

SOUTH JERSEY PORT CORPORATION



BOARD OF DIRECTORS MEETING FEBRUARY 26, 2019

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

- 1. APPROVAL OF MINUTES**
Regular Open Meeting January 29, 2019
Closed Session Meeting January 29, 2019
- 2. APPROVAL OF OPERATING BILLS**
RESOLUTION 2019-2-0021
- 3. APPROVAL OF ADVANCE PAYMENT BILL LIST**
RESOLUTION 2019-2-0022
- 4. APPROVAL OF CREDITS**
RESOLUTION 2019-2-0023
- 5. APPROVAL OF CHANGE ORDERS**
- 6. APPROVAL OF CONSTRUCTION FUND REQUISITIONS**
RESOLUTION 2019-2-0024
- 7. RECEIPT OF TREASURER'S REPORT**
- 8. RECEIPT OF COUNSEL'S REPORT**
- 9. RECEIPT OF EXECUTIVE DIRECTOR'S REPORT**

SOUTH JERSEY PORT CORPORATION
Board of Directors Meeting – February 26, 2019



10. ADDITIONAL AGENDA ITEMS REQUIRING BOARD ACTION:

- A. RESOLUTION 2019-2-0025: ACCEPTANCE OF RATE STUDY**
- B. RESOLUTION 2019-2-0026: AUTHORIZATION TO SUBMIT AN INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) GRANT APPLICATION**

11. SUPPLEMENTAL BOARD INFORMATION:

- C. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT**
- D. PORT SECURITY UPDATE**
- E. PAULSBORO MARINE TERMINAL PROJECT UPDATES**
- F. MAINTENANCE DREDGING PROJECT UPDATE**

PUBLIC SESSION FOR QUESTIONS / COMMENTS

12. CLOSED SESSION AND/OR ADJOURNMENT



ACTION ITEM:

A. RESOLUTION 2019-2-0025: ACCEPTANCE OF THE 2018 RATE STUDY

Staff is presenting the 2018 Rate Study. As required by our Bond Covenants, on an annual basis the South Jersey Port is required to do a rate study that evaluates our rates, fees and tariffs compared to our competitors in the region. The 2018 Rate Study was prepared by S.T. Hudson and is presented for acceptance. The report determined no rate increases are recommended at this time.

RECOMMENDATION:

Staff requests Board acceptance of the 2018 Rate Study.



ACTION ITEM:

B. RESOLUTION 2019-2-0026: AUTHORIZATION TO SUBMIT A INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) GRANT APPLICATION

Staff is requesting authorization to submit a grant application through the Infrastructure for Rebuilding America (INFRA) discretionary grant program under the U.S. Department of Transportation (USDOT) to support the Paulsboro Marine Terminal Phase 2 buildout; similarly to the TIGER 3 grant that enhanced the Phase 1 program. This is the second round of the Infrastructure for Rebuilding America discretionary grant program through a Notice of Funding Opportunity (NOFO) in the Federal Register. The INFRA program will make approximately \$855-902.5 million available to projects that are in line with the Administration's principles to help rebuild America's crumbling infrastructure.

The INFRA grant program will fund both large and small projects. For a large project, the INFRA grant must be at least \$25 million. For a small project, the grant must be at least \$5 million. For each fiscal year of INFRA funds, 10 percent of available funds are reserved for small projects.

INFRA grants may be used to fund a variety of components of an infrastructure project, however, USDOT is specifically focused on projects in which the local sponsor is significantly invested and is positioned to proceed rapidly to construction. Eligible INFRA project costs may include: reconstruction, rehabilitation, acquisition of property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, equipment acquisition, and operational improvements directly related to system performance.

There is a cost sharing component for INFRA. INFRA grants may be used for up to 60 percent of future eligible project costs. However, preference will be given to projects that have a match larger than the required minimum. Applications are due on or before March 4, 2019.

South Jersey Port Corporation anticipates submitting an application for a scope that will continue the buildout of the remaining acreage at the Paulsboro Marine Terminal. It is anticipated that the project cost will be between \$60-\$70 million with a request of 50% from the federal program. The scope for the final application is currently under development.

RECOMMENDATION:

Staff recommends Board authorization to submit an Infrastructure for Rebuilding America (INFRA) discretionary grant program application.



INFORMATION ITEM:

C. MARKETING COMMITTEE REPORT & PHOENIX/ARTLIP COMMUNICATIONS REPORT

PHOENIX STRATEGIES/ARTLIP COMMUNICATIONS REPORT ATTACHED.



INFORMATION ITEM:

D. SECURITY UPDATE

The security update is prepared by Mr. Jay Jones.

USCG AMSC/AC JOINT MEETING / PORT SECURITY GRANT WORKSHOP: The 2019 Joint U.S. Coast Guard AMSC/AC Meeting scheduled for February 20, 2019 has been canceled due to the impacts of federal government shutdown issues. However, the Port Security Grant Workshop will still be held on February 20, 2019 at the ExxonMobil Technology Center in Paulsboro, NJ. Mr. Jones will be participating in the workshop.

USCG AMSC CYBER SUBCOMMITTEE MEETING: The Delaware Bay AMSC Cyber Subcommittee will hold its next meeting in conjunction with USCG Headquarters' National AMSC Cybersecurity Subcommittee's Leadership meeting. The meeting will address/discuss best practices and share information for the betterment of all port partners. In addition, information on the latest Cybersecurity/Marine Transportation System developments will be provided. The meeting will take place on February 28, 2019. Mr. Jones will be attending the subcommittee meeting.



INFORMATION ITEM:

E. PAULSBORO MARINE TERMINAL PROJECT UPDATES

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



INFORMATION ITEM:

F. MAINTENANCE DREDGING UPDATE

Weeks Marine has completed the dredging of the South Jersey Port Balzano and Broadway Terminals. The dredging began on January 23, 2019 and was completed on February 6, 2019.

Approximately 69,000 cubic yards was removed from Balzano Terminals' berth 2, 3, and 4 and 39,000 cubic yards from Broadway Terminals' pier 1 and 5. Pier 1A required no maintenance. After-dredging surveys were completed by S.T. Hudson Engineers and evaluated. It was concluded that the required depths were satisfactorily achieved in all areas. At Balzano Terminal, Berth 2 is clear to 30 feet; Berth 3 to 35 feet; and Berth 4 to 40 feet. At Broadway Terminal, Pier 1 is clear to 32 feet; Pier 5 to 35 feet, and Pier 1A to 40 feet. In most cases the depths are up to 1 to 2 feet deeper due to allowable overdepth digging. This overdepth will provide advance maintenance for the facilities.

In addition clean sand material spilled from the neighboring Georgia Pacific property was removed from the downstream end of Berth 4. Initial negotiations took place this week and a confirmatory survey is scheduled of the area. It is anticipated that an amicable solution to the magnitude of PSE&G responsibility will be reached shortly.



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.

1. COUNSEL'S REPORT