



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Board Meeting Minutes

A. Call To Order, Roll Call, Establishment of Quorum, and Chair's Introduction

Board Chair Susan Granzella called the meeting of the Contractors State License Board (CSLB) to order on June 16, 2022, at 8:58 a.m. at Contractor State License Board Headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Secretary Diana Love led the Board in the Pledge of Allegiance. A quorum was established.

Board Members Present

Susan Granzella, Chair
Frank Altamura
Miguel Galarza
Alan Guy
Diana Love

Michael Mark
Steven Panelli
James Ruane
Johnny Simpson

Board members Rodney Cobos, David De La Torre, and Mary Teichert have approved absences.

CSLB Staff Present

David Fogt, Registrar (via WebEx)
Michael Jamnetski, Chief of Legislation
Steve Grove, Chief of Enforcement
Foad Gharahgozlou, Chief of Licensing

Mike Melliza, Chief of Administration
Jason Perez, Chief of IT
Stacey Paul, Budget Manager
Mariah Rovera, Executive Staff

DCA Staff Present

Jason Hurtado, DCA Legal
Danielle Rogers, DCA Legal

Ryan Marcroft, DCA Legal
John Cumming, DCA Legal

Public Visitors

Rick Pires, Basic Crafts
Jeanine Cotter, Luminalt
Eddie Bernacchi, NECA
Dustin Sable, Schetter
Carla Palmer, CCE
Juan Perez, IBEW
Mark Buck, IBEW 59
Jess Padilla, Contra Costa Electric
Rene Cruz Martinez, Utility

Martin Herzfeld, Licensed Contractor
Brandon Carlson, Allume Energy
Rachel Shoemake
Alex Lantsberg, SFEU
William Minyard, CCE
Derek Cole, IBEW LV302
Kyle Church, Contra Costa Electric
Jodiah Castro
Charlotte Stevens, Utility

**B. Public Comment**

There was no public comment.

C. Recognition

Board Chair Granzella announced CSLB would be recognizing Legal Counsel Jason Hurtado, CSLB Personnel Manager Ingrid Witowski-Sedlar, and CSLB Business Services Manager Alex Christian.

Board Chair Granzella said Board Counsel Jason Hurtado has accepted appointment as legal counsel at the Board of Cannabis Control. Chair Granzella stated the Board has benefitted from Jason Hurtado's expert, wise, and conscientious representation of CSLB through several challenging issues over the last few years. Chair Granzella stated Board members and CSLB staff have enjoyed working with Jason Hurtado. Chair Granzella congratulated Jason Hurtado on their new position.

Board Chair Granzella presented a certificate to Jason Hurtado and read the certificate aloud: *"On behalf of the Contractors State License Board members and staff, thank you for your outstanding work as board counsel. Your exemplary dedication, professionalism, and commitment have been an inspiration, and your diligent efforts have been greatly appreciated by the Board. You will be truly missed by all of us who have had the privilege of working with you. We wish you all the best with your future endeavors!"*

Board Member Comment:

Member Diana Love thanked Jason Hurtado for their hard work and wished them well.

Member Michael Mark thanked Jason Hurtado for being straightforward when dealing with complex issues.

Member Johnny Simpson said Jason Hurtado was a pleasure to work with.

Board Chair Granzella introduced Registrar David Fogt to make a comment on Jason Hurtado's recognition.

Registrar David Fogt said there is a lot that goes on behind the scenes at CSLB and on occasion administrative law judge decisions are received that are not adopted requiring Jason Hurtado to draft a replacement decision. Registrar Fogt said Jason Hurtado met with attorneys from other state agencies regarding jurisdictional questions and routinely reviewed and discussed complex licensing and enforcement issues. Registrar Fogt said Jason Hurtado excelled at providing sound legal advice in a professional manner in all situations. Registrar Fogt thanked Jason Hurtado for their outstanding legal representation and council.



Board Chair Granzella said CSLB Personnel Manager Ingrid Witowski-Sedlar was instrumental during the last three years to respond to the COVID-19 pandemic. Manager Witowski-Sedlar worked tirelessly to ensure CSLB followed personnel best practices and staff continue to have a safe and productive work environment. Chair Granzella explained Manager Witowski-Sedlar was vital in planning and executing new ways of doing business in the new telework environment. Chair Granzella said Manager Witowski-Sedlar worked closely with CSLB's executive management team in executing new telework agreements and revamped CSLB's "Employee Expectations and Guidelines" for staff. Chair Granzella said Manager Witowski-Sedlar and her staff put in extra work complying with new COVID-19 reporting requirements and health and safety issues related to COVID-19. Chair Granzella stated Manager Witowski-Sedlar also managed to ensure all recruitment, onboarding of new employees, career development, training and all other personnel related issues kept moving forward.

Board Chair Granzella presented a certificate to Manager Witowski-Sedlar and read the certificate aloud: *"In recognition of your vital work to control COVID-19 exposures and reduce the spread of the virus within the workplace by ensuring that CSLB staff have the equipment and resources they need to perform their jobs safely and keeping CSLB offices accessible to the public."*

Board Chair Granzella said CSLB Business Services Manager Alex Christian had worked to ensure that CSLB staff had the resources they need to perform their jobs safely, and CSLB offices remained accessible to the public. Chair Granzella added that Manager Christian and their staff worked diligently to provide CSLB staff with necessary Personal Protective Equipment (PPE), office supplies, and equipment to do their jobs safely. Chair Granzella said Alex Christian ensures that CSLB Headquarters and all CSLB's field offices are properly cleaned and sanitized as COVID-19 cases are reported.

Board Chair Granzella presented a certificate to Alex Christian and read the certificate aloud: *"In recognition of your outstanding work to control COVID-19 exposures and reduce the spread of the virus within the workplace by ensuring that CSLB staff have the equipment and resources they need to perform their jobs safely and keeping CSLB offices accessible to the public."*

Board Member Comment:

Member Diana Love thanked Managers Witowski-Sedlar and Christian for helping keep everyone safe.

Public Comment:

There was no public comment.

D. Executive



1. Review and Possible Approval of the March 30, 2022, Board Meeting Minutes

Board Chair Granzella introduced agenda item D-1, the review and possible approval of Board meeting minutes.

Chair Granzella asked if any Board members had any edits to the March 30, 2022, meeting minutes.

Member Love asked for Vice Chair Mary Teichert’s title to be corrected from Secretary to Vice Chair in the meeting minutes.

Public Comment:

There was no public comment.

Motion: Approve the March 30, 2022, Board meeting minutes. James Ruane moved; Johnny Simpson seconded. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

2. Registrars Report

Chair Granzella introduced agenda item D-2, the Registrars Report and turned the agenda item over to Registrar David Fogt.



Registrar Fogt announced the next quarterly board meeting will be a joint meeting with the Nevada Board. Registrar Fogt said the plan is to conduct the CSLB specific meeting Tuesday, August 30th and the joint meeting with Nevada on the morning of Wednesday, August 31st. Registrar Fogt said they had spoken with Nevada Board Executive Office Margi Grein, and the agenda items may include a discussion of new and emerging construction technologies, outreach opportunities and California and Nevada enforcement strategies.

Registrar Fogt explained the Board meeting in August will coincide with the National Association of State Contractors Licensing (NASCLA) annual conference in San Diego. Registrar Fogt said an investigator training will run at the same time of the conference and CSLB may send 15 investigators to the training. Registrar Fogt said agenda items include enforcement strategies and raising industry performance by recruiting people into the construction industry to become competent professionals and future industry leaders. Registrar Fogt stated California presenters include a supervising Alameda County District Attorney and Board Chair Mary Teichert. Registrar Fogt asked Board members to let him know if they are interested in attending the conference that runs from Tuesday, August 29th through Thursday, September 1st.

Board Member Comment:

No was no comment.

Public Comment:

There was no public comment.

3. CSLB Budget Update

Board Chair Granzella introduced agenda item D-3, the Budget Update, located on page 57 of the packet. Chair Granzella invited Board Secretary Diana Love to introduce the Budget Update.

Board Secretary Diana Love said they serve as the Boards budget liaison with staff in the monitoring and reporting of the budget to the Board. Secretary Love explained the budget runs on a fiscal year calendar, from July through June. Secretary Love added the authorized Governor's Budget is \$75 million, plus an additional \$5 million in mandatory external costs. Secretary Love highlighted at year-end CSLB is projected to spend \$75 million in total expenditures and is projecting the final revenue at \$80 million. Secretary Love said the numbers highlight all the hard work that has been done over the last two years in balancing the budget and the dedication and commitment by staff has paid off.

Secretary Love introduced Budget Manager Stacey Paul to provide a detailed budget update.



Budget Manager Stacey Paul directed the Board to page 59 of the packet and explained the first chart shows CSLB fiscal year 21/22 final budget and expenditures through March. Budget Manager Paul explained CSLB is spending slightly lower than expected at 69% of the budget authority keeping CSLB on track to spend about \$70 million of the authorized \$75 million budget. Budget Manager Paul said the next chart shows CSLB revenue through April and indicates CSLB is exceeding the prior year revenue by 9%. The increases reflect the new fees that took effect January 1, 2022, and CSLB has collected an additional \$7 million in revenue compared the same time last year.

Budget Manager Paul directed the Board to page 60 of the packet, the CSLB fund condition which projects out to Budget Year 22/23. Budget Manager Paul stated the middle column is current year, CSLB began this fiscal year with \$1.9 million in reserves and the projected revenue for this year is \$80M. Budget Manager Paul said CSLB projected board expenditures and external costs are \$75M for this year. Budget Manager Paul explained the last column (which is next year), CSLB should end the year with over 2 months in reserves at \$16M.

Budget Manager Paul said the chart on page 61 of the packet is the Construction Management Education Account (CMEA) fund condition. Budget Manager Paul explained the Board was successful in increasing the annual appropriation this year to \$175,000. The increase will allow the Board to disburse more grants to qualified institutions based on the fund balance.

Manager Paul explained the statistical summary details on 63 through 64 of the packet. They stated the Board continues to see increases in all areas especially in new applications and the issuance of new licenses. Budget Manager Paul said renewals have stayed steady with 3% increase over 2 years ago.

Board Member Comment:

Board Chair Granzella mentioned that in 2020 the reserve was a concern for CSLB and through the work of Board members and staff, CSLB now has a healthy reserve.

Public Comment:

There was no public comment.

4. Administration Update Regarding Personnel and Facilities

Board Chair Granzella introduced agenda item D-4, the Administrative Program Update and invited Administration Division Chief Mike Melliza to provide an update to the Board.

Chief Melliza provided a Personnel Unit update and summarized completed transactions during the third quarter of the fiscal year, which included new state employees, employees from other state agencies and employee promotions.



Chief Melliza stated CSLB averaged 47 vacancies since the beginning of fiscal year 2021-22 and the Personnel Unit works with CSLB hiring managers and DCA to identify and minimize any delays in the recruitment efforts. Chief Melliza added that recent recruitment activity brought the vacancy number down to 41.5.

Chief Melliza described the CSLB career development and mentoring program that held its third career development live event April 27, 2022. Chief Melliza explained the online events highlight each of the CSLB divisions, the work they do and available vacant positions.

Chief Melliza provided an update on Business Services activities, including the status of building facilities, contracts, and procurements; most notably ensuring CSLB had ample supply of PPE equipment.

Board Member Comment:

Member Michael Mark asked if the internal promotions were the result of the career development event and asked to participate in the next live event.

Chief Melliza stated the promotions were throughout the quarter and that the live events are once a quarter. Chief Melliza added they would be happy to include Member Mark in the next event.

Public Comment:

There was no public comment.

5. Information Technology Update

Board Chair Granzella introduced agenda item D-5, the Information Technology Update on page 73 of the Board packet and invited Chief of Information Technology Division Jason Perez to update the Board.

Chief Perez stated CSLB IT was excited about its implementation of Software Defined-Wide Area Network, or SD-WAN. Chief Perez explained that SD-WAN enables CSLB to securely support application growth, network agility, and simple branch office implementations. Chief Perez said that in January 2022, CSLB IT concluded its proof of concept at the Norwalk office and in May 2022 CSLB Headquarters was completed.

Chief Perez stated the implementation has increased bandwidth along with providing greater visibility to CSLB's network traffic and reported the Fresno field office would transition to the new solution on Friday, June 17, 2022. Chief Perez explained the remaining field offices are awaiting an external vendor to complete the circuit installation at their respective sites.



Chief Perez said the IT Division has been committed to complete the Exam Administration Outsourcing project and in a few weeks, they will have completed the fourth and final phase of transferring trade exams to contracted vendor PSI. Chief Perez explained the project was a huge effort for the Licensing Division, the IT Division, and DCA's Office of Professional Services. Chief Perez said effective July 1, 2022, CSLB will move the project into the operational phase.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

6. Election of Officers

Board Chair Granzella stated at the March 2022 board meeting, she appointed Board Members David De La Torre and Johnny Simpson to the nomination committee to recommend to the board a slate of officers for the officers of Chair, Vice Chair and Secretary for the next fiscal year, starting July 1, 2022.

Chair Granzella turned the floor over to Johnny Simpson to announce the recommended slate of officers.

Member Johnny Simpson said that he and David De La Torre had enjoyed serving on the 2022 nomination committee and had recently met to consider the requests of fellow board member for the three officer positions. Member Simpson announced their recommendations: Mary Teichert for Chair, Diana Love for Vice Chair and Michael Mark for Secretary.

Chair Granzella announced they would now begin the nomination process. Chair Granzella explained, for each officer position, they would state the nominated candidate and then ask if there were a motion from the floor for any other individuals the Board members would like to nominate. Chair Granzella said the Board does not need a motion for the person that has been recommended by members Simpson and De La Torre, only if there is an alternative recommendation. Chair Granzella stated all floor nominations require a second and candidates would then be given up to two (2) minutes to make their statement or describe why they are qualified for the position. Chair Granzella added that the Board will then take a roll call vote for each nominee, in alphabetic order. Chair Granzella explained if there is only one nominee for the position, members can vote by yes, no, or abstain.

Public Comment:

There was no public comment.



Motion: To approve the Nomination Committee’s recommendation to elect Board member Mary Teichert as Board Chair. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

Motion: To approve the Nomination Committee’s recommendation to elect Board member Diana Love as Board Vice Chair. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

Motion: To approve the Nomination Committee’s recommendation to elect Board member Michael Mark as Board Secretary. The motion passed.



BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura	✓				
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

Public Comment:

There was no public comment.

Chair Granzella congratulated the new officers and stated the newly elected Chair, Vice Chair and Secretary will assume the duties of the respective offices on July 1st.

E. Licensing

Chair Granzella introduced agenda item E, Licensing and Testing, led by Licensing Committee Chair Miguel Galarza.

1. Licensing and Testing Program Update and Statistical Summary

Chair Galarza highlighted the processing time for all application types remains between 3-4 weeks. Chair Galarza stated the goal is to drop all processing times below 3 weeks and maintain that level. Chair Galarza explained that the high number of pending applications shown on page 85 of the packet for FY2020, and FY 2021 is the result of test administration backlog that occurred due to COVID-19 pandemic closure of examination centers in 2020 and 2021. Chair Galarza stated staff has substantially reduced the backlog in 2022 and should be eliminated with the transfer of test administration to PSI July 2022.

Chair Galarza noted that the number of incoming renewals continue to be steady, and the renewal processing times are currently under one week. Chair Galarza said the short processing time is combination of the unit being fully staffed, and licensees using CSLB’s online renewal service.

Chair Galarza highlighted the call wait times for the CSLB Licensing Information Center (call center). Chair Galarza said the Licensing Information Center or “LIC” has filled vacant positions, including a supervisor position that helps with workload monitoring.



Chair Galarza added that telework schedules have been modified for more consistent coverage; and as a result, CSLB has significantly reduced LIC wait times that are currently more in line with 2017 and 2018, approximately 6 minutes

Chair Galarza said the Testing update located on page 96 and 97 of the packets. Chair Galarza stated CSLB has completed the third phase of its transition to PSI Exams, with the final phase scheduled for July 1st. Chair Galarza explained there were 619 applicants scheduled to take their examinations though PSI and special recognition was due testing staff for their work on transitioning CSLB examination administration to PSI Exams. Chair Galarza stated the 34 CSLB trade examinations and one law and business examination have been transitioned to PSI Exams.

Chair Galarza said the exam development unit had held numerous remote workshops to continue occupational analysis for updating existing exams.

Chief of Licensing Foad Gharahgozlou provided an update on efforts to eliminate hurdles for military spouses to obtain a license through SB 607 by expediting applications of military personnel spouses and waiving the licensing fee.

Board Member Comments:

Member Love asked for details on the wait times listed on page 92.

Chief Gharahgozlou said the wait time starts from the time the 800 number is dialed and the call is answered by a technician.

Chair Granzella asked if there is a feedback option for the PSI Exams.

Chief Gharahgozlou said a survey is sent to applicants and from the feedback so far, applicants are pleased with having access to more exam facilities.

Member Michael Mark asked about the 3% experience verification for licensing applications. He asked if the percent pulled should be increased.

Registrar Fogt explained the 3% verification was established by the Board a number of years ago to provide for field investigation by the Enforcement division. Many of the field investigations relate to people who included on their application they have the necessary experience but can't show all the required records. Registrar Fogt continued that with the 3% field experience verification, staff can work with applicants to document their experience or provide suggestions on how they can obtain the necessary experience in the future.

Registrar Fogt confirmed that Licensing staff review all applications to ensure they meet minimum qualifying requirements. The 3% in-depth investigation is not required for most applications because many applicants have gained their experience through working for licensed contractors or apprenticeship programs that can readily verify their experience.



Chief Gharahgozlou explained that Licensing has procedures to follow to verify the experience, making calls to certifiers and other contractors.

2. Construction Management Education Account Awards

Chair Galarza stated that at the March Board meeting, staff reported to the Board that the Department of Finance approved CSLB's ability to increase Construction Management Education Account grants by \$75,000 to eligible schools. Chair Galarza explained grant checks were distributed to all schools at the higher amount of \$175,000 in April 2022.

3. Test Administration Centers Outsourcing Update

Chair Galarza stated the process of outsourcing CSLB exam administration to the vendor PSI Exams, would be complete July 1, 2022. Chair Galarza explained CSLB has moved 35 of its 47 written examinations to PSI and would be moving the remainder by July 1. Chair Galarza said PSI had administered 443 CSLB examinations to date. They added that CSLB would be closing all its test centers July 1, 2022.

Chief Gharahgozlou recognized the IT and Exam Development staff for their work during the transition to PSI. Chief Gharahgozlou added that over the last six months, exam development created over 80 new examination versions for CSLB's 47 exams to send to PSI for administration.

Board Member Comment:

Board Chair Granzella asked Chief Gharahgozlou to provide the cost of PSI transition at the next board meeting.

Member Love asked about the CMEA fund and if it is appropriated every year.

Manager Paul explained CSLB is appropriated every year and because CSLB was receiving so many donations, CSLB asked to increase the authority up to \$175,000.

Public Comment:

There was no public comment.

F. Enforcement

Chair Granzella introduced agenda item F, Enforcement, led by Chief of Enforcement Steve Grove.

1. Enforcement Program Update



Chief Grove gave a brief update on staff vacancies within the Enforcement Division, stating Enforcement has 229.5 allocated positions out of the 430 Board wide positions. Chief Grove stated Enforcement had 23 vacant staff positions but four of the positions are in the process of being filled and the remaining positions are in the various stages of the hiring process.

Chief Grove provided summaries of two recent field investigations that illustrate the Enforcement division continues to prioritize the investigation of egregious misconduct in the construction industry. One of the investigations involved Salvador and Pamela Chiamontes and Amy Perry in the Santa Rosa area and Samuel Crain in Shasta County.

Chief Grove explained the statistical overview of the Enforcement division was located on page 114 of the packet and the statistics covered the fiscal year of Jul1, 2021 through April 31, 2022. Chief Grove stated during the nine-month period, the division initiated 15,385 complaint investigations, which is over 1,700 complaints per month and a 20% increase over the previous fiscal year. Chief Grove stated they are working with management and division supervisors to address the productivity with the increase of incoming complaints. Chief Grove went on to highlight division achievements located on page 115 of the packet.

Chief Grove explained that CSLB's Statewide Investigative Fraud Team (SWIFT) has been busy with their preventative enforcement efforts and have conducted 11 undercover sting operations, participated in 242 days of Enforcement sweeps and responded to 823 leads. Chief Grove said as a result of these activities, SWIFT closed 2,995 cases.

Chief Grove said one of the major hurdles for SWIFT staff has been obtaining a property to conduct stings, whether they be commercial buildings or private residences. Chief Grove stated that SWIFT has conducted 12 operations in the current calendar year, but the overall number of stings remains low. Chief Grove recounted recent sting operations in Fresno, South Lake Tahoe, and Butte County.

2. Update on the Solar Energy System Restitution Program

Chief Grove provided an update on CSLB's Solar Energy System Restitution Program (SESRP). Chief Grove gave a brief overview of the SESRP history and overview. Chief Grove explained that as of June 3, 2022, 210 claims had been received by CSLB and of those, 64 claims have approved and sent to DCA for the issuance of checks. Chief Grove said the total amount of approved restitution is almost \$760,000.

Chief Grove explained CSLB is continuing SESRP outreach with a new bilingual press release and letters sent to prior complainants who were potential program claimants. Chief Grove added that CSLB is continuing collaborate with other stakeholders to maximize the visibility of the program.

**Board Member Comment:**

Member Mark asked if there is a per diem provided to property owners for sting sites.

Chief Grove confirmed property owners are paid for the use of the property.

Public Comment:

There was no public comment.

G. Public Affairs

Chair Granzella introduced agenda item G, Public Affairs, led by Public Affairs Committee Chair Michael Mark.

1. Public Affairs Update

Chair Mark highlighted the five “Get Licensed to Build” webcasts Public Affairs has hosted since the last Board meeting in March, stating two of the videos were in Spanish. Chair Mark explained the workshops are in English and in Spanish. The Spanish workshops include Spanish-speaking staff who answer questions in real time. The videos are then posted to the CSLB website for further viewing. Chair Mark stated providing multi-media content in English and Spanish is part of the larger Public Affairs strategic plan goal of improving user experience and accessibility.

Chair Mark stated the number of social media followers on CSLB’s accounts had continued to increase on every social media service since the beginning of the new year. Chair Mark said the increase demonstrates staffs hard work in getting the word out about CSLB’s consumer protection mission. Chair Mark explained posts include Licensing and Enforcement topics, as well as special issues and disaster related posts. Chair Mark went on to highlight Public Affairs stakeholder communications, ongoing media relations work and their work with California legislators on CSLB’s consumer and Senior Scam Stopper workshops.

Chair Mark commented that Public Affairs staff help to inform the public and manage the CSLB website which they believe is one of CSLB’s most effective tools.

Board Member Comments:

Member Love asked if the CSLB videos had sign language for the hearing impaired.

Chief Jamnetski said they were not sure about sign language specifically, but they would look into it for Member Love and let them know.

Public Comment:

There was no public comment.



Chair Granzella announced a 10-minute break at 10:28 a.m.

CSLB Board members returned to session at 10:46 a.m.

H. Legislation

Chair Granzella introduced agenda item H, Legislation, led by Legislative Committee Chair James Ruane.

1. Legislation

Chief Jamnetski provided an update on 2021-2022 pending Legislation that was previously considered by the Board. Updates were also provided on AB 646, AB 1733, AB 1747, AB 1874, AB 2105, AB 2374, SB 1237, and SB 216.

Committee Chair Ruane explained that the information provided by Chief Jamnetski were updates only and there would be no action required by the Board on them.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Committee Chair Ruane explained legislative bill AB 2894, which requires a licensed contractor with workers' compensation insurance to inform CSLB of the workers' compensation classification code or codes endorsed on the policy and requires CSLB to post that information on its website.

Chief Jamnetski explained the bill's fiscal impact on the Board. Chief Jamnetski said language was going to be added to the bill to include the information required by the bill on the existing CSLB renewal form to reduce the fiscal impact to the Board.

Chair Ruane explained legislative bill AB 2916, which provides CSLB discretion to publicly disclose a Letter of Admonishment (LOA) on a contractor's license for either one or two years depending on the severity of the alleged violation. Chair Ruane explained that, due to the timing of amendments proposed to the bill, the Board was unable to hear the bill at a regularly scheduled meeting. Chair Ruane also explained that CSLB staff worked with Chair Ruane and Board Chair Granzella to propose technical amendments to the author's office.

Chief Jamnetski explained that existing law provides that LOAs be disclosed for one year and that prior to the current board meeting, the bill was amended to require CSLB



to publicly disclose LOAs for two years. Chief Jamnetski explained that they worked with Chair Granzella and Legislative Chair Ruane to propose amendments that would authorize the Board to determine when disclosure should be one year or two years. Chief Jamnetski explained that providing the Board this discretion would preserve the intent of the LOA program. Chief Jamnetski explained that Chair Ruane and Chair Granzella provided staff the authority to take a support position on the bill when the amendments were eventually made.

Board Member Comment:

Member Mark asked for clarification about whether a request to the Board was presently needed, given a support a position was communicated when the bill was amended,

Chief Jamnetski explained that in this case because a bill affecting CSLB was introduced that required action be taken before the Board could publicly meet, staff used the authority provided in the Board procedure manual that allows the Legislative Committee Chair and the Board Chair to authorize staff to issue a support position.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1076, which requires the State Department of Public Health (CDPH) and CSLB implement an education program that would inform Californians affected by lead renovation, repair, and painting requirements. Chair Ruane added that staff worked with the Board Chair and Committee Chair Ruane to provide possible technical amendments to the bill.

Chief Jamnetski provided an update on the bill and explained the technical amendments staff provided to the author's office recommend that the CDPH implement the education program and CSLB publish any CDPH education materials on its website

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1164, which requires the California Energy Commission (CEC) draft a report to the Legislature that would propose development of a statewide HVAC database that stores compliance, installation, and acceptance test documentation for HVAC systems. Chair Ruane added that the bill requires CEC



consult with CSLB in drafting the report. Chair Ruane explained staff recommend the Board support this bill.

Chief Jamnetski said the bill was recently amended and provided an update on the bill. Chief Jamnetski said that the description in the board packet about the HVAC compliance program to be created by the bill is still accurate, but that instead of requiring CEC to draft a report to the Legislature about creating the program, CEC will create the program through its rulemaking process. Chief Jamnetski said the bill is designed to encourage compliance with Title 24 HVAC standards.

Board Member Comment:

Member Frank Altamura asked if consumers would be required to register their HVAC systems with the state.

Chief Jamnetski said they're creating a tracking system for the purchase of HVAC systems. The tracking system will confirm the license number of the contractor purchasing the system, the license contractor license number, whether a permit was obtained.

Member Steve Panelli asked how the reporting system described in the bill would track information when the HVAC system is just being updated, not a full install.

Chief Jamnetski did not have the answer to that question but said they could include Member Panelli on communications with the author's office to get the answer to the question.

Public Comment:

There was no public comment.

Motion: To support SB 1164. Michael Mark moved; Miguel Galarza seconded. The motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura		✓			
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza	✓				
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				

Johnny Simpson	✓					
Mary Teichert			✓			

Chair Ruane introduced legislative bill SB 1443, which changes the statutory sunset date of the CSLB form January 1, 2024, to January 1, 2025.

Chief Jamnetski said the Board has already reviewed it and said it relates to the sunset date being extended one year due to COVID delays.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

Chair Ruane introduced legislative bill SB 1495 which as written (as a committee omnibus bill) does not affect CSLB but staff worked with the Board Chair and Legislative Committee Chair to suggest technical amendments to the bill regarding the CSLB solar restitution program.

Chief Jamnetski explained that CSLB jurisdiction to investigate a complaint and take a disciplinary action (that would provide for a formal administrative hearing) against a license is four-years from the contracting activity. An exception is a solar recovery fund claim that may be filed for contracting activity that occurred on or after January 1, 2016. The statute governing the recovery fund provides for CSLB to send to arbitration solar restitution claims for work that occurred more than four years ago. The amendment staff proposed would exempt contractor's licensed and in good standing from public disclosure if the contacting activity was outside of CSLB general complaint handling four-year statute of limitations.

Board Member Comment:

Member Altamura asked why CSLB would disclose after a license is already revoked.

Chief Jamnetski and Registrar Fogt jointly answered the question. They explained that the fund program currently provides that disclosure be made against a contractor's license but does not consider whether the license has been revoked or not. They explained that this creates a problem when a contractor is still in business (as opposed to a revoked contractor), is identified by the CSLB solar energy system restitution program as a contractor that harmed a solar consumer, and the CSLB statute of limitations prevents CSLB from investigating the contractor. The explained that in those cases, the contractor disputes the claim payout, largely because it would result in disclosure on their license. This prevents the consumer from receiving restitution. They



explained that the amendment requested would allow CSLB to provide restitution in those cases without regard to whether the contractor disputes the claim.

Public Comment:

There was no public comment.

Chair Ruane stated a legal services group reached out to CSLB and DFPI regarding a restitution fund for consumers harmed by contractors who sold them Property Assessed Clean Energy (PACE) loans and that the group was lobbying the government to create an additional restitution fund at CSLB for this purpose

Chief Jamnetski updated the Board on the status of the group's proposal, which is a \$ 65 million request to the Legislature to allocate general fund money to CSLB for this purpose. Chief Jamnetski said the proposal was not included in the budget bill.

Board Member Comment:

There was no comment.

Public Comment:

There was no public comment.

2. Regulations

Committee Chair Ruane introduced agenda item H2, Regulations.

Board Chair Granzella explained that Board Member Alan Guy represents B General Building contractors on the Board and is an officer for Anvil Builders and Anvil Power Inc. that holds a C-10 classification. Chair Granzella added that legal counsel determined that member Guy does not have a conflict of interest regarding Battery Energy Storage Systems or BESS and there is no need to recuse themselves from voting on BESS agenda item.

Chair Ruane explained the first item for discussion is H2a: review, discussion, and solicitation of public comment of the expert report regarding a recommendation for possible regulatory rulemaking that would authorize a C-46 solar contractor to install battery energy storage systems to an appropriate kilowatt-hour threshold. Chair Ruane explained that regardless of any discussion of this agenda item or any Board vote in the next agenda item, no laws are being made and no license classification descriptions are being changed at this time.

CSLB's regulatory counsel Danielle Rogers provided the Board with a description of the regulatory rulemaking process.

**Board Member Comment:**

Member Love asked if there was someone present to speak to fire codes. Member Love requested clarification on home capacity and maximum allowances.

Chief Jamnetski said public comment would likely clarify Member Love's questions.

Chair Ruane provided a summary of the Board's actions to date on the BESS topic. Chair Ruane recounted the public meetings, discussions with California Solar and Storage Association (CalSSA) and National Electrical Contractors Association / International Brotherhood of Electrical Workers Labor Management (IBEW-NECA), and the UC Berkeley study. Chair Ruane explained CSLB recently published a report in consultation with expert consultants as requested by the Board at the March 30, 2022, Board meeting. Chair Ruane said the report recommends the Board consider amending the C-46 solar contractor classification to expressly permit them to install a BESS up to 80 kWh when installed as incidental and supplemental to the solar photovoltaic energy system being installed at the same time.

Registrar Fogt added that the BESS matter began in 2016 but efforts to develop a mutually agreed upon proposal for Board consideration have not been successful. Registrar Fogt stated CSLB staff are of the opinion that after years of presenting this topic at public board meetings where facts, evidence, and research reports were discussed, that CSLB must commence the regulatory process to include BESS within its specialty contractor regulations.

Board Member Comment:

Member Simpson stated the CSLB has done their due diligence, it is time to act and that they support the staff recommendation.

Member Galarza asked if they are setting a kilowatt hour that will be significantly lacking as we move away from fossil fuels. Member Galarza asked to consider the bar be set so it does not disenfranchise small businesses or the workforce.

DCA Legal Counsel Jason Hurtado clarified that this agenda item is for soliciting Board member and public comment only.

Member Love asked for clarification on the regulatory rulemaking process.

Chief Jamnetski explained the regulatory rulemaking process.

Legal Counsel Hurtado explained that today the board is asked to consider directing staff to commence the rulemaking process and any proposed text would circle back to the Board for final approval.



Member Mark asked if the current average for residential projects 20 kilowatt-hours and 35 kilowatt-hours are for commercial. Member Mark added that the report's 80 kilowatt-hours target future industry.

Chief Jamnetski stated the report numbers are a compilation of 2015 through 2020 interconnection data throughout the state.

Member Altamura asked about unresolved issues regarding C-46 contractors installing just a battery on an existing system and the economic impact.

Chief Jamnetski stated the recommendation would be to address both issues during the regulatory rulemaking process.

Public Comment:

Heather Minner, CalSSA Legal Counsel, requested a rational rule that does not burden the solar industry and its customers. Minner added the 80-kilowatt hour threshold will be harmful to the solar industry and it would additionally affect contractors with dual licenses, C-10, and C-46 because it would require contractors to use certified electricians and there are not enough certified electricians available.

Mike Mendoza, state certified electrician, commented on C-46 only contractors installing energy storage systems when paired with PV solar. Mendoza stated it is an issue of safety, of equity, and precedent. Mendoza continued that most C-10 electrical contractors are non-union shops, but all C-10 contractors are required to use certified electricians to perform electrical work, and this is no different than requiring a solar contractor to hold a roofing license if they want to replace a customer's roof before installing solar.

Joel Pickett, California state certified electrician, stated this is not about taking jobs away from C-46 contractors and most solar contractors already hold a C-10 license or other license that allows them to install energy storage systems. Pickett added the matter is based on CalSSA's claims to protect their contractors that won't be able to expand into the energy storage work without investing in additional safety training.

Meghan Stimler, Solar Hut, stated they have been installing batteries since 2008 and have contacted C-10 contractors in their area to help them and have not received responses. Stimler added the demand to add batteries increases every day from their existing customers and requests they not be limited in their ability to move forward in advancing technologies.

Renee Cruz-Martinez, utility employee, disagrees that there is justification to expand the scope of the C-46 contractor license but if the Board did amend the C-46 class to allow some BESS, they recommend a limit based on the size of the battery system due to technical safety and economic perspective.



Charlotte Stevens, utility employee, stated this is an issue of safety and equity and is not about union jobs and that most C-10 electrical contractors are non-union shops, but all C-10 contractors are required to use certified electricians to perform electrical work, and this is no different than requiring a solar contractor to hold a roofing license if they want to replace a customer's roof before installing solar.

Natalie Higley, who works in the electrical industry, stated enforcing traditional contractor license classification requirements would have no impact on solar energy storage installation other than to improve safety and quality. Higley stated they support clarifying this through the regulatory rulemaking process and encourage lowering the threshold size.

Rachel Shoemake, California state certified electrician, supports a threshold that is consistent with the existing contractor classification regulatory framework allowing incidental and supplemental work and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental to a solar PV system installation. Shoemake supports moving forward with regulations.

Juan Perez, state certified electrician, stated this is not about taking jobs away from C-46 contractors and most solar contractors already hold a C-10 license or other license that allows them to install energy storage systems. Perez added the matter is based on CalSSA's claims to protect their contractors that won't be able to expand into the energy storage work without investing in additional safety training.

Georgina Jalawathi, state certified electrician, thinks anybody installing anything in regard to an electrical system be required to have an electrical certification and agrees with setting a kilowatt-hour capacity threshold for energy storage and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental work. Jalawathi asked to move forward with the regulatory process.

Peter Seeberg, state certified electrician, agrees with setting the kilowatt-hour capacity threshold for energy system work performed by C-46 contractors and added that at a certain size a battery is so large it can no longer be considered incidental and supplemental work. Seeberg wanted to move forward with regulations to clarify this issue.

Will Smith, state certified electrician, asked the Board to consider common sense before making their decision.

Stephen Booker, state certified electrician, supports limiting the size of the battery energy storage systems installed by C-46 contractors as incidental and supplemental work to a solar project. Booker added they think 80 kilowatt-hours is on the high end of what should be allowed but supports moving forward to create certainty in the industry.

Jason Gumataotao, state certified electrician, stated they are one of over 200 certified electricians in the city of Oakland and C-46 contractors don't hire electricians like



themselves and asks the Board to consider equity and opportunities in the city of Oakland and other cities in California regarding C-46.

Brandon Carlson, Allume Energy C-10 contractor, stated they are present on behalf of the C-46 contractors because they believe there is information in the staff report that is misleading or wrong. Carlson offered to donate their time to address some of the concerns in the report.

Derek Cole, state certified electrical worker, stated they do not see justification to expand the C-46 license to further overlap with the C-10 electrical scope and they recommend limit size of the battery storage system.

Martin Hertzfeld, C-10, C-46, C-7, D-31, and D-56 licensed contractor, strongly suggests not making any changes and leaving the classification as it is.

Dustin Sable, who works for a contractor, asked the Board to remember these are separate systems with separate requirements.

Alex Lantsberg, SFEU, supports establishing regulations for C-46 contractors on energy systems and said allowing C-46 contractors to enter this market is an abdication of the state's workforce development goals and the state's push towards clean energy and a disservice to the people who will be using this technology.

Judiah Castro, electrician, encouraged the Board to limit C-46 installation of energy storage and photovoltaic solar and said their primary concern is the safety of the public. Castro added that they support setting a clear limit on battery systems and they agree with Member Simpson, that they have heard this all before and it is time to act.

Carla Palmer, who works for an electric contractor, supports the 80-kilowatt-hour threshold, and supports moving forward with regulations in this area.

William Minyard, CCE, stated they do not see justification to expand the C-46 license to further overlap with the C-10 electrical scope and recommend limiting the size of the battery storage system.

Gretchen Newsom, IBEW 569 in San Diego, said this will impact the work outlook of thousands of electricians as well as the safety and quality of life for the public. Newsom said energy storage construction and installation should be done by C-10 contractors that employ certified electricians. Newsom said the proposal could lead to low-road jobs and abandonment of public safety by allowing C-46 contractors to perform electrical work using lower-paid, untrained non-electricians. Newsom asked the Board to take these deliberations very seriously because they will impact future generations.

Ben Davis, CalSSA, agrees with CalSSA counsel that 600 kilowatts is the appropriate threshold if a threshold is being set and that 80 kilowatt-hours would be harmful to the market. Davis added that the knowledge, skills, and code regulations required to install



an 80-kilowatt-hour energy storage system is the same for energy storage systems that are larger than 80 kilowatt-hours and the regulations change at 600 kilowatt-hours.

Mark Buck, state certified electrician, stated they believe 80 kilowatt-hours is too high and believe 40 kilowatt-hours would be better, but they support the Board moving forward at this time.

Kyle Church, licensed electrician, stated it does not make sense to expand the scope of C-46 contractor license at the expense of contractors that hold the correct licenses but suggest sticking with the 80 kilowatts and recommend keeping it to residential systems.

Jessie Padilla, electrician, stated they oppose expanding the C-46 license at all and 80 kilowatt-hours is too high but support having staff move this to the regulatory process.

Jeanine Cotter, Luminalt, stated solar contractors have been doing this work for a long time and DIR electrician certification has told their workers they are not qualified to sit for the exam because hours worked for solar cannot qualify a candidate. Cotter added the decision today would bar them from being able to do that work.

Bernie Cotlier, California Labor Management Cooperation Committee, stated the state does not require a C-46 worker to be trained, tested, or certified, so there is no way for a consumer hiring them to know how much training they have or whether they are capable of doing this work and added qualified people are needed to perform this work.

Tom Enslow, IBEW-NECA labor management and cooperation committee, stated under this proposal C-46 contractors will continue to be able to install the majority of PV energy storage systems. Enslow explained that 80-kilowatt-hour standard correlates with safety fire risk, the more capacity/energy it stores the greater the risk.

Eddie Bernacchi, NECA, stated BESS was jurisdiction creep that was allowed by the Board by placing questions from industry experts from the solar industry on the examination that related to battery energy storage about six years ago. Bernacchi added the electrical industry believes this is separate electrical work, but they urge the Board to move forward with regulations today and they support staff recommendations.

Billy Hall, Luminalt, stated they have been doing solar for eight years with safety as a top priority and they will continue to do so.

Christopher Smith, C-10 contractor, commented that if you have a C-46 license, it would be easy to get a C-10 license and would allow you to make your mark in the industry in terms of safety and knowledge.

Chair Ruane introduced agenda item H2b; review, discussion, and possible action by the Board to initiate the rulemaking process pursuant to the Administrative Procedure Act to amend the California Code of Regulation, Title 16, Sections 810, 832.10 and 832.46 relating to the scope of the C-10 and C-46 contractors' authority to perform work



relating to battery energy storage systems. Chair Ruane explained the draft regulatory language is consistent with the recommendation of the CSLB staff report in consultation with expert consultants as discussed in the previous agenda item and any vote the Board makes today is not establishing new law or changing any license classification.

Staff recommendation: approve the proposed regulatory text for California Code of Regulations, Title 16, sections 810, 832.10, and 832.46. Authorize the Registrar to take all steps necessary to initiate the rulemaking process; making any non-substantive changes to the text and/or rulemaking package as needed throughout the process; and, if approved by the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency, set the matter for a hearing if preferred or requested.

If the CSLB and/or Registrar does not receive any adverse comments during the 45-day comment period, authorize the Registrar to adopt the proposed regulations at California Code of Regulations, Title 16, sections 810, 832.10, and 832.46 as filed with the Office of Administrative Law for public notice, and take all steps necessary to complete the rulemaking process, making any non-substantive changes to the text and/or rulemaking package as needed throughout the process.

Public Comment:

Heather Minner, CalSSA Legal Counsel, recommends sending this to the Legislative Committee prior to the Board acting and any draft language should allow solar contractors to repair the batteries they have already installed.

Jeanine Cotter, Luminalt, referred to an article about Melissa Brewster who runs their construction production unit and mentioned how this decision may affect workforce diversification.

Brandon Carlson, C-10 contractor, stated that electrification is coming and as gas is being phased out in housing, the demand is coming for larger solar electrical systems. Carlson recommended not to set low thresholds.

Eddie Bernacchi, NECA, stated that through the regulatory process changes can be made to whatever proposals are being considered and reminded the Board that the UC Berkeley report recommended that the work only be performed by C-10 contractors.

Tom Enslow, IBEW-NECA labor management and cooperation committee, stated that this concern is about jurisdiction creep and all specialty contractors should be concerned. Enslow recapped the regulatory rulemaking process for the Board.

Board Member Comment:

Member Love commented that the issue is complex and asked for a definition of non-substantive changes in relations to the regulatory rulemaking process.



Chief Jamnetski explained that non-substantive would be a change such as grammatical or typo changes and that substantive changes such as changing the kilowatt hour amount would come back to the board.

Member Mark commented that they believe 80 kilowatt-hours is high but agrees 80 kilowatt-hours is a good compromise.

Chair Granzella mentioned that the Board has listened to impassioned speeches regarding this issue for the last six years and it is a very important decision to make. Chair Granzella added that this issue impacts industries and consumers and their vote would be to support the staff recommendation and move into the regulatory rulemaking.

Motion: Initiate the Regulatory Rulemaking process to amend California Code of Regulations, Title 16, Sections 810, 832.10 and 832.46 relating to the scope of the C-10 and C-46 contractors' authority to perform work relating to battery energy storage systems. Moved by Johnny Simpson; seconded by Michael Mark. Motion passed.

BOARD MEMBER	YEA	NAY	ABSENT	ABSTAIN	RECUSAL
Susan Granzella	✓				
Frank Altamura		✓			
Rodney Cobos			✓		
David De La Torre			✓		
Miguel Galarza		✓			
Alan Guy	✓				
Diana Love	✓				
Michael Mark	✓				
Steve Panelli	✓				
Jim Ruane	✓				
Johnny Simpson	✓				
Mary Teichert			✓		

I. Adjournment

Motion: Adjourn June 16, 2022, Board meeting. Moved by Johnny Simpson; seconded by Michael Mark.

Susan Granzella adjourned the Board meeting at 12:48 p.m.