

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

REVISED

**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.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 2
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. REPORT OF THE EXECUTIVE DIRECTOR

San Pedro Waterfront EIR Presentation

D. REPORTS OF COMMISSIONERS

E. PRESENTATIONS

F. BOARD COMMITTEE REPORTS

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 3
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

G. REPORTS OF THE EXECUTIVE DIRECTOR

CONSENT ITEMS (1 - 7)

Commission Office

1. Re: RESOLUTION NO. _____ TO ADOPT A COST OF LIVING ADJUSTMENT FOR THE EXECUTIVE DIRECTOR

Recommendation: Resolution No. _____ be adopted.

Debt Management

2. Re: RESOLUTION NO. _____ - TO ESTABLISH AND ADOPT FINANCIAL POLICIES FOR THE PORT OF LOS ANGELES

SUMMARY: To approve and adopt the Department's Financial Policies. This set of policies consisting of Fiscal Policies (Revenue and Budgetary), the Capital Improvement Plan Funding Policy, Financial Reserve Policy, Risk Management Policy, and the Debt Management Policy will provide the Department with general guidelines to manage its finances and will be reviewed and updated periodically.

This will be the first time that the Port is establishing and adopting financial policies. In the past, the Port had only a Debt Management Policy.

Recommendation: Board resolve that (1) the proposed Financial Policies, which are consistent with the overarching financial policies for the City of Los Angeles be approved; and (2) Resolution No. _____ be adopted.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 4
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

**3. Re: RESOLUTION NO. _____ TO CASH FUND DEBT
SERVICE RESERVE FUNDS**

SUMMARY: As a result of recent downgrades of bond insurance companies, the Harbor Department seeks to cash fund its reserve funds in order to comply with its bond covenants. Therefore, the Department staff is recommending that \$61,519,938 be transferred from the Harbor Emergency Fund (Fund 751) to the Department's bond trustee. The current aggregate reserve requirement of \$61,519,938 represents the total mitigation required. This amount must be deposited with the trustee prior to December 2008, which is within six months from the date of the insurance company downgrade.

Recommendation: Board resolve that (1) the transfer of \$61,519,938 from the Harbor Emergency Fund (Fund 751) to the trustee, US Bank Trust N.A., for deposit in the reserve funds be approved; and (2) Resolution No. _____ be adopted.

Human Resources

**4. Re: RESOLUTION NO. _____ - AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND THE CENTRE FOR
ORGANIZATION EFFECTIVENESS TO DEVELOP AND
CONDUCT MANAGEMENT TRAINING AND
LEADERSHIP PROGRAMS FOR MANAGEMENT STAFF**

SUMMARY: Board approval is requested for an Agreement with THE CENTRE for Organization Effectiveness (THE CENTRE), San Diego, CA, to develop and conduct a management training and leadership program (Management Academy) for Los Angeles Harbor Department (Harbor) senior managers, division heads, assistant division heads, and mid-level managers. The purpose of the Management Academy is to develop and enhance leadership and management capabilities within the Harbor. The Agreement allows for the development and presentation of three separate Management Academies and provides for follow-up training and workshops for graduates of previous Management Academies to refresh key learning principles and address additional training needs. The Agreement is for a term of three years with the total contract amount not-to-exceed \$346,635.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 5
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

4. (Continued)

Recommendation: Resolve that (1) the Board find that in accordance with the City Charter Section 1022, work under the subject Agreement can be performed more feasibly by an independent contractor than by City employees; (2) the proposed Agreement with THE CENTRE for Organization Effectiveness for a term of three years in an amount not-to-exceed \$346,635 be approved; (3) the Executive Director and the Board Secretary be authorized to execute and to attest to the proposed Agreement; and (4) Resolution No. _____ be adopted.

Risk Management

5. Re: RESOLUTION NO. _____ - AGREEMENT WITH URS CORPORATION DBA URS CORPORATION AMERICAS, SAN FRANCISCO, CA TO PROVIDE ON-SITE SUPPLEMENTARY HEALTH AND SAFETY TRAINING FOR HARBOR DEPARTMENT EMPLOYEES

SUMMARY: Cal-OSHA requires that employers provide their employees relevant health and safety training. To comply with Cal-OSHA requirements, reduce workers' compensation claims, and to enhance the existing safety program, Board approval is requested for an Agreement with URS Corporation Americas, San Francisco (URS) so the City of Los Angeles, Harbor Department can provide its employees supplementary health and safety training through qualified safety professionals. This past year, the Harbor Department has reduced the number of new claims by 15%. The Harbor Department's goal is to continue this trend by increasing our safety training. The Agreement is for a term of three years with total contract amount not-to-exceed \$150,000.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 6
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

5. (Continued)

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 URS be approved; (3) the Executive Director and the Board Secretary be authorized to execute and to attest to the Agreement; and (4) Resolution No. _____ be adopted.

Environmental Management

**6. Re: RESOLUTION NO. _____ - STAFF RESPONSE TO
PORT COMMUNITY ADVISORY COMMITTEE
RECOMMENDATIONS NO. 60, 74 AND 81**

SUMMARY: The Port Community Advisory Committee (PCAC) Recommendation No. 60 requests the Port to provide PCAC with outside independent consultants in order to carry out its advisory responsibilities to the Board of Harbor Commissioners (BHC). Staff recommends continuing to provide consultant input to PCAC on specific projects or technical topics in order to carry out its advisory responsibilities, but staff does not recommend providing PCAC with direct control of independent consultants. PCAC Recommendation No. 74 requests the BHC to renew Air Quality (AQ) Subcommittee consultant contracts that expired in August 2007, for a period of no less than 24 months. In May 2008, the contracts were renewed through May 31, 2009. Staff recommends approval of PCAC Recommendation No. 74. Prior to May 31, staff will work with the AQ Subcommittee to re-evaluate the continued need/scope of work for AQ consultants for the subcommittee and provide future consultant services as necessary.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 7
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

6. (Continued)

PCAC Recommendation No. 81 requests that staff attend the San Pedro Coordinated Plan (SPCP) Subcommittee and all other PCAC Subcommittee meetings to address and discuss agenda items. From the inception of the PCAC in 2004, Port staff had been assigned to attend the PCAC and subcommittee meetings to provide support. Staff recommends approval of PCAC Recommendation No. 81.

Recommendation: Board resolve that (1) PCAC Recommendation No. 60, to provide outside independent consultants to PCAC, be denied, but provide Port consultants to PCAC and its subcommittees for explanation, information and discussion on specific projects or technical topics; (2) PCAC Recommendation No. 74, be approved by continuing existing Air Quality consultant contracts through the end of April 2009, and at the end of this contract period re-evaluate the situation; (3) PCAC Recommendation No. 81 to provide appropriate staff resources at PCAC subcommittee meetings be approved; and (4) Resolution No. _____ be adopted.

**7. Re: RESOLUTION NO. _____ - TECHNOLOGY
ADVANCEMENT PROGRAM GRANT AGREEMENT FOR
THE SOUTHERN CALIFORNIA GAS COMPANY
COMPRESSED NATURAL GAS DRAYAGE TRUCK
DEMONSTRATION PROJECT**

***SUMMARY:** The Clean Air Action Plan Technology Advancement Program Advisory Committee has reviewed and recommended funding for the Southern California Gas Company Compressed Natural Gas (CNG) Drayage Truck Demonstration Project (Project). The Project would demonstrate a CNG-powered heavy-duty vehicle in medium-distance Port drayage service. The truck is equipped with an 8.9-liter Cummins ISL-G CNG engine meeting the U.S. EPA 2010 emission standard and manufactured by Autocar. The recommended funding amount is \$223,155, which would cover the total cost of one CNG truck. The costs will be shared equally by the Port of Los Angeles and the Port of Long Beach. It is anticipated that the truck will result in significant reductions in air emissions compared to diesel drayage trucks.*

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 8
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

7. (Continued)

Recommendation: Board resolve that (1) the Technology Advancement Program Grant Agreement for the Southern California Gas Company Compressed Natural Gas Drayage Truck Demonstration Project; and the Supplemental Cost Sharing Agreement between the Ports of Los Angeles and Long Beach for the reimbursement of \$111,577 from the Port of Long Beach to the Port of Los Angeles as established by the Clean Air Action Plan Master Cost Sharing Agreement No. 2546 be approved; (2) the Executive Director and the Board Secretary be authorized to execute and to attest to the Grant Agreement with Southern California Gas Company in a not-to-exceed amount of \$223,155; (3) the Executive Director and the Board Secretary be authorized to execute and to attest to Supplemental Cost Sharing Agreement between the Ports of Los Angeles and Long Beach for the reimbursement of \$111,577 from the Port of Long Beach to the Port of Los Angeles as established by the Clean Air Action Plan Master Cost Sharing Agreement No. 2546; and (4) Resolution No. _____ be adopted.

REGULAR ITEMS (8 – 9)

City Attorney

- 8. Re: RESOLUTION NO. _____ - SECOND AMENDMENT TO AGREEMENT NO. E6450 BETWEEN THE CITY OF LOS ANGELES AND DOCUMENT TECHNOLOGIES, LLC FOR ELECTRONIC DISCOVERY SERVICES**

SUMMARY: Pursuant to Agreement No. E6450, Document Technologies, LLC, headquartered in Atlanta, provides the Port of Los Angeles with electronic discovery services related to legal matters as directed by the Office of the City Attorney in coordination with the Port's Information Technology Division. This action is for the approval of the Second Amendment to Agreement No. E6450 increasing the total compensation by \$400,000 to a total not-to-exceed amount of \$650,000. The recommendations herein are the result of an expedited competitive request for proposal process given the exigent need for electronic discovery services in ongoing litigation.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 9
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

8. (Continued)

Recommendation: Resolve that (1) the Board find that in accordance to Charter Section 1022 that the scope of work of the proposed Amendment is of a temporary and occasional nature and is best completed and more feasibly provided by an outside contractor on an interim basis; (2) the Second Amendment to Agreement No. E6450 increasing the not-to-exceed amount to \$650,000 be approved; (3) the Executive Director and the Board Secretary be authorized to execute and attest to the Second Amendment; and (4) Resolution No. _____ be adopted.

Clean Truck Program

**9. Re: RESOLUTION NO. _____ - APPROVAL OF
PROPOSED PROGRAM AGREEMENT WITH DAIMLER
TRUCK FINANCIAL AS THE FINANCING ENTITY FOR
THE CLEAN TRUCK PROGRAM**

SUMMARY: The Clean Truck Program (CTP) is a key component of the San Pedro Bay Ports Clean Air Action Plan (CAAP) that will require the entire fleet of approximately 17,000 drayage trucks serving the Port of Los Angeles and Port of Long Beach (Ports) to meet United States Environmental Protection Agency (USEPA) 2007 standards through replacement or retrofit within a period of approximately five years. This letter recommends approval of Daimler Truck Finance (DTF) to provide subsidized leases and loans to Licensed Motor Carriers (LMCs) identified by the Port of Los Angeles for participation in the CTP truck replacement assistance program. This letter also summarizes the Agreement for the provision of the subsidized leases and loans that was negotiated with DTF that after extensive discussion among attorneys and staff from both Ports.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 10
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

9. (Continued)

Recommendation: Board resolve that (1) Daimler Truck Financial as the Financial Services Entity for the Port of Los Angeles Clean Truck Program be approved; (2) the Resolution approving the proposed Program Agreement be adopted; (3) the Board Secretary be authorized and directed to transmit the proposed Program Agreement to the City Council for its approval pursuant to Section 373 of the City Charter; and (4) the Executive Director and the Board Secretary be authorized to execute and to attest to the proposed Program Agreement upon approval by City Council.

**10. Re: RESOLUTION NO. _____ - DELEGATION OF
AUTHORITY TO EXECUTE CONCESSION
AGREEMENTS AND FILINGS WITH THE FEDERAL
MARITIME COMMISSION**

SUMMARY: The Clean Truck Program (CTP) is a key component of the San Pedro Bay Ports Clean Air Action Plan (CAAP), which requires the entire fleet of frequent and semi-frequent truck operators (approximately 17,000 drayage trucks) serving the Ports to meet the United States Environmental Protection Agency (USEPA) 2007 standards through replacement or retrofit within a period of approximately five years.

The transition to clean trucks will be enforced through implementation of tariffs that will result in substantial reduction in air pollution through the progressive ban of older, dirtier trucks calling at the Ports. The new tariffs require that by the year 2012 drayage trucks must meet USEPA 2007 heavy duty truck emissions standards to be allowed entry into terminals at either of the Ports. The tariffs allow this to be accomplished through truck emissions control retrofits or truck replacement. It is expected that implementation of the program will reduce air pollution from trucks that service the Ports by more than 80% by 2012, and provide added security and enhanced safety conditions for the Ports.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 11
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

10. (Continued)

The CTP will be administered through the use of concession agreements, which will allow the Ports to control access to terminals through a series of terms and conditions that must be met in order to provide drayage services at Port of Los Angeles terminals. The Board of Harbor Commissioners approved the form of concession agreement on May 15, 2008. After extensive outreach and dialogue with the trucking community, the Port of Los Angeles began accepting concession applications in July 2008. In order to grant permission to licensed motor carriers (LMCs) to access terminals on October 1, 2008, when the truck bans will begin, the Port of Los Angeles has begun approving concession applications and will soon begin the City contracting process with each potential LMC concessionaire.

To date, the Port has received 217 concession applications and, so far, the Port's concession and grant administrator has recommended 200 for preliminary approval as concessionaires.

This action authorizes the Executive Director to: (i) direct staff to complete the City contracting process with the potential concessionaire LMCs that have been determined to meet concession requirements in accordance with direction previously provided by the Board, and (ii) execute on behalf of the Board concession agreements in substantially the form approved by the Board of Harbor Commissioners in May 2008.

In addition, this action authorizes the Executive Director to execute on behalf of the Board, filings with the Federal Maritime Commission related to the CTP that are consistent with previous Board actions.

Recommendation: Board resolve that (1) the Executive Director be authorized and empowered to execute concession agreements with concessionaires that meet requirements set forth in previous Board actions, in substantially the form of Concession Agreement approved by the Board of Harbor Commissioners; (2) the Executive Director be authorized and empowered to execute filings with the Federal Maritime Commission related to the CTP that are consistent with previous Board actions; and (3) Resolution No. _____ be adopted.

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 12
THURSDAY, SEPTEMBER 18, 2008, AT 8:30 A.M.
BANNING'S LANDING COMMUNITY CENTER
100 E. WATER STREET
WILMINGTON, CA 90744**

H. DEPUTY EXECUTIVE DIRECTOR REPORT

I. CLOSED SESSION

- 1. Discussion of pending litigation entitled: American Trucking Associations, Inc. v. City of Los Angeles, et al., United States District Court Case No. 08-04920-CAS, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.**
- 2. Discussion of pending litigation entitled: Alicia Unger v. City of Los Angeles, et al., United States District Court Case No. 08-02139-SVW, pursuant to subdivision (a) of Section 54956.9 of the California Government Code.**
- 3. 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.**