Catskill Watershed Corporation

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EMAIL COVER SHEET

To: **FINANCE COMMITTEE**

ATTN:

Thomas Snow	Richard Parete
Alicia Terry	Innes Kasanof
Shilo Williams	Joseph Cetta
John Kosier	Jim Ellis

CC: CWC Staff, John Schwartz, Michael Meyer, Matthew Giannetta, Thomas Stalter, Gerson Tavarez and Aaron Bennett

SUBJECT: FINANCE COMMITTEE MEETING NOTICE

DATE: Tuesday, December 1, 2026

TIME: START: Immediately Following Policy

LOCATION: Catskill Watershed Corporation Building

Additional Instructions:

Please be advised that the Finance Committee meeting has been scheduled.

NOTICE OF PRIVILEGE AND CONFIDENTIALITY

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CWC Finance Meeting
December 1, 2026
AGENDA

Committee Members: Joseph Cetta, Jim Ellis, Innes Kasanof, John Kosier, Jason Merwin, Richard Parete, Karen Stainbrook, Alicia Terry, Shilo Williams

AGENDA

I. Call To Order

II. Review Minutes From Previous Meeting

III. Review October Financial Statements

IV. Secure Amendment (Pre-Read)

V. Other

VI. Schedule Next Meeting

VII. Adjournment

CWC Finance Meeting
November 3, 2026
DRAFT MINUTES

Attended Committee Members: Joseph Cetta, Jim Ellis, Innes Kasanof, John Kosier, Jason Merwin, Richard Parete, Karen Stainbrook, Alicia Terry, Shilo Williams

MINUTES

I. Call To Order

II. Review Minutes From Previous Meeting – Accepted as presented.

III. Review September Financial Statements - The September financial statements and the supplemental schedules were presented to the committee. Two banks agreed to increase the interest rates on our higher tiered savings and checking accounts. We should receive the 2026 audit engagement letter soon and the audit is scheduled to start February 1, 2027.

IV. Other – In October the [2027] corporate budget was presented to the committee. There was an error in the salary and compensation spreadsheet. The revisions were discussed and the committee accepted both the changes to the revised budget and the revised budget resolution which was presented at the November board meeting. The Deputy Finance Director presented information about checks issued, voids, etc. to the committee.

V. Schedule Next Meeting – The next meeting will be held on December 1, 2026.

VI. Adjournment

Catskill Watershed Corporation
Finance Director's Report
November 3, 2026

Financial Statements

On November 3, 2026, the September financial statements and the supplemental schedules were presented to the Finance Committee. The October financial statements and the supplemental schedules will be presented at the next Finance Committee meeting on December 1, 2026.

Investments

Enclosed you will find a summary of CWC's investments. As of September 30, 2026, the total [municipal/agency bonds] carrying value is $9,755,686. The interest yields range from .63% to 4.52%, and maturity terms vary, up to 2 +/- years. For real short-term investments, CWC has invested in money markets and savings accounts at authorized banks totaling $20,385,902 with interest rates ranging up to 3.22%.

Catskill Watershed Corp. name
Catskill Watershed Corp. 403(b) Plan

SECURE Act, CARES Act and SECURE 2.0 Act
Good Faith Amendment
Summary

This amendment is intended to be used by a 403(b) plan in conjunction with the CALCAIR Section 403(b) Volume Submitter Plan Document (Version 4).

This amendment is intended to be a good faith amendment that incorporates the Setting Every Community Up for Retirement Enhancement Act (SECURE Act) of 2019; the American Miners Act of 2019 (Miners Act); the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020; the Taxpayer Certainty and Disaster Tax Relief Act of 2020; Setting Every Community Up for Retirement Enhancement Act (SECURE 2.0 Act) of 2022; IRS Notices 2020-50, 2020-51, 2020-68, 2020-86, 2023-23, 2023-62, 2024-2, 2024-55, 2024-63, 2024-73; and Proposed Treasury Regulation Section 1.401(k)-5, and will be interpreted in line with such acts, notices and any subsequent guidance issued. The adoption of this good faith amendment with respect to a Plan using a pre-approved plan document is required under Revenue Procedures 2017-41, 2018-21 and 2023-37, and will not cause a pre-approved plan to be treated as an individually designed plan.

Effective Date of Amendment: 01/01/2026

Amendment Adoption Date: __/__/____

Board Resolution Date: 12/01/2026

Resolution Signed Date: __/__/____

Date SMM Distributed: 12/04/2026

Catskill Watershed Corp. 403(b) Plan

SECURE Act, CARES Act, and SECURE 2.0 Act Good Faith Amendment

Section 1. General

1.1 Purpose and Adoption. The following required interim, good faith amendment, when properly executed, will amend the Plan for updates needed under the legislation, regulatory action or other guidance described in Section 1.3 below. The adoption of this good faith amendment with respect to a Plan using a pre-approved plan document is required under Revenue Procedures 2017-41, 2018-21 and 2023-37, and will not cause a pre-approved plan to be treated as an individually designed plan.

1.2 Precedence. This Amendment is meant to amend the Adoption Agreement for the CalcAir Nonstandardized 403(b) Pre-Approved Plan 23-001 (herein referred to as the "Adoption Agreement") and the CalcAir Nonstandardized 403(b) Pre-Approved Plan Base Document #23 (herein referred to as the "Base Plan Document"). The requirements of this Amendment will take precedence over any inconsistent provisions of the Plan, including any previous amendments adopted by the Employer. Where appropriate, the term "Plan" shall mean the Plan and Trust.

1.3 Requirements of Acts, Notices, and Treasury Regulations Incorporated. This Amendment reflects the requirements under the Setting Every Community Up for Retirement Enhancement Act (SECURE Act) of 2019; the American Miners Act of 2019 (Miners Act); the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020; the Taxpayer Certainty and Disaster Tax Relief Act of 2020; Setting Every Community Up for Retirement Enhancement Act (SECURE 2.0 Act) of 2022; IRS Notices 2020-50, 2020-51, 2020-68, 2020-86, 2023-23, 2023-62, 2024-2, 2024-55, 2024-63, 2024-73; and Proposed Treasury Regulation Section 1.401(k)-5, and will be interpreted in line with such acts, notices and any subsequent guidance issued.

1.4 Effective Date. Upon execution of this Amendment, the Plan is amended as set forth herein subject to the elections in Section 3 of this Amendment (herein referred to as the "Adoption Agreement Amendment").

Section 2. Amendments to Base Plan Document

2.1 Long-Term Part-Time Employee Participation.

Article II Definitions, is amended, effective for Plan Years beginning after December 31, 2024, to include the following definitions:

> **"Long-Term Part-Time Employee" (LTPT Employee):** An Employee who: (i) is not an Eligible Employee for purposes of Elective Deferrals because the Plan excludes Employees who normally work less than twenty (20) hours per week, (ii) has completed at least 500 Hours of Service in each of two consecutive Computation Periods beginning after December 31, 2020, (iii) has attained age 21 by the close of the last of those consecutive Computation Periods, and (iv) is not yet a Participant. Computation Periods, for this purpose, are 12-month periods beginning on the Employment Commencement Date and each anniversary thereof.

Article II Definitions, the definition of **"Year of Service"** is amended, effective for Plan Years beginning after December 31, 2024, to add the following at the end of such definition:

> For purposes of an LTPT Employee, or a Participant who was formerly an LTPT Employee, a Year of Vesting Service is completed on the last day of a Computation Period for Vesting

Service during which an Employee completes at least 500 Hours of Service, or such lesser number of hours specified in the Adoption Agreement.

Section 2.1.1(a) Eligibility Requirements is amended, effective for Plan Years beginning after December 31, 2024, to add the following paragraph at the end of such section:

An LTPT Employee shall be eligible to make Elective Deferrals. This paragraph does not apply to governmental or church organization employers or plans not subject to Title 1 of ERISA.

Section 3.1.5 Employer Matching Contributions and Voluntary Employee Contributions. Section 3.1.5(d) is amended, effective for Plan Years beginning after December 31, 2024, to include the following at the end of such section:

The Employer may elect to exclude LTPT Employees from the ACP test.

2.2 Enhanced Age 50 Catch-up Contributions for Ages 60-63

Section 2.2.3 Age 50 Catch-up Contributions, is amended, effective January 1, 2025, to replace Section 2.2.3(b) in its entirety with the following.

(b) Amount of Contribution. Age 50 Catch-up Contributions for a Participant for a calendar year may not exceed the lesser of:

(1) The greater of (i) the dollar limit on Age 50 Catch-up Contributions under Code section 414(v))(2)(B)(i) for the taxable year, $7,500 for 2023, or (ii) if elected in the Adoption Agreement Amendment, the dollar limit under Code section 414(v)(2)(E)(i) applicable to individuals who turn age 60 to 63 at any time during the taxable year, $11,250 for 2025 (both limits as adjusted by the Secretary of the Treasury, in multiples of $500, for cost-of-living under Code section 414(v)(2)(c)); or

(2) When added to the Participant's other Elective Deferrals, one hundred percent (100%) of the Participant's Compensation for the calendar year.

All Age 50 Catch-up eligible Participants shall be provided with an effective opportunity to make the same dollar amount of Age 50 Catch-up Contributions. Age 50 Catch-up Contributions are not subject to the limits on Annual Additions and are not subject to any Employer-provided limit on the amount of Elective Deferrals.

2.3 Roth Catch-up Requirement

Section 2.2.3 Age 50 Catch-up Contributions, is amended, effective January 1, 2026, to add the following subsection:

(c) Roth Catch-up Requirement.

(1) Definitions. The following definitions apply for purposes of this subsection:

(A) "Roth Catch-up Required Participant": Any Participant eligible to make Age 50 Catch-up Contributions under Section 2.2.3, who had Wages for the calendar year preceding the taxable year, from the Participant's common-law employer that exceeded the Roth Catch-up Wage Threshold. The Employer may elect in the Adoption Agreement Amendment to aggregate employers for purpose of this determination.

(B) "Roth Catch-up Wage Threshold": An amount equal to $145,000,

increased for changes in the cost of living at the same time and in the same manner as adjustments under Code section 415(d), except that the base period is the calendar quarter beginning July 1, 2023, and any increase that is not a multiple of $5,000 is rounded to the next lower multiple of $5,000.

(C) **"Roth Catch-up Excluded Owner":** A Highly Compensated Employee who is not a Roth Catch-up Required Participant" and had Earned Income for the calendar year preceding the taxable year that exceeded the Roth Catch-up Wage Threshold.

(D) **"Wages":** Wages, as defined in Code section 3121(a) for purposes of the taxes imposed by Code sections 3101(a) and 3111(a), for the year the wages are required to be taken into account for purposes of chapter 21 of the Code.

(2) Any Age 50 Catch-up Contribution on behalf of a Roth Catch-up Required Participant must be treated as a Roth 403(b) Deferral, but only to the extent that the Participant has not previously made Roth 403(b) Deferrals during the taxable year equal to the Catch-up Contribution limit in Section 2.2.3(b).

(3) If so elected in the Adoption Agreement Amendment, a Roth Catch-up Required Participant is deemed to have irrevocably designated any Age 50 Catch-up Contributions to be Roth 403(b) Deferrals and the following provisions apply.

(A) A Participant subject to this provision may amend their contribution election at any time and such deemed election ceases to apply within a reasonable period of time after the Participant is no longer a Roth Catch-up Required Participant.

(B) Age 50 Catch-up Contributions not made as Roth 403(b) Deferrals as required under this section will be corrected as follows: (i) if the Form W-2 for the tax year has not yet been filed, by transferring such Age 50 Catch-up Contributions (adjusted for earnings and losses in accordance with Treasury regulations) from the Participant's Pre-Tax Elective Deferral Account to the Participant's Roth 403(b) Deferral Account and reporting the contribution (not adjusted for earnings and losses) as a Roth 403(b)Deferral on the Participant's Form W-2, and (ii) if the Form W-2 for the tax year has been filed, by treating such Age 50 Catch-up Contributions (adjusted for earnings and losses in accordance with Treasury regulations) as an In-Plan Roth Conversion from the Participant's Pre-Tax Elective Deferral Account to the Participants Roth 403(b) Deferral Account and reporting such rollover as required. In-Plan Roth Conversions to satisfy this section are permitted regardless of whether In-Plan Roth Conversions are permitted under Plan.

(C) Correction under subsection (B) must be completed by the deadline under Section 3.1.4, but in no case later than the last day of the Plan Year following the Plan Year for which the Age 50 Catch-up Contribution was made.

(4) If the Plan does not permit Roth 403(b) Deferrals in a year, the following provisions apply.

(A) No Age 50 Catch-up Contributions are permitted with respect to any Roth Catch-up Required Participant for that year.

(B) If so elected in the Adoption Agreement Amendment, no Age 50 Catch-up

Contributions are permitted with respect to any Roth Catch-up Excluded Owner for that year.

(C) If one or more Non-Highly Compensated Employees are not permitted to make Age 50 Catch-up Contributions under this section for a year, the Plan Administrator may prohibit one or more Highly Compensated Employees from making Age 50 Catch-up Contributions for that year as necessary to satisfy the requirements of Treas. Reg. §1.401(a)(4)-4.

2.4 Qualified Student Loan Payment Matching Contributions.

Article II Definitions is amended, effective for Plan Years beginning after December 31, 2023, by the addition of the following definition:

"Qualified Student Loan Payment": A payment (i) made by a Participant in repayment of a qualified education loan (as defined in Code section 221(d)(1)) incurred by the Participant to pay the cost of attendance (as defined in Code sec 472 of the Higher Education Act of 1965, in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an eligible educational institution (as defined in section 221(d)(2)) of the Participant, the Participant's spouse, or the Participant's dependent, (ii) that does not exceed, in the aggregate for the year with other Elective Deferral contributions, the Code section 402(g) limitation for the year, and (iii) certified for the Plan Year by the Participant in a manner that satisfies Code section 401(m)(4)(D)(ii).

Section 2.3.2 Employer Matching Contributions, is amended, effective for Plan Years beginning after December 31, 2023, to include the following at the end of Section 2.3.2:

If elected in the Adoption Agreement Amendment, all or a portion of a Participant's Qualified Student Loan Payments for a Plan Year will be treated as Elective Deferrals in the calculation of Matching Contributions for that Plan Year.

An Employer Contribution made to the Plan on account of a Participant's Qualified Student Loan Payments shall be treated as a Matching Contribution provided (i) Qualified Student Loan Payments are matched at the same rate as other Elective Deferrals, (ii) the allocation conditions applicable to Matching Contributions apply, and (iii) all Participants eligible to receive Matching Contributions are eligible to receive Matching Contributions based on Qualified Student Loan Payments.

The ACP test set forth in Section 3.1.5 may be applied separately with respect to Employees whose Qualified Student Loan Payments are matched.

2.5 Designated ROTH Matching and Non-Elective Contributions.

Article II Definitions is amended, effective December 29, 2022, by the addition of the following definitions:

"Roth Matching Contributions": Any Employer Matching Contribution that is: (1) designated irrevocably by the Participant, prior to the date the contribution is made, as a Roth Matching Contribution; (2) treated by the Employer as includible in the Participant's income at the time the contribution is allocated to the Participant's account; and (3) maintained by the Plan in a separate account. Roth Matching Contributions must satisfy all Plan restrictions applicable to Employer Matching Contributions.

"Roth Matching Account": An Account established and maintained for a Participant for accounting purposes with respect to their Roth Matching Contributions.

"Roth Non-Elective Contributions": Any Employer Non-Elective Contribution that is: (1) designated irrevocably by the Participant, prior to the date the contribution is made, to be made as a Roth Non-Elective Contribution; (2) treated by the Employer as includible in the Participant's income at the time the contribution is allocated to the Participant's account; and (3) maintained by the Plan in a separate account. Roth Non-Elective Contributions must satisfy all Plan restrictions applicable to Employer Non-Elective Contributions.

"Roth Non-Elective Account": An Account established and maintained for a Participant for accounting purposes with respect to their Roth Non-Elective Contributions.

Article III Allocations, is amended, effective December 29, 2022, by addition of new Section 2.3.8 Designated Roth Contributions, to read as follows:

2.3.8 Designated ROTH Contributions

If elected in the Adoption Agreement Amendment, Participants shall be able to designate Employer Matching Contributions as Roth Matching Contributions and Employer Non-Elective Contributions as Roth Non-Elective Contributions. The Plan Administrator will establish reasonable periods during which the election to so designate may be made or modified and must allow at least one (1) opportunity per Plan Year for a Participant to make or modify an election. A Participant may not make a retroactive election. Once an election is made, it will apply to all contributions of that type allocated to the Participant's Account until the election is modified or terminated. Any such modification or termination of the election will apply only to future contributions.

2.6 Mandatory Cash-Out – Updated Dollar Limit

Section 2.5.4(b) Mandatory Cash-out, Section 2.4.6 Forfeitures, and Section 2.5.5(c) Spousal Consent Required, are amended, effective January 1, 2024, by inserting the phrase "($7,000 for distributions made after December 31, 2023)" after the words "($5,000)".

2.7 Participant Self-Certification of Hardship Distributable Event

Section 2.5.8 Hardship Distributions of Elective Deferrals, Safe Harbor Contributions, QACA Safe Harbor Contributions, and Qualified Non-Elective Contributions, is be amended, effective December 29, 2022, by the addition of following paragraph at the end of such section.

The Plan Administrator may establish a uniform and nondiscriminatory policy that permits reliance on a Participant's written representation that the Participant has an immediate and heavy financial need, as set forth under this section, and that the amount requested does not exceed the amount of that immediate and heavy financial need (including amounts necessary to pay any federal, state, or local income taxes or penalties anticipated to result from the distribution). The Plan Administrator may rely upon the Participant's representation unless the Plan Administrator has evidence to the contrary.

2.8 Permitted Distributions

Article V Distributions is amended, effective January 1, 2020, by the addition of **Section 2.5.17 Permitted Distributions,** to read as follows:

2.5.17 Permitted Distributions

(a) Withdrawals for Certain Emergency Personal Expenses. If elected in the Adoption Agreement Amendment, Participants may take a distribution of all or a portion of their account as an Emergency Personal Expense Distribution, but only prior to their termination of employment. An Emergency Personal Expense Distribution is a distribution equal to the lesser of (i) $1,000 (or such lesser amount as elected in the

Adoption Agreement Amendment) or (ii) the Participant's vested benefit that exceeds $1,000, made for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may adopt an administrative policy that imposes reasonable conditions on Emergency Personal Expense Distributions.

The Plan Administrator may rely on the requesting Participant's written certification that the Participant is eligible for an Emergency Personal Expense Distribution. However, notwithstanding either the above limitation or written certification furnished by the requesting Participant, no amount of any subsequent distribution can be an Emergency Personal Expense Distribution during the immediately following three calendar years, except where: (i) the previous Emergency Personal Expense Distribution is fully recontributed to the Plan pursuant to the following paragraph, or (ii) the aggregate of the individual's Elective Deferral contributions after the previous Emergency Personal Expense Distribution is at least equal to the amount of the previous Emergency Personal Expense Distribution that has not been repaid.

A Participant who received one or more Emergency Personal Expense Distributions under the Plan is entitled to recontribute the distribution(s) (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distribution on account of an emergency personal expense in an Eligible Rollover Distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(b) Withdrawals for Domestic Abuse Victims. If elected in the Adoption Agreement Amendment, a Participant may take a distribution of all or a portion of their Account as a Distribution in Case of Domestic Abuse, but only prior to their termination of employment. A Distribution in Case of Domestic Abuse is any distribution equal to the lesser of (i) $10,000 or (ii) fifty percent (50%) of the Participant’s vested benefit (or lesser amount as provided in the Adoption Agreement Amendment) from the Plan to a Participant if made during the 1-year period beginning on any date that the Participant is a victim of domestic abuse by a spouse or domestic partner. The term "domestic abuse" means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.

A Participant may choose to recontribute a Distribution in Case of Domestic Abuse to the Plan no later than a date 3 years after the date of distribution, provided the Participant is eligible to make a rollover contribution to the Plan at the time of the recontribution.

(c) Terminal Illness Distributions. If elected in the Adoption Agreement Amendment, a Participant who has been certified by a physician as having a terminal illness is permitted to elect to treat any distribution as a Terminal Illness Distribution. Terminal illness, for this purpose, means having an illness or physical condition which can reasonably be expected to result in death in 84 months or less after the certification. The Plan Administrator must receive a copy of the physician's certification. A Participant who has received a Terminal Illness Distribution may repay the distribution by making one or more contributions, not to exceed the amount of the distribution, to the Plan during the 3-year period that begins on the day after the distribution occurs.

2.9 Safe Harbor – Late Adoption

Section 2.2.7 Safe Harbor 403(b) Contributions, is amended, effective for Plan Years beginning

after December 31, 2019, to add new subsection Section 2.2.7(a)(7) to read as follows:

(7) Late Adoption. If the Employer has not selected the Safe Harbor option in the Adoption Agreement, the Employer may amend the Plan (i) not later than thirty (30) days before the last day of the Plan Year to specify that the Safe Harbor Non-Elective Contribution method will be used for the Plan Year; or (ii) not later than the last day of the following Plan Year to specify that the Safe Harbor Non-Elective Contribution method will be used for the Plan Year, provided the Safe Harbor Non-Elective Contribution is at least 4% of Compensation.

2.10 Safe Harbor - Notice Rules

Section 2.2.7 Safe Harbor 403(b) Contributions, is amended, effective for Plan Years beginning after December 31, 2019, to replace Section 2.2.7(b) in its entirety with the following:

(b) Notice Requirement. If the Plan provides a Safe Harbor Contribution other than a Safe Harbor Non-Elective Contribution, then at least 30 days, or any other reasonable period but not more than 90 days, before the beginning of the Plan Year, the Employer must provide each Eligible Employee with a comprehensive notice of the Employee's rights and obligations under the Plan, written in a manner sufficiently accurate and comprehensive to apprise the Employee of such rights and obligations and calculated to be understood by the average Employee. If an Employee becomes eligible after the Employer distributes the notice for a particular Plan Year, the Employer must provide the notice no more than 90 days before such Employee becomes eligible but not later than the date the Employee becomes eligible.

2.11 Domestic Relations Orders and Tribal Governments

Section 3.8.6 Qualified Domestic Relations Orders is amended, effective December 29, 2022, to add the following at the end of the first paragraph of such section:

For this purpose, 'domestic relations law of any State' will include a domestic relations law issued by or under the laws of an Indian tribal government, a subdivision of an Indian tribal government, or an agency or instrumentality of either.

2.12 Notices for Unenrolled Participants

Section 3.8.9 Notices is amended, effective December 31, 2022, by the addition of the following paragraph at the end of such section:

For any individual who has not elected to enroll in the Plan and has no balance in their Account, that individual can receive an annual reminder notice in lieu of any notice otherwise required under the Plan, assuming that individual was previously provided a copy of the Summary Plan Description. That annual reminder notice will include information about the individual's eligibility to participate in the Plan and any deadlines for elections to do so. That annual reminder notice must be provided within a reasonable period before the start of each Plan Year.

2.13 Pension-Linked Emergency Savings Accounts

Part II is amended, effective December 31, 2023, by the addition of **Article X – Pension-Linked Emergency Savings Account,** to read as follows:

ARTICLE X
PENSION-LINKED EMERGENCY SAVINGS ACCOUNT

The provisions of this Article X shall apply if the Employer has elected to permit Pension-

Linked Emergency Savings Accounts in the Adoption Agreement Amendment.

3.10.1 Definitions. For purposes of this Article, the terms below have the following meanings:

(a) **"Pension-Linked Emergency Savings Account (PLESA)"** means a Designated Roth Account for a PLESA-Eligible Participant (i) that has no minimum balance or contribution requirements, and (ii) is invested in cash, an interest-bearing deposit account or PLESA Investment. A PLESA is deemed to be an individual investment of the Participant and accounted for separately from the Participant's other plan accounts with regards to contributions, earnings and distributions.

(b) **"PLESA-Eligible Participant"** means a Participant eligible to make Roth 403(b) Deferrals who is a Non-Highly Compensated Employee. A Participant who becomes a Highly Compensated Employee after making PLESA contributions is not eligible to continue to make PLESA contributions but is still eligible to take distributions under Section 3.10.3.

(c) **"PLESA Investment"** means an investment product designed to maintain over the term of the investment the dollar value that is equal to the amount invested in the product and preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with the need for liquidity. The PLESA Investment also must be offered by a state-regulated or federally-regulated financial institution and may be subject to, as permitted by the Department of Labor, reasonable restrictions.

3.10.2 Contributions.

(a) **Roth 403(b) Deferrals.** A PLESA-Eligible Participant is permitted to designate all or a portion of their Roth 403(b) Deferrals as PLESA contributions. PLESA contributions are limited to an amount that will not cause the PLESA account balance attributable to Roth 403(b) Deferrals to exceed a dollar limitation which will be adjusted annually for cost-of-living-adjustments ($2,500 for 2025). If a Participant's PLESA Contributions would exceed the limit, the Participant may elect to cease PLESA Roth 403(b) Deferrals or to increase the Participant's non-PLESA Roth 403(b) Deferrals by the amount of the excess, if the Participant has another designated Roth account in the Plan.

If a PLESA contribution is made by a Participant who is not a PLESA-Eligible Participant because the Participant became a Highly Compensated Employee, the contribution (adjusted for allocated gain or loss) will be treated as a contribution in excess of the contribution limit as described in the prior paragraph.

(b) **Automatic Enrollment.** If elected in the Adoption Agreement Amendment, PLESA-Eligible Participants who do not affirmatively elect to receive cash or to have a specified amount contributed to the Plan as PLESA contribution will have their Compensation automatically reduced by the percentage set forth in the Adoption Agreement Amendment. This amount will be contributed to the Plan as a PLESA contribution. A Participant can make an affirmative election to make no PLESA contribution or to defer a different percentage of Compensation at any time. Such affirmative election shall apply on a prospective basis.

(c) **Matching Contributions on PLESA Contributions.** Roth 403(b) Deferrals designated as PLESA contributions shall be deemed to be salary deferrals for purposes of calculating any Matching Contributions that the Participant may be entitled to under the Plan. Matching Contributions attributable to PLESA contributions shall be made to the Participant's Matching Contribution Account

and not the Participant's account under the PLESA.

3.10.3 Distributions. A Participant may request a distribution from a PLESA no more frequently than once per calendar month. Such distribution shall be made to the Participant as soon as practicable from the date on which the Participant elects to make such distribution.

The PLESA cannot be subject to fees or charges, direct or indirect, solely on the basis of a distribution from the PLESA for the first four distributions in any Plan Year. Reasonable distribution fees can be applied for any distribution subsequent to the first four distributions in any Plan Year.

3.10.4 Notices. The Plan Administrator shall provide Participants with notices that comply with Section 801(d)(3) of ERISA, no less than 30 but no more than 90 days before a Participant's first PLESA contribution would be made, no less than 30 but no more than 90 days before a Participant's automatic enrollment PLESA contribution will be changed, and not less frequently than annually thereafter.

3.10.5 Termination of PLESA and Termination of Employment. The Employer may terminate the PLESA at any time by amending the terms of the Adoption Agreement Amendment. Upon either the Participant's termination of employment with the Employer or the Employer's termination of the PLESA, the Participant may elect to transfer the Participant's PLESA balance, in whole or in part, to the Participant's other designated Roth Account under the Plan.

3.10.6 Anti-Abuse Rules. To the extent necessary to prevent manipulation of the rules of the Plan for the purpose of causing matching contributions to exceed intended amounts or frequency, the Plan Administrator may employ reasonable procedures to limit the frequency or amount of any matching contributions.

Section 3. Amendments to Adoption Agreement

3.1 Enhanced Age 50 Catch-up Contributions for Ages 60-63. *Complete only if Age 50 Catch-up Contributions permitted under Adoption Agreement Section D3.*

If the Plan permits Age 50 Catch-up Contributions, an Enhanced Catch-up Contribution Limit applies for individuals who turn age 60 to 63 during the year *(select one).*

a. ☐ No.

b. ✠ Yes, effective January 1, 2025 *(no earlier than January 1, 2025),* the Enhanced Catch-up Contribution Limit applies.

1. ☐ Enhanced Catch-up Contributions will be matched.

2. ☐ Enhanced Catch-up Contributions will not be matched.

3.2 Mandatory Roth Catch-up Contributions. *Complete only if Age 50 Catch-up Contributions are permitted under Adoption Agreement Section D3.*

The Mandatory Roth Catch-up Contribution rules as set forth in Section 2.3 of this Amendment include the following optional provisions *(select all applicable):*

a. ☐ Effective ___/___/_____, Wages, for purposes of determining Roth Catch-up Required Participants, includes wages for optional aggregated entities: *(Aggregation is not required and aggregation is limited by Treasury regulations to include employers using a common paymaster, controlled group members, predecessor employers in year of asset purchase).*

b. ☐ Effective ___/___/_____, if the Plan does not permit Roth 403(b) Deferrals, Age 50 Catch-up Contributions are not permitted with respect to Roth Catch-up Excluded Owners. *Note: Option b. is a 401(a)(4) safe harbor for plans that do not permit Roth 403(b) deferrals and could fail 401(a)(4) on account of thereby excluding Non-Highly Compensated Employee(s) from being permitted to make Age 50 Catch-up Contributions.*

Note: The Mandatory Roth Catch-up Contribution provisions are effective January 1, 2026, and apply to the Age 50 Catch-up Contributions. They do not apply to the Special Section 403(b) Catch-up Contributions.

3.3 Deemed Roth Catch-up Contribution. *Complete only if Age 50 Catch-up Contributions are permitted under Adoption Agreement Section D3 and Roth 403(b) Deferrals are permitted under Adoption Agreement Section D2.*

If a Participant elected to make Elective Deferrals on a pre-tax basis but is only permitted to make Age 50 Catch-up Contributions as Roth 403(b) Deferrals as set forth under Section 2.2.3(c) *(select one):*

a. ✠ effective January 1, 2026 *(no earlier than January 1, 2026),* they will be deemed to have elected to have their Age 50 Catch-up Contributions made as Roth 403(b) Deferrals and can submit a revised election form at any time to cease future Age 50 Catch-up Contributions.

b. ☐ no Age 50 Catch-up Contributions will be made unless and until the Participant elects to make Age 50 Catch-up Contributions as Roth 403(b) Deferrals.

3.4 Pension-Linked Emergency Savings Accounts (PLESAs). *Can be elected only if the Plan permits Roth 403(b) Deferrals.*

The Plan will permit Pension-Linked Emergency Savings Accounts (PLESAs) *(select one):*

a. ✠ No.

b. ☐ Yes, effective ___/___/_____. If Yes *(select all applicable):*

1. ☐ Apply a reduced dollar limit of $_____, to apply instead of the statutory limit for PLESA contributions ($2,500 for 2025). If not checked, the statutory limit will apply.

2. ☐ Permit Participants to receive ____ *(more than 1)* distributions each month from a PLESA. If not checked, the statutory minimum of one distribution each month will be permitted.

3. ☐ Automatic Enrollment applies. Each eligible Participant will be deemed to have elected to make contributions to the PLESA of _____% *(up to 3%)* of the Participant's Compensation unless the Participant affirmatively elects to make contributions at a different rate or amount or elects to make no such contributions.

3.5 Qualified Student Loan Payment Matching Contributions.

Qualified Student Loan Payments certified by the Participant for a Plan Year will be treated as Elective Deferrals for purposes of calculating Employer Matching Contributions for that Plan Year *(select one):*

a. ✠ Not applicable.

b. ☐ Yes, effective ___/___/_____. *(no earlier than first day of the plan year beginning after December 31, 2023).* If Yes, the annual limit on Qualified Student Loan Payments to be matched is *(select one):*

1. ☐ Statutory Limit Only *(the statutory limit on elective deferrals less the elective deferrals actually made for the year).*

2. ☐ The lesser of the Statutory Limit or $_____.

3.6 Designated Roth Employer Contributions. *Can be elected only if the Plan permits Roth 403(b) Deferrals.*

Participants can designate Employer Non-Elective Contributions and/or Employer Matching Contributions be made on a Roth basis *(select one):*

a. ✠ No.

b. ☐ Yes, the following contributions made after ____/___/_____ *(no earlier than December 29, 2022)* are permitted to be designated Roth Contributions *(select all applicable):*

1. ☐ Employer Non-Elective Contributions

2. ☐ Employer Matching Contributions

Note: The Participant election can be made only if (i) the Participant is fully vested in the respective contribution type (Non-Elective or Matching) at the time the contribution is allocated to the Participant's Account, (ii) it is made by the Participant no later than the time that the contribution is allocated to the Participant's Account and (iii) it is irrevocable with respect to those contributions. Participants will have an effective opportunity to make or change the election at least once during each Plan Year.

3.7 Auto-Portability Rollover Contributions. *Complete only if Rollover Contributions are permitted under Adoption Agreement Section H2.*

If auto-portability rollover contributions are not permitted, leave this section blank. To elect to permit auto-portability rollover contributions, complete the following:

3. ☐ Rollover Contributions from auto-portability providers are allowed, effective ____/___/_____ *(no earlier than January 1, 2024).*

3.8 Mandatory Cash-Out Threshold Maximum Increased from $5,000 to $7,000. *The maximum mandatory cash-out threshold was increased from $5,000 to $7,000. If no change to Adoption Agreement Section G2 is necessary, leave this question blank. If Section G2 is being amended, complete the following.*

✠ Effective January 1, 2024 *(no earlier than January 1, 2024),* the Mandatory Cash-Out threshold is $7,000 *(not to exceed $7,000).*

3.9 Special Distribution Provisions

a. Distributions in Case of Domestic Abuse

1. ✠ Distributions in Case of Domestic Abuse are not permitted.

2. ☐ Distributions in Case of Domestic Abuse are permitted on or after _____/___/_____ *(no earlier than January 1, 2024),* in amount up to the lesser of $_____ *(not in excess of $10,000, indexed for cost of living after 2024)* or _____% of the Participant's Account *(not in excess of 50%).*

3. ☐ Distributions in Case of Domestic Abuse are limited as follows: *(Insert any restrictions on distributions such as the amount of distribution and/or available sources.)*

b. Emergency Personal Expense Distributions

1. ✠ Emergency Personal Expense Distributions are not permitted.

2. ☐ Emergency Personal Expense Distributions are permitted on or after _____/___/_____ *(no earlier than January 1, 2024),* up to the lesser of $_____ *(not in excess of $1,000)* or the excess of the Participant's Account over $1,000.

3. ☐ Emergency Personal Expense Distributions are limited as follows: *(Insert any restrictions on distributions such as the amount of distribution and/or available sources.)*

c. Terminal Illness Distributions. A Participant who meets the requirements set forth in the base language can elect to treat a distribution as a Terminal Illness Distribution.

1. ☐ A Participant is not permitted to treat a distribution as a Terminal Illness Distribution.

2. ☐ A Participant may treat a distribution as a Terminal Illness Distribution on or after ___/___/_____ *(no earlier than January 1, 2024)*

Section 4. Signature(s)

This Amendment may only be used with a CalcAir Section 403(b) Volume Submitter Plan. This Amendment, unless amended by the Employer, will apply until such time as the Plan is restated to another Pre-Approved Plan Document.

* * *

The Employer hereby adopts this Amendment on this _____ day of _____, ____.

Employer:
Catskill Watershed Corp.

_____
Patrick Burlingham
HR Director