

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVS&DD)

BOARD OF DIRECTORS

BOARD MEETING

Friday, February 27, 2026

9:00 am

28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia

AGENDA

A. ADOPTION OF THE AGENDA

1. February 27, 2026 Meeting Agenda

THAT the GVS&DD Board adopt the agenda for its meeting scheduled for February 27, 2026 as circulated.

B. ADOPTION OF THE MINUTES

1. January 30, 2026 Meeting Minutes

THAT the GVS&DD Board adopt the minutes of its meeting held January 30, 2026 as circulated.

pg. 8

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 that 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.

1. ZERO WASTE COMMITTEE REPORTS

1.1 2026 Solid Waste Services Capital Program Update No. 1

Report dated January 22, 2026 from Paul Henderson, General Manager Solid Waste Services.

pg. 12

Executive Summary

This report provides a status update of the Solid Waste Capital Program with summaries for projects, highlighting progress, schedule, budget, and upcoming milestones, and an overall summary of remaining projects. These updates are provided three times a year for the Zero Waste Committee and GVS&DD Board in February, July, and November to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and five-year financial plan for October, and an end of year update. Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.

Solid waste capital projects include projects at the Coquitlam Landfill, recycling and waste centres and the Waste-to-Energy Facility. Key projects include the recycling and waste centre recycling depot construction at North Surrey and Langley recycling and waste centres and various Waste-to-Energy Facility projects. Projects are proceeding on schedule and on budget. Any updates will be provided in future capital update reports.

Recommendation

THAT the GVS&DD Board receive for information the report dated January 22, 2026, titled “2026 Solid Services Capital Program Update No. 1”.

2. LIQUID WASTE COMMITTEE REPORTS

2.1 North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report

pg. 22

Report dated January 9, 2026 from Cheryl Nelms, General Manager, Project Delivery.

Executive Summary

This North Shore Wastewater Treatment Plant (NSWWTP) Program update summarizes recent and upcoming project activity and communications, and includes a report delivered by the NSWWTP Program Due Diligence Committee. The Due Diligence Committee is an oversight group established to conduct due diligence reviews and provide advice on the NSWWTP Program. The Due Diligence Committee comprises three senior advisors—Tim Stanley, P.Eng., Frank Margitan, B.A.Sc., and Barry Nazar, P.Eng.—with over 100 years combined experience in the delivery of major infrastructure. The Due Diligence Committee meets with the NSWWTP Program Team monthly and will provide a bi-annual advisory report to the Liquid Waste Committee and GVS&DD Board.

Main findings of the Due Diligence Committee report indicate that key project positions have been filled across the Metro Vancouver, Designer of Record (AECOM), and Construction Manager (PCL) teams. While concentration in the field has been new concrete and structural steel construction activities, some of the legacy construction and engineering deficiencies are still being discovered and are impacting construction progress. New construction appears to be of good quality and built in a safe manner. Key issues currently being managed include addressing the remaining construction deficiencies from the previous contractor; the transfer of major equipment contracts; the interest and availability of subcontractors; and the impact of taxes, duties, and tariffs.

Recommendation

THAT the GVS&DD Board receive for information the report dated January 9, 2026, titled “North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report.”.

2.2 2026 Liquid Waste Services Capital Program Update No. 1

pg. 40

Report dated February 4, 2026 from Colin Meldrum, Director, Engineering, Design, and Construction, Liquid Waste Services, and Jennifer Crosby, Director, Project Delivery.

Executive Summary

This report provides a status update of the GVS&DD Capital Program with summaries for larger projects (i.e. cost of >\$100M), highlighting progress, schedule, budget, and upcoming milestones, and an overall summary of remaining projects. As part of the GVS&DD capital planning process, the timing of each project is reviewed and updated annually based on available resources, strategic prioritization, risk to system operations and financial sustainability. These updates are provided three times a year for the Liquid Waste Committee and GVS&DD Board in February, July, and November to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and Five-Year Financial Plan for October, and an end of year update. Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.

Recommendation

THAT the GVS&DD Board receive for information the report dated February 4, 2026, titled “2026 Liquid Waste Services Capital Program Update No. 1”.

2.3 Award of RFP 25-245 for Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer

pg. 61

Report dated January 27, 2026 from George Kavouras, Director, Procurement, Procurement & Real Estate Services, and Bob Cheng, Director, Major Projects, Project Delivery.

Executive Summary

Stantec Consulting Ltd.’s proposal ranked highest overall, provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver.

Metro Vancouver requires consulting engineering services to provide the necessary expertise to perform engineering services to deliver the Annacis Island Wastewater Treatment Plant (AIWWTP) Regional Biosolids Dryer Project, which is needed by the mid-2030s to process the projected increase in biosolids produced by Metro Vancouver’s five wastewater treatment plants.

RFP 25-245 was issued on June 20, 2025 to three prequalified respondents of RFQ 24-111 – Project Management, Owner’s Engineer, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer. RFP 25-245 was executed in accordance with the terms and conditions of Metro Vancouver’s Procurement Policy. The RFP 25-245 evaluation team considered the proposals received, and on that basis recommend that the GVS&DD Board award RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services Biosolids Dryer to Stantec Consulting Ltd.

Recommendation

THAT the GVS&DD Board:

- a) approve the award of RFP 25-245 for Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer, in the amount of up to \$11,951,011.40 (exclusive of taxes) to Stantec Consulting Ltd., subject to final review by the Commissioner; and
- b) authorize the General Manager, Procurement and Real Estate, to execute the required documentation once the General Manager, Procurement and Real Estate, is satisfied that the award should proceed.

3. PERFORMANCE AND AUDIT COMMITTEE REPORTS

3.1 Financial Board Policy Review – Amended Corporate Allocation Policy

pg. 64

Report dated February 9, 2026 from Linda Sabatini, Deputy Chief Financial Officer, Financial Services.

Executive Summary

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The *Corporate Allocation Policy* was adopted in 2017 and provides a budget framework for allocating the costs of Metro Vancouver’s centralized support departments to Metro Vancouver’s four legal entities. Centralized support includes Corporate Services, External Relations, Financial Services, Human Resources, Indigenous Relations, Legislative Services, Procurement and Real Estate Services, and Project Delivery. Subsequent to review, this report recommends the following amendments:

- a) administrative updates to reflect the organizational structure;
- b) modifications to the calculation of allocating costs to: exclude one-time funded expenditures; and exclude total debt service costs for Metro Vancouver Housing Corporation (MVHC) and Sasamat Fire Protection Services; and
- c) the addition of an allocation method for Project Delivery’s Project Management Office.

The proposed amendments more accurately reflect service levels provided, reduce operating budget fluctuations and incorporate current practices not captured in the existing policy.

Recommendation

THAT the GVS&DD Board approve the amended *Corporate Allocation Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Corporate Allocation Policy*”.

3.2 Financial Board Policy Review – Amended Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy pg. 84

Report dated February 9, 2026, from Linda Sabatini, Deputy Chief Financial Officer, Financial Services.

Executive Summary

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The *Operating, Statutory and Discretionary Reserves Policy* was adopted in 2018 and provides a framework on the establishment, use, and management of reserves for Metro Vancouver’s four legal entities and regional district services. The policy clarifies the priority for allocating surpluses while reinforcing the fundamental principle that surpluses are allocated within their originating purpose and are not transferable between reserves or functions. Metro Vancouver does not hold excess ratepayer funds in reserves, ensuring prudent financial management of programs. Subsequent to review, this report recommends the following amendments:

- a) administrative and policy principle updates to reflect regional district services, including changing the policy name to *Financial Reserves Policy*; and
- b) introduction of a maximum balance for the centralized support discretionary reserve.

The proposed amendments strengthen financial stability while improving clarity, consistency, and long-term resilience across Metro Vancouver’s reserves to align with long-term financial plans.

Recommendation

THAT the GVS&DD Board approve the amendments to the *Operating, Statutory and Discretionary Reserves Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Operating, Statutory and Discretionary Reserves Policy* – Proposed Title: *Financial Reserves Policy*”.

3.3 Financial Board Policy Review – Amended Financial Management Policy pg. 116

Report dated February 9, 2026 from Linda Sabatini, Deputy Chief Financial Officer, Financial Services, and Heather McNell, Deputy Chief Administrative Officer, Policy and Planning.

Executive Summary

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The Financial Management Policy was adopted in 2018, and provides a framework for funding decisions through a “pay-as-you-go” approach for operating and recurring capital expenditures, and long-term borrowing for major capital infrastructure costs.

The *Financial Management Policy* sets the policy framework for amortization for Metro Vancouver’s capital program – currently set at 15 years for all capital projects, with the exception of 30 years for North Shore municipalities’ share of the North Shore Wastewater Treatment Plant Program. Amortization period has been a topic of discussion at multiple Board meetings over the past number of years; this report provides a range of scenarios and applies them to Metro Vancouver’s 10 Year Capital Outlook – received by the Boards in October 2025 as a tool to be used in discussions about how best to manage the future capital program and the resulting financial implications. The scenarios demonstrate how amortization can be used as one means of addressing future financial challenges, with trade-offs.

Subsequent to review and engagement with the Municipal Finance Authority, this report recommends amending the amortization period for capital projects to 20 years, and to 30 years for projects exceeding \$1 billion in net borrowing. In addition, the funding principle of “transitioning to a growth-pays-for-growth” model through development cost charges (DCCs) has been added to align with Board direction over the past number of years.

The policy amendments strengthen financial stability while improving clarity, consistency, and long-term resilience to align with long-term financial plans.

Recommendation

THAT the GVS&DD Board approve the amended *Financial Management Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Financial Management Policy*”.

- 3.4 Financial Board Policy Review - Procurement and Asset Disposal Authority Policy** pg. 151
Report dated February 4, 2026 from George Kavouras, Director, Procurement, Procurement & Real Estate Services.

Executive Summary

This report is responding to the January 30, 2026 MVRD Board resolution “THAT *the MVRD Board direct staff to review the Procurement and Asset Disposal Authority Policy (“Procurement Policy”) as a priority for Q1 2026.*” The Procurement Policy was reviewed, updated, and subsequently approved by all Metro Vancouver Boards in April 2024. The Procurement Policy update was the result of a comprehensive and collaborative review process involving internal stakeholders, subject matter experts, end users, and comparative analyses of other jurisdictions to ensure a well-informed and modernized framework. The Procurement Policy provides strong oversight and internal controls, enables operational efficiency, aligns with market and regulatory conditions, and is consistent with practices in comparable public sector organizations.

If the Boards wish to see a review of a particular part of the policy, staff is seeking direction as to areas of interest.

Recommendation

THAT the GVS&DD Board receive for information the report dated February 4, 2026, titled “Financial Board Policy Review - *Procurement and Asset Disposal Authority Policy*”.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

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

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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 February 27, 2026 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.

K. ADJOURNMENT

THAT the GVS&DD Board adjourn its meeting of February 27, 2026.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVS&DD)

BOARD OF DIRECTORS

BOARD MEETING

Friday, January 30, 2026

2:47 pm

28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia

MINUTES

Chair, Mike Hurley, Burnaby	Richmond, Bill McNulty
Vice Chair, John McEwen, Anmore	Surrey, Harry Bains
Burnaby, Pietro Calendino	Surrey, Doug Elford
Coquitlam, Craig Hodge	Surrey, Gordon Hepner
Coquitlam, Teri Towner	Surrey, Pardeep Kooner
Delta, Rod Binder	Surrey, Brenda Locke
Delta, Alternative Director Daniel Boisvert for Director Dylan Kruger	Surrey, Rob Stutt
Electoral Area A, Jen McCutcheon	Vancouver, Lisa Dominato
Langley City, Paul Albrecht	Vancouver, Sarah Kirby-Yung
Maple Ridge, Dan Ruimy	Vancouver, Mike Klassen
New Westminster, Nadine Nakagawa	Vancouver, Peter Meiszner
North Vancouver City, Linda Buchanan	Vancouver, Ken Sim
North Vancouver District, Lisa Muri	Vancouver, Lenny Zhou
Pitt Meadows, Nicole MacDonald	West Vancouver, Mark Sager
Port Moody, Meghan Lahti *	White Rock, Alternative Director Bill Lawrence for Director Megan Knight
Richmond, Malcolm Brodie	Commissioner Jerry W. Dobrovlny
Richmond, Alexa Loo	(Non-voting member)

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

MEMBERS ABSENT:

Burnaby, Sav Dhaliwal	Port Coquitlam, Brad West
Langley Township, Steve Ferguson	Vancouver, Rebecca Bligh
Langley Township, Eric Woodward	

STAFF PRESENT:

Jerry W. Dobrovlny, Chief Administrative Officer
 Dorothy Shermer, Corporate Officer
 Christine Zhao, Legislative Services Coordinator, Board and Information Services

A. ADOPTION OF THE AGENDA**1. January 30, 2026 Meeting Agenda****It was MOVED and SECONDED**

THAT the GVS&DD Board adopt the agenda for its meeting scheduled for January 30, 2026 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES**1. November 28, 2025 Meeting Minutes****It was MOVED and SECONDED**

THAT the GVS&DD Board adopt the minutes of its meeting held November 28, 2025 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

At the request of Directors, the following items were removed from the Consent Agenda for consideration under Section F:

- 1.1 Metro Vancouver Development Cost Charge Program Update Progress and Next Steps
- 2.1 North Shore Wastewater Treatment Plant Program Due Diligence Committee Report

F. ITEMS REMOVED FROM THE CONSENT AGENDA**1.1 Metro Vancouver Development Cost Charge Program Update Progress and Next Steps**

Report dated January 16, 2026 from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning, and Linda Sabatini, Deputy Chief Financial Officer, Financial Services, providing an update on the progress and next steps of the Metro Vancouver DCC Program Update, including engagement with member jurisdictions, and an opportunity for the Board to consider potential changes in direction.

It was MOVED and SECONDED

THAT the GVS&DD Board:

- a) direct staff to report back with bylaw amendments to roll back DCC rates to 2025 levels; and
- b) direct staff to report back with a strategy to offset the roll back of DCC rates to 2025 levels with options including: without increasing tax or utility rates in 2026;

AND THAT the GVS&DD Board:

- a) direct staff to work towards spreading the approved increase in DCC rates for 2027 and the transition to a 1% assist factor over two years instead of one;
- b) integrate this direction into proposed DCC rates and structure for 2028-2030 to be presented at the April 2026 Board Budget Workshop for consideration to proceed to public engagement; and
- c) direct staff to present options that do not include impacts to Household Impact.

CARRIED

2.1 North Shore Wastewater Treatment Plant Program Due Diligence Committee Report

Report dated January 9, 2026 from Cheryl Nelms, General Manager, Project Delivery, providing the North Shore Wastewater Treatment Plant Program - Due Diligence Committee Advisory Report to the GVS&DD Board for consideration.

It was MOVED and SECONDED

THAT the GVS&DD Board receive for information the report dated January 9, 2026, titled "North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report."

CARRIED

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1.1 Greater Vancouver Sewerage and Drainage District Notice of Bylaw Violation Enforcement and Dispute Adjudication Amendment Bylaw No. 395, 2026

Report dated January 9, 2026 from Dana Zheng, Program Manager, Planning, Policy and Analysis, Liquid Waste Services, seeking GVS&DD Board adoption of *Greater Vancouver Sewerage and Drainage District Notice of Bylaw Violation Enforcement and Dispute Adjudication Amendment Bylaw No. 395, 2026*.

It was MOVED and SECONDED

THAT the GVS&DD Board give first, second, and third reading to *Greater Vancouver Sewerage and Drainage District Notice of Bylaw Violation Enforcement and Dispute Adjudication Amendment Bylaw No. 395, 2026*.

CARRIED

It was MOVED and SECONDED

THAT the GVS&DD Board adopt *Greater Vancouver Sewerage and Drainage District Notice of Bylaw Violation Enforcement and Dispute Adjudication Amendment Bylaw No. 395, 2026*.

CARRIED

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

No items presented.

J. RESOLUTION TO CLOSE MEETING

No items presented.

K. ADJOURNMENT

It was MOVED and SECONDED

THAT the GVS&DD Board adjourn its meeting of January 30, 2026.

CARRIED
(Time: 2:50 pm)

CERTIFIED CORRECT

Dorothy Shermer, Corporate Officer

Mike Hurley, Chair

82388037

To: Zero Waste Committee

From: Paul Henderson, General Manager, Solid Waste Services

Date: January 22, 2026 Meeting Date: February 5, 2026

Subject: **2026 Solid Waste Services Capital Program Update No. 1**

RECOMMENDATION

THAT the GVS&DD Board receive for information the report dated January 22, 2026, titled “2026 Solid Services Capital Program Update No. 1”.

EXECUTIVE SUMMARY

This report provides a status update of the Solid Waste Capital Program with summaries for projects, highlighting progress, schedule, budget, and upcoming milestones, and an overall summary of remaining projects. These updates are provided three times a year for the Zero Waste Committee and GVS&DD Board in February, July, and November to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and five-year financial plan for October, and an end of year update. Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.

Solid waste capital projects include projects at the Coquitlam Landfill, recycling and waste centres and the Waste-to-Energy Facility. Key projects include the recycling and waste centre recycling depot construction at North Surrey and Langley recycling and waste centres and various Waste-to-Energy Facility projects. Projects are proceeding on schedule and on budget. Any updates will be provided in future capital update reports.

PURPOSE

This report provides the Zero Waste Committee and GVS&DD Board with the first of three annual updates on the Solid Waste Services’ Capital Program.

BACKGROUND

Each year, the GVS&DD Board adopts a budget for the upcoming year and endorses a five-year financial plan. Regular updates on the Capital Program provide the Committee and Board with information to support good governance of the organization, decision making, project management and financial oversight. This report provides the first of three Capital Program updates to the Committee and Board. Two additional Major Project updates are provided to the Committee throughout the year, and three Financial Performance Updates are also provided to the Board through the Performance and Audit Committee.

Table 1. Capital Program Reporting

	J	F	M	A	M	J	J	A	S	O	N	D
Capital Program Update		☑					☑				☑	
Additional Major Project Updates					☑				☑			
Financial Performance Report				☑			☑				☑	

CAPITAL PROGRAM: STATUS UPDATE

Updates on the Solid Waste Services Capital Program as of December 31, 2025, are provided below. Progress, schedule, and budget status for the active phase of the project are shown using a consistent scale. Additional project financial information is provided (**Attachment 1**).

Coquitlam Landfill Maintenance

Closure of the Coquitlam Landfill is a regulatory requirement as per the *Coquitlam Landfill Closure Plan*, which was approved by the Ministry of Environment and Climate Change Strategy in October 2017. Closure of the south-eastern portion of the site will occur as part of the development of that area. Projects currently underway include the Coquitlam Landfill leachate pump station upgrades and flare station upgrades.

Coquitlam Landfill Maintenance		Status
Progress	Detailed design in progress for the Coquitlam Landfill Pump Station Upgrades and the Flare Station Upgrades	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Substantial detailed design completion and permitting for the flare station upgrades.	




Langley and Surrey Recycling and Waste Centre Depot Development and Site Reconfiguration

Free recycling depots are being added ahead of the scales at the Langley and North Surrey Recycling and Waste Centres to provide consistent services with Metro Vancouver’s other recycling and waste centres. These new depots will accept all recyclables currently accepted at the other Metro Vancouver recycling and waste centres and will feature a safe and convenient layout designed to accommodate future expansion. The project also includes site reconfigurations to support improved traffic flow and service delivery at each of the facilities. Construction for the Langley Recycling Depot is anticipated to begin in 2026 and construction for the North Surrey Depot in 2027. Both depots are expected to be completed by 2028. These projects were initially expected to be completed earlier, but the schedule has been adjusted based on design and permitting progress.

Langley and North Surrey Recycling and Waste Centre Depot Development and Site Reconfiguration		Status
Progress	The request for qualifications for Langley has been issued with the request for proposals to follow once shortlisting is complete. North Surrey is in final stages of permitting.	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Construction contract award for Langley is expected to require Board approval given the expected value of the work.	




Maple Ridge Recycling and Waste Centre Upgrades

Improvements to the Maple Ridge Recycling and Waste Centre, include upgrades to the greenwaste collection area, scale house replacement, site grading, paving to improve drainage and settlement problems and site egress, and other improvements. Maintenance projects underway at the other recycling and waste centres include scale replacements and similar projects.

Maple Ridge Recycling and Waste Centre Upgrades		Status
Progress	Currently in the design stage with engineering consultant.	
Schedule	On schedule	
Budget	On budget	
Next Milestone	Working to complete preliminary design and cost estimate prior to moving to detailed design.	

Acid Gas Reduction

In April 2025 the Ministry of Environment and Parks issued an Operational Certificate for the Waste-to-Energy Facility that required the construction of new acid gas (sulfur dioxide and hydrogen chloride) reduction infrastructure by March 28, 2028. A new Operational Certificate was issued on September 23, 2025, that replaced the requirement for construction of the acid gas reduction infrastructure with a requirement to conduct a series of studies and submit proposed draft emission limits for the facility by September 23, 2026. Technical work on developing the draft emission limits is underway, and updates will be communicated to the Zero Waste Committee and Board as the work progresses.

Acid Gas Reduction		Status
Progress	Technical studies underway to develop proposed draft emission limits.	
Schedule	Draft emission limits to be submitted by September 23, 2026	
Budget	On budget	
Next Milestone	Draft emission limits and engagement plan to be submitted to Province.	

Waste to Energy Facility Biosolids Processing

The purpose of this project is to construct a feed system to process biosolids at the Waste-to-Energy Facility. This project will allow up to 25,000 tonnes of biosolids per year to be processed and will help diversify options for biosolids management in the region as quantities increase. Detailed design work is in progress. Procurement for mechanical equipment was initiated in 2024, but that process was restarted with the change to a new facility operator in March of 2025. Updates to the design are currently being completed.

Waste to Energy Facility Biosolids Processing		Status
Progress	Detailed design in progress	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Procurement of mechanical equipment.	

Waste to Energy Facility Maintenance

Various maintenance projects are underway at the Waste-to-Energy Facility. Examples of projects include replacement of compressors, secondary economizers, and the refuse crane. Metro Vancouver is working with the facility operator to update capital maintenance plans with that information to be provided to the Zero Waste Committee and Board once it is available.

Waste to Energy Facility Maintenance		Status
Progress	Compressor replacement – detailed design 80% complete Refuse/ bottom ash crane replacements – engineering design 50% complete; Economizer replacement – construction in progress	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Compressor replacement – targeting phase completion in Q3 2026 Refuse/ bottom ash crane replacements – proceeding with equipment purchase Economizer replacement – targeting completion in Q2 2027	

Waste to Energy Facility District Energy

Metro Vancouver is developing a district energy system to supply heat and hot water to up to 50,000 homes in Vancouver and Burnaby. This project will reduce greenhouse gas emissions by up to 70,000 tonnes per year. The project involves the construction of an energy centre adjacent to the Waste-to-Facility where steam will be converted to hot water and pumped into transmission piping for delivery to the district energy users.

The installation of pre-load for the energy centre is now complete, and the detailed design for the initial transmission pipe system from the Waste-to-Energy Facility River District is being finalized. Metro Vancouver is working with the City of Burnaby on the subsequent transmission pipe system planning that will serve Metrotown and Edmonds communities. A British Columbia Utilities Commission application for an exemption from portions of the Utilities Commission Act is under consideration by the Commission.

The Zero Waste Committee was updated on the project in September 2025 with a projected schedule to complete construction of infrastructure to provide heat to River District targeting mid-2028. The next major project milestone is initiation of utility locate work to finalize the detailed design of the transmission line. Once that work is underway, the project schedule will be updated if required.

Waste to Energy Facility District Energy		Status
Progress	Detailed design of River District Transmission line nearing completion. Preload for energy centre installation complete.	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Initiation of utility locate work.	

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The Solid Waste Capital Program is progressing within the approved annual expenditure. Each project is subject to its own budget review on a regular basis, as well as regular stage gate approvals. Project specific reports will be provided to the Committee and Board as warranted to provide greater detail and address any required changes to project scope, schedule, or budget.

The attached project summary includes financial information with respect to each of the projects. Total expected project cost for some of the projects exceeds planned 2026-2030 expenditures where either spending has already started on the project or alternatively if planned expenditures for the project go beyond 2030.

CONCLUSION

Capital projects within the solid waste function include Waste-to-Energy Facility projects, recycling and waste centre projects, and projects at the Coquitlam Landfill. Key projects include the Waste-to-Energy Facility District Energy project, biosolids management at the Waste-to-Energy Facility, acid gas reduction, recycling depot development at North Surrey and Langley recycling and waste centres, and maintenance projects. All projects are progressing as expected within approved budgets. Future capital updates will outline any expected changes to schedules or budgets.

ATTACHMENTS

1. Solid Waste Services Capital Expenditures as of December 31, 2025.
2. Presentation re: 2026 Solid Waste Services Capital Projects Update.

82018559

Capital Expenditures as of December 31, 2025 (1st close)

Solid Waste Services

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec 31*)	2026-2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept 30)	2025 Actuals (Jan. 1 - Dec 31*)	Actual Expenditures to Forecasted Expenditures (%)	Actual Expenditures Variance to Forecasted Expenditures (\$)
Landfills												
Coquitlam Landfill Maintenance	Maintenance	Multiple	Ongoing	26,550,000	12,846,069	11,340,000	6,600,000	5,550,000	890,000	519,885	58%	(370,115)
Recycling and Waste Centres												
Langley Recycling and Waste Centre Depot Development and Site Reconfiguration	Upgrade	Construction	2023-2028	20,500,000	807,877	16,250,000	8,250,000	3,500,000	490,000	543,633	111%	53,633
Maple Ridge Recycling and Waste Centre Upgrades	Upgrade	Construction	2026-2028	1,500,000	-	1,400,000	750,000	750,000	50,000	-	0%	(50,000)
North Surrey Recycling and Waste Centre Depot Development and Site Reconfiguration	Upgrade	Construction	2023-2028	44,100,000	25,036,381	18,250,000	2,500,000	1,500,000	200,000	164,362	82%	(35,638)
Recycling and Waste Centre Maintenance	Maintenance	Construction	Ongoing	15,500,000	2,946,749	10,000,000	1,000,000	2,600,000	350,000	94,790	27%	(255,210)
Solid Waste Facility Land Purchase	Resilience	Design	2029-2030	80,000,000	-	80,000,000	-	-	-	-	0%	-
Waste To Energy Facility												
Acid Gas Reduction	Upgrade	Design	2026-2028	100,000,000	450,000	100,000,000	5,000,000	-	-	-	-	-
Biosolids Processing	Resilience	Construction	2021-2029	24,250,000	2,202,824	19,600,000	5,000,000	7,500,000	1,100,000	440,303	40%	(659,697)
Waste-to-Energy Facility Maintenance	Maintenance	Construction	Ongoing	93,500,000	16,681,941	34,250,000	6,850,000	15,755,000	14,638,087	12,155,796	83%	(2,482,291)
Waste to Energy Facility District Energy	Resilience	Multiple	2022-2032	217,000,000	5,008,945	98,600,000	5,000,000	5,500,000	3,100,000	3,009,660	97%	(90,340)
						\$ 389,690,000	\$ 40,950,000	\$ 42,655,000	\$ 20,818,087	\$ 16,928,428	81%	\$(3,889,659)

*Preliminary December 31, 2025 actuals as of January 15, 2026, final year-end results available with audited financial statements in April.



United Boulevard Recycling and Waste Centre

2026 Solid Waste Services Capital Program Update

Paul Henderson, M.A.Sc., M.B.A., P.Eng.
General Manager Solid Waste Services

Zero Waste Committee – February 5, 2026
ORBIT NUMBER



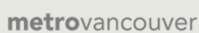
1

SOLID WASTE SERVICES CAPITAL PROGRAM UPDATE – FEBRUARY 2026

Table 1. Capital Program Reporting

	J	F	M	A	M	J	J	A	S	O	N	D
Capital Program Update		✓					✓				✓	
Additional Major Utility Project Updates					✓				✓			
Financial Performance Report				✓			✓				✓	

- Status update of the Solid Waste Services Capital Program highlighting progress, schedule, budget, and upcoming milestones.
- Updates will be provided three times a year to the Committee and Board to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and Five-Year Financial Plan for October, and an end of year update.
- Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.



2

2

SOLID WASTE CAPITAL PROGRAM UPDATE – SUMMARY

Project	Progress	Schedule	Budget
Coquitlam Landfill Maintenance	●	●	●
Langley and North Surrey Recycling Depot Development	●	●	●
Maple Ridge Recycling and Waste Centre Upgrades	●	●	●
Waste-to-Energy Facility Acid Gas Reduction	●	●	●
Waste-to-Energy Facility Biosolids Processing	●	●	●
Waste-to-Energy Facility Maintenance	●	●	●
Waste-to-Energy Facility District Energy	●	●	●

3



4



5



6



Central Surrey Recycling and Waste Centre

Questions?

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To: GVS&DD Board of Directors

From: Cheryl Nelms, General Manager, Project Delivery

Date: January 9, 2026 Meeting Date: February 27, 2026

Subject: **North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report**

RECOMMENDATION

THAT the GVS&DD Board receive for information the report dated January 9, 2026 titled “North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report.”

EXECUTIVE SUMMARY

This North Shore Wastewater Treatment Plant (NSWWTP) Program update summarizes recent and upcoming project activity and communications, and includes a report delivered by the NSWWTP Program Due Diligence Committee. The Due Diligence Committee is an oversight group established to conduct due diligence reviews and provide advice on the NSWWTP Program. The Due Diligence Committee comprises three senior advisors—Tim Stanley, P.Eng., Frank Margitan, B.A.Sc., and Barry Nazar, P.Eng.—with over 100 years combined experience in the delivery of major infrastructure. The Due Diligence Committee meets with the NSWWTP Program Team monthly and will provide a bi-annual advisory report to the Liquid Waste Committee and GVS&DD Board.

Main findings of the Due Diligence Committee report indicate that key project positions have been filled across the Metro Vancouver, Designer of Record (AECOM), and Construction Manager (PCL) teams. While concentration in the field has been new concrete and structural steel construction activities, some of the legacy construction and engineering deficiencies are still being discovered and are impacting construction progress. New construction appears to be of good quality and built in a safe manner. Key issues currently being managed include addressing the remaining construction deficiencies from the previous contractor; the transfer of major equipment contracts; the interest and availability of subcontractors; and the impact of taxes, duties, and tariffs.

ATTACHMENTS

1. “North Shore Wastewater Treatment Plant Program – Due Diligence Committee Advisory Report,” October 14, 2025.
2. Presentation re: North Shore Wastewater Treatment Plant Program Update and Due Diligence Committee Report.
3. North Shore Wastewater Treatment Plant Communications and Engagement Summary 2025.

**North Shore Wastewater Treatment Plant Program
Due Diligence Committee Advisory Report**

October 14, 2025

Northshore Wastewater Treatment Plant Project – DDC Advisory Report

The North Shore Wastewater Treatment Plant (NSWWTP) Project Due Diligence Committee (DDC) is comprised of senior advisors established to conduct reviews and provide advice on the project to the Executive Committee. Their scope covers key project areas such as Design, Project Controls as well as Financial and Commercial performance. The DDC is an advisory committee that does not have decision making authority. They review relevant documents, meet with the MV Team and provide strategic advice on the delivery of the Project.

As of September 30, 2025, Readiness Review tasks have been completed and key project team positions have been filled with a few remaining to be filled. The new MV Project Director started in early September and is transitioning with the Interim Project Director to maintain leadership continuity. A few key leadership position vacancies are being filled now as the new Project Director is online. The MV team make-up is being augmented through secondments from AECOM, Stantec, and contracted external resources. This resourcing strategy appears to be working well.

The current Designer of Record (AECOM) has advanced the design based on the documents created by the previous Contractor. Once AECOM completed a fulsome review of that design, it was determined that the state of design completion was significantly less than was originally expected. AECOM has established an extensive team which is focused on correction of significant design and construction deficiencies and completing design, as well as support of the preparation of a realistic project budget. Currently, Issued for Construction documents have been issued and AECOM is providing construction support.

PCL has assembled a team of approximately 80 staff. The team appears to be experienced with a proper allocation of Senior Management, Superintendents, Engineers and applicable support. The team is also diverse and has the appropriate experience to understand the different types of construction such as concrete, structural steel, as well as mechanical and electrical work. To date most of the construction deficiencies from the previous Contractor have been addressed and the concentration in the field has been new concrete and structural steel construction activities. Some of the legacy construction deficiencies are still being discovered and are impacting construction progress. The new work appears to be of good quality and built in a safe manner. The site is well organized and clean. Some of the major Subcontracts such as the rebar and building mechanical have been awarded.

With respect to the status of the construction schedule, the project is in its very early stages and nothing indicates that the timeline is in jeopardy. The project schedule is currently under review to ensure it reflects appropriate logic and activity durations to effectively track progress.

Alignment of construction quality requirements and expectations has been achieved following construction start-up. The MV/AECOM/PCL construction surveillance teams are proactively addressing construction and design issues through adhoc problem solving exercises and the formation of a tripartite task force.

The Project is in its early stages and to date the productivities for both the concrete and structural steel activities are achieving their targets. The greatest factor affecting productivity is rectifying prior work deficiencies. As the work progresses from today's early stages we will better understand the cost versus budget and recognize any pluses or minuses.

In this early stage of the project restart, there are some potential claims by PCL but these are not well defined at this time. This includes PCL expressing concern with the completeness of the Issued for

Northshore Wastewater Treatment Plant Project – DDC Advisory Report

Construction documents and the impact on schedule, however no formal claim has been issued. The Project Team is focused on proactively identifying potential claims and acting to avoid them.

Key issues that are currently being managed by the Project Team include addressing the remaining construction deficiencies which were outstanding from the previous Contractor. While most of these conditions have been addressed, some are still being discovered as the new construction proceeds. This is further complicating the ongoing engineering support of new construction. Another issue that is attracting the focus of the Project Team is the transfer of major equipment contracts that had been procured by the previous Contractor. This equipment must be delivered for installation to suit the PCL construction scheduling. Another issue is the interest/availability of Subcontractors to bid on packages issued by PCL for tender. The industry continues to be very busy and Subcontractors are being highly selective with the projects they choose to pursue. This may impact package pricing. Finally, the impact of Taxes/Duties/Tariffs is an evolving matter and the Project Team is consulting with appropriate advisors to mitigate any impact to the project.



Tim Stanley



Frank Margitan



Barry Nazar



Project rendering

North Shore Wastewater Treatment Plant Program

PROGRAM UPDATE AND DUE DILIGENCE COMMITTEE REPORT

Cheryl Nelms, P.Eng., PhD
 General Manager, Project Delivery

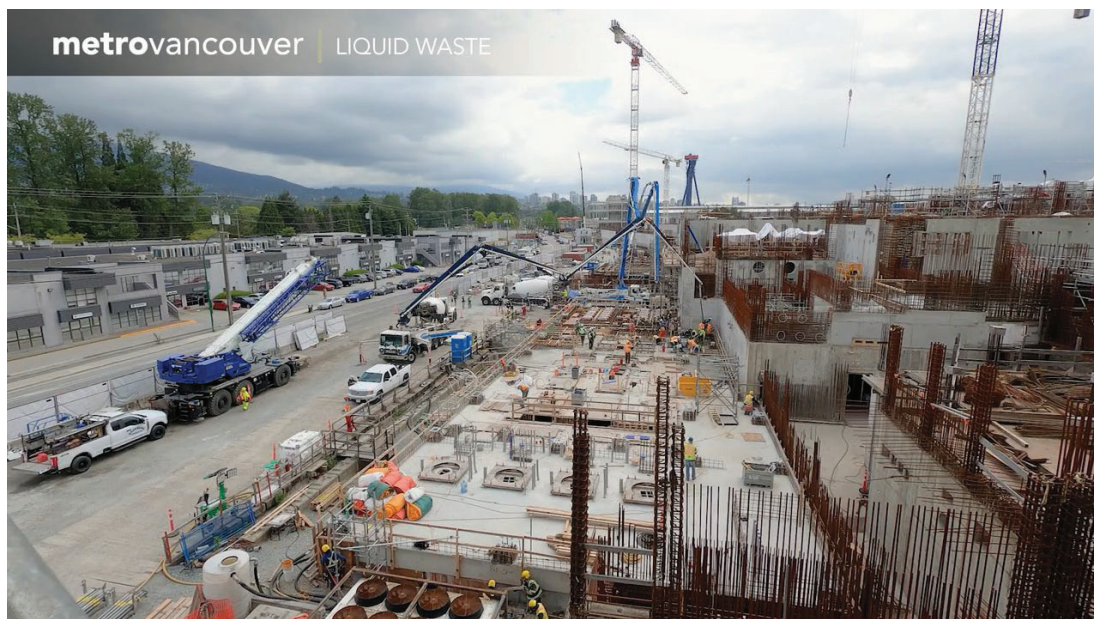
GVS&DD Board – February 27, 2026

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MOMENTUM IS BUILDING AT THE NSWWTP

Project Video



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WHY WE'RE BUILDING A NEW TREATMENT PLANT

From primary treatment to tertiary filtration



Lions Gate WWTP



Rendering of operations and maintenance building

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SECONDARY TREATMENT WITH TERTIARY FILTRATION

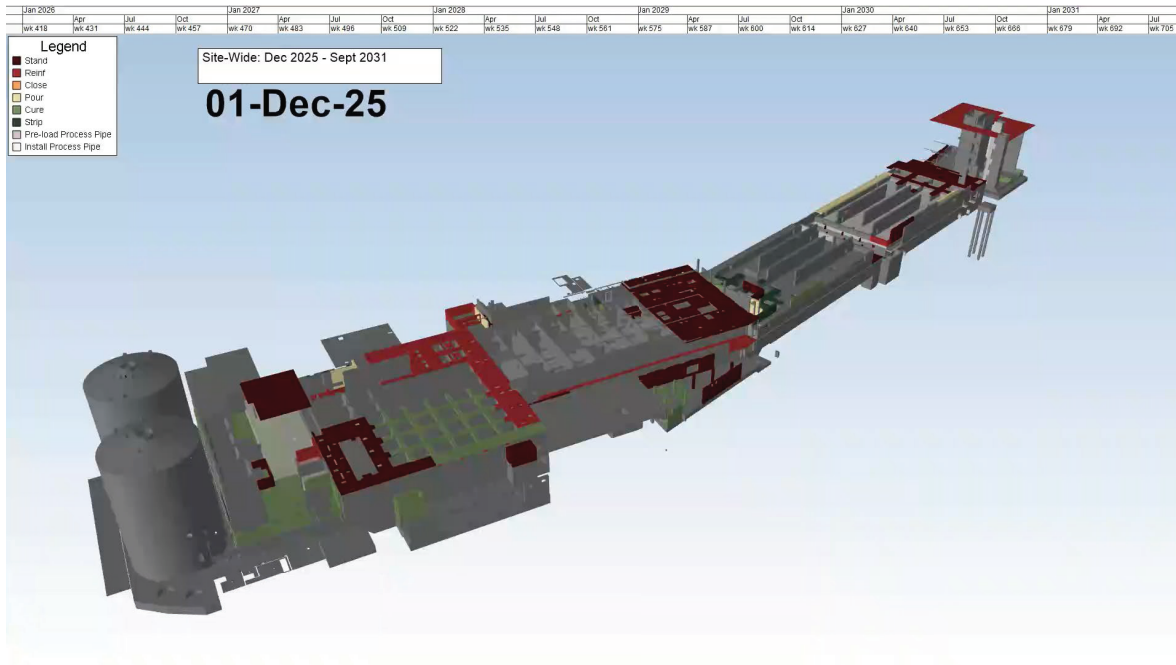
How much is removed by treatment?

Benefits of Secondary Wastewater Treatment with Tertiary Filtration at the North Shore Wastewater Treatment Plant

<p>1</p> <p>Protects human health</p> <p>Cleaner effluent further reduces human health risks, making recreational activities safer</p>	<p>2</p> <p>Removes 99% of organic matter</p> <p>Organic matter uses up oxygen needed by fish</p>	<p>3</p> <p>Removes more contaminants and suspended solids</p> <p>Suspended solids block light needed for aquatic life growth</p>	<p>4</p> <p>Protects ecosystems</p> <p>The Salish Sea and the Burrard Inlet are ecologically significant for their diverse marine environment, including endangered orca and salmon</p>
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TECHNICAL COMPLEXITY



TECHNICAL COMPLEXITY

Building complex structures



Operations and maintenance building

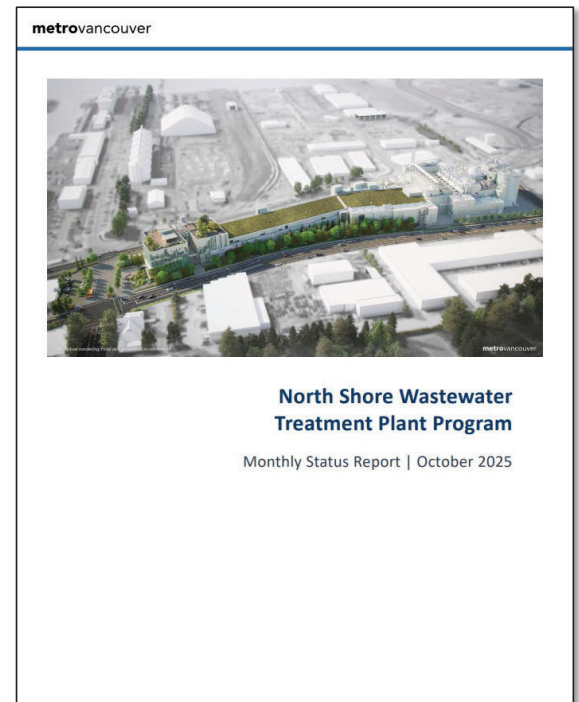


Rendering of operations and maintenance building

OVERALL PERFORMANCE

Schedule and budget

- Spend to date (as of end of November 2025): \$976 million
- On track to be delivered within Board-approved program budget
- On track to be delivered within approved program schedule
- Rigorous forecasting and schedule review and proactive resolution ongoing
- Managing remaining construction deficiencies from previous contractor, integration of complex design, delivery of equipment, and commissioning will remain challenging for program duration



OVERALL PERFORMANCE

Progress in 2025

- 55,000 m³/of concrete poured
- Structural steel delivered for 5 of 12 buildings; 3 buildings fully erected
- 450 tradespeople on site
- 3 major subcontractors engaged
- 45 of 70 major equipment contracts executed – 64% of all contracts for major equipment held by Acciona
- 1 million lost time injury free hours



Heat pump lifted into site

PROGRAM STATUS UPDATES

Monthly public dashboard reporting

- On track – managing day-to-day operations
- Action required in near term to monitor, manage issue, and/or negotiate resolution
- Immediate action required to manage issue and/or negotiate resolution



	Key Objectives	Status
Scope	Project delivered the approved scope	●
Schedule	Project delivered within approved schedule	●
Budget	Project delivered within approved budget	●
Safety	Project work is performed safely and in compliance with applicable regulations, rules and policies	●

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PROGRAM STATUS UPDATES

Monthly public dashboard reporting

- On track – managing day-to-day operations
- Action required in near term to monitor, manage issue, and/or negotiate resolution
- Immediate action required to manage issue and/or negotiate resolution



	Key Objectives	Status
Quality	Quality is actively managed per best practices and Metro Vancouver’s quality standards	●
Environment	Project work is performed responsibly and in compliance with applicable regulations, rules and policies	●
Design	Provide design and technical oversight, coordinate and conduct compliance reviews	●
Equipment Procurement	Manage the procurement of Metro Vancouver-supplied equipment in alignment with program scope, schedule and budget objectives	●

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PROGRAM STATUS UPDATES

Monthly public dashboard reporting

- On track – managing day-to-day operations
- Action required in near term to monitor, manage issue, and/or negotiate resolution
- Immediate action required to manage issue and/or negotiate resolution



	Key Objectives	Status
Construction	Provide oversight, coordinate, and manage activities on site and conduct compliance reviews	●
Third Parties	Continue to build and maintain positive relationships. Secure agreements with Project partners and other third parties	●
First Nations	Continue to build and maintain positive relationships with First Nations	●
Public and Stakeholder Engagement	Continue to build and maintain positive relationships with the community and project stakeholders	●

2026 CONSTRUCTION ACTIVITIES FORECAST

- Overall 2026 budget: \$543 million
- Concrete poured: 14,500 m³
- Structural and support steel installed: 665 tonnes
- Piping installed: 6,750 m
- Electrical cable installed: 3,334 m
- Major electrical equipment placed: 15 pieces
- Procurement: 515 craft workers at peak

OTHER AREAS OF FOCUS

Relationships and community engagement

Public

- Timely, transparent project information and updates
- Responses to questions and concerns
- Construction impact mitigation, e.g., noise

First Nations

- Labour opportunities for local First Nations
- Regular meetings and updates with Sḵw̱wú7mesh Úxwumixw (Squamish Nation) and səlilwətał (Tseil-Waututh Nation)

Third parties

- Coordination with District of North Vancouver for space on West First St
- Ongoing coordination with BC Hydro

DUE DILIGENCE COMMITTEE

Members bring decades of experience with major construction projects

Oversight group established to conduct due diligence reviews and provide advice to the Executive Committee

Monthly reviews with project team, biannual written reports

Members

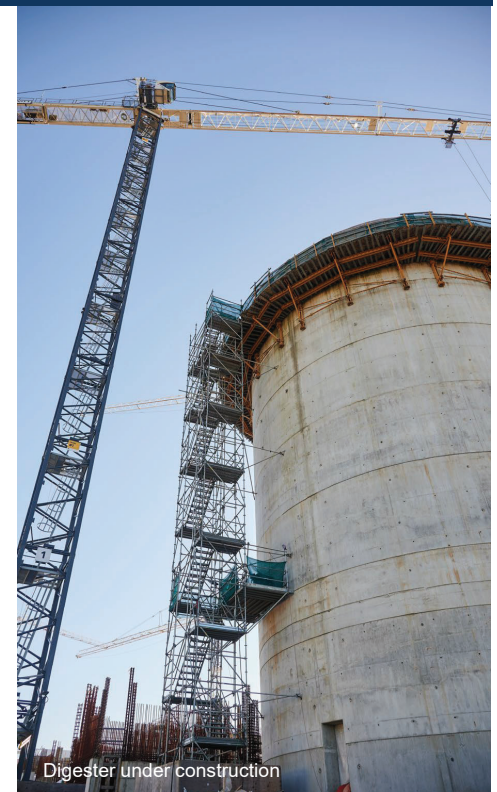
- **Tim Stanley, P.Eng.** – Former Executive VP, MMM Group
- **Frank Margitan, B.A.Sc.** – Former VP, Kiewit Canada
- **Barry Nazar, P.Eng.** – Construction manager advisor

Over 100 years combined experience

DUE DILIGENCE COMMITTEE

Report findings as of October 2025

- Readiness Review tasks completed, key project team positions filled
- PCL team is diverse with appropriate experience
- New work appears to be of good quality and built in a safe manner
- Some construction deficiencies from previous contractor are still being discovered and impacting progress
- To date, productivities for both concrete and structural steel activities are achieving targets
- Key issues being managed: addressing remaining construction deficiencies from previous contractor, transfer of major equipment contracts, interest and availability of subcontractors, impact of taxes/duties/tariffs



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NSWWTP Architectural Rendering

Thank you

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North Shore Wastewater Treatment Plant Project

Communications and Engagement Summary 2025

December 2025

Overview

Engagement activities on the North Shore Wastewater Treatment Plant Project have been underway since 2012. A key engagement and communications goal of the project is to communicate and work closely with government funding partners, member jurisdictions, First Nations, residents, businesses, and other interested parties to build a facility that meets regulatory requirements and the growing needs of the local North Shore community and broader region.

Metro Vancouver is working to ensure that commitments made to the community during project planning are maintained and impacts of construction on local businesses, residents, and traffic are minimized. Maintaining transparency and public access to program information and documentation is an overarching goal for the program.

Engagement Phases

2012 to 2014	Project Definition Phase
2014 to 2017	Indicative Design Phase
2017 to 2022	Construction and Detailed Design and Transition
2022 to 2030	Construction Completion – Current Phase
2030 Onwards	Operations and Lions Gate WWTP Decommissioning

Who We Engaged in 2025

- Provincial and federal levels of government
- GVS&DD Board and Metro Vancouver Committees
- Member jurisdictions – City of North Vancouver, District of North Vancouver, District of West Vancouver, City of Langley, Corporation of Delta
- Sk̓wx̓wú7mesh Úxwumixw (Squamish Nation) and sə̓lilwətał (Tseil-Waututh Nation)
- Residents of the North Shore, and in particular, Norgate community members
- Local businesses and businesses interested in contracting
- Concerned members of the public
- Media

Engagement Activities

This year, our engagement efforts were focused on the following priorities:

- Taking a forward-looking view and showcasing progress and activity ahead
- Highlighting project milestones and achievements
- Promoting project team trust and collaboration
- Maintaining transparency and access to program information
- Clarifying information about the program in the media
- Communicating construction activities to the public

Annual statistics at a glance:

- 18 meetings with Skwxwú7mesh Úxwumixw
- 2 meetings with səliiwətał
- 7 site tours for elected officials, directors, media, and other interested parties
- 11 community newsletters
- 204 public enquiry responses
- 24 construction notifications
- 7,858 webpage visits (sessions)

Key Engagement Activities

This list is meant to give an overview of key engagement activities over the past year, and it is not inclusive of all communications and engagement activities, including regular meetings project staff hold with First Nations, member jurisdictions, or other interested parties.

Engagement type	Interested party	Date (YYYY-MM-DD)
Site Tour	Metro Vancouver Liquid Waste Committee	2025-01-27
Site Tour	Media	2025-01-29
Presentation	Infrastructure Canada - Oversight Committee	2025-02-12
Presentation	City of Langley	2025-02-24
Presentation	District of West Vancouver	2025-04-10
Presentation	səliiwətał	2025-04-29
Site Tour	Skwxwú7mesh Úxwumixw	2025-05-21
Presentation	North Shore / Metro Vancouver Member Consultation Meeting	2025-06-23
Fact Sheet	Norgate community members	2025-06-24
Presentation	Infrastructure Canada - Oversight Committee	2025-09-04
Presentation	District of West Vancouver	2025-12-01

Key Feedback Highlights: What We Learned

In 2025, our engaged audiences were generally interested in the following themes:

1. Their utility bills

2. Project’s current status and timeline to completion
3. Circumstances and decision-making that informed the \$3.86-billion budget
4. Near- and long-term regional cost allocation implications
5. Governance and accountability at Metro Vancouver on behalf of the project
6. Independent review of the project
7. Technical details of the project
8. Resolutions to construction noise and worker parking issues around the construction site
9. Opportunities for employment on the project
10. Opportunities for contracting or procurement opportunities on the project

Status of Engagement Commitments

The following table summarizes Metro Vancouver’s commitments that have resulted from feedback received through engagement in 2025; the table includes actions taken and current status.

Phase	Commitment	Actions	Status
Construction	Provide in-person engagement opportunities for the public	Metro Vancouver to identify opportunities for hosting and attending community events	Ongoing
	Post and promote project information to the program website: status reports, newsletters, media releases, Board agendas and minutes, historical reports and presentations, etc.	Metro Vancouver to continue to make program information available on the program website	Ongoing
	Provide regular project updates to səlilwətał	Metro Vancouver to send monthly newsletters in addition to any project updates requiring formal correspondence	Ongoing
	Develop a project communications plan with Sḵw̱xwú7mesh Úxwumixw	Metro Vancouver to follow up with Sḵw̱xwú7mesh Úxwumixw re: the latest draft of the communications plan	Ongoing
	Safeguard public parking near local businesses for employees and customers	Report any suspected worker parking infractions to PCL for disciplinary action	Ongoing
	Monitor and abate construction noise levels as much as possible	Metro Vancouver to share any noise concerns received with PCL and to explore opportunities to abate noise or reschedule work	Ongoing

Phase	Commitment	Actions	Status
	Review and agree to a mutually acceptable design of Pemberton Plaza with property owners at 116-120 Pemberton Avenue	Metro Vancouver to share latest design with District of North Vancouver and receive approval Metro Vancouver to obtain an official approval from property owners	Ongoing
	Proactively communicate project updates to staff at member jurisdictions	Metro Vancouver to provide project updates on a regular cadence to municipal staff	Ongoing

Webpages

The program webpages have served as up-to-date sources of information, covering items such as key project updates; answers to commonly asked questions; a timeline of key events and decisions with corresponding minutes, reports, presentations and media releases; and a comprehensive library of documents and resources.

Program webpage: [North Shore Wastewater Treatment Plant Program | Metro Vancouver](#)

Program timeline: [North Shore Wastewater Treatment Plant Program Timeline | Metro Vancouver](#)

Media Releases

- [North Shore Wastewater Treatment Plant Project Construction Ramping Up | Metro Vancouver](#)
- [MWGK Independent Review Team, led by Peter Milburn, to Undertake Independent Audit of North Shore Wastewater Treatment Plant Program | Metro Vancouver](#)
- [North Shore Wastewater Treatment Plant Program Independent Review on Hold | Metro Vancouver](#)
- [Opinion Editorial: Metro Vancouver has Remained Transparent About the North Shore Wastewater Treatment Plant](#)

Social Media

Social media posts were shared to various platforms, including LinkedIn, Instagram, Facebook, X, Bluesky, and Threads. Posts were shared primarily to Instagram, with other platforms included as needed. The 2025 social media posts are listed below:

- Metro Vancouver [@metrovancoverbc]. (2025, January 29). *Big news for the North Shore Wastewater Treatment Plant* [Photo]. Instagram.
https://www.instagram.com/p/DFbVTenPITk/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, March 3). *The MWGK Independent Review Team has been selected to conduct the independent audit* [Photo]. Instagram.
https://www.instagram.com/p/DGwXTywTvlC/?utm_source=ig_web_copy_link
- *Metro Vancouver [@metrovancoverbc]. (2025, March 20). *You can stay up to date on the reviews Metro Vancouver has underway* [Photo]. Instagram.
https://www.instagram.com/p/DHbccBBTImX/?utm_source=ig_web_copy_link

- Metro Vancouver [@metrovancoverbc]. (2025, May 5). *Construction activity is buzzing at the North Shore Wastewater Treatment Plant* [Photo]. Instagram. https://www.instagram.com/p/DJSNdBxOCBF/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, June 13). *Wildlife can often be attracted to the sights and sounds of construction sites* [Photo]. Instagram. https://www.instagram.com/p/DK2aw_7ujPn/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, July 25). *Board of Directors determined that a review of the North Shore Wastewater Treatment Plant Program is not in the public interest* [Photo]. Instagram. https://www.instagram.com/p/DMjDt64zsOX/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, August 1). *Metro Vancouver has maintained a clear and consistent record of public disclosure* [Photo]. Instagram. https://www.instagram.com/p/DM0RGf8uWYe/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, September 23). *What goes into a wastewater treatment plant* [Photo]. Instagram. https://www.instagram.com/p/DO82Ex4jirR/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, November 26). *Keep up to date by visiting the program webpage* [Photo]. Instagram. https://www.instagram.com/p/DRh2sT4E6Jt/?utm_source=ig_web_copy_link
- Metro Vancouver [@metrovancoverbc]. (2025, December 12). *Momentum is building at the North Shore Wastewater Treatment Plant* [Video]. Instagram. <https://www.instagram.com/metrovancoverbc/reel/DSK796rDs-G/>

Newsletters

- [NSWWTP Monthly Newsletter - January 2025](#)
- [NSWWTP Monthly Newsletter - February 2025](#)
- [NSWWTP Monthly Newsletter - March 2025](#)
- [NSWWTP Monthly Newsletter - April 2025](#)
- [NSWWTP Monthly Newsletter - May 2025](#)
- [NSWWTP Monthly Newsletter - June 2025](#)
- [NSWWTP Monthly Newsletter - July 2025](#)
- [NSWWTP Monthly Newsletter - August 2025](#)
- [NSWWTP Monthly Newsletter - September 2025](#)
- [NSWWTP Monthly Newsletter - October 2025](#)
- [NSWWTP Monthly Newsletter - November 2025](#)

Monthly Reports

- [NSWWTP Monthly Status Report - January 2025](#)
- [NSWWTP Monthly Status Report - February 2025](#)
- [NSWWTP Monthly Status Report - March 2025](#)
- [NSWWTP Monthly Status Report - April 2025](#)
- [NSWWTP Monthly Status Report - May 2025](#)
- [NSWWTP Monthly Status Report - June 2025](#)
- [NSWWTP Monthly Status Report - July 2025](#)

Monthly reports cont.

- [NSWWTP Monthly Status Report - August 2025](#)
- [NSWWTP Monthly Status Report - September 2025](#)
- [NSWWTP Monthly Status Report - October 2025](#)

Multimedia

Momentum builds at the North Shore Wastewater Treatment Plant	https://www.youtube.com/watch?v=6g2OFwQctPY&t=1s
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To: Liquid Waste Committee

From: Colin Meldrum, Director, Engineering, Design, and Construction, Liquid Waste Services
Jennifer Crosby, Director, Project Delivery

Date: February 4, 2026 Meeting Date: February 11, 2026

Subject: **2026 Liquid Waste Services Capital Program Update No. 1**

RECOMMENDATION

THAT the GVS&DD Board receive for information the report dated February 4, 2026 titled “2026 Liquid Waste Services Capital Program Update No. 1”.

EXECUTIVE SUMMARY

This report provides a status update of the GVS&DD Capital Program with summaries for larger projects (i.e. cost of >\$100M), highlighting progress, schedule, budget, and upcoming milestones, and an overall summary of remaining projects. As part of the GVS&DD capital planning process, the timing of each project is reviewed and updated annually based on available resources, strategic prioritization, risk to system operations and financial sustainability. These updates are provided three times a year for the Liquid Waste Committee and GVS&DD Board in February, July, and November to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and Five-Year Financial Plan for October, and an end of year update. Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.

PURPOSE

This report provides the Liquid Waste Committee and GVS&DD Board with the first of three annual updates on the Liquid Waste Services’ Capital Program.

BACKGROUND

Each year, the GVS&DD Board adopts a budget for the upcoming year and endorses a five-year financial plan. Regular updates on the Capital Program provide the Committee and Board with information to support good governance of the organization, decision making, project management, and financial oversight. This report provides the first of three Capital Program updates to the Committee and Board. Two additional Major Project updates are provided to the Committee throughout the year, and three Financial Performance Updates are also provided to the Board through the Performance and Audit Committee.

Table 1: Capital Program Reporting

	J	F	M	A	M	J	J	A	S	O	N	D
Capital Program Update		☑					☑				☑	
Additional Major Utility Project Updates					☑				☑			
Financial Performance Report				☑			☑				☑	




MAJOR PROJECTS STATUS UPDATE

Updates on the Liquid Waste Services Capital Program as of January 20, 2026. Progress, schedule, and budget status for the active phase of the project are shown using a consistent scale. Updates are provided for projects over \$100M. A summary of all other capital projects is also provided, and a financial update on all the projects in the capital program is included (**Attachment 1**).

104th Avenue Pump Station and Forcemain for Redirection to Northwest Langley Wastewater Treatment Plant

As part of the Northwest Langley Wastewater Treatment Plant (NLWWTP) Program strategy, a portion of flows from North Surrey will be redirected from Annacis Island Wastewater Treatment Plant (AIWWTP) to the new NLWWTP. The option analysis concluded a flow diversion option via a new pump station and a 6 kilometre twin forcemain from the Fraser Heights area of Surrey to the treatment plant.

The project is currently on hold pending resourcing, and further advancement of the NLWWTP and North Surrey Interceptor (NSI) Projects. The project has significant unknowns to address before a detailed schedule and budget can be confirmed, including the location of the pump station, the capacity requirements, and the exact forcemain alignment.

104th Avenue Pump Station and Forcemain for Redirection to NLWWTP		Status
Progress	Project Definition (1% complete)	
Schedule	On hold – pending advancement of NLWWTP and NSI Projects	
Budget	On budget – an indicative estimate has been identified, and will be revised as work progresses	
Next Milestone	Prepare project charter and identify preferred location and alignment	

Annacis Island Wastewater Treatment Plant Ammonia Removal – Side Stream

Ammonia is present in wastewater, and in higher concentrations can be deleterious to aquatic life. It is projected to be an issue at AIWWTP. The proposed approach to addressing the ammonia issue is to use focused (or side stream) treatment for the high strength centrate, which is the liquid generated from the sludge centrifuges. There is an opportunity to recover the ammonia and convert it into hydrogen fuel — which could either be used on site as a fuel source or sold commercially. This approach is projected to be the lowest cost option for addressing the ammonia issue, although it has not been done beyond bench scale testing. The project is currently in the definition phase, which will involve piloting the proposed technology. Upon completion of the piloting activities, a decision will be made as to whether the resource recovery approach will be taken or if a traditional ammonia treatment system will be implemented. As this is the first application of its kind, the level of accuracy in the estimates is not known. They will be refined as the work progresses. The tentative timeline for construction is 2033 to 2038.

AIWWTP Ammonia Removal – Side Stream		Status
Progress	Project Definition (5% complete)	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Award engineering services for pilot scale preliminary design Determine commercial viability of technology	




Annacis Island Wastewater Treatment Plant Expansion Program (Stage 5, Digester, Outfall, Biosolids Dryer) – Project Delivery

The AIWWTP Expansion Program is being built to accommodate projected population growth in the region, reduce nuisance odours, and improve seismic and climate change related resiliency. A number of key wastewater treatment plant process buildings have been completed and commissioned under the Stage 5 Expansion Program. This has resulted in operational benefits to the plant. Preliminary and detailed design are advancing for the remaining program components. Stage gate approvals for the remaining components are scheduled for 2027 through to 2030 to allow the design and construction phases to proceed. Ground improvement construction is estimated to commence in late 2026, and all of the program components are anticipated to be completed by 2035. The outfall is now in service; however, some remaining on-land civil works will be completed in fall 2026. Additional information and project updates are available on the project webpage (Reference 1).

AIWWTP Program (Stage 5, Digester, Outfall, Dryer)		Status
Progress	Preliminary Design (Digester, Biosolids Dryer, 1%) and Detailed Design (Stage 5 Expansion Remaining Works, 60%)	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Stage Gate 1 – Approval to proceed with Design Phase (Biosolids Dryer) Stage Gate 3 – Approval to proceed with Construction Phase (Stage 5 Expansion Remaining Works)	




Annacis Island Wastewater Treatment Plant Influent System Remediation

The AIWWTP Influent Conduit is experiencing degradation due to hydrogen sulfide induced corrosion. This project is intended to remediate the conduit, the influent junction chamber and the emergency overflow chamber. The work is in the early stages of preliminary engineering. The work will likely require a full pumped bypass of the flow into the AIWWTP. Key issues to address in preliminary design include how to integrate the influent conduit with both the new and the old outfalls for emergency bypass purposes, the method of rehabilitation to be performed, and whether a new conduit should be built beside the existing conduit to provide additional future capacity and make the proposed rehabilitation easier. These issues form the key risks with this project. The tentative timeline is for construction to occur in distinct phases from 2028 to 2038.

AIWWTP Influent System Remediation		Status
Progress	Preliminary Design (5% complete)	
Schedule	On schedule	
Budget	On budget	
Next Milestone	Complete preliminary design	

Burnaby Lake North Interceptor Winston Section (Winston Street Sewer Project)




The Winston Street Sewer is a 2.9 km long sewer in Burnaby built using tunnelling methods. The main construction contract is substantially complete. Remaining work includes redirection of the Sperling Forcemain to the new sewer (currently under design), which will be tendered once design is complete and various permits are in place. Key risks include costs for the Sperling connection including works under the railway line and contractor claims. Additional information and project updates are available on the project webpage (Reference 2).

Burnaby Lake North Interceptor Winston Section		Status
Progress	Construction (95% complete)	
Schedule	Main contract was delayed, but is now complete; schedule managed	
Budget	On budget – subject to resolution of contractor claims	
Next Milestone	Complete detailed design and obtain permits for the Sperling Forcemain work	

Gilbert / Brighthouse Trunk Sewer (Gilbert Road Sewer Project)

The existing Gilbert and Brighthouse Trunk Sewers in Richmond have had ongoing maintenance issues. This project involves building a parallel sewer to enable rehabilitation of the existing line and provide capacity for growth.




To date, seven construction contracts have been completed involving the construction of 10 kilometres of new sewer. Remaining work includes two odour control facilities, connections at Blundell Road, restoration of a portion of the alignment, and rehabilitation of the existing line. The scope of rehabilitation has not yet been determined. Key risks include potential litigation, public impacts, condition of the existing line, and cost uncertainty on the remaining work associated with the Blundell connections. Additional information and project updates are available on the project webpage (Reference 3).

Gilbert / Brighthouse Trunk Sewer		Status
Progress	Construction (98% complete)	
Schedule	Portions of the current contract are being de-scoped and will be retendered; monitoring impact	
Budget	Rehabilitation of the existing trunk sewer was unexpected and will be incorporated into future budgets and planning	
Next Milestone	Tender and award the contract for the Blundell connections	

Glenbrook Combined Trunk Sewer Separation

The Glenbrook Combined Trunk Sewer services Burnaby and New Westminster, and it is the only combined sewer system in the Fraser Sewerage Area. The project will construct a new sanitary sewer from near Kingsway and 10th Avenue to near McBride and Columbia Street. Preliminary sizing indicates a 900 mm diameter sewer will be required, and this will be confirmed during preliminary design. Three additional branches extending into Burnaby east of Kingsway will also be required and will be implemented to suit the schedules of sewer separation in these municipalities.

Preliminary alignment work has been completed, and the project is moving into preliminary design. Most work will be open cut along local streets, with a tunnel required south of 6th Street parallel and west of McBride boulevard. Construction is anticipated to start in 2031. Key risks include geotechnical (as the existing alignment generally follows the alignment of the historic Glenbrook), utility conflicts, public impacts, and maintaining direct household connections to the existing combined trunk.

Glenbrook Combined Trunk Sewer Separation		Status
Progress	Preliminary Design (5% complete)	
Schedule	On schedule	
Budget	On budget	
Next Milestone	Award the consulting services for preliminary design	

Iona Island Wastewater Treatment Plant Outfall Rehabilitation

The Iona Island Wastewater Treatment Plant (IIWWTP) discharges effluent to the receiving environment by way of the IIWWTP Outfall. This outfall needs to be rehabilitated to keep the asset in good operating condition and extend its service life. Design and analysis are underway to understand the best solution to maintain and extend this asset.

IIWWTP Outfall Rehabilitation		Status
Progress	Definition	●
Schedule	Construction schedule to be determined following design solution	●
Budget	On budget	●
Next Milestone	Stage Gate 1 – Approval to proceed with preliminary design	

Iona Island Wastewater Treatment Plant Projects – Project Delivery

The IIWWTP Projects are being delivered to provide a higher level of treatment to comply with mandatory federal regulations. At the October 3, 2025 GVS&DD Board meeting, the Board approved an alternative approach to prioritize the delivery of secondary treatment in an incremental way to meet regulatory requirements. All components not required for secondary treatment are to be deferred into the future. As a result, an updated project cost estimate of \$6B was integrated into the 2026 Budget and 2026–2030 Five-Year Financial Plan.




The project is continuing to deliver on the Phase 1 early and enabling works with one-third funding from the Province of BC and one third from the federal government. Staff are currently engaging with the Province on aligning federal and provincial wastewater effluent regulations and completing preliminary design for the treatment plant. Additional information and project updates are available on the project webpage (Reference 4).

Iona Island Wastewater Treatment Plant Projects		Status
Progress	Preliminary Design (including early works) 10% complete	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Stage Gate 2- Approval to proceed with detailed design	

Northwest Langley Wastewater Treatment Plant Expansion Program – Project Delivery

The NLWWTP Expansion Program is being built to accommodate projected population growth in the region, reduce nuisance odours, and improve seismic and climate change related resiliency. The Program includes four components: the Golden Ears Pump Station and Storage Tank, completed in 2024; the Fraser River Crossing, completed in 2025; the WWTP Expansion that is nearing end of detailed design; and a replacement outfall that is going through an Environmental Impact Study. The Program schedule was negatively impacted by archaeological permitting challenges identified in 2023 that resulted in a three-year delay to the pre-construction ground improvements works completion. That issue has been since resolved and pre-construction is expected to recommence later in 2026 to prepare the site for the construction of the WWTP Expansion. Metro Vancouver is monitoring the schedule delay incurred which may impact the budget, for which the Board will receive an update at the next stage gate, including a review of a phased strategy given market sounding feedback.

The Program is scheduled to move through Stage Gate 3 in 2027 to seek approval to proceed to construction. Currently, construction is estimated to commence in 2028 with a 2035 completion date. Additional information and project updates are available on the project webpage (Reference 5).




Northwest Langley Wastewater Treatment Plant Expansion Program		Status
Progress	Detailed Design approximately 90% complete	
Schedule	Schedule impacted by archaeological permitting challenges that have been since resolved	
Budget	On budget (endorsed at Stage Gate 2) - reviewing impact due to schedule delay and market feedback	
Next Milestone	Stage Gate 3 – Approval to proceed with construction	

North Shore Wastewater Treatment Plant Program – Project Delivery

The North Shore Wastewater Treatment Plant is being built to meet federal regulatory requirements. It will replace the current primary treatment Lions Gate Wastewater Treatment Plant. It will serve over 300,000 residents and businesses on the North Shore and provide treatment to the tertiary filtration level to better protect the environment. Also included in the Program are:




- The pump station and sewer pipes to serve the new plant (the Conveyance Project). Construction of these works is largely complete, other than final works to be completed following completion of the treatment plant.
- The preliminary design for decommissioning the existing Lions Gate Wastewater Treatment Plant. This work will occur in the coming years.
- Correction of design and construction deficiencies by previous contractor.

The GVS&DD Board reset the budget in 2024 with an updated project cost estimate of \$3.86B and awarded a contract to complete the plant by a new contractor. Following these Board decisions, the Program is progressing through construction and is currently on track to be delivered within the approved budget and schedule. Monthly updates are available on the project webpage (Reference 6).

North Shore Wastewater Treatment Plant Program		Status
Progress	Construction. The overall program is approximately 25% complete	
Schedule	On schedule	
Budget	On budget	
Next Milestone	Stage Gate 4 – Close out	




North Surrey Interceptor Improvements and Twinning

The existing NSI is in poor condition, nearing end of life, and lacks capacity for projected growth. The program has multiple projects and aims to rehabilitate 9 kilometres of the NSI and increase system capacity by twinning portions of it. The work is advancing in phases to address critical needs first. The first construction contract, installing a new 800-metre-long sewer by tunnelling along River Road in Surrey (Manson Road Section 1), is scheduled for tender later this year. The entire program is expected to be complete by 2040. Early engagement with City of Surrey staff has occurred. A comprehensive engagement process with First Nations, residents, and other affected parties is being implemented. Key risks include geotechnical, environmental, traffic, property, and archaeological permitting challenges.

North Surrey Interceptor Improvements and Twinning		Status
Progress	Manson Road Section 1 – Detailed Design (92% complete) Balance of NSI Program – Definition (20% complete)	
Schedule	On schedule – monitoring property and permitting risks	
Budget	On budget – monitoring property and technical risks	
Next Milestone	Tender the construction services for Manson Road Section 1	

North Surrey Interceptor Sanitary Sewage Overflow Storage

The North Surrey Interceptor (NSI) Sanitary Sewage Overflow (SSO) Storage Tank is a planned 35,000 m³ tank near 135th Street and South Fraser Perimeter Road. It will help alleviate sanitary sewer overflows into the Fraser River and will operate in conjunction with the recently completed Golden Ears SSO Storage Tank. The project involves realigning a section of the existing sewer prior to constructing the tank facility. The work is in the design phase and is being advanced using a Construction Manager at Risk (CMAR) delivery model. The Request for Proposals for the contractor has been issued. Advanced works for site preparation activities are underway, and relocation of the existing NSI by a third contractor is planned to start later this year. Key risks include reaching a fixed price with the CMAR proponent and integration of the control systems to operate the two tanks in a coordinated fashion. Additional information and project updates are available on the project webpage (Reference 7).

North Surrey Interceptor Sanitary Sewage Overflow Storage		Status
Progress	NSI Realignment – Detailed Design (98% complete) NSI SSO Tank – Detailed Design (5% complete)	
Schedule	On schedule – the NSI relocation work has been delayed, but it is not on the critical path	
Budget	On budget	
Next Milestone	Tender the construction contract for NSI realignment work Award the CMAR Pre-construction Services contract	

Port Coquitlam Pump Station

The Port Coquitlam Pump Station involves replacement of the existing pump station on the same site to address maintenance issues and allow for future growth. The project is in the design phase and a Value Engineering review to identify opportunities for cost efficiencies was recently completed. Tentative timeline for construction is 2028 – 2030. Key risks include property issues (leased land owned by City of Port Coquitlam), geotechnical concerns (there is an artesian aquifer at depth underlying the site), public impacts, and maintenance of operations during construction.

Port Coquitlam Pump Station		Status
Progress	Detailed Design (5% complete)	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Secure municipal approvals (zoning, preliminary plan approval, building permit)	

South Surrey Interceptor and North Surrey Interceptor - Fraser River Crossing

The North Surrey Interceptor and South Surrey Interceptor (SSI) and NSI transport the majority of the flow to the AIWWTP and are expected to have capacity constraints in the near future. This project aims to increase the collections system capacity to Annacis Island and is currently in the definition stage.

Key decisions to be made include:

- Whether to build one combined crossing with a connecting sewer on the south shore of the Fraser River or two separate stand-alone crossings
- Crossing size and capacity
- Construction methodology (dredging, deep tunnel or directional drill) and approach to seismic resilience

These unknowns represent risks to both budget and schedule, along with geotechnical, environmental, archaeological, and property risks. Technical risks are partly mitigated by recent tunnelling experience in the area, including the AIWWTP Outfall and the Annacis Water Main River Crossing projects. Lessons learned from those projects have informed planning and will continue to guide risk monitoring. Tentative timeline for construction is 2031 – 2035.

South Surrey Interceptor and North Surrey Interceptor - Fraser River Crossing		Status
Progress	Project Definition (15% complete)	●
Schedule	On schedule	●
Budget	On budget	●
Next Milestone	Award the conceptual engineering services	

Remaining Projects

The GVS&DD Capital Program includes an additional 151 individual projects or programs of work with estimated costs of \$2.5B. These projects are in various phases from not yet started to in close out. Financial performance indicators of these projects are provided in **Attachment 1**. These projects all proceed through stage gates and formal approvals, and adhere to proper project controls suitable for the size and complexity of the work.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

As part of the GVS&DD capital planning process, the timing of each project is reviewed and updated annually based on available resources, strategic prioritization, risk to system operations and financial sustainability. The Liquid Waste Capital Program as a whole is progressing within plan parameters. Each project is subject to its own cost review on a regular basis, as well as regular stage gate approvals. Project-specific reports will be provided to the Committee and Board as warranted to provide greater detail and address any required changes to project scope, schedule or budget.

CONCLUSION

This report provides a status update of the GVS&DD Capital Program with summaries for larger projects (i.e. cost of >\$100M), highlighting progress, schedule, budget, and upcoming milestones, and an overall summary of remaining projects. These updates are provided three times a year for the Liquid Waste Committee and GVS&DD Board in February, July, and November to provide timely line of sight for the April Board Budget Workshop, input into the annual budget and five-year financial plan for October, and an end-of-year update. Individual project reports will continue to be provided as needed, particularly at key decision-making milestones.

ATTACHMENTS

1. Liquid Waste Services Capital Projects Financial Reporting.
2. Presentation re: 2026 Liquid Waste Services Capital Program Update No. 1.

REFERENCES

1. Metro Vancouver, Annacis Island Wastewater Treatment Plant. metrovancover.org/services/liquid-waste/annacis-island-wastewater-treatment-plant
2. Metro Vancouver, Winston Street Sewer Project. metrovancover.org/services/liquid-waste/winston-street-sewer-project
3. Metro Vancouver, Gilbert Road Sewer. metrovancover.org/services/liquid-waste/gilbert-road-sewer
4. Metro Vancouver, Iona Island Wastewater Treatment Plant Projects. metrovancover.org/services/liquid-waste/iona-island-wastewater-treatment-plant-projects
5. Metro Vancouver, Northwest Langley Wastewater Treatment Plant Expansion Program. metrovancover.org/services/liquid-waste/northwest-langley-wastewater-treatment-projects
6. Metro Vancouver, North Shore Wastewater Treatment Plant Program. metrovancover.org/services/liquid-waste/north-shore-wastewater-treatment-plant-project
7. North Surrey Storage Tank Project. metrovancover.org/services/liquid-waste/north-surrey-storage-tank-project

Capital Expenditures as of December 31, 2025
Liquid Waste Services

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
Iona Island Wastewater Treatment Plant **	Upgrade	Design	2018 - 2040	6,000,000,000	160,333,087	1,063,823,000	85,953,000	147,588,000	48,289,679	46,437,782	96%	(1,851,897)
North Shore WWTP Secondary Upgrade, Conveyance and Decommissioning **	Upgrade	Construction	2014 - 2030	3,854,900,000	1,049,848,893	2,556,131,000	543,005,000	454,825,000	300,349,577	288,160,501	96%	(12,189,076)
Northwest Langley Wastewater Treatment Program **	Growth	Multiple	2018 - 2035	2,280,650,000	462,642,481	867,141,000	43,006,000	55,743,000	54,938,557	50,655,792	92%	(4,282,765)
AIWWTP Stage 5 Expansion **	Growth	Multiple	2011 - 2034	1,340,200,000	570,621,169	322,140,000	30,440,000	64,400,000	19,050,000	20,930,467	110%	1,880,467
Regional Biosolids Dryer – AIWWTP **	Opportunity	Design	2025 - 2035	641,450,000	38,525,265	90,460,000	2,000,000	2,500,000	25,117,744	25,809,929	103%	692,185
South Surrey Interceptor & North Surrey Interceptor - Fraser River Crossing	Growth	Definition	2026 - 2035	632,000,000	141,858	24,300,000	2,000,000	-	-	-	0%	-
AIWWTP Digester No. 5 **	Growth	Design	2025 - 2034	469,700,000	475,817	117,300,000	2,000,000	2,000,000	300,000	357,251	119%	57,251
Annacis Outfall System **	Growth	Construction	2015 - 2027	356,050,000	309,134,359	61,441,000	24,130,000	26,999,000	37,050,000	41,069,224	111%	4,019,224
North Surrey Interceptor Improvements	Maintenance	Multiple	2021 - 2040	317,250,000	12,822,940	112,950,000	4,900,000	3,550,000	2,371,000	2,784,119	117%	413,119
Glenbrook Combined Trunk Sewer Separation	Upgrade	Design	2026 - 2035	250,000,000	365,601	9,000,000	500,000	50,000	50,089	58,267	116%	8,178
North Surrey Interceptor Twinning	Growth	Not Started	2026 - 2040	248,850,000	-	2,500,000	50,000	-	-	-	0%	-
IIWWTP Outfall Refurbishment	Maintenance	Design		235,000,000	1,930,413	188,350,000	3,000,000	2,500,000	3,700,000	29	0%	(3,699,971)
Gilbert/Brighthouse Trunk Pressure Sewer	Maintenance	Multiple	2010 - 2030	207,950,000	170,693,442	22,600,000	12,600,000	34,887,000	15,485,767	18,158,903	117%	2,673,137
NSI SSO Storage	Upgrade	Construction	2019 - 2031	184,700,000	11,997,480	119,400,000	11,850,000	2,500,000	3,860,000	2,954,844	77%	(905,156)
AIWWTP Influent System Remediation	Maintenance	Design	2019 - 2038	129,700,000	24,415,444	57,400,000	1,050,000	1,395,000	390,273	231,874	59%	(158,399)
Port Coquitlam Pump Station Refurbishment	Maintenance	Design	2021 - 2030	129,600,000	5,036,717	70,900,000	6,400,000	1,984,000	3,164,942	2,904,247	92%	(260,695)
AIWWTP Ammonia Removal – Sidestream	Upgrade	Definition	2013 - 2038	126,950,000	1,453,975	11,050,000	950,000	700,000	230,000	152,110	66%	(77,890)
104th Ave PS and FM for Redirection to NLWWTP	Growth	Definition	2026 - 2036	125,000,000	18,696	19,550,000	1,550,000	100,000	5,000	18,696	374%	13,696
Burnaby Lake North Interceptor Winston Section	Growth	Construction	2018 - 2027	111,800,000	101,645,062	3,180,000	580,000	15,966,000	17,000,000	12,349,248	73%	(4,650,752)
Total > \$100M						5,719,616,000	775,964,000	817,687,000	531,352,627	513,033,285	97%	(18,319,343)
South Surrey Interceptor Johnston Section	Growth	Construction	2017 - 2027	98,300,000	72,897,268	15,700,000	15,400,000	14,780,000	6,060,000	5,722,852	94%	(337,148)
Sapperton Pump Station	Growth	Construction	2017 - 2028	96,050,000	91,901,271	5,575,000	1,375,000	500,000	900,000	805,648	90%	(94,352)
AIWWTP Trickling Filter Media & Distributor Arms & Ducting Replacement	Maintenance	Construction	2018 - 2026	90,700,000	75,993,178	800,000	800,000	3,520,000	2,502,000	2,385,644	95%	(116,356)
Cloverdale Pump Station Capacity Upgrade	Growth	Construction	2017 - 2034	88,150,000	1,283,925	37,050,000	2,600,000	1,100,000	505,000	338,585	67%	(166,415)
South Surrey Interceptor Rehabilitation	Maintenance	Multiple	2023 - 2031	87,050,000	776,208	71,550,000	1,700,000	900,000	525,000	374,393	71%	(150,607)
AIWWTP Cogeneration Backup Power	Resilience	Design	2017 - 2026	81,100,000	79,568,605	100,000	100,000	200,000	1,162,512	430,705	37%	(731,807)
LIWWTP New Influent Conduit and Headworks	Resilience	Not Started	2026 - 2032	80,600,000	-	12,235,000	125,000	-	-	-	0%	-
New Westminster Interceptor West Branch and Columbia Extension Rehabilitation	Maintenance	Construction	2022 - 2030	80,400,000	2,105,956	76,050,000	6,100,000	3,000,000	2,050,000	788,837	38%	(1,261,163)
Sewer Heat Projects	Opportunity	Construction	Ongoing - 2031	71,500,000	-	36,125,000	150,000	14,050,000	-	-	0%	-

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
Stoney Creek Sanitary Trunk	Growth	Construction	2022 - 2030	69,750,000	3,714,470	62,850,000	4,000,000	3,650,000	2,600,000	2,323,562	89%	(276,438)
LIWWTP Trickling Filter Refurbishment	Maintenance	Construction	2023 - 2034	68,550,000	1,455,952	43,600,000	13,650,000	716,000	976,420	921,847	94%	(54,573)
IIWWTP Biosolids Dewatering Facility	Upgrade	Construction	2017 - 2027	66,300,000	60,841,150	5,670,000	5,600,000	25,000	514,000	290,526	57%	(223,474)
IIWWTP Solids Handling Refurbishment	Maintenance	Construction	2017 - 2026	63,850,000	58,785,074	50,000	50,000	100,000	265,000	259,057	98%	(5,943)
Production Way Operation Centre	Upgrade	Multiple	2023 - 2029	54,150,000	1,091,163	51,750,000	5,625,000	6,934,000	492,000	453,568	92%	(38,432)
Baynes Road Pump Station Redirection	Maintenance	Not Started	2029 - 2035	50,000,000	-	1,200,000	-	-	-	-	0%	-
Gleneagles Pump Stations Improvements	Maintenance	Construction	2018 - 2032	45,300,000	22,318,402	12,280,000	2,400,000	5,835,000	7,800,000	6,564,777	84%	(1,235,223)
New West Interceptor - Annacis Section 2	Maintenance	Construction	2017 - 2030	45,000,000	9,854,523	28,700,000	3,550,000	5,937,000	2,320,000	1,743,366	75%	(576,634)
AIWWTP Hydrothermal Processing Pilot	Opportunity	Construction	2018 - 2027	44,000,000	18,729,107	15,700,000	11,850,000	14,500,000	4,300,000	3,878,281	90%	(421,719)
Cloverdale Trunk Sewer Capacity Upgrade	Growth	Design	2022 - 2032	39,000,000	377,534	23,000,000	250,000	600,000	50,500	54,918	109%	4,418
New Westminster Interceptor Repair Columbia St. Section	Maintenance	Construction	2017 - 2028	37,100,000	33,621,849	2,650,000	400,000	200,000	200,000	304,781	152%	104,781
LIWWTP SCL Refurbishment	Maintenance	Construction	2024 - 2032	36,800,000	496,184	28,125,000	1,125,000	500,000	400,000	381,931	95%	(18,069)
AIWWTP Secondary Clarifier Corrosion Repair	Maintenance	Construction	2017 - 2028	36,300,000	34,470,150	2,000,000	650,000	600,000	1,101,398	1,036,381	94%	(65,017)
Westridge Pump Stations 1 & 2 Refurbishment	Maintenance	Construction	2017 - 2029	34,600,000	3,577,489	26,500,000	7,100,000	5,575,000	1,075,000	1,075,670	100%	670
Marshend Pump Station	Growth	Construction	2017 - 2029	34,450,000	4,076,757	29,700,000	1,600,000	1,350,000	1,655,000	1,364,826	82%	(290,174)
Crescent Beach FM - Replacement	Maintenance	Construction	2017 - 2026	34,350,000	33,680,218	50,000	50,000	100,000	500,000	440,851	88%	(59,149)
Hollyburn Interceptor - Kew Road Section	Maintenance	Not Started	2027 - 2033	31,000,000	-	4,050,000	-	-	-	-	0%	-
Port Moody Forcemain Replacement	Maintenance	Not Started	2026 - 2031	30,500,000	-	30,300,000	1,000,000	-	-	-	0%	-
LIWWTP Gravity Thickener Redundancy	Maintenance	Design	2023 - 2032	30,500,000	767,805	29,725,000	1,600,000	150,000	512,000	599,878	117%	87,878
North Surrey Interceptor - Port Mann Section - Odour Control	Upgrade	Construction	2017 - 2029	29,600,000	715,747	28,835,000	935,000	1,000,000	276,500	236,326	85%	(40,174)
VSA Emergency Backup Power	Resilience	Construction	2017 - 2027	29,300,000	19,384,496	2,750,000	2,500,000	2,750,000	3,100,000	2,974,195	96%	(125,805)
FSA Statutory Right of Way Acquisitions Phase 1	Maintenance	Design	2022 - 2026	25,450,000	17,816,357	6,200,000	6,200,000	3,500,000	2,084,493	2,103,907	101%	19,414
VSA Sewer Relocations and Protections	Maintenance	Construction	2019 - 2029	24,050,000	18,021,583	5,730,000	730,000	500,000	489,254	442,878	91%	(46,377)
Gleneagles Forcemain Replacement	Maintenance	Construction	2017 - 2027	23,950,000	6,415,559	12,950,000	7,000,000	5,007,000	6,007,000	2,505,685	42%	(3,501,315)
Port Moody Pump Station Capacity Upgrade	Growth	Design	2017 - 2030	23,700,000	524,258	23,000,000	600,000	700,000	15,000	10,302	69%	(4,698)
North Road Trunk Sewer	Growth	Construction	2017 - 2028	23,650,000	17,519,011	6,015,000	3,015,000	2,500,000	1,800,000	1,065,939	59%	(734,061)
Burnaby South Slope Interceptor	Growth	Definition	2022 - 2034	22,700,000	6,129	1,100,000	-	-	-	-	0%	-
Annacis Influent System Surge Control Refurbishment	Growth	Construction	2017 - 2028	22,000,000	15,704,934	5,500,000	1,000,000	2,200,000	2,200,000	768,002	35%	(1,431,998)
SSI - King George Section - Odor Control Facility (OCF) and Grit Chamber	Growth	-	Complete	17,800,000	17,745,496	-	-	-	-	13,999	0%	13,999
SSI Delta - Air Management Facility Construction	Upgrade	Construction	2017 - 2027	17,450,000	5,541,829	10,000,000	9,000,000	1,000,000	2,005,033	2,187,343	109%	182,310
EMQC-Chemistry Laboratory	Upgrade	Construction	2023 - 2028	17,200,000	787,141	14,450,000	1,250,000	1,000,000	960,000	615,645	64%	(344,355)
Ocean Park Trunk - Crescent Beach PS Section Replacement	Maintenance	Design	2026 - 2030	16,600,000	-	16,550,000	50,000	-	-	-	0%	-
NVI Lynn Branch Siphon – SSO Treatment	Upgrade	Definition	2026 - 2031	15,500,000	-	11,700,000	50,000	750,000	-	-	0%	-
Royal Ave PS Rehabilitation	Maintenance	Construction	2017 - 2026	15,250,000	13,365,168	700,000	700,000	8,800,000	8,070,000	6,905,032	86%	(1,164,968)
White Rock Pump Station Upgrades	Growth	Not Started	2026 - 2033	15,000,000	-	4,500,000	600,000	-	-	-	0%	-
LIWWTP Power Reliability	Resilience	Definition	2017 - 2028	14,900,000	5,189,809	8,060,000	4,230,000	2,017,000	2,400,560	975,165	41%	(1,425,395)
White Rock Forcemain Rehabilitation	Maintenance	Construction	2021 - 2029	14,850,000	1,013,345	13,750,000	5,200,000	50,000	180,089	150,284	83%	(29,805)
AIWWTP ICS Replacement Program	Maintenance	Construction	2022 - 2031	14,350,000	2,168,267	11,000,000	1,000,000	1,500,000	800,000	1,551,703	194%	751,703

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
8th Avenue Interceptor Air Treatment Facilities	Upgrade	Design	2017 - 2033	14,150,000	437,995	6,700,000	50,000	-	-	-	0%	-
AIWWTP Stage 5 Expansion - Optimization Works **	Growth	Construction	2025 - 2028	13,400,000	109,827	13,100,000	2,900,000	2,000,000	100,000	109,827	110%	9,827
Columbia Forcemain (CLT) Rehabilitation	Maintenance	Construction	2025 - 2026	13,000,000	6,003,060	2,000,000	2,000,000	13,000,000	12,000,000	6,003,060	50%	(5,996,940)
LIWWTP Biogas Clean-up Project	Opportunity	-	Complete	12,850,000	12,850,255	-	-	50,000	65,000	67,391	104%	2,391
Westridge FM Replacement	Maintenance	Construction	2017 - 2028	12,250,000	1,881,826	5,550,000	2,550,000	6,250,000	105,612	369,379	350%	263,767
Highbury Interceptor Air Treatment Facilities	Resilience	-	Complete	12,100,000	12,081,201	-	-	-	-	409	0%	409
IIWWTP ICS Migration Program	Maintenance	Design	2025 - 2032	12,000,000	22,745	7,500,000	500,000	500,000	-	22,745	0%	22,745
LIWWTP Effluent Heat Recovery Project	Opportunity	Construction	2023 - 2028	11,650,000	1,368,985	8,800,000	5,600,000	5,000,000	200,000	293,131	147%	93,131
Surrey Corrosion Control Facility Replacement	Maintenance	Construction	2019 - 2028	11,250,000	1,308,047	9,431,000	1,406,000	50,000	50,872	6,816	13%	(44,056)
NSA Scour Protection Upgrades	Maintenance	Construction	2022 - 2027	11,000,000	624,949	10,250,000	10,000,000	50,000	85,000	108,509	128%	23,509
Rosemary Heights Pressure Sewer Capacity Upgrade	Growth	Not Started	2027 - 2032	10,750,000	-	4,050,000	-	-	-	-	0%	-
AIWWTP Outfall Repair	Maintenance	Construction	2025 - 2029	10,700,000	-	10,650,000	500,000	250,000	-	-	0%	-
NSI Port Mann Twinning	Growth	-	Complete	10,100,000	10,059,700	-	-	-	-	2,713	0%	2,713
NLWWTP 25 kV Substation Replacement	Maintenance	-	Complete	9,900,000	9,834,458	-	-	150,000	150,000	149,772	100%	(228)
AIWWTP O&M Building Refurbishment	Maintenance	Construction	2026 - 2030	9,600,000	-	9,200,000	500,000	300,000	-	-	0%	-
New West Interceptor Grit Chamber	Maintenance	Construction	2017 - 2029	9,300,000	223,755	9,000,000	100,000	250,000	1,066	1,066	100%	-
Albert Street Trunk Sewer	Growth	-	Complete	9,250,000	9,151,778	-	-	50,000	-	-	0%	-
Glenbrook Combined Trunk Kingsway Sanitary Section	Growth	Construction	2018 - 2027	8,600,000	6,115,178	2,000,000	50,000	1,000,000	2,811,111	1,177,251	42%	(1,633,861)
Ocean Park Trunk Sewer - Air Management Facility	Upgrade	Design	2022 - 2029	7,750,000	1,764,115	5,660,000	670,000	565,000	250,000	49,722	20%	(200,278)
VSA Statutory Right of Way Acquisitions Phase 1	Maintenance	Construction	2025 - 2026	7,500,000	1,192,663	4,500,000	4,500,000	3,000,000	3,000,000	1,192,663	40%	(1,807,337)
IIWWTP PA Tanks Improvement	Maintenance	Construction	2024 - 2030	7,500,000	136,661	7,250,000	600,000	1,000,000	100,000	115,474	115%	15,474
LIWWTP Power Distribution Center Replacements	Maintenance	Design	2025 - 2032	7,250,000	13,714	5,750,000	350,000	50,000	25,000	13,714	55%	(11,286)
LIWWTP Pilot Digestion Optimization Facility	Opportunity	Construction	2018 - 2028	7,200,000	4,107,586	2,956,000	1,133,000	200,000	175,000	200,937	115%	25,937
WWTPs Electrical System Studies & Upgrades	Resilience	Construction	2021 - 2032	7,150,000	742,628	4,400,000	150,000	150,000	150,000	184,200	123%	34,200
Glenbrook CSO Gate Replacement	Maintenance	Construction	2022 - 2026	7,100,000	5,703,045	470,000	470,000	100,000	1,000,000	164,044	16%	(835,956)
AREC Commodities Line Improvements Project	Maintenance	Design	2025 - 2029	7,000,000	-	7,000,000	1,100,000	-	-	-	0%	-
LIWWTP ICS Electrical Distribution System Migration Program	Maintenance	Design	2025 - 2030	7,000,000	-	6,900,000	1,350,000	1,500,000	-	-	0%	-
LIWWTP ICS Replacement Program	Maintenance	Construction	2020 - 2027	6,750,000	4,560,059	2,500,000	1,250,000	2,000,000	725,000	1,063,470	147%	338,470
Harbour PS Air Treatment Facilities	Upgrade	Not Started	2028 - 2034	6,400,000	-	800,000	-	-	-	-	0%	-
Highbury Interceptor Diversion Junction Chamber Wall Rehabilitation	Maintenance	Construction	2023 - 2028	6,000,000	277,899	5,850,000	400,000	250,000	200,000	157,765	79%	(42,235)
Harbour Sewerage Pump Station - Suction Piping Replacement	Maintenance	Construction	2024 - 2029	5,850,000	101,377	5,700,000	200,000	850,000	100,000	98,427	98%	(1,573)
NWLWWTP Options	Growth	-	Complete	5,450,000	5,488,028	-	-	-	-	84,357	0%	84,357
VSA Flow Metering Program	Maintenance	Construction	2018 - 2028	5,450,000	1,627,113	3,200,000	750,000	2,359,000	150,000	230,602	154%	80,602

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
Harbour Pump Station Discharge Header Repair and Valve Replacements	Maintenance	Construction	2022 - 2026	5,350,000	3,529,865	500,000	500,000	259,000	2,000,000	2,449,330	122%	449,330
Harbour Pump Station Power Distribution Equipment Replacement	Maintenance	Construction	2021 - 2027	5,350,000	1,605,413	3,250,000	1,800,000	1,524,000	905,711	675,867	75%	(229,844)
Sapperton Pump Station Emergency Backup Power	Resilience	Construction	2022 - 2028	5,000,000	435,822	3,980,000	2,230,000	1,895,000	700,000	152,087	22%	(547,913)
NSI 104th Ave Extension	Growth	-	Complete	4,950,000	4,938,694	-	-	-	-	-	0%	-
Spanish Banks PS HV Switchgear Replacement	Maintenance	Design	2026 - 2029	4,850,000	-	4,825,000	475,000	-	-	-	0%	-
LIWWTP PA Tank Odour Control System	Upgrade	Design	2025 - 2029	4,700,000	-	4,625,000	175,000	75,000	60,000	-	0%	(60,000)
NWP Dip Investigation and Repair	Maintenance	Construction	2025 - 2026	4,500,000	165,830	1,500,000	1,500,000	1,500,000	100,000	165,830	166%	65,830
IIWWTP - Biogas Lines Relocation	Resilience	-	Complete	4,450,000	4,411,481	-	-	50,000	13,000	12,966	100%	(34)
AIWWTP Replacement of ICS Equipment	Maintenance	-	Complete	4,500,000	4,492,626	-	-	-	-	41,831	0%	41,831
FSA Flow Metering Program	Maintenance	Construction	2018 - 2026	4,300,000	2,561,058	750,000	750,000	1,070,000	175,000	164,165	94%	(10,835)
Port Coquitlam Pump Station Overflow	Resilience	Not Started	2027 - 2029	4,250,000	-	4,210,000	-	-	-	-	0%	-
Front Street Pressure Sewer Access Hatches Reinforcement	Maintenance	-	Complete	4,100,000	4,159,610	-	-	50,000	100,000	97,029	97%	(2,971)
Combined Sewer Overflow Sampling Station Enhancements	Maintenance	Construction	2019 - 2028	4,000,000	2,120,251	1,345,000	800,000	410,000	250,000	538,581	215%	288,581
FSA River Crossing Scour Protection Program - Phase 1	Maintenance	Construction	2023 - 2026	3,950,000	1,532,681	2,235,000	2,235,000	500,000	10,343	64,276	621%	53,933
Jervis Sewerage Pump Station - Suction Piping Replacement	Maintenance	Design	2025 - 2029	3,500,000	32,193	3,400,000	150,000	500,000	50,000	32,193	64%	(17,807)
Kent Pump Station High Voltage Switchgear Replacement	Maintenance	Construction	2022 - 2027	3,500,000	813,170	1,410,000	770,000	960,000	640,000	207,530	32%	(432,470)
Port Moody South Interceptor Capacity Upgrade	Growth	Not Started	2027 - 2030	3,350,000	-	3,350,000	-	-	-	-	0%	-
IIWWTP IPS Drive Remediation	Maintenance	Construction	2022 - 2029	3,300,000	528,233	2,700,000	800,000	570,000	150,000	209,204	139%	59,204
LIWWTP PA-Sed Tank Refurbishment	Maintenance	Construction	2019 - 2027	3,200,000	1,263,530	2,017,000	1,010,000	310,000	310,000	617,589	199%	307,589
AIWWTP Process Waste Drain Line Refurbishment	Maintenance	Construction	2025 - 2026	3,150,000	96,815	1,000,000	1,000,000	1,900,000	150,000	96,815	65%	(53,185)
IIWWTP Sludge Lagoons Dewatering Facility	Upgrade	-	Complete	3,150,000	3,103,866	-	-	-	-	445	0%	445
FSA Sewer Relocations and Protections	Maintenance	Construction	2021 - 2030	3,100,000	622,893	1,600,000	200,000	1,650,000	-	-	0%	-
Hudson Forcemain Rehabilitation Phase 2/3	Maintenance	Not Started	2025 - 2026	3,100,000	-	3,100,000	3,100,000	-	-	-	0%	-
LWS Pump Station Programmable Logic Controller Replacements	Opportunity	Multiple	2025 - 2029	3,000,000	2,333	2,650,000	650,000	750,000	-	2,333	0%	2,333
Annacis MCC 80 051, 80 070, 80 071 Replacement	Maintenance	Construction	2017 - 2026	2,850,000	2,282,821	50,000	50,000	50,000	100,000	77,807	78%	(22,193)
Port Moody Storm Drain Rehabilitation	Maintenance	Construction	2024 - 2026	2,850,000	194,481	1,280,000	1,280,000	900,000	200,000	95,490	48%	(104,510)
Iona Island Control & Instrumentation Replacement 2011	Maintenance	Construction	2017 - 2027	2,750,000	2,519,027	450,000	250,000	200,000	343,510	346,343	101%	2,834
Big Bend Forcemain - Gate Replacement	Maintenance	Design	2017 - 2030	2,700,000	83,048	2,500,000	50,000	176,000	50,000	9,794	20%	(40,206)
VSA Grit Chamber Access Improvements	Maintenance	Construction	2024 - 2027	2,700,000	112,633	650,000	400,000	2,000,000	100,000	98,512	99%	(1,488)
AIWWTP Electrical Distribution System Protection Control and Monitoring	Upgrade	Construction	2019 - 2027	2,650,000	2,222,568	350,000	50,000	100,000	100,000	92,467	92%	(7,533)
AIWWTP Replacement of Protective Relays	Maintenance	-	Complete	2,600,000	2,480,305	-	-	50,000	5,000	3,968	79%	(1,032)
AIWWTP Bar Screen #1 Refurbishment	Maintenance	Construction	2025 - 2027	2,550,000	118,417	2,250,000	1,250,000	300,000	110,000	118,417	108%	8,417

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
NSA Flow Metering Program	Maintenance	Construction	2019 - 2027	2,550,000	754,867	1,150,000	800,000	772,000	525,000	115,328	22%	(409,672)
IIWWTP Replacement of CoGen Control System	Maintenance	Construction	2017 - 2026	2,500,000	1,932,205	100,000	100,000	125,000	700,000	601,186	86%	(98,814)
AIWWTP Lubrication Storage Facility Conversion	Maintenance	Construction	2024 - 2027	2,500,000	45,298	1,950,000	600,000	1,150,000	100,000	27,558	28%	(72,442)
IIWWTP CEPT Polymer Line Replacement	Maintenance	Construction	2023 - 2027	2,400,000	3,052,399	50,000	25,000	250,000	907,025	999,753	110%	92,729
AIWWTP Sludge Control Building Electrical Room HVAC Upgrade	Maintenance	Construction	2023 - 2027	2,100,000	395,966	1,584,000	650,000	900,000	225,000	207,506	92%	(17,494)
LIWWTP Ground Fault Detection System Replacement	Maintenance	Construction	2022 - 2029	2,050,000	267,252	1,650,000	750,000	600,000	150,000	24,942	17%	(125,058)
New Westminster Interceptor Annacis Channel Crossing Scour Protection	Resilience	-	????	2,000,000	-	-	-	2,000,000	-	-	0%	-
IIWWTP Surge Mitigation	Maintenance	Construction	2026 - 2029	2,000,000	-	2,000,000	400,000	200,000	-	-	0%	-
AIWWTP TF Pump 5 VFD Upgrade	Resilience	Design	2026 - 2031	1,900,000	-	1,800,000	50,000	-	-	-	0%	-
IIWWTP ICS IPS Control Replacement	Maintenance	Construction	2020 - 2028	1,750,000	1,032,054	750,000	250,000	350,000	232,395	245,988	106%	13,593
IIWWTP Non-Domestic Trucked Liquid Waste Alternative	Maintenance	Construction	2024 - 2026	1,700,000	34,498	1,150,000	1,150,000	520,000	123,580	28,834	23%	(94,746)
AIWWTP Secondary Bypass	Upgrade	-	Complete	1,550,000	1,514,202	-	-	-	-	192	0%	192
AIWWTP Centrifuge Schwing HPU Replacement	Maintenance	Construction	2024 - 2026	1,350,000	1,148,024	100,000	100,000	1,000,000	761,000	703,594	92%	(57,406)
Still Creek Culvert Rehabilitation - Gilmore section	Maintenance	Construction	2025 - 2028	1,350,000	81,298	1,300,000	100,000	100,000	50,000	81,298	163%	31,298
Jervis Pump Station 25kV Voltage Conversion	Maintenance	Construction	2021 - 2026	1,300,000	508,936	245,000	245,000	50,000	72,252	14,586	20%	(57,666)
AIWWTP Station Battery Replacement	Maintenance	-	Complete	1,300,000	1,161,192	-	-	50,000	50,426	27,186	54%	(23,241)
LIWWTP High Efficiency Boiler	Maintenance	Construction	2019 - 2028	1,300,000	351,189	900,000	300,000	500,000	60,000	123,772	206%	63,772
SSI Influent Control Chamber Repair and Replace Gates	Maintenance	Construction	2017 - 2027	1,300,000	90,578	1,120,000	1,110,000	20,000	20,000	49,964	250%	29,964
IIWWTP Waste Gas Burner Redundancy	Maintenance	Construction	2025 - 2027	1,250,000	-	1,125,000	1,025,000	1,050,000	-	-	0%	-
AIWWTP Scum Pump Replacement	Maintenance	Design	2025 - 2028	1,250,000	9,766	1,200,000	250,000	250,000	110,000	9,766	9%	(100,234)
IIWWTP CEPT Winterization	Maintenance	-	Complete	1,200,000	1,019,668	-	-	325,000	183,874	191,400	104%	7,526
AIWWTP Cogen Building Refurbishment	Maintenance	-	Complete	1,150,000	1,136,408	-	-	-	-	943	0%	943
AIWWTP IPS Pump Building Roof Replacement Phase 2	Maintenance	Construction	2024 - 2026	1,150,000	56,776	150,000	150,000	1,000,000	50,000	28,934	58%	(21,066)
Ocean Park Trunk Manholes Lining	Maintenance	Construction	2025 - 2026	1,050,000	53,169	1,025,000	1,025,000	1,000,000	70,000	53,169	76%	(16,832)
IIWWTP MCC/Power Distribution Assess/Replace - Phase 2	Maintenance	Construction	2017 - 2026	1,000,000	624,204	50,000	50,000	50,000	50,000	12,027	24%	(37,973)
IIWWTP PA-Sed Tank & Gallery Wall Refurbishment	Maintenance	Construction	2024 - 2027	950,000	191,454	550,000	500,000	200,000	200,000	150,973	75%	(49,027)
IIWWTP Medium Pressure Sludge Gas Blowers 3 & 4 Power Supply	Resilience	Construction	2025 - 2028	950,000	14,496	800,000	450,000	600,000	25,000	14,496	58%	(10,504)
NLWWTP Standby Diesel Generator	Resilience	Construction	2024 - 2026	950,000	478,291	150,000	150,000	300,000	60,000	41,801	70%	(18,199)
AIWWTP Chemical Lab UPS System Replacement	Maintenance	Construction	2021 - 2026	900,000	789,022	50,000	50,000	150,000	100,000	55,224	55%	(44,776)
IIWWTP ICS Replacement Program	Maintenance	Construction	2022 - 2026	750,000	300,004	350,000	350,000	200,000	100,000	3,366	3%	(96,634)
Eagle Creek (Lower Section) Channel Restoration	Resilience	Construction	2025 - 2026	750,000	-	700,000	700,000	500,000	-	-	0%	-

Name	Driver	Active Phase	Timeline (Start Yr - End Yr)	Total Estimated Costs	Total Actuals to Date (Dec. 31*)	2026 - 2030 Planned Expenditures	2026 Planned Annual Expenditures (in Budget)	2025 Planned Annual Expenditures (in Budget)	2025 Updated Forecasted Expenditures (Sept. 30)	2025 Actuals (Jan. 1 - Dec. 31)	2025 Actual Expenditures to Forecasted Expenditures (%)	2025 Actual Expenditures Variance to Forecasted Expenditures (\$)
LIWWTP Admin Dewatering Building Roof Repair	Maintenance	Construction	2023 - 2026	700,000	344,953	75,000	75,000	675,000	375,000	277,022	74%	(97,978)
Fraser Sewerage Area Integrated Resource Recovery (IRR) Study	Opportunity	Design	2020 - 2027	700,000	327,834	250,000	125,000	429,000	83,000	63,728	77%	(19,272)
AIWWTP UPS Condition Monitoring System	Resilience	Construction	2026 - 2030	550,000	-	550,000	50,000	50,000	-	-	0%	-
LIWWTP Gravity Thickener Odour Control System Upgrade	Upgrade	Not Started	2030 - 2032	550,000	-	150,000	-	-	-	-	0%	-
NSSA Sewer Relocations and Protections	Maintenance	Construction	2025 - 2027	450,000	-	400,000	375,000	50,000	-	-	0%	-
LIWWTP ICS Component Replacement	Maintenance	-	Complete	400,000	347,791	-	-	-	-	909	0%	909
IIWWTP Siphon Chamber Refurbishment	Maintenance	-	Complete	150,000	160,121	-	-	50,000	103,584	103,584	100%	(0)
IIWWTP Standby Diesel Generators	Resilience	-	Complete	50,000	2,848	-	-	100,000	-	-	0%	-
Total < \$100M						1,076,443,000	205,419,000	192,335,000	102,407,120	77,544,626	76%	(24,862,493)
Total						6,796,059,000	981,383,000	1,010,022,000	633,759,747	590,577,911	93%	(43,181,836)



Winston Street Sewer Construction

2026 Liquid Waste Services Capital Program Update No.1

LIQUID WASTE SERVICES

Colin Meldrum
Director, Engineering Design and Construction

Marek Ratajczak
Director, Project Delivery

Bob Cheng
Director, Project Delivery

Liquid Waste Committee – February 11, 2026
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LIQUID WASTE SERVICES CAPITAL PROGRAM UPDATE

February 2026

- Summaries for projects over \$100M
- Updates provided to Committee and Board three times a year
- Individual project reports will continue to be provided at key decision-making milestones

Capital Program Reporting												
	J	F	M	A	M	J	J	A	S	O	N	D
Capital Program Update		✓					✓				✓	
Additional Major Utility Project Updates					✓				✓			
Financial Performance Report				✓			✓				✓	

2

LIQUID WASTE SERVICES CAPITAL PROGRAM UPDATE

Summary by Project >\$100m (1/2)

Project	Progress	Schedule	Budget
104th Avenue PS and FM for Redirection to NLWWTP	●	●	●
AIWWTP Ammonia Removal – Side Stream	●	●	●
AIWWTP Expansion Program (Stage 5, Digester, Outfall, Dryer)	●	●	●
AIWWTP Influent System Remediation	●	●	●
Burnaby Lake North Interceptor Winston Section	●	●	●
Gilbert / Brighthouse Trunk Sewer	●	●	●
Glenbrook Combined Trunk Sewer Separation	●	●	●
IIWWTP Outfall Rehabilitation	●	●	●

3

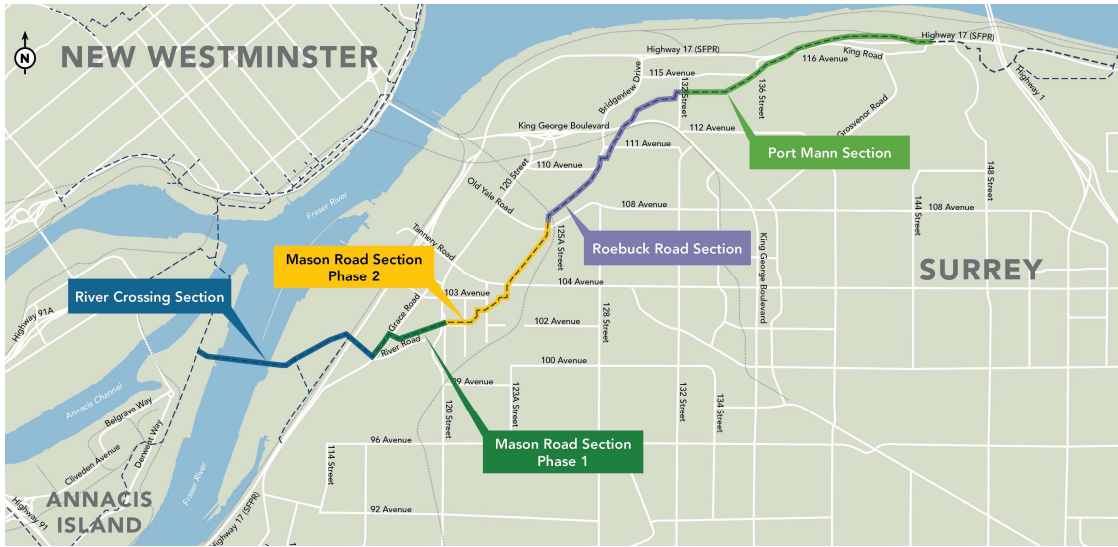
LIQUID WASTE SERVICES CAPITAL PROGRAM

Summary by Project >\$100m (2/2)

Project	Progress	Schedule	Budget
Iona Island WWTP Projects	●	●	●
Northwest Langley WWTP Expansion Program	●	●	●
North Shore WWTP Program	●	●	●
North Surrey Interceptor Improvements and Twinning	●	●	●
North Surrey Interceptor SSO Storage	●	●	●
Port Coquitlam Pump Station	●	●	●
South and North Surrey Interceptors – Fraser Crossings	●	●	●

4

NORTH SURREY INTERCEPTOR IMPROVEMENTS AND TWINNING



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NORTH SURREY INTERCEPTOR – MANSION ROAD PHASE 1

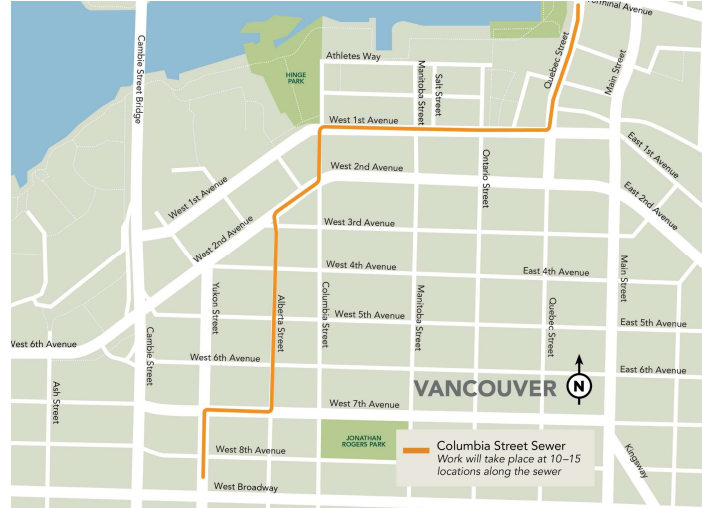


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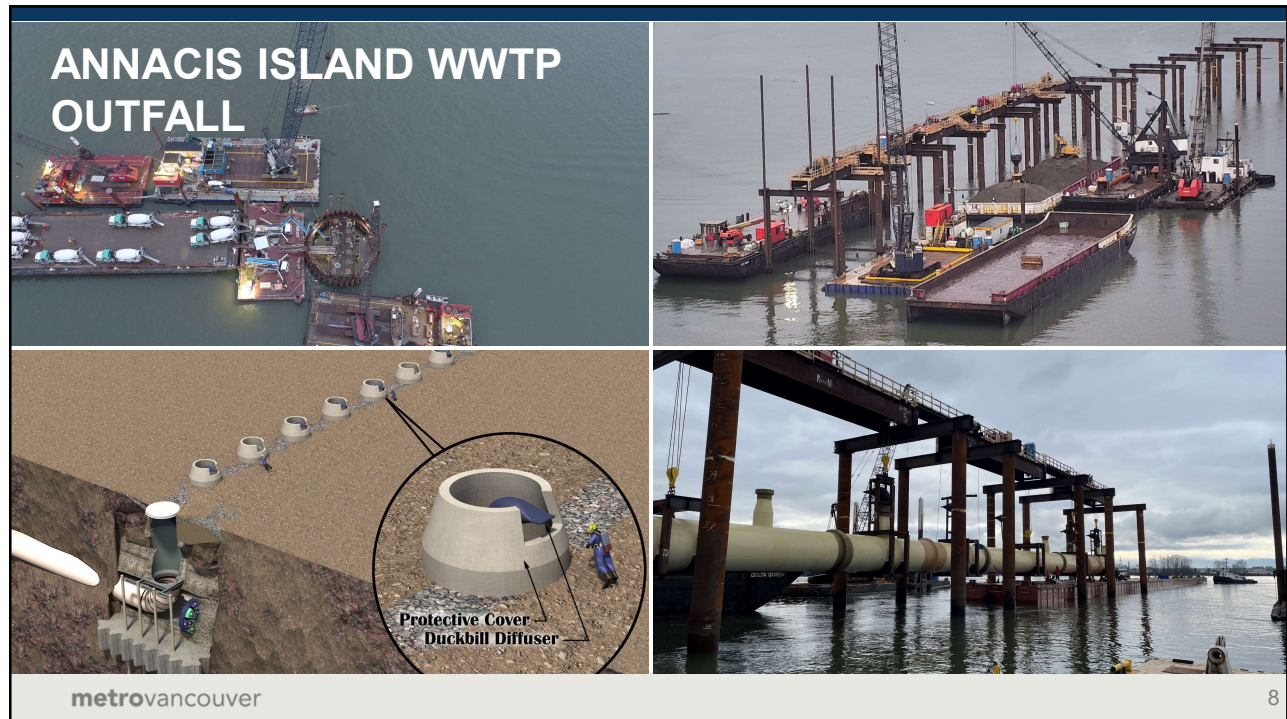
COLUMBIA FORCEMAIN REHABILITATION



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8

NORTHWEST LANGLEY WWTP EXPANSION PROGRAM

The aerial map shows the Northwest Langley WWTP expansion program with several key areas and project stages highlighted:

- Fraser River Crossing (completed)**: Indicated by an orange arrow pointing to the river crossing.
- Golden Ears Pump Station and SSO Tank (completed)**: A blue callout box pointing to the pump station.
- PITT MEADOWS** and **MAPLE RIDGE**: Labeled areas on the map.
- BARNSTON ISLAND**: A green area on the riverbank.
- KATZIE FN IR 1** and **KATZIE FN IR 2**: Two specific areas marked with dashed boxes.
- Replacement Outfall Pipe (underway)**: A green callout box pointing to a pipe section.
- NLWWTP Expansion (underway)**: A yellow callout box pointing to the main treatment plant area.
- NLWWTP Ground Improvements (underway)**: A yellow callout box pointing to ground improvement work.
- Existing NLWWTP and Outfall Pipe**: A red callout box pointing to existing infrastructure.

Additional images on the right side of the slide:

- Treatment plant expansion site**: Aerial view of the construction site.
- Golden Ears Pump Station, artwork by Québec artist Rain Pierre**: A photograph of the pump station building with colorful lighting.

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A photograph showing three workers in safety gear inspecting a large, orange-colored pipe. The pipe is labeled "676-III". In the background, there are stacks of concrete pipes and other construction materials. The scene is identified as the South Surrey Interceptor.

South Surrey Interceptor

Questions?

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To: GVS&DD Board of Directors

From: George Kavouras, Director, Procurement, Procurement & Real Estate Services
Bob Cheng, Director, Major Projects, Project Delivery

Date: January 27, 2026 Meeting Date: February 11, 2026

Subject: **Award of RFP 25-245 for Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer**

RECOMMENDATION

THAT the GVS&DD Board:

- a) approve the award of RFP 25-245 for Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer, in the amount of up to \$11,951,011.40 (exclusive of taxes) to Stantec Consulting Ltd., subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate, to execute the required documentation once the General Manager, Procurement and Real Estate, is satisfied that the award should proceed.
-

EXECUTIVE SUMMARY

Stantec Consulting Ltd.’s proposal ranked highest overall, provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver.

Metro Vancouver requires consulting engineering services to provide the necessary expertise to perform engineering services to deliver the Annacis Island Wastewater Treatment Plant (AIWWTP) Regional Biosolids Dryer Project, which is needed by the mid-2030s to process the projected increase in biosolids produced by Metro Vancouver’s five wastewater treatment plants.

RFP 25-245 was issued on June 20, 2025 to three prequalified respondents of RFQ 24-111 – Project Management, Owner’s Engineer, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer. RFP 25-245 was executed in accordance with the terms and conditions of Metro Vancouver’s Procurement Policy. The RFP 25-245 evaluation team considered the proposals received, and on that basis recommend that the GVS&DD Board award RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services Biosolids Dryer to Stantec Consulting Ltd.

PURPOSE

Pursuant to the *GVS&DD Officers and Delegation Bylaw No. 284* (Bylaw amended in 2024 by GVS&DD Bylaw No. 373), and *Board Policy No. FN-031*, procurement contracts which exceed a value of \$10 million require the approval of the GVS&DD Board.

**Award of RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services
for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer**
Liquid Waste Committee Regular Meeting Date: February 11, 2026
Page 2 of 3

BACKGROUND

The amount of biosolids produced by Metro Vancouver Wastewater Treatment Plants will increase significantly as a result of the region’s growing population and upgrades to the region’s five wastewater treatment plants. As such, Metro Vancouver will build a Regional Biosolids Dryer to produce granular pellets that can be used as low carbon fuel and as a fertilizer product per Metro Vancouver’s *Liquid Waste Management Plan*. The Regional Biosolids Dryer will be located at the AIWWTP given the plant’s central location within the region and is to be operational by the mid-2030s.

Metro Vancouver issued a Request for Proposal seeking consulting engineering services to provide the necessary expertise to perform Owner’s Engineer, Project Management, and Preliminary Design services for the AIWWTP Regional Biosolids Dryer Project. The selected consultant will be integrated with the Corporation’s project management team, working together to oversee the development and implementation of the AIWWTP Regional Biosolids Dryer Project including selection of, and supervision of future contractors. A Design-Build-Operate procurement will be utilized for implementation of the Regional Biosolids Dryer as endorsed by the GVS&DD Board at its November 26, 2021 meeting. The contract will be awarded in three separate phases of award:

- Phase A – Definition Stage and Preliminary Design Stage Services;
- Phase B – Design-Build-Operate Contractor Procurement Stage Services;
- Phase C – Support during Detailed Design, Construction, and Close-Out (Post-Construction) Stage Services.

PROCUREMENT SUMMARY

RFQ 24-111 was issued on July 29, 2024 to prequalify proponents to participate in RFP 25-245. Six respondents responded to RFQ 24-111; of those, three were shortlisted and invited to respond to RFP 25-245. Two responded to RFP 25-245 and the third did not respond.

RFP 25-245 Submissions

Proponents	Pricing (excluding taxes)
Brown and Caldwell Consultants Canada, Ltd.	\$15,870,207.00
Stantec Consulting Ltd.	\$10,985,830.94

Metro Vancouver received two proposals. All proposals submitted by the Proponents were in compliance with the submission requirements. The compliant proposals were evaluated against Technical requirements (65% weighting) and Commercial requirements (35% weighting). Technical requirements were evaluated by Project Delivery Major Projects and Liquid Waste Services staff and Commercial requirements were evaluated by Procurement staff.

**Award of RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services
for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer**
Liquid Waste Committee Regular Meeting Date: February 11, 2026
Page 3 of 3

After a comprehensive and detailed evaluation of the compliant proposals, the evaluation team concluded that the proposal submitted by Stantec Consulting Ltd. ranked highest overall, provided the lowest cost, had the highest technical score, and demonstrated best value overall for Metro Vancouver; more specifically, Stantec Consulting Ltd. clearly demonstrated experience with projects of similar scope and nature. Additionally, their proposal demonstrated that their proposed staff have the required qualifications and experience with similar wastewater treatment plants and more specifically biosolids dryer projects. Stantec Consulting Ltd. provided adequate detail and information to demonstrate a good understanding of the scope of services which would be a direct benefit to Metro Vancouver, they also provided a well-defined project methodology, workplan, tasks and deliverables.

Negotiations with Stantec Consulting Ltd. were completed on October 31, 2025 and the terms of the contract were agreed to and finalized. The contract value agreed to is \$11,951,011.40. This is an increase of \$965,180.46 from proposal levels to account for fee escalation for the term of the contract. The fee escalation rates will be based on the actual CPI rates following the initial two-year term.

ALTERNATIVES

1. THAT the GVS&DD Board:
 - a) approve the award of RFP 25-245 for Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer, in the amount of up to \$11,951,011.40 (exclusive of taxes) to Stantec Consulting Ltd., subject to final review by the Commissioner; and
 - b) authorize the General Manager, Procurement and Real Estate, to execute the required documentation once the General Manager, Procurement and Real Estate, is satisfied that the award should proceed.

2. THAT the GVS&DD Board receive the report dated January 27, 2026, titled, “Award of RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer” for information.

FINANCIAL IMPLICATIONS

A total approved project budget in the amount of \$13,300,000 is currently available from LC11046 (Regional Biosolids Dryer – Annacis Island Wastewater Treatment Plant Preliminary Design) for preliminary design, and there are sufficient funds remaining to accommodate the award of RFP 25-245.

CONCLUSION

It is recommended that the GVS&DD Board approve the award of RFP 25-245 – Owner’s Engineer, Project Management, and Preliminary Design Services for Annacis Island Wastewater Treatment Plant Regional Biosolids Dryer, in the amount of up to \$11,951,011.40 (exclusive of taxes) to Stantec Consulting Ltd. and authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

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To: Performance and Audit Committee

From: Linda Sabatini, Deputy Chief Financial Officer, Financial Services

Date: February 9, 2026 Meeting Date: February 19, 2026

Subject: **Financial Board Policy Review – Amended *Corporate Allocation Policy***

RECOMMENDATION

THAT the MVRD/MVHC/GVS&DD/GVWD Board approve the amended *Corporate Allocation Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Corporate Allocation Policy*”.

EXECUTIVE SUMMARY

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The *Corporate Allocation Policy* was adopted in 2017 and provides a budget framework for allocating the costs of Metro Vancouver’s centralized support departments to Metro Vancouver’s four legal entities. Centralized support includes Corporate Services, External Relations, Financial Services, Human Resources, Indigenous Relations, Legislative Services, Procurement and Real Estate Services, and Project Delivery. Subsequent to review, this report recommends the following amendments:

- a) administrative updates to reflect the organizational structure;
- b) modifications to the calculation of allocating costs to: exclude one-time funded expenditures; and exclude total debt service costs for Metro Vancouver Housing Corporation (MVHC) and Sasamat Fire Protection Services; and
- c) the addition of an allocation method for Project Delivery’s Project Management Office.

The proposed amendments more accurately reflect service levels provided, reduce operating budget fluctuations and incorporate current practices not captured in the existing policy.

PURPOSE

This report provides a summary of the financial principles in the *Corporate Allocation Policy* and recommends both administrative and minor substantive policy changes based on prevailing practices.

BACKGROUND

At the November 28, 2025 GVS&DD Board meeting, the Board passed the following resolutions:

“That the GVS&DD Board direct staff to provide the following at minimum six weeks prior to the Board Budget Workshop:

- *A full capital project update on all major projects, including scope, status, schedule, risks, and cost projections;*
- *The completed and updated Financial Management Policy review, including any recommended changes to borrowing, debt-servicing, reserve management, and long-term capital funding approaches; and*
- *A comprehensive long-range financial plan of at least ten years, outlining projected capital requirements, operating impacts, financing strategies, and rate implications.*

And that the GVS&DD Board direct staff to provide the updated information to the Board in sufficient detail to enable informed decision-making regarding long term financial sustainability.”

In response to these resolutions, this report provides a summary of the financial principles in the *Corporate Allocation Policy* and recommends both administrative and minor substantive policy changes. In addition, the *Financial Management Policy* and *Operating, Statutory and Discretionary Reserves Policy* are both on this month’s Committee agenda with proposed changes as well.

CORPORATE ALLOCATION POLICY

The *Local Government Act* requires that all costs incurred in relation to a service, including the costs of administration attributable to the service, be part of the costs of that service. The *Corporate Allocation Policy* was approved by the MVRD Board in 2017 to formalize and confirm MVRD Board direction on the existing allocation process and to provide a budget framework for the apportionment of Metro Vancouver’s centralized support costs to its four legal entities.

Metro Vancouver delivers centralized support to all business activities of Metro Vancouver’s four legal entities. These centralized support departments include: Corporate Services (information technology, corporate safety, protective services, emergency management, and fleet services), External Relations, Financial Services, Human Resources, Indigenous Relations, Legislative Services (legal, records management, CAO’s office), Procurement and Real Estate Services, and Project Delivery (major projects and project management office divisions).

POLICY PRINCIPLES

The methodology noted in the policy (no proposed changes) for approximating the level of service provided by each of the centralized support departments is guided by the following principles:

- **Efficient** – the method and process of allocating net centralized support costs are easily administered, replicable and comprehensible
- **Equitable** – net centralized support costs are apportioned fairly across Metro Vancouver services and to the extent possible, upholds a user-pay approach for the level of service provided
- **Consistent** – net centralized support costs are allocated in a way that mitigates large fluctuations and ensures relative certainty, based on level of use
- **Transparent** – net centralized support costs allocated to Metro Vancouver services are clearly identified.

The policy includes allocation methods to apportion centralized support costs to Metro Vancouver’s legal entities and functions. These are:

1. **Direct method:** In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from a centralized support activity, the associated costs will be allocated directly to that service. (As example, Metro Vancouver’s pooled fleet vehicles and equipment acquisitions are allocated directly to the entities that use the equipment.)
2. **Indirect Allocation method– Centralized Support, excluding Project Management Office:** Costs for centralized support that cannot be assigned using the direct method will be allocated using a reasonable approximation of services provided in supporting the entity or function’s pursuit of both operational and strategic objectives. The approximate level of service is typically measured based on two primary factors: (1) scale of budget or (2) level of business activity.

For example, those services with larger staff complements will require more centralized support in the areas of payroll, recruiting services, organizational support, benefit administration, IT computer support, training and head office building operations and therefore, will be allocated a higher proportion of these centralized support costs. Alternatively, services that incur significant capital expenditures and procurement activity will require more centralized support in the areas of purchasing, accounts payable, debt management, budgeting, accounts receivable, legal, business applications and corporate planning and consequently, will be allocated a higher proportion of these centralized support costs.

The indirect allocation method is based on the prior year's operating or capital budget of the entities receiving the benefits. (As example, Water Services is allocated a portion of the centralized support costs based on its prior year's operating expenditure budget as defined in the policy). While the majority of Metro Vancouver services are provided through the internal service delivery model, some regional services (E911 Emergency Telephone Service, Regional Emergency Management and Sasamat Fire Protection Service) engage the use of an external service provider to deliver services to members. This means that Metro Vancouver staff are engaged to a lesser extent in the delivery of the service, its operating activities and its capital activities. For these services, the allocation is calculated based on a percentage of the current year's operating program budget, with the percentage for each service defined in the policy.

The *Corporate Allocation Policy* principles and allocation methods are standard accounting and budgeting methods. No changes are being proposed to these parts of the policy.

PROPOSED AMENDMENTS TO THE POLICY

This report recommends the following changes to the policy to more accurately reflect service levels provided, reduce operating budget fluctuations and to incorporate current practices not captured in the existing policy. The proposed amendments to the *Corporate Allocation Policy* are described below and summarized and bolded in Table 1:

Administrative changes to update definitions

- Revisions to the definitions of "Centralized Support" and "Metro Vancouver Services," reflect regional district functions and name changes that have occurred since the policy was originally approved in 2017. The definition for debt servicing is also added to provide clarity.

Inclusion of a future policy review date

- The existing policy does not formalize a review date. It is proposed that the *Corporate Allocation Policy* be reviewed at minimum every five years to ensure it remains relevant, aligns with organizational objectives, and follows the recommendation from the Governance Committee regarding integrating a policy review date into the policy itself.

Updated allocation methodology for Project Delivery to reflect current practices

- Project Delivery was established as a centralized support department after the approval of the *Corporate Allocation Policy*. As a result, a new allocation methodology for this service is proposed to align with current practice. Project Delivery encompasses two service areas: Major Projects and the Project Management Office. Program costs for Major Projects are allocated using the direct method as the major projects directly benefit the services provided. Project Management Office program costs are allocated to entities and functions that are expected to utilize Project Management Office support in the year based on their prior year endorsed Five-Year Capital Expenditures Plan.

Amendments to the indirect allocation method to:

- Clarify that the prior year’s operating budget used in the allocation method is based on the prior year’s operating expenditures budget.
- Minimize year-over-year fluctuations for one-time funded expenditures: It is proposed that the definition of “prior year’s operating expenditures budget” used in the calculation for the indirect allocation be revised to exclude one-time funded expenditures, such as those expenditures funded from external grants and reserves. This change will reduce significant year-over-year fluctuations in the corporate allocation costs and is consistent with the policy principle of promoting stability and consistency.
- Reflect the lower level of service needed for debt servicing costs in Metro Vancouver Housing and Sasamat Fire Protection Services: Debt servicing costs have limited impact on centralized support, with payments largely automated and requiring minimal ongoing administrative oversight. In addition, many of the MVHC loans are provided by funding partners and include grants from these agencies. It is therefore proposed that 100% of annual debt servicing costs for MVHC, rather than 80% in current policy, be excluded from the allocation to more accurately reflect the level of service provided.

In future budget years, it is anticipated that Sasamat Fire Protection Services will undertake new borrowing for the replacement of their firehalls. As debt servicing costs have limited impact on the demand for centralized support, it is proposed that the allocation methodology for net centralized support costs attributable to Sasamat Fire Protection Services be revised to exclude total annual debt servicing costs.

These amendments are laid out in Table 1. The amended policy is included in **Attachment 1** with an edited tracked version in **Attachment 2**.

Table 1. Proposed Amendments to the Corporate Allocation Policy

	Current Policy	Proposed Amendment
Definition – Centralized Support	Services delivered by centralized departments to support all four Metro Vancouver legal entities and regional district functions through the following: Corporate Planning, Corporate Services, External Relations, Financial Services, Human Resources, and Legal and Legislative Services	Centralized departments that support all four Metro Vancouver legal entities and regional district functions through the following: Corporate Planning, Corporate Services (information technology, corporate safety, protective services and emergency management, fleet services), External Relations, Financial Services, Human Resources, and Legal and Indigenous Relations, Legislative Services (legal, records management, CAO’s office), Procurement and Real Estate Services, and Project

	Current Policy	Proposed Amendment
		Delivery (major projects and project management office divisions).
Definition – Metro Vancouver Service	Refers to a service provided by one of the four legal entities to which costs of centralized support are allocated. The legal entities include Metro Vancouver Housing Corporation (MVHC), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, and the Metro Vancouver Regional District (MVRD), which includes the statutory functions of Air Quality, Electoral Area, General Government, Labour Relations, Regional GPS, Regional Parks, Regional Planning, E911 Telephone Service, Regional Emergency Management and Sasamat Fire Protection Service	Refers to a service provided by one of the four legal entities to which costs of centralized support are allocated. The legal entities include Metro Vancouver Housing Corporation (MVHC), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, and the Metro Vancouver Regional District (MVRD), which includes the functions of Air Quality, Electoral Area, General Government Administration, Labour Relations, Regional Employers Services, Housing Planning and Policy, Invest Vancouver, Regional Global Position System (GPS) , Regional Parks, Regional Planning, E911 Emergency Telephone Service , Regional Emergency Management, and Sasamat Fire Protection Service
Definition – Debt Servicing Costs	None	Refers to both principal and interest payments on debt
Allocation Methodology: Project Delivery	Specific Direct Service Activity Requirements: In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from an activity, the associated costs will be allocated directly to that service. These costs typically include, but are not limited to, costs related to programs such as Metro Vancouver’s pooled fleet vehicles and equipment acquisitions, external legal	Specific Direct Service Activity Requirements Direct Method: In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from an activity, the associated costs will be allocated directly to that service. These costs typically include, but are not limited to, costs related to programs such as Metro Vancouver’s pooled fleet vehicles and equipment acquisitions, external legal counsel services, project

	Current Policy	Proposed Amendment
	counsel services and contracted security services.	delivery – major projects , and contracted security services. Indirect Allocation Method – Project Delivery Project Management Office: Direct delivery services that are expected to use the Project Management Office services in the year will be allocated Program Management Office costs based on their prior year’s endorsed Five-Year Capital Expenditures Plan.
Water Services	Prior year’s operating budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • Contributions to reserve 	Prior year’s operating expenditures budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • Contributions to reserve • One-time grant and reserve funded expenditures
Liquid Waste Services	Prior year’s operating budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • Contributions to reserve 	Prior year’s operating expenditures budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • Contributions to reserve • One-time grant and reserve-funded expenditures
Solid Waste Services	Prior year’s operating budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • 80% of large third-party operating contracts • Contributions to reserve 	Prior year’s operating expenditures budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • 80% of large third-party operating contracts • Contributions to reserve • One-time grant and reserve funded expenditures
Metro Vancouver Housing	Prior year’s operating budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • 80% of annual mortgage payments • Contributions to reserve 	Prior year’s operating expenditures budget excluding: <ul style="list-style-type: none"> • Centralized support cost allocation • 80% of annual mortgage payments • Total annual debt servicing costs

	Current Policy	Proposed Amendment
		<ul style="list-style-type: none"> Contributions to reserve One-time grant and reserve funded expenditures
Metro Vancouver Regional District <ul style="list-style-type: none"> Air Quality Electoral Area General Government Administration Regional Employers Services Housing Planning and Policy Invest Vancouver Regional GPS Regional Parks Regional Planning Mosquito Control Service 	Prior year’s operating budget excluding: <ul style="list-style-type: none"> Centralized support cost allocation Contributions to reserve Large one-time asset purchases 	Prior year’s operating expenditures budget excluding: <ul style="list-style-type: none"> Centralized support cost allocation Contributions to reserve Large one-time asset purchases One-time grant and reserve funded expenditures
E911 Emergency Telephone Service	2% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve 	2% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve One-time grant and reserve funded expenditures
Regional Emergency Management	5% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve 	5% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve One-time grant and reserve funded expenditures
Sasamat Fire Protection Service	10% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve Large, one-time asset purchases 	10% of current year’s operating program budget excluding: <ul style="list-style-type: none"> Contributions to reserve Large, one-time asset purchases One-time grant and reserve funded expenditures Total annual debt servicing costs

ALTERNATIVES

1. THAT the MVRD/MVHC/GVS&DD/GVWD Board approve the amended *Corporate Allocation Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Corporate Allocation Policy*”.
2. THAT the Performance and Audit Committee direct staff to make additional or alternate amendments to the *Corporate Allocation Policy* reflecting the discussion at the February 19, 2026 meeting, and include a summary of those comments and an updated policy for Board consideration at the February 27, 2026 Board meetings.
3. THAT the Performance and Audit Committee receive the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Corporate Allocation Policy*”, and direct staff to integrate input from the Committee, and bring back a revised policy to the Performance and Audit Committee for its consideration at its March 12, 2026 meeting.

FINANCIAL IMPLICATIONS

If the Board chooses Alternative 1, the proposed amendments to the *Corporate Allocation Policy* do not have an impact on the overall budget.

If the Committee chooses Alternative 2, staff will summarize the Committee’s discussion and additional or alternate amendments in a cover report to the Boards for the February 27, 2026 Board meeting and attach an updated *Corporate Allocation Policy* for the Board’s consideration. Subject to Board approval, there will be time to integrate the updated policy into materials and modelling for the 2026 April Board Budget Workshop.

If the Committee chooses Alternative 3, staff will bring back an amended *Corporate Allocation Policy* reflecting the Committee’s discussion at the March 12, 2026 Performance and Audit Committee and March Board meeting. ***With a month delay, any amendments to the policy will not be reflected in the April Board Budget Workshop materials and modelling.***

CONCLUSION

The *Corporate Allocation Policy* provides a framework that guides the apportionment of Metro Vancouver’s centralized support costs to its four legal entities and the established MVRD functions. The policy principles and allocation methods are based on standard accounting practices.

This report recommends that the Boards approve Alternative 1, which reflects proposed administrative amendments and updates to the indirect allocation method. The updates exclude one-time funded expenditures for all entities and total annual debt servicing costs for Metro Vancouver Housing and Sasamat Fire Protection Services. In addition, an indirect allocation method has been included for Project Delivery’s Project Management Office.

ATTACHMENTS

1. Policy No. FN-015: *Corporate Allocation Policy* – February 12, 2026 - Proposed Changes Accepted.
2. Policy No. FN-015: *Corporate Allocation Policy* – July 28, 2017 - Proposed Changes.
3. Presentation re: Financial Board Policy Review – Corporate Allocation Policy.

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CORPORATE ALLOCATION POLICY

Effective Date: July 28, 2017 (Revised February 27, 2026)

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

Policy No. FN-015Next Review: February 2031

PURPOSE

To provide a framework for establishing the appropriate allocation of costs incurred by centralized support services in delivering support services to all business activities of Metro Vancouver's four legal entities.

DEFINITIONS

"Centralized Support" are centralized departments that support all four Metro Vancouver legal entities and regional district functions through the following: Corporate Services (information technology, corporate safety, protective services and emergency management, fleet services), External Relations, Financial Services, Human Resources, Indigenous Relations, Legislative Services (legal, records management, CAO's office), Procurement and Real Estate Services, and Project Delivery (major projects and project management office divisions);

"Net Centralized Support Costs" means expenditures incurred by centralized support departments that are net of any costs allocated directly to a legal entity or function and any revenues generated by the centralized support departments;

"Metro Vancouver Service" refers to a service provided by one of the four legal entities to which costs of centralized support are allocated. The legal entities include the Metro Vancouver Housing Corporation (MVHC), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, and the Metro Vancouver Regional District (MVRD), which includes the functions of Air Quality, Electoral Area, General Government Administration, Regional Employers Services, Housing Planning and Policy, Invest Vancouver, Regional Global Positioning System (GPS), Regional Parks, Regional Planning, E911 Emergency Telephone Service, Regional Emergency Management and Sasamat Fire Protection Service; and

"Debt Servicing Costs" refers to both principal and interest payments on debt.

POLICY

The *Local Government Act* requires that all costs incurred by a regional district in relation to a service, including the costs of administration attributable to the service, are part of the costs of that service. As such, rates, fees and charges must reflect the full cost of Metro Vancouver services to which they relate including those costs incurred by centralized support departments. This Policy serves to appropriately account for all costs of providing Metro Vancouver services and matching those costs with supporting revenues. This Policy will be reviewed at a minimum, every five years.

BOARD POLICY

All costs incurred by centralized support departments will be allocated to the benefiting Metro Vancouver service utilizing a methodology approximating the level of service provided. The methodology for calculating the corporate allocation based on an approximation of service level is provided below.

CORPORATE ALLOCATION PRINCIPLES

Every Metro Vancouver service utilizes resources of centralized support departments to some extent in the delivery of that service. The extent of centralized support may range from providing simple contract administration to more extensive support that includes human resources, legal services, communications, financial services, information technology, building operations, emergency planning, corporate safety services, and project delivery. The methodology for approximating the level of service provided by each of these centralized support departments is guided by the following principles:

- Efficient – the method and process of allocating net centralized support costs are easily administered, replicable and comprehensible
- Equitable – net centralized support costs are apportioned fairly across Metro Vancouver services and to the extent possible, upholds a user-pay approach for the level of service provided
- Consistent – net centralized support costs are allocated in a way that mitigates large fluctuations and ensures relative certainty, based on level of use
- Transparent – net centralized support costs allocated to Metro Vancouver services are clearly identified

ALLOCATION METHODOLOGY

1) Direct Method

In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from an activity, the associated costs will be allocated directly to that service. These costs include, for example, costs related to programs such as Metro Vancouver's pooled fleet vehicles and equipment acquisitions, external legal counsel, project delivery – major projects and certain contracted security services.

2) Indirect Allocation Method – Centralized Support, excluding Project Management Office

Within the guiding principles defined in this policy is the understanding that the approximate level of service provided to a Metro Vancouver service is often measured by the impact of two primary factors: (1) scale of budget or (2) level of business activity.

For example, those services with larger staff complements will require more centralized support in the areas of payroll, recruiting services, organizational support, benefit administration, IT computer support, training and head office building operations and therefore, will be allocated a higher proportion of these centralized support costs. Alternatively, services that incur significant capital expenditures and procurement activity will require more centralized support in the areas of purchasing, accounts payable, debt management, budgeting, accounts receivable, legal, business applications and corporate planning and consequently, will be allocated a higher proportion of these centralized support costs.

BOARD POLICY

To ensure the appropriate allocation of corporate costs, direct delivery services will be allocated a proportion of net centralized support costs based on their prior year operating expenditures budget using the parameters described above.

Lower Impact Activity Requirements

Some budget items may inflate operating expenditures but have a lower overall impact on the requirement for centralized support. These budget items include contributions to reserve, one-time funded expenditures, large one-time asset purchases, a portion of large third-party operating contracts and MVHC and Sasamat Fire Protection Service debt servicing costs. To better reflect the level of service provided by the centralized support departments, the calculation of apportionment costs in annual operating budgets will be adjusted for those budget items not requiring centralized support.

3) Indirect Allocation Method – Project Delivery Project Management Office

Direct delivery services (such as Liquid Waste Services and Water Services) that are expected to use the Project Management Office services in the year will be allocated Program Management Office costs based on their prior year's endorsed Five-Year Capital Expenditures Plan.

METRO VANCOUVER SERVICES – INTERNAL SERVICE DELIVERY

The majority of Metro Vancouver services are delivered to members through an internal direct service model. This means that Metro Vancouver staff are engaged in the direct delivery of the service, including most or all of the operating and capital activities. For these services, the proportionate allocation of net centralized support costs will be apportioned as follows:

Greater Vancouver Water District (GVWD)

The GVWD will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant-funded expenditures and contributions to reserve.

Greater Vancouver Sewerage and Drainage District (GVS&DD) – Liquid Waste

The Liquid Waste function will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant and reserve-funded expenditures and contributions to reserve.

Greater Vancouver Sewerage and Drainage District (GVS&DD) – Solid Waste

The Solid Waste function will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, 80% of large third-party operating contracts, one-time grant and reserve-funded expenditures and contributions to reserve. The adjustment for a portion of third-party operating contracts is to reflect that they require a lower level of centralized support compared to other business activities.

Metro Vancouver Housing Corporation (MVHC)

The MVHC will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, total annual debt servicing costs, one-time grant and reserve-funded expenditures, and contributions to reserve.

BOARD POLICY

Metro Vancouver Regional District (MVRD)

The MVRD functions of Air Quality, Electoral Area, General Government Administration, Regional Employers Services, Housing Planning and Policy, Invest Vancouver, Regional GPS, Regional Parks, Regional Planning, and Mosquito Control Service will be allocated a proportionate share of the net centralized support costs based on their prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant and reserve-funded expenditures, contributions to reserve and large one-time asset purchases.

METRO VANCOUVER SERVICES – EXTERNAL SERVICE DELIVERY

While the majority of Metro Vancouver services are provided through the internal service delivery model some regional services engage the use of an external service provider to deliver services to members. This means that Metro Vancouver staff are engaged to a lesser extent in the delivery of the service, its operating activities and its capital activities. For these services, the proportionate allocation of net centralized support costs will be apportioned as follows:

E911 Emergency Telephone Service

E911 Emergency Telephone Service will be allocated net centralized support costs equal to 2% of its current year's operating program budget excluding one-time grant and reserve-funded expenditures and contributions to reserve. This reflects the level of service associated with the administration of the E911 Emergency Telephone Service operating contract and routine finance support.

Regional Emergency Management

Regional Emergency Management will be allocated net centralized support costs equal to 5% of its current year's operating program budget excluding one-time grant and reserve-funded expenditures and contributions to reserve. This reflects the level of service associated with the overall administration of the program, purchasing support, and accounts payable.

Sasamat Fire Protection Service

Sasamat Volunteer Fire Service will be allocated net centralized support costs equal to 10% of its current year's operating program budget excluding total annual debt servicing costs, one-time grant and reserve-funded expenditures, and contributions to reserve and large one-time asset purchases. This reflects the level of service associated with function management, fleet vehicle administration, procurement, accounts payable, payroll, budgeting and accounting.

CORPORATE ALLOCATION POLICYEffective Date: July 28, 2017 (Revised February 27, 2026)Approved By: ~~MVRD Board~~ MVRD/GVWD/GVS&DD/MVHC Boards**Policy No. FN-015**Next Review: February 2031**PURPOSE**

To provide a framework for establishing the appropriate allocation of costs incurred by centralized support services in delivering support services to all business activities of Metro Vancouver's four legal entities.

DEFINITIONS

"Centralized Support ~~Services~~" are ~~services delivered by~~ centralized departments ~~to that~~ support all four Metro Vancouver legal entities and regional district functions through the following: ~~Corporate Planning, Corporate Services, (information technology, corporate safety, protective services and emergency management, fleet services), External Relations, Financial Services, Human Resources, and Legal and Indigenous Relations, Legislative Services, (legal, records management, CAO's office), Procurement and Real Estate Services, and Project Delivery (major projects and project management office divisions);~~

"Net Centralized Support Costs" means expenditures incurred by centralized support ~~services departments~~ that are net of any costs allocated directly to a legal entity or function and any revenues generated by the centralized support ~~service; and departments;~~

"Metro Vancouver Service" refers to a service provided by one of the four legal entities to which costs of centralized support ~~services~~ are allocated. The legal entities include the Metro Vancouver Housing Corporation (MVHC), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, and the Metro Vancouver Regional District (MVRD), which includes the ~~statutory~~ functions of Air Quality, Electoral Area, General Government, ~~Labour Relations Administration~~, Regional ~~GPSEmployers Services, Housing Planning and Policy, Invest Vancouver~~, Regional Global Positioning System (GPS), Regional Parks, Regional Planning, E911 Emergency Telephone Service, Regional Emergency Management and Sasamat Fire Protection Service; ~~and~~

"Debt Servicing Costs" refers to both principal and interest payments on debt.

POLICY

The *Local Government Act* requires that all costs incurred by a regional district in relation to a service, including the costs of administration attributable to the service, are part of the costs of that service. As such, rates, fees and charges must reflect the full cost of Metro Vancouver services to which they relate including those costs incurred by centralized support ~~services departments~~. This Policy serves to

BOARD POLICY

appropriately account for all costs of providing Metro Vancouver services and matching those costs with supporting revenues. This Policy will be reviewed at a minimum, every five years.

All costs incurred by centralized support servicesdepartments will be allocated to the benefiting Metro Vancouver service utilizing a methodology approximating the level of service provided. The methodology for calculating the corporate allocation based on an approximation of service level is provided below.

CORPORATE ALLOCATION PRINCIPLES

Every Metro Vancouver service utilizes resources of centralized support departments to some extent in the delivery of that service. The extent of centralized support may range from providing simple contract administration or Metro Vancouver Board and Committee support services, to more extensive support that includes human resources, legal, legislative services, communications, financial services, information technology, building operations, emergency planning and, corporate safety services, and project delivery. The methodology for approximating the level of service provided by each of these centralized support servicesdepartments is guided by the following principles:

- Efficient – the method and process of allocating net centralized support costs are easily administered, replicable and comprehensible
- Equitable – net centralized support costs are apportioned fairly across Metro Vancouver services and to the extent possible, upholds a user-pay approach for the level of service provided
- Consistent – net centralized support costs are allocated in a way that mitigates large fluctuations and ensures relative certainty, based on level of use
- Transparent – net centralized support costs allocated to Metro Vancouver services are clearly identified

ALLOCATION METHODOLOGY

1) Direct Method

In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from an activity, the associated costs will be allocated directly to that service. **Staffing and**

Business Activity Requirements

These costs include, for example, costs related to programs such as Metro Vancouver's pooled fleet vehicles and equipment acquisitions, external legal counsel, project delivery – major projects and certain contracted security services.

2) Indirect Allocation Method – Centralized Support, excluding Project Management Office

Within the guiding principles defined in this Policypolicy is the understanding that the approximate level of service provided to a Metro Vancouver service is often measured by the impact of two primary factors: (1) numberscale of staffbudget or (2) level of business activity.

For example, those services with larger staff complements will require more centralized support in the areas of payroll, recruiting services, organizational support, benefit administration, IT computer support, training and head office building operations and therefore, will be allocated a higher proportion of these centralized support costs. Alternatively, services that incur significant capital expenditures and

BOARD POLICY

procurement activity will require more centralized support in the areas of purchasing, accounts payable, debt management, budgeting, accounts receivable, legal, business applications and corporate planning and consequently, will be allocated a higher proportion of these centralized support costs.

To ensure the appropriate allocation of corporate costs, direct delivery services will be allocated a proportion of net centralized support costs based on their prior year operating expenditures budget using the parameters described above. ~~Salaries and benefits will serve as indicators that reflect the number of staff supported while other expenditures will serve as indicators of the level of business activity.~~

Lower Impact Activity Requirements

Some budget items may inflate operating expenditures but have a lower overall impact on the requirement for centralized support ~~services~~. These budget items include contributions to reserve, one-time funded expenditures, large one-time asset purchases, a portion of large third-party operating contracts and MVHC long-term mortgages. In order to and Sasamat Fire Protection Service debt servicing costs. To better reflect the level of service provided by the centralized support ~~services~~departments, the calculation of apportionment costs in annual operating budgets will be adjusted for those budget items not requiring centralized support.

Specific Direct Service Activity Requirements

~~In cases where it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit from an activity, the associated costs will be allocated directly to that service. These costs typically include, but are not limited to, costs related to programs such as Metro Vancouver's pooled fleet vehicles and equipment acquisitions, external legal counsel services and contracted security services.~~

3) Indirect Allocation Method – Project Delivery Project Management Office

Direct delivery services (such as Liquid Waste Services and Water Services) that are expected to use the Project Management Office services in the year will be allocated Program Management Office costs based on their prior year's endorsed Five-Year Capital Expenditures Plan.

METRO VANCOUVER SERVICES – INTERNAL SERVICE DELIVERY

The majority of Metro Vancouver services are delivered to members through an internal direct service model. This means that Metro Vancouver staff are engaged in the direct delivery of the service, including most or all of the operating and capital activities. For these services, the proportionate allocation of net centralized support costs shall will be apportioned as follows:

Greater Vancouver Water District (GVWD)

The GVWD will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant-funded expenditures and contributions to reserve.

Greater Vancouver Sewerage and Drainage District (GVS&DD) – Liquid Waste

BOARD POLICY

The Liquid Waste function will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant and reserve-funded expenditures and contributions to reserve.

Greater Vancouver Sewerage and Drainage District (GVS&DD) – Solid Waste

The Solid Waste function will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, 80% of large third-party operating contracts, one-time grant and reserve-funded expenditures and contributions to reserve. The adjustment for a portion of third-party operating contracts is to reflect that they require a lower level of service centralized support compared to other business activities.

Metro Vancouver Housing Corporation (MVHC)

The MVHC will be allocated a proportionate share of the net centralized support costs based on its prior year's operating expenditures budget excluding centralized support cost allocation, total annual debt servicing costs, one-time grant and reserve-funded expenditures, and contributions to reserve ~~and 80% of annual mortgage payments.~~

Metro Vancouver Regional District (MVRD)

The MVRD functions of Air Quality, Electoral Area, General Government, ~~Labour Relations Administration, Regional Employers Services, Housing Planning and Policy, Invest Vancouver,~~ Regional GPS, Regional Parks ~~and~~ Regional Planning, ~~and Mosquito Control Service~~ will be allocated a proportionate share of the net centralized support costs based on their prior year's operating expenditures budget excluding centralized support cost allocation, one-time grant and reserve-funded expenditures, contributions to reserve and large one-time asset purchases.

METRO VANCOUVER SERVICES – EXTERNAL SERVICE DELIVERY

While the majority of Metro Vancouver services are provided through the internal service delivery model some regional services engage the use of an external service provider to deliver services to members ~~through an external service delivery model.~~ This means that Metro Vancouver staff are engaged to a lesser extent in the delivery of the service, its operating activities and its capital activities. For these services, the proportionate allocation of net centralized support costs ~~shall~~will be apportioned as follows:

E911 Emergency Telephone Service

E911 Emergency Telephone Service will be allocated net centralized support costs equal to 2% of its current year's operating program budget excluding one-time grant and reserve-funded expenditures and contributions to reserve. This reflects the level of service associated with the administration of the E911 Emergency Telephone Service operating contract and routine finance support.

Regional Emergency Management

Regional Emergency Management will be allocated net centralized support costs equal to 5% of its current year's operating program budget excluding one-time grant and reserve-funded expenditures and contributions to reserve. This reflects the level of service associated with the overall administration of the program, purchasing support, and accounts payable.

BOARD POLICY

Sasamat Fire Protection Service

Sasamat Volunteer Fire Service will be allocated net centralized support costs equal to 10% of its current year's operating program budget excluding total annual debt servicing costs, one-time grant and reserve-funded expenditures, and contributions to reserve and large one-time asset purchases. This reflects the level of service associated with function management, fleet vehicle administration, procurement, accounts payable, payroll, budgeting and accounting.



Metro Vancouver Region

Financial Board Policy Review: Corporate Allocation Policy

Linda Sabatini

Deputy Chief Financial Officer, Financial Services

Performance and Audit Committee Meeting – February 19, 2026

metrovancouver

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CORPORATE ALLOCATION POLICY

PURPOSE

- **Approved in 2017; provides a budget framework for the apportionment of Metro Vancouver’s centralized support costs to its four legal entities**
- **Guided by principles of efficiency, equity, consistency and transparency**
- ***Local Government Act* requires a service to include administration costs attributable to providing that service**

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CORPORATE ALLOCATION POLICY

CENTRALIZED SUPPORT SERVICES

- Corporate Services
- External Relations
- Financial Services
- Human Resources
- Indigenous Relations
- Legislative Services
- Procurement and Real Estate Services
- Project Delivery

CORPORATE ALLOCATION POLICY

ALLOCATION METHODS

- **Direct method:** Used when it can be demonstrated and quantified that a Metro Vancouver service receives a specific direct benefit
- **Indirect allocation method:** Used when centralized costs cannot be assigned under the direct method and is based on a reasonable approximation of services provided

CORPORATE ALLOCATION POLICY

PROPOSED AMENDMENTS

Proposed Amendment	Rationale
Administrative Changes to update definitions and name changes	Reflect organizational structure
Indirect allocation method <ul style="list-style-type: none"> - All entities: exclude one-time funded expenditures - Metro Vancouver Housing and Sasamat Fire Protection Services: exclude total annual debt servicing costs - Project Delivery, Project Management Office: new allocation method 	Minimize year-over-year fluctuations Reflect the lower level of services provided for debt servicing costs Reflect current practices

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Pacific Spirit Regional Park

Questions?

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To: Performance and Audit Committee

From: Linda Sabatini, Deputy Chief Financial Officer, Financial Services

Date: February 9, 2026 Meeting Date: February 19, 2026

Subject: **Financial Board Policy Review – Amended *Operating, Statutory and Discretionary Reserves Policy* – Proposed Title: *Financial Reserves Policy***

RECOMMENDATION

THAT the MVRD/MVHC/GVWD/GVS&DD Board approve the amendments to the *Operating, Statutory and Discretionary Reserves Policy* as presented in the report dated February 9, 2026, titled “*Financial Board Policy Review – Amended Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy*”.

EXECUTIVE SUMMARY

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The *Operating, Statutory and Discretionary Reserves Policy* was adopted in 2018 and provides a framework on the establishment, use, and management of reserves for Metro Vancouver’s four legal entities and regional district services. The policy clarifies the priority for allocating surpluses while reinforcing the fundamental principle that surpluses are allocated within their originating purpose and are not transferable between reserves or functions. Metro Vancouver does not hold excess ratepayer funds in reserves, ensuring prudent financial management of programs. Subsequent to review, this report recommends the following amendments:

- a) administrative and policy principle updates to reflect regional district services, including changing the policy name to *Financial Reserves Policy*; and
- b) introduction of a maximum balance for the centralized support discretionary reserve.

The proposed amendments strengthen financial stability while improving clarity, consistency, and long-term resilience across Metro Vancouver’s reserves to align with long-term financial plans.

PURPOSE

This report provides a summary of the key financial principles in the *Operating, Statutory and Discretionary Reserves Policy*, and provides recommended policy changes based on prevailing practices.

BACKGROUND

At the November 28, 2025 GVS&DD Board meeting, the Board passed the following resolutions:

“That the GVS&DD Board direct staff to provide the following at minimum six weeks prior to the Board Budget Workshop:

- *A full capital project update on all major projects, including scope, status, schedule, risks, and cost projections;*
- *The completed and updated Financial Management Policy review, including any recommended changes to borrowing, debt-servicing, reserve management, and long-term capital funding approaches; and*
- *A comprehensive long-range financial plan of at least ten years, outlining projected capital requirements, operating impacts, financing strategies, and rate implications.*

And that the GVS&DD Board direct staff to provide the updated information to the Board in sufficient detail to enable informed decision-making regarding long term financial sustainability.”

In response to these resolutions, this report provides a summary of the financial principles in the *Operating, Statutory and Discretionary Reserves Policy* and recommends both administrative and minor substantive policy changes. In addition, the *Financial Management Policy* and *Corporate Allocation Policy* are both on this month’s Committee agenda with proposed changes as well.

OPERATING, STATUTORY AND DISCRETIONARY RESERVES POLICY

The *Operating, Statutory and Discretionary Reserves Policy* was originally approved by the four Metro Vancouver Boards in 2018 to provide a framework on the establishment, use, and management of reserves for Metro Vancouver’s four legal entities and regional district services. Reserves are an essential component of financial sustainability for Metro Vancouver. They are a means of providing financial security against unforeseen loss, mitigating current and future risks, ensuring stability in rate setting, and demonstrating financial commitment to long range infrastructure plans.

POLICY PRINCIPLES

The policy supports three guiding principles:

1. Financial stability, security, and sustainability
2. Consistent with long-term financial plans, and Board and Corporate strategic goals
3. In accordance with legal requirements under applicable legislation.

In addition, the policy provides direction for the management and administration of reserves as follows:

- All reserves contributions and applications must be approved by the Board, **through the annual budget process or as required throughout the year.**
- All Board approved use of reserves to fund expenditures, must be spent for the intended purpose within the year of approval, or the following budget year.
- All reserve balances will earn interest at a rate based on Metro Vancouver’s average return on investments.
- All reserves exclusively belong to a specific legal entity or function and can only be applied to fund business activities of that legal entity, function, or corporate service.
- Financial Services is responsible for the stewardship and oversight of all Metro Vancouver reserves.
- Internal borrowing from reserves is permitted with Board approval, to temporarily finance funding requirements to avoid external temporary borrowing or to fund emergencies as required, in accordance with applicable legislation. Any temporary borrowing from reserves is to be repaid, plus interest within five years.
- Reserves are categorized as either “Operating”, “Statutory” or “Discretionary”.

This report is not recommending changes to the policy principles, other than the minor wording changes for clarification, bolded above.

PROPOSED ADMINISTRATIVE AMENDMENTS TO THE POLICY

The following table summarizes the proposed administrative changes to the *Operating, Statutory and Discretionary Reserves Policy*. Changes are required to reflect organizational changes since its approval in 2018 and to confirm the Boards’ direction on the policy principles. Changes are identified using bold and strikethrough formatting below. The amended policy is included in **Attachment 1** with an edited tracked version in **Attachment 2**.

Table 1. Proposed Administrative Amendments to the Operating, Statutory and Discretionary Reserves Policy

Description	Current Policy	Proposed Amendment
Policy Name Change to reflect the broad scope of the policy	Operating, Statutory and Discretionary Reserves Policy	Financial Reserves Policy
MVRD Service Name Changes to reflect organizational changes	General Government	General Government Administration
	Affordable Housing	Housing Planning and Policy
	Labour Relations	Regional Employer Services
	N/A	Invest Vancouver
	N/A	Mosquito Control
Add a 5-year Future Policy Review Date	None	February 2031
Reserve Balances Reporting	N/A	The status of reserve balances will be reported to the Performance and Audit Committee three times a year through the Financial Performance Reporting process.
Definition of Net Annual Operating Expenditures to reflect calculation method of operating reserve minimums	N/A – No Definition	The total annual operating cost of delivering services and carrying out the ongoing operations for the current year.

RESERVE CATEGORIES, FUNDING SOURCES AND USAGE

Table 2 below identifies the purpose, funding sources and reserve usage in the existing policy. In addition, **Attachment 3** provides a detailed summary of Metro Vancouver’s reserve balances by entity. This report recommends an amendment to the Operating Reserve definition, bolded in the table, to clarify the purpose and use of this type of reserves. No other recommendations to the purpose, funding source, or usage are proposed.

Table 2. Summary of Reserve Category, Definition, Funding Source, and Usage

Reserve	Purpose	Funding Source	Usage
Operating Reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization and to support the maintenance of adequate working capital to manage cash flow fluctuations, timing differences between revenues and expenditures, and short-term financing or borrowing gaps.	Appropriation of annual surpluses	Funds unforeseen revenue shortfalls or expenditures obligations where other sources of funding are not available.
Discretionary Reserve	Established for the appropriation of annual surplus to meet a known or anticipated future financial obligation.	Appropriation of annual surpluses	Funds expenditures withing Metro Vancouver’s goals and priorities in reducing the need for revenue from rates, levies and tax requisitions.
Statutory Reserve	Established where reserves are required within a legal framework which governs their composition and application.	Appropriation of annual surpluses + Annual budget contributions	Funds authorized for the purpose designated by the Statutory Reserve and must be withdrawn in accordance with legal statute, Board approved bylaw, or governing agreement.

REVIEW OF OPERATING RESERVE MINIMUMS

The objective of reserve minimums is to ensure reserve adequacy reflects revenue volatility, expenditure risk, and fixed financial obligations, while maintaining clarity and consistency across services. This inherently protects organizational cash flow. In the current method, the reserve minimums are calculated as a set percentage (10-15%) of prior year operating budget, net of contributions to reserves, contributions to capital, and debt servicing expenditures. Unlike member jurisdictions, where there is generally one entity, Metro Vancouver has four entities that provide services associated with different tax or ratepayers. Therefore, reserve balances are unique to the establishing entity or service and cannot be used for funding shortfalls or projects for other entities. In addition, Metro Vancouver’s approach is not to hold excessive ratepayers’ funds and to use those funds to maintain constant levels of HHI or to lower borrowing levels and costs. Critical cash flow risks in each entity are as follows:

- Water Services’ primary cash-flow risk arises from volume-based water revenues that are sensitive to weather and conservation outcomes, combined with a largely fixed operating cost structure that cannot readily adjust to consumption variability or unpredictable infrastructure failure.
- Solid Waste faces cash-flow risk from fluctuations in waste volumes that affect tipping-fee revenues, while a high proportion of contractually fixed operating costs limits expenditure flexibility.

- Liquid Waste has low revenue risk due to stable levy-based funding, with cash-flow risk driven primarily by operational disruptions such as extreme weather events, infrastructure failures, or power interruptions.
- Metro Vancouver Housing’s cash-flow risk is driven by variability in rental revenues due to vacancies and tenant turnover, combined with exposure to unplanned maintenance costs associated with aging, wood-frame housing assets.

This report recommends retaining the current percentage-based approach and existing target minimum operating reserve levels, as they continue to support financial resilience, preserve working capital and flexibility, enable the use of surpluses for capital investment and debt mitigation, and ensure reserve balances remain appropriately sized without retaining excess funding from member jurisdictions.

After ensuring that all Operating Reserves meet the minimum balances as established under this policy and that all requirements for Statutory Reserves and Discretionary Reserves are met, any Annual Surplus remaining for a legal entity or Regional District Service will be utilized in accordance with the following priority sequence. This report recommends no changes to this sequence.

- Fund capital expenditures or pay down existing debt of that legal entity or Regional District Service.** This is consistent with debt avoidance and the mitigation of future financial obligations.
- Fund one-time expenditures of that legal entity or Regional District Service.** This includes but is not limited to funding equipment purchases and consulting initiatives and projects.
- Stabilize rates for a legal entity or Regional District Service.** This involves smoothing out utility rates, levies or tax requisitions resulting from operating budget expenditures. Usage of reserves for rate stabilization is only used in circumstances where priorities 1) and 2) are not applicable or have been met. This application is discretionary and may not be applicable. If not applicable, then move to priority 4.
- Maintain as a Statutory or Discretionary Reserve.** This can represent an addition to an existing Statutory or Discretionary Reserve or the establishment of a new Discretionary Reserve based on new information regarding a future financial obligation.

PROPOSED AMENDMENT TO CENTRALIZED SUPPORT RESERVE

Centralized Support encompasses a range of functions with differing financial risks and funding pressures that are currently managed within a single reserve. To strengthen reserve governance and improve long-term financial planning, this proposal introduces a clear limit on the size of the Centralized Support Discretionary Reserve.

This amendment includes establishing a defined maximum Centralized Support Discretionary Reserve balance equal to 15% of the prior year’s approved centralized services budget, net of fleet. Ongoing funding would continue to be provided through the appropriation of annual surpluses from centralized support functions, where such surpluses exist. Any reserve balance exceeding the approved maximum would be redistributed to legal entity reserves in accordance with the apportionment methodology set out in the Corporate Allocation Policy.

If approved, the projected year-end 2026 balance of the Centralized Support Discretionary Reserve would reflect this maximum threshold, and would be fully funded through the appropriation of annual surpluses, should they exist.

Table 3. Summary of Minimum Reserve Balance Amendments

Reserve	Current Definition	Proposed Definition
Operating Reserves		
Water	15% net operating expenditures representing approximately two months of operating costs	15% of net operating expenditures
Liquid Waste	10% net operating expenditures representing approximately one month of operating costs	10% of net operating expenditures
Solid Waste	15% net operating expenditures representing approximately two months of operating costs	15% of net operating expenditures
Metro Vancouver Housing	10% of net operating expenditures representing approximately one month of operating costs	10% of net operating expenditures
Regional District Services	5% of net operating expenditures representing approximately one half of one month of operating costs	5% of net operating expenditures
Discretionary Reserves		
Centralized Support Discretionary Reserve	No minimum/maximum balance	Maximum 15% of the prior year’s approved centralized support departments’ budgets, net of fleet. Any annual surplus generated from centralized services may be allocated to one-time expenditures within the respective centralized support budgets, subject to approval through the annual budget process. Any balance exceeding the approved maximum would be returned to the legal entity or Regional District Service reserves in accordance with the apportionment methodology set out in the <i>Corporate Allocation Policy</i>.
All Other Discretionary Reserves	No minimum/maximum balance	No change, as these are designated through appropriation of annual surplus to meet a known or anticipated future financial obligations.
Statutory Reserves		
All Statutory Reserves	Specific reserve minimums are dictated by legal framework which governs their composition and application.	No change, as these are dictated by legal framework.

ALTERNATIVES

1. THAT the MVRD/MVHC/GVWD/GVS&DD Board approve the amended *Operating, Statutory and Discretionary Reserves Policy* as presented in the report dated February 9, 2026, titled “*Financial Board Policy Review – Amended Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy*”.
2. THAT the Performance and Audit Committee direct staff to make additional or alternate amendments to the *Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy* reflecting the discussion at the February 19, 2026 meeting, and include a summary of those comments and an updated policy for Board consideration at the February 27, 2026 Board meeting.
3. THAT the Performance and Audit Committee receive the report dated February 9, 2026, titled *Financial Board Policy Review – Amended Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy*” and direct staff to integrate input from the Committee, and bring back a revised policy to the Performance and Audit Committee for its consideration at its March 12, 2026 meeting.

FINANCIAL IMPLICATIONS

If the Board chooses Alternative 1, the updated *Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy* will be integrated into modelling for the April Board budget workshop. If approved by the Board, the projected 2026 year-end reserve balance would include \$19 million for the Centralized Services Discretionary Reserve.

If the Committee chooses Alternative 2, staff will summarize the Committee’s discussion and additional or alternate amendments in a cover report to the Boards for the February 27, 2026 Board meeting and attach an updated *Operating, Statutory and Discretionary Reserves Policy* for the Boards’ consideration. Subject to Board approval, there will be time to integrate the updated policy into materials and modelling for the 2026 April Board Budget Workshop.

If the Committee chooses Alternative 3, staff will bring back an amended *Operating, Statutory and Discretionary Reserves Policy* reflecting the Committee’s discussion at the March 12, 2026 Performance and Audit Committee and March Board meeting. ***With a month delay, any amendments to the policy will not be reflected in the April Board Budget Workshop materials and modelling.***

CONCLUSION

The *Operating, Statutory and Discretionary Policy* provides a framework that guides the establishment and maintenance of reserves within Metro Vancouver’s four legal entities and the established regional district services. The policy principles and minimum/maximum calculation methods help maintain adequate working capital and statutory required minimums, mitigate against cash flow fluctuations and timing differences between revenues and expenditures.

ATTACHMENTS

1. Policy No. FN-016: *Financial Reserves Policy* – February 19, 2026 – Proposed Changes Accepted.
2. Policy No. FN-016: *Operating, Statutory, and Discretionary Reserves Policy* - April 27, 2018 – Proposed Changes.
3. Schedule of Metro Vancouver Reserves by Entity.
4. Presentation re: Financial Board Policy Review – *Operating, Statutory and Discretionary Reserves Policy* – Proposed Title: Financial Reserves Policy.

FINANCIAL RESERVES POLICY

Effective Date: April 27, 2018 (Revised February 27, 2026)

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

Policy No. FN-016

Next Review: February 2031

PURPOSE

To outline principles and requirements that guide the establishment, use and management of Metro Vancouver reserves.

DEFINITIONS

“Annual Surplus” means excess of revenues over expenditures for the current year;

“Legal Entity” means Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, Metro Vancouver Housing Corporation (MVHC) and Metro Vancouver Regional District (MVRD); and

“Regional District Services” comprise each of the following: Housing Policy and Planning, Air Quality, Electoral Area, General Government Administration, Regional Employer Services, Regional Global Positioning System (GPS), Regional Parks, Regional Planning, E911 Emergency Telephone Service, Regional Emergency Management, Mosquito Control Service and Sasamat Fire Protection Service.

“Net Annual Operating Expenditures” means the total annual operating cost of delivering services and carrying out the ongoing operations for the current year.

POLICY

Reserves are funds that are appropriated as a means of providing financial security against an unforeseen financial loss, such as a revenue shortfall and unexpected expenditures, or for meeting future financial obligations. They are a key element of Metro Vancouver’s long term financial sustainability and they provide a mechanism to ensure a strong financial position. Metro Vancouver reserves are categorized as Operating, Statutory or Discretionary.

Metro Vancouver’s Reserves Policy supports the following principles:

- Financial stability, security and sustainability
- Consistent with long term financial plans, Board and Corporate strategic goals
- In accordance with legal requirements under applicable legislation

In addition to these guiding principles, reserves shall be established and managed in accordance with the following:

- All reserve contributions and applications must be approved by the Board
- All reserve balances will earn interest at a rate based on Metro Vancouver’s average return on investments

BOARD POLICY

- All reserves exclusively belong to a specific legal entity or Regional District Service and can only be applied to fund business activities of that legal entity or Regional District Service.
- Financial Services is responsible for the stewardship and oversight of all Metro Vancouver reserves.
- The status of reserve balances will be reported to the Performance and Audit Committee three times a year through the Financial Performance Reporting process.

1. OPERATING RESERVES

Operating Reserves are established for each legal entity and Regional District Service to serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization and to support the maintenance of adequate working capital to manage cash-flow fluctuations, timing differences between revenues and expenditures, and short-term financing or borrowing gaps.

A legal entity or Regional District Service's inherent risk of experiencing an unforeseen financial loss increases both with the level of business activity as well as the nature of that business activity. Operating expenditures serve as a measure of an entity or function's level of business activity; therefore, the greater the business activity the greater the risk of an unforeseen financial event. Risk of an unforeseen financial loss also increases with volatility associated with the business activity.

Minimum Reserve. The minimum required Operating Reserve amount for a legal entity or Regional District Service shall be determined as a percentage of the legal entity or Regional District Service's prior year operating expenditures net of reserve contributions, contributions to capital and debt service costs and is based on the inherent risk of incurring a financial loss. As noted above, the higher the level of inherent risk, the higher the required reserve minimum balance.

Operating Reserve balances must be maintained at the established minimum amounts in order to ensure security against unforeseen financial impacts as this financial security is paramount to financial sustainability. Should the Operating Reserve balance fall below the established minimum, the Operating Reserve must be replenished to the minimum level within two budget years.

Contributions to Reserve. Contributions to Operating Reserves are made through the appropriation of annual surpluses generated from operations within a legal entity and Regional District Service.

Usage of Reserve. The usage of Operating Reserve balances will only be contemplated for the funding of unforeseen revenue shortfalls or expenditure obligations where other sources of funding are not available.

a) Greater Vancouver Water District (GVWD) Operating Reserve

The required Operating Reserve for the Water Services function is equal to 15% of net operating expenditures.

The GVWD is an entity whose primary revenue source is the sale of water based on a unit rate per cubic metre of water consumed within the region. The unit rate is set at a rate to cover annual expenditures and based on an estimated volume of overall regional consumption. The

BOARD POLICY

actual level of consumption, however, may vary from expectation due to many factors including weather, effectiveness of conservation measures and the implementation of watering restrictions. This potential volatility in consumption and that the majority of expenditures are not variable with the level of consumption and cannot easily be adjusted should there be a drop in consumption, results in the GVWD having a higher relative level of inherent risk associated with their business activities.

b) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Solid Waste

The required Operating Reserve for the Solid Waste function is equal to 15% of net operating expenditures.

Solid Waste is a function whose primary revenue source is Tipping Fee revenue based on a unit rate per cubic tonne of waste disposed of within the region. The unit rate is set to cover annual expenditures and is based on an estimated volume of overall regional waste tonnage. The actual level of waste tonnage, however, may vary from expectation due to many factors including level of construction and demolition, effectiveness of waste diversion activities and waste migration. While some expenditures in Solid Waste are somewhat variable with waste volumes, many are fixed. This along with the potential volatility in waste volumes leads to Solid Waste having a higher relative level of inherent risk associated with their business activities.

c) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Liquid Waste

The required Operating Reserve for the Liquid Waste function is equal to 10% of net operating expenditures.

Liquid Waste is a function whose primary revenue source is an annual sewer levy collected from member jurisdictions and as a result are low risk in terms of collection. While the majority of revenues in Liquid waste carry a high level of certainty, the nature of the business of collecting and treating sewage has operating risks including weather related overflows, impacts from power interruption and infrastructure failure. As a result, Liquid Waste has a moderate relative level of inherent risk associated with their business activities.

d) Metro Vancouver Housing Corporation (MVHC)

The required Operating Reserve for the Housing Corporation function is equal to 10% of net operating expenditures.

The MVHC is reliant on tenant rents to support the annual expenditures to provide affordable housing. The level of rental revenue has some inherent risk of volatility due to factors including vacancy rates, tenant turnover and rental losses caused by required repairs and maintenance activities. The nature of the housing complexes being of wood construction, include a level of risk of unforeseen significant maintenance requirements. As a result, the MVHC has a moderate relative level of inherent risk associated with their business activities.

e) Metro Vancouver Regional District (MVRD)

The required Operating Reserve for each Regional District Service is equal to 5% of net operating expenditures.

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The Regional District Services are reliant on tax requisition collected from member jurisdictions and therefore, have low risk in terms of revenue collection. In addition, the Regional District Services’ operating expenditures are relatively consistent annually and quite predictable. As a result, the Regional District Services have a low relative level of inherent risk associated with their business activities.

SUMMARY OF OPERATING RESERVE MINIMUMS	
Legal Entity	Operating Reserve Amount
Greater Vancouver Water District	15% of prior year’s net operating expenditures
Greater Vancouver Sewerage and Drainage District Solid Waste	15% of prior year’s net operating expenditures
Greater Vancouver Sewerage and Drainage District Liquid Waste	10% of prior year’s net operating expenditures
Metro Vancouver Housing Corporation	10% of prior year’s net operating expenditures
Metro Vancouver Regional District Services: Air Quality E911 Emergency Telephone Service Electoral Area Service General Government Administration Housing Planning and Policy Invest Vancouver Regional Emergency Management Regional Employer Services Regional Global Positioning System Regional Parks Regional Planning Sasamat Fire Protection Service Mosquito Control Service	5% of prior year’s net operating expenditures

2. STATUTORY RESERVES

Statutory Reserves are established where reserves are required within a legal framework which governs their composition and application. Statutory Reserves are reserves set aside for a legal entity and Regional District Service for a specific purpose in accordance with the applicable terms and conditions within the establishing legal framework as follows:

- Legislation
- Board approved bylaw
- Governing agreement with another level of government or entity

Examples of Statutory Reserves include Liquid Waste Development Cost Charges (GVS&DD), Cultural Grants (MVRD) and Park Land Acquisition (MVRD).

BOARD POLICY

Contributions to Reserve. Contributions to Statutory Reserves are made through annual budget contributions and the appropriation of the annual surplus generated from operations in accordance with legal statute, Board approved bylaw, or governing agreement.

Usage of Reserves. The usage of Statutory Reserve balances will only be authorized for the purpose designated by the Statutory Reserve and must be withdrawn in accordance with legal statute, Board approved bylaw, or governing agreement.

3. DISCRETIONARY RESERVES

Discretionary Reserves are established by the Board for legal entities and Regional District Services as an appropriation of annual surplus to meet a known or anticipated future financial obligation.

Contributions to Reserve. Contributions to Discretionary Reserves are made through the appropriation of the annual surplus generated from operations for a known or anticipated future financial obligation, or for general future usage in accordance with the priority sequence as outlined under “Appropriation of Annual Surplus.”

Usage of Reserves. The usage of Discretionary Reserve balances will fund expenditures as an additional annual revenue source to support Metro Vancouver’s goals and priorities in reducing the need for revenue from rates, levies and tax requisitions. The usage of Discretionary Reserves will be included, where applicable, within the five-year financial plan.

SUMMARY OF OPERATING RESERVE MINIMUMS	
Centralized Support Discretionary Reserve	Maximum 15% of the prior year’s approved centralized support departments’ budgets, net of fleet. Any annual surplus generated from centralized services in excess of the minimum required balance may be allocated to one-time expenditures within the respective centralized support budgets, subject to approval through the annual budget process. Any balance exceeding the approved maximum would be returned to the legal entity or Regional District Service reserves in accordance with the apportionment methodology set out in the <i>Corporate Allocation Policy</i> .
All Other Discretionary Reserves	No minimum or maximum balances as these reserves designated through appropriation of annual surplus to meet a known or anticipated future financial obligations

4. APPROPRIATION OF ANNUAL SURPLUS

After ensuring that all Operating Reserves meet the minimum balances as established under this Policy and that all requirements for Statutory Reserves and Discretionary Reserves are met, any Annual Surplus remaining for a legal entity or Regional District Service will be utilized in accordance with the following priority sequence:

- i. **Fund capital expenditures or pay down existing debt of that legal entity or Regional District Service.** This is consistent with debt avoidance and the mitigation of future financial obligations

BOARD POLICY

- ii. **Fund one-time expenditures of that legal entity or Regional District Service.** This includes but is not limited to funding equipment purchases and consulting initiatives and projects.
- iii. **Stabilize rates for a legal entity or Regional District Service.** This involves smoothing out utility rates, levies or tax requisitions resulting from operating budget expenditures. Usage of reserves for rate stabilization is only used in circumstances where priorities 1) and 2) are not applicable, or have been met. This application is discretionary and may not be applicable. If not applicable, then move to priority 4.
- iv. **Maintain as a Statutory or Discretionary Reserve.** This can represent an addition to an existing Statutory or Discretionary Reserve or the establishment of a new Discretionary Reserve based on new information regarding a future financial obligation.

Management of Reserves

When the Board has approved the use of reserves to fund expenditures, the funding must be spent for the intended purpose within the year of approval, or the following budget year.

Although reserves are to only be used for their intended purpose, there may be instances when short-term internal borrowing from reserves is financially beneficial or required. Internal borrowing is permitted to temporarily finance funding requirements to avoid external temporary borrowing or to fund emergencies as required, in accordance with the applicable legislation. If money from one reserve is used for temporary financing purposes, there must be repayment of the amount used to the reserve, plus interest within five years of borrowing.

Internal borrowing and transferring of funds from Reserves must be approved by the Board.

OPERATING, STATUTORY AND DISCRETIONARY FINANCIAL RESERVES POLICY

Effective Date: April 27, 2018 (Revised February 27, 2026)

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

Policy No. FN-016

Next Review: February 2031

PURPOSE

To outline principles and requirements that guide the establishment, use and management of Metro Vancouver reserves.

DEFINITIONS

“Annual Surplus” means excess of revenues over expenditures for the current year;

“Legal Entity” means Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, Metro Vancouver Housing Corporation (MVHC) and Metro Vancouver Regional District (MVRD); and

“Statutory Functions” mean functions related to the Metro Vancouver Regional District, which include: Affordable Services comprise each of the following: Housing Policy and Planning, Air Quality, Electoral Area, General Government, Labour Relations Administration, Regional Employer Services, Regional Global Positioning System (GPS), Regional Parks, Regional Planning, E911 Emergency Telephone Service, Regional Emergency Management, Mosquito Control Service and Sasamat Fire Protection Service.

“Net Annual Operating Expenditures” means the total annual operating cost of delivering services and carrying out the ongoing operations for the current year.

POLICY

Reserves are funds that are appropriated as a means of providing financial security against an unforeseen financial loss, such as a revenue shortfall and unexpected expenditures, or for meeting future financial obligations. They are a key element of Metro Vancouver’s long term financial sustainability and they provide a mechanism to ensure a strong financial position. Metro Vancouver reserves are categorized as Operating, Statutory or Discretionary.

Metro Vancouver’s Reserves Policy supports the following principles:

- Financial stability, security and sustainability
- Consistent with long term financial plans, Board and Corporate strategic goals
- In accordance with legal requirements under applicable legislation

In addition to these guiding principles, reserves shall be established and managed in accordance with the following:

- All reserve contributions and applications must be approved by the Board

BOARD POLICY

- All reserve balances will earn interest at a rate based on Metro Vancouver's average return on investments
- All reserves exclusively belong to a specific legal entity or ~~statutory function~~Regional District Service and can only be applied to fund business activities of that legal entity or ~~statutory function~~Regional District Service.
- Financial Services is responsible for the stewardship and oversight of all Metro Vancouver reserves.
- The status of reserve balances will be reported to the Performance and Audit Committee three times a year through the Financial Performance Reporting process.

1. OPERATING RESERVES

Operating Reserves are established for each legal entity and ~~statutory function~~Regional District Service to serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization and to support the maintenance of adequate working capital to manage cash-flow fluctuations, timing differences between revenues and expenditures, and short-term financing or borrowing gaps.

A legal entity or ~~statutory function's~~Regional District Service's inherent risk of experiencing an unforeseen financial loss increases both with the level of business activity as well as the nature of that business activity. Operating expenditures serve as a measure of an entity or function's level of business activity; therefore, the greater the business activity the greater the risk of an unforeseen financial event. Risk of an unforeseen financial loss also increases with volatility associated with the business activity.

Minimum Reserve. The minimum required Operating Reserve amount for a legal entity or ~~statutory function~~Regional District Service shall be determined as a percentage of the legal entity or ~~statutory function's~~Regional District Service's prior year operating expenditures net of reserve contributions, contributions to capital and debt service costs and is based on the inherent risk of incurring a financial loss. As noted above, the higher the level of inherent risk, the higher the required reserve minimum balance.

Operating Reserve balances must be maintained at the established minimum amounts in order to ensure security against unforeseen financial impacts as this financial security is paramount to financial sustainability. Should the Operating Reserve balance fall below the established minimum, the Operating Reserve must be replenished to the minimum level within two budget years.

Contributions to Reserve. Contributions to Operating Reserves are made through the appropriation of annual surpluses generated from operations within a legal entity and ~~statutory function~~Regional District Service.

Usage of Reserve. The usage of Operating Reserve balances will only be contemplated for the funding of unforeseen revenue shortfalls or ~~expenditures~~expenditure obligations where other sources of funding ~~is~~are not available.

BOARD POLICY

a) Greater Vancouver Water District (GVWD) Operating Reserve

The required Operating Reserve for the Water Services function is equal to 15% of net operating expenditures ~~representing approximately two months of operating costs.~~

The GVWD is an entity whose primary revenue source is the sale of water based on a unit rate per cubic metre of water consumed within the region. The unit rate is set at a rate to cover annual expenditures and based on an estimated volume of overall regional consumption. The actual level of consumption, however, may vary from expectation due to many factors including weather, effectiveness of conservation measures and the implementation of watering restrictions. This potential volatility in consumption and that the majority of expenditures are not variable with the level of consumption and cannot easily be adjusted should there be a drop in consumption, results in the GVWD having a higher relative level of inherent risk associated with their business activities.

b) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Solid Waste

The required Operating Reserve for the Solid Waste function is equal to 15% of net operating expenditures ~~representing approximately two months of operating costs.~~

Solid Waste is a function whose primary revenue source is Tipping Fee revenue based on a unit rate per cubic tonne of waste disposed of within the region. The unit rate is set to cover annual expenditures and is based on an estimated volume of overall regional waste tonnage. The actual level of waste tonnage, however, may vary from expectation due to many factors including level of construction and demolition, effectiveness of waste diversion activities and waste migration. While some expenditures in Solid Waste are somewhat variable with waste volumes, many are fixed. This along with the potential volatility in waste volumes leads to Solid Waste having a higher relative level of inherent risk associated with their business activities.

c) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Liquid Waste

The required Operating Reserve for the Liquid Waste function is equal to 10% of net operating expenditures ~~representing approximately one month of operating costs.~~

Liquid Waste is a function whose primary revenue source is an annual sewer levy collected from member jurisdictions and as a result are low risk in terms of collection. While the majority of revenues in Liquid waste carry a high level of certainty, the nature of the business of collecting and treating sewage has operating risks including weather related overflows, impacts from power interruption and infrastructure failure. As a result, Liquid Waste has a moderate relative level of inherent risk associated with their business activities.

d) Metro Vancouver Housing Corporation (MVHC)

The required Operating Reserve for the Housing Corporation function is equal to 10% of net operating expenditures ~~representing approximately one month of operating costs.~~

The MVHC is reliant on tenant rents to support the annual expenditures to provide affordable housing. The level of rental revenue has some inherent risk of volatility due to factors including

BOARD POLICY

vacancy rates, tenant turnover and rental losses caused by required repairs and maintenance activities. The nature of the housing complexes being of wood construction, include a level of risk of unforeseen significant maintenance requirements. As a result, the MVHC has a moderate relative level of inherent risk associated with their business activities.

e) Metro Vancouver Regional District (MVRD)

The required Operating Reserve for each ~~MVRD Statutory function~~ Regional District Service is equal to 5% of net operating expenditures ~~representing approximately one half of one month of operating costs.~~

~~The statutory functions of the MVRD~~ The Regional District Services are reliant on tax requisition collected from member jurisdictions and therefore, have low risk in terms of revenue collection. In addition, the ~~MVRD statutory function's~~ Regional District Services' operating expenditures are relatively consistent annually and quite predictable. As a result, the ~~MVRD statutory functions~~ Regional District Services have a low relative level of inherent risk associated with their business activities.

SUMMARY OF OPERATING RESERVE MINIMUMS	
Legal Entity/ Statutory Function	Operating Reserve Amount
Greater Vancouver Water District	15% of prior year's net operating expenditures (approximately 2 months of operating costs)
Greater Vancouver Sewerage and Drainage District Solid Waste	15% of prior year's net operating expenditures (approximately 2 months of operating costs)
Greater Vancouver Sewerage and Drainage District Liquid Waste	10% of prior year's net operating expenditures (approximately 1 month of operating costs)
Metro Vancouver Housing Corporation	10% of prior year's net operating expenditures (approximately 1 month of operating costs)
Metro Vancouver Regional District <u>Services:</u> Affordable Housing Air Quality E911 Emergency Telephone Service Electoral Area Service General Government <u>Administration</u> Labour Relations <u>Housing Planning and Policy</u> <u>Invest Vancouver</u> Regional Emergency Management <u>Regional Employer Services</u> Regional Global Positioning System Regional Parks	5% of prior year's net operating expenditures (approximately 0.5 month of operating costs)

BOARD POLICY

Regional Planning Sasamat Fire Protection Service Mosquito Control Service	
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2. STATUTORY RESERVES

Statutory Reserves are established where reserves are required within a legal framework which governs their composition and application. Statutory Reserves are reserves set aside for a legal entity and ~~statutory function~~[Regional District Service](#) for a specific purpose in accordance with the applicable terms and conditions within the establishing legal framework as follows:

- ~~Legal statute~~
- [Legislation](#)
- Board approved bylaw
- Governing agreement with another level of government or entity

Examples of Statutory Reserves include Liquid Waste Development Cost Charges- ~~(GVS&DD)~~, Cultural Grants [\(MVRD\)](#) and Park Land Acquisition- ~~(MVRD)~~.

Contributions to Reserve. Contributions to Statutory Reserves are made through annual budget contributions and the appropriation of the annual surplus generated from operations in accordance with legal statute, Board approved bylaw, or governing agreement.

Usage of Reserves. The usage of Statutory Reserve balances will only be authorized for the purpose designated by the Statutory Reserve and must be withdrawn in accordance with legal statute, Board approved bylaw, or governing agreement.

3. DISCRETIONARY RESERVES

Discretionary Reserves are established by the Board for legal entities and ~~statutory functions~~[Regional District Services](#) as an appropriation of annual surplus to meet a known or anticipated future financial obligation.

Contributions to Reserve. Contributions to Discretionary Reserves are made through the appropriation of the annual surplus generated from operations for a known or anticipated future financial obligation, or for general future usage in accordance with the priority sequence as outlined under "Appropriation of Annual Surplus."

Usage of Reserves. The usage of Discretionary Reserve balances will fund expenditures as an additional annual revenue source to support Metro Vancouver's goals and priorities in reducing the need for revenue from rates, levies and tax requisitions. The usage of Discretionary Reserves will be included, where applicable, within the five-year financial plan.

BOARD POLICY

<u>SUMMARY OF OPERATING RESERVE MINIMUMS</u>	
<u>Centralized Support Discretionary Reserve</u>	<u>Maximum 15% of the prior year’s approved centralized support departments’ budgets, net of fleet. Any annual surplus generated from centralized services in excess of the minimum required balance may be allocated to one-time expenditures within the respective centralized support budgets, subject to approval through the annual budget process. Any balance exceeding the approved maximum would be returned to the legal entity or Regional District Service reserves in accordance with the apportionment methodology set out in the <i>Corporate Allocation Policy</i>.</u>
<u>All Other Discretionary Reserves</u>	<u>No minimum or maximum balances as these reserves designated through appropriation of annual surplus to meet a known or anticipated future financial obligations</u>

4. APPROPRIATION OF ANNUAL SURPLUS

After ensuring that all Operating Reserves meet the minimum balances as established under this Policy and that all requirements for Statutory Reserves and Discretionary Reserves are met, any ~~annual surplus~~Annual Surplus remaining for a legal entity or Regional District Service will be utilized in accordance with the following priority sequence:

- i. **Fund capital expenditures or pay down existing debt.** ~~of that legal entity or Regional District Service.~~ This is consistent with debt avoidance and the mitigation of future financial obligations
- ii. **Fund one-time expenditures.** ~~of that legal entity or Regional District Service.~~ This includes but is not limited to funding equipment purchases and consulting initiatives and projects.
- iii. ~~Rate stabilization~~Stabilize rates **for a legal entity or** ~~statutory function~~Regional District Service. This involves smoothing out utility rates, levies or tax requisitions resulting from operating budget expenditures. Usage of reserves for rate stabilization is only used in circumstances where priorities 1) and 2) are not applicable, or have been met. This application is discretionary and may not be applicable. If not applicable, then move to priority 4.
- iv. **Maintain as a Statutory or Discretionary Reserve.** This can represent an addition to an existing Statutory or Discretionary Reserve or the establishment of a new Discretionary Reserve based on new information regarding a future financial obligation.

Management of Reserves

When the Board has approved the use of reserves to fund expenditures, the funding must be spent for the intended purpose within the year of approval, or the following budget year.

Although reserves are to only be used for their intended purpose, there may be instances when short-term internal borrowing from reserves is financially beneficial or required. Internal borrowing is permitted to temporarily finance funding requirements to avoid external temporary borrowing or to fund emergencies as required, in accordance with the applicable legislation. If money from one reserve

BOARD POLICY

is used for temporary financing purposes, there must be repayment of the amount used to the reserve, plus interest within five years of borrowing.

Internal borrowing and transferring of funds from Reserves must be approved by the Board.

Attachment 3: Schedule of Metro Vancouver Reserves by Entity

Reserve	Classification	Description	Projected Balance December 31, 2026	Proposed Minimum Balance
GVSDD				
Liquid Waste Services				
Liquid Waste Services Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to operating risks including weather related overflows, impacts from power interruption and infrastructure failure. Each established Sewerage and Drainage Area has its own Operating Reserve Account.	\$ 29,586,304	\$ 28,174,223
Liquid Waste Biosolids Inventory	Discretionary reserves	Established for the costs related to the processing and removal of biosolids at the Wastewater Treatment Plants. Each Sewerage Area has its own Biosolids Inventory Reserve Account.	-	N/A
Liquid Waste Drainage General	Discretionary reserves	Established for projects related to the Drainage Areas. Each Drainage Area has its own Reserve Account.	2,989,907	N/A
Liquid Waste General Debt Reserve Fund	Discretionary reserves	Originally established to support GVS&DD's historical bond and debenture issuances, ensuring sufficient funds were available to meet payment obligations to bondholders. As GVS&DD no longer issues its own debt and this function is no longer required, this reserve may be considered for transfer to capital.	3,322,196	N/A
Liquid Waste Lions Gate Contingency	Discretionary reserves	Established for the costs related to the current Lions Gate Wastewater Treatment Plant including land lease rents to the Squamish Nation. This reserve is established only for the North Shore Sewerage Area.	1,749,849	N/A
Liquid Waste Development Cost Charge	Statutory reserves	Established to only be used for assisting the GVS&DD in paying debt or capital costs incurred to provide, construct, alter or expand sewerage facilities to service development within the area of the GVS&DD (Sewerage and Drainage function). Each Sewerage Area has its own DCC Reserve Account.	205,060,539	N/A

Liquid Waste Laboratory Equipment	Statutory reserves	Established to only be used for the acquisition, repair, replacement, upgrading or improvements of laboratory equipment used by the GVS&DD for testing and analysis. Each Sewerage Area has its own laboratory equipment Reserve Account.	1,296,630	N/A
Liquid Waste Services Sustainability Innovation Fund	Statutory reserves	Established for the activities described in the Liquid Waste Sustainability Innovation Fund Policy. Each Sewerage Area has its own Sustainability Innovation Fund Reserve Account.	7,900,565	N/A
North Shore Wastewater Treatment Plant	Statutory reserves	Established to provide for “North Shore Program Additional Costs”, which means the costs for completing the North Shore Program in excess of \$1.06 Billion, to a maximum of \$3.86 Billion; stated another way, North Shore Program Additional Costs will not exceed \$2.8 Billion.	142,430,196	N/A
Solid Waste Services				
Solid Waste Services Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss such as a reduction in overall regional waste tonnage and volumes.	21,898,995	20,865,666
Solid Waste General	Discretionary reserves	Established for projects and initiatives related to Solid Waste activities.	28,702,441	N/A
Solid Waste Landfill Post Closure		Established to be used to cover unforeseen costs related to the closure of the Vancouver Landfill.	11,983,117	N/A
GVWD				
Water Services				
Water Services Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen loss due to less than expected revenues such as lower water sales due to consumption.	25,897,324	24,441,578

Laboratory Equipment	Statutory reserves	Established for the acquisition, repair, replacement, upgrading or improvements of laboratory equipment used by the GVWD for testing and analysis.	1,036,117	N/A
Water Development Cost Charge	Statutory reserves	Established to only be used for assisting the GVWD in paying debt or capital costs incurred to provide, construct, alter or expand water service facilities to service development within the area of the GVWD.	108,787,088	N/A
Water Services Sustainability Innovation Fund	Statutory reserves	Established to be used for the activities described in the Water Sustainability Innovation Fund Policy.	10,564,699	N/A
MVHC				
MVHC Operating Reserves Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to factors including vacancy rates, tenant turnover and rental losses caused by required repairs and maintenance activities.	9,716,715	3,409,034
MVHC Capital Development	Discretionary reserves	Established for the development and re-development of MVHC housing sites.	66,639,135	N/A
MVHC Capital Replacement	Discretionary reserves	Established for capital replacement activities within the MVHC. This would include major repairs and maintenance activities at MVHC housing sites.	16,389,278	N/A
MVHC Restricted Reserve	Statutory reserves	Established for the MVHC programs per restricted agreements.	6,551,515	N/A
MVRD				
Air Quality and Climate Action				
Air Quality and Climate Action Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	1,063,102	889,129
Air Quality and Climate Action General	Discretionary reserves	Established to fund projects and initiatives within the Air Quality function.	5,032,865	N/A

Centralized Support Program				
Centralized Support General	Discretionary reserves	Established to fund projects and initiatives for all centralized support programs. This reserve includes: - Corporate Services Information - Technology Reserve Account - Corporate Benefits Reserve Account - Corporate Programs Reserve Account	19,385,413	N/A
Corporate Fleet	Statutory reserves	Established to provide for costs related to the acquisition, replacement and maintenance of corporate fleet assets.	9,484,829	N/A
Corporate Self Insurance	Statutory reserves	Established to provide for the costs related to funding property and liability claims in accordance with the MVRD General Liability and Property Loss Claims Policy.	1,796,369	N/A
E911 Emergency Telephone Service				
E911 Emergency Telephone Service Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	380,973	363,820
E911 Emergency Telephone Service General	Discretionary reserves	Established to fund projects and initiatives within the E911 Emergency Telephone Service Function.	531,714	N/A
Electoral Area				
Electoral Area Service Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	190,755	304,313
Electoral Area Service General	Discretionary reserves	Established to fund costs associated with projects and initiatives within the Electoral Area Service Function.	1,961,696	N/A
Electoral Area Community Works	Statutory reserves	Established to fund projects and initiatives as per the Community Works Fund Agreement.	1,257,038	N/A
Electoral Area Election	Statutory reserves	Established to fund costs associated with Electoral Area A local government elections, by-elections, projects and initiatives.	22,278	N/A

General Government				
General Government Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	1,136,726	425,077
West Nile Virus	Operating reserves	Originally established to fund Mosquito Control Services. The underlying Mosquito Control Program remains an established Metro Vancouver service through a formal bylaw, although no active budget is currently allocated to it. The reserve remains in place to support potential future needs related to mosquito control or West Nile Virus response.	429,405	N/A
General Government	Discretionary reserves	Established to fund costs associated with projects and initiatives within the General Government Function.	21,528,362	N/A
Grants Reserve Fund	Statutory reserves	Established for funds to be expended solely for the purpose of providing grants to organizations specifically named by the Regional District Board and in accordance with guidelines for this purpose approved by the Board.	2,279,492	N/A
MVRD Sustainability Innovation Fund	Statutory reserves	Established to set aside funds to provide for costs related to activities described in the MVRD Regional District Sustainability Innovation Fund Policy.	4,728,498	N/A
Housing Planning and Policy				
Housing Planning and Policy Development Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	649,576	237,301
Housing Planning and Policy	Statutory reserves	Established to provide for costs related to funding affordable housing development, projects and initiatives.	1,076,353	N/A
Housing Planning and Policy Development	Statutory reserves	Established to provide for costs related to funding new affordable housing development projects on lands owned by MVRD or by MVRD member jurisdictions.	5,221,987	N/A

Invest Vancouver				
Invest Vancouver Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	246,751	237,693
Invest Vancouver General	Discretionary reserves	Established to fund projects and initiatives within the Invest Vancouver Initiative Function.	705,013	N/A
Regional Emergency Management				
Regional Emergency Management Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	19,805	9,984
Regional Emergency Management General	Discretionary reserves	Established to fund projects and initiatives within the Regional Emergency Management Function.	589,277	N/A
Regional Employer Services				
Regional Employer Services Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	235,186	219,127
Regional Employer Services General	Discretionary reserves	Established to fund projects and initiatives within the Regional Employer Services Function.	1,796,053	N/A
Regional Geospatial Reference System				
Regional Geospatial Reference System Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	31,573	22,671
Regional Geospatial Reference System	Statutory reserves	Established to set aside funds to provide for costs, projects, initiatives and equipment related to the Regional GPS Service.	1,084,645	N/A
Regional Parks				
Regional Parks Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	2,674,373	2,590,496
Regional Parks General	Discretionary reserves	Established to fund projects and initiatives within the Regional Parks Function.	3,401,480	N/A

Delta Airpark	Statutory reserves	Established for Delta Airpark building repairs and other capital Airpark improvements and or associated park areas as endorsed by the Delta Airpark Management Committee and adopted by the District Park Committee.	84,373	N/A
Parkland Acquisition	Statutory reserves	Established to set aside funds for the purpose of land acquisition in existing and future regional parks.	12,426,893	N/A
Parkland Acquisition and Development	Statutory reserves	Established for the purpose of acquiring park land, or for the development or construction of improvements on or to park land.	23,639,171	N/A
Parkland Acquisition Development Cost Charge	Statutory reserves	Established to only be used for assisting the MVRD in paying the capital costs of providing regional park land, to service, directly or indirectly, the development for which the charge is being imposed.	681,117	N/A
Regional Parks Infrastructure	Statutory reserves	Established to provide for costs related to the acquisition, construction, replacement and maintenance of capital infrastructure related to the Regional Parks Function.	9,077,124	N/A
Regional Parks Legacy	Statutory reserves	Established to set aside funds to be used for stewardship activities in MVRD's Regional Parks that benefit the community.	2,754,049	N/A
Regional Planning				
Regional Planning Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	347,667	286,585
Regional Planning General	Discretionary reserves	Established to fund projects and initiatives within the Regional Planning Function.	3,542,253	N/A
Sasamat Fire Protection				
Sasamat Fire Protection Service Operating	Operating reserves	Established to serve as a measure of financial security should there be an unforeseen financial loss due to higher than expected operating costs.	351,036	22,849
SFPS Capital Facility Reserve	Statutory reserves	Established to help fund preliminary design for the replacement of two fire halls in Villages of Anmore and Belcarra.	2,068,583	N/A

SFPS Capital Reserve Fund	Statutory reserves	Established to for future capital expenditures for the Sasamat Fire Protection Service including vehicles or equipment.	981,196	N/A
SFPS Communications Capital Reserve Fund	Statutory reserves	Established to set aside funds to provide for the acquisition of new communications equipment and the payment of apportioned infrastructure costs for the Sasamat Fire Protection Service.	79,644	N/A
SFPS Emergency Equipment Reserve Fund	Statutory reserves	Established to set aside funds to provide for emergency repairs to equipment for the Sasamat Fire Protection Service.	60,482	N/A
			\$ 847,537,785	\$ 89,614,871



Metro Vancouver Region

Financial Board Policy Review: Operating, Statutory and Discretionary Reserves Policy – Proposed Title: Financial Reserves Policy

Linda Sabatini
Deputy Chief Financial Officer, Financial Services

Performance and Audit Committee Meeting – February 19, 2026
Orbit Link: Add when archiving presentation to Orbit

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1

RESERVES POLICY

PURPOSE

- **Approved in 2018; provides a framework for the establishment, use and management of Metro Vancouver’s reserves within its four legal entities**
- **Guided by the following principles**
 - Reserves provide financial stability, security and sustainability
 - Reserves can only used for the specific entity or function
 - Comply with legal requirements
 - Approved applications must be expended in year of approval or the following year
 - Reserves earn interest annually at the internal rate of return on investments
- **Metro Vancouver approach refrains from holding excess ratepayer funds in reserves**

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2

RESERVES POLICY

TYPES OF RESERVES

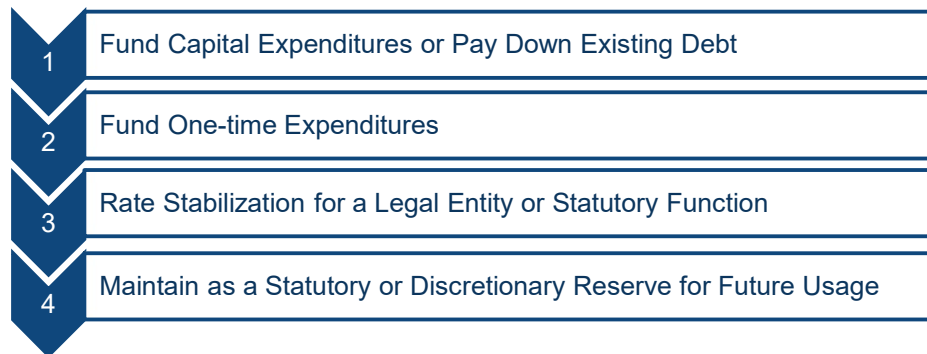
Reserve Category	Definition	Funding Source	Usage
Operating Reserves	Serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization	Annual surpluses	Funds unforeseen revenue shortfalls or expenditures obligations where other sources of funding are not available
Discretionary Reserve	Established for the appropriation of annual surplus to meet a known or anticipated future financial obligation	Annual surpluses	Funds expenditures as an additional annual revenue source to support Metro Vancouver's goals and priorities in reducing the need for revenue from rates, levies and tax requisitions.
Statutory Reserve	Established when required within a legal framework which governs their composition and application of funds.	Annual surpluses + Budget contributions	Funds are withdrawn in accordance with legal statute , Board approved bylaw, or governing agreement.

3

RESERVES POLICY

ALLOCATION OF SURPLUS

Balances in excess of operating minimums are utilized in accordance with the following priority sequence:



4

RESERVES POLICY

PROPOSED AMENDMENTS

1. Administrative Changes

- Policy Name Change to “Financial Reserves Policy”
- Service Name Changes to reflect organizational changes
 - Example: “Affordable Housing” → “Housing Planning and Policy”
- Definition of “Net Operating Expenditures” to reflect calculation method of operating reserve minimums
- Expand definition of Operating Reserves to align with current practice

2. Centralized Support Discretionary Reserve Maximum at 15%

- Fund is designated to fund one-time expenditures that are critical priorities for the organization
- This could include one-time IT and Head Office projects
- Any balance above the established maximum will be redistributed to legal entities in accordance with the Corporate Allocation Policy

5

RESERVES POLICY

SUMMARY OF MINIMUMS / MAXIMUMS

	Current		Proposed
OPERATING RESERVES			
Water	15% net operating expenditures	→	No changes proposed
Liquid Waste	10% net operating expenditures	→	No changes proposed
Solid Waste	15% net operating expenditures	→	No changes proposed
Metro Vancouver Housing	10% net operating expenditures	→	No changes proposed
Regional Districts	5% net operating expenditures	→	No changes proposed
DISCRETIONARY RESERVES			
Centralized Support Discretionary Reserve	No minimum/maximum balance	→	Set maximum to 15%, with excess being redistributed back to entities in accordance with Corporate Allocation Policy.
Other Discretionary Reserves	No minimum/maximum balance	→	No changes proposed*
STATUTORY RESERVES			
All Reserves	Designated through legal framework	→	No changes proposed

*See attachment “Schedule of Metro Vancouver Reserves By Entity” for a full list of reserves.

6



7

To: Performance and Audit Committee

From: Linda Sabatini, Deputy Chief Financial Officer, Financial Services
Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: February 9, 2026 Meeting Date: February 19, 2026

Subject: **Financial Board Policy Review – Amended *Financial Management Policy***

RECOMMENDATION

THAT the MVRD/MVHC/GVWD/GVS&DD Board approve the amended *Financial Management Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Financial Management Policy*”.

EXECUTIVE SUMMARY

This report responds to Board direction to complete a review of Metro Vancouver’s relevant financial policies in advance of the 2026 April Board Budget Workshop. The *Financial Management Policy* was adopted in 2018, and provides a framework for funding decisions through a “pay-as-you-go” approach for operating and recurring capital expenditures, and long-term borrowing for major capital infrastructure costs.

The *Financial Management Policy* sets the policy framework for amortization for Metro Vancouver’s capital program – currently set at 15 years for all capital projects, with the exception of 30 years for North Shore municipalities’ share of the North Shore Wastewater Treatment Plant Program. Amortization period has been a topic of discussion at multiple Board meetings over the past number of years; this report provides a range of scenarios and applies them to Metro Vancouver’s 10 Year Capital Outlook – received by the Boards in October 2025 as a tool to be used in discussions about how best to manage the future capital program and the resulting financial implications. The scenarios demonstrate how amortization can be used as one means of addressing future financial challenges, with trade-offs.

Subsequent to review and engagement with the Municipal Finance Authority, this report recommends amending the amortization period for capital projects to 20 years, and to 30 years for projects exceeding \$1 billion in net borrowing. In addition, the funding principle of “transitioning to a growth-pays-for-growth” model through development cost charges (DCCs) has been added to align with Board direction over the past number of years.

The policy amendments strengthen financial stability while improving clarity, consistency, and long-term resilience to align with long-term financial plans.

PURPOSE

This report provides a summary of the financial principles in the *Financial Management Policy* and recommends policy changes based on prevailing practices.

BACKGROUND

At the November 28, 2025 GVS&DD Board meeting, the Board passed the following resolutions:

“That the GVS&DD Board direct staff to provide the following at minimum six weeks prior to the Board Budget Workshop:

- *A full capital project update on all major projects, including scope, status, schedule, risks, and cost projections;*
- *The completed and updated Financial Management Policy review, including any recommended changes to borrowing, debt-servicing, reserve management, and long-term capital funding approaches; and*
- *A comprehensive long-range financial plan of at least ten years, outlining projected capital requirements, operating impacts, financing strategies, and rate implications.*

And that the GVS&DD Board direct staff to provide the updated information to the Board in sufficient detail to enable informed decision-making regarding long term financial sustainability.”

In response to this resolution, this report outlines the financial principles within the *Financial Management Policy* and recommends updates to the policy. It also presents options for debt amortization periods and demonstrates how each option would affect debt service levels and household impacts (HHI) over the ten-year long-range financial plan.

In addition, the *Corporate Allocation Policy* and *Operating, Statutory and Discretionary Reserves Policy* are both on this month’s Committee agenda with proposed changes as well.

FINANCIAL MANAGEMENT POLICY

The financial sustainability of Metro Vancouver’s four legal entities relies on a sound approach to funding both operating and capital expenditures. The *Financial Management Policy*, established in 2018, adopted the approach that:

- a) annual revenues fund all operating expenditures as well as a level of capital (infrastructure) expenditures that are incurred consistently from year to year; and
- b) long-term debt funding should only be used for funding those capital expenditures above the consistent level of annual capital spending.

The proposed policy updates continue to support these two approaches and adds the concept of “transitioning to growth pays for growth” through the use of development cost charges (DCCs). This principle ensures that new growth-related development pays for the infrastructure it needs, rather than those costs being paid by existing ratepayers and has been supported by Board decisions and direction consistently over the past four years.

The policy notes that long-term debt funding will only be used to fund capital expenditures not funded from “pay as you go”, reserves or other revenue sources such as Development Cost Charges or grants. The existing policy sets a debt servicing ratio limit, total interest and principal as a share of total revenues, of 40% and a 15-year amortization period to fund all capital projects. It emphasizes minimizing long-term interest costs through shorter repayment terms. This report is not recommending changes to the debt service ratio limit, but does provide alternatives to amortization periods with a recommendation to move to longer amortization periods of 20 and 30 years.

POLICY PRINCIPLES

The Financial Management Policy is guided by a financial management approach that seeks to balance between two sources of funding for operating and capital expenditures incurred by Metro Vancouver’s four legal entities: pay-as-you-go funding and long-term debt funding. The policy notes that relying on these sources of funding is consistent with the requirement of maintaining a sound financial position for

Metro Vancouver while ensuring fiscal sustainability in the long term. Funding capital infrastructure on a pay as you go basis supports lower long term debt funding, thereby providing significant benefits to Metro Vancouver – eliminating risk associated with fluctuating interest rates, reducing overall costs, and providing a measure of intergenerational cost equity.

Since 2018, Metro Vancouver’s Boards have consistently provided direction to accelerate ‘growth paying for growth’ as a means to more equitably distribute the cost of the critical infrastructure in the capital program. In 2023, the Boards concluded, through a Financial Plan Task Force, to mitigate future projected HHI impacts on existing ratepayers, which necessitated more effectively utilizing the provincially regulated Development Cost Charges tool. This also meant bringing all Metro Vancouver DCCs to a one percent assist factor within the five-year financial plan. This direction was reconfirmed at the 2024 Board budget workshop and DCC bylaws were adopted in 2024 with a three-year phase in of rates.

In January 2026, the Boards directed staff to bring back amended DCC bylaws to reverse the 2026 rate increase and spread the 2027 approved increase over two years. This work is underway and will be considered at the April Board Budget Workshop. Despite a short term pause to meet the moment, the principle of ‘transitioning to a growth pays for growth’ model, ensuring a more equitable distribution of capital costs between existing ratepayers and new development necessitating infrastructure expansion, has been added to the *Financial Management Policy* as a third funding tool.

With these three principles / tools in place, the financial position of the organization would be optimized, allowing a balance among the ability of ratepayers to ‘pay-as-you-go’ for operating and capital expenditures, the need to secure long-term financing for expenditures in the long-term capital infrastructure program, and the equitable distribution of costs related to new growth related development.

The following table compares the principles in the existing policy with recommended changes. These principles will guide Metro Vancouver’s long-term financial planning and budgeting of expenditures through three funding approaches “pay-as-you-go”, “growth pays for growth”, and “long term borrowing”.

Principles in Existing Policy	Proposed Amendments
Fund ongoing and recurring expenditures directly in the year in which they are incurred	No change
Funding from Reserves in accordance with the “Operating, Statutory and Discretionary Reserves Policy”	Funding from Reserves in accordance with the “Operating, Statutory and Discretionary Reserves Policy” “Financial Reserves Policy”
Funding of expenditures matches the realization of the benefit from those expenditures when expenditures are not ongoing or recurring	Aligning the funding of non-recurring expenditures with the timing of the benefits realized from those expenditures.
n/a	Funding of growth-related projects from development cost charges (DCCs), in accordance with the appropriate DCC bylaw
Consistency with legislative requirements	No change
Financial flexibility to meet future financial requirements	No change
Mitigation of current and future financial risk	No change

The amended policy is included in **Attachment 1** with an edited tracked version in **Attachment 2**. In addition, **Attachment 3** provides a detailed comparison of the proposed changes to the existing policy.

LONG TERM DEBT FUNDING AND DEBT SERVICE LEVEL

The policy notes that long-term debt funding will only be used to fund capital expenditures not funded from “pay as you go”, reserves or other revenue sources such as Development Cost Charges or grants. The policy sets a debt servicing ratio limit, total interest and principal as a share of total revenues, of 40%. There are no changes proposed to the Debt Service Level.

DEBT AMORTIZATION PERIOD

The *Financial Management Policy* sets a 15-year amortization period to fund all capital projects. It emphasizes minimizing long-term interest costs through shorter repayment terms. At the time the policy was developed, this approach balanced both ratepayer affordability and long range equity by relying on "pay-as-you-go" funding for maintenance and using borrowing primarily for growth, upgrades, and significant resilience capital projects. Rather than focusing on debt terms to minimize impacts on taxpayers, the policy prioritized shorter amortization terms to limit overall debt servicing costs.

The following table is an illustrative example comparing debt service costs for different amortization periods. Borrowing for shorter terms, as in the existing policy, has a higher annual cost, but is the least expensive in the long term.

Table 1. Illustration of Debt Servicing for \$100 million borrowed

Amortization Period	Annual Principal Repayment	Annual Interest Payment (*)	Total Annual Debt Service	Annual Debt Service Costs	Cumulative Interest over Amortization
15 Years	5.2%	4.0%	9.2%	\$9.2M	\$60M
20 Years	3.5%	4.0%	7.5%	\$7.5M	\$80M
30 Years	1.9%	4.0%	5.9%	\$5.9M	\$120M

(*) Current interest rate assumption in the 5-year plan

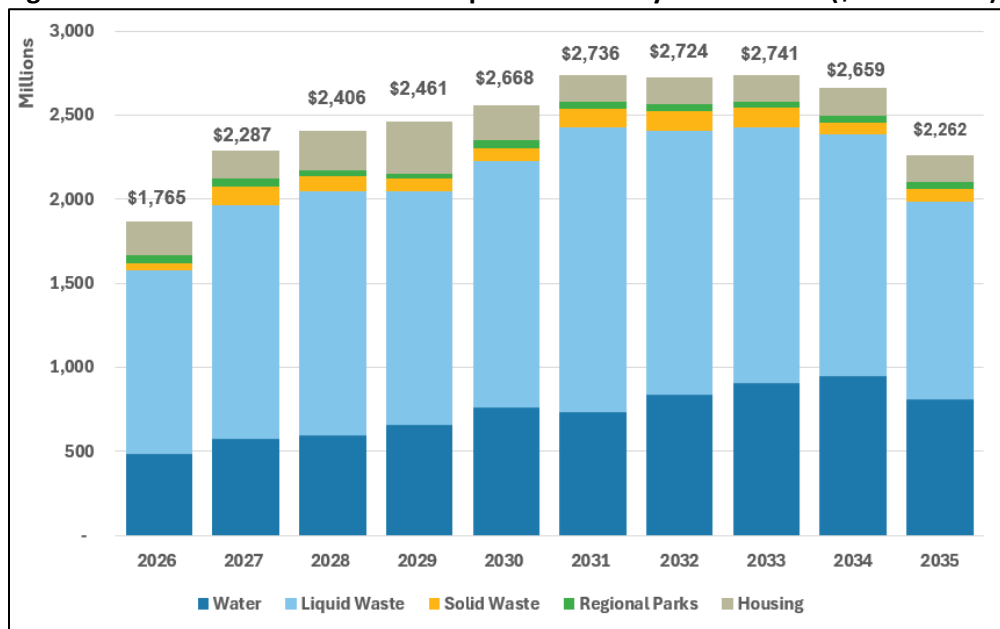
CONSIDERING OPTIONS FOR AMORTIZATION AND IMPACT ON METRO VANCOUVER’S 10-YEAR FINANCIAL OUTLOOK

In October 2025, the Boards received Metro Vancouver’s 10 Year Financial Outlook as a planning tool to guide and inform future decision making on rate setting over the next ten years with the aim of ensuring continued service levels for a livable, affordable, sustainable region. KPMG supported the development of the 10-Year Outlook, confirming that the 10-Year horizon, cost estimating framework and financial policy toolkit are consistent and aligned with prevailing practices.

Of the planned \$24.7 billion capital spend over the next 10 years (Figure 1), \$14.2 billion is for Liquid Waste, \$7.3 billion is for Water, \$0.9 billion is for Solid Waste, \$0.4 billion is for Regional Parks and \$1.9 billion is for Metro Vancouver Housing. The 10-year capital outlook is funded through pay as you go, DCCs, and over 55% through long term borrowing. Any external funding achieved through partnerships with other orders of government would reduce future borrowing needs and impacts on ratepayers. Metro Vancouver holds hundreds of billions of dollars in capital infrastructure assets, and is responsible to maintain, upgrade, and expand these assets to meet the growing needs of member jurisdictions with sustainable critical services.

In January 2026, the Manager’s report for the Performance and Audit Committee noted that “as the Boards consider potential amendments to the *Financial Management Policy* regarding principles such as pay as you go funding, debt servicing level, and amortization period, scenarios regarding the implications for the 10 Year Outlook will be provided so to support the Boards’ discussions”.

Figure 1. Metro Vancouver 10-Year Capital Outlook by Service Area (\$24.7 Billion)



Below are scenarios regarding amortization period amendments using the 10-Year Outlook as an illustrative tool to gauge impact (Table 1). The following five scenarios are provided to demonstrate options and implications for long-term borrowing related to GVWD and GVS&DD projects (representing over 85% of Metro Vancouver’s capital spend).

Table 2. Amortization Scenarios

Amortization Scenarios	
1	15-year (Current Policy)
2	15-year amortization + 30 year amortization for projects with >\$1 billion net borrowing requirement
3	20-year amortization for all projects
4	20-year amortization + 30 year amortization for projects with >\$1 billion net borrowing requirement
5	30-year amortization for all projects

*All scenarios include Board decision for a 30-year amortization for North Shore municipalities’ allocation of the incremental cost of \$2.8B for the North Shore Wastewater Treatment Plant Program.

The Boards have discussed amortization period many times over the years. Discussion often acknowledges that many Water and Liquid Waste capital assets when built have lifespans of many decades, sometimes up to 100 years, which provides the opportunity to align funding strategy with the long-term benefits of the assets. The trade-off is larger interest payments and concerns about pushing the costs onto future generations. Balancing the significant investments and associated expenditures with the long-term benefits they provide to Metro Vancouver residents requires careful consideration of the impact of long-term borrowing across multiple generations.

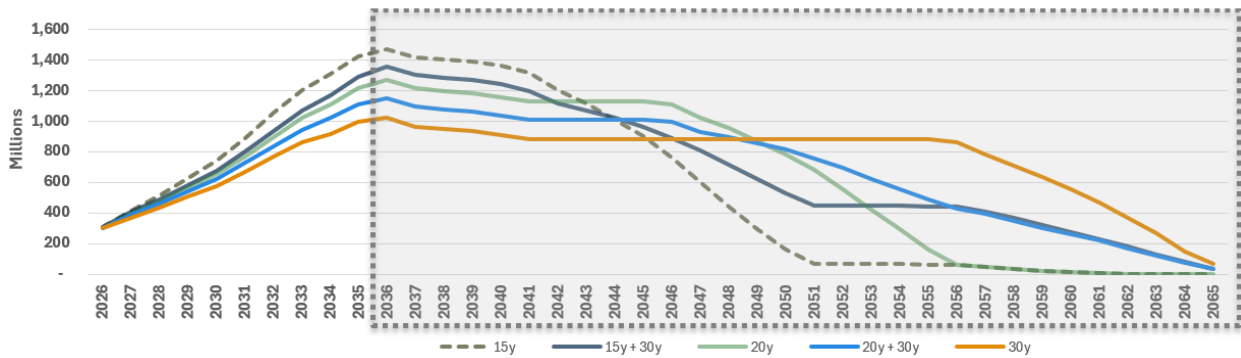
The 10-year outlook includes several projects with costs exceeding \$1 billion that will provide benefits across multiple generations and where greater flexibility in amortization periods may be considered. These projects include:

1. Iona Island WWTP – \$6.0 billion
2. Coquitlam Lake Water Supply – \$4.4 billion
3. North Shore WWTP – \$3.86 billion
4. Northwest Langley Wastewater Treatment Program – \$2.3 billion
5. Coquitlam Water Main – \$1.98 billion

It should be noted that amortization scenarios / options are not included for the Metro Vancouver Housing Corporation or Metro Vancouver Regional District, as borrowing for these entities is evaluated on a project by project basis to align with funding partners and project context.

Figure 2 shows the total debt service payments to fund the 10 year capital program under each of the five amortization scenarios and the total cost of borrowing. For example, under the 30-year amortization scenario, the total cost of borrowing is \$29.3 billion; for 15-year amortization, it is \$23.9 billion.

Figure 2. Total Debt Service Payments for the 10-year Capital Program with 5 Amortization Scenarios



Amortization Scenario (in Billions)	2026-2035	2036-2045	2046-2055	2056-2065	Total
15-year	\$ 8.51	\$ 12.60	\$ 2.60	0.19	\$ 23.89
15-year + 30-year	\$ 7.74	\$ 11.84	\$ 5.81	2.48	\$ 27.87
20-year	\$ 7.42	\$ 11.68	\$ 6.87	0.19	\$ 26.15
20-year + 30-year	\$ 7.02	\$ 10.71	\$ 7.81	2.42	\$ 27.96
30-year	\$ 6.41	\$ 9.20	\$ 8.84	4.88	\$ 29.33

Annual Household Impact % Increase and Debt Service Ratio

The following figures show how the five debt amortization scenarios impact debt service level and projected household impact (HHI) over the next ten years. The colours on the figures below match or align with Figure 2 for ease of reading.

Figure 3. Scenario 1: 15-Year Amortization (Current Policy) – Projected Household Impact and Debt Service Ratio over Ten Years

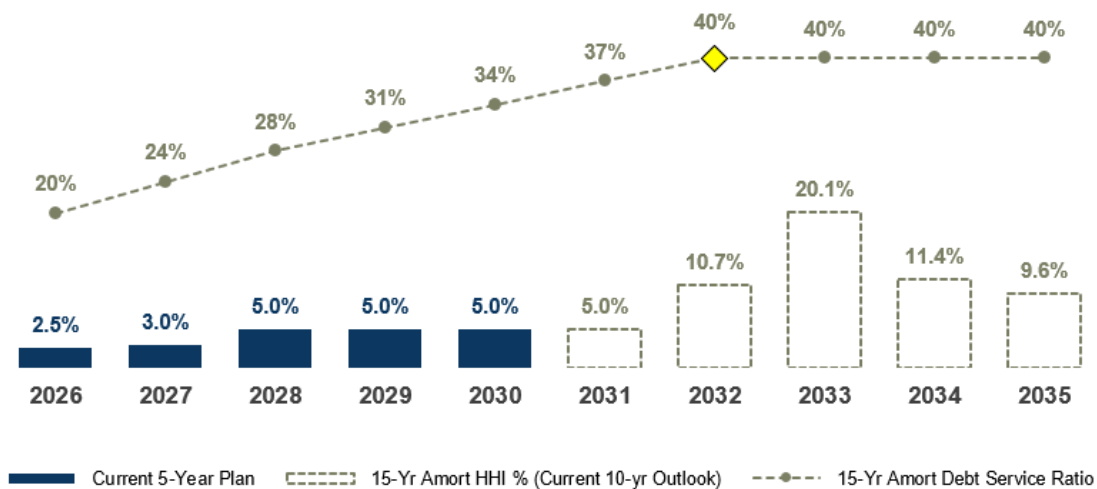


Figure 4. Scenario 2: 15-Year Amortization and 30-Year Amortization for Projects >\$1B – Projected Household Impact and Debt Service Ratio over Ten Years

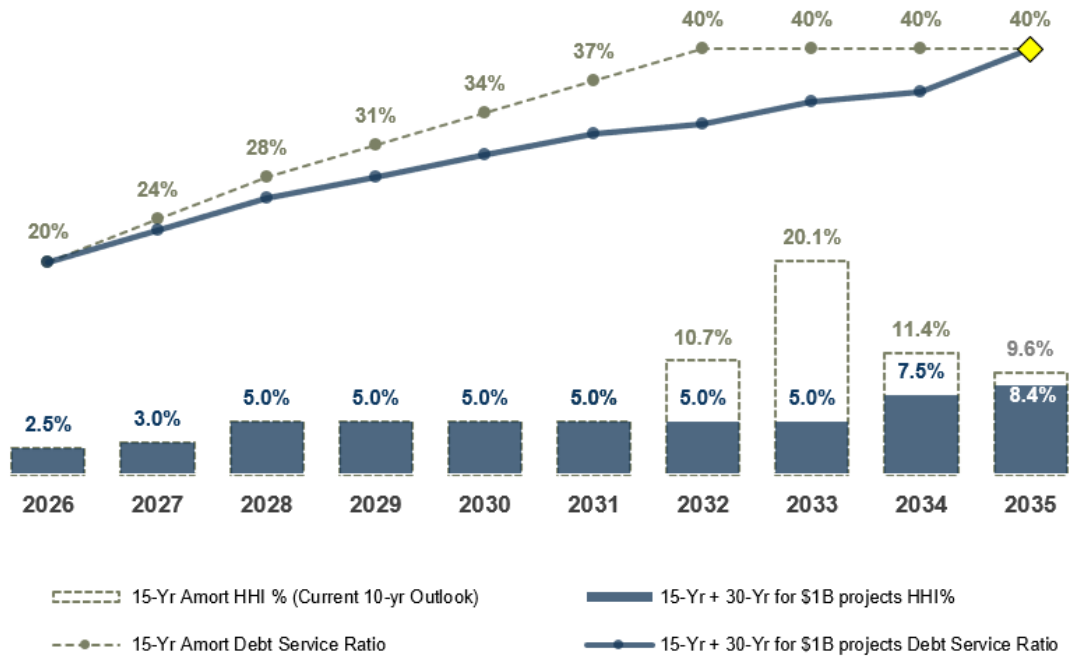


Figure 5. Scenario 3: 20-Year Amortization – Projected Household Impact and Debt Service Ratio over Ten Years

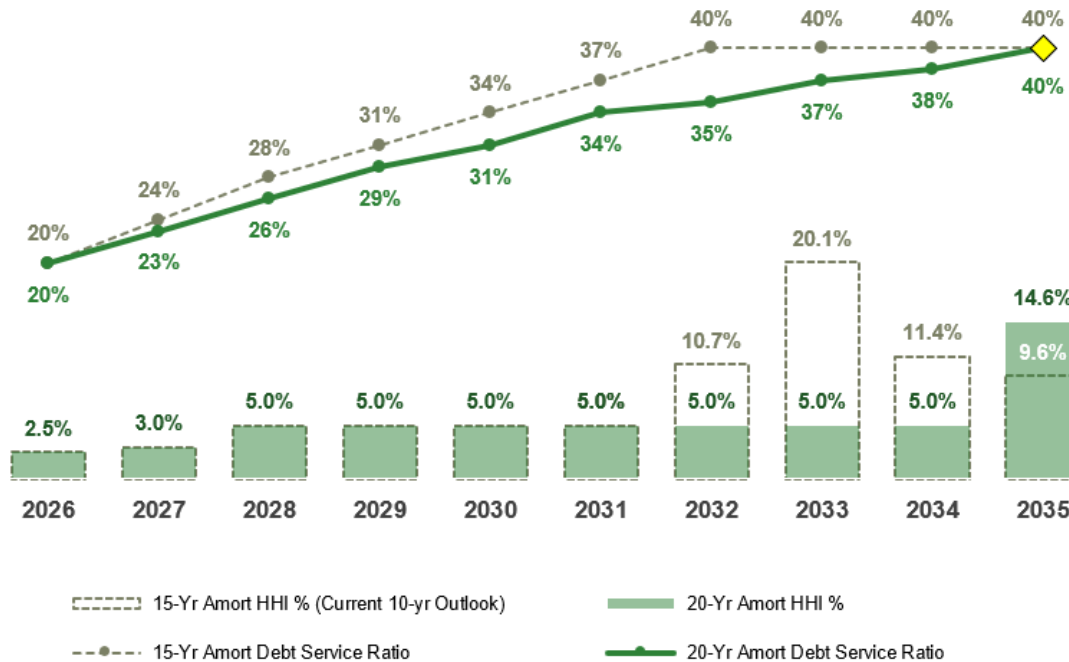


Figure 6. Scenario 4: 20-Year Amortization and 30-Year Amortization for Projects >\$1B – Projected Household Impact and Debt Service Ratio over Ten Years

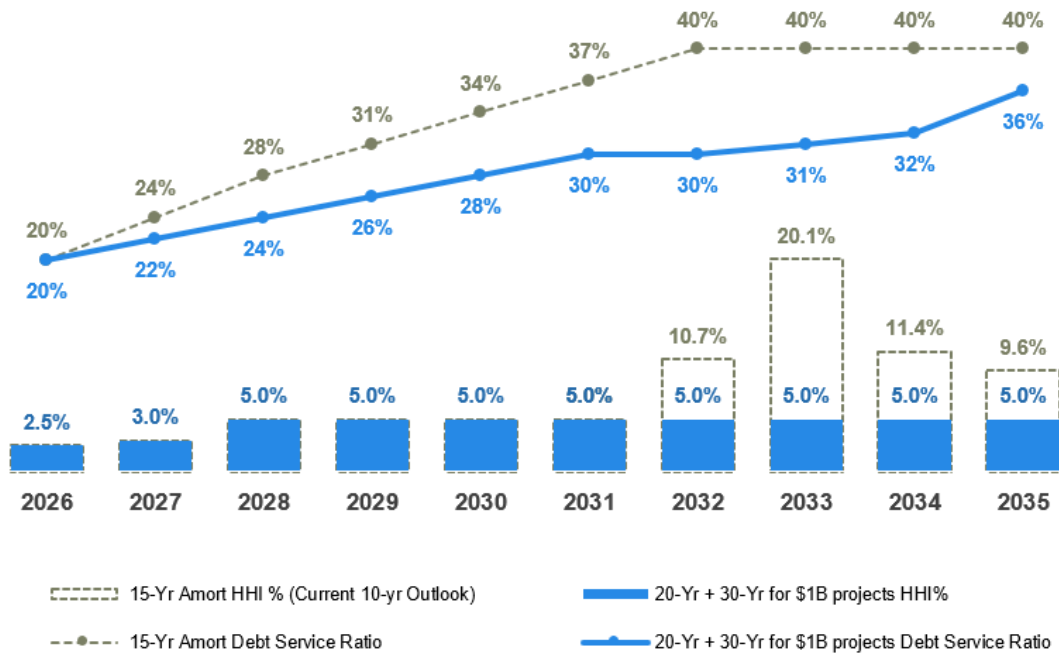
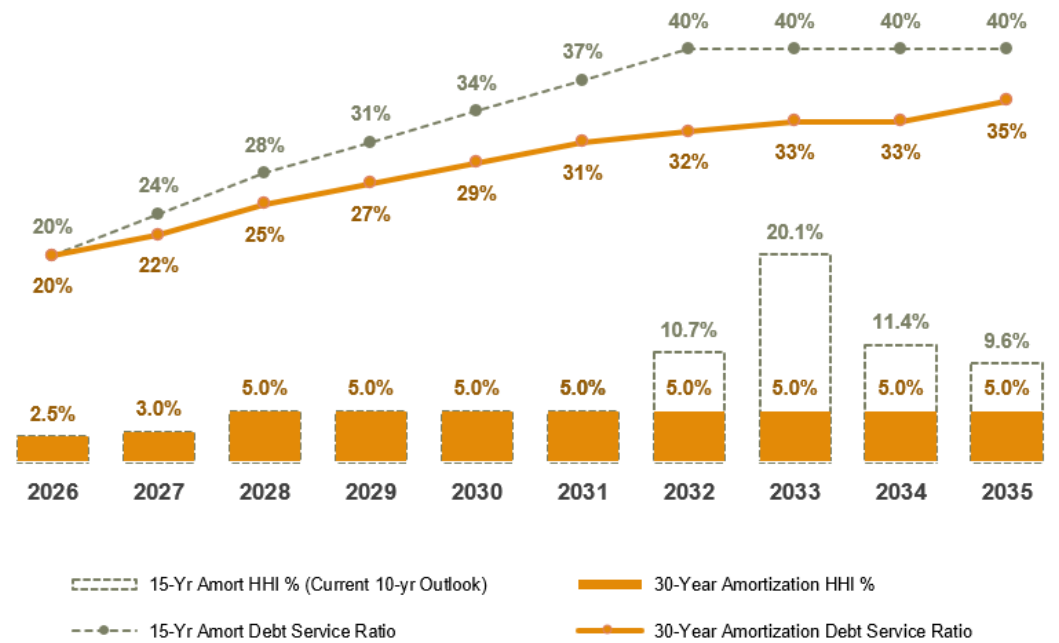


Figure 7: 30-Year Amortization – Projected Household Impact and Debt Service Ratio over Ten Years



COMPARING AMORTIZATION SCENARIOS

To support the Committee and Boards’ consideration of possible amendments to Metro Vancouver’s amortization period in the *Financial Management Policy*, staff compared the five scenarios using five evaluation criteria:

- Annual Debt Service Payments
- Total Interest Costs
- Maintaining Debt Service Ratio Below 40%
- Ten Year Annual HHI % change
- Cost Equity

Table 3 assesses each amortization scenario against the five criteria.

Shorter amortization periods result in higher annual debt service payments, but lower total interest costs. In contrast, longer amortization periods offer the lowest annual debt service payments, but have higher total interest costs. Lower annual debt payments resulting from longer amortization periods help moderate and smooth the annual household impact over time, while higher annual debt payments from shorter amortization periods lead to steeper household rate increases. Longer amortization periods support financial flexibility and keep the Metro Vancouver debt service level below 40%. In addition, they better align funding strategy with the long-term benefits of Water and Liquid Waste capital assets.

Table 3. Comparing Amortization Scenarios

	Amortization Scenario	Annual Debt Service Payments	Total Interest Costs	Debt Service Ratio Below 40% for 10-Year Outlook	10 Year Annual HHI % change	Cost Equity
1	15-year (Current Policy)	Highest	Lowest	No	High	High
2	15-year amortization + 30-year amortization for projects with >\$1 billion borrowing requirement	High	Medium	No	Medium	Medium
3	20-year amortization for all projects	Medium	Low	No	Medium	Medium
4	20-year amortization + 30-year amortization for projects with >\$1 billion borrowing requirement	Low	High	Yes	Low	Low
5	30-year amortization for all projects	Lowest	Highest	Yes	Low	Lowest

ENGAGEMENT WITH THE MUNICIPAL FINANCE AUTHORITY

Staff consulted with the Municipal Finance Authority (MFA) regarding the potential of adopting longer amortization periods and MFA is supportive of this approach. MFA advises that approximately 60% of current long-term loans that they manage for their municipal clients had original terms of 20 years or longer. Of the remaining 40% with terms under 20 years, Metro Vancouver accounted for roughly 80%. Also, MFA advises that a longer amortization period is consistent with large Canadian local governments, and global utility issuers that manage long-lived infrastructure costs, where longer-dated debt (20- and 30-year maturities, and even up to 50 years for some utilities) is commonly issued—for example, by the City of Toronto, the City of Ottawa, the City of Montreal, and the Region of York or by many public and private utility entities globally.

In addition, moving to a 20-year amortization may improve pricing over time and allow for greater financial flexibility because new debt issues could be funded through a combination of 10-5-5 or 10-10 structures with rate resets at refinancing, or by issuing 20-year debentures, depending on market conditions. This could allow Metro Vancouver to lock in borrowing costs for the entire 20-year term, providing greater stability and budget certainty. Additionally, 20-year and 30-year amortizations will help MFA broaden its investor base, which is a strategic priority for the organization, as its borrowing requirements are set to grow over the coming years. Some investors, including insurance companies and pension plan managers, prefer longer-dated debt which will deepen the global pool of capital that MFA can tap into with its debenture offerings. This ensures consistent access to the capital markets and the lowest available interest rates over time. If the Boards choose this mixed amortization option, projects that exceed \$1 billion could be brought forward on a case-by-case basis for consideration of the amortization period, before automatically moving forward with a 30-year amortization.

METRO VANCOUVER FINANCING

Proposed changes to Section two of the *Financial Management Policy* include recognition of the existing practice of utilizing the Municipal Finance Authority (MFA) as the lending agency for MVRD, GVWD, and GVS&DD borrowing. The policy also notes that short-term financing will use either Municipal Financing Authority (MFA) or internal savings on a short-term basis, and that long-term debt will not be procured in advance of incurring capital expenditures, unless authorized by the respective Board.

For the Metro Vancouver Housing Corporation (MVHC), the policy identifies a combination of funding from the MVHC Development Reserve, traditional mortgage financing, mortgage financing through other levels of government to support large capital projects or MFA. Each project will be evaluated individually on its own merits to determine the appropriate amortization period and debt repayment terms. Staff recommend a minor amendment to this section of the policy to include borrowing from MFA for MVH to reflect current practice.

ALTERNATIVES

1. THAT the MVRD/MVHC/GVWD/GVS&DD Board approve the amended *Financial Management Policy* as presented in the report dated February 9, 2026, titled “Financial Board Policy Review – Amended *Financial Management Policy*”.
2. THAT the Performance and Audit Committee direct staff to make additional or alternate amendments to the *Financial Management Policy* reflecting the discussion at the February 19, 2026 meeting, and include a summary of those comments and an updated policy for Board consideration at the February 27, 2026 Board meeting.

3. THAT the Performance and Audit Committee receive the report dated February 9, 2026, titled *Financial Board Policy Review – Amended Financial Management Policy*” and direct staff to integrate input from the Committee, and bring back a revised policy to the Performance and Audit Committee for its consideration at its March 12, 2026 meeting.

FINANCIAL IMPLICATIONS

If the Board chooses Alternative 1, the updated Financial Management Policy will be integrated into modelling for the April Board budget workshop. This would include:

- maintaining the principles / tools of “pay-as-you-go”, and “long term borrowing”
- adding the principle of “transitioning to growth paying for growth” through development cost charges
- maintaining the 40% debt service ratio
- amending the amortization period for capital projects to 20 years, and to 30 years for projects exceeding \$1 billion in net borrowing.

With these changes, the Board is in a stronger position when considering options for the 2027 budget, updated five-year financial plan and 10 Year Outlook.

If the Committee chooses Alternative 2, staff will summarize the Committee’s discussion and additional or alternate amendments in a cover report to the Boards for the February 27, 2026 Board meeting and attach an updated Financial Management Policy for the Boards’ consideration. Subject to Board approval, there will be time to integrate the updated policy into materials and modelling for the 2026 April Board Budget Workshop.

If the Committee chooses Alternative 3, staff will bring back an amended Financial Management Policy reflecting the Committee’s discussion at the March 12, 2026 Performance and Audit Committee and March Board meetings. ***With a month’s delay, any amendments to the policy will not be reflected in the April Board Budget Workshop materials and modelling.***

CONCLUSION

The *Financial Management Policy* establishes the principles and framework to guide decision making with respect to funding long term operating and capital expenditures for Metro Vancouver’s four legal entities. Subsequent to review, staff are bringing forward proposed amendments to the policy that add the principle / tool of “transitioning to growth paying for growth” and that amends the borrowing amortization period for capital projects to 20 year and to 30 years for projects exceeding \$1 billion. Staff recommend that the Board approves Alternative 1.

ATTACHMENTS

1. *Financial Management Policy* – October 26, 2018 - Proposed Changes Accepted.
2. *Financial Management Policy* – February 12, 2026 - Proposed Changes.
3. Table of Proposed Changes – *Financial Management Policy*.
4. Presentation re: Financial Board Policy Review – *Financial Management Policy*.

FINANCIAL MANAGEMENT POLICY

Effective Date: October 26, 2018 (Revised February 27, 2026)

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

Policy No. FN-026

Next Review Date: February 2031

PURPOSE

To establish the principles that will guide decision making with respect to funding long term operating and capital expenditures for the Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC).

DEFINITIONS

“Operating Expenditures” are the costs that are incurred consistently year to year in the delivery of services including labour costs and the day-to-day costs related to staff support, utilities, equipment usage, supplies and the ongoing maintenance of assets and infrastructure, as defined under Generally Accepted Accounting Principles. These are expenditures where the value is realized and charged against revenue in the year incurred;

“Capital Expenditures” are costs that are incurred for expanding, enhancing, upgrading and replacing infrastructure used in the delivery of services as well as the purchase of equipment. These are expenditures where the value is realized for multiple years. These expenditures are treated as assets where the realization of their utilized value is charged to revenues proportionately over their useful life; and

“Debt Amortization” is the term over which a debt obligation (principal and interest) will be repaid.

POLICY

As the primary regional service and utility provider for the region, Metro Vancouver is responsible for ensuring that the services it delivers provide value to its member jurisdictions, to its businesses and to its residents. Ensuring this value is achieved for ratepayers over the long term requires an adherence to sound fiscal policies that balance equity, affordability and continuous improvement through responsible fiscal management.

This Policy supports Metro Vancouver’s mandate by establishing sound financial management parameters that will guide the implementation of Metro Vancouver’s long term financial plan for its four Metro Vancouver legal entities.

BOARD POLICY

1. FINANCIAL MANAGEMENT PRINCIPLES

Metro Vancouver's financial management approach is to balance between three sources of funding for operating and capital expenditures incurred by the legal entities and functions comprising Metro Vancouver:

- pay-as-you-go funding
- long-term debt funding
- transition to growth pays for growth funding

The approach of relying on these three sources of funding is consistent with the requirement of maintaining a sound financial position for Metro Vancouver's four legal entities while also ensuring that they are fiscally sustainable in the long term.

The objective is to strike a balance between the ability of ratepayers to 'pay-as-you-go' for operating and capital expenditures and the need to secure long term financing for expenditures with a significant financial burden or that form part of a long term capital infrastructure program. It is critical to ensure that the level of long term borrowing does not exceed accepted fiscal parameters which would result in a greater burden on ratepayers in the long term than the benefit derived by this debt. In addition, the principle of 'transitioning to growth pays for growth' ensures that new growth-related development pays for the infrastructure it needs, rather than those costs being paid by existing ratepayers. Development Cost Charges are collected to pay for growth infrastructure.

To achieve the financial management objectives described above, the following principles are established for all Metro Vancouver functions:

- Funding of ongoing and recurring expenditures directly in the year in which they are incurred;
- Funding from Reserves in accordance with the *Financial Reserve Policy*
- Aligning the funding of non-recurring expenditures with the timing of the benefits realized from those expenditures.
- Funding of growth related projects from development cost charges (DCCs), in accordance with the appropriate DCC bylaws
- Consistency with legislative requirements;
- Financial flexibility to meet future financial requirements; and
- Mitigation of current and future financial risk.

Fundamental to the application of these principles is to ensure the necessary balance between fiscal sustainability and the financial impact on current and future ratepayers of the region.

a) Pay-As-You-Go Funding

Using pay-as-you-go funding, annual operating and capital expenditures are funded directly through annual revenues from user rates, fees, levies and requisitions or through the application of reserves in accordance with the *Financial Reserves Policy*. Prudent financially sustainable funding includes:

BOARD POLICY

- Funding ongoing and recurring expenditures directly in the year in which they are incurred; and
- Matching the funding of expenditures with the realization of the benefit from those expenditures when expenditures are not ongoing or recurring.

Operating expenditures are, by their nature, generally ongoing and recurring and when they are not, the benefit is realized in the year incurred; therefore, operating expenditures will always be funded on a pay-as-you-go basis.

Where specific reserves exist to fund capital expenditures, capital expenditures should be funded on a pay-as-you-go basis from those Reserves in accordance with the *Financial Reserves Policy*. These capital expenditures include MVHC capital replacement, laboratory equipment, Park Land acquisition, Parks infrastructure, Air Quality monitoring equipment, Head Office improvements, computer hardware and fleet vehicles.

Capital expenditures that are not generally funded through Reserves will be funded on a pay-as-you-go basis at an annual level that gradually increases over time in relation to the amount of total capital expenditures incurred consistently from year to year. This approach helps to balance affordability and debt avoidance.

b) Long-Term Debt Funding

Long-term debt funding will only be used to fund capital expenditures that are not funded from pay as you go, reserves, or other direct revenue sources (such as grants and DCCs).

c) Pay-As-You-Go vs Long-Term Debt Funding

Funding capital expenditures on a pay-as-you-go basis and avoiding long-term debt funding provides significant benefits to Metro Vancouver. The avoidance of debt eliminates the risk associated with fluctuating interest rates, reduces the overall cost to the organization through the savings of interest payments and provides financial capacity should unforeseen funding needs be required. In addition, the annual funding of capital expenditures using pay as you go provides a measure of generational equality whereby each generation pays their consistent share.

d) Debt Service Level

To achieve pay-as-you-go funding to a level of consistent annual capital expenditures, pay-as-you-go funding will be gradually increased over time such that the amount of annual revenues required to pay for debt service cost does not exceed 40%. This balances the inherent risk associated with borrowing with the financial flexibility needed to meet financial requirements and manage the regions assets in an affordable manner and consistent with the principles of this Policy.

e) Debt Amortization Period

Long-term debenture financing procured by Metro Vancouver on behalf of GVWD and GVS&DD will be amortized over terms of 20 to 30 years. A 30-year amortization period will be used for

BOARD POLICY

projects with net borrowing costs exceeding \$1 billion. For all other projects, a 20- year amortization term will be used for long-term borrowing. Amortization period for long-term debenture financing procured by Metro Vancouver on behalf of MVRD and MVHC will be evaluated on a project by project basis and approved by the Board.

f) Transition to Growth paying for Growth

The principle of 'growth pays for growth' ensures that new growth-related development pays for the expanded infrastructure it needs, rather than those costs being paid by existing ratepayers. Development cost charges are collected to pay for growth-related infrastructure. Development cost charges are used to fund capital costs directly, or will be used to fund borrowing required for growth capital costs

2. METRO VANCOUVER FINANCING

a) GVWD, GVS&DD and MVRD

Where debt funding is deemed appropriate in accordance with this Policy, financing for GVWD, GVS&DD and MVRD projects will be obtained through long-term debenture financing procured through the Municipal Finance Authority (MFA).

Long-term financing. Long-term debenture financing requires the repayment of the debt obligations through a combination of principal repayments and interest payments. Principal repayments, paid annually, are based on a sinking fund methodology where payments are deposited into an interest earning sinking fund and at the end of the debt term the combination of principal repayments and interest earned is sufficient to retire the outstanding debt obligation. The amount of the principal repayment amount, paid annually, is actuarially determined based in the debt term or amortization and the expected earnings of the sinking fund. Interest, paid semi-annually, is based on the financing terms as determined by the financial markets.

Short-term financing. The capital expenditures incurred between times when long-term financing is available will be funded on a short-term basis either through the MFA or through the usage of internal borrowing from reserves and repaid in the next available MFA borrowing opportunity. Short-term financing requires payments to cover interest only. Long-term debt funding will not be procured in advance of incurring capital expenditures unless specifically authorized by the Board.

DCC funding. In the GVS&DD Liquid Waste function and the GVWD annual debt service costs for long-term debt associated with capital expenditures for infrastructure growth projects are funded using DCCs in accordance to the *GVS&DD Development Cost Charges Bylaw and the GVWD Development Cost Charges Bylaw*. In the MVRD Regional Parks function, parkland acquisition will be funded from DCCs, in accordance with the *MVRD Development Cost Charge Bylaw*.

BOARD POLICY

b) Metro Vancouver Housing Corporation (MVHC)

Capital expenditures for the MVHC are those associated with the development and major renewal of affordable housing units. The MVHC maintains a development reserve in order to provide partial funding of development and redevelopment opportunities.

The MVHC development expenditures are funded through a combination of funding from the MVHC Development Reserve applied in accordance with the *Financial Reserves Policy*, any funding received from other levels of government and long-term borrowing. The level of long-term financing, either through the Province, Financial Institutions, or MFA is determined based on the maximum annual mortgage payment amount and amortization period that can be supported by the applicable tenant rental revenue.

Each development and redevelopment opportunity will be evaluated on its own merits financially in terms of the rental revenue expectations along with the appropriate combination of funding.



BOARD POLICY

FINANCIAL MANAGEMENT POLICY

Effective Date: October 26, 2018 (Revised February 27, 2026)

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

Policy No. FN-026

Next Review Date: February 2031

PURPOSE

To establish the principles that will guide decision making with respect to funding long term operating and capital expenditures for the Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC).

DEFINITIONS

“Operating Expenditures” are the costs that are incurred consistently year to year in the delivery of services including labour costs and the day-to-day costs related to staff support, utilities, equipment usage, supplies and the ongoing maintenance of assets and infrastructure, as defined under Generally Accepted Accounting Principles. These are expenditures where the value is realized and charged against revenue in the year incurred;

“Capital Expenditures” are costs that are incurred for expanding, enhancing, upgrading and replacing infrastructure used in the delivery of services as well as the purchase of equipment. These are expenditures where the value is realized for multiple years. These expenditures are treated as assets where the realization of their utilized value is charged to revenues proportionately over their useful life; and

“Debt Amortization” is the term over which a debt obligation (principal and interest) will be repaid.

POLICY

As the primary regional service and utility provider for the region, Metro Vancouver is responsible for ensuring that the services it delivers provide value to its member jurisdictions, to its businesses and to its residents. Ensuring this value is achieved for ratepayers over the long term requires an adherence to sound fiscal policies that balance equity, affordability and continuous improvement through responsible fiscal management.

This Policy supports Metro Vancouver’s mandate by establishing sound financial management parameters that will guide the implementation of Metro Vancouver’s long term financial plan for its four Metro Vancouver legal entities.

BOARD POLICY

1. FINANCIAL MANAGEMENT PRINCIPLES

Metro Vancouver's financial management approach is to balance between ~~two~~three sources of funding for operating and capital expenditures incurred by the legal entities and functions comprising Metro Vancouver:

- pay-as-you-go funding
- long-term debt funding
- transition to growth pays for growth funding

The approach of relying on these ~~two~~three sources of funding is consistent with the requirement of maintaining a sound financial position for Metro Vancouver's four legal entities while also ensuring that they are fiscally sustainable in the long term.

The objective is to strike a balance between the ability of ratepayers to 'pay-as-you-go' for operating and capital expenditures and the need to secure long term financing for expenditures with a significant financial burden or that form part of a long term capital infrastructure program. It is critical to ensure that the level of long term borrowing does not exceed accepted fiscal parameters which would result in a greater burden on ratepayers in the long term than the benefit derived by this debt. In addition, the principle of 'transitioning to growth pays for growth' ensures that new growth-related development pays for the infrastructure it needs, rather than those costs being paid by existing ratepayers. Development Cost Charges are collected to pay for growth infrastructure.

To achieve the financial management objectives described above, the following principles are established for all Metro Vancouver functions:

- Funding of ongoing and recurring expenditures directly in the year in which they are incurred;
- Funding from Reserves in accordance with the ~~Operating, Statutory and Discretionary Reserves Policy; Financial Reserve Policy~~
- Aligning the funding of non-recurring expenditures with the timing of the benefits realized from those expenditures.
- Funding of growth related projects from development cost charges (DCCs), in accordance with the appropriate DCC bylaws
- Consistency with legislative requirements;
- Financial flexibility to meet future financial requirements; and
- Mitigation of current and future financial risk.

Fundamental to the application of these principles is to ensure the necessary balance between fiscal sustainability and the financial impact on current and future ratepayers of the region.

a) Pay-As-You-Go Funding

Using pay-as-you-go funding, annual operating and capital expenditures are funded directly through annual revenues from user rates, fees, levies and requisitions or through the application of reserves in accordance with the ~~Operating, Statutory and Discretionary~~Financial Reserves Policy. Prudent financially sustainable funding includes:

BOARD POLICY

- Funding ongoing and recurring expenditures directly in the year in which they are incurred; and
- Matching the funding of expenditures with the realization of the benefit from those expenditures when expenditures are not ongoing or recurring.

Operating expenditures are, by their nature, generally ongoing and recurring and when they are not, the benefit is realized in the year incurred; therefore, operating expenditures will always be funded on a pay-as-you-go basis.

Where specific reserves exist to fund capital expenditures, capital expenditures should be funded on a pay-as-you-go basis from those Reserves in accordance with the *Operating, Statutory and Discretionary Financial Reserves Policy*. These capital expenditures include MVHC capital replacement, laboratory equipment, Park Land acquisition, Parks infrastructure, Air Quality monitoring equipment, Head Office improvements, computer hardware and fleet vehicles.

Capital expenditures that are not generally funded through Reserves will be funded on a pay-as-you-go basis at a ~~minimum~~ annual level that ~~represents gradually increases over time in relation to~~ the amount of total capital expenditures incurred consistently from year to year. This approach helps to balance affordability and debt avoidance.

b) Long-Term Debt Funding

Long-term debt funding will only be used to fund capital expenditures. ~~More specifically, those capital expenditures that are~~ not funded from ~~Reserve and in excess of the amount of total capital expenditures incurred consistently from year to year which are funded on a pay-as-you-go basis,~~ reserves, or other direct revenue sources (such as grants and DCCs).

c) Pay-As-You-Go ~~Vs~~ Long-Term Debt Funding

Funding capital expenditures on a pay-as-you-go basis and avoiding long-term debt funding provides significant benefits to Metro Vancouver. The avoidance of debt eliminates the risk associated with fluctuating interest rates, reduces the overall cost to the organization through the savings of interest payments and provides financial capacity should unforeseen funding needs be required. In addition, the annual funding of ~~this consistent level of~~ capital expenditures annually using pay as you go provides a measure of generational equality whereby each generation pays their consistent share.

d) Debt Service Level

To achieve pay-as-you-go funding to a level of consistent annual capital expenditures, pay-as-you-go funding will be gradually increased over time such that the amount of annual revenues required to pay for debt service cost does not exceed 40%. This balances the inherent risk associated with borrowing with the financial flexibility needed to meet financial requirements and manage the regions assets in an affordable manner and consistent with the principles of this Policy.

BOARD POLICY

e) Debt Amortization Period

Long-term debenture financing procured by Metro Vancouver on behalf of GVWD and GVS&DD will be amortized over 15 terms of 20 to 30 years. The shorter A 30-year amortization period will be used for projects with net borrowing costs exceeding \$1 billion. For all other projects, a 20-year amortization term reduces the risk associated with interest rate fluctuations over the will be used for long-term of the debt, reduces the overall cost borrowing. Amortization period for long-term debenture financing procured by reducing the total amount of interest paid and by retiring the debt sooner, Metro Vancouver has more financial flexibility to absorb on behalf of MVRD and MVHC will be evaluated on a project by project basis and approved by the Board.

f) Transition to Growth paying for Growth

The principle of 'growth pays for growth' ensures that new financial requirements-growth-related development pays for the expanded infrastructure it needs, rather than those costs being paid by existing ratepayers. Development cost charges are collected to pay for growth-related infrastructure. Development cost charges are used to fund capital costs directly, or will be used to fund borrowing required for growth capital costs

2. METRO VANCOUVER FINANCING

a) GVWD, GVS&DD and MVRD

Where debt funding is deemed appropriate in accordance with this Policy, financing for GVWD, GVS&DD and MVRD projects will be obtained through long-term debenture financing procured through the Municipal Finance Authority (MFA) which is available twice per year, March and October.

Long-term financing. Long-term debenture financing requires the repayment of the debt obligations through a combination of principal repayments and interest payments. Principal repayments, paid annually, are based on a sinking fund methodology where payments are deposited into an interest earning sinking fund and at the end of the debt term the combination of principal repayments and interest earned is sufficient to retire the outstanding debt obligation. The amount of the principal repayment amount, paid annually, is actuarially determined based in the debt term or amortization and the expected earnings of the sinking fund. Interest, paid semi-annually, is based on the financing terms as determined by the financial markets.

Short-term financing. The capital expenditures incurred between times when long-term financing is available will be funded on a short-term basis either through the MFA or through the usage of internal savings-borrowing from reserves and repaid in the next available MFA borrowing opportunity. Short-term financing requires payments to cover interest only. Long-term debt funding will not be procured in advance of incurring capital expenditures unless specifically authorized by the Board.

BOARD POLICY

DCC funding. In the GVS&DD Liquid Waste function, and the GVWD annual debt service costs for long-term debt associated with capital expenditures for infrastructure growth projects are funded using ~~Development Costs Charges~~DCCs in accordance to the *GVS&DD Development Cost Charges Bylaw* and the GVWD Development Cost Charges Bylaw. In the MVRD Regional Parks function, parkland acquisition will be funded from DCCs, in accordance with the MVRD Development Cost Charge Bylaw.

b) Metro Vancouver Housing Corporation (MVHC)

Capital expenditures for the MVHC are those associated with the development of new and major renewal of affordable housing units. The MVHC maintains a development reserve in order to provide partial funding of development and redevelopment opportunities.

The MVHC development expenditures are funded through a combination of funding from the MVHC Development Reserve applied in accordance with the *Operating, Statutory and Discretionary Financial Reserves Policy*, any funding received from other levels of government and ~~traditional mortgage financing long-term borrowing~~. The level of ~~mortgage long-term~~ financing, either through the Province, Financial Institutions, or ~~Financial Institution, MFA~~ is determined based on the maximum annual mortgage payment amount and amortization period that can be supported by the applicable tenant rental revenue.

Each development and redevelopment opportunity will be evaluated on its own merits financially in terms of the rental revenue expectations along with the appropriate combination of funding.

Attachment 3 – Table of Proposed Changes: *Financial Management Policy*

Existing Policy	Proposed Change
Fund ongoing and recurring expenditures directly in the year in which they are incurred	No change
Funding from Reserves in accordance with the “Operating, Statutory and Discretionary Reserves Policy”	Funding from Reserves in accordance with the “Operating, Statutory and Discretionary Reserves Policy” “Financial Reserves Policy”
Funding of expenditures matches the realization of the benefit from those expenditures when expenditures are not ongoing or recurring	Aligning the funding of non-recurring expenditures with the realization of the timing of the benefits realized from those expenditures
n/a	Funding of growth-related projects from development cost charges (DCCs), in accordance with the appropriate DCC bylaws
Consistency with legislative requirements	No change
Financial flexibility to meet future financial requirements	No change
Mitigation of current and future financial risk	No change
<p>a) Pay-As-You-Go Funding Using pay-as-you-go funding, annual operating and capital expenditures are funded directly through annual revenues from user rates, fees, levies and requisitions or through the application of reserves in accordance with the <i>Operating, Statutory and Discretionary Reserves Policy</i>. Prudent financially sustainable funding includes:</p> <ul style="list-style-type: none"> • Funding ongoing and recurring expenditures directly in the year in which they are incurred; and • Matching the funding of expenditures with the realization of the benefit from those expenditures when expenditures are not ongoing or recurring. <p>Operating expenditures are, by their nature, generally ongoing and recurring and when they are not, the benefit is realized in the year incurred; therefore, operating expenditures will always be funded on a pay-as-you-go basis.</p> <p>Where specific reserves exist to fund capital expenditures, capital expenditures should be funded on a pay-as-you-go basis from those</p>	<p>a) Pay-As-You-Go Funding Using pay-as-you-go funding, annual operating and capital expenditures are funded directly through annual revenues from user rates, fees, levies and requisitions or through the application of reserves in accordance with the Operating, Statutory and Discretionary Reserves Policy Financial Reserves Policy. Prudent financially sustainable funding includes:</p> <ul style="list-style-type: none"> • Funding ongoing and recurring expenditures directly in the year in which they are incurred; and • Matching the funding of expenditures with the realization of the benefit from those expenditures when expenditures are not ongoing or recurring. <p>Operating expenditures are, by their nature, generally ongoing and recurring and when they are not, the benefit is realized in the year incurred; therefore, operating expenditures will always be funded on a pay-as-you-go basis.</p> <p>Where specific reserves exist to fund capital expenditures, capital expenditures should be</p>

Existing Policy	Proposed Change
<p>Reserves in accordance with the <i>Operating, Statutory and Discretionary Reserves Policy</i>. These capital expenditures include MVHC capital replacement, laboratory equipment, Park Land acquisition, Parks infrastructure, Air Quality monitoring equipment, Head Office improvements, computer hardware and fleet vehicles.</p> <p>Capital expenditures that are not generally funded through Reserves will be funded on a pay-as-you-go basis at a minimum annual level that represents the amount of total capital expenditures incurred consistently from year to year.</p>	<p>funded on a pay-as-you-go basis from those Reserves in accordance with the Operating, Statutory and Discretionary Reserves Policy Financial Reserves Policy. These capital expenditures include MVHC capital replacement, laboratory equipment, Park Land acquisition, Parks infrastructure, Air Quality monitoring equipment, Head Office improvements, computer hardware and fleet vehicles.</p> <p>Capital expenditures that are not generally funded through Reserves will be funded on a pay-as-you-go basis at a minimum annual level that gradually increases over time in relation to the amount of total capital expenditures incurred consistently from year to year. This approach helps to balance affordability and debt avoidance.</p>
<p>b) Long-Term Debt Funding</p> <p>Long-term debt funding will only be used to fund capital expenditures. More specifically, those capital expenditures that are not funded from Reserve and in excess of the amount of total capital expenditures incurred consistently from year to year which are funded on a pay-as-you-basis.</p>	<p>b) Long-Term Debt Funding</p> <p>Long-term debt funding will only be used to fund capital expenditures. More specifically, those capital expenditures that are not funded from pay as you go, reserves, and or other revenue sources (such as grants and DCCs). and in excess of the amount of total capital expenditures incurred consistently from year to year which are funded on a pay as you go basis.</p>
<p>c) Pay-As-You-Go Vs Long-Term Debt Funding</p> <p>Funding capital expenditures on a pay-as-you-go basis and avoiding long-term debt funding provides significant benefits to Metro Vancouver. The avoidance of debt eliminates the risk associated with fluctuating interest rates, reduces the overall cost to the organization through the savings of interest payments and provides financial capacity should unforeseen funding needs be required. In addition, the funding of this consistent level of capital expenditures annually provides a measure of generational</p>	<p>c) Pay-As-You-Go Vs Long-Term Debt Funding</p> <p>Funding capital expenditures on a pay-as-you-go basis and avoiding long-term debt funding provides significant benefits to Metro Vancouver. The avoidance of debt eliminates the risk associated with fluctuating interest rates, reduces the overall cost to the organization through the savings of interest payments and provides financial capacity should unforeseen funding needs be required. In addition, the annual funding of this consistent level of capital expenditures using pay as you go annually provides a measure of generational equality</p>

Existing Policy	Proposed Change
equality whereby each generation pays their consistent share.	whereby each generation pays their consistent share.
<p>d) Debt Service Level</p> <p>To achieve pay-as-you-go funding to a level of consistent annual capital expenditures, pay-as-you-go funding will be gradually increased over time such that the amount of annual revenues required to pay for debt service cost does not exceed 40%. This balances the inherent risk associated with borrowing with the financial flexibility needed to meet financial requirements and manage the regions assets in an affordable manner and consistent with the principles of this Policy.</p>	No change
<p>e) Debt Amortization Period</p> <p>Long-term debenture financing procured by Metro Vancouver will be amortized over 15 years. The shorter amortization term reduces the risk associated with interest rate fluctuations over the term of the debt, reduces the overall cost by reducing the total amount of interest paid and by retiring the debt sooner, Metro Vancouver has more financial flexibility to absorb new financial requirements.</p>	<p>e) Debt Amortization Period</p> <p>Long-term debenture financing procured by Metro Vancouver on behalf of GVWD and GVS&DD will be amortized over 20 years. For projects with net borrowing costs exceeding \$1 billion, a 30-year amortization period may be used with Board approval. Amortization period for long-term debenture financing procured by Metro Vancouver on behalf of MVRD and MVHC will be evaluated on a project-by-project basis and approved by the Board.</p>
	<p>f) Transitioning to Growth paying for Growth</p> <p>The principle of ‘growth pays for growth’ ensures that new growth-related development pays for the expanded infrastructure it needs, rather than those costs being paid by existing ratepayers. Development cost charges are collected to pay for growth-related infrastructure. Development cost charges are used to fund capital costs directly, or will be used to fund borrowing required for growth capital costs</p>
<p>2. METRO VANCOUVER FINANCING</p> <p>a) GVWD, GVS&DD and MVRD</p> <p>Where debt funding is deemed appropriate in accordance with this Policy, financing for</p>	<p>2. METRO VANCOUVER FINANCING</p> <p>a) GVWD, GVS&DD and MVRD</p> <p>Where debt funding is deemed appropriate in accordance with this Policy, financing for</p>

Existing Policy	Proposed Change
<p>GVWD, GVS&DD and MVRD projects will be obtained through long-term debenture financing procured through the Municipal Finance Authority (MFA) which is available twice per year, March and October.</p> <p>Long-term financing. Long-term debenture financing requires the repayment of the debt obligations through a combination of principal repayments and interest payments. Principal repayments, paid annually, are based on a sinking fund methodology where payments are deposited into an interest earning sinking fund and at the end of the debt term the combination of principal repayments and interest earned is sufficient to retire the outstanding debt obligation. The amount of the principal repayment amount, paid annually, is actuarially determined based in the debt term or amortization and the expected earnings of the sinking fund. Interest, paid semi-annually, is based on the financing terms as determined by the financial markets.</p> <p>Short-term financing. The capital expenditures incurred between times when long-term financing is available will be funded on a short-term basis either through the MFA or through the usage of savings. Short-term financing requires payments to cover interest only. Long-term debt funding will not be procured in advance of incurring capital expenditures unless specifically authorized by the Board.</p>	<p>GVWD, GVS&DD and MVRD projects will be obtained through long-term debenture financing procured through the Municipal Finance Authority (MFA). which is available twice per year, March and October.</p> <p>Long-term financing. Long-term debenture financing requires the repayment of the debt obligations through a combination of principal repayments and interest payments. Principal repayments, paid annually, are based on a sinking fund methodology where payments are deposited into an interest earning sinking fund and at the end of the debt term the combination of principal repayments and interest earned is sufficient to retire the outstanding debt obligation. The amount of the principal repayment amount, paid annually, is actuarially determined based in the debt term or amortization and the expected earnings of the sinking fund. Interest, paid semi-annually, is based on the financing terms as determined by the financial markets.</p> <p>Short-term financing. The capital expenditures incurred between times when long-term financing is available will be funded on a short-term basis either through the MFA or through the usage of internal savings borrowing from reserves and repaid in the next available MFA borrowing opportunity. Short-term financing requires payments to cover interest only. Long-term debt funding will not be procured in advance of incurring capital expenditures unless specifically authorized by the Board.</p>
<p>DCC funding. In the GVS&DD Liquid Waste function annual debt service costs for long-term debt associated with capital expenditures for infrastructure growth projects are funded using Development Cost Charges in accordance to the <i>GVS&DD Development Cost Charges Bylaw</i></p>	<p>DCC funding. In the GVS&DD Liquid Waste function and GVWD, annual debt service costs for long-term debt associated with capital expenditures for infrastructure growth projects are funded using Development Cost Charges DCCs in accordance to the <i>GVS&DD Development Cost Charges Bylaw and the GVWD Development Cost Charges Bylaw. In</i></p>

Existing Policy	Proposed Change
	<p>the MVRD Regional Parks function, parkland acquisition will be funded from DCCs, in accordance with the <i>MVRD Development Cost Charge Bylaw</i>.</p>
<p>b) Metro Vancouver Housing Corporation (MVHC) Capital expenditures for the MVHC are those associated with the development of new affordable housing units. The MVHC maintains a development reserve in order to provide partial funding of development and redevelopment opportunities.</p> <p>The MVHC development expenditures are funded through a combination of funding from the MVHC Development Reserve applied in accordance with the <i>Operating, Statutory and Discretionary Reserves Policy</i>, any funding received from other levels of government and traditional mortgage financing. The level of mortgage financing, either through the Province or Financial Institution, is determined based on the maximum annual mortgage payment amount and amortization period that can be supported by the applicable tenant rental revenue.</p> <p>Each development and redevelopment opportunity will be evaluated on its own merits financially in terms of the rental revenue expectations along with the appropriate combination of funding.</p>	<p>b) Metro Vancouver Housing Corporation (MVHC) Capital expenditures for the MVHC are those associated with the development of new affordable housing units. The MVHC maintains a development reserve in order to provide partial funding of development and redevelopment opportunities.</p> <p>The MVHC development expenditures are funded through a combination of funding from the MVHC Development Reserve applied in accordance with the <i>Operating, Statutory and Discretionary</i> <i>Financial Reserves Policy</i>, any funding received from other levels of government and traditional mortgage financing. The level of mortgage financing, through the Province, Financial Institutions, or MFA, is determined based on the maximum annual mortgage payment amount and amortization period that can be supported by the applicable tenant rental revenue.</p> <p>Each development and redevelopment opportunity will be evaluated on its own merits financially in terms of the rental revenue expectations along with the appropriate combination of funding.</p>



Financial Board Policy Review: Financial Management Policy

Linda Sabatini

Deputy Chief Financial Officer, Financial Services

Heather McNell

Deputy Chief Administrative Officer, Policy and Planning

Performance and Audit Committee Meeting –February 19, 2026
<https://orbit.gvrd.bc.ca/orbit/lisapi.dll/app/nodes/81994765>

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FINANCIAL MANAGEMENT POLICY: PURPOSE

Established in 2018; provides financial planning framework for:

- Funding capital and operating expenditures
- Long-term debt funding of capital expenditures, including:
 - Setting debt service ratio at 40% and
 - Amortization period for debt at 15 years
- Use of pay-as-you go funding model

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FINANCIAL MANAGEMENT POLICY: **KEY PRINCIPLES**

- Fund ongoing and recurring expenditures directly in year incurred
- Use reserves in accordance with policy
- Match funding of expenditures with the realization of the benefits from those expenditures
- Accordance with legislation
- Mitigate current and future financial risk

FINANCIAL MANAGEMENT POLICY: **FUNDING APPROACHES**

1. Pay-As-You-Go Funding

- Operating Expenditures
- Capital Expenditures
 - A portion of capital expenditures funded directly from annual revenues
 - Reflects capital spending consistently incurred from year to year

2. Debt Financing

- Used to fund capital expenditures exceeding the amount funded by pay-as-you-go and other revenues (grants, DCCs, reserves)

3. Transition to Growth Paying for Growth

- Growth-related projects (or parts of projects) funded by DCCs

FINANCIAL MANAGEMENT POLICY: DEBT / AMORTIZATION

No proposed changes to Debt Service Level

Proposed changes to Debt Amortization Period (Use 10-Year Outlook as Tool to Explore Impacts)

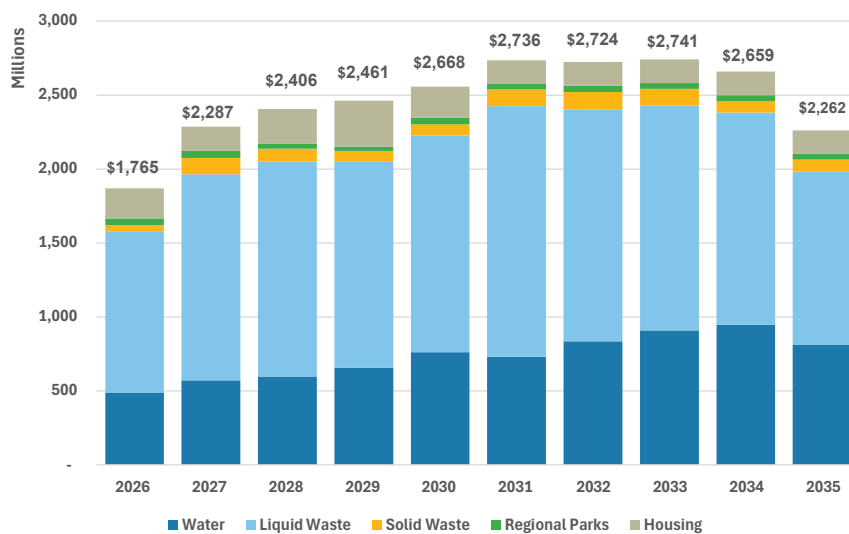
Five Scenarios for Consideration

1. 15-year amortization (current policy)
2. 15-year + 30-year for projects over \$1 billion
3. 20-year amortization
4. 20-year + 30-year for projects over \$1 billion
5. 30-year amortization

All options include 30-year amortization for North Shore municipalities share of NSWWTP Program

5

10-YEAR CAPITAL OUTLOOK

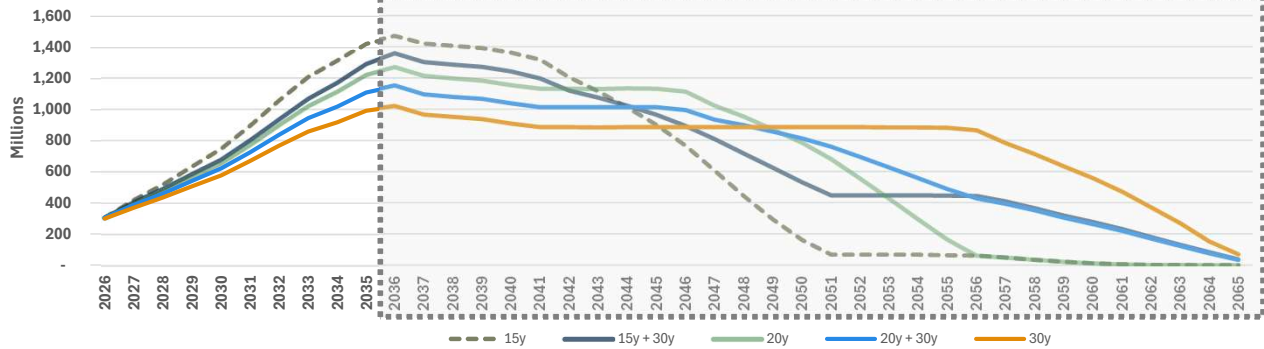


Total = \$24.7B

- \$14.2B - Liquid Waste
- \$ 7.3B - Water
- \$ 0.9B - Solid Waste
- \$ 0.4B - Parks
- \$ 1.9B - Housing

6

TOTAL DEBT SERVICE PAYMENTS OVER AMORTIZATION

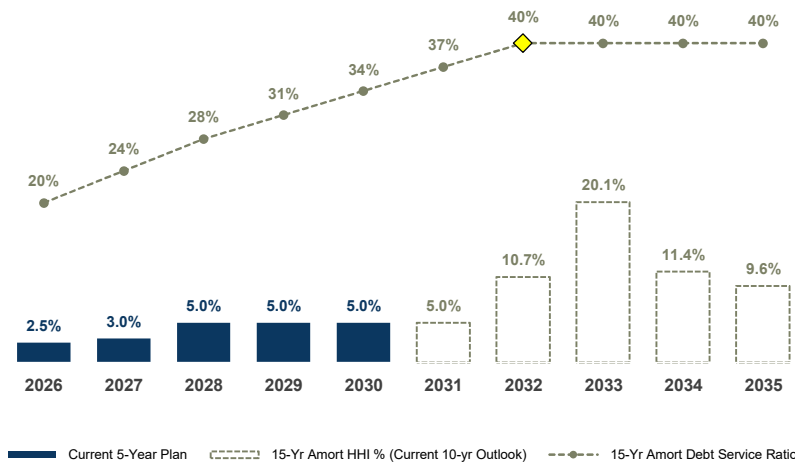


Amortization Scenarios (in Billions)	2026-2035	2036-2045	2046-2055	2056-2065	Total
15-year	\$ 8.51	\$ 12.60	\$ 2.60	0.19	\$ 23.89
15-year + 30-year	\$ 7.74	\$ 11.84	\$ 5.81	2.48	\$ 27.87
20-year	\$ 7.42	\$ 11.68	\$ 6.87	0.19	\$ 26.15
20-year + 30-year	\$ 7.02	\$ 10.71	\$ 7.81	2.42	\$ 27.96
30-year	\$ 6.41	\$ 9.20	\$ 8.84	4.88	\$ 29.33

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15-YEAR AMORTIZATION (CURRENT POLICY)

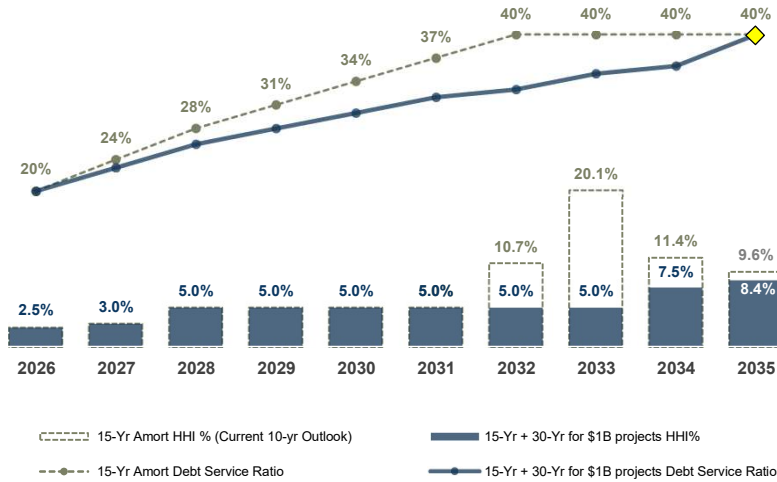
Household Impact and Debt Service Ratio – 10-year outlook



8

15 + 30-YEAR FOR PROJECTS OVER \$1 BILLION

Household Impact and Debt Service Ratio – 10-year outlook



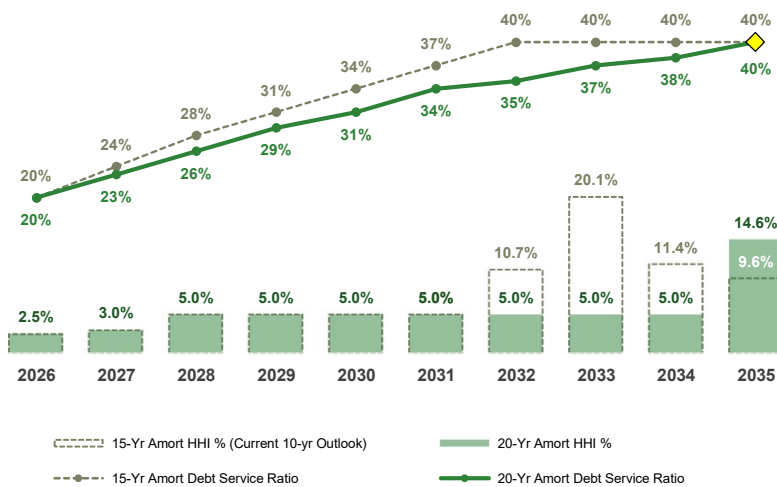
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20-YEAR AMORTIZATION

Household Impact and Debt Service Ratio – 10-year outlook



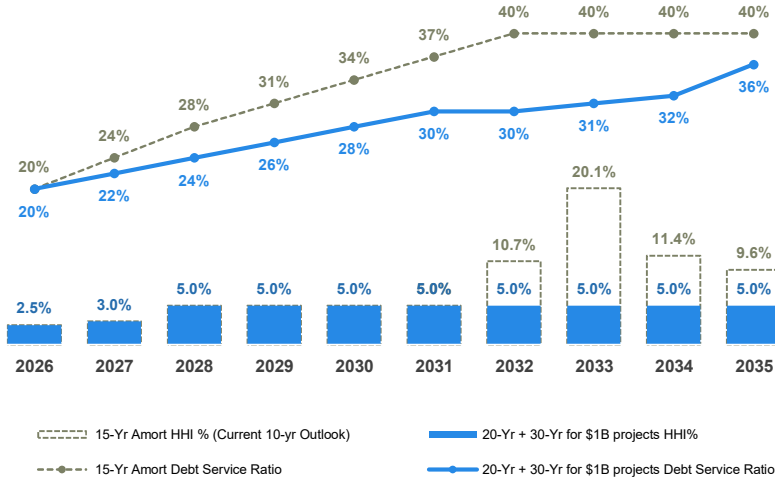
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20 + 30-YEAR FOR PROJECTS OVER \$1 BILLION

Household Impact and Debt Service Ratio – 10-year outlook



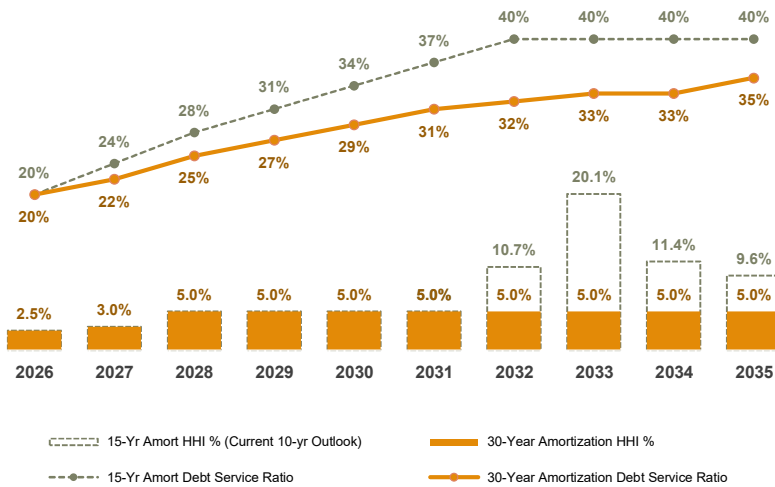
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30-YEAR AMORTIZATION

Household Impact and Debt Service Ratio – 10-year outlook



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COMPARING AMORTIZATION SCENARIOS

Five evaluation criteria:

- Annual Debt Service Payments
- Total Interest Costs
- Maintaining Debt Service Ratio Below 40%
- Ten Year Annual HHI % change
- Cost Equity

COMPARING AMORTIZATION SCENARIOS

	Amortization Scenario	Annual Debt Service Payments	Total Interest Costs	Debt Service Ratio Below 40% for 10-Year Outlook	10 Year Annual HHI % change	Cost Equity
1	15-year (Current Policy)	Highest	Lowest	No	High	High
2	15-year amortization + 30-year amortization for projects with >\$1 billion	High	Medium	No	Medium	Medium
3	20-year amortization	Medium	Low	No	Medium	Medium
4	20-year amortization + 30-year amortization for projects with >\$1 billion	Low	High	Yes	Low	Low
5	30-year amortization	Lowest	Highest	Yes	Low	Lowest

RECOMMENDATION

Amend amortization period for capital projects to 20 years and to 30 years for projects over \$1B in net borrowing to align with MFA recommendation, other large local governments and large utilities

Add the principle of 'transitioning to growth paying for growth'

Maintain principles / tools of 'pay as you go' and 'long term borrowing'

Maintain 40% Debt Service Ratio



To: Performance and Audit Committee

From: George Kavouras, Director, Procurement, Procurement & Real Estate Services

Date: February 4, 2026 Meeting Date: February 19, 2026

Subject: **Financial Board Policy Review - Procurement and Asset Disposal Authority Policy**

RECOMMENDATION

THAT the MVRD/MVHC/GVSDD/GWVD Boards receive for information the report dated February 4, 2026, titled “Financial Board Policy Review - Procurement and Asset Disposal Authority Policy”.

EXECUTIVE SUMMARY

This report is responding to the January 30, 2026 MVRD Board resolution “THAT the *MVRD Board direct staff to review the Procurement and Asset Disposal Authority Policy (“Procurement Policy”) as a priority for Q1 2026.*” The Procurement Policy was reviewed, updated, and subsequently approved by all Metro Vancouver Boards in April 2024. The Procurement Policy update was the result of a comprehensive and collaborative review process involving internal stakeholders, subject matter experts, end users, and comparative analyses of other jurisdictions to ensure a well-informed and modernized framework. The Procurement Policy provides strong oversight and internal controls, enables operational efficiency, aligns with market and regulatory conditions, and is consistent with practices in comparable public sector organizations.

If the Boards wish to see a review of a particular part of the policy, staff is seeking direction as to areas of interest.

PURPOSE

The purpose of this report is to review the Procurement Policy as directed by the MVRD Board.

BACKGROUND

On January 30, 2026, the MVRD Board received a schedule for planned Board Policy reviews. Several Financial Policies are scheduled for review in Q1 and Q2 of 2026. The Procurement and Asset Disposal Policy was reviewed 2023, with the policy adopted by all Metro Vancouver Boards in April 2024. As per best practice, it was scheduled to be reviewed in 2029, as per a five year review cycle. Subsequent to a short discussion, the Board passed the following resolution:

“THAT the MVRD Board direct staff to review the Procurement and Asset Disposal Authority Policy (“Procurement Policy”) as a priority for Q1 2026.”

This report responds to that resolution and seeks input as to any areas of the policy the Boards would like reviewed.

PROCUREMENT AND ASSET DISPOSAL AUTHORITY POLICY

In 2022, following the establishment of the Procurement and Real Estate Services department, staff initiated a comprehensive review of the Procurement Policy as part of continuous improvement efforts. The review looked at the Procurement Policy and its associated processes with the intent to strengthen oversight, internal controls, and risk management, while improving operational efficiency, clarifying policy intent, and aligning the policy with market, regulatory, and broader public-sector standards. The Procurement Policy was developed through a comprehensive, multi-step process that engaged a wide range of internal stakeholders, subject-matter experts, end users, and peer public-sector organizations, ensuring the final policy reflected best practices and diverse operational perspectives.

The review culminated with the approval of the Procurement Policy by each of the Metro Vancouver Boards in April 2024. *The Policy Update: Procurement and Real Property Contracting Authority Policies (Attachment 1)* outlines the updates and associated improvements for your reference. The Procurement Policy update was a major, organization-wide policy modernization effort and remains current, relevant and aligned with best practices. Staff will conduct the next full review within the five-year period from the date of the last approval.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

There are no financial implications to the report; policy reviews can be undertaken within Board approved budgets. If additional consulting funds are required, they would be noted here.

CONCLUSION

Staff have recently completed an in-depth review of the Procurement Policy. The Metro Vancouver Boards approved the updated Procurement Policy in April 2024, as detailed in the “Policy Update: Procurement and Real Property Contracting Authority Policies” board report (**Attachment 1**). If the Boards wish to see a review of a particular part of the policy, staff is seeking direction as to areas of interest.

ATTACHMENTS

1. “The Policy Update: Procurement and Real Property Contracting Authority Policies”, dated March 27, 2024.

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*.

Policy Update: Procurement and Real Property Contracting Authority Policies

Finance Committee Regular Meeting Date: April 10, 2024

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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.

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

¹ 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*.

² 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 bylaw¹ in the case of MVRD, GVWD, and GVS&DD, and by Board resolution² 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

Policy Update: Procurement and Real Property Contracting Authority Policies

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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.

Policy Update: Procurement and Real Property Contracting Authority Policies

Finance Committee Regular Meeting Date: April 10, 2024

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- *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*

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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)

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Attachment 1
BOARD POLICY

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:

Metro Vancouver Entity	Delegation Instrument
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

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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;

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- 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.

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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:

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- 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.

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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.

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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.

ASSET DISPOSAL

Effective Date: April 29, 2016

Approved By: GVRD Board

Policy No. FN-011

PURPOSE

To provide direction regarding the disposal of surplus assets, assets that have reached the end of their economic life and salvage assets owned by Metro Vancouver.

Metro Vancouver's *Asset Disposal Policy* supports the following broad objectives:

- Efficient and effective disposal of assets;
- Highest economic value to Metro Vancouver;
- Non-discriminatory and transparent disposal process; and
- Minimum environmental impacts.

DEFINITIONS

"Assets" are defined as any items of economic value that could be converted to cash;

"Economic life" means the period of time during which assets may be put towards profitable use in a business. Economic life is usually shorter than physical life because assets may become obsolete or too costly to maintain before they are worn out;

"Employee" means an exempt or union employee of Metro Vancouver including an Officer;

"Salvage Assets" are defined as any recovered or reclaimed items of economic value that could be converted to cash. Salvage materials include, scrap metal from steel pipe, stainless steel, insulated wire, copper, brass, aluminium, and tin, which are considered to have economic value to Metro Vancouver; and

"Surplus Assets" are defined as tangible assets that have economic value that could be converted to cash but are no longer needed and cannot be used in any area within Metro Vancouver. These assets can include office furniture and equipment, computers, audio-visual equipment, marine and industrial equipment, lab equipment, construction tools and equipment, and corporate vehicles.

POLICY

This Policy is intended to provide clear direction on the disposition of Metro Vancouver surplus assets, assets that have reached the end of their economic life and salvage assets, but excludes the disposition of electronic equipment covered under the *Electronic Equipment Disposition Policy*. The disposition of assets shall support Metro Vancouver's commitment to sustainability by following a

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process that ensures maximum economic value for the Corporation, is transparent and non-discriminatory and considers environmental impacts.

The disposal of assets will be coordinated by the Purchasing Division within the Financial Services Department.

1. Surplus Assets

- a) The General Manager or Senior Director within the Department responsible for the assets shall determine and declare when assets are deemed surplus (refer to the Appendix for type of assets and responsible Department).
- b) The assets must first be offered at no charge to other potential users within Metro Vancouver.
- c) If the assets cannot be used by another user within Metro Vancouver, they are deemed surplus and must be disposed of through the Purchasing Division by way of public auction, trade-in, public tender, negotiated sale or other means that maximizes economic value for Metro Vancouver.
- d) In no event shall Surplus Assets be directly sold to an employee by Metro Vancouver.
- e) In the event of sections (c) and (d) above, proof of authorization must be retained for up to two years from the date of disposal.
- f) In no event shall Surplus Assets be offered to anyone outside Metro Vancouver (including any non-profit organization) unless in accordance with Section 4.
- g) In the event Surplus Assets cannot be sold or traded for use, they shall be recycled in a manner that minimizes environmental impacts.

2. Assets at End of Economic Life

- a) The General Manager or Senior Director within the Department responsible for the assets shall determine and declare when the assets are at the end of their economic life (refer to the Appendix for the type of assets and responsible Department).
- b) Assets that have reached the end of their economic life must be disposed of through the Purchasing Division by way of public auction, trade-in, public tender, negotiated sale or other means that maximizes economic value for Metro Vancouver.
- c) In no event shall assets at the end of their economic life be directly sold to an employee by Metro Vancouver.

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- d) In the event of sections (b) and (c) above, proof of authorization must be retained for up to two years from the date of disposal.
- e) In no event shall assets at the end of their economic life be offered to anyone outside Metro Vancouver (including any non-profit organization) unless in accordance with Section 4.
- f) In the event assets at the end of their economic life cannot be sold or traded for use, they shall be recycled in a manner that minimizes environmental impacts.

3. Salvage Assets

- a) The General Manager, Senior Director or designated staff within the Department responsible for the assets shall determine and declare when the assets are considered salvage (refer to the Appendix for the type of assets and responsible Department).
- b) A list of salvage assets shall be documented in the Salvage Asset Tracking Sheet.
- c) A copy of the Salvage Asset Tracking Sheet shall be provided to Financial Services 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 a year.
- d) The Purchasing Division is responsible for the disposal of salvage assets, which can only be completed through an approved recycling dealer.

4. Donation of Assets

- a) Only surplus assets or assets at the end of their economic life are eligible for donation.
- b) The donation of surplus assets or assets at the end of their economic life must meet the following criteria:
 - i) The donation must provide a clear and positive community benefit to the Metro Vancouver region;
 - ii) The donation 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 not-for-profit entity.
- c) Surplus assets or assets at the end of their economic life that are to be donated must receive prior approval from the Chief Administrative Officer (CAO), with a recommendation from the Chief Financial Officer (CFO), and the Division Manager of Purchasing and Risk Management.

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- d) When more than one non-profit organization requests the donation of surplus assets, organizations shall be considered equally using the criteria as outlined in section 4(b) above.
- e) The donation of surplus assets which have an original combined cost that exceeds \$100,000 requires Board approval.
- f) Proof of authorization by the Chief Administrative Officer (CAO) must be retained for up to two years from the date of donation.

5. Proceeds on Asset Disposal

- a) All proceeds in exchange of the disposed assets shall be remitted directly to Metro Vancouver Financial Services Department.
- b) Proceeds shall be in the form of cheque, electronic funds transfer, or if the transaction is less than \$5,000, a credit card may be used.

Related References

This Policy is to be followed in coordination with the following:

- [Real Property Contracting Authority Policy](#)
- [Procurement and Contracting Employee Procedures](#)
- [Spending Authority Policy](#)
- [Electronic Equipment Disposition Policy](#)

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APPENDIX

Asset Category and Responsible Department Table

The following table lists the type of assets and the subsequent Department that is responsible for determining whether assets are surplus, at the end of their economic life or salvage. It is intended to provide guidance and can be amended as required.

Asset	Responsible Department
Furniture and Office Equipment	Corporate Services (Building Operations)
Information Technology (IT) Equipment	Corporate Services (Information Technology)
Fleet and Marine Equipment	Financial 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)

PROCUREMENT AND ASSET DISPOSAL AUTHORITY POLICY

Effective Date: June 1, 2024

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

Policy No. FN-031

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

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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:

Metro Vancouver Entity	Delegation Instrument
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;

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- 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

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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;

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“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.

BOARD POLICY

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

BOARD POLICY

- 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.

BOARD POLICY

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.

BOARD POLICY

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;

BOARD POLICY

- 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.

BOARD POLICY

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.

Asset	Responsible Department
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)



Attachment 5
BOARD POLICY

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:

Metro Vancouver Entity	Delegation Instrument
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;

BOARD POLICY

“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;

BOARD POLICY

“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,

BOARD POLICY

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.

Attachment 6

METRO VANCOUVER REGIONAL DISTRICT
BYLAW NO. 1375, 2024
A bylaw to amend "Greater Vancouver Regional District Officers and Delegation
Bylaw No. 1208, 2014"

The Board of the Metro Vancouver Regional District enacts as follows:

Citation

1. The official citation of this bylaw is "Metro Vancouver Regional District Officers and Delegation Amendment Bylaw No. 1375, 2024".

Effective Date

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

Amendment of Bylaw

3. "Greater Vancouver Regional District Officers and Delegation Bylaw No. 1208, 2014" is amended as follows:

(a) Recital A is deleted and replaced with the following:

- A. The *Local Government Act*, R.S.B.C. 2015, Chapter 1 requires and authorizes a board by bylaw to establish officer positions and by bylaw or resolution to assign powers, duties and functions to officer positions; and

(b) 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;

(c) In Section 3.1(a) the number "197" is deleted and replaced with the number "235".

(d) Section 3.1(b) is deleted and replaced with the following:

- (b) the power under section 233(1) (Officers and employees for regional district) of the Act to appoint employees and establish their terms and conditions of employment;

(e) In Section 3.2 the number "199" is deleted and replaced with the number "237".

(f) In Section 3.3 the number "198" is replaced with the number "236".

(g) Section 4.1 is deleted and replaced with the following:

4.1 The Board delegates to the Regional District's officers and employees the powers, duties and functions of the Board under section 263(1)(a), (b) and (d) of the Act to enter into transactions relating to the Regional District'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 Board and as may be amended from time to time.

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

Adopted this _____ day of _____, _____.

George V. Harvie, Chair

Dorothy Shermer, Corporate Officer

FLEET PLANNING AND ACQUISITION POLICY

Effective Date: September 23, 2016 (revised June 1, 2024)

Approved By: MVRD Board

Policy No. FN-014

PURPOSE

To provide direction and guidance on planning and acquiring Metro Vancouver's fleet assets.

Metro Vancouver's *Fleet Planning and Acquisition Policy* supports the following broad objectives:

- Fleet assets meet operational service requirements
- Fleet planning and acquisition aims to achieve continuous improvement in reducing fleet greenhouse gas emissions (GHGs)
- Fleet management is financially responsible

DEFINITIONS

"Fleet Assets" means all vehicles and mobile equipment;

"Life Cycle Costs" means all costs associated with owning and operating fleet assets, including costs of initial capital, fuel, GHG emissions (using an internal price on carbon where applicable), maintenance, and depreciation, using net present value;

"Mobile Equipment" means all equipment that is engine, motor or non-motor powered with attached or towed equipment including rolling machinery in excess of \$2000 capital cost or if driven by Metro Vancouver employees, licenced or unlicensed, owned or leased by Metro Vancouver. Examples of mobile equipment include but are not limited to trailers, boats, movers, loaders, graders, excavators, backhoes, forklifts, tractors, chippers, and mobile generators / pumps; and

"Vehicle" means passenger vehicles including sedans, vans, pick-up trucks, sport utility vehicles (SUVs) or similar, licensed or unlicensed, owned or leased by Metro Vancouver.

POLICY

The *Fleet Planning and Acquisition Policy* aligns with the Board Strategic Plan's livability and sustainability objectives by encouraging Metro Vancouver to mitigate the environmental impact of its corporate fleet through transitioning to low emission technologies, where possible, while maintaining excellent standards in the delivery of regional services.

Metro Vancouver will ensure that fleet planning and acquisition will meet operational service requirements while minimizing fleet greenhouse gas emissions and taking into account life cycle costs.

BOARD POLICY

Fleet planning, acquisition, monitoring, and reporting will be managed by Fleet Services within the Financial Services Department, in coordination with user groups, Air Quality and Climate Change Division, and the Energy Management Group.

1. Fleet Planning

Metro Vancouver's Fleet Services, along with the user groups and the Air Quality and Climate Change Division, will undertake a comprehensive *Fleet Planning Process* for all new and replacement fleet assets that will aim to optimize the size of the overall fleet, ensure fleet assets are chosen to meet typical operational requirements and consider low emission technologies where operationally feasible.

Right-Sizing

- a) Fleet services will conduct annual fleet utilization assessments in accordance with *Fleet Utilization Procedures* to optimize the size of Metro Vancouver's fleet while meeting operational needs. The assessments will include a process for identifying under-utilized assets so they can be reallocated or removed from the fleet.
- b) Fleet Services, in coordination with user groups, will conduct replacement assessments on current fleet assets to determine when assets are to be replaced, using the applicable *Fleet Assessment Procedures*. Each fleet asset will have assessment plans which considers age, kilometers, maintenance and repair costs, asset condition and utilization to determine replacement decisions.
 - i) Vehicles will be considered for replacement after eight years and/or when used over 200,000 km;
 - ii) Mobile Equipment will be considered for replacement on a case-by-case basis based on consultation between Fleet Services and the user group.
- c) Requests for new fleet assets require the user group to complete and submit a *Fleet Asset Business Case Form* to Fleet Services. The business case must justify the additional fleet asset and demonstrate the operational need it is addressing. All requests are subject to verification and audit by Fleet Services.
- d) Fleet Services, in coordination with the user group, will ensure that new and replacement fleet assets are an appropriate size to carry out typical operational requirements.

Low Emission Technologies

- a) Fleet Services, in coordination with the Air Quality and Climate Change Division, will develop and annually update a *Low Emission Vehicle Standard*. For each applicable vehicle category, the *Low Emission Vehicle Standard* will create a hierarchy of most-preferred to least-preferred technologies based on GHG emissions. The right-sizing process will identify the applicable vehicle category and typical operational requirements and the *Life Cycle Costing*

BOARD POLICY

Tool will determine which technology from the *Low Emission Vehicle Standard* will be selected for tendering.

- b) Recognizing that the technologies used in fleet assets are rapidly changing, Fleet Services in coordination with the Air Quality and Climate Change Division, will identify and evaluate new technologies, including supporting infrastructure, which may provide fuel savings and GHG reductions. As part of the *Fleet Planning Process*, studies of such technologies may be proposed and pursued under the Sustainability Innovation Fund process.

2. Acquisition

Using the *Life Cycle Costing Tool* and the *Low Emission Vehicle Standard*, Fleet Services, in coordination with the Air Quality and Climate Change Division, will purchase vehicles that provide the greatest reduction in greenhouse gas emissions where operationally feasible, based on the Life Cycle Analysis Costing Tool and the applicable Low Emission Vehicle Standard.

For mobile equipment, Fleet Services will purchase, on a case-by-case basis, the lowest emitting mobile equipment asset available that is operationally feasible and financially responsible.

Fleet Services will coordinate with the user group to ensure all fleet asset purchases meet operational requirements.

All Fleet purchases must be in accordance with Metro Vancouver's *Procurement and Asset Disposal Authority Policy*, *Delegation of Procurement Authority Policy*, and the Procurement Policy Guidelines.

3. Monitoring and Reporting

- a) Fleet Services will establish a baseline inventory of Metro Vancouver fleet assets and report annually on the financial and GHG emissions reduction performance of the fleet. The baseline inventory will include, but is not limited to, the following information:
- Number of fleet assets by category
 - Monthly kilometers driven by vehicle/ monthly hours for mobile equipment
 - Fuel consumption by fleet asset
 - Fuel cost by fleet asset
 - Estimated GHG emissions by fleet asset
 - Maintenance cost by fleet asset
 - Fuel type by fleet asset

Related Documents:

Fleet Asset Business Case Form

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Sewerage and Drainage District
Board Meeting Date – Friday, February 27, 2026

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 – February 5, 2026

Delegations:

No delegations presented

Information Items:

- E1 Initial Draft Solid Waste Management Plan
- E2 2024 Annual Solid Waste Statistics
- E4 Zero Waste Conference 2025

Liquid Waste Committee – February 11, 2026

Delegations:

No delegations presented

Information Items:

- E3 2025 "Wipe It, Green Bin It" Campaign Results