EXHIBIT 1

INTRODUCTION

Respondent Jerry "Pat" Maguire ("Respondent" or "Respondent Maguire") is a Director in the El Camino Irrigation District ("ECID"). The El Camino Irrigation District is a Special District in Tehama County, authorized by the State of California. In this matter, Respondent impermissibly made governmental decisions which directly affected his real property interests, in violation of Section 87100 of the Government Code.

For the purposes of this Stipulation, Respondent's violations of the Political Reform Act (the "Act")[1] are stated as follows:

COUNT 1: On or about February 16, 2007, as a member of the El Camino Irrigation District Board of Directors, Respondent Jerry "Pat" Maguire made a governmental decision in which he had a financial interest, by voting on an irrigation plan concerning real property located within 500 feet of his real property, in violation of Section 87100 of the Government Code.

COUNT 2: On or about March 16, 2007, as a member of the El Camino Irrigation District Board of Directors, Respondent Jerry "Pat" Maguire made a governmental decision in which he had a financial interest, by voting on an irrigation plan concerning real property located within 500 feet of his real property, in violation of Section 87100 of the Government Code.

SUMMARY OF THE LAW

Conflicts of Interest

The primary purpose for the conflict-of-interest provisions of the Act is to ensure that, "public officials, whether elected or appointed, perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them." (Section 81001, subdivision (b).)

In furtherance of this goal, Section 87100 prohibits a public official from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which the official knows, or has reason to know, that he or she has a financial interest. Under Section 87103, a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on an economic

[1] The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The Regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, Sections 18109-18996. All regulatory references are to Title 2 of the California Code of Regulations.

interest of the official. For purposes of Sections 87100 and 87103, there are six analytical steps to consider when determining whether an individual has a conflict-of-interest in a governmental decision.[2]

First, the individual must be a public official as defined by the Act. Section 82048 defines "public official" to include a member of a local governmental agency. Section 82003 defines "agency" to include "any state or local government agency." Section 82041 defines "local government agency" to mean "a county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing."

Second, the official must make, participate in making, or attempt to use his or her official position to influence a governmental decision. Under Regulation 18702.1, subdivision (a), a public official "makes a governmental decision" when the official votes on a matter, obligates his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.

Third, the official must have an economic interest that may be financially affected by the governmental decision. Under Section 87103, subdivision (b), a public official has a financial interest in any real property in which the public official has a direct or indirect interest worth two thousand dollars ($2,000) or more. (Section 82033.)

Fourth, it must be determined if the economic interest of the official is directly or indirectly involved in the decision. Under Regulation 18704.2, subdivision (a)(1), real property in which a public official has an economic interest is directly involved in a governmental decision if "The real property in which the official has an interest, or any part of that real property, is located within 500 feet of the boundaries (or the proposed boundaries) of the property which is the subject of the governmental decision." Under Regulation 18704.2, subdivision (d), if the real property is "directly involved" in a governmental decision, the materiality standards in Regulation 18705.2, subdivision (a), apply.

Fifth, under Regulation 18705.2, subdivision (a), any financial effect of a governmental decision on the public official's real property is presumed to be material. This presumption may be rebutted by proof that it is not reasonably foreseeable that the governmental decision will have <u>any</u> financial effect on the real property.

Sixth, it must have been reasonably foreseeable, at the time the governmental decision was made, that the decision would have a material financial effect on the economic interest of the official. Under Regulation 18706, subdivision (a), a material financial effect on an economic interest is reasonably foreseeable if it is substantially likely that one or more of the materiality standards applicable to the economic interest will be met as a result of the governmental decision. (*In re Thorner* (1975) 1 FPPC Ops. 198.)

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[2] Neither the Public Generally Exception (Section 87103, Regulation 18707.1), the Special Rule for Rates, Assessments, and Similar Decisions (Section (87103, Regulation, 18707.2), nor the Legally Required Participation Exception (Section 87101, Regulation 18708) apply to this case.

SUMMARY OF THE FACTS

1. Respondent Was a Public Official as Defined by the Act

Respondent Maguire is a Director in the El Camino Irrigation District and has been a Director since at least 2003. As a Director of the ECID during the relevant periods Respondent was a public official as defined in Section 82048, and was, therefore, subject to the prohibition against making decisions in which he had a financial interest under Section 87100.

2. Respondent Made Governmental Decisions

On or about February 16, 2007, Respondent voted regarding an irrigation plan. Irrigation Plan, Tentative Tract Map 05-1018, related to the proposed subdivision of a block of parcels covering about 153.19 acres of real property located northeast of the intersection of Rodeo Avenue and El Camino Avenue, in Tehama County, owned by Kendal Trent ("Trent Subdivision"). Respondent voted in favor of the plan as recommended by another Director, which, according to the minutes of the meeting, included installation of new pipelines, "3 T's on the pipeline following the South line of Lot 23 and Lot 22," if other property owners, including Respondent and another property owner named Hogan agreed. The vote was 3/2 in favor of the recommendation, but after the motion was repeated, Respondent changed his vote, and the motion died. Respondent then made two more motions, which failed, to approve the map and subdivision for "Trent."

On or about March 16, 2007, during the following ECID meeting, another vote was taken regarding approval of the same item, Irrigation Plan, Tentative Tract Map 05-1018. Respondent voted to accept the irrigation plan, and it was approved by a vote of 3-2.

3. Respondent Had an Economic Interest in Real Property

At the time of the governmental decisions, Respondent owned two parcels of land in Tehama County and within the jurisdictional boundaries of ECID adjacent to the Trent Subdivision. One parcel is 11.63 acres, located adjacent to the Trent Subdivision, at the northeast corner of the intersection of Rodeo Avenue and El Camino Avenue. Respondent's other adjacent parcel is 10.75 acres and is located at El Camino Avenue, to the east of his larger parcel, separated by a parcel owned by Mr. Hogan. Respondent's parcels are worth $2,000 or more. (Section 82033.) Therefore, Respondent had an economic interest in real property for the purposes of Section 87103.

4. Respondent's Economic Interest Was Directly Involved in the Decisions

Respondent's two parcels were within 500 feet of the Trent Subdivision, which was the subject of the decisions. Therefore, the governmental decisions made on February 16, 2007, and March 16, 2007, affecting the irrigation plan for the Trent Subdivision, directly involved Respondent's economic interest in real property under Regulation 18704.2, subdivision (a)(1).

5. Applicable Materiality Standard

Under Regulation 18705.2, subdivision (a), any financial effect (at least one penny) of a governmental decision by Respondent on his directly involved real property is presumed to be material. Therefore, there is a rebuttable presumption that these decisions had a material financial effect on Respondent's real property.

6. It Was Reasonably Foreseeable That the Applicable Materiality Standard Would Be Met

On February 16, 2007, and March 16, 2007, it was substantially likely that the approval of an irrigation plan for the Trent Subdivision would have some financial effect on Respondent's two parcels, either positively or negatively.

During the meetings leading up to, and including, the February and March meetings, the District discussed the effects of the Trent Subdivision on traffic patterns, need for installation or construction of pipelines and pumps, need for road improvements including construction of new driveways which would be parallel or directly over District pipelines, various ways in which residential property use may conflict with surrounding agricultural use of property, need for buffer zones, effects on water services, and how the subdivision would affect the character of the area. In addition, on or about the time of the governmental decisions, Respondent Maguire was in the process of subdividing one of the two parcels (at the intersection of El Camino Avenue and Rodeo Avenue). This was discussed at a meeting of the Tehama County Technical Advisory Committee of January 31, 2007, at which Respondent Maguire was present. Compliance with the Subdivision Policy of the ECID, Resolution 2003-001, was a condition for recordation of the Final Map.

As noted above, among the issues discussed at the February 16, 2007, ECID meeting concerning the Trent Subdivision was consideration of installation of water pumps, including sharing of pipe costs for the pumps by Mr. Trent and owners of property south of the Trent Subdivision, including Respondent Maguire and Mr. Hogan. Because the decisions could directly affect construction of new pipelines adjacent to, or in close proximity to, Respondent's properties, and the maintenance of those pipelines, Respondent knew or should have known that it was substantially likely that the decisions could have a financial effect on his real property interests. Moreover, it was substantially likely that Respondent's decisions could affect Respondent's property in other ways, as discussed above, due to impacts on traffic, road improvements, water services, and related impacts as discussed in the ECID Subdivision Policy, Resolution 2003-01.

In addition, on or about February 13, 2007, and March 16, 2007, Directors Alan Hess and Scott Murphy gave a letter to Respondent alerting him that the Trent Subdivision proposed to construct pipelines along his north property line that would have an economic benefit to his proposed development in the future, and opining that it would be a conflict of interest for him to participate in discussions or approval of the project.

At the time of the governmental decisions, Respondent knew or had reason to know it was substantially likely that changes in the use of the Trent Subdivision property would have a material

financial effect on his adjacent real property. Therefore, under Regulation 18706, subdivision (a), it was reasonably foreseeable that the decisions would have a material financial effect on Respondent's real property interests. By making two governmental decisions in which he had a financial interest, Respondent Maguire violated Section 87100 of the Act.

This matter is being charged as two counts of violating the Act carrying a maximum administrative penalty each of Five Thousand Dollars ($5,000); Ten Thousand Dollars ($10,000) total.

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in consulting with Commission staff; whether there was a pattern of violations; and whether the Respondent, upon learning of the violations, voluntarily filed appropriate amendments to provide full disclosure.

Making a governmental decision in which an official has a financial interest is one of the more serious violations of the Act as it creates the appearance that a governmental decision was made on the basis of s public official's financial interests. The typical administrative penalty for a conflict-of-interest violation, depending on the facts of the case, has been in the mid-to-high range of available penalties.

FACTORS IN AGGRAVATION

Respondent filed a 2007 Annual SEI but did not report ownership of the two parcels discussed above.

FACTORS IN MITIGATION

In mitigation, Respondent has no history of violations under the Act and has been cooperative with the agency. In addition, Respondent has filed an amended 2007 annual SEI disclosing the real property. In addition, these interests in real property were reported on a previously filed SEI. Also, Respondent states he was not aware of the "500 foot" rule and that he was not advised by counsel of a potential conflict of interest.

The facts of this case, including the aggravating and mitigating factors discussed above, justify imposition of the agreed upon penalty of Three Thousand Five Hundred Dollars ($3,500) for each violation.