

BOARD MEETING DATE: June 3, 2022

AGENDA NO. 9

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

**SYNOPSIS:** This action is to appropriate \$480,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2021-22 and/or FY 2022-23 Budgets, and amend or execute contracts for legal counsel for specialized, environmental and other litigation.

**COMMITTEE:** Administrative, May 12, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Appropriate \$480,000 from the General Fund Undesignated (Unassigned) Fund Balance to Legal's FY 2021-22 and/or FY 2022-23 Budgets, Services and Supplies Major Object, Professional and Special Services Account.
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 Nastri  
Executive Officer

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**Background**

The FY 2021-22 Adopted Budget includes \$246,001 for litigation expenses in environmental law, specialized legal areas, and other litigation. On October 1, 2021, the Board approved appropriation of \$480,000 for this fiscal year. The total amount currently allocated will not cover current and anticipated costs of legal counsel and specialized counsel and services for the remainder of this fiscal year.

South Coast AQMD will require an additional amount of up to \$480,000 for these services. Money will be expended on lawsuits, legal proceedings, legal advice and other

matters. These matters include, but are not limited to, defending the Warehouse ISR rule, potential litigation regarding EPA's recent actions, analyzing and addressing CEQA and RECLAIM issues, defending lawsuits, and other matters. Accordingly, staff is requesting an appropriation of funds in the amount of \$480,000 for FY 2021-22, and any unused funds for FY 2022-23.

**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 \$480,000 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 from the Undesignated (Unassigned) Fund Balance in FY 2021-22 Budget upon approval of this Board letter.