



STOCKTON PORT DISTRICT

Board of Port Commissioners

March 18, 2019

Pursuant to notice duly given, the regular meeting of the Board of Commissioners of the Stockton Port District was held on March 18, 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
R. Jay Allen
Elizabeth (Liz) Blanchard,
Gary Christopherson
Michael Patrick Duffy, Vice Chairman
Stephen Griffen, Chairman
Victor Mow

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: None

OTHERS PRESENT: Richard Aschieris, Port Director
Steve Escobar, Deputy Port Director
Dianna Baker, Director of Finance
Michelle Bowling, Controller
Juan Villanueva, Development and
Planning Manager
Davin Garcia, Information Technology Manager
Debbie Calli, Properties 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 Stephen 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.

Commissioner Mow moved, to adopt the following resolution:

MINUTES OF FEBRUARY 19, 2019 MEETING

Resolution #8114: RESOLVED, that the minutes of the regular meeting of the Board of Commissioners of the Stockton Port District held on the 19th day of February 2019, as the same are endorsed on Page No. 016 to Page No. 020, inclusive, of Minutes Book No. 61, be and they are hereby approved.

AUTHORIZATIONS TO TRAVEL

Resolution #8115: RESOLVED, 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 5 – 9, 2019; and

RESOLVED FURTHER, that the Board of Commissioners of the Stockton Port District hereby authorizes one or more Commissioners to travel to Kohala, Hawaii, for the USA Rice Millers' Association Convention, June 11 – 14, 2019; and

RESOLVED FURTHER, that the travel expenses incurred by Commission delegates who participate in the SJCOG One Voice Trip and the USA Rice Millers' Association Convention shall be paid by the Stockton Port District.

APPROVAL OF AUTHORIZED PORT SIGNATORIES FOR FINANCIAL INSTITUTION DOCUMENTS AND INVESTMENTS

Resolution #8116: RESOLVED, that as outlined in the *Cash Reserve and Investment Policy*, the following Port executives are officially authorized, empowered and directed to sign on behalf of the Port of Stockton relative to financial institution documents and to place investments at the following financial institutions: BAC Community Bank, Bank of Stockton, US Bank (Bond Funds) and the Local Agency Investment Fund in accordance with the *Cash Reserve and Investment Policy*:

A. Richard Aschieris, Port Director
Steven W. Escobar, Deputy Port Director
Michelle R. Bowling, Controller
Jason A. Katindoy, Director of Maritime Operations
Katrin S. Miller, Human Resources and Administration Services Manager
Esmeralda M. Correa, Assistant Manager, Accounting

That effective April 1, 2019, all similar resolutions previously adopted by the Board of Port Commissioners are revoked.

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

Resolutions #8114, #8115 and #8116 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 Griffen acknowledged there were no items removed from the Consent Calendar.

CONSIDERATION AND POSSIBLE AUTHORIZATION FOR PORT DIRECTOR TO PURCHASE 2 CISCO 9410 NEXT GENERATION ENTERPRISE SWITCHES FROM IT SAVVY FOR \$155,957.43 PAID WITH 75 PERCENT GRANT FUNDING FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Port Development and Planning Manager Villanueva provided an executive summary of this agenda item. Mr. Villanueva's presentation included the following:

Overview:

The Port leverages two primary locations for the delivery of network services for its Information Technology (IT) infrastructure:

- Datacenter at Building 120 on the West Complex

- Administration Building Data Room on the East complex

The switches at these locations are rapidly approaching their end of life and are in need of replacement.

Replacing the current equipment with Next Generation Cisco 9410 switches will provide continuous, secure delivery of IT resources such as servers, applications, workstations, printers, and other devices to the Port.

Procurement:

Quotes from multiple vendors were solicited by the IT Department:

- IT Savvy \$155,957.43
- CDW-G \$170,070.72
- ePlus \$208,406.08

CFR 44 200 was modified in 2018 for purchasing procedures under \$260,000 allowing procurement by internal procedures using competitive quotations. Sections 805 (41 USC 134) and 806 (41 USC. 1902 (a) (1)), increased the simplified acquisition threshold to \$250,000 and the micro-purchase threshold to \$10,000, respectively for all auditees for all Federal grants.

Benefit:

- Provide secure network utilizing current leading technology
- Increase overall performance
- Allow the Port to scale its network to meet future needs/growth
- Reduce the number of attack points and simplify network design
- Provide a highly available infrastructure for connectivity
- Replace equipment that is nearing end of life and no longer supported

The Port proposes purchasing two Cisco switches at a cost of \$155,957.43 using 2016 federal grant funds:

- FEMA Grant 2016-PU-00450 seventy-five percent (75%) for a total of \$116,968.07
- Port Match twenty-five percent (25%) for a total of \$38,989.36

If authorization is given, estimated time for delivery is 30 days. Configuration would begin immediately upon receipt and the equipment would be implemented by August 31, 2019.

Port Commission consideration and approval was requested to authorize the Port Director to purchase two Cisco 9410 Next Generation Enterprise Switches from IT Savvy for a total cost of \$155,957.43 including configuration with seventy-five percent paid with grant funds from the Federal Emergency Management Agency (FEMA) Grant 2016-PU-00450 and twenty-five percent from the Port of Stockton.

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

Commissioner Duffy moved, to adopt the following resolution:

Resolution #8117: RESOLVED, by the Board of Commissioners of the Stockton Port District that the Port Director is hereby authorized, empowered and directed to purchase two Cisco 9410 Next Generation Enterprise Switches from IT Savvy, LLC using \$116,968.07 from the Federal Emergency Management Agency (FEMA) Grant 2016-PU-00450 and \$38,989.36 from the Port of Stockton General Fund for a total for \$155,957.43; and

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

Resolution #8117 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

CONSIDERATION AND POSSIBLE AUTHORIZATION FOR PORT DIRECTOR TO PURCHASE HYPER CONVERGED INFRASTRUCTURE (HCI) FROM DELL EMC FOR \$251,857.00 PAID WITH 75 PERCENT GRANT FUNDING FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Port Development and Planning Manager Villanueva provided an executive summary of this agenda item. Mr. Villanueva's presentation included the following:

Overview:

The Port's virtual servers and digital storage infrastructure are in need of replacement. In the current configuration, servers and storage are separate technologies. Hyper Converged Infrastructure (HCI) brings the two technologies together to form a single fabric where digital storage and virtual computing will occur in the same appliance.

Replacing the Port's servers and storage is part of a larger plan that includes replacing the network switches at the Port.

Procurement:

Quotes from multiple vendors were solicited by the Information Technology (IT) Department:

- Dell EMC \$251,857.00
- ePlus \$277,368.08
- IT Savvy \$314,861.59

CFR 44 200 was modified in 2018 for purchasing procedures under \$260,000 allowing procurement by internal procedures using competitive quotations. Sections 805 (41 USC 134) and 806 (41 USC. 1902 (a) (1)), increased the simplified acquisition threshold to \$250,000 and the micro-purchase threshold to \$10,000, respectively for all auditees for all Federal grants.

Benefit:

- Improved performance due to storage being all solid state instead of spinning hard drives
- Ease in balancing computing and storage by having the ability to install additional nodes as needed due to growth or additional application requirements
- Continuous and secure delivery of IT resources to the Port
- Consolidates compute and storage for easier management
- HCI is significantly more reliable than the Port's current configuration
- Support for the hardware and the software is from one vendor

The Port proposes purchasing HCI at a cost of \$251,857.00 using 2018 federal grant funds:

- FEMA Grant 2018-PU-00431 seventy-five percent (75%) for a total of \$188,892.75
- Port Match twenty-five percent (25%) for a total of \$62,964.25

If authorization is given, estimated time for delivery is 30 days. Configuration would begin immediately upon receipt and the equipment would be implemented by August 31, 2019.

Port Commission consideration and approval was requested to authorize the Port Director to purchase Hyper Converged Infrastructure (HCI) From Dell EMC for \$251,857.00 with seventy-five percent paid with grant funds from the Federal Emergency Management Agency (FEMA) Grant 2018-PU-00431 and twenty-five percent from the Port of Stockton.

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

Commissioner Aguilar moved, to adopt the following resolution:

Resolution #8118: RESOLVED, by the Board of Commissioners of the Stockton Port District that the Port Director is hereby authorized, empowered and directed to purchase Hyper Converged Infrastructure (HCI) from Dell EMC using \$188,892.75 from the Federal Emergency Management Agency (FEMA) Grant 2018-PU-00431 and \$62,964.25 from the Port of Stockton General Fund for a total for \$251,857.00; and

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

Resolution #8118 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

Chairman Griffen acknowledged there were no Committee Reports.

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:	Westway Trading Corporation
Location:	Westway's molasses pipeline from the Washington Street Terminal to Dock 7/8
Term:	5 years

Lessee:	MHX
Location:	West Complex 12.6 acres of improved land at Parcel 1111 and 5,795 square feet of storage area
Term:	5 years

- Current calendar year-to-date shipping reflects 56 ships. Shipping activity for the same period in 2018 reported 58 ships. Since the last Commission meeting, 16 ships have called at the Port.
- Current calendar year-to-date tonnage totaled 967,938 metric tons. Tonnage for the same period in 2018 totaled 931,676 metric tons. Since the last Commission meeting, 281,525 metric tons of anhydrous ammonia from Trinidad, cement/slag from China and Japan, fertilizer from Trinidad and the Netherlands, food grade oil from Malaysia, molasses from Nicaragua and Taiwan, steel from Taiwan and dry bulk and miscellaneous dry bulk to Japan have been handled.

COMMISSION COMMENTS

Commissioner Blanchard shared that she was featured in the International Association of Ports and Harbors (IAPH) March/April 2019 article titled “Taking a Stand”. The Commissioners congratulated Commissioner Blanchard on her IAPH article.

Commissioner Christopherson was congratulated on his re-appointment to the Board of Port Commissioners for an additional four-year term. Commissioner Christopherson shared that he feels privileged to serve on the Port Commission for another term.

Commissioner Aguilar shared information he received from the California Maritime Leadership Symposium he attended in Sacramento in February.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Chairman Griffen acknowledged that there were on requests to address the Commission.

CLOSED SESSION 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 340 PORT ROAD A, STOCKTON, CA

At 4:07 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 Code §54956.8. The general public and other Port staff were excused from the meeting, and the closed session commenced at 4:08 p.m. Deputy Port Director Escobar, Director of Finance Baker, Port Controller Bowling, Properties Manager Calli and Attorney Herum remained for the executive session.

At 4:29 p.m., Chairman Griffen re-opened the meeting in public session. He reported that the Port Commission took no formal, reportable actions during the closed session.

CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE #252 TO AUTHORIZE THE PORT DIRECTOR TO CERTIFY AND ADOPT A CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CATEGORICAL EXEMPTION (SECTION 15301, CLASS 1 – EXISTING FACILITIES); AUTHORIZATION TO FILE A NOTICE OF EXEMPTION RELATED THERETO IN ACCORDANCE WITH CEQA; AND, APPROVAL OF A PROPOSED LEASE AGREEMENT WITH BEST LOGISTICS, INC. FOR SEVEN YEARS WITH THREE 2-YEAR OPTION PERIODS FOR APPROXIMATELY 26 ACRES OCCUPIED BY THREE WAREHOUSES TOTALING 530,752 SQ. FEET AT 340 PORT ROAD 22 ON THE EAST COMPLEX

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

Based on the written information, having been provided to each member of the Board prior to this meeting, Commissioner Mow moved to adopt the following resolution:

Resolution #8119: RESOLVED, that pursuant to Port staff environmental review of, and belief that, the Best Logistics, Inc. Lease Renewal Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 – Existing Facilities, the Stockton Port District Board of Commissioners hereby adopts a CEQA Categorical Exemption for the Best Logistics, Inc. Lease Renewal Agreement and authorizes the filing of a Notice of Exemption related thereto with San Joaquin County; and

RESOLVED FURTHER, that the Stockton Port District Board of Commissioners approves final adoption of Ordinance #252 for the Lease Renewal Agreement with Best Logistics, Inc. for approximately 26 acres occupied by three warehouses totaling 530,752 square feet located at 340 Port Road 22 on the Port of Stockton East Complex for a term of 7 years with three 2-year option periods; and

RESOLVED FURTHER, that Ordinance #252 shall take effect, and be in full force and effect, from and after its final adoption; and

RESOLVED FURTHER, that the Port Director is authorized, empowered and directed in the name of and as the act and deed of this Stockton Port District to make, execute and deliver all necessary documents in the accomplishment thereof, and to ensure that the provisions of this resolution are appropriately effected.

Resolution #8119 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

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 4:31 p.m. by Chairman Griffen.

Melanie Rodriguez
Secretary to the Board

Chairman Stephen Griffen