

Minutes

Special Meeting City Council/Public Financing Authority City of Huntington Beach

Tuesday, June 14, 2022
6:00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648
Or via Zoom Webinar

A video recording of the 6:00 PM portion of this meeting
is on file in the Office of the City Clerk, and archived at
www.surfcity-hb.org/government/agendas/

6:00 PM - COUNCIL CHAMBERS

CALLED SPECIAL MEETING TO ORDER — 6:20 PM

ROLL CALL

Assistant City Clerk Patty Esparza announced that Councilmembers Carr and Peterson requested permission to be absent pursuant to Resolution 2001-54, and City Clerk Robin Estanislau requested permission to be absent pursuant to City Charter Section 310 (a).

Present: Bolton, Posey, Delgleize, Moser, and Kalmick
Absent: Peterson, and Carr

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS PERTAINING TO CLOSED SESSION ITEM (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Patty Esparza announced supplemental communications received by her office following distribution of the Council Agenda packet:

Closed Session

#1 (22-534) One (1) email communication received regarding conference with legal counsel regarding litigation for Orange County Power Authority (OCPA).

PUBLIC COMMENTS PERTAINING TO CLOSED SESSION ITEM (3-Minute Time Limit) — 6 In-Person, and 1 Call-In Speakers

The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas>.

Cari Swan was called to speak and shared some historical facts and her opinions to support her position that the Orange County Power Authority (OCPA) was a bad idea from the beginning, and asked Council to accept that the partnership was a mistake, cut the losses, pay the penalty and get out of the energy business. (00:00:46)

Casey McKeon, life-long Huntington Beach resident and former Finance Commission member, was called to speak and shared his opinion that tonight's meeting is an attempt to provide damage control for the debauched Orange County Power Authority (OCPA). Mr. McKeon reminded everyone that they must opt out when notices arrive from OCPA because it appears commercial accounts have been automatically signed up for the most-costly tier. (00:03:43)

Pat Burns, a 29-year resident of Huntington Beach and City Council Candidate in 2022, was called to speak and shared his opinion that getting involved with the Orange County Power Authority (OCPA) was a bad idea from the beginning. He asked that the two Councilmembers who are under the OCPA investigation recuse themselves from any part of the City Council discussions and decision on this matter. (00:06:21)

Gracey Van Der Mark was called to speak and shared her opinion that Council was asked many times in the past by residents to not participate in the Orange County Power Authority (OCPA). She provided examples of businesses whose OCPA power rates have increased by hundreds to thousands of dollars after the switch to OCPA. Ms. Van Der Mark also described the unwieldy process required for a business to opt out of the program, and stated it is now time to get out. (00:08:10)

Patricia Pappas, a 42-year resident of Huntington Beach, was called to speak and asked if the City Attorney was consulted in the process of deciding whether or not to join the Orange County Power Authority (OCPA), or now with the issues that have developed. Ms. Pappas asked for town halls and opportunities to communicate with back-and-forth dialogue. (00:10:53)

Rob Pool was called to speak and noted that Irvine City Council voted to direct their staff to investigate the Orange County Power Authority (OCPA) and its issues of transparency. Mr. Pool stated his opinion that beyond the miss-management of the OCPA, it appears that Mayor Pro Tem Posey and Councilmember Kalmick are implicated for a back-room scheme that violated provisions of the Brown Act. Mr. Pool asked for an immediate investigation with subpoena power, of the actions of Councilmembers Kalmick and Posey, in an attempt to determine the viability of these accusations and remove them from Council, or clear them of the charges. (00:13:09)

Caller Tony Riccobono, a proponent of renewable energy and an engineer, was invited to speak and shared his opinion that reliably transmitting power to millions of residents and businesses at reasonable costs is a complex endeavor that requires significant experience and knowledge. He asked how OCPA will avoid burdening residents with exorbitant costs and stated this concern makes him fearful of participating in the program. He urged the City to explore the many other options available to support use of renewable energy. (00:15:59)

A motion by Posey, second by Moser to recess to Closed Session. With no objections the motion passed.

RECESSED TO CLOSED SESSION – 6:40 PM

CLOSED SESSION

- 1. 22-534 CONFERENCE WITH LEGAL COUNSEL-LITIGATION (Gov. Code section 54956.9(d)(4).): Number of Matters: One (1) - Orange County Power Authority**

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY SPECIAL MEETING — 7:02 PM

ROLL CALL

Assistant City Clerk Patty Esparza announced that Councilmembers Carr and Peterson requested permission to be absent pursuant to Resolution 2001-54, and City Clerk Robin Estanislau requested permission to be absent pursuant to City Charter Section 310 (a).

Present: Bolton, Posey, Delgleize, Moser, and Kalmick
Absent: Peterson, and Carr

CLOSED SESSION REPORT BY CITY ATTORNEY — City Attorney Michael Gates reported that by a 5–0 vote, with Peterson and Carr absent, the City Council authorized the City Attorney to take legal action, if necessary, against the Orange County Power Authority (OCPA), in order to protect the City of Huntington Beach's interests as a member city to the OCPA.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Esparza announced supplemental communications received by her office following distribution of the Council Agenda packet:

Administrative Items

#2 (22-535) Twelve (12) email communications received regarding consideration of actions concerning the Orange County Power Authority (OCPA).

PUBLIC COMMENTS (3 Minute Time Limit) — 2 Speakers

The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas>.

Rob Pool was called to speak and stated he was not surprised by the Public Utility Commission \$2M fine imposed on the Orange County Power Authority, a fine that is paid with public money from the taxpayers. He encouraged Councilmembers to listen to public speakers, who he believes generally have the best interests of the City at heart and are trying to be helpful in sharing their comments. (00:22:15)

Carrin was called to speak and shared her opinion that Councilmembers are not serving the residents of Huntington Beach. (00:24:20)

ADMINISTRATIVE ITEMS

- 2. 22-535 Discussed concerns regarding an apparent lack of transparency at the Orange County Power Authority, and moved to support Irvine's consideration of authorizing an audit of the Orange County Power Authority to, among other things, obtain access to records that should have been made readily available to member agencies and members of the general public that, in the interest of transparency, would facilitate public accountability of the appointed OCPA management**

Interim City Manager Sean Joyce announced this item is on the agenda at the request of Councilmember Kalmick.

Councilmember Kalmick stated that since Mayor Pro Tem Posey stepped down from the Orange County Power Authority (OCPA), and the City Council appointed him to represent Huntington Beach on the OCPA Board, they have run into a brick wall. He called for a Closed Session to discuss remedies, and his intent to discuss some of the issues he sees as a new OCPA Board member. He further stated he believes the situation can be fixed, and shared that from his perspective the OCPA Board issues are related to lack of transparency, lack of public trust, and lack of proper communication. He noted that his own OCPA Public Records Requests are going unanswered.

Mayor Pro Tem Posey explained that he resigned from the OCPA Board because his City Council position terms out this year, and his belief in succession planning. He stated support for the concerns expressed by Councilmember Kalmick. He also recommended cooperation with Irvine's plan for a forensic audit rather than supporting parallel actions, and asking City Attorney Michael Gates' office to review OCPA policies and procedures. Mayor Pro Tem Posey also recommended a delay regarding a public statement concerning the management of the OCPA until after an investigation, and there is a solid foundation for an accurate statement.

Mayor Pro Tem Posey stated he believes in the mission of the OCPA, the importance of greenhouse gas reduction, and providing business and consumer choice.

Councilmember Moser stated her support for this conversation, and the importance of communication and constituent engagement. She shared her concern about the lack of appropriate experience and expertise for OCPA staff, and stated her support for cooperating with Irvine's efforts for an audit as the best use of resources. Councilmember Moser also stated her support for town hall meetings, disclosure and transparency of OCPA rates, and noted there are other agencies that have modeled how to do this right. Her expectation is that with relevant, qualified, responsive and transparent leadership, and open and transparent hiring practices, then the OCPA will be successful.

Councilmember Bolton stated her support for an audit of OCPA finances and practices, and introducing competition into the energy market. She also stated her support for delaying a public statement concerning the management of the OCPA until after audit details are available.

Mayor Delgleize stated her support for town hall meetings, transparency, and communication, and noted she serves on other successful Joint Power Authorities. She added that with serious accountability, better governance and the right staff, she believes that OCTA will benefit Orange County and Huntington Beach.

Councilmember Kalmick stated support for making a public statement concerning the management of the OCPA and his belief that the City should take a strong stance.

Councilmember Kalmick shared his belief that Huntington Beach is being singled out after his efforts to discuss the employment of the OCPA CEO with the OCPA Board, and filing a letter with majority support of the OCPA Board to call a meeting to discuss the issue. He further stated that subsequent charges are false, and he would like to see City Council take a vote of no confidence in the OCPA CEO.

Councilmember Moser stated her support for Councilmember Kalmick's request for a vote of no confidence in the OCPA CEO.

Mayor Pro Tem Posey stated he believes the current information regarding a public statement concerning the management of the OCPA is anecdotal at this point, and baseless accusations without any substantiation, suggesting that an audit will demonstrate a solid basis for confidence level.

A motion was made by Kalmick, second Moser for a vote of no confidence in the Orange County Power Authority CEO.

The motion carried by the following vote:

AYES: Bolton, Delgleize, Moser, and Kalmick
NOES: Posey
ABSENT: Peterson, and Carr

An motion was made by Kalmick, second Moser to discuss concerns regarding an apparent lack of transparency at the Orange County Power Authority, and support Irvine's consideration of authorizing an audit of the Orange County Power Authority to, among other things, obtain access to records that should have been made readily available to member agencies and members of the general public that, in the interest of transparency, would facilitate public accountability of the appointed OCPA management, **as amended to offer the services of Huntington Beach staff to support Irvine's audit.**

The motion as amended carried by the following vote:

AYES: Bolton, Posey, Delgleize, Moser, and Kalmick
NOES: None
ABSENT: Peterson, and Carr

ADJOURNMENT — 7:30 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Tuesday, June 21, 2022, at 4:00 PM in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

Internet access to City Council/Public Financing Authority Agenda and Staff Report material is available prior to City Council meetings at:
<http://www.huntingtonbeachca.gov>



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary

Mayor-Chair