



STOCKTON PORT DISTRICT

Board of Port Commissioners

March 2, 2020

Pursuant to notice duly given, the regular meeting of the Board of Commissioners of the Stockton Port District was held on February 18, 2020, in Room 18 of the Port of Stockton Administration Building located at 2201 West Washington Street in Stockton, California.

COMMISSIONERS PRESENT: R. Jay Allen
Anthony Barkett
Elizabeth (Liz) Blanchard
Gary Christopherson
Michael Patrick Duffy, Vice Chairman
Stephen Griffen, Chairman
William R. Trezza

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: None

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
Sylvester Aguilar, Port Real Estate and Properties
Development Manager
Pete Grossgart, Marketing 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 3:31 p.m. Chairman Griffen presided and Melanie Rodriguez, Secretary to the Board, acted as Secretary for the meeting.

CEREMONIAL OATHS OF OFFICE

Commissioner Christopherson administered the ceremonial oaths of office to Commissioners Blanchard and Trezza. Commissioner Christopherson concluded the ceremony with expressions of congratulations to both appointees to the Stockton Port District Board of Commissioners.

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 resolution:

MINUTES OF FEBRUARY 18, 2020 MEETING

Resolution #8162: RESOLVED, that the minutes of the REGULAR meeting of the Board of Commissioners of the Stockton Port District held on the 18th day of February 2020, as the same are endorsed on Page No. 008 to Page No. 013, inclusive, of Minutes Book No. 62, be and they are hereby approved.

Resolution #8162 was passed by the following vote:

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|---------------------------|---|
| COMMISSIONERS IN FAVOR: | Allen, Barkett, Blanchard, Christopherson, Duffy, Griffen, Trezza |
| 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.

COMMITTEE REPORTS

Ad Hoc Committee Meeting for Audit Review

On March 2, 2020, an Ad Hoc Committee Meeting for the Audit Review comprised of Chairman Griffen and Commissioner Allen, Port Director Aschieris and Port staff met Eidie Bailly representatives to discuss the June 30, 2019 Audit.

PORT DIRECTOR'S COMMENTS

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

- The following short-term leases have been executed:

Lessee: Compliance First, LLC.
Location: East Complex, World Trade Building, Suite C
Term: 1 year

Lessee: Pacific Steel Group
Locations: West Complex, Warehouse 411, 120,000 square feet and 2 acres of land north of Warehouse 411
East Complex, 7-acre yard south of Washington Street
Terms: 1 year
6 months

- Current calendar year-to-date shipping reflects 33 ships. Shipping activity for the same period in 2019 reported 45 ships. Since the last Commission meeting, 14 ships have called at the Port.
- Current calendar year-to-date tonnage totaled 635,383 metric tons. Tonnage for the same period in 2019 totaled 773,912 metric tons. Since the last Commission meeting, 175,678 metric tons of fertilizer from Bolivia and Norway, sulfuric acid from Japan, steel from Japan, cement/slag from Vietnam and China, food grade oils from Indonesia and dry bulk to Japan have been handled.
- The Port Director distributed to those present the updated Port of Stockton's Fact Sheet – Response to the Coronavirus.

COMMISSION COMMENTS

The Commission extended congratulations to Commissioner Blanchard for her reappointment and to Commissioner Trezza on his appointment.

Chairman Griffen shared information on the effects that the coronavirus is having on shipping yards.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Chairman Griffen acknowledged Ms. Mary Elizabeth from the Sierra Club. Ms. Elizabeth requested a copy of the Fire Marshall's findings as related to the Port of Stockton Annual Utility Wildfire Mitigation Plan be mailed once submitted. She also shared that the next SB167 meeting would be held on March 4, 2020 at the Stockton Civic Auditorium beginning at 5:00 p.m.

Chairman Griffen acknowledged Mr. Joe Carillo, Regional Vice President-Northern California of SSA Pacific. Mr. Carillo shared that the new electric forklifts show good promise. He shared that the Pacific Maritime Administration (PMA) is responsible for providing the training to the longshoremen for the new electric cargo equipment. Mr. Carillo thanked the Commission for approving the Zero- and Near-Zero Emissions Freight Facilities (ZANZEFF) Grant Project which will allow the Port to obtain zero- and near-zero emission cargo handling equipment.

Chairman Griffen acknowledged Mr. Kevin McDonnell from the International Longshore and Warehouse Union (ILWU) Local 34 Ship Clerks Association. Mr. McDonnell shared his dismay with how the training for the new electric cargo handling equipment was handled for the longshoremen.

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 1002 EMBARCADERO, STOCKTON, CA

At 3:58 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 3:59 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, Port Real Estate and Properties Development Manager Aguilar, Marketing Manager Grossgart, Properties Manager Calli and Attorney Herum remained for the executive session.

At 4:40 p.m., Chairman Griffen re-opened the meeting in public session. He reported that the Port Commission conferred with legal counsel and took no formal, reportable actions during the closed session.

CONSIDERATION AND POSSIBLE APPROVAL FOR A FIRST AMENDMENT OF LEASE FOR A PREVIOUSLY APPROVED 5-YEAR LEASE AGREEMENT ADDING FIVE 5-YEAR OPTION PERIODS WITH NAUTILUS DATA TECHNOLOGIES, INC. AT 1002 EMBARCADERO, STOCKTON, CA

Senior Deputy Port Director Escobar presented an executive summary of this agenda item. The staff reports were provided to each member of the Board prior to this meeting.

Commissioner Barkett moved to adopt the following resolution:

Resolution #8163: RESOLVED, that the Stockton Port District Board of Commissioners recertifies and readopts the Nautilus Data Storage Facility Project's Final Initial Study/Mitigated Negative Declaration and related Findings and Mitigation Monitoring Reporting Program in compliance with the California Environmental Quality Act (CEQA) and CEQA Guidelines §15070, and authorizes the filing of a Notice of Determination related thereto with San Joaquin County; and

RESOLVED FURTHER, that the Stockton Port District Board of Commissioners approves final adoption of Ordinance #256 for the First Amendment to Lease to the existing 5-year Lease with Nautilus Data Technologies, Inc. by adding five 5-year option periods for approximately ±2.62 acres at 1002 Embarcadero for the construction and operation of a waterborne data center facility; and

RESOLVED FURTHER, that Ordinance #256 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.

Resolutions #8163 was passed by the following vote:

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|---------------------------|---|
| COMMISSIONERS IN FAVOR: | Allen, Barkett, Blanchard, Christopherson, Duffy, Griffen, Trezza |
| 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 4:45 p.m. by Chairman Griffen.

Melanie Rodriguez
Secretary to the Board

Chairman Stephen Griffen