



MINUTES

CITY COUNCIL SPECIAL MEETING

June 14, 2022
City Council Chamber
1 Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The special meeting of the Irvine City Council was called to order at 3:03 p.m. on June 14, 2022, in the City Council Chamber, Irvine Civic Center, 1 Civic Center Plaza, Irvine, California; Mayor Khan presiding.

ROLL CALL

Present:	4	Councilmember	Larry Agran
		Councilmember	Tammy Kim
		Vice Mayor	Anthony Kuo
		Mayor	Farrah N. Khan
Absent:	1	Councilmember	Mike Carroll

Mayor Khan noted additional opportunities to participate in the meeting virtually; and encouraged those providing public comments to be civil, polite, and courteous when addressing one another, City staff, and members of the public.

In addition, Carl Petersen, City Clerk, provided instructions on how to participate in the meeting; and noted that the e-comment feature had been extended, which allowed members of the public the ability to submit e-comments on all agenda items, which would be included as part of the official record and uploaded to the City's website.

PUBLIC COMMENTS - AGENDIZED ITEMS

Item 1.1

Susan Sayre, Irvine resident, spoke in support of public transparency needs and requested documentation that details consumer benefits from the Orange County Power Authority (OCPA).

Melisa Masri, Irvine resident, noted a provision in the OCPA Joint Powers agreement and suggested a pre-launch audit of expenditures from the OCPA.

Alan Meyerson, Irvine resident, expressed concern about the potential for conflict of interest for City Councilmembers who serve concurrently on the OCPA.

Harvey Liss, Irvine resident, noted concerns related to the OCPA that included the appropriation of funds, public misinformation, and potential risks for City loss.

Linda Kraemer, Irvine resident, spoke in support of an audit of the OCPA and community choice aggregation for public utility use.

David Johnson, Irvine resident, expressed concern about the need for public information and inquired about where to obtain consumer updates on the OCPA's website.

Branda Lin, Irvine resident, noted OCPA startup costs, and expressed concern about consumer updates, the agency's responsiveness to public records requests, policies for Boardmember voting, and management qualifications; and spoke in support of the establishment of bylaws for OCPA.

Gene Kaplan, Irvine resident, spoke in opposition to consulting costs; and recommended the need to obtain qualified and experienced Boardmembers to manage the provisions outlined in the joint agreement.

Doug Elliott, Irvine resident, spoke in support of residential involvement for routine proceedings conducted with the OCPA and an agency audit.

Dee Fox, Irvine resident, spoke in opposition to ongoing OCPA consulting costs, and expressed concern related to financial risks, agency's management, and current debt.

Michelle Johnson, Irvine resident, expressed concern about the potential for risks to consumers, and spoke in opposition to the OCPA's compliance issues with its letter of credit, financial liabilities, and debt.

Don Geller, Irvine resident, noted the need for more public information, and recommended community choice aggregation to encourage residential use of renewable resources and facilitate lower costs.

Jeremy Ficarola, Irvine resident, spoke in support of the demand for transparency from OCPA, and suggested more consumer information about the agency's operations in addition to information detailing opt-out notifications and businesses that choose to opt-out.

George Weiss, Laguna Beach Councilmember, expressed concern regarding public transparency, and the qualifications and expertise of the OCPA's leadership.

Steve Berger, Irvine resident, spoke in support of the need for public transparency, and recommended full disclosure of the organization's operations.

David Lingerfelt, Irvine resident, noted the ease of accessibility to public information posted on the Orange County Power Authority's website, and suggested that a town hall meeting be conducted to address residential concerns.

Luis Huang, Irvine resident, spoke in opposition to the Orange County Power Authority's management team and City Councilmembers serving on its Board, and noted the potential for City loss as well as other utility agencies that provide consumer incentives to opt-in.

1. COUNCIL BUSINESS

1.1 *CONSIDERATION OF A REQUEST BY MAYOR KHAN AND COUNCILMEMBER AGRAN TO DISCUSS THE ORANGE COUNTY POWER AUTHORITY*

This item was agendaized at the request of Mayor Khan and Councilmember Agran to discuss the Orange County Power Authority, as well as a potential audit and the City's exposure to liability.

City Council discussion included: noting responses to residential inquires and how OCPA consumers could obtain additional information regarding OCPA; reiterated that OCPA was not currently serving residents; noted the opt-out rate for businesses; provided additional information related to imposed fines by the California Public Utilities Commission and their relation to Senate Bill 162; expressed concern about the City's liability; inquired about OCPA's leadership and staffing, including compensation; reiterated consumer benefits; expressed concern about OCPA's responsiveness to public records requests; inquired about the timeline of public notification for consumer opt-out; discussed the distribution of OCPA Boardmember meeting materials; questioned the establishment of OCPA bylaws; inquired about the monthly and yearly revenues and expenditures of OCPA's actuals in comparison to its initial budget, as well as any contingency plans; questioned the timeline for obtaining copies of all executed agreements; questioned the fiscal impact related to the fine levied by the California Public

Utilities Commission; questioned the loss of revenue based on business opt-out rates; suggested a financial audit of the OCPA; inquired about the opt-out process for residential consumers; questioned whether a special City Council meeting in two weeks would be enough time to meet noticing requirements and provide a progress report on OCPA; and inquired about the process for obtaining special legal counsel.

ACTION: Moved by Councilmember Agran, to authorize and direct the City Manager to do the following:

- 1) Facilitate commencement of an independent, comprehensive forensic audit of the Orange County Power Authority (OCPA) pursuant to the provisions of the Capital Loan Agreement between the City and OCPA.
- 2) Retain special legal counsel and other appropriate specialists to: a) advise and assist the City in determining the near-term viability of the OCPA as a power-purchasing entity, and b) advise and assist the City in mitigating and otherwise limiting any actual and potential losses to the City, City taxpayers, and electricity ratepayers.
- 3) Make a progress report at a continued special meeting of the Irvine City Council at 1 pm on June 28, 2022, and such progress report shall include any request by the City Manager for additional authority and/or direction that he may deem necessary to secure the cooperation of OCPA officials and others in pursuing and protecting the City's interest.

ACTION: A friendly amendment was made by Mayor Khan, accepted by Councilmember Agran as the maker of the motion, seconded by Mayor Khan, and unanimously carried by those members present (Councilmember Carroll absent), to authorize and direct the City Manager to do the following:

- 1) Facilitate commencement of an independent, comprehensive forensic audit of the Orange County Power Authority (OCPA) pursuant to the provisions of the Capital Loan Agreement between the City and OCPA.
- 2) Retain special legal counsel and other appropriate specialists to: a) advise and assist the City in determining the near-term viability of the OCPA as a power-purchasing entity, and b) advise and assist the City in mitigating and otherwise limiting any actual and potential losses to the City, City taxpayers, and electricity ratepayers.

- 3) Make a progress report at a continued special meeting of the Irvine City Council at 1:00 pm on June 28, 2022, and such progress report shall include any request by the City Manager for additional authority and/or direction that he may deem necessary to secure the cooperation of OCPA officials and others in pursuing and protecting the City's interest.
- 4) Determine if the approaches taken by OCPA staff are appropriate and/or legal with respect to agenda items, scheduling special meetings, and responding to Public Records Act (PRA) requests.

ADJOURNMENT

Moved by Vice Mayor Kuo, seconded by Councilmember Kim, and unanimously carried by those members present (Councilmember Carroll absent), to adjourn the special City Council meeting at 4:19 p.m.



MAYOR OF THE CITY OF IRVINE



CITY CLERK OF THE CITY OF IRVINE

July 12, 2022