

Chapter 178-02 WAC
ORGANIZATION, OPERATIONS AND PROCEDURES

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WAC

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WAC 178-02-010 Purpose. The purpose of this chapter shall be to ensure compliance by the Washington economic development finance authority with the provisions of chapters 42.56 and 34.05 RCW.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-010, filed 12/4/19, effective 1/4/20.]

WAC 178-02-020 Rules of interpretation. (1) All adjectives and adverbs, including but not limited to the words "adequate," "approved," "qualified," "reasonable," "reputable," "satisfactory," "sufficiently," and "suitable," as used in this title to qualify a person, procedure, process or otherwise shall be as determined by the authority or its designee.

(2) Where the word "shall" is used in this title, the subject rule or action to which the word relates is mandatory.

(3) Where the word "should" is used in this title, it indicates suggestion or recommendation but not a requirement.

(4) Where the word "may" is used in this title, the action or rule to which the word relates is permissive or discretionary.

(5) Words importing the singular number may also be applied to the plural of persons and things; words importing the plural may be applied to the singular; and words importing a specific gender may also be extended to any gender and be considered to relate equally to any person.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-020, filed 12/4/19, effective 1/4/20.]

WAC 178-02-030 Definitions. (1) "Act" means RCW 43.163, as amended.

(2) "Washington economic development finance authority" and "authority" each mean the corporate and politic public body created by the act and also refer to the staff and employees of the authority.

(3) "Board" means the members of the authority acting collectively as the governing body of the authority.

The terms defined in the act shall have the same meaning when used in this title.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-030, filed 12/4/19, effective 1/4/20.]

WAC 178-02-040 Description of organization. (1) The authority is a public entity established under the provisions of RCW 43.163,

which exercises essential governmental functions. The authority was created by the legislature of the state of Washington to establish a state economic development finance authority to act as a financial conduit that, without using state funds or lending the credit of the state or local governments, can issue nonrecourse revenue bonds and participate in federal, state, and local economic development programs to help facilitate access to needed capital by Washington businesses that cannot otherwise readily obtain needed capital on terms and rates comparable to large corporations, and can help local government obtain more capital more efficiently. The act also sets forth as a primary purpose the encouragement of the employment and retention of Washington workers at meaningful wages and to develop innovative approaches to the problem of unmet capital needs.

(2) Members. The authority shall consist of seventeen members as follows: The director of the department of commerce, the director of the department of agriculture, the state treasurer, one member from each caucus in the house of representatives appointed by the speaker of the house, one member from each caucus in the senate appointed by the president of the senate, and ten public members with one representative of women-owned businesses and one representative of minority-owned businesses and with at least three of the members residing east of the Cascades. The public members shall be residents of the state appointed by the governor on the basis of their interest or expertise in trade, agriculture or business finance or jobs creation and development. One of the public members shall be appointed by the governor as chair of the authority and shall serve as chair of the authority at the pleasure of the governor. The term of the persons appointed by the governor as public members of the authority, including the public member appointed as chair, shall be four years from the date of appointment.

In the event of a vacancy on the authority due to death, resignation or removal of one of the public members, or upon the expiration of the term of one of the public members, the governor shall appoint a successor for the remainder of the unexpired term. If any of the state offices is abolished, the resulting vacancy on the authority shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office.

Any public member of the authority may be removed by the governor for misfeasance, malfeasance or willful neglect of duty after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing by the affected public member.

The state officials serving in ex officio capacity may each designate an employee of their respective departments to act on their behalf in all respects with regard to any matter to come before the authority. Such designations shall be made in writing and provided to the authority.

The members of the authority shall serve without compensation but shall be entitled to reimbursement, solely from the funds of the authority, for expenses incurred in the discharge of their duties under this chapter.

Any public member may continue to serve past their scheduled term of office until the governor has appointed a new member to replace such member.

(3) Authority staff. The executive director shall be the chief operating officer of the authority and subject to the direction of the board. The executive director shall serve solely at the pleasure of the board. As the chief operating officer, the executive director is

responsible for day-to-day operations and for operating the authority under the requirements of the Washington law. Compensation for the executive director shall be paid from non-appropriated funds under the control of the authority. Compensation, pay and benefits shall be reviewed annually by the board. The executive director may hire, terminate and pay subordinate staff as necessary, subject to board approval of additional subordinate staff positions and board approval of necessary budgeted funds. The executive director shall have custody of and be responsible for all moneys and securities of the authority and shall deposit all such moneys forthwith in such banks and funds as the authority may designate from time to time.

(4) Administrative office. The administrative office of the authority shall be located at 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046.

(5) Communications with the authority. To request information, or to make submittals or requests, or to obtain copies of agency decisions, members of the public may contact the authority at the following:

Attn: Executive Director
Washington Economic Development Finance Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046
(206) 587-5634

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-040, filed 12/4/19, effective 1/4/20.]

WAC 178-02-050 Operations and procedures—General (1) Authority meetings. The meetings of the authority shall all be "regular meetings" or "special meetings" as those designations are applied in RCW 42.30. Regular meetings shall be scheduled for each calendar quarter under an agreed upon schedule and location by the authority, and notice thereof shall be provided as required in RCW 42.30. Special meetings may be called at any time by the chair or a majority of the board. Notice of all special meetings shall be given by delivering personally, or by mail, fax or electronic mail, to each member a written notice specifying the time and place of the meeting and a copy of the agenda prepared by the executive director in consultation with the chair, and by giving such notice to the public as required by RCW 42.30. Pursuant to RCW 42.30.080(4), in certain circumstances, the notice requirements for a special meeting may be dispensed with where an emergency is deemed to exist. An executive session may be called by the authority to consider the appointment, employment or dismissal of an officer or employee, and such other matters as are permitted by RCW 42.30.110. Except during executive sessions, all meetings shall be open to the public under the guidelines established by state law for public bodies.

(2) Quorum. Nine members shall constitute a quorum, and the act of a majority of the members present at any meeting, if there is a quorum, shall be deemed the act of the authority. Members participating in a meeting through the use of any means of communication by which all members participating can hear each other during the meeting shall be deemed to be present at the meeting for all purposes.

(3) Chair's, vice chair's or secretary's voting rights. The chair, vice chair and secretary shall have the right to vote on all matters before the authority, just as any other authority member.

(4) Minutes of meetings. The executive director, at the direction of the secretary, shall keep minutes of the proceedings of the authority reflecting board member attendance and actions taken during the meeting.

(5) Rules of order. The authority shall generally follow *Robert's Rules of Order*, newly revised, in conducting its meetings.

(6) Form of authority action. The authority may act on the basis of a motion except when authorizing issuance of bonds and when otherwise taking official and formal action with respect to the creation of special funds and the issuance and sale of bonds for a project of a participant, in which case the authority shall act by resolution. Resolutions shall be adopted and motions approved upon the affirmative vote of a majority of the members of the authority present at any meeting. All bonds and coupons shall bear either the manual or the facsimile signatures of the governor and executive director.

(7) Public participation. The presiding officer may grant permission to any person or organization to make a presentation at any of the authority's public meetings. The presiding officer may limit any remarks addressed to the authority.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-050, filed 12/4/19, effective 1/4/20.]

WAC 178-02-060 Operations and procedures—Authority officers and committees.

(1) The officers of the authority. As described in the act, the chair shall be appointed by the governor. A vice chair, secretary and any additional officers determined necessary by the authority shall be elected by majority vote of the board and serve until replaced by a majority vote of the members voting. The term of officers elected by the board shall continue until the earlier of: (a) the stated term of such appointment, (b) the death, resignation or removal of such officer from such position or from the board or (c) the election of a new officer for such position.

(2) Authority chair and vice chair. In addition to any other duties assigned to the chair by the act, by vote of the board or by this chapter, the chair shall convene board meetings and shall preside over the deliberations of the meeting. The chair shall be a member of each board committee and shall have the ability to vote on any matter coming before such committee; *provided*, that the chair shall not vote as an audit committee member on any matter on which the vice chair determines the chair would not have adequate objectivity due to the chair's check-signing authority. The vice chair shall act in the chair's absence with his or her same authority and chair special committees as designated by the authority chair; *provided*, that the vice chair shall not act as a signatory to financial account transactions.

(3) Secretary. The secretary shall be responsible for directing the executive director and staff in keeping minutes and records of board actions, sending out meeting announcements, distributing copies of minutes and the agenda to each board member and assuring that corporate records are maintained.

(4) Committee formation. The authority, either by direction of the chair or action of the board, may create committees as needed. All

committees created by the authority shall be advisory in nature only and shall not act on behalf of the authority. Each committee will have a committee chairperson appointed by the chair of the authority. The committee chair may request the participation of any authority member willing to participate; *provided*, that no committee shall have members sufficient to constitute a quorum of the authority; *provided further*, that no committee meeting shall have sufficient authority members present and participating to constitute a quorum of the authority. The authority chair is an ex-officio member of all committees.

(5) Executive committee. The authority has and shall maintain an executive committee. The chair, vice chair and secretary comprise the membership of the executive committee. The executive director may serve as a non-voting ex-officio member of the executive committee. The executive committee may review issues and make recommendations to the full board. The executive committee may make recommendations regarding the annual performance evaluation of the executive director. The committee may, with the consent of the chair, delegate to the chair the making of any recommendation regarding the annual performance evaluation of the executive director.

(6) Audit committee. The authority has and shall maintain an audit committee. The audit committee is chaired by the vice chair of the authority and operates with at least three members of the board. The audit committee shall review the financial actions by the executive director and staff. The audit committee may develop and review the authority's fiscal procedures.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-060, filed 12/4/19, effective 1/4/20.]

WAC 178-02-070 Operations and procedures—Miscellaneous. (1)

Budget. Each year, the executive director and the executive committee shall prepare and recommend to the board an annual budget. Following such a recommendation, the board shall approve an annual budget. All authority expenditures must be within the total budget. If annual expenses are expected to exceed the budget, the executive director may submit a budget amendment to the board for the board's consideration. Any change in the budget sought by the executive director which proposes an increase of more than 10% in annual expenditures over the existing budget shall be submitted to the audit committee or the executive committee for review prior to submission to the board.

(2) Fiscal year. The authority's fiscal year shall be the calendar year.

(3) All financing documents relating to any issuance of the authority's nonrecourse revenue bonds to which the authority is a party may be executed or attested to by any of the following officials of the authority: the chair, the vice chair, the secretary and the executive director.

[Statutory Authority: RCW 43.163.100. WSR 20-01-001, § 178-02-070, filed 12/4/19, effective 1/4/20.]