

Port of Vancouver USA
Board of Commissioners Meeting
SEPTEMBER 12, 2023



Open Forum

To provide virtual oral comment during the board meeting, you must register no later than 12:00 p.m. Monday, September 11, 2023, by emailing povcommissioners@portvanusa.com



Action Items



Action Item E-1

Approve Parties' Agreement to Settle Claims and
Sign Consent Decree



Action Item E-2

Approve Lease Agreement between the Port of Vancouver and Plastics NW, Inc.





Unfinished Business

PORT CONTRACTS LOGS



New Business



Accounts Payable



CEO Report



CEO Report I-1

Project Updates



Berth 17 Rehabilitation Project

CONTRACTOR: ADVANCED AMERICAN CONSTRUCTION, *Inc.*

- Project: 95% Complete
- Shore Power Ready for Vessel
- Water Lines and Sewer Lines Ready for Vessel
- Mooring Points/Capstan's Installed and Ready for Vessel



Berth 17 Rehabilitation Project

CONTRACTOR: ADVANCED AMERICAN CONSTRUCTION, *Inc.*

- Fence Installation



Berth 17 Rehabilitation Project

CONTRACTOR: ADVANCED AMERICAN CONSTRUCTION, *Inc.*



- Western Power Station Complete



Berth 17 Rehabilitation Project

CONTRACTOR: ADVANCED AMERICAN CONSTRUCTION, *Inc.*



- 95% of Lighting Installed



Quayside Place ADA Sidewalk Ramp

CONTRACTOR: MCDONALD EXCAVATION



- Existing Curb Removal
- Demo and Subgrade
- Concrete Placement



Quayside Place ADA Sidewalk Ramp

CONTRACTOR: MCDONALD EXCAVATION

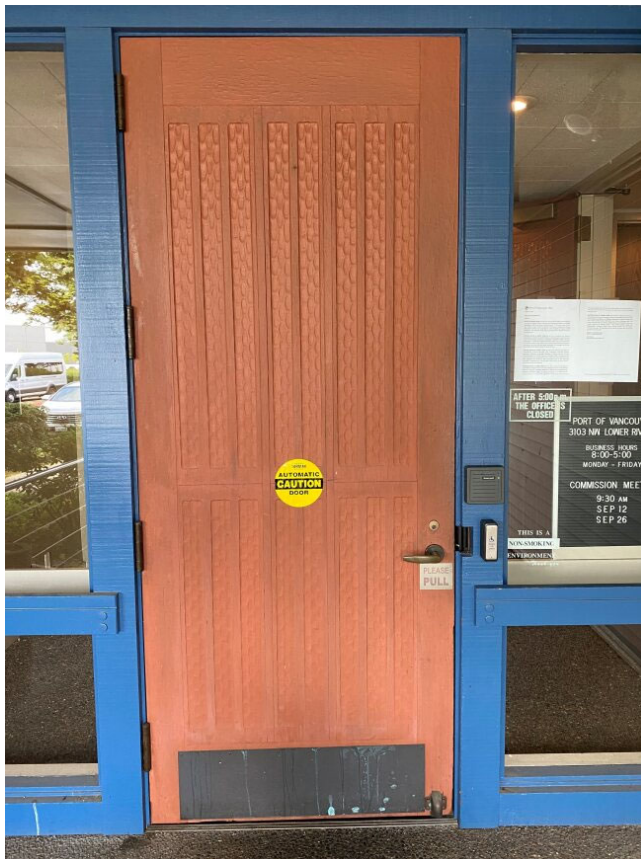


- Concrete Cure Work



Port Administrative Building ADA Motorized Door Project

CONTRACTOR: HARRY'S LOCKSMITH



- Project Complete
- Installed 7 Motorized Swing Arms



Port Administrative Building ADA Motorized Door Project

CONTRACTOR: HARRY'S LOCKSMITH



- Push Button Actuators
- Wireless Receiver, Transmitters



2023 Berth 13-14 Repairs

CONTRACTOR: STATELINE, LLC



- Project Substantially Complete
- Replacement Fender Bumpers
- Chain Assemblies
- Timber Bracing Replacement



Terminal 1 LPC Zoom Info Bldg. (Not Port Project)

CONTRACTOR: ROBERTSON & OLSON



- Passed 1 year of construction
- Structural steel canopy installation
- Exterior membrane application
- Access terrace from Daniels Way



CIP Lot 2 Nu-Tech (Not Port Project)

CONTRACTOR: OBRIEN



- Civil Work Complete
- Landscaping In
- Final Building Finish Work
- Operational Startup



CEO Report



Commissioners Reports



Upcoming Events

Next Commission Meeting

- Regular Commission Meeting – Tuesday, September 26, 9:30 a.m.

Community Events

- Lincoln Neighborhood Association meeting – Wednesday, Sept. 13, 6:30 p.m. via Zoom
- Elktoberfest at Vancouver Elks Lodge – Friday, Sept. 15, 4:00 p.m. – 10:00 p.m.; German fare, vendor marketplace and carnival games for kids
- Arnada neighborhood-wide yard sale – Saturday, Sept. 16, 8:00 a.m. – 2:00 p.m.
- Fort Vancouver Seafarers Center 57th anniversary picnic and fundraiser – Sunday, Sept. 17, 1:00 p.m. at the Center. All welcome but RSVP at 360-694-9300.
- Bird language for beginners at the Water Resources Education Center – Saturday, Sept. 30, 9:30 a.m. - 12:00 p.m. Space is limited and registration required – call 360-487-7111.
- First Day of Fall – Saturday, Sept. 23
- Vancouver Farmers Market – Saturdays (9:00 a.m. – 3:00 p.m.) and Sundays (10:00 a.m. – 3:00 p.m.) at 8th & Esther Street downtown Vancouver



Communicating with the Commission

- Share your thoughts during Open Forum, the public comment period for all regularly scheduled commission meetings.
- Email the commissioners at povcommissioners@portvanusa.com
- Speak to the commissioners by calling the port office at 360-693-3611 for specific contact information.
- Mail your comments to:
POV Board of Commissioners
3103 NW Lower River Road, Vancouver, WA 98660
- For more information, visit the port's website: www.portvanusa.com



Port of Vancouver USA

3103 NW Lower River Road

Vancouver, WA 98660

info@portvanusa.com

360-693-3611



The background image shows a port scene with a large ship, a crane, and a worker in the foreground. The image is overlaid with a blue gradient.

2023 Mid-Year Update Workshop

*Strategic Plan
Financial Update and Forecast
Market and Commercial Trends*



Today's Presentation

- Review of Key Areas of Progress of Strategic Plan in the First Half of 2023
- Mid-Year Financial Update
- Financial Forecast for 2024
- Market and Commercial Trends





Community Goals Mid-Year Progress

- In-Person Connections to the Community
 - Tours
 - Events
 - Port Lecture Series
 - T1 Progress and Use of Space
- Outreach





Economic Development Goals Mid-Year Progress

- I-5 Replacement Bridge
- Advocacy for Freight Mobility
- Identification of Bridge Design Impacts to T1
- River Cruises
- Tenant Outreach





Environmental Goals Mid-Year Progress

- Climate Action Plan
 - Fleet Electrification
 - Renewable Diesel
 - Renewable Energy
- Water Quality
 - Stormwater Treatment Project





Organizational Goals Mid-Year Progress

- Staffing
- Diversity, Equity, and Inclusion





- Workforce Development





Marine/Commercial Goals Mid-Year Progress

- Infrastructure Investments
- Berth 7 – Facility Improvements/Innovation
- Berths 8 & 9 – Facility Improvements/Expansion
- Berth 17
- Foreign Trade Zone (FTZ) – 2 Wind Original Equipment Manufacturers (OEMs) for Canadian Cargo



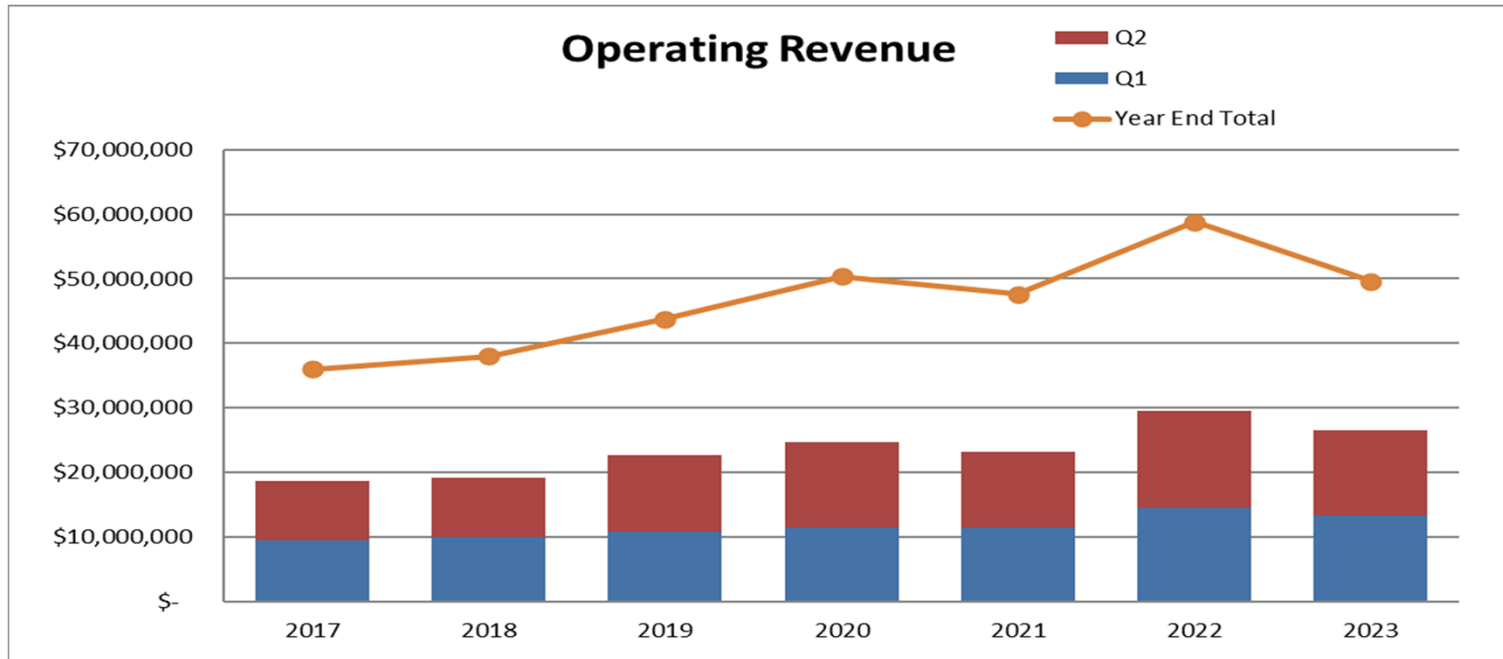


Financial Goals Mid-Year Progress

- Diverse Set of Financial Tools
- Strong Oversight and Continual Tracking of Market Trends and Interest Rates
- Pro-Active Planning and Forecasting
- Maintenance of Assets – Building Assessments



OPERATING REVENUE

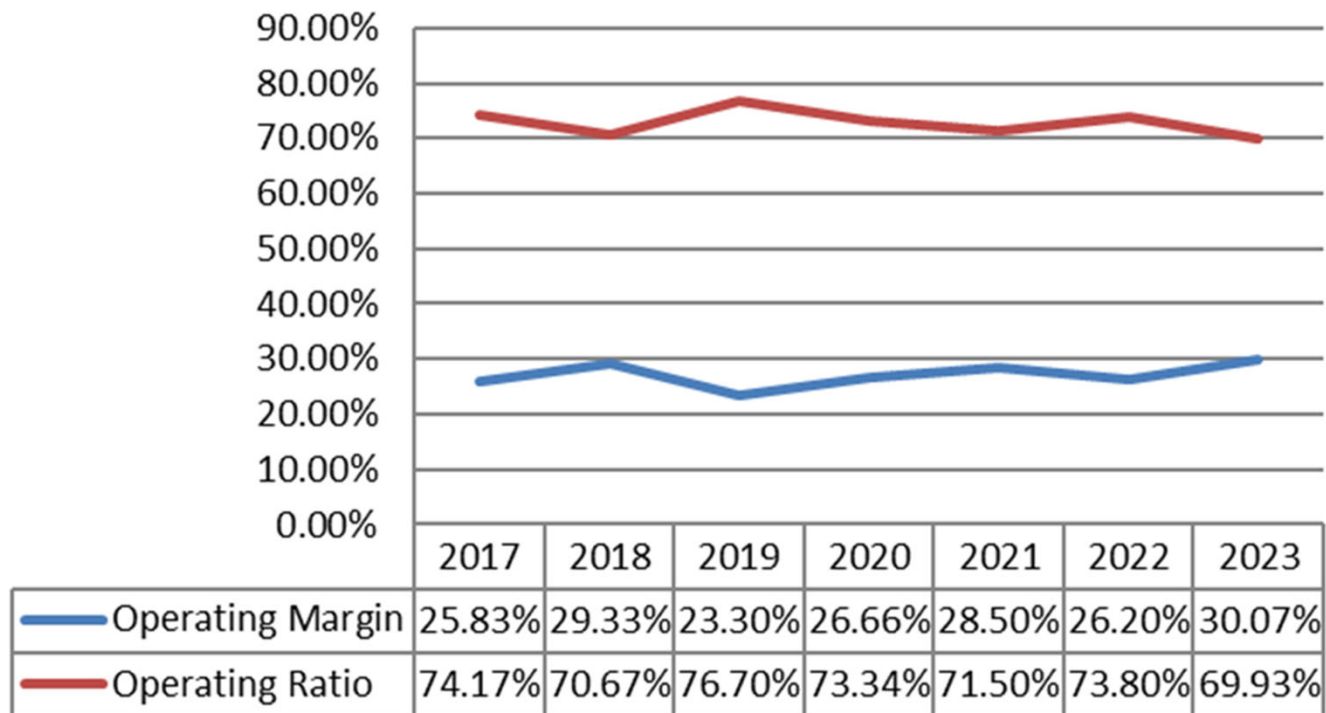


	2017	2018	2019	2020	2021	2022	2023
Q1	\$ 9,570,745	\$ 10,028,420	\$ 10,828,233	11,444,861	11,567,858	14,421,090	13,407,577
Q2	\$ 9,100,229	\$ 9,071,393	\$ 11,806,663	13,172,629	11,674,470	15,140,353	13,065,314
YTD Total	\$ 18,670,974	\$ 19,099,813	\$ 22,634,897	24,617,490	23,242,328	29,561,443	26,472,891
Year End Total	\$ 36,018,976	\$ 37,997,110	\$ 43,784,366	50,359,632	47,643,841	58,830,048	49,600,115
							Budget

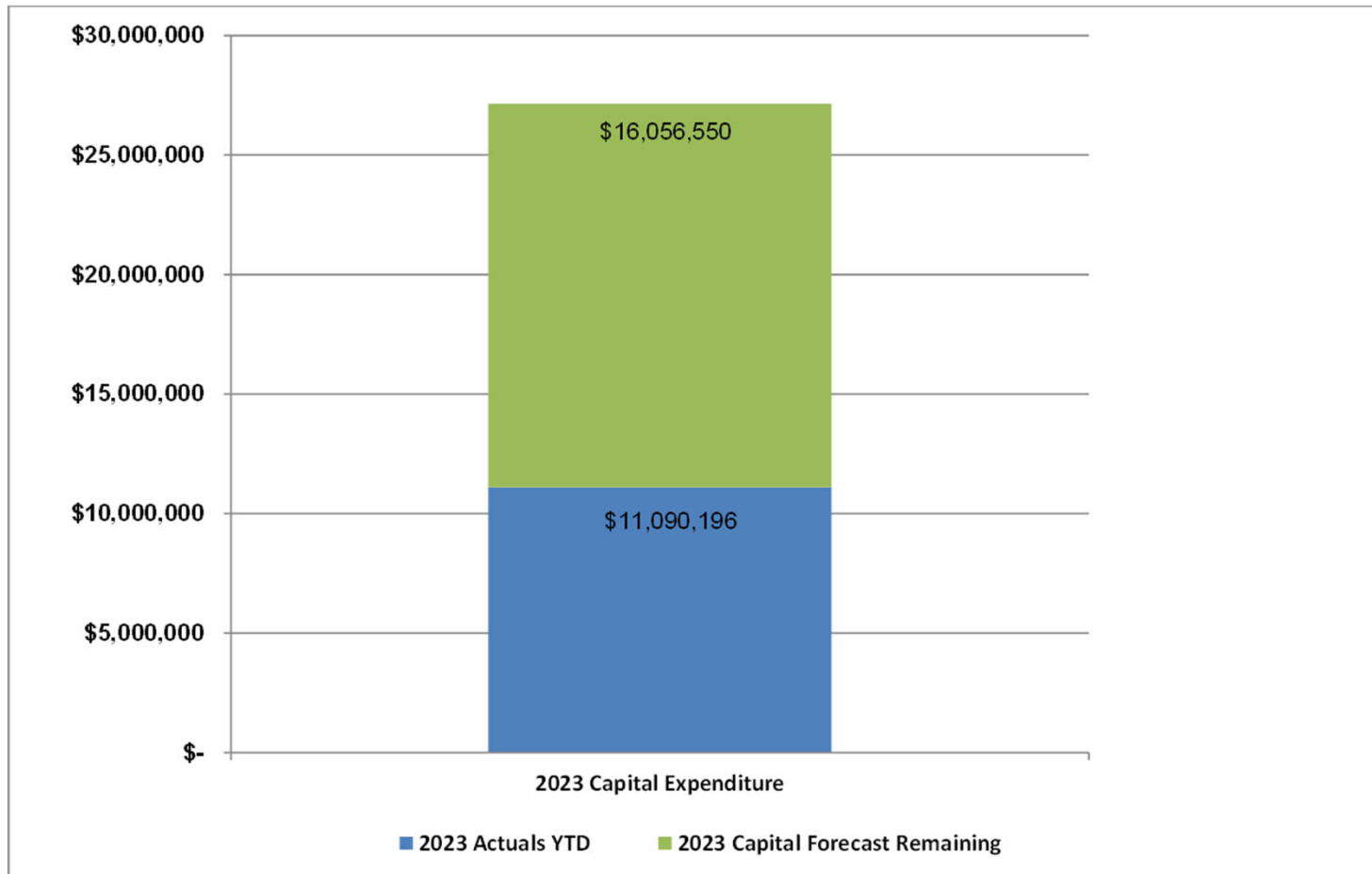


POV KEY PERFORMANCE INDICATORS

Operating Activity Indicators

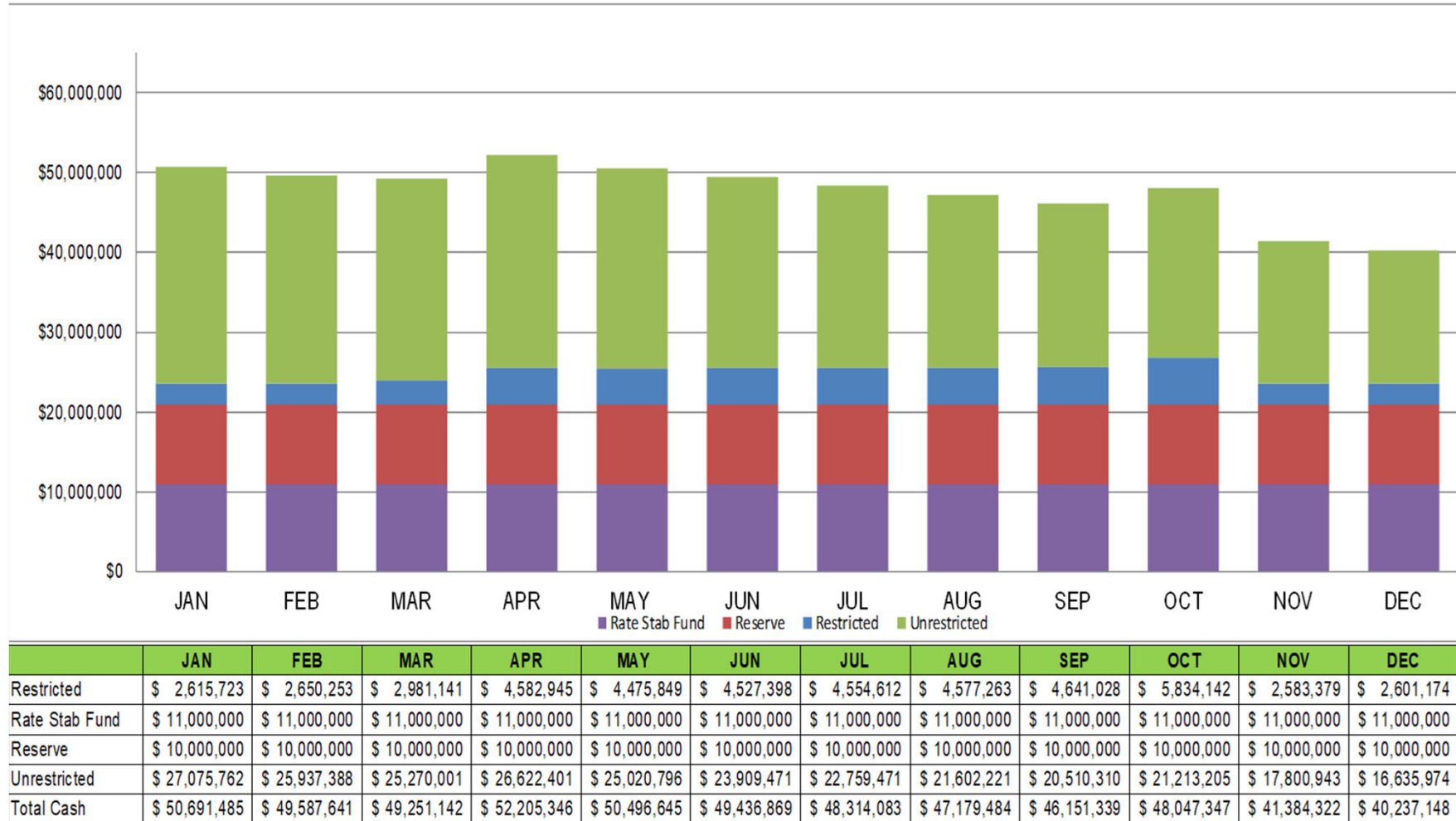


2023 CAPITAL PROGRAM



2023 CASH PLAN – PER PLAN

2023 BUDGET CASH PLAN



2023 CASH PLAN – PER FORECAST

2023 FORECAST CASH PLAN



INVESTMENT SUMMARY

Investment Strategy for Cash

- \$5-7M: Key Bank – 4.5%
- \$10-13M: Government Securities – $\geq 5.0\%$
- Remaining Funds: Local Government Investment Pool (LGIP) - Currently $> 5.25\%$

Objectives for Government Securities

- Adhere to POV's Investment Policy
- Maintain \$10-13M balance
- Ladder maturity of investments
- Seek investments of 5% or greater that have limited call provisions



YEAR-TO-DATE KEY HIGHLIGHTS

Mid-Year 2023 vs. Mid-Year 2022

Decreased Volumes Overall tonnage in the first half of 2023 decreased by 16% or 621,324 mt compared with the same period last year. This decrease is in alignment with the 2023 budget.

Decreased Revenue First half 2023 Operating Revenues decreased by 10% or \$3.09M compared with the same period last year mainly due to decreased sorghum, wheat, steel, sodium hydroxide, windmills commodities, wharfage, loading/unloading operations, equipment rental, crane operations, storage, handling, service & facilities, security sales and services.

Decreased Expense First half 2023 Operating Expenses decreased by 15% or \$3.30M compared with the same period last year mainly due to decreased Terminal labor/Facility expenses.

Forecast Increased Net Income First half 2023 actual \$7.96M compared with budget \$3.49M, Year-end forecast \$10-11M compared with budget \$6.97M.



Looking Ahead to 2023-2024

Financial/Budget Tools

- TIF Legislation
- Legislative Funding Requests
- Grants
- Debt Issuance



Market and Commercial Trends



Renewable Electricity Production & Raw Material Demand

The passage of the Inflation Reduction Act in the United States, combined with incentives from prior legislation, will further supplement the domestic expansion of green technologies. Other nations have instituted means to lower carbon emissions too. This fundamental shift in how energy is produced and dispatched will create dramatic change in raw material demand – type and amount.

Raw Material Needs by Electricity Generation Type

Metric Tons per TWh

	Wind	Solar	Coal	Gas	Nuclear	Hydro
Concrete & Cement	8,000	4,050	870	400	760	14,000
Iron & Steel	1,920	7,900	310	170	165	67
Copper	23	850	1	0	3	1
Aluminum	35	680	3	1	0	0
Glass*	92	2,700	0	0	0	0
Silicon	0	57	0	0	0	0
Total Metals	1,978	9,480	314	171	168	67

Data Source: Department of Energy, World Nuclear Association

*Soda ash a component of glass production is handled on the Columbia River

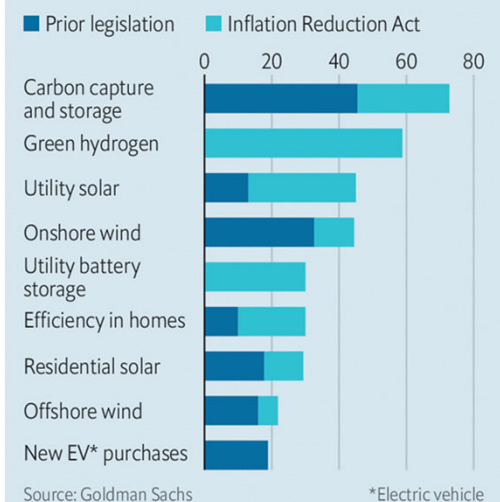
Commodities handled by Port of Vancouver.

"...we're going to have a material shortage. For us to do the green transition...with the technologies we know solar, wind, EVs...we need 3 times as much copper and 10 times as much nickel and 18 times as much graphite...we need to look within the constraints of what we actually have and might be able to build-out in the next 10 to 20 years."

– Peter Zeihan, Demographer & Geopolitical Strategist, March 8, 2023

Gifts from Uncle Sam

United States, tax credits and other incentives for selected clean technologies
As % of average total cost, 2022

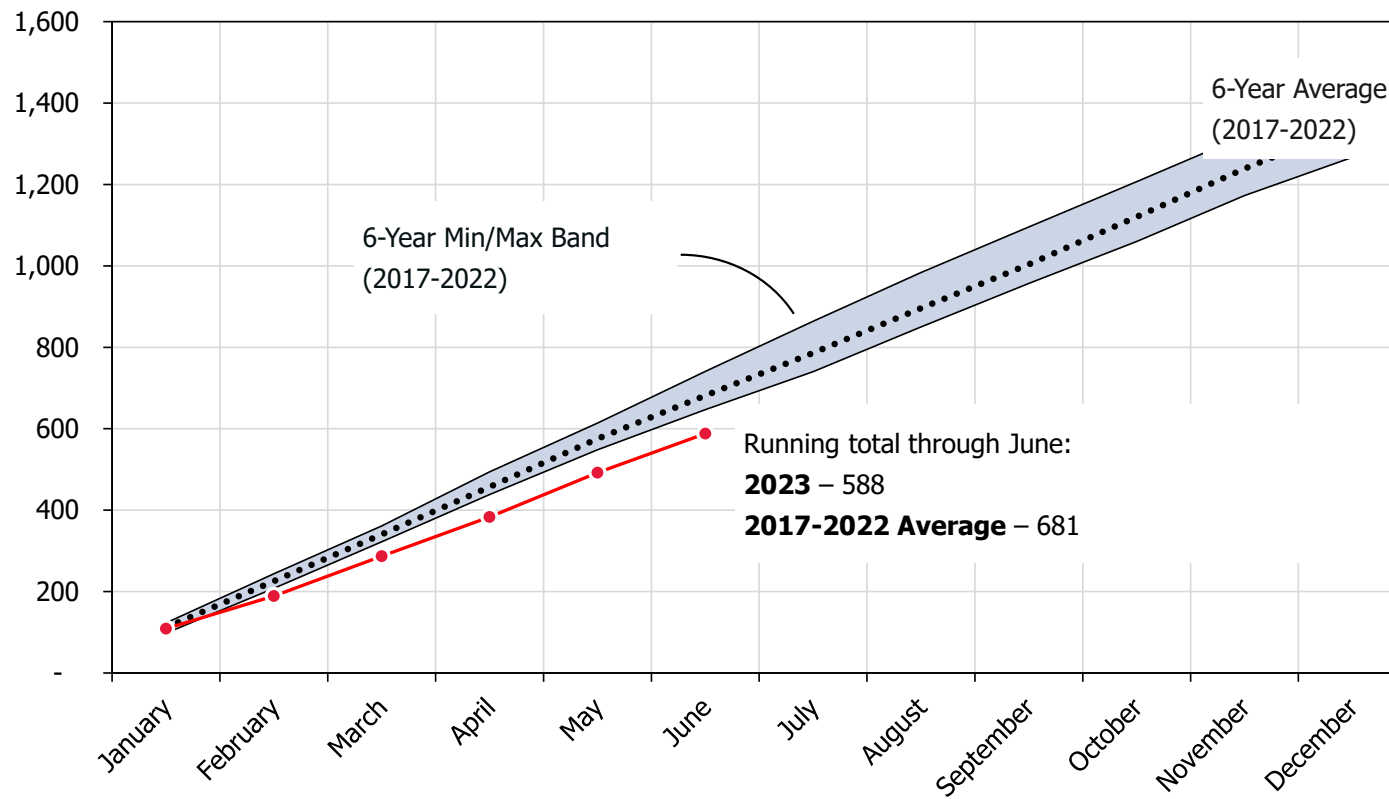


The Economist



Vessel Counts Year-to-Date Lowest in 6 Years

Columbia River Vessel Counts, Running Total



Looking Ahead

SECOND HALF 2023 & 2024

Softening Outlook

- Lower volumes seen across majority of business segments as inflation and interest rates create slowing demand
- A return to historical levels after three years of elevated volumes portends a slower growth period

POV Remains Well Positioned

- Subaru plans to produce 400,000 electric vehicles in its Japanese plants by 2028 as it tries to get 40 percent of its global sales from EVs by the end of the decade
- POV grows in conjunction with Subaru as the highest volume Subaru port in the US
- POV remains the largest & most diversified wind energy port on the US West Coast
- Infrastructure planning continues to adapt to accommodate ever larger wind components



Subaru Vehicles



Wind Energy



Thank You!

