



# Independent Evaluation of the POS Utility Wildfire Mitigation Plan

May 4, 2020

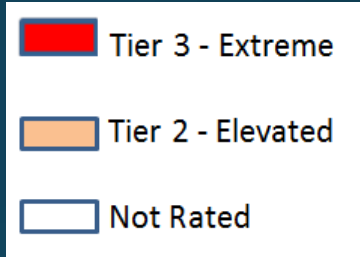


***Port of Stockton***  
CALIFORNIA

# HISTORY

- 2007-2008 CPUC begins wildfire review process
- 2012 CPUC develops generalized fire threat maps
- 2016 Governor signs SB1028
  - ❖ Requires POU's to review historical wildfire risk
  - ❖ POU Board makes a risk determination
- 2018 CPUC adopts statewide Fire Threat Map
- September 4, 2018 –Port Resolution #8092 approved
  - ❖ Port overhead electric lines and equipment do not pose a significant risk of causing a catastrophic wildfire

# CALIFORNIA CPUC FIRE THREAT MAP



# UTILITY WILDFIRE MITIGATION PLAN

- **2018 Governor signs SB901**
  - ❖ Eliminated SB1028
  - ❖ Requires all POU's to develop Utility Wildfire Mitigation Plan (WMP)
  - ❖ Must adopt a Plan prior to January 1, 2020
  - ❖ **Port's WMP was approved by the Board on Dec. 2, 2019**
- **Utility Wildfire Mitigation Plan**
  - ❖ Annual POU Board review and approval
  - ❖ Plan implementation
  - ❖ **Annual independent evaluation report to Board**

# ANNUAL INDEPENDENT EVALUATION REPORT

➤ *Public Utilities Code section 8387(c) requires Port to contract with a qualified independent evaluator to review and assess the Utility Wildfire Mitigation Plan*

- Evaluator: Port Fire Marshal / City of Stockton Assistant Fire Marshal
- Following the Board's approval of the Utility Wildfire Mitigation Plan, the first independent evaluation report will be presented to the Board
- The approved WMP and Independent Evaluation Report must be submitted to the **California Wildfire Safety Advisory Board** prior to July 1, 2020

# EVALUATION METHODOLOGY

- **Statutory Compliance** – ensure the SB901 requirements are addressed
- **Industry Comparison** – evaluate the Port's WMP against existing practices and comparable actions planned by IOU's
- **Physical Inspections** – full time access to the Port and regular inspections will ensure the required mitigation measures are adhered to

# PORT UTILITY WILDFIRE MITIGATION PLAN

## ➤ *PLAN REVIEW METRICS*

Port has one substation connected to the PG&E electric grid:

- ❖ 19.79 miles of overhead power lines
- ❖ Approximately 10% of overhead lines adjoin trees
- ❖ Annual review of tree trimming / trim as needed

Port will track two metrics to measure performance of the Plan:

- 1) Number of fire ignitions
- 2) Wires down within service territory

# PLAN IMPLEMENTATION

## Points of contact during a utility fire:

- **Primary Contact:** Maintenance Superintendent
- **Secondary Contact:** Electric utility operations and maintenance contractor
- **Electrical Engineer:** Response and investigation

## Oversight roles:

- **Deputy Port Director, Real Estate & Port Development:** Administrator and Contracts, Rate Schedules
- **Director, Development & Planning:** Project Administration and Construction Project Manager
- **Maintenance Superintendent:** Electrical utilities operations
- **Electrical Engineer:** Electrical engineering consultant
- **Utility Operations and Maintenance Contractor:** Troubleman for substation and West Complex power outages



# PORT ELECTRIC LINES



# PROTOCOLS FOR DISABLING RECLOSERS

## ➤ *THE PORT DOES NOT USE AUTOMATIC BREAKER RECLOSERS*

- Outage occurs: Troublemán dispatched to determine source
- On-site related outages: Troublemán visually inspects system and manually recloses onsite circuits
- Off-site related outages:
  - Troublemán shuts down distribution system
  - Electrical operations coordinates with PG&E to reinstate loads
  - Troublemán re-energizes Port distribution system

# DEENERGIZING ELECTRICAL SYSTEM

- *Port's electric system is connected to the PG&E electric grid*
  - *PG&E may implement regional power outages*

## DEENERGIZATION:

- Port can preemptively shut off power due to fire threat conditions
  - ❖ Only implemented under extraordinary circumstances
- Minimal risk of Port utility causing power line ignited wildfire
- Port will reevaluate this determination in future updates to Plan

# WILDFIRE RISKS WITHIN SERVICE AREA

- Anhydrous ammonia release – aboard a product carrier or at a facility
- Fire – building, grass, or petroleum
- Chemical, biological, radiological, nuclear, explosive (CBRNE) incident involving cargo (aboard a product carrier or at a facility)
- CBRNE incident at a major public event – waterside
- Cyber attacks

# RECOMMENDATION

Adopt a resolution approving the Independent Evaluation of the Port of Stockton Utility Wildfire Mitigation Plan and direction for the Port Director to submit the previously approved Utility Wildfire Mitigation Plan along with its Independent Evaluation Report to the **California Wildfire Safety Advisory Board** prior to July 1, 2020.

*Questions*



# Port Police Fusion Center Generator

May 4, 2020



***Port of Stockton***  
CALIFORNIA

# OVERVIEW

## *PORT POLICE FUSION CENTER GENERATOR*

- New building scheduled for completion in June

### **OCCUPANTS:**

- Port Police Department
- TSA TWIC Office
- USCG
- DHS



# PROJECT LOCATION

## WEST COMPLEX



# BENEFIT TO THE PORT

- Technology and Security grant funded project
- Ensures continuity of operations during emergency response events
- Provides workspace for outside agency representatives in emergency situations
- Maximizes centralized intelligence sharing during emergency situations
- GSA pricing eligibility

# PRICING

A significant cost savings would be realized by utilizing GSA pricing:

1. Generac Mobile Products \$73,199.23\*
2. AP Electric & Generators \$84,899.00
3. Nationwide Generators \$96,627.41

\*GSA pricing

# FINANCING & COMPLETION TIME

## FINANCING:

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

- FEMA Grants 75%: 2016-PU-00450: \$54,899.42
- Port match 25%: \$18,299.81
- Capital Budget FY 2019-2020 Principal Projects:
  - PSGP 2016 Fusion Center

If authorization is given, the project shall be completed within 9 – 10 weeks after the order is placed.

# RECOMMENDATION

- A. Authorize the Port Director to purchase a Generac Magnum mobile diesel generator from Generac Mobile Products utilizing GSA pricing for \$73,199.23.

*Thank you*



# Strategic Plan Roadmap

## Part I – Where Are We Now?

Juan G. Villanueva  
Director, Development & Planning

May 4, 2020



***Port of Stockton***  
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# STRATEGIC PLANNING PURPOSE

*Develop long-term guide to development, infrastructure, and market decisions*

- Address land use / infrastructure scenarios
- Timing of development for the Port operational and growth areas:
  - East & West Complex
  - Roberts Island
  - Potential Sharpe Army Depot land conveyance
- Continued growth in transportation of vital cargo
- Role as major economic engine for the region and state





# STRATEGIC PLANNING PROCESS

*WHERE ARE WE NOW?*

**SITUATIONAL  
AWARENESS**

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graph LR; SA[SITUATIONAL AWARENESS] --- CS[COMPANY SUMMARY]; SA --- SW[STRENGTHS & WEAKNESSES]; SA --- OT[OPPORTUNITIES & THREATS]; SA --- CE[COMPETITIVE ENVIRONMENT]; SA --- CA[COMPETITIVE ADVANTAGES];
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**COMPANY  
SUMMARY**

**STRENGTHS &  
WEAKNESSES**

**OPPORTUNITIES  
& THREATS**

**COMPETITIVE  
ENVIRONMENT**

**COMPETITIVE  
ADVANTAGES**

# *COMPANY SUMMARY*

- One of eleven California deep water seaports
- 15 berths
- 2 ½ miles of on-dock rail
- 1 million square feet of warehouse space
- Channel with maximum draft of 35 feet
- Direct access to I-5, I-580, Highway 4 and Highway 99
- Maritime and non-maritime related tenants



# SWOT

## *Strengths, Weaknesses, Opportunities, Threats*

### *Strengths*

- Location and skilled labor
- Existing road, rail, building, and wharf assets
- Diversified cargo and tenant mix
- Governance structure
- Foreign Trade Zone
- Streamlined environmental process
- Regional agricultural market



### *Weaknesses*

- Location versus competitors
- Infrastructure: Older warehouses, rail and truck access to W Complex wharves
- Many smaller tenants
- Vessel limitations
- Material handling equipment
- Land use compatibility

# SWOT

## *Strengths, Weaknesses, Opportunities, Threats*

### *Opportunities*

- Cargo types
- Shift from truck to waterborne (congestion, environmental)
- Additional rail interface
- Water rights / ability to sell grey water
- Expansion opportunities:
  - ✧ West Complex
  - ✧ Roberts Island
  - ✧ POS Expressway
  - ✧ Sharpe Depot
  - ✧ Inland Port development

### *Threats*

- Channel capacity to accommodate increased number of vessels
- Regional competitor ports
  - ✧ West Sacramento
  - ✧ Richmond
  - ✧ Oakland
- Water hyacinth (night restrictions)
- Fluctuating commodity prices/volumes
- Regulatory constraints

# COMPETITIVE ENVIRONMENT

## INDUSTRY ANALYSIS

*California ports serve the majority of waterborne trade from Asia to the U.S.*

- Panama Canal
- Los Angeles
- Long Beach
- Oakland



- Discretionary cargo
- California's 11 ports
- Water vs. rail
- Cargo transit time
- South America and European trade

# COMPETITIVE ENVIRONMENT

## COMPETITOR ANALYSIS: Infrastructure Key Features

### **Stockton**

- 15 berths
- 2,000 useable acres
- -35 MLLW
- BNSF, UPRR, and 4 historical short lines

### **Vancouver, WA**

- 13 berths
- 2,127 acres land and water
- 800 acres terminals
- 600 acres future development
- -40 to -43 MLLW
- BNSF, UPRR, Canadian National / Pacific

### **W Sacramento**

- 5 berths
- 480 acres
- 150 acres terminals
- 30 acres future development
- -30 MLLW
- BNSF, UPRR, Sierra Northern

### **Redwood City**

- 3 berths
- 120 acres
- -34 MLLW
- UPRR

### **Richmond**

- 6 berths
- 200 acres
- 6 terminals
- -35 MLLW
- BNSF, UPRR, RPR

# COMPETITIVE ENVIRONMENT

## *COMPETITOR ANALYSIS: Cargo Types and Revenue*

	STOCKTON	VANCOUVER, WA	W SACRAMENTO	REDWOOD CITY	RICHMOND
CARGO TYPE	Break bulk, dry bulk, liquid bulk	Autos, steel, wind blades, soybeans, grain	Bulk, break-bulk, rice, construction cargo, bulk fertilizer	Sand, scrap metal, aggregates	Petroleum bauxite, vegetable oils, autos, scrap metal, coke, dry aggregate, zinc, lead
REVENUE	\$ 69.2M	\$ 37.9M	\$ 2.6M	\$ 4.8M	\$ 9.5M budget

# COMPETITIVE ENVIRONMENT

## *COMPETITOR ANALYSIS: Ability to Gain Market Share*

### ***Vancouver:***

- Import market opportunities for Stockton include wind turbines, steel, and liquid bulk
- Export market opportunities for Stockton are primarily grain and possibly scrap metal

### ***W Sacramento:***

- Moving away from port operations to commercial opportunities

### ***Redwood City:***

- Less likely to allow Stockton to gain market share due to its Bay area location



### ***Richmond:***

- Stockton could target bulk commodities being transported west by rail



# COMPETITIVE ADVANTAGES

## *EXISTING INFRASTRUCTURE AND TENANTS*

## *PORT-OWNED DEVELOPED AND UNDEVELOPED AREAS*

- East Complex near capacity
- West Complex:
  - 5 million sf warehouse space
  - 1 million sf transit sheds
  - 40 miles of rail track
  - 500 acres of open land

Roberts Island: 650 usable acres

- 6,500 feet of waterside frontage
- Secondary Delta zone



# COMPETITIVE ADVANTAGES

## *WATERSIDE INFRASTRUCTURE*

### *15 BERTHS*

#### *East Complex*

- General cargo
- Dry bulk
- Liquid bulk

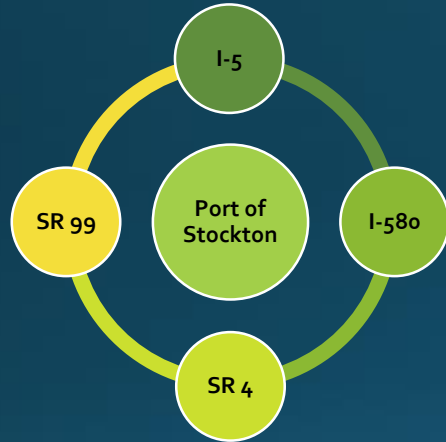
#### *West Complex*

- General cargo
- Dry bulk



# COMPETITIVE ADVANTAGES

## LANDSIDE INFRASTRUCTURE - ROADWAYS



### ***Port Main Access Roads***

- Washington Street
- Navy Drive
- Port of Stockton Expressway

### ***Roadway Utilization***

- Navy Drive / BNSF Underpass
- Navy Drive Bridge
- Navy Drive Widening

### ***Planning***

- Rail Bridge
- Washington Street Widening
- Roberts Island Bridge

# COMPETITIVE ADVANTAGES

## *LANDSIDE INFRASTRUCTURE*

### *RAIL*

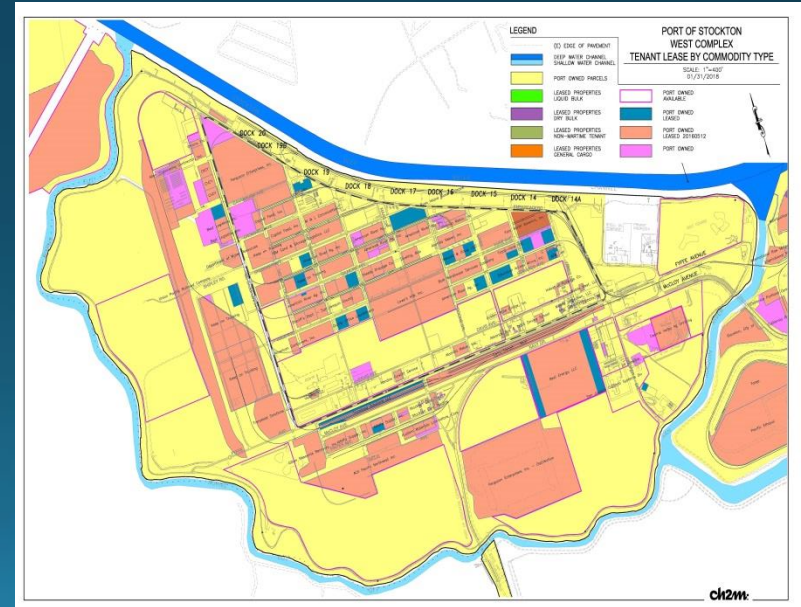
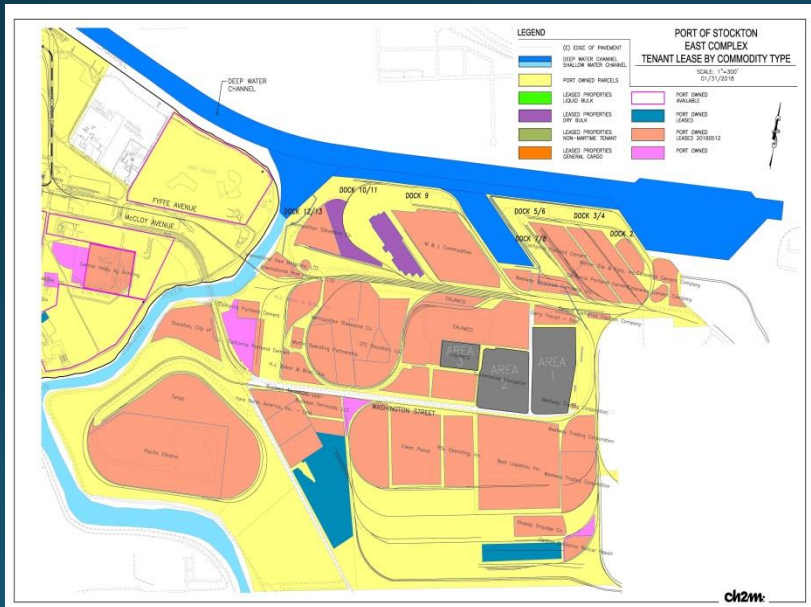
- Union Pacific Rail Road (UPRR)
- Burlington Northern Santa Fe (BNSF)
- 70 miles of rail track
- 8,000 feet of on-dock rail
- Nearly 20 tenants utilize rail infrastructure



# COMPETITIVE ADVANTAGES

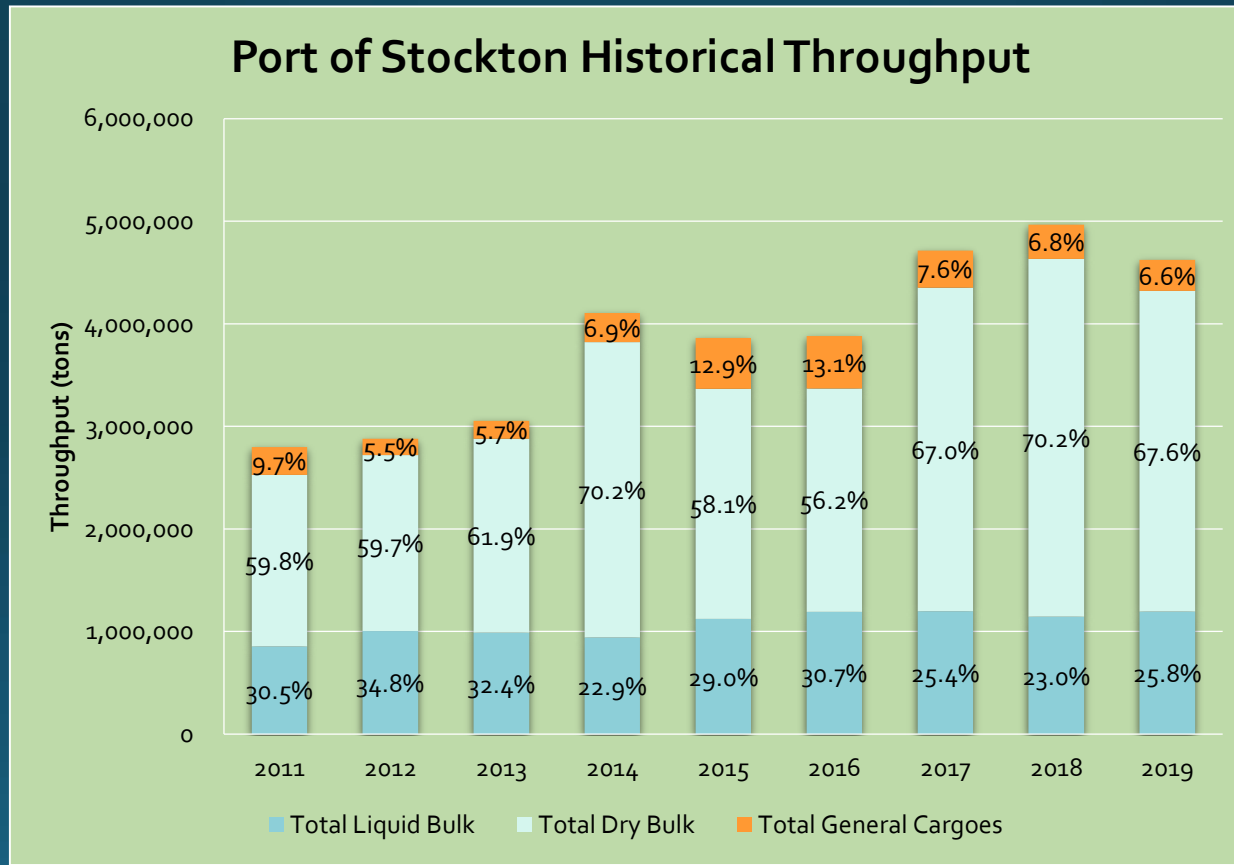
## TENANTS

- East Complex marine-dependent tenants have longer term leases
- West Complex warehouse tenants mostly short-term



# COMPETITIVE ADVANTAGES

## *HISTORICAL THROUGHPUT*



# COMPETITIVE ADVANTAGES

## REVENUE PER TON RANKING

Port of Stockton - Through February, 2020  
Revenue per Ton Ranking



# COMPETITIVE ADVANTAGES

## COMMODITY RANKING BY REVENUE

### Port of Stockton 2015-2019 (5 year average)

#### Commodity Ranking by Revenue

1	Steel	5,935,126
2	Dry Bulk	5,329,569
3	Fertilizer Liquid	3,203,288
4	Cement	1,848,538
5	Sulfur	1,676,638
6	Fertilizer	1,600,940
7	Fertilizer Bagged	1,349,715
8	Rice	1,276,932
9	Molasses	1,015,810
10	Ammonia	822,158
11	Food Grade Oils	760,049
12	Gypsum	695,357
13	Dry Bulk Urea	572,036
14	Unallocated Rev	493,999
15	Animal Feed	426,612





# COMPETITIVE ADVANTAGES

## *PORT TENANTS USE & INFRASTRUCTURE*

	<b>West Complex</b>	<b>East Complex</b>
<b>Infrastructure</b>	Large number of berths and sheds available. Space for expansion is available. Good rail on site, but limited rail access to the West Complex.	Large number of berths and landside infrastructure available, but less space for future expansion. Good rail and rail connectivity on site.
<b>Tenant Profile</b>	Large number of non-marine dependent tenants	Large number of marine dependent tenants
<b>Cargo Types</b>	Few, if any, liquid and dry bulk; mostly break bulk and project cargo	Largely dry bulk and liquid bulk and most of the Port's hazardous materials
<b>Lease Duration</b>	The majority of West Complex tenants are either currently on a month-to-month lease or have leases that expire in or before 2020	In general, East Complex marine-dependent tenants have longer term leases.
<b>Volume and Revenue</b>	Lower volume, higher revenue per ton of typical West Complex commodities, such as bagged cargo and steel	Higher volume, lower revenue per ton of typical East Complex commodities, such as liquid and dry bulk

# COMPETITIVE ADVANTAGES

## MARKET CONDITIONS PROJECTED THROUGHPUT GROWTH RATES

Source	Annual Growth Rate	Notes
<b>San Joaquin County 2014 Comprehensive Economic Development Strategy Appendix 2 <sup>a</sup></b>	<ul style="list-style-type: none"><li>• 2010-2020</li><li>• US Growth Output: 2.9%</li></ul>	Industries/sectors vary; recommend considering overall US average
<b>Draft Port of Los Angeles and Port of Long Beach Unconstrained Cargo Forecast <sup>b</sup></b>	<ul style="list-style-type: none"><li>• 2015-2040</li><li>• Low US GDP: 2.00%</li><li>• Expected US GDP: 2.45%</li><li>• High US GDP: 2.75%</li></ul>	Also considers upside and downside of each case, although minor differences, especially when compounded
<b>US Energy Information Administration <sup>c</sup></b>	<ul style="list-style-type: none"><li>• 2013 to 2040</li><li>• Real GDP growth 2.4%</li><li>• Nonfarm labor productivity growth: 2.0%</li><li>• US population growth: 0.7%</li><li>• Labor force growth: 0.6%</li></ul>	Real GDP growth appears reasonable

**Notes:**

GDP = gross domestic product

**Sources:**

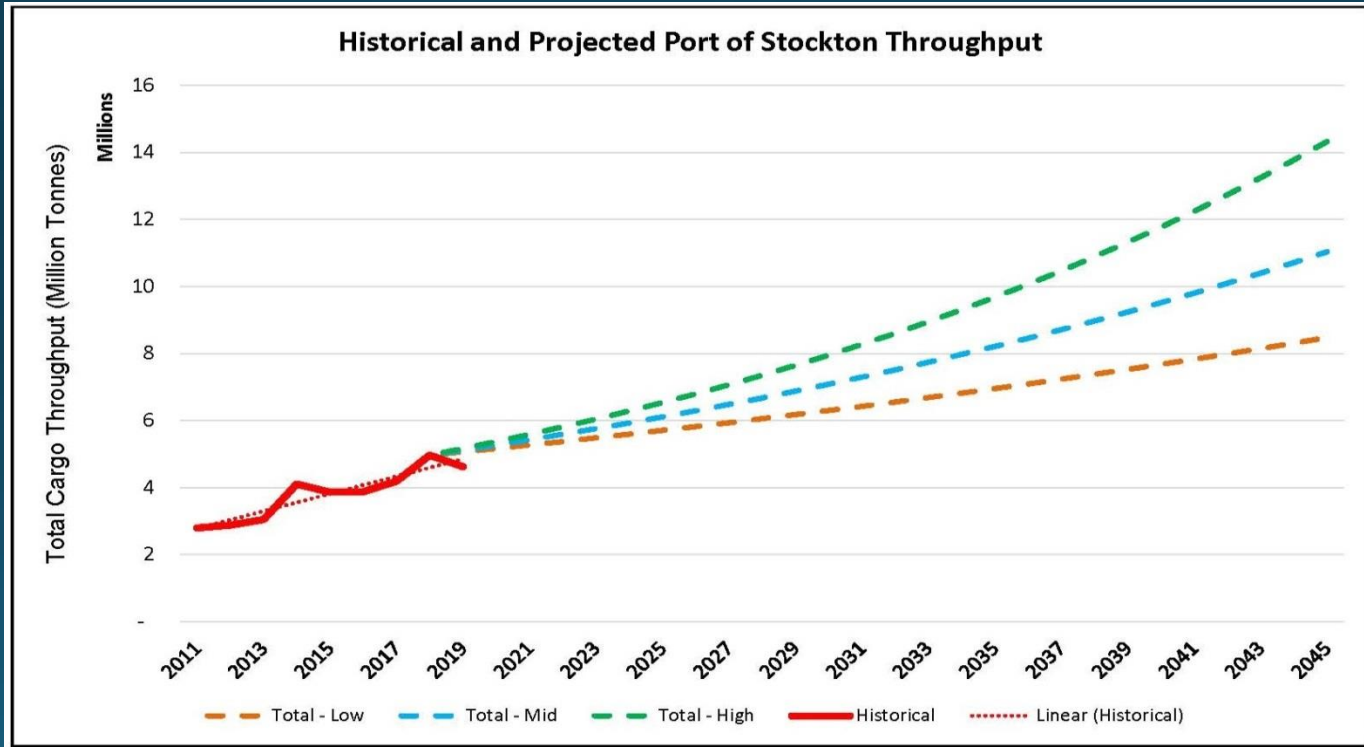
<sup>a</sup> [San Joaquin County 2014 Comprehensive Economic Development Strategy](#)

<sup>b</sup> [San Pedro Bay Long-term Unconstrained Cargo Forecast](#)

<sup>c</sup> [https://www.eia.gov/forecasts/aeo/section\\_economic.cfm](https://www.eia.gov/forecasts/aeo/section_economic.cfm)

# COMPETITIVE ADVANTAGES

## MARKET CONDITIONS PROJECTED THROUGHPUT GROWTH RATES



# COMPETITIVE ADVANTAGES

## *MARKET CONDITIONS*

### *WAREHOUSING & OTHER FACILITIES*

- 7.7 million square feet of warehousing for dry bulk and general cargo
- Various non-maritime dependent tenants utilize numerous other buildings
- 23 acres: Port Administration, Annex, and key tenant offices

### *FACILITY SECURITY / PORT OF STOCKTON POLICE DEPARTMENT*

- Academy trained department
- Provide service, security, and protection for tenants, employees, and surrounding community
- 24-hr patrols for enforcement of local, state, federal, Homeland Security, and Coast Guard regulations



# STRATEGIC PLANNING PROCESS

1

- **WHERE ARE WE NOW?** *Situational Awareness*

2

- **WHERE ARE WE GOING?** *Mission, Vision, Goals, and Objectives*

3

- **HOW ARE WE GOING TO GET THERE?** *Strategies and Action Plans*

4

- **HOW WILL WE KNOW WE HAVE ARRIVED?**



# *Questions / Comments*

