

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 TUESDAY, MAY 31, 2005, AT 1 P.M.

Present: Commissioners: Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
Absent: " None

Also present:

R. D. Steinke	Executive Director
G. Knatz	Managing Director
S. B. Rubin	Managing Director
T. Teofilo	Managing Director
G. T. Hein	Executive Officer to the Board
D. A. Thiessen	Chief Harbor Engineer
T. K. Whitesell	Director of Administration
H. C. Morris	Director of Communications
M. J. Slavin	Chief Financial Officer
D. L. Albrecht	Director of Information Management
B. F. Price	Maintenance Superintendent
R. G. Kanter	Director of Planning
G. Wasil	Leasing Officer
C. Perrone	Director of Security
D. B. Snyder	Director of Trade & Maritime Services
C. A. Kemp	Director of Community Relations
D. T. Holzhaus	Principal Deputy City Attorney

PRESIDENT CALHOUN PRESIDED AS CHAIRMAN.

APPROVAL OF MINUTES.

Upon motion by Commissioner Topsy-Elvord, seconded by Commissioner Cordero and unanimously carried, the minutes of the regular meeting of May 16, 2005, were declared read and approved as read.

AWARD PRESENTATION.

Mr. Wayne Nastri, Environmental Protection Agency, Region 9 Administrator, addressed the Board and stated that the Healthy Harbor Program and the Green Port Policy are the type of leadership issues that are paramount and the challenges that the Port faces are surmountable. He commended the Port on all that has been done through the leadership of the environmental department.

Additionally, Mr. Nastri stated he is here today to honor the Port in environmental excellence that it has demonstrated and that the Port was nominated for their leadership issues that have been tackled and implemented.

Mr. Nastri presented to the Board the Environmental Achievement Award.

President Calhoun stated the Port is very pleased to have been nominated and selected for this award, and for the recognition of all the efforts of our staff. Additionally, he stated the Port looks forward to working together on the possibility of a private fund to be created to help alleviate the dirty diesel truck emission problem.

President Calhoun thanked Mr. Nastri for personally presenting the award to the Board.

CONSENT CALENDAR – ITEM NOS. 1-8.

Item Nos. 4, 7, and 8 were removed from Consent Calendar for discussion.

1. DIVERSIFIED REPAIR SERVICES - ACCEPTANCE OF WORK UNDER SPECIFICATION NO. HD-S2166A.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 25, 2005, advising that Diversified Repair Services has satisfactorily completed, as of January 18, 2005, miscellaneous concrete and steel structural repairs at Pier B and Pier G, as described in Specification No. HD-S2166A and recommending that said work be accepted as complete as of that date, was presented to the Board. The recommendation was approved by the Acting Executive Director.

2. CH2MHILL - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FIRST AMENDMENT TO CONTRACT FOR THE PIER T CONTAINER TERMINAL DEVELOPMENT – DOCUMENT NO. HD-6724A.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 25, 2005, requesting approval of an amendment to Contract with CH2MHILL, for the Pier T Container Terminal Development, for a time extension to December 31, 2005, was presented to the Board. The request was approved by the Acting Executive Director.

3. EARTH MECHANICS, INC. - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE FOURTH AMENDMENT TO CONTRACT FOR PORT-WIDE GROUND MOTION STUDY - DOCUMENT NO. HD-6939.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 25, 2005, recommending authorization of an Amendment to Contract with Earth Mechanics, Inc., for the final submittal of the Port-Wide Ground Motion Study, in the amount of

\$300,000, adjusting the fee schedule, and extending the term to April 15, 2007, was presented to the Board. The recommendation was approved by the Acting Executive Director.

5. CITY OF LONG BEACH AND CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (EPA) DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE CONSENT AGREEMENT FOR CLEANUP OF MARINE SEDIMENTS IN THE WEST BASIN - DOCUMENT NO. HD-6940.

Communication from Robert Kanter, Director of Planning, dated May 25, 2005, recommending authorization of a Consent Agreement with California EPA Department of Toxic Substances Control for cleanup of marine sediments at the Navy's Installation Restoration (IR) Site 7 in the West Basin, was presented to the Board. The recommendation was approved by the Acting Executive Director.

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

Communication from Michael J. Slavin, Chief Financial Officer, dated May 24, 2005, submitting the following Fund Transfer Journals received from the Department of Financial Management:

<u>AMOUNT</u>	<u>DESCRIPTION</u>
\$668,084.85	Employee Benefits and Insurance Funds – transfer of the April 2005 cost of employees' fringe benefits
50,700.00	City Auditor – audit of the 2004 Harbor Department financial statements performed by KPMG
684,812.00	Fire Department – fire boats for May 2005 Fire Department – fire stations for May 2005
7,368.50	Fire Department – vessel patrol for May 2005
187,009.00	Police Department – police services for March 2005
14,129.00	Information Services Bureau – data processing operations and maintenance for April 2005
1,060.17	Public Works Department – maintenance of streetlights for May 2005
864.57	Reprographics for May 2005

199.23	Water Department – temporary 2” fire hydrant meter #5528
13,312.83	Utility user's tax billed for April 2005

was presented to the Board. The Fund Transfer Journals were approved by the Acting Executive Director.

Commissioner Topsy-Elvord moved, seconded by Commissioner Hankla that the communications be received and filed and that Item Nos. 1-3, 5, and 6 be approved as recommended. Carried by the following vote:

AYES:	Commrs:	Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
NOES:	“	None
ABSENT:	“	None

4. SPECIFICATION NO. HD-S2268 - APPROVED AND NOTICE INVITING BIDS AUTHORIZED – REPAIR OF DAMAGED ROADWAY GIRDER.

Communication from D. A. Thiessen, Chief Harbor Engineer, dated May 25, 2005, submitting Specification No. HD-S2268 for State Route 710, Anaheim Street Bridge Girder Repair and requesting authority to advertise for bids for said work, was presented to the Board. The request was approved by the Acting Executive Director.

In response to a question by Commissioner Hancock, Mr. Thiessen reviewed the incident and gave an overview of the insurance communications.

In response to a question by Commissioner Cordero, Mr. Holzhaus stated there is no formal signed agreement between the parties because we would have to defer the repair of the bridge too long in order to get an agreement in place.

Additionally, Mr. Thiessen stated we wanted to expedite the repairs because currently the southbound on-ramp to the I-710 freeway off Anaheim Street is blocked and awaiting these repairs.

Commissioner Hancock moved, seconded by Commissioner Topsy-Elvord that the communication be received and filed, that Specification No. HD-S2268 be approved, and that the Executive Director be authorized to advertise for bids therefore. Carried by the following vote:

AYES:	Commrs:	Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
NOES:	“	None
ABSENT:	“	None

7. FINANCIAL STATEMENTS FOR THE LONG BEACH HARBOR DEPARTMENT FOR THE MONTH ENDED APRIL 30, 2005 – RECEIVED AND FILED.

Communication from Michael J. Slavin, Chief Financial Officer, dated May 24, 2005, transmitting financial statements for the Long Beach Harbor Department for the month ended April 30, 2005, was presented to the Board. The financial statements were approved by the Acting Executive Director.

In response to questions by Commissioner Cordero regarding infrastructure maintenance, Mr. Slavin reviewed the Statement of Revenue and Expenses showing the monthly changes on the various operating expenses.

In response to a question by Commissioner Cordero regarding grant revenue, Mr. Slavin stated they don't show up as revenue until we have earned the amounts. This means we have expended the funds and earned the amount that qualifies under the grant, then that portion is shown as revenue, and in the mean time it is shown as receivable, cash, liability, or some combination.

In response to a question by Commissioner Cordero, Mr. Slavin explained and reviewed the Restricted for Debt Service Contingencies.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord that the communication and financial statements transmitted therewith be received and filed. Carried by the following vote:

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

8. MICHAEL VANDERBEEK – APPOINTMENT.

Communication from Toni K. Whitesell, Director of Administration, dated May 25, 2005, requesting approval of the appointment of Michael Vanderbeek to the position of Port Communications Specialist I, at Range/Step 470/6, effective June 4, 2005, was presented to the Board. The request was approved by the Acting Executive Director.

Commissioner Hankla stated the hiring of a management assistant is good business and it makes sense for us to participate in the Management Assistant Program.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord that the communication be received and filed and that Michael Vanderbeek be appointed to the position of Port Communications Specialist I. Carried by the following vote:

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

REGULAR AGENDA.

9. AN UP CLOSE LOOK AT MARINE LIFE IN THE SAN PEDRO BAY PORTS BROCHURE – RECEIVED AND FILED.

Communication from Robert Kanter, Director of Planning, by Thomas Johnson, dated May 25, 2005, transmitting the brochure, An Up Close Look at Marine Life in the San Pedro Bay Ports, was presented to the Board. The brochure was approved by the Acting Executive Director.

In response to a request by Commissioner Hancock, Dr. Kanter reviewed the brochure.

Commissioner Cordero stated this is an example of us working together with the Port of Los Angeles and in the brochure it makes it clear that our water quality programs have been a tremendous success.

Commissioner Topsy-Elvord announced that Mr. Gary Cardamone, Deputy Chief Harbor Engineer of Construction, had been selected to receive the 2005 Achievement Award from the Consulting Engineers and Land Surveyors of California (CELSOC). She stated Mr. Cardamone had received this award for maintaining a solid, well organized, and effective team to accomplish several impressive projects, such as Pier T, Berth 400, Piers G, S, A, and the Ocean Boulevard grade separation.

Mr. Cardamone thanked the Commissioners for their recognition and stated he would accept the award on behalf of all the people who help make these Port projects so successful.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord that the communication and brochure, An Up Close Look at Marine Life in the San Pedro Bay Ports, transmitted therewith be received and filed. Carried by the following vote:

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

10. FIELDS & ISRAEL LLP – SECOND AMENDMENT TO AGREEMENT FOR LEGAL SERVICES – APPROVED.

Communication from Charles M. Gale, Deputy City Attorney, dated May 16, 2005, requesting approval of a Second Amendment to Agreement with Fields & Israel LLP for legal services, for a time extension to November 30, 2005, was presented to the Board.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord that the communication be received and filed and that said Amendment to Agreement with Fields & Israel LLP be approved. Carried by the following vote:

AYES:	Commrs:	Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
NOES:	"	None
ABSENT:	"	None

Commissioner Cordero left the meeting.

11. RESOLUTION RESETTING THE REGULAR MEETING OF JUNE 6, 2005 – RESOLUTION NO. HD-2255 - ADOPTED.

Communication from Gustav T. Hein, Executive Officer to the Board, dated May 24, 2005, recommending adoption of a resolution authorizing resetting the regular meeting time of the Monday, June 6, 2005, 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 Hancock moved, seconded by Commissioner Topsy-Elvord 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 THE TIME OF THE REGULAR MEETING OF JUNE 6, 2005," be declared read and adopted as read. Carried by the following vote:

AYES:	Commrs:	Hancock, Hankla, Topsy-Elvord, Calhoun
NOES:	"	None
ABSENT:	"	Cordero

12. RESOLUTION CANCELLING THE REGULAR MEETING OF JUNE 13, 2005 – RESOLUTION NO. HD-2256 - ADOPTED.

Communication from Gustav T. Hein, Executive Officer to the Board, dated May 25, 2005, recommending adoption of a resolution authorizing cancelling of the regular meeting of June 13, 2005, was presented to the Board together with the authorizing resolution therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Topsy-Elvord moved, seconded by Commissioner Hancock 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 13, 2005," be declared read and adopted as read. Carried by the following vote:

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

Commissioner Cordero returned to the meeting.

13. PORT OF LONG BEACH TARIFF NO. 4, ITEM NOS. 402 AND 404 – AMENDMENT FOR REDUCTION OF FREE TIME ALLOWED AND AMEND THE FREE TIME CALCULATION – LAID OVER.

Communication from Donald B. Snyder, Director of Trade and Maritime Services, dated May 25, 2005, recommending approval of the amendments of Item Nos. 402 and 404 in the Port of Long Beach Tariff No. 4 for reduction of free time allowed and amend the free time calculation, was presented to the Board together with the authorizing resolution and ordinance therefore. The recommendation was approved by the Acting Executive Director.

Mr. Roger Clarke, President of the Los Angeles Customs Brokers & Freight Forwarders Association, addressed the Board and stated the association represents close to 200 customs brokers and freight forwarders in the metropolitan area and many reside in Long Beach and do business within the port area. He stated the association supports all the efforts being made to address the infrastructure and congestion, but the association has some issues that should be addressed before the Port makes the final vote. Mr. Clarke asked that these two amendments be addressed fairly and equitably among all members of the trade. He stated large firms that have the bargaining power to address service contracts with carriers are being exempted from the demurrage requirements and are given extended free time on the pier, which in turn causes congestion. Additionally, Mr. Clarke stated that the assessment of free time is not being evaluated equally among all commodities, reefer commodity is now at a three-day free time schedule and, by reducing it down to two days, it determines that every single

reefer container will accrue demurrage since these types of commodities require an appointment to go into cold storage warehouses or processing plants.

Furthermore, Mr. Clarke stated another concern of the amendments is with the way free time is assessed by not addressing the examinations made by government agencies. He suggested that containers not start free time until they are made completely available for pickup, and that would include any examinations being conducted for security or agriculture reasons.

In conclusion, Mr. Clarke stated the Port has the PierPass Program beginning in the next 30-60 days and the Port is not allowing the PierPass Program that ample time to get up and running to see what the impact on congestion and infrastructure will be.

Mr. Dan Meylor, Vice President of the Los Angeles Customs Brokers & Freight Forwarders Association, addressed the Board and stated he had two main points to focus on. One, the Port of Long Beach is a landlord port and the Port has contracts with different terminals for demurrage. He stated the terminals set an amount with each contract on how much demurrage is to be assessed or collected and, after that, any demurrage collected from shippers becomes a profit center, and the lower end of the free time just means more profit for the terminals rather than a cause for getting the containers off the docks. Secondly, he stated demurrage is not assessed fairly due to service contracts, some carriers have their terminals waive the demurrage fee and he asked how can carriers and terminals can waive a tariff-assessed fee by this Port.

Ms. Maurine Cecil, Chairman of the Board of the Los Angeles Customs Brokers & Freight Forwarders Association, addressed the Board and stated she echoed the concerns addressed by Mr. Clarke and Mr. Meylor. Additionally, she stated her concerns with the cargo available for pick up and, with the government holds on cargo, this should be considered when the Port is reducing free time.

Ms. Michele Grubbs, Vice President of Pacific Merchant Shipping Association, introduced Mr. Steve Longbotham from MTC who was here representing Voyager Track, and Mr. John Cushing from eModal.

Mr. Steve Longbotham addressed the Board and stated Voyager Track is offered at seven different terminals, which offer real time information, and is integrated with the terminal systems. He stated a notification is sent when a container becomes unavailable for any reason and, when the container opens up, another notification is sent. Additionally, Mr. Longbotham stated Voyager Track does allow appointments to be made when containers are not available, with them being classified as pending, and appointments can be made as soon as a container is discharged from the vessel.

Mr. John Cushing addressed the Board and stated eModal has 34 terminals nationwide participating in the eModal port community system. He stated it is a web-based system that provides multi-terminal display of information on a single page. He said the terminal will say whether a container is either available or not for an appointment, and eModal does not offer pending appointments.

Ms. Grubbs stated the systems are in place for this change and the reason for this change is to address the congestion from last year. She stated the terminals have hired 5,000 additional longshoremen, are extending the hours with the PierPass Program so there will be five extra shifts for the cargo to be released, and are also investing in technology to improve the efficiency of the terminals. In conclusion, Ms. Grubbs urged the Board's support for this amendment.

Ms. Patty Senecal, voluntary Chair from the California Trucking Association and Intermodal Conference, addressed the Board and stated the driver shortage is here, it's real, and it is very serious. She questioned the values of an event notification when the driver is already in line at the terminals.

In response to a question by Vice President Topsy-Elvord, Ms. Senecal stated no one wants to work in the industry and a reason could be that the truckers are not paid for down time, such as wait time at the terminals and slow drive time on the freeways.

Ms. Staci Heaton, Director of Environmental Affairs of CTA, addressed the Board and stated the trucking industry is subject to anti-trust laws, which means rates can't be discussed, and the marine terminals and steamship lines are anti-trust immune, which means rates and charges can be discussed. She stated the inefficiencies inside the terminals create congestion problems, and that the truckers are paid by the load and average 1.6 loads per day from the terminals.

Mr. Miguel Lopez addressed the Board and stated he has a 32-year period of being a Commercial Class A driver with a hazardous material endorsement. He stated he has contacted over 300 truckers in the Los Angeles/Long Beach area to try to solicit them to become hourly employees in a new company with evening hours and 9 out of 10 truckers refused due to the evening hours.

Mr. Lopez stated the International Brotherhood of Teamsters oppose the free time amendment until the public and staff meet and have a proper study as to some of the issues.

Additionally, Mr. Lopez stated he is opposed to the PierPass Program since there is no guarantee that it is to be equitable.

In conclusion, Mr. Clarke asked that demurrage be assessed once the cargo is available, not once it comes off the vessel, since it may not be readily available.

In conclusion, Mr. Longbotham stated everyone will need to work on the velocity of the cargo.

In conclusion, Ms. Senecal stated it is the steamship lines that have negotiated the extra free time with their clients and she asked what mechanism is the Port going to put in place with reducing the free time to say you can't do this again. She stated her suggestion is to have more stakeholder input.

President Calhoun thanked everyone for their comments.

Commissioner Hancock commended the letter introduced by Mr. Clarke and Ms. Cecil, which dealt with things such as the inconsistencies of enforcement, preferences, the availability of pick up, and the issues of delays that are caused by government inspections.

Mr. Steinke stated the Ports of Los Angeles and Long Beach have in the past worked with a group called the Intermodal Committee in trying to look at ways for the industry to work better together. He stated, as the ports and marine terminals become more congested there has become increasing pressure on this Board of Harbor Commissioners to do things that reduce congestion. Mr. Steinke stated this Board has initiated the truck trip reduction program as one of a number of things to reduce congestion, not only in the terminals but also on the freeways.

Mr. Teofilo stated that the marine terminal operators brought this concept forward to the Ports since the operators wanted to improve the velocity through the terminals. He stated one of the avenues to enforcing velocity is the PierPass Program and the Port supports this program. Additionally, Mr. Teofilo stated there is an issue with hours of truck operations and it will be interesting to see how the trucking industry handles that since they are going to need more truckers to work PierPass Program.

In conclusion, Mr. Teofilo proposed to re-establish a committee that could meet on a regular basis, not emphasizing that the Port has any ability to make any changes, but would at least be the field by which the groups can come together to be heard.

Commissioner Cordero stated he supports the free time tariff as recommended because time is of the essence. Commissioner Cordero asked Mr. Snyder if this revision will play a role to alleviate an increase of efficiency at this Port.

Mr. Snyder stated that was correct.

Commissioner Cordero stated the Port cannot provide the answers, but the Port needs to be a part of a process pushing this issue.

In conclusion, Commissioner Cordero asked whether demurrage should apply to a situation where there is a government or customs hold on the container, and if there is a provision that exempts free time in that scenario.

Mr. Snyder stated in response that the reduction in free time will reduce the amount of inventory of containers and hopefully allow the truckers to get in and get better access to the containers that are remaining. He also stated the change in calculation of free time spreads out the free time over several days.

In conclusion, Mr. Snyder stated both of these factors are to relieve congestion, help the terminals with the velocity and, hopefully, help the truckers with their turn time in the terminals.

Commissioner Hankla asked Mr. Snyder whether this will be administered fairly by the marine terminal operators.

Mr. Snyder commented that the Port tariff provides for a set amount of free time and then beyond the free time, demurrage charges apply. He stated in the Port's current leases, the demurrage is collected by the terminal operators and not by the Port. The marine terminals are under the jurisdiction of the Port tariff to collect the demurrage and to enforce free time regulations. Additionally, Mr. Snyder stated that when the ocean carriers and the importers/exporters have a contract, which are filed with the Federal Maritime Commission, the terms are confidential and the Port does not have access to the information.

Commissioner Topsy-Elvord stated she cannot vote for this since the free time begins before a container is available and she cannot vote for this until this is addressed.

President Calhoun concurred with Commissioner Topsy-Elvord and stated he is not assured demurrage charges are actually going to be collected unless there are reports made to the Port that the charges at the terminal were actually assessed and collected on a particular container.

Mr. Snyder stated the Port of Los Angeles has passed this and most of the ocean carriers that charge demurrage and free time are operating at both Ports. He stated it may pose some difficulty having two standards within the same harbor complex.

Mr. Steinke offered to bring this back at the Board meeting on June 20, 2005.

Commissioner Hankla stated the essential question is the fairness of the administration of this tariff, not by the Port, but by the marine terminals.

President Calhoun stated the motion is to lay this item over until next week with the understanding that if staff cannot get enough information together to make a full presentation, then it will be laid over for three weeks.

Commissioner Hancock moved, seconded by Commissioner Hankla that the communication be laid over. Carried by the following vote:

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

14. PORT OF LONG BEACH TARIFF NO. 4 – INCREASE IN RATES – RESOLUTION NO. HD-2257 – ADOPTED – FIRST READING OF ORDINANCE.

Communication from Donald B. Snyder, Director of Trade and Maritime Services, dated May 25, 2005, recommending approval of the general tariff rate increase of 5%, in Port of Long Beach Tariff No. 4, was presented to the Board together with the authorizing resolution and ordinance therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Hankla moved, seconded by Commissioner Topsy-Elvord 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 AMENDING ORDINANCE NO. HD-1357, DESIGNATED TARIFF NO. 4, BY AMENDING VARIOUS ITEMS TO IMPLEMENT A 5% TARIFF INCREASE FOR A PERIOD OF NINETY DAYS COMMENCING JULY 1, 2005," be declared read and adopted as read. Carried by the following vote:

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

Commissioner Topsy-Elvord moved, seconded by Commissioner Hankla that the ordinance entitled "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AMENDING ORDINANCE NO. HD-1357, DESIGNATED TARIFF NO. 4, BY AMENDING VARIOUS ITEMS TO IMPLEMENT A 5% TARIFF INCREASE," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

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

15. ANTHEM TELECOM, LLC - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE A COMMUNICATIONS SITE LEASE ON PIER D AND PIER J – FIRST READING OF ORDINANCES.

Communication from Kathryn McDermott, Director of Properties, dated May 25, 2005, recommending approval of a Communications Site Lease on Pier D and Pier J with Anthem Telecom, LLC, was presented to the Board together with the authorizing ordinances therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Topsy-Elvord moved, seconded by Commissioner Cordero that the communication be received and filed and that the ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A COMMUNICATIONS SITE LEASE BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND ANTHEM TELECOM, LLC, FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT AND MAKING A DETERMINATION RELATING THERETO," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

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

Commissioner Topsy-Elvord moved, seconded by Commissioner Hankla that the communication be received and filed and that the ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A COMMUNICATIONS SITE LEASE BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND ANTHEM TELECOM, LLC, FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT AND MAKING A DETERMINATION RELATING THERETO," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

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

16. LONG BEACH CONTAINER TERMINAL - EXECUTIVE DIRECTOR AUTHORIZED TO EXECUTE SIXTH AMENDMENT TO AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT FOR PIER F – FIRST READING OF ORDINANCE.

Communication from Kathryn McDermott, Director of Properties, dated May 23, 2005, recommending approval of the Sixth Amendment to Amended and Restated Preferential Assignment Agreement with Long Beach Container Terminal for minor boundary changes on Pier F, was presented to the Board together with the

authorizing ordinance therefore. The recommendation was approved by the Acting Executive Director.

Commissioner Topsy-Elvord moved, seconded by Commissioner Cordero that the communication be received and filed and that the ordinance entitled, "AN ORDINANCE OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SIXTH AMENDMENT TO AMENDED AND RESTATED PREFERENTIAL ASSIGNMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, ACTING BY AND THROUGH ITS BOARD OF HARBOR COMMISSIONERS, AND LONG BEACH CONTAINER TERMINAL, INC., FOR THE USE OF CERTAIN PREMISES IN THE HARBOR DISTRICT, AND MAKING A DETERMINATION RELATING THERETO," be declared read for the first time and laid over for its second and final reading. Carried by the following vote:

AYES:	Commrs:	Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
NOES:	"	None
ABSENT:	"	None

COMMISSIONER COMMENTS.

Commissioner Hankla asked Mr. Holzhaus for a staff report on legal ramifications surrounding the issues of the LNG discussions ongoing in the City Council.

ANNOUNCEMENTS.

Mr. Hein announced the next meeting on June 6, 2005, will be at 9 a.m., and the meeting on June 13, 2005, has been cancelled.

Mr. Hein announced the Port had received a plaque from International Association of Ports and Harbors (IAPH) for our participation.

Dr. Knatz stated this plaque represents the 50th anniversary of IAPH and each of the member Ports received a plaque. She stated the IAPH was formed 50 years ago in Los Angeles.

ADJOURNED.

At 3:55 p.m., Commissioner Cordero moved, seconded by Commissioner Hancock that the meeting be adjourned sine die. Carried by the following vote:

AYES:	Commrs:	Hancock, Cordero, Hankla, Topsy-Elvord, Calhoun
NOES:	"	None
ABSENT:	"	None

C I T Y P L A N N I N G C O M M I S S I O N M I N U T E S**M A Y 5, 2 0 0 5**

The regular meeting of the City Planning Commission convened on Thursday, May 5, 2005, at 1:35pm in the City Council Chambers, 333 W. Ocean Boulevard.

PRESENT: COMMISSIONERS: Morton Stuhlbarg, Matthew Jenkins,
Mitch Rouse, Nick Sramek,
Charles Greenberg, Charles Winn

ABSENT: EXCUSED: Leslie Gentile

CHAIRMAN: Morton Stuhlbarg

STAFF MEMBERS PRESENT: Suzanne Frick, Director
Greg Carpenter, Planning Manager
Carolyn Bihn, Zoning Officer
Angela Reynolds, Advance Planning
Lynette Ferenczy, Planner
Anita Garcia, Planner

OTHERS PRESENT: Lisa Malmsten, Sr. Deputy City Attorney
Marcia Gold, Minutes Clerk

P L E D G E O F A L L E G I A N C E

Commissioner Sramek led the pledge of allegiance.

M I N U T E S

The minutes of April 7, 2005 were approved on a motion by Commissioner Jenkins, seconded by Commissioner Stuhlbarg, and passed 4-0-1. Commissioner Winn abstained, and Commissioner Greenberg had not yet arrived. Commissioner Gentile was absent.

S W E A R I N G O F W I T N E S S E S

CONSENT CALENDAR

1. Case No. 0503-02, Conditional Use Permit, CE 05-37

Applicant: Fast Transfer c/o Pat Brown
Subject Site: 915 E. Anaheim Street (Council District 6)
Description: Request for a Conditional Use Permit for a check-cashing business inside an existing market (KH Supermarket).

Greg Carpenter commented that the applicant for this item had agreed to a suggestion by audience member Pat Bergendahl that a condition be added to require that the security bars be open during business hours.

Pat Brown, 5390 E. 8th Street, applicant, agreed to the revised conditions of approval.

Item 1 of the Consent Calendar was approved on a motion by Commissioner Jenkins, seconded by Commissioner Sramek and passed 6-0. Commissioner Gentile was absent.

CONTINUED ITEMS

2. Case No. 0412-21, Classification of Use

Applicant: Clair Milton
Subject Site: 5000 Lew Davis Street (Council District 5)
Description: Classification of Use for a proposed motorcycle safety training program to be located at Veterans Memorial Stadium (Long Beach City College) in the Institutional Zoning District.

Carolyn Bihn presented the staff report recommending concurrence with the determination of the Zoning Officer that the use is noncompliant with the intent of the zoning district, since the proposed use is directly across the street from a residential area and because the adjacent properties are already impacted by ongoing events at Veterans Memorial Stadium.

Clair Milton, 5000 Lew Davis Street, applicant, discussed the disadvantages of alternate locations for his operation, and asked for a six month trial at Memorial Stadium to prove there would not be any negative impacts on the neighborhood.

Robert Gladden, 2 Jenner Street #150, Irvine, 92618, project manager, stated that these classes were located based on demographics and financial viability for the operators.

Commissioner Greenberg declared he could not support the staff recommendation since he did not want to preclude this kind of use in the institutional zones, but he suggested requiring a CUP so the City could evaluate its impacts on a given area.

Regarding the six-month trial, Mr. Greenberg responded that he felt the service was a valuable one, but that the Commission should not be in a position to force the use into an area when the neighbors did not support the concept.

In response to a query from Commissioner Jenkins, Mr. Milton confirmed that his financial viability depended on having a Long Beach location.

Commissioner Greenberg then moved to allow the use in the Institutional and Industrial Zones, but only with an approved Conditional Use Permit. Commissioner Sramek seconded the motion, which passed 6-0. Commissioner Gentile was absent.

R E G U L A R A G E N D A

3. Case No. 0406-20, Long Range Development Plan (Master Plan), Rezoning, Standards Variance and Site Plan Review, EIR SCH 2004081142

Applicant: Long Beach Memorial Medical Center-
Pat Johner c/o ADAMS Project Management
Consulting, LLC

Subject Site: 2801 Atlantic Avenue (Long Beach Memorial
Medical Center and Miller Children's
Hospital) (Council District 6)

Description: Certification of EIR (State Clearinghouse No. 2004081142); adoption of a resolution with a Statement of Overriding Considerations; request to adopt a Long Range Development Plan (Master Plan) for future expansion of the Long Beach Memorial Hospital complex to include Miller Children's Hospital and Todd Cancer Institute; realignment of the Patterson Street entrance; construction of a utility trench and phased parking program; rezoning from Regional Highway District (CHW) to Long Beach Boulevard Planned Development District (PD-29); Site Plan Review for Phase I of the Miller Children's Hospital Pediatric Inpatient Tower and construction of the Central Plan Building; and a

Standards Variance for building projections on Atlantic Avenue for the Inpatient Tower and to provide off-site parking without a deed restriction.

Anita Garcia, project manager, presented an outline of the overall scope of the project and construction phases, noting the extensive community outreach and study sessions.

Dr. Mel Marks, Chief Administrative Officer, Millers Children's Hospital; Senior Vice President, Long Beach Memorial Medical Center & Miller Children's Hospital, discussed the immediate and long-range community needs for the project, which was being built with private funds.

Marie Campbell, President, South Coast Environmental, discussed the technical aspects of the EIR preparation including the hazards facing the current site and the planned expansion. Ms. Campbell also detailed the response to community comments on the draft EIR.

Commissioner Greenberg complimented the applicant on the speed and quality of the design and the farsightedness of the long-term development, and asked about what discretion was left after this for the Planning Commission to have input on future development of the site. Angela Reynolds stated that subsequent phases would have to be consistent with the Master Plan; and that the project from now on would return to the Commission only for Site Plan Reviews.

In response to a query from Commissioner Jenkins regarding potential destruction of existing housing on site, Ms. Reynolds noted that although there was no discussion of workforce housing in the Master Plan, the hospital planned to coordinate this project aspect with the City, and additionally, conditions of approval required them to provide housing assistance to move displaced residents.

In response to a query from Commissioner Jenkins regarding calculations used to determine air quality, Ms. Campbell contended that they had overestimated traffic to prove that mitigation measures would be adequate for the scope of the project, and that the SCAQMD had not commented on the analysis, which they took to mean that their contamination remediation was on target.

Commissioner Greenberg remarked that he thought the need for workers' housing was critical and should remain on site, which would also help mitigate traffic issues.

Richard DiCarlo, Senior Vice President, Millers Children's Hospital, noted that the hospital was in partnership with various colleges to recruit and train students, and he added that they had met with the RDA to discuss how they could create nearby housing opportunities.

Tim Lee, representing Sixth District City Councilwoman Laura Richardson, read a letter into the record stating they strongly supported the efforts for expansion, but asked that there be one more community meeting, with notices sent in any languages spoken in the area, and that a translator be provided for that meeting. Mr. Lee also said they wanted to see the affordable housing aspect addressed.

Joshua Butler, 2750 E. Spring Street, Long Beach 90806, stated he was a labor organization member who wanted to see that housing needs were addressed, especially given the shortage of low-income housing in the area.

Ginny Gonzales, 510 Pine Avenue, Long Beach 90802, representing the League of United Latin American Citizens, expressed support for the expansion of services to the community, asking that any affordable housing demolished be replaced, and to require that the contractor hire local workers, with better public notification to allow review and response, translated into languages spoken in the area.

Bob Bolling, 4464 Hazelnut, Seal Beach, 90740, hospital volunteer, expressed support for the project, saying that the pediatric ICU especially needed to be expanded.

Dr. Hans Laursen, 1434 E. 2nd Street, Long Beach, 90802, hospital resident, spoke in support of the expansion, suggesting objective oversight of the consultants and further environmental study to further address rumored on-site toxic chemical issues.

Gloria Evins, 145 E. Canton Street #3, Long Beach, 90806, asked that project information be translated into the languages spoken in the area.

Commissioner Jenkins noted that the City Council would be discussing the project at a community meeting in June that would be translated into various languages.

Ana Aparicio, 2632 Pasadena Avenue, Long Beach, 90806, said she was a resident of one of homes slated to potentially be demolished in the future, and said she thought there should be more affordable housing planned and community involvement in the expansion design.

Bernard Beskind, 12512 Argyle Drive, Rossmoor, 90720, hospital volunteer, said he thought the expansion was crucial because current conditions of the hospital negatively impacted patients, and he said the new facility would attract world-class doctors.

Elizabeth Campbell, 4803 Lorelei Avenue, Long Beach, 90808, expressed concern that the EIR did not completely address environmental issues.

Lizette Hernandez, 152 W. 32nd Street, Los Angeles, 90007, stated she represented a community group interested in environmental and social issues, and expressed concern that approval of the EIR would be premature with low-income residents potentially displaced by the expansion.

Jonathan Parfrey, 617 S. Olive St. #810, Los Angeles, 90014, Director, Physicians for Social Responsibility, lauded the hospital for moving towards being a green building to include waste management and pollution prevention, but suggested that the indoor air quality could be jeopardized in the new facility and that the EIR might be out of date in addressing specific toxins.

Robert Nielsen, 28916 Crestridge, Rancho Palos Verdes, 90275, said the doctors at the hospital had saved his childrens' lives, and suggested that the focus should be on the urgent need for growth at this top facility.

James Elmendorf, 215 W. Sixth Street, #204, Los Angeles, 90012, Senior Policy Analyst, Los Angeles Alliance for a New Economy, asked that there be more specific and binding guidelines to direct the developer to address low-income housing.

Diane Black, 233 S. Lemon #F, Orange, 92866, said that her children were also saved by the doctors at the hospital, and that the need for expansion was urgent and immediate.

Virginia Culp, 2401 San Francisco Avenue, Long Beach, 90806, expressed concern about potential traffic and environmental

impacts, and said she had never received notification of the project.

Tom Brohard, Tom Brohard & Associates, 81905 Mountain View Lane, La Quinta, 92253, said he had been retained by union organizers SEIU-UHW to submit comments from the Environmental Defense Group regarding the final EIR that questioned the adequacy of the traffic and parking analysis and claimed the number of transit trips had been underestimated.

Richard Drury, 651 Gateway Blvd. #900, So. San Francisco, 94080, another attorney for the union organizers, claimed there were legal deficiencies in the EIR including insufficient mitigation measures, inaccurate measurement of the level of existing site contamination, the need for a cumulative impact analysis, and lack of replacement housing for the potential demolition of low-income units.

Paul Kumar, 5480 Ferguson Drive, Commerce, 90022, government representative for the union organizers, expressed support for the facility expansion but said they felt that there had been insufficient public process because the documents had not been translated into area languages, and agreed with the previous two speakers at the traffic mitigation would be insufficient and that environmental quality impacts had not been fully explored.

In response to a query from Commissioner Winn regarding the amount of time Mr. Kumar felt was necessary to address these issues, Mr. Kumar suggested that three months would be sufficient.

Commissioner Greenberg reminded the speakers that the broad socio-political issues engendered by the project were outside the scope of the Commission's responsibility and authority to address land-use issues.

Commissioner Rouse disclosed that he was a member of the Long Beach Memorial Medical Center Board.

Commissioner Rouse also asked the union representatives if they had any members at the hospital. Mr. Kumar answered that there were some employees interested in joining the union, but none were currently represented. Mr. Rouse asked if the outpouring of concern on the part of the union had anything to do with their desire to organize the hospital employees. Mr. Kumar replied that the union typically intervened in developments across the state whether or not their members were involved.

Charlene Metcalf, 5865 Rogene Street, Long Beach, 90815, expressed support for the hospital expansion, and said that as a cancer patient at the hospital, she felt the current situation where doctors were in different buildings far apart was an untenable and stressful situation for patients that needed to be remedied immediately.

JoAnne Carroll Arthur, 50 - 64th Place, Long Beach, 90803, hospital volunteer, also spoke in support of the expansion plans, noting the desperate community need for the qualified health care the new facility would bring, all in one building.

Suzanne Brown, 110 Pine Avenue #420, Long Beach, Legal Aid attorney, said she believed further study of the mitigation measures proposed was needed especially if any residences were demolished, and said she thought workforce housing should be part of the project.

Teresa, (no last name or address given by request), expressed concern that seniors might be displaced by potential housing demolition, and suggested that the hospital use different vacant land for the project.

Ms. Campbell addressed these concerns, noting that the site had been purchased specifically for the purpose of expansion and staff parking, not for housing, and that the area was not included as a component of the City's housing stock.

Ms. Campbell also said they felt that all contaminants in the area had been exhaustively studied, and noted that recent changes in these guidelines had been included in the final analysis.

Ms. Reynolds added that 100 borings had been done to prepare for the EIR by a Board certified toxicologist and geologist.

In response to a query from Commissioner Greenberg regarding toxicity, Ms. Campbell noted that the borings had been done in the building footprints with contaminants clearly spelled out. She added that a voluntary cleanup agreement had been executed recently with a health risk assessment circulated and an additional analysis of further borings done to confirm the original results.

Dr. Marks explained that the existing housing stock in question would not be destroyed for several years, and only then if there was inadequate staff parking.

Richard E. Baretto, Principal, Linscott Low and Greenspan, 1580 Corporate Drive #122, project traffic engineer, said that all trips, even those of auxiliary buildings, had been included in the traffic study.

Commissioner Sramek commented that he thought there was a need for further community outreach. Mr. Carpenter noted that Councilwoman Laura Richardson had requested a community meeting to explain the project.

Commissioner Greenberg said this project could be a significant asset to the City, but that he wanted to see stronger language in the EIR to encourage production of workforce housing, which could lead to better employee quality. Mr. Greenberg noted that if Long Beach Memorial took the lead on this idea, others would follow, to our medical advantage.

Angela Reynolds mentioned that she had read the extensive document submitted a few hours earlier by union attorney Drury, and that she could say with certainty that all the issues brought up in the brief had been addressed in the EIR and the response to community comments. City Attorney Malmsten added that the specific issue of new ozone regulations mentioned by the speaker would not come into effect for some time, and that nothing would be gained by spending more time on the document.

Commissioner Greenberg pointed out that once approvals for the project were given, the scope of review by the Commission would be limited to Site Plan Reviews, but since the Commissioners were not experts in growing a medical center, and because Long Beach Memorial as a non-profit and good citizen had done a good job in figuring out their long-term needs, it would be better done this way than piecemeal.

Commissioner Greenberg then moved to certify Environmental Impact Report EIR 13-04 and to adopt the Resolution with Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring Plan; to recommend that the City Council adopt a rezoning from Regional Highway District (CHW) to Long Beach Boulevard Planned Development District (PD-29) subarea 1; adopt a Long-Range Development Plan for the Long Beach Memorial Hospital complex; approve the Site Plan Review for the Miller Children's Hospital (MCH) Inpatient Tower Phase I and Central

Plant Building subject to conditions; approve the Standards Variance requests for a projection into the front yard setback area for an elevated pedestrian exit on the east elevation of the Miller Children's Hospital Inpatient Tower; and to provide off-site parking without a deed restriction for Lots L and M, subject to revised conditions.

Commissioners Greenberg and Jenkins disclosed that they had talked to some of the project opponents.

Commissioner Jenkins said he thought Councilwoman Richardson's suggestion of another outreach meeting should be followed, and he seconded the motion, which passed 6-0. Commissioner Gentile was absent.

M A T T E R S F R O M T H E A U D I E N C E

There were no matters from the audience.

M A T T E R S F R O M T H E D E P A R T M E N T O F P L A N N I N G A N D B U I L D I N G

Angela Reynolds described the study session planned for the Home Depot draft EIR.

M A T T E R S F R O M T H E P L A N N I N G C O M M I S S I O N

There were no matters from the Planning Commission.

A D J O U R N

The meeting adjourned at 5:16pm.

Respectfully submitted,

Marcia Gold
Minutes Clerk

MINUTES
 REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 MAY 19, 2005

The Board of Water Commissioners of the City of Long Beach met in the Board Room of the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on May 19, 2005. The meeting was called to order at 9:15 a.m. by President Hansen.

PRESENT:	Helen Z. Hansen Stephen T. Conley Frank Clarke C.J. Mike Walter Donna F. Gwin Kevin L. Wattier Lynnette L. French Ryan J. Alsop Kenneth A. Walker Robert C. Cheng Paul T. Fujita Isaac C. Pai K. Eric Leung Robert V. Swain Robert Villanueva Juan F. Garza Carolyn A. Hill	Commissioner Commissioner Commissioner Commissioner Senior Deputy City Attorney General Manager Secretary to the Board of Water Commissioners Manager, Government & Public Affairs Manager, Administration Director of Operations Director of Finance Director of Engineering Manager, Water Resources Division Engineer Division Engineer Administrative Analyst I Senior Secretary
ABSENT:	Bennett A. Long	Commissioner (Excused)

1. PLEDGE OF ALLEGIANCE

C.J. Mike Walter, Board of Water Commissioner, led the Board and audience in the Pledge of Allegiance.

2. APPROVAL OF MINUTES

May 4, 2005

Upon motion by Commissioner Walter, seconded by Commissioner Clarke, and unanimously carried, the Minutes of the Regular Meeting of May 4, 2005, were approved.

3. PUBLIC COMMENT

President Hansen opened the public comment period. As there were no requests to address the Board, the public comment period was closed.

4. STATE OF THE PORT

- **Richard D. Steinke, Executive Director, City of Long Beach, Harbor Department**

Richard Steinke, Executive Director, City of Long Beach Harbor Department, briefed the Board with regards to the day-to-day operations, current projects, and challenges ahead for the Port of Long Beach (POLB). He began by explaining that the POLB is the nation's second busiest port and is responsible for ensuring that materials and products flow smoothly from ship to store in a timely manner. Ports, railroads, and terminal operators are all integral portions of the supply chain and must address ever increasing shipments of cargo from Europe, Asia, and Africa.

Port officials are working to streamline the goods-movement process and plan to implement a number of efficiency-minded initiatives in the near future such as offering financial incentives to shipping companies to pick up cargo during off hours and/or weekends. Virtual container yards will utilize technology to match importer and exporter, thus reducing unnecessary movement of goods. Environmental concerns and efficient use of the infrastructure will also remain important issues to address.

Mr. Steinke thanked the Board of Water Commissioners for the opportunity to make this presentation and expressed his appreciation for the cooperative efforts between the POLB and the Water Department on various water related projects.

5. PRESIDENT'S REPORT

- **Helen Z. Hansen, President, Board of Water Commissioners**

Aquarium of the Pacific (AOP)

President Hansen announced that on Saturday, May 14th, the Board enjoyed the annual Ocean Conservation Awards Gala at the Aquarium of the Pacific. Proceeds from the event go towards helping the Aquarium instill a sense of stewardship for the Pacific Ocean, its inhabitants, and ecosystems. The Aquarium shares this message with approximately 1.25 million visitors annually, including 186,000 schoolchildren and their teachers.

Solar Cup

President Hansen called the Board's attention to an article which appeared in the May 13th edition of The Orange County Register about Solar Cup, an event sponsored annually by the Metropolitan Water District (MWD). This year the competition took place May 13th-15th at Lake Skinner in Temecula, and for the third consecutive year, the Long Beach Water Department (LBWD) was pleased to sponsor a team from Poly High School. The event is geared towards helping teach high school students engineering and problem-solving skills and about managing and protecting natural and alternative resources.

6. REVIEW BOARD MEETING SCHEDULE FOR JUNE 2005

- **Helen Z. Hansen, President, Board of Water Commissioners**

President Hansen asked for the input of the Board with regards to establishing a Board meeting schedule during the month of June. After a brief discussion, the Board agreed to the following:

Thursday, June 2 nd	Regular Board Meeting, 9:15 a.m.
Thursday, June 9 th	Committee of the Whole, 9:15 a.m.
Thursday, June 16 th	Regular Board Meeting, 9:15 a.m.
Wednesday, June 22 nd	Committee of the Whole, 9:15 a.m.
Thursday, June 30 th	No Meeting

7. REVIEW OF LONG BEACH WATER DEPARTMENT FIELD TRIPS AND INSPECTION TOURS

- **Helen Z. Hansen, President, Board of Water Commissioners**

Item held over to the Committee of the Whole Meeting on Thursday, May 26, 2005.

8. GENERAL MANAGER'S REPORT

- **Kevin L. Wattier, General Manager**

Mr. Wattier provided the following report to the Board:

Police Department Awards Luncheon

On Tuesday, May 17th, Commissioner Clarke and members of the LBWD senior management staff attended the 37th Annual Police Department Awards Celebration. Held in the ballroom of the Long Beach Convention Center, the event brought together city dignitaries, community organizations, officers and police department staff, and citizens of Long Beach. The Water Department received a Certificate of Appreciation and letter of gratitude from Anthony W. Batts, Chief of Police, for its support.

Solar Cup

Mr. Wattier thanked Melissa L. Keyes, Administrative Projects Coordinator; Jean Hartman, Water Ambassador Coordinator; and Robert Cheng, Director of Operations, for their efforts during the three-day Solar Cup competition. Mr. Wattier added that the LBWD staff, in addition to providing support for the Poly High School team, also exhibited a portable solar powered desalination unit which generated a great deal of interest among those who attended the event.

U.S. House of Representatives – Committee on Resources

Mr. Wattier has been invited by Chairman Radanovich to testify at the Subcommittee on Water and Power Congressional Hearing on May 24th, regarding the issues surrounding the costs of desalination. The Hearing will focus on H.R. 1071, a bill to direct the Secretary of Energy to make incentive payments to the owners or operators of qualified desalination facilities to partially offset the cost of electrical energy required to operate such facilities.

CalFed Issues

On May 12th, sixteen members of the U.S. Congress signed a letter to The Honorable Gale Norton, Secretary of the Interior, and The Honorable Michael Chrisman, California Secretary for Resources, to express their concern about recent reports indicating that the Sacramento-San Joaquin Delta's fish populations are in "precipitous decline." CalFed is a multi-agency state and federal coalition designed to address the concerns of all stakeholders in the fragile San Francisco Bay and Delta region – the West Coast's largest estuary.

Association of California Water Agencies (ACWA) Region 8

The Association of California Water Agencies is the largest coalition of public agencies in the country, consisting of nearly 450 public agency members responsible for 90% of the water delivered to cities, farms, and businesses in California. Currently, the organization is seeking candidates for the ACWA Region 8 Board. Former Commissioner Charles Parks served on the ACWA Board during his tenure as a Water Commissioner and Mr. Wattier encouraged current Boardmembers to apply if interested.

Seawater Desalination

Mr. Wattier reported that on Friday, May 20th, MWD Member Agency Managers will meet to discuss finalizing the terms and conditions of Metropolitan's proposed financial incentive agreements between MWD and five of its member agencies, including the LBWD, for the construction of seawater desalination plants.

Conjunctive Use Agreement

In July 2004, the LBWD was awarded \$3.1 million in Proposition 13 (Water Bond) funding to expand the existing Long Beach Conjunctive Use Project into the city of Lakewood. This expansion consists of constructing an Aquifer Storage and Recovery (ASR) well in the city of Lakewood and a groundwater collection main from the LBWD system to the proposed ASR well in Lakewood. The project, approved by the Board of Water Commissioners on December 22, 2004, will require two separate agreements, one with the MWD and a separate agreement with the City of Lakewood. Mr. Wattier stated that the negotiations to work out the terms and conditions of the agreements are very

complex and thanked Donna Gwin, Senior Deputy City Attorney, for her endeavors to move the project forward.

9. LEGAL COUNSEL REPORT

- **Donna F. Gwin, Senior Deputy City Attorney**

No report was given.

10. CONSENT CALENDAR

10a. Approval of Transfer of Funds by Journal Entry Dated May 19, 2005

Transfers No. 161 through No. 168 in the total amount of \$293,565.26 covering the Water and Sewer Revenue Funds, were submitted to the Board for approval.

10b. Request Authorization to Sponsor a Reception at the Urban Water Institute Seawater Desalination and Power Conference, June 22-24, 2005, in Long Beach, California

At the request of President Hansen, this item was removed for separate discussion and action.

10c. Request Authorization for the General Manager to Execute the First Amendment to Cooperative Agreement WD-2544 with the Los Angeles Department of Water and Power (LADWP)

A communication was presented to the Board from Eric Leung which is on file at the Long Beach Water Department.

Action Requested:

- That the Board authorize the General Manager to Execute the First Amendment to Cooperative Agreement WD-2544 with the LADWP to extend the term of the Agreement to December 31, 2007.

This Agreement has allowed the LBWD to construct and perform seawater desalination research work on the 300,000 gallon-per-day Prototype Seawater Desalination Project Facility at the LADWP Haynes Generation Station. Additional time is needed for the construction phase due to delays caused by weather and the complexity of the project.

10d. Request Authorization for the General Manager to Sign an Agreement with Daniel Boyle Engineering to Provide Engineering Design and Construction Management Services for the Large Water Valve Replacement Project

A communication was presented to the Board from Isaac Pai which is on file at the Long Beach Water Department.

Action Requested:

- That the Board authorize the General Manager to sign an Agreement with Daniel Boyle Engineering to provide Engineering Design and Construction Management Services for the Large Water Valve Replacement Project in an amount not to exceed \$116,304, for a period ending December 31, 2006.

Funds for the project are included in the Fiscal Year 2004-2005 annual budget (Water Fund).

10e. Adopt Specifications WD-03-05 for the Recycled Water System Expansion Project Phase 1A-2, Conversion of Tank No. 21, and Request Authorization for the General Manager to Sign a Construction Contract with Superior Tank Company Inc.

A communication was presented to the Board from Isaac Pai which is on file at the Long Beach Water Department.

Action Requested:

- That the Board adopt Specifications WD-03-05 for the Recycled Water System Expansion Project Phase 1A-2, Conversion of Tank No. 21 and Authorize the General Manager to Sign a Construction Contract with Superior Tank Company Inc., in the amount of \$438,001.

The project is partially funded by a 25 percent matching grant from the United States Bureau of Reclamation and an additional 20 percent matching grant from the State Water Resources Control Board. The funds are included in the FY 2004-2005 CIP budget (Water Fund).

Board Action – 10a, 10c, 10d, and 10e

It was moved by Commissioner Walter and seconded by Commissioner Clarke that the Board approve Consent Calendar items 10a, 10c, 10d, and 10e.

The motion was carried by the following vote:

AYES:	COMMISSIONERS:	<u>HELEN HANSEN, STEPHEN CONLEY, FRANK CLARKE, C.J. MIKE WALTER</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>BENNETT LONG</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

10b. Request Authorization to Sponsor a Reception at the Urban Water Institute Seawater Desalination and Power Conference, June 22-24, 2005, in Long Beach, California

A communication was presented to the Board from Kevin Wattier which is on file at the Long Beach Water Department.

Action Requested:

- That the Board determine that the sponsorship of a reception on Thursday, June 23, 2005, during the Urban Water Institute Seawater Desalination and Power Conference in Long Beach, California, complies with Board Policy Statement 1998-31, Expenditure of Water Department funds for Board Approved Long Beach Related Community and Civic Activities, and authorize all necessary and actual expenditures.

Funds for Board approved civic activities are included in the Fiscal Year 2004-2005 annual budget.

Board Action

It was moved by Commissioner Conley and seconded by Commissioner Clarke that the Board determine that the sponsorship of a reception on Thursday, June 23, 2005, during the Urban Water Institute Seawater Desalination and Power Conference in Long Beach, California, complies with Board Policy Statement 1998-31, Expenditure of Water Department funds for Board Approved Long Beach Related Community and Civic Activities, and authorize all necessary and actual expenditures.

The motion failed by the following vote:

AYES:	COMMISSIONERS:	<u>NONE</u>
NOES:	COMMISSIONERS:	<u>HELEN HANSEN, STEPHEN CONLEY, FRANK CLARKE, C.J. MIKE WALTER</u>
ABSENT:	COMMISSIONERS:	<u>BENNETT LONG</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

**11. RECEIVE AND FILE FINANCIAL STATEMENTS AND REPORTS
FOR THE FIRST SIX MONTHS OF FISCAL YEAR 2004-2005,
(OCTOBER 1, 2004, THROUGH MARCH 31, 2005)**

- Paul T. Fujita, Director of Finance

Executive Summary

During the Committee of the Whole on May 12, 2005, Mr. Fujita presented the financial statements and reports for the six-month period of October 1, 2004, through March 31, 2005, and provided a summary of the highlights in the Water and Sewer Funds. Fund balances for both the water and sewer funds are close to the Board approved goals and are adequate to meet the Department's targeted projects.

Board Action

It was moved by Commissioner Walter and seconded by Commissioner Clarke that the Board receive and file the Financial Statements and Reports for the First Six Months of Fiscal Year 2004-2005 (October 1, 2004 through March 31, 2005).

The motion was carried by the following vote:

AYES:	COMMISSIONERS:	<u>HELEN HANSEN, STEPHEN CONLEY, FRANK CLARKE, C.J. MIKE WALTER</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>BENNETT LONG</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

**12. PRESENTATION ON THE LONG BEACH WATER DEPARTMENT
ALLEY MAIN CONVERSION PROGRAM**

- Robert V. Swain, Division Engineer

Item held over to Committee of the Whole meeting on Thursday, May 26, 2005.

13. LEGISLATIVE ISSUES/ACTIONS/BILLS

- **Ryan J. Alsop, Manager, Government and Public Affairs**

Mr. Alsop announced that the House Subcommittee on Water and Energy has earmarked \$1.125 million for the LBWD desalination project, close to the \$1.25 million the Water Department requested in Fiscal Year 2006 Federal Appropriations.

14. NEW BUSINESS

Excused Absences

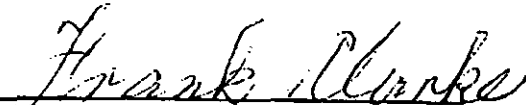
It was moved by Commissioner Clarke, seconded by Commissioner Conley, and unanimously carried that the Board excuse Commissioner Conley from the Regular Board meeting of June 2nd; excuse Commissioner Walter from the Committee of the Whole on June 9th and the Regular Board Meeting of June 16th; and Commissioner Long from the Board Meeting of June 16th.

California State University at Long Beach (CSULB) Economic Forecast

Commissioner Walter asked the Board to consider purchasing a table for the CSULB Economic Forecast next year. He noted that the perennial event draws a number of business and civic leaders who gather to hear the Southern California Regional Economic Forecast for the year ahead

15. ADJOURNMENT

There being no further business to come before the Board, it was moved by Commissioner Clarke, seconded by Commissioner Walter, and unanimously carried, that the meeting be adjourned at 11:00 a.m. to the next Regular Meeting of the Water Commission to be held on Thursday, June 2, 2005, at 9:15 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow, in Long Beach, California.


Frank Clarke, Secretary

Attest:


Helen Z. Hansen, President