Retirement Plan for Employees of GBRA

ACTUARIAL VALUATION

AS OF JANUARY 1, 2026

AUGUST 31, 2026

Rudd and Wisdom, Inc.

W. Lee Bello, A.S.A.
Mitchell L. Bilbe, F.S.A.
Evan L. Dial, F.S.A.
Philip S. Dial, F.S.A.
Charles V. Faerber, F.S.A., A.C.A.S.
Mark R. Fenlaw, F.S.A.
Brandon L. Fuller, F.S.A.
Christopher S. Johnson, F.S.A.
Oliver B. Kiel, F.S.A.
Dustin J. Kim, F.S.A.

Rudd and Wisdom, Inc.
Consulting Actuaries

Edward A. Mire, F.S.A.
Roel Morales, A.C.A.S.
Rebecca B. Morris, A.S.A.
Amanda L. Murphy, F.S.A.
Michael J. Muth, F.S.A.
Khiem Ngo, F.S.A., A.C.A.S.
Timothy B. Seifert, F.S.A.
Raymond W. Tilotta
David G. Wilkes, F.S.A.

August 31, 2026

GBRA Retirement and Benefit Committee
Guadalupe-Blanco River Authority
933 E. Court Street
Seguin, TX 78155

Re: Actuarial Valuation as of January 1, 2026

Dear Committee Members:

Enclosed is the report of the Actuarial Valuation of the Retirement Plan for Employees of the Guadalupe-Blanco River Authority as of January 1, 2026. The purpose of this report is to present the actuarial condition of the plan as of January 1, 2026 and to recommend the GBRA minimum contribution for the plan year ending December 31, 2026.

Plan Provisions

There have been no changes in plan provisions since the plan was amended to be frozen and to provide a supplemental benefit in addition to the frozen accrued benefit as of December 31, 2018. The supplemental benefit was designed to make up for the difference between (1) the projected benefit if the plan were to continue as it was before the amendment and (2) the sum of (a) the frozen accrued benefit in the plan and (b) the employer-funded portion of the benefit in the Texas County and District Retirement System (TCDRS) plan that began January 1, 2019. Plan provisions are outlined and summarized in Section V of this report.

Review of Actuarial Assumptions

As a part of each actuarial valuation, we review the actuarial assumptions used in the prior actuarial valuation. We analyze the economic assumptions every year. As the result of our overall review and our economic assumptions analysis, we have selected actuarial assumptions that we consider to be reasonable and appropriate for the plan for the long-term future. Their selection complies with the applicable actuarial standards of practice. Both the economic and the demographic actuarial assumptions selected for this actuarial valuation are the same as those used in the actuarial valuation as of January 1, 2025. The key actuarial assumptions are the investment return assumption of 6.25% per year and the compensation increase assumption of 3.5% per year. These are long-term average assumptions. We believe that the combined effect of all the actuarial assumptions, summarized in Section IV, is expected to have no significant bias, i.e., not significantly optimistic or pessimistic.

Exhibit 1 documents our review of the investment return assumption. A history of actuarial information and of asset information is shown in Exhibit 2. Other disclosures are included in Exhibit 3.

Funding Policy

With the freezing of this Plan, a new funding policy was adopted in November 2019. The intent was for GBRA to fully fund the Plan over the 10 years that began in 2019 and then to continue making contributions until the Plan is 10% overfunded. In each year since then, GBRA has contributed at least the minimum recommended contribution based on the funding policy and has contributed more than the minimum in three of the seven years through 2025.

The closed 10-year amortization period worked well through the first six years, but a closed amortization period of less than five years (it would have been three years for this January 1, 2026 valuation) would increasingly magnify the effects of actuarial gains and losses as the remaining period approached one year. As a result, the minimum recommended contribution could change more from year to year.

At an August 19, 2026 meeting of the Retirement and Benefit Committee, different options for revising the funding policy were presented by Rudd and Wisdom. After a very thorough discussion, the committee voted to have the minimum recommended GBRA contribution be the amount expected to amortize the remaining unfunded actuarial liability (UAL) over a rolling five-year period. Then each year the Committee will discuss and decide on what supplemental contribution amount, if any, to recommend to the GBRA Board of Directors. This revised funding policy still retains the goals of (1) completely amoritizing the UAL over a reasonable period of years and (2) continuing contributions until the plan is at least 10% overfunded, i.e., a funded ratio of at least 110%.

Recommended Contribution

Based on the revised funding policy above, we recommend a minimum contribution of $1,223,548 for the plan year ending December 31, 2026 payable as of that date. Based on this actuarial valuation, this recommended annual contribution as a level dollar amount is expected to amortize the UAL of $5,119,167 in five years. This assumes that the future experience will exactly follow our assumptions each year, with no future gains or losses or changes in assumptions. To the extent that there are such future events, the future valuations will modify the recommended minimum contribution amount.

Changes in the Unfunded Actuarial Liability

In comparing this year's valuation to last year's valuation, the UAL increased by $846,893 from $4,272,274 to $5,119,167 for the following reasons:

- The passing of one year with the experience following the assumptions would have resulted in a decrease in the UAL of $800,115 because the 2025 contribution to amortize the UAL as of January 1, 2025 was more than the assumed interest on the UAL for the plan year.

- The investment rate of return for 2025, net of all investment-related expenses paid by the plan, was 11.45% based on the audited market value of assets for the plan year ending December 31, 2025. However, based on the smoothed actuarial value of assets from last year's valuation to this valuation, the net investment rate of return was 3.62%. Since that rate of return is less than the assumed rate of 6.25% during 2025, the UAL increased by $906,030 due to the unfavorable actuarial investment experience.

- The difference between all other actual experience compared to the expected experience based on the actuarial assumptions increased the UAL by $740,978.

Variability in Future Actuarial Measurement

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the current economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements;
- Changes in economic or demographic assumptions; and
- Changes in plan provisions.

In prior years, we have provided Mr. Randy Staats with a sensitivity analysis of the effects on key results of increasing the compensation increase assumption and/or reducing the investment return assumption. There has been no good opportunity to make changes in those economic assumptions for the last four years because of very adverse investment experience in 2022 and not enough favorable investment experience in the three years since then to fully offset the 2022 experience.

The table shows the reasons for the changes in the UAL the last three years. In all three years, the investment experience did not exceed the 6.25% assumption and resulted in an increase in the UAL. The magnitude of the investment losses have increased as more of the significant 2022 loss is recognized, offset by gains made since then. The liability experience (all other experience—but most importantly differences in salary increases from that expected) increased the UAL in 2023 and 2025. In 2024, the liability experience was favorable enough so that the UAL decreased.

Calendar Year	2023	2024	2025
January 1 UAL	$4,582,387	$4,600,206	$4,272,274
Reason for change			
• Expected decrease	(697,967)	(858,815)	(800,115)
• Investment (gain)/loss	121,604	638,801	906,030
• All other experience (gain)/loss	594,182	(201,584)	740,978
• Change in assumptions	0	93,666	0
Total change	17,819	(327,932)	846,893
December 31 UAL	$4,600,206	$4,272,274	$5,119,167

Looking forward, the investment experience is the most important influence on the plan every year, and the investment risk is the plan's biggest risk. Because the plan is highly funded,

the plan's investment experience is magnified. Annual returns in excess of 6.25% will either accelerate the time when the plan attains its goal of a funded ratio of at least 110% or reduce the total contributions required. Conversely, when the plan earns less than the long-term annual assumption of 6.25%, that will either delay the time it will take to reach its goal or increase the total contributions required.

As shown on page 11, a smoothing method is used to determine the actuarial value of assets (AVA) for this valuation. This method phases in over a five-year period any investment gains or losses (net actual investment return greater or less than the actuarially assumed investment return) that the plan has had. The AVA used in this current valuation is deferring recognition of various portions of the gains and losses in 2022-2025 that the plan experienced. The AVA used in this valuation is $35.05 million. The market value of assets (MVA) is $35.60 million. The $0.55 million difference between the MVA and the AVA is the deferred net loss over the past four years that will be recognized primarily in the next annual actuarial valuation. Its effect would be dampened if there is favorable investment experience in 2026.

Summary

As a result of our January 1, 2026 actuarial valuation of the GBRA Retirement Plan, we recommend a minimum contribution of at least $1,223,548 for the plan year ending December 31, 2026. This minimum recommended year-end contribution is based on a funding policy which is expected to be an adequate contribution arrangement. The actuarial valuation of the plan reported herein has been performed in accordance with appropriate actuarial methodology, with actuarial standards of practice, and with the pension funding guidelines established by the Texas Pension Review Board.

Respectfully submitted,

RUDD AND WISDOM, INC.

Mark R. Fenlaw

Mark R. Fenlaw, F.S.A.

Rebecca B. Morris

Rebecca B. Morris, A.S.A.

MRF/RBM:nm

Enclosures

cc: Mr. Randy Staats

i:\clients\gbra\wd\2026\gbra val-1-1-2026.docx

TABLE OF CONTENTS

Page No.

Section I: Certification of Actuarial Valuation 6

Section II: Summary of Actuarial Valuations 7

Section III: Plan Asset Information 9

Section IV: Actuarial Methods and Assumptions 14

Section V: Outline of Principal Plan Eligibility and Benefit Provisions 16

Section VI: Summary of Participant Data 18

Section VII: Definitions 20

Exhibit 1: Review of the Actuarial Economic Assumptions 22

Exhibit 2: Historical Asset and Actuarial Information 24

Exhibit 3: Other Disclosures 25

Section I – GBRA Retirement Plan

Certification of Actuarial Valuation
(As of January 1, 2026)

At the request of the GRBA Retirement and Benefit Committee, we have performed an actuarial valuation of the plan as of January 1, 2026. The purpose of this report is to present the actuarial condition of the plan as of January 1, 2026 and to recommend a contribution for the January 1, 2026 to December 31, 2026 plan year based on a funding policy which is expected to be an adequate contribution arrangement.

We have relied on and based our valuation on employee data, pensioner data, and asset data provided by GBRA. The financial information we received for the plan year was from the audited financial report for the plan year ending December 31, 2025. We have used the actuarial methods and assumptions described in Section IV of this report. The actuarial valuation has been performed on the basis of the plan benefits described in Section V.

To the best of our knowledge, no material biases exist with respect to any imperfections in the census data provided. We have not audited the data provided but have reviewed it for reasonableness and consistency relative to the census data received for the January 1, 2025 actuarial valuation.

All current employees eligible to participate in the plan as of the valuation date and all other individuals who either are now receiving a monthly benefit or will later receive a vested deferred monthly benefit under the plan have been included in the valuation. Further, all plan benefits have been considered in the development of plan costs.

To the best of our knowledge, the actuarial information supplied in this report is complete and accurate. In our opinion the assumptions used, both in the aggregate and individually, are reasonably related to the experience of the plan and to reasonable expectations. The assumptions represent a reasonable estimate of anticipated experience of the plan over the long-term future, and their selection complies with the applicable actuarial standards of practice.

We certify that we are members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Mark R. Fenlaw

Mark R. Fenlaw, F.S.A.

Rebecca B. Morris

Rebecca B. Morris, A.S.A.

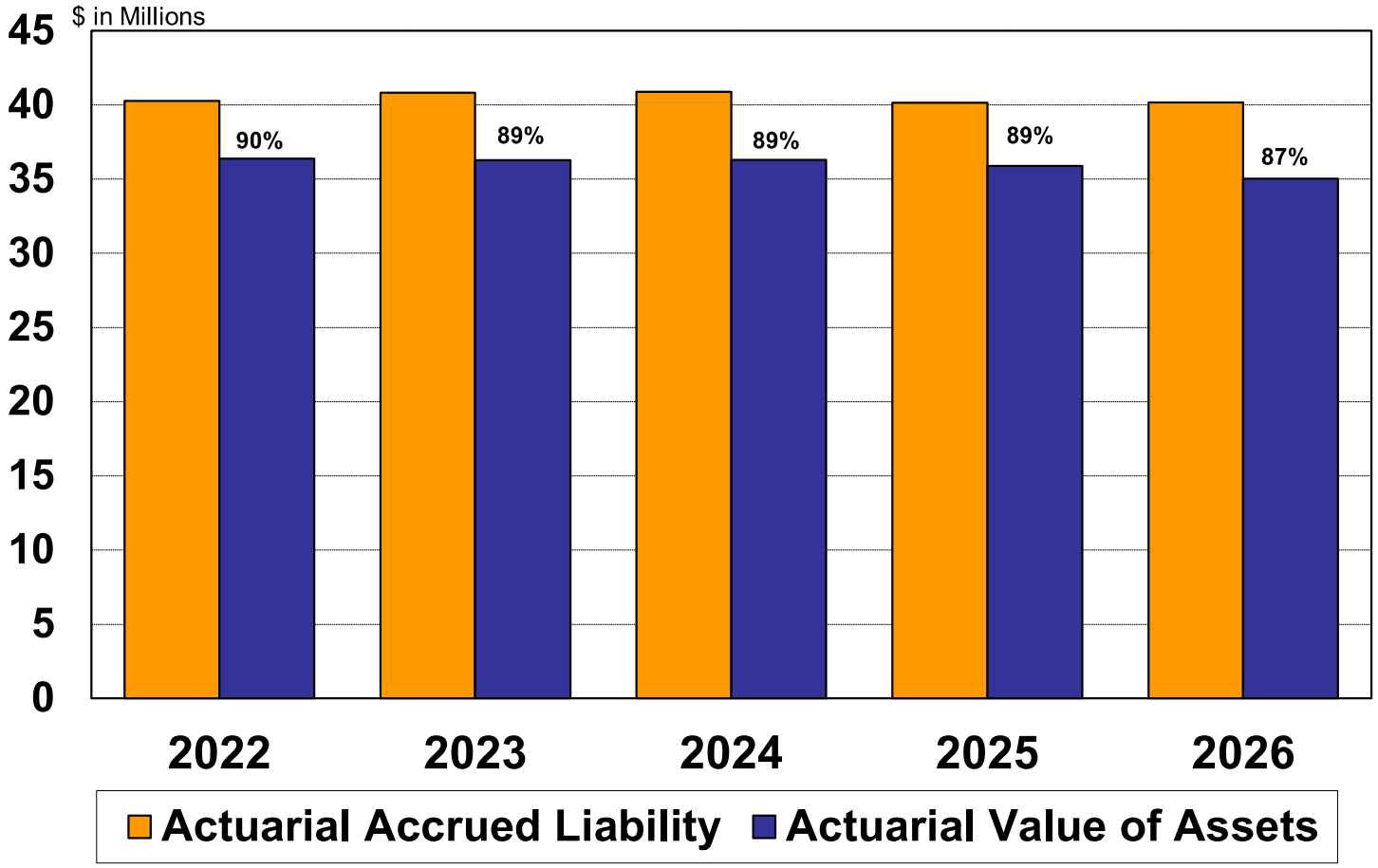
Section II –Summary of Actuarial Valuations

	January 1, 2025	January 1, 2026
1. **Participant Census at Valuation Date**		
a. Covered employees	41	38
b. Vested terminated due deferred benefit	33	30
c. Retirees and beneficiaries in pay status	129	129
d. Total	203	197
2. **Projected Active Participant Compensation for Plan Year Following the Valuation Date**	N/A	N/A
3. **Actuarial Present Value of Future Benefits**		
a. Active participants	$ 7,555,917	$ 6,979,974
b. Inactive participants	32,603,769	33,189,195
c. Total	$ 40,159,686	$40,169,169
4. **Actuarial Present Value of Future Normal Cost**	$ 0	$ 0
5. **Actuarial Liability (Item 3e – Item 4)**	$ 40,159,686	$40,169,169
6. **Actuarial Value of Assets**	$ 35,887,412	$35,050,002
7. **Unfunded Actuarial Liability (UAL) (Item 5 – Item 6)**	$ 4,272,274	$ 5,119,167
8. **Amortization Period**	5 years	5 years
9. **GBRA Minimum Contribution to be Paid December 31**	$ 1,021,131	$ 1,223,548
10. **Funded Ratio (Item 6 ÷ Item 5)**[1]	89.4%	87.3%

[1] The funded ratio is not appropriate for assessing either the need for or the amount of future contributions or the adequacy of the funding policy of an ongoing plan. Based on the funding policy for this frozen plan, a funded ratio of 110% or more would indicate that contributions could cease. Subsequent experience would determine whether or not any additional contributions might be required. Using market value of assets (fiduciary net position) instead of the actuarial value of assets for item 10 would have resulted in funded ratios of 84.6% as of January 1, 2025 and 88.6% as of January 1, 2026.

Section II – Summary of Actuarial Valuations (Continued)

Historical Comparison of Actuarial Accrued Liability and Actuarial Value of Assets
(Present Plan Valuations as of January 1)



Section III – Plan Asset Information

Summary of Assets as of January 1, 2026

Investment Category	Market Value*	Allocation Percent
1. Equities		
a. Domestic large cap	$ 14,002,425	39.3%
b. Domestic small cap	1,887,800	5.3
c. Developed international	4,510,773	12.7
d. Emerging markets	0	0.0
	20,400,998	57.3
2. Fixed Income		
a. Global	2,821,363	7.9
b. Emerging market	0	0.0
c. Domestic core	5,401,606	15.2
	8,222,969	23.1
3. Alternatives		
a. Hedge fund	4,141,891	11.7
b. Private real estate	1,932,482	5.4
	6,074,373	17.1
4. Cash and Cash Equivalents	900,272	2.5
5. Grand Total	$ 35,598,612	100.0%

* The amounts by investment category (items 1-3) are from the December 31, 2025 report by the plan's investment consultant. Item 4 is the balancing item to bring the grand total to equal the market value of assets in the plan's audited financial report for the year ending December 31, 2025 (item 5). The term "market value of assets" in this report is a synonym of the accounting term "fiduciary net position."

Section III – Plan Asset Information (Continued)

Statement of Changes in Audited Assets for the Years Ended December 31, 2025 and 2024

	12/31/2025	12/31/2024
Additions		
1. Contributions		
a. Employer	$ 1,056,131	$ 1,134,540
b. Employees	0	0
c. Total	$ 1,056,131	$ 1,134,510
2. Investment Income		
a. Interest and dividends	$ 569,274	$ 855,835
b. Net appreciation in fair value	3,241,083	1,822,031
c. Total	$ 3,810,357	$ 2,677,866
3. Other Additions	0	0
Total Additions	**$ 4,866,488**	**$ 3,812,376**
Deductions		
4. Benefit Payments	$ 3,143,249	$ 3,126,893
5. Expenses		
a. Investment-related	$ 82,008	$ 80,048
b. Administrative[1]	0	0
c. Total	$ 82,008	$ 80,048
Total Deductions	**$ 3,225,257**	**$ 3,206,941**
Net Increase in Assets	**$ 1,641,231**	**$ 605,435**
Market Value of Assets (Fiduciary Net Position)		
Beginning of Year	$ 33,957,381	$ 33,351,946
End of Year	$ 35,598,612	$ 33,957,381
Rate of Return		
Net of Investment-Related Expenses	11.45%	8.12%
Gross	11.72%	8.38%
Investment-Related Expenses (Direct)	0.27%	0.26%

[1] GBRA pays all administrative expenses from other than plan assets.

Section III – Plan Asset Information (Continued)

Development of Actuarial Value of Assets

Calculation of Actuarial Investment Gain/(Loss) Based on Market Value for Plan Years				
	2025	2024	2023	2022
1. Market Value of Assets as of Beginning of Year	$33,957,381	$33,351,946	$31,976,720	$39,957,755
2. Employer Contributions	1,056,131	1,134,510	974,218	835,000
3. Benefit Payments	(3,143,249)	(3,126,893)	(2,958,542)	(2,528,889)
4. Expected Investment Return [1]	2,035,111	1,998,599	1,916,239	2,427,030
5. Expected Market Value of Assets as of End of Year	$33,905,374	$33,358,162	$31,908,635	$40,690,896
6. Actual Market Value of Assets as of End of Year	35,598,612	33,957,381	33,351,946	31,976,720
7. Actuarial Investment Gain/(Loss)	$ 1,693,238	$ 599,219	$ 1,443,311	$ (8,714,176)
8. Market Value Rate of Return Net of Expenses	11.45%	8.12%	10.96%	(16.19)%
9. Rate of Actuarial Investment Gain/(Loss)	5.20%	1.87%	4.71%	(22.44)%

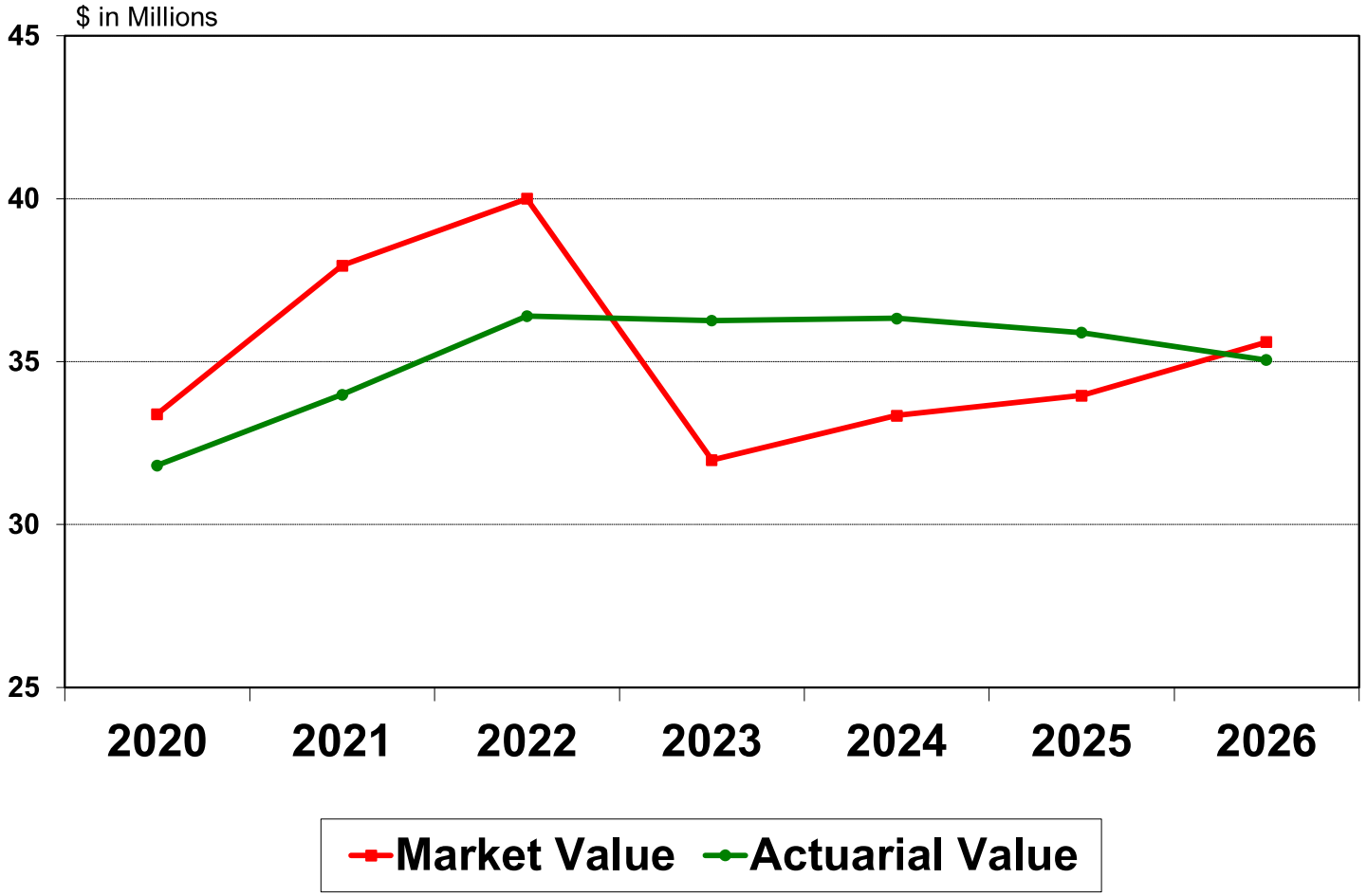
[1] Assuming (1) uniform distribution of payments during the plan year, (2) contributions at the end of October each year, and (3) expected rate of return of 6.25%.

Deferred Actuarial Investment Gains/(Losses) to be Recognized in Future Years			
Plan Year	Investment Gain/(Loss)	Deferral Percentage	Deferred Gain/(Loss) Amount as of 12/31/2025
2025	$ 1,693,238	80%	$ 1,354,590
2024	599,219	60%	359,531
2023	1,443,311	40%	577,324
2022	(8,714,176)	20%	(1,742,835)
Total			$ 548,610

Actuarial Value of Assets as of December 31, 2025	
10. Market Value of Assets as of December 31, 2025	$ 35,598,612
11. Deferred Gain/(Loss) to be Recognized in Future	548,610
12. Actuarial Value of Assets as of December 31, 2025 (Item 10 – Item 11)	$ 35,050,002
13. Write Up/(Down) of Assets (Item 12 – Item 10)	$ (548,610)

Section III – Plan Asset Information (Continued)

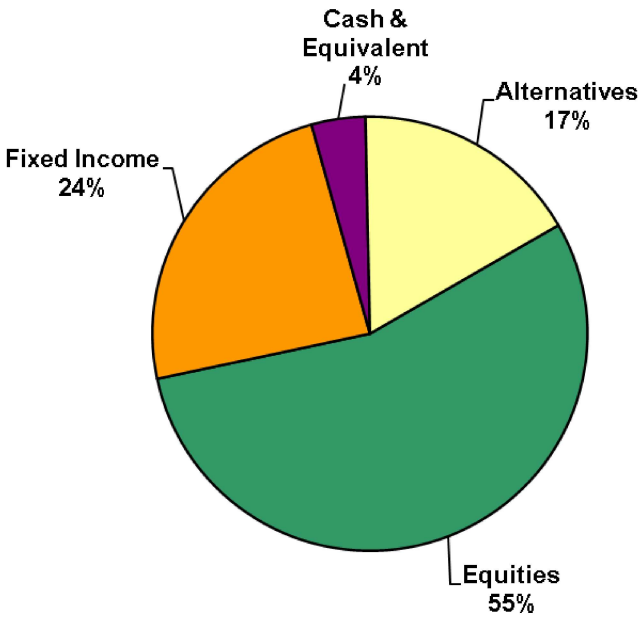
Historical Comparison of Market and Actuarial Value of Assets
(Valuation as of January 1)



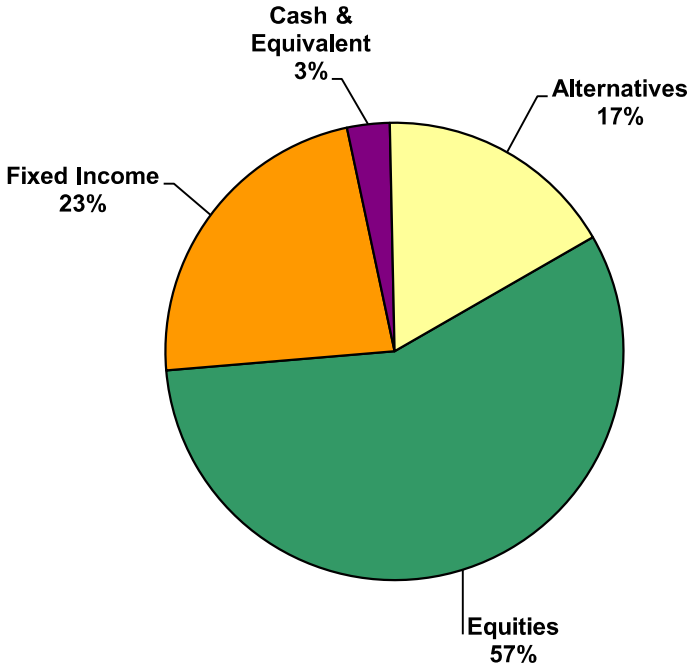
Section III – Plan Asset Information (Continued)

Comparison of Market Value Asset Allocation as of the Prior and Current Actuarial Valuation Dates

January 1, 2025



January 1, 2026



Section IV – Actuarial Methods and Assumptions

A. Actuarial Methods

1. Actuarial Cost Method

For a frozen plan, no actuarial cost method is required. Even though the definition of the plan's supplemental benefit makes the plan not truly frozen, we have projected the supplemental benefits for the active participants and treated those benefits in the same manner as the deferred frozen benefits. So there is no normal cost for the supplemental benefits. The primary calculations are the actuarial present value of future benefits of benefits in pay status and of deferred benefits. The unfunded actuarial liability (UAL) is the amount by which the present value of future benefits exceeds the current plan assets. The UAL is recalculated each time a valuation is performed. Experience gains and losses, which represent deviations of the UAL from its expected value based on the prior valuation, are determined at each valuation and are amortized as part of the newly calculated UAL.

2. Funding Method

The minimum recommended contribution is the amount to amortize the remaining UAL over five years with annual dollar payments. The Retirement and Benefit Committee will decide from year to year whether to recommnend that the GBRA Board of Directors also approve a supplemental contribution, When the plan is first overfunded, then supplemental contributions would be made each year until the funded ratio is at least 110%.

3. Actuarial Value of Assets Method

All assets are valued at market value, with an adjustment made to uniformly spread actuarial gains or losses (as measured by actual market value investment return vs. expected market value investment return) over a five-year period.

B. Actuarial Assumptions

1. Mortality

PubG-2016 (general employees) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2021.

2. Termination

There is no need for assumed termination rates with a frozen plan. For the frozen benefit, all employees are assumed to have terminated employment as of December 31, 2018. For the supplemental benefit, all employees are assumed to work for GBRA to the later of December 31, 2026 and the end of the month of attaining age 65.

3. **Investment Return**

Current and future plan assets are assumed to reflect an annual investment return of 6.25% net of investment-related expenses. See Exhibit 1 for our review of the economic assumptions.

4. **Compensation Increase**

There is no need to project compensation after 2018 for the frozen benefit as of December 31, 2018. However, the supplemental benefit is based on a projected Plan benefit if the Plan were to continue with its provisions in effect just before December 31, 2018. In addition, the supplemental benefit is based on a projected benefit in the TCDRS plan that was effective January 1, 2019. For both of those projected benefits, the compensation of each active participant was projected to increase 3.5% per year.

5. **Retirement Rates**

All participating employees are assumed to work for GBRA to the later of December 31, 2026 or the end of the month of attaining age 65. However, two employees who retired in the first part of 2026 were assumed to be in pay status reflecting their actual retirement dates for determining the present value of future benefits.

6. **Disability**

None were assumed.

7. **Inflation Component in Investment Return and Compensation Increase Assumptions**

2.75%

8. **Form of Payment**

a. Current pensioners: Actual form of payment.
b. Future pensioners: Normal form of payment (10 years certain and life).
c. Monthly benefits are payable the first of each month.

9. **Administrative Expenses**

The expenses will continue to be paid by GBRA and not from Plan assets.

Section V - Outline of Principal Plan Eligibility and Benefit Provisions Reflected in the Actuarial Valuation as of January 1, 2026

1. **Identifying Data**
   a. Plan name: Retirement Plan for Employees of Guadalupe-Blanco River Authority
   b. Type of plan: Defined benefit
   c. Plan sponsor: Guadalupe-Blanco River Authority
   d. Plan Year: January 1 – December 31

2. **Participation**
   a. Minimum Age: none
   b. Maximum Age at Hire: none
   c. Service: 1 year in which 1,000 or more hours are completed
   d. Employee Classification: All except a Leased Employee or an independent contractor
   e. Hire Date: first employed by the plan sponsor before January 1, 2011

3. **Contributions**
   a. Participant: none required
   b. Employer: all amounts necessary to adequately finance plan benefits

4. **Eligibility for Retirement**
   a. Normal Retirement: age 65
   b. Early Retirement: age 55 plus 15 years of vesting service

5. **Retirement Benefit Monthly Amounts**
   a. Normal Retirement: 1.30% of average monthly compensation per year of credited service
   b. Late Retirement: same as Normal Retirement increased by 5/9% for every month late retirement follows normal retirement
   c. Early Retirement:
      1) With Satisfaction of Rule of 85 (age and Accrual Service equal to eighty-five (85) or more years and age of sixty (60) or more years): amount equal to monthly normal retirement benefit accrued at early retirement date
      2) Without Satisfaction of Rule of 85: amount equal to monthly normal retirement benefit accrued at early retirement date reduced by 5/12% for every month early retirement precedes normal retirement
   d. Disability: amount payable at normal retirement age assuming continuation of service from date of disability to normal retirement age, but based on average monthly compensation at the date of disability

6. **Normal Form of Monthly Payment**
   10 years certain and life; other actuarially equivalent monthly payment forms are available

7. **Frozen DB Benefit**

   The plan was frozen as of December 31, 2018 and no additional benefits will accrue. All active participants became 100% vested in their accrued benefit as of that date, referred

to as the Frozen DB Benefit. It is payable in the normal form of payment at normal retirement age. It was calculated using the normal retirement benefit formula but using the amount of credited service and the average monthly compensation as of December 31, 2018. It excluded any unused sick leave.

This benefit is payable following termination of employment and upon either (a) reaching normal retirement age or (b) satisfying an early retirement or other commencement of benefit provision. It will be actuarially reduced if the participant's benefit commencement date is prior to his or her normal retirement date.

8. **Supplemental Benefit**

Participants with a Frozen DB Benefit are eligible for a Supplemental Benefit. This benefit is designed in an attempt to make up for the difference, if any, between (a) the projected benefit of the plan if the plan were to continue as it was before being frozen and (b) the sum of the Frozen DB Benefit and the employer-funded portion of the benefit in the TCDRS plan. It includes unused sick leave as described in item 12.

9. **Pre-retirement Death Benefits**

Payment of benefit which is actuarially equivalent to the present value of the participant's Frozen DB Benefit and Supplemental Benefit.

10. **Basis of Actuarial Equivalence for Optional Forms of Monthly Benefit**

8% and UP84 Mortality Table set back one year

11. **Average Monthly Compensation**

Gross compensation averaged over the three consecutive complete calendar years of highest total compensation over the last ten completed calendar years of employment. Except that the year in which a member terminates shall be considered a complete calendar year of employment, and the compensation for such calendar year shall be deemed equal to the annualized rate of compensation which he actually received for such calendar year, excluding any amount paid for unused vacation or for unused sick leave or for any reason related to termination of employment, and with the portion of such calendar year following such member's termination of employment being included in determining the number of months for which such compensation was received.

12. **Unused Sick Leave**

The Supplemental Benefit is calculated using the lesser of the amount of unused sick leave as of December 31, 2018 and the amount as of termination of employment, converting the hours of unused sick leave into credited service at the rate of one month of credited service for each 173.33 hours of unusual sick leave.

Section VI - Summary of Participant Data

Participant Data Reconciliation

	Active Participants	Current Payment Status	Deferred Payment Status	Total
1. As of January 1, 2025	41	129	33	203
2. Change of status				
a. normal retirement	0	3	(3)	0
b. late retirement	(1)	1	0	0
c. early retirement	(1)	1	0	0
d. disability	0	0	0	0
e. death	(1)	(7)	0	(8)
f. correction	0	0	0	0
g. vested termination	0	0	0	0
h. completion of payment	0	(3)	0	(3)
i. alternate payee	0	0	0	0
j. start of survivor benefit	0	5	0	5
k. net changes	(3)	0	(3)	(6)
3. New participants (rehire)	0	0	0	0
4. As of January 1, 2026	38	129	30	197

Distribution of Active Participants
by Age and Service as of January 1, 2026

	Years of Service									
Age	0-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total	Percent
Under 25	0	0	0	0	0	0	0	0	0	0%
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0
40-44	0	0	3	0	0	0	0	0	3	8
45-49	0	0	3	2	0	0	0	0	5	13
50-54	0	0	0	4	3	1	0	0	8	21
55-59	0	0	2	2	2	1	1	0	8	21
60-64	0	1	0	2	1	1	4	2	11	29
Over 65	0	0	0	0	1	0	1	1	3	8
Total	0	1	8	10	7	3	6	3	38	100%
Percent	0%	3%	21%	26%	18%	8%	16%	8%	100%	

Average age = 55.6 years
Average service = 26.4 years

Section VII - Definitions

1. Actuarial Liability	The Actuarial Present Value of future pension plan benefits as of the Valuation Date.
2. Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, termination, disablement and retirement; changes in compensation; rates of investment earnings and asset appreciation; and other relevant items.
3. Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date, with each value based on the same set of Actuarial Assumptions.
4. Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based on the Actuarial Assumptions during the period between two Actuarial Valuation dates.
5. Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the Valuation Date) by the application of the Actuarial Assumptions.
6. Actuarial Valuation	The determination, as of a Valuation Date, of the Actuarial Liability, Actuarial Value of Assets and related Actuarial Present Values for a pension plan.
7. Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as determined by a method and used by the actuary for the purpose of an Actuarial Valuation.
8. Plan Year	A 12-month period beginning January 1 and ending December 31.
9. Projected Benefits	Those pension plan benefit amounts that are expected to be paid at various future times according to the Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future qualified service.
10. Overfunded Actuarial Liability	The excess, if any, of the Actuarial Value of Assets over the Actuarial Liability.

11. Unfunded Actuarial Liability	The excess, if any, of the Actuarial Liability over the Actuarial Value of Assets.
12. Valuation Date	The date upon which the Actuarial Liability and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the beginning of a Plan Year.

Exhibit 1

Retirement Plan for the Employees of Guadalupe-Blanco River Authority
Review of the Actuarial Economic Assumptions
for the January 1, 2026 Actuarial Valuation

Theoretical Investment Return Assumption Development

	Gross Annual Real Rate of Investment Return (ROR)[1]	Estimated Investment Expenses[2]	Net Real ROR	Asset Allocation 12/31/25 Actual[3]	Asset Allocation Current Target[4]	Asset Allocation More in Fixed Income
Domestic Equity						
Large Cap Growth (Alspring Growth)	6.5%	1.00%	5.50%	13.7%	13%	14%
Large Cap Value (Diamond Hill, Kerusso)	6.5	0.87	5.63	25.6	25	12
Small Cap Blend (Eastern Shore)	7.0	1.15	5.85	5.3	5	5
				44.6	43	31
International Equity						
Developed Large Cap (Vanguard)	7.0	0.29	6.71	12.7	12	12
Emerging Markets (TBD)	8.0	1.10	6.90	0.0	0	0
				12.7	12	12
Fixed Income						
Global (Brandywine)	2.5	0.70	1.80	7.9	10	12
Domestic Core (Johnson)	2.0	0.50	1.50	15.2	17	23
Emerging Market (TBD)	3.0	0.91	2.09	0.0	0	0
				23.1	27	35
Alternatives						
Private Real Estate (TerraCap Partners)	6.0	1.75	4.25	5.4	8	8
Multistrategy Fund (Ironwood)	4.0	1.45	2.55	11.7	8	8
				17.1	16	16
Cash	0.0	0.00	0.00	2.5	2	6
				100.0%	100%	100%
Weighted Average Net Real ROR Assumption				4.26%	4.20%	3.65%
Possible Theoretical Annual Investment Return Assumption – Net Real ROR Plus Assumed Annual Rate of Inflation						
Assumed 2.75% Inflation				7.01%	6.95%	6.40%

[1] A gross annual real rate of investment return is the long-term total average annual rate of investment return, before any expenses, that is in excess of the assumed annual inflation rate. These are assumptions made by Rudd and Wisdom, Inc.
[2] These assumed investment-related expenses are based on information from the investment consulting firm CBIZ and include both direct and indirect expenses, with an addition of 0.25% for bank custody fees and the fees of CBIZ.
[3] This allocation is from the investment consultant's 12/31/2025 report.
[4] The current target asset allocation for category totals was in the investment consultant's 12/31/2025 report. For each manager within a category, we were loosely guided by the December 31, 2025 actual allocation for subdividing the category total.

Exhibit 1 (continued)

Price Inflation in the USA – Average Annual Rates of Increase in the CPI-U

Years (Dec. to Dec.)	Number of Years	Average Annual Increase
1960 – 2025	65	3.74%
1965 – 2025	60	3.94
1970 – 2025	55	3.89
1975 – 2025	50	3.59
1980 – 2025	45	2.98
1985 – 2025	40	2.75
1990 – 2025	35	2.56
1995 – 2025	30	2.52
2000 – 2025	25	2.52
2005 – 2025	20	2.52

Most inflation forecasts are for 10 years or less. For example, the average 10-year forecast in the June 2026 Livingston Survey published by the Federal Reserve Bank of Philadelphia was 2.33%. However, 10 years is too short a forecast period for a public employee defined benefit pension plan. In the 2026 annual report of the OASDI Trust Funds (Social Security), the ultimate inflation assumptions for their 75-year projections are 3.0%, 2.4%, and 1.8% for the low-cost, intermediate, and high-cost assumptions, respectively. Looking at the average annual increase in the CPI-U over historical periods of 30 to 65 years above and considering the Social Security forecasts, we believe that reasonable assumed rates of inflation for the long-term future would range from 2.25% to 3.00%.

Comparison of Actuarial Economic Assumptions

Actuarial Assumption[A]	1/1/2025 Actuarial Economic Assumptions	1/1/2026 Actuarial Economic Assumptions
Inflation (Price)	2.75%	2.75%
Net real rate of return[B]	3.50%	3.50%
Net total investment return[B]	6.25%	6.25%
Compensation increase[C]	3.50%	3.50%
Administrative expenses[D]	N/A	N/A

[A] All assumptions are annual rates.
[B] Net of all investment-related expenses, direct and indirect, paid from plan assets.
[C] Annual general compensation increase used for projecting the supplemental benefit.
[D] There is no need for an assumption regarding administrative expenses paid from plan assets because GBRA pays those expenses.

Exhibit 2

A. Historical Asset Information

Date	Total Contribution	Benefit Payments	Net Cash Flow (2) – (3)	Market Value of Assets	(4) ÷ (5)	Rate of Return
(1)	(2)	(3)	(4)	(5)	(6)	(7)
12/31/2025	$1,021,131	$3,143,249	$ (2,122,118)	$ 35,598,612	(6.0)%	11.45%
12/31/2024	1,099,510	3,126,893	(2,027,383)	33,957,381	(6.0)	8.12
12/31/2023	939,218	2,958,542	(2,019,324)	33,351,946	(6.1)	10.96
12/31/2022	800,000	2,528,889	(1,728,889)	31,976,720	(5.4)	(16.19)
12/31/2021	942,428	2,406,550	(1,464,122)	39,957,755	(3.7)	9.36
12/31/2020	1,000,000	1,945,699	(945,699)	37,947,141	(2.5)	16.86
12/31/2019	1,003,540	1,817,087	(813,547)	33,392,523	(2.4)	19.62
12/31/2018	1,128,049	1,644,165	(516,116)	28,731,703	(1.8)	(4.66)

B. Historical Actuarial Information

Valuation Date	Actuarial Liability (AL)	Actuarial Value of Assets	Unfunded AL (2) – (3)	Funded Ratio (3) ÷ (2)	Assumed Rate of Return
(1)	(2)	(3)	(4)	(5)	(6)
1/1/2026	$40,169,169	$35,050,002	$ 5,119,167	87.3%	6.25%
1/1/2025	40,159,686	35,887,412	4,272,274	89.4	6.25
1/1/2024	40,933,847	36,333,641	4,600,206	88.8	6.25
1/1/2023	40,838,270	36,255,883	4,582,387	88.8	6.25
1/1/2022	40,279,239	36,361,158	3,918,081	90.3	6.25
1/1/2021	39,731,531	33,993,324	5,738,207	85.6	6.50
1/1/2020	37,794,042	31,821,263	5,972,779	84.2	6.50
1/1/2019	35,544,198	30,900,491	4,643,707	86.9	6.75

Exhibit 3

Other Disclosures

Potential Risks

- Investment risk is the potential that investment returns will be different than assumed. Adverse investment experience would increase the unfunded actuarial liability (UAL). Favorable investment experience would have the opposite effect.

- Longevity risk is the potential that retirees and surviving spouses may live longer or shorter than expected.

- Other demographic risks are the potential that active members may terminate, become disabled, die, or retire at times other than assumed.

Plan Maturity Measures

The following measures may help the committee and the authority better understand some of the potential risks described above. The measures are for the year ending December 31.

Measure	2025	2024	2023	2022	2021	2020
1. Ratio of retired life actuarial liability to total actuarial liability	82.6%	81.2%	80.7%	76.9%	68.6%	63.3%
Commentary: Mature plans have 50% or more of the total actuarial liability attributable to retirees and surviving spouses. Frozen plans will have even higher ratios than a mature open plan. Frozen and mature plans are generally more sensitive to investment and longevity risk.						
2. Ratio of net cash flow (contributions less benefit payments) to assets	-6.0%	-6.0%	-6.1%	-5.4%	-3.7%	-2.5%
Commentary: A negative net cash flow means benefit payments exceed contributions. A certain amount of negative net cash flow is expected as a plan matures. Frozen plans will have even more negative net cash flow ratios than mature open plans, making them increasingly sensitive to investment risk.						

Negative Amortization

- As of this actuarial valuation, the plan has no negative amortization. The unfunded actuarial liability is expected to gradually decrease from one actuarial valuation to the next.

Reasonable Actuarially Determined Contribution

- The minimum actuarially determined contribution (ADC) on page 3 is a reasonable ADC consistent with actuarial standards of practice.

Exhibit 3 (continued)

Actuarial Valuation Software

- We have utilized software licensed from Winklevoss Technologies, LLC in the development of the liabilities summarized in the report. We have independently confirmed the model developed by Winklevoss and have sufficiently tested it to ensure the model is an accurate representation of the plan's liabilities.

Low-Default-Risk Obligation Measure (LDROM)

- The LDROM is a required disclosure calculated as of the date of the actuarial valuation using a discount rate based on high quality bond yields instead of the expected return on the plan's diversified investment portfolio.

Low-Default-Risk Obligation Measure	$45,892,572
Actuarial Accrued Liability	$40,169,169

- The difference between the LDROM and the actuarial accrued liability determined in this actuarial valuation could be viewed as the expected savings from investing in the plan's diversified portfolio instead investing only in high quality bonds.

- For our calculation of the LDROM, we have used the same actuarial cost method and actuarial assumptions from this actuarial valuation summarized in Section IV, except for an assumed discount rate of 4.83% instead of the investment return assumption of 6.25%. To determine the assumed discount rate, we used the Bond Buyer Index of general obligation bonds with 20 years to maturity, which has an average rating roughly equivalent to Moody's Investors Services' Aa2 rating and Standard and Poor's Corporation AA. The weekly index closest to the December 31, 2025 measurement date was 4.83%.

- Because the plan's assets are not invested only in high-quality bonds, the LDROM does not reflect the plan's actuarial condition, nor does it offer insights into the total contribution required for an adequate contribution arrangement or the security of participant benefits.