

BUDGET AND FINANCE COMMITTEE REPORT relative to proposed amendments to Contract Nos. C-140018 and C-139942 with Beveridge & Diamond PC for legal services related to the July 11, 2021 flooding incident at the Hyperion Reclamation Plant, in the cases entitled Mecklenburg v. Hyperion Water Reclamation Plant; Abdelnur v. City of Los Angeles; and, Konig v. City of Los Angeles.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE an amendment to Contract No. C-140018 with Beveridge & Diamond PC that extends its term to January 15, 2029, and increases the contract ceiling by \$2.7 million, for a total contract amount of \$5.95 million.
2. APPROVE an amendment to Contract No. C-139942 with Beveridge & Diamond PC that extends its term to January 15, 2029, and increases the contract ceiling by \$430,000, for a total contract amount of \$5.13 million.
3. AUTHORIZE the City Attorney, or designee, to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the Chief Administrative Officer (CAO); and, AUTHORIZE the Controller to implement the instructions.

[The Committee may recess to Closed Session pursuant to Government Code Sections 54956.9(d)(1), (d)(2), and (e)(1), to confer with its legal counsel to discuss the need for term extensions and additional funding for the outside counsel contracts relative to significant exposure to litigation, including the pending personal injury litigation case entitled Mecklenburg v. Hyperion Water Reclamation Plant, Los Angeles Superior Court (LASC) Case No. 21STCV28114; mass tort litigation case entitled Abdelnur v. City of Los Angeles, LASC Case No. 22STCV00153; and, Konig v. City of Los Angeles, LASC Case No. 22STCV00970. (These cases arise from regulatory enforcement, civil, and administrative matters that pertain to the July 11, 2021 flooding incident at the Bureau of Sanitation’s Hyperion Water Reclamation Plant.)]

Fiscal Impact Statement: None submitted by the City Attorney. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted

SUMMARY

At a Special meeting held on March 23, 2026, your Budget and Finance Committee considered a City Attorney report, dated February 11, 2026, relative to the proposed amendments to Contract Nos. C-140018 and C-139942 with Beveridge & Diamond PC for legal services related to the July 11, 2021 flooding incident at the Hyperion Reclamation Plant in the cases entitled Mecklenburg v. Hyperion Water Reclamation Plant, Abdelnur v. City of Los Angeles, and Konig v. City of Los Angeles; and, a separate matter involving significant exposure to litigation. The proposed amendment to Contract No. 140018 extends the term to January 15, 2029, and increases the contract ceiling by \$2.7 million, for a total contract amount of \$5.95 million. The proposed amendment to Contract No. C-139942 also extends the term to January 15, 2029, and increases the contract ceiling by \$430,000, for a total contract amount of \$5.13 million. The amended contracts will be paid from Bureau of Sanitation special funds. After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the City Attorney report in Open Session, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	ABSENT
HERNANDEZ:	YES

AXB
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-NOT OFFICIAL UNTIL COUNCIL ACTS-