

WORKSHOP MEETING BOARD OF TRUSTEES

225 Douglass Street, Portland, Maine
Jeff P. Nixon Training Center
6:30 p.m. on Monday, December 11, 2023

There will be a Workshop Meeting of the Board of Trustees of the Portland Water District on Monday, December 11, 2023. The meeting will begin at 6:30 p.m. in the Nixon Training Center at the general offices of the District located at 225 Douglass Street, Portland, Maine.

The Workshop will be preceded by meetings of the following Board Committees:

<u>Committee</u>	<u>Room / Location</u>	<u>Time</u>
Water Bottle Filling Station	General Manager's Conference Room	5:00 p.m.
Administration & Finance	Monie Room	5:30 p.m.
Operations	EOC 2 nd Floor	5:30 p.m.
Planning	Nixon Training Center	5:30 p.m.

AGENDA – WORKSHOP

1. Biosolids Management Plan

Staff will provide an update on the Biosolids Master Planning effort. The recent draft report provides recommendations on near-term dewatering and solids handling systems at the East End and Westbrook/Gorham Regional treatment facilities.

The study also provides a range of costs and the opportunities associated with mid to longer-range options to reduce volume further and possibly reduce PFAS levels.

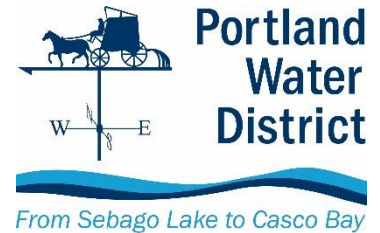
Staff will summarize the next steps as PWD works towards a sustainable and resilient biosolids management program.

2. Other Business

3. Executive Session

Pursuant to 1 M.R.S. §405(6)(A) personnel, the Board will go into Executive Session to conduct the General Manager's annual performance review.

4. Adjourn



MEMORANDUM PORTLAND WATER DISTRICT

TO: Administration and Finance Committee/Board of Trustees

FROM: David Kane, Executive Director of Administration
Mary Demers, Director of Employee Services

DATE: December 5, 2023

RE: Administration and Finance Committee Meeting – December 11, 2023

A meeting of the Administration and Finance Committee of the Portland Water District Board of Trustees will be held on Monday, December 11, 2023, at 5:30 p.m., in the Monie Conference Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

1. Non-Union Compensation Policy
Staff will present a revision to the non-union compensation policy. (See attached memo)
2. Non-Union Salary Structure
Staff proposes the adoption of the Non-Union Salary Structure pursuant to the Non-Union Compensation Policy. (See attached memo)
3. Pension Plan Amendment – Deferred Compensation (457) Plan
The Committee will consider a motion adopting amendments to the deferred compensation (457) plan effective January 1, 2024. The amendments reflect recent changes to the federal law. (See attached memo)
4. PI Software Subscription
Staff will present a motion authorizing an amendment to the 2023 Capital Improvement Plan for the purchase of PI software subscription. (See attached memo)
5. Other Business



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: December 11, 2023
Subject: Non-Union Compensation Policy
Presented By: Mary Demers, Director of Employee Services

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, revisions to the Non-Union Compensation Policy 2.30.22 are hereby adopted.

BACKGROUND

The Non-Union Compensation Policy 2.30.22 is being revised to provide clarification on the process of setting median pay for each position, the base pay for an individual, and moving through pay bands with increasing levels of skills, experience, and education.

PWD employs a broadband pay structure where each non-union position is slotted into one of eight pay bands and assigned a median pay level. An external, independent compensation consultant is used to establish and adjust position median pay levels through analysis of external market data and position requirements. PWD reviews market salary and inflationary trends annually and makes adjustments to the broadband structure and to medians to reflect market changes. Any pay adjustments are made in conformance with the PWD annual budget. Base pay is determined by comparing an employee's skills, experience, and education to the median level for their position. Employees have the opportunity to advance in their bands through performance and by increasing their skills, experience, and education.

Revisions to the policy clarify that newly hired employees and those who have transferred or have been promoted within PWD are eligible for a full Cost of Living Adjustment (COLA) on January 1 in the year of their hire/transfer or promotion.

The review procedure in the policy has been expanded to specify steps that begin with a discussion with their Senior Management Team (SMT) member and can be elevated to the Director of Employee Services through a written process if the employee remains unsatisfied.

FISCAL REVIEW / FUNDING

The 2024 Budget includes adequate funding for any impact the proposed changes may have.

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the Board approve the proposed motion.

ATTACHMENT(S)

- A. Additional Background Analysis
- B. Revised Non-Union Compensation Policy 2.30.22 – redline
- C. Revised Non-Union Compensation Policy 2.30.22 – clean

ADDITIONAL BACKGROUND ANALYSIS

Portland Water District's Non-Union Compensation Policy was last revised on December 20, 2021.

It was revised after the completion of a non-union compensation study that utilized the services of a human resources consultant. The consultant performed an external job market survey of all non-union positions. Job descriptions were updated and matched with industry positions. Actual salary data were collected from 21 Maine and 10 New England water/wastewater organizations, and 3 published national industry sources. Utilizing the 50th percentile (median) of the market salary data for each job description, positions with similar salaries were grouped into broadbands. This resulted in a broadband structure containing eight bands (up from seven bands previously). This structure has been updated annually since 2020 to reflect cost of living increases and inflation, and other annual recommendations from PWD's compensation consultant, KMA. In 2022, the COLA given was 3%, and in 2023, it was 4%.

When the Non-Union Compensation Policy 2.30-22, was last revised, it was done so to reflect the utilization of external market median pay for individual positions, appropriately grouped in a broadband structure, as the basis for PWD's non-union compensation. The revised policy presents that base pay is established relative to the market median for a position. (This differed from the 1999 policy, which set employee salaries based on the median of the pay *band*, not on the market median of the individual position). It also updated, in accordance with present practices, how salary increase budgets are approved by the Board, how pay is adjusted, and that there is a direct link between annual performance evaluation ratings and pay increases.

POLICY NUMBER: 2.30-22

SUBJECT: Non-Union Compensation Policy

EFFECTIVE DATE: January 1, 2022

SUPERSEDES: 15-81, 26-84, 48-87, 2.1, 99-01, 2.30-99

APPROVED BY: Board of Trustees

Purpose

Portland Water District (PWD or District) strives to be an employer of choice and a respected leader in ~~our the water and wastewater~~ industry. ~~Our PWD's mission is to protect public health, safety, and the environment by providing customers with reliable and affordable water services. to protect public health, safety and the environment and we PWD rely depends on our its~~ valued employees ~~to to ensure meet its mission~~ this. ~~With excellent customer service and professional integrity on all levels in the organization, our mission is realized~~

~~PWD sets through~~ high expectations for all employees ~~because -providing excellent services and professional integrity on all levels of the organization ensures that PWD realizes its mission. Combined with a~~ continuous process improvement ~~culture, and an annual including a~~ performance evaluation system, ~~reinforces employees' understanding employees understand of~~ their responsibilities ~~to both the District and the public that we serve~~. In return for ~~delivering high valued~~ services, ~~the District PWD~~ is committed to ~~meeting the employment market with providing~~ competitive pay ~~for employees~~ using a Broad Band Compensation Structure (See Figure 1). The structure is designed to provide competitive pay, allow for effective recruitment, ensure internal pay equity, promote high performance, and support ~~strong~~ retention.

Scope

This policy applies to all regular non-union employees.

Responsibility

The interpretation of this policy shall be the responsibility of the Employee Services (ES) Department. It may be supplemented by administrative procedures issued by the ES Department ~~and, as~~ approved by the General Manager.

Policy

~~Establishing and Maintaining the Pay Structure:~~ PWD's non-union salary structure is a broad band structure. Each position is placed in a band with positions that are most similar in external market median pay. The market median pay for a position is determined by analysis of the external job market for that position. This is typically done through an ~~external independent~~ compensation consultant, with the ability ~~and expertise~~ to reference data ~~regarding on~~ the local, regional ~~and/or~~ national salary market, ~~as applicable, -for that particular each~~ position. The minimum and maximum pay for each band is designed to have moderate overlap ~~between bands~~ to allow upward mobility within each band and incentivize ~~promotions performance~~.

The minimum and maximum pay levels established for each band will remain in effect until the next salary structure review. Generally, a review of adjustments for inflation occurs every ~~two years~~. A comprehensive review of external market pay for positions is typically performed every three to five years, depending on external market conditions. Changes to the salary structure, if any, will

normally be implemented in January, and performance-related pay adjustments ~~at yearend~~ will be based on the structure in place as of December 31st of that year.

New and restructured positions are slotted into one of the broad bands. ~~This process often will include soliciting recommendations by from~~ an external independent compensation consultant using current external market data, ~~with reference to the organizational chart for the District.~~

Establishing Base Pay: Base pay for an employee is determined by comparing their qualifications to the requirements in their position job description. For newly hired employees, past experience, education, and internal equity will be taken into consideration when determining the starting salary, which will typically be ~~in the first quartile of the market pay~~ below the median for the position. Existing employees' pay is based on their time in the position, prior directly related experience, education, skills, and job performance. High performing employees with relatively more experience, education, and skills will have salaries that are higher as they move up in the pay band.

The Director of Employee Services working in collaboration with the applicable Senior Management Team (SMT) member approves hiring appointments in ~~conjunction consultation~~ with the General Manager. ~~In the absence of the General Manager, the Director of Employee Services will have discretion to make a hiring offer, understanding that it~~ In most cases, ~~it~~ new hires will be slotted between the minimum and midpoint median in the assigned position range within the broad band. Special situations may allow for highly qualified employees to be hired at or above the median pay level for their position; ~~these appointments require the approval of the General Manager.~~

Establishing Increase Amounts/Salary Budgets: The total annual budgeted amount for non-union increases will be approved by the Board of Trustees each year during the budgeting process. Salary budgets ~~s~~ increases will reflect the District's ability to pay financial situation, current salary levels in relation to the inflation, external labor market trends, the internal salary structure, and general business forecasts. The General Manager ~~will have the annual decision-making responsibility to review and~~ determines the percentage increases for different levels of performance, based on recommendations from ES and the SMT members.

Types of Pay Adjustments: Employees who meet performance expectations and the goals established in their annual performance review will receive annual increases in relation to their competencies ~~on the job~~ and ~~their~~ professional accomplishments. Employees in good standing will receive a base pay increase ~~related reflective of the general or~~ cost of living increases, as determined in the PWD annual budget in the area. Additional increases are determined through the annual performance evaluation process and will be based on performance relative to the key job responsibilities, core competencies, and goals and objectives for the review period. Two types of increases are available: base pay increases (fixed percentage added to base pay) and variable pay increases (one-time bonus). Base pay increases will move high performing employees upward in their pay band. ~~Senior Management Team~~ SMT members may recommend to the Employee Services Director and General Manager that additional compensation be added to either an individual's base pay or given as a bonus for meritorious performance.

~~Base pay compensation normally falls within the compensation structure limits, unless special circumstances are present.~~ Base pay and market adjustments occur subsequent to performance appraisals, which are typically completed in the 4th-fourth quarter of each calendar year, and are normally effective the first pay period in January of each year. They are based on the individual's pay and salary structure in effect as of the prior December 1.

Base pay adjustments take into consideration an individual's performance as documented in the Performance Evaluation process and the maximum pay allowed for the position in the broad band in which the position is placed. Should an employee reach the maximum pay allowed in the structure and be performing well, a variable form of payment may be made in rare instances in lieu of an increase to the employee's base pay. The General Manager in collaboration with the

Employee Services Director and the SMT member responsible for the employee will approve any recommended additional compensation.

Pay Adjustment Expectations: Employees who meet performance expectations and the goals established in their annual performance review should expect to receive a cost-of-living adjustment (COLA) established through the annual budgeting process. Historically, the annual COLA has averaged roughly 3% at PWD, but ~~they~~there have been higher and lower COLAs, depending on variable economic conditions. In addition to a COLA, ~~higher performing~~higher-performing employees can receive salary increases based on both performance and through increasing levels of education, skills, and experience. The salary of an employee relative to the median salary of their position has a significant impact on the level of increase attainable (See Figure 1). There is less opportunity for salary advancement through gaining additional education, skills, and experience as the employee progresses in their pay band, reflecting the diminishing marginal return of adding more credentials in a given position. For example, a ~~high performing~~high-performing employee with a salary lower than the median salary of their position that adds additional education, skills, and experience may receive a higher relative pay adjustment than an employee who has a salary above the median salary for their position that adds similar credentials. Again, there is diminishing value for additional credentials as the employees develops mastery in a position. However, there is the expectation that performance will continue to improve during the tenure in a position. Additional compensation of 0-5% based on performance and through increasing levels of education, skills, and experience is typical, but should not be expected.

New and Recently Promoted Employees: New or recently promoted employees will have a performance review after three months with the District or after three months in a new position. This review establishes the schedule for learning, ~~growth,~~ and contribution ~~of the individual~~in the new position. ~~The A~~second review will be completed after six months in the new position. At the ~~six months~~six-month review, the employee will be assessed for completion of the probationary period. The new employee will receive any ~~COLA increase~~COLA at the end of the calendar year ~~pro-rated on the number of months worked at Portland Water District~~. The next evaluation for the employee will be in the annual appraisal cycle.

Employee Receiving a “Needs Improvement” Rating: Any employee who receives an overall rating of “Needs Improvement” will not receive an increase in pay. In addition, the needed improvement must take place during the next evaluation period, and will require a Performance Improvement Plan to track progress. No employee may remain in the employment of ~~Portland Water District~~PWD without successfully completing a Performance Improvement Plan after receiving an overall “Needs Improvement” rating on an annual performance evaluation.

Complaint Procedure

Employees with specific ~~complaints may address them to Director of Employee Services.~~concerns regarding their compensation should discuss this matter with their SMT member. If the discussion does not lead to a satisfactory resolution, the employee may escalate the matter to the Director of Employee Services through a formal written complaint. This should include details about the compensation issue, the desired resolution, and any supporting documentation.

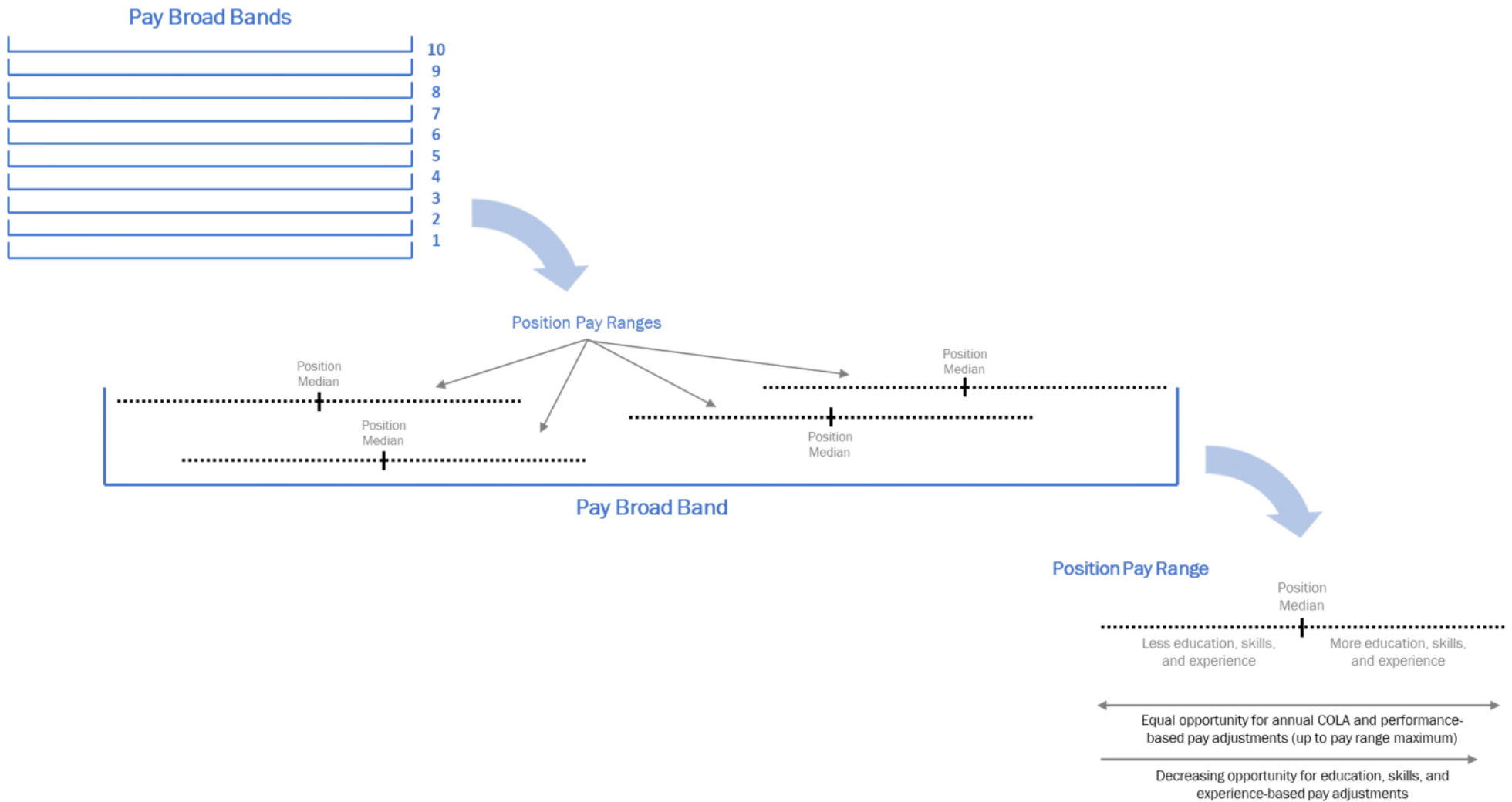


Figure 1: Board Band Compensation Structure – This figure shows the relationship of broad bands to position pay, and opportunity for education, skills and experienced-based pay adjustments.



POLICY NUMBER: 2.30-24

SUBJECT: Non-Union Compensation Policy

EFFECTIVE DATE: January 1, 2024

SUPERSEDES: 15-81, 26-84, 48-87, 2.1, 99-01, 2.30-99, 2.30-22

APPROVED BY: Board of Trustees

Purpose

Portland Water District (PWD or District) strives to be an employer of choice and a respected leader in the water and wastewater industry. PWD's mission is to protect public health, safety, and the environment by providing customers with reliable and affordable water services. PWD depends on its valued employees to meet its mission.

PWD sets high expectations for all employees because providing excellent services and professional integrity on all levels of the organization ensures that PWD realizes its mission. A continuous process improvement culture including a performance evaluation system reinforces employees' understanding of their responsibilities. In return for delivering high value services, PWD is committed to providing competitive pay using a Broad Band Compensation Structure (See Figure 1). The structure is designed to provide competitive pay, allow for effective recruitment, ensure internal pay equity, promote high performance, and support retention.

Scope

This policy applies to all regular non-union employees.

Responsibility

The interpretation of this policy shall be the responsibility of the Employee Services (ES) Department. It may be supplemented by administrative procedures issued by the ES Department and approved by the General Manager.

Policy

Pay Structure: PWD's non-union salary structure is a broad band structure. Each position is placed in a band with positions that are most similar in external market median pay. The market median pay for a position is determined by analysis of the external job market for that position. This is typically done through an independent compensation consultant with the ability and expertise to reference data on the local, regional and/or national salary market, as applicable, for each position. The minimum and maximum pay for each band is designed to have moderate overlap to allow upward mobility within each band and incentivize performance.

The minimum and maximum pay levels established for each band will remain in effect until the next salary structure review. Generally, a review of adjustments for inflation occurs every year. A comprehensive review of external market pay for positions is typically performed every three (3) to five (5) years, depending on external market conditions. Changes to the salary structure, if any, will normally be implemented in January, and performance-related pay adjustments will be based on the structure in place as of December 31st of that year.

New and restructured positions are slotted into one of the broad bands. This process often will include soliciting recommendations from an external independent compensation consultant using current external market data.

Establishing Base Pay: Base pay for an employee is determined by comparing their qualifications to the requirements in their position job description. For newly hired employees, past experience, education, and internal equity will be taken into consideration when determining the starting salary, which will typically be below the median for the position. Existing employees' pay is based on their time in the position, prior directly related experience, education, skills, and job performance. High performing employees with relatively more experience, education, and skills will have salaries that are higher as they move up in the pay band.

The Director of Employee Services working in collaboration with the applicable Senior Management Team (SMT) member approves hiring appointments in consultation with the General Manager. In most cases, new hires will be slotted between the minimum and median in the assigned position range within the broad band. Special situations may allow for highly qualified employees to be hired at or above the median pay level for their position.

Establishing Increase Amounts/Salary Budgets: The total annual budgeted amount for non-union increases will be approved by the Board of Trustees each year during the budgeting process. Salary budget increases will reflect PWD's financial situation, inflation, external labor market trends, the internal salary structure, and general business forecasts. The General Manager determines the percentage increase for different levels of performance, based on recommendations from ES and the SMT members.

Types of Pay Adjustments: Employees who meet performance expectations and the goals established in their annual performance review will receive annual increases in relation to their competencies and professional accomplishments. Employees in good standing will receive a base pay increase reflective of cost-of-living increases, as determined in the PWD annual budget. Additional increases are determined through the annual performance evaluation process and will be based on performance relative to the key job responsibilities, core competencies, and goals and objectives for the review period. Two (2) types of increases are available: base pay increases (fixed percentage added to base pay) and variable pay increases (one-time bonus). Base pay increases will move employees upward in their pay band. SMT members may recommend to the Employee Services Director and General Manager that additional compensation be added to either an individual's base pay or given as a bonus for meritorious performance.

Base pay and market adjustments occur subsequent to performance appraisals, which are typically completed in the fourth quarter of each calendar year, and are normally effective the first pay period in January of each year. They are based on the individual's pay and salary structure in effect as of the prior December 1.

Base pay adjustments take into consideration an individual's performance as documented in the Performance Evaluation process and the maximum pay allowed for the position in the broad band in which the position is placed. Should an employee reach the maximum pay allowed in the structure and be performing well, a variable form of payment may be made in rare instances in lieu of an increase to the employee's base pay. The General Manager in collaboration with the Employee Services Director and the SMT member responsible for the employee will approve any recommended additional compensation.

Pay Adjustment Expectations: Employees who meet performance expectations and the goals established in their annual performance review should expect to receive a cost-of-living adjustment (COLA) established through the annual budgeting process. Historically, the annual COLA has averaged roughly 3% at PWD, but there have been higher and lower COLAs, depending on variable economic conditions. In addition to a COLA, higher-performing employees can receive salary

increases based on both performance and through increasing levels of education, skills, and experience. The salary of an employee relative to the median salary of their position has a significant impact on the level of increase attainable (See Figure 1). There is less opportunity for salary advancement through gaining additional education, skills, and experience as the employee progresses in their pay band, reflecting the diminishing marginal return of adding more credentials in a given position. For example, a high-performing employee with a salary lower than the median salary of their position that adds additional education, skills, and experience may receive a higher relative pay adjustment than an employee who has a salary above the median salary for their position that adds similar credentials. Again, there is diminishing value for additional credentials as the employees develop mastery in a position. However, there is the expectation that performance will continue to improve during the tenure in a position. Additional compensation of 0-5% based on performance and through increasing levels of education, skills, and experience is typical, but should not be expected.

New and Recently Promoted Employees: New or recently promoted employees will have a performance review after three months with PWD or after three (3) months in a new position. This review establishes the schedule for learning, growth, and contribution in the new position. A second review will be completed after six (6) months in the new position. At the six-month review, the employee will be assessed for completion of the probationary period. The new employee will receive any COLA at the end of the calendar year. The next evaluation for the employee will be in the annual appraisal cycle.

Employee Receiving a “Needs Improvement” Rating: Any employee who receives an overall rating of “Needs Improvement” will not receive an increase in pay. In addition, the needed improvement must take place during the next evaluation period, and will require a Performance Improvement Plan to track progress. No employee may remain in the employment of PWD without successfully completing a Performance Improvement Plan after receiving an overall “Needs Improvement” rating on an annual performance evaluation.

Complaint Procedure

Employees with specific concerns regarding their compensation should discuss this matter with their SMT member. If the discussion does not lead to a satisfactory resolution, the employee may escalate the matter to the Director of Employee Services through a formal written complaint. This should include details about the compensation issue, the desired resolution, and any supporting documentation.

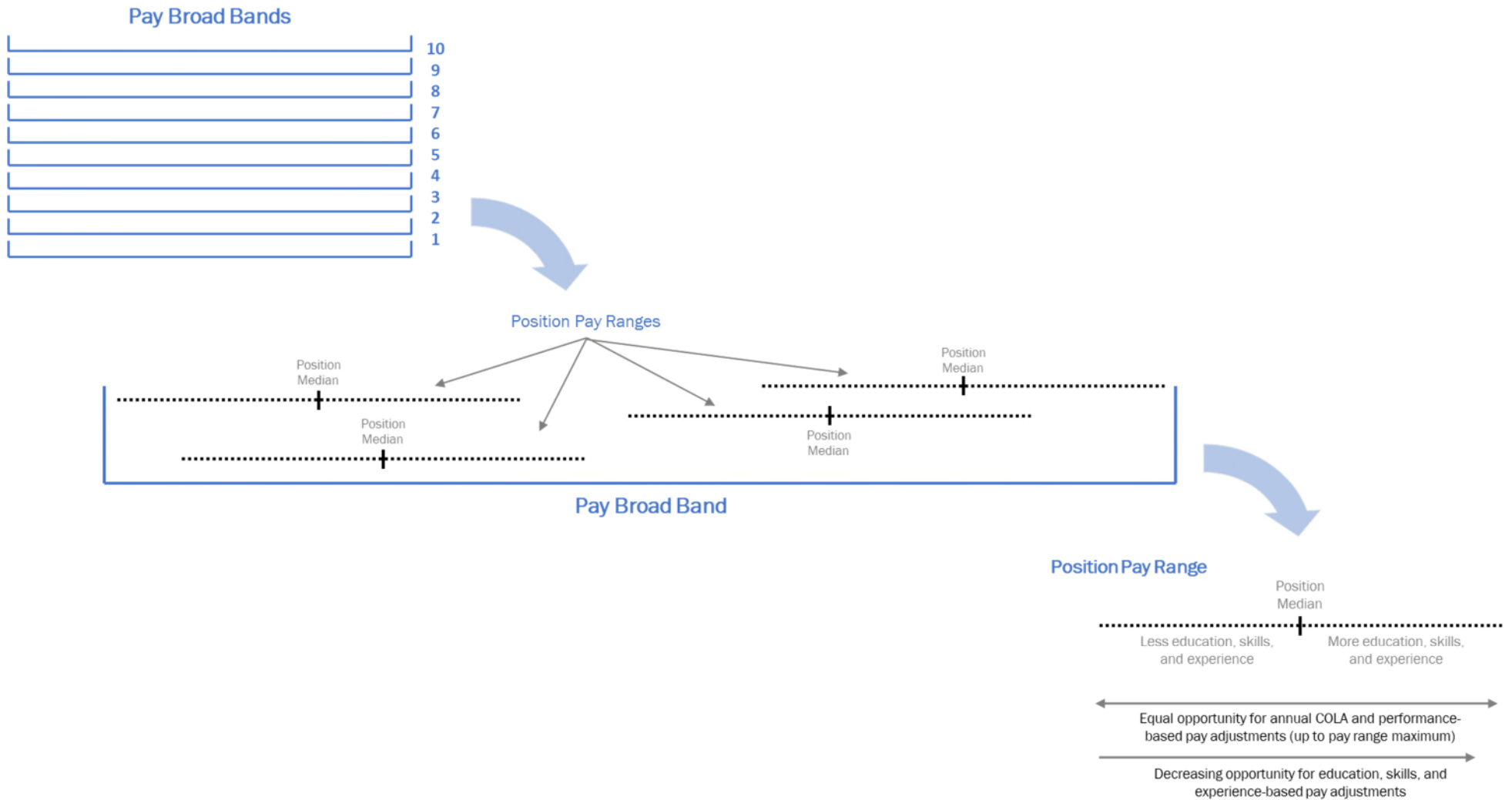
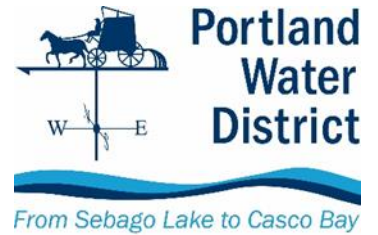


Figure 1: Broad Band Compensation Structure – This figure shows the relationship of broad bands to position pay, and opportunity for education, skills and experienced-based pay adjustments.



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
Date of Meeting: December 11, 2023
Subject: Non-Union Salary Structure
Presented By: Seth Garrison, General Manager
Mary Demers, Director of Employee Services

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, the Non-Union Salary Structure, in substantial form as attached hereto, is hereby adopted to become effective January 1, 2024.

BACKGROUND

The Board adopted Non-Union Compensation Policy states the minimum and maximum pay levels established for each pay band will remain in effect until the next salary structure review. The current structure was approved on January 23, 2023, with an effective date of December 31, 2022. Per the recommendation of PWD's compensation consultant, KMA, the minimum and maximum of each non-union broadband should be increased by 4% effective January 1, 2024, as shown in Attachment A-1.

FISCAL REVIEW / FUNDING

Adoption of the revised salary structure will not have the effect of increasing employee compensation at this time; it will simply change the pay range allowable for each position.

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the Board approve the proposed motion.

ATTACHMENT(S)

A. Recommended broadband salary structure effective January 1, 2024 (A-1); and salary structure currently in place (A-2).

**Portland Water District
Recommended Salary Structure
1-Jan-24**

Attachment A-1

		MINIMUM	MAXIMUM
Grade 8		\$166,600	\$227,100
	Grade 8	General Manager 9018	
Grade 7		\$132,000	\$178,500
	Grade 7	Corporate Counsel 9035	
	Grade 7	Executive Director of Administration 9004	
	Grade 7	Executive Director of Asset Management/Planning 9005	
Grade 6		\$110,300	\$151,400
	Grade 6	Director of Employee Services 9007	
	Grade 6	Director of Operation Services, Water 9011	
	Grade 6	Director of Operation Services, Wastewater 9011	
Grade 5		\$86,500	\$129,800
	Grade 5	Customer Services Manager 9006	
	Grade 5	Director of Financial Services 9008	
	Grade 5	Distribution System Manager, Water 9014	
	Grade 5	SCADA Manager, 9507	
	Grade 5	Environmental Services Manager 9020	
	Grade 5	Information Services Manager 9010	
	Grade 5	Strategic Project Manager 9047	
	Grade 5	Senior Project Engineer 9045	
Grade 4		\$80,100	\$120,000
	Grade 4	Database Administrator 9027	
	Grade 4	Network Administrator III 9026	
	Grade 4	Project Engineers 9030	
	Grade 4	Public Relations Manager 9025	
	Grade 4	Regulatory & Security Advisor 9028	
	Grade 4	Right of Way Agent 5014	
	Grade 4	Utility Asset Coordinator 9038	
	Grade 4	Asset Manager Program Manager 9049	
	Grade 4	Transmission/Distribution Supervisor 5011	
	Grade 4	Utility Asset Coordinator Water 9039	
	Grade 4	Wastewater Chief Operator - Plant 9042	
	Grade 4	Wastewater Chief Operator - Systems 9050	
	Grade 4	Wastewater Maintenance Manager Planner Scheduler 9048	
Grade 4	Water Services Plant/System Chief Operator 9002		
Grade 3		\$73,500	\$107,100
	Grade 3	Business System Analyst GIS, Senior 9505	
	Grade 3	Business System Analyst, Senior 9504	
	Grade 3	Chief of Security Operations 1069	
	Grade 3	Facilities Manager 5019	
	Grade 3	Industrial Pretreatment Program Supervisor 5035	
	Grade 3	Environmental Compliance Coordinator 5038	
	Grade 3	Network Administrator II-9044	
	Grade 3	Source Protection Coordinator 5018	
	Grade 3	Utility Specialist Supervisor 9023	
	Grade 3	Water Quality Program Manager 9506	
Grade 2		\$62,700	\$91,900
	Grade 2	Associate Engineer 5023	
	Grade 2	Employee Services Consultant 5036	
	Grade 2	Employee Services Consultant Safety/Training 5004	
	Grade 2	Associate Engineer SCADA Services, 5037	
	Grade 2	Employee Services Consultant-Benefits 5003	
	Grade 2	Environmental Education Coordinator 5017	
	Grade 2	Financial Analyst 5020	
	Grade 2	Purchasing Agent/Buyer 5005	
	Grade 2	Scheduler/Coordinator-AMaP 5032	
	Grade 2	Scheduler/Coordinator-Operations 5033	
Non-Exempt		\$53,000	\$74,700
	Non-Exempt	General Accounting Assistant 5028	
	Non-Exempt	AutoCAD Specialist -Part Time	
	Non-Exempt	Executive Administrative Assistant 5010	

	MINIMUM	MAXIMUM
Grade 8	\$160,200	\$218,400
	General Manager 9018	
Grade 7	\$126,900	\$171,600
	Corporate Counsel 9035	
	Executive Director of Administration 9004	
	Executive Director of Asset Management/Planning 9005	
Grade 6	\$106,100	\$145,600
	Director of Employee Services 9007	
	Director of Operation Services, Water 9011	
	Director of Operation Services, Wastewater 9011	
	Engineering/Asset Mgmt Services Manager 9031	
Grade 5	\$83,200	\$124,800
	Customer Services Manager 9006	
	Director of Financial Services 9008	
	Distribution System Manager, Water 9014	
	Environmental Services Manager 9020	
	Information Services Manager 9010	
	Strategic Project Manager 9047	
	Senior Project Engineer 9045	
Grade 4	\$77,000	\$115,400
	Database Administrator 9027	
	Network Administrator III 9026	
	Project Engineers 9030	
	Public Relations Manager 9025	
	Regulatory & Security Advisor 9028	
	Right of Way Agent 5014	
	Utility Asset Coordinator 9038	
	Utility Asset Coordinator Water 9039	
	Wastewater Chief Operator - Plant 9042	
	Wastewater Chief Operator - Systems 9050	
	Wastewater Maintenance Manager Planner Scheduler 9048	
	Water Services Plant/System Chief Operator 9002	
Grade 3	\$70,700	\$103,000
	Asset Manager Program Manager 9049	
	Business System Analyst GIS, Senior 9505	
	Business System Analyst, Senior 9504	
	Chief of Security Operations 1069	
	Customer Service Program Manager 9502	
	Facilities Manager 5019	
	Industrial Pretreatment Program Supervisor 5035	
	Network Administrator II-9044	
	Source Protection Coordinator 5018	
	Transmission/Distribution Supervisor 5011	
	Utility Specialist Supervisor 9023	
	Water Quality Program Manager 9506	
Grade 2	\$60,300	\$88,400
	Associate Engineer 5023	
	Employee Services Consultant 5036	
	Employee Services Consultant Safety/Training 5004	
	Employee Services Consultant-Benefits 5003	
	Environmental Education Coordinator 5017	
	Financial Analyst 5020	
	Purchasing Agent/Buyer 5005	
	Scheduler/Coordinator-AMaP 5032	
	Scheduler/Coordinator-Operations 5033	
	Network Admin I 9503	
Non-Exempt	\$51,000	\$71,800
	General Accounting Assistant 5028	
	Executive Administrative Assistant 5010	



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 3
Date of Meeting: December 11, 2023
Subject: Deferred Compensation (457) Plan Amendments
Presented By: David Kane, Executive Director of Administration
Mary Demers, Director of Employee Services

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

WHEREAS, the District wishes to amend and restate the District's Deferred Compensation Plan (the "457 Plan" or "Plan") to incorporate the Plan's five prior amendments and modify the Plan to reflect the current IRS contribution limits and the following SECURE Act changes:

- Permit repayments of Qualified Birth or Adoption Distributions;
- Permit early withdrawals from qualified plans for Terminally Ill Individuals, without the 10% early distribution penalty;
- Increase the age for Required Minimum Distributions to age 73 with respect to individuals turning 72 on or after January 1, 2023;
- Permit the Plan Administrator to rely upon employee certification that Unforeseeable Emergency conditions have been met; and
- Permit withdrawals in connection with federally declared Major Disasters, without the 10% early distribution penalty; and

WHEREAS, effective January 1, 2024, the District also wishes to implement the following SECURE 2.0 features and changes, with formal Plan amendments to be drafted and executed by December 31, 2025 or such later time as may be permitted by IRS guidance:

- Permit penalty-free withdrawals of up to the lesser of \$10,000 or 50% of the individual's vested account for Participants who self-certify that they experienced domestic abuse;
- Permit one withdrawal annually of up to the lesser of \$1,000 or the amount of the individual's vested account in excess of \$1,000 for Participants who self-certify that they experienced a personal or family emergency expense;
- Eliminate the pre-death Required Minimum Distribution requirement for Roth accounts; and
- Permit surviving spouses (if the sole designated beneficiary) to elect to be treated as the deceased employee for purposes of the Required Minimum Distribution rules.

NOW THEREFORE, IT IS HEREBY:

ORDERED, that the 457 Plan as amended and restated effective generally January 1, 2023, in substantially the form presented at this meeting and ordered filed with the minutes hereof, is hereby adopted and approved, with such changes therein, not inconsistent with the general tenor thereof, as the officers of the District deem necessary and appropriate to carry out the objectives thereof, as recommended by legal counsel; and

BE IT FURTHER ORDERED, to approve implementation in 2024 of the SECURE 2.0 features or changes described above and ordered filed with the minutes of this meeting, with formal Plan amendments to be prepared and executed by December 31, 2025 or such later date as may be permitted by IRS guidance; and

BE IT FURTHER ORDERED, that the General Manager and the Treasurer, or each acting singly, is hereby authorized and directed to take any actions necessary or appropriate to effectuate the foregoing Order, including but not limited to: (i) executing the formal documents; (ii) communicating Plan changes to Plan participants and eligible individuals; and (iii) working with legal counsel and/or the Plan's third-party administrator to develop appropriate policies and administrative forms; and

BE IT FURTHER ORDERED, that all actions heretofore taken by any employee of the District in connection with the transactions authorized by the foregoing resolutions, and all transactions related thereto, are hereby approved, ratified and confirmed in all respects.

BACKGROUND

PWD offers a deferred compensation plan to employees which allows employees to save for their retirement in a tax-favored way. For union employees hired after December 31, 2010, and non-union employees after December 31, 2011, participation is mandatory. For employees hired before those dates, participation is voluntary. A plan document outlining how the plan operates is required. The plan was last restated in 2013 and legal counsel recommended the plan be restated to incorporate amendments approved by the Board since 2013 and the proposed amendments to comply with the recently enacted federal law (SECURE acts).

The proposed motion incorporates five changes to the plan document to be implemented effective January 1, 2023, and four changes to be implemented January 1, 2024, with the plan amendments for those four being done by 2025. The following four items will not be offered because Principal or the District is not ready to implement them effective 1/1/2024.

- Catch-up contribution for participants with compensation in excess of \$145,000 must be Roth contributions.
- Student Loan payments are matched.
- Long-Term Care contract purchase may be paid from a plan withdrawal.
- Plan Sponsors permitted to allow participants to elect to receive employer matching and nonelective contributions on a Roth basis.

Optional voluntary changes that PWD does not intend to Adopt are listed below:

- Employers allowed to provide financial incentive such as low-dollar gift cards to employees who elect to participate in a workplace plan.
- Eliminate "first day of the month" requirement for governmental 457(b) plans: Allows such elections to be made at any time prior to the date that the compensation being deferred is available.
- Employers allowed to increase benefits, other than matches, under the plan for the previous plan year up to the employer's tax return due date.
- Emergency savings accounts linked to individual account plans: Qualified DC plans may establish short-term, Roth savings accounts for employees eligible to participate in the DC plan, capped at an account balance of \$2,500 (or a lesser amount determined by the plan sponsor), and no early withdrawal penalty for withdrawals.

FISCAL REVIEW / FUNDING

The changes do not result in any fiscal impact to PWD.

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the Board approve the proposed motion.

ATTACHMENT(S)

- A. Portland Water District Deferred Compensation Plan - Redlined
- B. Portland Water District Deferred Compensation Plan - Final Version

PORTLAND WATER DISTRICT DEFERRED COMPENSATION PLAN

(As amended and restated effective January 1, 2023)

~~Deferred Compensation Plan CL 201-1~~

~~Restated April 1, 2013~~

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PLAN EXECUTION

INTRODUCTION

~~The Employer previously established a deferred compensation plan.~~

~~The plan has been designed and is intended to meet the requirements of section 457 of the Internal Revenue Code of 1986, including any later amendments to the Code.~~

~~The purpose of this Plan is to permit employees of Portland Water District to supplement their retirement benefits through deferral of a portion of their compensation. This Plan is intended to meet the requirements of Section 457 of the Internal Revenue Code of 1986, as amended, and the Plan shall be interpreted and administered to comply with the requirements of Section 457 as well as the regulations issued thereunder.~~

~~The Plan was last restated effective April 1, 2013 and has been amended five times since that date.~~ The Employer is of the opinion that the plan should be changed. It believes that the best means to accomplish these changes is to ~~completely~~ restate the ~~p~~Plan's terms, provisions and conditions. The restatement, effective ~~April~~January 1, 2013~~23~~, is set forth in this document and is substituted in lieu of the prior document.

ARTICLE I

FORMAT AND DEFINITIONS

SECTION 1.01--FORMAT.

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise.

These words and phrases have an initial capital letter to aid in identifying them as defined terms.

SECTION 1.02--DEFINITIONS.

Account means, for a Participant, his share of the Plan Fund. Separate accounting records are kept for those parts of his Account that result from:

- (a) Pre-tax Salary Deferral Contributions
- (b) Roth Salary Deferral Contributions
- (c) Salary Reduction Contributions
- (d) Transfer Contributions
- (e) Matching Contributions
- (f) Rollover Contributions

A Participant's Account shall be reduced by any distribution of his Vested Account. A Participant's Account shall participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund. His Account is subject to any minimum guarantees applicable under the Annuity Contract or other investment arrangement and to any expenses associated therewith.

Acknowledgement Form means a form executed by an Employee, in which he acknowledges that he has been informed by the Employer that, as a condition of employment, the Employer will deduct from the Employee's Compensation, by regular payroll deductions, an amount equal to 3% of his Compensation and pay that amount to the Plan as a Contribution by the Employee. These Contributions shall be treated as an Employer Contribution. Any Employee who participates in this Plan shall be deemed to have entered into this Acknowledgement Form unless otherwise specified elsewhere in the Plan.

Active Participant means an Eligible Employee who is actively participating in the Plan according to the provisions in the ACTIVE PARTICIPANT SECTION of Article II.

Age 50 Catch-up Dollar Amount means, for any taxable year, the amount established under Code Sections 414(v)(2)(B) and (C) applicable as set forth below:

Calendar Year in Which Taxable Year Begins	Age 50 Catch-up Dollar Amount
20 20 02	\$ 16,500 00
20 21 03	\$ 26,500 00

20 22 ⁰⁴	\$ 36 ⁵⁰ 00
20 23 ⁰⁵	\$ 47 ⁰⁵ 00
20 24 ⁰⁶ or thereafter	\$ 57 ⁵⁰ 00 adjusted for cost-of-living after 2006 in accordance with Code Section 414(v)(2)(C)

Annuity Contract means the annuity contract or contracts into which the Trustee enters with the Insurer for guaranteed benefits, for the investment of Contributions in separate accounts, and for the payment of benefits under this Plan. The term Annuity Contract as it is used in this Plan shall include the plural unless the context clearly indicates the singular is meant.

Applicable Dollar Amount means, for any taxable year, the amount established under Code Section 457(e)(15) applicable as set forth below:

Calendar Year in Which Taxable Year Begins	Applicable Dollar Amount
20 20 ⁰²	\$ 194 ⁵⁰ 00
20 21 ⁰³	\$ 192 ⁵⁰ 00
20 22 ⁰⁴	\$ 2043 ⁵⁰ 00
20 23 ⁰⁵	\$ 2244 ⁵⁰ 00
20 24 ⁰⁶ or thereafter	\$ 2345 ⁰⁰ 00 adjusted for cost-of-living after 2006 in accordance with Code Section 457(e)(15)(B)

Beneficiary means the person or persons named by a Participant to receive any benefits under the Plan when the Participant dies. See the BENEFICIARY SECTION of Article X.

Board means the Board of Trustees of the Portland Water District.

Code means the Internal Revenue Code of 1986, as amended [from time to time](#).

Compensation means all payments made to an Employee by the Employer as remuneration for services rendered, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income. Compensation shall also include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f)(4), or 457. Compensation shall also include employee contributions "picked up" by a governmental entity and, pursuant to Code Section 414(h)((2), treated as Employer contributions.

For Plan Years beginning on or after July 1, 2007, Compensation for a Plan Year shall also include Compensation paid by the later of 2 1/2 months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Plan Year that includes the date of the Employee's Severance from Employment with the Employer maintaining the Plan, if the payment is regular Compensation for services during the Employee's regular working hours, or Compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer.

Beginning January 1, 2009, Compensation shall include Differential Wage Payments.

Compensation shall exclude the following:

- bonuses

overtime pay, other than guaranteed overtime
on-call pay
other irregular pay

Contingent Annuitant means an individual named by the Participant to receive a lifetime benefit after the Participant's death in accordance with a survivorship life annuity.

Contributions means

Salary Deferral Contributions
Salary Reduction Contributions
Transfer Contributions
Matching Contributions
Rollover Contributions

as set out in Article III, unless the context clearly indicates only specific contributions are meant.

Designated Beneficiary means 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 section 1.401(a)(9)-4 of the regulations.

Differential Wage Payments means any payments which are made by an Employer to an individual with respect to any period during which the individual is performing Qualified Military Service while on active duty for a period of more than 30 days, and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer.

Direct Rollover means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

Distributee means 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. For distributions made after December 31, 2006, a Distributee includes the Employee's (or former Employee's) nonspouse Designated Beneficiary, in which case, the distribution can only be transferred to a traditional IRA or Roth IRA established on behalf of the nonspouse Designated Beneficiary for the purpose of receiving the distribution.

Eligible Employee means any Employee of the Employer whose employment classification with the Employer is none of the following:

A member of the Board.

Employed as a seasonal Employee.

Employed as a temporary Employee.

Employed as a grant or contract Employee (unless participation in the Plan is provided for in the grant or contract).

Eligible Retirement Plan means 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, a traditional IRA, a Roth IRA, 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 designated Roth account, an Eligible Retirement Plan with respect to such portion shall include only (i) another designated Roth account of the individual from whose Account the payments or distributions were made or (ii) a Roth IRA of such individual.

Eligible Rollover Distribution means 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: (i) 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; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) any unforeseeable emergency distribution; (iv) the portion of any other distribution(s) that is not includible in gross income; and (v) any other distribution(s) that is reasonably expected to total less than \$200 during a year. For purposes of the \$200 rule, a distribution from a designated Roth account and a distribution from other accounts under the Plan shall be treated as made under separate plans.

Employee means an individual who is employed by the Employer. Beginning January 1, 2009, the term Employee shall include any individual receiving Differential Wage Payments.

Employer means Portland Water District.

Employer Contributions means

Salary Deferral Contributions
Salary Reduction Contributions
Matching Contributions

as set out in Article III, unless the context clearly indicates only specific contributions are meant.

Entry Date means the date an Employee first enters the Plan as an Active Participant. See the ACTIVE PARTICIPANT SECTION of Article II.

Inactive Participant means a former Active Participant who has an Account. See the INACTIVE PARTICIPANT SECTION of Article II.

Includible 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. 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)). The amount reported in the "Wages, Tips and Other Compensation" box on Form W-2 satisfies this definition.

For Plan Years beginning on or after July 1, 2007, Includible Compensation for a Plan Year shall also include compensation paid by the later of 2 1/2 months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Plan

Year that includes the date of the Employee's Severance from Employment with the Employer maintaining the Plan, if the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer.

Includible Compensation shall also include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f)(4), or 457.

Includible Compensation shall be determined without regard to any community property laws.

Beginning January 1, 2009, Includible Compensation shall include Differential Wage Payments.

Insurer means Principal Life Insurance Company and any other insurance company or companies named by the Trustee or Employer.

Investment Fund means the total of Plan assets, excluding the guaranteed benefit policy portion of any Annuity Contract. All or a portion of these assets may be held under the Trust Agreement.

The Investment Fund shall be valued at current fair market value as of the Valuation Date. The valuation shall take into consideration investment earnings credited, expenses charged, payments made, and changes in the values of the assets held in the Investment Fund.

The Investment Fund shall be allocated at all times to Participants, except as otherwise expressly provided in the Plan. The Account of a Participant shall be credited with its share of the gains and losses of the Investment Fund. That part of a Participant's Account invested in a funding arrangement which establishes one or more accounts or investment vehicles for such Participant thereunder shall be credited with the gain or loss from such accounts or investment vehicles. The part of a Participant's Account which is invested in other funding arrangements shall be credited with a proportionate share of the gain or loss of such investments. The share shall be determined by multiplying the gain or loss of the investment by the ratio of the part of the Participant's Account invested in such funding arrangement to the total of the Investment Fund invested in such funding arrangement.

Mandatory Distribution means a distribution to a Participant that is made without the Participant's consent and is made to the Participant before he attains the older of age 62 or his Normal Retirement Age.

Matching Contributions means contributions made by the Employer that are contingent on a Participant's Salary Deferral Contributions and Salary Reduction Contributions. See the EMPLOYER CONTRIBUTIONS SECTION of Article III.

Monthly Date means each Yearly Date and the same day of each following month during the Plan Year beginning on such Yearly Date.

Normal Form means a single life annuity with installment refund.

Normal Retirement Age means age 65.

Participant means either an Active Participant or an Inactive Participant.

Plan means the deferred compensation plan of the Employer set forth in this document, including any later amendments to it.

Plan Administrator means the person or persons who administer the Plan. The Plan Administrator is the Board.

Plan Fund means the total of the Investment Fund and the guaranteed benefit policy portion of any Annuity Contract. The Investment Fund shall be valued as stated in its definition. The guaranteed benefit policy portion of any Annuity Contract shall be determined in accordance with the terms of the Annuity Contract and, to the extent that such Annuity Contract allocates contract values to Participants, allocated to Participants in accordance with its terms. The total value of all amounts held under the Plan Fund shall equal the value of the aggregate Participants' Accounts under the Plan.

Plan Year means a period beginning on a Yearly Date and ending on the day before the next Yearly Date.

Pre-tax Salary Deferral Contributions means a Participant's Salary Deferral Contributions that are not includible in the Participant's gross income at the time deferred.

Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the U.S. Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

Reentry Date means the date a former Active Participant reenters the Plan. See the ACTIVE PARTICIPANT SECTION of Article II.

Rollover Contributions means the Rollover Contributions which are made by an Eligible Employee or an Inactive Participant according to the provisions of the ROLLOVER CONTRIBUTIONS SECTION of Article III.

Roth Salary Deferral Contributions means a Participant's Salary Deferral Contributions that are not excludible from the Participant's gross income at the time deferred and have been irrevocably designated as Roth Salary Deferral Contributions by the Participant in his salary deferral agreement.

Salary Deferral Contributions means contributions made by the Employer in accordance with salary deferral agreements between the Employer and Eligible Employees. See the EMPLOYER CONTRIBUTIONS SECTION of Article III.

Salary Deferral Contributions means Pre-tax Salary Deferral Contributions and Roth Salary Deferral Contributions, unless the context clearly indicates only one is meant.

Salary Reduction Contributions means contributions made by the Employer in accordance with the Acknowledgement Form and treated as Employer Contributions. These Contributions are not available to the Participant as current income, and the Participant has no discretion to receive them as such because they are made as a condition of employment.

Severance from Employment means an Employee has died, retired, or otherwise had a severance from employment with the Employer. The Plan Administrator shall determine if a Severance from Employment has occurred in accordance with the regulations under Code Section 401(k).

Transfer Contributions means the contributions transferred by an Eligible Employee to this Plan from an eligible plan under Code Section 457(b) according to the provisions of the TRANSFER CONTRIBUTIONS SECTION of Article III.

Trust Agreement means an agreement of trust between the Employer and Trustee established for the purpose of holding and distributing the Trust Fund under the provisions of the Plan. The Trust Agreement may provide for the investment of all or any portion of the Trust Fund in the Annuity Contract.

Trust Fund means the total funds held under the Trust Agreement.

Trustee means the party or parties named in the Trust Agreement. The term Trustee as it is used in this Plan is deemed to include the plural unless the context clearly indicates the singular is meant.

Unforeseeable Emergency means severe financial hardship to a Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code Section 152(a)); (ii) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of natural disaster); (iii) the need to pay for funeral expenses of the Participant's spouse or dependent (as defined in Code Section 152(a)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an Unforeseeable Emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an Unforeseeable Emergency. Except as otherwise specifically provided in this definition, neither the purchase of a home nor the payment of college tuition is an Unforeseeable Emergency.

Valuation Date means the date on which the value of the assets of the Investment Fund is determined. The value of each Account which is maintained under this Plan shall be determined on the Valuation Date. In each Plan Year, the Valuation Date shall be the last day of the Plan Year. At the discretion of the Plan Administrator, Trustee, or Insurer (whichever applies), assets of the Investment Fund may be valued more frequently. These dates shall also be Valuation Dates.

Vested Account means the vested part of a Participant's Account. The Participant's Vested Account is equal to his Account.

The Participant's Vested Account is nonforfeitable. The percentage used to determine that portion of a Participant's Account attributable to Employer Contributions which is nonforfeitable is 100%.

Yearly Date means ~~each~~ January 1, ~~2013, and the same day of each following year.~~ ~~Yearly Dates~~ ~~b~~Before January 1, 2013, Yearly Dates shall be determined under the provisions of the prior document.

ARTICLE II

PARTICIPATION

SECTION 2.01--ACTIVE PARTICIPANT.

- (a) An Employee shall first become an Active Participant (begin active participation in the Plan) on the earliest date on which he is an Eligible Employee. This date is his Entry Date.

Each Employee who was an Active Participant under the Plan on ~~March~~December 31, 20~~13~~23, shall continue to be an Active Participant if he is still an Eligible Employee on ~~April~~January 1, 20~~13~~23, and his Entry Date shall not change.

- (b) An Inactive Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

Upon again becoming an Active Participant, he shall cease to be an Inactive Participant.

- (c) A former Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

There shall be no duplication of benefits for a Participant under this Plan because of more than one period as an Active Participant.

SECTION 2.02--INACTIVE PARTICIPANT.

An Active Participant shall become an Inactive Participant (stop accruing benefits under the Plan) on the earlier of the following:

- (a) the date the Participant ceases to be an Eligible Employee, or
- (b) the effective date of complete termination of the Plan under Article VIII.

An Employee or former Employee who was an Inactive Participant under the Plan on ~~March~~December 31, 20~~13~~22, shall continue to be an Inactive Participant on ~~April~~January 1, 20~~13~~23. Eligibility for any benefits payable to the Participant or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior document, unless otherwise stated in this document.

SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant shall cease to be a Participant on the date he is no longer an Eligible ~~Employee~~Employee, and his Account is zero.

ARTICLE III

CONTRIBUTIONS

SECTION 3.01--EMPLOYER CONTRIBUTIONS.

The amount of Employer Contributions for any Plan Year is specified in (a) below subject to the limitations in (b) below:

(a) Amount of Employer Contributions.

- (1) Salary Deferral Contributions. The amount of each Salary Deferral Contribution for a Participant shall be equal to a portion of his Compensation as elected in his salary deferral agreement. Salary deferral agreements shall be made, changed, or terminated according to procedures and limitations set up by the Plan Administrator. The salary deferral agreement must be in writing ([in the form or medium prescribed by the Plan Administrator](#)) and completed before the beginning of the month in which Salary Deferral Contributions are to begin. However, a new Employee may make Salary Deferral Contributions for the month in which he first becomes an Employee if he completes a salary deferral agreement on or before the day he becomes an Employee. Unless the salary deferral agreement specifies a later effective date, a change in the amount of Salary Deferral Contributions shall take effect as of the first day of the following month or as soon as administratively practicable if later.

A Participant may elect to designate all or any portion of his future Salary Deferral Contributions as Roth Salary Deferral Contributions.

Salary Deferral Contributions are 100% vested when made.

(2) Salary Reduction Contributions.

- (i) For any Employee who is covered by the Portland Water District Labor Agreement and who is hired after December 31, 2010, or who became covered by the Portland Water District Labor Agreement as a result of a transfer within the Portland Water District that occurred after December 31, 2010, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i) the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated.
- (ii) For any Employee who is not covered by the Portland Water District Labor Agreement and who is hired after December 31, 2011, or who ceases to be covered by the Portland Water District Labor Agreement as a result of a transfer within the Portland Water District that occurred after December 31, 2011, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i)

the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated.

- (iii) For any Employee who is not covered by the Portland Water District Labor Agreement and who was hired prior to January 1, 2012 and experiences a loss of eligibility to participate in the Portland Water District Pension Plan for Non-Union Employees due to a reduction in hours, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i) the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated. Notwithstanding the foregoing, such Employee shall have a one-time, irrevocable opportunity to opt-out of making Salary Reduction Contributions. Such opt-out had to be made prior to January 1, 2012.

~~Union Employees hired prior to January 1, 2011, and non-union Employees hired prior to January 1, 2012, shall not make Salary Reduction Contributions under this Plan.~~

Salary Reduction Contributions are 100% vested.

~~Except as provided under the "Special Rule for Certain Employees Who Cease to be Covered by the Portland Water District Labor Agreement On or After October 1, 2017 Due to a Transfer" below, union Employees hired prior to January 1, 2011, and non-union Employees hired prior to January 1, 2012, shall not make Salary Deferral Contributions or Salary Reduction Contributions under this Plan.~~

~~Special Rule for Certain Employees Who Cease to be Covered by the Portland Water District Labor Agreement On or After October 1, 2017 Due to a Transfer.~~

~~Union Employees hired prior to January 1, 2011 who cease to be covered by the Portland Water District Bargaining Agreement on or after October 1, 2017 due to a transfer within the District, shall be eligible to make a one-time, irrevocable election to either: (i) continue participation under the Portland Water District Bargaining Unit Employees' Pension Plan (#002); or (ii) participate in this Plan, making Salary Reduction Contributions in accordance with Section 3.01(a)(2)(ii), and subject to all other applicable terms and conditions of the Plan.~~

~~The one-time, irrevocable election described above must be made in the form and manner prescribed by the Plan Administrator and shall be effective as soon as administratively practicable after it is made. In the event no election is timely made, the Employee will be automatically enrolled in this Plan.~~

(3) Matching Contributions. The Employer shall make Matching Contributions as stated below:

- (i) Matching Contributions for Participants who (a) are not covered by the Portland Water District Labor Agreement; (b) are hired prior to January 1, 2012, (c) were employed by the Portland Water District on December 31, 2011, and (d) are not making Salary Reduction Contributions, are equal to \$1.00 for each \$1.00 that the Participant contributes through

Salary Deferral Contributions up to ~~\$1,225.00~~ \$1,500.00 (up to \$1,225.00 for Plan Years beginning prior to January 1, 2022) for the Plan Year.

- (ii) Matching Contributions for Participants who (a) are not covered by the Portland Water District Labor Agreement; (b) were hired after December 31, 2011; (c) only ceased to be covered by the Portland Water District Labor Agreement as a result of transfer of employment within Portland Water District that occurred after December 31, 2011; or (d) were hired prior to January 1, 2011, experiences a loss of eligibility to participate in the Portland Water District Pension Plan for Non-Union Employees due to a reduction in hours, and is making Salary Deferral Contributions, are equal to 150% of the combination of Salary Deferral Contributions and Salary Reduction Contributions. Prior to April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 3% of Compensation won't be matched. Effective on and after April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 4.5% of Compensation won't be matched.
- (iii) Matching Contributions for Participants who (a) are covered by the Portland Water District Labor Agreement; (b) are hired prior to January 1, 2011; and (c) were employed by the Portland Water District on December 31, 2010, are equal to \$1.00 for each \$1.00 that the Participant contributes through Salary Deferral Contributions up to ~~\$1,500.00 (up to \$1,225.00 for Plan Years beginning prior to January 1, 2022)~~ 225.00 for the Plan Year.
- (iv) Matching Contributions for Participants (a) who are covered by the Portland Water District Labor Agreement; (b) were hired after December 31, 2010; or (c) only became covered by the Portland Water District Labor Agreement as a result of transfer of employment within the Portland Water District that occurred after December 31, 2010, are equal to 150% of the combination of Salary Deferral Contributions and Salary Reduction Contributions. Prior to April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 3% of Compensation won't be matched. Effective on and after April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 4.5% of Compensation won't be matched.

Matching Contributions for union Employees are made as stated in the applicable collective bargaining agreement.

Matching Contributions for all Participants are subject to the Participant satisfying a six month probationary period as described in the Portland Water District Labor Agreement. Such Matching Contributions will then be made retroactive to the Participant's most recent date of hire.

Matching Contributions are calculated based on Salary Deferral Contributions and Compensation for the payroll period. Matching Contributions are made for all persons who were Active Participants at any time during that payroll period.

Matching Contributions are 100% vested when made.

Employer Contributions are allocated according to the provisions of the ALLOCATION SECTION of this article.

- (b) Limitation on Employer Contributions.
- (1) Basic Limit. For any taxable year of the Participant, Employer Contributions shall not exceed the lesser of:
- (i) the Applicable Dollar Amount, or
 - (ii) 100% of the Participant's Includible Compensation for the taxable year.
- (2) Age 50 Catch-up Limit. A Participant who would attain age 50 by the end of the taxable year is permitted to elect an additional amount of Salary Deferral Contributions, up to the Age 50 Catch-up Dollar Amount.
- (3) Special Section 457 Catch-up Limit. If the applicable taxable year is one of a Participant's last three taxable years ending before the taxable year in which he attains Normal Retirement Age and the limit determined under this (3) exceeds the limit on Employer Contributions under (1) and (2) above, then the limit on Employer Contributions for such taxable year shall be the lesser of:
- (i) an amount equal to 2 times the Applicable Dollar Amount, or
 - (ii) the sum of
 - A. an amount equal to
 - 1. the aggregate basic limit in (1) above for the current taxable year plus each prior taxable year beginning after December 31, 2001 during which the Participant was eligible to participate in this Plan, minus
 - 2. the aggregate amount of compensation that the Participant deferred under the Plan during such years disregarding any age 50 catch-up contributions permitted under Code Section 414(v), plus
 - B. an amount equal to
 - 1. the aggregate basic limit referred to in Code Section 457(b)(2) for each prior taxable year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was eligible to participate in this Plan (determined without regard to Code Section 457(b)(3)), minus
 - 2. the aggregate contributions to pre-2002 coordination plans for such years.
- (4) Special Rules. For purposes of this (b), the following rules shall apply:
- (i) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this (b). For this purpose, the Plan

Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Plan Administrator receives from the Participant sufficient information concerning his participation in such other plan.

- (ii) Prior Taxable Years. In applying (3) above, a taxable year shall be taken into account only if
 - A. the Participant was eligible to participate in the Plan during all or a portion of the taxable year and
 - B. compensation deferred, if any, under the Plan during the year was subject to the basic limit described in (1) above or any other plan ceiling required by Code Section 457(b).
- (iii) Contributions to Pre-2002 Coordination Plans. For purposes of (3)(ii)B.2. above, "contributions to pre-2002 coordination plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501 (c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any taxable year are only taken into account for purposes of (3)(ii)B.2. above, to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.
- (iii) Disregard Excess Deferral. For purposes of (1), (2), and (3) above, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in (5) below. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.
- (5) Correction of Excess Deferrals. If the Employer Contributions on behalf of a Participant for any taxable year exceeds the limitations described above, or the Employer Contributions on behalf of a Participant for any taxable year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Plan Administrator, then the Employer Contributions, to the extent Employer Contributions are in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

However, in no event can a Participant's Salary Deferral Contributions be more than the Participant's Compensation for the taxable year.

SECTION 3.01A--ROLLOVER CONTRIBUTIONS.

A Rollover Contribution may be made by an Eligible Employee or Inactive Participant if the following conditions are met:

- (a) The Contribution is a Participant's Rollover Contribution or a direct rollover of an Eligible Rollover Distribution made from the types of plans specified below.

Direct Rollovers. The Plan will accept a direct rollover of an Eligible Rollover Distribution from (i) a qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions and including any portion of a designated Roth account; (ii) an annuity contract described in Code Section 403(b), excluding after-tax employee contributions and including any portion of a designated Roth account; and (iii) 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, including any portion of a designated Roth account.

Participant's Rollover Contributions from Other Plans. The Plan will accept a Participant contribution of an Eligible Rollover Distribution from (i) a qualified plan described in Code Section 401(a) or 403(a), including distributions of a designated Roth account only to the extent such amount would otherwise be includible in a Participant's gross income; (ii) an annuity contract described in Code Section 403(b), including distributions of a designated Roth account only to the extent such amount would otherwise be includible in a Participant's gross income; and (iii) 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, including any portion of a designated Roth account.

Participant's Rollover Contributions from IRAs. The Plan will accept a Participant Rollover Contribution of the portion of a distribution from an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in the Participant's gross income.

In the case of an Inactive Participant, the Contribution must be of an amount distributed from another plan of the Employer.

- (b) The Contribution is of amounts that the Code permits to be transferred to 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.
- (c) The Contribution is made in the form of a direct rollover under Code Section 401 (a)(31) or is a rollover made under Code Section 402(c) or 408(d)(3)(A) within 60 days after the Eligible Employee or Inactive Participant receives the distribution.
- (d) The Eligible Employee or Inactive Participant furnishes evidence satisfactory to the Plan Administrator that the proposed rollover meets conditions (a), (b), and (c) above.

A Rollover Contribution shall be allowed in cash only and must be made according to procedures set up by the Plan Administrator.

If the Eligible Employee is not an Active Participant when the Rollover Contribution is made, he shall be deemed to be an Active Participant only for the purpose of investment and distribution of the Rollover Contribution. Employer Contributions shall not be made for or allocated to the Eligible Employee until the time he meets all of the requirements to become an Active Participant.

Rollover Contributions made by an Eligible Employee or Inactive Participant shall be credited to his Account. Rollover Contributions are 100% vested when made. A separate accounting record shall be maintained for that part of his Rollover Contributions consisting of amounts that were not distributed from an eligible plan under Code Section 457(b) and any portion of a designated Roth account, including the portion that would not have been includible in the Participant's gross income if the contributions were not rolled over into this Plan.

SECTION 3.02--TRANSFER CONTRIBUTIONS.

If an Eligible Employee formerly participated in an eligible plan under Code Section 457(b), the trustee or plan administrator of that plan may transfer funds to this Plan on behalf of the Eligible Employee. Transfer of rollover amounts shall not be permitted if the Plan does not permit such rollover amounts and, if permitted, such amounts shall be treated as a rollover amount made to this Plan. The transferred funds other than rollover amounts shall be called a Transfer Contribution and shall be made according to procedures set up by the Plan Administrator.

If the Eligible Employee is not an Active Participant when the Transfer Contribution is made, he shall be deemed to be an Active Participant only for the purpose of investment and distribution of the Transfer Contribution. Employer Contributions shall not be made for or allocated to the Eligible Employee until the time he meets all of the requirements to become an Active Participant.

Transfer Contributions made by an Eligible Employee shall be credited to his Account. Transfer Contributions are 100% vested when made.

SECTION 3.03--FORFEITURES.

The Nonvested Account of a Participant shall be forfeited as of the Participant's Forfeiture Date.

Forfeitures shall be determined at least once during each Plan Year. Forfeitures may first be used to pay administrative expenses. Forfeitures which have not been used to pay administrative expenses shall be applied to reduce the earliest Employer Contributions made after the Forfeitures are determined. Upon their application to reduce Employer Contributions, Forfeitures shall be deemed to be Employer Contributions.

SECTION 3.04--ALLOCATION.

[Salary Reduction Contributions shall be allocated to Participants for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the Participant's Account.](#)

Salary Deferral Contributions shall be allocated to Participants for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the Participant's Account.

Matching Contributions shall be allocated to the persons for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the person's Account.

ARTICLE IV

INVESTMENT OF CONTRIBUTIONS

SECTION 4.01--INVESTMENT AND TIMING OF CONTRIBUTIONS.

The handling of Contributions is governed by the provisions of the Trust Agreement, the Annuity Contract, and any other funding arrangement in which the Plan Fund is or may be held or invested. To the extent permitted by the Trust Agreement, Annuity Contract, or other funding arrangement, the parties named below shall direct the Contributions to the guaranteed benefit policy portion of the Annuity Contract, any of the investment options available under the Annuity Contract, or any of the investment vehicles available under the Trust Agreement and may request the transfer of amounts resulting from those Contributions between such investment options and investment vehicles or the transfer of amounts between the guaranteed benefit policy portion of the Annuity Contract and such investment options and investment vehicles. To the extent that a Participant who has investment direction fails to give timely direction, the Employer shall direct the investment of his Account. The Employer shall have investment direction for amounts which have not been allocated to Participants. To the extent an investment is no longer available, the Employer may require that amounts currently held in such investment be reinvested in other investments.

The Participant shall direct the investment of Contributions and transfer of amounts resulting from Contributions.

Notwithstanding any contrary provision of the Plan, including any Annuity Contract issued under the Plan, in accordance with Code Section 457(g), all amounts of compensation deferred pursuant to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held in a trust or one or more annuity contracts, as defined in Code Section 401(g), for the exclusive benefit of Participants and Beneficiaries under the Plan and for defraying reasonable expenses of administering the Plan. For purposes of this paragraph, a trust must be established under the Plan pursuant to a written agreement that constitutes a valid trust under the law of the state in which the Employer is located. For purposes of this paragraph an annuity contract shall be issued by an insurance company qualified to do business in the state where the contract was issued and may not include any life, health or accident, property, casualty, or liability insurance contract.

All amounts of compensation deferred under the Plan shall be transferred to a trust or an annuity contract described in Code Section 401(f), within a period that is not longer than reasonable for the proper administration of the Accounts of Participants.

ARTICLE V

BENEFITS

SECTION 5.01--DEATH BENEFITS.

If a Participant dies before his Vested Account is distributed to him under the provisions of this article or the SMALL AMOUNTS SECTION of Article X, his Vested Account shall be distributed according to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

SECTION 5.02--SEVERANCE BENEFITS AND BENEFITS AT NORMAL RETIREMENT AGE.

~~If an Inactive Participant's Vested Account is not payable under the SMALL AMOUNTS SECTION of Article X, he may elect to receive a distribution of his Vested Account after his Severance from Employment. A distribution under this paragraph shall be a severance benefit and shall be distributed to the Participant according to the distribution of benefits provisions of Article VI.~~

~~A Participant may not elect to receive a distribution under the provisions of this section after he again becomes an Employee until he subsequently has a Severance from Employment and meets the requirements of this section.~~

~~If an Inactive Participant does not receive an earlier distribution, upon his Required Beginning Date, his Vested Account shall be distributed. A distribution under this paragraph shall be a severance benefit and shall be distributed to the Participant according to the distribution of benefit provisions of Article VI.~~

~~If an Inactive Participant does not receive an earlier distribution, upon his death, his Vested Account shall be distributed according to the provisions of the DEATH BENEFITS SECTION of this article.~~

~~A Participant who has been performing Qualified Military Service for a period of more than 30 days is deemed to have had a Severance from Employment for purposes of requesting a distribution of his Vested Account. The Plan will suspend Contributions for six months after receipt of the distribution.~~

~~If a Participant's Vested Account is not payable under the SMALL AMOUNTS SECTION of Article X, he may elect to receive a distribution of his Vested Account after his Severance from Employment or effective September 1, 2021, upon attaining Normal Retirement Age. A distribution under this paragraph shall be distributed to the Participant according to the distribution of benefits provisions of Article VI.~~

~~A Participant may not elect to receive a distribution under the provisions of this section after he again becomes an Employee until he subsequently has a Severance from Employment or effective September 1, 2021, attains Normal Retirement Age, and otherwise meets the requirements of this section.~~

~~If a Participant does not receive an earlier distribution, upon his Required Beginning Date, his Vested Account shall be distributed. A distribution under this paragraph shall be distributed to the Participant according to the distribution of benefit provisions of Article VI.~~

~~If a Participant does not receive an earlier distribution, upon his death, his Vested Account shall be distributed according to the provisions of the DEATH BENEFITS SECTION of this article.~~

~~A Participant who has been performing Qualified Military Service for a period of more than 30 days is deemed to have had a Severance from Employment for purposes of requesting a distribution of his Vested Account. The Plan will suspend Contributions for six months after receipt of the distribution.~~

SECTION 5.03--WHEN BENEFITS START.

- (a) Benefits shall begin by the Participant's Required Beginning Date, as defined in the DEFINITIONS SECTION of Article VII.

All elections to defer commencement of benefits made by Participants or Beneficiaries prior to January 1, 2002 and defaulted distributions (other than a defaulted distribution to an annuity option or a distribution required to meet the requirements of Code Section 401(a)(9)) may be voided at the election of the Participant or Beneficiary. The distribution provisions of the Plan as amended effective January 1, 2002 shall apply to such Participants.

- ~~(b) The Participant's Vested Account which does not result from Rollover Contributions may not be distributed to a Participant or to his Beneficiary (or Beneficiaries) in accordance with the Participant's or Beneficiary's (or Beneficiaries') election, earlier than his Severance from Employment or age 70 1/2. Such amount may also be distributed upon:~~

~~(1) Termination of the Plan, as permitted in Article VIII.~~

~~(2) The Unforeseeable Emergency of the Participant as permitted in the WITHDRAWAL BENEFITS SECTION of this article.~~

~~(3) A de minimis in-service withdrawal as permitted in the WITHDRAWAL BENEFITS SECTION of this article.~~

~~Beginning January 1, 2009, the Participant's Vested Account may be distributed if the Participant is deemed to have a Severance from Employment as described in Code Section 414(u)(12)(B)(i).~~

- (b) The Participant's Vested Account which does not result from Rollover Contributions may not be distributed to a Participant or to his Beneficiary (or Beneficiaries) in accordance with the Participant's or Beneficiary's (or Beneficiaries') election, earlier than his Severance from Employment or effective September 1, 2021, upon attaining Normal Retirement Age. Such amount may also be distributed upon:

(1) Termination of the Plan, as permitted in Article VIII.

(2) The Unforeseeable Emergency of the Participant as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

(3) A major federally-declared disaster as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

(4) A terminal illness as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

(5) A birth or adoption as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

(6) A de minimis in-service withdrawal as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

~~Beginning January 1, 2009, the Participant's Vested Account may be distributed if the Participant is deemed to have a Severance from Employment as described in Code Section 414(u)(12)(B)(i).~~

~~Beginning September 1, 2021, the Participant's Vested Account may be distributed if the Participant has attained Normal Retirement Age.~~

SECTION 5.04--TRANSFERS FROM THE PLAN.

If an Inactive Participant has a Severance from Employment and accepts employment with another employer which maintains an eligible plan under Code Section 457(b) and the new employer's plan provides for the transfer and the Participant will have an amount deferred under the other plan immediately after the transfer at least equal to the amount of the transfer, the Inactive Participant may elect to transfer his Vested Account to the plan maintained by the new employer. Such transfer is in full settlement of benefits otherwise payable with respect to the amount transferred.

SECTION 5.05--WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS.

~~Unforeseeable Emergency. Before his Severance from Employment, a Participant may withdraw all or any portion of his Vested Account in the event of an Unforeseeable Emergency. The Participant's request for a withdrawal shall include his statement such an Unforeseeable Emergency exists and explain its nature.~~

~~No withdrawal shall be allowed which is in excess of the amount reasonably required to satisfy the Unforeseeable Emergency (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution) or to the extent such Unforeseeable Emergency can be relieved from other resources that are reasonably available to the Participant.~~

~~The Participant's request for a withdrawal shall include his written statement that the amount requested does not exceed the amount needed to meet the Unforeseeable Emergency. The Participant's request for a withdrawal shall include his written statement that the Unforeseeable Emergency cannot be relieved:~~

- ~~(1) through reimbursement or compensation by insurance or otherwise;~~
- ~~(2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause a severe financial hardship; or~~
- ~~(3) by cessation of deferrals under the Plan.~~

~~The Plan Administrator will establish uniform, nondiscriminatory guidelines to use in determining if an Unforeseeable Emergency exists. The Plan Administrator's determination shall be final. The Participant has no legal or equitable right to such a withdrawal.~~

~~De Minimis In-service Withdrawal. Before his Severance from Employment, a Participant may withdraw all of his Vested Account if his Vested Account resulting from Salary Deferral Contributions is not more than the dollar limit under Code Section 411(a)(11)(A) and the following requirements have been met:~~

- ~~(1) No amount has been deferred under the Plan with respect to such Participant during the two-year period ending on the date of the withdrawal.~~
- ~~(2) The Participant has not previously received a distribution of his total Vested Account to which Code Section 457(e)(9)(A) applied.~~

~~A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose (including by means of voice response or other electronic means under circumstances the Employer permits). A withdrawal benefit shall be distributed in a lump sum.~~

~~Unforeseeable Emergency. Before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all or any portion of his Vested Account in the event of an Unforeseeable Emergency. The Participant's request for a withdrawal shall include his statement suchwritten certification that the Participant is faced with an Unforeseeable Emergency exists and explain its nature.~~

~~No withdrawal shall be allowed which is in excess of the amount reasonably required to satisfy the Unforeseeable Emergency (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution) or to the extent such Unforeseeable Emergency can be relieved from other resources that are reasonably available to the Participant.~~

~~The Participant's request for a withdrawal shall include his written statementcertification shall provide that the amount requested does not exceed the amount needed to meet the Unforeseeable Emergency. The Participant's requestwritten certification for a withdrawal shall include his written statement that the Unforeseeable Emergency cannot be relieved:~~

- ~~(1) through reimbursement or compensation by insurance or otherwise;~~
- ~~(2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause a severe financial hardship; or~~
- ~~(3) by cessation of deferrals under the Plan.~~

~~Effective as of January 1, 2023, the Plan Administrator will establish uniform, nondiscriminatory guidelines to use in determining ifmay rely on a Participant's statement that he is faced with an Unforeseeable Emergency exists and that the amount requested is not in excess of the amount needed to meet the Unforeseeable Emergency, except for cases when the Plan Administrator has actual knowledge contrary to a Participant's certification. The Plan Administrator's determination shall be final.~~

~~Qualified Disaster Recovery Distribution. Effective as of January 26, 2021, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may request to withdraw any portion of his Vested Account not to exceed \$22,000, as a Qualified Disaster Recovery Distribution ("QDRD"), in the event of a Major Disaster. This \$22,000 limit shall be reduced by QDRDs to the Participant made with respect to the same disaster by other plans maintained by the Employer or a related employer described in Code Sections 414(b), (c), (m), or (o). Code Section 72(t)(2) does not apply to such distribution.~~

- ~~(1) For purposes of this section, the following terms shall have the following meanings:~~

~~"Major Disaster" is a disaster declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.~~

~~"Qualified Disaster Recovery Distribution" or "QDRD" means a distribution made between the first day of the Incident Period of a Major Disaster and before 180 days after such disaster, to a Participant whose principal place of abode at any time during the period of such Major Disaster is located in the qualified disaster area, as declared by Federal Emergency Management Agency ("FEMA") and who has sustained an economic loss by reason of such qualified disaster;~~

~~"Incident Period" means with respect to any Major Disaster, the period specified by the FEMA as the period during which such disaster occurred.~~

- (2) A Participant who received one or more QDRDs due from this Plan and who is permitted to make Rollover Contributions to this Plan, make repay such distributions to the Plan by making one or more contributions to the Plan in an aggregate amount not to exceed the amount of such distributions. The Plan will treat such a contribution as a Rollover Contribution made by direct Trustee-to-Trustee transfer with 60 days of distribution (even if more than 60 days has elapsed since such distribution), so long as the contributions are made within three years from the day the respective distributions were received.

Terminal Illness Distribution. Effective as of December 29, 2022, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all of his Vested Account if the following requirements have been met:

- (1) A Participant has been certified by a physician as a Terminally Ill Individual. For purposes of this section, “**Terminally Ill Individual**” means an individual who has been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 84 months or less after the date of the certification.
- (2) The Participant furnishes sufficient evidence to the Plan Administrator in such form and manner as the Plan Administrator and regulatory guidance may prescribe.

A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose. Code Section 72(t)(2) does not apply to such withdrawal. An amount so distributed may be repaid by Participant within three years from the date of withdrawal.

Birth or Adoption Distribution. Effective January 1, 2020, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may request a distribution from his Vested Account of up to \$5,000 (per Eligible Adoptee, as defined below) as a Qualified Birth or Adoption Distribution (“QBAD”). This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code Sections 414(b), (c), (m), or (o). Code Section 72(t)(2) does not apply to such distribution.

- (1) For purposes of this section, the following terms shall have the following meanings:

Qualified Birth or Adoption Distribution or “**QBAD**” means a distribution described in Code Section 72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.

Eligible Adoptee means an individual, other than a child of the Participant’s spouse, who has not attained age 18 or is physically or mentally incapable of self-support. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration.

- (2) A Participant who received one or more QBADs from this Plan may, if the Participant is then permitted to make Rollover Contributions to this Plan, make one or more contributions to the Plan -in an aggregate amount not to exceed the amount of such QBADs. -The Plan will treat such a contribution as a Rollover Contribution made by direct Trustee-to-Trustee transfer with 60 days of distribution (even if more than 60 days has elapsed since the QBAD), so long as the contributions are made within three years from the day the respective distributions were received. For QBAD distributions prior to December 29, 2022, the three-year period ends on December 31, 2025.
- (3) The Plan Administrator may rely on an individual’s reasonable representation that the individual is eligible to receive a QBAD unless the Plan Administrator has actual knowledge to the contrary.

- (4) A QBAD is not an Eligible Rollover Distribution for purposes of the obligation to permit a Direct Rollover under Code Section 401(a)(31), the notice requirement of Code Section 402(f), or the mandatory withholding rules of Code Section 3405(c)(1).

De Minimis In-service Withdrawal. Before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all of his Vested Account if his Vested Account resulting from Salary Deferral Contributions is not more than the dollar limit under Code Section 411(a)(11)(A) and the following requirements have been met:

- (1) No amount has been deferred under the Plan with respect to such Participant during the two-year period ending on the date of the withdrawal.
- (2) The Participant has not previously received a distribution of his total Vested Account to which Code Section 457(e)(9)(A) applied.

A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose (including by means of voice response or other electronic means under circumstances the Employer permits). A withdrawal benefit shall be distributed in a lump sum.

Participant Loans. Effective as of July 1, 2021, the Plan Administrator may, upon the request of a Participant, direct the Trustee to make a loan to such Participant according to written procedures adopted by the Plan Administrator, subject to the following provisions:

- (a) A loan may be made from the vested portion of a Participant's Pre-Tax Salary Deferral Contributions, Roth Salary Deferral Contributions, Salary Reduction Contributions, Transfer Contributions, and Rollover Contributions. A loan may not be made from the Participant's Matching Contributions.
- (b) The amount of each loan shall be determined with reference to the fair market value of the Participant's Account as of the most recent Valuation Date for which valuation data has been received by the Plan Administrator.
- (c) Any loan, when added to the balance of all other outstanding loans with respect to a Participant's Account from the Plan, shall not exceed the lesser of:
 - (1) \$50,000, reduced by the excess, if any, of:
 - (i) the Participant's highest outstanding loan balance under the Plan for the one-year period ending on the day before such loan is made, over
 - (ii) the Participant's loan balance under the Plan on the day such loan is made, or
 - (2) 50 percent of the Participant's vested interest in the Participant's Account.

The total of the unpaid balance of all loans (including accrued but unpaid interest) made with respect to a Participant's Account under the Plan and such Participant's accounts under all other qualified plans maintained by an Employer or Affiliated Employer shall not exceed the maximum amount permitted under Section 72(p) of the Code.

- (d) No loan shall be made in an amount less than \$1,000.
- (e) Each loan shall be evidenced by a promissory note or other legally enforceable agreement (which may include more than one document) bearing a reasonable rate of interest as determined by the Plan Administrator taking into consideration interest rates currently

being charged by commercial lenders for loans made under similar circumstances and shall be adequately secured in such manner as the Plan Administrator may determine. Collateral for a loan may consist of an assignment of not more than 50 percent of a Participant's vested interest in the Participant's Account, provided such collateral adequately secures repayment of the loan. In the event of a default on a loan, the Plan Administrator shall, after giving the Participant written notice of the default and an opportunity to cure the default, in accordance with the terms and conditions of such loan, foreclose upon the collateral to the extent necessary to satisfy the Participant's obligation. If the collateral for such loan is the Participant's interest in the Participant's Account, such foreclosure may not occur prior to the Participant's termination of employment.

- (f) Each loan shall be made for such term and, subject to (e) above, upon such terms and conditions as the Plan Administrator shall determine; provided that substantially level amortization, with payments not less frequently than quarterly, shall be required over the term of any loan (except with respect to any period, not to exceed one year, that the Participant is on an approved leave of absence, or except as otherwise required by an order issued from a bankruptcy court or other court of competent jurisdiction), and further provided that the term shall not exceed five years unless the loan is used to acquire a dwelling unit which is to be used within a reasonable time, determined when the loan is made, as the principal residence of the Participant, in which case the term of the loan shall not exceed ten years.
- (g) Each loan to a Participant shall be treated and accounted for as an investment of such Participant's Account, and loans shall be charged against the investment funds in which the Participant's Account is invested in proportion to the amounts invested in such funds as of the date such loan is made. Amounts of principal and interest paid on any loan shall be transferred to the investment funds in accordance with the Participant's investment direction in effect at the time of payment.
- (h) No distribution (other than a distribution for an Unforeseeable Emergency, a distribution for expenses related to birth or adoption of a child, a deemed distribution under Section 72(p) of the Code, or an offset distribution with respect to a former Participant who fails to repay a loan in full by the date forth in the written procedures adopted by the Plan Administrator) shall be made to any Participant, former Participant, or Beneficiary until all unpaid loans with respect to the individual's Account, including accrued interest thereon, have been paid in full. Notwithstanding the preceding sentence to the contrary, in the event a Participant or Beneficiary is to receive distribution of the Participant's or Beneficiary's Account according to Section 5.01 or 5.02 of the Plan, and at the time of such distribution there remains outstanding any unpaid loan with respect to the Participant's or Beneficiary's Account, then:

 - (1) such unpaid loan shall be treated as due and payable immediately as of the date distribution is made;
 - (2) the Account of the Participant or Beneficiary shall be reduced prior to any such distribution by the amount of the principal and accrued interest outstanding on such loan;
 - (3) the loan shall be deemed to be paid in full as of the date the distribution is made; and
 - (4) such Participant or Beneficiary shall be treated as receiving distribution of the Participant's or Beneficiary's entire Account.

- (i) Effective as of January 26, 2021, the Plan Administrator may, upon the request of a Participant, direct the Trustee to make a loan to Participant, subject to the following additional provisions:
 - (1) A loan may be made during the period beginning on the first day of an Incident Period of a Major Disaster, as defined the SUBSECTION QUALIFIED DISASTER RECOVERY DISTRIBUTIONS of this SECTION, and ending on the date which is 180 days after the applicable date with respect to such disaster.
 - (2) A loan may be made to a Participant whose principal place of abode at any time during the Incident Period of any Major Disaster is located in the qualified disaster area, as declared by FEMA, and who has sustained an economic loss by reason of such disaster.
 - (3) Any loan made pursuant to the subsection, when added to the balance of all other outstanding loans with respect to a Participant's Account from the Plan, shall not exceed the lesser of:
 - (aa) \$100,000, reduced by the excess, if any, of:
 - (i) the Participant's highest outstanding loan balance under the Plan for the one-year period ending on the day before such loan is made, over
 - (ii) the Participant's loan balance under the Plan on the day such loan is made, or
 - (bb) 100 percent of the Participant's vested interest in the Participant's Account.

ARTICLE VI

FORMS OF DISTRIBUTION OF BENEFITS

SECTION 6.01--AUTOMATIC FORMS OF DISTRIBUTION.

Unless an optional form of benefit is selected pursuant to an election within the election period (see the ELECTION PROCEDURES SECTION of this article), the automatic form of benefit payable to or on behalf of a Participant is determined as follows:

- (a) Severance Benefits and Benefits at Normal Retirement Age. The automatic form of ~~severance~~ benefit for a Participant who does not die before his Vested Account is distributed to him shall be the Normal Form.
- (b) Death Benefits. The automatic form of death benefit for a Participant who dies before his Vested Account is distributed to him shall be a single-sum payment to the Participant's Beneficiary.

SECTION 6.02--OPTIONAL FORMS OF DISTRIBUTION.

- (a) Severance Benefits and Benefits at Normal Retirement Age. The optional forms of severance benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10 or 15 years; (iii) a single life annuity with installment refund; (iv) survivorship life annuities with installment refund and survivorship percentages of 50%, 66 2/3%, 75%, or 100%; (v) fixed period annuities for any period of whole months which is not less than 60 and does not exceed the Life Expectancy, as defined in Article VII, of the Participant where the Life Expectancy is not recalculated; (vi) a fixed period installment option; and (vii) a fixed payment installment option. A single sum payment is also available.

The fixed period installment option is an optional form of benefit under which the Participant elects to receive substantially equal annual payments over a fixed period of whole years. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments, as elected by the Participant. The Participant may elect to receive additional payments.

The fixed payment installment option is an optional form of benefit under which the Participant elects to receive a specified dollar amount each year. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments, as elected by the Participant. The Participant may elect to receive additional payments.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

Any annuity contract distributed shall be nontransferable.

- (b) Death Benefits. The optional forms of death benefit are a single-sum payment and any annuity that is an optional form of severance benefit.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

SECTION 6.03--ELECTION PROCEDURES.

~~The Participant or Beneficiary shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under (a) and (b) below shall be subject to the election provisions of (c) below.~~

~~(a) Severance Benefits. A Participant may elect his Beneficiary or Contingent Annuitant and may elect to have severance benefits distributed under any of the optional forms of severance benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.~~

~~(b) Death Benefits. A Participant may elect his Beneficiary and may elect to have death benefits distributed under any of the optional forms of death benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.~~

~~If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.~~

~~(c) Election. The Participant or Beneficiary may make an election at any time during the election period. The Participant or Beneficiary may revoke the election made (or make a new election) at any time and any number of times during the election period.~~

~~(1) Election Period for Severance Benefits. A Participant may make an election as to severance benefits at any time before the date benefits begin.~~

~~(2) Election Period for Death Benefits. A Participant may make an election as to death benefits at any time before he dies. The Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.~~

~~The Participant or Beneficiary shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under (a) and (b) below shall be subject to the election provisions of (c) below.~~

~~(a) Severance Benefits and Benefits at Normal Retirement Age. A Participant may elect his Beneficiary or Contingent Annuitant and may elect to have his or her benefits distributed under any of the optional forms of benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.~~

~~(b) Death Benefits. A Participant may elect his Beneficiary and may elect to have death benefits distributed under any of the optional forms of death benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.~~

~~If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.~~

~~(c) Election. The Participant or Beneficiary may make an election at any time during the election period. The Participant or Beneficiary may revoke the election made (or make a new election) at any time and any number of times during the election period.~~

~~(1) Election Period for Severance Benefits and Benefits at Normal Retirement Age. A Participant may make an election as to severance benefits and benefits at Normal Retirement Age during a period that is no longer than one hundred eighty (180) days and no shorter than thirty (30) days before the date benefits begin.~~

- (2) Election Period for Death Benefits. A Participant may make an election as to death benefits at any time before he dies. The Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.

ARTICLE VII

REQUIRED MINIMUM DISTRIBUTIONS

SECTION 7.01--APPLICATION.

The optional forms of distribution are only those provided in Article VI. An optional form of distribution shall not be permitted unless it meets the requirements of this article. The timing of any distribution must meet the requirements of this article.

SECTION 7.02--DEFINITIONS.

For purposes of this article, the following terms are defined:

Distribution Calendar Year means 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 (b)(2) of the REQUIRED MINIMUM DISTRIBUTIONS SECTION of this article. 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.

Eligible Designated Beneficiary means a Designated Beneficiary who is (a) the surviving spouse, (b) a disabled individual (as defined in Code Section 72(m)(7)), (c) a chronically ill individual (as defined in 7702B(c)(2)), (d) an individual who is not more than 10 years younger than the Participant, or (e) a child of the Participant who has not reached the age of "majority" (as defined in Treasury Regulations). If subsection (e) applies, the distribution must be made in full within 10 years of the date on which the child attains the age of majority. The term "Eligible Designated Beneficiary" shall also include a trust created for the exclusive benefit of a disabled or chronically ill beneficiary.

Life Expectancy means life expectancy as computed by use of the Single Life Table in section 1.401 (a)(9)-9, Q&A-1, of the regulations.

Participant's Account Balance means 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 distributions made in the valuation calendar year after the Valuation Date. 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.

Required Beginning Date means, effective for distributions required to be made with respect to Participants who attain age 72 after December 31, 2022 and age 73 before January 1, 2033, April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age 73, or (b) the calendar year in which the Participant retires. Effective for distributions required to be made to Participants who attain age 70 ½ after December 31, 2019 and before January 1, 2023, for a Participant, April 1 of the calendar year following the later

of: (a) the calendar year in which the Participant attains age 72 (age 70 1/2 with respect to a Participant whose date of birth is before July 1, 1949) or (b) the calendar year in which the Participant retires.

SECTION 7.03--REQUIRED MINIMUM DISTRIBUTIONS.

(a) General Rules.

- (1) The requirements of this article shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. ~~The provisions of this article apply to calendar years beginning after December 31, 2002.~~
- (2) All distributions required under this article shall be determined and made in accordance with the regulations under Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401 (a)(9)(G) and the regulations thereunder.

(b) Time and Manner of Distribution.

- (1) Required Beginning Date. 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, 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 73 (age 72 before January 1, 2023, and age 70 1/2 with respect to a Participant whose date of birth is before July 1, 1949), if later, except to the extent that an election is made to receive distributions in accordance with the 510-year rule under (e) below). Under the 510-year rule, the Participant's entire interest will be distributed ~~to the Designated Beneficiary~~ by December 31 of the calendar year containing the ~~ffth~~tenth anniversary of the Participant's death.
 - (ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, but qualifies as an Eligible Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, and the applicable distribution period is the Eligible Designated Beneficiary's life expectancy (or a period not to exceed the life expectancy of the Eligible Designated Beneficiary), except to the extent that an election is made to receive distributions in accordance with the 510-year rule under (e) below). Under the 510-year rule, the Participant's entire interest will be distributed to the Eligible Designated Beneficiary by December 31 of the calendar year containing the ~~ffth~~tenth anniversary of the Participant's death.

- (iii) [A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary \(or if an Eligible Designated Beneficiary so elects\), by the end of the calendar year containing the tenth anniversary of the Participant's death.](#) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, however, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (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 (b)(2), other than (b)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this (b)(2) and (d) below, unless (b)(2)(iv) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If (b)(2)(iv) above applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under (b)(2)(i) above. 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 (b)(2)(i) above), 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 (c) and (d) below. 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 Section 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 section 1.401(a)(9)-9, ~~Q&A-2,(c)~~ of the regulations [\(formerly applicable section 1.401\(a\)\(9\)-9 of the regulations for distribution calendar years beginning before January 1, 2022\)](#), 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 section 1.401(a)(9)-9, ~~Q&A-3(d)~~, of the regulations [\(formerly applicable section 1.401\(a\)\(9\)-9 of the regulations for distribution calendar years beginning before January 1, 2022\)](#), 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 (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.
- (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. [A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary so elects\), by the end of the calendar year containing the tenth anniversary of the Participant's death.](#) 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 surviving spouse or Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and there is a surviving spouse or -Eligible 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 (d)(1) above, except to the extent that an election is made to receive distributions in accordance with the 510-year rule under (e) below). Under the 510-year rule, the Participant's entire interest will be distributed ~~to the Designated Beneficiary~~ by December 31 of the calendar year containing the fifthtenth anniversary of the Participant's death.
- (ii) No Designated Beneficiary. A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary (or if a surviving spouse or Eligible Designated Beneficiary so elects), by the end of the calendar year containing the tenth anniversary of the Participant's death. 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 (b)(2)(i) above, this (d)(2) will apply as if the surviving spouse were the Participant.
- (e) Election of 510-year Rule. Participants, surviving spouses or Eligible Designated Beneficiaries may elect on an individual basis whether the 510-year rule in (b)(2) and (d)(2) above 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 the distribution would be required to begin under (b)(2) above if no such election is made, or by September 30 of the calendar year which contains the fifthtenth anniversary of the Participant's (or, if applicable, surviving spouse's or Eligible Designated Beneficiary's) death.
- (f) Minimum Required Distributions for 2020 and 2019. Special rules apply to minimum required distributions for the 2020 and 2019 taxable years due to the COVID-19 pandemic.
- (i) A Participant may elect to waive his or her 2020 minimum required distribution, whether it is the first minimum required distribution due by April 1, 2021, or a minimum required distribution that is due by December 31, 2020. A Participant who receives part or all his or her 2020 minimum required distribution in 2020 may elect to return all or part of the distribution to his or her Account under this Plan or to roll over the distribution tax-free into another eligible retirement plan by the later of 60 days following the distribution date or August 31, 2020.

- (ii) A Participant who has a required beginning date of April 1, 2020, may elect to waive his or her 2019 minimum required distribution. A Participant who received his or her 2019 distribution in 2020 may elect to return all or part of the distribution to his or her Account under this Plan or to roll over the distribution tax-free into another eligible retirement plan by the later of 60 days following the distribution date or August 31, 2020.
- (iii) If a Participant does not make a timely election to waive his or her minimum required distribution under subsection (i) or (ii), the Participant will receive his or her 2020 or 2019 minimum required distribution or both, whichever applies.

SECTION 7.04--TRANSITION RULES.

- (a) Required Minimum Distributions. To the extent the Plan was effective before January 1, 2003, required minimum distributions were made pursuant to (1) through (2) below.
 - (1) 2000 and Before. Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations thereunder published in the Federal Register on July 27, 1987 (the 1987 Proposed Regulations).
 - (2) 2001 and 2002. Required minimum distributions for calendar years 2001 and 2002 were made pursuant to the proposed regulations under Code Section 401(a)(9) published in the Federal Register on January 17, 2001 (the 2001 Proposed Regulations). Distributions were made in 2001 under the 1987 Proposed Regulations prior to June 14, 2001, and the special transition rule in Announcement 2001-82, 2001-2 C.B. 123, applied.
- (b) Other Distribution Requirements. To the extent the Plan was effective before January 1, 2002, the distribution requirements of Code Sections 457(d)(2)(B) and (C) as in effect prior to such date, were met for calendar years ending before such date.
- (c) Transition Rule if Participant Dies Before January 1, 2022. If a Participant dies before January 1, 2022, with respect to a life expectancy described in Section 1.401(a)(9)-9(f)(2)(i) of the regulations, such life expectancy shall be reset as provided in section 1.401(a)(9)-9(f)(2)(ii).

ARTICLE VIII

TERMINATION OF THE PLAN

The Employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned.

The Participant's Account shall continue to participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund until his Vested Account is distributed.

The Participant's entire Vested Account shall be paid in a single sum to the Participant as of the effective date of complete termination of the Plan. If a Participant or Beneficiary is receiving payments under the fixed period or fixed payment installment options, the Account shall be paid to such person in a single sum. The payment is in full settlement of all benefits otherwise payable.

Upon complete termination of the Plan, no more Employees shall become Participants and no more Contributions shall be made.

The assets of this Plan shall not be paid to the Employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining may be paid to the Employer. The payment may not be made if it would contravene any provision of law.

ARTICLE IX

ADMINISTRATION OF THE PLAN

SECTION 9.01--ADMINISTRATION.

Subject to the provisions of this article, the Plan Administrator has complete control of the administration of the Plan. The Plan Administrator has all the powers necessary for it to properly carry out its administrative duties. Not in limitation, but in amplification of the foregoing, the Plan Administrator has complete discretion to construe or interpret the provisions of the Plan, including ambiguous provisions, if any, and to determine all questions that may arise under the Plan, including all questions relating to the eligibility of Employees to participate in the Plan and the amount of benefit to which any Participant, Beneficiary, or Contingent Annuitant may become entitled. The Plan Administrator's decisions upon all matters within the scope of its authority shall be final.

Unless otherwise set out in the Plan or Annuity Contract, the Plan Administrator may delegate recordkeeping and other duties which are necessary for the administration of the Plan to any person or firm which agrees to accept such duties. The Plan Administrator shall be entitled to rely upon all tables, valuations, certificates, and reports furnished by the consultant or actuary appointed by the Plan Administrator and upon all opinions given by any counsel selected or approved by the Plan Administrator.

The Plan Administrator, or its designee, shall receive all claims for benefits by Participants, former Participants, Beneficiaries, and Contingent Annuitants. The Plan Administrator shall determine all facts necessary to establish the right of any claimant to benefits and the amount of those benefits under the provisions of the Plan. The Plan Administrator may establish rules and procedures to be followed by claimants in filing claims for benefits, in furnishing and verifying proofs necessary to determine age, and in any other matters required to administer the Plan.

SECTION 9.02--EXPENSES.

Expenses of the Plan, to the extent that the Employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is consistent with any law to which the Plan is subject. Such expenses include, but are not limited to, expenses for recordkeeping and other administrative services; fees and expenses of the Trustee or Annuity Contract; expenses for investment education service; and direct costs that the Employer incurs with respect to the Plan.

SECTION 9.03--RECORDS.

All acts and determinations of the Plan Administrator shall be duly recorded. All these records, together with other documents necessary for the administration of the Plan, shall be preserved in the Plan Administrator's custody.

Writing (handwriting, typing, printing), ~~photostating~~photostatting, photographing, microfilming, magnetic impulse, mechanical or electrical recording, or other forms of data compilation shall be acceptable means of keeping records.

SECTION 9.04--DELEGATION OF AUTHORITY.

All or any part of the administrative duties and responsibilities under this article may be delegated by the Plan Administrator to a retirement committee. As of the date of this restatement, the retirement committee is composed of the Employer's General Manager, Executive Director of Administration, and

[Director of Employee Services](#). The duties and responsibilities of the retirement committee shall be set out in a separate written [agreement document](#).

SECTION 9.05--EXERCISE OF DISCRETIONARY AUTHORITY.

The Employer, Plan Administrator, and any other person or entity who has authority with respect to the management, administration, or investment of the Plan may exercise that authority in its/his full discretion, subject only to the duties imposed under any law to which the Plan is subject. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of the Plan documents relevant to the issue under consideration. The exercise of authority will be binding upon all persons; will be given deference in all courts of law; and will not be overturned or set aside by any court of law unless found to be arbitrary and capricious or made in bad faith.

SECTION 9.06--TRANSACTION PROCESSING.

Transactions (including, but not limited to, investment directions, trades, loans, and distributions) shall be processed as soon as administratively practicable after proper directions are received from the Participant or such other parties. No guarantee is made by the Plan, Plan Administrator, Trustee, Insurer, or Employer that such transactions will be processed on a daily or other basis, and no guarantee is made in any respect regarding the processing time of such transactions.

Notwithstanding any other provision of the Plan, the Employer, the Plan Administrator, or the Trustee reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, the Plan Administrator, or the Trustee.

Administrative practicality will be determined by legitimate business factors (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider) and in no event will be deemed to be less than 14 days. The processing date of a transaction shall be binding for all purposes of the Plan and considered the applicable Valuation Date for any transaction.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01--AMENDMENTS.

The Employer may amend this Plan at any time, including any remedial retroactive changes (within the time specified by Internal Revenue Service regulations), to comply with any law or regulation issued by any governmental agency to which the Plan is subject. The Employer may correct obvious and unambiguous typographical errors and cross references that merely correct a reference but that do not in any way change the original intended meaning of the provisions.

An amendment may not diminish or adversely affect any accrued interest or benefit of Participants or their Beneficiaries nor allow reversion or diversion of Plan assets to the Employer at any time, except as may be required to comply with any law or regulation issued by any governmental agency to which the Plan is subject.

SECTION 10.02--DIRECT ROLLOVERS.

~~Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, 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 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.~~

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a Distributee may elect, at a time that is no longer than one hundred eighty (180) days and no shorter than thirty (30) days before an Eligible Rollover Distribution is to be made, and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

In the event of a Mandatory Distribution of an Eligible Rollover Distribution greater than \$1,000 in accordance with the SMALL AMOUNTS SECTION of this article, 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, the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator.

For purposes of determining whether a Mandatory Distribution is greater than \$1,000, a designated Roth account and all other accounts under the Plan shall be treated as accounts held under two separate plans and shall not be combined, and Rollover Contributions shall be disregarded.

In the event of any other Eligible Rollover Distribution to a Distributee in accordance with the SMALL AMOUNTS SECTION of this article (or which is a small amounts payment under Article VIII at complete termination of the Plan), if the Distributee does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution to the Distributee.

SECTION 10.03--PROVISIONS RELATING TO THE INSURER AND OTHER PARTIES.

The obligations of an Insurer shall be governed solely by the provisions of the Annuity Contract. The Insurer shall not be required to perform any act not provided in or contrary to the provisions of the Annuity Contract. Each Annuity Contract when purchased shall comply with the Plan. See the CONSTRUCTION SECTION of this article.

Any issuer or distributor of investment contracts or securities is governed solely by the terms of its policies, written investment contract, prospectuses, security instruments, and any other written agreements entered into with the Trustee with regard to such investment contracts or securities.

Such Insurer, issuer or distributor is not a party to the Plan, nor bound in any way by the Plan provisions. Such parties shall not be required to look to the terms of this Plan, nor to determine whether the Employer, the Plan Administrator, or the Trustee have the authority to act in any particular manner or to make any contract or agreement.

Until notice of any amendment or termination of this Plan or a change in Trustee has been received by the Insurer at its home office or an issuer or distributor at their principal address, they are and shall be fully protected in assuming that the Plan has not been amended or terminated and in dealing with any party acting as Trustee according to the latest information which they have received at their home office or principal address.

SECTION 10.04--EMPLOYMENT STATUS.

Nothing contained in this Plan gives an Employee the right to be retained in the Employer's employ or to interfere with the Employer's right to discharge any Employee.

SECTION 10.05--RIGHTS TO PLAN ASSETS.

An Employee shall not have any right to or interest in any assets of the Plan upon termination of employment or otherwise except as specifically provided under this Plan, and then only to the extent of the benefits payable to such Employee according to the Plan provisions.

Any final payment or distribution to a Participant or his legal representative or to any Beneficiaries or Contingent Annuitant of such Participant under the Plan provisions shall be in full satisfaction of all claims against the Plan, the Plan Administrator, the Insurer, the Trustee, and the Employer arising under or by virtue of the Plan.

SECTION 10.06--BENEFICIARY.

Each Participant may name a Beneficiary to receive any death benefit (other than any income payable to a Contingent Annuitant) that may arise out of his participation in the Plan. The Participant may change his Beneficiary from time to time. The Participant's Beneficiary designation and any change of Beneficiary shall be subject to the provisions of the ELECTION PROCEDURES SECTION of Article VI. It is the responsibility of the Participant to give written notice to the Insurer of the name of the Beneficiary on a form furnished for that purpose.

With the Employer's consent, the Plan Administrator may maintain records of Beneficiary designations. In that event, the written designations made by Participants shall be filed with the Plan Administrator. If a Participant dies, the Plan Administrator shall certify to the Insurer the Beneficiary designation on its records for the Participant.

If there is no Beneficiary named or surviving when a Participant dies, the Participant's Beneficiary shall be the Participant's surviving spouse, or where there is no surviving spouse, the executor or administrator of the Participant's estate.

SECTION 10.07--NONALIENATION OF BENEFITS.

Benefits payable under the Plan are not subject to the claims of any creditor of any Participant, Beneficiary, spouse, or Contingent Annuitant. A Participant, Beneficiary, spouse, or Contingent

Annuitant does not have any rights to alienate, anticipate, commute, pledge, encumber or assign any of such benefits. The preceding sentences shall not apply to a domestic relations order. A domestic relations order is a judgement, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of the Participant made pursuant to the domestic relations law of any State. Payment may be made pursuant to a domestic relations order without regard to whether the Participant is eligible for a distribution of benefits under the Plan. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order shall not fail to be a qualified domestic relations order (a) solely because the order is issued after, or revises, another domestic relations order or qualified domestic relations order, or (b) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death. A domestic relations order described in the preceding sentence shall be subject to the same requirements and protections that apply to qualified domestic relations orders.

SECTION 10.08--CONSTRUCTION.

The validity of the Plan or any of its provisions is determined under and construed according to Federal law and, to the extent permissible, according to the laws of the state in which the Employer has its principal office. In case any provision of this Plan is held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included.

In the event of any conflict between the provisions of the Plan and the terms of any Annuity Contract issued hereunder, the provisions of the Plan control.

SECTION 10.09--LEGAL ACTIONS.

No person employed by the Employer; no Participant, former Participant, or their Beneficiaries; nor any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan.

SECTION 10.10--SMALL AMOUNTS.

If the value of the Participant's Vested Account (disregarding the portion, if any, of his Account resulting from Rollover Contributions) does not exceed the dollar limit under Code Section 411(a)(1)(A), his entire Vested Account shall be distributed as of the earlier of the date he dies, or the date he has a Severance from Employment for any other reason (the date the Employer provides notice to the record keeper of the Plan of such event, if later). For purposes of this section, if the Participant's Vested Account is zero, the Participant shall be deemed to have received a distribution of such Vested Account. This is a small amounts payment.

In the event a Participant does not elect to have a small amounts payment paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly and his Vested Account is greater than \$1,000, a Mandatory Distribution will be made in accordance with the DIRECT ROLLOVERS SECTION of this article. If his Vested Account is \$1,000 or less, the Participant's entire Vested Account shall be paid directly to him.

If a small amounts payment is made on or after the date the Participant dies, the small amounts payment shall be made to the Participant's Beneficiary. If a small amounts payment is made while the Participant is living, the small amounts payment shall be made to the Participant.

The small amounts payment is in full settlement of all benefits otherwise payable. No other small amounts payment shall be made.

SECTION 10.11--WORD USAGE.

The masculine gender, where used in this Plan, shall include the feminine gender and the singular words, as used in this Plan, may include the plural, unless the context indicates otherwise.

The words "in writing" and "written," where used in this Plan, shall include any other forms, such as voice response or other electronic system, as permitted by any governmental agency to which the Plan is subject.

SECTION 10.12--MILITARY SERVICE.

Notwithstanding any provision of this Plan to the contrary, the Plan shall provide contributions, benefits, and service credit with respect to Qualified Military Service in accordance with Code Section 414(u).

Beginning January 1, 2007, a Participant who dies on or after January 1, 2007 while performing Qualified Military Service is treated as having resumed and then terminated employment on account of death, in accordance with Code Section 401 (a)(37) and any subsequent guidance. The survivors of such Participant are entitled to any additional benefits provided under the Plan on account of death of the Participant.

SECTION 10.13—MISTAKEN CONTRIBUTIONS.

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator and the law, to the Employer.

SECTION 10.14—PAYMENTS TO MINORS AND INCOMPETENTS.

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Plan Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

SECTION 10.15—SEVERABILITY.

If any provision of this Plan is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provision shall continue to be fully effective.

By executing this Plan, the Employer acknowledges having counseled to the extent necessary with selected legal and tax advisors regarding the Plan's legal and tax implications.

Executed this _____ day of _____, _____

PORTLAND WATER DISTRICT

By: _____

Title

ACKNOWLEDGED as PLAN ADMINISTRATOR this _____ day of _____.

By: _____

Title

PORTLAND WATER DISTRICT DEFERRED COMPENSATION PLAN

(As amended and restated effective January 1, 2023)

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PLAN EXECUTION

INTRODUCTION

The purpose of this Plan is to permit employees of Portland Water District to supplement their retirement benefits through deferral of a portion of their compensation. This Plan is intended to meet the requirements of Section 457 of the Internal Revenue Code of 1986, as amended, and the Plan shall be interpreted and administered to comply with the requirements of Section 457 as well as the regulations issued thereunder.

The Plan was last restated effective April 1, 2013 and has been amended five times since that date. The Employer is of the opinion that the plan should be changed. It believes that the best means to accomplish these changes is to restate the Plan. The restatement, effective January 1, 2023, is set forth in this document and is substituted in lieu of the prior document.

ARTICLE I

FORMAT AND DEFINITIONS

SECTION 1.01--FORMAT.

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise.

These words and phrases have an initial capital letter to aid in identifying them as defined terms.

SECTION 1.02--DEFINITIONS.

Account means, for a Participant, his share of the Plan Fund. Separate accounting records are kept for those parts of his Account that result from:

- (a) Pre-tax Salary Deferral Contributions
- (b) Roth Salary Deferral Contributions
- (c) Salary Reduction Contributions
- (d) Transfer Contributions
- (e) Matching Contributions
- (f) Rollover Contributions

A Participant's Account shall be reduced by any distribution of his Vested Account. A Participant's Account shall participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund. His Account is subject to any minimum guarantees applicable under the Annuity Contract or other investment arrangement and to any expenses associated therewith.

Acknowledgement Form means a form executed by an Employee, in which he acknowledges that he has been informed by the Employer that, as a condition of employment, the Employer will deduct from the Employee's Compensation, by regular payroll deductions, an amount equal to 3% of his Compensation and pay that amount to the Plan as a Contribution by the Employee. These Contributions shall be treated as an Employer Contribution. Any Employee who participates in this Plan shall be deemed to have entered into this Acknowledgement Form unless otherwise specified elsewhere in the Plan.

Active Participant means an Eligible Employee who is actively participating in the Plan according to the provisions in the ACTIVE PARTICIPANT SECTION of Article II.

Age 50 Catch-up Dollar Amount means, for any taxable year, the amount established under Code Sections 414(v)(2)(B) and (C) applicable as set forth below:

Calendar Year in Which Taxable Year Begins	Age 50 Catch-up Dollar Amount
2020	\$6,500
2021	\$6,500

2022	\$6,500
2023	\$7,500
2024 or thereafter	\$7,500 adjusted for cost-of-living after 2006 in accordance with Code Section 414(v)(2)(C)

Annuity Contract means the annuity contract or contracts into which the Trustee enters with the Insurer for guaranteed benefits, for the investment of Contributions in separate accounts, and for the payment of benefits under this Plan. The term Annuity Contract as it is used in this Plan shall include the plural unless the context clearly indicates the singular is meant.

Applicable Dollar Amount means, for any taxable year, the amount established under Code Section 457(e)(15) applicable as set forth below:

Calendar Year in Which Taxable Year Begins	Applicable Dollar Amount
2020	\$19,500
2021	\$19,500
2022	\$20,500
2023	\$22,500
2024 or thereafter	\$23,000 adjusted for cost-of-living after 2006 in accordance with Code Section 457(e)(15)(B)

Beneficiary means the person or persons named by a Participant to receive any benefits under the Plan when the Participant dies. See the BENEFICIARY SECTION of Article X.

Board means the Board of Trustees of the Portland Water District.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Compensation means all payments made to an Employee by the Employer as remuneration for services rendered, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income. Compensation shall also include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f)(4), or 457. Compensation shall also include employee contributions "picked up" by a governmental entity and, pursuant to Code Section 414(h)(2), treated as Employer contributions.

For Plan Years beginning on or after July 1, 2007, Compensation for a Plan Year shall also include Compensation paid by the later of 2 1/2 months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Plan Year that includes the date of the Employee's Severance from Employment with the Employer maintaining the Plan, if the payment is regular Compensation for services during the Employee's regular working hours, or Compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer.

Beginning January 1, 2009, Compensation shall include Differential Wage Payments.

Compensation shall exclude the following:

- bonuses
- overtime pay, other than guaranteed overtime
- on-call pay

other irregular pay

Contingent Annuitant means an individual named by the Participant to receive a lifetime benefit after the Participant's death in accordance with a survivorship life annuity.

Contributions means

Salary Deferral Contributions
Salary Reduction Contributions
Transfer Contributions
Matching Contributions
Rollover Contributions

as set out in Article III, unless the context clearly indicates only specific contributions are meant.

Designated Beneficiary means 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 section 1.401(a)(9)-4 of the regulations.

Differential Wage Payments means any payments which are made by an Employer to an individual with respect to any period during which the individual is performing Qualified Military Service while on active duty for a period of more than 30 days, and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer.

Direct Rollover means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

Distributee means 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. For distributions made after December 31, 2006, a Distributee includes the Employee's (or former Employee's) nonspouse Designated Beneficiary, in which case, the distribution can only be transferred to a traditional IRA or Roth IRA established on behalf of the nonspouse Designated Beneficiary for the purpose of receiving the distribution.

Eligible Employee means any Employee of the Employer whose employment classification with the Employer is none of the following:

A member of the Board.

Employed as a seasonal Employee.

Employed as a temporary Employee.

Employed as a grant or contract Employee (unless participation in the Plan is provided for in the grant or contract).

Eligible Retirement Plan means 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, a traditional IRA, a Roth IRA, 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 designated Roth account, an Eligible Retirement Plan with respect to such portion shall include only (i) another designated Roth account of the individual from whose Account the payments or distributions were made or (ii) a Roth IRA of such individual.

Eligible Rollover Distribution means 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: (i) 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; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) any unforeseeable emergency distribution; (iv) the portion of any other distribution(s) that is not includible in gross income; and (v) any other distribution(s) that is reasonably expected to total less than \$200 during a year. For purposes of the \$200 rule, a distribution from a designated Roth account and a distribution from other accounts under the Plan shall be treated as made under separate plans.

Employee means an individual who is employed by the Employer. Beginning January 1, 2009, the term Employee shall include any individual receiving Differential Wage Payments.

Employer means Portland Water District.

Employer Contributions means

- Salary Deferral Contributions
- Salary Reduction Contributions
- Matching Contributions

as set out in Article III, unless the context clearly indicates only specific contributions are meant.

Entry Date means the date an Employee first enters the Plan as an Active Participant. See the ACTIVE PARTICIPANT SECTION of Article II.

Inactive Participant means a former Active Participant who has an Account. See the INACTIVE PARTICIPANT SECTION of Article II.

Includible 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. 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)). The amount reported in the "Wages, Tips and Other Compensation" box on Form W-2 satisfies this definition.

For Plan Years beginning on or after July 1, 2007, Includible Compensation for a Plan Year shall also include compensation paid by the later of 2 1/2 months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Plan Year that includes the date of the Employee's Severance from Employment with the Employer maintaining the Plan, if the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer.

Includible Compensation shall also include any elective deferral (as defined in Code Section 402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f)(4), or 457.

Includible Compensation shall be determined without regard to any community property laws.

Beginning January 1, 2009, Includible Compensation shall include Differential Wage Payments.

Insurer means Principal Life Insurance Company and any other insurance company or companies named by the Trustee or Employer.

Investment Fund means the total of Plan assets, excluding the guaranteed benefit policy portion of any Annuity Contract. All or a portion of these assets may be held under the Trust Agreement.

The Investment Fund shall be valued at current fair market value as of the Valuation Date. The valuation shall take into consideration investment earnings credited, expenses charged, payments made, and changes in the values of the assets held in the Investment Fund.

The Investment Fund shall be allocated at all times to Participants, except as otherwise expressly provided in the Plan. The Account of a Participant shall be credited with its share of the gains and losses of the Investment Fund. That part of a Participant's Account invested in a funding arrangement which establishes one or more accounts or investment vehicles for such Participant thereunder shall be credited with the gain or loss from such accounts or investment vehicles. The part of a Participant's Account which is invested in other funding arrangements shall be credited with a proportionate share of the gain or loss of such investments. The share shall be determined by multiplying the gain or loss of the investment by the ratio of the part of the Participant's Account invested in such funding arrangement to the total of the Investment Fund invested in such funding arrangement.

Mandatory Distribution means a distribution to a Participant that is made without the Participant's consent and is made to the Participant before he attains the older of age 62 or his Normal Retirement Age.

Matching Contributions means contributions made by the Employer that are contingent on a Participant's Salary Deferral Contributions and Salary Reduction Contributions. See the EMPLOYER CONTRIBUTIONS SECTION of Article III.

Monthly Date means each Yearly Date and the same day of each following month during the Plan Year beginning on such Yearly Date.

Normal Form means a single life annuity with installment refund.

Normal Retirement Age means age 65.

Participant means either an Active Participant or an Inactive Participant.

Plan means the deferred compensation plan of the Employer set forth in this document, including any later amendments to it.

Plan Administrator means the person or persons who administer the Plan. The Plan Administrator is the Board.

Plan Fund means the total of the Investment Fund and the guaranteed benefit policy portion of any Annuity Contract. The Investment Fund shall be valued as stated in its definition. The guaranteed benefit policy portion of any Annuity Contract shall be determined in accordance with the terms of the Annuity Contract and, to the extent that such Annuity Contract allocates contract values to Participants,

allocated to Participants in accordance with its terms. The total value of all amounts held under the Plan Fund shall equal the value of the aggregate Participants' Accounts under the Plan.

Plan Year means a period beginning on a Yearly Date and ending on the day before the next Yearly Date.

Pre-tax Salary Deferral Contributions means a Participant's Salary Deferral Contributions that are not includible in the Participant's gross income at the time deferred.

Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the U.S. Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

Reentry Date means the date a former Active Participant reenters the Plan. See the ACTIVE PARTICIPANT SECTION of Article II.

Rollover Contributions means the Rollover Contributions which are made by an Eligible Employee or an Inactive Participant according to the provisions of the ROLLOVER CONTRIBUTIONS SECTION of Article III.

Roth Salary Deferral Contributions means a Participant's Salary Deferral Contributions that are not excludible from the Participant's gross income at the time deferred and have been irrevocably designated as Roth Salary Deferral Contributions by the Participant in his salary deferral agreement.

Salary Deferral Contributions means contributions made by the Employer in accordance with salary deferral agreements between the Employer and Eligible Employees. See the EMPLOYER CONTRIBUTIONS SECTION of Article III.

Salary Deferral Contributions means Pre-tax Salary Deferral Contributions and Roth Salary Deferral Contributions, unless the context clearly indicates only one is meant.

Salary Reduction Contributions means contributions made by the Employer in accordance with the Acknowledgement Form and treated as Employer Contributions. These Contributions are not available to the Participant as current income, and the Participant has no discretion to receive them as such because they are made as a condition of employment.

Severance from Employment means an Employee has died, retired, or otherwise had a severance from employment with the Employer. The Plan Administrator shall determine if a Severance from Employment has occurred in accordance with the regulations under Code Section 401(k).

Transfer Contributions means the contributions transferred by an Eligible Employee to this Plan from an eligible plan under Code Section 457(b) according to the provisions of the TRANSFER CONTRIBUTIONS SECTION of Article III.

Trust Agreement means an agreement of trust between the Employer and Trustee established for the purpose of holding and distributing the Trust Fund under the provisions of the Plan. The Trust Agreement may provide for the investment of all or any portion of the Trust Fund in the Annuity Contract.

Trust Fund means the total funds held under the Trust Agreement.

Trustee means the party or parties named in the Trust Agreement. The term Trustee as it is used in this Plan is deemed to include the plural unless the context clearly indicates the singular is meant.

Unforeseeable Emergency means severe financial hardship to a Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as

defined in Code Section 152(a)); (ii) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of natural disaster); (iii) the need to pay for funeral expenses of the Participant's spouse or dependent (as defined in Code Section 152(a)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an Unforeseeable Emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an Unforeseeable Emergency. Except as otherwise specifically provided in this definition, neither the purchase of a home nor the payment of college tuition is an Unforeseeable Emergency.

Valuation Date means the date on which the value of the assets of the Investment Fund is determined. The value of each Account which is maintained under this Plan shall be determined on the Valuation Date. In each Plan Year, the Valuation Date shall be the last day of the Plan Year. At the discretion of the Plan Administrator, Trustee, or Insurer (whichever applies), assets of the Investment Fund may be valued more frequently. These dates shall also be Valuation Dates.

Vested Account means the vested part of a Participant's Account. The Participant's Vested Account is equal to his Account.

The Participant's Vested Account is nonforfeitable. The percentage used to determine that portion of a Participant's Account attributable to Employer Contributions which is nonforfeitable is 100%.

Yearly Date means each January 1. Before January 1, 2013, Yearly Dates shall be determined under the provisions of the prior document.

ARTICLE II

PARTICIPATION

SECTION 2.01--ACTIVE PARTICIPANT.

- (a) An Employee shall first become an Active Participant (begin active participation in the Plan) on the earliest date on which he is an Eligible Employee. This date is his Entry Date.

Each Employee who was an Active Participant under the Plan on December 31, 2023, shall continue to be an Active Participant if he is still an Eligible Employee on January 1, 2023, and his Entry Date shall not change.

- (b) An Inactive Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

Upon again becoming an Active Participant, he shall cease to be an Inactive Participant.

- (c) A former Participant shall again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

There shall be no duplication of benefits for a Participant under this Plan because of more than one period as an Active Participant.

SECTION 2.02--INACTIVE PARTICIPANT.

An Active Participant shall become an Inactive Participant (stop accruing benefits under the Plan) on the earlier of the following:

- (a) the date the Participant ceases to be an Eligible Employee, or
- (b) the effective date of complete termination of the Plan under Article VIII.

An Employee or former Employee who was an Inactive Participant under the Plan on December 31, 2022, shall continue to be an Inactive Participant on January 1, 2023. Eligibility for any benefits payable to the Participant or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior document, unless otherwise stated in this document.

SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant shall cease to be a Participant on the date he is no longer an Eligible Employee, and his Account is zero.

ARTICLE III

CONTRIBUTIONS

SECTION 3.01--EMPLOYER CONTRIBUTIONS.

The amount of Employer Contributions for any Plan Year is specified in (a) below subject to the limitations in (b) below:

(a) Amount of Employer Contributions.

- (1) Salary Deferral Contributions. The amount of each Salary Deferral Contribution for a Participant shall be equal to a portion of his Compensation as elected in his salary deferral agreement. Salary deferral agreements shall be made, changed, or terminated according to procedures and limitations set up by the Plan Administrator. The salary deferral agreement must be in writing (in the form or medium prescribed by the Plan Administrator) and completed before the beginning of the month in which Salary Deferral Contributions are to begin. However, a new Employee may make Salary Deferral Contributions for the month in which he first becomes an Employee if he completes a salary deferral agreement on or before the day he becomes an Employee. Unless the salary deferral agreement specifies a later effective date, a change in the amount of Salary Deferral Contributions shall take effect as of the first day of the following month or as soon as administratively practicable if later.

A Participant may elect to designate all or any portion of his future Salary Deferral Contributions as Roth Salary Deferral Contributions.

Salary Deferral Contributions are 100% vested when made.

(2) Salary Reduction Contributions.

- (i) For any Employee who is covered by the Portland Water District Labor Agreement and who is hired after December 31, 2010, or who became covered by the Portland Water District Labor Agreement as a result of a transfer within the Portland Water District that occurred after December 31, 2010, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i) the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated.

- (ii) For any Employee who is not covered by the Portland Water District Labor Agreement and who is hired after December 31, 2011, or who ceases to be covered by the Portland Water District Labor Agreement as a result of a transfer within the Portland Water District that occurred after December 31, 2011, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i)

the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated.

- (iii) For any Employee who is not covered by the Portland Water District Labor Agreement and who was hired prior to January 1, 2012 and experiences a loss of eligibility to participate in the Portland Water District Pension Plan for Non-Union Employees due to a reduction in hours, the amount of each Salary Reduction Contribution for a Participant shall be equal to 3% of his Compensation each payroll period as stated in the Acknowledgement Form. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until (i) the Participant becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated. Notwithstanding the foregoing, such Employee shall have a one-time, irrevocable opportunity to opt-out of making Salary Reduction Contributions. Such opt-out had to be made prior to January 1, 2012.

Salary Reduction Contributions are 100% vested.

Except as provided under the “Special Rule for Certain Employees Who Cease to be Covered by the Portland Water District Labor Agreement On or After October 1, 2017 Due to a Transfer” below, union Employees hired prior to January 1, 2011, and non-union Employees hired prior to January 1, 2012, shall not make Salary Deferral Contributions or Salary Reduction Contributions under this Plan.

Special Rule for Certain Employees Who Cease to be Covered by the Portland Water District Labor Agreement On or After October 1, 2017 Due to a Transfer.

Union Employees hired prior to January 1, 2011 who cease to be covered by the Portland Water District Bargaining Agreement on or after October 1, 2017 due to a transfer within the District, shall be eligible to make a one-time, irrevocable election to either: (i) continue participation under the Portland Water District Bargaining Unit Employees’ Pension Plan (#002); or (ii) participate in this Plan, making Salary Reduction Contributions in accordance with Section 3.01(a)(2)(ii), and subject to all other applicable terms and conditions of the Plan.

The one-time, irrevocable election described above must be made in the form and manner prescribed by the Plan Administrator and shall be effective as soon as administratively practicable after it is made. In the event no election is timely made, the Employee will be automatically enrolled in this Plan.

(3) Matching Contributions. The Employer shall make Matching Contributions as stated below:

- (i) Matching Contributions for Participants who (a) are not covered by the Portland Water District Labor Agreement; (b) are hired prior to January 1, 2012, (c) were employed by the Portland Water District on December 31, 2011, and (d) are not making Salary Reduction Contributions, are equal to \$1.00 for each \$1.00 that the Participant contributes through Salary Deferral Contributions up to \$1,500.00 (up to \$1,225.00 for Plan Years beginning prior to January 1, 2022) for the Plan Year.
- (ii) Matching Contributions for Participants who (a) are not covered by the Portland Water District Labor Agreement; (b) were hired after December 31, 2011; (c) only ceased to be covered by the Portland

Water District Labor Agreement as a result of transfer of employment within Portland Water District that occurred after December 31, 2011; or (d) were hired prior to January 1, 2011, experiences a loss of eligibility to participate in the Portland Water District Pension Plan for Non-Union Employees due to a reduction in hours, and is making Salary Deferral Contributions, are equal to 150% of the combination of Salary Deferral Contributions and Salary Reduction Contributions. Prior to April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 3% of Compensation won't be matched. Effective on and after April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 4.5% of Compensation won't be matched.

- (iii) Matching Contributions for Participants who (a) are covered by the Portland Water District Labor Agreement; (b) are hired prior to January 1, 2011; and (c) were employed by the Portland Water District on December 31, 2010, are equal to \$1.00 for each \$1.00 that the Participant contributes through Salary Deferral Contributions up to \$1,500.00 (up to \$1,225.00 for Plan Years beginning prior to January 1, 2022) for the Plan Year.
- (iv) Matching Contributions for Participants (a) who are covered by the Portland Water District Labor Agreement; (b) were hired after December 31, 2010; or (c) only became covered by the Portland Water District Labor Agreement as a result of transfer of employment within the Portland Water District that occurred after December 31, 2010, are equal to 150% of the combination of Salary Deferral Contributions and Salary Reduction Contributions. Prior to April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 3% of Compensation won't be matched. Effective on and after April 4, 2016, the combination of Salary Deferral Contributions and Salary Reduction Contributions which are over 4.5% of Compensation won't be matched.

Matching Contributions for union Employees are made as stated in the applicable collective bargaining agreement.

Matching Contributions for all Participants are subject to the Participant satisfying a six month probationary period as described in the Portland Water District Labor Agreement. Such Matching Contributions will then be made retroactive to the Participant's most recent date of hire.

Matching Contributions are calculated based on Salary Deferral Contributions and Compensation for the payroll period. Matching Contributions are made for all persons who were Active Participants at any time during that payroll period.

Matching Contributions are 100% vested when made.

Employer Contributions are allocated according to the provisions of the ALLOCATION SECTION of this article.

(b) Limitation on Employer Contributions.

- (1) Basic Limit. For any taxable year of the Participant, Employer Contributions shall not exceed the lesser of:

- (i) the Applicable Dollar Amount, or
 - (ii) 100% of the Participant's Includible Compensation for the taxable year.
- (2) Age 50 Catch-up Limit. A Participant who would attain age 50 by the end of the taxable year is permitted to elect an additional amount of Salary Deferral Contributions, up to the Age 50 Catch-up Dollar Amount.
- (3) Special Section 457 Catch-up Limit. If the applicable taxable year is one of a Participant's last three taxable years ending before the taxable year in which he attains Normal Retirement Age and the limit determined under this (3) exceeds the limit on Employer Contributions under (1) and (2) above, then the limit on Employer Contributions for such taxable year shall be the lesser of:
- (i) an amount equal to 2 times the Applicable Dollar Amount, or
 - (ii) the sum of
 - A. an amount equal to
 - 1. the aggregate basic limit in (1) above for the current taxable year plus each prior taxable year beginning after December 31, 2001 during which the Participant was eligible to participate in this Plan, minus
 - 2. the aggregate amount of compensation that the Participant deferred under the Plan during such years disregarding any age 50 catch-up contributions permitted under Code Section 414(v), plus
 - B. an amount equal to
 - 1. the aggregate basic limit referred to in Code Section 457(b)(2) for each prior taxable year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was eligible to participate in this Plan (determined without regard to Code Section 457(b)(3)), minus
 - 2. the aggregate contributions to pre-2002 coordination plans for such years.
- (4) Special Rules. For purposes of this (b), the following rules shall apply:
- (i) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this (b). For this purpose, the Plan Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Plan Administrator receives from the Participant sufficient information concerning his participation in such other plan.

- (ii) Prior Taxable Years. In applying (3) above, a taxable year shall be taken into account only if
 - A. the Participant was eligible to participate in the Plan during all or a portion of the taxable year and
 - B. compensation deferred, if any, under the Plan during the year was subject to the basic limit described in (1) above or any other plan ceiling required by Code Section 457(b).
- (iii) Contributions to Pre-2002 Coordination Plans. For purposes of (3)(ii)B.2. above, "contributions to pre-2002 coordination plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501 (c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any taxable year are only taken into account for purposes of (3)(ii)B.2. above, to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.
- (iv) Disregard Excess Deferral. For purposes of (1), (2), and (3) above, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in (5) below. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.
- (5) Correction of Excess Deferrals. If the Employer Contributions on behalf of a Participant for any taxable year exceeds the limitations described above, or the Employer Contributions on behalf of a Participant for any taxable year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Plan Administrator, then the Employer Contributions, to the extent Employer Contributions are in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

However, in no event can a Participant's Salary Deferral Contributions be more than the Participant's Compensation for the taxable year.

SECTION 3.01A--ROLLOVER CONTRIBUTIONS.

A Rollover Contribution may be made by an Eligible Employee or Inactive Participant if the following conditions are met:

- (a) The Contribution is a Participant's Rollover Contribution or a direct rollover of an Eligible Rollover Distribution made from the types of plans specified below.

Direct Rollovers. The Plan will accept a direct rollover of an Eligible Rollover Distribution from (i) a qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions and including any portion of a designated Roth account; (ii) an annuity contract described in Code Section 403(b), excluding after-tax employee contributions and including any portion of a designated Roth account; and (iii) 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, including any portion of a designated Roth account.

Participant's Rollover Contributions from Other Plans. The Plan will accept a Participant contribution of an Eligible Rollover Distribution from (i) a qualified plan described in Code Section 401(a) or 403(a), including distributions of a designated Roth account only to the extent such amount would otherwise be includible in a Participant's gross income; (ii) an annuity contract described in Code Section 403(b), including distributions of a designated Roth account only to the extent such amount would otherwise be includible in a Participant's gross income; and (iii) 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, including any portion of a designated Roth account.

Participant's Rollover Contributions from IRAs. The Plan will accept a Participant Rollover Contribution of the portion of a distribution from an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in the Participant's gross income.

In the case of an Inactive Participant, the Contribution must be of an amount distributed from another plan of the Employer.

- (b) The Contribution is of amounts that the Code permits to be transferred to 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.
- (c) The Contribution is made in the form of a direct rollover under Code Section 401 (a)(31) or is a rollover made under Code Section 402(c) or 408(d)(3)(A) within 60 days after the Eligible Employee or Inactive Participant receives the distribution.
- (d) The Eligible Employee or Inactive Participant furnishes evidence satisfactory to the Plan Administrator that the proposed rollover meets conditions (a), (b), and (c) above.

A Rollover Contribution shall be allowed in cash only and must be made according to procedures set up by the Plan Administrator.

If the Eligible Employee is not an Active Participant when the Rollover Contribution is made, he shall be deemed to be an Active Participant only for the purpose of investment and distribution of the Rollover Contribution. Employer Contributions shall not be made for or allocated to the Eligible Employee until the time he meets all of the requirements to become an Active Participant.

Rollover Contributions made by an Eligible Employee or Inactive Participant shall be credited to his Account. Rollover Contributions are 100% vested when made. A separate accounting record shall be maintained for that part of his Rollover Contributions consisting of amounts that were not distributed from an eligible plan

under Code Section 457(b) and any portion of a designated Roth account, including the portion that would not have been includible in the Participant's gross income if the contributions were not rolled over into this Plan.

SECTION 3.02--TRANSFER CONTRIBUTIONS.

If an Eligible Employee formerly participated in an eligible plan under Code Section 457(b), the trustee or plan administrator of that plan may transfer funds to this Plan on behalf of the Eligible Employee. Transfer of rollover amounts shall not be permitted if the Plan does not permit such rollover amounts and, if permitted, such amounts shall be treated as a rollover amount made to this Plan. The transferred funds other than rollover amounts shall be called a Transfer Contribution and shall be made according to procedures set up by the Plan Administrator.

If the Eligible Employee is not an Active Participant when the Transfer Contribution is made, he shall be deemed to be an Active Participant only for the purpose of investment and distribution of the Transfer Contribution. Employer Contributions shall not be made for or allocated to the Eligible Employee until the time he meets all of the requirements to become an Active Participant.

Transfer Contributions made by an Eligible Employee shall be credited to his Account. Transfer Contributions are 100% vested when made.

SECTION 3.03--FORFEITURES.

The Nonvested Account of a Participant shall be forfeited as of the Participant's Forfeiture Date.

Forfeitures shall be determined at least once during each Plan Year. Forfeitures may first be used to pay administrative expenses. Forfeitures which have not been used to pay administrative expenses shall be applied to reduce the earliest Employer Contributions made after the Forfeitures are determined. Upon their application to reduce Employer Contributions, Forfeitures shall be deemed to be Employer Contributions.

SECTION 3.04--ALLOCATION.

Salary Reduction Contributions shall be allocated to Participants for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the Participant's Account.

Salary Deferral Contributions shall be allocated to Participants for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the Participant's Account.

Matching Contributions shall be allocated to the persons for whom such Contributions are made under the EMPLOYER CONTRIBUTIONS SECTION of this article. Such Contributions shall be allocated when made and credited to the person's Account.

ARTICLE IV

INVESTMENT OF CONTRIBUTIONS

SECTION 4.01--INVESTMENT AND TIMING OF CONTRIBUTIONS.

The handling of Contributions is governed by the provisions of the Trust Agreement, the Annuity Contract, and any other funding arrangement in which the Plan Fund is or may be held or invested. To the extent permitted by the Trust Agreement, Annuity Contract, or other funding arrangement, the parties named below shall direct the Contributions to the guaranteed benefit policy portion of the Annuity Contract, any of the investment options available under the Annuity Contract, or any of the investment vehicles available under the Trust Agreement and may request the transfer of amounts resulting from those Contributions between such investment options and investment vehicles or the transfer of amounts between the guaranteed benefit policy portion of the Annuity Contract and such investment options and investment vehicles. To the extent that a Participant who has investment direction fails to give timely direction, the Employer shall direct the investment of his Account. The Employer shall have investment direction for amounts which have not been allocated to Participants. To the extent an investment is no longer available, the Employer may require that amounts currently held in such investment be reinvested in other investments.

The Participant shall direct the investment of Contributions and transfer of amounts resulting from Contributions.

Notwithstanding any contrary provision of the Plan, including any Annuity Contract issued under the Plan, in accordance with Code Section 457(g), all amounts of compensation deferred pursuant to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held in a trust or one or more annuity contracts, as defined in Code Section 401(g), for the exclusive benefit of Participants and Beneficiaries under the Plan and for defraying reasonable expenses of administering the Plan. For purposes of this paragraph, a trust must be established under the Plan pursuant to a written agreement that constitutes a valid trust under the law of the state in which the Employer is located. For purposes of this paragraph an annuity contract shall be issued by an insurance company qualified to do business in the state where the contract was issued and may not include any life, health or accident, property, casualty, or liability insurance contract.

All amounts of compensation deferred under the Plan shall be transferred to a trust or an annuity contract described in Code Section 401(f), within a period that is not longer than reasonable for the proper administration of the Accounts of Participants.

ARTICLE V

BENEFITS

SECTION 5.01--DEATH BENEFITS.

If a Participant dies before his Vested Account is distributed to him under the provisions of this article or the SMALL AMOUNTS SECTION of Article X, his Vested Account shall be distributed according to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

SECTION 5.02--SEVERANCE BENEFITS AND BENEFITS AT NORMAL RETIREMENT AGE.

If a Participant's Vested Account is not payable under the SMALL AMOUNTS SECTION of Article X, he may elect to receive a distribution of his Vested Account after his Severance from Employment or effective September 1, 2021, upon attaining Normal Retirement Age. A distribution under this paragraph shall be distributed to the Participant according to the distribution of benefits provisions of Article VI.

A Participant may not elect to receive a distribution under the provisions of this section after he again becomes an Employee until he subsequently has a Severance from Employment or effective September 1, 2021, attains Normal Retirement Age, and otherwise meets the requirements of this section.

If a Participant does not receive an earlier distribution, upon his Required Beginning Date, his Vested Account shall be distributed. A distribution under this paragraph shall be distributed to the Participant according to the distribution of benefit provisions of Article VI.

If a Participant does not receive an earlier distribution, upon his death, his Vested Account shall be distributed according to the provisions of the DEATH BENEFITS SECTION of this article.

A Participant who has been performing Qualified Military Service for a period of more than 30 days is deemed to have had a Severance from Employment for purposes of requesting a distribution of his Vested Account. The Plan will suspend Contributions for six months after receipt of the distribution.

SECTION 5.03--WHEN BENEFITS START.

- (a) Benefits shall begin by the Participant's Required Beginning Date, as defined in the DEFINITIONS SECTION of Article VII.

All elections to defer commencement of benefits made by Participants or Beneficiaries prior to January 1, 2002 and defaulted distributions (other than a defaulted distribution to an annuity option or a distribution required to meet the requirements of Code Section 401(a)(9)) may be voided at the election of the Participant or Beneficiary. The distribution provisions of the Plan as amended effective January 1, 2002 shall apply to such Participants.

- (b) The Participant's Vested Account which does not result from Rollover Contributions may not be distributed to a Participant or to his Beneficiary (or Beneficiaries) in accordance with the Participant's or Beneficiary's (or Beneficiaries') election, earlier than his Severance from Employment or effective September 1, 2021, upon attaining Normal Retirement Age. Such amount may also be distributed upon:

- (1) Termination of the Plan, as permitted in Article VIII.

- (2) The Unforeseeable Emergency of the Participant as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.
- (3) A major federally-declared disaster as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.
- (4) A terminal illness as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.
- (5) A birth or adoption as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.
- (6) A de minimis in-service withdrawal as permitted in the WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS SECTION of this article.

Beginning January 1, 2009, the Participant's Vested Account may be distributed if the Participant is deemed to have a Severance from Employment as described in Code Section 414(u)(12)(B)(i).

Beginning September 1, 2021, the Participant's Vested Account may be distributed if the Participant has attained Normal Retirement Age.

SECTION 5.04--TRANSFERS FROM THE PLAN.

If an Inactive Participant has a Severance from Employment and accepts employment with another employer which maintains an eligible plan under Code Section 457(b) and the new employer's plan provides for the transfer and the Participant will have an amount deferred under the other plan immediately after the transfer at least equal to the amount of the transfer, the Inactive Participant may elect to transfer his Vested Account to the plan maintained by the new employer. Such transfer is in full settlement of benefits otherwise payable with respect to the amount transferred.

SECTION 5.05--WITHDRAWAL/DISTRIBUTION AND LOAN BENEFITS.

Unforeseeable Emergency. Before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all or any portion of his Vested Account in the event of an Unforeseeable Emergency. The Participant's request for a withdrawal shall include his written certification that the Participant is faced with an Unforeseeable Emergency.

No withdrawal shall be allowed which is in excess of the amount reasonably required to satisfy the Unforeseeable Emergency (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution) or to the extent such Unforeseeable Emergency can be relieved from other resources that are reasonably available to the Participant.

The Participant's certification shall provide that the amount requested does not exceed the amount needed to meet the Unforeseeable Emergency. The Participant's written certification shall include his statement that the Unforeseeable Emergency cannot be relieved:

- (1) through reimbursement or compensation by insurance or otherwise;
- (2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause a severe financial hardship; or
- (3) by cessation of deferrals under the Plan.

Effective as of January 1, 2023, the Plan Administrator may rely on a Participant's certification that he is faced with an Unforeseeable Emergency and that the amount requested is not in excess of the amount needed to meet the Unforeseeable Emergency, except for cases when the Plan Administrator has actual knowledge contrary to a Participant's certification. The Plan Administrator's determination shall be final.

Qualified Disaster Recovery Distribution. Effective as of January 26, 2021, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may request to withdraw any portion of his Vested Account not to exceed \$22,000, as a Qualified Disaster Recovery Distribution ("QDRD"), in the event of a Major Disaster. This \$22,000 limit shall be reduced by QDRDs to the Participant made with respect to the same disaster by other plans maintained by the Employer or a related employer described in Code Sections 414(b), (c), (m), or (o). Code Section 72(t)(2) does not apply to such distribution.

- (1) For purposes of this section, the following terms shall have the following meanings:

Major Disaster is a disaster declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Qualified Disaster Recovery Distribution or "**QDRD**" means a distribution made between the first day of the Incident Period of a Major Disaster and before 180 days after such disaster, to a Participant whose principal place of abode at any time during the period of such Major Disaster is located in the qualified disaster area, as declared by Federal Emergency Management Agency ("FEMA") and who has sustained an economic loss by reason of such qualified disaster;

Incident Period means with respect to any Major Disaster, the period specified by the FEMA as the period during which such disaster occurred.

- (2) A Participant who received one or more QDRDs due from this Plan and who is permitted to make Rollover Contributions to this Plan, make repay such distributions to the Plan by making one or more contributions to the Plan in an aggregate amount not to exceed the amount of such distributions. The Plan will treat such a contribution as a Rollover Contribution made by direct Trustee-to-Trustee transfer with 60 days of distribution (even if more than 60 days has elapsed since such distribution), so long as the contributions are made within three years from the day the respective distributions were received.

Terminal Illness Distribution. Effective as of December 29, 2022, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all of his Vested Account if the following requirements have been met:

- (1) A Participant has been certified by a physician as a Terminally Ill Individual. For purposes of this section, **Terminally Ill Individual** means an individual who has been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 84 months or less after the date of the certification.
- (2) The Participant furnishes sufficient evidence to the Plan Administrator in such form and manner as the Plan Administrator and regulatory guidance may prescribe.

A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose. Code Section 72(t)(2) does not apply to such withdrawal. An amount so distributed may be repaid by Participant within three years from the date of withdrawal.

Birth or Adoption Distribution. Effective January 1, 2020, before his Severance from Employment and before attaining Normal Retirement Age, a Participant may request a distribution from his Vested Account of up to \$5,000 (per Eligible Adoptee, as defined below) as a Qualified Birth or Adoption Distribution ("QBAD"). This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same

child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code Sections 414(b), (c), (m), or (o). Code Section 72(t)(2) does not apply to such distribution.

- (1) For purposes of this section, the following terms shall have the following meanings:

Qualified Birth or Adoption Distribution or “**QBAD**” means a distribution described in Code Section 72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.

Eligible Adoptee means an individual, other than a child of the Participant’s spouse, who has not attained age 18 or is physically or mentally incapable of self-support. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration.

- (2) A Participant who received one or more QBADs from this Plan may, if the Participant is then permitted to make Rollover Contributions to this Plan, make one or more contributions to the Plan in an aggregate amount not to exceed the amount of such QBADs. The Plan will treat such a contribution as a Rollover Contribution made by direct Trustee-to-Trustee transfer with 60 days of distribution (even if more than 60 days has elapsed since the QBAD), so long as the contributions are made within three years from the day the respective distributions were received. For QBAD distributions prior to December 29, 2022, the three-year period ends on December 31, 2025.
- (3) The Plan Administrator may rely on an individual’s reasonable representation that the individual is eligible to receive a QBAD unless the Plan Administrator has actual knowledge to the contrary.
- (4) A QBAD is not an Eligible Rollover Distribution for purposes of the obligation to permit a Direct Rollover under Code Section 401(a)(31), the notice requirement of Code Section 402(f), or the mandatory withholding rules of Code Section 3405(c)(1).

De Minimis In-service Withdrawal. Before his Severance from Employment and before attaining Normal Retirement Age, a Participant may withdraw all of his Vested Account if his Vested Account resulting from Salary Deferral Contributions is not more than the dollar limit under Code Section 411(a)(11)(A) and the following requirements have been met:

- (1) No amount has been deferred under the Plan with respect to such Participant during the two-year period ending on the date of the withdrawal.
- (2) The Participant has not previously received a distribution of his total Vested Account to which Code Section 457(e)(9)(A) applied.

A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose (including by means of voice response or other electronic means under circumstances the Employer permits). A withdrawal benefit shall be distributed in a lump sum.

Participant Loans. Effective as of July 1, 2021, the Plan Administrator may, upon the request of a Participant, direct the Trustee to make a loan to such Participant according to written procedures adopted by the Plan Administrator, subject to the following provisions:

- (a) A loan may be made from the vested portion of a Participant’s Pre-Tax Salary Deferral Contributions, Roth Salary Deferral Contributions, Salary Reduction Contributions, Transfer Contributions, and Rollover Contributions. A loan may not be made from the Participant’s Matching Contributions.

- (b) The amount of each loan shall be determined with reference to the fair market value of the Participant's Account as of the most recent Valuation Date for which valuation data has been received by the Plan Administrator.
- (c) Any loan, when added to the balance of all other outstanding loans with respect to a Participant's Account from the Plan, shall not exceed the lesser of:
 - (1) \$50,000, reduced by the excess, if any, of:
 - (i) the Participant's highest outstanding loan balance under the Plan for the one-year period ending on the day before such loan is made, over
 - (ii) the Participant's loan balance under the Plan on the day such loan is made, or
 - (2) 50 percent of the Participant's vested interest in the Participant's Account.

The total of the unpaid balance of all loans (including accrued but unpaid interest) made with respect to a Participant's Account under the Plan and such Participant's accounts under all other qualified plans maintained by an Employer or Affiliated Employer shall not exceed the maximum amount permitted under Section 72(p) of the Code.

- (d) No loan shall be made in an amount less than \$1,000.
- (e) Each loan shall be evidenced by a promissory note or other legally enforceable agreement (which may include more than one document) bearing a reasonable rate of interest as determined by the Plan Administrator taking into consideration interest rates currently being charged by commercial lenders for loans made under similar circumstances and shall be adequately secured in such manner as the Plan Administrator may determine. Collateral for a loan may consist of an assignment of not more than 50 percent of a Participant's vested interest in the Participant's Account, provided such collateral adequately secures repayment of the loan. In the event of a default on a loan, the Plan Administrator shall, after giving the Participant written notice of the default and an opportunity to cure the default, in accordance with the terms and conditions of such loan, foreclose upon the collateral to the extent necessary to satisfy the Participant's obligation. If the collateral for such loan is the Participant's interest in the Participant's Account, such foreclosure may not occur prior to the Participant's termination of employment.
- (f) Each loan shall be made for such term and, subject to (e) above, upon such terms and conditions as the Plan Administrator shall determine; provided that substantially level amortization, with payments not less frequently than quarterly, shall be required over the term of any loan (except with respect to any period, not to exceed one year, that the Participant is on an approved leave of absence, or except as otherwise required by an order issued from a bankruptcy court or other court of competent jurisdiction), and further provided that the term shall not exceed five years unless the loan is used to acquire a dwelling unit which is to be used within a reasonable time, determined when the loan is made, as the principal residence of the Participant, in which case the term of the loan shall not exceed ten years.
- (g) Each loan to a Participant shall be treated and accounted for as an investment of such Participant's Account, and loans shall be charged against the investment funds in which the Participant's Account is invested in proportion to the amounts invested in such funds as of the date such loan is made. Amounts of principal and interest paid on any loan shall be transferred to the investment funds in accordance with the Participant's investment direction in effect at the time of payment.

(h) No distribution (other than a distribution for an Unforeseeable Emergency, a distribution for expenses related to birth or adoption of a child, a deemed distribution under Section 72(p) of the Code, or an offset distribution with respect to a former Participant who fails to repay a loan in full by the date forth in the written procedures adopted by the Plan Administrator) shall be made to any Participant, former Participant, or Beneficiary until all unpaid loans with respect to the individual's Account, including accrued interest thereon, have been paid in full. Notwithstanding the preceding sentence to the contrary, in the event a Participant or Beneficiary is to receive distribution of the Participant's or Beneficiary's Account according to Section 5.01 or 5.02 of the Plan, and at the time of such distribution there remains outstanding any unpaid loan with respect to the Participant's or Beneficiary's Account, then:

- (1) such unpaid loan shall be treated as due and payable immediately as of the date distribution is made;
- (2) the Account of the Participant or Beneficiary shall be reduced prior to any such distribution by the amount of the principal and accrued interest outstanding on such loan;
- (3) the loan shall be deemed to be paid in full as of the date the distribution is made; and
- (4) such Participant or Beneficiary shall be treated as receiving distribution of the Participant's or Beneficiary's entire Account.

(i) Effective as of January 26, 2021, the Plan Administrator may, upon the request of a Participant, direct the Trustee to make a loan to Participant, subject to the following additional provisions:

- (1) A loan may be made during the period beginning on the first day of an Incident Period of a Major Disaster, as defined the SUBSECTION QUALIFIED DISASTER RECOVERY DISTRIBUTIONS of this SECTION, and ending on the date which is 180 days after the applicable date with respect to such disaster.
- (2) A loan may be made to a Participant whose principal place of abode at any time during the Incident Period of any Major Disaster is located in the qualified disaster area, as declared by FEMA, and who has sustained an economic loss by reason of such disaster.
- (3) Any loan made pursuant to the subsection, when added to the balance of all other outstanding loans with respect to a Participant's Account from the Plan, shall not exceed the lesser of:
 - (aa) \$100,000, reduced by the excess, if any, of:
 - (i) the Participant's highest outstanding loan balance under the Plan for the one-year period ending on the day before such loan is made, over
 - (ii) the Participant's loan balance under the Plan on the day such loan is made, or
 - (bb) 100 percent of the Participant's vested interest in the Participant's Account.

ARTICLE VI

FORMS OF DISTRIBUTION OF BENEFITS

SECTION 6.01--AUTOMATIC FORMS OF DISTRIBUTION.

Unless an optional form of benefit is selected pursuant to an election within the election period (see the ELECTION PROCEDURES SECTION of this article), the automatic form of benefit payable to or on behalf of a Participant is determined as follows:

- (a) Severance Benefits and Benefits at Normal Retirement Age. The automatic form of benefit for a Participant who does not die before his Vested Account is distributed to him shall be the Normal Form.
- (b) Death Benefits. The automatic form of death benefit for a Participant who dies before his Vested Account is distributed to him shall be a single-sum payment to the Participant's Beneficiary.

SECTION 6.02--OPTIONAL FORMS OF DISTRIBUTION.

- (a) Severance Benefits and Benefits at Normal Retirement Age. The optional forms of severance benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10 or 15 years; (iii) a single life annuity with installment refund; (iv) survivorship life annuities with installment refund and survivorship percentages of 50%, 66 2/3%, 75%, or 100%; (v) fixed period annuities for any period of whole months which is not less than 60 and does not exceed the Life Expectancy, as defined in Article VII, of the Participant where the Life Expectancy is not recalculated; (vi) a fixed period installment option; and (vii) a fixed payment installment option. A single sum payment is also available.

The fixed period installment option is an optional form of benefit under which the Participant elects to receive substantially equal annual payments over a fixed period of whole years. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments, as elected by the Participant. The Participant may elect to receive additional payments.

The fixed payment installment option is an optional form of benefit under which the Participant elects to receive a specified dollar amount each year. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments, as elected by the Participant. The Participant may elect to receive additional payments.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

Any annuity contract distributed shall be nontransferable.

- (b) Death Benefits. The optional forms of death benefit are a single-sum payment and any annuity that is an optional form of severance benefit.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

SECTION 6.03--ELECTION PROCEDURES.

The Participant or Beneficiary shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under (a) and (b) below shall be subject to the election provisions of (c) below.

- (a) Severance Benefits and Benefits at Normal Retirement Age. A Participant may elect his Beneficiary or Contingent Annuitant and may elect to have his or her benefits distributed under any of the optional forms of benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.
- (b) Death Benefits. A Participant may elect his Beneficiary and may elect to have death benefits distributed under any of the optional forms of death benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.

If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.

- (c) Election. The Participant or Beneficiary may make an election at any time during the election period. The Participant or Beneficiary may revoke the election made (or make a new election) at any time and any number of times during the election period.
 - (1) Election Period for Severance Benefits and Benefits at Normal Retirement Age. A Participant may make an election as to severance benefits and benefits at Normal Retirement Age during a period that is no longer than one hundred eighty (180) days and no shorter than thirty (30) days before the date benefits begin.
 - (2) Election Period for Death Benefits. A Participant may make an election as to death benefits at any time before he dies. The Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.

ARTICLE VII

REQUIRED MINIMUM DISTRIBUTIONS

SECTION 7.01--APPLICATION.

The optional forms of distribution are only those provided in Article VI. An optional form of distribution shall not be permitted unless it meets the requirements of this article. The timing of any distribution must meet the requirements of this article.

SECTION 7.02--DEFINITIONS.

For purposes of this article, the following terms are defined:

Distribution Calendar Year means 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 (b)(2) of the REQUIRED MINIMUM DISTRIBUTIONS SECTION of this article. 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.

Eligible Designated Beneficiary means a Designated Beneficiary who is (a) the surviving spouse, (b) a disabled individual (as defined in Code Section 72(m)(7)), (c) a chronically ill individual (as defined in 7702B(c)(2)), (d) an individual who is not more than 10 years younger than the Participant, or (e) a child of the Participant who has not reached the age of "majority" (as defined in Treasury Regulations). If subsection (e) applies, the distribution must be made in full within 10 years of the date on which the child attains the age of majority. The term "Eligible Designated Beneficiary" shall also include a trust created for the exclusive benefit of a disabled or chronically ill beneficiary.

Life Expectancy means life expectancy as computed by use of the Single Life Table in section 1.401 (a)(9)-9, Q&A-1, of the regulations.

Participant's Account Balance means 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 distributions made in the valuation calendar year after the Valuation Date. 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.

Required Beginning Date means, effective for distributions required to be made with respect to Participants who attain age 72 after December 31, 2022 and age 73 before January 1, 2033, April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age 73, or (b) the calendar year in which the Participant retires. Effective for distributions required to be made to Participants who attain age 70 ½ after December 31, 2019 and before January 1, 2023, April 1 of the calendar year following the later of: (a) the calendar

year in which the Participant attains age 72 (age 70 1/2 with respect to a Participant whose date of birth is before July 1, 1949) or (b) the calendar year in which the Participant retires

SECTION 7.03--REQUIRED MINIMUM DISTRIBUTIONS.

(a) General Rules.

- (1) The requirements of this article shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan.
- (2) All distributions required under this article shall be determined and made in accordance with the regulations under Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401 (a)(9)(G) and the regulations thereunder.

(b) Time and Manner of Distribution.

- (1) Required Beginning Date. 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, 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 73 (age 72 before January 1, 2023, and age 70 ½ with respect to a Participant whose date of birth is before July 1, 1949), if later, except to the extent that an election is made to receive distributions in accordance with the 10-year rule under (e) below). Under the 10-year rule, the Participant's entire interest will be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.
 - (ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, but qualifies as an Eligible Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died and the applicable distribution period is the Eligible Designated Beneficiary's life expectancy (or a period not to exceed the life expectancy of the Eligible Designated Beneficiary), except to the extent that an election is made to receive distributions in accordance with the 10-year rule under (e) below). Under the 10-year rule, the Participant's entire interest will be distributed to the Eligible Designated Beneficiary by December 31 of the calendar year containing the tenth anniversary of the Participant's death.
 - (iii) A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary (or if an Eligible Designated Beneficiary so elects), by the end of the calendar year containing the tenth anniversary of the Participant's death. If there

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

- (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 (b)(2), other than (b)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this (b)(2) and (d) below, unless (b)(2)(iv) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If (b)(2)(iv) above applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under (b)(2)(i) above. 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 (b)(2)(i) above), 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 (c) and (d) below. 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 Section 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 section 1.401(a)(9)-9(c) of the regulations (formerly applicable section 1.401(a)(9)-9 of the regulations for distribution calendar years beginning before January 1, 2022), 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 section 1.401(a)(9)-9(d) of the regulations (formerly applicable section 1.401(a)(9)-9 of the regulations for distribution calendar years beginning before January 1, 2022), 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 (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.

(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. A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary (or if a surviving spouse or Eligible Designated Beneficiary so elects), by the end of the calendar year containing the tenth anniversary of the Participant's death. 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 surviving spouse or Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and there is a surviving spouse or Eligible 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 Beneficiary, determined as provided in (d)(1) above, except to the extent that an election is made to receive distributions in accordance with the 10-year rule under (e) below). Under the 10-year rule, the Participant's entire interest will be distributed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

- (ii) No Designated Beneficiary. A Participant's Account will be distributed in full to a Designated Beneficiary who is not an Eligible Designated Beneficiary (or if a surviving spouse or Eligible Designated Beneficiary so elects), by the end of the calendar year containing the tenth anniversary of the Participant's death. 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 (b)(2)(i) above, this (d)(2) will apply as if the surviving spouse were the Participant.
- (e) Election of 10-year Rule. Participants, surviving spouses or Eligible Designated Beneficiaries may elect on an individual basis whether the 10-year rule in (b)(2) and (d)(2) above applies to distributions after the death of a Participant. The election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under (b)(2) above if no such election is made, or by September 30 of the calendar year which contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's or Eligible Designated Beneficiary's) death.
- (f) Minimum Required Distributions for 2020 and 2019. Special rules apply to minimum required distributions for the 2020 and 2019 taxable years due to the COVID-19 pandemic.
 - (i) A Participant may elect to waive his or her 2020 minimum required distribution, whether it is the first minimum required distribution due by April 1, 2021, or a minimum required distribution that is due by December 31, 2020. A Participant who receives part or all his or her 2020 minimum required distribution in 2020 may elect to return all or part of the distribution to his or her Account under this Plan or to roll over the distribution tax-free into another eligible retirement plan by the later of 60 days following the distribution date or August 31, 2020.
 - (ii) A Participant who has a required beginning date of April 1, 2020, may elect to waive his or her 2019 minimum required distribution. A Participant who received his or her 2019 distribution in 2020 may elect to return all or part of the distribution to his or her Account under this Plan or to roll over the distribution tax-free into another eligible retirement plan by the later of 60 days following the distribution date or August 31, 2020.
 - (iii) If a Participant does not make a timely election to waive his or her minimum required distribution under subsection (i) or (ii), the Participant will receive his or her 2020 or 2019 minimum required distribution or both, whichever applies.

SECTION 7.04--TRANSITION RULES.

- (a) Required Minimum Distributions. To the extent the Plan was effective before January 1, 2003, required minimum distributions were made pursuant to (1) through (2) below.
 - (1) 2000 and Before. Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations thereunder published in the Federal Register on July 27, 1987 (the 1987 Proposed Regulations).
 - (2) 2001 and 2002. Required minimum distributions for calendar years 2001 and 2002 were made pursuant to the proposed regulations under Code Section 401(a)(9) published in the Federal Register on January 17, 2001 (the 2001 Proposed Regulations). Distributions were made in 2001 under the 1987 Proposed Regulations prior to June 14, 2001, and the special transition rule in Announcement 2001-82, 2001-2 C.B. 123, applied.
- (b) Other Distribution Requirements. To the extent the Plan was effective before January 1, 2002, the distribution requirements of Code Sections 457(d)(2)(B) and (C) as in effect prior to such date, were met for calendar years ending before such date.
- (c) Transition Rule if Participant Dies Before January 1, 2022. If a Participant dies before January 1, 2022, with respect to a life expectancy described in Section 1.401(a)(9)-9(f)(2)(i) of the regulations, such life expectancy shall be reset as provided in section 1.401(a)(9)-9(f)(2)(ii).

ARTICLE VIII

TERMINATION OF THE PLAN

The Employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned.

The Participant's Account shall continue to participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund until his Vested Account is distributed.

The Participant's entire Vested Account shall be paid in a single sum to the Participant as of the effective date of complete termination of the Plan. If a Participant or Beneficiary is receiving payments under the fixed period or fixed payment installment options, the Account shall be paid to such person in a single sum. The payment is in full settlement of all benefits otherwise payable.

Upon complete termination of the Plan, no more Employees shall become Participants and no more Contributions shall be made.

The assets of this Plan shall not be paid to the Employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining may be paid to the Employer. The payment may not be made if it would contravene any provision of law.

ARTICLE IX

ADMINISTRATION OF THE PLAN

SECTION 9.01--ADMINISTRATION.

Subject to the provisions of this article, the Plan Administrator has complete control of the administration of the Plan. The Plan Administrator has all the powers necessary for it to properly carry out its administrative duties. Not in limitation, but in amplification of the foregoing, the Plan Administrator has complete discretion to construe or interpret the provisions of the Plan, including ambiguous provisions, if any, and to determine all questions that may arise under the Plan, including all questions relating to the eligibility of Employees to participate in the Plan and the amount of benefit to which any Participant, Beneficiary, or Contingent Annuitant may become entitled. The Plan Administrator's decisions upon all matters within the scope of its authority shall be final.

Unless otherwise set out in the Plan or Annuity Contract, the Plan Administrator may delegate recordkeeping and other duties which are necessary for the administration of the Plan to any person or firm which agrees to accept such duties. The Plan Administrator shall be entitled to rely upon all tables, valuations, certificates, and reports furnished by the consultant or actuary appointed by the Plan Administrator and upon all opinions given by any counsel selected or approved by the Plan Administrator.

The Plan Administrator, or its designee, shall receive all claims for benefits by Participants, former Participants, Beneficiaries, and Contingent Annuitants. The Plan Administrator shall determine all facts necessary to establish the right of any claimant to benefits and the amount of those benefits under the provisions of the Plan. The Plan Administrator may establish rules and procedures to be followed by claimants in filing claims for benefits, in furnishing and verifying proofs necessary to determine age, and in any other matters required to administer the Plan.

SECTION 9.02--EXPENSES.

Expenses of the Plan, to the extent that the Employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is consistent with any law to which the Plan is subject. Such expenses include, but are not limited to, expenses for recordkeeping and other administrative services; fees and expenses of the Trustee or Annuity Contract; expenses for investment education service; and direct costs that the Employer incurs with respect to the Plan.

SECTION 9.03--RECORDS.

All acts and determinations of the Plan Administrator shall be duly recorded. All these records, together with other documents necessary for the administration of the Plan, shall be preserved in the Plan Administrator's custody.

Writing (handwriting, typing, printing), photostating, photographing, microfilming, magnetic impulse, mechanical or electrical recording, or other forms of data compilation shall be acceptable means of keeping records.

SECTION 9.04--DELEGATION OF AUTHORITY.

All or any part of the administrative duties and responsibilities under this article may be delegated by the Plan Administrator to a retirement committee. As of the date of this restatement, the retirement committee is composed of the Employer's General Manager, Executive Director of Administration, and

Director of Employee Services. The duties and responsibilities of the retirement committee shall be set out in a separate written document.

SECTION 9.05--EXERCISE OF DISCRETIONARY AUTHORITY.

The Employer, Plan Administrator, and any other person or entity who has authority with respect to the management, administration, or investment of the Plan may exercise that authority in its/his full discretion, subject only to the duties imposed under any law to which the Plan is subject. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of the Plan documents relevant to the issue under consideration. The exercise of authority will be binding upon all persons; will be given deference in all courts of law; and will not be overturned or set aside by any court of law unless found to be arbitrary and capricious or made in bad faith.

SECTION 9.06--TRANSACTION PROCESSING.

Transactions (including, but not limited to, investment directions, trades, loans, and distributions) shall be processed as soon as administratively practicable after proper directions are received from the Participant or such other parties. No guarantee is made by the Plan, Plan Administrator, Trustee, Insurer, or Employer that such transactions will be processed on a daily or other basis, and no guarantee is made in any respect regarding the processing time of such transactions.

Notwithstanding any other provision of the Plan, the Employer, the Plan Administrator, or the Trustee reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, the Plan Administrator, or the Trustee.

Administrative practicality will be determined by legitimate business factors (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider) and in no event will be deemed to be less than 14 days. The processing date of a transaction shall be binding for all purposes of the Plan and considered the applicable Valuation Date for any transaction.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01--AMENDMENTS.

The Employer may amend this Plan at any time, including any remedial retroactive changes (within the time specified by Internal Revenue Service regulations), to comply with any law or regulation issued by any governmental agency to which the Plan is subject. The Employer may correct obvious and unambiguous typographical errors and cross references that merely correct a reference but that do not in any way change the original intended meaning of the provisions.

An amendment may not diminish or adversely affect any accrued interest or benefit of Participants or their Beneficiaries nor allow reversion or diversion of Plan assets to the Employer at any time, except as may be required to comply with any law or regulation issued by any governmental agency to which the Plan is subject.

SECTION 10.02--DIRECT ROLLOVERS.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a Distributee may elect, at a time that is no longer than one hundred eighty (180) days and no shorter than thirty (30) days before an Eligible Rollover Distribution is to be made, and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

In the event of a Mandatory Distribution of an Eligible Rollover Distribution greater than \$1,000 in accordance with the SMALL AMOUNTS SECTION of this article, 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, the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator.

For purposes of determining whether a Mandatory Distribution is greater than \$1,000, a designated Roth account and all other accounts under the Plan shall be treated as accounts held under two separate plans and shall not be combined, and Rollover Contributions shall be disregarded.

In the event of any other Eligible Rollover Distribution to a Distributee in accordance with the SMALL AMOUNTS SECTION of this article (or which is a small amounts payment under Article VIII at complete termination of the Plan), if the Distributee does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution to the Distributee.

SECTION 10.03--PROVISIONS RELATING TO THE INSURER AND OTHER PARTIES.

The obligations of an Insurer shall be governed solely by the provisions of the Annuity Contract. The Insurer shall not be required to perform any act not provided in or contrary to the provisions of the Annuity Contract. Each Annuity Contract when purchased shall comply with the Plan. See the CONSTRUCTION SECTION of this article.

Any issuer or distributor of investment contracts or securities is governed solely by the terms of its policies, written investment contract, prospectuses, security instruments, and any other written agreements entered into with the Trustee with regard to such investment contracts or securities.

Such Insurer, issuer or distributor is not a party to the Plan, nor bound in any way by the Plan provisions. Such parties shall not be required to look to the terms of this Plan, nor to determine whether the Employer, the Plan Administrator, or the Trustee have the authority to act in any particular manner or to make any contract or agreement.

Until notice of any amendment or termination of this Plan or a change in Trustee has been received by the Insurer at its home office or an issuer or distributor at their principal address, they are and shall be fully protected in assuming that the Plan has not been amended or terminated and in dealing with any party acting as Trustee according to the latest information which they have received at their home office or principal address.

SECTION 10.04--EMPLOYMENT STATUS.

Nothing contained in this Plan gives an Employee the right to be retained in the Employer's employ or to interfere with the Employer's right to discharge any Employee.

SECTION 10.05--RIGHTS TO PLAN ASSETS.

An Employee shall not have any right to or interest in any assets of the Plan upon termination of employment or otherwise except as specifically provided under this Plan, and then only to the extent of the benefits payable to such Employee according to the Plan provisions.

Any final payment or distribution to a Participant or his legal representative or to any Beneficiaries or Contingent Annuitant of such Participant under the Plan provisions shall be in full satisfaction of all claims against the Plan, the Plan Administrator, the Insurer, the Trustee, and the Employer arising under or by virtue of the Plan.

SECTION 10.06--BENEFICIARY.

Each Participant may name a Beneficiary to receive any death benefit (other than any income payable to a Contingent Annuitant) that may arise out of his participation in the Plan. The Participant may change his Beneficiary from time to time. The Participant's Beneficiary designation and any change of Beneficiary shall be subject to the provisions of the ELECTION PROCEDURES SECTION of Article VI. It is the responsibility of the Participant to give written notice to the Insurer of the name of the Beneficiary on a form furnished for that purpose.

With the Employer's consent, the Plan Administrator may maintain records of Beneficiary designations. In that event, the written designations made by Participants shall be filed with the Plan Administrator. If a Participant dies, the Plan Administrator shall certify to the Insurer the Beneficiary designation on its records for the Participant.

If there is no Beneficiary named or surviving when a Participant dies, the Participant's Beneficiary shall be the Participant's surviving spouse, or where there is no surviving spouse, the executor or administrator of the Participant's estate.

SECTION 10.07--NONALIENATION OF BENEFITS.

Benefits payable under the Plan are not subject to the claims of any creditor of any Participant, Beneficiary, spouse, or Contingent Annuitant. A Participant, Beneficiary, spouse, or Contingent Annuitant does not have any rights to alienate, anticipate, commute, pledge, encumber or assign any of such benefits. The preceding sentences shall not apply to a domestic relations order. A domestic relations order is a judgement, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of the Participant made pursuant to the domestic

relations law of any State. Payment may be made pursuant to a domestic relations order without regard to whether the Participant is eligible for a distribution of benefits under the Plan. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order shall not fail to be a qualified domestic relations order (a) solely because the order is issued after, or revises, another domestic relations order or qualified domestic relations order, or (b) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death. A domestic relations order described in the preceding sentence shall be subject to the same requirements and protections that apply to qualified domestic relations orders.

SECTION 10.08--CONSTRUCTION.

The validity of the Plan or any of its provisions is determined under and construed according to Federal law and, to the extent permissible, according to the laws of the state in which the Employer has its principal office. In case any provision of this Plan is held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included.

In the event of any conflict between the provisions of the Plan and the terms of any Annuity Contract issued hereunder, the provisions of the Plan control.

SECTION 10.09--LEGAL ACTIONS.

No person employed by the Employer; no Participant, former Participant, or their Beneficiaries; nor any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan.

SECTION 10.10--SMALL AMOUNTS.

If the value of the Participant's Vested Account (disregarding the portion, if any, of his Account resulting from Rollover Contributions) does not exceed the dollar limit under Code Section 411(a)(1)(A), his entire Vested Account shall be distributed as of the earlier of the date he dies, or the date he has a Severance from Employment for any other reason (the date the Employer provides notice to the record keeper of the Plan of such event, if later). For purposes of this section, if the Participant's Vested Account is zero, the Participant shall be deemed to have received a distribution of such Vested Account. This is a small amounts payment.

In the event a Participant does not elect to have a small amounts payment paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly and his Vested Account is greater than \$1,000, a Mandatory Distribution will be made in accordance with the DIRECT ROLLOVERS SECTION of this article. If his Vested Account is \$1,000 or less, the Participant's entire Vested Account shall be paid directly to him.

If a small amounts payment is made on or after the date the Participant dies, the small amounts payment shall be made to the Participant's Beneficiary. If a small amounts payment is made while the Participant is living, the small amounts payment shall be made to the Participant.

The small amounts payment is in full settlement of all benefits otherwise payable. No other small amounts payment shall be made.

SECTION 10.11--WORD USAGE.

The masculine gender, where used in this Plan, shall include the feminine gender and the singular words, as used in this Plan, may include the plural, unless the context indicates otherwise.

The words "in writing" and "written," where used in this Plan, shall include any other forms, such as voice response or other electronic system, as permitted by any governmental agency to which the Plan is subject.

SECTION 10.12--MILITARY SERVICE.

Notwithstanding any provision of this Plan to the contrary, the Plan shall provide contributions, benefits, and service credit with respect to Qualified Military Service in accordance with Code Section 414(u).

Beginning January 1, 2007, a Participant who dies on or after January 1, 2007 while performing Qualified Military Service is treated as having resumed and then terminated employment on account of death, in accordance with Code Section 401 (a)(37) and any subsequent guidance. The survivors of such Participant are entitled to any additional benefits provided under the Plan on account of death of the Participant.

SECTION 10.13—MISTAKEN CONTRIBUTIONS.

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator and the law, to the Employer.

SECTION 10.14—PAYMENTS TO MINORS AND INCOMPETENTS.

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Plan Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

SECTION 10.15—SEVERABILITY.

If any provision of this Plan is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provision shall continue to be fully effective.

By executing this Plan, the Employer acknowledges having counseled to the extent necessary with selected legal and tax advisors regarding the Plan's legal and tax implications.

Executed this _____ day of _____, _____

PORTLAND WATER DISTRICT

By: _____

Title

ACKNOWLEDGED as PLAN ADMINISTRATOR this _____ day of _____.

By: _____

Title



ADMINISTRATION AND FINANCE COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 4
 Date of Meeting: December 11, 2023
 Subject: Douglass Street PI Server Upgrade – CIP Amendment
 Presented By: David Kane, Executive Director of Administration

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, that the 2023 Capital Improvement Plan is increased to \$420,000 for the Douglass Street PI Server Upgrade Project. (2023 CIP 23-3281)

BACKGROUND

The 2023 Capital Improvement Plan included a \$130,000 project to replace the software that displays SCADA data in a user-friendly manner (PI system). In the past, the software license was purchased and paid in one lump sum. Additionally, an annual maintenance fee was paid. The software company proposed a more cost-effective model of purchasing the software through a subscription model with a yearly payment for both use of the software and maintenance. Under a new accounting rule (Government Accounting Standards Board, or GASB, rule 96), subscriptions should be recorded as an intangible asset with an asset value equal to the present value of the payment stream commitment.

As indicated below, the subscription option five-year cash outlay is approximately \$31,000 lower than the lump sum license purchase. The subscription option would require recording an intangible asset of \$420,000, which is higher than the combined cash outlay in the CIP/Operating Budget forecast (e.g.- the \$130,000 included in the capital improvement plan and approximate \$50,000 per year included in the annual forecast). The new software will allow an additional number of data points, including the points needed for the new North Windham Wastewater Treatment Facility, and assist in greater automation at our facilities.

	2024	2025	2026	2027	2028	Total Cash	Present Value
<u>License Purchased:</u>							
One-time Payment	\$ 145,420						
Annual Maintenance	\$ 60,000	\$ 63,000	\$ 66,150	\$ 69,458	\$ 72,930		
	\$ 205,420	\$ 63,000	\$ 66,150	\$ 69,458	\$ 72,930	\$ 476,958	
<u>Subscription Option:</u>							
Annual Payment	\$ 80,700	\$ 84,800	\$ 89,000	\$ 93,500	\$ 98,200	\$ 446,200	\$ 420,000
<u>PWD Budget:</u>							
2023 CIP 50/3281	\$ 130,000						
2024 - 2028 Forecast	\$ 49,311	\$ 51,283	\$ 53,335	\$ 55,468	\$ 57,687		
	\$ 179,311	\$ 51,283	\$ 53,335	\$ 55,468	\$ 57,687	\$ 397,084	

FISCAL REVIEW / FUNDING

The \$420,000 intangible asset would be amortized over the five-year term with the 2024 Operating Budget impact of approximately \$95,000, which is about \$45,000 higher than the amount included in the budget. Because funding will be through the operating budget, the \$130,000 included in the 2023 CIP does not need to be withdrawn from the Renewal and Replacement Fund and will be available for other capital projects.

<u>Operating Budget Impact:</u>	2024	2025	2026	2027	2028
Subscription Amortization	\$ 94,600	\$ 92,200	\$ 89,500	\$ 86,600	\$ 83,300
2024 - 2028 Forecast	\$ 49,311	\$ 51,283	\$ 53,335	\$ 55,468	\$ 57,687
	<u>\$ 45,289</u>	<u>\$ 40,917</u>	<u>\$ 36,165</u>	<u>\$ 31,132</u>	<u>\$ 25,613</u>

LEGAL REVIEW

Corporate Counsel reviewed the proposed motion and approved it as to form.

CONCLUSION(S)

Staff recommends that the Board approve the proposed motion.

ATTACHMENT(S)

None



MEMORANDUM PORTLAND WATER DISTRICT

TO: Operations Committee/Board of Trustees

FROM: Scott Firmin, Director of Operations - Wastewater
James Wallace, Director of Operations - Water

DATE: December 5, 2023

RE: **Operations Committee Meeting – December 11, 2023**

A meeting of the Operations Committee of the Portland Water District Board of Trustees will be held on Monday, December 11, 2023, at 5:30 p.m., in the Emergency Operations Center (EOC) Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. Ottawa Road Pump Station Upgrade – Construction**
Staff will provide a recommendation for a construction contract for the Ottawa Road Pump Station Upgrade Project. (See attached memo)
- 2. Other Business**

OPERATIONS COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 1
Date of Meeting: December 11, 2023
Subject: Ottawa Rd. Pump Station Upgrade – Construction
Presented By: Greg Pellerin, Senior Project Engineer

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, a construction contract with T. Buck Construction, Inc. is hereby authorized, in the amount of \$361,127 for the Ottawa Rd. Pump Station Upgrade Project (CIP 2022 – 70/3006); and

BE IT FURTHER ORDERED, that the project budget is amended by increasing it by \$80,000 and that the total budget for the Project is hereby authorized, not to exceed \$430,000; and that the General Manager, and the Treasurer, each acting singly, are authorized to take such steps as may be necessary to accomplish the intent of the vote.

BACKGROUND ANALYSIS

The Ottawa Road Pump Station collects wastewater from five residential roads in Cape Elizabeth. Aging equipment has been causing increased mechanical failures which is of particular concern as this station is connected to a Combined Sewer Overflow (CSO), and as such is a relatively high-criticality station.

The design was completed and issued for bid in October 2023, with bids due in late November. T. Buck Construction's bid was the only response received. Value Engineering was completed throughout the project; however, the bid response exceeds the available budget for construction. The project CIP budget was originally estimated several years ago, prior to significant market price increases associated with the COVID-19 pandemic. While higher than originally anticipated, based on recent pricing of other projects and the rising cost of commodities, the proposed cost is a good value.

PWD has experience with T. Buck Construction and has determined they have the contracting capacity, relevant project experience, qualifications, and resources to complete the Project. PWD staff therefore recommends that T. Buck Construction be considered the low responsive and responsible bidder.

Project #: 2022-Subprogram 51/ Project 3005

FISCAL REVIEW/FUNDING

The project is planned to be financed through the Maine Municipal Bond Bank's General Resolution program. The 2024 Budget assumed a bond of \$500,000 would be issued at 4% in 2024. A project of \$430,000 would reduce the first year of debt service by approximately \$6,300.

LEGAL REVIEW

Corporation Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends awarding the contract to the lowest responsive and responsible bidder for the project, T. Buck Construction, Inc.

ATTACHMENT(S)

Supporting Information

SUPPORTING INFORMATION

The Ottawa Rd. Pump Station was installed and started up in 1972. Since that time there have only been minor updates completed, and much of the station's equipment is beyond its expected useful life. The station is in need of an upgrade to ensure safe and reliable operation into the future.

The station is a flooded suction canned-style pump station. The existing 10HP pumps are capable of pumping 300 gpm against 59-ft TDH in a duplex configuration. The station has a building that houses a defunct generator, electrical gear, and controls equipment. It also has a precast wet well, as well as the steel can containing the pumps and process valves and fittings. An aerial view of the station is shown in **Figure 1** below.



Figure 1: Ottawa Rd. Pump Station, Aerial View

A project to upgrade the station was included in the 2022 CIP budget to address the aging electrical gear, controls equipment, and controls building which are beyond their useful expected lifespan. During preliminary design it was determined that replacing the existing electrical gear, controls equipment, and controls building would be much more cost-effective than rehabilitating. PWD engineering staff developed the project design including plans and specifications for the project. Additionally, an automation services firm was hired to design the control panels, and an electrical engineering firm was hired to design the electrical distribution system. This information will be utilized to establish an appropriate electrical distribution system and controls system during submittal review and through construction/integration.

The project will reconfigure the station by removing the existing controls building and the defunct generator currently inside it, and constructing a stick-built controls building on the existing foundation. Additionally, the project will update the electrical distribution equipment including the service meter, wire and conduit, and distribution and breaker panels. Controls equipment, including the SCADA panel and the pump VFD panel, will be also be updated. And finally, a new flowmeter will replace the existing defunct flowmeter.

The design was completed and issued for bid in October 2023, with bids due in late-November. The project was advertised and solicited to PWDs current list of regional contractors and suppliers. A pre-bid meeting, and a site walk were held with a total of four contractors showing up to these meetings. PWD received one bid from General Contractors on the project as shown in **Table 1**.

Table 1: Bid Tab

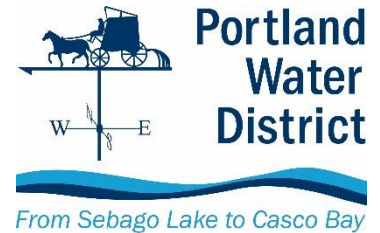
RFB:	Ottawa Rd. Pump Station Upgrades	
Date:	11/27/2023	
	Bidder	Bid
	T. Buck Construction	\$ 361,127.00

This project CIP budget was originally estimated several years ago, prior to significant market price increases. While higher than originally anticipated, based on recent pricing of other projects and the rising cost of commodities, we feel the proposed cost is good value.

The following project budget is proposed in **Table 2** below:

Table 2: Proposed Project Budget

Item	Amount
Original CIP Budget	\$ 350,000.00
Previous Expenses (Construction & Design)	\$ 32,976.00
Base Project Bid	\$ 361,127.00
Project Contingency (8.25%)	\$ 35,897.00
Total Proposed Project Budget	\$ 430,000.00
Proposed Budget Increase	\$ 80,000.00



MEMORANDUM PORTLAND WATER DISTRICT

TO: Planning Committee/Board of Trustees

FROM: Christopher Crovo, P.E., Executive Director of Asset Management and Planning

DATE: December 5, 2023

RE: **Planning Committee Meeting – December 11, 2023**

A meeting of the Planning Committee of the Portland Water District Board of Trustees will be held on Monday, December 11, 2023, at 5:30 p.m., in the Nixon Room of the District, 225 Douglass Street, Portland, Maine.

AGENDA

- 1. CMP Substation – Closing on the CMP Easement**
Staff will provide an update on the closing of the CMP easement purchase which is scheduled for the end of December.
- 2. Agreement Amendment - Standish Route 114 and Route 35 Stormwater Redirection and Infiltration**
Staff will recommend an amendment to the agreement with the town of Standish for the stormwater redirection project to include a construction budget. (See attached memo)
- 3. Town of Standish and PWD staff – Lease Agreement Review**
Staff will provide an overview of the meeting and review with the committee the current lease agreements with have with the town.
- 4. Other Business**

PLANNING COMMITTEE / AGENDA ITEM SUMMARY

Agenda Item: 2
 Date of Meeting: December 11, 2023
 Subject: Standish Route 114 and Route 35 Stormwater Redirection and Infiltration
 Presented By: Chad Thompson, Source Protection Coordinator

RECOMMENDATION

The following proposed language is presented for Board of Trustee approval:

ORDERED, the General Manager is hereby authorized to execute an amendment to the Town of Standish/PWD professional services contract with Gorrill Palmer in the amount of \$250,000 for engineering and construction to re-direct stormwater collected at the intersection of Route 35 and Route 114 in Standish from Standish Brook to Northeast Rd Ext.

BACKGROUND ANALYSIS

The Town of Standish has contracted with Gorrill Palmer to modify the intersection of Route 35 and Route 114 to address persistent issues with traffic flow through the intersection. In addition to the installation of smart traffic signals, the project will also require relocation of some stormwater catch basins and piping to accommodate a new traffic pattern.

The District has long been working to mitigate negative water quality impacts to Standish Brook, a brook that drains Standish Village and flows directly into Lower Bay. Once staff learned that Standish’s traffic improvement plan included relocating the catch basins as part of their project, District staff identified this project as an opportunity to facilitate the redirection of stormwater from the intersection away from Standish Brook to an existing infiltration ditch alongside Northeast Rd Ext. Meetings between District lake protection staff and the town’s planning and public works staff have affirmed willingness to partner on this project.

From a source water quality perspective, redirection of stormwater flow from the intersection would redirect the majority of intersection stormwater from a direct input to Sebago Lake via the brook to an existing infiltration ditch more than 500’ from the lake. Infiltration of existing stormwater will help keep E. coli bacteria out of the lake and will help mitigate nutrient contamination as well. In addition to the stormwater redirection project, staff have begun conversations with Gorrill Palmer on a separate project that will increase the size of the infiltration ditch and explore the use of a District-owned buffer to provide enhanced treatment. Increased stormwater capacity of the ditch will be needed to ensure it can handle the estimated volume of all eligible catch basins and to address plans the town has to capture even more stormwater from Route 35 west of the intersection.

A breakdown of cost estimates for the stormwater redirect portion of this project is shown below:

Drainage Design Work

PWD Portion	\$9,430
Standish Portion	\$2,000
Total	\$11,430

Drainage Construction Work

PWD Portion	\$237,400
Standish Portion	\$123,200
Total	\$360,600

FISCAL REVIEW / FUNDING

The project cost of \$248,830 will be withdrawn from the Trustee Watershed Protection Fund.

LEGAL REVIEW

Corporate Counsel has reviewed the proposed order as to form.

CONCLUSION(S)

Staff recommends partnering with the Town of Standish and Gorrill Palmer on the Route 35/Route 114 intersection project to redirect stormwater from Standish Brook to an existing infiltration ditch on Northeast Rd Ext.

ATTACHMENT(S)

Grading and Drainage Plan

ROUTE 114 & 35 INTERSECTION LAYOUT & SIGNALIZATION

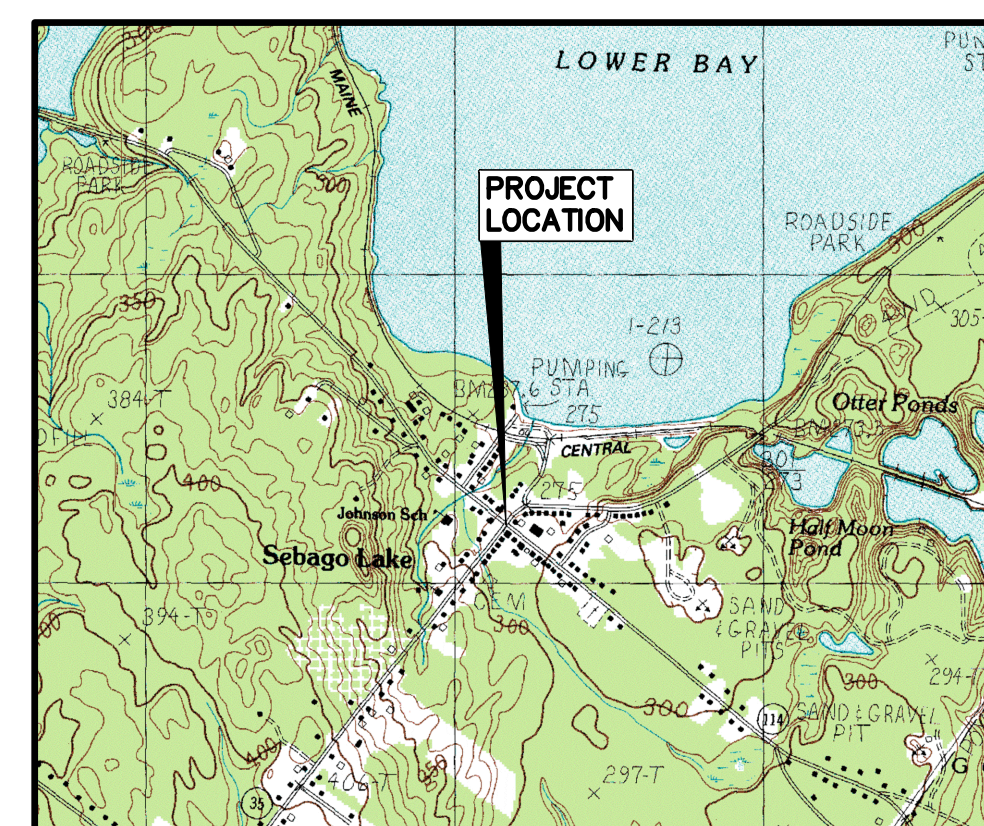
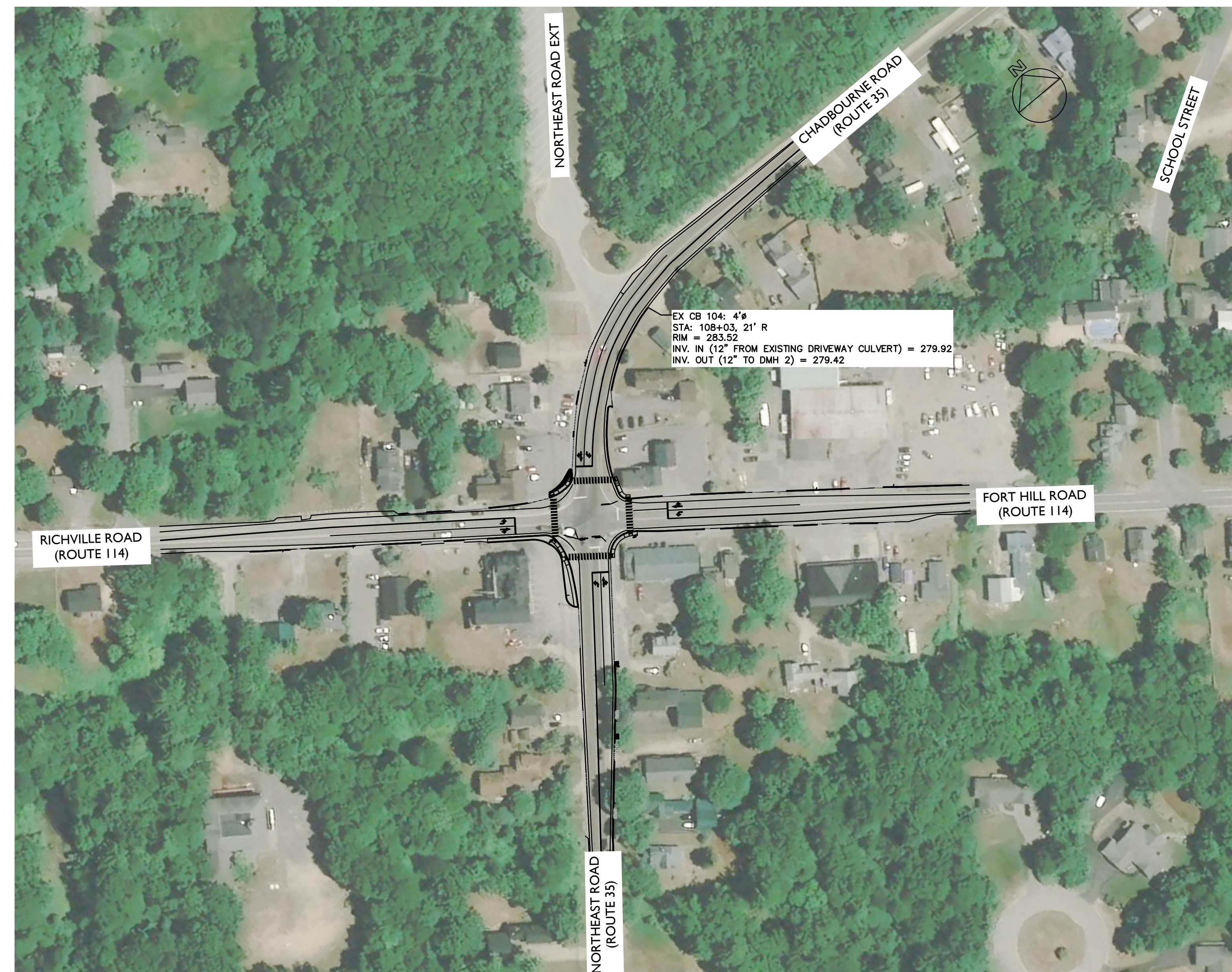
STANDISH, MAINE
CUMBERLAND COUNTY

NOVEMBER 2023

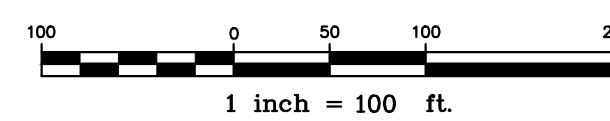
INDEX OF SHEETS

SHEET NO.	DESCRIPTION
1	TITLE SHEET
2	GENERAL NOTES
3	TYPICAL SECTIONS
4-5	MISCELLANEOUS DETAILS
6	EXISTING CONDITIONS PLAN
7	INTERSECTION DEMOLITION PLAN
8	OVERALL PLAN
9	GENERAL PLAN - ROUTE 114
10	GENERAL PLAN - ROUTE 35
11	PROFILE - ROUTE 114
12	PROFILE - ROUTE 35
13	GRADING AND DRAINAGE PLAN
14	INTERSECTION LAYOUT PLAN
15	INTERSECTION GRADING PLAN
16	SIGNAL PLAN
17	SIGNAL NOTES
18	SIGNAL DETAILS
19	SIGNALING AND STRIPING PLAN

CONVENTIONAL SYMBOLS			
EXISTING	PROPOSED	EXISTING	PROPOSED
○	Iron pin found	— — — — —	Stockade fence
□	Monument found	— — — — —	Chain link fence
⊙	Utility pole	□	Catch basin
— — — — —	Construction Baseline	⊕	Water Shutoff
— — — — —	Edge of pavement	⊙	Sewer manhole
— — — — —	Curb	⊙	Drain manhole
— — — — —	Right of way line	⊕	Fire hydrant
— — — — —	Overhead electric	⊕	Tree
— — — — —	Water line	⊕	Guy wire
— — — — —	Storm drain	⊕	Sign
— — — — —	Underdrain	□	Building
— — — — —	Existing contour	— — — — —	Silt Fence



LOCATION MAP
A PORTION OF CUMBERLAND COUNTY



NOTE:
 * MAINTENANCE OF TRAFFIC PER THE MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES (MUTCD 2009 EDITION).
 * CONTRACTOR SHALL USE THE B.M.P. (BEST MANAGEMENT PRACTICES FOR EROSION AND SEDIMENT CONTROL) AS A MINIMUM STANDARD.

NOTE: THIS PLAN SET IS ISSUED FOR PERMITTING PURPOSES AND SHALL NOT BE USED FOR CONSTRUCTION.

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Rev.	Date	Revision

Issued For	Date	By

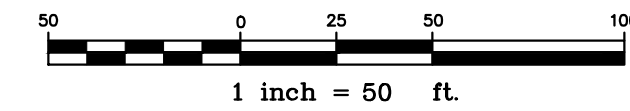
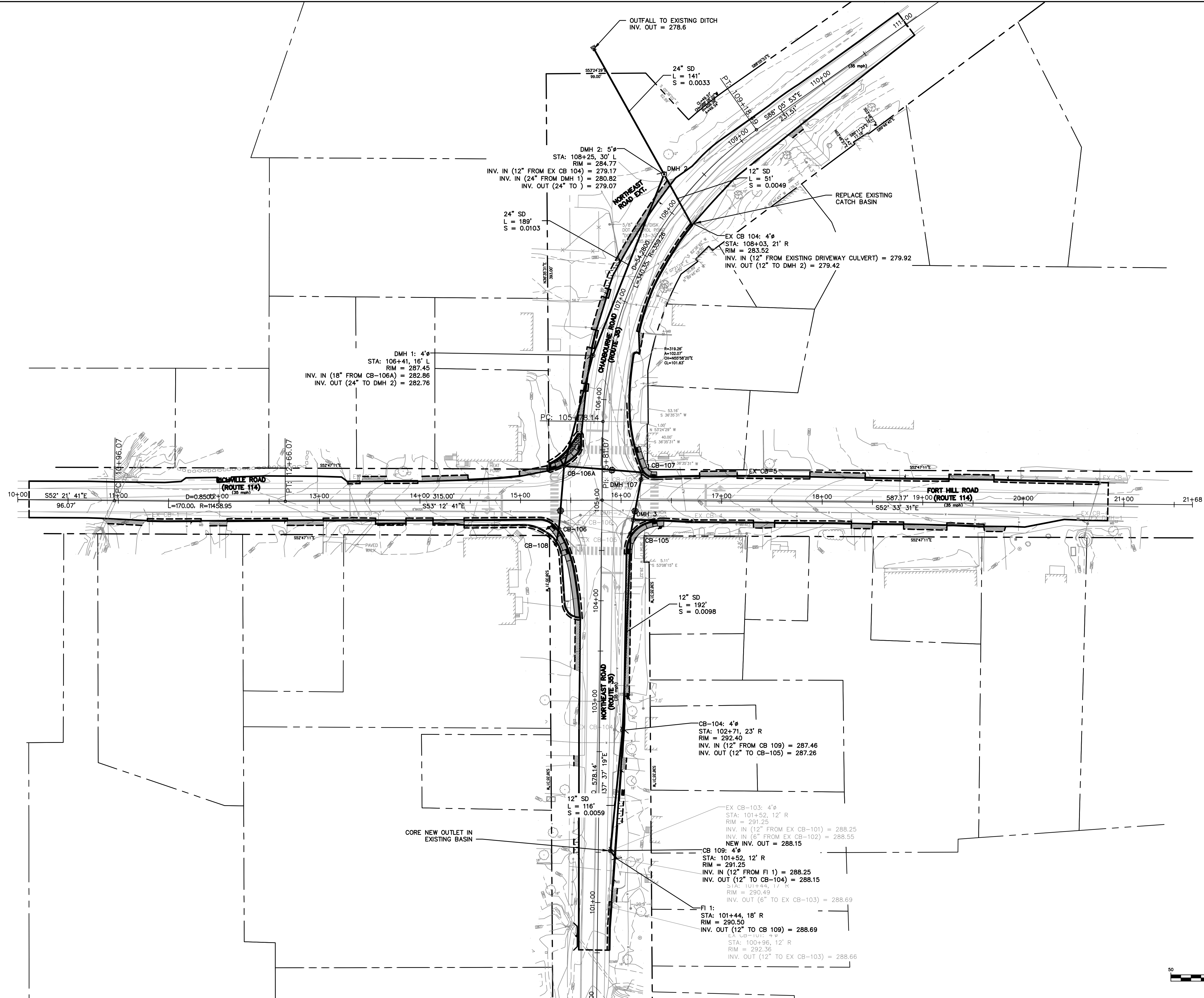
Design: HWH Draft: LAN Date: OCT 2023
 Checked: WCH Scale: AS SHOWN Job No.: 3863
 File Name: 3863-COVER.dwg
 This plan shall not be modified without written permission from Gorrill Palmer. Any alterations, authorized or otherwise, shall be at the user's sole risk and without liability to Gorrill Palmer.

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 207.772.2515

Drawing Name:	TITLE SHEET
Project:	Layout & Signalization of Route 114 & 35 Intersection Standish, Maine
Client:	Town of Standish 175 Northeast Road, Standish, Maine 04084

Drawing No.
1

U:\3863_Standish_Rte 114 & 35 Adaptive Signal\11_11\2023_10-55 AM CAD\DWG\3863-DRAIN.dwg 11/14/2023 10:55 AM



NOTE: THIS PLAN SET IS ISSUED FOR PERMITTING PURPOSES AND SHALL NOT BE USED FOR CONSTRUCTION.

Rev.	Date	Revision

Issued For	Date	By

Design:	HWH	Draft:	LAN	Date:	OCT 2023
Checked:	WCH	Scale:	1"=50'	Job No.:	3863
File Name:	3863-DRAIN.dwg				

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Drawing Name:	GRADING AND DRAINAGE PLAN
Project:	Layout & Signalization of Route 114 & 35 Intersection Standish, Maine
Client:	Town of Standish 175 Northeast Road, Standish, Maine 04084

Drawing No.	13
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