

California High Cost Fund - A FY 2019-20 Annual Report

CHCF-A Surcharge	
Effective Date	Surcharge Rate
May 1, 2010	0.11%
December 1, 2010	0.00%
July 1, 2012	0.40%
October 1, 2013	0.18%
January 1, 2015	0.35%

Year End Fund Balance	(\$ in thousands)
6/30/2015	\$21,387
6/30/2016	\$29,401
6/30/2017	\$33,765
6/30/2018	\$29,881
6/30/2019	\$25,071
6/30/2020	\$12,188

Sources:

<http://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/8000/8660FCS.pdf>
<http://www.ebudget.ca.gov/2018-19/pdf/Enacted/GovernorsBudget/8000/8660FCS.pdf>
<http://www.ebudget.ca.gov/2017-18/pdf/Enacted/GovernorsBudget/8000/8660FCS.pdf>

California High Cost Fund-A (\$ in thousands)							
	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21
Expense Items	Appropriation, as adjusted, in Enacted Budget ¹	Actuals ²	Appropriation, as adjusted, in Enacted Budget ³	Actuals ⁴	Appropriation, as adjusted, in Enacted Budget ⁵	Actuals ⁶	Appropriation, in Enacted Budget ⁵
State Operations	\$ 1,334	\$ 657	\$ 1,343	\$ 836	\$ 1,352	\$ 853	\$ 1,351
Local Assistance	\$ 47,913	\$ 39,498	\$ 47,913	\$ 35,163	\$ 42,913	\$ 35,130	\$ 42,913
TOTALS	\$ 49,247	\$ 40,155	\$ 49,256	\$ 35,999	\$ 44,265	\$ 35,983	\$ 44,264

Reference

1. <http://www.ebudget.ca.gov/2018-19/pdf/GovernorsBudget/8000/8660.pdf> - middle column
2. <http://www.ebudget.ca.gov/2019-20/pdf/GovernorsBudget/8000/8660FCS.pdf>
3. <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf>
4. <http://www.ebudget.ca.gov/2020-21/pdf/GovernorsBudget/8000/8660RWA.pdf>
5. <http://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf>
6. State Operations is actuals as of 7/22/2020, Local Assistance determined by approved CHCF-A funding amounts for 2019 and 2020.

Fiscal Year-End Total Access Lines for Small ILECs Receiving Draws from CHCF-A	2019	2020
Calaveras Telephone Co.	3,333	2,618
Cal-Ore Telephone Co.	1,647	1,632
Ducor Telephone Co.	926	884
Foresthill Telephone Co.	2,436	1,763
Kerman Telephone Co.	3,420	2,868
Pinnacles Telephone Co.	216	207
The Ponderosa Telephone Co.	7,651	7,831
Sierra Telephone Co.	15,537	15,314
Siskiyou Telephone Co.	4,908	4,896
Volcano Telephone Co.	9,500	9,546
Total	49,574	47,559

Sources:

<https://www.cpuc.ca.gov/General.aspx?id=1107>

(pre-posting access to 2020 2nd qtr reports from CD staff)

**CHCF-A Administrative Committee (CHCF-A AC)
Meeting Minutes for July 9, 2019
10:30 A.M.**

Venues

California Public Utilities Commission 505 Van Ness Avenue Golden Gate Room San Francisco, CA 94102	Phone Bridge Access 1.866.912.9666 When prompted type in 703-2767 #
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Attendees

Stephen Kalish (Alternate Committee Member, Chair)	Alternate CBO
Patrick Hogle (Committee Member)	Public Advocates Office
Sindy Yun	CPUC, Legal
Felix Robles	CPUC, Communications Division
Dorris Chow	CPUC, Communications Division
Tom Laxton	CPUC, Communications Division
Michael Minkus	CPUC, Commissioner Guzman Aceves' Office
Patrick Rosvall	Cooper White Cooper
Eric Votaw	Ducor
Brenda Shepard	Volcano Telephone
Johnny Heir	Sierra Telephone
Michael Montgomery	Sierra Telephone
James Ahlstedt	CPUC, Public Advocates
Jayne Parker	CPUC, Public Advocates
Sateesh Bajikar	CPUC, Public Advocates
David Clark (Committee Member)	Sebastian

**CHCF-A Administrative Committee
Meeting Minutes for July 9, 2019
10:30 A.M.**

Note: Only Committee Members can vote.

1. Introductions

Stephen Kalish, the Chair, called the meeting to order at 10:35 A.M. Attendees introduced themselves. Roll was taken. A quorum was present. Stephen Kalish announced that Stan Lee, the second CBO member has stepped down and that Mike Coen (CPUC) has retired. David Clark has been nominated to represent the small ILECs. The nomination is pending approval from the Executive Director.

2. Public Comments

There were no public comments.

3. Approval of the February 12, 2019, Public Meeting Minutes

Patrick Hoglund moved to accept the May 14, 2019 meeting minutes and Stephen Kalish seconded. The minutes were approved.

4. Small LECs Presentation

Patrick Rosvall thinks that Stephen Kalish has a lot of misunderstandings and flaws in his draft Comments. He does not want the committee to adopt the comments. One misunderstanding that he sees in the report is how the carrier participation in California Advanced Services Fund (CASF) as well as Foresthill's Rural Telcom Infrastructure Grant is viewed. Five of the Small LECs pursued grants. It is an opportunity to lower rate base but not replace CHCF-A. These Small LECs serve in areas where large companies like AT&T does not want to serve. These areas are extremely rural, and in most cases have low income communities. 60% of Ducor's customers participate in the LifeLine program.

In these rural areas, Special Access is generally the only way to facilitate cellular service. The Small LECs are providing backhaul to cellular companies. This is counted as revenue. In these communities, cellular service is viewed as a complimentary service, but landlines are essential. P.U. Code Section 275.6 allows customers to choose the broadband service of their choice. USAC requires the small LECs to audit AT&T to confirm that the associated revenues are correct. Bandwidth is not being shared between Special Access and this carrier's customers. The limiting factor for Cal-Ore is middle mile and "pushing further out". They aren't running out of bandwidth. Basic Service Rates without CHCF-A support would cause rates to increase dramatically. The Small LECs are at the high end of national universal service rates.

Sierra works as first responders. The competitors in this space aren't carriers of last resort (COLRs). For internet that is faster than 25mg to download and 3mg to upload you need fiber VDSL technology. The carriers must push more fiber deeper into the network. The return on investment is the only thing recovered by the

**CHCF-A Administrative Committee
Meeting Minutes for July 9, 2019
10:30 A.M.**

carrier. Patrick Rosvall points out how low the CHCF-A surcharge remittance rate is compared to other PPP programs. He also asserts that CHCF-A claims have remained stable since 2001. Referencing the graph he provided, Patrick Rosvall claims that many of the shifts, spikes, and troughs in the graph's trendline are results from regulatory decisions.

Stephen Kalish must sign a Non-Disclosure Agreement (NDA) to receive reports from Patrick Rosvall. Revenue requirements proposed by carriers are either decreases or results from inflation. The carriers are becoming more efficient. Patrick Rosvall is in favor of proposing a bill to allow for informal rate cases initiated through Advice Letters in order to be more efficient. Patrick Hoglund says that a single ratemaking methodology would make it difficult to capture the variance in cost per line.

Lunch 12:15 P.M.

Meeting Resumes 1:05 P.M.

5. Committee Membership

David Clark joined the meeting at 1:00 pm, and staff arrived shortly thereafter with a letter signed by the CPUC Executive Director appointing Mr. Clark to the CHCFA Administrative Committee as a representative of the Small LECs.

6. Small LECs Presentation continued

Discussion regarding the allocation of costs. In 47 Code of Federal Regulations Uniform System of Accounts, costs are assigned to Part 32 accounts and combined in a general ledger. There are different ways and various sets of rules to allocate funds. Patrick Hoglund says it isn't true that this is unexplored. Part 36 Jurisdictional (separations) procedures defines intrastate and interstate allocations, which determines the intrastate (state) part of the business that becomes the revenue requirement. Regarding Section 710, Stephen Kalish wants to know if it is preventing the Small LECs from providing fiber to the home. Providers want to combine voice services with their broadband service. The platform in which they work doesn't designate what sources they offer. Patrick Rosvall doesn't agree with the legislative analysis. NECA is technology neutral. He thinks that it is in the customers best interest to buy bundles because of the wholesale costs. The NECA Tariff only applies to Small rural ILECs.

The presentation ended at 2:02 P.M.

Stephen Kalish advocates for conducting a phone survey. Patrick Rosvall feels like it is not necessary and that he can provide answers in an information exchange. He is not comfortable giving up customer information. He thinks that if there is going to be a survey, it should be conducted by a professional surveyor. Page 8 of

**CHCF-A Administrative Committee
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the draft has questions that Patrick Rosvall says he can answer. Sindy will email Stephen Kalish's questions to Patrick Rosvall.

Patrick Hogle is still debating the appropriateness of the comments coming as a committee. Patrick Rosvall doesn't think the committee should submit the comments. He sees 25 items in the comments that he doesn't agree with.

Stephen Kalish motioned to submit the comments. There was no second. Patrick Hogle suggests that Stephen Kalish pursues it as an individual. Other parties to the proceeding have filed their own comments.

7. Next Meeting

- a) Revisions are being considered to the CHCF-A Charter, including the flexibility to have the AC meeting only once a year.
- b) Dorris will send the proposed Charter to all of the Committee members.

8. Future Meeting Date

The Committee decided the next meeting will take place September 30th from 11:00-2:00 P.M.

9. Adjournment

Stephen Kalish moved for adjournment and Patrick Hogle seconded. Stephen Kalish, Patrick Hogle, and David Clark voted in favor and the motion carried unanimously. Meeting adjourned at 3:02 P.M.

**CHCF-A Administrative Committee (CHCF-A AC)
Meeting Minutes for November 21, 2019
1:30pm**

Venues:

California Public Utilities Commission
505 Van Ness Avenue, Room 3204, San Francisco, CA 94102

Telephone Conference Phone Bridge:

Access: (877) 692-8578

Participant Code: 7035345

Attendees:

Present - Committee Members

- Stephen Kalish, Chair (Community Based Organization)
- Dave Clark (Sebastian)
- Patrick Hogle (Public Advocates Office)

Present - Others

- Eric Votaw (Ducor)
- Bill Charley (Cooper White Cooper)
- Patrick Rosvall (Cooper White Cooper)
- Sindy Yun (CPUC, Legal)
- Risa Hernandez (CPUC, Communications Division)
- Felix Robles (CPUC, Communications Division)
- Danny Tse (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Lalaine Semana (CPUC, Fiscal)
- Ashnita Lal (CPUC, Fiscal)

Minutes:

1. Introductions - Stephen Kalish, Chairperson
Attendees introduced themselves. A quorum was present.
2. Announcements
Stephen Kalish is now a party to the CHCF-A proceeding (R. 11-11-007).
3. Public Comments
Representatives of the Independent Small LECs requested that CD release the agenda sooner so that they can have input. Stephen Kalish requested that CD send out the agenda to the Administrative Committee three weeks in advance of the meeting so that everyone can review.

Stephen Kalish explained that CD has started a process to standardize the charters for all six Administrative Committees and that is why the CHCF-AAC does not need to follow up at this time on the issue of reducing the number of meetings required in the Charter.
4. Review and Approval of the July 9, 2019 Meeting Minutes.
Stephen Kalish gave corrections to the minutes. The minutes should state that “a letter from the Executive Director approving Dave Clark’s appointment to the Administrative Committee arrived at 1pm, as did Dave Clark”. Hannah Steiner will make the correction. After the conclusion of the CD report, Dave Clark motioned to approve the 7/9/2019 meeting minutes with the amendments discussed. Patrick Hogle seconded, and the motion passed unanimously. The minutes were approved.

5. Liaison Staff Reports:
 - a. Fiscal Report - Lalaine Semana
Lalaine Semana presented the fiscal reports. Patrick Rosvall asked if CD anticipates any change to the surcharge. Felix Robles explained that the Programs usually try to keep three months' reserve in the fund and therefore no change to the surcharge is currently necessary.
 - b. Legal Report - Sindy Yun
Sindy Yun reminded the AC that the proceeding (R 11-11-007) is in process and offered to answer any questions. She also stated that there are currently no bills in the legislature regarding the CHCF-A.
 - c. Communications Division - Felix Robles
Felix informed the AC that the CHCF-A support resolution for CHCF-A is in process and is planned for a vote at the January 16, 2020 Commission meeting. He also stated that the Ruling on competition was issued and that the PD for Pinnacles' GRC will be on the agenda of the December 5, 2019 voting meeting. Patrick Rosvall asked if CD had received the NECA update for Ponderosa. Hannah Steiner confirmed that she had received the update.

6. CHCF-A (R.11-11-007) Rulemaking Issues - Questions, Comments
Felix Robles said that three tribal consultations had occurred. Patrick Rosvall said that the Blue Lake consultation was productive, and that Siskiyou could potentially do something there to meet broadband needs. Stephen Kalish asked if he could see the notes from the consultations. Sindy Yun answered yes but stated that staff would check with Commissioner Guzman Aceves' office first.

Stephen Kalish noted that all three committee members are now parties to the proceeding, so the committee cannot provide much input to the CPUC. He stated that therefore it makes sense to reduce the number of meetings and just meet committee's statutory responsibilities. Dave Clark stated that the AC should not be a policy advocate. Patrick Rosvall suggested that there may be implementation issues later in the proceeding, possibly after a decision is issued, where the AC could be useful and advise the CPUC. Sindy Yun disagreed with the assertion that the AC cannot make policy recommendations. Patrick Rosvall suggested that the AC could discuss mechanical things. For example, if the decision changes the annual filing, then the AC could discuss possible changes to the form and provide input to staff.

7. Remand (C085725; 8/20/2019) of Resolution T-17559
Felix Robles said that the remand will be addressed through a resolution. Patrick Rosvall said that the remand was officially issued today (11/21/19) and that it impacts Siskiyou and Volcano. Patrick Rosvall also noted that there is a parallel issue regarding the Test Year 2018 companies because the 2017 disallowances were illegal. He stated that this issue affects Ponderosa, Sierra and Calaveras. Patrick Rosvall said that Cal-Ore also had a Test Year of 2018, but they are an A-CAM company and may not be affected. Stephen Kalish asked how much this would add to the total CHCF-A support. Patrick Rosvall answered that the case included on the agenda (C085725) would add about \$500,000 and that the other case is larger and would potentially add between \$500,000 and \$1 million.

8. Other Administrative Matters
 - a. Status of Annual Report
Sindy Yun stated that the 2018 Annual Report was due October 2019. The AC members did not recall who was supposed to complete the report. Patrick Hogle said that the Annual report should be a brief summary and the approved minutes and confirmed that the next report is for fiscal year 2018/2019 The Committee members and Sindy

Yun discussed who should complete the Annual Report and the options for when and how the committee would approve it. Stephen Kalish agreed to draft the Annual Report and the committee agreed to vote on it at the next meeting. CD staff noted that the minutes that Stephen Kalish needs are online and that if any are missing then Hannah Steiner can provide them.

- b. Follow-up to the Small LECs presentation (information request from the committee)
The Committee discussed the prior request for information from the Small LECs. Patrick Rosvall explained that most of the answers to the six questions are included in the public versions of the submitted testimony and that Stephen Kalish cannot view the confidential versions without signing a Non-Disclosure Agreement. Stephen Kalish said that Public Advocates gave him copies of the Small LEC's non-confidential responses to Public Advocates' data request. Patrick Rosvall requested that Stephen Kalish follow up with him via email. Patrick Rosvall asserted that the AC does not have the authority to data request companies, but Sindy Yun said that the AC can request data and that Stephen Kalish now has discovery rights as a party to the proceeding.

9. New agenda items for next meeting.

- a. Approve Annual Report
- b. Form 700 filing
- c. Fiscal report
- d. Emergency response

Patrick Rosvall suggested that the next agenda include a discussion of Public Safety Power Shutoffs (PSPS) and what carriers are doing to respond. Eric Votaw shared the actions his company took during the PSPS to maintain service and the financial cost. Stephen Kalish and Patrick Hoglelund concurred that this should be added to the agenda for the next meeting. Stephen Kalish requested that the AC also discuss cell backup power. Patrick Hoglelund agreed that this item should be on the agenda because the response to disasters and PSPS could affect costs for companies and the CHCF-A. The Small LECs will decide later if they are going to do a presentation or just have a discussion. Stephen Kalish requested that Hannah Steiner share the link to the webcast of yesterday's pre-hearing conference for the disaster relief proceeding.

10. Date and time for next meeting: Proposed February 20, 2020

The Committee decided that the next meeting will be Thursday February 27, 2020 at 1:30pm.

11. Adjournment

Patrick Hoglelund made a motion to adjourn the meeting and Dave Clark seconded. All Committee members voted in favor and the motion carried unanimously. The meeting was adjourned at 2:44pm.

**CHCF-A Administrative Committee (CHCF-A AC)
Meeting Minutes for March 12, 2020
1:30pm**

Venues:

California Public Utilities Commission
505 Van Ness Avenue, Room 3212, San Francisco, CA 94102

892 Rimrock Drive, Swall Meadows, CA 93514

Telephone Conference Phone Bridge:

Access: (877) 692-8578

Participant Code: 7035345

Attendees:

Present - Committee Members

- Stephen Kalish*, Chair (Community Based Organization)
- Patrick Hogle (Public Advocates Office)

Present - Others

- Eric Votaw* (Ducor)
- William Charley (Cooper White Cooper)
- Patrick Rosvall (Cooper White Cooper)
- Matt Kingsley* (Rural County Representatives of California)
- Sindy Yun (CPUC, Legal)
- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Dorris Chow* (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Lalaine Semana* (CPUC, Fiscal)

*Participant attended the meeting via teleconference

Minutes:

1. Introductions - Stephen Kalish, Chairperson
Attendees introduced themselves. A quorum was present, and the meeting commenced shortly after 1:30.
2. Announcements
Stephen Kalish announced that he received an invitation to visit Sierra Telephone
3. Public Comments
There was no public comment.
4. Review and Approval of the November 21, 2019 Meeting Minutes.
Stephen Kalish and Patrick Hogle agreed that no changes to the draft minutes were needed. Hogle motioned to approve the minutes and Kalish seconded. The committee voted unanimously to approve the November 21, 2019 minutes.
5. Liaison Staff Reports:
 - a. Fiscal Report - Lalaine Semana
Lalaine Semana presented the fiscal report. Stephen requested that the report return to the format that was used in the past. Lalaine agreed to use the prior format if possible, CD staff will send her a copy of a past report.

- b. Legal Report - Sindy Yun
Sindy had nothing to report.
 - c. Communications Division - Felix Robles
Felix reminded the committee that reply comments on the 5th scoping memo are due on March 16, 2020. CD staff discussed the availability of and deadlines for the Rural Digital Opportunity Fund (RDOF) funding. Patrick Rosvall said that the Small LECs are aware of RDF and are currently considering if they will apply.
6. Review and Approval of the 2018/19 Annual Report
Patrick Hogleund recommended that the second paragraph be removed or an additional sentence be added to clarify because the Administrative Committee (AC) did not file comments. Patrick Rosvall stated that the second paragraph was misleading because the AC did not file comments, he agreed with Patrick Hogleund's suggestion to modify and additionally suggested adding the word "draft" in front of "comments". Stephen agreed to make the changes suggested and sign the revised Annual Report. Patrick Hogleund motioned to approve the 2018/19 Annual Report as revised and Stephen Kalish seconded. The committee voted unanimously to approve the 2018/19 Annual Report with the agreed upon revisions.
7. Form 700 Filing
Sindy reminded the committee that all primary and secondary members are required to submit a Form 700 by April 1, 2020. Hannah Steiner will send a copy of the form and instructions as well as the email address to which the completed forms should be submitted. Patrick Hogleund asked if the electronic Form 700 that he files as CPUC staff is sufficient and Sindy Yun confirmed that it is.
8. CHCF-A (R.11-11-007) Rulemaking Issues - Questions, Comments
Felix said that three tribal consultations had occurred. Patrick Rosvall said that the consultation in Blue Lake was particularly productive. In response to a question from Patrick Hogleund, CD staff stated that the notes from the three tribal consultations are going to be published in the proceeding and that as soon as that occurs, Hannah will share them with the AC.
- The AC meeting participants discussed the rules about the deadlines to conclude proceedings. Patrick Rosvall said that if a decision is approved in late summer, then the carriers will likely ask for an adjustment to the General Rate Case (GRC) schedule. He said that a decision is needed by the beginning of July at the latest in order for the carriers to file on time, and that they may still need an extension. Patrick Rosvall noted that the data requests start in August and it might be beneficial to keep the December 1 deadline for Group A GRC applications. He said that carriers usually need about 3 months to prepare and he has never seen it done in less than two months. Patrick Hogleund noted that the time needed would depend on what changes the decision makes; if the decision adds additional requirements or data then the carriers may need additional time. Patrick Rosvall said that the companies generally are amenable to delaying the GRCs by up to one year if the waterfall remains at 100%. Sindy confirmed that the assigned commissioner and ALJs are aware of the GRC deadlines and are taking them into consideration.
9. Request from the Rural County Representatives of California for Inyo County Supervisor Matt Kingsley to join the CHF-A Administrative Committee. Matt Kingsley said that the Rural County Representatives of California (RCRC) had been asked if they were interested in joining the CHCF-A AC. Patrick Rosvall confirmed that he has had conversations with RCRC about joining the CHCF-A AC. Stephen questioned if RCRC is a Community-Based Organization (CBO) or consumer organization and Sindy stated that her preliminary determi-

nation is that RCRC would qualify. Sindy informed Matt Kingsley that CD will move forward with his nomination by submitting it to the CPUC's Executive Director, who will make the decision (not staff).

The AC also discussed Eric Votaw's previous request to join the AC as an alternate for the Small LECs. Hannah explained that staff had received the nomination letter last year and will move forward with the process now. Eric Votaw confirmed that he still wants to join the AC as an alternate.

10. Disaster Response

The Small LECs shared their experience during the PSPS events that occurred last fall. Patrick Rosvall noted that the Small LECs performed better during the PSPS than the larger carriers, but there was a significant financial cost. Eric Votaw shared that the power was out for 6 days in the Rancho Tehama exchange and that it was difficult to get accurate information about the outages from PG&E. They were able to continue providing service through battery backup and remote locations that were recharged by generators. Patrick Rosvall said that he will keep the AC updated in the fall regarding the Small LECs response to wildfires and PSPS events. Stephen Kalish shared that he has seen many trucks in his county (Mono) for tree-trimming.

11. New agenda items for next meeting.

- Budget - CD will confirm if the AC has any responsibility to provide anything
- Proceeding R. 11-11-007 update
- Update on AC membership - Patrick Hoglund said that Public Advocates will soon propose a new alternate AC member because the prior alternate left the CPUC.

12. Date and time for next meeting:

The Committee discussed potential dates for the next meeting decided that it will be May 19th, 2020 at 1:30 pm pending room availability. Stephen Kalish said that he will participate in the May 19th meeting via phone.

13. Adjournment

Patrick Hoglund made a motion to adjourn the meeting and Stephen Kalish seconded. All Committee members voted in favor and the motion carried unanimously. The meeting was adjourned at 2:40pm.

CHCF-A Administrative Committee (CHCF-A AC)
Meeting Minutes for May 19, 2020
1:30pm

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-A AC attending from separate remote locations. This altered format is in observance of recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please note the following:

- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 963 134 938

Attendees:

Present - Committee Members

- Stephen Kalish, Chair (Community Based Organization)
- Patrick Hogle (Public Advocates Office)
- David Clark (Sebastian)

Present - Others

- Eric Votaw (Ducor)
- William Charley (Cooper White Cooper)
- Patrick Rosvall (Cooper White Cooper)
- Sindy Yun (CPUC, Legal)
- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Lalaine Semana (CPUC, Fiscal)
- Ashnita Lal (CPUC, Fiscal)

Minutes:

1. Introductions - Stephen Kalish, Chairperson
Attendees introduced themselves. A quorum was present, and the meeting commenced at 1:34 pm.
2. Announcements
There were no announcements.
3. Public Comments
There were no public comments.

4. Review and Approval of the March 12, 2020 Meeting Minutes
David Clark did not attend the prior meeting. Neither Stephen Kalish nor Patrick Hogle proposed any changes to the draft minutes. Patrick Hogle motioned to approve the minutes and Stephen Kalish seconded. The committee voted unanimously to approve the March 12, 2020 minutes.
5. Liaison Staff Reports:
 - a. Fiscal Report - Lalaine Semana
Lalaine Semana presented the fiscal report. Stephen asked about the appropriations shown for FY 16/17 and 17/18 because they seemed too low. Lalaine clarified that the amount shown is only the amount that was re-appropriated because those fiscal years are still open. Lalaine also shared Fiscal Report 6 as of 4/30/2020. Stephen requested information about the cash balance now compared to one year ago.
 - b. Legal Report - Sindy Yun
Sindy Yun reminded committee members to complete Form 700 if they have not already done so. She said that the proceeding will be discussed under agenda item 7 and that she is not aware of any bills that would affect this program. Patrick Rosvall said that the Small LECs are sponsoring a bill (AB 2189) that would allow informal rate cases. Patrick Rosvall also stated that he filed a motion yesterday to request that the GRC schedule is delayed by one year and that Kerman and Foresthill are moved to the same group.
 - c. Communications Division - Felix Robles
Felix said that his only updates are about the rulemaking (agenda item #7). Patrick Hogle asked if the tribal part of the proceeding is still moving forward. Felix and Hannah said that it is still moving forward but there is not a definitive schedule to share. Stephen Kalish asked about the competition issue. Felix replied that this issue is in process. Patrick Hogle shared that he found the broadband household data in Tableau and found it useful. Stephen Kalish asked about the loss of an ALJ in the CHCFA proceeding. Sindy shared that ALJ McKenzie has moved back to legal division as an assistant general counsel and a new judge has been assigned to the CHCF-A proceeding to work with ALJ Fortune. Stephen Kalish asked if Foresthill and Kerman had merged or if there had been some other change. Patrick Rosvall clarified that they have been affiliates since 2006.
6. FY 2021-2022 Budget Recommendations
Hannah Steiner presented the budget spreadsheet and explained the projections and proposed appropriation for FY 2021-22. Hannah recommended that the CHCF-A local assistance and state operations appropriations for FY 2021-22 remain the same as FY 2020-21 in the most recent May Revise budget. The proposed appropriation is higher than projected expenditures.

David Clark asked about the likelihood of the state borrowing money from the CHCF-A fund. Felix said that it is unlikely and Sindy added that we have not heard anything yet but have no way of knowing if the state is going to take money from the fund. Hannah explained that the state is more likely to take money from funds that have a high fund balance, rather than funds that are not spending their whole appropriation. Patrick Rosvall noted that money has been taken from the CHCF-B fund.

Stephen Kalish asked about the effect of keeping the appropriation constant on the fund balance. Felix explained that even if the appropriation is constant the fund balance will decline because of the overall decline in the billing base. Felix said that the surcharge rate will have to be raised eventually to cover costs, possibly before the

end of the year. Stephen requested that CD present information about the declining revenue base, with numbers, at the next meeting and Felix agreed.

The Committee discussed the process for submitting a budget recommendation to the CPUC. Sindy advised that the committee should vote on the budget proposed by CD staff or the AC could propose and vote on an alternative budget. By voting, the committee submits their recommendations to CD and CD will issue a budget resolution that includes CD's ultimate recommendation. Stephen recommended that the committee approve the appropriation as proposed by staff with a note that the proceeding is underway, and this recommendation is made without knowing how the proceeding will affect spending. Stephen Kalish motioned to approve the proposed budget of \$49.277 million for FY 2021-22 and that CD should include a statement in the budget resolution that a proceeding is underway and may affect expenditures. Patrick Hoglund seconded the motion. Dave Clark was not permitted to vote because he represents a company receiving funds from CHCF-A. Stephen Kalish and Patrick Hoglund voted unanimously to approve the proposed budget.

7. CHCF-A (R.11-11-007) Rulemaking Issues - Questions, Comments
Stephen Kalish asked how tribal issues are related to the competition issues. Patrick Rosvall answered that they are separate tracks within the proceeding and Sindy confirmed that that is correct. Sindy said that she believes that the Commission plans to address the phase 2 issues first and then move on to the tribal issues. Stephen Kalish noted that reply briefs are due today (5/19/20).
8. Update on AC Membership
Hannah updated the commission on the status of Eric Votaw and Matt Kingsley's nominations. Eric Votaw's nomination to fill the alternate Small LEC seat is with the Executive Director waiting for a decision and Hannah is currently working on the packet to submit Matt Kingsley's nomination.
9. New agenda items for next meeting.
 - Fund balance and surcharge remittances
 - Annual report approval and submittal
 - Standard agenda items
10. Date and time for next meeting:
The committee discussed potential dates for the next meeting and decided to schedule it in September after Sindy clarified that the annual report is due October 1. Stephen Kalish volunteered to draft the annual report. The committee decided that the next meeting will tentatively be September 16th at 1:30pm, with September 17th as the backup date.
11. Adjournment
The meeting was adjourned at 2:58pm.