

**California High Cost Fund-A Administrative Committee**  
**Meeting Minutes for Wednesday, May 12, 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 Administrative Committee (AC) attending from separate remote locations. This altered format observes 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: 187 290 5296

**Attendees:**

Present – Committee Members

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

Present – Others

- Stephen Kalish, Alternate Committee Member (Community Based Organization)
- Sarah Banola (BRB Law)
- Tracy Rhine (Rural County Representatives of California)
- Lalaine Semana (CPUC, Fiscal)
- Sindy Yun (CPUC, Legal)
- Felix Robles (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)

**Minutes:**

**1. Introductions – Patrick Hoglund, Chairperson**

Attendees introduced themselves. Patrick Hoglund observed that a quorum was present, the meeting commenced at 10:05 am.

## 2. Announcements

There were no announcements.

## 3. Public Comments - none

## 4. Review and Approval of the February 10, 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 February 10, 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.

### b. Legal Report

Sindy Yun stated there are no new legislations. R.11-11-007 is underway and will let staff provide the status report on that proceeding. Nothing else to report.

### c. Communications Division

See item #6

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

Felix Robles reported that on 4/29/2021 CPUC issued a draft decision in Phase II of the R.11-11-007 proceeding that would adopt a \$30-\$40 range for Small ILECs' all-inclusive basic residential monthly service rate as just and reasonable. It would also adopt standards requiring all Small ILECs for the reporting and treatment of regulated and non-regulated miscellaneous revenues from licensing and leasing in their GRC applications. The PD reaffirmed the previously adopted FCC corporate expense cap. The PD also directed the Small ILECs to participate in the FCC's Emergency Broadband Benefit (EBB) program and provide data to the Communications Division staff for the duration of the program as a condition of receiving CHCF-A support. This draft decision is tentatively scheduled for Commission vote on 6/3/2021. (Note: Decision 21-06-004, approved on 6/3/2021, was modified to strongly encourage rather than direct the Small ILECs to participate in the EBB program.)

David Clark asked a clarifying question regarding how to apply adjustments to the rate base amount from the latest NECA cost study for each GRC Test Year (R.11-11-007 Draft Decision, page 31). Felix Robles' interpretation is we're using the latest NECA's cost study produced by the carrier to implement the intra vs. interstate allocations. If there is an addition to plant investment or other investments, staff will review it at the time. Dorris Chow stated we will use the same percentage between the intra and interstate allocations that the carrier provided in their NECA study for the GRC proceeding. If the carrier happens to have a new plant investment that wasn't in the NECA study because the NECA's study base rate figures are at least two years behind a test year, then the carrier can provide that information at that time. But the carrier will need to provide justification.

Hannah Steiner stated we've checked with the ALJs and there will not be a Phase III in the proceeding for the rate case plan. Sindy Yun stated the Commission is planning to address it in Phase II.

## **7. FY 2022-23 Budget Proposal (Due June 1)**

Hannah Steiner presented the budget spreadsheet and explained the projections and proposed appropriation for FY 2022-23. Hannah recommended that the CHCF-A local assistance and state operations appropriations for FY 2022-23 remain the same for FY 2021-22. The proposed appropriation is higher than projected expenditures.

David Clark motioned to approve the proposed budget of \$49.399 million for FY 2022-23. Matt Kingsley seconded the motion. The committee voted unanimously to approve the proposed budget. Sindy Yun made a correction that Dave Clark is not permitted to vote because he represents a company receiving funds from CHCF-A. CD's proposed budget was adopted by the committee reflecting Patrick Hoglund's and Matt Kingsley's votes, Dave Clark abstained.

## **8. Emergency Broadband Benefit Program and CARES Act funding**

Sarah Banola stated most Small ILECs are participating in the FCC's EBB Program. The program provides a discount of up to \$50 per month for broadband services for eligible households, up to \$75 per month for households on tribal lands, and a one-time discount of up to \$100 per device.

David Clark commented as a provider they've been trying to implement this program in their service territories, and it has been fairly onerous. This has to go through the National Verifier, a whole new system for providers to learn. The program is supposed to go live today but they are still having a lot of trouble trying to access their new study area codes and enroll customers. They are still locked out of the program and have been trying to get help, but it's been problematic.

## **9. AC Membership**

Public Advocates – nomination of alternate member: Patrick Hoglund stated there is no change at this time, they have not moved forward with a formal nomination. Nothing new to update at this time.

## **10. New agenda items for next meeting**

- (R.11-11-007) - Additional clarifying questions after proposed decision have been approved
- Update on the FCC's Emergency Broadband Benefit Program by Sarah Banola and the Small ILECs
- FY 20/21 Annual report approval and submittal
  - Patrick Hoglund will draft the Annual Report and present it for review and approval at the next meeting.
- Standard agenda items

## **11. Date and time for next meeting**

The next meeting will be Wednesday August 25, 2021 at 10:00 am.

## **12. Adjournment**

The meeting was adjourned at 10:46 am.