

MINUTES OF A REGULAR MEETING OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, HELD IN THE BOARD ROOM OF THE HARBOR DEPARTMENT ADMINISTRATION BUILDING AT 925 HARBOR PLAZA, LONG BEACH, CALIFORNIA, ON MONDAY, MAY 21, 2007, AT 1 P.M.

Present: Commissioners: Walter, Hancock, Cordero, Hankla
Absent: " Topsy-Elvord

Also present:

R. D. Steinke	Executive Director
S. B. Rubin	Managing Director
C. Lytle	Managing Director
D. A. Thiessen	Managing Director
R. G. Kanter	Managing Director
G. T. Hein	Executive Officer to the Board
S. Larson	Interim Director of Human Resources
H. C. Morris	Director of Communications
S. Joumblat	Chief Financial Officer
B. Hong	Office Automation Analyst
R. Rich	Director of Maintenance
A. J. Moro	Acting Chief Harbor Engineer
K. J. Adamowicz	Acting Director of Real Estate
C. Perrone	Director of Security
D. B. Snyder	Director of Trade Relations
S. Ashley	Director of Government Affairs
R. S. Baratta	Director of Risk Management
D. T. Holzhaus	Principal Deputy City Attorney

PRESIDENT HANKLA PRESIDED AS CHAIRPERSON.

APPROVAL OF MINUTES.

Upon motion by Commissioner Walter, seconded by Commissioner Hancock and unanimously carried, the minutes of the regular meeting of May 14, 2007, were declared read and approved as read.

PUBLIC COMMENTS.

Mr. Carlos Marroquin, a Port truck driver, addressed the Board and stated he had been a Port driver for four years and he and his fellow drivers support the efforts for the steps being taken regarding the Port trucking system and of the Port to clean up the environment with the implementation of the Clean Air Action Plan.

CONSENT CALENDAR – ITEMS NOS. 1-8.

Item No. 8 was removed from Consent Calendar for discussion.

1. SPECIFICATION NO. HD-S2317 - APPROVED AND NOTICE INVITING BIDS AUTHORIZED – RECYCLING ASPHALT AND CONCRETE MATERIALS AND OTHER RELATED SERVICES.

Communication from A. J. Moro, Acting Chief Harbor Engineer, dated May 16, 2007, submitting Specification No. HD-S2317 for recycling asphalt and concrete materials and other related services and requesting authority to advertise for bids for said work, was presented to the Board. The request was approved by the Acting Executive Director.

2. CWO NO. 1217, SUPPLEMENT NO. 33 – PIER S MARINE TERMINAL DEVELOPMENT – APPROVED.

Communication from A. J. Moro, Acting Chief Harbor Engineer, dated May 16, 2007, requesting approval of CWO No. 1217, Supplement No. 33, in the amount of \$1,200,000, for additional work for the Pier S Marine Terminal Development, was presented to the Board. The request was approved by the Acting Executive Director.

3. EARTH TECH, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO CONTRACT FOR ELECTRICAL MASTER PLANNING AND PROFESSIONAL ELECTRICAL ENGINEERING SUPPORT SERVICES - DOCUMENT NO. HD-7008A – CWO NO. 1288, SUPPLEMENT NO. 2 - APPROVED.

Communication from A. J. Moro, Acting Chief Harbor Engineer, dated May 16, 2007, requesting approval of an amendment to Contract with Earth Tech, Inc., for electrical master planning and professional electrical engineering support services, in the amount of \$150,000, and extending the term to March 31, 2008, and CWO No. 1288, Supplement No. 2, in the amount of \$225,000, was presented to the Board. The request was approved by the Acting Executive Director.

4. HARBOR REVENUE FUND – APPROVAL OF FUND TRANSFER JOURNALS AND AUTHORIZATION OF TRANSFER OF FUNDS.

Communication from Sam Joublat, Chief Financial Officer, dated May 15, 2007, submitting the following Fund Transfer Journals received from the Department of Financial Management:

<u>AMOUNT</u>	<u>DESCRIPTION</u>
706,147.08	Employee Benefits and Insurance Funds – transfer of the April 2007 cost of employees' fringe benefits

805,776.00	Fire Department – Fire stations and boats for May 2007
9,344.92	Fire Department – vessel patrol for May 2007
14,891.00	Technology Services Department – data processing operations and maintenance for April 2007
312.45	Technology Services Department – wireless communication for April 2007
14,193.25	Public Works Department – maintenance of traffic signals for 2 nd quarter of FY 2007
126.93	Public Works/Fleet Services Department – labor provided for emergency fuel for Pump Station 14
22,344.28	Water Department – water sampling and water quality monitoring charges for the 3 rd and 4 th quarters for FY 2006
15,768.92	Utility user’s tax billed for April 2007
54.00	Technology Services Department – pager service charges for March 2007

was presented to the Board. The request was approved by the Acting Executive Director.

5. CARMELA MATHIS – APPOINTMENT.

Communication from Steve Larson, Interim Director of Human Resources, dated May 15, 2007, requesting approval of the appointment of Carmela Mathis to the position of Security Officer I at Range/Step 361/01, effective June 4, 2007, was presented to the Board. The request was approved by the Acting Executive Director.

6. ADESTA - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACT FOR SECURITY SYSTEM INTEGRATION SERVICES - DOCUMENT NO. HD-7175 - GWO NO. 4704 – APPROVED.

Communication from Cosmo Perrone, Director of Security, dated May 14, 2007, recommending authorization of a Contract with Adesta for security system integration services, in the amount of \$3,855,000, for a period of one year, with an option to extend the contract for an additional two years, and GWO No. 4704 in the amount of \$1,184,750, was presented to the Board. The recommendation was approved by the Acting Executive Director.

7. HARRIS STRATEX - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONTRACT FOR THE DESIGN, INSTALLATION, AND TESTING OF A WIRELESS LINK BETWEEN THE PORT OF LONG BEACH AND LONG BEACH CITY HALL – DOCUMENT NO. HD-7176 - GWO NO. 5090, SUPPLEMENT NO. 1 – APPROVED.

Communication from Cosmo Perrone, Director of Security, dated May 15, 2007, recommending authorization of a Contract with Harris Stratex for the design, installation, and testing of a wireless link between the Port of Long Beach and Long Beach City Hall, in the amount of \$160,000, and GWO No. 5090, Supplement No. 1, in the amount of \$170,000, was presented to the Board. The recommendation was approved by the Acting Executive Director.

Commissioner Walter moved, seconded by Commissioner Hancock that the communications be received and filed and that Items Nos. 1-7 be approved as recommended. Carried by the following vote:

AYES:	Comms:	Walter,Hancock,Cordero,Hankla
NOES:	“	None
ABSENT:	“	Topsy-Elvord

8. YICT - BOARD OF HARBOR COMMISSIONERS TO APPROVE MEMORANDUM OF UNDERSTANDING AND TO DESIGNATE MAYOR ROBERT FOSTER, COMMISSION PRESIDENT, JAMES C. HANKLA, COMMISSION VICE PRESIDENT, MARIO CORDERO, COMMISSION ASSISTANT SECRETARY, DR. MIKE WALTER, AND EXECUTIVE DIRECTOR, RICHARD D. STEINKE, TO SIGN MOU - DOCUMENT NO. HD-7177.

Communication from Gustav T. Hein, Executive Officer to the Board, dated May 17, 2007, requesting that the Board of Harbor Commissioners approve the Memorandum of Understanding with YICT, and designate Mayor Robert Foster, James C. Hankla, Mario Cordero, Dr. Mike Walter, and Richard D. Steinke, to sign the MOU, which will strengthen environmental and commercial bonds between the United States and China, was presented to the Board. The recommendation was approved by the Executive Director.

In response to a request by Commissioner Hancock, Mr. Hein stated that discussions with Yantian and their interest in a cooperative agreement with the Port of Long Beach had begun years ago. He stated Yantian is a growing Port, doing 8 million TEUs, and they currently have a large expansion project underway. Mr. Hein stated he feels Yantian will incorporate some of the Green Port Policy that was first developed and incorporated here at the Port of Long Beach.

Additionally, Mr. Hein stated this Memorandum of Understanding will be the culmination of an extensive Trade Mission that the Mayor and Commissioners will be participating in, and it will set the standards for future agreements with other Port facilities.

Commissioner Cordero stated that this is a good example of what the Green Port Policy is and that it is not just about being out on the cutting edge and being the leader, but showing what those leadership actions result in. He stated when the Port of Long Beach talked about the environment a few years ago, with regard to the Green Port Policy, there was a real and legitimate concern that the other parts of the world would not care about the policy and this prediction has proven to be wrong because we are moving ahead and sharing these Green Port Policy principals with other parts of the world.

Commissioner Cordero stated this is a first step for what the Port is doing on the international front.

Mr. Steinke added that Yantian has moved forward aggressively with their environmental programs and a lot started when Dr. Kanter went to a conference in Hong Kong to speak, which Yantian attended. He stated Yantian followed up with the Port of Long Beach when they were here for the TransPacific Maritime Conference, and that they have dedicated a significant amount of their budget to environmental programs.

Additionally, Mr. Steinke stated it is good to know that they are looking toward us to lend them a hand as they move forward on some of their environmental initiatives.

Commissioner Cordero stated he had recently attended a luncheon where the Mayors of Long Beach and Los Angeles were being honored, and one of the speakers on the environmental question was a representative from Maersk. He quoted that in the MOU with the Port of Los Angeles there is a section that states, "in relation to air pollution control, it talks about the concepts that we are going to move forward and agree with, including methods to characterize pollutant emissions from Port sources, development of control measures, and best practices, stakeholder participation of availability of low sulfur fuels." Commissioner Cordero stated he felt the availability of low sulfur fuels is very important because the concern was that they would not be available in the world market or that it would be too expensive. Commissioner Cordero points out that this MOU specifically makes reference that part of this MOU is to make that available because the conversion to low sulfur fuel would make a tremendous difference.

Additionally, Commissioner Cordero stated Maersk has agreed to use low sulfur fuels in all of their auxiliary engines/vessels coming to California.

Commissioner Hancock moved, seconded by Commissioner Walter that the communication be received and filed, that the Memorandum of Understanding with YICT be approved, and that Mayor Robert Foster, James C. Hankla,

Mario Cordero, Dr. Mike Walter, and Richard D. Steinke be designated to sign the MOU. Carried by the following vote:

AYES:	Comms:	Walter,Hancock,Cordero,Hankla
NOES:	"	None
ABSENT:	"	Topsy-Elvord

REGULAR AGENDA.

9. EQUILON ENTERPRISES, LLC, AND TESORO REFINING AND MARKETING COMPANY – EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE A LEASE ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT FOR A MARINE BULK OIL TERMINAL ON PIER B – DOCUMENT NO. HD-7178 - RESOLUTION NO. HD-2366 - ADOPTED.

Communication from Karl Adamowicz, Acting Director of Real Estate, dated May 15, 2007, recommending that the Executive Director be authorized to execute a Lease Assignment, Assumption and Consent Agreement between the Port of Long Beach, Equilon Enterprises, LLC, and Tesoro Refining and Marketing Company for a marine bulk oil terminal on Pier B, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Hancock moved, seconded by Commissioner Walter that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LEASE ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT BETWEEN AND AMONG THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, EQUILON ENTERPRISES LLC, DBA SHELL OIL PRODUCTS, US, AND TESORA REFINING AND MARKETING COMPANY, AND MAKING A DETERMINATION RELATING THERETO," be declared read and adopted as read. Carried by the following vote:

AYES:	Comms:	Walter,Hancock,Cordero,Hankla
NOES:	"	None
ABSENT:	"	Topsy-Elvord

10. SOUTHERN CALIFORNIA GAS COMPANY– EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE A UTILITY PERMIT FOR PARCELS ALONG THE NORTH SIDE OF ANAHEIM STREET – DOCUMENT NO. HD-7179 – RESOLUTION NO. HD-2367 - ADOPTED.

Communication from Karl Adamowicz, Acting Director of Real Estate, dated May 15, 2007, recommending approval of a Utility Permit with Southern California Gas Company for parcels along the north side of Anaheim Street, was presented to the

Board together with the authorizing resolution therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Cordero moved, seconded by Commissioner Walter that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A UTILITY PERMIT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND SOUTHERN CALIFORNIA GAS COMPANY FOR THE USE OF CERTAIN PREMISES, AND MAKING A DETERMINATION THERETO," be declared read and adopted as read. Carried by the following vote:

AYES:	Comms:	Walter,Hancock,Cordero,Hankla
NOES:	"	None
ABSENT:	"	Topsy-Elvord

11. RESOLUTION RESETTING THE REGULAR MEETING OF MONDAY, JUNE 4, 2007 – RESOLUTION NO. HD-2368 - ADOPTED.

Communication from Gustav T. Hein, Executive Officer to the Board, dated May 15, 2007, recommending adoption of a resolution authorizing resetting the regular meeting time of the Monday, June 4, 2007, Board meeting to 9:00 a.m., was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Executive Director.

Commissioner Cordero moved, seconded by Commissioner Walter that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH SUSPENDING RULE 1(B) AS SET FORTH IN HARBOR DEPARTMENT RESOLUTION NO. HD-519, AS AMENDED, RELATING TO THE MEETING SCHEDULE OF THE BOARD OF HARBOR COMMISSIONERS, AND RESETTING OF THE REGULAR MEETING OF JUNE 4, 2007," be declared read and adopted as read. Carried by the following vote:

AYES:	Comms:	Walter,Hancock,Cordero,Hankla
NOES:	"	None
ABSENT:	"	Topsy-Elvord

12. RESOLUTION CANCELLING THE REGULAR MEETING OF MONDAY, JUNE 11, 2007 – RESOLUTION NO. HD-2369 - ADOPTED.

Communication from Gustav T. Hein, Executive Officer to the Board, dated May 15, 2007, recommending adoption of a resolution authorizing cancelling of the regular meeting of Monday, June 11, 2007, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Executive Director.

Commissioner Cordero moved, seconded by Commissioner Walter that the communication be received and filed and that the resolution entitled "A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH SUSPENDING RULE 1(B) AS SET FORTH IN HARBOR DEPARTMENT RESOLUTION NO. HD-519, AS AMENDED, RELATING TO THE MEETING SCHEDULE OF THE BOARD OF HARBOR COMMISSIONERS, AND CANCELLING THE REGULAR MEETING OF JUNE 11, 2007," be declared read and adopted as read. Carried by the following vote:

AYES:	Comms:	Walter, Hancock, Cordero, Hankla
NOES:	"	None
ABSENT:	"	Topsy-Elvord

NEW BUSINESS.

Commissioner Walter stated he had just read the May 2007 edition of the Marine Digest and there was an interesting article on the Mayor of Los Angeles and that the article stated LA and Long Beach prosper in the Nation. He stated it went on to read that the two Ports are credited with creating more than 3 million jobs nationwide. Commissioner Walter said that there is a write up of the report done by BFT Associates and he felt it was significant because the statistics are impressive, as soon as the report was released, the Mayor of Los Angeles went to Washington, DC to meet with different congressional groups and he felt that was the right thing to do.

Commissioner Walter stated this is a tremendous story and that every congressional district in the country is