

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)
- Cindy 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 CHCF-A 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.