

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING MARCH 28, 2017

THE CHAIRMAN COMMENCES MEETING WITH PLEDGE OF ALLEGIANCE AND ROLL CALL:

- 1. APPROVAL OF MINUTES**
Regular Meeting February 28, 2017
Closed Meeting February 28, 2017
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2017-3-0030
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2017-3-0031
- 4. APPROVAL OF CREDITS**
RESOLUTION 2017-3-0032
- 5. APPROVAL OF CHANGE ORDERS – None**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2017-3-0033
- 7. RECEIPT OF TREASURER’S REPORT**
- 8. RECEIPT OF COUNSEL’S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR’S REPORT**



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION

- A. RESOLUTION 2017-3-0034: AWARD OF DRY-PIPE FIRE PROTECTION SYSTEM PROJECT**
- B. RESOLUTION 2017-3-0035: SCI ANNUAL SUPPORT FOR SERVICES**
- C. RESOLUTION 2017-3-0036: REORGANIZATION OF FOREIGN TRADE ZONE 142 UNDER THE ALTERNATIVE SITE FRAMEWORK AND EXPANSION FOR TWO MAGNET SITES FOR REPAUNO AND PAULSBORO**
- D. RESOLUTION 2017-3-0037: PSE&G REQUEST FOR GRANT OF EASEMENT – MORGAN STREET**
- E. RESOLUTION 2017-3-0038: ASSIGNMENT OF NATIONAL DOCKS LEASE TO EASTERN CONCRETE – SALEM**
- F. RESOLUTION 2017-3-0039: APPROVAL OF BOND RESOLUTION**

11. SUPPLEMENTAL BOARD INFORMATION

- G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- H. PORT SECURITY UPDATE**
- I. PAULSBORO MARINE TERMINAL PROJECT UPDATES**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2017-3-0034: AWARD OF DRY-PIPE FIRE PROTECTION SYSTEM PROJECT

Pursuant to the Board’s authorization, the Request for Proposals for the Broadway Terminal Dry-Pipe Fire Protection Sprinkler Systems replacement project was released to the public. On March 1, 2017, four (4) “Lump Sum” Bids were received. The proposals received were specifically addressed for the systems replacement within buildings occupied by the Joseph Oat Co., and designated as “A”; “A-2”; “B”; “B-2”; AB: as Engineered, orchestrated, reviewed and vetted by Pennoni Engineers, General Counsel, and staff.

The following four (4) “Lump Sum” proposals were submitted for consideration; and with Pennoni’s award costs for this initial project phase estimated between \$1.0 - \$1.4 MM:

VENDOR	PRICE
Affordable Fire Protection, Inc., Linwood, New Jersey	\$1,745,000.00
Framen Mechanical Inc., Fords, New Jersey	\$1,555,000.00
Independence Fire Sprinkler Co. Inc., Lester, Pa	\$1,093,000.00
Harring Fire Protection, LLC., Williamstown, New Jersey	\$ 882,063.00

Pennoni, General Counsel and staff evaluated the proposals and recommends approval to award the project to Harring Fire Protection, LLC for the “Lump Sum” amount of \$882,063.00. The Treasurer certifies funding is available utilizing the Holtec Rental Proceeds Account.

RECOMMENDATION:

Staff recommends approval to award this Bid to Harring Fire Protection, LLC for the “Lump Sum” amount of \$882,063.00.



ACTION ITEM:

B. RESOLUTION 2017-3-0035: SCI ANNUAL SUPPORT FOR SERVICES

The Seamen's Church Institute (SCI) provides services to seafarers who visit the ports along the Delaware River, including SJPC's facilities. SCI visits every ship that calls both the Balzano Marine Terminal and the Broadway Terminal. Those services include hospitality, transportation, telephone, computer, spiritual, and many other necessary and vital services. SCI has requested \$8,000 for services rendered at our terminals. This is the same amount as SJPC contributed last year.

RECOMMENDATION:

Staff recommends Board approval of the SCI support services.



ACTION ITEM:

C. RESOLUTION 2017-3-0036: REORGANIZATION OF FOREIGN TRADE ZONE 142 UNDER THE ALTERNATIVE SITE FRAMEWORK AND EXPANSION FOR TWO MAGNET SITES AT REPAUNO AND PAULSBORO MARINE TERMINAL

Staff, with the assistance from General Counsel, is preparing an application to the National Foreign Trade Zone Board to reorganize FTZ 142 under the Alternative Site Framework (ASF) and to expand the Zone with a magnet site at the Repauno facility for Delaware River Partners and a magnet site at the Paulsboro Marine Terminal for Paulsboro Waterfront Development LLC. (Holt Logistics). The current General Purpose Sites will become magnet sites and the subzones will remain. The majority of Zones have reorganized under ASF. The application requires a resolution from the Grantee’s governing body authorizing the reorganization.

Foreign-Trade Zones Board adopted the Alternative Site Framework in 2009 as a means of designating and managing general-purpose FTZ sites through reorganization. The ASF provides Foreign-Trade Zone Grantees with greater flexibility to meet specific requests for zone status by utilizing the minor boundary modification process. The concept of ASF is that by more closely linking the amount of FTZ designated space to the amount of space activated with Customs and Border Protection; Zone users would have better and quicker access to benefits. ASF reduces the application time from approx. 10-18 months to 3-6 weeks. FTZ benefits include relief from inverted tariffs; duty exemption on re-exports; Duty elimination on waste, scrap, and yield loss; weekly Entry Savings; and duty deferral.

Under the reorganization, the FTZ 142 service area will include the SJPC’s Port District comprised of the seven counties which meets the "adjacency" requirement of the FTZ Board’s regulations (within 60 miles or 90 minutes’ driving time from the outer limits of your CBP Port of Entry). Within the service area, the Zone would be reorganized and expanded as follows:

Site Identification	Site Category	Acreage within Site Boundaries	Reorg./Expansion
Site 1-A (Salem)	Magnet	90 acres	Existing - GPS
Site 1-B (Salem)	Magnet	5 acres	Existing - GPS
Site 2 (Salem)	Magnet	10 acres	Existing - GPS
Site 3 (Millville)	Magnet	144 acres	Existing - GPS
Site Four (Repauno)	Magnet	1,800 Acres	NEW
Site Five (Paulsboro)	Magnet	200 Acres	NEW
142A	Subzone	678 acres	Existing
142B	Subzone	133 acres	Existing
142D	Subzone	60 acres	Existing

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RECOMMENDATION:

Staff recommends Board authorization to submit an application to the National Foreign Trade Zone Board to reorganize FTZ 142 under the Alternative Site Framework and to expand the Zone with a magnet site at the Repauno facility for Delaware River Partners and a magnet site at the Paulsboro Marine Terminal for Holt Logistics.



ACTION ITEM:

D. RESOLUTION 2017-3-0037: PSE&G REQUEST FOR GRANT OF EASEMENT – MORGAN STREET

PSE&G is requesting a fee simple Grant of Easement for a certain tract of real property situated in Camden, referred to as Block 515, Lot 1. The Morgan Street area equates to 62,750 sq. ft or 1.441 ac. The proposed agreement conveys an easement in perpetuity to PSE&G for its use, occupancy and enjoyment and the use, occupancy and enjoyment of its licensees, successors in interest and assigns, in connection with the overhead and underground distribution of electricity and for the conduct of its business. In consideration of these premises, PSE&G will pay SJPC in the sum of \$235,000.00.

RECOMMENDATION:

Staff recommends Board approval of the PSE&G Grant of Easement.



ACTION ITEM:

E. RESOLUTION 2017-3-0038: ASSIGNMENT OF NATIONAL DOCKS SALEM LEASE TO EASTERN CONCRETE

National Docks, LLC., has requested SJPC's consent and approval the assignment of the existing lease at the Salem Terminal facility to Eastern Concrete Materials, LLC., under the process defined in Paragraph 6.28 of the lease agreement. Staff and General Counsel have reviewed the request and find the request to be in order. Eastern Concrete Materials, LLC., will continue to operate the Salem terminal facility transloading the same gravel/stone cargo as National Docks.

RECOMMENDATION:

Staff recommends Board approval of the assignment of lease.



ACTION ITEM:

F. RESOLUTION 2017-3-0039: APPROVAL OF BOND
RESOLUTION

The Board and staff, in Closed Session, will discuss a proposed Bond issuance for capital to complete Phase Two of the Paulsboro Marine Terminal and for capital improvements at the Camden facilities. A bond resolution, prepared by SJPC's Financial Advisor and Bond Counsel, following review by the Department of Treasury, will be submitted to the Board for consideration.

RECOMMENDATION:

Staff recommends Board approval of the proposed Bond resolution.



INFORMATION ITEM:

G. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

H. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

USCG SECTOR DELAWARE BAY AMSC CYBER SUBCOMMITTEE MEETING: On March 7, 2017, Mr. Jones participated in the AMCS Cyber Sub-Committee meeting at the USCG Sector Delaware Bay Headquarters.

Hi-lights include:

- CG-5P Policy Letter 08-16: Reporting Suspicious Activity and Breaches of Security reporting requirements and guidance on cybersecurity related events to the National Response System. The sub-committee discussed the challenges of determining what type of cyber events, whether it is suspicious activity or a breach of security, would reach the level of significance that would need to be reported.

MTSA regulated facilities are required to report SA and BOS to the National Response Center. However, facilities can also report cyber related SA and BOS to the NJCCIC, but must advise NJCCIC when calling in an incident, that your facility is a MTSA regulated facility. SJPC's policy will be to contact the NRC first and then contact the NJCCIC with a referenced NRS ticket number.

- Representatives from NJ Cybersecurity and Communications Integration Cell (NJCCIC), including Mike Geraghty, the Director, provided basic updates on the role and involvement of the NJCCIC. NJCCIC is a one-stop shop for cybersecurity information sharing, threat analysis, and incident reporting. The NJCCIC brings together analysts and engineers to promote statewide awareness of local cyber threats and widespread adoption of best practices.
- The sub-committee discussed future projects including developing a Cyber Symposium and to develop a Cyber Pocket Guide.

MTSA ANNUAL AUDIT: On Friday, March 17th, SJPC's FSO began the process of conducting the annual audit of the SJPC's Facility Security Plan along with Ronin Security. Per 33CFR105.415, the FSO must ensure an audit of the FSP is performed annually, beginning no later than one year from the initial date of approval, and attach a letter to the FSP certifying that the FSP meets the applicable requirements of this part.



INFORMATION ITEM:

I. PAULSBORO MARINE TERMINAL PROJECT UPDATES

The Paulsboro Marine Terminal Project updates are provided by the Gloucester County Improvement Authority.



MATTERS INVOLVING LITIGATION, PERSONNEL & SPECIAL MATTERS

The subject matter is covered by one or more of the following legal exemptions:

- Matters made confidential by state, federal law or rule by court.
- Disclosure would result in an unwarranted invasion of individual privacy, unless the person affected consents in writing.
- Disclosure would impair the body's right to receive federal or state funds.
- Collective bargaining.
- Lease or acquisition of property, setting of banking rates, investment of public funds if disclosure would harm the public interest.
- Investigations into violations of law.
- Strategies to protect public security.
- Pending, ongoing or anticipated litigation or contract negotiation, including attorney-client privilege. The threat of litigation must be more than theoretical for this exemption to apply.
- Personnel matters affecting employees of the public bodies, unless all parties request or consent to a public hearing. Prior to discussion of personnel, affected employees must be given notice, known as a Rice notice, which gives the employee the right to request a public hearing.
- Proceedings that could result in a suspension, civil penalty, or loss of a license or permit.

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- 1. COUNSEL'S REPORT**
 - 2. PAULSBORO MARINE TERMINAL – HOLT RELOCATION OF CRANES EQUIPMENT & TERMINAL SHOP BUILDING**
 - 3. DRPA CAPITAL LEASE – ELECTRICAL SUBSTATION**
 - 4. HOLTEC - Demand for Final Payment**
 - 5. SPRINKLER SYSTEM – BROADWAY TERMINAL**
 - 6. MAINTENANCE DREDGING**
 - 7. PROPOSED BOND RESOLUTION/ISSUANCE**
 - 8. PERSONNEL:**
 - a. Local 18, I.F.P.T.E.**