayette County.

Board Consideration

Section 8503.020(b) of the Texas Special District Local Laws Code requires the approval of at least 12 members of the LCRA Board of Directors to convey any interest in real property. LCRA Board Policy 401 – Land Resources requires the approval of the LCRA Board to convey easements across LCRA land.

Budget Status and Fiscal Impact

The fiscal year 2027 LCRA business plan contains the administrative costs associated with the conveyance of this easement.

Summary

LCRA acquired Parcel A-54(14) in 1975 as part of the land required to build the Fayette Power Project. In 1986, LCRA and the City of Austin jointly granted an access easement to the Rose family, the previous owner of the Malota property, in anticipation of the construction of a conveyor belt associated with a lignite power plant. The intended path of the conveyer belt would have bisected the Rose family property, preventing access to the western portion of the tract. The lignite plant project was later canceled, and the conveyer belt was never constructed. The Malota family now wishes to use the 1986 easement, which specifies that LCRA is to build a road and fence. LCRA staff suggested and negotiated a new route for the access easement that meets both parties' needs and reduces the amount of LCRA land affected. The parties desire to terminate the existing easement and execute a new easement to establish the new route. There will be no charge to the Malota family for the rerouted easement as this shorter route will save on road and fence construction costs to LCRA.

LCRA staff will comply with environmental and cultural resource due diligence procedures set forth in LCRA Board Policy 401.403 – Land Disposition prior to conveying the easement.

The FPP Management Committee has reviewed and approved this proposed easement. The City of Austin's City Council also will need to approve this easement as the land is jointly owned by LCRA and the City of Austin.

Exhibit(s)

A – Vicinity Map
B – Site Maps

EXHIBIT A

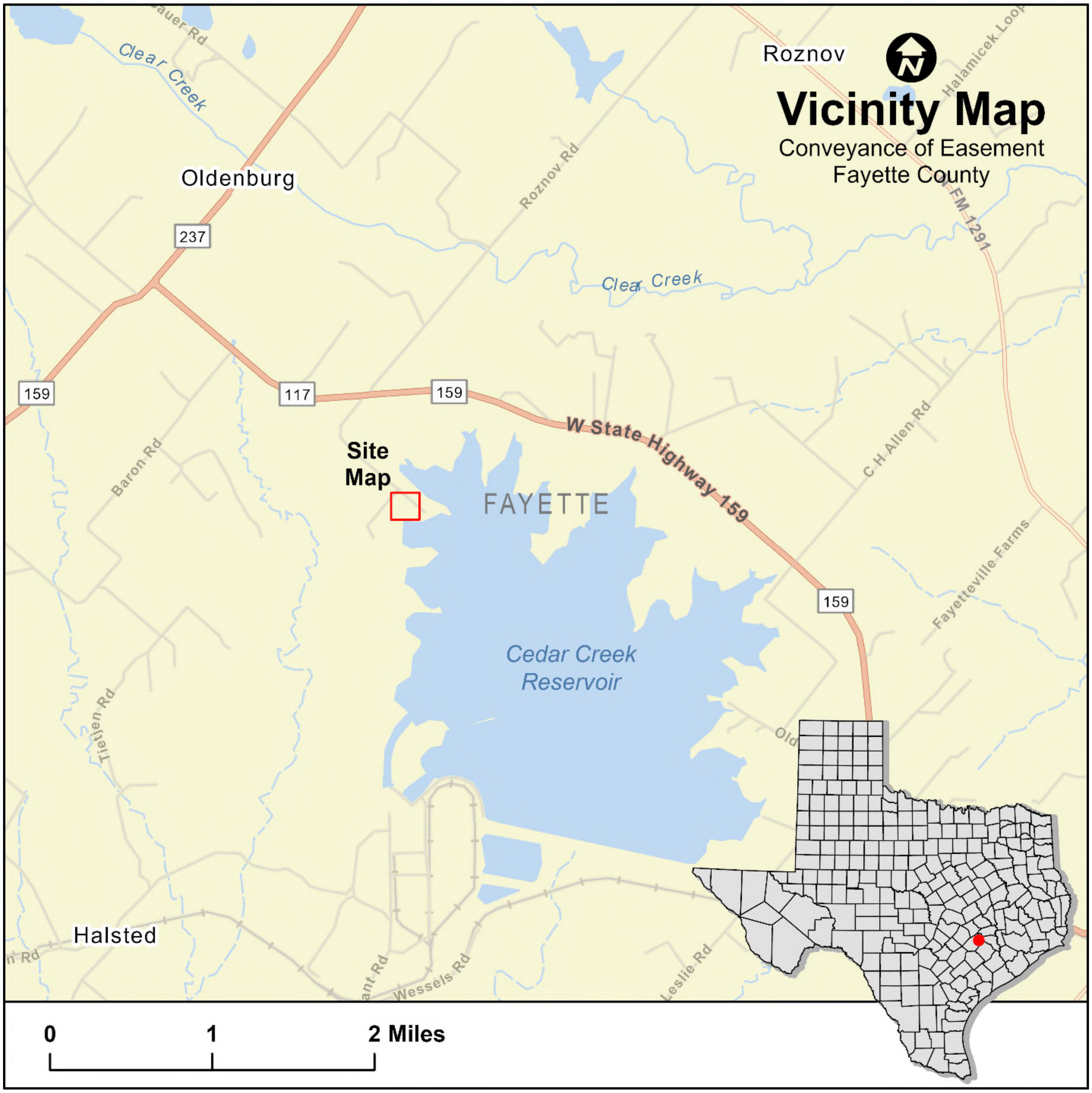

Vicinity Map
Conveyance of Easement
Fayette County
Roznov
Oldenburg
Halsted
Site
Map
FAYETTE
Cedar Creek
Reservoir
Clear Creek
Clear Creek
W State Highway 159
237
159
117
159
159
FM 1291
Roznov Rd
Baron Rd
Tietjen Rd
C H Allen Rd
Fayetteville Farms
Halamicek Loop
Leslie Rd
Wessels Rd
0
1
2 Miles

EXHIBIT B

Site Map
Conveyance of Easement
Fayette County
35.9-Acres
Trevor Malota
Bradley Malota
Priscilla Malota
50-Foot
Road Easement
LCRA Parcel (A-54)
Landowner Parcel
Road Easement
NOTE: All depictions are approximate.
0
375
750 Feet
N

FOR ACTION (CONSENT)

6. Resolution and Amendment No. Nine to the Lower Colorado River Authority 401(k) Plan

Proposed Motion

Approve and authorize the Board of Directors chair or his designee to execute Amendment No. Nine to the Lower Colorado River Authority 401(k) Plan.

Board Consideration

The 401(k) Plan requires Board approval of any changes to its design or benefits, such as the proposed amendment.

Budget Status and Fiscal Impact

The 401(k) Plan amendments are within the approved budget allocated for benefit costs in the fiscal year 2027 business plan.

Summary

The 401(k) Plan is a qualified plan, which means the IRS has approved the plan as meeting certain requirements enabling employees to defer taxation of their benefit until it is received. The 401(k) Plan enables LCRA employees, as defined in the 401(k) Plan, to contribute to their retirement benefits. LCRA makes contributions on behalf of employees participating in the 401(k) Plan.

The proposed 401(k) Plan Amendment No. Nine authorizes intra-plan Roth transfers and voluntary, non-Roth after-tax contributions, and updates the 401(k) Plan to comply with applicable federal law.

The proposed Amendment No. Nine to the 401(k) Plan will be effective as of the dates specified therein.

Exhibit(s)

A – Amendment No. Nine to Lower Colorado River Authority 401(k) Plan

EXHIBIT A

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS	§	

AMENDMENT NO. NINE

TO

LOWER COLORADO RIVER AUTHORITY

401(k) PLAN

WHEREAS, the Lower Colorado River Authority (the "Authority") maintains the Lower Colorado River Authority 401(k) Plan (the "Plan") for the exclusive benefit of eligible employees and their beneficiaries, which Plan was effective April 1, 1984, and subsequently amended and restated effective April 1, 1994, April 1, 2001, June 1, 2010, and January 1, 2014, and as subsequently amended thereafter;

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") is authorized to amend the Plan to the extent deemed advisable;

WHEREAS, the Board desires to amend the Plan to authorize intra-plan Roth transfers and voluntary, non-Roth after-tax contributions, and to update compliance with applicable federal law;

NOW, THEREFORE, the Plan is hereby amended in the following respects only, effective as of the dates specified below:

(1) Effective January 1, 2027, Article II, Section 2.1 is hereby amended to read as follows:

> "Section 2.1 Accounts. The separate accounts, including but not limited to the 401(k) Account, Matching Account, Rollover Account, Roth Deferral Account, Student Loan Contribution Account, Supplemental Contribution Account, and Non-Roth After-Tax Contribution Account maintained to record the value of an Employee's interest in the assets of the Trust at any time under the Plan."

(2) Effective January 1, 2025, Article II, Section 2.20 is hereby amended to read as follows:

"Section 2.20 <u>401(k) Account</u>. That portion of the Trust assets valued pursuant to Section 5.2 hereof, attributable to 401(k) Contributions and pre-tax Catch-Up Contributions, as applicable, made on behalf of any Participant."

(3) Effective January 1, 2025, Article II, Section 2.35 is hereby amended to read as follows:

"Section 2.35 <u>Roth Deferral Account</u>. The portion of the Trust assets valued pursuant to Section 5.2 hereof, attributable to Roth Deferral Contributions and after-tax Catch-Up Contributions, as applicable, made on behalf of any Participant."

(4) Effective January 1, 2027, Article II is hereby amended to add the following new Section 2.47, to read as follows:

"Section 2.47 <u>Qualified Rollover Contributions</u>. Amounts transferred from one or more of a Participant's Accounts (other than the Roth Deferral Account) to the Roth Deferral Account of the Participant, and which the Participant has elected to treat as an in-plan Roth rollover pursuant to Section 402A(c)(4) of the Code."

(5) Effective January 1, 2027, Article II is hereby amended to add the following new Section 2.48, to read as follows:

"Section 2.48 <u>Non-Roth After-Tax Contribution Account</u>. That portion of the Trust assets valued pursuant to Section 5.2 hereof, attributable to Non-Roth After-Tax Contributions made on behalf of any Participant."

(6) Effective January 1, 2027, Article II is hereby amended to add the following new Section 2.49, to read as follows:

"Section 2.49 <u>Non-Roth After-Tax Contribution</u>. An amount contributed by a Participant on an after-tax basis that is not designated as a Roth Deferral Contribution and is made in accordance with Section 4.12 hereof."

(7) Effective January 1, 2025, Article IV, Section 4.3, subsection (a), is hereby amended in its entirety, to read as follows:

"(a) To the extent that such excess 401(k) Contributions do not exceed the applicable dollar amount under Section 414(v) of the Code, reduced by Catch-Up Contributions previously made and 401(k) Contributions previously treated as Catch-Up Contributions for the taxable year in which the Plan Year ends, the amount of such excess 401(k) Contributions shall be recharacterized as Catch-Up Contributions, if such Participant is otherwise eligible to make Catch-Up Contributions pursuant to Section 4.6 during the taxable year in which such excess deferrals were made. If applicable, such recharacterized Catch-Up Contributions shall be 'designated Roth contributions' (as defined in Section 402A(c)(1) of the Code) in accordance with Section 4.6(d)."

(8) Effective January 1, 2027, Article IV, Section 4.3 is hereby amended to add the following as the final paragraph:

> "Effective January 1, 2027, in the case of a distribution of excess contributions, a Participant may designate the extent to which the excess amount is composed of 401(k) Contributions, Roth Deferral Contributions, Non-Roth After-Tax Contributions, and other elective deferrals, but only to the extent such types of deferrals were made for the applicable year. If the Participant does not designate which type of elective deferrals are to be distributed, the Plan will distribute 401(k) Contributions first, then Non-Roth After-Tax Contributions, then Roth Deferral Contributions, in each case up to the applicable limitation for such year, unless the Participant is subject to the mandatory Roth catch-up rules under Section 4.6(d), in which case such order shall be modified as necessary to comply with the mandatory Roth designation requirements."

(9) Effective January 1, 2027, Article IV, Section 4.4, subsection (b), subsubsection (i) is hereby amended in its entirety, to read as follows:

> "(i) <u>Annual Additions</u>. Annual Additions are the sum of the following amounts allocated on behalf of a Participant for a Limitation Year:
>
> (A) all Employer contributions;
>
> (A-1) all Non-Roth After-Tax Contributions;
>
> (B) forfeitures, if any; and
>
> (C) amounts allocated after March 31, 1984, to an individual medical benefit account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer, and amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code Section 419A(d)(3)) under a welfare benefit plan (as defined in Code Section 419(e)) maintained by the Employer."

(10) Effective January 1, 2027, Article IV, Section 4.5, is hereby amended to add the following as the final paragraph:

> "Notwithstanding the foregoing, the Plan will accept a Rollover Contribution to a Roth Deferral Account only if it is a direct rollover from another Roth Deferral Account under an applicable retirement plan described in Section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of Section 402(c) of the Code."

(11) Effective January 1, 2025, Article IV, Section 4.6, is hereby amended in its entirety, to read as follows:

"Section 4.6 Catch-Up Contributions.

(a) Age 50 Catch-Up Contributions. Each Participant who is eligible to make 401(k) Contributions under Section 4.1 hereof, and who has attained age fifty (50) prior to the close of any taxable year, may elect for such taxable year to have Catch-Up Contributions contributed on his behalf to the Trust Fund on a pre-tax basis, in accordance with, and subject to the limitations of, Section 414(v) of the Code.

(b) Age 60-63 Catch-Up Contributions. Each Participant who is eligible to make 401(k) Contributions under Section 4.1 hereof, and who has attained age sixty (60) but not yet age sixty-four (64) prior to the close of the Plan Year, may elect for such Plan Year to have additional Catch-Up Contributions contributed on his behalf to the Trust Fund on a pre-tax basis, in accordance with, and subject to the limitations of, Section 414(v)(2)(E) of the Code, in lieu of the limit otherwise applicable under subsection (a).

(c) Roth Deferral Election. Each Participant may designate all or any portion of the Catch-Up Contributions contributed to the Trust Fund on his behalf under subsections (a) and (b) as Roth Deferral Contributions.

(d) Mandatory Roth Designation for High Earners. Effective January 1, 2026, Catch-Up Contributions made on behalf of each eligible Participant under subsections (a) and (b) whose FICA wages (as defined under Section 3121(a) of the Code) from the Employer in the preceding calendar year exceeded the threshold under Section 414(v)(7)(A) of the Code for the applicable year shall be treated as 'designated Roth contributions' (as defined in Section 402A(c)(1) of the Code) and shall not be subject to voluntary Roth election.

(e) Election Procedures and Administration. Each election under this Section 4.6 shall be made by an eligible Participant in such form and manner as the Board of Trustees may prescribe and shall specify the amount or percentage of such Participant's Compensation that he wishes to defer as a Catch-Up Contribution. Any Catch-Up Contribution elected by a Participant shall be deposited by the Employer to his 401(k) Account or Roth Deferral Account, as applicable."

(12) Effective January 1, 2025, Article IV, Section 4.7, the first paragraph thereof, is hereby amended in its entirety, to read as follows:

"Section 4.7 Salary Reduction Elections. Each Employee who desires to make 401(k) Contributions (including an election to contribute 0% of his Compensation) shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects 401(k) Contributions; provided, that each

Participant with respect to whom a deemed election has been made pursuant to Section 4.1 hereof shall be deemed to have filed a salary reduction election to be effective as of the payroll period beginning on the Deemed Election Date. Each Participant who is eligible to make Catch-Up Contributions under Section 4.6 hereof and who desires to make such contributions for the taxable year shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects Catch-Up Contributions. Each Participant who is eligible to make Roth Deferral Contributions under Section 4.10 hereof and who desires to make such contributions for the taxable year shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects Roth Deferral Contributions. Such elections must be made prior to the first day of the applicable payroll period and shall be effective for each payroll period thereafter until modified or amended, as provided below."

(13) Effective January 1, 2027, Article IV, Section 4.7, the first paragraph thereof, is hereby amended in its entirety, to read as follows:

"Section 4.7 Salary Reduction Elections. Each Employee who desires to make 401(k) Contributions (including an election to contribute 0% of his Compensation) shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects 401(k) Contributions; provided, that each Participant with respect to whom a deemed election has been made pursuant to Section 4.1 hereof shall be deemed to have filed a salary reduction election to be effective as of the payroll period beginning on the Deemed Election Date. Each Participant who is eligible to make Catch-Up Contributions under Section 4.6 hereof and who desires to make such contributions for the taxable year shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects Catch-Up Contributions. Each Participant who is eligible to make Roth Deferral Contributions under Section 4.10 hereof and who desires to make such contributions for the taxable year shall indicate such intent by making a salary reduction election to be effective as of the first day of the first payroll period for which he elects Roth Deferral Contributions. Each Participant who desires to make Non-Roth After-Tax Contributions shall indicate such intent by making an election to be effective as of the first day of the first payroll period for which he elects Non-Roth After-Tax Contributions. Such elections must be made prior to the first day of the applicable payroll period and shall be effective for each payroll period thereafter until modified or amended, as provided below."

(14) Effective January 1, 2025, Article IV is hereby amended to add a new Section 4.10, to read as follows:

"Section 4.10 Roth Deferral Contributions. Each Participant may designate all or any portion of the 401(k) Contributions otherwise contributed on his behalf to the Trust Fund on a pre-tax basis as having been made on an after-tax basis, provided that such Roth Deferral Contributions, when aggregated with the Participant's 401(k) Contributions not so designated, if any, do not exceed the applicable dollar amount for such Plan Year under Section 402(g) of the Code, as adjusted for increases in the cost of living pursuant to

Section 402(g)(4) of the Code. Furthermore, subject to the provisions of Section 4.6, each Participant may designate all or any portion of the Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions contributed on his behalf to the Trust Fund as having been made on an after-tax basis, provided that such Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions, when aggregated with the Participant's Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions not so designated, if any, do not exceed the applicable dollar amount for such Plan Year under Section 414(v) of the Code, as adjusted for increases in the cost of living pursuant to Section 414(v)(2)(C) of the Code. Roth Deferral Contributions shall be made pursuant to a salary reduction election, in accordance with Section 4.7 hereof, and shall be 'designated Roth contributions' (as defined in Section 402A(c)(1) of the Code). Roth Deferral Contributions are at all times one hundred percent (100%) vested and nonforfeitable. Roth Deferral Contributions made on behalf of a Participant shall be added to the Trust Fund as soon as practicable after deduction from a Participant's paycheck and shall be credited to a separate Account for the Participant, to which only Roth Deferral Contributions, after-tax Age 50 Catch-Up Contributions, and after-tax Age 60-63 Catch-Up Contributions, as applicable, and the earnings and losses thereon, shall be credited."

(15) Effective January 1, 2027, Article IV is hereby amended to add a new Section 4.11, to read as follows:

"Section 4.11 Qualified Rollover Contributions. Effective January 1, 2027, a Participant may elect to make a Qualified Rollover Contribution (also referred to as an 'in-plan Roth rollover') by rolling over all or any portion of his 401(k) Account, Matching Account, any other pre-tax Account balance, or his Non-Roth After-Tax Contribution Account to his Roth Deferral Account, provided that the amount being rolled over would constitute an 'eligible rollover distribution' as such term is defined in Section 7.8 hereof if distributed to the Participant. The Participant shall submit such election in such manner as prescribed by the Board of Trustees. The amount available as a Qualified Rollover Contribution shall be determined as of the Valuation Date concurrent with or next preceding the date on which the Board of Trustees receives the Participant's request to make the Qualified Rollover Contribution, and the Qualified Rollover Contribution shall be made to the Participant's Roth Deferral Account as soon as practicable thereafter. Qualified Rollover Contributions shall be taken pro rata from each investment fund with respect to which a Participant has directed the investment of his Account, or the portion of his Account from which such withdrawal is funded, as the case may be. The amount rolled over to the Roth Deferral Account pursuant to this Section 4.11 (the 'Rolled-Over Amount') and all earnings attributable to the Rolled-Over Amount shall remain subject to all distribution restrictions and limitations that were applicable to such amount prior to the in-plan Roth rollover, as if the rollover had not occurred. Thus, the Rolled-Over Amount and applicable earnings may not be distributed from the Plan prior to the occurrence of one of the qualifying distribution events described in Article VII hereof that would have applied to the amount in its pre-rollover status."

(16) Effective January 1, 2027, Article IV is hereby amended to add a new Section 4.12, to read as follows:

"Section 4.12 Non-Roth After-Tax Contributions. Effective January 1, 2027, each Participant may elect to make Non-Roth After-Tax Contributions to the Plan pursuant to a salary reduction election in accordance with Section 4.7 hereof, in such amounts and at such times as prescribed by the Board of Trustees. Non-Roth After-Tax Contributions shall not be designated as Roth Deferral Contributions and shall not be treated as 'designated Roth contributions' within the meaning of Section 402A(c)(1) of the Code. Non-Roth After-Tax Contributions are not subject to the limitations of Section 402(g) or Section 414(v) of the Code but shall remain subject to the Annual Additions limitations of Section 4.4 hereof and Section 415(c) of the Code. Notwithstanding any other provision of the Plan, no Matching Contributions, Supplemental Contributions, or other Employer contributions shall be made or allocated with respect to Non-Roth After-Tax Contributions. Non-Roth After-Tax Contributions shall be credited to the Non-Roth After-Tax Contribution Account and tracked separately as required by Section 5.1 hereof. Non-Roth After-Tax Contributions may be rolled over to the Participant's Roth Deferral Account through a Qualified Rollover Contribution pursuant to Section 4.11 hereof. The Board of Trustees shall maintain records of each Participant's after-tax basis in the Non-Roth After-Tax Contribution Account."

(17) Effective January 1, 2027, Article V, Section 5.1, is hereby amended in its entirety, to read as follows:

"Section 5.1 Accounting. The Employer shall maintain, or cause to be maintained, records that accurately reflect the interest of each Participant in the Trust, including all contributions, income, gains or losses and withdrawals. Said records shall clearly distinguish between a Participant's 401(k) Account, Matching Account, Rollover Account, Roth Deferral Account, Student Loan Contribution Account, Supplemental Contribution Account, and Non-Roth After-Tax Contribution Account and shall clearly represent the interest of each Account in the Fund. Said records shall be kept in such manner as to permit ready ascertainment of each Participant's interest as of each and every Valuation Date."

(18) Effective January 1, 2027, Article V, Section 5.4, the first paragraph thereof, is hereby amended in its entirety, to read as follows:

"Section 5.4 Account Allocation. As of each Valuation Date, the Employer shall prepare an accounting, or cause an accounting to be prepared, updating the monetary value assigned to each Participant Account by performing the following steps separately for each investment fund and distinguishing 401(k), Matching, Rollover, Roth Deferral, Student Loan Contribution, Supplemental Contribution, and Non-Roth After-Tax Contribution Accounts:"

(19) Effective January 1, 2027, Article VI, Section 6.2, is hereby amended in its entirety, to read as follows:

"Section 6.2 Investment of Contributions. 401(k) Contributions, Roth Deferral Contributions, Catch-Up Contributions, Matching Contributions, Student Loan

Contributions, Supplemental Contributions, Non-Roth After-Tax Contributions, and Rollover Contributions and earnings thereon shall be invested as directed by each Participant in one or more investment funds approved by the Board of Trustees. The Board of Trustees may designate additional and/or replacement investment options and eliminate any investment options as it, in its sole discretion, deems appropriate. Designations shall be made by Participants in multiples of 1%, and in the manner specified by the Board of Trustees. Designations shall be effective thereafter until modified. If any Participant fails to make a designation, the Board of Trustees shall make the designation of investments. Any new Participant entering the Plan after the Effective Date shall make his designation upon becoming a Participant in the Plan. These provisions shall apply uniformly to all of the Participant's Accounts hereunder. Additional investment funds may be added or terminated from time to time at the option of the Board of Trustees."

(20) Effective January 1, 2027, Article VII, Section 7.2, is hereby amended to a new subsection c-1 to read as follows:

"(c-1) A Participant may withdraw, in addition to the amounts described in (a), (b), and (c) above, a portion or all of the vested amounts credited to his Non-Roth After-Tax Contribution Account."

(21) Effective January 1, 2024, Article VII, Section 7.3, is hereby amended in its entirety, to read as follows:

"Section 7.3 <u>Termination of Employment</u>. Upon termination of Employment for any reason, the Participant shall continue to participate in the Plan until complete distribution of his vested Accounts, except that his Accounts will not thereafter be credited with any portion of 401(k) Contributions, Catch-Up Contributions, Matching Contributions, Supplemental Contributions, Student Loan Contributions, or Roth Deferral Contributions. All payments shall be made as soon as practicable after the Valuation Date next following the date of termination; provided, however, that if the amount of the distribution, as determined under Section 7.5 hereof, is in excess of Seven Thousand Dollars ($7,000.00), determined at the time of commencement of any distribution hereunder, any such distribution shall be delayed until the Participant's Required Beginning Date, as defined in Section 7.9(b)(iv) hereof, unless the Participant shall consent to an earlier distribution, and, provided further, in the event of a mandatory distribution the amount of which is greater than One Thousand Dollars ($1,000.00) but does not exceed Seven Thousand Dollars ($7,000.00), if a Participant does not elect to have such distribution paid as a direct rollover directly to an 'eligible retirement plan,' as defined in Section 7.8 hereof, specified by the Participant or to receive the distribution directly, then such distribution shall be paid as a direct rollover to an individual retirement plan designated by the Board of Trustees."

(22) Effective January 1, 2027, Article VII, Section 7.3, is hereby amended in its entirety, to read as follows:

"Section 7.3 Termination of Employment. Upon termination of Employment for any reason, the Participant shall continue to participate in the Plan until complete distribution of his vested Accounts, except that his Accounts will not thereafter be credited with any portion of 401(k) Contributions, Matching Contributions, Catch-Up Contributions, Supplemental Contributions, Student Loan Contributions, Roth Deferral Contributions, or Non-Roth After-Tax Contributions. All payments shall be made as soon as practicable after the Valuation Date next following the date of termination; provided, however, that if the amount of the distribution, as determined under Section 7.5 hereof, is in excess of Seven Thousand Dollars ($7,000.00), determined at the time of commencement of any distribution hereunder, any such distribution shall be delayed until the Participant's Required Beginning Date, as defined in Section 7.9(b)(iv) hereof, unless the Participant shall consent to an earlier distribution, and, provided further, in the event of a mandatory distribution the amount of which is greater than One Thousand Dollars ($1,000.00) but does not exceed Seven Thousand Dollars ($7,000.00), if a Participant does not elect to have such distribution paid as a direct rollover directly to an 'eligible retirement plan,' as defined in Section 7.8 hereof, specified by the Participant or to receive the distribution directly, then such distribution shall be paid as a direct rollover to an individual retirement plan designated by the Board of Trustees."

(23) Effective January 1, 2027, Article VII, Section 7.4, the first paragraph thereof, is hereby amended in its entirety, to read as follows:

"Section 7.4 Vesting and Forfeitures. A Participant whose Period of Service commences prior to May 1, 2012, shall be fully vested in his Accounts and his interest therein shall be nonforfeitable at all times. A Participant whose Period of Service commences on or after May 1, 2012, shall be fully vested in his 401(k) Account, Roth Deferral Account, and Non-Roth After-Tax Contribution Account, and his interest therein shall be nonforfeitable at all times. Notwithstanding the foregoing or any other provision herein to the contrary, upon the death of a Participant that occurs during his Employment, all of such Participant's Accounts shall become immediately fully vested and nonforfeitable."

(24) Effective January 1, 2027, Article VII, Section 7.8, is hereby amended to add the following as the final paragraph:

"Notwithstanding the foregoing, a direct rollover of a distribution from a Roth Deferral Account under the Plan will only be made to another Roth Deferral Account under an applicable retirement plan described in Section 402A(e)(1) of the Code or to a ROTH IRA described in Section 408A of the Code, and only to the extent the rollover is permitted under the rules of Section 402(c) of the Code."

(25) Effective January 1, 2020, Article VII, Section 7.9, is hereby amended in its entirety, to read as follows:

"Section 7.9 Required Minimum Distributions. All distributions required under this Section 7.9 will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code. The requirements of this Section 7.9 will take precedence over any inconsistent provisions of the Plan.

(a) Time and Manner of Distribution.

(i) Required Beginning Date. The Participant's entire interest will be distributed to the Participant no later than the Participant's Required Beginning Date. Notwithstanding the foregoing, effective for taxable years beginning on or after January 1, 2024, the distribution requirements of this Section 7.9(a)(i) shall not apply to a Participant's Roth Deferral Account, and such account shall only be subject to the distribution rules applicable after the death of the Participant.

(ii) Death of Participant Before Distributions Begin. If the Participant dies before distribution of the Participant's Accounts has been made, the Participant's entire interest will be distributed no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then, subject to the provisions of (E) below, the Participant's entire interest will be distributed to the surviving spouse by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the Applicable Age, if later. Effective for calendar years beginning on or after January 1, 2023, a surviving spouse may elect to be treated as the deceased Participant.

(B) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and the designated Beneficiary is an Eligible Designated Beneficiary, the Participant's entire interest will be distributed to such Eligible Designated Beneficiary in accordance with Treasury Regulation Section 1.401(a)(9)-3(c) over such Eligible Designated Beneficiary's life expectancy, beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and the designated Beneficiary is not an Eligible Designated Beneficiary, the Participant's entire interest will be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(D) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(E) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, the provisions of subparagraphs (B), (C), and (D) above will apply as if the surviving spouse were the Participant.

(iii) Death of Participant After Distributions Begin. If the Participant dies on or after the date distributions to the Participant have begun, distributions shall continue to the Participant's Designated Beneficiary (if any) in accordance with the minimum distribution rules prescribed by Treasury Regulation Section 1.401(a)(9)-3, and any remaining interest will be distributed in accordance with subsection (a)(ii) above.

(b) Definitions.

(i) Applicable Age. The age at which a Participant is required to commence required minimum distributions under Section 401(a)(9) of the Code, determined by the Participant's date of birth, as follows:

(A) Age 70½ for a Participant born before July 1, 1949, effective for distributions for calendar years beginning before January 1, 2020;

(B) Age 72 for a Participant born on or after July 1, 1949, and before January 1, 1951, effective for distributions for calendar years beginning on or after January 1, 2020;

(C) Age 73 for a Participant born on or after January 1, 1951, and before January 1, 1960, effective for distributions for calendar years beginning on or after January 1, 2023; and

(D) Age 75 for a Participant born on or after January 1, 1960, effective for distributions for calendar years beginning on or after January 1, 2033.

(ii) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 2.5 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury Regulations.

(iii) Eligible Designated Beneficiary. An individual who is:

(A) The Participant's surviving spouse;

(B) A child of the Participant who has not attained the age of majority (within the meaning of applicable state law), provided that such individual shall cease to be an Eligible Designated Beneficiary as of the date the individual attains age of majority, and the remaining balance shall be distributed by December 31 of the calendar year containing the tenth (10) anniversary of such date;

(C) Disabled (within the meaning of Section 72(m)(7) of the Code);

(D) Chronically ill (within the meaning of Section 7702B(c)(2) of the Code, except that the requirements of clause (A) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such clause with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or

(E) An individual not more than ten (10) years younger than the Participant.

(iv) Required Beginning Date. April 1st of the calendar year following the later of: (a) the calendar year in which the Participant attains the Applicable Age, or (b) the calendar year in which the Participant retires.

(c) 2020 RMD Waiver. Notwithstanding any provision of this Section 7.9, any required minimum distribution that would otherwise be required in calendar year 2020 was waived, and the five-year distribution period under subsection (a)(ii)(D) shall be computed without regard to calendar year 2020."

(26) Effective January 1, 2027, Article VII, Section 7.11, is hereby amended in its entirety, to read as follows:

"Section 7.11 Distributions While on Military Leave. For purposes of Section 7.1 hereof, a Participant shall be treated as having severed from employment during any period the Participant is performing service in the uniformed services described in Section 3401(h)(2)(A) of the Code, regardless of whether such Participant is receiving differential wage payments (as defined under Section 414(u)(12)(D) of the Code) from an Employer. In such event, such Participant may elect to receive a distribution of his Accounts, subject to the provisions of Sections 7.5 and 7.6 hereof. A Participant who is deemed to have severed employment under this Section 7.11 and who elects to receive a distribution of his Accounts, as provided herein, is prohibited from making 401(k) Contributions, Roth Deferral Contributions, Catch-up Contributions, and Non-Roth After-Tax Contributions during the six-month period beginning on the date of the distribution."

(27) Effective January 1, 2027, Article VIII, Section 8.2, is hereby amended in its entirety, to read as follows:

"Section 8.2 Exclusive Benefit of Participants and Beneficiaries. Except as provided in Section 8.3 hereof, all 401(k) Contributions, Catch-Up Contributions, Matching Contributions, Rollover Contributions, Roth Deferral Contributions, Student

Loan Contributions, Supplemental Contributions, and Non-Roth After-Tax Contributions when made to the Trust Fund, and all property of the Trust Fund, income from investments and all other sources, shall be retained for the exclusive benefit of the Participants or their Beneficiaries except as may otherwise be provided herein."

(28) Effective January 1, 2027, Article XIII is hereby deleted in its entirety:

"ARTICLE XIII
[RESERVED]"

(Signature page follows)

IN WITNESS WHEREOF, on this ______ day of ______________________, 2026, this Amendment No. Nine to the Plan, effective as of the date specified herein, has been properly authorized and adopted by the Board of Directors of the Authority.

LOWER COLORADO RIVER AUTHORITY

By: _____________________________________
Stephen F. Cooper
Chair, LCRA Board of Directors

ATTEST:

____
Leigh Sebastian
Assistant Secretary, LCRA Board of Directors

FOR ACTION (CONSENT)

7. Resolution and Amendment No. Ten to the Lower Colorado River Authority Deferred Compensation Plan

Proposed Motion

Approve and authorize the Board of Directors chair or his designee to execute Amendment No. Ten to the Lower Colorado River Authority Deferred Compensation Plan.

Board Consideration

The Deferred Compensation Plan requires Board approval of any changes to its design or benefits, such as the proposed amendment.

Budget Status and Fiscal Impact

The Deferred Compensation Plan amendments are within the approved budget allocated for benefit costs in the fiscal year 2027 business plan.

Summary

The Deferred Compensation Plan is a qualified plan, which means the IRS has approved the plan as meeting certain requirements enabling participants to make salary deferral contributions to it on a pre-tax basis and defer taxation of those contributions until distributions from the plan are received. There are no matching contributions in the plan. Deferrals are taken only from those types of pay and benefits identified as being included in the plan's definition of "Included Compensation."

The proposed Deferred Compensation Plan Amendment No. Ten allows Roth individual retirement account catch-up contributions compliant with IRS regulations, provides updates regarding ages 60-63 catch-up contributions and qualified rollover contributions.

The proposed Amendment No. Ten to the Deferred Compensation Plan will be effective as of the dates specified therein.

Exhibit(s)

A – Amendment No. Ten to Lower Colorado River Authority Deferred Compensation Plan

EXHIBIT A

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS	§	

AMENDMENT NO. TEN

TO

LOWER COLORADO RIVER AUTHORITY

DEFERRED COMPENSATION PLAN

WHEREAS, the Lower Colorado River Authority (the "Authority") maintains the Lower Colorado River Authority Deferred Compensation Plan (the "Plan") for the exclusive benefit of eligible employees and their beneficiaries, which Plan was previously amended and restated effective January 1, 1999, subsequently amended and restated effective January 1, 2003, and subsequently amended;

WHEREAS, the Board of Directors of the Authority (the "Board") is authorized to amend the Plan at any time and to any lawful extent deemed advisable; and

WHEREAS, the Board desires to amend the Plan to comply with applicable federal law;

NOW, THEREFORE, the Plan is hereby amended as follows, such amendment to be effective January 1, 2025:

1. Article I, Section 1.2, is hereby amended to read as follows:

"1.2 Age 50 Catch-Up Contributions. Contributions made to the Plan by the Authority, at the election of a Participant who has or will have attained age fifty (50) by the end of the Plan Year, in lieu of cash compensation, pursuant to a salary deferral election, as provided in Section 3.2(a) hereof."

2. Article I is hereby amended to add a new Section 1.2A, to read as follows:

"1.2A Age 60-63 Catch-Up Contributions. Contributions made to the Plan by the Authority, at the election of a Participant who has or will have attained age sixty (60) but not yet age sixty-four (64) by the end of the Plan Year, in lieu of cash compensation, pursuant to a salary deferral election, as provided in Section 3.2(b) hereof."

3. Article III, Section 3.2, is hereby amended in its entirety, to read as follows:

"3.2 Catch-Up Contributions. Each Participant may make Age 50 Catch-Up Contributions under subsection (a), Age 60-63 Catch-Up Contributions under subsection (b), or Pre-Retirement Catch-Up Contributions under Section 3.3 hereof. Notwithstanding any provision herein to the contrary, effective January 1, 2026, Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions made on behalf of any Participant whose FICA wages (as defined under Section 3121(a) of the Code) from the Authority in the preceding calendar year exceeded $145,000 (as adjusted by the Secretary of the Treasury for increases in the cost of living at the time and in the manner set forth in Section 414(v)(7)(E) of the Code) shall be 'designated Roth contributions' (as defined in Section 402A(c)(1) of the Code).

(a) Age 50 Catch-Up Contributions. Each Participant who has or would have attained age fifty (50) prior to the close of any Plan Year, may have Age 50 Catch-Up Contributions contributed on his behalf to the Trust Fund, on a pre-tax basis, in accordance with, and subject to the limitations of, Code Section 414(v).

(b) Age 60-63 Catch-Up Contributions. Each Participant who has attained age sixty (60) but not yet age sixty-four (64) prior to the close of the Plan Year, may elect for such Plan Year to have additional Catch-Up Contributions contributed on his behalf to the Trust Fund on a pre-tax basis, in accordance with, and subject to the limitations of, Section 414(v)(2)(E) of the Code, in lieu of the limit otherwise applicable under Section 3.2.(a).

(c) Election Procedures and Administration. Each election under this Section 3.2 shall be made by an eligible Participant either pursuant to a salary deferral election in accordance with Section 3.6 hereof or as a Supplemental Contribution in the sole discretion of the Authority. Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions made on behalf of a Participant pursuant to a salary deferral election shall be added to the Trust Fund as soon as practicable after deduction from a Participant's paycheck and shall be credited to the Participant's Account."

4. Article III, Section 3.3, is hereby amended in its entirety, to read as follows:

"3.3 Pre-Retirement Catch-Up Contributions. If the maximum amount of Pre-Retirement Catch-Up Contributions permitted under this Section 3.3 for a Participant's taxable year would exceed the maximum amount of Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions permitted under Section 3.2 above for such year, the Participant or, as applicable, the Authority, may elect to have Pre-Retirement Catch-Up

Contributions, instead of Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions, as applicable, contributed on the Participant's behalf to the Trust Fund on a pre-tax basis, for one (1) or more of the Participant's last three (3) taxable years ending prior to his Normal Retirement Date, in an amount equal to the Participant's 'Underutilized Elective Deferral Limitation,' as such term is defined below, for prior taxable years; provided, however, that such Pre-Retirement Catch-Up Contributions, together with the Participant's Elective Deferrals under this Plan, for any of the Participant's taxable years within such three (3) year period, shall not exceed the lesser of the Participant's Includible Compensation or two (2) times the applicable dollar amount for such taxable year, as set forth in Section 3.1 above. For purposes of this Section 3.3, the Participant's 'Underutilized Elective Deferral Limitation' is the Elective Deferral limitation, as set forth in Section 3.1 above (or under Code Section 457(b)(2) for any year prior to the applicability of Code Section 457(e)(15)), for each taxable year of such Participant during which he was eligible to participate in the Plan prior to the three (3) year period ending prior to the Participant's Normal Retirement Date, less the amount of such Participant's Elective Deferrals under this Plan (without regard to any Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions permitted under Section 3.2 above) for such prior taxable year or years of such Participant. For purposes of determining the Underutilized Elective Deferral Limitation for prior taxable years beginning before January 1, 2002, the Elective Deferral limitation, as set forth in Section 3.1 above (or Code Section 457(b)(2), if applicable) shall be reduced by amounts excluded from the Participant's taxable income for such prior taxable year by reason of an elective deferral made to any other eligible Code Section 457(b) plan, Code Section 401(k) plan, Code Section 402(h)(1)(B) simplified employee pension, Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18). Notwithstanding any provision herein to the contrary, a Participant on whose behalf Pre-Retirement Catch-Up Contributions have been made to this Plan in accordance with this Section 3.3 may not have Pre-Retirement Catch-Up Contributions made to any other Plan sponsored by the Authority, whether or not such Participant has elected Pre-Retirement Catch-Up Contributions in all of the Participant's three (3) taxable years ending prior to the year in which the Participant attains Normal Retirement Age, and whether or not he retires and later again becomes a Participant in this Plan."

5. Article III, Section 3.6, is hereby amended in its entirety, to read as follows:

"3.6 Salary Deferral Elections. Each Participant who desires to make Elective Deferrals shall indicate such intent by making an election to be effective as of the first day of the first payroll period for which he elects Elective Deferrals. Each Participant who is eligible to make Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions under Section 3.2 herein, or Pre-Retirement Catch-Up Contributions under Section 3.3 herein, and who desires to make such contributions for the Plan Year shall indicate such intent by making an election to be effective as of the first day of the payroll period indicated therein in the manner prescribed by the Board of Trustees. Such election must be made prior to the first day of the month in which the compensation is otherwise paid or made available and shall be effective for each payroll period thereafter until modified or amended, as provided below; provided, however, that (1) an election to make Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions shall remain effective no later than the end of the Participant's taxable year for which the Age 50 Catch-Up Contribution or Age 60-63 Catch-Up Contribution election is effective, and (2) an election to make Pre-Retirement Catch-Up Contributions shall remain effective no later than the date on which the Participant attains Normal Retirement Age.

The terms of such election shall evidence the Participant's intent to have the Authority withhold from his compensation each payroll period any whole percentage of his Includible Compensation, subject to the applicable limitations of this Article III. In furtherance of such election, the Authority will make a contribution to the Trust Fund on behalf of the Participant for each payroll period in an amount equal to the total amount by which the Participant's Includible Compensation from the Authority was reduced during such payroll period pursuant to the salary deferral election. Such election shall constitute a payroll withholding agreement between the Participant and the Authority, and shall constitute authorization for the reduction in Includible Compensation described above.

Notwithstanding the above, salary deferral elections shall be governed by the following general guidelines:

(a) A salary deferral election shall be made in the manner determined by the Board of Trustees and shall apply to each payroll period during which such election is in effect. Upon termination of employment, such election will become void.

(b) A Participant may revoke his salary deferral election at any time upon advance notice to the Board of Trustees, within the time period established by the Board of Trustees and thus discontinue all future withholding thereafter. Following such a revocation, a Participant may elect to resume withholding effective as of the first day of the month in which such compensation is otherwise paid or made available next following the payroll period in which the revocation occurs, or as of the first day of any month thereafter next following timely receipt by the Board of Trustees of such notice. A resumption of withholding following the revocation of a salary deferral election may be made only upon advance notice to the Board of Trustees, in the manner prescribed by the Board of Trustees and within the time period established by the Board of Trustees, but shall be permitted no less frequently than quarterly. A Participant may increase the percentage to be withheld from his Includible Compensation or decrease the percentage to be withheld from his Includible Compensation upon advance notice to the Board of Trustees, within the time period established by the Board of Trustees, and in the manner prescribed by the Board of Trustees, but no less frequently than quarterly, such increase or decrease to be effective as of the first day of the month next following timely receipt by the Board of Trustees of such notice. Any revocation of or change in the terms of a salary deferral election shall be made in the manner prescribed by the Board of Trustees.

(c) The Authority may unilaterally amend or revoke a salary deferral election with any Participant at any time, including an amendment necessary to recharacterize an election of Elective Deferrals as an election of Age 50 Catch-Up Contributions or Age 60-63 Catch-Up Contributions, if the Authority determines that such revocation or amendment is necessary to insure that a Participant's contributions for any Plan Year will not exceed the limitations of this Article III or to ensure that the requirements of Section 457(b) of the Code have been satisfied with respect to the amount that may be withheld and contributed on behalf of a Participant."

6. Article III, Section 3.8, is hereby amended in its entirety, to read as follows:

"3.8 Supplemental Contributions. The Authority may from time to time authorize a Supplemental Contribution to the Account of any Participant in lieu of or in addition to such Participant's Elective Deferrals, Age 50 Catch-Up Contributions, Age 60-63 Catch-Up Contributions, or Pre-Retirement Catch-Up Contributions, subject to the limitations in this Article III and Code Sections 457 and 414(v). The amount of Supplemental Contributions, if any, shall be determined in the sole and absolute discretion of the Authority."

7. Article III, Section 3.9, is hereby amended in its entirety, to read as follows:

"3.9 Roth Elective Deferrals. Effective January 1, 2026, each Participant may designate all or any portion of the Elective Deferrals contributed on his behalf to the Trust Fund as having been made on an after-tax basis, provided that such Roth Elective Deferrals, when aggregated with the Participant's Elective Deferrals not so designated, if any, do not exceed the applicable dollar amount for such Plan Year under Section 402(g) of the Code, as adjusted for increases in the cost of living pursuant to Section 402(g)(4) of the Code. Furthermore, subject to the provisions of Section 3.2, each Participant may designate all or any portion of the Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions contributed on his behalf to the Trust Fund as having been made on an after-tax basis, provided that such Roth Elective Deferrals, when aggregated with the Participant's Age 50 Catch-Up Contributions and Age 60-63 Catch-Up Contributions not so designated, if any, do not exceed the applicable dollar amount for such Plan Year under Section 414(v) of the Code, as adjusted for increases in the cost of living pursuant to Section 414(v)(2)(C) of the Code. Roth Elective Deferrals shall be made pursuant to a salary deferral election, in accordance with Section 3.6 hereof, and shall be 'designated Roth contributions' (as defined in Section 402A(c)(1) of the Code). Roth Elective Deferrals are at all times one hundred percent (100%) vested and nonforfeitable. Roth Elective Deferrals made on behalf of a Participant shall be added to the Trust Fund as soon as practicable after deduction from a Participant's paycheck and shall be credited to a separate subaccount for the Participant, to which only Roth Elective Deferrals, and the earnings and losses thereon, shall be credited."

8. Article III, Section 3.10, is hereby amended in its entirety, to read as follows:

"3.10 Qualified Rollover Contributions. Effective January 1, 2026, a Participant may elect to make a Qualified Rollover Contribution (also referred to as an 'in-plan Roth rollover') by rolling over all or any portion of his Account attributable to pre-tax contributions to his Roth Elective Deferral subaccount, provided that the amount being rolled over would constitute an 'eligible rollover distribution' as such term is defined in Section 6.4 hereof if distributed to the Participant. The Participant shall submit such election in such manner as prescribed by the Board of Trustees. The amount available as a Qualified Rollover Contribution shall be determined as of the Valuation Date concurrent with or next preceding the date on which the Board of Trustees receives the Participant's request to make the Qualified Rollover Contribution, and the Qualified Rollover Contribution shall be made to the Participant's Roth Elective Deferral subaccount as soon as practicable thereafter. Qualified Rollover Contributions shall be taken pro rata from each investment fund with respect to which a Participant has directed the investment of his Account, or the portion of his Account from which such withdrawal is funded, as the case may be. The amount rolled over to the Roth Elective Deferral subaccount pursuant to this Section 3.10 (the 'Rolled-Over Amount') and all earnings attributable to the Rolled-Over Amount shall be treated as 'designated Roth contributions' (as defined in Code Section 402A(c)(1)) and shall remain subject to all distribution restrictions and limitations that were applicable to such amount prior to the in-plan Roth rollover, as if the rollover had not occurred. Thus, the Rolled-Over Amount and applicable earnings may not be distributed from the Plan prior to the occurrence of one of the qualifying distribution events described in Article VI hereof that would have applied to the amount in its pre-rollover status. Rolled-Over Amounts are at all times one hundred percent (100%) vested and nonforfeitable."

IN WITNESS WHEREOF, on this ______ day of ____________________, 2026, this Amendment No. Ten to the Plan, effective as of the date specified herein, has been properly authorized and adopted by the Board of Directors of the Authority.

LOWER COLORADO RIVER AUTHORITY

By:____
Stephen F. Cooper
Chair, LCRA Board of Directors

ATTEST:

____
Leigh Sebastian
Assistant Secretary, LCRA Board of Directors

FOR ACTION (CONSENT)

8. Fiscal Year 2026 LCRA Business Plan Ratification

Proposed Motion

Ratify the fiscal year 2026 LCRA business plan to increase authorized operations spending in fiscal year 2026 from $611.4 million to $611.52 million.

Board Consideration

LCRA Board Policy 301 – Finance requires annual approval of a business plan by the LCRA Board of Directors. The policy requires additional Board approval if annual expenditures for operations or capital are expected to exceed Board-authorized levels.

Budget Status and Fiscal Impact

LCRA's year-end actual spending for FY 2026 operations expenses exceeded the Board-approved business plan operations budget of $611.4 million by about $115,000. These additional expenses were covered by additional revenues.

Summary

Because LCRA's actual operations expenses for FY 2026 exceeded the Board-approved operations budget, staff is seeking ratification of the additional spending. The increase in FY 2026 spending is primarily the result of higher-than-budgeted nonfuel expenses.

The LCRA Board of Directors approved the FY 2026 amended business plan in June 2026, establishing an amended spending limit for FY 2026 operations of $611.4 million. The year-end actual spending for FY 2026 operations was $611.52 million, an increase of about $115,000.

FOR ACTION (CONSENT)

9. Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2027

Proposed Motion

Approve the proposed LCRA Board and committee meeting dates for calendar year 2027 as listed in Exhibit A. This includes the Jan. 27, 2027, meeting that deviates from Article 2 of the LCRA bylaws. This meeting exceeds the schedule requirements to meet before the 25th day of each month.

Board Consideration

Article 2 of the LCRA bylaws provide that the regular meeting of the Board takes place on the last Wednesday before the 25th day of each month. Any deviation from that schedule requires Board approval.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

The proposed Board and committee meeting dates for calendar year 2027 as listed in Exhibit A are the same as those sent to the Board on Aug. 10, 2026, for review.

Exhibit(s)

A – Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2027

EXHIBIT A

Proposed LCRA Board and Committee Meeting Dates for Calendar Year 2027

Month	Committee Meetings	Board Meeting
January	27	
February	17	
March	24	
April	20*	
May	18	19
June	16	
July	No Meeting	
August	17	18
September	22	
October	19	20
November	9	
December	14	

*****This Board meeting will include the annual business and capital plans work session

FOR ACTION (CONSENT)

10. LCRA Board Policy 303 – Banking and Investments

Proposed Motion

Review and approve LCRA Board Policy 303 – Banking and Investments as shown in Exhibit A.

Board Consideration

Chapter 2256 of the Texas Government Code, Texas Public Funds Investment Act, requires that a governing body of an investing entity review and adopt its investment policy and investment strategies annually.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

The Board of Directors will fulfill its statutory requirements under the Texas Public Funds Investment Act for the annual review and adoption of the LCRA investment policy. Staff recommends approval of the policy as it currently stands, with a change made to Appendix B, amending approved brokers/dealers.

Exhibit(s)

A – LCRA Board Policy 303 – Banking and Investments

EXHIBIT A

LCRA BOARD POLICY

303 – BANKING AND INVESTMENTS

~~Aug. 20, 2025~~Aug. 19, 2026

303.10 PURPOSE

This policy establishes procedures for authorizing employees to disburse, transfer and invest LCRA funds in accordance with the LCRA enabling act, LCRA bylaws and other legal requirements. It states objectives and guidelines for investing LCRA funds and defines the types of investments in which LCRA may invest. The policy applies to activity involving LCRA funds, excluding the LCRA Retirement Benefits Plan and the LCRA 401(k) and Deferred Compensation plans, which are not LCRA funds.

303.20 POLICY

LCRA will maintain reasonable internal control and approval procedures for the disbursement, transfer and investment of funds consistent with legal requirements.

LCRA's investments will be made in accordance with applicable laws, the LCRA enabling legislation, LCRA bylaws, LCRA Board of Directors policies and current LCRA bond resolutions. Selection of securities firms or financial institutions must be approved by the LCRA Board. All such firms must provide certification forms asserting they have read and are familiar with the LCRA investment policy and reasonable procedures and controls have been implemented to preclude unauthorized transactions. Effective cash management is recognized as a foundation of this policy. The chief financial officer is responsible for implementing and ensuring compliance with this policy.

303.30 BANKING PROCEDURES

303.301 Signature Authority. In establishing any bank account, signature authority on the account must be provided to the bank in writing with a specimen signature for each officer and employee authorized. Any check, draft or other instrument that authorizes the disbursement or transfer of funds from any account may be signed without countersignature unless countersignatures are required by the general manager (GM)/CEO and chief financial officer. Designation of positions with authority to countersign will be made in writing and approved by the GM/CEO and chief financial officer.

A complete file of authorized signatures pursuant to the requirements of this policy and facsimile signature impressions for each active demand account will be maintained by the treasurer at all times.

303.302 General Manager/Chief Executive Officer and Chief Financial Officer Designations for Disbursement and Transfer of Funds, and Check Signers. The GM/CEO and chief financial officer will designate the individuals authorized to disburse and transfer funds and to sign checks. Written authorization may be in the form of certificates of incumbency, signature cards or other bank documentation enabling designated individuals to perform fund movement activities. Designations will include limitations as to dollar amounts authorized to the designees to ensure reasonable controls over financial transactions.

303.303 Facsimile Signatures. The use of facsimile signatures, in lieu of manual signatures, for bank transactions is authorized for the chief financial officer and the treasurer without countersignature, except as otherwise required. An authorized copy of the manual signature and the facsimile signature will be furnished to each bank from which checks will be drawn.

303.40 INVESTMENT PROCEDURES

303.401 Investment Objectives. The LCRA investment portfolio will be managed in compliance with Chapter 2256 of the Texas Government Code, as amended (the Texas Public Funds Investment Act or TPFIA), primarily to be consistent with LCRA's responsibilities as a steward of the public trust and to take advantage of investment interest as a source of income for all funds.

LCRA will emphasize the following objectives, listed in order of importance:

<u>Standard of care</u> – LCRA will ensure that all LCRA personnel involved in the investment process act responsibly as custodians of the public trust in the preservation of LCRA capital. LCRA investments will be made with the exercise of judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of principal, as well as the probable income to be derived.

<u>Suitability</u> – LCRA will ensure the suitability of the investment to LCRA's financial requirements.

<u>Safety</u> – LCRA will give priority to ensuring the preservation and safety of principal.

<u>Liquidity</u> – LCRA will maintain sufficient liquidity to provide adequate and timely availability of funds necessary to pay obligations as they become due.

<u>Marketability</u> – LCRA will consider its ability to liquidate an investment prior to maturity.

<u>Diversification</u> – LCRA will diversify its investments on the basis of maturity, type of instruments, financial institutions and securities firms.

Return on investment – LCRA will optimize return on investments within the constraints of safety and liquidity.

Maturity – LCRA will invest its funds in maturities sufficiently diverse and, in consideration of maximum maturity limits, to achieve safety of principal and adequate liquidity.

303.402 Individuals Authorized to Invest Funds. The GM/CEO and chief financial officer will submit to the Board a list designating the individuals authorized to purchase and sell securities. The Board will approve the list of designated persons and their respective dollar limits. The approved list will be attached as Appendix A. Each investment transaction must be reviewed for compliance with this policy by a person other than the individual executing the trade. The investment transaction will be in accordance with specified dollar limits determined by the GM/CEO and chief financial officer.

303.403 Authorized Instruments and Securities Firms. LCRA will purchase, from securities firms or financial institutions approved by the Board and listed in Appendix B, only those investment instruments authorized under this policy and listed in Appendix C, such list being from the TPFIA as periodically amended, with LCRA maximum maturities.

303.404 Designated Investment Officers. Responsibility for LCRA's investments and investing activity, as provided for in this policy, will be the responsibility of the designated investment officers: the chief financial officer and the treasurer of LCRA.

303.405 Officer Training. All designated investment officers, as well as all personnel responsible for executing investment transactions, must attend an investment training session not less than once each state fiscal biennium (the state fiscal year runs Sept. 1-Aug. 31) from an independent source approved by the Board and receive not less than 10 training hours as required in the TPFIA. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the TPFIA. LCRA employees must take training provided by the University of North Texas Center for Public Management, the Government Treasurers' Organization of Texas, North Central Texas Council of Governments, the Government Finance Officers Association of Texas, Texas Municipal League or Texas State University.

303.406 Disclosure of Personal Business Relationships. All designated investment officers, as well as all personnel responsible for executing investment transactions, who have a personal business relationship, as defined in the TPFIA, or are related within the second degree by affinity (marriage) or by consanguinity (descended from the same ancestor), as defined in Texas Government Code Chapter 573, with any representative offering to engage in an investment transaction with LCRA, will file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission and the Board.

303.407 Safekeeping of Investments. LCRA will maintain safekeeping procedures to protect against potential loss or misapplication of investments. The chief financial officer or his or her designee will be responsible for procedures that secure LCRA assets. All investment activity will be accomplished on a "delivery-versus-payment" basis. Investment instruments will be held in the name of LCRA and the LCRA fund being invested.

303.408 Collateralization. To the extent not insured by federal agencies that secure deposits, LCRA funds must be secured by collateral securities as stated in the Texas Public Funds Collateral Act, as amended. The total market value of the collateral securities will be an amount at least equal to the amount of the deposits of public funds, increased by the amount of any accrued interest and reduced to the extent that the deposits are insured by an agency or instrumentality of the United States government. Notwithstanding the foregoing, securities described in Section 2256.009(b), Texas Government Code, may not be used to secure deposits of LCRA funds.

A collateral depository agreement will be executed by any bank anticipated to hold LCRA funds in excess of federal deposit insurance and by any collateral safekeeping bank. Safekeeping receipts will be furnished by the safekeeping bank indicating the pledge of the securities to LCRA.

303.409 Depository Restrictions and Security of Funds. Other than for paying agent purposes, LCRA will use as depositories for its funds and investments only federal- or state-chartered banks or trust companies with their main office or branch located in Texas in which deposits up to the maximum allowable limit are insured by federal agencies. Such depositories will be approved by the Board.

303.410 Periodic Reporting. Investment reports will be made as required by the TPFIA and will be provided to the Board as follows:

General Context of Report	Schedule
Investment portfolio summary	Quarterly
Portfolio composition and performance (investment yield versus benchmarks)	Quarterly
External financial audit (investment holdings, compliance)	Annually

All designated investment officers must sign the quarterly reports.

A report on changes to the TPFIA that affect LCRA will be made to the Board within 180 days after the last day of the regular session of the Texas Legislature.

303.411 Investment Strategies. In addition to the above LCRA corporate investment objectives and guidelines, the following detailed investment strategies are provided to address various LCRA funds on issues, including the following:

Revenue Funds – The Revenue Funds will include investments suitable for funds requiring a high degree of liquidity, and will be limited to an average maturity no greater than five years. Due to their short-term nature, involuntary investment liquidations are unlikely for the Revenue Funds; however, should they be necessary, the short-term nature of the instruments would make material losses highly unlikely. Revenue Funds investments will be compared against appropriately competitive and reasonable benchmarks, including money market funds of similar makeups and maturities.

Construction Funds – The Construction Funds will include investments suitable to meet construction payment requirements for which the related funds were acquired. Investment maturities will be structured to meet construction payment requirements and will comply with federal tax regulations on spending terms. These short-term investments are benchmarked by the same process as the Revenue Funds investments.

Debt Service Reserve Funds – The Debt Service Reserve Funds will include investments suitable to provide reserves to meet any shortfalls in funds available to make required debt service payments. As Debt Service Reserve Funds are not to be used except in the case of insufficient revenues, average maturities in these funds can range from six months to 10 years. However, in no instance should an investment maturity exceed the latest established debt service requirement/payment date. Debt Service Reserve Funds investments will be structured to achieve the most competitive yields attainable given appropriate diversification and safety requirements, and they will be compared against appropriately competitive and reasonable benchmarks, considering limitations on yield provided by federal tax law.

303.412 Monitoring Market Prices. Monitoring will be done monthly and more often as economic conditions warrant by using appropriate reports, indices or benchmarks for the type of investment. Information sources may include financial/investment publications and electronic media, software for tracking investments, depository banks, investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring of credit ratings will be done on a regular, ongoing basis and as often as economic conditions, market news or credit rating agency news releases warrant review of any specific security, type of security or security issuer. If a credit rating for a security or security issuer falls below the minimum allowable rating set by the TPFIA, LCRA will take all prudent measures that are consistent with its investment policy and TPFIA Section 2256.021 to liquidate the security.

303.413 Required Policy Compliance Audits. A compliance audit of management controls and adherence to this policy as it relates to LCRA's investments and investing activity will be performed on an annual basis in conjunction with the organization's financial audit. The compliance audit also will cover LCRA's depository or custodian with respect to investment securities and records for pledged collateral, as required in Chapter 2257 of the Texas Government Code, as amended (the Public Funds Collateral Act).

303.414 Periodic Review and Approval of Policy. This investment policy and its investment strategies will be reviewed and approved by the Board on at least an annual basis, as required by the TPFIA. The Board will record in writing its approval of existing policy and any changes to the LCRA investments policy and investment strategies.

303.50 AUTHORITY

LCRA enabling legislation, Chapter 8503, Special District Local Laws Code
Public Funds Investment Act, Chapter 2256, Texas Government Code
Public Funds Collateral Act, Chapter 2257, Texas Government Code

EFFECTIVE: December 1986. Amended March 19, 1987 (republished); Dec. 14, 1991; Oct. 22, 1992; Oct. 17, 1995; Oct. 23, 1997; Oct. 22, 1998; Aug. 18, 1999; Dec. 13, 2000; June 13, 2001; Nov. 20, 2002; Nov. 19, 2003; Oct. 20, 2004; Nov. 16, 2005; Nov. 15, 2006; Nov. 14, 2007; Dec. 17, 2008; Dec. 16, 2009; Dec. 15, 2010; Oct. 19, 2011; Nov. 14, 2012; Nov. 20, 2013; Nov. 19, 2014; and Dec. 16, 2015. Amended and combined with Board Policy 306 Sept. 21, 2016. Amended Nov. 16, 2016; Oct. 18, 2017; April 18, 2018; Oct. 17, 2018; Dec. 11, 2018; Oct. 23, 2019; Jan. 22, 2020; Jan. 20, 2021; Jan. 19, 2022; Aug. 17, 2022; Aug. 23, 2023; and Aug. 21, 2024. Reaffirmed March 26, 2025. Amended Aug. 20, 2025~~.~~; and Aug. 19, 2026.

APPENDIX A

AUTHORIZATION TO PURCHASE AND SELL SECURITIES

STAFF AUTHORIZED TO PURCHASE AND SELL SECURITIES:
~~AS OF AUG. 20, 2025~~AUG. 19, 2026

Chief Financial Officer (Unlimited)	James D. Travis
Treasurer ($100 million per day)	David J. Smith
Treasury Director~~Manager~~ ($75 million per day)	Keri J. Whipple
Treasury Supervisor~~Coordinator~~ ($75 million per day)	Tom Bowen
Treasury Analyst ($75 million per day; Money Market trades only)	Sara Zamora-Trevino
Treasury Analyst ($75 million per day; Money Market trades only)	Ryan Vickery

APPENDIX B

APPROVED BROKERS/DEALERS
AS OF ~~AUG. 20, 2025~~AUG. 19, 2026

Name of Firm	Headquarters	LCRA Trading Office
Stifel Nicolaus & Company Inc.	St. Louis	Houston
RBC Capital Markets LLC	New York	Chicago
BofA Securities Inc.	Charlotte	Chicago
Raymond James & Associates Inc.	Memphis	Richmond
Wells Fargo Securities LLC	San Francisco	Dallas
Cantor Fitzgerald & Co.	New York	Dallas
U.S. Bank N.A.	Minneapolis	Milwaukee
Jefferies LLC	New York	Atlanta
FHN Financial Capital Markets	Memphis	Houston
JP Morgan Securities LLC	New York	Chicago
PNC Capital Markets LLC	Pittsburgh	Pittsburgh
Frost Bank	San Antonio	Austin

APPENDIX C
APPROVED INVESTMENTS OF PUBLIC FUNDS
AS OF ~~AUG.20, 2025~~AUG. 19, 2026
(SECTION 2256, TEXAS PUBLIC FUNDS INVESTMENT ACT OF 1987, AMENDED)

DESCRIPTION

1. Obligations of, or guaranteed by, Governmental Entities (Section 2256.009 of the Texas Public Funds Investment Act) Maturity Limit: 30 years

2. Certificates of Deposit and Share Certificates (Section 2256.010 of the Texas Public Funds Investment Act) Maturity Limit: three years

3. Repurchase and/or Reverse Repurchase Agreements (Section 2256.011 of the Texas Public Funds Investment Act) Maturity Limit: one year

4. Securities Lending Program (Section 2256.0115 of the Texas Public Funds Investment Act) Maturity Limit: one year

5. Banker's Acceptances – Rating/Definition (Section 2256.012 of the Texas Public Funds Investment Act) Maturity Limit: 270 days

6. Commercial Paper – Rating/Definition (Section 2256.013 of the Texas Public Funds Investment Act) Maturity Limit: 365 days

7. Money Market Mutual Funds – Permissions/Restrictions (Section 2256.014 (a) of the Texas Public Funds Investment Act) Maturity Limit: 90 days

8. Guaranteed Investment Contracts (Section 2256.015 of the Texas Public Funds Investment Act) Maturity Limit: three years

9. Investment Pools (Section 2256.016 of the Texas Public Funds Investment Act) Maturity Limit: 90 days

FOR ACTION (CONSENT)

11. Directors’ Fees, Expenses

Proposed Motion

Approve directors’ fees and the reimbursement of directors’ expenses.

Board Consideration

LCRA Board Policy 105 – Directors’ Fees and Expense Reimbursement and Section 2.08 – Per Diem and Expenses of the LCRA bylaws require Board of Directors approval for directors’ fees and expenses.

Budget Status and Fiscal Impact

The budget in the business plan provides for directors’ fees and expenses.

Summary

LCRA Board Policy 105 establishes guidelines for the payment of fees and reimbursement of the expenses that directors incur as they carry out their responsibilities as LCRA Board members.

FOR ACTION (CONSENT)

12. Minutes of Prior Meeting

Proposed Motion

Approve the minutes of the June 17, 2026, LCRA Board of Directors meeting.

Board Consideration

Section 2.04 of the LCRA bylaws requires the secretary to keep minutes of all meetings of the Board.

Budget Status and Fiscal Impact

Approval of this item will have no budgetary or fiscal impact.

Summary

Staff presents the minutes of each meeting to the Board for approval.

Exhibit(s)

A – Minutes of June 17, 2026, LCRA Board meeting

EXHIBIT A

LCRA Board of Directors
Minutes Digest
June 17, 2026

26-41 Approval of the Auditing Services fiscal year 2027 resource and audit plan.

26-42 Reaffirmation of LCRA Board Policy 603 – Energy Transactions.

26-43 Approval of directors' fees and the reimbursement of directors' expenses.

26-44 Approval of the minutes of the May 20, 2026, LCRA Board of Directors meeting.

26-45 Approval of an amendment to the fiscal year 2026 LCRA business plan to increase authorization for spending in fiscal year 2026 from $591.4 million to $611.4 million.

26-46 Approval of an amendment to the fiscal year 2026 LCRA capital plan to increase authorization for capital spending in FY 2026 from $285.7 million to $305 million.

26-47 Adoption and approval of the Fifty-second Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project) in one or more series (Series of Bonds) in an aggregate amount not to exceed $500 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) funding certain capital projects of LCRA TSC, if necessary; (iii) funding a debt service reserve fund for any Series of Bonds; and (iv) paying for issuance costs.

26-48 Authorization for the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6683 (Gutier LLC); Contract No. 6684 (Falkenberg Construction Co., Inc.); Contract No. 6687 (HCS Inc., Commercial General Contractor); and Contract No. 6354 (Presidio Networked Solutions Group LLC).

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
LOWER COLORADO RIVER AUTHORITY
Austin, Texas
June 17, 2026

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of the Lower Colorado River Authority (LCRA) convened in a regular meeting at 1:30 p.m. Wednesday, June 17, 2026, in the Board Room of the Hancock Building, at the principal office of LCRA, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Stephen F. Cooper, Chair
Martha Leigh M. Whitten, Vice Chair
Matthew L. "Matt" Arthur
Melissa K. Blanding
Curtis E. Ford
Carol Freeman
Thomas L. "Tom" Kelley
Robert "Bobby" Lewis [via videoconference]
Mark Mayo
Margaret D. "Meg" Voelter
David R. Willmann
Nancy Eckert Yeary

Absent: Joseph M. "Joe" Crane, Secretary
Aden Lasseter

Chair Cooper convened the meeting at 1:30 p.m.

The Board heard comments from the public [Agenda Item 1]. Shannon Hamilton, executive director of the Central Texas Water Coalition, provided comments and welcomed incoming LCRA General Manger Rudy Garza.

The Board next took action on the consent agenda.

Upon motion by Director Voelter, seconded by Director Freeman, the Board unanimously approved consent items 2, 3, 4 and 5 by a vote of 12 to 0 as follows:

26-41 Approval of the Auditing Services fiscal year 2027 resource and audit plan, as recommended by the Audit and Risk Committee and staff in Consent Item 2 [attached hereto as Exhibit A].

26-42 Reaffirmation of LCRA Board Policy 603 – Energy Transactions, as recommended by staff in Consent Item 3 [attached hereto as Exhibit B].

26-43 Approval of directors' fees and the reimbursement of directors' expenses, as recommended in Consent Item 4 [attached hereto as Exhibit C].

26-44 Approval of the minutes of the May 20, 2026, LCRA Board of Directors Meeting [Consent Item 5].

26-45 Senior Vice President of Financial Planning and Analysis Dawn Reed presented for consideration a staff recommendation, described in Agenda Item 6 [attached hereto as Exhibit D], that the Board approve an amendment to the fiscal year 2026 LCRA business plan to increase authorization for spending in fiscal year 2026 from $591.4 million to $611.4 million. Upon motion by Director Kelley, seconded by Vice Chair Whitten, the recommendation was unanimously approved by a vote of 12 to 0.

26-46 Senior Vice President of Financial Planning and Analysis Dawn Reed presented for consideration a staff recommendation, described in Agenda Item 7 [attached hereto as Exhibit E], that the Board approve an amendment to the fiscal year 2026 LCRA capital plan to increase authorization for capital spending in FY 2026 from $285.7 million to $305 million. Upon motion by Director Yeary, seconded by Director Willmann, the recommendation was unanimously approved by a vote of 12 to 0.

26-47 Treasurer David J. Smith presented for consideration a staff recommendation, described in Agenda Item 8 [attached hereto as Exhibit F], that the Board adopt and approve the Fifty-second Supplemental Resolution to the Controlling Resolution establishing the LCRA Transmission Contract Revenue Financing Program authorizing the issuance of Transmission Contract Refunding Revenue Bonds (LCRA Transmission Services Corporation Project) in one or more series (Series of Bonds) in an aggregate amount not to exceed $500 million for the following purposes: (i) current refunding of certain LCRA Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project) Tax-Exempt Series and any series of LCRA Transmission Contract Revenue Revolving Notes (LCRA Transmission Services Corporation Project); (ii) funding certain capital projects of LCRA TSC, if necessary; (iii) funding a debt service reserve fund for any Series of Bonds; and (iv) paying for issuance costs.

The resolution also will:

- Approve related documents, in substantially final form, including, if required, an escrow agreement, a paying agent/registrar agreement, a preliminary and final official statement, and a Transmission Contract Revenue Debt Installment Payment Agreement Supplement related to the Series of Bonds. If the Bonds are determined to also fund capital projects of LCRA TSC, the Fifty-second Supplement authorizes "and Improvement" to be added to the name of the Bonds. Bond counsel has prepared or reviewed all documents.

- Delegate authority to the general manager, chief financial officer and/or treasurer to:
  - Select all or a portion of LCRA TSC's outstanding short-term debt to be refunded by the particular Series of Bonds and provide for appropriate notices of redemption/prepayment/defeasance;
  - Approve any final changes to said documents necessary to facilitate proper issuance of such Series of Bonds;
  - Establish the terms of each Series of Bonds as provided in the Fifty-second Supplement (including issuing such bonds in one or more separate Series of Bonds, issuing the Series of Bonds as tax-exempt or taxable, principal amounts and maturity schedules, interest rates, redemption provisions, and terms of any reserve funds);
  - Determine whether to fund certain capital projects of LCRA TSC with a Series of Bonds; and
  - Approve the terms of the sale of each Series of Bonds to an underwriting team and execute a bond purchase agreement for such Series of Bonds.

Upon motion by Director Willmann, seconded by Director Blanding, the recommendation was unanimously approved by a vote of 12 to 0.

26-48 Senior Vice President of Supply Chain Matt Chavez presented for consideration a staff recommendation, described in Agenda Item 9 [attached hereto as Exhibit G], that the Board authorize the general manager or his designee to negotiate and execute the following contracts and contract changes: Contract No. 6683 (Gutier LLC); Contract No. 6684 (Falkenberg Construction Co., Inc.); Contract No. 6687 (HCS Inc., Commercial General Contractor); and Contract No. 6354 (Presidio Networked Solutions Group LLC). Upon motion by Director Kelley, seconded by Director Arthur, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Cooper declared the meeting to be in executive session at 1:41 p.m. pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. Executive session ended, and Chair Cooper declared the meeting to be in public session at 2:21 p.m.

There being no further business to come before the Board, the meeting adjourned at 2:21 p.m.

Joseph M. Crane
Secretary
LCRA Board of Directors

Approved: Aug. 19, 2026

FOR ACTION

13. Contracts and Contract Changes

Proposed Motion

Authorize the general manager or his designee to negotiate and execute the following contracts and contract changes as described in the attached exhibits.

Board Consideration

LCRA Board Policy 308 – Procurement requires Board of Directors approval for any contract for goods or services with projected expenditures exceeding $5 million, whether under the original contract or as a result of a change.

Budget Status and Fiscal Impact

Board approval of contracts and contract changes does not create a commitment to spend funds. All commitments made under these contracts will be for budgeted items contained in separately authorized operations and capital budgets or pre-spending requirements as outlined in LCRA Board Policy 301 – Finance.

Summary

Each month, the Board approves the contracts and contract changes in accordance with LCRA Board Policy 308.

Presenter(s)

Matt Chavez
Senior Vice President, Supply Chain

Exhibit(s)

A – New Contracts
B – Contract Changes

EXHIBIT A

New Contracts

Contract Number: 7192
Supplier Name: Metropolitan Life Insurance Company (dba MetLife)
Contract Amount: $15 million
Description: This contract provides dental insurance for LCRA employees, retirees and their dependents. The total not-to-exceed contract amount includes insurance premium cost contributions paid by both LCRA and employees/retirees who elect to participate in this voluntary benefit.

EXHIBIT B

Contract Changes

Contract Number: 5251
Supplier Name: Turtle & Hughes, Inc.
Current Approved Contract Amount: $21 million
Requested Change: $17 million
New Contract Amount: $38 million
Description: This contract was approved by the LCRA Board in August 2019 to provide electrical and industrial parts and supplies. Due to competitive contract terms and strong historical supplier performance, staff recommends extending the current contract term by an additional three years and requests the Board's approval to add an additional $17 million to the approved contract amount to cover forecast future demand for the extended term.

Contract Number: 7108 (5942 – Amended Name Change)
Supplier Name: Pritchard Industries LLC
Current Approved Contract Amount: $8 million
Requested Change: $8 million
New Contract Amount: $16 million
Description: This contract was approved by the LCRA Board in December 2022 to provide janitorial services for LCRA office facilities. Due to consistent supplier performance, favorable contract pricing and continuity of resources, staff recommends extending the contract term by an additional five years and requests the Board's approval to add an additional $8 million to the approved contract amount to cover forecast future demand for the extended term.