

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.: 9A
Meeting Date: December 3, 2024

DATE: November 6, 2024

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: **Internal Governance Work Group (IGWG)**
Commissioners Mohamed, Ang, Cho and Keller

Project Manager: Dana Henderson, General Counsel

SUBJECT: First Reading: Resolutions 2025-01 and 2025-02 Delegation of Authority Master Policy and Sixth Amended Northwest Seaport Alliance Bylaws

A. ACTION REQUESTED:

First reading of proposed resolutions 2025-01 amending the Delegation of Authority Master Policy (Master Policy) and 2025-02 amending the Northwest Seaport Alliance Managing Member Bylaws (Sixth Amended Bylaws) as recommended by the Internal Governance Work Group.

B. SYNOPSIS:

Section 5.c. of the Master Policy provides that it shall be reviewed annually by the Managing Members. The Managing Members' Internal Governance Work Group (IGWG) initiated its review in May 2024. IGWG meetings held on May 9, 2024 and September 12, 2024 resulted in the following recommended revisions to the Master Policy as well as certain changes to the Managing Member Bylaws. (Additions shown underlined, deletions shown in strikethrough)

PROPOSED MASTER POLICY REVISIONS:

7.e. Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others. i. The CEO is authorized to enter into agreements for the use of real property owned by others if the term of the use is one year or less and the Alliance paid cost for the use is up to \$350,000 annually. This authority includes that the CEO may enter into access agreements with a Homeport to allow for Alliance or Alliance customers(s)' use of Homeport property, provided that: the access agreement is one-time and for one year or less; the Alliance paid cost for the use is

up to \$350,000 annually; the access agreement may be terminated by either party on thirty (30) days' notice; and the Managing Members are provided notice of the terms of any such access agreement. Any subsequent agreement for Alliance use of Homeport property beyond one year shall be brought to the Managing Members for approval.

Basis/Result: With this revision, the Alliance CEO would be authorized to enter into short-term (one year or less) and relatively low-cost access agreements with a Homeport without a formal Interlocal Agreement. This addition would allow the Alliance some flexibility for the use of Homeport properties as needed for Alliance business, so as to best serve customers without running afoul of the Declined Cargo provisions of the Alliance Charter (Article II 2.2(d)(iii)). This proposed revision is expected to be helpful in situations such as when an Alliance tenant needs short-term storage but no Licensed Property is available to accommodate, but a Homeport does have property to accommodate.

8.i. Contracting Authority for Entering Agreements with Utilities and Annual Software Fees and Licenses and Payroll Agent(s). (i) the CEO is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services that are Normal Operating Expenses. ii. The CEO is authorized to enter into contracts with providers for annual software fees and licenses as needed. iii. The CEO is authorized to enter into contracts with and pay invoices to payroll agents, including but not limited to, Pacific Maritime Association.

Basis/Result: The Alliance has been assigned the Port of Tacoma's contractual relationship with Pacific Maritime Association (PMA). Daily checks are paid to PMA as payroll agent for labor in the South Harbor, which can exceed the CEO's typical \$350,000 contracting authority. While these payments to PMA are arguably within the scope of the CEO's authority to pay for day-to-day items necessary for Alliance business, this proposed revision clarifies that the payment to PMA is within the scope of the payments necessary for doing day-to-day business of the Alliance, and the CEO is authorized to approve such payments.

8.k. Authorization for Procurement of Third-Party Services to United States Military. The CEO is authorized to procure, contract for, and facilitate the provision of services to be performed by third-party contractors for United States military cargoes, and may do so without financial limitation, provided that: 1) the military specifically requests such services in writing and in advance of the purchase; 2) the Alliance invoices the military for actual costs, plus fifteen percent handling charge

and state sales tax; and 3) any such purchases exceeding \$350,000 be reported to the Managing Members.

Basis/Result: From time-to-time, the U.S. Military asks the Alliance to contract with third-party vendors to provide various services for military cargo (cleaning, pest control, etc.). The Alliance is immediately reimbursed for these costs plus a 15 percent service fee. Though immediately reimbursed, occasionally the initial outlay by the Alliance may exceed the CEO's delegated contracting authority of \$350,000. There is language in the tariff that provides for services to the military and the service fee, but this proposed revision would provide clarity of the CEO's authority to do so over the usual contracting limitation and a mechanism for this to occur and would establish reporting requirements to the Managing Members of such instances.

14. Non-Discrimination and Equal Opportunity. It is the basic policy of the Alliance to provide equal opportunity to the users of all Alliance services and facilities and all contracting entities. Specifically, the Alliance will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, genetics, creed, citizenship or immigration status, limited English proficiency, disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers' compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles described in this policy shall apply to the Alliances' employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the CEO as specifically set forth in Alliance policies, equal employment opportunity and small business, women, minority and disadvantaged business participation in Alliance contracts. The CEO shall annually report on the implementation of this policy

Basis/Result: This proposed revision would align the non-discrimination language in the Master Policy with the Alliance's Title VI program and Human Resources policies.

PROPOSED BYLAW REVISIONS

Article III 1. Co-Chairs shall: *[eighth bullet]* Rotate presiding responsibility, by simple rotation, whereby the Co-Chairs shall alternate meeting agenda management, regardless of the meeting location. If a Co-Chair is unavailable to preside, the Co-Chairs shall agree on the meeting's presiding officer, which may be the other Co-Chair, the corresponding Homeport's Vice President, or any other

commissioner. Co-Chairs should endeavor to give each Managing Memberⁱ equal presiding responsibilities across Managing Member Meetings.

Basis/Result: The current Bylaws are silent as to the presiding responsibility for Managing Member meetings when the scheduled Co-Chair is unable to preside. Current practice is that in such instances, presiding responsibility falls to the Homeport Vice President of the presiding Managing Member. The proposed revisions provide flexibility to the presiding responsibility in the event the scheduled Co-Chair is unable to chair while acknowledging the intent to maintain a balance in presiding responsibilities between the Managing Members.

Article IV 1. A. Regular Alliance Meetings. The regular meeting date and time of the Alliance Managing Members shall be ~~11:30 a.m.~~ 12:00 p.m. (noon) on the first Tuesday of each month, except if the Tuesday falls on a legal holiday or on the day after a Monday legal holiday, in either case, the regular meeting will be held on the next regular business day. When an executive session under RCW 42.30.110 and/or other laws including closed session under 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228 (FMC Session) is to be held the regular meeting may convene at 9:30 a.m., immediately recess into executive session and/or FMC session that shall be closed to the public, after which the public session shall reconvene at ~~11:30 a.m.~~ 12:00 p.m. (noon).

Basis/Result: Regularly, Alliance closed sessions are extended past the current 11:30 time period, or there is very little time for a break between closed and public sessions. This proposed revision would mean that public session meetings will begin at 12:00 p.m. If there is an executive or other closed session the call to order would remain at 9:30 a.m. This allows for an additional 30 minutes to the time set aside for closed session. Of note, if any closed session ends early, the public session could not reconvene until 12:00 p.m.

C. ATTACHMENTS TO THIS REQUEST

- Proposed resolution 2025-01 w/Attachment A The Master Policy Delegation of Authority (in redline).
- Proposed resolution 2025-02 w/Attachment A The Sixth Amended Northwest Seaport Alliance Managing Member Bylaws (in redline).

ⁱ Managing Members are the Port of Seattle and Port of Tacoma Commissions.



RESOLUTION NO. 2025-01

A Resolution of the Northwest Seaport Alliance Managing Members Delegating Administrative Authority to the Chief Executive Officer and Superseding Prior Alliance Resolution No. 2023-07.

Whereas, the Port of Seattle (“POS”) and Port of Tacoma (“POT”), (collectively, “Ports”), are public port districts, organized under provisions of the laws of the State of Washington, codified under Title 53 RCW;

Whereas, the Ports formed the Northwest Seaport Alliance (“Alliance”) in 2015, pursuant to various provisions under state and federal law (46 USC Section 40301(b) (1-2)(discussion agreements); RCW 39.34 (interlocal agreement); RCW 53.08.240 (port joint powers statute); and RCW 53.57), which together permit joint operation and investment outside of a port’s district and for the operation of certain marine cargo facilities as the Alliance;

Whereas, the operations and affairs of the Alliance are managed by the port districts as members of the Alliance, each referred to as a “Managing Member”, acting in such capacity through its own elected commissioners;

Whereas, the Managing Members previously adopted Resolutions 2016-04, 2018-01, 2020-02 and 2023-07 which delegated certain administrative authority to the Chief Executive Officer from the Alliance Managing Members in the Delegation of Authority Master Policy;

Whereas, the Internal Governance Work Group of the Managing Members recommends certain amendments to the Delegation of Authority Master Policy to provide the ability for the Alliance and Homeports to enter into short-term access agreements, to delegate contracting and payment authority to the CEO for payroll agents, to delegate authority to the CEO to procure third-party services to the U.S. Military, and to update non-discrimination and equal opportunity language to align with the Alliance’s Title VI program and Human Resources policy; and

Whereas, the Managing Members agree with the Internal Governance Work Group recommendations and desire to amend the Delegation of Authority Master Policy accordingly.

Resolved: the Managing Members of the Alliance adopt the Delegation of Authority Master Policy, as amended and set forth in Exhibit “A” attached to this Resolution and by this reference incorporated herein.

ADOPTED by the Managing Members of The Northwest Seaport Alliance at a regular meeting held on the 7th day of January 2025 signed by its Co-Chairs and attested to by its Co-Secretaries in authentication of its passage.

, Co-Chair
The Northwest Seaport Alliance

, Co-Chair
The Northwest Seaport Alliance

ATTEST:

, Co-Secretary
The Northwest Seaport Alliance

, Co-Secretary
The Northwest Seaport Alliance

Exhibit A
Delegation of Authority Master Policy
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1. DEFINITIONS

a. Alliance

Refers to the Northwest Seaport Alliance, a port development authority organized under RCW 53.57 which is charged with the joint management of marine cargo operations by the Port of Tacoma (POT) and Port of Seattle (POS) pursuant to an Interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint management, operation and investment outside of a port's district, and pursuant to RCW 39.34.030, the Interlocal Cooperation Act for the purposes outlined in the Preamble, Section 2.a.i, below.

b. Approval

A recommendation to move work forward for analysis and development of data and documents to support potential authorization. Approval does not denote authority to expend funds (see "Authorization" below).

c. Authorization

Authorizes spending, entering agreements, administrative actions, and real estate actions, and other items as outlined in this resolution. Authorization is given by the Managing Members to the CEO per the Delegation of Authority Master Policy. Authorization implies an action item in public session if the required level is beyond CEO delegation level per the Delegation of Authority Master Policy.

d. Capital Investment Plan

Means the five-year projection of capital and major expense projects and associated expenditures which is developed and maintained as a planning tool for Alliance capital investment which sets the priority for Alliance funding and which is reviewed by the Managing Members annually as part of the five-year plan of finance and budget review process, or as subsequently amended by the Managing Members during the budget year. Capital project funding should be prioritized to address non-discretionary projects first. "Non-discretionary" for purposes of this section includes but is not limited to environment projects carried out pursuant to regulatory or other binding commitment, maintenance projects needed to maintain the operational capacity of the Alliance, safety-related projects, and/or projects which are carried out pursuant to lease obligation or other binding commitment. In recommendations to the Managing Members, Staff should identify which proposed capital projects are Non-discretionary.

e. Chief Executive Officer (CEO)

The person hired by the Managing Members to manage and oversee day-to-day operations of the Alliance.

f. Claim

“Claim” means the assertion of any position, right or responsibility by or against the Alliance, excluding “uncollectible accounts” and any claims asserted by or against the Alliance that have or may reasonably become the subject of litigation.

g. Emergency

Unforeseen circumstances beyond the control of the Alliance that either presents a real, immediate threat to the proper performance of essential functions; or may result in a material loss or damage to property, bodily injury, or loss of life if immediate action is not taken (see RCWs 39.04.020, 39.04.280 and 53.19.010(04)). Emergencies allow for the waiver of state procurement requirements.

h. Filed with the Managing Members

Delivered to the Executive Assistant to the CEO for retention and distribution to the Managing Members.

i. Goods and Services

Means natural resources; equipment; materials; supplies; or other finished goods or products, utilities and utilities-related services (including services provided by public agencies); maintenance; security; and other miscellaneous services.

j. Homeport

For the purposes of this Delegation of Authority Master Policy “Homeport,” when used in connection with specific Alliance assets, means the port where the asset is located.

k. Unit Priced Contract

A competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a port district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

l. Interlocal Agreement

A binding agreement between the Alliance and other local governmental agencies, including the Managing Members, that allows for the provision of services or facilities between those agencies.

m. Management Services Agreement

Means an interlocal agreement between the Port of Tacoma and the Alliance for the Alliance to provide leadership personnel that will directly manage day to day work of Port of Tacoma staff who provide support to the Alliance.

n. Managing Members

The Ports of Seattle and Tacoma, acting through their own elected commissioners.

o. Material Scope Change

Work that was not previously included in the Project authorization or substantially changes the intent of the Project.

p. Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center (MRSC) is a nonprofit organization that serves all cities and towns in Washington, all counties, and hundreds of special purpose districts, state agencies, and other government partners. MRSC has operated as a private nonprofit since 1969 under the auspices of RCW 43.110.030. Firms can register their businesses by following the instructions at <https://mrscrosters.org/businesses/registration-instructions/>.

q. Normal Alliance Operations

Administration of day-to-day Alliance operations and the regular day-to-day business transactions involving personnel, materials, facilities, money and other assets.

r. Normal Operating Expense

Means the Alliance budgeted operating and non-operating revenues and expenses reviewed, approved, and authorized by the Managing Members as part of the budget process, or as subsequently amended by the Managing Members during the budget year.

s. Operating Agreement

Means an agreement between the Alliance and a third party to provide operating services as part of Alliance business activity.

t. Personal Services

Personal services are generally professional or technical expertise that are necessary to accomplish a specific study, project, task or other work statement, which may not reasonably be required in connection with a public works project

meeting the definition of RCW 39.04.010(4). Personal services do not include purchased services as defined in RCW 53.19.010(8) or professional services procured using the competitive selection requirements in Chapter 39.80 RCW (A&E).

u. Project

- i. For the purposes of this Delegation of Authority Master Policy, a “Project” creates or modifies a capital asset or creates a cost outside of Normal Operating Expenses. A Project may be classified as a capital or expense.
 1. Public Works Projects – As defined in RCW 39.04.010, public work projects include construction, alteration, repair or improvement other than ordinary maintenance executed at the cost of the Port. Work associated with public work projects includes planning, scoping, engineering, design, permitting, environmental assessment, construction and contract solicitation and administration.
 2. Non-Public Works Projects – Generally includes defined work that the CEO has determined will be managed as a Project. Projects do not, however, include regular, recurring or routine work associated with normal Alliance operations. This category also includes projects by the information and technology departments that may require a major upgrade or replacement of an information or communication hardware or software system.
 3. Environmental Projects – Include pollution investigations, cleanups, and habitat restoration. Environmental projects may also involve regulatory direction, oversight, and agreements, extended periods of investigation and study prior to construction, and continuing monitoring and maintenance after clean-up and construction.

v. Professional Services

Those services within scope of RCW 39.80.020(5) or professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement which is reasonably required in connection with public works projects.

w. Public Work

Construction, alteration, repair and improvement other than ordinary maintenance meeting the definition of RCW 39.04.010.

x. Service Agreements

An agreement, such as an Interlocal agreement between the Alliance and one or more Homeport(s) that allows for the provision of services related to normal Alliance or port operations or Projects.

y. Vessel Service Agreements

An agreement between the Alliance and vessel steamship lines or their subsidiaries.

2. PREAMBLE

a. Roles and Responsibilities of the Alliance

- i. The primary mission of the Alliance is to act as the exclusive operator and manager of Alliance cargo and terminal properties for the Ports of Seattle and Tacoma (Homeports). The purpose of the Alliance is to promote and assist economic development of the Homeports' marine cargo operations, acting through its Managing Members, with an emphasis on unified business retention and recruitment, coordinated enhancement of the value of marine cargo assets, improved intermodal rail service, improved freight capabilities, and the general promotion of maritime economic development and other related port business activity.
- ii. The Alliance operates and manages licensed properties; oversees capital investments; optimizes the value of marine cargo assets; grows cargo volumes and protects market share for the benefit of the region and state; manages overall terminal capacity, through coordinated investment strategies; provides enhanced job prospects for the Managing Members' labor and business partners; and achieves overall financial returns that not only enable reinvestment but also provide additional financial returns for each Managing Member.

b. Relationship between the Alliance Managing Members and the Alliance Executive (CEO)

- i. It is the Managing Members' responsibility to (a) establish Alliance policies, (b) adopt the Strategic Business Plan, as well as review and modify those policies on a regular basis (c) hold the CEO responsible for the implementation of such policies, (d) to approve capital budget and (d) to authorize the expenditures of public funds to implement those policies. It is the CEO's responsibility to implement the policies and to inform the Managing Members on how the policies will be implemented.

- ii. The operations and affairs of the Alliance are managed by the two port districts as members of the Port Development Authority ("PDA") and via the Charter for the Alliance. Each port district member shall act in such capacity through its own elected commissioners.
- iii. All statutory powers and authority of the Alliance not delegated herein are retained by the Managing Members.
- iv. The Managing Members and the CEO shall regularly inform and consult each other on the execution of Alliance policies, operations, and information relevant to Managing Members oversight. Public oversight is inherent in the Managing Members' role. Oversight cannot be delegated away, and nothing in this Delegation of Authority Master Policy shall be construed as doing so.
- v. The Managing Members may at any time waive any portion of the delegated authority conferred upon the CEO under this Resolution by vote or action as described in their By-Laws.
- vi. The Managing Members may at any time rescind or suspend all or any portions of the delegated authority conferred upon the CEO under this Resolution by further resolution passed in a public meeting.

3. OVERVIEW OF THE ADMINISTRATIVE AUTHORITY OF THE ALLIANCE CEO

a. This policy is adopted by the Managing Members of the Alliance for the purpose of establishing the administrative authority of the CEO, who is responsible for Normal Alliance Operations. The statutory provision for the administrative authority in this Resolution is RCW 53.57.030 and this Resolution is expressly subject to provisions governing port development authorities and port district operations.

b. Roles and Responsibilities of the CEO

- i. The CEO derives authority from the Managing Members and is responsible for carrying out the Managing Members' policies.
- ii. The CEO serves as primary spokesperson for Alliance operations and management.
- iii. The CEO retains professional staff, and will promulgate policies and procedures that create administrative, monetary, and contractual delegations of Managing Members-granted authority as may be appropriate.
- iv. Subject to the limitations identified in this Delegation of Authority Master Policy, the CEO shall be responsible for:
 - 1. Operation, maintenance, administration, and use of the Alliance's terminals, properties, and facilities;

2. Implementation of construction work and alterations, repairs and improvements to real estate and physical facilities controlled and operated by the Alliance;
 3. Administration of day-to-day Normal Alliance Operations which may include personnel administration, task and project assignments, hiring, firing, discipline, and training;
 4. Execution of contracts and other documents related to Normal Alliance Operations that are related to or pursuant to a Project or matter authorized by the Managing Members, or otherwise authorized in this Resolution;
 5. Applying for permits associated with Alliance facilities or projects;
 6. Application for and acceptance of grants or other funds from federal, state, or local governments, subject to the approval of Managing Members if required per Sections 9.d. herein; and
 7. Delivery of services essential to the Alliance's mission; financial and accounting related matters; legal matters; and all other administrative matters.
 8. Responsible fiscal management, financial accountability, and budgeting.
 9. Developing strategies to ensure gateway is successful and competitive in meeting customer and community expectations.
- v. In the absence of the CEO, a Deputy Chief Executive Officer or the CEO's designee has full delegation of the CEO.

4. CEO POWERS DELEGATED BY CHARTER.

Pursuant to the below-referenced Articles/sections of the Charter, the Managing Members acknowledge the following delegations to the CEO. In the event of any lawful modification to the Charter which affects the Articles/sections below, the Charter provision shall take precedence and this Delegation of Authority Master Policy shall be amended to be consistent with such Charter revisions.

a. Article 2.6(e) Filing of Certificates

The Managing Members shall authorize, and the CEO shall execute, deliver, and file, any certificates (and any amendments and/or restatements thereof) necessary for the PDA to qualify to do business in any jurisdiction in which the PDA may wish to conduct business.

b. Article 2.6(e) Actions Required to Do Business

The Managing Members shall authorize, and the CEO shall cause, the PDA to be qualified, formed, or registered in any jurisdiction in which the PDA transacts business in which such qualification, formation, or registration is required or desirable.

c. Article 4.1(a) Distributions

The PDA through the CEO will make distributions of all Distributable Cash to the Managing Members as soon as practicable after each Calculation Period. Prior to executing any distribution, the CEO shall provide a report of the planned distribution to the Managing Members.

d. Article 5.2(a) Accounting, Tax, and Record Keeping

The Managing Members through the CEO shall oversee the accounting, tax, and record keeping matters of the PDA, which shall be kept in compliance with GAAP and applicable laws and regulations.

e. Article 5.7 Tax Reports

All tax returns and reports of the PDA shall be prepared at the direction of the CEO.

f. Article 5.9 Elections

Except as otherwise provided in this Charter, all decisions as to accounting principles, whether for the PDA's books or for tax purposes (and such decisions may be different for each such purpose) and all elections available to the PDA under applicable tax law, shall be made by the CEO.

g. Article 5.10 Tax Audits and Litigation

i. **Designation of Tax Matters Person.** The CEO is hereby designated as the tax matters person ("Tax Matters Person") with respect to the PDA. In such capacity the Tax Matters Person shall have all of the rights, authority, and power, and shall be subject to all of the obligations, analogous to those of a tax matters partner to the extent provided in the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated there under; provided, that the exercise of such rights, authority, and power shall be consistent with all PDA elections and provided further that if any exercise of such rights has an adverse impact on a Managing Member, the consent of Managing Member, the consent of such Managing Member shall be required.

ii. **Foreign, State, and Local Tax Law.** If any foreign, state, or local tax law provides for a tax matters partner or person having similar rights, powers, authority, or obligations as described in Section 5.10(a), the CEO shall also

serve in such capacity and shall represent the PDA in all tax audit contest or settlement matters to the extent allowed by law.

h. Article 6.5 CEO Authority

- i. The CEO is the principal executive officer of the PDA, has general charge and supervision of the business of the PDA, and shall see that all orders, actions, and resolutions of the Managing Members are carried out. The CEO will be responsible for the executive management of the PDA, and shall report directly to the Managing Members acting in their governing capacity. The CEO has the authority to establish the reporting structure within the PDA and to take such actions, subject to this Charter, as are in accordance with the Delegation of Authority Master Policy, and shall have such other authority and shall perform such other duties as set forth in this Charter or the Delegation of Authority Master Policy, or, to the extent consistent with this Charter, such other authorities and duties as prescribed by the Managing Members.

i. Article 10.3(b) Dissolution/Termination.

- i. Before any distribution of any PDA-Owned Personal Property to the Managing Members or the distribution of any proceeds from the sale of any PDA-Owned Personal Property to the Managing Members pursuant to this Section 10.3, the PDA shall first pay the debts and liabilities of the PDA and the expenses of liquidation and establish any reserve that the Managing Members shall deem reasonably necessary for any anticipated liabilities or obligations of the PDA, including liabilities pursuant to PDA agreements not otherwise transferred in connection with the winding up of the PDA (collectively, "Contingencies").

5. GENERAL PROVISIONS

- a. Regardless of the provisions and delegations contained in this Resolution, the CEO shall bring forward to the Managing Members for consultation or approval any action of a sensitive nature as identified by the Managing Members or the CEO.
- b. The CEO shall provide financial, economic and environmental analysis for real estate transactions and planned investments to Alliance managed properties.
- c. This Delegation of Authority Master Policy shall be reviewed annually by the Managing Members.

6. PLANNING AND BUDGET IMPLEMENTATION

a. Long-Range Business Plans

The Managing Member-approved Strategic Business Plan shall be the basis for the development of all Alliance programs, Projects, initiatives, the Capital

Investment Plan, and Annual Operating Budgets, and further is used to prioritize Alliance spending, and which shall be coordinated with the Homeports' Capital Investments Plans and debt service capabilities. The Managing Member-approved Strategic Business Plan shall be reviewed not less than annually by the Managing Members to include prioritization of Alliance programs, Projects, initiatives, and capital spending.

b. Administering Normal Alliance (Day-to-Day) Operations

In administering day-to-day Alliance operations, the CEO may reallocate amounts within and otherwise incur variances from the annually approved Operating Budget so long as such reallocations are consistent with the Managing Members' established policies, financial limits and delegated authorities.

c. Funding of Projects

When seeking the Managing Members' authorization for any Project, the CEO shall clearly indicate whether such Project was within the Capital Investment Plans and or the Managing Member-approved Strategic Business Plan and, if not, how it is to be funded, and why the proposed Project has reached a higher priority over other approved Projects.

7. POLICIES GOVERNING REAL PROPERTY

The CEO is authorized to take all necessary actions in connection with agreements or transactions for use of all real property owned by the Ports and licensed or leased to the Alliance as designated herein. The Managing Members' delegation of authority to the CEO extends to the following types of transactions and agreements including rental agreements, leases, operating agreements, easements, franchises, permits, rights of entry and other user agreements as provided herein. Except where otherwise provided in this Delegation of Authority Master Policy, all real property transactions will be subject to an appropriate written agreement authorized by the Managing Members and executed by the CEO.

a. General Provisions for Real Property and Operating Agreements

Lease agreements with a term longer than one year require Managing Member authorization and will be subject to a first and second reading in public session. The Managing Members reserve the right to waive first reading, by a vote in public session.

The CEO is delegated the authority to:

- i. Enter into amendments to Operating agreements, including Vessel Service agreements, with a value up to and not exceeding \$350,000 cumulatively; the Managing Members having reserved to themselves the authority to approve any initial Operating Agreement and Vessel Service Agreements,

- ii. Accept a bond, secure CD or other rental security for real property agreements in compliance with RCW 53.08.085 and Alliance policy. Other acceptable rental security may be cash or cash equivalent such as Letter of Credit, Lease Bond, or other prior approved rental security instruments in a form approved by the Alliance Legal Counsel; provided however, no security is required for real property agreements entered into with certain governmental entities as provided in RCW 53.08.140.
- iii. Sign, on behalf of the Managing Members, all harbor area and waterway leases between the Alliance and other public entities that have been authorized by the Managing Members.
- iv. Take all necessary actions on behalf of the Alliance and its officers in connection with lease surety bonds, lease surety, rental insurance, or other insurance coverage required pursuant to any leases of the Alliance.

b. Rental/Leasing Agreements

- i. Container, Industrial, Cargo and Container Support Properties

The CEO is authorized to enter into real property rental/lease agreements with a term of month-to-month or with a term of one year or less when the associated expenditures of the Alliance for improvements that the rental/lease agreement expressly requires the Alliance to make to the Premises at the beginning of the rental/lease agreement do not exceed \$350,000. The intended use of rental/lease property must be expressly stated in writing. Lease Security Requirements:

Lease Term	Security Required
Month-to-Month up to One Year	3 Months plus LET
Term Agreements up to one year	3 Months plus LET
Over One Year to Three Years	3 Months plus LET
Three to Five Years	6 Months plus LET
Greater than Five Years	9 Months plus LET*

*Container Terminal agreements shall require a minimum security deposit of twelve months rental (plus leasehold tax amounts).

- ii. Adjustments or modifications which decrease the minimum required security deposit will require Managing Members authorization.

- iii. The Security Deposit shall be posted in advance of the occupancy, and to be held by the Alliance as a rental security for the full duration of term/occupancy and to insure compliance with the terms of the lease agreement.
- iv. All term agreements over one year shall require Managing Member authorization and are subject to the minimum security deposit requirements and or exemptions as described above.

Where the Managing Members have approved a real property rental/leasing agreement, which contains one or more options to extend the lease term, the CEO is authorized to exercise that option when the associated expenditure of the Alliance does not exceed \$350,000 cumulatively.

- v. All rental/lease rates shall be based upon market rates established for the specific use under consideration and the condition of such facility consistent with the strategic business plan.
- vi. A public briefing of available properties will be provided at least annually to include a summary of new leases, properties available, including how available properties are being marketed and those properties that have an expression of interest.
- vii. Payment of Real Estate Commissions.
 - 1. The CEO is authorized to retain licensed real estate brokers for the purpose of marketing for lease of Alliance controlled properties.
 - 2. Commissions may be paid to licensed real estate brokers that actually initiate bona fide leases for the Alliance upon satisfactory proof being submitted to the Alliance that the broker actually initiated and completed the lease transaction for which they claim commission. In addition, thereto, the broker shall file with the Alliance within ten days from broker's appointment as their client's agent for the purpose of aiding in the leasing of the real property a statement under oath that the broker actually initiated the bona fide transaction together with the name of the broker's client and the date of their first contact with said client. Unless this provision is strictly complied with, the Alliance will not pay a claimed commission.
 - 3. For properties, the Alliance "exclusively lists" with brokers to lease, a commission based on market rates that consider transactions of similar size, but no more than five percent (5%) shall be paid of the net rental to the Alliance for up to five (5) years of the approved lease agreement. For approved leases initiated and completed by licensed brokers in compliance with this Master Delegation Policy a maximum of up to three percent (3%) commission shall be paid for properties not exclusively listed for lease with a broker. Net rent shall mean rent net to the Alliance with Lessee paying taxes, utilities, maintenance and insurance. Costs for

Alliance paid tenant improvements, utilities, and other services specific to the lease will be subtracted from the net rent amount for calculations of commissions paid.

4. Commissions shall not be paid on leases involving existing tenants for new leases, expansions, new space rentals, renewals or options exercised or repayment to the Alliance for tenant improvements made by the Alliance on behalf of the Tenant, payments made to the Alliance from security deposits, or any escalation of the net rent.
5. Commissions shall be earned as the net rents are collected by the Alliance. A summary of all Real Estate commissions will be reported semi-annually.

c. Alliance Grants of Covenants and Easements

i. Easements, Licenses, Access Permits or Other Rights of Entry

1. The CEO is authorized to enter into agreements for easements and covenants up to two years in duration where the impairment does not substantially interfere with the Alliance's intended use or reasonably future intended use. "Substantially interfere" shall mean when Fair Market value is not reduced more than an estimated \$350,000 in any one year. The form of any easement and or covenant shall be approved by Alliance or Homeport legal counsel.

ii. Easements – Port Owned Property

1. Easements and covenant agreements beyond two years shall require respective Homeport Commission authorization. Routine utility easements required to provide service to Port-owned real property shall not require Managing Members or respective Homeport Commission approvals.

d. Easements for the Alliance Use of the Property of Others

- i. The CEO is authorized to enter into easements for the Alliance use of the real property owned by others for agreements up to one year and the Alliance paid cost for the use is up to \$350,000 annually.
- ii. Real property easements, excluding utility easements, for Alliance use that are greater than one year require the authorization of the Managing Members.

e. Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others

- i. The CEO is authorized to enter into agreements for the use of real property owned by others if the term of the use is one year or less and the Alliance paid

cost for the use is up to \$350,000 annually. This authority includes that the CEO may enter into access agreements with a Homeport to allow for Alliance or Alliance customer(s)' use of Homeport property, provided that: the access agreement is for one year or less; the Alliance paid cost for the use is up to \$350,000 annually; the access agreement may be terminated by either party on thirty (30) days' notice; and the Managing Members are provided notice of the terms of any such access agreement. Any subsequent agreement for Alliance use of Homeport property beyond one year shall be brought to the Managing Members for approval.

8. POLICIES GOVERNING AUTHORIZATION FOR PROJECTS, CONTRACTING, PROCUREMENT, ~~AND EMERGENCIES~~ AND SERVICES TO MILITARY

a. The CEO is authorized to control and direct all necessary activities that require contracting and procurement of goods and services associated with carrying out Normal Alliance Operations. Contracting and Procurement activities for the Alliance will be in compliance with applicable laws and regulations. Normal Alliance Operations generally include the following contracting and procurement activities: Public and non-public work-related projects and utilizing personal and professional services and purchased goods and services, as provided herein. The Alliance shall endeavor to use a variety of firms, including small business firms, based on the nature of the work and the expertise of the firm.

b. Interlocal Agreements

- i. The Managing Members' authorization is required for Interlocal Agreements with other public agencies. Interlocal Agreements shall comply with the requirements of RCW 39.34.
- ii. The CEO is authorized to enter into non-binding agreements with other governmental agencies and non-governmental entities in situations where the agreement does not create any financial obligation for the Alliance, any binding contractual obligation, or impair any Alliance or Port-owned assets, and has been reviewed by Alliance Legal Counsel.

c. Projects

- i. Actions authorized by the Managing Members or delegated to the CEO by this Delegation of Authority Master Policy may be executed either directly by Alliance staff, by contract, or by agreement with either Homeport via Support Service Agreements with the Homeports.
- ii. The CEO may authorize Projects where the estimated Project cost, inclusive of all costs related to the work, does not exceed \$350,000.
- iii. Managing Members' authorization is required for Projects where the total estimated Project cost exceeds \$ 350,000 or when actual costs of a previously

approved Project exceed \$350,000, including Projects previously authorized by the CEO.

1. The CEO may authorize spending up to \$350,000 for Project work where the total estimated Project costs may exceed \$350,000
 2. Any projects, including those under the \$350,000 limit, shall be subjected to further review by the Audit Committee upon any individual Commissioner's request, and the Audit Committee may recommend to the Managing Members that any project be audited. The form and scope of the audit shall be included in any audit recommendation by the Audit Committee to the Managing Members.
 3. Presentations to the Alliance which request Managing Members' authorizations will disclose Project spending previously authorized by the CEO and spending previously authorized by the Managing Members or Homeport Commissions.
 4. Depending on the overall estimated Project costs and complexity the CEO may request authorization at key stages in the Project (i.e., design, execution of work, remediation, etc.).
 5. Projects shall not be broken into units or accomplished in phases to avoid Managing Members' authorization.
 6. Where personal, professional, or purchased goods and services are part of a Project, authorization of expenditures will be managed as part of the Project authorization and additional authorization is not required.
 7. Public works contracts not part of a Project and not a part of Normal Alliance Operating Expenses are subject to the same authorization process as Projects.
 8. For Small Public Works projects, up to \$350,000 in value, the Alliance may use the Municipal Research and Services Center (MRSC) Contractor Roster as authorized by RCW 39.04.155.
- iv. Authorization for Alternative Public Works Contracting Procedures. Managing Member authorization is required to perform public work under procedures alternative to design-bid-build, as defined in RCW 39.10, for design-build and general contractor/construction manager. For such contracts, staff will propose for Managing Members' approval a sequence of authorization steps.
- v. Unit Priced contracts for Public Works and job order contracts (authorized in RCW 53.08.120 and RCW 39.10) may be approved by the CEO and all work falling under the Unit priced or job order contract is to be authorized per the applicable Delegation of Authority Master Policy as a Project subject to the limits set-forth herein.

- vi. Project Changes. Projects that have been authorized by the Managing Members with an estimated cost that exceeds \$350,000 and have a change in the scope, schedule or cost require the following actions:
 - 1. Managing Members' authorization will be required if a material scope change occurs in the Project.
 - 2. The Managing Members will be notified if a Project schedule delay has an anticipated financial impact on a customer or other affected stakeholders.
 - 3. Project Cost Changes. Managing Members will be notified before or at the next available public meeting as soon as it is determined that the Project cannot be completed for the previously authorized amount. When the value of the work has been determined or calculated Managing Member authorization will be requested for amounts that exceed the currently authorized amount, and Project costs incurred will be limited to the minimum amount necessary to allow the Project to proceed until Managing Member approval is obtained for the additional amounts.
- vii. On-going environmental stewardship, monitoring, and compliance activities, where the costs have been authorized as Normal Operating Expense through the budgeting process do not require an independent Project authorization.
- viii. The CEO may resolve all claims arising from public works contracts through the mediation phase up to a value of \$350,000. Managing Members will be notified of potential settlements which may exceed the authorized Project amount and additional authorization will be requested in accordance with the requirements for Project changes contained in this delegation of authority.

d. State and Federal Environmental Remediation Agreements

- i. Environmental Remediation Liability Projects
 - 1. For environmental projects, the CEO may authorize spending only to the same limits as outlined above in the Public Works Project section of this Delegation of Authority Master Policy.
 - 2. For environmental projects with a total estimated cost that exceeds \$350,000, staff will seek project-specific Managing Member authorization as soon as the cost for an environmental Project is anticipated to exceed \$350,000.
 - a. An estimate or range of estimated costs for the overall future environmental remediation associated with the agreement and future anticipated agreements will be reviewed at the time of the request for authorization.

e. Project and Contract Reporting

- i. The CEO shall report semi-annually to the Managing Members for all Projects authorized by the Managing Members. The report shall include project schedule, current estimate, authorized amount, cost to date, summary of any changes to scope, contractual disputes, claims, and underpayments and any other significant developments with respect to the Project. Selected environmental Projects that have moved into long-term (5 years plus) monitoring (or maintenance) programs shall be exempt from Project reporting.
- ii. The CEO shall report quarterly to the Managing Members all project and contract authorizations equal to or greater than \$150,000 authorized through the delegated authority provided in this resolution up to \$350,000. The report shall include the type of authorization, a brief description of the authorization, and the amount of the authorization. All Professional and Personal Services contracts as well as Settlement of Claims, including litigation, regardless of the amount, will be reported quarterly.
- iii. At the Managing Members' direction, the CEO shall report on any Project of a sensitive or critical nature.

f. Professional Services Contracts

- i. The CEO is authorized to execute Professional Services Contracts associated with Normal Alliance Operations up to \$350,000 cumulatively.
- ii. On-call contracts for professional services may be authorized by the CEO and all work falling under the on-call contract is to be authorized per the applicable Delegation of Authority Master Policy as a Project or contract subject to the limits set-forth.
- iii. For Professional Services contracts, up to \$200,000 in value, the Alliance may use the MRSC Consultant Roster as authorized by RCW 39.80.

g. Personal Services Contracts

- i. The CEO is authorized to approve personal services contracts in the conduct of Normal Alliance Operations when the following conditions exist:
 - 1. The cost of the proposed personal service contract shall not exceed the amount of \$350,000 cumulatively with amendments.
 - 2. The specific contract or class of contract has been formally waived by resolution of the Managing Members from competitive solicitation process; or is exempt by RCW 53.19.020 or unrestricted by RCW 53.19.070.
- ii. On-call contracts for personal services may be approved by the CEO and all work falling under the on-call contract is to be authorized pursuant to the

applicable Master Policy provision as a Project or contract subject to the limits set forth herein.

- iii. When any amendment to a Personal Services Contracts, which was approved by the CEO pursuant to Section (g)(i) herein above, individually or cumulatively will exceed 50% of the authorized amount, and that amended cumulative amount remains less than \$350,000.00, then the amendment must be filed with the Managing Members and made available for public inspection on the Alliance's website seven days prior to the proposed starting date of services under the amendments. Substantial changes in contract scope or substantial additions to the scope specified in the formal solicitation documents shall be authorized by the Managing Members unless authorization has been provided for otherwise pursuant to this Delegation of Authority Master Policy.
- iv. Any amendment to a Personal Services Contract must be both filed with and authorized by the Managing Members via vote in public session and be made available for public inspection on the Alliance's website seven days prior to the proposed starting date of services under the amendment if the Personal Services Contract:
 - 1. was approved by the CEO pursuant to Section (g)(i) herein above, and the amendment(s) individually or cumulatively will exceed 50% of the authorized amount and that amended cumulative amount exceeds \$350,000, or
 - 2. was previously authorized by the Managing Members because the contract's initial amount exceeded the delegated authority to the CEO.
- v. All personal service contracts will be entered into pursuant to competitive solicitation as required by law, except for the following, provided however this procurement modification does not change the requirements for any applicable Managing Member or CEO approvals based on costs amounts as provided herein:
 - 1. Emergency contracts in compliance with section 8.j.i.below.
 - 2. Sole source contracts; provided however, that sole source service contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work per RCW 53.19.040.
 - 3. Any other specific contract or classes as exempted by RCW 53.19.070 as it now exists or may be in the future amended, and which currently exempts the following:
 - a. Contracts specifying a fee up to fifty thousand dollars;

- b. Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;
 - c. Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;
 - d. Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;
 - e. Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;
 - f. Contracts for professional services which are entered into under chapter 39.80 RCW; and
 - g. Contracts for the employment of expert witnesses for the purposes of litigation or legal services to supplement the expertise of Alliance staff.
 - h. The CEO is authorized to approve competition waivers consistent with applicable federal and state laws and internal Port policies in accordance with RCW 39.04.280.
 - i. Notification of all such waivers shall be provided to the Managing Members prior to the proposed starting date of the contract or purchase and will include a written justification of the reason for the waiver.
4. Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the Managing Members when the Managing Members have determined that a competitive solicitation process is not appropriate or cost effective per RCW 53.19.020.

h. Purchased Goods and Services

- i. The CEO is authorized to purchase goods and services associated with Normal Alliance Operations and for work not associated with Normal Alliance Operations up to \$350,000 cumulatively.
- ii. The CEO may authorize sole source contracts; provided however, that sole source contracts, regardless of the amount, shall be filed with the Managing Members for three days and made available to the public prior to starting the work.

i. Contracting Authority for Entering Agreements with Utilities, ~~and Annual Software Fees and Licenses~~ and Payroll Agent(s)

i. The CEO is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services that are Normal Operating Expenses.

ii. The CEO is authorized to enter into contracts with providers for annual software fees and licenses as needed.

~~ii.~~ iii. The CEO is authorized to enter into contract with and pay invoices to payroll agents, including, but not limited to, Pacific Maritime Association.

j. Authorization for Emergency Work

i. The CEO is authorized to make a finding of the existence of an emergency, to authorize spending of Managing Member resources and funds, to waive competitive bidding requirements and to execute any contracts necessary to respond to the emergency in accordance with RCWs 39.04.020, 39.04.280 and 53.19.030, and subject to the following.

1. The Managing Members shall be notified within 24 hours of the declaration of the emergency.

2. If a public works or purchased goods or services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Managing Members and made public on the Alliance's website no later than two weeks following the award of the contract.

3. If a personal services contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency shall be filed with the Managing Members and made public on the Alliance's website within seven working days following commencement of the work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the Managing Members when the contract is filed.

k. Authorization for Procurement of Third-Party Services to United States Military

3. The CEO is authorized to procure, contract for, and facilitate the provision of services to be performed by third-party contractors for United States military cargoes, and may do so without financial limitation, provided that: 1) the military specifically requests such services in writing and in advance of the purchase; 2) the Alliance invoices the military for actual costs, plus fifteen percent handling charge and state sales tax; and 3) any such purchases exceeding \$350,000 be reported to the Managing Members.

9. POLICIES GOVERNING FINANCIAL ACTIVITIES

The CEO is authorized to oversee the financial matters for the Alliance in accordance with applicable laws and subject to Managing Members' delegations in this section.

a. Management of Alliance Funds

- i. The CEO may designate one or more Deputy Treasurer(s) per RCW 53.36.010 without Managing Members' action. The Treasurer is accountable for all financial transactions executed by Deputy Treasurer(s).
- ii. The Alliance Treasurer and Deputy Treasurer(s) are authorized to oversee the investment of Alliance funds in accordance with applicable law relating to the type of investments authorized per RCW 39.59, RCW 43.84.080, and referenced RCW's within, including sale of such investments and necessary inter-fund transfers.
- iii. The Alliance Treasurer is authorized to oversee the management of the Alliance's cash reserves. A minimum cash reserve was established at the inception of the Alliance. The Alliance treasurer, in partnership with the Homeport Chief Financial Officers, will review the minimum cash annually and recommend changes as appropriate. The cash reserve will be managed to target three to six months of operating expenses, but will not fall below three months. Minimum cash reserve will be maintained except for temporary reductions for liquidity purposes associated with pending reimbursements to the Homeports per section 3.7 and 3.12 of the Charter. The temporary reduction will not exceed 60 days.

b. Alliance Expenditures for Travel, Hosting, and Memberships

- i. Travel Expenditures for Employees and Other Authorized Representatives of the Alliance.
 1. Pursuant to RCW 53.08.176, the CEO is authorized to establish Alliance policies and procedures to regulate and audit travel expense and reimbursement.
 2. The CEO may authorize travel and other reimbursable expenses, excluding Managing Members, incurred on behalf of the Alliance.
 3. The Alliance's Auditor will be responsible for ensuring the full compliance with applicable statutes, regulations and Alliance policies and procedures governing expense reimbursements by employees, Managing Member commissioners and representatives of the Alliance.
- ii. Expenditures for Trade Promotion and Promotional Hosting

1. The CEO will report proposed expenditures covering trade promotion and promotional hosting as provided in RCW 53.36.120 to Managing Members as part of the annual budget adoption. Expenditures proposed for promotional hosting shall be limited as provided in RCW 53.36.130.
2. Alliance staff and representatives holding positions responsible for trade promotion are authorized to make expenditures for promotional hosting of all appropriate Alliance activities subject to all of the provisions of the Promotional Hosting policy. Managing Member hosting, for Alliance related trade promotions, requires prior authorization by the Managing Members.
3. The CEO may authorize memberships in port authority, economic development, regional trade, tourism, industrial associations, facility, trade promotions organizations, and professional organizations up to \$10,000 per organization or individual membership. Managing Members' authorization is required for membership greater than \$10,000. Memberships greater than \$10,000 shall be included in Normal Operating Expense as part of the annual budget process. A list of all memberships of the Alliance will be reported semi-annually to the Managing Members.

c. Managing Delinquent and Uncollectable Accounts

- i. The CEO is authorized to establish policies and procedures for managing delinquent accounts consistent with these provisions.
- ii. The Alliance aging account report and or list of delinquent and uncollectable accounts shall be provided to Managing Members quarterly
- iii. The CEO is authorized to establish policies and procedures for the write off of any uncollectible accounts consistent with these provisions.
- iv. Prior to writing off any account receivable the CEO shall be satisfied that every reasonable effort has been made by the Alliance to accomplish the collection of the account.
- v. If appropriate, the CEO shall authorize the Alliance's attorney to bring action in courts of law or, if more appropriate in the case of small amounts, to assign the same to collection agencies for the purpose of attempting to finally collect such accounts.
- vi. If after attempting all normal account collection procedures the account is still uncollectible after 180 days or more, the CEO is delegated the authority to write off such account, provided however, Managing Member approval is required if the amount of any one account to be written off exceeds \$50,000.

d. Acceptance of Grant Funding

- i. The CEO is authorized to apply for grant funds for the Alliance.

- ii. The CEO will provide notification to the Managing Members prior to submitting the application for any grants that may obligate the Alliance to a cash match greater than \$350,000, or if expected associated expenses exceed \$350,000.
- iii. The CEO is authorized to accept grants where the grant award obligates the Alliance to provide a cash match of no more than \$350,000.
- iv. In cases where the grant award obligates or has the potential to obligate the Alliance to provide a cash match greater than \$350,000, Managing Members' authorization is required prior to grant acceptance.
- v. The CEO is authorized to accept and manage any grant funding that is secured for projects that have previously been authorized by the Managing Members.

e. Insurance Programs

- i. The CEO shall be authorized to work with the Alliance's designated insurance broker(s) to negotiate and obtain appropriate policies of insurance to manage the Alliance's property and casualty risks, provide employee benefits, and other coverage appropriately included within a comprehensive insurance program. All related contracts shall be authorized consistent with the delegations included in this resolution.

f. Sale of Personal Property

- i. The CEO is authorized, pursuant to the RCW 53.08.090, to sell and convey post Alliance formation surplus personal property of the Alliance subject to the following conditions:
 - 1. When the net book value of such personal property does not exceed twenty-two thousand dollars (\$22,000.00), the CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes.
 - 2. Managing Members approval is required when the net book value of such personal property exceeds twenty-two thousand dollars (\$22,000.00). The CEO will itemize the property to be sold and will certify that such property is no longer needed for Alliance purposes and seek Managing Members' authorization.
 - 3. Personal property will be disposed of in accordance with RCW 53.08.090.
 - 4. No large block or lot of personal property having a net book value in excess of twenty-two thousand dollars (\$22,000.00), will be broken into components of lesser value. These items can be disposed of separately after Managing Members' authorization is obtained.

5. The sale of surplus personal property to Alliance or Homeport officials or employees will be restricted to public auctions, or consignment for bid, where the process is managed by a third-party vendor and all interested parties have equal opportunity in the bidding process.

g. Payment of Statutory Expenditures

- i. The CEO may authorize statutory expenditures incurred during normal business operations. Types of expenditures include, but are not limited to, excise, payroll and leasehold taxes, and State Auditor's audit(s).

10. LEGAL SERVICES, CLAIMS AND OTHER REPRESENTATION

a. Litigation Policy and Procedures

- i. The CEO, together with Alliance General Counsel as appropriate, shall be responsible for the Alliance policies and procedures necessary to oversee all legal services and litigation, in which the Alliance has an interest, direct or indirect, provided however, the CEO shall first obtain Managing Member approval prior to the Alliance initiating litigation as a party plaintiff. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the Alliance which may reasonably lead to or has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.
- ii. Consistent with Section 8(g)(i)(1) herein, the Managing Members reserve to themselves the authority to approve Personal Services Contracts for Legal Services where the contract amount exceeds \$350,000, initially or as a result of any amendment. Any such request for Legal Services should include the concurrence of the Alliance General Counsel, who shall confirm to the Managing Members the basis for the request and provide such other information requested by the Managing Members, which consultation may be provided in Executive Session if consistent with state law, RCW 42.30.110(1)(i), provided however any Managing Member approval of that Contract shall take place by vote at a meeting open to the public.

b. Retaining Independent Counsel/Experts/Investigators

- i. The CEO may engage legal representation for the Alliance and such experts, investigators and/or independent counsel as may be necessary to the orderly preparation of potential and/or actual litigation in which the Alliance has a direct or indirect interest, without limitations otherwise prescribed in section 8 (Personal Services) of this Delegation of Authority Master Policy.

c. Settlement of Claims

- i. The CEO is delegated the authority to oversee Alliance policies and procedures for adjusting the final settlement of all claims either against or on behalf of the Alliance consistent with these policies.
- ii. Any claim arising from Normal Alliance Operations and not exceeding \$200,000 paid by the Alliance for a single claim may be adjusted and settled by the CEO, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval.
 - 1. Regular Updates. At any stage of litigation where the potential claim by or against the Alliance is greater than \$350,000, the Managing Members shall receive regular and substantive updates on the status of any proposed settlement discussion and terms no later than three business days prior to the date of any Managing Member Executive Session briefing.
 - 2. Timing. The Managing Members shall be informed of any proposed final litigation settlement terms no later than seven business days prior to the date Managing Member approval is sought.
 - 3. Form of Request. The request for final litigation settlement approval shall be reduced to writing and include the concurrence of the Alliance General Counsel, who shall confirm to the Managing Members the basis for the request and provide such other information requested by the Managing Members. Consistent with state law, RCW 42.30.110(1)(i), Litigation Settlement consultation between the Managing Members and Legal Counsel(s) may be provided in Executive Session; provided however any Managing Member litigation settlement approval shall take place by vote at a meeting open to the public.
- iii. The Alliances' attorney(s) shall be consulted prior to settlement of any claim in excess of \$50,000 paid by the Alliance.
- iv. Claims exceeding \$200,000 to be paid by the Alliance shall be approved by Managing Members; claims exceeding \$50,000 paid by the Alliance shall be reported to the Managing Members.
- v. Nothing herein contained shall preclude administrative approval of settlements made by the Alliances' insurers of claims by or against the Alliance, where such settlement is payable by such insurer.

d. Settlement of Litigation

- i. The CEO is authorized to oversee any matter which is the subject of litigation, including reaching settlement, without prior Managing Member review under the following conditions:
 1. The amount in controversy as stated in the pleadings or as reasonably estimated by Alliance General Counsel does not exceed \$200,000, provided however any settlement that imposes upon the Alliance any affirmative duty (non-monetary obligation), injunctive relief, and or which is memorialized by a federal Consent Decree or other regulatory enforceable Order shall require Managing Member approval; and
 2. The Alliance's General Counsel concurs with the proposed settlement terms.
- ii. Settlement of litigation matters for a sum in excess of \$200,000 requires Managing Member authorization.

11. ISSUANCE OF TARIFFS

The CEO is authorized to issue tariff amendments as necessary. Changes to tariffs shall be publicly noticed 30 days prior to implementation. Managing Members and Homeport Executive Directors will be given a memorandum with specific notice of all proposed tariff amendments 30 days prior to the effective date of any proposed tariff amendment(s).

12. POLICIES AND PROCEDURES

The CEO is authorized to adopt any administrative policies and procedures necessary to implement the delegations contained in this Resolution.

13. ACTIONS PREVIOUSLY APPROVED BY THE COMMISSIONERS AND EXECUTIVES OF THE PORTS OF TACOMA AND SEATTLE

Actions related to property controlled by the Alliance or Alliance business that were previously approved by either Homeport and their respective Executives acting under the authority of the Port of Seattle's Resolution No. 3605, as amended, and the Port of Tacoma's Resolution 2014-05, or earlier versions of these resolutions, are exempt from the provisions of this Resolution and may be completed in accordance with the Resolutions and delegations that were in place when the actions were approved. Future actions on these previously authorized items will be completed in accordance with this resolution.

14. NON-DISCRIMINATION AND EQUAL OPPORTUNITY

It is the basic policy of the Alliance to provide equal opportunity to the users of all Alliance services and facilities and all contracting entities. Specifically, the Alliance will not tolerate discrimination against persons on grounds of age, race, color,

national origin/ancestry, ethnicity, religion, [genetics, creed, citizenship or immigration status, limited English proficiency](#), disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers' compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles described in this policy shall apply to the Alliances' employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the CEO as specifically set forth in Alliance policies, equal employment opportunity and small business, women, minority and disadvantaged business participation in Alliance contracts. The CEO shall annually report on the implementation of this policy.

Commented [HD1]: Revision proposed to track Title VI program and HR policies.

draft — 9.13.24



RESOLUTION NO. 2025-02

A Resolution of the Northwest Seaport Alliance Managing Members Adopting the Sixth Amended Managing Member Bylaws and Superseding Prior Alliance Resolution 2024-01

Whereas, The Port of Seattle ("POS") and Port of Tacoma ("POT"), (collectively, "Ports"), are public port districts, organized under provisions of the laws of the State of Washington, codified under Title 53 RCW; and

Whereas, the Ports have formed The Northwest Seaport Alliance ("Alliance"), pursuant to and subject to Federal Maritime Commission ("FMC") oversight, and have entered into an interlocal agreement with delegated powers exercised pursuant to the port joint powers statute (RCW 53.08.240) which expressly permits joint operation and investment outside of a port's district, and pursuant to RCW 39.34.030, the Interlocal Cooperation Act, and pursuant to RCW ch. 53.57, which authorizes the Ports to create a Port Development Authority ("PDA") to operate certain marine facilities jointly as the Alliance;

Whereas, the operations and affairs of the PDA are managed by the port districts as members of the PDA and the charter ("Charter") for the PDA and each port district member ("Managing Member") acts in such capacity through its own elected commissioners;

Whereas, The Alliance Managing Members previously adopted Bylaws, to constitute the rules governing the transaction of business by the Northwest Seaport Alliance Managing Members;

Whereas, said Bylaws at Article XI provide that the Bylaws may be amended by the Alliance Managing Members by resolution duly adopted;

Whereas, the Managing Members previously adopted the First Amended Bylaws by Resolution 2015-07 in January 2016. Second Amended Bylaws by Resolution 2019-04 in July 2019, Third Amended Bylaws by Resolution 2021-07 in July 2021, Fourth Amended Bylaws by Resolution 2022-03 in December 2022, Fifth Amended Bylaws by Resolution 2024-01 in February 2024;

Whereas, the Alliance's Internal Governance Work Group recommended certain amendments to the Bylaws of the Northwest Seaport Alliance to change the starting time of the public portion of the regular Alliance Managing Member Meetings from 11:30 a.m. to 12:00 p.m. (noon) and to provide flexibility to the presiding responsibility in the event the scheduled Co-Chair is unavailable; and

Whereas, the Managing Members agree with the Internal Governance Work Group recommendations and desire to amend the Bylaws accordingly.

Resolved, the Managing Members of the Alliance adopt the Sixth Amended Managing Member Bylaws as set forth in Exhibit "A" attached to this Resolution and by this reference incorporated herein.

ADOPTED by the Managing Members of The Northwest Seaport Alliance at a regular meeting held on the 7th day of January 2025 and signed by its Co-Chairs and attested by its Co-Secretaries in authentication of its passage.

, Co-Chair
The Northwest Seaport Alliance

, Co-Chair
The Northwest Seaport Alliance

ATTEST:

, Co-Secretary
The Northwest Seaport Alliance

, Co-Secretary
The Northwest Seaport Alliance

EXHIBIT A

**THE ~~FIFTH~~SIXTH AMENDED BYLAWS OF THE NORTHWEST SEAPORT
ALLIANCE
MANAGING MEMBERS**

**ARTICLE I
PREAMBLE**

1. **Definition:** These Bylaws shall constitute the rules governing the transaction of business by The Northwest Seaport Alliance Managing Members.
2. **Entity & Managing Members:** The Northwest Seaport Alliance (“Alliance”) is a legally constituted Washington port development authority managed by two (2) Managing Members as defined below.
 - A. Managing Member---The Port of Seattle, a public port district operating under the laws of the state of Washington, acting in such capacity through its own commission.
 - B. Managing Member--- The Port of Tacoma, a public port district operating under the laws of the state of Washington, acting in such capacity through its own commission.
 - C. The Ports of Seattle and Tacoma are referred to as each “Homeport” or “Homeports” herein.
3. **Public & Community Policy Activities:**
 - A. Public and community policies and activities with respect to properties managed by the Alliance shall be the responsibility of the Homeports and not the Alliance.
 - B. The Alliance shall take official positions on policy and significant legislative issues only when the issue impacts the Alliance and only after:
 1. The Managing Members have discussed and voted on the matter or matters in open session, and

2. The Managing Members have taken a unanimous position as evidenced by an affirmative vote of three of the five commissioners of each Managing Member.

C. The Alliance Co-Chairs shall be the designated spokespersons for the Alliance.

D. Members of the commissions of each Managing Member shall have the right to voice personal opinions that differ from those of the Alliance determined pursuant to Article I Section 3B above as long as they are stated as such.

E. If a Commissioner intends to speak publicly about the NWSA or other Commissioners, including through communications with the media or authoring/co-authoring articles, press releases, or opinion pieces, that Commissioner should provide as much prior notice as is practicable to the other Commissioners and the NWSA CEO, including by providing a copy of any such writings before publication.

ARTICLE II
ORGANIZATION AND DUTIES OF THE
NORTHWEST SEAPORT ALLIANCE MANAGING MEMBERS

1. **Officers:** The Alliance Managing Member officers will be the following elected officers of the two Homeports so both Managing Members will have equal representation and responsibility;

A. The Homeport Presidents, who shall serve as Alliance Co-Chairs; and

B. The Homeport Secretaries, who shall serve as Alliance Co-Secretaries.

2. **Selection of Officers:** Managing Member officers are selected using Homeport Bylaws and processes.

3. **Term:** The Alliance Officers' term shall be as stated in the Homeport Commission Bylaws of each Officer's Homeport and shall run until a successor is elected. However, whenever vacancies arise, they may be filled by the appropriate Homeport prior to the next Alliance meeting following the vacancy if possible.

4. **Dual Action Vote:** In any meeting of the Managing Members which requires a corresponding independent vote of a Homeport Commission, in addition to a vote by the Managing Members, one combined vote may be taken by a show of hands of the Managing Members so that the votes of both the Alliance Managing Members and the respective Homeport Commission may be voted and recorded; provided however, in such case, such dual votes shall have been reflected in that Alliance meeting agenda and all legally required prior public notices, and posting requirements shall have been followed.
5. **Discussion:** Any Managing Member Commissioner shall have the right to question any individual on matters germane to the issue properly before the Alliance for discussion.
6. **Action Process:** All proceedings shall be by motion or resolution and recorded in the minutes.
7. **Audit Committee:** The Commission members of each Homeport Audit Committee shall function as the members of the Alliance Audit Committee supported by appropriate Alliance staff. The chairs of each Homeport Audit Committee shall function as the Co-Chairs of the Alliance Audit Committee.
8. **Work Groups:** The Managing Members may from time to time appoint standing or special Work Groups, consisting of a subset of Managing Member Commissioners. In no event may a Work Group or a meeting thereof include a quorum of the Alliance Managing Members or of either Homeport. Work Groups shall provide a summary report of their meetings and any recommendations from those meetings to the Managing Members. No final decisions or actions shall occur in Work Group meetings.

ARTICLE III
DUTIES OF MANAGING MEMBER OFFICERS

1. Co-Chairs shall:

- Preside at all public, executive and other closed session meetings of the Alliance.
- Act as spokespersons for the Alliance reflecting the views of the Managing Members after public discussion and a Managing Member vote establishing the Alliance's position.
- Preserve order and decorum at Alliance public and executive session meetings.
- Observe and enforce all rules adopted by the Managing Members.
- Decide all questions on order, in accordance with Alliance bylaws, subject to appeal by any Commissioner.
- Recognize individual Commissioners in the order in which they request the floor.
- Sign all resolutions, contracts, and other instruments as authorized by the Managing Members
- Rotate presiding responsibility, by simple rotation, whereby the Co-Chairs shall alternate meeting agenda management, regardless of the meeting location. If a Co-Chair is unavailable to preside, the Co-Chairs shall agree on the meeting's presiding officer, which may be the other Co-Chair, the corresponding Homeport's Vice President, or any other commissioner. Co-Chairs should endeavor to give each Managing Member equal presiding responsibilities across Managing Member meetings.

2. Co-Secretaries shall:

- Supervise the recording of the Alliance meeting minutes.
- Supervise staff in the retaining of a record of all Alliance motions and resolutions.
- Supervise the safekeeping of the seal and minute books.
- Discharge all duties assigned to the office by majority vote of the Managing Members.

ARTICLE IV MEETINGS

1. Regular Alliance Meetings:

- A. The regular meeting date and time of the Alliance Managing Members shall be ~~11:30 a.m.~~12:00 p.m. (noon) on the first Tuesday of each month, except if the Tuesday falls on a legal holiday or on the day after a Monday legal holiday, in either case, the regular meeting will be held on the next regular business day. When an executive session under RCW 42.30.110 and/or other laws including closed session under 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228 (FMC Session) is to be held, the regular meeting may convene at 9:30 a.m., immediately recess into executive and/or FMC Session that shall be closed to the public, after which the public session shall reconvene at ~~11:30 a.m.~~12:00 p.m. (noon).
- B. The regular meeting locations shall be as follows:
1. The Port of Tacoma Fabulich Center in Pierce County in January, March, May, July, September, and November, and
 2. The Port of Seattle SeaTac Airport Conference Center in King County in February, April, June, August, October and December.
Meetings may be held at such other locations as determined by a vote of the Managing Members, or with Alliance Co-Chairs' approval, by Alliance Executive staff. Any meetings scheduled for alternative dates and times and locations, including the Port of Seattle Administrative Offices at Pier 69, shall be considered special meetings.
 3. The Managing Members may hold a fully remote meeting without a physical location or a meeting at which the physical attendance by some or all members of the public is limited due to a declared emergency as provided for in RCW 42.30.070 and 42.30.230. Unless a fully remote meeting is being

held under this emergency provision, at least one Commissioner should be physically present at the meeting location when other Commissioners are participating remotely by audio or video conference or equivalent technological means.

C. The Managing Members, by a majority vote, may by motion recess from a meeting to a certain time set forth in the motion made therefore or may cancel a meeting.

- 2. Adjournment or Continuation of a Regular or Special Meeting:** Adjournment or continuation of a regular or special meeting shall be pursuant to notice as required by law.
- 3. Executive & Closed Sessions:** Managing Members may consider matters in executive session in accordance with the requirements of the Open Public Meetings Act (RCW 42.30.110) and/or other laws including closed sessions under 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228 (FMC Session), as they now exist and as may be amended in the future.
- 4. Scheduling of Executive or Closed Sessions:** Executive or Closed Sessions shall be either:
 - scheduled the same day as regular or special Alliance meetings, or
 - with respect to special executive or closed sessions, when no public Alliance meeting will also be held, such sessions may be scheduled with agreement of both Managing Member Co-Chairs or a quorum of both Managing Members.
- 5. Announcement of Executive or Closed Sessions.** Before convening an Alliance executive or closed session, one of the Alliance Co-Chairs shall publicly announce the purpose for the executive or closed session and cite to the applicable statutory

exception which applies to that meeting purpose, the estimated length of the session, the time when the executive or closed session will be concluded, and whether or not action is anticipated to be taken after and as a result of the executive or closed session.

6. **Special Meetings:** Special public meetings may be called for any time either by agreement of the Co-Chairs or by a quorum of members of each Managing Member, by delivering notice pursuant to RCW 42.30.080 at least 24 hours in advance by personal or by electronic mail written notice to each Managing Member Commissioner; and to each local newspaper of general circulation and local radio or television station that has on file with the Managing Members a written request to be notified of such special meeting or of all special meetings.

The written meeting notice shall specify the time and place of the special meeting and all business to be transacted. Such notice shall also be posted on the Alliance website at least twenty-four (24) hours before the special meeting. No Managing Member action shall be taken on any other matter at such special meeting. Such written notice may be dispensed with as to any member who, at or prior to the time the meeting convenes, files with the Secretary of the Alliance a written waiver of notice. Such waiver may be given by regular or electronic mail or facsimile transmittal. Such written or electronic notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. The meeting notices provided in this section may be dispensed with in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such a notice would make notice impractical and increase the likelihood of such injury or damage.

7. **Hearings:** (budget, study sessions, etc.)

- A. **Hearings.** During consideration of the budget and other matters requiring hearings by the Managing Members, the public is invited to testify. Meeting notice for hearings will be so annotated.
- B. **Study Sessions.** Study Sessions may be held as a special meeting or in conjunction with a regular Alliance Managing Member meeting
8. **Quorum:** Three (3) Commissioners from each of the Managing Members shall constitute a quorum for the convening of a meeting. In the absence of a quorum, the Managing Members present may proceed with any non-action agenda items and or adjourn the meeting to a later date.
9. **Absences:** Any absence by a Commissioner from a meeting because of attendance to other Alliance or Homeport business shall be so recorded in the minutes of the meeting, and any such Alliance or Homeport related absence shall be automatically excused by the Managing Members.
10. **Commissioner Participation:** A Managing Member Commissioner who is physically absent may participate by phone or by other electronic means that allows real-time verbal communication without being in the same physical location, provided that they have the ability to listen to the proceedings, and the Commissioners and the public in attendance at the meeting have the ability to listen to the remotely participating Commissioner. A Commissioner may vote by audio or video conference or other equivalent technological means only when they have been able to hear or see the entire action item. This provision is specifically intended to facilitate the presence of a quorum when three or more Commissioners of a Managing Member are not available to participate in person or to accommodate a traveling Commissioner.

ARTICLE V
ORDER OF BUSINESS FOR MEETINGS & HEARINGS

The order of business unless otherwise agreed to at the meeting shall be:

1. Call to Order.

2. Executive and/or Closed Session (if needed)¹, and if so, then reconvene into public session.
3. Flag Salute.
4. Report by Chief Executive Officer.
5. Public comment on General Business or other Alliance related matters.
6. Consent Agenda, to include approval of minutes of prior meeting(s), voucher and check approval and other matters proposed by Alliance staff in consult with the Alliance Co-Chairs. At the request of any Commissioner, an item on Consent shall be removed from the Consent Agenda to be considered separately.
7. Agenda items in numerical order, including introduction, reading, Managing Member motion, second, discussion, and vote on resolutions or motions.
8. General business (including informal discussion items, announcements, comments and committee reports, which may be raised by any Managing Member Commissioner, and staff review items).
9. Adjournment.

NOTE: All regular meetings at which final action is taken, shall include an opportunity at or before the meeting for public comment, which may be provided orally at a public meeting or by written testimony to be submitted before or at the meeting. Any written testimony to be submitted prior to the meeting and any requests to provide oral comment by remote means at the meeting shall be submitted to the Clerk at least 24 hours prior to the beginning of the meeting. Public comment may be had on any agenda item, at the meeting at which the matter is discussed by the Managing Members at the appropriate time for accepting general public comments, as determined by the Managing Members. Such persons will be asked to state their name for the record, and to confine remarks to the matter under discussion. Such remarks shall be limited to three minutes.

ARTICLE VI

¹ Following an Executive Session, the public meeting shall be reconvened and the Managing Members may consider items discussed in Executive session so long as prior to convening into Executive Session the appropriate announcement was made in the public session that action may occur after and as a result of the Executive Session.

MOTIONS & RESOLUTIONS

1. Alliance Managing Members shall transact business by motion or resolution which may be made by any Managing Member Commissioner in attendance, including any one of the Co-Chairs of the meeting.
2. Voting on all motions or resolutions shall be "yea" and "nay" with the exception of Dual Action voting as described in ARTICLE II, Section 4 herein. Any Commissioner of a Managing Member may call for a roll call vote.
3. Approval by each Managing Member is defined as an affirmative vote of at least three of the five commissioners of such Managing Member, regardless of quorum.
4. Resolutions shall be numbered consecutively and the original copy of each resolution shall be kept in a book or books for such purposes, which shall be public records.
5. Except as the Managing Members shall otherwise approve, Managing Member proceedings shall generally follow the rules contained in the current edition of Robert's Rules of Order, Revised.
6. Each Resolution shall be presented at two meetings before a vote is taken. No vote shall be taken at the first reading. Proposed amendments within the scope of the Resolution as presented at the first reading shall be submitted to the Clerk in writing prior to the second reading for distribution to the Managing Members prior to the vote on the Resolution. Whenever possible, the second reading should occur at the meeting immediately following the first reading. If both Managing Members consent, a resolution may be put on for final passage at the first meeting at which it is introduced.
7. Leases that are being presented to the Managing Members for authorization shall be presented at two meetings before a vote is taken. No vote shall be taken at the first reading, but Commissioners should provide staff with suggestions, input and feedback on the proposed Lease either in the meeting or before the second reading. At the second reading, staff shall report on any substantive changes to the proposed Lease since the first reading. If there is no objection by a Commissioner present at

the meeting, a Lease may be put on for final passage at the first meeting at which it is introduced.

ARTICLE VII **MINUTES**

1. All proceedings of the Alliance shall be made by motion or resolution and recorded in the minutes which shall be properly retained as required by law and which shall be public records. The announced purpose of any Executive Session will be entered into the meeting minutes.
2. When the Alliance Managing Members have approved the minutes of a meeting in accordance with ARTICLE V, the minutes, as approved, shall represent the sole, final, and considered determination of the Alliance Managing Members as to motions and resolutions set forth therein superseding all statements made by Commissioners at the meeting.
3. The Alliance staff shall be responsible for drafting, compiling and keeping minutes of Managing Member meetings.

ARTICLE VIII **AGENDA ITEMS TO BE CONSIDERED AND STAFFING**

1. The CEO in conjunction with the Co-Chairs, will propose the agenda for each Alliance Managing Member meeting.
2. Each item shall have a written explanation and full briefing of all information necessary for a review, discussion of and vote on said business item, to be provided to the Managing Members one week prior to Alliance meetings, but in no event fewer than three (3) days before a regular Alliance meeting. An item may only be proposed at a regular Alliance meeting with less than three (3) days' notice in the event of an emergency or if the item is late-breaking and time-sensitive, in which case, written materials shall be provided to Commissioners and made available to the public as soon as possible. Materials should include, but not be limited to, a discussion on the following impacts:

- |
- A. Financial
 - B. Economic
 - C. Environmental
3. An individual Commissioner wishing to place an item on the Managing Member meeting agenda may do so as follows:
- A. At a regular Alliance meeting, by motion to add the item to the agenda at the current or a future meeting. The motion to add the item to the agenda must receive a second and affirmative vote of the Managing Members; or
 - B. By contacting the CEO with the request to place an item on the agenda. Commissioners are encouraged to make such request, if possible, not less than two weeks prior to the date of the meeting for which the agenda item is proposed to be added. The CEO will seek confirmation of the Alliance Co-Chairs prior to adding the requested item to the agenda.
4. The Managing Members recognize their role is in the governance of the Alliance and it is the role of the CEO to manage. The function of staff, under the direction of the CEO, is to implement policy and actions taken by the Managing Members as a whole. No individual Commissioner shall initiate with staff any significant action, project, research or study. The CEO, in consult with the Co-Chairs, shall determine whether a matter is significant.

ARTICLE IX
AMENDMENT OF BYLAWS

These Bylaws may be amended by the Alliance Managing Members by resolution duly adopted.

--END--

Item No.: 9A
Meeting Date: Dec. 3, 2024

First Reading of Resolutions 2025-01 and 2025-02

Delegation of Authority Master Policy and Bylaw Revisions
as recommended by the Internal Governance Work Group



Internal Governance Work Group
Presenter: Dana Henderson, General Counsel

1

ACTION REQUESTED

First reading of Internal Governance Work Group (IGWG) proposed resolutions 2025-01 amending the Delegation of Authority Master Policy (Master Policy) and 2025-02 amending the Northwest Seaport Alliance Managing Member Bylaws (Sixth Amended Bylaws).



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Synopsis

Section 5.c. of the Delegation of Authority Master Policy provides that the it shall be reviewed annually by the Managing Members.

The Internal Governance Work Group (IGWG) reviewed in May and September of 2024 and offer the following recommended revisions. (Additions shown underlined, deletions shown in strikethrough)



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3

Resolution 2025-01

Delegation of Authority Master Policy Revisions



4

4

Proposed New Language: Access to Homeport Property (Short term, without an ILA)

7.e. Agreements (Other than Easements) for the Alliance Use of Real Property Owned by Others

- i. The CEO is authorized to enter into agreements for the use of real property owned by others if the term of the use is one year or less and the Alliance paid cost for the use is up to \$350,000 annually. This authority includes that the CEO may enter into access agreements with a Homeport to allow for Alliance or Alliance customer(s) use of Homeport property, provided that: the access agreement is one-time and for one year or less; the Alliance paid cost for the use is up to \$350,000 annually; the access agreement may be terminated by either party on thirty (30) days' notice; and the Managing Members are provided notice of the terms of any such access agreement. Any subsequent agreement for Alliance use of Homeport property beyond one year shall be brought to the Managing Members for approval.

- *Example: short term storage need for NWSA tenant; no Licensed Property is available, but Homeport property can accommodate tenant. This would allow NWSA to do short term access agreement without formal ILA.*



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Proposed New Language: Payroll Agents (PMA)

8.i Contracting Authority for Entering Agreements with Utilities, Annual Software Fees and Licenses and Payroll Agent(s)

- i. The CEO is authorized to enter into contracts with utility providers in order to establish connections, conduct repair or maintenance and to purchase utility services that are Normal Operating Expenses.
- ii. The CEO is authorized to enter into contracts with providers for annual software fees and licenses as needed.

iii. The CEO is authorized to enter into contract with and pay invoices to payroll agents, including, but not limited to, Pacific Maritime Association.

- *NWSA has been assigned PoT's contractual relationship with PMA and daily checks are paid to PMA as payroll agent. The labor costs are budgeted. This would add clarity that payment to PMA is in the scope of the required payments for doing business.*



6

6

Proposed New Language: Military Cargoes

8.k. Authorization for Procurement of Third-Party Services to United States Military

The CEO is authorized to procure, contract for, and facilitate the provision of services to be performed by third-party contractors for United States military cargoes, and may do so without financial limitation, provided that: 1) the military specifically requests such services in writing and in advance of the purchase; 2) the Alliance invoices the military for actual costs, plus fifteen percent handling charge and state sales tax; and 3) any such purchases exceeding \$350,000 be reported to the Managing Members.

- *This is current practice somewhat addressed in tariff; occasionally, the expenses exceed CEO authority (recent examples: pest control, deep cleaning)*



7

7

Revision to Non-Discrimination Language

NON-DISCRIMINATION AND EQUAL OPPORTUNITY

- It is the basic policy of the Alliance to provide equal opportunity to the users of all Alliance services and facilities and all contracting entities. Specifically, the Alliance will not tolerate discrimination against persons on grounds of age, race, color, national origin/ancestry, ethnicity, religion, genetics, creed, citizenship or immigration status, limited English proficiency, disability, use of protected sick or family medical leave, pregnancy, sex/gender, sexual orientation, whistleblower status, marital status, workers' compensation use, gender expression or identity, political beliefs, military or veteran status, or any other protected status, as guaranteed by local, state and federal laws. The equal opportunity principles described in this policy shall apply to the Alliances' employees, customers, consultants, contractors, and vendors to the extent possible and as required by law. This policy is to be implemented by the CEO as specifically set forth in Alliance policies, equal employment opportunity and small business, women, minority and disadvantaged business participation in Alliance contracts. The CEO shall annually report on the implementation of this policy.



Revision proposed to track Title VI program and HR policies.



8

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Resolution 2025-02

Sixth Amended Bylaws

Bylaw Revision – Public Start Time to noon

ARTICLE IV MEETINGS

1. Regular Alliance Meetings:

A. The regular meeting date and time of the Alliance Managing Members shall be ~~11:30 a.m.~~ **12:00 p.m. (noon)** on the first Tuesday of each month, except if the Tuesday falls on a legal holiday or on the day after a Monday legal holiday, in either case, the regular meeting will be held on the next regular business day. When an executive session under RCW 42.30.110 and/or other laws including closed session under 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228 (FMC Session) is to be held, the regular meeting may convene at 9:30 a.m., immediately recess into executive and/or FMC Session that shall be closed to the public, after which the public session shall reconvene at ~~11:30 a.m.~~ **12:00 p.m. (noon)** .

Bylaw Revision – Presiding over Meetings

ARTICLE III DUTIES OF MANAGING MEMBER OFFICERS

1. Co-Chairs shall:

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- Rotate presiding responsibility, by simple rotation, whereby the Co-Chairs shall alternate meeting agenda management, regardless of the meeting location. If a Co-Chair is unavailable to preside, the Co-Chairs shall agree on the meeting's presiding officer, which may be the other Co-Chair, the corresponding Homeport's Vice President, or any other commissioner. Co-Chairs should endeavor to give each Managing Member equal presiding responsibilities across Managing Member meetings.

11

ACTION REQUESTED

First reading of Internal Governance Work Group (IGWG) proposed resolutions 2025-01 amending the Delegation of Authority Master Policy (Master Policy) and 2025-02 amending the Northwest Seaport Alliance Managing Member Bylaws (Sixth Amended Bylaws).

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