



RESOLUTION NO. 011-24

WHEREAS, it has come to the attention of the Board of Directors that the Employee Benefits Plan administered under a contract with a Vendor or Vendors has not been operated in accordance with the terms of that contract, and

WHEREAS, rather than making attempts to comply with the contract and return funds to the plan as provided for in the contract, the Vendor or Vendors, acting through District staff and without any prior discussion with the Board of Directors, has presented a document to the District that would appear to absolve the Vendor or Vendors from responsibility to the District to recover funds that were improperly distributed to former employees in violation of the terms of the plan, and

WHEREAS, it is important that the District, acting through the power invested in the Board of Directors, assert its rights under the contract and should enforce those rights on behalf of the customers of the District so that they do not continue to suffer financial harm,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS of the County Water District of Billings Heights, Yellowstone County, Montana as follows:

1. That the Board directs the Chairman of the Board to contact the attorney representing the District to review and advise the Board on the steps necessary to force the Vendor or Vendors to abide by the terms of the contract and direct the attorney to contact the Vendor or Vendors and direct them to abide by the contract.
2. That the board directs the General Manager acting through the staff to immediately suspend the transfer of employer funds which are currently distributed to the Vendor or Vendors and instead transfer those funds to a reserve account for disposition following the end of the calendar year after proper reconciliation of the funds of the account in accordance with the terms of the Employee Benefits Plan in effect under the budget of the next fiscal year as is typical in most Employee Benefit Plans maintained by small businesses like those in the District.

3. The Board directs the General Manager to provide a report to the Board by email no later than April 25, 2024 confirming that the necessary reserve account has been established and that no employer funds directed to the reserve account will be distributed with the payroll to occur on April 26, 2024 or thereafter without the advance approval of the Board of Directors.

PASSED by the Board of Directors of the County Water District of Billings Heights and **APPROVED** this 17th day of April, 2024.

**COUNTY WATER DISTRICT
OF BILLINGS HEIGHTS**

BY:

ITS: President, Doug Kary

Attest:


Board Secretary