



2017
Sustainability
Report



Port of Vancouver USA

Annual Report
WE CAN! Task Force

2017 SUSTAINABILITY REPORT

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I. INTRODUCTION

PURPOSE OF REPORT

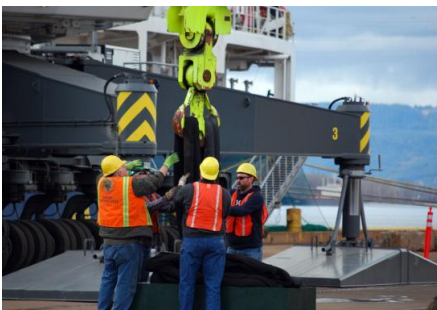
The purpose of this document is to describe the sustainability efforts of the Port of Vancouver (port, POV) for calendar year 2017 as part of the port's commitment to developing a sustainable port. This report includes a description of the port's approach towards sustainability, how sustainability management activities were undertaken during our formal sustainability efforts, and the progress made towards accomplishing our sustainability goals. The port is dedicated to sharing information about its sustainability priorities, goals, initiatives and performance. This report illustrates our commitment to good governance, transparency and responsibility to our community, employees, stakeholders and the environment.

PORT BACKGROUND

The Port of Vancouver was created in 1912 by the people of Vancouver. Back then, many businesses were located on the waterfront for easy access to the ships that plied the waters of the Columbia; but these were private businesses. Public ownership of the waterfront became imperative so that all citizens would reap the benefits of access to waterborne trade across the public shoreline. On April 6, 1912, a special election established the Port of Vancouver. There are now 75 port districts in the state of Washington with the Port of Vancouver being the third oldest port in the state.



Now, over 100 years after its inception, the Port of Vancouver's marine trade and industrial business operations continue to grow. The port is nearly complete in delivering the West Vancouver Freight Access Project, a dedicated dual rail carrier access unit train facility that will result in increased efficiency of rail service, with an estimated forty percent reduction in mainline congestion and delays by the project's anticipated completion in 2018, lowering costs for U.S. manufacturers and farmers, and freeing up tracks for both passenger and freight rail movements. The WVFA project will help unclog a bottleneck caused by trains coming into the port and alleviates the



stalling of national rail lines to the west coast. An important piece of the project is the completed loop track at Terminal 5 that enables the port to stage 100-plus rail car unit trains within the interior of the port without blocking the mainlines. Other important features of the project include a new rail grade-separated entrance into the port that avoids bisecting mainline traffic, expanding the rail corridor throughout port property, and a grade-separated access road into Terminal 5.

The port collaborated with other river ports and federal and state agencies to complete the Columbia River Channel Deepening Project to deepen the channel to 43 feet. This 20-plus year project makes the port more accessible for larger ships with greater cargo capacity, creating an opportunity for new maritime business. The parties are now working towards effective maintenance of the channel at its new depth.

The port has over 50 tenants, five marine terminals and 13 berths. According to the most recent economic impact study (Martin Associates, 2014) approximately 3,237 jobs are directly generated by marine and industrial activities at the port with business activities contributing \$102.7 million in state and local taxes. In 2017 the port earned \$36 million in operating revenue and handled 7.5 million metric tons of cargo, making 2017 the best tonnage year in its 105-year history.

Three publicly-elected commissioners represented the interests of the population of the Port District in 2017; Eric LaBrant, Jerry Oliver and Brian Wolfe. They worked closely with port employees and stakeholders to ensure the port continued to provide economic benefit to our community by attracting new customers, tenants and cargos, and retaining and growing current tenant and customer operations, innovating efficient operational practices, and keeping a vigilant eye on the environment of both the land and the river that serves it.

The port is dependent on a healthy environment, dedicated labor force, economic vitality, and sound leadership to ensure it remains a unique and vibrant center of trade.

II. SUSTAINABILITY AT THE PORT

WHAT SUSTAINABILITY MEANS TO US

The port is committed to the health of the economy, our community and environment. The concept of sustainability is not new to the port. While terms may evolve, our commitment to responsible resource use, protection of the environment, and making business decisions that recognize the balance between the decisions we make today and the consequences those decisions will have on the future have been in place for years.



While there are several definitions of sustainability, the simplest way of thinking about sustainability is to think of future generations and make them a pledge that they will have all the freedoms and luxuries we had in our lifetimes. It means we find alternative ways of doing the same things we do now without creating harmful effects to the environment. The Port of Vancouver strives to meet this definition through our short- and long-term sustainability efforts.

We define sustainability through our values which give rise to our policies, our ethics and our port culture. They commit us to environmental stewardship, safe work environments, and socially-responsible behavior in our workplaces and our community.



Sustainability ties into our core values. The port's mission statement is to provide economic benefit to our community through leadership, stewardship and partnership in marine, industrial and waterfront development. Leadership means looking ahead for land and transportation opportunities and making sure our community's industry and waterfront property is protected for our future. Stewardship means taking care of the public's investment, being good stewards of our environment. Partnership is working with others to ensure continued success and viability.

HISTORY OF THE PORT'S SUSTAINABILITY PROGRAM

In 2008, the port initiated the "We Can!" project. Through this project, the port inventoried previous sustainable efforts and accomplishments and began working toward measurable, consistent changes to improve upon the programs already in place and identify opportunities for future growth.



The port's effort began by forming a cross-departmental task force, the "We Can! Task Force", to be the champions of the port's sustainability initiatives. Each department at the port designated an appointee to represent the unique needs and opportunities of their respective departments. The task force members, along with their departments, developed the 2017 sustainability goals and targets for the Port of Vancouver. The task force set goals with the following guidelines in mind. Goals must:

- Support the port's Mission Statement, Goals and Values
- Be Reasonable
- Be Achievable
- Have Measurable Benefits (where practical)
- Consider the triple bottom line

PROGRAM SCOPE

As a public port, our tenants, customers, users, and stakeholders are numerous. It was important for the port to define the scope and boundaries of the sustainability program. The port's program covers those operations that the port has actual power of control over. Organizational boundaries are defined by operational control; therefore, facilities or operations meeting any of the following criteria were included:

- wholly owned and operated/controlled by the Port of Vancouver;
- the Port of Vancouver has full authority to introduce and implement operating policies (i.e., holds the operating license);
- the Port of Vancouver has full authority to implement operational and health, safety and environmental policies.

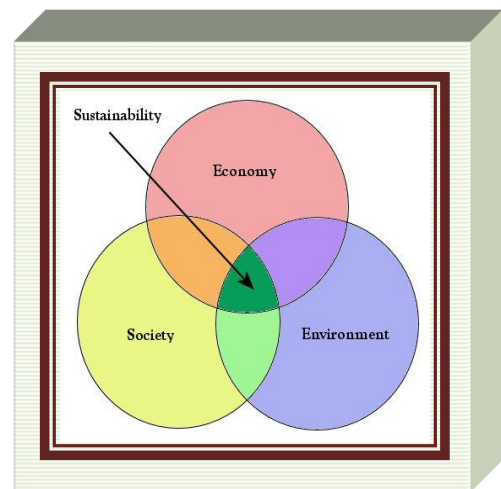
The port believes it is important to reach out to those outside of its organizational boundaries into our community to encourage sustainability among its stakeholders and lead by example. Numerous port publications to the port's voting district, tenants, employees and stakeholders highlight the port's sustainability efforts and project updates to encourage others to begin thinking sustainably.

SUSTAINABILITY REPORTING FRAMEWORK

The port's task force chose the globally recognized and respected Global Reporting Initiative's G3 Guidelines reporting framework to guide them through the process of goal setting and sustainability reporting. Over the years, the team has adapted the framework to meet the port's specific needs.

The framework divides sustainability into three dimensions of sustainability:

- Economic
- Environmental
- Social



GOALS AND YEAR-END TARGETS

In order to achieve sustainability goals, attainable and measurable steps, called year-end targets, were established for each goal for 2017.

- **Goals** - Identify the “big picture” of what the port is trying to achieve
- **Targets** - Attainable and measurable steps that can be taken by the end of the calendar year to achieve the ultimate goal

After setting the 2017 goals and targets, the We Can! Task Force tracked the progress to measure the port’s sustainability success.

RESULTS INDICATORS

The following Results Indicators, which symbolize performance towards year-end targets, have been selected to provide the reader with an easy-to-read format when viewing Section III of this report.



Target Achieved



Target Not Met



Target Carried Over to 2018



III. 2017 SUSTAINABILITY GOALS

ECONOMIC SUSTAINABILITY GOALS AND YEAR-END TARGETS



The Port of Vancouver is an economic engine to the southwest Washington region. The port provides economic stability to our region by producing revenue to our state and local services. The port’s strategy to ensure economic sustainability strives to provide longevity of economic diversity and funding through a sustainable, healthy mix of cargo, tenants and revenue generation. The efforts toward economic sustainability were divided into two goals and twenty-four year-end targets.

GOAL: DIVERSIFY REVENUE SOURCES

TARGET: Effectively market port infrastructure/equipment to attract diverse new customers and build existing business.



STATUS: For the fourth consecutive year, marine cargo volumes have grown year-over-year at the Port of Vancouver. In 2017, nearly 7.5 million metric tons of cargo traversed the port’s marine terminals, up slightly from the 2016 record of 7.49 million metric tons.

For third consecutive year, rail car counts have increased year-over-year at the port. In that period the average year-over-year growth was approximately 8.5 percent.

TARGET: Complete critical elements of the West Vancouver Freight Access (WVFA) project to ensure cargos can efficiently utilize the transportation systems at the port and not bisect mainline rail traffic.

Economic Sustainability Goals (cont.)



STATUS: Construction progress of the WVFA project continued in 2017. Project 7 was completed in 2017. The final project element, the 'grain train track unit train improvements - Phase B' (Project 11B) began construction in 2017 and is anticipated to be complete in 2018.

TARGET: Truck loading tracking and metric development.



STATUS: Provide better labor quotes and reduce cost by tracking the time and costs required to load trucks with different types of cargo. The method of tracking is still under development, and is also part of the installation of upgraded Dockworks (terminal operating software system), which has been delayed until 2018.

TARGET: Evaluate grant and alternative funding opportunities.



STATUS: In 2017, the port was awarded a \$485,000 Transportation Alternative Program grant from the Southwest Regional Transportation Council for construction of a multimodal path at Terminal 1. The port also submitted for a Department of Ecology grant for emergency supply trailers and a FEMA grant for cyber security; award announcements for these grants is anticipated in 2018. Since 2007, the port has received over \$65 million in grants and loans for port projects.

TARGET: Develop and preserve multi-modal transportation access.



STATUS: The Port of Vancouver's unique location in proximity to river, road and rail transportation has been, and remains, vital to supporting economic development through marine and industrial business. Steps taken in 2017 to ensure necessary velocity and capacity for cargo transportation include: supporting channel maintenance efforts, signing a resolution to support I-5 bridge replacement, completing critical elements

Economic Sustainability Goals (cont.)

of the West Vancouver Freight Access project, partnering with the city of Vancouver in implementing elements of the Westside Freight Mobility plan, and joining the City of Vancouver in pursuing a grant to extend 32nd Avenue northward to near Burnt Bridge Creek.

TARGET: Maximize job and revenue generating activities.

STATUS: The port consistently seeks out opportunities to partner with businesses that will join in our goal to be a source of economic strength for the region. In 2017 the port signed several new contracts with international carriers, leases with new tenants, as well as extended leases with existing tenants and renewed contracts with carriers.



- The port signed a lease agreement with Vesta Hospitality, which plans to invest \$40 million to build an approximately 160 room-hotel at the port's Terminal 1 site.
 - In 2017, port tenant Warehouse '23 built upon the success of its restaurant with the lease and activation of additional event and meeting spaces available to the community. Since moving into the Terminal 1 building (former Red Lion Inn at the Quay) in 2016 the restaurant has thrived and revitalized the existing space which has provided community members an opportunity to connect with the waterfront again.
 - Industrial tenants at the port continue to post impressive job-growth figures, with nearly 300 jobs added in 2017 alone – a 16% year-over-year increase.
 - Longshore hours paid for 2017 was 5% above the port's 5-year average – 436,439 hours paid in total.
 - Fluctuations in currency and the global economy had an impact in 2017, but the port's continued marine tonnage growth contributed to a slight increase in operating revenue from \$35.9 million in 2016 to \$36 million in 2017.
-

Economic Sustainability Goals (cont.)

TARGET: Receive Terminal 1 Concept Development Plan approval from state and local agencies by third quarter 2017.



STATUS: The Concept Development Plan received necessary approvals by the city and the Washington Department of Ecology within by the third quarter of 2017. When fully developed, the project will provide office, retail and commercial space; a public marketplace; hotel; residential apartments; low- and high-dock access; restaurants; and connection to the city's popular Renaissance Trail. At full build-out, Terminal 1 is expected to create 800 new jobs to support commercial activity and generate nearly \$93 million in state and local taxes over a 25-year period.

TARGET: Cultivate new customer relationships and build upon existing relationships.



STATUS: On June 29, 2017 the port hosted its annual Tenant Breakfast to express appreciation to business partners and share information on port activities. The breakfast included a bus tour to update attendees on the newly completed and ongoing projects at the port.

The Port's commitment to establishing lasting partnerships is exhibited through the continuous growth in the average annual length of tenant lease contracts, which increased over 10% from 2016 to 2017. Additionally, the port welcomed new and unique tenant to the port in 2017, Wickum Weld, a manufacturer of custom aluminum truck accessories.

GOAL: MAXIMIZE OPERATIONAL PROFITABILITY

TARGET: Investigate the repurposing of scrap and surplus items on hand to make into test weights used for crane and equipment testing in order to streamline cost and efficiency of testing procedures.

Economic Sustainability Goals (cont.)



STATUS: Making of test weights with scrap and surplus materials is still under investigation and has been delayed due to malfunction of the port's truck scale which is needed to weigh components that will make up the test weights.

TARGET: Communicate and raise awareness among affected departments regarding issues that create a material impact to port contracts.

STATUS:



- A cross-departmental team worked together to develop a process for scoping, creating plans and writing specifications for small projects under \$35,000. Because these small projects don't often require the level of in-depth planning followed by larger scaled projects, the Small Works Quote Request Form was developed in order to facilitate the necessary discussion and collect the necessary information between departments for development of successful solicitation specifications.
 - The previously scheduled Contract Coordination meetings were losing their benefit. The contracts department revamped the meetings to a Project Planning/Coordination meeting with specific project agendas and/or future project planning. This meeting has resulted in an effective venue for all involved departments to coordinate on port projects.
-



TARGET: Complete the video monitor room/station to provide early detection capability. Potential to reduce/stop theft and/or property damage.

STATUS: The completion of the monitoring station is an ongoing effort in partnership with the IT and security departments and is anticipated to be complete in 2018.

Economic Sustainability Goals (cont.)



TARGET: Assess vehicles and equipment for upgrades and replacements to ensure safety and increased efficiency. Evaluations will consider improved safety features, lowered maintenance costs, increased useable production time/less time spent on maintenance, improved dependability, benefits to air quality and improved moral.

STATUS: Vehicles and equipment continued to be assessed for upgrades and replacement opportunities in 2017. The port's Prius hybrid was replaced with a plug-in hybrid Kia Optima. The port plans to add an electric vehicle charging station to its Administration Building parking lot in 2018 that will support this electric vehicle and those of guests and employees.



TARGET: Continue transition from existing Exchange Server for Outlook and Office Suite applications to Office 365, Microsoft-hosted Cloud services that includes Microsoft Office Suite, Project, CRM and SharePoint.

STATUS: The switch to Office 365 began in 2017 which eliminated the need for the existing email Exchange Server, reducing IT staff time through ongoing server management needs and a cost savings. Microsoft Office suite is also included in Office 365 so upgrades to software no longer needs to be managed by port IT staff.



TARGET: Optimize office supply ordering through multiple vendors to receive the best value for port purchase needs.

STATUS: In 2017 the port was able to save on several items by utilizing additional suppliers for office supply and furniture needs. In the past, orders were placed through an office supply company for which the port had a cooperative contract. In 2017, the receptionist began the practice of comparing costs for specific supplies and furniture at web sites like Staples, Amazon and Office Depot to take advantage of the lease expensive price at the time for like items.

Economic Sustainability Goals (cont.)

TARGET: Utilize the Washington State Auditor's Local Government Financial Intelligence Tool (FIT), created to aid in understanding local government finance.



STATUS: Working with the Washington State Auditor's Office, the port was able to upload historical financial information allowing for future comparison and benchmarking for financial results. This will allow the port to ensure that it is in alignment with industry standards and set goals to improve financial strength.

TARGET: Provide cyber security training to protect information and assets from cyber-attacks.



STATUS: The IT department conducted various trainings in 2017 related to cyber security and provided a commission workshop on the subject to increase awareness. To test the training, random phishing tests are conducted by the IT department to simulate emails that may be harmful. Staff can now access a phishing reporting button in Outlook to report suspicious activity to IT.

TARGET: Continue developing rail data automation reporting.



STATUS: The port is continuing to refine the reporting of BNSF cars that enter and depart the port rail system. This reporting will allow the port to invoice BNSF for non-port related rail cars utilizing the port's infrastructure. Invoicing will occur in 2018.

TARGET: Continue implementation of the new computerized maintenance management system (CMMS) including integration with the port's fuel delivery system and payroll (eliminating need for paper time cards), as well as use by port tenants.

Economic Sustainability Goals (cont.)



STATUS: Implementation of the CMMS continued in 2017. The integration of the port's fuel delivery system into the CMMS was not completed in 2017 and will become a 2018 year-end target. Time card integration implementation with ADP was not started in 2017 and will become a target for 2018. Port tenants are now able to place repair requests directly through the online CMMS portal, eliminating multiple communication steps and allowing effective scheduling of the work. The Port's CMMS system is now being used by all port departments to capture maintenance and repair tasks performed by the Facilities Department.



TARGET: Maintain clean financial audits and strong financial health.

STATUS: In 2017 the Washington State Auditor's Office had no issues of concern with the port's internal controls to safeguard public assets for the seventh consecutive clean audit. Other indicators of the port's strong financial health: the port maintains excellent credit ratings, and for the sixth year in a row the port commission elected not to take a one percent tax increase allowed by Washington state law.



TARGET: Invest in personnel and resources to ensure the port remains globally competitive.

STATUS: Staff at the Port of Vancouver worked to establish the organization as an approved Foreign Trade Zone (FTZ) grantee and offer this beneficial service to the whole of Clark County as a tool to boost commerce in the region. According to the most recent report by the Foreign-Trade Zones Board over 420,000 people are employed at approximately 3,300 firms that used FTZs in the United States.

The Sales and Marketing department added a new Chief Commercial Officer who will bring years of unique maritime experience and management expertise in his replacement of the retiring Chief Marketing/Sales Officer.

Economic Sustainability Goals (cont.)

TARGET: Begin planning and implementation of port hazard mitigation measures identified in the Clark County Natural Hazards Mitigation Plan aimed at reducing losses caused by natural hazards such as earthquakes, floods, storms and wildfires.

STATUS: In 2016 the port participated in the update of the 2016 Clark County Hazard Mitigation Plan (HMP) as a steering committee member and planning partner with Clark Regional Emergency Services Agency and 16 other municipalities and special purpose districts. Through the combined efforts, the updated HMP aims to reduce disaster losses caused by natural hazards such as earthquakes, floods, storms and wildfires. In 2017 the port began the planning of its 5-year action plan commitments:



- POV-1: Where appropriate, support retro-fitting, purchase or relocation of structures located in high hazard areas and prioritize those structures that have experienced repetitive losses.
- POV-2: Perform assessments of non-structural items (bookcases/racking, etc.) and ensure secured to fixed structure.
- POV-3: Develop a Business Continuity and Disaster Recovery plan, involving key stakeholders.
- POV-4: Assess property elevations to ensure the floodplain is considered in existing and future developments.
- POV-5: Develop volcanic emergency action plan; identify resources that may be negatively impacted; and educate employees on impacts and emergency plans.

TARGET: Issue debt at the lowest possible rate for financial stability.

STATUS: In 2017 the port issued \$30MM of revenue bonds with a 30-year term at an average interest rate of 4.365%. The port had assumed an average interest rate of 5.00% prior to issuance, saving the port \$4.2MM in interest expense over the life of the loan. This equates to an annual savings of \$140,000/year which can be used for other operational needs of the port.



Economic Sustainability Goals (cont.)

TARGET: Reduce costs for the employee and employer while giving the best return on investments to employees by changing 401A provider.



STATUS: The port worked with a third-party consultant to help make an educated decision on what company to use to help reduce the costs for the employees and the employer with the 401A account. The port identified a new 401A provider and transitioned in 2017 resulting in a greater than 50% savings in fees paid by participants of the plan.

TARGET: Increase participation in developing contract scopes to plan for necessary contract language.



STATUS: A cross-departmental team worked together to develop a process for scoping, creating plans and writing specifications for small projects under \$35,000. Because these small projects don't often require the level of in-depth planning followed by larger scaled projects, the Small Works Quote Request Form was developed to facilitate the necessary discussion and collect the necessary information between departments for development of successful solicitation specifications.

SOCIAL SUSTAINABILITY GOALS AND YEAR-END TARGETS



The social dimension of sustainability deals with the impacts the Port of Vancouver has on the social systems within which it operates. This section on the social sustainability is divided into two goals and twenty-six year-end targets.

GOAL: FOSTER POSITIVE AND PRODUCTIVE RELATIONSHIPS WITH STAKEHOLDERS

TARGET: Increase the number of positive interactions with port stakeholders via events, sponsorships, and outreach efforts.

STATUS: In 2017 External Affairs launched a new public lecture series to increase positive interactions with the community, share the important work taking place at the port and demonstrate the importance of our rail and river systems. Four lectures were organized with 57 citizens attending the Columbia River/river pilots lecture; 72 attending the Railroading 101 lecture, 60 attending the 3-Ports lecture; and 90 attending the ILWU Local 4 lecture. We also added participation in two events with the Vancouver Parks Foundation at the Leupke Center which drew 300 families and children to each event. We spoke with the families about Terminal 1 and signed citizens up for port tours. These were all new events from 2016 that increased our citizen interaction.



TARGET: Increase the number of public tours offered at the port.



STATUS: The port held 10 public tours in 2017 - up from eight tours in 2016 as demand has grown and more people are interested in what happens at their public port. The increase in tours allowed approximately 400 people to attend; an increase of 80 from the previous year. In addition

Social Sustainability Goals (cont.)

to public tours, port staff conduct approximately 25 smaller tours for community groups including Leadership Clark County, a group of business educators, Leadership Washington, and Student Manufacturing Day.

TARGET: Integrate safety walk-throughs with tenants to provide added service/support to tenants thus strengthening existing business partnerships and improve overall port safety.



STATUS: Through ongoing outreach and evaluation of tenant safety needs, this target has been modified to best match each tenant's safety needs individually rather than a program for all tenants. The port provides safety resources for tenants including outreach and education to tenants (such as with individual tenant meetings and newsletters) and supports safety remedy options (such as emergency lighting, upgraded egress doors and seismic restraints) for tenants as necessary. Site visits from port safety personnel will continue as necessary.

TARGET: Organize a successful community-wide Christmas Ships viewing at Terminal 1.



STATUS: The port's Christmas Ships viewing event was attended by about 400 individuals and families in 2017 - a huge increase from 2016 when weather forced the ships to cancel. Families enjoyed free music from the Vancouver Community Concert Band, temporary tattoos, cookies, hot cocoa and coffee, and kids coloring books. In 2017 the port added a balloon artist, and an additional face painter to the list of activities to keep kids entertained. Also new in 2017 were free children's books from the Fort Vancouver Regional Library Foundation and port tenants NuStar Energy and Food Express, Inc. In the hotel lobby the port displayed Terminal 1 project boards and staff answered questions about the waterfront project. Representatives from Vesta Hospitality and Columbia Waterfront LLC were on hand to discuss their projects with guests.

Social Sustainability Goals (cont.)

TARGET: Increase the number of individuals who receive information about the port through digital communication platforms to better engage the public.



STATUS: The port had 700 LinkedIn followers by the end of 2016 and that increased to 932 followers in 2017, which was a 33.1 percent increase. On Twitter, followers increased from 2,217 in 2016 to 2,814 in 2017, or a 26.9 percent increase in followers. The port also saw growth on its Facebook page, increasing followers from 741 in 2016 to 3,568 in 2017 or a 381.5 percent increase.

TARGET: Increase outreach to minority populations in Vancouver.



STATUS: The External Affairs department has been conducting outreach to the League of Latin American Citizens (LULAC) and the local Hispanic Chamber. A tour was conducted for LULAC and Hispanic Chamber members.

TARGET: Set up personal meeting with tenants to understand facility needs.



STATUS: The new Facilities Director met with approximately ten port tenants in the fourth quarter of 2017 to better understand their operations, building conditions, and learn about needs they have.

TARGET: Evaluate process for updating the port's strategic plan to provide vision and direction that involves stakeholders.



STATUS: In 2017, the port kicked-off the process to update the strategic plan, engaging commissioners, staff, tenants, citizens, stakeholders and community partners to develop a plan with help from consultants. The developed plan will reflect the values and livability of our community;

Social Sustainability Goals (cont.)

consider the needs of thousands of people who make their living through the port; emphasize an ever-changing economic climate and local and international market opportunities; and observes the highest levels of environmental stewardship. The finished plan is envisioned for completion in 2018.

TARGET: Lead successful outreach efforts to effectively communicate about the port with the public and maritime industry.



STATUS: In 2017 the American Association of Port Authorities (AAPA) recognized the port's External Affairs team with six awards for exemplary work in community outreach and education, marketing and multimedia. Awards were received for the public lecture series, Terminal 1 Master Plan, the Christmas Ships event, port videos, Terminal 5 Statement of Interest, and the 3-Ports joint marketing and government affairs initiative.

TARGET: Encourage opportunities to engage in community volunteerism.



STATUS: In 2017, port staff participated in the Foundation for Vancouver Public Schools' Write from the Start School Supply Drive and donated 115 pounds of school supplies to Vancouver students in need. Port staff also participated with the Vancouver Chamber of Commerce in STEMConnect, a program to connect 40 students with jobs in business and industry. Students had lunch with port staff volunteers and toured the port. Several port staff continue to participate in the Lunch Buddy program with Vancouver Public Schools. In addition, two Red Cross blood drives were held at the port administrative office with 41 people donating. The port has been hosting blood drives for over 17 years.

TARGET: Evaluate partnership opportunities with Washington State University-Vancouver (WSU-V).



STATUS: In an effort to support local educational opportunities and access the talent and skills of local graduate students set to enter the future local

Social Sustainability Goals (cont.)

workforce, the port partnered with WSU-V to assist with Terminal 1 Marketplace feasibility research. Additionally, the port and WSU-V continue to look for future opportunities for partnerships on future business opportunities at Terminal 1.

TARGET: Partner with local emergency planning and response agencies to ensure effective response needs are met.



STATUS: The port routinely coordinates with Clark Regional Emergency Services Agency (CRESA) and the Local Emergency Planning Committee (LEPC) to share information and coordination activities with other local governments, response officials, and industry related to hazardous materials incident response. In addition, the port also coordinates activities with Vancouver Police to do training with port security personnel, and provided access to vacant buildings for training by local fire department personnel.

GOAL: SUSTAIN A PRODUCTIVE AND VITAL WORKFORCE

TARGET: Increase diversity and diversity awareness in the workplace.



STATUS: In 2017 the port updated its written diversity policy/statement, created an annual report, provided that information to the Board of Commissioners, and implemented an annual training for employees.

TARGET: Successfully negotiate contract with the Office and Professional Employees International Union (OPEIU) for port security officers.



STATUS: OPEIU collective bargaining agreement has been negotiated and an agreement is in place for January 1, 2017 until December 31, 2019.

Social Sustainability Goals (cont.)

TARGET: Retain valued employees.



STATUS: Recognition of long-term POV employees was provided through an employee service award presentation. Service awards were given to twelve employees in 2017 to celebrate their years of service with five, ten, fifteen and twenty years of service to the port through the end of 2016. The port also promotes a work-life balance with flexible schedules for compatible employees and remote access for working from home when appropriate.

TARGET: Complete Chief Executive Officer (CEO) recruitment process.



STATUS: The CEO recruitment process was completed in 2017. The robust process included a national search that attracted candidates from national and international locations. The CEO recruitment interview process involved a community panel, staff interviews and a final interview with the port Board of Commissioners. Our finalist candidates also met with members of the public at an open house.

TARGET: Work with the ILWU/PMA Joint Accident Prevention Committee and POV safety committees to collaborate on key safety projects.



STATUS: The committees worked together to find solutions to safety concerns in 2017. A potentially unsafe situation was identified at Berth 7 due to vessel mooring lines getting snagged on the horizontal dock structures during vessel movements. When lines get caught, either personnel would have to climb out on unprotected structures, creating unsafe conditions, to free the lines or the vessel would have to call out linesmen to free the lines, causing vessel delays and additional costs. Port crews installed guide chains at the ends of the dock structures to help keep mooring lines from getting snagged when being pulled.

Social Sustainability Goals (cont.)



TARGET: Update and renew employee manual.

STATUS: The necessary updates to the employee manual for 2017 were completed and are in the process of being rolled out to staff.



TARGET: Participate in the Great Washington ShakeOut event on 10/19 at 10:19am to educate port staff how to prepare to survive and recover from earthquakes.

STATUS: The port participated in the Great Washington ShakeOut event and enacted an earthquake drill on 10/19 at 10:19 a.m. utilizing the drop, cover, hold on and evacuate methods highlighted by Washington State agencies to practice for earthquake safety action.



TARGET: Provide staff options for alternative desk arrangements to promote healthy alternatives.

STATUS: The port has installed 33 stand-up work stations to support a healthy alternative to sitting while performing desk work. These work stations provide nearly half of all desk users the option to stand while working at their desks.



TARGET: Evaluate effective and desired wellness initiatives for inclusion into a Wellness Program.

STATUS: The port is partnering with our health insurance provider to research and implement cost effective wellness initiatives. An employee survey will evaluate the employee wellness options. A centralized electronic site was established locate all wellness documents, conversations, access, ideas, etc. Additional wellness activities are also being coordinated with dental and vision providers.

Social Sustainability Goals (cont.)

TARGET: Develop individual safety training requirements for each POV position.



STATUS: The required safety training for POV employees are based on their position and job functions. While our craft employees are current and up-to-date with their required trainings, the port is in the process of integrating safety training into risk management software which is being reviewed and anticipated to be operational in 2018.

TARGET: Provide a venue and attention for safety initiatives brought through the Safety Committee.



STATUS: The Safety Committee, made up of elected representatives of each department, continued to meet monthly throughout 2017 to provide a venue for identifying and resolution of safety issues. Some of the items accomplished under the safety committee in 2017 include: AED unit placed in the Marine Terminal Operations Office (bringing the total number of port AED units to nine), purchasing of 50 yr. shelf life emergency water supplies, and the addition of a security card reader for entry to Construction Project Office.

TARGET: Develop and implement electronic incident reporting process.



STATUS: This is a work in progress and will work with IT and Security departments to come up with forms that will work for both safety and security functions. In 2018, the port anticipates the purchase and operation of the risk management software necessary to complete and support electronic tracking and reporting of safety incidents, audits, inspections and trainings.

Social Sustainability Goals (cont.)

TARGET: Evaluate and identify opportunities for improved fall protection measures for the enhanced safety of POV employees.

STATUS: The port evaluated fall protection on port projects and buildings and made the following improvements:



- Added permanent fall protection boundary lines to the newly constructed Centennial Industrial Building's roof to indicate areas around the edge of the roof where fall protection is required for entry.
- Added fall protection tie off points into the roof projects for buildings 2210 and 2701.
- Purchased portable fall protection guardrail systems that can be used on port roofs as a fall protection system.

TARGET: Develop 2017 Benefits Committee to evaluate benefit choices for 2017 renewals.

STATUS: The 2017 benefits team was made up of representatives from each department at the port. The result of our 2018 benefits renewal was an overall 5% price increase from the 2017 medical, dental, and vision benefits. The level of coverage and plan details/benefits remained largely the same from plan year 2017 to plan year 2018. Employees continue to rate our benefit package as an important decision for their continued employment.



ENVIRONMENTAL SUSTAINABILITY GOALS AND YEAR-END TARGETS

The port's environmental values demonstrate our commitment to environmental sustainability:

- Integrated Decision Making
- Sustainability
- Pollution Prevention
- Compliance

When developing the goals and objectives for environmental sustainability, the port considered impacts to, land, air and water. This section on the environmental sustainability is divided into two goals and twenty-three year-end targets.



GOAL: PROMOTE POLLUTION PREVENTION

TARGET: Incorporate language in all applicable public works projects with regards to recycled materials.

STATUS: Language promoting the incorporation of recycled construction aggregate and concrete material has been incorporated in all formal public works projects, and as applicable to non-formal projects. Examples of reuse in public works contracts in 2017 include:



- WVFA Project 7 - Approximately 100,000 cubic yards of asphalt, rock and sand from the project were crushed and sorted/cleaned to be used on port projects to save on future material needs.
- WVFA Project 11B - Approximately 25,000 cubic yards of ballast rock was cleaned and reused. Specifications for this project also call for the reuse and relocation of wood and steel track materials vs. buying new and calls for the recycling of any steel materials not deemed acceptable for reuse.

Environmental Sustainability Goals (cont.)

TARGET: Research additional recycling options for port generated batteries.



STATUS: The research efforts led to a new recycling opportunity for large batteries generated out of our IT department for backup power supply. The port was able to recycle the batteries with a new supplier who pays the port \$.28 per pound for the ability to recycle the batteries and reclaim the precious metals inside. In 2017, the port recycled over 57 pounds of batteries through the new vendor.

TARGET: Reduce energy use.



STATUS: Lighting upgrades to more energy efficient systems (LED or energy efficient fluorescent with interior occupancy sensors) were completed at building 2480. These upgrades will save approximately 18,285 kWh per year which is approximately \$1,517 of savings per year. Building 2501 was planned for similar upgrade in 2017. The upgrade will take place in 2018 and the results will be presented in the 2018 report. Since the program's inception at the port, over a million kilowatt hours annually have been saved due to lighting efficiency improvements.

In 2017 the port performed a roof replacement of port building 2707, an approximately 36,000 sq. ft. industrial building. Roofing materials selected for the replacement improves the insulation R-value of the roof which increases energy efficiency.

TARGET: Reduce paper consumption.



STATUS: Building off previously initiated and ongoing paper-saving initiatives, further opportunities implemented in 2017. The 2017 financial statements and 2018 budget book were created in Adobe for online sharing versus printing. In addition to saving paper, this gives the users the ability to search the document or click the links to the designated areas.

Environmental Sustainability Goals (cont.)

TARGET: Evaluate stormwater strategy effects at Terminal 4 stormwater pond.



STATUS: Stormwater strategy elements implemented included jet-cleaning and video inspection of stormwater lines at Terminals 3 and 4, additional Grattix treatment boxes installed to reduce roof runoff pollutants in stormwater, and completing construction of WVFA Project 7 which constructed a new indoor rail dry bulk unloading facility (replacing an outdoor facility) which contains air-borne particles generated during the unloading process. Stormwater sample results taken in 2017 indicate that the stormwater strategy elements are markedly reducing copper and zinc concentrations at the Terminal 4 stormwater pond.

TARGET: Develop and promote secure electronic options within the security department to reduce printing and paper use.



STATUS: Internal document storage procedures have been adjusted within the security department to provide forms to be electronically created and stored and are no longer printed which has led to reduced paper usage by security department.

TARGET: Complete identified improvements to the port's water supply system scheduled to occur in 2017.



STATUS: Water system improvements have been scheduled to occur in three phases. The first two phases are being completed on time in 2017 and 2018. This work included increased booster pumping capacity, replacement of existing telemetry and control system, relocation of security and communications equipment, and constructed a booster pump building. In 2019 and 2020 the final phase of the upgrades is scheduled to occur which will install a backup generator and replacing the existing gas chlorination system with a liquid chlorine system.

Environmental Sustainability Goals (cont.)

TARGET: Evaluate available spill response supplies and locations for improved response time for hazardous materials spills.

STATUS: In an effort to provide expanded emergency spill response supplies and reduce response time to respond to spills, the port assessed the need to provide mobile spill response trailers that house spill equipment/supplies to the port's fleet. While the port currently has stationary spill response sheds and other spill kits located strategically throughout the port, mobile emergency response trailers will be an additional asset to the local community and other first responders and will further reduce response time to get equipment onsite where it is needed promptly. The port applied for a Spill Prevention, Preparedness, and Response Grant from the Washington Department of Ecology to assist with the purchase of two mobile emergency response trailers. Awards will be announced in 2018.



TARGET: Ensure effective recycling of contract submittal documents.

STATUS: Port solicitation criteria dictate criteria for submission of materials that are easily reused or recyclable. Administration staff are responsible for disassembling materials and assessing reuse value for future reuse potential.



TARGET: Continue implementation of new requisition system, e-Requester, to increase efficiencies and save on printed materials.

STATUS: Implementation of e-Requester system continued in 2017. The system has eliminated the need for printing of necessary support documentation (quotes received, product specifications, etc.) creating a simpler process for tracking and routing while saving more than 700 pages of support documentation.



Environmental Sustainability Goals (cont.)

TARGET: Develop port-wide pesticide policy.



STATUS: A draft policy has been created aimed at reduction of harmful chemicals from pesticide applications. In 2018, the port will work to finalize the policy.

TARGET: Optimize main gate operational efficiencies to reduce wait times and unnecessary idling.



STATUS: In 2017, during periods of high operational activity, a mobile security officer is assigned to the main gate, to increase the number of staff available to vet additional visitors which has resulted in reduced wait times and a decrease in unnecessary idling related to waiting vehicles.

TARGET: Acquire water right necessary to meet the port's long-range water demand.



STATUS: In 2017, the port was successful in securing a water right from the Department of Ecology that meets the current and projected water supply needs of the port through the year 2068.

TARGET: Support renewable energy.



STATUS: Since 2008 the port has been supporting wind energy through the voluntary purchase of renewable energy certificates (RECs). For the seventh year, the port has purchased RECs equivalent to 100 percent of its estimated annual electrical usage for the buildings in which it controls its utilities. Since beginning REC purchases, the port has purchased more than 53,000 RECs and supported generation that prevented the release of over 35,000 metric tons of carbon dioxide.

Additionally, the port's new Centennial Industrial Building is constructed to support enough solar arrays that can provide power for the lighting and office support needs.

Environmental Sustainability Goals (cont.)

TARGET: Encourage alternate modes of transportation for commuting and reduce single occupancy vehicle trips.

STATUS: The port continues to participate in commute trip reduction promotion activities such as ride match information, bike to work week, commuting challenges, etc. To celebrate National Bike Month (May), the port teamed up with Left Coast Bicycles to provide an on-site bike tune-up station for employees to encourage biking to work by having bicycle chains cleaned, tires filled and brakes adjusted. The port provides indoor bicycle parking and showers for alternate mode commuters and an outdoor bike rack in front of its administration office for visitors. Alternate commute accommodations are being considered for the Terminal 1 redevelopment and at the Centennial Industrial Building such as EV station-ready, covered awnings for those waiting for a lift, and car/van pool preferred parking. Completion of trail segments now connects the POV administration office to Mill Plain and Fourth Plain bike and sidewalk systems.



TARGET: Perform ISO analysis of the Environmental Management System and manual for the port's water system.

STATUS: The port conducted an International Organization for Standardization (ISO) 14001:2015 Desktop Gap Analysis of the EMS for the port's water system with the assistance of an independent consultant. The port will use the results of the audit to identify useful improvements to incorporate into the EMS program. The port also performed a table top drill to test different risk scenarios and adjust the water system EMS manual as necessary.



TARGET: Reduce idling by vehicles that are waiting at the security screening parking area adjacent to the main gate.

Environmental Sustainability Goals (cont.)



STATUS: This target will be completed in 2018 with the purchase of additional “No Idling Zone” signage that will be installed in front of parking stalls in the screening area.

GOAL: ENCOURAGE THOUGHTFUL NATURAL RESOURCE MANAGEMENT

TARGET: Provide training to port staff on relevant environmental issues.



STATUS: Training for staff was provided in 2017 for critical areas management, stormwater pollution prevention, environmental management system (EMS) awareness, the port’s restrictive covenant areas, and wildlife encounter procedures. The port also partnered with local environmental training companies to train appropriate staff to receive Certified Erosion Sediment Control Lead (CESCL) certification in addition to other internal and external 'awareness level' stormwater training for staff.

TARGET: Reach and educate stakeholders on the port’s environmental initiatives.



STATUS: In order to reach a broader audience, the port made its first environmental video in 2017. The video explains the port’s environmental programs in a format that is readily shared online and is easily digestible for the viewer. The port also did an overhaul on its environmental brochure which is in line with other port promotional materials and includes some quick facts using pictures and numbers versus using a lot of words. The port continues with its other environmental outreach tools which include newsletters, blogs and social media.

Environmental Sustainability Goals (cont.)

TARGET: Consider sustainable development and construction strategies in Terminal 1 redevelopment.

STATUS: The port has a unique opportunity to redevelop approximately 10 acres at the foot of the Interstate 5 Bridge on the shores of the Columbia River which is considered the birthplace of the port and still houses the first port warehouse which has been converted to a restaurant and meeting rooms. Sustainability is at the forethought of planning to ensure the development reflects the port's values. The port has created draft design and sustainability guidelines to guide the development with sustainability in mind. The port began evaluation of LEED Neighborhood certification for the Terminal 1 development in 2017. The approved Concept Development Plan requires various sustainability elements, including LEED Gold or equivalent certification for future buildings at Terminal 1. The port also had a diseased walnut tree at Terminal 1 trimmed instead of removing it ahead of development in hopes of repurposing it once designs for the marketplace are finalized.



TARGET: Responsibly manage natural resource areas and industrial properties.

STATUS: The port is making significant progress in the cleanup of pollution released decades ago by a company that once occupied what is now port property on the corner of Mill Plain and Fourth Plain boulevards. Shallow groundwater contamination has been reduced by 96 percent and intermediate groundwater contamination has been reduced by 89 percent.



Efforts to encourage wildlife success and diversity at the port's natural areas included raising modified purple martin nesting gourds, planting native wildflowers and installing bee houses near the port's mitigation bank. The port saw the purple martin's first attempt to nest in the gourds in 2017. While eggs were laid in one of the gourds, the nest was ultimately abandoned. Further attempts for a successful nesting will be made in 2018.

Environmental Sustainability Goals (cont.)

TARGET: Complete construction of the Centennial Industrial Building incorporating sustainable building elements into construction with the goal of obtaining a Green Globe certification (2 green globes) from the Green Building Initiative (GBI).



STATUS: While the Centennial Industrial Building achieved substantial completion by the end of 2017, construction was complete in early 2018. The building was built to support future solar energy and EV charging, native vegetation has been planted, energy efficient and bird-safe lighting and windows were incorporated, and enhanced stormwater treatment was installed to protect Vancouver Lake.

TARGET: Back initiatives to support the health of Vancouver Lake.



STATUS: The Port of Vancouver is proud to do its part to help keep Vancouver Lake usable for swimmers, kayakers, windsurfers and others who enjoy this wonderful and popular local attraction. The port continues to work with the city, county and Lower Columbia Estuary Partnership (LEPC) on educating West Vancouver students about healthy watersheds, plant species and animals at Vancouver Lake. In 2017, 336 students participated in an LCEP-led field trip to the lake and LCEP also provided 2,352 hours of classroom instruction in preparation for the field trips. The port participated at a public open house to raise awareness of the importance of the lake with other groups involved in caring for the lake.

Port crews also removed approximately 27,000 pounds of debris from the Vancouver Lake Flushing Channel culverts and banks in an ongoing effort to make sure the channel remains functional. A team of professional divers also performed underwater inspections, installed concrete anchors on the riverside grates and placed marker buoys to help locate the grates for future maintenance.

OTHER SUSTAINABILITY SUCCESS STORIES

The port experienced other successes in sustainability that were not captured in the above goals. Some of these successes result from ongoing projects from previous years from which the port continues to gain benefit. In addition, other projects contributed to the port's sustainability efforts that were unplanned at the time of 2017 goal setting. Below are several examples of these successes.

- **Lighting System Upgrades:** As a result of the port's efforts to upgrade lighting systems, the port conserves approximately one million kilowatt hours annually, an annual average savings of approximately \$100,000 for the port, port tenants and customers. This ongoing project will continue upgrading efforts and collaboration with Clark Public Utilities.

- **TCE Treatment System:** Working with the Washington State Department of Ecology, the port continues to clean up solvent contamination left from a previous owner.

The port has treated more than 10 billion gallons of groundwater using a pump and treat system which has helped decrease solvent concentrations in the shallow aquifer by 95 percent and is now generally only located on a small portion of POV-owned property.

The decrease has enabled the removal of treatment systems in the Fruit Valley neighborhood. Frequent monitoring continues to track the cleanup progress. Further improvements to the maintenance and operation of the pump and treat system concluded in 2014 resulted in an ongoing reduction of chemical usage of 97% and chemical costs of 91%.



- **Trails:** The POV is honored to be in a unique and beautiful location in West Vancouver. The port has been working to provide extensions of our multi-use path along SR-501 to accommodate bicycles, pedestrians and others that will make it easier to share the incredible views and recreation of the Vancouver Lake Lowlands with outdoor enthusiasts. The port completed a 2,700-foot section of trail along SR-501 in front of Parcel 1A and another section between Mill Plain and the port's administrative offices on Lower River Road. One additional trail

segment, pending construction in 2018, will connect these existing trail segments to provide safe pedestrian and bicycle access from Gateway Avenue to the Mill Plain sidewalk system (corner of Mill Plain and Fourth Plain Boulevards). Centennial Industrial Park also provides a trail along the mitigation bank which has become a favorite place for many dog walkers.



IV. CONCLUSION

YEAR-END SUMMARY

The Port of Vancouver is looking towards the future; the future of generations to come and the future of the port as an important economic engine of our community. By choosing to formalize sustainability efforts already underway and develop a means for continuous improvement and identification of new opportunities through the development of the WE CAN! Task Force, the port is taking positive steps toward becoming a sustainable port. 2017 was the ninth year of the port's formal sustainability efforts. In 2017, the port:

- took stock of current sustainability actions
- continued to rely on a cross-departmental sustainability task force (the WE CAN! Task Force)
- set goals and year-end targets
- held task force meetings to track progress and identify challenges
- communicated the port's sustainability initiatives
- maintained a sustainability page on the port's website
- measured year-end progress of 2017 targets

Overall, the ninth year of the formalized efforts was successful. The WE CAN! Task Force, together with the departments they represent, set 6 long-term port sustainability goals and identified 73 year-end targets to achieve in 2017 to support the goals.

Overall, the port met 63 (or 86 percent) of its annual targets for 2017. Only 10 annual targets were not accomplished in by year's-end and either changed direction for future efforts or are postponed until 2018. The benefits to the port for achieving such a high percentage of the sustainability targets are apparent, with many targets resulting in a measurable or material benefit. An unexpected benefit of developing a formal sustainability program continues to be the change in culture and behaviors surrounding sustainable actions, with many inspired efforts beyond what were identified as formal goals and targets.

NEXT STEPS

The port plans on continuing the effort started in 2008 into 2018 and beyond. The WE CAN! Task Force will evaluate long-term goals and set new targets for 2018 and continue to make progress for those targets that were deferred from 2017 into 2018. Sustainability efforts will be included into department/individual goals for 2018. Integrating sustainability into every aspect of the port's operation promotes the port's efforts to become a sustainable port.

