

RESOLUTION NO. 2007 - 11

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN BENITO COUNTY WATER DISTRICT
CONFIRMING DISTRICT
POLICIES REGARDING RESTRICTION AND
DESIGNATION OF NET ASSETS/CASH**

WHEREAS a District Policy Regarding Restriction and Designation of Net Asset/Cash was developed with the oversight and participation of the Audit and Budget Committee, the District Auditor, and General Counsel; and

WHEREAS the Board of Directors adopted said policy in Resolution 2004-16 on June 30, 2004; and

WHEREAS said policy called for an annual review and Audit and Budget Committee and Board of Directors conducted the annual review; and

WHEREAS the Board of Directors adopted an amended policies in Resolution 2005-16 and Resolution 2006-10; and

WHEREAS the Audit and Budget Committee has conducted the 2007 annual review and made recommendations to amend the policy as summarized in Exhibit A.

BE IT RESOLVED by the Board of Directors of the San Benito County Water District that the Policy Regarding Restriction and Designation of Net Assets attached as Exhibit B and included herein by reference is approved.

PASSED AND ADOPTED by the San Benito County Water District Board of Directors at the regular meeting of said board held on the 27th day of June, 2007, at Hollister, California, by the following vote:

AYES: DIRECTORS: Swanson, Bettencourt, Perry, Tobias and Flores

NOES: DIRECTORS: None

ABSENT: DIRECTORS: None

/s/Robert M. Swanson

Robert M. Swanson

President

ATTEST:

/s/Shelley Giancola

Shelley Giancola