



CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

BOARD MEETING MINUTES

Pursuant to Government Code section 11123, subdivision (a) the Contractors State License Board met in person at 12:00 p.m. on April 17, 2024.

There was no remote access for participation or comment at this meeting.

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

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on April 17, 2024, at 12:00 p.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Members Present

Diana Love, Chair

Michael Mark, Vice Chair

Miguel Galarza, Secretary

Joel Barton

David De La Torre

Amanda Gallo

Susan Granzella

Alan Guy

Jacob Lopez

Henry Nutt III

Steve Panelli

James Ruane

Mary Teichert

Amanda Gallo arrived at 12:20 p.m. and Rodney Cobos had an approved absence.

CSLB Staff Present

David Fogt, Registrar

Michael Jamnetski, Chief Deputy Registrar

Katherine White, Chief of Public Affairs

Jason Perez, Chief of Information Technology

Carol Gagnon, Chief of Licensing

Steve Grove, Chief of Enforcement

Tracy Brazil, Regulations Manager

Stacey Paul, Budget Manager

David Gower, Public Affairs Supervisor

Amber Foreman, Graphic Designer

Amy Lawrence, Television Specialist

Natalie Rosenberger, Information Officer

Natalie Watmore, Information Officer

Robin Williams, Executive Analyst



DCA Staff Present

Trisha St. Clair, Strategic Business Analyst & Facilitator
Sarah Irani, SOLID Training Administrator
John Kinn, DCA Legal Counsel

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance. A quorum was established.

B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests

Public Comment

No Public Comment

C. Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions

DCA Strategic Business Analyst & Facilitator Trisha St. Clair and SOLID Training Administrator Sarah Irani conducted the Strategic Planning session with CSLB staff and Board members. Both staff and Board members discussed and analyzed diversity, equity, and inclusion, strengths, weaknesses, opportunities within CSLB, the environmental scan results, and a survey of internal and external stakeholders. CSLB staff and Board members reviewed and discussed updating and finalizing the CSLB Mission, Vision, and Value Statement, while developing the strategic objectives of all CSLB divisions.

Recess at 4:20 p.m.

**BOARD MEETING MINUTES**

Pursuant to Government Code section 11123, subdivision (a) the Contractors State License Board met in person at 9:00 a.m. on April 18, 2024. There was no remote access for participation or comment at this meeting.

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

Board Chair Diana Love called the meeting of the Contractors State License Board (CSLB) to order on April 18, 2024, at 9:00 a.m. at the Contractors State License Board headquarters, 9821 Business Park Drive, Sacramento, CA 95827.

Board Members Present

Diana Love, Chair
Michael Mark, Vice Chair
Miguel Galarza, Secretary
Jöel Barton
David De La Torre
Amanda Gallo
Susan Granzella
Alan Guy
Jacob Lopez
Henry Nutt III
Steven Panelli
James Ruane
Mary Teichert

Rodney Cobos had an excused absence.

CSLB Staff Present

David Fogt, Registrar
Michael Jamnetski, Chief Deputy Registrar
Tracy Brazil, Regulations Manager
Carol Gagnon, Chief of Licensing
Steve Grove, Chief of Enforcement
Stacey Paul, Budget Manager
Jason Perez, Chief of Information Technology
Katherine White, Chief of Public Affairs
David Gower, Public Affairs Supervisor
Amber Foreman, Graphic Designer
Amy Lawrence, Television Specialist
Natalie Rosenberger, Information Officer
Robin Williams, Executive Analyst

DCA Staff Present

John Kinn, DCA Legal Counsel
Elizabeth Dietzen-Olson, Regulations Counsel



Ryan Marcroft, Deputy Director, Legal

Board Vice Chair Michael Mark led the Board in the Pledge of Allegiance. A quorum was established.

Board Chair Diana Love introduced newly appointed Board Member Henry Nutt III.

Board Chair Diana Love explained that on June 13, 2024, the Board will select new Board Officers to prepare a possible slate for Board Officer consideration and stated she has appointed Board members Mary Teichert and Susan Granzella to a two-person board officer nominating committee.

B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests

Public Comment

There was no public comment.

C. Executive

1. Review and Possible Approval of the December 13, 2023, Board Meeting Minutes

Agenda Item C (1) and Agenda Item C (2) were taken together despite being separate agenda items in anticipation of a lengthy meeting.

Motion: To approve the December 13, 2023, Board Meeting, February 15, 2024, Licensing Committee Meeting, and the March 21, 2024, Legislative Committee Meeting Minutes. Moved by David De La Torre; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

Board Member Comment

There was no comment.

Public Comment

There was no public comment.



2. Review and Possible Approval of the February 15, 2024, Licensing Committee Meeting and March 21, 2024, Legislative Committee Meeting Summary Reports

This item was heard and voted on in Agenda Item C1.

3. Registrar's Report

a. 2023 Accomplishments and Activities Report

Registrar David Fogt presented the 2023 Accomplishments and Activities report, highlighting the enforcement staff's significant role in securing over \$40 million in restitution for consumers and initiating 3,833 legal actions against non-compliant contractors. Registrar Fogt praised Information Technology (IT) for enabling online license renewals, contributing to more than 300,000 transactions. IT efforts also led to the approval of upgrades to the interactive voice response system, and improving public access to CSLB services. The Licensing Division was commended for organizing 51,000 exams and keeping all 47 CSLB exams current within a five-year period. Public Affairs' outreach and call center operations were noted for handling over 99,000 calls in 2023, and for playing a vital role in disaster relief efforts. Registrar Fogt expressed gratitude towards the call center staff for their dedication and acknowledged Budget Manager Stacey Paul for their diligent management of CSLB's finances, maintaining a budget reserve of four months.

b. Update Regarding Progress of Spanish Translation of Written Licensing Examinations

Registrar Fogt announced that although a slideshow was prepared for the current agenda item, it will be postponed for presentation at the Joint Nevada Board Meeting in June. He highlighted the translation of CSLB's top 10 exams and all study guides into Spanish, acknowledging the significant contributions of Licensing Chief Carol Gagnon and Testing Manager Henry Duong in achieving this milestone.

c. Review and Discussion of Cooperative Personnel Services Enforcement Workload Study

Registrar Fogt presented the workload study authorized by the Board, conducted by Cooperative Personnel Services (CPS). The study assessed production targets, operational efficiencies, and strategies for managing an annual influx of 15,000 complaints. During the strategic planning session, Board members endorsed the CPS recommendations, acknowledging their support and dedication to improvement. Registrar Fogt proposed the establishment of a desk investigation unit dedicated to inquiries and consumer complaints, which would be operated by analysts who are not required to perform fieldwork. He elaborated that the board supported the report's recommended development of a training module and the review of CSLB procedure manual to identify opportunities for refinement and a more streamlined process. Registrar Fogt also noted that the adoption of SharePoint software will significantly



increase the efficiency of the enforcement staff. Registrar Fogt outlined a collaborative program targeting contractors with over 10 unresolved complaints. The program's objective is to assist these contractors in revamping their business strategies to effectively resolve existing complaints, reinforce compliance with CSLB regulations, and remove egregious offenders from the marketplace. Registrar Fogt emphasized that CSLB, with its 105 investigative staff members, is inadequately staffed to handle the significant increase in complaints (15,000 received in 2023) indicating that the current workforce is at full capacity and accusations will be pursued against licensees receiving multiple complaints that include serious or repeat violations of contractor's license law. Fogt confirmed the solar industry is the primary reason for the increase in consumer complaints.

Registrar Fogt finished the update with a projected September 5, 2024, meeting date for the CSLB quarterly meeting.

Board Member Comment

Member Granzella commented but the audio was out.

Public Comments

There was no public comment.

4. CSLB Budget Update

Budget Manager Paul presented the CSLB budget update for fiscal year 23-24. Manager Paul outlined CSLB having an authorized \$82 million budget and is projected to have \$91.5 million in revenue, with \$78.5 million in board expenses and \$63 million in mandatory external costs. Paul explained revenue should exceed expenses which would increase reserves to \$32 million, about 4.5 months of operating expenses. Manager Paul highlighted that as of February, CSLB has expended 64 percent of the budget authority and has exceeded the previous year's revenue by 5.3 percent. The final budget for the fiscal year was adjusted upward by \$3.2 million, from \$78.5 million to \$81.7 million, due to a new bargaining unit agreement increasing staff salaries, retirement, and health benefits.

Manager Paul outlined the Governor-ordered budget letter 23-27 to immediately reduce costs to address the state's general fund deficit with an approval-based exemption process to secure mission critical purchases. Manager Paul explained that to date, CSLB has submitted 57 requests with 0 denials.

Manager Paul reviewed the fund condition, which had a beginning balance at \$25 million and projected an increase in reserves to \$32 million by the end of the year. They stated the next budget year is expected to reach 5 months reserves. Manager Paul announced the Construction Management Education Account is healthy and continues to receive steady donations of license contributions thanks to the administration approving the grant disbursement increase to \$225,000 per school. They finished the



update with a statistical summary showing a 17 percent increase in original license applications and 25 percent increase in new licenses issued with the number of renewals up 2.4 percent.

Board Member Comment

Member Granzella congratulated Manager Paul for their hard work on increasing the reserves, which had previously been below one month, and thanked Manager Paul and CSLB staff.

Public Comments

There was no public comment.

5. Administration Update Regarding Personnel and Facilities

Chief Deputy Registrar Jamnetski presented the update for personnel and facilities highlighting 37 promotions in the third quarter while maintaining an 8 percent vacancy rate. Chief Deputy Registrar Jamnetski provided an update on the Request for Proposal (RFP) to study CSLB resources to address unlicensed practice and unlicensed activity both throughout the state and in disaster areas. The RFP contract was initially approved at \$75,000 but was subsequently increased to \$200,000 with the board's approval in December, and due to budget letter 23-27, the RFP must be justified as mission critical with the goal to have it submitted by May 2024. Chief Deputy Registrar Jamnetski ended the facilities update stating headquarters bathrooms were being remodeled.

Board Member Comment

Member De La Torre asked if the vacancies were due to retirement and if promotions were due to vacancies and if those vacancies were filled afterward.

Deputy Registrar Jamnetski responded that each promotion creates a vacancy and to maintain the 8 percent vacancy rate, CSLB moves swiftly to fill those vacancies.

Public Comments

There was no public comment.

6. Information Technology Update

Information Technology (IT) Chief Jason Perez presented the IT update. Chief Perez outlined the May 2024, transition to the Amazon Web Services (AWS) connect, an Interactive Voice Response (IVR) system that will increase call routing and customer service access to things like license-related information and application status. The system includes enhanced security and is more cost effective by reducing the need for physical infrastructure.



Chief Perez described the new Privileged Access Manager (PAM) System to minimize security breaches and their impact by limiting the reach of a breach in CSLB systems. The system is in the testing phase with full implementation expected in June 2024.

Chief Perez discussed the recent approval for the procurement package to automate the sole owner license application workflow. This will promote a 100 percent online application that streamlines processes and reduces time and resources, allowing better services to stakeholders.

Board Member Comment

There was no comment.

Public Comment

Karen Poelstra, a C-46 licensee, stated they had a positive experience renewing their license online in February 2024. They added the process was swift and they were pleased with the immediate confirmation of their renewal.

7. Bagley-Keene Update

DCA Legal Counsel John Kinn presented the four types of meetings that are available under the Bagley-Keene Open Meeting Act as of January 2024. The first meeting is an open meeting like the current meeting, in one location, accessible to the public and open for comment. The second type is a teleconference meeting where the board is in more than one physical location with remote public access to both. The third meeting is a teleconference for advisory boards only to conduct non-governmental decisions and can be held completely remotely. The fourth is a hybrid version of the open meeting where a quorum of the Board members is present at one physical location accessible to the public while other board members are available at locations that may not be open to the public.

Board Member Comment

Member Ruane (*commenting on the Budget agenda item*) asked that although the state of California is in a budget crisis, since CSLB is in a good financial position, does CSLB have restrictions on accessing available funds.

Manager Paul explained that CSLB is under the guidance of the Governor and must abide by Budget Letter 23-27 that includes a detailed exemption process where DCA must review and approve CSLB spending.

Registrar Fogt asked Manager Paul how many exemption requests have been put forth and how many have been approved.

Manager Paul answered 57 have been approved and there has been one denial, but the denial was eventually approved.



Public Comments

There was no public comment.

D. Licensing

1. Licensing and Testing Program Update

Licensing Committee Chair Alan Guy provided the update stating in February 2024 CSLB received over 4,500 applications and in 2023, 47,000 applications, 4,000 more than in 2022 and more than the four years prior. Chair Guy added the largest number of applications were for original exam applications, an increase of 2,000 applications. Chair Guy stated processing times are consistently under the two-week goal since last spring. The goal to stay under 3 weeks continues to be a benchmark. They noted renewal application figures have held steady from 2022 to 2023 with over 117,000 applications processed. Chair Guy finished by stating CSLB held a Licensing Committee Meeting February 15, 2024, to discuss the experience verification unit.

Licensing Chief Carol Gagnon presented the testing update and stated between March 2023 and February 2024 PSI Exams administered more than 49,000 exams for CSLB license candidates and in February 2024 CSLB had record figures with more than 4,600 people taking CSLB exams at a PSI test center. Chief Gagnon added, there are no current backlogs in testing administration and highlighted the opening of two new test centers in August 2023 in Las Vegas, Nevada and Wilsonville, Oregon, with 55 candidates testing in Oregon. Chief Gagnon explained the most popular test centers are in Sacramento, San Diego, and Riverside. Chief Gagnon pointed out exam development staff are working on 15 exams and encourage active licensees to volunteer to help with exam development processes as subject matter experts. Chief Gagnon finished their update mentioning that staff update every exam every five years.

Board Member Comment

There was no comment.

Public Comments

There was no public comment.

2. Review, Discussion and Possible Action Regarding the Experience Verification Unit in the Licensing Division

Licensing Committee Chair Guy updated the Board about the discussions at the February 15, 2024, Licensing Committee Meeting, which revolves around California Code of Regulations section 824. It went into effect in 1980 and required field investigation of 3 percent of all CSLB applications. Chair Guy stated CSLB in 1980 had fewer licensing staff and needed the Enforcement Divisions assistance in reviewing experience applications, therefore, the Experience Verification Unit was necessary to ensure applicants were qualified for licensure and a 3 percent random pull was the most useful means of sending applications for field review by Enforcement staff. The



Experience Verification Unit has moved between Enforcement and Licensing over the years and is currently in the Enforcement Division. Chair Guy added, that since then, CSLB has greatly expanded licensing staff and application review process ensuring each application is closely reviewed by staff before being posted and applications that do not meet requirements are returned to the applicant for further information. They stated, as a result, the 3 percent review was transferred to Enforcement with the focus on applications previously rejected or withdrawn for lack of experience, those flagged because of enforcement investigation, applications suspected of submitting false documentation, and other concerning issues. Chair Guy stated the 3 percent review staff are currently conducting is more accurately described as actively flagged or suspect applications opposed to randomly pulled applications. Guy explained the conclusion of the Licensing Committee meeting was to propose the experience verification continue in the Enforcement Division along with the reporting of it within the Enforcement portion of the board packet, with the focus being flagged and suspect applications, rather than a random 3 percent pull.

Board Member Comment

Board Vice Chair Michael Mark expressed appreciation for bringing experience verification forward and agreed to keeping the EV process to the Enforcement Division.

Public Comments

There was no public comment.

Motion: To approve the staff recommendation that reporting of Experience Verification Unit statistics be moved from the Licensing section to the Enforcement section of future board packets. Moved by Jim Ruane; Michael Mark seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Alan Guy, Susan Granzella, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, James Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

E. Enforcement

1. Enforcement Program Update

Enforcement Committee Chair Jim Ruane presented the Enforcement Update and stated of the 228 enforcement positions, 25 are vacant, with candidates selected to fill



12 of the positions currently awaiting final approval. Chair Ruane discussed enforcement statistics and highlighted that between July 1, 2023, and February 29, 2024, the Enforcement Division opened 13,176 investigations. Chair Ruane added with current staff the optimal caseload is 4,860 pending complaints and as of February 29, 2024, the pending case load was 5,391; the higher caseloads are attributed to increased solar complaints, which are averaging more than 200 complaints a month. Chair Ruane stated staff are working diligently to keep up with complaints, with Staff Service Analysts (SSAs) consistently exceeding their goals of closing or transferring 30 complaints a month and settling 70 percent of all licensee complaints. Chair Ruane noted the weighted monthly case closing average per special investigator is eight closures per month, which is two less than a closure goal of 10. Chair Ruane stated another board goal is to have no more than 100 complaints over 270 days in age and added that as of February 29, 2024, 174 complaints exceed 270 days in age.

Chair Ruane highlighted the Enforcement Division accomplishments and stated both Investigative Centers (ICs) and Intake and Mediation Centers (IMCs) efforts resulted in more than \$26.4 million in restitution to financially injured parties, 275 letters of admonishment, 398 of 1,444 legal actions referred to criminal prosecution, 348 cases to arbitration resulting in \$4.3 million in restitution, 516 licensee citations and 418 non-licensed citations issued, \$492,421 in civil penalties collected, \$246,958 collected for investigation cost recovery, 119 accusations filed, and 193 licenses revoked from accusations and noncompliance in arbitration awards.

Chair Ruane provided an update on proactive enforcement by the Statewide Investigative Fraud Team (SWIFT) which conducted 16 undercover sting operations across the state, participated in 214 sweep days, responded to 566 leads or tips received from the industry and public, and completed 2,184 investigations with 551 cases resulting in administrative or criminal legal actions. Chair Ruane finished the update noting 805 advisory notices were issued for minor violations.

Enforcement Chief Steve Grove presented enforcement complaint highlights. Chief Grove highlighted a case in which a consumer contracted with a solar contractor for solar installation. The contractor received \$52,500 and abandoned the project without performing any work, forcing the consumer to file a complaint with CSLB after the finance company began demanding payment for the loan. Chief Grove noted that CSLB enforcement staff contacted the finance company and explained the consumer had been defrauded and were able to convince the lender to cancel the loan and forgive the loan balance. Chief Grove added that enforcement staff are investigating multiple other complaints against the contractor for administrative and criminal action.

Chief Grove explained a CSLB Special Investigations Unit (SIU) investigation of multiple complaints against licensed roofing contractor Arturo Aguilera of Topete's Roofing who abandoned a project without doing any work or providing materials after receiving multiple progress payments valued at \$120,000. Chief Grove added after Aguilera's license was suspended, he entered into another contract for \$82,000, and after receiving \$44,500 abandoned that job as well. They explained that in 2020 Aguilera



again entered another contract collecting \$22,200 after doing minimal work, forcing that consumer to hire another contractor to complete the work. Chief Grove added in October 2020 Aguilera entered into another contract and abandoned that job as well after receiving the full payment of \$12,500, forcing that consumer to complete the roof themselves for \$5,000. Chief Grove noted CSLB's investigation led to the revocation of Aguilera's license. An accusation was filed, and a criminal case was referred to the Napa County District Attorney's Office. Aguilera faced 15 criminal counts, including theft by false pretenses, grand theft, and elder abuse. Chief Grove stated that in February 2024 the Napa County DA's Office informed CSLB that Aguilera failed to pay restitution and was remanded to custody for 350 days where he was released after serving six months of his sentence.

Board Member Comment

Board Vice Chair Michael Mark commented that \$21 million was given back to the consumers of California due to the hard work of enforcement staff. Mark added the underground economy is very critical and not hiring licensed contractors creates issues. Vice Chair Mark noted that CSLB is a mediation source for consumers and thanked enforcement staff for their hard work.

Public Comments

There was no public comment.

2. Review and Discussion Regarding Unlicensed Developers

(the following item was actually heard during the Legislative Committee Update after item (G)(1)(c) below)

Enforcement Committee Chair Jim Ruane presented the update and stated that at the request of Board Member Jacob Lopez, Board Chair Love approved the agenda item to discuss construction industry licensing requirements related to commercial developers constructing multifamily mixed used projects. Committee Chair Ruane stated Business and Professions Code section 7044 provides a license exemption for property owners making their own improvements under specified circumstances. Chair Ruane added the applicable commercial developer property owner license exemption for this agenda item would be a developer contracting with a licensed B - General Building contractor to perform the work. They mentioned ensuring the contractor is licensed is important to CSLB as a public protection measure and to labor groups because of worker protections found in labor code section 218.7 that holds both a general and subcontractor liable for unpaid wages for commercial projects.

Patty McCarron, Director of Operations for Carpenters Contractors Cooperation Committee Inc., presented to the board a slideshow of AB 1701 and strategies to combat wage theft in the construction industry.



Chief Grove presented to the board an ongoing investigation conducted by Southern SWIFT and EDD on April 9, 2024, at a jobsite where a stop order was issued for a potential workers' compensation violation.

Board Member Comment

Member Galarza asked how PAGA fits into the techniques presented by Patty McCarron.

Member De La Torre asked if AB 1701 applies to both public and private sectors.

Vice Chair Mark stated observing unlicensed contracting in multiple family developments by subcontractors as well and agrees with McCarron's presentation.

Public Comments

McCarron responded and stated PAGA is different where employees can sue the subcontractor directly and explained they're using AB 1701 to sue on behalf of the workers, which allows them to pay the attorneys rather than the Labor Commission.

McCarron responded AB 1701 is applicable to the private sector.

F. Public Affairs

1. Public Affairs Program Update

Public Affairs Committee Chair Miguel Galarza presented the Public Affairs Update for the Public Affairs Office (PAO) which is responsible for media, industry, licensing, and consumer communications including outreach. Chair Galarza added PAO provides public relations, responds to media inquiries, and develops and distributes publications and newsletters and conducts education and outreach for consumers and contractors using sources such as social media, webcasts, and web videos. Chair Galarza noted disaster response is a key component of CSLB's outreach efforts to educate and protect consumers and both property and business owners from unscrupulous contractors during disaster events. They explained between November 1, 2023, and February 9, 2024, CSLB staffed and participated in five Disaster Recovery Centers (DRCs) and added DRCs opened in both Los Angeles and San Diego counties after the recent winter storms. Chair Galarza mentioned with the use of media created during those winter storms, PAO was able to educate and inform licenses, applicants, and consumers with videos on how to navigate the website, tips on how to hire a contractor, summer home improvement projects, reporting unlicensed contractors and many other publications that are shared on the CSLB website, social media, and YouTube.

Chair Galarza added PAO staff has focused on the production and distribution of Spanish-translated consumer and industry-related videos and attributed the growing following on CSLB's social media accounts to PAO's active engagement with consumers by staying up to date with trends. Chair Galarza pointed out CSLB has a growing subscriber list of 193,800 including the licensee information listserv. Chair



Galarza explained the subscription list also receives industry bulletins and press releases related to the new tree and palm contractor classifications, new contractor laws, and significant changes to the 2024 CSLB law book. Chair Galarza added, the most recent releases issued were related to sting results, and CSLB's relationship with the National Association of State Contractors Licensing Agencies (NASCLA) to join a volunteer licensed contractor to assist in providing free and essential home repairs to elderly veterans. Chair Galarza stated PAO has been very busy between November and February responding to 29 media inquiries, varying from high profile cases to undercover sting results, attending outreach events, publishing content for internal communications including 10 employee intranet articles highlighting meetings, updated publications and CSLB's holiday party. Chair Galarza concluded the update and stated the CSLB public information center has improved call center wait times significantly.

Board Member Comment

There was no comment.

Public Comments

JP Tennore from Capistrano Computers suggested the board record opposing the gig economy in the next board meeting. Tennore stated the gig economy allows for workers to work unscrupulously and skirt CSLB law.

Recess at 10:22 a.m.

G. Legislation

1. Update on 2023-2024 Legislation

a. AB 2622 (Carrillo) – Expand the exemption from contractor licensure on a single project from less than \$500 to less than \$5,000

Vice Board Chair Michael Mark presented the update for the proposed 2023-24 legislation beginning with AB 2622 and stated the bill relates to the minor work exemption in the CSLB law, that an existing law states a license is required for work in excess of \$500 or more, and that AB 2622 increases that amount to \$5,000 but the author has proposed amendments.

Registrar Fogt added the bill author is considering reducing the exemption amount, perhaps using the consumer price index, and considering a bond and registration component. Fogt mentioned looking forward to continuing dialogue with Assemblymember Carrillo to produce a proposal that could be brought to the board and the industry and be favorably received.

Vice Chair Mark stated the \$5,000 exemption is too high and although there are amendments being discussed, without any accepted amendments, the staff recommendation is to oppose unless amended.



Public Comment

JP Tennore of Capistrano Computers stated the bill is outrageous and allows the gig worker economy, along with out-of-state contractors to work without licensure. Tennore suggested CSLB consider allowing unlicensed workers work for smaller amounts and possibly lower the limit to zero and possibly remove the handyman's exemption.

Phil Vermeulen of American Contractors Indemnity stated this is the first-time hearing of a registration with a bond and he would discuss it with his clients for feedback.

Board Member Comment

Registrar Fogt stated that the if the board decided to oppose unless amended there would need to be an indication of what the amendments would be and asked if the board would look favorably to raising the exemption based on the consumer price index to around \$1,200 in a way that will protect consumers.

Registrar Fogt additional amendments the board may want to consider would be to raise the minor work exemption based on the consumer price index, around \$1,250, and a bond and registration requirement.

Member Barton asked if it would be appropriate to make a motion for the board to oppose completely.

Vice Chair Mark confirmed the request to oppose the bill outright.

Member Barton confirmed the comment.

Chair Love suggested supporting Registrar Fogt's suggested amendments.

Vice Chair Mark asked Chair Love if there was a specific amendment they supported.

Chair Love stated she supported the friendly amendment of registering unlicensed workers with the possibility of a bond requirement.

Vice Chair Mark asked the maker of the motion if they accept the friendly amendments.

Member Barton declined and stated supporting the bill would encourage unlicensed activity and undermine the CSLB's mission of licensure.

Vice Chair Mark mentioned the bill received a lot of public comments in the Legislative Committee Meeting in March and referenced the volume of complaints that are within the threshold of the current and proposed exemption limit.

Registrar Fogt explained one of the concepts of the registration process would be for handypersons to have a pathway to licensure, such as the B-2 license classification, and stated there could be a process to track those doing this work without permitting activity above the exemption limit.



Public Comment

JP Tennore commented they did not have an issue with raising the exemption limit and suggested registration with a \$2,500 exemption cap and a bond.

Motion: To oppose AB 2622 outright in its entirety. Moved by Joel Barton; Steve Panelli seconded. Motion carried, 8-4-1.

YEA: Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Michael Mark, Henry Nutt III, Steve Panelli

NAY: Alan Guy, Jacob Lopez, Jim Ruane, Mary Teichert

ABSTAIN: Diana Love

ABSENT: Rodney Cobos

b. AB 2677 (Chen) – Exclude surety bond companies from liability for attorney’s fees and costs

Vice Chair Mark explained that AB 2677 deals with the liability of surety companies in amounts higher than that of the bond for which they write. Vice Chair Mark explained that a recent court case found that sureties can be liable for amounts higher than this through paying attorney’s fees as costs in civil litigation. The concern about this is an increase in the costs of the bond. Chair Mark then asked for any public comment.

Board Member Comment

Vice Chair Mark asked Chief Deputy Registrar Jamnetski why the staff recommendation was neutral and what has happened to ask for the Board to move to support.

Chief Deputy Registrar Jamnetski stated in civil lawsuits the winning party can be awarded litigation costs including attorneys’ fees and explained AB 2677 eliminates the ability of claimants to receive attorney fee amounts greater than the bond amount. Chief Deputy Registrar Jamnetski stated the staff’s position questioned if there’s any terms that would deter a bond company from making a good faith payout to a consumer in a case against a contractor.

DCA Legal Counsel Kinn stated prevailing parties usually recover costs by statute, but they don’t include attorney’s fees unless there’s another reason such as bad faith. Kinn explained a consumer may be harmed if not able to collect the full bond amount.

Chief Deputy Registrar Jamnetski expressed concern the exposure from the Karton case may increase underwriting costs and the cost of the bond for the contractor that may be passed on to the consumer.

Vice Chair Mark asked if the board recommendation was still neutral and then asked Vermeulen which committee the bill went to.



Chief Deputy Registrar Jamnetski stated CSLB is a consumer protection board and if the amendments were added to the bill, the Board could find an opportunity to support AB 2677.

Vice Chair Mark asked to restate the amendments.

Counsel Kinn stated AB 2677 was originally presented to the board without fees being included either with the bond or outside of the bond, which resulted in the board taking a neutral position. Kinn stated the amendment was introduced so that fees could be included, but not to exceed the hard cap of recovery against a bonding company for the bond amount.

Member Guy asked in the presence of a claim of \$25,000 if the amendment lowers the amount for a consumer.

Counsel Kinn explained if a claim were \$15,000 plus costs against a \$25,000 bond, the claim would be paid up to the bond amount. Counsel Kinn then stated if there were a claim for \$30,000 and costs, the consumer would be left to pursue civil avenues against the contractor or other parties for any sum in excess of the bond amount.

Registrar Fogt stated the staff recommendation is to support AB 2677 but not as co-sponsor of the bill.

Member Barton made a motion for staff recommendation to support AB 2677.

Public Comments

Phil Vermeulen representing the Flasher Barricade Association expressed support of AB 2677 and listed support from a coalition formed by the Associated General Contractors, Associated General Contractors of San Diego, the American Property Casualty Insurance Association, the Associated Roofing Contractors of the Bay Area, California Builders Alliance, California Building Industry Association, Civil Justice Association of California, Flasher Barricade Association, Masonry Contractors, Painting Contractors, Roofing Contractors Association of California, Sacramento Regional Builders Exchange, Southern California Contractors Association, Union Roofing Contractors Association, United Contractors and the Western Electrical Contractors Association. Vermeulen referenced the court proceeding that resulted in a surety paying hefty attorney fees and asked for support from CSLB.

Vermeulen stated that AB 2677 doesn't preclude civil lawsuits against the respondent and emphasized AB 2677 is specific to the bond amount.

Vermeulen responded to Chief Deputy Registrar Jamnetski's question and confirmed that due to the Karton case, bonding companies are reluctant to provide bonds and suggested bond fees may increase, including stricter underwriting standards making it more challenging for contractors to obtain a bond.



Vermeulen responded that the bill was in the Assembly Judiciary Committee and was expected to go directly to the assembly floor, and afterwards, to the Senate Judiciary, to the senate floor, and then to the governor.

Vermeulen explained the \$25,000 cap is an absolute figure and cannot be exceeded.

Vermeulen explained if the homeowner collects the entire bond, the attorney fees are not applicable.

Motion: To support AB 2677. Moved by Joel Barton; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

It was at this point the Board returned to agenda item E-2 to hear the presentation of Unlicensed Developers Agenda Item (see above) before returning to Legislative Agenda item (G)(1)(c)

c. AB 2993 (Grayson) – Prohibit a contractor from receiving full payment from a finance lender until certain information is confirmed from the consumer and local permitting agencies

Vice Chair Mark stated AB 2993 makes two changes to the home improvement contract requirements by changing cancellation period from three to five days for all consumers to five to seven days for seniors. The other change prohibits contractors from receiving payment for work not performed or materials not delivered whether the payment is from an owner or third-party vendor until the homeowner confirms completion according to contract, final approval for permit requirements, and the home is operational.

Board Member Comment

Member Panelli asked for clarification if the bill is making it to where payment is released through the approval of the homeowner rather than the contractor providing proof of completion.

Registrar Fogt stated existing law requires permit sign off before final payment and referenced recent solar contracts where lenders are paying contractors without confirming completion of the work. This bill allows the lenders to be part of the solution by confirming the work is done and the home is operational.



Member Panelli stated if the permit is in place and the homeowner confirms the work is completed and is operational wouldn't that suffice for payment. They referenced an inspector signing the permit confirms completion of work, and the homeowners' lack of knowledge may create obstacles confirming completion of work.

Registrar Fogt stated Member Panelli's suggestion could be an amendment to the proposal and stated the intent is to make sure the lender and homeowners have evidence of the completion of the work.

Vice Chair Mark stated a recent investigation revealed a lender paid a contractor in full without confirming work being performed and the proposal is a fix to such situations.

Chief Deputy Registrar Jamnetski stated the homeowner is providing written confirmation to the contractor that the project is completed, approved by all permitting agencies and operational. Chief Deputy Registrar Jamnetski added this proposal is going into the home improvement contract section of CSLB law.

Member Panelli cited the proposal text and stated the homeowner does not have the relative knowledge to confirm completion and operational and the onus should be on the inspector and contractor and allowing the homeowner to confirm creates liability for them once they have approved of work performed being complete.

Vice Chair Mark agreed with Panelli and mentioned the homeowner and inspector could sign in tandem.

Panelli stated in his experience payments aren't made until permits are signed and the third-party financier should be responsible for confirming.

Member Galarza stated the lender wants to secure payment and the homeowner has no knowledge of the contractor's completion of work once payment is made.

Member Panelli stated the payment is between the lender and the installer and a signed permit shouldn't be the responsibility of the homeowner.

Member Galarza stated lenders are not asking building departments.

Member Panelli stated the lender should be responsible for confirmation.

Member Teichert commented that the compelling part of the proposal is the inclusion of the homeowner and referenced contractors having been paid for work not being performed. Member Teichert further stated that with this proposal the problem is being addressed by restricting payout without homeowners' confirmation of work performed.

Board Chair Love commented and stated having a home improvement job in her home where the permit was in place, unsigned, and the lender was paid in full. Chair Love expressed support for such legislation allowing the customer to confirm satisfaction with the work completed and operational.



Panelli commented and offered an amendment to put the responsibility of confirming work performed on the lender who would be required to verify permit sign off rather than the homeowner.

Counsel Kinn commented and stated the bill adds an extra layer of protection in instances of unscrupulous contractors receiving payment for work not performed.

Member Panelli stated the responsibility is between the lender and the contractor, not the homeowner.

Counsel Kinn responded the homeowner is stuck with an obligation to the lender without receiving any benefit.

Member Panelli asked if there's a way to make an amendment.

Vice Chair Mark commented and stated what the bill is trying to accomplish, is by making it clear that the permit is final.

Counsel Kinn commented and stated that Panelli can make a motion to oppose unless amended or to support with an amendment.

Registrar Fogt commented he would work with Panelli to define the amendment for the bill author.

Member Panelli agreed to work with staff on the Amendment.

Public Comment

Randy Williamson commented and stated solar can be installed and completed but it could be weeks later until the system is integrated (permission to operate provided by utility), therefore the homeowner wouldn't know the system is functional.

Megan Stimmler commented and stated that in her experience working with numerous financing companies, proof of work completed is required to receive payment. Stimmler referenced in one instance providing photographic proof along with a signed permit, and authorization to operate from PG&E. Stimmler stated putting the onus on the homeowner is unfair to contractors.

Motion: To support AB 2993 with an amendment for staff to work with Steve Panelli on permit notice of completion. Moved by David De La Torre; Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None



ABSTAIN: None

ABSENT: Rodney Cobos

d. SB 1071 (Dodd) – Authorize a contractor to file an exemption from workers’ compensation insurance requirements for contractors who affirm and prove they are operating without employees

Vice Chair Michael Mark presented SB 1071 and explained that five license classifications currently have to have workers’ compensation at all times and all contractors must have workers’ compensation by 2026. The requirement was put into place by a bill sponsored by CSLB, SB 216. SB 1071 would undo SB 216.

Vice Chair Mark stated that Board Chair Diana Love appointed a two-person advisory committee to consider possible alternatives, consisting of Board members Miguel Galarza and Vice Chair Mark to consider possible alternatives.

Vice Chair Mark asked if there were any new in print language to the current language of the bill.

Public Comment

David Gonsalves from Senator Dodd’s office thanked the Board for working with the senator’s office and expressed hope for continuing to working on a proposal that would be in a “sweet spot.”

Gonsalves responded and stated that the language is still in its original form but there have been considerations to adding amendments.

Board Member Comment

Vice Chair Mark stated there were good conversations with stakeholders and asked Member Galarza to comment.

Member Galarza stated there were passionate conversations with stakeholders to hold contractors liable for protecting their employees but there remained a clear concern for existing contractors that may not have workers. Member Galarza added the committee is looking forward to recommended amendments.

Member Barton made a motion to completely oppose SB 1071 and cited statistics of 50 percent of contractors having exemptions.

Member David De La Torre stated opposing any changes to the proposal.

Registrar Fogt commented that the staff recommendation did not include an amendment. Fogt mentioned Senator Dodd’s office has a long-standing history collaborating with CSLB.



Registrar Fogt added that the staff recommendation was not to oppose with an amendment, rather the recommendation was just to oppose.

Vice Chair Mark clarified there were no amendments but to oppose.

Member Panelli stated the proposal puts everyone in the same basket and it is on a case-by-case basis.

Member Galarza asked David Gonsalves with Senator Dodd's office if there were any other potential amendments.

Registrar Fogt explained the next full board meeting would be June 13 and 14.

Member Barton called for the question and debate and vote on the motion.

Public Comment

Ernesto Macias from West Coast Arborists stated opposition to SB 1071 and added the tree trimming industry requires workers. Macias stated work-related injuries, workers' comp premium fraud, and injured workers suing homeowners is reason to oppose SB 1071 or any amendments.

Gonsalves commented and asked the board to afford the opportunity to find a resolution that could work for all parties involved.

Gonsalves suggested a limit on the contract value may support a mandatory workers compensation insurance requirement.

Gonsalves stated there are several issues being considered and suggested a contractor filing an affidavit and the imposing of penalties for falsifying that affidavit. Gonsalves stated the idea is to encourage lawful contracting while enforcing workers' compensation laws.

Motion: To oppose SB 1071 (Dodd) outright as written. Moved by Joel Barton. Steve Panelli seconded. Motion carried, 13-0.

YEA: Diana Love, Joel Barton, David De La Torre, Miguel Galarza, Amanda Gallo, Susan Granzella, Alan Guy, Jacob Lopez, Michael Mark, Henry Nutt III, Steve Panelli, Jim Ruane, Mary Teichert

NAY: None

ABSTAIN: None

ABSENT: Rodney Cobos

Recess at 11:55 a.m.

Renewed Roll Call by Registrar David Fogt at approximately 12:25 p.m.

**Board Members Present**

Diana Love, Chair
Michael Mark, Vice Chair
Jöel Barton
David De La Torre
Amanda Gallo
Susan Granzella
Alan Guy
Jacob Lopez
Henry Nutt III
Jim Ruane

Rodney Cobos, Steven Panelli, Miguel Galarza, and Mary Teichert had excused Absences.

The board then proceeded to take Agenda Item G2 out of order, as follows, with Agenda Item G3 occurring first.

2. Review and Discussion of Possible Legislative Concepts

- a. Legislative Concepts Regarding Business and Professions Code § 7124.6, including the Disclosure of an Accusation to Revoke a Contractor's License on the Licenses of Personnel of Record and the Number of Years of Disclosure of a Citation, Public Reprimand, and Criminal Conviction

Registrar Fogt explained that CSLBs current complaint disclosure policy was supported by the construction industry that wanted to protect consumers from contractors who were subject of complaints likely to result in disciplinary action, or subject to disciplinary action.

Registrar Fogt explained receiving complaints against a contractor that is believed to result in a criminal filing or an accusation to revoke or suspend allows CSLB to disclose that information. Registrar Fogt added disclosure length for letters of admonishment are one to two years, for citations it is five years, disciplinary probation for seven years, and indefinitely for revocation.

Registrar Fogt added that the proposed legislation would clarify how long public reprimands, criminal convictions, and unfair business practices would be disclosed on all entities the license qualifier appears.

Board Member Comment

Vice Chair Mark commented and recalled a consumer making related comments in the March Legislative Committee Meeting and asked if Registrar Fogt was considering an advisory committee to consider the concept.

Registrar Fogt deferred to Chair Love who stated the committee would be a good idea and appointed the following two-board members.



Vice Chair Mark volunteered for the Advisory Committee.

Member Barton volunteered for the Advisory Committee.

Public Comment

There was no public comment.

b. Legislative Concepts Regarding Business and Professions Code § 7002 License Classifications Held by Board Members and Possible Inclusion of a Member Holding a B-2 Residential Remodeling Contractor's License

Chief Deputy Registrar Jamnetski stated that the legislature asked what CSLB thought of having a B-2 licensee on the Board. Chief Deputy Registrar Jamnetski stated the concept was brought back to the board from the Sunset Review hearing for consideration.

Board Member Comment

Member Guy commented and stated he is a B licensee and noted B-2 licenses make up a small amount of the license population and adding or replacing a Board member from that category doesn't make any sense.

Vice Chair Mark stated having a B-2 licensee doesn't have an available seat and concurred with Member Guy's comments.

Member Guy confirmed and stated the B-2 is a subset of the B license without the framing and is too small of a classification to assign a seat.

Vice Chair Mark stated there isn't currently a position and replacing a B with a B-2 undermines the other 100,000 B licensees.

Chief Deputy Registrar Jamnetski stated a possible solution is to reach out to the National Remodeling Association for input and conduct research before making a recommendation.

Vice Chair Mark agreed with Member Guy the concept is unfair to B licensees but there may be a possibility for a B-2 licensee to be a member of the Board.

Chair Love asked is there a restriction for Governor-appointed Board Members.

Registrar Fogt stated board member allocation is 15, with 11 board members appointed by the governor and four appointed by the legislature.

Registrar Fogt added the general B license can perform any work the B-2 is authorized go perform.



Public Comment

There was no public comment.

3. Review, Discussion, and Possible Action on Comments Received During the 45-Day Comment Period Regarding Previously Board-Approved Proposed Rulemaking to Amend Title 16, California Code of Regulations (CCR) Sections 810, 832.10, and 832.46 (Definitions, Class C-10 – Electrical Contractor, and Class C-46 – Solar Contractor)

Vice Chair Michael Mark introduced the item and provided background for the public and new members. CSLB began conducting public meetings in 2016 after receiving questions from the public about the appropriate license classification to install battery energy storage systems (BESS).

Vice Chair Mark described the 2021 UC Berkeley Report findings, subsequent litigation against the Board, and staff efforts with stakeholders between November 2021 and March 2022 to reach agreement between the solar and electrical industry on the appropriate classification to install and BESS, and any related restriction.

Vice Chair Mark mentioned the Board's March 2022 directive that staff consult with an expert to arrive at a kilowatt-hour (kWh) threshold above which it would no longer be appropriate for a C-46 to install BESS. Vice Chair Mark referenced the staff study that proposed a C-46 can install BESS at the same time as a photovoltaic (PV) system if the BESS does not exceed 80 kWh.

Vice Chair Mark stated that on June 16, 2022, the Board approved staff to start the regulatory process to amend the scope of the C-46 solar classification regulation to authorize the C-46 solar classification to install BESS at the same time they are installing a PV system if the BESS to be installed does not exceed 80 kWh.

Vice Chair Mark explained that staff initially filed the rulemaking with the Office of Administrative Law (OAL) which triggered the 45-day public comment period between June 16, 2023, and August 3, 2023. Staff received 975 public comments, which are summarized and responded to in pages 235 through 295 of the April 18, 2024, board packet materials. Vice Chair Mark clarified that the item up for discussion is whether the Board, by majority vote, approves of the responses to written comments that are in the packet between pages 235-295, and authorizes the Registrar to finalize and submit the proposed rulemaking to the OAL for its review and final approval.

Vice Chair Mark explained that staff are not proposing modifying the proposed regulation, leaving the Board with the two options described in the agenda. Withdraw the rulemaking or approve the staff recommendation.

Vice Chair Mark explained that modification of the proposal is possible but there would likely not be enough time to do so before the June 16, 2024, deadline for finalizing the current rulemaking, and that a vote to modify the rulemaking would likely involve starting a new regulation process. If the staff recommendation is approved staff will submit the



final rulemaking documents to OAL and if OAL approves the rulemaking, it would become effective October 1, 2024, or earlier.

Vice Chair Mark stated that there will be three minutes per public commenter and then read the staff recommendation: **to approve the responses drafted to address public comments received during the 45-day comment period on the Board’s proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, approve the amended regulations, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.**

Joel Barton moved; Henry Nutt seconded.

Vice Chair Mark opened it up to public comment.

Public Comment

Due to the volume of public comments. The names of the commenters will be grouped into “supported’ and “opposed” categories. Each comment can be viewed/heard at the following 3 links:

<https://www.youtube.com/watch?v=Dld1a3Ku-o0>

https://www.youtube.com/watch?v=jJUqT5_YrDg

<https://www.youtube.com/watch?v=R1iNY7pCPiE&feature=youtu.be>

Recess at 1:30 p.m.

Supported	Opposed
Brian Holtz	Randy Williamson
Gadsten Moore	Jorge Torres
Scott Wech	Greg Kennedy
Keven Norton	Megan Stimmler
Keesha Wagner	Al Rich
Nancy Romero	Janine Cotter
Eric Estrada	Josh Garcia
Chris Huston	Josh Taylor
Joel Koppel	Nick Armstrong
Roy Leomatawaran	Jonathan Jemma
Jorge Noguerra	Riley Riggs
Kellen Mcdaniels	Shawn Taylor
Martin Insiengmay	Stacey Barnassis
Keya Sheppard	Karen Poelstra
Thomas Gomez	Phil Alwaith
Andrew Conway	Aaron Nitskin
Rachel Schumach	Matt Collins



Supported	Opposed
Ryan Ruse	Laura Stayman
Daryl Long	Lauren Nevitt
Charles James	Stafford Nichols
Robert Holder	Michael Ingram
Adam Asika	Charles Taylor
Benn Pratt	Suzanne Portee
Daniel Luther	Lee Miller
Joe Tremaine	Sharon Mullen
Joel Pickett	Heather Macloud
Mike Tafoya	Nicholas Softdike
Ramona Garcia	Andrew Campbell
Ayesha Davis	Marcus Shapiro
Eva Gutierrez	Dan Johnson
Renee Cruz-Martinez	Wynn Bamberg
Christina Marquez	Dave Rosenfeld
Beso Romero	Josh Buswell-Charkow
Chris Mack	Juan Villa
Will Smith	Michael Donnigan
Jodi Cather	Bernadette Del Chiaro
Rocio Janelli	
Nilda Holguin	
Tim Neal	
Veronica Martinez	
Chris Gleed	
Donny Klute	
Ed Wallace	
Cara Schumaker	
Steve Ross	
Francisco Ferrera	
Fred Aboud	
Delilah Mosely	
Megan Harold	
Nikki Bissett	
Alvin Leone	
Nick Rodriguez	
John Hoang	
Juan Perez	
Oren Sheridan	
Benny Lopez	
Dave Gelfullen	
Antoine Gibbus	
Gabriel Cortez	
Jason Gumataotao	
Serena Moss	
Charlotte Stevens	



Supported	Opposed
Lequania Thompson	
Kayla Jones	
Donny Davis	
Mario Martin	
Mark Goodwin	
Brian Carroll	
Ray Thompson	
Gerald Williams	
Heather Minner	
Gretchen Newsom	
Ed Bernacchi	
Tom Enslow	

Board Member Comment

Vice Chair Mark asked to clarify if there were other classifications that could still do BESS.

Deputy Registrar Jamnetski stated the A and B General Engineering contractors can contracts to install BESS within the scope of the statutes of BPC sections 7056 and 7057.

Vice Chair Mark asked if the 80 kWh hours was applicable to only the C-46.

Registrar Fogt confirmed A, B, and C-10 could conduct work related to BESS within their defined classification authority and were not subject to the 80-kWh limitation.

Member Guy asked if the B classification can work on BESS on its own or coupled with a C-46 license.

Registrar Fogt confirmed that B licenses can do BESS independent of anything else because solar consists of two unrelated trades.

Member Guy asked can if B licenses can install BESS without solar.

Registrar Fogt confirmed A B licensee could contract for a BESS project independent of other trades; however, the B would not be authorized to self-perform the work. The B would need to subcontract to another contractor with a C-10 classification.

Member Guy asked how BESS affects A and B licensees.

Registrar Fogt stated the regulation is related to C-46 classification only by adding battery installation to the classification and does not change or impact the A or B license.



Member Guy asked whether a C-46 licensee is allowed to install a BESS system and follow up if there is a warranty issue.

Chief Deputy Registrar Jamnetski read from the packet and stated the proposed rule will permit the C-46 classification to install an 80Kwh BESS when coupled with a PV system.

Member Guy asked whether a C-46 licensee can install a PV system with a battery.

Chief Deputy Registrar Jamnetski explained that previous staff determinations have stated that a C-46 can install a BESS at the same time as a PV installation.

Member Guy asked whether a contractor could honor a warranty on an installed system.

Chief Deputy Registrar Jamnetski explained the proposed rulemaking does not discuss or impact on a C-46 contractors' ability to honor a warranty.

Member Guy asked whether the installing contractor could perform the warranty.

Legal Deputy Director Ryan Marcroft stated that the question is a fact-specific question and prior to the hearing there was a period to review and analyze public comments that included the warranty issues where there were less than five warranties, and those warranties did not have all the same circumstances and required independent review.

Member Lopez asked for the expansion of incidental work.

Chief Deputy Registrar Jamnetski defined incidental work as any work necessary to perform the trade for which the specialty contractor is licensed.

Member Lopez asked if there were limits to the incidental work.

Chief Deputy Registrar Jamnetski replied the regulation is very fact specific and that the rulemaking clarifies when the work being performed would and wouldn't be incidental or supplemental.

Chief Deputy Registrar Jamnetski stated that as it relates to currently executed warranties/warranties already in place, those warranties are not in front of the Board today. Chief Deputy Registrar Jamnetski added the regulation does not speak to warranties at all, and that it would be hard to believe the regulation affects warranties. Chief Deputy Registrar stated it does not affect the enforcement of the warranties that were provided in the public record for the rulemaking.

Counsel Marcroft stated that he seconded that comment and explained the terms and words of specific contracts matter. Counsel Marcroft added the warranties included in the public comments weren't compelling and didn't support the claims of the commenters.



Counsel Kinn commented and stated CSLB received a letter of several hundred pages on the day of the meeting and that letter is available to the public. Counsel Kinn also mentioned Member Guy being a C-10 licensee that does not perform solar, has no effect on the discussion or action taken today.

Chair Love thanked everyone for the participation and for the turnout from the public comments. Chair Love explained the vote and the result of the vote are important and went on to state the speculative comments and concerns were considered when casting her vote.

Vice Chair Mark commented and recalled previous conversations related to BESS and the 80-kWh threshold and stated his stance has not changed since those conversations.

Member De La Torre commented and stated the CSLB's mission is to protect the consumer and mentioned not hearing in the comments many instances of faulty installation. Member De La Torre added the absence of faulty installation contradicts the speculation that BESS installation is classification specific.

Member Lopez commented and stated his father started out as an unlicensed contractor and compared it to the comments from the public. Member Lopez stated appreciating the mom-and-pop shop comments.

Member Ruane commented and stated the Board is not colluding with PG&E and has not received any influence from PG&E.

Member Barton commented and reiterated the goal is to protect the consumer and his motion is to move and adopt the recommendation.

Vice Chair Mark restated the motion to approve the responses drafted to address public comments received during the 45-day comment period on the Board's proposed regulation related to Definitions, Class C-10 Electrical Contractor, and Class C-46 Solar Contractor, approve the amended regulations, and authorize the Registrar to take all steps necessary to complete the rulemaking and adopt the proposed regulations at Sections 810, 832.10 and 832.46, as noticed.

Motion: To approve the staff recommendation. Passed 8-2-4. Moved by Joel Barton. Henry Nutt III seconded. Motion carried, 8-2.

YEA: Diana Love, Joel Barton, Amanda Gallo, Susan Granzella, Alan Guy, Michael Mark, Henry Nutt III, Jim Ruane.

NAY: David De La Torre, Jacob Lopez

ABSTAIN: None

ABSENT: Rodney Cobos, Miguel Galarza, Steve Panelli, Mary Teichert



H. Adjournment

Motion: To adjourn the June 13-14 Board meeting. Moved by Jacob Lopez. Seconded by Henry Nutt III.

Board Member Comment

Member Granzella thanked Vice Chair Mark for his hard work.

Public Comment

There was no public comment.

The meeting adjourned at 4:05 p.m.