



## **STOCKTON PORT DISTRICT**

Board of Port Commissioners

February 4, 2019

Pursuant to notice duly given, the annual re-organizational meeting of the Board of Commissioners of the Stockton Port District was held on February 4, 2019, in Room 18 of the Port of Stockton Administration Building located at 2201 West Washington Street in Stockton, California.

COMMISSIONERS PRESENT: Sylvester C. Aguilar, 2018 Chairman  
R. Jay Allen  
\*Elizabeth (Liz) Blanchard,  
Gary Christopherson  
Michael Patrick Duffy, 2019 Vice Chairman  
Stephen Griffen, 2019 Chairman  
Victor Mow

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: None

OTHERS PRESENT: Richard Aschieris, Port Director  
Steve Escobar, Deputy Port Director  
Jason Katindoy, Director of Maritime Operations  
Michelle Bowling, Controller  
Steven A. Herum, Port Counsel  
Melanie Rodriguez, Secretary to the Board

\*Commissioner Blanchard arrived at 3:34 p.m. during the Board Re-Organization agenda item.

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

PRESENTATION OF PORT EMPLOYEE SERVICE AWARDS

The Port’s Service Recognition Program honors Port employees for their commitment and dedicated service to the Port of Stockton. The Commissioners were pleased to recognize the following Port employees who recently observed milestone service anniversaries:

Dale Matson, Electrician	5 Years
Robert Sanguinetti, Police Support Technician I	5 Years*
Gary Johnston, Working Foreman Plumber	20 Years

Mr. Sanguinetti was unable to attend the meeting due to an illness.

2019 STOCKTON PORT DISTRICT BOARD RE-ORGANIZATION

Election of Chairman

Commissioner Christopherson nominated Vice Chairman Griffen for Chairman of the Board of Port Commissioners for 2019. Commissioner Allen seconded the motion. The nominations were closed. Vice Chairman Griffen was elected to serve as Chairman for the 2019 term by the following vote:

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

2018 Chairman Aguilar continued to preside over the remainder of the meeting.

Election of Vice Chairman

Commissioner Blanchard nominated Commissioner Duffy for Vice Chairman of the Board of Port Commissioners for 2019. Chairman Griffen seconded the motion. The nominations were closed. Commissioner Duffy was elected to serve as Vice Chairman for the 2019 term by the following vote:

COMMISSIONERS IN FAVOR:	Aguilar, Allen, Blanchard, Christopherson, Duffy, Griffen, Mow
COMMISSIONERS AGAINST:	None

COMMISSIONERS ABSTAINING: None

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: None

Thanks and appreciation were expressed to outgoing Chairman Aguilar for his leadership during the past year and congratulations were extended to newly-elected 2019 Chairman Griffen and to newly-elected Vice Chairman Duffy.

### 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.

Commissioner Allen moved, to adopt the following resolutions:

### MINUTES OF JANUARY 7, 2019 MEETING

Resolution #8109: RESOLVED, that the minutes of the regular meeting of the Board of Commissioners of the Stockton Port District held on the 7th day of January 2019, as the same are endorsed on Page No. 001 to Page No. 006, inclusive, of Minutes Book No. 61, be and they are hereby approved.

### AUTHORIZATIONS TO TRAVEL

Resolution #8110: RESOLVED, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Tulare, California for the World Ag Expo, February 12 - 14, 2019; and

RESOLVED FURTHER, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Guangzhou, China, for the International Association of Ports and Harbors (IAPH) World Ports Conference, May 5 - 11, 2019; and

RESOLVED FURTHER, that the travel expenses incurred by Commission delegates who participate in the World Ag Expo and the IAPH World Ports Conference shall be paid by the Stockton Port District.

Resolutions #8109 and #8110 were passed by the following vote:

COMMISSIONERS IN FAVOR: Aguilar, Allen, Blanchard, Christopherson,  
Duffy, Griffen, Mow

COMMISSIONERS AGAINST: None  
COMMISSIONERS ABSTAINING: None  
COMMISSIONERS ABSENT: None  
COMMISSIONERS EXCUSED: None

CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

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

ACCEPTANCE OF THE STOCKTON PORT DISTRICT INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS, JUNE 30, 2018, AS PREPARED AND SUBMITTED BY THE INDEPENDENT ACCOUNTING FIRM OF VAVRINEK, TRINE, DAY AND COMPANY, LLP

On January 29, 2019, an Ad Hoc Audit Review Committee comprised of Chairman Aguilar and Commissioners Allen and Mow met with Port Director Aschieris, Port Finance Director Baker, Port Controller Bowling, Port staff and management representatives from Vavrinek, Trine, Day and Company, LLP (VTD) to review the independent auditor's report and financial statements.

VTD Engagement Manager Chris Ng provided an overview of the audit services provided for the 2017/2018 fiscal year audit.

Chairman Aguilar acknowledged that there were no requests to address the Port Commission on this matter.

Commissioner Allen moved, to adopt the following resolution:

Resolution #8111: RESOLVED, by the Board of Commissioners of the Stockton Port District that the *Stockton Port District Independent Auditor's Report and Financial Statements, June 30, 2018*, as prepared and submitted by the independent accounting firm of Vavrinek, Trine, Day and Company, LLP, are hereby formally accepted and approved as presented.

Resolution #8111 was passed by the following vote:

COMMISSIONERS IN FAVOR: Aguilar, Allen, Blanchard, Christopherson, Duffy, Griffen, Mow  
COMMISSIONERS AGAINST: None

COMMISSIONERS ABSTAINING:           None  
COMMISSIONERS ABSENT:               None  
COMMISSIONERS EXCUSED:             None

POSSIBLE CONSIDERATION AND APPROVAL OF A CATEGORICAL EXEMPTION 15301, CLASS 1(B) PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA); AUTHORIZATION FOR PORT STAFF TO FILE A NOTICE OF EXEMPTION RELATED THERETO; AND, APPROVAL OF MULTIPLE PG&E EASEMENT REALIGNMENTS AND RENEWAL OF RELATED EASEMENT AGREEMENTS FOR A TERM OF 50 YEARS FOR EXISTING PG&E EASEMENTS CROSSING THE SAN JOAQUIN RIVER ONTO THE PORT'S EAST AND WEST COMPLEXES

Deputy Port Director Escobar provided an executive summary of this agenda item. Mr. Escobar's presentation included the following:

Background:

- The Port was made aware of deficiencies with Pacific Gas & Electric's (PG&E) electric service network in early 2018
- Port staff briefed the Board on this issue in March 2018
- The Port was under the assumption that it had a 20 megawatt (MW) service capacity, in reality it had a 9 MW service capacity
- PG&E originally estimated the necessary network upgrades would be completed by the end of 2021
- PG&E later revised the completion schedule to early 2020

Project Summary:

- PG&E is currently estimating it can complete the network upgrades by the middle of 2019
- Port staff conducts monthly conference calls with PG&E staff regarding this project
- PG&E is requesting easement modifications to their existing easements to facilitate the necessary network upgrades
- Realigning the 60 kilovolt (kV) easements on each side of the San Joaquin River is necessary for the new monopole placements while leaving the existing lattice towers in place
- Once PG&E performs the power cutover to the new infrastructure, the old infrastructure can be removed
- The corresponding easement modification agreements have been revised to reflect the realigned easement routes
- The term of the easement modification agreements also need to be renewed and are proposed for a term of 50 years, which was the term PG&E originally had with the United States Navy
- In addition, Port staff requested that PG&E perform the line upgrades to handle a 40MW service capacity to accommodate a future second transformer for the Port's existing substation

Staff is proposing a categorical exemption, 15061, Class 1(b) for the purposes of this project. Section 15061, Class 1(b) allows for minor alterations to public or private structures and facilities. Specifically it covers facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage or other public utility services.

Port Commission consideration and approval was requested for a categorical exemption 15061, Class 1(b) pursuant to the California Environmental Quality Act (CEQA); authorization for Port staff to file a Notice of Exemption related thereto; and, approval of multiple PG&E easement realignments and renewal of related easement agreements for a term of 50 years for existing PG&E easements crossing the San Joaquin River onto the Port's East and West Complexes including authorization for the Port Director to execute the necessary documents related thereto.

Chairman Aguilar acknowledged Mr. Kevin McDonnell from the International Longshore and Warehouse Union (ILWU) Local 34 Ship Clerks Association. Mr. McDonnell inquired if the Port would consider using solar or wind power in the future. Deputy Port Director Escobar responded that it could be a possibility in the future.

2019 Chairman Griffen moved to adopt the following resolution:

Resolution #8112      RESOLVED, that pursuant to Port staff review of, and determination that the multiple long term easement agreements for Pacific Gas & Electric easements located on the Port's East and West Complexes are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 Class 1(b) the Stockton Port District Board of Commissioners hereby adopts a CEQA Categorical Exemption for the multiple long term easement agreements for Pacific Gas & Electric easements located on the Port's East and West Complexes 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 execute the multiple long term easement agreements and/or other related documents for Pacific Gas & Electric easements located on the Port's East and West Complexes for a term of 50 years; and

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

Resolution #8112 was passed by the following vote:

COMMISSIONERS IN FAVOR:

Aguilar, Allen, Blanchard, Christopherson,  
Duffy, Griffen, Mow

COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None
COMMISSIONERS ABSENT:	None
COMMISSIONERS EXCUSED:	None

## COMMITTEE REPORTS

### Ad Hoc Audit Review Committee

On January 29, 2019, an Ad Hoc Audit Review Committee comprised of Chairman Aguilar and Commissioners Allen and Mow met with Port Director Aschieris, Port Finance Director Baker, Port Controller Bowling, Port staff and management representatives from Vavrinek, Trine, Day and Company, LLP (VTD) to review the independent auditor's report and financial statements. The Ad Hoc Audit Review Committee received thanks from the Commissioners for their time and effort. Port staff was also thanked for their hard work involved with the Port audit.

### San Joaquin Council of Governments

Commissioner Mow asked that the 2019 Chairman review the San Joaquin Council of Governments (SJCOG) Commission representative assignment, as he asked to take a leave from attending the SJCOG meetings.

## PORT DIRECTOR'S COMMENTS

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

- Current calendar year-to-date shipping reflects 30 ships. Shipping activity for the same period in 2018 reported 23 ships. Since the last Commission meeting, 24 ships have called at the Port.
- Current calendar year-to-date tonnage totaled 510,839 metric tons. Tonnage for the same period in 2018 totaled 407,294 metric tons. Since the last Commission meeting, 443,254 metric tons of cement from China, corn/soy from Turkey and Argentina, fertilizer from Trinidad, Chile and the Netherlands, food grade oil from Indonesia, sulfur to New Caledonia, steel from Belgium, Taiwan, Korea, Vietnam and Japan, bagged rice to Japan, tire chips to Japan, dry bulk to Japan and molasses have been handled. The Port has seen a recent increase in steel tonnages being imported.
- The decreased stevedoring revenue/expense reported in the second quarter financials is related to the reduced amount of terminal labor needed for dry bulk commodities.
- The current tenant occupancy for the Port's available properties is approximately ninety-four percent (94%).

## COMMISSION COMMENTS

2019 Chairman Griffen thanked the Commission for nominating him as Chairman. He expressed his thanks to the 2018 outgoing Chairman Aguilar. Chairman Griffen introduced his son Stephen, daughter Tammy, his son-in-law and Linesmen Floyd Madera.

Vice Chairman Duffy thanked 2018 Chairman Aguilar and Vice Chairman Griffen for doing a fantastic job for the Port. He shared that 2019 will be a pivotal year for the Port. He expressed his thanks for all of the hard work that was done in 2018 and he looks forward to 2019.

Commissioners Blanchard, Mow, Allen and Christopherson also congratulated the 2018 Chairman, 2019 Chairman and 2019 Vice Chairman.

2018 Chairman Aguilar thanked the Commission for their support and Port staff for all of their hard work during the past year.

Commissioner Blanchard shared that a local organization would like to donate trees to the Port. The individual that was planning on representing the organization at today's meeting was unable to attend. Port Director Aschieris responded that the individual should contact Jeff Wingfield the Environmental and Public Affairs Director about donating trees to the Port.

Commissioner Mow shared his recollection that a staff report was included in the board packet for the Board re-organization agenda item. He requested that past Board packets be reviewed to see if a staff report was included. Commissioner Mow expressed his concerns for the rotation practice not being followed for the Chairman and Vice Chairman positions. Staff was directed to review past Board packets for a staff report/information that may have been included in the packets for the Board re-organization agenda item.

Commissioner Christopherson shared that the preferred practice for the nomination of Chairman and Vice Chairman was a rotation system.

## PUBLIC COMMENTS ON NON-AGENDA ITEMS

Chairman Aguilar acknowledged Mr. Kevin McDonnell from the International Longshore and Warehouse Union (ILWU) Local 34 Ship Clerks Association. Mr. McDonnell inquired if the Port would consider using wind power in the future to defray possible energy cost increases.

## ADJOURNMENT

On behalf of the Stockton Port District Board of Commissioners, it was announced by Chairman Aguilar that today's Commission meeting would be adjourned in memory of Adeline Rodrigues Salsedo.



Mrs. Salsedo passed away on December 31, 2018 at the age of 84. She was born in Hayward, California on March 17, 1934. Mrs. Salsedo attended grammar and high school in Hayward. She also met the love of her life in Hayward, Richard Salsedo of Kauai, Hawaii. Mrs. Salsedo loved to sing and play the Ukulele. She loved her family dearly. Her children and grandchildren were the apple of her eye. She is survived by her daughter Linda (Victor) and son Richard (Stefanie), 6 grandchildren and 1 great-grandchild.

On behalf of the Commissioners, Port Director and staff, sincere sympathy and condolences were extended to the family of Adeline Rodrigues Salsedo.

There being no further business to discuss, the meeting was adjourned at 4:20 p.m. by Chairman Aguilar.

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Melanie Rodriguez  
Secretary to the Board

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2018 Chairman Sylvester C. Aguilar

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2019 Chairman Stephen Griffen