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RETIREMENT BOARD

BIG SKY COUNTY WATER & SEWER DIST.363

RESOLUTION 03-01

The Big Sky County Water & Sewer District # 363, on this 18 day of February, 2003, adopts this resolution to enter into a contract with the Public Employees' Retirement Board to offer the state deferred compensation plan for the voluntary use of any of its eligible employees.

NOW, THEREFORE, BE IT RESOLVED by the Big Sky County Water & Sewer District # 363 (hereinafter referred to as "District") that the District become a contracting employer for the purposes of Section 19-50-201, MCA, and that the District participate in the deferred compensation plan administered by the Montana Public Employees' Retirement Board (hereinafter referred to as "Board"). Any eligible employee of the District may voluntarily choose to participate in the state deferred compensation plan.

BE IT FURTHER RESOLVED that the deferred compensation plan is subject to Title 19, chapter 50 of the Montana Code Annotated; is eligible under Section 457 of the Internal Revenue Code of 1954 (26 U.S.C. 457), as amended or superseded; and complies with regulations of the U.S. Department of the Treasury.

BE IT FURTHER RESOLVED that a participating employee may

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defer receipt of a part of their compensation and the deferred amount shall be invested in one or more of the investment options provided for in 19-50-102, MCA. The total amount of compensation deferred may not exceed the amount permitted by the Internal Revenue Code. Compensation deferred pursuant to this resolution is included as compensation for the purpose of computing retirement or pension benefits, but is not subject to state and federal income tax until properly distributed.

BE IT FURTHER RESOLVED that the Clerk of the District is authorized and directed to submit to the Board the compensation deferred by each participating employee in accordance with Title 19, Chapter 50, Montana Code Annotated.

BE IT FURTHER RESOLVED that the Board will hold the deferred compensation funds invested pursuant to this resolution and contract in a trust, custodial account, or insurance contract for the exclusive benefit of plan participants and their beneficiaries. The plan's administrator may allocate any necessary costs against the assets and interest earnings of each participant.

BE IT FURTHER RESOLVED that neither the Board nor the District shall be financially liable for any investment losses incurred.

BE IT FURTHER RESOLVED that the legislative body of the District is authorized and directed to enter into a contract

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with the Board that carries out the intent of this Resolution.

The contract shall be effective on the 1 day of April, 2003.

AND BE IT FINALLY RESOLVED that in the event subsequent legislative assemblies of the state of Montana amend Title 19, Chapter 50 as to benefits, rights, or deferrals, the contract established pursuant to this Resolution shall be amended to correspond thereto and the legislative amendments shall be made a part of this Resolution and the ensuing contract.

Big Sky County Water & Sewer District

By: John Rulick
President.

ATTEST: Dee Rothschild
Secretary. Clerk or other like Officer

DATE: Feb 18, 2003



Notary - Carol L. Collins
Carol L. Collins
exp. May 31, 2003
Gallatin Gateway, MT.

BIG SKY COUNTY WATER & SEWER DIST.363

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ADOPTION AGREEMENT

THIS AGREEMENT, made and entered into this 18 day of February, 2003, by and between the Big Sky County Water and Sewer District, hereinafter called the "District", and the Public Employees' Retirement Board, a state administrative agency hereinafter called the "Board", establishes that the parties mutually covenant and agree that:

1. Effective the 1st day of April, 2003, the rights, benefits, deferrals, payments, duties, and obligations with respect to membership and participation in the state of Montana's deferred compensation program (Title 19, chapter 50, MCA), shall be available to the employees of the District upon the terms and conditions set forth in the applicable statutes, regulations, and plan document. Account balances in the District's previous 457 plan, if any, may be directly transferred from that plan to the state's program.

2. The District's payroll officer shall withhold from the compensation of a participating employee the deferral amount specified in that employee's salary deferral agreement provided the employee has signed a participant enrollment form indicating their desire to participate in the deferred compensation program and a salary deferral agreement.

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3. The District agrees, within a reasonable time but no later than 5 business days after each pay day, to submit to the Board required participant data and funds for the participant deferrals indicated on each participant's salary deferral agreement.

4. The District further agrees, at the same time the participant data and funds referenced in section 3 above are submitted, to submit to the Board as additional deferral amounts the appropriate employer's contribution, if any. The employer's contribution may be any amount up to 5% of the participant's gross pay, but may not exceed the participant's deferral amount.

5. The total amount of compensation deferred in a calendar year, participant's deferral and employer's contribution together, may not exceed the lesser of the amount permitted by the Internal Revenue Code (\$11,000 as of January 1, 2002), or 100% of the participant's includible compensation.

6. All plan assets, including participant deferrals, employer contributions, and all income attributable to those assets, are held in trust by the Board for the exclusive benefit of the participants and their beneficiaries.

7. The Board agrees to maintain, or have maintained by a service manager, an account for each participant. Each participant's account will be credited with the participant's

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deferral amount for each pay period upon receipt of the deferral amount from the District.

8. The Board further agrees to invest, or have invested by a third party, a participant's deferral amounts pursuant to instructions on the participant's enrollment form and Title 19, Chapter 50, MCA. The participant's account will be adjusted daily to reflect any distribution to the participant and all interest, dividends, account charges, and changes in market value resulting from the investment of the participant's deferred amounts. Pursuant to 19-50-204, MCA, neither the Board nor the District are financially liable for any investment losses incurred.

9. The Board further agrees that a written statement of account shall be provided to each participant within thirty (30) days after the end of each quarter of the calendar year. The statement shall show participant deferrals and employer contributions for each payroll period.

10. Benefits will be payable to each participant pursuant to the appropriate plan document. Benefits are normally available following a participant's separation of service, death, or disability, or the occurrence of an unforeseeable emergency. Voluntary in-service distributions are available to participants' whose account does not exceed \$5,000 on the date of distribution; who have not previously received an in-service distribution; and who have had no amount deferred under the Plan during the two-year

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period ending on the date of the in-service distribution.

Participant' accounts may also be subject to partial or full distribution, before or following separation from service, pursuant to a Qualified Domestic Relations Order.

11. Any amendments made by the Montana Legislature to the Deferred Compensation Program, Title 19, Chapter 50, MCA, shall apply to and become a part of this Adoption Agreement on the effective date of the amendments, and the Adoption Agreement shall be amended accordingly.

12. This Adoption Agreement shall not be cancelled, amended, or abrogated by any act of the parties except as provided for in the Title 19, Chapter 50, MCA, specifically 19-50-201, MCA.



Big Sky County Water & Sewer District

By: John Robert
President.

ATTEST: Dee Rothschild
Secretary, Clerk or other like Officer

DATE: Feb. 18, 2003

Notary-Carol L. Collins
Carol L. Collins
exp. May 31, 2006
Residing: Gallatin Gateway,
MT

PUBLIC EMPLOYEES' RETIREMENT BOARD

By: Terry Tiebrow
President

ATTEST: Michael Okun
Executive Director

DATE: 3/3/03

2/18/2003