

**AGENDA OF THE REGULAR MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1
THURSDAY, JUNE 5, 2008, AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

BOARD OF HARBOR COMMISSIONERS

President S. David Freeman

Vice President Jerilyn López Mendoza

Commissioner Kaylynn L. Kim

Commissioner Douglas P. Krause

Commissioner Joseph R. Radisich

**A. OPENING STATEMENT – AN OPPORTUNITY FOR MEMBERS
OF THE PUBLIC TO ADDRESS THIS BOARD**

**PERSONS IN THE AUDIENCE MAY ADDRESS THIS BOARD
IN CONNECTION WITH ANY AGENDA ITEM OR DURING
THE PUBLIC COMMENT PERIOD.**

**AS PROVIDED BY THE BROWN ACT, THE BOARD HAS
LIMITED EACH INDIVIDUAL'S SPEAKING TIME TO THREE
MINUTES. ANYONE DESIRING TO SPEAK DURING THE
PUBLIC COMMENT PERIOD IS REQUESTED TO COMPLETE
A SPEAKER CARD AND SUBMIT IT TO THE COMMISSION
SECRETARY, VIA THE SERGEANT AT ARMS, PRIOR TO THE
START OF THE MEETING.**

Commission actions, except actions which are subject to appeal or review by the Council pursuant to other provisions of the Charter, ordinance or other applicable law, are not final until the expiration of the next five meeting days of the City Council during which the Council has convened in regular session. If the Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Please note that this agenda is subject to revision in accordance with the Brown Act. In the event the agenda is revised prior to the meeting, Port staff will endeavor to post the revised agenda on the Port's web site (<http://www.portoflosangeles.org>). Updated agendas also will be available in hard copy at the meeting. Live Board meetings can also be heard at: (213) 621-City (Metro), (818) 904-9450 (Valley), (310) 471-City (Westside) and (310) 547-City (Harbor).

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities.

Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the Commission office at (310) 732-3444.

Interpretes de señas, sistemas auditivos y servicios de traducciones están disponibles. Para asegurar disponibilidad, se requiere solicitarlos con 72 horas de anticipación. Para hacer la solicitud, llame a la oficina de la Comisión al (310) 732-3444.

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B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. REPORT OF THE EXECUTIVE DIRECTOR

D. REPORTS OF COMMISSIONERS

E. BOARD COMMITTEE REPORTS

F. PRESENTATIONS

- 1. Water Resource Action Plan
Dr. Ralph Appy, Director of Environmental Mgmt.**

G. APPROVAL OF MINUTES OF A PREVIOUS MEETING

Minutes of the Regular meetings of Los Angeles Board of Harbor Commissioners of April 3, 2008 and April 17, 2008 and Special meeting of April 3, 2008 be approved.

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H. REPORTS OF THE EXECUTIVE DIRECTOR

Consent Items (1-13)

Real Estate Division

1. Re: ORDER NO. _____ AND ORDINANCE -
PROPOSED LEASE AGREEMENT BETWEEN CLEAN
ENERGY, THE PORT OF LOS ANGELES, AND THE
PORT OF LONG BEACH
RESOLUTION NO. _____ - PROPOSED CONTRACT
AND RIGHT OF ENTRY AGREEMENT BETWEEN CLEAN
ENERGY, THE PORT OF LOS ANGELES, AND THE
PORT OF LONG BEACH

SUMMARY: The proposed action requests Board approval of a proposed Contract, Right of Entry Agreement, and Lease Agreement between the Port of Los Angeles (POLA), the Port of Long Beach (POLB), and Clean Energy for the construction and maintenance of a new Liquefied Natural Gas (LNG) fueling station. The proposed site for the new LNG fueling station includes property owned solely by the POLB and an adjacent 1.1 acre parcel that is jointly owned by the POLA and the POLB (collectively, "Ports"). The Right of Entry and Leasing Agreements are applicable to the parcel owned by the Ports. The new LNG fueling station will serve to fill the current and future needs of LNG trucks and equipment at the Ports.

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1. (Continued)

Recommendation: Board resolve that (1) the proposed Contract, Right of Entry Agreement, and Lease Agreement between Clean Energy, and the POLA, acting by and through its Board, and the POLB, acting by and through its Board; and other documents associated with the recordation of Parcel Map L.A. No. 2004-2141, be approved; (2) the Resolution approving the proposed Contract and Right of Entry Agreement be adopted; (3) the Executive Director and the Board Secretary be authorized to execute and attest to the proposed Contract and Right of Entry Agreement; (4) the Order and Ordinance approving the proposed Lease Agreement be adopted; (5) the Board Secretary be authorized and directed to transmit the Order, Ordinance, and Lease Agreement to the City Council for its approval pursuant to Section 606 of the City Charter; and (6) the Executive Director and the Board Secretary be authorized to execute and attest to the proposed Lease Agreement upon approval by City Council.

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2. Re: ORDER NO. ____ - PROPOSED JOINT REVOCABLE PERMIT NO. 07-14 WITH THE COUNTY OF LOS ANGELES, THE PORT OF LOS ANGELES, AND THE PORT OF LONG BEACH (LAHD #70017)

SUMMARY: The County of Los Angeles (County) is requesting a Joint Revocable Permit (JRP) between the Port of Los Angeles (POLA) and the Port of Long Beach (POLB) to replace Revocable Permit #HD-5942, which has been on holdover status since October 2004. The JRP granted the County use of 190-square feet of land in the jointly-owned right-of-way (ROW) for vehicular and pedestrian access to an adjacent County facility located in the City of South Gate, as depicted on the attached map.

Initially, the County did not want to execute another short-term permit, and in order to minimize administrative costs involved with processing such agreements, requested the purchase of an easement instead. POLA and POLB were not agreeable to the request and wanted to retain control of the property for future use. Therefore, it was agreed that a new JRP with a 60-day termination clause and a one-time fee will be utilized to reduce future administrative costs for both tenant and landlord.

Recommendation: Board resolve that (1) the issuance of the proposed Joint Revocable Permit (JRP) by and between the County of Los Angeles, Port of Los Angeles, acting by and through its Board, and Port of Long Beach, acting by and through its Board be approved and authorized; (2) the Executive Director and Board Secretary be authorized to execute and attest to the proposed JRP; and (3) the Order approving the proposed JRP be adopted.

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Planning & Research

3. Re: RESOLUTION NO. ____ - FOR THE ISSUANCE OF A LEVEL I COASTAL DEVELOPMENT PERMIT (CDP NO. 08-06) FOR THE DEMOLITION OF EXISTING STRUCTURES IN THE BACKLAND AREA AT BERTH 301

SUMMARY: The Port of Los Angeles is proposing to demolish various buildings and structures associated with the former Los Angeles Export Terminal (LAXT) terminal backland area at Berth 301. Staff is recommending the Board of Harbor Commissioners approve a Level I, non-appealable Coastal Development Permit for the proposed project.

Recommendation: Resolve that (1) the Board find that the proposed project is in conformity with the Port Master Plan and the California Coastal Act of 1976, as amended; and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act (CEQA); (2) the issuance of a Level I Coastal Development Permit (CDP No. 08-06) for the demolition work at Berth 301, be approved and granted, subject to the standard conditions set forth in the permit, and the Director of Planning and Research be directed to issue said permit; and (3) Resolution No. _____ approving the issuance of a Level I, non-appealable Coastal Development Permit (CDP No. 08-06) be adopted.

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Port Police

4. Re: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND CM3 GROUP FOR WATERBORNE PROCEDURES AND PERISHABLE SKILLS TRAINING

SUMMARY: Board approval is requested for an agreement with CM3 Group, Raleigh, North Carolina, to provide maritime response planning and training. This is a follow up to a lapsed agreement in which the contractor developed and provided Port-specific training for the Los Angeles Port Police. In addition, this contractor will be used to support a proposed Maritime Boating and Tactical Officers Course being developed in conjunction with the U.S. Department of Homeland Security and the State of California Department of Homeland Security. This agreement is for a term of one year, with an option for a one-year renewal at the discretion of the Executive Director, the total contract amount not to exceed \$300,000 per year. Funding for this contract qualifies for reimbursement under the Port of Los Angeles' recently awarded Round 7b, Federal Port Security Grant, where up to \$450,000 is available for this purpose.

Recommendation: Board resolve that (1) the proposed Resolution authorizing and approving the proposed agreement with CM3 Group be adopted; (2) the proposed Agreement for a term of one year, with a one-year option for a total not-to-exceed amount of \$300,000 per year, to CM3 Group be approved; and (3) the Executive Director and Board Secretary be authorized to execute and attest to said Agreement for and on behalf of the Board.

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**5. Re: THIRD TEMPORARY ORDER AMENDING PORT OF
LOS ANGELES TARIFF NO. 4, SECTION 2, ITEM 220,
PENALTIES FOR VIOLATION**

SUMMARY: A permanent Order amending penalties for violations was approved by the Board of Harbor Commissioners on December 6, 2007. An initial temporary Board Order was approved and made valid for ninety (90) days, effective December 20, 2007.

A second temporary Order was approved by the Board of Harbor Commissioners on February 21, 2008, to allow time for the permanent Board Order to pass through the City Council process. The second temporary Board Order was effective on March 10, 2008 and will expire June 8, 2008.

A third temporary Order is being proposed to allow additional time for the permanent Board Order to pass through the City Council approval process. This temporary order, if approved, will expire 90 days after the day it is published or upon execution of the permanent Order by the City Council whichever occurs first.

Recommendation: Board resolve that (1) the temporary Order amending Port of Los Angeles Tariff No. 4, Item 220, to add language and items for misdemeanors and infractions to the tariff be adopted; and (2) the Board Secretary be authorized to execute the temporary Board Order and transmit same to Chief Wharfinger for implementation.

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Public Relations & Legislative Affairs

6. Re: **RESOLUTION NO. _____ - ANNUAL CONTRACT NO. 39424 (BID NO. F-585) WITH SOUTHERN COUNTIES EXPRESS, INC. FOR THE LEASE OF A LIQUEFIED NATURAL GAS TRACTOR RIG, DRIVER, STORAGE, FUELING AND MAINTENANCE SERVICES FOR THE PORT MOBILE PUBLIC OUTREACH EXHIBIT**

SUMMARY: The Harbor Department (Port) proposes to award a one year annual contract with two one-year renewal options to Southern Counties Express, Inc., Rancho Dominguez, California, for the lease of a liquefied natural gas (LNG) tractor rig, driver, storage, fueling and maintenance services required for the Port of Los Angeles Mobile Exhibit, a 53-foot custom trailer, on an as-needed basis throughout the Southern California area. This public outreach/educational program tool is dependent upon this annual contract for transporting the exhibit to schools, fairs, regional events and other high traffic public venues. This proposed annual contract shall not exceed \$150,000 per year (\$450,000 for up to three years).

Recommendation: Resolve that (1) the Board find that the scope of work to be completed is of a temporary and occasional nature and is best completed by a contractor on an interim basis; (2) approval be granted for the awarding of Contract No. 39424 to Southern Counties Express, Inc. for the lease of a LNG tractor rig, driver, storage, fueling and maintenance services for the Port Mobile Exhibit for one year for a not-to-exceed amount of \$150,000, with two one-year renewal options (\$450,000 for up to three years); (3) the Executive Director and Board Secretary be authorized to execute and attest to the proposed agreement; and (4) Resolution No. _____ be adopted.

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Risk Management

7. Re: **RESOLUTION NO. ____ - AGREEMENT WITH PACIFIC
EH & S SERVICES, INC., IRVINE, CA TO PROVIDE
ON-SITE SUPPLEMENTARY HEALTH AND SAFETY
TRAINING FOR HARBOR DEPARTMENT EMPLOYEES**

***SUMMARY: Approval of Agreement to Pacific EH & S Services,
Inc., of Irvine, California to provide supplementary health and
safety training for Harbor Department employees.***

**Recommendation: Resolve that (1) the Board find that in
accordance with the City Charter Section 1022, work to be
completed under this agreement is temporary in nature and can
be performed more feasibly by an independent consultant rather
than by City employees; (2) a three-year agreement at a not-to-
exceed amount of \$150,000 with Pacific EH & S Services, Inc. for
on-site supplementary health and safety training for Harbor
Department employees be approved; (3) the Executive Director
be authorized to execute the agreement on behalf of the Board;
and (4) Resolution No. ____ be adopted.**

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Debt Management

8. Re: RESOLUTION NO. ____ TO APPROVE THE PAY-OFF OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL) RESULTING FROM THE TRANSFER OF CERTAIN HARBOR PORT POLICE OFFICERS FROM THE LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS) TO THE LOS ANGELES FIRE AND POLICE PENSION (LAFPP)

SUMMARY: On March 8, 2005, the voters approved Charter Amendment 1, which authorized the Council to adopt an ordinance that would include new Port Police Officers in Tier 5 of the Fire and Police Pension Plan (Pensions) and give current Port Police Officers the choice of transferring from Los Angeles City Employees' Retirement System (LACERS) to tier 5.

Ordinance No. 177214, approved on December 21, 2005, gives certain Port Police Officers the option of shifting from the Los Angeles City Employees' Retirement System (LACERS) to the Los Angeles Fire and Police Pension Plan (LAFPP). With the change in pension system and in the actuarial data between LACERS and LAFPP, a one-time, catch-up payment must be made. In Fiscal Year 2007, forty (40) Port Police Officers elected to join Tier 5 of LAFPP. On February 4, 2008, the Segal Group, Inc., which is the actuarial consulting firm retained by LACERS, determined that the required additional payment is \$5,161,412. In mid-March 2008, LAFPP notified the Department of the Segal Group's report. Based on the report, the payment is to be made and recorded as a current year benefit expense.

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8. (Continued)

Recommendation: Resolve that (1) the Board find that in accordance with Ordinance No. 177214, certain Harbor Police Officers were given the option to transfer from LACERS to Tier 5 of LAFPP; (2) the Board find that the unfunded liabilities calculated by the Segal Group, Inc., on February 4, 2008, for the retirement and health plans are \$4,648,761 and \$512,651, respectively; (3) the transfer of a total amount of \$5,161,412 from the Unappropriated Balance to Account No. 51610, Division No. 0412, and Program No. 000 be authorized to pay for the above expenditure; (4) the payment of the remaining normal cost contribution for the Fiscal Year 2008-09 on July 15, 2008 be authorized. "Normal Cost" is defined as the total present value of the projected cost of providing post-employment benefits allocated to the current year. Please refer to transmittal prepared by the Segal Company; (5) Resolution No. _____ be adopted; and (6) the Board Secretary be authorized to transmit this Resolution to the Mayor for written approval pursuant to Charter Section 343.

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Engineering

9. Re: **RESOLUTION NO. _____ - PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND HDR ENGINEERING, INC., FOR THE WEST BASIN ROADWAY IMPROVEMENT – C STREET/I-110 ACCESS RAMP IMPROVEMENTS ENGINEERING DESIGN SERVICES**

SUMMARY: The agreement with HDR Engineering, Inc., located in Long Beach, California, provides the Port of Los Angeles with engineering design services for the C Street/I-110 Access Ramp Improvement project located in Wilmington. This action will authorize a professional services agreement with HDR Engineering, Inc., for a 3-year term for \$3,228,000.

Recommendation: Resolve that (1) the Board find that in accordance with the City Charter Section 1022, work under the subject agreement is temporary in nature and can be performed more feasibly by an independent consultant rather than by City employees; (2) the subject agreement with HDR Engineering, Inc., in the amount of \$3,228,000 be approved and that a 15% contingency not included in the original contract amount be applied for a total authorization of \$3,712,200; (3) the Executive Director and Board Secretary be authorized to execute and attest to said agreement for and on behalf of the Board; and (4) Resolution No. _____ be adopted.

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- 10. Re: RESOLUTION NO. _____ - PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND PARSONS TRANSPORTATION GROUP FOR THE JOHN S. GIBSON BLVD/I-110 FREEWAY ACCESS RAMP IMPROVEMENTS & SR-47/I-110 NORTHBOUND CONNECTOR WIDENING ENGINEERING DESIGN SERVICES**

SUMMARY: The agreement with Parsons Transportation Group located in Pasadena, California, provides the Port of Los Angeles with engineering design services for the John S. Gibson Blvd/I-110 Freeway Access Ramp Improvements & SR-47/I-110 Northbound Connector Widening project located in San Pedro. This action will authorize a professional services agreement with Parsons Transportation Group for a 3-year term in the amount of \$4,350,542.

Recommendation: Resolve that (1) the Board find that in accordance with the City Charter Section 1022, work under the subject agreement is temporary in nature and can be performed more feasibly by an independent consultant rather than by City employees; (2) the subject agreement with Parsons Transportation Group in the amount of \$4,350,542 be approved and that a 15% contingency not included in the original contract amount be applied for a total authorization of \$5,003,124; (3) the Executive Director and Board Secretary be authorized to execute and attest to said agreement for and on behalf of the Board; and (4) Resolution No. _____ be adopted.

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Environmental

11. Re: RESOLUTION NO. _____ - PAYMENT TO THE CHINA SHIPPING MITIGATION FUND

SUMMARY: The settlement agreement between the City of Los Angeles and the Natural Resources Defense Council established a throughput restriction at the China Shipping Terminal of 328,000 twenty-foot equivalent units (TEUs) per calendar year. If container throughput exceeds this capacity limit, an additional \$30 per TEU is payable to the China Shipping mitigation fund. Throughput at the China Shipping Terminal exceeded the capacity limit by 231,015 TEUs in calendar year 2007. Staff is recommending approval of a deposit to the mitigation fund of \$6,930,450 of which 60% (\$4,158,270) and 40% (\$2,772,180) would be placed into the Air Quality and Aesthetics Mitigation Accounts, respectively.

Recommendation: Board resolve that (1) the expenditure of \$6,930,450 from Account 86010 Litigation, Claims and Settlement Expense, Center 6000 Non-operating Income and Expense be approved; (2) transfer of the funds from the Harbor Revenue Fund (Account 11010, Center 7000) to the China Shipping Mitigation Fund be authorized, with a distribution of \$4,158,270 to the Air Quality Mitigation Account (Account 11954, Center 7000) and \$2,772,180 to the Community Aesthetic Mitigation Account (Account 11957, Center 7000); and (3) Resolution No. _____ approving expenditures of \$6,930,450 from Account 86010 Litigation, Claims, & Settlement Expenses be approved.

City Attorney

12. Re: RESOLUTION NO. _____ - APPROVAL OF TRAVEL OF COMMISSIONER DOUGLAS KRAUSE TO ISRAEL ON PORT BUSINESS FROM JUNE 11, 2008 TO JUNE 18, 2008

Recommendation: Adoption of the subject Resolution.

13. Re: RESOLUTION NO. _____ - APPOINTMENT OF KARL K.Y. PAN AS THE CHIEF ACCOUNTING EMPLOYEE

Recommendation: Adoption of the subject Resolution.

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Regular Item No. 14

Accounting & Budget

**14. Re: RESOLUTION NO. ____ - TO ADOPT THE FISCAL
YEAR (FY) 2008/09 ANNUAL BUDGET**

SUMMARY: The Board is requested to approve the proposed Fiscal Year (FY) 2008/09 Annual Budget for the Port of Los Angeles. The Proposed Budget reflects a level of revenues and spending to maintain clean, responsible growth, to safe-guard the Port as a critical national asset, to support various major capital projects at the terminals and to carry forth the San Pedro Waterfront development, economic development and technology improvements. (See Transmittal No. 1, Proposed FY 2008/09 Annual Budget).

This Budget supports the Port's FY 2008/09 funding priorities including:

- Operating & Non-Operating Expenses \$257.5 M***
- Capital Budget 308.7 M***
- Future Commitments for Multi-Year Contracts 35.5 M***

The overall budget also reflects decreased revenues of 5% in Operating Revenues from the current fiscal year's estimate as a consequence of lower projected cargo volume. Despite the revenue decline, the Budget still anticipates a healthy level of reserves and ending cash balance.

- Emergency Funds \$214.9 M***
- Environmental Incentives 57.5 M***
- Projected Year-End Cash Balance 234.2 M***

Finally, the Port submits the Proposed FY 2008/09 Operating Expense Budget at \$208.5 million. The Operating Expenses include funding for:

- Additional Port Police and Construction and Maintenance personnel and associated costs***
- Transportation Worker Identification Credential (TWIC) Program***
- Implementation of the Clean Air Action Plan Initiatives***
- Economic development activities***
- Technology improvements***

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14. (Continued)

Recommendation: Board resolve that (1) the Proposed FY 2008/09 Annual Budget be adopted and funds be appropriated in accordance with the Proposed Budget; (2) the Executive Director, or designee, be authorized to place tighter controls over Port spending, including adopting tighter hiring policies that require financial approval and an appeals process at the Executive Director or Board level; (3) the Executive Director, or designee, be authorized to make any technical adjustments to all budget documents to reflect any Board action subsequent to this adoption before July 1, 2008; and (4) Resolution No. _____ be adopted.

I. CLOSED SESSION

- 1. Discussion with legal counsel concerning significant exposure to litigation [two (2) potential cases], pursuant to subdivision (b)(1) of Section 54956.9 of the California Government Code.**