

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVS&DD)  
BOARD OF DIRECTORS**

**BOARD MEETING**

**Friday, April 26, 2024**

**9:00 am**

**28<sup>th</sup> Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia**

**Webstream available at <https://metrovancouver.org>**

[Membership and Votes](#)

**REVISED AGENDA<sup>1</sup>**

**A. ADOPTION OF THE AGENDA**

**1. April 26, 2024 Meeting Agenda**

That the GVS&DD Board adopt the revised agenda for its meeting scheduled for April 26, 2024 as circulated.

**B. ADOPTION OF THE MINUTES**

**1. March 22, 2024 Meeting Minutes**

That the GVS&DD Board adopt the minutes for its meeting held March 22, 2024 as circulated.

*pg. 6*

**C. DELEGATIONS**

**D. INVITED PRESENTATIONS**

**E. CONSENT AGENDA**

*Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.*

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<sup>1</sup> Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

## 1. ZERO WASTE COMMITTEE REPORTS

- 1.1 2022 Integrated Solid Waste and Resource Management Plan Biennial Report** *pg. 10*  
That the GVS&DD Board direct staff to:
- a) invite feedback on the draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report from First Nations and interested parties; and
  - b) submit the 2022 Integrated Solid Waste and Resource Management Plan Biennial Report and feedback to the Ministry of Environment and Climate Change Strategy.
- 1.2 Waste-to-Energy Facility District Energy System Project Update** *pg. 22*  
That the GVS&DD Board receive for information the report dated March 27, 2024, titled "Waste-to-Energy Facility District Energy System Project Update".
- 1.3 Appointment of Enforcement Officers and Deputy Solid Waste Manager** *pg. 32*  
That the GVS&DD Board:
- a) pursuant to the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996* and the *Environmental Management Act*:
    - i. rescind the appointment of Michelle Jones as the deputy solid waste manager;
    - ii. appoint Metro Vancouver employee Nicole MacDonald as the deputy solid waste manager;
    - iii. rescind the appointment of Scott Brown as an officer; and
    - iv. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald as officers; and
  - b) pursuant to Section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*:
    - i. rescind the appointment of Scott Brown; and
    - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.

## 2. LIQUID WASTE COMMITTEE REPORTS

### 2.1 Appointment of Enforcement Officers

pg. 35

That the GVS&DD Board:

- a) pursuant to the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007* and the *Environmental Management Act*:
  - i. rescind the appointments of former Metro Vancouver employee Scott Brown, and City of Vancouver employee Jason Koepke as officers; and
  - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald, and City of Vancouver employee Bruna Botti Cruz as officers.
- b) pursuant to section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007*:
  - i. rescind the appointment of former Metro Vancouver employee Scott Brown; and
  - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.

## 3. FINANCE COMMITTEE REPORTS

**Correction  
on Page 1  
of Report**

### 3.1 Audited 2023 Financial Statements and Annual Financial Results

pg. 37

That the GVS&DD Board approve the Audited 2023 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

## F. ITEMS REMOVED FROM THE CONSENT AGENDA

## G. REPORTS NOT INCLUDED IN CONSENT AGENDA

## 1. LIQUID WASTE COMMITTEE REPORTS

### 1.1 Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024 – Fraser Sewerage Area – Langley (4276 248 Street)

pg. 97

That the GVS&DD Board:

- a) give first, second and third reading to the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*; and
- b) pass, and finally adopt the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*.

## 2. FINANCE COMMITTEE REPORTS

### 2.1 Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024

pg. 103

That the GVS&DD Board:

- a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*; and
- b) adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*.

### 2.2 Policy Update: Procurement and Real Property Contracting Authority Policies

pg. 110

That the GVS&DD Board:

- a) adopt the *Procurement and Asset Disposal Authority Policy*, as presented in the report dated March 27, 2024, titled "Policy Update: Procurement and Real Property Contracting Authority Policies", effective June 1, 2024;
- b) adopt the *Real Estate Authority Policy*, as presented in the report dated March 27, 2024, titled "Policy Update: Procurement and Real Property Contracting Authority Policies", effective June 1, 2024; and

That the GVS&DD Board:

- a) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024;
- b) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024*; and
- c) adopt *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024*.

## H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

## I. OTHER BUSINESS

### 1. GVS&DD Board Committee Information Items and Delegation Summaries

pg. 151

## J. RESOLUTION TO CLOSE MEETING

*Note: The Board 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.*

That the GVS&DD Board close its meeting scheduled for April 26, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

- 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (g) litigation or potential litigation affecting the municipality; and
  - (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

**K. ADJOURNMENT**

That the GVS&DD Board adjourn its meeting of April 26, 2024.

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT  
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 10:01 am on Friday, March 22, 2024, in the 28<sup>th</sup> Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

**MEMBERS PRESENT:**

Delta, Chair, Director George V. Harvie	Surrey, Director Mike Bose
Anmore, Vice Chair, Director John McEwen	Surrey, Alternate Director Doug Elford for Director Harry Bains
Burnaby, Director Pietro Calendino	Surrey, Director Gordon Hepner
Burnaby, Director Sav Dhaliwal	Surrey, Director Pardeep Kooner
Burnaby, Director Mike Hurley	Surrey, Director Brenda Locke
Coquitlam, Director Craig Hodge	Surrey, Director Rob Stutt
Coquitlam, Director Teri Towner	Vancouver, Director Rebecca Bligh
Delta, Director Dylan Kruger	Vancouver, Director Adriane Carr
Langley City, Director Paul Albrecht	Vancouver, Director Lisa Dominato* (departed at 11:27 am)
Langley Township, Director Eric Woodward	Vancouver, Director Sarah Kirby-Yung
Maple Ridge, Director Dan Ruimy*	Vancouver, Director Mike Klassen
New Westminster, Director Patrick Johnstone	Vancouver, Alternate Director Peter Meiszner for Director Ken Sim
North Vancouver City, Director Linda Buchanan	Vancouver, Director Lenny Zhou
North Vancouver District, Director Lisa Muri	West Vancouver, Director Mark Sager
Pitt Meadows, Director Nicole MacDonald	White Rock, Director Megan Knight
Port Coquitlam, Director Brad West	Commissioner Jerry W. Dobrovolny (Non-voting member)
Port Moody, Director Meghan Lahti	
Richmond, Director Chak Au*	
Richmond, Director Malcolm Brodie	
Richmond, Director Bill McNulty	

**MEMBERS ABSENT:**

Electoral Area A, Director Jen McCutcheon

**STAFF PRESENT:**

Dorothy Shermer, Corporate Officer  
Rapinder Khaira, Legislative Services Coordinator, Board and Information Services

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

**A. ADOPTION OF THE AGENDA**

**1. March 22, 2024 Meeting Agenda**

**It was MOVED and SECONDED**

That the GVS&DD Board adopt the agenda for its meeting scheduled for March 22, 2024 as circulated and address item J – Resolution to Close Meeting immediately.

**CARRIED**

**Agenda Order Varied**

The order of the agenda was varied to consider Item J - a resolution to close the meeting at this point.

**J. RESOLUTION TO CLOSE MEETING**

**It was MOVED and SECONDED**

That the GVS&DD Board close its meeting scheduled for March 22, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

- 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (c) labour relations or other employee relations;
  - (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;
  - (g) litigation or potential litigation affecting the municipality;
  - (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and
  - (m) a matter that, under another enactment, is such that the public may be excluded from the meeting.

**CARRIED**

**It was MOVED and SECONDED**

That the GVS&DD Board recess its open meeting of March 22, 2024.

**CARRIED**

**(Time: 10:02 am)**

**Reconvene**

The MVRD Board reconvened its regular closed meeting of March 22, 2024 at 12:03 am with the same members present with the exception of Director Dominato.

**Agenda Order Resumed**

The order of the agenda resumed with Item B before the Board at this point.

**B. ADOPTION OF THE MINUTES**

**1. February 23, 2024 Meeting Minutes**

**It was MOVED and SECONDED**

That the GVS&DD Board adopt the minutes for its meeting held February 23, 2024 as circulated.

**CARRIED**

**C. DELEGATIONS**

No items presented.

**D. INVITED PRESENTATIONS**

No items presented.

**E. CONSENT AGENDA**

No items presented.

**F. ITEMS REMOVED FROM THE CONSENT AGENDA**

No items presented.

**G. REPORTS NOT INCLUDED IN CONSENT AGENDA**

**1.1 Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 371, 2023**

Report dated March 8, 2024, from Harji Varn, Chief Financial Officer, and Sonu Kailley, Director, Financial Planning, Financial Services, seeking GVS&DD Board adoption of the *Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 371, 2023*.

**It was MOVED and SECONDED**

That the GVS&DD Board adopt the *Greater Vancouver Sewerage and Drainage District Development Cost Charge Bylaw No. 371, 2023*.

**CARRIED**

**H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN**

No items presented.

**I. OTHER BUSINESS**

No items presented.



**K. ADJOURNMENT**

**It was MOVED and SECONDED**

That the GVS&DD Board adjourn its meeting of March 22, 2024.

**CARRIED**

(Time: 12:03 pm)

CERTIFIED CORRECT

\_\_\_\_\_  
Dorothy Shermer, Corporate Officer

\_\_\_\_\_  
George V. Harvie, Chair

66840152 FINAL

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To: Zero Waste Committee

From: Terry Fulton, Senior Project Engineer, Solid Waste Services

Date: March 20, 2024 Meeting Date: April 4, 2024

Subject: **2022 Integrated Solid Waste and Resource Management Plan Biennial Report**

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### RECOMMENDATION

That the GVS&DD Board direct staff to:

- a) invite feedback on the draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report from First Nations and interested parties; and
  - b) submit the 2022 Integrated Solid Waste and Resource Management Plan Biennial Report and feedback to the Ministry of Environment and Climate Change Strategy.
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### EXECUTIVE SUMMARY

The 2022 Integrated Solid Waste and Resource Management Plan Biennial Report (Biennial Report) is a progress report on the implementation of the *Integrated Solid Waste and Resource Management Plan*, as required by the province. This year's report combines the 2021-2022 implementation status of initiatives in the *Integrated Solid Waste and Resource Management Plan* with the 2022 annual summary of recycling and solid waste statistics.

Metro Vancouver is a North American leader in waste reduction and recycling, with a regional recycling rate of 65% and a per capita disposal rate of 0.44 tonnes (440 kg) per year: a 23% reduction since the current solid waste management plan was approved in 2011. The source of the majority of waste generated in 2022 continued to shift from the residential sector to the commercial/institutional sector, but decreased overall. The overall recycling rate matches the 2021 rate. Metro Vancouver's is updating the regional solid waste management plan with the goal of identifying and implementing new strategies and actions to continue reducing waste and increasing recycling.

### PURPOSE

The purpose of this report is to provide the GVS&DD Board (Board) with the draft 2022 Biennial Report on progress of the implementation of the *Integrated Solid Waste and Resource Management plan*.

### BACKGROUND

Under the provincial *Environmental Management Act*, regional districts must prepare solid waste plans outlining the facilities, regulations, programs and other initiatives that will be used to reduce, reuse, recycle, and dispose of municipal solid waste. Metro Vancouver's current *Integrated Solid Waste and Resource Management Plan* was approved by the Minister of Environment on July 22, 2011. A condition of the *Integrated Solid Waste and Resource Management Plan* approval was that Metro Vancouver provide a progress report on the implementation of the plan to the Ministry of Environment and Climate Change Strategy every two years.

## 2022 INTEGRATED SOLID WASTE AND RESOURCE MANAGEMENT PLAN BIENNIAL REPORT

The biennial report typically includes a summary of strategies, performance measures and progress on the detailed actions in the plan, and supplements a separate annual summary of recycling and solid waste management statistics. For 2022, the annual recycling and solid waste management report has been combined with the biennial report to provide all solid waste management plan performance information in one place. Going forward, Metro Vancouver will alternate biennial reports with solid waste management annual summary reports. This may be revisited when an updated solid waste management plan is approved.

### 2021 and 2022 Highlights

Metro Vancouver is among the most successful jurisdictions in North America in reducing municipal solid waste, having met a goal of reducing per capita waste generation by 10%, recycling 65% of waste generated, and disposing of 0.44 tonnes per capita in 2022 (a 23% reduction since the current solid waste management plan was approved in 2011). The following initiatives undertaken since the prior biennial progress report have helped to further the goals of the *Integrated Solid Waste and Resource Management Plan* while reflecting the public's expectations of environmental stewardship, affordability, and accessibility.

- **Solid waste management plan update:** Metro Vancouver convened two advisory committees which continue to shape the ongoing solid waste management plan update: the Solid Waste and Recycling Industry Advisory Committee, and the Solid Waste Management Plan Public/Technical Advisory Committee. Both committees provide valuable input on both the solid waste management plan update and ongoing waste reduction initiatives.
- **Waste prevention and re-use:** Metro Vancouver prioritized initiatives to prevent waste in 2021 and 2022, including contracting with FoodMesh to develop a regional food recovery network to help rescue and redistribute surplus food, developing a funding program for member jurisdictions to host repair café events, and piloting 'Reuse Days' at the North Shore Recycling and Waste Centre to collect items from customers that can be reused. The National Zero Waste Council, an initiative of Metro Vancouver, works on a national scale to lead Canada's transition to a circular economy. In 2021 and 2022, the National Zero Waste Council worked with governments, businesses and NGOs to further understand and explore solutions to food waste, plastics pollution, product design and packaging, construction and demolition, and reuse.
- **Recycling and waste centres:** United Boulevard and Central Surrey recycling and waste centres opened to the public in 2022. These facilities demonstrate Metro Vancouver's commitment to maximizing waste reduction and recycling, and providing excellent customer service. Both facilities include recycling depots where a wide range of recyclable materials can be dropped off for free.

In late 2022, Metro Vancouver initiated recycling depot development projects at the Langley and North Surrey recycling and waste centres. Metro Vancouver purchased land

adjacent to the North Surrey Recycling and Waste Centre in December 2022, to be developed into the recycling depot, which is critical to achieving Metro Vancouver’s goal of providing consistent services that maximize reuse and recycling opportunities at all Metro Vancouver recycling and waste centres.

- Waste-to-Energy Facility District Energy System:** Metro Vancouver entered into an agreement with River District Energy to provide district energy for heat and hot water for that community in December 2021. The approximately 6 km hot water pipe network that will connect the Waste-to-Energy Facility to the River District community is in the detailed design stage. The next phase of the project will involve connecting to a City of Burnaby district energy system serving Metrotown and Edmonds neighbourhoods. At full build out, the system will triple the energy efficiency of the Waste-to-Energy Facility, provide heat and hot water for up to 50,000 homes and reduce greenhouse gas emissions by up to 70,000 tonnes per year.

**Annual Summary Statistics**

The table below provides a summary of waste disposed, recycled, and generated, by sector. The full 2022 Biennial Report is available online on the Metro Vancouver [website](#).

WASTE SECTOR		DISPOSED (tonnes)		RECYCLED (tonnes)		GENERATED (tonnes)		RECYCLING RATE (%)	
		2021	2022	2021	2022	2021	2022	2021	2022
Residential	tonnes	510,337	505,592	601,509	579,754	1,111,845	1,085,346	54%	53%
	tonnes/capita	0.18	0.18	0.21	0.20	0.40	0.38		
Single Family	tonnes	266,999	248,750	455,723	434,495	722,722	683,245	63%	64%
Multi-Family	tonnes	243,337	256,842	145,786	145,259	389,123	402,101	37%	36%
Commercial/Institutional	tonnes	372,861	400,976	316,406	375,466	689,267	776,443	46%	48%
	tonnes/capita	0.13	0.14	0.11	0.13	0.25	0.27		
Construction and Demolition	tonnes	371,972	338,955	1,433,933	1,395,360	1,805,905	1,734,315	79%	80%
	tonnes/capita	0.13	0.12	0.51	0.49	0.64	0.61		
Total	tonnes	1,255,169	1,245,523	2,351,848	2,350,580	3,607,018	3,596,103	65%	65%

Note: Due to rounding, some numbers presented may not add precisely to the totals indicated

**Waste Reduction**

The *Integrated Solid Waste and Resource Management Plan* quantifies waste reduction by estimating the change in waste generation over time. Waste generated is the total of the waste disposed and recycled in the region. The total waste generated in 2022 was approximately 3.60 million tonnes or 1.26 tonnes per capita, a 2% decrease in per capita generation from 2021, primarily due to a decrease in construction and demolition waste generation.

**Reuse**

In 2017, Metro Vancouver added the reuse metric, which is an estimate of the amount of material reused rather than recycled or disposed. The data used to estimate reuse is sourced from registered charities’ financial statements, producer responsibility organization annual reports, statistical information, reuse program web pages, and communication with key organizations in the second-hand clothing industry, hospitality sector, food rescue agencies, online marketplace, etc. Overall, reuse in 2022 increased to 78,500 tonnes from 77,600 tonnes in 2021. Reuse tonnage is reported separately from the generation rate and recycling rate calculations, and the methodology used to estimate reuse continues to be refined as more information becomes available. Metro Vancouver is looking into improved ways to quantify reuse as part of an ongoing solid waste performance metrics review.

**Recycling**

In 2022, the region achieved a recycling rate of 65% and recycled approximately 2.35 million tonnes (0.82 tonnes per capita), compared to 2.35 million tonnes (0.84 tonnes per capita) in 2021. Materials with the highest recycling quantities were concrete, yard and food waste, and paper. Overall recycling in the commercial/institutional sector increased by 59,060 tonnes, while the residential sector experienced a decrease of 21,755 tonnes in recycled material between 2021 and 2022. The most notable change was in the yard and food waste categories, correlating with a continued return to in-person work and learning.

The table below summarizes the total recycled material quantities for 2022 compared to 2021. Additional materials and quantities are included in the detailed annual summary report on Metro Vancouver’s website. Metro Vancouver reports two recycling rates for the construction and demolition sector in the biennial report: one with all materials included, and one excluding concrete and asphalt. This helps demonstrate that there is continued opportunity for improvement in this sector, with a significant quantity of recyclable materials such as wood still remaining in the waste stream. Asphalt and concrete quantities were kept fixed from 2021 to 2022 due to large increases in quantities reported from unlicensed processing facilities without clear explanation for the increases. Metro Vancouver continues to work to ensure the reliability of this data.

MATERIAL TYPE RECYCLED	2021 (tonnes)	2022 (tonnes)
Asphalt <sup>1</sup>	295,300	295,300
Concrete <sup>1</sup>	866,363	866,363
Paper	328,065	340,386
Glass	49,786	55,582
Gypsum	63,533	58,512
Metal	73,369	58,515
Plastic	43,849	54,037
Wood	161,309	161,242
Yard and Food	401,890	392,044
All Other Materials	68,384	68,598
<b>TOTAL</b>	<b>2,351,848</b>	<b>2,350,580</b>

<sup>1</sup> Unlicensed private facility data from 2021 used

## Disposal

For 2021 to 2022 the Vancouver Landfill, Metro Vancouver Waste-to-Energy Facility, and three remote landfills under contract with Metro Vancouver accepted municipal solid waste from residential and commercial/institutional sources. Construction and demolition waste is disposed of at the Vancouver Landfill and private facilities. In 2022, an estimated 1.25 million tonnes of waste or 0.44 tonnes per capita was disposed, which is a 2.4% decrease in tonnage per capita from 2021, and 23% decrease from the per capita disposal rate when the current solid waste management plan was approved in 2011. The region continued to experience an increase in waste disposed by commercial and institutional sources, while waste disposed from the residential and construction and demolition sectors decreased. This trend was first noted during economic recovery from the COVID-19 pandemic in 2021.

## Continuous Improvement

Metro Vancouver continues to seek ways to improve how solid waste data is shared. Feedback from the vision and guiding principles phase of Metro Vancouver's solid waste management plan update indicated accessibility and transparency as key priorities.

A performance metrics review is currently underway to assess Metro Vancouver's current data acquisition and reporting processes, and identify information or metrics from other jurisdictions that may help quantify progress toward circular economy and waste prevention goals.

## Engagement

Solid waste and recycling statistics from the draft 2022 Biennial Report were presented to the Solid Waste Management Plan Public/Technical Advisory Committee, the Solid Waste and Recycling Industry Advisory Committee, and the Regional Engineers Advisory Committee Solid Waste Subcommittee in February and March 2024 for feedback. Metro Vancouver received feedback related to the treatment of landfill cover materials in Metro Vancouver's reporting. Cover materials including 91,000 tonnes of shredded wood waste from construction and demolition material are not included in Metro Vancouver's recycling calculations as they are inconsistently reported in other jurisdictions, and no clear guidance on their inclusion exists. If shredded wood waste used as landfill cover was counted as recycling (given it replaces other potentially purchased cover materials), the overall recycling rate for the region would increase by about 1%.

Questions were also asked related to the use of the terms "waste diversion" compared to "recycling". The report explains that Metro Vancouver has stopped using the term "waste diversion" given the lack of clarity with respect to the term, and now uses "recycling" and "recycling rate" as these terms link to the *Environmental Management Act* definition of "recyclable materials".

The draft 2022 Biennial Report will be sent to First Nations and a database of interested parties after the April 4, 2024 Zero Waste Committee agenda is published, including member jurisdictions, waste management and recycling industry representatives, businesses and institutions, non-governmental organizations and government agencies. Any feedback received will be included with the Biennial Report submission to the Ministry of Environment and Climate Change Strategy. Feedback will also be summarized and reported to the Zero Waste Committee.

## ALTERNATIVES

1. That the GVS&DD Board direct staff to:
  - a) invite feedback on the draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report from First Nations and interested parties; and
  - b) submit the 2022 Integrated Solid Waste and Resource Management Plan Biennial Report and feedback to the Ministry of Environment and Climate Change Strategy.
  
2. That the Zero Waste Committee direct staff to revise the draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report prior to its submission to the Ministry of Environment and Climate Change Strategy.

## FINANCIAL IMPLICATIONS

Metro Vancouver's waste reduction and diversion initiatives are implemented within the annual budgets for the Solid Waste Services department.

## CONCLUSION

The 2022 Biennial Report is a progress report on the implementation of the existing *Integrated Solid Waste and Resource Management Plan*, as required by the province. The report includes statistics on the region's waste diversion and disposal performance, along with descriptions of the status of the individual initiatives outlined in the plan. Metro Vancouver is among the most successful jurisdictions in North America at waste reduction, and intends to continue building upon that success with an updated solid waste management plan. If the Board approves Alternative 1, the draft Biennial Report will be sent to First Nations and interested parties prior to submission to the Ministry of Environment and Climate Change Strategy along with any feedback received.

## REFERENCES

1. [Draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report](#)

## ATTACHMENT

1. Presentation re: 2022 Integrated Solid Waste and Resource Management Plan Biennial Report

65796283

# Attachment 1



Burnaby Eco-Centre

## 2022 Biennial Report

INTEGRATED SOLID WASTE AND RESOURCE MANAGEMENT PLAN PROGRESS

Terry Fulton, P.Eng

Senior Project Engineer, Solid Waste Services

Zero Waste Committee, April 4, 2024

**metrovancouver**

## 2022 BIENNIAL REPORT OVERVIEW

- Summarizes 2021 and 2022 highlights
- Reports on status of each action within the solid waste management plan
- Provides updated solid waste and recycling statistics



**metrovancouver**



## 2022 HIGHLIGHTS

- Solid waste management plan update
- Waste prevention, reduction and reuse initiatives
- New recycling and waste centres
- District energy project



Central Surrey Recycling and Waste Centre

## GUIDING POLICY & TARGETS

2011 Solid Waste Management Plan



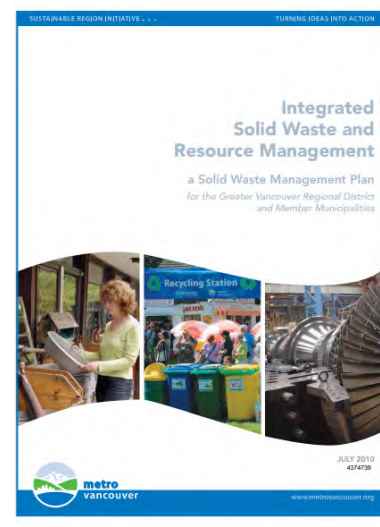
**Goal: 10% Reduction Waste Generation  
(Achieved 11%)**

Generation = Recycled + Disposed

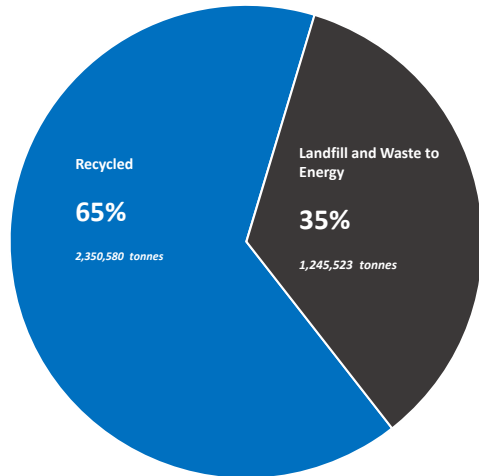


**Goal: 80% Recycling Rate  
(Achieved 65%)**

Recycling Rate = Recycled / Generated



# RECYCLING RATE



## 2022 Disposal Quantities

Facility	Tonnage
Vancouver Landfill*	691,000
Waste-to-Energy Facility*	219,000
Contingency Disposal	145,000
Private Landfill Construction & Demolition Disposal	190,000
Sector	Tonnage
Residential	506,000
Commercial/Institutional	401,000
Construction and Demolition	339,000

\*In addition to municipal solid waste, disposal facilities also received approximately 56,000 tonnes of treatment plant residuals, Japanese beetle soil, and out-of-region material

# RECYCLING

Materials Type Recycled (tonnes)	2021	2022
Asphalt*	295,300	295,300
Batteries	13,858	13,838
Concrete*	866,363	866,363
Electronic & Electrical Equipment	11,213	10,812
Paper/Paper Products	328,065	340,386
Glass	49,786	55,582
Gypsum	63,533	58,512
Household Hazardous Waste	21,292	24,339
Metal	73,369	58,515
Plastic	43,849	54,037
Textiles	691	372
Tires	21,328	19,237
Wood	161,309	161,242
Yard & Food	401,890	392,044
<b>Total</b>	<b>2,351,848</b>	<b>2,350,580</b>

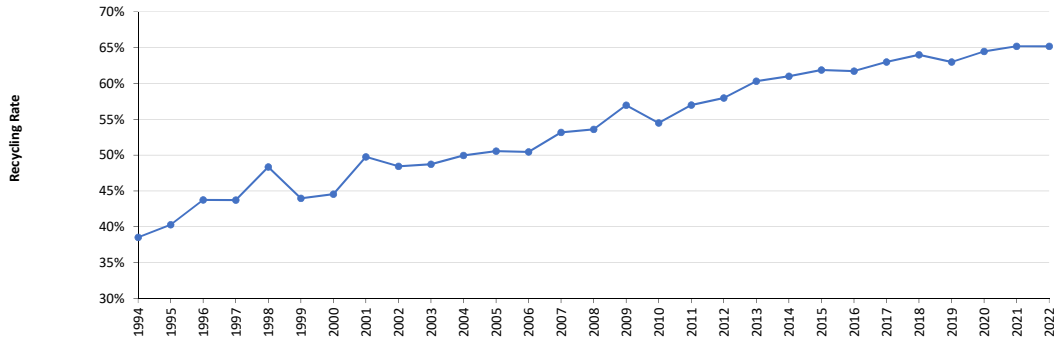
\*Used previous year's data

## 2022 Recycling Highlights

- Recovery in glass recycling following facility closures in 2021 due to flooding
- Increase paper and plastics recycling
- Used asphalt and concrete numbers from 2021 due to large unverified increases from unlicensed facilities

## RECYCLING RATE OVER TIME

From all sectors

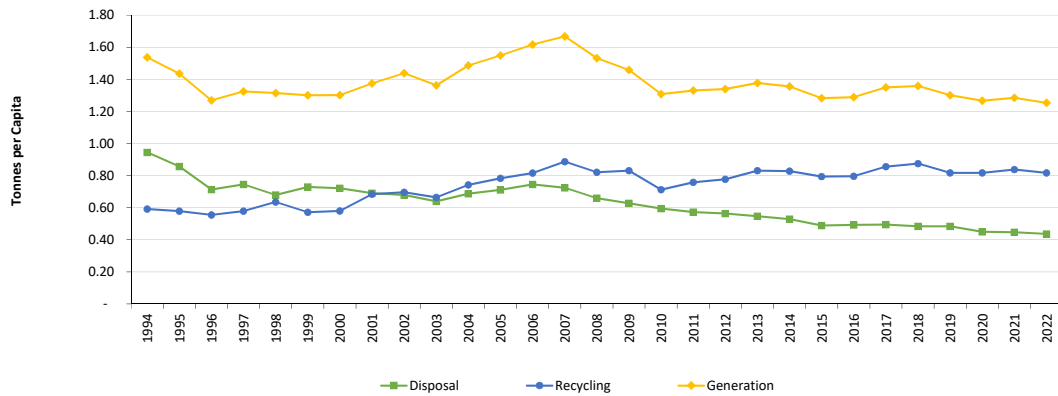


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## GENERATION & RECYCLING OVER TIME

From all sectors



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## 2022 SUMMARY

WASTE SECTOR		DISPOSED (tonnes)		RECYCLED (tonnes)		RECYCLING RATE (%) <sup>(3)</sup>		
		2021	2022	2021	2022	2021	2022	% change
Residential	tonnes	510,337	505,592	601,509	579,754	54%	53%	-0.7%
	tonnes/capita	0.182	0.177	0.21	0.20			
	Single Family tonnes	266,999	248,750	455,723	434,495	63%	64%	0.5%
	Multi-Family tonnes	243,337	256,842	145,786	145,259	37%	36%	-1.3%
Commercial/Institutional	tonnes	372,861	400,976	316,406	375,466	46%	48%	2%
	tonnes/capita	0.13	0.14	0.11	0.13			
Construction & Demolition	Tonnes	371,972	338,955	1,433,933	1,395,360	79%	80%	1%
Total	Tonnes	1,255,169	1,245,523	2,351,848	2,350,580			
	tonnes/capita	0.45	0.44	0.84	0.82	65%	65%	0%
	tonnes/ household	1.15	1.11	2.15	2.09			

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## REUSE ESTIMATE

Material Category	2021 Annual Reuse (tonnes)	2022 Annual Reuse (tonnes)
Textiles and Accessories	17,400	17,400
EPR Programs	17,300	18,000
Food	7,300	7,000
Hotels and Hospitality Sector	400	400
Office Furniture	1,400	1,400
IT Equipment	1,600	1,600
Construction/ Demolition Materials	4,800	4,900
On-Line for Selected Materials	27,400	27,800
<b>Total</b>	<b>77,600</b>	<b>78,500</b>

### 2022 Reuse Highlights

- Slight increase in online reuse, however limited ability to track
- Overall similar to 2021
- Looking at ways to improve measurement with performance metrics review

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Vancouver Skyline

Questions?

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WE MAKE OUR REGION  
**STRONG**

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To: Zero Waste Committee

From: Sarah Wellman, Senior Engineer, Solid Waste Services

Date: March 27, 2024

Meeting Date: April 4, 2024

Subject: **Waste-to-Energy Facility District Energy System Project Update**

### RECOMMENDATION

That the GVS&DD Board receive for information the report dated March 27, 2024, titled “Waste-to-Energy Facility District Energy System Project Update.”

### EXECUTIVE SUMMARY

Detailed design work is progressing for Phase 1 of the Waste-to-Energy Facility District Energy System. Phase 1 includes an energy centre and a hot water piping network to the River District community. The route for the hot water piping system to River District has been selected. The energy centre will be developed within the street allowance immediately adjacent to the Waste-to-Energy Facility. The energy centre will include an education centre and public amenities in addition to the equipment required to convert steam to hot water and pump the hot water to energy users. Planning for the Phase 2 connection to the Burnaby District Energy Utility at Metrotown and Edmonds is underway. Engagement with the City of Burnaby, the City of Vancouver, First Nations, and the public will continue as the design process proceeds. The district energy service will be provided through Greater Vancouver Sewerage and Drainage District (GVS&DD), and as such, an application for a British Columbia Utilities Commission exemption is being submitted.

**Figure 1: Waste-to-Energy District Energy Project – Phase 1 Piping Route and Phase 2 Expansion**



## **PURPOSE**

The purpose of this report is to provide the Zero Waste Committee and GVS&DD Board with an update on the status of the Waste-to-Energy Facility District Energy System project.

## **BACKGROUND**

On October 27, 2023, the GVS&DD and MVRD Boards approved advancing to detailed design of Phase 1 of the Waste-to-Energy Facility District Energy System including an energy centre at the Waste-to-Energy Facility and hot water piping connecting to the River District community. The Boards approved advancing to concept design for the Phase 2 connecting to a future City of Burnaby District Energy System at Metrotown and Edmonds. This report provides an update on the hot water pipe routing, the energy centre, and the district energy service delivery model.

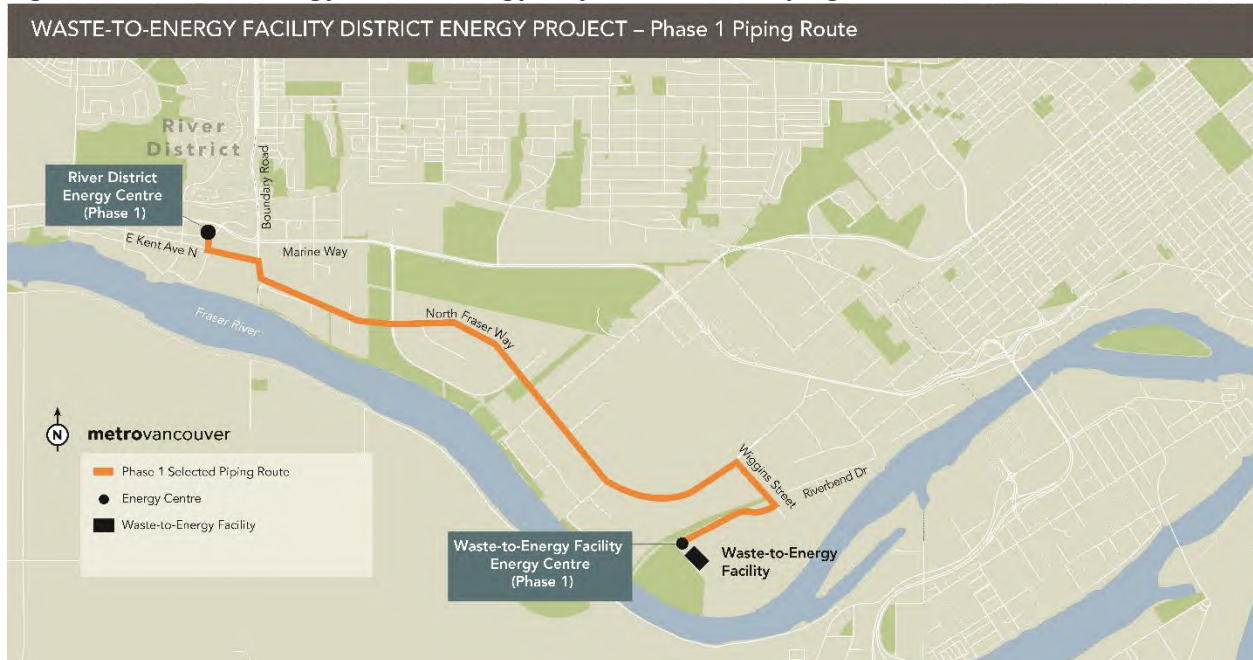
## **WASTE-TO-ENERGY FACILITY DISTRICT ENERGY SYSTEM PROJECT**

The Waste-to-Energy Facility District Energy System provides an opportunity to triple the energy recovery efficiency of the Waste-to-Energy Facility, by providing heat and hot water for up to 50,000 homes and reducing greenhouse gas emissions by up to 70,000 tonnes per year.

The Waste-to-Energy Facility recovers energy from the combustion of garbage through the hot water and steam that circulates through the Waste-to-Energy Facility. District energy involves using some of the steam to heat water that is delivered through an underground hot water piping network to nearby developments. Phase 1 of the Waste-to-Energy Facility District Energy System includes building an energy centre adjacent to the Waste-to-Energy Facility as well as a hot water pipe network from the Waste-to-Energy Facility to the River District Energy system located immediately west of Boundary Road at Marine Way in Vancouver. Phase 2 of the Waste-to-Energy Facility District Energy System involves extending the hot water pipe from the Phase 1 infrastructure to Metrotown and Edmonds where the City of Burnaby is developing a district energy utility.

## **Pipe Route**

Metro Vancouver is engaging with the City of Burnaby, the City of Vancouver, and First Nations. The route of the Phase 1 hot water piping from the Waste-to-Energy Facility to the River District community has been selected (Figure 2). Considerations for route options included factors such as traffic management, environmental considerations and existing utilities, along with minimizing pipe length.

**Figure 2: Waste-to-Energy District Energy Project – Phase 1 Piping Route**

### Energy Centre and Engagement

Metro Vancouver has been working closely with the City of Burnaby regarding design of an energy centre that will be located within the street allowance immediately adjacent to the Waste-to-Energy Facility. The energy centre will convert steam from the Waste-to-Energy Facility to hot water and will include pumps to move the hot water through the hot water piping to River District.

Metro Vancouver is working with the City of Burnaby to begin the design of the energy centre. An education centre is planned to be included in the new building to replace a temporary education centre within the Waste-to-Energy Facility site. The education centre would be used by Metro Vancouver to host school groups and others interested in waste reduction and recycling, and Metro Vancouver's overall solid waste system including the Waste-to-Energy Facility. The space would also be made available to the City of Burnaby for parks programming purposes. Other amenities that will be considered include public electric vehicle charging stations and public washrooms.

The design process for the energy centre will integrate features that help describe the role of the energy centre and the Waste-to-Energy Facility as well as overall waste reduction actions. Metro Vancouver will engage with City of Burnaby staff, First Nations, and the public on energy centre design development and construction, as well as district energy pipe construction.

### Connection to Burnaby District Energy System

Phase 2 of the Waste-to-Energy Facility District Energy System involves extending the hot water pipe network to a Burnaby District Energy Utility at Metrotown and Edmonds (Figure 3). Current work involves confirming sizing for the energy centre and Phase 1 pipe elements to support extension to Metrotown and Edmonds, as well as identifying tie-in points for Phase 2 piping.



**Figure 3: Waste-to-Energy Facility District Energy Project – Phase 2 Expansion**

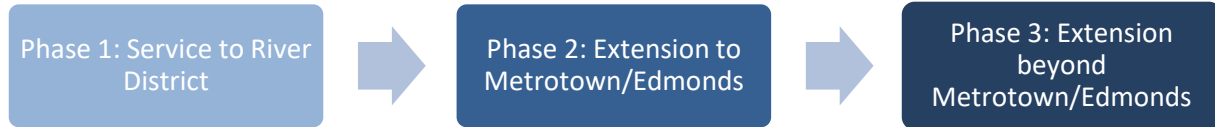


**District Energy Service and Regulatory Matters**

GVS&DD owns and operates the Waste-to-Energy Facility, and would be regulated by the British Columbia Utilities Commission as a public utility providing a district energy service, unless an exemption from regulation is obtained. Because MVRD, a regional district, is expressly excluded from the definition of “public utility” under the *Utilities Commission Act*, the initial intent was to establish a new MVRD district energy service, and an agreement between GVS&DD and MVRD. Investigations have concluded that the GVS&DD providing the district energy service is the most appropriate approach. Under this model, an application for an exemption from British Columbia Utilities Commission is required. The GVS&DD is applying to the British Columbia Utilities Commission for an exemption from Part 3 of the *Utilities Commission Act* for the Waste-to-Energy Facility District Energy System. GVS&DD has previously applied for and been granted exemptions from Part 3 of the *Utilities Commission Act* for other heat recovery projects.

**Schedule**

The October 2023 GVS&DD and MVRD Board report projected service to River District by 2026 and Burnaby by 2030. Ongoing work on a number of agreements, permitting and regulatory processes, and procurement processes may affect the project schedule. Schedule updates will be communicated to the Board as part of future updates on the project.



**ALTERNATIVES**

This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**

Per the 2024 Budget and 2024-2028 Financial Plan, the approved capital budget for the Phase 1 system development to River District is \$84 million. The Phase 2 connection to City of Burnaby’s system has a total estimated cost of \$123 million, but has not yet been approved, for a total estimated cost for the Waste-to-Energy Facility District Energy System project of \$207 million. All of the Phase 1 costs have been included in the 2024-2028 Financial Plan and initial Phase 2 expenditures of \$50M are included in the 2024-2028 Financial Plan with the remainder of the costs to be allocated in subsequent years. Table 1 provides a breakdown of project costs.

Project Phase	Approved Budget (\$millions)
Engineering and Construction	127
Escalation	19
Risk Reserve	61
<b>Total (Phase 1: \$84 M; Phase 2: \$123 M)</b>	<b>207</b>

Table 1: Project Cost

The projected cash flow for Phase 1 and Phase 2 of the project in the 2024-2028 Financial Plan is \$133 million, with \$12.5M expected to be spent in 2024. These amounts are funded primarily from borrowing and will be recovered through energy sales over time. Cash flow updates for the district energy project along with other solid waste capital projects will be included in Financial Performance Reporting reports scheduled for later in 2024. The project is expected to be cost neutral over its life with energy sales revenues funding capital and operating expenditures. Table 2 provides the cash flows and funding sources in the 2024-2028 Financial Plan.

Project Phase	2024	2025	2026	2027	2028	2024-2028
<b>WTE Phase 1</b>	12.5	17.5	16	37	-	83
<b>WTE Phase 2</b>	-	-	-	-	50	50
<b>Total</b>	<b>12.5</b>	<b>18</b>	<b>16</b>	<b>37</b>	<b>50</b>	<b>133</b>

Funding Summary	2024	2025	2026	2027	2028	2024-2028
<b>External Borrowing</b>	12	17	15	35	47	125
<b>Reserves</b>	0.5	0	1	2	3	8
<b>Total</b>	<b>12.5</b>	<b>18</b>	<b>16</b>	<b>37</b>	<b>50</b>	<b>133</b>

Table 2: Cash Flows and Funding Sources (\$millions)

Funding for the planned solid waste education centre, along with public amenities to be incorporated into the energy centre, will be included as part of the Solid Waste Capital Budget to be brought forward for consideration to the Zero Waste Committee and Board in October 2024.

**CONCLUSION**

In October 2023, the Board approved proceeding to detailed design for Phase 1 of the Waste-to-Energy Facility District Energy System. This report updates the Zero Waste Committee on various aspects of the project progress. Future updates will be provided as the project continues to advance.

**ATTACHMENTS**

1. Presentation re: Waste-to-Energy District Energy System Project Update

65389357

## Attachment 1



Metro Vancouver Waste-to-Energy Facility

# Waste-to-Energy Facility District Energy System

## PROJECT UPDATE

Sarah Wellman

Senior Engineer

Nathan Jamieson

Senior Project Engineer

Zero Waste Committee, April 4, 2024  
Orbit: 66650343

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## WASTE-TO-ENERGY FACILITY

District Energy System

Opportunity to triple the energy recovery efficiency of the Waste-to-Energy Facility

- Heat and hot water for up to 50,000 homes
- Reduction of greenhouse gas emissions by up to 70,000 tonnes per year
- Capital costs recovered through energy sales over the life of the infrastructure

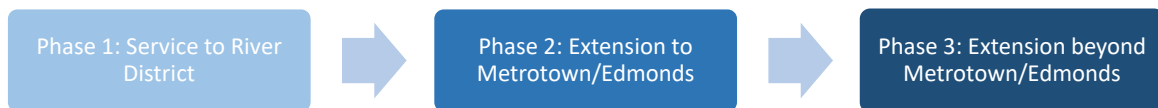
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## PHASE 1

Construction from 2025 to 2027

- Construction of 6km hot water piping between the Waste-to-Energy Facility and River District
- Design and construction of the energy centre adjacent to the Waste-to-Energy Facility



## ENERGY CENTRE DESIGN

Primary function of the energy centre is to convert steam to hot water.

It is also being designed to include:

- an educational space
- amenities such as public washrooms, electric vehicle charging
- features that describe the solid waste system including the Waste-to-Energy Facility, and waste reduction and recycling



Multi-Purpose Room, Watershed Centre, Lower Seymour Conservation Reserve

## DISTRICT ENERGY SYSTEM PHASES

- Phase 1 Piping route has been selected
- Piping and energy centre will be sized to support future expansion
- Phase 2 expansion to Metrotown and Edmonds – route to be determined



## WASTE-TO-ENERGY FACILITY DISTRICT ENERGY SYSTEM

British Columbia Utilities Commission Exemption

- GVS&DD will be applying to the BC Utilities Commission for an exemption from Part 3 of the *Utilities Commission Act*
- GVS&DD has previously applied for and been granted exemptions for other heat recovery projects

## NEXT STEPS

- File British Columbia Utilities Commission exemption application
- Engage with the City of Burnaby, the City of Vancouver, First Nations, and the public while proceeding with design



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To: Zero Waste Committee

From: Kathy Preston, Director, Environmental Regulation and Enforcement

Date: March 12, 2024 Meeting Date: April 4, 2024

Subject: **Appointment of Enforcement Officers and Deputy Solid Waste Manager**

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### RECOMMENDATION

That the GVS&DD Board:

- a) pursuant to the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996* and the *Environmental Management Act*:
  - i. rescind the appointment of Michelle Jones as the deputy solid waste manager;
  - ii. appoint Metro Vancouver employee Nicole MacDonald as the deputy solid waste manager;
  - iii. rescind the appointment of Scott Brown as an officer; and
  - iv. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald as officers; and
- b) pursuant to Section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*:
  - i. rescind the appointment of Scott Brown; and
  - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.

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### EXECUTIVE SUMMARY

Recent changes in staffing have resulted in a need to update staff appointments as Greater Vancouver Sewerage and Drainage District (GVS&DD) Board-designated officers under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*, the *Environmental Management Act*, and the *Offence Act*. Staffing changes are a result of retirements and recruitment within Metro Vancouver. Staff recommend that the GVS&DD Board appoint staff and rescind appointments accordingly.

### PURPOSE

To appoint one Metro Vancouver employee as a Board-designated deputy solid waste manager, and two Metro Vancouver employees as Board-designated officers, and to rescind the appointments of one former officer, and the current deputy solid waste manager.

### BACKGROUND

Metro Vancouver's Solid Waste Regulatory Program supports the goals of the *Integrated Solid Waste and Resource Management Plan* by regulating the management of municipal solid waste and recyclable material at privately operated facilities.



Employment status changes for Metro Vancouver environmental regulatory staff have resulted in a need to update staff appointments to ensure appropriate authority to advance solid waste management goals. Two new positions within Metro Vancouver resulted in vacancies being filled in 2023. The *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996* grants authority to the Board-designated deputy solid waste manager and officers.

#### **ROLE OF THE DEPUTY SOLID WASTE MANAGER**

The Deputy Solid Waste Manager may exercise the same powers as the Solid Waste Manager and is appointed to assist the Solid Waste Manager in the administration of the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*. These powers include the ability to issue licences under the Bylaw.

#### **ROLE OF ENFORCEMENT OFFICERS**

Officers may enter property, inspect works, and obtain records and other information to promote compliance with the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*.

The *Offence Act* allows regional districts to appoint enforcement officers for the purpose of serving summons for bylaw violations. Officers, if appointed for that purpose, may serve a summons in respect of alleged offences under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*.

#### **ALTERNATIVES**

1. That the GVS&DD Board:
  - a) pursuant to the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996* and the *Environmental Management Act*:
    - i. rescind the appointment of Michelle Jones as the deputy solid waste manager;
    - ii. appoint Metro Vancouver employee Nicole MacDonald as the deputy solid waste manager;
    - iii. rescind the appointment of Scott Brown as an officer; and
    - iv. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald as officers.
  - b) pursuant to Section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*:
    - i. rescind the appointment of Scott Brown; and
    - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.
2. That the GVS&DD Board receive for information the report dated March 12, 2024, titled "Appointment of Enforcement Officers and Deputy Solid Waste Manager" and provide alternative direction to staff.

**FINANCIAL IMPLICATIONS**

There are no additional financial implications as the GVS&DD appointees are already employed by Metro Vancouver and there are no costs associated with rescindments.

**CONCLUSION**

Recent changes in staffing have resulted in a need to update staff appointments as the GVS&DD Board-designated officers and deputy solid waste manager under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*, and the *Offence Act*. Staff recommend that the GVS&DD Board adopt Alternative 1.

63785147

To: Liquid Waste Committee

From: Maari Hirvi Mayne, Program Manager, Enforcement and Regulation Liquid Waste,  
Environmental Regulation and Enforcement

Date: March 20, 2024 Meeting Date: April 10, 2024

Subject: **Appointment of Enforcement Officers**

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### RECOMMENDATION

That the GVS&DD Board:

- a) pursuant to the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007* and the *Environmental Management Act*:
  - i. rescind the appointments of former Metro Vancouver employee Scott Brown, and City of Vancouver employee Jason Koepke as officers; and
  - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald, and City of Vancouver employee Bruna Botti Cruz as officers.
- b) pursuant to section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007*:
  - i. rescind the appointment of former Metro Vancouver employee Scott Brown; and
  - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.

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### EXECUTIVE SUMMARY

Recent changes in staffing at Metro Vancouver and the City of Vancouver have resulted in a need to update staff appointments as Greater Vancouver Sewerage and Drainage District (GVS&DD) Board-designated officers under the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007* (the Bylaw), the *Environmental Management Act* and the *Offence Act*. Staffing changes are the result of a retirement, recruitments and responsibility changes. Staff recommend that the GVS&DD Board appoint staff and rescind appointments accordingly.

### PURPOSE

To appoint and rescind appointments of Metro Vancouver and City of Vancouver employees as Board-designated officers.

### BACKGROUND

Metro Vancouver's Liquid Waste Regulatory Program supports the goals of the *Integrated Liquid Waste and Resource Management Plan* through regulation of the discharge of wastes to the region's sanitary sewer systems.

Employment status changes for Metro Vancouver and City of Vancouver environmental regulatory staff have resulted in a need to update staff appointments to ensure appropriate authority to advance liquid waste management goals. Two new positions within Metro Vancouver resulted in vacancies being filled in 2023. Section 29 of the *Environmental Management Act* and the *Greater*

*Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007* grant authority to Board-designated officers.

Metro Vancouver staff are responsible for the administration of the GVS&DD liquid waste management bylaws within the boundaries of the GVS&DD. Within the City of Vancouver, city staff have historically administered these bylaws. This arrangement has been in effect since the Bylaw was first enacted in 1990. A formal agreement between Metro Vancouver and the City of Vancouver was established to ensure that delivery of source control services by the City serves the interests of the GVS&DD and its taxpayers.

### **ROLE OF MUNICIPAL SEWAGE CONTROL OFFICERS**

Officers may enter property, inspect works, and obtain records and other information to promote compliance with the Greater Vancouver Sewerage and Drainage District liquid waste management bylaws.

The *Offence Act* allows regional districts to appoint enforcement officers for the purpose of serving summons for bylaw violations. Officers, if appointed for that purpose, may serve a summons in respect of alleged offences under the GVS&DD liquid waste management bylaws.

### **ALTERNATIVES**

1. That the GVS&DD Board:
  - a) pursuant to the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw 299, 2007* and the *Environmental Management Act*:
    - i. rescind the appointments of former Metro Vancouver employee Scott Brown, and City of Vancouver employee Jason Koepke as officers; and
    - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald, and City of Vancouver employee Bruna Botti Cruz as officers.
  - b) pursuant to section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007*:
    - i. rescind the appointment of former Metro Vancouver employee Scott Brown; and
    - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.
2. That the GVS&DD Board receive for information the report dated March 20, 2024 titled "Appointment of Enforcement Officers" and provide alternate direction to staff.

### **FINANCIAL IMPLICATIONS**

There are no financial implications as the GVS&DD appointees are already on staff, and there are no costs associated with rescindments.

### **CONCLUSION**

Recent changes in staffing have resulted in a need to update staff appointments as GVS&DD Board-designated officers under the *Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw No. 299, 2007*, the *Environmental Management Act*, and the *Offence Act*. Staff recommend that the GVS&DD Board adopt Alternative 1.

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To: Finance Committee

From: Linda Sabatini, Director, Financial Operations

Date: April 3, 2024 - **Revised on April 23, 2024** Meeting Date: April 10, 2024

Subject: **Audited 2023 Financial Statements and Annual Financial Results**

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### RECOMMENDATION

That the MVRD Board approve the Audited 2023 Consolidated Financial Statements for the Metro Vancouver Regional District.

That the GVS&DD Board approve the Audited 2023 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

That the GVWD Board approve the Audited 2023 Financial Statements for the Greater Vancouver Water District.

That the MVHC Board approve the Audited 2023 Financial Statements for the Metro Vancouver Housing Corporation.

---

### EXECUTIVE SUMMARY

This report presents the draft Audited 2023 Financial Statements (*Attachment 1*) and the 2023 Annual Financial Results (*Appendix 1*).

The 2023 operating surplus was \$12.8 million (1.2% of budget), lower than the four-year average of \$36M largely from a challenging economic environment and higher inflation. The surplus is largely attributable to higher water sales related to the warmer spring and summer months and lower consulting and contracted services expenditures in GVWD; slightly higher rental income and lower expenditures in property operations and minor maintenance work in MVHC; and staff vacancies and less spending on consulting and contracted services in the MVRD.

**The 2023 Capital expenditures surplus was \$502.4 million, 40.3% of the planned budget of \$1.2 billion.** Design and construction delays occurred in projects related to waste-water treatment plants, water mains, and Solid Waste facilities, as well as and permitting and development delays in Housing and Parks projects.

Metro Vancouver maintains a healthy liquidity position, with cash 2.5 times higher than its current obligations. This is critical to ensure ongoing capacity to continue to finance infrastructure investments and provide ongoing services.

## **PURPOSE**

To present, for approval, the Audited 2023 Financial Statements for the Metro Vancouver Districts and the Metro Vancouver Housing Corporation and provide for information the 2023 Annual Financial Results.

## **BACKGROUND**

Legislation requires that annual audited financial statements for the Metro Vancouver Districts and Metro Vancouver Housing Corporation are presented and approved by the Board and submitted to the Province by May 15<sup>th</sup> each year. The Audited 2023 Financial Statements, prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”), received a clean audit opinion by the auditors, BDO Canada LLP Chartered Professional Accountants. The statements are currently draft and will be finalized upon approval by the Board on April 26, 2024.

In addition, the 2023 Annual Financial Results Report, in *Appendix 1*, is required to annually be presented to the Finance Committee.

## **2023 FINANCIAL STATEMENTS**

The complete set of 2023 Audited Financial Statements is included in *Attachment 1*, with supplementary information on the 2023 Financial Results presented in *Appendix 1*. These statements are presented for the Boards’ approval and include:

- Audited 2023 Consolidated Financial Statements for the Metro Vancouver Regional District
- Audited 2023 Financial Statements for the Greater Vancouver Sewerage and Drainage District
- Audited 2023 Financial Statements for the Greater Vancouver Water District
- Audited 2023 Financial Statements for the Metro Vancouver Housing Corporation

The consolidated financial statements combine the accounts of the Metro Vancouver Regional District, Greater Vancouver Sewerage and Drainage District, Greater Vancouver Water District and the Metro Vancouver Housing Corporation.

Two key statements included in the audited package, the *Consolidated Statement of Financial Position (Exhibit A)* and the *Consolidated Statement of Operations (Exhibit B)*, similar to the Balance Sheet and Income Statement in private organizations, are the foundation of the audited statements. Highlights of the 2023 financial results and key financial indicators are provided in *Appendix 1*.

It is important to note that there are differences between the presentation in these financial statements and the annual Metro Vancouver budget, which is prepared, in accordance with enabling legislation, to determine the annual revenue requirements to meet expenditure obligations. These differences are outlined below and included in *Appendix 1*.

## Operating Results

The *Consolidated Statement of Operations* (Exhibit B in the audited consolidated financial statements) provides key information about the organization’s financial activities, revenues, expenses, and annual surplus.

The annual surplus for PSAS purposes, calculated as the difference between consolidated revenues and expenses of \$471.8 million serves as the 2023 addition to the organization’s overall accumulated surplus position or net worth of \$6.7 billion. However, the annual surplus in the context of the annual operating budget presentation, is \$12.8M broken out by legal entity in the table below. This surplus is lower than previous year, largely from a challenging economic environment and higher inflation.

The overall surplus of \$12.8M is primarily driven by surpluses in the Water District due to higher water sales (\$6.4M) and underspends in consulting and contracted services and vacancies. In addition, MVHC had a surplus due to slightly higher rental income and lower expenditures in property operations and minor maintenance work. Lastly, the MVRD had a surplus of \$3.3M due to staff vacancies and less spending on consulting and contracted services.

Liquid Waste Services saw an operating deficit of \$3.1M which was primarily due to expedited residuals dewatering project work at Iona Wastewater Treatment Plant and higher input costs in operations and maintenance programs. In addition, although Solid Waste had significantly higher revenues than budgeted (\$15.3M), the function had an operating deficit of \$3.5M which is mainly due to higher contingency disposal costs, recycling and waste center costs for contracts tied to inflation, and landfill closure and post closure costs.

Appendix 1 provides additional details on the 2023 operating financial results by legal entity as well as capital expenditure summary.

<b>Annual Surplus per Legal Entity</b>				
<b>For the year ended December 31, 2023</b>				
<b>(in thousands of dollars)</b>				
	<b>2023</b>		<b>2022</b>	
Water District	\$	2,831	\$	7,954
Sewerage & Drainage District				
Liquid Waste Services		(3,113)		14,021
Solid Waste Services		(3,475)		(2,343)
Metro Vancouver Housing Corporation		13,232		10,309
Regional Programs		3,310		6,649
<b>Annual Surplus</b>	<b>\$</b>	<b>12,785</b>	<b>\$</b>	<b>36,590</b>

## Financial Position

The *Consolidated Statement of Financial Position (Exhibit A)* in the audited financial statements provides key information to evaluate the government's ability to finance its liabilities and contractual obligations and to provide ongoing and future services.

For discussion, a *Condensed Statement of Financial Position*, presented net of Translink and member municipalities' debt, is included in *Appendix 1*, along with the five-year trends on the four key financial indicators in this statement (financial assets, net debt, non-financial assets and accumulated surplus).

### Financial Assets

Although cash and investment resources for 2023 are lower than 2022 by \$162.3M, Metro Vancouver has a strong liquidity position, with financial assets 2.5 times more than current liabilities. This indicates that the financial assets are more than sufficient to offset the amount of short-term obligations. The five-year financial asset trend in *Appendix 1* shows cash balances are relatively stable, with slight fluctuations due to the timing of grant and debt financing received.

### Net Debt

The net debt position indicates the amount by which the organizations' liabilities exceed the financial assets. The net debt position increased by \$227.5 million. Although the amount appears as unfavorable, over 69% of the organization's liabilities is long-term debt which is repayable over several years. In addition, the organization's financial assets are more than sufficient to offset the amount of short-term obligations. This is indicated in the organization's 2.5 to 1 current ratio, which is a measure of an organization's liquidity, defined as current assets divided by current liabilities.

### Non-financial Assets

Non-financial assets increased by \$699.3 million in 2022, a direct result of the capital expenditures made in the year, the majority of which were for water and liquid waste infrastructure projects. *Appendix 1, Table 4*, shows that Metro Vancouver's investment in capital assets is growing at a faster rate than liabilities and debt, indicating more of the District's assets are pay-as-you-go or grant funded. Over the past three years, the trend shows liabilities relatively flat and only increasing by 2.65% whereas capital assets have grown 8.72%.

### Accumulated Surplus

The 2023 accumulated surplus of \$6.7 billion reflects the member jurisdictions' net investment in the District's consolidated entity. This comprises of reserve balances of \$481.8 million and investment in tangible capital assets (asset value less debt) of \$6.2 billion.



The accumulated surplus increased by \$471.8 million in 2023, which represents the annual accounting surplus for the year, calculated as the difference between revenues and expenses on a PSAS basis.

**ALTERNATIVES**

The audited financial statements are a statutory requirement prepared in accordance to specific accounting principles. No alternatives are presented.

**FINANCIAL IMPLICATIONS**

There are no financial implications relative to the approval of the Audited 2023 Financial Statements.

**CONCLUSION**

The financial statements are part of the legislated reporting requirements for 2023 and staff recommends their approval. As noted in the Auditor's Report, it is the Auditor's opinion that these Financial Statements present fairly the financial position of the Metro Vancouver Districts and the Metro Vancouver Housing Corporation as of December 31, 2023, and the results of their financial activities and changes in their financial position for the year then ended in accordance with Canadian Public Sector Accounting Standards.

**Attachments**

- Appendix Metro Vancouver 2023 Annual Financial Results
- Attachment 1 Metro Vancouver Districts and Metro Vancouver Housing Corporation Financial Statements for the year ended December 31, 2023
- Attachment 2 Presentation: 2023 Metro Vancouver Financial Results

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## **METRO VANCOUVER 2023 ANNUAL FINANCIAL RESULTS**

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**For the year ending December 31, 2023**

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## INTRODUCTION

This report presents Metro Vancouver’s 2023 Annual Financial Results and supplements the information contained in the 2023 Audited Financial Statements. This report combines the financial information of Metro Vancouver’s four legal entities, Metro Vancouver Regional District, Greater Vancouver Sewerage and Drainage District, Greater Vancouver Water District and the Metro Vancouver Housing Corporation.

It is important to note that there are differences between the presentation in the audited financial statements, which are prepared in accordance with public sector accounting standards (“PSAS”), and the annual Metro Vancouver budget, which is prepared, in accordance with enabling legislation, to determine the annual revenue requirements to meet expenditure obligations. These differences are outlined on page 13 of this report.

## OPERATING RESULTS

### Overall Operating Surplus

Metro Vancouver’s 2023 annual operating surplus is \$12.8 million, broken down as follows by legal entity. Key drivers related surplus are highlighted in the following schedules.

#### Annual Surplus per Legal Entity For the year ended December 31, 2023 (in thousands of dollars)

	2023	2022
Water District	\$ 2,831	\$ 7,954
Sewerage & Drainage District		
Liquid Waste Services	(3,113)	14,021
Solid Waste Services	(3,475)	(2,343)
Metro Vancouver Housing Corporation	13,232	10,309
Regional Programs	3,310	6,649
<b>Annual Surplus</b>	<b>\$ 12,785</b>	<b>\$ 36,590</b>

**Operating Budget Summary**

Year Ended December 31, 2023

	<b>Budget</b>	<b>Actual</b>	<b>% Actuals to Budget</b>	<b>Variance</b>
<b>REVENUES</b>				
Key Service Revenues				
Water Sales	\$ 338,337,102	\$ 344,788,580	102%	\$ 6,451,478
Liquid Waste Services Levy	324,265,595	324,218,663	100%	(46,932)
Solid Waste Tipping Fees	121,921,930	135,287,005	111%	13,365,075
Metro Vancouver Regional District Requisitions	100,621,354	100,547,051	100%	(74,303)
Housing Rents	43,776,981	44,431,089	101%	654,108
	<u>928,922,962</u>	<u>949,272,388</u>	102%	<u>20,349,426</u>
Other Revenues	46,783,736	105,857,304	226%	59,073,568
Reserve Transfers	115,694,870	98,790,393	85%	(16,904,477)
<b>TOTAL REVENUES</b>	<b>\$ 1,091,401,568</b>	<b>\$ 1,153,920,085</b>	106%	<b>\$ 62,518,517</b>
<b>EXPENDITURES</b>				
Greater Vancouver Water District	\$ 346,060,300	\$ 347,977,040	101%	\$ (1,916,740)
Greater Vancouver Sewerage and Drainage District				
Liquid Waste Services	420,808,663	426,892,851	101%	(6,084,188)
Solid Waste Services	133,391,739	152,210,125	114%	(18,818,386)
Metro Vancouver Housing Corporation	49,463,381	38,393,557	78%	11,069,824
Metro Vancouver Regional District	130,666,493	175,660,980	134%	(44,994,487)
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,080,390,576</b>	<b>\$ 1,141,134,553</b>	106%	<b>\$ (60,743,977)</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 11,010,992</b>	<b>\$ 12,785,532</b>		<b>\$ 1,774,540</b>

- Overall revenues exceeded budget of \$62.5M, largely due to a one-time \$50M Provincial Community Grant received in the year, as well as higher water sales (\$6.5M) and solid waste tipping fees (\$13.4M) from higher than anticipated water consumption and system waste flows, respectively.
- Operating expenditures exceeded budget by \$60.7M, largely due to a one-time deferral \$50M Provincial Community Grant as projects related to the grant will be spent in future years; higher expenditures in Liquid Waste due to additional residuals dewatering at Iona and increased recycling and waste centre costs for contracts tied to inflation, contingency disposal costs and landfill closure and post-closures costs in Solid Waste. These overspends were offset by lower expenditures in Housing’ capital replacement program.

**Operating Surplus Analysis by Entity**

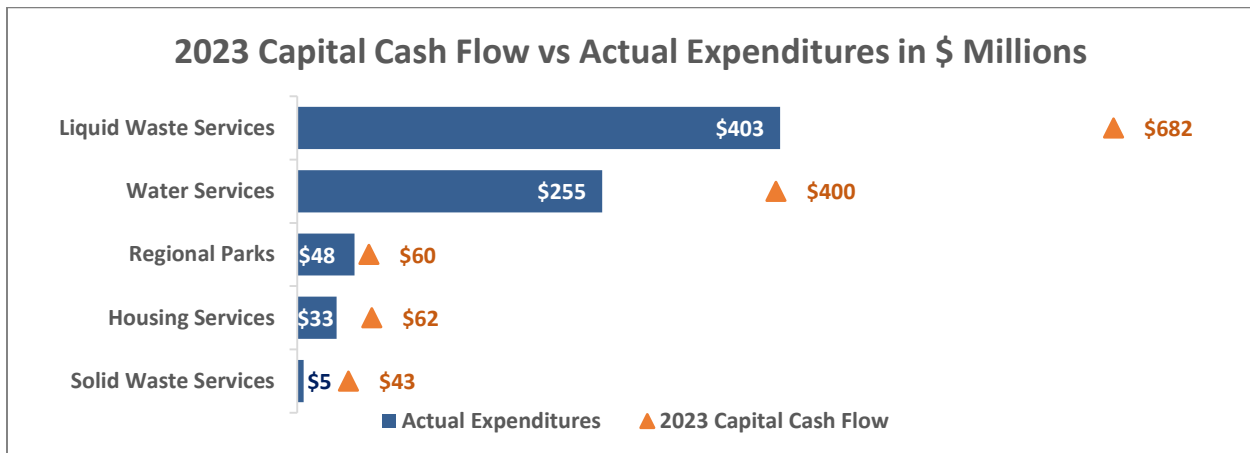
Year ended December 31, 2023

(in thousands of dollars)

	Budget	Actual	Variance	Commentary
<b>Greater Vancouver Water District</b>				
Revenues	\$ 346,060	\$ 350,808	\$ 4,748	Water District surplus of \$2.8M, was mainly due to: <ul style="list-style-type: none"> <li>• Water sales exceeding budget by \$6.5M due to warmer spring and summer months resulting in higher than expected water consumption levels</li> <li>• Other external revenues were higher than budget by close to \$2.7M, offset by \$4.5M less reserve usage than planned due to delayed projects and related underspends</li> <li>• Higher costs in operations and maintenance and minor capital work of \$6.4M mainly from increases in chemicals, permits, consulting, contracting and professional services</li> <li>• Additional Watershed costs incurred during the fire season of \$1.2M</li> <li>• The higher costs were offset by underspends in consulting projects (\$4.4M) and salaries and other program costs (\$1.2M).</li> </ul>
Expenditures	346,060	347,977	(1,917)	
Surplus (Deficit)	- \$	2,831	\$ 2,831	
<b>Greater Vancouver Sewerage and Drainage District</b>				
<b>Liquid Waste Services</b>				
Revenues	\$ 420,809	\$ 423,780	\$ 2,971	Liquid Waste function resulted in \$3.1M shortfall for the year. <ul style="list-style-type: none"> <li>• Lower than budgeted spending related to deferred or delayed operating projects (\$3.1M), salary costs due to vacancies (\$0.3M) and lower debt servicing costs (\$0.9M) were offset by higher operations and maintenance costs (\$1.0M) for excess repairs and maintenance work and higher residuals dewatering project work at Iona (\$8.8M) which have contributed to a net expenditure over spend of \$6.1M.</li> <li>• Overall revenues are in excess of budget by close to \$3.0M primarily due to excess development cost charge applications of \$2.9M and other revenue items of \$2.2M, offset by less reserve utilization of \$2.1M for delayed consulting projects.</li> </ul>
Expenditures	420,809	426,893	(6,084)	
Surplus (Deficit)	- \$	(3,113)	\$ (3,113)	
<b>Greater Vancouver Sewerage and Drainage District</b>				
<b>Solid Waste Services</b>				
Revenues	\$ 133,392	\$ 148,735	\$ 15,343	Solid Waste shortfall for the year is close to \$3.5M. Although revenues exceeding budget by \$15.3, expenditures were \$18.8M higher than budget mainly from. <ul style="list-style-type: none"> <li>• Higher contingency disposal costs, recycling and waste centre costs for contracts tied to inflation indicators \$21.5M and landfill closure and post closure costs of \$3.3M; offset by lower debt servicing costs of \$0.3M, operational costs of \$1.0M and contributions from operations of \$4.7M.</li> <li>• Tipping fee revenues were 13.3M over budget, which is 11% higher than budget and 7.5% higher than prior year. This increase is largely contributed to higher waste flows (1,003K versus budgeted tonnage of 915K). Economic recovery following the pandemic contributes to the increases in waste quantities.</li> <li>• Other components of revenue include \$3.3M more in contributions from reserve for landfill closure and post closure contributions, offset by less than budget energy revenue of \$1.3M due to the temporary failure of the electrical generator in September through to the end of the year.</li> </ul>
Expenditures	133,392	152,210	(18,818)	
Surplus (Deficit)	- \$	(3,475)	\$ (3,475)	
<b>Metro Vancouver Housing Corporation</b>				
Revenues	\$ 60,474	\$ 51,625	\$ (8,849)	Housing's net operating surplus was \$13.2M, \$2.2M more than the planned surplus of \$11.0M. This surplus is contributed to reserves and is relied upon to fund next year's capital maintenance program: <ul style="list-style-type: none"> <li>• Operating expenditures were \$11M lower than budget primarily due to delays in capital replacement projects, resulting in lower related revenue due to funding delays associated with these projects. Tenant rents and other revenues were \$700K higher than budget.</li> </ul>
Expenditures	49,463	38,394	11,070	
Surplus (Deficit)	\$ 11,011	\$ 13,231	\$ 2,221	
<b>Metro Vancouver Regional District</b>				
Revenues	\$ 130,666	\$ 178,971	\$ 48,305	Regional District had a surplus of \$3.3M. Although revenues and expenditures appear higher than budget, there was a one-time \$50M increase in revenue with an offsetting expenditure related to the receipt of the Provincial Community Grant that was unspent and deferred at end of year. <ul style="list-style-type: none"> <li>• Overall Expenditures for the District were in fact \$5.1M lower than budget largely due to lower salary costs from staff vacancies, less spending in consulting and contract services from projects delays and fewer meetings, travel, tuition and catering costs than anticipated in the budget.</li> <li>• Regional District tax requisitions and other revenues were largely on budget for the year with the exception of less reserve funding utilized for deferred projects.</li> </ul>
Expenditures	130,666	175,661	(44,995)	
Surplus (Deficit)	- \$	3,310	\$ 3,310	

## CAPITAL EXPENDITURE PROGRAM

### Capital Expenditure at a Glance



### Capital Expenditure Summary

<b>Metro Vancouver</b>					
2023 Capital Spending Summary					
For the 12 months ending December 31, 2023					
	Annual	Year to Date			
	2023 Capital Cash Flow	2023 Capital Cash Flow to December 2023	Actual Expenditures	% of Prorated Capital Cash Flow	% of Annual Capital Cash Flow
<b>Housing Services</b>					
Development Capital	62,200,000	62,200,000	32,926,993		
	<u>62,200,000</u>	<u>62,200,000</u>	<u>32,926,993</u>	52.9%	52.9%
<b>Liquid Waste Services</b>					
Collections	203,065,000	203,065,000	129,114,853		
Treatment Plants	478,680,000	478,680,000	274,222,938		
	<u>681,745,000</u>	<u>681,745,000</u>	<u>403,337,790</u>	59.2%	59.2%
<b>Regional Parks</b>					
Capital Development	14,780,000	14,780,000	5,607,917		
Parkland Acquisition Fund Projects	44,990,000	44,990,000	42,288,686		
	<u>59,770,000</u>	<u>59,770,000</u>	<u>47,896,604</u>	80.1%	80.1%
<b>Solid Waste Services</b>					
Landfills	6,150,000	6,150,000	1,016,353		
Recycling and Waste Centres	12,100,000	12,100,000	(185,987)		
Waste To Energy Facilities	24,600,000	24,600,000	4,432,053		
	<u>42,850,000</u>	<u>42,850,000</u>	<u>5,262,419</u>	12.3%	12.3%
<b>Water Services</b>					
Water Mains	263,870,000	263,870,000	198,008,100		
Pump Stations	45,550,000	45,550,000	23,776,709		
Reservoirs	35,300,000	35,300,000	19,497,973		
Treatment Plants	24,015,000	24,015,000	4,701,408		
Others	31,200,000	31,200,000	8,657,903		
	<u>399,935,000</u>	<u>399,935,000</u>	<u>254,642,093</u>	63.7%	63.7%
<b>Total</b>	<u>1,246,500,000</u>	<u>1,246,500,000</u>	<u>744,065,899</u>	59.7%	59.7%

- Overall, total capital expenditures for 2023 were \$744.1M, which represents 59.7% of the annual capital cash flow of \$1.2B.

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**Capital Expenditure Summary (continued)**

- For Housing Services, year-to-date capital expenditures were \$32.9M, which represents 52.9% of the annual capital cash flow of \$62.2M. Lower expenditures than expected are due to delays in various types of city approvals for the Stellar (formerly Southwynde Avenue), Salal Landing (formerly Welcher Avenue), and Malaspina Phase 1 projects.
- For Liquid Waste Services, capital expenditures were \$403.3M, which represents 59.2% of the annual capital cash flow of \$681.7M. Lower expenditures are partly driven by the following;
  - Ongoing negotiation on the construction completion contract award for the North Shore WWTP project.
  - Delays in the completion of the Ground Improvement Design, Pilot Testing projects, and procurement of the WWTP Designer for The Iona WWTP project
  - Delays in outfall project design and archaeology work as well as higher deficiency rectification on active construction elements for the Northwest Langley Program
  - Unforeseen upset conditions that have required some rescheduling for Annacis Island WWTP – Stage 5 Expansion.
  - Technical challenges and a delayed start for the Burnaby Lake Interceptor project
- For Regional Parks, year-to-date capital expenditures were \$47.9M, which represents 80.1% of the annual capital cash flow of \$59.8M. Lower expenditures are related to capital development delays specifically at the Widgeon development project where an extensive amount of archeological consultation and engagement work is required prior to construction. Design consultant delays have resulted in work on trail improvements at Aldergrove and Tynehead shifting to 2024.
- For Solid Waste Services, year-to-date capital expenditures were \$5.3M, which represents 12.3% of the annual capital cash flow of \$42.9M. Longer than expected pre-construction phases were related to a combination of issues including contractor lead projects not proceeding as quickly as expected, additional permitting steps not initially anticipated, and longer than expected timelines to develop municipal agreements for infrastructure development.
- For Water Services, total year-to-date capital expenditures as of December 31, 2023 are \$254.6M, which represents 63.7% of the annual cash flow of \$399.9M. Lower expenditures are partly driven by the following;
  - Savings stemming from a less than expected property acquisition price for the South Fraser Works yard
  - Property acquisition delays for both the Coquitlam Water Main and Barnston Maple Ridge Pump Station projects.
  - Construction delays for Coquitlam Main No. 4 South Section prebuild, Douglas Road main #2 - Still Creek, and Second Narrows Water Supply Tunnel
  - Deferral of Hellings Tank No. 2 to future years as a result of modified servicing arrangements



## CONSOLIDATED FINANCIAL STATEMENT HIGHLIGHTS

### Financial Position

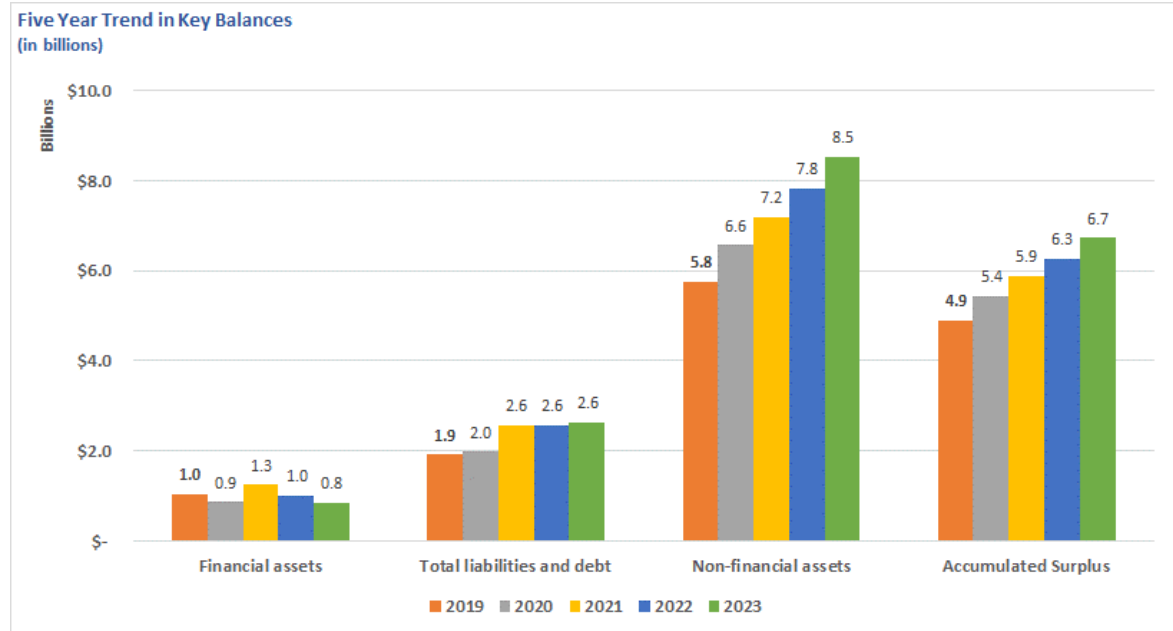
The *Consolidated Statement of Financial Position (Exhibit A of the Audited Financial Statements)* provides key information to evaluate the government's ability to finance its ongoing activities to meet its liabilities and contractual obligations, as well as provide future services. For discussion purposes, a *Condensed Consolidated Statement of Financial Position*, net of Translink and member municipalities' debt is presented in *Table 1* below. The debt owing to the Municipal Finance Authority for TransLink and member municipalities is completely offset by a receivable from these entities, reflecting the fact that these entities are responsible for their debt. Therefore, the impact on Metro Vancouver's financial position is nil and has been excluded from the condensed financial position statement below.

The Statement of Financial Position includes four key items to evaluate financial position. These include, financial assets, total liabilities and net debt, non-financial assets and accumulated surplus. A five-year trend on these items is presented in *Table 2* below.

**Table 1: Condensed Consolidated Statement of Financial Position**

<b>Condensed Consolidated Statement of Financial Position</b>			
<b>As of December 31, 2023</b>			
<i>(in thousands of dollars)</i>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>
Cash, cash equivalents and investments	\$ 586,236	\$ 779,429	\$ (193,193)
Other financial assets	254,813	223,964	30,849
<b>Total Financial Assets</b>	<b>841,049</b>	<b>1,003,393</b>	<b>(162,344)</b>
Liabilities and deferred revenue	809,849	670,530	139,319
Debt, net of Translink and members	1,823,825	1,898,013	(74,188)
<b>Total Liabilities</b>	<b>2,633,674</b>	<b>2,568,543</b>	<b>65,131</b>
<b>Net Debt</b>	<b>(1,792,625)</b>	<b>(1,565,150)</b>	<b>(227,475)</b>
<b>Non-Financial Assets</b>	<b>8,524,075</b>	<b>7,824,748</b>	<b>699,327</b>
<b>Accumulated Surplus</b>	<b>\$ 6,731,450</b>	<b>\$ 6,259,598</b>	<b>\$ 471,852</b>
<b>Accumulated Surplus (Equity) consists of</b>			
Reserves	481,795	441,040	40,755
Non-financial assets, net of debt and capital funds	6,249,655	5,818,558	431,097
	<b>\$ 6,731,450</b>	<b>\$ 6,259,598</b>	<b>\$ 471,852</b>

**Table 2: Five Year Trend in Financial Position Balances**



**Financial Assets**

Metro Vancouver’s financial assets include cash, cash equivalents, investments, accounts receivables and MFA debt reserve fund. The financial assets have been trending lower over the past few years due to the use of grants and reserve funds previously held in cash and from a cash management strategy of timing the financing for capital infrastructure projects when cash requirements are needed.

Other financial assets include accounts receivable (\$224.0million) and the debt reserve fund (\$30.8 million). Other financial assets were \$30.8 million higher than 2022 mainly due to:

- Higher accounts receivable of \$30.3 million from the timing of billings and collections through the normal course of the District’s business. The balance at December 31, 2023 comprises mainly of tipping fees due from commercial solid waste haulers, development cost charge (DCC) income, industrial sewer charges from commercial customers, payments due from our member municipalities for water sales and rebates related to GST from the federal government.
- Increase in the debt reserve fund balance of \$0.5 million due to new debenture debt issued in the year. The debt reserve fund represents the amount required, under agreement with the Municipal Finance Authority (MFA), as security for debt service obligations. This balance fluctuates upward with new debt issues and downward as issues mature.

**Total Liabilities and Debt**

Total liabilities and debt include trade accounts payables and accrued liabilities, employee future benefits liability, landfill closure and post-closure liability, asset retirement obligations, deferred revenue and long-term debt. Over the past five years, liabilities have increased by \$717 million (37.4%), largely a result of higher debt related to capital infrastructure projects.

***Liabilities***

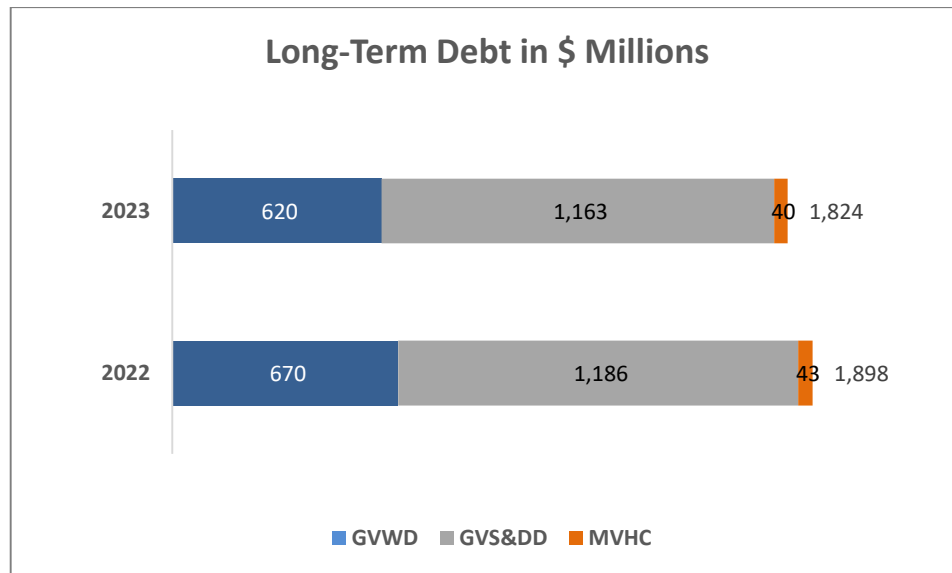
Liabilities in 2023 were \$139.3 million higher than 2022, mainly due to:

- The adoption of the new PSAS Asset Retirement Standard requiring local governments to account for future obligations related to the retirement of assets. This has resulted in a \$55.3 million increase in liabilities for 2023.
- An increase in accounts payable and accrued liabilities of \$19.9 million, mainly due to higher trade payables and construction holdbacks from increased capital infrastructure activity.
- An increase in landfill liability of \$7.3 million largely due to higher inflation and therefore higher anticipated closure costs.
- Higher deferred revenue and refundable deposits of \$57.5 million largely from grant funding received for the Iona Wastewater Treatment Plant, Housing projects and cost sharing agreements that will be applied to future project costs.

***Long-term Debt***

Long-term debt, net of sinking funds reflects the amount of long term borrowing outstanding at the end of 2023. Sinking funds consist of principal payments made over the term of the debt issue. These payments are invested which along with the interest earned will offset the debt repayment at maturity.

The debt for Metro Vancouver decreased by \$74.2 million as debt and sinking fund payments of \$174.2 million were greater than new long-term borrowing during the year of \$100 million (\$65.0 million for GVS&DD and \$35.0 million for GVWD).



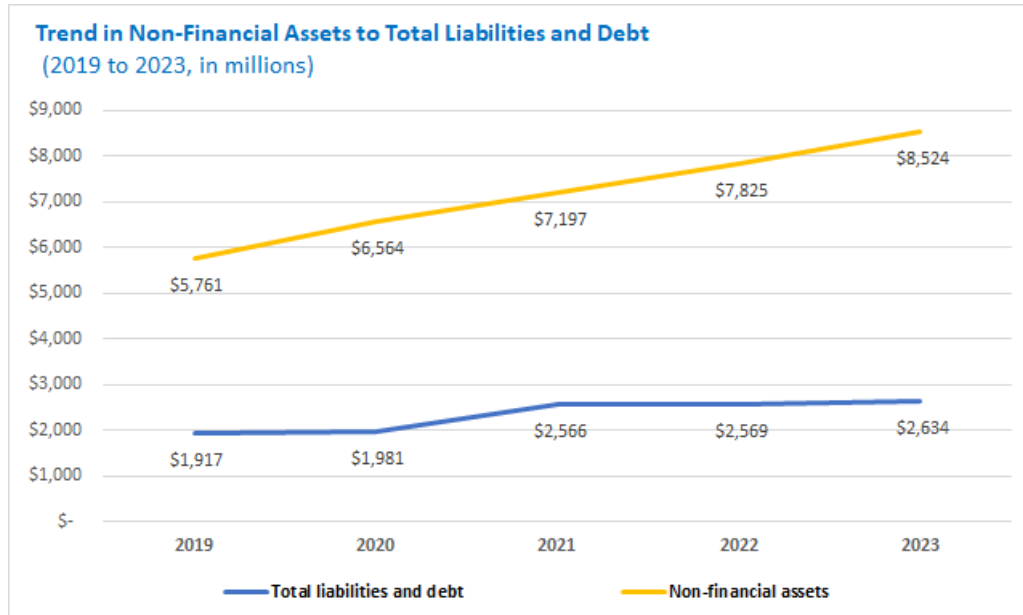
**Net Debt**

The net debt position indicates the amount by which the organizations’ liabilities exceed the financial assets. The net debt position increased by \$227.5 million. Although the amount appears as unfavorable, over 69% of the organization’s liabilities is long-term debt which is repayable over several years. In addition, the organization’s financial assets are more than sufficient to offset the amount of short-term obligations. This is indicated in the organization’s 2.5 to 1 current ratio, which is a measure of an organization’s liquidity, defined as current assets divided by current liabilities.

**Non- Financial Assets (Capital Assets)**

Non-financial assets increased by \$699.3 million in 2023, a direct result of the capital expenditures made in the year, the majority of which were for water and liquid waste infrastructure projects. Table 4 below shows that the investment in non-financial assets is growing at a faster rate than liabilities and debt, indicating more of the District’s assets are pay-as-you-go or grant funded. Over the past three years, the trend shows liabilities relatively flat and only increasing by 2.65% whereas non-financial assets have grown 8.72%.

**Table 4: Trend in Non-Financial Assets to Total Liabilities**



**Accumulated Surplus**

The 2023 accumulated surplus of \$6.7 billion reflects the member jurisdictions’ net investment in the District’s consolidated entity. This comprises of reserve balances of \$481.8 million and investment in tangible capital assets (asset value less debt) of \$6.2 billion. The investment in capital assets is based on historical cost and does not represent the replacement value of the assets in service for Metro Vancouver.

The accumulated surplus increased by \$471.8 million in 2023, which represents the annual surplus for the year, calculated as the difference between revenues and expenses. Table 5 below shows the difference between the annual surplus for PSAS (\$471.8 million) versus the annual surplus of \$12.8 million for budget purposes. For PSAS purposes, annual surplus does not include contributions to and from reserves, capital contributions or principal payments on long-term debt. A reconciliation of the PSAS surplus to the budgeted surplus is provided below. For details regarding the 2023 Operating Results by legal entity, refer to page 5.

**Table 5: PSAS Annual Surplus Reconciled to Budget Surplus**

<b>PSAS Financial Statement Surplus Reconciled to Budget Surplus</b>			
<b>For the year ended December 31, 2023</b>			
<i>(in thousands of dollars)</i>			
	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	\$ 1,225,578	\$ 1,298,706	\$ 1,114,319
<b>Expenses</b>	(815,342)	(826,854)	(736,363)
<b>Annual Surplus per PSAS</b>	<b>410,236</b>	<b>471,852</b>	<b>377,956</b>
<b>Applications and transfers included in operating budget</b>			
Contributions to capital	212,832	214,593	200,721
Payments on long-term debt	147,636	139,056	140,226
Transfers to (from) reserves	2,950	54,160	18,026
<b>PSAS items excluded from annual operating budget</b>			
Amortization of tangible capital assets	(100,755)	(108,532)	(99,337)
Accretion expense on asset retirement obligations	-	(2,231)	-
Sinking fund and debt retirement income	30,622	38,342	27,936
Capital grants, DCC and other capital revenue	110,137	89,687	37,655
Reserve fund interest	6,814	21,020	10,561
Corporate program surplus (transfer to reserves)	-	12,972	5,578
	410,236	459,067	341,366
<b>Annual Surplus based on budget</b>	<b>\$ -</b>	<b>\$ 12,785</b>	<b>\$ 36,590</b>

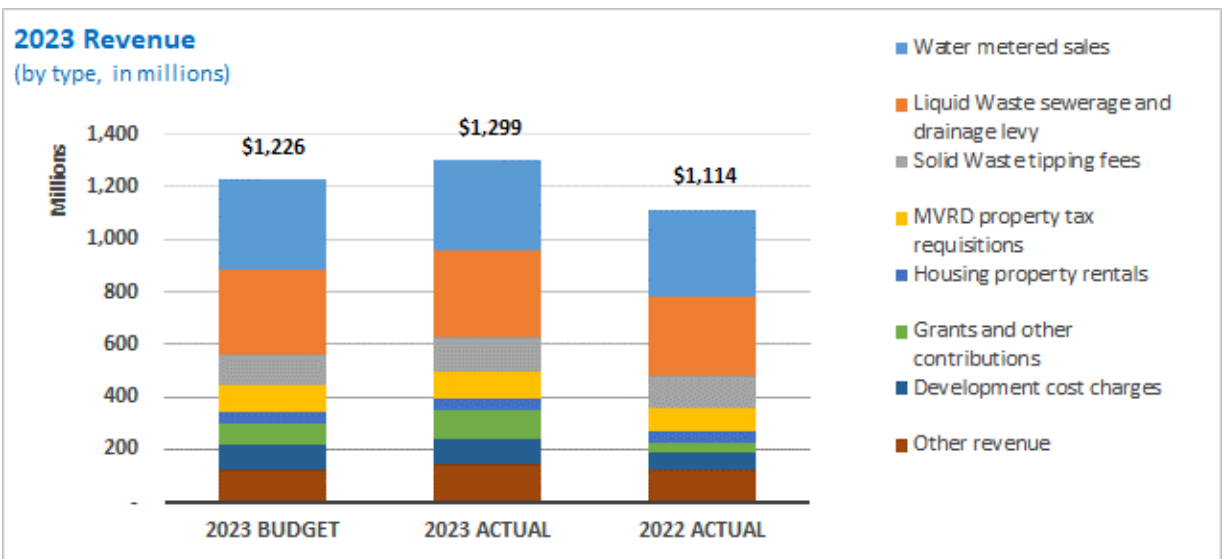
## Financial Statements Revenue and Expenditure Trends

### Consolidated Financial Statement Revenues

Revenues, from all sources (operating, capital and reserve funds), calculated based on PSAS, as presented in the Consolidated Financial Statement of Operations for 2023, was \$1.29 billion, slightly higher than the budget of \$1.23 billion. The table and graph below show that tax levy revenue and housing property rentals are in line with budget and prior year. The increase in revenue is mainly due to:

- Tipping fees exceeding budget by \$13.3M due to higher waste flows
- Water sales \$6.5M more than budget due to warmer weather resulting in higher water consumption.
- Receipt of a one-time \$50M Provincial Community Grant in 2023 to be applied to projects in 2024
- Sinking fund and interest income \$22M higher than expected due to higher than anticipated interest rates on investments, reserves and sinking fund balances.

<b>Revenue By Category (in 000s)</b>	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
Water metered sales	\$ 338,337	\$ 344,789	\$ 329,678
Liquid Waste sewerage and drainage levy	324,266	324,219	301,425
Solid Waste tipping fees	121,922	135,287	125,797
MVRD property tax requisitions	102,550	102,475	91,708
Housing property rentals	43,718	44,387	43,267
Grants and other contributions	80,512	108,812	37,265
Development cost charges	92,289	95,171	60,583
Other revenue	121,984	143,566	124,596
<b>Total</b>	<b>\$ 1,225,578</b>	<b>\$ 1,298,706</b>	<b>\$ 1,114,319</b>



**Consolidated Expenses by Category**

Expenses calculated based on PSAS in the Consolidated Financial Statement of Operations for 2023, was \$826.9 million, slightly higher than the budget of \$815.3 million, mainly due to:

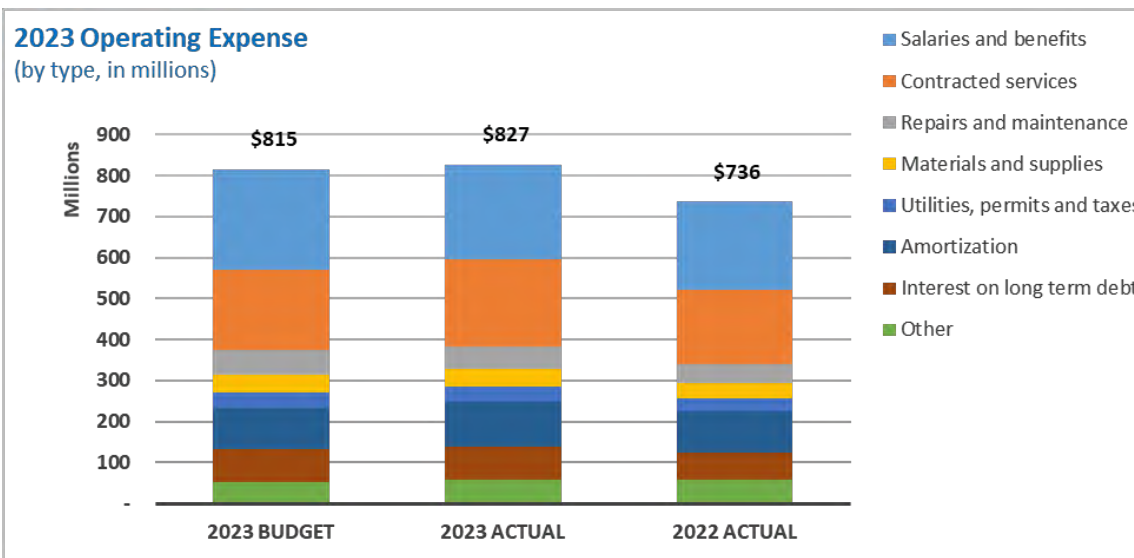
- higher than anticipated contracted services in Solid Waste due to higher contingency disposal costs and increased costs for operating contracts tied to inflation indicators
- higher than expected dewatering project work at Iona
- increased interest rates resulting in slightly higher interest on debt of \$0.21M.

These cost overruns were offset by:

- staff vacancies resulting in \$15.0M lower costs for salaries
- lower repairs and maintenance of \$6.6M due to project delays

Expenses were \$90.5 million higher than prior year mainly due to overall inflationary increases, as well as, approved spending increases in the annual budget.

<b>Operating Expenses by Category (in 000s)</b>	<b>2023 Budget</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
Salaries and benefits	\$ 246,265	\$ 231,334	\$ 213,969
Contracted services	194,048	212,007	182,918
Repairs and maintenance	61,226	54,558	46,157
Materials and supplies	44,047	44,912	37,236
Utilities, permits and taxes	35,386	35,844	32,341
Other	52,635	58,548	57,464
Amortization	100,755	108,532	99,336
Interest on long term debt	80,980	81,119	66,942
<b>Total</b>	<b>\$ 815,342</b>	<b>\$ 826,854</b>	<b>\$ 736,363</b>





**Financial Position Indicators**

Illustrated below is the five-year trend to provide additional insight into Metro Vancouver’s financial position. These ratios show that despite the global economic uncertainty over the past few years and current inflationary pressure, Metro Vancouver continues to maintain a healthy financial position.

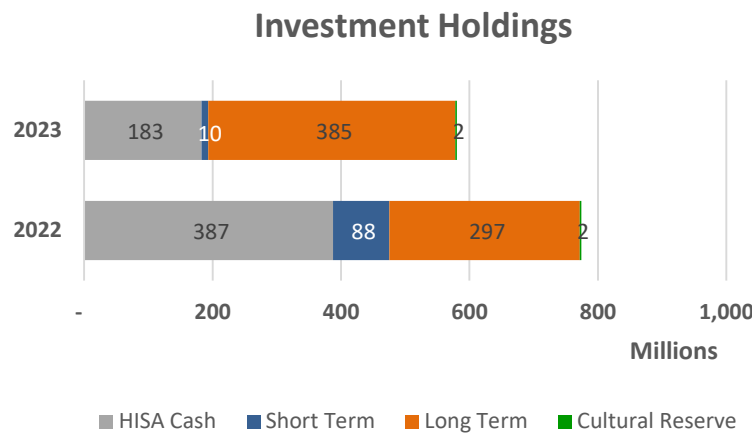
**Table 4: Financial Indicators – Five-year Trend**

Performance Measure	Commentary	2019	2020	2021	2022	2023
Current Ratio	A measure of the organization's ability to pay its current liabilities from its current assets.  Current Ratio is slightly lower mainly due to higher accounts payable and accrued liabilities resulting from increased capital infrastructure activities for the	3.9 to 1	3.4 to 1	3.6 to 1	3.3 to 1	2.5 to 1
Operating Reserves to Total Revenue Ratio	A measure of the organization's ability to adjust to unplanned events and changing circumstances.  Operating Reserves to Total Revenue Ratio slightly decreased mainly due to overall increase in total revenue by 16% while operating reserves increased only by 13%	7.2%	9.5%	11.6%	14.5%	14.2%
Debt Servicing Ratio	Percentage of the organization's income that is utilized to service debt payments (comprising of principal and interest).  Debt Servicing Ratio is consistent from prior year and constantly met target of not exceeding the Metro Vancouver's mandated maximum debt servicing ratio limit of 40%	12.9%	13.8%	16.6%	19.5%	18.8%
Interest to Total Revenue Ratio	Percentage of the organization's income that is utilized for interest payments.  Interest payments as a percentage of revenue is slightly lower than prior year, indicating revenue is increasing at a faster rate (15%) than increase in interest payments (9%).	4.6%	4.7%	6.0%	6.4%	6.0%
Key Services (MVRD Requisition, Water Sales, Sewer Levy, Tipping Fees, Housing rentals) Charges to Total Revenue Ratio	An indicator that shows the extent of revenues derived from core services provided by MVRD.  Key Services Charges to Total Revenue Ratio remains consisten between 75-85% with slight fluctuations in years of higher grants and other revenues	68.6%	71.3%	83.0%	85.1%	78.3%

TREASURY RESULTS

Cash and Investments

The chart below summarizes the investment portfolio for 2023 and 2022. Cash and investment balances are lower than 2022, due to the use of deferred grants and reserves previously held in cash, in addition to a cash management strategy of timing the financing for capital infrastructure projects when cash requirements are needed. Long-term investment holdings have increased by \$88M in 2023 to take advantage of the higher market interest rates. In addition, there are increased holdings in cash than short-term investments to take advantage of the higher-interest savings account rates. These rates are favourable and allow for more high-liquid cash in the portfolio.



(in thousands of dollars)	2022	2023
Short-Term	87,505	10,000
High-Interest Saving Account	387,461	182,895
Long-Term	296,931	385,101
Cultural Reserve	2,231	2,231
<b>Total Investment Holdings</b>	<b>774,128</b>	<b>580,227</b>

Investment holdings are grouped into four categories:

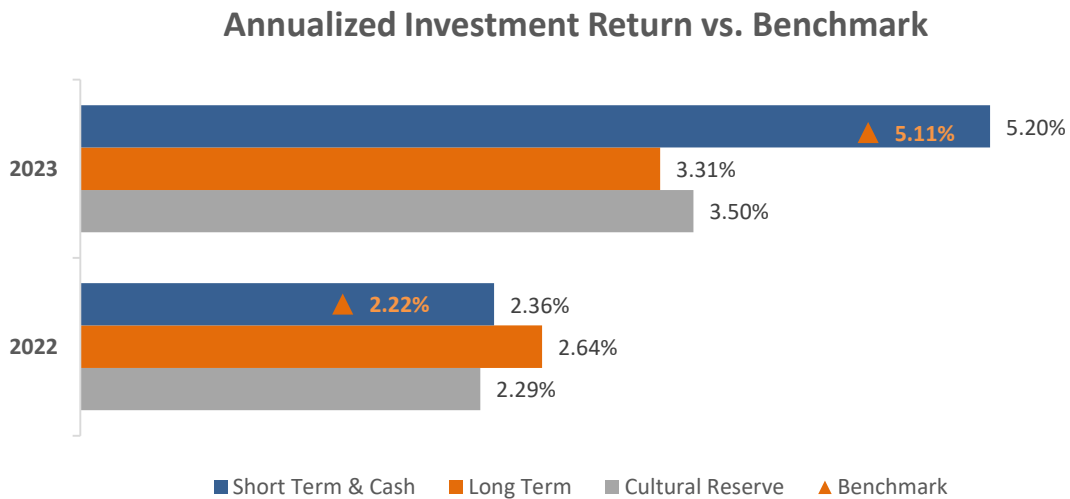
<b>Cash and high-interest saving accounts</b>	Accounts held by Metro Vancouver are fully liquid assets and can be accessed at any time. The majority of these deposits are in pooled high-interest savings accounts of the Municipal Finance Authority of British Columbia (MFA).
<b>Short-term investments</b>	Investments with have terms of less than one year at the time of investment. These may include bankers’ acceptances, Canadian bank bonds, and credit union term deposits.
<b>Long-term investments</b>	Investments with greater than one year at the time of investment. These investments may include Canadian, Provincial, and Canadian bank bonds; guaranteed investment certificates; credit union term deposits greater than one year; and MFA pooled funds.

<b>Cultural reserve investments</b>	Long-term investments where revenues have been set aside to fund Metro Vancouver’s annual contributions to cultural activities.
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**Investment Returns**

The average annual investment returns are greater than prior year due to the fluctuation in the market rates over the year. As investments matured, they were re-invested with higher yielding products or held in cash to take advantage of high-interest savings account rates and provide sufficient liquidity to accommodate the significant capital expenditure program. Short-term and cash investments return is 5.20%, which has surpassed the MFA benchmark of 5.11%. Average returns have almost doubled over the year from 2.38% to 4.22%.

The chart below summarizes the investment returns by investment category against benchmark for 2022 and 2023:



**METRO VANCOUVER DISTRICTS  
AND METRO VANCOUVER HOUSING CORPORATION  
(OPERATING AS METRO VANCOUVER)**

**Financial Statements**

**Year ended December 31, 2023**

**DRAFT - April 4, 2024**

Financial Statements of

**GREATER VANCOUVER SEWERAGE  
AND DRAINAGE DISTRICT**

Year ended December 31, 2023

**DRAFT - April 4, 2024**

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Index to Financial Statements

December 31, 2023

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	<b>Exhibit</b>
Management Report	
Independent Auditor's Report	
Statement of Financial Position	A
Statement of Operations	B
Statement of Change in Net Debt	C
Statement of Cash Flows	D
Notes to Financial Statements	

## GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

### MANAGEMENT REPORT

The Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Greater Vancouver Sewerage and Drainage District's Board of Directors is responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing Standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2023.

On behalf of Greater Vancouver Sewerage and Drainage District.

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Harji Varn, Chief Financial Officer

Date: April 26, 2024

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## Independent Auditor's Report

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To the Board of Directors of Greater Vancouver Sewerage and Drainage District

### Opinion

We have audited the financial of Greater Vancouver Sewerage and Drainage District (the "District"), which comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2023 and the results of its operations, change in net debt, and cash flows or the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, British Columbia

**REPORT DATE**

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

**Exhibit A**

**Statement of Financial Position**

**As at December 31, 2023**

	2023	2022
<b>Financial Assets</b>		
Cash	\$ 198,071	\$ 157,253
Accounts receivable	134,183,988	108,082,942
Due from Metro Vancouver Regional District	311,414,981	489,761,788
Debt reserve fund (note 4)	16,407,412	15,494,573
	462,204,452	613,496,556
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	163,129,477	166,828,783
Landfill closure and post-closure liability (note 6)	48,370,889	41,025,735
Asset retirement obligation (note 7)	24,481,926	-
Deferred revenue and refundable deposits (note 8)	367,375,607	330,473,282
Debt (net of sinking funds) (note 9)	1,155,164,409	1,178,144,091
	1,758,522,308	1,716,471,891
<b>Net Debt</b>	(1,296,317,856)	(1,102,975,335)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 10)	3,927,097,837	3,548,808,341
Inventories of supplies	7,544,156	7,061,586
Prepaid expenses	4,585,943	3,871,838
	3,939,227,936	3,559,741,765
<b>Accumulated surplus (note 11)</b>	<b>\$ 2,642,910,080</b>	<b>\$ 2,456,766,430</b>

Contractual obligations and rights (note 12)

Contingencies (note 13)

The accompanying notes are an integral part of these financial statements.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Board Chair

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Exhibit B

### Statement of Operations

Year ended December 31, 2023

	2023 Budget (note 14)	2023 Actual	2022 Actual
<b>Revenue (note 15)</b>			
Sewerage and drainage levy	\$ 324,265,595	\$ 324,218,663	\$ 301,424,687
Tipping fees	121,921,930	135,287,005	125,797,098
BODTSS industrial charges	12,495,626	12,286,099	12,431,402
Development cost charges (note 8)	92,288,619	95,170,609	60,582,644
User fees, recoveries, and other	20,795,304	18,442,158	20,789,665
Sinking fund, debt retirement, and interest income	14,773,105	20,292,948	12,079,013
Grants and other contributions (note 8)	62,646,000	56,352,889	28,199,591
	649,186,179	662,050,371	561,304,100
<b>Expenses (note 15)</b>			
Liquid waste services	305,821,232	323,414,438	272,755,299
Solid waste services	128,953,396	152,492,283	142,929,711
	434,774,628	475,906,721	415,685,010
<b>Annual surplus</b>	214,411,551	186,143,650	145,619,090
<b>Accumulated surplus, beginning of year</b>	2,456,766,430	2,456,766,430	2,311,147,340
<b>Accumulated surplus, end of year</b>	<b>\$ 2,671,177,981</b>	<b>\$ 2,642,910,080</b>	<b>\$ 2,456,766,430</b>

The accompanying notes are an integral part of these financial statements.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Exhibit C

### Statement of Change in Net Debt

Year ended December 31, 2023

	2023 Budget (note 14)	2023 Actual	2022 Actual
<b>Annual surplus</b>	\$ 214,411,551	\$ 186,143,650	\$ 145,619,090
<b>Change in tangible capital assets:</b>			
Acquisition of tangible capital assets	(732,585,000)	(432,251,594)	(390,013,721)
Amortization of tangible capital assets	46,374,446	52,629,319	45,168,958
Loss (gain) on disposal of tangible capital assets	-	1,332,779	(1,346,378)
Proceeds on disposal of tangible capital assets	-	-	1,450,496
	<u>(686,210,554)</u>	<u>(378,289,496)</u>	<u>(344,740,645)</u>
<b>Change in other non-financial assets:</b>			
Acquisition of prepaid expenses	-	(4,585,943)	(3,871,838)
Use of prepaid expenses	-	3,871,838	2,428,408
Acquisition of inventories of supplies	-	(7,544,156)	(7,061,586)
Consumption of inventories of supplies	-	7,061,586	6,582,165
	<u>-</u>	<u>(1,196,675)</u>	<u>(1,922,851)</u>
<b>Changes in net debt</b>	(471,799,003)	(193,342,521)	(201,044,406)
<b>Net debt, beginning of year</b>	(1,102,975,335)	(1,102,975,335)	(901,930,929)
<b>Net debt, end of year</b>	<b>\$ (1,574,774,338)</b>	<b>\$ (1,296,317,856)</b>	<b>\$ (1,102,975,335)</b>

The accompanying notes are an integral part of these financial statements.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Exhibit D

### Statement of Cash Flows

Year ended December 31, 2023

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual surplus	\$ 186,143,650	\$ 145,619,090
Items not involving cash:		
Amortization	52,629,319	45,168,958
Accretion expense	986,795	-
Sinking fund income	(8,488,784)	(6,422,245)
Debt reserve fund income	(489,153)	(332,300)
Loss (gain) on disposal of tangible capital assets	1,332,779	(1,346,378)
Change in landfill closure and post-closure liability	7,345,154	8,119,049
Change in non-cash assets and liabilities:		
Accounts receivable	(26,101,046)	30,933,188
Prepaid expenses	(714,105)	(1,443,430)
Accounts payable and accrued liabilities	(3,699,306)	(61,484,788)
Deferred revenue and refundable deposits	36,902,325	1,303,478
Inventories of supplies	(482,570)	(479,421)
<b>Net change in cash from operating transactions</b>	<b>245,365,058</b>	<b>159,635,201</b>
<b>Capital transactions:</b>		
Proceeds on sale of tangible capital assets	-	1,450,496
Acquisition of tangible capital assets (note 16(a))	(408,756,463)	(390,013,721)
<b>Net change in cash from capital transactions</b>	<b>(408,756,463)</b>	<b>(388,563,225)</b>
<b>Financing transactions:</b>		
Due from Metro Vancouver Regional District	178,346,807	141,103,773
Debenture debt issued	65,000,000	160,000,000
Debt reserve fund issuance	(650,000)	(1,600,000)
Debt reserve fund maturity	226,314	-
Sinking fund payments	(79,490,898)	(70,418,496)
Debenture debt maturity	(15,000,000)	-
Sinking fund retirement	15,000,000	-
<b>Net change in cash from financing transactions</b>	<b>163,432,223</b>	<b>229,085,277</b>
<b>Net change in cash and cash equivalents</b>	<b>40,818</b>	<b>157,253</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>157,253</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 198,071</b>	<b>\$ 157,253</b>

Supplementary cash flow information (note 16)

The accompanying notes are an integral part of these financial statements.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 1  
Year ended December 31, 2023

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## 1. Significant Accounting Policies

The Greater Vancouver Sewerage and Drainage District (the “District”) was established by an Act of the same name in 1956. Its two primary responsibilities are the collection, treatment, and discharge of liquid waste for the municipalities of the Metro Vancouver Regional District (“MVRD”), and the disposal of solid waste both for the municipalities of the MVRD and the public.

The District owns and operates a number of wastewater treatment plants and a related collection network connected to the municipal collection systems, and several solid waste facilities including a waste-to-energy facility. Its Board of Directors comprises the same councillors and mayors as appointed to the MVRD Board by the participating municipalities. The member municipalities under the Act are jointly and severally liable for its debts.

The District’s financial statements are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the District are as follows:

### **Basis of Accounting**

The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the legal obligation to pay.

### **Government Transfers**

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

### **Deferred Revenue and Refundable Deposits**

Deferred revenue represents development cost charges and a Provincial grant which have been collected, but for which the related services or obligations have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed or obligations and stipulations have been met.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 2  
Year ended December 31, 2023

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## 1. Significant Accounting Policies (continued)

### **Sinking Fund, Debt Retirement, and Interest Income**

Interest income is reported as revenue in the period earned. When required, based on external restrictions, interest income earned on deferred revenue is added to and forms part of the deferred revenue balance, and is recognized into income when related stipulations are met. Any surpluses received from upon debt retirement are recorded in the year received.

### **Cash and Investments**

In order to improve cash management, the MVRD holds cash and investment transactions in pooled accounts on behalf of its four legal entities: the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation. The District's main cash is therefore presented as due from MVRD. Investments held by the MVRD consist of bonds issued by governments and Canadian chartered banks, money market instruments, guaranteed investment certificates, and term deposits. Interest earned on the District's fund balances is included in the amount owing from MVRD and is recorded as interest income in the statement of operations.

### **Financial Instruments**

The District's financial instruments consist of accounts receivable, accounts payable and accrued liabilities, and amounts due to or from the MVRD. Cash and cash equivalents are pooled with all entities held by the MVRD. Accounts receivable and amounts due from government organizations are recorded at cost less any amount for valuation allowance. All debt and other financial liabilities are recorded using cost or amortized cost. Interest attributable to financial instruments are reported in the statement of operations.

The classification of financial instruments is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held. Financial instruments are measured at cost upon initial recognition. All financial assets are assessed for impairment on an annual basis and any such impairment is recorded in the statement of operations. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 3  
Year ended December 31, 2023

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## 1. Significant Accounting Policies (continued)

### Employee Future Benefits

Employees who provide services for the District are employees of the MVRD. Employee related costs are allocated by the MVRD to the District based on services rendered. These costs are shown as expenses in the financial statements and are included in amounts owing from MVRD.

Post-employment benefits of the MVRD, including accumulated banked sick and vacation pay, retirement severance, and Worker's Compensation top-up benefits for employees pursuant to certain policies and union agreements, are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is allocated to the District based on projected benefits as the employees render services necessary to earn the future benefits and included in amounts owing to MVRD.

### Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied: an environmental standard exists; contamination exceeds the standard; the District is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made. Liabilities for contaminated sites are reported in accounts payable and accrued liabilities.

### Landfill Closure and Post-Closure Liability

The District is obligated for its share of landfill closure and post-closure costs, in accordance with agreements (note 6). The District does not own or control the landfills and, therefore, has recorded its obligation as a liability, in accordance with PS 3200 - Liabilities, and not as an asset retirement obligation.

The estimated present value of the District's share in landfill closure and post-closure costs to be incurred on a landfill site owned and controlled by the City of Vancouver is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation, discounted to the current date and accrued based on the proportion of the total capacity of the landfill used and the District's proportionate usage thereof as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on a prospective basis.



# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 4  
Year ended December 31, 2023

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## 1. Significant Accounting Policies (continued)

### Asset Retirement Obligation

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. The ARO liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization expense of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability had occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 5

Year ended December 31, 2023

## 1. Significant Accounting Policies (continued)

### **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### **Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, including asset retirement costs that are capitalized as part of the carrying amount of the related tangible capital asset. The cost, less residual value, of the tangible capital assets, except land, is amortized over their estimated useful lives. All assets are amortized on a straight line basis as follows:

<b>Asset</b>	<b>Useful Life – Years</b>
Infrastructure	
Interceptors and trunk sewers, drainage	100
Wastewater treatment and pumping stations	40 - 107
Solid waste incinerators and transfer stations	30
Solid waste landfills	25 - 30
Information technology systems and networks	5
Machinery, Equipment, Furniture, and Fixtures	5 - 20

- a. Annual amortization:  
Annual amortization begins when the asset is available for use and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is available for use.
- b. Contributions of tangible capital assets:  
Contributions of tangible capital assets are recorded at their estimated fair value at the date of receipt and as contribution revenue.
- c. Interest capitalization:  
The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

### **Inventories of Supplies**

Inventories of supplies held for consumption are recorded on a first-in-first-out basis.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 6  
Year ended December 31, 2023

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## 1. Significant Accounting Policies (continued)

**Revenue Recognition** Tipping fees, levies, electricity sales, permits, user fees, and other revenue are recognized as revenue on an accrual basis according to the usage and rates approved and set by the Board in various fees and charges bylaws.

**Segmented Information** A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Definitions of the District's segments and their related financial information are presented in note 15.

**Use of Estimates** The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Significant areas requiring the use of management's judgment relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, the estimate of accruals for projects in progress, amortization rates and useful lives for tangible capital assets, the landfill closure and post-closure liability, the assessment of the impairment of tangible capital assets and work in progress, and the assessment of the outcome of contingent liabilities.

## 2. Adoption of Accounting Policies

- a. In 2023, the District implemented the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The District has elected to implement this standard prospectively for the year ended December 31, 2023. Results for the year ended December 31, 2022 have not been restated.
- b. The District adopted Public Sector Accounting Standard PS 3450 Financial Instruments effective January 1, 2023. This new standard requires the remeasurement of gains and losses of financial instruments. The District has determined there are no remeasurement of gains or losses for fiscal years 2022 or 2023 and as such no adjustment to prior year or the opening balances is required.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 7  
Year ended December 31, 2023

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## 3. Financial Risk Management

Based on the financial instruments held, the District is potentially exposed to credit risk, market risk, interest rate risk, and liquidity risk.

Credit Risk is low and related to the possibility of failure to collect from another party and encompasses accounts receivable. The District's accounts receivable primarily consist of amounts due from customers who require the District's utility services to conduct their business. To mitigate any credit risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2023, the amount of allowance deemed uncollectable is \$nil (2022 - \$nil).

Market risks and interest rate risks encompasses cash, investments, and debt instruments. All cash and investments are pooled by the MVRD and therefore an inherent risk exists related to the consolidated pooled funds held by MVRD. To mitigate this risk, the MVRD closely watches the Bank of Canada rates and reviews inflationary impacts. The MVRD's cash is deposited in high-interest savings accounts at federally regulated banks. The MVRD follows the MVRD Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, government bonds and MFA pooled investment funds. The investment gains or losses due to market interest rate changes are recognized at the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The District's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and temporary financing. The risk applies to long-term debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have increased during the year, which primarily affects interest costs for new or refinanced debt and temporary borrowing, as well as, interest earnings on investments.

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The District has pooled accounts with the MVRD and its other entities. All cash for MVRD is held in federally and provincially regulated banks. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the pooled portfolio held by the MVRD is held in high liquid cash in high interest savings accounts.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 8  
Year ended December 31, 2023

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## 4. Debt Reserve Fund

The Municipal Finance Authority of British Columbia (“MFA”) provides financing for regional districts and member municipalities. The MFA is required to establish a Debt Reserve Fund for each debenture issue equal to one-half the average annual installment of principal and interest. The debt reserve fund is comprised of cash deposits equal to 1% of the principal amount borrowed and a non-interest bearing demand note for the remaining requirement. Cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements have been made.

If, at any time, the District has insufficient funds to meet payments due on its obligations to the MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2023, \$46,971,489 (2022 - \$45,042,860) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

## 5. Accounts Payable and Accrued Liabilities

	2023	2022
Trade accounts	\$ 106,476,506	\$ 117,438,953
Construction holdbacks	48,533,058	41,729,494
Accrued interest on debt	8,119,913	7,660,336
	<u>\$ 163,129,477</u>	<u>\$ 166,828,783</u>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 9  
Year ended December 31, 2023

## 6. Landfill Closure and Post-Closure Liability

The Vancouver Landfill is located in Delta, BC and is owned and controlled by the City of Vancouver. In accordance with a tripartite agreement with the City of Vancouver and the Corporation of Delta, the District is responsible for its proportionate share of the closure and post-closure liability based on usage. The present value of the District's estimated future liability for these expenses is recognized as the landfill site's capacity is used and is as follows:

	2023	2022
Landfill closure and post closure liability	\$ 48,370,889	\$ 41,025,735

The closure and post-closure liability and annual expense is calculated based on the ratio of actual utilization to total expected utilization of the site's capacity at the date of closure. It is based on estimates and assumptions with respect to events extending over the remaining life of the Vancouver Landfill, including provisions contained in Metro Vancouver's Integrated Solid Waste and Resource Management Plan. The significant estimates and assumptions adopted in measuring the District's share of the closure and post-closure liability are as follows:

	2023	2022
Current actual utilization (in tonnes)	23,918,871	23,195,905
Expected utilization at closure (in tonnes)	28,299,639	28,299,639
Expected remaining capacity (in tonnes)	4,380,768	5,103,734
Permitted capacity (in tonnes)	33,039,183	33,039,183
Future costs	\$ 243,643,968	\$ 212,638,152
Present value of future costs	\$ 151,242,261	\$ 136,568,950
Proportionate share of liability	37.84%	36.65%
Utilization of total capacity, end of year	84.52%	81.97%
Discount rate	2.69%	2.58%
Expected post-closure period	30 years	30 years
Expected closure date	December 31, 2037	December 31, 2037

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 10  
Year ended December 31, 2023

## 7. Asset Retirement Obligation

The District's AROs consist of asbestos and lead obligations as well as decommissioning obligations.

### a. Asbestos and lead obligations

The District owns and operates several infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards upon demolition, and the District has legal obligations to remove them. Following the adoption of PS 3280 – AROs, the District recognized the obligations relating to the removal and post-removal care of the asbestos and lead in these infrastructure assets as estimated as at January 1, 2023. These infrastructure assets have estimated useful lives ranging from 40 years to 107 years from the date of acquisition or completion of construction.

### b. Contractual obligations

The District has contractual obligations to remove, decommission and restore infrastructure. Following the adoption of PS 3280 – AROs, the District recognized these obligations as estimated as at January 1, 2023.

Asset retirement obligation is as follows:

	<b>Asbestos and Lead Obligations</b>	<b>Contractual Obligations</b>	<b>2023</b>
Balance, beginning of year	\$ —	\$ —	\$ —
Additions	6,290,967	17,204,164	23,495,131
Accretion expense	264,220	722,575	986,795
Balance, end of year	\$ 6,555,187	\$ 17,926,739	\$ 24,481,926

The liability has been estimated using present value calculation with a discount rate for 2023 of 4.2% (2022 – not applicable, as new standard adopted in 2023). The estimated total undiscounted future expenditures are \$46,462,814 (2022 – not applicable) and the number of years to expected settlement range from 1 to 57 years.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 11

Year ended December 31, 2023

## 8. Deferred Revenue and Refundable Deposits

Deferred revenue consists of the following:

	2023	2022
Development cost charges (a)	\$ 272,780,780	\$ 273,595,957
Provincial grant to fund capital expenditures (b)	93,021,431	55,358,323
Refundable deposits	1,573,396	1,519,002
<b>Total</b>	<b>\$ 367,375,607</b>	<b>\$ 330,473,282</b>

- a) The *Greater Vancouver Sewerage and Drainage District Act* restricts the District in applying money raised from development cost charges to funding sewer capital projects, including the repayment of debt raised to fund such projects. The balance of these amounts is included in deferred revenue until spent on approved purposes.
- b) Amounts received from the Province of British Columbia for the following construction projects have been recorded as deferred revenue:
- i. In 2017, the District received a grant from the Province of British Columbia in the amount of \$193,000,000 for future costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2023, \$22,706,883 (2022 – \$13,716,070) was applied against the project and recognized as revenue. Remaining amount to be recognized in future years as capital expenditures are incurred is \$32,651,440.
  - ii. In 2023, the District entered into a three-year contribution agreement, with the Province of British Columbia, where the Province will provide \$250 million representing one-third of the funding for Phase 1 of the Iona Wastewater Treatment Plant project. As of December 31, 2023, the District received \$75,000,000 of the grant, of which \$14,630,009 (2022 – \$nil) was applied against the project and recognized as revenue. Remaining amount to be recognized in future years as capital expenditures are incurred is \$60,369,991.



# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 12  
Year ended December 31, 2023

## 8. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue is as follows:

	2023	2022
Balance, beginning of year	\$ 330,473,282	\$ 329,169,804
Development cost charges received	82,040,895	68,940,747
Deferred grant received in the year	75,000,000	—
Interest earned	12,314,535	6,604,338
Change in refundable deposits	54,394	57,107
Amounts spent and recognized as revenue	(132,507,499)	(74,298,714)
Change in deferred revenue	36,902,325	1,303,478
Balance, end of year	\$ 367,375,607	\$ 330,473,282

## 9. Debt

All borrowings for the District are obtained from MFA by the MVRD on the District's behalf, although the District maintains the right to finance debt without MFA involvement.

Debt, debentures or other security issued by the District is a direct, joint and several obligation and liability of the District and each and every member municipality.

Debt servicing requirements comprising sinking fund contributions, serial repayments and interest are funded as incurred by revenue earned during the year.

Debt (net of sinking funds) reported on the statement of financial position comprises the following and includes varying maturities up to 2038 with interest rates ranging from 1.28% to 4.97%.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 13  
Year ended December 31, 2023

## 9. Debt(continued)

Issue Number	Interest Rate - %	Maturity Date	Debentures authorized to be issued	Debenture debt outstanding	
				2023	2022
104	2.90	November 20, 2023	\$ 15,000,000	\$ —	\$ 15,000,000
106	2.25	October 13, 2024	20,000,000	20,000,000	20,000,000
116	1.47	April 4, 2026	20,000,000	20,000,000	20,000,000
118	3.39	April 11, 2027	20,000,000	20,000,000	20,000,000
139	2.10	October 5, 2031	55,000,000	55,000,000	55,000,000
141	2.80	April 7, 2032	50,000,000	50,000,000	50,000,000
142	3.15	October 4, 2032	50,000,000	50,000,000	50,000,000
145	3.15	April 23, 2033	120,000,000	120,000,000	120,000,000
146	3.20	September 19, 2033	270,000,000	270,000,000	270,000,000
147	2.66	April 9, 2034	40,000,000	40,000,000	40,000,000
149	2.24	October 9, 2034	46,000,000	46,000,000	46,000,000
150	1.99	April 9, 2035	125,000,000	125,000,000	125,000,000
151	1.28	June 1, 2035	70,000,000	70,000,000	70,000,000
154	2.41	May 28, 2036	370,000,000	370,000,000	370,000,000
157	3.36	April 8, 2037	160,000,000	160,000,000	160,000,000
159	4.15	June 5, 2038	25,000,000	25,000,000	—
160	4.97	October 12, 2038	40,000,000	40,000,000	—
<b>Total debt</b>			<b>\$1,496,000,000</b>	<b>\$ 1,481,000,000</b>	<b>\$ 1,431,000,000</b>
<b>Less sinking funds</b>				<b>(325,835,591)</b>	<b>(252,855,909)</b>
<b>Total net debt</b>				<b>\$ 1,155,164,409</b>	<b>\$ 1,178,144,091</b>

Sinking fund installments due within the next five years and thereafter are as follows:

	Amount
2024	\$ 82,095,156
2025	81,096,334
2026	81,096,334
2027	80,022,703
2028	78,874,112
Thereafter	526,899,117
Total payments	930,083,756
Estimated sinking fund income	225,080,653
<b>Total net debt</b>	<b>\$1,155,164,409</b>

Sinking fund installments are invested by the MFA and earn income that, together with principal payments, are expected to be sufficient to retire the sinking fund debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 14  
Year ended December 31, 2023

## 10. Tangible Capital Assets

Year ended December 31, 2023

	Cost			Accumulated Amortization				Net Book Value December 31, 2023	
	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023	Balance at December 31, 2022	Disposals	Amortization Expense		Balance at December 31, 2023
Land	\$ 186,357,656	\$ 510,645	\$ —	\$ 186,868,301	\$ —	\$ —	\$ —	\$ —	\$ 186,868,301
Infrastructure	2,469,536,691	293,995,726	—	2,763,532,417	753,148,195	—	52,343,542	805,491,737	1,958,040,680
Machinery, equipment, furniture & fixtures	8,988,952	178,905	(530,751)	8,637,106	8,234,851	(530,751)	285,777	7,989,877	647,229
Construction in progress	1,645,308,088	137,566,318	(1,332,779)	1,781,541,627	—	—	—	—	1,781,541,627
	<b>\$4,310,191,387</b>	<b>\$432,251,594</b>	<b>\$(1,863,530)</b>	<b>\$4,740,579,451</b>	<b>\$ 761,383,046</b>	<b>\$(530,751)</b>	<b>\$ 52,629,319</b>	<b>\$ 813,481,614</b>	<b>\$3,927,097,837</b>

Construction in progress includes \$609.1 million (2022- \$522.6 million) related to the North Shore Wastewater Treatment Plant (note 13).  
Additions related to asset retirement costs were \$23.5 million (2022- \$nil).  
Write-offs and disposals in 2023 were \$1.33 million (2022 - \$0.10 million).

Year ended December 31, 2022

	Cost			Accumulated Amortization				Net Book Value December 31, 2022	
	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022	Balance at December 31, 2021	Disposals	Amortization Expense		Balance at December 31, 2022
Land	\$ 162,871,774	\$ 23,590,000	\$ (104,118)	\$ 186,357,656	\$ —	\$ —	\$ —	\$ —	\$ 186,357,656
Infrastructure	2,168,652,126	300,884,565	—	2,469,536,691	708,339,346	—	44,808,849	753,148,195	1,716,388,496
Machinery, equipment, furniture & fixtures	8,817,695	171,257	—	8,988,952	7,874,742	—	360,109	8,234,851	754,101
Construction in progress	1,579,940,189	65,367,899	—	1,645,308,088	—	—	—	—	1,645,308,088
	<b>\$3,920,281,784</b>	<b>\$390,013,721</b>	<b>\$(104,118)</b>	<b>\$4,310,191,387</b>	<b>\$ 716,214,088</b>	<b>\$ —</b>	<b>\$ 45,168,958</b>	<b>\$ 761,383,046</b>	<b>\$3,548,808,341</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 15  
Year ended December 31, 2023

## 11. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2023	2022
Reserves	\$ 148,532,466	\$ 165,870,733
Capital fund balance	(277,555,814)	(79,768,553)
Investment in tangible capital assets	2,771,933,428	2,370,664,250
<b>Total</b>	<b>\$ 2,642,910,080</b>	<b>\$ 2,456,766,430</b>

Capital fund balance represents the future expected level of funding required or accumulated.

Continuity of reserves is as follows:

	December 31, 2022	Interest	Annual Operating Surplus (Deficit)	Contributions from/ (to) operations	December 31, 2023
<b>Operating Reserves</b>					
Liquid Waste Services	\$ 44,442,299	\$ 1,929,861	\$(3,113,432)	\$ —	\$ 43,258,728
Solid Waste Services	37,819,075	1,642,254	(3,475,151)	—	35,986,178
	82,261,374	3,572,115	(6,588,583)	—	79,244,906
<b>Discretionary Reserves</b>					
Biosolids Inventory	15,809,528	686,512	—	(15,487,967)	1,008,073
Liquid Waste General Debt					
Reserve Fund	2,174,703	94,434	—	—	2,269,137
Lions Gate Contingency	1,526,210	66,274	—	—	1,592,484
Drainage General	5,419,895	235,353	—	—	5,655,248
Solid Waste General	26,998,847	802,640	—	—	27,801,487
Landfill Post-Closure	11,580,738	1,115,569	—	(3,332,639)	9,363,668
	63,509,921	3,000,782	—	(18,820,606)	47,690,097
<b>Statutory Reserves</b>					
Liquid Waste Laboratory Equipment	725,450	33,864	—	106,282	865,596
Liquid Waste Services Sustainability					
Innovation Fund	19,373,988	860,884	—	496,995	20,731,867
	20,099,438	894,748	—	603,277	21,597,463
<b>Total Reserves</b>	<b>\$ 165,870,733</b>	<b>\$ 7,467,645</b>	<b>\$(6,588,583)</b>	<b>\$(18,217,329)</b>	<b>\$ 148,532,466</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 16  
Year ended December 31, 2023

## 11. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2023	2022
Tangible capital assets	\$ 3,927,097,837	\$ 3,548,808,341
Amounts financed by:		
Long-term debt	(1,155,164,409)	(1,178,144,091)
	2,771,933,428	2,370,664,250
<b>Change in the investment in tangible capital assets</b>		
Acquisition of tangible capital assets	432,251,594	390,013,721
Amortization of tangible capital assets	(52,629,319)	(45,168,958)
Loss (gain) on disposal of tangible capital assets	(1,332,779)	1,346,378
Proceeds on disposal of tangible capital assets	—	(1,450,496)
	378,289,496	344,740,645
<b>Less funding of tangible capital assets through debt</b>		
Sinking fund debt maturity	15,000,000	—
Sinking fund and debt retirement	(79,490,898)	(70,418,496)
Sinking fund and debt retirement income	(8,488,784)	(6,422,245)
Debenture debt issued	65,000,000	160,000,000
Debenture debt maturity	(15,000,000)	—
	(22,979,682)	83,159,259
<b>Change in investment in tangible capital assets</b>	401,269,178	261,581,386
<b>Investment in tangible capital assets, beginning of year</b>	2,370,664,250	2,109,082,864
<b>Investment in tangible capital assets, end of year</b>	\$ 2,771,933,428	\$ 2,370,664,250

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 17  
Year ended December 31, 2023

## 12. Contractual Obligations and Rights

### a) Contractual Obligations

- i) As of December 31, 2023 the District had the following commitments outstanding related to capital projects in progress:

	2023	2022
Authorized for outstanding projects	\$ 5,865,550,000	\$ 5,139,887,000
Expended at December 31	(2,882,547,982)	(2,553,669,802)
Commitment remaining	\$ 2,983,002,018	\$ 2,586,217,198

- ii) The District is committed under lease and rights-of-way agreements to make minimum annual payments. These agreements have varying terms, including two agreements, with annual payments of \$463,000 to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2024	\$ 2,106,267
2025	2,140,892
2026	2,176,210
2027	2,212,235
2028	2,248,979
2029 - 2033	11,822,308
Total	\$ 22,706,891

### b) Contractual Rights

The District is party to lease agreements that are anticipated to provide future revenues. These agreements are with third parties with varying terms to 2026. Amounts anticipated to be received over the future years are as follows:

	Amount
2024	\$ 1,123,523
2025	710,899
2026	651,657
Total	\$ 2,486,079

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 18  
Year ended December 31, 2023

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## 13. Contingencies

### Lawsuits

As at December 31, 2023, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

### North Shore Wastewater Treatment Plant

The District is building a new tertiary wastewater treatment plant on a former industrial site in North Vancouver, to replace the primary-only Lions Gate Wastewater Treatment Plant. The deadline for completion of the project under federal regulation was December 31, 2020. In 2021, the District served notice to terminate its contract with the vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the vendor was in breach of contract. As of the contract termination date, the District has paid \$309.5 million, net of GST rebates, to the vendor for work completed, which has been recorded as construction in progress (note 10). In 2022, the vendor commenced legal action by filing a claim against the District in excess of \$250 million to which the District filed a counter-claim against the vendor in excess of \$500 million. As at December 31, 2023, the outcome of any legal proceedings related to the terminated contract and the potential consequences of not meeting the current deadline under the federal regulation is undeterminable.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 19

Year ended December 31, 2023

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## 13. Contingencies (continued)

### Self-Insurance Reserve

A self-insurance reserve has been established within the MVRD to cover losses resulting from uninsured liability exposures of the District, other MVRD Districts, and Metro Vancouver Housing Corporation ("MVHC").

Each year a review is undertaken to determine if it would be beneficial to purchase additional liability insurance. The District, other Metro Vancouver Districts, and the MVHC transfer amounts to the reserve depending on the reserve's adequacy to cover retained liability risk.

An estimate is made for all costs of investigating and settlement of claims annually and an adjustment is made to the reserve to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These estimates are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed at the time the losses are known and the amounts are reasonably determinable.

### Debt Reserve Fund

The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 4).

### Letters of Credit

At December 31, 2023, the District is the named beneficiary of \$847,980 (2022 - \$757,980) of irrevocable letters of credits from financial institutions related to construction projects and Solid Waste operations. These letters of credit are available under circumstances in which the service provider does not fulfil its obligation to the District and therefore the amount is not recorded as assets.

### Cache Creek Landfill

Prior to 2016, the District transported deposits to a landfill located in the Village of Cache Creek, BC and was required to contribute quarterly to a post-closure trust fund, held with the Province of British Columbia. The *GVS&DD – Village of Cache Creek: Village of Cache Creek – Agreement* dated November 25, 1987 indemnifies the Village of Cache Creek for any post-closure liabilities not covered by this fund and obligates the District to pay any excess funding until the earlier of (i) the 20th anniversary of the landfill closure date or (ii) the date the Province terminates the post-closure trust fund. Therefore, the obligation expires at the latest July 2036. The Landfill Operational Certificate obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. At December 31, 2023, the lower of amortized cost and market value of the trust was \$15,289,144 (2022 - \$15,403,059), which approximates the expected post-closure costs.



# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 20  
Year ended December 31, 2023

## 14. Budget Information

The annual budget presented in these financial statements is based upon the 2023 operating and capital budgets originally approved by the District's Board in October 2022. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$724,595,000 were included in the capital budget approved by the Board.

	2023 Budget	2022 Budget
<b>Budgeted annual surplus per Exhibit B- Statement of Operations</b>	\$ 214,411,551	\$ 257,309,608
Additional transfers from reserves, approved by Board	—	210,000
<b>Adjusted annual surplus, based on originally approved budget</b>	214,411,551	257,519,608
Items not included in the approved operating budget		
Capital development cost charge revenue	(28,716,000)	(42,329,000)
Capital grants and contributions	(65,846,000)	(110,665,000)
Amortization of tangible capital assets	46,374,446	43,785,108
Sinking and debt retirement fund income	(12,159,795)	(7,398,610)
Reserve interest	(2,613,310)	(2,420,014)
Items included in the budget but not in financial statements		
Debt principal payments	(79,490,899)	(70,418,497)
Transfers to capital	(80,355,494)	(76,355,495)
Transfers from reserves	8,395,501	8,281,900
<b>Annual surplus per approved budget</b>	\$ —	\$ —

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 21  
Year ended December 31, 2023

## 15. Segmented Information and Expenses by Object

The District's primary responsibilities are the collection, treatment and discharge of liquid waste for the municipalities of the MVRD and the disposal of solid waste both for the municipalities of the MVRD and the public. For management reporting purposes, the District's operations and activities are organized and reported by these two primary areas of service.

The information reported in the segmented information does not include \$9,416,728 (2022 - \$8,634,903) of salaries and benefits directly attributable to the construction of tangible capital assets which have been included in the cost of tangible capital assets in the Statement of Financial Position. The services disclosed in the Segmented Information are as follows:

### Liquid Waste Services

The Liquid Waste Services is responsible for the collection, treatment and discharge of liquid waste for member municipalities. It operates a number of wastewater treatment plants and a related collection network connected to the member municipalities' systems.

### Solid Waste Services

The Solid Waste Services is responsible for the disposal of solid waste both for the member municipalities and the public. It owns and operates several solid waste facilities including a waste-to-energy facility.

	2023 Total Budget	Liquid Waste Services	Solid Waste Services	2023 Total Actual	2022 Total Actual
<b>Revenues</b>					
Sewerage and drainage levy	\$ 324,265,595	\$ 324,218,663	\$ —	\$ 324,218,663	\$ 301,424,687
Tipping fees	121,921,930	—	135,287,005	135,287,005	125,797,098
BODTSS Industrial Charges	12,495,626	12,286,099	—	12,286,099	12,431,402
Development cost charges	92,288,619	95,170,609	—	95,170,609	60,582,644
User fees, recoveries, and other	20,795,304	8,326,829	10,115,329	18,442,158	22,460,213
Sinking fund, debt retirement and interest income	14,773,105	16,247,444	4,045,504	20,292,948	10,408,465
Grants and contributions	62,646,000	56,352,889	—	56,352,889	28,199,591
	649,186,179	512,602,533	149,447,838	662,050,371	561,304,100
<b>Expenses</b>					
Salaries and benefits	87,106,740	73,302,660	7,344,031	80,646,691	72,210,985
Consulting, contracted, and professional services	133,628,147	51,891,061	115,973,294	167,864,355	144,866,629
Asset repairs and maintenance	12,643,391	16,679,833	976,011	17,655,844	14,840,495
Materials and supplies	22,178,051	21,099,915	22,935	21,122,850	18,062,602
Utilities, permits, and taxes	19,178,675	19,253,070	308,842	19,561,912	17,297,820
Corporate costs	47,134,829	42,664,599	5,700,068	48,364,667	42,775,544
Other	19,616,315	8,962,649	11,340,084	20,302,733	25,903,232
Amortization of tangible capital assets	46,374,446	45,900,175	6,729,144	52,629,319	45,168,958
Loss on disposal of tangible capital assets	—	1,332,779	—	1,332,779	—
Interest on long-term debt	46,914,034	42,327,697	4,097,874	46,425,571	34,558,745
	434,774,628	323,414,438	152,492,283	475,906,721	415,685,010
<b>Annual surplus (deficit)</b>	<b>\$ 214,411,551</b>	<b>\$ 189,188,095</b>	<b>\$ (3,044,445)</b>	<b>\$ 186,143,650</b>	<b>\$ 145,619,090</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 22  
Year ended December 31, 2023

## 16. Supplementary Cash Flow Information

The following non-cash transactions related to the initial adoption of PS 3280 Asset Retirement Obligation (note 2) are excluded from the statement of cash flows.

	2023	2022
Asset retirement cost (a)	\$ 23,495,131	\$ —
Increase to asset retirement obligation	(23,495,131)	—
	\$ —	\$ —

(a) Assets acquired through other non-cash transactions are excluded from the acquisition of tangible capital assets on the statement of cash flows.

	2023	2022
Acquisition of tangible capital assets	\$ 408,756,463	\$ 390,013,721
Asset retirement cost	23,495,131	—
Tangible capital asset additions (note 10)	\$ 432,251,594	\$ 390,013,721

## 17. Comparative Figures

Certain prior year figures have been reclassified to conform to the presentation of the current year.



## 2023 Metro Vancouver Financial Results

Linda Sabatini  
Director, Financial Operations

Finance Committee – April 10, 2024  
66513161

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### METRO VANCOUVER

#### Audited 2023 Financial Statements and Annual Financial Results

- Operating Results
- Financial Position and Key Indicators
- Differences between
  - Public Sector Accounting Standards (PSAS)
  - Budget Preparation based on enabling legislation

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## SURPLUS TO BUDGET

### Key Items

- Surplus
- PSAS Items
- Surplus per Budget

### Statement of Operations and Surplus to Budget For the year ended December 31, 2023

(in thousands of dollars)

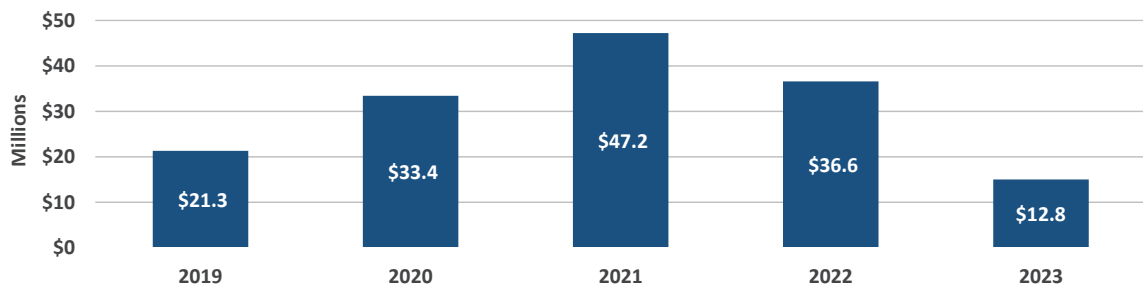
	2023
<b>Revenue</b>	\$ 1,298,706
<b>Expenses</b>	(826,854)
<b>Annual Surplus per PSAS</b>	<b>\$ 471,852</b>
<b>Applications and transfers included in operating budget</b>	
Contributions to capital	214,593
Payments on long-term debt	139,056
Transfers to (from) reserves	54,160
<b>PSAS items excluded from annual operating budget</b>	
Amortization of capital assets	(108,532)
Accretion expense on ARO	(2,231)
Sinking fund and debt retirement income	38,342
Capital revenue, grants and DCCs	89,687
Reserve fund interest	21,020
Corporate program surplus to reserves	12,972
	459,067
<b>Annual Surplus based on budget</b>	<b>\$ 12,785</b>

## 2023 OPERATING PROGRAM

- \$12.8 million surplus
- 1.2% of budget
- Lower due to inflationary challenges
- Per policy, surplus/deficit applied to reserves.

### Metro Vancouver Surplus (\$ millions)

	2019	2020	2021	2022	2023
Water Services	\$ 5.9	\$ 1.7	\$ 8.4	\$ 8.0	\$ 2.8
Liquid Waste Services	8.9	4.5	10.7	14.0	(3.1)
Solid Waste Services	-	14.5	17.4	(2.3)	(3.4)
MVHC	2.7	7.8	15.3	10.3	13.2
MVRD	3.8	4.9	4.8	6.6	3.3
<b>Total</b>	<b>\$ 21.3</b>	<b>\$ 33.4</b>	<b>\$ 56.5</b>	<b>\$ 36.6</b>	<b>\$ 12.8</b>
<b>% of Budget</b>	<b>2.5%</b>	<b>3.7%</b>	<b>5.0%</b>	<b>3.6%</b>	<b>1.2%</b>



# FINANCIAL POSITION

## 4 Key Indicators

- Financial Assets
- Net Debt
- Non-Financial Assets
- Accumulated Surplus

### Condensed Consolidated Statement of Financial Position As of December 31, 2023

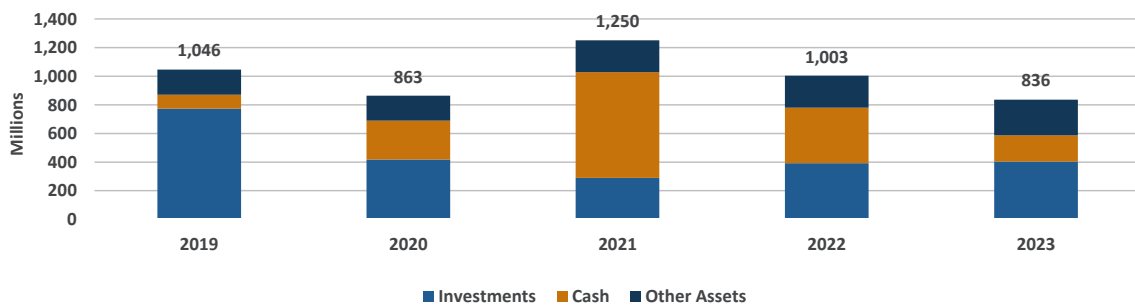
(in thousands of dollars)	2023
Cash, cash equivalents and investments	\$ 586,236
Other financial assets	254,813
<b>Total Financial Assets</b>	<b>841,049</b>
Liabilities	809,849
Debt, net of Translink and members	1,823,825
<b>Total Liabilities</b>	<b>2,633,674</b>
<b>Net Debt</b>	<b>(1,792,625)</b>
<b>Non-Financial Assets</b>	<b>8,524,075</b>
<b>2023 Accumulated Surplus</b>	<b>\$ 6,731,450</b>

# FINANCIAL ASSETS

- Mainly Cash, Investments and Receivables
- Good Cash and Liquidity Position
- Current ratio - Ability to meet current obligations
- Total Reserves includes DCCs

### Metro Vancouver Liquidity Indicators (\$ millions)

	2019	2020	2021	2022	2023
Current Ratio	3.3 to 1	2.8 to 1	3.2 to 1	2.7 to 1	2.5 to 1
Operating Reserves/Revenue	7.2%	9.5%	11.6%	14.5%	14.2%
Total Reserves	\$ 487.7	\$ 541.5	\$ 656.8	\$ 714.6	\$ 755.5

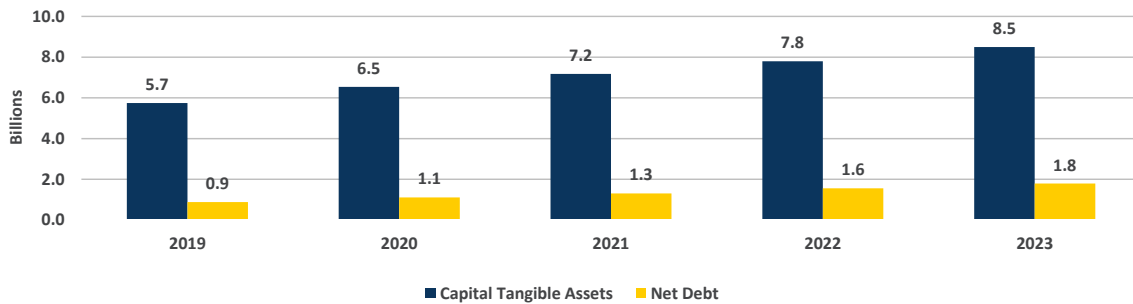


## CAPITAL ASSETS & NET DEBT

- Investment in Tangible Capital Assets was \$699.3M
- Net debt position increased by \$227.5 M
- Debt Servicing Ratio is 19% which is below policy maximum of 40%

### Metro Vancouver Capital Assets and Net Debt (net of Translink and Member Municipalities) (\$ billions)

	2019	2020	2021	2022	2023
Capital Tangible Assets	\$ 5.8	\$ 6.6	\$ 7.2	\$ 7.8	\$8.5
Net Debt	0.9	1.1	1.3	1.6	1.8



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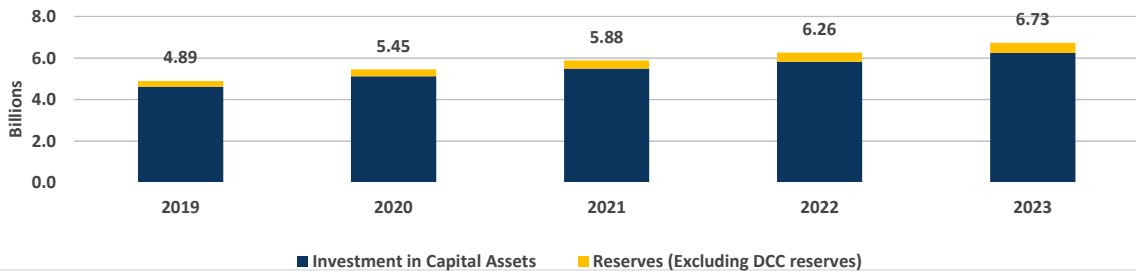
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## ACCUMULATED SURPLUS

- Accumulated Surplus:
  - Reserves
  - Investment in Capital Assets.
- Growth each year from:
  - Surplus
  - Increases in assets from infrastructure projects

### Metro Vancouver Accumulated Surplus (net of Translink and Member Municipalities) (\$ billions)

	2019	2020	2021	2022	2023
Accumulated Surplus Beginning of Year	\$4.39	\$ 4.88	\$ 5.45	\$ 5.88	\$ 6.26
PSAB Surplus	.49	.57	.43	.38	.47
Accumulated Surplus, End of Year	\$ 4.88	\$ 5.45	\$ 5.88	\$ 6.26	\$ 6.73



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Questions

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To: Liquid Waste Committee

From: Maria Edwards, Project Engineer, Policy Planning and Analysis, Liquid Waste Services

Date: April 2, 2024 Meeting Date: April 10, 2024

Subject: **Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024 – Fraser Sewerage Area – Langley (4276 248 Street)**

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### RECOMMENDATION

That the GVS&DD Board:

- a) give first, second and third reading to the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*; and
  - b) pass, and finally adopt the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*.
- 

### EXECUTIVE SUMMARY

At its March 22, 2024 meeting, the MVRD Board resolved that the extension of GVS&DD sewer services to the building footprints at 4276 - 248 Street, Langley was generally consistent with the provisions of *Metro 2050*. A Liquid Waste Services technical review indicated no material financial impact and negligible impact on the regional sewer system.

Staff recommend that the GVS&DD Board approve the Township of Langley's request for an amendment of the FSA boundary to include the two building footprints as shown in Schedule A of *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*.

### PURPOSE

To seek GVS&DD Board approval to amend the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw No. 310, 2018* by adding two building footprints at 4276 248 Street in the Township of Langley to the FSA.

### BACKGROUND

Sewerage area boundaries are fixed by the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw, No. 310, 2018*. Sewerage area boundaries are occasionally amended through an amendment bylaw and in accordance with Sections 31 and 32 of the *GVS&DD Act*, typically at the request of a GVS&DD member.

The Township of Langley submitted a sewerage area amendment application to the GVS&DD requesting an amendment of the FSA to include 4276 - 248 Street. If approved, a proposed sewer connection would serve both the existing dwelling and a proposed accessory building which will be used as an office. A report from a Registered Onsite Wastewater Practitioner indicated the current type 1 onsite wastewater treatment system needs to be replaced due to poor performance.

However, installing a new septic system is not possible because a newly constructed home and drinking water well located on the adjacent property, at 24845 Robertson Crescent, would not allow a septic system to meet provincial setback regulations. Insufficient distance between the wastewater system and drinking water well would risk contaminating the well water with pathogens, such as fecal coliform bacteria.

The subject property is on land with an agricultural regional land use designation in *Metro 2050*, outside of the Urban Containment Boundary, and in the Agricultural Land Reserve. As no further development is proposed, the MVRD Board resolved that the proposed amendment was generally consistent with the provisions of *Metro 2050* and would not impact urban containment objectives nor the protection of agricultural land.

### **Metro 2050 Consideration**

At its March 22, 2024 regular meeting, the MVRD Board passed the following resolution (Reference 1):

*That the MVRD Board:*

- a) *resolve that regional sewer service for the property at 4276 – 248 Street, Township of Langley is generally consistent with the provisions of Metro 2050; and*
- b) *forward the requested Fraser Sewerage Area amendment application for the property at 4276 – 248 Street in the Township of Langley to the GVS&DD Board for consideration.*

### **GVS&DD Consideration**

A Liquid Waste Services technical review included an examination of financial, technical, operational, and service level impacts on the regional sewer system. The review concluded there would be negligible impact provided that good wet weather management practices, including measures to reduce wet weather inflow and infiltration (I&I) are incorporated into the development. All costs associated with connecting the property to the regional sewerage system will be borne by the property owner. Prior to connecting this property, the Township of Langley will need to submit a sewer extension request through the Liquid Waste Municipal Portal (Reference 2).

The *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024* (Attachment 1) is provided for GVS&DD Board consideration. Details of the proposed FSA amendment are shown on Schedule A – Location Plan in the amendment bylaw.

### **ALTERNATIVES**

1. That the GVS&DD Board:

- a) give first, second and third reading to the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*; and
- b) pass, and finally adopt the *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*.

- 
2. That the GVS&DD Board receive for information the report dated April 2, 2024, titled “*Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024 – Fraser Sewerage Area – Langley (4276 248 Street)*”, and provide alternate direction to staff.

As the application is consistent with the provisions for sewer services under *Metro 2050*, and there are no technical or financial concerns, staff recommend Alternative 1.

### **FINANCIAL IMPLICATIONS**

Connection costs to the regional sewer system will be borne by the property owner.

### **CONCLUSION**

Metro Vancouver received a Council resolution from the Township of Langley requesting an amendment of the FSA boundary to include 4276 - 248 Street, Langley as shown in Schedule A of the attached amendment bylaw. The MVRD Board resolved that the application was generally consistent with the provisions of *Metro 2050* and referred the application to the GVS&DD Board for consideration. A Liquid Waste Services staff review indicated no financial impact on the FSA and negligible impact on the regional sewerage system as a result of this request. However, additional wet weather flow contributions are a potential concern, and the measures that the Township of Langley will take to limit I&I should be noted in the sewer extension request, which should be submitted through the Liquid Waste Municipal Portal.

As the application is generally consistent with the provisions for sewer services under *Metro 2050*, and there are no regional, technical, or financial concerns, staff recommend Alternative 1.

### **ATTACHMENT**

1. *Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024*

### **REFERENCES**

1. [“Request for Sanitary Service Connection at 4276 – 248 Street, Township of Langley”](#), report dated February 12, 2024
2. [Liquid Waste Municipal Portal](#)

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**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT  
BYLAW NO. 376, 2024**

**A bylaw to amend the "Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw No. 310, 2018"**

**WHEREAS:**

- A. the Board of Directors of the Greater Vancouver Sewerage and Drainage (the "GVS&DD") Board (the "Board") adopted "Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw No. 310, 2018", to fix the boundaries of GVS&DD Sewerage and Drainage Areas; and
- B. the Board of the Greater Vancouver Sewerage and Drainage District wishes to amend "Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw No. 310, 2018";

**NOW THEREFORE** the Board of the Greater Vancouver Sewerage and Drainage District enacts as follows:

**Citation**

- 1. The official citation of this bylaw is "Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Amendment Bylaw No. 376, 2024".

**Schedule**

- 2. The following Schedules are attached to and form part of this bylaw:
  - Schedule "A", Location Plan

**Amendment of Bylaw**

- 3. "Greater Vancouver Sewerage and Drainage District Sewerage and Drainage Areas Boundaries Bylaw No. 310, 2018" is hereby amended by adding to the Fraser Sewerage Area in Schedule "A" and "B", the following property, as shown in Schedule "A" – Location Plan, attached to and forming part of this Bylaw:

PID	Legal Description	Address
001-286-200	PARCEL 1, PART N1/2 OF SW1/4, SECTION 35, TOWNSHIP 10, NEW WESTMINSTER LAND DISTRICT, (EXP PLAN 16337 OF PCL E (REF PL 15090)	4276 248 St, Langley

Read a first, second, and third time this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

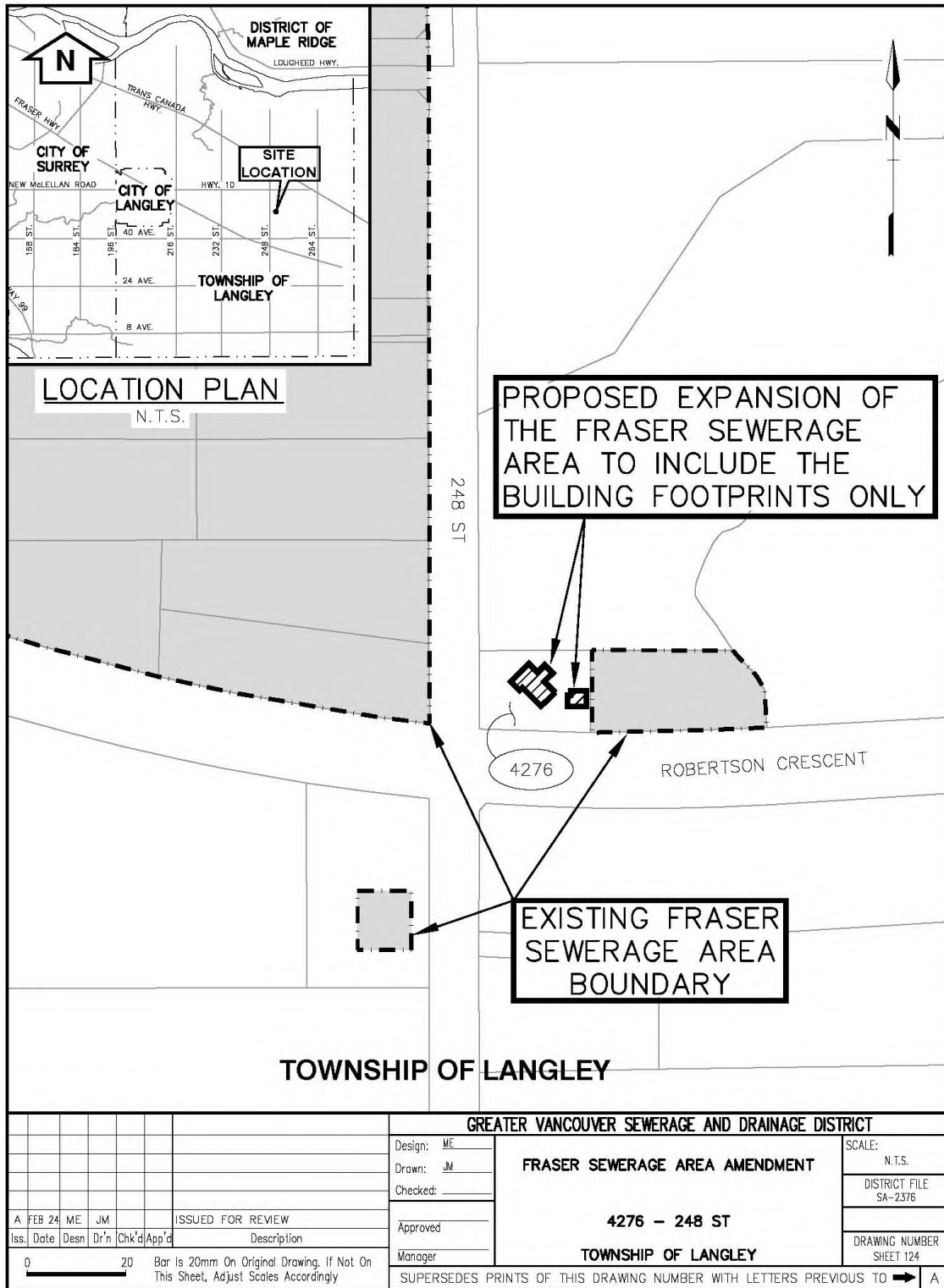
Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
George V. Harvie, Chair

\_\_\_\_\_  
Dorothy Shermer, Corporate Officer

# Schedule A

## Location Plan



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To: Finance Committee

From: Sonu Kailley, Director, Financial Planning, Financial Services

Date: March 27, 2024 Meeting Date: April 10, 2024

Subject: **Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024**

---

### RECOMMENDATION

That the GVS&DD Board:

- a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*; and
  - b) adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*.
- 

### EXECUTIVE SUMMARY

Utilization of Development Cost Charges (DCCs) are required to be approved by the GVS&DD Board by bylaw. The attached DCC Expenditure Bylaw No. 377, 2024 provides authority for 2023 annual funding applied for growth capital debt servicing amounts and growth capital project expenditures. In total, \$66.5 million of DCC's were applied for growth capital debt servicing in 2023, which is in line the budgeted amount of \$63.6 million over the four defined sewerage areas and there was a further application to fund growth capital expenditures of \$28.7 million equal to approved budget.

Total DCCs collected in 2023 was \$82.0 million, up from \$68.9 million in 2022. Total DCCs held in the deferred revenue reserve balances as at December 31, 2023 were \$272.8 million. The DCC rates are reviewed regularly as part of the budget process to ensure that Metro Vancouver stays current and maximizes this revenue stream to reduce rate impacts of the Liquid Waste growth capital program.

### PURPOSE

To meet the statutory requirements to use DCCs for funding of the liquid waste growth capital program. This bylaw completes the authority for the required transfer of DCC's to fund both growth debt servicing and growth capital project expenditures for the 2023 Sewer growth capital projects.

### BACKGROUND

The regional sewer development cost charges are governed under the GVS&DD Act and were introduced in 1997, pursuant to the philosophy that "growth pays for growth." Funds received through the collection of DCC's are set aside as deferred revenue in reserve accounts on a sewerage area basis for the funding of growth capital projects, which enhance system capacity to respond to regional population growth. This use of DCC revenue funding reduces the reliance on the sewer levy which is generated directly from the GVS&DD's member municipalities.

Under the Act, transfers of any revenues collected out of the DCC Reserve Funds can only be for the purposes intended and must be authorized by bylaw. This report brings forward the bylaw required for the authority to transfer DCC revenues to fund the 2023 Sewer growth debt and capital projects.

**2023 DCC APPLICATIONS**

DCC’s are collected based on development in the region, held in reserve and applied either to fund debt payments related to growth capital expenditures or to fund growth capital project expenditures directly to avoid additional debt financing requirements. As a result of the volume of capital projects undertaken within the Liquid Waste Services function, long-term funding is not secured on a project by project basis but rather on a pooled basis by expenditure type (i.e. defined growth projects) by sewer area as funding is required.

As part of the year-end accounting processes, the actual DCC revenue requirements are determined and Board authority for the necessary reserve fund transfers is requested through the attached bylaw. The funding required for 2023, as set out in the annual financial statements, is \$95.2 million for both actual growth debt servicing and direct application of DCCs to growth capital expenditures as per budget. The 2023 DCC applications are summarized by the four defined sewer areas below:

**Fraser Sewer Area** **\$53,996,573 – growth debt**  
**\$21,587,383 – growth capital expenditures**  
This funding relates to a series of growth related projects due to required expansions/upgrades of the liquid waste collection system and the wastewater treatment plants in the Fraser Sewerage Area.

**North Shore Sewer area** **\$2,392,488 – growth debt**  
**\$781,735 – growth capital expenditures**  
This funding relates to a series of growth related projects due to required expansions/upgrades of the liquid waste collection system and the wastewater treatment plant in the North Shore Sewerage Area.

**Vancouver Sewer Area** **\$7,868,736 – growth debt**  
**\$5,360,949 – growth capital expenditures**  
This funding relates to a series of growth related projects primarily due to required expansions/upgrades of the liquid waste collection system in the Vancouver Sewerage Area.

**Lulu Island West Sewer Area** **\$2,196,924 – growth debt**  
**\$985,821 – growth capital expenditures**  
This funding relates to a series of growth related projects primarily due to required expansions/upgrades of the liquid waste collection system in the Lulu Island West Sewerage Area.



The balances in the DCC deferred revenue reserves at December 31, 2023, after the application of the growth funding amounts contemplated in this bylaw, are as follows:

Fraser Sewer Area	\$ 193,122,657
Vancouver Sewer Area	50,088,383
Lulu Island Sewer Area	20,954,932
North Shore Sewer area	8,614,806
	<u>\$ 272,780,778</u>

In comparison to 2022 year, there has been an increase in DCCs applied of \$34.6 million, and this is largely related to the direct DCC growth capital funding (\$28.7 million) which was budgeted in 2023 due to growth capital funding requirements within Liquid Waste Services:

**DCC Funding Applied**

(\$ millions)	Fraser	Lulu	North Shore	Vancouver	Total
2023 DCC's Applied-Total	\$75.584	\$3.183	\$3.174	\$13.230	\$95.171
2022 DCC's Applied-Total	\$50.182	\$3.469	\$1.549	\$5.383	\$60.583

**DCC COLLECTIONS**

Regional GVS&DD DCCs are collected on behalf of Metro Vancouver, as set out in the GVS&DD Board approved DCC Bylaw, by member municipalities and remitted twice a year. The collections received for 2023 were \$82.0 million, up from the \$68.9 million collected in 2022 (19% increase.) Though there were some noticeable increases in the Fraser and North Shore Sewerage Areas, the collections were lower in Lulu Island West and Vancouver Sewerage Areas. 2023's DCC collections received by sewerage area are as follows (with comparatives included for 2022's final collections):

**DCC's Collected**

(\$ millions)	Fraser	Lulu	North Shore	Vancouver	Total
2023 TOTAL	\$67.766	\$0.470	\$3.325	\$10.480	\$82.041
2022 TOTAL	\$51.836	\$3.744	\$0.681	\$12.680	\$68.941

Building permit activity in the Region has been relatively consistent over the last 12 months with January to December 2023 building permit values totaling approximately \$13.0 billion (January to December 2022 permit value - \$16.0 billion). The bulk of the recent 2023 building permit activity has been in the residential development sector (averaging close to 66% of building permit values over the period January to December 2023) with the balance being generated in the industrial (3%), commercial (22%) and institutional/governmental (9%) development sectors over the same period [compare to 2022-residential 66%, industrial 2%, commercial 18%, institutional/governmental 14%.]

The DCC collections are net of waivers for qualifying affordable housing developments under the GVS&DD DCC Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 314, 2018, adopted in May 2018. Previously, waivers were permitted under GVS&DD DCC Development Cost Charge Bylaw No. 254, 2010. For 2023, DCC waivers were provided for 1,163

rental housing units, located in the Fraser Sewerage Area (26 %), Vancouver Sewerage Area (67 %) and North Shore Area (7 %.) This equates to close to \$2.5 million in forgone DCC collections. The amount of DCC revenues forgone in 2023 decreased by approximately 59% compared to that for 2022 (\$6.1 million) while the number of waived units decreased by about 50 % (2022 – 2,317 units were waived.) Since 2010, the cumulative amount of DCC waivers issued is close to \$19.1 million (for 11,619 rental housing units.)

As illustrated in the 2024 - 2028 Financial Plan endorsed by the Board last fall, DCC utilization levels due to Liquid Waste Service's growth capital program/projects is expected to increase significantly. Liquid Waste's DCC rates were recently reviewed, updated and approved by the GVS&DD Board on March 22, 2024 with a bylaw effective date of January 1, 2025 and 12 month 'in stream' protection from bylaw adoption as per legislation.

### **ALTERNATIVES**

1. That the GVS&DD Board:
  - a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*; and
  - b) adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*.
2. That the GVS&DD Board receive for information the report titled "Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024", dated March 27, 2024 and provide alternate direction.

### **FINANCIAL IMPLICATIONS**

This bylaw as presented under alternative one finalizes the required DCC funding for growth debt and growth capital expenditures as contemplated in 2023 Liquid Waste Services budgeted operating/capital revenues.

Should this bylaw be amended or not approved, sewer levy funding may be required to be used to fund Liquid Waste Services growth debt servicing and growth capital expenditures rather than DCC's as intended a part of the DCC funding program. This would reduce the funding available for the other areas of the service and likely lead to an increase in the levy to the member municipalities.

### **CONCLUSION**

The adoption of the bylaw as included under alternative one is recommended. The 2023 budget contemplated the transfer of DCC revenues collected to meet actual debt servicing charges as well as direct capital funding requirements related to Liquid Waste Service's growth capital program. This bylaw completes that process.

### **ATTACHMENTS**

1. *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024*.

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT  
BYLAW NO. 377, 2024  
A bylaw to expend development cost charge reserve fund**

**WHEREAS:**

- A. the Greater Vancouver Sewerage and Drainage District (the “Corporation”) enacted *“Development Cost Charge Bylaw 254, 2010”*, (further amended by Greater Vancouver Sewerage and Drainage District Amending Bylaws 286, 2014 and 292, 2015 and 305, 2017 and 353, 2022) which was effective as of April 23, 2010 (repealing *Development Cost Charge Bylaw 187, 1996*, which was effective as of January 1, 1997), pursuant to which the Corporation has imposed development cost charges to assist the Corporation in paying capital costs incurred to provide, construct, alter or expand sewerage facilities to service development;
- B. the Corporation has established a Development Cost Charge Reserve Fund pursuant to *“Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Bylaw No. 188, 1997”*, which was enacted pursuant to Section 58.6 of the *Greater Vancouver Sewerage and Drainage District Act*, into which fund the Corporation has deposited and continues to deposit the monies collected pursuant to *“Development Cost Charge Bylaw No. 254, 2010”* (further amended by *Greater Vancouver Sewerage and Drainage District Amending Bylaws 286, 2014 and 292, 2015 and 305, 2017 and 353, 2022* ) which was effective as of April 23, 2010 (repealing *Development Cost Charge Bylaw 187, 1996* which was effective as of January 1, 1997);
- C. the Development Cost Charge Reserve Fund is divided into 4 separate accounts, pursuant to *“Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Bylaw No. 188, 1997”*, being the Fraser Area Account, the Lulu Island West Area Account, the North Shore Area Account and the Vancouver Area Account; and
- D. the Corporation is authorized to pay from the Development Cost Charge Reserve Fund the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within the area of the Corporation or principal and interest on a debt incurred by the Corporation as a result of an expenditure for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within the area of the Corporation.

**NOW THEREFORE** the Board of the Greater Vancouver Sewerage and Drainage District enacts as follows:

**Citation**

- 1. The official citation of this bylaw is “Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 377, 2024”.

2. The sum of \$53,996,573, held in the Fraser Area Account, shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Fraser Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$21,587,383, held in the Fraser Area Account, shall be paid out of such account to fund capital apportioned to the Fraser Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
3. The sum of \$2,392,488, held in the North Shore Area Account, shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the North Shore Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$781,735, held in the North Shore Area Account, shall be paid out of such account to fund capital apportioned to the North Shore Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
4. The sum of \$7,868,736, held in the Vancouver Area Account, shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Vancouver Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$5,360,949, held in the Vancouver Area Account, shall be paid out of such account to fund capital apportioned to the Vancouver Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
5. The sum of \$2,196,924, held in the Lulu Island West Area Account, shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Lulu Island West Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$985,821, held in the Lulu Island West Area Account, shall be paid out of such account to fund capital apportioned to the Lulu Island West Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.

Read a first, second, and third time this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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George V. Harvie, Chair

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Dorothy Shermer, Corporate Officer

To: Finance Committee

From: Nick Kassam, General Manager, Procurement & Real Estate Services

Date: March 27, 2024 Meeting Date: April 10, 2024

**Subject: Policy Update: Procurement and Real Property Contracting Authority Policies**

**RECOMMENDATION**

That the MVRD/GVWD/GVS&DD/MVHC Boards:

- a) adopt the *Procurement and Asset Disposal Authority Policy*, as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024;
- b) adopt the *Real Estate Authority Policy*, as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024; and

That the MVRD Board:

- a) rescind the *Asset Disposal Policy* (No. FN-011), effective May 31, 2024;
- b) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- c) revise the *Fleet Planning and Acquisition Policy* (No. FN-014), as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024;
- d) give first, second and third reading to *Metro Vancouver Regional District Officers and Delegation Amendment Bylaw No. 1375, 2024*; and
- e) adopt *Metro Vancouver Regional District Officers and Delegation Amendment Bylaw No. 1375, 2024*.

That the GVWD Board:

- a) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- b) give first, second and third reading to *Greater Vancouver Water District Officers and Delegation Amendment Bylaw No. 263, 2024*; and
- c) adopt *Greater Vancouver Water District Officers and Delegation Amendment Bylaw No. 263, 2024*.

That the GVS&DD Board:

- a) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- b) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024*; and
- c) adopt *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024*.

That the MVHC Board:

- a) resolve that, the Consent Resolution made with effect on September 1, 2014 regarding Procurement and Real Property Contracting Authority, ceases to have any force and effect on May 31, 2024; and
- b) authorizes the Chief Administrative Officer of the Metro Vancouver Regional District to:
  - i. establish policies and procedures for such matters as may be necessary or desirable for the efficient management, administration and operation of the Metro Vancouver Housing Corporation, including the Corporate Policies;
  - ii. negotiate and make, enter into, execute and deliver any contracts, agreements, and other documents and instruments to which the *Procurement and Asset Disposal Authority Policy*, or the *Real Estate Authority Policy*, does not apply; and
  - iii. authorize other appointed officers and employees of the Metro Vancouver Regional District to negotiate and make, enter into, execute and deliver any contracts, agreements, and other documents and instruments to which the *Procurement and Asset Disposal Authority Policy*, or the *Real Estate Authority Policy*, does not apply.

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## EXECUTIVE SUMMARY

The *Procurement and Real Property Contracting Authority Policy* (No. FN-006) (the “Existing Policy”) outlines the authorization and competition requirements for the procurement of goods, services and construction, as well as the authorization and general requirements for the acquisition, disposition, use or management of real property. The Existing Policy was created in 2014 with a minor update in 2017. It is appropriate and best practice for organizations to regularly review policies and delegated authorities to improve accountability and internal controls, risk mitigation, operational efficiency and overall fairness and transparency related to procurement and real estate activity.

Staff have recently conducted a review of the Existing Policy and are recommending replacing the Existing Policy with two new Board policies (the “Board Policies”) and two new Corporate policies (the “Corporate Policies”, and together with the Board Policies, the “Replacement Policies”). The Replacement Policies have taken into consideration: benchmarks from other public sector organizations; efficiency impacts; internal financial controls and risk management; business needs and changes in the business; financial and regulatory environment; market conditions; and alignment with the Board Strategic Priorities. Staff noted that the proposed changes are aligned with comparable peer public sector organizations (shown in the table on page 3). Specific updates to the Existing Policy, as well as administrative changes to other Board policies and bylaws that reference the Existing Policy, are outlined in the body of the report below.

Staff have enhanced public reporting by publishing procurement contract awards every month on the Metro Vancouver website. As part of quarterly financial performance reporting to the Board, staff will include relevant procurement information, and starting in early 2025, staff will be bringing forward

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<sup>1</sup> For MVRD: *Greater Vancouver Regional District Officers and Delegation Bylaw No. 1208, 2014*. For GVWD: *Greater Vancouver Water District Officers and Delegation Bylaw No. 247, 2014*.

For GVS&DD: *Greater Vancouver Sewerage and Drainage District Officers and Delegation Bylaw No. 284, 2014*.

<sup>2</sup> Consent Resolution made with effect on September 1, 2014 regarding Procurement and Real Property Contracting Authority.

annual procurement and real estate reports with detailed information on the previous year’s activity for both these functions.

For efficient and effective administration of Metro Vancouver, each Board has delegated certain powers, duties, and functions to officers and employees, by bylaw<sup>1</sup> in the case of MVRD, GVWD, and GVS&DD, and by Board resolution<sup>2</sup> in the case of MVHC. Specific authorities discussed in this report include commitment and contract execution authority for procurement and real estate transactions.

**PURPOSE**

To seek Board approval to replace the *Procurement and Real Property Contracting Authority Policy* (No. FN-006) with the *Procurement and Asset Disposal Authority Policy* and the *Real Estate Authority Policy*, as attached.

**BACKGROUND**

Following the creation of the Procurement and Real Estate Services department in 2022, staff undertook a review of the existing policies as part of continuous improvement efforts. The review looked at the procurement and real estate activities across the organization, with an intent to ensure effectiveness and recommend to each Board any changes required to optimize these activities.

The Replacement Policies were written to better align with Board Strategic Priorities by improving oversight, controls, and risk management for financial sustainability while enabling work to support other Board priorities and directions. There are additional initiatives currently underway in the department that are focused on improving work processes, systems, and tools which will also generate operational efficiencies and organizational collaboration on planning and strategy.

In this regard, staff have performed an analysis of the current state, identified critical administrative authorities and policies to be revised, and consulted key senior stakeholders across the organization. When reviewing existing authorities and proposed updates, staff have taken into consideration the organizational risks, public sector benchmarks, financial controls, efficiency impacts and increasing costs of doing business in the markets, while maintaining the appropriate level of oversight by each Board. All procurement and real estate transactions require evidence of the Board(s) approved budget for all capital and operating expenditures.

The following table highlights policy thresholds from comparable public sector organizations:

Organization	Procurement	Real Estate
TransLink	CEO approves contract awards within approved budgets. <i>(Board approves overall budgets and exceptions)</i>	Board approves real property transactions > \$10 million
ICBC	CEO has full authority for contract awards <i>(ICBC Operations)</i>	Board approves real property transactions > \$10 million
Toronto	Council approves contract awards > \$20 million	Council approves real property transactions > \$10 million



BC Hydro	Board approves contract awards > \$50 million	Board approves real property transactions > \$75 million
Transportation Investment Corp (TI)	Board approves contract awards > \$20 million for consulting and > \$40 million for construction	CEO has full authority for real property transactions

**REPLACEMENT OF EXISTING POLICY**

The main administrative update to the Existing Policy is a separation of the procurement and real estate sections into a separate Board Policy for each function. The primary purpose for the separation is to improve clarity on the application of the policy statements for each function, which under the Existing Policy can be ambiguous.

For further simplicity, administrative and operational efficiency, and in accordance with the Chief Administrative Officer’s delegated authority granted by bylaw (in the case of MVRD, GVWD and GVS&DD) and by Board resolution (in the case of MVHC), of the CAO will establish two new Corporate Policies (one for each function). The Corporate Policies will establish the CAO’s sub-delegation of commitment and contracting authority to certain staff. The creation of the Corporate Policies will optimize administrative efficiency by permitting the CAO to change sub-delegations as required to manage changing operational needs. The creation of the Corporate Policies will not impact the Board’s delegation of authority as set out in Board Policies.

As general housekeeping, there are further details on the Replacement Policies highlighted below to clarify the policies’ goals, definitions, and scope.

**Procurement Policy Updates**

The following is a summary of the proposed material updates to the Existing Policy as reflected by the proposed *Procurement and Asset Disposal Authority Policy* (Board Policy) and *associated* Corporate Policy.

- Clear definition of authorities and updated financial thresholds for each authority
  - Commitment Authority: the authority to award a contract, including an administrative amendment, contract amendment or change order, as the context requires.
  - Contracting Authority: the authority to execute a contract, including an administrative amendment, contract amendment or change order, as the context requires.
  
- Contract Awards
  - Existing
    - The Existing Policy provides the following commitment and contracting limits:
      - For contract awards over \$5,000,000, Board approval required.
      - For contract awards over \$2,000,000 and up to \$5,000,000, CAO/Commissioner approval with concurrence required by CFO, department GM and Division Manager of Purchasing and Risk Management.
      - For contract awards up to \$2,000,000, staff approvals at different levels required.

- *Proposed*
  - For contract awards over \$10,000,000, Board approval required.
  - For contract awards up to \$10,000,000, CAO/Commissioner approval required with delegation to staff as determined by the CAO/Commissioner in the associated Corporate Policy.
- Contract Amendments / Change Orders
  - *Existing*
    - Change Orders over \$500,000 require CAO/Commissioner approval with concurrence required by CFO, department GM and Division Manager of Purchasing and Risk Management.
    - Changes Orders up to \$500,000, staff approvals at different levels required.
  - *Proposed*
    - For administrative and operational efficiency, CAO/Commissioner may approve Change Orders and Contract Amendments up to Board approved budget for the capital project or operating program under which the applicable goods, services or construction were procured, and may further sub-delegate to staff as determined by the CAO/Commissioner in the associated Corporate Policy.
    - Change Orders and Contract Amendments are subject to any approval process established by CFO from time to time and confirmation by Director, Procurement that the Change Order or Contract Amendment falls within existing scope of work.
    - CAO/Commissioner may, at their discretion, determine that Board approval is required notwithstanding delegated authority to the CAO/Commissioner or staff.
- Direct Awards and Single-Supplier
  - *Existing*
    - Contract may be awarded without competitive process for value up to \$5,000.
    - Exceptions for emergency situations.
  - *Proposed*
    - Contract may be awarded without competitive process for value up to \$25,000, at discretion of Director of Procurement.
    - Exceptions for emergency situations.
    - In case of single-supplier or other exigent circumstances which preclude an open competitive process, under the purview of the Director of Procurement, a Notice of Intent to Contract is publicly posted for 10 business days for contracts for goods and services over \$75,000 or construction contracts over \$200,000.
- Other Administrative Updates
  - Formal inclusion of Sustainable, Social, and Ethical Procurement practices.
  - Formal inclusion of Co-operative Purchasing protocol allowing for collaboration with member jurisdictions and public sector entities.

## Real Estate Policy Updates

The following is a summary of the proposed material updates to the Existing Policy as reflected by the proposed *Real Estate Authority Policy* (Board Policy) and *associated* Corporate Policy.

- Clear definition of authorities and updated financial thresholds for each authority
  - Commitment Authority: the authority to approve a real estate transaction, including a contract amendment, as the context requires.
  - Contracting Authority: the authority to execute a contract, including a contract amendment, as the context requires.
- Transaction Authority Limits
  - *Existing*

The Existing Policy provides the following commitment and contracting limits:

    - For Standard Real Property Transactions (commitment no longer than five years and routine in nature)
      - Over \$2,000,000, Board approval required.
      - Up to \$2,000,000, CAO/Commissioner approval required with concurrence required by the CFO, department GM and Division Manager of Property.
    - For Long Term Real Property Transactions (commitment greater than five years or permanent in nature, including acquisition/disposition of fee simple interest, licenses, leases, etc.)
      - Over \$500,000 and any disposition of a fee simple interest, Board approval required.
      - Up to \$500,000 but excluding any disposition of a fee simple interest, CAO/Commissioner approval with concurrence required by department GM and Property Division Director.
  - *Proposed*
    - Eliminate distinction between Standard Real Property Transactions and Long-Term Real Property Transactions.
    - Transactions over \$10,000,000, Board approval required.
    - Transactions up to \$10,000,000, CAO/Commissioner approval required with delegation to staff as as determined by the CAO/Commissioner in the associated Corporate Policy.
- Other Administrative Updates
  - Only Board having jurisdiction has commitment authority to dispose of fee simple interest in a regional park or a regional trail.
  - CAO/Commissioner may approve the exercise of any lease renewal option, provided that the option and the total value of its exercise were contemplated in the original contract and the exercise does not increase the total value of the transaction in excess of the Board approved budget.

### Administrative Updates to Other Board Policies and Bylaws

The following is a summary of the proposed amendments to other Board policies and bylaws resulting from the adoption of the Replacement Policies:

- Rescinding the current *Asset Disposal Policy* (No. FN-011) and consolidating disposition of surplus assets, obsolete assets, and salvage assets into the proposed *Procurement and Asset Disposal Authority Policy*.
- Revising the *Fleet Planning and Acquisition Policy* (No. FN-014) by removing the reference to the “Real Property Contracting Authority and the Procurement and Contracting Employee Procedures” and replacing it with the “*Procurement and Asset Disposal Authority Policy, Delegation of Procurement Authority Policy*, and the *Procurement Policy Guidelines*”.
- Amending the *Greater Vancouver Regional District Officers and Delegation Bylaw No. 1208, 2014* by removing the reference to the “*Procurement and Real Property Contracting Authority Policy*” and replacing it with the “*Procurement and Asset Disposal Authority Policy and Real Estate Authority Policy*”, and updating section references in the bylaw to the *Local Government Act*.
- Amending the *Greater Vancouver Water District Officers and Delegation Bylaw No. 247, 2014* by removing the reference to the “*Procurement and Real Property Contracting Authority Policy*” and replacing it with the “*Procurement and Asset Disposal Authority Policy and Real Estate Authority Policy*”, and updating section references in the bylaw to the *Local Government Act*.
- Amending the *Greater Vancouver Sewerage and Drainage District Officers and Delegation Bylaw No. 284, 2014* by removing the reference to the “*Procurement and Real Property Contracting Authority Policy*” and replacing it with the “*Procurement and Asset Disposal Authority Policy and Real Estate Authority Policy*”, and updating section references in the bylaw to the *Local Government Act*.

### ALTERNATIVES

1. That the MVRD/GVWD/GVS&DD/MVHC Boards:
  - a) adopt the *Procurement and Asset Disposal Authority Policy*, as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024;
  - b) adopt the *Real Estate Authority Policy*, as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024; and

That the MVRD Board:

- a) rescind the *Asset Disposal Policy* (No. FN-011) effective May 31, 2024;
- b) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- c) revise the *Fleet Planning and Acquisition Policy* (No. FN-014), as presented in the report dated March 27, 2024, titled “Policy Update: Procurement and Real Property Contracting Authority Policies”, effective June 1, 2024;
- d) give first, second and third reading to *Metro Vancouver Regional District Officers and*

*Delegation Amendment Bylaw No. 1375, 2024; and*

- e) adopt *Metro Vancouver Regional District Officers and Delegation Amendment Bylaw No. 1375, 2024.*

That the GVWD Board:

- a) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- b) give first, second and third reading to *Greater Vancouver Water District Officers and Delegation Amendment Bylaw No. 263, 2024; and*
- c) adopt *Greater Vancouver Water District Officers and Delegation Amendment Bylaw No. 263, 2024.*

That the GVS&DD Board:

- a) rescind the *Procurement and Real Property Contracting Authority Policy* (No. FN-006), effective May 31, 2024.
- b) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024; and*
- c) adopt *Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024.*

That the MVHC Board:

- a) resolve that, the Consent Resolution made with effect on September 1, 2014 regarding *Procurement and Real Property Contracting Authority*, ceases to have any force and effect on May 31, 2024;
  - b) authorizes the Chief Administrative Officer of the Metro Vancouver Regional District to:
    - i. establish policies and procedures for such matters as may be necessary or desirable for the efficient management, administration and operation of the Metro Vancouver Housing Corporation, including the Corporate Policies;
    - ii. negotiate and make, enter into, execute and deliver any contracts, agreements, and other documents and instruments to which the *Procurement and Asset Disposal Authority Policy*, or the *Real Estate Authority Policy*, does not apply; and
    - iii. authorize other appointed officers and employees of the Metro Vancouver Regional District to negotiate and make, enter into, execute and deliver any contracts, agreements, and other documents and instruments to which the *Procurement and Asset Disposal Authority Policy*, or the *Real Estate Authority Policy*, does not apply.
2. That the Finance Committee refer the proposed *Procurement and Asset Disposal Authority Policy* and *Real Estate Authority Policy*, as presented in the report dated March 27, 2024, titled "Policy Update: Procurement and Real Property Contracting Authority Policies", back to staff to incorporate feedback from the Finance Committee.

## FINANCIAL IMPLICATIONS

There are no financial implications related to the proposed replacement of the Existing Policy with the Replacement Policies. All Procurement and Real Estate transactions require evidence of the Board(s) approved budget for all capital and operating expenditures. Contract commitments and real estate

transactions are only executed once approval is provided by the Board(s) or the appropriate staff with delegated authority.

### CONCLUSION

As part of continuous improvement efforts and best practice, staff have undertaken a review of the existing *Procurement and Real Property Contracting Authority Policy* (No. FN-006) and are recommending replacement of the Existing Policy for Board consideration. The Existing Policy was created in 2014 and has remained substantially unchanged except for a minor revision in 2017. The Replacement Policies have been developed after conducting internal and external research and the benefits include better overall oversight related to procurement and real estate activity and alignment with the Board Strategic Priorities. Staff are recommending that the Board(s) approve the recommendation outlined in Alternative #1.

### ATTACHMENTS

1. Existing *Procurement and Real Property Contracting Authority Policy* (No. FN-006)
2. Existing *Asset Disposal Policy* (No. FN-011)
3. ~~Consent Resolution of the Directors of Metro Vancouver Housing Corporation effective as of September 1, 2014~~
4. Draft *Procurement and Asset Disposal Authority Policy*
5. Draft *Real Estate Authority Policy*
6. ~~Metro Vancouver Regional District Officers and Delegation Amendment Bylaw No. 1375, 2024~~
7. ~~Greater Vancouver Water District Officers and Delegation Amendment Bylaw No. 263, 2024~~
8. ~~Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2014~~
9. Draft revisions to *Fleet Planning and Acquisition Policy* (No. FN-014)

61485382

**PROCUREMENT AND REAL PROPERTY CONTRACTING AUTHORITY**

Effective Date: September 1, 2014 (Revised July 28, 2017)

Approved By: MVRD/MVHC/GVWD/GVS&DD Boards

**Policy No. FN-006**

**PURPOSE**

**1.1** This Policy outlines:

- a) The authorization and competition requirements for procuring Goods, Services and Construction (as these terms are defined in this Policy) (“**Procurement Transactions**”); and
- b) The authorization and general requirements for the Acquisition, Disposition, use or management of Real Property (as these terms are defined in this policy) (“**Real Property Transactions**”)

(together, “**Transactions**”),

for the Metro Vancouver Regional District, the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District, and the Metro Vancouver Housing Corporation (collectively, “**Metro Vancouver**”).

**DELEGATION OF AUTHORITY**

**2.1** The following instruments and this Policy provide the delegated authority for staff to enter into Transactions for or on behalf of Metro Vancouver:

<b>Metro Vancouver Entity</b>	<b>Delegation Instrument</b>
Metro Vancouver Regional District	<i>Bylaw 1208, 2014 Officers and Delegation Bylaw</i>
Greater Vancouver Water District	<i>Bylaw 247, 2014 Officers and Delegation Bylaw</i>
Greater Vancouver Sewerage and Drainage District	<i>Bylaw 284, 2014 Officers and Delegation Bylaw</i>
Metro Vancouver Housing Corporation	By Resolution

**2.2** Nothing in this Policy delegates authority to non-Metro Vancouver staff to enter into Transactions for or on behalf of Metro Vancouver.

**DEFINITIONS**

**3.1** The following terms used in the Policy are defined as:

- a) “**Acquire**” or “**Acquisition**” means to obtain by any method, accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those

## BOARD POLICY

things, but excludes expropriation, except by agreement under section 3 of the *Expropriation Act*;

- b) **“Board”** means the Board of the Metro Vancouver entity undertaking the Transaction;
- c) **“Change Order”** means a Construction Contract amendment changing the works or services provided under the Construction Contract, including but not limited to specification, schedule, or price;
- d) **“Construction”** means the building, erection, installation, repair, renovation, restoration and demolition of all things including but not limited to: buildings, pipes, roads, reservoirs, tanks, land filling, excavation, landscaping, water and sewerage treatment facilities, pump stations, dams, intake and outfall facilities, dredging, and the related supply of Goods, Services and leased equipment;
- e) **“Construction Contract”** means a Contract for Construction, and includes Contracts for the related supply of Goods, Services and leased equipment;
- f) **“Contract”** means a contract for the supply (by way of sale, conditional sale, lease or otherwise) of Goods, Services or Construction, including a purchase order or other document evidencing the obligation, and any Contract Amendments;
- g) **“Contract Amendment”** means any change to a term, condition or other Contract provision, including a Change Order;
- h) **“Cumulative Value”** means the Original Value and the value of all Contract Amendments, excluding taxes;
- i) **“Dispose”** or **“Disposition”** means to transfer by any method including assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, alienate or agree to do any of those things;
- j) **“First Nation Entity”** means any business arrangement in which First Nation individuals and/or First Nation communities have an ownership or other interest, and includes a business entity identified by a First Nation community as its designated business partner;
- k) **“First Nation Lands”** means Indian Reserves or Treaty Lands;
- l) **“First Nation Traditional Territory”** means the geographic area identified by a First Nation to be the area of land which they and / or their ancestors traditionally occupied or used;



## BOARD POLICY

- m) **“Goods”** means material, supplies, equipment and other property, excluding Real Property, whether or not existing at the time of the Contract;
- n) **“Long Term Real Property Transaction”** means a Real Property Transaction of a permanent or long term nature, including but not limited to:
  - i. the Acquisition or Disposition of a fee simple interest,
  - ii. the Acquisition or Disposition of a permit, licence, lease or similar interest with a term longer than 5 years, and
  - iii. the Disposition of a statutory right of way, easement, covenant or similar interest;
- o) **“Multi-Phase Contract”** means a Construction Contract where consultancy Services are provided in phases, with progression (if any) from the initial to further phases being determined by project requirements;
- p) **“Original Value”** means the contract price or fees for services as at the effective date of the Contract, excluding taxes;
- q) **“Procurement Contracting Authority”** has the meaning set out in sections 5.1 and 6.1;
- r) **“Real Property”** means land with or without improvements affixed to the land, or any interest in land, including any right, title or estate in it of any tenure;
- s) **“Real Property Contract”** means a contract, agreement or instrument to Acquire or Dispose of Real Property or otherwise related to Real Property, including but not limited to any permit, licence, easement, statutory right of way, lease, covenant or any other document required to complete a Real Property Transaction;
- t) **“Services”** means services that are not provided by Metro Vancouver employees; and
- u) **“Standard Real Property Transaction”** means a Real Property Transaction of a routine or standard nature, including but not limited to:
  - i. a residential tenancy agreement,
  - ii. the Acquisition or Disposition of a permit, licence, lease or similar interest with a term no longer than 5 years including renewals,
  - iii. the Acquisition of a statutory right of way, easement, covenant or similar interest, and
- v) an application, instrument or arrangement entered into in anticipation or support of a Real Property Transaction, including but not limited to an application or agreement for rezoning, official community plan amendment, subdivision approval, and a demolition, building or other development permit.

## MANDATORY CONDITIONS FOR TRANSACTIONS

**4.1** Staff are not authorized to enter into any Transactions unless the following conditions (the “**Mandatory Conditions**”) are met:

- a) The Transaction is within the scope of the Board approved budget (the “**Approved Budget**”);
- b) The Transaction has been authorized by a staff member having authority to initiate the Transaction (“**Spending Authority**”); and
- c) The staff member entering into the Transaction has authority to execute the relevant document (“**Contracting Authority**”). This Policy sets out the levels of Contracting Authority.

## PROCUREMENT CONTRACTING AUTHORITY

**5.1** Subject to the terms of this Policy, any statutory requirements, and Metro Vancouver bylaws, the following positions have authority (“**Procurement Contracting Authority**”) to execute Contracts for Procurement Transactions up to the identified Cumulative Value limits:

- a) Housing Dispatchers (Metro Vancouver Housing Corporation only): \$10,000;
- b) Dispatchers (Lake City Operation Centre): the greater of \$50,000 and 3 months’ duration;
- c) Purchasing staff with buying authority: \$250,000;
- d) Division Manager of Purchasing and Risk Management:
  - i. \$250,000, and
  - ii. \$500,000 with General Manager approval;
- e) Chief Financial Officer: \$2,000,000 with General Manager and Division Manager of Purchasing and Risk Management approval;
- f) Chief Administrative Officer/Commissioner: \$5,000,000 with Chief Financial Officer, General Manager and Division Manager of Purchasing and Risk Management approval; and
- g) As directed by the Board: over \$5,000,000.

**5.2** For Procurement Contracting Authority for Multi-Phase Contracts, the Contract value is the anticipated total value of the Services to be provided over all phases, excluding taxes.

**5.3** Splitting Procurement Transactions into multiple increments to circumvent any relevant policy, Spending Authority or Procurement Contracting Authority limit is not permitted.

## CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

**6.1** The following positions have Procurement Contracting Authority (separate from and additional to the limits set out above) to execute Change Orders up to the identified limits, excluding taxes:

## BOARD POLICY

- a) Senior Engineer: \$25,000 per Change Order, cumulative value not to exceed 5% of the Original Value of the Construction Contract;
- b) Senior Engineer: \$100,000 per Change Order with Director approval, cumulative value not to exceed 5% of the Original Value of the Construction Contract;
- c) Director: \$250,000 per Change Order with Division Manager of Purchasing and Risk Management approval, cumulative value not to exceed 10% of the Original Value of the Construction Contract;
- d) General Manager: \$500,000 per Change Order with Division Manager of Purchasing and Risk Management approval, cumulative value not to exceed 10% of the Original Value of the Construction Contract; and
- e) Chief Administrative Officer/Commissioner: over \$500,000 per Change Order with Chief Financial Officer, General Manager and Division Manager of Purchasing and Risk Management approval.

**6.2** When calculating the cumulative value of Change Orders, the value is calculated by reference to all Change Orders issued under the relevant Construction Contract.

**6.3** Change Orders must meet the Mandatory Conditions set out in section 4, including the requirement that the Change Order is within the Approved Budget.

### COMPETITION REQUIREMENTS FOR PROCUREMENT TRANSACTIONS

**7.1** Metro Vancouver's primary goal in the procurement process is to attain best value, using processes that are competitive, open, transparent, non-discriminatory and support Metro Vancouver's commitment to sustainability.

**7.2** The type of competition required for Metro Vancouver procurement is based on the dollar value and nature of the specific Procurement Transaction, ensuring the cost and time associated with using a competitive process is proportionate to the benefit received. Competition requirements apply to the original procurement process and Contract award.

**7.3** Contracts for Goods and Services arranged with the assistance of a third party, such as a broker or other intermediary, must be awarded using a process that is consistent with this Policy.

**7.4** For these competition requirements, the value of Multi-Phase Contracts is calculated based on the anticipated total value of the Services to be provided over all phases, excluding taxes.

### 7.5 Sole Source Exception

A Contract may be sole sourced without a competitive process (a “Sole Source Exception”) when:

- a) The Original Value is \$5,000 or less; or
- b) Goods, Services or Construction are urgently required and delay would be injurious to the public interest; or
- c) Only one party is available and capable of performing the Contract; or
- d) The Contract is within the authority of the Division Manager or Category Manager, Purchasing and Risk Management who has determined a competitive process would not be practical; or
- e) The Contract is within the authority of the Chief Administrative Officer/Commissioner or the Chief Financial Officer, who has determined a competitive process would not be practical; or
- f) The Contract is for archaeological work pursuant to section 7.6(b)(i) and the Chief Administrative Officer/Commissioner and the Chief Financial Officer has determined that a competitive process for such work is not appropriate; or
- g) The Board of Directors has authorized a sole source Contract at their discretion.

The Procurement Contracting Authority may, at its discretion, seek General Manager approval for the Sole Source Exception.

### 7.6 First Nation Entities Participation

- a) Where a Metro Vancouver project or activity is located on or in proximity to First Nation Lands, the procurement process may include one or more of the following:
  - i. Unbundle large procurement competitions so that First Nation Entities can participate in the procurement process; or
  - ii. Include provisions in the procurement documents that give preference to a First Nation Entity, or a proponent that sub-contracts a portion of the work to a First Nation Entity.
- b) Where a Metro Vancouver project or activity is located within a First Nation’s Traditional Territory and archaeological work is required, the procurement process will seek the First Nation’s input and recommendations for qualified archaeological consultants:
  - i. If only one recommendation is received, Metro Vancouver may unbundle all or a portion of the archaeological work and may sole source, under the provisions of section 7.5, the unbundled portion to the recommended consultant; or
  - ii. If more than one recommendation is received, Metro Vancouver may unbundle all or a portion of the archaeological work and undertake a procurement competition in accordance with this Policy.

### 7.7 Discretionary Competitive Process

Contracts for Procurement Transactions in the following dollar value ranges:

- a) Goods and Services: Original Value \$5,000 to \$75,000; and
- b) Construction: Original Value \$5,000 to \$200,000,

must be awarded using a process that is appropriate to the value and complexity of the Procurement Transaction. Procurement staff may seek bids on an invitation-only basis. Under this process, procurement staff should seek a minimum of three bids.

### 7.8 Formal Competitive Process

For Contracts for Procurement Transactions in the following dollar value ranges:

- a) Goods and Services: Original Value \$75,000 or greater; and
- b) Construction: Original Value \$200,000 or greater, procurement staff must endeavour to use a formal, public procurement process that is competitive, open, transparent, non-discriminatory and supports Metro Vancouver's commitment to sustainability.

## REAL PROPERTY CONTRACTING AUTHORITY

**8.1** Subject to the terms of this Policy, statutory requirements, and Metro Vancouver bylaws, the following positions have authority ("**Real Property Contracting Authority**") to execute Real Property Contracts for Real Property Transactions up to the identified limits, excluding taxes:

a) **Standard Real Property Transactions:**

- i. Designated housing staff (Metro Vancouver Housing Corporation only): residential tenancies;
- ii. Property Division Manager:
  - (1) \$250,000 with Director approval, and
  - (2) \$500,000 with General Manager approval;
- iii. Chief Administrative Officer/Commissioner: \$2,000,000 with Chief Financial Officer, General Manager and Property Division Manager approval; and
- iv. As directed by the Board: over \$2,000,000.

b) **Long Term Real Property Transactions:**

- i. Chief Administrative Officer/Commissioner: \$500,000 with General Manager and Property Division Director approval, excluding any Disposition of a fee simple interest; and
- ii. As directed by the Board: over \$500,000, and any Disposition of a fee simple interest.

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**PROCUREMENT AND ASSET DISPOSAL AUTHORITY POLICY**

Effective Date: June 1, 2024

Approved By: MVRD/GVWD/GVS&DD/MVHC Boards

**Policy No. FN-031**

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**PURPOSE**

**1.1** This Policy:

- a) applies to the Metro Vancouver Regional District (“**MVRD**”), the Greater Vancouver Water District (“**GVWD**”), the Greater Vancouver Sewerage and Drainage District (“**GVS&DD**”), and the Metro Vancouver Housing Corporation (“**MVHC**”) in the performance of their respective duties and responsibilities when engaging in the procurement of Goods, Services and Construction;
- b) outlines the requirements for the procurement of Goods, Services and Construction, as well as the Disposition of Surplus Assets, Obsolete Assets, and Salvage Assets, to achieve overall Best Value for Metro Vancouver; and
- c) outlines certain fundamental principles that Metro Vancouver considers applicable to public procurement.

**POLICY GOALS**

**2.1** The goals of this Policy are as follows:

- a) to achieve an open, transparent, non-discriminatory and competitive process for the procurement of Goods, Services and Construction that provides Best Value for Metro Vancouver and applies leading practices, risk mitigation strategies and strong financial controls to the procurement process;
- b) to ensure compliance with Metro Vancouver’s bylaws, its Board and Corporate Policies, the interprovincial, national and international trade agreements that are binding on Metro Vancouver, and all other provincial and federal laws and regulations that apply to the procurement of Goods, Services and Construction;
- c) to achieve a transparent, non-discriminatory, efficient and effective process for the Disposition of Surplus Assets, Obsolete Assets, and Salvage Assets that provides Best Value for Metro Vancouver and minimizes environmental impacts; and
- d) to optimize Best Value by ensuring that Metro Vancouver utilizes the Procurement Division of the Procurement and Real Estate Services Department (“**PRS**”) to conduct all

## BOARD POLICY

Calls and to oversee the Disposition of Surplus Assets, Obsolete Assets, and Salvage Assets.

### DELEGATION OF AUTHORITY

**3.1** The following instruments, this Policy and the *Corporate Procurement Policy* provide the delegated authority for Metro Vancouver staff to enter into Contracts for or on behalf of Metro Vancouver:

<b>Metro Vancouver Entity</b>	<b>Delegation Instrument</b>
MVRD	<i>Officers and Delegation Bylaw No. 1208, 2014</i>
GVWD	<i>Officers and Delegation Bylaw No. 247, 2014</i>
GVS&DD	<i>Officers and Delegation Bylaw No. 284, 2014</i>
MVHC	By Resolution

**3.2** Nothing in this Policy delegates authority to non-Metro Vancouver staff to approve, Award, execute or enter into Contracts for or on behalf of Metro Vancouver.

### POLICY ADMINISTRATION

**4.1** The Procurement Division of PRS, overseen by the Director, Procurement, is the owner and administrator of this Policy. Except where separately authorized by a Department Head, the Corporate Solicitor, the CAO, or the Board, all procurement of Goods, Services and Construction and all Dispositions of Surplus Assets, Obsolete Assets, and Salvage Assets are to be administered by the Procurement Division of PRS.

### TRANSACTIONS NOT SUBJECT TO THIS POLICY

**5.1** The following Contracts and types of transactions are not covered by this Policy (but may be governed by other Board or Corporate Policies or Metro Vancouver bylaws):

- a) the purchase of regulated tariffed services (e.g. electricity, transmission portion of natural gas, cable, tariff portion of non-wireless telecommunications services);
- b) financial grants from other governmental authorities to Metro Vancouver;
- c) financial grants from Metro Vancouver to non-profit organizations as authorized by the Board;
- d) tax rebates;
- e) the procurement of Goods or Services from other governmental authorities;

## BOARD POLICY

- f) Real Estate transactions as governed by the *Real Estate Authority Policy* (No. FN-032) and the *Delegation of Real Estate Authority Policy* (No. FN-033), including the acquisition, disposition, use or management of Real Estate;
- g) sponsorships as governed by the *Sponsorship Policy* (No. FN-008); and
- h) the retention of external legal counsel and related experts (such as expert witnesses) as governed by the *Legal Services Policy* (No. GV-029).

### DEFINITIONS AND INTERPRETATION

6.1 Capitalized terms used in this Policy are defined as follows:

**“Administrative Amendment”** means any change to a Contract that is not a Contract Amendment or a Change Order;

**“Approved Budget”** means the authorized budget (including any contingency amounts) for the capital project or operating program under which the applicable Goods, Services or Construction will be procured pursuant to this Policy and the *Corporate Procurement Policy*, that is approved for expenditure in accordance with the Board-approved budget;

**“Assets”** means any items which are considered to have Economic Value to Metro Vancouver, but excluding Real Estate;

**“Award”** or **“Awarded”** means the decision by Metro Vancouver to enter into a Contract in accordance with this Policy;

**“Best Value”** means the optimal combination of Technical Value, Economic Value, Environmental Value and Social Value, as determined in accordance with the specific criteria and weighting for each criterion established by Metro Vancouver for the applicable procurement. For Dispositions of Assets, “Best Value” means the optimal combination of Economic Value and Environmental Value;

**“Bid”** means, in response to a Call, either: (i) a legally binding tender or quotation which upon written acceptance by Metro Vancouver, automatically creates a Contract; (ii) a non-binding quotation or proposal which forms the basis of a negotiated Contract; or (iii) any non-binding pre-qualification submission, expression of interest, or request for information which may form the basis of a subsequent Call;

**“Bidder”** means any legal entity submitting a Bid in response to a Call;

**“Board”** means, collectively, the MVRD Board of Directors, the GVWD Board of Directors, the GVS&DD Board of Directors, and the MVHC Board of Directors, or any one of them, as the



## BOARD POLICY

context requires. For the procurement of Goods, Services or Construction, “Board” means the Board of Directors of the Metro Vancouver entity undertaking the procurement;

“**Call**” means a request or invitation by Metro Vancouver for a Bid, including but not limited to requests for proposal, requests for expressions of interest, invitations to tender, invitations to quote, and invitations to offer;

“**CAO**” means the person appointed from time to time as the Chief Administrative Officer or Commissioner, as the context requires;

“**CFO**” means the person appointed from time to time as the Chief Financial Officer;

“**Change Order**” means any change to the scope, specifications, schedule or Total Price of a Construction Contract and in a manner consistent with the original intent of the Construction Contract;

“**Commitment Authority**” means the authority to Award a Contract, including an Administrative Amendment, Contract Amendment or Change Order, as the context requires, in accordance with this Policy and the *Corporate Procurement Policy* or as the applicable Board otherwise directs;

“**Construction**” means the building, erection, installation, repair, addition, renovation, protection, restoration, demolition, deconstruction, decommissioning, or removal of all things, including but not limited to buildings, improvements and other facilities, pipes, roads, reservoirs, tanks, land filling, excavation, landscaping, water and sewerage treatment facilities, pump stations, dams, intake and outfall facilities, dredging, and the related supply of Goods, Services and/or leased equipment;

“**Construction Contract**” means a contract for Construction;

“**Contract**” means a Construction Contract or a Contract for Goods and Services, as the context requires. For greater certainty, a Contract includes documents that create or modify, or may create or modify, legal rights and obligations of the parties to the Contract, including but not limited to any: (i) purchase order; (ii) work order; (iii) Change Order; (iv) memorandum of understanding, letter of understanding, letter of intent, or similar; (v) standing offer; (vi) supply arrangement; (vii) notice or other communication to a prospective supplier prior to a Contract, including a notice to award, conditional notice to award, notice or permission to proceed or start work prior to Award or Contract; (viii) assignment or consent to assignment of a Contract; (ix) security for performance of a Contract such as a letter of credit, bond, insurance, deposit, security interest, and other financial instruments; (x) Contract Amendment; or (xi) Administrative Amendment;

## BOARD POLICY

**“Contract Amendment”** means any change to the scope, specifications, schedule or Total Price of a Contract for Goods and Services and in a manner consistent with the original intent of the Contract for Goods and Services;

**“Contract for Goods and Services”** means a contract for the supply (by way of sale, conditional sale, lease or otherwise) of Goods and/or Services;

**“Contracting Authority”** means the authority to execute and deliver a Contract, including an Administrative Amendment, Contract Amendment or Change Order, as the context requires, in accordance with this Policy and the *Corporate Procurement Policy* or as the applicable Board otherwise directs;

**“Co-operative Procurement”** means the procurement of Goods, Services or Construction in cooperation with other governmental authorities;

**“Corporate Procurement Policy”** means the *Delegation of Procurement Authority Policy* (No. FN-034) as amended or replaced by the CAO from time to time;

**“Corporate Solicitor”** means the person appointed from time to time as the Corporate Solicitor;

**“Department Head”** means the following Metro Vancouver officials, as the context requires: (i) a General Manager; (ii) a Deputy CAO; or (iii) a Deputy General Manager;

**“Deputy CAO”** means the person(s) appointed from time to time as the Deputy Chief Administrative Officer;

**“Deputy General Manager”** means the person appointed from time to time as the Deputy General Manager of the applicable Metro Vancouver department;

**“Direct Award”** or **“Direct Awarded”** means the Award of a Contract without issuing a Call;

**“Director, Procurement”** means the person appointed from time to time as the Director, Procurement;

**“Dispose”** or **“Disposition”** means to transfer by any method, including to assign, give, sell, grant, charge, convey, lease, divest, dedicate, release, exchange, or alienate, and to agree to do any of those things;

**“Economic Life”** means the period of time during which Assets may be put towards profitable use in a business, which period is generally shorter than physical life as Assets may become obsolete or too costly to maintain before they are worn out;

## BOARD POLICY

**“Economic Value”** means the financial costs and benefits to Metro Vancouver of Goods, Services and Construction during their acquisition, use and end-of-life phases (i.e. lifecycle costs) including factors such as transportation emissions, training, economic development impacts, energy consumption, disposal and other related costs. For Dispositions of Assets, “Economic Value” means the ability to convert an Asset into cash;

**“Environmental Value”** means the ability to protect and enhance the climate, ecology and natural resources for future generations through approaches that reduce carbon dependency, enhance energy resilience, conserve energy and resources, and reduce waste and toxins;

**“First Nation Entity”** means any business arrangement in which First Nation individuals and/or First Nation communities have an ownership or other interest, and includes a business entity identified by a First Nation community as its designated business partner;

**“First Nation Lands”** means Indian Reserves or Treaty Lands;

**“First Nation Traditional Territory”** means the geographic area identified by a First Nation to be the area of land which they and/or their ancestors traditionally occupied or used;

**“General Manager”** means a member of the Metro Vancouver Corporate Planning Committee (CPC);

**“General Manager, PRS”** means the person appointed from time to time as the General Manager, PRS;

**“Goods”** means material, supplies, equipment and other tangible or intangible property, whether or not existing at the time of the Contract, but excluding Real Estate;

**“GVS&DD”** has the meaning set out in Section 1.1(a);

**“GVWD”** has the meaning set out in Section 1.1(a);

**“Mandatory Conditions”** has the meaning set out in Section 7.1;

**“Maximum Contract Term”** means the maximum term of a Contract (including all options to extend or rights of renewal) as prescribed by this Policy;

**“Metro Vancouver”** means, collectively, MVRD, GVWD, GVS&DD, and MVHC, or any one of them, as the context requires;

## BOARD POLICY

**“Multi-Phase Contract”** means a Construction Contract where Services are provided in phases, with progression (if any) from the initial to further phases being determined by project requirements;

**“MVHC”** has the meaning set out in Section 1.1(a);

**“MVRD”** has the meaning set out in Section 1.1(a);

**“Obsolete Assets”** means tangible Assets which are at the end of their Economic Life and cannot be used by Metro Vancouver;

**“PRS”** has the meaning set out in Section 2.1(d);

**“Real Estate”** means land with or without improvements affixed to the land, any interest in land, air, or water (including any right, title or estate in it of any tenure), or any right to occupy or use land, air, or water;

**“Revenue-Generating Contract”** means any Contract which requires or contemplates revenues derived from the Contract to be paid to Metro Vancouver;

**“Salvage Assets”** means any recovered or reclaimed Assets, which may include but are not limited to scrap metal from steel pipe, stainless steel, insulated wire, copper, brass, aluminum, and tin;

**“Services”** means services that are not provided or performed by Metro Vancouver staff;

**“Social Value”** means the ability to cultivate and sustain vibrant, creative, safe, affordable and caring communities for the wide diversity of individuals and families to live in, work in and visit the Metro Vancouver region and beyond;

**“Solicitation”** means the process of communicating a Call to prospective Bidders;

**“Surplus Assets”** means tangible Assets which are no longer needed and cannot be used by Metro Vancouver, which may include but are not limited to office furniture and equipment, computers, audio-visual equipment, marine and industrial equipment, lab equipment, Construction tools and equipment, and corporate vehicles;

**“Technical Value”** means the ability to meet all business requirements, including but not limited to specifications, delivery model, timelines, personnel, Contract terms and conditions, user expectations, Goods and Services requirements, and transition requirements;

## BOARD POLICY

“**Total Price**” means the total price payable for all Goods, Services and/or Construction under a Contract over the entire term of the Contract, as of the effective date of the Contract, excluding sales or other taxes payable, but which may include, at the discretion of the applicable Metro Vancouver staff member(s) having Commitment Authority, (i) the value of options to purchase additional Goods, Services and/or Construction during the term, and (ii) the value of Goods, Services and/or Construction for any renewed optional Contract term. For Revenue-Generating Contracts, “Total Price” means the anticipated gross revenue to be received by Metro Vancouver over the entire term of the Contract. For Multi-Phase Contracts, “Total Price” means the anticipated total price payable for the Services to be provided over all phases, excluding sales or other taxes payable. For Dispositions of Assets, “Total Price” means the total price originally paid by Metro Vancouver for the Asset; and

“**Unsolicited Proposals**” means proposals received by Metro Vancouver independently of a Call and which are typically submitted by third parties wishing to sell certain Goods, Services or Construction to Metro Vancouver.

- 6.2** All references in this Policy to an employee, official, officer, or other representative of Metro Vancouver are deemed to include any designate, deputy, or anyone else authorized in writing by such employee, official, officer, or other representative (or by Board resolution) to act in that person’s position. For purposes of this Policy, any supervisor of an employee, official, officer, or other representative of Metro Vancouver is deemed to have the same authority as that person’s position.
- 6.3** Where the title or name of any position, division, or department is changed following the adoption of this Policy as a result of a reorganization of Metro Vancouver’s functions or for any other reason, the CAO will have the authority to amend this Policy to reflect such change, provided that the Board is duly informed within a reasonable time of any such amendment.

### MANDATORY CONDITIONS FOR COMPLETING A PROCUREMENT

- 7.1** Metro Vancouver staff are not authorized to procure any Goods, Services or Construction under any Contract, including Contract Amendments and Change Orders, for or on behalf of Metro Vancouver unless the following conditions are satisfied (the “**Mandatory Conditions**”):
- a) Approved Budget is in place for the procurement;
  - b) the procurement has been authorized by the Board or the Metro Vancouver staff member(s) having Commitment Authority and Contracting Authority for the applicable Contract; and
  - c) the procurement is required to support the short-term or long-term plans, priorities or ongoing operations of Metro Vancouver as set out in the Board Strategic Plan.

## COMPETITION AND COMPETITIVE BIDDING

- 8.1** Except where expressly authorized by this Policy or the Board having jurisdiction, Metro Vancouver will procure all Goods, Services and Construction through an open, public, competitive Call.
- 8.2** The type of competition required for Metro Vancouver procurement is based on the dollar value and nature of the specific Goods, Services or Construction, ensuring the cost and time associated with using a competitive process is proportionate to the benefit received.
- 8.3** No public Call will be required for:
- a) Contracts for Goods and Services that are expected to have a Total Price of up to \$75,000; and
  - b) Construction Contracts that are expected to have a Total Price of up to \$200,000.

The Director, Procurement will endeavor to obtain a minimum of three (3) Bids for the foregoing Contracts.

- 8.4** The Director, Procurement will procure through a public Call:
- a) Contracts for Goods and Services that are expected to have a Total Price of greater than \$75,000; and
  - b) Construction Contracts that are expected to have a Total Price of greater than \$200,000.

Solicitation for the foregoing Contracts will be by way of posting the Call particulars through an electronic bidding system accessible to the general public. In addition to posting through the electronic means, local, regional, national, or international advertising may be carried out at the discretion of the Director, Procurement.

- 8.5** All Unsolicited Proposals will be under the purview of the Director, Procurement.

## COMMITMENT AUTHORITY AND CONTRACTING AUTHORITY

- 9.1** Subject to the terms of this Policy, any statutory requirements, and Metro Vancouver bylaws, the CAO has Commitment Authority and Contracting Authority for:
- a) any Contract having a Total Price of up to \$10,000,000; and
  - b) any subsequent Contract Amendments or Change Orders which do not, when combined with the Total Price of the Contract, exceed the Approved Budget at the time of the Contract Amendment or Change Order.

## BOARD POLICY

The CAO has the authority to further sub-delegate all such Commitment Authority and Contracting Authority to designated Metro Vancouver staff members as set out from time to time in the *Corporate Procurement Policy*.

**9.2** For any Contract having a Total Price of greater than \$10,000,000:

- a) only the Board having jurisdiction has Commitment Authority;
- b) Contracting Authority will be determined by the applicable Board in its sole discretion; and
- c) subject to the terms of this Policy, any statutory requirements, and Metro Vancouver bylaws, the CAO has Commitment Authority and Contracting Authority for any subsequent Contract Amendments or Change Orders which do not, when combined with the Total Price of the Contract, exceed the Approved Budget at the time of the Contract Amendment or Change Order.

The CAO has the authority to further sub-delegate the Commitment Authority and Contracting Authority under Section 9.2(c) to designated Metro Vancouver staff members as set out from time to time in the *Corporate Procurement Policy*.

**9.3** In addition, all Contract Amendments and Change Orders will be subject to:

- a) any Contract Amendment and Change Order approval process established by the CFO from time to time; and
- b) confirmation by the Director, Procurement that the Contract Amendment or Change Order falls within the existing scope of work of the Contract or applicable Call.

**9.4** Procuring Goods, Services or Construction through a broker or other intermediary or splitting procurement transactions into multiple increments to circumvent this Policy, the *Corporate Procurement Policy*, or any Commitment Authority or Contracting Authority threshold is not permitted.

**9.5** The CAO has Commitment Authority and Contracting Authority for any Administrative Amendment. The CAO has the authority to further sub-delegate such Commitment Authority and Contracting Authority to designated Metro Vancouver staff members as set out from time to time in the *Corporate Procurement Policy*.

### GENERAL EXCEPTIONS TO COMPETITIVE BIDDING – PERMITTED DIRECT AWARD

## BOARD POLICY

**10.1** Notwithstanding Section 8.1, an open, public, competitive Call is not required and a Direct Award is permitted if:

- a) the Total Price of the Contract does not exceed \$25,000;
- b) the Director, Procurement and the applicable Department Head have determined that Goods, Services or Construction are urgently required and reasonably necessary to protect life/health (human, animal or plant) or property and any delay would be injurious to the public interest; provided that, in the event of any disagreement between the Director, Procurement and the applicable Department Head, the CAO will make the final determination;
- c) there is a single-supplier or other exigent circumstances which preclude an open, public, competitive Call and the following conditions are satisfied:
  - i. the Director, Procurement has determined that the contemplated Direct Award will provide Best Value for Metro Vancouver;
  - ii. in the case of a Contract for Goods and Services having a Total Price of greater than \$75,000 or a Construction Contract having a Total Price of greater than \$200,000, the Director, Procurement has publicly posted a Notice of Intent to Contract for ten (10) business days;
  - iii. if applicable, no complaints or concerns have been lodged in response to the Notice of Intent to Contract, or if any complaints or concerns have been communicated, the applicable Department Head and the Director, Procurement have reviewed the same and have authorized the Direct Award to proceed; and
  - iv. the Contract is Awarded and executed in accordance with the Commitment Authority and Contracting Authority requirements set out in this Policy or the *Corporate Procurement Policy*, as applicable;
- d) the Contract is for archaeological work pursuant to Section 11.2;
- e) subject to the Total Price threshold set out in Section 9.1(a), the CAO at their discretion has determined that the Direct Award would be in the public interest and has authorized the same;
- f) the Board at their discretion has determined that the Direct Award would be in the public interest and has authorized the same; or



- g) the Director, Procurement has authorized participation in a Co-operative Procurement process.

### **FIRST NATION ENTITIES PARTICIPATION**

**11.1** Where a Metro Vancouver project or activity is located on or in proximity to First Nation Lands, the procurement process may include one or more of the following:

- a) unbundle large procurement competitions so that First Nation Entities can participate in the procurement process; or
- b) include provisions in the procurement documents that give preference to a First Nation Entity, or a Bidder that sub-contracts a portion of the work to a First Nation Entity.

**11.2** Where a Metro Vancouver project or activity is located within a First Nation Traditional Territory and archaeological work is required, the procurement process will seek the First Nation's input and recommendations for qualified archaeological consultants:

- a) if only one recommendation is received, Metro Vancouver may unbundle all or a portion of the archaeological work and may Direct Award, under the provisions of Section 10.1, the unbundled portion to the recommended consultant; or
- b) if more than one recommendation is received, Metro Vancouver may unbundle all or a portion of the archaeological work and undertake a procurement competition in accordance with this Policy.

### **SUSTAINABLE, SOCIAL AND ETHICAL PROCUREMENT**

**12.1** Sustainable, social and ethical procurement aligns with Metro Vancouver's long term priorities and commitments to sustainability, equity and regional prosperity as set out in the Board Strategic Plan. Metro Vancouver is committed to optimizing social and environmental benefits to the region in accordance with Best Value requirements throughout its procurement processes.

**12.2** Metro Vancouver intends to recognize excellence, leadership and innovation in sustainability, environmental stewardship, equity and fair labour practices within the supplier selection process. Metro Vancouver will undertake to do so in accordance with any sustainable, social and/or ethical procurement policies and procedures that are in effect from time to time.

### **MAXIMUM CONTRACT TERM**

**13.1** Subject to any statutory requirements, the Director, Procurement in consultation with the applicable Department Head will set the Maximum Contract Term for a Call. For proposed Maximum Contract Terms of ten (10) years or greater, such terms will be subject to the approval of the CAO in addition to compliance with any statutory requirements.

## CONTRACT EXTENSIONS

**14.1** Contracts may only be extended past the Maximum Contract Term where one of the following conditions are met:

- a) the extension is a permitted Direct Award in accordance with Section 10.1; or
- b) there is (or is about to be) a new Call for the Goods, Services or Construction and the Director, Procurement and applicable Department Head have determined that an extension is required to provide time to complete the new Call. In this case, the applicable Department Head will have Commitment Authority and the Director, Procurement, or the CAO, will have Contracting Authority for the extension, provided that the extension:
  - i. is no longer than twelve (12) months;
  - ii. when combined with the Total Price of the Contact does not exceed \$20,000,000 or the Approved Budget; and
  - iii. is executed by the parties to the Contract before the expiry of the term.

## CO-OPERATIVE PROCUREMENT

**15.1** The Director, Procurement may participate in Co-operative Procurement.

**15.2** The provisions of this Policy apply to the rights and obligations assumed by Metro Vancouver with respect to any Co-operative Procurement process.

## CANCELLATION OF CALLS

**16.1** The Director, Procurement will be authorized to cancel any Call where:

- a) there is a request by the applicable Department Head and responses are greater than the Approved Budget for the Award in respect of the Call;
- b) in the opinion of the Director, Procurement or the applicable Department Head:
  - i. a change in the scope of work, specifications or other authorizations is required and therefore a new Call should be issued; or
  - ii. the Goods, Services or Construction to be provided pursuant to the Call no longer meet Metro Vancouver's requirements; or
- c) in the opinion of the Director, Procurement the integrity of the Call process has been compromised.

## ADMINISTRATION OF CONTRACTS

**17.1** Following the exercise by the Procurement Division of PRS of its primary authority over a Call or a contemplated Direct Award, as applicable, and where a Contract results from the Call or contemplated Direct Award, the applicable Department Head will have the primary responsibility for the proper administration and enforcement of the Contract, subject to the *Legal Services Policy* (No. GV-029) and subject to the requirements for any Administrative Amendments, Contract Amendments and Change Orders as set out in this Policy and the *Corporate Procurement Policy*.

## DISPOSITION OF ASSETS

**18.1** The Disposition of Assets will be coordinated by the Procurement Division of PRS following a process that is transparent and non-discriminatory and which ensures Best Value for Metro Vancouver.

**18.2** The Disposition of Surplus Assets will be carried out in accordance with the following:

- a) the Department Head responsible for the applicable Assets will determine and declare when such Assets are deemed to be Surplus Assets (refer to the Appendix for the type of Assets and responsible Department);
- b) the Surplus Assets must first be offered at no charge to other potential users within Metro Vancouver;
- c) if the Surplus Assets cannot be used by another user within Metro Vancouver, they will be Disposed of through the Procurement Division of PRS by way of public auction, trade-in, public tender, negotiated sale or other means that achieves Best Value for Metro Vancouver;
- d) in no event will Surplus Assets be directly sold to Metro Vancouver staff, provided that Metro Vancouver staff will be permitted to participate in any public auction process for such Surplus Assets;
- e) in no event will Surplus Assets be offered at no charge to any person outside of Metro Vancouver (including any non-profit organization) unless in accordance with Section 18.5;
- f) in the event Surplus Assets cannot be sold or traded for use, they will be recycled in a manner that minimizes environmental impacts; and
- g) proof of authorization for the Disposition of Surplus Assets must be retained for up to seven (7) years from the date of Disposition.

**18.3** The Disposition of Obsolete Assets will be carried out in accordance with the following:

## BOARD POLICY

- a) the Department Head responsible for the applicable Assets will determine and declare when such Assets are deemed to be Obsolete Assets (refer to the Appendix for the type of Assets and responsible Department);
- b) Obsolete Assets will be Disposed of through the Procurement Division of PRS by way of public auction, trade-in, public tender, negotiated sale or other means that achieves Best Value for Metro Vancouver;
- c) in no event will Obsolete Assets be directly sold to Metro Vancouver staff, provided that Metro Vancouver staff will be permitted to participate in any public auction process for such Obsolete Assets;
- d) in no event will Obsolete Assets be offered at no charge to any person outside of Metro Vancouver (including any non-profit organization) unless in accordance with Section 18.5;
- e) in the event Obsolete Assets cannot be sold or traded for use, they will be recycled in a manner that minimizes environmental impacts; and
- f) proof of authorization for the Disposition of Obsolete Assets must be retained for up to seven (7) years from the date of Disposition.

**18.4** The Disposition of Salvage Assets will be carried out in accordance with the following:

- a) the Department Head responsible for the applicable Assets will determine and declare when such Assets are deemed to be Salvage Assets (refer to the Appendix for the type of Assets and responsible department);
- b) a list of Salvage Assets will be documented in a Salvage Asset Tracking Sheet;
- c) a copy of the Salvage Asset Tracking Sheet will be provided to the Financial Services Department on a monthly basis by email or inter-office mail with supporting documentation, as appropriate. Original copies of the document are to be maintained in the files on site for seven (7) years; and
- d) the Procurement Division of PRS will be responsible for the Disposition of Salvage Assets, which may only be completed through an approved recycling dealer.

**18.5** The donation of Assets will be carried out in accordance with the following:

- a) only Surplus Assets or Obsolete Assets are eligible for donation;

- b) the donation must meet the following criteria:
  - i. it must provide a clear and positive community benefit to the Metro Vancouver region;
  - ii. it must offer specific benefits to Metro Vancouver or its members;
  - iii. the entity that is receiving the donation must have a mandate with a community objective and purpose that is consistent with Metro Vancouver's vision, mission and roles; and
  - iv. the entity receiving the donation must be a registered charitable organization or non-profit organization;
- c) Surplus Assets or Obsolete Assets that are to be donated must receive prior approval from the CAO, with a recommendation from the CFO, and the Director, Procurement;
- d) when more than one (1) registered charitable organization or non-profit organization requests the donation of Surplus Assets or Obsolete Assets, organizations will be considered equally using the criteria outlined in Section 18.5(b);
- e) the donation of Surplus Assets or Obsolete Assets which individually or in the aggregate have a Total Price of greater than \$100,000 requires Board approval; and
- f) proof of authorization for the donation of Surplus Assets or Obsolete Assets must be retained for up to seven (7) years from the date of donation.

**18.6** All proceeds in exchange of the Disposed Assets will be remitted directly to the Financial Services Department. Proceeds must be in the form of cheque, electronic funds transfer, or if the transaction is less than \$5,000, a credit card may be used.

**APPENDIX****Asset Category and Responsible Department Table**

The following table lists the type of Assets and subsequent department that is responsible for determining whether Assets are Surplus Assets, Obsolete Assets or Salvage Assets. It is intended to provide guidance and can be amended as required.

<b>Asset</b>	<b>Responsible Department</b>
Furniture and Office Equipment	Procurement and Real Estate Services (Facilities)
Information Technology (IT) Equipment	Corporate Services (Information Technology)
Fleet and Marine Equipment	Corporate Services (Fleet Services)
Safety Equipment	Corporate Services (Safety Security Emergency Management)
Industrial Equipment	User Department (Water, Liquid Waste, Solid Waste, Housing, Regional District)
Construction Tools and Equipment	User Department (Water, Liquid Waste, Solid Waste, Housing, Regional District)
Lab Equipment	User Department (Water, Liquid Waste, Solid Waste, Housing, Regional District)

**REAL ESTATE AUTHORITY POLICY**

Effective Date: June 1, 2024

Approved By: MVRD/GVWD/GVS&DD/MVHC Boards

**Policy No. FN-032**

**PURPOSE**

**1.1** This Policy:

- a) applies to the Metro Vancouver Regional District (“**MVRD**”), the Greater Vancouver Water District (“**GVWD**”), the Greater Vancouver Sewerage and Drainage District (“**GVS&DD**”), and the Metro Vancouver Housing Corporation (“**MVHC**”) in the performance of their respective duties and responsibilities when entering into Real Estate Transactions; and
- b) outlines the authorization and general requirements for entering into Real Estate Transactions for or on behalf of Metro Vancouver.

**DELEGATION OF AUTHORITY**

**2.1** The following instruments, this Policy and the *Corporate Real Estate Policy* provide the delegated authority for Metro Vancouver staff to enter into Real Estate Transactions for or on behalf of Metro Vancouver:

<b>Metro Vancouver Entity</b>	<b>Delegation Instrument</b>
MVRD	<i>Officers and Delegation Bylaw No. 1208, 2014</i>
GVWD	<i>Officers and Delegation Bylaw No. 247, 2014</i>
GVS&DD	<i>Officers and Delegation Bylaw No. 284, 2014</i>
MVHC	By Resolution

**2.2** Nothing in this Policy delegates authority to non-Metro Vancouver staff to enter into Real Estate Transactions for or on behalf of Metro Vancouver.

**POLICY ADMINISTRATION**

**3.1** The Real Estate Services Division of the Procurement and Real Estate Services Department (“**PRS**”), overseen by the Director, Real Estate Services, is the owner and administrator of this Policy. Except where separately authorized by a Department Head, the Corporate Solicitor, the CAO, or the Board, all Real Estate Transactions are to be administered by the Real Estate Services Division of PRS.

**DEFINITIONS AND INTERPRETATION**

**4.1** Capitalized terms used in this Policy are defined as follows:

## BOARD POLICY

**“Acquire” or “Acquisition”** means to obtain Real Estate by any method, including to accept, receive, purchase, be vested with, lease, licence, or take possession, control or occupation of Real Estate, or to agree to do any of those things, but excludes expropriation, except by agreement under section 3 of the *Expropriation Act*;

**“Approved Budget”** means the authorized budget (including any contingency amounts) for the capital project or operating program under which the Real Estate Transaction will be completed pursuant to this Policy and the *Corporate Real Estate Policy*, that is approved for expenditure in accordance with the Board-approved budget;

**“Board”** means, collectively, the MVRD Board of Directors, the GVWD Board of Directors, the GVS&DD Board of Directors, and the MVHC Board of Directors, or any one of them, as the context requires. For Real Estate Transactions, “Board” means the Board of Directors of the Metro Vancouver entity entering into the Real Estate Transaction;

**“CAO”** means the person appointed from time to time as the Chief Administrative Officer or Commissioner, as the context requires;

**“Commitment Authority”** means the authority to approve a Real Estate Transaction, including a Contract Amendment, in accordance with this Policy and the *Corporate Real Estate Policy* or as the applicable Board otherwise directs;

**“Contract”** means a contract, agreement or instrument to Acquire or Dispose of Real Estate, to use or manage Real Estate, or otherwise related to Real Estate, including but not limited to any permit, licence or lease (or any extension thereof), option to purchase, option to lease, broker agency agreement, confidentiality agreement, easement, statutory right of way, covenant or modification thereof, or any other document required to complete a Real Estate Transaction, and any Contract Amendment(s) thereto;

**“Contract Amendment”** means any change to a term, condition or other provision of a duly executed Contract;

**“Contracting Authority”** means the authority to execute and deliver a Contract, including a Contract Amendment, in accordance with this Policy and the *Corporate Real Estate Policy* or as the applicable Board otherwise directs;

**“Corporate Real Estate Policy”** means the *Delegation of Real Estate Authority Policy* (No. FN-033) as amended or replaced by the CAO from time to time;

**“Corporate Solicitor”** means the person appointed from time to time as the Corporate Solicitor;



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**“Department Head”** means the following Metro Vancouver officials, as the context requires: (i) a General Manager; (ii) a Deputy CAO; or (iii) a Deputy General Manager;

**“Deputy CAO”** means the person(s) appointed from time to time as the Deputy Chief Administrative Officer;

**“Deputy General Manager”** means the person appointed from time to time as the Deputy General Manager of the applicable Metro Vancouver department;

**“Director, Real Estate Services”** means the person appointed from time to time as the Director, Real Estate Services;

**“Dispose”** or **“Disposition”** means to transfer Real Estate (in whole or in part) by any method, including to assign, give, sell, grant, charge, convey, lease, licence, divest, dedicate, release, exchange, or alienate Real Estate, and to agree to do any of those things;

**“General Manager”** means a member of the Metro Vancouver Corporate Planning Committee (CPC);

**“General Manager, PRS”** means the person appointed from time to time as the General Manager, PRS;

**“GVS&DD”** has the meaning set out in Section 1.1(a);

**“GVWD”** has the meaning set out in Section 1.1(a);

**“Mandatory Conditions”** has the meaning set out in Section 5.1;

**“Metro Vancouver”** means, collectively, MVRD, GVWD, GVS&DD, and MVHC, or any one of them, as the context requires;

**“MVHC”** has the meaning set out in Section 1.1(a);

**“MVRD”** has the meaning set out in Section 1.1(a);

**“PRS”** has the meaning set out in Section 3.1;

**“Real Estate”** means land with or without improvements affixed to the land, any interest in land, air, or water (including any right, title or estate in it of any tenure), or any right to occupy or use land, air, or water;

**“Real Estate Transaction”** means the Acquisition, Disposition, use or management of Real Estate, as documented by a Contract, including but not limited to:

- i. the Acquisition or Disposition of a fee simple interest, including in the case of a Road Dedication;
- ii. the Acquisition or Disposition of a lease or similar interest;
- iii. a residential tenancy agreement;
- iv. the Acquisition or Disposition of a licence;
- v. the Acquisition of a statutory right of way, easement, covenant, permit, highway use permit, railway line crossing agreement, railway works permit, consent or similar interest;
- vi. the Disposition of a statutory right of way, easement, covenant, permit, pipeline crossing, consent or similar interest; and
- vii. an application, instrument, or arrangement entered into for, or in anticipation or support of, the Acquisition, Disposition, use or management of Real Estate, including but not limited to an application or agreement for rezoning, official community plan amendment, subdivision approval, a demolition, building or other development permit, use of a public road or highway, use of a railway line, and use of a right of way held by other parties;

**“Regional Park”** means a park dedicated by Metro Vancouver under the *Local Government Act*;

**“Regional Trail”** means a trail dedicated by Metro Vancouver under the *Local Government Act*; and

**“Road Dedication”** means the execution by an owner or a charge holder of a subdivision, reference or explanatory plan showing the dedication of land as road or highway to the public, including an application to deposit any such plan at the Land Title Office.

- 4.2** All references in this Policy to an employee, official, officer, or other representative of Metro Vancouver are deemed to include any designate, deputy, or anyone else authorized in writing by such employee, official, officer, or other representative (or by Board resolution) to act in that person’s position. For purposes of this Policy, any supervisor of an employee, official,

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officer, or other representative of Metro Vancouver is deemed to have the same authority as that person's position.

- 4.3** Where the title or name of any position, division, or department is changed following the adoption of this Policy as a result of a reorganization of Metro Vancouver's functions or for any other reason, the CAO will have the authority to amend this Policy to reflect such change, provided that the Board is duly informed within a reasonable time of any such amendment.

### MANDATORY CONDITIONS FOR ENTERING INTO A REAL ESTATE TRANSACTION

**5.1** Metro Vancouver staff are not authorized to enter into any Real Estate Transaction (other than a Disposition) for or on behalf of Metro Vancouver unless the following conditions are satisfied (the "**Mandatory Conditions**"):

- a) Approved Budget is in place for the Real Estate Transaction;
- b) the Real Estate Transaction has been authorized by the Board or the Metro Vancouver staff member(s) having Commitment Authority and Contracting Authority for the applicable Contract; and
- c) the Real Estate Transaction is required to support the short-term or long-term plans, priorities or ongoing operations of Metro Vancouver as set out in the Board Strategic Plan.

**5.2** Metro Vancouver staff are not authorized to complete a Disposition for or on behalf of Metro Vancouver unless the following Mandatory Conditions are satisfied:

- a) the Disposition has been authorized by the Board or the Metro Vancouver staff member(s) having Commitment Authority and Contracting Authority for the applicable Contract; and
- b) the Disposition is required to support the short-term or long-term plans, priorities or ongoing operations of Metro Vancouver as set out in the Board Strategic Plan.

### COMMITMENT AUTHORITY AND CONTRACTING AUTHORITY

**6.1** Subject to the terms of this Policy, any statutory requirements, and Metro Vancouver bylaws, the CAO has Commitment Authority and Contracting Authority for:

- a) any Real Estate Transaction having a total value of up to \$10,000,000; and
- b) in the case of a lease, the exercise of any lease renewal option, provided that:
  - i. the lease renewal option and the total value (or mechanism to calculate the total value) of its exercise were contemplated in the original Contract; and

## BOARD POLICY

- ii. the total value of exercising the lease renewal option does not exceed the Approved Budget at the time of exercise.

The CAO has the authority to further sub-delegate all such Commitment Authority and Contracting Authority to designated Metro Vancouver staff members as set out from time to time in the *Corporate Real Estate Policy*.

**6.2** For any Real Estate Transaction having a total value of greater than \$10,000,000:

- a) only the Board having jurisdiction has Commitment Authority;
- b) Contracting Authority will be determined by the applicable Board in its sole discretion; and
- c) subject to the terms of this Policy, any statutory requirements, and Metro Vancouver bylaws, in the case of a lease, the CAO has Commitment Authority and Contracting Authority for the exercise of any lease renewal option, provided that:
  - i. the lease renewal option and the total value (or mechanism to calculate the total value) of its exercise were contemplated in the original Contract; and
  - ii. the total value of exercising the lease renewal option does not exceed the Approved Budget at the time of exercise.

The CAO has the authority to further sub-delegate the Commitment Authority and Contracting Authority under Section 6.2(c) to designated Metro Vancouver staff members as set out from time to time in the *Corporate Real Estate Policy*.

**6.3** Notwithstanding anything to the contrary in this Policy, but in each case subject to the *Local Government Act*, only the Board having jurisdiction has Commitment Authority for the Disposition of a fee simple interest in a Regional Park or Regional Trail.

**6.4** The Director, Real Estate Services, and Real Estate Services staff designated from time to time by the Director, Real Estate Services, have the authority to execute non-binding Real Estate instruments provided they are expressly subject to the approval, as applicable, of the Board, the CAO or the Metro Vancouver staff member(s) with Commitment Authority for the anticipated Contract as set out in Section 6.1 or Section 6.2 or in the *Corporate Real Estate Policy*.

**6.5** Contract Amendments must meet the Mandatory Conditions set out in Section 5.1 or Section 5.2, as applicable.

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT  
BYLAW NO. 373, 2024**

**A bylaw to amend “Greater Vancouver Sewerage and Drainage District Officers and Delegation  
Bylaw No. 284, 2014”**

The Board of the Greater Vancouver Sewerage and Drainage District enacts as follows:

**Citation**

1. The official citation of this bylaw is “Greater Vancouver Sewerage and Drainage District Officers and Delegation Amendment Bylaw No. 373, 2024”.

**Effective Date**

2. This bylaw will come into effect on June 1, 2024.

**Amendment of Bylaw**

3. “Greater Vancouver Sewerage and Drainage District Officers and Delegation Bylaw No. 284, 2014” is amended as follows:

- (a) In Section 1.1 the definition for “Act” is deleted and replaced with the following:

“Act” means the *Local Government Act*, R.S.B.C. 2015, Chapter 1;

- (b) In Section 2.3(e) the number “199” is deleted and replaced with the number “237”.

- (c) Section 3.1 is deleted and replaced with the following:

3.1 The Administration Board delegates to the Corporation's officers and the Regional District's employees the powers of the Administration Board under section 7(1) (Powers) of the GVS&DD Act to enter into transactions relating to the Corporation's activities, works or services, subject to the limitations on that delegated authority set out in this bylaw and the *Procurement and Asset Disposal Authority Policy* and the *Real Estate Authority Policy* adopted by the Administration Board and as may be amended from time to time.

Read a first, second, and third time this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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George V. Harvie, Chair

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Dorothy Shermer, Corporate Officer

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## COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Sewerage and Drainage District  
Board Meeting Date – Friday, April 26, 2024

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This information item, listing recent information received by committee, is provided for the GVS&DD Board's information. Please access a complete PDF package [here](#).

### Zero Waste Committee – April 4, 2024

*Delegations:*

- C1 Glen Furtado, Senior Director, Construction Innovation with the Cement Association of Canada  
Subject: Concrete Zero: Canada's cement and concrete industry action plan to net-zero  
Executive Summary provided

*Information Items:*

- E3 Zero Waste Collaboration Initiatives – Future Delivery
- E4 Create Memories, Not Garbage 2023 Campaign Results

### Liquid Waste Committee – April 10, 2024

*Delegation Summaries:*

- C1 Moira Stillwell, MD, on behalf of Fraser River Community Alliance  
Subject: Concerns regarding the staging of construction materials during the construction of the new Iona Wastewater Treatment Plant  
No Executive Summary provided