



STOCKTON PORT DISTRICT

Board of Port Commissioners

December 2, 2019

Pursuant to notice duly given, the regular meeting of the Board of Commissioners of the Stockton Port District was held on December 2, 2019, in Room 18 of the Port of Stockton Administration Building located at 2201 West Washington Street in Stockton, California.

COMMISSIONERS PRESENT: Anthony M. Barkett
Gary Christopherson
Michael Patrick Duffy, Vice Chairman
Stephen Griffen, Chairman

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: R. Jay Allen
Elizabeth (Liz) Blanchard
Victor Mow

OTHERS PRESENT: Richard Aschieris, Port Director
Steve Escobar, Senior Deputy Port Director
Michelle Bowling, Director of Finance
Jason Katindoy, Director of Maritime Operations
Katie Miller, Director of Human Resources and
Administrative Services
Juan G. Villanueva, Director of Development and
Planning
Jeff Wingfield, Director of Environmental and
Public Affairs
Sylvester Aguilar, Port Real Estate and Properties
Development Manager
Pete Grossgart, Marketing Manager
Steven A. Herum, Port Counsel
Melanie Rodriguez, Secretary to the Board

A quorum being present, the meeting was called to order by Chairman Stephen Griffen at 3:30 p.m. Chairman Griffen presided and Melanie Rodriguez, Secretary to the Board, acted as Secretary for the meeting.

CONSENT CALENDAR

In compliance with Port Policy Statement #003, the Consent Calendar items of business, having been provided to each member of the Board prior to this meeting, the Commissioners present acted upon all Consent Calendar items of business under one vote.

Vice Chairman Duffy moved to adopt the following resolutions:

MINUTES OF NOVEMBER 4 , 2019 MEETING

Resolution #8149: RESOLVED, that the minutes of the regular meeting of the Board of Commissioners of the Stockton Port District held on the 4th day of November 2019, as the same are endorsed on Page No. 095 to Page No. 101, inclusive, of Minutes Book No. 61, be and they are hereby approved.

AUTHORIZATIONS TO TRAVEL

Resolution #8150: RESOLVED, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Oahu, Hawaii, for the Association of Pacific Ports (APP) Winter Conference, January 22 – 24, 2020; and

RESOLVED FURTHER, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Antwerp, Belgium, for the International Association of Ports and Harbors (IAPH) Annual Conference , March 17 – 19, 2020; and

RESOLVED FURTHER, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Washington, DC, for the San Joaquin Council of Governments (SJCOG) One Voice Trip, May 10 – 14, 2020; and

RESOLVED FURTHER, that the travel expenses incurred by Commission delegates who participate in the APP Winter Conference, IAPH Annual Conference and the SJCOG One Voice Trip shall be paid by the Stockton Port District.

APPROVAL OF THE PORT OF STOCKTON ANNUAL UTILITY WILDFIRE MITIGATION PLAN

Resolution #8151: WHEREAS, the Stockton Port District is a public corporation created for municipal purposes under Section 6290 of the California Harbors and Navigation Code; and

WHEREAS, the Port is generally subject to the legislative and regulatory requirements applicable to local publicly owned electric utilities (POU); and

WHEREAS, Senate Bill (SB) 1028 (stats. 2016), adding California Public Utilities Code, Section 8387, requires each POU to construct, maintain and operate its electrical lines and equipment in a manner that will minimize the risk of wildfire posed by those electrical lines and equipment; and

WHEREAS, SB 901 (stats. 2018), amending California Public Utilities Code Section 8387, requires all POU's to prepare a Utility Wildfire Mitigation Plan before January 1, 2020, and annually thereafter; and

WHEREAS, California Public Utilities Code Section 8387(b)(2) specifies the content that must be included in each POU's Utility Wildfire Mitigation Plan; and

WHEREAS, California Public Utilities Code Section 8387(c) requires each POU to have a qualified independent evaluator review its Utility Wildfire Mitigation Plan to assess the comprehensiveness of its plan and to issue a report that is made available on the POU's website and presented at a public meeting; and

WHEREAS, California Public Utilities Code Section 8387(b)(3) requires each POU to present its Utility Wildfire Mitigation Plan at an appropriately noticed public meeting and to verify that its plan complies with all applicable rules, regulations and standards, as appropriate; and

WHEREAS, SB 111 (stats. 2019), adding California Public Utilities Code Section 326.1, established the California Wildfire Safety Advisory Board; and

WHEREAS, SB 1054 (stats. 2019), amending California Public Utilities Code Section 8387, requires each POU to submit its Utility Wildfire Mitigation Plan to the California Wildfire Safety Advisory Board by July 1 of each year, starting in the year 2020; and

WHEREAS, pursuant to California Public Utilities Code Section 326.2, the California Wildfire Safety Advisory Board will review each POU's Utility Wildfire Mitigation Plan and will provide comments and advisory opinions on the content and sufficiency of each plan; and

WHEREAS, Port staff prepared a Utility Wildfire Mitigation Plan for calendar year 2020, addressing all statutory criteria; and

WHEREAS, the Port verified that the Utility Wildfire Mitigation Plan complies with all applicable rules, regulations, and standards; and

WHEREAS, the Fire Marshall is a qualified independent evaluator and, after reviewing the Port's Utility Wildfire Mitigation Plan, has determined that the plan meets the requirements of California Public Utilities Code Section 8387; and

WHEREAS, within 60 days, the Fire Marshall shall prepare a report to be presented at a public meeting of Port's governing board and posted to the Port's website; and

WHEREAS, Port staff will submit its Utility Wildfire Mitigation Plan, adopted today by the Port's governing board, to the California Wildfire Safety Advisory Board before July 1, 2020; now, therefore be it

RESOLVED that the Board of Port Commissioners, pursuant to California Public Utilities Code Section 8387, adopts the Stockton Port District's Utility Wildfire Mitigation Plan, dated October 25, 2019.

APPROVAL OF THE PORT OF STOCKTON POLICE DEPARTMENT'S PARTICIPATION IN THE CALIFORNIA COMMISSION ON PEACE OFFICER STANDARDS TRAINING AND REIMBURSABLE PROGRAM

Resolution #8152: WHEREAS, pursuant to Section 13510 and 13512 of Chapter 1 of Title 4, Part 4 of the Penal Code, the Stockton Port District Police Department will adhere to the standards for recruitment and training established by the California Commission on Peace Officer Standards and Training; now, therefore be it

RESOLVED, that the Board of Port Commissioners of the Stockton Port District does hereby approve of the District's participation in the California Commission on Peace Officer Standards and Training Reimbursable Program; and

RESOLVED FURTHER, that the Commission and its representatives may make such inquires as deemed appropriate by the Commission to ascertain that the Stockton Port District Peace Officer personnel adhere to standards for recruitment and training established by the California Commission on Peace Officer Standards and Training.

Resolutions #8149, #8150, #8151 and #8152 were passed by the following vote:

COMMISSIONERS IN FAVOR:	Barkett, Christopherson, Duffy, Griffen
COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None
COMMISSIONERS ABSENT:	None
COMMISSIONERS EXCUSED:	Allen, Blanchard, Mow

CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

Chairman Griffen acknowledged there were no items removed from the Consent Calendar.

INFORMATIONAL PRESENTATION OF FIRST QUARTER 2019/2020 FISCAL YEAR FINANCIAL STATEMENTS

Port Finance Director Bowling provided an overview of the financial reports for the three month period of July 1, 2019 through September 31, 2019. Copies of the financial information were provided to the Commission prior to today's meeting. Information presented included financial highlights, operating revenues, expenses, and capital projects.

CONSIDERATION AND POSSIBLE APPROVAL OF AMENDMENTS TO THE STOCKTON PORT DISTRICT POLICY STATEMENT

Port Human Resources and Administrative Services Director Miller provided an overview of the proposed amendments to the Stockton Port District Policy Statement policy numbers; #001 Powers and Functions of the Board of Port Commissioners, #003 Powers and Functions of the Port Director, #007 Community and Non-Profit Events – Participation and Sponsorship, #012 Cash Investments and #013 Conflicts of Interest and Standards of Ethical Conduct – Exhibit A based on the Commission's annual review. Copies of the proposed amendments to the Policy Statement were provided to the Commission prior to today's meeting.

On November 18, 2019 an Ad Hoc Committee comprised of Commissioners Allen and Christopherson met with the Port Director and staff to review and discuss the proposed amendments to the Stockton Port District Policy Statement.

Chairman Griffen acknowledged Ms. Mary Elizabeth from the Delta-Sierra Club. Ms. Elizabeth requested that the Stockton Port District Policy Statement be posted on the website.

Commissioner Christopherson moved, to adopt the following resolution:

Resolution #8153: RESOLVED, by the Board of Commissioners of the Stockton Port District that the Stockton Port District Policy Statement Policy numbers #001 *Powers and Functions of the Board of Port Commissioners*, #003 *Powers and Functions of the Port Director*, #007 *Community and Non-Profit Events – Participation and Sponsorship*, #012 *Cash Investments* and #013 *Conflicts of Interest and Standards of Ethical Conduct – Exhibit A* are hereby revised, as presented; and

RESOLVED FURTHER, that the Port Director is hereby authorized, empowered and directed to ensure that the provisions of this resolution are appropriately effected.

Resolution #8153 was passed by the following vote:

COMMISSIONERS IN FAVOR:	Barkett, Christopherson, Duffy, Griffen
COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None
COMMISSIONERS ABSENT:	None
COMMISSIONERS EXCUSED:	Allen, Blanchard, Mow

CONSIDERATION AND POSSIBLE APPROVAL OF CATEGORICAL EXEMPTIONS 15303(c), 15304 AND 15061(b)(3) PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA); AUTHORIZATION FOR PORT STAFF TO FILE A NOTICE OF EXEMPTION RELATED THERETO; AND, A RESOLUTION APPROVING THE PORT DIRECTOR TO AWARD A CONTRACT TO DIEDE CONSTRUCTION, INC. FOR THE ZERO- AND NEAR-ZERO EMISSIONS FREIGHT FACILITIES (ZANZEFF) GRANT PROJECT ELECTRIC FORKLIFT CHARGING STATIONS FOR \$2,066,150

Director of Development and Planning Villanueva presented an executive summary of this agenda item.

Project Overview

This project will provide infrastructure and connections to Port provided electric vehicle (EV) chargers and a cover to allow equipment to be sheltered from the environment. The replacement of the Port's current outdated equipment with newer clean zero-emission cargo handling

equipment would serve the Port's needs while leveraging grant funding to reduce the overall cost.

In collaboration with the Port of Oakland and the Port of Long Beach, Port staff proposes a bold, transformative emission reduction strategy that can be emulated throughout freight facilities across the state. Sustainable Terminals Accelerating Regional Transformation (START) is a multi-agency collaboration to deploy zero-emissions port technologies across an intermodal freight network under the California Air Resources Board (CARB) program to reduce diesel emissions and support Zero- and Near-Zero Emission Freight Facilities (ZANZEFF).

Benefit

The Port has the need and opportunity to take advantage of the START program collaboration to leverage existing grant funding to replace part of its aging fleet of cargo handling equipment. Current diesel emission control filters are causing the Port's existing equipment to become less efficient.

The legally required advertisement for this project appeared in The Record on September 11, 2019. It was also posted to the Port's website and distributed to local/regional plan rooms and building exchanges. A mandatory pre-bid conference and site visit was held on September 17, 2019. One (1) bid was received by 3:00 p.m. on October 23, 2019, and the bid result was as follows:

- Diede Construction, Inc., Lodi, CA for the amount of \$2,066,150

Port staff proposes that the Port pay for this project with funds from the ZANZEFF Grant at 100 percent (100%).

Environmental review and analysis of the ZANZEFF Grant Project Electric Forklift Charging Stations, pursuant to the California Environmental Quality Act (CEQA), determined its CEQA Categorical Exemption pursuant to Sections 15301(c), 15304 and 15061(b)(3).

Chairman Griffen acknowledged Ms. Mary Elizabeth from the Delta-Sierra Club. Ms. Elizabeth requested that she receive all CEQA notices in advance of the Commission meetings.

Vice Chairman Duffy moved to adopt the following resolution:

Resolution #8154: RESOLVED, that pursuant to Port staff review of, and belief that the Zero- and Near-Zero Emissions Freight Facilities (ZANZEFF) Grant Project Electric Forklift Charging Stations are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15303(c), 15304, and 15061(b)(3), the Stockton Port District Board of Commissioners hereby adopts a CEQA Categorical Exemption for the ZANZEFF Grant Project Electric Forklift Charging Stations and authorizes the filing of a Notice of Exemption related thereto with San Joaquin County; and

RESOLVED FURTHER, by the Board of Commissioners of the Stockton Port District that the Port Director is hereby authorized, empowered and directed to award the ZANZEFF Grant Project Electric Forklift Charging Stations contract to Diede Construction, Inc. in the amount of \$2,066,150 (Two Million Sixty Six Thousand One Hundred Fifty and 00/100 Dollars); and

RESOLVED FURTHER, that the Port Director is authorized, empowered and directed to ensure that the provisions of this resolution are appropriately effected.

Resolution #8154 was passed by the following vote:

COMMISSIONERS IN FAVOR:	Barkett, Christopherson, Duffy, Griffen
COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None
COMMISSIONERS ABSENT:	None
COMMISSIONERS EXCUSED:	Allen, Blanchard, Mow

CONSIDERATION AND POSSIBLE APPROVAL OF CATEGORICAL EXEMPTIONS 15301, 15302 AND 15304 PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA); AUTHORIZATION FOR PORT STAFF TO FILE A NOTICE OF EXEMPTION RELATED THERETO; AND, A RESOLUTION APPROVING THE PORT DIRECTOR TO AWARD A CONTRACT TO HAGGERTY CONSTRUCTION, INC. FOR THE PORT POLICE FUSION CENTER PROJECT FOR \$670,000

Director of Development and Planning Villanueva presented an executive summary of this agenda item.

Project Overview

This project consists of the construction of a new Port Police Fusion Center at existing building 17A on the West Complex north of the main entrance. The new 1,601 square foot, single story office structure would be constructed on a new concrete pad foundation and include a covered walkway. The building would include two open offices, four private offices, two all-gender accessible restrooms and two open kitchen/coffee areas. This multi-departmental workspace will provide office spaces for the Port Police Department, United States Coast Guard (USCG), Department of Homeland Security (DHS), and the Transportation Security Administration's (TSA) Transportation Worker Identification Credential (TWIC) office.

Benefit

This project is a Technology and Security grant project with a focus on TWIC Final Rule Compliance, which will provide the necessary infrastructure to satisfy Maritime Transportation Security Act requirements and implementation according to the USCG, DHS, and the TSA.

The legally required advertisement for this project appeared in The Record on October 9, 2019. It was also posted to the Port's website and distributed to local/regional plan rooms and builder's exchanges. A mandatory pre-bid conference and site visit was held on October 16, 2019. Six (6) bids were received by 3:00 p.m. on November 20, 2019, and the bid results were as follows:

- Haggerty Construction, Inc. of Stockton, CA for \$670,000
- Swierstok Enterprise Inc., dba Pro Builders of Orangevale, CA for \$698,000
- Stratus Construction Co. of Stockton, CA for \$722,994
- T. Amaral's Done Right Construction of Brentwood, CA for \$730,000
- Diede Construction, Inc. of Woodbridge, CA for \$760,000
- Vaquero Construction of Gilroy, CA for \$999,049

Port staff proposes that the Port pay for this project with funds as follows:

- FEMA Grant 2016-PU-00450 at seventy-five percent (75%) which is \$502,500
- Port match at twenty-five percent (25%) which is \$167,500

Environmental review and analysis of the Fusion Center Project, pursuant to the California Environmental Quality Act (CEQA), determined its CEQA Categorical Exemption pursuant to Sections 15301, 15302 and 15304.

Chairman Griffen acknowledged Ms. Mary Elizabeth from the Delta-Sierra Club. Ms. Elizabeth requested that she receive all CEQA notices in advance of the Commission meetings.

Commissioner Barkett moved, to adopt the following resolution:

Resolution #8155: RESOLVED, that pursuant to Port staff review of, and belief that the Fusion Center Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15301, 15302 and 15304 the Stockton Port District Board of Commissioners hereby adopts a CEQA Categorical Exemption for the Fusion Center Project and authorizes the filing of a Notice of Exemption related thereto with San Joaquin County; and

RESOLVED FURTHER, by the Board of Commissioners of the Stockton Port District that the Port Director is hereby authorized, empowered and directed to award the Fusion Center Project contract to Haggerty Construction, Inc. in the amount of \$670,000 (Sixty Hundred Seventy Thousand and 00/100 Dollars); and

RESOLVED FURTHER, that the Port Director is authorized, empowered and directed to ensure that the provisions of this resolution are appropriately effected.

Resolution #8155 was passed by the following vote:

COMMISSIONERS IN FAVOR:	Barkett, Christopherson, Duffy, Griffen
COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None
COMMISSIONERS ABSENT:	None
COMMISSIONERS EXCUSED:	Allen, Blanchard, Mow

COMMITTEE REPORTS

Ad Hoc Committee

On November 18, 2019 an Ad Hoc Committee comprised of Commissioners Allen and Christopherson met with the Port Director and staff to review and discuss the proposed amendments to the Stockton Port District Policy Statement.

PORT DIRECTOR'S COMMENTS

Port Director Aschieris provided an executive summary of recent Port activities.

- Since the last Commission meeting, the following short-term leases have been executed:

Lessee:	University of the Pacific
Location:	West Complex, Building 618, 880 square feet of storage space
Term:	1 year

Lessee:	Contractors Cargo Company
Location:	West Complex, 2.25 acres of land at 1006 Humphreys Drive
Term:	1 year

- Current calendar year-to-date shipping reflects 217 ships. Shipping activity for the same period in 2018 reported 238 ships. Since the last Commission meeting, 14 ships have called at the Port.

- Current calendar year-to-date tonnage totaled 4,179,289 metric tons. Tonnage for the same period in 2018 totaled 4,443,289 metric tons. Since the last Commission meeting, 243,324 metric tons of project cargo from Belgium, fertilizer from Chile, Norway and Trinidad, steel from Japan and Korea, sulfur to New Caledonia, food grade oil from Indonesia, cement from Vietnam and China and dry bulk to Japan have been handled.
- Director of Maritime Operations Katindoy gave an informational presentation about the Jones Act and the Penny Newman facility.
- The Port Director read Commissioner Mow's resignation letter. His resignation is effective December 3, 2019.

COMMISSION COMMENTS

Vice Chairman Duffy shared that he attended the Port presentation that the Port Director gave to the San Joaquin County Grand Jury on November 21, 2019. He shared that the Port Director represented the Port very well.

Commissioner Barkett shared that the Commission was invited to tour the Nautilus barge on December 11, 2019 in the Bay Area.

Commissioner Christopherson shared his positive comments about Commissioner Mow's public service to not only the Port of Stockton but the City Council of the City of Stockton and the Board of Supervisors for San Joaquin County. Chairman Griffen endorsed those remarks.

Commissioner Christopherson shared with those present an article from the Wall Street Journal about how ground-lease deals are growing in popularity.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Chairman Griffen acknowledged Ms. Mary Elizabeth from the Delta-Sierra Club. Ms. Elizabeth shared her comments about the Port of Stockton's Annual Utility Wildfire Mitigation Plan as well as draft Commission Meeting Minutes.

CLOSED SESSIONS:

- A. PURSUANT TO GOVERNMENT CODE §54956.9 CONFERENCE WITH LEGAL COUNSEL, POTENTIAL LITIGATION: ONE CASE
- B. PURSUANT TO GOVERNMENT CODE §54956.8 REAL PROPERTY TRANSACTION: RECEIVE REPORTS FROM, GIVE INSTRUCTIONS TO & CONFER WITH PORT NEGOTIATOR RICHARD ASCHIERIS REGARDING POTENTIAL REAL PROPERTY TRANSACTION RELATIVE TO 3028 NAVY DRIVE, STOCKTON, CA

- C. PURSUANT TO GOVERNMENT CODE §54956.8 REAL PROPERTY TRANSACTION: RECEIVE REPORTS FROM, GIVE INSTRUCTIONS TO & CONFER WITH PORT NEGOTIATOR RICHARD ASCHIERIS REGARDING POTENTIAL REAL PROPERTY TRANSACTION RELATIVE TO 906 CROMWELL AVENUE, STOCKTON, CA
- D. PURSUANT TO GOVERNMENT CODE §54956.8 REAL PROPERTY TRANSACTION: RECEIVE REPORTS FROM, GIVE INSTRUCTIONS TO & CONFER WITH PORT NEGOTIATOR RICHARD ASCHIERIS REGARDING POTENTIAL REAL PROPERTY TRANSACTION RELATIVE TO 1002 EMBARCADERO AVENUE, STOCKTON, CA
- E. PURSUANT TO GOVERNMENT CODE §54956.8 REAL PROPERTY TRANSACTION: RECEIVE REPORTS FROM, GIVE INSTRUCTIONS TO & CONFER WITH PORT NEGOTIATOR RICHARD ASCHIERIS REGARDING POTENTIAL REAL PROPERTY TRANSACTION RELATIVE TO 713C LUCE AVENUE, STOCKTON, CA
- F. PURSUANT TO GOVERNMENT CODE §54956.8 REAL PROPERTY TRANSACTION: RECEIVE REPORTS FROM, GIVE INSTRUCTIONS TO & CONFER WITH PORT NEGOTIATOR RICHARD ASCHIERIS REGARDING POTENTIAL REAL PROPERTY TRANSACTION RELATIVE TO 320 MCCLOY AVENUE, STOCKTON, CA

At 4:35 p.m. Chairman Griffen announced that, in accordance with the Ralph M. Brown Act, an executive session would be conducted by the Board of Commissioners pursuant to Government Codes §54956.9 and §54956.8. The general public and other Port staff was excused from the meeting, and the closed session commenced at 4:36 p.m. Port Director Aschieris, Senior Deputy Port Director Escobar, Director of Finance Bowling, Director of Maritime Operations Katindoy, Director of Human Resources and Administrative Services Miller, Director of Environmental and Public Affairs Wingfield, Port Real Estate & Properties Development Manager Aguilar, Marketing Manager Grossgart and Attorney Herum remained for the executive session.

At 6:21 p.m., Chairman Griffen re-opened the meeting in public session. He reported that the Port Commission took no formal, reportable action during the closed sessions.

ADJOURNMENT

On behalf of the Stockton Port District Board of Commissioners, it was announced by Chairman Griffen that today's Commission meeting would be adjourned in memory of Anne Harriett Duffy beloved mother of Commission Vice Chairman Michael Patrick Duffy.

Mrs. Duffy was born on June 27, 1945 in Orange, California and passed away on November 4, 2019 at the age of 74 after a courageous battle with progressive supra-nuclear palsy. Mrs. Duffy was raised in Southern California and attended Mater Dei High School. She met her husband, "Denny", at church in 1964, while he was in the U.S. Marine Corps. They started a family and settled in Stockton. Mrs. Duffy enjoyed spending time with her family, gardening and being involved in several organizations and charities in the Stockton area. She had an inspiring, unconditional and compassionate love that presented itself to anyone she came across in her life. Her sense of adventure and fun created lasting memories. She is survived by her five children, Kevin (Alicia); Dennis (Tonya); Mike (Gia); Nora Mary (John) Stroh and Timothy (Kristen);

fourteen grandchildren, four great-grandchildren and a number of other loving relatives and close friends.

On behalf of the Commissioners, Port Director and staff sincere sympathy and condolences were extended to Vice Chairman Duffy and his family.

There being no further business to discuss, the meeting was adjourned at 6:23 p.m. by Chairman Griffen.

Melanie Rodriguez
Secretary to the Board

Chairman Stephen Griffen