



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street, Suite 3050, Sacramento, CA 95811

May 2, 2025

Michael Scattini

Via email: scat461@aol.com

John Baillie

Via email: john@celeryhearts.com

Matt Simas

Via email: matt@taproduce.com

Monterey County Water Resources Agency

Via email: mcwater@countyofmonterey.gov

Re: FPPC Complaint No. COM-04222025-01091; Matt Simas, Michael Scattini, John Baillie, Monterey County Water Resources Agency

Dear Respondents:

On April 25, 2025, the Enforcement Division of the Fair Political Practices Commission notified you of a sworn complaint alleging that you violated the conflict of interest provisions of the Political Reform Act.

This letter is to provide you with additional information received from the complainant. The new information is attached and has been added to the existing complaint. At this time, we have not made any determination about the additional allegation(s), if any. We are simply providing you with the additional information. If you have any questions or would like to submit written comments related to the additional information, please contact Vanessa Greer at 279-237-5965 or vgreer@fppc.ca.gov.

Sincerely,

Christopher B. Burton

Christopher B. Burton

Assistant Chief, Enforcement Division

CBB: vg

Enclosures

From: [Bill Lipe](#)
To: [Complaint](#)
Subject: COM-04222025-01091
Date: Monday, April 28, 2025 4:50:14 PM
Attachments: [MCWRA BOD CommetPRA25April2025.pdf](#)

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I understand it's only been six days since submission, and I'm not expecting an update.

However, I've obtained an additional piece of information pertaining to this complaint that I feel obligated to forward on, for inclusion in the record.

Please see the attached letter, that is relevant, pertinent and an additional piece of evidence that clearly shows a conflict of interest during the vote on water delivery charges in Zone 2B, at the heart of my complaint.

Thank you and kindest regards

Bill Lipe
[REDACTED]

----- Forwarded message -----

From: **Complaint org-wide** <complaint@fppc.ca.gov>
Date: Tue, Apr 22, 2025 at 4:59 PM
Subject: FPPC Complaint Submission Confirmation
To: [REDACTED]



We have received your complaint.

For future reference, the Complaint Number is: COM-04222025-01091 and the respondents listed on the complaint are: Matt Simas, Michael Scattini, John Baillie, Monterey County Water Resources Agency, Monterey County Water Resources Agency.

If you have filed a sworn complaint, we will notify you of our intended action in approximately 14 days.

If, however, you did not file a sworn complaint, you can track the resolution of

your complaint via our website at <http://www.fppc.ca.gov/>.

Once you have submitted your complaint, you can check the status of the complaint by emailing your complaint confirmation number to complaint@fppc.ca.gov.

Thank you.



25 April 2025

Via email: WRAPubliccomment@co.monterey.ca.us

Mike LeBarre, Chair
Monterey County Water Resources
Board of Directors

Re: Conflict of Interest – “public generally” exception

Chair LeBarre:

This comment letter¹ is in response to the detailed and insightful presentation given by Monterey County Water Resources Agency (MCWRA or WRA) counsel Ms. Kelly Donlon on March 17, 2025. The remarks by especially Directors Sullivan and Gonzalez suggest that the “public generally” exception is or will be a topic of concern as the 2026 budget process and certain fees or levies are addressed. Cal. Code Regs, tit. 2, § 18703.

The key discussion in Ms. Donlon’s presentation on the “public generally” exception was subsection (1) of section 18703. It reads (in relevant part) as follows (emphasis added):

(1) Public Services and Utilities. The decision sets or adjusts the amount of an assessment, taxes, fee, or rate for water, utility, or other broadly provided public services that is applied equally, proportionally, or by the same percentage to the official's interest and all businesses, properties, or individuals subject to the assessment, tax, fee, or rate. This exception does not apply if the decision would impose the assessment, tax or fee, or determine the boundaries of a property, or who is subject to the assessment, tax, or fee.

The WRA imposes a variety of levies under various authority. One such levy is a water delivery fee for each unit of project water, which is only provided to the CSIP growers. Arguably, providing water delivery service to some 200 or so parcels only in the project boundary is the antithesis of a “broadly provided public service.” If so, the public generally exception of subsection (1) may not apply to any decisions about the CSIP water delivery fee. The same arithmetic suggests that the more general exception in section 18703 also cannot be met, as

¹ This letter was prepared for transmittal on or about March 18, 2025 directly after Ms. Donlon’s prestation at the March 17, 2025 Board of Directors meeting on, inter alia, the Political Reform Act. The events at the most recent MCWRA caused me to double-check and it appears I never actually sent the letter (at least I can find no verifiable record of transmittal). This comment letter has been updated to reflect the current date and to include this explanatory footnote. I apologize for my oversight.

Mike LeBarre, Chair
 MCWRA Board of Directors
 25 April 2025

220 businesses, properties, payers, etc. are orders of magnitude below a 25% threshold for the jurisdiction of the WRA, i.e., the “significant segment” metric.

In addition to the state authority, the organic authority (the Act) of the WRA requires that Directors – including those who “represent” industries or seats², be free of conflict. Section 49 of the Act lists the qualification of the nine Directors, including certain designated seats, and concludes with a catch-all prohibition against conflicts of interest (emphasis added):

(c) No person shall be appointed pursuant to this section that, because of his or her employment or other financial interest, is likely to be disqualified from a substantial number of decisions to be made by the Board of the Agency on the basis of conflict-of-interest requirements.

In other words, any state allowed leeway that may exist in 18703 (5) is negated by the narrower appointment authority within the Act.

This comment letter in no way purports to be a comprehensive exploration of conflicts of interest, whether under the Political Reform Act, statutory, or common law. Such comprehensive analysis falls to independent counsel employed by a Director when facts (Form 700, public comments, etc.) suggest that there may be at least an appearance of a conflict, or what Director Sullivan termed “public perception.” The most responsive approach for maintaining a conflict-free process is for any Director who meets the “public perception” standard under a given set of facts is to publicly disclose and, if warranted, recuse, and if not warranted, to share the underlying comprehensive legal analysis to assure the public that despite “appearances” all is well, especially given the still fresh history of the cost of looking the other way.³

Thank you for your consideration of these comments.

Very truly yours,

Thomas S. Virsik

Thomas S. Virsik

cc: Ara Azhderian, AzhderianA@countyofmonterey.gov
 Kelly Donlon, DonlonKL@co.monterey.ca.us

² The reserved seats are quite general and do not require the individual be associated with a narrow geographic area or within specific project boundaries, with the possible exception of the seat at subsection (b)(3) (mayor select committee).

³ In the not-so-distant past not only was a Director convicted of a felony for a financial conflict, but the underlying facts triggered a spate of litigation that cost the WRA millions – if not tens of millions – of dollars in collateral outcomes. Surely a personal choice about recusal is not worth putting the public in jeopardy.

From: [Bill Lipe](#)
To: [Complaint](#)
Cc: [Vanessa Greer](#); mcwater@co.monterey.ca.us; [ClerkoftheBoard](#)
Subject: Supplemental Submission – FPPC Complaint No. COM-04222025-01091
Date: Tuesday, April 29, 2025 4:15:15 PM

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Dear Enforcement Division,

I respectfully submit this supplemental reflection in connection with the above-referenced complaint.

On June 2, 2021, I sat as a member of the Monterey County Water Resources Agency's Basin Management Advisory Committee, while also serving concurrently as a Director on the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA). That morning, under Agenda Item 2, the Committee was set to recommend that the Agency enter into a cooperative agreement with the U.S. Geological Survey and the SVBGSA—the very board on which I served.

Before the item was called, a respected Agency staff member, Mr. Howard Franklin, quietly approached. He suggested that while there may not be a technical conflict, the appearance could be questioned—and appearances, as we know, matter deeply in public life. I took his advice to heart. I announced my recusal, stepped back from the dais, and took no part in the deliberation or the vote.

It wasn't a grand gesture. No headlines. No controversy. Just a small, ordinary moment guided by respect—for the process, the public, and those seated beside me.

I think often of that moment when I reflect on the present matter involving the Zone 2B rate-setting votes. At the April 15, 2024 meeting, Director Michael Scattini shared openly, in his own words:

“...It just so happens I lease property from a trust my family runs. So yes, obviously, that makes it... real for me. I don't want to tell my family members, 'Hey, we're raising your rates' right after we renew leases.”

It was a moment of candor, and I appreciate candor. But it's also the kind of moment that gives pause.

This is not to judge or accuse. I share my own story not as contrast, but as reminder: recusal is not a punishment. It is not a statement of guilt. It is a signal of reverence—for the role, for the institution, and for the public watching.

The June 2, 2021 meeting is not available on Legistar. The video and minutes are not currently public-facing. But the record likely exists. I offer this account under oath, and am confident it will be found exactly as I've described, should you wish to look.

Thank you again for considering this additional context.

With respect and humility,

William O. Lipe
Salinas, California

From: [Bill Lipe](#)
To: [Complaint](#)
Cc: [Vanessa Greer](#); mcwater@co.monterey.ca.us; [ClerkoftheBoard](#)
Subject: FPPC Complaint No. COM-04222025-01091 — Supplemental Rebuttal to MCWRA Response
Date: Tuesday, April 29, 2025 1:45:14 PM
Attachments: [20250429 - COM-04222025-01091 - Supplemental Rebuttal Letter to MCWRA.pdf](#)

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Dear Enforcement Division

Attached is a supplemental rebuttal submitted in response to the Monterey County Water Resources Agency's April 29, 2025 letter regarding FPPC Complaint No. COM-04222025-01091.

This submission includes additional evidence, quotes, and contextual details drawn from public records and agency materials. It is provided respectfully and in the public interest, in the hope that it aids your thoughtful evaluation.

Thank you again for your service to the people of California. Should you have any questions or require further materials, I remain available.

Warm regards,
William O. Lipe
Salinas, California 93908



William O. Lipe
248 Wildwood Way, Salinas, CA
831.998.2963
william.o.lipe [REDACTED]

Supplemental Rebuttal Letter

RE: FPPC Complaint No. COM-04222025-01091

Filed by William O. Lipe

Subject: Monterey County Water Resources Agency – Board Member Participation in Zone 2B / CSIP Water Delivery Charge Decisions

Date: 4/29/2025

Dear Enforcement Division,

Thank you for your attention to this matter. I respectfully submit this supplemental rebuttal in response to the Monterey County Water Resources Agency's (MCWRA) April 29, 2025 letter regarding the above-referenced complaint. I am grateful to the FPPC for providing a pathway for public concerns to be reviewed with care and integrity, and I offer this letter in that same spirit.

The following account is not offered in judgment, but with the aim of helping restore public confidence in a process whose fairness depends on transparency, impartiality, and adherence to the law. What follows are verified records and observations that warrant thoughtful review.

Summary of Concern

This complaint involves the participation of Directors Michael Scattini, John Baillie, and Matt Simis in deliberations and votes affecting water delivery charges in Zone 2B, specifically within the Castroville Seawater Intrusion Project (CSIP) service area. The CSIP is a closed, agriculturally significant system comprising 195 parcels—a small and well-defined group, as confirmed by agency documents. Each of these three Directors has landholdings or operational interests within this limited pool of parcels. In fact, some may hold a substantial concentration of leases, ownership, or operational liabilities that would be materially affected by fee changes—particularly where projected charges exceed \$600 per acre-foot, as acknowledged in staff materials.

According to the April 21, 2025 meeting packet (Agenda Item 13), the Board unanimously approved a **Zone 2B water delivery charge of \$85.24 per acre-foot**. But when layered with other assessments in Zones 2B, 2Y, 2Z, and charges for infrastructure such as the Salinas River Diversion Facility, the cumulative cost to CSIP growers exceeds **\$600 per acre-foot**. That cost does not apply countywide; it applies only to a few dozen square miles and fewer than 200 agricultural operations. As the agency itself observed, these charges impose a serious burden on a very small subset of growers—underscoring why Directors with financial ties to the area were expected to act with extraordinary care.

1. Participation Despite Known Financial Interests

At the April 15, 2024 meeting, the Board reviewed staff’s proposal to raise delivery charges. All three Directors participated. Several made remarks that illustrate direct financial stakes:

- **Director Scattini** (00:59:06.000 – 01:01:11.000):

"I have a difficult time wanting to raise [fees] any more than the bare minimums..."

- **Director Scattini** (01:01:11.000 – 01:02:00.000):

"...It just so happens I lease property from a trust my family runs. So yes, obviously, that makes it... real for me. I don’t want to tell my family members, ‘Hey, we’re raising your rates’ right after we renew leases."

- **Director Baillie** (01:00:33.000 – 01:02:07.000):

"I would be more inclined to move with the lower rate..."

- **Director Simis** (01:09:36.000 – 01:10:02.000):

"I understand finances and farming out there. It’s tough to see a big increase one year."

Later in the meeting, Scattini added (01:24:08.000 – 01:24:21.000):

"Typically, leases start in November... you still have to give opportunity, advanced notice..."

This language signals personal leasehold risk, immediate exposure to rate changes, and the influence such stakes may have had on the votes and discussion that followed.

2. Public Warning, Followed by Continued Participation

On April 21, 2025, the matter returned before the Board. That morning, at **11:17 AM**, I submitted a public comment explicitly urging any Director with a personal financial interest—including Director Scattini—to recuse. I cited the relevant sections of the Political Reform Act and stressed the risk of undermining public trust.

Despite this, all three Directors participated and voted. Their remarks that day emphasized how the rates would burden CSIP growers—including themselves. Consider:

Director Scattini (02:55:39 – 02:56:55):

"CSIP area will be paying over \$600 per acre-foot... there's a big inequity there."

Attorney and member of the public Thomas Virsik also spoke that day, noting (02:51:00 – 02:53:53):

"There's only 195 parcels in the CSIP... and that may make a difference with respect to Mr. Lipe's public comment earlier today."

Mr. Virsik's written letter, dated April 25, 2025, later stated:

"Where... the affected Directors operate on what are likely significant percentages of the CSIP parcels, the potential for disqualifying conflicts of interest is real."

3. Legal Framework

The conduct described above is governed by:

- **Government Code § 87100** — Prohibits participation in decisions where financial interest is present;
- **Government Code § 87103** — Defines financial interest to include property, leaseholds, or income sources;
- **FPPC Regulation § 18707** — Outlines recusal and disclosure;
- **CCR Title 2, § 18703** — Limits the “public generally” defense when few are affected.

Under **Section 49(c) of the MCWRA Act**:

"No person shall be appointed... who would be disqualified from a substantial number of matters... by the Political Reform Act."

4. Public Memory and Institutional Pattern

As Mr. Virsik wrote, April 25, 2025:

"Even where a public official may ultimately conclude they are not legally disqualified, the appearance of conflict remains a valid public concern and may warrant recusal or disclosure."

The consistent participation of these three Directors, who likely represent a meaningful portion of the 195 parcels affected by the decision, creates a strong public perception of conflict. That perception, coupled with the failure to seek or present any independent legal analysis, only compounds community distrust.

Unfortunately, this is not the first time Zone 2B has been at the center of a conflict-of-interest crisis within MCWRA.

In 2011, it was publicly revealed that former MCWRA Director Steve Collins had accepted paid consulting work with RMC Water and Environment while serving on the agency board—representing Zone 2B interests, including Ocean Mist Farms. His dual role fatally compromised the regional desalination project. In 2012, the project collapsed. By 2014, Collins had pleaded no contest to felony grand theft and violating Government Code § 1090, was sentenced to probation, ordered to pay restitution, and permanently barred from public office.

The consequences were significant: millions in public losses, the collapse of a multi-agency infrastructure solution, and a missed opportunity to stabilize the region's aquifers. As a direct result, the 180-400 Foot Aquifer Subbasin, which supplies Zone 2B, was later designated by the State of California as "critically overdrafted"—the only such subbasin in the county.

Now, more than a decade later, the same small geographic area—still burdened with overlapping fees, still suffering seawater intrusion—again faces decisions by board members with acknowledged personal interests. MCWRA's own April 21, 2025 materials affirm that the \$600+ per acre-foot cumulative burden affects just 195 parcels. That burden is not broadly shared. It is locally concentrated, and the individuals casting votes appear to be among those most directly affected.

The pattern, even if unintended, merits careful and impartial attention.

Conclusion and Request

I write with gratitude for your service and with confidence in the strength of California's ethical safeguards. I respectfully renew my request that the FPPC review the participation of Directors Scattini, Baillie, and Simis in these matters.

I welcome any questions you may have and remain available to support further inquiry.

With humility and in good faith,



Salinas, California

[william.o.lipe](mailto:william.o.lipe@fppc.ca.gov) [REDACTED]