

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVS&DD)
BOARD OF DIRECTORS****REGULAR BOARD MEETING****Friday, April 30, 2021****9:00 A.M.****28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia**[Membership and Votes](#)**A G E N D A¹****A. ADOPTION OF THE AGENDA****1. April 30, 2021 Regular Meeting Agenda**

That the GVS&DD Board adopt the agenda for its regular meeting scheduled for April 30, 2021 as circulated.

B. ADOPTION OF THE MINUTES**1. March 26, 2021 Regular Meeting Minutes**

That the GVS&DD Board adopt the minutes for its regular meeting held March 26, 2021 as circulated.

2. April 8, 2021 Special Joint Meeting Minutes

That the GVS&DD Board adopt the minutes for the special joint meeting of the MVRD, MVHC, GVWD, and the GVS&DD Board of Directors held April 8, 2021 as circulated.”

C. DELEGATIONS**D. INVITED PRESENTATIONS****E. CONSENT AGENDA**

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

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

1. PERFORMANCE AND AUDIT COMMITTEE REPORTS

1.1 Audited 2020 Financial Statements

That the GVS&DD Board approve the Audited 2020 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

2. FINANCE AND INTERGOVERNMENT COMMITTEE REPORTS

2.1 Contract Amendment to AECOM Canada Ltd. for Owner's Engineer Advisory Services for North Shore Wastewater Treatment Plant

That the GVS&DD Board authorize:

- a) a contract amendment in the amount of \$7,118,094 (exclusive of taxes) to AECOM Canada Ltd. for the provision of owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, subject to final review by the Commissioner; and
- b) the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the change order should proceed.

3. LIQUID WASTE COMMITTEE REPORTS

3.1 2021 Liquid Waste Capital Projects

That the GVS&DD Board receive for information the report dated March 23, 2021 titled "2021 Liquid Waste Capital Projects".

3.2 Award of Phase C2, Engineering Construction Services for RFP 14-230 for Installation of Gilbert Trunk Sewer No. 2 South Section

That the GVS&DD Board:

- a) approve the award of Phase C2, Engineering Construction Services, for an amount up to \$2,548,446 (exclusive of taxes) to the Phase A and B consultant, AECOM Canada Ltd, for the Installation of Gilbert Trunk Sewer No. 2 South Section; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

4. ZERO WASTE COMMITTEE REPORTS

4.1 Award of Contract Resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station

That the GVS&DD Board:

- a) approve award of a five-year contract in the amount of up to \$17,428,425 (exclusive of taxes) to Arrow Transportation Systems Inc., resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

That the GVS&DD Board recommend a review of Metro Vancouver's procurement process to better incorporate Metro Vancouver's stated values and Strategic Plan visions (including transitioning towards a circular economy, strengthening relationships with First Nations, food security, supporting local economies, and reducing GHG emissions).

That the GVS&DD Board direct staff to report back with options for the development of a permanent local organics management facility to be in place prior to the end of the contract, on July 1, 2026, resulting from the proposal No. 20-016: Organics Management at the North Shore Transfer Station.

4.2 Recycling Depot Funding Strategy

That the GVS&DD Board direct staff to prepare proposed amendments to be incorporated into the annual update to the *Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Disposal Regulation Bylaw No. 306, 2017*, as amended to:

- i) incorporate the cost of recycling depots at Metro Vancouver's recycling and waste centres into garbage tipping fees; and
- ii) provide an annual garbage tipping fee credit to municipalities operating municipal recycling depots.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1. PERFORMANCE AND AUDIT COMMITTEE REPORTS

1.1 Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021

*[Recommendation a): simple weighted majority vote.] and
[Recommendation b): 2/3 weighted majority vote.]*

That the GVS&DD Board:

- a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*; and
- b) pass and finally adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

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

J. BUSINESS ARISING FROM DELEGATIONS

K. 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 regular meeting scheduled for April 30, 2021 pursuant to the *Community Charter* provisions, Section 90 (1) (g) and (k) as follows:

“90 (1) A part of a board 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 regional district;
(k) negotiations and related discussions respecting the proposed provision of a regional district service that are at their preliminary stages and that, in the view of the board or committee, could reasonably be expected to harm the interests of the regional district if they were held in public.”

L. RISE AND REPORT (Items Released from Closed Meeting)

M. ADJOURNMENT/CONCLUSION

That the GVS&DD Board adjourn/conclude its regular meeting of April 30, 2021.

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

Minutes of the Regular Meeting of the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 9:49 a.m. on Friday, March 26, 2021 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal
 North Vancouver City, Vice Chair Director
 Linda Buchanan*
 Anmore, Director John McEwen*
 Burnaby, Director Pietro Calendino*
 Burnaby, Director Mike Hurley*
 Coquitlam, Director Craig Hodge*
 Coquitlam, Director Richard Stewart*
 Delta, Director George Harvie*
 Delta, Director Dylan Kruger*
 Electoral Area A, Director Jen McCutcheon*
 Langley City, Director Gayle Martin*
 Langley Township, Director Jack Froese*
 Langley Township, Director Kim Richter*
 Maple Ridge, Director Mike Morden*
 New Westminister, Director Jonathan Coté*
 North Vancouver District, Director Lisa Muri*
 Pitt Meadows, Director Bill Dingwall*
 Port Coquitlam, Director Brad West*
 Port Moody, Director Rob Vagramov
 Richmond, Director Malcolm Brodie*

Richmond, Director Harold Steves*
 Surrey, Director Linda Annis*
 Surrey, Director Doug Elford*
 Surrey, Director Laurie Guerra*
 Surrey, Alternate Director Brenda Locke* for
 Mandeep Nagra
 Surrey, Director Doug McCallum*
 Surrey, Director Allison Patton*
 Vancouver, Director Christine Boyle*
 Vancouver, Director Adriane Carr*
 Vancouver, Director Melissa De Genova*
 Vancouver, Director Lisa Dominato*
 Vancouver, Alternate Director Pete Fry* for
 Kennedy Stewart
 Vancouver, Director Colleen Hardwick*
 Vancouver, Director Michael Wiebe*
 West Vancouver, Director Mary-Ann Booth*
 White Rock, Director Darryl Walker*
 Commissioner Jerry W. Dobrovolny
 (Non-voting member)

MEMBERS ABSENT:

None.

STAFF PRESENT:

Eva Haan, Legislative Services Coordinator, Board and Information Services
 Chris Plagnol, Corporate Officer

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. March 26, 2021 Regular Meeting Agenda

It was MOVED and SECONDED

That the GVS&DD Board adopt the agenda for its regular meeting scheduled for March 26, 2021 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. February 26, 2021 Regular Meeting Minutes

It was MOVED and SECONDED

That the GVS&DD Board adopt the minutes for its regular meeting held February 26, 2021 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

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

- 2.1 Liquid Waste Heat Recovery Policy Amendments to Expand Opportunities for Sewer Heat Recovery

It was MOVED and SECONDED

That the GVS&DD Board adopt the recommendations presented in the following items as presented in the March 26, 2021 GVS&DD Board Consent Agenda:

- 1.1 Grant Funding Application for the Northwest Langley Digestion and Biogas Facilities Ground Improvements
- 3.1 Award of Contract Resulting from Request for Proposal No. 20-143: Inspection Services at Solid Waste Regional Facilities

CARRIED

The items and recommendations referred to above are as follows:

1.1 Grant Funding Application for the Northwest Langley Digestion and Biogas Facilities Ground Improvements

Report dated February 19, 2021 from Marie-Liesse Marc, Director, Major Projects, Northwest Langley Wastewater Treatment Plant Projects, Project Delivery,

seeking GVS&DD Board support of an application to the Investing in Canada Infrastructure Program, COVID-19 Resilience Infrastructure Stream.

Recommendation:

That the GVS&DD Board:

- a) supports the Northwest Langley Digestion and Biogas Facilities Ground Improvements (the “Project”);
- b) supports the application for grant funding of \$9,999,995 for the Project through the Investing in Canada Infrastructure Program (the “Grant Application”); and
- c) if the Grant Application is successful, commits to:
 - financing the Project’s eligible costs until associated federal and provincial government contributions are received; and
 - funding any ineligible costs and potential costs overruns associated with the Project.

Adopted on Consent

3.1 Award of Contract Resulting from Request for Proposal No. 20-143: Inspection Services at Solid Waste Regional Facilities

Report dated March 4, 2021 from Roy Moulder, Director, Purchasing and Risk Management, Financial Services, and Paul Henderson, General Manager, Solid Waste Services, advising the GVS&DD Board of the results of Request for Proposal (RFP) No. 20-143: Inspection Services at Solid Waste Regional Facilities, and recommending a contract award in the amount of up to \$3,674,026 (exclusive of taxes) for three (3) years to Stasuk Testing and Inspection Ltd., for conducting disposal ban inspections at regional solid waste facilities commencing on May 1, 2021.

Recommendation:

That the GVS&DD Board:

- a) approve award of a three (3) year contract in the amount of up to \$3,674,026 (exclusive of taxes) to Stasuk Testing and Inspection Ltd., resulting from Request for Proposal No. 20-143: Inspection Services at Solid Waste Regional Facilities, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

2.1 Liquid Waste Heat Recovery Policy Amendments to Expand Opportunities for Sewer Heat Recovery

Report dated March 2, 2021 from Jeff Carmichael, Division Manager, Business Development, Liquid Waste Services, and Conor Reynolds, Division Manager, Air Quality and Climate Change Policy, Parks and Environment, seeking GVS&DD

Board approval on an amendment to the *Liquid Waste Heat Recovery Policy* that allows investment in collection systems (sewer) projects.

Main Motion

It was MOVED and SECONDED

That the GVS&DD Board approve the revised *Liquid Waste Heat Recovery Policy*, as presented in the report dated March 2, 2021, titled “Liquid Waste Heat Recovery Policy Amendments to Expand Opportunities for Sewer Heat Recovery”.

Members expressed the need for clarity around the carbon offset credits in terms of how they would be allocated, and requested staff (working with member jurisdictions) to bring back options for carbon accounting for the board’s consideration.

Amendment to the Main Motion

It was MOVED and SECONDED

That the GVS&DD Board amend the Main Motion, at the end of the motion, by adding a part b) as follows: “; and direct staff to work with GVS&DD members’ staff to assess the range of options available for carbon accounting for liquid waste heat recovery projects; and if appropriate, develop a framework for allocation of carbon offset credits among the GVS&DD members; and report back to the GVS&DD Board by the end of 2021.”

CARRIED

Question called on the Main Motion

Question was then called on the Main Motion and it was

CARRIED

Director Richter voted in the negative.

The Main Motion as amended now reads as follows

That the GVS&DD Board:

- a) approve the revised Liquid Waste Heat Recovery Policy, as presented in the report dated March 2, 2021, titled “Liquid Waste Heat Recovery Policy Amendments to Expand Opportunities for Sewer Heat Recovery”; and*
- b) direct staff to work with GVS&DD members’ staff to assess the range of options available for carbon accounting for liquid waste heat recovery projects; and if appropriate, develop a framework for allocation of carbon offset credits among the GVS&DD members; and report back to the GVS&DD Board by the end of 2021.*

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1.1 Tier III Cost Apportionment Bylaw Amendments

Report dated March 11, 2021 from the Finance and Intergovernment Committee together with the report dated March 2, 2021 from Jeff Carmichael, Division Manager, Business Development, Liquid Waste Services, and Sonu Kailley, Division Manager, Finance and Capital Planning, Financial Services, seeking GVS&DD Board approval of proposed amendments to Bylaw 283 to add wastewater resource recovery projects to those eligible for Tier III apportioning, and clarifying how existing Tier III apportioning should handle growth-driven tertiary treatment costs.

Main Motion

It was MOVED and SECONDED

That the GVS&DD Board:

- a) approve the amendments to the *Greater Vancouver Sewerage and Drainage District Cost Apportionment Bylaw No. 283, 2014* as presented in Attachment 1 to the report dated March 2, 2021 titled “Tier III Cost Apportionment Bylaw Amendments”, which will allocate all future sewer heat project costs as 100 percent regional allocation; and
- b) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Cost Apportionment Amending Bylaw No. 342, 2021*.

A member proposed that all previously-levied costs for the North Shore Wastewater Treatment Plant be redistributed based on Tier III allocation as set out in the alternative #2 bylaw.

Amendment to the Main Motion

It was MOVED and SECONDED

That the GVS&DD Board amend the Main Motion, in part a), by:

- a) replacing “Attachment 1” with “Attachment 2”; and
- b) adding, at the end of part a), the phrase “and will reallocate past incurred costs for the North Shore Wastewater Treatment Plant effluent heat recovery project as well.”

Members requested consideration be given to including the value of the previously-levied costs in the motion.

Amendment to the Amendment to the Main Motion

It was MOVED and SECONDED

That the GVS&DD Board amend the Amendment to the Main Motion, after the phrase “incurred costs”, by adding “(approximately \$550,000)”.

CARRIED

Question on the Amendment to the Main Motion

Question was then called on the Amendment to the Main Motion as amended and it was

Director	Number of Votes	
	Against	For
Linda Annis	4	
Mary-Ann Booth		3
Christine Boyle		5
Malcolm Brodie	5	
Linda Buchanan		3
Pietro Calendino	4	
Adriane Carr		5
Jonathan Coté		4
Melissa De Genova		5
Sav Dhaliwal	4	
Bill Dingwall		1
Lisa Dominato		4
Doug Elford	5	
Jack Froese		3
Pete Fry		5
Laurie Guerra	4	
Colleen Hardwick	4	
George Harvie	3	
Craig Hodge	3	
Mike Hurley	4	
Dylan Kruger	3	
Brenda Locke	4	
Gayle Martin	2	
Doug McCallum	5	
Jen McCutcheon		1
John McEwen	1	
Mike Morden	5	
Lisa Muri		5
Allison Patton	4	
Kim Richter	3	
Harold Steves	5	
Richard Stewart	4	
Rob Vagramov		2
Darryl Walker		1
Brad West	3	
Michael Wiebe		4
Total Votes	79	51

DEFEATED

Question on the Main Motion

Question was then called on the Main Motion and it was

CARRIED

Director Richter voted in the negative.

It was MOVED and SECONDED

That the GVS&DD Board pass and finally adopt *Greater Vancouver Sewerage and Drainage District Cost Apportionment Amending Bylaw No. 342, 2021.*

CARRIED

Director Richter voted in the negative.

The Main Motion as amended now reads as follows:

That the GVS&DD Board:

- a) approve the amendments to the Greater Vancouver Sewerage and Drainage District Cost Apportionment Bylaw No. 283, 2014 as presented in Attachment 1 to the report dated March 2, 2021 titled "Tier III Cost Apportionment Bylaw Amendments", which will allocate all future sewer heat project costs as 100 percent regional allocation; and*
- b) give first, second and third reading to Greater Vancouver Sewerage and Drainage District Cost Apportionment Amending Bylaw No. 342, 2021.*
- c) pass and finally adopt Greater Vancouver Sewerage and Drainage District Cost Apportionment Amending Bylaw No. 342, 2021.*

1.2 Indemnification Authorization Bylaw Updates - GVS&DD Amending Bylaw 343

Report dated March 1, 2021 from Jerry W. Dobrovolny, CAO/Commissioner, and Chris Plagnol, Corporate Officer, seeking GVS&DD Board approval of an amending bylaw to indemnify Board members, officers, employees and volunteers of the Greater Vancouver Sewerage and Drainage District.

It was MOVED and SECONDED

That the GVS&DD Board give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Indemnification Authorization Amending Bylaw No. 343, 2021.*

CARRIED

It was MOVED and SECONDED

That the GVS&DD Board pass and finally adopt *Greater Vancouver Sewerage and Drainage District Indemnification Authorization Amending Bylaw No. 343, 2021.*

CARRIED

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

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

It was MOVED and SECONDED

That the GVS&DD Board receive for information the GVS&DD Board Committee Information Items and Delegation Summaries, dated March 26, 2021.

CARRIED

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVS&DD Board close its regular meeting scheduled for March 26, 2021 pursuant to the *Community Charter* provisions, Section 90 (1) (e) and (g) as follows:

“90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district; and
- (g) litigation or potential litigation affecting the regional district.”

CARRIED

L. RISE AND REPORT (Items Released from Closed Meeting)

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the GVS&DD Board adjourn its regular meeting of March 26, 2021.

CARRIED

(Time: 10:42 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

**SPECIAL JOINT MEETING
MVRD, MVHC, GVWD, and GVS&DD BOARDS**

Minutes of the Special Joint Meeting of the Metro Vancouver Regional District (MVRD), Metro Vancouver Housing Corporation (MVHC), the Greater Vancouver Water District (GVWD), and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 1:03 p.m. on Thursday, April 8, 2021 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia, to participate in a workshop on preparations for the 2022 budget.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal	Port Moody, Director Rob Vagramov*
North Vancouver City, Vice Chair Director Linda Buchanan*	Richmond, Director Malcolm Brodie*
Anmore, Director John McEwen*	Richmond, Director Harold Steves*
Belcarra, Director Jamie Ross*	Surrey, Director Linda Annis*
Bowen Island, Director David Hocking*	Surrey, Director Doug Elford*
Burnaby, Director Pietro Calendino*	Surrey, Director Laurie Guerra*
Burnaby, Director Mike Hurley*	Surrey, Director Doug McCallum*
Coquitlam, Director Craig Hodge*	Surrey, Director Mandeep Nagra*
Coquitlam, Director Richard Stewart*	Surrey, Director Allison Patton*
Delta, Director George Harvie*	Tsawwassen, Director Ken Baird*
Delta, Director Dylan Kruger*	Vancouver, Director Christine Boyle*
Electoral Area A, Director Jen McCutcheon*	Vancouver, Director Adriane Carr*
Langley City, Director Gayle Martin*	Vancouver, Director Melissa De Genova* (arrived at 1:05 p.m.)
Langley Township, Director Jack Froese*	Vancouver, Director Lisa Dominato* (arrived at 1:44 p.m.)
Langley Township, Director Kim Richter*	Vancouver, Director Colleen Hardwick*
Lions Bay, Director Ron McLaughlin*	Vancouver, Alternate Director Pete Fry* for Kennedy Stewart
Maple Ridge, Director Mike Morden*(arrived at 1:07 p.m.)	Vancouver, Director Michael Wiebe*
New Westminister, Director Jonathan Coté*	West Vancouver, Director Mary-Ann Booth*
North Vancouver District, Director Lisa Muri*	White Rock, Director Darryl Walker*
Pitt Meadows, Director Bill Dingwall*	
Port Coquitlam, Director Brad West*	

MEMBERS ABSENT:

None

STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer
Lauren Cichon, Legislative Services Coordinator, Board and Information Services
Chris Plagnol, Corporate Officer

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

1. ADOPTION OF THE AGENDA

It was MOVED and SECONDED

That the MVRD, MVHC, GVWD, and GVS&DD Boards adopt the agenda for its joint meeting scheduled for April 8, 2021, as circulated.

CARRIED

2. PRESENTATION AND DISCUSSION

2.1 Board Budget Workshop

Jerry W. Dobrovolny, Chief Administrative Officer/Commissioner, introduced the 2022 Metro Vancouver Districts and Housing Corporation Budget Workshop, highlighting the process, timeline, and the context for the 2022 budget.

1:05 p.m. Director De Genova arrived to the meeting.

1:07 p.m. Director Morden arrived to the meeting.

2021 – 2025 Financial Plan

Dean Rear, Chief Financial Officer/General Manager, Financial Services, provided members with an overview of the financial planning environment and the budget deliverables including the ongoing improvements to the financial policies, financial reporting, project governance and continuous improvements at the department level.

The Board was provided information on the financial context in which Metro Vancouver operates including:

- state of the economy and the financial risks associated with the ongoing pandemic
- 2021 -2025 Operating Financial Plan
- 2021 -2025 Capital Financial Plan
- impact of services on the average household (the household impact)
- comparison of benchmarks of utility costs across North America for water, solid waste and liquid waste services

1:44 p.m. Director Dominato arrived to the meeting.

Members were provided a video presentation regarding the Metro Vancouver Budget Process highlighting infrastructure investments, and processes. Video presentation material is not retained with the agenda.

Members were informed of the following financial Toolbox measures that will be evaluated to manage the budgetary impacts:

- demand side management
- increase contract risk tolerance
- capital plan deferrals

- use of reserves
- increase debt amortization term
- reduce pay-as-you-go.

Discussion ensued on the 2022 budget information, and members offered the following comments:

- provincial and federal funding to offset costs for capital projects
- planning updates for integrated water management initiatives including funding for such projects as green infrastructure, wet weather flow incentives, and inflow and infiltration management
- impact of potentially postponing capital projects, such as water capital projects that would result in more restrictive lawn watering regulations by municipalities in drought years
- overall cumulative cost per household with respect to the North Shore Wastewater Treatment Plant including the 30-year amortization period and whether it applies to the entire project or only the North Shore portion
- consideration to reviewing the debt servicing measures set out in the *Financial Management Policy*
- research on population growth and its effect on housing demand, and in light of reduction in immigration due to the novel coronavirus (COVID-19) pandemic
- evaluating the scope of capital projects to align with needs of the region

With respect to 2022 financial planning, members were informed of the following relief measures being evaluated:

- leveraging supported tools to create a short-term action plan (2 years) and fully evaluating the thirty-year amortization for the North Shore Wastewater Treatment Plant
- optimizing capital plan timing and identifying deferment opportunities
- evaluating effects of more restrictive lawn metering regulations
- exploring demand side management options for liquid waste

Presentation material titled “Board Budget Workshop 2022 Financial Planning Cycle” is retained with the April 8, 2021 Metro Vancouver Joint Board Special Meeting agenda.

3. ADJOURNMENT OR CONCLUSION

The Chair declared the meeting adjourned at 3:05 p.m.

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

To: Performance and Audit Committee

From: Joe Sass, Director Financial Planning and Operations/Deputy CFO

Date: April 7, 2021 Meeting Date: April 14, 2021

Subject: **Audited 2020 Financial Statements**

RECOMMENDATION

- a) That the MVRD Board approve the Audited 2020 Consolidated Financial Statements for the Metro Vancouver Regional District;
 - b) That the GVS&DD Board approve the Audited 2020 Financial Statements for the Greater Vancouver Sewerage and Drainage District;
 - c) That the GVWD Board approve the Audited 2020 Financial Statements for the Greater Vancouver Water District;
 - d) That the MVHC Board approve the Audited 2020 Financial Statements for the Metro Vancouver Housing Corporation.
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EXECUTIVE SUMMARY

Although we have encountered unprecedented uncertainty with COVID-19, the 2020 Audited Financial Statements illustrate that Metro Vancouver entered this period in strong financial position with excellent liquidity and solid reserves.

The statements have been prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) and have received an unqualified audit opinion by the external auditors, BDO Canada LLP.

PURPOSE

To present, for approval, the Audited 2020 Financial Statements for the Metro Vancouver Districts and the Metro Vancouver Housing Corporation.

BACKGROUND

Legislation requires that annual Audited Financial Statements be prepared for the Metro Vancouver Districts and Metro Vancouver Housing Corporation and presented at a public meeting of the Board of Directors. The Audited Financial Statements for 2020 have been prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”) and have received an unqualified audit opinion by the external auditors, BDO Canada LLP.

2020 FINANCIAL STATEMENT HIGHLIGHTS

Under PSAS regulations, governments are required to present four statements with explanatory notes - Statement of Financial Position (Exhibit A), Statement of Operations (Exhibit B), Statement of Net Debt (Exhibit C) and Statement of Cash Flows (Exhibit D). It is important to note that there are differences between the presentation in these financial statements and the annual Metro Vancouver budget, which is prepared to determine the annual revenue requirements to meet expenditure obligations. These differences are outlined in note 16 of the consolidated statements.

The complete set of 2020 Audited Financial Statements is attached. These are presented for the Boards' approval and include:

Audited 2020 Consolidated Financial Statements for the Metro Vancouver Regional District
Audited 2020 Financial Statements for the Greater Vancouver Sewerage and Drainage District
Audited 2020 Financial Statements for the Greater Vancouver Water District
Audited 2020 Financial Statements for the Metro Vancouver Housing Corporation

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

Two statements, the *Summarized Consolidated Statement of Financial Position (Appendix 1)* and the *Consolidated Statement of Operations (Appendix 2)*, similar to the Balance Sheet and Income Statement in private organizations, are the foundation of the audited statements. They contain three key indicators, the accumulated surplus, annual surplus and net debt.

The *Summarized Statement of Financial Position (Appendix 1)* contains two of the indicators, the net debt and the accumulated surplus. The net debt position represents the amount by which the Districts' liabilities exceed the financial assets. Although the amount appears as unfavourable, the vast majority of the organization's liabilities are long-term debt which is repayable over several years. The organization's financial assets are more than sufficient to offset the amount of short-term obligations. The current ratio which is current assets divided by current liabilities and is a measure of an organization's liquidity is 2.8 to 1. A ratio of 2 to 1 is considered to be a measure of favourable liquidity. The net debt position increased by only \$245.7 million, while the increase in tangible capital assets was \$799.1 million. This indicates that more of the District's investment in capital infrastructure is being funded more through operations and reserves than debt.

The next indicator, also presented in the *Summarized Statement of Financial Position (Appendix 1)* is the accumulated surplus. Commonly thought of as "Net Worth" in private organizations, the District's accumulated surplus is favourable at \$5.4 billion, which indicates that the organization owns (Financial and Non-Financial Assets) more than it owes (Liabilities). This reflects the member municipalities' net investment in the District's consolidated entity. It comprises reserve balances of \$325.1 million and the investment in tangible capital assets (assets less debt owing) of \$5.12 billion.

The accumulated surplus increased by \$557.8 million in 2020 which represents the annual surplus for the year, the final indicator. The annual surplus is calculated as the difference between revenues and expenses and detailed in Consolidated Statement of Operations (Appendix 2). For PSAS purposes, annual surplus does not include contributions to and from reserves, capital contributions or principal payments on long-term debt.

Additional explanations pertaining to the *Summarized Consolidated Statement of Financial Position (Appendix 1)* and the *Consolidated Statement of Operations (Appendix 2)* are included in the *2020 Financial Statement Highlights (Appendix 3)* and in a separate report titled "5.3 2020 Financial Results Year-End".

ALTERNATIVES

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

FINANCIAL IMPLICATIONS

There are no financial implications relative to the approval of the Audited 2020 Financial Statements.

SUMMARY / CONCLUSION

The financial statements are part of the legislated reporting requirements for 2020 and staff recommends their approval. As noted in the Auditor’s Report, it is the Auditor’s opinion that these Financial Statements present fairly the financial position of the Metro Vancouver Districts and the Metro Vancouver Housing Corporation as of December 31, 2020, and the results of their financial activities and changes in their financial position for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Attachments:

- Appendix 1 - Summarized Consolidated Statement of Financial Position
- Appendix 2 - Consolidated Statement of Operations
- Appendix 3 - Management Discussion and Analysis - 2020 Financial Statement Highlights
- Attachment 1 - Metro Vancouver Districts and Metro Vancouver Housing Corporation Financial Statements for the year ended December 31, 2020

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METRO VANCOUVER REGIONAL DISTRICT

Summarized Consolidated Statement of Financial Position

Year ended December 31, 2020

(in thousands of dollars)

	2020	2019 (restated)
Financial Assets		
Cash, cash equivalents and investments	\$ 688,902	\$ 868,627
Accounts receivable	150,627	155,500
Debt reserve fund		
Total debt reserve fund	59,442	54,866
Less Debt reserve fund, member municipalities and Translink	(35,603)	(34,082)
Debt reserve fund, Metro Vancouver Districts	23,839	20,784
	863,368	1,044,911
Liabilities		
Accounts payable and other liabilities	294,805	308,635
Less accrued interest on debt (included in debt below)	(22,098)	(22,107)
Accounts payable and other liabilities	272,707	286,528
Deferred revenue and refundable deposits	311,451	390,045
Debt, Translink and member municipalities		
Debt, net of sinking fund	990,009	983,845
Accrued interest on debt	10,790	10,863
	1,000,799	994,708
Due from Translink and member municipalities	(1,000,799)	(994,708)
	-	-
Debt, Metro Vancouver		
Debt, net of sinking funds	1,385,445	1,228,901
Accrued interest on debt	11,308	11,244
	1,396,753	1,240,145
	1,980,911	1,916,718
Net Debt	(1,117,543)	(871,807)
Non-Financial Assets		
Tangible capital assets	6,539,503	5,740,451
Prepays and inventories	24,624	20,127
	6,564,127	5,760,578
Accumulated Surplus (Equity)	\$ 5,446,584	\$ 4,888,771
Accumulated Surplus (Equity), beginning of year	\$ 4,888,771	\$ 4,386,138
Revenue	1,162,441	1,149,082
Expenses	604,628	646,449
Annual surplus	557,813	502,633
Accumulated Surplus (Equity), end of year	\$ 5,446,584	\$ 4,888,771
Accumulated Surplus (Equity) consists of		
Reserves	\$ 325,079	\$ 273,140
Non-financial assets (net of debt and capital funds)	5,121,505	4,615,631
	\$ 5,446,584	\$ 4,888,771

METRO VANCOUVER REGIONAL DISTRICT

Consolidated Statement of Operations

Year ended December 31, 2020

(in thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual (restated)
Revenue			
MVRD property tax requisitions	\$ 73,528	\$ 73,528	\$ 62,901
Metered sale of water	307,175	297,781	285,316
Sewerage and drainage levy	274,237	274,237	255,811
Tipping fees	105,823	100,880	105,692
Development cost charges	87,412	81,653	152,389
Housing property rentals	40,392	41,607	40,870
BODTSS industrial charges	11,201	11,568	11,220
Electricity sales	5,682	5,793	5,793
Grants and other contributions	203,538	184,641	68,881
User fees, recoveries and other revenue	27,202	32,941	104,768
Sinking fund and interest income	24,212	29,734	28,314
Sinking fund income, members and TransLink	27,611	28,078	27,127
	1,188,014	1,162,441	1,149,082
Expenses			
Sewer operations	210,269	191,431	180,035
Waste disposal, recycling and regulatory services	106,524	95,274	129,704
Water operations	155,410	139,227	139,136
Building operations	18,827	15,592	18,021
Housing rental operations	36,850	27,211	34,724
General government services	5,782	5,221	5,145
Regional parks	33,928	29,670	30,200
Air quality	9,751	9,374	9,655
Regional employers services	2,706	2,459	2,154
911 emergency telephone system	4,521	4,364	4,282
Regional planning	3,298	3,128	2,946
Housing planning and policy	1,163	881	492
Electoral areas	511	515	949
Regional global positioning system	278	204	386
Sasamat volunteer fire department	776	195	247
Regional prosperity	980	206	58
Regional emergency management	215	125	169
Homelessness partnering strategy	-	-	3,323
Corporate costs	58,951	51,473	57,696
Sinking fund income attributed to members and TransLink	27,611	28,078	27,127
	678,352	604,627	646,449
Annual surplus	509,662	557,813	502,633
Accumulated surplus, beginning of year	4,875,761	4,888,771	4,386,138
Accumulated surplus, end of year	\$ 5,385,423	\$ 5,446,584	\$ 4,888,771

Management Discussion and Analysis – 2020 Financial Statement Highlights

Summarized Consolidated Statement of Financial Position

The purpose of the *Consolidated Statement of Financial Position (Appendix 1)* is to present the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The accumulated surplus could also be interpreted as the net worth of the organization.

Relevant explanations pertaining to the Summarized Consolidated Statement of Financial Position are as follows:

Accumulated Surplus The key performance indicator on Statement of Financial Position is the Accumulated Surplus. The accumulated surplus for the District is favourable at \$5.4 billion, which indicates that the organization owns (Financial and Non-Financial Assets) more than it owes (Liabilities). This amount is often referred to in private organizations as "Net Worth", and reflects the member municipalities' net investment in the District's consolidated entity. It comprises reserve balances of \$325.1 million and the investment in tangible capital assets (assets less debt owing) of \$5.1 billion.

The accumulated surplus increased by \$557.8 million in 2020 which represents the annual surplus for the year, calculated as the difference between revenues and expenses and detailed in Appendix 2. For PSAS purposes, annual surplus does not include contributions to and from reserves, capital contributions or principal payments on long-term debt.

Financial Assets

Cash, Cash Equivalents and Investments Cash, cash equivalents and investments consist of cash and both long and short-term investments. The 2020 balance was significantly lower than 2019 as a result increased approved capital spending in 2020 for utility infrastructure projects funded in part from the application of deferred grants and reserves previously held in cash and investments.

Accounts Receivable Accounts receivable are amounts due through the normal course of District business and are net of any allowance for doubtful accounts, which is negligible. The balance at December 31, 2020 comprises mainly of tipping fees due from commercial solid waste haulers, development cost charge (DCC) income, industrial sewer charges from commercial customers and payments due from our member municipalities for water sales. The amount is lower than 2019, mainly due to the timing of receipts for water sales revenue.

Financial Assets (continued)

Debt Reserve Fund The debt reserve fund represents the amount required, under agreement with the Municipal Finance Authority (MFA), as security for debt service obligations related to MFA debentures issued to the Districts and its members. This represents 1% of the debenture issues. These amounts are refundable, with interest, upon debenture maturity. This balance fluctuates upward with new debt issues and downward as issues mature. The total debt reserve fund balance can be segregated into two components:

- 1) Member Municipalities and Translink (\$35.6 million). This amount is related to debt service obligations for these organizations and is fully refundable to them. Therefore, it has no impact on Metro Vancouver's financial position.
- 2) Metro Vancouver (\$23.8 million). This amount is related to debt incurred to fund infrastructure projects in GVWD and GVS&DD.

Liabilities

Accounts Payable and Other Liabilities Accounts payable and other liabilities consists of amounts owing:

- to suppliers for goods received and services rendered, primarily those relating to capital projects;
- to employees for future benefits which represent the potential payments to employees of entitled benefits, such as banked vacation;
- to MFA and mortgage providers for interest accrued on debt; and
- for the District's share of landfill closure and post closure costs at the Vancouver and Cache Creek landfills.

The decrease of \$13.8 million is mainly a result of a decrease of \$21.0 million lower accruals in trade and construction holdbacks due to timing of payments and is offset by an increase in payroll accruals of \$5.9 million mainly due to the expected increases from collective bargaining and an increase of \$2.6 million accruals for anticipated costs to remediate contaminated sites in 2021.

Deferred Revenue and Refundable Deposits Deferred revenue and refundable deposits include:

- \$213.1 million of restricted funds raised through the collection of development cost charges (DCCs), which will be used to fund future liquid waste growth capital projects;
- \$88.5 million for the Provincial grant associated with the construction of the new North Shore Wastewater Treatment plant;
- \$3.3 million of restricted funds in MVHC which will be used for the replacement of equipment and specified building components and to offset future operating deficits in specific programs;
- \$3.9 million in security deposits in MVHC and Regional Parks; and
- \$2.6 million from miscellaneous deferred grants and revenues in other programs.

Liabilities (continued)

Deferred Revenue and Refundable Deposits (continued) The decrease of deferred revenue for the year is due mainly to the utilization of DCCs and the Provincial grant to fund GVS&DD capital projects, including the North Shore Wastewater Treatment plant. Note 18 of the consolidated financial statements highlights that deferred revenue in 2019 was restated and reduced by \$13.0 million, as a result of MVHC not recognizing revenue from the maturity of funds related to Section 95 properties. The impact of this is an increase in MVHC's general reserves by \$13.0 million in 2019.

Debt Debt, net of sinking funds reflects the amount of long term borrowing outstanding at the end of 2020. Sinking funds consist of principal payments made over the term of the debt issue. These payments are invested which along with the interest earned will offset the debt repayment at maturity.

TransLink and Member Municipalities The debt owing to MFA for TransLink and member municipalities reflects borrowing on behalf of these entities to fund major capital projects. The amount is completely offset reflecting the fact that these entities are responsible for the debt. Therefore, the impact on Metro Vancouver's financial position is nil.

Overall debt for these entities increased by \$6.2 million. New long-term borrowing during the year was \$89.1 million relating to debt borrowed on behalf of the Township of Langley (\$85.99 million), Bowen Island Municipality (\$2.5 million) and Village of Lions Bay (\$0.6 million). This increase is offset by debt and sinking fund payments of \$54.8 million and sinking fund interest earned of \$28.1 million. In addition, there was \$3.9 million in debt maturities with an equal offsetting amount of sinking fund retirements.

Metro Vancouver The debt owing on behalf of the Metro Vancouver Districts and Metro Vancouver Housing Corporation reflects borrowing to fund major infrastructure projects. The net amount owing for Metro Vancouver at the end of 2020 is \$1.4 billion. To put this in context, Metro Vancouver has tangible capital assets of \$6.5 billion and an investment in non-financial assets (assets less debt owing) of \$5.1 billion.

The debt increased by \$156.5 million. New long-term borrowing during the year was \$278.3 million (\$195.0 million for GVSⅅ \$70.0 million for GVWD and \$13.3 million for MVHC). This increase is offset by debt and sinking fund payments of \$98.9 million and sinking fund interest earned of \$22.9 million. In addition, there was \$3.6 million in debt maturities with an equal offsetting amount of sinking fund retirements.

Net Debt

The net debt position indicates the amount by which the organizations' liabilities exceed the financial assets. Although the amount appears as unfavourable, the vast majority of the organization's liabilities are long-term debt which is repayable over several years. The organization's financial assets are more than sufficient to offset the amount of short-term obligations. The current ratio which is current assets divided by current liabilities and is a measure of an organization's liquidity is 2.8 to 1. A ratio of 2 to 1 is generally considered to be a measure of favourable liquidity.

The net debt position increased by only \$245.7 million, while the increase in tangible capital assets was \$799.1 million. This indicates that more of the District's investment in capital infrastructure is being funded more through operations and reserves, than debt.

Non-Financial Assets

Non-financial assets represent the value of tangible capital assets, inventories of supplies held by the organization, the prepaid portion of land leases on housing properties, and prepaid expenses for items such as insurance.

The Tangible Capital Assets balance represents the historical cost of the asset less accumulated amortization. The increase in 2020 is the direct result of the capital expenditures made during the year, the majority of which were for water and sewer infrastructure projects.

Consolidated Statement of Operations

The *Consolidated Statement of Operations (Appendix 2)* identifies the results of the organization's financial activities for the year by presenting revenues less expenses, which is the annual surplus. This statement consolidates the revenues and expenses of the Districts and MVHC.

The annual surplus of \$557.8 million serves as the 2020 addition to the organization's overall accumulated surplus position or net worth of \$5.4 billion. The accumulated surplus in this statement is also articulated in the *Summarized Consolidated Statement of Financial Position and Equity (Appendix 1)*.

As noted above, the annual surplus as presented under PSAS is different from the annual surplus as determined in the context of the annual budget, which is \$33.4 million. The primary difference is that the PSAS framework excludes contributions to and from reserves as well as capital contributions and principal payments on long-term debt. These excluded items form a significant part of the annual approved budget.

Relevant explanations pertaining to the Consolidated Statement of Operations are as follows:

Revenue

<i>Metered Sale of Water</i>	Metered water sales for 2020 were lower than budget due to 3.14% less consumption than anticipated. However, the amount is \$12.4 million higher than 2019 as a result of the increased consumption over the prior year.
<i>Tipping Fees</i>	Tipping fee revenues in Solid Waste were lower than budgeted and prior year due to lower than expected waste flows during 2020.
<i>Development Cost Charges</i>	Development cost charges (DCCs) applied against growth capital debt costs are slightly lower than budget due to growth capital expenditures and related debt financing being less than anticipated. However, the amount is significantly lower than prior year as there was \$122 million direct application of DCCs to project funding in 2019 versus \$42 million in 2020.
<i>Property Rentals</i>	Property rentals in the Housing Corporation were \$1.2 million higher than budget and \$0.8 million higher prior year due to lower than anticipated vacancy rates. Delinquent rents remained at less than 1% throughout the year.
<i>Grants and Other Contributions</i>	Grants and other contributions of \$184.6 million primarily include grants related to GVS&DD capital projects (\$173.5 million), the COVID-19 British Columbia Restart grant (\$2.3 million), grants in lieu of taxes (\$0.9 million), and subsidies and contributions received by MVHC (\$7.7 million). Grants for MVHC include \$6.7 million from funds received in 2018 and 2019 for the Heather Place redevelopment project, which were previously classified as a forgivable loan for accounting purposes, and as a result of the completion of the project are recognized as grant revenue in 2020. Grants are significantly higher than prior year due to the application of capital grants for the North Shore Wastewater Treatment, however, they are lower than budget due to less spending on the project and therefore less grant application than anticipated.
<i>User fees, Recoveries and Other Revenue</i>	User fees were slightly higher than anticipated mainly due to unanticipated cost sharing income for capital projects in GVWD of \$7.4 million. However, user fees, recoveries and other revenue were significantly lower than prior year by \$71.8 million. 2019 included a one-time gain on the sale of former head office buildings of \$63.2 million, revenues related to the discontinued Homelessness Partnering Strategy Program of \$3.3 million and cost-sharing recoveries related to capital projects of \$6.2 million more than 2020.
<i>Sinking fund Income and Interest Income</i>	Sinking fund income and interest income pertains to Metro Vancouver sinking funds and investment balances. The income is higher than anticipated and the prior year because capital expenditures were lower than anticipated due to project delays, resulting in a higher than expected average investment balances for the year.

Revenue (continued)

Sinking Fund Income, Members and TransLink Sinking fund income, members and TransLink relates to income earned on sinking funds for debt incurred on behalf of these organizations. This income, although recognized in the Financial Statements, is income attributed to the other organizations. There is an offsetting item under expenses, so the net impact to Metro Vancouver is nil.

Expenses

Sewer (Liquid Waste) Operations Expenses for Liquid Waste Services were \$18.8 million lower than budget primarily due to delays minor capital program, delays in projects for residuals and research and innovation program and underspends from operating staff vacancies, lower costs for consulting, and easement purchases. The function's debt service costs were \$1.6 million under budget for the year due to some additional contribution to capital from the application of 2019 operational surplus and less than planned capital program expenditures, thereby lowering new debt financing. Also, in addition to debt avoidance gains, favourable terms have been experienced on some re-financing on some existing debt thereby also contributing to the favourable debt variance for the year.

Waste Disposal, Recycling and Regulatory Services (Solid Waste) Expenditures in Solid Waste operations were lower than budget due to lower operating costs as result of lower than anticipated waste flows due primarily to impacts from COVID-19. The expenditures were lower than prior year largely due a one-time cost in 2019 of \$20.9 million from the City of Vancouver that was excluded from the Vancouver Landfill operating rate calculations.

Water Operations Water Operations' expenditures were comparable to prior year but lower than budget due the delay of some projects due to COVID-19. As well, there were some labour underspends due to operating staff vacancies, lower costs for consulting, electricity, chemicals and some delayed easement acquisition purchases. Debt servicing costs were lower than anticipated by approximately \$1.2 million for the year as a result of additional contribution to capital from the application of the 2019 operational surplus and less than planned capital expenditures, thereby lowering new debt financing. Also, in addition to debt avoidance gains, favourable terms have been experienced on some re-financing on some existing debt thereby also contributing to the favourable debt variance.

Housing Rental Operations Housing expenditures were \$9.6 million lower than budget and \$7.4 million lower than prior year mainly due the decision of the Property Assessment Appeal Board's to exempt MVHC properties from paying property tax. This resulted in an expenditure refund of \$5.7 million in 2020. Lower than anticipated expenditures also occurred in the capital replacement program in 2020 (\$2.3 million) due to less than expected maintenance work due to restrictions related to COVID-19. The newly developed Heather Place A building came into operations in August 2020 which was later than expected and resulted in lower than expected operational expenses.

Expenses (continued)

<i>Regional Parks</i>	Regional Parks expenses were \$3.1 million lower than budget and slightly lower than prior year due the significantly reduced program offerings, event cancellations and filming disruptions as a result of COVID-19 pandemic, resulting in overall cost savings in salaries and consulting and contracted services.
<i>General Government Services</i>	General government services were \$550 thousand lower than expected due to staff labour vacancies and lower than anticipated meeting costs, international engagement, travel and conference costs as events were cancelled due to COVID-19 pandemic.
<i>Air Quality</i>	Air Quality expenditures were lower than budget and the prior year primarily due to the inability to commence projects because of COVID-19 restrictions.
<i>Regional Employers Services</i>	Expenditures in Regional Employers Services were \$256 thousand lower than anticipated due to labour underspends from staff vacancies and limited activity due to COVID-19 pandemic.
<i>911 Emergency Telephone System</i>	E911 expenditures were slightly lower than budget for the year primarily due to reduced E-Comm, Language Line and telephone costs. The expenditures are comparable to the prior year.
<i>Regional Planning</i>	Regional Planning ended the year slightly under expenditures primarily due to labour underspends from staff vacancies and lower than planned consulting expenditures. The expenditures were higher than prior year due to general lower staff vacancies in 2020 versus 2019.
<i>Housing Planning and Policy</i>	Housing Planning and Policy were lower than budget due to two vacant program manager positions which were filled in the latter half of 2020, leading to an underspend in salaries. Expenditures were higher than prior year due to fewer staff vacancies in 2020 versus 2019.
<i>Electoral Areas</i>	Electoral Areas expenditures were significantly lower than prior year, due to a one-time Board approved contribution in 2019 from the Community Works Fund for green infrastructure to mitigate storm water impacts at the University Endowment Lands and pedestrian and cycling improvements at Wesbrook Mall. Expenditures were slightly higher than budget as a result of higher program spending that is offset by grant revenue.
<i>Regional Global Positioning System (RGPS)</i>	The RGPS program was underspend due to lower than expected equipment purchases and consulting costs. The amount spent in 2019 is significantly higher than 2020 because the 2019 budget included a one-time approval for equipment expenditures.

Expenses (continued)

<i>Sasamat Volunteer Fire Department</i>	The Sasamat Volunteer Fire expenditures were significantly lower than budget due to COVID-19 challenges with procurement, training and travel. The budgeted \$600 thousand procurement and funding for the firefighting apparatus has been postponed to 2021 due to COVID.
<i>Regional Economic Prosperity</i>	The Regional Economic Prosperity expenditures were significantly below budget due to labour underspends from staff vacancies. Expenditures were higher than in 2019 as the prior year was the first year of the program and there were delays in start-up of the program in that year.
<i>Regional Emergency Management</i>	Regional Emergency Management's expenditures for 2020 were lower than anticipated and lower than 2019 from projects scaled back and courses cancelled due to COVID-19.
<i>Homelessness Partnering Strategy</i>	The Homelessness Partnering Strategy Program was a federally funded program that was completed in March of 2019 and therefore there were no related program costs in 2020.
<i>Corporate Program Costs</i>	Corporate Program Costs represent expenditures for centralized services such as Finance, Human Resources, External Relations, Corporate Services, Legal and Indigenous Relations. Expenditures for the programs were lower than budget and prior year mainly due to labour underspends as a result of staff vacancies and underspends on travel, training and tuition as a result of COVID-19.
<i>Building Operations</i>	Building Operations shows expenditures of \$2.3 million lower than budget and \$1.5 million lower than prior year as a result of lower than anticipated building costs due to COVID-19 pandemic.

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

Financial Statements

Year ended December 31, 2020

DRAFT - April 6, 2021

Financial Statements of

**GREATER VANCOUVER SEWERAGE
AND DRAINAGE DISTRICT**

Year ended December 31, 2020

DRAFT - April 6, 2021

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Index to Financial Statements

December 31, 2020

Exhibit

Management Report

Independent Auditor's Report

Statement of Financial Position A

Statement of Operations B

Statement of Change in Net Debt C

Statement of Cash Flows D

Notes to Financial Statements

METRO VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

MANAGEMENT REPORT

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

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

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

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Greater Vancouver Sewerage and Drainage District.

Dean Rear, Chief Financial Officer

Date: April 30, 2021

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Greater Vancouver Sewerage and Drainage District (the "District"), which comprise the Statement of Financial Position as at December 31, 2020, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2020, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Chartered Professional Accountants

Vancouver, British Columbia
MONTH DAY, 2021

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit A

Statement of Financial Position

Year ended December 31, 2020

	2020	2019
Financial Assets		
Cash	\$ -	\$ 77,654
Accounts receivable	85,458,193	81,009,886
Due from Metro Vancouver Regional District	509,626,566	696,213,073
Debt reserve fund (note 2)	9,811,757	7,677,816
	604,896,516	784,978,429
Liabilities		
Accounts payable and accrued liabilities (note 3)	155,777,532	162,499,858
Landfill closure and post-closure liability (note 4)	32,163,774	33,038,006
Deferred revenue and refundable deposits (note 5)	302,785,287	382,403,809
Debt (net of sinking funds) (note 6)	779,446,548	626,289,815
	1,270,173,141	1,204,231,488
Net Debt	(665,276,625)	(419,253,059)
Non-Financial Assets		
Tangible capital assets (note 7)	2,769,560,076	2,182,239,202
Inventories of supplies	5,704,961	4,637,990
Prepaid expenses	3,069,828	3,114,824
	2,778,334,865	2,189,992,016
Accumulated surplus (note 8)	\$ 2,113,058,240	\$ 1,770,738,957

Contractual obligations and rights (note 9)

Contingencies (note 10)

COVID-19 (note 13)

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

Chief Financial Officer

Board Chair

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit B

Statement of Operations

Year ended December 31, 2020

	2020 Budget (note 11)	2020 Actual	2019 Actual
Revenue (note 12)			
Sewerage and drainage levy	\$ 274,237,112	\$ 274,237,112	\$ 255,810,755
Tipping fees	105,822,892	100,880,183	105,692,375
BODTSS Industrial Charges	11,201,217	11,567,862	11,219,515
Development cost charges (note 5)	87,411,742	81,652,979	152,388,981
Electricity sales	5,681,540	5,308,843	5,793,404
Trucked liquid waste fees	1,154,500	1,184,798	1,219,798
Source control fees	1,285,968	1,257,683	1,201,837
User fees, recoveries and other revenue	3,224,192	6,580,361	5,193,321
Sinking and debt retirement fund income	3,836,456	3,671,561	2,590,959
Interest income	2,052,374	2,103,745	2,959,455
Grants and other contributions (note 5)	188,400,000	173,535,810	53,975,099
	684,307,993	661,980,937	598,045,499
Expenses (note 12)			
Liquid waste services	232,839,902	219,696,797	207,642,982
Solid waste services	111,017,580	99,964,857	134,495,444
	343,857,482	319,661,654	342,138,426
Annual surplus	340,450,511	342,319,283	255,907,073
Accumulated surplus, beginning of year	1,770,738,957	1,770,738,957	1,514,831,884
Accumulated surplus, end of year	\$ 2,111,189,468	\$ 2,113,058,240	\$ 1,770,738,957

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit C

Statement of Change in Net Debt

Year ended December 31, 2020

	2020 Budget (note 11)	2020 Actual	2019 Actual
Annual surplus	\$ 340,450,511	\$ 342,319,283	\$ 255,907,073
Change in tangible capital assets:			
Acquisition of tangible capital assets	(971,940,000)	(617,326,606)	(449,379,197)
Amortization of tangible capital assets	30,699,295	30,005,732	29,470,800
Net book value of tangible capital assets disposed	-	-	3,301,017
	(941,240,705)	(587,320,874)	(416,607,380)
Change in other non-financial assets:			
Acquisition of prepaid expenses	-	(3,069,828)	(3,114,824)
Use of prepaid expenses	-	3,114,824	2,970,300
Acquisition of inventories of supplies	-	(5,704,961)	(4,637,990)
Consumption of inventories of supplies	-	4,637,990	4,661,611
	-	(1,021,975)	(120,903)
Changes in net debt	(600,790,194)	(246,023,566)	(160,821,210)
Net debt, beginning of year	(419,253,059)	(419,253,059)	(258,431,849)
Net debt, end of year	\$ (1,020,043,253)	\$ (665,276,625)	\$ (419,253,059)

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit D

Statement of Cash Flows

Year ended December 31, 2020

	2020	2019
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 342,319,283	\$ 255,907,073
Items not involving cash:		
Amortization	30,005,732	29,470,800
Sinking fund income	(3,671,561)	(2,590,959)
Debt reserve fund income	(183,941)	(164,912)
Loss on disposal of tangible capital assets	-	3,301,017
Change in landfill closure and post-closure liability	(874,232)	1,328,806
Change in non-cash assets and liabilities:		
Accounts receivable	(4,448,307)	(34,829,021)
Prepaid expenses	44,996	(144,524)
Accounts payable and accrued liabilities	(6,722,326)	34,229,529
Deferred revenue	(79,618,522)	(130,852,614)
Inventories of supplies	(1,066,971)	23,621
Net change in cash from operating transactions	275,784,151	155,678,816
Capital transactions:		
Acquisition of tangible capital assets	(617,326,606)	(449,379,197)
Net change in cash from capital transactions	(617,326,606)	(449,379,197)
Financing transactions:		
Due from Metro Vancouver Regional District	186,586,507	242,366,797
Debenture debt issued	195,000,000	86,000,000
Debt reserve fund issuance	(1,950,000)	(860,000)
Debt reserve fund maturity	-	164,934
Sinking fund payments	(38,171,706)	(34,020,281)
Debenture debt maturity	-	(10,000,000)
Sinking fund retirement	-	10,000,000
Net change in cash from financing transactions	341,464,801	293,651,450
Net change in cash and cash equivalents	(77,654)	(48,931)
Cash and cash equivalents, beginning of year	77,654	126,585
Cash and cash equivalents, end of year	\$ -	\$ 77,654

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 1
Year ended December 31, 2020

1. Significant Accounting Policies

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

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

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

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

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

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

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

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 2
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Cash and Investments

In order to improve cash management, the general practice of the Metro Vancouver Districts is to accumulate cash and investment transactions in pooled accounts held by the MVRD. Investments held by the MVRD consist of bonds issued by governments and Canadian chartered banks, money market instruments and term deposits. Interest earned on GVS&DD's fund balances is included in the amount owing from MVRD and is recorded as interest income in the Statement of Operations.

Employee Future Benefits

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

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

Landfill Closure and Post-Closure Liability

The estimated present value of landfill closure and post-closure costs is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to the current date and accrued based on the proportion of the total capacity of the landfill used as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on a prospective basis.

Non-Financial Assets

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 3
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Non-Financial Assets (continued)

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

Asset	Useful Life – Years
Infrastructure	
Interceptors and trunk sewers, drainage	100
Wastewater treatment, pumping stations	50
Solid Waste – incinerators, transfer stations	30
Solid Waste – landfills	25 - 30
Information technology systems and networks	5
Machinery, Equipment, Furniture and Fixtures	5 - 20

a. Annual amortization:

Annual amortization begins when the asset is put into service and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.

b. Contributions of tangible capital assets:

Contributions of tangible capital assets are recorded at their fair value at the date of receipt and as contribution revenue.

c. Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 4
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Revenue Recognition	Tipping fees, levies, electricity sales, permits, user fees and other revenue are recognized as revenue on an accrual basis according to the usage and rates approved and set by the Board in various fees and charges bylaws.
Segmented Information	A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Definitions of the District's segments and their related financial information are presented in note 12.
Liability for Contaminated Sites	A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied: an environmental standard exists; contamination exceeds the standard; the District is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made. Liabilities for contaminated sites are reported in accounts payable and accrued liabilities (note 3).
Use of Estimates	<p>The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.</p> <p>Significant areas requiring the use of management's judgment relate to the determination of landfill closure and post closure liability, contaminated sites liabilities, the useful lives of tangible capital assets and the assessment of the outcome of contingent liabilities.</p>

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 5
Year ended December 31, 2020

2. Debt Reserve Fund

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

If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2020, \$28,407,748 (2019 - \$23,028,014) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

3. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts	\$ 91,353,577	\$ 121,722,697
Construction holdbacks	55,960,742	35,633,089
Accrued interest on debt	5,784,008	5,144,072
Contaminated Sites (a)	2,679,205	-
	\$ 155,777,532	\$ 162,499,858

- a) The District has accrued \$2,679,205 (2019 - \$nil) for work to be undertaken to remediate contaminated soils for two of its properties. The remediation work at these sites is underway and expected to be completed in 2021.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 6
Year ended December 31, 2020

4. Landfill Closure and Post-Closure Liability

The District is responsible for its share of closure and post-closure costs at four landfill sites as detailed below.

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

	2020	2019
Landfill closure and post closure liability	\$ 32,163,774	\$ 33,038,006

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

	2020	2019
Current actual utilization (in tonnes)	21,795,042	21,139,073
Expected utilization at closure (in tonnes)	27,987,102	25,856,597
Expected remaining capacity (in tonnes)	6,192,060	4,717,524
Permitted capacity (in tonnes)	33,039,183	33,039,183
Future costs	\$203,768,190	\$209,420,149
Present value of future costs	\$120,497,328	\$123,050,092
Proportionate share of liability	34.28%	32.84%
Utilization of total capacity, end of year	77.88%	81.76%
Discount rate	2.68%	2.89%
Expected post-closure period	30 years	30 years
Expected closure date	December 31, 2037	December 31, 2037

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 7
Year ended December 31, 2020

4. Landfill Closure and Post-Closure Liability (continued)

- b) The Cache Creek landfill is located in the Village of Cache Creek, BC. The landfill permit obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. The District, in accordance with an agreement with the Village, was required to contribute quarterly to a trust fund, held with the Province of British Columbia, to a Post Closure Maintenance and Repair Fund at rates consistent with the operational certificate for the landfill. The agreement indemnifies the Village for any post closure liabilities not covered by this fund. At December 31, 2020, the amortized book value of the trust was \$15,519,407 (2019 - \$16,091,490), which approximates the post-closure liability.

The Cache Creek landfill was closed December 2016. The actual utilization at closure was 10,318,780 tonnes and the permitted capacity was 10,371,594 tonnes. The post-closure period is expected to be 30 years. The present value of District's estimated future post-closure liability is sufficiently funded by the trust.

- c) The Coquitlam and Port Mann landfills were closed in 1983 and 1997, respectively, and there are no further closure and post-closure liabilities.

5. Deferred Revenue and Refundable Deposits

The deferred revenue reported on the statement of financial position consists of the following:

	2020	2019
Development cost charges (a)	\$ 213,143,056	\$ 227,551,250
Provincial grant to fund capital expenditures (b)	88,525,295	153,675,034
Refundable deposits	1,116,936	1,177,525
Total	\$ 302,785,287	\$ 382,403,809

- a) The GVS&DD Act restricts the District to applying money raised from development cost charges to funding sewer capital projects, including the repayment of debt raised to fund such projects. The balance of these amounts is included in deferred revenue until spent on approved purposes.
- b) In 2018, the District received a grant from the Province of British Columbia in the amount of \$193,000,000 for future costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2020, \$67,970,020 (2019 – \$51,788,545) was applied against the project and recognized as revenue.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 8
Year ended December 31, 2020

5. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue is as follows:

	2020	2019
Balance, beginning of year	\$ 382,403,809	\$ 513,256,423
Development cost charges received	62,871,244	60,239,104
Interest earned	7,193,822	13,203,226
Change in refundable deposits	(60,589)	(117,418)
Amounts spent and recognized as revenue	(149,622,999)	(204,177,526)
Change in deferred revenue	(79,618,522)	(130,852,614)
Balance, end of year	\$ 302,785,287	\$ 382,403,809

6. Debt

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

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

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

- b) Debt (net of sinking funds) reported on the statement of financial position comprises the following and includes varying maturities up to 2035 with interest rates ranging from 1.28% to 4.20%.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 9
Year ended December 31, 2020

6. Debt (continued)

Issue number	Interest rate - %	Maturity Date	Debentures authorized to be issued	Debenture debt outstanding	
				2020	2019
99	1.75	October 19, 2021	10,000,000	\$ 10,000,000	10,000,000
104	2.90	November 20, 2023	15,000,000	15,000,000	15,000,000
106	2.25	October 13, 2024	20,000,000	20,000,000	20,000,000
116	4.20	April 4, 2026	20,000,000	20,000,000	20,000,000
118	3.40	April 11, 2027	20,000,000	20,000,000	20,000,000
139	2.10	October 5, 2031	55,000,000	55,000,000	55,000,000
141	2.80	April 7, 2032	50,000,000	50,000,000	50,000,000
142	3.15	October 4, 2032	50,000,000	50,000,000	50,000,000
145	3.15	April 23, 2033	120,000,000	120,000,000	120,000,000
146	3.20	September 19, 2033	270,000,000	270,000,000	270,000,000
147	2.66	April 9, 2034	40,000,000	40,000,000	40,000,000
149	2.24	October 9, 2034	46,000,000	46,000,000	46,000,000
150	1.99	April 9, 2035	125,000,000	125,000,000	-
151	1.28	June 1, 2035	70,000,000	70,000,000	-
Total debt			\$911,000,000	\$ 911,000,000	\$ 716,000,000
Less sinking funds				(131,553,452)	(89,710,185)
Total net debt				\$ 779,446,548	\$ 626,289,815

c) Principal payments and sinking fund installments due within the next five years and thereafter are as follows:

2021	\$ 49,447,673
2022	48,948,262
2023	48,948,262
2024	48,199,145
2025	47,200,323
Thereafter	380,502,780
Sub-total	623,246,445
Estimated sinking fund income	156,200,103
Total	\$ 779,446,548

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 10
Year ended December 31, 2020

7. Tangible Capital Assets

Year ended December 31, 2020

	Cost			Accumulated Amortization				Net book value December 31, 2020	
	Balance at December 31, 2019	Additions (Net of Transfers)	Disposals	Balance at December 31, 2020	Balance at December 31, 2019	Disposals	Amortization Expense		Balance at December 31, 2020
Land	\$ 89,789,774	\$ 26,260,000	\$ -	\$ 116,049,774	\$ -	\$ -	\$ -	\$ -	\$ 116,049,774
Infrastructure									
Utilities	1,534,830,034	80,026,884	-	1,614,856,918	640,547,423	-	29,543,383	670,090,806	944,766,112
Information technology	6,256,159	-	-	6,256,159	6,256,159	-	-	6,256,159	-
Machinery, equipment, furniture & fixtures	8,310,141	488,503	-	8,798,644	6,927,530	-	462,349	7,389,879	1,408,765
Assets under construction	1,196,784,206	510,551,219	-	1,707,335,425	-	-	-	-	1,707,335,425
	\$ 2,835,970,314	\$ 617,326,606	\$ -	\$ 3,453,296,920	\$ 653,731,112	\$ -	\$ 30,005,732	\$ 683,736,844	\$ 2,769,560,076

Write-offs in 2020 were \$nil (2019 - \$3,301,017).

Year ended December 31, 2019

	Cost			Accumulated Amortization				Net book value December 31, 2019	
	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019	Balance at December 31, 2018	Disposals	Amortization Expense		Balance at December 31, 2019
Land	\$ 89,789,774	\$ -	\$ -	\$ 89,789,774	\$ -	\$ -	\$ -	\$ -	\$ 89,789,774
Infrastructure									
Utilities	1,516,330,861	24,501,796	(6,002,623)	1,534,830,034	614,338,616	(2,701,606)	28,910,413	640,547,423	894,282,611
Information technology	6,256,159	-	-	6,256,159	6,256,159	-	-	6,256,159	-
Machinery, equipment, furniture & fixtures	8,089,276	224,330	(3,465)	8,310,141	6,370,608	(3,465)	560,387	6,927,530	1,382,611
Assets under construction	772,131,135	424,653,071	-	1,196,784,206	-	-	-	-	1,196,784,206
	\$ 2,392,597,205	\$ 449,379,197	\$ (6,006,088)	\$ 2,835,970,314	\$ 626,965,383	\$ (2,705,071)	\$ 29,470,800	\$ 653,731,112	\$ 2,182,239,202

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 11
Year ended December 31, 2020

8. Accumulated Surplus

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

	2020	2019
Reserves	\$ 123,885,687	\$ 111,482,905
Capital fund balance	(940,975)	103,306,665
Investment in tangible capital assets	1,990,113,528	1,555,949,387
Total	\$ 2,113,058,240	\$ 1,770,738,957

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

Continuity of reserves is as follows:

	December 31, 2019	Interest	Annual Operating Surplus	Transfers (to)/from Reserves	Contributions from/ (to) operations	Contributions to Capital	December 31, 2020
Operating Reserves							
Liquid Waste Services	\$ 26,002,013	\$ 479,168	\$ 4,534,115	\$ (400,118)	\$ (716,250)	\$ (7,879,649)	\$ 22,019,279
Solid Waste Services	140,134	6,897	14,452,495	7,000,000	-	-	21,599,526
	\$ 26,142,147	\$ 486,065	\$ 18,986,610	\$ 6,599,882	\$ (716,250)	\$ (7,879,649)	\$ 43,618,805
Discretionary Reserves							
Biosolids Inventory	14,634,782	272,547	-	-	-	-	14,907,329
Liquid Waste General Debt Reserve Fund	2,060,329	38,370	-	-	-	-	2,098,699
Lions Gate Contingency	1,445,943	26,928	-	-	-	-	1,472,871
Drainage General	4,795,132	89,545	-	400,118	(54,320)	-	5,230,475
Solid Waste General	32,902,962	449,893	-	(7,000,000)	-	-	26,352,855
Landfill Post-Closure	10,971,675	204,327	-	-	-	-	11,176,002
	\$ 66,810,823	\$ 1,081,610	\$ -	\$ (6,599,882)	\$ (54,320)	\$ -	\$ 61,238,231
Statutory Reserves							
Liquid Waste Laboratory Equipment	686,797	13,611	-	-	(200,146)	-	500,262
Liquid Waste Services Sustainability Innovation Fund	17,843,138	338,517	-	-	346,734	-	18,528,389
	\$ 18,529,935	\$ 352,128	\$ -	\$ -	\$ 146,588	\$ -	\$ 19,028,651
Total Reserves	\$ 111,482,905	\$ 1,919,803	\$ 18,986,610	\$ -	\$ (623,982)	\$ (7,879,649)	\$ 123,885,687

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 12
Year ended December 31, 2020

8. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2020	2019
Tangible capital assets	\$ 2,769,560,076	\$ 2,182,239,202
Amounts financed by:		
Long-term debt	(779,446,548)	(626,289,815)
	1,990,113,528	1,555,949,387
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	617,326,606	449,379,197
Disposal of tangible capital assets	-	(3,301,017)
Amortization of tangible capital assets	(30,005,732)	(29,470,800)
	587,320,874	416,607,380
Less funding of tangible capital assets through debt		
Sinking fund debt maturity	-	10,000,000
Sinking fund and debt retirement	(38,171,706)	(34,020,281)
Sinking fund and debt retirement income	(3,671,561)	(2,590,959)
Debenture debt issued	195,000,000	86,000,000
Debenture debt maturity	-	(10,000,000)
	153,156,733	49,388,760
Change in investment in tangible capital assets	434,164,141	367,218,620
Investment in tangible capital assets, beginning of year	1,555,949,387	1,188,730,767
Investment in tangible capital assets, end of year	\$ 1,990,113,528	\$ 1,555,949,387

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 13
Year ended December 31, 2020

9. Contractual Obligations and Rights

a) Contractual Obligations

- i) As at December 31, 2020 the District had the following commitments outstanding related to capital projects in progress:

	2020	2019
Authorized for outstanding projects	\$ 3,534,847,000	\$ 3,132,692,000
Expended at December 31	(1,828,131,080)	(1,158,074,049)
Commitment remaining	\$ 1,706,715,920	\$ 1,974,617,951

- ii) The District is committed under lease and rights-of-way agreements to make minimum annual payments. These agreements have varying terms, including two agreements, with annual payments of \$449,000 to perpetuity, with adjustments annually for CPI.

	Amount
2021	2,312,728
2022	1,904,896
2023	1,936,512
2024	1,968,761
2025	2,001,654
2026 - 2030	10,525,165
Total	\$ 20,649,716

b) Contractual Rights

The District is party to lease agreements that are anticipated to provide it with future revenues. These agreements are with third parties with varying terms to 2024. Amounts anticipated to be received over the future years are as follows:

	Amount
2021	\$ 548,058
2022	319,755
2023	250,000
2024	250,000
Total	\$ 1,367,813

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 14
Year ended December 31, 2020

10. Contingencies

Lawsuits

As at December 31, 2020, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. None of these lawsuits are anticipated to result in a material loss to the District. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

Self Insurance Reserve

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

Each year a review is undertaken to determine if it would be beneficial to purchase additional liability insurance. The District, other Metro Vancouver Districts and the MVHC transfer amounts to the reserve depending on the reserve's adequacy to cover retained liability risk. An estimate is made for all costs of investigating and settlement of claims annually and an adjustment is made to the fund to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These estimates are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed at the time the losses are known and the amounts are reasonably determinable.

Debt Reserve Fund

The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 2).

First Nations Negotiations

The District is currently involved in negotiations with First Nations regarding compensation for the use of their land on which the District's assets reside. The compensation associated with these negotiations cannot be reasonably determined at this times and therefore no liabilities have been recorded at December 31, 2020.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 15
Year ended December 31, 2020

11. Budget Information

The annual budget presented in these financial statements is based upon the 2020 operating and capital budgets approved by the District's Board in October 2019, with additional approval in Nov 2020 for adjustments to the budget as a result of the 2019 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$971,940,000 were included in the capital budget approved by the Board.

	2020 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 340,450,511
Additional transfers from reserves, approved by Board	2,803,631
Adjusted annual surplus, based on October approved budget	343,254,142
Items not included in the approved operating budget	
Capital development cost charge revenue	(188,400,000)
Capital grants and contributions	(53,239,659)
Amortization of tangible capital assets	30,699,295
Sinking and debt retirement fund income	(3,836,456)
Reserve interest	(2,052,374)
Items included in the budget but not in financial statements	
Debt principal payments	(38,171,707)
Transfers to capital	(86,810,341)
Transfers from reserves	(1,442,900)
Annual surplus per approved budget	\$ -

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 16
Year ended December 31, 2020

12. Segmented Information and Expenses by Object

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

The information reported in the segmented information does not include \$8,696,015 (2019 - \$8,471,513) of salaries and benefits directly attributable to the construction of tangible capital assets which have been included in the cost of tangible capital assets in the Statement of Financial Position.

The services disclosed in the Segmented Information are as follows:

Liquid Waste Services

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

Solid Waste Services

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

	2020 Total Budget	Liquid Waste Services	Solid Waste Services	2020 Total Actual	2019 Total Actual
Revenue					
Sewerage and drainage levy	\$ 274,237,112	\$ 274,237,112	\$ -	\$ 274,237,112	\$ 255,810,755
Tipping fees	105,822,892	-	100,880,183	100,880,183	105,692,375
BODTSS Industrial Charges	11,201,217	11,567,862	-	11,567,862	11,219,515
Development cost charges	87,411,742	81,652,979	-	81,652,979	152,388,981
Electricity sales	5,681,540	-	5,308,843	5,308,843	5,793,404
Trucked liquid waste fees	1,154,500	1,184,798	-	1,184,798	1,219,798
Source control fees	1,285,968	1,257,683	-	1,257,683	1,201,837
User fees, recoveries and other income	3,224,192	1,143,159	5,437,202	6,580,361	5,193,321
Sinking fund and debt retirement income	3,836,456	3,618,896	52,665	3,671,561	2,590,959
Interest income	2,052,374	1,430,008	673,737	2,103,745	2,959,455
Grants and contributions	188,400,000	173,535,810	-	173,535,810	53,975,099
	684,307,993	549,628,307	112,352,630	661,980,937	598,045,499
Expenses					
Salaries and benefits	68,458,081	61,329,634	5,985,617	67,315,251	65,373,093
Consulting, contracted and professional services	131,022,349	32,442,788	74,591,592	107,034,380	103,766,937
Asset repairs and maintenance	11,736,854	12,038,270	736,025	12,774,295	12,369,018
Materials and supplies	16,530,110	16,804,254	38,330	16,842,584	17,237,003
Utilities, permits and taxes	12,859,995	17,059,762	463,062	17,522,824	14,034,015
Corporate costs	30,677,192	27,095,234	4,770,930	31,866,164	27,432,182
Other	17,996,483	8,231,088	6,191,243	14,422,331	52,345,336
Amortization of tangible capital assets	30,699,295	24,526,279	5,479,453	30,005,732	29,470,800
Loss on disposal of tangible capital assets	-	-	-	-	3,301,017
Interest on long-term debt	23,877,123	20,169,488	1,708,605	21,878,093	16,809,025
	343,857,482	219,696,797	99,964,857	319,661,654	342,138,426
Annual surplus (deficit)	\$ 340,450,511	\$ 329,931,510	\$ 12,387,773	\$ 342,319,283	\$ 255,907,073

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 17
Year ended December 31, 2020

13. COVID-19

In the Spring of 2020, COVID-19 was declared a global pandemic and severely impacted the global economy. The District is continuing to deliver key services to the Metro Vancouver region in line with its mandate. Management is continuing to monitor the impacts on taxpayers, suppliers and other third party business associates that could impact the timing and amounts realized on the District's assets and future viability.

The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The District's Management will continue to closely monitor cash flows, financial projections and available reserves.

To: Finance and Intergovernment Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Paul Sawyer, Director, Major Projects – NSWWTP, Project Delivery

Date: March 25, 2021 Meeting Date: April 14, 2021

Subject: **Contract Amendment to AECOM Canada Ltd. for Owner’s Engineer Advisory Services for North Shore Wastewater Treatment Plant**

RECOMMENDATION

That the GVS&DD Board authorize:

- a) a contract amendment in the amount of \$7,118,094 (exclusive of taxes) to AECOM Canada Ltd. for the provision of owner’s engineering consulting services for the North Shore Wastewater Treatment Plant project, subject to final review by the Commissioner; and
- b) the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the change order should proceed.

EXECUTIVE SUMMARY

The GVS&DD Board has authorized the award of owner’s engineering consulting services for the North Shore Wastewater Treatment Plant project to AECOM Canada Ltd (AECOM) in May 2015 for an amount totaling \$20,068,395 (including additional change orders). The project has been extended by 2.5 years and Staff recommend amending AECOM’s contract in an amount of \$7,118,094. Including future Phase 4 (for Handover and Warranty Period efforts as previously negotiated but not yet awarded) the contract total is anticipated to be \$28,363,758 (exclusive of taxes). AECOM has proven they provide significant value to the project and are critical to Metro Vancouver’s oversight team to ensure compliance with the project agreement and a treatment plant that meets the expectations of Metro Vancouver.

PURPOSE

This report is to request the GVS&DD Board to approve a contract amendment through change order, for the owner’s engineering services with AECOM for the North Shore Wastewater Treatment Plant project in an amount of \$7,118,094 (exclusive of taxes).

BACKGROUND

Pursuant to the *GVS&DD Officers and Delegation Bylaw No. 284, 2014 (Bylaw)* and the *Procurement and Real Property Contracting Authority Policy (Policy)*, procurement contracts which exceed a value of \$5 million require the approval of the GVS&DD Board of Directors. For multi-phased consultancy contracts, the Policy states that contracting authority for multi-phase contracts is determined based on the anticipated total value of the services to be provided over all phases. This report is being brought forward to the Finance and Intergovernment Committee to consider a recommendation to the GVS&DD Board to amend the contract for owner’s engineering services with AECOM in order to continue with the consulting services through to the end of the North Shore Wastewater Treatment Plant project.

IMPACT OF CONTRACT AMENDMENT

The Greater Vancouver Sewage and Drainage District (GVS&DD) is undertaking a treatment upgrade program on the North Shore, as required by Metro Vancouver's Integrated Liquid Waste and Resource Management Plan (ILWRMP) and the new federal Wastewater Systems Effluent Regulations (WSER). Request for Proposal (RFP) No. 14-205, the Engineering Consulting (Owner’s Engineer) services for the North Shore Wastewater Treatment Plant project, was awarded to AECOM in 2015, and its scope consisted of the following phases (with new Change Order):

Phase	Description of Services	Awarded Amount	Date Awarded
1	Pre-Procurement and Design-Build-Finance Procurement Documentation	\$4,998,864	Jan-15
2	Design-Build-Finance Procurement	\$2,385,374	Apr-16
3	Design-Build-Finance Contract Implementation	\$9,084,157	May-17
	Change orders to date	\$3,600,000	Feb-21
	Change Order to extend owners engineers services	\$7,118,094	This Recommendation
5	Handover, Hold Back and Warranty Period	\$1,177,269	Not Yet Awarded
	Contract Total:	\$28,363,758	

The services awarded up to May 2017 were anticipated to be completed by December 2020 in line with the planned Waste Water Treatment Plant – Design Build Finance (WWTP DBF) contract completion. The Board has subsequently approved the extension of the WWTP DBF contract through to June 2023. In order to extend the duration and level of oversight for this project in line with the revised schedule for the WWTP DBF contract, an amendment to the owner’s engineer contract is being sought.

Whereas AECOM’s original proposal was based on the expectation that they would be providing consulting services for the project until Dec 31, 2020, the extended schedule to complete the WWTP project necessitates the extension of this phase of AECOM’s services until the completion of the WWTP DBF contract. The level of effort required of the owner’s engineer for Phase 3 of the project has been and will continue to be considerably higher than prescribed in the original RFP, as additional oversight is required for the project, including for AECOM to be more involved in design reviews, site inspection, QA/QC, and commercial reviews than originally envisioned.

AECOM has added significant value to the project as subject matter experts on the 5000+ page WWTP DBF Project Agreement contract and the long history of the project, identifying design and construction issues that would have gone unchecked otherwise. Their oversight will ensure that the project meets the expectations of Metro Vancouver for the delivery of this new wastewater treatment plant infrastructure.

AECOM has provided a proposal for the remainder of Phase 3, less the \$3,600,000 in contract amendments made in November 2020, January and March, 2021, while this extended services amendment was being reviewed and negotiated. This change order is for AECOM to provide owner's engineering consulting services to complete Phase 3 of the work, in the amount of \$7,118,094 (exclusive of taxes).

ALTERNATIVES

1. That the GVS&DD Board authorize:
 - a) a contract amendment in the amount of \$7,118,094 (exclusive of taxes) to AECOM Canada Ltd. for the provision of owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, subject to final review by the Commissioner; and
 - b) the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the change order should proceed.

2. That the GVS&DD Board receive for information the report dated March 25, 2021, titled "Approve a Contract Amendment to AECOM Canada Ltd. for Owner's Engineer Advisory Services for North Shore Wastewater Treatment Plant" and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Should the GVS&DD Board approve Alternative 1, these costs can be accommodated within the approved budget for the project as presented to the GVS&DD Board on February 26, 2021.

Should the GVS&DD Board choose Alternative 2, further analysis may be required to advise on project risk and financial impacts.

CONCLUSION

A multi-phase contract in the amount of \$20,068,395 is currently in place with AECOM Canada Ltd for owner's engineering consulting services for the North Shore Wastewater Treatment Plant project, including \$12,684,157 for Design Build Implementation Services (Phase 3). Due to extension of the WWTP project timeline and an increased level of oversight required for this project, additional fees are required to be added to Phase 3 of the owner's engineer consulting services contract.

It is recommended that the GVS&DD Board authorize the Commissioner and Corporate Officer to amend the contract with AECOM Canada Ltd. to extend owner's engineering consulting services through to the end of the project, in the amount of up to \$7,118,094 (exclusive of taxes). This amendment will bring the awarded contract value to \$27,186,489 (exclusive of taxes). The total anticipated value of the all four (4) phases is \$28,363,758 (exclusive of taxes).

Attachments

1. MVRD Utilities Committee Minutes, dated, April 6, 2017, approving the recommendation to award Phase 3 of the Contract to AECOM (*Doc# 44638965*)
2. GVS&DD Board of Directors Meeting Minutes, dated, April 28, 2017, authorizing award of Phase 3 Contract to AECOM (*Doc# 44638847*)

44105947

**METRO VANCOUVER REGIONAL DISTRICT
UTILITIES COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Utilities Committee held at 9:00 a.m. on Thursday, April 6, 2017 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Mayor Darrell Mussatto, North Vancouver City
Vice Chair, Councillor Colleen Jordan, Burnaby
Mayor John Becker, Pitt Meadows (arrived at 9:15 a.m.)
Mayor Mike Clay, Port Moody
Councillor Charlie Fox, Langley Township
Councillor Nora Gambioli, West Vancouver (arrived at 9:02 a.m.)
Councillor Robin Hicks, North Vancouver District
Councillor Patrick Johnstone, New Westminster
Councillor Bruce McDonald, Delta
Councillor Craig Speirs, Maple Ridge
Councillor Harold Steves, Richmond
Councillor Dave Woods, Surrey

MEMBERS ABSENT:

Councillor Tim Stevenson, Vancouver

STAFF PRESENT:

Tim Jervis, General Manager, Water Services
Fred Nenninger, Director, Policy, Planning and Analysis, Liquid Waste Services
Carol Mason, Chief Administrative Officer
Agata Kosinski, Assistant to Regional Committees, Board and Information Services

1. ADOPTION OF THE AGENDA

1.1 April 6, 2017 Regular Meeting Agenda

It was MOVED and SECONDED

That the Utilities Committee adopt the agenda for its regular meeting scheduled for April 6, 2017 as circulated.

CARRIED

2. ADOPTION OF THE MINUTES

2.1 March 9, 2017 Regular Meeting Minutes

It was MOVED and SECONDED

That the Utilities Committee adopt the minutes of its regular meeting held March 9, 2017 as circulated.

CARRIED

3. DELEGATIONS

No items presented.

4. INVITED PRESENTATIONS

4.1 Hugh Fraser, Deputy Director, Engineering, Corporation of Delta regarding Monitoring Water Salinity

Hugh Fraser, Deputy Director, Engineering, Corporation of Delta, provided the Committee with a presentation on monitoring water salinity in the Fraser River.

9:02 a.m. Councillor Gambioli arrived at the meeting.

9:15 a.m. Mayor Becker arrived at the meeting.

In response to questions, members were updated on the flow of the river in cubic meters per second; salinity issues on Westham Island; impact of deepening of the Fraser River beyond 11 meters in depth; and the predicted high costs of a desalination plant.

Presentation material titled "Monitoring Water Salinity: Metro Vancouver Utilities Committee April 6, 2017" is retained with the April 6, 2017 Utilities Committee agenda.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Membership in the Canadian Water Network

Report dated March 27, 2017 from Inder Singh, Director, Policy, Planning and Analysis, Water Services, and Fred Nenninger, Director, Policy, Planning and Analysis, Liquid Waste Services, recommending that the GVWD and GVS&DD join the Canadian Water Network.

It was MOVED and SECONDED

That the GVWD/GVS&DD Board authorize Greater Vancouver Water District/Greater Vancouver Sewerage and Drainage District to join the Canadian Water Network as outlined in the report dated March 27, 2017, titled "Membership in the Canadian Water Network".

CARRIED

5.2 Water Supply Forecast and Water Consumption Update for Summer 2017

Report dated March 23, 2017 from Inder Singh, Director, Policy, Planning and Analysis, Water Services, and Marilyn Towill, Acting Director, Operations and Maintenance, Water Services, providing an annual update on the current water supply and water consumption situation in advance of the approaching summer peak demand period.

It was MOVED and SECONDED

That the GVWD Board receive for information the report dated March 23, 2017 titled "Water Supply Forecast and Water Consumption Update for Summer 2017".

CARRIED

5.3 Regional Water Conservation Campaign 2017

Report dated March 19, 2017 from Larina Lopez, Division Manager, Corporate Communications, External Relations, updating the Committee on the 2017 regional water conservation campaign.

It was MOVED and SECONDED

That the GVWD Board receive for information the report dated March 19, 2017 titled "Regional Water Conservation Campaign 2017".

CARRIED

5.4 Status of Utilities Capital Expenditures to December 31, 2016

Report dated March 23, 2017 from Frank Huber, Director, Major Projects, Management Systems and Utility Services, Water Services, and Mark Ferguson, Director, Project Delivery, Liquid Waste Services, reporting on the status of the utilities capital expenditures.

Frank Huber, Director, Major Projects, Management Systems and Utility Services, Water Services, and Mark Ferguson, Director, Project Delivery, Liquid Waste Services, provided members with a presentation on the capital expenditures within both Water and Liquid Waste Services. The presentation highlighted the following projects: the Port Mann Water Supply Tunnel, South Delta Main No. 1 Replacement, Port Mann Main No. 2 (North), Coquitlam Bulk Sodium Hypochlorite Conversion, Clayton Reservoir, E2 Shaft Replacement, Sapperton Pump Station, Ongoing Electrical Upgrades, South Surrey Interceptor Johnston Road Section, Annacis Island Waste Water Treatment Plant, Cogeneration Engines, Iona Island Wastewater Treatment Plant Solids Handling Building, and Northwest Langley Phase 1 Secondary Clarifiers.

Presentation material titled "Capital Expenditure Summary: Utilities Committee Presentation" is retained with the April 6, 2017 Utilities Committee agenda.

It was MOVED and SECONDED

That the GVWD and GVS&DD Boards receive for information the report dated March 23, 2017 titled "Status of Utilities Capital Expenditures to December 31, 2016".

CARRIED

5.5 2016 GVWD Quality Control Annual Report

Report dated March 6, 2017 from Rosanna Yau, Superintendent, Water Services Laboratories, Water Services, providing the Board with a summary of the 2016 GVWD Quality Control Annual Report on drinking water quality.

Rosanna Yau, Superintendent, Water Services Laboratories, Water Services, provided members with a presentation on the Metro Vancouver water quality. The presentation outlined the GVWD 2016 Quality Control Annual Report, highlighting source water quality, Capilano, Seymour, and Coquitlam turbidity, Seymour Capilano Filtration Plant, Guideline for Canadian Drinking Water Quality: filtered water, monthly filter effluent turbidity, Coquitlam Water Treatment Plant, secondary disinfection, distribution system water quality, disinfection by-products, trihalomethanes, and haloacetic acids.

Presentation material titled "GVWD 2016 Quality Control Annual Report" is retained with the April 6, 2017 Utilities Committee agenda.

It was MOVED and SECONDED

That the GVWD Board receive for information the report dated March 6, 2017 titled "2016 GVWD Quality Control Annual Report".

CARRIED

5.6 Award of Phase B – Design-Build Procurement Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project

Report dated March 15, 2017 from Phil Trotsuk, Chief Financial Officer and Paul Dufault, Project Manager, Lions Gate Secondary Wastewater Treatment Plant, Liquid Waste Services, requesting authorization by the GVS&DD Board to award Phase B, Design-Build Procurement consulting services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd. for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project.

It was MOVED and SECONDED

That the GVS&DD Board authorize:

- a) Award of Phase B, Design-Build Procurement Consulting Services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd., for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project; and

- b) The Commissioner and the Corporate Officer to execute the required documentation.

CARRIED

5.7 Award of Contract for Design-Build-Finance Contract Implementation Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Project

Report dated March 15, 2017 from Phil Trotsuk, Chief Financial Officer and Paul Dufault, Project Manager, Lions Gate Secondary Wastewater Treatment Plant, Liquid Waste Services, requesting authorization by the GVS&DD Board to award Design-Build-Finance Contract Implementation Consulting Services in the amount up to \$9,084,157 (exclusive of taxes) to AECOM Canada Ltd. for the Lions Gate Secondary Wastewater Treatment Plant Project.

It was MOVED and SECONDED

That the GVS&DD Board authorize:

- a) Award of a contract in the amount up to \$9,084,157 (exclusive of taxes) to AECOM Canada Ltd. for Design-Build-Finance Contract Implementation Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Project; and
- b) The Commissioner and the Corporate Officer to execute the required documentation.

CARRIED

5.8 Impact of Cigarette Butts on Aquatic Life

Report dated from Andjela Knezevic-Stevanovic, Director, Environmental Management and Quality Control, Liquid Waste Services, reporting back to the Utilities Committee and GVS&DD Board on the results of a literature search on the potential impact of cigarette butts on aquatic life.

Members offered comments about the opportunity to launch a public awareness campaign to educate the public of the harmful effects of cigarette butts.

Main Motion

It was MOVED and SECONDED

That the GVS&DD Board receive for information the report dated March 6, 2017, titled "Impact of Cigarette Butts on Aquatic Life".

Members discussed the need for further attention and study of this matter; and suggested that this issue be referred to the Zero Waste Committee for their input and consideration.

Amendment to the Main Motion

It was MOVED and SECONDED

That the Utilities Committee amend the Main Motion by adding the following part b) at the end of the motion:

- b) refer the report to the Zero Waste Committee for further consideration.

CARRIED

Question on the Main Motion as Amended

Question was then called on the Main Motion as amended and it was

CARRIED

The Main Motion as amended now reads as follows:

“That the GVS&DD Board:

- a) receive for information the report dated March 6, 2017, titled “Impact of Cigarette Butts on Aquatic Life”; and*
- b) refer the report to the Zero Waste Committee for further consideration.”*

- 5.9 Fraser Sewerage Area Amendment – 6625 60th Avenue – Corporation of Delta**
Report dated March 2, 2017 from Ed von Euw, Senior Engineer, Policy Planning and Analysis, Liquid Waste Services, responding to a request from the Corporation of Delta for the GVS&DD Board to amend the Fraser Sewerage Area (FSA) to include the building footprints at 6625 60th Avenue in Delta.

It was MOVED and SECONDED

That the GVS&DD Board approve an amendment of the Fraser Sewerage Area to include the building footprints on the property located at 6625 60th Avenue, Delta as shown on District Drawing SA-2376 Sheet 90.

CARRIED

5.10 2017 – 2030 Liquid Waste Sewer Area Household Cost Projections

Report dated March 28, 2017 from Phil Trotzuk, Chief Financial Officer providing the GVS&DD Board with a summary of the updated household costs for each of the four sewer areas within the GVS&DD service area based on the federal and provincial governments grant funding confirmed for the replacement of the Lions Gate Wastewater Treatment Plant.

It was MOVED and SECONDED

That the GVS&DD Board receive for information the report dated March 28, 2017, titled “2017 – 2030 Liquid Waste Sewer Area Household Cost Projections”.

CARRIED

5.11 Lions Gate Secondary Wastewater Treatment Plant: Engagement and Communications Activities and New Name

Report dated March 28, 2017 from Andrea Winkler, Program Manager, Public Involvement, Liquid Waste Services, and Fred Nenninger, Director, Policy Planning and Analysis, Liquid Waste Services, providing an update on engagement activities and introducing the new name for the new treatment facility.

It was MOVED and SECONDED

That the Utilities Committee receive for information the report dated March 28, 2017 titled "Lions Gate Secondary Wastewater Treatment Plant: Engagement and Communications Activities and New Name".

CARRIED

5.12 Managers' Report

Report dated March 27, 2017 from Tim Jervis, General Manager, Water Services, and Simon So, General Manager, Liquid Waste Services, providing the Utilities Committee with an update on the status of the Committee's key priorities within the 2017 Work Plan.

The members of the committee were canvased about their preference for touring the facilities of Annacis Island Wastewater Treatment Plant and the Seymour Capilano Water Filtration Plant. Members expressed a preference for two separate half day tours.

It was MOVED and SECONDED

That the Utilities Committee receive for information the "Managers' Report" dated March 27, 2017.

CARRIED

6. INFORMATION ITEMS

No items presented.

7. OTHER BUSINESS

No items presented.

8. BUSINESS ARISING FROM DELEGATIONS

No items presented.

9. RESOLUTION TO CLOSE MEETING

No items presented.


10. **ADJOURNMENT/CONCLUSION**

It was MOVED and SECONDED

That the Utilities Committee conclude its regular meeting of April 6, 2017.

CARRIED

(Time: 10:43 a.m.)



Agata Kosinski,
Assistant to Regional Committees



Darrell Mussatto, Chair

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

Minutes of the Regular Meeting of the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 9:34 a.m. on Friday, April 28, 2017 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Port Coquitlam, Chair, Director Greg Moore	Richmond, Director Malcolm Brodie
Vancouver, Vice Chair, Director Raymond Louie	Richmond, Director Harold Steves
Burnaby, Director Derek Corrigan	Surrey, Director Bruce Hayne
Burnaby, Director Sav Dhaliwal	Surrey, Alternate Director Vera LeFranc for Tom Gill
Burnaby, Director Colleen Jordan	Surrey, Alternate Director Mike Starchuk for Linda Hepner
Coquitlam, Director Craig Hodge	Surrey, Director Barbara Steele
Coquitlam, Director Richard Stewart	Surrey, Director Judy Villeneuve
Delta, Director Lois Jackson	Vancouver, Alternate Director George Affleck for Geoff Meggs
Electoral Area A, Director Maria Harris	Vancouver, Director Heather Deal
Langley City, Director Rudy Storteboom	Vancouver, Director Kerry Jang
Langley Township, Director Charlie Fox	Vancouver, Director Andrea Reimer
Langley Township, Director Bob Long	Vancouver, Director Tim Stevenson
Maple Ridge, Alternate Director Tyler Shymkiw, for Nicole Read	West Vancouver, Director Michael Smith
New Westminster, Director Jonathan Coté	White Rock, Director Wayne Baldwin
North Vancouver City, Director Darrell Mussatto	Commissioner Carol Mason (Non-voting member)
North Vancouver District, Director Richard Walton	
Pitt Meadows, Director John Becker	
Port Moody, Director Mike Clay	

MEMBERS ABSENT:

Vancouver, Director Gregor Robertson

STAFF PRESENT:

Agata Kosinski, Assistant to Regional Committees, Board and Information Services
Chris Plagnol, Corporate Officer

A. ADOPTION OF THE AGENDA

1. April 28, 2017 Regular Meeting Agenda

It was MOVED and SECONDED

That the GVS&DD Board adopt the agenda for its regular meeting scheduled for April 28, 2017 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. March 31, 2017 Regular Meeting Minutes

It was MOVED and SECONDED

That the GVS&DD Board adopt the minutes for its regular meeting held March 31, 2017 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

It was MOVED and SECONDED

That the GVS&DD Board adopt the recommendations contained in the following items presented in the April 28, 2017 GVS&DD Board Consent Agenda:

- 1.1 Membership in the Canadian Water Network
- 1.2 Status of Utilities Capital Expenditures to December 31, 2016
- 1.3 Award of Phase B – Design-Build Procurement Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project
- 1.4 Award of Contract for Design-Build-Finance Contract Implementation Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Project
- 1.5 Impact of Cigarette Butts on Aquatic Life
- 1.6 Fraser Sewerage Area Amendment – 6625 60th Avenue, Corporation of Delta
- 1.7 2017 – 2030 Liquid Waste Sewer Area Household Cost Projections
- 2.1 Disposal Ban Surcharge Waiver Pilot Project for Residual Waste from Licensed Brokering Facilities
- 2.2 2016 Disposal Ban Program Update
- 2.3 2016 Regional Food Scraps Recycling Campaign Results
- 2.4 Create Memories, Not Garbage: 2016 Campaign Results
- 3.1 Audited 2016 Financial Statements
- 4.1 2017 Budget - Status of Reserves
- 5.1 Delegations Received at Committee April 2017

CARRIED

The items and recommendations referred to above are as follows:

1.1 Membership in the Canadian Water Network

Report dated March 27, 2017, from Inder Singh, Director, Policy, Planning and Analysis, Water Services, and Fred Nenninger, Director, Policy, Planning and

Analysis, Liquid Waste Services, recommending that the GVS&DD join the Canadian Water Network.

Recommendation:

That the GVS&DD Board authorize Greater Vancouver Sewerage and Drainage District to join the Canadian Water Network as outlined in the report dated March 27, 2017, titled "Membership in the Canadian Water Network".

Adopted on Consent

1.2 Status of Utilities Capital Expenditures to December 31, 2016

Report dated March 23, 2017, from Frank Huber, Director, Major Projects, Management Systems and Utility Services, Water Services, and Mark Ferguson, Director, Project Delivery, Liquid Waste Services, reporting on the status of the utilities capital expenditures.

Recommendation:

That the GVS&DD Board receive for information the report dated March 23, 2017 titled "Status of Utilities Capital Expenditures to December 31, 2016".

Adopted on Consent

1.3 Award of Phase B – Design-Build Procurement Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project

Report dated March 15, 2017, from Phil Trotsuk, Chief Financial Officer and Paul Dufault, Project Manager, Lions Gate Secondary Wastewater Treatment Plant, Liquid Waste Services, seeking Board authorization to award Phase B, Design-Build Procurement consulting services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd. for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project.

Recommendation:

That the GVS&DD Board authorize:

- a) Award of Phase B, Design-Build Procurement Consulting Services in the amount up to \$2,000,000 (exclusive of taxes) to the Phase A consultant, AECOM Canada Ltd., for the Lions Gate Secondary Wastewater Treatment Plant Pump Station and Conveyance Project; and
- b) The Commissioner and the Corporate Officer to execute the required documentation.

Adopted on Consent

1.4 Award of Contract for Design-Build-Finance Contract Implementation Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Project

Report dated March 15, 2017, from Phil Trotsuk, Chief Financial Officer and Paul Dufault, Project Manager, Lions Gate Secondary Wastewater Treatment Plant,

Liquid Waste Services, seeking Board authorization to award Design-Build-Finance Contract Implementation Consulting Services in the amount up to \$9,084,157 (exclusive of taxes) to AECOM Canada Ltd. for the Lions Gate Secondary Wastewater Treatment Plant Project.

Recommendation:

That the GVS&DD Board authorize:

- a) Award of a contract in the amount up to \$9,084,157 (exclusive of taxes) to AECOM Canada Ltd. for Design-Build-Finance Contract Implementation Consulting Services for the Lions Gate Secondary Wastewater Treatment Plant Project; and
- b) The Commissioner and the Corporate Officer to execute the required documentation.

Adopted on Consent

1.5 Impact of Cigarette Butts on Aquatic Life

Report dated April 7, 2017, from the Utilities Committee, together with report dated March 6, 2017 from Andjela Knezevic-Stevanovic, Director, Environmental Management and Quality Control, Liquid Waste Services, informing the GVS&DD Board on the results of a literature search on the potential impact of cigarette butts on aquatic life, and recommending that the Board refer the report to the Zero Waste Committee for their consideration.

Recommendation:

That the GVS&DD Board:

- a) receive for information the report dated March 6, 2017, titled "Impact of Cigarette Butts on Aquatic Life"; and
- b) refer the report to the Zero Waste Committee for further consideration.

Adopted on Consent

1.6 Fraser Sewerage Area Amendment – 6625 60th Avenue, Corporation of Delta

Report dated March 2, 2017, from Ed von Euw, Senior Engineer, Policy Planning and Analysis, Liquid Waste Services, responding to a request from the Corporation of Delta for the GVS&DD Board to amend the Fraser Sewerage Area (FSA) to include the building footprints at 6625 60th Avenue in Delta.

Recommendation:

That the GVS&DD Board approve an amendment of the Fraser Sewerage Area to include the building footprints on the property located at 6625 60th Avenue, Delta as shown on District Drawing SA-2376 Sheet 90.

Adopted on Consent

1.7 2017 – 2030 Liquid Waste Sewer Area Household Cost Projections

Report dated March 28, 2017, from Phil Trozduk, Chief Financial Officer, providing the GVS&DD Board with a summary of the updated household costs for each of the four sewer areas within the GVS&DD service area based on the

federal and provincial governments grant funding confirmed for the replacement of the Lions Gate Wastewater Treatment Plant.

Recommendation:

That the GVS&DD Board receive for information the report dated March 28, 2017, titled "2017 – 2030 Liquid Waste Sewer Area Household Cost Projections".

Adopted on Consent

2.1 Disposal Ban Surcharge Waiver Pilot Project for Residual Waste from Licensed Brokering Facilities

Report dated March 30, 2017, from Allen Jensen, Assistant Project Engineer, Solid Waste Services, seeking GVS&DD Board direction to proceed with a pilot project to waive recyclable material disposal ban surcharges on contaminated recyclables in residual waste from licensed brokering facilities.

Recommendation:

That the GVS&DD Board approve proceeding with a pilot project to waive recyclable material disposal ban surcharges for residual waste from licensed brokering facilities and that staff report back on the results and any proposed changes to the *Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Disposal Regulation Bylaw No. 302, 2016*.

Adopted on Consent

2.2 2016 Disposal Ban Program Update

Report dated March 30, 2017, from Brandon Ho, Senior Project Engineer, Solid Waste Services, providing the annual update on the *Metro Vancouver Disposal Ban Program*.

Recommendation:

That the GVS&DD Board receive for information the report dated March 30, 2017, titled "2016 Disposal Ban Program Update".

Adopted on Consent

2.3 2016 Regional Food Scraps Recycling Campaign Results

Report dated February 17, 2017, from Larina Lopez, Corporate Communications Division Manager, External Relations, providing an update on the results of the 2016 regional food scraps recycling campaign to support the Organics Disposal Ban.

Recommendation:

That the GVS&DD receive for information the report dated February 17, 2017, titled "2016 Regional Food Scraps Recycling Campaign Results."

Adopted on Consent

2.4 Create Memories, Not Garbage: 2016 Campaign Results

Report dated February 17, 2017, from Larina Lopez, Corporate Communications Division Manager, External Relations, providing an update on the results of the 2016 regional Christmas behaviour change campaign in support of Metro Vancouver's *Integrated Solid Waste and Resource Management Plan*.

Recommendation:

That the GVS&DD receive for information the report dated February 17, 2017, titled "Create Memories, Not Garbage Campaign: 2016 Campaign Results".

Adopted on Consent

3.1 Audited 2016 Financial Statements

Report dated March 30, 2017, from Phil Trotsuk, Chief Financial Officer and Linda Sabatini, Finance Operations and Systems, Division Manager, Financial Services, seeking Board approval, of the Audited 2016 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

Recommendation:

That the GVS&DD Board approve the Draft Audited 2016 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

Adopted on Consent

4.1 2017 Budget - Status of Reserves

Report dated March 31, 2017, from Phil Trotsuk, Chief Financial Officer, General Manager, Financial Services, seeking approval for additional reserve applications to those previously approved by the Board in October 2016 and to present the reserve status of operating and designated reserves for 2017.

Recommendation:

That the GVS&DD Board approve the application of reserves as set out in Schedule 1 of the report dated March 31, 2017, titled "2017 Budget - Status of Reserves".

Adopted on Consent

5.1 Delegations Received at Committee April 2017

Report dated April 7, 2017, from Chris Plagnol, Corporate Officer, informing the Board of the submissions received from Committee delegations in April 2017.

Recommendation:

That the GVS&DD Board receive for information the report, dated April 7, 2017, titled "Delegations Received at Committee April 2017" containing submissions received from the following delegates:

- a) Mateo Ocejo, Net Zero Waste Group and Jaye-Jay Berggren, Sea to Sky Soils.

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1. Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 303, 2017

Report dated March 10, 2017, from Dean Rear, Financial Planning and Operations, Director, Financial Services, requesting that the GVS&DD Board authorizes the required transfer to support the 2016 financial plan.

It was MOVED and SECONDED

That the GVS&DD Board give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 303, 2017*.

CARRIED

It was MOVED and SECONDED

That the GVS&DD Board pass and finally adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 303, 2017*.

CARRIED

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

No items presented.

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVS&DD Board close its regular meeting scheduled for April 28, 2017 pursuant to the *Community Charter* provisions, Section 90 (1) (g), (k) and 90 (2) (b) as follows:

"90 (1) A part of a board 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 regional district;
- (k) negotiations and related discussions respecting the proposed provision of a regional district service that are at their preliminary stages and that, in the view of the board or committee, could reasonably be expected to harm the interests of the regional district if they were held in public; and

- 90 (2) A part of a meeting must be closed to the public if the subject matter being considered relates to one or more of the following:
- (b) the consideration of information received and held in confidence relating to negotiations between the regional district and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.”

CARRIED

L. RISE AND REPORT (Items Released from Closed Meeting)

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the GVS&DD Board adjourn its regular meeting of April 28, 2017.

CARRIED

(Time: 9:35 a.m.)

CERTIFIED CORRECT



Chris Plagnol, Corporate Officer



Greg Moore, Chair

To: Liquid Waste Committee

From: Colin Meldrum, Director, Engineering, Design & Construction, Liquid Waste Services

Date: March 23, 2021 Meeting Date: April 15, 2021

Subject: **2021 Liquid Waste Capital Projects**

RECOMMENDATION

That the GVS&DD Board receive for information the report dated March 23, 2021 titled “2021 Liquid Waste Capital Projects”.

EXECUTIVE SUMMARY

The GVS&DD Board approves an annual capital budget for the liquid waste system. This report provides the Board with information regarding the location of the different projects that were approved for 2021.

PURPOSE

The purpose of this report is to inform the GVS&DD Board of the liquid waste capital projects under its purview for 2021, as approved by the Board on October 30, 2020.

BACKGROUND

As part of the capital projects reporting process, an annual report identifying the capital projects under the Liquid Waste and former Utilities Committees’ purview has historically been brought forward early in the year.

The 2021 – 2025 Financial Plan – Liquid Waste Services was endorsed by the Liquid Waste Committee at its October 15, 2020 meeting. This plan included capital spending on a number of capital projects.

CAPITAL PLANNING PROCESS

As part of the annual budget and five-year financial planning process, a determination is made of the capital projects that are required in order to continue to meet Metro Vancouver’s service obligations. This is done through senior level capital planning teams which prioritize each project on the basis of several criteria including environmental impact, health and safety, and ability to meet service delivery requirements and regulations. Typically, in May or June of each year, when the complete updated draft Long Range Capital Plan is prepared, each local government member is provided with copies for their review and comment. Comments received are considered in finalizing the draft plan commencing in late July, for incorporation into the annual budget and five-year financial plan.

Financial information for the projects within the liquid waste capital budget are to be provided to the Committee and Board in the fall of each year as part of the annual budget and five-year financial planning process.

Liquid waste capital projects expected to commence in 2021, and “Approved Projects in Progress” are summarized for reference purposes on Attachments 1 and 2, respectively.

In accordance with the capital expenditure reporting process approved by the Board, interim status reports will be provided to the Liquid Waste and Performance & Audit Committees in June/July and October/November, with a final year-end report to the Committees and Board in April.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

For 2021, liquid waste capital projects account for approximately \$934.5 million.

CONCLUSION

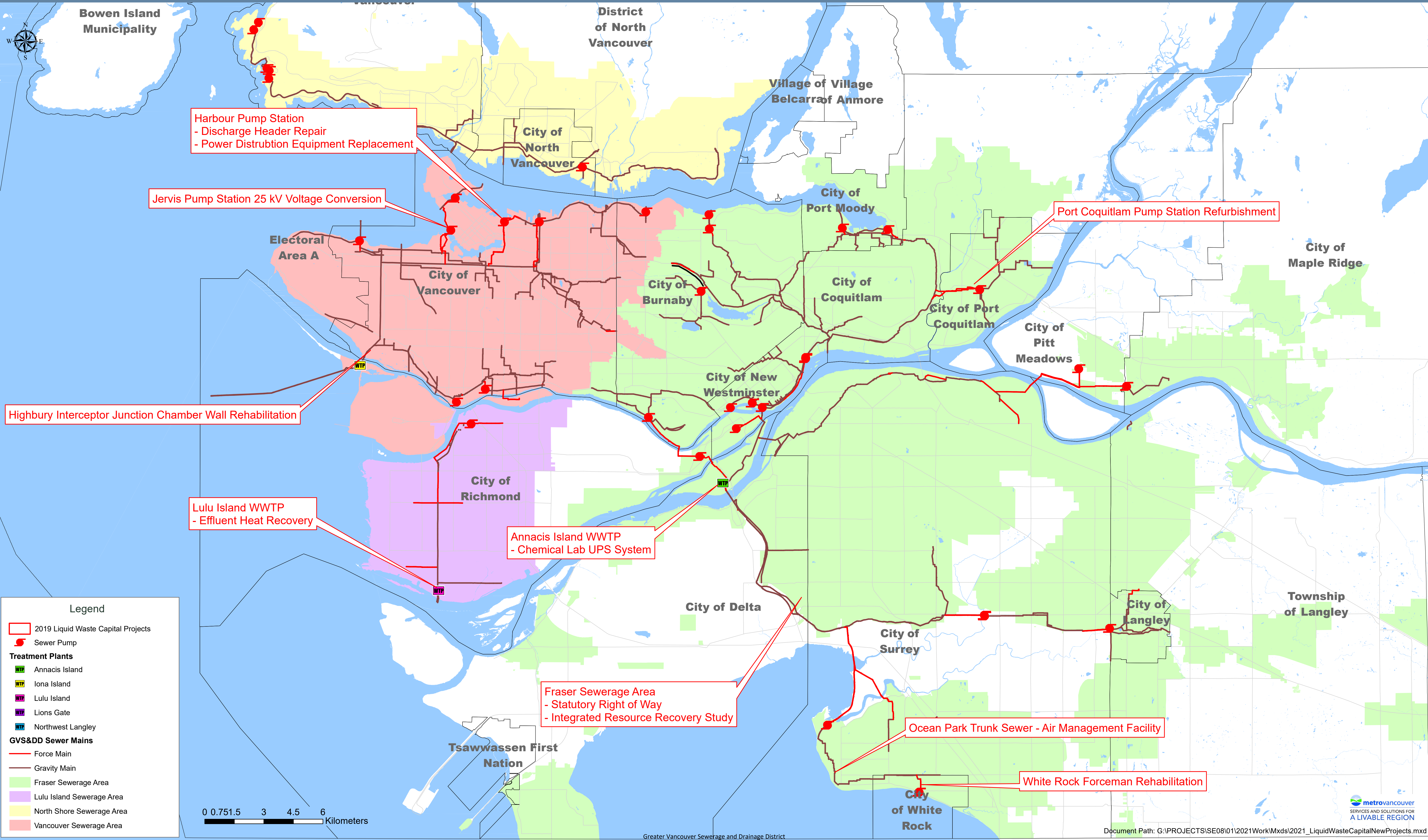
The 2021 liquid waste capital budget was approved by the GVS&DD Board in October 2020. This report presents information regarding the location of the projects that were approved for 2021.

Attachments

1. 2021 Liquid Waste Capital New Projects Map
2. 2021 Liquid Waste Capital Approved in Progress Projects

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2021 Liquid Waste Capital New Projects

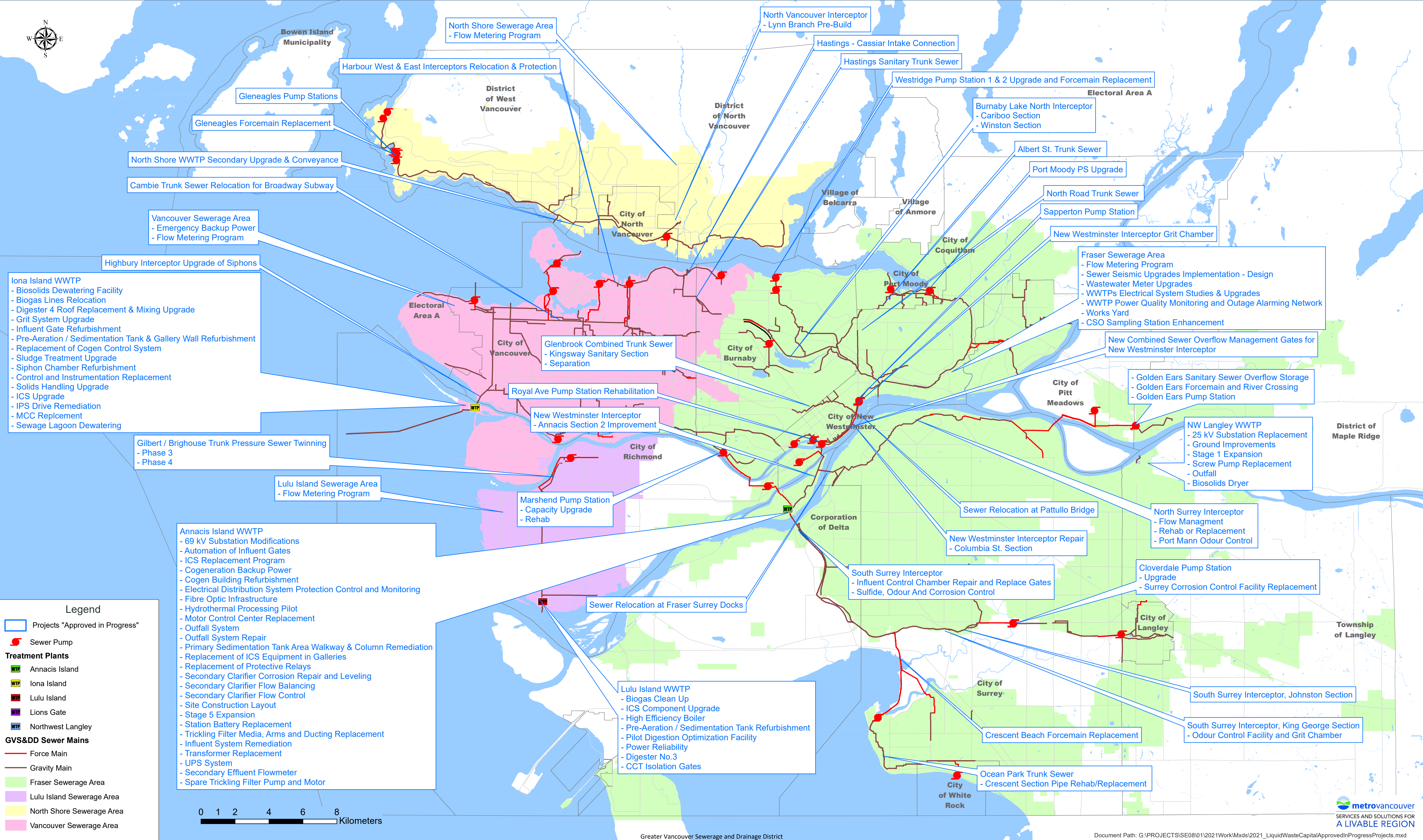


Legend

- 2019 Liquid Waste Capital Projects
- Sewer Pump
- Treatment Plants**
- Annacis Island
- Iona Island
- Lulu Island
- Lions Gate
- Northwest Langley
- GVS&DD Sewer Mains**
- Force Main
- Gravity Main
- Fraser Sewerage Area
- Lulu Island Sewerage Area
- North Shore Sewerage Area
- Vancouver Sewerage Area

0 0.751.5 3 4.5 6
Kilometers

2021 Liquid Waste Capital Approved in Progress Projects



- Iona Island WWTP**
- Biosolids Dewatering Facility
 - Biogas Lines Relocation
 - Digester 4 Roof Replacement & Mixing Upgrade
 - Grit System Upgrade
 - Influent Gate Refurbishment
 - Pre-Aeration / Sedimentation Tank & Gallery Wall Refurbishment
 - Replacement of Cogen Control System
 - Sludge Treatment Upgrade
 - Siphon Chamber Refurbishment
 - Control and Instrumentation Replacement
 - Solids Handling Upgrade
 - ICS Upgrade
 - IPS Drive Remediation
 - MCC Replacement
 - Sewage Lagoon Dewatering

- Annacis Island WWTP**
- 69 kV Substation Modifications
 - Automation of Influent Gates
 - ICS Replacement Program
 - Cogeneration Backup Power
 - Cogen Building Refurbishment
 - Electrical Distribution System Protection Control and Monitoring
 - Fibre Optic Infrastructure
 - Hydrothermal Processing Pilot
 - Motor Control Center Replacement
 - Outfall System
 - Outfall System Repair
 - Primary Sedimentation Tank Area Walkway & Column Remediation
 - Replacement of ICS Equipment in Galleries
 - Replacement of Protective Relays
 - Secondary Clarifier Corrosion Repair and Leveling
 - Secondary Clarifier Flow Balancing
 - Secondary Clarifier Flow Control
 - Site Construction Layout
 - Stage 5 Expansion
 - Station Battery Replacement
 - Trickling Filter Media, Arms and Ducting Replacement
 - Influent System Remediation
 - Transformer Replacement
 - UPS System
 - Secondary Effluent Flowmeter
 - Spare Trickling Filter Pump and Motor

- Lulu Island WWTP**
- Biogas Clean Up
 - ICS Component Upgrade
 - High Efficiency Boiler
 - Pre-Aeration / Sedimentation Tank Refurbishment
 - Pilot Digestion Optimization Facility
 - Power Reliability
 - Digester No.3
 - CCT Isolation Gates

Legend

- Projects "Approved in Progress"
- Sewer Pump
- Treatment Plants**
- Annacis Island
- Iona Island
- Lulu Island
- Lions Gate
- Northwest Langley
- GVS&DD Sewer Mains**
- Force Main
- Gravity Main
- Fraser Sewerage Area
- Lulu Island Sewerage Area
- North Shore Sewerage Area
- Vancouver Sewerage Area



To: Liquid Waste Services Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Colin Meldrum, Director, Engineering Design and Construction, Liquid Waste Services

Date: March 23, 2021 Meeting Date: April 15, 2021

Subject: **Award of Phase C2, Engineering Construction Services for RFP 14-230 for Installation of Gilbert Trunk Sewer No. 2 South Section**

RECOMMENDATION

That the GVS&DD Board:

- a) approve the award of Phase C2, Engineering Construction Services, for an amount up to \$2,548,446 (exclusive of taxes) to the Phase A and B consultant, AECOM Canada Ltd, for the Installation of Gilbert Trunk Sewer No. 2 South Section; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

EXECUTIVE SUMMARY

RFP 14-230 for consulting engineering services was awarded to AECOM Canada Ltd in May 2015 for design and construction of approximately 6.5km of the Gilbert Trunk Sewer No. 2 (GTS2) in the City of Richmond. The project was split into three sections, North, Central and South. Construction of the North Section is now complete. In January 2021, the GVS&DD awarded RFP 20-131 for Installation of the GTS2 South Section to Jacob Bros. Construction Inc. /Stuart Olson Construction Ltd.

The construction management services for the GTS2 South Section is required and needs to be awarded. It is recommended that the GVS&DD Board authorize the Commissioner and the Corporate Officer to award Phase C2, Engineering Construction Services, for an amount of up to \$2,548,446 (exclusive of taxes) to the Phase A and B consultant, AECOM Canada Ltd., for Installation of the GTS2 South Section, bringing the total award to AECOM to date to \$7,654,398 for the project.

PURPOSE

This report is to request authorization by the GVS&DD Board to award Phase C2, Engineering Construction Services, in an amount of up to \$2,548,446 (exclusive of taxes), to the Phase A and B consultant, AECOM Canada Ltd (AECOM), for the Installation of GTS2 South Section.

BACKGROUND

Pursuant to the *GVS&DD Officers and Delegation Bylaw No. 284, 2014* (Bylaw) and the *Procurement and Real Property Contracting Authority Policy* (Policy), procurement contracts which exceed a value of \$5 million require approval of the Board of Directors.

This report is being brought forward to the Liquid Waste Committee to consider a recommendation to the GVS&DD Board to award Phase C2, Engineering Construction Services, for Installation of GTS2 South Section. The total award to date to AECOM for this project excluding this request is \$5,105,952.

PROJECT DESCRIPTION

The 10km-long Gilbert Trunk Sewer that services the City of Richmond was found to be in a state of corrosion and in need of repair. A high level of maintenance is also required to address significant build-up of grease and dirt, which reduces the pipe capacity. In order to facilitate future repairs and efficient maintenance of the existing sewer, and to meet the long term capacity needs in the City of Richmond, it is necessary to construct the GTS2.

In May 2015, through a Request for Proposals (RFP 14-230), the consulting engineering services for 6.5km of the GTS2 was awarded to AECOM Canada Ltd. GTS2 was split into three sections, North, Central and South. Construction of the North Section (1.8km long) was completed in December 2020.

RFP 20-131 for Installation of the GTS2 South Section (2.2km long) was awarded by the GVS&DD Board in January 2021 to Jacob Bros. Construction Inc. and Stuart Olson Construction Ltd. Construction is expected to commence in the spring of 2021. The construction management services for the GTS2 South Section now needs to be awarded.

Engineering Construction Services were accounted for in the original RFP (14-230) for consulting engineering services with the number of hours stipulated by Metro Vancouver staff. The hours provided at that time were only used for evaluation purposes. Metro Vancouver staff requested AECOM to provide an updated proposal for Engineering Construction Services for each section (North, Central and South). The GVS&DD Board previously awarded Phase C1 (GTS2 North Section) Engineering Construction Services to AECOM in the amount of \$1,323,390.

This request is for the Phase C2 award for Engineering Construction Services for the GTS2 South Section in the amount of up to \$2,548,446.

The updated Engineering Construction Services reflect the following changes:

- a longer construction duration than originally anticipated in the original RFP
- full time geotechnical inspection for the new sewer and piles for a new access bridge for the treatment plant
- enhanced soil chloride contamination testing program to confirm extents of contamination
- a rate increase of 3.5% on the 2015 rates beginning June 2019, as per the terms of the contract

ALTERNATIVES

1. That the GVS&DD Board:
 - a) approve the award of Phase C2, Engineering Construction Services for an amount of up to \$2,548,446 (exclusive of taxes) to the Phase A and B consultant, AECOM Canada Ltd, for Installation of the Gilbert Trunk Sewer No. 2 South Section; and
 - b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.
2. That the GVS&DD Board terminate the contract with AECOM resulting from Request for Proposals (RFP) 14-230 Consulting Engineering Services for Design and Construction of the Gilbert Sewer

Trunk No. 2 South Section and direct staff to report back to the GVS&DD Board with options for alternative courses of action.

FINANCIAL IMPLICATIONS

The GVS&DD Board previously approved a budget of \$40,400,000 for the design and construction of the GTS2 South Section (Phase 4). There are enough funds in the budget to accommodate award of Phase C2, Engineering Construction Services, to AECOM Canada Ltd, in the amount of up to \$2,548,446.

If the GVS&DD Board approves Alternative 1, then an amendment in the amount of \$2,548,446 (excluding taxes) will be added to the contract with AECOM. Phase C3, Engineering Construction Services for the GTS2 Central Section will be negotiated and approval by the GVS&DD Board will be sought at a future date, and is expected to be of a similar value.

The GVS&DD Board has the choice not to proceed with Alternative 1 but staff will need further direction in relation to completion of the project. Alternative 2 will result in delay of construction of the GTS2 South Section and possibly delay claims by the GTS2 South Section Installation contractor as any alternate approach will require time to engage a new consultant to provide the necessary Engineering Construction Services.

CONCLUSION

A Request for Proposals (14-230) was issued for consulting engineering services for the design and construction of 6.5km of the GTS2. Work was contemplated to be done in three phases (North, Central and South Sections). AECOM Canada Ltd was the successful proponent.

It is recommended that the GVS&DD Board award Phase C2, Engineering Construction Services, for an amount of up to \$2,548,446 (exclusive of taxes) to the Phase A and B consultant, AECOM Canada Ltd. for the Installation of the GTS2 South Section.

The GVS&DD Board previously awarded Phase C1, Engineering Construction Services for the GTS2 North Section to AECOM in the amount of \$1,323,390. This request for Phase C2 award brings the total award to AECOM Canada Ltd to \$7,654,398 for the Design and Construction of 6.5km of the GTS2. Phase C3 will be negotiated and approval by the GVS&DD Board sought at a future date.

Staff recommend Alternative 1.

43772179

To: GVS&DD Board of Directors

From: Zero Waste Committee

Date: April 19, 2021 Meeting Date: April 30, 2021

Subject: **Award of Contract Resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station**

ZERO WASTE COMMITTEE RECOMMENDATIONS

That the GVS&DD Board:

- a) approve award of a five-year contract in the amount of up to \$17,428,425 (exclusive of taxes) to Arrow Transportation Systems Inc., resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

That the GVS&DD Board recommend a review of Metro Vancouver's procurement process to better incorporate Metro Vancouver's stated values and Strategic Plan visions (including transitioning towards a circular economy, strengthening relationships with First Nations, food security, supporting local economies, and reducing GHG emissions).

That the GVS&DD Board direct staff to report back with options for the development of a permanent local organics management facility to be in place prior to the end of the contract, on July 1, 2026, resulting from the proposal No. 20-016: Organics Management at the North Shore Transfer Station.

At its April 16, 2021 meeting, the Zero Waste Committee considered the attached report title "Award of Contract Resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station", dated April 8, 2021. The Committee passed the recommendation presented in the report, discussed the Request for Proposals process and expressed interest in exploring options to process organics locally in the future. The Committee subsequently passed two additional recommendations also presented above.

This matter is now before the Board for its consideration.

Attachment

"Award of Contract Resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station", dated April 8, 2021

To: Zero Waste Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Paul Henderson, General Manager, Solid Waste Services

Date: April 8, 2021 Meeting Date: April 16, 2021

Subject: **Award of Contract Resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station**

RECOMMENDATION

That the GVS&DD Board:

- a) approve award of a five-year contract in the amount of up to \$17,428,425 (exclusive of taxes) to Arrow Transportation Systems Inc., resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

EXECUTIVE SUMMARY

Metro Vancouver received and evaluated four proposals in response to Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station with Arrow Transportation Systems Inc. submitting the overall highest ranked proposal. Staff recommend contract award to Arrow Transportation Systems Inc. for a total award of up to \$17,428,425 (exclusive of taxes) for a five-year term with an option for a two-year extension, commencing on July 1, 2021. The new contract will result in a savings of approximately \$7,500,000 or 30% compared to the current contracts. This contract is for organics management services at the North Shore Recycling and Waste Centre (formerly known as the North Shore Transfer Station), including collection, site management, loading and processing. This report replaces one that was pulled from the March 12, 2021 Zero Waste Committee agenda. Additional information has been added to the report on the procurement process and the recommended proposal for the Committee's consideration.

PURPOSE

The purpose of this report is to advise the GVS&DD Board (the Board) of the results of Request for Proposal (RFP) No. 20-016: Organics Management at the North Shore Transfer Station, and to recommend award of a five-year contract in the amount of up to \$17,428,425 (exclusive of taxes) to Arrow Transportation Systems Inc. (Arrow), for organics management commencing on July 1, 2021.

BACKGROUND

Pursuant to the *GVS&DD Officers and Delegation Bylaw No. 284, 2014* and the *Procurement and Real Property Contracting Authority Policy*, procurement contracts that exceed a value of \$5 million require the approval of the Board of Directors.

This report is being brought forward to the Zero Waste Committee to consider a recommendation to the Board to authorize the award of a five-year contract to Arrow for management of organics at the North Shore Recycling and Waste Centre commencing on July 1, 2021.

A report on this procurement process was originally included in the March 12, 2021 Zero Waste Committee agenda, and subsequently removed from the agenda at the Committee meeting in order for staff to verify certain information. This report provides additional information on the procurement process and the recommended proposal for the Committee's consideration.

DESCRIPTION OF ORGANICS MANAGEMENT SERVICES

Organics collection, loading, hauling and processing at the North Shore Recycling and Waste Centre is currently managed under four separate contracts that will expire on June 30, 2021. Historically the service was provided through a single contract, but following the progressive closure of Harvest Power, contracts were entered into through competitive processes for individual elements of the work. RFP No. 20-016 was advertised on the Metro Vancouver and BC Bid websites on December 22, 2020 and closed on January 22, 2021. The scope of service includes the provision of site management, loading, transportation and processing of organic materials received at the North Shore Recycling and Waste Centre for a period of five years commencing on July 1, 2021.

Procurement Process

The procurement process followed for this service began with a market sounding to understand interests and capabilities of companies with an interest in organics management. A total of five companies were contacted and four companies participated in an interview with Purchasing and Risk Management Division (Purchasing) staff.

Following the market sounding, Metro Vancouver staff developed a request for proposals and draft contract. Management of organics at the North Shore Recycling and Waste Centre has been an activity for more than 20 years and, as such, the procurement documents were developed using historic contracts as a starting point. Other historic procurement processes such as recycling and waste centre operations, contingency disposal and others also helped inform the procurement process.

As part of the request for proposals, proposal submission requirements along with evaluation criteria are communicated to proponents. For this procurement process, the overall evaluation was based on 65% technical and 35% financial consideration, with technical criteria specified in the request for proposals. Proponents may submit questions of clarification and/or proposed updates to the requirements as part of the request for proposals process. All questions and answers are recorded and communicated to all potential proponents. All communications are managed through Purchasing to ensure transparency and timely responses.

Evaluation Criteria and Proposal Evaluation

In advance of the receipt of proposals, an evaluation matrix is completed and approved by Purchasing staff. The evaluation matrix assigns weighting to the various elements considered under technical criteria.

Key evaluation criteria included in the organics management request for proposals included:

- proponent qualifications and experience

- regulatory compliance and community support
- greenhouse gas impacts
- processing technology
- compost end use / circular economy
- reference projects
- proponent work plans

As part of their proposals, proponents identified processing location for the organic material and specified the proportion of the loads with a backhaul (i.e., another material hauled from the processing facility back to Metro Vancouver for remote processing sites). Greenhouse gas emissions are calculated based on distance and backhaul portion. Proponents are then scored based on relative greenhouse gas emissions. The proponent with the lowest greenhouse gas emissions receives a perfect score and other proponents receive proportional scores based on relative greenhouse gas emissions. The results of this analysis are checked against Metro Vancouver's *Carbon Price Policy* valuation of \$150 per tonne to ensure that the greenhouse gas emissions weighting is appropriate.

Following submission of the proposals, a team of four Solid Waste Services staff independently reviewed the proposals, and met to develop consensus scores under the supervision of Purchasing staff. The proposal evaluation scores were then tallied and combined with the financial evaluation to produce a final score.

Results of Proposal Evaluation

Four companies, Arrow, Sea to Sky Soils and Composting Inc., Halton Recycling Ltd. and Convertus Canada Ltd. submitted proposals in response to RFP No. 20-016. All four proposals were found to be commercially compliant. The proposed fees are summarized in the following table

Proponent	Total Proposal Price (exclusive of taxes and annual CPI adjustment)
Arrow Transportation Systems Inc.	\$16,598,500
Sea to Sky Soils and Composting Inc.	\$18,600,000
Halton Recycling Ltd. dba Emterra Environmental	\$19,216,655
Convertus Canada Ltd.	\$20,405,115

Arrow's proposal ranked highest overall. Their proposal had a strong technical score and ranked first for financial considerations. Arrow is proposing to process the organics at their composting facility in Princeton, BC. The Princeton facility is permitted under the Ministry of Environment and Climate Change Strategy's composting facility permitting process. Arrow's composting facility produces class A compost with the compost used for general landscaping/horticulture, commercial farm operations and mine reclamation. The compost will be managed by Arrow's soil solutions business, NutriGrow, Western Canada's largest distributor of amended soils and composts.

Arrow demonstrated substantial community support, providing letters of support from the Town of Princeton and the Upper Similkameen Indian Band.

Arrow is proposing 100% backhaul which will minimize greenhouse gas emissions associated with the contract. The primary backhaul will be through an existing Arrow contract to haul copper concentrate from Princeton to a marine terminal located in North Vancouver. The backhaul contract extends beyond the term of the organics contract. The organics contract volume will result in approximately three loads per day of organics leaving the North Shore Recycling and Waste Centre.

The proposed price of up to \$16,598,500 is for a five-year term with an option for a two-year extension. The terms of the RFP include a service level payment of up to 5%, resulting in the total five-year cost of up to \$17,428,425. If the two-year extension option is considered, pricing would be negotiated and brought to the Board for consideration.

ALTERNATIVES

1. That the GVS&DD Board:
 - a) approve award of a five-year contract in the amount of up to \$17,428,425 (exclusive of taxes) to Arrow Transportation Systems Inc., resulting from Request for Proposal No. 20-016: Organics Management at the North Shore Transfer Station, subject to final review by the Commissioner; and
 - b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the award should proceed.

2. That the GVS&DD Board terminate RFP No. 20-016: Organics Management at the North Shore Transfer Station and direct staff to report back to the GVS&DD Board with options for an alternate course of action.

FINANCIAL IMPLICATIONS

If the Board approves Alternative 1, a contract will be awarded to Arrow for a period of five years for an amount up to \$17,428,425 (exclusive of taxes). The proposed price falls within the Solid Waste Services five-year financial plan, and represents an estimated \$7,500,000 or 30% decrease in costs compared to the current contracts. This amount is exclusive of taxes and annual Consumer Price Index adjustments defined under the terms of the contract and beginning on January 1, 2022. The contract amount represents estimated expenditures based on current volumes of organic materials received, with the actual value dependent on the actual tonnages received.

In parallel to the procurement process, Metro Vancouver staff have been working with North Shore municipal staff on draft agreements for the processing of the organics collected by those municipalities. With a processing contract in place, those agreements can be finalized. The agreements will be based on the direct cost of managing the organics under this contract plus Metro Vancouver's overhead costs related to operating the recycling and waste centre. If agreements are not reached, Metro Vancouver would continue to charge the North Shore municipalities for the receipt of organics through Tipping Fee Bylaw provisions. A rate specific to municipally collected organics could be built into the Tipping Fee Bylaw.

Given that more than half of the organic material dropped off at the North Shore Recycling and Waste Centre is collected by the three north shore municipalities, those municipalities will fund more than half of the cost of the contract through drop-off fees.

CONCLUSION

RFP No. 20-016 was issued for organics management services at the North Shore Recycling and Waste Centre and Arrow submitted the highest rated proposal. Staff recommend that the Board approve award and authorize the Commissioner and the Corporate Officer to execute a contract with Arrow for a total award of up to \$17,428,425 (exclusive of taxes). The service contract will commence on July 1, 2021.

44476550

To: Zero Waste Committee

From: Paul Henderson, General Manager, Solid Waste Services

Date: April 8, 2021 Meeting Date: April 16, 2021

Subject: **Recycling Depot Funding Strategy**

RECOMMENDATION

That the GVS&DD Board direct staff to prepare proposed amendments to be incorporated into the annual update to the *Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Disposal Regulation Bylaw No. 306, 2017*, as amended to:

- i) incorporate the cost of recycling depots at Metro Vancouver's recycling and waste centres into garbage tipping fees; and
- ii) provide an annual garbage tipping fee credit to municipalities operating municipal recycling depots.

EXECUTIVE SUMMARY

An updated funding strategy is proposed for recycling depots at Metro Vancouver's recycling and waste centres, recognizing the contribution of municipally operated depots to the regional system. The proposed funding strategy would distribute costs across system users by incorporating the costs of operating the recycling depots into the garbage tipping fee. At the same time, municipalities that fund municipal recycling depots would receive an annual garbage tipping fee credit. Staff would work to accommodate any increases in tipping fees within current 2021 - 2025 Financial Plan projections for tipping fee increases.

PURPOSE

The purpose of this report is to seek GVS&DD Board (the Board) approval of an updated funding strategy for recycling depots at Metro Vancouver's recycling and waste centres.

BACKGROUND

As of 2017, the current recycling depot funding model apportions the annual costs among participating municipalities on a population basis for operating recycling depots at the North Shore and Coquitlam Recycling and Waste Centres. Provisions for this cost apportionment are found in the *Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Disposal Regulation Bylaw No. 306, 2017*, as amended (Tipping Fee Bylaw). Under the current funding model, municipalities served by the depots fund the depots.

Metro Vancouver staff have been working with municipal staff to assess options for an updated funding strategy, with the goal of ensuring a simple and fair system for funding current and future recycling depots at Metro Vancouver's recycling and waste centres, while recognizing the contribution of municipal depots to the regional system.

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RECYCLING SERVICES AT RECYCLING AND WASTE CENTRES

Metro Vancouver provides a range of recycling and waste drop-off services before and after the weigh scales at its recycling and waste centres, conveniently located to serve residents across the region. This regional network of recycling drop-off services supports and enhances the programs and services provided by other levels of government, member jurisdictions, extended producer responsibility programs, not-for-profits, and the private sector, all together forming one of the most successful and resilient recycling systems in North America.

Recycling depots located before the weigh scales at recycling and waste centres allow customers to drop off recyclable materials for free. Currently, recycling depots are in place at the North Shore and Coquitlam Recycling and Waste Centres and are under construction for both the United Boulevard Recycling and Waste Centre and the Central Surrey Recycling and Waste Centre. In addition, the 2021 - 2025 Financial Plan identifies new recycling depots for the Langley and North Surrey Recycling and Waste Centres. The recycling depots provide convenient, accessible, and free drop off of a wide range of recyclable materials including metal, paper, plastic, glass, and other extended producer responsibility materials such as electronics, batteries, paint and pesticides, currently diverting over 10,000 tonnes of recyclables a year from disposal. Cost efficiencies to including a recycling depot at a recycling and waste centre include those realized through sharing equipment, attendants and other labour, security and other contracting needs.

Current Funding Model

The current funding approach was approved by the Board at its June 24, 2016 meeting and later implemented through a provision in the 2017 Tipping Fee Bylaw to apportion the annual costs (i.e. operations, capital, administration and land use contribution) for operating recycling depots on a population basis to participating municipalities. The operating costs are based on costs included in the Recycling and Waste Centre Operations and Maintenance Contract. Participating municipalities are charged estimated costs annually with any adjustments between estimates and actuals made in the following year.

Updated Recycling Depot Funding Strategy

The development of an updated recycling depot funding strategy considers principles that would replace the current funding model approach, and considers the full costs associated with building, operating and maintaining a recycling depot. The proposed recycling depot funding strategy would provide the framework to accommodate new recycling depots introduced at recycling and waste centres in the future, reduce costs for all municipalities by sharing costs of recycling depots among all system users and provide regional funding for municipalities with recycling depots. Full costs of the recycling depots would be distributed among system users through the garbage tipping fee, and would replace the current system of apportioning costs to participating municipalities.

The following principles developed in collaboration with municipal staff advisory committees were followed to support the development of an updated funding model for recycling depots:

- All Metro Vancouver recycling and waste centres include depots with standardized services
- Extended producer responsibility programs' contributions are consistent with cost of managing materials

- Minimum standards established for regional and municipal depots
- Municipalities retain autonomy with respect to municipal depot operations and services beyond minimum standard
- Recognition of municipal depots' contribution to the regional system
- Simple and fair funding model

Recycling Depot Cost Analysis

In 2020, GHD Limited and Ernst & Young Orenda Corporate Finance Inc. were engaged to analyze the revenue, direct costs and indirect costs at the North Shore Recycling and Waste Centre to estimate the full costs of establishing and operating a recycling depot. This detailed analysis was used to determine the implications of expanding recycling depots to all regional facilities. Based on the analysis, the estimated cost to provide recycling depots at North Shore, United Boulevard, Central Surrey, North Surrey and Langley Recycling and Waste Centres once all of the recycling depots are in place is approximately \$3.2 million per year.

Municipal Recycling Depot Credit

To recognize the contribution of municipal depots to the regional system, a model was developed to credit municipalities operating recycling depots. The credit would be calculated on a population basis for Richmond, Burnaby, Maple Ridge, and Bowen Island. For Coquitlam, as the City of Coquitlam recycling depot provides limited services and collects a small amount of recyclables, the credit would be based on the volume of recyclables collected. The overall value of the credits would be approximately \$1.35 million per year once all of the regional depots are operating.

ALTERNATIVES

1. That the GVS&DD Board direct staff to prepare proposed amendments to be incorporated into the annual update to the *Greater Vancouver Sewerage and Drainage District Tipping Fee and Solid Waste Disposal Regulation Bylaw No. 306, 2017*, as amended to:
 - i) incorporate the cost of recycling depots at Metro Vancouver's recycling and waste centres into garbage tipping fees; and
 - ii) provide an annual garbage tipping fee credit to municipalities operating municipal recycling depots.
2. That the GVS&DD Board receive the report dated April 8, 2021, titled "Recycling Depot Funding Strategy" for information and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

If the Board approves Alternative 1, proposed updates to the Tipping Fee Bylaw to incorporate costs of the regional recycling depot and municipal recycling depot credits will be brought forward to the Board for consideration as part of the annual Tipping Fee Bylaw updates for implementation in January 2022. The estimated component of the overall garbage tipping fee for recycling depots is approximately \$4 per tonne by 2024 when recycling depots at all Metro Vancouver recycling and waste centres are expected to be in operation. Staff will work to accommodate the increase within the projected garbage tipping fees for 2022 - 2025 identified in the 2021 - 2025 Financial Plan. Tipping fees are reviewed annually, and a number of factors impact required tipping fees, such as expected waste quantities.

CONCLUSION

An updated funding strategy is proposed for recycling depots at Metro Vancouver’s recycling and waste centres, recognizing the contribution of municipally operated depots to the regional system. The proposed recycling depot funding strategy was developed in consultation with staff from member municipalities, and follows principles developed through conversations with municipal staff.

The proposed funding strategy would distribute costs across solid waste system users by incorporating the costs of operating the recycling depots in the garbage tipping fee. At the same time, municipalities that fund municipal recycling depots would receive an annual credit.

44725469

To: Performance and Audit Committee

From: Joe Sass, Director Financial Planning and Operations/Deputy CFO

Date: March 26, 2021 Meeting Date: April 14, 2021

Subject: **Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021**

RECOMMENDATION

That the GVS&DD Board:

- a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*; and
 - b) pass and finally adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*.
-

EXECUTIVE SUMMARY

Utilization of Development Cost Charge's are required to be approved by the GVS&DD Board by bylaw. The attached *DCC Expenditure Bylaw No. 344, 2021* to be provides authority for 2020 annual funding applied for growth capital debt servicing amounts and growth capital project expenditures. In total, \$81.7 million of DCC's were applied for the 2020 year over the four defined sewerage areas.

Total DCCs held in deferred revenue reserve balances as at December 31, 2019 were \$213.1 million.

PURPOSE

To meet the statutory requirements to use Development Cost Charges (DCC's) for funding of the liquid waste growth capital program. This bylaw completes the authority for the required transfer of DCC's to fund the 2020 growth capital projects.

BACKGROUND

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

Under the Act, transfers of any revenues collected out of the DCC Reserve Funds can only be for the purposes intended and must be authorized by bylaw. This report brings forward the bylaw required for the authority to transfer DCC revenues to fund the 2020 growth debt and growth capital projects.

2020 DCC APPLICATIONS

DCC's are collected based on development in the region, held in reserve and applied either to fund the actual sinking fund payments on debt related to growth capital expenditures to enhance system capacity or to fund incurred growth capital project expenditures directly to avoid additional debt

financing requirements. As a result of the volume of capital projects undertaken within the Liquid Waste Services function, long-term funding is not secured on a project by project basis but rather on a pooled basis by expenditure type (i.e. defined growth projects) by sewer area as funding is required.

As part of the year-end accounting processes, the actual DCC revenue requirements are determined and Board authority for the necessary reserve fund transfers is requested through the attached bylaw. The funding required for 2020, as set out in the annual financial statements, is \$32.5 million for debt servicing and \$49.2 million for direct capital funding. These applications are summarized by sewer area below:

Fraser Sewer Area **\$ 25,620,878 - debt**
\$ 33,137,686 - direct capital

This funding relates to a series of growth related projects due to required expansions/upgrades of the liquid waste collection system and the wastewater treatment plants in the Fraser Sewerage Area.

North Shore Sewer area **\$ 1,262,345 - debt**
\$ 2,542,397 - direct capital

This funding relates to growth related projects due to required expansions/upgrades of the liquid waste collection system and the wastewater treatment plant in the North Shore Sewer Area.

Vancouver Sewer Area **\$ 4,524,458 - debt**
\$ 10,092,487 - direct capital

This funding relates to a series of growth related projects primarily due to required expansions/upgrades of the liquid waste collection system in the Vancouver Sewerage Area.

Lulu Island West Sewer Area **\$ 1,064,578 - debt**
\$ 3,408,150 - direct capital

This funding relates to a series of growth related projects primarily due to required expansions/upgrades of the liquid waste collection system in the Lulu Island West Sewerage Area.

The balances in the DCC deferred revenue reserves at December 31, 2020, after the application of the growth funding amounts contemplated in this bylaw, are as follows:

Fraser Sewer Area	\$ 146,501,813
Vancouver Sewer Area	34,073,129
Lulu Island Sewer Area	23,940,733
North Shore Sewer area	8,627,381
	<u>\$ 213,143,056</u>

ALTERNATIVES

1. That the GVS&DD Board:
 - a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*; and
 - b) pass and finally adopt *Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*.
2. That the GVS&DD Board receive for information the report titled "*Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021*", dated March 17, 2021 and provide alternate direction.

FINANCIAL IMPLICATIONS

This bylaw as presented under alternative one finalizes the required DCC funding for growth debt and capital as contemplated in the 2020 Liquid Waste Services budgeted operating and capital revenues.

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

SUMMARY / CONCLUSION

The adoption of the bylaw as included under alternative one is recommended. The 2020 budget contemplated the transfer of DCC revenues collected to meet actual debt charge and capital funding requirements related to the Liquid Waste growth capital program. This bylaw completes that process.

Attachment:

Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021.

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**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT
BYLAW NUMBER 344, 2021
A Bylaw to Expend Development Cost Charge Reserve Fund**

WHEREAS:

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

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

1. The sum of \$25,620,878 held in the Fraser Area Account shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Fraser Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$33,137,686 held in the Fraser Area Account shall be paid out of such account to fund capital apportioned to the Fraser Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.

2. The sum of \$1,262,345 held in the North Shore Area Account shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the North Shore Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$2,542,397 held in the North Shore Area Account shall be paid out of such account to fund capital apportioned to the North Shore Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
3. The sum of \$4,524,458 held in the Vancouver Area Account shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Vancouver Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$10,092,487 held in the Vancouver Area Account shall be paid out of such account to fund capital apportioned to the Vancouver Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
4. The sum of \$1,064,578 held in the Lulu Island West Area Account shall be paid out of such account and used to pay the portion of the principal on the debt incurred by the Corporation that has been apportioned to the Lulu Island West Sewerage Area, which debt was incurred by the Corporation to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation and the sum of \$3,408,150 held in the Lulu Island West Area Account shall be paid out of such account to fund capital apportioned to the Lulu Island West Sewerage Area to pay for the capital costs of providing, constructing, altering or expanding sewerage facilities that relate to development within that area of the Corporation.
5. This bylaw may be cited as “Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 344, 2021”.

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

Passed and finally adopted this _____ day of _____, _____

Sav Dhaliwal, Chair

Chris Plagnol, Corporate Officer

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Sewerage and Drainage District
Board Meeting Date – Friday, April 30, 2021

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](#).

Liquid Waste Committee – April 15, 2021

Delegation Summaries:

No delegations presented

Information Items:

5.2 Liquid Waste Services Capital Program Expenditure Update as at December 31, 2020

Zero Waste Committee – April 16, 2021

Delegation Summaries:

3.1 Jaye-Jay Berggren, Sea to Sky Soils and Composting Inc. and Chase Edgelow, EverGen Infrastructure Corporation

Information Items:

5.3 Solid Waste Services Capital Program Expenditure Update as of December 31, 2020

5.4 Regional Single-Use Item Reduction Campaign Launch

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