



AGENDA REPORT

PROPOSED ACTION: Ordinance: Amending Various Administrative Provisions of Titles 1 and 2 of the Port of Oakland Administrative Code, and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act.

Submitted By: Mary Richardson, Port Attorney; Kristi McKenney, Executive Director

Parties Involved: Port of Oakland

Amount: N/A

EXECUTIVE SUMMARY: Port of Oakland (Port) Staff requests approval for various administrative amendments to the portions of the Port of Oakland Administrative Code (POAC) to: (1) amend the general definition of “Person” in Section 1.02.010; (2) update the designation of parliamentary procedures and other definitions in Section 2.01.010; (3) authorize the Secretary of the Board in Section 2.01.090 to execute purchases on behalf of the Board, subject to the Purchasing provisions; (4) amend the Executive Director’s authority in Section 2.01.100 to (a) buy or sell Greenhouse Gas Compliance Instruments, including, but not limited to, Low Carbon Fuel Standard (LCFS), (b) file Notices of Exemption when the Port determines a project is exempt from the California Environmental Quality Act (CEQA), and (c) execute indemnification agreements with third parties; (5) expand the Port Attorney’s authority to execute proofs of claim in Section 2.01.110; and (6) clarify public areas within the Port headquarters building in Section 2.05.030.

Staff recommends the Board approve an ordinance amending various administrative provisions of Titles 1 and 2 of the POAC, as described further below. These proposed amendments, shown in **Attachment A**, will streamline the Port’s administration across a range of environmental, open meeting, and legal functions.

BACKGROUND & ANALYSIS

A. POAC General Definitions (POAC section 1.02.010)

Title 1 contains general definitions that are commonly used throughout the POAC. These include the definition of “Person,” which is intended to broadly encompass individuals and all forms of corporate entities. Staff recommends amending this definition to include various successors to these entities – such as assignees, trustees, and receivers – as well as any “body politic,” which would more clearly include different forms of government agencies.

B. Bylaws Definitions (POAC section 2.01.010)

The POAC currently defines its parliamentary procedures, used during Board proceedings, according to the American Institute of Parliamentarians Standard Code of

Parliamentary Procedure 2012. These procedures are outdated and not commonly used. Accordingly, Staff recommends that the Port instead follow the Robert's Rules of Order, which is one of the most widely used forms of parliamentary procedure and will streamline Board proceedings.

This proposed action will also update the citations for the definitions of "Master Fee Schedule" and "Purchasing Ordinance," both of which have since been codified in the POAC as Chapters 5.10 and 5.12, respectively.

C. Secretary of the Board Authorizations (POAC section 2.01.090) – Purchasing Authority

Currently the POAC does not clearly authorize the Secretary of the Board to execute agreements on behalf of the Board for various Board-related purchases. Staff recommend adding a provision that would grant the Secretary of the Board the authority to execute agreements necessary for making purchases on behalf of the Board, subject to the limits set forth in the Purchasing provisions in POAC Chapter 5.12, and as such agreements are approved as to form and legality by the Port Attorney.

D. Executive Director Authorizations (POAC section 2.01.100)

1. Greenhouse Gas Compliance Instruments

The Low Carbon Fuel Standard (LCFS), established in California Code of Regulations, Title 17, Sections 95480 et seq., requires fuel suppliers to reduce the carbon intensity (CI) of transportation fuels. Fuels with CI below the annual benchmark generate tradable market-based compliance instruments called credits, while those above the benchmark generate deficits. Credits are bought and sold in a competitive market, with prices determined by supply and demand.

The Port earns LCFS credits primarily by providing shore power electricity to vessels. It currently holds credits. Credit prices have fluctuated significantly due largely to oversupply in the alternative fuels market. In response, the California Air Resources Board (CARB) has increased future CI reduction targets to stabilize prices. Prices recently rose to about \$60 per credit from a low of around \$45.

Because market conditions can change rapidly, the ability to act quickly is essential to securing favorable sales or purchases. The proposed amendment would allow the Executive Director to transact LCFS credits, or other similar Greenhouse Gas Compliance Instruments, without further Board approval, enabling the Port to respond promptly to market opportunities.

The modifications do not affect or modify the contracting authority for Greenhouse Gas Compliance Instruments in the Utility Purchasing Authority provisions in Chapter 10.02 of the POAC, but add a cross-reference to that Chapter for additional clarity.

2. Notice of Exemption

Under the California Environmental Quality Act (CEQA), an agency may approve and file a Notice of Exemption (NOE) when it determines a project is exempt from environmental review. Filing an NOE shortens the legal challenge period from 180 days to 35 days. Current POAC provisions do not clearly delegate NOE approval authority to the Executive Director. The proposed change would clarify that the Executive Director may approve and file NOEs, streamlining the CEQA compliance process and reducing administrative delays.

3. Indemnification Agreements

The POAC currently limits the Executive Director's authority to negotiate indemnification agreements to matters involving tenants and underground petroleum or similar tanks. In practice, the Port often requires indemnification agreements in other contexts, such as property leases, construction activities, or environmental remediation unrelated to petroleum storage and with third parties that are not tenants. Expanding the Executive Director's authority would allow timely execution of such agreements, improving operational efficiency and protecting the Port's legal and financial interests.

E. Port Attorney Authorizations (POAC section 2.01.110) – Proofs of Claim

In the course of their duties, the Port Attorney often files and amends proofs of claim in varied contexts, including bankruptcy and insurance. Section 2.01.110(G) of the POAC currently limits the Port Attorney's authority to bankruptcy proceedings only. Staff recommends that this authority be expanded to include the ability to file and amend proofs of claim in bankruptcy, receivership, or other court proceedings, as well as for insurance, claims, or other means of recovery for the Port, so long as such actions are reasonable in light of the proposed benefit to the Port and are done in consultation with the relevant Port division or department. Doing so will improve the operational efficiency of the Port Attorney's Office.

F. Designated Public Areas and Access to Board Meetings (POAC section 2.05.030)

The Board Rules for Public Participation contain provisions designating public and non-public areas of the Port's headquarters at 530 Water Street to ensure safety and effective public access during Board meetings. Staff recommends amending these provisions to further clarify that public areas are: (1) designated areas of the ground

floor lobby; and (2) areas designated for Board or Board standing committee meetings while such meetings occur, which would typically include the Board room on the second floor but may also include overflow areas designated by the Port as needed. The proposed amendments would also clarify that the Port will post signage reflecting such designated areas and their associated hours of operation, as well as authorize the Executive Director to close portions of the Port's headquarters building from time to time as needed for public safety, maintenance, security, or operational reasons.

These proposed edits would also make corresponding revisions to the definitions for the Board Rules for Public Participation in POAC section 2.05.020 by adding a definition of the "Board Room" as those areas within the Port headquarter building designated for public Board meetings.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- ☒ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☐ Other/Notes:

BUDGET

- ☒ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - ☐ Operating
 - ☐ Non-Operating
 - ☐ Capital

Analysis: Proposed action is administrative in nature and does not impact the Board approved FY 2026 Budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

<p><u>MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):</u></p> <p><u>Applies?</u> No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p><u>LIVING WAGE</u> (City Charter § 728):</p> <p><u>Applies?</u></p> <p>No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u> Updates allow for revenue generation.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <p><input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base</p> <p><input type="checkbox"/> Modernize and Upgrade Infrastructure</p> <p><input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience</p> <p><input type="checkbox"/> Maximize Land Use Value and Revenues</p> <p><input type="checkbox"/> Workforce Training and Jobs Development</p> <p><input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development</p>	