

BOARD MEETING DATE: November 4, 2022

AGENDA NO. 8

PROPOSAL: Amend FY 2022-23 Budget by Adding Funds to Legal's FY 2022-23 Budgets, Services and Supplies Major Object, Professional and Special Services Account to Cover Costs of Legal Counsel and Specialized Counsel and Services and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services

SYNOPSIS: This item is to amend the FY 2022-23 Budget to add \$754,000 to Legal's FY 2022-23 Budget to cover anticipated costs of legal counsel and specialized counsel and services, and amend or execute contracts for legal counsel for specialized, environmental, and other litigation. This action will result in an increased annual cost of \$754,000. Funding for the budget will be appropriated into the FY 2022-23 Budget from the Undesignated (Unassigned) Fund Balance and will be requested in future budgets.

COMMITTEE: Administrative, October 14, 2022; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$754,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2022-23 Budget or, if unused during that year, into the FY 2023-24 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. Allow the Executive Officer to amend or execute such contracts over \$100,000 with the Chair's delegation.

Wayne Nastri
Executive Officer

Background

The FY 2022-23 Adopted Budget includes \$246,000 for litigation expenses in environmental law, specialized legal areas, and other litigation. The total amount currently allocated will not cover current and anticipated costs of legal counsel and specialized counsel and services. Historically, this amount has not been sufficient to cover these costs. This item will add funds to reflect historical costs for these services.

South Coast AQMD will require an additional amount of \$754,000 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 need to further reduce emissions from federal sources, analyzing and addressing CEQA and RECLAIM issues, defending lawsuits, and other matters. Accordingly, staff is requesting an appropriation of funds in the amount of \$754,000. The funds requested through this Budget amendment will result in a total annual budget of \$1,000,000 for litigation expenses for this fiscal year.

Proposal

In order to defend ongoing litigation and continue other legal work, it is necessary to amend the FY 2022-23 or FY 2023-24 Budgets to add funds for expenditures by outside counsel. It is expected that ongoing lawsuits and other legal work will require an additional \$754,000 for attorneys handling existing matters, prequalified counsel approved by the Board, and with specialized legal counsel and services, as the need arises.

Resource Impacts

This action will result in an increased annual cost of \$754,000. Funding for the budget will be appropriated into the FY 2022-23 Budget from the Undesignated (Unassigned) Fund Balance and will be requested in future budgets.