



Weekly Update Oct. 5 – 12, 2026

Rudeness and Apathy Contagion

Two unrelated local government crises may be related after all. The San Simeon Community Service District is desperately trying to find a path forward in its stymied efforts to remain of service to that community.



At the same time, the Templeton Advisory Group, better known as TAG, is throwing in the towel and disbanding. TAG is not a community service district, but rather an advisory board.



San Simeon is a district that provides needed services such as water, sewer, road maintenance and lighting, while TAG only serves to provide feedback and recommendations to the Board of Supervisors. So, what could their troubles possibly have in common?

Both organizations have had trouble finding enough community volunteers interested in serving on their boards. Both are down to 3 Board Members, making it impossible to maintain a quorum. In the case of San Simeon, the community only has about 350 residents which makes finding dedicated local leaders difficult. In the case of Templeton, fiery personalities have run off anybody that might have an interest.

The common denominator is that recruiting locals to serve has become impossible, and without them, the local control falls apart. We wonder if these two examples are outliers, or if the problem is more common than not.

Serving on something like a local school board or community service district requires a great deal of time, commitment and patience. The dedication needed to fully understand all sides of the issues in order to make responsible decisions can be overwhelming.



Yelling, swearing, interrupting and ridiculous dramatic performances rarely result in positive outcomes, yet it's becoming common behavior at public meetings.

Perhaps even more discouraging is the tenor of the meetings themselves. Too often, dialogues devolve into shouting matches, insults and threats. Accomplishing something of significance is almost impossible because of the rudeness, anger and sometimes scary behavior of people demanding their way only.

Fortunately, the TAG disbandment doesn't appear to come with a financial price tag. San Simeon, however, has an almost insurmountable debt. Asking the County to step in is a very expensive request.



As the BoS tiptoes around the San Simeon situation, we hope that they take careful stock of other CSDs that may also want a bail out. Once the county begins helping San Simeon, others may show up with their hands out.

If there are other Community Service Districts, or other such organizations that are struggling with leadership and/or getting the necessary business done, we would hope that some problem-solving attempts are enacted before huge debts are run up with no resolution beyond taxpayer bailouts.

\$9 Million Windfall to a Good Cause?

Last week we commended the BoS for dedicating most of an unexpected \$9 million windfall of excess funds from the 2025/26 budget to emergency preparedness. With the Super El Nino coming, winter forecasts are concerning and having extra funds on hand for emergencies makes sense.



We need to be prepared for disasters such as flooding on the Salinas River.

Just when everyone was sanguine about the concept, Supervisor Gibson chimed in with a few convoluted questions about the fund center that the dollars were committed to. Eventually he made it clear that he was wondering if the funds could be used for other "emergencies" such as bailing out San Simeon with their \$55 million debt and ongoing water treatment and delivery issues. The answer was yes; the funds could be directed for such a purpose.



Does Gibson want to take funds away from El Nino preparedness?

The San Simeon situation is an awful mess, and finding solutions will not be easy. However, it didn't pop up overnight and won't be solved in any expedient fashion. Storm damage does pop up overnight and often needs to be resolved as quickly as possible.



The San Simeon CSD has found itself \$55 million underwater and sinking fast.

It's good to see Gibson watching out for his constituents, but we can't help but wonder why he has waited so long and let the crisis grow so big. Why didn't he ring the emergency bell when the community was only \$5 million upside down – or \$15 million upside down?

Presumably, all taxpayers will end up bailing out San Simeon. In the meantime, let's hope that the BoS doesn't start using these funds that have been set aside for emergency situations as their personal pet project slush funds.

Budget Grows, Process Improves

The 2026/27 budget was passed with hardly a blink at the September 29 BoS meeting. Nearly \$1.2 billion dollars of taxpayer money to run our county and provide all the services that comes with it.

We will say that the new administrative model of having a CEO has raised the level of accountability with the budget process. The KPMG audits have found savings and efficiencies that the CEO and the BoS have embraced.

CEO Matt Pontes is running a much more organized team with department leaders finally seeming to row in the same direction.



CEO Pontes

One example of the new approach is about to be implemented. The California State Association of Counties (CSAC) has a high-level training program for county administrative staff that prepare budgets.



Another great example is the extra \$9 million in carryover from the previous budget. While some might say that budget planning should be more precise, we are encouraged that enough fiscal responsibility was exercised that those funds weren't just squandered.

That doesn't mean that we are entirely comfortable with the spending priorities and methods of our county's government. A glaring example of gross mismanagement was the recent "feasibility study" paid for with taxpayer dollars (we are still trying to find out how much). That "study" done by a (presumably qualified and high paid) consultant was poorly done, left out important options and concluded with what can only be described as (purposeful?) misdirection.

Of course, one big problem most people have with the BoS is the apparent total disregard for prioritizing roads in the budget process. Plenty for pleasant bicycle paths – edaciously little for roads.

We are also still concerned about duplications and efficiencies in the hundreds of programs run by our county and hope that those making spending decisions are always looking for the best deal.

Sacramento Lobbying Report

Our county lobbyist in Sacramento, Paul Yoder of Shaw Yoder Antwih Schmelzer and Lange, presented his semi-annual report to the BoS at the September 29 meeting. He offered mostly good news in that the legislation that was deemed detrimental by the Board had been vetoed, and others that were supported have been signed into law.



Lobbyist Paul Yoder

Yoder is a contract lobbyist, meaning he has many clients. As a lobbyist, he serves as both an advocate for his client's positions as well as a conduit for information about pending legislative issues that may impact his clients.

The fuzzy part of his report had to do with the Diablo Canyon Power Plant. He acknowledged that the BoS was in support of a 20-year extension and explained that there were too many big-ticket items before the legislature this year. He said that he expects the issue to be taken up early next year.

All the while, he seemed to be hedging his comments. Several times, he offered praise for Assemblymember Addis and Senator Laird, but never really offered an explanation about why they are so ambivalent about the 20-year extension that is

awaiting an enabling bill from the legislature. It remains unclear whether either of them supports the extension.

Yoder also mentioned the sad fact that the legislature had not found the time or inspiration (our words) to take up the critical issue of wildfire liability reform. He said that discussions are underway for a special session of the legislature to address the issue but expressed some doubt that it would happen.

He also mentioned that this year brought about more of the shameful process called “gut and amend” than ever before. This is where a bill that has survived the entire legislative hearing process is stripped of its (usually unrelated) language and substituted with an entirely different bill. The new bill does not go through the somewhat transparent process of committee hearings and floor sessions of the legislature. It’s a process that would probably not stand up to a strict rules review, but it is too convenient a tool for legislators to have in their back pocket.



Why do we even have a legislative process when “gut and amend” is allowed?

Supervisor Ortiz Legg pointed out that there is much riding on the extension, including a fair and reasonable unitary tax that funds local schools, a huge workforce, local economic drivers and a safe reliable electric grid.

She also pointed out that the longer it takes to get the extension, the more expensive it becomes for ratepayers who are already paying for many of the land conservation concessions that accompanied the Coastal Commission approval.



Ortiz Legg advocating for affordability.

Supervisor Gibson broke into a rambling soliloquy about ... well we are not really sure what his point was, but he was passionate about it. In the end, he said that he was glad that the legislature did not act on the extension for Diablo Canyon because of the lingering “unanswered questions”. This is his favorite crutch, never expanding on the specifics of those questions, but always calling for more and more delays.

He also pointed said that if our county is host to a nuclear power plant, all residents should benefit. Would his idea of benefit include being able to know the electricity will be on when the sun isn’t shining or the wind blowing?

Quiet Title Clarity Drafted

In the seemingly never-ending chronicles of the vagaries surrounding the Paso Groundwater Basin, the recent culmination of the 12-year Quiet Title litigation appeared to close a chapter, answer some questions and resolve serious challenges to private property rights. But is that really the case?



Who won what?

We applaud those who fight for private property rights. Taxation, regulation and restrictions are all constant battles for those who seek to enjoy their own land. Having quiet title is a strong step to protecting private property and ensuring priority rights to pump up to 90,000 acre-feet of groundwater annually.

When the recent litigation was finished, many were left with questions surrounding the impact on Paso Robles Area Groundwater Authority (PRAGA) Prop 26 fees (and any other groundwater sustainability program) on those who gained Quiet Title status.



Paso Robles Area Groundwater Authority

Below is a publication posted by San Luis Obispo County on October 2, 2026, that addresses some of the questions that so many have had. The publication can be found at: [Steinbeck \(Paso Robles Groundwater Quiet Title\) Litigation Background - County of San Luis Obispo](#)

As far as we know, this is the only written summary available. While it seems comprehensive and thorough, we would not be surprised to see challenges to some of the conclusions from people with differing interpretations.



Our hope is that the enormous amounts of energy and resources that have been spent over the decades fighting back and forth will be redirected to focusing on achieving greater sustainability. Getting out of the supposed “severe overdraft” category that drives so much of the fight would be good for everyone.

Here is the County position paper:

On September 24, 2026, the Santa Clara Superior Court issued its final judgment in *Steinbeck Vineyards #1, LLC, et al. v. County of San Luis Obispo, et al.* (Steinbeck litigation). This judgment represents the culmination of nearly 13 years of litigation involving quiet title claims asserted by hundreds of landowner parties against several water suppliers, including the County of San Luis Obispo, City of Paso Robles, San Miguel Community Services District, Templeton Community Services District and Atascadero Mutual Water Company as well as the County Flood Control District. The County was a defendant based on its ownership and operation of water systems in Shandon and Santa Margarita, collectively serving over 800 customers.

The Steinbeck litigation was heard in Santa Clara County to avoid local conflicts of interest and was conducted in six separate phases of trial due to the complex nature of the issues.

The final judgment primarily reiterates the separate decisions rendered in each phase of trial as well as other related orders. For instance, one order established the geographical boundaries of the basin. Another phase of trial resulted in the public water suppliers establishing prescriptive rights to groundwater based on the volume of groundwater they pumped for non-overlying use during a historical period of overdraft (1981 – 1990). For example, the County established a prescriptive right to 310 acre-feet per year in connection with its service to Shandon and Santa Margarita. During a subsequent phase, a limited group of landowners produced sufficient evidence that they also pumped during the 1981 – 1990 period to establish “self-help” as a defense to the established prescriptive rights. The court suggested this would give these landowners an equal priority with the prescriptive users during times of shortage but made no official determination because of the nature of the action. Specifically, the Steinbeck litigation was a limited quiet title action that did not assess the current status of the groundwater supply or allocate pumping rights.

Notably, the final judgment does not require the County or the water suppliers to take any actions nor does it inhibit any agency from continuing to manage the basin. In short, the final judgment does not dictate any changes with respect to implementation of the Sustainable Groundwater Management Act.

Frequently Asked Questions

Q1 Did the County bring this lawsuit against landowners overlying the Paso Robles Groundwater Subbasin?

No. The County was a defendant in this lawsuit. The plaintiffs were a collection of landowners owning land in or around the basin who filed this quiet title action against water suppliers and public agency defendants.

Q2 Did the plaintiffs “win” the lawsuit?

No. As reflected in the final judgment, the history of this complex litigation does not support this

simple conclusion. For instance, the case contained multiple phases, including one in which a jury found in favor of the water suppliers—specifically, that each public water supplier proved it has a prescriptive right to pump a certain amount of water with the exception of the County Flood Control District and Atascadero Mutual Water Company who did not assert prescription based on their groundwater use or lack thereof (e.g. Atascadero Mutual Water Company exercises overlying rights).

Q3 Does this lawsuit allocate groundwater pumping rights within the Paso Robles Groundwater Subbasin?

No. This lawsuit does not allocate groundwater pumping rights in the basin; as a limited quiet title action between the plaintiffs and the defendants, it is not a comprehensive groundwater basin adjudication. As noted by the court in its phase 5 statement of decision, the action does not quantify or allocate current pumping rights or create a physical solution but only concerns the plaintiffs' title to the groundwater rights associated with their specific lands and only as of November 25, 2013, the date they filed suit.

Since no allocations or other actions were imposed, the court did not issue injunctive relief or order the parties to take any specific actions whatsoever. The final nature of this decision is reflected in the fact that, despite the plaintiffs' request, the Court did not retain any continuing jurisdiction over basin groundwater matters.

Q4 Does the final judgment affect any groundwater sustainability agencies or the Paso Robles Area Groundwater Authority with respect to any of their powers under the Sustainable Groundwater Management Act?

No. As indicated above, this was a limited quiet title action rather than a comprehensive adjudication to determine current pumping rights. The final judgment makes no holdings related to the Sustainable Groundwater Management Act, basin management or the imposition of basin management fees; and the Sustainable Groundwater Management Act was only peripherally discussed during the litigation, specifically concerning the State's recognition of the Atascadero Groundwater Subbasin as a separate basin from the Paso Robles Groundwater Subbasin under the Act.

Q5 Can Groundwater Sustainability Agencies or the Paso Robles Area Groundwater Authority still impose groundwater pumping restrictions and fees to fund implementation of the Groundwater Sustainability Plan?

Yes. The Sustainable Groundwater Management Act makes clear that its provisions do not modify rights or priorities to groundwater or determine or alter groundwater rights; rather, it authorizes groundwater sustainability agencies to implement groundwater sustainability programs and adopt fees to fund those programs consistent with applicable constitutional requirements (see e.g. Water Code sections 10720.5 and 10730).

In short, the final judgment does not impact implementation of the Sustainable Groundwater Management Act or the Groundwater Sustainability Plan.

Q6 Are plaintiffs excused from paying the Paso Robles Area Groundwater Authority's groundwater charge or from otherwise complying with groundwater management actions under the Sustainable Groundwater Management Act?

No. The final judgment says nothing about groundwater management fees or groundwater management actions under the Sustainable Groundwater Management Act. Separately, courts have held that any person challenging any groundwater fee imposed under the Act must pay the fee before bringing an action for a refund (*Mojave Pistachios, LLC v. Superior Court of Orange* (2024) 99 Cal.App.5th 605). Nothing in the Court's decision or applicable statute suggests that plaintiffs would be entitled to such a refund.



The final quiet title judgment can be found here: [1-14-CV265039 \(2\).pdf](#)

So, how does the community move on from here?

Ballot Propositions

Special thanks to retired election attorney Chuck Bell for the ballot analysis that he has provided. We have run these analyses over the past three weeks and conclude this week with Props 1,37,39 and 43. Additionally, a special thanks to Barry Fisher for broadcasting discussions with Chuck about each of the ballot measures on his radio show, Protecting What Matters, on Tuesdays at 12:30 on KPRL.

Measures 1,37 and 38 are each General Obligation Bond measures. This means they are each effectively tax increases in that the bonds will be paid back by the taxpayers. Typically, a bond costs roughly two times the original bond value. In other words, in the case of Prop 1, \$11.25 billion will be raised from the bonds, but taxpayers will ultimately pay back around \$20 billion.

Props 1 and 37 together are over \$36 billion for subsidized housing. The payback for taxpayers will be around \$70 billion,

2026 CALIFORNIA BALLOT PROPOSITION REVIEW

TYPE: LEGISLATIVE STATUTE	Number 1
Title: AUTHORIZES BONDS FOR HOUSING AFFORDABILITY PROGRAMS	
CATEGORY: BOND	
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS • Authorizes \$11.25 billion in state general obligation bonds for housing affordability programs, including for California veterans, and to finance housing development projects seeking federal tax credits. • Allocates funds: • \$5.1 billion to build and rehabilitate multifamily rental housing; • \$2.1 billion to acquire, rehabilitate, or preserve affordable housing units, and provide supportive housing for those experiencing homelessness; • \$1.25 billion for state-funded mortgages for California veterans; • \$1.1 billion for homeownership and downpayment assistance; • \$1 billion for farmworker, tribal, and student housing; • \$500 million for housing infrastructure; and • \$200 million to support local housing programs. COST: \$11.25 B – 25 YR - \$500-600M/Annual Cost = \$23.75 B Total; General Fund Revenues -	
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED? YES	
Chief Supporters • Gov. Newsom; California Democratic Party; California Apartment Association; AFL-CIO California	Chief Opponents • Some Republican state legislators

Sources: [Official Voter Information Guide](#) | [California Secretary of State - Ballot Propositions](#) - [California Budget & Policy Center](#) -

2026 CALIFORNIA BALLOT PROPOSITION REVIEW

POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE Generally popular state housing finance loan programs that spread public funds to private developers and non-profit housing providers for a variety of housing assistance efforts – in this case for the variety of recipients listed above, but free market economists and policy analysts argue that these programs, though well-intentioned, are fundamentally flawed interventions in the real estate market that distort market mechanisms, misallocate capital, and ultimately fail to address the root causes of housing unaffordability.

TYPE: LEGISLATIVE STATUTE		Number 37
Title:		
CATEGORY: BOND		
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS		
• Authorizes \$25 billion in bonds to offer eligible buyers fixed-rate mortgages for up to 17% of purchase price of a newly constructed home priced below about \$1.5 million. • Borrowers must be California residents, occupy the home, meet income limits, and pay at least 3% down. Bonds repaid by mortgage payments, not the State. • Developers also could choose to participate in a “qualified builder option.” Developers that chose this option would be required to meet higher labor standards, such as using workers with a certain type of training for certain types of housing projects. In exchange, developers would be subject to different construction defect rules.		
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED?		
YES		
Chief Supporters		Chief Opponents
• Sen. Rob Hertzberg (ret.); Building a Better California; California Realtors Assn; Carpenters Unions		• California Policy Center
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE		
• While proponents view it as a solution for Californians priced out of the market, policy analysts, local advocates, and state critics have raised significant housing subsidy critiques regarding its efficacy, financial burden, and unintended consequences: Critics argue the additional monthly payment may entirely offset the financial benefit of avoiding private mortgage insurance; The program allows households earning up to 200% of the Area Median Income (AMI) to qualify. In high-cost regions, this diverts state-administered resources toward relatively high earners rather than families facing the steepest barriers to housing; Because the subsidy is limited strictly to newly built homes or non-residential conversions, buyers face peripheral new-development costs. These include HOA fees, Mello-Roos taxes, and skyrocketing fire insurance premiums.		

Sources: [Official Voter Information Guide](#) | [California Secretary of State - Ballot Propositions](#) - [California Budget & Policy Center](#) -

Prop 38 is one more step in putting the government into the medical business. While the research is very important, it should be done by the medical community and industry, not funded by taxpayers.

TYPE: INITIATIVE STATUTE		Number 38
Title: AUTHORIZES BONDS FOR IMMUNOLOGY MEDICAL RESEARCH		
CATEGORY: BOND		
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS Authorizes \$8.4 billion in general obligation bonds for immunology and immunotherapy research, half to a single University of California-affiliated nonprofit medical research institute, half to research grants.		
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED? YES		

Chief Supporters Michael J. Fox Foundation; ALS Association • Alzheimer's Association • American Nurses Association\California • Blood Cancer United • California Colorectal Cancer Coalition • Liver Coalition • Michael J. Fox Foundation • National Multiple Sclerosis Society • Parkinson Association of Northern California; American Nurses Assoc\CA	Chief Opponents Robert J. Kaplan, PhD., former National Institutes of Health Assoc. Director
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE Similar to 2004 Measure funding Stem Cell Research through a similar funding arrangement for a research entity largely funded and run by the measure's proponent. Critics say limiting California's flexibility to address changing health priorities. Research funding should be guided through the normal budget process—not by ballot initiatives. COST: \$8.4 B - \$500 million \$600 million interest – 20 years to repay the research bond = \$10 B; Total \$18.4 B	
Related Ballot Initiatives	
None	

Sources: [Official Voter Information Guide](#) | [California Secretary of State - Ballot Propositions](#) - [California Budget & Policy Center](#) -

Prop 43 is arguably one of the most important measures we will see on the ballot for many years. It restores the protections that were originally voted in with Prop 13. 79% of the electorate passed Prop 13, yet courts and legislative brinksmanship have whittled away some of those protections. This measure restores those protections and prevents runaway tax increases.

2026 CALIFORNIA BALLOT PROPOSITION REVIEW

TYPE: CONSTITUTIONAL AMENDMENT	Number 43
Title: LIMITS VOTERS' ABILITY TO RAISE REVENUES FOR LOCAL GOVERNMENT SERVICES	
CATEGORY: TAX RELATED; BOND; ELECTION RELATED; MISCELLANEOUS/OTHER TAX	
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS - Requires local government voter- proposed special tax measures to obtain 2/3ds vote to adopt - Applies to measures approved after January 1, 2027	
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED? YES	
Chief Supporters Howard Jarvis Taxpayers Association and California Business Roundtable, California Republican Party	Chief Opponents No major opponents to date
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE - Proponents say Prop. 43 protects taxpayers by restoring Proposition 13's two-thirds vote requirement to pass local special taxes, including sales taxes, real estate taxes and utility taxes. Courts have allowed special interests to pass earmarked tax increases with fewer votes. Prop. 43 closes this loophole, protecting taxpayers, homeowners and renters. - Opponents say Prop. 43 limits voters' ability to fund essential local services including fire protection, 911 response, schools, roads, hospitals and affordable housing. It doesn't cut your taxes and lets just 33.4% of voters veto what nearly 67% want.	

Sources: [Official Voter Information Guide](#) | [California Secretary of State - Ballot Propositions](#) - [California Budget & Policy Center](#) -

Fall Forum October 21

Bring a friend.

Enjoy a fun evening.

Meet community leaders.

Learn something important.

Meet Jon Coupal – taxpayer Hero.

Leave your wallet and checkbook at home: It's Free!



FALL FORUM



Wednesday, October 21st
5:30–7:30 PM



Thousand Hills Ranch
550 Thousand Hills Rd.
Pismo Beach, CA

PROP 43 - KNOW WHAT WE ARE PROTECTING AND WHY

Join Jon Coupal, President of the Howard Jarvis Taxpayers Association and California's preeminent tax fighter, for a discussion on Prop 43, the "Save Prop 13" ballot measure, and the protections it would provide for California taxpayers.



Jon Coupal
President of HJTA



BEER, LOCAL FINE WINES,
AND
HOT & COLD APPETIZERS
WILL BE SERVED

RSVP'S ARE APPRECIATED BY OCTOBER 14TH

THERE IS NO CHARGE FOR THIS INFORMATIVE EVENT!
colabslo@gmail.com | (805) 548-0340



Driving note: Thousand Hills Road is off Price Canyon Road. The entrance is somewhat hidden around a bend and may come up suddenly. Continue approximately one mile to the red-roofed barn on the right.

Last Week

Fall Forum Just Weeks Away

The COLAB Fall Forum is almost 3 weeks away. This fun and informative event is set for the evening of Wednesday, October 21 at the picturesque Thousand Hills Ranch in Price Canyon. The event is free, with free parking, free hors d'oeuvres, wine and refreshments. Again, you can leave your wallets at home. The whole evening is free.

Make your reservation soon.

Our speaker is Jon Coupal, President of the Howard Jarvis Taxpayer Association. Jon began his tax fighting career with 9 years of service with the Pacific Legal Foundation specializing in tax and political law. He joined HJTA in 1991 and has been fighting for taxpayers since.



Jon Coupal being interviewed about tax law.

Jon is a bit of an unsung hero. Here is a list of just a few of his accomplishments:

Successfully defended Proposition 130 (term limits) before the California Supreme Court.

Won a major 1995 ruling upholding Proposition 62, guaranteeing the right to vote on local taxes.

Principal drafter of Proposition 218 (Right to Vote on Taxes Act), passed in 1996.

Chaired multiple taxpayer-focused initiative campaigns, including efforts against Proposition 88 (2006) and Proposition 1A (2009).

Jon is a frequent commentator in media and writes columns for publications throughout the country. Now, he is leading Proposition 43, also known as the Save Prop 13 measure, on the November 3 ballot.

Proposition 13 was passed in 1978 and is considered the most significant ballot measure ever passed by California voters. It has saved a countless number of homeowners from having to sell their property because they couldn't afford runaway property taxes. Since then, there have been dozens of legislative and court efforts to undo Proposition 13. Some have been successful in reducing protections. Proposition 43 erases those changes and restores all the protections that were built into the original measure.



We hope that you will join us on the 21st to meet Jon and hear about the great things the Howard Jarvis Taxpayer Foundation is doing to protect all of us from greedy tax and spend politicians and bloated government agencies all wanting more of your tax dollars. You are welcome to bring guests. Make your reservation today by emailing colabslo@gmail.com or by calling **805 548-0340**.

Cha Ching Tuesday

The September 29 meeting of the San Luis Obispo County Board of Supervisors will be an expensive gathering. Nearly \$20 million in transactions are on the agenda along with the \$1.04 billion county budget. Some of the spending is in the form of pass-throughs from grants and much of the other spending is of already allocated funds. But, THEY ARE ALL TAXPAYER DOLLARS!!!



Eleven of the 43 public action agenda items require a 4/5ths vote. Our fingers are crossed that a fair amount of fiscal accountability and responsibility will be exercised to ensure good value for the taxpayers who generated all of that money.

Budget

Our county budget pays for needed services and programs in the unincorporated portion of San Luis Obispo County. It also defines how much Supervisors get to play Santa. If your community needs public safety help, health and human services help or parks help, you get to work with your Supervisor and likely the rest of the Supervisors to get results. If your roads need help, good luck.

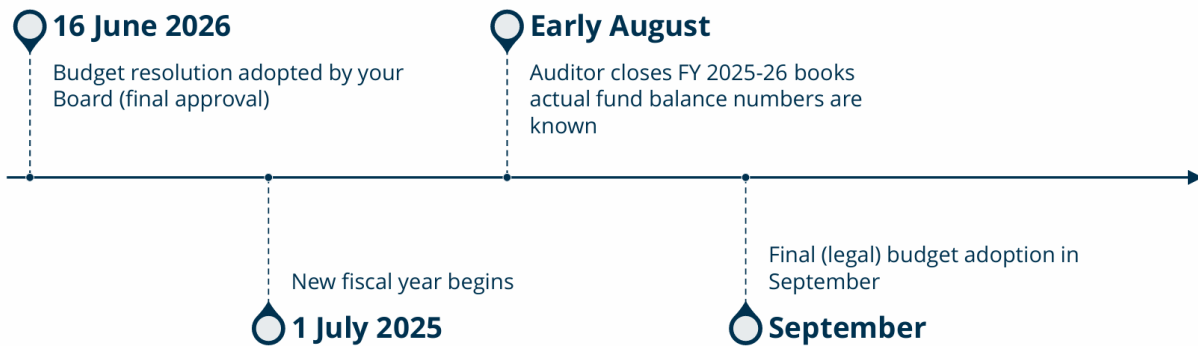
The 2026/27 budget is our county's biggest ever. The main budget is \$1.04 billion, but with the Operating Fund costing an additional \$834.8 million, the total spending for our county reaches nearly \$1.2 billion. That comes out to an average of about \$4,250 for every man, woman and child living in our county. Naturally, many people pay multiples of that amount, while some do not pay taxes.

Fortunately the 2025/26 budget appears to have been well managed as \$88.7 million will carryover - \$9 million above forecast. This little bit of breathing room will get used up fast as many programs throughout the county received far less than desired in county budgetary support. The bulk of those excess funds, however, are



Here is a graphic illustrating our county cash balance:

Here is the timeline for the budget:



As mentioned previously, a balance left over from the current budget was larger than expected, allowing for a carry forward of \$88.7 million or \$9 million more than forecast:

Fund Balance Available

That portion of the fund balance that is not reserved, encumbered or designated and therefore is available for financing a portion of the budgetary requirements for the upcoming fiscal year.



FY 2026-27 Final Budget: What Changed Since Adoption?

General Fund – Fund Balance Available



Recommendation: Strategically allocate the additional \$9.0M in one-time resources to strengthen fiscal resiliency, maintain financial flexibility, and enhance storm preparedness and response.

Here are the details of the \$9 million left over dollars:

General Fund – Fund Balance Available

\$9M above estimate

Differences between Recommended Budget FBA Estimate and Actual FBA	
Non-Departmental Revenue	\$4.1M
Departmental & Contingency Savings	\$4.9M
Difference between projected and actual	\$9M

Financial Rebalancing and Resiliency Initiative- Phase III: Department-Managed Trust Account Review

\$4.7M of \$9M related to “Trust Review Clean-Up Actions” → Internal Financing Designation

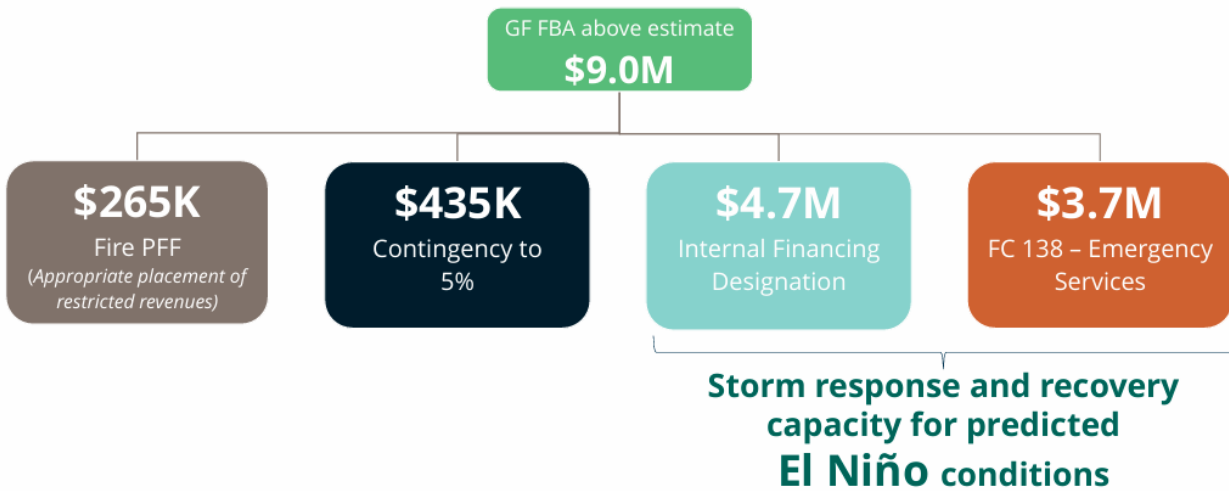
Attachment 2 - EXHIBIT 1

COUNTY OF SAN LUIS OBISPO June 30, 2026 Proposed versus Actual Fund Balance Available

COUNTY FUNDS	Fund #	Estimated Fund Balance Unreserved/ Undesignated June 30, 2026	Actual Fund Balance Unreserved/ Undesignated June 30, 2026	Difference Over (Under)	Appropriation to Contingencies	Designation	General Reserve	General Purpose	Revenue Adjustment Inc/(Decr)	Object Level Appropriation Adjustment
General Fund	1000000000	79,663,863	88,713,569	9,049,706	434,995	4,686,880				3,927,831
Capital Projects	1100000000	-	695,817	695,817						695,817
Road Fund	1200000000	-	6,413,284	6,413,284		6,413,284				
DSS Homeless/Affordable Housing	1200500000	-	604,206	604,206						604,206
PFF	1201000000	-	-			265,316			265,316	
Parks	1201500000	-	-	-						
Co-Wide Automation Repl	1202000000	-	1,175,770	1,175,770		1,175,770				
General Govt Building Repl	1202500000	-	-	-						
Tax Reduction Reserve	1203000000	-	-	-						
Road Impact Fees	1203500000	-	5,601,791	5,601,791		2,639,460				2,962,331
Wildlife & Grazing	1204000000	11,610	13,035	1,425		1,425				
Library	1205000000	-	767,474	767,474		767,474				
Fish & Game	1205500000	16,487	21,877	5,390		5,390				
Emergency Medical Services	1207000000	-	82,920	82,920						82,920
COP Loans DSF	1208000000	-	-	-						
Pension Obligation Bonds	1801000000									
Los Osos Habitat Conservation Program	1209000000	-	20,599	20,599						20,599
TOTAL		79,691,960	104,110,342	24,418,382	434,995	15,954,999			265,316	8,293,704

The \$9 million could have been burned up on pet projects, more consultancy contracts or another portion of a mile of some pleasant new recreation path, but surprisingly, wiser choices were made:

Recommendation Use of Additional \$9.0M



We are disappointed to see that our County Road Fund has a Fund Balance Available of well over \$6 million. Do they need help finding road repair projects? And just wait until the good folks in Templeton see the Library Fund Balance Available:

Other Funds - Fund Balance Available

Primarily Restricted, Project-Related or Timing Driven

Fund	Additional FBA	Primary Driver	Recommended Use
Capital Projects	\$695,817	Higher-than-anticipated interest earnings	Appropriate to operating budget for future project costs
Road Fund	\$6,413,284	Timing difference between monthly SB 1/RMRA revenues and project expenditures	Place in designation for future eligible projects
Homeless Services & Affordable Housing	\$604,206	Variability in homelessness and affordable housing grant revenues/awards	Appropriate to operating budget
Countywide Automation	\$1,175,770	Higher-than-anticipated interest earnings	Place in Countywide Automation Replacement Designation for future projects
Road Impact Fees	\$5,601,791	Higher impact-fee/interest revenue plus \$2.96M year-end transfer timing error	\$2.96M to FY 2026-27 transfers out ; \$2.64M to designation for future projects
Wildlife & Grazing	\$1,425	No project awards plus higher grazing-fee revenue	Split between Project and General Purpose designations
Library	\$767,474	Higher property tax/interest revenue plus expenditure savings	Place in Library General Purpose Designation
Fish & Game	\$5,390	Higher fines/penalties plus expenditure savings	\$5,174 to Project Designation ; \$216 to General Purpose Designation
Emergency Medical Services	\$82,920	Unanticipated year-end pass-through revenue	Appropriate to operating budget for hospital and physician payments
Los Osos Habitat Conservation Program	\$20,599	Development-credit revenue	Appropriate to operating budget

So with all of that data, here is our semi total budget. Don't forget the \$834.8 million in Operating Funds that are not included in the figure below:

FY 2027-28 Final Budget Numbers

	Adopted	Final	Change
General Fund	\$834.8M	\$843.9M	\$9.0M
Governmental Funds	\$1.02B	\$1.04B	\$24.4M

DA Fights Crime Despite BoS

The District Attorney's Office has 3 important items on the Sept, 29 BoS agenda. Two of the items are acceptance of grants designated for victims' assistance programs. We are especially proud of our county DAs office taking this important issue so seriously. In many counties, victims are ignored and left to fend for themselves – a double whammy.



The third item is a report on real-estate fraud prosecution. This is a serious crime that is growing worse as more and more fraudsters are picking up on this form of grand theft.

It is worth noting that District Attorney Dan Dow had requested funding for several needed positions in order to handle a growing caseload. One of those positions was for a specialist to prosecute fraud. The majority of the Board couldn't be bothered to find funding for such low priority (in their minds) stuff.



Many times in the past year, the majority of the Board made a fuss, wrung their hands and directed staff to do everything possible to address the expected increase in people needing assistance due to stricter rules about Medicaid. But, when faced with an increase in criminal prosecutions, they yawned a big, bored NO!

We will cover the details of the DAs report next week.

Two Worries and a Wobbler

This week we continue with a deep dive into the ballot propositions for the November 3 election. These were analyzed by retired election attorney Charles “chuck” Bell and have been presented on the Protecting What Matters with Barry Fisher radio show.



Elections expert Chuck Bell

The show can be heard every Tuesday at 12:30 on KPRL. Further analysis of additional measures will be presented over the next 2 weeks. Callers with questions about the ballot measures are welcome to call in at 805 238-5775.



Today we are looking at Propositions 2, 5 and 45.

Proposition 2 seeks to nullify protections passed by voters in the Gann Limit passed in 1979 and in Budget Stabilization efforts known as the "Rainy Day" fund in 2014. These measures were put in place to restrain government. We do not need to make it easier to increase revenues.



Is undoing taxpayer protections a wise thing?

TYPE: CONSTITUTIONAL AMENDMENT/STATUTE/BOTH		Number 2
Title: INCREASES STATE’S RAINY DAY FUND		
CATEGORY: TAX RELATED; BOND; ELECTION RELATED; MISCELLANEOUS/OTHER STATE GOVERNMENT FUNDING		
DESCRIPTION OF WHAT ARE MEASURE’S CHIEF PURPOSES AND POINTS		
- Increases State Rainy Day Fund, approved by voters in 2024, to provide funding for education, helath care, public safety, and “other essential services” during economic downturrss - Doubles the budget reserve cap from 10% to 20% to General Fund revvenues, requiring savings until Fund’s balance equals 20% of General Fund - Increases budget reserves for education, state debts and pension obligations		
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE’S CHIEF PURPOSES AND POINTS OR IS IT BIASED?		
No – Fails to mention that Prop 2 makes major, additional exceptions to Gann spending limit so that Gann objective to limit spending by returning to taxpayers the excess revenues over expenditures		
Chief Supporters		Chief Opponents
Major Democratic officials; California Hospital Association and California Primary Care Association		Assemblyman David Tangipa
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE		
Proponents say Prop. 2 would protect schools, healthcare, and public safety funding. Proposition 2 doubles the state’s Rainy Day Fund, stops politicians from overspending when there is a budget surplus, and ensures education funding continues during economic downturns. Opponents say Prop 2 ensures more spending, not savings, creating a Gann Spending Limit loophole that makes taxpayer rebates less likely by excluding additional reserve deposits from California’s constitutional spending limit. It provides no new funding for education, healthcare, or public safety. Vote No to protect taxpayer rebates and constitutional limits..		

Sources: [Official Voter Information Guide](#) | [California Secretary of State](#) - [Ballot Propositions](#) - [California Budget & Policy Center](#) -

Proposition 5 changes the rules for recall elections by eliminating the election of a replacement, should an office holder be recalled. Instead the replacement would be appointed.



Do we want to change the way recall elections work?

2026 CALIFORNIA BALLOT PROPOSITION REVIEW

TYPE: LEGISLATIVE CONSTITUTIONAL AMENDMENT		Number 5
Title: CHANGES RECALL ELECTION PROCESS FOR STATEWIDE OFFICERS		
CATEGORY: Election		
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS		
- Changes recall and replacement procedures if a Governor is recalled. Lieutenant Governor becomes governor until a replacement is elected or the end of the current term of that office. For other constitutional officers, the office remains vacant or until a special election or the officer is replaced by appointment according to specified law. - A recalled officer can be a candidate in a special election to fill the office.		
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED? YES		
Chief Supporters		Chief Opponents
League of Women Voters CA; Common Cause CA; Secretary of State Weber		Election Integrity Process CA; California Republican Party
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE		
- Proponents say Prop. 5 restores the recall to its original purpose: removing corrupt officials. It closes the loophole that allows replacements to win with a small fraction of the vote, reducing the politics and costs of future recalls. Opponents say Prop. 5 degrades California's century-old recall process by limiting voters' right to select a replacement for recalled officials. Instead, when statewide elected officials are recalled, other politicians would choose a replacement. For lower offices, another costly, taxpayer-funded election would come months later, leaving the office vacant and the people unrepresented. - Reverses process used in the 2003 Gubernatorial recall and recall replacement elections, and as set forth in the historic 1911 Progressive reforms. - Insulates recall process from effecting changes when one political party controls most or all statewide offices.		
Related Ballot Initiatives		
None		

Sources: [Official Voter Information Guide](#) | [California Secretary of State - Ballot Propositions](#) - [California Budget & Policy Center](#) -

The California Environmental Quality Act, better known as CEQA causes countless delays and costly compliance hassles for housing. This measure seeks to remedy some of the red tape problems. It does not accomplish broad reforms, but makes meaningful progress towards reform. It does create greater Project Labor Agreement requirements in some cases.



Are the CEQA reforms in Prop 45 worth it?

2026 CALIFORNIA BALLOT PROPOSITION REVIEW

TYPE: INITIATIVE STATUTE	Number 45
Title: MODIFIES ENVIRONMENTAL REVIEW FOR CERTAIN PROJECTS	
CATEGORY: MISCELLANEOUS	
DESCRIPTION OF WHAT ARE MEASURE'S CHIEF PURPOSES AND POINTS • Amends CA CEQA (Environmental Quality Act) of expenditure environmental review for specified project categories (most housing, transportation, water, health, wildfire mitigation, educational facility, internet access and clean energy projects) • Sets deadlines for public agencies to complete environmental review and take required actions • Allows expedited review of environmental impacts limiting public agencies' current obligation to consider a range of feasible project alternatives to reduce environmental impacts • Establishes deadlines for filing and resolving lawsuits challenge project approvals, limits evidence courts may consider and relief courts can order	
DOES BALLOT TITLE FAIRLY REPRESENT MEASURE'S CHIEF PURPOSES AND POINTS OR IS IT BIASED? YES	
Chief Supporters • California Chamber of Commerce including major Silicon Valley donors Brin and Doerr, California Building Industry Assn, CA Realtors; Major Utilities and Hospitals	Chief Opponents • Clean and Health California Fund with major labor, health and environmental organizations
POLITICAL IMPLICATIONS/CONTEXT/DESCRIPTION & ECONOMIC AND POLITICAL IMPACT OF MEASURE • Would energize building of commercial and housing projects by making major changes to current CEQA rules that have had major deterrent effects on the timing and building of California projects.	

Sources: [Official Voter Information Guide](#) | [California Secretary of State](#) - [Ballot Propositions](#) - [California Budget & Policy Center](#) -

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FALL FORUM



Wednesday, October 21st
5:30–7:30 PM



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Pismo Beach, CA

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Jon Coupal
President of HJTA



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California Students Deserve Accountability – Not Excuses

Newsom Vetoes Important California Water Bill, Despite Unanimous Passage by Legislature

Bonta's Wind Lawsuit Shows Why Congress Must Fix Permitting

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California Students Deserve Accountability

– Not Excuses

Too much of Tony Thurmond's tenure has appeared consumed by political disputes, public messaging and initiatives that have created additional friction for schools

By Tab Berg, October 1, 2026

As State Superintendent of Public Instruction Tony Thurmond prepares to conclude his tenure, California parents, educators and taxpayers have every right to ask a simple question: Did our state's public education system become more accountable, transparent and focused on student outcomes during his time in office?

Unfortunately, too often, the answer appears to be no.

California's public schools educate millions of children and receive billions of dollars in taxpayer funding. Parents should not have to fight for basic transparency, safe campuses or meaningful academic accountability. Yet families continue to confront troubling deficiencies in school districts—including declining academic performance, chronic absenteeism, school safety concerns and financial controversies that have lingered for years.

The role of state education leadership is not simply to celebrate progress. It is to ask difficult questions when schools or districts fall short. That means demanding transparency when taxpayer dollars are spent, insisting on meaningful intervention when students are not learning, and making student safety a non-negotiable priority.

The most telling indictment of Thurmond's tenure may be what happened under his watch: Governor Gavin Newsom and the Legislature concluded that California's education governance structure needed to be fundamentally changed. As part of the 2026 budget agreement, California approved a historic restructuring that will transfer management of the California Department of Education from the State Superintendent to a new Education Commissioner beginning in 2027. The reform was designed to create clearer lines of authority, better align policy and implementation, and strengthen accountability for results.

That decision should not be dismissed simply as a government reorganization. It raises legitimate questions about Thurmond's leadership and the performance and priorities of the staff surrounding him. Rather than consistently keeping CDE focused on its core responsibilities—supporting schools, improving academic outcomes, addressing safety concerns and holding struggling districts accountable — too much of Thurmond's tenure has appeared consumed by political disputes, public messaging and initiatives that have created additional friction for schools trying to educate children successfully. If the state's top education office is spending more energy generating headlines and obstacles than solving problems facing classrooms, districts and families, that is a leadership failure—not merely a governance technicality.

The need for reform was not invented by critics of Thurmond. The Legislature's own independent analyst found that California's existing structure could prevent the state from aligning education policy and administration, create confusion about state goals and make it difficult for the public to determine who is responsible when outcomes are poor. Those are precisely the kinds of accountability failures Thurmond's leadership should have been working to resolve.

Thurmond's tenure has too often reflected an approach reluctant to confront entrenched problems within California's public education establishment. Accountability cannot depend on which school system is being discussed, who runs it or whether raising concerns is politically convenient.

Every public school should play by the same rules. Every student deserves the same commitment to safety and academic excellence. And every taxpayer deserves to know whether the system is delivering on its promises.

This is not an argument against public education. Quite the opposite. It is an argument for strengthening public education by insisting that every school—district, charter or otherwise—be held to clear and consistent standards.

California should not accept a system where families must become activists, attorneys or whistleblowers simply to get answers about their children's education. Parents deserve timely information. Students deserve safe and productive learning environments. Teachers deserve the resources and leadership necessary to succeed. Taxpayers deserve accountability for the enormous public investment in education.

As Thurmond's tenure comes to an end, his legacy should be measured not by speeches, initiatives or political headlines, but by whether California confronted its most persistent educational challenges.

The next chapter must be different.

California needs education leadership willing to shine a light on failure as readily as it celebrates success. Fairness, transparency and accountability must apply to every public school and every school district.

Our children cannot afford anything less.



Tab Berg

Tab Berg is president of TABcommunications, an award-winning political campaign firm. A father of 2 daughters, Tab is a board member of California Parents for Public Virtual Education.

Newsom Vetoes Important California Water Bill, Despite Unanimous Passage by Legislature

The threats to California's water supply were important enough that the bill was passed by the California Legislature unanimously

By Katy Grimes, September 28, 2026

California Governor Gavin Newsom just vetoed **Senate Bill 872**, by Senator Jerry McNerney (D-Pleasanton), an important water infrastructure bill that would have provided funding to aging Delta levees and sinking State Water Project canals. These two threats to California's water supply were important enough that the bill was passed by the California Legislature unanimously.

The bill would have created the Delta Levees and Canal Subsidence Fund, to require the appropriation of \$150 million annually for 20 years to the Department of Water Resources to support capital improvements to restore the original design water conveyance capacity for state water conveyance systems impacted operationally by land subsidence, and would require the appropriation of \$150 million annually for a period of 20 years to the Delta Conservancy for projects in the Sacramento-San Joaquin Delta to improve existing levees.

“Not only did Governor Newsom veto a much needed bill to bring Delta levees to the necessary standards to deal with climate change, he vetoed funding for fixing existing conveyance for the State Water Project. Why? His never-ending quest for the Delta Conveyance Project. It is his white whale. And he has set California water infrastructure on a course for complete failure as a result of his wrongful quest,” said **Barbara Barrigan-Parrilla**, Executive Director at Restore the Delta.

In his veto message, the Governor called the legislation “unnecessary,” while the state considers much more costly infrastructure like the **Fair Ranch deal**. The veto leaves critical infrastructure needs unresolved and raises questions about California’s priorities for protecting its water system. (Newsom veto below)

“SB 872 was supported by more than 60 organizations and **brought together** Northern and Southern California legislators, environmental groups including Restore the Delta, and water interests around the need to protect critical water infrastructure and the state’s primary water source,” **Barbara Barrigan-Parrilla** added.

“In his **veto message**, Governor Newsom cited budget constraints and called the legislation ‘unnecessary.’ The veto comes as the state considers other major, and significantly more expensive, water investments including the Fair Ranch deal, a voluntary agreement supported by Newsom that is expected to cost approximately \$1 billion,” **Barrigan-Parrilla** said.

“Delta advocates are criticizing the veto, arguing that the decision leaves critical infrastructure vulnerable and fails to adequately prepare California’s water system for future challenges. They are also questioning the Governor’s priorities in water planning.”



OFFICE OF THE GOVERNOR

SEP 27 2026

To the Members of the California State Senate:

I am returning Senate Bill 872 without my signature.

This bill establishes the Delta Levees and Canal Subsidence Fund (Fund) to support multi-benefit levee projects and capital improvements to water conveyance systems impacted by subsidence in the Sacramento-San Joaquin Delta, and requires the Sacramento-San Joaquin Delta Conservancy (Conservancy) to establish an advisory committee to make recommendations for projects to be supported by the Fund.

In this year's budget, in partnership with the Legislature, we allocated \$68 million to mitigate subsidence on the state's aqueducts and canals, \$75 million for projects that repair levees and improve flood protection and climate resiliency in the Delta, \$20.2 million to the Sacramento-San Joaquin Delta Conservancy to reduce the risks of climate change impacts on communities, fish and wildlife, and natural resources, and \$7.9 million to pay for mitigation costs associated with the Delta levee projects.

This bill would establish parameters for spending revenue from a Fund that did not receive resources in this year's budget. While well-intentioned, this bill is unnecessary.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom

The bill would have created the Delta Levees and Canal Subsidence Fund to support two priorities through fiscal year 2046-47:

- About \$150 million a year (subject to available funds) for Department of Water Resources projects to restore conveyance capacity in State Water Project canals and aqueducts damaged by land subsidence from groundwater overdraft.
- About \$150 million a year for levee improvements in the Sacramento-San Joaquin Delta and Suisun Marsh.

The legislation explicitly barred the money from being used for design, construction, operation, mitigation, or maintenance of any new Delta conveyance facilities – specifically, the proposed Delta tunnel.

Supporters, including some environmental groups such as Restore the Delta and State Water Contractors—argued the work was urgent: aging 19th-century Delta levees face seismic and sea-level-rise risks, while subsidence threatens a large share of State Water Project delivery capacity that serves roughly 27 million people and extensive farmland.

While Newsom’s administration described the bill as unnecessary, Restore the Delta’s Barbara Barrigan-Parrilla said the governor is prioritizing the far more expensive Delta Conveyance Project over repairs to existing infrastructure.

The veto is now pending possible override consideration in the Senate.



Katy Grimes

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, the co-author of *California's War Against Donald Trump: Who Wins? Who Loses?* and a contributor to "Taxifornia 2016."

A California native and Navy mom, Katy lives in Sacramento, CA.

Bonta’s Wind Lawsuit Shows Why Congress Must Fix Permitting

Resolving projects that no longer have a realistic path forward may be necessary on a case by case basis

By John Doolittle, September 28, 2026

In September, California Attorney General Rob Bonta filed his second lawsuit challenging Trump Administration agreements to unwind offshore wind leases in Morro Bay. Both lawsuits – which target the Golden State Wind and

Invenenergy leases – allege that the federal government unlawfully paid the developers to abandon projects California had spent millions of dollars and years of staff time preparing for. They also seek to invalidate the agreements and prevent similar settlements with California’s other offshore-wind lessees from being carried out.

I do not share Bonta’s enthusiasm for offshore wind or his tendency to pursue energy policy through litigation. I also believe his lawsuit attacks a remedy rather than addressing the underlying problem. It is widely recognized that our permitting system is too vulnerable to conflict and uncertainty and is badly in need of reform.

The federal government spent years studying the Morro Bay area before auctioning development rights in 2022. Golden State Wind spent over \$120 million for the lease itself and millions conducting site surveys and environmental studies and submitted five progress reports to federal regulators. Yet the lease was not permission to build. It merely gave the company the right to pursue a project that still faced years of environmental review, permitting and transmission planning before construction could begin.

When the project could no longer advance under current federal policy, a negotiated exit became necessary. Bonta has characterized the agreement as an unlawful “buyout,” but the settlement is also narrower than Bonta’s “buyout” rhetoric suggests.

Golden State Wind is not being reimbursed for every dollar spent developing the project, nor does the agreement itself provide a profit. Under the United States Department of Interior’s published terms, only after an affiliate invests an equivalent sum in American oil and gas assets, energy infrastructure or liquefied-natural-gas projects may the company recover up to the amount originally paid to the Treasury for the lease.

Its other development costs are not reimbursed.

Nor are such agreements limited to California. Interior reached a similar agreement with Bluepoint Wind and its investor, Global Infrastructure Partners. The company must invest up to \$765 million – the amount originally paid for Bluepoint’s federal lease in the New York Bight – in a domestic LNG facility before receiving reimbursement for its original bid and relinquishing the lease. The arrangement recovers a stranded lease payment while directing an equivalent amount of private capital toward a viable American energy asset.

These two projects are but two examples of a larger trend. Since March, the Trump administration had reached settlements covering a dozen offshore-wind leases and nearly \$4 billion. Resolving projects that no longer have a realistic path forward

may be necessary on a case by case basis. The need to negotiate agreements on this scale, however, demonstrates that the underlying system has failed.

Infrastructure finance operates on a longer timetable than politics. Power plants, pipelines, mines and transmission lines can take years to approve and then operate for decades. Investors can evaluate construction costs, market demand and technological challenges. What they cannot reasonably manage is a regulatory process that encourages long-term investment without establishing durable rules for whether a project may proceed or how investors may exit when it should be determined that it cannot proceed.

That uncertainty raises the cost of every American project: Lenders charge more to compensate for regulatory risk; developers postpone commitments; and capital moves toward countries with less regulatory friction. The result is less energy infrastructure, tighter supplies and higher costs for families and businesses.

Uncertainty also weakens America's ability to power new factories and data centers, attract investment and reduce its dependence on foreign energy and critical minerals.

Congress has understandably focused its permitting-reform efforts to date on reducing delays. A Council on Environmental Quality review found that a full federal environmental-impact statement took 4.5 years on average, while 25 percent took more than six years.

Faster reviews are essential, but permitting is a chain rather than a single decision. Shortening one stage accomplishes little if unresolved questions at the next stage can leave a project stalled indefinitely.

Reform should therefore move beyond accelerating environmental reviews and should create a coherent process from application through construction. This process must include enforceable deadlines, clearer coordination between federal and state authorities and defined limits on judicial challenges. Congress should also establish predictable procedures for suspending or unwinding projects when development should become impossible. Fraud, serious safety violations and genuine national security threats must remain grounds for government intervention. But the broader objective should be a permitting system in which decisions are timely, responsibilities are clear and investors can reasonably rely on the government's commitments.

The Golden State Wind settlement was a necessary response to a project that no longer had a workable path. Bonta's lawsuit demonstrates that, under the current system, even a negotiated exit can produce another round of uncertainty and litigation. When developers cannot rely on either a path forward or a predictable

way out, fewer businesses will risk investing in American infrastructure. Congress must close that gap before the next stalled project produces the next costly dispute.



John Doolittle

John T. Doolittle is a former member of Congress (CA-4) and served as the Chairman of the House Subcommittee on Water and Power, Committee on Natural Resources and on the Transportation and Infrastructure Committee and on the Appropriations Committee.

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senator.laird@senate.ca.gov

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