

September 29, 2022

Rachel Peterson
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

California High-Cost Fund - A Administrative Committee (CHCF-A AC)

CHCF-A AC ANNUAL REPORT FY 2021-22

This CHCF-A Annual Report for FY 2021-22 is submitted to the California Public Utilities Commission by the CHCF-A AC in compliance with CPUC § 273(b). It includes FY financial data, active phone line counts, and approved minutes of the Administrative Committee (AC) for the four meetings held in FY 2021-22.

As reflected in this fiscal year's AC meeting minutes, our meetings were well attended by CPUC staff, and by Small LECs' legal counsel and corporate officers.

Patrick E. Hoglund, P.E., Chair
CHCF-A AC

Patrick Hoglund

Attachments: FY2021-22 Annual Report
CHCF-A Meeting Minutes for FY 2021-22

cc: David Clark, Sebastian
Commissioner Alice Busching Reynolds
Commissioner John Reynolds
Commissioner Darcie Houck
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Sindy Yun, Legal Division
Lalaine Semana, Administrative Services Division
Felix Robles, Communications Division
Stephen Kalish, CHCF-A AC

California High-Cost Fund - A
FY 2021-22 Annual Report

CHCF-A Surcharge Rate

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%
December 1, 2020	0.70%
February 2, 2022	0.70%

**California High-Cost Fund – A
Year End Fund 0464 Cash Balance**

Year End Fund 0464 Cash Balance	(\$ in thousands)
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
6/30/2021	\$14,208
6/30/2022	\$19,430

[Department Fund Condition Statements
\(ca.gov\)](#)

**California High-Cost Fund – A
Fund 0464 Budget**

California High Cost Fund-A (\$ in thousands)								
	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23	FY 2023-24
Expense Items	Appropriation, as adjusted, in Enacted Budget ¹	Actuals ²	Appropriation, as adjusted, in Enacted Budget ²	Actuals ³	Appropriation, as adjusted, in Enacted Budget ³	Forecasted (Actuals Annualized) ⁴	Proposed ^{3,5}	Proposed
State Operations	\$ 1,352	\$ 873	\$ 1,302	\$ 764	\$ 1,519	\$ 923	\$ 1,438	\$ 1,438
Local Assistance	\$ 42,913	\$ 35,517	\$ 42,913	\$ 36,612	\$ 40,000	\$ 34,979	\$ 47,914	\$ 47,914
TOTALS	\$ 44,265	\$ 36,390	\$ 44,215	\$ 37,376	\$ 41,519	\$ 35,902	\$ 49,352	\$ 49,352
Reference								
	1. https://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
	2. https://www.ebudget.ca.gov/2021-22/pdf/Enacted/GovernorsBudget/8000/8660.pdf							
	3. https://www.ebudget.ca.gov/2022-23/pdf/GovernorsBudget/8000/8660.pdf							
	4. State Operations determined by annualizing year-to-date March 2022 actual expenditures. Local Assistance determined is approved CHCF-A funding amounts for 2021 and 2022.							
	5. Proposed Local Assistance appropriation for FY 22-23 in the Governor's budget is \$23,957 and reflects scheduled program sunset in Jan 2023. CD proposed budget for Local Assistance is double that amount and assumes program will be extended through at least FY 23-24.							

California High-Cost Fund – A
Access Lines

Fiscal Year-End Total Access Lines for Small ILECs Receiving Draws from CHCF-A	FY 2019-2020	FY 2020-2021	FY 2021-2022
Calaveras Telephone Co.	2,618	3,422	3,432
Cal-Ore Telephone Co.	1,632	1,541	1,541
Ducor Telephone Co.	884	857	857
Foresthill Telephone Co.	1,763	1,801	1,801
Kerman Telephone Co.	2,868	3,138	3,138
Pinnacles Telephone Co.	207	216	216
The Ponderosa Telephone Co.	7,831	7,442	7,442
Sierra Telephone Co.	15,314	15,458	15,458
Siskiyou Telephone Co.	4,896	3,704	3,704
Volcano Telephone Co.	9,546	9,109	9,109
Total	47,559	46,688	46,698
<i>Note: Access line counts include residential and business lines.</i>			

Overall, access line counts have declined 1.8% from FY 2019-2020 (47,559) to FY 2021-2022 (46,698).

Attachments

California High-Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, August 25, 2021, at 10:00 am

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: 1460 16 2640

Attendees:

Present – Committee Members

- Matt Kingsley (Rural County Representatives of California)
- Patrick Hogle (CPUC, Public Advocates Office)
- David Clark (Sebastian)

Present – Others

- Felix Robles (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Lucia Magaña (CPUC, Communications Division)
- Lalaine Semana (CPUC, Fiscal)
- Ashnita Lal (CPUC, Fiscal)
- Kieuchin Tran (CPUC, Public Advocates Office)
- Bixia Ye (CPUC, Public Advocates Office)
- Sindy Yun (CPUC, Legal)
- John Kennedy (Rural County Representatives of California)
- Stephen Kalish, Alternate Committee Member (Community Based Organization)
- Patrick Rosvall (BRB Law)
- Risa Hernandez (CPUC, Communications Division)

On the phone

- Sarah Sharpe (CPUC, Commissioner Guzman Aceves' Office)
- Eric Votaw, Alternate Committee Member (Ducor)

Minutes:

1. Introductions – Patrick Hogle, Chairperson

Attendees introduced themselves. Patrick Hogle observed that a quorum was present, meeting commenced at 10:00 am.

2. Announcements

- a. New CPUC website, information about the CHCF-A AC can now be found at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-high-cost-fund-a/california-high-cost-fund-a-administrative-committee---chcf-a-ac>

3. Public Comments - none

4. Review and Approval of the May 12, 2021, Meeting Minutes

The meeting minutes remained unchanged. Matt Kingsley made a motion to approve and adopt the minutes. David Clark seconded the motion. The committee voted unanimously to approve the May 12, 2021, minutes. Nancy Lee will post the adopted minutes on the CHCF-A AC webpage.

5. Liaison Staff Reports:

- a. Fiscal Report –
Lalaine Semana presented the fiscal report ending June 30, 2021, for Fiscal Year 2020-2021
 - The budgets for Fiscal Year 2021-2022 were not presented as the numbers had been recently uploaded into the Fiscal's accounting system.
 - To stabilize funds in anticipation of a change to the surcharge reporting and collection methodology (Rulemaking 21-03-002), the A Fund has been identified to borrow \$7M cash from the B Fund. Fiscal Office will post these funds into the A Fund once an Executive Order is issued. There is a \$5.4 M reserve, and the A Fund fulfilled its obligations for Fiscal Year 2020-2021. Patrick Rosvall asked, "why is the A Fund borrowing money from the B Fund when the A Fund still has \$5.4 M in reserve?" Lalaine stated last year's program expenditures were approximately \$37M, and that the \$7M loan from the B Fund will serve as an additional reserve for the A Fund balance. Patrick Rosvall stated what this means is at some point the surcharge must increase. Felix Robles stated he will express CD's point of view regarding that in the CD report.

b. Legal Report –

Sindy Yun stated that the Commission approved a Decision denying rehearing application filed by the Small ILECs on broadband imputation. She mentioned the pending legislation AB 1257: Directs the commission to apply the Alternate Dispute Resolution (ADR) process and encourages parties to informally settle cases before filing a motion. There are outstanding issues the Commission must address such as clarifying the 1991 Decision, which allows Small ILECs to recover from the A-fund costs related to regulatory changes of industry wide effect. This applies to the annual advice letter process outside of the general rate case year.

c. Communications Division –

Felix Robles reported that general rate case submissions are due on November 1. Pursuant to an earlier decision, CD developed a broadband imputation template which was sent to parties for review and for comments by the Small ILECs, TURN and Public Advocates, due August 26, 2021. The annual CHCF A support advice letters are due September 15, 2021, for a resolution to be issued by December for calendar year 2022 CHCF A support.

CHCF A reserve balance – Per Felix’s interpretation the annual budget appropriation amount debt needs to be covered. The \$5.4M reserve has increased recently from a recent low point, as CD remitted both May and June by late June to avoid any issues with fiscal year end closing for FY 2020-21 ending June 30, 2021. Due to the two payments made in June, no payments are needed for July; therefore, the balance increased to over \$6M.

Felix mentioned the declining nature of intrastate reporting, citing as an example last year’s decrease to about \$6.4 billion. Although, the Communications Division has noticed that the rate of decrease has flattened, a declining trend still exists. For the first six calendar months of 2021, the downward trend continued with intrastate revenue reporting of \$2.94 billion, forecasted to \$5.8 billion for 2021. With a CHCF A remittance rate of 0.70%, we would collect about \$40 million this year and would exceed the amount of the 2021 CHCF A support that was approved in Resolution T-17710 for \$35.16 million. The Communications Division does not project a need to increase the remittance rate at this time given we are in the process of R.21-03-002, which will help transition to a single end user surcharge as proposed. But that will take time. The balance was reported to be sufficient at the present time, being a good indication that the surcharge remittance rate will not need to be increased immediately. Felix reported the Division is working to secure funds and prevent shortages through the rulemaking process.

Stephen Kalish presented a follow up to Patrick Rosvall’s previous clarifying question related to CHCF A Fund borrowing money from CHCF- B Fund being interested in understanding whether the transfer of money from Fund B to Fund A was not a cash flow problem rather a cash balance problem.

Felix addressed the question stating that in fact it was the transfer of funds that was related to cash balance matter as the intent is to have a reserve of approximately six months. Felix continued to state that if reserves get larger than what is allowed by statute, it could be a problem when fund audits are conducted, resulting in having a reserve that is too large. Right now, there is a smaller reserve, but we are mindful that reserves must cover budget appropriations.

Stephen Kalish asked if the appropriations would be single appropriations at the start of the Fiscal year or does it get distributed during the year? Felix stated appropriations are approved at the beginning of the Fiscal year.

Felix further clarified that the statute mandates for the appropriation amounts to be covered in terms of our financial projections in the event we spend all that is authorized.

Stephen Kalish asked if the cash balance is based upon the surcharges and not the appropriation from the state? Felix addressed the question stating that the intrastate revenue multiplied by the remittance rate would equal about \$40M coming in this year, and such amounts would cover the expenses as authorized by the Resolution T – 17710.

Stephen Kalish inquired about the frequency of remittance. Felix stated the payments are remitted all month long, usually by the 40th day after the end of the month which are accounted for at the end of the current month. Felix mentioned the payments that go out are in the amount of \$35.165M as authorized by the Resolution which equals \$2.93M per month.

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

No questions about the proceeding were presented at this meeting.

7. Review and Approval of FY 2020-2021 Annual Report –

Patrick Hoglund stated the FY 2020-2021 Annual Report was sent out on August 24, 2021, for the committee's review and noted the approved May 12, 2021, minutes will be added to the end of the report on the attachment section. No questions or comments were offered.

David Clark motioned to approve the proposed FY 2020-2021 Annual Report. Matt Kingsley seconded the motion. The committee voted unanimously to approve the FY 2020-2021 Annual Report.

8. Emergency Broadband Benefit Program Update – Sarah Banola, Small ILECs

Sarah Banola was not present in the meeting.

David Clark shared their experience with the new system, expressed frustration encountered while accessing the FCC's EBB Program to enroll customers (initially they were not allowed to get into the Program to start uploading customers). This issue lasted a month or more. David wrote them on behalf of Foresthill and Kerman and presented documentation of all the troubles

encountered, as there were many e-mails requesting help with the program. This issue was eventually rectified, and they were able to proceed. Currently, 41 customers in Kerman and another 17 in Foresthill participate in the program.

There is another program coming out of the Emergency Connect Fund (ECF) which will give discounts to kids from underserved communities. Schools may be eligible for support under the FCC's E-Rate Program. Schools in Kerman have applied and are waiting for program approval.

Matt Kingsley asked David if the other small providers are getting similar sign ups? David stated all of these are limited programs and are to last eight to nine months. Similar results from the other small providers, they have about 15-16 customers per company. Limited number of people who can get these services since their eligibility is dependent on their income level.

Eric Votaw stated they have been offering it and they have 48 customers participating in the EBB Program. They have done physical outreach consisting of door knocking and holding events to get people to sign up. He also stated its affiliates have been working with the school district to provide fiber to 40 students' homes and Ducor is also working to connect an additional 96 students. Ducor has been working closely with the schools to get them broadband.

However, some of these programs are not going to last very long, EBB will run out when the money is gone and the ECF is only good until 2022. But there is a possibility that the FCC might extend the program.

9. AC Membership

There is one available seat for an alternate member for the Public Advocates Office. Patrick Hogle stated at this time the formal nominations for his alternate has not been put forward.

10. New agenda items for next meeting

- Update on Annual Advice Letters and Resolutions going forward
- An update on the extent of fire impacts

11. Date and time for next meeting

The next meeting will be Wednesday, December 8, 2021, at 10:00 am.

12. Adjournment

The meeting was adjourned at 10:41 am.

California High-Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, December 8, 2021, at 10:00 am

Venues:

Important Notice to the Public Regarding COVID-19:

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Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 2482 242 0128

Attendees:

Present – Committee Members

- Patrick Hogle (CPUC, Public Advocates Office)
- David Clark (Sebastian and LEC representative)
- Stephen Kalish, Alternate Committee Member (Community Based Organization)

Present – Others

- Felix Robles (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Lucia Magaña (CPUC, Communications Division)
- Sindy Yun (CPUC, Legal)
- Bixia Ye (CPUC, Public Advocates Office)
- Ashnita Lal (CPUC, Fiscal)
- Patrick Rosvall (BRB Law)

Minutes:

1. Introductions – Patrick Hogle, Chairperson

Attendees introduced themselves. Patrick Hogle observed that a quorum was present, meeting commenced at 10:00 am

2. Announcements – none

3. Public Comments - none

4. Review and Approval of the August 25, 2021, Meeting Minutes

The committee requested three corrections: one on item #5a and two on item #5c –

- *Item #5a: Last sentence, second bullet point – change “mean” to “means.”*
- *Item #5c-1: Second page, middle of paragraph that starts with “Felix mentioned...35.6 billion,” change the **b** to an **m**.*
- *Item #5c-2: Second page, second sentence on 5th paragraph – change **statue** to **statute**.*

David Clark made a motion to approve and adopt the minutes as amended above. Patrick Heglund seconded the motion. The committee voted unanimously to approve the August 25, 2021; minutes as amended. The adopted minutes will be posted on the CHCF-A AC webpage as amended.

5. Liaison Staff Reports:

a. Fiscal Report –

Ashnita Lal presented the fiscal report as of September 30, 2021, for Fiscal Year 2020-2021 and Fiscal Year 2021-2022. She also included information about the current cash balance (as of December 8th, 2021).

Additionally, Lal clarified the acronym “ENY” on the report stands for Enactment Year which indicates the year the first budget came out for the Fiscal Year. As an example, she noted the ENY 17 referring to the budget that came out in 2017; however, since the reverting date is later, the balances are still being carried forward.

It was, also, noted that the total dollar value listed in the budget line appropriation line is a cumulative total of unspent money from prior years.

b. Legal Report –

Sindy Yun stated there was nothing to report; no activity in the CHCF-A Fund rulemaking proceeding, no new legislation.

Yun confirmed the ALJ issued a decision extending the statutory deadline for this proceeding and in response to an inquiry, stated that such extensions are standard procedure when there are issues still pending.

Patrick Rosvall requested clarity on a couple of sentences included on the decision extending the deadline that stated the proceeding is being continued due to pending legislation.

Yun stated that the decision was referencing a bill that would require the commission to direct parties to use the ADR process¹, which became a two-year bill and thus is not dead yet.

Rosvall expressed the desire for the proceeding to close soon and inquired what it would take for such to occur. Rosvall stated the bill was defeated in committee last year and is unlikely to come back.

Yun asked Hannah Steiner whether there were any additional issues in the CHCF-A Fund rulemaking proceeding. Steiner said that the issues regarding Tribal areas and informal rate cases have not yet been resolved.

d. Communications Division – Felix Robles

Felix Robles reported the three General Rate Case (GRCs) applications were submitted by Sierra, Siskiyou, and Volcano. Those GRCs have been assigned to ALJ Miles and the assigned Commissioner is Guzman Aceves. Robles mentioned the prehearing conferences are scheduled for January 18th, 19th, and 20th, respectively.

Additionally, Robles reported that the annual support resolution for 2022 is being prepared for service for a vote at the Jan. 13th Commission meeting.

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Stephen Kalish inquired about the filings related to R.11-11-007 in the court of appeals. His understanding was that there were documents rejected by the court and he asked for an update on the acceptance of the filings.

Patrick Rosvall addressed the inquiry by stating that the Small LECs filed an appeal of the broadband imputation issue. The Commission and TURN have submitted documents. The filings were accepted after a back-and-forth with clerks and Rosvall is not certain whether notices are sent when filings are accepted. Rosvall also mentioned that Small LECs have until January 5th to file a response.

7. Annual Advice Letters and CHCF-A Support Resolution

Hannah Steiner reported that the Small LECs requested just over \$35 million in CHCF-A support for 2022 in their annual Advice Letters. She stated that \$35 million is slightly lower than the approved CHCF-A support for 2021 and that the draft 2022 resolution should be served very soon.

¹ AB 1257 would require the Commission to allow GRCs to be filed via Advice Letter and directs the Commission to require parties in GRC cases submitted by Application to participate in mediation.

Steiner clarified that broadband imputation starts taking effect for each company during their GRC; and therefore, none of the companies are affected by broadband imputation in calendar year 2022.

8. Update from Small LECS on impact of wildfires

Patrick Rosvall reported that the Small LECS were fortunate this year. The only fire that really affected Small LEC territory was the Caldor fire in Tahoe, which ultimately went through Kirkwood in Volcano territory. Volcano made significant efforts to help Cal Fire combat the fire. The area is a very mountainous environment where they have significant plant facilities, but the Caldor fire mostly went past, but did not affect Volcano facilities. Rosvall mentioned the company sprayed fire retardant on the facilities in an effort to keep them protected as fire was going through. There were no customer impacts and Volcano did not have to submit outage reports.

9. New agenda items for next meeting

- a) Ongoing impacts from the Emergency Broadband Benefit Program (EBB) and the new Affordable Connectivity Program (ACP). Also, new developments related to the last mile grants from the state, any of the broadband programs from federal Build Back Better.

10. Date and time for next meeting

The next meeting will be Wednesday March 9, 2022, at 10:00 AM.

11. Adjournment

The meeting was adjourned at 10:42 am.

California High-Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, March 9, 2022, at 10:00 am

Venues:

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: 2482 840 6673

Attendees:

Present – Committee Members

- Patrick Hoglund (CPUC, Public Advocates Office)
- David Clark (Sebastian and LEC representative)
- Stephen Kalish, Alternate Committee Member (Community Based Organization)

Present – Others

- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Lucia Magaña (CPUC, Communications Division)
- Sindy Yun (CPUC, Legal Division)
- Ian Culver (CPUC, Legal Division)
- Lalaine Semana (CPUC, Fiscal Office)
- Bixia Ye (CPUC, Public Advocates Office)
- Kayla Toy (CPUC, Public Advocates Office)
- Patrick Rosvall (BRB Law)

Minutes:

1. Introductions – Patrick Hoglund, Chairperson

Attendees introduced themselves. Patrick Hoglund observed that a quorum was present, meeting commenced at 10:03 am.

2. Announcements –

Patrick Hoglund mentioned that CPUC staff might return to the office in some capacity next month, but nothing has been confirmed yet.

3. Public Comments - none

4. Review and Approval of the December 8, 2021, Meeting Minutes

Stephen Kalish pointed out the typos and grammatical errors that were on the minutes and corrections were made. Stephen Kalish made a motion to approve and adopt the revised minutes. David Clark seconded the motion. The committee voted unanimously to approve the December 8, 2021 minutes as amended. The adopted minutes will be posted on the CHCF-A AC webpage.

5. Liaison Staff Reports:

a. Fiscal Report –

Lalaine Semana presented the quarterly financial report as of January 31, 2022, stating the budget appropriation balance for Fiscal Year 2021-2022 is \$50M; total revenue is \$18.9M. The total cash available as of January 31, 2022 is \$16.9M; total cash available as of March 4, 2022 is \$15.9M; and total cash available as of today is back at \$16.9M.

b. Legal Report –

Sindy Yun reported that there will be a legislative hearing on 3/14/2022 to consider SB 857, to extend the CHCF-A Program for another five years to January 2028. The current program sunset date is January 2023. There are currently no changes to the program statute besides extending it for another five years.

Patrick Rosvall stated the program has been extended seven to eight times over the last 20-30 years. The fact that it has a sunset date is just how the legislation works. There is no expectation that the program will be terminated; it is just part of the renewal process.

c. Communications Division – Felix Robles

Felix Robles stated the increase in the balance available in the Fiscal report that Lalaine cited above was a result of the surcharge resolution, effective December 1, 2020, through which we collected \$40.6M in CHCF-A surcharge revenues during 2021.

Mr. Robles reported that CD is currently working on three General Rate Case (GRCs) submitted by Sierra, Siskiyou, and Volcano on November 1, 2021. The prehearing conferences were held in January and the public participation hearings are scheduled for April 11th, 12th, and 13th, respectively. The evidentiary hearings are scheduled for Sierra: July 18th - 22nd; Siskiyou: July 28th – August 2nd; and Volcano: August 8th – 12th.

Mr. Robles also stated it has been determined through a Commission ruling that we will have a consolidated cost of capital proceeding with notices of intent due on April 1 for application beginning September 1, 2022.

David Clark inquired about status on the tax issues in D.21-09-018 for the three companies. Mr. Robles stated we will prepare a resolution to address that issue in the near future, but with all the GRCs and other proceedings going on currently, we do not have a date yet as to when it will be sent out for comment.

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Hannah Steiner reported that Commissioner John Reynolds has been assigned to this proceeding and the above mentioned three GRC proceedings.

7. AC Membership - Election of Chair and Vice Chair

Election of new Chair and Vice Chair: For the CHCF-A AC Chairperson, David Clark nominated Patrick Hogle and Stephen Kalish seconded the motion. Patrick Hogle accepted the nomination. The committee voted unanimously to approve the nomination of Patrick Hogle for the Chair. For the Vice Chair, Patrick Hogle nominated David Clark and Stephen Kalish seconded the motion. David Clark accepted the nomination. The committee voted unanimously to approve the nomination of David Clark for Vice Chair.

8. Update from the Small LECs on the EBB, Affordable Connective Program (ACP), and new federal and state grants (including CA last mile grants and federal broadband programs from Build Back Better)

Patrick Rosvall reported that there was broad participation in the EBB Program which provided a \$50 per month discount on internet access services for the Small LECs affiliates. The EBB Program was a bridge to the current permanent Affordable Connectivity Program. The EBB Program's sunset date was March 1, 2022. In its place the ACP provides qualified low-income customers with a \$30 per month discount for internet services.

Additionally, Mr. Rosvall mentioned that about four or five of the Small LECs are applying for the Re-connect grants. There are other funds such as the FFA Program and other programs out there in which the Commission has ongoing proceedings to determine how to distribute the funds to the different counties.

David Clark stated that the Emergency Connectivity Fund which is another broadband initiative that allows low-income school kids to receive free broadband services.

Stephen Kalish asked what would be an estimate of the monthly fee on the least costly plan for phone and internet services for qualified customers if they are eligible for the ACP and LifeLine Program? Mr. Rosvall stated the rates varies with different companies. But as an example, if the internet service plan was \$50, eligible customers will only pay \$20 for their internet service with

the \$30 ACP discount and LifeLine customers will pay \$7-8 for their phone service before taxes and fees. LifeLine customers are exempted from paying surcharge fees and they do not have to pay the \$6 subscriber line charge.

Sindy Yun asked David Clark if their LifeLine customers are taking advantage of the ACP? Mr. Clark stated they have quite a few of their customers that do not take advantage of the ACP. They performed outreach to their customers but some of the customers still don't participate in the ACP. Mr. Rosvall stated the ACP just started so we would want to see over a longer period how we can get the word out.

9. New agenda items for next meeting

- a. Affordable Connectivity Program (ACP) update
- b. Standard agenda items

10. Date and time for next meeting

The next meeting will be Wednesday May 25, 2022

11. Adjournment

The meeting was adjourned at 10:45 am.

California High-Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, May 25, 2022, at 10:00 am

Venues:

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

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 2490 806 1016

Attendees:

Present – Committee Members

- Patrick Hoglund (CPUC, Public Advocates Office) (Chairperson)
- David Clark (Sebastian and LEC representative) (Vice Chair)
- Stephen Kalish, Alternate Committee Member (Community Based Organization)

Present – Others

- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division) (via Webex)
- Lucia Magaña (CPUC, Communications Division) (via Webex)
- Sindy Yun (CPUC, Legal Division) (via Webex)
- Lalaine Semana (CPUC, Fiscal Office) (via Webex)
- Bixia Ye (CPUC, Public Advocates Office) (via Webex)
- Patrick Rosvall (BRB Law)
- Eric Votaw (Ducor)

Minutes:

1. Introductions – Patrick Hoglund, Chairperson

This is our first in-person meeting since the pandemic started in March 2020. Attendees introduced themselves. Patrick Hoglund observed that a quorum was present, meeting commenced at 10:02 am.

2. Announcements –

Hannah Steiner reported that Matt Kingsley, our Community Based Organization (CBO) Primary AC Member from Rural County Representatives of California has resigned from this committee.

3. Public Comments - none

4. Review and Approval of the March 9, 2022, Meeting Minutes

The meeting minutes remained unchanged. Patrick Høglund made a motion to approve the minutes. David Clark seconded the motion. The committee voted unanimously to approve the March 9, 2022 minutes. The adopted minutes will be posted on the CHCF-A AC webpage.

5. Liaison Staff Reports:

a. Fiscal Report –

Lalaine Semana presented the quarterly financial report as of April 30, 2022, stating the budget appropriation balance for Fiscal Year 2021-2022 is \$69 million; total revenue is \$27 million. The total cash available as of April 30, 2022 is \$16.4 million; total cash available as of May 23, 2022 is \$15.8 million.

b. Legal Report –

Sindy Yun reported that Legislation SB 857 to extend the CHCF-A Program for another five years to January 2028 is expected to pass. The current program sunset date is January 2023.

c. Communications Division –

Felix Robles mentioned that in the Fiscal report that Lalaine cited above as of May 23, 2022 we have a total cash balance of \$15.8M. That amount is about a five month reserve that we have in the A Fund, which is an appropriate amount for any of these funds to have in reserve. Mr. Robles indicated at the rate that our Intrastate revenue is being reported, we are collecting a commensurate amount that is sufficient to cover the A Fund. We don't anticipate much of a change in total cash balance going forward.

Mr. Robles reported that CD is currently working on three General Rate Case (GRC) submitted by Sierra, Siskiyou, and Volcano on November 1, 2021. The public participation hearings were held remotely on April 11th for Sierra, April 12th for Siskiyou and April 13th for Volcano. Administrative Law Judge Patricia Miles is the assigned judge for all three GRCs. The evidentiary hearings are scheduled for Sierra: July 18th - 22nd; Siskiyou: July 28th – August 2nd; and Volcano: August 8th – 12th.

6. Teleconferencing Rules –

Sindy Yun gave an overview on the Teleconferencing Rules for Advisory Committee Meetings. There are two teleconference options for conducting advisory committee meetings pursuant to the Bagley-Keene Opening Meeting Act in Government Code § 11230 *et seq.*

Link to the Bagley-Keene Act here:

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=1.&chapter=1.&article=9.

Option 1 is in Govt Code Section 11123; the following are the key requirements:

1. Each remote location must be identified/listed in the meeting notice.
2. Each remote location must be identified/listed in the meeting agenda.
3. Each remote location must post the meeting agenda.
4. Each remote location must be accessible to the public (***) this would prevent committee members from calling-in from a car).
5. At least one member of the committee must be physically present at the main meeting location.

Option 2 is in Govt Code section 11123.5; the following are the key requirements:

1. Identify who will be calling -in/attending remotely at least 24 hours before the meeting by posting a notice on the Web – 24 hour notice rule.
2. A quorum of the members must be physically present at the main location.
3. Each remote location does not need to be disclosed in the meeting notice, does not need to be publicly accessible and does not need to post agenda.

7. FY 2023-24 Budget Proposal (Due June 1)

Hannah Steiner presented the budget spreadsheet and explained the projections and proposed appropriation for FY 2023-24. Hannah recommended that the CHCF-A local assistance and state operations appropriations for FY 2023-24 remain the same as for FY 2022-23. The proposed appropriation is higher than projected expenditures.

David Clark is not permitted to vote because he represents a company receiving funds from CHCF-A. CD's proposed CHCF-A budget of \$49.352 million for FY 2023-24 was adopted by the committee reflecting Patrick Hogle's and Stephen Kalish's votes, Dave Clark abstained. The committee voted unanimously to approve the proposed budget.

8. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Patrick Rosvall stated the Small LECs filed an appeal, the case has been submitted, currently waiting for the court to set a hearing date which most likely will be in the third quarter of this year.

9. Update on the Affordable Connectivity Program (ACP) – Small LECs

David Clark stated they are trying their best to get the information out to people who can qualify for the Affordable Connective Program (ACP), mainly low income customers. Kerman is also participating in the Emergency Connectivity Fund (ECF) Program. They have a number of customers enrolled in the ACP and ECF Program. The ECF Program is a better program because it's free for eligible students and is run through the schools.

Eric Votaw stated Ducor has been actively promoting the ACP through meetings with the school district/parents. Those meetings were conducted in English and in Spanish. Ducor currently have quite a number of students that have fiber internet connections as a result of those meetings.

10. New agenda items for next meeting

- a. Update on GRC Hearings
- b. Annual Report
- c. Standard agenda items

11. Date and time for next meeting

The next meeting will be Thursday August 18, 2022 1:00 pm.

12. Adjournment

The meeting was adjourned at 10:41 am.