

MEASURE "A"
FINANCIAL OVERSIGHT COMMITTEE
GUIDELINES
(Revised June 14, 2006)

I. PURPOSE AND CHARGE

The Financial Oversight Committee ("FOC") was established by voter approval of Napa County Flood Protection and Watershed Improvement Authority ("Authority") Ordinance No. 1, commonly known as "Measure A". The FOC has two primary functions. The majority of the FOC's time is expected to be spent informing the public regarding the expenditure of Measure A Flood Protection Sales Tax proceeds. The FOC may also be required to review replacement projects and make recommendations regarding such projects to the Napa County Flood Control and Water Conservation District ("District"), which shall then consider recommending such projects to the Authority. However, replacement projects may be reviewed and recommended by the FOC only if a project identified in Section 8 of Measure A is determined to be not economically or environmentally feasible.

The FOC shall be responsible for:

- a. Providing the public with information regarding the manner in which expenditures of Flood Protection Sales Tax proceeds have occurred.
- b. Reviewing the expenditures of Flood Protection Sales Tax proceeds, and the proceeds received as a result of the issuance of bonds or other obligations payable from Flood Protection Sales Tax proceeds, and causing to be prepared an annual audit regarding the use of these proceeds.
- c. Reviewing the financial impact of all projects approved by the Authority utilizing Flood Protection Sales Tax proceeds and advising the public whether such projects are consistent with the purpose, spirit, intent, and language of Measure A.
- d. Informing the public if there is an expenditure of Flood Protection Sales Tax proceeds which is inconsistent with the purpose and intent of Measure A.
- e. Making recommendations to the District regarding replacement projects as required by Measure A.

The FOC shall utilize Measure A and the Joint Powers Agreement regarding the Use and Equitable Distribution of Flood Protection Sales Tax Revenues required by Measure A to be developed and executed by Napa County ("County"), the District, the Authority and all County municipalities, as such may be amended from time to time, as its standard of review when carrying out its financial oversight function.

The FOC shall determine the ways in which it shall inform the public regarding the manner in which Measure A funds are being expended. Other than ensuring that an audit is conducted and reviewing replacement projects, if any, the FOC's activities are expected to be limited to informing the public if, at any time, the FOC has information which indicates that Flood Protection Sales Tax proceeds are being expended in violation of state law or in a manner that is contrary to the provisions of Measure A.

II. MEMBERSHIP AND METHOD OF APPOINTMENT

Measure A specifies that the members of the FOC shall be appointed by the Napa County Board of Supervisors to meet the following criteria:

- a. One representative recommended by each of the five city or town councils within Napa County, and one representative recommended by the Napa County Board of Supervisors, for a total of six members, none of whom shall be an officer, agent, employee, or elected official of the County or any incorporated city or town within the County.
- b. Two representatives, each of whom must be recommended by the **Business Community**. Developing the list of recommended individuals is the responsibility of the Napa Chamber of Commerce after consulting with the other chambers of commerce organized within the County, the Napa Valley Economic Development Corporation and the Napa Downtown Merchants Association and reviewing all applications submitted to those organizations as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- c. One representative recommended by the **Local Media**. Developing the list of recommended individuals will be the responsibility of the Napa Valley Register after consulting with the Napa Sentinel, KVON/KVYN, the St. Helena Star and Weekly Calistogan and reviewing all applications submitted to those organizations as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- d. One representative recommended by the **Napa County Taxpayers** Association. Developing the list of recommended individuals will be the responsibility of the Napa County Taxpayers Association after reviewing all applications submitted to the Napa County Taxpayers Association as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- e. Two representatives recommended by the **Environmental Community**. Developing the list of recommended individuals will be the responsibility of the Napa County Sierra Club after consulting with formally organized environmental organizations having a presence in the County of Napa and reviewing all applications submitted to those organizations as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.

- f. One representative recommended by the **Friends of the Napa River**. Developing the list of recommended individuals will be the responsibility of the Friends of the Napa River after reviewing all applications submitted to the Friends of the River as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- g. Two representatives recommended by the **Agricultural Industry**. Developing a list of recommended individuals will be the responsibility of the Napa County Farm Bureau after consulting with the Napa Valley Grapegrowers Association and the Napa Valley Vintners Association and reviewing all applications submitted to those organizations as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- h. One representative recommended by **Health and Human Services**. Developing a list of recommended individuals will be the responsibility of the office of the Napa County Health and Human Services after consulting with the office of the Napa County Board of Supervisors and reviewing all applications submitted to those organizations as well as any applications submitted directly to the Clerk of the Napa County Board of Supervisors.
- i. A certified public accountant recommended by the FOC members appointed under (a) through (g), whose practice includes auditing public agencies but who is not currently acting as an independent auditor in the case of any incorporated area within the County or for the County. It is expected that the process for developing this recommendation will begin at the first meeting of the FOC.

In addition to the seventeen (17) members described above, pursuant to Section 9.A.3. of the Measure A Ordinance, the FOC may recommend to the Napa County Board of Supervisors that the Board appoint up to two additional members if in the opinion of the FOC additional representation of individuals and groups located in the County is necessary. The representation of Health and Human Services was added as an amendment to the guidelines on January 5, 1999 and represents one of the aforementioned two additional members.

III. TERM OF APPOINTMENT

All members shall serve at the pleasure of the Napa County Board of Supervisors.

Terms shall be for three (3) years; provided, however, that 1/3 of the initial members appointed shall be chosen by lot at the first meeting to serve for two (2) years and 1/3 of the initial members shall be chosen by lot at the first meeting to serve for one (1) year so that membership can be staggered. All of the initial terms shall be deemed to have commenced on July 1, 1998 without regard to the dates of actual appointment or drawing of the lots for staggered terms.

IV. QUALIFICATIONS

All members of the FOC, except the certified public accountant, shall be individuals who live in the incorporated or unincorporated areas of the County.

V. AUTHORITY

- a. The FOC shall be advisory to the Authority.
- b. The FOC's oversight role at each meeting shall involve reviewing any expenditures of Flood Protection Sales Tax proceeds and the proceeds received as a result of the issuance of bonds or other obligations payable from Flood Protection Sales Tax proceeds, made since the previous meeting of the FOC, and determining whether such expenditures are consistent with Measure A.
- c. The Authority's Auditor ("Auditor") shall be notified regarding every meeting held by the FOC in the same fashion that members of the FOC are notified. The Auditor, or his/her designee, shall attend each meeting of the FOC and shall be available to provide information regarding the expenditure of Flood Protection Sales Tax proceeds.
- d. The FOC is not responsible for reviewing the annual budget of the Authority. However, the Authority's Board may request input from the FOC in the development and approval of the Authority's budget at the Board's sole discretion.
- e. The FOC shall adopt such rules as determined by the FOC to be needed for the conduct of its business and may create subcommittees as deemed necessary. Such subcommittees, which may include staff persons of the County or the District, shall report at each regular meeting of the FOC.
- f. Subject to the approval of the Executive Director of the Authority, the FOC may request County or District information, services, facilities, and/or other assistance in the furtherance of its objectives.
- g. FOC meetings shall be scheduled not less than quarterly and shall be open to the public in a manner consistent with the Brown Act (Government Code section 54950 et seq.).
- h. Any FOC member may request that an item be placed on its Agenda that is within the jurisdiction of the FOC.

VI. OFFICERS OF THE FOC

The FOC shall have a Chairperson and Vice-Chairperson who shall be elected annually by the FOC. In the absence of both the Chairperson and the Vice-Chairperson, the remaining members shall elect a temporary Chairperson. The Authority's Executive Director, or his/her designee, shall act as Secretary.

VII. COMPENSATION AND RESOURCES

No member of the FOC shall receive any salary or compensation for serving on the FOC, except that the FOC may, in the case of the certified public accountant member and upon unanimous vote of the other members of the FOC, authorize that member to be compensated in an amount not to exceed the rate of compensation commonly charged by certified public accountants in the City of Napa as determined by the Auditor.

County or District staff will be assigned by the Authority's Executive Director or the District Administrator, respectively, or their designees, to support the work of the FOC, including reasonable clerical, secretarial, and financial services necessary to carryout FOC requested analysis.

VIII. COORDINATION

The FOC will coordinate with the District's Technical Advisory Panel ("TAP") regarding the review and recommendation of replacement projects. There may be periodic joint meetings of the FOC and TAP, or their respective sub-committees to address coordination issues.

IX. LEGAL COUNSEL

The Napa County Counsel shall serve as Legal Counsel to the FOC.

X. CONFLICT OF INTEREST

The FOC is an advisory body whose auditing and replacement project review functions may involve regular and substantive recommendations to the Authority over an extended period of time. For this reason, the members of the FOC are "public officials" subject to the disclosure and disqualification provisions of the Political Reform Act of 1974, as amended, and have been designated in the Conflict of Interest Code adopted by the Authority as persons who must file Form 700 Statements of Economic Interest within thirty days of initial appointment, annually on or before April 1 of each year during the member's term, and within thirty days following expiration of the member's term if the member is not reappointed.