

BOARD MEETING DATE: February 1, 2019

AGENDA NO. 7

PROPOSAL: Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services

SYNOPSIS: This action is to appropriate \$450,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2018-19 Budget and amend or execute contracts for legal counsel for specialized, environmental, and other litigation.

COMMITTEE: Administrative, January 10, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$450,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2018-19 Budget, Services and Supplies Major Object, Professional and Special Services Account.
2. Authorize the Chairman or the Executive Officer, depending on whether the amount exceeds \$75,000, to amend or execute contracts with legal counsel handling existing matters, as well as prequalified counsel approved by the Board, and specialized legal counsel and services, as the need arises.

Wayne Natri
Executive Officer

BTG:lal

Background

The FY 2018-19 Budget as adjusted December 7, 2018, included \$279,500 for litigation expenses in environmental law and other cases and specialized legal counsel and services. The total amount currently allocated will not cover current and anticipated costs of legal counsel and specialized counsel and services.

SCAQMD will require an additional amount of up to \$450,000 for these services. Monies will be expended on lawsuits and legal proceedings, including a bankruptcy case in the Exide matter; drafting legislation and advising staff regarding the proposed ballot initiative to authorize a sales tax; the Anaplex case resulting from toxics monitoring in the Paramount area; confidentiality issues related to modified hydrogen fluoride; and defending on Appeal the challenge to SCAQMD's environmental analysis of the Tesoro Los Angeles Refinery Integration and Compliance project. In the Tesoro

case, Tesoro will reimburse the SCAQMD for attorney's fees and other costs once the case is completed. Accordingly, staff is requesting an appropriation of funds in the amount of \$450,000, for a total expected expenditure of \$729,500 this fiscal year.

Proposal

In order to defend ongoing litigation, and continue other legal work, it is necessary to appropriate additional funds for expenditures by outside counsel. It is expected that ongoing lawsuits and other legal work will require an additional \$450,000 for attorney's fees and costs for prequalified counsel approved by the Board with specialized legal counsel and services, as the need arises.

Resource Impacts

Sufficient funds are available in Legal's FY 2018-19 Budget upon approval of this Board letter. This action will bring the total amount of outside counsel costs approved by the Board in FY 2018-19 to \$729,500.