

BOARD MEETING DATE: April 3, 2020

AGENDA NO. 11

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

SYNOPSIS: This action is to appropriate \$460,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2019-20 and/or FY 2020-21 Budgets and amend or execute contracts for legal counsel for specialized, environmental, and other litigation.

COMMITTEE: Administrative, March 13, 2020; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$460,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2019-20 and/or FY 2020-21 Budgets, Services and Supplies Major Object, Professional and Special Services Account; and
2. Authorize the Chairman or the Executive Officer, depending on whether the amount exceeds \$100,000, 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

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Background

The FY 2019-20 Adopted Budget includes \$246,001 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.

South Coast AQMD will require an additional amount of up to \$460,000 for these services. Monies will be expended on lawsuits and legal proceedings, including an appeal in the Exide matter; defending on Appeal the challenge to South Coast AQMD's

environmental analysis of the Tesoro Los Angeles Refinery Integration and Compliance project; potential litigation regarding EPA's recent actions, and other matters. In the Tesoro case, Tesoro will reimburse the South Coast AQMD for attorney's fees and other costs once the case is completed. Accordingly, staff is requesting an appropriation of funds in the amount of \$460,000 for a total expected expenditure of \$1,156,001 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 \$460,000 for attorneys handling existing matters, prequalified counsel approved by the Board, and with specialized legal counsel and services, as the need arises.

Resource Impacts

Sufficient funds will be available in Legal's FY 2019-20 Budget upon approval of this Board letter. This action will bring the total amount of outside counsel costs approved by the Board in FY 2019-20 to \$1,156,001.