

GREATER VANCOUVER WATER DISTRICT (GVWD)**BOARD OF DIRECTORS****BOARD MEETING****Friday, May 23, 2025****9:00 am****28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia****A G E N D A****A. ADOPTION OF THE AGENDA****1. May 23, 2025 Meeting Agenda**

That the GVWD Board adopt the agenda for its meeting scheduled for May 23, 2025 as circulated.

B. ADOPTION OF THE MINUTES**1. April 25, 2025 Meeting Minutes**

That the GVWD Board adopt the minutes for its meeting held April 25, 2025 as circulated.

*pg. 5***C. DELEGATIONS****D. INVITED PRESENTATIONS**

E. CONSENT AGENDA

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

1. WATER COMMITTEE REPORTS**1.1 2025 Water Sustainability Innovation Fund Applications***pg. 10***Executive Summary**

In alignment with the Board Strategic Plan and the Drinking Water Management Plan, these applications are submitted for Board consideration and approval.

This report presents three applications recommended for funding, totaling \$1,150,000 over three years, funded through the Water Sustainability Innovation Fund. The first application aims to integrate the Water Services departments' natural assets into the existing Asset Management Program. The second application will support the regional water utility's long-term planning by understanding the current and projected future demands of the agricultural sector. And the third application will evaluate climate change impacts to help address the vulnerability of Metro Vancouver's dams and diversion structures through a case study.

The report provides background on the Water Sustainability Innovation Fund Policy, a brief overview of the three projects and financial implications.

Recommendation

That the GVWD Board approve the allocation from the Water Sustainability Innovation Fund of \$1,150,000 for the following three applications, starting in 2025:

- a) Integrating Natural Assets into Water Services' Asset Management Program for \$300,000 over three years;
- b) Evaluating Agricultural Water Demands in the Metro Vancouver Region for \$350,000 over three years; and
- c) Quantifying Climate Change Impact on Dam Safety – A Case Study for \$500,000 over three years.

F. ITEMS REMOVED FROM THE CONSENT AGENDA**G. REPORTS NOT INCLUDED IN CONSENT AGENDA****1. FINANCE COMMITTEE REPORTS****1.1 GVWD Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025***pg. 14***Executive Summary**

In April 2025, the Finance Committee and GVWD Board reviewed proposed criteria for a regional Water Development Cost Charge (DCC) reduction for agricultural developments designed to result in a low environmental impact, and directed staff to return with a reduction bylaw. The attached bylaw establishes eligibility criteria to demonstrate low environmental impact and authority for “agricultural development” that meets the criteria to receive a reduction of 98% from the current Water DCC rate. The resulting rate is commensurate with member jurisdictions that have agriculture DCC rates and better reflects the estimated small proportion of regional water used by agriculture. The total number of agricultural developments is quite low ranging from 0-24 per year over the past five years, and based on feedback from the agricultural sector, under current DCC rates, no applications would move forward as they would not be financially viable.

A Park Land Acquisition DCC Waiver Bylaw is also being proposed for eligible agricultural development. Over the long term, and through the 2027 DCC Bylaw update process, a sub-category for non-residential based on further data analysis, including a specific category for agricultural development, will be created.

Recommendation

That the GVWD Board:

- a) give first, second, and third reading to *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*; and
- b) adopt *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

- 1. GVWD Board Committee Information Items and Delegation Summaries** *pg. 38*

J. RESOLUTION TO CLOSE MEETING

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

K. ADJOURNMENT

That the GVWD Board adjourn its meeting of May 23, 2025.

GREATER VANCOUVER WATER DISTRICT BOARD OF DIRECTORS

Minutes of the Regular Meeting of the Greater Vancouver Water District (GVWD) Board of Directors held at 10:14 am on Friday, April 25, 2025, in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Mike Hurley
 Anmore, Vice Chair, Director John McEwen
 Belcarra, Director Jamie Ross
 Burnaby, Director Pietro Calendino
 Burnaby, Director Sav Dhaliwal*
 Coquitlam, Director Craig Hodge
 Coquitlam, Director Teri Towner
 Delta, Director Rod Binder
 Delta, Director Dylan Kruger
 Electoral Area A, Director Jen McCutcheon
 Langley City, Director Paul Albrecht
 Langley Township, Director Eric Woodward
 Langley Township, Director Steve Ferguson
 Maple Ridge, Director Dan Ruimy
 New Westminster, Director Nadine Nakagawa
 North Vancouver District, Director Lisa Muri
 Pitt Meadows, Director Nicole MacDonald
 Port Coquitlam, Director Brad West

Port Moody, Director Meghan Lahti
 Richmond, Director Chak Au*
 Richmond, Director Malcolm Brodie
 Richmond, Director Bill McNulty
 Surrey, Director Harry Bains
 Surrey, Director Doug Elford
 Surrey, Director Gordon Hepner
 Surrey, Director Pardeep Kooner
 Surrey, Director Brenda Locke
 Surrey, Director Rob Stutt
 Vancouver, Director Rebecca Bligh*
 Vancouver, Director Lisa Dominato
 Vancouver, Director Sarah Kirby-Yung
 Vancouver, Director Mike Klassen
 Vancouver, Director Lenny Zhou*
 West Vancouver, Director Mark Sager
 Commissioner Jerry W. Dobrovolsky
 (Non-voting member)

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

MEMBERS ABSENT:

scəwəθən məsteyəx^w (Tsawwassen First Nation), Vancouver, Director Peter Meiszner
 Director Laura Cassidy Vancouver, Director Ken Sim
 North Vancouver City, Director Linda Buchanan

STAFF PRESENT:

Dorothy Shermer, Corporate Officer
 Catherine Grosson, Legislative Services Coordinator, Board and Information Services

A. ADOPTION OF THE AGENDA

1. April 25, 2025 Meeting Agenda

It was MOVED and SECONDED

That the GVWD Board adopt the revised agenda for its meeting scheduled for April 25, 2025 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. March 28, 2025 Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its meeting held March 28, 2025 as circulated.

CARRIED

2. April 9, 2025 Special Joint Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its special joint meeting held April 9, 2025 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA**It was MOVED and SECONDED**

That the GVWD Board adopt the recommendations presented in the following items as presented in the April 25, 2025 GVWD Consent Agenda:

- 1.1 Award of ITT 24-148 for Construction of Annacis Main No. 5 South – Contract 4A From River Road and Millar Road to 117B Street and 96th Avenue
- 1.2 GVWD 2024 Water Quality Annual Report
- 2.1 2024 Annual Financial Results and Audited Financial Statements
- 2.2 Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact

CARRIED

The item and recommendation referred to above are as follows:

1.1 Award of ITT 24-148 for Construction of Annacis Main No. 5 South – Contract 4A From River Road and Millar Road to 117B Street and 96th Avenue

Report dated March 24, 2025 from Joel Melanson, Division Manager, Engineering & Construction, Water Services, and George Kavouras, Director, Procurement, Procurement and Real Estate Services, seeking GVWD Board approval of the award of ITT 24-148 for Construction of Annacis Main No. 5 South – Contract 4A From River Road and Millar Road to 117B Street and 96th Avenue, in the amount of up to \$30,656,600 (exclusive of taxes) to B&B Contracting (2012) Ltd.

Recommendation

That the GVWD Board:

- a) approve the award of ITT 24-148 for Construction of Annacis Main No. 5 South – Contract 4A From River Road and Millar Road to 117B Street and 96th Avenue, in the amount of up to \$30,656,600 (exclusive of taxes) to B&B Contracting (2012) Ltd. subject to final review by the Commissioner; and
- b) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

Adopted on Consent

1.2 GVWD 2024 Water Quality Annual Report

Report dated March 18, 2025 from Linda Parkinson, Director, Policy, Planning and Analysis, Water Services, providing the Water Committee and GVWD Board with the GVWD Water Supply System 2024 Annual Update.

Recommendation

That the GVWD Board receive for information the report dated April 24, 2025, titled “GVWD 2024 Water Quality Annual Report”.

Adopted on Consent

2.1 2024 Annual Financial Results and Audited Financial Statements

Report dated April 15, 2025 from Harji Varn, Chief Financial Officer / General Manager, Financial Services, providing information on Metro Vancouver’s 2024 Annual Financial Results and presenting, for approval, the Audited 2024 Financial Statements for the MVRD, MVHC, GVWD, and GVS&DD.

Recommendation

That the GVWD Board approve the Audited 2024 Financial Statements for the Greater Vancouver Water District.

Adopted on Consent

2.2 Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact

Report dated March 21, 2025 from Laurel Cowan, Division Manager, Regional Land Use Planning, Regional Planning and Housing Services, seeking GVWD and MVRD Board direction to develop a Water DCC Reduction Bylaw and Regional Parks DCC Waiver Bylaw for agricultural developments that are designed to result in a low environmental impact, based on the content proposed in this report, and bring back for Committee and Board endorsement.

Recommendation

That the GVWD Board direct staff to develop Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact as described in the report dated March 21, 2025, titled “Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact.”

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries

J. RESOLUTION TO CLOSE MEETING

No items presented.

K. ADJOURNMENT

It was MOVED and SECONDED

That the GVWD Board adjourn its meeting of April 25, 2025.

CARRIED

(Time: 10:15 am)

CERTIFIED CORRECT

Dorothy Shermer, Corporate Officer

Mike Hurley, Chair

75849170



To: Water Committee

From: Linda Parkinson, Director, Policy, Planning and Analysis, Water Services

Date: May 6, 2025

Meeting Date: May 14, 2025

Subject: **2025 Water Sustainability Innovation Fund Applications**

RECOMMENDATION

That the GVWD Board approve the allocation from the Water Sustainability Innovation Fund of \$1,150,000 for the following three applications, starting in 2025:

- a) Integrating Natural Assets into Water Services' Asset Management Program for \$300,000 over three years;
 - b) Evaluating Agricultural Water Demands in the Metro Vancouver Region for \$350,000 over three years; and
 - c) Quantifying Climate Change Impact on Dam Safety – A Case Study for \$500,000 over three years.
-

EXECUTIVE SUMMARY

In alignment with the Board Strategic Plan and the Drinking Water Management Plan, these applications are submitted for Board consideration and approval.

This report presents three applications recommended for funding, totaling \$1,150,000 over three years, funded through the Water Sustainability Innovation Fund. The first application aims to integrate the Water Services departments' natural assets into the existing Asset Management Program. The second application will support the regional water utility's long-term planning by understanding the current and projected future demands of the agricultural sector. And the third application will evaluate climate change impacts to help address the vulnerability of Metro Vancouver's dams and diversion structures through a case study.

The report provides background on the Water Sustainability Innovation Fund Policy, a brief overview of the three projects and financial implications.

PURPOSE

To present three projects recommended for funding through the Water Sustainability Innovation Fund for consideration by the Water Committee and the GVWD Board.

BACKGROUND

The Water Sustainability Innovation Fund (the Fund) was created by the GVWD Board (the Board) in 2004 to provide financial support to Water projects that contribute to the region's sustainability. The GVWD Board adopted the *Water Sustainability Innovation Fund Policy* (the Policy) in 2014 with further amendments in 2016 and 2021, to guide the use and management of the Fund. The Policy describes the process of generating, submitting, evaluating, and recommending new applications for funding each year.

WATER SUSTAINABILITY INNOVATION FUND POLICY

On an annual basis, Water Sustainability Innovation Fund applications are submitted to an internal staff Steering Committee, representing a cross-section of the organization, to evaluate applications and initiatives based on the Fund's evaluation criteria. As defined in the Policy, applications to the Fund need to fulfill the following criteria:

- Be overseen by the GVWD
- Be consistent with the authority and responsibility of the GVWD
- Be consistent with the objectives of the *Drinking Water Management Plan* and/or the *Board Strategic Plan*
- Consider partnerships including, but not limited to, member jurisdictions, academic institutions, non-governmental organizations, and community groups
- Result in a positive contribution, in the form of tangible results and/or measurable benefits,
- Improve the sustainability of the region and
- Demonstrate innovation and facilitate action

In June 2025, the Water Committee will receive an annual update report on the approved projects from previous years supported by the Fund. The update report includes deliverables, outcomes, and highlights the benefits of these projects to the region. A summary of past projects can be found on the Sustainability Innovation Program website (Reference 1).

2025 APPLICATIONS

The proposed projects recommended for funding are listed in the table below, followed by a brief overview of their purpose, expected scope, and potential sustainable benefits.

Recommended Allocation from the Water Sustainability Innovation Fund		
Project Title	Years	Amount Requested
Integrating Natural Assets into Water Services' Asset Management Program	2025 - 2027	\$300,000
Evaluating Agricultural Water Demands in the Metro Vancouver Region	2025 - 2027	\$350,000
Quantifying Climate Change Impact on Dam Safety – A Case Study	2025 - 2027	\$500,000

The Watersheds & Environment division will lead the Integrating Natural Assets project, and it aims to integrate the Water Services departments' natural assets into the existing Asset Management Program. Natural assets provide a variety of ecosystem services such as drinking water quality, regional environmental health, climate resiliency, and general livability. This project seeks to make significant advances in natural asset management in the Metro Vancouver region, contributing to the growing body of knowledge on this topic, while focusing on the drinking water utility. The project will create an inventory of natural assets, conduct condition and risks assessments and complete valuation of the ecosystem services provided by these assets to the region with the goal of promoting their protection and sustainability. The proposed scope and objectives will build upon and model the outcomes of similar on-going work by Regional Parks, and will share data,

methodologies and lessons with member jurisdictions, local First Nations, academia, and non-profit community organizations.

The second project will be led by the Policy, Planning and Analysis division, and aims to improve understanding of the potential drinking water demand impacts from the agricultural sector, given its susceptibility to climate change. Evaluating Agricultural Water Demands will support the regional water utility long-term planning by understanding the current and projected future demands of this important sector. The project will quantify the potential changes in agricultural water use and identify research opportunities into alternative water sources suitable for the sector. Aligning with the intentions of the Non-Potable Water Use Project (a recently completed SIF project), this new project will identify various agricultural water quality requirements for future assessments of how non-potable water use could support the agricultural industry and reduce the reliance on treated drinking water for agricultural purposes. Partnering and collaborating stakeholders could include the province, representatives from the agricultural sector, and member jurisdictions with significant agricultural areas.

The third project will be led by the Dam Safety division and aims to help address the vulnerability of Metro Vancouver's dams and diversion structures to climate change impacts. The Quantifying Climate Change Impact on Dam Safety – A Case Study project will fill critical gaps in regulatory and engineering practices, by developing a framework and methodology to quantifiably assess these projected impacts on dam safety. The study will analyze the risks to the Burwell and Seymour Falls dams as a cascade system and consider extreme conditions, projections, and operational aspects, moving beyond conventional methods that rely on historical data and baseline regulatory compliance. The project will integrate climate projections into dam safety assessments, and support proactive adaptation strategies that protect public safety, secure reliable access to clean water, and safeguard environmental and cultural values. This forward-looking approach aligns with regional sustainability goals by reducing risks, optimizing resource management, and enhancing the region's capacity to respond to future climate uncertainties. Opportunities to partner with other dam owners in the region including BC Hydro will be explored.

ALTERNATIVES

1. That the GVWD Board approves the allocation from the Water Sustainability Innovation Fund of \$1,150,000 for the following projects, starting in 2025:
 - a) Integrating Natural Assets into Water Services' Asset Management Program for \$300,000 over three years;
 - b) Evaluating Agricultural Water Demands in the Metro Vancouver Region for \$350,000 over three years; and
 - c) Quantifying Climate Change Impact on Dam Safety – A Case Study for \$500,000 over three years.
2. That the Water Committee receive for information the report dated May 6, 2025, titled "2025 Water Sustainability Innovation Fund Applications".

FINANCIAL IMPLICATIONS

If the Board approves Alternative 1, \$1,150,000 will be disbursed from the Water Sustainability Innovation Fund over three years for the three applications. The Fund has a sufficient budget to support Alternative 1.

The approved applications will be incorporated into the applicable divisional and departmental work plans and budgets.

CONCLUSION

The GVWD Board is responsible for overseeing the Water Sustainability Innovation Fund and reviewing and approving funding for drinking water related projects. The Water Committee is the designated standing committee responsible for reviewing new Water Sustainability Innovation Fund applications and making recommendations to the GVWD Board for funding.

This report presents the following three projects for a total funding request of \$1,150,000. These projects support Metro Vancouver's long-term sustainability, resilience, and water resource management:

- a) Integrating Natural Assets into Water Services' Asset Management Program for \$300,000 over three years. This project will enhance the region's Asset Management Program by recognizing and valuing the ecosystem services provided by natural assets, helping to protect drinking water sources and promoting environmental stewardship;
- b) Evaluating Agricultural Water Demands in the Metro Vancouver Region for \$350,000 over three years. This project will strengthen long-term water supply planning by assessing the current and future needs of the agriculture sector, identifying alternative water sources, and supporting more sustainable use of drinking water; and
- c) Quantifying Climate Change Impact on Dam Safety – A Case Study for \$500,000 over three years. This project will advance regional dam safety practices by incorporating climate change projections into risk assessments and developing a proactive, adaptive management framework.

REFERENCE

1. Metro Vancouver. (2025). *Sustainability Innovation Fund*. Retrieved from <https://metrovancover.org/about-us/sustainability-innovation-fund>. Last accessed 2025, April 22.



To: Finance Committee

From: Laurel Cowan, Division Manager, Regional Land Use Planning,
Regional Planning & Housing Services

Date: April 18, 2025

Meeting Date: May 15, 2025

Subject: **GVWD Development Cost Charge Reduction for Agricultural Development
Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025**

RECOMMENDATION

That the GVWD Board:

- a) give first, second, and third reading to *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*; and
 - b) adopt *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*.
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EXECUTIVE SUMMARY

In April 2025, the Finance Committee and GVWD Board reviewed proposed criteria for a regional Water Development Cost Charge (DCC) reduction for agricultural developments designed to result in a low environmental impact, and directed staff to return with a reduction bylaw. The attached bylaw establishes eligibility criteria to demonstrate low environmental impact and authority for “agricultural development” that meets the criteria to receive a reduction of 98% from the current Water DCC rate. The resulting rate is commensurate with member jurisdictions that have agriculture DCC rates and better reflects the estimated small proportion of regional water used by agriculture. The total number of agricultural developments is quite low ranging from 0-24 per year over the past five years, and based on feedback from the agricultural sector, under current DCC rates, no applications would move forward as they would not be financially viable.

A Park Land Acquisition DCC Waiver Bylaw is also being proposed for eligible agricultural development. Over the long term, and through the 2027 DCC Bylaw update process, a sub-category for non-residential based on further data analysis, including a specific category for agricultural development, will be created.

PURPOSE

To adopt *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*, which establishes a reduction for Regional Water DCCs for eligible agricultural developments.

BACKGROUND

The *Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022* (Reference 1) was adopted on April 28, 2023 and came into effect that same day. The *Greater Vancouver Water District Development Cost Charge Amendment Bylaw No. 260, 2023* was adopted on March 22, 2024, establishing new rates to come into effect January 1, 2025. Prior to the introduction of regional water and parks DCCs in 2023 and 2025 respectively, the only regional DCCs were for liquid waste and as most agricultural development is located outside the regional sewerage areas, DCCs did not apply. In late 2024 the agricultural sector raised concerns that regional water and regional parks DCCs being applied to approvals for agricultural developments such as greenhouses were significantly impacting financial viability. Given the large size of these types of buildings and structures, the general 'non-residential' DCC rate is not appropriate for agricultural developments that are designed to result in a low environmental impact.

In February 2025, the Finance Committee and GVWD Board directed staff to advance work to establish eligibility criteria for agricultural developments designed to result in a low environmental impact that would form the basis for a regional parks DCC waiver and water DCC reduction. Proposed criteria and requirements were reviewed by the Finance Committee and GVWD Board in April 2025 and staff were directed to proceed with drafting bylaws for Committee and Board consideration. This report advances the proposed bylaw for achieving a Water DCC reduction.

PROPOSED REGIONAL WATER DCC REDUCTION BYLAW

The proposed bylaw was developed based on draft content presented to the Finance Committee and GVWD Board in April 2025 (Attachment 1). Key inputs included:

- Feedback from Finance Committee and GVWD Board at the February and April meetings;
- The proposed discounted DCC rate is, on average, commensurate with the rates of member jurisdictions in the region where agricultural water connections are relevant.
- Available data that showed water consumption by the agricultural sector makes up 1.4% of total metered water use, and the potable water use by agricultural developments such as greenhouses represents only a portion of this amount; and
- Engagement with key representatives from the agricultural sector, including Metro Vancouver's Agricultural Advisory Committee, Greenhouse Growers Association, BC Landscape & Nursery Association, United Flower Growers Co-op, Delta Farmer's Institute, and the BC Agriculture Council;
- General engagement with the agricultural sector through an on-line survey and webinar to better understand specific challenges and concerns and obtain feedback on proposed criteria and requirements for an interim Waiver/Reduction bylaw.

The proposed bylaw would establish a 98% reduction of regional Water DCCs for eligible agricultural developments designed to result in a low environmental impact. Eligibility would be determined based on the development meeting the following proposed definition and criteria:

Definition:

“agricultural development” – means any non-residential building or structure that is used for agricultural production or is located on agricultural land, and will connect to and use potable water, including, but not limited to: greenhouses, retail nurseries, manufacturing and processing facilities for agriculture-related products, development intended for intensive indoor livestock operations, or development intended for non-farm commercial businesses, related to agriculture, as permitted by the *Agricultural Land Commission Act*.

Criteria:

- The proposed development meets the definition for “agricultural development”;
- The proposed development has the following:
 - a design plan demonstrating that a potable water meter will be installed; and
 - a water management plan outlining how the development will minimize potable water consumption and maximize conservation, particularly during peak demand season (May to September).

Metro Vancouver will administer the proposed Water DCC Reduction Bylaw to determine compliance with the eligibility criteria.

ALTERNATIVES

1. That the GVWD Board:
 - a) give first, second and third reading to *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*; and
 - b) adopt *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025*.
2. That the GVWD Board receive for information the report dated April 18, 2025 titled “Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025.”

FINANCIAL IMPLICATIONS

DCCs are imposed in order to recover the capital costs of infrastructure attributable to growth from the development industry and reduce the impact on existing rate payers. The non-residential category was calculated following the provincial best practices guide and largely focused on industrial and commercial growth impacts.

Should an agricultural development applicant meet the criteria to be eligible for a reduction, the current Water DCC rate of \$5.30/sf will be reduced by 98%. Over the past 5 years, the number of building permits under this category ranged from 0 – 24 per year across the region with development sizes ranging from 150m² to up to 100,000m². This indicates significant variability in agricultural developments, and staff will continue to monitor the development applications and amount of DCCs reduced and report back to the Finance Committee and GVWD Board. Data

**GVWD Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact
Bylaw No. 264, 2025**

Finance Committee Regular Meeting Date: May 15, 2025

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collection and further analysis will be undertaken through the full DCC Bylaw update process for 2027 to identify a long-term rate for agricultural development that is appropriate.

CONCLUSION

Metro Vancouver is proposing a regional Water DCC Reduction Bylaw for agriculture developments that are designed to result in a low environmental impact. This work was identified as a priority to resolve unintended consequences of Metro Vancouver's new water and regional parks DCCs on the agricultural sector. Draft criteria were developed in consultation with the agriculture sector and presented at the April 2025 Finance Committee and MVRD Board where staff were directed to advance a DCC Reduction Bylaw for Water (98% reduction) and DCC Waiver Bylaw for Regional Park Land Acquisition (100% waiver). Staff recommend alternative 1, to proceed with adopting the Water DCC reduction bylaw to ensure the viability of agricultural development in the region until a longer-term solution can be achieved through the 2027 DCC Bylaw update.

ATTACHMENTS

1. *Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025.*
2. "Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact", dated, March 21, 2025.

REFERENCES

1. Metro Vancouver. (2022). Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022 – Unofficial Consolidation Retrieved from https://metrovancover.org/boards/Bylaws/GVWD_Bylaw_257_Consolidated.pdf. Last accessed 2025, April 11.

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GREATER VANCOUVER WATER DISTRICT

BYLAW NO. 264, 2025

**A Bylaw to Establish a Reduction of Development Cost Charges for Agricultural Development
Designed to Result in a Low Environmental Impact**

WHEREAS:

- A. Pursuant to subsections 563(1) of the *Local Government Act, RSBC 1996, c.323*, the Greater Vancouver Water District (GVWD) Board, may, by bylaw, waive or reduce a development cost charge imposed by bylaw pursuant to section 559 of the *Local Government Act, RSBC, 1996, c.323* for an “eligible development”; and
- B. It is deemed desirable to establish eligibility requirements and conditions for a reduction of development cost charges for agricultural developments that are designed to result in a low environmental impact.

NOW THEREFORE the Board of the Greater Vancouver Water District enacts as follows:

Citation

1. The official citation of this bylaw is “Greater Vancouver Water District Development Cost Charge Reduction for Agricultural Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025”. This bylaw may be cited as “GVWD Development Cost Charge Agricultural Development Reduction Bylaw No, 264, 2025.”

Definitions

2. In this bylaw:

“Agricultural Development” means any non-residential building or structure that is used for agricultural production or is located on agricultural land, and will connect to and use potable water, including, but not limited to:

- (a) greenhouses,
- (b) retail nurseries,
- (c) manufacturing and processing facilities for agriculture-related products,
- (d) development intended for intensive indoor livestock operations, or
- (e) development intended for non-farm commercial businesses related to agriculture, as permitted by the *Agricultural Land Commission Act*;

“Applicant” means a person who, in respect of an Agricultural Development, submits to GVWD an application pursuant to section 6 of this bylaw for a reduction of Development Cost Charges pursuant to section 5 of this bylaw;

“Development Cost Charge” means a development cost charge payable by a person to a Member Municipality on behalf of GVWD, pursuant to the Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022; and

“Member Municipality” means a municipality that is a member of the GVWD.

Greater Vancouver Water District Development Cost Charge Reduction for Agricultural
Development Designed to Result in a Low Environmental Impact Bylaw No. 264, 2025

3. Terms defined in the Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022, or incorporated by reference into that bylaw have the same meaning in this bylaw.
4. References in this bylaw to an enactment include the enactment as it may be amended or replaced from time to time.

Reduction of Development Cost Charges

5. Notwithstanding section 4.1 of the Greater Vancouver Water District Development Cost Charge Bylaw No. 257, 2022, and subject to section 6 of this bylaw, the GVWD will, for the following eligible development(s), reduce by 98% the Development Cost Charges that would otherwise, prior to obtaining an approval of a Subdivision or a Building Permit for the Development, be payable by the Applicant to the Member Municipality on behalf of GVWD:
 - a. Agricultural Development having the following:
 - i. a design plan demonstrating that a potable water meter will be installed; and
 - ii. a water management plan outlining how the development will minimize potable water consumption and maximize conservation, particularly during peak demand season (May to September).
6. GVWD may not grant a reduction of Development Cost Charges pursuant to section 5 unless an Applicant's application for a reduction of Development Cost Charges has been submitted to, and approved by, the GVWD as fulfilling the eligible development requirements set out in section 5(a).

Record Keeping

7. For every 12-month period comprising January 1 to December 31, each Member Municipality must provide statements to GVWD, setting out:
 - (a) the name of the Applicant;
 - (b) the site address; and
 - (c) the size in square meters

of each Agricultural Development in respect of which an approval of a Subdivision or a Building Permit was required, and for which Development Cost Charges were reduced in accordance with this bylaw.

Reporting

8. Each year GVWD will report annually to the GVWD Board of Directors, and any time upon the request of the Board, the number and cost of GVWD Development Cost Charge reductions granted under this bylaw.

Severability

9. If any part or provision of this bylaw is for any reason held to be invalid or unenforceable by a decision of a court of competent jurisdiction, that decision of the court will not affect the validity or enforceability of the remaining portions of this bylaw.

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

Adopted this _____ day of _____, _____.

Mike Hurley, Chair

Dorothy Shermer, Corporate Officer



metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Laurel Cowan, Division Manager, Regional Land Use Planning, Regional Planning and Housing Services

Date: March 21, 2025 Meeting Date: April 17, 2025

Subject: **Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact**

RECOMMENDATION

That the GVWD/MVRD Board direct staff to develop Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact as described in the report dated March 21, 2025, titled “Proposed Criteria for Water Development Cost Charge Reduction and Parks Development Cost Charge Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact.”

EXECUTIVE SUMMARY

In February 2025, the Finance Committee and GVWD/GVS&DD/MVRD Board directed staff to advance work to propose a Development Cost Charge (DCC) Reduction Bylaw for agriculture developments designed to result in a low environmental impact (Attachment 1). This work was identified as a priority to resolve unintended consequences of Metro Vancouver’s new water and regional parks DCCs on the agricultural sector. Metro Vancouver is committed to resolving these issues over the short- and long-term. This will be addressed in the interim through Water DCC Reduction and Parks DCC Waiver Bylaws for agriculture developments designed to result in low environmental impact, and over the long-term through the 2027 DCC Bylaw update that will create sub-categories for non-residential, including a specific category for agricultural development based on further data analysis.

This report provides an overview of considerations and proposes a definition, criteria, and reduced rates for a Water DCC Reduction Bylaw and Parks DCC Waiver Bylaw. Should an agricultural development applicant meet the definition and eligibility criteria to demonstrate the proposed development is designed to result in a low environmental impact, a 98% reduction from current Water DCC rate of \$5.30/sf and a complete waiver of the Parks DCC \$0.24/sf is recommended. The total number of agricultural developments is quite low; over the past 5 years, the number of building permits related to agricultural development ranged from 0 – 24 per year across the region, and based on feedback from the agriculture sector, under current DCC rates without a reduction, no applications would move forward as they would not be financially viable. If supported by the Finance Committee and Boards, staff will return with the relevant DCC Reduction and Waiver Bylaws for endorsement in Spring 2025.

**Proposed Criteria for Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development
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PURPOSE

To seek Finance Committee and GVWD/MVRD Board direction to develop a Water DCC Reduction Bylaw and Regional Parks DCC Waiver Bylaw for agricultural developments that are designed to result in a low environmental impact, based on the content proposed in this report, and bring back for Committee and Board endorsement.

BACKGROUND

In November 2024, Metro Vancouver met with agriculture sector representatives including the Greenhouse Growers Association and Metro Vancouver's Agriculture Advisory Committee over concerns regarding the impacts of Metro Vancouver's DCC costs on agriculture developments. Before regional water and regional parks DCCs were introduced, DCCs generally did not apply to agricultural development as most agricultural lands are outside of the regional sewerage areas. Metro Vancouver staff committed to addressing any unforeseen implications of the DCC program as soon as possible and brought a report to the Finance Committee and GVWD/MVRD in February 2025 outlining proposed short- and long-term solutions.

In February 2025, the Finance Committee and GVWD/MVRD Board approved the proposed approach and directed staff to advance work to propose relevant content to create a Development Cost Charge (DCC) Reduction Bylaw for agriculture developments that are designed to have a low environmental impact and bring back for Committee and Board consideration (Attachment 1).

OVERVIEW OF APPLICABLE LEGISLATION: DCC EXEMPTIONS VS. WAIVERS & REDUCTIONS

There is an important distinction in the *Local Government Act* (LGA) about what may be exempted from DCCs versus what may qualify for a waiver/reduction:

- **Exemptions** may be granted on a case by case basis where the applicant is able to prove that the proposed development will not result in any additional capital burden on the regional infrastructure that is the subject of the DCC.
- **Waivers or reductions**, pursuant to a waiver/reduction bylaw, are permitted for developments that are in the category of not-for-profit rental housing, for-profit affordable rental housing, or developments that are designed to result in a low environmental impact. For a waiver/reduction to be applied, a local government, as per *LGA* section 563, must establish:
 - A definition of what constitutes an eligible development or class of eligible developments for the purposes of one or more of those categories;
 - the requirements or criteria to be met; and
 - the reduced rate (e.g., amount or percentage of DCCs to be waived).

In the case of agricultural developments in Metro Vancouver, DCCs must be exempted where a proposed development does not impose new capital cost burdens on the regional infrastructure for which DCCs are being charged. Otherwise, any building permit or subdivision approval within the area of the GVWD (or MVRD, or GVS&DD) triggers a requirement to pay DCCs as set out in the respective DCC bylaws. Staff are proposing a significant reduction to regional water DCCs and a full waiver of regional park DCCs for agricultural developments that are designed to result in a low

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environmental impact. Liquid Waste DCCs are generally not relevant for agriculture as most agricultural lands are outside of the regional sewerage area.

CONSIDERATIONS FOR CRITERIA, ELIGIBILITY AND REDUCED RATES

Approach & Considerations

To determine the best approach for the proposed DCC Reduction/Waiver Bylaws for agriculture, staff undertook the following:

- Review of approaches to agriculture in DCC Bylaws for municipalities in and outside the region, and other adjacent regional districts;
- Consideration for limiting DCC reductions to different crop types in response to questions and comments from the Finance Committee February 2025 meeting – for example, if reductions could only be applied to food production versus cannabis cultivation (Attachment 2);
- Assessment of water consumption by the agriculture sector, based on available data;
- Consideration of the relevant benefits provided to the region by the agricultural sector; and
- Engagement with key representatives from the agricultural sector to better understand challenges and concerns, and obtain feedback on proposed interim measures (Attachment 3).

Given the significant impact the current DCC rates will have on the agricultural sector, there is a need to create an interim solution and adopt a DCC Reduction Bylaw as soon as possible to ensure that any active applications in the region are not negatively impacted before a longer-term solution can be implemented through the 2027 DCC Bylaw review and update. Additional analysis and ongoing engagement with the agriculture sector will be undertaken as part of the longer-term solution.

Summary of Municipal and Regional Approaches

An initial review of DCC programs across the province revealed that approaches vary, but the majority of municipalities and regional districts surveyed do not charge DCCs on agricultural development approvals. Much of this is related to the local context, for example, whether the jurisdiction has agricultural lands and whether it is possible for those agricultural properties to connect to potable water.

The following provides some high-level findings:

- **Agriculture DCC rates vary but are quite low compared to other non-residential land uses:** municipalities and regional districts with agricultural lands vary in terms of whether they explicitly define agriculture in their DCC bylaws and if so, whether they charge DCCs for agricultural development approvals. Within the region, only two municipalities charge for water DCCs: Delta at \$1.67m² per gross floor area and Pitt Meadows at \$1.82m² per development area.
- **Applicable DCCs include water but not parks:** For jurisdictions that do charge DCCs on agricultural development approvals, categories generally include water, sometimes roads and drainage, but not sewer or parks.

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- **Agriculture definitions include non-farm commercial:** For jurisdictions with a category of DCCs applicable to agricultural development approvals, definitions focus on buildings on agricultural lands that require a water connection, including non-farm commercial businesses related to agricultural operations as permitted by the *Agricultural Land Commission Act* (e.g., small retail spaces or breweries).
- **Do not include complex requirements:** some municipalities, such as Abbotsford, used to request detailed information about water storage capacity for greenhouses, but noted this became too challenging to manage and eventually moved away from this approach, stressing the importance of keeping requirements or criteria as simple as possible.

Agricultural Water Use and Access

When considering appropriate rates and reductions for agricultural water DCCs, it is important to explore the relative demand for water use for various agricultural operations and structures (such as greenhouses). However, this is a complex matter given a lack of data availability as well as inconsistency in terms of access to potable and non-potable water sources in member jurisdictions. The following summarizes some of the key factors:

- The estimated use of potable water by the agriculture sector in Metro Vancouver is approximately 1.4% of total water use annually (2021 data self-reported by member jurisdictions). This includes all metered water use on agricultural lands and not solely agricultural production in structures or buildings. The potable water used by agricultural developments like greenhouses makes up a portion of this amount.
- Limited data is currently available to understand the specific water use of the agricultural sector, and its impact on regional water infrastructure. Implementing universal water metering could help provide data to best determine water use by various sectors. Most member jurisdictions currently require meters for Industrial, Commercial and Agricultural Users. While Metro Vancouver can require water metering for agricultural developments to be eligible for the DCC Reduction/waiver Bylaw, it cannot require universal metering, which includes the residential sector. Implementing universal water metering, to compare water use of different land uses, would need to be done at the member jurisdiction level across the region. Several members throughout the region currently require water metering and others are actively exploring.
- As the use of potable water is expensive for the agricultural sector, most producers actively use non-potable alternatives wherever possible, such as rainwater or river/stream water, and supplement with water storage and re-use systems. Representatives from the greenhouse sector noted their priority would be for non-potable freshwater sources such as Fraser, Serpentine, Nickomekl, and Pitt Rivers, and from ground water and rainwater, access to which is not consistent nor guaranteed depending on the time of the year and location-specific climate-related challenges, creating inequity throughout the region. Wherever possible, agricultural developments such as greenhouses will find ways to source non-potable water and utilize water re-use systems.
- The demand for potable water use in greenhouses is hard to predict and fluctuates depending on the season, crops grown and rounds of production applied on a yearly basis. Access to fresh water is also becoming less predictable, largely due to climate change

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challenges such as changes in rainfall, increased infiltration of the salt wedge into local rivers, the reduction in water flow in streams, creeks and rivers, and the dropping water table in groundwater aquifers typically used for irrigation. This could result in an increased demand for the potable water system.

Given the limited data availability, estimated small proportion of regional water used by agriculture, and general trends for the agricultural sector to seek to limit potable water use and apply water re-use systems, it is recommended that a significant reduction be applied to the current non-residential rate for agricultural development where regional DCCs would apply. Further details are provided in the recommendations section.

It is also recommended that further analysis be undertaken over time, using water metering to better understand specific water use by the agricultural sector and impacts to regional water infrastructure, and use evidence-based data to adjust rates as appropriate in the future.

Engagement with the Agriculture Sector

Staff led an engagement process to hear from the agricultural sector and gather feedback on the proposed interim measures. A more significant engagement process is planned for the larger DCC Bylaw update process (2025-2027), and ongoing engagement with the agricultural sector will be undertaken.

Members of Metro Vancouver's Agricultural Advisory Committee and representatives from key sectors were involved including: Greenhouse Growers Association, BC Landscape & Nursery Association, United Flower Growers Co-op, Delta Farmer's Institute, and the BC Agriculture Council. Regular touch points were also made with staff from the Ministry of Food and Agriculture and Agricultural Land Commission.

Key themes heard throughout the engagement included:

- DCC rates that are too high will impact viability of agricultural development and expansion
- It's very hard to predict how much potable water a greenhouse might use at the Building Permit stage so request that criteria be as simple as possible
- Non-potable water sources are the preferred option for agriculture as potable water is expensive; wherever possible, agricultural operators will seek to use non-potable water, capture rainwater, and re-use water for efficiency
- Water supply sources vary by municipality so access is not consistent across the region
- Climate change is impacting the availability of non-potable water sources and increasing the need for the agricultural sector to use potable water
- Need to acknowledge the ecosystem benefits of agriculture to the region (clean air and water, flood management, invasive species management, ecosystem services) as well as the contribution to local economy and food security, and public recreation/events
- Regional Parks DCCs should not apply to agriculture
- Do not like the term 'intensive agriculture' – prefer just using the term 'agriculture' for DCCs
- All municipalities and land uses should require water metering to promote conservation, effectively measure use and price accordingly, and identify and address leaks in the system

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Further details on the engagement process and feedback are provided in Attachment 3.

RECOMMENDATIONS

The following provides a summary of the proposed definition, approach, and criteria for a Water DCC Reduction and a Regional Parks DCC Waiver for agricultural developments that have been designed to have a low environmental impact.

Proposed Definition & Criteria of Agricultural Development Designed to Result in a Low Environmental Impact

The following proposed definition and eligibility criteria would be applicable to both the proposed Water DCC Reduction Bylaw and Regional Parks DCC Waiver Bylaw:

“agricultural development” — means any non-residential building or structure used for agricultural production and/or located on agricultural land that will connect to and use potable water. This includes, but is not limited to, greenhouses, retail nurseries, manufacturing and processing facilities for agriculture-related products, intensive indoor livestock operations, and non-farm commercial businesses related to agriculture as permitted by the *Agricultural Land Commission Act*.

Criteria for eligibility are:

- The proposed development meets the definition for “agricultural development”;
- The design plans submitted demonstrate that potable water consumption will be metered, and billed according to the metering by the member jurisdiction delivering the water; and
- The applicant provides a water management plan outlining how the proposed development will minimize potable water consumption and maximize conservation, particularly during peak demand season (May to September).

A DCC is not payable if the development is authorized by a Building Permit and the value of the work does not exceed \$50,000. A person may also apply to be exempted where the person is able to demonstrate that a proposed development will not impose new capital cost burdens on regional water infrastructure.

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Proposed Water DCC Reduction

The proposed Water DCC Reduction Bylaw would provide a 98% reduction for eligible agricultural developments as follows. This is, on average, commensurate with the rates of member jurisdictions in the region where agricultural water connections are relevant.

Year	Assist Factor	Current Water DCC Rates		Proposed – 98% Reduction	
		Per Square Foot (floor area)	Per Square Meter (floor area)	Per Square Foot (floor area)	Per Square Meter (floor area)
2025	45%	\$5.30	\$57.05	\$0.11	\$1.14
2026	15%	\$8.19	\$88.16	\$0.16	\$1.76
2027	1%	\$9.54	\$102.69	\$0.19	\$2.05

Proposed Regional Parks DCC Waiver

The proposed Regional Parks DCC Waiver Bylaw would provide a 100% waiver for eligible agricultural developments as follows. This aligns with the approach taken by other regional districts and municipalities surveyed who do not charge Parks DCCs for agricultural development.

Year	Current		Proposed – 100% Waiver	
	Per Square Foot (floor area)	Per Square Meter (floor area)	Per Square Foot (floor area)	Per Square Meter (floor area)
2025	\$ 0.24	\$ 2.58	\$ 0.00	\$ 0.00
2026	\$ 0.48	\$ 5.17	\$ 0.00	\$ 0.00
2027	\$ 0.94	\$ 10.12	\$ 0.00	\$ 0.00

ALTERNATIVES

1. That the GVWD/MVRD Board direct staff to develop Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact as described in the report dated March 21, 2025, titled “Proposed Criteria for Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact.”
2. That the MVRD Board receive for information the report dated March 21, 2025, titled “Proposed Criteria for Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development Designed to Result in a Low Environmental Impact.”

FINANCIAL IMPLICATIONS

DCC rates are established to recover the cost of growth infrastructure from the development industry and reduce the impact on existing rate payers. The non-residential category was calculated following the provincial best practices guide and largely focused on industrial and commercial growth impacts.

**Proposed Criteria for Development Cost Charge Reduction/Waiver Bylaws for Agricultural Development
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Should an agricultural development applicant meet the criteria to be eligible, the current Water DCC rate of \$5.30/sf will be reduced by 98% and Parks DCC rate of \$0.24/sf will be waived. Over the past 5 years, the number of building permits under this category ranged from 0 – 24 per year across the region with development sizes ranging from 150m² to up to 100,000m². This indicates significant variability in agricultural developments, and staff will continue to monitor the development applications and collection of DCCs and report back to the Finance Committee.

Should the Board choose alternative one, staff will proceed with creating a DCC Reduction Bylaw for Water at 98% of current rates and a DCC Waiver Bylaw for Regional Parks to waive 100% of charges. Further analysis will be undertaken through the full DCC Bylaw update process for 2027 to identify a long-term rate for agricultural development that is appropriate.

CONCLUSION

Metro Vancouver is proposing Development Cost Charge (DCC) Reduction/Waiver Bylaws for agriculture developments that are designed to result in a low environmental impact. This work was identified as a priority to resolve unintended consequences of Metro Vancouver's new water and regional parks DCCs on the agricultural sector. This report summarizes analysis undertaken, feedback from engagement, and proposes draft content to create a DCC Reduction Bylaw for Water (98% reduction) and DCC Waiver Bylaw for Regional Parks (100% waiver). Staff recommend alternative 1, to proceed with creating the bylaws. If supported by the Finance Committee and Boards, staff will return with the relevant DCC Reduction and Waiver Bylaws for endorsement in Spring 2025.

ATTACHMENTS

1. "Consideration of a Development Cost Charge Reduction for Intensive Agriculture", dated, February 5, 2025.
2. Consideration of Agriculture Categories: Food-production vs. Non-food Production.
3. What We Heard – Summary of Engagement.

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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: February 5, 2025

Meeting Date: February 13, 2025

Subject: **Consideration of a Development Cost Charge Reduction for Intensive Agriculture**

RECOMMENDATION

That the GVWD/GVS&DD/MVRD Board direct staff to advance work to analyze and propose a Development Cost Charge reduction for Intensive Agricultural developments that have a low environmental impact for Board consideration.

EXECUTIVE SUMMARY

This report outlines a proposed approach to address concerns raised by the agriculture industry about the impacts of Metro Vancouver Development Cost Charges (DCCs) on Intensive Agriculture. Metro Vancouver's DCC framework currently only has one non-residential rate, which may not be suitable for Intensive Agriculture developments given the small demand on infrastructure relative to their size of buildable area. There are four member jurisdictions that have an Intensive Agriculture rate for municipal DCCs, and these are relatively lower in comparison to the other non-residential categories.

In January 2025, a DCC work plan was endorsed by the Finance Committee that includes an update to residential and non-residential definitions, including consideration of Intensive Agriculture developments, for the next regional DCC bylaw update in 2027. As an interim measure, this report is seeking direction to develop a reduced DCC rate for Intensive Agriculture developments that meet criteria for low environmental impact. This could be achieved through a DCC reduction bylaw, which is permitted through the *Local Government Act*. If approved, staff will provide further analysis and draft a DCC reduction bylaw for Committee and Board discussion for approval Spring 2025.

PURPOSE

To seek Finance Committee and GVWD/GVS&DD/MVRD Board direction to undertake further analysis to develop a DCC reduction for Intensive Agricultural developments that have a low environmental impact and bring this back for Committee and Board consideration.

BACKGROUND

In November 2024, Metro Vancouver met with agriculture industry representatives including Metro Vancouver's Agricultural Advisory Committee and the Greenhouse Growers Association over their concerns regarding the impacts of Metro Vancouver's DCC costs on Intensive Agriculture developments. Intensive Agriculture refers to development such as greenhouses, retail nurseries, manufacturing and processing plants for agriculture related products, facilities used for intensive livestock purposes, and commercial businesses located within agricultural zones. Representatives

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expressed gratitude for the meetings, but were disappointed to have not been consulted during the development of the DCC rate update last year, noting the new DCC rates are significantly impacting the viability of agricultural development in the region. Metro Vancouver staff committed to addressing any unforeseen implications of the DCC program as soon as possible. This report provides an overview of the proposed short- and long-term solutions to address Intensive Agriculture through Metro Vancouver's DCC waiver/reduction bylaw and DCC program update.

ADDITIONAL CONTEXT

Metro Vancouver DCC Program Update

In January 2025, the Finance Committee endorsed a workplan to review and update Metro Vancouver's DCC program. This includes work in 2025 to review DCC rate categories, analyze differences in infrastructure demand and use, and propose updates to DCC rates based on new categories as well as new population projections and capital program costs. This work would inform the 2026 budget process to implement changes to the DCC program in 2027, with new rates taking effect in 2028. This work will provide a long-term solution to develop fair DCC rates for Intensive Agriculture development in the region that adequately captures the costs of infrastructure demand for this type of development. As an interim measure, Metro Vancouver staff propose an update to the DCC Waiver/Reduction Bylaw to provide a reduction for Intensive Agriculture development that has a low environmental impact. This will help to address the immediate needs of the agricultural sector for Intensive Agriculture developments that are not already exempt from regional DCCs (e.g., developments that have some impact on water or sewer infrastructure).

DCC Considerations for Intensive Agriculture

In conversations with Metro Vancouver, the agricultural industry has raised concerns around how Metro Vancouver's non-residential DCC rate is broadly applied to all commercial activity while the impact on growth infrastructure from agricultural uses can vary greatly. This variation is amplified based on the particulars of agricultural structures, such as greenhouses or nurseries that cover a large area of land and primarily use rainwater collection for operations, which do not use a commensurate amount of water as would other non-agricultural developments of a similar size. The regional DCC rate per square foot is currently based on an average of all non-residential groups which does not appropriately capture Intensive Agriculture's impact on infrastructure. This is resulting in a significant financial impact on new/expanded greenhouses to the point that this DCC rate could prevent intensive agricultural development within the region. As one of the key strategies in *Metro 2050* is to protect and strengthen agricultural viability, it is important to address this unintended consequence of the regional DCC program in the immediate term (through expanding the waiver/reduction bylaw), and to find an appropriate long-term solution and appropriate rate through the review and update of the DCC program.

In addition, the employment projections used for developing the Metro Vancouver non-residential rate did not include agriculture, and Metro Vancouver Water Services estimates that agriculture comprises a small percentage of projected growth for non-residential uses. More data is needed to quantify the impact of Intensive Agriculture on growth infrastructure, and this work will be completed as part of the DCC Program update, in addition to further refining non-residential categories and definitions. Given that any update to the regional DCC bylaw will require review by

Consideration of a Development Cost Charge Reduction for Intensive Agriculture

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the Provincial Inspector, this is a lengthy process and is best addressed through the comprehensive update in 2027.

In the meantime, an interim solution is needed to address Intensive Agriculture developments that occur before the new DCC rates are implemented in 2028.

Interim Solution: Expand the DCC Waiver/Reduction Bylaw to Include Intensive Agriculture with Low Environmental Impact

The *Local Government Act* outlines two situations where DCCs may not apply or fully apply: exemptions and waivers/reductions. DCC exemptions can apply in specific circumstances. For example, when a development does not impact or add an additional burden on infrastructure, or a building permit value is below \$50,000. Metro Vancouver was able to work with one Intensive Agriculture applicant who was able to prove, with a Qualified Professional report, that the proposed greenhouse development would not place an additional burden on infrastructure as all water used was from collected rainwater and was therefore exempt from regional DCCs. However, for future applications that may have some impact on infrastructure, it is important for Metro Vancouver to have a solution to ensure that the viability of agricultural development is not impacted before the DCC Bylaw is updated in 2027. This could be done in the interim through a partial waiver/reduction.

Waivers/reductions are permitted, pursuant to a waiver/reduction bylaw, only for developments that are not-for-profit rental housing, for-profit affordable rental housing, or designed with a low environmental impact. The only applicable category for Intensive Agriculture would be for developments designed with a low environmental impact. To create a reduced DCC for Intensive Agriculture developments that have a low environmental impact, staff would need to establish the following as per the *Local Government Act* section 563:

- a definition of what constitutes an eligible Intensive Agriculture development or class of eligible developments;
- the requirements or criteria to be met (such as lower water use measures); and
- the reduced rate (e.g., amount or percentage of DCC fees to be waived).

Staff propose to work with member jurisdictions with Intensive Agriculture developments, and to analyze potential impacts to regional infrastructure, to develop these criteria and bring back a proposed DCC waiver/reduction bylaw for Committee and Board consideration in Q2 of 2025.

ALTERNATIVES

1. That the GVWD/GVS&DD/MVRD Board direct staff to develop a Development Cost Charge reduction for Intensive Agricultural developments that have a low environmental impact for Board consideration.
2. That the Finance Committee receive for information the report dated February 5, 2025, titled "Consideration of a Development Cost Charge Reduction for Intensive Agriculture."

Consideration of a Development Cost Charge Reduction for Intensive Agriculture

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FINANCIAL IMPLICATIONS

In the Metro Vancouver region there are four municipalities that have a specific Intensive Agriculture DCC rate; Richmond, Surrey, Delta and Pitt Meadows, and rates range from \$0 to \$9.24 per square metre based on 2025 rates. Metro Vancouver's non-residential rate for water and parks combined is \$59.63 per square metre based on 2025 rates, which would encompass Intensive Agriculture developments. Further, over the past 5 years, the number of building permits under this category can range from zero to over 4 per year with a development size range of just over 150 square meters of buildable area to over 101,000 square meters of gross floor area. This indicates significant variability in Intensive Agriculture developments, which creates difficulty in assessing future foregone DCC revenues and financial implications.

Should the Board choose alternative one, further analysis is required to determine the criteria and the applicable DCC rate for Intensive Agriculture development that would be eligible for a DCC reduction. Further analysis of financial implications will be provided should the Board direct staff to pursue the development of DCC partial waiver/reduction for Intensive Agriculture development.

CONCLUSION

Metro Vancouver has met with agricultural industry representatives over their concerns regarding the impacts of Metro Vancouver's DCC costs on Intensive Agricultural developments (such as greenhouses) who noted the current rates are threatening the viability of agricultural development in the region. While Metro Vancouver is undertaking a work plan to update its DCC program, the changes will not take effect until 2028. In the meantime, an interim solution is proposed for Board consideration. Staff propose undertaking further analysis to develop criteria for a DCC partial waiver/reduction for Intensive Agriculture developments that can be shown to have a low environmental impact, that is, a low impact in terms of water use. Staff recommend Alternative 1 to direct staff to undertake the work to develop a DCC reduction for Intensive Agriculture for Board consideration.

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Attachment 2 - Consideration of Agriculture Categories: Food-production vs. Non-food production

A question was raised at the Finance Committee February 2025 meeting as to whether DCC reductions could be applied to food production development, but not to cannabis cultivation development. Staff explored applicable legislation and engaged with the agricultural sector, Ministry of Food and Agriculture, and staff from the Agricultural Land Commission.

It was generally advised not to base a DCC reduction on what is proposed to be grown within an agriculture structure for the following reasons:

- **Logistical:**
 - What is grown in a greenhouse can change over time. The cannabis sector is changing and is challenged with remaining as viable as it was previously during the early days of legalization. As noted in the City of Delta's Agricultural Plan, "Since the legalization of cannabis in 2018, there have been expansions and contractions within that industry locally. Some existing greenhouses have converted to cannabis production and new greenhouses have been constructed for cannabis production, while conversely more recently some cannabis greenhouses have reverted back to growing fruit and vegetables. This fluctuation points to the fluidity of these commodities and the ability of Delta operators to shift production with market demand."
 - Cannabis is essentially a horticulture product and also used in a variety of food and medicinal products. This would make it challenging to value certain food products or horticultural products over others and may unintentionally impact other agricultural sectors in the region.
 - Given that DCCs are collected at the Building Permit stage, it would be challenging to demonstrate what crops would be grown over time. While it may be possible to receive referrals of federal licenses to produce cannabis, this may not be available at the Building Permit stage. Additionally, any review of referrals and monitoring and maintaining information on crop production would need to be conducted at the municipal level, requiring time and resources.
 -
- **Impact on Agricultural Producers:**
 - Given the fluidity of market demand and the challenges of maintaining viable agricultural operations, the agricultural sector has consistently stressed the need for all agricultural crops to be treated equally. The Ministry of Agriculture and Food has supported this approach and reflected this in Provincial legislation.
 - Restricting DCC reductions solely to agricultural operations that are currently dedicated to food production would negatively impact other key regional agricultural producers, such as landscaping nurseries, flower growers, and medicinal plant growers.

Given the complex nature of this topic, it is advisable to keep requirements simple, acknowledging that agricultural products benefit our region, whether fresh food, food additives, medicinal products, landscaping material, or other industrial/specialty crops. As a reduction in current DCC rates is critical to support the viability of any agricultural business in the region, it is recommended that it apply to all eligible agricultural applications, regardless of what is produced, as long as they are designed to result in a low environmental impact.

Attachment 3: What We Heard – Summary of Engagement

Audience	Input and Feedback
Metro Vancouver Agricultural Advisory Committee (AAC)	November 2024 Presentation and Discussion
Discussion and Comments:	<ul style="list-style-type: none"> Members voiced disappointment at not being consulted during the last DCC update consultation period. Metro Vancouver acknowledges the introduction of the Water and Regional Parks DCCs have impacts on the agricultural sector. Identified this as a time sensitive matter as producers are currently preparing building permits for expansion applications and greenhouses can only be built at certain times of the year. Metro Vancouver recognizes the urgency and implications of the issue and commits to addressing the issue as soon as possible, however, this will require guidance and confirmation from the MVRD Board. Provincial legislation determines what can be exempted in a DCC bylaw – agriculture is not eligible. Metro Vancouver Next Steps: <ul style="list-style-type: none"> gather data on how agriculture was included in growth assumptions for the capital program; and work with municipalities to understand how they are considering agriculture in their respective DCC program.
Metro Vancouver Agricultural Advisory Committee (AAC)	February 2025 Update Presentation and Discussion
Discussion and Comments:	<ul style="list-style-type: none"> Committee members generally felt the definition of Intensive Agriculture was problematic as all agriculture is intensive, and felt it was more appropriate to refer to water as potable water given how it is used for many different types of applications Concern that climate change is impacting water access and driving the need for utility upgrades. Noted that using universal water metering would support all users to pay their fair share. Concerned about local ability to compete with California, Mexico and overseas with rising costs and with increasing climate change challenges and how that affects access to non-potable water Participants felt all agricultural products should be treated the same particularly with the application of any DCC reductions Reiterated that farmland provides ecosystem services for the region that are not factored into contributions made to supplement regional and local infrastructure

General Public / Agricultural Sector	March 6 – 20, 2025 Metro Vancouver Public Survey
	<p>Total responses: 20 Total responses from individuals: 13 Total responses on behalf of an organization: 7 Respondent farm locations: Maple Ridge, Delta, Richmond, Burnaby, Township of Langley, Surrey</p>
<p>General responses to Question 1: What are your thoughts on the draft definition of intensive agriculture?</p>	<ul style="list-style-type: none"> • Overall respondents found the definition acceptable but felt the use of the word “intensive” should be removed.
<p>General responses to Question 2: What are your thoughts on Metro Vancouver draft criteria?</p>	<ul style="list-style-type: none"> • There was a split between respondents who found the criteria acceptable and those that felt it needed to be simplified so as not to overly burden farmers. Respondents identified that water is needed for many types of farming activities, but highlighted that rainwater collection is a current practice that reduces the need for potable water for most of the year. • Comments also identified that federal regulations on food and safety require a certain level of treated water for washing vegetables and dairy milking equipment and farmers are audited to make sure these standards are being applied and met. • Respondents supported water meters for all water users.
<p>General responses to Question 3: What feedback do you have on this proposed approach?</p>	<ul style="list-style-type: none"> • Some respondents felt the interim measure should be extended to provide more time to research and understand implications. • One respondent felt that soil-based agriculture should be located on farmland and non-soil-based production onto rooftops of industrial buildings and residential and commercial development to boost food security; indicated there is enough land for agriculture, the challenge is there is no irrigation to bring the land into production. • Several respondents were in favour of a significant reduction or full waiver of DCCs for agricultural production questioning the degree to which agriculture impacts regional water infrastructure. • Other respondents expressed concern about the viability of local farming and felt support was necessary for farms to conduct business and provide food for the local population. • Concerned that a water DCC would create additional financial burden or limitations on farmers needing to build, for example, a produce grading room that requires some water.

	<ul style="list-style-type: none"> Concern that farmers in the Metro Vancouver region are facing additional tax burdens and costs compared to other areas/regions and the effect this has on food security and farm business livelihood. Concern about increased costs to farmers in general, particularly small farms, and the overall challenge to produce food in this region including with the current geopolitical economic challenges facing Canadians.
Agricultural Sector	March 13, 2025 Metro Vancouver Agriculture DCC Webinar
Discussion and Comments:	<ul style="list-style-type: none"> Webinar participants generally felt the term “Intensive Agriculture” was problematic as all agriculture is intensive and felt it was more appropriate to refer to “water” as “potable water” given how it is used for many different types of applications It was noted that agricultural production needs to hit a certain level of intensity in order to keep the business operating Concern that climate change is impacting water access and driving the need for utility upgrades. Noted that using universal water metering would support all users to pay their fair share. Concerned about local ability to manage rising costs associated with increasing climate change challenges and how that affects access to non-potable water Participants felt all agricultural products should be treated the same particularly with the application of any DCC reductions (e.g., should not distinguish between food production vs. cannabis or other horticultural products). Reiterated that farmers look after a lot of land in Metro Vancouver (approx. 22%) including removing invasive species and supporting other ecosystem services such as clean air, water. Webinar participants confirmed the presence of a municipal water line on an agricultural property doesn’t mean there’s a lot of water being used; the agricultural sector avoids using potable water as much as possible given it is fairly costly; seeking equity in use of water meters across the region so they can be charged for what they use rather than simply being charged for a water connection
City of Abbotsford	March 2025 Telephone Correspondence
General Discussion with Planning staff	<ul style="list-style-type: none"> Abbotsford does charge DCCs to the agriculture sector but only for water supply; distribution DCCs are not charged to the agricultural sector Abbotsford has a comprehensive potable water system, including extensive infrastructure, to provide potable water to the agricultural sector; it is widely prescribed To prevent overflow to local creeks and streams, stormwater ponds are required on site which double for rainwater retention; rainwater and other non-potable sources of water are a priority use for agriculture due to the cost of potable water use

	<ul style="list-style-type: none"> In the past, Abbotsford has used various types of restrictions and reporting requirements to confirm low potable water use; however, these have been cumbersome to administer and have been removed
Fraser Valley Regional District	March 2025 Telephone and Email Correspondence
General Discussion with Planning Staff	<ul style="list-style-type: none"> Confirmed their “non-residential” DCC category does not include agriculture
Township of Langley	February and March 2025 Telephone and Email Correspondence
General Discussion with Planning Staff	<ul style="list-style-type: none"> Confirmed most greenhouses would never connect to potable water because the infrastructure doesn’t go far enough to allow for connections Langley Waterworks Bylaw defines Intensive Agriculture Confirmed their DCC bylaw does not include agriculture Residential uses on agricultural land are high water users (e.g., lawn watering)
Capital Regional District (CRD)	February 2025 Email Correspondence
General Discussion with Planning Staff	<ul style="list-style-type: none"> Confirmed that the CRD does not charge DCC for agricultural uses

Reference Items:

The following items were referenced to support engagement outreach:

1. City of Pitt Meadows [Development Cost Charges Bylaw, No. 2995, 2024](#)
2. City of Richmond [Development Cost Charges Bylaw, No. 9499, 2017](#)
3. City of Surrey [Development Cost Charges Bylaw, No., 21174, 2024](#)
4. City of Maple [Ridge Development Cost Charges Bylaw, No. 7863, 2022](#)
5. Township of Langley [Development Cost Charges Bylaw, 5897, 2024](#)
6. City of Abbotsford [Development Cost Charges Bylaw, 3174, 2021](#)
7. City of Chilliwack [Development Cost Charges Bylaw, 2689, 2024](#)
8. Fraser Valley Regional District [Development Cost Charges Bylaw, 1096, 2011](#)
9. Squamish Regional District [Development Cost Charges Background Study, February 2025](#)
10. Capital Regional District [Proposed Regional Water Supply Development Cost Charges Program](#)

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Water District

Board Meeting Date – Friday, May 23, 2025

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

Water Committee – May 14, 2025

Delegations:

No delegations presented

Information Items:

- E1 Water Supply Update for Summer 2025
- E2 Wildfire Preparedness Update