Minutes of CHCF-B Administrative Committee (AC) Meeting
August 27, 2014 @ 10:30 am

ADOPTED

Venue
California Public Utilities Commission
505 Van Ness Ave., Room 3212
San Francisco, CA 94102

Attendees

Primary Members
Robert Lehman, Chairman
Michael Foreman, AT&T
Charlie Born, Frontier

Liaisons
Richard Maniscalco, CPUC – Communications Division
Michelle Morales, CPUC - Fiscal Office
Sindy Yun, CPUC – Legal Division (by phone)

Others
Felix Robles, CPUC - Communications Division
Michael Amato, CPUC – Communications Division

The meeting was called to order at 10:44 am by Robert Lehman (RL)

1. Introductions
All attendees introduced themselves.

2. Announcements – Charlie Born mentioned that SB 1364, which would extend both the A and B funds until January 1, 2019, had passed both the Senate and Assembly and is now enrolled and headed to the Governor. Charlie also said that pending Senate Bill 1319 would take $10 million out of the B Fund and would create the Regional Railroad Accident Preparedness and Immediate Response Force in the Office of Emergency Services, to deal with any spills of hazardous materials from rail cars. Charlie provided Richard Maniscalco with a copy of SB 1319.

3. Public Comments – None.

4. Review and Approval of Minutes
The draft minutes from the April 23, 2014 meeting were reviewed by all attendees. The minutes from the April 23, 2014 meeting were approved.

5. Liaison Staff Reports

a. Fiscal Report

Michelle Morales from Fiscal Office responded to questions raised at the previous meeting of April 23, 2014.

Q1: Why was the surcharge revenue only $4.1 million for the 1st quarter of FY 2013-14?

Answer: Michelle told the attendees that in 2012 the State Controller's Office (SCO) instructed Fiscal Office to start accruing payments, meaning payments for 3rd quarter of the previous fiscal year would not appear in the next FY, even if that was when they were actually received. She said more money was actually received in the 1st quarter of FY 2013-14 than is showing on the report.

Q2: Why are intervener fees put under the "Commission Ordered" payment category in the B Fund's Statement of Operations? Shouldn't they come out of the revolving fund and not the program fund?

Answer: Michelle indicated that as of last year, if a proceeding was related to one of the Funds, any Intervener fees would then be charged to that particular Fund. She acknowledged that it might have been done differently before last year.

Q3: What would happen to the funds that remained in the B Fund account if the B Fund was to be phased out?

Answer: Michelle stated that she researched this matter and could only find information that stated if a fund no longer was in existence, any monies would revert to the General Fund and not to any other programs/funds.

Q4: Can we get an update of the loans that have been repaid by the state and about the dates of future loan repayments?

Answer: Michelle said that the $75 million loan was repaid on June 30, 2014 along with a $749 thousand interest payment. The other two loans; $35 million from October 2008 and $24 million from April 2009 ($59 million in total) were scheduled to be repaid sometime during FY 2017-18. She also said that if we needed the $59 million before that time, DOF would give it to us.

Mike Amato asked if any notice is given before intervener fees are charged to the B Fund, and if not can notice be given to CD so we can plan accordingly. Michelle said that she would inquire into that and report back to us. Robert Lehman also added that this information would be needed for budget planning purposes.

Michelle also distributed copies of Fiscal's Statement of Operations for the B Fund from the 1st, 2nd, 3rd and 4th quarters of FY 2013-14. She explained that $169.5 thousand for annual Inter-Agency Fees (i.e. FI$cal and SCO) appears in the 4th quarter and is not broken down by month or by quarter. She also said that Pro-Rata Costs increased dramatically in the 4th quarter ($604.7 thousand) from a previous quarterly average of $77.2 thousand and that she would have to check into the reason and report back to the committee.

b. Legal report –

Sindy Yun stated that there were no legal issues or matters to report.

c. Communications Division report on new FY 2015-16 Budget process

Richard distributed copies of the draft budget for FY 2015-16 and explained that a new Budget process was being implemented for FY 2015-16. Instead of having the Commission approve a Budget Resolution for B Program, now a budget change proposal (BCP) would be prepared only if the State Operations and/or Local Assistance (carrier claims) amounts exceeded the amounts for those items in the previous FY 2014-15 approved budget. The draft budget he had passed out showed that State Operations and Local Assistance amounts were both lower than the FY 2014-15 Budget and hence no BCP would need to be prepared for FY 2015-16 B Fund. Richard also said that a FY 2015-16 Budget Resolution would be completed and put before the Commission in late October 2014.

6. Other Administration Matters - None.

7. New agenda items for next meeting

Report on signing of SB 1364 by the Governor, report on the adopted of B Fund's FY 2015-16 Budget Resolution by the Commission. Michelle will report on the detail and amounts of any new loans taken from the B Fund, will find out if CD can get advanced notice of new intervener fees before they are charged to the B Fund and check why the Pro-Rata Costs increased dramatically in the 4th quarter, compared with previous quarters. Other items as they arise will also be included in the Agenda.

8. Date and Time for future meeting:

Robert asked the members if November 19, 2014 would be a good date for the next meeting. All present said it was okay.

The next meeting will be held on Wednesday, November 19, 2014 from 10:30 am to 12:00 pm.

Robert Lehman motioned to adjourn the meeting. Michael Foreman seconded the motion.

The meeting was adjourned at 11:30 pm.

Minutes were submitted by Richard Maniscalco