COLAB
San Luis Obispo County
The Coalition of Labor Agriculture and Business

Weekly Update
December 14 - 21, 2025

The Truth about a Truth Forum

Maybe the kindest description is misplaced energy. We applaud people who are involved and participate in public discourse – even for causes in which we do not agree. However, the dozen or so people who presented well-rehearsed but extremely redundant remarks at the Dec 9 Board of Supervisors meeting were not only factually wrong, but their accusations were also insultingly slanderous.

It seems that somebody made the assumption that our Sheriff's office was shirking its responsibilities and essentially breaking the law by not holding what is referred to as a Truth Act forum. Such a community meeting is designed as a briefing of the Sheriff's interaction with ICE in review over the last year.

Accusations and insinuations flew, suggesting that the Sheriff's office was cooperating with ICE illegally, and hiding such interaction by not holding a Truth Act forum. This rant went on for the better part of an hour as one person after the next rambled on about these poor people being picked up by evil ICE agents. If listeners didn't know better, it could sound like innocent victims were being kidnapped rather than the real truth, which is that ICE is picking up criminals (really bad criminals) that have federal warrants. The truth is that our sheriff's office has stated dozens of times that it complies with state law which prohibits them from working with ICE except in the case of outstanding federal warrants. This is legal - and much appreciated by most.

After much wasted time listening to misguided and incorrect testimony, the real truth finally came out when the Under Sheriff was asked to respond by Supervisor Ortiz-Legg. As it turns out, a Truth Act forum has been on the schedule for weeks and will take place on January 27.

Frankly, we fail to see the inspiration in this cause. Accusing the Sheriff of breaking the law when he hasn't but going to such extremes to protect violent criminals including child predators, human traffickers, rapists and murderers seems like some sort of bad science fiction. The hours the organizers put in, the time invested by the speakers and the wasted hour for the Supervisors, staff and people with real business before the Board all could have been put to a much greater use.

Coastal Commission Squeezes Rate Payers Severely

The California Coastal Commission has approved the Coastal Zone Management Act Consistency Certification (CZMA) and Coastal Development Permit (CDP) for the Diablo Canyon Power Plant. This after two day-long hearings, Nov 6 and Dec 11, featuring testimony from elected officials, environmental groups, supporters and opponents.

The approval is the last step before or a five-year extension approval of permits from the Central Coast Regional Water Quality Control Board. Concurrently, the federal Nuclear Regulatory Commission remains on track to make its final decision on the plant's reactor license renewal application in early 2026.

The approval was contingent on a great deal of "mitigation" by PG&E in the form of land conservancy and an endowment with properties surrounding the plant. The "mitigation" is supposedly meant to balance the plant's impact on the ocean through its cooling effluent. Interestingly, no compelling evidence was presented at either hearing establishing damage to the ocean or sea life from the plant. Several marine biology specialists testified that plant and animal life in the area was actually quite healthy and abundant.

Nevertheless, the commission insisted on the dedication of lands and an endowment of $10 million for their upkeep before granting approval. The “deal” was quite complicated and involves various rights and deeds being dedicated to conservation groups, along with consideration for Native American tribes.

Much of the “mitigation” efforts were driven by State Senator John Laird and supported by Assemblywoman Dawn Addis and Supervisor Bruce Gibson. We assume that their motivation was purely in the interest of committing the lands to open public access but were disappointed to hear each insist that the dedicated lands (and the $10 million endowment) would not impact ratepayers. The PG&E representative at the hearing did confirm that all costs associated with the “mitigation” would be built into their rate structure. Further, Laird made a production of promising over $100 million from state funds, somehow forgetting that those are taxpayer funds – and by the way, the state is currently upside down by $18 billion.

The approved plan has two phases, and two sets of mitigations, The first phase is through 2030, with the second phase going beyond that date to possibly 2045. More mitigation is included if phase two goes into effect.

COLAB, along with some members, testified at both hearings in support of the permit extensions. We are pleased that PG&E was able to prevail with the Coastal Commission. And the land conservation is nice. However, both the process and the subsequent costs are troubling. Ultimately it all comes down to Other People’s Money, and plenty of it was spent in this process. The decision should have been based upon the real impact to the ocean and the real contribution to both the grid and to the economy by the Diablo plant. Not how much concession the land conservancy proponents could squeeze out of PG&E and its rate payers.

No Respect – No Shame

It turns out Supervisor Gibson isn't as special as he thinks he is. The California Fair Political Practices Commission (FPPC) has ruled that actions such as a County Supervisor hiring his wife to serve on his staff at taxpayer expense is prohibited. Mrs. Gibson has resigned her position on her husband's staff and apparently will forgo any pay that she may have earned.

FPPC
CALIFORNIA
Fair Political Practices Commission

That Gibson felt entitled to hire his wife in the first place is deeply troubling. Every staff member in San Luis Obispo County government is subject to nepotism and anti-favoritism rules. That Gibson believed he is exempt from those very same rules illustrates his lack of respect for the people who pay his salary with the expectation of exemplary leadership in return.

Supervisor Gibson's hiring of his wife at taxpayer expense was illegal.

Even if Gibson had found some special technicality loop hole that would have allowed him to legally hire his wife, it would have been in very poor taste and really bad judgment. While his heavy-handed politics and subjectivity are often a source of tension within county leadership, we doubt that even this serious rebuke will temper his insistence to have things his way.

Money We Don't Have

As we have been reporting in recent weeks, our County Budget is running at a significant shortfall, as is the California State Budget. And we all know those scoundrels in congress can't resist printing ever so much more money, so the Federal Budget has been running an obscenely growing deficit for decades.

It's impossible to say how this overspending will work out nationally, but we got a glimpse of the local impacts at the Dec. 9 Board of Supervisors meeting when several discussions came up about funding for SLO County service providers.

Item 31 on the agenda read as follows: Request to 1) Approve Homeless Services Oversight Council recommended funding allocations of Homeless Housing, Assistance and Prevention Program – Round 4 ($1,270,298), and Homeless Housing, Assistance and Prevention Program – Round 5 ($1,985,629), and Supplemental County General Fund Support ($2,315,351); 2) Allocate the remainder of the Supplemental County General Funds ($184,649) for Permanent Supporting Housing projects in FY2026/27 that will be negatively impacted from the new funding requirements from the 2025 HUD CoC Notice of Funding Opportunity (NOFO).

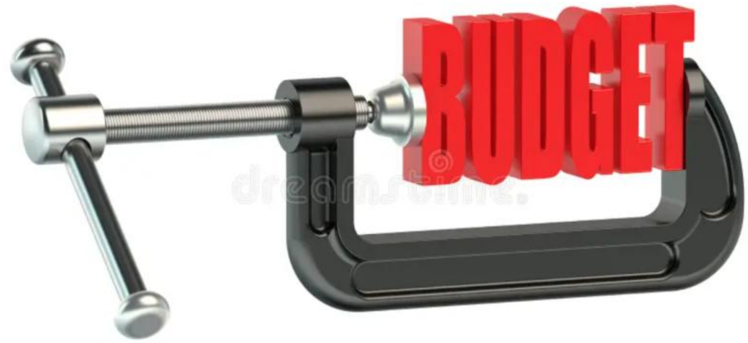
Discussion included several examples of various programs working to cut costs and find efficiencies, but warning comments were made by each Supervisor that funding will be very tight in the new budget. Supervisor Paulding summed it up when he suggested that some of the service providers around the county may need to explore consolidation to cut administrative costs.

More Budget Pressure

It's uncommon for agenda items at the Board of Supervisors to require a 4/5ths vote. On average, one item calling for such a majority vote may come up every two or three months. So, it seems quite unusual to have seven such items on the December 16 Board agenda.

The 4/5ths requirement kicks in when funds are requested outside of the existing budget.

The agenda items range from $1,695,995 from the Airport Enterprise Fund Balance Available to Capital Outlay for a taxi way realignment at SLO Airport to $361,447 to fund the local share of the Arroyo Grande Creek Levee Project. Most of these projects are important and play a key role in long-term maintenance or operations.



One request that stands out is for $724,022 from the Paso Groundwater Basin Offset Credits Trust Fund (5911000013) to FC 142 for funding and associated appropriations to implement water conservation programs. Put forth by the Planning and Building Department. The measure will "allow the department to continue to work with the Department of Groundwater Sustainability to ensure that any water conservation programs will be complementary to any other water resource efforts in the Paso Groundwater Basin area. County Counsel's Office has advised on these water conversation program efforts and have found such programs to be consistent with the objective of all applicable ordinances".

The department suggests that the funding will be applied to the "Paso Robles Groundwater Basin Offset Credits Trust Fund. The Trust Fund finances water-saving programs such as Cash for Grass, Plumbing Retrofit, and the Washer Rebate initiative.

It is not clear whether this proposed funding will address the points we covered last week regarding PRAGA's residual debt from the JPA fiasco, or the new (continued) consulting contract with the Hallmark Group out of Bakersfield, California.

Paso Robles Area
Groundwater Authority

We will be disappointed if any of the requested funds are designated for such costs because the proposal language does not address those costs and would appear to be an obfuscation.

At any rate, the discussions about each of these spending measures will need to be guided by the simple question of whether the County can afford it. Not, will it be popular with voters and supporters, not whether it's a priority at the Party Headquarters or socially hip with certain interest groups.

Our county government is spending more than it is receiving in revenues. Early economic restraint could go a long way towards preventing economic catastrophe.

The Battle of the Dunes Continues

A new legal decision puts access to the Oceano Dunes for off-roading at risk.
The Oceano Dunes State Park has 2.6 million visitors per year, making it one of the most popular state parks in California. The park is also ground zero for an endless battle between those who want to see access for off road vehicles preserved, and those who want it all shut down.

Last week, a Federal Court Judge in Los Angeles ruled that the State Parks violated the Endangered Species act by allowing off-roading. The endangered species in question is the Snowy Plover, a migratory shorebird that has been on the endangered list since 1993. The legal decision is a result of a case between the Oceano Dunes district of the California State Parks and the Center for Biological Diversity.

A Snowy Plover ponders off-roading.

This Federal Court ruling comes just five months after the California State Supreme Court ruled that attempts by the California Coastal Commission to ban off-roading at Pismo was an overreach of its authority.

The next steps are not spelled out in the ruling. The judge has directed the two parties to work out a plan going forward that does not further the endangerment of the Snowy Plover. Local environmentalists are already demanding that the County Supervisors revisit the Local Coastal Plan (LCP) and amend it to prohibit off-roading.

The Center for Biodiversity describes it mission as important “because diversity has intrinsic value, and because its loss impoverishes society, we work to secure a future for all species, great and small, hovering on the brink of extinction. We do so through science, law and creative media, with a focus on protecting the lands, waters and climate that species need to survive.

Will this sign still be standing in a year?

The California State Parks has for many years maintained set aside areas for Snowy Plover habitat. Human interaction of any kind is strictly forbidden within these fenced off habitat areas. Apparently in the Federal case, evidence was introduced showing that some Snowy Plovers have been harmed or killed within the Dunes, which established the basis for the violation.

A 2020 study found that off-roading at the dunes contributes over $500 million to the local economy. Fees from 2.6 million visitors also provide significant funding to the state parks system. Much of that funding goes towards ecological preservation programs within the state parks.

If the Center for Biological Diversity follows the actions of other similar ecology groups, it is likely that they will demand mitigation in the form of land conservation. They don't appear to be interested in preserving any aspect of off-roading, even if it is in fact one part of the diversity along the coast.

It seems unlikely that the Board of Supervisors will want to debate revising the current LCP. Supervisor Paulding's district is heavily impacted by the off-roading business. Already in a tough reelection battle, weighing in on this subject is a no win for him.

The California State Parks is inviting public comments on the issue. Comments can be directed to: comment@oceanoduneshcp.com .

The local organization that has led the battle to preserve access for off-roading access to the dunes since 2001 is the Friends of The Oceano Dunes. This all-volunteer organization has been effective in organizing and presenting compelling support for their cause. Their website can be found at: News – Friends of Oceano Dunes www.oceanodunes.org

This new chapter in the fight to preserve off-road access will be a complicated and at times frustrating process. We are pleased that there are well-prepared volunteers who are stepping up but would encourage anybody with a strong opinion on the subject to join in the dialogue.

Last Week

The December 9 San Luis Obispo County Supervisors meeting agenda is made of 44 items. These include five interesting reports under the category of Auditor - Controller - Treasurer - Tax Collector and features subjects such as; the annual fiscal audits of establishments subject to the County Transient Occupancy Tax, a report of the tax compliance audits of operators subject to the County Commercial Cannabis Business Tax, the Annual Treasury Compliance Audit for the Fiscal Year, the CliftonLarsonAllen LLP Independent Accountants' Report on the County Treasury's cash balance, the Workforce Innovation and Opportunity Act Fiscal and Procurement Review Monitoring Report for Eckerd Youth Alternatives, Accountants' Report on the County Treasury's cash balance and accountability as well as a request to approve the 2026 County Treasury Investment Policy.

These items provide excellent data points reflecting the fiscal health of our county. We hope whatever their status suggests that they foster greater fiscal restraint.

Diablo Details

Item 12 is a perfect example of how slowly the gears of government can turn. This is a request to "approve a contract for special services with Solestiss in the amount of not to exceed $15,000 to conduct an economic impact assessment of the Diablo

Canyon Nuclear Power Plant, as well as a feasibility overview for the development of a Small Modular Reactor plus reimbursement of all travel expenses authorized/requested by the County not to exceed $10,000, for a total not to exceed contract compensation of $25,000".

It's a much-needed study that will provide valuable information as policy makers debate the future of the Diablo Canyon Power Plant. When Supervisor Ortiz-Legg first proposed the plan several months ago, it was anticipated that the data would be a factor in the 20-year operating permit application process. It's a shame that the process from concept to an actual motion took so long.

While the data is still critical, it may be too late to impact the permit extension process. We are hopeful that the California Coastal Commission will move forward with the 20-year operating permit at its meeting on December 11 and look forward to the results of the study offering valuable insights in the future.

Also, as a reminder, please consider sharing your opinion about whether the plant should remain in operation for the next 20 years. The December 11 meeting is open to the public and anyone can participate during public comments. Details can be found at: www.coastal.ca.gov .

Supervisor Races Include an Odd Twist

It must be a difficult time to be a candidate for County Supervisor right now. For incumbents and challengers alike, end of the year campaign finance reports are due soon, and raising every last dime is crucial. There are lots of holiday gatherings and social events to attend, but nobody wants their Christmas cheer bothered by politicking.

One rather odd political announcement has been made though. Karen Woodruff, District Director to Senator John Laird, has announced she is running against incumbent Supervisor Dawn Ortiz-Legg in 2028.

This is a curious announcement on many fronts besides the (premature?) timing. To begin with, both are Democrats. While Ortiz-Legg might be thought of as a more moderate Democrat than her other two Democrat colleagues on the Board, her voting record aligns pretty well with the two more liberal gents.

It is true that Ortiz-Legg is looked at as more of a consensus builder/solution finder than either Paulding or Gibson, but it's hard to imagine how that earns her a primary challenge – particularly in this purplish county.

One could imagine that Woodruff is just looking for a job. Her position with Senator Laird will end when he is termed out of office at the end of 2028. Known for her activism in land conservancy, Woodruff will certainly want to remain in a role where she can continue those efforts.

Running against incumbents is not a common practice among successful career politicians. We are reminded of the disastrous 2018 primary election where Democrat State Senator Kevin de Leon allowed blind ambition to get in the way of good judgment and ran against US Senator Dianne Fienstein.

Could this announcement signal a rift in the local Democrat Party? Does Woodruff know something about Ortiz-Legg's long-term plans that we do not?

It may also be possible that the liberal wing of the local Democrat Party is looking for a firebrand big government environmental no growther and wants to push out the more common-sense incumbent who is sometimes open to reasonable growth in San Luis Obispo County. The early announcement, as inappropriate as it may be during the holiday season, could be an attempt to discourage Ortiz-Legg from running for reelection.

It may also be that the local religious sect of anti-nuke crusaders has had enough of Ortiz-Legg's efforts to keep the Diablo Canyon Power Plant operating for another 20 years. Woodruff, in her tenure as a member of the Diablo Canyon Decommissioning Engagement Panel has clearly not been supportive of PG&E's efforts to win an extension to their operating permit. Many believe she is a strong driver in her boss' efforts to demand more land be given away and more endowment (rate payer) cash be promised before the power plant could get the permit.

According to a report in a local newspaper, her priorities are "the high cost of housing, aging infrastructure, homelessness, stressed transit systems, underfunded schools and the challenges that residents face in finding good healthcare, senior care and childcare". She did not mention public safety, fire preparedness, stressed commuters on bad roads or economic development. And she somehow seems to distinguish the high cost of housing from the need to build more housing.

The two Board of Supervisors races currently underway will be making lots of noise and looking for lots of resources from now until the June 2, 2026, elections. We will watch this new development with interest, particularly how it works in competition with the two already underway.

Where is the Value?

The Paso Robles Area Groundwater Authority Board of Directors held a Special Meeting on December 1 at 8:30 a.m. at Centennial Park in Paso Robles.

The meeting got off to a rough beginning with locked doors and a late start caused by unknown delays.

The main thrust of the meeting was a review of the Sustainable Groundwater Management Act (SGMA) and finances.

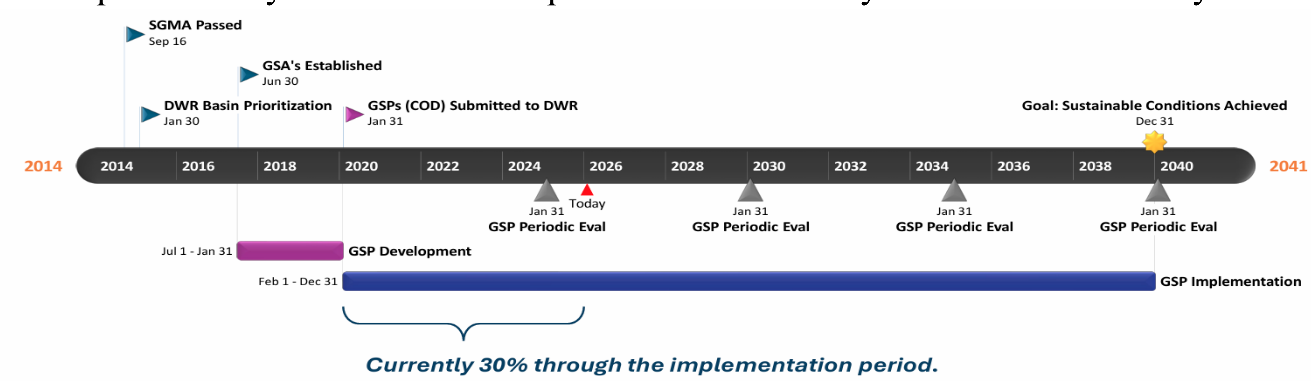
Before getting to the main thrust, the Board needed to approve a continuation of its consulting contract with the Hallmark Group, a firm out of Bakersfield, California. This is the firm that guided the Joint Power Agreement through the proposed JPA rate structure that resulted in a rejected Proposition 218 Vote.

Below is the proposal that was approved with a breakdown of the scope of work included expected. The contract period is January 1 through June 30, 2026.

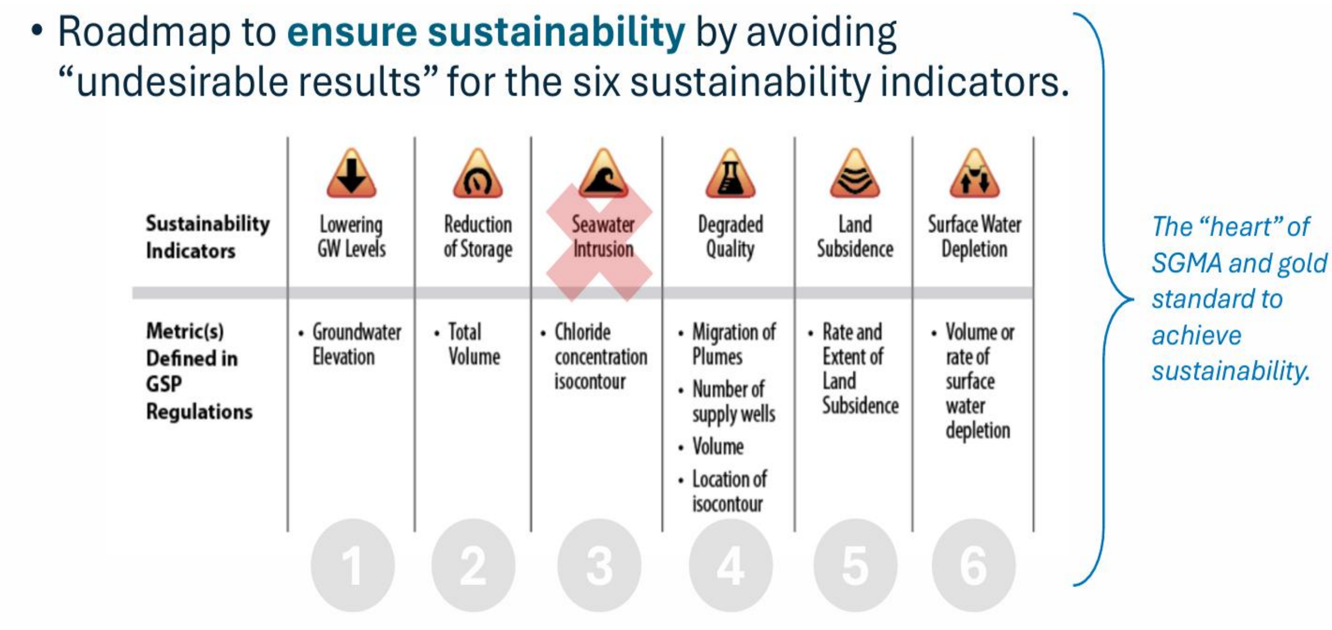
	TASK	COST
1	Paso Authority Meeting Facilitation	$59,000.00
2	Outreach	$3,000.00
3	Authority Administration	$1,500.00
4	Budget Development	$5,000.00
5	Financial Services	$8,500.00
6	Consultant Mgmt. / Procurement	$5,000.00
7	GSP Implementation Coordination	$14,000.00
	TOTAL	**$96,000.00**

With the contract squared away, business moved along to outlining the expectations set forth by SGMA and the veiled threat of what could possibly happen should the Paso Basin be found to be out of compliance.

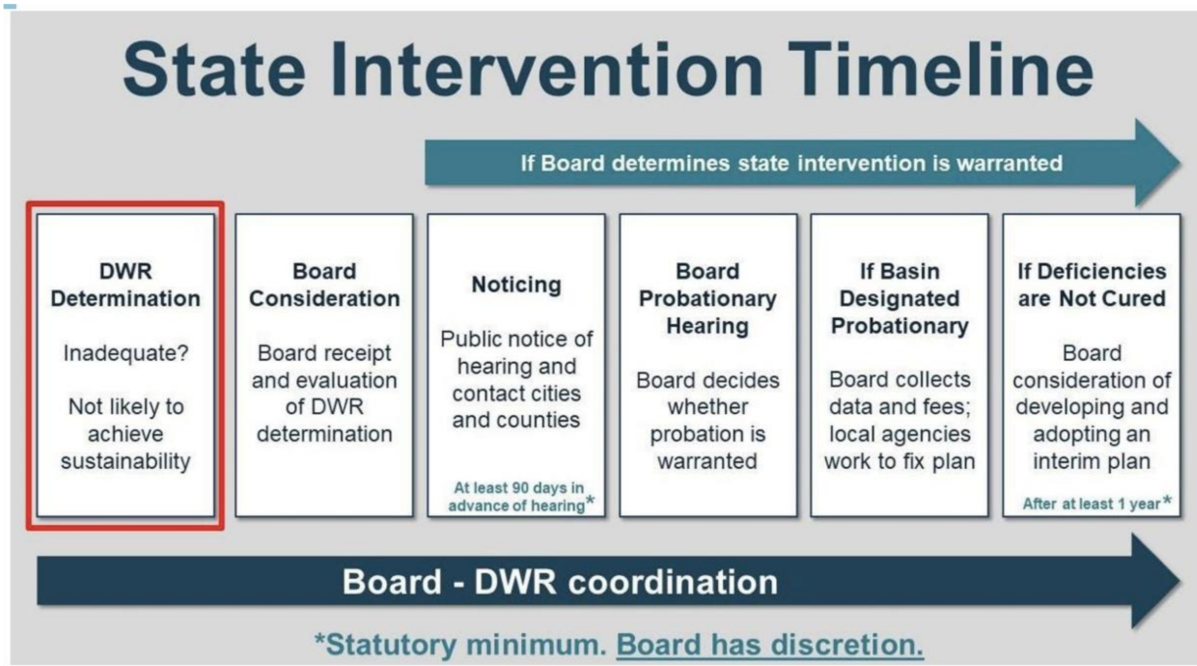
Below is a timeline that Bakersfield's own Hallmark Group provided to illustrate the steps necessary to remain in compliance and ultimately achieve sustainability:



The Hallmark representative explained some of the indicators that they recommend in the effort to achieve sustainibility.:



The presentation went on to illustrate the potential consequences should the basin plan faulter or "undesirable results" occur. The first step is state intervention in the management of the sustainability plan in the basin.



Along with intervention, possible management fees and meter installationn costs could be imposed. Here is the scenerio outlined by Hallmark:

Potential Cost Impact to Paso Basin...

	Cost Item	Type	Qty.		Cost Per Unit	Total
1	Annual Groundwater Extraction Fee	Annual	75,100	AF (WY 23-24 Annual Report)	$ 20.00	$ 1,502,000
2	Annual Well Registration Cost	Annual	5,500	Wells (County Databse)	$ 300.00	$ 1,650,000
3	Meter Installation Cost	One-time	515	Wells (Regulatory Lands Database)	$ 2,500.00	$ 1,287,500
						$ 4,439,500

With the gloom and doom clearly established, the question of how to fund a plan going forward was raised. The Board unanimously approved a fiscal year 2025-26 budget of $944,952 including a $300,000 shortfall regarding costs anticipated for the first six months of next year.

Here is the budget document as presented:

		Adopted on 5-28-25	Cost Collection Approved on 8-18-25	Costs to be Approved on 12-1-25	Revised FY 25-26 Budget to be Approved on 12-1-25	
	Budget Components	**Initial Approved Budget**	**Jul-Dec 2025 (6 months)**	**Jan-Jun 2026 (6 months)**	**Revised FY 25-26 Budget**	% Change
	Program Administration					
	SGMA-Required					
1	Annual Report	$110,000	$14,000	$88,000	$102,000	-7%
2	GSP Fifth Year Evaluation	$0	$0	$0	$0	
3	GSP Amendment	$0	$0	$0	$0	
4	Groundwater Model Use/Update	$0	$0	$0	$0	
5	Basin Monitoring Operations & Maintenance	$150,000	$0	$0	$0	-100%
6	Data Management System (DMS)	$200,000	$0	$0	$0	-100%
7	ET Ag Water Usage Program (LandIQ)	$100,000	$100,000	$0	$100,000	0%
	SGMA-Required Subtotal	$560,000	$114,000	$88,000	$202,000	-64%
	Administrative					
8	Executive Director & Support Staff	$234,000	$157,446	$96,000	$253,446	8%
9	Legal Counsel	$82,500	$155,471	$60,000	$215,471	161%
10	~~IT Support~~	$50,000	$0	$0	$0	-100%
11	Insurance and JPA Start-Up	$50,000	$15,084	$6,000	$21,084	-58%
12	~~Grant Development~~	$60,000	$0	$0	$0	-100%
13	Technical Consultant(s)	$110,000	$0	$0	$0	-100%
14	SCI Prop 218 Development (did not pass on Aug 1st)		$34,151	$0	$34,151	
15	Land IQ Prop 218 Support & On-Call Srvcs (did not pass on Aug 1st)		$35,000		$35,000	
16	SCI Funding Mechanism Development/Implementation (Planned)		$0	$50,000	$50,000	
17	Public Education and Outreach Program	$75,000	$10,000	$36,000	$46,000	-39%
18	Website Management	$6,000	$2,000	$4,000	$6,000	0%
19	GW Fee Billing & Collection	$50,000	$0	$0	$0	-100%
	Adminstrative Subtotal	$717,500	$409,152	$252,000	$661,152	-8%
	Program Administration Subtotal	$1,277,500	$523,152	$340,000	**$863,152**	-32%
	Projects and Management Actions					
	Regulatory Programs					
20	Domestic Well Impact Mitigation Program	$50,000	$0	$0	$0	-100%
21	Address Additional GSP Data Gaps	$75,000	$0	$0	$0	-100%
22	Well Verification & Registration Program	$25,000	$0	$0	$0	-100%
	Demand Management Programs					
23	Demand Reduction and Water Supply Programs	$1,300,000	$0	$0	$0	-100%
24	MILR Program (Fallow Only)				$0	
	Projects and Management Actions Subtotal	$1,450,000	$0	$0	**$0**	-100%
	Subtotal	$2,727,500	$523,152	$340,000	**$863,152**	-68%
25	Prudent Reserve	$200,000	$29,600	$52,200	$81,800	-59%
	Total	**$2,927,500**	**$552,752**	**$392,200**	**$944,952**	-68%

The big question hanging heavily in the room is where will the money come from? PRAGA seems to think that the four-member water districts will find funding and funnel it to the ongoing costs of consultants and people collecting management fees.

But, with so much consideration for fees and costs, nothing was really laid out about what specific steps will be taken to recharge the basin.

The Hallmark representative did not get into specifics about raising finances, but presented the following slide:

Funding Mechanism Decision for Fiscal Year 2026-2027

- The Fiscal Year 2025-2026 budget assumes costs for the development of a funding mechanism for Fiscal Year 2026-2027.
- Staff has previously presented information regarding the below funding mechanism options:
  1. Prop 26
  2. Prop 218
  3. Hybrid: Prop 26 for “core activates” and then either a Prop 218 or special activities agreement as future projects are identified.
- To remain on schedule, staff will present these options (with a staff recommendation) and **ask the Board to select one of those options at the January 28th meeting.**

Board member discussion included bringing di minimis users back into the fee structure. That subject received strong push back from members of the public in attendance who noted that such users make up a tiny portion of total water use and often actually recharge groundwater supplies through their septic or small irrigation programs.

Other public comments questioned why south county water districts aren’t included in consideration of funding sources when they do pull water from the basin area. Others questioned why Lake Nacimiento water isn’t used by the city of Paso Robles to offset their groundwater usage.

Supervisor Gibson made comments about possibly seeking an expansion of the PRAGA Board to include overlayers such as large- and small-scale farmers. An oddly good idea that should have been put in place years ago. And while they were at it, perhaps they should have relieved any non-overlays from leadership positions.

As we opined immediately following the August Prop 218 vote, the biggest issue for the Paso Basin isn’t money or even water.

It is lack of trust.

It seems clear that basin overlayers resent the leadership of PRAGA by a County Supervisor who does not live in the basin. His outside residence aside, many oppose his approach to governance which usually involves more regulation, bigger agencies and higher payments to the government. Ironically, Gibson loves to rant about the importance of "local control". We already know about his hypocrisy regarding housing, but every time he bangs the gavel at a PRAGA meeting, people are reminded of his hypocrisy regarding local control. Also, many are quick to point out the campaign contributions he has received from big donors who coincidently appear to be among the same group that benefit most from the policies he is pursuing. All of this adds up to an atmosphere of distrust that permeates through any discussion of Paso Water Basin options.

Nobody wants to see groundwater levels drop, and practically everybody supports the idea of a reasonable groundwater sustainability plan. It probably won't be until locals are allowed to come up with a modest common-sense plan in which the entire community had input before we see any sort of practical plan. In the meantime, hold on to your wallet because plans are underway to get your money!

Just Doesn't Seem Right

Speaking of trust, wonder why so many people distrust politicians?

Could part of it be that so many elected officials seem to get special privileges? Rules for thee – not for me? Special deals like Nancy Pelosi making many millions of dollars while serving in Congress? Perhaps the special double-speak language that they use where yes means no except when it might mean maybe? And of course, that smugness that so many of them have where they actually believe they are special…

Well, we have someone special like that on our Board of Supervisors, and it's a shame what his presence seems to do for the image of the entire Board.

If you haven't guessed it yet, we are talking about our very own Bruce Gibson.

What makes him stand out you ask?

Well, one example is a report we see this week from in Cal Coast News that Gibson has hired his wife to work on his County Supervisor staff.

While the County does have a policy that discourages nepotism, it appears that such rules don't apply to the Gibsons, who will be collecting two special meaty paychecks from the very same taxpayers that they constantly suggest aren't paying enough taxes.

Most public agencies have strict anti-nepotism rules that prohibit the boss from hiring or managing someone to whom they are married or are having a sexual/romantic relationship with. The reasons are as obvious as is the potential for such circumstances to go bad. Even if nothing does go wrong, most government agencies go out of their way to avoid the appearance of favoritism.

The San Luis Obispo County Sheriff's office has such a policy as set forth in the San Luis Obispo County Sheriff's Office Policy Manua, Code of Ethics. It reads:

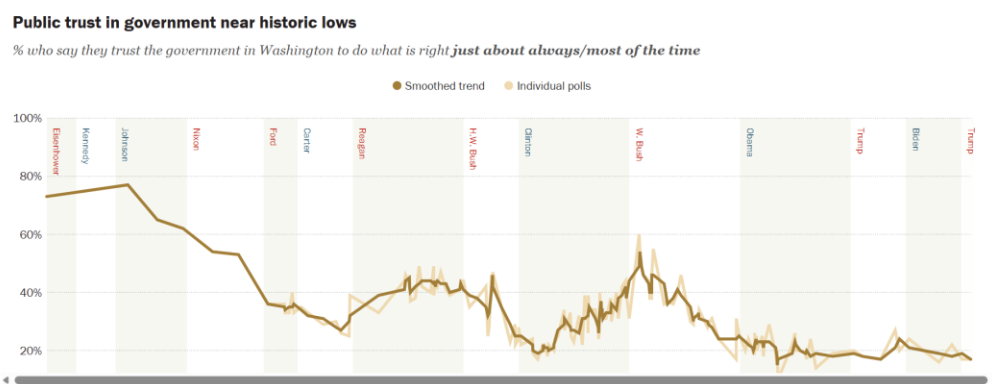
1050.2 RESTRICTED DUTIES AND ASSIGNMENTS
Employees are prohibited from directly supervising or being directly supervised by any other employee who is a relative or with whom they are involved in a personal or business relationship.

So apparently things are special for the Gibsons. The rules that apply to most staff in San Luis Obispo County Government don't impact them because… they are special? Their combined special income with benefits will likely exceed $200,000 annually. Maybe all that jingle in his pocket is what makes Gibson think he is so special?

While it’s highly unlikely that anybody who knows Gibson will be surprised, it is still a disappointing development. The public hears about this and just adds it to the list of why they deeply dislike and distrust politicians. And the worst part is that Gibson’s lack of good judgment reflects on all his colleagues.

The Pew Research Center in Washington DC tracks public opinion on dozens of public interest topics. It has been doing so for 35 years with a reputation for pragmatic reporting. Recent data from Pew illustrates how the public distrusts politicians more now than at any time since the late 1950s.

Pew Research Center



It is theoretically possible that Gibson’s wife is the most capable person in SLO County to do the job, and that nobody else could possibly fill the position. It’s also possible that since Gibson will be leaving office in a little more than a year, he doesn’t really care about the appearance of impropriety.

That said, won’t it be refreshing to have a new Supervisor who will hopefully have a little more respect for the people of this county, and for the image of elected officials everywhere? How special would that be?

Emergent Trends
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Stop the Municipal Budget Scramble: Make FY 2026 – 27 Easier by Acting Now

California's Economy Grows More Dependent on AI

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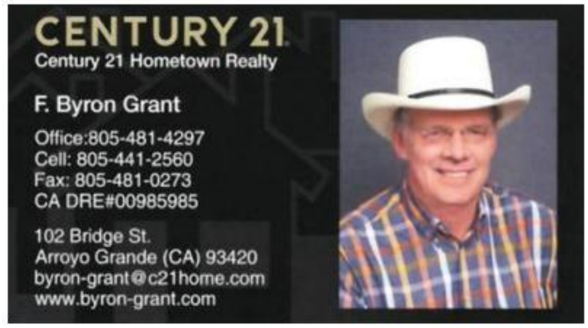

Stop the Municipal Budget Scramble: Make FY 2026 – 27 Easier by Acting Now

MARK MOSES

California Local Elected Officials
October 14, 2025

About four months have passed since most local government agencies adopted FY2025-26 budgets, and roughly four months remain before leaders begin planning FY2026-27. But waiting to think about budget decisions until the official start of the budget process is a costly mistake. Every day that passes with inaction is a lost opportunity to improve both the experience of budget adoption and the results. Effective governments approach budgeting as a continuous process, not an annual checkbox.

Questions You Should Be Asking Now

The first question that city councilmembers, district board members, and county supervisors should ask is: “How reliable is the 2025-26 budget?” The answer to this question may necessitate mid-year budget changes, alter projected year-end fund balances, or affect the assumptions for the 2026-27 budget.

Many agencies approve budgets that are proven inadequate shortly after adoption. The inadequacy may be due to an overly optimistic revenue forecast, or to the convenient exclusion of likely expenditures (e.g., deferred maintenance, the full impact of recent labor agreements, etc.). Either way, if the 2025-26 budget is broken, you need to know about it now, regardless of your agency’s traditional budget timeline.

The second question you should be asking is: “When will the audited financial statements for fiscal year 2024-25 be completed and presented publicly?” The answer to this question affects whether the 2026-27 budget will be built upon a factual baseline, or unaudited staff projections.

Delayed audits obscure the agency’s liabilities and pension and OPEB (retiree medical) trends. In addition, without the final accounting of one-time items, the risk that projected fund balances are inaccurate is increased. Without timely financial statements, projected fund balances may misrepresent the actual resources available for spending.

Many budget commitments are made off-cycle – i.e., not integrated into the annual budget process (e.g., new staffing, capital projects, and programs). Whether due to necessity or poor planning, such proposed spending often escapes the scrutiny that it deserves. When brought forward individually, outside of "budget season," such items only compete with themselves; alternative uses of the funds receive little, if any, consideration.

When such items are brought before you during the year, you should ask: "Why was this not anticipated in the annual budget, and what are all of the fiscal impacts of this item for the duration of the current year and future years?" If you face a structural budget deficit, treat off-cycle approvals as accelerants to that deficit.

What to Do Now

Many elected officials are frustrated to discover how little immediate impact they have on their agency's budget. They learn the hard way that if the agency delays budgeting reform, its options diminish over time. (In the extreme, the alternatives narrow to bankruptcy or disincorporation/shutdown.) To avoid such a condition, your agency should be actively engaged in the following mitigation steps:

1. Stress-test your FY2025-26 assumptions. Run realistic revenue and expenditure scenarios. If the budget was balanced by deferring maintenance, use of one-time funds (including reserves), or borrowing, acknowledge the fiscal urgency and prepare to take immediate action.
2. Conduct a mission triage. Identify activities that are essential functions of the agency. Develop a plan to phase out functions outside the agency's mission and aggressively streamline the manner in which essential functions are executed.
3. Negotiate labor strategy now. Define priorities for bargaining that focus on operating flexibility and modern staffing models. Where management's rights to schedule and deploy staff have been bargained away, prepare to reclaim such rights.

Budgeting should be treated as continuous governance, not an annual ritual. A reliable fiscal year 2025-26 budget, timely audited fiscal year 2024-25 statements, disciplined control of off-cycle commitments, and a rigorous review of programs and obligations against the agency's core mission will determine whether the budgeting process for fiscal year 2026-27 will be strategic or crisis-driven.

Mark Moses is a senior fellow with California Policy Center. He has thirty years of experience in local government administration and finance. His recent book, The Municipal Financial Crisis – A Framework for Understanding and Fixing Government Budgeting was published by Palgrave Macmillan and is available from major online booksellers.

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California's Economy Grows More Dependent on AI

November 26, 2025

MARC JOFFE

Visiting Fellow
Center for Public Accountability

While California's economy continues to produce some impressive headline numbers, its trajectory is becoming increasingly dependent on the tech sector. And now that tech has gone all in on artificial intelligence, the state's finances are vulnerable to either a bursting of the "AI Bubble" or an exit of AI innovators to other states.

Gov. Gavin Newsom has focused the public's attention on California's Gross Domestic Product (GDP) relative to that of major countries. Most recently, California passed Japan to become the world's fourth-largest economy in 2024. The importance of this ranking should not be exaggerated. Because different states and countries have different costs and different populations, nominal GDP tells us little about relative living standards. If we adjust GDP to equalize purchasing power, California falls to number 11 in the world, but still near or above countries with many times our population.

While California's GDP per person is exceptionally high, it is lower than that of Washington D.C., New York state, Massachusetts, and Washington state. Among nations, California's per capita GDP is surpassed by Ireland, Luxembourg, and a couple of smaller countries. Finally, because California's per capita GDP is influenced by the very high incomes of a few tech titans, it is not fully indicative of the standard of living enjoyed by the state's middle class.

Although California economic policies under Newsom and his predecessor Jerry Brown have faced criticism, the state's economic growth has exceeded that of the nation as a whole since 2010. But in recent years, competing states including Florida, Texas, and Arizona have experienced faster GDP growth than California on the back of large population influxes.

California's future growth will be intimately tied to the fortunes of its technology industry. To get some idea of how tech-driven California's economy has become during the Newsom years, I looked at the market capitalization of large publicly traded companies before he took office versus today. At the end of 2018, about 60 percent of California big public company market cap was from tech firms. Today, that proportion is around 80 percent. The increase in this ratio is driven by the sharp increase in value of a few companies: NVIDIA, Apple, Alphabet (Google), Broadcom, and Meta (Facebook). All these firms are now worth more than $1 trillion while back in 2018 none was worth more than $750 billion.

By contrast, California's other signature industry, movie and television production, has shrunk. On-location shoot days in Los Angeles plummeted 53 percent from late 2019 to late 2024, while soundstage occupancy fell from around 90 percent to just 63 percent. Iconic studios slashed staff, prop houses shuttered, and vendors went bankrupt. Entertainment can no longer be considered a tentpole of the California economy.

Meanwhile, California's publicly listed tech firms are betting heavily on the growth of artificial intelligence technology as are many private firms such as Open AI and Anthropic which were not included in the proportions I calculated.

California's growth may well continue and even accelerate in the near to intermediate term due to AI. But state and local government could forfeit this potential if officials make the tax and regulatory regime more intolerable. In recent years, a handful of tech companies left California, including X, HP, and Oracle. More tech companies could leave if the billionaire wealth tax passes next November, or if the state legislature adds to the list of AI regulations it imposed in 2025.

Another risk would be the bursting of the AI bubble, if it is indeed a bubble. The collapse of the "Dotcom Bubble" at the beginning of the 21st Century crimped state revenues and helped contributed to Gray Davis's recall. A similar downturn in 2026 or 2027 would have much more serious budgetary consequences.

Over the longer term, an improved business climate combined with California's rich reserves of human capital could facilitate the growth of other industries which might once again diversify the state's economy. But, for the time being, California policymakers should do what they can to retain our tech superstars and hope they do not fall.

Marc Joffe is a visiting fellow at California Policy Center.

Want Cheaper Gas? End California's Special Recipe

California is not connected to the major refining hubs east of the Rockies

By Mike Garcia, December 10, 2025

Every Californian knows the feeling of dread at the gas pump. As prices climb past five, six, or even seven dollars a gallon, we are told it's the fault of distant wars or greedy oil companies. If only that were true. The fact is that California's sky-high gas prices are a self-inflicted wound, the direct result of state policies that intentionally make our fuel supply expensive, fragile, and artificially scarce.

At the heart of the issue is a government mandate that forces Californians to use a special "boutique" blend of gasoline that almost no one in the world produces. This single policy decision made by our leaders has deliberately cut us off from the abundant and affordable fuel available to the rest of the country. This isn't just bad economics; it is a policy that actively harms the ability of millions of people to live prosperous lives. We must judge our state's energy policies by a simple, moral standard: do they make people's lives better?

By that measure, our current approach is a catastrophic failure.

California's unique gasoline blend, known as CARBOB, places us on a "energy island." Because its specifications differ from those used elsewhere, many refineries across the United States and abroad do not make it, which chokes off competition and leaves us dependent on a smaller set of in-state refineries and specialty imports, especially as our energy-hostile government in Sacramento makes it impossible for our refiners to stay in business.

Adding to the complications, California requires special, warm weather gasoline in the summer, which raises production costs because refiners must remove components like butane and use costlier inputs. As many of us know, the summer season runs well into the fall in many parts of California. The longer, stricter summer-blend period amplifies price spikes when there are hiccups in the supply chain.

When one of our refineries retires, has an outage, or undergoes maintenance, as happened earlier this year, there is no cavalry coming via pipeline from the Gulf Coast. California is not connected to the major refining hubs east of the Rockies, so relief often means paying top dollar for tankers to bring in specialty barrels that meet California's unique standards. This is a key part of the chain of bad policies that have widened our state's gas price gap with the rest of the country from +$0.30/gallon in 2010 to +$1.55/gallon in 2022.

Meanwhile, California's regulatory assault on energy production is destroying our remaining capacity. Since 2015, California has lost roughly 350,000 barrels per day of operable refining capacity. Phillps 66 and Valero have announced additional closures that would remove about 17% more capacity through 2026.

These are not accidents. This is a deliberate dismantling of the industrial base powering our lives and providing high-paying jobs. Instead of fostering an environment where producers are free to innovate and compete to provide affordable energy, our state punishes them. The result is predictable: less supply, higher costs, and greater dependence on foreign sources.

When you punish producers, you get less energy. When you get less energy, prices go up. And when prices go up, ordinary families get crushed. High gas prices function as a brutally regressive tax. For wealthy Californians in coastal cities, an extra dollar at the pump is an annoyance. For a farm worker in the Central Valley or a construction worker in the Inland Empire with a long commute, it can be a devastating blow.

Low-income families in California spend about 11% of their income on fuel, compared to less than 2% for the wealthiest households. When gas prices soar, that money has to come from somewhere, it means less food on the table, a missed doctor's appointment, or a delay in paying rent. A policy that makes energy unaffordable is a policy that keeps people in poverty.

Defenders say the special fuel is necessary for clean air. Yet, decades of cleaner and newer vehicle technology have delivered California's biggest improvements. Any incremental gains to air quality from California's special gas blend now come at a high cost to drivers. Others will say that it is the greed of oil companies that causes high prices, but that couldn't be farther from the truth. The state of California uses gas taxes to make a profit, with California making more money off a gallon of gas than the refiners themselves. Sometimes refineries find themselves losing money on a sale.

The goal should be to improve the total human environment, which includes not only clean air, but economic opportunity, mobility, and an affordable cost of living. We can have all of this. What we can't have is a fuel policy that sacrifices the well-being of millions for a minimal environmental benefit. Forcing a fuel recipe that impoverishes working families is not an environmental victory; it is a moral failure.

The solution is simple: California should abandon its go-it-alone approach and rejoin the national fuel market. That means embracing energy freedom – allowing producers to deliver the fuel Californians need and giving consumers the chance to buy it at competitive prices. If we want cheaper gas, stronger supply, and a fairer economy, it's time to end California's special fuel recipe and put working families first.

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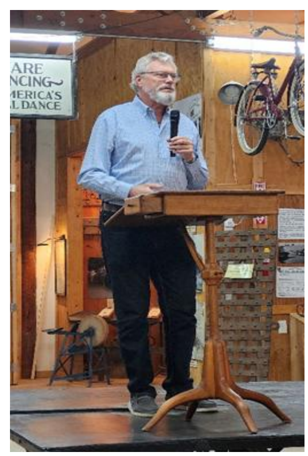

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202-224-3553 DC\
https://www.padilla.senate.gov/contact/

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202-224-3841 DC
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202-225-3601 DC
805-546-6348 District
carbajal.house.gov/contact

Representative Jimmy Panetta
202-225-2861 DC
831-424-2229 District
panetta.house.gov/contact

State Senator John Laird
916-651-4017 Sacramento
805-549-3784 District
senator.laird@senate.ca.gov

State Assembly Member Dawn Addis
916-319-2030 Sacramento
805-549-3001 District
assemblymember.addis@assembly.ca.gov

SLO County Supervisor Bruce Gibson
805-781-4338 District
bgibson@co.slo.ca.us

SLO County Supervisor Heather Moreno
805-781-4339 District
hmoreno@co.slo.ca.us

SLO County Supervisor Dawn Ortiz-Legg
805-781-5450 District
dortizlegg@co.slo.ca.us

SLO County Supervisor Jimmy Paulding
805-781-4337 District
district4@co.slo.ca.us

SLO County Supervisor John Peschong
805-781-4491 District
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