

BOARD MEETING DATE: May 4, 2018

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 \$450,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2017-18 Budget and amend or execute contracts for prequalified counsel approved by the Board and for specialized legal counsel and services for environmental litigation.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$450,000 from Undesignated (Unassigned) Fund Balance to Legal's FY 2017-18 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. This action will bring the total amount of outside counsel costs approved by the Board in FY 2017-18 to \$1,079,500.

Wayne Nastri
Executive Officer

BTG:vmr

Background

The FY 2017-18 Budget for Legal included \$279,500 for litigation expenses in environmental law 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; court proceedings in a challenge to the Board's adoption of the December 2015 RECLAIM amendments; the Anaplex case resulting from toxics monitoring in the Paramount area; and defending the challenge to the 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 \$1,079,500 this fiscal year.

Proposal

In order to defend on-going litigation, it is necessary to appropriate additional funds for expenditures by outside counsel. It is expected that ongoing lawsuits will require that the additional \$450,000 for attorney's fees and costs for 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 2017-18 Budget upon approval of this Board letter.