

RESOLUTION NO. 371

CREATION OF AN EMPLOYEE FLEXIBLE BENEFITS PLAN AND A DEFERED COMPENSATION PLAN

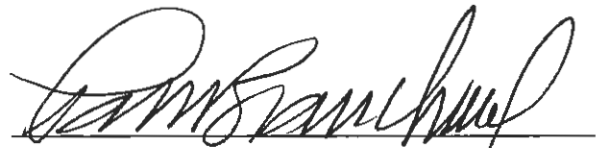
WHEREAS, recent changes in the tax laws have provided employers the opportunity to offer a new employee benefits plan, and

WHEREAS, the Flexible Benefits Plan will allow employees to voluntarily pay certain expenses related to medical and dependent care before taxes under the provisions of IRC 125, creating tax savings for the employee and the employer. This tax savings can be taken as cash (increased net income) or as deferred (in the deferred compensation plan), and

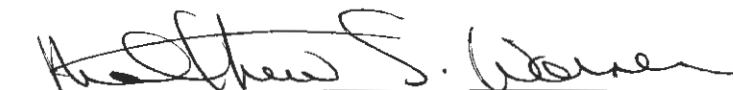
WHEREAS, the Deferred Compensation Plan will allow employees to voluntarily set aside and invest certain portions of their current income on a tax-deferred basis under IRC 457, to supplement their retirement and meet future financial needs.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the East Wenatchee Water District, Douglas County Washington, that it hereby adopts the Flexible Benefits Plan under IRC 125 and the Deferred Compensation Plan under IRC 457 for the voluntary participation of all eligible employees.

ADOPTED, this 20th day of March 1989, by the BOARD OF COMMISSIONERS, of the EAST WENATCHEE WATER DISTRICT, Douglas County Washington, at a regular meeting thereof.


Paul W. Blanchard, President

ATTEST:


Matthew S. Warner, Secretary
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