



## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### Board of Directors Meeting Agenda

May 11, 2022 at 6:00 PM

Board Room, County Water District of Billings Heights 1540 Popelka Dr.

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested from the General Manager Peyton Brookshire, [peyton@heightswaterdistrict.com](mailto:peyton@heightswaterdistrict.com) and are available at <https://heightswaterdistrict.com/agendas-and-minutes/> and <https://www.yellowstonecountynews.com/county-water-district-of-billings-heights/> Zoom Meeting ID Meeting ID: 891 4318 4955

**CALL MEETING TO ORDER:** President Ming Cabrera

#### WELCOME AND INTRODUCTIONS

**PRESIDENT'S REMARKS:** Ming Cabrera

During the course of the meeting the Public may be heard before a vote is cast by the Board. The President will acknowledge the Public once the motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hand. Once recognized, the speaker should move to the side of the board table so comments can be heard, identify themselves by name, and limit their comments to two minutes. Each speaker will have one opportunity to speak on any agenda item.

**AUDIT REPORT** Stefeni Freese, Anderson ZurMuehlen

1. 2021 Financial Report DRAFT Please pay particular attention to the MD & A, page 7 under Economic Factors and Future Rates since I disclosed the settlement in that section. Management is welcome to propose changes to wording in the MD & A if they so choose.

Also page 22 for the Prior Period Adjustment and Subsequent Event footnote has the settlement disclosure the adjustment needed.

The findings start on page 25 and I highlighted the Management Response since I just copied that from last year and will need management's response to these findings to replace or leave as is.

Once you have approved this report, either before or after the Board meeting, I will send a Management Representation Letter for the manager to sign and return to me and then I can issue the final audited financial statements.

**FINANCE COMMITTEE REPORT:** Laura Drager

2. Jenn Burnside would like to leave three checking accounts in place for about 6 months when she will feel confident with the procedures. Both the auditor and FIB recommended consolidating our accounts into one checking account.

FIB will prepare a report based on the questions asked and bring them back to the staff and Board representatives for discussion and possible recommendations to the full Board. Mike Peterson will reach out to the District to discuss options for credit card processing that may be more cost effective.

FIB would like to do a six month review (September 2022) and then annual relationship reviews going forward.

3. The city of Billings and Yellowstone county invest their short term reserves with the MT Board of Investments. The Muni Official Handbook provides the legal structure for investments; money

markets are not allowed except under some circumstances. By investing in the MT STIP account, we may be able to earn about many times what we are earning on the Money Market at FIB and the money would be available within 24 hours. The FIB Money Market has paid .001 percent; the current average daily yield on STIP funds is 0.6382713 (May 5, 2022) and the monthly average is 0.5015563.

Recommended Motion Having conducted a public hearing, considered written and spoken testimony, I move to approve the purchase of STIP funds and sign the authoritizing Resolution 018-22.

Attached: MCA Investments, Muni Official Handbook, Ch 5 Financial Management; Resolution 018-22, STIP Resolution Letter, STIP Participation Information Sheet, STIP Electronic Funds Transfer, STIP Exhibits A&B

### **CIP and Rate Study (Interstate Engineering & Raftelis)**

#### **PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items**

- A. Any member of the Public may be heard on any subject that is not on the Agenda.
- B. The board will not take action on these items at this time but may choose to add an item to the next meeting's Agenda for discussion.

#### **CONSENT AGENDA**

- [4.](#) Minutes April 13, 2022
- [5.](#) May Payables
- [6.](#) May prepaid bills for approval
- [7.](#) Bank Balances and Profit and Loss Statement
- [8.](#) CWDBH April Check Register
- [9.](#) Stifel Statement pp 1 and 2
- [10.](#) 2022.04.29 FIB Gross Income
- [11.](#) FIB Operations and Maintenance Statement April 29, 2022
- [12.](#) FIB Payroll Statement April 29, 2022
- [13.](#) FIB Savings Statement April 2022
- [14.](#) Billings Stats for April
- [15.](#) Bank Balances and Profit and Loss

#### **GENERAL MANAGER REPORT - Peyton Brookshire**

- [16.](#) May Manager's Report
- [17.](#) Annexation Request and Resolution Lot 1 of Cornerstone Meadows Subdivision

Recommended Motion Having conducted a public hearing, considered written and spoken testimony, I move to approve the 1. Jensen Annexation for lot 1 of Cornerstone Meadows Subdivision. 1.08 Acres 47,044.8 SqFt. for a fee of \$10,961.44. Property is along Alexander Road and direct the President to sign Resolution 014-22.

- [18.](#) Cherry Island Annexation Lot 2 Block 1 Cherry Creek Estates Subdivision and Resolution 015-22

Recommended Motion Having conducted a public hearing, considered written and spoken testimony, I move to approve the Cherry Island Annexation Lot 2 Block 1 Cherry Creek Estates Subdivision. This is 7.13 acres 310,450 sqft, 40 single family home lots. for a fee of \$72,334.85 and approve Resolution 015-22.

[19.](#) Black Mountain Software bid and feedback.

Recommended Motion Having conducted a public hearing, considered written and spoken testimony, I move to approve the purchase of Black Mountain service for \$14,820.00 and approval of Resolution 016-22.

[20.](#) Valve Replacement Bid NW Pipe

[21.](#) NW Pipe Bid and Resolution 016-22

Recommended Motion Having conducted a public hearing, considered written and spoken testimony, I move to approve the bid from NW Pipe for \$22,120.57 to purchase 20 gate valves and related equipment and approval of Resolution 017-22.

[22.](#) Recommended Motion: Having conducted a public hearing, considered written and spoken testimony, I move to approve the Randall Hurley Basic Plan Document, Engagement and approve Resolution 018-22.

Attachments: Restatement Basic Plan, Engagement Form, Resolution 019-22

### **OLD BUSINESS**

[23.](#) Board Secretary and Recording Secretary (see attachments Appointment of Administrative Personnel; Jeff Weldon Memo to Board 2021.09.98, Contract for Outside Services Suzie McKethen 2009.12.11, Draft CWDBH Board Secretary Job Description and Evaluation, 2022.02 CWD staffing comparison)

### **BYLAWS AND GOVERNANCE COMMITTEE REPORT: Pam Ellis**

Recommended motion: Having conducted a public hearing, considered written and spoken public testimony, I move to discontinue the month to month agreement with Yellowstone News to post the agenda packet.

24. The website is live. We have access to website support.

### **SAFETY COMMITTEE REPORT: Jeff Engel**

### **ANNOUNCEMENTS**

Next Meeting Wednesday, June 15, 6:00 pm

..Genny Garrick from Municode will train the Board on voting on line; please bring laptop computers to the pre-meeting @ 5:30 pm

....Clay will provide a Quarterly Safety Report to the Board in June 2022.

[25.](#) Saving Water and \$\$\$ in Your Yard

### **ITEMS TO BE CONSIDERED AT FUTURE BOARD MEETINGS**

Note: No action can be taken on items that were not on the agenda.

**COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS**

**FINANCIAL REPORT**

**June 30, 2021**

DRAFT



**COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS  
FINANCIAL REPORT**

**June 30, 2021**

DRAFT

C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT .....	1 and 2
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	3 through 7
FINANCIAL STATEMENTS	
Statement of Net Position .....	8 and 9
Statement of Revenues, Expenses, and Changes in Net Position .....	10
Statement of Cash Flows .....	11
Notes to Financial Statements .....	12 through 22
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	23 and 24
Schedule of Findings and Recommendations .....	25 through 27
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH BOND RESOLUTION .....	28

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
County Water District of Billings Heights  
Billings, Montana

**Report on the Financial Statements**

We have audited the accompanying financial statements of County Water District of Billings Heights (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated [REDACTED], 2022, on our consideration of County Water District of Billings Heights' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering County Water District of Billings Heights internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of our audit. This report is included in its entirety on pages 24 through 26 of this financial report.

Billings, Montana  
[REDACTED], 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

Item 1.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the County Water District of Billings Heights' (the District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2021. Please read it in conjunction with the District's financial statements that begin on page 8.

**HIGHLIGHTS**

**Financial Highlights**

- The District's net position increased by \$747,226 or 4.15% as a result of this year's operations as compared to an increase of approximately \$53,289 or .30% for the year ended June 30, 2020.
- Total revenues increased by \$1,090,631 or 23.99%. Water usage revenue increased \$803,104, service line fees increased by \$14,297, system buy-in fees increased \$279,966 and miscellaneous operating revenues increased by \$26,953. The increase in water usage revenue was primarily due to the increase in water usage as a result of a dryer spring in the area in 2021.
- Operating expenses for the year increased by \$396,694 or 8.83%. Water purchased increased by \$369,674 or 15.90%. Most other expenses remained relatively stable over the prior year; inflationary costs affected most expense categories.
- The District invested \$773,846 in capital assets during the year ended June 30, 2021. The increase was primarily attributable to purchases of meters, office furniture, and a transmission main.
- Due to investments maturing during 2021, the board designated capital improvement funds decreased by approximately \$249,497 or 2.69%.
- The District has three loans from the State of Montana, through its Drinking Water State Revolving Fund Program. The loans bear interest at 3.00% and 2.50%. The loans are payable in semi-annual payments over 20 years.

**Authority Highlights**

- The District continued to proceed on several initiatives relating to updating the water distribution system and planning for future growth in terms of District boundaries, local development, and number of consumers.
- The District's service area continues to experience development which is putting additional strain on the existing infrastructure.
- Rate increases were implemented by the District in 2019, 2016, 2015, 2014, and 2013 in response to increases in rates by the District's supplier of water. Management had determined that they would pass on the rate increases imposed by its supplier of water over a three-year period.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

Item 1.

**USING THIS ANNUAL REPORT**

This annual report consists of two parts; Management's Discussion and Analysis, and the Financial Statements. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

**Required Financial Statements**

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing the rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non-capital financing activities and provides answers to such questions as "from where did cash come?", "for what was cash used?", and "what was the change in cash balance during the reporting period?".

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of the year's activities?". The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes to them. You can think of the District's net position (the difference between assets and liabilities) as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will also need to consider non-financial factors such as changes in economic conditions, population growth, new or changed legislation, and the District's relation to the City of Billings, the District's provider of water.

The District's net position increased from June 30, 2020 to June 30, 2021 by \$747,226. The increase mainly related to an increase in service area and buy-in fees for the year. The increase in the prior year from June 30, 2019 to June 30, 2020 was \$53,289. Our analysis focuses on the District's net position (Table 1) and changes in net position (Table 2) during the years.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

Item 1.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**TABLE 1**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>ASSETS</b>			
Current	\$ 1,745,506	\$ 1,247,639	\$ 497,867
Capital assets, net	13,291,462	13,298,112	(6,650)
Investments and other assets	<u>9,265,056</u>	<u>9,288,768</u>	<u>(23,712)</u>
Total assets	<u>\$24,302,024</u>	<u>\$23,834,519</u>	<u>\$ 467,505</u>
<b>LIABILITIES</b>			
Current	\$ 3,517,502	\$ 1,157,901	\$ 2,359,601
Customer deposits	225,785	221,855	3,930
Long-term debt	<u>4,191,000</u>	<u>4,448,000</u>	<u>(257,000)</u>
Total liabilities	<u>7,934,287</u>	<u>5,827,756</u>	<u>2,106,531</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,843,462	8,600,112	243,350
Investment funds, Board			
Designated and restricted	6,653,019	9,288,768	(2,635,749)
Unrestricted	686,873	(66,500)	753,373
Restricted - loan reserve account	<u>184,383</u>	<u>184,383</u>	<u>-</u>
Total net position	<u>16,367,737</u>	<u>18,006,763</u>	<u>(1,639,026)</u>
Total liabilities and net position	<u>\$24,302,024</u>	<u>\$23,834,519</u>	<u>\$ 467,505</u>

During the fiscal year ended June 30, 2003, the District paid off the remaining long-term debt obligation related to construction of its original infrastructure. The District has been able to pay for water distribution system improvements and other capital asset acquisitions with net operating income and long-term debt, thereby minimizing the need to draw down on board designated capital improvement investment funds.

During the year ended June 30, 2017, the District received a \$2,200,000 loan from the State of Montana and the Drinking Water State Revolving Fund Program to pay for improvements of the water distribution system and other capital assets.

Changes in the District's net position can be determined by reviewing the following condensed Statement of Revenue, Expenses and Changes in Net Position for the years (Table 2).

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**TABLE 2**

	2021	2020	Change
Water sales	\$ 4,879,852	\$ 4,076,748	\$ 803,104
Other operating revenue	605,871	284,655	321,216
Non-operating revenue	150,503	184,192	(33,689)
Total revenues	5,636,226	4,545,595	1,090,631
Operating expenses	4,889,000	4,492,306	396,694
Change in net position	747,226	53,289	693,937
Net position, beginning of year	18,006,763	17,953,474	53,289
Prior period adjustment	(2,386,252)	-	(2,386,252)
Net position, end of year	\$16,367,737	\$18,006,763	\$ (1,639,026)

Total revenues reflect an increase of 23.99% from 2020 to 2021 as a result of an increase in service line fees along with an increase in water usage revenues and an increase in system buy-in fees. The revenues reflected a decrease of 7.9% from 2019 to 2020 as a result of a decrease in service line fees along with an increase in water usage revenues and reduced system buy-in fees. The District also changed their rate system and went to a 3-tier conservation system in 2017.

Operating expenses increased by 8.83% from 2020 to 2021. The cost for water accounted for most of the increase. Operating expenses increased by approximately 5.8% from 2019 to 2020. Most other operating expenses were comparable to the prior year.

**THE DISTRICT'S FUNDS**

The County Water District of Billings Heights was established on August 29, 1958 and revenue bonds were issued in 1963 to fund construction of the District's original water distribution system. The "1-1-63 Bond Resolution", as it was called, required the District to maintain six separate funds. The final bonds were paid off on January 2, 2003 and use of the six separate funds was discontinued at the end of that fiscal year. Currently the District maintains a single proprietary fund which reports all revenues and expenses of the District.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**CAPITAL ASSETS**

As of June 30, 2021, the District had \$23,053,771 invested in a broad range of capital assets including its water distribution system, pump stations, meters and related equipment, maintenance equipment, vehicles, and office equipment. This amount represents an increase of \$780,082, or 3.5% over the prior year. During the year ended June 30, 2020, capital assets increased by \$362,528. That increase was primarily attributable to capital improvements for a water reservoir to aid in the water delivery system.

**ECONOMIC FACTORS AND FUTURE RATES**

The number of services billed for the June 2021 billing cycle (5,888) was up by 65 meters over the prior year. Continuing commercial and residential development within and surrounding the District will continue to put strains on the water distribution system and additional capital assets will be necessary to satisfactorily service the District's customers.

Effective with the August 2019, 2016, 2015, 2014, and 2013 billing cycles, rate increases were adopted by the District's Board of Directors. No rate increase occurred in 2017 or 2018. The District's sole provider of water, the City of Billings, Montana, adopted new rates that increased the District's cost of water purchased. It was the District's intention to pass the increased costs on to its consumers over three-year phase-in periods.

In the fall of 2018, the County Water District received an invoice from the City of Billings (water supplier) for past, previously unbilled, water charges that were the result of errors made by the City of Billings in converting water to and from gallons from another unit of measurement. Those errors by the City of Billings began in approximately December of 2014 and were not discovered and corrected for over two years. The total error asserted by the City of Billings and billed to the County Water District amounted to approximately \$2.5 million for that period of time. The District, in consultation with legal counsel determined it would owe approximately \$550,000 and had accrued a liability as of June 30, 2018 for that amount with a charge to water purchased in the accompanying financial statements. On April 13, 2022, the District Board approved a settlement for \$2,936,252 with the City of Billings, which the District paid on April 19, 2022. The additional liability of \$2,386,252 was recorded as a prior period adjustment to net position as of June 30, 2021.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's general manager at County Water District of Billings Heights, 1540 Popelka Drive, Billings, Montana 59105.

FINANCIAL STATEMENTS

DRAFT

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
STATEMENT OF NET POSITION  
June 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 699,966
Accounts receivable - customers	827,014
Materials and supplies inventory	151,898
Prepaid expenses	<u>66,628</u>
Total current assets	<u>1,745,506</u>

CAPITAL ASSETS

Land	245,961
Water distribution system	21,150,003
Maintenance equipment and vehicles	944,036
Structures and improvements	575,033
Office furniture and equipment	<u>138,738</u>
Total capital assets	23,053,771
Accumulated depreciation	<u>(9,762,309)</u>
Net capital assets	<u>13,291,462</u>

NON-CURRENT ASSETS

Restricted assets:	
Cash and cash equivalents	225,785
Investments	<u>9,039,271</u>
Total non-current assets	<u>9,265,056</u>
Total assets	<u>\$ 24,302,024</u>



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
STATEMENT OF NET POSITION (CONTINUED)  
June 30, 2021

Item 1.

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 3,229,357
Accrued liabilities	31,145
Current portion of long-term debt	257,000
Customer deposits	<u>225,785</u>
Total current liabilities	<u>3,743,287</u>

LONG-TERM LIABILITIES

Long-term debt, net of current portion	<u>4,191,000</u>
Total liabilities	<u>7,934,287</u>

NET POSITION

Unrestricted net position:	
Unrestricted	686,873
Net investment in capital assets	8,843,462
Board designated:	
Capital improvement funds	6,653,019
Restricted net position:	
Loan reserve account	<u>184,383</u>
Total net position	<u>16,367,737</u>
Total liabilities and net position	<u>\$24,302,024</u>

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Year Ended June 30, 2021

Item 1.

OPERATING REVENUE

Water usage	\$ 4,879,852
System buy-in fees	299,928
Service line fees	162,896
Other operating revenue	<u>143,047</u>
Total operating revenue	<u>5,485,723</u>

OPERATING EXPENSES

Water purchased	2,694,434
Depreciation	786,732
Salaries and wages	502,125
Employee benefits	274,579
Payroll taxes	46,490
Bad debt	1,531
Director fees	15,850
Gas, fuel and oil	8,336
Insurance	12,813
Interest	130,729
Miscellaneous	16,031
Office	63,481
Postage	23,171
Professional fees	134,651
Repairs and maintenance - distribution system	110,891
Repairs and maintenance - other	364
Subscriptions and legal notices	67
Supplies - operations	9,611
Taxes	4,076
Telephone and communication	6,081
Travel and training	366
Utilities	<u>46,591</u>
Total operating expenses	<u>4,889,000</u>
Operating income	596,723

NONOPERATING REVENUE

Investment income	<u>150,503</u>
Change in net position	<u>747,226</u>
Net position, beginning of year	18,006,763
Prior period adjustment	<u>(2,386,252)</u>
Net position, beginning of year, restated	<u>15,620,511</u>
Net position, end of year	<u>\$ 16,367,737</u>

The Notes to Financial Statements are an integral part of this statement.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2021

Item 1.

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 5,094,663
Payments to suppliers	(3,571,976)
Payments to employees	<u>(560,013)</u>
Net cash flows from operating activities	<u>962,674</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments on long-term debt	(250,000)
Purchases of capital assets	<u>(780,082)</u>
Net cash flows from capital and related financing activities	<u>(1,030,082)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	4,468,000
Purchase of investments	(4,218,503)
Investment income	<u>150,503</u>
Net cash flows from investing activities	<u>400,000</u>
Net change in cash and cash equivalents	332,592
Cash and cash equivalents, beginning of year	<u>593,159</u>
Cash and cash equivalents, end of year	<u><u>\$ 925,751</u></u>
<b>ON THE STATEMENT OF NET POSITION AS:</b>	
Cash and cash equivalent - unrestricted	\$ 699,966
Cash and cash equivalent - restricted	<u>225,785</u>
Total cash and cash equivalents	<u><u>\$ 925,751</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 596,723
Depreciation	786,732
Adjustments to reconcile operating loss to net cash flows from operating activities	
Changes in operating assets and liabilities:	
Accounts receivable	(338,683)
Materials and supplies	(50,002)
Prepaid expenses	(2,375)
Accounts payable	24,237
Accrued liabilities	(57,888)
Customer deposits	<u>3,930</u>
Net cash flows from operating activities	<u><u>\$ 962,674</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>	
Cash paid for interest	<u><u>\$ 130,729</u></u>

The Notes to Financial Statements are an integral part of this statement.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

Item 1.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Operations**

County Water District of Billings Heights (the District) was organized on August 29, 1958 as a quasi-governmental organization under Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated. At the time of its organization, the District was formed to provide an adequate water supply and distribution system for an unincorporated area northeast of Billings, Montana, commonly referred to as “Billings Heights”. Subsequent to the District’s organization and completion of the water supply and distribution system, a large part of the District’s service area has been annexed into the City of Billings, Montana, but the District continues to serve those annexed areas.

The County Water District of Billings Heights is governed by a Board of Directors. The Board of Directors is granted broad powers under Montana laws and the District’s governing documents. The Board of Directors consists of seven (7) individuals. Five (5) Board members are elected for four-year terms in elections held every two years. The terms are staggered so that no more than three terms expire in a single election year. Two (2) Board members are appointed; one (1) each by the City of Billings, Montana and the County of Yellowstone Montana.

Day-to-day operations of the District are managed by a general manager hired by the Board of Directors.

**Reporting Entity**

The District is a primary government, meeting the criteria embodied in Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity,” of a separately elected governing body, having a separate legal standing and being fiscally independent. There are no component units for which the District’s board is financially accountable.

**Basis of Accounting**

County Water District of Billings Heights maintains its accounting records and prepares its financial statements on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Operating revenues are defined as revenues derived from water usage, system buy-in and tap fees, and miscellaneous revenues related to the sale and distribution of water. Non-operating revenues include interest income and proceeds from the sale of capital assets.

**Cash and Cash Equivalents**

The District considers all highly liquid investments with original maturities of less than three (3) months when purchased to be cash equivalents for purposes of the statements of cash flows. However, board designated capital improvement funds are generally restricted as to use and, accordingly, such investments and cash balances are excluded from cash and cash equivalents even when specific investments and cash balances meet the “three month” definition. From time to time, certain bank accounts that are subject to limited FDIC coverage exceed their insured limits. At June 30, 2021, the District’s bank balance exceeded these insured limits by \$516,691.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Materials and Supplies**

Materials and supplies consist primarily of items used for the maintenance of the water supply and distribution system and is stated at the lower of cost (determined on the first-in, first-out basis) or market.

**Accounts Receivable**

Users of the system are charged a flat rate per month for their use. Uncollected fees at year-end are accrued. An allowance for uncollectible accounts is not maintained by the District as Montana law allows local Districts to collect unpaid debt each fiscal year by submitting the amount in arrears for collection on the County tax rolls and the collected amount is paid to the District when that customer pays his property taxes. If bad debts were to occur, they would be expensed using the direct write-off method. Although this method is not in accordance with GAAP, the difference in reporting uncollectible amounts between the direct charge-off method and using an allowance method is immaterial.

**Capital Assets**

Cost of capital assets acquired from third parties is recorded at actual cost less proceeds from certain grants and other reimbursements. Prior to December 13, 2006, the District had not adopted a formal capitalization policy and, accordingly, substantially all long-lived assets had been capitalized when acquired. On December 13, 2006, a capitalization policy of \$1,000 was approved by the Board.

The annual costs of replacing and adding service meters are capitalized and depreciated utilizing the useful lives disclosed below. When the meters become fully depreciated, the cost and related accumulated depreciation are removed from the capital asset accounts as it is impracticable to account for individual meters.

Real estate developers and other property owners construct water distribution system infrastructure to District specifications. If such specifications cost in excess of the amount that would have been incurred in meeting the requirements under local building codes, the District reimburses the third party for the excess cost. Whereas all such infrastructure added by real estate developers and other property owners becomes a part of the District's infrastructure, only the excess cost paid by the District is capitalized on the District's books.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Depreciation of capital assets is provided utilizing the straight-line method over the following estimated lives:

	<u>Estimated Life</u>
Main lines, reservoirs and services lines	25 to 50
Meters	5 to 15
Maintenance equipment and vehicles	5 to 10
Buildings and improvements	5 to 39
Office furniture and equipment	5 to 10

**Investments**

Investments are stated at fair value and, in accordance with the District's investment policy, consist primarily of United States Government obligations or certificates of deposit which are fully insured by the United States Government. As of June 30, 2021, the cost of investments approximated their fair value.

**Customer Deposits**

The District requires all customers to pay an advance deposit prior to their obtaining service. Interest at the rate of 6% per annum is paid on the customer deposits and is credited to each customer's monthly billing on the annual anniversary month of the deposit payment.

**Use of Resources**

It is the District's policy to utilize restricted resources only if and when unrestricted resources are depleted.

**Net Position**

Net position represents the difference between assets and liabilities. In the basic financial statements, net position is classified into the following categories:

*Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

Item 1.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position (Continued)**

*Restricted net position* – presents external restrictions imposed by creditors, grantors, or contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provision or enabling legislation. Additionally, this category represents restrictions placed on the categories of capital projects and debt service established by the Board of Directors.

*Unrestricted net position* – represents the net position of the District that is not restricted for any project or other purpose.

**Measurement Focus**

The basic financial statements of the District are reported using the economic resources measurement focus under the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the District. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

**Income Taxes**

As a quasi-governmental organization, the District is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes in the accompanying financial statements.

**Budgeting**

Although the District prepares an operating budget for purposes of financial management of operations and accountability to the Board of Directors, the District is not legally required to do so.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2021

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of June 30, 2021, cash and equivalents consisted of the following:

Unrestricted		
Petty cash	\$	250
Non-interest bearing accounts		
Unrestricted		448,820
Restricted - customer deposits		225,785
Interest bearing accounts:		
Unrestricted		250,896
Total cash and cash equivalents (a)	\$	<u>925,751</u>

- a) Under the terms of the bond resolution related to the Department of Natural Resources and Conservation revolving loan program (see Note 5), the District must maintain minimum reserves so long as the loans are outstanding. For June 30, 2021 the minimum required reserve was \$184,383.

**NOTE 3. CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2021 was as follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Capital assets:				
Land	\$ 245,961	\$ -	\$ -	\$ 245,961
Water distribution system	20,376,157	773,846	-	21,150,003
Maintenance equipment and vehicles	944,036	-	-	944,036
Structures and improvements	575,033	-	-	575,033
Office furniture and equipment	<u>132,502</u>	<u>6,236</u>	-	<u>138,738</u>
Total capital assets	22,273,689	780,082	-	23,053,771
Accumulated depreciation	<u>(8,975,577)</u>	<u>(786,732)</u>	-	<u>(9,762,309)</u>
Capital assets, net	<u>\$ 13,298,112</u>	<u>\$ (6,650)</u>	<u>\$ -</u>	<u>\$ 13,291,462</u>

**NOTE 4. INVESTMENTS**

As disclosed previously, the District’s basis of accounting was prescribed by the “1-1-63 Bond Resolution” prior to the fiscal year ended June 30, 2004. Such resolution required certain minimum investments to be maintained so long as any revenue bonds remained outstanding.



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

Item 1.

**NOTE 4. INVESTMENTS (CONTINUED)**

In addition, during the year ended June 30, 2006, the District contracted preparation of a capital improvement plan that identified \$15,000,000 of improvements to the District's infrastructure of which \$7,864,000 were identified as first priority projects. The original water supply and distribution system components are now approximately fifty-six (56) years of age, and the Board has anticipated that future system repair and replacement costs could eventually exceed funds generated from annual operations. Accordingly, prior to the termination of the "1-1-63 Bond Resolution" the Board of Directors elected to fund the Capital Improvement and Replacement Fund under that resolution in excess of the amounts required. Except as noted below, subsequent to the expiration of the "1-1-63 Bond Resolution" on January 2, 2003, the Board of Directors has not taken any action to undesignated capital improvement funds.

Accordingly, the accompanying financial statements have been prepared in accordance with previous Board designations. As a result of the designation of investments as capital improvement funds and the practice of periodically transferring all excess operating funds to the investment accounts, the unrestricted net position of the District ended the June 30, 2006 fiscal year with a deficit balance of \$(5,277). Accordingly, on December 13, 2006 the Board designated \$100,000 of the investment funds as an operating reserve. The unrestricted net position of the District also ended the June 30, 2012 and 2011 fiscal years with deficit balances of \$(385,409) and \$(317,798), respectively. On November 14, 2012 the Board designated \$245,000 of the investment funds as an operating reserve. Also, during the year ended June 30, 2013, a \$500,000 note payable to the Department of Natural Resources and Conservation (Loan A) was forgiven since the District satisfied the requirements set forth in the 2011 resolution and this amount was reclassified to unrestricted net position. Additional investment funds could be designated as operating reserves at its discretion subject to a Board resolution to cure any deficit. The unrestricted net position of the District ended the June 30, 2021 was a surplus of \$686,873.

The balance of investments restricted for capital asset additions and improvements as of June 30, 2021 consisted of the following:

Federally insured certificates of deposit and Treasury	
Bills with yields ranging from .05% to 3.25% and varying maturities from August 2021 to November 2024, face value	\$ 8,606,267
Cash fund with a yield of .01%	363,171
Accrued interest receivable	24,282
Unamortized premiums	45,551
	<u>\$ 9,039,271</u>

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2021

**NOTE 5. PLEDGED ASSETS AND LONG-TERM DEBT**

Long-term debt at June 30, 2021 is as follows:

Note payable to Department of Natural Resources and Conservation (Loan B), due in semi-annual installments including interest of 3%, through January 2031, secured by a revenue bond (see note below).	\$ 299,000
Note payable to Department of Natural Resources and Conservation, due in semi-annual installments including interest of 2.5%, through January 2036, secured by a revenue bond.	2,306,000
Note payable to Department of Natural Resources and Conservation, due in semi-annual installments including interest of 2.5%, through January 2036, secured by a revenue bond.	<u>1,843,000</u>
	4,448,000
Less current portion	<u>(257,000)</u>
Total long-term debt	<u><u>\$ 4,191,000</u></u>

Note: In September 2010, the State of Montana Department of Natural Resources and Conservation (DNRC), through its Drinking Water State Revolving Fund Program approved a loan to the District in the amount of \$1,038,000 which was represented and secured by a Revenue Bond in the amount of \$1,038,000. Loan A was for \$500,000 and was forgiven upon successful completion of the program requirements. Loan B is for \$538,000 for a term of 20 years at an interest rate of 3.00% per annum. Loan B was refinanced to obtain a lower interest rate (from 3.75%) during the year ended June 30, 2014.

The loan proceeds for all loans were borrowed for the purpose of designing, engineering, constructing, and installing certain improvements to the District's water system, including water main replacement, acquisition and installation of pumps, construction of reservoir, and other improvements and expansions.

The current aggregate maturities of long-term debt for the year ending June 30, 2021 are as follows:

2022	\$ 257,000
2023	262,000
2024	271,000
2025	277,000
2026	283,000
Thereafter	<u>3,098,000</u>
Total	<u><u>\$ 4,448,000</u></u>

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

Item 1.

**NOTE 6. COMMITMENTS AND CONTINGENCIES**

On June 18, 1963, the District entered into an exclusive water supply contract with the City of Billings, Montana. Under the agreement, which has no expiration date, the District and the City of Billings, Montana each agree to furnish, operate and maintain, at their own expense, all water supply and distribution lines and equipment from/to the point of delivery of such water supply. The agreement requires the City of Billings to provide a minimum water supply, but reserves the right to restrict the use of water by the District in the event that a shortage of water makes it necessary to impose restrictions. However, any such restrictions shall be no different than those imposed within the City of Billings own water delivery system.

The agreement with the City of Billings further sets an initial water rate charge to be paid by the District to the City of Billings and limits future increases to that which it simultaneously applies to all other users of the City's water. If for any reason, the City of Billings should fail to provide the contracted water supply to the District, there is no alternative source of water supply for the District's customers. Total water purchased by the District for the year ended June 30, 2021 was \$2,694,434. The amount payable for purchased water reflected in accounts payable in the accompanying statements of net position is \$3,221,360 as of June 30, 2021 (Also, see Note 13 for additional information relating to the prior period adjustment and subsequent event.)

As noted in Note 4 to the financial statements, the District has identified \$15,000,000 in capital improvement projects of which \$7,864,000 were identified as first priority projects. The original water supply and distribution system is now approximately 56 years old and the District must provide for new infrastructure as a result of growth within and surrounding the District's boundaries. Although management pursues federal monies to partially fund these costs, revenue bonds or similar municipal-type bonds could be issued to finance a portion of these anticipated costs.

**NOTE 7. RETIREMENT PLAN**

The District maintains a 401(k) defined contribution profit sharing plan covering substantially all employees meeting minimal eligibility requirements. Under the plan, the District matches employee contributions up to 10% of 50% of eligible compensation (effective rate of 5% of eligible compensation). The District may also make discretionary profit sharing contributions to the plan in an amount determined by the Board of Directors.

Employee contributions to the plan are fully vested immediately; employer contributions are vested 20% per year such that after five (5) years of service they are fully vested with the employee. All funding of the profit sharing plan is made on a monthly basis such that there were no unfunded contributions to the plan as of June 30, 2021. Total retirement plan contributions for the years ended June 30, 2021 amounted to \$56,296. The adoption of the profit sharing plan was made under a prototype document which has been qualified by the Internal Revenue Service under Internal Revenue Code §401(a).

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

**NOTE 8. COMPENSATED ABSENCES**

On January 8, 1997, the District Board of Directors adopted a compensated absences policy that states unused sick leave accumulates at the rate of one (1) day per month per employee, of which twenty-five percent (25%) is paid to employees at termination of employment at the employees pay rate then in effect. Effective August 10, 2011, the District Board of Directors adopted a policy that states vacation leave may be accumulated to a total not to exceed (2) two times the maximum number of days earned annually as of the end of the first pay period of the next calendar year. Excess vacation time is not forfeited if taken within 90 calendar days from the last day of the calendar year in which the excess was accrued. Vacation is earned based on how many years of employment the employee has with the District. Upon termination of employment, unused earned vacation will be paid at the current rate of pay after completion of the qualifying period.

**NOTE 9. CONCENTRATIONS**

The District maintains its primary bank accounts in two financial institutions located in Billings, Montana. Those balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Certificates of deposit held for investment purposes are held with various financial institutions throughout the United States and those balances are insured by the FDIC. Temporarily idle investment funds are maintained in cash deposits at brokerage firms which may or may not be federally insured. At June 30, 2021, the District's uninsured balances totaled \$516,691.

The District is engaged primarily in the delivery of water service to its customers. Assets that potentially subject the District to concentrations of credit risk consist primarily of trade accounts receivable. The District performs ongoing credit evaluations of its customers but generally requires no collateral except for minimal customer deposits. The customer base consists of water consumers within the District's geographical boundaries. As described above the District's sole available source of supply for water is the City of Billings, Montana.

**NOTE 10. WATER RATES**

The minimum water rate charged per month varies from \$19.61 per gallon to \$157.87 per gallon for the first 3,300 gallons of water used depending upon the consumer's meter size. All gallons over 3,300 per month are charged at the rate of \$4.27 per 1,000 gallons up to 20,000 gallons. The rate on the next 30,000 gallons is \$5.12 per 1,000 gallons. For usage in excess of 50,000 gallons, the rate is \$5.86 per 1,000 gallons. The number of meters billed for the month of June 2021 was 5,888.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

Item 1.

**NOTE 11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. During the fiscal year ended June 30, 2021, the District was insured with private insurance carriers for errors and omissions, liability, property, and crime damage. Coverage under those insurance policies was as follows:

Non-profit organization liability policy for directors and officers including employment practices	\$ 1,000,000
Commercial general liability	\$ 3,000,000
Commercial excess liability	\$ 1,000,000
Commercial automobile liability	\$ 1,000,000
Commercial automobile physical damage	Insured values
Building and contents	\$ 1,546,284
Equipment	Insured values
Inland marine	\$ 152,280
Crime insurance:	
Employee dishonesty, forgery, alteration and theft	\$ 50,000
Computer fraud	\$ 25,000

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements exceed insurance coverage in recent years. The District maintains a premium based health care insurance plan through Blue Cross Blue Shield called Blue Dimensions for substantially all full-time employees. Effective January 1, 2013, the District switched to this health insurance plan due to cost savings associated with the new plan.

Workers' compensation insurance coverage is maintained by paying premiums to the Montana State Fund, the default workers' compensation insurance provider for all employers in the State of Montana. The premium is calculated based upon accident history and administrative costs.

**NOTE 12. FAIR VALUE MEASUREMENTS**

The County Water District of Billings Heights is required to disclose the fair value for financial instruments, whether or not recognized in the statements of net position. A financial instrument is defined as cash, evidence of an ownership interest in an entity, or a contract that both impose a contractual obligation on one entity to deliver cash or another financial instrument to a second entity.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

**NOTE 12. FAIR VALUE MEASUREMENTS (CONTINUED)**

The following methods and assumptions were used by the County Water District of Billings Heights in estimating the fair value of its financial instruments:

*Financial Assets:* Due to the liquid nature of the instruments, the carrying value of cash and cash equivalents approximates fair value. The fair value of receivables approximates book value as the District expects contractual receipt in the near-term. Prepaid expenses represent payments made for next fiscal year's expenses and are recorded at fair value. Investments are valued as disclosed in Notes 1 and 4 based on quoted market prices and as of June 30, 2021 cost approximates fair value.

*Financial Liabilities:* The fair value of accounts payable and accrued expenses approximates book value due to contractual payment in the near-term. The fair value of the District's long-term debt is estimated based on the borrowing rates currently available for loans with similar terms and average maturities. The fair value of the long-term debt and carrying value is estimated to be the same.

**NOTE 13. PRIOR PERIOD ADJUSTMENT AND SUBSEQUENT EVENTS**

In the fall of 2018, the County Water District received an invoice from the City of Billings (water supplier) for past, previously unbilled, water charges that were the result of errors made by the City of Billings in converting water to and from gallons from another unit of measurement. Those errors by the City of Billings began in approximately December of 2014 and were not discovered and corrected for over two years. The total error asserted by the City of Billings and billed to the County Water District amounted to approximately \$2.5 million for that period of time.

The District, in consultation with legal counsel determined it would owe approximately \$550,000 and had accrued a liability as of June 30, 2018 for that amount with a charge to water purchased in the accompanying financial statements. On April 13, 2022, the District Board approved a settlement for \$2,936,252, which the District paid on April 19, 2022. The additional liability was accrued as of June 30, 2021 and a prior period adjustment to net position was recorded.

The District has evaluated events and transactions that have occurred from the date of the financial statements through [REDACTED], 2022, which is the date that the financial statements were available for issue.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Board of Directors  
County Water District of Billings Heights  
Gallatin Gateway, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County Water District of Billings Heights (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [REDACTED], 2022.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as item 2021-001, 2021-002 and 2021-003 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **County Water District of Billings Heights Response to Finding**

County Water District of Billings Heights' response to the finding identified in our audit is described in the accompanying Schedule of Findings and Recommendations. We did not audit County Water District of Billings Heights' response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Billings, Montana  
2022



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2021

Item 1.

**Finding #2021-001 – Segregation of Duties and Financial Statement Preparation – Significant Deficiency**

*Criteria:* County Water District of Billings Heights is a small organization with limited personnel and thus limited ability to segregate duties. Further, the Organization does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited.

*Condition:* A good internal control structure contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. Management requested us to draft the financial statements and accompanying notes to those financial statements.

*Cause:* Although the circumstance is not unusual for an organization of this size, the absence of controls over segregation of duties and preparation of financial statements increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, by the Organization's internal control.

*Effect:* This significant deficiency could result in a material misstatement to the financial statements.

*Recommendation:* It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations. In order to mitigate the inability to segregate duties, management and the Board of Directors should continue to exercise effective oversight.

*Management Response:* There is no disagreement with the finding and management and those charged with governance are aware of the significant deficiency and will continue to provide the appropriate oversight to mitigate the risk.

**Finding #2021-002 – Preparation of Annual Budget**

*Criteria:* County Water District of Billings Heights is not required by law to prepare an annual budget, but an appropriate internal control policy would require management to prepare and submit a budget to the Board of Directors each year for approval and then compare actual results to the budget each month and report that to the general manager and the Board.

*Condition:* Even though the District has reported in its audited financial statements that it prepares a budget each year, we were not able to obtain a copy during our audit, nor did we find a comparison of actual results to the budget in the Board packets.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONTINUED)  
Year Ended June 30, 2021

Item 1.

**Finding #2021-002 – Preparation of Annual Budget (Continued)**

*Cause:* Unknown

*Effect:* This significant deficiency could result in limiting Board and management oversight to mitigate possible fraud or a material misstatement to the financial statements

*Recommendation:* We recommend management prepare an annual budget, including capital expenditures, for approval by the Board of Directors each year and then prepare budget to actual comparison reports for management and the Board oversight each month. This will help management make better and quicker decisions on expenditures that have prior approval by the Board through the budget process. Salary and compensation adjustments to personnel should be approved by the Board with the budget.

*Management Response:* There is no disagreement with the finding and management and those charged with governance are aware of the significant deficiency and will continue to provide the appropriate oversight to mitigate the risk.

**Finding #2021-003 – Investment Policy and Excess Cash**

*Criteria:* County Water District of Billings Heights is not required by law to adopt an investment policy, but an appropriate internal control procedure would be for the District to adopt an investment policy approved by the Board of Directors.

*Condition:* The District has significant investments, however, it does not have a formal investment policy. The District should develop and adopt a written investment policy, which should address the following:

- The investment objectives (that is, increase earnings, provide specific returns, or maintain accessible cash reserves).
- The person authorized and responsible for investments.
- The maximum amounts for investments and the approval criteria.
- The types of authorized investments.
- The desired mix of products (especially those considered to create risk).
- A goal for the amount of return expected.
- Approved vendors of investment products.
- The maximum length of time cash can be committed.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONTINUED)  
Year Ended June 30, 2021

Item 1.

**Finding #2021-003 – Investment Policy and Excess Cash (continued)**

- The criteria for investments versus debt repayment.
- The handling of emergency cash needs.

*Cause:* Unknown

*Effect:* This significant deficiency could result in limiting Board and management oversight which could cause a material misstatement to the financial statements and limit investment returns.

*Recommendation:* We recommend management prepare and the Board adopt an investment policy. We also recommend that the District investigate the possibility of investing some of its excess cash in higher yielding products approved by state law.

*Management Response:* There is no disagreement with the finding and management and those charged with governance are aware of the significant deficiency and will continue to provide the appropriate oversight to mitigate the risk.

**Status of Corrective Action on Prior Findings**

**Finding #2020-001**

Repeat finding (see current year finding #2021-001).

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH BOND RESOLUTION

To The Board of Directors  
County Water District of Billings Heights  
Gallatin Gateway, Montana

We have audited the financial statements of County Water District of Billings Heights (the District), as of and for the year ended June 30, 2021, and have issued our report thereon dated           , 2022.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the provisions of the County Water District of Billings Heights' bond resolution relating to \$5,725,000 Water Revenue Bonds (DNRC Drinking Water State Revolving Loan Program) consisting of \$538,000 Series 2011 Bond, \$2,987,000 Series 2016 Bond, and \$2,200,000 Series 2017 Bond and related regulations is the responsibility of County Water District of Billings Heights' management. As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of County Water District of Billings Heights compliance with the bond resolution and related regulations. However, our objective was not to provide an opinion on overall compliance with the bond resolution and related regulations. Accordingly, we do not express an opinion of County Water District of Billings Heights compliance with those provisions.

The results of our audit procedures did not disclose any material instances of noncompliance with the requirements referred to above.

This report is intended solely for the information and use of the Board of Directors, management, the Department of Natural Resources and Conservation of the State of Montana, and the Department of Environmental Quality of the State of Montana and is not intended to be and should not be used by anyone other than these specified parties.

Billings, Montana  
          , 2022



## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### Finance Committee Meeting Minutes

April 27, 2022 at 11:00 AM

Board Room, County Water District of Billings Heights 1540 Popelka Dr.

**CALL MEETING TO ORDER:** President Ming Cabrera

#### WELCOME AND INTRODUCTIONS

**BOARD MEMBERS PRESENT:** IN PERSON Ming Cabrera, Laura Drager, Pam Ellis

**STAFF PRESENT:** Peyton Brookshire, Josh Simpson, Suzie McKethen, Jenn Burnside

**First Interstate Bank Staff:** Jodi Jordan, Vice President and Regional Treasury Manager; Jason Monroe, Commercial Payments Consultant; Sydne Visser, Treasury Solutions Officer, Randy J. Koliha, Vice President and Wealth Advisor

The purpose of the meeting was a “relationship review” with First Interstate Bank. Heidi Boeshans suggested that given the assets we have had at FIB, we should meet annually for a relationship review and recommendations from FIB specialists.

Ming Cabrera said his main concern was that the District had \$1,000,000 at the bank earning no interest. We also want to stop fraud.

Pam Ellis said the goal of the meeting was a relationship review and to get recommendations from FIB staff. She believes that the District has not paid adequate attention to the money. \$250,000 is the limit of FDIC insurance at any one institution and the District has had \$1,000,000 at FIB.

Jodi Jordan said for at least the last five years there has been no interest to be had in the markets. Is the priority of the Board to be secure, to earn more interest, or a mixture of both. Pam Ellis said the District is a government entity so we have strict guidelines set by statute. She is earning .25% interest from her credit union money market account; the District is earning .01% from FIB. She is earning more money in a year from half the investment than the District earned in 11 years in the Money Market account at FIB. Better interest has been available in the past 11 years; the District just did not pay attention.

Randy’s wheelhouse can probably earn the best return. Consider the liquidity that the District requires. Can you chunk off \$500,000 or \$250,000 and not access for awhile or does the money need to be readily available? Randy Koliha said FIB manages money for a lot of entities; the District is limited to the investments we can use. Would love to use corporate bonds or high yield bonds. They have a higher return but those bonds lose principal when the rates rise. Most school districts are investing in assets link Treasuries. The Federal Reserve meets again May 4<sup>th</sup> and are projected to raise the interbank lending rate another 50 basis points. The June meeting is also predicted to raise rates another 50 basis points. A managed account has liquidity. If you put money in, the money can be available within 2 business days. That has a minimum investment of \$450,000-\$500,000. The District would have a team assigned to the account with a Wealth Advisor, Portfolio Manager, and an Assistant that is designated to the account. The team does annual portfolio reviews. Will use Treasuries. The interest rates can fluctuate, but if you hold the Treasury to maturity, the principal and interest are guaranteed.

Recommend laddering Treasuries—maximum 2 years. There are only 2 basis points difference between a 2 years and 5 year Treasury. The bank consistently monitors the interest rate environment.

Ming Cabrera asked Peyton how much he needs in liquid assets. Peyton estimated in the \$250,000 range given the current projects. Ming also had a question about April 2020; did anybody have a meeting with the Heights Water Department and doing anything with these accounts. Response: In April of 2020 was when the checking accounts were changed from an interest-bearing account to a non-interest bearing account. The District was making about \$10 a month in interest and paying about \$100 a month in fees. Laura Drager shared information from Dianne Crees: we had fees that the bank was charging in excess of \$1000; some months they were as high as \$2000. By making the change, our fees dropped to about \$300 on our checking account.

Laura Drager asked Randy Koliha what the cost to the Water District would be for Wealth Management services. Randy said they have a published fee schedule. For a fixed income portfolio we would usually try to discount it by half. He would need to have that approved before he could quote a fee. Most of the time those fees are about 50 basis points. Right now their published fees are 2.2%; as the interest rates increase, the bank will purchase higher yielding investments. That is just the annual advisory fees. All trades are within the fees charged. Now investments should be kept really short term—do not go beyond a year or two.

Laura Drager asked about the opportunity to put additional money into these funds. This account is set up to move money in and out—and it doesn't have to be a bank account at First Interstate. Pam Ellis noted that the city and county both have their money invested with the state of Montana (STIPS). The state deposits withdrawals in 24 hours. Randy said the bank promises two days but often can deposit money in one day, depending on the investments. Treasuries are very liquid. Randy said the goal would be to get the District better yields. If the District purchases individual bonds, they need to be held to maturity to guarantee return of principal and interest.

Ming Cabrera noted that one of the goals in settling the lawsuit with the City of Billings is that when the District is in litigation, they have difficulty selling bonds for capital improvement projects. Laura Drager noted that the District had a T-bill that matured on April 26 for \$750,000. Can she move that money into this account (Yes). How do the fees get allocated. We are looking for transparency in the fees. Randy said it is based on the Market Value of the account; the fees are calculated and are shown on the statement.

Laura Drager asked Jenn Burnside what her preference would be for how often the District saw a statement. Jenn said right now we get monthly statements from FIB. Pam noted that the Money Market statements are quarterly. Randy said the frequency of statements would depend upon the type of investment. Investments are usually a little longer term.

Ming Cabrera asked how competitive FIB is with other banks; Chase Manhattan would probably give us the world because they are new in town. Randy says FIB is set apart because they have multiple resources and staff to help the District meet their goal. A lot of the banks don't offer the full range of services. Wealth management fees are competitive. We do a lot of schools, churches, tribes. We understand government entities.

Laura Drager asked about the turn over rate within the department. Randy has been at FIB for twenty plus years, Jodi 25 years, Sydne 8 years but she loves her job and is staying,. Randy says we love doing relationship reviews because it is really brainstorming. The goal is what can we improve on, what can

we make better? What's happened in the past has happened, but now going forward, let's see what we can do. Fraud is huge so we need to protect the money. Holistically, we want to look at the whole account.

Pam Ellis said she was concerned about the checking account. The District has 3 accounts and we are paying fees for "positive pay" which is only protecting the District on one of the three accounts. Ming has seen fraud on 2 of his personal checking accounts in the last month. Synde said the bank is seeing a lot of fraud. Pam would like recommendations from FIB.

Synde said they initiated positive pay as quickly as possible. All the fraudulent checks were denied. The bank wanted to start with the main account, and when that does well, add other accounts. The other accounts have not been compromised but it truly is a matter of time.

Positive Pay is the fraud monitoring system. When a check is written, they upload the file into the positive pay program. If any check comes through that doesn't monitor what has been uploaded, the District will get a call asking if they want to pay. The District has full autonomy to pay or reject a check in 24 hours where no one is "at fault". Also monitors ACH (electronic transfers out of the account).

Ming Cabrera asked if it would be easier for the District to have more credit card charges than checks. If a charge on a credit charge is fraudulent, the bank has a lot more time. From an internal accounting standpoint, it may make a difference. Credit cards is a driving factor. The bank does have fraud protection on credit card charges. Another benefit for a credit card program is getting a rebate back. FIB does a vendor analysis for similar industries. The bank reviews the vendor names, address, phone #. They are able to process through a "merchant match" through Mastercard that rates the vendors. Once they accept, they call the vendor directly and ask if they are accepting cards with no fees. The once they have a list of vendors that will accept credit card payments with no fees, the bank can make a recommendation about whether it is beneficial to build a credit card program. We know how much spending can be charged and what the overall spending is. Inside this report, once the vendors say they are accepting cards but there is a fee. Then do they accept ACH. That takes another check out of the mail so we maneuver another type of payments into a virtual payment. Checks will always be around to some extent. Goal would be to reduce the number of checks. In a perfect world, we can probably give positive pay monitoring on the backside. We can provide positive pay on all your accounts, just in certain steps. At the end of the day, checks take man hours, there are a lot of things that go into it besides the fact that people are trying to fraudulently reproduce the checks.

Laura Drager asked if on the monthly statement is there a way of identifying the merchant type so that it easier for our staff. If we increase the use of credit cards, as they pay the bill it increases the time because they have to allocate each charge on that bill to a separate expense. Jenn said the software allows to apply a rule so that the charge is automatically identified.

To reconcile the statements by industry—if we have direct departments that are making purchases at different times, those cards can be dedicated to those departments on the embossment of the card. Each one of the departments would be making dedicated payments. If we are making through one large AP area, but the District is recoding afterwards. FIB has enhanced accounting software that would allow the clerk to pick a code via a drop down menu. FIB has done it both ways depending upon how the District is set up. The once we get the report. Certain departments will carry more opportunity for cards. If there is an invoice or a PO, the credit card payments are not automatic; the District still needs to review. The District is already using ICORP, it is just using it in a different way.

Pam Ellis asked Stefeni Frees, the District auditor if there was any purpose in having three separate checking accounts. Her response was no, there is no purpose. FIB said old school accounting was you always kept your payroll separate. The District only writes 1 or 2 checks out of payroll. Everything else is tax payments. You are sending your payroll funds to another checking. The bank recommendation would be to close at least one of the checking accounts. Pam Ellis recommended closing 2 of the 3 checking accounts including the one that was hacked.

Laura Drager asked for staff input. Jenn's response said that for right now it is easier for her to have 3 accounts because right now she is just getting her feet wet. Right now she is still learning her job and she does not want to change anything until she knows her job.

Laura Drager said she would not like to make any major moves until we have Black Mountain Software and until we receive the audit. Laura Drager had to leave for a meeting with legislators.

Jenn has spoken to the bank about securing the other 2 accounts but she wanted to get familiar with the process first with the account that was hacked. The plan was to have all 3 accounts on positive pay. Checks are not the only thing we have to worry about when we see fraud. ACH is a huge piece too. So when we have seen fraud on one account with clients, it is just a matter of time until other accounts are hit. Positive pay for one account is \$20 per month; covering all 3 accounts is \$50 per month. Peyton said he agrees that the once Jenn is comfortable, it would be smart to reduce to one account. Three accounts is "old school" and Dianne retired. Jenn said that 6 months from now we can revisit these issues. FIB is happy to come out again in 6 months. \$250,000 is the maximum amount that is FDIC insured at any institution for all accounts.

Pam Ellis mentioned that the feedback she heard from the bank was how many checks we are writing; each check we write or deposit is a fee charged by the bank. The District charges 3% if they pay their bill by credit card; we accept their checks without a fee though we pay a fee to deposit the checks. Are we losing money on that process?

Suzie made a big push to get people on the ACH collection piece. It's cleaner, it's faster and the Districts gets the money when they are supposed to get the money. Jenn said there is a snafu. Suzie said one person billed by BDS was billed every month but the ACH paid was deducted every other month.

Pam Ellis asked how BCS and Black Mountain fit together. BDS is just our credit card service. FIB charges 10 cents for every check not written on an FIB account; if it is an FIB check, the charge is 7 cents. We had 1100 transit checks and more than 400 deposited checks in March. The total fees charged were \$235. The minimum fee for paying by credit card is \$2. Jenn noted that if we had a credit card processing company that did not charge the \$2, we would have more people who paid by credit card. The District maybe able to negotiate the fee. Many businesses do not charge the credit fee to customers. The District would have the option to assume the fee but build the costs into our rate structure. What's the happy medium? Pam Ellis noted that Beartooth Electric allows payment by credit card and does not charge fees; Verizon discounts \$20 a month on the bill if someone pays with a Verizon Credit card or ACH. The electrical utility Laura worked for estimated their costs for processing each check at \$1.94 (based on Pam's memory). She doesn't want ACH because she doesn't want her bank information accessible through the software. FIB recommended the District get in touch with their Merchant Services Representative, Mike Peterson. He may have some creative ways to help.



In terms of the relationship reviews, FIB will be doing them every year going forward to make sure everything is going well. The District needs to be relevant in an efficient and cost effective way. FIB recommended the District look into building the credit card fees into the rate structure. Businesses like carpet companies, etc. build the credit card fees into their prices rather than add an additional charge for fees on the card. Suzie does not think it would be right to charge everyone for the credit fee when only a small percentage of customers use credit cards. Labor to process the checks maybe more expensive than the 3% credit card fee. One of the recommendations in favor of Black Mountain is that it saves a lot of staff time. That makes purchase of Black Mountain software worthwhile despite the cost. The ratepayers are currently paying \$300 a month on check processing fees, not including the labor to process each individual check. A number of Districts in Montana are using Water Sense for their billing software. It may or may not be better; Big Sky Water and Sewer District uses Water Sense and have reported that their customers really like it. It may be worth talking to Big Sky to see what the advantages and disadvantages maybe. We pay \$10,000 a year now to Black Mountain for the billing software components we are using. FIB suggested maybe having a cap so that smaller bills are not charged a credit card fee to get more customers paying by credit card. If you reduce the number of customers writing checks by 35%, that is where the District may reach a break even point. Maybe there is a unique way FIB. People stopped paying by credit card when the District started charging the fee. There are many different ways to accept money. The GenXers don't even know cursive. The District will need to be fluent in how we accept payments. FIB said that they believe if the District actually looked at the data, that would find that it is more than a 3% cost to process the checks than the 3% charged additional on credit cards. FIB recommended negotiating the credit card fee. Beartooth Electric decided it was more cost effective to not charge a credit card fee; their billing company said most utilities are choosing not to charge credit card fees. Jenn and Pam agreed they would both pay on credit card if there was no additional charge. Jenn said if we don't charge for credit cards, people would have more options about how to pay. Some will continue to write checks; some will pay by credit card, some will select ACH. FIB estimated that from the number of checks we are processing, it would be more beneficial for the District not to charge a 3% processing fee. Would need to dive into the data. Where is the break even point? He would assume that eating the fees would be more cost effective. Work with Mike to see if we can reduce the credit charge fees. If the District is able to negotiate the fees we are charged on a credit card to 1% and the card pays 1% in return, it balances out to 0%.

FIB has offered a myriad of products. FIB can break it down and then the District picks the services we want. FIB wants to come back and go over their report. Ming Cabrera said the Board wants to be able to work with the staff and FIB without accusations flying around. Pam Ellis noted that Heidi Boeshans said she could not see that the District has had a relationship analysis for a decade. The District needs a relationship analysis on a regular basis and with the kind of money we have had at FIB, it should have offered (and maybe it was). FIB said they were not given the opportunity to talk with the Board. It was taken back to the board. So this is a nice change for FIB. Ming Cabrera said he really appreciate the feedback from FIB. Jenn said it is supposed to be brought to the staff and the staff take it to the Board. Pam Ellis noted that that is not correct. The Board is responsible for fiscal management. FIB is not the first group that told the Board they were allowed to speak to the Board directly and who felt that was inappropriate. Pam personally feels that is inappropriate. It's a joint decision making, but at the end of the day, the Board decides the fiscal direction of the District. FIB noted it is also good for the education of the Board; a lot of Boards do not understand. Day to day we have to respect Jennifer, Josh and Peyton in their day to day operation. FIB wants to look out for what is best and how they can assist.

Ming Cabrera said it may make a difference who is on the board. If it is an involved board, he believes it is better for everybody if the board interacts directly rather than sitting back. At the end, the Board needs to take a look at the fiscal management. So it can be done without fighting and screaming at each other. Pam Ellis likened to playing telephone as a kid. No matter how honestly people pass on the information, it is never accurate by the time it gets to the last person. It is not effective to have all information passed on second hand. Look at the questions that were raised today.



COMPLIANCE SUPPLEMENT FOR AUDITS OF LOCAL  
GOVERNMENT ENTITIES

CASH & INVESTMENTS

REVISION DECEMBER 2019

REF: CT04

**Contents**

MUNICIPAL TREASURER AS CUSTODIAN OF PUBLIC MONEY..... 2

DEPOSIT OF PUBLIC FUNDS IN FINANCIAL INSTITUTIONS..... 2

INVESTMENT IN OBLIGATIONS/AGENCIES OF THE UNITED STATES..... 2

SHORT-TERM INVESTMENT POOL (STIP)..... 4

LONG-TERM INVESTMENT OF LOCAL GOVERNMENT FUNDS..... 4

DEMAND DEPOSITS ..... 5

TIME & SAVINGS DEPOSITS & REPURCHASE AGREEMENTS..... 5

INTEREST RATES ON DEPOSITS OF PUBLIC MONEY..... 6

DEPOSIT INSURANCE COVERAGE ..... 6

PLEGGED SECURITIES..... 7

INVESTMENT IN REGISTERED WARRANTS..... 9

INVESTMENT OF BOND PROCEEDS ..... 9

PETTY CASH FUND..... 9

CASH TRANSFERRED BETWEEN FUNDS ..... 9

INVESTMENT OF FIRE DEPARTMENT RELIEF ASSOCIATION MONEYS ..... 10

## **MUNICIPAL TREASURER AS CUSTODIAN OF PUBLIC MONEY**

The municipal treasurer shall receive, disburse, and serve as the custodian of all public money; provide for accountability of all local government cash receipts and for deposits and investments of all departments, offices, and boards; pay out, in the order registered, all warrants presented for payment when there are funds in the treasury to pay the warrants; and require periodic departmental reports of money receipts and their disposition on forms that the municipal treasurer prescribes.

MCA 7-6-612

**Special District Money:** All money received by a special district, including interest and earnings accrued, must be deposited in an account held only for the special district by the office of the county treasurer, city treasurer, or town clerk. See CT16, Special Districts, for listing of special districts for which this provision is or is not applicable.

MCA 7-11-1026(2)

## **DEPOSIT OF PUBLIC FUNDS IN FINANCIAL INSTITUTIONS**

Except as provided in the following 3 MCA sections, it is the duty of all city treasurers and town clerks to deposit all public money in their possession and under their control only in solvent banks, building and loan associations, savings and loan associations, or credit unions. The city/town council may deposit public money not necessary for immediate use in a savings or time deposit with any of these authorized financial institutions or in a repurchase agreement as authorized in 7-6-213.

MCA 7-6-201(1) & (2); MCA 7-6-4601

MCA 7-6-202 - obligations of the United States

MCA 7-6-206 – time & savings deposits or repurchase agreements

MCA 7-6-2701 – registered warrants of entities (county, municipal, hospital district, or school district) located in the same county

## **INVESTMENT IN OBLIGATIONS/AGENCIES OF THE UNITED STATES**

A city or town may invest public money not necessary for immediate use in the following eligible securities:

- a. United States government treasury bills, notes, and bonds, and United States treasury obligations, such as state and local government series (SLGS), separate trading of registered interest and principal of securities (STRIPS), or similar United States treasury obligations;
- b. United States treasury receipts in a form evidencing the holder's ownership of future interest or principal payments on specific United States treasury obligations that, in the absence of payment default by the United States, are held in a special custody account by an independent trust company in a certificate or book-entry form with the Federal Reserve Bank of New York; or

c. obligations of the following agencies of the United States, subject to the limitations of subsection 7-6-202(2)

- i. Federal Home Loan Bank;
- ii. Federal National Mortgage Association;
- iii. Federal Home Mortgage Corporation; and
- iv. Federal Farm Credit Bank.

Investments with these agencies is authorized only if the investment is a general obligation of the agency and have a fixed or zero-coupon rate and must not have prepayments that are based on underlying assets or collateral, including but not limited to residential or commercial mortgages, farm loans, multifamily housing loans, or student loans.

d. United States government security money market fund if:

- i. the fund is sold and managed by a management-type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 80a-64), as may be amended;
- ii. the fund consists only of eligible securities as described above;
- iii. the use of repurchase agreements is limited to agreements that are fully collateralized by the eligible securities, as described in this section, and the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian;
- iv. the fund is listed in a national financial publication under the category of “money market mutual funds”, showing the fund’s average maturity, yield, and asset size; and
- v. the fund’s average maturity does not exceed 397 days.

MCA 7-6-202

Revisions made to MCA 7-6-202 (above), by the 1995 Legislature were effective April 13, 1995. An applicability clause in the legislation specified that these revisions do not apply to and do not require the sale of securities that were legal investments before this effective date. However, upon liquidation of such investments, the proceeds must be invested pursuant to the revised MCA 7-6-202. This applicability clause has been interpreted to mean that mutual fund dividends may not be reinvested after the effective date unless the mutual fund is a United States government security money market fund meeting the criteria specified in the MCA 7-6-202(3), as revised.

**Maturity Date Limitation:** An investment authorized in this part may not have a maturity date exceeding 5 years, except when the investment is used in an escrow account to refund an outstanding bond issue in advance.

MCA 7-6-202(4)

**Note:** Please see subsections for exceptions to this limitation related to (1) investment of assets of a local government group self-insurance program and (2), sinking fund investments for balloon payments on qualified construction bonds.

MCA 7-6-202(5) & (6)

## **SHORT-TERM INVESTMENT POOL (STIP)**

Provisions of 7-6-202 may not be construed to prevent the investment of public funds under the state unified investment program established in Title 17, chapter 6, part 2.

MCA 7-6-202(7)

The unified investment program directed by Article VIII, section 13, of the Montana constitution to be provided for public funds must be administered by the Board of Investments (BOI). Included in the separate investment funds that must be maintained in the unified investment program is a pooled investment fund.

MCA 17-6-201(1) & MCA 17-6-203(3)

The governing body of any city, county, school district, or other local government unit or political subdivision that has funds that are available for investment and are not required by law or by any covenant or agreement with bondholders or others to be segregated and invested in a different manner may direct its treasurer to remit the funds to the state treasurer for investment under the direction of the BOI as part of the short-term pooled investment fund.

MCA 17-6-204

STIP is no longer managed as a 2a7-like portfolio. The investment portfolio consists of securities with maximum maturity of 2 years or less. The BOI utilizes Net Asset Value (NAV) to report its investments at fair value in its own financial statements. Local government monthly statements provide amortized cost values. For year-end reporting, BOI provides a “NAV factor” to be applied to the amortized cost amount, to arrive at the fair value of the local government’s investment.

- a. Share prices are fixed at \$1 per share.
- b. To initiate a buy or sell of STIP shares, one business day’s notice is required.
- c. STIP income is distributed on the first calendar day of each month. Shareholders have the option to automatically reinvest their distribution income in additional shares.

For additional information, see <http://www.investmentmt.com/STIP/Default.mcp>

## **LONG-TERM INVESTMENT OF LOCAL GOVERNMENT FUNDS**

- (1) The governing body of any city, county, school district, or other local government unit or political subdivision may participate in the various investment pools or other investments offered by the board of investments not otherwise prohibited by law.
- (2) A local government may invest with the board of investments under this section if:
  - (a) the source of the original principal for investment with the board is from an identifiable action or event such as a legal settlement, judgment, bequest, insurance settlement, trust fund, or other one-time source of funds;
  - (b) the local government does not anticipate the need to expend 50% or more of the original principal for investment within 5 years from the initial investment with the board;
  - (c) the initial investment is at least \$10 million; and
  - (d) the local government agrees to the board's investment policies, including those addressing liquidity needs, risk and return considerations, asset allocation,

permissible investments, and any other necessary investment considerations or limits.

- (3) The board of investments is not obligated to accept any funds for investment under this section. No local government is obligated to invest with the board under this section.

MCA 17-6-205

### **DEMAND DEPOSITS**

Demand deposits may be placed only in banks.

MCA 7-6-205

### **TIME & SAVINGS DEPOSITS & REPURCHASE AGREEMENTS**

Public money not necessary for immediate use by a city or town that is not invested as authorized in 7-6-202 may be placed in time or savings deposits with a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in 7-6-213 (see below).

MCA 7-6-206(1)

**Bidding Provisions:** The local governing body may solicit bids for time or savings deposits from a bank, savings and loan association, or credit union in the state. The local governing body may deposit public money in the institutions unless a local financial institution agrees to pay the same rate of interest bid by a financial institution not located in the county, city, or town. The governing body may solicit bids by notice sent by mail to the investment institutions that have requested that their names be listed for bid notice with the department of administration. Money placed in repurchase agreements is also subject to these provisions.

MCA 7-6-206(1) & (2)

**Out-of-State Certificates of Deposit** - In addition to other investments authorized above, public money not necessary for immediate use by a city or town may be invested in accordance with the following conditions:

- (a) the money is initially invested through a federally insured financial institution in the state selected by the governing body;
- (b) the selected in-state financial institution arranges for the deposit of the funds of the city or town in one or more federally insured financial institutions, regardless of location;
- (c) the full amount of principal and accrued interest on each deposit is covered by federal deposit insurance; and
- (d) the selected in-state financial institution acts as the custodian for the city or town with respect to the deposit issued for its account.

MCA 7-6-206(3))

**Repurchase Agreements:** A financial institution may contract with a local governing body to establish one or more repurchase agreements, including daily repurchase agreements.

MCA 7-6-213

A repurchase agreement is a contract that specifies the minimum and maximum of public money that the local governing body will invest under the contract in securities that the financial institution will sell to the local governing body and that the financial institution will repurchase on mutually agreeable terms. A repurchase agreement is not a demand account.

The local governing body may maintain in the same financial institution contracting for the repurchase agreement a demand account into which each business day shall be deposited a sum equal to the day's disbursements, and that deposit will be the proceeds of the redemption by the financial institution of securities previously purchased by the local governing body under the provisions of the repurchase agreement, so that the balance of the demand account at the close of each day's business will be zero.

**Bidding Provisions:** The local governing body shall call for bids as provided in 7-6-206 (see above) to contract for a repurchase agreement from all financial institutions chartered to do business in the state of Montana which are authorized to accept demand deposits and to buy and sell securities. The call for bids shall specify the minimum acceptable rate of interest, effective date of the repurchase agreement and the period of duration and range of funds to be invested.

There is no express or implied limitation on a county treasurer's ability to use the services of an investment or brokerage firm to purchase approved securities; however, an investment company may not be used in making demand or time deposits because that form of transaction is restricted to banks, savings and loan associations, and credit unions.

AGO #25, Vol. 42.

Although, this AGO is specific to a county treasurer the same holding would also apply to a municipality.

### **INTEREST RATES ON DEPOSITS OF PUBLIC MONEY**

Public money deposited pursuant to 7-6-4601 shall bear interest at a rate no less than the rate of interest paid on money from private sources on the same terms. Refusal of any bank, building and loan association, savings and loan association, or credit union to pay that same interest rate shall constitute a waiver of that institution's right to participate in the deposit of public funds.

MCA 7-6-203 and MCA 7-6-4602

### **DEPOSIT INSURANCE COVERAGE**

**Federal Deposit Insurance (FDIC):** FDIC insurance covers all deposit accounts placed in banks and savings associations, including checking and savings accounts, money market deposit accounts and certificates of deposit. For detailed information on deposit insurance for accounts held by government depositors, see: <http://www.fdic.gov/deposit/deposits/FactSheet.html>

**Official Custodian:** A public unit (including a political subdivision) is insured through its official custodian. If the same individual is an official custodian for more than one public unit, he



or she is separately insured for the deposits belonging to each public unit. Deposit insurance coverage cannot be increased by dividing funds among several putative official custodians who lack plenary authority over such funds. Likewise, coverage cannot be increased by dividing funds among several accounts controlled by the same official custodian for the same public unit.

All **time and savings deposits** (including NOW accounts and money market deposit accounts but not interest-bearing demand deposit accounts, which were permitted after July 21, 2011) owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000.

Separately, all **demand deposits** (including both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal) owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000.

The standard insurance amount is \$250,000 per depositor.  
Dodd-Frank Wall Street Reform and Consumer Protection Act

For more information about FDIC coverage, go to <https://www.fdic.gov/index.html>

**National Credit Union Administration (NCUA):** NCUA insurance covers members' accounts (savings accounts, share draft accounts, money market accounts and share certificates) in all federally-chartered credit unions and in most state-chartered credit unions. All accounts held by a member will be added together and insured up to the basic insurance amount.

The basic insurance amount is \$250,000 per individual account holder, per federally insured credit union. (Dodd-Frank Wall Street Reform and Consumer Protection Act)

For more information about NCUA coverage, or an electronic share insurance calculator, go to <http://www.ncua.gov/DataApps/Pages/SI-NCUA.aspx>

## **PLEGGED SECURITIES**

The treasurer or town clerk shall take from the bank, building and loan association, savings and loan association, or credit union security that the local governing body may prescribe, approve, and consider fully sufficient and necessary to ensure the safety and prompt payment of all deposits, together with the interest on any time or savings deposits.

MCA 7-6-201(3)

All deposits must be subject to withdrawal by the treasurer or town clerk in amounts that may be necessary. A deposit of funds may not be made or permitted to remain in any financial institution until the security for the deposit has been first approved by the local governing body and delivered to the treasurer or town clerk.

MCA 7-6-201(4)

**Level of Security:** The local governing body may require security only for that portion of the deposits that is not guaranteed or insured according to law and, as to the unguaranteed or uninsured portion, to the extent of:

- (a) 50% of the deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or
- (b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of less than 6%.

MCA 7-6-207(1)

**Allowable Securities:** The security must consist of those enumerated in 17-6-103 or cashier's checks issued to the depository institution by any federal reserve bank.

MCA 7-6-207(1)

See MCA 17-6-103 for listing of the types of securities that may be pledged or the guarantees that may be issued to secure deposits of public funds.

When negotiable securities are furnished, the securities may be placed in trust. The trustee's receipt may be accepted in lieu of the actual securities when the receipt is in favor of the treasurer or town clerk and the treasurer's or clerk's successors. All warrants or other negotiable securities must be properly assigned or endorsed in blank.

MCA 7-6-207(2)

**Acceptance & Approval of Securities:** The appropriate governing body shall, upon the acceptance and approval of any of the bonds or securities, make a complete minute entry of the acceptance and approval upon the record of its proceedings, and the bonds and securities must be reapproved at least quarterly.

MCA 7-6-207(2)

**Substitution of deposit security:** Any bank, building and loan association, savings and loan association, or credit union pledging securities as provided in 7-6-207, at any time it deems advisable or desirable, may substitute like securities for all or any part of the securities pledged. The collateral so substituted shall be approved by the governing body of the county, city, or town at its next official meeting.

MCA 7-6-208(1)

Such securities so substituted shall at the time of substitution be at least equal in principal amount to the securities for which substitution is made. In the event that the securities so substituted are held in trust, the trustee shall, on the same day the substitution is made, forward a receipt by registered or certified mail to the county, city, or town and to the financial institution. The receipt shall specifically describe and identify both the securities so substituted and those released and returned to the financial institution.

### **INVESTMENT IN REGISTERED WARRANTS**

When the city or town has money for which there is no immediate demand (excluding money realized from the proceeds of bonds), the city or town may invest in city or town warrants. The city/town council may direct the treasurer or clerk to purchase legally issued general obligation warrants that were issued against funds in which there are not sufficient funds to pay such warrants at the time of issuance. The city/town council shall designate the fund or funds to be invested and designate the warrants to be purchased. The warrants will be registered and bear interest.

MCA 7-6-4603

### **INVESTMENT OF BOND PROCEEDS**

Whenever the city or town has under its control any money realized from the sale of bonds, for which there is no immediate demand and which in the judgment of the city or town council it would be advantageous to invest in any time or savings deposits, United States certificates of indebtedness, United States treasury notes, or United States treasury bonds having a maturity date of 1 year or less, the city or town council is authorized in their discretion to direct the city treasurer or town clerk to make such investments.

MCA 7-7-4102

### **PETTY CASH FUND**

A municipal governing body may set aside a sum out of the general fund, which must be known as a petty cash fund. The petty cash fund must be used for the purpose of paying incidental expenses, such as freight charges, express charges, postage, and other similar expenses that must be immediately paid in cash.

MCA 7-6-615(1)

### **CASH TRANSFERRED BETWEEN FUNDS**

Money may not be transferred from one fund to another except by resolution of a municipal governing body unless the transfer is:

1. previously authorized by a budget resolution;
2. to close inactive funds, as provided by MCA 7-6-614;
3. made in the usual course of county business for:
  - a. school transfers;
  - b. tax increment finance districts;
  - c. specialized tax situations;
  - d. the purpose of distributing refunds, protested taxes, or interest charges for interest in lieu of registered warrants;
  - e. bond sinking fund transfers;
  - f. residual equity transfers;

- g. transfers of investments;
  - h. corrections of errors; or
4. otherwise authorized by statute.  
MCA 7-6-613

### **INVESTMENT OF FIRE DEPARTMENT RELIEF ASSOCIATION MONEYS**

Applicable when the City/Town Treasurer Has Been Elected Ex Officio Treasurer of the Association per MCA 19-18-103

The board of trustees of a fire department relief association may invest the surplus money in the fund or any part of the surplus money in:

- (a) time or saving deposits in a solvent bank, building and loan association, savings and loan association, or credit union operating in the county where the city or town is located;
- (b) bonds or other securities of the United States government; or
- (c) general obligation bonds or warrants of any state, county, or city.

MCA 19-18-402

Whenever the average yield on investments of public retirement funds under the board of investments exceeds by 1% in any fiscal year the average yield on investments of the fund made pursuant to 19-18-402 (above), the surplus money in the fund must be remitted to the state treasurer for investment under the direction of the board of investments as is provided in 17-6-204 (STIP). The board of investments shall advise the association of the current yield on investments of public retirement funds.

MCA 19-18-403(1)

As used here, "surplus money" means the excess over the greater of the following 1 1/2 times the monthly benefit paid in the preceding month or \$5,000.

MCA 19-18-403(2)

# CHAPTER V

## FINANCIAL MANAGEMENT

by

Original text by Miral Gamradt, M.P.A

Updated in 2019 by Chet McClean, Darla Erickson and Tara Mastel

### 5.1 Investing Public Funds

- 5.101 Investment of Public Funds --- Legal Requirements
- 5.102 Investment Process --- A Losers Game
- 5.103 Investment Options
- 5.104 Investment Policy

### 5.2 Managing Public Debt

- 5.201 Purpose of Debt
- 5.202 Types of Local Government Bonds
- 5.203 Refunding Bonds
- 5.204 Bond Ratings

### 5.3 Accounting

- 5.301 Accounting Principles
- 5.302 Basis of Accounting
- 5.303 Types of Government Funds

### 5.4 Claims for Payment

- 5.401 Claims Process
- 5.402 Liability for Fraudulent Claims
- 5.403 Claim Form to Detect Fraudulent Claims ATTACHMENTS
  - 1. Model Claims Policy
  - 2. Model Claim Form

### 5.5 The Audit

- 5.501 Purpose of the Audit
- 5.502 Auditor Selection
- 5.503 Auditor's Opinions
- 5.504 Management Letter
- 5.505 Importance of Audited Financial Statements

### 5.6 Financial Trend Monitoring

- 5.601 Importance of Financial Analysis
  - 5.602 What to Analyze
  - 5.603 Structural Balance
  - 5.604 Concepts and Definitions
  - 5.605 Critical Factors in Establishing and Maintaining Structural Balance
  - 5.606 Purpose of Fund Balance and Working Capital
  - 5.607 What Level of Fund Balance Should be Maintained
- ATTACHMENT
- 5.3 Model Financial Trend Monitoring Graphs



## 5.1 INVESTING PUBLIC FUNDS

### 5.101 Investment of Public Funds- Legal Requirements

Similar to private businesses, local governments must manage their cash. Cash management responsibilities include both cash for which there may be an immediate need as well as cash that may be invested for extended periods of time. State law provides for limits, controls and guidance concerning the local government's cash management responsibilities.

Section [7-6-201, MCA](#) requires local governments to "...deposit all public money...in solvent banks, building and loan associations, savings and loan associations, or credit unions..." Money not necessary for immediate use may be placed in savings or time deposit (CD's) or in repurchase agreements. Section [7-6-202, MCA](#) allows for the investment of public funds in direct obligations of the U.S. government including U.S. treasury bills and bonds, as well as a laundry list of other allowable investments.

Investment in money market funds is permitted only in limited circumstances. Finally, the law specifies the security necessary to ensure the safety and prompt payment of all deposits ([7-6-207, MCA](#)).

### 5.102 Investment Process- a Loser's Game

Investment of public funds can be a highly complex area of responsibility for municipal officials with little or no formal investment training or experience and it is not always clear which investments are permissible under the law. Two Attorney General's Opinions, 42 Op. Attorney Gen. No. 25 (1987) and 44 Op. Attorney Gen. No. 22 (1981), have answered some questions. However, while the Attorney General's Opinions are meant to interpret the law and add clarity, the information is still decidedly technical and difficult to understand for most officials.

It is quite common for local officials to receive phone calls from investment firm representatives promising attractive rates of return on their investments. The representative may or may not understand the investments they are trying to sell or their inherent risks. Even more likely, the investment representative will not know which types of investments are permissible for Montana local governments. Unfortunately, some finance officials have fallen victim to illusions of earning high rates of return for their taxpayers and invested public funds in risky investments that have resulted in substantial losses to their local government.

One unnamed author wrote:

Imagine the following two scenarios:

1. The city clerk-treasurer, through his/her diligent cash management efforts, increased the city's investment earnings from \$30,000 per year to \$40,000 per year; or
2. The city clerk-treasurer, in an attempt to increase the city's investment income, invested the city's funds in an illegal investment instrument. The investment is in default and it is likely the city will lose the original principal amount of \$10,000.

Which of the two preceding events would result in a headline in the local newspaper? Quite obviously, the prospect of a city or town losing money by investing in an illegal investment instrument would attract a great deal of attention in most Montana communities. Conversely, local government officials rarely receive recognition for their efforts, even when their efforts are exemplary. While we do not suggest elected officials should base investment decisions on reaction of the local media, the point is that consequences of trying to maximize the return on investments may not be worth associated risks.

### 5.103 Investment Options

Local government officials can fulfill their cash management responsibilities without attempting to maximize the return on their investments. Simple investment options such as purchasing certificates of deposits (adequately secured) from local banks can provide safe and satisfactory rates of return.

Montana local governments also have at their disposal the expertise of highly trained and experienced investment professionals at the state level. The Board of Investments administers the Short-Term Investment Pool (STIP) for state government. State law [17-6-204, MCA](#) allows, but does not require, Montana local governments to use the pool. STIP has several advantages for local governments, including access to competitive rates of return provided by trained investment professionals, assurance the city's funds are adequately secured, and total liquidity provided by such a large investment pool. Unlike a certificate of deposit, which must be invested for a definite period of time, a local government's funds (regardless of the amount) can be deposited in STIP one day and taken out the next while earning competitive rates of return for the period the funds are on deposit.

Elected officials should take an active role in determining where the city's funds should be invested, who may make investment decisions, diversification, what investments are permissible, and the decision latitude of those responsible for investments. These decisions of the elected body can best be implemented through a formalized investment policy.

### 5.104 Investment Policy

Many governments operate with de facto policies whereby a public official conducts investment operations in a vacuum while everybody else assumes that he or she will act responsibly. Only when something goes awry do elected officials and the press begin to question the investment policy or absence thereof.

The investment process is hardly immune from the delusion that legislation can remedy all problems, but the process is improved when elected officials act responsibly to identify objectives, assign responsibility, and address the problems of risk inherent in the investment of public funds. Conscious collective action is better than no action at all. Formal policies can result in superior performance and improved communication.

A formalized investment policy, adopted by the city council, can provide the necessary guidance to the clerk-treasurer, to ensure their investment decisions are consistent with the council's wishes. The council, through its investment policy can assign responsibility, emphasize safety first, the preservation and protection of capital, and clearly state that speculation is inappropriate in all circumstances.

Sample investment policies can be obtained from the Government Finance Officers' Association, internet searches, and other Montana local governments.

## 5.2 MANAGING PUBLIC DEBT

### 5.201 Purpose of Debt

Debt in a municipal government is an effective financial management tool. Active debt management provides fiscal advantages to local governments and its citizens. Debt can serve several different purposes. It is useful in



matching costs to benefits of public assets. It is useful as an economic development tool. It allows governments to build and acquire assets that would not otherwise be able to be built or acquired. Debt eliminates the need for governments to build up large reserve balances to build or acquire assets. In other words, debt is not something that should be avoided or eliminated. Rather, debt is something that should be used and managed prudently. Debt can be mismanaged, however. Over-use of debt places a burden on the financial resources of the government and its taxpayers. Thus, it is important to create policies and follow practices to ensure debt is used wisely.

## 5.202 Types of Local Government Bonds

Debt is often incurred through the issuance of bonds. There are many different types of bonds. The most common types of bonds issued by Montana local governments are described below.

### 1. General Obligation Bonds (G.O. Bonds)

State law authorizes the issuance of general obligation bonds, [7-7-42, MCA](#). A defining characteristic of general obligations bonds is that they pledge the unlimited taxing power and the full faith and credit of the issuing government to meet the required principal and interest payments. This enhanced level of security provided to investors provides the maximum safety for their investments. Because of the added security that general obligation bonds offer, issuers are able to market this type of bond at very attractive rates, in addition to being a very flexible financing instrument. Because the issuer has the ability to increase taxes to pay debt service, the structure of a G.O. bond is not constrained by a limited flow of available revenues.

General obligation bonds are normally used for projects benefiting the entire community and whose costs should be defrayed over a long period of time. State law limits general obligation debt (all outstanding and unpaid indebtedness) to 2.5 percent of assessed valuation, [7-7-4201, MCA](#).

*Voter Approval Required*, [7-7-4221, MCA](#). Whenever the governing body of any municipality considers it necessary to issue bonds pledging the general credit of the municipality for any purpose authorized by law, the question of issuing the bonds must first be submitted to the registered electors of the city or town. An election on the question of issuing bonds may be called by the city or town council or commission on its passage of the necessary resolution or after a petition asking that such election be held, and the question submitted has been presented to the council or commission. However, it is not necessary to submit to the electors the question of issuing refunding bonds to refinance bonds already issued and outstanding.

### 2. Revenue Bonds

The distinctive feature of revenue bonds is the pledge of a specific revenue stream— usually derived from the project being funded or the enterprise system of which the project is a part. The government's obligation is limited to the revenue stream(s) pledged for the repayment of the bonds. The bonds are issued without the backing of the full faith and credit of the issuing government; thus they are considered limited liability obligations. Revenue bonds are most often sold for systems that have identifiable users. For that reason, revenue bonds are considered to be a very equitable means of financing system improvements, because only the users of the system are required to pay. Financing of water, wastewater, and solid waste improvements are the most common uses of revenue bonds for Montana local governments. Revenue bonds are limited to a term of 40 years and do not require voter approval, although voter approval may be sought at the discretion of the governing body, [7-7-4432 MCA](#).

Since the use of revenue bonds is applied to self-supporting facilities, only persons directly benefiting from the services provided by the facility must bear the costs. Citizen concern is most often directed at the rates established to pay for the facility. Revenue bond debt is not subject to Montana limitations on bonded indebtedness.

Because revenue bonds are secured by a specific, limited, and usually non-tax source of revenue, they often are less secure than general obligation bonds. Underwriters will usually require the creation of a debt service reserve fund to provide additional security in the event projected receipts fall below the level needed to meet annual debt service requirements. In such cases, the debt service reserve can be used to make the required payment and give the issuer an opportunity to restore its flow of funds. The reserve fund then is replenished to its required level. The debt service reserve is often funded out of proceeds of the bond issue. To provide comfort to prospective investors, an issuer of revenue bonds must demonstrate that sufficient funds will be available to make principal and interest payments in a timely manner. This is done by offering a promise (or covenant) to maintain system rates and charges at a level that will generate revenues in excess of the required debt service payment for each period. For example, a water or sewer system may covenant to generate net revenues (gross revenues less operating and maintenance costs) available for debt service equal to at least 115 percent of annual debt service requirements. Revenue systems with less dependable revenue streams may be required to offer even higher coverage covenants. Such covenants offer the investor some assurance that fluctuations in system usage and revenues will not interfere with the timely payment of principal and interest on the bonds.

Because the repayment of revenue bonds is dependent upon the discretionary use of a facility or system, prospective investors require much more documentation and protection than is found in a G.O. bond offering. Consultants can be hired to perform a feasibility study to describe the likelihood that the system will generate revenues sufficient to meet future operating, maintenance, and debt service requirements. This is often accomplished through the city's consulting engineer. For a water and sewer system, this may be a fairly simple study that demonstrates the reasonableness of rates and the stability of the user base. For a solid-waste disposal facility, however, this study must examine the sensitivity of a much broader range of variables: How much of an impact will the proposed facility have on disposal fees? Do residents have the option of disposing solid waste elsewhere if they object to required fee increases? Will a large fee increase result in illegal dumping, thus creating another problem for government? The type of system and its sensitivity to user discretion will determine the scope and importance of the feasibility study.

### **3. Special Improvement District (SID) Bonds**

Special assessment bonds are issued to finance capital improvements that benefit taxpayers in a particular, carefully defined area of the community. Because the benefit is not enjoyed by the entire community, the justification for use of special assessments is that the cost should be borne only by those who will benefit from the improvement. Principal and interest payments are made by a special assessment on the property benefiting from improvements. The local governments use the assessment revenue to make debt service payments on the bonds. To further enhance the security for SID bonds (beyond the pledge of special assessments), the issuing agency normally pledges support of its SID revolving fund. The authority for, and restrictions on, the use of special improvement district bonds is found in [Title 7, Chapter 12, Part 41 and 42](#).

Some local governments in Montana have financed 100% of the cost of improvements to raw land. When the value of the land fell, property owners (often developers), defaulted on their assessments and the local governments were left with the associated debt (SID bonds) and insufficient assessment revenue to make the required debt service payments. These governments were required to draw upon their SID revolving fund as required by state law and the bond covenants. When this support was still insufficient to honor the bond obligations, the local governments were confronted with a decision; do we default on the bonds or levy additional taxes to meet the debt service payments? These problems have prompted some Montana governments to adopt SID policies, which serve to limit the extent to which SID bonds will be used to finance improvements—often to financing only half of the improvements to raw land. When property owners are forced

to “have more skin in the game”, the likelihood of their default is reduced considerably, as well as reducing the amount of local government’s bonded indebtedness.

### **5.203 Refunding Bonds**

Refunding bonds are issued to retire an already outstanding bond, perhaps to shorten the term of the bond issue, take advantage of more favorable interest rates, eliminate restrictive covenants, reorganize the maturity schedule, or consolidate the community's debt. Generally, issuers want to replace outstanding higher interest rate bonds with lower interest rate obligations and, in some cases, to modify or remove restrictive conditions in existing bond covenants.

In many cases, bonds are not callable for a number of years. Through advanced refunding, refunding bonds are issued and the proceeds are placed in escrow pending their application to the redemption of the outstanding bonds on the first call date. Thus, the advance refunding procedure enables local governments to refund existing debt before the bonds are callable.

Refunding bonds offer the opportunity for flexibility in modifying the debt structure of the community. They are not subject to debt limitations and a bond election is not required. Generally, any bond that can be legally issued can be legally refunded. The issuing agency will save interest expenses by issuing new lower-yield bonds to pay off higher-yield bonds; however, cost savings must be significant enough to offset the accompanying administrative costs.

### **5.204 Bond Ratings**

Bond ratings reflect the relative strength of the government’s financial management and planning capabilities, the quality of its elected and administrative leadership, as well as its wealth and social characteristics. Bond ratings serve as a statement of a locality’s economic, financial and managerial condition and represent the business community’s assessment of the investment quality of a local government. Highly-rated bonds are more competitive in the market and thereby help lower interest costs paid by residents. High-grade ratings reduce the cost of raising capital for projects, and create a substantial savings for the taxpayers.

The cost of obtaining a bond rating must be weighed against the anticipated benefits (reduced interest rates) in order to determine whether or not the local government should have their bonds rated. General obligation bonds are the most likely type of bonds to be rated, while SID bonds are rarely rated.

## **5.3 ACCOUNTING**

### **5.301 Accounting Principles**

Montana local governments are required to manage and account for their financial activities in accordance with Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) ([2-7-504 MCA](#), [2.4.401](#) and [2.4.411 A.R.M](#)). GASB is the recognized authority with respect to governmental accounting. Managing the local government’s finances in accordance with GAAP and with the rules set forth by GASB, provides the citizens assurance that their public funds are being accounted for in a proper manner. Compliance with GASB’s standards is enforced through the audit process, when auditors render an opinion on

the fairness of the financial statement presentations in conformity with GAAP.

The information needs of the users of government financial statements are different from the needs of the users of private company financial statements. A government's performance cannot be assessed by profit, which is the main objective of businesses. Governments have objectives other than profit maximization. Therefore, governments need accounting principles and reporting systems that differ from those of businesses.

### 5.302 Basis of Accounting

Basis of accounting determines when transactions are recognized. Under an *accrual basis*, an expenditure is recognized when a bill is incurred, whereas on a cash basis, the expenditure is recognized when the bill is paid. Most local governments maintain accounting records for general governmental operations on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when services or goods are received, and liabilities incurred. Accounting records for enterprise funds are maintained on an accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash.

Local governments maintain their accounts in accordance to the principle of *fund accounting* to ensure that limitations and restrictions on available resources are observed and adhered to. Fund accounting classifies resources into funds or account groups with respect to the intended activities or objectives specified by those resources for accounting controls and financial reporting purposes. Governments use several funds to account for their resources and activities.

**Fund** is a fiscal and accounting entity with a self-balancing set of accounts for recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The most common reason for establishing a fund is to separately account for restricted-use revenue or to comply with state or federal law.

There is no limit to the number of funds that a government may establish and maintain for accounting and financial reporting. A generally-practiced governmental accounting guideline is that a government should use the smallest number of individual funds as possible, consistent with its particular circumstances, and that individual funds are closed when the intended purpose no longer exists.

**Account** is an organizational or budgetary breakdown which is found within the government's funds. Each department serves a specific function as a distinct organizational unit of government within the given fund. Its primary purpose is organizational and budgetary accountability. An example of an account is public safety - for the police department. Additional sub-numbers can be used to further classify the account such as the detective division within the police department.

**Object of expenditure** refers to specific, detailed expenditure classification. It relates to a specific type of item purchased or service obtained. Examples of objects of expenditure include salaries, supplies, purchased/contracted services, capital outlay and travel.

### 5.303 Types of Government Funds

Most general-purpose governments engage in three broad categories of activities:

- **Governmental** activities are those financed predominantly through taxes and intergovernmental grants commonly referred to as non-exchange transactions.
- **Business-type** activities are those financed predominantly through user charges.
- **Fiduciary** activities are those for which the government acts as a trustee or agent for individuals, external organizations, or other governments.

All of the government's funds fall within these three categories. Examples of each follow:

1. **Governmental funds** are those through which most governmental functions are financed. The following are examples of governmental funds
  - **General fund** — accounts for all financial resources except those required to be accounted for in another fund. The General Fund is the government's primary operating fund.
  - **Special revenue funds** — account for the proceeds of specific revenue sources that are legally restricted by an outside third party to expenditures for specified purposes (other than for major capital projects). Examples include: state and federal grants, gas tax, street maintenance district, tree maintenance district, etc.
  - **Capital project funds** - account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.) Examples include: City Hall renovation, police station construction, etc.
  - **Debt service funds** - account for the accumulation of resources for and the payment of, principal and interest on general long-term debt. Examples include: city hall debt repayment, police station debt repayment, etc.
2. **Proprietary Funds** are used to account for the business---type activities of a government—those that are similar to activities carried out in the private sector. There are two types of proprietary funds:
  - **Enterprise Funds** — account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds include: water, wastewater and solid waste.
  - **Internal Service Funds** — account used to account for business---type activities in which the customers are other government departments or agencies.
3. **Fiduciary Funds** are used to account for resources held by the government but that are intended to benefit parties other than the government itself. There are two types of fiduciary funds.
  - **Trust Funds** — are used to account for assets that the government holds as a trustee for the benefit of parties other than the government itself.
  - **Agency Funds** —are generally used to account for assets that a government temporarily holds as an agent for other parties.

## 5.4 CLAIMS FOR PAYMENT

### 5.401 The Claims Process

Montana law [7-6-4301, MCA](#) requires that all claims for payment by a city or town must be presented to the council for approval in an itemized format within one (1) year from the date the claim accrued.

Payment of claims against a city or town may be authorized by the council when:

- payee-signed claims have been issued to the city or town and the payee has attested in the claim to its accuracy and that the payee has not received the claimed amount; or
- the payee has provided the city or town with an invoice or other document identifying the quantity and total cost for each item included on the invoice.

All bills, claims, accounts, or charges for materials of any kind that are purchased by and on behalf of a city or town by its department heads or officers must be reviewed by the city or town finance director or the city or town clerk before submission to the council.

### 5.402 Liability for False Claims

Montana Code Annotated [7-6-4311](#) provides that:

- A person who knowingly presents or causes to be presented a false, fictitious, or fraudulent claim for allowance or payment to any city or town or its contractors forfeits the claim, including any portion that may be legitimate, and in addition is subject to a penalty of not to exceed \$2,000 plus double the damages sustained by the city or town as a result of the false claim, including all legal costs.
- The forfeiture and the penalty may be claimed in the same suit.

### 5.403 Claim Forms to Detect Fraudulent Claims

An effective internal control to provide a complete paper trail to account for disbursements and thus detect fraudulent claims against the city or town is the use of a properly designed *claim form*. A model to implement policy and a claim form follow this page.

## Attachment 5.1 Model Claims Policy

RESOLUTION NO: \_\_\_\_\_

**A RESOLUTION OF THE CITY/TOWN COUNCIL OF THE CITY/TOWN OF \_\_\_\_\_, MONTANA, ESTABLISHING A POLICY CONCERNING THE PROCESSING OF ALL CLAIMS FOR PAYMENT AGAINST THE CITY/TOWN, CREATING A STANDARD CLAIM FORM AND ESTABLISHING CERTAIN INTERNAL CONTROLS FOR PURCHASES AND DISBURSEMENTS.**

**WHEREAS**, Montana law [7-6-4301, MCA](#) requires the establishment of certain procedures and internal controls to ensure that public funds are lawfully disbursed; and

**WHEREAS**, the \_\_\_\_\_ City/Town Council desires to ensure that all purchases made by city/town employees are duly authorized and that all goods and services purchased are, in fact, received by the city/town and that no disbursement of city/town funds is made without final approval by the mayor and city/town council; and

**WHEREAS**, the Mayor of \_\_\_\_\_ desires to establish business-like procedures for ordering, receiving and paying for only those goods and services actually required for the safe and efficient operation of all city/town departments and the efficient delivery of essential city/town services.

**NOW THEREFORE BE IT RESOLVED** by the City/Town Council of City/Town of \_\_\_\_\_, Montana that:

**Section 1.** It is the policy of the City/Town of \_\_\_\_\_ that:

1. All disbursements of city/town funds, except for payroll, shall be documented with a city/town Claim Form, a copy of which is included as attachment to this resolution. Said Claim Form shall include:
  - a. specific approval of the purchase by a designated city/town official;
  - b. the signed certification of the vendor verifying that the claim for payment is true and correct and that payment has not been previously received by the vendor;
  - c. certification by a designated city/town official that the purchased goods or services have, in fact, been received by the city/town, and
  - d. that the city/town council has approved the claim for payment pursuant to law.
    - i. Disbursements to be made pursuant to an existing contract that has been approved by the city/town council do not require completion of Section III, "Vendor Certification" of the Claim Form. However, the purpose and date of the contract (*e.g. MMIA insurance assessment, June 30, 2019*) must be entered in Section II of the Claim Form and all other sections of the form must be completed.
    - ii. Copies of all completed Claim Forms with original signatures shall be filed sequentially by date that the claim was approved for payment by the city/town council. A new and separate file shall be initiated for each fiscal year such that any disbursement of city/town funds may be readily cross checked with the minutes of the city/town council meeting at which the claim for payment was approved by the city/town council.
    - iii. Claim Forms are public records and shall be retained for not less than five years following the official audit conducted for the fiscal year in which the Claim Form was approved for payment. Claims associated with a contract must be retained for a period of not less than eight years.

2. The specific written approval of the mayor of the city/town of \_\_\_\_\_ shall be required prior to the purchase or agreement to purchase any good or service that costs more than \$1,000. Section I of the Claim Form may be used to record such approval.

3. Any vehicle or item of equipment, machinery, construction, repairs or professional services with a cost in excess of \$80,000 must follow the bid process established by law [7-5-4302, MCA](#). Purchases of less than \$80,000 but in excess of \$10,000 should be considered for a bid process, which may be waived by the mayor with council approval.

4. All claims must be signed by two city/town employees attesting to the fact that the goods or services have been received by the city/town.

**Section 2.** It is the policy of the City/Town of \_\_\_\_\_ that:

1. No employee of the city/town of \_\_\_\_\_ shall have any pecuniary interest in or benefit from any contract or purchase agreement entered into by the city/town nor shall any city/town official contract with or purchase goods or services from any firm or business enterprise that is owned by a city/town employee or close relative of a city/town employee.
2. No City/Town employee shall receive any commission, profit, gratuity or gift as a result of any contract or purchase made by the city/town.
3. A waiver of the provisions of Section 2(1) and 2(2) above can only be granted if approved by the affirmative vote of a majority of the city/town Council before the purchase or contract has been entered into by a city/town employee.

**Effective Date**

**Section 3.** This resolution shall be in full force and effect immediately upon approval by the city/town Council.

**References:**

[7-6-4301, MCA](#) and [2-2-1, MCA](#), "Code of Ethics" Montana Code Annotated.

**PASSED AND ADOPTED** by the City/Town Council of \_\_\_\_\_ the City/Town of \_\_\_\_\_, Montana at a regular session thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**ATTEST:**

\_\_\_\_\_  
City/Town Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



## Attachment 5.2 City/Town Model Claim Form

CITY/TOWN OF \_\_\_\_\_, MONTANA

*Must be completed prior to all disbursements other than payroll pursuant to [7-6-4301, MCA](#). Attach vendor invoice or receipt*

I. Vendor Information:			
Pay To: (Name and address)	Total:		
Taxpayer ID Number*:	<i>*The City/Town must have an invoice or receipt and the TIN or SSN of the vendor before this claim will be processed.</i>		
Date of Purchase:			
For Department:			
Approved By*:	<i>*Mayor's signature required for all purchases in excess of \$1,000.</i>		
II. Goods or Services Purchased:			
Description of Goods or Services Purchased*:			
<i>*Include Serial Number of Equipment. Invoices may be attached in lieu of descriptions.</i>			
III. Vendor's Certification:			
I, the undersigned, do solemnly swear that I am the vendor or vendor's agent of the above described Goods or Services and that the amount claimed is wholly unpaid and is a true and lawful claim against the City/Town of _____.			
Signature of Vendor:	Date:		
IV. Certification by City/Town Officials That Goods or Services Have Been Received by the City/Town of _____:			
<i>I, (signature)_____do hereby certify that the Goods or Services described above have been received by the City/Town of _____.</i>			
<i>I, (signature)_____do hereby certify that the Goods or Services described above have been received by the City/Town of _____.</i>			
V. Approval by City/Town Council:			
The above described claim for payment has been reviewed by the City/Town Clerk-Treasurer and was submitted to and approved by the _____ City/Town Council meeting in regular/special session on _____.			
Signature of City/Town Clerk-Treasurer:	Date:		
VI. Accounting:			
Fund Name	Account Code	Date Booked	Check Number

## 5.5 THE AUDIT

### 5.501 Purpose of an Audit

For many of us, the thought of an audit strikes a feeling of fear. We become fraught with images of an Internal Revenue Agent with beady eyes, sporting a dark three-piece suit, auditing our last tax return to determine if we owe additional income taxes. Despite our worries, an audit of our local government should be welcomed rather than feared. Unlike an audit we may undergo as individuals, an audit of our local government has an entirely different purpose. The objectives of an audit of our local government include:

1. Are the government's financial statements fairly presented in accordance with Generally Accepted Accounting Principles?
2. Did the government comply with applicable laws and regulations?
3. Does the government have an adequate system of internal controls?

The auditor's primary objective is to *determine if the government's financial statements are fairly presented*. A favorable opinion does not mean that the government's financial statements are free of errors. The term fairly presented means that the financial statements are not so materially misstated or misleading that they do not present fairly the government's financial information. The auditor's conclusions are presented as an opinion, rather than a statement of absolute fact or guarantee. Despite this lack of certainty, government officials should welcome an audit, look forward to passing all of the auditor's tests, and gain assurance that the government's financial records are reasonably accurate.

Governmental audits are often referred to as "*financial and compliance*" audits because governmental auditing standards require auditors to test both financial and compliance requirements. The financial portion of the audit is meant to determine if the financial statements are fairly presented in accordance with accounting standards. The compliance portion of the audit refers to whether the government followed applicable laws and regulations. A listing (a "Compliance Supplement") of many [city/town's compliance requirements can be found on the Montana Department of Administration's website](http://sfsd.mt.gov/LGSB/Audit-Financial-Review-Resources/4_ComplianceSupplement) [http://sfsd.mt.gov/LGSB/Audit-Financial-Review-Resources/4\\_ComplianceSupplement](http://sfsd.mt.gov/LGSB/Audit-Financial-Review-Resources/4_ComplianceSupplement).

Auditors are required by their auditing standards to evaluate the government's system of *internal controls*. Internal controls (also referred to as a system of checks and balances) are intended to provide reasonable, but not absolute, assurance that the government's assets are protected. Guaranteed protection is impossible. Segregation of duties is one of the most powerful aspects of internal control. The overriding principle is: *no one person should ever be placed in a situation to carry out or conceal an error or irregularity without timely detection by others in the normal course of their responsibilities*.

Many mistakenly believe that an audit is designed to detect fraud, if it exists. This is simply not the case. While the detection of fraud could possibly be an outcome of an audit, fraud is rarely detected by an audit. The system of checks and balances that governments implement serve to prevent these problems from occurring, which is obviously far better than discovering problems after the fact through an audit or other means. Governing bodies are responsible for ensuring auditor's recommendations for improvements in internal controls are implemented and should also consider an even stricter system of checks and balances than the auditors may recommend. Many audit firms will provide specialized engagements at a reasonable cost designed solely for the purpose of improving a government's system of internal controls. Given the public's expectation of a frugal and efficient government, it

is difficult for elected officials to expend additional money to prevent problems, when most feel no problems exist. However, there are a multitude of government officials who have experienced fraud and embezzlement and have wished they had expended a relatively small amount of money to improve their system of internal controls. Problems of this nature, regardless of severity, serve to erode the public's trust in government.

### 5.502 Auditor Selection

State law [7-5-4301, MCA](#) exempts professional services (including audit services) from bidding requirements.

[Section 2.4.407 of the Administrative Rules of Montana](#) enumerates a series of criteria that local governments must consider in the selection of an audit firm. These criteria are:

1. Listing on department's roster of independent auditors authorized to conduct local government audits;
2. Independence, as defined by applicable auditing standards;
3. Demonstrated understanding of the work to be performed;
4. Technical experience of the independent auditor in conducting similar types of local government entity audits;
5. Qualifications of staff to be assigned to the audit;
6. Work history of the independent auditor; and
7. The proposed audit fees.

Typically, local governments seek proposals from audit firms that are interested in performing their audit. This is generally done through a Request for Proposal (RFP) process. Sample RFP's can be obtained from several sources, including major Montana cities, internet searches, and the Government Finance Officers' Association (GFOA). Regardless of the RFP form used, the contents must address the auditor selection criteria stated above. Once the government selects an audit firm, an audit contract, lasting up to three consecutive fiscal years, is required in a form prescribed by the Department of Administration.

State law does not require an RFP and it is not uncommon for local governments to renew their audit contracts without seeking new proposals. A level of efficiency may be gained by utilizing the same audit firm for multiple years, since the auditors are familiar with the local government, their staff, and accounting system.

### 5.503 Auditor's Opinion

The audit culminates in an auditor's opinion on the government's financial statements. The auditor's opinion is generally no more than a sentence or two long and is embodied in a letter to the government officials entitled Independent Auditor's Report. All governments seek to obtain an "Unqualified Opinion" also referred to as a clean opinion. A clean opinion means that the government's financial statements are fairly stated in all material respects in relation to the financial statements taken as a whole. It basically means that the auditors did not find any errors that were so significant and their effect so great, as to cause the government's financial statements to be misleading.

Most governments are able to receive an unmodified opinion. There are times, however, when a government may receive a modified opinion. This may be due to an accounting requirement that the government failed to implement. Or, it could be that the government's financial records are inaccurate or misleading. In these instances, the auditors may issue a modified opinion. Their choices consist of: an adverse opinion (do not present fairly), a disclaimer of opinion (decline to give an opinion), or a qualified opinion (fairly presented, except for). Which of these opinions an auditor may issue revolves around the auditor's judgment and is dependent upon

facts and circumstances. If a governmental entity receives anything other than an unmodified (clean) opinion, immediate steps should be taken to correct the problem.

### **5.504 Actions by Governing Bodies**

Section [2-7-515, MCA](#) requires the governing bodies of each audited local government entity to review the contents of the audit within 30 days and to notify the department in writing as to what action they plan to take on any deficiencies or recommendations contained in the audit report. The local government entity shall adopt measures to correct the report findings and submit a copy of the corrective action plan to the Department of Administration.

### **5.505 Importance of Audited Financial Statements**

Frequently, the audit report is viewed by the city council and staff as highly technical and serving only the needs of higher authorities. All too often, once the audit report is received, it is placed on the shelf with the audits of all prior years and begins to gather dust. However, the information contained in the audit report is imperative to obtaining an accurate picture of the government's financial wellbeing.

For example, auditors routinely adjust the government's financial information when preparing the audited financial statements. The adjustments generally fall into two categories: adjustments due to erroneous misstatements and adjustments due to intentional misstatements. Erroneous misstatements are likely the result of accident. Intentional misstatements, on the other hand, are the result of willful decisions, such as choosing not to apply an accounting standard or attempting to conceal fraudulent activities. In either case, by having the financial statements verified by an independent, external party, the audited financial statements should present information that is more faithfully representative of the actual financial position of the government.

Furthermore, the audited financial statements present the ideal opportunity for the clerk-treasurer to perform his/her annual financial trend monitoring. It is also an ideal time for the council members to educate themselves on the formal financial statements of their government, becoming aware of any emerging trends and improving their understanding of the "big picture" of their local government's finances.

## **5.6 FINANCIAL TREND MONITORING**

### **5.601 Importance of Financial Analysis**

Perhaps the most important responsibility of a local government's finance professional, other than the preparation of the budget, is financial analysis. Financial analysis can encompass many areas. Our focus here is financial analysis designed to determine the financial health of the local government, if it is getting better or worse, and identify emerging trends the council should be addressing. Unfortunately, this highly critical area of responsibility is often neglected or simply not performed at all. If a local government's clerk-treasurer or city/town council is not fully aware of the municipality's financial health, does not know if its financial health is getting better or worse, and is unable to identify emerging trends affecting its financial health, who is in control? This lack of attention to one of the most important responsibilities of the local finance official can cause problems ranging from unexpected budget problems to actual insolvency.

## 5.602 What to Analyze

A local government's financial trend monitoring system can be wide-ranging and cover a multitude of variables or it can be quite simple. Simple monitoring systems can be very effective, especially for small governmental entities. At a minimum, the clerk-treasurer should establish a formalized annual monitoring system of the financial position of its major funds. This analysis will assist the clerk-treasurer in understanding the "big picture" of his/her government's finances and will act as an early warning mechanism for emerging problems. Financial trend monitoring books are available and provide examples of the many kinds of analyses that can be performed. However, once the local finance professional is able to master monitoring of the city's financial position, monitoring of other variables becomes increasingly easy and is just an extension of the same principles.

The financial position of a local government is best measured by what accountants call fund balance. Fund balance is defined as the assets of a fund (primarily cash & accounts receivable) less liabilities of a fund (primarily accounts payable). In other words, fund balance essentially means the net worth of a fund at any given point in time- typically at the end of the fiscal year. However, the trend of the financial position of a fund is much more important than its absolute value, thus, setting up the need for a multi-year trend analysis.

The term fund balance applies only to governmental funds, which includes the city's general fund, special revenue funds, debt service funds, and capital project funds. Accounting requirements for the city's proprietary funds (enterprise funds) are different and so is the financial analysis that is needed for these funds. The best measure of the financial position of an enterprise fund is working capital. Working capital is defined as the current assets (primarily cash & accounts receivable) of the fund, less current liabilities (primarily accounts payable) of the fund. Current means due within one year. Therefore, a wastewater system's physical plant would be excluded from the calculation as would the associated debt (bonds payable) of the wastewater plant. The end result is the fund's liquid net worth. The city's audited financial statements will separately identify the current assets of an enterprise fund as well as the current liabilities, making this analysis relatively easy.

In lieu of evaluating fund balance and working capital levels, some local governments (primarily smaller units), opt for a simpler approach- that is simply monitoring cash balances. While analyzing cash balances may occasionally omit some critical information, such as a large payment the government is due or a large disbursement that just occurred after year-end, the simple monitoring of each fund's cash balance can provide the smaller local governments with an effective alternative to evaluating fund and working capital balances. Regardless of the approach, it is critically important that the clerk-treasurer perform a financial trend analysis of its entity's financial position on an annual basis, develop a multi-year trend analysis and regularly present this information to the city council. This information is absolutely critical to an elected official's understanding and management of the city or town's finances.

Once the financial analysis is performed and any unwanted or danger trends are revealed, the next step is to identify the primary causes of the changes in financial position. For example, fund balance in the general fund could be declining for three or four years in a row. The fact that fund balance is declining does not automatically indicate a problem. The government could be making a concerted effort to repair or replace needed equipment, fully understanding the impact on its general fund. Assuming the government has adequate reserve levels; this situation does not necessarily indicate an impending problem. The reason is that the expenditures causing the decline in fund balance levels can easily be eliminated in subsequent years. On the other hand, fund balance in the general fund could be declining due to increased on-going/recurring costs, which poses an entirely different situation, resulting in a structural imbalance in the budget.

## 5.603 Structural Balance

Staff members from New York City wrote about what they termed “Structural Balance”. The author describes structural balance as: *“the situation in which the structure of the revenue budget and the structure of the expenditure budget are sufficiently complementary: of similar size and growth rate over time.”* In other words, the ongoing revenues of a fund should be able to support the on-going expenditures of a fund. One-time expenditures are not part of a structural balance analysis, nor are one-time revenue sources. For example, it would be prudent for a city council to add a new police car to its fleet with a one-time \$40,000 revenue source. In a subsequent year, when the revenue disappears, the city simply eliminates that capital purchase. Imagine, however, the consequences of a city council adding a new *police officer* with this same one-time revenue source. The budget will balance in the first year, but what will happen in subsequent years? Quite simply, the government would unknowingly place its general fund in a state of structural imbalance. On-going revenues will not support on-going expenditures, setting up the council for a budget that is out-of-balance.

Structural balance sounds logical, simple and easy to understand, so why would such an easy concept require the publication of an extensive paper? Only someone intimately familiar with public budgeting can fully appreciate the concept of structural balance and the full range of implications. When crafting a government budget, the finance professional deals with literally hundreds, if not thousands of variables. Each of these variables can affect the city’s finances in different ways. Some variables are clearly one-time revenues or one-time expenditures. Just as often, however, many of the variables fall into a gray area, not fitting neatly into either the one-time or the on-going category. Combine these complexities with the sheer volume of issues and data inherent in the budgeting process and the simple concept of structural balance becomes lost. Structural balance must be at the forefront of the finance professional’s thought process and most importantly, throughout the development of the budget.

Furthermore, it is difficult to take one budget in isolation and determine if it is structurally balanced or not-giving rise to a multi-year trend analysis, as described above. A structurally balanced budget or financial plan may produce surpluses in some years and deficits in others. The term deficit implies something is awry. However, there will undeniably be times when reserve levels will decline (i.e. the expenditures of a fund will exceed the revenues of a fund), causing a deficit for that particular year. The key is in knowing what is causing a reduction in a fund’s financial position and to be able to take action, if necessary, to remedy the situation in a timely manner. A financial structure that is balanced at one point in time can become unbalanced when underlying circumstances change.

## 5.604 Concepts and Definitions

### ***Revenue Structure***

The revenue structure of a budget is described by the types of revenues, their shares in the total budget, and the reliability and rapidness with which different revenues grow over time.

A structure dominated by tax revenue, for example, creates a strong dependence between city revenues and health of the local economy. When the economy turns down, tax revenues may not keep pace and expenditures that were affordable during strong economic growth will be insupportable in economic recession.

On average, local governments around the nation raise about 40 percent of their revenues from taxes and about 25 percent from user fines, fees, and charges. Their reliance on federal and state aid averages 35 percent. There are important merits to a tax-dominated structure:

- A tax system, as opposed to a fee-based system, separates the use of public services from the ability of users to pay for those services.
- A tax-based system can place a relatively greater financial burden on prosperous citizens in order to lessen the financial burden of government on poor citizens.
- A tax system can match or exceed the growth of an expanding economy.
- Unfortunately, this structure succeeds in balancing budgets only in strong economic expansions. When the economy slows down, taxes slow down, but social services expenditures generally accelerate.

### **Tax Structure**

The link between the tax structure and the local economy is critical in determining the level of government expenditures that can be supported. In general terms, one can characterize a tax structure by dividing it into *income-based taxes, sales and consumption taxes, and real property taxes.*

1. **Income-based taxes**, which include personal and business income taxes, are typically the most sensitive to the economy and will exhibit strong growth in economic expansions and sharp slowdowns in economic recessions.
2. **Sales and consumption taxes** generally show less volatility, yet still accelerate and slow down as the economy rises and falls.
3. **Real property taxes**, which in general grow at a fairly steady rate in both expansions and contractions, show the least responsiveness to the local economy.

Local governments typically raise about 75 percent of their tax revenues from the real property tax, about 20 percent from sales and consumption taxes, and the remainder from income taxes.

In a period of sharp economic expansion, this traditional structure will show limited acceleration in growth. If the growth in the economy creates strong demands for growth in expenditures, this revenue structure will create sizeable budget pressures. On the other hand, in a period of economic decline, this revenue structure will show a very limited decrease.

Obviously, complete stability is not the sole desirable characteristic of a revenue structure. The ability to grow with the economy, low cost of collection, and reasonable assurance that poor taxpayers do not bear a disproportionate share of the tax burden are also important. A predominantly stable expenditure structure with a volatile tax structure is prone to substantial deficits in economic recessions.

### **Expenditure Structure**

The structure of the expenditure side of the budget is a characterization of the types of services that are produced. What types of spending grow faster than the economy and what types grow more slowly? Personnel costs for police, fire, corrections, and sanitation are services commonly provided by local governments and may be loosely characterized as "fundamental" local services that citizens expect to receive routinely wherever they live. A further refinement of the data might add water and sewer spending, emergency medical services, and possibly some portions of public hospital services or transportation services, among others. Debt service includes interest and principal for city general obligation short-term and long-term debt.

### **Structural Balance**

Structural balance describes the situation in which the structure of the revenue budget and the structure of the expenditure budget are sufficiently complementary; of similar size and growth rate over time. Without structural balance, deficits will persist and will overwhelm any surpluses created in years of exceptional economic strength.

Since budgets must balance each year, structural deficits will often be financed with nonrecurring revenues or deferrals of expenses, which are not part of the structure of the budget and therefore do not contribute to restoring structural balance. To the extent that temporary or non-recurring revenues or expenditure savings are used to restore recurring expenses, however, the financial plan will not be structurally balanced and the re-established service levels will not be sustainable over time. Therefore, budget-balancing efforts like those that merely slipped costs would not be considered restructuring of expenditures or revenues.

Structural balance can be restored only by changing the revenue structure so that recurring revenues are larger and/or grow more rapidly over time, or by changing the expenditure structure so that recurring expenditures are smaller and/or grow more slowly over time. In the past, expenditures have been restructured by changing the types of services that the city provides, such as scaling back on capital spending or shifting some social services expenses to the state or federal government.

### **5.605 Critical Factors in Creating and Maintaining Structural Balance**

Structural balance is a moving target that requires continual re-evaluation and high-level attention on a permanent basis. Sustained effort, or stability in basic services, means avoiding not only sharp spending reductions during economic downturns but also sharp expansions when the economy is growing rapidly, and tax revenues are yielding budget surpluses.

To achieve such stability requires a meticulous approach to financial planning and fiscal management, and the ability to restrain spending and set aside surpluses in good times for use in maintaining basic services in difficult times.

#### ***Sustaining Multi-Year Plans***

One of the most difficult tasks in governmental fiscal management is sustaining a multi-year plan. The demand for services will always exceed the ability to provide these services so that there is a constant competition for resources. Multi-year plans are also difficult to sustain because they are effectuated by a budget appropriation process that deals with just one year at a time. A multi-year undertaking that is initiated in one adopted budget could be canceled in any successive adopted budget. Thus, legally the financial commitment has at most a one-year horizon. The inherent difficulty of sustaining financial commitments over a multi-year framework is, of course, compounded when elections change the council or the administration changes.

#### ***Avoiding Overexpansion***

Overexpansion during periods of strong economic growth is one of the primary causes of structural imbalance and therefore must be avoided. The difficulty is that, in an urban environment with strong demands for services, avoiding expansion beyond the sustainable financial capacity of the revenue structure means that some service demands must be denied even when current funding is available. The reason is that new, recurrent spending can be funded for only that brief time in which the local economy is at its maximum growth over the business cycle. When that growth tapers off, the tax revenues supporting that spending will quickly disappear.

If overexpansion is inevitable, several factors could make it less consequential. The first would be a well-defined sense of basic fundamental services that should be provided at all points in the business cycle versus optional services that will be temporarily provided during flush times and jettisoned during declines. The second would be a well-developed contingency planning process that incorporated plans to expand temporarily when unanticipated funds materialized as well as plans to contract temporarily when anticipated funds failed to materialize. The third would be a well-developed stabilization reserve or rainy-day fund that accumulated revenues in each year of expansion for use in years of contraction or other mechanisms to stabilize finances.



### ***Adequate Funding of Stabilization Reserves***

Once a balanced structure of revenues and expenditures is established, the structure must be preserved during economic declines. As a result, funding must be available to support basic expenditures without the need to change the revenue structure. The amount of funding that would be adequate to achieve this stability is difficult to establish but certain parameters are clear. Money set aside in a stabilization fund must be utilized to maintain the basic expenditure structure during an economic downturn, not to sustain overexpansion as the downturn begins to emerge.

### **5.606 Purpose of Fund Balance and Working Capital**

As previously described, fund balance and working capital are the best measures of a fund's financial position for governmental funds and enterprise funds, respectively. A fund's financial position basically reflects the net available resources of a fund. It is necessary for governments to maintain adequate levels of available resources (also referred to as reserves) in their funds for a variety of reasons. Reserves, act like a shock absorber, guarding against unforeseen events. Listed below are the primary reasons governments need to maintain reserves in their operating funds:

- To mitigate revenue shortfalls.
- To mitigate unanticipated expenditures.
- To ensure stable tax rates.
- To assist in long-term financial planning.
- Cash flow purposes.
- Equipment acquisition and replacement.
- Credit rating agencies monitor fund balance & working capital levels to evaluate a government's continued creditworthiness. The result of their analysis is often reflected in their bond ratings.

As described by the Government Finance Officers' Association, those interested primarily in a government's creditworthiness or economic condition (e.g., rating agencies) are likely to favor increased levels of fund balance. Opposing pressures often come from unions, taxpayers and citizens' groups, which may view high levels of fund balance as "excessive."

### **5.607 What Level of Fund Balance Should be Maintained?**

If a government is going to evaluate its financial position, the natural question is, what should the city's financial position be? There is no right or wrong answer to this question. Furthermore, the answer is dependent upon the fund in question, the type of revenues of the fund, the type of expenditures of the fund, and a sense of the local government's future needs.

State law [7-6-4034\(2\)\(b\) MCA](#) places a limit on the amount of reserve a city may budget for its tax supported funds equal to 50% of the total amount appropriated and authorized to be spent from the fund during the current fiscal year. Therefore, if the city council appropriates \$500,000 from its general fund, the maximum balance the city may include in its general fund budget is \$250,000.

Some simple principles will assist the finance professional and the city council with gauging whether or not they have adequate reserve levels. The higher the volatility of a fund's revenues or expenditures, the higher the reserve levels are prudent. Conversely, the more stable the revenues and expenditures of a fund, the less reserve levels are needed. Higher reserve levels are needed for enterprise funds, due to the fact that they are infrastructure intense. Infrastructure needs are not only costly, but generally they are sporadic as well, thus resulting in wide swings in the financial position of enterprise funds, requiring higher peaks (and possibly lower troughs) in the reserve levels. Funds that are personnel intense (those consisting primarily of city staff), require a lesser reserve level, because of the stability and predictability of the expenditures. As a general rule, the city's general fund will consist mainly of personnel and the principal revenue source will be property taxes, both of which are highly predictable.

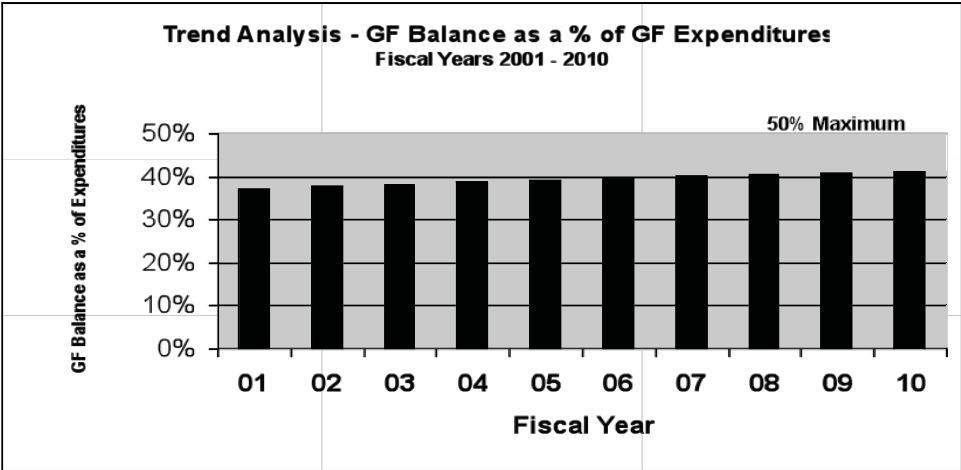
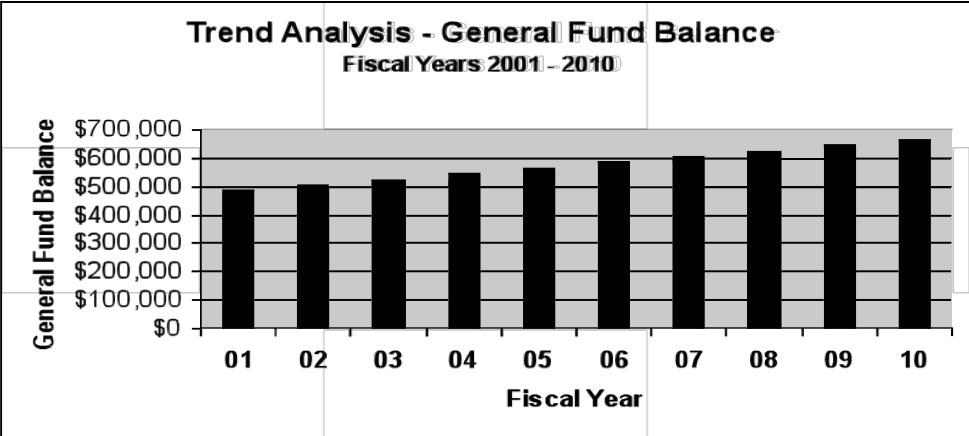
As stated previously, the trend of a fund's financial position is much more important than the absolute value. The key element in managing the city's financial position is to ensure future revenue sources are sufficient to adequately fund future expenditure needs and to do so with a minimum amount of disruption to normal operations. A well-managed city will have a very good understanding of the volatility or stability of its revenue and expenditures in each of its funds, as well as a good understanding of its future capital needs. A Capital Improvement Plan is one of the very best ways of addressing these responsibilities.

The Government Finance Officers' Association (GFOA) routinely disseminates recommended practices to local government finance officers. The GFOA prepared a recommended practice on the level of general fund reserves in 2002 and 2009 and stated that the adequacy of unreserved fund balance be assessed based on a government's own specific circumstances. That being said, the GFOA went on to recommend that:

*"...governments maintain an unreserved fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures... A government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level."*

Comparisons with other cities and towns can also provide a useful analysis to gauge the adequacy of a city or town's general fund reserves. The level of general fund balance can be stated as a percentage of general fund expenditures, thus allowing comparisons to any city, regardless of size. However, because of similarities in tax structure and services offered, it is most useful to compare fund balance levels with other Montana cities of similar size or possibly look to some of the larger cities for guidance.

### Attachment 5.3 Model Financial Trend Monitoring Graphs



RESOLUTION AUTHORIZING PARTICIPATION IN THE SHORT TERM INVESTMENT POOL (STIP)  
MONTANA BOARD OF INVESTMENTS

CERTIFICATE AS TO  
RESOLUTION NO. -18-22 AND ADOPTING VOTE

Political Subdivision: County Water District of Billings Heights  
Governing Body: County Water District Board

Type, date, time and place of meeting: A board meeting meeting held on May 11, 2022  
at 6:00 o'clock P.m. in Billings, Montana.

Members present:

Members absent:

I, the undersigned, being the duly qualified and acting recording officer of the political subdivision identified above ("Participant"), certify that the attached RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA SHORT TERM INVESTMENT POOL AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO ("Resolution") and Exhibits A and B thereto are true and correct copies of the Resolution and Exhibits A and B on file in the original records of the Participant and in my legal custody; that the Resolution and Exhibits A and B were duly approved and adopted by the Governing Body of the Participant at the above described meeting, which meeting was attended throughout by the members indicated above, constituting a quorum of the Governing Body, pursuant to public notice of such meeting as required by law; and that the Resolution and Exhibits A and B have not as of the date hereof been amended or repealed.

WITNESS my hand officially as such recording officer this 11th day of May, 2022.

By \_\_\_\_\_  
Its \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA SHORT TERM INVESTMENT POOL (STIP) AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

BE IT RESOLVED BY THE \_\_\_\_\_ (the Governing Body) of \_\_\_\_\_ (the Participant) AS FOLLOWS:

## ARTICLE I

## DEFINITIONS

Section 1.01 The following terms will have the meanings indicated below for all purposes of this Resolution unless the context clearly requires otherwise:

Section 1.02 Account shall mean a specific Participant Bank account assigned by the Bank to be used in conducting transactions through the STIP Program.

Section 1.03 Agreement shall mean the agreements of the Participant as contained within this Resolution.

Section 1.04 Authorized Representative shall mean the officer or official of the Participant designated and duly authorized by the Governing Body as set forth below to enable the Participant's participation in the STIP Program.

Section 1.05 Authorized Delegate shall mean any lawful officer, official or employee of the Participant who has been delegated authority by the Authorized Representative as provided in this Resolution to initiate transactions using the Board's STIP Program.

Section 1.06 Bank shall mean a financial institution designated and authorized as provided in this Resolution to send and receive money on behalf of the Participant for purposes of participation in the STIP Program.

Section 1.07 Board shall mean the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

Section 1.08 Exhibit A (STIP Participation Information Sheet) shall mean the document attached to and incorporated into this Resolution as provided in Article IV, Section 4.01. that provides information necessary for the Participant to participate in STIP.

Section 1.09 Exhibit B (Electronic Funds Transfer Authorization Form) shall mean the document attached to and incorporated into this Resolution as provided in Article IV, Section 4.01 that provides instructions for the Board and its agents to administer and manage the Participant's participation, transactions and shares in the STIP Program.

Section 1.10 Governing Body shall mean the governing body of the above-named political subdivision (Participant) authorized by Montana state law to participate in the STIP Program as further specified in this Resolution.

Section 1.11 Participant shall mean the political subdivision requesting participation in the Board's Short Term Investment Pool.

Section 1.12 Short Term Investment Pool, STIP, or Program shall mean the Board’s Short Term Investment Pool Program as authorized by law and as more fully defined and described in the Board’s policies and procedures, as may be amended from time to time.

ARTICLE II

SHORT TERM INVESTMENT POOL PARTICIPATION AGREEMENT

Section 2.01 Participation Agreement. By approving and adopting this Resolution and Exhibits A and B, the Governing Body requests and agrees to participation of Participant in the STIP Program, and agrees that Participant will comply with and be bound by all laws, policies, procedures and participation requirements applicable to the STIP Program, as may be amended from time to time.

Section 2.02 STIP Program Description. The STIP Program is an investment program administered under the direction of the Montana Board of Investments as authorized by the Unified Investment Program. As more fully set forth in Board policies and procedures, STIP is available to state and local governments to serve their short term cash flow and deposit needs and its objectives are to preserve capital and to maintain high liquidity. The Program has the following attributes, as more fully set forth in applicable Board policies, procedures and participation requirements, which are subject to change upon the sole determination of the Board:

- 1) STIP transactions are fixed at \$1 per share;
- 2) STIP interest on pool assets accrues daily;
- 3) STIP earnings distribution method: Interest is distributed at the beginning of the month and can be distributed as cash to the designated Bank or the earnings can be reinvested into STIP;
- 4) Buying or selling shares in STIP requires one (1) business days’ notice; transactions for which notice is received after 2:00 p.m. will be processed two (2) business days after receipt of the original notice;
- 5) Access to STIP is only through an electronic, web-based portal; no cash, checks or notifications by fax, phone or email will be accepted;
- 6) STIP’s web portal provides real-time information on each account including: investment balances, buys, sells, pending transactions, and transaction notes, as determined by the authorized user; and
- 7) The Board accounts and reports on its financial statement STIP investment on a Net Asset Value (NAV) basis. A NAV per share of a STIP unit will be shown on the Board’s website for each month-end period <http://investmentmt.com/MonthlyNetAssetValue>.

Section 2.03 Review of Policies, Procedures and Participation Requirements. Participant acknowledges and represents that it has reviewed to its satisfaction all Board policies, procedures and participation requirements applicable to the STIP Program. <http://investmentmt.com/STIP>

Section 2.04 Authorized Representative: The Governing Body designates \_\_\_\_\_, who holds the position of \_\_\_\_\_ as the Participant’s Authorized Representative to make transactions between STIP and the Bank.

The Governing Body: (check one) DOES  DOES NOT  allow the Authorized Representative to appoint and delete additional Authorized Delegate(s) on behalf of the Participant. If “DOES” is checked, any addition or deletion of an Authorized Delegate requires notice via the submission of a completed Exhibit A (STIP Participation Information Sheet) to the Board by the Authorized Representative before transactions will be accepted and processed as directed by the Authorized Delegate.

The Governing Body designates and authorizes Participant’s Bank, (the Bank), identified in Exhibit B attached, designating the Account Number and ABA Number to send or transfer funds to the State Treasurer for purchase of STIP shares and to deposit distributions of and withdraw proceeds resulting from sales of STIP shares in the Bank’s Account identified in Exhibit B attached which is a (check one) checking account  savings account .

The Governing Body: (check one) DOES  DOES NOT  allow the Authorized Representative to change either the Bank or the Account; if 'DOES' is checked, the Board will notify both the office of the Authorized Representative AND the office of the Governing Body within three (3) business days that such a change has been made.

The Governing Body: (check one) DOES  DOES NOT  allow the Authorized Representative to change the earnings distribution method; if DOES NOT is checked, the Governing Body chooses the following earnings distribution method (check one) reinvest cash earnings into STIP  distribute cash earnings to the Bank .

Section 2.05 Change of Authorized Representative. Any change to the Authorized Representative requires a new Resolution adopted by the Governing Body; however the absence of an Authorized Representative does not nullify the authority of the Authorized Delegate(s) then in effect and so authorized to make STIP transactions.

Section 2.06 Annual Confirmation. The Board will provide on an annual basis to both the Governing Body and the Authorized Representative the following information as appears on the Board's records:

1. The name of the Authorized Representative;
2. The name(s) of any Authorized Delegate(s); and
3. The name of the Bank and the associated Account Number (truncated).

Section 2.07 Effective Date. Participant's Agreement as set forth in this Resolution will take effect when the Certificate as to Resolution and Adopting Vote, this Resolution and Exhibits A and B, each completed, dated and duly executed, are delivered to and received by the Board and will stay in effect until terminated in writing by the Governing Body.

### ARTICLE III

#### MISCELLANEOUS

Section 3.01 No Guaranteed Return. The Governing Body understands and agrees that there is no minimum or maximum amount of interest rate or any guaranteed rate of return on STIP shares or funds invested in STIP shares.

Section 3.02 Voluntary Participation. By adopting this Resolution, the Governing Body acknowledges that it is not compelled to participate in STIP, and that its participation in STIP is voluntary, and accepts and agrees to the Program, its administration and governance, and its policies, procedures and participation requirements as set forth by law and the Board.

Section 3.03 Responsibility for Participant Mistakes. The Governing Body and Participant agree to hold the State of Montana, the Board, and their members, officials and employees harmless for the acts, omissions and mistakes of the Participant, Governing Body and their members, officials and employees, including but not limited to: Authorized Representative or Authorized Delegate who, for any reason, is not qualified or properly listed with the Board as a permissible representative to authorize transactions using the STIP Program; wrong instructions as to amounts or timing of sales or purchases; or missed deadlines.

Section 3.04 No Warranty. The Governing Body and Participant acknowledge and agree that the Board makes no warranty that funds will be immediately available in the event of any failure of a third party or that Governing Body will not suffer losses due to acts of God, or other calamities, or other market dislocations or interruptions.

Section 3.05 Participation Conditions; STIP Administration. The Governing Body and Participant acknowledge and agree that the Board will allow participation in STIP by and conduct STIP business

with only those parties it determines are qualified and authorized to participate in the Program and which abide by the Board's policies, procedures and participation requirements; that the Board administers the STIP Program subject to Montana law and prudent fiduciary practices as required by Montana law and Board policy; and that the Board is legally bound to manage the Unified Investment Program, which includes STIP, in accordance with the prudent expert rule as set forth in Montana law.

Section 3.06 STIP Not Insured Against Loss. The Governing Body and Participant understand and acknowledge that the Board's STIP Program is NOT FDIC insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Board or any other entity against investment losses. The Governing Body and Participant further understand and acknowledge that the Board's STIP policy requires maintenance of a reserve fund to offset possible losses and that STIP interest earnings may be used to fund this reserve before the net earnings are distributed to the STIP Participants, but that such reserves may not be adequate to cover investment losses.

ARTICLE IV

EXHIBITS A AND B

Section 4.01 Approval and Adoption of Exhibits A and B. Attached to this Resolution as Exhibits A and B, are the STIP Participation Information Sheet, and the Electronic Funds Transfer Authorization Form, which together provide the instructions and the details required by the Board to enable Participant's participation in the STIP Program. The Governing Body and Participant represent and agree that the attached Exhibits A and B have been completed and executed by the Participant's Authorized Representative and that Exhibits A and B must be complete and acceptable to the Board before participation will be allowed in the STIP Program. Exhibits A and B are hereby incorporated into and made a part of this Resolution, and are approved and adopted by the Governing Body as if set forth fully herein.

APPROVED AND ADOPTED by the \_\_\_\_\_ this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

By \_\_\_\_\_  
Its \_\_\_\_\_

Attest:

By \_\_\_\_\_  
Its \_\_\_\_\_



<b>STIP PARTICIPATION INFORMATION SHEET</b>							
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003				<i>For Official Use Only</i>  STIP DATA <input style="width: 50px; height: 15px;" type="text"/> INVEST TA <input style="width: 50px; height: 15px;" type="text"/> ACCT ID <input style="width: 100px; height: 15px;" type="text"/>			
<b>Requests must be submitted by Authorized Representative of the Participant.</b>							
<i>The STIP Participant listed below hereby agrees to participate in the STIP Program as established under Section 17-6-204, MCA., and the terms and conditions of STIP operations as determined and set by the Montana Board of Investments and warrants as follows:</i>							
<b>Section 1. STIP Participant Information Summary</b>							
STIP Participant Name →				Tax Identification Number (TIN) →			
Mailing Address →		City →		State →	MT	Zip →	
STIP Account # → <i>(For official use only)</i>							
Authorized Representative Name, First →		Name, Last →		Title →			
Telephone Number →		Fax Number →		E-mail →			
<b>Section 2. Investment and Earnings Information</b>							
The STIP Participant has the option to either reinvest their earnings or distribute earnings.							
<b>Check one box only.</b>							
Reinvest Earnings <input type="checkbox"/>				Distribute Earnings <input type="checkbox"/>			
<b>Section 3. Authorized Delegates</b>							
The Authorized Delegate(s) whose name(s) appears below is (are) authorized to purchase and sell shares in STIP for the Participant.							
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.							
Signature →				Date →			
Printed Name →				Title →			

# Exhibit B

<b>ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM</b>						
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003						
<b>Local Government Name:</b>						
<b>STIP Account #:</b> <i>(For official use only)</i>						
<p>I, the undersigned, a duly Authorized Representative of the local governing board, hereby authorize the Montana Board of Investments to initiate electronic debit and/or credit to the following account. The Authorized Representative acknowledges the origination of ACH transactions to the listed account complies with the provisions of U.S. law.</p> <p>Any sale, purchase, or distribution of funds will be made by Electronic Funds Transfer or wire debiting or crediting the appropriate treasury or shareholder bank account. Please specify the local government depository.</p> <p style="text-align: center;"><b>Check one transaction type only.</b></p>						
Checking Account <input type="checkbox"/>			Savings Account <input type="checkbox"/>			
Name of Bank →		Routing/ABA No →				
Address →						
City →				State →	MT	Zip →
Account Number →						
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.						
Signature →		Date →				
Printed Name →		Title →				
Please notify the Montana Board of Investments if you have applied a filter or a block to your account.						

# MONTANA BOARD OF INVESTMENTS

Item 3.

Department of Commerce

Street Address:  
2401 Colonial Drive, 3<sup>rd</sup> Floor  
Helena, MT 59601

Mailing Address:  
P.O. Box 200126  
Helena, MT 59620-0126

Phone: 406/444-0001  
Facsimile: 406/449-6579  
Website: www.investmentmt.com



February 5, 2016

Government Name  
Governing Body  
Mailing Address  
City/State/Zip

RE: Short Term Investment Pool (STIP)  
STIP Account #: \_\_\_\_\_ and Account Name: \_\_\_\_\_

Dear Local Government STIP Participant:

We are writing to notify local government STIP participants of new requirements adopted by the Board of Investments at its November 2015 meeting. Beginning in 2016, local governments participating in STIP must complete the enclosed STIP Resolution, Exhibit A and Exhibit B (STIP Resolution). The STIP Resolution must be authorized by the STIP participant's governing body.

The STIP Resolution requires the governing body to designate the following:

- An Authorized Representative to transact STIP on behalf of the local government
- A Bank Name and Account Number to be used specifically for STIP transactions
- The earnings distribution method of the STIP account

At the discretion of the governing body and as provided in the STIP Resolution, the Authorized Representative *may* be able to:

- Appoint Authorized Delegates to transact STIP on behalf of the local government
- Change the Bank Name and/or Account Number used specifically for STIP transactions
- Change the earnings distribution method of the STIP account

Please submit the completed STIP Resolution at your earliest convenience, but **no later than June 30, 2016**. Please note a *separate STIP Resolution* must be submitted for each STIP account the governing body maintains. (The Board of Investments has sent one notification letter for each STIP account.)

*Send paper copies of the STIP Resolution to:*  
Montana Board of Investments  
Attn: STIP Manager  
2401 Colonial Dr., 3<sup>rd</sup> Floor (59601)  
PO Box 200126  
Helena, MT 59620

*Send electronic copies of the STIP Resolution to:*  
BOI\_STIP@mt.gov

(Over)

It is the responsibility of the STIP Participant to take the following action when changes occur.

***Submit a New STIP Resolution if:***

- The Authorized Representative has changed
- The Bank Name or Account Number has changed AND the Authorized Representative *is not* allowed to change the Bank Name or Account Number
- Any Authorized Delegates have changed AND the Authorized Representative *is not* allowed to change the Authorized Delegates

***Submit Exhibit A (STIP Participation Information Form) if:***

- The Authorized Delegates have changed AND the Authorized Representative *is* allowed to change the Authorized Delegates

***Submit Exhibit B (Electronic Funds Transfer Authorization Form) if:***

- The Bank Name or Account Number has changed AND the Authorized Representative *is* allowed to change the Bank Name or Account Number

Annually, the Board of Investments will send confirmation that will include the name of the local government Authorized Representative, the name or names of any Authorized Delegates, the Bank Name and its Account Number. If the information contained in the confirmation is not current or correct, it is the responsibility of the local government to provide updated information to the Board of Investments. Otherwise, no action is required.

Hard copies of the STIP Resolution, Exhibit A and Exhibit B are enclosed for your use. In addition, pdf versions of these documents can be found on our website at <http://investmentmt.com/STIP/Forms>.

We appreciate your cooperation in completing the STIP Resolution and returning it to the Board of Investments as quickly as possible. Please direct any questions to Polly Boutin, Associate Financial Manager at (406) 444-0220, Frank Cornwell, Associate Financial Manager at (406) 444-0587 or April Madden, STIP Program Manager at (406) 444-0003.

Sincerely,



David Ewer  
Executive Director

Enclosures

# Exhibit A

Item 3.

<b>STIP PARTICIPATION INFORMATION SHEET</b>							
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003				<i>For Official Use Only</i>  STIP DATA <input style="width: 50px; height: 15px;" type="text"/> INVEST TA <input style="width: 50px; height: 15px;" type="text"/> ACCT ID <input style="width: 100px; height: 15px;" type="text"/>			
<b>Requests must be submitted by Authorized Representative of the Participant.</b>							
<i>The STIP Participant listed below hereby agrees to participate in the STIP Program as established under Section 17-6-204, MCA., and the terms and conditions of STIP operations as determined and set by the Montana Board of Investments and warrants as follows:</i>							
<b>Section 1. STIP Participant Information Summary</b>							
STIP Participant Name →				Tax Identification Number (TIN) →			
Mailing Address →		City →		State →	MT	Zip →	
STIP Account # → <i>(For official use only)</i>							
Authorized Representative Name, First →		Name, Last →		Title →			
Telephone Number →		Fax Number →		E-mail →			
<b>Section 2. Investment and Earnings Information</b>							
The STIP Participant has the option to either reinvest their earnings or distribute earnings.							
<b>Check one box only.</b>							
Reinvest Earnings <input type="checkbox"/>				Distribute Earnings <input type="checkbox"/>			
<b>Section 3. Authorized Delegates</b>							
The Authorized Delegate(s) whose name(s) appears below is (are) authorized to purchase and sell shares in STIP for the Participant.							
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.							
Signature →				Date →			
Printed Name →				Title →			

# Exhibit B

<b>ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM</b>					
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003					
<b>Local Government Name:</b>		County Water District of Billings Heights			
<b>STIP Account #:</b> <i>(For official use only)</i>					
<p>I, the undersigned, a duly Authorized Representative of the local governing board, hereby authorize the Montana Board of Investments to initiate electronic debit and/or credit to the following account. The Authorized Representative acknowledges the origination of ACH transactions to the listed account complies with the provisions of U.S. law.</p> <p>Any sale, purchase, or distribution of funds will be made by Electronic Funds Transfer or wire debiting or crediting the appropriate treasury or shareholder bank account. Please specify the local government depository.</p> <p style="text-align: center;"><b>Check one transaction type only.</b></p>					
Checking Account <input type="checkbox"/>			Savings Account <input type="checkbox"/>		
Name of Bank →		Routing/ABA No →			
Address →					
City →		Billings		State →	MT
Account Number →		Zip → 59105			
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.					
Signature →		Date →			
Printed Name →		Ming Cabrera		Title →	
Please notify the Montana Board of Investments if you have applied a filter or a block to your account.					

<b>STIP PARTICIPATION INFORMATION SHEET</b>							
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003				<i>For Official Use Only</i>  STIP DATA <input style="width: 50px; height: 15px;" type="text"/> INVEST TA <input style="width: 50px; height: 15px;" type="text"/> ACCT ID <input style="width: 100px; height: 15px;" type="text"/>			
<b>Requests must be submitted by Authorized Representative of the Participant.</b>							
<i>The STIP Participant listed below hereby agrees to participate in the STIP Program as established under Section 17-6-204, MCA., and the terms and conditions of STIP operations as determined and set by the Montana Board of Investments and warrants as follows:</i>							
<b>Section 1. STIP Participant Information Summary</b>							
STIP Participant Name →				Tax Identification Number (TIN) →			
Mailing Address →		City →		State →	MT	Zip →	
STIP Account # → <i>(For official use only)</i>							
Authorized Representative Name, First →		Name, Last →		Title →			
Telephone Number →		Fax Number →		E-mail →			
<b>Section 2. Investment and Earnings Information</b>							
The STIP Participant has the option to either reinvest their earnings or distribute earnings.							
<b>Check one box only.</b>							
Reinvest Earnings <input type="checkbox"/>				Distribute Earnings <input type="checkbox"/>			
<b>Section 3. Authorized Delegates</b>							
The Authorized Delegate(s) whose name(s) appears below is (are) authorized to purchase and sell shares in STIP for the Participant.							
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
Name, First →		Name, Last →		E-Mail →			
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.							
Signature →				Date →			
Printed Name →				Title →			

# Exhibit B

<b>ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM</b>					
STIP Program Manager Montana Board of Investments boi_stip@mt.gov PO Box 200126                      Helena, MT 59620-0126 Phone 406.444.0003					
<b>Local Government Name:</b>					
<b>STIP Account #:</b> <i>(For official use only)</i>					
<p>I, the undersigned, a duly Authorized Representative of the local governing board, hereby authorize the Montana Board of Investments to initiate electronic debit and/or credit to the following account. The Authorized Representative acknowledges the origination of ACH transactions to the listed account complies with the provisions of U.S. law.</p> <p>Any sale, purchase, or distribution of funds will be made by Electronic Funds Transfer or wire debiting or crediting the appropriate treasury or shareholder bank account. Please specify the local government depository.</p> <p style="text-align: center;"><b>Check one transaction type only.</b></p>					
Checking Account <input type="checkbox"/>			Savings Account <input type="checkbox"/>		
Name of Bank →		Routing/ABA No →			
Address →					
City →				State →	MT
Account Number →					
I hereby certify as the Authorized Representative of the STIP Participant that all of the information contained herein is true, accurate and complete as of the date hereof.					
Signature →		Date →			
Printed Name →		Title →			
Please notify the Montana Board of Investments if you have applied a filter or a block to your account.					





## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### Board of Directors Meeting Minutes

April 13, 2022 at 6:00 PM

Board Room, County Water District of Billings Heights 1540 Popelka Dr.

The meeting is open to any interested member of the public. Agendas are prepared for the meetings; agendas may be requested from the General Manager Peyton Brookshire, [peyton@heightswaterdistrict.com](mailto:peyton@heightswaterdistrict.com) and are available at <https://heightswaterdistrict.com/agendas-and-minutes/> and <https://www.yellowstonecountynews.com/county-water-district-of-billings-heights/>.

**CALL MEETING TO ORDER:** President Ming Cabrera called the meeting to order at 6:00 pm President Cabrera thanked the people in attendance as rate payers and residents to take a look at the Settlement of the lawsuit. The attorney will talk about the settlement, then we will make a motion to begin discussion, the Board will discuss and then we will allow for public comments no longer than 2 minutes per person.

**PRESIDENT'S REMARKS:** Ming Cabrera

During the course of the meeting the Public may be heard before a vote is cast by the Board. The President will acknowledge the Public once the motion has been made and discussed by the Board for their input. The President will recognize speakers who raise their hand. Once recognized, the speaker should move to the side of the board table so comments can be heard, identify themselves by name, and limit their comments to two minutes. Each speaker will have one opportunity to speak on any agenda item.

#### **WELCOME AND INTRODUCTIONS**

Board Members Present Ming Cabrera, David Graves, Dennis Cook, Laura Drager, Pam Ellis, Jeff Engel, Brandon Hurst

Staff Members Present Peyton Brookshire, Josh Simpson, Dianne Crees, Mark Noennig (Hendrickson Law Firm)

Also Present John Collins, Butch Bailey, Kelly Brookshire, Jim Brown, Tim Chamberlain, Carolyn Collins, Jennifer Duray, Louis Engels, Frank Ewalt, Sharra Felley, Lyle and Debbie Fogle, Donald Howe, JW Keropple, Chris Kukulski, Mike Macki, Timothy Nava, Victor Nava, Jennifer Owen, Evelyn Pyburn, Rob Romsa, Stephanie Romsa, Melissa Smith, William Thompson, Brad Warneke, Melissa Wright, Tom Zurbuchen

#### **PUBLIC HEARING Settlement Agreement with the City of Billings**

The legal committee of David Graves, Laura Drager and Pam Ellis recommended approval of the Final Settlement Agreement.

Laura Drager made the motion: Having conducted a public hearing, considered written and spoken public testimony, I move to approve SETTLEMENT AGREEMENT between THE CITY OF BILLINGS (the "City") and THE COUNTY WATER DISTRICT OF BILLINGS HEIGHTS (the "District") with the SETTLEMENT AMOUNT: \$2,936,251.80 (Two Million, Nine Hundred Thirty-Six Thousand, Two Hundred Fifty-One Dollars and 80 cents) and to direct the District to pay the full amount within thirty (30) days after the approval of this Settlement Agreement and Release by the later of the City of Billings City Council and the Board of Directors of the County Water District of Billings Heights. Seconded by David Graves

VOTING IN FAVOR OF THE MOTION: Ming Cabrera, Laura Drager, Pam Ellis, David Graves

VOTING IN OPPOSITION OF THE MOTION: Dennis Cook, Jeff Engel, Brandon Hurst

MOTION CARRIED The bill will be paid.

Background from Mark Noennig, Attorney Representing the District in the Dispute Resolution The issue the Board purchases its water from the City of Billings through a long term agreement. There was evidence that there was a mistake made in the calculation of converting cubic feet to gallons. Therefore, the CWD was underbilled roughly \$3 million. There was a lawsuit filed seeking the amount owed and interest. This lawsuit proceeded to the point where Mark Noennig was retained. He was not involved originally; his charge was to try to get this case settled on the basis of payment of the amount, principal allegedly owed without interest and an agreement to meet with the city to discuss, but not be bound to discuss, a proposal to amend the long term agreement between the city and the CWDBH. The issues were four: 1) the principal amount allegedly owed but not originally billed; under the UCC we could have lopped off an amount that exceeded the 4 year Statute of Limitations; but the city claimed there is also an amount for an account stated and that is a 5 yr. Statute of Limitations The fact that it wasn't billed doesn't have any great legal support for defending the claim; those arguments have not found favor in the court; 2) interest charge was 1 ½% per month; the total bill was about \$5.2 million recently The defense is that compounding interest may not be allowed; there is an agreement that 1.5% a month is appropriate because it is listed in the schedules that is part of the contract; if you pencil that out, (simple interest 10% is the minimum amount); 1.5% over 3 years pencils out to a minimum interest charge of \$1.6 million and this is a longer period than 3 years. The liability for interest is somewhere between \$750,000 and \$2.2 million. There are significant legal arguments for the recovery of that interest; 3) Franchise Fee: the District counter claimed against the city for what they claimed were illegal franchise fees because they were arguably illegal sales taxes. In our settlement discussions, the city took the position that the amount was \$35,000 based on the statute of limitations. There was a tolling agreement which means there could be an argument that the amount allegedly owed was as much as \$172,000. There have been 2 court decisions ruling that those franchise fees are not collectible because there was no formal protest at the time the water was delivered and there was no preceding taken in front of the city council to challenge the fees. 4) Permit Fees: there was a challenge to the city's right to charge the CWD for right of way use.

Settlement Agreement The terms are the full bill would be paid less about \$34,000 in interest that would have been accrued if the payment had been made over a 3 year period; that was negotiated by the legal team representing the Board. No interest. On the counter claims, dismissal of the claim for franchise fees. The permit fee issue it was agreed not to be decided; it will be discussed at a future date. Finally, there is a provision that says "the parties will meet to discuss the terms of the contract with no legal obligation to change it."

Having analyzed the liability and the exposure in this case, he recommends that it is in the best interest of the District and the Board to enter into the Settlement. The attorney fees in order to litigate it to get the point where you find out how much exposure is going to be significant. Mark Noennig would not litigate the case. At least tens of thousands of dollars to litigate. A big advantage to settle the case is to limit the attorney fees.

Arguments raised at the prior meeting are that the city is not out any money because they have already increased their rates to cover the payment. The \$3 million was included in an account receivable that is already on the books; no additional fees were charged to Billings ratepayers. Second, there was an argument that this money should be sent back to the ratepayers and that it could be used for things like an amphitheater at Coulson Park. The statute limits the cost to the expense of providing the service.

Ming Cabrera asked Mark Noennig how much liability the District has if we do not accept the Settlement Agreement. It depends on how much principal is proved and how much interest is proved. He estimated \$4 million at least plus attorney fees. Could be more. The interest continues to run.

Ming Cabrera noted that over \$200,000 has been spent in attorney fees on this matter including the fees paid by both the city and the District. His opinion is to pay the bill with no interest and move on.

Laura Drager confirmed that the District would not raise water rates to pay the bill. The money was collected at the time we sold the water to the ratepayers and has been deposited into investment accounts. Our auditors at that time recognized that there was additional income in each of the years that are in dispute. We have the funds to pay this debt to the city with the money we have in our investment account.

## DISCUSSION BY THE BOARD

Dennis Cook the billing error was admitted by the city but there seems to be no acceptance of responsibility in the Agreement. There was a wrong committed. The error exists and the city needs to own up to their mistake. The right of way fees that Mr. Noennig still leaves the District open to future litigation. Our water purchase agreement is left in limbo and puts the District at risk to address some of the behavior that has been demonstrated in the past to just revamp the contract.

Ming Cabrera noted that Dennis Cook was out of order. We are discussing the Settlement Agreement.

Dennis Cook said those are unresolved issues in his mind. There are questions on the conversion rate. Needs further discussion. There is a pending lawsuit.

Ming Cabrera noted Dennis was out of order.

Dennis Cook commented in illegal meetings is another unresolved issue.

Ming Cabrera noted Dennis was out of order.

Dennis Cook said the settlement does not issues that have been unresolved. With that in mind, he cannot support the settlement agreement in its present form.

Brandon Hurst echoed what Dennis Cook said. Our previous attorneys did believe we may win or get it adjusted to a lower amount.

Laura Drager pointed out that the District currently has a contract with the City of Billings. In the contract it says that we will purchase water and we will pay for water that we distribute to the ratepayers of the District. The city says that they are willing to provide water as long as we pay our bill. The District is currently in breach of the contract. So when we look at risk vs reward, we are risking the current contract that we have. The current contract is very favorable to the District. Putting that contract in jeopardy is not something we should be doing. We received the water, we distributed, our ratepayers received the water. In our discussion with the city, we acknowledged that we have done some things wrong, the city has done some things wrong. At this point, there is nobody, Brandon included, that was here when this took place. We are starting fresh from here and need to move forward. On the April 8<sup>th</sup> bill, there is \$2,125,823.07 interest billed. That is a risk to the ratepayers. If we go to court, not only will we pay ridiculous money to the attorneys, there is a real risk we will have to pay the interest charges. Her recommendation to the Board and to the city that we move forward with this settlement, reduce our risk, and move forward.

David Graves said the city is waiving the interest. In our meetings, they acknowledged that they made a mistake. We made mistakes because we knew we were making 1/3 of our journal budget with the fees collected. All they want is for us to pay for the water we drank and watered our lawns with and showered with. The city is doing us a favor. We owe them this and we have a contract with them.

Jeff Engel agrees with a lot of what Dennis and Brandon have said. There is a pending lawsuit and I do believe that the outcome of that lawsuit could affect what happens here tonight.

Ming Cabrera noted that three members of this Board and one community member have sued the District and have said that we are an illegal board when 4 members is a quorum and authorized by statute to conduct business. David Graves said it best. Both sides made mistakes. 40% of the water wasn't billed and the District claims they didn't see the error. No interest, no more attorney fees. The money is available; no one will see an increase in their rates.

Pam Ellis state law controls both the city and the District in setting rates. The city can only charge for the cost of producing the water. The District can only charge ratepayers for the wholesale cost of water plus operation and maintenance expenses. There seems to be a perception that if we don't pay back to the city, the District can

just keep the money. 40-50% of the District cost is the cost of wholesale water. If we don't have an expenditure for wholesale water, we cannot bill the ratepayers for water we didn't purchase.

The minutes reflect that the plaintiffs for the franchise lawsuit approached the Board multiple times and requested that join the lawsuit. The recommendation from the General Manager was that the city is our partner; we should not to bite the hand that feeds us. That was excellent advice; we should have followed it. The right of way fees in the counter claim are \$250,000.

The actual right of way fees paid are \$5000 per year; \$20,000 total. The District cannot litigate for \$5000. If there is an issue, our attorney can review it and have a discussion with the city. For \$5000, we cannot afford to litigate. We were told in August by an attorney that we interviewed that we have significant risk and he recommended that we settle with the city. Unfortunately, we hired an attorney at that point that wasn't real competent with business law; we are really fortunate to have Mark Noennig who is much more efficient at researching the law and giving sound advice. The city made some errors, we made some errors. We are partners. Let's move on.

Ming Cabrera said he ran on a platform to settle the fee dispute with the city. Let's settle and then talk about the other issues.

#### PUBLIC COMMENTS

Tim Chamberlain It is obvious that the Board has done due diligence both pro and opposed. It appears absolutely clear that we should pay the city. The city never went broke when we didn't get the money. They are doing just fine with the money they already collected and spent. They don't need another \$3 million from us. That seems punitive.

Pam Ellis The city is building a lot of infrastructure, residents who are not in the District have been paying increased water rates to pay for approved capital expenditures including development of the west end water plant and reservoir. The \$2.95 million is included in the funding for capital outlays. The city does not have extra money.

Jennifer Duray, the City of Billings Assistant Works Director confirmed that the city has large amounts of cash right now to pay for capital improvements. They would eventually have to raise rates if the \$2.95 million was not paid.

Tom Zurbuchen urged the District not to accept the Settlement. None of the bills are calculated correctly. The city is giving us an extra .4 of a gallon for every unit converted. The city is going to come back in the future and ask for that money too. The city now bills by 1000 gallon units since July 2021; there is no longer a conversion.

Ming Cabrera This is not the city vs Billings Heights. We are part of the city. We are neighbors, we work together. We are suing ourselves. That doesn't make sense to me.

Frank Ewalt We have paid for the water; we have used the water. The conversion factor Tom mentioned does not pencil out to 40%. The first month, you may let it go. The second month, the District should have contacted the Public Works Director.

John Collins We used the water; we should pay for it. It is that simple.

Laura Drager It has been questioned why the District didn't recognize or identify what we were collecting.

Dianne Crees 1) we bill in gallons; they bill in cubic feet; 2) we read meters at different times; 3) we started a 3 tier water system at that time—we didn't know what to expect; 4) we were in a major building expanding Alexander Rd and building the reservoir; 5) we trusted the bills from the city

Stephanie Romsa If you are in a contract to pay a specific price, there should be an obligation to understand what that price is and understand what you have to pay. What internal controls are you putting into place now that would correct this if it ever arises in the future.

Pam Ellis 1) In the past, the District did not follow open meeting laws. The Board would walk into a meeting and there would be 20-30 pages of financial information to review and approve. Meetings lasted 11-30 minutes. Financial documents were approved without any consideration. Now those documents are available to the Board and Public at least 48 hours prior to the meeting, ideally by the close of business on the Friday before the meeting. We have a Finance Committee which includes Laura Drager and Pam Ellis. We pay close attention. 2) Typical of water districts in Montana, there is a billing program and an accounting program. The billing system does not integrate directly into the accounting software which limits a thorough audit. One of the things on the agenda for tonight is purchasing Black Mountain accounting software which is expensive but a number of references consider the expense worthwhile ; the software would allow more accurate audits. 3) State law does not require the District to have a budget. Our income is \$4-\$5 million per year and we have never had a budget. That will end this year; we will have a budget. The District has had poor financial management both on the part of the past Board and management. We are working hard to catch up. That is exactly what the problem is. This problem should never have happened.

Ming Cabrera noted that the bylaws had not been written in 64 years when the District was incorporated under statute. The District adopted new bylaws this year. He is happy to see so many people here and be involved.

City Manager Chris Kukulski The city manager and some staff met with the Board Chair and General Manager shortly after Mr. Kukulski began working. The city fully acknowledged it was a calculation error at the very first meeting. At a failed mediation, we acknowledged the error and said they would not charge interest. The response was a flat out, "you were idiots not to charge so you should pay the penalty." He wants the record to reflect that the city from the first days acknowledged the city had an error though they don't know exactly where. The city was also purchasing and implementing new software. At the end of the day, as we continue to pay attorneys to this point. At what point do we stop paying attorneys to depose each other to figure out who discovered first the underpayment and continue to fight about this for years. That was the city's goal initially and that is our goal tonight. We are building a community here and most likely these two entities are going to be in a relationship beyond the lifetimes of anyone in this room. Thank you for your consideration tonight.

Ming Cabrera has seen the city vs Billings Heights fight going on for 40 years. We've got to stop it. We need to work together. He is as guilty as anyone else. The only thing this District does is buy and sell water. We don't produce the water; we don't provide sewer. We have the money put aside. We have always had the money put aside.

Peyton Brookshire, General Manager The readings were consistent with the cubic feet. The District did not catch that the conversion was incorrect.

Mark Noennig The question of where in the Settlement Agreement that says the conversion issue is settled

2. No Admission of Liability It is understood that the above-mentioned sum is accepted as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither the payment of the sum by Releasee nor the negotiations for settlement shall be considered as an admission of liability by either Party. The claims reserved and not released remain disputed and not admitted by the opposing party,

3. Stipulation for Dismissal "The Releasor's complaint against the Releasee with respect to amounts owed to the Releasor for water purchased by the Releasee between February 27, 2015 and December 15, 2017, shall be dismissed, with prejudice;

The answer is: That's where it says it, right there. If this agreement is approved, that is how much the District needs to pay; it doesn't matter how it is calculated. The city cannot come back to collect on fees before the stated dates because of the Statute of Limitations.

Bill Thompson Does a lot of building in Emma Jean. If we used the water, we should pay the water.

Peyton Brookshire said income beyond what was required for Operations and Maintenance went into reserves which is invested.

Pam Ellis clarified that if NW Energy made a billing error over 2 ½ years, NW Energy could only collect for 6 months. The District originally argued that they would only pay 6 months. The law specifically does not apply to municipal utilities. The District kept the \$2.95 million in cash until the tolling agreement expired in December 2020. The District understood it was likely to have to pay the disputed amount. The District always understood they had liability and might have to pay.

Laura Drager The District currently has \$9,301,275.18 in our investment accounts.

Ming Cabrera said we need reserves to pay for on-going capital improvement projects. We requested guidance from the auditor about the amount of reserves that are needed going forward.

Laura Drager reread the recommended motion for clarification.

#### **AUDIT REPORT POSTPONED**

Stefeni Freese will get the adjusted trial balance and adjustments to the Finance Committee and the bookkeeper and then a draft of the audit by this weekend. Stefeni Freese needed to work through any findings and write them up, so they won't affect the numbers; she had a family emergency that delayed the completion. We will post the draft audit when received. Stefeni Freese will attend the May meeting.

Stefeni Freese | CPA, Business Unit Director, Shareholder

#### **PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items**

##### **ADJOURNMENT** 5 minutes

- A. Any member of the Public may be heard on any subject that is not on the Agenda.
- B. The board will not take action on these items at this time but may choose to add an item to the next meeting's Agenda for discussion.

Ming Cabrera noted that 3 members of the Board: Dennis Cook, Jeff Engel and Brandon Hurst have not attended a meeting in person since October, 2021 (5 months). They said that they didn't have to come to the meetings because they have an attorney. There has to be an end to this. It should be known to the ratepayers that they are not attending and not participating as Board members.

Tom Zurbuchen They have participated via Zoom when available.

Dennis Cook said the legal counsel has advised that we not attend the meetings. But we have attended by Zoom.

Ming Cabrera talked with legal counsel who spoke with their attorney. Attorney Tyler T. Dugger told the District attorney Justin Stark representing in the lawsuit filed by Dennis Cook, Jeff Engel, Brandon Hurst and Tom Zurbuchen that he had not advised the plaintiff's not to attend meetings.

Laura Drager noted that the recommendation made or not made by Tyler Dugger is hearsay.

Mike Macki asked when is the next Board election. Ming Cabrera said the next election is 2023. Laura Drager did not have the information for when the appointed Board members terms expired.

Don Howe recommends the Board invests in a speaker system for public meetings so everyone can hear what is being said. Tonight he has been less than informed because he trouble had hearing.

Ming Cabrera reiterated that it is important that all Board members attend the meetings and participate.

#### **CONSENT AGENDA**

12. Payables April 13
13. March Prepaid bills for approval
14. Profit and Loss Statement – March 2021 and March 2022

15. Minutes March 16,2022
16. March Stifel Statement
17. FIB Gross Income March
18. FIB O&M March
19. FIB Payroll March No checks
20. FIB Savings March Quarterly Statement
21. March Stats Billing software
22. CWD March Check Register

Pam Ellis had two questions based on the Profit and Loss Statement, March 2021-March 2022.

Why are we showing a \$10,000 Labor Bonus. That is for the entire year, giving \$7000 Worker's Compensation refunds over 2 years as bonuses, Josh's 5 year anniversary and bonus.

Our Expenses March to March are about \$1.8 million; our income was \$1.3 million. We spent \$500,000 more than our income. What is the explanation for that? Peyton Brookshire said the District purchased the Chlorination equipment for about \$180,000. Peyton did not recall the profit being that different. Do you Dianne? Expenses were not shown. Agreed to follow up later.

Laura Drager made a motion to approve the Consent Agenda. Seconded by David Graves. Unanimous approval.

#### **GENERAL MANAGER REPORT - Peyton Brookshire**

##### 23. April General Manager's Report

- a. Jenn Burnside got a call from AK about a \$15,000 check issued on our account. The bank confirmed that the account had the funds. She has stopped \$78,000 in checks in 1 ½ weeks. The bank put the accounts on "positive pay" which will cost the District \$50 per month beginning in July. A suggestion was made to change the bank accounts. The bank said that more often than not, the once the District has been hit with fraudulent checks, more often than not a year or two later it would happen to us again. They recommend keeping the positive pay on the account to keep us safe.

Tom Zurbuchen asked how the problem arose.

Laura Drager pointed out that when she reviewed the Board packet that was posted on the website and the Yellowstone County News, she met with Suzie, Dianne and Peyton. We had an image of the check. The fraudulent checks have signatures. We have internally made changes about what information is shared publicly, we are not putting the checks with the invoices so those checks are not included with the invoices.

24. Sartorie Annexation Application This will be a private system. The annexation has been hydraulically modelled and approved. The annexation fee has been paid.

Pam Ellis made the motion: having conducted a public hearing, considered written and spoken public testimony, I move that the Board approve Sartorie Annexation of Tract 2B-2A-1 of Amended Tracts of Corrected Certificate of Survey No. 840, Fifth Amended and President Cabrera sign Resolution 012-22 Authorizing the Annexation. Seconded by Laura Drager. Unanimous approval.

Resolution 012-22 to Authorize SARTORIE ANNEXATION 2.792 Acres 121619.52, Sqft. \$28,337.35.

- 25.. Annexation petition for 2207 Bench Boulevard. .723 Acres 31885.92 Sq Ft buy in is \$7,429.42

Laura Drager made the motion having conducted a public hearing, considered written and spoken public testimony, I move that the Board approve Annexation petition for 2207 Bench Boulevard..723 Acres 31885.92 Sq Ft buy in is \$7,429.42 and authorize President Cabrera to sign Resolution 013-22. Seconded by David Graves. Unanimous approval.

26. The TIMELINE FOR THE CHLORINATION PROJECT @ the Oxbow tank was pushed back due to the weather. The end date is projected to be completed by the end of July. We have all the needed equipment. \$500,000 project. Pam Ellis noted that the we purchase chlorinated water from the city. In the winter, there is reduced water consumption; the chlorination level of the water drops below acceptable levels in the winter.
27. CIP UPDATE Received from Interstate Engineering on the day of the meeting. Peyton will forward the update to the Board. Interstate Engineering will meet with the Board in May.
28. VALVE REPLACEMENT: The CIP has identified 23 different valves. Makes repair and flushing easier. Peyton has received 2 bids for valves; he is waiting on a third bid. The lowest bid to date is NW Pipe. The third company may not have the valves in stock. May agenda. Josh Simpson said the staff could install about a valve a day depending on where they are installed.
29. CHANGE SIGNATURES ON THE OPERATIONS AND MAINTENANCE FUND  
David Graves made a motion to remove authority for signatures on the First Interstate accounts. Add Peyton Brookshire, Josh Simpson, Jenn Burnside and Suzie McKethen. Seconded by Ming Cabrera. Friendly amendment by Pam Ellis that President Cabrera sign a letter confirming that this action was approved. APPROVED Unanimously.
30. EMAIL FROM JENNIFER DURAY Jennifer will meet with the rate consultant for the City of Billings the week of April 18<sup>th</sup>. Jennifer will have a good idea of when the new wholesale water rate will be calculated and to the District. Pam Ellis noted that the council generally approves rate increases at the end of May. The District will have to estimate the increased cost of wholesale water until the city confirms.
31. NOT DISCUSSED; Peyton said he would be prepared to bring a recommendation to the Board in May. We are looking at the GOVERNMENT AND ACCOUNTING SOFTWARE OFFERED BY BLACK MOUNTAIN which is the software we use for utility billing and service orders to consolidate and streamline all the processes from budget to payroll and everything in between. This will get rid of QuickBooks and enable more people to have access to any information in the day to day operation. We will have a demo with black mountain and then assess. Quote is attached.

#### OLD BUSINESS

32. Update: Recording Secretary and Board Secretary (see attachments--Background)

Ming Cabrera noted that this was tabled at the last meeting. We are waiting for Municode to be updated and for a decision on implementation of the Black Mountain software and the development of a budget.

David Graves made a motion to table the discussion until May. Seconded by Laura Drager. Approved unanimously.

#### NEW BUSINESS NONE

#### FINANCE COMMITTEE REPORT: Laura Drager

##### County Water District Billings Heights

##### Treasurer's Summary Report as of



	31-Jan-22	28-Feb-22	31-Mar-22
<b>Previous total meter count</b>	5881	5839	5837
Residential	5440	5491	5448
Commercial	399	346	398
New Residential	4	3	5
<b>Total # Meters</b>	<b>5839</b>	<b>5837</b>	<b>5846</b>
FIB Gross Income Account	\$ 952,485.57	\$ 960,580.57	\$ 708,141.15
FIB Operational & Maintenance	\$ 42,232.02	\$ 7,501.22	\$ 252,125.14
FIB Payroll Account	\$ 3,918.96	\$ 1,894.21	\$ 243,411.00
<b>Total Checking</b>	<b>\$ 998,636.55</b>	<b>\$ 969,976.00</b>	<b>\$ 1,203,677.29</b>
Stifel - Cash & Equivalent	\$ 262,785.81	\$ 1,526,572.32	\$ 2,485,786.20
Stifel - Fixed Income CD's	\$ 8,612,724.64	\$ 7,327,654.60	\$ 6,344,964.92
<b>Total Stifel Investments</b>	<b>\$ 8,875,510.45</b>	<b>\$ 8,854,226.92</b>	<b>\$ 8,830,751.12</b>
First Interstate Bank Savings	\$ 250,935.48	\$ 250,937.40	\$ 250,939.53
Yellowstone Bank Reserve CD	\$ 205,267.50	\$ 219,584.53	\$ 219,584.53
<b>Total Investments</b>	<b>\$ 9,080,777.95</b>	<b>\$ 9,073,811.45</b>	<b>\$ 9,301,275.18</b>
	<b>\$ 10,079,414.50</b>	<b>\$ 10,043,787.45</b>	<b>\$ 10,504,952.47</b>

We can pay the City of Billings today with the money we have in cash equivalent accounts.

When there are excess funds in First Interstate, it is transferred to our Stifel cash equivalent. All CD's are rolled into the Stifel account. Right now we are pretty flush in our checking accounts. Dianne and Jenn will work with Laura to establish a policy. Ming Cabrera noted that one of the stipulations made when Peyton was hired was that the District would have a budget. Pam Ellis noted that when she and Laura Drager met with the accountant in the fall, we requested guidance on developing a financial plan. The CD's we currently own have very low rates and could be sold if the District had a need for cash.

#### **BYLAWS AND GOVERNANCE COMMITTEE REPORT: Pam Ellis**

The new website is ready to review.

Please review; let Pam Ellis know if anything needs to be adjusted.

Here is the link to the site: <https://billingsheightscwd.teammunicode.com/>

33. Municode Website: Additional Information attached

Video and audio links to the minutes are still a challenge. We have audio recordings of all the meetings from June 2021 to date. There are times when the minutes may not be totally accurate; having audio or video recordings of the minutes allow confirmation or correction. To link the files, we establish a YouTube channel. Pam has not been able to figure out how to transfer the files; MuniCode has not been able to assist.

Pam Ellis made a motion to authorize \$100 for Pam to work with Melissa Smith who is a ratepayer in the District and has a marketing/website business. Seconded by Laura Drager. We should be ready to go live with the website by the next meeting. Ming Cabrera noted that the Board should attend in person; the community should be able to attend. Unanimous approval.

Tom Zurbuchen asked why the website address is new. Pam Ellis clarified that the draft website is not published. The once the website is live, the website will have the same address. When the website is published, agendas and minutes will be available back to 2006. The agenda documents have not been retained by the District so the documents on which the Board relied to make decisions are not available historically. The audio files begin in June. The minutes are maintained in books.

#### **SAFETY COMMITTEE REPORT: Jeff Engel** (see attachments)

34. 2022.04.06 Safety committee Report Jeff Engel met with Clay McCafferty, District Safety Officer. Each day begins in a meeting. Tasks are assigned and there maybe a safety discussion. There is a 52 week safety committee handbook so that all topics are reviewed each year. If Clay is not available, another employee is assigned as a competent person. The District keeps the safety records at least 5 years. Everything was well documented. The policies were consistent and well documented.
35. Let's Talk Safety (attached)

#### **ANNOUNCEMENTS**

- The May County Water Board Meeting will be the second Wednesday, May ~~10~~ 11<sup>th</sup>, @ 6:00 pm Brandon cannot attend on May 11<sup>th</sup>. Date changed by consensus.
- Pam Ellis noted Annual Water Week Open House returns to the Must Attend Calendar this year! Save the Date 4 pm to 7 pm, Wednesday May 4th, 2022 Where Water Treatment Plant at 2251 Belknap Ave. Billings, MT LEARN about how the water we drink comes to the tap ALLLLL THE WAY from the Yellowstone River. ASK questions and tap into the knowledge of our exceptional staff WIN Awesome Prizes No need to RSVP! We look forward to having you when you show up. Water Week celebration is to honor the water professionals who work hard every single day to ensure your water is there when you need it. Learn more about Water Week at <https://www.awwa.org/Events-Education/Drinking-Water-Week>
- Laura Drager shared that the Arbor Day Celebration on May 5<sup>th</sup> @ Castle Rock Park. Arbor Day at Castle Rock 9:00 am – 1:00 pm Join The Parks and Recreation Department for our Annual Arbor Day Celebration at Castle Rock Park! Our Parks are home to over 10,000 trees! We understand the importance and many benefits that trees provide to our park users and community as a whole. From providing shade to storm water management, urban temperature regulation to increasing property values, trees have a larger impact on our everyday lives than we often recognize.

This year, we will be holding Arbor Day on May 5th and will consist of Tree Planting, educational booths for SD2 fourth graders, the official Arbor Day Ceremony, and planting of the Arbor Day Tree.

- David Graves discussed the Contract negotiations with the City. The legal committee will reflect the interests of the Water District.
- Dianne Crees remarked that AZ has failed to prepare the audit in a timely manner. AZ was recommended by multiple people. Both Laura and Dennis were pleased with the reports AZ prepared for the state Realtors' Board. They also prepare the audit for Yellowstone County.

**ITEMS TO BE CONSIDERED AT FUTURE BOARD MEETINGS**

Note: No action can be taken on items that were not on the agenda.

...Audit Report Stefeni Freese, Anderson ZurMuehlen

...Interstate Engineering and Andrew Rheem (Raftelis)

...Black Mountain accounting Software

...Bid recommendation for valves

...Explanation of why District expenditures exceeded income March 2021 to March 2022 by more than \$500,000

..May Genny Garrick, the Agenda and Board Management trainer from Municode will attend the May meeting to help the Board learn to use the software to vote. She will prepare a video for members to review prior to the meeting.

..Clay will provide a Quarterly Safety Report to the Board in June 2022.

The meeting was adjourned at 7:55 pm.

Attest: /s/ \_\_\_\_\_

Attest: [s/ \_\_\_\_\_

Board President, Ming Cabrera

Recording Secretary, Pam Ellis



Item 5.

# Invoice Statement

INVOICE NUMBER: 80686654  
ACCOUNT NAME: City Water District of Billings Heights

PAGE 1

ACCOUNT NUMBER	CREDIT LIMIT	DAYS THIS PERIOD	BILL CLOSING DATE	PAYMENT DUE DATE	AMOUNT DUE
0496-00-727423-6	3000.00	30	APR-30-2022	MAY-13-2022	1142.09

DATE	ACTIVITY DESCRIPTION	CHARGES / DEBITS	PAYMENTS / CREDITS
APR-04-2022	Payment - Thank You		1194.57
APR-11-2022	Payment - Thank You		1244.57
APR-29-2022	Fuel Purchases	1092.09	
APR-14-2022	Other Adjustments this Period	1294.57	

REMINDER  
PLEASE BE SURE TO INCLUDE REMITTANCE  
STUB WITH PAYMENT. MAIL TO THE  
ADDRESS SHOWN IN THE RIGHT PORTION  
OF THE REMITTANCE STUB.

The Finance Charge is determined by applying a periodic rate of 0%

PURCHASES, RETURNS AND PAYMENTS MADE JUST PRIOR TO BILLING DATE MAY NOT APPEAR UNTIL THE NEXT INVOICE/STATEMENT.

PREVIOUS BALANCE	(-)PAYMENTS	(+)ACTIVITY THIS PERIOD	(-)SAVINGS THIS PERIOD	(=)NEW BALANCE
1194.57	2439.14	2386.66	0.00	1142.09

CALL CUSTOMER SERVICE TO PAY BY PHONE  
FEDERAL TAX ID: 841425616

SEE REVERSE SIDE FOR IMPORTANT INFORMATION AND TERMS.  
TO ENSURE PROPER CREDIT, TEAR AT PERFORATION AND INCLUDE BOTTOM PORTION WITH YOUR PAYMENT

## WEX Fleet Universal

P.O. Box 639  
Portland, ME 04104-0639

Suzie McKethen  
City Water District of Billings Heights  
1540 Popelka Drive  
Billings, MT 59105

ACCOUNT NAME	CTY WATER DIST BLSG
ACCOUNT NUMBER	0496-00-727423-6
INVOICE NUMBER	80686654
BILL CLOSING DATE	APR-30-2022
AMOUNT DUE	1142.09
AMOUNT ENCLOSED	
PAYMENT DUE DATE	MAY-13-2022

PAYMENTS RECEIVED AFTER THIS DATE SUBJECT TO A FINANCE CHARGE.

Make check payable to: WEX BANK  
To avoid processing delays, remit all payments to:

|||||  
**WEX BANK**  
**P.O. BOX 6293**  
**CAROL STREAM IL 60197-6293**

04960072742360000000114209 220513

100

### Balance Subject to Late Fees

If Company's fails to make payment in full by the applicable Due Date, or a payment is returned (each a "Payment Default"), then a fee (the "Late Fee") will apply to the Total Outstanding Balance (as defined below). The late fee will be calculated by multiplying the applicable late fee rate by the Total Outstanding Balance on the Calculation Date, not to exceed the amount allowable by applicable law. For Billing Cycles other than monthly, the percentage rate used in the Late Fee calculation will be prorated based on the length of the billing cycle in relation to a monthly billing cycle. Company will be considered to have made a payment to Issuer on an Account only when the payment is posted to the Account as provided in this Agreement. 7.2 The "Calculation Date" is the earlier of (a) the posting date for Company's payment in full of the invoiced amount to its Account, or (b) the last day of the Billing Cycle during which the Payment Default occurred. The "Total Outstanding Balance" is the invoiced amount, plus the amount of any unbilled Transactions delivered by a merchant to Issuer, and minus any credits that have posted to the Account, through the Calculation Date.

### How to Dispute Your Invoice

Charges must be disputed in writing no later than sixty (60) days from the bill closing date or they will be considered final and binding.

### Card Issuer

The card is issued and payable to WEX Bank under a Business Charge Account Agreement with the cardholder named on the reverse.

### Customer Service

For account inquiries and correspondence regarding account service or billing:

- **Call 1-866-544-5796, or**
- **Email [correspondence@wexinc.com](mailto:correspondence@wexinc.com), or**
- **Fax to 1-800-395-0809, or**
- **Mail to P.O. Box 639, Portland, ME 04104**

Do not mail payments to this address. Payments must be sent to the remit address on your invoice.

Be sure to include your account number on all correspondence.

Your full Business Card Agreement is available here:  
<https://www.wexdrive.com/tncs/wex.pdf>

### Payment Options

#### Mail

Be sure to include bottom portion of invoice with your payment. Write your account number or invoice number on the check to help avoid delays in payment processing if the check and remit stub become separated. Check payments can take up to two Business Days to process from the time the envelope containing a check arrives at Issuer's facility to posting of the check amount to the Account.

Allow 10 business days prior to the due date for mailing to help avoid late fees. Paper checks must be received at least two business days before Payment Due Date to enable on-time processing.

#### Online

Authorized users can elect to receive an email notification when an invoice is ready for online viewing and payment. Log in or register to set up an online account at [go.wexonline.com](http://go.wexonline.com).

Online payments scheduled by 3:30 PM ET (on business days) are credited to your account on the same day. There is no fee for online payments.

#### Phone

Call Customer Service to schedule a payment or check your balance.

Payments scheduled by 3:30 PM ET (on business days) are credited to your Account on the same day.

Be prepared with your fleet card account number and a sample check to enter your bank account number and routing number. There is no fee for phone payments.

Payment Date	Payment Method	Confirmation	Payment Amount	Bank Account	Payment Status
05/02/2022	One Time	100805022	1142.09	First Interst	Scheduled
04/11/2022	One Time	100804112	1244.57	First Interst	Complete
04/04/2022	One Time	100804042	1194.57	First Interst	Complete
03/02/2022	One Time	100803022	874.25	First Interst	Complete
02/02/2022	One Time	100802022	731.16	First Interst	Complete
01/03/2022	One Time	100801032	776.42	First Interst	Complete
12/07/2021	One Time	100812072	1263.77	First Interst	Complete
11/01/2021	One Time	100811012	946.08	First Interst	Complete
10/05/2021	One Time	100810052	817.71	First Interst	Complete
09/14/2021	One Time	100809142	1232.24	First Interst	Complete
08/02/2021	One Time	100808022	1199.28	First Interst	Complete
07/15/2021	One Time	100807152	732.71	First Interst	Complete
06/22/2021	Check		909.94		Complete
05/10/2021	Check		373.74		Complete

ORIGINAL INVOICE

INVOICE



Item 5.

Mail all remittances to:  
Box 88223  
Milwaukee, WI 53288-0223

4545 W Brown Deer Rd. P.O. Box 245036  
Milwaukee, WI 53224-9536 (414) 355-0400  
Credit Inquiries - credit@badgermeter.com

INVOICE NUMBER	DATE
80097878	04/30/22
D-U-N-S 00-606-9710	
NET 30 DAYS	

FED I.D. #39-0143280  
GST# 123746141

SOLD TO CUSTOMER: 250168  
COUNTY WATER DISTRICT OF BILLINGS HEIGHTS  
1540 POPELKA  
BILLINGS, MT 59105-4468

SHIP TO CUSTOMER: 1  
BILLINGS HEIGHTS CNTY WTR DIST  
1540 POPELKA  
BILLINGS, MT 59105



CUSTOMER PO#	SHIPPING TERMS	FREIGHT	CARRIER
BADGER SERVICES	FREIGHT PREPAID		
ORDER DATE	INCO TERMS	TRACKING	NUMBER
04/30/22	FCA FACTORY		
PROPOSAL #	FINAL DESTINATION	WAREHOUSE	ORDER#
	UNITED STATES	MM	1076987

LINE	PRODUCT DEFINITION	UNIT PRICE	EXTENDED PRICE USD
1	Badger Meter Item: 68886-301 Description: BEACON MBL HOSTING SERV UNIT Ordered: 5992.000 Shipped: 5992.000 7172 NODDINGS WATERWORKS INC SERVICES FOR APRIL 2022	0.0600	359.52
	Sub Total		359.52
	Total		359.52
	BEACON SERVICES INVOICE, SALES REPRESENTATIVE # 7172		
		MAY 3 PAID	
		MBR: BU. MBR	
		No: 1791 Date Pd.: 5/3/2022	

This invoice is made subject to the terms & conditions found on our web-site: <https://www.badgermeter.com/terms-and-conditions>. Terms and conditions related to service units, training, and professional services can be found here: <https://badgermeter.com/service-units-terms-and-conditions>. Goods covered by this invoice were produced in compliance with the provisions of the Fair Labor Standards Act of 1938 as amended.

Big Sky Exterior Designs, Inc.

PO Box 20853

Item 5.

# Invoice

Date	Invoice #
3/28/2022	6301

Bill To
County Water District Billings Heights 1540 Popelka Lane Billings, MT 59105



P.O. No.	Terms	Rep	Project
		RBM	2020 Hail Damage

Description	Qty	Rate	U/M	Amount
TO PROVIDE AND FURNISH MATERIALS AND LABOR NECESSARY FOR THE COMPLETION OF THE FOLLOWING: REPLACE DAMAGED SIDING, FASCIA, SOFFITS, AND ROOFS AT THE ABOVE MENTIONED PUMP HOUSE LOCATIONS FOR THE AMOUNT OF THE INSURANCE REIMBURSEMENT/ESTIMATE 98 SKYLINE 1705 ST ANDREWS 655 WICKS ROLLINGS HILLS	1	39,449.54		39,449.54

MAY 3 PAID  
 MBR: \_\_\_\_\_ BU. MBR \_\_\_\_\_  
 No.: 1779 Date Pd.: 5/3/2022

<b>Total</b>	\$39,449.54
<b>Payments/Credits</b>	-\$10,000.00
<b>Balance Due</b>	\$29,449.54





PLEASE MAIL PAYMENTS TO:  
INTERSTATE ENGINEERING, INC.  
PO BOX 2035 • JAMESTOWN, ND 58402  
PH. 701.252.0234

County Water District of Billings Heights  
1540 Popelka Drive  
Billings, MT 59105

May 02, 2022  
Project No: Y2101091.01  
Invoice No: 46966

Preparation of a Rate Study and Capital Improvements Plan (CIP)  
Billings, Montana

**Professional Services from March 13, 2022 to April 09, 2022**

**Professional Personnel**

	Hours	Rate	Amount	
ENG III	13.50	165.00	2,227.50	
ENG V	7.00	206.00	1,442.00	
ENG VI	.50	230.00	115.00	
PLANNER IV	.50	165.00	82.50	
Totals	21.50		3,867.00	
<b>Total Labor</b>				<b>3,867.00</b>
<b>Total this Invoice</b>				<b>\$3,867.00</b>

Interest of 1.5% per month will be applied to all invoices over 60 days old.

Please call me if you have any questions regarding this invoice.

*Lowell Cutshaw/Hs*  
Lowell Cutshaw, PE  
406.256.1920



MAY 5 PAID  
MBR: \_\_\_\_\_ BU. MBR \_\_\_\_\_  
No.: 17803 Date Pd. 5/5/22



Item 5.

**INVOICE**

Morrison-Maierle Systems—PO Box 6147—Helena, MT 59604  
 Billing Inquiries: 406-495-3516  
 Help Desk 1-866-401-4846 — www.getsystems.net  
 TIN: 81-0401762

**Attention:** Peyton Brookshire  
**Billings Heights Water District**  
 1540 Popelka Dr  
 Billings, MT 59105  
 UNITED STATES



**Invoice :** 000042459  
**Invoice Date :** 4/29/2022  
**Project :** BHWD602  
**Project Name :** Billings Heights Water District -  
 Proactive Mgmt  
**Bill Term :** \*\*

**For Professional Services Rendered Through 4/22/2022**

Managed Services  
 06 - Workstations  
 01 - Servers  
 01 - Firewall  
 Backup Services  
 Up to 500GB  
 Monthly Managed Service Fee: \$455.00

Quote# 001948v3

	Fee	% Complete	Billings		
			To Date	Previous	Current
2 - Managed Services	5,406.00	8.42	455.00	0.00	455.00
<b>Current Billings</b>					455.00
<b>Amount Due This Bill</b>					<u>455.00</u>

Amounts Are Due and Payable Upon Receipt of Invoice  
 Amounts 30 days overdue are subject to a service charge at the maximum legal rate allowed by 31-1-107 MCA

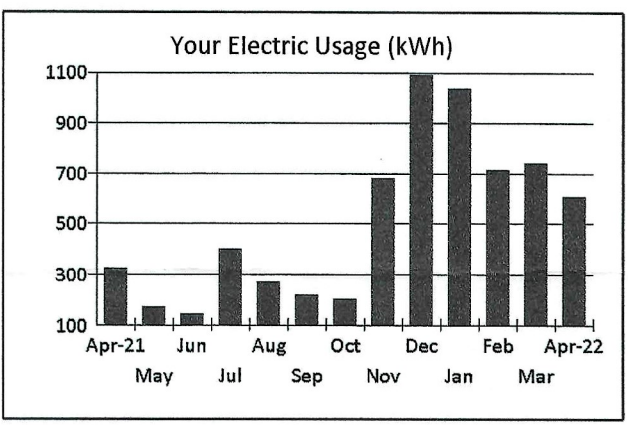
Please send your EFT remittance advice to remittance@m-m.net  
 Routing: 092905278  
 Account: 4020016702

MAY 3 PAID  
 No: 17794 Date Pd: 5-3-2022

Customer Service: 888-467-2669

**CUSTOMER:** CO WTR DIST OF BLGS HGHTS  
**ACCOUNT NUMBER:** 1249548-7  
**ACCOUNT DESCRIPTION:**  
**BILLING DATE:** April 27, 2022

Service Address: 655 W WICKS LN LFTPMP, BILLINGS MT 59105



	Apr 2021	Mar 2022	Apr 2022
Days of Service	31	31	31
kWh Used	328	742	609
Avg. kWh per day	10.6	23.9	19.6
Avg. cost per day	\$2.01	\$2.97	\$2.56
Avg. daily temp (°F)	42	29	40

DUE DATE	TOTAL AMOUNT DUE
May 13, 2022	\$ 79.45

**ACCOUNT SUMMARY**

Previous Balance		\$	91.98
Payments Received	April 7, 2022	Thank you	\$(91.98)
Current Charges		\$	79.45

**Total Amount Due** \$ 79.45

**SUMMARY OF CURRENT CHARGES**

	Delivery Service	Supply Service	TOTAL
Electric Service	\$ 31.50	\$ 37.59	\$ 69.09
State and Local Taxes	\$ 7.75	\$ 2.61	\$ 10.36

**Total Current Charges** \$ 39.25 \$ 40.20 \$ 79.45

**BUDGET BILLING INFORMATION**

**BUDGET BILLING -- PAY THE SAME AMOUNT EACH MONTH**

If you were to go on budget billing next month, your approximate monthly budget billing amount would be \$75.00. Your account must be current and in good standing to qualify for budget billing.

**IMPORTANT ACCOUNT INFORMATION**

**MESSAGE BOARD**

Effective 03/17/2022, electric supply rates have increased from the previous month as a result of the supply tracker. For questions about your bill or service, call NorthWestern Energy at 888-467-2669 (Monday through Friday, 7 a.m.-6 p.m). For information or to make a payment, visit us at: www.northwesternenergy.com.



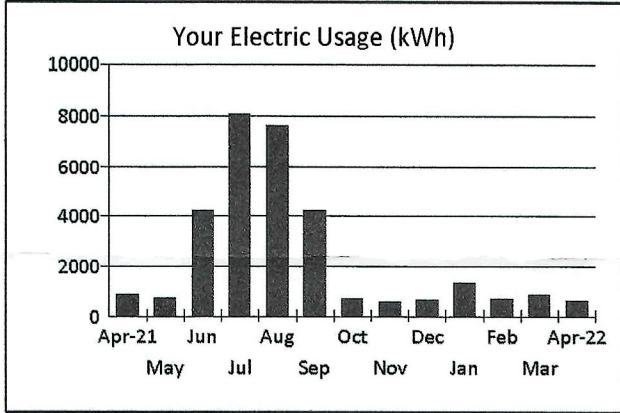
MAY 3 PAID  
 MBR:            BU. MBR:             
 No.: 17795 Date Pd. 85/5/2022



Customer Service: 888-467-2669

**CUSTOMER:** CO WTR DIST OF BLGS HGHTS  
**ACCOUNT NUMBER:** 0246071-5  
**ACCOUNT DESCRIPTION:**  
**BILLING DATE:** April 27, 2022

Service Address: 1705 SAINT ANDREWS DR, BILLINGS MT 59105



	Apr 2021	Mar 2022	Apr 2022
Days of Service	31	31	31
kWh Used	880	880	640
Avg. kWh per day	28.4	28.4	20.6
Avg. cost per day	\$3.90	\$4.64	\$5.13
Avg. daily temp (°F)	42	29	40

DUE DATE	TOTAL AMOUNT DUE
May 13, 2022	\$ 158.97

**ACCOUNT SUMMARY**

Previous Balance			\$ 143.80
Payments Received	April 7, 2022	Thank you	\$ (143.80)
Current Charges			\$ 158.97

**Total Amount Due** \$ 158.97

**SUMMARY OF CURRENT CHARGES**

	Delivery Service	Supply Service	TOTAL
Electric Service	\$ 87.36	\$ 39.50	\$ 126.86
State and Local Taxes	\$ 29.37	\$ 2.74	\$ 32.11

**Total Current Charges** \$ 116.73 \$ 42.24 \$ 158.97

**BUDGET BILLING INFORMATION**

**BUDGET BILLING -- PAY THE SAME AMOUNT EACH MONTH**

If you were to go on budget billing next month, your approximate monthly budget billing amount would be \$568.00. Your account must be current and in good standing to qualify for budget billing.

**IMPORTANT ACCOUNT INFORMATION**



**MESSAGE BOARD**

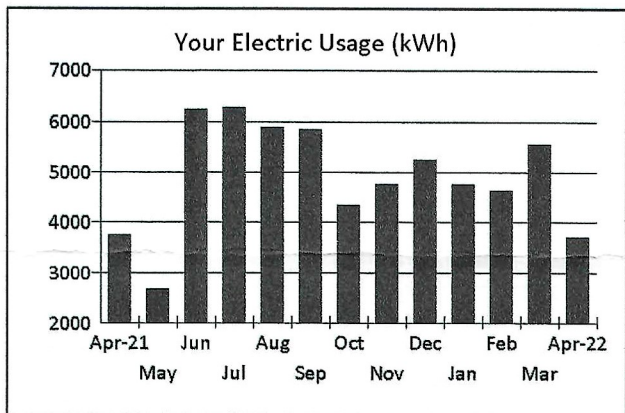
Effective 03/17/2022, electric supply rates have increased from the previous month as a result of the supply tracker. For questions about your bill or service, call NorthWestern Energy at 888-467-2669 (Monday through Friday, 7 a.m.-6 p.m). For information or to make a payment, visit us at: [www.northwesternenergy.com](http://www.northwesternenergy.com).

MAY 3 PAID  
 MBR: 1796 BU. MBR  
108

Customer Service: 888-467-2669

**CUSTOMER:** CO WTR DIST OF BLGS HGHTS  
**ACCOUNT NUMBER:** 0286453-6  
**ACCOUNT DESCRIPTION:**  
**BILLING DATE:** April 27, 2022

Service Address: 98 SKYLINE DR PMP, BILLINGS MT 59105



	Apr 2021	Mar 2022	Apr 2022
Days of Service	30	31	31
kWh Used	3760	5560	3720
Avg. kWh per day	125.3	179.4	120.0
Avg. cost per day	\$13.42	\$18.68	\$12.83
Avg. daily temp (°F)	42	29	40

DUE DATE	TOTAL AMOUNT DUE
May 13, 2022	\$ 397.80

**ACCOUNT SUMMARY**

Previous Balance		\$	0.93
Payments Received	April 7, 2022	Thank you	\$ (0.93)
Current Charges		\$	397.80

**Total Amount Due** \$ **397.80**

**SUMMARY OF CURRENT CHARGES**

	Delivery Service	Supply Service	TOTAL
Electric Service	\$ 116.95	\$ 229.60	\$ 346.55
State and Local Taxes	\$ 35.31	\$ 15.94	\$ 51.25

**Total Current Charges** \$ **152.26** \$ **245.54** \$ **397.80**

**BUDGET BILLING INFORMATION**

**BUDGET BILLING -- PAY THE SAME AMOUNT EACH MONTH**

If you were to go on budget billing next month, your approximate monthly budget billing amount would be \$519.00. Your account must be current and in good standing to qualify for budget billing.

**IMPORTANT ACCOUNT INFORMATION**



**MESSAGE BOARD**

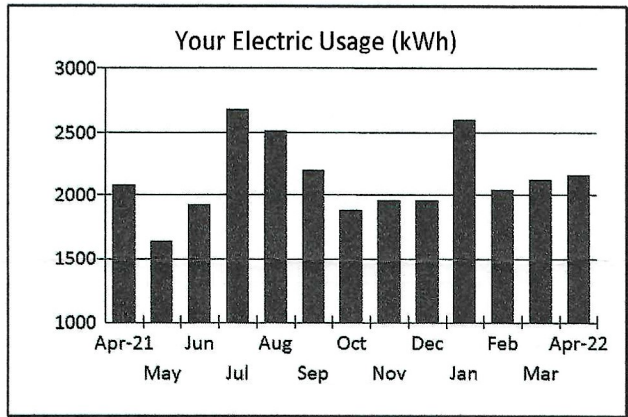
Effective 03/17/2022, electric supply rates have increased from the previous month as a result of the supply tracker. For questions about your bill or service, call NorthWestern Energy at 888-467-2669 (Monday through Friday, 7 a.m.-6 p.m). For information or to make a payment, visit us at: [www.northwesternenergy.com](http://www.northwesternenergy.com).

MAY 3 PAID  
 MBR: 1795 BU. MBR: 53-2022  
 No. 1795 Date Pd. 5-3-2022

**Customer Service: 888-467-2669**

**CUSTOMER:** BILLINGS HEIGHTS WATER DIST  
**ACCOUNT NUMBER:** 1563885-1  
**ACCOUNT DESCRIPTION:**  
**BILLING DATE:** April 26, 2022

**Service Address: 1540 POPELKA DR, BILLINGS MT 59105**



	Apr 2021	Mar 2022	Apr 2022
Days of Service	30	29	33
kWh Used	2080	2120	2160
Avg. kWh per day	69.3	73.1	65.5
Avg. cost per day	\$8.58	\$8.73	\$7.99
Avg. daily temp (°F)	42	28	40

DUE DATE	TOTAL AMOUNT DUE
May 12, 2022	\$ 263.53

**ACCOUNT SUMMARY**

Previous Balance		\$	253.16
Payments Received	April 7, 2022	Thank you	\$(253.16)
Current Charges		\$	263.53

**Total Amount Due** \$ 263.53

**SUMMARY OF CURRENT CHARGES**

	Delivery Service	Supply Service	TOTAL
Electric Service	\$ 92.38	\$ 133.32	\$ 225.70
State and Local Taxes	\$ 28.57	\$ 9.26	\$ 37.83

**Total Current Charges** \$ 120.95 \$ 142.58 \$ 263.53

**BUDGET BILLING INFORMATION**

**BUDGET BILL** 000 **MONTH**  
 If you were to budget billing in good stand 0.00 \* approximate monthly amount must be current and

**IMPOF** 263.53 +  
 397.80 + **N**  
 158.97  
 79.45 +

004 899.75 \*



**MESSAGE BOARD**

Effective 03/17/2022, electric supply rates have increased from the previous month as a result of the supply tracker. For questions about your bill or service, call NorthWestern Energy at 888-467-2669 (Monday through Friday, 7 a.m.-6 p.m.). For information or to make a payment, visit us at: www.northwesternenergy.com.

MAY 3 PAID  
 MBR: [redacted] DU. MBR [redacted]  
 No.: 1795 Date Pd.: 5/3/2022

# Account Statement

Commercial Account  
COUNTY WATER DIST BIL HG

Item 5.

Account Number: 6011 5646 1025 1133

**Office DEPOT.**  
**OfficeMax**

**Customer Service:**  
officedepot.accountonline.com  
**Account Inquiries:**  
1-800-729-7744 (TTY: 711) Fax 1-801-779-7425

### Summary of Account Activity

Previous Balance	\$133.86
Payments	-\$133.86
Credits	-\$0.00
Purchases	+\$229.99
Debits	+\$0.00
<b>FINANCE CHARGES</b>	<b>+\$0.00</b>
Late Fees	+\$0.00
<b>New Balance</b>	<b>\$229.99</b>

Send Notice of Billing Errors and Customer Service Inquiries to:  
OFFICE DEPOT BUSINESS CREDIT  
PO Box 790449, St. Louis, MO 63179-0449

### Payment Information

Current Due	\$25.00	
Past Due Amount	+	\$0.00
Minimum Payment Due	=	\$25.00

**Payment Due Date** 05/17/22

Credit Line	\$1,600
Credit Available	\$861
Closing Date	04/22/22
Next Closing Date	05/24/22
Days in Billing Period	29

**Important Changes:** Our Privacy Notice has changed and can be found at [www.citi.com/privacy](http://www.citi.com/privacy).

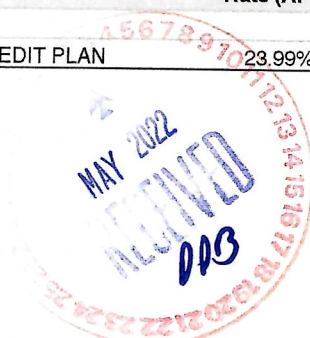
### TRANSACTIONS

Trans Date	Location/Description	Reference #	Amount
03/25	PO 00021352 022032500205 MT		\$ 229.99 <i>8210</i>
04/07	PAYMENT - THANK YOU	P919400FJ09GNY5QT	\$ 133.86-

### FINANCE CHARGE SUMMARY

Type of Balance	Annual Percentage Rate (APR)	Daily Periodic Rate	Balance Subject to Finance Charge	Finance Charge
PURCHASES				
REGULAR REVOLVING CREDIT PLAN	23.99%	0.06572%	\$0.00	\$0.00

Your Annual Percentage Rate (APR) is the annual interest rate on your account.



*MAY 3 PAID*  
MBR: 17796 BU. MBR  
No: 17796 Date Pd. 5/3/22

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

Page 1 of 6

This Account is Issued by Citibank, N.A.

Please detach and return lower portion with your payment to ensure proper credit. Retain upper portion for your records.

**Office DEPOT.**  
**OfficeMax**

PO BOX 790439  
ST. LOUIS, MO 63179

Your Account Number is 6011 5646 1025 1133



Payment Due Date	May 17, 2022
New Balance	\$229.99
Past Due Amount	\$0.00
Minimum Payment Due	\$25.00

Amount Enclosed: \$ 229.99

For proper credit, please write  
6011 5646 1025 1133  
on your check and enclose  
with this payment coupon.

Statement Enclosed

00002625 1 G3001042 DTF 00002625



COUNTY WATER DIST BIL HG  
ATTN ACCOUNTS PAYABLE  
1540 POPELKA DR  
BILLINGS, MT 59105-4468

Print address changes on the reverse side.  
Make Checks Payable to ▼

OFFICE DEPOT BUSINESS CREDIT  
DEPT. 56 - 4610251133  
PO BOX 70612  
PHILADELPHIA, PA 19176-0612



04100 0002500 0022999 0013386 06011564610251133 1507

111

TOEET

01827460  
LOB 206 P104



# Be The Office Hero with Office Depot Subscriptions\*

- Save up to 10% on thousands of products
- Never run out: schedule automatic delivery of your favorite products
- Everything for the office: cleaning and breakroom products

Visit [officedepot.com/sub](http://officedepot.com/sub)

## Office DEPOT. OfficeMax

Office Depot is a trademark of The Office Club, Inc. © 2012

Fri Mar 25 03:18:10 MDT 2022

8210  
PPB

### Office DEPOT OfficeMax

BILLINGS - (406) 896-8610  
03/25/2022 9:30 AM



SALE	2135-2-5992-955108-22.2.2
8542473 MON, 32MN530P-B	249.99S
Instant Savings	-20.00
<b>You Pay</b>	<b>229.99S</b>
Subtotal:	229.99
Total:	229.99
OD Credit Card 1133:	229.99

AUTH CODE 025284  
TDS Swiped  
REMIT PAYMENT TO:  
Office Depot Credit Plan  
PO Box 9001006  
Louisville, KY 40290-1006

COUNTY WATER DISTRICT BILLING 57\*\*\*\*\*081

Please create your online rewards account at [officedepot.com/rewards](http://officedepot.com/rewards). You must complete your account to claim your rewards and view your status.

Total Savings:  
**\$20.00**

\*\*\*\*\*  
**WE WANT TO HEAR FROM YOU!**  
Visit [survey.officedepot.com](http://survey.officedepot.com)  
and enter the survey code below:  
**168V B8G4 YA88**  
\*\*\*\*\*



#### Office Depot® Business Credit Account

A credit card required. Recurring payments based on selected subscription frequency (weekly, quarterly, etc.) will be automatically billed to this credit card until you terminate the subscription. Subscription discounts and/or incentives, if any, in effect until you cancel the subscription. Office Depot Solutions Division customers or government accounts. Exclusions may apply online. See [officedepot.com/subscriptions](http://officedepot.com/subscriptions) for details.

20120325





**BILL TO:**  
Acct: 6011 5646 1025 1133

**SHIP TO:**  
COUNTY WATER DIST BIL HG  
1540 POPELKA DR  
BILLINGS, MT 59105-4468

<b>Amount Due:</b>	<b>Trans Date:</b>		<b>Invoice #:</b>
\$229.99	03/25/22		<b>15765446</b>
<b>PO:</b>		<b>Store:</b> 156112135, 323 LAKE ELMO DRIVE, BILLINGS, MT	

PRODUCT	SKU #	QUANTITY	UNIT PRICE	TOTAL PRICE
MONITOR,32MN530P-B,32",BL	8542473	1.0000 EA	\$229.99	\$229.99
<b>SUBTOTAL</b>				\$229.99
<b>TAX</b>				\$0.00
<b>TOTAL</b>				\$229.99

113300



Reimburse #

Item 5.

<https://www.costco.com/>

Order Number

143818783

Order Date

04/21/2022

Shipping Address

Pamela O. Ellis  
2000 Outlook Dr  
Billings, MT  
59105-4357  
4062526399

**Order Details** [Print Invoice](#)

Order Number

143818783

Order Date

04/21/2022

Shipping Address

Pamela O. Ellis  
2000 Outlook Dr  
Billings, MT  
59105-4357  
4062526399

Amount applied: \$129.99



MAY 3 PAID  
MBR: \_\_\_\_\_ SD. MBR \_\_\_\_\_  
No.: 17797 Date pd.: 5/3/2022

**BluePrint**

405 SOUTH 4TH STREET  
PO BOX 310  
BASIN, WY 82410-0310

Address Service Requested

**Remittance Information**

Account # 0003 Item 5.  
Invoice # 101536630  
Date May 01, 2022

<b>Date Due</b>	05/15/22
<b>Total Amount Due</b>	\$ 158.80
<b>Amount Enclosed</b>	\$ 158.80

007784 1 AB 0.461 T20 1  
COUNTY WATER DISTRICT OF BILLINGS HEIGHT  
1540 POPELKA DR  
BILLINGS, MT 59105-4468

G: 2-7784

TCT  
405 S 4TH ST  
PO BOX 310  
BASIN, WY 82410-0310



Please return this portion with your payment.

**800.800.7806 solutionsbyblueprint.com**



**Account Summary**

Account Number	00039804-3
Invoice Number	101536630
Date	May 01, 2022
Past Due After	May 15, 2022
Previous Bill	\$ 146.68
Previous Payments	\$ 146.68cr
Previous Balance	\$ 0.00
Current Charges	\$ 158.80
<b>Total Due</b>	<b>\$ 158.80</b>

**Important Messages**

**NOTICE OF OFFICE CLOSURES**

TCT offices will be closed on Monday, May 30, 2022, in observance of the Memorial Day Holiday. To report an outage call 1-800-354-2911. Have a safe and happy holiday!

**BLUEPRINT INFORMATION**

For questions regarding your bill, please call our office by dialing 800-800-7806 or email us at: support@blueprintbytct.com. Customization of your BluePrint solution is easy..please do not hesitate to contact us with questions or how we may be able to help you implement your ideas.

**Balance Forward**

Previous Bill	\$ 146.68
Payment made on Apr 8	\$ 146.68cr
Total payments through Apr 23	\$ 146.68cr

**Balance Before Current Charges \$ 0.00**

**Invoice Totals**

<b>BluePrint Circuit</b>	Subtotal	25.00
<b>BluePrint Fax Number</b>		15.99
<b>BluePrint Phone Number</b>		14.89
<b>BluePrint Service</b>		102.92
<b>Subtotal Current Charges</b>		<b>\$ 158.80</b>

**Total Amount Due**

**\$ 158.80**

**Charge Detail**

**BluePrint Phone Number (406-252-0539)**

<b>Recurring Charges (May 01 - May 31)</b>	
DID Numbers: 406-245-8799 thru 8799	0.00
DID Numbers: 406-252-0530 thru 0530	0.00
DID Numbers: 406-254-9345 thru 9345	0.00
DID Numbers: 406-256-0921 thru 0921	0.00
E911 BANDWIDTH	1.00
<b>Taxes, Fees, and Surcharges</b>	
USAGE - FCC UNIVERSAL SERVICE FUND	0.19
<b>Total for 406-252-0539</b>	<b>\$ 1.19</b>

**BluePrint Circuit**

<b>Recurring Charges (May 01 - May 31)</b>	
BLUEPRINT CIRCUIT COST	25.00
<b>Total for BluePrint Circuit</b>	<b>\$ 25.00</b>

WBR: 80. MBR:

1798 Date of 5/3/2022

PAID

**WE APPRECIATE YOUR BUSINESS**

Tvetene Turf, Inc.  
 6844 S. Frontage Rd.  
 Billings, MT 59101  
 406-652-8485  
 406-651-5857



Item 5.  
**Invoice**

Date	Invoice #
4/28/2022	830578

Bill To

Billings Heights Water District  
 1540 Popelka  
 Billings, MT 59105

Ship To

P.O. No.	Ship Date	Time	S.O. No.	Terms
	4/28/2022		14557	Net 10th Prox

Description	Ordered	Invoiced	Rate	Amount
Bluegrass Sod - sq ft	110	110	0.27	29.70



<b>Thank you for your business!</b>	<b>Subtotal</b>	\$29.70
<b>Tvetene Turf is provided to you in a healthy vigorous condition. Now only you can provide adequate care to keep it that way. Upon pickup/delivery, if you find the sod is not up to the highest quality standards, please notify us immediately in order that we may take corrective measures.</b>	<b>Sales Tax (0.0%)</b>	\$0.00
	<b>Total</b>	\$29.70
	<b>Payments/Credits</b>	\$0.00
<i>A Finance charge of 1.5% per month which is an annual percentage rate of 18% will be applied to all past due balances.</i>	<b>Balance Due</b>	\$29.70

Driver Initials \_\_\_\_\_

MAY 5 PAID  
 MBR: \_\_\_\_\_ DU. MBR  
 No.: 17799 Date Pd. 5-3-2022

# STATEMENT

Item 5.

PAGE: 1 BILLINGS HEIGHTS ACE HARDWARE  
 P.O. BOX 50189  
 1547 MAIN ST  
 BILLINGS, MT 59105  
 (406) 245-0756

CLOSING DATE: 4/25/22  
 DUE DATE : 5/25/22  
 ACCT: 1022

CLOSING DATE : 4/25/22  
 DUE DATE: 5/25/22

BILLINGS HEIGHTS WATER DI  
 1540 POPELKA  
 BILLINGS MT 59105

BILLINGS HEIGHTS A  
 BILLINGS HEIGHTS W  
 ACCOUNT : 1022



PLEASE DETACH AND RETURN  
 REMITTANCE STUB WITH YOUR PAYMENT

DATE	REFERENCE	ST	C	DESCRIPTION	DEBIT	CREDIT	REFERENCE	AMOUNT
				PREV BALANCE	23.27		PREV BAL	23.27
3/27/22	H07027	1	I	PRE-PAID INVOICE	47.33	47.33	H07027	0.00
3/31/22	223881	1	I	INVOICE	20.57		223881	20.57
4/ 6/22	224052	1	I	INVOICE	52.97		224052	52.97
4/ 6/22	H14805	1	P	PAYMENT - THANK YOU		23.27	H14805	-23.27
4/11/22	224207	1	I	INVOICE	19.96		224207	19.96
4/14/22	224278	1	I	INVOICE	20.77		224278	20.77
4/14/22	224280	1	C	CREDIT MEMO		20.77	224280	-20.77
4/14/22	H19713	1	I	PRE-PAID INVOICE	18.07	18.07	H19713	0.00
				NEW BALANCE	93.50			

CURRENT 93.50	1-30 DAYS 0.00	31-60 DAYS 0.00	61-90 DAYS 0.00	OVER 90 DAYS 0.00
------------------	-------------------	--------------------	--------------------	----------------------

NEW BAL: 93.50

TERMS: NET 30 DAYS

MAY 5 PAID

MBR: \_\_\_\_\_ BD. MBR \_\_\_\_\_

No.: \_\_\_\_\_ Date Pd. 5-5-2022

CUT HERE

1022

Transaction Codes  
 A - Adjustment      C - Credit      I - Invoice  
 B - Balance Forward      F - Finance Charge      P - Payment

<b>AMOUNT PAID</b>	<b>117</b>
--------------------	------------

This statement covers transactions on your account for the period ending on the date above. Charges, payments, and credits received after the above date will be shown on your next statement.

**BILLINGS HEIGHTS ACE HARDWARE**  
**P.O. BOX 50189**  
**1547 MAIN ST**  
**BILLINGS, MT 59105**  
**PHONE: (406) 245-0756**

PAGE NO 1

8220  
 JS

BILLINGS HEIGHTS WATER DI  
 1540 POPELKA  
 BILLINGS MT 59105

CUST # 1022  
 TERMS: NET 30 DAYS

INV # 223881/1  
 DATE : 3/31/22  
 CLERK: EMB  
 TERM # 551

TIME : 1:33  
 \*\*\*\*\*  
 \* INVOICE \*  
 \*\*\*\*\*

QUANTITY	UM	ITEM	DESCRIPTION	SUG. PRICE	PRICE/PER	EXTENSION
2	EA	7020316	TIE FENCE ALUM 6.5" BG30		8.99 /EA	17.98 N
1	EA	7020431	RAIL END 1-3/8" ALUMINUM		2.59 /EA	2.59 N
** AMOUNT CHARGED TO ACCOUNT **				20.57		
					TAXABLE	0.00
					NON-TAXABLE	20.57
					SUB-TOTAL	20.57
					TAX AMOUNT	0.00
					TOTAL INVOICE	20.57

ACE REWARDS ID # 1972352852

*Chapman*

Received By

Item 5.

**BILLINGS HEIGHTS ACE HARDWARE**  
**P.O. BOX 50189**  
**1547 MAIN ST**  
**BILLINGS, MT 59105**  
**PHONE: (406) 245-0756**

8220  
 APR

BILLINGS HEIGHTS WATER DI  
 1540 POPELKA

CUST # 1022  
 TERMS: NET 30 DAYS

INV # 224052/1  
 DATE : 4/06/22  
 CLERK: SCR  
 TERM # 553

BILLINGS MT 59105

TIME : 10:09  
 \*\*\*\*\*  
 \* INVOICE \*  
 \*\*\*\*\*

QUANTITY	UM	ITEM	DESCRIPTION	SUG. PRICE	PRICE/PER	EXTENSION
1	EA	2365443	PLIERS COMBINATION 6-N-1		24.99 /EA	24.99 N
1	EA	1490648	EPOXY INSTANT MIX 5 MIN		7.99 /EA	7.99 N
1	EA	1229723	TITEBONDIII WOODGLUE QT		19.99 /EA	19.99 N
** AMOUNT CHARGED TO ACCOUNT **				52.97	TAXABLE	0.00
					NON-TAXABLE	52.97
					SUB-TOTAL	52.97
					TAX AMOUNT	0.00
					TOTAL INVOICE	52.97

ACE REWARDS ID # 1972352852

*COV*  
 \_\_\_\_\_  
 Received By

**BILLINGS HEIGHTS ACE HARDWARE**  
**P.O. BOX 50189**  
**1547 MAIN ST**  
**BILLINGS, MT 59105**  
**PHONE: (406) 245-0756**

8216  
 003

BILLINGS HEIGHTS WATER DI  
 1540 POPELKA  
 BILLINGS MT 59105

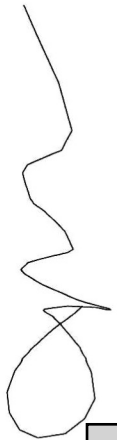
CUST # 1022  
 TERMS: NET 30 DAYS

INV # 224207/1  
 DATE : 4/11/22  
 CLERK: SCR  
 TERM # 553

TIME : 1:15  
 \*\*\*\*\*  
 \* INVOICE \*  
 \*\*\*\*\*

QUANTITY	UM	ITEM	DESCRIPTION	SUG. PRICE	PRICE/PER	EXTENSION
4	EA	5384102	PULL CAB 3-5/16" STN NKL		4.99 /EA	19.96 N
** AMOUNT CHARGED TO ACCOUNT **				19.96		
					TAXABLE	0.00
					NON-TAXABLE	19.96
					SUB-TOTAL	19.96
					TAX AMOUNT	0.00
					TOTAL INVOICE	19.96

ACE REWARDS ID # 1972352852



Received By \_\_\_\_\_





Issue Date: 05.03.20 Item 5.  
 Due Date: 06.02.2022

# Invoice 20210157

**Received From:**

eSmiths  
 1335 Naples St  
 Billings, MT 59105  
 Phone: 406-534-9879



**Bill To:**

County Water District of Billings Heights  
 Phone: +14062520539

#	ITEM & DESCRIPTION	QTY	RATE	AMOUNT
1	Project Payment video/audio record file assistance	1	100.00	100.00
Sub Total				100.00
Tax				0.00
<b>Total</b>				<b>\$ 100.00</b>
<b>Balance Due</b>				<b>\$ 100.00</b>

**Terms & Conditions**

[Click here to online by credit or debit card](#)

Or, mail check payment to: eSmiths, 1335 Naples St, Billings, MT 59105

Thank you for **your** business. Please process this invoice within the due date.

MAY 5 PAID  
 MBR: \_\_\_\_\_ BU. MBR \_\_\_\_\_  
 No.: \_\_\_\_\_ Date Pd. 5-5-22



**Executive Cleaning Co., Inc.**

1919 Montana Ave.  
 Billings, MT 59101  
 (406) 248-3435  
 (406) 248-3533 - Fax

Item 5.  
**Invoice**

Invoice #: 72726

Date: 4/30/2022

**BILL TO**

County Water District of Billings Heights  
 1540 Popelka Dr.  
 Billings, MT 59105

ATTN: Peyton Brookshire

**SHIP TO**

SAME

Purchase Order #: April 2022

Credit Terms: Net 10 Days

Item	Description	Amount	Subtotal
	Janitorial Services: 2 Days per Week	\$807.30	\$807.30

Total Due: \$807.30



MAY 5 PAID

MBR: \_\_\_\_\_ BL. MBR: \_\_\_\_\_  
 No.: \_\_\_\_\_ Date Pd. 5-5-2022



PLEASE MAIL PAYMENTS TO:  
INTERSTATE ENGINEERING, INC.  
PO BOX 2035 • JAMESTOWN, ND 58402  
PH. 701.252.0234

County Water District of Billings Heights  
1540 Popelka Drive  
Billings, MT 59105

April 21, 2022  
Project No: WR2204072  
Invoice No: 46866

Hydraulic Model for High Sierra Subdivision 21st Filing  
Billings, Montana

**Professional Services from March 9, 2022 to April 23, 2022**  
**Professional Personnel**

	Hours	Rate	Amount
ADMIN I	1.00	70.00	70.00
ENG I	13.50	110.00	1,485.00
ENG V	1.00	210.00	210.00
TECH V	4.50	147.00	661.50
Totals	20.00		2,426.50
<b>Total Labor</b>			<b>2,426.50</b>
<b>Total this Invoice</b>			<b>\$2,426.50</b>

Interest of 1.5% per month will be applied to all invoices over 60 days old.

Please call me if you have any questions regarding this invoice.

Lowell Cutshaw, PE  
406.445.3133

*INV 2677*

APR 27 PMD  
MBR: \_\_\_\_\_ by MBR \_\_\_\_\_  
No.: 17788 Date Pd. 4/27/22

**ACCOUNT SUMMARY**

Previous Balance	\$344.42
Payment Received 4/15/2022 Thank you	-344.42
Current Gas Charges	288.37
<b>Amount Due on 5/23/22</b>	<b>\$288.37</b>

Any balance remaining after the due date is subject to a late payment charge of 1% per month.

**Gas Charges**

**BILLING PERIOD** 3/31/22 - 4/28/22  
**DAYS** 29

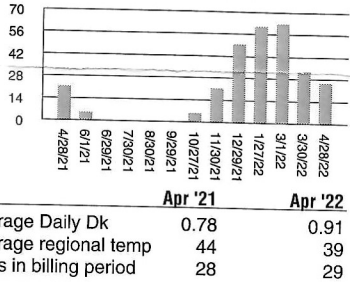
**METER NUMBER**  
 012921662

**METER READ DATE**  
 4/28/22

Next scheduled read 6/1/22

**RATE**  
 70 - Firm General Gas

**USAGE HISTORY (Dk)**



CURRENT READING	PREVIOUS READING	DIFFERENCE	THERM FACTOR	Dk USED
9.5	- 982.8	= 26.7	x 0.985163	= 26.3
Basic Service Charge 29 Days x \$1.75				50.75
Distribution Delivery 26.3 Dk x \$1.491				39.21
Cost of Gas 0.9 Dk x \$6.292				5.66
Cost of Gas 25.4 Dk x \$6.557				166.55
USBC 26.3 Dk x \$0.0655				1.72
CTA 26.3 Dk x \$0.01				0.26
Tax Tracking Adjustment 26.9206% x \$89.96				24.22
<b>Total Charges</b>				<b>\$288.37</b>

**CUSTOMER SERVICE & EMERGENCY SERVICE**

**1-800-638-3278**

Emergencies: 24 hours a day  
 Non-emergencies: Mon-Fri, 7:30 a.m - 6:30 p.m.

Email: [customerservice@mdu.com](mailto:customerservice@mdu.com)  
 Mail: Montana-Dakota Utilities Co.,  
 Attn: Customer Service, PO Box 7608, Boise, ID 83707-1608. Please include your account number.

**CALL BEFORE YOU DIG 811**

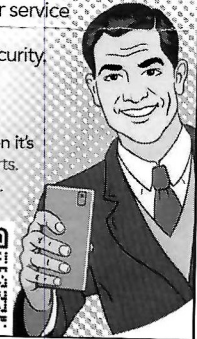
May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Payment Due ▲  
 See "Ways to Pay Your Bill" on the back of this page.

**Get the best of both worlds!**

Good old, friendly, personalized customer service **and** modern convenience with the latest security.

Receive text and email alerts for your Montana-Dakota Utilities account. You'll be notified when payment is due and when it's been processed, plus we'll send you outage alerts. Your information is secure and stays only with us. Opt-in through Online Account Services.



Need an account? Sign up at [www.montana-dakota.com/online-account-services](http://www.montana-dakota.com/online-account-services) or scan the QR code with your device.



MAY 5 PAID

MBR: \_\_\_\_\_ BU. MBR \_\_\_\_\_  
 No.: 17804 Date Pd. 5-5-2022

PLEASE KEEP THIS PORTION FOR YOUR RECORDS.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT, MAKING SURE THE RETURN ADDRESS SHOWS IN THE ENVELOPE WINDOW.

UTG 288.37

**Has your mailing address or phone number changed?**  
 Check here and provide details on back.

To donate to Energy Share of MT enter amount on line. (Tax Deductible)

+ \$ \_\_\_\_\_  
 Energy Share of MT donation



COUNTY WATER DIST BL  
 1540 POPELKA DR  
 BILLINGS MT 59105-3399

4201



PO BOX 5600  
 BISMARCK ND 58506-5600

Please enter amount enclosed, if different than amount due.

\$ 288.37

Write account number on check and make payable to MDU.



514 North 32nd St.  
 Billings, MT 59101  
 406-245-3029

Inv# Item 5.

DATE	INVOICE #
3/14/2022	56695

BILL TO
Billings Heights Water Dist. 1540 Popelka Drive Billings, MT 59105

SHIP TO
Billings Heights Water Dist. 1540 Popelka Drive Billings, MT 59105

P.O. NO.	TERMS	REP	Call #	Order #
	Net 30	SL		
QUANTITY	DESCRIPTION		RATE	AMOUNT
0.5	Model: HPLJ MC6040F Serial # Page Count Problem: Whistles when the top feeder is in use. Contact / Location: Susie, 242-0539  ADF squeek found to be plactic on the ADF rollers Cleaned and tested ADF ADF working at time of service		85.00	42.50
Thank You for your Business			<b>Total</b>	\$42.50



MAR 2022 PAID  
 MBR: \_\_\_\_\_ BD. MBR: \_\_\_\_\_  
 No.: 1746 Date Pd: 3/22/22

A Finance Charge of 1.5%, 18% annually, may be applied to past due balances.

Please Remit To: Western Office Equipment PO Box 1822 Billings, MT 59103

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS / OPERATIONAL AND MAINTENANCE FUND

Western Office Equipment, Inc.

Date	Type	Reference	Original Amt.	Balance Due	3/22/2022	Discount
3/14/2022	Bill	56695	42.50	42.50		
						Check Amount

17716

Item 5.

Payment	42.50
	42.50

PAYMENT RECORD

OPERATIONS & MAI

42.50

LR2206ALN1 ECONO PRINT 406-294-1198

PRINTED IN U.S.A.

↑ originally paid in March 22, 2022 - but bank returned item because of the fraud -

↓ reissued check 4/12/22

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS / OPERATIONAL AND MAINTENANCE FUND

Western Office Equipment, Inc.

Date	Type	Reference	Original Amt.	Balance Due	4/12/2022	Discount
3/14/2022	Bill	56695	42.50	42.50		
						Check Amount

17778

Payment	42.50
	42.50

PAYMENT RECORD

OPERATIONS & MAI

42.50

LR2206ALN1 ECONO PRINT 406-294-1198

PRINTED IN U.S.A.

Reissue for  
cc 17746



**Noddings Waterworks, Inc. dba  
Yellowstone Waterworks**  
547 S 20th Street West, Ste 1  
Billings, MT 59102  
(406) 633-2316 Phone (406) 633-2650 Fax  
[www.ywaterworks.com](http://www.ywaterworks.com)

# Invoice

Date	Invoice #
5/3/2022	81-957

Bill To
County Water District of Billings Heights 1540 Popelka Drive Billings, MT 59105

Ship To
County Water District of Billings Heights 1540 Popelka Drive Billings, MT 59105 Attn: Peyton

P.O. Number	Terms	Due Date	Shipped Date	Via	FOB	BMI Number
V-Peyton31422	Net 30	6/2/2022	4/26/2022	Badger DS	Factory	1065791

MPN	Description	Qty	U/M	Price Each	Amount
FSA-6	Badger Meter Fire Series Assembly : Model FSA-6 6"Fire Series Assembly LL w/ 1.5" M170 bypass & 2 Locking Valves with 316 SS Bolts - Strainer & Check Valve Trim bolt material S/N: 220789942 FedEx Freight - Priority	1		13,253.89	13,253.89
	Thank you for your Business			261.37	261.37



MAY 5 PAID  
M.B.R. \_\_\_\_\_  
No.: \_\_\_\_\_ Date Pd. 5-5-2022

<b>Total</b>	<b>\$13,515.26</b>
--------------	--------------------

NOTE: Standard Manufacturers' Terms and Conditions apply to all items quoted above.  
Contact us for clarifications.


**Hendrickson Law Firm, P.C.**  
P.O. Box 2502, Billings, MT 59103-2502  
Office: (406) 245-6238  
Fax: (406) 245-6253  
www.hendricksonlawmt.com

Bill to:  
**County Water District of Billings Heights**

cowaterdistrict@yahoo.com  
**JS Director suit 5117**

**INVOICE**  
To May 05, 2022

Invoice Date May 05, 2022  
Invoice Number 25001  
Due Date May 20, 2022  
Payment Terms Next 15 days

Account Summary	
Previous Balance	\$665.01
Payments Received	(\$665.01)
Outstanding Balance	\$0.00
Current Invoice	\$1,408.42
<b>Total Due</b>	<b>\$1,408.42</b>
Pay Online Click the link or scan the code with your device to pay online. 	
<a href="https://firmcentral.westlaw.com/pay/252D7BJ">https://firmcentral.westlaw.com/pay/252D7BJ</a>	

**Fee Detail**

Date		Description	Hours	Rate	Total
4/4/2022	JS	Review e-filing court case record re status. Consider form of required filing of Lay Witness Statements under Uniform District Court Rule 6. Conference with Mr. Varnes re strategy. Conference with Mr. Noennig re status, issues, and strategy.	0:30	\$185.00/hr	\$92.50

**MAY 6 PAID**  
MBR:            BU. MBR             
No.: 17808 Date Pd. 5-6-2022



Date		Description	Hours	Rate	Total
4/5/2022	JS	Prepare Lay Witness Statements filing. Teleconference with Mr. Cabrera re status and strategy. Conference with Mr. Noennig, and teleconference with Mr. Noennig and Mr. Dugger re Board meeting attendance in person by plaintiffs.	1:00	\$185.00/hr	\$185.00
4/6/2022	JS	Review email communications between Mr. Cabrera and Mr. Noennig re teleconference with Mr. Dugger regarding in-person attendance by certain Directors at future Board meetings. Continue to prepare Lay Witness Statements. Email communications with Ms. Ellis re witnesses. Finalize and service Defendants UDCR 6(c)(3) Lay Witness Statements. Review documents.	1:25	\$185.00/hr	\$262.08
4/8/2022	JS	Teleconference with Mr. Santagate, representative of District's insurer re claims, issues, and status of litigation.	0:10	\$185.00/hr	\$30.83
4/11/2022	JS	Email communication from Mr. Santagate re Request for Insured Contact information.	0:05	\$185.00/hr	\$15.42
4/12/2022	JS	Teleconference with Mr. Cabrera re status. Email communication to Mr. Santagate re Mr. Cabrera's contact information.	0:10	\$185.00/hr	\$30.83
4/14/2022	JS	Conference with Mr. Noennig re recent Board meeting, plaintiff Cook's statements at meeting, and strategy.	0:30	\$185.00/hr	\$92.50
4/15/2022	MEN	Legal research regarding authority to call a special meeting	1:00	\$275.00/hr	\$275.00
4/18/2022	JS	Conference with Mr. Noennig re issues and strategy. Email communication to Mr. Noennig re Ms. Ellis' information regarding refusal of staff to post meeting notice and agenda on District's website. Email communications from Mr. Noennig re issues and strategy.	0:15	\$185.00/hr	\$46.25
4/18/2022	MEN	Review of discovery responses and analysis of claims by plaintiffs	0:30	\$275.00/hr	\$137.50
4/27/2022	JS	Conference with Mr. Noennig re status and strategy.	0:05	\$185.00/hr	\$15.42
4/28/2022	JS	Review Yellowstone County News article re Board activities. Consider discovery and settlement negotiation strategies.	0:26	\$185.00/hr	\$80.17


Date		Description	Hours	Rate	Total
5/2/2022	JS	Draft email to insurance company representative. Email communication to Mr. Cabrera re proposed email to insurance company regarding tender of claims.	0:22	\$185.00/hr	\$67.83
5/3/2022	JS	Email communication from Mr. Cabrera approving proposed email communication to insurer's representative. Finalize and send email communication to Mr. Santagate (insurance company representative) re status of tender.	0:15	\$185.00/hr	\$46.25
5/4/2022	JS	Review pleadings and consider strategy.	0:05	\$185.00/hr	\$15.42
5/5/2022	JS	Teleconference with Mr. Santagate re status of insurance claim, i.e., tender demand previously considered potentially denied and District representative withdrew claim.	0:05	\$185.00/hr	\$15.42
<b>Hours Total</b>			<b>6:53</b>	<b>Fee Total</b>	<b>\$1,408.42</b>

**Expense Detail**

Date	Description	Quantity	Rate	Total
<i>No expenses have been charged for this invoice.</i>				
<b>Expenses Total</b>				<b>\$0.00</b>

Fees	\$1,408.42
Expense	\$0.00
<b>Current Due</b>	<b>\$1,408.42</b>
Outstanding Balance	\$0.00
<b>Total Due</b>	<b>\$1,408.42</b>

**JS Director suit 5117**  
**County Water District of Billings Heights**

<b>Due Date</b>	May 20, 2022
<b>Invoice #</b>	25001
<b>Total Due</b>	<b>\$1,408.42</b>
<b>Amount Paid</b>	\$ <input type="text" value="."/>
<b>Pay Online</b> Click the link or scan the code with your device to pay online.	
<a href="https://firmcentral.westlaw.com/pay/252D7BJ">https://firmcentral.westlaw.com/pay/252D7BJ</a>	

Make payment to:

**Hendrickson Law Firm, P.C.**  
P.O. Box 2502, Billings, MT 59103-2502



**Hendrickson Law Firm, P.C.**  
P.O. Box 2502, Billings, MT 59103-2502  
Office: (406) 245-6238  
Fax: (406) 245-6253  
www.hendricksonlawmt.com


Bill to:  
**County Water District of Billings Heights**

**INVOICE**  
To May 05, 2022

Invoice Date May 05, 2022  
Invoice Number 24978  
Due Date May 20, 2022  
Payment Terms Next 15 days

cowaterdistrict@yahoo.com

**MN General 5081**

Account Summary	
Previous Balance	\$2,074.63
Payments Received	(\$2,074.63)
Outstanding Balance	\$0.00
Current Invoice	\$2,664.76
<b>Total Due</b>	<b>\$2,664.76</b>
Pay Online Click the link or scan the code with your device to pay online. 	
<a href="https://firmcentral.westlaw.com/pay/2E2D7CJ">https://firmcentral.westlaw.com/pay/2E2D7CJ</a>	

**Fee Detail**

Date		Description	Hours	Rate	Total
4/5/2022	MEN	Phone conference with president, phone conference with attorney Dugger regarding attendance at meetings, email to client, email to and phone conference with attorney James regarding franchise fee claim	1:00	\$275.00/hr	\$275.00
4/11/2022	MEN	Email from attorney James and review of decision regarding franchise fees	0:45	\$275.00/hr	\$206.25

MAY 6 PAID

MBR:            BU. MBR:             
No.: 17808 Date Ad. 562


Date		Description	Hours	Rate	Total
4/13/2022	MEN	Preparation for and attendance of Board meeting and public hearing	2:00	\$275.00/hr	\$550.00
4/14/2022	MEN	Conference with attorney Stark regarding results of meeting, phone conference with attorney James, review signed settlement agreement, sign and return motion to dismiss	0:45	\$275.00/hr	\$206.25
<b>Hours Total</b>			<b>4:30</b>	<b>Fee Total</b>	<b>\$1,237.50</b>

**Expense Detail**

Date		Description	Quantity	Rate	Total
4/30/2022	ACCT	Engel / Westlaw	0	\$0.00	\$1,427.26
<b>Expenses Total</b>					<b>\$1,427.26</b>

Fees	\$1,237.50
Expense	\$1,427.26
<b>Current Due</b>	<b>\$2,664.76</b>
Outstanding Balance	\$0.00
<b>Total Due</b>	<b>\$2,664.76</b>

**MN General 5081**  
**County Water District of Billings Heights**

Due Date	May 20, 2022
Invoice #	24978
<b>Total Due</b>	<b>\$2,664.76</b>
<b>Amount Paid</b>	\$ .
Pay Online Click the link or scan the code with your device to pay online.  <a href="https://firmcentral.westlaw.com/pay/2E2D7CJ">https://firmcentral.westlaw.com/pay/2E2D7CJ</a>	

Make payment to:

**Hendrickson Law Firm, P.C.**  
P.O. Box 2502, Billings, MT 59103-2502





Item 6.

Invoice No: 5R2200827  
 Invoice Date: 4/02/22

JOSHUA C SIMPSON  
 CO WATER DIST BILLINGS HIGHTS  
 1540 POPELKA DR  
 BILLINGS MT 59105

Customer No: 10390  
 Payment Terms: June 30th  
 Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>

APR 2022  
 RECEIVED  
 839  
 BPS

11 PAID  
 No: 1777 Date Ad: 4-11-22

Please return this coupon with payment.

Permit/Registration #:  
 Facility:  
 Operator #: 7768  
 Cert: 2A  
 Renewal Notice For 2022-2023

Customer No: 10390  
 Invoice No: 5R2200827  
 Invoice Date: 4/02/22

Montana Department of Environmental Quality  
 Financial Services Office  
 PO BOX 200901  
 Helena, MT 59620-0901

Amount Due: \$30.00

30.00  
 Amount Remitted

1777  
 Check Number



Item 6.

Invoice No: 5R2200032  
Invoice Date: 4/04/22

QUIN T FUHRMAN  
CO WATER DIST BILLINGS HEIGHTS  
1540 POPELKA DR  
BILLINGS MT 59105

Customer No: 7207  
Payment Terms: June 30th  
Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>



11 PAID  
MBR: 80 MBR  
No: 1777 Date Pd: 4/11/22

Please return this coupon with payment.

Permit/Registration #:  
Facility:  
Operator #: 7432  
Cert: 2A  
Renewal Notice For 2022-2023

Customer No: 7207  
Invoice No: 5R2200032  
Invoice Date: 4/04/22

Montana Department of Environmental Quality  
Financial Services Office  
PO BOX 200901  
Helena, MT 59620-0901

Amount Due: \$30.00

30.00  
Amount Remitted

1777  
Check Number

Name or Mailing Address Change?  
Please check box and make changes on back.





Item 6.

Invoice No: 5R2200419  
 Invoice Date: 4/02/22

ANDY W REICHENBACH  
 CO WATER DIST OF BILLINGS  
 1540 POPELKA DR  
 BILLINGS MT 59105-4468

Customer No: 8307  
 Payment Terms: June 30th  
 Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>



MBR: 17772 MD: MBR  
 Date Pd: 4/1/22

Please return this coupon with payment.

Permit/Registration #:  
 Facility:  
 Operator #: 5181  
 Cert: 2A  
 Renewal Notice For 2022-2023

Customer No: 8307  
 Invoice No: 5R2200419  
 Invoice Date: 4/02/22

Montana Department of Environmental Quality  
 Financial Services Office  
 PO BOX 200901  
 Helena, MT 59620-0901

Amount Due: \$30.00

30W  
 Amount Remitted

17772  
 Check Number



Item 6.

Invoice No: 5R2200203  
 Invoice Date: 4/04/22

DAVID P BROOKSHIRE  
 CO WATER DIST BILLINGS HEIGHTS  
 1540 POPELKA DRIVE  
 BILLINGS MT 59105

Customer No: 7799  
 Payment Terms: June 30th  
 Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>



11 P110  
 APR 11 2022  
 17772 Date Pd 4/11/22

Please return this coupon with payment.

Permit/Registration #:  
 Facility:  
 Operator #: 6096  
 Cert: 2A  
 Renewal Notice For 2022-2023

Customer No: 7799  
 Invoice No: 5R2200203  
 Invoice Date: 4/04/22

Montana Department of Environmental Quality  
 Financial Services Office  
 PO BOX 200901  
 Helena, MT 59620-0901

Amount Due: \$30.00

30 W  
 Amount Remitted

17772  
 Check Number

Name or Mailing Address Change?  
 Please check box and make changes on back.



Item 6.

Invoice No: 5R2201034  
Invoice Date: 4/02/22

CLAY J MCCAFFREE  
CO WATER DIST OF BLGS HEIGHTS  
1540 POPELKA DR  
BILLINGS MT 59105

Customer No: 13233  
Payment Terms: June 30th  
Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>



APR 11 PAID  
MBR: \_\_\_\_\_  
Date Paid: 4/11/22

Please return this coupon with payment.

Permit/Registration #:  
Facility:  
Operator #: 8267  
Cert: 2A  
Renewal Notice For 2022-2023

Customer No: 13233  
Invoice No: 5R2201034  
Invoice Date: 4/02/22

Montana Department of Environmental Quality  
Financial Services Office  
PO BOX 200901  
Helena, MT 59620-0901

Amount Due: \$30.00

30.00  
Amount Remitted

17772  
Check Number

Name or Mailing Address Change?  
Please check box and make changes on back.



Item 6.

Invoice No: 5R2201280  
Invoice Date: 4/02/22

COLTON S WESKAMP  
CO WATER DIST OF BILLINGS HEIGHTS  
1540 POPELKA DR  
BILLINGS MT 59105

Customer No: 17796  
Payment Terms: June 30th  
Due Date: 6/30/22

For billing questions, please call (406) 444-3434

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	DRINKING WATER RENEWAL FEE	1.00	EA	30.00	30.00
Subtotal:					\$30.00
<b>AMOUNT DUE:</b>					<b>\$30.00</b>



11 940  
No: 17772 Date: 4/1/22

Please return this coupon with payment.

Permit/Registration #:  
Facility:  
Operator #: 8763  
Cert: 2A  
Renewal Notice For 2022-2023

Customer No: 17796  
Invoice No: 5R2201280  
Invoice Date: 4/02/22

Montana Department of Environmental Quality  
Financial Services Office  
PO BOX 200901  
Helena, MT 59620-0901

Amount Due: \$30.00

30.00  
Amount Remitted

17772  
Check Number

Name or Mailing Address Change?  
Please check box and make changes on back.



# Executive Cleaning Co., Inc.

1919 Montana Ave.  
Billings, MT 59101  
(406) 248-3435  
(406) 248-3533 - Fax

Item 6.

# Invoice

Invoice #: 72502

Date: 3/31/2022

BILL TO
County Water District of Billings Heights 1540 Popelka Dr. Billings, MT 59105
ATTN: Peyton Brookshire

SHIP TO
SAME

Purchase Order #: March 2022	Credit Terms: Net 10 Days
------------------------------	---------------------------

Item	Description	Amount	Subtotal
Janitorial Services:			
	2 Days per Week	\$807.30	\$807.30



Total Due: \$807.30

APR 11 PAID  
 MBR: SD. MBR  
 No: 1773 Date: 4-11-22

St. Vincent Healthcare  
 Occupational Health Services  
 2019 Broadwater Ave  
 Billings, MT 59102  
 Phone: 406-237-8855  
 FEIN: 46-4056262

Item 6.

9339  
 APR 2022  
 RECEIVED  
 OPS

**Invoice**  
 April 01, 2022

Bill to: County Water Dist Blgs Heights  
 1540 Popelka Dr.  
 Billings, MT 59105-


For: County Water Dist Blgs Heights

Invoice # 60360

<u>Proc Code</u>	<u>Date</u>	<u>Description</u>	<u>Qty</u>	<u>Charge</u>	<u>Receipt</u>	<u>Adjust</u>	<u>Balance</u>
99385	03/24/2022	DOT Physical	1.00	105.00			105.00
<b>David P Brookshire XXX-XX-7807 Balance Due:</b>							<u>105.00</u>
<b>Invoice # 60360 Balance Due:</b>							<u><u>105.00</u></u>

Please send second copy of invoice with payment Thank you

PAID  
 APR 11 2022  
 MBR  
 4-11-22

 Cut and return with payment

Please remit **105.00** to  
 For billing questions call Shari Moran 406-237-8865  
 Please place invoice number **60360** on check

ATTN: Accounts Receivable  
 Saint Vincent Occupational Health  
 SCL Health  
 PO Box 22797  
 Billings, MT 59104  
 Phone: 406-237-8855

04/06/2022

Plan Number: PS259835

DUKE NIESKENS  
COUNTY WATER DISTRICT OF BILLI  
1540 POPELKA DRIVE  
BILLINGS MT 59105

Fisher Asset Management, LLC  
FISHER INVESTMENTS 401(K) SOLU  
5525 NW Fisher Creek Drive  
Camas WA 98607



**Please Remit Retirement Plan Administrative Fees**

<b>Invoice Number</b>	<b>Date</b>	<b>Amount</b>
PI01825175	02/23/2022	\$775.00

Dear DUKE NIESKENS,

Ascensus would like to resolve an outstanding invoice for administrative services provided to your company's retirement plan. Please remit payment to:

Ascensus: Dresher  
P.O. Box 36472  
Newark, NJ 07188-6472

We value your business and appreciate your attention to this matter. If the outstanding fee(s) have been paid, please disregard this letter.

If you have questions or need a copy of the original invoice, please contact your Client Service Team at 888-859-4015.

Sincerely,

Ascensus

Plan Number: PS259835

Ctrl30

11 PAID  
#BR: 1777 Date: 4-11-22

Purvis Industries Billings  
P.O. Box 540757  
Dallas, TX 75354



INVO Item 6.

INVOICE	
30830418	
Invoice Date	Page
03/28/2022 18:15:37	1 of 1
ORDER NUMBER	
11081911	

177481-4.12 0 5358-1.1 1oz



BILL TO:  
COUNTY WATER DISTRICT F68  
ATTN:ACCOUNTS PAYABLE  
1540 POPELKA DRIVE  
BILLINGS MT 59105



Branch: 1068

Ship To:

COUNTY WATER DISTRICT F68  
1540 POPELKA DRIVE  
BILLINGS , MT 59105  
US

Ordered By: CLAY .

PO Number	Term Description	Net Due Date	Disc Due Date	Discount Amount
FREEZE	NET 30 DAYS	04/27/2022	04/27/2022	0.00

Order Date	Pick Ticket No	Primary Salesrep Name	Taker
03/28/2022 10:47:27	20989368	DARWIN TAYLOR	DTAYLOR

Quantities				Item ID Item Description	Pricing UOM Unit Size	Unit Price	Extended Price
Ordered	Shipped	UOM Unit Size	Disp.				
<b>Carrier:</b> CUSTOMER PICK-UP				<b>Tracking #:</b>			
2.00	2.00	EA 1.0		4TH18NC-4MJ-6FSX-105IN GATES HYDRAULIC ASSEMBLY	EA 1.0	64.5048	129.01
2.00	2.00	EA 1.0		4000-04BRN BRENNAN INDUSTRIES	EA 1.0	0.1917	0.38
15.00	15.00	EA 1.0		LABOR CHARGE/MIN LABOR	EA 1.0	1.5000	22.50

Total Lines: 3

**SUB-TOTAL:** 151.89  
**TAX:** 0.00  
**AMOUNT DUE:** 151.89

For Payment Inquiries, please contact Accounts Receivable at (214) 358-5500.  
All information is confidential and proprietary of Purvis Industries.



MRB: 80 MBR: 4-11-22  
No.: 1775 Date Pd. 4-11-22

144

NL\_3.15.22

ORIGINAL

Document ID: 30830418





514 North 32nd St.  
 Billings, MT 59101  
 406-245-3029

Inv Item 6.

DATE	INVOICE #
3/14/2022	56695

BILL TO
Billings Heights Water Dist. 1540 Popelka Drive Billings, MT 59105

SHIP TO
Billings Heights Water Dist. 1540 Popelka Drive Billings, MT 59105

P.O. NO.	TERMS	REP	Call #	Order #
	Net 30	SL		
QUANTITY	DESCRIPTION		RATE	AMOUNT
0.5	Model: HPLJ MC6040F Serial # Page Count Problem: Whistles when the top feeder is in use. Contact / Location: Susie, 242-0539  ADF squeek found to be plactic on the ADF rollers Cleaned and tested ADF ADF working at time of service		85.00	42.50
Thank You for your Business			<b>Total</b>	\$42.50

  
 RECEIVED  
 MAR 2022  
 OPS  
 PAID  
 MBR: \_\_\_\_\_ BU. MBR \_\_\_\_\_  
 No.: 1746 Date: 3/22/22

A Finance Charge of 1.5%, 18% annually, may be applied to past due balances.

Please Remit To: Western Office Equipment PO Box 1822 Billings, MT 59103

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS / OPERATIONAL AND MAINTENANCE FUND

Western Office Equipment, Inc.

Date 3/14/2022 Type Bill Reference 56695

Original Amt. 42.50

Balance Due 42.50

3/22/2022

Discount

Check Amount

Payment 42.50 42.50

17746 Item 6.

PAYMENT RECORD

OPERATIONS & MAI

42.50

LR2206ALN1 ECONO PRINT 406-294-1198

PRINTED IN U.S.A.

↑ originally paid in March 22, 2022 - but bank returned item because of the fraud -

↓ reissued check 4/12/22

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS / OPERATIONAL AND MAINTENANCE FUND

Western Office Equipment, Inc.

Date 3/14/2022 Type Bill Reference 56695

Original Amt. 42.50

Balance Due 42.50

4/12/2022

Discount

Check Amount

Payment 42.50 42.50

17778

PAYMENT RECORD

OPERATIONS & MAI

42.50

LR2206ALN1 ECONO PRINT 406-294-1198

PRINTED IN U.S.A.

Reissue for CE 17746

146

Item 6.

### AFR Notification

From: mcb\_ach\_dbd@ascensus.com  
To: cwaterdistrict@yahoo.com  
Date: Thursday, April 14, 2022, 09:15 AM MDT

**Your plan:** COUNTY WATER DISTRICT OF BILLINGS HEIGHTS PSP; 259835

Your payroll information has been received.

This e-mail address was designed for the delivery of information only. Please do not send responses to this address since we cannot guarantee that your e-mail will be received. Please call 888-652-8087 with questions or to take further action. Thank you.

### Ascensus

Package # 47201374  
April 14, 2022  
11:15 AM

## Automated Funding Request Fisher Investments Fee Based RK Only Client Service Team 1-888-652-8087

To: cwater district  
Email: cwaterdistrict@yahoo.com  
Plan Name: COUNTY WATER DISTRICT OF BILLINGS HEIGHTS PSP  
Plan Number: 259835  
Payroll: 04/15/2022  
Site: P - Employer Contributions

### Funding Confirmation

EMPLOYER MATCH: \$719.91  
EMPLOYER PROFIT SHARING: \$969.85

**Total Amount of Funding Due: \$1,689.76**

Funding Method: ACH Ascensus Initiated Payment

### Please Note:

- As per prior authorization, your account will be automatically debited in order to fund this payroll submission.
- The Payroll Period of April 15, 2022 for Employer Contributions has been assigned to this submission based on your payroll calendar and/or your transmittal information.

4/15/2022

Ascensus Trust Co

\*\*1,689.76

One Thousand Six Hundred Eighty-Nine and 76/100\*\*\*\*\*

Ascensus Trust Co  
P. O. Box 36472  
Newark, NJ 07188-6472

4/15/2022

Ascensus Trust Co  
401 (K) Profit Sharing  
401(K) Employer

969.85  
719.91

OPERATIONS & MAI

1,689.76

4/15/2022

Ascensus Trust Co  
401 (K) Profit Sharing  
401(K) Employer

969.85  
719.91

OPERATIONS & MAI

1,689.7



855 Front Street | P.O. Box 4759 | Helena, MT 59604-4759  
Phone 800-332-6102 or 406-495-5000 | Fax 406-495-5020  
Fraud 888-MT-CRIME or 888-682-7463 | TDD/TTY 406-495-5030  
montanastatefund.com | safemt.com

Item 6.



Policy Invoice

COUNTY WATER DISTRICT OF BILLINGS HEIGHT  
1540 POPELKA DR  
BILLINGS MT 59105

Policy #: 03-109951-8  
Invoice Date: 04/14/2022  
Team: Premier  
Invoice #: 13168014  
Policy Status: Active



	Due Date	Amount
Past Balance:		\$0.00
Current Balance:	05/09/2022	\$938.35
Total:		\$938.35

**\*\*Save a stamp! Making an online payment is easy at Montanastatefund.com\*\*** Your insurance protection is important to us. In order to maintain uninterrupted coverage, your payment must be received by Montana State Fund by the due date.

The amounts listed below include DLI Assessments

Date	Transaction	Installment # / Period	Amount
03/14/2022	Balance Forward from last Invoice		\$938.35
03/24/2022	Electronic Payment Received - THANK YOU		\$-938.35
04/01/2022	Installment	4 of 10 / (01/01/2022 - 01/01/2023)	\$938.35
<b>TOTAL:</b>			<b>\$938.35</b>

CF290A Rev 06/2020

Return the portion below with your payment.

**This is not a payment request. The amount due will be deducted from your account per your authorized agreement.**



MBR: ACTH SD. MBR \_\_\_\_\_  
NO. ACTH Date Pd. \_\_\_\_\_

031099518 0000093835 0013168014



# STATEMENT



AMERICAN WELDING & GAS, INC.  
 320 N 11TH ST.  
 BILLINGS MT 59101-2547  
 406-256-3330  
 FAX:406-256-7698

CUSTOMER NUMBER
05690
STATEMENT DATE
03/31/22

8453  
**TO INSURE PROPER CREDIT**  
**PLEASE RETURN THIS PO**  
**WITH YOUR REMITTANCE**  
 Item 6.

### MAIL TO:

AMERICAN WELDING & GAS, I  
 PO BOX 779009  
 CHICAGO IL 60677-9009  
 844-854-1451

**\*\* NEW REMIT ADDRESS \*\***

4207 1 AB 0.461 C:12 P:1 283/511-2 FT

Billings Hgts Water Dist  
 1540 Popelka Dr

6147

Billings, MT 59105-4468

CODES:  
 1-SALE 3-CR. MEMO 5-DEBIT  
 2-PAYMENT 4-SER. CHARGE MEMO

ACCOUNT NAME
BILLINGS HGTS WATER DIST

BRN#	STATEMENT DATE	CUSTOMER NUMBER
001	03/31/22	05690

DATE	CODE	INVOICE NO.	CHARGES	CREDITS	BALANCE
03/16/22	1	08393830	355.10		355.10

INVOICE NO.	CODE	AMOUNT
08393830	1	355.10



APR 19 2022

MBR: \_\_\_\_\_ BU. MBH \_\_\_\_\_  
 No.: \_\_\_\_\_ Date Ad. 4-19-2022  
 1779

PLEASE REMIT PO BOX 779009 CHICAGO IL 60677-9009  
 Pay Your Bills Online! Online Ordering!  
 View Cylinder Balances with Access to Invoices!  
 Complete Your Registration Today!  
<https://awgclientweb.awggases.com>

LAST PAYMENT: 11/15/21 57.16

TOTAL BALANCE	355.10	TOTAL BALANCE	355.10
---------------	--------	---------------	--------

CURRENT	31 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS
355.10	.00	.00	.00



# ORIGINAL INVOICE



PLEASE INCLUDE THESE NUMBERS WITH YOUR PAYMENT TO INSURE PROPER CRED

8454

Item 6.

DATE	ACCT. NO.	INVOICE NUMBER
03/16/22	05690	08393830

AMERICAN WELDING & GAS, INC.  
 320 N 11TH ST.  
 BILLINGS MT 59101-2547  
 (406) 256-3330  
 FAX: (406) 256-7698

**PLEASE MAKE CHECKS PAYABLE TO AND MAIL TO**

**AMERICAN WELDING & GAS, INC.**  
**PO BOX 779009**  
**CHICAGO, IL 60677-9009**  
**800-231-8462**

Billings Hgts Water Dist  
 1540 Popelka Dr

Billings, MT 59105-4468

BILLINGS HGTS WATER DIST  
 1540 POPELKA DR  
 BILLINGS MT 59105-4468

ORDER NUMBER		CUSTOMER P/O NUMBER		LOC	SLS #	TERR #	SHIP VIA	TERMS	INITIALS	PAGE
06657570-00		SEE BELOW		001	060	010	WALK IN	NET 10TH	RG	1
SHIPPING ORDER NUMBER	DATE	ITEM	QTY SHIP'D	QTY B/O	CYLINDER		DESCRIPTION	UOM	UNIT PRICE	AMOUNT
					SHP'D	RET'D				
		** Location:	1	**			Hardgood P/O:CLAY			
66575700316		MIL287803	1	0			CLASSIC SERIES, VS BLACK W/ CLEAR LIGHT LENS	EA	128.00	128.00 N
66575700316		LINED021274	1	0			.035 SUPERARC L-56 44FS 3564 LB PLT	SPL	227.0972	227.10 N
							Subtotal			355.10
							Cash/Dep Received			0.00
TAX CD: 0000000000000007		TAX DESCRP: MT - TAX				EXMPT CD: 0 EXMPT/CERT:				

TAXABLE AMOUNT  
355.10

\*\*\* ATTENTION NEW REMITTANCE ADDRESS \*\*\*

AMOUNT THIS INVOICE INCLUDING TAX

151  
355.10

# Order



Item 6.

Customer Copy



**SOLD BY**  
 AMERICAN WELDING & GAS, INC.  
 320 N 11TH ST.  
 BILLINGS MT 59101-2547  
 406-256-3330

6965693431

*8220  
OPB*

Customer 05690

Order 06657570-00

Order Date 03/16/22

Page 001 OF 001

**SHIP TO**  
 BILLINGS HGTS WATER DIST  
 1540 POPELKA DR  
 BILLINGS MT 59105-4468  
 406-252-0539

Name	BILLINGS HGTS WATER DIST	Territory	010	Ship Via	WALK IN	-NONE-	Initials	RG	
P/O Number	SEE BELOW	Salesperson	060	Other Zone	00	UPS Zone	0	Order Type	CHRG
Rel Number		Branch	001	COL/PPD	PREPAID			Date/Time	16-MAR-22 10:42AM
Phone	406-252-0539	Wanted Date	03/16/22	Route				Username	robin.gerondale
Status									

QTY SHIP	UNIT	HM	DESCRIPTION & HAZARD CLASS	LINE NO	ITEM NUMBER	LOC	QTY ORDER	QTY BKORD	BIN LOC	WEIGHT	UNIT AMOUNT	EXTENDED AMOUNT	
1	EA		HAZARDOUS MATERIAL FEE AWG	4	CYM HAZMAT	1	1	0			13.45	13.45 N	
1	SPL		.035 SUPERARC L-56 44FS 3564 LB PLT	3	LIN ED021274	1	1	0	C017C	44.00	227.0972	227.10 N	
1	EA		CLASSIC SERIES, VS BLACK W/ CLEAR LIGHT LENS	1	MIL 287803	1	1	0	H144B		128.00	128.00 N	
			Total Weight:	44.0000								Subtotal	368.55
												Discount	13.45
												Tax	.00
												Freight	.00
												Total Sale	355.10

Chemtrec # **1236**  
**EMERGENCY RESPONSE TELEPHONE NUMBER**  
**1-800-424-9300**

This is to certify that the above named Products are properly classified, described, packaged, marked and labeled and are in proper condition for transportation, according to the applicable regulations of the Department of Transportation.

FILLED/DELIVERED BY	ACTUAL SHIP DATE

**SEE OUR TERMS AND CONDITIONS AT:**  
[www.awggases.com](http://www.awggases.com) under **CUSTOMER RESOURCES**

By acceptance and use of the Products specified herein and/or by signing below, Customer accepts and agrees to be bound by the terms and conditions as described at our website shown above. No Products will be accepted for refund without prior approval from Seller. I have read and received a copy of this Order.

X \_\_\_\_\_

Agreed by Customer





Trust our People. Trust our Data.  
www.energylab.com

Billings, MT 406.252.6325 • Casper, WY 307.235.0515  
Gillette, WY 307.686.7175 • Helena, MT 406.442.0711

**Account Number:** B1118  
**Invoice Number:** 465384  
**Invoice Date:** 04/14/2022  
**Purchase Order:**  
**Invoice Total:** \$480.00  
**Amount Received:** \$0.00  
**Amount Due:** \$480.00

Remit To: **Energy Laboratories, Inc.**  
**Department 6250**  
**PO Box 4110**  
**Woburn, MA 01888-4110**

00000811180004653840000480007

-----  
Detach and Return Stub with Payment

Bill To: **Billings Heights County Water District**  
**Attn: Accounts Payable**  
**1540 Popelka Dr**  
**Billings, MT 59105-4468**

# INVOICE

**Invoice No.: 465384**

From:



Trust our People. Trust our Data.

APR 14 2022  
DAA

Invoice Date: Apr 14, 2022  
Purchase Order:  
Account Number: B1118  
Net 30

**Quote Id:** N/A  
**Project Name:** MT0000155

Lab Number	Client Samp ID	Test Price	Rush	Discount	Price	Total
<b>Work Order: B22040729</b>						
B22040729-001	1540 Popelka Dr					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-002	1219 Main Street					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-003	1415 Yellowstone RR					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-004	1221 Wicks Lane					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-005	2347 Main Street					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-006	2605 Roundup Road					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-007	913 Independent Lane					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-008	200 Rollings Hills Road					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-009	2300 Lake Elmo Road					\$30.00
<b>Analysis Parameter</b>						
Bacteria, Public Water Supply		\$30.00			\$30.00	
B22040729-010	1705 Saint Andrews Drive					\$30.00



<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00
<b>B22040729-011</b>	<b>655 West Wicks Lane</b>		\$30.00
<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00
<b>B22040729-012</b>	<b>262 Wicks Lane</b>		\$30.00
<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00
<b>B22040729-013</b>	<b>710 Main Street</b>		\$30.00
<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00
<b>B22040729-014</b>	<b>98 Skyline Drive</b>		\$30.00
<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00
<b>B22040729-015</b>	<b>236 Main Street</b>		\$30.00
<b>Analysis Parameter</b>			
Bacteria, Public Water Supply		\$30.00	\$30.00

<b>MISCELLANEOUS CHARGE SUMMARY:</b>			
<b>Work Order: B22040729</b>			
Item	Price	QTY	Total
Management and Disposal Fee - per sample	\$2.00	15	\$30.00
			<b>\$30.00</b>

**Comments:**  
Proj. Contact: David Peyton Brookshire

<b>Subtotal:</b>	<b>\$450.00</b>
<b>Misc Charges:</b>	<b>\$30.00</b>
<b>INVOICE TOTAL:</b>	<b>\$480.00</b>
<b>Amount Received:</b>	<b>\$0.00</b>
<b>AMOUNT DUE:</b>	<b>\$480.00</b>

19 PAID  
 SBR: BU MBR  
 Date 4-19-2022  
 178



**STATEMENT**  
 COUNTY WATER DIST OF BILLINGS HEIGHTS  
 ATTN: MANAGER - PEYTON BROOKSHIRE  
 1540 POPELKA DR  
 BILLINGS, MT 59105-4468

**Local Government Services**  
 125 N. Roberts - Mitchell Bldg Room 270  
 P.O. Box 200547  
 Helena, MT 59620-0547  
 Phone: (406) 444-9101  
 Email: LGSPortalRegistration@mt.gov

**Statement Number:** 4588  
**Statement Date:** 4/8/2022  
**Account Number:** 105605  
**Send payment to:** Local Government Services  
**Due:** Upon Receipt

Date	Item ID	Entry Type	Entry Description	Item Activity	Amount Due
4/7/2022	FY2021-04/22-13644	AFR	10% Late R	130.00	130.00
<b>Amount Owed</b>					<b>130.00</b>

	0 - 30	31 - 60	61 - 90	Over 90	Total
<b>Amount</b>	130.00	0.00	0.00	0.00	130.00

**Please disregard this notice if you have already sent payment.**  
**If you have questions, please call (406) 444-9101.**  
**Make checks or warrants payable to "Local Government Services".**



19 PAID  
 AFR: \_\_\_\_\_ BL. AFR:  
 No. \_\_\_\_\_ Date of: 4/9/2022  
 1781



**INVOICE**

Morrison-Maierle Systems—PO Box 6147—Helena, MT 59604  
Billing Inquiries: 406-495-3516  
Help Desk 1-866-401-4846 — www.getsystems.net  
TIN: 81-0401762

Attention: Peyton Brookshire  
Billings Heights Water District  
1540 Popelka Dr  
Billings, MT 59105  
UNITED STATES

Invoice : 000042357  
Invoice Date : 4/14/2022  
Project : BHWD700  
Project Name : Billings Height Water Project Svcs  
Bill Term : \*\*

For Professional Services Rendered Through 4/8/2022

BHWD700 - Billings Height Water Project  
Svcs

Rate Labor	2,125.00
Expenses	206.00
Total Expense	206.00



**Current Billings**  
2,331.00

**Current Billings** 2,331.00  
**Amount Due This Bill** 2,331.00

Amounts Are Due and Payable Upon Receipt of Invoice  
Amounts 30 days overdue are subject to a service charge at the maximum legal rate allowed by 31-1-107 MCA

Please send your EFT remittance advice to remittance@m-m.net  
Routing: 092905278  
Account: 4020016702

APR 19 PAID  
MBR: \_\_\_\_\_ B.D. MBR \_\_\_\_\_  
No. \_\_\_\_\_ Date Pd. 4-19-2022  
1782

**100 - Hourly Services - Unquoted**

**Rate Labor**

Class / Employee

**Network Technician**

Class / Employee	Date	Hours	Rate	Amount
Jesse A. Daffin	3/24/2022	1.00	125.00	125.00
Preconfigured AP. Installed AP on-site to replace old AP. Confirmed working.				
<b>Total Rate Labor</b>				<b>125.00</b>

**200 - Equipment and Supplies - Unquoted**

**Expenses**

Account / Vendor

**Project Expenses**

Account / Vendor	Doc Number	Date	Cost	Multiplier	Amount
Kristine L. Buehler	EA0000000545	3/16/2022	20.00	1.00	20.00
	1 - Ubiquiti PoE GigEthernet Adapter				
	EA0000000545	3/16/2022	153.00	1.00	153.00
	1 - Ubiquiti Networks UAP-AC-PRO-E Access Point				
	EA0000000545	3/24/2022	33.00	1.00	33.00
	1 - Netgear Switch 5-Port				
<b>Total Kristine L. Buehler</b>			206.00		206.00
<b>Total Project Expenses</b>			206.00		206.00
<b>Total Expenses</b>					<b>206.00</b>

**Total Bill Task: 200 - Equipment and Supplies - Unquoted**

**206.00**

**800 - Server Replacement - 003996v3**

**Rate Labor**

Class / Employee

**Network Technician**

Class / Employee	Date	Hours	Rate	Amount
Jesse A. Daffin	3/9/2022	1.00	125.00	125.00
Began preconfiguration of new server.				
	3/15/2022	1.00	125.00	125.00
Continued server preconfiguration.				
	3/16/2022	1.00	125.00	125.00
Finished preconfiguration of server.				
	3/24/2022	4.75	125.00	593.75
Staged server on-site. Installed 5-port Switch. Installed UPS. Joined to domain. DC prep. Role and feature installation. Prep for data migration. QB installation.				
	4/1/2022	1.50	125.00	187.50
Began data migration				
	4/1/2022	0.50	125.00	62.50
Began data migration				
	4/2/2022	2.00	125.00	250.00
Finished data migration.				
	4/3/2022	2.00	125.00	250.00
Decommissioned old server.				
	4/4/2022	2.25	125.00	281.25
On-site; Mapped drives on PCs. Ensured shortcuts all working and QuickBooks. Discussed project with Peyton and retaining the old server for at least 1 month.				
<b>Total Jesse A. Daffin</b>		16.00		2,000.00
<b>Total Network Technician</b>		16.00		2,000.00
<b>Total Rate Labor</b>				<b>2,000.00</b>

**Total Bill Task: 800 - Server Replacement - 003996v3**

**2,000.00**

**Total Project: BHWD700 - Billings Height Water Project Svcs**

**2,331.00**

9431 Anglers Way  
Billings, MT 59101



# INVOICE

Item 6.

Date 4/12/2022

Invoice # 2392

## TRUE NORTH CONTRACTING

**Bill To**

Heights Water District  
1540 Popelka Ln  
Billings, MT 59105

P.O. No.	Terms
	Due on receipt

Description	Amount
Patched 100 sq ft hole with 3" thick asphalt at 720 Garnet on 4-11-22	741.50



<b>Total</b>	\$741.50
--------------	----------

19 PAID  
MR: *[Signature]* MD. MBR  
AUTHORIZED SIGNATURE *[Signature]* 4-19-2022

17783

Item 6.

# NTZ LUMBER CO., INC.

CUSTOMER COPY

Box 50400 2775 Hwy. 87 N.  
Billings, MT 59105-0400 Billings, MT 59105  
Phone (406) 252-4810 • FAX (406) 252-4890

LOADED BY	DELIVERED BY	TIME IN
CHECKED BY	HOW DELIVERED	TIME OUT

1208231

CASH SALE

03/11/22 15:25 011

CASH SALES

PP  
A  
W  
C  
P  
13  
1  
1  
1  
1

CUST#: 1.0000 DEL DATE: 03/11/22 TERMS: NET 10TH

√	L #	QUANTITY	DESCRIPTION	ITEM #	UNITS	PRICE / UNIT	AMOUNT
	1	2	3/8" NAP TWIN PACK 9" ROLLER CV	18070006A	2	2.25 EA	4.50
	2	2	MESSMER U.V. NATURAL REDWOOD 1-GALLON	35010120A	2	37.95 EA	75.90
SUBTOTAL							80.40
TOTAL							80.40

8233  
JS

Zentz Lumber Co.  
2775 Hwy 87 North  
Billings, MT 59105  
(406) 252-4810  
Terminal 002

03/11/2022 16:09

Sale

Trans #: 12 Batch #: 1

MASTERCARD CHIP  
\*\*\*\*\*5242 \*\*/\*\*

AMOUNT: \$80.40

Resp: APPROVED  
Code: 65359E  
Ref #: 90100004

App Name: Mastercard  
AID: A0000000041010  
TUR: 8000008000  
TSI: 6800

past due  
IODIC  
DATE of  
seller. If  
on fee or  
Received  
By X

TERMS: All bills are due and payable in full by  
after 30 days. Past due accounts are subject to a 1  
RATE" of 1½% per month for a minimum charge  
18%. The buyer agrees that any finance charge on  
any account is referred to an attorney for collectio  
attorney's fee, cost and finance charge as set forth

CUSTOMER COPY



QUIN FURHMAN  
COUNTY WATER DIST BLGS HT

Item 6.

Account Number: ##### 1624  
Closing Date: 04/08/22  
Credit Limit: \$2,000.00  
Available Credit: \$1,472.35  
Cash Advance Limit: \$2,000.00  
Cash Advance Available: \$1,472.35



Account Inquiries



Customer Service: 1-866-317-0355  
Lost/Stolen Card: 1-866-839-3485  
International, Call Collect: 727-570-4881



Please Direct Written Inquiries to:  
Customer Service  
PO BOX 30495  
TAMPA, FL 33630-3495



To view or pay your account on-line:  
www.mycardstatement.com



Account Summary

Previous Balance	\$	33.56
Purchases	+	491.58
Cash	+	0.00
Special	+	0.00
Credits	-	29.00
Payments	-	33.56
Other Debits	+	62.56
Finance Charges	+	2.51
<b>NEW BALANCE</b>	<b>\$</b>	<b>527.65</b>

Payment Information



**Total Minimum Payment Due \$40.00**  
**Payment Due Date 05/03/22**

Minimum Payment	\$	20.00
Past Due Amount	\$	20.00

Mail Payments to: MASTERCARD PO BOX 35138 SEATTLE WA 98124-5138

Important News

**NEW OR RE-ISSUED FIRST INTERSTATE BANK BUSINESS CREDIT CARDS MUST BE ACTIVATED BY CALLING 1-866-333-4761. WHEN CALLING, YOU WILL BE ASKED TO ENTER THE LAST FOUR DIGITS OF YOUR COMPANY'S TAX ID NUMBER.**

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/09	03/10	PPLN01	72301382068900013200230	DENNY MENHOLT CHEVROLE BILLINGS MT	\$ 133.86
04/05	04/06	PPLN01	55480772095081249241103	CRESCENT ELECTRIC 054 BILLINGS MT	357.72
<b>Payments, Adjustments and Others</b>					
04/05	04/05		L04052022027890	PAYMENT - THANK YOU	33.56
04/05	04/06	PPLN01	70006102096777096430011	RETURNED PAYMENT FEE	29.00
04/05	04/06	PPLN01	70006102096777096430011	RETURNED CHECK	33.56
04/05	04/08	PPLN01	70006102098777098390013	RETURNED CHECK FEE REV	29.00

**MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO WWW.EZCARDINFO.COM AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH EZCARDINFO.COM. ENROLL TODAY!**

**THANK YOU FOR YOUR RECENT PAYMENT, HOWEVER, YOUR ACCOUNT REMAINS ONE PAYMENT PAST DUE. PLEASE SEND IN YOUR PAYMENT IMMEDIATELY TO AVOID ANY LATE CHARGES.**

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY 5150

FIRST INTERSTATE BANK  
PO BOX 30918  
BILLINGS MT 59116-0918



Account Number  
##### 1624

Check box to indicate name/address change on back of this coupon

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
04/08/22	\$527.65	\$40.00	05/03/22

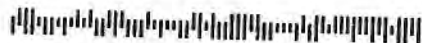
AMOUNT OF PAYMENT ENCLOSED

\$ 527.65

QUIN FURHMAN  
COUNTY WATER DIST BLGS HT  
1540 POPELKA DRIVE  
BILLINGS MT 59105-3399



MAKE CHECK PAYABLE TO:



MASTERCARD  
PO BOX 35138  
SEATTLE WA 98124-5138



160





QUIN FURHMAN  
COUNTY WATER DIST BLGS HT

Item 6.

Account Number: #### #### 1624  
Closing Date: 04/08/22  
Credit Limit: \$2,000.00  
Available Credit: \$1,472.35



**IMPORTANT INFORMATION**

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions) The Finance Charge on purchases begins from the date the transaction is posted to your account, and the Finance Charge on cash advances begins from the date you obtained the cash advance, or the first day of the billing cycle in which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions) To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited as of the date of receipt to the account specified on the payment coupon. Payments received at locations other than the address specified or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the address indicated on the front of this statement after the phrase "Please Direct Written Inquiries to".

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date The closing date is the last day of the billing cycle, all transactions received after the closing date will appear on your next statement.

Annual Fee If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill, to the address found at the top of the first page of this bill under your financial institutions name. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half to this same address.

Negative Credit Reports You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

**BILLING RIGHTS SUMMARY**

In Case of Errors or Inquiries About Your Bill If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet of paper at the address indicated on the front of this statement after the phrase, "Please Direct Written Inquiries to," as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rule For Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50.00 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

8233  
JS

CUSTOMER #: 19996

405596



Item 6.

\*INVOICE\*

COUNTY WATER DISTRICT OF BLGS HGTS  
1540 POPELKA DR  
BILLINGS, MT 59105-3399  
HOME: 406-252-0539 CONT: 406-860-1468  
BUS: 406-252-0539 CELL:

PAGE 2

3000 King Ave. West - Box 80430  
Billings, MT 59108  
Phone: (406) 896-3100

SERVICE ADVISOR: 2980 JAMES A VALERIO

COLOR	YEAR	MAKE/MODEL	VIN	LICENSE	MILEAGE IN / OUT	TAG	
BLUE-TOPAZ	13	CHEVROLET SILVERADO	1GC5KZCG6DZ332734		8827/8827	T9623	
DEL. DATE	PROD. DATE	WARR. EXP.	PROMISED	PO NO.	RATE	PAYMENT	INV. DATE
24APR13 DD			17:00 08MAR22		0.00	CASH	08MAR22
R.O. OPENED	READY	OPTIONS: ENG:6.0 LITER_SFI_IRON					
09:21 08MAR22	15:08 08MAR22						

LINE	OPCODE	TECH	TYPE	HOURS	LIST	NET	TOTAL
------	--------	------	------	-------	------	-----	-------

TO DRIVE AND IF IT GETS WORSE THEN THEY WILL FIX.

\*\*\*\*\*

CUSTOMER PAY SHOP CHARGE FOR REPAIR ORDER 10.49

YOU MAY RECIEVE A SURVEY FROM GENERAL MOTORS  
IF YOU FEEL YOU CAN NOT COMPLETE SURVEY  
COMPLETELY SATISFIED PLEASE CALL TERRY POSSEN  
OR YOUR SERVICE CONSULTANT. THANK YOU FOR YOUR  
BUSINESS.

DENNY MENHOLT CHEVROLET  
3000 KING AVE W  
BILLINGS, MT 59102  
(406) 896-3000

03/09/2022 15:15:45  
Terminal ID No.: 77408272

Credit Sale

Transaction #: 23  
Card Type: MasterCard  
Account: \*\*\*\*\*1624  
Entry: Chip  
Clerk:  
Amount: USD\$133.86  
Ref. Number: 206820004151  
Global UID: 124012252620203091515455658  
Auth. Code: 66015E  
Batch #: 232  
Response: APPROVAL 66015E  
Mode: Issuer  
AID: A0000000041010  
APPLAB: Mastercard

SOLD AND ALL REPAIRS ARE EXPRESSLY DISCLAIMED. ALL IMPLIED WARRANTIES OF MERCHANTABILITY IN CONNECTION WITH THE WARRANTIES ON PARTS AND THE MANUFACTURER OR THE REPAIRER OR DISTRIBUTOR SHALL BE VOID. DAMAGES TO PROPERTY, OR INCOME, OR ANY OTHER	*SHOP SUPPLY COSTS: We have added a charge equal to 8.5% of the total cost of labor, not to exceed \$48.00, to the Repair Order for shop supplies used in connection with this repair.	DESCRIPTION	TOTALS
	ALL PARTS ARE NEW UNLESS OTHERWISE INDICATED.	LABOR AMOUNT	123.37
		PARTS AMOUNT	0.00
		GAS, OIL, LUBE	0.00
		SUBLET AMOUNT	0.00
		MISC. CHARGES *	10.49
		TOTAL CHARGES	133.86
		LESS INSURANCE	0.00
		SALES TAX	0.00
		PLEASE PAY THIS AMOUNT	133.86

WARRANTY PROVIDED BY MERCHANT/MERCHANDISE AUTHORIZES SALE OF ACCESSORIES ORIGINAL PARTS LIABLE FOR RECOVER FF DAMAGES F INCIDENTAL By signing Dealership for had the is being ret DATE

CUSTOMER #: 19996

405596



COUNTY WATER DISTRICT OF BLGS HGTS
1540 POPELKA DR
BILLINGS, MT 59105-3399
HOME:406-252-0539 CONT:406-860-1468
BUS: 406-252-0539 CELL:

\*INVOICE\*

PAGE 1

3000 King Ave. West - Box 80430
Billings, MT 59108
Phone: (406) 896-3100

SERVICE ADVISOR: 2980 JAMES A VALERIO

Table with columns: COLOR, YEAR, MAKE/MODEL, VIN, LICENSE, MILEAGE IN / OUT, TAG, DEL. DATE, PROD. DATE, WARR. EXP., PROMISED, PO NO., RATE, PAYMENT, INV. DATE. Includes vehicle details for a 2013 Chevrolet Silverado.

Table with columns: LINE, OPCODE, TECH, TYPE, HOURS, LIST, NET, TOTAL

A RECALL N212328800 FRONT PASSENGER AIRBAG TAKATA INFLATOR
05 ALL RECALLS
2599 W
1 84594241 AIRBAG
1 84594242 BRACKET
PARTS: 0.00 LABOR: 0.00 OTHER: 0.00 TOTAL LINE A: 0.00
8827 REMOVED AND REPLACED THE PASSENGER INFLATOR PER RECALL
N212328800
PERFORMED RECALL N212328800
OLD INFLATOR: AL43129000172960
NEW INFLATOR: 07212353800542

B COMPLEMENTARY MULTI-POINT VEHICLE INSPECTION-(MPVI) -
CAUSE: PERFORMED VEHICLE INSPECTION
01CVZ05 COMPLEMENTARY MULTI-POINT VEHICLE
INSPECTION-(MPVI) -
2599 C
PARTS: 0.00 LABOR: 0.00 OTHER: 0.00 TOTAL LINE B: 0.00

C CUST REQUESTS SHUTTLE TO DESTINATION AND BACK
CAUSE: NEEDED TO SHUTTLE CUST TO DESTINATION AND BACK
01CVZCS99 CUST REQUESTS SHUTTLE TO DESTINATION
AND BACK
2599 W
PARTS: 0.00 LABOR: 0.00 OTHER: 0.00 TOTAL LINE C: 0.00

D CUSTOMER STATES WHISTLE NOISE HEARD ON ACCEL ONLY IN 4WD
01 RECOMMENDED MAINT
2599 C
PARTS: 0.00 LABOR: 123.37 OTHER: 0.00 TOTAL LINE D: 123.37
8827 VERIFIED NOISE IS COMING FROM THE TRANSFER CASE, UPON
INSPECTION FOUND BEARINGS IN TRANSFER CASE ARE SCORING CAUSING THE
NOISE WILL NEED TO REPLACE ALL THE BEARINGS OR THE TRANSFER CASE BUT
THE NOISE IS VERY SLIGHT AND MAY NOT GET WORSE. CUSTOMER WILL CONTINUE

WARRANTY DISCLAIMER: ALL PARTS AND ACCESSORIES ARE SOLD AND ALL REPAIRS ARE PROVIDED BY THE DEALERSHIP AS-IS. THE DEALERSHIP HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY LIABILITY IN CONNECTION WITH THE SALE OF PARTS OR PRODUCTS OR THE REPAIR. THE ONLY WARRANTIES ON PARTS AND ACCESSORIES OR REPAIRS ARE THOSE WHICH MAY BE OFFERED BY THE MANUFACTURER OR THE ORIGINAL PARTS DISTRIBUTOR AND ONLY SUCH MANUFACTURER OR DISTRIBUTOR SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. CUSTOMER SHALL NOT BE ENTITLED TO RECOVER FROM THE DEALERSHIP ANY CONSEQUENTIAL DAMAGES, DAMAGES TO PROPERTY, DAMAGES FOR LOSS OF USE, LOSS OF TIME, LOSS OF PROFIT OR INCOME, OR ANY OTHER INCIDENTAL DAMAGES.
By signing below, you acknowledge that you were notified of and authorized the Dealership to perform the services/repairs itemized in this invoice and that you received (or had the opportunity to inspect) any replaced parts as requested by you. The vehicle is being returned to you in exchange for your payment of the Amount Due.

Table with columns: \*SHOP SUPPLY COSTS: DESCRIPTION, TOTALS. Includes rows for LABOR AMOUNT, PARTS AMOUNT, GAS, OIL, LUBE, SUBLET AMOUNT, MISC. CHARGES, TOTAL CHARGES, LESS INSURANCE, SALES TAX, PLEASE PAY THIS AMOUNT.

DATE CUSTOMER SIGNATURE AUTHORIZED DEALERSHIP REPRESENTATIVE SIGNATURE

# Certified Service

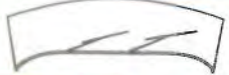
Item 6.

## MULTI-POINT VEHICLE INSPECTION

Name: County Water District Year/Model: Silverado Date: 3/8/22  
 Repair Order #: 4055910 VIN (last 8 digits): \_\_\_\_\_ Odometer: \_\_\_\_\_ Tag#: \_\_\_\_\_ License#: \_\_\_\_\_

■ Checked and OK ■ May Require Attention Soon ■ Requires Immediate Attention

### WIPER BLADES



<span style="color: green;">■</span>	<span style="color: red;">■</span>	RF
<span style="color: green;">■</span>	<span style="color: red;">■</span>	LF
<span style="color: green;">■</span>	<span style="color: red;">■</span>	Rear (if applicable)
<span style="color: green;">■</span>	<span style="color: red;">■</span>	Windshield condition

Cracks \_\_\_\_\_ Chips \_\_\_\_\_

■ OnStar active 

■ Enrolled in OVD

■ Enrolled in DMN

■ Service History Check

■ Air Conditioning Performance

Remaining engine oil life: \_\_\_\_\_ %

Reset: \_\_\_\_\_ N/A: \_\_\_\_\_

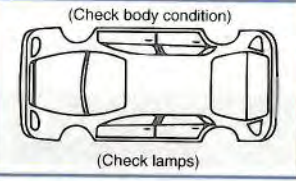
### CHECK BATTERY



<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Battery health
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Battery cables and connections

### CHECK TIRES AND TREAD DEPTH

<input type="checkbox"/> Rotation needed	<input type="checkbox"/> Alignment needed	<input type="checkbox"/> Balance needed
<input type="checkbox"/> Rotation performed	<input type="checkbox"/> Alignment performed	<input type="checkbox"/> Balance performed



(Check body condition)

(Check lamps)

8/32 or Greater <span style="color: green;">■</span>	8/32 or Greater <span style="color: green;">■</span>	8/32 or Greater <span style="color: green;">■</span>	8/32 or Greater <span style="color: green;">■</span>
7/32 <span style="color: yellow;">■</span>	7/32 <span style="color: yellow;">■</span>	7/32 <span style="color: yellow;">■</span>	7/32 <span style="color: yellow;">■</span>
6/32 <span style="color: yellow;">■</span>	6/32 <span style="color: yellow;">■</span>	6/32 <span style="color: yellow;">■</span>	6/32 <span style="color: yellow;">■</span>
5/32 <span style="color: yellow;">■</span>	5/32 <span style="color: yellow;">■</span>	5/32 <span style="color: yellow;">■</span>	5/32 <span style="color: yellow;">■</span>
4/32 <span style="color: yellow;">■</span>	4/32 <span style="color: yellow;">■</span>	4/32 <span style="color: yellow;">■</span>	4/32 <span style="color: yellow;">■</span>
3/32 or Less <span style="color: red;">■</span>	3/32 or Less <span style="color: red;">■</span>	3/32 or Less <span style="color: red;">■</span>	3/32 or Less <span style="color: red;">■</span>

Lowest Tread Depth: \_\_\_\_\_ /32

<input type="checkbox"/> LF	Wear Pattern	<input type="checkbox"/> RF
<input type="checkbox"/> LR	Damage	<input type="checkbox"/> RR

PSI@: \_\_\_\_\_ set to: \_\_\_\_\_ PSI    PSI@: \_\_\_\_\_ set to: \_\_\_\_\_ PSI    PSI@: \_\_\_\_\_ set to: \_\_\_\_\_ PSI    PSI@: \_\_\_\_\_ set to: \_\_\_\_\_ PSI

CHANGE ENGINE OIL & FILTER  N/A

### CHECK FLUID LEVELS

OK	FILLED	REQUIRES ATTENTION
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>
<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: red;">■</span>

CHECK BRAKES/MEASURE FRONT AND REAR LININGS

ACTUAL LF RF	7 mm greater <span style="color: green;">■</span>	ACTUAL LR RR	7 mm greater <span style="color: green;">■</span>
	6 mm <span style="color: yellow;">■</span>		6 mm <span style="color: yellow;">■</span>
	5 mm <span style="color: yellow;">■</span>		5 mm <span style="color: yellow;">■</span>
	4 mm <span style="color: yellow;">■</span>		4 mm <span style="color: yellow;">■</span>
	3 mm/less <span style="color: red;">■</span>		3 mm/less <span style="color: red;">■</span>
	2 mm/less <span style="color: red;">■</span>		2 mm/less <span style="color: red;">■</span>
	1 mm/less <span style="color: red;">■</span>		1 mm/less <span style="color: red;">■</span>

Lowest Front Lining \_\_\_\_\_    Lowest Rear Lining \_\_\_\_\_

ADDITIONAL CHECKS (Inspect for visible leaks and visual condition)

<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Fuel system (also including gas cap seating)
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Engine, transmission, drive axle, transfer case
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Engine cooling system: leak/other
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Shocks and struts - also check operation
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Belts: engine, power steering and/or V-drive
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Hoses: engine, power steering and HVAC
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Engine air filter
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Passenger Compartment Air Filter
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Steering components and steering linkage
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	CV drive axle boots or driveshafts and U-joints
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Exhaust system components
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Body components lubrication

■ ■ ■ Brake system (also including lines, hoses and parking brake)

### Additional Recommended Services

- 1)
- 2)
- 3)

Service Consultant: Jim  
 Technician: Cliff No.: 2599

<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Restraint system component check
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Chassis components lubrication
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Drive Axle (leak/other) <u>RIP Seal</u>
<span style="color: green;">■</span>	<span style="color: yellow;">■</span>	<span style="color: red;">■</span>	Evaporative control system



# SHIP TICKET

Item 6.

205 MOORE LN  
 BILLINGS, MT 59101-3418  
 P 406-252-0216 F 406-252-1729

SHIP DATE	ORDER #	PAGE #
04/05/2022	S510194556.001	1 of 1

CUST #: 197112

**\*\* C.O.D. \*\* C.O.D. \*\* C.O.D. \*\***

SOLD TO:

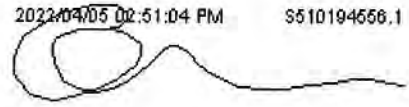
SHIP TO:

CASH SALE  
 PO BOX 20998  
 BILLINGS, MT 59104-0998

*8729  
DPO*

BILLINGS MT CONTRACTOR  
 PO BOX 20998  
 BILLINGS, MT 59104-0998

ORDERED BY	CUST PO	REFERENCE	ACCOUNT MANAGER
QUIN	STOCK		HOUSE
ORDER WRITER	SHIP VIA	ORDER DATE	FREIGHT TERMS
DAKOTA FLOM	COUNTER	04/05/2022	FREIGHT IF APPLICABLE

ORDER QTY	SHIP QTY	DESCRIPTION	UNIT PRICE	EXT PRICE								
20 ea	20 ea	GE332MAXPN/ULTRA GELAMPS 78623 ELECTRONIC BALLAST Amount Paid Today -357.72	17.886/ea	357.72								
<b>Credit Card Information</b> Merchant LIVE TimeCDT/Dat CDT Card XXXXXXXXXXXXX1624 Card Type: Mastercard Card CASH SALE Auth Code: 60469E Charge 357.72 Charge Signature: _____ I agree to pay above total amount according to card issuer agreement												
2022/04/05 02:51:04 PM S510194556.1 												
<b>QUIN</b> <table border="1" style="margin: auto;"> <tr> <th colspan="2">ORDER SUMMARY</th> </tr> <tr> <td>Total Sales for Order</td> <td style="text-align: right;">357.72</td> </tr> <tr> <td>Payments to Date</td> <td style="text-align: right;">-357.72</td> </tr> <tr> <td style="text-align: right;">Balance</td> <td style="text-align: right;">0.00</td> </tr> </table>					ORDER SUMMARY		Total Sales for Order	357.72	Payments to Date	-357.72	Balance	0.00
ORDER SUMMARY												
Total Sales for Order	357.72											
Payments to Date	-357.72											
Balance	0.00											
04/05/22 357.72 Credit Card XXXXXXXXXXXXX1624												

<b>SUBTOTAL</b>	357.72
<b>S&amp;H CHARGES</b>	0.00
<b>TAX</b>	0.00
<b>PAYMENTS</b>	-35
<b>AMOUNT DUE</b>	165

\* This line is taxable



DAVID BROOKSHIRE  
COUNTY WATER DIST BLS HT

Item 6.

Account Number: #### #### 3586  
Closing Date: 04/08/22  
Credit Limit: \$2,000.00  
Available Credit: \$1,844.00  
Cash Advance Limit: \$2,000.00  
Cash Advance Available: \$1,844.00



Account Inquiries

Customer Service: 1-866-317-0355  
Lost/Stolen Card: 1-866-839-3485  
International, Call Collect: 727-570-4881

Please Direct Written Inquiries to:  
Customer Service  
PO BOX 30495  
TAMPA, FL 33630-3495

To view or pay your account on-line:  
www.mycardstatement.com

Account Summary

Previous Balance	\$	37.50
Purchases	+	117.00
Cash	+	0.00
Special	+	0.00
Credits	-	29.00
Payments	-	37.50
Other Debits	+	66.50
Finance Charges	+	1.50
<b>NEW BALANCE</b>	<b>\$</b>	<b>156.00</b>

Payment Information



**Total Minimum Payment Due \$40.00**  
**Payment Due Date 05/03/22**

Minimum Payment	\$	20.00
Past Due Amount	\$	20.00

Mail Payments to: MASTERCARD PO BOX 35138 SEATTLE WA 98124-5138

Important News

**NEW OR RE-ISSUED FIRST INTERSTATE BANK BUSINESS CREDIT CARDS MUST BE ACTIVATED BY CALLING 1-866-333-4761. WHEN CALLING, YOU WILL BE ASKED TO ENTER THE LAST FOUR DIGITS OF YOUR COMPANY'S TAX ID NUMBER.**

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/22	03/23	PPLN01	55500362081207000000022	CREATIVE MONOGRAMS SMB BILLINGS MT	\$ 117.00
<b>Payments, Adjustments and Others</b>					
04/05	04/05		L04052022027870	PAYMENT - THANK YOU	37.50
04/05	04/06	PPLN01	70006102096777096390017	RETURNED PAYMENT FEE	29.00
04/05	04/06	PPLN01	70006102096777096390017	RETURNED CHECK	37.50
04/05	04/08	PPLN01	70006102098777098370015	RETURNED CHECK FEE REV	29.00

**MANAGE YOUR CARD ACCOUNT ONLINE. IT'S FREE! IT'S EASY! SIMPLY GO TO WWW.EZCARDINFO.COM AND ENROLL IN OUR ONLINE SERVICE. YOU CAN REVIEW ACCOUNT INFORMATION, TRACK SPENDING, SET ALERT NOTIFICATIONS, DOWNLOAD FILES, AND MUCH MORE. MANAGING YOUR ACCOUNT IS FAST, SECURE AND EASY WITH EZCARDINFO.COM. ENROLL TODAY!**

**THANK YOU FOR YOUR RECENT PAYMENT, HOWEVER, YOUR ACCOUNT REMAINS ONE PAYMENT PAST DUE. PLEASE SEND IN YOUR PAYMENT IMMEDIATELY TO AVOID ANY LATE CHARGES.**

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY 5150

FIRST INTERSTATE BANK  
PO BOX 30918  
BILLINGS MT 59116-0918



Account Number  
#### #### 3586

Check box to indicate name/address change on back of this coupon

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
04/08/22	\$156.00	\$40.00	05/03/22

AMOUNT OF PAYMENT ENCLOSED

\$ 156.00

DAVID BROOKSHIRE  
COUNTY WATER DIST BLS HT  
1540 POPELKA DRIVE  
BILLINGS MT 59105-3399



MAKE CHECK PAYABLE TO:



MASTERCARD  
PO BOX 35138  
SEATTLE WA 98124-5138



166



DAVID BROOKSHIRE  
COUNTY WATER DIST BLGS HT

Item 6.

Account Number: ##### 3586  
Closing Date: 04/08/22  
Credit Limit: \$2,000.00  
Available Credit: \$1,844.00



**IMPORTANT INFORMATION**

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions) The Finance Charge on purchases begins from the date the transaction is posted to your account, and the Finance Charge on cash advances begins from the date you obtained the cash advance, or the first day of the billing cycle in which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions) To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited as of the date of receipt to the account specified on the payment coupon. Payments received at locations other than the address specified or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the address indicated on the front of this statement after the phrase "Please Direct Written Inquiries to."

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date The closing date is the last day of the billing cycle, all transactions received after the closing date will appear on your next statement.

Annual Fee If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill, to the address found at the top of the first page of this bill under your financial institutions name. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half to this same address.

Negative Credit Reports You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

**BILLING RIGHTS SUMMARY**

In Case of Errors or Inquiries About Your Bill If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet of paper at the address indicated on the front of this statement after the phrase, "Please Direct Written Inquiries to," as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number
- ◆ The dollar amount of the suspected error
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rule For Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50.00 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

156.00 Statement balance  
 - 117.00 new charges  
 -----  
 39.00

fraud on checking account so  
 payment last mo (37.50) was  
 returned - need to process/pay  
 again plus finance charge

8226  
P/B

Voice: 406-259-9925  
Fax: 406-259-9766  
www.creativemonograms.com



Invoice Number: 89197  
Invoice Date: Mar 22, 2022  
Page: 1

**Sold To:**  
BILLINGS HEIGHTS WATER DISTRICT  
1540 POPELKA DRIVE  
BILLINGS, MT 59105

**Ship To:**  
BILLINGS HEIGHTS WATER DISTRICT  
1540 POPELKA DRIVE  
BILLINGS, MT 59105

PHONE: 406-252-0539  
Phone:

FAX:

**CHECK OUT OUR PENS, CALENDARS, MUGS, AND OTHER ADVERTISING ITEMS!!**

Customer ID	Customer PO	Payment Terms	
020043	PAYTON 696-0636	Net 30 Days	
Sales Rep ID	Office Use	Ship Date	Due Date
CM ACCOUNT	SK 507#20		4/21/22

Quantity	Description	Unit Price	Extension
2.00	ST657 POLO XXL WITH LEFT CHEST LOGO	27.00	54.00
2.00	ST405 POLO XXL WITH LEFT CHEST LOGO	20.00	40.00
1.00	K568 POLO XXL WITH LEFT CHEST LOGO	23.00	23.00

CREATIVE MONOGRAMS SMB  
122 N 30TH STREET  
BILLINGS, MT 59101  
03/22/2022 10:45:48  
CREDIT CARD  
MC SALE  
Card # XXXXXXXXXXXX3586  
Network: MASTERCARD  
Chip Card: Mastercard  
AID: A0000000041010  
SEQ #: 1  
Batch #: 1795  
INVOICE 2  
Approval Code: 65483E  
Entry Method: Chip Read  
Mode: Issuer  
Tax Amount: \$0.00

**Thank You!!**

**Picked Up By: \_\_\_\_\_**  
**PLEASE PA**  
**NO STATE**

SALE AMOUNT \$117.00

**INVOICE**

Subtotal	117.00
Freight	
Invoice Total	117.00
Payment Received	
<b>TOTAL</b>	<b>117.00</b>

Che CUSTOMER COPY

OVER 30 DAYS M... MONTH (\$5.00 MINIMUM) & COLLECTION FEE



Item 6.

# INVOICE

**Battery Systems Inc.**  
Branch: 165-Billings  
Branch Phone: (406) 294-5077



INVOICE	
7574293	
Invoice Date	Page
4/26/2022 13:10:59	1 of 1
ORDER NUMBER	
5970627	

accounting@batterysystems.net  
310-667-9320 x13081

**Bill To:**  
County Water District of Billings Height  
1540 Popelka Dr  
Billings, MT 59105-4468  
US  
Attn: Peyton Brookshire

**Ship To:**  
County Water District of Billings Height - 1272969  
1540 Popelka Dr  
Billings, MT 59105-4468  
US

Ordered By: Mr. AP AP

\*\*\*\*\* REMIT TO: ATTN: ACCOUNTS RECEIVABLE, PO BOX: 735568, Dallas TX 75373-5568 \*\*\*\*\*

Customer ID:	Term Description	Net Due Date	Taker
1272969	Net 30	5/26/2022	SEAN.DIXON
<b>PO Number</b>	andy-4/26/2022 13:09:09		

Order Date	Pick Ticket No	Primary Salesrep	Carrier Name	Tracking Number
4/26/2022 13:08:00	6641237	Chris Seab	Our Truck (OT)	

Quantities					Item ID Item Description	Pricing UOM Unit Size	Unit Price	Extended Price
Ordered	Shipped	Remaining	UOM Unit Size	Disp.				
2	2	0	EA		65LTV 65,880CCA,150RC	EA 1.0000	138.8288	277.66
2	2	0	EA		A-CORE A CORES	EA 1.0000	0.0000	0.00

Total Lines: 2

**SUB-TOTAL:** 277.66  
**TAX:** 0.00  
**AMOUNT DUE:** 277.66

8233  
JS

APR 26 2022  
MOR: [redacted] DU: [redacted]  
No.: 1785 Date Ad.: 4/26/22

**WARRANTY VOID ON BROKEN BATTERIES ■ PRORATED WARRANTY**

**WARNING - POISON/DANGER CAUSES SEVERE BURNS ■ KEEP OUT OF REACH OF CHILDREN**  
Batteries produce explosive gases ■ Keep sparks, flame, cigarettes away  
Ventilate when charging or using in enclosed space ■ Always shield eyes when working near batteries  
Batteries, Wet, Filled with Acid, Corrosive, Class 8 ■ ID #UN2794, PG111 - Emergency # (800) 424-9300 CHEMTREC  
**CUSTOMER IS RESPONSIBLE TO PROPERLY PACK AND SECURE LOAD FOR SAFE TRANSPORT**

HAZARDOUS MATERIAL LICENSE #136172 Batteries Disposed of at RSR, 720 S 7th Ave., City of Industry, CA 91764. EPA #CAD066233966

ORIGINAL

April 14, 2022  
 Invoice Number: 1155224041422  
 Account Number: 8313 20 001 1155224  
 Security Code: 6982  
 Service At: 1540 POPELKA DR  
 BILLINGS MT 59105-4468

**NEWS AND INFORMATION**

**Contact Us**  
**Questions about your bill or services?**  
 Visit [SpectrumBusiness.net](http://SpectrumBusiness.net) or call 1-888-812-2591

**Summary** *Service from 04/14/22 through 05/13/22  
 details on following pages*

Previous Balance	279.96
Payments Received -Thank You!	-279.96
<b>Remaining Balance</b>	<b>\$0.00</b>
Spectrum Enterprise Internet™	139.98
Current Charges	\$139.98
<b>Total Due by 05/01/22</b>	<b>\$139.98</b>



8344  
JS

**Thank you for choosing Spectrum Enterprise.**  
 We appreciate your prompt payment and value you as a client.

APR 26 PAID  
 MBR: \_\_\_\_\_ SU. MBR  
 No. 17786 Date Pd. 4/26/22



4145 S FALKENBURG RD RIVERVIEW FL 33578-8652  
 8634 0160 NO RP 14 04152022 NNNNNYNN 01 000977 0005

COUNTY WATER DISTRICT  
 1540 POPELKA DR  
 BILLINGS MT 59105-4468

April 14, 2022

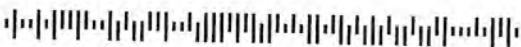
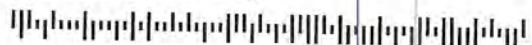
COUNTY WATER DISTRICT

Invoice Number: 1155224041422  
 Account Number: 8313 20 001 1155224  
 Service At: 1540 POPELKA DR  
 BILLINGS MT 59105-4468

<b>Total Due by 05/01/22</b>	<b>\$139.98</b>
Amount you are enclosing	\$

Please Remit Payment To:

CHARTER COMMUNICATIONS  
 PO BOX 94188  
 PALATINE IL 60094-4188



831320001115522400139980

# FERGUSON®

## WATERWORKS

6715 WEST OVERLAND DRIVE  
IDAHO FALLS, ID 83402-5700

INVOICE NUMBER	TOTAL DUE	CUSTOMER	Item 6.
0803852	\$78.22	43615	

**PLEASE REFER TO INVOICE NUMBER WHEN MAKING PAYMENT AND REMIT TO:**

FERGUSON WATERWORKS #1701  
PO BOX 802817  
CHICAGO, IL 60680-2817

Please contact with Questions: 208-528-7490

10067 1 MB 0.485 E0459X I0669 D8973247622 S2 P8965452 0001:0001



COUNTY WATER DISTRICT OF BILLI  
1540 POPELKA DR  
BILLINGS MT 59105-4468

SHIP TO:

SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH
2006	2006	MTONLY	PEYTON	MDW	PL2 PARTS	04/14/22	IO 41659

ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION	UNIT PRICE	UM	AMOUNT
2	2	SP-M681847	PL-2 MACHINE KIT	39.110	EA	78.22
<b>INVOICE SUB-TOTAL</b>						<b>78.22</b>

LEAD LAW WARNING: IT IS ILLEGAL TO INSTALL PRODUCTS THAT ARE NOT "LEAD FREE" IN ACCORDANCE WITH US FEDERAL OR OTHER APPLICABLE LAW IN POTABLE WATER SYSTEMS ANTICIPATED FOR HUMAN CONSUMPTION. PRODUCTS WITH \*NP IN THE DESCRIPTION ARE NOT LEAD FREE AND CAN ONLY BE INSTALLED IN NON-POTABLE APPLICATIONS. BUYER IS SOLELY RESPONSIBLE FOR PRODUCT SELECTION.



WBR:            Date of: 4/26/22  
No: 17187

Looking for a more convenient way to pay your bill?

Log in to **Ferguson.com** and request access to Online Bill Pay.



TERMS: NET 10TH PROX	ORIGINAL INVOICE	TOTAL DUE	\$78.22
----------------------	------------------	-----------	---------

All past due amounts are subject to a service charge of 1.5% per month, or the maximum allowed by law, if lower. If Buyer fails to pay within terms, then in addition to other remedies, Buyer agrees to pay Seller all costs of collection, including reasonable attorney fees. Complete terms and conditions are available upon request or at <https://www.ferguson.com/content/website-info/terms-of-sale>, incorporated by reference. Seller may convert checks to ACH. \*Any reference to or incorporation of Executive Order 14042 and/or the EO-implementing Federal clauses (FAR 52.223 -99 and/or DFARS 252.223-7999) expressly rejected by Seller and shall not apply as Seller is a materials supplier and therefore exempt under the Executive Order.\*

PREL 2006  
 465 MERRILL LANE  
 BILLINGS, MT 59101-0000

ORDER NO. 4003997  
 REQUIRED DATE 04/14/23  
 SHIP WHS. 3006  
 SELL WHS. 2006

CUSTOMER NO. 43615  
 CUSTOMER ALPHA C330000000  
 CONTRACT NO. 406-292-0900

BID NO.

ORDER DATE 11/16/21  
 ORDERED BY PEYTON

SHIP TO  
 COUNTY WATER DISTRICT OF BILLI  
 1540 POPELKA DRIVE  
 BILLINGS, MT 59105

SHIP TO  
 COUNTY WATER DISTRICT OF BILLI  
 1540 POPELKA DRIVE  
 BILLINGS, MT 59105

CUSTOMER PO. NO. PEYTON

JOB NAME

91.2 PARTS

ATTN:

LINE	ORDER QTY.	SHIP QTY.	ITEM CODE	DESCRIPTION	UNIT PRICE	U/M	TOTAL	PCS	BAGS	BOXES	CRATES	LENGTHS	BUNDLES	DELIVERED BY	PACKED BY	CHECKED BY	ROUTE NO.	RUN NO.	DEPART TIME	ROUTE DESC.	P.O. NO.	aisle LOC
1	1	1	1P-0001097	1/2" BRASS PLUG																		
<p>NO RETURNS ALLOWED WITHOUT PROPER AUTHORIZATION. RETURNED MATERIALS SUBJECT TO HANDLING CHARGES.          SEE REVERSE SIDE FOR IMPORTANT TERMS AND CONDITIONS OF SALE AND LIMITATIONS OF WARRANTY.</p>																						

SUBTOTAL	INBOUND FREIGHT	OUTBOUND SHIPPING	TAX	LESS DEPOSIT	TOTAL DUE

8236  
 OPS

STOCK ORDER

ACCEPTED BY  
 SHOWROOM  
 SOURCE - SOE  
 FB REP - Y  
 DB SHIP - N  
 14 APR 2022 13:21:00

WRITER  
 CLK  
 TAG PO. NO.

SALESMAN  
 MDM  
 OML CONTACT  
 CORY KTIENE  
 VENDOR  
 VENDOR PO. NO.

SHIP VIA  
 SA SALESMAN AUTO

PCS  
 BAGS  
 BOXES  
 CRATES  
 LENGTHS  
 BUNDLES

SHIP WT.  
 SHIP DATE

DELIVERED BY

UNIT PRICE

U/M

TOTAL

P.O. NO.

aisle LOC

ROUTE NO.

RUN NO.

DEPART TIME

ROUTE DESC.

PACKED BY

CHECKED BY

INSTRUCTIONS



APR 2022  
RECEIVED  
110168799101721

PLEASE MAIL PAYMENTS TO:  
INTERSTATE ENGINEERING, INC.  
PO BOX 2035 • JAMESTOWN, ND 58402  
PH: 701.252.0234

County Water District of Billings Heights  
1540 Popelka Drive  
Billings, MT 59105

April 21, 2022  
Project No: WR2204072  
Invoice No: 46866

Hydraulic Model for High Sierra Subdivision 21st Filing  
Billings, Montana

**Professional Services from March 9, 2022 to April 23, 2022**  
**Professional Personnel**

	Hours	Rate	Amount
ADMIN I	1.00	70.00	70.00
ENG I	13.50	110.00	1,485.00
ENG V	1.00	210.00	210.00
TECH V	4.50	147.00	661.50
Totals	20.00		2,426.50
<b>Total Labor</b>			<b>2,426.50</b>
<b>Total this Invoice</b>			<b>\$2,426.50</b>

Interest of 1.5% per month will be applied to all invoices over 60 days old.

Please call me if you have any questions regarding this invoice.

Lowell Cutshaw, PE  
406.445.3133

INV 267

APR 27 PMD  
NBR: \_\_\_\_\_ BY: NBR \_\_\_\_\_  
No.: 1788 Date Ed. 4/27/22



# MT Waterworks & Irrigation

7128 Commercial Ave

Billings MT 59101  
USA

## A/R INVOICE

Copy Item 6.

Invoice No.: AR 37503  
 Invoice Date: 04/26/22  
 Due Date: 05/10/22  
 Customer No.: C10054  
 Customer Ref. No.: 8 HYMAX  
 Page No.: Page 1 of 1

BILL TO
County Water District of Billings Heig 1540 Popelka Drive  Billings MT 59105 USA



SHIP TO
County Water District of Billings Heig 1540 Popelka Drive  Billings MT 59105 USA

Terms: net 10th of next month  
 Ship Via:

Sales Employee: -No Sales Employee-  
 Contact Name: Peyton Brookshire

Item No.	Description	Quantity	Unit Price	Shipped	UOM	Total
86054021716	8 HYMAX 2 COUPLING 8.54-9.84	2	\$ 340.64	2	EA	\$ 681.28

Customer Account as of 04/26/22:  
**Balance:** \$ 681.28  
**Credit Limit:** \$ 0.00

Subtotal \$ 681.28  
  
 Total \$ 681.28

Remarks: 8" HYMAX - PEYTON Based On Sales Orders 31895. Based On Deliveries 27580.

**Balance Due \$ 681.28**

PLEASE REMIT THIS AMOUNT

APR 26 2022  
 MBR: BU MBR  
 No.: 1789 Date Pd.: 4/26/22



**MT Waterworks & Irrigation**

7128 Commercial Ave

Billings MT 59101  
USA

Phone 406-294-4455

Fax 406-294-4459

**SALES ORDER** Item 6.

SHIP WEEK	PAGE	SALES ORD. NO.	CANCEL DATE	CUST. NO.
04/04/22	1	SO 31895	05/04/22	C10054

**SOLD TO**

*8236  
PPJ*

**County Water District of Billings Heights**

1540 Popelka Drive

Billings MT 59105

USA

**SHIP TO**

**County Water District of Billings Heights**

1540 Popelka Drive

Billings MT 59105

USA

ORDER DATE 04/25/22	PURCHASE ORDER NO. 8 HYMAX	SHIP VIA	F.O.B.	TERMS net 10th of next month
BUYER Peyton Brookshire	LOCATION	SALESPERSON -No Sales Employee-	DATE REQUESTED 04/04/22	
CODE	DESCRIPTION	QTY REMAINING	UOM	On Hand
86054021716	8 HYMAX 2 COUPLING 8.54-9.84	2	EA	14
				Whse
				10
				Location
				W6-C-2

REMARKS  
8" HYMAX - PEYTON

Signature \_\_\_\_\_

Date \_\_\_\_\_

Item 6.

Post Office <i>Blgs</i>		Station <i>Borneu</i>		Receipt Number <b>05</b>	
<input type="checkbox"/> <b>P.O. Receipt for Money</b>		Finance Number	Unit ID	AIC Number <i>070</i>	
Receipt for: (indicate purpose) <i>One thousand Six hundred forty Eight &amp; <sup>57</sup>/<sub>100</sub></i>				Amount \$ <i>1648.<sup>57</sup></i>	
Received from: (show address only when receipt is mailed) <i>Co water Distr Heights</i>			Permit Number or SSN (Employees only) <i>108</i>		
<input type="checkbox"/> <b>P.O. Box/Caller Service Fees</b>		Information on your PS Form 1093, Application for Post Office Box or Caller Service, must be updated if it is changed. For regulations pertaining to P.O. Boxes, see rules for use of Post Office Boxes and Caller Service on PS Form 1093.			
Customer name:			Amount \$	AIC Number	
Box/Caller Number(s)	<input type="checkbox"/> For one semiannual payment period (AIC 158) <input type="checkbox"/> For annual payment period (AIC 115) <input type="checkbox"/> Reserved Number Fee (AIC 115) (Ending date / / ) (mm/dd/yyyy)			Postmark 	
Certifying Signature <i>P. Conner</i>					



4/29/2022

Ascensus Trust Co

\*\*3,437.59

Three Thousand Four Hundred Thirty-Seven and 59/100\*\*\*\*\*

Ascensus Trust Co  
P. O. Box 36472  
Newark, NJ 07188-6472

4/29/2022

Ascensus Trust Co  
401 (K) Profit Sharing  
401(K) Employer

1,853.81  
1,583.78

OPERATIONS & MAI

3,437.59

4/29/2022

Ascensus Trust Co  
401 (K) Profit Sharing  
401(K) Employer

1,853.81  
1,583.78

OPERATIONS & MAI

3,437.59

Item 6.

### AFR Notification

From: mcb\_ach\_dbd@ascensus.com

To: cwaterdistrict@yahoo.com

Date: Thursday, April 28, 2022, 11:36 AM MDT

Your plan: COUNTY WATER DISTRICT OF BILLINGS HEIGHTS PSP; 259835

Your payroll information has been received.

This e-mail address was designed for the delivery of information only. Please do not send responses to this address since we cannot guarantee that your e-mail will be received. Please call 888-652-8087 with questions or to take further action. Thank you.

## Ascensus

Package # 47381175

April 28, 2022

01:35 PM

# Automated Funding Request Fisher Investments Fee Based RK Only

Client Service Team 1-888-652-8087

To: cwater district

Payroll: 04/29/2022

Email: cwaterdistrict@yahoo.com

Site: P - Employer Contributions

Plan Name: COUNTY WATER DISTRICT OF BILLINGS HEIGHTS PSP

Plan Number: 259835

### Funding Confirmation

EMPLOYER MATCH: \$1,583.78

EMPLOYER PROFIT SHARING: \$1,853.81

**Total Amount of Funding Due: \$3,437.59**

Funding Method: ACH Ascensus Initiated Payment

### Please Note:

- As per prior authorization, your account will be automatically debited in order to fund this payroll submission.
- The Payroll Period of April 29, 2022 for Employer Contributions has been assigned to this submission based on your payroll calendar and/or your transmittal information.

**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
1540 Popelka Dr, Billings MT 59105

April 2022

**BANK BALANCES**

FIRST INTERSTATE BANK:

1-1032	GROSS INCOME FUND	333,822.87
2-1034	OPERATIONS & MAINTENANCE FUND	199,981.78
2-1035	PAYROLL RUND	<u>210,513.01</u>
		744,317.66

\*\*\*\*\*

**INVESTMENTS**

2245	FIRST INTERSTATE SAVINGS	250,941.52
2295	STIFEL	8,909,714.37
2247	YELLOWSTONE BANK	219,584.53

\*\*\*\*\*

**PROJECT COSTS**

8920	NONBUDGETED CAPTIAL ASSETS	700,297.06
8930	CAPITAL IMPROVEMENTS	60,806.94
8931	SRF CAPITAL INVESTMENTS	136,688.00

## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

05/06/22

## Profit &amp; Loss YTD Comparison

Accrual Basis

April 2022

	Apr 22	Jul '21 - Apr 22
Ordinary Income/Expense		
Income		
6000 · Uncategorized Income	0.00	200.00
6010 · WATER SALES	0.00	3,706,342.45
6020 · SERVICE LINE FEE	20,915.88	132,581.26
6030 · INTEREST INCOME	0.00	102,732.49
6040 · OTHER INCOME	8,490.08	52,456.16
6050 · HYDRANT RENT	0.00	-160.00
6070 · BUY-IN FEES	46,922.35	306,256.30
<b>Total Income</b>	<b>76,328.31</b>	<b>4,300,408.66</b>
Cost of Goods Sold		
7500 · WATER PURCHASED	2,936,251.80	5,283,763.73
<b>Total COGS</b>	<b>2,936,251.80</b>	<b>5,283,763.73</b>
<b>Gross Profit</b>	<b>-2,859,923.49</b>	<b>-983,355.07</b>
Expense		
66900 · Reconciliation Discrepancies	15,678.56	15,678.56
6999 · Uncategorized Expenses	157.13	157.13
8009 · LABOR		
8010 · LABOR-ADMINISTRATIVE	34,614.00	237,851.98
8011 · LABOR-FIELD	32,598.98	253,893.08
8014 · LABOR-BONUS	2,000.00	12,361.94
<b>Total 8009 · LABOR</b>	<b>69,212.98</b>	<b>504,107.00</b>
8012 · DIRECTORS FEE	1,000.00	9,750.00
8015 · PAYROLL TAXES		
8019 · MEDICARE	1,230.82	7,439.90
8020 · FICA	5,262.88	31,812.01
8021 · STATE UNEMPLOYMENT	965.47	3,004.03
8015 · PAYROLL TAXES - Other	15,699.36	15,783.36
<b>Total 8015 · PAYROLL TAXES</b>	<b>23,158.53</b>	<b>58,039.30</b>
8030 · RET. BENEFITS	7,616.63	46,430.48
8040 · INSURANCE		
8041 · EMPLOYEE INSURANCE	0.00	162,033.26
8043 · BUSINESS INSURANCE	100.00	66,734.00
8044 · WORKERS COMP INSURANCE	938.35	9,354.19
<b>Total 8040 · INSURANCE</b>	<b>1,038.35</b>	<b>238,121.45</b>
8200 · SUPPLIES		
8210 · OFFICE SUPPLIES & EQUIPMENT	993.52	14,576.04
8220 · OPERATING SUPPLIES	1,556.14	4,261.84
8226 · CLOTHING & UNIFORMS	0.00	759.52
8231 · GAS, OIL, FUEL, GREASE	1,142.09	8,907.76
8233 · MACHINERY & EQUIP PARTS, TIRES	277.66	8,417.77
8236 · WATER MAIN AND LINE REPAIR	1,094.65	20,823.15
8241 · CONSUMABLE TOOLS	4.00	1,535.61
8263 · SAFETY SUPPLIES	0.00	462.11
<b>Total 8200 · SUPPLIES</b>	<b>5,068.06</b>	<b>59,743.80</b>
8300 · PURCHASED SERVICES		
8310 · COMMUNICATION AND POSTAGE	1,648.57	19,410.90
8312 · BILLINGS ALARM	0.00	535.70
8313 · ELM-UTILITIES UNDERGROUND	0.00	1,971.18
8320 · PRINTING, FORMS, PRINTING SERVICE	0.00	79.40
8330 · SUBSCRIPTIONS, LEGAL NOTICES	1,455.67	4,738.83
8335 · MEMBERSHIPS & DUES	0.00	2,354.00
8339 · CERTIFICATION RENEWALS	285.00	1,287.48
8341 · ELECTRIC	899.75	36,536.59
8342 · GAS	288.37	2,948.96

**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
**Profit & Loss YTD Comparison**  
**April 2022**

	Apr 22	Jul '21 - Apr 22
8343 · SEWER	61.38	417.23
8344 · TELEPHONE AND INTERNET ACCESS	286.66	4,795.27
8345 · CELL PHONE	0.00	2,363.00
8347 · PERMITS	0.00	2,935.00
8349 · QUALITY TESTING	480.00	5,016.00
8351 · LEGAL FEES	2,739.64	54,124.06
8352 · ACCOUNTING FEES	130.00	15,520.00
8353 · ENGINEERING FEES	14,845.79	258,534.38
8355 · DATA PROCESSING SERVICES	3,600.52	41,082.73
8360 · REPAIR & MAINT. CONTRACT SERVIC	807.30	52,931.75
8363 · METERS REPAIR & MAINTENANCE	0.00	27,699.15
8366 · BUILDING MAINTENANCE	0.00	51,425.49
8380 · TRAINING, TUITION	0.00	286.85
<b>Total 8300 · PURCHASED SERVICES</b>	<b>27,528.65</b>	<b>586,993.95</b>
8400 · BUILDING MATERIALS		
8410 · CONCRETE	0.00	350.00
8450 · GRAVEL,SAND	29.70	1,834.89
8470 · ASPHALT,COLD MIX	741.50	8,429.50
<b>Total 8400 · BUILDING MATERIALS</b>	<b>771.20</b>	<b>10,614.39</b>
8500 · FIXED CHARGES		
8515 · TAXES	0.00	4,188.09
8520 · MISCELLANEOUS	0.00	19.00
8543 · DEQ SERVICE CONNECTION FEE	0.00	11,806.00
<b>Total 8500 · FIXED CHARGES</b>	<b>0.00</b>	<b>16,013.09</b>
8600 · DEBT SERVICES		
8620 · INTEREST	0.00	6,954.42
<b>Total 8600 · DEBT SERVICES</b>	<b>0.00</b>	<b>6,954.42</b>
8800 · OTHER		
8810 · LOSSES (BAD DEBT)	-122.41	367.56
8800 · OTHER - Other	0.00	161.14
<b>Total 8800 · OTHER</b>	<b>-122.41</b>	<b>528.70</b>
<b>Total Expense</b>	<b>151,107.68</b>	<b>1,553,132.27</b>
<b>Net Ordinary Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>
<b>Net Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9 Item 8.

Register: 1010 · CASH:1034 · OPERATIONS & MAINT. CHECKING

From 04/09/2022 through 04/30/2022

Sorted by: Date and Order Entered

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
04/11/2022	17772	Department of Envor...	3000 · ACCOUNTS P...		180.00 X		67,464.67
04/11/2022	17773	Executive Cleaning ...	3000 · ACCOUNTS P...		807.30 X		66,657.37
04/11/2022	17776	St. Vincent Healthcar...	3000 · ACCOUNTS P...		105.00 X		66,552.37
04/12/2022	17777	Ascensus Trust Co	3000 · ACCOUNTS P...		775.00 X		65,777.37
04/12/2022	17775	Purvis Industries	3000 · ACCOUNTS P...		151.89 X		65,625.48
04/12/2022	17778	Western Office Equi...	3000 · ACCOUNTS P...		42.50 X		65,582.98
04/15/2022	4152022	Ascensus Trust Co	-split-		1,689.76 X		63,893.22
04/18/2022			1010 · CASH:1032 · G...	Funds Transfer	X	175,000.00	238,893.22
04/19/2022	ach 050922	STATE COMPENS...	3000 · ACCOUNTS P...		938.35 X		237,954.87
04/19/2022	17779	American Welding a...	3000 · ACCOUNTS P...		355.10 X		237,599.77
04/19/2022	17780	Energy Laboratories, ...	3000 · ACCOUNTS P...		480.00 X		237,119.77
04/19/2022	17781	Montana Dept of Ad...	3000 · ACCOUNTS P...		130.00 X		236,989.77
04/19/2022	17782	Morrison Maierle, Inc.	3000 · ACCOUNTS P...		2,331.00 X		234,658.77
04/19/2022	17783	True North Contracti...	3000 · ACCOUNTS P...		741.50 X		233,917.27
04/20/2022	17784	MASTERCARD	3000 · ACCOUNTS P...		9,566.62 X		224,350.65
04/26/2022	17785	Battery Systems	3000 · ACCOUNTS P...		277.66 X		224,072.99
04/26/2022	17786	Charter	3000 · ACCOUNTS P...		139.98 X		223,933.01
04/26/2022	17787	Ferguson Enterprises...	3000 · ACCOUNTS P...		78.22 X		223,854.79
04/26/2022	17788	interstate engineering...	3000 · ACCOUNTS P...		2,426.50 X		221,428.29
04/26/2022	17789	MT Waterworks	3000 · ACCOUNTS P...		681.28 X		220,747.01
04/28/2022	17790	U. S. Post Office	8300 · PURCHASED ...	April Bills	1,648.57 X		219,098.44
04/29/2022	4292022	Ascensus Trust Co	-split-		3,437.59 X		215,660.85
04/30/2022	#1571		66900 · Reconciliation ...	Balance Adjust...	15,678.56 X		199,982.29
04/30/2022			8200 · SUPPLIES:821...	Service Charge	0.51 X		199,981.78

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9:00 AM Item 8.

Register: 1010 · CASH:1035 · PAYROLL CHECKING

From 04/09/2022 through 04/30/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/15/2022	40123	UBS Financial Servi...	3060 · PAYROLL TA...	Brookshire	341.37	X		219,338.78
04/15/2022	40124	First Interstate Bank	-split-	81-0290906	5,108.14	X		214,230.64
04/15/2022	40125	Montana Dept. of Re...	3060 · PAYROLL TA...	4025203-002-...	1,088.00	X		213,142.64
04/15/2022	4152022	Ascensus Trust Co	3060 · PAYROLL TA...		1,588.68	X		211,553.96
04/15/2022	To Print	ANDREW W. REIC...	-split-		1,483.57	X		210,070.39
04/15/2022	To Print	COLTON S WESKA...	-split-		1,817.79	X		208,252.60
04/15/2022	To Print	DEREK WEIS	-split-		1,391.37	X		206,861.23
04/15/2022	To Print	QUIN T FUHRMAN	-split-		1,669.44	X		205,191.79
04/15/2022	To Print	CLAY J MCCAFFR...	-split-		1,568.58	X		203,623.21
04/15/2022	To Print	DAVID P BROOKS...	-split-		2,589.67	X		201,033.54
04/15/2022	To Print	JENNIFER M BUR...	-split-		1,276.72	X		199,756.82
04/15/2022	To Print	JOSHUA C SIMPSON	-split-		1,891.70	X		197,865.12
04/15/2022	To Print	JOY DIANNE CREES	-split-		1,433.83	X		196,431.29
04/15/2022	To Print	SUZANNE M MCK...	-split-		1,160.07	X		195,271.22
04/18/2022			1010 · CASH:1032 · G...	Funds Transfer		X	50,000.00	245,271.22
04/20/2022	10399	JOY DIANNE CREES	-split-	30 Year Bonus	1,604.00	X		243,667.22
04/20/2022	To Print	JOY DIANNE CREES	-split-		10,206.09	X		233,461.13
04/22/2022	To Print	JOY DIANNE CREES	-split-		789.26	X		232,671.87
04/29/2022	10400	UBS Financial Servi...	3060 · PAYROLL TA...		341.37	X		232,330.50
04/29/2022	10401	Montana Dept. of Re...	3060 · PAYROLL TA...	4025203-002-...	1,047.00			231,283.50
04/29/2022	10402	First Interstate Bank	-split-	81-0290906	4,905.56	X		226,377.94
04/29/2022	4292022	Ascensus Trust Co	3060 · PAYROLL TA...		1,557.39	X		224,820.55
04/29/2022	To Print	ANDREW W. REIC...	-split-		1,585.07	X		223,235.48
04/29/2022	To Print	CLAY J MCCAFFR...	-split-		1,568.59	X		221,666.89
04/29/2022	To Print	COLTON S WESKA...	-split-		1,870.28	X		219,796.61
04/29/2022	To Print	QUIN T FUHRMAN	-split-		2,181.24	X		217,615.37
04/29/2022	To Print	DAVID P BROOKS...	-split-		2,589.66	X		215,025.71
04/29/2022	To Print	DEREK WEIS	-split-		1,299.11	X		213,726.60
04/29/2022	To Print	JENNIFER M BUR...	-split-		1,276.72	X		212,449.88
04/29/2022	To Print	JOSHUA C SIMPSON	-split-		1,891.69	X		210,558.19
04/29/2022	To Print	SUZANNE M MCK...	-split-		1,160.07	X		209,398.12
04/30/2022			8200 · SUPPLIES:822...	Service Charge	2.11	X		209,396.01

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9: Item 8.

Register: 1010 · CASH:1032 · GROSS INCOME FUND CHECKING

From 04/01/2022 through 04/30/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/01/2022			1500 · Undeposited Fu...	Deposit		X	234.56	708,491.35
04/01/2022			1500 · Undeposited Fu...	Deposit		X	21.05	708,512.40
04/01/2022			1500 · Undeposited Fu...	Deposit		X	40.00	708,552.40
04/01/2022			-split-	Deposit		X	737.91	709,290.31
04/02/2022			1500 · Undeposited Fu...	Deposit		X	661.87	709,952.18
04/02/2022			-split-	Deposit		X	1,632.00	711,584.18
04/03/2022			1500 · Undeposited Fu...	Deposit		X	520.70	712,104.88
04/04/2022			1500 · Undeposited Fu...	Deposit		X	391.44	712,496.32
04/04/2022			1500 · Undeposited Fu...	Deposit		X	23.71	712,520.03
04/04/2022			1500 · Undeposited Fu...	Deposit		X	92.38	712,612.41
04/04/2022			1500 · Undeposited Fu...	Deposit		X	3,395.56	716,007.97
04/04/2022			1500 · Undeposited Fu...	Deposit		X	1,993.12	718,001.09
04/04/2022			1500 · Undeposited Fu...	Deposit		X	2,039.90	720,040.99
04/04/2022			1500 · Undeposited Fu...	Deposit		X	2,355.81	722,396.80
04/04/2022			1500 · Undeposited Fu...	Deposit		X	1,825.78	724,222.58
04/04/2022			1500 · Undeposited Fu...	Deposit		X	1,866.99	726,089.57
04/05/2022			1500 · Undeposited Fu...	Deposit		X	404.35	726,493.92
04/05/2022			1500 · Undeposited Fu...	Deposit		X	2,242.44	728,736.36
04/05/2022			1500 · Undeposited Fu...	Deposit		X	1,562.74	730,299.10
04/05/2022			1500 · Undeposited Fu...	Deposit		X	1,334.66	731,633.76
04/05/2022			1500 · Undeposited Fu...	Deposit		X	472.71	732,106.47
04/05/2022			1500 · Undeposited Fu...	Deposit		X	7,913.18	740,019.65
04/05/2022			1500 · Undeposited Fu...	Deposit		X	1,717.50	741,737.15
04/05/2022			1500 · Undeposited Fu...	Deposit		X	2,230.86	743,968.01
04/05/2022			1500 · Undeposited Fu...	Deposit		X	2,385.99	746,354.00
04/05/2022			-split-	Deposit		X	3,495.84	749,849.84
04/05/2022			-split-	Deposit		X	1,727.73	751,577.57
04/05/2022	10454	Juliette & Thomas ol...	-split-	Balance of Dep...	25.98	X		751,551.59
04/05/2022	10455	Lauren & Dan Ross	-split-	Balance of Dep...	16.46			751,535.13
04/05/2022	10456	Zane Stovall	-split-	Balance of Dep...	25.75	X		751,509.38
04/05/2022	10457	Billie Weston	-split-	Balance of Dep...	24.63			751,484.75
04/05/2022	10458	Randy Rubash	-split-	Balance of Dep...	25.08	X		751,459.67
04/05/2022	10459	Yvlonda & Billy Watts	-split-	Balance of Dep...	18.77	X		751,440.90
04/05/2022	10460	Ashley Clausen	-split-	Balance of Dep...	25.98	X		751,414.92
04/05/2022	#1565		8012 · DIRECTORS F...	Director Fees	1,000.00	X		750,414.92
04/06/2022			-split-	Deposit		X	1,529.32	751,944.24
04/06/2022			1500 · Undeposited Fu...	Deposit		X	655.25	752,599.49
04/06/2022			1500 · Undeposited Fu...	Deposit		X	764.09	753,363.58
04/06/2022			1500 · Undeposited Fu...	Deposit		X	995.24	754,358.82
04/06/2022			1500 · Undeposited Fu...	Deposit		X	2,074.53	756,433.35



COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9:00 AM Item 8.

Register: 1010 · CASH:1032 · GROSS INCOME FUND CHECKING

From 04/01/2022 through 04/30/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/06/2022			1500 · Undeposited Fu...	Deposit		X	1,832.08	758,265.43
04/06/2022			1500 · Undeposited Fu...	Deposit		X	4,926.59	763,192.02
04/06/2022			-split-	Deposit		X	1,388.98	764,581.00
04/07/2022			1500 · Undeposited Fu...	Deposit		X	831.76	765,412.76
04/07/2022			1500 · Undeposited Fu...	Deposit		X	266.76	765,679.52
04/07/2022			1500 · Undeposited Fu...	Deposit		X	285.81	765,965.33
04/07/2022			1500 · Undeposited Fu...	Deposit		X	8,382.66	774,347.99
04/07/2022			1500 · Undeposited Fu...	Deposit		X	2,320.16	776,668.15
04/07/2022	10461	Shanon Young	-split-	Balance of Dep...	49.50	X		776,618.65
04/07/2022	10462	Mandy Horton	-split-	Balance of Dep...	45.46	X		776,573.19
04/07/2022	10463	Nathan Lindemann	-split-	Balance of Dep...	48.60	X		776,524.59
04/08/2022			1500 · Undeposited Fu...	Deposit		X	1,473.85	777,998.44
04/08/2022			1500 · Undeposited Fu...	Deposit		X	26.05	778,024.49
04/08/2022			1500 · Undeposited Fu...	Deposit		X	337.15	778,361.64
04/08/2022			1500 · Undeposited Fu...	Deposit		X	648.44	779,010.08
04/08/2022			-split-	Deposit		X	7,325.89	786,335.97
04/08/2022			1500 · Undeposited Fu...	Deposit		X	16,298.20	802,634.17
04/08/2022			1500 · Undeposited Fu...	Deposit		X	1,251.12	803,885.29
04/08/2022			1500 · Undeposited Fu...	Deposit		X	2,075.78	805,961.07
04/08/2022			1500 · Undeposited Fu...	Deposit		X	7,593.56	813,554.63
04/08/2022			-split-	Deposit		X	11,926.55	825,481.18
04/08/2022	10464	Jeremy & Amanda B...	-split-	Balance of dep...	41.27	X		825,439.91
04/11/2022			1500 · Undeposited Fu...	Deposit		X	1,452.33	826,892.24
04/11/2022			1500 · Undeposited Fu...	Deposit		X	762.71	827,654.95
04/11/2022			1500 · Undeposited Fu...	Deposit		X	1,204.41	828,859.36
04/11/2022			1500 · Undeposited Fu...	Deposit		X	180.94	829,040.30
04/11/2022			1500 · Undeposited Fu...	Deposit		X	1,321.52	830,361.82
04/11/2022			1500 · Undeposited Fu...	Deposit		X	663.19	831,025.01
04/11/2022			1500 · Undeposited Fu...	Deposit		X	2,604.87	833,629.88
04/11/2022			1500 · Undeposited Fu...	Deposit		X	2,139.32	835,769.20
04/11/2022			1500 · Undeposited Fu...	Deposit		X	2,158.08	837,927.28
04/11/2022			1500 · Undeposited Fu...	Deposit		X	7,001.17	844,928.45
04/12/2022			1500 · Undeposited Fu...	Deposit		X	771.58	845,700.03
04/12/2022			1500 · Undeposited Fu...	Deposit		X	158.33	845,858.36
04/12/2022			1500 · Undeposited Fu...	Deposit		X	590.94	846,449.30
04/12/2022			1500 · Undeposited Fu...	Deposit		X	6,937.49	853,386.79
04/12/2022			1500 · Undeposited Fu...	Deposit		X	1,471.75	854,858.54
04/12/2022			-split-	Deposit		X	4,048.14	858,906.68
04/13/2022			1500 · Undeposited Fu...	Deposit		X	1,022.55	859,929.23
04/13/2022			1500 · Undeposited Fu...	Deposit		X	366.49	860,295.72

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9: Item 8.

Register: 1010 · CASH:1032 · GROSS INCOME FUND CHECKING

From 04/01/2022 through 04/30/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/13/2022			1500 · Undeposited Fu...	Deposit		X	135.69	860,431.41
04/13/2022			-split-	Deposit		X	1,038.69	861,470.10
04/13/2022	10465	Darrel Fenter	-split-	Balance of Dep...	47.48	X		861,422.62
04/13/2022	10466	Timothy Burks	-split-	Balance of Dep...	8.64	X		861,413.98
04/13/2022	10467	Gerald Davis	-split-	Balance of Dep...	11.26	X		861,402.72
04/14/2022			1500 · Undeposited Fu...	Deposit		X	324.95	861,727.67
04/14/2022			1500 · Undeposited Fu...	Deposit		X	100.90	861,828.57
04/14/2022			1500 · Undeposited Fu...	Deposit		X	62.15	861,890.72
04/15/2022			1500 · Undeposited Fu...	Deposit		X	13,095.29	874,986.01
04/15/2022			1500 · Undeposited Fu...	Deposit		X	1,301.55	876,287.56
04/15/2022			-split-	Deposit		X	1,922.61	878,210.17
04/15/2022			-split-	Deposit		X	56,196.55	934,406.72
04/15/2022			1500 · Undeposited Fu...	Deposit		X	696.06	935,102.78
04/15/2022			1500 · Undeposited Fu...	Deposit		X	40.56	935,143.34
04/15/2022			1500 · Undeposited Fu...	Deposit		X	22.88	935,166.22
04/15/2022			-split-	Deposit		X	1,004.65	936,170.87
04/15/2022	10468	City of Billings	7500 · WATER PURC...	Settlement	2,936,251.80	X		-2,000,080....
04/15/2022	#1569		2200 · INVESTMENT...	Transfer from ...		X	2,488,000.00	487,919.07
04/17/2022			1500 · Undeposited Fu...	Deposit		X	279.28	488,198.35
04/18/2022			1500 · Undeposited Fu...	Deposit		X	86.05	488,284.40
04/18/2022			1500 · Undeposited Fu...	Deposit		X	393.95	488,678.35
04/18/2022			1500 · Undeposited Fu...	Deposit		X	356.58	489,034.93
04/18/2022			1500 · Undeposited Fu...	Deposit		X	333.29	489,368.22
04/18/2022			-split-	Deposit		X	1,026.24	490,394.46
04/18/2022			1500 · Undeposited Fu...	Deposit		X	6,464.54	496,859.00
04/18/2022			1500 · Undeposited Fu...	Deposit		X	8,280.47	505,139.47
04/18/2022			1500 · Undeposited Fu...	Deposit		X	2,368.22	507,507.69
04/18/2022			1010 · CASH:1034 · O...	Funds Transfer	175,000.00	X		332,507.69
04/18/2022			1010 · CASH:1035 · P...	Funds Transfer	50,000.00	X		282,507.69
04/19/2022			1500 · Undeposited Fu...	Deposit		X	678.65	283,186.34
04/19/2022			1500 · Undeposited Fu...	Deposit		X	71.69	283,258.03
04/19/2022			1500 · Undeposited Fu...	Deposit		X	175.04	283,433.07
04/19/2022			1500 · Undeposited Fu...	Deposit		X	7,915.20	291,348.27
04/19/2022			-split-	Deposit		X	922.37	292,270.64
04/19/2022			-split-	Deposit		X	761.25	293,031.89
04/20/2022			1500 · Undeposited Fu...	Deposit		X	242.75	293,274.64
04/20/2022			1500 · Undeposited Fu...	Deposit		X	246.18	293,520.82
04/20/2022			1500 · Undeposited Fu...	Deposit		X	160.96	293,681.78
04/20/2022			-split-	Deposit		X	1,177.90	294,859.68
04/20/2022			-split-	Deposit		X	1,163.59	296,023.27

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 9:00 AM Item 8.

Register: 1010 · CASH:1032 · GROSS INCOME FUND CHECKING

From 04/01/2022 through 04/30/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/21/2022			1500 · Undeposited Fu...	Deposit		X	335.83	296,359.10
04/21/2022			1500 · Undeposited Fu...	Deposit		X	45.00	296,404.10
04/21/2022			1500 · Undeposited Fu...	Deposit		X	136.15	296,540.25
04/21/2022			1500 · Undeposited Fu...	Deposit		X	4,770.09	301,310.34
04/21/2022			-split-	Deposit		X	4,711.94	306,022.28
04/21/2022	10469	Shannon Tamblyn	-split-	Balance of Dep...	31.73	X		305,990.55
04/21/2022	10470	Edward Wick JR	-split-	Balance of Dep...	42.32	X		305,948.23
04/21/2022	10471	Kris Taylor	-split-	Balance of Dep...	26.96	X		305,921.27
04/21/2022	10472	Matt Miller	-split-	Balance Of De...	10.14	X		305,911.13
04/22/2022			1500 · Undeposited Fu...	Deposit		X	291.36	306,202.49
04/22/2022			1500 · Undeposited Fu...	Deposit		X	27.72	306,230.21
04/22/2022			1500 · Undeposited Fu...	Deposit		X	91.33	306,321.54
04/22/2022			-split-	Deposit		X	2,554.67	308,876.21
04/24/2022			1500 · Undeposited Fu...	Deposit		X	161.17	309,037.38
04/25/2022			1500 · Undeposited Fu...	Deposit		X	1,413.39	310,450.77
04/25/2022			1500 · Undeposited Fu...	Deposit		X	162.07	310,612.84
04/25/2022			1500 · Undeposited Fu...	Deposit		X	66.56	310,679.40
04/25/2022			1500 · Undeposited Fu...	Deposit		X	92.08	310,771.48
04/25/2022			1500 · Undeposited Fu...	Deposit		X	208.00	310,979.48
04/25/2022			1500 · Undeposited Fu...	Deposit		X	9,268.33	320,247.81
04/26/2022			1500 · Undeposited Fu...	Deposit		X	427.44	320,675.25
04/26/2022			1500 · Undeposited Fu...	Deposit		X	65.00	320,740.25
04/26/2022			1500 · Undeposited Fu...	Deposit		X	216.23	320,956.48
04/27/2022			1500 · Undeposited Fu...	Deposit		X	21.05	320,977.53
04/27/2022			1500 · Undeposited Fu...	Deposit		X	94.77	321,072.30
04/27/2022			1500 · Undeposited Fu...	Deposit		X	238.50	321,310.80
04/27/2022			1500 · Undeposited Fu...	Deposit		X	1,552.88	322,863.68
04/27/2022			-split-	Deposit		X	1,327.32	324,191.00
04/28/2022			1500 · Undeposited Fu...	Deposit		X	2,349.69	326,540.69
04/28/2022			1500 · Undeposited Fu...	Deposit		X	189.64	326,730.33
04/28/2022			1500 · Undeposited Fu...	Deposit		X	21.05	326,751.38
04/28/2022			-split-	Deposit		X	2,613.41	329,364.79
04/29/2022			1500 · Undeposited Fu...	Deposit		X	160.52	329,525.31
04/29/2022			1500 · Undeposited Fu...	Deposit		X	42.10	329,567.41
04/29/2022			1500 · Undeposited Fu...	Deposit		X	21.05	329,588.46
04/29/2022			-split-	Deposit		X	3,638.72	333,227.18
04/29/2022			-split-	Deposit		X	626.22	333,853.40
04/29/2022			1500 · Undeposited Fu...	Deposit		X	975.63	334,829.03
04/30/2022			8200 · SUPPLIES:821...	Service Charge	410.57	X		334,418.46

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

5/6/2022 10:07 AM Item 8.

Register: 1010 · CASH:1034 · OPERATIONS & MAINT. CHECKING

From 05/01/2022 through 05/06/2022

Sorted by: Date and Order Entered

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
05/03/2022	ACH 050...	WEX	3000 · ACCOUNTS P...		1,142.09		198,839.69
05/03/2022	17791	Badger Meter, Inc.	3000 · ACCOUNTS P...		359.52		198,480.17
05/03/2022	17792	BIG SKY EXTERIOR	3000 · ACCOUNTS P...	Hail Damage 4 ...	39,449.54		159,030.63
05/03/2022	17793	interstate engineering...	3000 · ACCOUNTS P...		12,419.29		146,611.34
05/03/2022	17794	Morrison Maierle, Inc.	3000 · ACCOUNTS P...		455.00		146,156.34
05/03/2022	17795	NorthWestern Energy	3000 · ACCOUNTS P...		899.75		145,256.59
05/03/2022	17796	Office Depot	3000 · ACCOUNTS P...		229.99		145,026.60
05/03/2022	17797	Pam Ellis	3000 · ACCOUNTS P...		129.99		144,896.61
05/03/2022	17798	TCT	3000 · ACCOUNTS P...		158.80		144,737.81
05/03/2022	17799	Tvetene Turf	3000 · ACCOUNTS P...		29.70		144,708.11
05/05/2022	17800	ACE HARDWARE/...	3000 · ACCOUNTS P...	1022	93.50		144,614.61
05/05/2022	17801	eSmiths	3000 · ACCOUNTS P...		100.00		144,514.61
05/05/2022	17802	Executive Cleaning ...	3000 · ACCOUNTS P...		807.30		143,707.31
05/05/2022	17803	interstate engineering...	3000 · ACCOUNTS P...		3,867.00		139,840.31
05/05/2022	17804	MONTANA DAKO...	3000 · ACCOUNTS P...	326 01 192 491...	288.37		139,551.94
05/05/2022	17805	Western Office Equi...	3000 · ACCOUNTS P...		202.50		139,349.44
05/05/2022	17806	Yellowstone Waterw...	3000 · ACCOUNTS P...		13,515.26		125,834.18
05/06/2022	17807	BILLINGS/CITY OF...	3000 · ACCOUNTS P...		137,011.78		-11,177.60
05/06/2022			1010 · CASH:1032 · G...	Funds Transfer		150,000.00	138,822.40
05/06/2022	17808	Hendrickson Law Fir...	3000 · ACCOUNTS P...		4,073.18		134,749.22

## County Water District of Billings Heights

Register: 1010 Cash: 1035 Payroll Checking

From: May 1, 2022 to May 6, 2022

There was no activity for the checking account for the timeframe listed.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

Item 8.

5/6/2022 10:07 AM

Register: 1010 · CASH:1034 · OPERATIONS & MAINT. CHECKING

From 05/01/2022 through 05/06/2022

Sorted by: Date and Order Entered

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
05/03/2022	ACH 050...	WEX	3000 · ACCOUNTS P...		1,142.09		198,839.69
05/03/2022	17791	Badger Meter, Inc.	3000 · ACCOUNTS P...		359.52		198,480.17
05/03/2022	17792	BIG SKY EXTERIOR	3000 · ACCOUNTS P...	Hail Damage 4 ...	39,449.54		159,030.63
05/03/2022	17793	interstate engineering...	3000 · ACCOUNTS P...		12,419.29		146,611.34
05/03/2022	17794	Morrison Maierle, Inc.	3000 · ACCOUNTS P...		455.00		146,156.34
05/03/2022	17795	NorthWestern Energy	3000 · ACCOUNTS P...		899.75		145,256.59
05/03/2022	17796	Office Depot	3000 · ACCOUNTS P...		229.99		145,026.60
05/03/2022	17797	Pam Ellis	3000 · ACCOUNTS P...		129.99		144,896.61
05/03/2022	17798	TCT	3000 · ACCOUNTS P...		158.80		144,737.81
05/03/2022	17799	Tvetene Turf	3000 · ACCOUNTS P...		29.70		144,708.11
05/05/2022	17800	ACE HARDWARE/...	3000 · ACCOUNTS P...	1022 -	93.50		144,614.61
05/05/2022	17801	eSmiths	3000 · ACCOUNTS P...		100.00		144,514.61
05/05/2022	17802	Executive Cleaning ...	3000 · ACCOUNTS P...		807.30		143,707.31
05/05/2022	17803	interstate engineering...	3000 · ACCOUNTS P...		3,867.00		139,840.31
05/05/2022	17804	MONTANA DAKO...	3000 · ACCOUNTS P...	326 01 192 491...	288.37		139,551.94
05/05/2022	17805	Western Office Equi...	3000 · ACCOUNTS P...		202.50		139,349.44
05/05/2022	17806	Yellowstone Waterw...	3000 · ACCOUNTS P...		13,515.26		125,834.18
05/06/2022	17807	BILLINGS/CITY OF...	3000 · ACCOUNTS P...*		137,011.78		-11,177.60
05/06/2022			1010 · CASH:1032 · G...	Funds Transfer		150,000.00	138,822.40
05/06/2022	17808	Hendrickson Law Fir...	3000 · ACCOUNTS P...		4,073.18		134,749.22

\* \* 5-6-22 City website would not load bills -- will forward once their website works, or I receive the paper copy



67933 33967 3775 D51895 SSNR00901  
 COUNTY WATER DISTRICT  
 OF BILLINGS HEIGHTS  
 1540 POPELKA  
 BILLINGS MT 59105-4468



Your Financial Advisor (M805):  
 STEPHEN KNUDSON, CFP (R)  
 Telephone: (406) 252-2447

Office Serving Your Account:  
 401 NORTH 31ST STREET  
 SUITE 1610  
 BILLINGS, MT 59101

**PRIMARY INVESTMENT OBJECTIVE: Income  
 RISK TOLERANCE: Moderately Conservative**

For a full definition of this objective and risk tolerance, including the use of margin, please see [www.stifel.com](http://www.stifel.com), IMPORTANT DISCLOSURES, or contact your Financial Advisor. If you have any questions concerning your investment objective or risk tolerance, or wish to make a change, please contact your Financial Advisor or the Branch Manager for this office.

**TRADING TAX LOT RELIEF METHOD: First In, First Out  
 INVESTOR UPDATE**

If you're switching jobs or preparing to retire, have you thought about what to do with the money you've saved in your employer-sponsored retirement plan? Your Stifel Financial Advisor can help you weigh your options so you can choose the one that's right for your goals.

**ACCOUNT PROTECTION**

Stifel, Nicolaus & Company, Incorporated provides up to \$150 million of coverage for securities held in client accounts, of which \$1.15 million may be in cash deposits. Ask your Financial Advisor for more details.

Thank you for allowing Stifel to serve you. In order to protect your rights, including rights under the Securities Investor Protection Act (SIPA), please promptly report, in writing, any inaccuracies or discrepancies in this account or statement to the Compliance Department of Stifel at the address below. If you have any questions regarding your account or this statement, please contact your Financial Advisor or the Branch Manager for this office. For additional information regarding your Stifel account, please refer to the current Stifel Account Agreement and Disclosure Booklet, which is available at [www.stifel.com/disclosures/account-agreement](http://www.stifel.com/disclosures/account-agreement).



Stifel, Nicolaus & Company, Incorporated | Member SIPC & NYSE | [www.stifel.com](http://www.stifel.com) | One Financial Plaza | 501 North Broadway | St. Louis, Missouri 63102

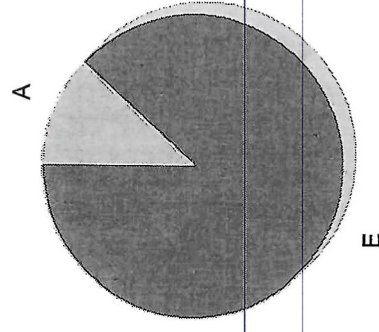
STIFEL PRESTIGE® ACCOUNT STATEMENT

April 1 - April 30, 2022  
 Account Number: 2491-9615

PORTFOLIO SUMMARY	April 30	March 31
Net Cash Equivalents **	751,980.87	2,485,786.20
Net Portfolio Assets held at Stifel	5,568,211.84	6,344,964.92
Net Portfolio Assets not held at Stifel		
<b>Net Portfolio Value</b>	<b>\$6,320,192.71</b>	<b>\$8,830,751.12</b>
YOUR CHANGE IN PORTFOLIO VALUE	April 30	March 31
Net Cash Flow (Inflows/Outflows) <sup>2</sup>	-2,488,000.00	
Securities Transferred In/Out		
Income and Distributions	4,194.67	9,213.88
Change in Securities Value	-26,753.08	-32,689.68
<b>Net Change in Portfolio Value</b>	<b>-\$2,510,558.41</b>	<b>-\$23,475.80</b>

\*\* See the Stifel Insured Bank Deposit Program Disclosure Statements for additional information.  
 2 Does not include cost or proceeds for buy or sell transactions.  
 You have securities maturing and/or options expiring.

**YOUR ASSET SUMMARY**



	April 30, 2022 (\$)	Percentage of your account
A Net Cash Equivalents**	751,980.87	11.90%
E Fixed Income-Other	5,568,211.84	88.10%
Total Assets	\$6,320,192.71	100.00%

Item 8.



SHC14-3/16

**ASSET SUMMARY**

**Value as of April 30, 2022**

	At Stifel	Not at Stifel	Total	% of assets *	Gains/(-)Losses		
					Unrealized	This Period	Realized
						Year-to-date	Year-to-date
Cash	125.27		125.27	0.00%			
Cash Sweep**	751,855.60		751,855.60	11.90%			
Margin Balance							
<b>A. Net Cash Equivalents</b>	<b>\$751,980.87</b>		<b>\$751,980.87</b>	<b>11.90%</b>			
B. Equities							
C. Preferreds							
D. Fixed Income-Muni							
E. Fixed Income-Other	5,568,211.84		5,568,211.84	88.10%	-77,492.44		
F. Mutual Funds							
G. Unit Investment Trusts							
H. Insurance Products							
I. Alternative Investments							
J. Other Investments							
K. Stifel Smart Rate Program **							
<b>Net Portfolio Assets</b>	<b>\$5,568,211.84</b>	<b>\$0.00</b>	<b>\$5,568,211.84</b>	<b>88.10%</b>	<b>-\$77,492.44</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Net Portfolio Value</b>	<b>\$6,320,192.71</b>	<b>\$0.00</b>	<b>\$6,320,192.71</b>	<b>100.00%</b>	<b>-\$77,492.44</b>	<b>\$0.00</b>	<b>\$0.00</b>

**INCOME & DISTRIBUTION SUMMARY**

	Security Type	Year-to-date	This period
Dividends	Tax-Exempt		
	Taxable		
Interest	Tax-Exempt	33,188.51	4,529.42
	Taxable		
Capital Gain Distributions			
Return of Principal			
Other			
<b>Total Income &amp; Distributions</b>		<b>\$33,188.51</b>	<b>\$4,529.42</b>

**INFORMATION SUMMARY**

	Security Type	Year-to-date	This period
Accrued Interest Paid	Tax-Exempt		
	Taxable		
Accrued Interest Received	Tax-Exempt		
	Taxable		
Gross Proceeds		750,000.00	
Federal Withholding			
Foreign Taxes Paid			
Margin Interest Charged			

\* Please note "% of assets" figures are shown gross of any amounts owed to Stifel and/or net short positions.

\*\* Intraday balances which are FDIC insured bank deposits, not cash held in your Securities Account and not covered by SIPC.



**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
1540 Popelka Dr, Billings MT 59105

April 2022

**BANK BALANCES**

FIRST INTERSTATE BANK:

1-1032	GROSS INCOME FUND	333,822.87
2-1034	OPERATIONS & MAINTENANCE FUND	199,981.78
2-1035	PAYROLL RUND	<u>210,513.01</u>
		744,317.66

\*\*\*\*\*

**INVESTMENTS**

2245	FIRST INTERSTATE SAVINGS	250,941.52
2295	STIFEL	8,909,714.37
2247	YELLOWSTONE BANK	219,584.53

\*\*\*\*\*

**PROJECT COSTS**

8920	NONBUDGETED CAPTIAL ASSETS	700,297.06
8930	CAPITAL IMPROVEMENTS	60,806.94
8931	SRF CAPITAL INVESTMENTS	136,688.00

## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

05/06/22

## Profit &amp; Loss YTD Comparison

Accrual Basis

April 2022

	Apr 22	Jul '21 - Apr 22
Ordinary Income/Expense		
Income		
6000 · Uncategorized Income	0.00	200.00
6010 · WATER SALES	0.00	3,706,342.45
6020 · SERVICE LINE FEE	20,915.88	132,581.26
6030 · INTEREST INCOME	0.00	102,732.49
6040 · OTHER INCOME	8,490.08	52,456.16
6050 · HYDRANT RENT	0.00	-160.00
6070 · BUY-IN FEES	46,922.35	306,256.30
<b>Total Income</b>	<b>76,328.31</b>	<b>4,300,408.66</b>
Cost of Goods Sold		
7500 · WATER PURCHASED	2,936,251.80	5,283,763.73
<b>Total COGS</b>	<b>2,936,251.80</b>	<b>5,283,763.73</b>
<b>Gross Profit</b>	<b>-2,859,923.49</b>	<b>-983,355.07</b>
Expense		
66900 · Reconciliation Discrepancies	15,678.56	15,678.56
6999 · Uncategorized Expenses	157.13	157.13
8009 · LABOR		
8010 · LABOR-ADMINISTRATIVE	34,614.00	237,851.98
8011 · LABOR-FIELD	32,598.98	253,893.08
8014 · LABOR-BONUS	2,000.00	12,361.94
<b>Total 8009 · LABOR</b>	<b>69,212.98</b>	<b>504,107.00</b>
8012 · DIRECTORS FEE	1,000.00	9,750.00
8015 · PAYROLL TAXES		
8019 · MEDICARE	1,230.82	7,439.90
8020 · FICA	5,262.88	31,812.01
8021 · STATE UNEMPLOYMENT	965.47	3,004.03
8015 · PAYROLL TAXES - Other	15,699.36	15,783.36
<b>Total 8015 · PAYROLL TAXES</b>	<b>23,158.53</b>	<b>58,039.30</b>
8030 · RET. BENEFITS	7,616.63	46,430.48
8040 · INSURANCE		
8041 · EMPLOYEE INSURANCE	0.00	162,033.26
8043 · BUSINESS INSURANCE	100.00	66,734.00
8044 · WORKERS COMP INSURANCE	938.35	9,354.19
<b>Total 8040 · INSURANCE</b>	<b>1,038.35</b>	<b>238,121.45</b>
8200 · SUPPLIES		
8210 · OFFICE SUPPLIES & EQUIPMENT	993.52	14,576.04
8220 · OPERATING SUPPLIES	1,556.14	4,261.84
8226 · CLOTHING & UNIFORMS	0.00	759.52
8231 · GAS, OIL, FUEL, GREASE	1,142.09	8,907.76
8233 · MACHINERY & EQUIP PARTS, TIRES	277.66	8,417.77
8236 · WATER MAIN AND LINE REPAIR	1,094.65	20,823.15
8241 · CONSUMABLE TOOLS	4.00	1,535.61
8263 · SAFETY SUPPLIES	0.00	462.11
<b>Total 8200 · SUPPLIES</b>	<b>5,068.06</b>	<b>59,743.80</b>
8300 · PURCHASED SERVICES		
8310 · COMMUNICATION AND POSTAGE	1,648.57	19,410.90
8312 · BILLINGS ALARM	0.00	535.70
8313 · ELM-UTILITIES UNDERGROUND	0.00	1,971.18
8320 · PRINTING, FORMS, PRINTING SERVICE	0.00	79.40
8330 · SUBSCRIPTIONS, LEGAL NOTICES	1,455.67	4,738.83
8335 · MEMBERSHIPS & DUES	0.00	2,354.00
8339 · CERTIFICATION RENEWALS	285.00	1,287.48
8341 · ELECTRIC	899.75	36,536.59
8342 · GAS	288.37	2,948.96

**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
**Profit & Loss YTD Comparison**  
**April 2022**

	Apr 22	Jul '21 - Apr 22
8343 · SEWER	61.38	417.23
8344 · TELEPHONE AND INTERNET ACCESS	286.66	4,795.27
8345 · CELL PHONE	0.00	2,363.00
8347 · PERMITS	0.00	2,935.00
8349 · QUALITY TESTING	480.00	5,016.00
8351 · LEGAL FEES	2,739.64	54,124.06
8352 · ACCOUNTING FEES	130.00	15,520.00
8353 · ENGINEERING FEES	14,845.79	258,534.38
8355 · DATA PROCESSING SERVICES	3,600.52	41,082.73
8360 · REPAIR & MAINT. CONTRACT SERVIC	807.30	52,931.75
8363 · METERS REPAIR & MAINTENANCE	0.00	27,699.15
8366 · BUILDING MAINTENANCE	0.00	51,425.49
8380 · TRAINING, TUITION	0.00	286.85
<b>Total 8300 · PURCHASED SERVICES</b>	<b>27,528.65</b>	<b>586,993.95</b>
8400 · BUILDING MATERIALS		
8410 · CONCRETE	0.00	350.00
8450 · GRAVEL,SAND	29.70	1,834.89
8470 · ASPHALT,COLD MIX	741.50	8,429.50
<b>Total 8400 · BUILDING MATERIALS</b>	<b>771.20</b>	<b>10,614.39</b>
8500 · FIXED CHARGES		
8515 · TAXES	0.00	4,188.09
8520 · MISCELLANEOUS	0.00	19.00
8543 · DEQ SERVICE CONNECTION FEE	0.00	11,806.00
<b>Total 8500 · FIXED CHARGES</b>	<b>0.00</b>	<b>16,013.09</b>
8600 · DEBT SERVICES		
8620 · INTEREST	0.00	6,954.42
<b>Total 8600 · DEBT SERVICES</b>	<b>0.00</b>	<b>6,954.42</b>
8800 · OTHER		
8810 · LOSSES (BAD DEBT)	-122.41	367.56
8800 · OTHER - Other	0.00	161.14
<b>Total 8800 · OTHER</b>	<b>-122.41</b>	<b>528.70</b>
<b>Total Expense</b>	<b>151,107.68</b>	<b>1,553,132.27</b>
<b>Net Ordinary Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>
<b>Net Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>



67933 33967 3775 D51895 SSNR00901  
 COUNTY WATER DISTRICT  
 OF BILLINGS HEIGHTS  
 1540 POPELKA  
 BILLINGS MT 59105-4468



Your Financial Advisor (M805):  
 STEPHEN KNUDSON, CFP (R)  
 Telephone: (406) 252-2447

Office Serving Your Account:  
 401 NORTH 31ST STREET  
 SUITE 1610  
 BILLINGS, MT 59101

**PRIMARY INVESTMENT OBJECTIVE: Income  
 RISK TOLERANCE: Moderately Conservative**

For a full definition of this objective and risk tolerance, including the use of margin, please see [www.stifel.com](http://www.stifel.com), IMPORTANT DISCLOSURES, or contact your Financial Advisor. If you have any questions concerning your investment objective or risk tolerance, or wish to make a change, please contact your Financial Advisor or the Branch Manager for this office.

**TRADING TAX LOT RELIEF METHOD: First In, First Out  
 INVESTOR UPDATE**

If you're switching jobs or preparing to retire, have you thought about what to do with the money you've saved in your employer-sponsored retirement plan? Your Stifel Financial Advisor can help you weigh your options so you can choose the one that's right for your goals.

**ACCOUNT PROTECTION**

Stifel, Nicolaus & Company, Incorporated provides up to \$150 million of coverage for securities held in client accounts, of which \$1.15 million may be in cash deposits. Ask your Financial Advisor for more details.

Thank you for allowing Stifel to serve you. In order to protect your rights, including rights under the Securities Investor Protection Act (SIPA), please promptly report, in writing, any inaccuracies or discrepancies in this account or statement to the Compliance Department of Stifel at the address below. If you have any questions regarding your account or this statement, please contact your Financial Advisor or the Branch Manager for this office. For additional information regarding your Stifel account, please refer to the current Stifel Account Agreement and Disclosure Booklet, which is available at [www.stifel.com/disclosures/account-agreement](http://www.stifel.com/disclosures/account-agreement).

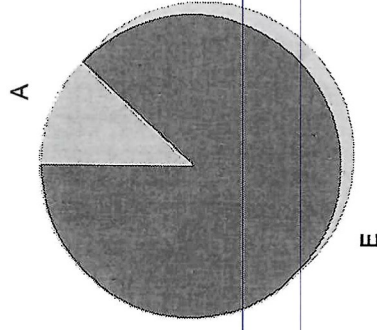


STIFEL PRESTIGE® ACCOUNT STATEMENT

PORTFOLIO SUMMARY	April 30	March 31
Net Cash Equivalents **	751,980.87	2,485,786.20
Net Portfolio Assets held at Stifel	5,568,211.84	6,344,964.92
Net Portfolio Assets not held at Stifel		
<b>Net Portfolio Value</b>	<b>\$6,320,192.71</b>	<b>\$8,830,751.12</b>
YOUR CHANGE IN PORTFOLIO VALUE	April 30	March 31
Net Cash Flow (Inflows/Outflows) <sup>2</sup>	-2,488,000.00	
Securities Transferred In/Out		
Income and Distributions	4,194.67	9,213.88
Change in Securities Value	-26,753.08	-32,689.68
<b>Net Change in Portfolio Value</b>	<b>-\$2,510,558.41</b>	<b>-\$23,475.80</b>

\*\* See the Stifel Insured Bank Deposit Program Disclosure Statements for additional information.  
 2 Does not include cost or proceeds for buy or sell transactions.  
 You have securities maturing and/or options expiring.

**YOUR ASSET SUMMARY**



	April 30, 2022 (\$)	Percentage of your account
A Net Cash Equivalents**	751,980.87	11.90%
E Fixed Income-Other	5,568,211.84	88.10%
Total Assets	\$6,320,192.71	100.00%





PO Box 30897  
Billings, MT 59107-0897

RETURN SERVICE REQUESTED



COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS  
GROSS INCOME ACCT  
1540 POPELKA DR  
BILLINGS MT 59105-4468


# Statement Ending 04/29/2020 Item 10.

COUNTY WATER DISTRICT OF Page 1 of 10

Account Number: XXXXXXXXXXXX2349

## Managing Your Accounts

-  Client Contact Center 855-342-3400
-  Website [firstinterstate.com](http://firstinterstate.com)



**You're resourceful.  
And now you're restocked.**

**Hello, business line of credit.**

Expanding, diversifying, or covering the unexpected — the cash infusion your business needs is here. Online easy, real-world quick.

**Business works here.**

Apply online at [firstinterstate.com/letsgo](http://firstinterstate.com/letsgo)

## Summary of Accounts



Account Type	Account Number	Ending Balance
ANALYZED BUSINESS CHECKING	XXXXXXXXXXXX2349	\$333,822.87

Item 10.

THIS FORM IS PROVIDED TO HELP BALANCE YOUR STATEMENT

HOW TO BALANCE YOUR ACCOUNT

ACCOUNT RECONCILEMENT PRINCIPLES ARE FAIRLY SIMPLE, IT IS NECESSARY TO FIND ITEMS IN YOUR CHECKBOOK WHICH THE BANK HAS NOT YET PROCESSED, AND THOSE ON THE BANK STATEMENT BUT NOT YET IN YOUR CHECKBOOK. TO YOUR CHECKBOOK BALANCE ADD OR SUBTRACT THE OUTSTANDING BANK STATEMENT ITEMS, AND TO THE STATEMENT BALANCE ADD OR SUBTRACT OUTSTANDING CHECKBOOK ITEMS. THE TWO TOTALS SHOULD AGREE.

- 1. SORT CHECKS AND DEPOSITS INTO NUMBER OR DATE ORDER.
2. MARK OFF (✓) EACH ITEM AGAINST YOUR CHECKBOOK. THOSE NOT MARKED WILL BE OUTSTANDING ITEMS. ALSO NOTE ANY BANK OR OTHER CHARGES, OR AUTOMATIC DEPOSITS ON THE STATEMENT, NOT IN YOUR CHECKBOOK.
3. FILL IN THE FOLLOWING FORM FOR EASY RECONCILEMENT.

Form for balancing the checkbook. Includes fields for CHECKBOOK BALANCE, ADD ANY DEPOSITS INCLUDING AUTOMATIC DEPOSITS NOT YET ENTERED IN YOUR CHECKBOOK, SUB-TOTAL, SUBTRACT SERVICE CHARGE, IF SAVINGS TRANSFER ACCOUNT, ADD SAVINGS INTEREST, SUBTRACT ANY AUTOMATIC LOAN PAYMENTS OR OTHER AUTOMATIC CHARGES NOT YET ENTERED IN YOUR CHECKBOOK, and ADJUSTED CHECKBOOK BALANCE.

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

CHECKING BALANCE SHOWN ON THIS STATEMENT IF SAVINGS TRANSFER ACCOUNT ADD SAVINGS BALANCE

ADD DEPOSITS OUTSTANDING NOT YET CREDITED TO YOUR ACCOUNT (INCLUDE ANY AUTOMATIC DEPOSITS EXPECTED, NOT YET CREDITED)

SUB-TOTAL

CHECKS OUTSTANDING WRITTEN BUT NOT YET CHARGED TO YOUR ACCOUNT

Table with 4 columns: CHECK NO., AMOUNT, CHECK NO., AMOUNT. Includes a SUB TOTAL row and a vertical column of dots with a downward arrow.

SUBTRACT TOTAL CHECKS OUTSTANDING

ADJUSTED STATEMENT BALANCE

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

To report a lost or stolen ATM or First Interstate Debit Card call 1-888-752-3332 between the hours of 7:30 AM – 6:00 PM Mountain Time. Before or after hours call the Lost or Stolen Service at 1-800-342-6599.

Information for Consumer Checking and Savings Account Customers:

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us or write us at the phone number and/or address on the front of this statement as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or probably appeared.

- (1) Tell us your name and account number (if any).
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

Information for Balance Plus Overdraft Checking Customers:

BALANCE SUBJECT TO INTEREST RATE

We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances and fees, and subtract unpaid interest or other finance charges and any payments or credits. This gives us the daily balance.

WHAT TO DO IF YOU THINK YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us (on a separate sheet) at the address shown on the front of this statement.

In your letter, give us the following information:

- Account information: Your name and account number.
Dollar amount: The dollar amount of the suspected error.
Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake you will not have to pay the amount in question or any interest or other fees related to that amount.
While you do not have to pay the amount in question, you are responsible for the remainder of your balance
We can apply any unpaid amount against your credit limit.

## ANALYZED BUSINESS CHECKING-XXXXXXXXXXXX2349

### Account Summary

Date	Description	Amount
04/01/2022	<b>Beginning Balance</b>	<b>\$708,141.15</b>
	131 Credit(s) This Period	\$2,789,104.05
	29 Debit(s) This Period	\$3,163,422.33
04/29/2022	<b>Ending Balance</b>	<b>\$333,822.87</b>

### Account Activity

Post Date	Description	Debits	Credits	Balance
04/01/2022	<b>Beginning Balance</b>			<b>\$708,141.15</b>
04/01/2022	METAVANTE CORP BILL PAYMT 11176-00		\$21.05	\$708,162.20
04/01/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$40.00	\$708,202.20
04/01/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$234.56	\$708,436.76
04/01/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$851.29	\$709,288.05
04/04/2022	DEPOSIT		\$1,825.78	\$711,113.83
04/04/2022	DEPOSIT		\$1,866.99	\$712,980.82
04/04/2022	DEPOSIT		\$1,993.12	\$714,973.94
04/04/2022	DEPOSIT		\$2,039.90	\$717,013.84
04/04/2022	DEPOSIT		\$2,355.81	\$719,369.65
04/04/2022	DEPOSIT		\$3,395.56	\$722,765.21
04/04/2022	METAVANTE CORP BILL PAYMT 0901500		\$23.71	\$722,788.92
04/04/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$92.38	\$722,881.30
04/04/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$391.44	\$723,272.74
04/04/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$661.87	\$723,934.61
04/04/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$737.91	\$724,672.52
04/04/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,632.00	\$726,304.52
04/04/2022	CHECK # 10444	\$8.80		\$726,295.72
04/04/2022	CHECK # 10445	\$160.00		\$726,135.72
04/04/2022	CHECK # 10448	\$26.20		\$726,109.52
04/05/2022	DEPOSIT		\$1,717.50	\$727,827.02
04/05/2022	DEPOSIT		\$2,230.86	\$730,057.88
04/05/2022	DEPOSIT		\$2,385.99	\$732,443.87
04/05/2022	DEPOSIT		\$7,913.18	\$740,357.05
04/05/2022	METAVANTE CORP BILL PAYMT 16433-00		\$404.35	\$740,761.40
04/05/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$520.70	\$741,282.10
04/05/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$2,242.44	\$743,524.54
04/05/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$3,370.11	\$746,894.65
04/05/2022	CHECK # 10412	\$25.30		\$746,869.35
04/06/2022	DEPOSIT		\$1,832.08	\$748,701.43
04/06/2022	DEPOSIT		\$2,074.53	\$750,775.96
04/06/2022	METAVANTE CORP BILL PAYMT 1635900		\$764.09	\$751,540.05
04/06/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$995.24	\$752,535.29
04/06/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$2,184.57	\$754,719.86
04/06/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$3,495.84	\$758,215.70
04/06/2022	CHECK # 10451	\$5.83		\$758,209.87
04/07/2022	DEPOSIT		\$2,320.16	\$760,530.03
04/07/2022	DEPOSIT		\$4,926.59	\$765,456.62
04/07/2022	DEPOSIT		\$8,382.66	\$773,839.28
04/07/2022	METAVANTE CORP BILL PAYMT 16654-00		\$266.76	\$774,106.04
04/07/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$285.81	\$774,391.85
04/07/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$831.76	\$775,223.61
04/07/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,727.73	\$776,951.34



Item 10.

**ANALYZED BUSINESS CHECKING-XXXXXXXXXXXX2349 (continued)**

**Account Activity (continued)**

Post Date	Description	Debits	Credits	Balance
04/07/2022	CHECK # 10450	\$6.39		\$776,944.95
04/08/2022	DEPOSIT		\$2,075.78	\$779,020.73
04/08/2022	DEPOSIT		\$7,325.89	\$786,346.62
04/08/2022	DEPOSIT		\$7,593.56	\$793,940.18
04/08/2022	METAVANTE CORP BILL PAYMT 0702700		\$337.15	\$794,277.33
04/08/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$648.44	\$794,925.77
04/08/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,388.98	\$796,314.75
04/08/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$1,499.90	\$797,814.65
04/11/2022	DEPOSIT		\$2,139.32	\$799,953.97
04/11/2022	DEPOSIT		\$2,158.08	\$802,112.05
04/11/2022	DEPOSIT		\$2,604.87	\$804,716.92
04/11/2022	DEPOSIT		\$7,001.17	\$811,718.09
04/11/2022	METAVANTE CORP BILL PAYMT 17294-00		\$180.94	\$811,899.03
04/11/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$762.71	\$812,661.74
04/11/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$1,204.41	\$813,866.15
04/11/2022	County Water Dis Budget Bil XXXXX1683		\$1,251.12	\$815,117.27
04/11/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$1,321.52	\$816,438.79
04/11/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,452.33	\$817,891.12
04/11/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$11,926.55	\$829,817.67
04/11/2022	HEIGHTS WATER DI UTIL BILL HEIGHTS WATER D		\$16,298.20	\$846,115.87
04/11/2022	CHECK # 10454	\$25.98		\$846,089.89
04/11/2022	CHECK # 10460	\$25.98		\$846,063.91
04/12/2022	DEPOSIT		\$1,471.75	\$847,535.66
04/12/2022	DEPOSIT		\$6,937.49	\$854,473.15
04/12/2022	METAVANTE CORP BILL PAYMT 16780-00		\$158.33	\$854,631.48
04/12/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$590.94	\$855,222.42
04/12/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$771.58	\$855,994.00
04/12/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,167.75	\$857,161.75
04/12/2022	CHECK # 10429	\$24.85		\$857,136.90
04/12/2022	CHECK # 10459	\$18.77		\$857,118.13
04/13/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$135.69	\$857,253.82
04/13/2022	METAVANTE CORP BILL PAYMT 14061-00		\$366.49	\$857,620.31
04/13/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$1,022.55	\$858,642.86
04/13/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$4,048.14	\$862,691.00
04/13/2022	County Water Dis March 16 XXXXX1683	\$1,000.00		\$861,691.00
04/13/2022	CHECK # 10452	\$22.91		\$861,668.09
04/14/2022	DEPOSIT		\$1,301.55	\$862,969.64
04/14/2022	DEPOSIT		\$13,095.29	\$876,064.93
04/14/2022	METAVANTE CORP BILL PAYMT 18017-00		\$62.15	\$876,127.08
04/14/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$100.90	\$876,227.98
04/14/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$324.95	\$876,552.93
04/14/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,038.69	\$877,591.62
04/14/2022	Service Charges March 2022	\$410.57		\$877,181.05
04/14/2022	CHECK # 10439	\$25.49		\$877,155.56
04/14/2022	CHECK # 10461	\$49.50		\$877,106.06
04/15/2022	DEPOSIT		\$56,196.55	\$933,302.61
04/15/2022	METAVANTE CORP BILL PAYMT 0414800		\$22.88	\$933,325.49
04/15/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$40.56	\$933,366.05
04/15/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$696.06	\$934,062.11

**ANALYZED BUSINESS CHECKING-XXXXXXXXXXXX2349 (continued)**

**Account Activity (continued)**

Post Date	Description	Debits	Credits	Balance
04/15/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,922.61	\$935,984.72
04/15/2022	STIFEL NICOLAUS CREDIT 0020249196151		\$2,488,000.00	\$3,423,984.72
04/15/2022	FDMS FDMS PYMT 052-1480741-000	\$29.93		\$3,423,954.79
04/15/2022	CHECK # 10456	\$25.75		\$3,423,929.04
04/18/2022	DEPOSIT		\$2,368.22	\$3,426,297.26
04/18/2022	DEPOSIT		\$6,464.54	\$3,432,761.80
04/18/2022	DEPOSIT		\$8,280.47	\$3,441,042.27
04/18/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$86.05	\$3,441,128.32
04/18/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$333.29	\$3,441,461.61
04/18/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$356.58	\$3,441,818.19
04/18/2022	METAVANTE CORP BILL PAYMT 03149-00		\$393.95	\$3,442,212.14
04/18/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,004.65	\$3,443,216.79
04/18/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,026.24	\$3,444,243.03
04/18/2022	ICORP TRANSFER TO XXXXXX976 4/18/22 AT 9:41 SEQ 117852831	\$50,000.00		\$3,394,243.03
04/18/2022	ICORP TRANSFER TO XXXXXX1008 4/18/22 AT 9:42 SEQ 117858918	\$175,000.00		\$3,219,243.03
04/18/2022	CHECK # 10434	\$47.48		\$3,219,195.55
04/18/2022	CHECK # 10447	\$24.18		\$3,219,171.37
04/19/2022	METAVANTE CORP BILL PAYMT 2701900		\$71.69	\$3,219,243.06
04/19/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$175.04	\$3,219,418.10
04/19/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$279.28	\$3,219,697.38
04/19/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$678.65	\$3,220,376.03
04/19/2022	RETURNED DEPOSITED ITEM	\$42.10		\$3,220,333.93
04/19/2022	CHECK # 10405	\$25.10		\$3,220,308.83
04/19/2022	CHECK # 10468	\$2,936,251.80		\$284,057.03
04/20/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$160.96	\$284,217.99
04/20/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$242.75	\$284,460.74
04/20/2022	METAVANTE CORP BILL PAYMT 2300300		\$246.18	\$284,706.92
04/20/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$761.25	\$285,468.17
04/20/2022	County Water Dis Payments XXXXX1683		\$922.37	\$286,390.54
04/20/2022	HEIGHTS WATER DI UTIL BILL HEIGHTS WATER D		\$7,915.20	\$294,305.74
04/20/2022	CHECK # 10465	\$47.48		\$294,258.26
04/21/2022	DEPOSIT		\$4,770.09	\$299,028.35
04/21/2022	METAVANTE CORP BILL PAYMT 23085-00		\$45.00	\$299,073.35
04/21/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$136.15	\$299,209.50
04/21/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$335.83	\$299,545.33
04/21/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,177.90	\$300,723.23
04/21/2022	CHECK # 10458	\$25.08		\$300,698.15
04/22/2022	DEPOSIT		\$4,711.94	\$305,410.09
04/22/2022	METAVANTE CORP BILL PAYMT 1905300		\$27.72	\$305,437.81
04/22/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$91.33	\$305,529.14
04/22/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$291.36	\$305,820.50
04/22/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,163.59	\$306,984.09
04/25/2022	DEPOSIT		\$9,268.33	\$316,252.42
04/25/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$66.56	\$316,318.98
04/25/2022	METAVANTE CORP BILL PAYMT 11196-00		\$92.08	\$316,411.06
04/25/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$162.07	\$316,573.13
04/25/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$208.00	\$316,781.13
04/25/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,413.39	\$318,194.52

**ANALYZED BUSINESS CHECKING-XXXXXXXXXXXX2349 (continued)**

**Account Activity (continued)**

Post Date	Description	Debits	Credits	Balance
04/25/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$2,554.67	\$320,749.19
04/25/2022	CHECK # 10462	\$45.46		\$320,703.73
04/25/2022	CHECK # 10467	\$11.26		\$320,692.47
04/26/2022	DEPOSIT		\$1,552.88	\$322,245.35
04/26/2022	METAVANTE CORP BILL PAYMT 1102300		\$65.00	\$322,310.35
04/26/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$161.17	\$322,471.52
04/26/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$216.23	\$322,687.75
04/26/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$427.44	\$323,115.19
04/26/2022	CHECK # 10472	\$10.14		\$323,105.05
04/27/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$21.05	\$323,126.10
04/27/2022	METAVANTE CORP BILL PAYMT 2911000		\$94.77	\$323,220.87
04/27/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$238.50	\$323,459.37
04/27/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$1,327.32	\$324,786.69
04/28/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$21.05	\$324,807.74
04/28/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$189.64	\$324,997.38
04/28/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$2,349.69	\$327,347.07
04/29/2022	DEPOSIT		\$3,638.72	\$330,985.79
04/29/2022	IPAY SOLUTIONS BILL PMT BILL PMT		\$21.05	\$331,006.84
04/29/2022	METAVANTE CORP BILL PAYMT 11176-00		\$42.10	\$331,048.94
04/29/2022	CHECKFREE COUNTY WAT XXXXXX5397		\$160.52	\$331,209.46
04/29/2022	MERCHANT BANKCD DEPOSIT 496391735883		\$2,613.41	\$333,822.87
<b>04/29/2022</b>	<b>Ending Balance</b>			<b>\$333,822.87</b>

**Checks Cleared**

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
10405	04/19/2022	\$25.10	10448	04/04/2022	\$26.20	10460	04/11/2022	\$25.98
10412*	04/05/2022	\$25.30	10450*	04/07/2022	\$6.39	10461	04/14/2022	\$49.50
10429*	04/12/2022	\$24.85	10451	04/06/2022	\$5.83	10462	04/25/2022	\$45.46
10434*	04/18/2022	\$47.48	10452	04/13/2022	\$22.91	10465*	04/20/2022	\$47.48
10439*	04/14/2022	\$25.49	10454*	04/11/2022	\$25.98	10467*	04/25/2022	\$11.26
10444*	04/04/2022	\$8.80	10456*	04/15/2022	\$25.75	10468	04/19/2022	\$2,936,251.80
10445	04/04/2022	\$160.00	10458*	04/21/2022	\$25.08	10472*	04/26/2022	\$10.14
10447*	04/18/2022	\$24.18	10459	04/12/2022	\$18.77			

\* Indicates skipped check number

**Daily Balances**

Date	Amount	Date	Amount	Date	Amount
04/01/2022	\$709,288.05	04/12/2022	\$857,118.13	04/21/2022	\$300,698.15
04/04/2022	\$726,109.52	04/13/2022	\$861,668.09	04/22/2022	\$306,984.09
04/05/2022	\$746,869.35	04/14/2022	\$877,106.06	04/25/2022	\$320,692.47
04/06/2022	\$758,209.87	04/15/2022	\$3,423,929.04	04/26/2022	\$323,105.05
04/07/2022	\$776,944.95	04/18/2022	\$3,219,171.37	04/27/2022	\$324,786.69
04/08/2022	\$797,814.65	04/19/2022	\$284,057.03	04/28/2022	\$327,347.07
04/11/2022	\$846,063.91	04/20/2022	\$294,258.26	04/29/2022	\$333,822.87

**Overdraft and Returned Item Fees**

	Total for this period	Total year-to-date
<b>Total Overdraft Fees</b>	\$0.00	\$0.00
<b>Total Returned Item Fees</b>	\$0.00	\$0.00



PO Box 30897  
Billings, MT 59107-0897

RETURN SERVICE REQUESTED



COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS  
OPERATIONAL & MAINTENANCE FUND  
1540 POPELKA DR  
BILLINGS MT 59105-4468


# Statement Ending 04/29/2020 Item 11.

COUNTY WATER DISTRICT OF Page 1 of 8

Account Number: XXXXXXXXXXXX1008

## Managing Your Accounts

-  Client Contact Center 855-342-3400
-  Website [firstinterstate.com](http://firstinterstate.com)



You're resourceful.  
And now you're restocked.

Hello, business line of credit.

Expanding, diversifying, or covering the unexpected — the cash infusion your business needs is here. Online easy, real-world quick.

Business works here.

Apply online at [firstinterstate.com/letsgo](http://firstinterstate.com/letsgo)

## Summary of Accounts



Account Type	Account Number	Ending Balance
STATE COUNTY MUNICIPALITY CHECKING	XXXXXXXXXXXX1008	\$199,981.78

THIS FORM IS PROVIDED TO HELP BALANCE YOUR STATEMENT

HOW TO BALANCE YOUR ACCOUNT

ACCOUNT RECONCILEMENT PRINCIPLES ARE FAIRLY SIMPLE, IT IS NECESSARY TO FIND ITEMS IN YOUR CHECKBOOK WHICH THE BANK HAS NOT YET PROCESSED, AND THOSE ON THE BANK STATEMENT BUT NOT YET IN YOUR CHECKBOOK. TO YOUR CHECKBOOK BALANCE ADD OR SUBTRACT THE OUTSTANDING BANK STATEMENT ITEMS, AND TO THE STATEMENT BALANCE ADD OR SUBTRACT OUTSTANDING CHECKBOOK ITEMS. THE TWO TOTALS SHOULD AGREE.

- 1. SORT CHECKS AND DEPOSITS INTO NUMBER OR DATE ORDER.
2. MARK OFF (✓) EACH ITEM AGAINST YOUR CHECKBOOK. THOSE NOT MARKED WILL BE OUTSTANDING ITEMS. ALSO NOTE ANY BANK OR OTHER CHARGES, OR AUTOMATIC DEPOSITS ON THE STATEMENT, NOT IN YOUR CHECKBOOK.
3. FILL IN THE FOLLOWING FORM FOR EASY RECONCILEMENT.

Form with fields for CHECKBOOK BALANCE, ADD ANY DEPOSITS INCLUDING AUTOMATIC DEPOSITS NOT YET ENTERED IN YOUR CHECKBOOK, SUB-TOTAL, SUBTRACT SERVICE CHARGE, SUBTRACT ANY AUTOMATIC LOAN PAYMENTS, and ADJUSTED CHECKBOOK BALANCE.

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

Form with fields for CHECKING BALANCE SHOWN ON THIS STATEMENT, IF SAVINGS TRANSFER ACCOUNT ADD SAVINGS BALANCE, ADD DEPOSITS OUTSTANDING NOT YET CREDITED TO YOUR ACCOUNT, and SUB-TOTAL.

CHECKS OUTSTANDING WRITTEN BUT NOT YET CHARGED TO YOUR ACCOUNT

Table with columns CHECK NO., AMOUNT, CHECK NO., AMOUNT. Includes a SUB TOTAL row and a SUBTRACT TOTAL CHECKS OUTSTANDING row with arrows pointing to the right.

ADJUSTED STATEMENT BALANCE

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

To report a lost or stolen ATM or First Interstate Debit Card call 1-888-752-3332 between the hours of 7:30 AM – 6:00 PM Mountain Time. Before or after hours call the Lost or Stolen Service at 1-800-342-6599.

Information for Consumer Checking and Savings Account Customers:

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us or write us at the phone number and/or address on the front of this statement as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or probably appeared.

- (1) Tell us your name and account number (if any).
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

Information for Balance Plus Overdraft Checking Customers:

BALANCE SUBJECT TO INTEREST RATE

We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances and fees, and subtract unpaid interest or other finance charges and any payments or credits. This gives us the daily balance.

WHAT TO DO IF YOU THINK YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us (on a separate sheet) at the address shown on the front of this statement.

In your letter, give us the following information:

- Account information: Your name and account number.
Dollar amount: The dollar amount of the suspected error.
Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake you will not have to pay the amount in question or any interest or other fees related to that amount.
While you do not have to pay the amount in question, you are responsible for the remainder of your balance
We can apply any unpaid amount against your credit limit.

## STATE COUNTY MUNICIPALITY CHECKING-XXXXXXXXXXXX1008

### Account Summary

Date	Description	Amount
04/01/2022	<b>Beginning Balance</b>	<b>\$252,125.14</b>
	12 Credit(s) This Period	\$207,450.00
	56 Debit(s) This Period	\$259,593.36
04/29/2022	<b>Ending Balance</b>	<b>\$199,981.78</b>

### Account Activity

Post Date	Description	Debits	Credits	Balance
04/01/2022	<b>Beginning Balance</b>			<b>\$252,125.14</b>
04/01/2022	CHECK # 17735	\$20.00		\$252,105.14
04/01/2022	CHECK # 17747	\$139.98		\$251,965.16
04/01/2022	CHECK # 17728	\$204.93		\$251,760.23
04/01/2022	ASCENSUS TRUST RET PLAN 259835 04012022	\$1,714.28		\$250,045.95
04/01/2022	CHECK # 17725	\$4,770.00		\$245,275.95
04/04/2022	CHECK # 17751	\$1,978.39		\$243,297.56
04/04/2022	CHECK # 17742	\$7,797.00		\$235,500.56
04/06/2022	CHECK # 17745	\$7,000.00		\$228,500.56
04/07/2022	CHECK # 8168	\$1,000.00		\$227,500.56
04/07/2022	CHECK # 8169	\$1,000.00		\$226,500.56
04/07/2022	CHECK # 17697	\$4,500.00		\$222,000.56
04/07/2022	CHECK # 17699	\$4,300.00		\$217,700.56
04/07/2022	CHECK # 17753	\$2,533.75		\$215,166.81
04/08/2022	CREDIT BACK CHECK #8169 - ALTERED/FICTITIOUS		\$1,000.00	\$216,166.81
04/08/2022	CREDIT BACK CHECK #8168 - ALTERED/FICTITIOUS		\$1,000.00	\$217,166.81
04/08/2022	CREDIT BACK CHECK #17699 - ALTERED/FICTITIOUS		\$4,300.00	\$221,466.81
04/08/2022	CREDIT BACK CHECK #17697 - ALTERED/FICTITIOUS		\$4,500.00	\$225,966.81
04/08/2022	CHECK # 17757	\$489.87		\$225,476.94
04/11/2022	CHECK # 2159	\$2,500.00		\$222,976.94
04/11/2022	CHECK # 17743	\$120.00		\$222,856.94
04/11/2022	CHECK # 17748	\$23.27		\$222,833.67
04/11/2022	CHECK # 17749	\$480.00		\$222,353.67
04/11/2022	CHECK # 17750	\$3,483.00		\$218,870.67
04/11/2022	CHECK # 17752	\$146.68		\$218,723.99
04/11/2022	CHECK # 17758	\$133.86		\$218,590.13
04/12/2022	CREDIT BACK CHECK #2159 - ALTERED/FICTITIOUS		\$2,500.00	\$221,090.13
04/12/2022	CHECK # 16669	\$1,400.00		\$219,690.13
04/12/2022	CHECK # 17669	\$1,500.00		\$218,190.13
04/12/2022	CHECK # 17755	\$10,000.00		\$208,190.13
04/12/2022	CHECK # 17797	\$4,900.00		\$203,290.13
04/13/2022	CREDIT BACK CHECK #16669 - ALTERED/FICTITIOUS		\$1,400.00	\$204,690.13
04/13/2022	CREDIT BACK CHECK #17669 - ALTERED/FICTITIOUS		\$1,500.00	\$206,190.13
04/13/2022	CREDIT BACK CHECK #17797 - ALTERED/FICTITIOUS		\$4,900.00	\$211,090.13
04/13/2022	WEX INC FLEET DEBI 9100009036252	\$1,244.57		\$209,845.56
04/13/2022	CHECK # 17721	\$4,850.00		\$204,995.56
04/14/2022	CREDIT BACK CHECK #17721 - ALTERED/FICTITIOUS		\$4,850.00	\$209,845.56
04/14/2022	Service Charges March 2022	\$0.51		\$209,845.05
04/14/2022	CHECK # 17756	\$359.22		\$209,485.83
04/14/2022	CHECK # 17760	\$2,739.64		\$206,746.19
04/18/2022	ICORP TRANSFER FROM XXXXXX2349 4/18/22 AT 9:42 SEQ 117858918		\$175,000.00	\$381,746.19
04/18/2022	ASCENSUS TRUST RET PLAN 259835 04152022	\$1,689.76		\$380,056.43

# STATE COUNTY MUNICIPALITY CHECKING-XXXXXXXXXXXX1008

(continued)

## Account Activity (continued)

Post Date	Description	Debits	Credits	Balance
04/18/2022	CHECK # 17761	\$344.42		\$379,712.01
04/18/2022	CHECK # 17762	\$455.00		\$379,257.01
04/18/2022	CHECK # 17765	\$100.00		\$379,157.01
04/18/2022	CHECK # 17766	\$235.50		\$378,921.51
04/18/2022	CHECK # 17776	\$105.00		\$378,816.51
04/19/2022	CHECK # 17763	\$335.15		\$378,481.36
04/19/2022	CHECK # 17767	\$284.23		\$378,197.13
04/19/2022	CHECK # 17768	\$133,505.68		\$244,691.45
04/19/2022	CHECK # 17773	\$807.30		\$243,884.15
04/20/2022	CHECK # 17764	\$237.15		\$243,647.00
04/20/2022	CHECK # 17778	\$42.50		\$243,604.50
04/21/2022	THE GUARDIAN MAY GP INS 76988900WWA0000	\$2,353.86		\$241,250.64
04/21/2022	CHECK # 17775	\$151.89		\$241,098.75
04/22/2022	CHECK # 17759	\$51.80		\$241,046.95
04/22/2022	CHECK # 84399	\$3,000.00		\$238,046.95
04/25/2022	CREDIT BACK CHECK # 84399 - ALTERED/FICTITIOUS		\$3,000.00	\$241,046.95
04/25/2022	CHECK # 17777	\$775.00		\$240,271.95
04/25/2022	CHECK # 17779	\$355.10		\$239,916.85
04/26/2022	MONTANASTATEFUND PREMIUM XXXXX9518	\$938.35		\$238,978.50
04/26/2022	CHECK # 17784	\$9,566.62		\$229,411.88
04/27/2022	CHECK # 17772	\$180.00		\$229,231.88
04/28/2022	CHECK # 84498	\$3,500.00		\$225,731.88
04/29/2022	CREDIT BACK CHECK # 84498 - ALTERED/FICTITIOUS		\$3,500.00	\$229,231.88
04/29/2022	ASCENSUS TRUST RET PLAN 259835 04292022	\$3,437.59		\$225,794.29
04/29/2022	HEALTH CARE SERV OBPPAYMT XXXXXX7466	\$20,981.51		\$204,812.78
04/29/2022	CHECK # 17782	\$2,331.00		\$202,481.78
04/29/2022	CHECK # 19001	\$2,500.00		\$199,981.78
<b>04/29/2022</b>	<b>Ending Balance</b>			<b>\$199,981.78</b>

## Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
0	04/01/2022	\$1,714.28	17749	04/11/2022	\$480.00	17767	04/19/2022	\$284.23
2159*	04/11/2022	\$2,500.00	17750	04/11/2022	\$3,483.00	17768	04/19/2022	\$133,505.68
8168*	04/07/2022	\$1,000.00	17751	04/04/2022	\$1,978.39	17772*	04/27/2022	\$180.00
8169	04/07/2022	\$1,000.00	17752	04/11/2022	\$146.68	17773	04/19/2022	\$807.30
16669*	04/12/2022	\$1,400.00	17753	04/07/2022	\$2,533.75	17775*	04/21/2022	\$151.89
17669*	04/12/2022	\$1,500.00	17755*	04/12/2022	\$10,000.00	17776	04/18/2022	\$105.00
17697*	04/07/2022	\$4,500.00	17756	04/14/2022	\$359.22	17777	04/25/2022	\$775.00
17699*	04/07/2022	\$4,300.00	17757	04/08/2022	\$489.87	17778	04/20/2022	\$42.50
17721*	04/13/2022	\$4,850.00	17758	04/11/2022	\$133.86	17779	04/25/2022	\$355.10
17725*	04/01/2022	\$4,770.00	17759	04/22/2022	\$51.80	17782*	04/29/2022	\$2,331.00
17728*	04/01/2022	\$204.93	17760	04/14/2022	\$2,739.64	17784*	04/26/2022	\$9,566.62
17735*	04/01/2022	\$20.00	17761	04/18/2022	\$344.42	17797*	04/12/2022	\$4,900.00
17742*	04/04/2022	\$7,797.00	17762	04/18/2022	\$455.00	19001*	04/29/2022	\$2,500.00
17743	04/11/2022	\$120.00	17763	04/19/2022	\$335.15	84399*	04/22/2022	\$3,000.00
17745*	04/06/2022	\$7,000.00	17764	04/20/2022	\$237.15	84498*	04/28/2022	\$3,500.00
17747*	04/01/2022	\$139.98	17765	04/18/2022	\$100.00			
17748	04/11/2022	\$23.27	17766	04/18/2022	\$235.50			

\* Indicates skipped check number

**STATE COUNTY MUNICIPALITY CHECKING-XXXXXXXXXXXX1008**

(continued)

**Daily Balances**

<b>Date</b>	<b>Amount</b>	<b>Date</b>	<b>Amount</b>	<b>Date</b>	<b>Amount</b>
04/01/2022	\$245,275.95	04/13/2022	\$204,995.56	04/25/2022	\$239,916.85
04/04/2022	\$235,500.56	04/14/2022	\$206,746.19	04/26/2022	\$229,411.88
04/06/2022	\$228,500.56	04/18/2022	\$378,816.51	04/27/2022	\$229,231.88
04/07/2022	\$215,166.81	04/19/2022	\$243,884.15	04/28/2022	\$225,731.88
04/08/2022	\$225,476.94	04/20/2022	\$243,604.50	04/29/2022	\$199,981.78
04/11/2022	\$218,590.13	04/21/2022	\$241,098.75		
04/12/2022	\$203,290.13	04/22/2022	\$238,046.95		

**Overdraft and Returned Item Fees**

	<b>Total for this period</b>	<b>Total year-to-date</b>
<b>Total Overdraft Fees</b>	\$0.00	\$0.00
<b>Total Returned Item Fees</b>	\$0.00	\$0.00





PO Box 30897  
Billings, MT 59107-0897

RETURN SERVICE REQUESTED



COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS  
PAYROLL ACCOUNT  
1540 POPELKA DR  
BILLINGS MT 59105-4468


# Statement Ending 04/29/2020 Item 12.

COUNTY WATER DISTRICT OF Page 1 of 4

Account Number: XXXXXXXXXXXX0976

## Managing Your Accounts

-  Client Contact Center 855-342-3400
-  Website [firstinterstate.com](http://firstinterstate.com)



**You're resourceful.  
And now you're restocked.**

**Hello, business line of credit.**

Expanding, diversifying, or covering the unexpected — the cash infusion your business needs is here. Online easy, real-world quick.

**Business works here.**

Apply online at [firstinterstate.com/letsgo](http://firstinterstate.com/letsgo)

### Summary of Accounts



Account Type	Account Number	Ending Balance
STATE COUNTY MUNICIPALITY CHECKING	XXXXXXXXXXXX0976	\$210,513.01

THIS FORM IS PROVIDED TO HELP BALANCE YOUR STATEMENT

HOW TO BALANCE YOUR ACCOUNT

ACCOUNT RECONCILEMENT PRINCIPLES ARE FAIRLY SIMPLE, IT IS NECESSARY TO FIND ITEMS IN YOUR CHECKBOOK WHICH THE BANK HAS NOT YET PROCESSED, AND THOSE ON THE BANK STATEMENT BUT NOT YET IN YOUR CHECKBOOK. TO YOUR CHECKBOOK BALANCE ADD OR SUBTRACT THE OUTSTANDING BANK STATEMENT ITEMS, AND TO THE STATEMENT BALANCE ADD OR SUBTRACT OUTSTANDING CHECKBOOK ITEMS. THE TWO TOTALS SHOULD AGREE.

- 1. SORT CHECKS AND DEPOSITS INTO NUMBER OR DATE ORDER.
2. MARK OFF (✓) EACH ITEM AGAINST YOUR CHECKBOOK. THOSE NOT MARKED WILL BE OUTSTANDING ITEMS. ALSO NOTE ANY BANK OR OTHER CHARGES, OR AUTOMATIC DEPOSITS ON THE STATEMENT, NOT IN YOUR CHECKBOOK.
3. FILL IN THE FOLLOWING FORM FOR EASY RECONCILEMENT.

Form for balancing the checkbook. Includes fields for CHECKBOOK BALANCE, ADD ANY DEPOSITS INCLUDING AUTOMATIC DEPOSITS NOT YET ENTERED IN YOUR CHECKBOOK, SUB-TOTAL, SUBTRACT SERVICE CHARGE, IF SAVINGS TRANSFER ACCOUNT, ADD SAVINGS INTEREST, SUBTRACT ANY AUTOMATIC LOAN PAYMENTS OR OTHER AUTOMATIC CHARGES NOT YET ENTERED IN YOUR CHECKBOOK, and ADJUSTED CHECKBOOK BALANCE.

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

CHECKING BALANCE SHOWN ON THIS STATEMENT IF SAVINGS TRANSFER ACCOUNT ADD SAVINGS BALANCE

ADD DEPOSITS OUTSTANDING NOT YET CREDITED TO YOUR ACCOUNT (INCLUDE ANY AUTOMATIC DEPOSITS EXPECTED, NOT YET CREDITED)

SUB-TOTAL

CHECKS OUTSTANDING WRITTEN BUT NOT YET CHARGED TO YOUR ACCOUNT

Table with 4 columns: CHECK NO., AMOUNT, CHECK NO., AMOUNT. Includes a SUB TOTAL row and a vertical column of dots with a downward arrow.

SUBTRACT TOTAL CHECKS OUTSTANDING

ADJUSTED STATEMENT BALANCE

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

To report a lost or stolen ATM or First Interstate Debit Card call 1-888-752-3332 between the hours of 7:30 AM – 6:00 PM Mountain Time. Before or after hours call the Lost or Stolen Service at 1-800-342-6599.

Information for Consumer Checking and Savings Account Customers:

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us or write us at the phone number and/or address on the front of this statement as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or probably appeared.

- (1) Tell us your name and account number (if any).
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

Information for Balance Plus Overdraft Checking Customers:

BALANCE SUBJECT TO INTEREST RATE

We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances and fees, and subtract unpaid interest or other finance charges and any payments or credits. This gives us the daily balance.

WHAT TO DO IF YOU THINK YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us (on a separate sheet) at the address shown on the front of this statement.

In your letter, give us the following information:

- Account information: Your name and account number.
Dollar amount: The dollar amount of the suspected error.
Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake you will not have to pay the amount in question or any interest or other fees related to that amount.
While you do not have to pay the amount in question, you are responsible for the remainder of your balance
We can apply any unpaid amount against your credit limit.

## STATE COUNTY MUNICIPALITY CHECKING-XXXXXXXXXXXX0976

### Account Summary

Date	Description	Amount
04/01/2022	<b>Beginning Balance</b>	<b>\$243,411.00</b>
	2 Credit(s) This Period	\$65,413.50
	15 Debit(s) This Period	\$98,311.49
04/29/2022	<b>Ending Balance</b>	<b>\$210,513.01</b>

### Account Activity

Post Date	Description	Debits	Credits	Balance
04/01/2022	<b>Beginning Balance</b>			<b>\$243,411.00</b>
04/01/2022	ASCENSUS TRUST RET PLAN 259835 04012022	\$1,966.84		\$241,444.16
04/01/2022	IRS USATAXPYMT 270249141586185	\$4,915.90		\$236,528.26
04/01/2022	County Water Dis Payroll 04 XXXXX1683	\$15,733.11		\$220,795.15
04/05/2022	STATE OF MONTANA MT TAX PMT XXXXXX3002WTH	\$1,045.00		\$219,750.15
04/14/2022	Service Charges March 2022	\$2.11		\$219,748.04
04/15/2022	IRS USATAXPYMT 270250581795903	\$5,108.14		\$214,639.90
04/15/2022	County Water Dis Payroll 04 XXXXX1683	\$16,282.74		\$198,357.16
04/18/2022	ICORP TRANSFER FROM XXXXXX2349 4/18/22 AT 9:41 SEQ 117852831		\$50,000.00	\$248,357.16
04/18/2022	STATE OF MONTANA MT TAX PMT XXXXXX3002WTH	\$1,088.00		\$247,269.16
04/18/2022	ASCENSUS TRUST RET PLAN 259835 04152022	\$1,930.05		\$245,339.11
04/21/2022	CHECK # 10399	\$1,604.00		\$243,735.11
04/22/2022	County Water Dis Payroll 04 XXXXX1683	\$10,995.35		\$232,739.76
04/29/2022	County Water Dis REVERSAL XXXXX1683		\$15,413.50	\$248,153.26
04/29/2022	ASCENSUS TRUST RET PLAN 259835 04292022	\$1,898.76		\$246,254.50
04/29/2022	IRS USATAXPYMT 270251944681959	\$4,905.56		\$241,348.94
04/29/2022	County Water Dis Payroll 04 XXXXX1683	\$15,413.50		\$225,935.44
04/29/2022	County Water Dis Payroll 04 XXXXX1683	\$15,422.43		\$210,513.01
04/29/2022	<b>Ending Balance</b>			<b>\$210,513.01</b>

### Checks Cleared

Check Nbr	Date	Amount
10399	04/21/2022	\$1,604.00

\* Indicates skipped check number

### Daily Balances

Date	Amount	Date	Amount	Date	Amount
04/01/2022	\$220,795.15	04/15/2022	\$198,357.16	04/22/2022	\$232,739.76
04/05/2022	\$219,750.15	04/18/2022	\$245,339.11	04/29/2022	\$210,513.01
04/14/2022	\$219,748.04	04/21/2022	\$243,735.11		

### Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
<b>Total Overdraft Fees</b>	\$0.00	\$0.00
<b>Total Returned Item Fees</b>	\$0.00	\$0.00



PO Box 30897  
Billings, MT 59107-0897

RETURN SERVICE REQUESTED



COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS  
1540 POPELKA DR  
BILLINGS MT 59105-4468

**Statement Ending 04/29/2022** Item 13.

COUNTY WATER DISTRICT OF Page 1 of 2

Account Number: XXXXXXXXXXXX7508

**Managing Your Accounts**

-  Client Contact Center 855-342-3400
-  Website firstinterstate.com

**Summary of Accounts**



Account Type	Account Number	Ending Balance
STATE COUNTY MUNICIPALITY MONEY MARKET	XXXXXXXXXXXX7508	\$250,941.52

**STATE COUNTY MUNICIPALITY MONEY MARKET-XXXXXXXXXXXX7508**

**Account Summary**

Date	Description	Amount
04/01/2022	<b>Beginning Balance</b>	<b>\$250,939.53</b>
	1 Credit(s) This Period	\$1.99
	0 Debit(s) This Period	\$0.00
04/29/2022	<b>Ending Balance</b>	<b>\$250,941.52</b>

**Interest Summary**

Description	Amount
Annual Percentage Yield Earned	0.01%
Interest Days	29
Interest Earned	\$1.99
Interest Paid This Period	\$1.99
Interest Paid Year-to-Date	\$8.17
Average Ledger Balance	\$250,939.53

**Account Activity**

Post Date	Description	Debits	Credits	Balance
04/01/2022	<b>Beginning Balance</b>			<b>\$250,939.53</b>
04/29/2022	INTEREST		\$1.99	\$250,941.52
04/29/2022	<b>Ending Balance</b>			<b>\$250,941.52</b>

THIS FORM IS PROVIDED TO HELP BALANCE YOUR STATEMENT

HOW TO BALANCE YOUR ACCOUNT

ACCOUNT RECONCILEMENT PRINCIPLES ARE FAIRLY SIMPLE, IT IS NECESSARY TO FIND ITEMS IN YOUR CHECKBOOK WHICH THE BANK HAS NOT YET PROCESSED, AND THOSE ON THE BANK STATEMENT BUT NOT YET IN YOUR CHECKBOOK. TO YOUR CHECKBOOK BALANCE ADD OR SUBTRACT THE OUTSTANDING BANK STATEMENT ITEMS, AND TO THE STATEMENT BALANCE ADD OR SUBTRACT OUTSTANDING CHECKBOOK ITEMS. THE TWO TOTALS SHOULD AGREE.

- 1. SORT CHECKS AND DEPOSITS INTO NUMBER OR DATE ORDER.
2. MARK OFF (✓) EACH ITEM AGAINST YOUR CHECKBOOK. THOSE NOT MARKED WILL BE OUTSTANDING ITEMS. ALSO NOTE ANY BANK OR OTHER CHARGES, OR AUTOMATIC DEPOSITS ON THE STATEMENT, NOT IN YOUR CHECKBOOK.
3. FILL IN THE FOLLOWING FORM FOR EASY RECONCILEMENT.

Form for balancing the checkbook. Includes fields for CHECKBOOK BALANCE, ADD ANY DEPOSITS INCLUDING AUTOMATIC DEPOSITS NOT YET ENTERED IN YOUR CHECKBOOK, SUB-TOTAL, SUBTRACT SERVICE CHARGE, IF SAVINGS TRANSFER ACCOUNT, ADD SAVINGS INTEREST, SUBTRACT ANY AUTOMATIC LOAN PAYMENTS OR OTHER AUTOMATIC CHARGES NOT YET ENTERED IN YOUR CHECKBOOK, and ADJUSTED CHECKBOOK BALANCE.

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

CHECKING BALANCE SHOWN ON THIS STATEMENT IF SAVINGS TRANSFER ACCOUNT ADD SAVINGS BALANCE

ADD DEPOSITS OUTSTANDING NOT YET CREDITED TO YOUR ACCOUNT (INCLUDE ANY AUTOMATIC DEPOSITS EXPECTED, NOT YET CREDITED)

SUB-TOTAL

CHECKS OUTSTANDING WRITTEN BUT NOT YET CHARGED TO YOUR ACCOUNT

Table with 4 columns: CHECK NO., AMOUNT, CHECK NO., AMOUNT. Includes a SUB TOTAL row and a vertical column of dots with a downward arrow.

SUBTRACT TOTAL CHECKS OUTSTANDING

ADJUSTED STATEMENT BALANCE

ADJUSTED STATEMENT BALANCE AND CHECKBOOK BALANCE SHOULD AGREE

To report a lost or stolen ATM or First Interstate Debit Card call 1-888-752-3332 between the hours of 7:30 AM – 6:00 PM Mountain Time. Before or after hours call the Lost or Stolen Service at 1-800-342-6599.

Information for Consumer Checking and Savings Account Customers:

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us or write us at the phone number and/or address on the front of this statement as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or probably appeared.

- (1) Tell us your name and account number (if any).
(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

Information for Balance Plus Overdraft Checking Customers:

BALANCE SUBJECT TO INTEREST RATE

We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances and fees, and subtract unpaid interest or other finance charges and any payments or credits. This gives us the daily balance.

WHAT TO DO IF YOU THINK YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us (on a separate sheet) at the address shown on the front of this statement.

In your letter, give us the following information:

- Account information: Your name and account number.
Dollar amount: The dollar amount of the suspected error.
Description of Problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake you will not have to pay the amount in question or any interest or other fees related to that amount.
While you do not have to pay the amount in question, you are responsible for the remainder of your balance
We can apply any unpaid amount against your credit limit.

# Processing totals for BMS125: County Water District Of Billings Heights (04/27/2022)

From: Billing Document Specialists <bds@billingdoc.com>

Sent: Wed, Apr 27, 2022 at 12:39 pm

To: suzie@heightswaterdistrict.com, peyton@heightswaterdistrict.com, bds@billingdoc.com

---

Processing Totals For BMS125: County Water District Of Billings Heights

Wednesday, April 27, 2022 10:38:37 AM

DATED : 04/27/2022

Number of Page 1's : 6013

Number of Additional: 0

Number Emailed : 113

=====  
Total : 5900

Manual : 0

Selective #9's : 3985

Inserts : 0

Out of Country : 3

ZERO BALANCE : 391

CREDIT BALANCE : 814

MARKED NOT TO MAIL : 365

# Statements From County Water District Of Billings Heights

From: Billing Document Specialists <bds@billingdoc.com>

Sent: Wed, Apr 27, 2022 at 12:38 pm

To: County Water District Of Billings Heights, MISSING\_MAILBOX\_TERMINATOR@.SYNTAX-ERROR., peyton@heightswaterdistrict.com, UNEXPECTED\_DATA\_AFTER\_ADDRESS@.SYNTAX-ERROR.

---

Statements From County Water District Of Billings Heights

Wednesday, April 27, 2022 10:38:29 AM

DATED : 04/27/2022

TOTAL ACCOUNTS RECEIVED : 6013

E-MAIL STATEMENTS THIS TRANSMISSION : 262

STATEMENTS PAID BY RECURRING : 188

505573 /data1/dsk11/031140/uploads/BDSWS04272022103602.txt\_P /data1/dsk11/031140/stmt.txt

**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
1540 Popelka Dr, Billings MT 59105

April 2022

**BANK BALANCES**

FIRST INTERSTATE BANK:

1-1032	GROSS INCOME FUND	333,822.87
2-1034	OPERATIONS & MAINTENANCE FUND	199,981.78
2-1035	PAYROLL RUND	<u>210,513.01</u>
		744,317.66

\*\*\*\*\*

**INVESTMENTS**

2245	FIRST INTERSTATE SAVINGS	250,941.52
2295	STIFEL	8,909,714.37
2247	YELLOWSTONE BANK	219,584.53

\*\*\*\*\*

**PROJECT COSTS**

8920	NONBUDGETED CAPTIAL ASSETS	700,297.06
8930	CAPITAL IMPROVEMENTS	60,806.94
8931	SRF CAPITAL INVESTMENTS	136,688.00



## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

05/06/22

## Profit &amp; Loss YTD Comparison

Accrual Basis

April 2022

	Apr 22	Jul '21 - Apr 22
Ordinary Income/Expense		
Income		
6000 · Uncategorized Income	0.00	200.00
6010 · WATER SALES	0.00	3,706,342.45
6020 · SERVICE LINE FEE	20,915.88	132,581.26
6030 · INTEREST INCOME	0.00	102,732.49
6040 · OTHER INCOME	8,490.08	52,456.16
6050 · HYDRANT RENT	0.00	-160.00
6070 · BUY-IN FEES	46,922.35	306,256.30
<b>Total Income</b>	<b>76,328.31</b>	<b>4,300,408.66</b>
Cost of Goods Sold		
7500 · WATER PURCHASED	2,936,251.80	5,283,763.73
<b>Total COGS</b>	<b>2,936,251.80</b>	<b>5,283,763.73</b>
<b>Gross Profit</b>	<b>-2,859,923.49</b>	<b>-983,355.07</b>
Expense		
66900 · Reconciliation Discrepancies	15,678.56	15,678.56
6999 · Uncategorized Expenses	157.13	157.13
8009 · LABOR		
8010 · LABOR-ADMINISTRATIVE	34,614.00	237,851.98
8011 · LABOR-FIELD	32,598.98	253,893.08
8014 · LABOR-BONUS	2,000.00	12,361.94
<b>Total 8009 · LABOR</b>	<b>69,212.98</b>	<b>504,107.00</b>
8012 · DIRECTORS FEE	1,000.00	9,750.00
8015 · PAYROLL TAXES		
8019 · MEDICARE	1,230.82	7,439.90
8020 · FICA	5,262.88	31,812.01
8021 · STATE UNEMPLOYMENT	965.47	3,004.03
8015 · PAYROLL TAXES - Other	15,699.36	15,783.36
<b>Total 8015 · PAYROLL TAXES</b>	<b>23,158.53</b>	<b>58,039.30</b>
8030 · RET. BENEFITS	7,616.63	46,430.48
8040 · INSURANCE		
8041 · EMPLOYEE INSURANCE	0.00	162,033.26
8043 · BUSINESS INSURANCE	100.00	66,734.00
8044 · WORKERS COMP INSURANCE	938.35	9,354.19
<b>Total 8040 · INSURANCE</b>	<b>1,038.35</b>	<b>238,121.45</b>
8200 · SUPPLIES		
8210 · OFFICE SUPPLIES & EQUIPMENT	993.52	14,576.04
8220 · OPERATING SUPPLIES	1,556.14	4,261.84
8226 · CLOTHING & UNIFORMS	0.00	759.52
8231 · GAS, OIL, FUEL, GREASE	1,142.09	8,907.76
8233 · MACHINERY & EQUIP PARTS, TIRES	277.66	8,417.77
8236 · WATER MAIN AND LINE REPAIR	1,094.65	20,823.15
8241 · CONSUMABLE TOOLS	4.00	1,535.61
8263 · SAFETY SUPPLIES	0.00	462.11
<b>Total 8200 · SUPPLIES</b>	<b>5,068.06</b>	<b>59,743.80</b>
8300 · PURCHASED SERVICES		
8310 · COMMUNICATION AND POSTAGE	1,648.57	19,410.90
8312 · BILLINGS ALARM	0.00	535.70
8313 · ELM-UTILITIES UNDERGROUND	0.00	1,971.18
8320 · PRINTING, FORMS, PRINTING SERVICE	0.00	79.40
8330 · SUBSCRIPTIONS, LEGAL NOTICES	1,455.67	4,738.83
8335 · MEMBERSHIPS & DUES	0.00	2,354.00
8339 · CERTIFICATION RENEWALS	285.00	1,287.48
8341 · ELECTRIC	899.75	36,536.59
8342 · GAS	288.37	2,948.96

**COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**  
**Profit & Loss YTD Comparison**  
**April 2022**

	Apr 22	Jul '21 - Apr 22
8343 · SEWER	61.38	417.23
8344 · TELEPHONE AND INTERNET ACCESS	286.66	4,795.27
8345 · CELL PHONE	0.00	2,363.00
8347 · PERMITS	0.00	2,935.00
8349 · QUALITY TESTING	480.00	5,016.00
8351 · LEGAL FEES	2,739.64	54,124.06
8352 · ACCOUNTING FEES	130.00	15,520.00
8353 · ENGINEERING FEES	14,845.79	258,534.38
8355 · DATA PROCESSING SERVICES	3,600.52	41,082.73
8360 · REPAIR & MAINT. CONTRACT SERVIC	807.30	52,931.75
8363 · METERS REPAIR & MAINTENANCE	0.00	27,699.15
8366 · BUILDING MAINTENANCE	0.00	51,425.49
8380 · TRAINING, TUITION	0.00	286.85
<b>Total 8300 · PURCHASED SERVICES</b>	<b>27,528.65</b>	<b>586,993.95</b>
8400 · BUILDING MATERIALS		
8410 · CONCRETE	0.00	350.00
8450 · GRAVEL,SAND	29.70	1,834.89
8470 · ASPHALT,COLD MIX	741.50	8,429.50
<b>Total 8400 · BUILDING MATERIALS</b>	<b>771.20</b>	<b>10,614.39</b>
8500 · FIXED CHARGES		
8515 · TAXES	0.00	4,188.09
8520 · MISCELLANEOUS	0.00	19.00
8543 · DEQ SERVICE CONNECTION FEE	0.00	11,806.00
<b>Total 8500 · FIXED CHARGES</b>	<b>0.00</b>	<b>16,013.09</b>
8600 · DEBT SERVICES		
8620 · INTEREST	0.00	6,954.42
<b>Total 8600 · DEBT SERVICES</b>	<b>0.00</b>	<b>6,954.42</b>
8800 · OTHER		
8810 · LOSSES (BAD DEBT)	-122.41	367.56
8800 · OTHER - Other	0.00	161.14
<b>Total 8800 · OTHER</b>	<b>-122.41</b>	<b>528.70</b>
<b>Total Expense</b>	<b>151,107.68</b>	<b>1,553,132.27</b>
<b>Net Ordinary Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>
<b>Net Income</b>	<b>-3,011,031.17</b>	<b>-2,536,487.34</b>

## **MAY 2022 MANAGER REPORT**

1. **Jensen Annexation for lot 1 of Cornerstone Meadows Subdivision. 1.08 Acres 47,044.8 SqFt. for a fee of \$10,961.44. Property is along Alexander Road.**
2. **Cherry Island Annexation Lot 2 Block 1 Cherry Creek Estates Subdivision. This is 7.13 acres 310,450 sqft for a fee of \$72,334.85. This extension will loop from Cherry Creep Loop down to Yellowstone River Road and tie into the main on Bitterroot Drive. This will be 40 single family home lots.**
3. **Black Mountain Software Government and Accounting Software. See quote. Demo was everything as advertised and the benefits are worth the cost. They came back on 4/25/22 with new pricing offering software as a service which takes out the purchasing price of the software. The new quote is for \$14,820.00 which is a difference of \$14,141.00 from original quote of \$28,960.00. I strongly recommend that we switch to this for our accounting software. I will obtain implementation schedule when the quote is approved.**
4. **Per discussion with our insurer Payne West today (04/19/22) in reference to the claim opened up on behalf of Larry Brewster on 12/10/2021. The adjuster for Cincinnati called and mentioned there would be no coverage for directors suing each other. We can withdraw the claim and that would keep your account loss free or you can have them send you a denial letter which would show that you filed a claim and would show up as a claim on our policy. I opted to withdraw the claim to keep our claims record clean.**
5. **It looks like we made the cutoff for the ARPA Grant and will be getting the Chlorination Project grant money the CWDBH ranked #78 with a competitive grant request and recommendation of \$520,182. We will await the dust settling before we have final confirmation.**
6. **Northwest Pipe had the low bid is \$22,120.57 for the 23 valves and boxes. The installs will be done in various areas of the district to fill in areas where inadequate valving exists in the system. Requesting board authorization to submit the order.**
7. **Our lawn mower has reached it's end of life and is no longer cost effective to maintain and so we are looking to either purchase a replacement or contract the mowing out to a service. The replacement cost of our existing mower would be about \$9,700. We have a couple alternatives that will do the job between \$4,000 to \$5,300.**
8. **Need the savings and profit sharing plan restatement signed by board president.**



550 S. 24<sup>th</sup> STREET W., SUITE 201, BILLINGS, MT 59102 | 406.894.2210

April 15, 2022

County Water District of Billings Heights  
Attn: Peyton Brookshire  
1540 Popelka Drive  
Billings, MT 59105



**Re: Request for Annexation**

Dear Mr. Brookshire,

This letter is being prepared on behalf of our client, Mr. and Mrs. Jensen, to annex a portion of their property, Lot 1 of Cornerstone Meadows Subdivision into the County Water District of Billings Heights. Below are the items requested for the annexation petition:

1. Property Legal Description: Lot 1 of Cornerstone Meadows Subdivision
2. Property Metes and Boundary Description: Beginning at the Northwest corner of Lot 1 of Cornerstone Meadows Subdivision; thence on the West line of said Lot 1 of Cornerstone Meadows Subdivision, S00° 48'E, a distance of 560 feet; thence S63° 21'E, a distance of 167 feet; thence N90° 00'E, a distance of 81 feet; thence N00° 48'W, a distance of 210 feet; thence N90° 00'W, a distance of 220 feet; thence N00° 48'W, a distance of 420 feet e to a point on the North line of said Lot 1 of Cornerstone Meadows Subdivision; thence along said North line of said Lot 1 of Cornerstone Meadows Subdivision, N64° 14'W, a distance of 11 feet to the Point of Beginning. The annexation area is 1.08 acres.
3. A copy of the original subdivision plat is enclosed.
4. A copy of the preliminary site plan that is being submitted to MDEQ as EQ#06-1120 for the COSA is enclosed.
5. The current zoning of the property is RR-3. The future use of the property will be residential.
6. The buy-in fee will be paid directly by Mr. & Mrs. Jensen.

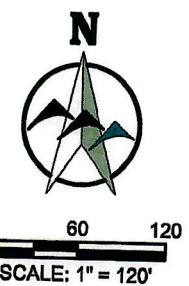
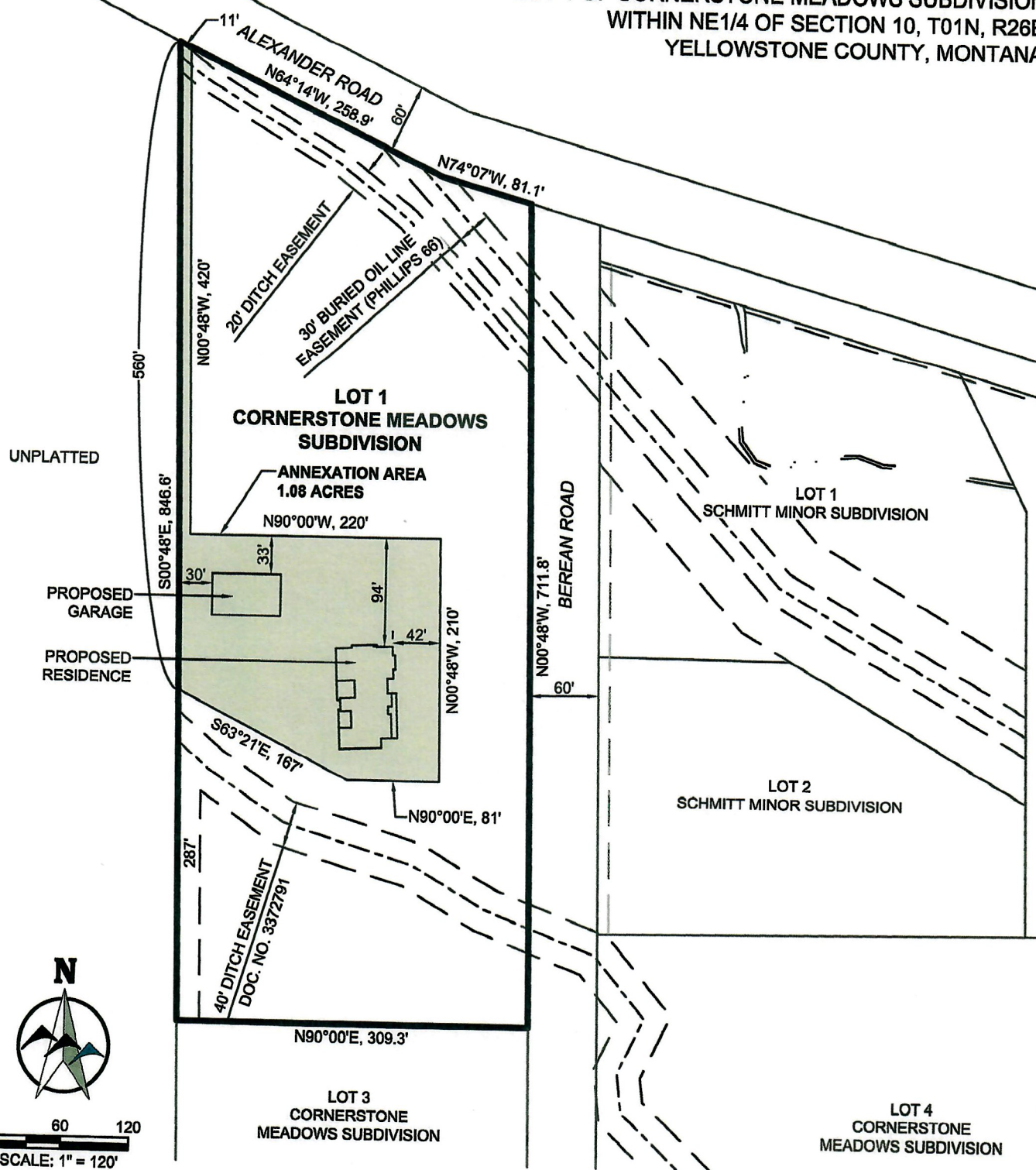
Sincerely,

Aaron Redland  
Project Manager

Cc: Mr. & Mrs. Jensen

# EXHIBIT A

LOT 1 OF CORNERSTONE MEADOWS SUBDIVISION  
 WITHIN NE1/4 OF SECTION 10, T01N, R26E  
 YELLOWSTONE COUNTY, MONTANA



**HEIGHTS WATER ANNEXATION**  
 LOT 1 OF  
 CORNERSTONE MEADOWS SUBDIVISION  
 WITHIN NE1/4 OF SECTION 10, T01N, R26E  
 YELLOWSTONE COUNTY, MONTANA

DSGN	DATE	CKD
AMR	4/2022	JPB
REV	DATE	CKD

PREPARED FOR:  
**MR. & MRS. JENSEN**

**WVC ENGINEERING**  
 550 S. 24TH STREET W, SUITE 201  
 BILLINGS, MT 59102  
 (406) 894-2210

**EXHIBIT**  
 1 OF 1

DIRECTORS  
WYNN PIPPIN, President  
BRANDON HURST, Vice-President  
DONNA DINSMORE  
JAMES E. MILLER  
JON MUESSIG  
ROGER OSTERMILLER  
STEVEN BLOOD



1540 Popelka Drive  
Billings, MT 59105

DUKE NIESKENS  
General Manager  
Phone: 252-0539  
Fax: 252-0518

**PETITION AND REQUEST FOR ANNEXATION OF PROPERTY INTO THE COUNTY WATER DISTRICT OF BILLINGS HEIGHTS**

**WE, the undersigned, owners of the following described real property (the "Owner"), which is contiguous to the County Water District of Billings Heights (the "District"), hereby petition to be annexed into the District pursuant to Montana Code Annotated § 7-13-2341, and on the following terms and conditions:**

**1. Property Description.** This Petition relates to certain real property in Yellowstone County, Montana, more particularly described as follows (the "Property"):

**[SEE ATTACHED EXHIBIT "A"]**

**2. Annexation Submittal Package.** In addition to this Petition, the Owner shall submit the following (the "Submittal Package"):

- A. Complete legal description of the Property, including a metes and bounds description;**
- B. Proposed plat of the Property in letter or legal size.**
- C. Preliminary plans for public improvements to the Property, which must be approved by the District prior to submittal to and approval by the Montana Department of Environmental Quality;**
- D. The zoning and use or intended use of the Property and of the real property immediately adjacent to it; and**
- E. Buy-In Fee.**

**The District will not commence review of the Petition until the complete Submittal Package has been delivered.**

**3. The Petition and Submittal Package should be submitted to the District at 1540 Popelka Drive, Billings, Montana, during regular business hours, which are generally Monday through Friday, between 8:00 a.m. and 5:00 p.m. Upon presentation, the Petition and Submittal Package will be checked for completeness. The District will not be required to review any submitted Petition and Submittal Package which is not complete. Submission of a Petition and the mandatory Submittal Package does not obligate the District to approve the annexation. The Owner understands and agrees that annexation is subject to review and decision by the District, as well as any and all conditions imposed by the District and the applicable provisions of Montana Code Annotated § 7-13-2341.**

4. **Hydraulic Modeling and Analysis.** By filing this Petition and Submittal Package, the Owner understands and agrees that the review process shall include and be subject to hydraulic modeling to be performed by the District's Engineering Firm or by an engineering firm designated by the District. The Owner shall be solely responsible for any and all costs and fees associated with the hydraulic modeling analysis, whether or not the annexation is approved by the District, which shall be paid immediately upon presentation of an invoice for such costs and fees.

5. **Annexation Agreement.** In the event the Petition is approved, prior to and as a condition precedent to annexation the Owner will be required to enter into an Annexation Agreement setting forth the terms and any conditions of annexation. By approval of this Petition and annexation of the Property, the Owner hereby agrees to be bound by the rules, regulations, ordinances, resolutions and conditions of the District, as the same may be amended or adopted from time to time.

6. **Water Main Extension Agreement.** In the event the District, in its discretion, determines that a water main extension is necessary, the Owner shall also be required to execute (and abide by the terms of) a Water Main Extension Agreement.

7. **Buy-In Fees.** All buy-in fees are payable in advance when the Petition is returned to the District Office signed by all landowners.

CLAY JENSEN  
Name, Address and Telephone No.

3030 BERGAN RD.  
Name, Address and Telephone No.

BILLINGS, MT 59105  
Name, Address and Telephone No.

406-855-7478  
Name, Address and Telephone No.

"Owner"

\*NOTE: If property is jointly owned, all owners must sign this Petition.

ALL ITEMS BELOW SHALL BE  
COMPLETED BY THE DISTRICT

Date Submitted: 4-18-2022

Received by: DPB

Petition Number: 00722

Fee Paid: \$ 13,054.43



RESOLUTION NO. 014-22

WHEREAS, the board discussed the Jensen Annexation for lot 1 of Cornerstone Meadows Subdivision. 1.08 Acres 47,044.8 SqFt. for a fee of \$10,961.44.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF

DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

The Board has approved the Petition for Annexation for Lot 1 of Cornerstone Meadows Subdivision within NE 1/4 of Section 10, TO IN, R26E, Yellowstone County, Montana.

PASSED by the Board of Directors of the County Water District of Billings Heights and APPROVED this 1 I<sup>th</sup> day of May, 2022.

COUNTY WATER DISTRICT  
OF BILLINGS HEIGHTS

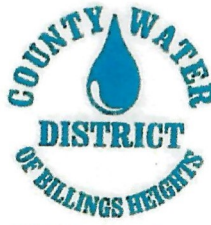
BY :

\_\_\_\_\_  
ITS: President

Attest:

\_\_\_\_\_  
Secretary





1540 Popelka Drive  
Billings, MT 59105

Phone: 252-0539  
Fax: 252-0518

## PETITION REQUEST FOR ANNEXATION INTO THE COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

**WE, the undersigned, owners of the following described real property (the "Owner"), which is contiguous to the County Water District of Billings Heights (the "District"), hereby petition to be annexed into the District pursuant to Montana Code Annotated § 7-13-2341, and on the following terms and conditions:**

**1. Property Description.** This Petition relates to certain real property in Yellowstone County, Montana, more particularly described as follows (the "Property"):

[SEE ATTACHED EXHIBIT "A"]

**2. Annexation Submittal Package.** In addition to this Petition, the Owner shall submit the following (the "Submittal Package"):

- A. Complete legal description of the Property, including a metes and bounds description;**
- B. Proposed plat of the Property in letter or legal size.**
- C. Preliminary plans for public improvements to the Property, which must be approved by the District prior to submittal to and approval by the Montana Department of Environmental Quality;**
- D. The zoning and use or intended use of the Property and of the real property immediately adjacent to it; and**
- E. Buy-In Fee.**

The District will not commence review of the Petition until the complete Submittal Package has been delivered.

**3. The Petition and Submittal Package should be submitted to the District at 1540 Popelka Drive, Billings, Montana, during regular business hours, which are generally Monday through Friday, between 8:00 a.m. and 5:00 p.m. Upon presentation, the Petition and Submittal Package will be checked for completeness. The District will not be required to review any submitted Petition and Submittal Package which is not complete. Submission of a Petition and the mandatory Submittal Package does not obligate the District to approve the annexation. The Owner understands and agrees that annexation is subject to review and decision by the District, as well as any and all conditions imposed by the District and the applicable provisions of Montana Code Annotated § 7-13-2341.**

4. **Hydraulic Modeling and Analysis.** By filing this Petition and Submittal Package, the Owner understands and agrees that the review process shall include and be subject to hydraulic modeling to be performed by the District's Engineering Firm or by an engineering firm designated by the District. The Owner shall be solely responsible for any and all costs and fees associated with the hydraulic modeling analysis, whether or not the annexation is approved by the District, which shall be paid immediately upon presentation of an invoice for such costs and fees.

5. **Annexation Agreement.** In the event the Petition is approved, prior to and as a condition precedent to annexation the Owner will be required to enter into an Annexation Agreement setting forth the terms and any conditions of annexation. By approval of this Petition and annexation of the Property, the Owner hereby agrees to be bound by the rules, regulations, ordinances, resolutions and conditions of the District, as the same may be amended or adopted from time to time.

6. **Water Main Extension Agreement.** In the event the District, in its discretion, determines that a water main extension is necessary, the Owner shall also be required to execute (and abide by the terms of) a Water Main Extension Agreement.

7. **Buy-In Fees.** All buy-in fees are payable in advance when the Petition is returned to the District Office signed by all landowners.

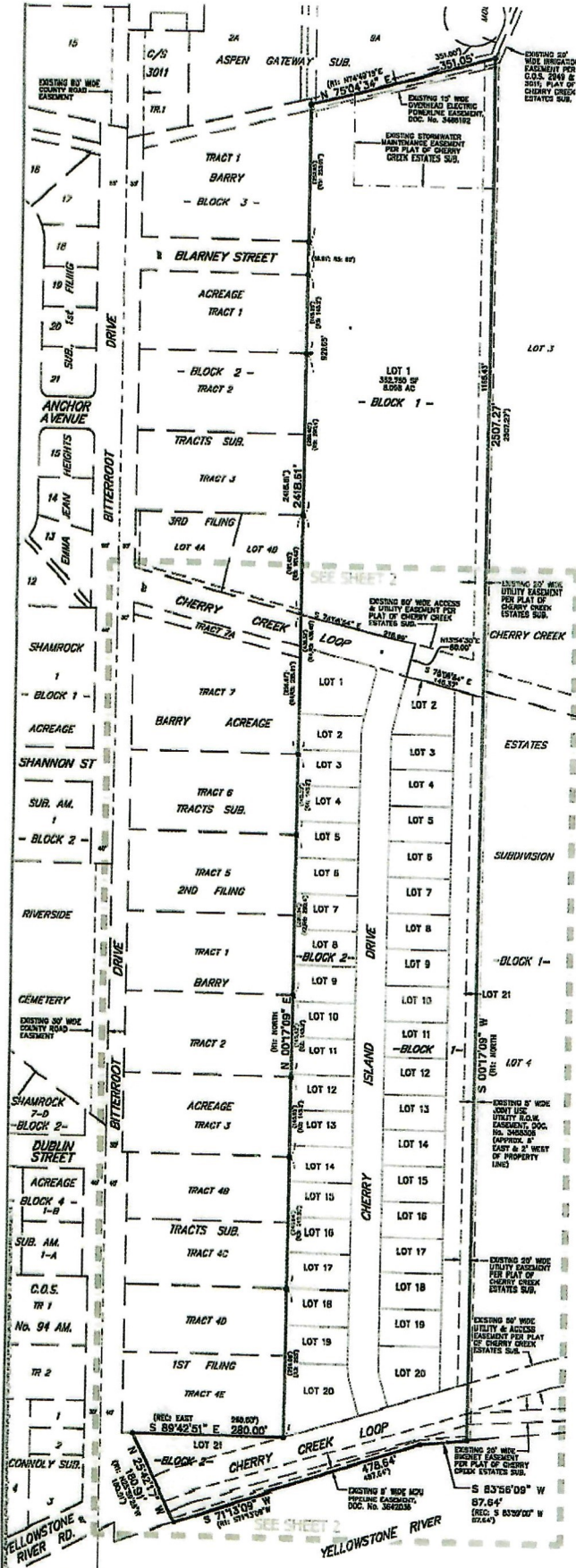
  
JOE K CLAUSE member  
Cherry Island, LLC  
5855 Elysian Road  
Billings, MT 59101

"Owner"

\*NOTE: If property is jointly owned, all owners must sign this Petition.

ALL ITEMS BELOW SHALL BE  
COMPLETED BY THE DISTRICT

Date Submitted: 5/4/22  
Received by: DPB  
Petition Number: 088-22  
Fee Paid: \$ 72,334.85



**NOTICE OF APPROVAL**  
 STATE OF MONTANA )  
 County of Yellowstone ) SS  
 This plot has been approved for filing by the Yellowstone County Board of Planning and conforms to the recommendations of this board.  
 Date \_\_\_\_\_ President \_\_\_\_\_  
 Executive Secretary \_\_\_\_\_

**CERTIFICATE OF CITY COUNCIL APPROVAL**  
 STATE OF MONTANA )  
 County of Yellowstone ) SS  
 We hereby certify that we have examined the annexed and foregoing plat of CHERRY ISLAND SUBDIVISION, and find that said plat conforms with the requirements of the laws of the State of Montana, and the requirements of the Yellowstone County Board of Planning. It is therefore approved and the dedication to public use of any and all lands shown on this plat as being dedicated to such use are accepted.  
 IN WITNESS WHEREOF, we have set our hands and the seal of the CITY OF BILLINGS, MONTANA, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
 City of Billings, Montana  
 By: \_\_\_\_\_ Mayor  
 Attest: \_\_\_\_\_ City Clerk

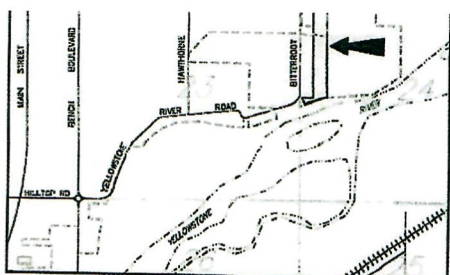
**CERTIFICATE OF CITY ENGINEER'S OFFICE**  
 I hereby certify that the annexed and foregoing plat conforms with Section 78-4-121(1)(a), M.C.A., for the removal of sanitary restrictions since the plot is inside a master planning area and said lots will be provided with municipal facilities for the supply of water and the disposal of sewage and solid waste.  
 IN WITNESS WHEREOF, I have executed this CERTIFICATE OF APPROVAL this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
 City Engineer's Office

**ERRORS AND OMISSIONS REVIEW**  
 I hereby certify that I have examined the annexed and foregoing plat for errors and omissions in computations and drafting and find that said plat conforms with the requirements of the laws of the State of Montana, and that said plat conforms to the existing conditions and plots of the City of Billings already platted or as may be ascertained by permit.  
 Examining Land Surveyor \_\_\_\_\_ Date \_\_\_\_\_

**CERTIFICATE OF CITY ATTORNEY**  
 This document has been reviewed by the City Attorney's office and is acceptable as to form.  
 Date: \_\_\_\_\_  
 Reviewed by: \_\_\_\_\_

**CERTIFICATE OF COUNTY TREASURER**  
 I hereby certify that all real property taxes and special assessments have been paid per 78-3-811(1)(a) / 78-3-207(3), M.C.A.  
 Date: \_\_\_\_\_  
 Yellowstone County Treasurer  
 By: \_\_\_\_\_ Deputy

**SUBDIVISION IMPROVEMENT AGREEMENT**  
 Document No. \_\_\_\_\_  
**CONSENT TO PLATING**  
 Document No. \_\_\_\_\_  
**STORM DRAIN EASEMENT**  
 Document No. \_\_\_\_\_  
**BBWA WASTE DITCH EASEMENT**  
 Document No. \_\_\_\_\_



**VICINITY MAP**  
 NOT TO SCALE

**BASIS OF BEARING:** THE BASIS OF BEARINGS FOR THIS SURVEY HAS BEEN DERIVED FROM GPS OBSERVATIONS AND IS BASED ON A MAGNANETIC CONFORMAL GRID, SINGLE PARALLEL, LOW DISTORTION PROJECTION FOR THE CITY OF BILLINGS, MONTANA, WITH A SCALE FACTOR OF 1.000000. THE GRID IS ORIENTED CONFORMAL TO THE NORTH-SOUTH AXIS OF THE STATE OF MONTANA. THE CONVERGENCE ANGLE IS -00'00". DISTANCES ARE INTERNATIONAL FEET. FOR THIS SURVEY, THE DISTANCE IS ESSENTIALLY EQUAL TO GROUND DISTANCE.  
 FOUND SURVEY MONUMENT, AS NOTED  
 SET 5/8" x 1/4" NEAR W/4 CORNER WITH THE LICENSE NUMBER OF THE UNDERSIGNED LAND SURVEYOR AND "SANDERSON STEWART"  
 RE: RECORD #1 - CHERRY CREEK ESTATES SUB, DOC. #3234814  
 RE: RECORD #2 - BARRY ACRES TRACT SUB, TRACT 1, DOC. #311478  
 RE: RECORD #3 - BARRY ACRES TRACT SUB, TRACT 2, DOC. #311478  
 RE: RECORD #4 - BARRY ACRES TRACT SUB, TRACT 3, DOC. #311478  
 RE: RECORD #5 - BARRY ACRES TRACT SUB, TRACT 4, DOC. #311478  
**NOTE:** ALL CURVES ARE TANGENT AND ALL PROPERTY LINES INTERSECTING CURVES ARE RADIAL UNLESS OTHERWISE NOTED.

**CERTIFICATE OF DEDICATION**  
 STATE OF MONTANA )  
 County of Yellowstone ) SS  
 KNOW ALL MEN BY THESE PRESENTS: That CHERRY ISLAND, LLC, the owner of the following described tract of land, does hereby certify that it has caused to be surveyed, subdivided and platted into lots, blocks and streets as shown on the annexed plat, said tract being situated in the SW 1/4 of Section 24, T. 1 N., R. 20 E., P. 10 M., in the City of Billings, Yellowstone County, Montana, said tract being more particularly described as follows, to-wit:  
 Lot 2 of Block 1 of Cherry Creek Estates Subdivision, according to the official plat on file in the office of the clerk and recorder of Yellowstone County, Montana, under Document No. 3234814.  
 The park requirement for this subdivision has been met by a cash-in-lieu donation in the amount of \$ \_\_\_\_.  
 The undersigned hereby grants unto all utility companies, as such are defined and established by Montana Law, and cable television companies, an easement for the location, maintenance, repair and removal of their lines over, under and across the areas designated on the plat as "UTILITY EASEMENT" to have and hold forever. Said tract to be known and designated as CHERRY ISLAND SUBDIVISION, and the lands plat are hereby granted and donated to the use of the public forever.

CHERRY ISLAND, LLC.  
 By: \_\_\_\_\_ Title: \_\_\_\_\_  
 STATE OF MONTANA )  
 County of Yellowstone ) SS  
 On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned Notary Public for the State of Montana, personally appeared the foregoing instrument, known to me to be the person who signed the foregoing instrument, and acknowledged to me that said person executed the same. Witness my hand and seal the day and year herein above written.  
 Notary Public in and for the State of Montana

**CERTIFICATE OF SURVEYOR**  
 STATE OF MONTANA )  
 County of Yellowstone ) SS  
 The undersigned, a Land Surveyor licensed in the State of Montana, states that during the month of April, 2021, a survey was performed under his supervision of a tract of land to be known as CHERRY ISLAND SUBDIVISION, in accordance with the request of the Platting Act; said subdivision, description of boundaries and dimensions being in accordance with the Certificate of Dedication and as shown on the annexed plat; that the monuments found and set are of the character and occupy the positions shown hereon and that the gross area is 20.195 acres (879,682 SF) and the net area is 16.1614 acres (703,333 SF).  
 SANDERSON STEWART  
 By: \_\_\_\_\_  
 Montana License No. \_\_\_\_\_  
 Date: \_\_\_\_\_



RESOLUTION NO. 015-22

WHEREAS, the board discussed the Cherry Island Annexation Lot 2 Block 1 Cherry Creek Estates Subdivision. This is 7.13 acres 310,450 sqft , 40 single family homes, for a fee of \$72,334.85.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF

DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

The Board has approved the Petition for Annexation for The Board has approved the Petition for Annexation for Cherry Island Subdivision, Lot 2, Block 1, S24, TOI N, R26 E, P.M.M in the City ofBi1 lings, Yellowstone County, Montana.

PASSED by the Board of Directors of the County Water District of Billings Heights and APPROVED this 1 I<sup>th</sup> day of May, 2022.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

BY :

\_\_\_\_\_  
ITS: President

Attest:

\_\_\_\_\_  
Secretary

**SAAS Quote**

04/25/2022

**Billings Heights Water District**  
 Peyton Brookshire  
 1540 Popelka Dr  
 Billings, MT 59105  
 peyton@heightswaterdistrict.com



110 Main Street, Suite 3  
 Polson, MT 59860

Tracy Frank  
 800.353.8829 Option: 3

Product Description	Annual Fees	One-Time Conversion	Total
<b>Accounting</b>	4,290.00	1,720.00	6,010.00
<b>Payroll</b>	3,005.00	985.00	3,990.00
<b>ACH Direct Deposit</b>	250.00		250.00
<b>Budget Preparation</b>	1,720.00		1,720.00
<b>Accounts Receivable</b>	2,145.00	705.00	2,850.00
Subtotals:	<b>\$11,410.00</b>	<b>\$3,410.00</b>	
Grand Total:			<b>\$14,820.00</b>

**Terms**

1. Black Mountain Software (BMS) has made every effort to ensure the information contained within this quote is complete and accurate. However, we reserve the right to correct any error or omission related to price, product description or availability. Please remember that to completely understand this quote, you must consider, in addition to product and prices, the terms and conditions that follow either on this or separate pages.
2. Prices quoted herein do not reflect sale or use taxes imposed by any state or local government, or any unit or subdivision thereof; such taxes are the responsibility of the buyer. Buyer agrees to be responsible for the documentation relating to the payment of such taxes to the maximum extent legally permitted. Black Mountain Software will be responsible for the collection of such taxes and/or the documentation related thereto, only to the extent required by law.
3. Training is included with the installation of each software product. Unless specifically arranged, initial training will be conducted online. After initial training, free online training is always available for you and your staff as part of the Annual service and support fee. Advanced scheduling is required. Except for initial training, hourly charges apply for training physically provided onsite (your offices) or in house (our offices).
4. All costs are based on prices in effect for 60 days from the date of this bid.
5. Annual service and support includes software updates and unlimited phone, email and internet support. The service is renewed annually and is non-refundable. Annual fees are subject to change.
6. If travel is required, actual expenses are billed as follows: When flying, charges include airfare, travel time at \$35 per hour per person, meals at \$60 per day, lodging at local rates, and rental car. When driving, charges include mileage at 58.5¢ per mile, travel time at 45¢ per mile per person, meals at \$60 per day, and lodging at local rates. Alaska and North Dakota may have higher rates.
7. Normal billing procedures for new clients or stand alone applications for current clients require a 25% down payment, billed at commitment, and 75% final payment billed upon completion of installation and initial training of the core products, i.e., Accounting, Payroll or Utility Billing. Add on applications for current clients are billed for full purchase price only at commitment and service and support begins upon completion of installation and/or training. All billing will commence in full for all products after one year from commitment unless other arrangements have been made.
8. All of our software products are multi-user, with an unlimited number of licenses (seats). In addition, 'Read Only' access is available to limit data changes for specified users, while still providing lookup and printing capabilities.

**Ron Edwards** <ron@wsd363.com>

8:42 AM (4  
hours ago)

to Terry, me

Hi Pam,

We have been using water smart for about a year now. We also use Black Mountain for our billing and quickbooks for our books. We also use Invoice Cloud for our auto pay and credit card payments platform. We have the same issue that you have with black mountain not integrating into quickbooks.

We have been happy with our system and our customers seem to like it as well. We have a fixed based AMI water system that gives us hour reads on our water meters. The water usage data gets pushed into the Watersmart Platform. And the billing data gets pushed into it as well. This allows our customers to see their water usage and the bill amount in real time. They can pay the bill online with credit card or setup auto payments. As far as costs I have cc'ed our finance officer, Terry Smith who will look this up and send you more information about that.

Ron Edwards  
General Manager  
Big Sky County Water & Sewer District No. 363  
PO Box 160670  
561 Little Coyote Road  
Big Sky, MT 59716  
406.995.2660 (O)  
406.995.3053 (F)  
[www.bigskywatersewer.com](http://www.bigskywatersewer.com)

Pam,

Bigfork uses Black Mountain billing, accounting and payroll. I switched to Black Mountain billing around 2005, and to Black Mountain accounting in 2011 from Quickbooks. We also have email bills, the ACH module, service orders, and very importantly, Cash Receipting. CR has enough features that it has helped us avoid the audit findings for lack of separation of duties. It almost works like an additional office staff member. I know it is expensive, but the integration between the programs makes the office work much better with fewer entry errors switching between programs. We took on Woods Bay Water management a year and a half ago. Woods Bay only has 265 customers and is still on Quickbooks accounting. It makes me remember how cumbersome it is for government accounting and reporting. If you switch, paying Black Mountain to transfer data is well worth the money. I tried doing it on my own and ended up getting them to help.

*Julie Spencer*

*District Manager  
Bigfork Water & Sewer District  
(406) 837-4566*

**Stefeni Freese**

Tue, Apr 12, 4:52 PM  
(20 hours ago)

to me

Black Mountain Software is very good software for governments whereas QuickBooks is not built for fund accounting. Having said that, you don't really use fund accounting. We did run into some trouble matching deposits into Quickbooks with the billing and collection software. Would Black Mountain also handle the billing? If so, the matching of the billing with the payment collection would be a lot better internal controls for financial reporting. That is a lot more money though, so you have to weigh the cost/benefits.

With Black Mountain, CPA's can also log right into their software if allowed by the client for audit purposes. We do that on a number of clients that use it.

**Stefeni Freese**

Tue, Apr 12, 5:51 PM  
(19 hours ago)

to me

Looks like Black Mountain and QuickBooks are what has been used.



RESOLUTION NO. 016-22

WHEREAS, the board discussed the purchase of service for Black Mountain Software  
Total \$14,820.00

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF

DIRECTORS of the County Water District of Billings Heights, Yellowstone County,  
Montana as follows:

The Board has approved the Purchase of Service for Black Mountain Software.

PASSED by the Board of Directors of the County Water District of Billings Heights  
and APPROVED this 1 I<sup>th</sup> day of May, 2022.

COUNTY WATER DISTRICT  
OF BILLINGS HEIGHTS

BY :

\_\_\_\_\_  
ITS: President

Attest:

\_\_\_\_\_  
Secretary



# NORTHWEST PIPE FITTINGS, INC.

*Servicing Montana and Wyoming Since 1957*

Wholesale Plumbing, Heating, Water Works, Industrial Supplies, **SERVICE** with our own trucks



1725 MAJESTIC LANE  
P. O. BOX 1258  
BILLINGS, MT 59103  
PHONE (406) 252-0142  
FAX (406) 248-8072

1901 MEADOWLARK  
P. O. BOX 4163  
BUTTE, MT 59701  
PHONE (406) 494-2120  
FAX (406) 494-3767

404 17TH AVENUE N.E.  
GREAT FALLS, MT 59404  
PHONE (406) 727-9843  
FAX (406) 454-1743

1780 MT HWY 35 EAST  
KALISPELL, MT 59904  
PHONE (406) 752-6562  
FAX (406) 752-6553

360 FLOSS FLATS RD  
BELGRADE, MT 59714  
PHONE (406) 388-2045  
FAX (406) 388-2093

34930 HWY 23  
SIDNEY, MT 59270  
PHONE (406) 630-5120  
FAX (406) 630-5125

**NOT FOR SHIPPING  
MATERIAL MAY NOT BE SHIPPED  
FROM THIS DOCUMENT**

**PICK LIST / QUOTATION FORM**

**QUOTE NO. 397782**

QUOTE TO

11294

CNTY WATER DIST OF BILLINGS HEIGHTS  
1540 POPELKA DR  
BILLINGS, MT 59105

QUOTE DATE	TO DATE	JOB REFERENCE	FOB	TERMS	PREPARED BY
04/07/22	05/07/22	VALVES	BILLINGS	NET 30	PAUL MACCATHERINE

**(001) VALVES**

PART#	QTY	DESCRIPTION	UNIT	PRICE	EXT. PRICE
1781600	23	6860-DD HD 3-PC VALVE BOX COMPLETE W/BASE - IMPORT	EACH	\$163.75	\$3,766.25
2130610	20	8901 6" PUSH-ON GATE VALVE OL L/GASKETS	EACH	\$734.66	\$14,693.20
2130615	3	8901 8" PUSH-ON GATE VALVE OL L/GASKETS	EACH	\$1,116.16	\$3,348.48
1881820	40	6" TYTON JOINT GASKET	EA	\$6.64	\$265.60
1881822	6	8" TYTON JOINT GASKET	EA	\$7.84	\$47.04

**Segment Total \$22,120.57**

We are pleased to quote you on the above material  
All quotes are subject to Northwest Pipe Fittings "Terms of Sale"  
Quoted prices are subject to change after the "TO DATE" above.

<b>Segments Total</b>	\$22,120.57
<b>Tax Total</b>	\$0.00
<b>Quotation Total</b>	\$22,120.57

# NORTHWEST PIPE FITTINGS, INC.

*Servicing Montana and Wyoming Since 1957*

Wholesale Plumbing, Heating, Water Works, Industrial Supplies, **SERVICE** with our own trucks



1725 MAJESTIC LANE  
P. O. BOX 1258  
BILLINGS, MT 59103  
PHONE (406) 252-0142  
FAX (406) 248-8072

1901 MEADOWLARK  
P. O. BOX 4163  
BUTTE, MT 59701  
PHONE (406) 494-2120  
FAX (406) 494-3767

404 17TH AVENUE N.E.  
GREAT FALLS, MT 59404  
PHONE (406) 727-9843  
FAX (406) 454-1743

1780 MT HWY 35 EAST  
KALISPELL, MT 59904  
PHONE (406) 752-6562  
FAX (406) 752-6553

360 FLOSS FLATS RD  
BELGRADE, MT 59714  
PHONE (406) 388-2045  
FAX (406) 388-2093

34930 HWY 23  
SIDNEY, MT 59270  
PHONE (406) 630-5120  
FAX (406) 630-5125

**NOT FOR SHIPPING  
MATERIAL MAY NOT BE SHIPPED  
FROM THIS DOCUMENT**

**PICK LIST / QUOTATION FORM**

**QUOTE NO. 397782**

QUOTE TO

11294

CNTY WATER DIST OF BILLINGS HEIGHTS  
1540 POPELKA DR  
BILLINGS, MT 59105

QUOTE DATE	TO DATE	JOB REFERENCE	FOB	TERMS	PREPARED BY
04/07/22	05/07/22	VALVES	BILLINGS	NET 30	PAUL MACCATHERINE

**(001) VALVES**

PART#	QTY	DESCRIPTION	UNIT	PRICE	EXT. PRICE
1781600	23	6860-DD HD 3-PC VALVE BOX COMPLETE W/BASE - IMPORT	EACH	\$163.75	\$3,766.25
2130610	20	8901 6" PUSH-ON GATE VALVE OL L/GASKETS	EACH	\$734.66	\$14,693.20
2130615	3	8901 8" PUSH-ON GATE VALVE OL L/GASKETS	EACH	\$1,116.16	\$3,348.48
1881820	40	6" TYTON JOINT GASKET	EA	\$6.64	\$265.60
1881822	6	8" TYTON JOINT GASKET	EA	\$7.84	\$47.04
<b>Segment Total</b>					<b>\$22,120.57</b>

We are pleased to quote you on the above material  
All quotes are subject to Northwest Pipe Fittings "Terms of Sale"  
Quoted prices are subject to change after the "TO DATE" above.

<b>Segments Total</b>	\$22,120.57
<b>Tax Total</b>	\$0.00
<b>Quotation Total</b>	<b>\$22,120.57</b>



RESOLUTION NO. 017-22

WHEREAS, the board discussed the Cherry Island Annexation Lot 2 Block 1 Cherry Creek Estates Subdivision. This is 7.13 acres 310,450 sqft , 40 single family homes, for a fee of \$72,334.85.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF

DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

The Board has approved the Petition for Annexation for The Board has approved the Petition for Annexation for Cherry Island Subdivision, Lot 2, Block 1, S24, TOI N, R26 E, P.M.M in the City ofBi1 lings, Yellowstone County, Montana.

PASSED by the Board of Directors of the County Water District of Billings Heights and APPROVED this 1 I<sup>th</sup> day of May, 2022.

COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

BY :

\_\_\_\_\_  
ITS: President

Attest:

\_\_\_\_\_  
Secretary

**BASIC PLAN DOCUMENT #01**

Copyright © 2002-2020  
CCH Incorporated, DBA ftwilliam.com  
All Rights Reserved.

*Prepared by:*  
Randall & Hurley, Inc.

**WASHINGTON OFFICE**  
1328 N Whitman Lane  
Liberty Lake, WA 99019

**MONTANA OFFICE**  
828 Great Northern Blvd  
Helena, MT 59601

[www.randall-hurley.com](http://www.randall-hurley.com)

**PREPARED BY RANDALL & HURLEY, INC.**

**TABLE OF CONTENTS**

ARTICLE 1. INTRODUCTION.....	1
Section 1.01 Plan.....	1
Section 1.02 Application of Plan.....	1
ARTICLE 2. DEFINITIONS .....	2
ARTICLE 3. PARTICIPATION.....	20
Section 3.01 Elective Deferrals and Voluntary Contributions .....	20
Section 3.02 Matching Contributions.....	20
Section 3.03 Employer Contributions .....	20
Section 3.04 Transfers .....	20
Section 3.05 Termination and Rehires .....	20
Section 3.06 Limitations on Exclusions .....	21
Section 3.07 Procedures for Admission .....	21
Section 3.08 Participants Receiving Differential Military Pay .....	21
ARTICLE 4. CONTRIBUTIONS .....	23
Section 4.01 Elective Deferrals and Voluntary Contributions .....	23
Section 4.02 Matching Contributions.....	25
Section 4.03 Employer Contributions .....	27
Section 4.04 Safe Harbor Contributions and Qualified Non-Elective/Matching Contributions .....	29
Section 4.05 Prevailing Wage Contributions .....	32
Section 4.06 Rollover Contributions .....	33
Section 4.07 Transfers .....	34
Section 4.08 Military Service .....	35
Section 4.09 Timing of Contributions .....	35
Section 4.10 Arrangements Adopted by More Than One Employer.....	35
Section 4.11 SIMPLE 401(k) Provisions .....	37
Section 4.12 Deemed IRAs.....	40
ARTICLE 5. LIMITATIONS ON CONTRIBUTIONS.....	41
Section 5.01 Annual Limitation on Elective Deferrals.....	41
Section 5.02 Nondiscrimination.....	42
Section 5.03 Special Rules .....	44
Section 5.04 Correction of Discriminatory Contributions .....	46
Section 5.05 Maximum Amount of Annual Additions.....	48
ARTICLE 6. VESTING .....	50
Section 6.01 Participant Contributions .....	50
Section 6.02 Employer Contributions .....	50
Section 6.03 Forfeitures .....	51
ARTICLE 7. DISTRIBUTIONS .....	53
Section 7.01 Commencement of Distributions .....	53
Section 7.02 Timing and Form of Distributions.....	53
Section 7.03 Force-Out of Small Balances.....	55
Section 7.04 Beneficiary .....	56
Section 7.05 Minimum Distribution Requirements.....	57
Section 7.06 Direct Rollovers .....	62
Section 7.07 Minor or Legally Incompetent Payee .....	63
Section 7.08 Missing Payee.....	64
Section 7.09 Distributions Upon Termination of Plan .....	64
Section 7.10 Joint and Survivor Annuities.....	64
ARTICLE 8. IN-SERVICE DISTRIBUTIONS AND LOANS .....	67
Section 8.01 Hardship.....	67
Section 8.02 Specified Age, Specified Age and Service .....	69
Section 8.03 Other Withdrawals.....	69
Section 8.04 Transfer Account.....	69
Section 8.05 Rules Regarding In-Service Distributions.....	70

Section 8.06 Loans ..... 70

ARTICLE 9. INVESTMENT AND TRUST VALUATION ..... 73

    Section 9.01 Investment of Assets ..... 73

    Section 9.02 Participant Self-Direction ..... 73

    Section 9.03 Individual Accounts ..... 74

    Section 9.04 Qualifying Employer Investments ..... 74

    Section 9.05 Allocation of Earnings and Losses ..... 75

    Section 9.06 Voting Rights ..... 76

    Section 9.07 Life Insurance ..... 76

    Section 9.08 Qualifying Longevity Annuity Contract (QLAC) ..... 77

ARTICLE 10. SPECIAL TOP-HEAVY RULES ..... 79

    Section 10.01 Top-Heavy Status ..... 79

    Section 10.02 Minimum Allocations ..... 79

    Section 10.03 Minimum Vesting ..... 81

ARTICLE 11. PLAN ADMINISTRATION ..... 82

    Section 11.01 Plan Administrator ..... 82

    Section 11.02 Investment Fiduciary ..... 83

    Section 11.03 Compensation of Plan Administrator and Investment Fiduciary ..... 84

    Section 11.04 Plan Expenses ..... 84

    Section 11.05 Allocation of Fiduciary Responsibility ..... 84

    Section 11.06 Indemnification ..... 84

    Section 11.07 Claims Procedure ..... 85

    Section 11.08 Written Communication ..... 86

ARTICLE 12. AMENDMENT, MERGER AND TERMINATION ..... 87

    Section 12.01 Amendment ..... 87

    Section 12.02 Merger and Transfer ..... 89

    Section 12.03 Termination ..... 89

ARTICLE 13. MISCELLANEOUS ..... 90

    Section 13.01 Nonalienation of Benefits ..... 90

    Section 13.02 Rights of Alternate Payees ..... 90

    Section 13.03 No Right to Employment ..... 91

    Section 13.04 No Right to Trust Assets ..... 91

    Section 13.05 Governing Law ..... 91

    Section 13.06 Severability of Provisions ..... 92

    Section 13.07 Headings and Captions ..... 92

    Section 13.08 Gender and Number ..... 92

    Section 13.09 Disaster Relief ..... 92

    Section 13.10 Exclusive Benefit ..... 93

    Section 13.11 Return of Contributions ..... 93

QUALIFIED PLANS' DISASTER RELIEF INTERIM AMENDMENT ..... 94

**ARTICLE 1 INTRODUCTION**Section 1.01     PLAN

This document ("Basic Plan Document") and its related Adoption Agreement are intended to qualify as a tax-exempt "Plan" under Code sections 401(a).

Section 1.02     APPLICATION OF PLAN

Except as otherwise specifically provided herein, the provisions of this Plan shall apply to those individuals who are Eligible Employees of the Employer on or after the Effective Date. Except as otherwise specifically provided for herein, the rights and benefits, if any, of former Eligible Employees of the Employer whose employment terminated prior to the Effective Date, shall be determined under the provisions of the Plan, as in effect from time to time prior to that date.

**ARTICLE 2 DEFINITIONS**

"Account" means the balance of a Participant's interest in the Trust as of the applicable date as adjusted pursuant to Article 9. "Account" or "Accounts" shall include to the extent provided in the Adoption Agreement, an Elective Deferral Account, Pre-tax Elective Deferral Account, Roth Elective Deferral Account, Matching Contribution Account (and a Qualified Matching Contribution Account, if necessary), Non-Elective Contribution Account, Pension Contribution Account, Voluntary Contribution Account, Rollover Contribution Account, Qualified Non-Elective Contribution Account, Transfer Account, In-Plan Roth Rollover Account and such other Account(s) or subaccount(s) as the Plan Administrator, in its discretion, deems appropriate.

"Actual Contribution Ratio" means the ratio (expressed as a percentage) of Matching Contributions and Voluntary Contributions for a Participant for the Plan Year to the Participant's Section 414(s) Compensation for such year.

A Matching Contribution shall be considered "for the Plan Year" only if (a) it is made on account of the Participant's Elective Deferral/Voluntary Contribution for that Plan Year, (b) it is allocated to his Matching Contribution Account during such Plan Year, and (c) it is paid to the Trust by the last day of the 12th month after the end of such Plan Year.

Voluntary Contributions are considered to have been made in the Plan Year in which contributed to the Trust. For purposes of the preceding sentence, an amount withheld from an Employee's pay (or a payment by the Employee to an agent of the Plan) is treated as contributed at the time of such withholding (or payment) if the funds paid are transmitted to the Trust within a reasonable period after the withholding (or payment). For purposes of determining the Actual Contribution Ratio, Elective Deferrals recharacterized pursuant to Section 5.04 shall be treated as a Voluntary Contribution.

Elective Deferrals, Qualified Non-Elective Contributions and Qualified Matching Contributions shall be counted in the Actual Contribution Ratio only if they meet the requirements of Section 5.03(b). The Actual Contribution Ratio of a Participant who does not receive a Matching Contribution or make a Voluntary Contribution shall be zero.

Notwithstanding the foregoing, if the Plan is automatically deemed to meet the nondiscrimination requirements of Section 5.02 with respect to Matching Contributions, the Actual Contribution Ratio shall be determined solely with respect to Voluntary Contributions. A Participant's Actual Contribution Ratio shall not include: (a) contributions treated as disproportionate within the meaning of Section 5.03(f); (b) additional contributions made pursuant to Code section 414(u) by reason of a Participant's Qualified Military Service for the Plan Year for which the contributions are made, or for any other Plan Year; or (c) Matching Contributions that are forfeited either to correct excess aggregate contributions or because the contributions to which they relate are excess deferrals, excess contributions, or excess aggregate contributions.

"Actual Deferral Ratio" means the ratio (expressed as a percentage) of Elective Deferrals made on behalf of a Participant for the Plan Year to the Participant's Section 414(s) Compensation for that year.

An Elective Deferral shall be considered "for the Plan Year" only if the Elective Deferral is allocated to the Participant's Account under the Plan as of a date within that year. For purposes of this rule, an Elective Deferral is considered allocated as of a date within a year only if: (a) the allocation is not contingent on the Participant's participation in the Plan or performance of services on any date subsequent to that date; (b) the Elective Deferral is actually paid to the Trust no later than the end of the 12-month period immediately following the year to which the contribution relates;



and (c) the Elective Deferral relates to Plan Compensation that would have been received by the Participant in the year but for the Participant's election to defer under the arrangement. Qualified Non-Elective Contributions and Qualified Matching Contributions shall be counted in the Actual Deferral Ratio only if they meet the requirements of Section 5.03(b).

The Actual Deferral Ratio of a Participant who is eligible but does not make an Elective Deferral and, if applicable, who does not receive an allocation of Qualified Non-Elective Contributions and Qualified Matching Contributions shall be zero. A Participant's Actual Deferral Ratio shall not include: (a) contributions treated as disproportionate within the meaning of Section 5.03(f); (b) a Nonhighly Compensated Employee's Excess Elective Deferrals; (c) Elective Deferrals treated as Catch-up Contributions for the Plan Year for which the contributions were made or for any other Plan Year; (d) additional Elective Deferrals made pursuant to Code section 414(u) by reason of a Participant's Qualified Military Service for the Plan Year for which the contributions are made, or for any other Plan Year; or (e) to the extent necessary to demonstrate satisfaction of the requirement of Treas. Reg. section 1.401(m)-2(a)(6)(ii), Elective Deferrals taken into account for the Actual Contribution Percentage (ACP) test under Treas. Reg. section 1.401(m)-2(a)(6).

"Adoption Agreement" means the document executed in conjunction with this Basic Plan Document that contains the optional features selected by the Plan Sponsor.

"Alternate Payee" means the person entitled to receive payment of benefits under the Plan pursuant to a Qualified Domestic Relations Order.

"Annual Addition" means the sum of the following amounts credited to a Participant's Account for the Limitation Year:

(a) Employer contributions allocated to a Participant's Account, including Elective Deferrals, Matching Contributions, Non-Elective Contributions, Pension Contributions and Qualified Non-Elective Contributions. Employer contributions shall also include Excess Elective Deferrals, unless such amounts are distributed no later than the first April 15 following the close of the Participant's taxable year;

(b) Voluntary Contributions;

(c) forfeitures;

(d) amounts allocated to an individual medical account, as defined in Code section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer;

(e) amounts derived from contributions paid or accrued 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 fund, as defined in Code section 419(e), maintained by the Employer; and

(f) allocations under a simplified employee pension plan.

Notwithstanding the foregoing, an Annual Addition shall not include a restorative payment within the meaning of IRS Revenue Ruling 2002-45 and any superseding guidance.

"Annuity Starting Date" means the first day of the first period for which an amount is paid as an annuity or any other form.

"Average Contribution Percentage" means the average (expressed as a percentage) of the Actual Contribution Ratios of the Participants in a specified group.

"Average Deferral Percentage" means the average (expressed as a percentage) of the Actual Deferral Ratios of the Participants in a specified group.

"Beneficiary" means the person(s) entitled to receive benefits, under Section 7.04 of the Plan, upon the Participant's death.

"Board" means the governing body of the Plan Sponsor. If the Plan Sponsor is a sole proprietorship, the Board means the sole proprietor.

"Catch-up Contribution" means the contribution described in Section 5.01(d).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the committee that may be appointed by the Plan Sponsor pursuant to Section 11.01 to serve as Plan Administrator.

"Determination Date" means the last day of the preceding Plan Year. Notwithstanding the foregoing, the Determination Date for the first Plan Year shall be the last day of such year.

"Disabled" or "Disability" shall have the meaning specified in the Adoption Agreement. The determination of Disability shall be made by the Plan Administrator.

"Early Retirement Age" shall have the meaning set forth in the Adoption Agreement.

"Early Retirement Date" shall have the meaning set forth in the Adoption Agreement.

"Earned Income" means the net earnings from self-employment in the trade or business with respect to which the Plan is established, for which personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions by the Employer to a qualified plan to the extent deductible under Code section 404. Net earnings shall be determined with regard to the deduction allowed to the taxpayer by Code section 164(f).

"Effective Date" shall have the meaning set forth in Section A.3 of the Adoption Agreement except as otherwise specified in the Plan or Adoption Agreement.

"Elapsed Time Method" means a service crediting method whereby an Employee is credited for an aggregate of all time periods (without regard to hours worked) beginning on the Employee's date of hire (or rehire, as applicable) and ending on the date that a break in service begins in accordance with Treas. Reg. section 1.410(a)-7. Under the Elapsed Time Method, an Employee's service is credited for any period of severance that is less than 12 consecutive months.

"Elective Deferral" means an Employee contribution made to the Plan as a Pre-tax Elective Deferral or a Roth Elective Deferral pursuant to Article 4 of the Plan.

"Elective Deferral Account" means so much of a Participant's Account as consists of a Participant's Elective Deferrals (and corresponding earnings) made to the Plan. Except as expressly provided elsewhere in the Plan, the Elective Deferral Account shall also include Catch-up Contributions described in Section 5.01 of the Plan.

"Eligibility Computation Period" means a consecutive 12-month period beginning with an Employee's Employment Commencement Date and each anniversary thereof. Notwithstanding the foregoing, if the Adoption Agreement provides that the Eligibility Computation Period switches to the Plan Year his succeeding Eligibility Computation Period for such purpose will switch to the Plan Year, beginning with the Plan Year that includes the first anniversary of his Employment Commencement Date. If the Eligibility Computation Period switches to the Plan Year, an Employee who is credited with a Year of Eligibility Service in both the initial Eligibility Computation Period and the first Plan Year which commences prior to the first anniversary of the Employee's initial Eligibility Computation Period will be credited with two Years of Eligibility Service.

"Eligible Employee" means any Employee employed by the Employer, subject to the modifications and exclusions described in the Adoption Agreement.

If the Adoption Agreement provides that the Plan is not a standardized plan and if an individual is subsequently reclassified as, or determined to be, an Employee by a court, the Internal Revenue Service or any other governmental agency or authority, or if the Employer is required to reclassify such individual as an Employee as a result of such reclassification or determination (including any reclassification by the Employer in settlement of any claim or action relating to such individual's employment status), such individual shall not become an Eligible Employee by reason of such reclassification or determination.

If the Adoption Agreement provides that the Plan is not a standardized plan, an individual who becomes employed by the Employer in a transaction between the Employer and another entity that is a stock or asset acquisition, merger, or other similar transaction involving a change in the employer of the employees of the trade or business shall not become eligible to participate in the Plan until the Plan Sponsor specifically authorizes such participation.

If the Adoption Agreement provides that the Plan is a standardized plan, an individual who becomes employed by the Employer in a transaction between the Employer and another entity that is a stock or asset acquisition, merger, or other similar transaction involving a change in the employer of the employees of the trade or business shall not become eligible to participate in the Plan until after the end of the Plan Year following the Plan Year in which the transaction occurs unless the Plan Sponsor specifically authorizes such participation prior to the end of such period.

"Employee" means any individual who is employed by the Employer, including a Self-Employed Individual. The term "Employee" includes any Leased Employee of the Employer. If the Adoption Agreement provides that the Plan is not a standardized plan, no Leased Employee may become a Participant hereunder unless he becomes an Eligible Employee. The term "Employee" shall not include a person who is classified by the Employer as an independent contractor or a person (other than a Self-Employed Individual) who is not treated as an employee for purposes of withholding federal employment taxes.

"Employer" means the Plan Sponsor and any other entity that has adopted the Plan with the approval of the Plan Sponsor or any other entity required to be aggregated with the Employer under Code sections 414(b), (c), (m) or (o) and the regulations thereunder. In identifying "Employer" for purposes of Section 5.05, the definition in Code sections 414(b) and (c) shall be modified as provided in Code section 415(h).

"Employment Commencement Date" means the first date on which the Eligible Employee performs an Hour of Service.

"ERISA" means the Employee Retirement Income Security Act of 1974, all amendments thereto and all federal regulations promulgated pursuant thereto.

"Excess Compensation" means the amount by which an Eligible Employee's Plan Compensation for a Plan Year exceeds the integration level described in the Adoption Agreement.

"Excess Elective Deferral" means Elective Deferrals made in excess of the limit described in Section 5.01.

"Final Paycheck Pay" means compensation paid by the later of: (a) 2-1/2 months after an Employee's severance from employment with the Employer or (b) the end of the Limitation Year that includes the date of the Employee's severance from employment with the Employer if: (1) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (e.g., overtime or shift differential), commissions, bonuses, or other similar payments; and (2) the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

"Highly Compensated Employee" means any Employee who during the Plan Year performs services for the Employer and who:

- (a) was a More Than 5% Owner at any time during the Plan Year or the preceding Plan Year; or
- (b) during the preceding Plan Year (the Adoption Agreement may provide that the foregoing determination may be made with respect to the calendar year beginning with or within the preceding Plan Year) received Statutory Compensation in excess of the Code section 414(q)(1) amount (\$80,000 as adjusted) and, if provided in the Adoption Agreement, was a member of the top paid group of Employees within the meaning of Code section 414(q)(3).

The determination of who is a Highly Compensated Employee will be made in accordance with Code section 414(q) and the regulations thereunder to the extent they are not inconsistent with the method established above.

The term Highly Compensated Employee also includes a former Employee who was a Highly Compensated Employee when he separated from service or at any time after attaining age 55.

"Hour of Service" means:

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed.
- (b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period).
- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). These hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.

Hours under this definition will be calculated and credited pursuant to DOL Reg. section 2530.200b-2 and any superseding guidance which is incorporated herein by this reference.

Solely for purposes of determining whether a One-Year Break in Service has occurred, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, eight (8) Hours of Service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of a birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement. The Hours of Service credited under this paragraph shall be credited (a) in the computation period in which the absence begins if the crediting is necessary to prevent a break in service in that period, or (b) in all other cases, in the following computation period.

If the Employer is a member of an affiliated service group (under Code section 414(m)), a controlled group of corporations (under Code section 414(b)), a group of trades or businesses under common control (under Code section 414(c)) or any other entity required to be aggregated with the Employer pursuant to Code section 414(o), service will be credited for any employment with such groups during the time the Employer is a member of the applicable group. Service will also be credited for any individual considered an Employee for purposes of this Plan under Code sections 414(n) or 414(o).

If the Employer maintains the plan of a predecessor employer, service with such employer will be treated as service for the Employer.

Service with respect to Qualified Military Service shall be credited in accordance with Code section 414(u) and service shall also be determined to the extent required by the Family and Medical Leave Act of 1993.

Notwithstanding the foregoing, for determining service under the Elapsed Time Method, an Hour of Service means each hour for which an Employee is paid or entitled to payment for the performance of duties for the Employer.

"Initial Period" means the period which commences when a Participant has an automatic contribution made pursuant to a Qualified Automatic Contribution Arrangement. The period may end on the last day of the first Plan Year that begins after the date of initial participation, or an earlier date determined at the Plan Administrator's discretion as long as the automatic enrollment amounts meet the minimum percentage requirements provided under Treas. Reg. section 1.401(k)-3(j)(2) for the applicable Plan Year.

"In-Plan Roth Rollover" means an Employee contribution made to the Plan as a rollover from another Account in the Plan pursuant to Section 4.06(c).

"In-Plan Roth Rollover Account" means so much of a Participant's Account as consists of a Participant's In-Plan Roth Rollover contributions (and corresponding earnings) made to the Plan.

"Investment Fiduciary" means the person(s) designated in the Adoption Agreement. The fiduciary shall be subject to standards of conduct as prescribed under ERISA.

"Investment Funds" means the funds in which the Trust is invested.

"Investment Manager" means an investment manager as described in section 3(38) of ERISA.

"Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date is an officer of the Employer having an annual Statutory Compensation greater than \$130,000 (as adjusted under Code section 416(i)(1)), a More Than 5% Owner of the Employer, or a 1% owner of the Employer having Statutory Compensation of more than \$150,000. The determination of who is a Key Employee will be made in accordance with Code section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

"Leased Employee" means any person (other than an Employee of the Employer) who, pursuant to an agreement between the Employer and any other person ("leasing organization"), has performed services for the Employer (or for the Employer and related persons determined in accordance with Code section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the Employer. Contributions or benefits provided to a Leased Employee by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer. A person shall not be considered a Leased Employee if: (a) such person is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Code section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457; (2) immediate participation; and (3) full and immediate vesting; and (b) Leased Employees do not constitute more than 20% of the Employer's nonhighly compensated work force.

"Limitation Year" means the year specified in the Adoption Agreement for purposes of determining Annual Additions limits pursuant to Article 5. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different consecutive 12-month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

"Matched Employee Contribution" means a Participant's Elective Deferrals and such other Employee contributions specified in the Adoption Agreement.

"Matching Contribution" means an Employer Matching Contribution made to the Plan on behalf of the Participant pursuant to Article 4 of the Plan.

"Matching Contribution Account" means so much of a Participant's Account as consists of Matching Contributions (and corresponding earnings) made to the Plan.

"More Than 5% Owner" means any person who (a) owns (either directly or by attribution, under Code section 318) more than 5% of the outstanding stock of the Employer or stock possessing more than 5% of the total combined voting power of all stock of the Employer or, (b) in the case of an unincorporated business, any person who owns more than 5% of the capital or profits interest in the Employer. For purposes of Section 7.05, a Participant is treated as a More Than 5% Owner if such Participant is a More Than 5% Owner at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70-1/2 and shall continue to be considered a More Than 5% Owner (and distributions must continue under Section 7.05) even if the Participant ceases to be a 5% owner in a subsequent year.

"Non-Elective Contribution" means a contribution made by the Employer that is allocated to a Participant's Non-Elective Contribution Account pursuant to Article 4.

"Non-Elective Contribution Account" means so much of a Participant's Account as consists of Non-Elective Contributions (and corresponding earnings) made to the Plan.

"Non-Key Employee" means any Employee or former Employee who is not a Key Employee.

"Non-Resident Alien" means any Employee who received no earned income (within the meaning of Code section 911(d)(2)) which constitutes income from services performed within the United States (within the meaning of Code section 861(a)(3)).

"Nonhighly Compensated Employee" means an Employee who is not a Highly Compensated Employee.

"Normal Retirement Age" shall have the meaning set forth in the Adoption Agreement.

"Normal Retirement Date" shall have the meaning set forth in the Adoption Agreement.

"One-Year Break in Service" means, unless otherwise provided in the Adoption Agreement, for purposes of determining eligibility service, an Eligibility Computation Period or, for purposes of determining a Year of Vesting Service, a Vesting Computation Period during which an Employee is credited with 500 or fewer Hours of Service.

"One-Year Period of Severance" means a Period of Severance of at least 12 consecutive months. In the case of an individual who is absent from work for maternity or paternity reasons, the consecutive 12-month period beginning on the first anniversary of the first date of such absence shall not constitute a One-Year Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

"Participant" means an Employee who participates in the Plan in accordance with Article 3. A Participant also includes any Employee (or former Employee) with an Account balance, including an Account balance that is a result of a rollover contribution or a transfer from an IRA or a qualified plan.

"Pension Contribution" means a contribution made by the Employer that is allocated to a Participant's Pension Contribution Account pursuant to Article 4.

"Pension Contribution Account" means so much of a Participant's Account as consists of Pension Contributions (and corresponding earnings) made to the Plan.

"Period of Severance" means a continuous period of time during which the Employee does not perform an Hour of Service for the Employer. Such period begins on the date the Employee retires, dies, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee was otherwise first absent from service.

"Permissive Aggregation Group" means the Required Aggregation Group of plans, plus any other plan or plans of the Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Code sections 401(a)(4) and 410.

"Plan Administrator" means the person(s) designated pursuant to the Adoption Agreement and Section 11.01. The Plan Administrator shall also be the named fiduciary within the meaning of ERISA section 402.

"Plan Compensation" means Statutory Compensation as adjusted to the extent specified in the Adoption Agreement.

Plan Compensation must be determined without regard to any rules under Code section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)). For any Self-Employed Individual covered under the Plan, Plan Compensation shall mean Earned Income.

For any Plan Year, the annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B). Annual compensation means Plan Compensation during the Plan Year or such other consecutive 12-month period over which Plan Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

"Plan Sponsor" means the entity described in the Adoption Agreement.

"Plan Year" means the consecutive 12-month period described in the Adoption Agreement. In the event the Plan incurs a short Plan Year of less than 12 consecutive months, the requirements of the Department of Labor Regulations in 2530.202 and 2530.203 and corresponding Treas. Reg. section 1.410(a) shall be satisfied.

"Post Severance Compensation" means amounts paid by the later of: (a) 2-1/2 months after an Employee's severance from employment with the Employer or (b) the end of the applicable Limitation Year/Plan Year that includes the date of severance from employment with the Employer; and those amounts would have been included in the definition of compensation if they were paid prior to the Participant's severance from employment with the Employer. However, the payment must be for (a) unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if the Employee had continued in employment; or (b) received by a Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Participant at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

"Post Year End Compensation" means amounts earned during a year but not paid during that year solely because of the timing of pay periods and pay dates if: (a) these amounts are paid during the first few weeks of the next year; (b) the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees; and (c) no compensation is included in more than one year.

"Pre-tax Elective Deferral" means Elective Deferrals that are not includible in the Participant's gross income at the time deferred.

"Pre-tax Elective Deferral Account" means so much of a Participant's Account as consists of a Participant's Pre-tax Elective Deferrals (and corresponding earnings) made to the Plan.

"Present Value" means a benefit in a defined benefit plan of equivalent value and shall be based only on the interest and mortality rates specified in the Adoption Agreement.

"Qualified Automatic Contribution Arrangement" or "QACA" means a Plan that is a safe harbor plan exempt from most testing under Code section 401(k)(13) or Code section 401(m)(12).



"Qualified Domestic Relations Order" means any judgment, decree, or order (including approval of a property settlement agreement) that constitutes a "qualified domestic relations order" within the meaning of Code section 414(p).

"Qualified Joint and Survivor Annuity" means for a married Participant, an immediate annuity for the life of the Participant with a survivor annuity for the life of the Participant's spouse that is not less than 50% and not more than 100% of the amount of the annuity and which is payable during the joint lives of the Participant and the spouse and is the amount of benefit that can be purchased with the Participant's vested Account balance subject to Section 7.10. The percentage of the survivor annuity under the Plan shall be at least 50% unless a different percentage is elected in the Adoption Agreement. For a single Participant, a Qualified Joint and Survivor Annuity means an immediate annuity for the life of the Participant and which is the amount of benefit which can be purchased with the Participant's vested Account balance subject to Section 7.10. The terms of such annuity contract shall comply with the provisions of this Plan and the annuity contract shall be nontransferable.

"Qualified Matching Contribution" means a Matching Contribution made by the Employer pursuant to Section 4.04.

"Qualified Military Service" means qualified military service as defined in Code section 414(u).

"Qualified Non-Elective Contribution" means a Non-Elective Contribution made by the Employer pursuant to Section 4.04.

"Qualified Non-Elective Contribution Account" means so much of a Participant's Account as consists of Qualified Non-Elective Contributions (and corresponding earnings) made to the Plan.

"Qualified Optional Survivor Annuity" means an immediate annuity for the life of the Participant with a survivor annuity that is equal to the applicable percentage of the amount of the annuity that is payable during the joint lives of the Participant and the spouse, and that is the actuarial equivalent of a single life annuity for the life of the Participant. The survivor percentage of the Qualified Optional Survivor Annuity shall be determined in accordance with the following:

(a) If the Plan provides for a specific Qualified Joint and Survivor Annuity survivor annuity percentage and such percentage is less than 75%, then the Plan's Qualified Optional Survivor Annuity shall be 75%.

(b) If the Plan provides for a specific Qualified Joint and Survivor Annuity survivor annuity percentage and such percentage is greater than or equal to 75%, then the Plan's Qualified Optional Survivor Annuity shall be 50%.

(c) If the Plan does not provide for a specific Qualified Joint and Survivor Annuity survivor annuity percentage, then the Qualified Joint and Survivor Annuity survivor annuity percentage shall be 50% and the Qualified Optional Survivor Annuity survivor annuity percentage shall be 75%.

"Qualified Reservist Distributions" means the distributions described in Section 8.03(c).

"Qualifying Longevity Annuity Contract (QLAC)" means an annuity contract, purchased from an insurance company on or after July 2, 2014, for the benefit of a Participant under the plan, as defined in Treasury Regulation 1.401(a)(9)-6, Q&A 17.

"Required Aggregation Group" means (a) each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the Plan Year containing the Determination Date or any of the four preceding Plan Years (regardless of whether the Plan has terminated), and (b) any other qualified plan of the Employer which enables a plan described in (a) to meet the requirements of Code sections 401(a)(4) or 410.

"Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or the calendar year in which the Participant retires, except that benefit distributions to a More Than 5% Owner must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2. The Adoption Agreement may provide that for a Participant other than a More Than 5% Owner: (a) the Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2; or (b) the Participant may elect to begin receiving distributions at the date specified in the preceding sentence or the date specified in clause (a) of this sentence.

"Rollover Contribution" means an Employee contribution made to the Plan as a rollover from another eligible retirement plan or individual retirement account pursuant to Article 4 of the Plan.

"Rollover Contribution Account" means so much of a Participant's Account as consists of a Participant's Rollover Contributions (and corresponding earnings) made to the Plan.

"Roth Elective Deferral" means an Elective Deferral that is: (a) designated irrevocably by the Participant at the time of the cash or deferred election as a Roth Elective Deferral that is being made in lieu of all or a portion of the Pre-tax Elective Deferrals the Participant is otherwise eligible to make under the Plan; and (b) treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election. Except as otherwise provided, Roth Elective Deferrals shall be subject to the same conditions and limitations as apply to Elective Deferrals.

"Roth Elective Deferral Account" means so much of a Participant's Account as consists of a Participant's Roth Elective Deferrals (and corresponding earnings) made to the Plan. The Plan will maintain a record of the amount of Roth Elective Deferrals in each Participant's Roth Elective Deferral Account.

"Safe Harbor Notice" means the notice described in Treas. Reg. sections 1.401(k)-3(d) and 1.401(m)-3(e), and any superseding guidance. The Safe Harbor Notice must provide comprehensive notice of the Employee's rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Eligible Employee. The Safe Harbor Notice must be provided within a reasonable period before the beginning of the Plan Year (or, in the year an Employee becomes eligible, within a reasonable period before the Employee becomes eligible). A Safe Harbor Notice that is provided at least 30 days, but not more than 90 days is deemed to be provided in a reasonable period. If the Plan is a Qualified Automatic Contribution Arrangement, the Safe Harbor Notice must contain the additional requirements of and be provided within the timeframe required under Treas. Reg. section 1.401(k)-3(k)(4) and any superseding guidance.

"Section 414(s) Compensation" means Section 415 Compensation. Notwithstanding the preceding sentence, the Plan Administrator retains the discretion to define Section 414(s) Compensation in accordance with Code section 414(s) and Treas. Reg. section 1.414(s)-1. The Plan Administrator has the discretion to determine Section 414(s) Compensation regardless of election made in defining Statutory Compensation or Plan Compensation. Any exclusion of the following compensation items will qualify as a safe harbor definition of Section 414(s) Compensation: (i) reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits; (ii) any portion of the compensation of some or all Highly Compensated Employees; (iii) all compensation in excess of a specified dollar amount. The period used to determine an Employee's compensation for a Plan Year must be either the Plan Year or the calendar year ending within the Plan Year. Whichever period is selected by the Plan Administrator must be applied uniformly to determine the compensation of every Eligible Employee under the Plan for that Plan Year. The Plan Administrator may, however, limit the period taken into account under either method to that portion of the Plan Year or calendar year in which the Employee was an Eligible Employee, provided that this limit is applied uniformly to all Eligible Employees under the Plan for the Plan Year. In the case of a

Highly Compensated Employee whose Actual Deferral Ratio is determined under Treas. Reg. section 1.401(k)-2(a)(3)(ii), period of participation includes periods under another plan for which Elective Deferrals are aggregated under Treas. Reg. section 1.401(k)-2(a)(3)(ii). Section 414(s) Compensation shall be limited by any dollar limits described in Code section 401(a)(17). The Plan Administrator may include Post Severance Compensation or determine Section 414(s) Compensation using Post Year End Compensation.

"Section 415 Compensation" means a definition of Statutory Compensation that:

(a) Includes all of the following:

(1) The Employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan, to the extent that the amounts are includible in gross income (or to the extent amounts would have been received and includible in gross income but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)). These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. section 1.62-2(c).

(2) Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includible in the gross income of the Employee.

(3) Amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code section 217.

(4) The value of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. section 1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted.

(5) The amount includible in the gross income of an Employee upon making the election described in Code section 83(b).

(6) Amounts that are includible in the gross income of an Employee under the rules of Code section 409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee.

(b) Excludes all of the following:

(1) Contributions (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) made by the Employer to a plan of deferred compensation (including a simplified employee pension plan described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of the Employee for the taxable year in which contributed. In addition, any distributions from a plan of deferred compensation (whether or not qualified) are not considered as compensation for Code section 415 purposes, regardless of whether such amounts are includible in the gross income of the Employee when distributed.

(2) Amounts realized from the exercise of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. section 1.421-1(b)), or when restricted stock or other property held by an

Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (see Code section 83 and regulations promulgated thereunder).

(3) Amounts realized from the sale, exchange, or other disposition of stock acquired under a statutory stock option (as defined in Treas. Reg. section 1.421-1(b)).

(4) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts that are described in Code section 125).

(5) Other items of remuneration that are similar to any of the items listed in paragraphs (b)(1) through (b)(4) of this Section.

"Section 415 Safe Harbor Option" means Section 415 Compensation which excludes all of the following:

(a) Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includible in the gross income of the Employee.

(b) Amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code section 217.

(c) The value of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. section 1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted.

(d) The amount includible in the gross income of an Employee upon making the election described in Code section 83(b).

(e) Amounts that are includible in the gross income of an Employee under the rules of Code section 409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee.

"Self-Employed Individual" means any individual who has Earned Income for the taxable year from the trade or business for which the Plan is established, including an individual who would have Earned Income but for the fact that the trade or business had no net profits for the taxable year. An individual shall not be a Self-Employed Individual unless he or she is also an owner of the Employer.

"Short Plan Year" means any Plan Year that is not a full 12-month period due to either a plan amendment, or a plan effective date for a new plan that is fewer than 12 months before the plan year end. Unless otherwise selected in the Adoption Agreement, the following provisions shall apply:

(a) If the Short Plan Year is the Plan's initial Plan Year, for eligibility and vesting (if service prior to the adoption of the Plan is counted) where the Computation Period is based on the Plan Year, the applicable Computation Period will be the normal Plan Year, regardless of the initial Short Plan Year. However, for vesting purposes only, if the Plan Sponsor elects to exclude service prior to the adoption of the Plan, the Computation Period shall begin on the first day of the Short Plan Year and end on the date that is 12 months following the first day of the Short Plan Year.

(b) If the Plan is amended to create the Short Plan Year, and eligibility and vesting service are based on the Plan Year, the applicable Computation Period shall begin on the first day of the Short Plan Year and end on the

date that is 12 months following the first day of the Short Plan Year. This will apply only for an Employee who has at least one (1) hour of service during the Short Plan Year.

(c) The compensation limit for a Short Plan Year is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the Short Plan Year, and the denominator of which is 12.

(d) Where an Employer contribution is allocated for a Short Plan Year, an allocation condition set forth in the Adoption Agreement that requires a set number of hours of service will not be prorated as a result of the Short Plan Year.

(e) If the Plan uses the permitted disparity method to allocate Employer contributions for the Short Plan Year, the integration level will be prorated accordingly based on the number of months in the Short Plan Year.

In all other respects, the Plan shall be operated for a Short Plan Year in the same manner as for a normal 12-month Plan Year.

"Statutory Compensation" shall have the meaning set forth in the Adoption Agreement and described below.

Statutory Compensation must be determined without regard to any rules under Code section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)). For any Self-Employed Individual, Statutory Compensation shall mean Earned Income.

Statutory Compensation shall include the following:

(a) Any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457;

(b) Differential military pay (as defined in Code section 3401(h)(2)), to the extent applicable;

(c) Final Paycheck Pay;

(d) Compensation paid to a Participant who is permanently and totally disabled, to the extent applicable;  
and

(e) Back pay, as defined in Treas. Reg. section 1.415(c)-2(g)(8), will be treated as Statutory Compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

The exclusions from Statutory Compensation for payments after severance from employment do not apply to payments to a Participant who does not currently perform services for the Employer by reason of Qualified Military Service to the extent those payments do not exceed the amounts the Participant would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

Notwithstanding any other provision hereof to the contrary, the annual Statutory Compensation of each Employee taken into account under the Plan for any Plan Year shall not exceed \$200,000, (as adjusted under Code section 401(a)(17) for such year). If a Plan Year consists of fewer than 12 months, the applicable limitation under Code

section 401(a)(17) will be multiplied by a fraction, the numerator of which is the number of months in such year, and the denominator of which is 12.

"Straight Life Annuity" means an annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.

"Termination" and "Termination of Employment" means any absence from service that ends the employment of the Employee with the Employer.

"Top-Heavy" means a Plan that for any Plan Year meets the definition in Section 10.01.

"Top-Heavy Ratio" means:

(a) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the Determination Date(s) has or has had accrued benefits, the Top-Heavy Ratio for this Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the Account balances of all Key Employees as of the Determination Date(s), including any part of any Account balance distributed in the one-year period ending on the Determination Date(s) (5-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death or Disability), and the denominator of which is the sum of all Account balances including any part of any Account balance distributed in the 1-year period ending on the Determination Date(s) (5-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death or Disability), both computed in accordance with Code section 416 and the regulations thereunder. Both the numerator and denominator of the Top-Heavy Ratio are increased to reflect any contribution not actually made as of the Determination Date, but which is required to be taken into account on that date under Code section 416 and the regulations thereunder.

(b) If the Employer maintains one or more defined contribution plans (including any simplified employee pension plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the Determination Date(s) has or has had any accrued benefits, the Top-Heavy Ratio for any Required or Permissive Aggregation group, as appropriate, is a fraction, the numerator of which is the sum of Account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (a) above, and the Present Value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the Determination Date(s), and the denominator of which is the sum of the Account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (a) above, and the Present Value of accrued benefits under the defined benefit plan or plans for all Participants as of the Determination Date(s), all determined in accordance with Code section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the Top-Heavy Ratio are increased for any distribution of an accrued benefit made in the one-year period ending on the Determination Date (5-year period ending on the Determination Date in the case of a distribution made for a reason other than severance from employment, death, or Disability).

(c) For purposes of (a) and (b) above the value of Account balances and the Present Value of accrued benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Code section 416 and the regulations thereunder for the first and second Plan Years of a defined benefit plan. The Account balances and accrued benefits of a Participant (1) who is a Non-Key Employee but who was a Key Employee in a prior year, or (2) who has not been credited with at least one Hour of Service with any Employer maintaining the Plan at any time during the one-year period ending on the Determination Date will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions,

in-service withdrawals, rollovers, and transfers are taken into account will be made in accordance with Code section 416 and the regulations thereunder. Deductible Employee contributions will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The accrued benefit of a Non-Key Employee shall be determined under: (x) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer; or (y) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code section 411(b)(1)(C).

"Transfer Account" means so much of a Participant's Account as consists of amounts transferred from another eligible retirement plan (and corresponding earnings) pursuant to Article 4 in a transaction that was not an eligible rollover distribution within the meaning of Code section 402.

"Trust" means the funding vehicle of the Plan to which the terms of a separate trust agreement shall apply. In the event of any conflict between the terms of this Plan and any conflicting provision contained in any associated trust, custodial account document, or any document that is incorporated by reference, the terms of this Plan will govern.

"Trustee" means the person or persons designated by the Plan Sponsor in a separate trust agreement to serve as the Trustee to the extent the assets of the Plan are not held solely by an insurance company.

"Union Employee" means any Employee who is included in a unit of Employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining, and if the collective bargaining agreement does not provide for participation in this Plan.

"Valuation Date" has the meaning specified in the Adoption Agreement. Notwithstanding anything in the Adoption Agreement to the contrary and in the event that there is to be a distribution, transfer of assets or division of assets from the Plan, the Plan Administrator may in its sole discretion declare a special Valuation Date for that portion of the Plan that is not daily-valued to protect the interests of Participants in the Plan or the Participant receiving the distribution.

"Vesting Computation Period" means, for purposes of determining Years of Vesting Service, the period described in the Adoption Agreement.

"Voluntary Contribution" means an Employee contribution made to the Plan on an after-tax basis. The term Voluntary Contribution shall not include Roth Elective Deferrals.

"Voluntary Contribution Account" means so much of a Participant's Account as consists of a Participant's Voluntary Contributions (and corresponding earnings) made to the Plan.

"W-2 Compensation" means wages, within the meaning of Code section 3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052. W-2 Compensation shall be determined without regard to any rules under Code section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)).

"Withholding Compensation" means wages within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in

wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)).

"Year of Eligibility Service" means, with respect to any Employee, an Eligibility Computation Period during which he completes at least the service specified in the Adoption Agreement. If the Plan uses the Elapsed Time Method: (a) "Year of Eligibility Service" means a 12-month period of time beginning on an Employee's Employment Commencement Date and ending on the date on which eligibility service is being determined; (b) in order to determine the number of whole Years of Eligibility Service under the Elapsed Time Method, nonsuccessive periods of service and less than whole year periods of service shall be aggregated on the basis that 12 months of service (30 days are deemed to be a month in the case of the aggregation of fractional months) or 365 days of service are equal to a whole year of service; (c) an Employee will also receive credit for any Period of Severance of less than 12 consecutive months; and (d) if less than one Year of Eligibility Service is required in Article 3, such service shall be determined by substituting such period for "12-month" and "Year" where they appear in this paragraph.

All eligibility service with the Employer is taken into account except that if permitted in the Adoption Agreement, the following service shall be disregarded in determining Years of Eligibility Service:

(a) **One-Year Holdout.** If an Employee has a One-Year Break in Service (One-Year Period of Severance to the extent the Plan uses the Elapsed Time Method), Years of Eligibility Service before such period will not be taken into account until the Employee has completed a Year of Eligibility Service after returning to employment with the Employer.

Where a Plan's service requirement is two years of service, if an Employee experiences a one-year break in service prior to satisfying the two years of service eligibility requirement, any service prior to the break in service will not be taken into account.

(b) **Rule of Parity.** If an Employee does not have any nonforfeitable right to the Account balance derived from Employer contributions, Years of Eligibility Service before a period of five (5) consecutive One-Year Breaks in Service (One-Year Periods of Severance to the extent the Plan uses the Elapsed Time Method) will not be taken into account in computing eligibility service. Elective Deferrals are taken into account for purposes of determining whether a Participant is a nonvested Participant for purposes of Code section 411(a)(6)(D)(iii).

If a Participant's Years of Eligibility Service are disregarded pursuant to the foregoing, such Participant will be treated as a new Employee for eligibility purposes. If a Participant's Years of Eligibility Service may not be disregarded pursuant to the foregoing, such Participant shall participate in the Plan pursuant to the terms of Article 3.

To the extent provided in the Adoption Agreement, eligibility service may also include service with employers other than the Employer.

"Year of Vesting Service" means a Vesting Computation Period during which the Employee completes at least the number of hours specified in the Adoption Agreement. If the Plan uses the Elapsed Time Method: (a) "Year of Vesting Service" means a 12-month period of time beginning on an Employee's Employment Commencement Date and ending on the date on which vesting service is being determined; (b) in order to determine the number of whole Years of Vesting Service under the Elapsed Time Method, nonsuccessive periods of service and less than whole year periods of service shall be aggregated on the basis that 12 months of service (30 days are deemed to be a month in the case of the aggregation of fractional months) or 365 days of service are equal to a whole year of service; and (c) an Employee will also receive credit for any Period of Severance of less than 12 consecutive months.



All Years of Vesting Service with the Employer are taken into account except that for an Employee who has five consecutive One-Year Breaks in Service (One-Year Periods of Severance to the extent the Plan uses the Elapsed Time Method) all periods of service after such breaks in service/periods of severance shall be disregarded for the purpose of vesting the Employee's Employer-derived Account balance that accrued before such breaks in service/periods of severance, but except as otherwise expressly provided, both the service before and after such breaks in service/periods of severance shall count for purposes of vesting the Employee's Employer-derived Account balance that accrues after such breaks in service/periods of severance pursuant to Article 6.

In addition, if permitted in the Adoption Agreement, the following service shall be disregarded in determining Years of Vesting Service:

(a) One-Year Holdout. If an Employee has a One-Year Break in Service (One-Year Period of Severance to the extent the Plan uses the Elapsed Time Method), Years of Vesting Service before such period will not be taken into account until the Employee has completed a Year of Vesting Service after returning to employment with the Employer.

(b) Rule of Parity. If an Employee does not have any nonforfeitable right to the Account balance derived from Employer contributions, Years of Vesting Service before a period of five (5) consecutive One-Year Breaks in Service (One-Year Periods of Severance to the extent the Plan uses the Elapsed Time Method) will not be taken into account in computing vesting service. Elective Deferrals are taken into account for purposes of determining whether a Participant is a nonvested Participant for purposes of Code section 411(a)(6)(D)(iii).

(c) Years of Vesting Service before age 18 or Years of Vesting Service before the Employer maintained this Plan or a predecessor plan will not be taken into account in computing vesting service to the extent provided in the Adoption Agreement.

To the extent provided in the Adoption Agreement, vesting service may also include service with employers other than the Employer.

**ARTICLE 3 PARTICIPATION****Section 3.01      ELECTIVE DEFERRALS AND VOLUNTARY CONTRIBUTIONS**

Each Eligible Employee shall become a Participant eligible to make Elective Deferrals and Voluntary Contributions on the date specified in the Adoption Agreement provided that he is an Eligible Employee on such date. Notwithstanding the foregoing, a Participant shall be eligible to make Elective Deferrals or Voluntary Contributions only to the extent such contributions are permitted in the Adoption Agreement.

**Section 3.02      MATCHING CONTRIBUTIONS**

Each Eligible Employee shall become a Participant eligible to receive Matching Contributions on the date specified in the Adoption Agreement provided that he is an Eligible Employee on such date. Notwithstanding the foregoing, a Participant shall be eligible to receive Matching Contributions only to the extent such contributions are permitted in the Adoption Agreement.

Each Eligible Employee shall become a Participant eligible to receive safe harbor contributions on the date specified in the Adoption Agreement provided that he is an Eligible Employee on such date. Notwithstanding the foregoing, a Participant shall be eligible to receive safe harbor contributions only to the extent such contributions are permitted in the Adoption Agreement.

**Section 3.03      EMPLOYER CONTRIBUTIONS**

(a) Non-Elective Contributions. Each Eligible Employee shall become a Participant eligible to receive Non-Elective Contributions on the date specified in the Adoption Agreement provided that he is an Eligible Employee on such date. Notwithstanding the foregoing, a Participant shall be eligible to receive Non-Elective Contributions only to the extent such contributions are permitted in the Adoption Agreement.

(b) Pension Contributions. Each Eligible Employee shall become a Participant eligible to receive Pension Contributions on the date specified in the Adoption Agreement provided that he is an Eligible Employee on such date. Notwithstanding the foregoing, a Participant shall be eligible to receive Pension Contributions only to the extent such contributions are permitted in the Adoption Agreement.

**Section 3.04      TRANSFERS**

If a change in job classification or a transfer results in an individual no longer qualifying as an Eligible Employee, such Employee shall cease to be a Participant for purposes of Article 4 (or shall not become eligible to become a Participant) as of the effective date of such change of job classification or transfer. Should such Employee again qualify as an Eligible Employee or if an Employee who was not previously an Eligible Employee becomes an Eligible Employee, he shall become a Participant with respect to the contributions for which the eligibility requirements have been satisfied as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3.

**Section 3.05      TERMINATION AND REHIRES**

If an Employee has a Termination of Employment, such Employee shall cease to be a Participant for purposes of Article 4 (or shall not become eligible to become a Participant; except as provided in Article 4) as of his Termination

of Employment. An individual who has satisfied the applicable eligibility requirements set forth in Article 3, including passing an entry date, before his Termination date, and who is subsequently reemployed by the Employer as an Eligible Employee, shall resume or become a Participant immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied. An individual who has not so qualified for participation on his Termination date, and who is subsequently reemployed by the Employer as an Eligible Employee, shall be eligible to participate as of the later of the effective date of such reemployment or the date the individual meets the eligibility requirements of this Article 3. The determination of whether a rehired Eligible Employee satisfies the requirements of Article 3 shall be made after the application of any applicable break in service rules.

#### Section 3.06      LIMITATIONS ON EXCLUSIONS

(a)      Exclusions. Any Employee exclusion entered in the Adoption Agreement shall not be valid to the extent that such exclusion results in only Nonhighly Compensated Employees participating with the lowest amount of Plan Compensation or lowest amount of service so that the Plan still meets the coverage requirements of Code section 410(b).

(b)      Coverage. The Plan must provide that an Eligible Employee who has attained age 21 and who has completed one Year of Eligibility Service (two Years of Eligibility Service may be used for contributions other than Elective Deferrals if the Plan provides a nonforfeitable right to 100% of the Participant's applicable Account balance after not more than 2 Years of Eligibility Service) shall commence participation in the Plan no later than the earlier of: (1) the first day of the first Plan Year beginning after the date on which such Eligible Employee satisfied such requirements; or (2) the date that is 6 months after the date on which he satisfied such requirements. A maximum age of 26 may be used instead where the plan is maintained exclusively for employees of an educational institution (as defined in Code section 170(b)(1)(A)(ii)) by an Employer which is exempt from tax under Code section 501(a) which provides that each Participant having at least 1 year of service has a right to 100 percent of his accrued benefit under the Plan which is nonforfeitable (within the meaning of Code section 411) at the time such benefit accrues.

(c)      A Participant shall be treated as benefiting under the Plan for any Plan Year during which the Participant received or is deemed to receive an allocation in accordance with Treas. Reg. section 1.410(b)-3(a). Notwithstanding any provision of the Plan to the contrary, no Participant shall earn an allocation hereunder except as provided under the terms of the Plan as in effect on the last day of the Plan Year after giving effect to all retroactive amendments that may be permitted under applicable Internal Revenue Service procedures and other applicable law; including, without limitation, any amendment permitted under Treas. Reg. section 1.401(a)(4)-11.

(d)      Modifications. The completion of a 'fill-in' blank in the Adoption Agreement shall not be considered to be a modification to the Pre-Approved Plan document unless the language used to complete the 'fill-in' blank is contrary to the notes and guidelines that accompany the option. If a completed 'fill-in' blank violates/is contrary to the notes and guidelines that accompany the option, the language is a modification to the Pre-Approved Plan document.

#### Section 3.07      PROCEDURES FOR ADMISSION

The Plan Administrator shall prescribe such forms and may require such data from Participants as are reasonably required to enroll a Participant in the Plan or to effectuate any Participant elections made pursuant to this Article 3.

#### Section 3.08      PARTICIPANTS RECEIVING DIFFERENTIAL MILITARY PAY

To the extent selected in the Adoption Agreement and pursuant to Code section 414(u)(12), IRS Notice 2010-15 and any superseding guidance, a Participant receiving differential wage payments (as defined in Code section

3401(h)(2) shall be treated as an Employee of the Employer making the payment and the differential wage payments may be treated as Plan Compensation under the Plan to the extent selected in the Adoption Agreement.

**ARTICLE 4 CONTRIBUTIONS****Section 4.01 ELECTIVE DEFERRALS AND VOLUNTARY CONTRIBUTIONS**

(a) Elections. Each Participant may execute elections pursuant to this Section 4.01 in the form and manner prescribed by the Plan Administrator. The Plan Administrator shall provide each Participant with the forms necessary to elect the amount of Elective Deferrals and Voluntary Contributions. Such election shall provide that a Participant may elect to reduce his Plan Compensation by amounts specified in the Adoption Agreement. Notwithstanding the foregoing, a Participant shall be eligible to make Elective Deferrals or Voluntary Contributions only to the extent such contributions are permitted in the Adoption Agreement.

(b) Modifications. As of the date a Participant first meets the eligibility requirements of Section 3.01, he may elect to contribute to the Plan. Subsequent to that date, a Participant may elect to start, increase, reduce or totally suspend his elections pursuant to this Section 4.01, effective as of the dates specified in the Adoption Agreement. If the Adoption Agreement specifies that the Plan is a safe harbor 401(k) plan, a Participant may modify his election during the 30-day period following receipt of the Safe Harbor Notice. However, if the Plan is a Qualified Automatic Contribution Arrangement, a Participant may modify his election during the timeframe outlined in section 4.01(g)(2) below.

(c) Procedures. A Participant shall make an election described in Subsection (b) in such form and manner as may be prescribed by procedures established by the Plan Administrator. Such procedures may include, but not be limited to: specifying that elections be made at such time in advance as the Plan Administrator may require, allowing on a nondiscriminatory basis a Participant to make a separate election as to any bonuses or other special pay, or requiring elections be made in a dollar amount or percentage of pay. A Participant's election regarding Elective Deferrals may be made only with respect to an amount which the Participant could otherwise elect to receive in cash and which is not currently available to the Participant. The Plan Administrator may allow Participants, on a nondiscriminatory basis, to defer on Plan Compensation actually received after Termination of Employment.

(d) Reduction in Elections. The Plan Administrator may reduce or totally suspend a Participant's election if the Plan Administrator determines that such election may cause the Plan to fail to satisfy any of the requirements of Article 5.

(e) Catch-up Contributions. If elected in the Adoption Agreement, all Participants who are eligible to make Elective Deferrals under this Plan shall be eligible to make Catch-up Contributions pursuant to Section 5.01(d).

(f) Roth Elective Deferrals. To the extent provided in the Adoption Agreement, Participants shall be eligible to irrevocably designate some or all of their Elective Deferrals as either Pre-tax Elective Deferrals or Roth Elective Deferrals. However, the Plan Administrator may, on a nondiscriminatory basis, require a Participant to elect all of their Elective Deferrals as either Pre-tax Elective Deferrals or Roth Elective Deferrals. All elections shall be subject to the same election procedures, limits on modifications and other terms and conditions on elections as specified in the Plan. If Roth Elective Deferrals are not permitted, all Elective Deferrals shall be designated as Pre-tax Elective Deferrals.

(g) Automatic Enrollment. To the extent provided in the Adoption Agreement, upon the initial satisfaction of the eligibility requirements of Article 3 with respect to Elective Deferrals (and at the effective date of the addition of an automatic enrollment feature for current Participants), an Eligible Employee described in the Adoption Agreement

shall be deemed to have made an Elective Deferral election in the amount provided in the Adoption Agreement provided that:

(1) In a reasonable period of time before the deemed election takes place the Eligible Employee shall receive a notice that explains the automatic Elective Deferral election, his or her Plan Compensation reduction percentage and the individual's right to elect to have no such Elective Deferrals made to the Plan or to alter the amount of those contributions, including the procedure for exercising that right and the timing for implementation of any such election. The Eligible Employee must have a reasonable opportunity to file an election to receive cash in lieu of Elective Deferrals before such deemed election is made. If the Adoption Agreement indicates the Plan intends to be an eligible automatic contribution arrangement (EACA), the notice must meet the additional requirements below:

(A) The notice must be provided within a reasonable period before the beginning of each Plan Year or, in the Plan Year the Employee is first eligible to make a cash or deferred election (or first becomes covered under the automatic contribution arrangement as a result of a change in employment status), within a reasonable period before the Employee becomes a covered Employee. A notice satisfies the timing requirements of this paragraph only if it is provided sufficiently early so that the Employee has a reasonable period of time after receipt of the notice in order to make the election described under Treas. Reg. section 1.414(w)-1(e)(2).

(B) The notice must describe how contributions made under the arrangement will be invested in the absence of any investment election.

(C) The notice must describe the right to make a permissible withdrawal (as described in Section 4.01(g)(5)(B)), if applicable, and the procedures to elect such a withdrawal.

(2) If the default election is pursuant to a Qualified Automatic Contribution Arrangement, the default election must be effective no later than the earlier of (i) the pay date for the second payroll period that begins after the date the notice is provided, or (ii) the first pay date that occurs at least 30 days after the notice is provided. Notwithstanding any delay in when the first default contribution is made, Qualified Non-Elective Contributions that are based on a full year's contributions and any rate of Matching Contributions that varies based on Plan Compensation must be based on Plan Compensation earned since the Participant was first eligible under the Plan.

(3) Unless otherwise selected in the Adoption Agreement, if the Plan provides for Roth Elective Deferrals, all Elective Deferrals made under Subsection (g) shall be designated as Pre-tax Elective Deferrals.

(4) Administrator Discretion. The Plan Administrator may, on a uniform and nondiscriminatory basis, provide that a new Initial Period shall begin for an Employee who is terminated for a full Plan Year and is rehired in a subsequent Plan Year. The Plan Administrator may also, on a uniform and nondiscriminatory basis, provide that an affirmative election expires at the end of each Plan Year and that the Employee must make a new affirmative election if he or she wants the prior rate of Elective Deferral to continue.

(5) Elections to End or Reduce Automatic Enrollment

(A) If the Adoption Agreement indicates the Plan is not an Eligible Automatic Contribution Arrangement (EACA) and the Plan Administrator elects to allow withdrawals, the Eligible Employee may file an election to receive cash in lieu of Elective Deferrals at the time such deemed election is made or within the 60-day period thereafter. Upon an election to receive cash in lieu of Elective Deferrals, the Participant shall not receive a refund of any Elective Deferral made. The Eligible Employee may make a subsequent affirmative election to make Elective Deferrals at a later date that is effective as provided in Section 4.01(b).

(B) Eligible Automatic Contribution Arrangement (EACA). To the extent the Adoption Agreement indicates the Plan intends to be an eligible automatic contribution arrangement (EACA), if the Adoption Agreement allows for permissible withdrawals, an Employee for whom Elective Deferrals have been automatically made may elect to withdraw all of the contributions made on his or her behalf including earnings thereon to the date of the withdrawal. This withdrawal right is available only if the withdrawal election is made within the earlier of 90 or the number of days specified in the Adoption Agreement after the date of the first contribution under an EACA. Any Matching Contribution made with respect to the amount withdrawn (adjusted for allocable gains and losses) shall be forfeited. A withdrawal request will be treated as an affirmative election to stop having Elective Deferrals made unless the Employee affirmatively elects otherwise.

(i) Election Period. The Plan Administrator may, on a uniform and nondiscriminatory basis, require an election period shorter than 90 days, provided that such election period be at least 30 days.

(ii) Treatment of Refunds. Elective Deferrals refunded pursuant to this Subsection and any related Matching Contributions forfeited, shall not be taken into account in determining an Employee's Actual Deferral Ratio and Actual Contribution Ratio under the Actual Deferral Percentage (ADP) and ACP tests, and shall be disregarded in determining limitations under Code section 402(g). Any amounts refunded under this Paragraph are not eligible rollover contributions. No spousal consent is required for a refund under this Section.

(iii) The provisions of this Section are separately applied to each portion of the Plan after the application of the mandatory disaggregation rules of Code section 410(b).

(iv) Rehires. The Plan Administrator may, on a uniform and nondiscriminatory basis, for an Employee who is terminated for a full Plan Year and is rehired in a subsequent Plan Year provide that such Employee be treated as a new hire.

(v) Fees. The amount distributed may be reduced by fees pursuant to Treas. Reg. section 1.414(w)-1(c)(3)(ii).

(vi) Refund Deadline. The extended testing deadline of Code section 4979 shall apply only if all Employees eligible to make Elective Deferrals are covered under the EACA for the entire Plan Year (or the portion of the Plan Year the Employees are Eligible Employees).

(vii) The provisions of this Subsection are subject to any requirements under Code section 414(w), Code section 4979, the final Treasury Regulations issued February 24, 2009 and any corresponding guidance or regulations issued thereunder.

(h) Contribution and Allocation of Elective Deferrals and Voluntary Contributions. The Employer shall contribute to the Plan with respect to each pay period an amount equal to the Elective Deferrals and Voluntary Contributions of Participants for such pay period, as determined pursuant to the elections in force pursuant to this Section. There shall be directly and promptly allocated to the Elective Deferral Account and Voluntary Contribution Account of each Participant the Elective Deferrals and Voluntary Contributions, respectively, contributed by the Employer to the Plan by reason of any election in force with respect to that Participant.

#### Section 4.02      MATCHING CONTRIBUTIONS

(a) Amount of Matching Contributions. Subject to the limitations described in Article 5, the Employer shall contribute to the Plan an amount specified in the Adoption Agreement on behalf of each Participant who made a

Matched Employee Contribution and who has completed any service requirements specified in the Adoption Agreement. Notwithstanding the foregoing, a Participant shall be eligible to receive an allocation of Matching Contributions only to the extent such contributions are permitted in the Adoption Agreement.

(1) Fixed Match. If selected in the Adoption Agreement, the Employer will make a Fixed Matching Contribution to the Plan pursuant to the formula(s) chosen.

(2) Discretionary Match. If selected in the Adoption Agreement, the Employer may elect to make a Discretionary Matching Contribution. The Employer has discretion over the amount, formula, and timing of any contribution made unless otherwise indicated in the Adoption Agreement.

(b) Contribution and Allocation of Matching Contributions. Matching Contributions shall be made to the Plan and promptly allocated to the Matching Contribution Accounts of Participants who meet the requirements of Subsection (a) and in the amount determined pursuant to Subsection (a) as soon as administratively feasible after the end of the periods described in the Adoption Agreement.

(1) If the Employer funds Matching Contributions more frequently than the determination period indicated in the Adoption Agreement, a true-up contribution will be made to any Participant who did not receive a Matching Contribution based on Matched Employee Contributions or Plan Compensation for the entire determination period indicated in the Adoption Agreement.

(2) If the Adoption Agreement specifies that the Catch-up Contributions specified in Section 5.01 shall not be matched, any Matching Contributions made on an Elective Deferral and, if applicable, a Voluntary Contribution that are subsequently classified as a Catch-up Contribution shall be forfeited to the extent allocated.

(3) If the Adoption Agreement provides that the Plan is intended to be a safe harbor 401(k) plan and safe harbor match is made separately with respect to each payroll period (or with respect to all payroll periods ending with or within each month or quarter of a Plan Year), such safe harbor match must be contributed to the Plan by the last day of the immediately following Plan Year quarter.

(c) Participant. For purposes of this Section, "Participant" shall mean an Eligible Employee who has met the eligibility requirements of Article 3 with respect to Matching Contributions.

(d) Coverage Failures. If the application of the rules described above causes the Plan to fail to meet the minimum coverage requirements of Code section 410(b) as of the last day of the Plan Year (the Plan does not benefit a percentage of Nonhighly Compensated Employees that is at least 70% of the percentage of Highly Compensated Employees who benefit under the Plan) for any Plan Year with respect to Matching Contributions because the Employer's Matching Contributions have not been allocated to a sufficient number or percentage of Participants for such year, then the list of Participants eligible to share in such contributions for such year shall be expanded to include the Participants described in the Adoption Agreement.

(1) If the Adoption Agreement specifies that all non-excludable Participants shall be entitled to share in such contributions for such year, then the following additional Participants shall be eligible to share in such contributions:

(A) Any Participant who remains in the Employer's employ on the last day of such Plan Year; and



(B) Any Participant who completes at least 501 Hours of Service during such Plan Year (whether or not he remains in the Employer's employ on the last day of such Plan Year).

(2) If the Adoption Agreement specifies that just enough Participants shall be entitled to share in such contributions for such year, then the following additional Participants shall be eligible to share in such contributions:

(A) The list of Participants eligible to share in the Employer's Matching Contributions for such Plan Year shall be expanded to include the minimum number of Participants who would not otherwise be eligible as are necessary to satisfy the minimum coverage requirements under Code section 410(b). The specific Participants who shall become eligible to share in the Employer's Matching Contribution for such Plan Year pursuant to this Paragraph (A) shall be those Participants who remain in the Employer's employ on the last day of such Plan Year and who have completed the greatest amount of service during the Plan Year.

(B) If, after the application of Paragraph (A) above, the minimum coverage requirements of Code section 410(b) are still not satisfied, then the list of Participants eligible to share in the Employer's Matching Contribution for such Plan Year shall be further expanded to include the minimum number of Participants who do not remain in the Employer's employ on the last day of the Plan Year as are necessary to satisfy such requirements. The specific Participants who shall become eligible to share in the Employer's contribution for such Plan Year pursuant to this Paragraph (B) shall be those Participants who had completed the greatest amount of service during the Plan Year before terminating their employment with the Employer.

Notwithstanding the foregoing, the Plan Administrator always retains the option to meet the minimum coverage requirements of Code section 410(b) by using the average benefits test of Code section 410(b)(2).

#### Section 4.03      EMPLOYER CONTRIBUTIONS

(a) Amount.

(1) Non-Elective Contributions. Subject to the limitations described in Article 5, the Employer shall, to the extent specified in the Adoption Agreement, make Non-Elective Contributions to the Plan on behalf of each Participant who has completed any service requirements specified in the Adoption Agreement. Notwithstanding the foregoing, a Participant shall be eligible to receive an allocation of Non-Elective Contributions only to the extent such contributions are permitted in the Adoption Agreement.

(2) Pension Contributions. Subject to the limitations described in Article 5, the Employer shall make Pension Contributions to the Plan on behalf of each Participant who has completed any service requirements specified in the Adoption Agreement (to the extent not funded by forfeitures). Notwithstanding the foregoing, a Participant shall be eligible to receive an allocation of Pension Contributions only to the extent such contributions are permitted in the Adoption Agreement.

(b) Allocation of Employer Contributions.

(1) Allocation of Non-Elective Contributions. Non-Elective Contributions shall be allocated to the Non-Elective Contribution Accounts of each Participant eligible to share in such allocations pursuant to Subsection (a)(1) in the manner described in the Adoption Agreement. If the Adoption Agreement provides that the Plan uses an Age Weighted or New Comparability allocation formula, the minimum allocation gateway requirement must be satisfied. The minimum allocation gateway requires each eligible Nonhighly Compensated Employee to have an allocation rate that is not less than the lesser of 5%, or one-third of the allocation rate of the Highly Compensated Employee with the

highest allocation rate. An allocation rate is the amount of contributions allocated to a Participant for a year, expressed as a percentage of Statutory Compensation for the 5% test or Section 414(s) Compensation for the 1/3 test.

(2) Allocation of Pension Contributions. Pension Contributions shall be allocated to the Pension Contribution Accounts of each Participant eligible to share in such allocations pursuant to Subsection (a)(2) in the manner described in the Adoption Agreement.

(3) Notwithstanding the foregoing, for any Plan Year this Plan is integrated and benefits any Participant who benefits under another qualified plan or simplified employee pension plan, as defined in Code section 408(k), maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer contributions shall be allocated to the Non-Elective Account/Pension Contribution Account of each Participant in the ratio that such Participant's total Plan Compensation bears to the total Plan Compensation of all Participants. The allocation to a Participant who exceeds his cumulative disparity limit shall be determined in accordance with applicable Treasury Regulations. The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted disparity years means the number of years credited to the Participant for allocation or accrual purposes under this Plan or any other qualified plan or simplified employee pension plan (whether or not terminated) ever maintained by the Employer that provided for permitted disparity. For purposes of determining the Participant's cumulative permitted disparity limit, all Plan Years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative disparity limit.

(c) Participant. For purposes of this Section, "Participant" shall mean an Eligible Employee who has met the eligibility requirements of Article 3 with respect to Non-Elective Contributions or Pension Contributions, as applicable.

(d) Coverage Failures. If the application of the rules described above causes the Plan to fail to meet the minimum coverage requirements of Code section 410(b) as of the last day of the Plan Year (the Plan does not benefit a percentage of Nonhighly Compensated Employees that is at least 70% of the percentage of Highly Compensated Employees who benefit under the Plan) for any Plan Year with respect to contributions described in this Section 4.03 because such contributions have not been allocated to a sufficient number or percentage of Participants for such year, then the list of Participants eligible to share in such contributions for such year shall be expanded to include the Participants described in the Adoption Agreement.

(1) If the Adoption Agreement specifies that all non-excludable Participants shall be entitled to share in such contributions for such year, then the following additional Participants shall be eligible to share in such contributions:

(A) Any Participant who remains in the Employer's employ on the last day of such Plan Year; and

(B) Any Participant who completes at least 501 Hours of Service during such Plan Year (whether or not he remains in the Employer's employ on the last day of such Plan Year).

(2) If the Adoption Agreement specifies that just enough Participants shall be entitled to share in such contributions for such year, then the following additional Participants shall be eligible to share in such contributions:

(A) The list of Participants eligible to share in such contributions for such Plan Year shall be expanded to include the minimum number of Participants who would not otherwise be eligible as are necessary

to satisfy the minimum coverage requirements under Code section 410(b). The specific Participants who shall become eligible to share in such contributions for such Plan Year pursuant to this Paragraph (A) shall be those Participants who remain in the Employer's employ on the last day of such Plan Year and who have completed the greatest amount of service during the Plan Year.

(B) If, after the application of Paragraph (A) above, the minimum coverage requirements of Code section 410(b) are still not satisfied, then the list of Participants eligible to share in such contributions for such Plan Year shall be further expanded to include the minimum number of Participants who do not remain in the Employer's employ on the last day of the Plan Year as are necessary to satisfy such requirements. The specific Participants who shall become eligible to share in the Employer's contribution for such Plan Year pursuant to this Paragraph (B) shall be those Participants who had completed the greatest amount of service during the Plan Year before terminating their employment with the Employer. Individuals similarly situated will be treated the same.

Notwithstanding the foregoing, the Plan Administrator always retains the option to meet the minimum coverage requirements of Code section 410(b) by using the average benefits test of Code section 410(b)(2).

(e) Disability. In addition to the foregoing, if the Adoption Agreement specifies that contributions described in this Section shall be allocated to Disabled Participants, a Participant who does not meet the requirements of Subsection (a) due to Disability shall be eligible to share in such contributions (including Disabled Participants that have Terminated Employment); provided that such Disability would also constitute a disability pursuant to Code section 22(e). The Employer shall allocate the applicable contributions on behalf of each such Disabled Participant on the basis of the Plan Compensation each such Participant would have received for the Limitation Year if the Participant had been paid at the rate of Plan Compensation paid immediately before suffering a Disability. Contributions allocated to Participants suffering a Disability pursuant to this Subsection shall be fully (100%) vested when made. Such allocations shall cease on the first to occur of the following:

- (1) the last day of the Plan Year in which occurs the anniversary specified in the Adoption Agreement of the date the Plan Administrator determines that the Participant's Disability commenced;
- (2) the date the Participant ceases to suffer from a Disability;
- (3) the date the Participant refuses to submit to a periodic examination by the Employer or its agent to determine the existence of a Disability; or
- (4) the date the Participant dies.

#### Section 4.04 SAFE HARBOR CONTRIBUTIONS AND QUALIFIED NON-ELECTIVE/MATCHING CONTRIBUTIONS

(a) Amount of Safe Harbor Contributions.

(1) In General. If the Adoption Agreement specifies that the Plan will satisfy the 401(k) safe harbor provisions, the Employer shall, subject to the limitations described in Article 5, make Qualified Non-Elective Contributions or Qualified Matching Contributions on behalf of each Employee who is eligible to make Elective Deferrals during the Plan Year, and meets any additional requirements provided in the Adoption Agreement to receive safe harbor contributions. In the absence of an election in the Adoption Agreement such Qualified Non-Elective Contributions shall be made on behalf of each Employee who is eligible to make Elective Deferrals during the Plan Year. Qualified Non-Elective Contributions described in this Subsection (1) shall be allocated to the Qualified Non-Elective Contribution Account of each Participant eligible to share in such allocations in the ratio that such Participant's Plan Compensation

bears to the Plan Compensation of all eligible Participants. In accordance with Treas. Reg. sections 1.401(k)-1(e)(7) and 1.401(m)-1(c)(2), it is impermissible for the Employer to use ADP and ACP testing for a Plan Year in which it is intended for the Plan through its written terms to be a safe harbor plan and the Employer fails to satisfy the requirements of such safe harbor provisions for the Plan Year.

(2) Follow-Up Notice. This Subsection shall apply if the Adoption Agreement specifies that a Qualified Non-Elective Contribution described in Subsection (1) will be made to the Plan only if the Plan Sponsor provides a follow-up notice. The Plan Administrator shall provide a contingent notice each year and shall provide a follow-up notice only in the event that safe harbor contributions will be made. The contingent notice and, if applicable, the follow-up notice, shall be provided pursuant to Treas. Reg. section 1.401(k)-3(f) and any superseding guidance. If the follow-up notice is not provided, the Plan will not satisfy the 401(k) safe harbor provisions and the Plan will be subject to the nondiscrimination requirements of Section 5.02.

(b) Qualified Non-Elective Contributions. In addition to the safe harbor contributions described above, the Employer in its discretion may make additional Qualified Non-Elective Contributions for the benefit of such Participants as determined by the Employer. Qualified Non-Elective Contributions shall be: (1) allocated to the Participant's Account as of a date within that year within the meaning of Treas. Reg. section 1.401(k)-2(a)(4)(i)(A); (2) nonforfeitable when allocated to a Participant's Account unless attributable to withdrawal rights under an Eligible Automatic Contribution Arrangement or Qualified Automatic Contribution Arrangement; and (3) distributed only under the rules applicable for Elective Deferrals in accordance with Treas. Reg. section 1.401(k)-1(d). A Qualified Non-Elective Contribution of a Nonhighly Compensated Employee will not be taken into account in satisfying the requirements of Section 5.02 to the extent: (1) it does not qualify for inclusion in the Actual Deferral Ratio; (2) it is a disproportionate contribution within the meaning of Treas. Reg. sections 1.401(k)-2(a)(6)(iv) or 1.401(m)-2(a)(6)(v) and any superseding guidance; or (3) the Plan uses the prior year testing method. Notwithstanding the foregoing, Qualified Non-Elective Contributions that are made in connection with an Employer's obligation to pay prevailing wages under the Davis-Bacon Act (46 Stat. 1494), Public Law 71-798, Service Contract Act of 1965 (79 Stat. 1965), Public Law 89-286, or similar legislation can be taken into account for a plan year for a Nonhighly Compensated Employee to the extent such contributions do not exceed 10% of that Nonhighly Compensated Employee's Plan Compensation.

(1) Participants Eligible to Receive Qualified Non-Elective Contributions. The Employer may determine, in its discretion whether allocations of Qualified Non-Elective Contributions shall be limited to Participants who are credited with at least a certain number of Hours of Service during the Plan Year or who remain in the Employer's employ on the last day of the Plan Year. The Employer may limit Qualified Non-Elective Contributions contributed under this Subsection to Nonhighly Compensated Employees eligible to make Elective Deferrals during the Plan Year that meet any additional requirements determined by the Employer. The Employer may also provide Qualified Non-Elective Contributions to those in any or all portions of a disaggregated plan as provided in Section 5.03.

(2) Permissible Methods of Allocation. The Employer in its discretion may make additional Qualified Non-Elective Contributions in the ratio that such Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants or in one of the following manners:

(A) First to the Qualified Non-Elective Contribution Account of the Participant who is a Nonhighly Compensated Employee with the lowest Plan Compensation and is eligible to share in such allocations in an amount determined by the Employer not to exceed 5% of such Participant's Plan Compensation (the "Base QNEC Rate"). If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to other Participants who are Nonhighly Compensated Employees eligible to share in such allocations with the next lowest Plan Compensation in the amount of the Base QNEC Rate of Plan Compensation until such contributions are fully allocated to one half of eligible Nonhighly Compensated Employees within the meaning of Treas. Reg. section 1.401(k)-2(a)(6)(iv)(B) (the "Base NHCEs"). Notwithstanding the foregoing, the Base QNEC Rate

may exceed 5%; provided, that the Employer contribution is sufficient to provide the Base QNEC Rate to all Base NHCEs.

(B) If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to the Participant who is a Nonhighly Compensated Employee with the lowest Plan Compensation and is eligible to share in such allocations in an additional amount not to exceed the Base QNEC Rate contributed pursuant to Paragraph (1) above (the "Additional QNEC Rate") of such Participant's Plan Compensation. The total of the Base QNEC Rate and the Additional QNEC Rate may not exceed twice the Plan's representative contribution rate as defined in Treas. Reg. section 1.401(m)-2(a)(6)(v)(B). If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to other Participants who are Nonhighly Compensated Employees eligible to share in such allocations with the next lowest Plan Compensation in the amount of the Additional QNEC Rate of such Participant's Plan Compensation until such contributions are fully allocated to the Base NHCEs.

(C) If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to the Participant who is a Nonhighly Compensated Employee eligible to share in such allocations with the lowest Plan Compensation and who is not a Base NHCE in the amount equal to the sum of the Base QNEC Rate and the Additional QNEC Rate of such Participant's Plan Compensation. If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to other Participants who are Nonhighly Compensated Employees eligible to share in such allocations with the next lowest Plan Compensation and who are not Base NHCEs in the amount equal to the sum of the Base QNEC Rate and the Additional QNEC Rate of such Participant's Plan Compensation until such contributions are fully allocated to all eligible Nonhighly Compensated Employees who are not Base NHCEs.

(D) If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to Participants eligible to share in such allocations in the ratio that each Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants.

(E) Notwithstanding the foregoing, the Employer may instead allocate the Qualified Non-Elective Contributions as a flat dollar amount pursuant to this Subsection (2). The Employer may first allocate a flat dollar amount determined by the Employer (the "Base QNEC Dollar Amount") to the Qualified Non-Elective Contribution Account of the Participant who is a Nonhighly Compensated Employee with the lowest Plan Compensation and is eligible to share in such allocations. If any Qualified Non-Elective Contributions remain after the foregoing, the Employer may then allocate Qualified Non-Elective Contributions to other Participants who are Nonhighly Compensated Employees eligible to share in such allocations with the next lowest Plan Compensation in the amount of the Base QNEC Dollar Amount until such contributions are fully allocated to the eligible Nonhighly Compensated Employees. Such Qualified Non-Elective Contributions may be used to satisfy the provisions of Section 5.02 to the extent not considered disproportionate under Subsection 5.03(f) below.

(c) Qualified Matching Contributions. The Employer in its discretion may make Matching Contributions designated as Qualified Matching Contributions for the benefit of such Participants and in such manner determined at the discretion of the Employer. The Employer may determine, in its discretion whether allocations of Qualified Matching Contributions shall be limited to Participants who are credited with at least a certain number of Hours of Service during the Plan Year or who remain in the Employer's employ on the last day of the Plan Year. Such Qualified Matching Contributions shall be nonforfeitable when allocated to a Participant's Account unless attributable to withdrawal rights under an Eligible Automatic Contribution Arrangement or Qualified Automatic Contribution Arrangement and may only be distributed upon the Participant's: (1) attainment of age 59-1/2; or (2) severance from employment, death, or Disability.

(d) Safe Harbor Contributions Made to Another Plan. The Employer may elect to make safe harbor contributions required under this Plan to another plan which: (1) has the same Plan Year as this plan, (2) applies all of the safe harbor requirements to any safe harbor contributions originating from this plan, and (3) applies eligibility conditions such that any eligible employee under this plan is eligible to receive the safe harbor contribution in the recipient plan. Safe harbor contributions made to another plan may be used to satisfy the safe harbor contributions with respect to only one plan.

(e) In addition, the Employer may, in its discretion, make Qualified Non-Elective Contributions or Qualified Matching Contributions for a Plan Year that shall be allocated in the manner prescribed by the Employer to correct any operational or demographic failure pursuant to any correction program or policy established by the Internal Revenue Service or the Department of Labor.

#### Section 4.05      PREVAILING WAGE CONTRIBUTIONS

(a) General. If the Adoption Agreement specifies, the Employer will make prevailing wage contributions to the Plan on behalf of each Participant who performs an hour or more of service under a contract subject to the Davis-Bacon Act.

(b) Amount. The Plan Administrator may elect in the Adoption Agreement to determine the prevailing wage contribution based on: 1) the applicable federal, state, or municipal prevailing wage laws, or 2) contribution rates set forth in an Addendum to the Adoption Agreement. If the Plan Administrator sets its own prevailing wage contribution rate(s) for the Plan, the total prevailing wage benefits determined under federal, state, or municipal law are still owed to affected participants; any benefit not contributed to the Plan must be provided to the Participant in another manner. Where the Plan Administrator elects to set its own hourly rates in an Addendum to the Adoption Agreement, the Plan Administrator retains the discretion to make a prevailing wage contribution to the Plan that is based on applicable federal, state, or municipal rates where those rates dictate a larger mandatory benefit than the rates set in an Addendum to the Adoption Agreement.

(c) Default Provisions. Unless otherwise elected in the Adoption Agreement, the following default provisions apply:

(1) Only Nonhighly Compensated Employees shall be eligible to receive prevailing wage contributions.

(2) There shall be no age or service eligibility requirements for purposes of determining an Employee's eligibility for prevailing wage contributions.

(3) Allocation Conditions. There shall be no hours of service or last day requirement(s) applied to receipt of prevailing wage contributions.

(4) All prevailing wage contributions shall be 100% vested.

If the Plan Administrator uses the Adoption Agreement to modify any of the above default provisions, the Plan Administrator may not be entitled to full credit for the prevailing wage contribution. The applicable prevailing wage law should be consulted to fully understand the implications of any modification.

(d) Offset. If the Plan Administrator elects in the Adoption Agreement, prevailing wage contributions made to the Plan to satisfy prevailing wage requirements under federal, state, or municipal law can be used to offset

Employer Contributions. Prevailing wage contributions used to offset Employer Contributions will be subject to any restriction on distribution otherwise applicable to the Employer contribution type which was offset.

Section 4.06      ROLLOVER CONTRIBUTIONS

(a) To the extent provided in the Adoption Agreement, the Plan Administrator may direct the Trustee to accept Rollover Contributions made in cash or other form acceptable to the Trustee. Rollover Contributions shall be allocated to the Participant's/Eligible Employee's (to the extent elected in the Adoption Agreement) Rollover Contribution Account. The Plan may accept the following Rollover Contributions to the extent allowed by the Plan Administrator in its sole discretion:

(1) A rollover from a plan qualified under Code section 401(a) or 403(a) if the contribution qualifies as a tax-free rollover as defined in Code section 402(c). If it is later determined that the amount received does not qualify as a tax-free rollover, the amount shall be refunded to the Eligible Employee.

(2) A rollover from a "Conduit Individual Retirement Account", as determined in accordance with procedures established by the Plan Administrator and only if the contribution qualifies as a tax-free rollover as defined in Code section 402(c). If it is later determined that the amount received does not qualify as a tax-free rollover, the amount shall be refunded to the Eligible Employee.

(3) A direct rollover of an eligible rollover distribution of after-tax employee contributions from a qualified plan described in Code section 401(a) or 403(a). The Plan shall separately account for amounts so transferred, including separately accounting for the portion of such contribution which is includible in gross income and the portion of such contribution which is not so includible.

(4) Any rollover of an eligible rollover distribution from an annuity contract described in Code section 403(b). The Plan shall separately account for after-tax amounts so transferred, including separately accounting for the portion of such contribution which is includible in gross income and the portion of such contribution which is not so includible.

(5) Any rollover of an eligible rollover distribution from an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(6) Any rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Code sections 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.

(7) If the Plan permits Roth Elective Deferrals, the Plan may accept a Rollover Contribution to a Roth Elective Deferral Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code section 402(c).

(8) Any additional rollover contribution as may be permitted by applicable law.

(b) Self Direction. Unless otherwise restricted in the Adoption Agreement, if a Participant is permitted to self-direct the investment of his or her Rollover Contribution Account, a Participant may elect to invest in "qualifying employer securities" or "qualifying employer real property" with such Account.

(c) In-Plan Roth Rollovers. To the extent provided in the Adoption Agreement and to the extent permitted by Code section 402A(c), Notice 2010-84 and any superseding guidance, a distribution from the Plan other than from a designated Roth Account that is an eligible rollover distribution (as defined in Code section 408A(e)) may be rolled over to a designated Roth Account maintained under this Plan for the benefit of the individual to whom the distribution is made. The Plan will maintain such records as are necessary for the proper reporting of In-Plan Roth Rollovers. A Participant is required to include the taxable amount of an In-Plan Roth Rollover in their gross income. The taxable amount of the In-Plan Roth Rollover is deemed to be the fair market value of the distribution less any basis in the amounts rolled over. If the In-Plan Roth Rollover includes employer securities, the fair market value of the transaction shall include any net unrealized appreciation within the meaning of Code section 402(e)(4). If In-Plan Roth Rollovers are permitted for all distributions permitted under the Code and to the extent provided in the Adoption Agreement, In-Plan Roth Rollovers are permitted at the following times:

(1) Upon the attainment of the age specified in the Adoption Agreement except Elective Deferrals, Qualified Non-Elective Contributions, Qualified Matching Contributions and the portion of any Account that has been used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13) or 401(m)(11) or 401(m)(12) shall not be eligible for withdrawal until the Participant attains age 59-1/2.

(2) After-tax, Rollover and Voluntary Accounts can be converted to an In-Plan Roth Rollover Account at any time.

(3) From a Participant's Matching Contribution Account or Non-Elective Contribution Account after 5 years of Participation. In-service withdrawals are allowed from a Participant's Matching Contribution Account or Non-Elective Contribution Account on funds held for at least 2 years. Withdrawals after 5 years of Participation or 2 years of accumulation are only permitted from the Matching Contribution Account to the extent such Account has not been used to satisfy the requirements of Code sections 401(k)(12) or 401(k)(13) or 401(m)(11) or 401(m)(12) or to the extent such contributions has not been treated as Qualified Matching Contributions.

(4) Immediately after Termination of Employment.

(d) In-Plan Roth Transfers. To the extent provided in the Adoption Agreement, the Plan shall allow Participants to elect to transfer any amount not otherwise distributable under the Plan to a designated Roth Elective Deferral Account (or sub-Account) maintained for the Participant within the Plan. The Plan shall not be treated as violating the provisions of Code section 401(k)(2)(B)(i) solely by reason of such transfer. Amounts transferred will retain the restrictions on distribution the account had before such transfer.

(e) Plan Administrator Procedures. The Plan Administrator may establish uniform procedures that include, but are not limited to, prescribing limitations on the frequency and minimum amount of rollovers; provided, that no procedures involving minimum amounts shall prescribe a minimum withdrawal greater than \$1,000.

#### Section 4.07 TRANSFERS

The Trustee may be directed to accept a direct transfer of assets, made without the consent of the affected Employees, from the trustee of any other qualified plan described in Code section 401(a) to the extent permitted by the Code and the regulations and rulings thereunder. In the event assets are transferred to the Plan pursuant to the foregoing sentence, the transferred assets shall be accounted for separately in the Transfer Account of the affected Employees to the extent necessary to preserve a more favorable vesting schedule or any other legally-protected benefits available to such Employees under the transferor plan. The Plan Administrator shall establish a vesting schedule for the Transfer Account; provided that such schedule is not less favorable than the vesting schedule under the transferor plan.



Section 4.08      MILITARY SERVICE

(a) In General. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service shall be provided in accordance with Code section 414(u).

(b) Death or Disability During Qualified Military Service. To the extent provided in the Adoption Agreement, pursuant to Code section 414(u)(9), IRS Notice 2010-15 and any superseding guidance; a Participant who dies or becomes Disabled while performing Qualified Military Service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on the day of death or Disability and receive benefit accruals related to the period of Qualified Military Service as provided under Code section 414(u)(8), except as provided below:

(1) All Participants eligible for benefits under the Plan by reason of this Section shall be provided benefits on reasonably equivalent terms.

(2) For the purposes of applying Code section 414(u)(8)(C), a Participant's Elective Deferrals shall be determined based on the Participant's average actual contributions for:

(A) the 12-month period of service with the Employer immediately prior to Qualified Military Service, or

(B) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.

Section 4.09      TIMING OF CONTRIBUTIONS

Amounts contributed to the Plan with funds provided by Participants will be remitted to the Trustee as soon as practicable, and in accordance with DOL regulations and any other applicable guidance.

Section 4.10      ARRANGEMENTS ADOPTED BY MORE THAN ONE EMPLOYER

In General. This Section applies to arrangements adopted by two or more employers that are not aggregated under Code sections 414(b), (c), (m), or (o). Other employers that are not aggregated with the Employer under Code sections 414(b), (c), (m), or (o) may participate in the Plan as described below as a multiple employer plan within the meaning of ERISA section 3(2) and Code section 413(c) ("Multiple Employer Plan").

(a) Method of Adoption. The Plan Sponsor shall execute a Master Adoption Agreement and each Adopting Entity shall execute a joinder/participation agreement which contains only those Adoption Agreement provisions, if any, which may be overridden by an entity other than the Plan Sponsor. The execution of the joinder/participation agreement by an Adopting Entity shall constitute the adoption of the same plan as the Plan Sponsor and not the adoption of a separate plan for the Adopting Entity. An Adopting Entity may amend its joinder/participation agreement at any time with the approval of the Plan Sponsor. However, an Adopting Entity may not modify the definition of Plan Administrator, Limitation Year or Plan Sponsor. The Plan Sponsor and all Adopting Entities acknowledge that the Plan is a Multiple Employer Plan subject to the rules of Code section 413(c) and the regulations thereunder which are herein incorporated by reference. The Plan Sponsor and all Adopting Entities also acknowledge the specific annual reporting requirements, and different procedures for obtaining determination letters from the Internal Revenue Service regarding the qualified status of the Plan.

(b) Definitions. The following terms are modified as used in the Plan:

(1) "Adopting Entity" means an entity who executes a joinder/participation agreement.

(2) "Adoption Agreement" means the Adoption Agreement for the Plan Sponsor. For any Adopting Entity, Adoption Agreement means the Adoption Agreement as amended in that entity's joinder/participation agreement (as provided in Section 4.10(a)).

(3) "Plan Sponsor" means the executor of the Master Adoption Agreement described in Section 4.10(a).

(c) Application of Code section 413(c). The provisions of Code section 413(c) shall apply to the Plan and this Section shall be interpreted consistent with Code section 413(c) and any applicable guidance.

(1) Eligibility Service. Code section 410(a) shall be applied as if all Employees of each Employer who maintains the Plan were employed by a single Employer. An Employee who transfers employment between Adopting Entities or the Plan Sponsor shall not be considered to have a Termination of Employment.

(2) Exclusive Benefit. For purposes of Code section 401(a), in determining whether the Plan of an Employer is for the exclusive benefit of its Employees and their Beneficiaries all Participants shall be considered to be its Employees.

(3) Vesting. Code section 411 shall be applied as if all Employers who maintain the Plan constituted a single Employer, except that the application of any rules with respect to breaks in service shall be made under regulations prescribed by the Secretary of Labor.

(4) Funding. To the extent the Plan is subject to Code section 412, the provisions of Code sections 413(c)(4) and 413(c)(5) shall apply.

(d) Other Rules.

(1) Contributions and forfeitures arising hereunder must be restricted to Participants who are employed by the entity under which the forfeitures arose.

(2) Each Employer will separately determine Actual Contribution and Actual Deferral Ratios, the minimum coverage requirements of Code section 410(b) and Code section 401(a)(4) testing as provided in Treas. Reg. section 1.413-2(a)(3)(ii).

(3) Top-Heavy. Article 11 applies separately to each Employer as provided in Treas. Reg. section 1.416-1, Q&A G-2.

(4) Maximum Annual Additions. Except as provided in Treas. Reg. section 1.415(f)-1(g)(2)(i) (regarding aggregation of multiemployer plans with plans other than multiemployer plans), for purposes of applying Section 5.05, Annual Additions attributable to a Participant from all of the Employers maintaining the Plan must be taken into account. Furthermore, in applying the limitations of Section 5.05 with respect to a Participant, the total Statutory Compensation received by the Participant from all of the Employers maintaining the Plan is taken into account under the Plan, unless Treas. Reg. section 1.415-1(e) and any superseding guidance specifies otherwise.

(5) For purposes of determining a Participant's Required Beginning Date under Section 7.05, a Participant may be considered a More Than 5% Owner with one Employer and not a More Than 5% Owner with another Employer.

(e) No Modification to Pre-Approved Language. The execution of a joinder/participation agreement shall not be considered a modification to the IRS pre-approved language of the Plan.

(f) Cessation of Participation. Plan participation of an Adopting Entity may be ended by the Plan Administrator or by the Adopting Entity itself. Cessation of participation will be treated in accordance with Code Section 414(l).

(1) Cessation by the Plan Administrator. In the event that the Plan Administrator ends the Adopting Entity's participation in the Plan, the Plan Administrator will direct that Plan assets attributable to employees of the terminating Adopting Entity be transferred to a defined contribution plan maintained by the terminating Adopting Entity. If the terminating Adopting Entity does not maintain a separate plan which can receive assets, or refuses to set-up such a plan, the Plan Administrator may establish a plan for the terminating Adopting Entity and may direct that Plan assets attributable to employees of the terminating employer be transferred to the plan. Distribution of employee assets will not be made available as a result of the cessation of plan participation.

(2) Withdrawal by the Adopting Entity. In the event that the Adopting Entity withdraws from Plan participation, the Plan Administrator will direct that Plan assets attributable to employees of the terminating employer be transferred to another plan sponsored by the terminating Adopting Entity which is eligible to receive a transfer of assets. Distribution of employee assets will not be made available as a result of the withdrawal by an Adopting Entity.

(g) Fiduciary Act to Join the Plan. By executing a joinder/participation agreement, each Adopting Entity, acting as a fiduciary with respect to its current and future Employees, thereby ratifies and confirms the appointment of all parties to the Plan and all action taken to establish and maintain the Plan. The term parties to the Plan in the preceding sentence shall include, but not be limited to, the Plan Administrator, Trustee and Investment Fiduciary.

(h) Each Adopting Entity shall be jointly and severally liable for Plan expenses.

(i) Each Adopting Entity shall indemnify and hold harmless the Plan Administrator (and their delegates), any other Adopting Entities, any person serving as the Trustee or Investment Fiduciary from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses for its failure to operate in accordance with the Plan or any intentional or negligent act or omission with respect to the Plan including but not limited to failure of oversight and or appointment. The Plan Administrator may in its discretion utilize any IRS or DOL correction program and any fees or costs associated with such program are the responsibility of the offending Adopting Entity.

#### Section 4.11 SIMPLE 401(K) PROVISIONS

(a) This Section 4.11 shall apply only if the Adoption Agreement provides that this is a SIMPLE 401(k) Plan. Rules of Application:

(1) The provisions of this Section 4.11 shall apply for a year only if:

(A) The Employer is an "eligible employer"; and

(B) No contributions are made, or benefits accrued, for services during the year, on behalf of any Eligible Employee under any other plan, contract, pension, or trust described in Code section 219(g)(5)(A) or (B), maintained by the Employer.

(2) To the extent that any other provision of the Plan is inconsistent with the provisions of this Section, the provisions of this Section govern.

(b) Definitions.

(1) "Compensation" means, for purposes of Subsections (b)(2), (c)(1) and (c)(2) of this Section, the sum of the wages, tips, and other compensation from the Employer subject to federal income tax withholding (as described in Code section 6051(a)(3)) and the Employee's salary reduction contributions made under this or any other Code section 401(k) plan, and, if applicable, elective deferrals under a Code section 408(p) SIMPLE IRA Plan, a SARSEP, or a Code section 403(b) annuity contract, compensation deferred under a Code section 457 plan required to be reported by the Employer on Form W-2 (as described in Code section 6051(a)(8)). Compensation also includes amounts paid for domestic service (as described in Code section 3401(a)(3)). For Self-Employed Individuals, Compensation means net earnings from self-employment determined under Code section 1402(a) prior to subtracting any contributions made under this Plan on behalf of the individual. The provisions of the Plan implementing the limit on Compensation under Code section 401(a)(17) apply to the Compensation under Subsection (c).

(2) An "eligible employer" means, with respect to any year, an Employer that had no more than 100 Employees who received at least the amount of Compensation from the Employer specified in the Adoption Agreement for the preceding year. In applying the preceding sentence, all Employees of controlled groups of corporations under Code section 414(b), all Employees of trades or businesses (whether incorporated or not) under common control under Code section 414(c), all Employees of affiliated service groups under Code section 414(m), and leased employees required to be treated as the Employer's Employees under Code section 414(n), are taken into account. An eligible employer that elects to have this Section 4.11 apply to the Plan and that fails to be an eligible employer for any subsequent year, is treated as an eligible employer for the two (2) years following the last year the Employer was an eligible employer. If the failure is due to any acquisition, disposition, or similar transaction involving an eligible employer, the preceding sentence applies only if the provisions of Code section 410(b)(6)(C)(i) are satisfied.

(3) "Eligible Employee" means, for purposes of this Section 4.11, any Employee who is entitled to make Elective Deferrals under the terms of the Plan.

(4) "Year" means the calendar year.

(c) Contributions.

(1) Salary Reduction Contributions.

(A) Each Eligible Employee may make a salary reduction election to have his or her Compensation reduced for the year in any amount selected by the Employee subject to the limitation in Subsection (c)(1)(B). The Employer will make a salary reduction contribution to the Plan, as an Elective Deferral, in the amount by which the Employee's Compensation has been reduced.

(B) The total salary reduction contribution for any Employee cannot exceed the limitation on salary reduction contributions in effect for the year. The limitation on salary reduction contributions was \$10,000 for 2005. After 2005, the \$10,000 limit is adjusted by the Secretary of the Treasury for cost-of-living increases under Code section 408(p)(2)(E). Any such adjustments will be in multiples of \$500. The amount of an Employee's

salary reduction contributions permitted for a year is increased for Employees aged 50 or over by the end of the Year by the amount of allowable Catch-up Contributions. Allowable Catch-up Contributions was \$2,500 for 2006. After 2006, the \$2,500 limit is adjusted by the Secretary of the Treasury for cost-of-living increases under Code section 414(v)(2)(C). Any such adjustments will be in multiples of \$500. Catch-up contributions are otherwise treated the same as other salary reduction contributions.

(2) Other Contributions.

(A) Matching Contributions. Each year, the Employer will contribute a Matching Contribution to the Plan on behalf of each Employee who makes a salary reduction election under Subsection (c)(1). The amount of the Matching Contribution will be equal to the Employee's salary reduction contribution up to a limit of 3% of the Employee's Compensation for the full year.

(B) Non-Elective Contributions. For any year, instead of a Matching Contribution, the Employer may elect to contribute a Non-Elective Contribution of 2% of Compensation for the full year for each Eligible Employee who received at least the amount of Compensation from the Employer specified in the Adoption Agreement for the year.

(3) Limitation on Other Contributions. No Employer or Employee contributions may be made to this Plan for the year other than salary reduction contributions described in Subsection (c)(1), Matching or Non-Elective Contributions described in Subsection (c)(2) and Rollover Contributions described in Treas. Reg. section 1.402(c)-2, Q&A-1(a).

(4) The provisions of the Plan implementing the limitations of Code section 415 apply to contributions made pursuant to Subsections (c)(1) (other than Catch-up Contributions) and (c)(2).

(d) Election and Notice Requirements.

(1) Election Period.

(A) In addition to any other election periods provided under the Plan, each Eligible Employee may make or modify a salary reduction election during the 60-day period immediately preceding each January 1.

(B) For the year an Employee becomes eligible to make salary reduction contributions under this Section 4.11, the 60-day election period requirement of Subsection (d)(1)(A) is deemed satisfied if the Employee may make or modify a salary reduction election during a 60-day period that includes either the date the Employee becomes eligible or the day before.

(C) Each Employee may terminate a salary reduction election at any time during the year.

(2) Notice requirements.

(A) The Employer will notify each Eligible Employee prior to the 60-day election period described in Subsection (d)(1) that he or she can make a salary reduction election or modify a prior election during that period.

(B) The notification described in Subsection (d)(2)(A) will indicate whether the Employer will provide a 3% Matching Contribution described in Subsection (c)(2)(A) or a 2-% Non-Elective Contribution described in Subsection (c)(2)(B).

(e) Vesting Requirements. All benefits attributable to contributions described in Subsections (c)(1) and (c)(2) are nonforfeitable at all times, and all previous contributions made under the Plan are nonforfeitable as of the beginning of the year the Section 4.11 provisions apply.

(f) Top-Heavy Rules. The Plan is not treated as a Top-Heavy plan under Code section 416 for any year for which this Section 4.11 applies.

(g) Nondiscrimination tests. The ADP and ACP tests described in section 5.02 of the Plan are treated as satisfied for any year for which this Section 4.11 applies.

#### Section 4.12     DEEMED IRAs

(a) Applicability. This Section 4.12 shall apply only if the Adoption Agreement provides that Deemed IRAs are permitted. The Plan Administrator may permit a Participant to make Employee contributions to a traditional IRA established under Code section 408 or a Roth IRA established under Code section 408A. The Plan shall establish a separate Account or annuity for the designated IRA contributions of each Participant and any earnings properly allocable to the contributions, and maintain separate recordkeeping with respect to each such IRA.

(b) Reporting Duties. The Plan Administrator shall cause the trustee of a trust established pursuant to Subsection (d) or annuity contract issuer to comply with the reporting requirements of Code section 408(i) with respect to all IRAs that are established and maintained under the Plan.

(c) Voluntary Employee Contributions. For purposes of this Section, a voluntary Employee contribution means any contribution (other than a mandatory contribution within the meaning of Code section 411(c)(2)) that is made by the Participant and which the Participant has designated, at or prior to the time of making the contribution, as a contribution to which this Section applies.

(d) IRAs established pursuant to this Section shall be held in a trust or an annuity separate from the Trust established under the Plan to hold contributions other than deemed IRA contributions and shall satisfy the applicable requirements of Code sections 408 and 408A.

**ARTICLE 5 LIMITATIONS ON CONTRIBUTIONS****Section 5.01 ANNUAL LIMITATION ON ELECTIVE DEFERRALS**

(a) Amount. Notwithstanding anything herein to the contrary, elective deferrals made under this Plan, or any other qualified plan maintained by the Employer may not exceed, during any taxable year, the dollar limitation contained in Code section 402(g) in effect at the beginning of such taxable year. For purposes of this Section 5.01, elective deferrals shall mean qualified cash or deferred arrangements described in Code section 401(k), any salary reduction simplified employee pension plan described in Code section 408(k)(6), any SIMPLE IRA plan described in Code section 408(p) and any plan described under Code section 501(c)(18), and any Employer contributions made on the behalf of a Participant for the purchase of an annuity contract under Code section 403(b) pursuant to a salary reduction agreement.

(b) Refund of Excess Elective Deferrals. In the event that Elective Deferrals under this Plan when added to a Participant's other elective deferrals under any other plan or arrangement (whether or not maintained by the Employer) exceed the limit described in the preceding Subsection, the Plan Administrator shall distribute, by April 15 of the following calendar year, the excess amount of Elective Deferrals adjusted for income/loss thereon. The Plan Administrator may use any reasonable method for computing the income allocable to Excess Elective Deferrals, provided that the method does not violate Code section 401(a)(4), is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan for allocating income to Participant's Accounts. The Plan will not fail to use a reasonable method for computing the income allocable to Excess Elective Deferrals merely because the income allocable to Excess Elective Deferrals is determined on a date that is no more than 7 days before the actual distribution. In addition, the Plan Administrator may allocate income in any manner permitted under Treas. Reg. section 1.401(k)-2(b)(2)(iv). Unless a Participant otherwise specifies, a distribution of Excess Elective Deferrals for a year shall be made first from the Participant's pre-tax Elective Deferral account, to the extent such deferrals were made for the year.

A Participant's claim that the excess was caused by elective deferrals made under a plan or arrangement not maintained by the Employer shall be made in writing and shall be submitted to the Plan Administrator no later than the date specified by the Plan Administrator following the calendar year in which such deferrals occurred. For purposes of determining the necessary reduction, Elective Deferrals previously distributed or recharacterized pursuant to Section 5.04 or returned to the Participant pursuant to Section 5.04 shall be treated as distributed under this Section 5.01. If the Plan permits Roth Elective Deferrals, the Plan Administrator shall determine the ordering rule for refunds of Excess Elective Deferrals. Such ordering rule may provide that the Participant may elect to have refunds made either from his Pre-tax Elective Deferrals or Roth Elective Deferrals or any combination thereof.

(c) Forfeiture of Matching Contributions Related to Excess Elective Deferrals. In the event a Participant receives a distribution of Excess Elective Deferrals pursuant to Subsection (b), the Participant shall forfeit any Matching Contributions allocated to the Participant by reason of the distributed Elective Deferrals to the extent that additional Matching Contributions are not made pursuant to Treas. Reg. section 1.401(a)(4)-11(g)(3)(vii)(B). Elective Deferrals not taken into account in determining Matching Contributions under Section 4.02 shall be treated as being reduced first. Amounts forfeited shall be used pursuant to Section 6.03(d).

(d) Catch-up Contributions. If elected in the Adoption Agreement, all Participants who are eligible to make Elective Deferrals under this Plan shall be eligible to make Catch-up Contributions in accordance with, and subject to the limitations of, Code section 414(v). "Catch-up Contributions" are Elective Deferrals made to the Plan that are in excess of an otherwise applicable Plan limit and that are made by Participants who are aged 50 or over by the

end of their taxable years. An otherwise applicable Plan limit is a limit in the Plan that applies to Elective Deferrals without regard to Catch-up Contributions, such as the limits on Annual Additions, the dollar limitation on Elective Deferrals under Code section 402(g) (not counting Catch-up Contributions) and the limit imposed by the ADP test under Code section 401(k)(3). Catch-up Contributions for a Participant for a taxable year may not exceed the dollar limit on Catch-up Contributions under Code section 414(v)(2)(B)(i) for the taxable year as adjusted for cost-of-living increases. Catch-up Contributions are not subject to the limits on Annual Additions, are not counted in the ADP test and are not counted in determining the minimum allocation under Code section 416 (but Catch-up Contributions made in prior years are counted in determining whether the Plan is Top-Heavy).

#### Section 5.02      NONDISCRIMINATION

(a)      Elective Deferrals. If the Adoption Agreement specifies that the Plan is a safe harbor 401(k) plan, the Plan shall comply with the Safe Harbor Notice requirements as described in Article 2 and the Plan shall be deemed to meet the requirements of this Subsection 5.02(a) with respect to Elective Deferrals. However, if the Adoption Agreement does not specify that the Plan is a safe harbor 401(k) plan, the Plan is not deemed to meet the requirements of this Subsection 5.02(a) and the Plan must meet one of the following two tests with respect to Elective Deferrals for any Plan Year:

(1)      The Average Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the prior Plan Year's Average Deferral Percentage for Participants who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(2)      The Average Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the prior Plan Year's Average Deferral Percentage for Participants who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 2.0; provided that the Average Deferral Percentage for Participants who are Highly Compensated Employees does not exceed the prior Plan Year's Average Deferral Percentage for Participants who were Nonhighly Compensated Employees for the prior Plan Year by more than two percentage points or such lesser amount as the Secretary of the Treasury shall prescribe.

To the extent specified in the Adoption Agreement or, if the Adoption Agreement specifies that the Plan is a safe harbor 401(k) plan (and ADP testing is required pursuant to Section 5.03(g)), the Average Deferral Percentage test specified in Subsections (1) and (2), above, will be applied by comparing the current Plan Year's Average Deferral Percentage for Participants who are Highly Compensated Employees with the current Plan Year's Average Deferral Percentage for Participants who are Nonhighly Compensated Employees. The Employer must issue a supplemental notice if the Plan suspends safe harbor contributions and changes to a current year ADP testing method in accordance with Treas. Reg. section 1.401(k)-3(d), (f) and (g).

The Employer may elect prior year testing for purposes of this Subsection 5.02(a) for a Plan Year only if the Plan has used current year testing for purposes of this Subsection 5.02(a) for each of the preceding 5 Plan Years (or if lesser, the number of Plan Years the Plan has been in existence) or if, as a result of a merger or acquisition described in Code section 410(b)(6)(C)(i), the Employer maintains both a plan using prior year testing and a plan using current year testing and the change is made within the transition period described in Code section 410(b)(6)(C)(ii).

If the Adoption Agreement provides that testing will be performed using the prior year data, for the first Plan Year the Plan permits any Participant to make Elective Deferrals and this Plan is not a successor Plan, the prior Plan Year's Average Deferral Percentage for Participants who are Nonhighly Compensated Employees shall be specified in the Adoption Agreement.



If, for the applicable year for determining the ratios of the Nonhighly Compensated Employees for a Plan Year, there are no eligible Nonhighly Compensated Employees (i.e., all of the Eligible Employees under the cash or deferred arrangement for the applicable year are Highly Compensated Employees), the tests described in this Subsection (a) are deemed to be satisfied for the Plan Year.

(b) **Matching Contributions and Voluntary Contributions.** If the Adoption Agreement specifies that the Plan is a safe harbor 401(k) plan with respect to the ACP safe harbor of Code section 401(m)(11) or 401(m)(12), the Plan shall comply with the Safe Harbor Notice requirements as described in Article 2 and the Plan shall be deemed to meet the requirements of this Subsection 5.02(b) with respect to Matching Contributions and the Plan shall meet one of the following two tests with respect to Voluntary Contributions. However, if the Adoption Agreement does not specify that the Plan is a safe harbor 401(k) plan with respect to the ACP safe harbor of Code section 401(m)(11) or 401(m)(12), the Plan is not deemed to meet the requirements of this Subsection 5.02(b) and the Plan must meet one of the following two tests with respect to Matching Contributions and Voluntary Contributions for any Plan Year:

(1) The Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the prior Plan Year's Average Contribution Percentage for Participants who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 1.25; or

(2) The Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the prior Plan Year's Average Contribution Percentage for Participants who were Nonhighly Compensated Employees for the prior Plan Year multiplied by 2.0; provided that the Average Contribution Percentage for Participants who are Highly Compensated Employees does not exceed the prior Plan Year's Average Contribution Percentage for Participants who were Nonhighly Compensated Employees for the Prior Plan Year by more than two percentage points or such lesser amount as the Secretary of the Treasury shall prescribe.

To the extent specified in the Adoption Agreement or, if the Adoption Agreement specifies that the Plan is a safe harbor 401(k) plan with respect to the ACP safe harbor of Code section 401(m)(11) or 401(m)(12) (and ACP testing is required pursuant to Section 5.03(g)), the Average Contribution Percentage test in Subsection (1) and (2), above, will be applied by comparing the current Plan Year's Average Contribution Percentage for Participants who are Highly Compensated Employees for each Plan Year with the current Plan Year's Average Contribution Percentage for Participants who are Nonhighly Compensated Employees. The Employer must issue a supplemental notice if the Plan suspends safe harbor contributions and changes to a current year ADP (and ACP) testing method in accordance with 1.401(k)-3(d), (f) and (g).

The Employer may elect prior year testing for purposes of this Subsection 5.02(b) for a Plan Year only if the Plan has used current year testing for purposes of this Subsection 5.02(b) for each of the preceding 5 Plan Years (or if lesser, the number of Plan Years the Plan has been in existence) or if, as a result of a merger or acquisition described in Code section 410(b)(6)(C)(i), the Employer maintains both a plan using prior year testing and a plan using current year testing and the change is made within the transition period described in Code section 410(b)(6)(C)(ii).

If the Adoption Agreement provides that testing will be performed using the prior year data, for the first Plan Year the Plan permits any Participant to make Elective Deferrals or make contributions subject to this Section 5.02(b) and this Plan is not a successor Plan, the prior Plan Year's Average Contribution Percentage for Participants who are Nonhighly Compensated Employees shall be specified in the Adoption Agreement.

If, for the applicable year there are no eligible Nonhighly Compensated Employees (i.e., all of the Eligible Employees under the cash or deferred arrangement for the applicable year are Highly Compensated Employees), the tests described in this Subsection (b) are deemed to be satisfied for the Plan Year. The Plan shall also be deemed to meet the requirements of this Subsection 5.02(b) with respect to Matching Contributions and Voluntary

Contributions under a collectively bargained plan (or the portion of a plan) that automatically satisfies Code section 410(b).

(c) Safe Harbor Plans. Pursuant to Treas. Reg. sections 1.401(k)-1(e)(7) and 1.401(m)-1(c)(2), the Plan may not use the nondiscrimination testing described in this Section for a Plan Year to the extent the Plan through its written terms is intended to satisfy the ADP safe harbor provisions of Code section 401(k)(12) or 401(k)(13) or the ACP safe harbor provisions of Code section 401(m)(11) or 401(m)(12) and the Plan fails to satisfy the requirements of such provisions for such Plan Year.

### Section 5.03      SPECIAL RULES

(a) Highly Compensated Employee in More Than One Plan. The Actual Deferral Ratio and Actual Contribution Ratio for any Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to have Elective Deferrals, Matching Contributions and Voluntary Contributions (and Qualified Non-Elective Contributions if used to satisfy the tests described in Subsections 5.02(a) and (b)) allocated to his Accounts under two or more arrangements described in Code sections 401(k) and 401(m) that are maintained by the Employer, shall be determined as if such Elective Deferrals and contributions were made under a single arrangement. If a Highly Compensated Employee participates in two or more arrangements, whether or not they have different Plan Years, all such elective deferrals and contributions made during the Plan Year under all such arrangements shall be aggregated. Notwithstanding the foregoing, certain plans shall be treated as separate if mandatorily disaggregated under regulations under Code section 401(k) or 401(m).

(b) Contributions Used in Determining Ratios. All or part of the Qualified Non-Elective Contributions and Qualified Matching Contributions that are made with respect to any or all Participants may be treated as Elective Deferrals or Matching Contributions for purposes of meeting the requirements of Subsections 5.02(a) and (b). In addition, the Plan Administrator may use any Employer or Employee contribution to meet the requirements of the ADP and ACP tests of Section 5.02 to the extent permitted by applicable Treasury Regulations. The Employer may make additional contributions that are taken into account for the ACP test under Subsection 5.02(b) that, in combination with the other contributions taken into account under this Subsection 5.03(b), will allow the Plan to satisfy the requirements of such Subsection. However, to the extent the Plan uses the prior year testing method, in order to be included in Actual Deferral Ratios and the Actual Contribution Ratios of Nonhighly Compensated Employees, Qualified Non-Elective Contributions and Qualified Matching Contributions must be made no later than the last day of the Plan Year being tested.

(c) Contributions Only Used Once. Qualified Non-Elective Contributions and Qualified Matching Contributions shall not be taken into account under the ADP test to the extent such contributions are taken into account for purposes of satisfying any other ADP test, any other ACP test, or the requirements of Treas. Reg. sections 1.401(k)-3, 1.401(m)-3 or 1.401(k)-4. In order to be taken into account for purposes of satisfying the ADP test, Matching Contributions must be (1) allocated to the Employee's Account under the terms of the Plan as of a date within that year; (2) made on account of (or on the basis of) the Participant's Matched Employee Contributions for that year; and (3) actually paid to the Plan no later than the end of the 12-month period immediately following the year that contains that date. If the Plan switches from the current year testing method to the prior year testing method, Qualified Non-Elective Contributions and Qualified Matching Contributions that are taken into account under the current year testing method for a year may not be taken into account under the prior year testing method for the next year.

(d) Aggregation of Plans. In the event that this Plan satisfies the requirements of Code sections 401(k), 401(m), 401(a)(4), or 410(b) only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such sections of the Code only if aggregated with this Plan, then Section 5.02 shall be applied as if all such plans were a single plan. The Plan may not be aggregated for testing purposes if the plans to be aggregated use

differing testing methods (i.e., current year/prior year). For example, a plan (within the meaning of Treas. Reg. section 1.410(b)-7(b)) that applies the current year testing method may not be aggregated with another plan that applies the prior year testing method. Similarly, an Employer may not aggregate a plan (within the meaning of Treas. Reg. section 1.410(b)-7(b)): (1) using the ADP safe harbor provisions of Code section 401(k)(12) or 401(k)(13) and another plan that is using the ADP test of Code section 401(k)(3); or (2) using the ACP safe harbor provisions of Code section 401(m)(11) or 401(m)(12) and another plan that is using the ACP test of Code section 401(m)(2). The Employer may also treat two or more separate collective bargaining units as a single collective bargaining unit, provided that the combinations of units are determined on a basis that is reasonable and reasonably consistent from year to year.

(e) **Matching Contributions in a Safe Harbor Plan.** If the Plan satisfies the ACP safe harbor requirements of Code section 401(m)(11) or 401(m)(12) for a Plan Year but nonetheless must satisfy the requirements of Section 5.02(b) because it provides for Voluntary Contributions, the Plan Administrator may elect to perform the tests under Section 5.02(b) with regard to Matching Contributions and Voluntary Contributions. If the Plan satisfies the ADP safe harbor requirements of Code section 401(k)(12) or 401(k)(13) using Qualified Matching Contributions but does not satisfy the ACP safe harbor requirements of Code section 401(m)(11) or 401(m)(12), the Plan Administrator is permitted to perform the tests under Section 5.02(b) by excluding Matching Contributions with respect to all Participants that do not exceed 4% of each Employee's Plan Compensation.

(f) **Disproportionate Contributions.**

(1) **Qualified Non-Elective Contributions.** All or part of a Nonhighly Compensated Employee's Qualified Non-Elective Contributions may be taken into account in meeting the ADP test under Section 5.02(a) or ACP test under Section 5.02(b) only to the extent that such contributions are not treated as disproportionate within the meaning of Treas. Reg. sections 1.401(k)-2(a)(6) or 1.401(m)-2(a)(6) and the Plan uses the current year testing method.

(2) **Qualified Matching Contributions.** All or part of a Nonhighly Compensated Employee's Matching Contributions may be taken into account in meeting the ACP test under Section 5.02(b) only to the extent that such contributions are not treated as disproportionate within the meaning of Treas. Reg. section 1.401(m)-2(a)(5)(ii) and the Plan uses the current year testing method.

(g) **Code Section 410(a) Excludable Employees.** The Employer may treat, pursuant to applicable Treasury Regulations, Participants who have not met the minimum age and service requirements of Code section 410(a)(1)(A) as comprising a separate plan for purposes of Section 5.02 pursuant to Subsection (1) or (2), provided the disaggregated Plan separately satisfies the requirements of Code section 410(b) and the Plan does not utilize Section 5.03(h).

(1) **Annual Entry Date.** The Plan Administrator may treat Participants who have not met the minimum age and service requirements of Code section 410(a)(1)(A) before the first day of the seventh month of the Plan Year as comprising a separate plan. If the Plan provides safe harbor contributions, Participants not considered in the separate plan must be eligible for safe harbor contributions for the entire Plan Year.

(2) **Semi-Annual or More Frequent Entry Date.** The Plan Administrator may treat Participants who have not met the minimum age and service requirements of Code section 410(a)(1)(A) using one of the entry dates specified in the Plan (not less frequently than semi-annual) before the last day of the Plan Year as comprising a separate plan. Contributions of Participants who have an entry date during the applicable Plan Year shall not be counted in the separate plan.

(h) Excludable Nonhighly Compensated Employees. The Employer may also, pursuant to applicable Treasury Regulations, exclude all Nonhighly Compensated Employees who have not met the minimum age and service requirements of Code section 410(a)(1)(A) (pursuant to Subsection (g)(1) or (2)) from consideration in determining whether the requirements of Section 5.02 are met, provided the disaggregated Plan consisting of such excludable Nonhighly Compensated Employees separately satisfies the requirements of Code section 410(b) and the Plan does not utilize Section 5.03(g).

(i) Correction Methods. The Plan may, pursuant to applicable Treasury Regulations, do any of the following to avoid or correct excess contributions or excess aggregate contributions: (1) provide for the use of any of the correction methods described herein; (2) limit contributions in a manner designed to prevent excess contributions from being made; or (3) use a combination of these methods.

(j) Plans Using Differing Testing Methods. A Plan may use differing testing methods (i.e., current year/prior year) for the ADP and ACP tests of Section 5.02. For example, the Plan may use the prior year testing method for the ADP test of Section 5.02(a) and the current year testing method for its ACP test of Section 5.02(b) for a Plan Year. In addition to the prohibition on recharacterization specified in Section 5.04(a), a Plan that uses differing methods may not use Elective Deferrals in the ACP test of Section 5.02(b) and may not use Qualified Matching Contributions in the ADP test of Section 5.02(a).

(k) Special Rules Regarding Prior Year Data. If the Plan uses the prior year testing method for either the ADP or ACP test in Section 5.02 and is involved in a Plan coverage change as defined in Treas. Reg. section 1.401(k)-2(c)(4) or 1.401(m)-2(c)(4), then any adjustments to the Nonhighly Compensated Employees' prior year percentages will be made in accordance with such regulations.

(l) Plan Year Requirements for Safe Harbor Plans. To the extent the Plan is designed to satisfy Code section 401(k)(12) or 401(k)(13), the Plan Year must satisfy the requirements of Treas. Reg. section 1.401(k)-3(e)(1), taking into account the special provisions of 1.401(k)-3(e)(2) for the initial Plan Year. A short Plan Year may exist provided the requirements of Treas. Reg. section 1.401(k)-3(e)(3) are satisfied. The final Plan Year of a terminating plan may be less than 12 months provided the requirements of Treas. Reg. section 1.401(k)-3(e)(4) are satisfied. A safe harbor Plan Year may also be less than 12 months if the Plan is amended out of safe harbor status pursuant to Treas. Reg. section 1.401(k)-3(g).

(m) Regulations. Sections 5.02 through 5.04 shall be interpreted in accordance with applicable IRS regulations.

#### Section 5.04      CORRECTION OF DISCRIMINATORY CONTRIBUTIONS

(a) Elective Deferrals. In the event the nondiscrimination tests of Section 5.02(a) are not satisfied with respect to Elective Deferrals for any Plan Year, excess contributions for the Plan Year determined as set forth in Paragraph (1) shall be corrected as set forth in Paragraph (2):

(1) Determination of excess contributions. The Elective Deferrals of the Highly Compensated Employee with the highest Actual Deferral Ratio shall be reduced until the nondiscrimination tests imposed by Section 5.02(a) would be satisfied, or until the Actual Deferral Ratio of the Highly Compensated Employee would equal the Actual Deferral Ratio of the Highly Compensated Employee with the next highest Actual Deferral Ratio. This process shall be repeated until the nondiscrimination tests imposed by Section 5.02(a) are satisfied. The amount of excess contributions is equal to the sum of these hypothetical reductions multiplied, in each case, by the respective Highly Compensated Employee's Section 414(s) Compensation (including deferrals to the extent that they are taken into account in determining testing ratios).

(2) Distribution of excess contributions. Excess contributions shall be allocated to the Highly Compensated Employees with the largest dollar amounts of contributions taken into account in calculating the Average Deferral Percentage test for the year in which the excess arose, beginning with the Highly Compensated Employee with the largest dollar amount of such contributions and continuing in descending order until all of the excess contributions have been allocated. To the extent a Highly Compensated Employee has not reached his or her Catch-up Contribution limit as specified in Section 5.01(d), excess contributions allocated to such Highly Compensated Employee are deemed Catch-up Contributions and will not be treated as excess contributions. The amount of excess contributions is reduced by any amounts previously distributed from the Plan to correct Excess Elective Deferrals under Section 5.01 for the Employee's taxable year ending with or within the Plan Year. The distribution of the amount allocated to each Highly Compensated Employee, as adjusted for income allocable to the excess contributions, shall occur within 12 months of the close of the Plan Year for which the Elective Deferrals were made. The income/loss allocable to excess contributions is equal to the sum of the allocable gain or loss for the Plan Year. Elective Deferrals not taken into account in determining Matching Contributions under Section 4.02 shall be distributed first. In the event a Participant receives a distribution of Elective Deferrals that were taken into account in determining Matching Contributions, the Participant shall forfeit such Matching Contributions that were allocated to the Participant by reason of the distributed Elective Deferrals to the extent that additional Matching Contributions are not made pursuant to Treas. Reg. section 1.401(a)(4)-11(g)(3)(vii)(B). Amounts forfeited shall be used pursuant to Section 6.03(d). If the Plan does not correct excess contributions within 2-1/2 months (6 months in the case of an eligible automatic contribution arrangement where all Participants are Covered Employees), or such other time frame as may be prescribed by the Secretary of the Treasury, after the close of the Plan Year for which the excess contributions are made, the Employer will be liable for a 10% excise tax on the amount of the excess contributions to the extent provided in Code section 4979.

(3) Recharacterization. If the Plan permits Voluntary Contributions and if the Plan uses the same testing methods (current year/prior year) in Subsection 5.02(a) and (b), the Plan Administrator may treat excess contributions as an amount distributed to the Participant and then contributed by the Participant to the Plan as a Voluntary Contribution. Recharacterized amounts will remain nonforfeitable and subject to the same distribution requirements as Elective Deferrals. Recharacterized amounts will be subject to ACP testing and limitations. Amounts may not be recharacterized by a Highly Compensated Employee to the extent that such amount in combination with other Voluntary Contributions made by that Employee would exceed any stated limit under the Plan on Voluntary Contributions. Recharacterization must occur no later than two and one-half months after the last day of the Plan Year in which such excess contributions arose and is deemed to occur no earlier than the date the last Highly Compensated Employee is informed in writing of the amount recharacterized and the consequences thereof. Recharacterized amounts will be taxable to the Participant for the Participant's tax year in which the Participant would have received them in cash.

(4) Refunds. If the Plan permits Roth Elective Deferrals, the Participant may elect to have refunds made either from his Pre-tax Elective Deferrals or Roth Elective Deferrals or any combination thereof. Unless a Participant otherwise specifies, a distribution of Excess Elective Deferrals for a year shall be made first from the Participant's pre-tax Elective Deferral account, to the extent such deferrals were made for the year.

(b) Matching Contributions and Voluntary Contributions. In the event the nondiscrimination tests of Section 5.02(b) are not satisfied with respect to Matching Contributions and Voluntary Contributions for any Plan Year, excess aggregate contributions and Voluntary Contributions for the Plan Year determined as set forth in Paragraph (1) shall be corrected as set forth in Paragraph (2).

(1) Determination of excess aggregate contributions. The determination of the amount of excess aggregate contributions resulting from the application of the ACP test may only be made after determining the

excess contributions to be recharacterized as Voluntary Contributions under Section 5.04(a)(3). The Matching Contributions and Voluntary Contributions of the Highly Compensated Employee with the highest Actual Contribution Ratio shall be reduced until the nondiscrimination tests imposed by Section 5.02(b) would be satisfied, or until the Actual Contribution Ratio of the Highly Compensated Employee would equal the Actual Contribution Ratio of the Highly Compensated Employee with the next highest Actual Contribution Ratio. This process shall be repeated until the nondiscrimination tests imposed by Section 5.02(b) are satisfied. The amount of excess aggregate contributions and Voluntary Contributions is equal to the sum of these hypothetical reductions multiplied, in each case, by the respective Highly Compensated Employee's Section 414(s) Compensation (including deferrals to the extent that they are taken into account in determining testing ratios).

(2) Correction of excess aggregate contributions. Excess aggregate contributions and Voluntary Contributions shall be allocated to the Highly Compensated Employees with the largest dollar amounts of contributions taken into account in calculating the Average Contribution Percentage test for the year in which the excess arose, beginning with the Highly Compensated Employee with the largest dollar amount of such contributions and continuing in descending order until all of the excess contributions have been allocated. The correction of the amount allocated to each Highly Compensated Employee, as adjusted for income allocable to the excess aggregate contributions, shall occur within 12 months of the close of the Plan Year for which the Matching Contributions and Voluntary Contributions were made. The income/loss allocable to excess aggregate contributions is equal to the sum of the allocable gain or loss for the Plan Year. Excess aggregate contributions and Voluntary Contributions shall be corrected in the following order: (i) Voluntary Contributions not taken into account in determining Matching Contributions under Article 4 shall be distributed; (ii) any other Voluntary Contributions not described in clause (i) shall be distributed and their related Matching Contributions shall be forfeited to the extent that additional Matching Contributions are not made pursuant to Treas. Reg. section 1.401(a)(4)-11(g)(3)(vii)(B); and (iii) vested Matching Contributions shall be distributed and nonvested Matching Contributions forfeited. Amounts forfeited shall be used pursuant to Section 6.03(d). If the Plan does not correct excess contributions within 2-1/2 months (6 months in the case of an eligible automatic contribution arrangement where all Participants are Covered Employees), or such other time frame as may be prescribed by the Secretary of the Treasury, after the close of the Plan Year for which the excess contributions are made, the Employer will be liable for a 10% excise tax on the amount of the excess contributions to the extent provided in Code section 4979.

Section 5.05      MAXIMUM AMOUNT OF ANNUAL ADDITIONS

(a)      General Rule.

(1)      One Plan. If the Participant does not participate in, and has never participated in another qualified plan maintained by the Employer or a welfare benefit fund, as defined in Code section 419(e) maintained by the Employer, or an individual medical account, as defined in Code section 415(l)(2), maintained by the Employer, or a simplified employee pension plan, as defined in Code section 408(k), maintained by the Employer, which provides an Annual Addition, the amount of Annual Additions which may be credited to the Participant's Account for any Limitation Year will not exceed the lesser of the maximum permissible amount specified in Section 5.05(b) or any other limitation contained in this Plan. If the Employer contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed such maximum permissible amount, the amount contributed or allocated will be reduced so that the Annual Additions for the Limitation Year will equal the maximum permissible amount.

(2)      Multiple Plans. This Subsection 5.05(a)(2) applies if, in addition to this Plan, the Participant is covered under another qualified defined contribution plan maintained by the Employer, a welfare benefit fund maintained by the Employer, an individual medical account maintained by the Employer, or a simplified employee pension plan maintained by the Employer, that provides an Annual Addition during any Limitation Year. The Annual

Additions which may be credited to a Participant's Account under this Plan for any such Limitation Year will not exceed the maximum permissible amount specified in Section 5.05(b) reduced by the Annual Additions credited to a Participant's account under the other qualified defined contribution plans, welfare benefit funds, individual medical accounts, and simplified employee pension plans for the same Limitation Year.

(b) Maximum Permissible Amount. The maximum permissible amount is the lesser of:

(1) \$40,000, as adjusted for increases in the cost-of-living under Code section 415(d); or

(2) 100% of the Participant's Statutory Compensation for the Limitation Year. The compensation limit referred to in this Subsection (b)(2) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code sections 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition. Notwithstanding the preceding sentence, Statutory Compensation for purposes of Section 5.05 for a Participant in a defined contribution plan who is permanently and totally disabled (as defined in Code section 22(e)(3)) is the compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled.

Prior to determining the Participant's actual Statutory Compensation for the Limitation Year, the Employer may determine the maximum permissible amount for a Participant on the basis of a reasonable estimation of the Participant's Statutory Compensation for the Limitation Year, uniformly determined for all Participants similarly situated. As soon as is administratively feasible after the end of the Limitation Year, the maximum permissible amount for the Limitation Year will be determined on the basis of the Participant's actual Statutory Compensation for the Limitation Year.

(c) Correction of Excess. If there is an allocation in excess of the Maximum Permissible Amount, the Plan Administrator shall correct such excess pursuant to the procedures outlined under Employee Plans Compliance Resolution System as described in Rev. Proc. 2016-51 and any superseding guidance.

<b>ARTICLE 6 VESTING</b>
--------------------------

Section 6.01     PARTICIPANT CONTRIBUTIONS

A Participant shall have a fully (100%) vested and nonforfeitable interest in his Elective Deferral Account, Voluntary Contribution Account, Rollover Contribution Account, In-Plan Roth Rollover Account, Qualified Non-Elective Contribution Account, Qualified Matching Contribution Account and contributions used to satisfy ADP safe harbor requirements of Code section 401(k)(12).

Section 6.02     EMPLOYER CONTRIBUTIONS

The Participant's interest in his Matching Contribution Account, Non-Elective Contribution Account, Pension Contribution Account and contributions used to satisfy ADP safe harbor requirements of Code section 401(k)(13) shall vest based on his Years of Vesting Service in accordance with the terms of the Adoption Agreement.

For purposes of the Adoption Agreement, "2-6 Year Graded", "1-5 Year Graded", "1-4 Year Graded", "3 Year Cliff" and "2 Year Cliff" shall be determined in accordance with the following schedules:

	Years of Vesting Service	Vesting Percentage
"2-6 Year Graded":	Less than Two Years	0%
	Two Years but less than Three Years	20%
	Three Years but less than Four Years	40%
	Four Years but less than Five Years	60%
	Five Years but less than Six Years	80%
	Six or More Years	100%
"1-5 Year Graded":	Less than One Year	0%
	One Year but less than Two Years	20%
	Two Years but less than Three Years	40%
	Three Years but less than Four Years	60%
	Four Years but less than Five Years	80%
	Five or More Years	100%
"1-4 Year Graded":	Less than One Year	0%
	One Year but less than Two Years	25%
	Two Years but less than Three Years	50%
	Three Years but less than Four Years	75%
	Four or More Years	100%
"3 Year Cliff":	Less than Three Years	0%
	Three or More Years	100%
"2 Year Cliff":		



Less than Two Years	0%
Two or More Years	100%

Notwithstanding the foregoing, a Participant shall become fully (100%) vested upon his attainment of Normal Retirement Age while an Employee. In addition, the Adoption Agreement may provide that a Participant will become fully (100%) vested upon (a) his death while an Employee, (b) his suffering a Disability while an Employee, or (c) attaining his Early Retirement Age while an Employee. If a Participant dies while performing Qualified Military Service, the survivors of the Participant are entitled to any additional benefits provided under the Plan as if the Participant had resumed and then terminated employment on account of death pursuant to Code section 401(a)(37). If Participants become fully (100%) vested upon death while an Employee, Participants shall also become fully (100%) vested upon death while performing Qualified Military Service.

A Participant's Transfer Account, if any, shall remain subject to the vesting schedule that applied to the Account immediately prior to the transfer.

### Section 6.03      FORFEITURES

(a)      Participants Receiving a Distribution. A Participant who receives a distribution of the value of the entire vested portion of his Account shall forfeit the nonvested portion of such Account as soon as administratively feasible after such distribution; but no later than the end of the Plan Year following the Plan Year during which such distribution occurred. If the Participant elects to the extent permitted by Article 7 to have distributed less than the entire vested portion of the Account balance derived from Employer contributions, the part of the nonvested portion that will be treated as a forfeiture is the total nonvested portion multiplied by a fraction, the numerator of which is the amount of the distribution attributable to Employer contributions and the denominator of which is the total value of the vested Employer-derived Account balance. No forfeitures will occur solely as a result of a Participant's withdrawal of Employee contributions.

For purposes of this Section, if the value of a Participant's vested Account balance is zero upon Termination, the Participant shall be deemed to have received a distribution of such vested Account.

(b)      Participants Not Receiving a Distribution. The nonvested portion of the Account balance of a Participant who has a Termination of Employment and does not receive a complete distribution of the vested portion of his Account shall be forfeited as soon as administratively feasible after the date he incurs five consecutive One-Year Breaks in Service (One-Year Periods of Severance if the Plan uses the Elapsed Time Method); but no later than the end of the Plan Year following the Plan Year during which such break in service occurred.

(c)      Reemployment.

(1)      Before Five One-Year Breaks. If a Participant receives or is deemed to receive a distribution pursuant to this Section and the Participant resumes employment covered under this Plan and who also meets the requirements of Code sections 411(a)(7)(B) and (C), the Participant's Employer-derived Account balance will be restored to the amount on the date of distribution if the Participant repays to the Plan the full amount of the distribution attributable to Employer contributions before the earlier of 5 years after the first date on which the Participant is subsequently reemployed by the Employer, or the date the Participant incurs 5 consecutive One-Year Breaks in Service (One-Year Periods of Severance if the Plan uses the Elapsed Time Method) following the date of the distribution. If a zero-vested Participant is deemed to receive a distribution pursuant to this Section, and the Participant resumes employment covered under this Plan before the date the Participant incurs 5 consecutive One-Year Breaks in Service (One-Year Periods of Severance if the Plan uses the Elapsed Time Method), upon the reemployment of such Participant, the Employer-derived Account balance of the Participant will be restored to the amount on the date of such

deemed distribution. Forfeitures that are restored pursuant to the foregoing shall be accomplished by an allocation of forfeitures, or if such forfeitures are insufficient, by a special Employer contribution.

(2) After Five One-Year Breaks. If a Participant resumes employment as an Eligible Employee after forfeiting the nonvested portion of his Account balance after 5 consecutive One-Year Breaks in Service (One-Year Periods of Severance if the Plan uses the Elapsed Time Method) and is not fully (100%) vested upon reemployment, the Participant's Account balance attributable to his pre-break service shall be kept separate from that portion of his Account balance attributable to his post-break service until such time as his post-break Account balance becomes fully (100%) vested. A Participant with a balance in his Elective Deferral Account shall be considered a vested Participant for purposes of Code section 411(a)(6)(D)(iii).

(d) Disposition of Forfeitures. Amounts forfeited from a Participant's Account shall be used to restore forfeitures or reduce Employer contributions (or reallocate as Employer contributions) made pursuant to Article 4, or to pay reasonable Plan expenses to the extent specified in the Adoption Agreement. Forfeitures cannot be used as Elective Deferrals. Any such disposition of forfeitures from a Participant's Account shall be made no later than the end of the Plan Year following the Plan Year during which the forfeiture occurred.

(e) Vesting Following In-Service Withdrawals or Payment in Installments. If a distribution is made at a time when a Participant has a nonforfeitable right to less than 100% of his Account derived from Employer contributions and the Participant may increase the nonforfeitable percentage in the Account:

(1) A separate Account will be established for the Participant's interest in the Plan as of the time of the distribution, and

(2) At any relevant time the Participant's nonforfeitable portion of the separate Account will be equal to an amount ("X") determined by the formula:

$$X = P(AB + (R \times D)) - (R \times D)$$

For purposes of applying the formula: P is the nonforfeitable percentage at the relevant time; AB is the Account balance at the relevant time; D is the amount of the distribution; and R is the ratio of the Account balance at the relevant time to the Account balance after distribution.

**ARTICLE 7 DISTRIBUTIONS**Section 7.01      COMMENCEMENT OF DISTRIBUTIONS

(a)      Early and Normal Retirement. A Participant, upon attainment of his Normal Retirement Date, shall be entitled to retire and to receive his Account as his benefit hereunder pursuant to Section 7.02. To the extent permitted in the Adoption Agreement, a Participant may, at any time after reaching his Early Retirement Date but before Termination, elect to have the Plan Administrator commence the distribution of his benefit pursuant to Section 7.02 by providing the Plan Administrator with a written election to that effect. Any such written election shall state the date upon which distribution of benefits is to commence and shall be effective upon delivery to the Plan Administrator.

(b)      Late Retirement. If a Participant continues in the employ of the Employer beyond his Normal Retirement Date, his participation under the Plan shall continue, and his benefits under the Plan shall commence following his actual Termination of Employment pursuant to Section 7.02. To the extent permitted in the Adoption Agreement, a Participant may, at any time after reaching his Normal Retirement Date but before actual retirement, elect to have the Plan Administrator commence the distribution of his benefit pursuant to Section 7.02 by providing the Plan Administrator with a written election to that effect. Any such written election shall state the date upon which distribution of benefits is to commence and shall be effective upon delivery to the Plan Administrator.

(c)      Disability Retirement. Except as may be otherwise provided in the Adoption Agreement, if a Participant becomes Disabled, he shall become entitled to receive his vested Account pursuant to Section 7.02 following the date he has a Termination of Employment.

(d)      Death. If a Participant dies, either before or after his Termination of Employment, his Beneficiary designated pursuant to Section 7.04 shall become entitled to receive the Participant's vested Account pursuant to Section 7.02.

(e)      Termination of Employment. A Participant shall become entitled to receive his vested Account pursuant to Section 7.02 following the date he has a Termination of Employment. A Participant shall not be entitled to a distribution from his Elective Deferral Account, Qualified Non-Elective Contribution Account or Qualified Matching Contributions (and earnings attributable to these contributions) unless he has had a "severance from employment" within the meaning of Code section 401(k)(2)(B)(i)(I).

Section 7.02      TIMING AND FORM OF DISTRIBUTIONS

(a)      Distribution for Reasons Other Than Death. If a Participant's Account balance becomes distributable pursuant to Section 7.01 for any reason other than death and such amount is not required to be distributed in the form of a Qualified Joint and Survivor Annuity pursuant to Section 7.10, payment of his vested Account shall commence at such times and shall be payable in the form and at such times as specified in the Adoption Agreement. To the extent permitted in the Adoption Agreement, a Participant may elect to have the Plan Administrator apply his entire Account toward the purchase of an annuity contract. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable and shall be distributed to the Participant.

The method of distribution shall be selected by the Participant on a form prescribed by the Plan Administrator. If no such selection is made by the Participant, payment shall be made in the form of a lump sum distribution unless the Adoption Agreement provides for different normal form of payment or payment is required to be made in the form

of a Qualified Joint and Survivor Annuity pursuant to Section 7.10 of the Adoption Agreement. No distribution shall be made if the Participant is rehired by the Employer before payments commence.

(b) Distribution on Account of Death.

(1) Before Distribution Has Begun. If the Participant dies before distribution of his Account begins and such amount is not required to be distributed in the form of a qualified preretirement survivor annuity pursuant to Section 7.10, distribution of the Participant's entire Account, including any amounts attributable to an investment in a deferred annuity contract, shall be completed by the time and in the manner specified in the Adoption Agreement. To the extent permitted in the Adoption Agreement, payments may be made at least as rapidly as over the following periods:

(A) A complete distribution shall be made by December 31 of the calendar year containing the fifth anniversary of the Participant's death;

(B) Distributions may be made over the life or over a period certain not greater than the life expectancy of the Beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Participant died; or

(C) If the Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with Subparagraph (B) above shall not be earlier than the later of (i) December 31 of the calendar year immediately following the calendar year in which the Participant died and (ii) December 31 of the calendar year in which the Participant would have attained age 70-1/2.

If the Plan permits Participant elections under this Subsection (b)(1) and the Participant has not made an election as to form of payment by the time of his death, the Participant's Beneficiary must elect the method of distribution no later than the earlier of (1) December 31 of the calendar year in which distributions would be required to begin under this Section, or (2) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated beneficiary, pursuant to applicable Treasury Regulations, or if the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

If the surviving spouse dies after the Participant, the provisions of this Subsection (b)(1), with the exception of Subparagraph (C) therein, shall be applied as if the surviving spouse were the Participant.

(2) After Distribution Has Begun. If the Participant dies after distribution of his Account has begun, the remaining portion of such Account will continue to be distributed at least as rapidly as the method of distribution being used prior to the Participant's death. If the Participant's Account was not being distributed in the form of an annuity at the time of his death: (i) distribution of the Participant's entire Account, including any amounts attributable to an investment in a deferred annuity contract, shall be completed by the time and in the manner specified in the Adoption Agreement; and (ii) the Beneficiary may elect to receive the Participant's remaining vested Account balance in a lump sum distribution. To the extent permitted in the Adoption Agreement, payments may be made at least as rapidly as over the following periods:

(A) A complete distribution shall be made by December 31 of the calendar year containing the fifth anniversary of the Participant's death; or

(B) Distributions shall continue to be distributed at least as rapidly as the method of distribution being used prior to the Participant's death.

The Beneficiary shall provide the Plan Administrator with the death notice or other sufficient documentation before any payments are made pursuant to this Subsection.

(c) Valuation Date. The distributable amount of a Participant's Account is the vested portion of his Account as of the Valuation Date coincident with or next preceding the date distribution is made to the Participant or Beneficiary as reduced by any subsequent distributions, withdrawals or loans.

(d) Ordering Rule. The Plan Administrator shall determine the ordering rule for distributions; provided that such ordering rule is nondiscriminatory. Such ordering rule may provide that the Participant or Beneficiary may elect to have payments made first or last from his Roth Elective Deferral Account or Voluntary Contribution Account or in any combination of such Accounts and any other Account.

(e) Restriction on Deferral of Payment. Unless otherwise elected, benefit payments under the Plan will begin to a Participant not later than the 60th day after the latest of the close of the Plan Year in which:

- (1) the Participant attains his Normal Retirement Date;
- (2) occurs the 10th anniversary of the year in which his participation commenced; or
- (3) the Participant has a Termination of Employment.

Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section.

(f) Minimum Distribution Requirements. Distributions shall be made in a method that is in conformance with the requirements set forth in Section 7.05. Section 7.05 shall not be deemed to create a type of benefit (e.g., installment payments, lump sum within five years or immediate lump sum payment) to any class of Participants and Beneficiaries that is not otherwise permitted by the Plan.

#### Section 7.03    FORCE-OUT OF SMALL BALANCES

(a) Vested Account Balance Does Not Exceed \$5,000. Notwithstanding the foregoing, if involuntary force-out is selected in the Adoption Agreement and the vested amount of an Account payable to a Participant or Beneficiary does not exceed \$5,000 (or such lesser amount specified in the Adoption Agreement) at the time such individual becomes entitled to a distribution hereunder (or at any subsequent time established by the Plan Administrator to the extent provided in applicable Treasury Regulations), such vested Account shall be paid in a lump sum to the extent it is not subject to the automatic rollover provisions of Section 7.06(c) below.

(b) Vested Account Balance Exceeds \$5,000. If the value of a Participant's vested Account balance exceeds \$5,000 or such lesser amount as specified in the Adoption Agreement and the Account balance is immediately distributable, the Participant must consent to any distribution of such Account balance. Notwithstanding the foregoing and unless otherwise specified in the Adoption Agreement, payments shall commence as of the Participant's Required Beginning Date in the form of a lump sum or installment payments. The Participant's consent shall be obtained in writing within the 180-day period ending on the Annuity Starting Date. The Plan Administrator shall notify the Participant of the right to defer any distribution until the date specified in the Adoption Agreement. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan, and shall be provided no less than 30 days and no more than 180 days prior to the Annuity Starting

Date. Except to the extent provided in Section 7.10, distribution may commence less than 30 days after the notice described in the preceding sentence is given, provided the Plan Administrator clearly informs the Participant that he has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and the Participant, after receiving the notice, affirmatively elects a distribution. In the event a Participant's vested Account balance becomes distributable without consent pursuant to this Subsection (b), and the Participant fails to elect a form of distribution, the vested Account balance of such Participant shall be paid in a single sum except to the extent provided in Section 7.10.

(c) For purposes of this Section 7.03, the Participant's vested Account balance shall not include amounts attributable to accumulated deductible Employee contributions within the meaning of Code section 72(o)(5)(B).

(d) Required Distributions and Plan Termination. Consent of the Participant or his spouse shall not be required to the extent that a distribution is required to satisfy Code sections 401(a)(9), 401(k), 401(m), 402(g) or 415. In addition, upon termination of this Plan the Participant's Account balance shall be distributed to the Participant in a lump sum distribution unless payment is made in the form of a Qualified Joint and Survivor Annuity pursuant to Section 7.10. However, if the Employer maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code section 4975(e)(7)), then the Participant's Account balance will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

(e) Treatment of Rollovers. If elected in the Adoption Agreement, Rollovers shall be disregarded in determining the value of the Account balance for involuntary distributions. For purposes of this Section 7.03, the Participant's vested Account balance shall not include that portion of the Account balance that is attributable to Rollover Contributions (and earnings allocable thereto) within the meaning of Code sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

#### Section 7.04      BENEFICIARY

(a) Beneficiary Designation Right. Except as provided in Section 7.04(b) and Section 7.10, each Participant, and if the Participant has died, the Beneficiary of such Participant, shall have the right to designate one or more primary and one or more secondary Beneficiaries to receive any benefit becoming payable upon such individual's death. To the extent that a Participant's Account is not subject to Section 7.10, the spouse of a married Participant shall be the sole primary Beneficiary of such Participant unless the requirements of Subsection (b) are met. To the extent that a Participant's Account is subject to Section 7.10, the spouse of a married Participant shall be the Beneficiary of such portion of the Participant's Account as specified in the Adoption Agreement unless the spouse waives his or her rights to such benefit pursuant to Section 7.10. All Beneficiary designations shall be in writing in a form satisfactory to the Plan Administrator and shall only be effective when filed with the Plan Administrator during the Participant's lifetime (or if the Participant has died, during the lifetime of the Beneficiary of such Participant who desires to designate a further Beneficiary). Except as provided in Section 7.04(b) or Section 7.10, as applicable, each Participant (or Beneficiary) shall be entitled to change his Beneficiaries at any time and from time to time by filing written notice of such change with the Plan Administrator.

(b) Form and Content of Spouse's Consent. To the extent that a Participant's Account is not subject to Section 7.10, the Participant may designate a Beneficiary other than his spouse pursuant to this Subsection if: (1) the spouse has waived the spouse's right to be the Participant's Beneficiary in accordance with this Subsection; (2) the Participant has no spouse; or (3) the Plan Administrator determines that the spouse cannot be located or such other circumstances exist under which spousal consent is not required, as prescribed by Treasury Regulations. If required, such consent: (1) shall be in writing; (2) shall designate a beneficiary (or a form of benefit) which may not be changed without spousal consent (or permits Beneficiary designations by the Participant without the spouse's further consent); (3) shall acknowledge the effect of the consent; and (4) shall be witnessed by a Plan representative or notary public.

Any consent by a spouse, or establishment that the consent of a spouse may not be obtained, shall not be effective with respect to any other spouse. Any spousal consent that permits subsequent changes by the Participant to the Beneficiary designation without the requirement of further spousal consent shall acknowledge that the spouse has the right to limit such consent to a specific Beneficiary, and that the spouse voluntarily elects to relinquish such right.

(c) No Designated Beneficiary. Unless otherwise provided in the Adoption Agreement, in the event that the Participant fails to designate a Beneficiary, or in the event that the Participant is predeceased by all designated primary and secondary Beneficiaries, the death benefit shall be payable to the Participant's spouse or, if there is no spouse, to the Participant's children in equal shares or, if there are no children to the Participant's estate.

#### Section 7.05     MINIMUM DISTRIBUTION REQUIREMENTS

(a) General Rules.

(1) Effective Date. Subject to Section 7.10, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan.

(2) Construction. All distributions required under this Section shall be determined and made in accordance with the regulations under Code section 401(a)(9) and the minimum distribution incidental benefit requirement of Code section 401(a)(9)(G). Nothing contained in this Section shall be deemed to create a type of benefit (e.g., installment payments, lump sum within five years or immediate lump sum payment) to any class of Participants or Beneficiaries that is not otherwise permitted by the Plan.

(3) Limits on Distribution Periods. As of the first distribution calendar year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods:

- (i) the life of the Participant;
- (ii) the joint lives of the Participant and a designated Beneficiary;
- (iii) a period certain not extending beyond the life expectancy of the Participant; or
- (iv) a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a designated Beneficiary.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. Unless an earlier date is specified in Section 7.02(b), the Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then unless an earlier date is specified in Section 7.02(b), distributions to the surviving spouse will begin 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 age 70-1/2, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, unless otherwise specified in Section 7.02(b), distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) 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 unless an earlier date is specified in Section 7.02(b).

(iv) 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 are required to begin, this Subsection (b)(2), other than Subsection (b)(2)(i), will apply as if the surviving spouse were the Participant except as otherwise provided in Section 7.02(b).

For purposes of this Subsection (b)(2) and Subsection (d), unless Subsection (b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Subsection (b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Subsection (b)(2)(i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Subsection (b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Subsections (c) and (d) to the extent otherwise permitted by the Plan. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code 401(a)(9) and the regulations.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Treas. Reg. section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(ii) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this Subsection (c) beginning with the first distribution calendar year and continuing up to, and including, the distribution calendar year that includes the Participant's date of death.



(3) The amount of the Required Minimum Distribution shall include the amount payable under a QLAC that has passed its annuity starting date defined as commencing not later than the first day of the month next following the Participant's 85th birthday.

(d) Required Minimum Distributions After Participant's Death.

(1) Death On or After Date Distributions Begin.

(i) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(A) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(C) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of the September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(i) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Subsection (d)(1).

(ii) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's

sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Subsection (b)(2)(i), this Subsection (d)(2) will apply as if the surviving spouse were the Participant.

(3) The amount of the Required Minimum Distribution shall include the amount payable under a QLAC that has passed its annuity starting date (as defined in the QLAC).

(e) Definitions.

(1) Designated Beneficiary. The individual who is designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the Plan and who is the designated Beneficiary under Code section 401(a)(9) and Treas. Reg. section 1.401(a)(9)-4.

(2) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Subsection (b)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life expectancy. Life expectancy is computed by use of the Single Life Table in Treas. Reg. section 1.401(a)(9)-9, Q&A-1.

(4) Participant's Account Balance. The Account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account as of dates in the valuation calendar year after the Valuation Date and decreased by: (i) distributions made in the valuation calendar year after the Valuation Date and (ii) any amount held in a QLAC that has not reached its annuity starting date (as defined in the QLAC). The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(f) TEFRA Section 242(b)(2) Elections.

(1) Notwithstanding any provision in the Plan to the contrary and subject to the requirements of Section 7.10, distribution on behalf of any Employee, including a More Than 5% Owner, who has made a designation under section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (a "section 242(b)(2) election") may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(i) The distribution by the Plan is one which would not have disqualified such plan under Code section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(ii) The distribution is in accordance with a method of distribution designated by the Employee whose interest in the Plan is being distributed or, if the Employee is deceased, by a Beneficiary of such Employee.

(iii) Such designation was in writing, was signed by the Employee or the Beneficiary, and was made before January 1, 1984.

(iv) The Employee had accrued a benefit under the Plan as of December 31, 1983.

(v) The method of distribution designated by the Employee or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Employee's death, the Beneficiaries of the Employee listed in order of priority.

(2) A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee.

(3) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in Subsections (f)(1)(i) and (v).

(4) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code section 401(a)(9) and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code section 401(a)(9) and the regulations thereunder, but for the section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(5) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Treas. Reg. section 1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

(g) Application of Five-Year Rule.

(1) To the extent permitted in Section 7.02(b), if the Participant dies before distributions are required to begin and there is a designated Beneficiary, distributions to the designated Beneficiary are not required to begin by the date specified in Subsection (b)(2), but the Participant's entire interest may be distributed to the designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. 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 either the Participant or the surviving spouse begin, this election will apply as if the surviving spouse were the Participant.

(2) To the extent permitted in Section 7.02(b), Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in Subsections (b)(2), (d)(2) and (g)(1) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distributions would be required to begin under Subsections (b)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable,

surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with Subsections (b)(2), (d)(2) and (g)(1).

#### Section 7.06      DIRECT ROLLOVERS

(a) In General. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this part, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 (or such lesser amount as determined by the Plan Administrator in a nondiscriminatory manner) paid directly to an eligible retirement plan specified by the distributee in a direct rollover. If an eligible rollover distribution is less than \$500 (or such lesser amount as determined by the Plan Administrator in a nondiscriminatory manner), a distributee may not make the election described in the preceding sentence to roll over a portion of the eligible rollover distribution. This Paragraph shall be subject to Code sections 401(a)(31) and 402(f); Treas. Reg. sections 1.401(a)(31)-1, 1.402(c)-2 and 1.401(k)-1(f); and IRS Notices 2005-5, 2008-30, 2009-69, and 2009-75.

A non-spouse Beneficiary who is a designated Beneficiary within the meaning of Code section 401(a)(9)(E) may, after the death of the Participant, make a direct rollover of a distribution to an IRA established on behalf of the designated Beneficiary; provided the distributed amount satisfies all of the requirements to be an eligible rollover distribution other than the requirement that the distribution be made to the Participant or the Participant's spouse. Such direct rollovers shall be subject to the terms and conditions of IRS Notice 2007-7 and superseding guidance, including but not limited to the provision in Q&A-17 regarding required minimum distributions. The distributions described in this Paragraph shall be subject to Code sections 401(a)(31), 402(f) and 3405(c).

#### (b) Definitions.

(1) Eligible Rollover Distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); any hardship distribution; the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 (or such lesser amount as determined by the Plan Administrator in a nondiscriminatory manner) during a year. For purposes of the \$200 rule in the preceding sentence, a distribution from a Roth Elective Deferral Account and a distribution from other Accounts under the Plan are treated as made under separate plans.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code section 408(a) or (b), an annuity contract described in Code section 403(b), or to a qualified defined contribution plan described in Code section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible Retirement Plan. An eligible retirement plan is an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, an individual retirement account described in Code section 408(a), individual retirement annuity described in

Code section 408(b), an annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), or a qualified plan described in Code section 401(a), that accepts the distributee's eligible rollover distribution. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in Code section 414(p).

If any portion of an eligible rollover distribution is attributable to payments or distributions from a Roth Elective Deferral Account, an eligible retirement plan shall only include another Roth elective deferral account under an applicable retirement plan described in Code section 402A(e)(1) or to a Roth IRA described in Code section 408A and only to the extent the rollover is permitted under the rules of Code section 402(c). The Plan will not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral Account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 (or such lesser amount as determined by the Plan Administrator in a nondiscriminatory manner) during a year. In addition, if elected by the Plan Administrator in a nondiscriminatory manner, any distribution from a Participant's Roth Elective Deferral Account is not taken into account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than \$200 during a year. The provisions of this Section that allow a Participant to elect a direct rollover of only a portion of an eligible rollover distribution but only if the amount rolled over is at least \$500 are applied by treating any amount distributed from the Participant's Roth Elective Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.

(3) **Distributee.** A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in Code section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(4) **Direct Rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(c) **Automatic Rollovers.** In the event of a force-out distribution greater than \$1,000 (or such lesser amount as determined by the Plan Administrator in a nondiscriminatory manner) in accordance with the provisions of Section 7.03(a), if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly in accordance with Section 7.02, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator. Unless otherwise elected in the Adoption Agreement, the portion of the Participant's distribution attributable to any Rollover Contribution is included in determining whether the total amount of the Participant's Account balances under the Plan exceeds \$1,000 for purposes of mandatory distributions from the Plan. Eligible rollover distributions from a Participant's Roth Elective Deferral Account are separately taken into account in determining whether the total amount of the Participant's Account balances under the Plan exceeds \$1,000 for purposes of mandatory distributions from the Plan.

#### Section 7.07     MINOR OR LEGALLY INCOMPETENT PAYEE

If a distribution is to be made to an individual who is either a minor or legally incompetent, the Plan Administrator may direct that such distribution be paid to the legal guardian. If a distribution is to be made to such person and there is no legal guardian, the Plan Administrator may direct that payment be made to: (a) a parent of a minor, (b) a person holding a power of attorney; (c) a person authorized to act on behalf of such person under state law, or (d) the custodian for such person under the Uniform Transfer to Minors Act, if such is permitted by the laws of

the state in which such minor resides. Such payment shall fully discharge the Trustee, Plan Administrator, Trust, and the Employer from further liability on account thereof.

#### Section 7.08      MISSING PAYEE

If all or any portion of the distribution payable to a Participant or Beneficiary remains unpaid because the Plan Administrator has been unable to ascertain the whereabouts of the Participant or Beneficiary after making reasonable efforts to contact the Participant or Beneficiary (which may include, but not be limited to, using certified mail, checking related plan and employer records, checking with a designated Beneficiary, and using free electronic search tools) the Plan Administrator may use a reasonable method to remove the assets from the Plan that is consistent with ERISA and the Code. Such methods may include, but not be limited to, (a) creating an individual retirement plan designated by the Plan Administrator; or (b) if, for a period of more than five years after such distribution becomes payable or six months after all attempts to locate the Participant or Beneficiary, the Plan Administrator is still unable to ascertain the whereabouts of the Participant or Beneficiary, the amount so distributable may be treated as a forfeiture under Article 6 hereof. Notwithstanding the foregoing, if a claim is subsequently made by the Participant or Beneficiary for the forfeited benefit pursuant to clause (b) of the preceding sentence, such benefit shall be reinstated without any credit or deduction for earnings and losses. Amounts may be forfeited from a Participant's Account under this Section only in the case of a continuing plan (see Section 7.09 for distribution options to missing payees in the event of Plan termination). Amounts forfeited under this Section shall be used pursuant to Section 6.03(d).

#### Section 7.09      DISTRIBUTIONS UPON TERMINATION OF PLAN

Except as provided in Sections 7.10 and 12.03, a Participant shall receive the balance of his Account in a lump sum payment upon termination of the Plan without the establishment of an alternative defined contribution plan (as described in Treas. Reg. section 1.401(k)-1(d)(4)) other than an employee stock ownership plan (as defined in Code section 4975(e) or Code section 409), a simplified employee pension plan (as defined in Code section 408(k)), a SIMPLE IRA Plan (defined in Code section 408(p)), a plan or contract that satisfies the requirements of Code section 403(b), or a plan that is described in Code section 457(b) or (f). If, after a diligent search as described in 7.08, the Plan Administrator is unable to locate any Participant entitled to a distribution, the Plan Administrator will create an individual retirement account in the name of the missing payee as the sole means of distributing the owed balance. For distributions under this Section 7.09 only, the Plan Administrator may take action, including the creation of an individual retirement plan if needed, without regard to the value of a Participant's vested balance.

#### Section 7.10      JOINT AND SURVIVOR ANNUITIES

(a) Application. Notwithstanding any provision to the contrary, this Section shall apply if: (1) the Adoption Agreement used in conjunction with this Basic Plan Document provides for a Money Purchase Pension Plan or a Target Benefit Plan; (2) the normal form of benefit selected in the Adoption Agreement is a Qualified Joint and Survivor Annuity; (3) if a Participant elects benefits in the form of a single life annuity; (4) to the portion of the Participant's Transfer Account attributable to funds subject to the survivor annuity requirements of Code section 401(a)(11) and section 417 that were transferred from another plan (or to such other Accounts if the amounts were subject to such survivor annuities and were not separately accounted for); (5) a Participant elects to invest in a deferred annuity contract whereby the Participant may not transfer amounts out of the contract and may not elect a single-sum distribution; or (6) a Participant with investments in a deferred annuity contract that allows transfers or the selection of a single-sum distribution does not either (a) transfer amounts invested in the contract to another investment option or (b) elect a single-sum payment under the contract prior to the annuity starting date under the contract. This Section shall only apply if the Participant's Account exceeds \$5,000 (or such lesser amount specified in the Adoption Agreement) at the time such individual becomes entitled to a distribution hereunder (or at any subsequent time established by the Plan Administrator to the extent provided in applicable Treasury Regulations). For purposes of this Section 7.10(a), the Participant's vested

Account balance shall not include that portion of the Account balance that is attributable to Rollover Contributions (and earnings allocable thereto) within the meaning of Code sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

(b) **Qualified Joint and Survivor Annuity.** Unless otherwise elected pursuant to Subsection (d) below, a Participant's vested Account balance, to the extent provided in Subsection (a) above, will be paid to him by the purchase and delivery of an annuity in the form of a Qualified Joint and Survivor Annuity. To the extent that the Plan must offer a Qualified Joint and Survivor Annuity, the Plan shall also offer a Qualified Optional Survivor Annuity as another optional form of benefit.

A Participant may waive the Qualified Joint and Survivor Annuity during a period that begins on the first day of the 180-day period ending on the Annuity Starting Date and ends on the later of the Annuity Starting Date or the 30th day after the Plan Administrator provides the Participant with a written explanation of the Qualified Joint and Survivor Annuity. The Plan Administrator shall no less than 30 days and no more than 180 days prior to the Annuity Starting Date provide each Participant a written explanation of: (1) the terms and conditions of a Qualified Joint and Survivor Annuity; (2) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity form of benefit; (3) the rights of a Participant's spouse; (4) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity; and (5) the relative values of the various optional forms of benefits under the Plan pursuant to Treas. Reg. section 1.417(a)(3)-1(c)(2)(iv).

The Annuity Starting Date for a distribution in a form other than a Qualified Joint and Survivor Annuity may be less than 30 days after receipt of the written explanation described in the preceding paragraph provided: (1) the Participant has been provided with information that clearly indicates that the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) a form of distribution other than a Qualified Joint and Survivor Annuity; (2) the Participant is permitted to revoke any affirmative distribution election at least until the Annuity Starting Date or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and (3) the Annuity Starting Date is a date after the date that the written explanation was provided to the Participant.

(c) **Qualified Preretirement Survivor Annuity.** Unless otherwise elected within the applicable election period and to the extent provided in Subsection (a) above, if a Participant dies before the Annuity Starting Date then at least 50% of the Participant's vested Account balance shall be applied toward the purchase of an annuity for the life of the surviving spouse which shall be distributed to the spouse. The surviving spouse may direct the commencement of payments under the qualified preretirement survivor annuity within a reasonable time after the Participant's death. The terms of such annuity contract shall comply with the provisions of this Plan and the annuity contract shall be nontransferable. The applicable election period shall be the period which begins on the first day of the Plan Year in which the Participant attains age 35 and ends on the date of the Participant's death. If a Participant separates from service prior to the first day of the Plan Year in which he attains age 35, the election period shall begin on the date of separation. A Participant who has not yet attained age 35 may waive the annuity specified in this Subsection (c) provided that (1) the Participant receives a written explanation pursuant to the following paragraph and (2) such election is not effective as of the first day of the Plan Year in which the Participant attains age 35. Any new waiver on or after such date shall be subject to the full requirements of this Subsection. Notwithstanding anything in this Section to the contrary, the surviving spouse may elect, in writing, to have the Account balance be distributed pursuant to Section 7.02(b).

The Plan Administrator shall provide each Participant within the applicable period for such Participant a written explanation of the annuity described in this Subsection (c) in such terms and in such manner as would be comparable to the explanation provided for meeting the requirements of Subsection (b) applicable to a Qualified Joint and Survivor Annuity. The applicable period for a Participant is whichever of the following periods ends last: (1) the

period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35; (2) a reasonable period ending after the individual becomes a Participant; or (3) within a reasonable period ending after Termination of Employment in the case of a Participant who separates from service before attaining age 35.

For purposes of applying the preceding paragraph, a reasonable period ending after the enumerated events described in (2) and (3) is the end of the two-year period beginning one year prior to the date the applicable event occurs, and ending one year after that date. If a Participant who separates from service before the Plan Year in which he attains age 35 thereafter returns to employment with the Employer, the applicable period for such Participant shall be redetermined.

(d) Elections. Any waiver of the annuities described in Subsections (b) and (c) above shall not be effective unless: (1) the Participant's spouse consents in writing to the election; (2) the election designates a specific Beneficiary, including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (3) the spouse's consent acknowledges the effect of the election; and (4) the spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity shall not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent). If it is established to the satisfaction of a Plan representative that there is no spouse (within the meaning of Code section 417) or that the spouse cannot be located, a waiver will be deemed a qualified election.

Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the Participant without any requirement of further consent by such spouse must acknowledge that the spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both such rights. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in Subsections (b) and (c).

For purposes of determining a Participant's spouse, the Plan Administrator shall apply the one-year rule in Code section 417(d), Treas. Reg. section 1.401(a)-20 to the extent selected in the Adoption Agreement. The person to whom the Participant is married as of the Annuity Starting Date is the spouse who is entitled to QJSA coverage.



**ARTICLE 8 IN-SERVICE DISTRIBUTIONS AND LOANS****Section 8.01     HARDSHIP**

(a)       Hardship. A Participant may receive a distribution on account of hardship from the Accounts specified in the Adoption Agreement. Notwithstanding anything in the Plan to the contrary, if the Adoption Agreement permits a hardship distribution from an Account, the amount available for a hardship distribution from such Account shall include any amounts grandfathered under Treas. Reg. section 1.401(k)-1(d)(3)(ii)(B).

(b)       Hardship - Safe Harbor. If the Adoption Agreement provides that the Plan has adopted safe harbor criteria for hardship withdrawal, the following shall apply:

(1)       Immediate and Heavy Financial Need. A hardship distribution shall only be made upon the finding by the Plan Administrator of an immediate and heavy financial need where such Participant lacks other available resources. The following are the only financial needs considered immediate and heavy:

(A)       Expenses for (or necessary to obtain) medical care that would be deductible under Code section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income) for the Employee, or the Employee's spouse, children, or dependents (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B));

(B)       Costs directly related to the purchase of a principal residence for the Employee (excluding mortgage payments);

(C)       Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Employee, or the Employee's spouse, children, or dependents (as defined in Code section 152 without regard to Code sections 152(b)(1), (b)(2) and (d)(1)(B));

(D)       Payments necessary to prevent the eviction of the Employee from the Employee's principal residence or foreclosure on the mortgage on that residence;

(E)       Payments for burial or funeral expenses for the Employee's deceased parent, spouse, children or dependents (as defined in Code section 152 without regard to Code section 152(d)(1)(B));

(F)       Expenses for the repair of damage to the Employee's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income); and

(G)       Other expenses as provided by the Commissioner as specified in Treas. Reg. section 1.401(k)-1(d)(3)(v).

(2)       Amount Necessary to Satisfy Need. A distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Participant only if:

(A)       The distribution is not in excess of the amount of the immediate and heavy financial need (including amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);

(B) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans under all plans maintained by the Employer; and

(C) Provided any amount is removed from the Participant's Elective Deferral Account, all plans maintained by the Employer provide that the Participant's Elective Deferrals (and after tax contributions) will be suspended for 6 months after the receipt of the hardship distribution.

(c) Hardship - Non Safe Harbor. If the Adoption Agreement provides that the Plan has adopted the non-safe harbor criteria for hardship for permitted Accounts, the following shall apply:

(1) Immediate and Heavy Financial Need. A hardship distribution shall only be made upon the finding by the Plan Administrator of an immediate and heavy financial need where such Participant lacks other available resources. Whether a Participant has an immediate and heavy financial need is to be determined based on all relevant facts and circumstances. The need to pay the funeral expenses of a family member would constitute an immediate and heavy financial need and a distribution made to a Participant for the purchase of a boat or television would not constitute a distribution made on account of an immediate and heavy financial need. A financial need may be immediate and heavy even if it was reasonably foreseeable or voluntarily incurred by the Participant.

(2) Amount Necessary to Satisfy Need. A distribution is not treated as necessary to satisfy an immediate and heavy financial need of a Participant to the extent the amount of the distribution is in excess of the amount required to relieve the financial need or to the extent the need may be satisfied from other resources that are reasonably available to the Participant. This determination generally is to be made on the basis of all relevant facts and circumstances. For purposes of this Subsection, the Participant's resources are deemed to include those assets of the Participant's spouse and minor children that are reasonably available to the Participant. A vacation home jointly owned (regardless of the nature of legal title) by the Participant and the Participant's spouse will be deemed a resource of the Participant. However, property held for the Participant's child under an irrevocable trust or under the Uniform Gifts to Minors Act is not treated as a resource of the Participant. The amount of an immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution. A distribution generally may be treated as necessary to satisfy a financial need if the Employer relies upon the Participant's written representation, unless the Employer has actual knowledge to the contrary, that the need cannot reasonably be relieved:

(A) Through reimbursement or compensation by insurance or otherwise;

(B) By liquidation of the Participant's assets;

(C) By cessation of all Participant contributions under the Plan;

(D) By other currently available distributions (including distribution of ESOP dividends under Code section 404(k)) and nontaxable (at the time of the loan) loans, under plans maintained by the Employer or by any other employer; or

(E) By borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need.

For purposes of this Subsection, a need cannot reasonably be relieved by one of the actions listed above if the effect would be to increase the amount of the need. For example, the need for funds to purchase a principal

residence cannot reasonably be relieved by a Plan loan if the loan would disqualify the Employee from obtaining other necessary financing.

Section 8.02      SPECIFIED AGE; SPECIFIED AGE AND SERVICE

(a) A Participant may receive a distribution on attainment of a specified age from the Accounts specified in the Adoption Agreement.

(b) A Participant may receive a distribution on attainment of a specified age and service from the Accounts specified in the Adoption Agreement.

Section 8.03      OTHER WITHDRAWALS

(a) After a Period Certain. To the extent provided in the Adoption Agreement, a Participant may receive a distribution from his Matching Contribution Account and his Non-Elective Contribution Account which has accumulated for at least twenty-four (24) months; and an individual who has been a Participant for five (5) or more Plan Years shall be entitled to receive a distribution of his Matching Contribution Account and Non-Elective Contribution Account regardless of the length of time the funds have accumulated. Notwithstanding the foregoing, a Participant may receive a distribution from his Matching Contribution Account only to the extent such Account has not been used to satisfy the requirements of Code sections 401(k)(12) or 401(k)(13) or 401(m)(11) or 401(m)(12) or to the extent such contributions have not been treated as Qualified Matching Contributions.

(b) At Any Time. To the extent provided in the Adoption Agreement, a Participant may receive a distribution from his Voluntary Contribution Account and his Rollover Contribution Account at any time.

(c) Qualified Reservist Distributions. To the extent Qualified Reservist Distributions are provided for in the Adoption Agreement, as provided in Code section 72(t)(2)(G)(iii), Notice 2010-15 and any superseding guidance, the following shall apply:

(1) For purposes of Code section 401(k)(2)(B)(i) (distributions of Elective Deferrals), a Participant who is a member of the reserves who has been ordered or called to active duty for a period of more than 179 days or for an indefinite period may receive a distribution during such active duty period.

(d) Deemed Severance Distributions. To the extent Deemed Severance Distributions are provided for in the Adoption Agreement, as provided in Code section 414(u)(12)(B), Notice 2010-15 and any superseding guidance, the following shall apply:

(1) For purposes of Code section 401(k)(2)(B)(i)(I) (distributions of Elective Deferrals), a Participant performing service in the uniformed services while on active duty for a period of more than 30 days will be treated as having terminated from employment during any period the Participant is performing services described in Code section 3401(h)(2)(A).

(2) If a Participant elects to receive a distribution by reason of Subsection (d), the Participant may not make an Elective Deferral or Voluntary Contribution during the 6-month period beginning on the date of distribution.

Section 8.04      TRANSFER ACCOUNT

In addition to the foregoing a Participant may receive a distribution from his Transfer Account, to the extent applicable, as permitted under the terms of any plan from which funds in such Account were transferred to the extent that such optional forms of benefit must be preserved pursuant to Code section 411(d)(6) and to the extent permitted in the Adoption Agreement.

Section 8.05      RULES REGARDING IN-SERVICE DISTRIBUTIONS

(a)      In General. This Section shall apply only to the extent that in-service withdrawals are otherwise permitted pursuant to this Article 8.

(b)      Form, Frequency, and Amount of Withdrawal. Unless otherwise provided in the Adoption Agreement, all distributions of amounts withdrawn pursuant to this Article 8 may be made in any form permitted by the Plan Administrator. The Plan Administrator may establish uniform procedures that include, but are not limited to, prescribing limitations on the frequency and minimum amount of withdrawals.

(c)      Ordering Rule. The Plan Administrator shall determine the ordering rule for in-service distributions. Such ordering rule may provide that the Participant may elect to have payments made first or last from his Roth Elective Deferral Account or Voluntary Contribution Account or in any combination of such Accounts and any other Account, to the extent permitted by the Adoption Agreement.

(d)      Transfer Account. A Participant may receive a distribution from the vested portion of his Transfer Account only to the extent such Account was not transferred from a qualified plan subject to Code section 412, to the extent Section 8.04 applies or to the extent the Adoption Agreement permits distributions to be made to a Participant who has attained age 62 and who has not separated from employment.

(e)      Spousal Consent. If Section 7.10 applies to the Account distributed a Participant must obtain the consent of his or her spouse, if any, to obtain an Account balance as an in-service distribution. Spousal consent shall be obtained no earlier than the beginning of the 180-day period that ends on the date on which the in-service distribution is to be so secured. The consent must be in writing, must acknowledge the effect of the in-service distribution, and must be witnessed by a Plan representative or notary public. Such consent shall thereafter be binding with respect to the consenting spouse or any subsequent spouse with respect to that in-service distribution.

Section 8.06      LOANS

The Plan Administrator, at its discretion, may permit Participants to apply for a loan from the Plan. The provisions of Code section 72(p) and Treas. Reg. section 1.72(p)-1 shall apply to the Plan and are hereby incorporated by reference. The Plan Administrator is authorized to adopt any administrative rules or procedures that it deems necessary or appropriate with respect to the granting and administering of loans or may use the default provisions under this Section.

(a)      Eligible Participants. The Plan Administrator may provide that a loan may only be granted for the purpose of enabling the Participant to meet a financial hardship or an unusual or special situation in his financial affairs. Loans shall only be granted pursuant to the terms of this Section to persons who the Plan Administrator determines have the ability to repay the loan. Loans shall not be made available to Participants who are or were Highly Compensated Employees in an amount greater than the amount available to other Participants, and loans shall be made available to all Participants on a nondiscriminatory and reasonably equivalent basis.

(b)      Maximum Loan Amount. No loan to any Participant can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant would exceed the lesser of:

(1) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one-year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made; or

(2) one-half the present value of the vested Account balance of the Participant or, if greater and so provided by the Plan Administrator, the total vested Account balance up to \$10,000; provided that additional security is given to the extent such loan exceeds 50% of the vested Account balance.

For the purpose of the above limitation, all loans from all qualified plans of the Employer are aggregated.

(c) Loan Term and Amortization. Any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan. If so provided by the Plan Administrator, a loan term may extend beyond five years if the loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant.

(d) Minimum Loan Amount - Maximum Number of Loans. The Plan Administrator shall specify a minimum loan amount and the maximum number of loans outstanding at any one time.

(e) Interest Rate. Interest shall be charged at a rate to be fixed by the Plan Administrator and, in determining the interest rate, the Plan Administrator shall take into consideration interest rates currently being charged on similar commercial loans by persons in the business of lending money.

(f) Security. All loans shall be secured by no more than one-half of the vested portion of the Participant's Accounts (determined immediately after the origination of the loan) and such additional security as the Plan Administrator may deem necessary. All loans made to Participants under this Section are to be considered Trust investments and shall be segregated as provided in Article 9 hereof unless the Plan Administrator provides otherwise.

(g) Repayment. Loans shall be repaid in accordance with the foregoing and the Plan Administrator may require as a condition to granting such loan that it be repaid through payroll deductions. Unless the loan note provides otherwise, the principal amount of the loan and accrued interest shall become immediately due and payable upon a Termination of Employment. Repayment may be suspended pursuant to Code section 414(u).

(h) Loan Fees. Fees properly chargeable in connection with a loan may be charged, in accordance with a uniform and nondiscriminatory policy established by the Plan Administrator, against the Account of the Participant to whom the loan is granted.

(i) Default. In the event of default, foreclosure on the note and attachment of security shall not occur until a distributable event occurs in the Plan.

(j) Loans to Self-Employed Persons. For Plan loans made before January 1, 2002, no loans will be made to any shareholder-employee or owner-employee. For purposes of this requirement, a shareholder-employee means an employee or officer of an electing small business (Subchapter S) corporation who owns (or is considered as owning within the meaning of Code section 318(a)(1), on any day during the taxable year of such corporation, more than 5% of the outstanding stock of the corporation. An owner-employee means, if the Employer is a sole proprietorship, an individual who is the sole proprietor, or, if the Employer is a partnership, a partner owning more than 10% of either the capital or profits interest of the partnership.

(k) **Ordering Rule.** The Plan Administrator shall determine from which Accounts a Participant may receive a loan and the ordering rule for loans. Such ordering rule may provide that the Participant may elect to have loans made first or last from his Roth Elective Deferral Account or Voluntary Contribution Account or in any combination of such Accounts and any other Account.

(l) **Spousal Consent.** If Section 7.10 applies or if so provided by the Plan Administrator, a Participant must obtain the consent of his or her spouse, if any, to use the Account balance as security for a loan. Spousal consent shall be obtained no earlier than the beginning of the 180-day period that ends on the date on which the loan is to be so secured. The consent must be in writing, must acknowledge the effect of the loan, and must be witnessed by a Plan representative or notary public. Such consent shall thereafter be binding with respect to the consenting spouse or any subsequent spouse with respect to that loan. A new consent shall be required if the Account balance is used for renegotiation, extension, renewal, or other revision of the loan.

If Section 7.10 applies and a valid spousal consent has been obtained, then, notwithstanding any other provision of this Plan, the portion of the Participant's vested Account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan. If less than 100% of the Participant's vested Account balance (determined without regard to the preceding sentence) is payable to the surviving spouse, then the Account balance shall be adjusted by first reducing the vested Account balance by the amount of the security used as repayment of the loan, and then determining the benefit payable to the surviving spouse.

**ARTICLE 9 INVESTMENT AND TRUST VALUATION**Section 9.01      INVESTMENT OF ASSETS

All existing assets of the Trust and all future contributions shall be invested in accordance with the terms of this Article 9. All assets of the Trust may be commingled for investment purposes with the assets of any retirement plan which is maintained by the Employer and which qualifies under Code section 401(a) and may be held as a single fund under one or more trust instruments; provided that the value of each plan's assets can be determined at any time. The assets allocable to each such plan shall in no event be used for the benefit of Participants in the other plans.

Section 9.02      PARTICIPANT SELF-DIRECTION

(a)      In General. To the extent provided for in the Adoption Agreement, the Plan Administrator may permit Participants to direct the investment of their Accounts pursuant to this Section 9.02. Any Participant self-direction shall be made pursuant to such uniform guidelines and procedures as the Plan Administrator may establish from time to time.

(b)      Investment Elections. To the extent provided in Subsection (a), each Participant shall direct in the form and manner and at the time or times prescribed by the Plan Administrator the percentage of the applicable Accounts to be invested in one or more of the available Investment Funds, subject to such rules and limitations as the Plan Administrator may prescribe. After the death of the Participant, a Beneficiary shall be entitled to make investment elections as if the Beneficiary were the Participant. Notwithstanding the foregoing, the Plan Administrator may restrict investment transfers to the extent required to comply with applicable law.

(c)      Loans. If the Adoption Agreement does not permit Participant self-direction, any assets that are held in the form of a Participant loan made pursuant to Article 8 shall be treated as a segregated investment unless otherwise provided by the Plan Administrator.

(d)      Right to Divest Publicly Traded Employer Securities. This Subsection shall apply to the extent that the Plan holds publicly traded employer securities and shall be interpreted in accordance with Code section 401(a)(35)(H), IRS Notice 2006-107, Treas. Reg. section 1.401(a)(35)-1. This Subsection shall not apply if the Plan is a one-participant plan.

(1)      Right to Divest. An applicable individual may elect to direct the Plan to divest any publicly traded employer securities held in the applicable portion of his or her Account and to reinvest an equivalent amount in other investment options offered under the Plan. This diversification right only applies to publicly traded employer securities that are held in the Account for which the individual meets the definition of applicable individual. The investment options offered shall include not less than three investment options, other than publicly traded employer securities, to which the applicable individual may direct the proceeds of the divestment of such publicly traded employer securities, and each investment option must be diversified and have materially different risk and return characteristics. The opportunity to divest and reinvest shall be offered no less frequently than quarterly. The Plan shall not impose any restrictions or conditions with respect to the investment of publicly traded employer securities in violation of Code section 401(a)(35)(D)(ii)(II).

(2)      Notice. The Plan Administrator shall provide a notice to applicable individuals not later than 30 days before the first date on which the individuals are eligible to exercise their rights. The notice shall describe the

diversification rights provided under Code section 401(a)(35) and describe the importance of diversifying the investment of retirement account assets.

(3) Transition Rules. The transition rules described in IRS Notice 2006-107 (extended by IRS Notice 2008-7) and Code section 401(a)(35)(H) shall apply.

(4) Definitions.

(i) The term publicly traded employer securities means employer securities which are readily tradable on an established securities market. Employer securities shall be treated as publicly traded employer securities if any employer corporation, or any member of the controlled group of corporations that includes an employer corporation, has issued a class of stock that is a publicly traded employer security which is traded on a national securities exchange that is registered under section 6 of the Securities Exchange Act of 1934 or if the security is traded on a foreign national securities exchange that is officially recognized, sanctioned, or supervised by a governmental authority and the security is deemed by the Securities and Exchange Commission as having a ready market under SEC Rule 15c3-1. However, the Plan is not treated as holding employer securities with respect to any securities held by either an investment company registered under the Investment Company Act of 1940 or a similar pooled investment vehicle that is regulated and subject to periodic examination by a State or Federal agency.

(ii) The term applicable individual means:

(A) With respect to Elective Deferrals and Employee contributions, including rollovers (and earnings thereon): (1) any Participant, (2) any Alternate Payee who has an Account under the Plan, and (3) any Beneficiary of a deceased Participant.

(B) With respect to other Employer contributions (and earnings thereon): (1) a Participant who has completed at least three years of service, (2) an Alternate Payee who has an Account under the Plan with respect to a Participant who has completed at least three years of service, or (3) a Beneficiary of a deceased Participant.

#### Section 9.03      INDIVIDUAL ACCOUNTS

To the extent provided in the Adoption Agreement, there shall be maintained on the books of the Plan with respect to each Participant, as applicable, an Elective Deferral Account, Matching Contribution Account (and Qualified Matching Contribution Account), Non-Elective Contribution Account, Pension Contribution Account, Voluntary Contribution Account, Rollover Contribution Account, In-Plan Roth Rollover Account, Qualified Non-Elective Contribution Account, Transfer Account and any other Account established by the Plan Administrator. Each such Account shall separately reflect the Participant's interest in the Trust relating to such Account. Each Participant shall receive, at least annually, or as otherwise required, a statement of his Account. A Participant's interest in the Trust shall be determined and accounted for based on his beneficial interest in such fund.

#### Section 9.04      QUALIFYING EMPLOYER INVESTMENTS

(a) To the extent directed by the Investment Fiduciary, the Trustee may invest up to 10% of the fair market value of the assets of the Trust in "qualifying employer securities" or "qualifying employer real property" as those terms are defined in ERISA.



(1) The limitation of this subsection (a) shall not apply if the investment of employee elective deferrals in "qualifying employer securities" and "qualifying employer real property" is at the sole discretion of the Participant.

(2) The limitation of this subsection (a) shall not apply if the portion of a Participant's elective deferrals which are required to be invested in "qualifying employer securities" and "qualifying employer real property" does not exceed 1% of such Participant's Plan Compensation.

(3) The limitation of this subsection (a) shall not apply if as of the last day of the preceding Plan Year, the fair market value of all assets held in 401(k) or profit sharing plans maintained by the Employer did not exceed 10% of the fair market value of all assets in all plans maintained by the Employer.

(b) In addition, to the extent provided for in the Adoption Agreement and directed by the Investment Fiduciary, the Trustee may invest up to 100% of the fair market value of the assets of the Trust in "qualifying employer securities" or "qualifying employer real property". This subsection shall not apply to assets that are not "eligible individual account plans" under section 407 of ERISA and shall not apply to assets subject to section 407(b)(2) of ERISA.

(c) To the extent provided in the Adoption Agreement, the Employer may limit the accounts from which investments in "qualifying employer securities" and "qualifying employer real property" made be made. The Employer may also restrict the distribution options available for investments in "qualifying employer securities" and "qualifying employer real property" as described in the Adoption Agreement.

(d) To the extent provided in the Adoption Agreement, if an Employee is permitted to invest his or her Rollover Contribution Account in "qualifying employer securities" or "qualifying employer real property" any purchase or sale of such investment must be for adequate consideration within the meaning of ERISA section 3(18).

#### Section 9.05 ALLOCATION OF EARNINGS AND LOSSES

(a) Reinvestment. The dividends, capital gains distributions, and other earnings received on the Trust shall be allocated to such fund and reinvested.

(b) Valuation. The assets of each Investment Fund shall be valued at their current fair market value as of each Valuation Date, and Accounts of each Participant with interests in that Investment Fund shall be credited with such Participant's allocable share of the earnings and losses of each Investment Fund since the immediately preceding Valuation Date. Such allocation shall be done on the basis of such Participant's interest in the applicable Investment Fund. For purposes of the allocation of investment earnings and losses, the Plan Administrator may adjust the value of interests of Investment Funds in Accounts as of the preceding Valuation Date to account for any contributions, distributions or withdrawals that occur after such preceding Valuation Date.

(c) Allocation to Individual Accounts. The Accounts of each Participant shall be adjusted as of each Valuation Date by: (1) reducing such Accounts by any distributions and withdrawals made therefrom since the preceding Valuation Date; (2) increasing or reducing such Accounts by the Participant's share of earnings and losses and reasonable fees charged against such Accounts at the direction of the Plan Administrator; and (3) crediting such Accounts with any contributions made thereto since the preceding Valuation Date.

(d) Allocation of Expenses. The Plan Administrator may allocate all, none or any portion of the Plan's expenses to Participant Accounts. When allocating expenses among Participant Accounts, the Plan Administrator may allocate such expenses using any reasonable method that does not violate Title I of ERISA and does not discriminate

in favor of Highly Compensated Employees within the meaning of applicable provisions of Code section 401(a)(4). Such methods may include, but not be limited to: (1) allocating expenses only to current or former Employees (or among any other classification(s) of Employees); (2) allocating expenses directly to individual Employees; (3) allocating expenses using the per capita or pro rata method; and (4) any combination of the foregoing.

(e) Valuation for Distribution. For the purposes of paying the amounts to be distributed to a Participant or Beneficiary pursuant to Articles 7 and 8, the value of the Participant's interest shall be determined in accordance with the provisions of this Article as of the Valuation Date related to the date benefits are paid.

(f) No Rights Created by Allocation. An allocation of contributions or earnings to the separate Account of a Participant under this Article 9 shall not cause the Participant to have any right, title or interest in any assets of the Plan except at the time and under the terms and conditions expressly provided for in the Plan.

(g) Dividends and Credits. Any dividends or credits earned on insurance contracts will be allocated to the Participant's Account for whose benefit the contract is held. No contract will be purchased under the Plan unless such contract or a separate definite written agreement between the Employer and the insurer provides that no value under contracts providing benefits under the Plan or credits determined by the insurer (on account of dividends, earnings, or other experience rating credits, or surrender or cancellation credits) with respect to such contracts may be paid or returned to the Employer or diverted to or used for other than the exclusive benefit of the Participants or their Beneficiaries. However, any contribution made by the Employer may be returned to the Employer pursuant to Article 13.

#### Section 9.06      VOTING RIGHTS

To the extent provided in the Adoption Agreement, a Participant and a Beneficiary of a deceased Participant shall have the right to direct the person designated by the Employer (for purposes of this Section the "Designee") as to the exercise of voting rights with respect to his allocable share of any investment in the Trust that provides for such voting. An individual's allocable share shall be determined in a nondiscriminatory manner in the discretion of the Plan Administrator. As soon as practicable prior to the occasion for the exercise of such voting rights, the Designee shall deliver or cause to be delivered, to each Participant and Beneficiary of a deceased Participant entitled to vote all notices, prospectuses, financial statements, proxies and proxy soliciting material relating to such investment allocated to the Participant's Account. Instructions by Participants and Beneficiaries to the Designee shall be in such form and pursuant to such regulations as the Plan Administrator shall prescribe. Any such instructions shall remain in the strict confidence of the Designee. Any investments for which no instructions are received by the Designee within such time specified by notice and, unless otherwise required by applicable law, any shares which are not allocated to Participants' Accounts shall be voted in the same proportion that the shares for which instructions are received are voted. With respect to fractional shares for which instructions are received by the Designee, the Designee shall aggregate all such fractional shares for which the same instructions are received into whole shares and shall vote such whole shares as instructed. Any remaining fractional shares shall be voted in the same proportion that the shares for which instructions are received are voted.

#### Section 9.07      LIFE INSURANCE

(a) Purchase of Life Insurance. To the extent provided in the Adoption Agreement, a Participant may request that a portion of his Account be invested in insurance on his life, the life of his spouse, the life (or lives) of his child(ren), the life of a family member, or the life of any person with an insurable interest. If the Plan Administrator, in its discretion, approves such request, it shall direct the Trustee to apply for and be the owner of any insurance contract purchased under the terms of this Section. The insurance contract(s) must provide that proceeds will be payable to the Trust; however, the Plan Administrator shall direct the Trustee to pay over all proceeds of the contract(s) to the

Participant's Beneficiary in accordance with the distribution provisions of this Plan. The form and type of contract purchased shall be determined by the Plan Administrator. The Plan Administrator may also establish rules that prohibit the purchase of life insurance where the annual premium is estimated to be less than a certain minimum amount. If the Plan Administrator directs the Trustee to borrow against such contracts, such borrowings shall be on a uniform and nondiscriminatory basis. Any discretion shall be exercised in a nondiscriminatory manner.

(b) **Maximum Insurance Amounts.** The total premiums paid for a Participant's ordinary life insurance shall be less than 50% of the aggregate Employer contributions allocated to such Participant's Account. If term insurance or universal life insurance is purchased, the aggregate premiums shall not exceed 25% of aggregate Employer contributions allocated to the insured Participant's Account. If both ordinary life insurance and either term insurance or universal life insurance is purchased for a Participant, the aggregate premiums for such term insurance or universal life insurance plus one-half of the total premiums for such ordinary life insurance shall not in the aggregate exceed 25% of the aggregate Employer contributions allocated to the insured Participant's Account. However, the foregoing restrictions shall not apply to funds that may be withdrawn or distributed from the Plan in accordance with applicable law even if such withdrawals/distributions are not permitted under the terms of the Plan.

(c) **Beneficiary.** The Trust shall be designated as the beneficiary to receive death benefits payable pursuant to the provisions of any life insurance policy purchased pursuant to this Section. Any death proceeds received by the Trust shall be added to the deceased Participant's Account and distributed pursuant to Article 7 hereof. Under no circumstances shall the Trust retain any part of the proceeds. In the event of any conflict between the terms of this Plan and the terms of any insurance contract purchased hereunder, the Plan provisions shall control.

(d) **Conversion of Policies.** If an insured Participant does not die prior to retirement, the Plan Administrator may direct the Trustee to: (1) convert the entire value of any such life insurance contract at or before retirement into cash to provide the retirement benefits set forth in Article 7 so that no portion of such value may be used to continue life insurance protection beyond retirement; or (2) distribute any such contract to the Participant. Nothing provided herein shall be construed to prohibit the purchase, sale, transfer or exchange of any individual life insurance contract which would otherwise be permitted under applicable prohibited transaction class exemptions or Department of Labor Regulations.

(e) **Distributions.** Any distribution of an insurance policy or the proceeds of an insurance policy purchased pursuant to this Section shall be subject to the requirements of Article 7.

**Section 9.08 QUALIFYING LONGEVITY ANNUITY CONTRACT (QLAC)**

(a) **Purchase.** To the extent provided in the Adoption Agreement, a Participant may request that a portion of his Account be invested in a QLAC. The QLAC must meet all requirements as stated under Treasury Regulation 1.401(a)(9)-6.

(b) **Maximum Premiums Paid.** The total amount of premiums paid for the QLAC under the plan will not exceed the lesser of:

(1) An amount equal to the excess of \$125,000 (as adjusted by the Commissioner) over the sum of:

(A) The premiums paid before that date with respect to the contract, and

(B) Premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is purchased for the Participant under the plan, or any other plan, annuity or account described in sections 401(a), 403(a), 403(b), or 408, or eligible governmental plan under section 457(b), or

(2) An Amount equal to the excess of:

(A) 25% of the employee's account balance (as of the last valuation date preceding the date of the premium payment) under the plan (including the value of any QLAC held under the plan for the employee) as of the contract date, over

(B) The sum of the premiums paid before that date with respect to the contract and premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is held or was purchased for the employee under the plan.

(c) Excess Premiums. If an annuity fails to be a QLAC solely because a premium for the contract exceeds the above limits, the excess premium will be returned (either in cash or in the form of contract that is not intended to be a QLAC) to the non-QLAC portion of the Participant's account by the end of the calendar year following the calendar year in which the excess premium was originally paid.

(d) Distributions. Distributions under the QLAC portion of the Participant's account will commence not later than the first day of the month next following the Participant's 85th birthday. After distributions commence, those distributions will satisfy all applicable minimum distributions requirements from that point forward (other than the requirement that annuity payments commence on or before the Required Beginning Date).

**ARTICLE 10 SPECIAL TOP-HEAVY RULES**Section 10.01 TOP-HEAVY STATUS

The special provisions set forth in this Article 10 shall apply during any Plan Year in which this Plan, together with any other retirement plans required to be aggregated under Code section 416(g) and the Treasury Regulations promulgated thereunder, is "Top-Heavy." This Plan is Top-Heavy for any Plan Year:

(a) If the Top-Heavy Ratio for this Plan exceeds 60% and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans;

(b) If this Plan is a part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Required Aggregation Group of plans exceeds 60%; or

(c) If this Plan is a part of a Required Aggregation Group and part of a Permissive Aggregation Group of plans and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60%.

Section 10.02 MINIMUM ALLOCATIONS

(a) In General. Notwithstanding other provisions of this Plan, for any Plan Year during which this Plan is Top-Heavy and the Top-Heavy minimum allocation is not met solely or partially in another plan, the following shall apply:

(1) Unless otherwise provided in the Adoption Agreement and subject to (a)(4) and (a)(5) below, a Participant specified in Subsection (a)(2) below shall receive the minimum allocation or benefit requirement applicable to Top-Heavy plans specified in (a)(3) below.

(2) Participants Receiving Minimum Allocation/Benefit. If the Participant is not eligible to participate in a defined benefit plan in a group specified in Section 10.01 other than a frozen plan in which no additional accruals are being made, he or she shall receive the minimum allocation or benefit in this Plan or any other defined contribution plan that is sponsored by the Employer provided, he or she is (i) an Eligible Employee as described in the Adoption Agreement; and (ii) employed by the Employer on the last day of the Plan Year. If the Participant is eligible to participate in a defined benefit plan in a group specified in Section 10.01, and the Top-Heavy minimum is to be made in this Plan for such Participant, he or she shall receive the minimum allocation or benefit in this Plan or any other defined contribution plan that is sponsored by the Employer provided, he or she is (i) an Eligible Employee as described in the applicable plan document; and (ii) has completed 1,000 Hours of Service (in accordance with such defined benefit plan) during such Plan Year. In the event a Participant is entitled to a Top-Heavy minimum benefit accrual under a defined benefit plan and is not otherwise eligible for a Top-Heavy minimum allocation under this Plan because of severance of employment prior to the last day of the Plan Year, such requirement shall be waived in this Plan solely to the extent the Top-Heavy minimum is required to be given in this Plan.

(3) Amount of Minimum Allocation/Benefit. If the Participant is not eligible to participate in a defined benefit plan in a group specified in Section 10.01, the Top-Heavy minimum allocation ("defined contribution minimum") shall not be less than the lesser of 3% of such Participant's Statutory Compensation or the largest percentage of Employer contributions (including Elective Deferrals) and forfeitures, as a percentage of Key Employee's Statutory Compensation, as limited by Code section 401(a)(17), allocated on behalf of any Key Employee for that Plan Year. If: (i) the Participant is eligible to participate in a defined benefit plan in a group specified in Section 10.01, (ii)

satisfies the requirement in the defined benefit plan to receive the Top-Heavy minimum under the terms of that plan, and (iii) the Top-Heavy minimum is to be given in this Plan, the Top-Heavy minimum benefit ("defined benefit minimum") shall be determined under one of the following methods:

(A) **Defined Benefit Minimum.** A defined benefit minimum, which is an accrued benefit at any point in time equal to at least the product of (i) a Participant's average annual compensation for the period of consecutive years (not exceeding five) when the Participant had the highest aggregate compensation from the Employer and (ii) the lesser of 2% per year of service or 1-year period of service (within the meaning of Code section 416), as applicable, with the Employer or 20%, subject to the rules of Code section 416 and the Regulations thereunder;

(B) **Floor Offset.** A floor offset approach, pursuant to Revenue Ruling 76-259, 1976-2 C.B. 111, under which the defined benefit minimum of the defined benefit plan that is provided pursuant to Subsection (A) above is offset by the benefits provided under the defined contribution plan (or plans);

(C) **Comparability Analysis.** A demonstration, using a comparability analysis of Rev. Rul. 81-202, that the plans are providing benefits at least equal to the defined benefit minimum that is provided pursuant to Subsection (A) above; or

(D) **Defined Contribution Minimum.** An allocation of Employer contributions and forfeitures that are made on behalf of such Participant under this Plan (or any defined contribution plan that is sponsored by the Employer) equal to 5% of the Participant's Statutory Compensation unless off-setting a portion of the minimum allocation in another plan or the Participant in this Plan is not a participant in the defined benefit plan. If the Plan allocates its Non-Elective Contribution or Pension Contribution using permitted disparity (integration), it may, therefore, substitute the 3% in the first step of its allocation process with 5% (or such other amount required) in order to satisfy the Top-Heavy minimum allocation.

(4) The minimum allocation is determined without regard to any Social Security contribution. The Top-Heavy minimum shall be made even though, under other Plan provisions, the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the Plan Year because of: (i) the Participant's failure to complete 1,000 Hours of Service (or any equivalent provided in the Plan); (ii) the Participant's failure to make mandatory Employee contributions to the Plan; or (iii) Statutory Compensation less than a stated amount. Except as provided in Subsections (b) and (c) below, neither Elective Deferrals nor Matching Contributions may be taken into account for the purpose of satisfying the minimum Top-Heavy contribution requirement.

(5) **Contributions under other Plans.** To the extent provided in the Adoption Agreement, the minimum allocation requirement discussed in Subsection 10.02(a) may be met solely or partially in another plan. If the minimum allocation requirement of this Section 10.02 for any Plan Year is met partially in another plan, this Plan may offset the minimum required allocation in Subsection 10.02(a) by the amount allocated in or the benefit accrued in the other plan. If, after applying the requirements of Code section 416, corresponding regulations and this Article 10, the Top-Heavy minimum allocation is not satisfied, then additional contributions may be made to this Plan or to one or more plans that are part of the Required Aggregation Group or Permissive Aggregation Group.

(b) **Matching Contributions.** Employer Matching Contributions may be taken into account for purposes of satisfying the minimum contribution requirements of Code section 416(c)(2) and the Plan. The preceding sentence shall apply with respect to Matching Contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer Matching Contributions that are used to satisfy the minimum contribution requirements shall be treated as Matching Contributions for purposes of the ACP test and other requirements of Code section 401(m).

(c) The Top-Heavy requirements of Code section 416 and this Section shall not apply in any year beginning after December 31, 2001, in which the Plan consists solely of a cash or deferred arrangement which meets the requirements of Code sections 401(k)(11), 401(k)(12) or 401(k)(13) and Matching Contributions with respect to which the requirements of Code sections 401(m)(10), 401(m)(11) or 401(m)(12) are met; or in which the Plan is part of an "eligible combined plan" in compliance with Code section 414(x), IRS Notice 2009-71, and any superseding/subsequent guidance.

Section 10.03    MINIMUM VESTING

(a) For any Plan Year in which this Plan is Top-Heavy, the Top-Heavy vesting schedule specified in the Adoption Agreement shall automatically apply to the Plan to the extent that it is more favorable than the vesting schedule provided for in Article 6.

For purposes of the Adoption Agreement, "2-6 Year Graded", "1-5 Year Graded", "1-4 Year Graded", "3 Year Cliff" and "2 Year Cliff" shall be determined in accordance with the schedules in Section 6.02.

(b) The minimum vesting schedule applies to all benefits within the meaning of Code section 411(a)(7) except those attributable to Employee contributions or those already subject to a vesting schedule which vests at least as rapidly as the schedule listed above, including benefits accrued before the effective date of Code section 416 and benefits accrued before the Plan became Top-Heavy. Further, no decrease in a Participant's nonforfeitable percentage may occur in the event the Plan's status as Top-Heavy changes for any Plan Year. However, this Section does not apply to the Account balances of any Employee who does not have an Hour of Service after the Plan initially became Top-Heavy and such Employee's Account balance attributable to Employer contributions and forfeitures will be determined without regard to this Section. The minimum allocation required (to the extent required to be nonforfeitable under Code section 416(b)) may not be forfeited under Code sections 411(a)(3)(B) or 411(a)(3)(D).

**ARTICLE 11 PLAN ADMINISTRATION****Section 11.01 PLAN ADMINISTRATOR**

(a) Designation. The Plan Administrator shall be specified in the Adoption Agreement. In the absence of a designation in the Adoption Agreement, the Plan Sponsor shall be the Plan Administrator. If a Committee is designated as the Plan Administrator, the Committee shall consist of one or more individuals who may be Employees appointed by the Plan Sponsor and the Committee may elect a chairman and may adopt such rules and procedures as it deems desirable. The Committee may also take action with or without formal meetings and may authorize one or more individuals, who may or may not be members of the Committee, to execute documents in its behalf.

(b) Authority and Responsibility of the Plan Administrator. The Plan Administrator shall be the Plan "administrator" as such term is defined in section 3(16) of ERISA and as such shall have total and complete discretionary power and authority:

(1) to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities and inconsistencies therein and to supply omissions thereto. Any construction, interpretation or application of the Plan by the Plan Administrator shall be final, conclusive and binding;

(2) to determine the amount, form or timing of benefits payable hereunder and the recipient thereof and to resolve any claim for benefits in accordance with this Article 11;

(3) to determine the amount and manner of any allocations or benefit accruals hereunder, including whether the Plan maintains an ERISA account and the manner in which amounts deposited in such ERISA account shall be allocated;

(4) to maintain and preserve records relating to Participants, former Participants, and their Beneficiaries and Alternate Payees;

(5) to prepare and furnish to Participants, Beneficiaries and Alternate Payees all information and notices required under applicable law or the provisions of this Plan;

(6) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published;

(7) to approve and enforce any loan hereunder including the repayment thereof;

(8) to provide directions to the Trustee with respect to the purchase of life insurance (to the extent permitted in the Adoption Agreement), methods of benefit payment, valuations at dates other than regular Valuation Dates and on all other matters where called for in the Plan or requested by the Trustee;

(9) to hire such professional assistants and consultants as it, in its sole discretion, deems necessary or advisable; and shall be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by same;



(10) to determine all questions of the eligibility of Employees and of the status of rights of Participants, Beneficiaries and Alternate Payees;

(11) to arrange for bonding, if required by law;

(12) to adjust Accounts in order to correct errors or omissions;

(13) to determine whether any domestic relations order constitutes a Qualified Domestic Relations Order and to take such action as the Plan Administrator deems appropriate in light of such domestic relations order;

(14) to retain records on elections and waivers by Participants, their spouses and their Beneficiaries and Alternate Payees;

(15) to supply such information to any person as may be required;

(16) to establish, revise from time to time, and communicate to the Trustee or the Investment Fiduciary and Investment Manager(s), a funding policy and method for the Plan;

(17) to prepare and file or publish with the Secretary of Labor, the Secretary of the Treasury, their delegates and all other appropriate government officials all reports and other information required under law to be so filed or published; and

(18) to perform such other functions and duties as are set forth in the Plan that are not specifically given to the Investment Fiduciary or Trustee.

(c) In performing its duties, the Plan Administrator shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(d) Procedures. Unless otherwise provided in the Adoption Agreement and to the extent that the Adoption Agreement provides that the Board adopts procedures for the Plan Administrator and the Board fails to adopt such procedures, the Plan Administrator may adopt such rules and procedures as it deems necessary, desirable, or appropriate for the administration of the Plan. When making a determination or calculation, the Plan Administrator shall be entitled to rely upon information furnished to it. The Plan Administrator's decisions shall be binding and conclusive as to all parties.

(e) Allocation of Duties and Responsibilities. The Plan Administrator or the Adoption Agreement may designate other persons to carry out any of the duties and responsibilities of the Plan Administrator.

#### Section 11.02    INVESTMENT FIDUCIARY

(a) Designation. The Investment Fiduciary shall be specified in the Adoption Agreement. In the absence of a designation in the Adoption Agreement, the Plan Sponsor shall be the Investment Fiduciary. The Investment Fiduciary may consist of a committee consisting of one or more individuals who may be Employees appointed by the Plan Sponsor. If a committee is appointed, the committee may elect a chairman and may adopt such rules and procedures as it deems desirable. The committee may take action with or without formal meetings and may authorize one or more individuals, who may or may not be members of the committee, to execute documents in its behalf.

(b) Authority and Responsibility of the Investment Fiduciary. The Investment Fiduciary shall have the following discretionary authority and responsibility:

- (1) to manage the investment of the Trust;
- (2) to appoint one or more Investment Managers;
- (3) to hire such professional assistants and consultants as it, in its sole discretion, deems necessary or advisable;
- (4) to establish, revise from time to time, and communicate to the Trustee or Investment Manager(s), an investment policy for the Plan; and
- (5) to supply such information to any person as may be required.

(c) Procedures. Unless otherwise provided in the Adoption Agreement and to the extent that the Adoption Agreement provides that the Board adopts procedures for the Investment Fiduciary and the Board fails to adopt such procedures, the Investment Fiduciary may adopt such rules and procedures as it deems necessary, desirable, or appropriate in furtherance of its duties hereunder. When making a determination or calculation, the Investment Fiduciary shall be entitled to rely upon information furnished to it. Except as otherwise provided in a separate trust agreement, the Investment Fiduciary's decisions shall be binding and conclusive as to all parties.

(d) Allocation of Duties and Responsibilities. The Adoption Agreement may designate more than one person to carry out any of the duties and responsibilities of the Investment Fiduciary.

#### Section 11.03    COMPENSATION OF PLAN ADMINISTRATOR AND INVESTMENT FIDUCIARY

The Plan Administrator and Investment Fiduciary shall be entitled to reasonable compensation for their services as is mutually agreed upon to the extent that such compensation would not constitute a prohibited transaction within the meaning of the Code and ERISA.

#### Section 11.04    PLAN EXPENSES

All direct expenses of the Plan, Trustee, Plan Administrator and Investment Fiduciary or any other person in furtherance of their duties hereunder shall be paid or reimbursed by the Employer, and if not so paid or reimbursed, shall be proper charges to the Trust and shall be paid therefrom.

#### Section 11.05    ALLOCATION OF FIDUCIARY RESPONSIBILITY

A Plan fiduciary shall have only those specific powers, duties, responsibilities and obligations as are explicitly given him under the Plan and Trust Agreement. It is intended that each fiduciary shall not be responsible for any act or failure to act of another fiduciary. A fiduciary may serve in more than one fiduciary capacity with respect to the Plan.

#### Section 11.06    INDEMNIFICATION

Unless otherwise provided in an Addendum to the Adoption Agreement, the Employer shall indemnify and hold harmless any person serving as the Investment Fiduciary or Plan Administrator (and their delegates) from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by such persons in connection with their duties hereunder to the extent not covered by insurance, except when the same is due

to such person's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under this Plan or ERISA.

Section 11.07 CLAIMS PROCEDURES

(a) **Application for Benefits.** A Participant or any other person entitled to benefits from the Plan (a "Claimant") may apply for such benefits by completing and filing a claim with the Plan Administrator. Any such claim shall be in writing and shall include all information and evidence that the Plan Administrator deems necessary to properly evaluate the merit of and to make any necessary determinations on a claim for benefits. The Plan Administrator may request any additional information necessary to evaluate the claim.

(b) **Timing of Notice of Denied Claim.** The Plan Administrator shall notify the Claimant of any adverse benefit determination within a reasonable period of time, but not later than 90 days (45 days if the claim relates to a disability determination) after receipt of the claim. This period may be extended one time by the Plan for up to 90 days (30 additional days if the claim relates to a disability determination), provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, prior to the expiration of the initial review period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If the claim relates to a disability determination, the period for making the determination may be extended for up to an additional 30 days if the Plan Administrator notifies the Claimant prior to the expiration of the first 30-day extension period.

(c) **Content of Notice of Denied Claim.** If a claim is wholly or partially denied, the Plan Administrator shall provide the Claimant with a written notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) any material or information needed to grant the claim and an explanation of why the additional information is necessary, and (4) an explanation of the steps that the Claimant must take if he wishes to appeal the denial including a statement that the Claimant may bring a civil action under ERISA.

(d) **Appeals of Denied Claim.** If a Claimant wishes to appeal the denial of a claim, he shall file a written appeal with the Plan Administrator on or before the 60th day (180th day if the claim relates to a disability determination) after he receives the Plan Administrator's written notice that the claim has been wholly or partially denied. The written appeal shall identify both the grounds and specific Plan provisions upon which the appeal is based. The Claimant shall be provided, upon request and free of charge, documents and other information relevant to his claim. A written appeal may also include any comments, statements or documents that the Claimant may desire to provide. The Plan Administrator shall consider the merits of the Claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator may deem relevant. The Claimant shall lose the right to appeal if the appeal is not timely made. The Plan Administrator shall ordinarily rule on an appeal within 60 days (45 days if the claim relates to a disability determination). However, if special circumstances require an extension and the Plan Administrator furnishes the Claimant with a written extension notice during the initial period, the Plan Administrator may take up to 120 days (90 days if the claim relates to a disability determination) to rule on an appeal.

(e) **Denial of Appeal.** If an appeal is wholly or partially denied, the Plan Administrator shall provide the Claimant with a notice identifying (1) the reason or reasons for such denial, (2) the pertinent Plan provisions on which the denial is based, (3) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits, and (4) a statement describing the Claimant's right to bring an action under section 502(a) of ERISA. The determination rendered by the Plan Administrator shall be binding upon all parties. If the Plan Administrator provides the claimant with a final notice of denial of appeal, in order to preserve his or her claim, the Claimant must file an action with respect to the denied claim no later than 180 days following the date of the Plan Administrator's final notice of denial of appeal.

(f) Determinations of Disability. If the claim relates to a disability determination, determinations of the Plan Administrator shall include the information required under applicable United States Department of Labor regulations.

Section 11.08 WRITTEN COMMUNICATION

To the extent permitted by applicable Treasury or Department of Labor Regulations and accepted by the Plan Administrator and, as applicable, the Trustee, all provisions of the Plan and Trust that require written notices and elections shall be interpreted to mean authorized electronic and telephonic notices and elections. Any notice made under the terms of the Plan may be made in any electronic or telephonic method.

**ARTICLE 12 AMENDMENT, MERGER AND TERMINATION**Section 12.01    AMENDMENT

The provisions of the Plan may be amended at any time and from time to time by the Plan Sponsor, provided, however, that:

(a) No amendment to the Plan shall be effective to the extent that it has the effect of decreasing a Participant's accrued benefit and no amendment shall increase the duties and liabilities of the Trustee without the Trustee's consent. For purposes of this Subsection, a Plan amendment which has the effect of decreasing a Participant's Account balance, with respect to benefits attributable to service before the amendment, shall be treated as reducing an accrued benefit.

A Plan amendment may not decrease a Participant's accrued benefits, or otherwise place greater restrictions or conditions on a Participant's rights to Code section 411(d)(6) protected benefits, even if the amendment merely adds a restriction or condition that is permitted under the vesting rules in Code section 411(a)(3) through (11). Notwithstanding the foregoing, an amendment described in the previous sentence does not violate Code section 411(d)(6) to the extent: (1) it applies with respect to benefits that accrue after the applicable amendment date; (2) the Plan amendment changes the Plan's Vesting Computation Period and it satisfies the applicable requirements under 29 CFR 2530.203-2(c); or (3) permitted under Code section 412(d)(2) or Treas. Reg. sections 1.411(d)-3 and 1.411(d)-4 and any superseding guidance.

No amendment to the Plan shall be effective to eliminate or restrict an optional form of benefit. The preceding sentence shall not apply to a Plan amendment that eliminates or restricts the ability of a Participant to receive payment of his or her Account balance under a particular optional form of benefit if the amendment is permitted under applicable Treasury Regulations.

A Plan amendment may also provide exceptions from the general prohibition against the elimination or restriction of optional forms of benefit for in-kind distributions and elective transfers as specified under Treas. Reg. section 1.411(d)-4 Q&A 2 and 3.

(b) Amendment by Pre-Approved Plan Provider. The Pre-Approved Plan Provider may amend any part of the Plan on behalf of the adopting Employer for changes in the Code, regulations, revenue rulings, other statements published by the Internal Revenue Service, including model, sample or other required good faith amendments, but only if their adoption will not cause the Plan to be individually designed, and for corrections of prior plans.

The Pre-Approved Plan Provider will no longer have the authority to amend the Plan on behalf of any adopting Employer as of either: (1) the date the Internal Revenue Service requires the Employer to file Form 5300 as an individually designed plan as a result of an Employer amendment to the Plan to incorporate a type of plan not allowable in the Pre-Approved Plan program, as described in Rev. Proc. 2017-41 and superseding guidance, or (2) as of the date the Plan is otherwise considered an individually designed plan due to the nature and extent of the amendments.

The Pre-Approved Plan Provider will maintain a record of the Employers that have adopted the Plan, and the Pre-Approved Plan Provider will make reasonable and diligent efforts to ensure that adopting Employers have actually received and are aware of all Plan amendments and that such Employers adopt new documents when necessary. In the event that the Pre-Approved Plan Provider licenses this document to a third party who has not filed

for a letter in its own name as an identical adopter, such third party will be responsible for duties described in the preceding sentence.

(c) The Plan Sponsor may: (1) change the choice of optional language in the plan document; (2) add overriding language in the plan document when such language is necessary to satisfy Code sections 415 or 416 because of the required aggregation of multiple plans; (3) amend administrative provisions in the Plan (such as provisions relating to investments, plan claims procedures, and employer contact information); (4) add certain sample or model amendments published by the Internal Revenue Service or other required good faith amendments which specifically provide that their adoption will not cause the Plan to be treated as individually designed; (5) add or change provisions permitted under the Plan or specify or change the effective date of a provision as permitted under the Plan; and (6) adopt other amendments that are related to a change in qualification requirements in accordance with section 15 of Rev. Proc. 2016-37 and any superseding guidance that do not cause the Plan to become individually designed (this would include, but not be limited to, situations where a closing agreement under the Audit Closing Agreement Program or a compliance statement under the Voluntary Correction Program has been issued with respect to the Employer's Plan with regard to the amendment). An Employer that amends the Plan for any other reason other than amendments permitted under Revenue Procedure 2017-41 and any superseding guidance will no longer participate in this Pre-Approved Plan and will be considered to have an individually designed plan.

(d) If the Plan's vesting schedule is amended, in the case of an Employee who is a Participant as of the later of the date the amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's Employer-derived accrued benefit will not be less than the percentage computed under the Plan without regard to such amendment.

(e) If the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage or if the Plan is deemed amended by an automatic change to or from a Top-Heavy vesting schedule, each Participant with at least 3 Years of Vesting Service with the Employer may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Plan without regard to such amendment or change. For Participants who do not have at least 1 Hour of Service in any Plan Year beginning after December 31, 1988, the preceding sentence shall be applied by substituting "5 Years of Vesting Service" for "3 Years of Vesting Service" where such language appears. The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

- (1) 60 days after the amendment is adopted;
- (2) 60 days after the amendment becomes effective; or
- (3) 60 days after the Participant is issued written notice of the amendment by the Plan

Administrator.

The election provided for in this Section 12.01 shall be made in writing and shall be irrevocable when made.

(f) Code section 411(d)(6) protected benefits will be available without regard to Employer discretion in accordance with Treas. Reg. section 1.411(d)(4), Q & A's #8 & 9.

(g) An amendment or restatement of the Plan may be made by any method including a formal record of action by the Board or other written document and execution of such amendment or restatement may be made by written or electronic means.

Section 12.02    MERGER AND TRANSFER

(a)     Merger. In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Participant shall have a benefit in the surviving or transferee plan (as if such plan were then terminated immediately after such merger, consolidation or transfer) that is equal to or greater than the benefit he would have had immediately before such merger, consolidation or transfer in the plan in which he was then a Participant had such plan been terminated at that time.

(b)     Transfer. The Plan Administrator may direct the Trustee to accept assets and related liabilities from another qualified plan in a form acceptable to the Trustee; provided that the Trustee receives sufficient evidence that the transferor plan is a tax-qualified plan and further provided that the Trustee shall not be liable for any breach of duty or error in respect of the other qualified plan. The Plan Administrator may direct the Trustee to transfer assets and related liabilities to another qualified plan provided that it receives sufficient evidence that the transferee plan is a tax-qualified plan.

Section 12.03    TERMINATION

(a)     It is the intention of the Plan Sponsor that this Plan will be permanent. However, the Plan Sponsor reserves the right to terminate the Plan at any time for any reason.

(b)     Each entity constituting the Employer reserves the right to terminate its participation in this Plan. Each such entity constituting the Employer shall be deemed to terminate its participation in the Plan if: (1) it is a party to a merger in which it is not the surviving entity and the surviving entity is not an affiliate of another entity constituting the Employer; or (2) it sells all or substantially all of its assets to an entity that is not an affiliate of another entity constituting the Employer.

(c)     Any termination of the Plan shall become effective as of the date designated by the Plan Sponsor. Except as expressly provided elsewhere in the Plan, prior to the satisfaction of all liabilities with respect to the benefits provided under this Plan, no termination shall cause any part of the funds or assets held to provide benefits under the Plan to be used other than for the benefit of Participants or to meet the administrative expenses of the Plan. In the event of the termination of the Plan the Account balance of each affected Participant will be nonforfeitable. In the event of a partial termination of the Plan the Account balance of each affected Participant will be nonforfeitable. In the event of a complete discontinuance of contributions under the Plan, the Account balance of each affected Participant will be nonforfeitable. Upon termination of the Plan, Participant Accounts shall be distributed in a single lump sum payment unless otherwise required pursuant to Article 7.

**ARTICLE 13 MISCELLANEOUS****Section 13.01    NONALIENATION OF BENEFITS**

(a) Except as provided in Section 13.01(b), the Trust shall not be subject to any form of attachment, garnishment, sequestration or other actions of collection afforded creditors of the Employer, Participants or Beneficiaries under the Plan and all payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Employer, Participant or Beneficiary. Except as provided in Section 13.01(b), no Participant or Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments which he may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary. Any reference to a Participant or Beneficiary shall include an Alternate Payee or the Beneficiary of an Alternate Payee.

(b) Notwithstanding the foregoing, the Trustee (to the extent permitted in a separate trust agreement) or Plan Administrator may:

(1) Subject to Section 13.02 below, comply with the provisions and conditions of any Qualified Domestic Relations Order pursuant to the provisions of Code section 414(p).

(2) Comply with any federal tax levy made pursuant to Code section 6331.

(3) Subject to the provisions of Code section 401(a)(13), comply with the provisions and conditions of a judgment, order, decree or settlement agreement issued on or after August 5, 1997 between the Participant and the Secretary of Labor or the Pension Benefit Guaranty Corporation relating to a violation (or alleged violation) of part 4 of subtitle B of title I of ERISA.

(4) Bring action to recover benefit overpayments.

**Section 13.02    RIGHTS OF ALTERNATE PAYEES**

(a) General. An Alternate Payee shall have no rights to a Participant's benefit and shall have no rights under this Plan other than those rights specifically granted to the Alternate Payee pursuant to a Qualified Domestic Relations Order that are consistent with this Section 13.02.

(b) Distribution. Notwithstanding any provision of the Plan to the contrary, the Plan Administrator may direct the Trustee to distribute all or a portion of a Participant's benefits under the Plan to an Alternate Payee in accordance with the terms and conditions of a Qualified Domestic Relations Order. The Plan hereby specifically permits and authorizes distribution of a Participant's benefits under the Plan to an Alternate Payee in accordance with a Qualified Domestic Relations Order prior to the date the Participant has a Termination of Employment, or prior to the date the Participant attains his earliest retirement age as defined in Code section 414(p).

(c) Investment Funds. If the Qualified Domestic Relations Order does not specify the Participant's Accounts, or Investment Funds in which such Accounts are invested, from which amounts that are separately accounted for shall be paid to an Alternate Payee, such amounts shall be distributed, or segregated, from the Participant's Accounts, and the Investment Funds in which such Accounts are invested (excluding any amounts invested as a Participant loan), on a pro rata basis. A Qualified Domestic Relations Order may not provide for the



assignment to an Alternate Payee of an amount that exceeds the balance of the Participant's vested Accounts after deduction of any outstanding loan.

(d) Default Rules. Unless a Qualified Domestic Relations Order provides to the contrary:

(1) Death Benefits. An Alternate Payee shall have the right to designate a Beneficiary who shall receive benefits payable to an Alternate Payee which have not been distributed at the time of the Alternate Payee's death. If the Alternate Payee does not designate a Beneficiary, or if the Beneficiary predeceases the Alternate Payee, benefits payable to the Alternate Payee which have not been distributed shall be paid pursuant to Section 7.04(c) (substituting "Alternate Payee" for "Participant"). Any death benefit payable to the Beneficiary of an Alternate Payee shall be paid in a single sum as soon as administratively practicable after the Alternate Payee's death.

(2) Investment Direction. An Alternate Payee shall have the right to direct the investment of any portion of a Participant's Accounts payable to the Alternate Payee under such order in the same manner with respect to a Participant, which amounts shall be separately accounted for by the Trustee in the Alternate Payee's name.

(3) Voting Rights. An Alternate Payee shall have the right to direct the Trustee as to the exercise of voting rights in the same manner as provided with respect to a Participant.

(e) Withdrawals/Loans. An Alternate Payee shall not be permitted to make any withdrawals under Article 8 and shall not be permitted to make a loan from the separate Account established for the Alternate Payee pursuant to the Qualified Domestic Relations Order.

(f) Treatment as Spouse. A former spouse may be treated as the spouse or surviving spouse and a current spouse will not be treated as the spouse or surviving spouse to the extent provided under a Qualified Domestic Relations Order.

(g) Plan Procedures. The Plan Administrator shall be responsible for establishing reasonable procedures for determining whether any domestic relations order received with respect to the Plan qualifies as a Qualified Domestic Relations Order, and for administering distributions in accordance with the terms and conditions of such procedures and any Qualified Domestic Relations Order. Pursuant to DOL regulation 2530.206, a domestic relations order will not fail to be a Qualified Domestic Relations Order solely because the domestic relations order: (1) revises or is issued after another domestic relations order or Qualified Domestic Relations Order, or (2) the domestic relations order is issued after the Participant's death, divorce or Annuity Starting Date.

#### Section 13.03 NO RIGHT TO EMPLOYMENT

Nothing contained in this Plan shall be construed as a contract of employment between the Employer and the Participant, or as a right of any Employee to continue in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its Employees, with or without cause.

#### Section 13.04 NO RIGHT TO TRUST ASSETS

No Employee, Participant, former Participant, Beneficiary or Alternate Payee shall have any rights to, or interest in, any assets of the Trust upon Termination of Employment or otherwise, except as specifically provided under the Plan. All payments of benefits under the Plan shall be made solely out of the assets of the Trust.

#### Section 13.05 GOVERNING LAW

This Plan shall be construed in accordance with and governed by the laws of the state or commonwealth specified in the Adoption Agreement to the extent not preempted by applicable federal law.

Section 13.06 SEVERABILITY OF PROVISIONS

If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

Section 13.07 HEADINGS AND CAPTIONS

The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

Section 13.08 GENDER AND NUMBER

Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Section 13.09 DISASTER RELIEF

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, and section 702 of the Heartland Disaster Tax Relief Act of 2008 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the disaster relief listed below in compliance with Applicable Law.

(a) Qualified Distributions

(1) "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.

(2) If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.

(3) If the Plan permits rollover contributions, a Qualified Individual who received a withdrawal for the purchase of a home not due to the disaster, may contribute as a rollover to the Plan in an aggregate amount that does not exceed the amount of the Qualified Disaster Distribution.

(b) Expanded Loan Provisions

(1) The maximum loan limit under Code section 72(p)(2)(A) shall be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.

(2) The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.

(3) Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.

(4) The 1 year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

Section 13.10 EXCLUSIVE BENEFIT

All contributions made to the Plan are made for the exclusive benefit of the Participants and their Beneficiaries, and such contributions shall not be used for, nor diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries (including the costs of maintaining and administering the Plan and corresponding Trust).

Section 13.11 RETURN OF CONTRIBUTIONS

Notwithstanding any other provision of the Plan: (1) contributions made prior to the Commissioner of Internal Revenue's determination as to the initial qualified status of the Plan under Code section 401(a), if the Plan receives an adverse determination, then any such contribution may be returned to the Employer within one year after such determination, provided the application for qualification is made by the time prescribed by law; (2) contributions made by the Employer based upon mistake of fact may be returned to the Employer within one year of such contribution; (3) as all contributions to the Plan are conditioned upon their deductibility under the Code, if a deduction for such a contribution is disallowed, such contribution may be returned to the Employer within one year of the disallowance of such deduction; and (4) after all liabilities under the Plan have been satisfied, the remaining assets of the Trust shall be distributed to the Employer if such distribution does not contravene any provision of applicable law.

In the case of the return of a contribution due to mistake of fact or the disallowance of a deduction, the amount that may be returned is the excess of the amount contributed over the amount that would have been contributed had there not been a mistake or disallowance. Earnings attributable to the excess contributions may not be returned to the Employer but losses attributable thereto must reduce the amount to be so returned. Any return of contribution or distribution of assets made by the Trustee pursuant to this Section shall be made only upon the direction of the Employer, which shall have exclusive responsibility for determining whether the conditions of such return or distribution have been satisfied and for the amount to be returned.

**QUALIFIED PLANS' DISASTER RELIEF INTERIM AMENDMENT**

The current Section 13.09 is replaced with the following:

Section 13.09    DISASTER RELIEF

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, and any subsequent legislation ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the disaster relief listed below in compliance with Applicable Law. The terms "Qualified Disaster Distribution," "Qualified Individual," and "Applicable Period" are defined in the relevant sections of Applicable Law.

(a) Qualified Disaster Distributions

- (1) Qualified Disaster Distribution received by a Qualified Individual for Applicable Period (from all plans maintained by the Employer) may not exceed \$100,000 in aggregate.
- (2) If the Plan permits rollover contributions, a Qualified Individual may at any time during the 3-year period beginning on the day after the Qualified Disaster Distribution was received contribute as a rollover to the Plan in an aggregate amount that does not exceed the amount of the Qualified Disaster Distribution.
- (3) If the Plan permits rollover contributions, a Qualified Individual who received a withdrawal for the purchase of a home not due to the disaster, may contribute as a rollover to the Plan in an aggregate amount that does not exceed the amount of the Qualified Disaster Distribution.

(b) Disaster Loan Provisions

- (1) The maximum loan limit under Code section 72(p)(2)(A) shall be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a Qualified Individual.
- (2) The loan repayment for a Qualified Individual may be delayed for 1 year.
- (3) Subsequent repayments will be adjusted to reflect the 1 year delay and any interest accrued during such delay.
- (4) The 1 year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).



## Restatement Engagement Form

Plan Name: County Water District of Billings Heights Savings & Profit Sharing P  
Company Name: County Water District of Billings Heights

**INSTRUCTIONS:** This form authorizes Randall & Hurley to prepare the Post-Pension Protection Act ("Post-PPA") restatement of plan documents for the above-named Plan. Please follow the DocuSign instructions for electronic signature of this form. If you would like to complete this form outside of the DocuSign portal please print this form, complete, and have an authorized representative of the Company approve the restatement process. Return this form by one of the following methods if you will be providing authorizing signature outside of DocuSign:

*E* Email: info@randall-hurley.com

*F* Fax: (509) 838-1388

*P* Mail: 1328 N. Whitman Ln., Liberty Lake, WA 99019

### SCOPE OF SERVICES

The document restatement process includes an analysis of your plan design by a team of ERISA experts, actuaries and plan consultants, client consultation, review of existing plan document and operations, and reissuance of all plan documents, forms and notices.

### RESTATEMENT FEE & PAYMENT METHOD

Our fees will be based on the delivery method you select on this form. Please choose only one option.

- \$1,600 Restatement delivered electronically via email
- \$1,850 Restatement delivered in hard copy as a complete plan document binder

*Regardless of the delivery method you select, you will be able to download plan documents and notices at any time from our website.*

You are able to pay these fees directly from plan assets provided your investment custodian allows. Please select how you wish to remit payment. Please choose only one option.

- Direct pay – Company
- Paid from plan assets in the following sequence:
  - N/A  Any current revenue sharing credits available
  - N/A  Forfeitures
  - N/A  General plan assets
- Combination of direct pay and plan assets as described here:

### AUTHORIZATION TO PROCEED

I give Randall & Hurley, Inc. approval to prepare the PPA Restatement for the above-named Plan, according to the terms indicated on this form.

DocuSigned by:  
*Duke Nieskens*  
7D7167FAB80F407 ...

8/24/2021

---

Authorized Signer

---

Date

Duke Nieskens

---

Print Name

**Certificate Of Completion**

Envelope Id: D18D29E5F6BB4198ACCD9F27BFDA0753	Status: Completed
Subject: Please DocuSign: Restatement - Engagement Form.docx	
Source Envelope:	
Document Pages: 2	Signatures: 1
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Tanya Jansen
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	tjansen@randall-hurley.com
	IP Address: 67.161.124.178

**Record Tracking**

Status: Original	Holder: Tanya Jansen	Location: DocuSign
6/15/2021 1:45:58 PM	tjansen@randall-hurley.com	

**Signer Events**

Duke Nieskens  
 cwdbh@hotmail.com  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 707107FAB80F407

Signature Adoption: Pre-selected Style  
 Using IP Address: 72.174.89.51

**Timestamp**

Sent: 6/15/2021 1:45:59 PM  
 Resent: 8/2/2021 8:47:38 AM  
 Resent: 8/24/2021 2:06:16 PM  
 Viewed: 6/21/2021 1:28:09 PM  
 Signed: 8/24/2021 2:29:37 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 6/21/2021 1:28:09 PM  
 ID: 470b1177-a0ea-48d8-83c2-d02bb18d1584

**In Person Signer Events****Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent	Hashed/Encrypted	6/15/2021 1:45:59 PM
Certified Delivered	Security Checked	6/21/2021 1:28:09 PM
Signing Complete	Security Checked	8/24/2021 2:29:37 PM
Completed	Security Checked	8/24/2021 2:29:37 PM

**Payment Events****Status****Timestamps****Electronic Record and Signature Disclosure**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Randall & Hurley Inc (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact Randall & Hurley Inc:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [mjansen@randall-hurley.com](mailto:mjansen@randall-hurley.com)

#### **To advise Randall & Hurley Inc of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [mjansen@randall-hurley.com](mailto:mjansen@randall-hurley.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from Randall & Hurley Inc**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [mjansen@randall-hurley.com](mailto:mjansen@randall-hurley.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with Randall & Hurley Inc**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [mjansen@randall-hurley.com](mailto:mjansen@randall-hurley.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Randall & Hurley Inc as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Randall & Hurley Inc during the course of your relationship with Randall & Hurley Inc.



RESOLUTION NO. 019-22

WHEREAS, the board discussed the County Water District of Billings Heights Savings and Profit Sharing Plan (“the Plan)

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

RESOLVED. That the Plan be amended and restated effective 01/01/2022, in e form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER That the appropriate officers of the Employer be, and the hereby are, authorized and directed to execute the Plan on behalf of the Employer;

RESOLVED FURTHER That Board of Directors of County Water District of Billings Heights is hereby retained as the Trustee of the Plan, and

RESOLVED FURTHER That the officers of the Employer be, and they her by are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law PASSED by the Board of Directors of the County Water District of Billings Heights and APPROVED this 11<sup>th</sup> day of May, 2022.

COUNTY WATER DISTRICT OF  
BILLINGS HEIGHTS

BY :

\_\_\_\_\_  
ITS: President

Attest:

\_\_\_\_\_  
Secretary

---

## COUNTY WATER DISTRICT OF BILLINGS HEIGHTS

### Board of Directors Meeting Minutes

---

Location: Board Room, County Water District of Billings Heights 1540 Popelka Dr.

Date: August 19, 2021

Time: 3:00 pm

---

Board Members: Dennis Cook, Ming Cabrera, Laura Drager, Pam Ellis, Jeff Engel, Dave Graves

Also present: Jeff Weldon, attorney and Sarah Brockel, Felt Martin staff member

EACH BOARD MEMBER WAS INVITED TO SHARE THEIR GOALS IN SERVING ON THE BOARD

ORDINANCES AND RESOLUTIONS

Ordinances refers to the laws made by a municipality. Does not apply to the CWDBH.

Resolutions

- Should be presented to the board in the agenda as a recommendation from the staff
- If passed, the resolution is entered into the minutes and a copy into the resolution book

AGENDAS

- The CWDBH agendas need to be more robust
- Need to include much more information to the board days before the meeting
- Huntley Schools have software called boarddocs from Diligent that assist with preparation of the agendas and minutes
- The agenda and related documents can be projected in the meeting for the public who may not have downloaded the documents in advance

WEBSITE AND TECHNOLOGY

- Recommendation that we upgrade our website to include much more information including not only current but past agendas, supporting documents, resolutions, etc.

#### BOARD SECRETARY

- Jeff Weldon reviewed the statute and indicated there is nothing in the statute that prevents a board member from preparing the minutes

#### PUBLIC COMMENTS

- Public invited to make comments on items not on the agenda at the beginning of the meeting
- Public needs to be invited to make comments on any action items on the agenda BEFORE the board votes
- Members of the public need to be recognized by the chair, stand and introduce themselves. The city requires an address though we have a sign in sheet.

REQUEST FOR QUALIFICATIONS is appropriate when seeking professional assistance

REQUEST FOR PROPOSAL is appropriate when seeking bids for equipment purchases or project work

#### WE NEED

- Written board rules
- Written district policies
- Keep track of the statutory language that is confusing to ask for clarification from the interim committee on local government

#### JEFF NEEDS

- Articles of Incorporation

#### OPEN MEETING LAWS AND BOARD QUORUM

- The board is bound by open meeting laws even if they have a committee meeting with less than a quorum; committee meetings should be noticed on the website

#### BYLAWS

- Committee: Pam Ellis, Laura Drager, Brandon Hurst, Dave Graves
- Jeff Weldon will set a meeting in his office to review the bylaws and make initial recommendations for changes or inclusion

**Pam Ellis** <pamellis50@gmail.com>

9:07 AM (6  
minutes ago)

to Jeff, bcc: Dennis

Please forward digital copies of the information from the workshop on Thursday evening.

Also, please send a memo re: board secretary for inclusion in the consent agenda and minutes for the next meeting. We need a written document given that it has been repeated at multiple meetings that my completion of the minutes was "illegal".

thanks,  
Pam

# Montana Code Annotated 2021

TITLE 7. LOCAL GOVERNMENT

CHAPTER 13. UTILITY SERVICES

Part 22. County Water and/or Sewer Districts

## Appointment Of Administrative Personnel

**7-13-2277. Appointment of administrative personnel.** (1) The board of directors shall, at its first meeting or as soon thereafter as practicable, appoint by a majority vote a general manager and a secretary. A director may not be the general manager or the secretary. The board of directors may assign the district's operator, as defined in **37-42-102**, the additional duties of a general manager.

(2) The general manager and secretary must receive the compensation that the board determines, and each shall serve at the pleasure of the board.

**History:** En. Sec. 12, Ch. 242, L. 1957; R.C.M. 1947, 16-4512; amd. Sec. 2, Ch. 13, L. 2011.

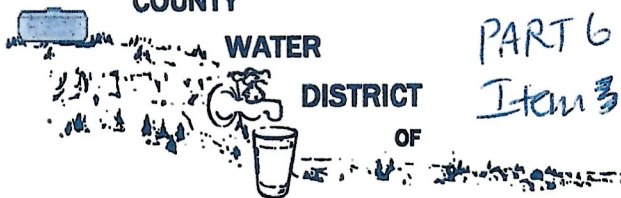
[https://leg.mt.gov/bills/mca/title\\_0070/chapter\\_0130/part\\_0220/section\\_0770/0070-0130-0220-0770.html](https://leg.mt.gov/bills/mca/title_0070/chapter_0130/part_0220/section_0770/0070-0130-0220-0770.html)

SUZANNE MARIE MCKETHEN  
COUNTY

PAGE 4  
PART 6  
Item 34

Item 23.

DIRECTORS  
SANDY D. REITZ, President  
WYNN PIPPIN, Vice-President  
DONNA DINSMORE  
JAMES E. MILLER  
DICK MARTIN  
CLIFF JONES  
JON MUESSIG



BILLINGS HEIGHTS  
1540 Popelka Drive  
Billings, MT 59105

DUKE NIESKENS  
General Manager

Phone: 252-0539  
Fax: 252-0518

December 11, 2009

### Contract for Outside Services

As Secretary for the Board of Directors of the County Water District of Billings Heights, duties will consist of:

- Written minutes of each regularly scheduled Board meeting on the second Wednesday of the month and any additional scheduled special meetings.
- Transcribed minutes of the monthly meeting must be given to the District office on or before the 25<sup>th</sup> of the month. Transcription of minutes of special meetings will be due two (2) weeks after the meeting.
- If the secretary is unable to attend the Board meeting, minutes will be tape recorded and minutes will be prepared from the tape.
- Payment of \$150.00 for services rendered will be issued at the next following scheduled Board meeting.
- Either party may terminate this agreement with a minimum notification of one (1) month.

Suzanne Mckethen  
Board Secretary  
County Water District of Billings Heights

Sandy Reitz  
Sandy Reitz, President, Board of Directors  
County Water District of Billings Heights



County Water District of Billings Heights

**BOARD SECRETARY DUTIES AND EVALUATION  
BOARD POLICY NO.**

**Primary Objective**

Aid and assist the Board, staff and public in the County Water District of Billings Heights office. Perform all assigned, implied, scheduled and unscheduled duties as required by the Board for the proper operation of the District office.

Under general supervision this position shall perform a variety of highly responsible, confidential, and complex administrative support duties for the General Manager and Board of Directors with a high degree of tact, discretion, trust, judgment and confidentiality; serve as the Clerk to the Board; provide administrative support as needed; serve as the District's Custodian of Records; and provide general information and assistance to the public.

**Essential Job Functions:**

The Board Secretary must:

- Possess excellent oral and written communication skills.
- Be able to understand oral and written instructions in order to perform activities defined in a variety of utility billing, payroll, and computer program manuals.
- Be bondable and capable of maintaining customer and employee confidentiality.
- Requires manual dexterity and use hands and fingers to handle and feel sufficient to operate computers and standard office machines such as fax, calculator, telephone, copiers etc.
- Have the ability to lift a reasonable amount of weight, bend, stoop, and operate a computer for extended periods of time.
- Requires sitting, standing, bending, and reaching; talk or hear, in person, in meetings and by telephone.
- Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment of the position. The job description does not constitute an employment agreement between the employer and employee and is subject to change by the Board as the needs of the job change.

**Areas of Accountability and Performance:**

- Manages the operations and services of the Board of Directors, including functions imposed by statutory law, Board meeting protocol, maintenance of confidential information and files, preparing and assembling Board agenda and agenda items, official

minutes, resolutions, meeting and legal notices and other related documentation and matters as required.

- Certifies the authenticity of official Board actions and prepares certified copies of such actions, as required.
- Receive and responds to a variety of requests and inquiries from District Board and staff, the public, and outside agencies.
- Schedules and arranges meetings by reserving rooms and equipment, issuing notices of meetings, and assembling materials;
- Attends and participates in meetings as needed including Board of Directors committees, regular, special, and other public meetings and records all official proceedings; accurately prepare minutes and other documents; and follows up on action items.
- Receives and reviews all agenda items to ensure that all submittals are complete and in compliance with established procedures.
- Arranges for publication of special meetings, hearings, and other documents, as needed.
- Fully aware of the operating procedures and policies of the District and administrative regulations as applicable.
- Maintains policy manuals, legal files of the District including Board agendas, Board minutes, Board resolutions/ordinances, and documents similar in nature.
- Coordinates all aspects of filling Board vacancies, either by election or appointment; maintains full responsibility for election proceedings for Board members in coordination with the Yellowstone County Elections Department.
- Perform a wide variety of duties and responsibilities with accuracy and speed under pressure of time-sensitive deadlines.
- Establish and maintain an effective and cooperative working relationship with coworkers through knowledge of work, personal and professional conduct, and good judgment.
- Regular attendance and adherence to prescribed work schedule to conduct job responsibilities.
- Perform related duties as assigned or required for the ongoing operation of the District's business.
- Contact customers regarding delinquent accounts, or unusual meter readings.
- Coordinate collection of delinquent accounts.
- Execute daily computer system data backups and website maintenance.
- Answers, screens, and refers telephone calls from customers and Board of Directors, providing information and handling issues that may require sensitivity and the use of sound independent judgment; responds to requests for information and complaints and refers requests or complaints to appropriate staff;
- Utilize proper tact and diplomacy when dealing with District business.
- Maintain effective communication with other employees, District customers and suppliers, and the Board.
- Regular attendance and adherence to prescribed work schedule to conduct job responsibilities;
- Observes safe work practices and safety methods; performs other duties as assigned.

**Education, Training and Experience Requirements:** - Any combination of training and experience that would provide the required knowledge, skills and abilities is qualifying. Possession of a Notary Public commission from the State of Montana is desirable.

**Knowledge of:**

- District operations, procedures, policies, precedents, rules and regulations.
- Record retention procedures.
- Pertinent State, and local laws, codes and regulations for Special Districts,
- Agenda preparation and distribution requirements.
- Modern office practices, procedures, and computer equipment/software.
- Adobe Acrobat for professional document finishing, indexing and compilation.
- Principles and practices of effective customer service.
- Microsoft Office Suite programs for word processing and spreadsheets.
- Standard business practices such as letter writing, report writing, preparing informational materials in visual formats.
- English language usage, spelling, grammar, and punctuation.

**Ability to:**

- Perform a variety of complex administrative and analytical support work involving the use of sound independent judgment and personal initiative with exceptional organization skills for the General Manager, Board of Directors, and District staff.
- Interpret and apply administrative and District policies, procedures, laws and regulations.
- Understand the organization and operation of the District and of outside agencies as necessary to assume assigned responsibilities.
- Compile and prepare routine reports.
- Maintain confidential data and information for appropriate personnel.
- Independently prepare correspondence and memorandums.
- Successfully adapt to changing workload and task assignments.
- Adapt to changing technologies and learn functionality of new equipment and systems.
- Plan, coordinate, and organize work to meet deadlines with accuracy, thoroughness, and attention to detail.
- Work independently and prioritize multiple tasks often under time constraints and with limited or no supervision.
- Read, understand and carry out written and oral directions in a clear, concise, and consistent manner.
- Operate a variety of automated office machines typical of a work environment such as a multi-function printer/copier/scanner machine, and fax machine.
- Operate a computer for the effective operation of the Department including word processing, database, spreadsheet, presentations, email, Internet and an integrated accounting software package.
- Communicate clearly and concisely both orally and in writing with District staff, coworkers, consultants, the Board and the public in one-to-one and group settings.

**Evaluation of the Board Secretary**

At least annually, at or near the employment anniversary date of the Board Secretary, the Board will meet in executive session for the purpose of evaluating the performance of the Board Secretary.

The Board will summarize the results of their individual evaluations and arrive at a consensus as to the overall performance of the Board Secretary. The results of the evaluation will be communicated to the Board Secretary.

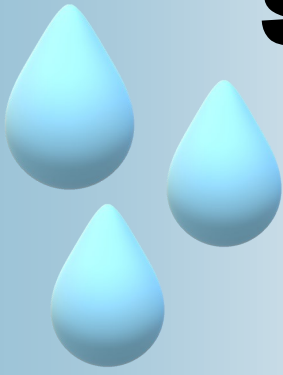
The Board President shall ensure that the provisions of this policy are followed.

Adopted:  
Revised:  
Reference: CWBDH Policy  
Review Date:

Attest: /s/ \_\_\_\_\_  
Board President

Attest: /s/ \_\_\_\_\_  
Secretary

System Name	Serviced Connections	Population	Staff
Big Sky Co. W/S Dist. (406) 995-2660	2214	4132	General Manager, 2 office, 2 sewer, 3 water, 1 “gofer” —mow lawn, shovel walk, run errands, etc <b>Income 2021 \$9,296,346</b>
Bigfork Co. W/S Dist. (406) 837-4566	1439	5035	7 employees (3 ofc; 4 operators) General Mgr, PT clerk, finance Complex wastewater treatment plant as well as 16 lift stations to maintain. We do not treat our water, but we have four storage tanks and three booster stations besides the main well house. Our operators certify in both water and wastewater. Two of us have both certifications. Two have water and are studying for wastewater. Planning to hire one more operator <b>Income 2020 \$2,177,974</b>
Co. Water Dist. of Billings Heights	5903	12000	General Mgr, Asst Manager, 2 office, 5 water <b>Income 2020 \$4,545,595</b>
Flathead Co. W/S don't treat wastewater, just collect and pump to Kalispell. Produce water 406-257-5861.	3489	5500	General Mgr, Asst Mgr, Clerk, Financial 2 days per week, 5 field staff Cindy Murray <b>Income 2021 \$2,847,342</b>
Lockwood W/S Dist. (406) 259-4120	1987	5900	6 staff—GM, Asst Mgr, clerk/bookkeeper, 3 service technicians Asst Mgr in both field and ofc.; GM goes out for something major <b>Income 2021 \$3,950,312</b>



# Saving Water and \$\$\$ in Your Yard

Presented by the League of Women Voters of Billings  
Saturday, May 14, 2022 • 10:00—11:30 a.m.  
Billings Public Library Community Room

[50% of Montana is experiencing extreme drought conditions.](#) What is the responsible use of water in Billings? How much water do we use in our yards each summer and how can we reduce that?

Come to learn how to measure your water use, know your soil and the plants that thrive in it, and use gray water. Learn where to find water gauges, rain barrels, drip lines, landscaping products, and low water use sprinkler controllers.

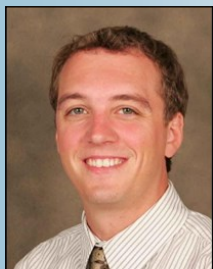
By learning more about sustainability and available water saving products and techniques, we can become advocates for conserving our Yellowstone River water resource and ecosystem.



**Why is saving water important?** **Susan Gilbertz, PhD.**, professor of Geography at MSU-Billings, will discuss Yellowstone River sustainability and how to move forward in ways that will allow future generations to live in a recognizably similar manner as we do now.



**How much water do I use in my yard?** **Louis Engels**, City of Billings Water Quality Superintendent, will share statistics on water use in Billings and introduce WaterSmart, your tool to help conserve water. Learn why water conservation is so important and what we can do to help Billings become a leader in water conservation.



**What changes can I make in my yard to use less water?** **Neil Kiner**, landscape architect and owner and operator of Second Nature Consulting, will provide an overview of steps needed to create landscaping that uses less water.



**Where do I get started?** **Sharon Wetsch**, master gardener, will identify resources for making better use of water in your yard.

— Additional experts and educational materials available at the event —

Second Nature Consulting    Master Gardener Program    MSU Extension Office  
North40 Agriculture    Canyon Creek Nursery

*Come for the information, networking, and door prizes.*

Questions? [lww.billings@gmail.com](mailto:lww.billings@gmail.com) • [facebook.com/lwvbillings](https://www.facebook.com/lwvbillings)

