



## **STOCKTON PORT DISTRICT**

Board of Port Commissioners

February 1, 2021

Pursuant to notice duly given, the regular meeting of the Board of Commissioners of the Stockton Port District was held on February 1, 2021, in Room 18 of the Port of Stockton Administration Building located at 2201 West Washington Street in Stockton, California.

COMMISSIONERS PRESENT: R. Jay Allen, Vice Chairman  
Anthony Barkett  
\*Elizabeth (Liz) Blanchard  
Michael Patrick Duffy  
Gary Christopherson, Chairman  
Stephen Griffen  
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  
Steven A. Herum, Port Counsel  
Melanie Rodriguez, Secretary to the Board  
Susan Shey Dvonch, Managing Partner with Shey-Harding Executive Search

\*Commissioner Blanchard arrived at 4:02 p.m. during Agenda Item #7.

A quorum being present, the meeting was called to order by Chairman Gary Christopherson at 3:30 p.m. Chairman Christopherson 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 Allen moved, to adopt the following resolution:

MINUTES OF JANUARY 19, 2021 MEETING

Resolution #8214: RESOLVED, that the minutes of the REGULAR meeting of the Board of Commissioners of the Stockton Port District held on the 19th day of January 2021, as the same are endorsed on Page No. 001 to Page No. 007, inclusive, of Minutes Book No. 63, be and they are hereby approved.

ADOPTION OF THE PORT’S RENEWABLE ENERGY RESOURCES PROCUREMENT PLAN FOR 2021-2030 AND AUTHORIZATION FOR THE PORT DIRECTOR TO ENTER INTO A 10-YEAR CONTRACT(S) TO PURCHASE RENEWABLE ENERGY PRODUCTS

The above agenda item was removed from the Consent Calendar.

Resolution #8214 was passed by the following vote:

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

CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

At the request of the public, Consent Calendar Item B. Adoption of the Port’s Renewable Energy Resources Procurement Plan for 2021-2030 and Authorization for the Port Director to enter into a 10-Year Contract(s) to Purchase Renewable Energy Products was removed from the Consent Calendar for independent consideration.

Senior Deputy Director Escobar provided an executive summary of this agenda time. The staff report was provided to each member of the Board prior to the meeting and was also available as a link on the Agenda posted on the Port’s website.

Chairman Christopherson acknowledged the emailed comments as received from Jan Warren:

“Dear Commissioners,

I'd like to request that consent item 3B be pulled for discussion.

I note that after the January 2021 meeting it was required for the public to be able to view all reports beforehand. All the public meetings I attend via zoom provide that information. We shouldn't have to ask for it.

The 100% Clean Energy Act of 2018 (SB100) increased the amount of electricity coming from renewables from 40% by Dec. 31, 2024 to 44% to Dec. 31, 2024. What actions is the Port taking to reduce the GHGs at the Port?

Is there a public report that shows the specific plans to convert to electricity from renewables as the Port continues to grow and gain new contracts? Buying renewable credit doesn't reduce pollution at the Port or community close to the Port.”

Chairman Christopherson acknowledged the emailed comments as received from Davis Harper with The Climate Center:

"Good evening commissioners, this is Davis Harper, local community organizer for The Climate Center. Based on this plan, it appears the Port plans to purchase unbundled RECs to meet the state's RPS standards. If that's the case, this is problematic because unbundled RECs are highly questionable in terms of the measurable value they contribute to advancing clean energy. The Port should be supporting real-world, job-creating new clean generation projects, not buying from polluting energy sources and utilizing unbundled credits to meet state goals. We are glad to see that the Port will continue considering renewable energy projects on a case-by-case basis. As a complementary step, the Port should consider advancing a local Community Choice Aggregation agency, as this would introduce new options to help reduce energy costs and meet state renewable mandates. One option is to aggregate the Port's load in coordination with the City of Stockton or San Joaquin County to procure electricity. Even if the Port doesn't aggregate with either entity, a county- or city-governed CCA could be a new not-for-profit competitive option for the Port to consider when procuring renewables pursuant to the state RPS. A new CCA in the Port's territory could also serve as a great ally navigating compliance on an ongoing basis. Exploring CCA opportunities could help save the Port on energy costs, and at the same time, promote local economic development and benefit the environment. You can reach me at [davis@theclimatecenter.org](mailto:davis@theclimatecenter.org) with any questions about how to engage in this process."

Commissioner Trezza moved, to adopt the following resolution:

Resolution #8215: RESOLVED, by the Board of Commissioners of the Stockton Port District that the Port of Stockton’s Renewable Energy Resources Procurement Plan (RERP) which continues the Port’s prior RERP Cost Limitation Policy and implements the new 2020 state Renewable Portfolio Standard regulations as adopted by the California Energy Commission for 2021-2030 is hereby adopted, as presented; and

RESOLVED FURTHER, that the Port Director is authorized to enter into necessary 10-year contracts on behalf of the Port for the purchase of renewable energy products; and

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

Resolution #8215 was passed by the following vote:

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

ACCEPTANCE OF THE STOCKTON PORT DISTRICT INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS, JUNE 30, 2020, AS PREPARED AND SUBMITTED BY THE INDEPENDENT ACCOUNTING FIRM OF EIDE BAILLY

On January 22, 2021, an Ad Hoc Committee Meeting for the Audit Review comprised of Vice Chairman Allen and Commissioners Barkett and Trezza met with Port Director Aschieris, Finance Director Bowling, Port staff and management representatives from Eide Bailly to review the independent auditor’s report and financial statements. As was noted, the Single Audit was not presented with the other audit documents as it has not been completed. Eide Bailly will issue a separate opinion on the Single Audit upon its completion.

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.

Eide Bailly Audit Manager Kyle Bartle presented an overview of the audit services provided for the 2019/2020 fiscal year audit.

Chairman Christopherson acknowledged the emailed comments as received from Mary Elizabeth with the Delta-Sierra Group:

“Why does the Port have encumbered money to Dredge the Deep Water Channel to 40 FT 4,309,702 when the Army Corp of Engineers has deemed the portion past AVON to have a costs that outweigh benefits and has halted any environmental work to dredge the western portion to 38 feet.

Why is there restricted funds Dissolved oxygen aeration facility funds 140,630 when there are not other environmental benefit funds restricted?

Why are not the noncancelable operating leases on District facilities disclosed for the public review.

Why is the Port so generous with post employment benefits when folks in the neighborhood of the Port suffer from health impacts related to the operation of Port by the Port and their tenants:

The District provides medical benefits through the California Public Employees’ Retirement System (CalPERS) Public Employees’ Medical and Hospital Care Act (PEMHCA) program to retired full-time salaried administrative and security employees and their dependents that meet eligibility requirements, of 55 years of age or older and 5 years of service, through its plan.

Please describe the commodities that are included in the Overland Cargo: Liquid Bulk 2,445,625”

Commissioner Griffen moved, to adopt the following resolution:

Resolution #8216: 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, 2020*, as prepared and submitted by the independent accounting firm of Eide Bailly, are hereby formally accepted and approved as presented.

Resolution #8216 was passed by the following vote:

COMMISSIONERS IN FAVOR:	Allen, Barkett, Christopherson, Duffy, Griffen, Trezza
COMMISSIONERS AGAINST:	None
COMMISSIONERS ABSTAINING:	None

COMMISSIONERS ABSENT: None

COMMISSIONERS EXCUSED: Blanchard

### COMMITTEE REPORTS

#### Ad Hoc Committee Meeting for Audit Review

On January 22, 2021, an Ad Hoc Committee Meeting for the Audit Review comprised of Vice Chairman Allen and Commissioners Barkett and Trezza, Port Director Aschieris and Port staff met with Edie Bailly representatives to discuss the June 30, 2020 Audit.

#### San Joaquin Council of Governments (SJCOG)

Commissioner Barkett attended the January 28, 2021 Zoom SJCOG meeting. He shared that SJCOG is planning virtual One Voice meetings in April and an in-person One Voice trip to Washington, D.C. in October.

### PORT DIRECTOR'S COMMENTS

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

- Current calendar year-to-date shipping reflects 24 ships. Shipping activity for the same period in 2020 reported 15 ships. Since the last Commission meeting, 11 ships have called at the Port.
- Current calendar year-to-date tonnage totaled 420,743 metric tons. Tonnage for the same period in 2020 totaled 269,690 metric tons. Since the last Commission meeting, 175,208 metric tons of cement/slag from Vietnam and Korea, fertilizer from Germany, Russia and the Netherlands, steel and sulfuric acid from Japan and dry bulk to Japan have been handled.
- Mr. Daniel Smith, a Principal with The Tioga Group, Inc. provided an update on the Port's Strategic Plan.

### COMMISSION COMMENTS

Commissioner Griffen shared his appreciation for the revenue information that was shared as part of the audit.

Commissioner Trezza shared that it might be beneficial if he received an overview on the cargo pricing priorities at the Port. The Port Director shared that this information would be shared with the Commission.

## PUBLIC COMMENTS ON NON-AGENDA ITEMS

Chairman Christopherson acknowledged the emailed comments as received from Jonathan Pruitt with the Catholic Charities of the Diocese of Stockton:

“In addition to YouTube, I request that the Board of Commission meetings allow the public to join Zoom so that they can provide public comments. I also suggest the Board of Commission read the comment letters out loud for the public can hear. Per the Port of Stockton's COVID-19 meeting notice, 'Every effort will be made to read all comments received into the record, but some comments may not be read due to time limitations.'”

Chairman Christopherson acknowledged the emailed comments as received from Jan Warren:

“I note that after the January 2021 meeting it was required for the public to be able to view all reports beforehand. All the public meetings I attend via zoom provide that information. We shouldn't have to ask for it.”

“What is the status of the Strategic Plan?”

“What is the process and timeline for the public and community process by the company who was awarded the search for a New Port Director.”

Chairman Christopherson acknowledged the emailed comments as received from Jonathan Pruitt with the Catholic Charities of the Diocese of Stockton:

“Good afternoon Commissioners, this is Jonathan Pruitt, Environmental Justice Program Coordinator at Catholic Charities Diocese of Stockton. This comment pertains to the inadequate approach the Port of Stockton takes for community engagement and transparency on Port operations and projects. I am aware of the internal discussions with your communications consultant on the Port's strategic plan on public engagement, but environmental justice orgs and advocates have not been asked to be advisors on that strategy plan before it will be adopted. Without utilizing community based orgs and EJ advocates' expertise in community engagement and relationship building, the development of the plan portrays a top-down approach. It's 2021 and that model is outdated. The new model is incorporating an in-depth, multi-stakeholder solutions-oriented process. This saves money and communication gaps in the long run. I urge this be prioritized by Port staff. I'm aware of staffing limitations and this is why there is a huge need for a full-time designated community engagement staff member under the Port of Stockton. The lack of meaningful engagement with the community is only a piece to the Port of Stockton's transparency issue. As a first step to address the internal barriers that are within the Port's control, I propose a space for the Port of Stockton

and the Commissioners to collaborate with environmental justice organizations and advocates. In addition to the Port's goal to be environmental stewards, the Port must prioritize the health impacts to neighboring communities. I can be reached at [jpruitt@cstockton.org](mailto:jpruitt@cstockton.org) to discuss this further."

Chairman Christopherson acknowledged the emailed comments as received from Mary Elizabeth with the Delta-Sierra Group:

"Comments submitted prior to the Feb 1, 2021 meeting of the Port Commissioners. Thank you for posting the last Port Commissioners meeting on your website for meetings and agendas which is at the bottom of home page of the Port's website [Bulk & Break Bulk Shipping Specialists | Port of Stockton](#). I respectfully request that the agenda page be included in the drop down menu About.

Thank you for updating today's agenda to include information on the consent agenda and action items with linked information. This should have been included in the version that was distributed to the public that signed up to receive meeting information in advance. I have not thoroughly reviewed these items but had some questions which I hope can be addressed during the meeting.

When will the environmental justice committee form and meet to discuss the perspective of those most affected by operations."

#### **CLOSED SESSION PERSONNEL/PORT DIRECTOR PURSUANT TO GOVERNMENT CODE §54957.6**

At 4:15 p.m. Chairman Christopherson 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 §54957.6. The general public and other Port staff was excused from the meeting, and the closed session commenced at 4:17 p.m. Executive Recruiter Dvonch remained for a portion of the executive session.

At 5:31 p.m., Chairman Christopherson re-opened the meeting in public session. He reported that the Port Commission took no formal, reportable action during the closed session.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 5:32 p.m. by Chairman Christopherson.

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Melanie Rodriguez  
Secretary to the Board

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Chairman Gary Christopherson