

**METRO VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE**

MEETING

Wednesday, November 13, 2024

1:00 pm

28th Floor Committee room, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <https://www.metrovancover.org>

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. November 13, 2024 Meeting Agenda

That the Finance Committee adopt the agenda for its meeting scheduled for November 13, 2024 as circulated.

B. ADOPTION OF THE MINUTES

1. October 9, 2024 Meeting Minutes

That the Finance Committee adopt the minutes of its meeting held October 9, 2024 as circulated.

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C. DELEGATIONS

D. INVITED PRESENTATIONS

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. MVRD Audit Plan from KPMG LLP

That the Finance Committee receive for information the report dated November 6, 2024, titled "MVRD Audit Plan from KPMG LLP".

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2. Metro Vancouver's 2024 Financial Performance Report

That the MVRD Board receive for information the report dated October 31, 2024 titled "Metro Vancouver's 2024 Financial Performance Report".

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¹ Note: Recommendation is shown under each item, where applicable.

3. Manager’s Report

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That the Finance Committee receive for information the report dated November 5, 2024, titled “Manager’s Report”.

F. INFORMATION ITEMS

1. Stage Gate 0 - Annacis Island Wastewater Treatment Plant Digester No. 5

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G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

I. ADJOURNMENT

That the Finance Committee adjourn its meeting of November 13, 2024.

Membership:

West, Brad (C) – Port Coquitlam

Klassen, Mike (VC) – Vancouver

Brodie, Malcolm – Richmond

Buchanan, Linda – North Vancouver City

Kooner, Pardeep – Surrey

Kruger, Dylan – Delta

Little, Mike – North Vancouver District

MacDonald, Nicole – Pitt Meadows

McEwen, John – Anmore

Woodward, Eric – Langley Township

**METRO VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Finance Committee held at 1:00 pm on Wednesday, October 9, 2024 in the 28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Director Brad West, Port Coquitlam
 Vice Chair, Director Mike Klassen*, Vancouver
 Director Malcolm Brodie, Richmond
 Director Linda Buchanan, North Vancouver City
 Director Pardeep Kooner, Surrey
 Director Dylan Kruger*, Delta (arrived at 1:04 pm)
 Mayor Mike Little, North Vancouver District (arrived at 1:06 pm)
 Director Nicole MacDonald*, Pitt Meadows
 Director John McEwen*, Anmore
 Director Eric Woodward, Langley Township

*denotes electronic meeting participation as authorized by the *Procedure Bylaw*

STAFF PRESENT:

Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer
 Harji Varn, Chief Financial Officer/General Manager, Financial Services
 Rapinder Khaira, Legislative Services Coordinator, Board and Information Services
 Sonu Kailley, Director, Financial Planning, Financial Services
 Amanda McCuaig, Director, Communications, External Relations

A. ADOPTION OF THE AGENDA

1. October 9, 2024 Meeting Agenda

It was MOVED and SECONDED

That the Finance Committee adopt the agenda for its meeting scheduled for October 9, 2024 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. July 10, 2024 Meeting Minutes

It was MOVED and SECONDED

That the Finance Committee adopt the minutes of its meeting held July 10, 2024 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. 2025 – 2029 Financial Overview

Report dated September 26, 2024, from Jerry Dobrovolny, Commissioner/Chief Administrative Officer and Harji Varn, Chief Financial Officer/General Manager, introducing a high-level overview of the Metro Vancouver 2025 – 2029 budget.

Jerry W. Dobrovolny and Harji Varn provided a presentation titled “2025 – 2029 Financial Plan Overview”, with an overview of the 2025 budget cycle timeline, its major cost drivers, and the overall household impact.

1:04 pm Director Kruger arrived at the meeting.

1:06 pm Mayor Little arrived at the meeting.

Members discussed the allocated Invest Vancouver budget, management of the projected debt servicing levels, and the impact of Development Cost Charges on household impact targets in the 2025 – 2029 Financial Plan.

It was MOVED and SECONDED

That the Finance Committee receive for information the presentation titled “2025 – 2029 Financial Plan Overview”.

CARRIED

2. 2025 – 2029 Financial Plan – Allocated Programs

Report dated October 2, 2024, from Jerry Dobrovolny, Commissioner/Chief Administrative Officer and Harji Varn, Chief Financial Officer/General Manager, Financial Services, providing the Finance Committee with the 2025 – 2029 Financial Plans for the Allocated Programs for consideration of endorsement.

Harji Varn and Sonu Kailley, Director, Financial Planning, Financial Services, provided a presentation titled "2025 – 2029 Financial Plan – Allocated Programs", with a breakdown of the 2025 operating budget, noting that there are no new staff and the major cost driver is software costs.

It was MOVED and SECONDED

That the Finance Committee endorse the 2025 – 2029 Financial Plan – Allocated Programs as presented in the report dated October 2, 2024, titled “2025 – 2029 Financial Plan – Allocated Programs”, and forward it to the Metro Vancouver Board Budget Workshop on October 16, 2024 for consideration.

CARRIED

3. **2025 – 2029 Financial Plan – Regional District Service Areas**
Report dated October 2, 2024, from Jerry Dobrovlny, Commissioner/Chief Administrative Officer and Harji Varn, Chief Financial Officer/General Manager, Financial Services, providing the Finance Committee with the 2025 – 2029 Financial Plan for the Regional District Service Areas for consideration of endorsement.

Harji Varn and Sonu Kailley provided a presentation titled "2025 – 2029 Financial Plan – Regional District Service Areas", with a breakdown of the 2025 operating budget, and capital funding and expenditures.

It was MOVED and SECONDED

That the Finance Committee endorse the 2025 – 2029 Financial Plan for the Regional District Service Areas as presented in the report dated October 2, 2024, titled "2025 – 2029 Financial Plan – Regional District Service Areas", and forward it to the Metro Vancouver Board Budget Workshop on October 16, 2024 for consideration.

CARRIED

4. **Overview of Engagement on 2025 Budget and Five-Year Financial Plan**
Report dated October 1, 2024, from Amanda McCuaig, Director, Communications, External Relations, providing the Finance Committee with an overview of public engagement conducted from July 31 to September 16, 2024 on Metro Vancouver's 2025 budget and five-year financial plan.

Amanda McCuaig, provided a presentation titled "Overview: Budget Engagement", with an overview of the public engagement approach on the 2025 budget and 2025 – 2029 Financial Plan. She highlighted the high levels of participation and common themes supported by the public.

It was MOVED and SECONDED

That the Finance Committee receive for information the report dated October 1, 2024, titled "Overview of Engagement on 2025 Budget and Five-Year Financial Plan".

CARRIED

5. **Semi-Annual Report on GVS&DD (Sewerage) and GVWD (Water) Development Cost Charges**

Report dated September 26, 2024, Sonu Kailley, Director, Financial Planning, Financial Services, providing the Finance Committee with a report on the GVS&DD and GVWD Development Cost Charge revenue collections during the first half of 2024.

It was MOVED and SECONDED

That the Finance Committee receive for information the report dated September 26, 2024, titled "Semi-Annual Report on GVS&DD (Sewerage) and GVWD (Water) Development Cost Charges".

CARRIED

6. **Jericho Reservoir Phase 2 – Dissolution of Water Supply Agreements**
Report dated September 30, 2024, from Sonu Kailley, Director, Financial Planning, Financial Services, providing the Finance Committee and GVWD Board with an opportunity to consider the approval of the dissolution of the Water Supply Agreements for Phase 2 of the Jericho Reservoir between the GVWD, Township of Langley, and City of Surrey and authorize the refund of any payments made in relation to the Jericho Reservoir Phase 2 Project.

It was MOVED and SECONDED

That the GVWD Board approve the dissolution of the Water Supply Agreements between the GVWD, Township of Langley, and City of Surrey for Phase 2 of the Jericho Reservoir and authorize the refund of payments made in relation to Jericho Reservoir Phase 2 Project.

CARRIED

7. **MVRD Temporary Borrowing Bylaw No. 1397, 2024**
Report dated September 12, 2024, from Linda Sabatini, Director, Financial Operations, Financial Services, providing the Finance Committee and MVRD Board with the *Metro Vancouver Regional District Temporary Borrowing Bylaw No. 1397, 2024* for consideration for first through third reading, and adoption.

It was MOVED and SECONDED

That the MVRD Board:

- a) give consent to temporary borrow on behalf of the Metro Vancouver Housing Corporation (“MVHC”) an amount, or amounts in aggregate, not exceeding \$70 million dollars, the amount of *the Metro Vancouver Loan Authorization Bylaw No. 1381, 2024*, and the maximum borrowing authorized;
- b) give first, second and third readings to *Metro Vancouver Regional District Temporary Borrowing Bylaw No. 1397, 2024*; and
- a) adopt *Metro Vancouver Regional District Temporary Borrowing Bylaw No. 1397, 2024* and forward it to the Municipal Finance Authority of British Columbia as approval for anticipated temporary borrowing applications.

CARRIED

8. **Manager’s Report**
Report dated October 1, 2024, from Harji Varn, Chief Finance Officer/General Manager, Financial Services, providing the Finance Committee with an update on the Committee’s 2024 Work Plan.

It was MOVED and SECONDED

That the Finance Committee receive for information the report dated October 1, 2024, titled “Manager’s Report”.

CARRIED

F. INFORMATION ITEMS

No items presented.

G. OTHER BUSINESS

No items presented.

H. RESOLUTION TO CLOSE MEETING

No items presented.

I. ADJOURNMENT

It was MOVED and SECONDED

That the Finance Committee adjourn its meeting of October 9, 2024.

CARRIED

(Time: 2:11 pm)

Rapinder Khaira,
Legislative Services Coordinator

Brad West,
Chair

71184545

To: Finance Committee

From: Linda Sabatini, Director, Financial Operations

Date: November 6, 2024 Meeting Date: November 13, 2024

Subject: **MVRD Audit Plan from KPMG LLP**

RECOMMENDATION

That the Finance Committee receive for information the report dated November 6, 2024, titled "MVRD Audit Plan from KPMG LLP".

EXECUTIVE SUMMARY

Metro Vancouver Districts and the Metro Vancouver Housing Corporation are required under provincial legislation to prepare annual financial statements, audited by a public accounting firm and approved by the Board by May 15th each year. The 2024 Annual Financial Statements, along with the draft auditors report, will be presented to the Finance Committee at its April meeting, prior to Board approval.

KPMG was approved by the Board on July 26th, 2024 as Metro Vancouver's external auditors for a five-year period. Fiscal year 2024 is the first year of the five-year contract. Attached for information is the audit planning report prepared by KPMG LLP. This report outlines the audit approach, key audit areas, auditor responsibilities and audit deliverables.

PURPOSE

To provide the Finance Committee with our external auditor's plan for the completion of the annual external audit for the Metro Vancouver Districts and Housing Corporation for fiscal year 2024.

BACKGROUND

Under provincial legislation, an external audit is required to be undertaken annually for all Metro Vancouver Districts and the Metro Vancouver Housing Corporation. This audit must be conducted by a public accounting firm that is licensed to conduct such audits. The results of the annual audit along with the draft audit report and the 2024 Audited Financial Statements will be presented to this Committee at its April meeting with the financial statements to be forwarded to the Board for approval. Legislation requires that the final Board approval of the annual financial statements take place on or prior to May 15, 2025.

KPMG LLP was approved by the Board on July 26th, 2024 as Metro Vancouver's external auditors for a five-year period. Fiscal year 2024 is the first year of the five-year contract.

ANNUAL AUDIT PLAN

The Audit Plan from KPMG LLP for the Metro Vancouver Districts and Housing Corporation is included as an attachment to this report. The audit plan outlines the audit approach, key audit areas, auditor responsibilities and audit deliverables.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The completion of the annual financial statement audit fulfills a statutory requirement. The cost of the audit is included in the approved annual budget.

CONCLUSION

As prepared by KPMG LLP, our external auditors, the plan for the 2024 external audit of the Metro Vancouver Districts' and the Metro Vancouver Housing Corporation is presented to the Committee for information.

ATTACHMENTS

1. "MVRD Audit Planning Report to the Finance Committee", dated, November 6, 2024

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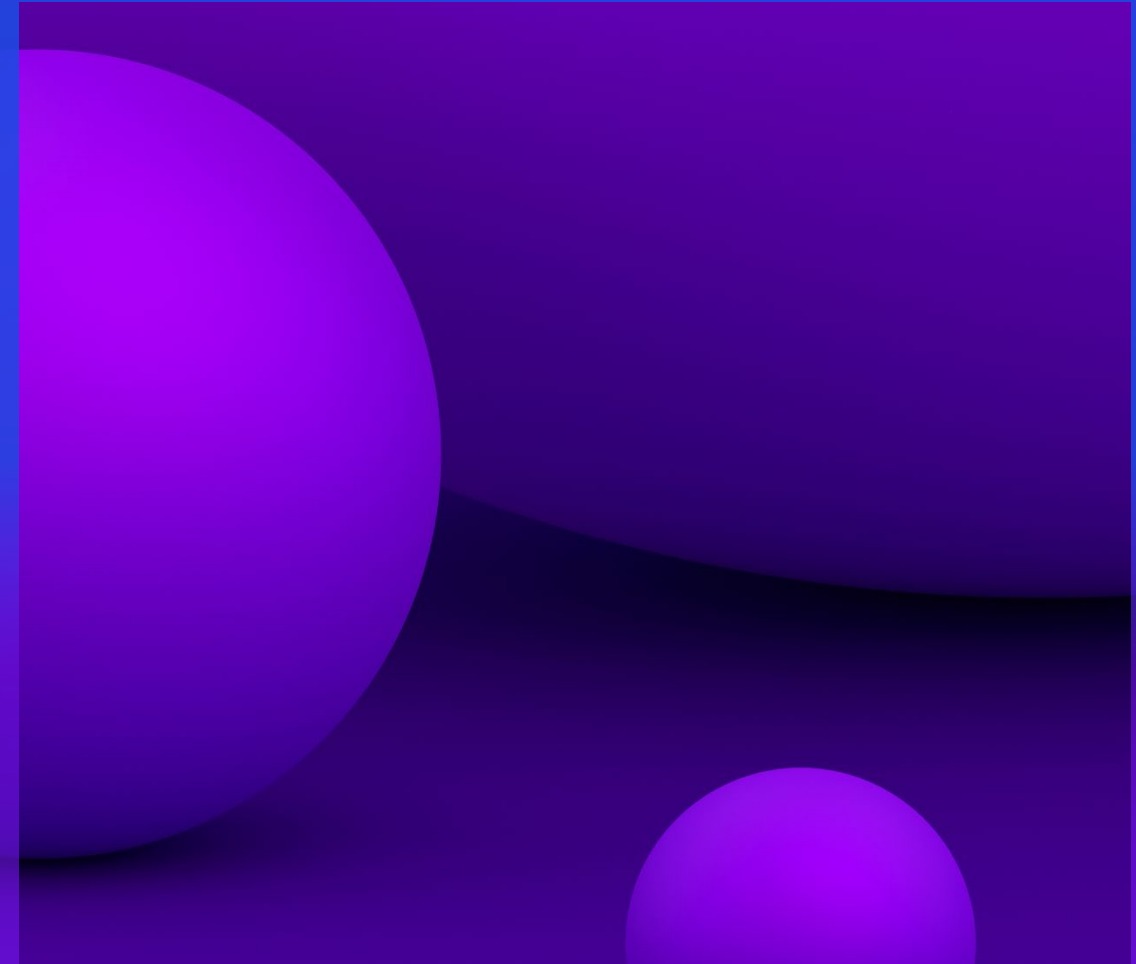
Metro Vancouver Regional District

**Audit Planning Report
for the year ended
December 31, 2024**



Prepared as of November 6, 2024 for presentation to the Finance
Committee on November 13, 2024

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

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Digital use information

This Audit Planning Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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Appendices



Audit highlights



No matters to report



Matters to report – see link for details

Scope

Our audit of the consolidated financial statements (“financial statements”) of Metro Vancouver Regional District (“the District”) as of and for the year ending December 31, 2024, will be performed in accordance with Canadian generally accepted auditing standards. Our work will also include the standalone audits of the financial statements of Greater Vancouver Sewerage and Drainage District (“GVSD”), Greater Vancouver Water District (“GVWD”) and Metro Vancouver Housing Corporation (“MVHC”) (together “the Entities”) as of and for the year ending December 31, 2024.

We welcome your input and feedback on our audit plan as enumerated in this report.

Audit strategy

Materiality \$32 million

Involvement of others

New accounting standards

PS 3400 *Revenue*, PSG-8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships* are new accounting standards effective for the 2024 fiscal year. Based on our preliminary discussions with management, PS 3400, PS 3160 and PSG-8 is not expected to have a material impact on the financial statements. We are in the process of working with management on their implementation of PS 3400.

Risk assessment

Risk of management override of controls

Other significant risks

Other areas of elevated focus

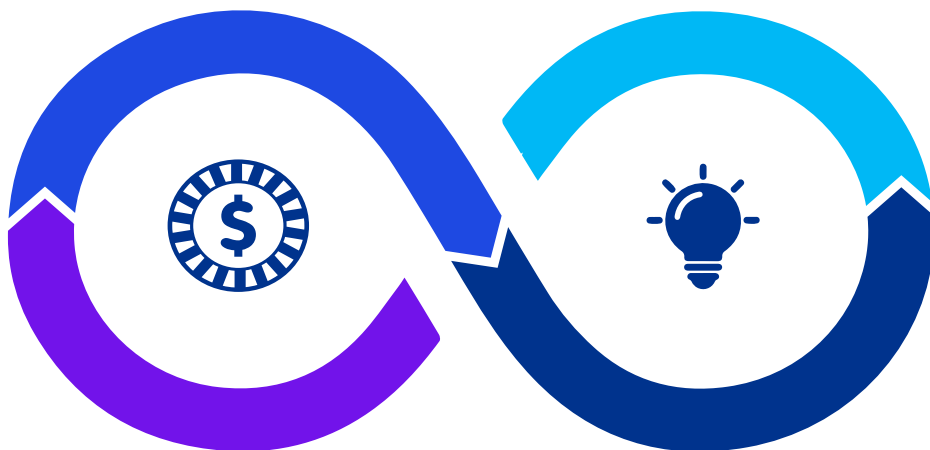
- Contingencies
- Tangible capital assets

The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management, the Finance Committee, and the Boards of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Finance Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



Materiality



Prior period total revenues*

\$1.25 billion

**Normalized for one-off Growing Communities grant received in prior year*

% Benchmark

2.56%

Audit Misstatement Posting Threshold

\$1.6 million

The above is the materiality for the consolidated financial statements of the District. Materiality for GVSDD, GVWD and MVHC is provided on page 9.



Involvement of others

The following parties are involved in the audit of the financial statements:

Involved party	Nature and extent of planned involvement
<p>Management's specialists</p>	<p>Landfill closure and post-closure liability: Information provided by the City of Vancouver specialist is used in management's calculation of the landfill closure and post-closure liability.</p> <p>Asset retirement obligation: Information provided by Management's specialist is used in management's calculation of the asset retirement obligation.</p> <p>Employee benefit obligation: Information provided by Management's specialist is used in management's calculation of employee benefits obligation.</p>
<p>KPMG professionals with specialized skill or knowledge</p>	<p>Understanding of IT: Members of our IT audit professionals group will support the core audit team in obtaining our understanding of IT.</p>



Group audit – Scoping

Professional standards require that we obtain an understanding of the District's organizational structure, including its components and their environments that is sufficient to identify those components that are financially significant or that contain specific risks that must be addressed during our audit of the District. The components included in the District over which we plan to perform our audit procedures are as follows:

	Individually financially significant component	Individually financially significant component	Individually financially significant component	Individually financially significant component
	District	GVSD	GVWD	MVHC
Full-scope audit	✓	✓	✓	✓
Audit, as a standalone audit is being performed due to statutory requirements		✓	✓	✓





Group audit – Component / Standalone Materiality

Metro Vancouver Regional District (component)

\$10 million

Benchmark: Group audit materiality

% of benchmark: 31%

Audit misstatement posting threshold: \$500,000

Greater Vancouver Water District (standalone)

\$10 million

Benchmark: prior year total revenues

% of benchmark: 2.55%

Audit misstatement posting threshold: \$500,000

Greater Vancouver Sewerage and Drainage District (standalone)

\$17 million

Benchmark: prior year total revenues

% of benchmark: 2.57%

Audit misstatement posting threshold: \$850,000

Metro Vancouver Housing Corporation (standalone)

\$1.3 million

Benchmark: prior year total revenues

% of benchmark: 2.55%

Audit misstatement posting threshold: \$64,000



Audit approach

We highlight below examples of audit procedures we will perform to obtain an understanding of the organization and its internal controls to inform our risk assessment and design procedures to address where material errors could occur.

Procedures

- Obtain an understanding of the Entities and their environment (industry, economic environment, regulatory and legislative requirements).
- Identify key business processes (Treasury and Debt, Revenue, Purchases and Payments, Payroll) and where material errors in the financial statements could arise, including from error and fraud.
- Validate our understanding of key business processes by performing a walkthrough of each significant process to determine if the process operates as described.
- Obtain an understanding of the Entities' internal controls and risk assessment processes and evaluate their suitability based on the nature and complexity of the organization.
- Evaluate if a culture of honesty and ethical behaviour has been created and maintained.
- Evaluate if appropriate policies and procedures for communications and information systems are in place to support accurate and timely preparation of the financial statements.
- Documents inspected will include Code of Conduct, Reporting of Serious Misconduct Policy and Procedure, Quarterly financial reporting and management updates.



Audit approach

The following are inquiries that we are required to make to those charged with governance:



Inquiries regarding risk assessment, including fraud risks

- What are the Committee's views about fraud risks, including management override of controls, in the Entities? And have you taken any actions to respond to any identified fraud risks?
- Is the Committee aware of, or has the Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
 - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Committee exercise oversight of the Entities' fraud risks and the establishment of controls to address fraud risks?



Inquiries regarding organization processes

- Is the Committee aware of tips or complaints regarding the Entities' financial reporting (including those received through the Committee's internal whistleblower program, if such programs exist)? If so, the Committee's responses to such tips and complaints?



Inquires regarding related parties and significant unusual transactions

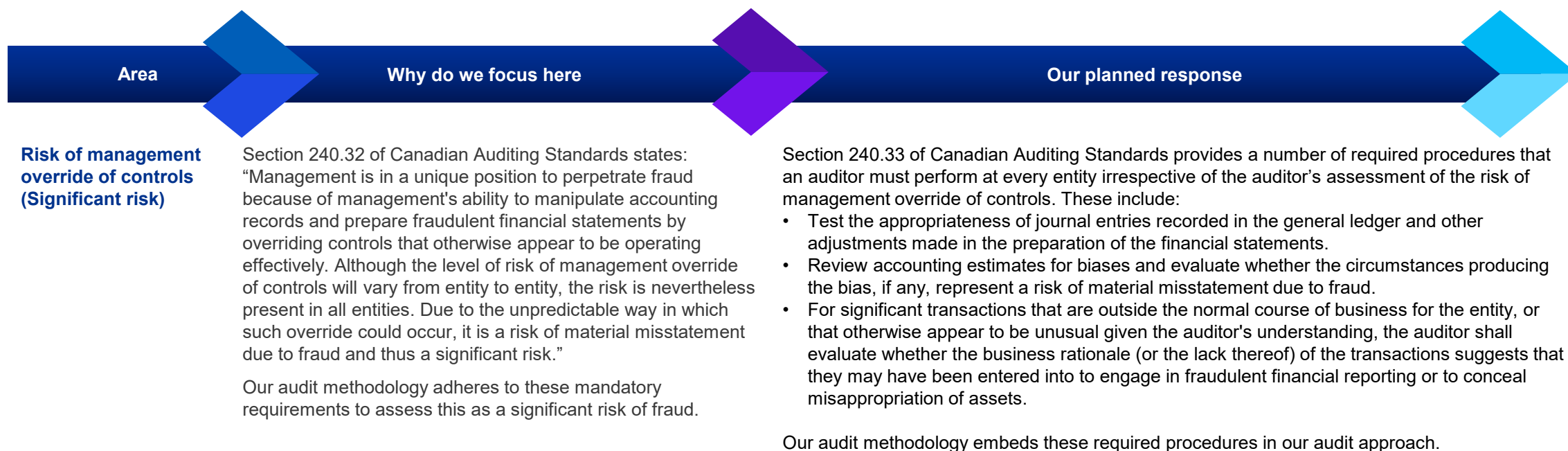
- Is the Committee aware of any instances where the Entities entered into any significant unusual transactions?
- What is the Committee's understanding of the Entity's relationships and transactions with related parties that are significant to the Entity?
- Is the Committee concerned about those relationships or transactions with related parties? If so, the substance of those concerns?



Audit approach

Our planning begins with an assessment of risks of material misstatement in your financial statements based on our understanding and risk assessment procedures. In assessing inherent risk, the auditor uses professional judgment in determining the significance of the combination of the likelihood and magnitude of a misstatement along a spectrum. We assess inherent risk at one of three levels: Base, Elevated, or Significant, depending on where it is on the spectrum.

Based on our assessment, we have identified the following areas of audit focus at other than base risk. Risk assessment is an iterative in nature rather than something we perform only at the beginning of the audit. As we perform the audit, we will continue to consider our risk assessment.



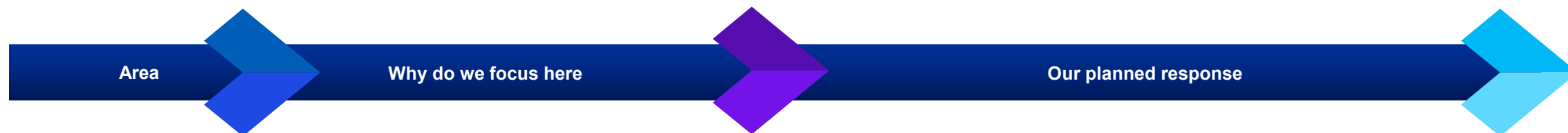


Audit approach





Audit approach



Contingencies (Elevated risk)

The Entities have several contingencies disclosed in the financial statements relating to various litigation and claims and other matters. As this is an area of judgment and an estimate, we have assessed this as an elevated risk over appropriate accrual and disclosure in the financial statements

- Obtain an understanding of the process activities and controls relating to identifying and assessing contingencies.
- Review legal invoices and obtain legal confirmations from legal representatives of the entities to assess the completeness and accuracy of contingent liabilities.
- Select other significant contingent liabilities and agree the information disclosed to supporting documentation.
- Review financial statement disclosures to assess appropriate representation of significant matters identified.



Audit approach

In addition to the areas of focus previously described, we highlight below examples of audit procedures we will perform to obtain evidence over the existence, accuracy and completeness of the financial statements, including presentation and disclosure.

Substantive Audit Procedures

- Cash, investments and debt balances will be confirmed with the respective financial institutions.
- A sample of payments made after year end will be tested to determine if they were recorded in the appropriate fiscal year.
- Analytical procedures over revenues and expenses will support our approach of using Clara AI over non-payroll expenses and point in time revenues.
- A sample of government transfers received and recognized will be tested to validate the appropriateness of accounting treatment either as revenue or deferred revenue.
- Develop an expectation for the current year payroll expense based on the prior year expense adjusted for changes in headcount, pay rates and other non-recurring items. Compare our expectation to the actual payroll expense recorded and corroborate any significant variances noted.



Audit approach

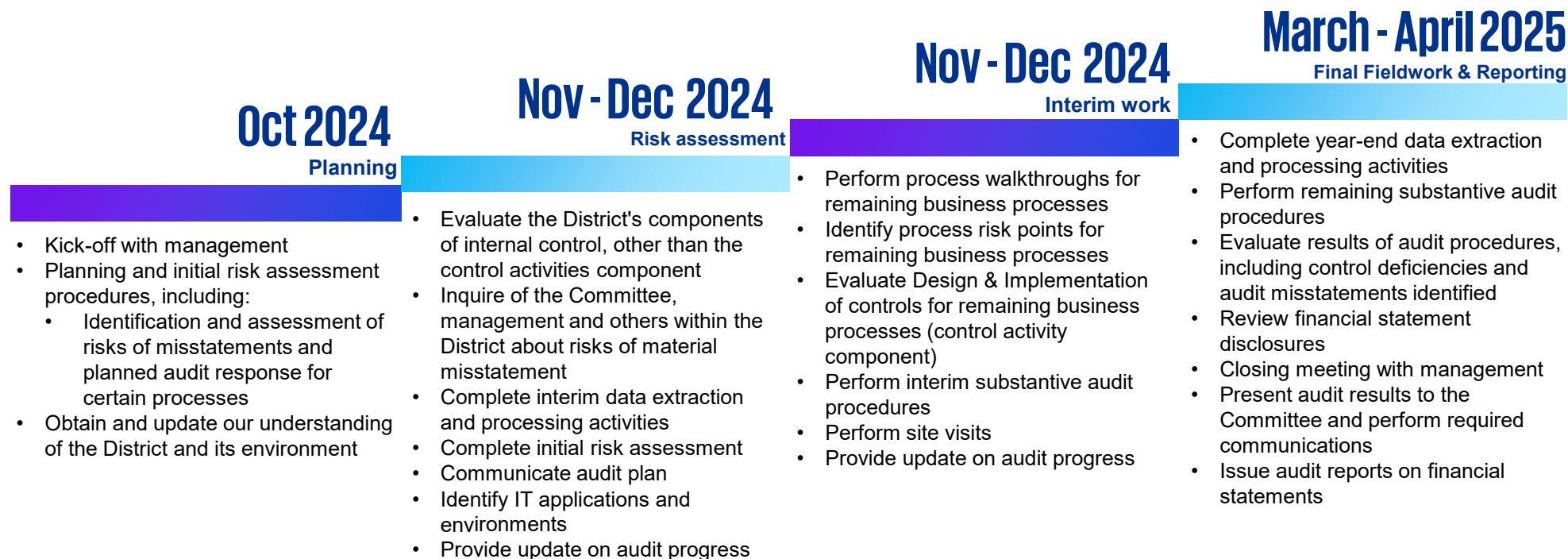
We highlight below examples of audit procedures we will perform to conclude on the reasonability of financial statements as a whole.

Concluding and Reporting Procedures

- Evaluate management bias in the preparation of financial statements, based on patterns in the selection and application of accounting policies and principles.
- Financial statement presentation and disclosure will be evaluated for compliance with accounting standards and comparability to industry leading practice.
- Disclosures in the financial statement notes will be evaluated for completeness based on our knowledge of ability to continue as a going concern, related party transactions, future contractual commitments and events occurring after year end.
- Deficiencies in internal control and other control observations will be discussed with management, and if significant, communicated to the Board through a separate communication entitled Management Letter.



Key milestones and deliverables





How do we deliver audit quality?

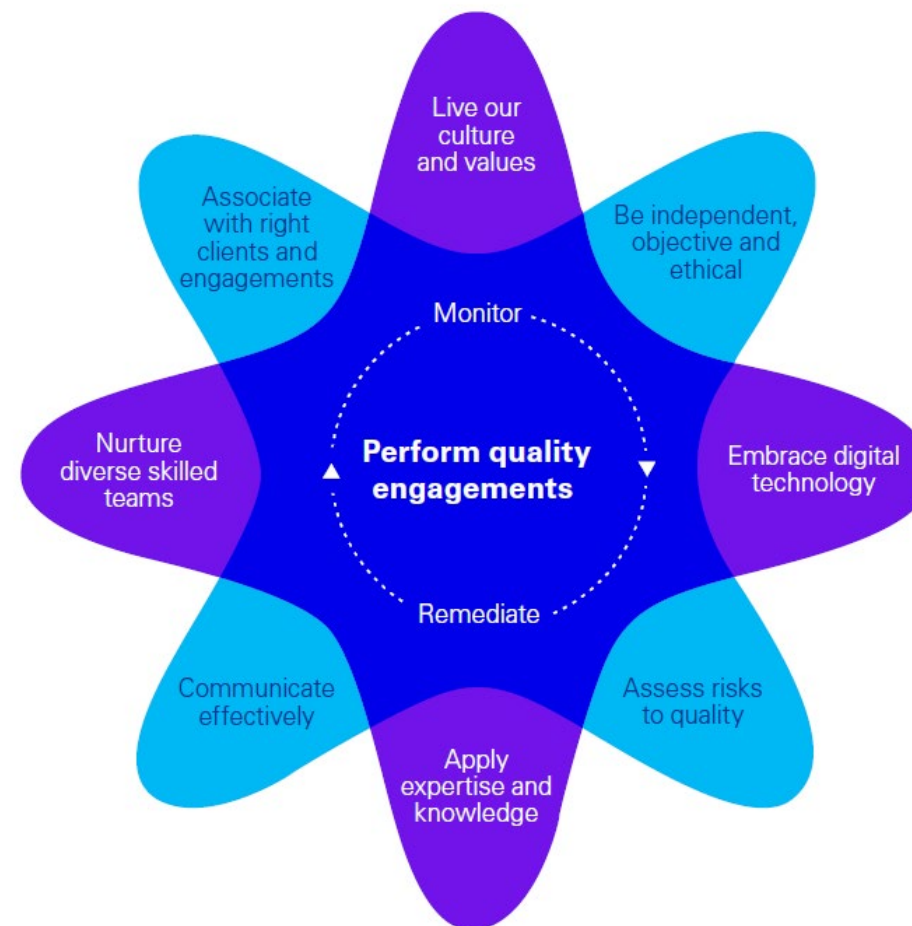
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG Canada Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendices

1

Required communications

2

New auditing standards

3

New accounting standards

4

Thought leadership and insights





Appendix 1: Required communications



Auditor's report

A copy of our draft auditor's report setting out the conclusion of our audit will be provided at the completion of the audit.

Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.



Audit findings report

At the completion of the audit, we will provide our findings report to the Committee.

Management representation letter

We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter will be provided to the Committee.



Independence

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Committee's approved protocols. At the completion of our audit, we will re-confirm our independence to the Committee.

Internal control deficiencies

Significant control deficiencies identified during the audit will be communicated to management and the Committee.



Appendix 2: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments 

Effective for current year (periods beginning on or after December 15, 2023)

ISA 600/CAS 600

.....
Revised special considerations – Audits of group financial statements

Click here for information about CAS 600 from CPA Canada:

[Revised CAS 600](#)

Effective for next year (periods beginning on or after December 15, 2024)

ISA 260/CAS 260

.....
Communications with those charged with governance

ISA 700/CAS 700

.....
Forming an opinion and reporting on the financial statements

Click here for information about CAS 260 and CAS 700 from CPA Canada:

[Amended CAS 260 and CAS 700](#)



Appendix 3: New accounting standards

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after January 1, 2024. The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Purchased Intangibles	<ul style="list-style-type: none"> The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after January 1, 2024 with earlier adoption permitted. The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. The guideline can be applied retroactively or prospectively.



Appendix 3: New accounting standards

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none">• The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after January 1, 2024.• The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.• The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.• The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.• The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.• The standard can be applied retroactively or prospectively.





Appendix 3: New accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised Conceptual Framework is effective for fiscal years beginning on or after January 1, 2027 with early adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after January 1, 2027 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix 3: New accounting standards

Standard	Summary and implications
Employee Future Benefit Obligations	<ul style="list-style-type: none"> • The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. • The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.



Appendix 4: Thought leadership and insights

2024 Canadian CEO Outlook

KPMG interviewed more than 800 business owners and C-suite leaders across Canada on a variety of topics ranging from their top-of-mind concerns to their acquisition plans, the risks and rewards of artificial intelligence (AI), productivity, the omnipresent threat of cybercrime, and the impact of aging demographics on the workforce.

[Click here](#) to access KPMG's portal.

Future of Risk

Enterprises are facing an array of reputational, environmental, regulatory and societal forces. To navigate this complex landscape, the C-suite should seek to embrace risk as an enabler of value and fundamentally transform their approach. KPMG's global survey of 400 executives reveals that their top priorities for the next few years are adapting to new risk types and adopting advanced analytics and AI. As organizations align risk management with strategic objectives, closer collaboration across the enterprise will be essential.

[Click here](#) to access KPMG's portal.

Resilience Amid Complexity

In today's rapidly evolving and interconnected business landscape, organizations face unprecedented challenges and an increasingly complex and volatile risk landscape that can threaten their competitiveness and future survival. We share revealing real-world examples of how companies have overcome their challenges and emerged stronger as the rapid pace of change accelerates and look at the key components of KPMG's enterprise resilience framework and how it is helping these businesses build resilience and achieve their strategic objectives in an increasingly uncertain world.

[Click here](#) to access KPMG's portal.

Future of Procurement

Procurement is at an exciting point where leaders have the opportunity to recast their functions as strategic powerhouses. In this global report we examine how these forces may affect procurement teams and discuss how procurement leaders can respond – and the capabilities they will need to thrive. Our insights are augmented by findings from the KPMG 2023 Global Procurement Survey, which captured the perspectives of 400 senior procurement professionals around the globe, representing a range of industries.

[Click here](#) to access KPMG's portal.



Appendix 4: Thought leadership and insights

Artificial Intelligence in Financial Reporting and Audit

Artificial intelligence (AI) is transforming the financial reporting and auditing landscape, and is set to dramatically grow across organizations and industries. In our new report, KPMG surveyed 1,800 senior executives across 10 countries, including Canada, confirming the importance of AI in financial reporting and auditing. This report highlights how organizations expect their auditors to lead the AI transformation and drive the transformation of financial reporting. They see a key role for auditors in supporting the safe and responsible rollout of AI, including assurance and attestation over the governance and controls in place to mitigate risks.

[Click here](#) to access KPMG's portal.

Control System Cybersecurity Annual Report 2024

Based on a survey of more than 630 industry members (13% from government organizations), this report reveals that while the increase in cyberattacks is concerning, organizations have become more proactive in their cybersecurity budgets, focused on prevention, and acknowledging the threat of supply chain attacks. Furthermore, the report highlights a pressing need for skilled cybersecurity professionals in the face of escalating cyber threats. Explore the full report to help gain a clearer understanding of the growing cyber threat landscape and learn how to overcome the roadblocks to progress.

[Click here](#) to access KPMG's portal.

Cybersecurity Considerations 2024: Government and Public Sector

In every industry, cybersecurity stands as a paramount concern for leaders. Yet, for government and public sector organizations, the game of digital defense takes on a whole new level of intensity. The reason? The sheer volume and sensitivity of data they manage, which can amplify the potential fallout from any breach. These agencies are the custodians of a vast array of personal and critical data, spanning from citizen welfare to public safety and national security. This article delves into the pivotal cybersecurity considerations for the government and public sector. It offers valuable perspectives on critical focus areas and provides actionable strategies for leaders and their security teams to fortify resilience, drive innovation, and uphold trust in an ever-changing environment.

[Click here](#) to access KPMG's portal.



Appendix 4: Thought leadership and insights

Why the Public Sector Must Take the Lead in Sustainability Reporting

As the world prepares for the implementation of sustainability reporting standards from the International Sustainability Board (ISSB), the need for public sector leadership is pronounced. While governments around the world have collaborated on vital policy and regulatory solutions, they have yet to provide sustainability reporting for their own government reporting entities. This presents a major obstacle to global sustainability ambitions, particularly considering the vast physical infrastructure, non-renewable resources, rare earth elements, water and natural assets controlled by governments around the world. .

[Click here](#) to access KPMG's portal.

Fighting Modern Slavery in Canadian Supply Chain

The deadline for the first year of reporting under Canada's Fighting Forced Labour and Child Labour in Supply Chains Act (the Act) was May 31, 2024. Under the Act, eligible entities are required to publicly report on steps taken to reduce the risk of forced labour and child labour in their business and supply chain. KPMG in Canada reviewed 5,794 report submissions for the act to identify key takeaways.

[Click here](#) to access KPMG's portal.

ESG for Cities Webinar Series

Cities and municipalities play a crucial role to drive climate action and resilience measures, acting as stewards for the communities they serve – including their constituents, and public, private and non-profit organizations. With the physical impacts of climate changes – including floods, wildfires and droughts – accelerating in terms of both increased frequency and severity, city and municipal leaders are increasingly considering how they can tackle the multifaceted challenge of achieving net zero greenhouse gas (GHG) emissions by 2050. KPMG in Canada's Public Sector and ESG practices completed a three-part national webinar series focusing on the journey to net zero – from strategic planning and stakeholder engagement to the implementation at the asset and operational level, and subsequent reporting obligations.

[Click here](#) to access KPMG's portal.



Appendix 4: Thought leadership and insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Audit Committee Guide – Canadian Edition

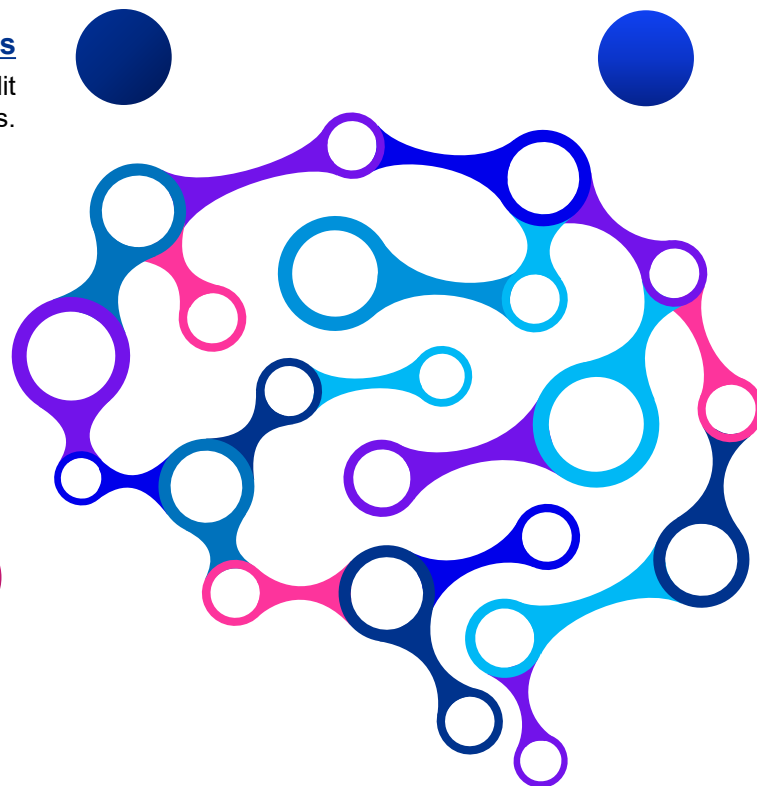
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.





Appendix 4: Thought leadership and insights



KPMG research shows that:

Eighty-seven percent of IT decision makers believe that technologies powered by AI should be subject to regulation.

- Of that group, 32 percent believe that regulation should come from a combination of both government and industry.
- Twenty-five percent believe that regulation should be the responsibility of an independent industry consortium.

Ninety-four percent of IT decision makers feel that firms need to focus more on corporate responsibility and ethics while developing AI solutions.

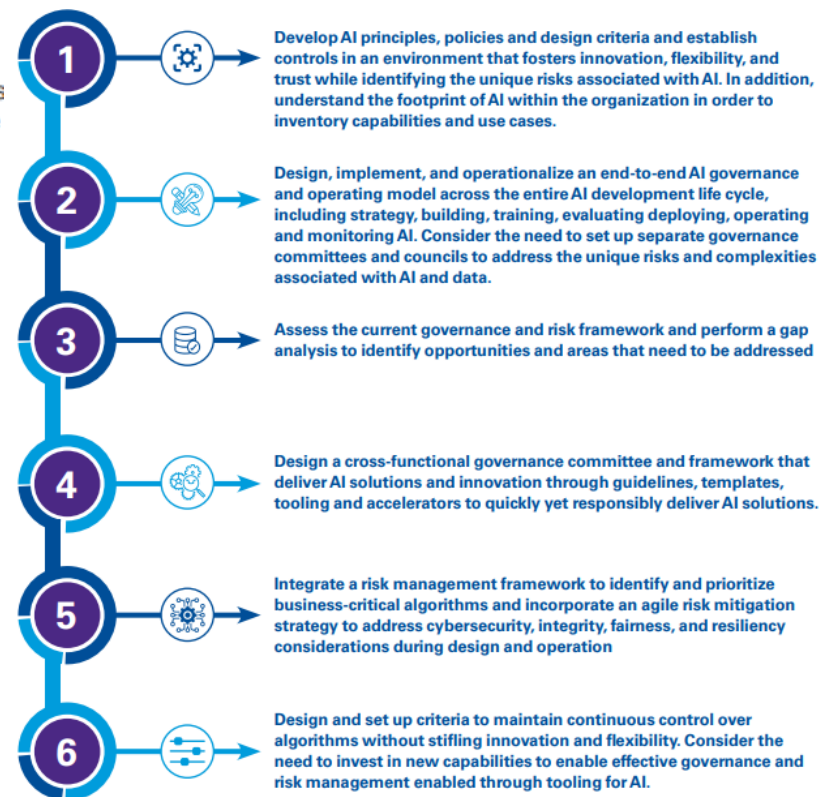
Source:

Per a study of 300 ITDMs from the UK and the US, conducted by Vanson Bourne on behalf of SnapLogic:

<https://www.businesswire.com/news/home/20190326005362/en/AI-Ethics-Deficit-%E2%80%94-94-Leaders-Call>

For AI solutions to be transformative, trust is imperative. This trust rests on four main anchors: integrity, explainability, fairness, and resilience. These four principles (enabled through governance) will help organizations drive greater trust, transparency, and accountability.

- 1. Integrity** — algorithm integrity and data validity including lineage and appropriateness of how data is used
- 2. Explainability** — transparency through understanding the algorithmic decision-making process in simple terms
- 3. Fairness** — ensuring AI systems are ethical, free from bias, free from prejudice and that protected attributes are not being used
- 4. Resilience** — technical robustness and compliance of your AI and its agility across platforms and resistance against bad actors



home.kpmg/ShapeofAIGovernance



Appendix 4: Thought leadership and insights

Current trends in internal audit

Organizations continually face a wide spectrum of risks beyond the already complex financial and regulatory compliance risks. Many organizations are recognizing the impact and benefit of internal audit activity that is agile, properly resourced, effectively managed, and aligned with strategic priorities, which can improve risk management and control processes and drive better efficiencies.

Examples of internal audits are noted below.

Cost reduction / efficiency planning

Review the governance arrangements for the monitoring and efficiency delivery of programs / services as required. This includes considering how efficiency requirements have been apportioned and communicated to support planning.

Fraud risk management

Internal Audit assesses whether a fraud risk management framework exists and whether fraud risk assessment is performed at these levels. Internal Audit reviews the overall governance surrounding this process and review the communication and reporting protocols in place.

Staff inclusion and diversity

Assess the strategy and plan in place for inclusion and diversity amongst staff, the governance of them and the measures in place to measure achievement of the goals. Training and awareness programs are offered to staff and faculty to provide understanding of roles and responsibilities and material is updated on a regular basis.

Asset management / maintenance

Review the processes and controls in place to ensure assets are adequately managed based on an appropriate schedule.

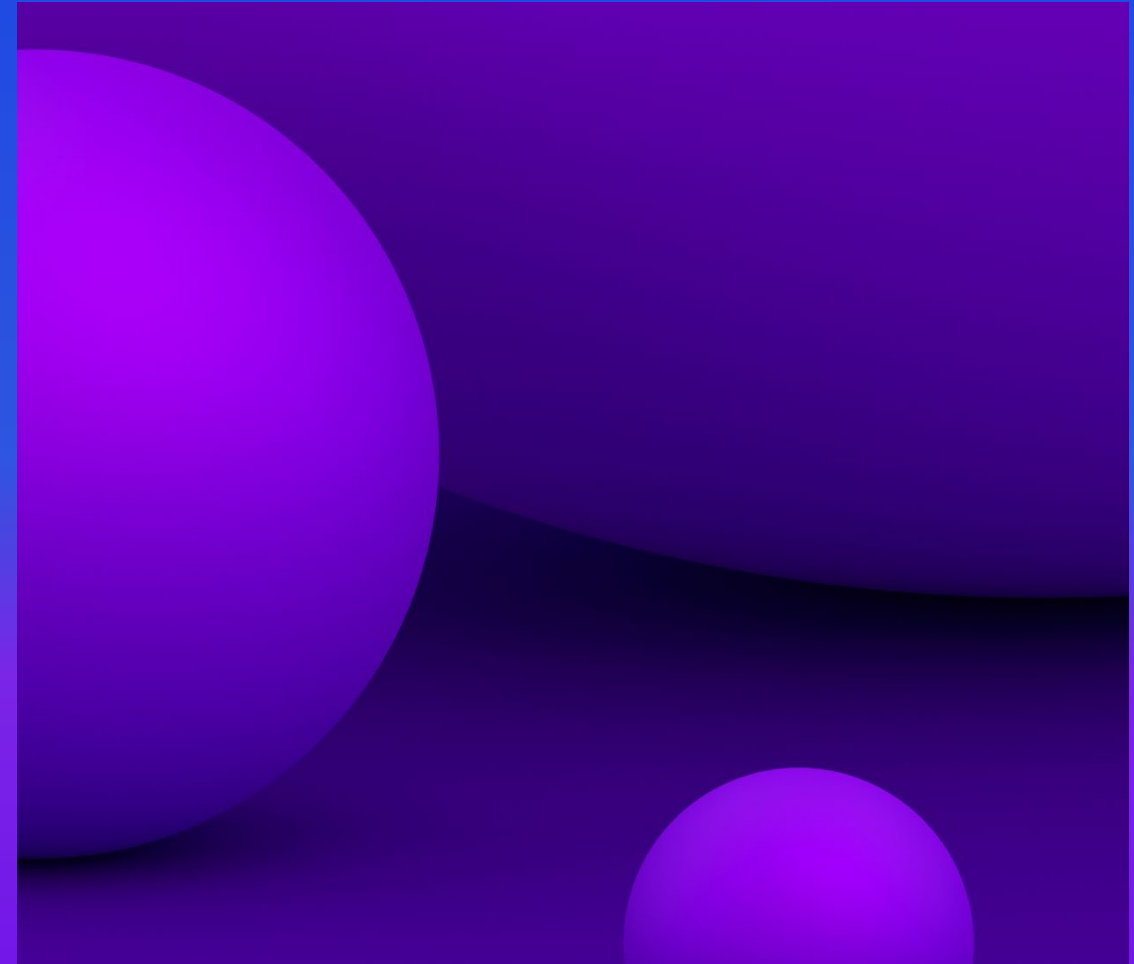
Well being (staff)

Review processes in place to develop and promote employee wellness programs and mental health strategies for staff. Areas of focus include overall program framework, communication to faculty and staff, feedback mechanisms and management's approach to assessing the suitability of the current wellness offerings version faculty and staff needs.



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To: Finance Committee

From: Harji Varn, General Manager, Financial Services
Chief Financial Officer

Date: October 31, 2024

Meeting Date: November 13, 2024

Subject: **Metro Vancouver's 2024 Financial Performance Report**

RECOMMENDATION

That the MVRD Board receive for information the report dated October 31, 2024 titled "Metro Vancouver's 2024 Financial Performance Report".

EXECUTIVE SUMMARY

The 2024 Financial Performance Report indicates a forecasted year-end net operating surplus to budget of \$8.0M (0.7% of the total \$1.2 billion operating budget). Surpluses are forecasted in Liquid Waste, \$3.6M, Housing, \$4.7M and Regional District, \$7.4M, primarily a result of staff vacancies, delays in projects, and lower debt service costs. Budget shortfalls are expected in Water, \$4.8M, due to lower than anticipated water sales, and Solid Waste, \$2.9M from increased contingency disposal costs.

Year-end capital expenditures are forecasted at approximately 70% of the annual cash flow target of \$1.4B. Significant work has progressed on several multi-year projects and the majority of the 30% underspend is related to the status of major projects, such as the Coquitlam Water Main, IWWTP and NSWWTP which have been accounted for in the 2025-2029 Financial Plan.

In 2024, \$350.0M has been borrowed versus \$482.0M targeted, resulting in lower debt servicing costs. Investment returns are currently averaging 4.59% and are expected to remain favorable for the remainder of the year. Year-to-date procurement activity includes 12 awards approved by the Board representing 84% of the total value of awarded contracts and across the organization there are over 120 continuous improvement initiatives underway.

PURPOSE

To present the Finance Committee and MVRD Board with the Metro Vancouver 2024 Financial Performance Report, including forecasts to the end of 2024, procurement activity, treasury and continuous improvement reporting.

BACKGROUND

As per the Terms of Reference, the Finance Committee is a standing committee of the Metro Vancouver Board that monitors Metro Vancouver's financial management, providing advice and recommendations on financial matters, as well as reviewing periodic and annual financial results and providing oversight on the annual audit. The Metro Vancouver 2024 Financial Performance Report is the second of three financial reports for 2024, and is intended to support the Finance Committee with their monitoring and oversight role and is focused on the annual forecast and overall financial health of the organization. The report highlights any major risks, opportunities, and

seeks to enhance the annual budget process. The third and final report for 2024 will be presented in April 2025 and will include the year-end audit findings report. Attachment 1 to this report provides more detailed information on Metro Vancouver's financial performance at September 30, 2024.

Operating Results

On a net surplus basis, it is expected that the year-end operating surplus to budget will be \$8.0 million or 0.7% of the total \$1.2 billion operating budget. The 2024 overall forecasted surpluses are in Liquid Waste Services of \$3.6 million, Metro Vancouver Housing of \$4.7 million and Regional District Services of \$7.4 million, primarily from staff vacancies, delays in projects, and lower debt service costs due to less borrowing. Budget shortfalls are forecasted in Water Services (\$4.8 million) due to lower than anticipated water sales, and Solid Waste Services of (\$2.9 million) from increased contingency disposal costs. In accordance with policy, any shortfalls will be funded from existing operating reserves at year-end.

Water Services

	2024 Budget	Year-end Forecast	Projected Variance
Revenues	\$ 378.9M	\$ 372.7M	\$ (6.2M)
Expenditures	378.9M	377.5M	1.4M
Surplus (Deficit)	\$ -	\$ (4.8M)	\$ (4.8M)

For Water Services, the 2024 year-end forecast indicates a \$6.2 million shortfall in revenues, which is largely attributed to the wetter-than-expected spring and summer, and \$1.4 million lower expenditures, primarily due to lower debt service costs, resulting in an overall projected year-end shortfall of \$4.8 million.

Liquid Waste Services

	2024 Budget	Year-end Forecast	Projected Variance
Revenues	\$ 487.9M	\$ 484.6M	\$ (3.3M)
Expenditures	487.9M	481.0M	6.9M
Surplus (Deficit)	\$ -	\$ 3.6M	\$ 3.6M

For Liquid Waste Services, the 2024 year-end surplus forecast is \$3.6 million. Revenues are expected to be lower than budget with a shortfall of \$3.3 million primarily due to approximately \$1.9 million less DCC usage due to the status in multi-year growth capital projects and \$1.4 million less in revenue from reserve applications due to projects taking longer than anticipated. Expenditures are forecasted to be underspent by \$6.9 million, primarily resulting from lower debt service costs related to less borrowing and underspends in operations and maintenance.

Solid Waste Services

	2024 Budget	Year-end Forecast	Projected Variance
Revenues	\$ 142.4M	\$164.7M	\$ 22.3M
Expenditures	142.4M	167.6M	(25.2M)
Surplus (Deficit)	\$ -	\$ (2.9M)	\$ (2.9M)

For Solid Waste Services the 2024 year-end shortfall forecast is (\$2.9 million) due to increased contingency disposal costs associated with higher waste tonnage. Higher tipping fee revenues and energy revenues will substantially mitigate the impact of this by year-end.

Metro Vancouver Housing

	2024 Budget	Year-end Forecast	Projected Variance
Revenues	\$ 60.3M	\$ 55.1M	\$ (5.2M)
Expenditures	52.2M	42.3M	9.9M
Surplus (Deficit)	\$ 8.1M	\$ 12.8M	\$ 4.7M

For Metro Vancouver Housing, the 2024 year-end surplus forecast is projected at \$4.7 million largely related to timing of capital replacement and maintenance expenditures which results in a lower than budgeted transfer from reserve funds into annual revenues. Metro Vancouver Housing is largely funded from tenant rentals with no impact to household tax requisitions.

Regional District Services

	2024 Budget	Year-end Forecast	Projected Variance
Revenues	\$ 146.5M	\$ 146.6M	\$ 0.1M
Expenditures	146.5M	138.9M	7.6M
Surplus (Deficit)	\$ -	\$ 7.7M	\$ 7.7M

For Regional District Services, the year-end surplus forecast for 2024 is \$7.7 million. There are slightly lower than forecasted revenues of \$0.1 million primarily due to less reserve usage from delays in reserve application projects and lower than expected permit fee revenues of \$0.2 million in the Air Quality and Climate Action Function. Expenditures are expected to be lower than budget by \$7.6 million, which is mostly attributed to staffing vacancies across the Regional District Services and SIF funded projects taking longer than anticipated.

Capital Expenditures Program

Capital expenditures for 2024 are forecasted at approximately 70% of the annual cash flow target of \$1.4 billion. Significant work has progressed on several multi-year projects and there is anticipated advancement in major projects as they move into the construction phase such as the Annacis Water Supply Tunnel, NSWWTP, Widgeon Marsh Park Development and Metro Vancouver Housing development projects. The majority of the 30% underspend is related to the status of major projects, such as the Coquitlam Water Main, NSWWTP and IWWTP which have been accounted for in the 2025-2029 Financial Plan.

Water Services

	2024 Capital Cash Flow	2024 Forecasted Expenditures	Projected Variance
Water Mains	\$ 312.6M	\$ 260.6M	\$ 52.0M
Pump Stations	46.5M	26.7M	19.8M
Reservoirs	23.9M	20.6M	3.3M
Treatment Plants	25.2M	14.6M	10.6M
Others	16.7M	5.3M	11.4M
Total	\$ 424.9M	\$ 327.7M	\$ 97.2M

Water Services is forecasted to spend \$327.7 million (77%) of the \$424.9 million projected capital cash flow as some of the major projects like the Stanley Park Water Supply advance into construction stages. In addition, construction activities are underway for other large projects such as the Central Park Main, Kennedy Newton Main, Douglas Road Main No2, and Fleetwood Reservoir.

Liquid Waste Services

	2024 Capital Cash Flow	2024 Forecasted Expenditures	Projected Variance
Collections	\$ 167.9M	\$ 142.4M	\$ 25.5M
Treatment Plants	613.3M	378.6M	234.7M
Total	\$ 781.2M	\$ 521.0M	\$ 260.2M

Liquid Waste Services is forecasted to spend \$521.0 million (67%) of the \$781.2 million capital cash flow as many projects advance into various stages of the project timelines, including Glenbrook Trunk Kingsway Section, Glenbrook Trunk CSO Gates, North Road Trunk Sewer, Gleneagles Pump Station improvements, AIWWTP Trickling Filter Rehabilitation, AIWWTP Surge Control, Annacis Outfall System, Gilbert Brighthouse Trunk Pressure Sewer Twinning, and Burnaby Lake North Interceptor. Construction progress on the NSWWT is taking longer than what was forecast and ground improvement works at NLWWTP and IWWTP are moving at a slower rate, however design work is progressing, as it is for Annacis WWTP (Stage 5 Expansion).

Solid Waste Services

	2024 Capital Cash Flow	2024 Forecasted Expenditures	Projected Variance
Landfills	\$ 3.9M	\$ 0.8M	\$ 3.1M
Recycling and Waste Centres	5.1M	4.0M	1.1M
Waste to Energy Facilities	45.1M	9.7M	35.4M
Total	\$ 54.1M	\$ 14.5M	\$ 39.6M

Solid Waste Services is forecasted to spend \$14.5 million (27%) of the \$54.1 million cash flow largely due to the complexity of the capital projects. Additional engagement steps in developing the project scope and time taken to develop municipal agreements and permitting impact the design to construction timelines. Despite these complexities, detailed design and procurement are underway for the Waste-to-Energy Facility District Energy system, and many other projects are moving to the next phase of the project timelines.

Metro Vancouver Housing

	2024 Capital Cash Flow	2024 Forecasted Expenditures	Projected Variance
Development Capital	\$ 108.2M	\$ 63.1M	\$ 45.1M
Building Rehabilitation	23.1M	16.9M	6.2M
Total	\$ 131.3M	\$ 80.1M	\$ 51.3M

Metro Vancouver Housing is forecasted to spend \$80.1 million (64%) of the \$131.3 million capital cash flow. Housing projects are well underway (Heather Place B, Kingston Gardens and Salal Landing), with several projects at the final stage of the permitting process with expenditures to ramp up following approvals (The Connection and The Steller). Through strategic partnerships, funding and financing programs, Metro Vancouver Housing is leveraging its available resources to build and renew homes with no additional impact to household tax requisitions.

Regional Parks

	2024 Capital Cash Flow	2024 Forecasted Expenditures	Projected Variance
Capital Development	\$ 12.0M	\$ 6.2M	\$ 5.8M
Parkland Acquisition	20.0M	13.7M	6.3M
Total	\$ 32.0M	\$ 19.9M	\$ 12.1M

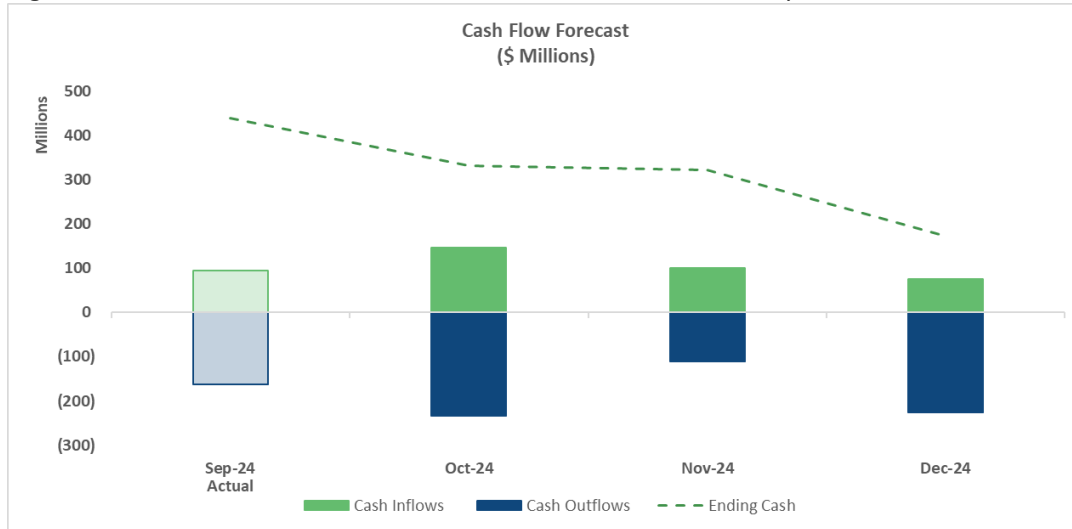
Regional Parks is forecasted to spend \$19.9 million (62%) of the \$32.0 million capital cash flow. Progress continues on major projects including Widgeon Marsh Phase 1, Campbell Valley Greenway extension and Grouse Mountain Park Development, however, the projects are taking longer than anticipated largely due to permitting (Boundary Bay Perimeter Trail) and some challenges in procurement due to market conditions (Belcarra South Redevelopment). Timing of expenditures with respect to land acquisition is dependent on availability and market conditions.

Treasury Results

As a result of lower capital spending, the total MFA borrowing for 2024 will be \$350 million, which is less than the budgeted \$482 million. Furthermore, the MFA long-term borrowing rate for the 2024 Spring borrowing was 4.40%, which is lower than the 2023 rate of 4.97% indicating a softening in long-term interest rates. The impact of the lower amount of borrowing and lower interest rates results in a lower than expected debt service ratio (interest and principal payments to revenue) from 19.9% to 18.7%.

Figure 1 below provides the September 2024 actual cash position and cash flow forecast from for the last quarter of the year. Treasury is continuously reviewing cash and reserve balances to ensure adequate liquidity to sustain operations and managing risk while also making efficient use of its cash.

Figure 1. Metro Vancouver Cash Position and Forecast from September to December 2024



The average investment returns as of September 2024 have increased since December 2023, to 5.35% for short-term and 4.27% for long-term. As interest rates are expected to decline, Metro Vancouver’s rate of return is expected to remain favourable as maturities from 2023 were reinvested with higher yielding longer term products or held in cash to take advantage of high-interest savings account rates. The total estimated weighted average annualized return at September 2024 was 4.59%, slightly higher than 4.51% reported in April 2024.

Procurement

The tables below provide the value of awards approved by the Metro Vancouver Board, as well as those approved by the Corporation in excess of \$500,000 that are not awarded by the Board in accordance with the existing Board-approved Procurement Policy. It is expected that procurement activity will increase with respect to the number of awards as well as the value due to the significant capital program.

Table 1. Number of Contracts Awarded

Award Type	Year-to-date September 2024	2023	2022	2021
MV Board Awarded	12	16	20	25
Corporate Awarded	64	51	53	51
Total	76	67	73	76

Table 2. Value of Contracts Awarded

Award Type	Year-to-date September 2024	2023	2022	2021
MV Board Awarded	\$ 531,220,955	\$465,895,019	\$434,664,449	\$798,139,628
Corporate Awarded	\$ 100,023,832	\$71,980,936	\$ 89,019,028	\$ 92,545,559
Total	\$ 631,244,787	\$537,875,955	\$523,683,477	\$890,685,187

Continuous Improvement

There are currently over 120 continuous improvement projects underway across the organization. Continuous improvement is a core value for the organization and is intended to enhance efficiencies and deliver better service internally and externally. The table below highlights completed

The table below is a list of completed continuous improvement projects.

Table 3. Select Completed Continuous Improvement Projects and Alignment with Board Strategic Plan

Highlighted Select Completed Continuous Improvement Projects			
Department/ Project Title	Board Priority	Description	Outcomes
Liquid Waste: LIWWTP Renewable Natural Gas	<ul style="list-style-type: none"> Financial Sustainability & Affordability Climate Action 	Process to upgrade digester gas to renewable natural gas for sale to Fortis BC	<ul style="list-style-type: none"> New GVS&DD revenue stream Renewable natural gas available for decarbonization for Fortis customers Estimated \$0.9M annual income; 2,200 tonnes of GHG reduction
Liquid Waste: LIWWTP Digestion Optimization- Phase 1 Testing	<ul style="list-style-type: none"> Financial Sustainability & Affordability Climate Action 	Platform for testing alternative sludge treatment approaches	<ul style="list-style-type: none"> Intensification tests indicate existing digesters can serve larger populations to defer costly capacity expansions. Future tests will evaluate ways to increase production of low-carbon biofuels.
Indigenous Relations: KPIs for training sessions	<ul style="list-style-type: none"> Reconciliation 	Compilation of all post-training survey data for Indigenous Relations training sessions	<ul style="list-style-type: none"> Truth and Reconciliation Commission Call to Action #57 on training for civil servants Will allow for improvements to be made to the delivery of courses related to First Nations and Indigenous Peoples
Invest Vancouver: Collaboration	<ul style="list-style-type: none"> Resilient Services & Infrastructure 	Partner collaboration	<ul style="list-style-type: none"> Identified synergies with partners to help promote the region and attract foreign direct investment
Liquid Waste: Flush Truck	<ul style="list-style-type: none"> Financial Sustainability & Affordability 	New recycling technology	<ul style="list-style-type: none"> Reduce water consumption, labour, fuel, and disposal costs resulting in estimated \$0.3M annual savings
IT/Solid Waste Services: Weigh Scale Software Implementation	<ul style="list-style-type: none"> Resilient Services and Infrastructure 	Replace existing software system	<ul style="list-style-type: none"> New software system modernizes weigh scale transactions for solid waste facilities' more than 1,000,000 customers per year. Improvements include automated license plate number reading, emailed transaction tickets and invoices, and detailed data transfers to customers

ALTERNATIVES

This report is provided for information; no alternatives are presented.

FINANCIAL IMPLICATIONS

The Metro Vancouver 2024 Financial Performance Report indicates that Metro Vancouver is anticipating a net operating surplus to budget of \$8.0 million for 2024 (0.7% of the total \$1.2 billion operating budget) and a capital spend of approximately 70% of the \$1.4 billion 2024 annual cash flow target. Staff continue to monitor the financial performance including reporting on treasury, procurement and continuous improvement on a monthly basis and will report the 2024 year-end results to the Finance Committee and Board in April 2025.

CONCLUSION

This report provides the second report for 2024 on the financial performance of Metro Vancouver. It is forecasted that Metro Vancouver will have a \$8.0 million net operating surplus to budget for 2024 (0.7% of the total \$1.2 billion operating budget) and capital expenditures are forecasted at approximately 70% of the annual cash flow target of \$1.4 billion. Staff continue to monitor the financial performance against the budgeted cash flow requirements, including reporting on treasury, procurement and continuous improvement on a monthly basis and will report to the Finance Committee and Board the 2024 year-end results in April 2025.

ATTACHMENTS

1. Metro Vancouver 2024 Financial Performance Report

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METRO VANCOUVER 2024 FINANCIAL PERFORMANCE REPORT

At September 30, 2024, with

Estimated Financial Forecast to December 31, 2024








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INTRODUCTION

This report presents second of three financial performance reports for fiscal 2024. It combines the financial performance and annual forecast information of Metro Vancouver’s four legal entities: Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District, Metro Vancouver Housing Corporation, and Metro Vancouver Regional District. The final report for fiscal 2024 will include the 2024 year-end audit results.

FINANCIAL PERFORMANCE AT A GLANCE

	Trend	Commentary
Operating Results		For the nine months ended September 30, 2024, operating results indicate a surplus of \$22.5M. Operating expenditures are at 97% of the year-to-date (YTD) expected budget or 76% of the annual budget (\$916.2M out of \$1.2B). YTD revenues are lower than budget by \$1.0M (0.4% of YTD budget). It is forecasted that for 2024, the year-end net operating surplus to budget will be \$8.0M (0.7% of the \$1.2B operating budget). Overall forecasted surpluses are in Liquid Waste Services of \$3.6M, Metro Vancouver Housing of \$4.7M and Regional District Services of \$7.4M, primarily from staff vacancies, delays in project contracted services, and lower debt service costs due to less borrowing. Budget shortfalls, which will be funded from reserves, are anticipated in Solid Waste Services of (\$2.9M) from increased contingency disposal costs, and Water Services of (\$4.8M) due to lower than anticipated water consumption.
Capital Expenditures		Capital expenditures as of September 30, 2024 are \$566.6M or 40% of total planned spending of \$1.4B annual capital cash flow. Year-end, capital expenditures are forecasted at approximately 70% of the annual cash flow target of \$1.4B. Construction and related spending is expected for the major multi-year projects moving into construction phases, such as the Annacis Water Supply Tunnel, NSWWTP Widgeon Marsh Park Development and Metro Vancouver Housing development projects (The Connection, Heather Place B, Kingston Gardens, and Salal Landing). The majority of the 30% underspend is related to the status in major multi-year projects, such as the Coquitlam Water Main, NSWWTP and IWWTP which have been adjusted for in the 2025 budget.
Awarded Procurement		12 awards were approved by the Board with a value of \$531.2M, which is 84% of the total value of awarded contracts in the first nine months.
Cash Flow Scenarios		Projected annual cash balance remains positive. Although current cash balance remains positive, a decline in cash by year-end is forecasted as capital spend ramps up and we only borrow what we require.
Investments		The latest report on investments indicated an estimated weighted average annualized return of 4.59%.
Financial Indicators		The ratios indicate a sufficient position to pay off current liabilities and forecasted debt servicing is less than budgeted.
Continuous Improvement		There are currently over 120 continuous improvement initiatives underway that will continue to advance the Board’s Strategic Priorities.

OPERATING RESULTS

Overall Net Operating Surplus to Budget

As of September 30, 2024, Metro Vancouver’s year-to-date operating surplus to budget is at \$22.5M. By year-end, the forecasted year-end net operating surplus to budget is anticipated at \$8.0M (0.7% of the \$1.2B budget). The 2024 overall forecasted surpluses are in Liquid Waste Services of \$3.6M, Metro Vancouver Housing of \$4.7M and Regional District Services of \$7.4M, primarily from staff vacancies, delays in project contracted services, and lower debt service costs due to less borrowing. Budget shortfalls, which will be funded from reserves at year-end, are anticipated in Solid Waste Services of (\$2.9M) due to increased contingency disposal costs, and Water Services of (\$4.8M) due to than anticipated water consumption and therefore less sales.

	Annual Budget	Year-end Forecast	Projected Variance
Greater Vancouver Water District	\$ -	\$ (4,795,148)	\$ (4,795,148)
Greater Vancouver Sewerage			
Liquid Waste Services	-	3,586,968	3,586,968
Solid Waste Services	-	(2,866,632)	(2,866,632)
Metro Vancouver Housing Corporation	8,053,663	12,744,950	4,691,287
Metro Vancouver Regional District	-	7,414,782	7,414,782
	<u>\$ 8,053,663</u>	<u>\$ 16,084,920</u>	<u>\$ 8,031,257</u>

Key drivers related to the operating results are highlighted in the following schedules.

Operating Budget Summary

Metro Vancouver Operating Budget Summary Nine Months Ended September 30, 2024							
	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	% Actuals to YTD Budget	Year-to-date Variance
REVENUES							
Key Service Revenues							
Water Sales	\$ 367,535,244	\$ 361,866,060	\$ (5,669,184)	\$ 305,369,053	\$ 299,940,414	98%	\$ (5,428,639)
Liquid Waste Services Levy	389,498,103	389,498,103	-	389,498,103	389,498,103	100%	-
Solid Waste Tipping Fees	132,115,288	154,370,573	22,255,285	99,086,436	110,140,328	111%	11,053,892
Metro Vancouver Regional District Requisitions	113,178,691	113,178,691	-	113,178,691	113,178,691	100%	-
Housing Rents	45,207,881	45,880,247	672,366	33,905,988	34,614,636	102%	708,648
	<u>1,047,535,207</u>	<u>1,064,793,674</u>	<u>17,258,467</u>	<u>941,038,271</u>	<u>947,372,172</u>	<u>101%</u>	<u>6,333,901</u>
Other Revenues	49,598,559	50,601,549	1,002,990	34,266,570	33,182,023	97%	(1,084,547)
Reserve Transfers	118,893,843	107,897,887	(10,995,956)	14,829,686	5,559,722	37%	(9,269,964)
TOTAL REVENUES	\$ 1,216,027,609	\$ 1,223,293,110	\$ 7,265,501	\$ 990,134,527	\$ 986,113,917	100%	\$ (4,020,610)
EXPENDITURES							
Greater Vancouver Water District	\$ 378,883,747	\$ 377,505,641	\$ 1,378,106	\$ 312,248,717	\$ 307,807,092	99%	\$ 4,441,625
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Services	487,916,887	480,991,973	6,924,914	378,167,095	369,358,414	98%	8,808,681
Solid Waste Services	142,411,329	167,561,606	(25,150,277)	102,717,585	115,713,586	113%	(12,996,001)
Metro Vancouver Housing Corporation	52,266,690	42,344,951	9,921,739	39,666,384	28,172,252	71%	11,494,132
Metro Vancouver Regional District							
Regional Parks	86,077,581	84,077,581	2,000,000	65,750,952	59,308,518	90%	6,442,434
Air Quality	17,561,130	15,867,385	1,693,745	11,715,889	9,510,215	81%	2,205,674
Other Regional Services	42,856,582	38,859,053	3,997,529	32,484,523	26,332,571	81%	6,151,952
TOTAL EXPENDITURES	\$ 1,207,973,946	\$ 1,207,208,190	\$ 765,756	\$ 942,751,145	\$ 916,202,648	97%	\$ 26,548,497
SURPLUS (DEFICIT)	\$ 8,053,663	\$ 16,084,920	\$ 8,031,257	\$ 47,383,382	\$ 69,911,269		\$ 22,527,887

- Overall revenues at September 30, 2024 are lower than budget by \$4.0M (0.4% of YTD budget) due to lower water sales and energy revenues. The reduction is anticipated to be temporary and is offset by higher than anticipated Solid Waste system waste flows. Reserve transfers for funding Housing and Parks capital replacement and maintenance programs were \$9.3M lower than anticipated largely related to timing of capital replacement work as projects are taking longer than anticipated due to general market conditions. It is anticipated that the trend for lower reserve transfers and higher Solid Waste system waste flows will continue, resulting in overall year-end revenues expected to be \$7.3M higher than budget.
- Overall expenditures at September 30, 2024, are at 97% of the year-to-date expected budget or 76% of the annual budget (\$916.2M out of \$1.2B). Key factors contributing to lower expenditures than budget include staff vacancies, deferred operating projects, and the timing of capital replacement and maintenance expenditures. In the last quarter of the year, it is anticipated the trend for higher landfill costs and operations and maintenance costs in Solid Waste Services will be higher than budget. This variance is mitigated by lower than anticipated debt service costs and timing of capital replacement and maintenance projects in Housing. By year-end, overall expenditures are forecasted to be under budget by \$0.8M or 0.1% of annual budget.
- Based on current forecasts, the net year-end surplus to budget is forecasted to be \$8.0M (0.7% of the \$1.2B budget).

Operating Surplus Analysis by Entity

Nine Months Ended September 30, 2024

Water Services has a YTD surplus of \$0.01M with a forecasted shortfall of (\$4.8M) by year-end.

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Greater Vancouver Water District						
Revenues	\$ 378,883,747	\$ 372,710,493	\$ (6,173,254)	\$ 307,634,340	303,278,754	\$ (4,355,586)
Expenditures	378,883,747	377,505,641	1,378,106	312,248,717	307,807,092	4,441,625
Surplus (Deficit)	\$ -	\$ (4,795,148)	\$ (4,795,148)	\$ (4,614,377)	(4,528,338)	\$ 86,039

- Year-to-date water revenues are currently \$4.4M lower than budget, largely due to \$5.4M lower water sales than anticipated from wetter-than-expected spring and summer. By year-end, water sales are projected to be \$5.7M lower than budget, largely contributing to the anticipated year-end revenue shortfall of \$6.2M. In addition, to lower water sales, it is expected by year-end that there will be a less reserve usage (\$500k) than planned due to in the timing of related project expenditures.
- Year-to-date expenditures are \$4.4M less than budget, primarily in policy and planning project work of \$2.3M, watershed projects of \$1.0M and several other year-to-date operating programs underspends of \$1.1M, including dam safety work delays of \$0.6M.
- Expenditure projections indicate close to \$1.4M under budget by year-end, largely driven by lower than expected debt service costs of \$1.2M.

Liquid Waste Services has a YTD surplus of \$10.0M with a forecasted surplus of \$3.6M by year-end.

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Greater Vancouver Sewerage and Drainage District						
Liquid Waste Services						
Revenues	\$ 487,916,887	\$ 484,578,941	\$ (3,337,946)	\$ 401,611,762	402,812,894	\$ 1,201,132
Expenditures	487,916,887	480,991,973	6,924,914	378,167,095	369,358,414	8,808,681
Surplus (Deficit)	\$ -	\$ 3,586,968	\$ 3,586,968	\$ 23,444,667	33,454,480	\$ 10,009,813

- Year-to-date revenues are \$1.2M higher than budget primarily due to the advanced receipt of some user and permit fees and miscellaneous revenues. By year end, Revenues are expected to be lower than budget with a shortfall of \$3.3M primarily due to approximately \$1.9M less DCC usage due to the status in multi-year growth capital projects and \$1.4M less in revenue from reserve applications due to projects taking longer than anticipated.
- Year-to-date expenditures are \$8.8M lower than budget primarily related to deferred or delayed operating costs in a number of core operation programs, such as Operations and Maintenance programs of \$1.6M, Policy and Planning programs of \$1.7M, Environmental Management Quality Control of \$1.5M, minor capital work of \$2.2M, and other operating and allocated costs of \$1.8M.
- Overall expenditures by year-end are forecasted to be \$6.9M lower than budget primarily from lower debt service costs related to less borrowing (\$1.9M) and underspends in minor capital (\$1.2M), policy, planning and analysis project underspends (\$1.7M) and underspends for project delivery allocated services and other program areas (\$2.1M).

Solid Waste Services had a YTD net shortfall of \$6.3M, with a forecasted shortfall of (\$2.9M) by year-end.

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Greater Vancouver Sewerage and Drainage District						
Solid Waste Services						
Revenues	\$ 142,411,329	\$ 164,694,974	\$ 22,283,645	\$ 106,808,463	113,495,425	\$ 6,686,962
Expenditures	142,411,329	167,561,606	(25,150,277)	102,717,585	115,713,586	(12,996,001)
Surplus (Deficit)	\$ -	\$ (2,866,632)	\$ (2,866,632)	\$ 4,090,878	(2,218,161)	\$ (6,309,039)

- Year-to-date revenues are \$6.7M higher than anticipated driven primarily by higher waste flows, offset by reduced energy sales from equipment failure at the Waste-to-Energy facility. It is anticipated that the claim from business interruption will be resolved by the end of the year. Expenditures were \$13.0M higher as a result of contingency disposal costs associated with higher waste flows.
- Economic recovery and regional growth following the pandemic continues to contribute to an expectation of increases in waste quantities in 2024. As a result, higher waste flows along with additional commercial organics and insurance recoveries are expected to drive tipping fee and energy revenues \$22.3M greater than budget by the end of year.
- Expenditures by year-end are forecasted to be higher by \$25.2M mainly due to increased contingency disposal costs associated with higher waste tonnage.

The **Metro Vancouver Housing Corporation** had a YTD surplus of \$5.6M with a forecasted surplus of \$4.7M by year-end.

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Metro Vancouver Housing Corporation						
Revenues	\$ 60,320,353	\$ 55,089,901	\$ (5,230,452)	\$ 44,787,199	38,887,598	\$ (5,899,601)
Expenditures	52,266,690	42,344,951	9,921,739	39,666,384	28,172,252	11,494,132
Surplus (Deficit)	\$ 8,053,663	\$ 12,744,950	\$ 4,691,287	\$ 5,120,815	10,715,346	\$ 5,594,531

- For the first nine months, revenues were \$5.9M lower than anticipated largely related to the timing of capital replacement and maintenance expenditures which results in a lower than budgeted transfer from reserve funds into annual revenues. By year-end, it is anticipated that revenues will be \$5.2M lower than budget.
- Year-to-date expenditures were lower than anticipated by \$11.5M due to the timing of maintenance activities and capital replacement and maintenance projects. This has resulted in some work being postponed to 2025.
- The forecasted year-end net operating surplus to budget of \$4.7M is largely timing of capital replacement and maintenance expenditures budget and asset and maintenance purchases.
- Metro Vancouver Housing is largely funded from tenant rentals with no impact to household tax requisitions.

Metro Vancouver Regional District

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Metro Vancouver Regional District						
Regional Parks						
Revenues	\$ 86,077,581	\$ 85,864,514	\$ (213,067)	\$ 80,518,366	78,076,703	\$ (2,441,663)
Expenditures	86,077,581	84,077,581	2,000,000	65,750,952	59,308,518	6,442,434
Surplus (Deficit)	\$ -	\$ 1,786,933	\$ 1,786,933	\$ 14,767,414	18,768,185	\$ 4,000,771

Regional Parks had a YTD surplus of \$4.0M with a forecasted surplus of \$1.8M by year-end.

- Year-to-date revenues were under budget by \$2.4M largely due to less reserve usage from delays in reserve funded projects in the capital maintenance program. These are anticipated to be largely on target by end of the year.
- Year-to-date expenditures for the Parks were \$6.4M lower than budget largely due to the timing of capital maintenance spend, which is expected to occur in the latter part of the year, and an underspend in centralized administration costs.
- By year end, overall expenditures are expected to be under budget by \$2.0M as a result of a deferred budget allotment for ongoing litigation with kwikwəłəm (Kwkwetlem First Nation).

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Metro Vancouver Regional District						
Air Quality						
Revenues	\$ 17,561,130	\$ 17,962,705	\$ 401,575	\$ 12,842,905	13,475,361	\$ 632,456
Expenditures	17,561,130	15,867,385	1,693,745	11,715,889	9,510,215	2,205,674
Surplus (Deficit)	\$ -	\$ 2,095,320	\$ 2,095,320	\$ 1,127,016	3,965,146	\$ 2,838,130

Air Quality had a YTD surplus of \$2.8M with a forecasted surplus of \$2.1M by year-end.

- Year-to-date revenues are slightly higher than budget by \$0.4M, largely due to higher than expected permit revenues.
- Year-to-date expenditures were \$2.2M lower than budget primarily due to labour underspends from position vacancies and the timing of project contracted services. By year-end, expenditures are forecasted to be lower than budget by \$1.7M largely from labour underspends due to vacancies and delays in project contracted services and includes \$0.8M in unspent SIF budget, which will be deferred to 2025.

	Annual Budget	Year-end Forecast	Projected Variance	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Metro Vancouver Regional District						
Other Regional Services						
Revenues	\$ 42,856,582	\$ 42,391,582	\$ (465,000)	\$ 35,931,492	36,087,182	\$ 155,690
Expenditures	42,856,582	38,859,053	3,997,529	32,484,523	26,332,571	6,151,952
Surplus (Deficit)	\$ -	\$ 3,532,529	\$ 3,532,529	\$ 3,446,969	9,754,611	\$ 6,307,642

Other Regional Services had a YTD surplus of \$6.3M with a forecasted surplus of \$3.5M by year-end.

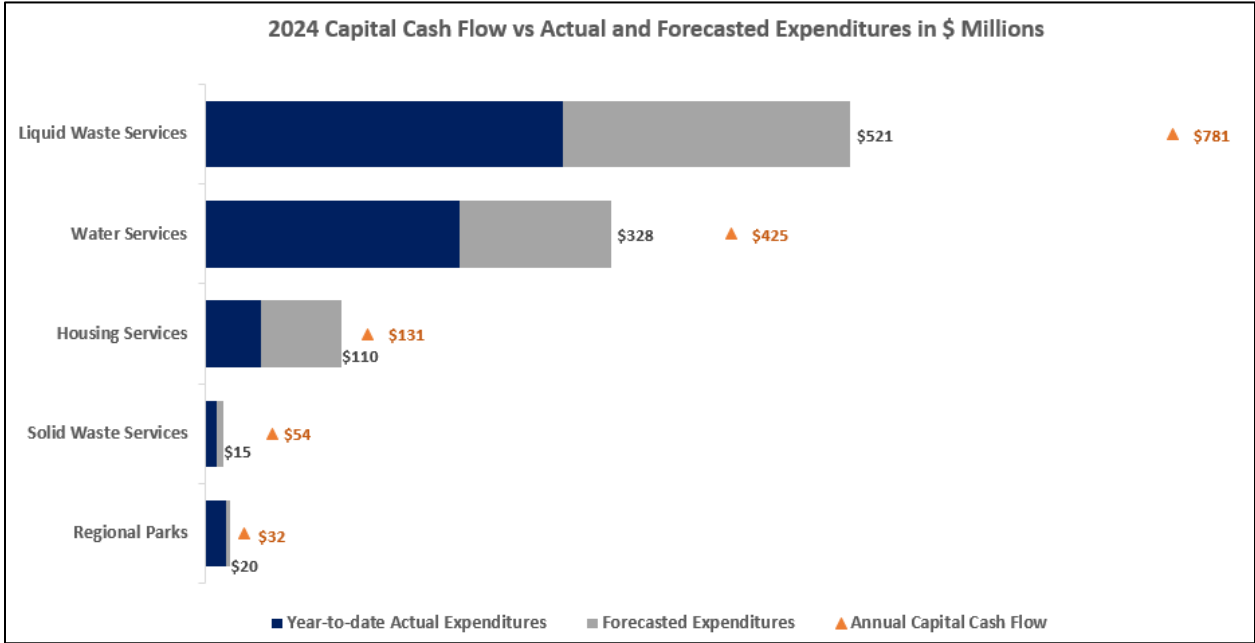
- Overall year-to-date expenditures for Regional Services were \$6.2M lower than budget largely due to lower salary costs from staff vacancies and in the timing of project contracted services.
- Expenditures are forecasted to be under budget by \$4.0M primarily due to position vacancies and lower project contracted services, resulting in a projected year-end surplus of \$3.5M.

CAPITAL PROGRAM

Overall Capital Expenditures

At end of September 2024, capital expenditures are \$566.6M, or 40% of the annual cash flows. Significant spending on multi-year projects is expected in Liquid Waste and Water Services. These areas account for nearly 85% of the total capital cash flows of \$1.4B. Year end, capital expenditures are forecasted at approximately 70% of the annual cash flow target of \$1.4B. This is a higher spend compared to previous years due to the anticipated construction advancement in major projects as they move into the construction phase. The majority of the 30% underspend is related to the status in major multi-year projects such as the Coquitlam Water Main, NSWWTP and IWWTP which have been adjusted for in the 2025 Budget.

Capital Expenditure at a Glance



Capital Expenditure Summary

Metro Vancouver						
2024 Capital Spending Summary						
For the 9 months ending September 30, 2024						
	Annual	Year-to-date	Forecasted	Forecasted	Forecasted	Forecasted
	Capital Cash Flow	Actual Expenditures	Expenditures	Expenditures of Annual Cash Flow (%)	Expenditures Variance from Annual Cash Flow (\$)	Expenditures Variance from Annual Cash Flow (%)
Housing Services						
Development Capital	\$ 108,200,000	\$ 37,705,289	\$ 63,122,933		\$ 45,077,067	42%
Building Rehabilitation	23,134,400	8,039,485	16,940,000		6,194,400	27%
	131,334,400	45,744,774	80,062,933	61%	51,271,467	39%
Liquid Waste Services						
Collections	167,942,000	99,895,032	142,434,733		25,507,267	15%
Treatment Plants	613,292,000	188,868,247	378,547,723		234,744,277	38%
	781,234,000	288,763,280	520,982,456	67%	260,251,544	33%
Regional Parks						
Capital Development	11,970,000	3,633,993	6,175,000		5,795,000	48%
Parkland Acquisition Fund Projects	20,000,000	13,489,876	13,750,000		6,250,000	31%
	31,970,000	17,123,869	19,925,000	62%	12,045,000	38%
Solid Waste Services						
Landfills	3,850,000	221,122	832,355		3,017,645	78%
Recycling and Waste Centres	5,100,000	3,068,751	4,011,247		1,088,753	21%
Waste To Energy Facilities	45,150,000	5,764,507	9,688,288		35,461,712	79%
	54,100,000	9,054,379	14,531,890	27%	39,568,110	73%
Water Services						
Water Mains	312,615,000	159,089,038	260,586,495		52,028,505	17%
Pump Stations	46,500,000	19,498,525	26,740,000		19,760,000	42%
Reservoirs	23,890,000	14,558,172	20,555,000		3,335,000	14%
Treatment Plants	25,150,000	10,509,044	14,533,000		10,617,000	42%
Others	16,700,000	2,298,447	5,253,655		11,446,345	69%
	424,855,000	205,953,227	327,668,150	77%	97,186,850	23%
Total	\$ 1,423,493,400	\$ 566,639,528	\$ 963,170,429	68%	\$ 460,322,971	32%

Metro Vancouver Housing (MVHC)

Year-to-date capital expenditures are \$45.7M (35%) and are forecasted at \$80.1M (61%) by year-end.

- Housing projects are well underway (Heather Place B, Kingston Gardens and Salal Landing), with several projects at the final stage of the permitting process with expenditures to ramp up following approvals (The Connection and The Steller). Through strategic partnerships, funding and financing programs, Metro Vancouver Housing is leveraging its available resources to build and renew homes with no additional impact to household tax requisitions.

Liquid Waste Services

Year-to-date capital expenditures are \$288.8M (37%) with a forecasted spend of \$521.0M (67%) by year-end.

- Many projects are advancing into various stages of the project timelines, like Glenbrook Trunk Kingsway Section, Glenbrook Trunk CSO Gates, North Road Trunk Sewer, Gleneagles Pump Station improvements, AIWWTP Trickling Filter Rehabilitation, AIWWTP Surge Control, Annacis Outfall System, Gilbert Brighthouse Trunk Pressure Sewer Twinning, and Burnaby Lake North Interceptor. Ground improvement works at NLWWTP and IIWWTP are moving at a slower rate, however design work is progressing, as it is for Annacis WWTP (Stage 5 Expansion).

Regional Parks

Year-to-date capital expenditures are \$17.1M (54%) and are forecasted at \$19.9M (62%) by year end.

- Progress continues on major projects including Widgeon Marsh Phase 1, Campbell Valley Greenway extension and Grouse Mountain Park Development, however, the projects are taking longer than anticipated largely due to permitting (Boundary Bay Perimeter Trail) and some challenges in procurement due to market conditions (Belcarra South Redevelopment). Timing of expenditures with respect to land acquisition is dependent on availability and market conditions.

Solid Waste Services

Year-to-date capital expenditures are \$9.1M (17%) and are forecasted at \$14.5M (27%) by year-end.

- The forecasted spend is lower than initially projected as a result of longer than expected timelines to initiate construction on various capital projects. Contributing factors include additional engagement steps in the development of project scopes, longer than expected timelines to develop municipal agreements for infrastructure projects, and additional permitting steps not initially anticipated. Despite these complexities, detailed design and procurement are underway for the Waste-to-Energy Facility District Energy system and many other projects are moving to the next phase of the project timelines.

Water Services

Year-to-date capital expenditures \$206.0M (48%) and forecasted at \$327.7M (77%) by year-end.

- The ramp up of expected spending is a result of major projects advancing to the construction stage like Stanley Park Water Supply and Second Narrows Water Supply Tunnel. In addition, construction activities are underway for Central Park Main, Kennedy Newton Main, Douglas Road Main No2, and Fleetwood Reservoir.

The following schedules provide detailed information on the capital expenditures by project against annual capital cash flow *as of September 30, 2024*.

Metro Vancouver

2024 Capital Spending Summary
For the 9 months ending September 30, 2024

Housing Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Housing Development - Heather Place - Building B	\$ 19,000,000	\$ 14,301,656
Housing Development - Heather Place - Building C	970,500	13,551
Housing Development - Heron's Nest	25,000,000	468,065
Housing Development - Kingston Gardens - Phase 1	14,000,000	8,292,453
Housing Development - Malaspina	2,000,000	829,788
Housing Development - Projects in Planning	787,010	-
Housing Development - Riverside Drive	742,490	66,177
Housing Development - Salal Landing	15,700,000	8,752,200
Housing Development - The Connection	20,000,000	3,812,484
Housing Development - The Steller	10,000,000	1,168,917
Development Capital	108,200,000	37,705,289
Housing Development - Crown Manor	350,000	36,683
Housing Development - Le Chateau Place	846,400	7,408
Housing Development - Manor House	11,000,000	6,882,200
Housing Development - Minato West	5,888,000	454,061
Housing Development - Somerset Gardens	50,000	-
Housing Development - Strathearn Court	5,000,000	659,132
Building Rehabilitation	23,134,400	8,039,485
	\$ 131,334,400	\$ 45,744,774

Liquid Waste Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Albert Street Trunk Sewer	\$ 450,000	\$ 11,557
Burnaby Lake North Interceptor Cariboo Section	50,000	-
Burnaby Lake North Interceptor Winston Section	23,890,000	17,747,088
Burnaby South Slope Interceptor West Branch Extension	200,000	-
Cloverdale Pump Station Capacity Upgrade	370,000	283,608
Cloverdale Trunk Sewer Capacity Upgrade	450,000	125,375
Combined Sewer Overflow Sampling Station Enhancements	400,000	169,937
Drainage - Port Moody Storm Drain Rehabilitation	400,000	66,662
Drainage - Still Creek Culvert Rehabilitation (Gilmore section)	100,000	-
EMQC-Chemistry Laboratory	400,000	47,002
Fraser Sewerage Area Integrated Resource Recovery (IRR) Study	250,000	37,154
Front Street Pressure Sewer Access Hatches Reinforcement	1,700,000	1,300,609
FSA Flow Metering Program	620,000	183,080
FSA River Crossing Scour Protection Program - Phase 1	450,000	18,222
FSA Sewer Relocations and Protections	500,000	-
FSA Statutory Right of Way Acquisitions Phase 1	5,350,000	3,295,951
Gilbert/Brighthouse Trunk Pressure Sewer Twinning Phase 2	1,541,000	6,297,065
Gilbert/Brighthouse Trunk Pressure Sewer Twinning Phase 3	18,000,000	22,775,808
Gilbert/Brighthouse Trunk Pressure Sewer Twinning Phase 4	18,550,000	10,012,238
Glenbrook Combined Trunk Kingsway Sanitary Section	5,200,000	759,500
Glenbrook CSO Gate Replacement	3,780,000	3,683,496
Gleneagles Forcemain Replacement Phase 2	2,130,000	192,185
Gleneagles Pump Stations Improvements	6,400,000	7,484,135
Harbour Pump Station Discharge Header Repair and Valve Replacements	4,273,000	144,714
Harbour Pump Station Power Distribution Equipment Replacement	2,107,000	227,581
Harbour Sewerage Pump Station (HRB) - Suction Piping Replacement	200,000	1,693
Highbury Interceptor Diversion Junction Chamber Wall Rehabilitation	350,000	60,554
Jervis Pump Station 25kV Voltage Conversion	990,000	123,727
Jervis Sewerage Pump Station (JRV) - Suction Piping Replacement and Wet Well Modifications	200,000	-
Kent Pump Station High Voltage Switchgear Replacement	1,030,000	190,892
LSA Flow Metering Program	50,000	(10,831)
Marshend Pump Station Capacity Upgrade	700,000	224,838
New West Interceptor - Annacis Section 2	1,320,000	469,653
New West Interceptor Grit Chamber	400,000	-
New Westminster Interceptor Annacis Channel Crossing Scour Protection	500,000	-
New Westminster Interceptor Repair Columbia St. Section	200,000	146,015
New Westminster Interceptor West Branch and Columbia Extension Rehabilitation	1,135,000	547,559
North Road Trunk Sewer	1,280,000	69,709
North Road Trunk Sewer Phase 2	4,100,000	4,087,908
North Surrey Interceptor - Port Mann Section - Odour Control	750,000	29,098
North Surrey Interceptor Manson, Roebuck Road and Port Mann Sections	500,000	15,296
North Surrey Interceptor River Crossings	1,450,000	33,638
North Surrey Interceptor Roebuck Section Replacement	2,500,000	409,700
NSA Flow Metering Program	55,000	153,891
NSA Scour Protection Upgrades	200,000	163,155
NSI Flow Management	3,250,000	1,444,179
NSI Rehab or Replacement	1,270,000	1,047,501
NWP Dip Replacement	1,000,000	-
Ocean Park Trunk Manholes Lining	50,000	-
Ocean Park Trunk Sewer - Air Management Facility	1,340,000	34,804
Other - Sewer Heat Projects	2,400,000	-
Port Coquitlam Pump Station Refurbishment	500,000	668,514
Port Moody Pump Station Capacity Upgrade	230,000	5,751

Liquid Waste Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Port Moody South Interceptor Capacity Upgrade	50,000	-
Production Way Facility Access and Parking Improvements	4,600,000	730
Production Way Operation Centre	2,300,000	277,328
Royal Ave PS Rehabilitation	1,430,000	2,776,969
Sapperton Pump Station	520,000	597,317
Sapperton Pump Station Emergency Backup Power	1,725,000	67,304
Sewer Heat Projects - Surrey	1,400,000	-
South Surrey Interceptor Delta Section (SSD) Rehabilitation	1,400,000	172,957
South Surrey Interceptor Johnston Section	1,180,000	4,667,547
South Surrey Interceptor Rehabilitation-Scott Road Section	500,000	-
SSI Influent Control Chamber Repair and Replace Gates	60,000	12,666
SSI Sulfide Odour and Corrosion Control	5,700,000	731,385
Stoney Creek Sanitary Trunk	682,000	544,145
Surrey Corrosion Control Facility Replacement	125,000	126,713
VSA Emergency Backup Power	3,850,000	1,630,771
VSA Flow Metering Program	530,000	192,954
VSA Grit Chamber Access Improvements Spanish Banks	100,000	-
VSA Sewer Relocations and Protections	200,000	14,259
VSA Statutory Right of Way Acquisitions 2024-2026	8,500,000	-
Westridge FM Replacement	5,099,000	242,184
Westridge Pump Stations 1 & 2 Refurbishment	1,380,000	558,888
White Rock Forcemain Rehabilitation	1,100,000	210,096
Other Projects	-	2,290,608
Collections	167,942,000	99,895,032
AIWWTP Ammonia Removal – Sidestream	200,000	197,829
AIWWTP Centrifuge Schwing HPU replacement	170,000	439,316
AIWWTP Chemical Lab UPS System Replacement	150,000	271,709
AIWWTP Cogeneration Backup Power	400,000	216,897
AIWWTP Cogeneration Backup Power 69 kV Substation Modifications	100,000	33,766
AIWWTP Digester No. 5	500,000	108,570
AIWWTP Electrical Distribution System Protection Control and Monitoring	200,000	304,518
AIWWTP Hydrothermal Processing Pilot	8,550,000	3,032,064
AIWWTP ICS Replacement Program	1,400,000	254,786
AIWWTP Influent System Remediation	250,000	23,034,745
AIWWTP IPS Gates Replacements	75,000	-
AIWWTP IPS Pump Building Roof Replacement Phase 2	100,000	26,392
AIWWTP Lubrication Storage Facility Conversion	500,000	17,740
AIWWTP O&M Building Refurbishment	100,000	-
AIWWTP PWD line refurbishment/replacement	250,000	-
AIWWTP Replacement of Protective Relays	50,000	51,667
AIWWTP Scheduled 64kV Potential & Current Transformer Replacements	50,000	-
AIWWTP SCL Flow Balancing	50,000	6,346
AIWWTP SCL Flow Control	700,000	115,271
AIWWTP SCL Flow Leveling Phase 2	700,000	161,096
AIWWTP Scum Pump Replacement	200,000	-
AIWWTP Sludge Control Building Electrical Room HVAC upgrade	425,000	115,233
AIWWTP Stage 5 Expansion Phase 2	1,000,000	87,714
AIWWTP Stage 5 Expansion Phase 2 - PDE	40,780,000	8,414,335
AIWWTP Stage 5 Expansion Phase 2b	21,000,000	11,238,453
AIWWTP Station Battery Replacement - PHASE 2	50,000	32,172

Liquid Waste Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
AIWWTP Trickling Filter Media & Distributor Arms & Ducting Replacement	5,485,000	7,361,751
AIWWTP UPS Condition Monitoring System	50,000	-
All WWTPs Power Quality Monitoring & Outage Alarming Network	50,000	2,783
Annacis Influent System Surge Control Refurbishment	2,100,000	1,756,514
Annacis MCC 80 051, 80 070, 80 071 Replacement	50,000	10,683
Annacis Outfall System	11,500,000	9,389,559
Biosolids Dryer	500,000	215,198
Golden Ears Forcemain and River Crossing	160,000	5,783,006
Golden Ears Pump Station	123,000	675,885
IWWTP - Biogas Lines Relocation	50,000	51,343
IWWTP Biosolids Dewatering Facility	1,150,000	320,355
IWWTP CEPT Polymer Line Replacement	1,750,000	1,577,050
IWWTP CEPT Winterization	1,100,000	1,017,345
IWWTP Digester 4 Roof Replacement & Mixing Replacement	50,000	243,994
IWWTP ICS IPS Control Replacement	700,000	113,688
IWWTP ICS Replacement Program	300,000	147,879
IWWTP Influent Gate Refurbishment	100,000	-
IWWTP IPS Drive Remediation	125,000	151,852
IWWTP MCC/Power Distribution Assess/Replace - Phase 2	50,000	1,119
IWWTP Non-Domestic Trucked Liquid Waste Alternative	50,000	-
IWWTP Outfall Refurbishment	2,000,000	1,194,784
IWWTP PA Tanks Improvement	1,500,000	13,335
IWWTP PA-Sed Tank & Gallery Wall Refurbishment	100,000	36,967
IWWTP Replacement of CoGen Control System	100,000	37,840
IWWTP Siphon Chamber Refurbishment	200,000	25,226
IWWTP Solids Handling Refurbishment	50,000	-
IWWTP Standby Diesel Generators	100,000	-
IWWTP Surge Mitigation	25,000	-
Iona Island Control & Instrumentation Replacement 2011	50,000	12,012
Iona Island Wastewater Treatment Plant	109,220,000	27,269,434
LIWWTP Admin Dewatering Building Roof Repair	50,000	42,139
LIWWTP Biogas Clean-up Project	50,000	237,723
LIWWTP Effluent Heat Recovery Project	500,000	607,441
LIWWTP Gravity Thickener Redundancy	475,000	58,524
LIWWTP Ground Fault Detection System Replacement	200,000	58,363
LIWWTP High Efficiency Boiler	400,000	-
LIWWTP ICS Electrical Distribution System Migration Program	500,000	-
LIWWTP ICS Replacement Program	2,250,000	340,824
LIWWTP PA-Sed Tank Refurbishment	300,000	332,628
LIWWTP Pilot Digestion Optimization Facility	500,000	105,644
LIWWTP Power Reliability	2,380,000	416,142
LIWWTP SCL Refurbishment	300,000	77,889
LIWWTP Trickling Filter Refurbishment	400,000	375,275
NLWWTP 25 kV Substation Replacement	50,000	43,335
NLWWTP Ground Improvements	43,311,000	1,937,665
NLWWTP Outfall	2,483,000	417,893
NLWWTP Stage 1	32,693,000	17,459,950
NLWWTP Standby Diesel Generator	700,000	387,689
North Shore WWTP Secondary Upgrade, Conveyance and Decommissioning	308,812,000	59,204,817
WWTPs Electrical System Studies & Upgrades	200,000	26,471
Other Projects	-	1,167,612
Treatment Plants	613,292,000	188,868,247
	\$ 781,234,000	\$ 288,763,280

Regional Parks	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Capital Development - Boundary Bay - Perimeter Trail	\$ 1,500,000	\$ 7,810
Capital Development - Bowen Island - Park Development	400,000	-
Capital Development - Burnaby Lake - Glencarin Greenway Connection	1,500,000	-
Capital Development - Burns Bog Delta Nature Reserve Development	500,000	138,968
Capital Development - Campbell Valley - Perimeter Greenway Trail	500,000	987,236
Capital Development - Campbell Valley - Replacement of Little River Loop Boardwalk	100,000	87,724
Capital Development - Crippen - Davies Orchard Cabins	50,000	110,949
Capital Development - Lynn Headwaters - Park Entry Bridge & Day Use Area	150,000	-
Capital Development - Tynehead - Perimeter Trail Phase 2	975,000	-
Capital Development- Feasibility Studies	500,000	-
Capital Replacement and Development - Belcarra - South Picnic Area and Cabins	750,000	265,185
Capital Replacement and Development - Capilano New Service Yard	500,000	23,962
Capital Replacement and Development - Grouse BCMC Realignment & Improvement	1,275,000	872,040
Capital Replacement and Development - Small Capital Replacement and Development Projects	2,270,000	456,685
Capital Replacement and Development - Widgeon Marsh New Park Development	1,000,000	376,292
Other Projects	-	307,144
Capital Development	11,970,000	3,633,993
Regional Land Acquisition	20,000,000	13,489,876
Parkland Acquisition Fund Projects	20,000,000	13,489,876
	\$ 31,970,000	\$ 17,123,869

Solid Waste Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Coquitlam Landfill East Closure	\$ 1,100,000	\$ -
Coquitlam Landfill Gas Collection Upgrades Phase II	1,500,000	37,095
Coquitlam Landfill Maintenance Leachate Collection System Grade Realignment	50,000	-
Coquitlam Landfill Maintenance Lot 3 Development	200,000	86,974
Coquitlam Landfill Maintenance Pump Station Upgrade	1,000,000	97,052
Landfills	3,850,000	221,122
Langley Recycling Depot Development	1,000,000	134,405
Maple Ridge Recycling and Waste Centre Upgrades	500,000	-
North Surrey Recycling and Waste Centre Compactor Replacement	100,000	2,796,365
North Surrey Recycling Depot Development	1,000,000	134,405
Weigh Scale Replacement	2,500,000	-
Other Projects	-	3,577
Recycling and Waste Centres	5,100,000	3,068,751
Acid Gas Reduction	850,000	-
Air System Piping Replacement	150,000	-
Biosolids Processing	8,000,000	695,110
Bottom Ash Processing	50,000	46,737
Generation Bank Replacement	5,900,000	10,265
Primary Economizer Replacement	500,000	252,026
Refuse Crane	5,650,000	108,522
Secondary Economizers Replacement	1,750,000	4,053
WTE Facility Boiler and APC Roof Replacement	100,000	-
WTE Facility Bottom Ash Crane Replacement	500,000	54,855
WTE Facility Compressed Air System Replacement	900,000	71,916
WTE Facility District Heating	12,500,000	1,349,471
WTE Facility District Heating Opportunities	50,000	210,527
WTE Facility Electrical Transformers Replacement	2,500,000	129,997
WTE Facility Fabric Filter Hopper and Pulse Header Refurbishment	1,000,000	773,058
WTE Facility Feed Hopper/Chute	100,000	-
WTE Facility Feedwater Pump Replacement	50,000	17,988
WTE Facility Fire Suppression System	500,000	-
WTE Facility Fly Ash Silo Refurbishment	400,000	2,039,983
WTE Facility Primary Superheaters Replacement	2,000,000	-
WTE Facility Programmable Logic Controllers Replacement	500,000	-
WTE Facility Pug Mill Enclosure Ventilation System Replacement	500,000	-
WTE Facility Refuse Pit Bunker Door Replacement	300,000	-
WTE Facility Soot Blower Piping Replacement	150,000	-
WTE Facility Stack Refurbishment	250,000	-
Waste To Energy Facilities	45,150,000	5,764,507
	\$ 54,100,000	\$ 9,054,379

Water Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Angus Drive Main	\$ 50,000	\$ 3,438
Annacis Main No. 2 - Queensborough Crossover Improvement	50,000	-
Annacis Main No. 2 and Barnston Island Main Online Chlorine and pH Analyzers	700,000	54,826
Annacis Main No. 3 BHP Potash Facility Pipe Protection	50,000	-
Annacis Main No. 5 (North)	1,500,000	682,585
Annacis Main No. 5 (South)	5,100,000	226,482
Annacis Water Supply Tunnel	76,000,000	46,329,147
Burnaby Mountain Main No. 2	600,000	-
Cambie-Richmond Water Supply Tunnel	6,100,000	92,520
Central Park Main No. 2 (10th Ave to Westburnco)	1,500,000	3,511,482
Central Park Main No. 2 (Patterson to 10th Ave)	10,350,000	8,470,981
Clayton Langley Main No. 2	500,000	175,563
Coquitlam Main No. 4 (Cape Horn)	2,700,000	1,784,865
Coquitlam Main No. 4 (Central Section)	14,500,000	2,830,852
Coquitlam Main No. 4 (South Section)	78,000,000	43,075,450
Douglas Road Main No. 2 (Flow Meter 169) Replacement	500,000	38,778
Douglas Road Main No. 2 (Vancouver Heights Section)	450,000	12,944
Douglas Road Main No. 2 Still Creek	11,050,000	12,783,115
Douglas Road Main Protection	550,000	-
Haney Main No. 4 (West Section)	750,000	144,249
Haney Water Supply Tunnel	1,750,000	487,078
Improvements to Capilano Mains No. 4 and 5	250,000	-
Kennedy Newton Main	17,100,000	11,336,285
Lulu Island - Delta Main - Scour Protection Phase 2	50,000	-
Lulu-Delta Water Supply Tunnel	1,250,000	1,050
Lynn Valley Road Main, Seymour Main No. 3 & Seymour Main No. 4 Aerial Crossings Rehabilitation	2,270,000	264,375
Maple Ridge Main West Lining Repairs	50,000	76,634
Newton Reservoir Connection	450,000	-
Palisade Outlet Works Rehabilitation	900,000	636,012
Port Mann Main No. 2 (South)	50,000	180,100
Port Mann Main No. 2 (South) Whalley Reservoir Feeder Main	3,000,000	-
Port Mann No. 1 South Section Decommissioning	350,000	2,675
Port Moody Main No. 1 Christmas Way Relocation	100,000	-
Port Moody Main No. 3 Scott Creek Section	2,000,000	573,701
Queensborough Main Royal Avenue Relocation	100,000	-
Rehabilitation of AN2 on Queensborough Bridge	470,000	33,318
Relocation and Protection for MOTI Expansion Project Broadway	100,000	-
Relocation and Protection for MOTI George Massey Crossing Replacement	100,000	-
Relocation and Protection for Translink Expansion Project Surrey Langley SkyTrain	100,000	21,054
Sapperton Main No. 1 New Line Valve and Chamber	50,000	26,163
Sapperton Main No. 2 North Road Relocation and Protection	6,400,000	131,789
Scour Protection Assessments and Construction General	150,000	1,054,439
Second Narrows Water Supply Tunnel	25,000,000	14,065,474
Seymour Main No. 2 Joint Improvements	100,000	26,322
Seymour Main No. 5 III (North)	2,100,000	483,393
South Delta Main No. 1 - Ferry Road Check Valve Replacement	100,000	56,017
South Fraser Storage Yard	250,000	197,455
South Surrey Main No. 1 Nickomekl Dam Relocation	3,600,000	-
South Surrey Main No. 2	800,000	323,371
South Surrey Main No. 2 Nickomekl Dam Prebuild	1,000,000	-
South Surrey Supply Main (Serpentine River) Bridge Support Modification	50,000	1,027,461

Water Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Stanley Park Water Supply Tunnel	26,075,000	3,891,833
Tilbury Junction Chamber Valves Replacement with Actuators	200,000	4,622
Tilbury Main North Fraser Way Valve Addition	1,500,000	39,578
Water Chamber Improvements and Repairs	250,000	2,620
Water Meter Upgrades	2,000,000	2,447,361
Water Optimization - Instrumentation	1,150,000	476,032
Water Optimization Automation & Instrumentation Phase 1	50,000	599,031
Whalley Kennedy Main No. 2	300,000	338,255
Whalley Main	50,000	38,622
Other Projects	-	29,642
Water Mains	312,615,000	159,089,038
Barnston/Maple Ridge Pump Station - Back-up Power	2,100,000	-
Burnaby Mountain Pump Station No. 2	400,000	130,379
Cape Horn Pump Station No. 3	2,500,000	2,631,640
Capilano Raw Water Pump Station - Back-up Power	21,000,000	13,598,502
Capilano Raw Water Pump Station Bypass PRV Upgrades	1,950,000	136,924
Central Park WPS Starters Replacement	5,000,000	57,013
Grandview Pump Station Improvements	1,500,000	178,893
Newton Pump Station No. 2	9,450,000	2,625,979
Westburnco Pump Station - Back-up Power	1,500,000	108,749
Westburnco Pump Station No. 2 VFD Replacements	1,100,000	13,483
Other Projects	-	16,964
Pump Stations	46,500,000	19,498,525
Burnaby Mountain Tank No. 2	990,000	113,896
Cape Horn Reservoir Condition Assessment and Structural Repair	250,000	725
Capilano Energy Recovery Facility Operational Upgrades	750,000	84,028
Clayton Reservoir	50,000	251,989
Dechlorination for Reservoir Overflow and Underdrain Discharges	1,000,000	22,399
Fleetwood Reservoir	16,500,000	11,249,213
Hellings Tank No. 2	400,000	81,472
Kersland Reservoir No. 1 Structural Improvements	500,000	4,927
Pebble Hill Reservoir No. 3 Seismic Upgrade	50,000	-
Pebble Hill Reservoir Seismic Upgrade	500,000	1,342,722
Reservoir Isolation Valve Automation	550,000	65,860
Reservoir Preliminary Structural Assessments (Annual Inspection 2023 to 2025)	1,200,000	779,159
Reservoir Sampling Kiosks - Multi Location	350,000	39,178
Sasamat Reservoir Refurbishment	250,000	39,433
Sunnyside Reservoir Units 1 and 2 Seismic Upgrade	100,000	228,991
Vancouver Heights System Resiliency Improvements	450,000	218,073
Other Projects	-	36,107
Reservoirs	23,890,000	14,558,172
CLD and SFD Lead Paint Removal, Surface Crack Injection and General Corrosion Mitigation	500,000	459,855
Coquitlam Intake Tower Seismic Upgrade	100,000	8,236
Coquitlam Lake Water Supply - Intake No. 2 & Tunnel	9,000,000	3,223,326
Coquitlam Lake Water Supply - Water Treatment	5,000,000	2,245,419
CWTP CO2 System Improvements	500,000	42
CWTP Mobile Disinfection System	500,000	88,637
CWTP Ozone Generation Upgrades for Units 2 & 3	1,000,000	792,030
CWTP Ozone Sidestream Pipe Heat Trace and Insulation	150,000	119,095
CWTP Ozone Sidestream Pump VFD Replacement	500,000	83,674
Loch Lomond Outlet Works Rehabilitation	250,000	67,252

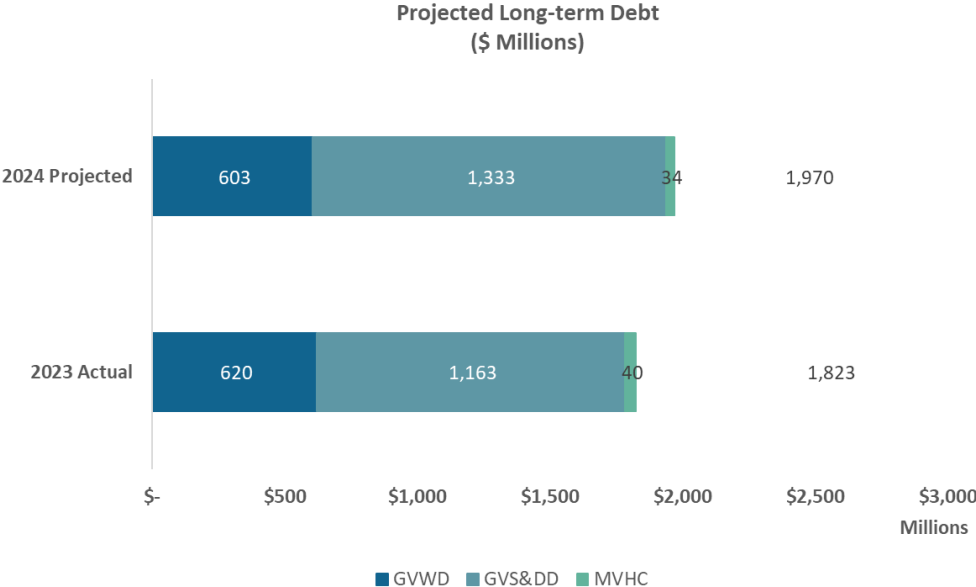
Water Services	Annual Capital Cash Flow	Year-to-date Actual Expenditures
Microbiology Laboratory Expansion	250,000	-
Online Chlorine and pH Analyzers Phase 1	1,400,000	45,977
SCFP Centralized Compressed Air System	1,350,000	11,607
SCFP Clearwell Baffle Replacement Pilot	250,000	80,276
SCFP Clearwell Membrane Replacement	600,000	140,264
SCFP Floc Tank Baffle Replacement and Ladder Installation to Improve Accessibility	500,000	28,813
SCFP OMC Building Expansion	500,000	100,041
SCFP Polymer System Upgrade	1,000,000	607,947
SCFP SCADA/ICS Controller Replacement	1,200,000	2,381,824
Water Utilities SLC Control System Upgrades	600,000	22,779
Other Projects	-	1,950
Treatment Plants	25,150,000	10,509,044
Capilano Raw Water Pump Station VFD Upgrades	300,000	-
Capilano Reservoir and Seymour Reservoir Dam Safety Boom Replacement	500,000	66,530
Capilano Watershed Security Gatehouse	1,800,000	253,075
CLD & SFD Fasteners Replacement & Coating Repairs	50,000	-
Cleveland Dam - Lower Outlet HBV Rehabilitation	250,000	58,362
Cleveland Dam Drumgate Seal Replacement	500,000	8,403
Cleveland Dam Power Resiliency Improvements	700,000	4,243
Cleveland Dam Public Warning System and Enhancements	1,750,000	624,908
Cleveland Dam Seismic Stability Evaluation	400,000	70,391
Facilities O&M Documentation Development - Phase 1	1,000,000	17,271
Lake City HVAC Upgrade	400,000	-
Lower Seymour Conservation Reserve Learning Lodge Replacement	50,000	457,547
Rechlorination Station SHS Storage Tank Replacement	100,000	106,138
Rechlorination Station Upgrades	2,000,000	133,953
Rice Lake Dams Rehabilitation	900,000	130,416
SCADA Moscad Server & ICS Historian Expansion & Partitioning	1,500,000	-
Seymour Falls Dam Public Warning System	1,250,000	9,570
Seymour Falls Dam Seismic Stability Assessment	750,000	-
South Fraser Works Yard	2,500,000	(16,638)
Other Projects	-	374,277
Others	16,700,000	2,298,447
	\$ 424,855,000	\$ 205,953,227

TREASURY RESULTS

Long-term debt

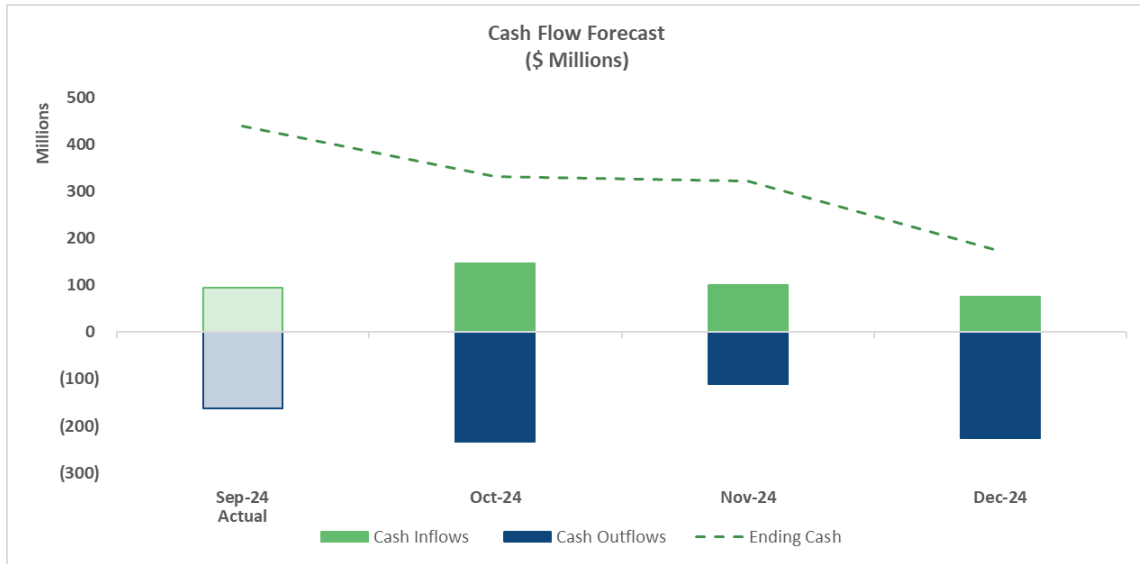
As a result of capital projects progressing to completion and or ramping up in 2024, the total borrowing for 2024 is \$350M, below the budget at \$482M. Furthermore, the MFA long-term borrowing rate for the 2024 Spring borrowing of \$350M was 4.40%, which is lower than the Fall 2023 rate of 4.97% indicating a softening in long-term interest rates. The impact of the lower amount of borrowing and lower interest rates results in a lower than expected debt service ratio (interest and principal payments to revenue) from 19.9% to 18.7%.

By the end of 2024, long-term debt is expected to increase by \$200M to \$1,970B compared to \$1,823B at the end of 2023. The increase is largely from the \$350M new debenture debt issued in the spring (\$274M GVSⅅ \$76M GVWD), offset by \$143M in annual debenture payments.

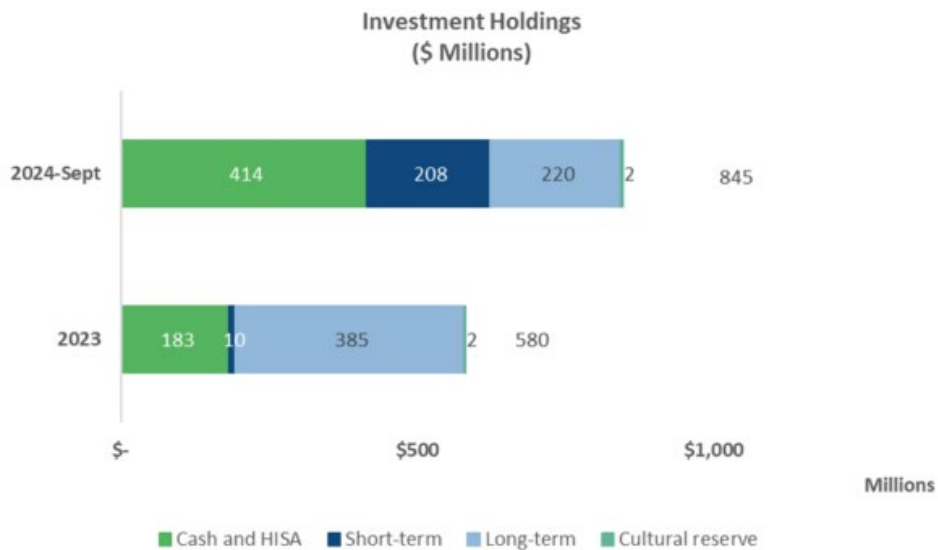


Cash and Investments

The chart below provides the September 2024 actual cash position and the cash flow forecast for Metro Vancouver from October 2024 to December 2024. Treasury is continuously reviewing cash and reserve balances to ensure adequate liquidity to sustain operations and managing risk while also making efficient use of its cash.



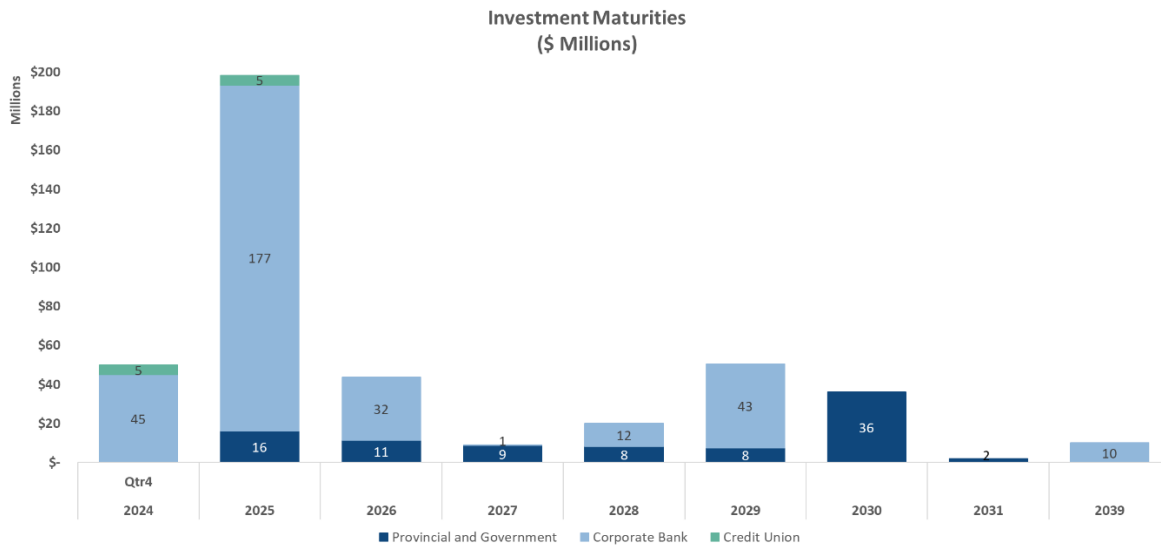
The charts below provide summaries of the cash and investment holdings as of September 30, 2024 compared to December 31, 2023, as well as the investment maturities for the portfolio. Cash and investments has increased as of September 30, 2024 from \$580.2M at December 31, 2023 to \$845.4M. This is largely due to seasonality in cash flows, where cash was received from tax levy revenue in the third quarter. The cash balance will decrease by the end of 2024 as the tax levy received in the third quarter is utilized to fund 2024 budgeted expenses. Finance is continuously monitoring the cash and reserve balances with a strategy to utilize cash instead of locking in borrowing at high market rates as it is anticipated that interest rates will continue to decrease in 2024.



<i>(in thousands of dollars)</i>	2024-September	2023
High-interest saving accounts	\$ 414,174	\$ 182,895
Short-term investments *	208,350	10,000
Long-term investments **	220,481	385,101
Cultural reserve investments ***	2,365	2,231
Total Cash & Investment Holdings	\$ 845,370	\$ 580,227

- * Short-term investments have terms of less than one year and include bankers' acceptances, Canadian bank bonds and credit union term deposits.
- ** Long-term investments have terms of greater than one year and include Canadian bank bonds, guaranteed investment certificates, credit union term deposits and MFA pooled funds.
- *** Cultural reserve investments are reserve for contribution to cultural activities.

Investments are held to 2039, however the majority of the portfolio will mature within two years. Remaining investment maturities in 2024 are expected to be \$50.0M. Treasury will strategically reinvest funds or convert to cash if cash resources are required.



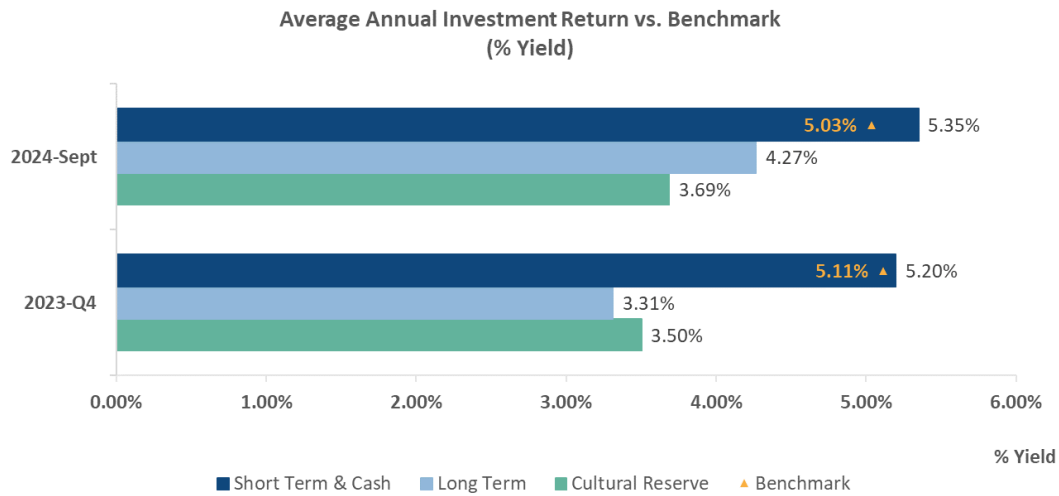
Investment Returns

The average investment returns as of September 2024 have increased since December 2023, to 5.35% for short-term and 4.27% for long-term. In comparison to April 2024, short-term returns declined from 5.53% due to the decrease in banking prime rate, driven by the Bank of Canada policy decisions. Long-term returns increased from 4.17% due to locked in investment rates. As interest rates are expected to decline, Metro Vancouver's rate of return is expected to remain favourable as maturing investments are reinvested with higher yielding longer term products or held in cash to take advantage of high-interest savings account rates.

Currently, the total estimated weighted average annualized return is 4.59%, slightly higher than 4.51% reported in April 2024.

The chart below summarizes the investment returns by investment category against benchmark rates.

The chart indicates the return on short-term investments of 5.35% has surpassed the MFA benchmark of 5.03%:



Financial Position Indicators

Illustrated below is additional insight into Metro Vancouver’s financial position. These ratios measure Metro Vancouver’s current performance compared to budget and prior year.

	2024-Sept	2024-Budget	2024-Forecast	2023-Dec
Current Ratio	4.4	-	-	2.5
Debt Servicing	-	19.9%	18.7%	18.8%
Interest Burden	-	7.6%	6.5%	6.7%
Interest Revenue	\$ 21.1M	\$ 17.7M	\$ 24.8M	\$ 29.3M

Current ratio is calculated as current assets divided by current liabilities. The current ratio indicates cash exceeds our current obligations by 4.4 times. The organizations’ financial assets are more than sufficient at the end of September to offset the amount of short-term obligations.

Debt servicing costs is a calculation of long-term debt principal and interest payments divided by revenue. Interest burden is a component of the debt servicing costs, interest payments divided by revenue. The forecasted (18.7%) ratio is less than budgeted due to the Spring 2024 borrowing being less than anticipated (\$350M borrowed vs \$482M budgeted) from lower than anticipated capital spending and interest rates

Investment interest revenue as of September 30, 2024 indicates a positive trend, as revenue has met and exceeded the annual budgeted goal of \$17.7M.



PROCUREMENT

Awarded Procurement

- The tables below provide:
 - The number and value of awards approved by the Metro Vancouver Board, as well as those approved by the Corporation in excess of \$500,000 that are not awarded by the Board in accordance with the existing Board-approved Procurement Policy. The figures only include awards with contracts that have been fully executed as of September 30, 2024.
 - Twelve awards were approved by the Board in the first three quarters of 2024, accounting for 15% of the total number of awards and approximately 84% of the total dollar value awarded.

Award Type	Year-to-date Sept 2024	2023	2022	2021
Board Awarded	12	16	20	25
Corporate Awarded	64	51	53	51
Total	76	67	73	76

Award Type	Year-to-date Sept 2024	2023	2022	2021
Board Awarded	\$ 531,220,955	\$465,895,019	\$434,664,449	\$798,139,628
Corporate Awarded	\$ 100,023,832	\$71,980,936	\$ 89,019,028	\$ 92,545,559
Total	\$ 631,244,787	\$537,875,955	\$523,683,477	\$890,685,187

Awarded Bids – January to September 2024

The following contracts over \$500,000 have been awarded by Metro Vancouver. Contracts have been entered into with the vendors offering the best value to the Corporation determined in accordance with the evaluation criteria, factors or methods previously disclosed in the public solicitation documents.

RESULTS OF OPEN PUBLIC COMPETITIVE PROCUREMENTS - AWARDS IN 2024 JANUARY – SEPTEMBER

Competition #	Competition Type	Competition Description	Awarded Date	Vendor Name	Awarded Amount	Awarded	
23-085	RFP	South Surrey Supply Main Bridge Support Modifications	3-Jan-24	Acuren Group Inc.	\$ 979,231	Yes	
23-369	SS/NOIC	Enhanced Hydrodynamic Modelling, Scenario Analysis and Screening Level Risk Assessment Consulting	4-Jan-24	Tetra Tech Canada Inc.	\$ 510,979	Yes	
23-260	ITT	Lulu Island WWTP C1 and C2 Piping Replacement Project	9-Jan-24	Tritech Group Ltd.	\$ 766,834	Yes	
23-004	ITT	Supply and Installation of Glenbrook Combined Trunk Sewer Replacement – Kingsway Section	10-Jan-24	NorLand Ltd.	\$ 4,021,642	Yes	
24-034	ITT	Manor House - Deep Energy Retrofit Exterior Walls	26-Jan-24	Master Stucco Ltd.	\$ 769,980	Yes	
24-037	ITT	Manor House - Deep Energy Retrofit Roofing & PMMA	26-Jan-24	Renewal Constructions Inc.	\$ 977,100	Yes	
24-039	ITT	Manor House - Deep Energy Mechanical & Electrical	26-Jan-24	Slopeside Mechanical Systems Ltd.	\$ 3,517,569	Yes	
23-229	SS/NOIC	Small Load Waste Alternative Fuel Processing Trial	7-Feb-24	Geocycle Canada Inc.	\$ 1,290,000	Yes	
23-355	RFP	Supply & Installation of Scour Protection for Annacis Main No. 2	8-Feb-24	Fraser River Pile & Dredge (GP) Inc.	\$ 992,910	Yes	
23-375	SS/NOIC	Disposal Services for Iona WWTP Legacy Grit	9-Feb-24	Wastech Services Inc.	\$ 1,005,000	Yes	
23-072	RFP	Cathodic Protection Maintenance Services	20-Feb-24	Corrosion Service Company Ltd.	\$ 903,000	Yes	
22-505	RFP	Construction - IJWWTP CEPT Winterization	21-Feb-24	Bennett Mechanical Installations (2001) Ltd.	\$ 3,449,700	Yes	
23-134	RFP	Solid Waste Compaction System at North Surrey Recycling and Waste Centre	21-Feb-24	SSI Shredding Systems, Inc.	\$ 3,315,123	Yes	
23-184	RFP	Iona WWTP Long-Term Lagoon Cleaning	11-Mar-24	American Process Group Ltd.	\$ 29,913,644	Yes	
23-378	ITT	Royal Avenue Pump Station Rehabilitation	21-Mar-24	Kenaidan Contracting Ltd.	\$ 6,845,655	Yes	
23-314	SS/NOIC	NS4 - Surrey 168 St Connection Leak Repair	3-Apr-24	West Shore Constructors Ltd.	\$ 1,347,462	Yes	
23-011	SRFEOI	Biosolids Management at Multiple Forage Crop Site	5-Apr-24	SYLVIS Environmental Services Inc.	\$ 5,607,000	Yes	
23-011	SRFEOI	Biosolids Management at Ingerbelle Composting Facility	5-Apr-24	Arrow Transportation Systems Inc.	\$ 29,768,000	Yes	
23-156	RFP	Construction Management Services for the Installation of Central Park Main No.2 - Phase 2A – Macpherson Avenue to Griffiths Avenue	5-Apr-24	RAM Engineering Ltd.	\$ 1,058,925	Yes	
23-319	RFP	Supply and Delivery of Large Wheel Loader	11-Apr-24	SMS Equipment Inc.	\$ 782,643	Yes	
23-088	RFP	Supply and Delivery of Utility Tractors and Attachments	15-Apr-24	Avenue Machinery Corporation	\$ 2,540,000	Yes	
23-402	SS/NOIC	Supply and Delivery of Material for the North Shore Wastewater Treatment Plant	24-Apr-24	Araner Global DMCC	\$ 6,416,839	Yes	
23-411	ITT	Strathearn Court – Building Envelope Rehabilitation	9-May-24	Signia Construction Ltd.	\$ 8,160,895	Yes	
24-007	RFP	Nuisance Mosquito Control Program for Metro Vancouver and Participating Municipalities	15-May-24	Morrow BioScience Ltd.	\$ 685,864	Yes	
23-291	RFP	Electrical and Mechanical Services For C3 To Grit Separators	16-May-24	enCompass Solutions Group	\$ 1,672,253	Yes	
24-130	SS/NOIC	Supply and Delivery of Dewatering Polymer to Iona WWTP	23-May-24	SNF Canada Ltd.	\$ 1,230,000	Yes	
22-426	RFP	Construction of the Grandview Pump Station Improvements Project	29-May-24	Industra Construction Corp.	\$ 1,576,525	Yes	
23-128	ITT	Construction Services for Concrete Manhole Lids on Front Street	29-May-24	Oscar Renda Contracting of Canada	\$ 1,667,143	Yes	
24-017	ITT	Construction of South Uplands Entrance Area	29-May-24	Capital Green Landscapes Ltd.	\$ 777,110	Yes	
22-508	RFP	Project Controls Support Services	3-Jun-24	Turner and Townsend Canada Inc.	\$ 1,239,957	Yes	
22-508	RFP	Project Controls Support Services	5-Jun-24	Rider Hunt International (Alberta) Inc.	\$ 2,346,745	Yes	
22-508	RFP	Project Controls Support Services	3-Jul-24	PTAG Inc.	\$ 1,013,298	Yes	
23-407	ITT	Annacis Island Wastewater Treatment Plant (AIWWTP) Emergency Sanitary Sewer and Maintenance Holes Rehabilitation	3-Jun-24	Michels Canada Co.	\$ 884,431	Yes	
23-415	RFP	Kennedy Newton Main - Contract 3A - Kennedy Newton Reservoir to 88th Avenue and 120th Street	3-Jun-24	Matcon Civil Constructors Inc.	\$ 26,140,200	Yes	
24-146	SS/NOIC	Project Support Financial Services for the North Shore Wastewater Treatment Plant	7-Jun-24	Deloitte LLP	\$ 2,281,268	Yes	
23-067	RFP-MA	Electrical, Instrumentation and Control (EIC) Consulting Engineering Services for Liquid Waste Services Collection Systems	12-Jun-24	Ausenco Engineering Canada Inc.	\$ 4,750,000	Yes	
23-067	RFP-MA	Electrical, Instrumentation and Control (EIC) Consulting Engineering Services for Liquid Waste Services Collection Systems	12-Jun-24	MTS Engineering Inc.		Yes	
23-067	RFP-MA	Electrical, Instrumentation and Control (EIC) Consulting Engineering Services for Liquid Waste Services Collection Systems	12-Jun-24	Tetra Tech Canada Inc.		Yes	
23-067	RFP-MA	Electrical, Instrumentation and Control (EIC) Consulting Engineering Services for Liquid Waste Services Collection Systems	12-Jun-24	WSP Canada Inc.		Yes	
23-435	ITT	Construction Services for Minato West Building Envelope Rehabilitation	21-Jun-24	Signia Construction Ltd.	\$ 6,762,920	Yes	
24-046	Co-Operative Procurement	Supply and Delivery of Motor Grader for the Watershed and Environmental Management Division	24-Jun-24	Finning International Inc.	\$ 587,200	Yes	
24-046	Co-Operative Procurement	Supply and Delivery of Canoe Services - Adobe Acrobat Subscription	18-Sep-24	CDW Canada Corporation	\$ 577,346	Yes	
22-452	RFP	Construction of Header Replacement for Harbour Pump Station	24-Jun-24	Mitchell Installations Ltd.	\$ 2,458,739	Yes	
23-061	RFP	Supply and Delivery of Cellular Devices	24-Jun-24	Rogers Communications Canada Inc.	\$ 2,217,497	Yes	
24-162	RFP	Construction of the Phase 2 Perimeter Trail Expansion in Campbell Valley Regional Park	3-Jul-24	Skylark Management Corp.	\$ 848,131	Yes	
23-354	RFP	Annacis Main No. 2 Pipe Joints Inspection and Repairs Under Queensborough Bridge	8-Jul-24	Acuren Group Inc.	\$ 1,356,613	Yes	
23-076	SS/NOIC	Consulting Engineering Services Support for Additional Enhanced Tests in the Pilot Testing Program at the Lulu Island Pilot Digestion Optimization Facility	17-Jul-24	Brown & Caldwell	\$ 513,698	Yes	
24-296	SS/NOIC	Detailed Design Deposit for Construction Power	22-Jul-24	BC Hydro	\$ 821,000	Yes	
24-416	SS/NOIC	Genset Rental at Sapperton Pump Station	24-Jul-24	United Rental of Canada, Inc.	\$ 1,869,005	Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	AECOM Canada Ltd.	\$ 750,000	Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	AtkinsRéalis Canada Inc.		Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	Parsons Inc.		Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	R.F. Binnie & Associates Ltd.		Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	Stantec Consulting Ltd.		Yes	
23-258	RFP-MA	Traffic Engineering Consulting Services	26-Jul-24	McElhanney Ltd.		Yes	
23-432	RFP-MA	Civil Construction Inspection Services	2-Aug-24	Maven Consulting Ltd.		Yes	
23-432	RFP-MA	Civil Construction Inspection Services	2-Aug-24	RAM Engineering Ltd.		Yes	
23-432	RFP-MA	Civil Construction Inspection Services	2-Aug-24	WSP Canada Inc.		\$ 4,500,000.00	Yes
23-432	RFP-MA	Civil Construction Inspection Services	2-Aug-24	Stantec Consulting Ltd.		Yes	
23-432	RFP-MA	Civil Construction Inspection Services	2-Aug-24	R.F. Binnie & Associates Ltd.	Yes		
23-268	ITT	Site Preparation, Installation, Tie-in Connections and Commissioning for the IJWWTP Pilot Plant Contract	12-Aug-24	Graham Infrastructure LP	\$ 4,962,200	Yes	
24-204	ITT	Culvert and Headwall Improvements at Widgeon Marsh Regional Park	15-Aug-24	Skylark Management Corp.	\$ 528,223	Yes	
18-023	RFP	Consulting Engineering Services for Capilano Main No. 5 Stanley Park Water Supply Tunnel	16-Aug-24	Mott MacDonald Canada Ltd.	\$ 24,129,946	Yes	
20-097	RFP	Construction Management Services for Capilano Main No. 5 (South Shaft to Chilco) – Stanley Park Water Supply Tunnel	16-Aug-24	Delve Underground Canada Corp. ULC	\$ 13,942,932	Yes	
24-124	RFP	Water Supply Plan Using Adaptive Pathways	16-Aug-24	GHD Ltd.	\$ 594,012	Yes	
24-161	SS/NOIC	Supply and delivery of Materials for The North Shore WWTP	16-Aug-24	MLM Conveying Systems Inc.	\$ 2,456,604	Yes	
24-079	RFP	Consulting Engineering Services for Lulu Island Wastewater Treatment Plant (LIWWTP) Gravity Thickener Redundancy	26-Aug-24	AECOM Canada Ltd.	\$ 863,409	Yes	
23-116	RFP	Consulting Engineering Services for the Cambie-Richmond Water Supply Tunnel - Fraser River Crossing	28-Aug-24	Mott MacDonald Canada Ltd.	\$ 5,958,075	Yes	
24-020	RFP	Supply and Delivery Valves - Stanley Park Water Supply Tunnel Bypass Piping	4-Sep-24	CB Process Instrumentation & Controls	\$ 706,400	Yes	
23-308	ITT	Supply and Installation for Auto-sampler Kiosks at Clark Drive & Heather Combined Sewer Overflow (CS) Monitoring Site	4-Sep-24	J A Electric Inc.	\$ 629,500	Yes	
23-041	RFP	Consulting Engineering Services for the Iona Island Wastewater Treatment Plant	5-Sep-24	Fraser Delta Group	\$ 60,574,702.00	Yes	
24-395	SS/NOIC	Supply and Delivery of Repair Materials to Coquitlam Main No. 4 Central Section	9-Sep-24	Thompson Pipe Group Pressure	\$ 727,900	Yes	
23-341	RFP	Stanley Park Water Supply Tunnel Project – South Shaft and Bypass Piping Fabrication and Supply	16-Sep-24	Northwest Pipe Company	\$ 5,765,599	Yes	
23-439	SS/NOIC	Supply and Delivery of Material for The North Shore Wastewater Treatment Plant	18-Sep-24	Hoisting Ltd.	\$ 5,563,150	Yes	
24-188	RFP	External Audit Services	19-Sep-24	KPMG LLP	\$ 1,188,800	Yes	
23-346	RFP	Stanley Park Water Supply Tunnel	26-Sep-24	Burrard-Chilco Partnership	\$ 318,186,261	Yes	
Total					\$ 631,244,787		

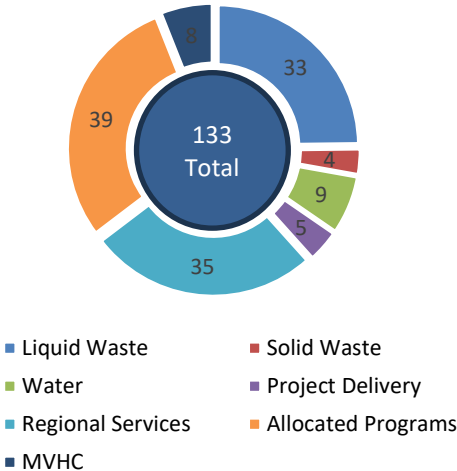
CONTINUOUS IMPROVEMENT PROJECTS

In October 2023, the Metro Vancouver Boards approved the 2024-2028 Financial Plan which included departmental planned continuous improvement projects. There is a foundational target outcome of fostering a commitment to continuous improvement in Metro Vancouver’s core culture. The role of continuous improvement is to further the Board priorities, including:

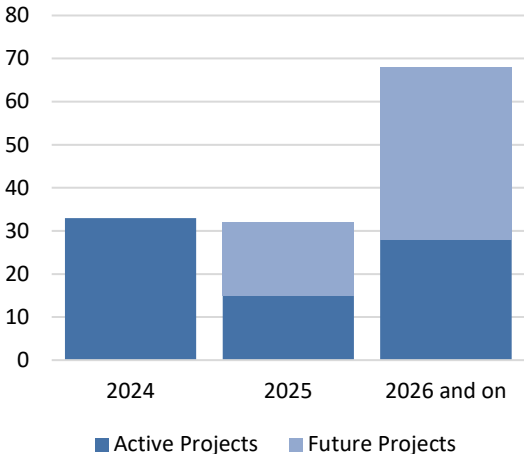
- Financial Sustainability and Regional Affordability
- Climate Action
- Resilient Services and Infrastructure
- Reconciliation
- Housing

This report is part of Financial Services’ work plan to provide regular reporting on Metro Vancouver Continuous Improvement (CI) projects and highlight select completed project’s contributions to service levels and affordability for regional rate payers.

Total Active CI Projects by Service Area¹



CI Projects by Completion Date²



¹Total CI Projects by Service Area illustrates the total number of projects identified and by service area. The number of CI projects within an area may not reflect the significance or potential cost savings of the initiatives.

²CI Projects by Completion Date displays the number of active and future projects by expected year of completion.

Below is a summary of key completed Continuous Improvement Projects so far. Continuous Improvement reporting will continue to highlight completed projects. These projects vary from one-year to multi-year timelines depending on complexity and stakeholders.

Highlighted Select Completed Continuous Improvement Projects			
Department/ Project Title	Board Priority	Description	Outcomes
Liquid Waste: LIWWTP Renewable Natural Gas	<ul style="list-style-type: none"> Financial Sustainability & Affordability Climate Action 	Process to upgrade digester gas to renewable natural gas for sale to Fortis BC	<ul style="list-style-type: none"> New GVS&DD revenue stream Renewable natural gas available for decarbonization for Fortis customers Estimated \$0.9M annual income; 2,200 tonnes of GHG reduction
Liquid Waste: LIWWTP Digestion Optimization- Phase 1 Testing	<ul style="list-style-type: none"> Financial Sustainability & Affordability Climate Action 	Platform for testing alternative sludge treatment approaches	<ul style="list-style-type: none"> Intensification tests indicate existing digesters can serve larger populations to defer costly capacity expansions. Future tests will evaluate ways to increase production of low-carbon biofuels.
Indigenous Relations: KPIs for training sessions	<ul style="list-style-type: none"> Reconciliation 	Compilation of all post-training survey data for Indigenous Relations training sessions	<ul style="list-style-type: none"> Truth and Reconciliation Commission Call to Action #57 on training for civil servants Will allow for improvements to be made to the delivery of courses related to First Nations and Indigenous Peoples
Invest Vancouver: Collaboration	<ul style="list-style-type: none"> Resilient Services & Infrastructure 	Partner collaboration	<ul style="list-style-type: none"> Identified synergies with partners to help promote the region and attract foreign direct investment
Liquid Waste: Flush Truck	<ul style="list-style-type: none"> Financial Sustainability & Affordability 	New recycling technology	<ul style="list-style-type: none"> Reduce water consumption, labour, fuel, and disposal costs resulting in estimated \$0.3M annual savings
IT/Solid Waste Services: Weigh Scale Software Implementation	<ul style="list-style-type: none"> Resilient Services and Infrastructure 	Replace existing software system	<ul style="list-style-type: none"> New software system modernizes weigh scale transactions for solid waste facilities' more than 1,000,000 customers per year. Improvements include automated license plate number reading, emailed transaction tickets and invoices, and detailed data transfers to customers

On February 15, 2024, Continuous Improvement Project Highlights and Updates were addressed at the Finance Committee. The below table outlines key updates to highlighted continuous improvement projects.

Board Strategic Priority	Primary CI Projects	Progress
Financial Sustainability	LIW/WTP create Effluent Heat Recovery System	5%
	Contingency Disposal Requirements	100%
	Proactive formal valve exercising program	5%
	Installation and operation of equipment to upgrade digester gas to Renewable natural gas quality and sell this to FortisBC.	10%
Climate Action	Biorock: Innovative Building Material for Shoreline Protection, Carbon Sequestration, and Habitat Creation	15%
	GHG emission reduction initiatives in the building and transportation sectors	30%
	Reduction of gas powered vehicles and equipment and convert to battery powered	25%
	Waste-to-Energy carbon capture study and analysis	30%
Resilient Services and Infrastructure	EAM system reconfiguration to improve Corporate Asset Management	5%
	Lean Six Sigma process improvement for safety incidents in Water Services	10%
	Improve lifecycle process for Digital Workflows for Engineering Drawing	100%
Reconciliation	Improved Indigenous Relations' team capacity	80%
	Diversity Equity Inclusion strategy with emphasis on Reconciliation	50%
	Develop KPIs for Indigenous Relations training sessions	100%
Housing	Innovate and expand partnerships to develop more affordable units	20%
	Alternative rental housing approaches	30%
	Transfer of GVS&DD excess property acquired for construction of Poplar Landing CSO Storage Tank to Metro Vancouver Housing for affordable housing	2%

To: Finance Committee

From: Harji Varn, General Manager, Financial Services
Chief Financial Officer

Date: November 5, 2024

Meeting Date: November 13, 2024

Subject: **Manager's Report**

RECOMMENDATION

That the Finance Committee receive for information the report dated November 5, 2024, titled "Manager's Report".

Finance Committee Work Plan

Attachment 1 to this report sets out the Committee's Work Plan for 2024. The status of the Committee's key priorities is shown as pending, in progress, or complete together with the quarter that each is expected to be considered by the Committee.

Update on Metro Vancouver's Long Range Financial Plan

The Long Range Plan DRAFT remains a work in progress due to many factors including the Covid19 pandemic, Board direction to form a Financial Plan Task Force, North Shore Wastewater Treatment Plant Program Task Force, and volatility in several input factors including immigration rates, supply chain, inflation around the region and the potential impact on the capital infrastructure programs.

The Board recently approved the 2025 Budget and endorsed the 2025-2029 Five Year Financial Plan that currently has over 300 capital projects on the go. With the updates to the DCC rates and the recent feedback from the development industry, work to reexamine the DCC program on dwelling unit type, growth components of projects, timing and collection of DCC funding along with waiver programs will be analyzed ahead of the 2026 Budget.

To date our staff has followed the endorsed approach from the Finance Committee, whereby we work in collaboration with the advisory committees to validate long-term growth projections, capital expenditure estimates, timing and cash flow requirements, regional economic impact analysis, and intergovernmental funding strategies.

In Quarter 1 of 2025, the Finance Committee will receive a DRAFT of the key inputs and financial implications beyond the current 2025-2029 Financial Plan with the intention to workshop funding strategies that maintain long-range financial sustainability.

ATTACHMENTS

1. 2024 Finance Committee Work Plan

Finance Committee 2024 Work Plan

Report Date: October 1, 2024

Priorities

1st Quarter	Status
Review and Endorse Committee 2024 Priorities and Work Plan	Completed
Authorization to Attend Standing Committee Events	Completed
Authorization to Attend International Events	Completed
Procurement and Real Property Contracting Authority Policy Changes	Completed
Municipal Finance Authority Items/New Borrowing & Updates (<i>if applicable</i>)	Completed
Long Term Financial Plan Framework and Timeline (DRAFT)	Completed
TransLink Revised GVR/CCBF Policy and Application Guide	Pending
Development Cost Charge Updates	Completed
Long Term Financial Plan Framework and Timeline (FINAL FOR APPROVAL)	Completed
Continuous Process Improvement Project Highlights and Updates	Completed
Financial Policy Review (<i>as required</i>)	Pending
2nd Quarter	Status
Board Budget Workshop: 2025-2029 Financial Plan Direction	Completed
2023 Final Year End Financial Performance Results Review	Completed
2023 Audited Financial Statements	Completed
2023 External Audit Findings Report	Completed
2023 Statement of Financial Information (SOFI)	Completed
2024 Financial Performance Reporting and Annual Forecast No.1	Completed
Development Cost Charge Updates	Completed
Municipal Finance Authority Items/New Borrowing & Updates (<i>if applicable</i>)	Completed
TransLink Greater Vancouver Regional Fund – Annual Report	Completed
Financial Policy Review (<i>as required</i>)	Pending
3rd Quarter	Status
2024 Financial Performance Reporting and Annual Forecast No.2	Deferred
Appointment of External Auditors	Completed
Development Cost Charge Updates	Completed
Municipal Finance Authority Items/New Borrowing & Updates (<i>if applicable</i>)	Completed
Long Term Financial Plan (DRAFT)	In Progress
Financial Policy Review (<i>as required</i>)	Pending
4th Quarter	Status
2025 - 2029 Five Year Financial Plan and 2025 Budget & Annual Rates	Completed
2025 External Audit Plan	In Progress
2024 Financial Performance Reporting and Annual Forecast	In Progress
Long Term Financial Plan (FINAL FOR APPROVAL)	Deferred
TransLink Federal Gas Tax/CCBF Application	Pending
Financial Policy Review (<i>as required</i>)	Pending

To: Finance Committee

From: Bob Cheng, Director, Major Projects – Coquitlam Water Supply and Annacis Stage 5 Expansion, Project Delivery

Date: November 1, 2024 Meeting Date: November 13, 2024

Subject: **Stage Gate 0 – Annacis Island Wastewater Treatment Plant Digester No. 5**

EXECUTIVE SUMMARY

The attached report titled “Stage Gate 0 – Annacis Island Wastewater Treatment Plant Digester No. 5” was considered by the Liquid Waste Committee at its meeting of October 10, 2024 and is presented here to the Finance Committee for its information.

BACKGROUND

The Liquid Waste Committee adopted the attached report titled “Stage Gate 0 – Annacis Island Wastewater Treatment Plant Digester No. 5” with no comments at its meeting of October 10, 2024.

The GVS&DD Board adopted the attached report titled “Stage Gate 0 – Annacis Island Wastewater Treatment Plant Digester No. 5” with no comments at its meeting of November 1, 2024.

ATTACHMENTS

1. “Stage Gate 0 – Annacis Island Wastewater Treatment Plant Digester No. 5”, dated September 26, 2024.

To: Liquid Waste Committee

From: Bob Cheng, Director, Major Projects – Coquitlam Water Supply and Annacis Stage 5 Expansion, Project Delivery

Date: September 26, 2024 Meeting Date: October 10, 2024

Subject: Annacis Island Wastewater Treatment Plant Digester No. 5 – Stage Gate 0 Approval

RECOMMENDATION

That the GVS&DD Board approve the Annacis Island Wastewater Treatment Plant Digester No. 5 advancing from the Initiation phase to the Definition phase (Stage Gate 0), as described in the report dated September 26, 2024, titled “Annacis Island Wastewater Treatment Plant Digester No. 5 – Stage Gate 0 Approval”.

EXECUTIVE SUMMARY

To accommodate population growth, the Annacis Island Wastewater Treatment Plant is undergoing expansion works to increase treatment capacity to serve 1.5 million people. As part of the expansion works, a new Digester No. 5 is proposed to be constructed, to ensure sufficient regional digester capacity and redundancy to accommodate population growth.

The Long Range Capital Plan has identified a total budget of \$456 million for design and construction of the Digester No. 5 project and this will be reviewed further in the Definition Stage. Staff recommend that the GVS&DD Board approve advancing to the Definition Stage (Stage Gate 0) to allow the project definition work to commence for the Annacis Island Wastewater Treatment Plant Digester No. 5.

PURPOSE

To seek approval for the AIWWTP Digester No. 5 to advance from the Initiation phase to the Definition phase (Stage Gate 0, see Figure 1), provide information to support this decision, and provide a progress update on the work completed to date.

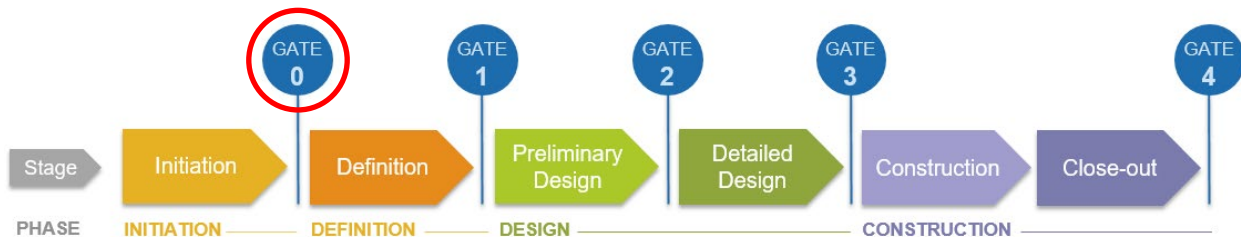


Figure 1: Overview of Stage Gate and Project Phases

BACKGROUND

The Annacis Island Wastewater Treatment Plant, located in the City of Delta, provides secondary treatment for approximately 1.2 million people in Metro Vancouver. There are currently four

existing digesters at the Annacis Island Wastewater Treatment Plant. Digesters convert organic sludge into biosolids in the overall wastewater treatment process.

To accommodate population growth, the Annacis Island Wastewater Treatment Plant is undergoing expansion works to increase treatment capacity to serve 1.5 million people. As part of the expansion works, a new Digester No. 5 is proposed to be constructed.

Due to continued population growth in the region and the upgrade of Iona Island Wastewater Treatment Plant and Lions Gate Wastewater Treatment Plant to secondary treatment, the amount of primary and secondary sludge produced from Metro Vancouver’s regional wastewater treatment plants is expected to more than double over the next decade. In 2022, Metro Vancouver completed a Wastewater Treatment Plant Digester Capacity Review Options Analysis, which reviewed means to establish a regional plan to ensure sufficient digester capacity and redundancy to meet the needs of the future. This exercise confirmed the need for an additional digester at the Annacis Island Wastewater Treatment Plant. Digester No. 5 will accommodate population growth as well as to allow the Annacis Island Wastewater Treatment Plant to continue to provide regional digestion capacity during planned maintenance or process upsets at the other wastewater treatment plants. This analysis also recommended that a subsequent new digester (Digester No. 6) be considered in the future. Staff are currently giving consideration to include design for Digester No. 6 within the Digester No. 5 project to leverage design efficiencies, and this will be explored further within the Definition Stage.

TECHNICAL UPDATE

Environmental, Geotechnical, and Archaeological Considerations

A desktop review concluded that there are no environmental or archaeological concerns at this stage of the project. The geotechnical information considered during the Initiation phase was obtained from previous studies performed within the plant property. This information indicates that ground improvements are likely to be required, which will be examined further in future phases.

As the project progresses through the Definition, Preliminary Design, and Detailed Design phases, further environmental, geotechnical, and archaeological assessments will be performed.

Schedule

Table 1 below outlines the anticipated overall project schedule.

Table 1: Anticipated Project Schedule

Project Stage	Schedule	
	Start Date	End Date
Definition	Late 2024	Late 2025
Preliminary Design	Late 2025	Early 2027
Detailed Design	Early 2027	Early 2029
Construction	Early 2029	Early 2032

CAPITAL COST UPDATE

The overall Board-approved budget for the Definition phase is included in the Preliminary Design phase budget of \$6.9 million. The Long Range Capital Plan has identified a total budget of \$456 million for design and construction of the Digester No. 5 project and this will be reviewed further in the Definition Stage in accordance with Metro Vancouver’s Cost Estimating Framework. The cost estimating framework includes a rigorous approach to addressing challenges inherent in estimating future costs on large, complex, high risk, and lengthy projects, including using forecast cash flows to estimate escalation, as well as a contingency/risk reserve which are identified, managed, and quantified according to a standardized risk review process.

PROCUREMENT UPDATE

A Request for Qualifications has been issued to shortlist up to three qualified firms to receive a Request for Proposal (RFP) for Owner’s Engineer services required to complete the Definition phase. The RFP will be issued later in 2024. The scope of services in the RFP will also include provision for future amendments to provide Owner’s Engineer services for the Preliminary Design, Detailed Design, and Construction phases.

Prior to commencement of the Preliminary Design phase, a separate future procurement will be undertaken to retain consultants to provide engineer-of-record, design, and construction engineering services, and construction management services.

Upon completion of the Detailed Design phase, the intent will be to conduct a two-stage best-value procurement to retain a construction contractor. As the design progresses through the Definition, Preliminary Design, and Detailed Design phases, additional procurements may be identified to mitigate impacts during construction such as long lead times on critical materials and equipment.

PROJECT RISKS

An initial risk assessment of key project risks was performed in the Initiation phase following a qualitative risk analysis approach and utilizing a standardized risk register. At this time, key anticipated project risks identified for the Definition phase include consideration of the future treatment processes when determining the footprint for the new Digester and associated works including any required ground improvements.

ENGAGEMENT

Engagement opportunities with the public, First Nations, and other interested parties will be assessed during the Definition phase.

REVIEWS

This project was presented to the Wastewater Treatment Plant Upgrades Steering Committee on July 15, 2024, and to the REAC and RAAC Committees in September. All Committees were supportive of advancing the project to the Definition phase.

FUTURE BOARD DECISIONS

Future Stage Gate approvals for subsequent phases, together with contract awards, will be brought to the GVS&DD Board following GVS&DD policies and practices. Stage Gate 1 is planned for 2025 at

which point an update on the project, its costs, and schedule will be provided in the request to move forward to the Preliminary Design phase.

ALTERNATIVES

1. That the GVS&DD Board approve the Annacis Island Wastewater Treatment Plant Digester No. 5 advancing from the Initiation phase to the Definition phase (Stage Gate 0), as described in the report dated September 26, titled “Annacis Island Wastewater Treatment Plant Digester No. 5 – Stage Gate 0 Approval”.
2. That the GVS&DD Board receive for information the report dated September 26, 2024, titled “Annacis Island Wastewater Treatment Plant Digester No. 5 – Stage Gate 0 Approval” and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The Board-approved budget for the Definition phase is included in the Preliminary Design phase budget of \$6.9 million. The Long Range Capital Plan has identified a total budget of \$456 million for design and construction of the Digester No. 5 project and this will be reviewed further in the Definition Stage.

There are no external funding sources or funding agreements for this project. Annacis Island Wastewater Treatment Plant Digester No. 5 is expected to be funded through development cost charges as it is deemed a growth project in accordance with the *GVS&DD Cost Apportionment Bylaw No. 283* and the *MVRD Development Cost Charge Bylaw No 1369*.

CONCLUSION

The Annacis Island Wastewater Treatment Plant is undergoing expansion works to increase treatment capacity to serve 1.5 million people. As part of the expansion works, a new Digester No. 5 is proposed to be constructed, to ensure sufficient regional digester capacity and redundancy to accommodate population growth. Staff recommend that the GVS&DD Board approve Stage Gate 0 to allow the Annacis Island Wastewater Treatment Plant Digester No. 5 to proceed to the Definition phase.

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