

**California High-Cost Fund-B Administrative Committee (CHCF-B AC)**  
**Meeting Minutes for *Thursday August 19, 2021 at 11 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-B 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: 1460 70 7961

**Attendees**

Present – Committee Members

- Patrick Hoglund, CPUC – Public Advocates Office (Chairperson)
- Michael Foreman, AT&T
- Amy Warshauer, Frontier Communications (Alternate Committee Member)

**Others**

Present – Others

- Felix Robles, CPUC – Communications Division
- Hannah Steiner, CPUC – Communications Division
- Danny Tse, CPUC – Communications Division
- Nancy Lee, CPUC – Communications Division
- Sindy Yun, CPUC – Legal Division
- Lalaine Semana, CPUC – Fiscal Office
- Ashnita Lal, CPUC – Fiscal Office

On the phone

- Justin Fong, CPUC – Commissioner Guzman Aceves’ Office

**Minutes:**

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

Attendees introduced themselves. A quorum was present, and the meeting commenced at 11:02 am.

## 2. Announcements

New CPUC website, information about the CHCF-B AC can now be found at:

<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-high-cost-fund-b/california-high-cost-fund-b-administrative-committee---chcf-b-ac>

## 3. Public Comments – None

## 4. Review and Approval of the May 13, 2021 Meeting Minutes

Michael Foreman requested that we strike out the last sentence in Item #6. Michael Foreman made a motion to approve and adopt the meeting minutes with the above-mentioned revision. Patrick Hoglund seconded the motion. The committee voted unanimously to approve the May 13, 2021 minutes. Nancy Lee will post the adopted minutes on the CHCF-B AC webpage.

## 5. Liaison Staff Reports

### a. Fiscal Report

- Lalaine Semana presented the fiscal report ending June 30, 2021, for Fiscal Year 2020-2021.
- On June 2021, the Department of Forestry repaid CHCF-B the \$7.4M that they borrowed on 3/6/2018 for their Safety Energy Infrastructure and Excavation Fund.
- The Department of Finance (DOF) is working on transferring funds from the General Fund to repay CHCF-B for the following two loans:
  1. On 6/26/2015, \$10M was loaned to the Railroad Accident Prevention Immediate Response (RRAPIR) Fund.
  2. On 8/23/2016, an additional \$10M was loaned to the RRAPIR Fund.The \$20M loan repayment plus the \$3.8M in interest is expected to be processed by DOF within the next few weeks.
- The \$60M General Fund loan that was processed in 9/30/2020 will also be repaid back to CHCF-B by the end of this month.
- Per the Budget Act 2021, the following Programs has been identified to receive loans from CHCF-B:
  - CHCF-A – \$7M
  - Deaf and Disabled Telecommunications Program – \$25M
  - California Teleconnect Fund Program – \$52M
- The budgets for Fiscal Year 2021-2022 were not presented as the numbers had just been recently uploaded into the Fiscal's accounting system.

Patrick Hoglund asked Lalaine does this mean once the \$20M and \$60M loans are repaid back to the CHCF-B Fund within the next month or so, we will have sufficient CHCF-B funds for this new set of three loans totally \$84M? Lalaine stated that is correct.

Michael Foreman asked if we know what the repayment dates will be for these new set of three loans? Lalaine stated the estimated repayment dates are undetermined at this time. The Fiscal Office is currently coordinating this with DOF, perhaps we will have more information in our next AC meeting.

### b. Legal Division Report

Sindy Yun stated nothing to report.

**c. Communications Division Report**

Felix Robles commented that CD met with the Budget Office to confirm the availability of CHCF-B funds contingent on the repayment of the outstanding loans to cover these new set of proposed loans to the three Programs in CD.

**6. COVID-19 Issues; updates from AT&T and Frontier**

**a. Update on the FCC's Emergency Broadband Benefit (EBB) Program:**

Amy Warshauer stated Frontier's EBB Program is called Frontier Essentials. It starts at \$19.99/month which covers the router and installation fee. There are various tiers available for customers to opt for higher speeds. Eligible EBB customers may qualify for \$0.00 internet services.

Michael Foreman stated he has nothing new to report on their EBB Program. In regard to their COVID-19 protocol, AT&T is in compliance with their local guidance. Due to the spike in COVID-19 cases as a result of the Delta variant, face masks are once again required.

**b. Data on Uncollectible:**

Patrick Hoglund stated in our last AC meeting we did raise the issue on uncollectible trends, but maybe it's something we don't need to discuss here if there are concerns about releasing such information publicly before financials. Amy Warshauer stated for COVID-19 purposes, the CPUC did put in place a moratorium on disconnecting customers who reached out to Frontier to express they are unable to pay their bill due to financial difficulties because of COVID-19. Frontier has been in compliance with the moratorium, it may be extended in the near future. But for right now, they only have about 10 customers that have reached out to Frontier regarding their inability to pay their bill due to COVID-19.

Justin Fong asked if AT&T have the number of EBB Program customer participations and numbers of customers reaching out in terms of disconnections as well, was wondering if AT&T's numbers are just as low as Frontier's numbers. Michael Foreman stated he does not have those numbers.

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

Patrick Hoglund stated now that we have the final numbers in our financial report, we can firm up the numbers in the draft annual report. In addition, Michael Foreman still needs to update some of the numbers for those outstanding loans.

Michael Foreman was curious about the \$14M of interest that was identified, it seems like it's a very large amount of interest for the \$59M that was borrowed. What is the rate of interest that generated that amount? Felix clarified that the \$14M of interest is not just from the \$59M loan, but from all the historical loans as well.

Felix Robles asked for clarifications regarding the total borrowings on the annual report. After some discussions between Felix and Patrick, Patrick made the revision to the annual report during the meeting.

Patrick Hoglund noted the approved May 13, 2021 minutes will be added to the end of the report on the attachment section.

Michael Foreman motioned to approve the proposed FY 2020-2021 Annual Report. Amy Warshauer seconded the motion. The committee voted unanimously to approve the FY 2020-2021 Annual Report.

**8. Other Administrative Matters:**

**a. Alternate member nominations update**

Patrick Hoglund stated we recently located Amy Warshauer's appointment letter that was approved in 2019 so she is the official alternate member for Frontier.

Brenda Clark's (AT&T) letters of alternate member nomination has been sent to the Executive Director for approval and appointment, we are waiting to hear back.

**b. Recruitment/nominations for fourth and fifth primary member**

Two CBO seats are currently vacant, and the committee does not have any nominations. Michael Foreman stated he will bring it up again for internal discussion with AT&T for any recommendations of potential candidates.

Patrick Hoglund asked if anyone in CD received any interest from anyone for these COB seats, Felix Robles stated CD has not.

**9. New agenda items for next meeting**

- Standard agenda items

**10. Date and time for next meeting:**

The next meeting will be held on Thursday, December 9, 2021 at 11:00 am via WebEx.

**11. Adjournment:**

The meeting was adjourned at 11:40 am.