

COMMISSION AGENDA

Item No: 7A

Meeting: 4/21/22

DATE: April 21, 2022
TO: Port Commission
FROM: Heather Burgess, Port Legal Counsel
Erin Galeno, Chief Financial and Administrative Officer
SUBJECT: Resolution 2022-06-PT: Master Policy Directive Annual Update-Second Reading

A. ACTION REQUESTED

Request approval of Resolution 2022-06-PT: Master Policy Directive on second reading.

B. BACKGROUND

RCW 53.12.270 authorizes the Port Commission to delegate to the Executive Director such administrative powers and duties as it may deem proper for the efficient and proper management of port district operations. This delegation of authority must be adopted by resolution which establishes guidelines and procedures for the Executive Director to follow.

Consistent with best practices for Port Districts, the Port Commission generally reviews the delegation of authority to the Executive Director and readopts the Master Policy Directive once per year.

In 2020, with former Port Legal Counsel, the Port Commission undertook a comprehensive update of the Master Policy Directive using a Commission Committee process. In 2021, as there had been a recent comprehensive update, the Port Commission made very minor changes to existing policies and adopted the updated Master Policy Directive as part of its consent agenda.

For the 2022 update cycle, Port Legal Counsel worked with Port staff and the NWSA General Counsel to conduct a thorough review and prepare recommended edits, revisions, and updates to the Master Policy Directive, which are generally summarized as follows:

- Corrections and revisions to grammar, statutory, and internal references throughout the document.
- **Definitions:** Adds new definitions associated with mitigation bank sales (Advance Mitigation Site, Mitigation Bank, Mitigation Bank Credit) and Ongoing Environmental Activities (for consistency with NWSA counterpart); revises other definitions for clarity and consistency with applicable references.
- **Interlocal Agreements:** Requires Service Agreements between Port and NWSA to be approved by Commission for consistency with requirements of RCW 39.34.
- **Projects:** Clarifies that defined Ongoing Environmental Activities are approved through the annual operating budget approval process.

- **Sale of Surplus Property:** Corrects typographical error in 2021 resolution to restore the delegated authority to Executive Director to dispose of surplus personal property less than \$10,000 in value as authorized by law.
- **Legal Activities:** Revises to require Commission approval for filing of claims or cases on behalf of the Port as Plaintiff only for cases filed in state or federal courts (thereby allowing the Executive Director to approve the filing of other administrative appeals).
- **Mitigation Credits:** Adds new section providing policies governing the sale of Port Mitigation Credits.

The NWSA is also completing its annual update of its counterpart Master Policy Directive as through the IGWG process.

The Commission reviewed the Resolution 2022-06-PT on first reading at its March 17, 2022 regular meeting and directed Port Legal Counsel to make additional revisions, as follows:

- **Surplus Personal Property:** Expand requirements for public auction restriction from Port officials and employees to include sales to family members and add requirement to report the results of surplus property sales to the Commission.
- **Sale of Mitigation Bank Credits:** Remove proposed language regarding use of bank credit sales proceeds.

The Commission's requested revisions from first reading have been made in Sections V.F (Surplus Property) and VII.C (Policies Governing Use and Sale of Mitigation Credits).

C. ATTACHMENT

Resolution 2022-06-PT – Master Policy Directive (2022 Update)