In the Supreme Court of the State of California

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Petitioners,

v.

THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO,

Respondent,

JOHN TOS, et al.,

Real Parties in Interest.

Case No. S220926

Third Appellate District, Case No. C075668
Case Nos. 34-2011-00113919CUMCGDS, 34-2013-00140689CUMCGD
The Honorable Michael P. Kenny, Judge

ANSWER TO PETITIONS FOR REVIEW

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TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page

CASES

STATUTES

TABLE OF AUTHORITIES
(continued)

Page

INTRODUCTION

Petitioners submit this single answer in response to the three petitions for review filed by or joined in by Real Parties in Interest,[1] pursuant to this Court's order of September 22, 2014.

The Court of Appeal granted an extraordinary writ to correct rulings of the Sacramento Superior Court in two related cases involving Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (the Bond Act). Real Parties' colorful rhetoric notwithstanding, the Court's analysis is an unremarkable application of established law. In reversing the trial court's decision denying validation of high-speed rail bonds, the Court of Appeal held that the statutory requirements for issuance of bonds had been met, and that neither the Bond Act nor any other law required evidence to support the determination of the High-Speed Passenger Train Finance Committee (Finance Committee) that it was "necessary and desirable" to authorize the issuance of bonds. In reversing the trial court's writ ordering the California High-Speed Rail Authority (the Authority) to rescind a funding plan submitted to the Legislature in support of its request for an appropriation of bond proceeds, the Court of Appeal held that whether or not the Authority's funding plan was compliant when submitted, at the time the writ issued, the Legislature had already appropriated funds and so the Authority had no clear, present and ministerial duty to rescind that plan. The Court's decision is narrow, well-reasoned, and plows no new ground. Real Parties simply disagree with the result.

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[1] Petitions for review were filed by Real Parties John Tos, Aaron Fukuda, and County of Kings (Tos Pet.); by Howard Jarvis Taxpayers Association (HJTA Pet.); and by First Free Will Baptist Church (FFWBC Pet.). Real Parties Kings County Water District, Citizens for California High-Speed Rail Accountability, and County of Kern filed joinders.

STATEMENT OF THE CASE

I. FACTS

The Authority is charged with designing and constructing a high-speed rail system for California (Pub. Util. Code, §§ 185030, 185032), which will be one of the largest public works projects in the State's history. In 2008, the voters passed the Bond Act authorizing $9.95 billion in general obligation bonds to partially fund the first stage of the system. (Sts. & Hy. Code, § 2704 et seq.) Before requesting an appropriation of bond proceeds, the Bond Act requires the Authority to submit to the Legislature a *preliminary* funding plan, addressing a list of items. (*Id.*, § 2704.08, subd. c).) An appropriation, however, does not enable the Authority to encumber those funds. If the Legislature appropriates bond funds, the Authority cannot encumber or spend funds for construction until it submits for review and obtains approval of a *second*, more detailed funding plan. (*Id.*, § 2704.08, subd. (d).) Both funding plans are subject to significant oversight and scrutiny by an Independent Peer Review Group, the Legislature, and others. (*Id.*, subds. (c), (d).) In addition, the Authority may commit bond funds to construction only after its second funding plan has been reviewed by independent consultants and the Joint Legislative Budget Committee, and the Director of Finance determines that the plan is feasible. (*Id.*, subd. (d).)

In November 2011, the Authority approved a preliminary funding plan and later requested an appropriation. (Appendix of Exhibits, Tab 337, HSR06073.) In July 2012, the Legislature enacted and the Governor signed an appropriation. (Sen. Bill No. 1029 (2011-2012 Reg. Sess.) (S.B. 1029).) The appropriation imposes additional restrictions on the Authority's ability to spend bond proceeds. (*Id.*, §§ 1-3, 5, 7, 9.) The Authority has not yet

approved or submitted for review a second funding plan that, if approved, would permit it to encumber the appropriated bond funds for construction.

In compliance with the General Obligation Bond Law (Bond Law), on March 18, 2013, the Authority asked the Finance Committee charged with authorizing issuance and sale of high-speed rail bonds to authorize issuance of all bonds not previously issued under the Bond Act. (Gov. Code, § 16730; Appendix of Exhibits, Tab 109, HSR02048.) The Finance Committee includes the State's highest-ranking financial officers: the Treasurer, the Controller, and the Director of Finance, in addition to the Secretary of the Business, Transportation and Housing (now the Secretary of the State Transportation Agency) and the chairperson of the Authority. (Sts. & Hy. Code, § 2704.12.) The same day, the Finance Committee authorized issuance of the bonds, making the statutory finding required by the Bond Act (and the Bond Law incorporated therein) that issuance of the bonds was "necessary or desirable." (Gov. Code, §§ 16730, 16731; Sts. & Hy. Code, §§ 2704.10 - 2704.13; Appendix of Exhibits, Tab 108, HSR01956.) The following day, the Finance Committee and the Authority filed a validation action pursuant to Government Code section 17700 and Code of Civil Procedure section 860 et seq., to obtain a judgment validating the bonds so that they could be sold as needed on the capital markets. (Appendix of Exhibits, Tab 189, HSR02760.)

II. PROCEDURAL HISTORY

The petition for an extraordinary writ was filed to correct errors in two related actions — one filed by opponents of high-speed rail, the second filed by the Authority and the Finance Committee. *Tos v. High-Speed Rail Authority*, Sacramento Superior Court Case No. 2011-00113919 (the Tos Action) was filed on November 14, 2011, on the heels of the Authority's adoption of its preliminary funding plan. In that case Real Parties John Tos, Aaron Fukuda, and County of Kings (collectively, the Tos Real

Parties) sought a writ of mandate and declaratory and injunctive relief to invalidate the Authority's September 2011 preliminary funding plan, alleging that it did not comply with various requirements of the Bond Act. (Appendix of Exhibits, Tab 317, HSR05109.) In the second action, *High-Speed Rail Authority v. All Persons Interested in the Matter of the Validity of the Authorization and Issuance of General Obligation Bonds to Be Issued Pursuant to the Safe and Reliable High-Speed Passenger Train Bond Act for the 21st Century and Certain Proceedings and Matters Related Thereto*, Sacramento Superior Court Case No. 34-2013-00140683 (the Validation Action), the Authority and the Finance Committee sought judicial validation of the bonds, in order to remove obstacles to marketing the bonds that result from the mere pendency of litigation. (Appendix of Exhibits, Tab 189, HSR02760.)

The trial court declined to validate the bonds on the ground that no record evidence supported the Finance Committee's determination that issuance of the bonds was "necessary and desirable." (Appendix of Exhibits, Tab 4, HSR00052-HSR00053.) The same day, the trial court ruled in the Tos Action that it would issue a writ commanding the Authority to rescind its preliminary funding plan and held that the Authority could not adopt a second funding plan seeking authority to spend bond proceeds before reissuing a compliant preliminary funding plan. (Appendix of Exhibits, Tab 6, HSR00091-HSR00092.)

On January 3, 2014, the trial court issued its writ of mandate in the Tos Action directing the Authority to rescind its preliminary funding plan, and also entered judgment against the Authority and the Finance Committee in the Validation Action. (Appendix of Exhibits, Tab 1, HSR0001; Tab 3, HSR00050.) On January 24, 2014, Petitioners filed a petition for extraordinary writ in this Court, asking for a stay of the trial court's writ of mandate, and issuance of an extraordinary writ commanding

the trial court to vacate the writ in the Tos Action and to enter a validation judgment in Petitioners' favor in the Validation Action. On January 29, 2014, this Court transferred the petition to the Third District Court of Appeal, directing that court to "expedite its consideration of this matter." On February 14, 2014, the Court of Appeal granted the stay and issued an alternative writ. After extensive briefing and oral argument, on July 31, 2014, the Court of Appeal issued a 49-page opinion granting a writ of mandate directing the trial court to enter judgment validating the bonds for purposes authorized by the Bond Act and to vacate its writ in the Tos Action directing the Authority to rescind its preliminary funding plan. (Slip op., pp. 3-4.)

III. THE COURT OF APPEAL'S DECISION

In reversing the trial court's decisions in both the Tos Action and the Validation Action, the Court of Appeal emphasized the "narrow" scope of its decision, which was based on "time-honored principles of statutory construction, separation of powers, and the availability of extraordinary writ relief." (Slip op., p. 3.)

The Court held that the trial court erred in denying a validation judgment because all statutory requirements for issuing bonds were met, and the Finance Committee "properly found that issuance of bonds for the project was necessary or desirable." (Slip op., p. 3.) "By refusing to validate the authorization of bonds due to a lack of evidence 'in the record of proceedings' before the Finance Committee, the [trial] court imposed requirements on the Finance Committee that do not appear in any of the governing statutes and thereby denied the Authority the speedy, dispositive judgment the validation action was designed to provide." (*Id.*, p. 20.) The Court concluded that neither the Bond Law (Gov. Code, § 16720 et seq.) nor the Bond Act (Sts. & Hy. Code, § 2704 et seq.) required the Committee to make findings or explain the basis for its determination that issuance of

bonds was "necessary or desirable." (Slip op., pp. 20-21.) The Court held that the Bond Act, the Authority's request, and the Finance Committee's draft resolution contained all of the information the Finance Committee needed to conclude that authorization of the bonds was necessary or desirable. (*Id.*, p. 24.)

Next, the Court of Appeal concluded that there were no grounds for the trial court's writ in the Tos Action because, even if the preliminary funding plan were inadequate (a fact that Petitioners assumed arguendo, but did not concede), at the time the writ issued the Authority had no clear, present, and ministerial duty to rescind it. The Court of Appeal found that the purpose of the preliminary funding plan was simply to assist the Legislature in deciding whether to appropriate funds.

> [The] funding plan was intended to provide guidance to the Legislature in acting on the Authority's appropriation request. Because the Legislature appropriated bond proceeds following receipt of the preliminary funding plan approved by the Authority, the preliminary funding plan has served its purpose. A writ of mandamus will not lie to compel the idle act of rescinding and redoing it.

(Slip op., p. 3.) The Court noted that there would be ample opportunity to challenge the Authority's plans for spending bond proceeds before it can encumber those funds when the Authority adopts the second funding plan required by Streets and Highway Code section 2704.08, subdivision (d). (*Id.*, pp. 41-42.) A challenge to the preliminary funding plan was not cognizable because it "is but an interlocutory and preliminary step in [a multistep] process, and in general, interim determinations are not subject to mandamus review." (*Id.*, p. 41, quoting *California Water Impact Network v. Newhall County Water Dist.* (2008) 161 Cal.App.4th 1465, 1486.)

REASONS TO DENY THE PETITIONS

I. THE COURT OF APPEAL ISSUED A NARROW DECISION THAT REFLECTS AN UNREMARKABLE — AND CORRECT — APPLICATION OF LAW TO THE FACTS OF THIS CASE

Review should be denied because the Court of Appeal correctly applied established law in a decision that was narrowly drawn to ensure that litigants may continue to assert and the courts may continue to entertain challenges to the Authority's decisions for the design of the high-speed rail system, if and when such challenges become ripe. The Court properly declined to enforce limitations that do not exist in statute or case law.

A. The Decision Ordering Validation of the Bonds Was Unexceptional and Correct

The Court of Appeal recognized the principles underlying bond validation actions and properly held that the Authority and the Finance Committee complied in all respects with the statutory requirements for authorizing the issuance of bonds, and that there was no support for Real Parties' contention that the Committee's "necessary and desirable" determination was "arbitrary, capricious, or palpably unreasonable as a matter of law." (Slip op., p. 24.) There was a bond act of unchallenged validity empowering the Authority to request issuance of bonds to build a high-speed rail system, a request from the Authority to the Finance Committee to issue all outstanding bonds for purposes authorized in the Bond Act, a draft resolution identifying the correct amount of bonds authorized to be issued and the terms of their issuance, as well as the Finance Committee's conclusion that issuance was both necessary and desirable. (*Ibid.*)

The Court of Appeal properly held that the trial court erred in refusing to validate the bonds on the grounds that the Finance Committee's determination that authorization of the bonds was "necessary or desirable"

needed to be, but was not, supported by substantial evidence in the record. The Court was correct in concluding that, in doing so, the trial court "imposed requirements on the Finance Committee that do not appear in any of the governing statutes." (Slip op., p. 20.) The Court explained:

> Neither the Bond Law nor the specific Bond Act requires the Finance Committee to make any factual findings or to explain the basis for its determination. . . . Without limitation or restriction, the Bond Act and the Bond Law grant the Finance Committee broad discretion to determine whether it is "necessary or desirable" to authorize issuance of bonds to carry out the purposes of the Bond Act.

(*Id.*, pp. 20-21.) The Finance Committee's determination was an expression of its exercise of discretion, not a factual determination that can be evaluated against an evidentiary record.

The Court of Appeal also correctly noted that for almost a century, cases construing "necessary or desirable" language "uniformly recognize the breadth of discretion it confers." (Slip op., p. 21, citing *Perez v. Board of Police Commrs.* (1947) 78 Cal.App.2d 638, 643 [whether an agency action is necessary or desirable is "not a judicial question"]; *Boelts v. City of Lake Forest* (2005) 127 Cal.App.4th 116, 128, fn. 13 [statutory requirement that a redevelopment plan amendment be necessary or desirable is "probably so elastic as not to impose any substantive requirements" on the agency, and is not subject to judicial review]; *City of Monrovia v. Black* (1928) 88 Cal.App. 686, 690 [where a statute authorizes the issuance of bonds without requiring the agency to explain or justify its finding of public necessity, "the determination of the legislative body that the fact exists on which their power to act depends is sufficiently indicated by their proceeding to act"].) As these cases make clear, such language is the broadest possible grant of agency discretion, not subject to judicial supervision. The Court correctly determined that the "intrusive standard" Real Parties advocate "would offend the fundamental separation of powers

between the legislative and judicial branches of government" (slip op., p. 23, citing *California Hotel & Motel Assn. v. Industrial Welfare Com.* (1979) 25 Cal.3d 200, 211-212), by "impos[ing] more of an evidentiary burden on the Finance Committee than is required by the governing statute" (slip op., p. 24).

B. The Decision Overturning the Writ in the Tos Action Was an Unremarkable Application of Established Legal Principles.

Similarly, the Court of Appeal identified and applied familiar law governing traditional mandamus review of administrative action and properly invalidated the trial court's writ requiring the Authority to rescind its preliminary funding plan. Mandamus can only be used to review a final agency determination, and a writ may only issue where there is a clear, present, and ministerial duty to act. (Slip op., pp. 33, 38, 42.)

The writ issued January 3, 2014, more than two years after the Authority submitted its preliminary funding plan to the Department of Finance, and more than eighteen months after the Legislature appropriated the bond funds the Authority requested based on that funding plan. Thus, the Court of Appeal narrowly and properly held that even if the preliminary funding plan were inadequate, at the time the writ issued in January 2014 the Authority had no clear, present, and ministerial duty to rescind its 2011 preliminary funding plan. (Slip op., p. 38.) "It is the intervening appropriation by the Legislature that presents an insurmountable hurdle for the Tos real parties." (*Ibid.*)

Examining the function of the preliminary funding plan in the multilayer approval scheme the Bond Act imposes *before* the Authority can spend bond funds on particular projects, the Court of Appeal correctly determined that the preliminary funding plan, however deficient, served its purpose by helping the Legislature make an informed decision. (Slip op.,

p. 42.) But once the Legislature made its decision and enacted the appropriation, the Authority had no present duty to rescind it; instead, it "now has a clear, present, and mandatory duty to include or certify to all the information" the Bond Act requires of a compliant second funding plan, in order to obtain spending authority. (*Ibid.*) Finally, the Court of Appeal correctly noted that the Bond Act does not impose any sanction on the Authority for a non-compliant plan. (*Id.*, p. 44.)

In short, the Court of Appeal decision does not depart from, but rather follows, established precedents.

II. REAL PARTIES' ARGUMENTS FOR REVIEW DO NOT WITHSTAND SCRUTINY

The petitions for review argue that the Court of Appeal erred by enforcing the law as written, rather than enforcing terms that Real Parties say are *implied* in the Bond Act. This argument lacks merit.

A. Real Parties' Arguments Against Validation of the Bonds Are Not Supported by Law

In seeking review, Real Parties renew their arguments that the trial court's denial of validation should stand because the Finance Committee's "necessary and desirable" determination was not based on substantial evidence in the record (FFWBC Pet., pp. 9-18; Tos Pet., pp. 20-26), and because the Authority should not be able to validate the issuance of bonds without also validating a specific use for the proceeds of the bonds issued (HJTA Pet., passim; FFWBC Pet., pp. 20-24). These arguments find no support in the language of the Bond Act, the Bond Law, the validation statutes, the Constitution, or any relevant case authority.

There are dozens of general obligation bond acts in state law, all of which include the same basic requirement that a finance committee determine that issuance of bonds is "necessary or desirable." The Bond Law also includes this delegation of discretion. (Gov. Code, §§ 16730,

16731.) Although such laws have been in place for decades, Real Parties do not, and cannot, cite a single case holding that a finance committee must, in a validation action or in any other context, muster record evidence or explain the reasoning supporting its determination that authorizing issuance of bonds is "desirable." Real Parties seek to impose requirements that do not exist.

Real Parties' argument that the Court of Appeal's decision "creates an unprecedented exception to the heretofore universal standard for judicial review of quasi-legislative determinations" is also without support. (Tos Pet., p. 5; *id.*, pp. 24-26; FFWBC Pet., pp. 10-12.) None of the cases cited by Real Parties involves judicial review of an agency determination that a particular action, let alone bond authorization, is "necessary or desirable." Moreover, the so-called "universal standard" invoked by Real Parties — the substantial evidence standard applicable in mandamus proceedings challenging quasi-legislative decisions (see Tos Pet., pp. 24-25) — does not apply in this context. So long as there is a valid bond act, and the procedural requirements for issuance are met, whether it is "desirable" to issue bonds is purely discretionary. (Slip op., pp. 20-24, citations omitted.) It is not a factual determination that can be tested in mandamus. More fundamentally, this is a validation proceeding narrowly focused on whether the State satisfied the procedural requirements set out in the Bond Act to authorize the issuance of bonds. It is not a mandamus proceeding, and could not have been brought as one. (See *McLeod v. Vista Unified School Dist.* (2008) 158 Cal.App.4th 1156, 1165-1170 [holding that challenge to issuance of bonds, no matter how alleged, is governed by the validation statutes].)

As Real Parties recognize (Tos Pet., p. 20), the Finance Committee could not have authorized the issuance of high-speed rail bonds based solely on its own determination that issuance was "necessary and

desirable." Valid issuance required compliance with the Bond Act itself, which declares the voters' intent to issue general obligation bonds to begin building the high-speed rail project, as well as the Authority's request for issuance of bonds "pursuant to the Bond Act and only for purposes authorized by the Bond Act," and the draft resolution "detailing the authorization of the bonds and the structure of the eventual sales, including that the bonds sold would not exceed the appropriation authorized by the Legislature." (Slip. op., p. 24.) Thus, the Finance Committee's decision was hardly "unfettered." It was, however, a decision committed by law to the Committee's discretion. Real Parties are incorrect in insisting that a court must be able to review the merits of such a decision, and that there must therefore be record evidence of some kind to justify it. The Court of Appeal correctly rejected this argument because it would "cramp the broad discretion the Finance Committee is afforded by the applicable statutes and intrude into the quasi-legislative role it was assigned by the voters. We reject the invitation to embark upon such an unwarranted and unwise intrusion into the administrative process." (*Ibid.*)

Real Parties also restate their failed arguments that bond validation should have been denied because the Authority did not demonstrate that the high-speed rail project, as it is presently designed, will meet performance criteria. They now argue that because the Constitution requires a *bond act* to specify a "single object or work" (Cal. Const., art. XVI, § 1), a validation action should similarly require a showing that the bonds authorized are for that single object or work. (HJTA Pet., passim; FFWBC Pet., pp. 20-21.) As the Court of Appeal recognized, however, a single object or work was specified in the bond authorization, and was by its terms the very same single object or work approved by the voters: to carry out the purposes of the Bond Act. (Slip op., pp. 14, 24.) Real Parties' argument for review amounts to an assault on validation laws designed to facilitate "speedy,

dispositive judgment[s]" validating the State's bonds and other indebtedness (*id.*, p. 20), without which the State could not operate in the financial markets, and could not finance any major public work. The notion that every authorization of general obligation bonds must identify a corresponding specific use of bond proceeds is unsupported by the Constitution or the validation laws. The Court of Appeal canvassed the relevant cases and found none supporting this contention. (*Id.*, pp. 26-29 & fn. 6.) Indeed, as both the trial court and the Court of Appeal held, uses of proceeds are *irrelevant* to bond validation because the validation complaint did not attempt to validate any specific use of proceeds, and the bond resolutions did not identify any particular use of proceeds. (*Id.*, pp. 29-30.)

Real Parties' challenges to use of bond proceeds are not only irrelevant in the context of the Validation Action, but also premature. (See slip op., pp. 26-31.) The Court of Appeal carefully examined S.B. 1029 and correctly rejected Real Parties' contention (see, e.g., HJTA Pet., pp. 22-24) that the appropriation bill and the Authority's revised business plan dictate the use of bond proceeds in ways that violate the Bond Act. (Slip op., pp. 29-30, fn. 7.) Before it can be said that bond proceeds are committed to any particular use there must be both an appropriation of bond funds and an act of the Authority encumbering appropriated funds for a particular use.

B. The Trial Court and Court of Appeal Properly Refused to Invalidate the Legislature's Appropriation of Bond Funds

Real Parties' arguments for invalidating the Legislature's appropriation do not withstand scrutiny. Real Parties suggest that the Court should enforce an *implied* limitation on the Legislature's otherwise plenary authority to appropriate funds. They argue that in failing to find such an implied limitation, the courts below "did not properly construe the intent of

the voters in enacting [the Bond Act]" because the requirement that the Authority prepare a preliminary funding plan "was intended by the voters to act as a condition precedent for the Legislature's approval of the associated appropriation." (Tos Pet., pp. 14-17.) As both the trial court and the Court of Appeal found, this argument is contrary to law. (Slip op., pp. 42-45.)

The intent of the voters is not to be inferred from the speculation of counsel. It must be determined based on the language of the enabling legislation and the ballot proposition submitted to the voters. (*Monette-Shaw v. San Francisco Bd. of Supervisors* (2006) 139 Cal.App.4th 1210, 1215; *Associated Students of North Peralta Community College v. Board of Trustees* (1979) 92 Cal.App.3d 672, 677-78.)[2] Electors are presumed to know what they are voting on when they pass a bond initiative. (*Associated Students of North Peralta Community College v. Board of Trustees*, *supra*, 92 Cal.App.3d at p. 679.) In determining the extent of any restrictions imposed by a bond act, the courts resolve any doubts in favor of the Legislature's actions; "restrictions and limitations . . . are to be construed strictly, and are not to be extended to include matters not covered by the language used." (*Shaw v. People ex rel. Chiang*, *supra*, 175 Cal.App.4th at p. 595, internal quotations and citation omitted; see *East Bay Mun. Util. Dist. v. Sindelar* (1971) 16 Cal.App.3d 910, 918.) Here, the Bond Act does not condition the Legislature's ability to appropriate bond proceeds on the existence of a compliant preliminary funding plan.[3]

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[2] Neither *Peery v. City of Los Angeles* (1922) 187 Cal. 753 nor *Shaw v. People ex rel. Chiang* (2009) 175 Cal.App.4th 577, on which Real Parties rely, supports their argument. In each case, the court construed express provisions in a bond act, not ones that were merely implied.

[3] Indeed, the Bond Act does not restrict the Legislature's appropriation authority to bond proceeds, and the Legislature has

(continued...)

Real Parties mistakenly argue that if the Court of Appeal's analysis is correct, then the preliminary funding plan is superfluous. (Tos Pet., p. 17.) The Court did not conclude that the preliminary funding plan was superfluous; it found that it had served its purpose. The Court held that the preliminary funding plan plays an "interlocutory and advisory role midstream in the approval process" that helped the Legislature "make an informed decision." (Slip op., pp. 41-42.) Real Parties simply disagree with the Court about the purpose the preliminary funding plan was designed to serve.

Finally, Real Parties suggest for the first time that a compliant preliminary funding plan is necessary "from a public policy perspective" to prevent expenditures allowed under subsection (g) of section 2704.08, because, they note, subsection (g) expenditures may be made without the Authority's having submitted a final funding plan under subsection (d) of the statute. (Tos Pet., p. 18.) But subsection (g) expenditures may be made without either a preliminary or a final funding plan. (Sts. & Hy. Code, § 2704.08, subd. (c)(1) [preliminary funding plan applies to an initial request for appropriation of bond proceeds for capital costs "other than costs described in subdivision (g)"]; § 2704.08, subd. (g) ["Nothing in this section shall limit use or expenditure of proceeds of bonds" allowed under this subdivision].) Requiring the Authority to rescind its preliminary funding plan would have no effect whatever on its ability to spend bond proceeds under section 2704.08, subdivision (g).

(...continued)
appropriated other funds for high-speed rail. (E.g., S.B. 1029, §§ 4, 6, 8 [appropriating federal grant funds]; Senate Bill No. 862 (2013-2014 Reg. Sess.) [appropriating from the Greenhouse Gas Reduction Fund].)

CONCLUSION

Real Parties have not shown that this case is appropriate for review. There is no split in appellate authority to be reconciled. The issues were well-briefed below, and the Court of Appeal's analysis and reasoning are sound. The legal issues presented are not novel, but rather reflect an unexceptional and correct application of long-standing California law. Review by this Court would serve only to further delay this important infrastructure project. The Court should deny the petitions for review.

Dated: September 23, 2014

Respectfully submitted,

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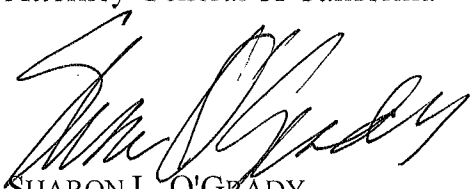

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SA2014117726

CERTIFICATE OF COMPLIANCE

I certify that the attached ANSWER TO PETITIONS FOR REVIEW uses a 13 point Times New Roman font and contains 4,695 words.

Dated: September 23, 2014

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **California High-Speed Rail Authority, et al. v. The Superior Court of California, etc.**

No.: **S220926**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004.

On September 23, 2014, I served the attached **ANSWER TO PETITIONS FOR REVIEW** by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at San Francisco, California, addressed as follows:

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I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on September 23, 2014, at San Francisco, California.

Susan Chiang
Declarant

Signature

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