

# LOW INCOME OVERSIGHT BOARD (LIOB)

*Sacramento City Hall  
Draft Meeting Minutes  
Council Chambers  
915 I Street  
Sacramento, CA*  
[www.liob.org](http://www.liob.org)

Call - In Number 1-866-687-1443 Passcode **1186966#**

Meeting called to order by Chairman Hernandez at 10:00am

**LIOB Board Members Present:**

Chairman Jose A. Hernandez, Vice-Chairwoman Patricia Watts, Commissioner Catherine J.K. Sandoval, Ortensia Lopez, Dave Stephenson, Jason Wimbley, Maril Pitcock, Charlie Toledo, Robert Castaneda & Larry Gross (quorum present)

**LIOB Members Absent:** Janine Scancarelli

**California Public Utilities Commission (CPUC) Staff Present:**

Rami Kahlon, Syreeta Gibbs, Tory Francisco, Amy Baker, Ditas Katague, Zaida Amaya and Anna Jew

**Public Present:**

Mary O'Drain, Mike Tomlin, Mark Aguirre, Carmen Rudshagen, Andrew Steinberg, Lynda Timbers, Yvette Vasquez, Joy Yamagata, Irma DePratti, Noemi Gallardo, Cynthia Austin, Celine Apo, Rochelle Thomas, Arleen Novotney, Elisa Kleiber

**Participants via Conference:**

Dennis Guido & Alice Glasner

**1. Welcome and Introductions— Jose Hernandez, LIOB Chair and Commissioner Catherine J.K. Sandoval - Standing Item**

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Chairman Hernandez welcomed all participants to the Low Income Oversight Board Meeting.

**2. Announcement of the appointments to the LIOB -Commissioner Catherine J.K. Sandoval - Informational Item**

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Commissioner Sandoval announced the re-appointment of Board Member Jose Atilio Hernandez and appointment of Board Member Robert Castaneda. Commissioner Sandoval congratulated both Board Members and stated that she looks forward to their valuable contributions.

The Board motioned to re-appoint Board Member Jose Atilio Hernandez as the Chairman of the LIOB. This motion moved by Board Member Watts and seconded by Board Member Castaneda (Motion passed unanimously).

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**3. Public Comments— Facilitated by Jose Hernandez, LIOB Chair - Informational/Standing item**

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No public comments

**4. Approval of the May 22, 2014 LIOB Meeting Minutes, Facilitated by Jose Hernandez, LIOB Chair - Action Item**

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A motion was made to approve the May 22, 2014 LIOB minutes. The motion was moved by Board Member Stephenson and seconded by Board Member Gross (Motion passed unanimously).

**5. Lifeline Telephone Program Update – Anna Jew, CPUC -Consumer Programs –Communications Division - Informational/Standing Item**

- a) Lifeline Proceeding Update (*Standing Item*)
  - b) Update on Lifeline Direct Application Project
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Ms. Jew provided an update on the lifeline proceeding and the direct application project. Ms. Jew reported that there are currently 4 LifeLine Wireless providers, and 3 Federal Lifeline Wireless providers. Ms. Jew shared a list of the pending wireless providers for both California Lifeline and Federal Lifeline. Currently, there are 1,191,945 California Lifeline and/or Federal Lifeline participants.

Commissioner Sandoval mentioned that the LifeLine decision cited statistics of approximately 3 million California households eligible for Lifeline and it is anticipated that as more carriers participate, more eligible people will be enrolled. Commissioner Sandoval added that there are more than 1,000 subscribers to lifeline a day; some of the companies have been adding 40,000 LifeLine subscribers per month. This has taken tremendous work between the providers, Xerox and the CPUC to run smoothly as the CPUC continues to commit a very solid verification and eligibility process to uphold integrity of the program. Commissioner Sandoval thanked everyone involved in the process.

The Board requested a presentation on the marketing and outreach strategies the Lifeline providers use to outreach customers about this program.

Ms. Jew’s detailed presentation can be view and downloaded at:

<http://www.liob.org/docs/Item%205.%20California%20LifeLine%20Presentation%20LIOB%20August%202014.ppt>

**6. Water Utilities’ Current Issues – Rami Kahlon – Director, Division of Water and Audits Update/Informational/Standing Item**

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Rami Kahlon, Director of Division of Water and Audits, provided a review of the drought events timeline from December 2013 thru present. In December 2013, the Governor formed a Drought Task Force, which was established to provide a coordinated assessment of the State’s dry conditions and provide recommendations on current and future state actions. On July 15, 2014 the State Water Resources Control Board approved an emergency regulation to ensure water agencies, their customers and state residents increase water conservation in urban settings or face e fines or other penalties.

The new conservation regulation is intended to reduce outdoor urban water use. The regulation, adopted by the State Water Board, mandates minimum actions to conserve water supplies for 2014 and 2015. Local agencies could ask courts to fine water users up to \$500 a day for failure to implement conservation requirements in addition to their existing authorities and processes. The State Water Board could initiate enforcement actions against water agencies that don't comply with the new regulations. Failure to comply with a State Water Board enforcement order by water agencies is subject to up to a \$10,000 a day penalty.

On August 13, 2014 lawmakers voted to place a \$7.5 billion water plan before voters in November. This measure marks the largest investment in decades in the state's water infrastructure and is designed to build reservoirs, clean up contaminated groundwater and promote water-saving technologies. The proposal includes \$2.7 billion dedicated to storage projects, however, no dollars were included for the Delta twin-tunnels.

On August 14, 2014, the Commission ordered the water companies under its jurisdiction to provide direct notice to their customers of mandatory water use restrictions and potential fines in response to the State Water Resources Control Board's Emergency Regulation for Statewide Water Conservation. CPUC Resolution No. 5000 orders the CPUC-regulated water utilities to implement water conservation measures consistent with the Water Board's mandate, and the CPUC will closely monitor the Water utilities' progress in encouraging water conservation. The Resolution is available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M102/K068/102068187.pdf>.

Mr. Kahlon reported that as of August 14, 2014 the Reservoir levels in Lake Shasta are at 32%, Lake Oroville at 33% and San Luis at 20% and that there is no rain in the foreseeable future.

Mr. Kahlon reported that all large (Class A) water utilities offer low-income bill assistance programs and over 250,000 CPUC-regulated residential water customers participate in income water assistance programs, and that there was a noticeable increase in participation rates in 2013 following the data exchange with energy utilities.

Board Member Toledo asked about the approximate rate of reduction.

Mr. Kahlon replied that it varies by utility; San Jose has reported a 9.2% decrease, San Gabriel 4.2%, Monterey 10%, Stanislaus 12.9%, Stockton 8% and Cal American with a 21.9% decrease. Others report between 1/2 % - 2.5% decrease.

Board Member Castaneda commented the water subcommittee would like to engage in discussions about the auto enrollment/data exchange between the energy and water utilities and the coordination thru the ESA program and possibly obtain information from a simple home assessment that can be passed on to assessors to refer to the appropriate water agencies for mitigation or notification.

Commissioner Sandoval commented that this is part of what the Commission is trying to accomplish in the CPUC proceeding on the water energy nexus. One of the discussions held during a recent workshop on the water energy nexus was the intra-agency coordination and how better coordinate programs like the energy efficiency programs, energy saving assistance programs, water programs and address issues including leaks. Commissioner Sandoval informed the Board that the CPUC adopted a \$5B budget for CARE and ESAP, over the course of 3 years. In the guidance decision, the Commission asked the energy

utilities to consider the water energy nexus and the drought in their proposals. The Commission specifically ordered coordination with a number of providers, including CBO's, other utilities, water utilities, lifeline providers. This will allow more room for creativity for the utilities to assess whether or not certain measures are cost effective. The proposals are due in November, at which time there will be comments and replies filed on the proposals. Commissioner Sandoval encouraged everyone to comment and looks forward to taking every step to try to address the water energy nexus and the drought.

Board Member Wimbley commented that it is important to look at the economic impacts this drought is having on jobs on the hard hit communities where the job impact is more severe and acute. He hopes that the utilities are given thought to this in their applications and to create opportunities for employment for those individuals working in the agriculture industry and for possible career shifts where they can be trained and serve in this capacity.

Board Member Gross added that another important part of this equation is the multi-family buildings, specifically for low income tenants, as tenants rely on their landlords for repairs on leaks and often times the landlords don't necessarily address these issues in a timely matter.

The Board thanked Mr. Kahlon for his report.

Mr. Kahlon's detailed report can be view and downloaded at:

<http://www.liob.org/docs/ACF2A73.ppt>

#### **7. Legislative Update – Nick Zanjani - CPUC- Office of Governmental Affairs – Informational/Standing Item**

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Mr. Zanjani from the Office of Governmental Affairs provided an update and summary on pending low-income legislative bills. Mr. Zanjani's presentation can be view and downloaded at:

<http://www.liob.org/docs/Item%207.%20Legislative%20Update.pdf>

The Board agreed to take a more active role regarding Legislative matters and OGA informed about issues of concern.

Commissioner Sandoval commented that the dialogue and input of this Board has been very helpful to the Commission which take positions on Bills, informing the Commission about the Board's priorities and views about Bills have been very helpful. Commissioner Sandoval recommended that if the Board has recommendations on Bills that should be considered or ideas that the CPUC should consider, this is a very good forum to voice these.

The Board thanked Mr. Zanjani, Ms. Sandler and OGA for their leadership in doing the tremendously detailed analysis and for their preparation of recommendations on Bills and their representations.

#### **8. New Assignments and Approval of the LIOB Subcommittees - Action/Discussion Item**

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- a) Marketing & Outreach (Board Members Toledo, Gross, Watts & Pitcock)
- b) ESAP and CARE Implementation (Board Members Castaneda, Pitcock, Wimbley, Watts and Lopez)
- c) Workforce Education and Training (Board Member Hernandez & Castaneda)

- d) Water Industry (Board Members Stephenson, Lopez and Castaneda)
- e) Emerging Issues/Climate Change (Board Member Toledo)
- f) AB 327 Subcommittee (Board Members Hernandez, Lopez, Wimbley & Pitcock)

The Board agreed that each subcommittee will be responsible for examining Legislative related issues and consult with OGA on low income related Bills.

A motion was made to approve the new assignments to the LIOB subcommittees. The motion was moved by Board Member Castaneda and seconded by Board Member Watts (Motion passed unanimously).

**9. Subcommittee Reports and Updates – Facilitated by Jose Hernandez, LIOB Chair - *Standing /Action/Discussion Item***

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**a) Marketing & Outreach (Board Members Toledo, Gross, Watts & Pitcock)**

The Marketing & Outreach subcommittee meeting did not meet. The subcommittee requested that the IOU's to provide a report on their Marketing & Outreach efforts, as well the type of public education efforts they are conducting. The subcommittee agreed to have this presentation during the 1<sup>st</sup> meeting of 2015. The subcommittee also requested that the LifeLine providers to prepare a similar report on Marketing & Outreach, the subcommittee will provide specifics to the LifeLine providers on the expectations of the report. The LifeLine report will be presented at the spring LIOB meeting.

**b) ESAP and CARE Implementation (Board Members Castaneda, Pitcock, Wimbley, Watts and Lopez)**

The ESAP and CARE Implementation subcommittee did not meet. The subcommittee plans to meet in September, the focus of the meeting will remain on tracking the status of the IOU's accomplishments under the CARE and ESA program activities as well as looking at innovative approaches and best practices. The subcommittee will also be discussing coordination with other state energy programs, which includes the Department of Community services and Development (CSD).

**c) Workforce Education and Training (Board Member Hernandez & Castaneda)**

The Workforce Education and Training did not meet.

**d) Water Industry (Board Members Stephenson, Lopez and Castaneda)**

The Water Industry Subcommittee met on August 12, 2014. The subcommittee discussed the drought and the importance of coordination between energy and water. Board Member Stephenson mentioned that the water companies have bigger challenges when it comes to servicing households as they don't enter houses as much as the energy companies do, he also mentioned that the budgets for conservation is very limited so the ability for the water companies to do much is not the same as the energy companies. He explained that the water companies don't have the same type of proceedings as the energy companies and that all of their conservation budgets are determined via GRC's, so there is not uniformity. The subcommittee discussed key bills, as well as information on the Chromium 6 legislative proposal, the water bonds, and groundwater management.

**e) Emerging Issues/Climate Change (Board Member Toledo)**

The Emerging Issues/Climate Change subcommittee did not meet.

**f) AB 327 Subcommittee (Board Members Hernandez, Lopez, Wimbley & Pitcock)**

The AB 327 Subcommittee did not meet.

- 10. Utilities' Reports— Utility Representative - *Standing /Action/Discussion Item***  
a) **Current Penetration Rates for CARE & ESAP and % Budget Spent YTD**  
b) **High Usage Verification Update**
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Ms. O'Drain provided a report on the current IOU's penetration rates for CARE & ESAP as well as the % of YTD budget spent. The numbers presented were as of June 30, 2014, current numbers are reported in the monthly IOU's reports.

Chairman Hernandez suggested that the ESAP & CARE Implementation subcommittee discuss potential modifications with the IOU's for future reports to show a geographical representation of the areas that have low penetration rates and that are in need of greater outreach.

Board Member Castaneda added that thru the subcommittee discussions the board can also discuss how to work with the utilities on sharing resources or lend a solution to address the low penetration areas where infrastructure or some other issues.

Ms. O'Drain proceeded with the high usage verification update.

The utilities' reports can be viewed and downloaded at:

<http://www.liob.org/docs/Item%2010.a.%20IOU%20ESA%20Homes%20Treated%202014-Aug-20%20LIOB%20Final.ppt>

<http://www.liob.org/docs/Item%2010a.%20IOU%20CARE%20Participation%202014-Aug%2020%20LIOB%20Final.ppt>

<http://www.liob.org/docs/Item%2010b.%20IOU%20CARE%20High%20Usage%202014-Aug-20%20LIOB%20Final.ppt>

- 11. Highlights of Upcoming Activities for Low-Income Energy Programs – Energy Division Staff - *Standing Item***
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Ms. Gibbs provided an update on the highlights and upcoming activities for low-income energy programs. Ms. Gibbs' report can be viewed and downloaded at:

<http://www.liob.org/docs/Item%2011.%20ED%20Highlights%20of%20Upcoming%20Activities.ppt>

- 12. Future Events/Meeting Dates – *Standing Item (20 minutes)***  
a) **Proposed Dates for the LIOB Quarterly Meetings for year 2015**
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Staff will coordinate with the Board and Commissioner Sandoval's office on 2015 meeting dates, pending the Commission meeting schedule for 2015. The Board is considering future LIOB meetings in the cities of Redding, Mt. Shasta, Sonoma, Mendocino, Eureka, Los Angeles, San Diego and in the Central Coast area of Monterey, Ventura & Santa Maria. The Board would like to explore the possibility of visiting the water wells and coordinating tours of the Native American Tribes.

Meeting Adjourned.