

**AGENDA OF THE SPECIAL MEETING OF THE  
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1  
WEDNESDAY, JULY 2, 2008, AT 6:00 P.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. ELECTION OF OFFICERS**

**PURSUANT TO THE CHARTER OF THE CITY OF LOS ANGELES, WHICH PROVIDES THAT THE ELECTION OF THE PRESIDENT AND VICE PRESIDENT SHALL BE HELD EACH YEAR, THE BOARD OF HARBOR COMMISSIONERS SHALL HOLD ITS ELECTION TODAY TO ELECT THE FOLLOWING OFFICERS TO SERVE FOR THE ENSUING TERM:**

**PRESIDENT:**

**VICE PRESIDENT:**

**C. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

**D. REPORT OF THE EXECUTIVE DIRECTOR**

**E. REPORTS OF COMMISSIONERS**

**F. PRESENTATIONS**

- 1. Land Use Presentation, Kathryn McDermott  
Deputy Executive Director, Business Development**
- 2. Economic Development Program, Ralph Hicks Director,  
Economic Development**

**G. BOARD COMMITTEE REPORTS**

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**H. REPORTS OF THE EXECUTIVE DIRECTOR**

**Consent Items Nos. (1-8)**

**Commission Office**

1. Re: RESOLUTION NO. \_\_\_\_\_ FOR PRESIDENT S. DAVID FREEMAN TO TRAVEL TO ROTTERDAM, THE NETHERLANDS TO ATTEND THE C40 WORLD PORTS CLIMATE CONFERENCE JULY 9, 2008 THROUGH JULY 11, 2008

**Recommendation:** Adoption of the subject resolution.

**Debt Management**

2. Re: RESOLUTION NO. \_\_\_\_\_ - TO ESTABLISH A POOL OF BOND UNDERWRITERS

***SUMMARY: To establish a pool of underwriting firms for a period of three years to provide the Port of Los Angeles (Port) access to capital markets in order to finance the Department's capital projects.***

***This will be the first time that the Port is establishing a pool of underwriters. In the past, the Port had selected underwriters prior to each transaction.***

**Recommendation:** Board resolve that (1) investment banking firms to an underwriting pool be appointed to provide the Port with investment banking and underwriting services including issuance and distribution of debt obligations; (2) the appointment of the firms to the underwriting pool as listed in the Board report be approved; and (3) Resolution No. \_\_\_\_\_ be adopted.

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**Human Resources**

3. Re: RESOLUTION NO. \_\_\_\_\_ - FIRST AMENDMENT TO AGREEMENT NO. 2410 BETWEEN THE CITY OF LOS ANGELES AND BECKER AND BELL, INC., FOR LABOR RELATIONS PROFESSIONAL SERVICES ON AN AS-NEEDED BASIS

*SUMMARY: On June 22, 2005, the Board of Harbor Commissioners approved Agreement No. 2410 with Becker and Bell, Inc., to provide labor relations professional services on an as-needed basis. The Department has engaged the services of Becker and Bell, Inc., to serve as a departmental advocate at grievance arbitrations, civil service appeal hearings, and unfair labor practice charge hearings. They are currently providing services for a discharge appeal scheduled to be presented to the Civil Service Commission within the next two months. Therefore, the Human Resources Division is requesting an amendment to the Agreement due to expire July 5, 2008. Approval of the Amendment extends the term of the Agreement by six months and increases the compensation by \$20,000 for a total amount not-to-exceed \$140,000.*

**Recommendation:** Board resolve that (1) the First Amendment with Becker and Bell, Inc., to extend the term of the Agreement by six months and increase the total compensation amount by \$20,000 for professional fees and expenses be approved; (2) the Executive Director and the Board Secretary be authorized to execute and attest to said Amendment; (3) the Board find that the Amendment does not need City Council approval as the annual amount is less than indicated in Administrative Code Section 10.5 (b) (2); and (4) Resolution No. \_\_\_\_\_ be adopted.

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**Marketing**

- 4. Re: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF THE FIRST AMENDMENT TO FOREIGN-TRADE ZONE SUBZONE OPERATING AGREEMENT NO. 1995 BETWEEN THE CITY OF LOS ANGELES AND CONOCOPHILLIPS COMPANY**

***SUMMARY: The Port of Los Angeles (Port), as the Foreign Trade Zone (FTZ) grantee, establishes operating agreements with FTZ operators that enable the Port to oversee their FTZ operations. The Port received a request from ConocoPhillips Company (Conoco) to exercise their first renewal option for FTZ Subzone Operating Agreement No. 1995 at FTZ No. 202, Subzone C. The subzone is located at four different sites totaling approximately 727 acres. One site is located within the Port of Los Angeles at Berths 148-151. The remaining three sites are not located on Port property. Conoco will be handling imported and domestic crude oil for the domestic and foreign market. The sites consist of refining facilities, storage tanks and office space. The current Agreement with the Port became effective on May 1, 1998, and has a ten-year term with three five-year renewal options. The Agreement expired on April 30, 2008. The Amendment provides for the first of the three five-year renewal options and shall be effective on the day following completion of the initial ten-year term.***

**Recommendation: Board resolve that (1) the First Amendment to Agreement No. 1995 between the City of Los Angeles and Conoco be approved; (2) the Board Secretary be directed to transmit the proposed FTZ Subzone Operating Agreement to the City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles; (3) the Executive Director or the designee and the Board Secretary be authorized to execute and attest to the proposed Operating Agreement upon approval by the City Council; and (4) Resolution No. \_\_\_\_\_ approving the Amendment for three five-year renewal options be adopted.**

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**Risk Management**

5. Re: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 2475 WITH AON RISK SERVICES OF WASHINGTON, INC. ASSIGNMENT OF AGREEMENT TO AON RISK INSURANCE SERVICES, WEST, INC.

*SUMMARY: The Harbor Department (Port) is proposing a First Amendment to Agreement No. 2475 with Aon Risk Services of Washington, Inc., (Aon), which assigns the agreement with Aon Risk Insurance Services West, Inc. The purpose of the amendment is to reflect the recent consolidation of companies under Aon Risk Companies, the parent corporation of these two entities.*

**Recommendation: Board resolve that (1) the First Amendment to Agreement No. 2475 with Aon Risk Services of Washington, Inc. for the assignment of the Agreement with Aon Risk Insurance Services West, Inc. be approved; (2) Resolution No. \_\_\_\_\_ approving the First Amendment to Agreement No. 2475 with Aon Risk Services of Washington, Inc. be approved; and (3) the Executive Director and Board Secretary be authorized to execute and attest to said First Amendment on behalf of the Board.**

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**Public Relations & Legislative Affairs**

6. Re: RESOLUTION NO. \_\_\_\_\_ - FIRST AMENDMENT TO AGREEMENT NO. 2560 WITH ONE + TWO, INC., FOR THE DESIGN AND FABRICATION OF A PORT MOBILE EXHIBIT

*SUMMARY: The Harbor Department (Port) proposes to extend the term of Agreement No. 2560 with One + Two, Inc., based in Portland, Oregon, by six months for a total of 18 months in order to complete fabrication of the Port Mobile Exhibit, the TransPORTer. The Amendment also updates the Agreement with respect to administrative items put into place after the effective date of the Agreement. All remaining terms and conditions of the Agreement shall remain in effect. Due to unanticipated delays in receiving environmentally-friendly components for the exhibit, including back order of the compressed natural gas (CNG) generators, and a change in the education component provider, it is necessary to extend the term of the Agreement by six months to complete the exhibit. No additional funds are being requested.*

**Recommendation:** Board resolve that (1) First Amendment to Agreement No. 2560 with One + Two, Inc., to increase the term of the Agreement by six months, for a total term of 18 months be approved; (2) the Executive Director and the Board Secretary be authorized to execute and attest to the proposed amendment; and (3) Resolution No. \_\_\_\_\_ be adopted.

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**Real Estate**

7. Re: ORDER NO. \_\_\_\_\_ - PROPOSED ORDER SETTING  
COMPENSATION UNDER PERMIT NO. 238 WITH EQUILON  
ENTERPRISES LLC

***SUMMARY: The Port of Los Angeles (Port), under Permit No. 238, granted Equilon Enterprises LLC (Equilon) use of property for subsurface pipeline purposes along a right-of-way extending from the Equilon marine oil liquid bulk terminal, northerly on Mormon Island to Fries Avenue in Wilmington, as depicted on the attached map. The permit premises consist of 50,965 square feet, with no right-of-surface use. Permit No. 238 is for a fifty-year term, expiring May 17, 2022, with compensation to be reset every five years.***

***We propose to reset compensation to \$36,950 per year for the period commencing May 18, 2007, and ending May 17, 2012. This action only allows for resetting of compensation, as provided in the permit, and is not an opportunity to implement measures referenced in the Clean Air Action Plan.***

**Recommendation: Board resolve that the Order setting compensation under Permit No. 238 with Equilon at \$36,950 per year for the period commencing May 18, 2007 and ending May 17, 2012 be adopted.**

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8. Re: ORDER NO. \_\_\_\_\_ - PROPOSED COMPENSATION EXTENSION UNDER PERMIT NO. 701 WITH CANNER'S STEAM CO., INC.

***SUMMARY: Permit No. 701 grants Canner's Steam Company (CSC) use of 28,813 square feet of surface backland property and 26,139 square feet of subsurface rights-of-way in Fish Harbor on Terminal Island for the construction, operation and maintenance of a steam plant and its delivery system for purposes related thereto. Permit No. 701 with CSC expired on May 6, 2006, and is currently on holdover status. Pursuant to the terms of Permit No. 701, the Executive Director granted CSC holdover status on a month-to-month occupancy at \$4,419 per month, which reflected 150 percent of the rate in effect at the time of the permit's expiration. CSC is seeking relief from the rent increase.***

**Recommendation: Board resolve that (1) the Executive Director be authorized to provide notice to Canner's Steam Co., Inc., reducing compensation during the holdover period of Permit No. 701 from 150 percent (\$4,419 per month) to 100 percent of the land rental rate of \$2,946 rent per month, retroactive to May 6, 2006. All other terms and conditions of Permit No. 701 shall remain the same; and (2) Order No. \_\_\_\_ approving the compensation during the holdover period of Permit No. 701 from 150 percent to 100 percent adopted.**

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**Regular Item No. 9**

**Marketing**

9. Re: RESOLUTION NO. \_\_\_\_\_ - PROPOSED CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER CUSTOMER GENERATION INTER-CONNECTION AGREEMENT RELATIVE TO THE PORT'S ALTERNATIVE MARITIME POWER (AMP) OPERATION AT BERTH 100

*SUMMARY: Alternative Maritime Power (AMP) allows vessels to be powered by shore-supplied electrical power while at berth. During a synchronized transfer of electrical power from shore-to-ship, the vessel will be connected in parallel to the Los Angeles Department of Water and Power's (LADWP) grid for a short period of time. This activity is referred to as co-generating electricity. LADWP requires those co-generating electricity to sign a Customer Generation Interconnection Agreement. The vessel, not the Port, is the actual co-generator in the context of the AMP program. The business decision has been made for the Port to step into the shoes of the vessel and to sign the subject Agreement for vessels connected to shore power at Berth 100 using a synchronized transfer of electrical power. By signing the Agreement, the Port agrees to be bound by the terms and conditions of the subject Agreement, including its indemnification clause (Indemnification 13.1). The proposed LADWP Customer Generation Interconnection Agreement is for a three (3) year term from the effective date of execution and is in reality, a temporary solution. The Port is developing a "Global Interconnection Agreement" that once executed will replace the Customer Generation Interconnection Agreement, thus providing the same benefit to all Port AMP users as would be enjoyed at Berth 214 operated by Yusen Terminals, Inc. The LADWP and Port Electrification Committee are dealing with the overall electrification of the Port, including AMP.*

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**9. (Continued)**

**Recommendation: Board resolve that (1) the proposed three-year LADWP Customer Generation Interconnection Agreement for vessels connecting to shore power at Berth 100 be approved; (2) the Board Secretary be directed to transmit the proposed LADWP Customer Generation Interconnection Agreement relative to the Port's AMP operation at Berth 100 for approval pursuant to Section 373 of the Charter of the City of Los Angeles; (3) the Executive Director and Board Secretary be authorized to execute and attest to the LADWP Customer Generation Interconnection Agreement for and on behalf of the Board; and (4) Resolution No. \_\_\_\_\_ approving the three-year LADWP Customer Generation Interconnection Agreement for vessels connecting to shore power at Berth 100 be adopted.**

**I. DEPUTY EXECUTIVE DIRECTOR REPORT**

- 1. Michael Christensen,  
Deputy Executive Director, Development**

**J. 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.**