

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
ADOPTING THE BUDGET FOR FISCAL YEAR 2006-07**

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2006-07, a copy of which is on file at the District's office.

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 25 and June 22, 2006.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

1. That the said budget as approved at the June 22, 2006 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2006-07.
2. That the General Manager may delegate the authority to implement this resolution to the Administrative Services Manager/Chief Financial Officer.
3. That the General Manager is authorized and directed to transfer funds from one activity to another within a given fund, and from one Division to another Division, as such times are appropriate, in accordance with generally-accepted accounting principles and consistent with the objectives outlined in the approved budget.
4. That the budget maintains a general operating reserve for economic uncertainties, which is not less than 5% of the budget.
5. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds \$2,000 shall be executed by the General Manager only upon approval by the Board of Directors at a meeting of the Board of Directors.

On a motion by Director Edwards and seconded by Director Foy the foregoing resolution is duly adopted this 22nd day of June 2006 by the following votes:

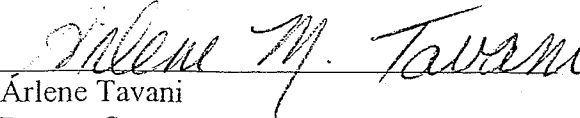
Ayes: Directors Edwards, Foy, Knight, Lehman, Markey and Pendergrass

Nays: None

Absent: Director Potter

I, Arlene Tavani, Deputy Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 22nd day of June 2006.

Witness my hand and seal of the Board of Directors this 29th day of June 2006.


Arlene Tavani
Deputy Secretary