

METRO VANCOUVER REGIONAL DISTRICT GOVERNANCE COMMITTEE

MEETING

Thursday, July 9, 2026

9:00 am

Revised

The meeting will be held electronically on the Zoom platform

Members of the public may register to attend electronically to watch and hear the meeting. Please visit our website for registration and for information about attending the meeting.

The link to the July 9, 2026 Governance Committee meeting page is

<https://metrovancover.org/boards/meeting/3356>

REVISED AGENDA

A. ADOPTION OF THE AGENDA

1. July 9, 2026 Meeting Agenda

THAT the Governance Committee adopt the **revised** agenda for its meeting scheduled for July 9, 2026 as circulated.

B. ADOPTION OF THE MINUTES

1. June 18, 2026 Meeting Minutes

THAT the Governance Committee adopt the minutes of its meeting held June 18, 2026 as circulated.

pg. 5

C. DELEGATIONS

D. INVITED PRESENTATIONS

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Engagement Summary on Potential Changes to the Size and Structure of Each of Metro Vancouver's Boards of Directors

Report dated June 30, 2026 from Lucy Duso, Division Manager, Collaboration and Engagement, External Relations.

pg. 10

Executive Summary

The 2025 independent Metro Vancouver Board Governance Review concluded that there is an opportunity to optimize the size and structure of Metro Vancouver's four Boards to improve governance effectiveness, oversight, and enhance decision making and risk management. Consideration of such options is a major workplan item for the Governance Committee and Boards in 2026.

This report summarizes feedback from engagement activities undertaken on potential changes to the size and structure of each of Metro Vancouver's four Boards.

Deloitte Canada interviewed Board Directors, Mayors, and provincial representatives. A report from their engagement is Attachment 1 to report E2 in the Governance Committee agenda for meeting date July 9, 2026. In addition, staff, with support from Deloitte Canada, conducted engagement with the following audiences:

- Council of Councils (110 participating elected officials from across the region);
- Two presentations to member Councils upon request;
- Member jurisdiction staff through a Joint Advisory Committee webinar (with RAAC, RFAC, REAC and RPAC members);
- Public input through 2 public webinars (100+ registered), an online survey (530 completed surveys), market research (regional representation), and Metro Vancouver's Youth and Education Advisory Panel; and
- Written responses from First Nations and Board Directors (Attachment 2).

A full engagement summary including the engagement promotions, activities, and further detail on the input heard is found in Attachment 1 to this report. Input was sought on a series of options for potential changes to size and structure considered by the Governance Committee and Boards for the MVRD, MVHC, GVWD, and GVS&DD Boards.

Recommendation

THAT the MVRD Board receive for information the report dated June 30, 2026, titled, "Engagement Summary on Potential Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors".

2. **Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Boards of Directors**

pg. 59

Report dated June 30, 2026 from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning.

Executive Summary

The 2025 independent Metro Vancouver Board Governance Review recommended optimization of the size and structure of Metro Vancouver's four Boards to improve governance effectiveness and oversight, and to enhance decision making and risk management. This report goes through each of the options considered by the Governance Committee and Boards in March / April of this year for each of Metro Vancouver's four Boards. It provides a summary of engagement, initial and additional option analysis, and implementation mechanisms, as well as sample recommendations that would advance that option.

In summary, for the MVRD Board, across audiences, the preferred option is to Cap the Number of Directors at 3 per Member Jurisdiction, maintaining the proportional voting, bringing the Board size to 34, and slowing growth of the Board over time. For the GVWD and GVS&DD Boards, the preferred option across audiences is to align with any changes made to the MVRD Board, and to add a Major Capital Projects Committee with some delegated authority, comprised of a mix of elected officials and external, appointed Directors with technical expertise to improve focus and oversight for the largest, most complex utility capital projects. For the MVHC Board, the results were split across audiences with no clear direction for change at this time.

In addition, other ideas, both regarding the size and structure of the Boards, as well as broader governance ideas, generated through engagement are provided. A separate report in the July 9, 2026 agenda package summarizes, in greater detail, feedback from engagement undertaken on potential changes to the size and structure of each of Metro Vancouver's four Boards.

Staff is seeking Governance Committee support for, and advancement of, recommended options for each of Metro Vancouver's four Boards of Directors from the options outlined in the report dated June 30, 2026, titled "Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's four Boards of Directors" to advance to the July 24, 2026 Board meeting for consideration by the MVRD, MVHC, GVWD, and GVS&DD Boards. Recommendations will be advanced to the Boards through a cover report to this report.

Recommendation

THAT the Governance Committee receive for information the report dated June 30, 2026, titled "Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors".

Added

This report has been revised to add Attachment 5.

3. Manager's Report

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Report dated June 18, 2026 from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning.

Recommendation

THAT the Governance Committee receive for information the report dated June 18, 2026 titled "Manager's Report".

F. INFORMATION ITEMS

G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

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

I. ADJOURNMENT

THAT the Governance Committee adjourn its meeting of July 9, 2026.

Membership:

Chair, Lisa Dominato, Vancouver
Vice Chair, Dylan Kruger, Delta
Burnaby, Sav Dhaliwal

Coquitlam, Teri Towner
Langley City, Paul Albrecht
North Vancouver District, Lisa Muri

Pitt Meadows, Nicole MacDonald
West Vancouver, Mark Sager
Province of BC, Andrew Mercier



METRO VANCOUVER REGIONAL DISTRICT GOVERNANCE COMMITTEE

MEETING

Thursday, June 18, 2026

9:00 am

The meeting was held electronically on the Zoom platform

MINUTES

MEMBERS PRESENT:

Chair, Lisa Dominato, Vancouver*

Vice Chair, Dylan Kruger, Delta* (departed at 10:22 am)

Burnaby, Sav Dhaliwal*

Coquitlam, Teri Towner*

Langley City, Paul Albrecht*

North Vancouver District, Lisa Muri* (departed at 10:22 am)

Pitt Meadows, Nicole MacDonald* (departed at 9:49 am)

West Vancouver, Mark Sager*

Province of BC, Andrew Mercier*

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

OTHERS PRESENT:

Shayne Gregg, Partner, Governance & Risk, Deloitte Canada

STAFF PRESENT:

Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer

Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Nikki Tilley, Acting Corporate Officer

A. ADOPTION OF THE AGENDA

1. June 18, 2026 Meeting Agenda

It was MOVED and SECONDED

THAT the Governance Committee adopt the agenda for its meeting scheduled for June 18, 2026 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES**1. April 9, 2026 Meeting Minutes****It was MOVED and SECONDED**

THAT the Governance Committee adopt the minutes of its meeting held April 9, 2026 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER**1. Code of Conduct for Elected Officials Policy – Review Update**

Report dated May 26, 2026, from Nikki Tilley, Acting Division Manager, Board Secretariat, providing a revised *Code of Conduct for Elected Officials Policy* to the Governance Committee and MVRD Board for consideration.

Nikki Tilley provided a presentation titled “Draft revised Code of Conduct for Elected Officials Policy”, which outlined the sections added to the revised *Code of Conduct for Elected Officials Policy* on confidentiality, conflicts of interest, and the acceptance of gifts.

The Committee discussed proposed provincial legislation, Bill 17, on Codes of Conducts, which received first reading on April 2, 2026. The Legislative Assembly has taken their summer recess, and the next time the Bill could be further considered is after the Legislative Assembly returns on October 5, 2026.

Committee members noted that further consideration of additional revisions to the *Code of Conduct for Elected Officials Policy* should take place once further information is available regarding the provincial legislation, likely in Q1, 2027.

It was MOVED and SECONDED

THAT the MVRD Board adopt the revised *Code of Conduct for Elected Officials Policy* as presented as Attachment 1 to the report titled “Code of Conduct for Elected Officials Policy – Review Update”, dated May 26, 2026.

CARRIED

2. Conflict of Interest and Payment of Legal Opinions Policy – Review Update

Report dated June 4, 2026, from Jerry W. Dobrovolsky, Commissioner/Chief Administrative Officer, providing a revised *Conflict of Interest and Payment of Legal Opinions Policy* to the Governance Committee and MVRD Board for consideration.

Committee members discussed the proposed policy and asked that staff review the structure of the policy, consider whether non-pecuniary conflicts of interest should be included in the policy, and whether there should be changes to the approval process for payment of a legal opinion.

It was MOVED and SECONDED

THAT the Governance Committee refer the report titled “Conflict of Interest and Payment of Legal Opinions Policy – Review Update”, dated June 4, 2026 to staff for additional review.

CARRIED

3. MVRD Board April 24, 2026 Referral of Notice of Motion from Director Kooner

Report dated May 18, 2026, from George Kavouras, Director, Procurement, Procurement and Real Estate Services, and Linda Sabatini, Chief Financial Officer, Financial Services, providing the Governance Committee with the Notice of Motion from Director Kooner referred from the MVRD Board for information and consideration.

9:46 am Director MacDonald left the meeting.

It was MOVED and SECONDED

THAT the Governance Committee receive for information the report dated May 18, 2026, titled “MVRD Board April 24, 2026 Referral of Notice of Motion from Director Kooner.”

CARRIED

4. Emergency Management Service Delivery by Small Communities

Report dated May 29, 2026, from Marcin Pachcinski, Division Manager, Electoral Area, Planning and Analytics, Regional Planning and Housing Services, and Brant Arnold-Smith, Director, Protective Services and Emergency Management, Corporate Services, presenting the completed report on emergency management service delivery by small communities to the Governance Committee and MVRD Board for consideration.

Marcin Pachcinski provided a verbal overview of the report as well as a summary of the Electoral Area Committee’s discussion on the matter from their June 17, 2026 Special meeting. The Governance Committee received a summary of this feedback in an On Table information report titled “Emergency Management Service Delivery by Small Communities,” dated June 17, 2026.

It was MOVED and SECONDED

THAT the MVRD Board:

- a) receive for information the report dated May 29, 2026, titled “Emergency Management Service Delivery by Small Communities”;
- b) request that the Board Chair forward a copy of the report dated May 29, 2026 titled “Emergency Management Service Delivery by Small Communities” to Anmore, Belcarra, Bowen Island, Lions Bay, and Tsawwassen First Nation with an offer of a presentation to Council upon request; and
- c) request that the Board Chair send a letter on behalf of the MVRD to the Honorable Kelly Greene, Minister of Emergency Management and Climate Readiness, to share a copy of the report dated May 29, 2026, titled “Emergency Management Service Delivery by Small Communities”; and to request replacement of the current competitive grant funding model with stable long-term direct funding to support local authorities with the implementation of the Emergency and Disaster Management Act.

CARRIED

5. Manager’s Report

Report dated May 22, 2026, from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning, providing the Governance Committee with an update on engagement on consideration of size and structure options for the Boards, as well as an update on the Work Plan.

It was MOVED and SECONDED

THAT the Governance Committee receive for information the report dated May 22, 2026, titled “Manager’s Report”.

CARRIED

F. INFORMATION ITEMS

No items presented.

G. OTHER BUSINESS

No items presented.

H. RESOLUTION TO CLOSE MEETING

No items presented.

10:22 am Vice Chair Kruger and Director Muri left the meeting.

I. ADJOURNMENT**It was MOVED and SECONDED**

THAT the Governance Committee adjourn its meeting of June 18, 2026.

CARRIED

Time 10:23 am

Nikki Tilley,
Acting Corporate Officer

Lisa Dominato,
Chair

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To: Governance Committee

From: Lucy Duso, Division Manager, Collaboration and Engagement, External Relations

Date: June 30, 2026 Meeting Date: July 9, 2026

Subject: **Engagement Summary on Potential Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors**

RECOMMENDATION

THAT the MVRD Board receive for information the report dated June 30, 2026, titled, "Engagement Summary on Potential Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors".

EXECUTIVE SUMMARY

The 2025 independent Metro Vancouver Board Governance Review concluded that there is an opportunity to optimize the size and structure of Metro Vancouver's four Boards to improve governance effectiveness, oversight, and enhance decision making and risk management. Consideration of such options is a major workplan item for the Governance Committee and Boards in 2026.

This report summarizes feedback from engagement activities undertaken on potential changes to the size and structure of each of Metro Vancouver's four Boards.

Deloitte Canada interviewed Board Directors, Mayors, and provincial representatives. A report from their engagement is **Attachment 1** to report E2 in the Governance Committee agenda for meeting date July 9, 2026. In addition, staff, with support from Deloitte Canada, conducted engagement with the following audiences:

- Council of Councils (110 participating elected officials from across the region);
- Two presentations to member Councils upon request;
- Member jurisdiction staff through a Joint Advisory Committee webinar (with RAAC, RFAC, REAC and RPAC members);
- Public input through 2 public webinars (100+ registered), an online survey (530 completed surveys), market research (regional representation), and Metro Vancouver's Youth and Education Advisory Panel; and
- Written responses from First Nations and Board Directors (**Attachment 2**).

A full engagement summary including the engagement promotions, activities, and further detail on the input heard is found in Attachment 1 to this report. Input was sought on a series of options for potential changes to size and structure considered by the Governance Committee and Boards for the MVRD, MVHC, GVWD, and GVS&DD Boards.

PURPOSE

This report summarizes input received through engagement on potential changes to the size and structure of each of Metro Vancouver's four Boards with an aim to improve governance effectiveness, oversight, decision making, and risk management.

BACKGROUND

At its meeting January 22, 2026, the MVRD Board endorsed a process for the Governance Committee and Boards to consider potential changes to board size and structure to improve governance, and to outline any legislative changes necessary to implement any recommended changes. In February, the Governance Committee and MVRD Board endorsed an evaluation methodology for this work including problem statements for each board, evaluation criteria, and preliminary weighting. In March, the Governance Committee considered options for change stemming from the 2025 Deloitte Canada Board Governance Review for the MVRD and MVHC Boards. In April, the Committee considered options for the GVS&DD and GVWD Boards along with a presentation from Dana Hayden, Hayden Consulting, on a potential Major Projects Committee. The Boards received the same presentation at the May Board meetings.

An engagement plan was shared to the MVRD Board in March 2026 in a report dated February 27, 2026, titled 'Approach to Engagement on Consideration of the Size and Structure of each of the Four Metro Vancouver Boards'. This report described how the engagement will be co-delivered by Deloitte Canada and Metro Vancouver staff, and that the engagement program will reach a range of audiences including:

- Governance Committee members and Board Directors
- Member jurisdictions (elected officials and staff)
- Local First Nations
- Metro Vancouver staff
- The provincial government (elected officials and staff)
- Public

The engagement period for considering potential changes to board size and structure kicked off on April 25, 2026 at the Council of Councils meeting and largely concluded on June 14, 2026, with some additional activities for member jurisdiction staff. This report summarizes the findings and input received.

ENGAGEMENT PROCESS

The engagement program involved Governance Committee members and Board Directors, Member jurisdictions (elected officials and staff), local First Nations, Metro Vancouver staff, the provincial government (elected officials and staff), and the public. Tactics included background materials, in-person interviews, an opt-in survey, a market research survey, webinars, and the opportunity to provide written comments. All audiences had opportunities to provide feedback on proposed options for board size and structure, as well as on the outcomes of the options, such as efficiency, decision making, and oversight. Input was also received on additional governance issues.

ENGAGEMENT FOCUS: OPTIONS FOR CHANGES TO METRO VANCOUVER'S FOUR BOARDS

Engagement focused on the options described in Deloitte Canada's Metro Vancouver Board Governance Review Report from May 2025. Specifically, the options under consideration are:

For the MVRD Board:

- Status Quo
- One director per member jurisdiction
- Cap the number of directors at 3 per member jurisdiction
- Change threshold per vote to 25,000 residents (from 20,000)
- Each director has up to 7 votes (instead of 5).

Engagement Summary on Potential Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors

Governance Committee Regular Meeting Date: July 9, 2026

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For the two utility Boards, GVWD and GVS&DD:

- Status Quo
- Follow any changes made for the MVRD Board
- Smaller 'hybrid' board with a blend of elected and external appointed directors
- Although not a change to the boards, an additional option was discussed specific to the utility boards: to add a Major Capital Projects Committee, with both local elected officials and external appointed directors.

For the MVHC Board:

- Status Quo
- Align with any change made for the MVRD Board
- Smaller 'hybrid' board with blend of elected and external appointed directors
- Fully appointed non-profit board.

These options and their impacts on Board size and governance are described in staff reports, on the Metro Vancouver webpage, in presentations, and made available for download and print.

ENGAGEMENT PARTICIPATION

Deloitte interviewed Board Directors, Mayors, and provincial representatives. 110 elected representatives participated in the Council of Councils session. About 150 senior municipal staff were invited to participate in a webinar and to complete a survey or send in comments. A representative sample of residents were surveyed through market research. 530 people participated in the online survey. Over 100 people registered for the public webinars, with participation from a range of sectors and interests including academics in local governance, government, residents, and businesses. 12 youth engaged through Metro Vancouver's Youth and Education Advisory Panel. Presentations were made on to two municipal councils at their request.

Over 6,600 subscribers to the *Metro Vancouver Update* received the engagement information through a newsletter. Over 360,000 were notified about the engagement opportunity through online and print promotions and advertising impressions reached 2.6 million.

Deloitte's Interviews with Board Directors, Mayors, and Provincial Representatives

Deloitte conducted confidential consultations with Board Directors, other elected officials, and a select group of external stakeholders between April 27 and June 5, 2026. The following is an excerpt from the Executive Summary.

"Feedback from the independent consultation process reinforces that Metro Vancouver's current governance model continues to provide a strong foundation, but regional growth, emerging regulations, capital project complexity, and board composition has increased pressure on how the Boards operate and govern. Across all areas relating to Board size and structure, there areas of strong alignment and also strong divergence in views. While certain themes are widely shared, there is no singular or uniform position on the optimal path forward given the equal balance of advantages and disadvantages inherent in each option. Instead, the findings reflect a set of common widely considerations that will need to be balanced as the governance structure evolves.

Key observations from the independent consultation process include:

- **Board size remains a concern**, with broad consensus that the projected trajectory into the future is not sustainable and is impacting effectiveness, efficiency, and quality of discussion.
- **There is general support for a reduced or capped MVRD Board size**, particularly if proportional voting strength is preserved - although views differ on how far reductions should go and how they might be achieved.
- **Representation versus efficiency remains a central trade-off**, with recognition that fewer seats may improve effectiveness and efficiency but reduce the diversity of municipal perspectives.
- **Utilities governance reflects a tension between accountability and expertise**, with no clear consensus on whether to maintain a fully elected model or move toward a hybrid structure.
- **There is significant support for the consolidation of the current four sewer areas into one regional area** (as it is for the water district).
- **There is strong support for delegating technical oversight of major capital projects** through the creation of a Major Capital Projects Committee.
- **The MVHC Board is generally viewed as functioning effectively**, with limited appetite for structural change beyond targeted refinement to maintain alignment with the MVRD Board.
- **Near-term governance improvements are a priority**, particularly those that can be implemented ahead of the next Board term, while more substantive changes are expected to require provincial engagement.
- **Understanding and confidence in governance processes varies**, particularly with respect to the roles of committees, perceived confidence in information received, and the extent to which current structures reduce workload. Some of these challenges were attributed to the volume of information received and the resources and time available to the Director to assess it, as well as their desire to seek support from staff in reviewing it.
- **Opportunities exist to strengthen several other governance mechanisms**, including Director onboarding and education, Board and Committee nominations, and Board discipline. Almost all Directors indicated Board size and structure was a contributor to governance challenges within the Board, however they were quick to identify concerns regarding Director behaviour as a more predominant driver. A recurring theme across almost all interviews was a frustration with a marked increase during the current term in negative attitudes and behaviours from some Board members despite the recent introduction of a code of conduct."

Council of Councils

Council of Councils was attended by 110 local elected officials. Mentimeter was used to survey participants' opinions on potential changes to the size and structure of Metro Vancouver's four boards.

- 94% of respondents felt that changing the MVRD Board size/structure would improve decision-making and governance.
- 95% of respondents conveyed that it is important for Councils across the region at the MVRD Board to continue to collaborate to deliver regional services.
- The top priority outcomes identified for making any changes to the MVRD Board were:
 - Efficient, effective decision making
 - Accountability and transparency
 - Ensuring the option is sustainable for managing board size into the future
- In assessing the options for the MVRD Board, the most popular option was 'capping the number of directors per member jurisdiction to 3' to achieve the above outcomes.

- 78% of respondents supported a greater focus on major capital projects for the GVS&DD and GVWD Boards — either through a major projects committee or a smaller board comprised of both elected officials and external, independent appointed directors
- For Metro Vancouver Housing, the preferred option was split between a smaller board with a mix of external housing sector and elected directors and continuing to align with the MVRD Board.

Member Jurisdiction Staff

Member jurisdiction staff participated through standing meetings, a webinar, and the opt-in survey (representing about 50 of the completed forms). Metro Vancouver hosted a Joint Advisory Committee webinar, including polling questions, for RAAC, RFAC, REAC, and RPAC members on June 18, 2026.

- Over half of the participants (54%) indicated that changes to board size and structure would “somewhat” improve how Metro Vancouver makes decisions and governs its services, while most of the remaining selected “a great deal” (22%), or needed more information before deciding (15%).
- When asked to consider the four options for the MVRD Board, the top selection was capping the number of directors at three per member jurisdiction (34).
- Most responded that there are different considerations for the utility boards than the regional district board (80%) and 41% expressed support for additional oversight / focus on major capital infrastructure projects.
- For the MVHC, most (79%) identified a preference for a smaller board with external housing sector directors, rather than aligning with the MVRD.

Public Survey

An opt-in online survey was designed to receive input from people who have an interest, exposure to or knowledge on this topic area. It was promoted to member jurisdictions, other organizations, and interested public. As a self-selected sample, findings are not statistically representative of the general population. Analytics show that many accessed the online survey directly through newsletter links. Most were over 45 years old. Participants lived across all but two member jurisdictions, and over 90% identified as regular participants in municipal elections (where typical estimates range from 20 to 65%). There were 530 completed surveys.

Takeaways from the survey include:

- Three-quarters of respondents (75%) reported understanding the Metro Vancouver boards quite well or to some degree.
- Over two-thirds of respondents (70%) favoured significantly reducing the size of the MVRD Board, and most other respondents (24%) preferred to reduce the size and limit further growth.
- 81% indicated that it would be very or somewhat valuable to add appointed directors with specialization in infrastructure to decision making for the GVS&DD and GVWD boards.
- 83% indicated that it would be or might be valuable to have some external directors with housing sector experience on the MVHC Board.
- More than two-thirds of respondents (69%) indicated that changes to board size and structure would improve how Metro Vancouver makes decisions and governs its services “a great deal”, while most remaining respondents (23%) indicated somewhat of an improvement.

A market research survey was conducted to receive sentiment across a demographically representative sample of residents. About half of the representative sample of residents indicated familiarity with the organization and board, and this is largely a 'surface-area' familiarity. This type of market research provides a sense of where the public starts when considering this topic, awareness gaps, and general receptivity.

Findings include:

- Just over half of residents favour a smaller Board
- Three-quarters of residents feel it is important that a community's voting weight on the Board reflect the size of its population
- Responsible spending ranks highest as both a desired Board decision-making quality and Board decision outcome.
- Public engagement and responsiveness to public feedback were identified as key qualities of effective governance.

Public Webinars

Two public webinars attracted over 100 registrations and just over 50 participants. These were an opportunity to poll the participants on the same questions asked to other audiences, and for the participants to ask questions of Metro Vancouver.

Participants raised questions and comments regarding representation, the organization's scope, Board Director remuneration and appointment, First Nations inclusion in decision making, and overall governance implications of changes to size and structure of Metro Vancouver's boards.

Youth Representation

Staff provided a workshop for Metro Vancouver's Youth and Education Advisory Panel on April 29, 2026. 12 members engaged in group discussions. These youth are highly aware of Metro Vancouver services and aware of decision-making processes.

- The most important outcomes when considering potential changes are accountability and transparency to the public, more efficient and effective decision making, and ensuring member jurisdiction representation for service provided.
- The most important principles for the MVRD Board are transparency, representation, and stewardship.
- 83% replied "somewhat" when asked whether changes to board size and structure would improve how Metro Vancouver makes decisions and governs its services.

Correspondence

Correspondence received is provided as Attachment 2 in the order of the date it was received.

- In April 2026, Metro Vancouver staff sent letters to nine local First Nations to introduce the project and invite comments on this initiative. Two local First Nations provided correspondence that asked questions and provided input including:
 - Correspondence from kʷikʷəłəm (Kwikwetlem First Nation) emphasized the need for inclusive and meaningful Indigenous participation and representation in regional decision making, expressed concern with the current population-based voting structure, noted potential for impacts of Metro Vancouver decisions on Aboriginal rights and title, cultural values, and stewardship, and questioned alignment with the Province's ongoing inclusive regional governance initiative.

- Correspondence received from Skwxwú7mesh Úxwumixw (Squamish Nation), guided by the Skwxwú7mesh Úxwumixw 2026 Strategic Plan, emphasized to recognize Squamish Nation as government in Metro Vancouver's governance framework, ensure meaningful and direct participation in governance structures, advance equitable decision making authority, ensure early ongoing and collaborative engagement with the Nation, and align with *Declaration on the Rights of Indigenous Peoples Act* implementation and broader provincial inclusive regional governance work.
- Metro Vancouver received one letter from a Board Director: Director West from the City of Port Coquitlam provided input related to utility entities for Metro Vancouver's utility functions, independent regulatory oversight of Metro Vancouver utilities by British Columbia Utilities Commission, reduction of board size and structure beyond the proposals, amalgamation, and consolidation of Metro Vancouver's Committee structure.

Overarching Themes / Input for the Four Boards

The following themes emerged as important outcomes for any changes to the size and structure of Metro Vancouver's four boards through the engagement:

- Accessibility and transparency
- Effectiveness and decision making
- Expertise and capacity
- Representation
- Size / structure.

Across all audiences there was general support for making changes to the size and structure across the four boards. These include:

- For the MVRD Board, to cap the number of directors at 3 per member jurisdiction
- For the MVHC Board, there was limited support for change from Board Directors, but strong support for moving to a small hybrid board with a blend of elected and external appointed directors from other audiences
- For the utility boards, to continue to align with any changes made to the MVRD Boards and add a Major Capital Projects Committee.

OTHER INPUT ON ADJACENT ISSUES

Additional perspectives were shared on topics adjacent to the scope of board size and structure, including Board Director remuneration, financial management, municipal amalgamation, organization scope, and public perception.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

There are no financial implications to this report. Engagement was paid through approved 2026 budgets.

CONCLUSION

Through May and June 2026 Metro Vancouver delivered an engagement program to support the Boards' discussion on potential changes to board size and structure; one recommendation identified in the 2025 independent Board Governance Review by Deloitte Canada. The engagement program was designed to have a broad reach to increase awareness of this conversation, and then also to focus activities on those most likely to comment, be impacted by any decisions or have a role in implementation. Board Directors, other elected officials and provincial representatives were interviewed by Deloitte Canada. The promotions reached over 360,000 residents, and advertising provided over 2 million impressions. Residents' opinions are reflected in the market research findings. 530 individuals opted to provide input through a survey. Some correspondence was received. Others provided verbal comments during webinars and presentations. This report summarizes input received through engagement on potential changes to the size and structure of each of Metro Vancouver's four boards with an aim to improve governance effectiveness, oversight, and enhanced decision making and risk management.

ATTACHMENTS

1. Engagement Summary – Governance Board Size and Structure dated June 30, 2026.
2. Correspondence received re: Potential Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors.

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metrovancouver



Exploring Changes to the Size and Structure of Each of Metro Vancouver's Four Boards

Engagement Summary April to June 2026

Acknowledgements

Thank you to everyone who has participated in the engagement process to explore potential changes to the size and structure of each of Metro Vancouver's four boards. Metro Vancouver embraces collaboration and innovation to provide sustainable regional services, contributing to a livable and resilient region and a healthy natural environment for current and future generations. The purpose of this engagement is to hear perspectives from our audiences on potential changes to the size and structure of each of Metro Vancouver's boards. We appreciate your time and the comments that you have shared with us during the engagement. We invite you to follow Metro Vancouver's progress on implementing recommendations from the [Board Governance Review on the Board Governance Review Tracker](#).

About Metro Vancouver

Metro Vancouver is a diverse organization that plans for and delivers regional services, including water, sewers and wastewater treatment, and solid waste management. It also monitors and regulates air quality, plans for urban growth, manages a regional parks system, provides affordable rental housing, and serves as a regional federation. The organization is a federation of 21 municipalities, one electoral area, and one treaty First Nation located in the region of the same name. The organization is made up of four separate legal entities, each governed by its own Board of Directors. Board directors are elected officials from member jurisdictions.

Metro Vancouver acknowledges that the region's residents live, work, and learn on the shared territories of many Indigenous peoples, including 10 local First Nations: ḱíçə́y (Katzie), ḱʷɑ:ḱʷə́lən (Kwantlen), kʷíkʷə́ləm (Kwikwetlem), máthxwi (Matsqui), xʷməθkʷə́yəm (Musqueam), qíqéyt (Qayqayt), Semiahmoo, Skwxwú7mesh Úxwumixw (Squamish), scə́waθən məsteyəxʷ (Tsawwassen), and sə́lilwə́təl (Tsleil-Waututh).

Metro Vancouver respects the diverse and distinct histories, languages, and cultures of First Nations, Métis, and Inuit, which collectively enrich our lives and the region.

4515 Central Boulevard, Burnaby, BC, V5H 0C6

metrovancover.org

June 2026

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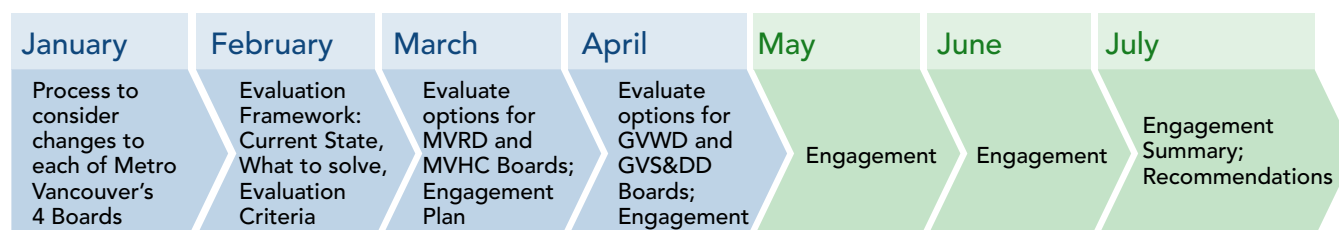
About the Metro Vancouver Board Governance Review

In 2025, Metro Vancouver hired Deloitte Canada to do an independent review of Board governance at Metro Vancouver. Deloitte's Board Governance Review report found that the existing governance model has served the region well, but that there is room for improvement. The report outlined 47 recommendations for strengthening the organization's board governance framework. This includes options for considering changes to the size and structure of the four Metro Vancouver boards. Deloitte recommended reducing the size of the Boards to enhance decision making, strategic focus, and overall improved governance. The Governance Committee and Boards sought feedback on the options through an engagement program delivered by Deloitte Canada and Metro Vancouver staff from April through June 2026. All feedback is provided to the Governance Committees and Boards for discussion in July 2026 and will help inform decisions on the proposed changes.

Executive Summary

This report provides a summary of engagement from April to June 2026. It is provided to support deliberation by the Governance Committee and Boards in July 2026 and as a record of the engagement program.

Metro Vancouver is exploring potential changes to each of its four boards to optimize overall governance. The graphic below reflects the process undertaken by Metro Vancouver and Deloitte Canada.



Through engagement, Metro Vancouver heard from the Governance Committee members, Board Directors and Mayors, elected officials from across the region, member jurisdiction staff, provincial government representatives, local First Nations, and the public. Participants have had opportunities to provide feedback on proposed options for board size and structure, as well as on the outcomes of the options, such as efficiency, decision making, and oversight. Engagement methods have included interviews conducted by Deloitte, presentations to member staff and elected officials, presentations by request to member jurisdiction councils, an opt-in survey, representative market research, a youth advisory panel session, two public webinars, and pathways to receive written comments.

The following areas of interest have emerged throughout the engagement:

- Accountability and Transparency – strong project oversight, clear financial stewardship, and responsibility for Board decisions
- Decision Making and Efficiency – sound and efficient decisions that support strong governance and good outcomes
- Expertise and Capacity – informed, skilled, and balanced decision makers to strengthen regional outcomes
- Representation – equitable approach to representation across the region
- Size – smaller, more efficient boards
- Structure – more streamlined boards with better alignment between technical expertise and decision making

In addition to input on the size and structure of Boards, the engagement provided an opportunity for input on other Board governance issues. This is summarized in the report for the Governance Committee to consider in future workplans.

This summary is provided to the Governance Committee and Boards for their consideration.

About the Engagement Program

The engagement program involved the Governance Committee, Board Directors, elected officials from across the region, provincial representatives, member jurisdiction staff, local First Nations, and the public. Engagement ran from May 6 to June 14, 2026. Tactics included background materials, in-person interviews, meetings, presentations, an opt-in survey, a market research survey, webinars, and the opportunity to provide written comments. All audiences had opportunities to provide feedback on proposed options for board size and structure, as well as on the outcomes of the options, such as efficiency, decision making, and oversight.

The table below provides a summary of engagement activities including intended audience(s).

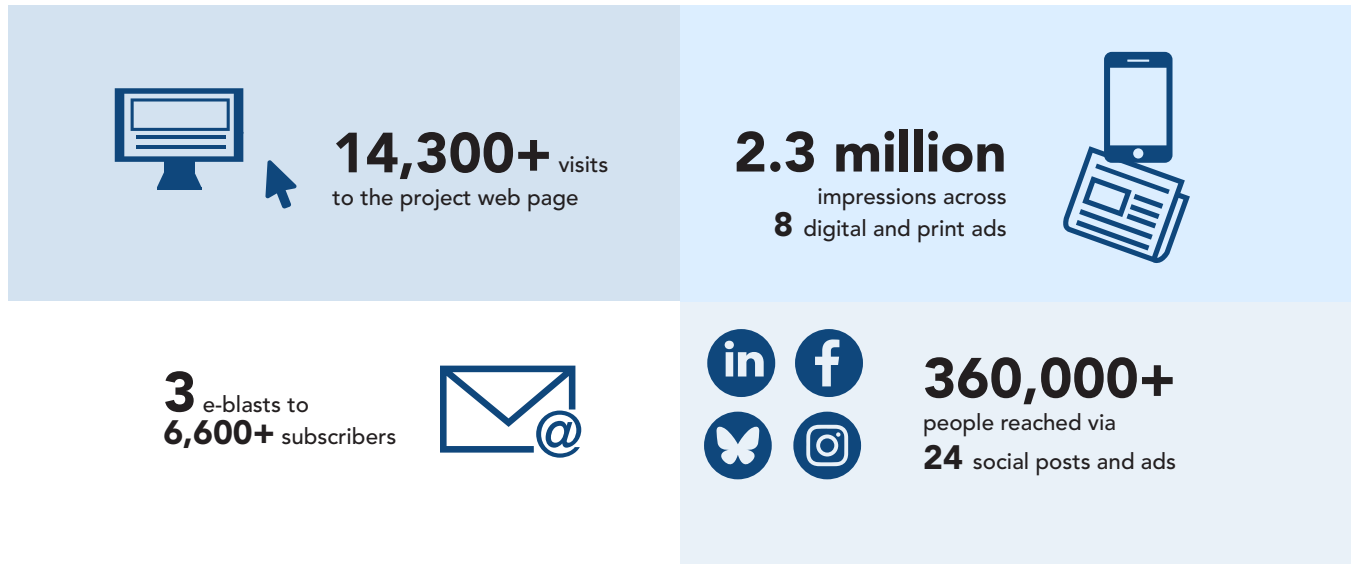
Audience	Engagement Method/Description
Board Directors and Mayors, provincial representatives	Individual interviews with Deloitte
Member Jurisdiction Councils	Feature agenda item at Council of Councils meeting; Presentations at City of Pitt Meadows and City of Langley Councils at their request
Member Jurisdiction staff	Joint webinar for the Regional Administrators, Regional Finance, Regional Engineers, and Regional Planning Advisory Committees
First Nations	Project introduction letters to nine local First Nations to introduce the project and initiate engagement
Public	Two public webinars, an online opt-in survey and market research survey, and emailed comments; Interactive discussion with the Youth and Education Advisory Panel



Engagement Promotion

The engagement opportunities were promoted through a variety of channels to a broad public and through targeted efforts to reach potentially interested parties, as described below.

Outreach



Website

A dedicated project web page and feature on the home page was used to highlight information about the process and engagement opportunities. Engagement activities were listed on Metro Vancouver's online events calendar. The engagement web page received more than 14,300 visits during the engagement period.

Online Survey

ZenCity, an online engagement platform, was used to host a public, online survey that was open to anyone to complete from May 6 to June 14, 2026.

E-Blasts

The engagement launch was featured in the May edition of the Metro Vancouver Update newsletter and promoted again in the June newsletter. A dedicated e-blast was sent to subscribers in May. Each e-blast reached over 6,600 subscribers. Boards of trade, chambers of commerce, and non-profit housing umbrella organizations also received the e-blast directly.

Correspondence

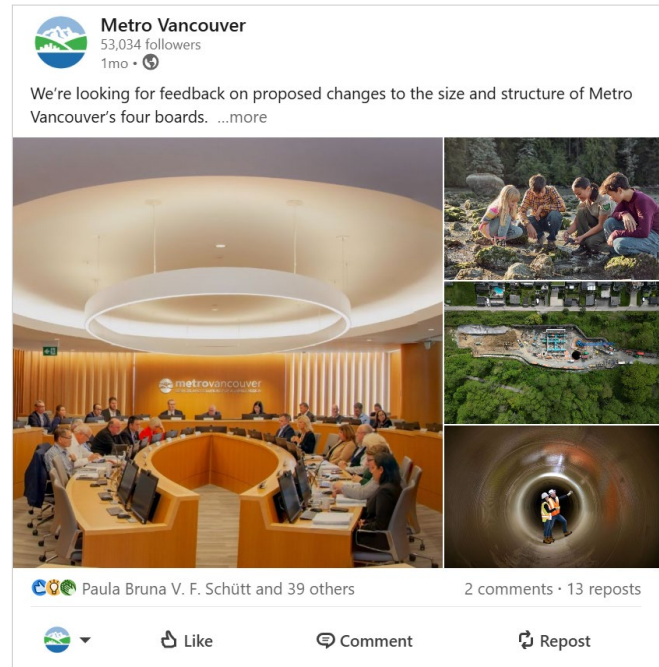
The engagement activities were shared with communication teams from each member municipality and representatives at four post-secondary institutions with an ask to amplify to their networks.

Media

Eight pieces of earned media were generated over the engagement period across major news outlets, including CBC Radio, Vancouver Sun, CTV, and Global News.

Social Channels

The engagement was promoted through 24 social posts across all Metro Vancouver's social channels, including LinkedIn, Instagram, Threads, Bluesky, and Facebook. The posts generated over 360,000 impressions. Metro Vancouver Housing also promoted through its channels to help reach MVHC housing tenants.



LinkedIn post

Digital and Print Ads

Digital advertisements to promote the engagement ran on six occasions on three major news sites: Vancouver Sun, The Province, and Daily Hive. Print advertisements were also placed in the Vancouver Sun and The Province newspapers to reach audiences less active online. The advertisements generated over 2.3 million impressions.

Podcast Ads

Metro Vancouver promoted the engagement on CBC's *This is Vancouver* podcast reaching over 4,500 listens.

The Province newspaper ad

Engagement Participation

The graphic below and the table on the next page outline the level of participation in each of the engagement opportunities offered.

Engagement



Engagement Method	Participants	Date
Council of Councils meeting	110 local elected officials	April 25, 2026
Individual interviews conducted by Deloitte Canada	Board Directors, elected officials, and provincial staff	April–June, 2026
Presentations to Member Jurisdiction Councils	City of Pitt Meadows Council City of Langley Council	May 12, 2026 May 19, 2026
Webinar with Regional Advisory Committees (RAAC, RFAC, REAC, RPAC)	59 participants	June 18, 2026
Presentation to Youth and Education Advisory Panel	12 youth and educator representatives	April 29, 2026
Public webinars	53 participants	May 28 and June 10, 2026
Online survey	530 participants	May 6–June 14, 2026
Market research survey	Representative sample of 1,994 participants	June 1–12, 2026
Written Submissions	8 letter or email submissions from First Nations, Board Director from Port Coquitlam, and public	May–June 2026

Interviews Conducted by Deloitte Canada

Deloitte conducted confidential consultations with Board Directors, other elected officials, and a select group of external stakeholders between April 27 and June 5, 2026. The consultations focused on key issues related to board size and structure, potential approaches for change, and considerations for implementation.

Council of Councils

Metro Vancouver hosted elected officials from across the region on April 25, 2026, at a Council of Councils meeting. The meeting consisted of a presentation on the implementation of the Board Governance Review recommendations and an overview of options on the board size and structure. Live polling was done using the Mentimeter online tool and discussion was facilitated through a Q&A period. Comments and questions related to voting threshold impact on smaller communities, board member compensation, board size not being the primary issue, revisiting the Board Strategic Plan to ensure Board alignment, the benefit of a hybrid model related to public perception for utilities, maintaining oversight, capping number of Board Directors as an option for the MVRD Board, and opportunities for Committee participation. Highlights of the live polling results are presented in section 6 of this engagement summary.

Member Jurisdiction Council Presentations

Member jurisdictions were offered a presentation to their council. Metro Vancouver staff attended meetings of City of Pitt Meadows Council on May 12 and City of Langley Council on May 19, 2026. Feedback related to technical representation on the boards, the MVHC Board model, the option for a Major Projects Committee, representation for smaller municipalities, efficiency and transparency, public perception, and enhancing communication with the public.

Joint Advisory Committees Webinar

On June 18, 2026, staff hosted a webinar held jointly with members of the Regional Administrators Advisory Committee, Regional Finance Advisory Committee, Regional Engineers Advisory Committee, and Regional Planning Advisory Committee, with 59 participants. The webinar included a presentation and live polling using Zoom online tool. Highlights of the live polling results are presented in section 6 of this engagement summary. Survey responses from municipal staff included support for the introduction of expertise in utility board decision making, improvements to oversight of major capital projects, and smaller board sizes to improve efficiency.

Youth and Education Advisory Panel Meeting

Metro Vancouver staff joined the April 29, 2026, meeting of Metro Vancouver's Youth and Education Advisory Panel. Twelve members were present. Small groups discussed options for each board, principles that contribute to effective governance and good decision making, and how changes to board size and structure could optimize governance. Participants emphasized accountability and transparency to build trust, efficient decision making grounded in quality and expertise, and meaningful representation. Highlights of the session are presented in section 6 of this engagement summary.



Youth and Education Advisory Panel meeting



Public webinar

Public Webinars

Metro Vancouver hosted two public webinars, on May 28 and June 10, 2026. A total of 53 participants attended to learn more about the proposed options and participate in live polling on Zoom and a Q&A session. Participants raised questions and comments regarding representation on the Boards, the organization's scope, Board Director remuneration and appointment, First Nations inclusion in decision making, and overall governance implications of changes to size and structure. The polling results showed support spread across proposed options, support for bringing external expertise to the utility and Housing Corporation boards, and agreement that change would lead to improved governance. Highlights of the live polling results are presented in section 6 of this engagement summary.

Online Survey

Staff used ZenCity, an online engagement platform, to host a public survey promoted broadly through e-blasts, print and digital ads, social channels, and other networks. The survey was open from May 6 to June 14, 2026, and garnered 530 submissions. The questions were designed to gather perspectives on the kinds of changes proposed by the options, as well as desired outcomes of any changes. Overall, results showed support for reducing board size, accountability and transparency as the top desired outcomes, and support for bringing external expertise to the boards. Highlights of the online survey results are presented in section 7 of this engagement summary.

Market Research Survey

To complement public input, Metro Vancouver commissioned primary quantitative research to gather public opinions and perspectives on potential changes to its governance. The research surveyed 1,994 residents, assessing the qualities residents feel are most important for decision making, preferences about board size and structure, and which outcomes and principles from board decisions matter most. In contrast to the online survey, market research is a statistically representative survey conducted by a professional market research firm. Survey respondents are provided with very brief explanations of potential changes, so as to understand existing attitudes and perceptions without introducing additional information or bias. Market research is geographically representative and indicates differences amongst sub-regions. Highlights of the market research survey results are presented in section 8 of this engagement summary.



Written Submissions

Metro Vancouver received three letters through the engagement, which are summarised below:

A letter from the Board Director from the City of Port Coquitlam to the Governance Committee Chair on June 4, 2026, suggested that Metro Vancouver's three utility functions be operated as separate public entities governed by professionally appointed Boards with related expertise, under the regulatory oversight of the British Columbia Utilities Commission. Mayor West also suggests moving to one representative/Director per member jurisdiction on the MVRD Board, a minimum population threshold for representation, the potential for amalgamation, and a streamlining/consolidation of Metro Vancouver's Standing Committees.

Correspondence from k̓w̓ik̓w̓ə́łəm (Kwikwetlem First Nation) emphasized the need for inclusive and meaningful Indigenous participation and representation in regional decision making, expressed concern with the current population-based voting structure, noted potential for impacts of Metro Vancouver decisions on Aboriginal rights and title, cultural values, and stewardship, and questioned alignment with the Province's ongoing inclusive regional governance initiative.

Correspondence received from Sk̓wx̓wú7mesh Úxwumixw (Squamish Nation), guided by the Sk̓wx̓wú7mesh Úxwumixw 2026 Strategic Plan, emphasized interest in recognition of Squamish Nation as government in Metro Vancouver's governance framework, opportunity for meaningful and direct participation in governance structures, equitable decision making, early ongoing and collaborative engagement with the Nation, and alignment with *Declaration on the Rights of Indigenous Peoples Act* implementation and broader provincial inclusive regional governance work.

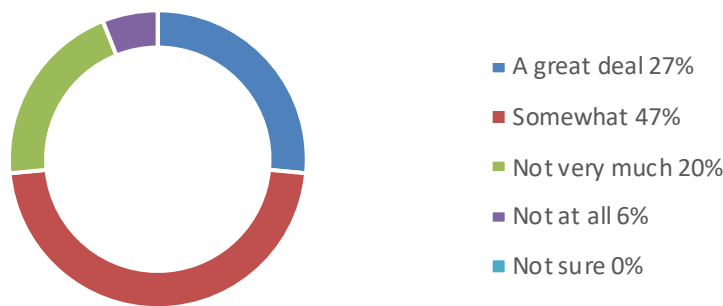
Event Live Polling Results

Staff used online polling tools to gather feedback from participants across four virtual engagement sessions, including a Council of Councils meeting, a joint regional advisory committees webinar, and two public webinars, as well as collected responses in person at a Youth and Education Advisory Panel meeting. Results of the polls are presented below.

Council of Councils Meeting

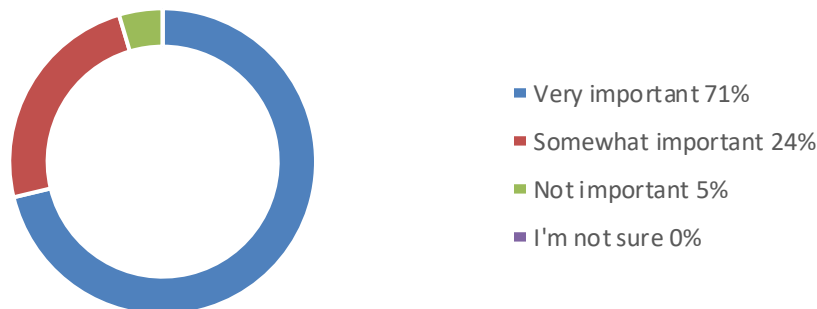
Results are presented from live polling at the Council of Councils virtual meeting on April 25, 2026. The number of elected officials answering each question ranged from 83 to 95.

Question: To what extent do you think changes to board size and structure would improve how the MVRD Board makes decisions and governs its services?



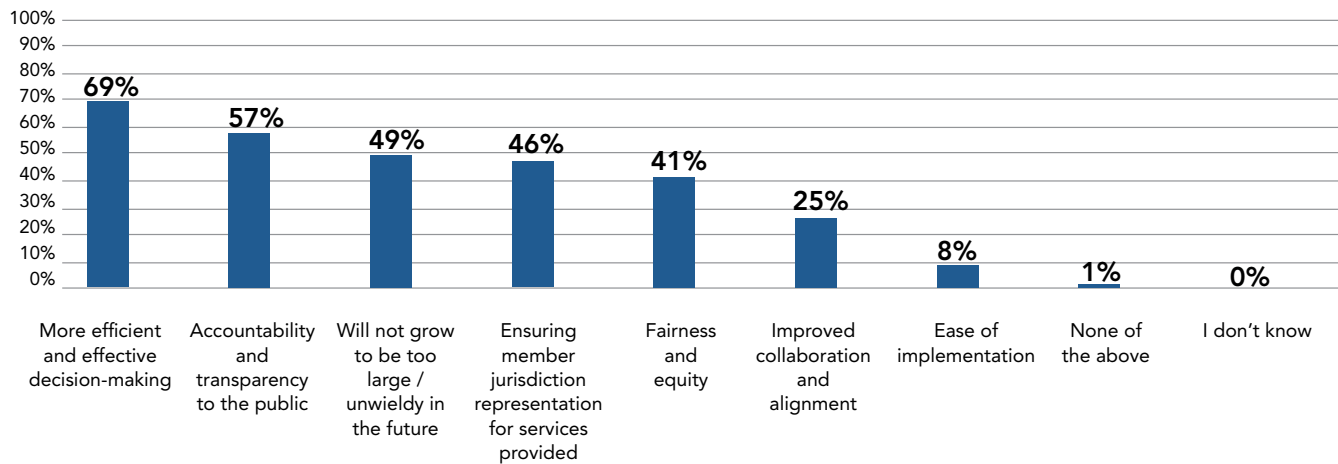
Nearly half of elected officials who responded (47%) indicated that changes to board size and structure would "somewhat" improve how Metro Vancouver makes decisions and governs its services, while remaining elected officials were split between "a great deal" (27%) or not very much or no improvement (26%). Results suggest elected officials anticipate a lesser degree of improvement compared to the public when asked the same question.

Question: How important is it to you that your Council members collaborate and coordinate with other Councils at the MVRD Board to deliver regional services?



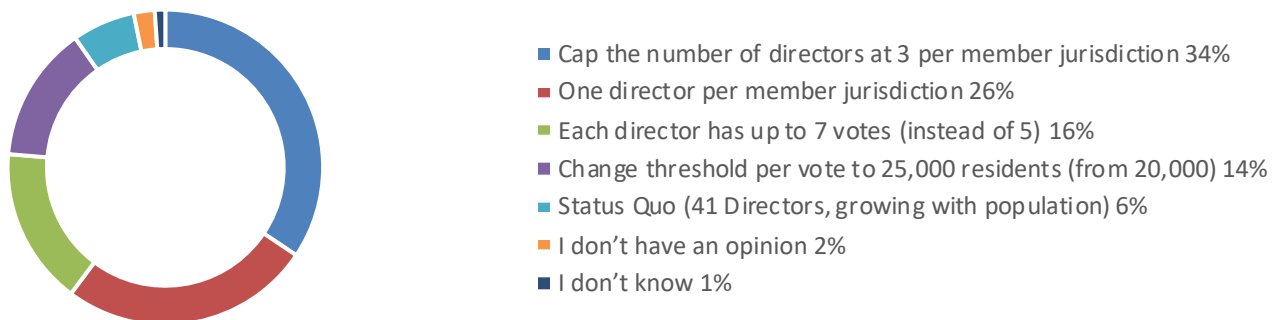
Most elected officials who responded (95%) selected that it was very or somewhat important that they collaborate and coordinate with each other across the region. This is consistent with the responses to this question in the public survey.

Question: In considering the different options for the MVRD Board, what outcomes are most important to you? Pick your top 3.



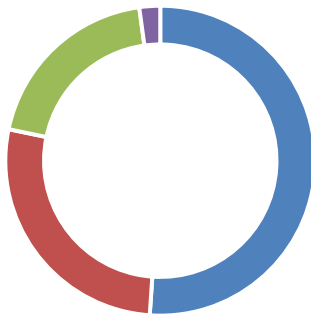
Elected officials who responded indicated the most important outcomes are more efficient and effective decision making, accountability and transparency to the public, and board size not growing too large/unwieldy in the future.

Question: Of the options listed for the MVRD Board, which do you feel most achieves the outcomes you chose?



More than a third of elected officials who responded (34%) supported capping the number of Board Directors at three per member jurisdiction, making it the most chosen response.

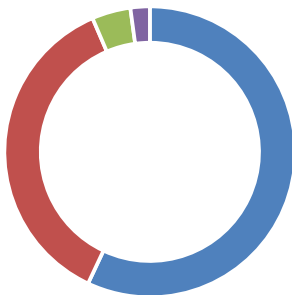
Question: What considerations do you think are different for the utility boards than for the regional district board?



- Given the scale of some of the infrastructure projects, need a model that allows greater focus on these major projects 51%
- Need to have a smaller, more nimble board that includes independent, external appointed directors 27%
- It's fine to have the same board structure 20%
- I don't know 2%

More than three-quarters of elected official who responded (78%) indicated that there are different considerations for the utility boards. Around half (51%) selected a model allowing greater focus on the major infrastructure projects and over one-quarter (27%) indicated the need for a smaller board that includes independent, external appointed directors.

Question: Of the options listed for the Metro Vancouver Housing Corporation, what is your opinion on how to improve governance?



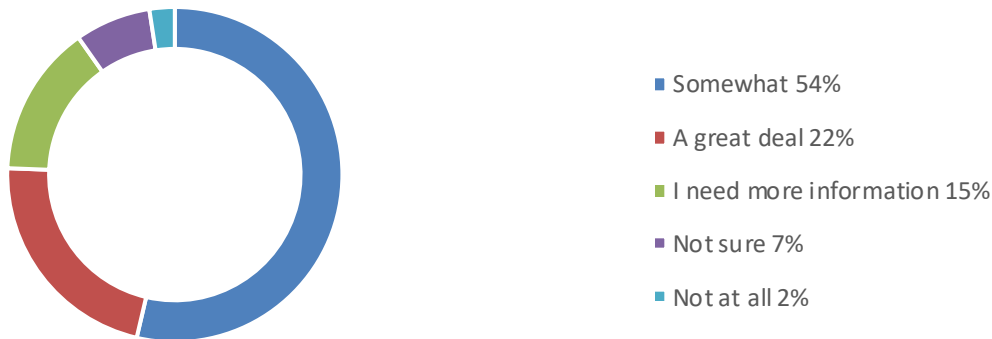
- The MVHC Board should be smaller, with some external, appointed housing sector directors to align with other non-profit housing providers 57%
- The MVHC Board should be aligned with the MVRD Board and maintain broad regional representation 37%
- I don't have an opinion 4%
- I don't know 2%

Over half of elected officials who responded (57%) indicated that the MVHC Board should be smaller, with some external, appointed housing sector directors to align with other non-profit housing providers, while most others (37%) indicated the MVHC Board should maintain regional representation in alignment with the MVRD Board.

Member Jurisdiction Staff Webinar

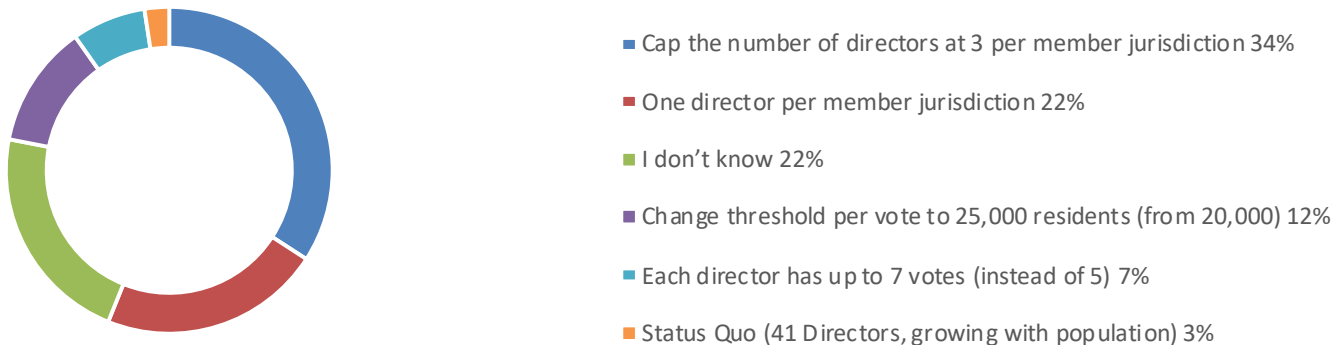
Results are presented from the live polling from the webinar held on June 18, 2026, with member jurisdiction staff through the Regional Administrators Advisory Committee, Regional Finance Advisory Committee, Regional Engineers Advisory Committee, and Regional Planning Advisory Committee.

Question: To what extent do you think changes to board size and structure would improve how the MVRD Board makes decisions and governs its services?



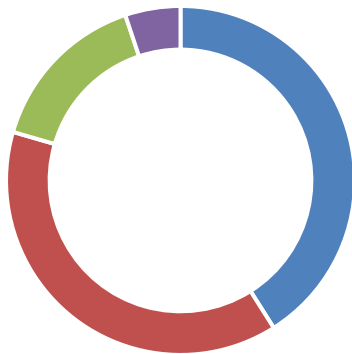
Over half of member jurisdiction webinar participants (54%) indicated that changes to board size and structure would “somewhat” improve how Metro Vancouver makes decisions and governs its services, while most of the remaining selected “a great deal” (22%) or needed more information before deciding (15%).

Question: Of the options listed for the MVRD Board, does one stand out as the preferable option from your perspective?



Same as responses from elected officials at the Council of Councils meeting, the top selection of member jurisdiction webinar participants was capping the number of directors at three per member jurisdiction (34%), followed by one director per member jurisdiction (22%).

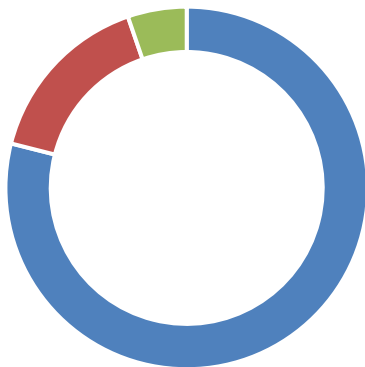
Question: What considerations do you think are different for the utility boards than for the regional district board?



- Given the scale of infrastructure projects, need greater focus on major infrastructure projects 41%
- Smaller, more nimble board with external directors 39%
- I don't know 15%
- Same board structure is fine 5%

Most member jurisdiction webinar participants responded that there are different considerations for the utility boards than the regional district board (80%) and were almost equally split between the two considerations presented.

Question: Of the options listed for the Metro Vancouver Housing Corporation, what is your opinion on how to improve governance?



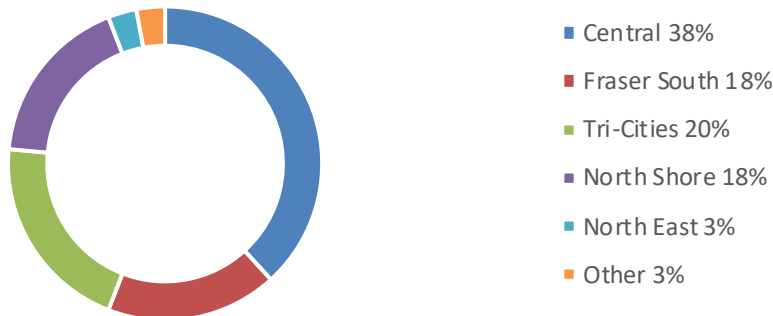
- Smaller board with external housing sector directors 79%
- Align with MVRD Board (regional representation) 16%
- I don't know 5%

Most member jurisdiction webinar participants (79%) opted for a smaller board with external housing sector directors, rather than aligning with the MVRD Board.

Public Webinars

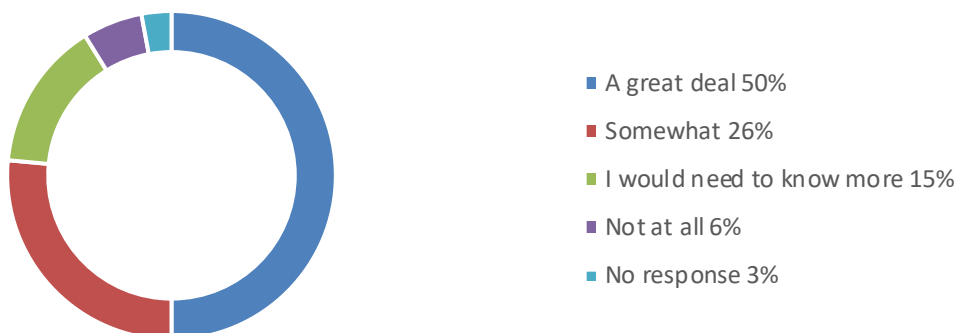
Combined results are presented from live polling at two public webinars held on May 28 and June 10, 2026.

Question: Where are you joining us from today?



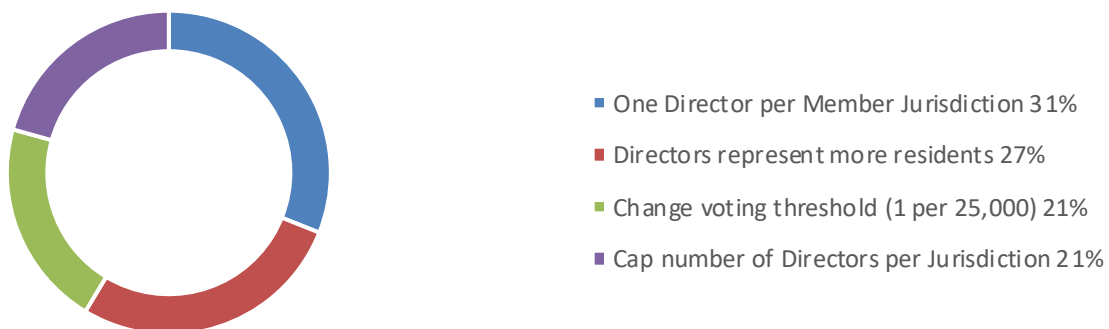
Public webinar participants joined from all sub-regions.

Question: To what extent do you think changes to board size and structure would improve how the MVRD Board makes decisions and governs its services?



Half of public webinar participants (50%) indicated that changes to board size and structure would improve how the MVRD Board makes decisions and governs its services "a great deal", while most remaining respondents (26%) indicated "somewhat" of an improvement.

Question: Does one of the options provided resonate for you?



Public webinar participants' responses were spread across all four options when asked which one resonates with them.

Question: Do you think it would be valuable to add appointed external directors to the decision making for Metro Vancouver's two utility boards?



Public webinar participants largely indicated it would be valuable (73%) to add external appointed directors to the decision making for the two utility boards.

Question: Do you think it would be valuable to add external directors with housing sector experience to the MVHC Board, and have a smaller hybrid model?



Public webinar participants largely indicated it would be valuable (79%) to add external directors with housing sector experience to the MVHC Board and have a smaller hybrid model.



Youth and Education Advisory Panel Meeting

Results are presented from an interactive activity from an in-person Youth and Education Advisory Panel meeting on April 29, 2026. Twelve members engaged in group discussions, rotating between tables to answer two of three questions.

TABLE 1 – OUTCOMES

Metro Vancouver is evaluating different options for each board. Which of the following are most important to you when considering possible changes? Pick 3.

- a) More efficient and effective decision-making
- b) Improved collaboration and alignment
- c) Manage growth of board size
- d) Ensuring member jurisdiction representation for services provided
- e) Fairness and equity
- f) Accountability and transparency to the public
- g) Ease of implementation (i.e., does it require legislative change?)
- h) None of the above
- i) I don't know
- j) Other (please specify)

Share why you made your picks.

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Tabletop worksheet from YEAP discussion on outcomes

Panel members who responded indicated the most important outcomes are accountability and transparency to the public, more efficient and effective decision making, and ensuring member jurisdiction representation for service provided.

TABLE 2 – PRINCIPLES

What principles do you think are most important for the MVRD board? Pick 3.

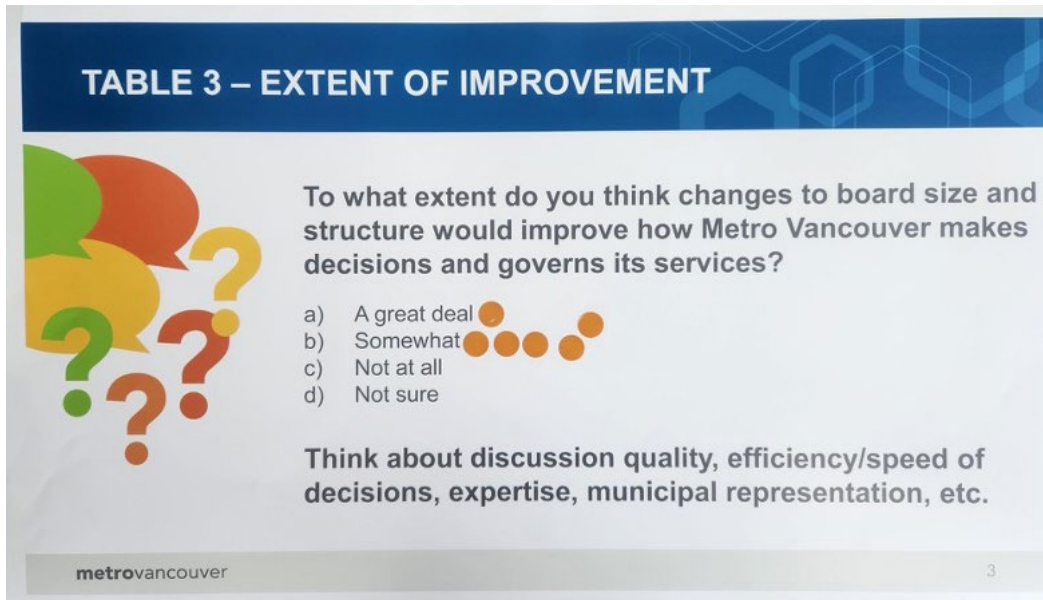
- a) Accountability
- b) Transparency
- c) Representation
- d) Communication
- e) Fairness
- f) Innovation
- g) Stewardship
- h) Financial management
- i) Collaboration
- j) Reduce costs
- k) Other (please specify)

How do these principles contribute to effective governance and good decision making?

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Tabletop worksheet from YEAP discussion on principles

Panel members who responded indicated that the most important principles for the MVRD Board are transparency, representation, and stewardship.



Tabletop worksheet from YEAP discussion on extent of improvement

Most panel members who responded (83%) replied “somewhat” when asked whether changes to board size and structure would improve how Metro Vancouver makes decisions and governs its services.

YEAP members were asked to reflect on one key takeaway/learning from the discussions with their peers. Below are some of those reflections:

- Increasing the size of the board doesn’t necessarily mean the decision-making process will improve
- Many of us chose different responses, but our reasoning for the choices were similar
- Any new structure must centre around accountability
- Board governance is complex and difficult to understand, but can be guided by some core principles
- How many people is the optimal amount for good, diverse, and efficient decision making?
- A board that is composed of stewards who are unwavering in their commitment to environmental/future protection is important
- Basing the number of board members solely off the population can provide benefits, however it restricts different voices, experience, fields/lifestyles

Online Survey Results

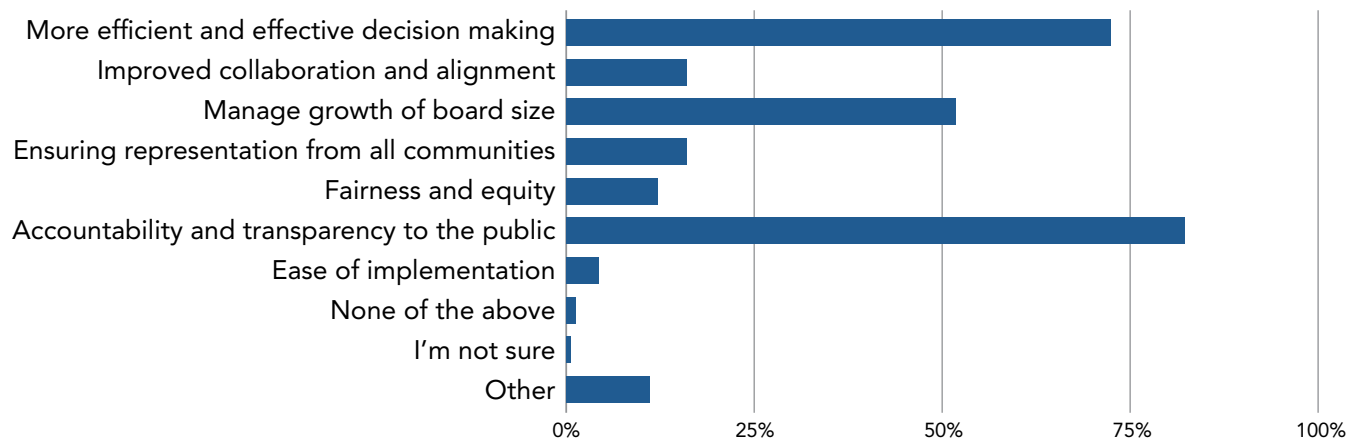
The online survey was open for nearly six weeks between May 6 and June 14, 2026. A total of 530 submissions were received.

A large majority of respondents (89%) are members of the public who opted to participate in the survey through Metro Vancouver's public engagement channels. The remaining (11%) are individuals with a direct connection to Metro Vancouver, mainly member jurisdiction staff (64%) and elected officials (26%).

As an opt-in survey, findings reflect the views of those who chose to participate and is not representative of the general population. The results are highlighted below.

Question: For the MVRD Board, which of the following outcomes is most important to you when considering possible changes?

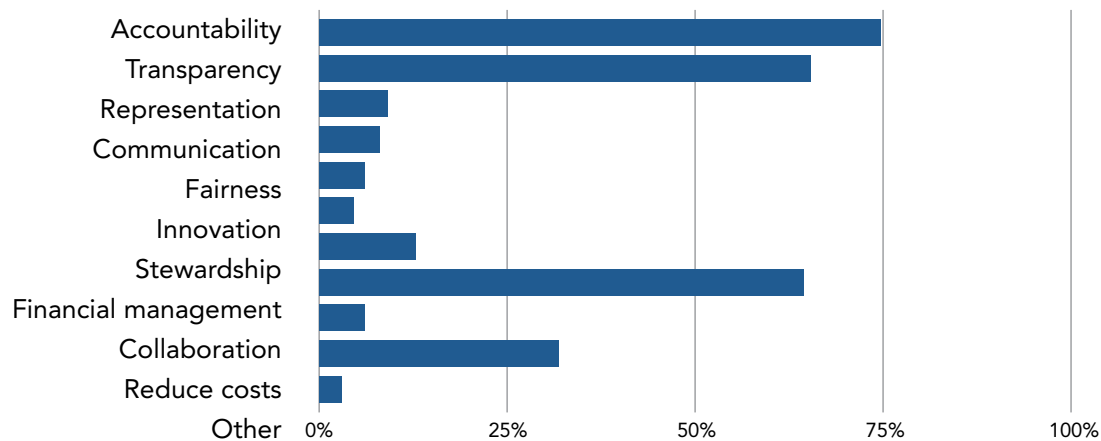
Choose between 1–3 options.



Respondents indicated the most important outcomes are accountability and transparency to the public, more efficient and effective decisions making, and managing the growth of the board size.

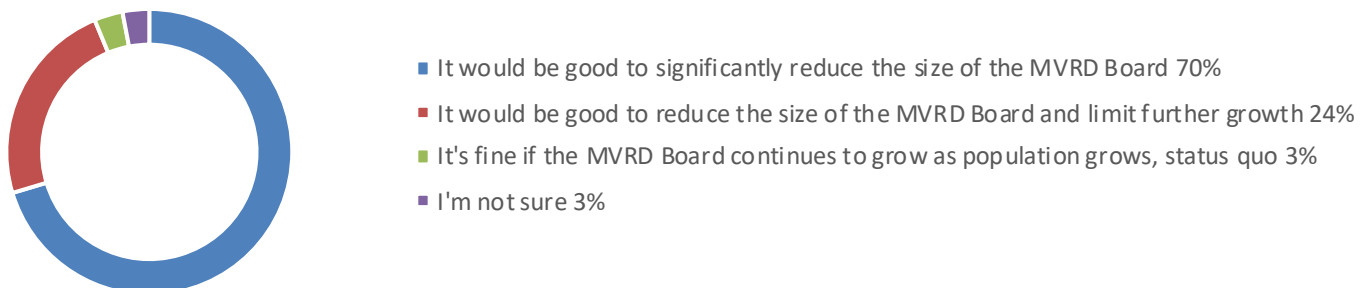
Question: What principles do you think are most important for the MVRD board?

Choose between 1–3 options.



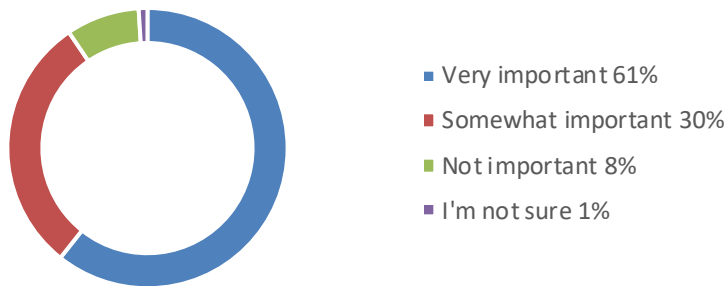
Respondents indicated that the most important principles for the MVRD Board are accountability, transparency, and financial management.

Question: Considering the potential impacts of any changes, what are your thoughts on the size of the MVRD Board?



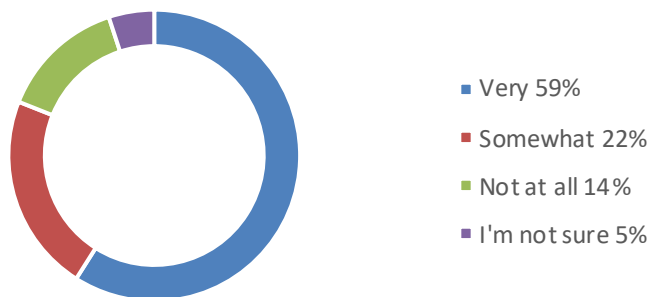
Over two-thirds of respondents (70%) favoured significantly reducing the size of the MVRD Board and most other respondents (24%) preferred to reduce the size and limit further growth.

Question: How important is it to you that your elected officials collaborate and coordinate with elected officials from across the region to solve regional challenges and deliver regional services?



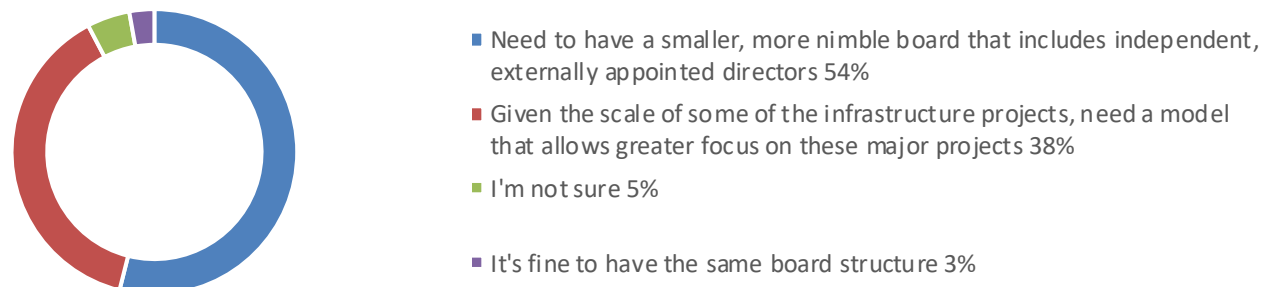
Most respondents (91%) feel it is very or somewhat important that their elected officials collaborate and coordinate with elected officials from across the region.

Question: Do you think it would be valuable to add appointed directors with specialization in infrastructure to the decision making on the utility boards?



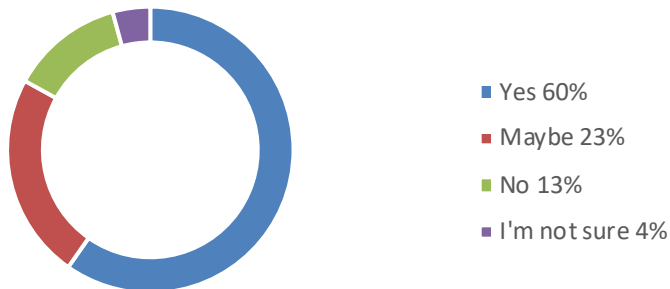
More than eight in 10 respondents (81%) indicated that it would be very or somewhat valuable to add appointed directors with specialization in infrastructure to decision making, while 14% of remaining respondent selected that it would not be valuable.

Question: What considerations do you think are different for the utility boards than for the regional district board?



When provided with choices, more than nine in 10 respondent (92%) indicated that there are considerations that are different for the utility boards than for the regional district board.

Question: Do you think it would be valuable to have some external directors with housing sector experience on the MVHC Board?



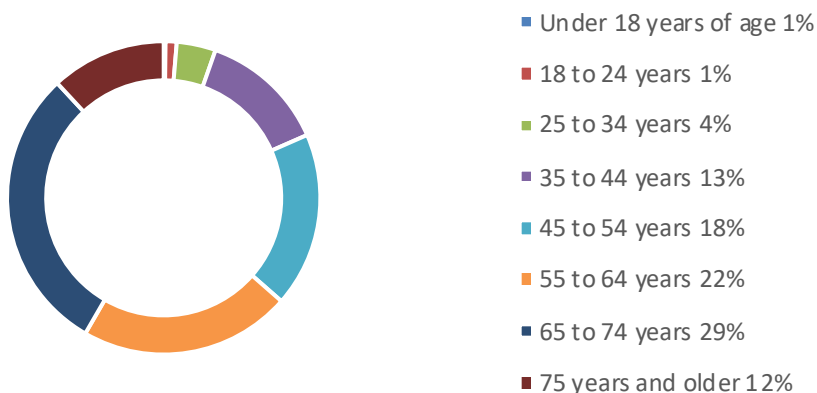
Most respondents (83%) indicated that it would be or might be valuable to have some external directors with housing sector experience on the MVHC Board, while 13% of respondents selected that it would not be valuable.

Question: To what extent do you think changes to board size and structure would improve how Metro Vancouver makes decisions and governs its services?



More than two-thirds of respondents (69%) indicated that changes to board size and structure would improve how Metro Vancouver makes decisions and governs its services "a great deal", while most remaining respondents (23%) indicated "somewhat" of an improvement.

Question: What is your age?



Respondents identified in all age ranges, with most respondents over the age of 45.

Question: Where do you currently live?

Respondents reported living in all but two Metro Vancouver member jurisdictions. The largest number of respondents came from three member jurisdictions, each located in different geographic sectors of the region.



Observations

Further observations of the public survey responses include:

- A strong majority of respondents favour a smaller MVRD Board, and there is little appetite for continuing with the status quo with a growing board.
- The most important outcome for board changes from this audience is accountability.
- Notably, respondents working for member jurisdictions or other orders of government are more likely to emphasize collaboration, representation, and fairness, over accountability.
- For the utility boards, most respondents would like to see a different governance model, with some favouring smaller boards with independent external directors and some favouring a major projects-based model.
- Most respondents indicated strong support for bringing external expertise onto boards, including infrastructure specialists for the utility boards and housing sector experience for the MVHC Board.
- When asked for any additional comments, some respondents indicate an interest in holding separate elections for Metro Vancouver Board Directors who they feel would be more accountable to the public. Others feel elected officials should not be compensated for their working time on Metro Vancouver boards because they are paid separately for their working time at their municipality. Others expressed interest in independent audits for projects where cost estimates have increased substantially and concern about scope creep and whistleblower protections.

Market Research Survey Results

Results are presented from third-party research surveying a representative sample (1,994) of Metro Vancouver residents in early June. Whereas the online survey (section 7) is an opt-in survey where finds reflect only the views of those who chose to participate, market research results are statistically and geographically representative of the region. The results are highlighted below.

Question: When a regional government makes decisions, which of the following qualities matters most to you?

Select up to 3.

Spends public funds responsibly	45%
Listens to residents and considers their input	41%
Makes decisions in the best long-term interest of the region	37%
Is transparent about how and why decisions are made	36%
Is accountable for its decisions and actions	33%
Delivers quality services at a reasonable cost	28%
Bases decisions on evidence and expert advice	23%
Makes fair and balanced decisions	18%
Works effectively with other levels of government and partner organizations	15%
Works effectively on behalf of all member municipalities	11%
None of the above	1%
Not sure	1%

While responsible spending is chosen as the top quality residents seek in good regional governance, there are noticeable differences in a few key areas. In particular, women are more likely than men to prioritize “listens to residents and considers their input” when choosing top decision-making qualities they expect of their regional government. Men are more likely to choose “accountable for decisions.” Residents aged 18–44 are most likely to prioritize making decisions in the best long-term interests of the region.

Question: To the best of your knowledge, when an elected official from your community joins the Metro Vancouver Regional District Board, who are they primarily there to represent?

The interests of the community that elected them	48%
The interests of the Metro Vancouver region as a whole	40%
Neither	3%
Not sure	9%

When it comes to representing the interests of their home community, versus representing the interests of Metro Vancouver, respondents are split. Almost half of residents feel that elected officials who sit on Metro Vancouver’s Board primarily represent the interests of the community that elected them, while 40% feel they represent the region.

Question: How do you think the size of the board affects its ability to make good decisions?

Favour a smaller Board (NET)	52%
A larger Board risks becoming less effective at decision making	28%
A smaller Board would make decisions more efficiently and decisively	24%
Favour a larger Board (NET)	29%
A larger Board makes better decisions by bringing more perspectives to the table	18%
A smaller Board risks making decisions with less input from across the region	10%
The size of the Board has little bearing on decision making	10%
None of the above	3%
Not sure	7%

While just over half of residents agree a smaller board could make decisions more efficiently and effectively, 29% feel a larger board makes better decisions by bringing more perspectives to the table. Men are more likely than women to favour arguments for a smaller boards, while women more often align with arguments for a larger board. Younger residents are also most likely to agree with arguments for a larger board. Residents who say they voted in the last municipal election are more likely than non-voters to favour a small board.

Question: How important is it to you that a community's voting weight on the board reflects the size of its population?

Very important	26%
Somewhat important	51%
Not too important	12%
Not at all important	6%
Not sure	6%
NET: Important	77%
NET: Not important	18%

Most residents feel it is important that a community's voting weight reflects the size of its population. A large majority of residents favour limiting the voting weight of the largest municipalities in the region, this is especially true of older residents, and amongst residents living in smaller municipalities.

Question: In your own words, what qualities or actions make a regional government effective?

PUBLIC ENGAGEMENT (NET)	38%
Listening to and engaging with residents	36%
Following through on commitments	4%
FISCAL MANAGEMENT (NET)	26%
Fiscal responsibility and prudent spending	17%
Efficient and effective service delivery	12%
TRANSPARENCY & ACCOUNTABILITY (NET)	18%
Transparency in decision making	10%
Integrity and honesty	7%
Accountability for decisions and actions	5%
GOVERNANCE QUALITY (NET)	10%
Infrastructure maintenance and investment	6%
Environmental sustainability	3%
Other governance quality	1%
PLANNING & COORDINATION (NET)	10%
Inter-municipal and regional collaboration	5%
Long-term planning and forward thinking	4%
Focus on core mandate and staying in lane	1%
REPRESENTATION & EQUITY (NET)	7%
Support for vulnerable populations	4%
Equitable representation of all communities	2%
Public interest over special interests	2%
Not sure	23%

When unprompted, residents most often identify public engagement as the quality that makes a regional government effective.

Question: Which outcomes from decisions by a board like Metro Vancouver's matter most to you?

Select up to 3.

Public funds are managed responsibly	60%
The Board is held accountable for its decisions	47%
Decisions consider the long-term needs of the region	42%
Clear information about how and why decisions are made	35%
All communities across the region have a voice	28%
Residents have regular opportunities for input	28%
Decisions are made in a timely and efficient manner	24%
Communities are represented in proportion to their population	13%
Other	1%
None	1%
Not sure	3%

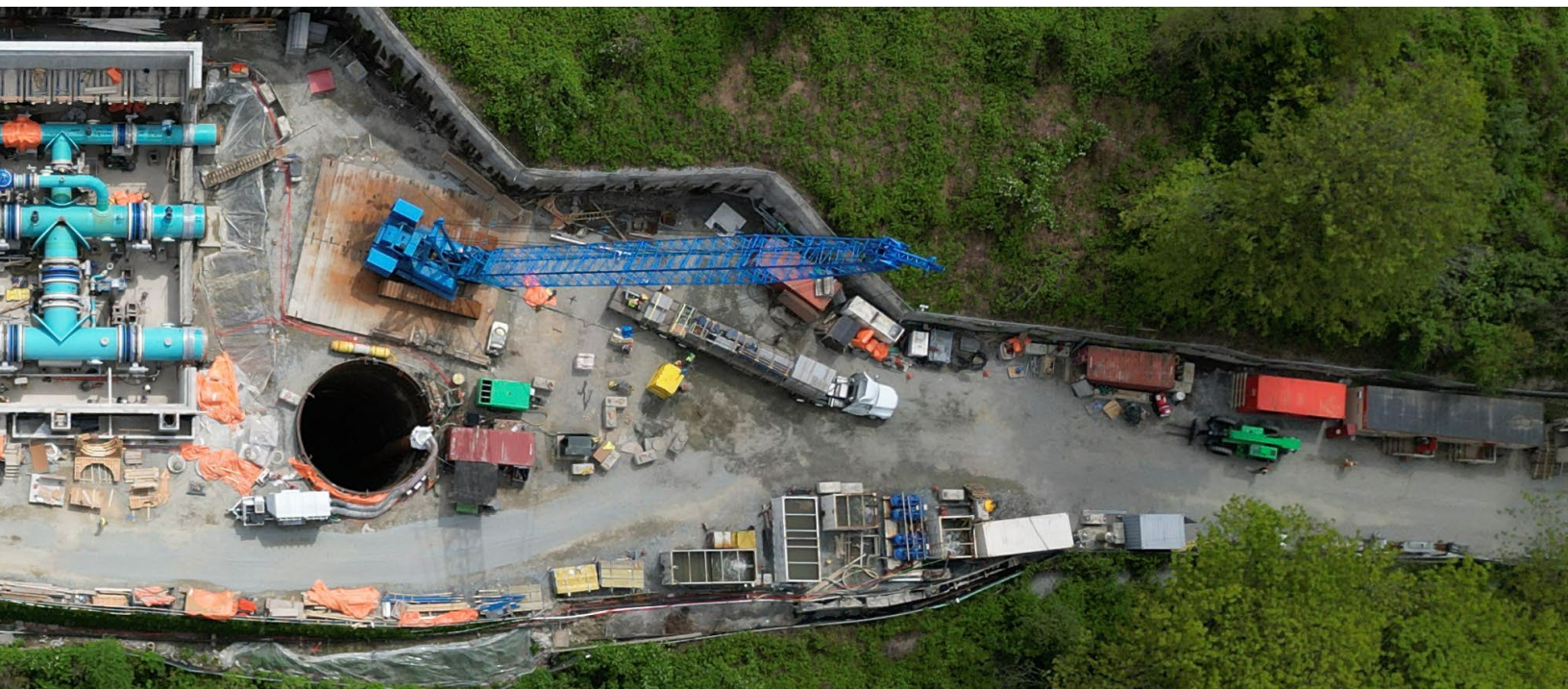
Residents most often prioritize "public funds are managed responsibly". Women are more likely than men to prioritize resident having regular opportunities for input, as well as all communities having a voice. Residents aged 18–34 are least likely to prioritize "public funds are managed responsibly" but are most likely to prioritize "communities are represented in proportion to their population". Respondents who say they voted in the last municipal election are most likely to prioritize "public funds are managed responsibly", and "the Board is held accountable for its decisions".



Observations

In summary, the representative research indicates the following key results:

- When asked to describe in their own words, what qualities or actions make a regional government effective, residents most often identify “public engagement and responding to public feedback” as a quality of an effective regional government. Other commonly cited qualities include fiscal management, and transparency and accountability.
- When asked to choose from a list of qualities residents seek in good regional governance, responsible spending is chosen most often. Other top decision-making qualities chosen include listening to residents, making decisions with long-term interests for the region, and transparency about how and why decisions are made. There are key differences across genders and ages.
- Residents are split about whether they believe their elected officials should be representing their communities or the region as a whole at the Metro Vancouver Board.
- Residents’ feelings around Board size vary. While 53% see a smaller board making decisions more efficiently and effectively, almost a third feel a larger board makes better decisions by bringing more perspectives to the table, and 10% of residents feel Board size has little bearing on decision making. Results vary across genders and ages.
- Most residents feel it is important that a community’s voting weight reflects the size of its population.
- When asked about outcomes from Board decisions women are more likely than men to prioritize “residents have regular opportunities for input”, as well as “all communities across the region have a voice”. Residents aged 18–34 are least likely to prioritize “public funds are managed responsibly” but are most likely to prioritize “communities are represented in proportion to their population”.
- Respondents who say they voted in the last municipal election are most likely to prioritize “public funds are managed responsibly”, and “the Board is held accountable for its decisions”.



What We Heard in Comments

Staff analyzed and summarized about 450 comments that were heard from across all audiences. These are six frequent themes in those comments, presented in alphabetical order:

Accountability and transparency	This theme received the most comments and tied accountability and transparency to public trust. Many comments focused on financial accountability, project and budget oversight, and accountability for Board conduct and decisions.
Effectiveness and decision making	Many commented on expanding the role of technical expertise in decision making. Reducing board size is seen to support efficiency. Sound and efficient decision making is seen as key to strong governance.
Expertise and capacity	While many supported increasing expertise, many also expressed that municipal representation remains essential. Comments called for an informed, trained, and balanced governance model to strengthen decision making and regional outcomes.
Representation	Many comments supported continued member jurisdiction representation, including small communities, even while supporting a smaller board. Participants called for a balanced, equitable approach to representation across the region.
Size	Overall, most comments indicated a preference for smaller, more efficient boards. It was also emphasized that effectiveness is not solely about board size but also includes expertise and experiences.
Structure	Overall, input indicated a desire for a more streamlined model with strong alignment between technical expertise and decision making.

How Input Will Be Used

Feedback gathered through the engagement process will be shared with the Governance Committee and each of the four Metro Vancouver Boards for consideration as they discuss and decide on next steps for the size and structure of the Metro Vancouver Boards.



Next Steps

The Governance Committee and Boards will consider proposed size and structure changes for the four Boards in July 2026. If decisions require legislative changes from the Province, next steps will involve the Province and related due process.





Email correspondence received from kʷikwə́ləm (Kwikwetlem First Nation)

Good afternoon,

The Nation has reviewed the document “Assessment of Metro Vancouver Board Size and Structure” and has a few comments.

- The Nation would like to reiterate that governance efficiency should not come at the expense of inclusive and meaningful Indigenous participation in regional decision-making processes.
- The Nation also notes that the document does not clearly describe how non-treaty First Nations would be represented within any revised board structure, or whether Indigenous governments would hold meaningful decision-making authority.
- kʷikwə́ləm has concerns that the current population-based voting structure may not appropriately recognize Indigenous governments as rights holders and governing bodies distinct from municipalities.
- The Nation further notes that Metro Vancouver services and decisions relating to water, sewerage, drainage, regional planning, parks, and environmental management occur within Indigenous territories and may directly affect Aboriginal rights, title, cultural values, stewardship responsibilities, and areas of ongoing interest.
- While the document references the Province’s DRIPA-related initiative respecting inclusive regional governance, the Nation has concerns that the current engagement process does not clearly explain how Metro Vancouver’s governance review will align with DRIPA principles or the implementation of the United Nations Declaration on the Rights of Indigenous Peoples.

The Nation requests clarification regarding:

- how First Nations participation and representation will be considered in any revised governance structure;
- whether Indigenous governments would have voting authority or formal decision-making roles;
- how Metro Vancouver intends to ensure governance reforms do not further marginalize Indigenous participation; and
- how this process will coordinate with the Province’s ongoing inclusive regional governance initiative.

Thank you for sending this to kʷikwə́ləm. We look forward to engaging with you on this matter.

Have a wonderful evening ahead,

ć·iθamə cən (Thank you)



kʷikwə́ləm
Kwikwetlem First Nation

Melissa Goodman
Wildlife Biologist & Project Coordinator

Lands and Resources
Cell: 778-773-6818
melissa.goodman@kwikwetlem.com

2-65 Colony Farm Road
Coquitlam, BC V3C 5X9
www.kwikwetlem.com

We acknowledge that we operate on the traditional, ancestral and unceded territory of kʷikwə́ləm First Nation

**VIA EMAIL**

Lisa Dominato, Chair
Metro Vancouver Governance Committee
via email: clrdominato@vancouver.ca

June 4, 2026

Dear Chair Dominato,

Thank you for the work you and the Governance Committee are undertaking as Metro Vancouver reviews its governance structure and operational model.

This review comes at an important time.

Across our region, residents are facing cost of living challenges unlike anything we have seen in generations. Families are stretched. Businesses are under pressure. Local governments are being asked to do more with less. In that environment, every public institution has an obligation to ask hard questions about whether it is structured in a way that delivers value, accountability, transparency, and efficiency.

During previous updates of the Governance Committee to the Metro Vancouver Board, I have raised a number of suggestions that I believe merit due consideration. In response, it has been stated that Board members should be providing their input to the Governance committee. In order to ensure my position is understood and received, I am taking the step of writing you this letter.

I believe this review presents an opportunity to pursue meaningful structural reform that refocuses Metro Vancouver on its essential responsibilities while modernizing governance and improving accountability.

First, I believe the Committee should undertake a serious assessment of spinning off Metro Vancouver's utility functions into separate utility entities responsible for drinking water, liquid waste, and solid waste management.

These utilities provide essential services that are operationally and financially distinct from the broader political and policy functions of the regional district. Increasingly, they resemble large utility corporations more than traditional local government departments. Yet they continue to operate within a governance structure heavily driven by politics rather than professional utility management.

Office of the Mayor | City of Port Coquitlam
2580 Shaughnessy Street
Port Coquitlam, BC Canada V3C 2A8
604.927.5410



A new model should be explored where these utilities operate as separate public entities governed by professionally appointed boards with expertise in engineering, finance, infrastructure delivery, environmental management, and utility operations.

Importantly, these entities should fall under the regulatory oversight of the British Columbia Utilities Commission.

The absence of independent economic regulation over utility rate setting at Metro Vancouver has become increasingly difficult to justify given the scale of costs being imposed on municipalities and residents. Independent oversight through the BCUC would introduce greater transparency, stronger financial discipline, long-term planning rigor, and external accountability around major capital expenditures and rate increases.

In short: if residents are being asked to pay utility bills comparable to those charged by regulated utilities, they deserve the same level of independent oversight and protection.

Second, I believe the size and structure of the Metro Vancouver Board itself should be reduced more dramatically than some proposals.

I believe the region should ultimately move toward a model where each member municipality appoints one representative to a Board that has a more limited scope.

Voting strength should be reflective of population, with consideration of establishing a minimum population threshold for representation.

I acknowledge this would raise the potential of smaller municipalities being absent from a new board, which leads to another consideration: amalgamation of municipalities within the region.

While amalgamation is outside of the scope of the review of Metro Vancouver's governance, it becomes impossible to ignore if this review is to be fulsome and complete.

The question of amalgamation is long-standing, but unanswered, and is raised frequently with no finality. While there will be many considerations and opinions on the matter, I believe the most important voice in this belongs to the residents of the region. Accordingly, an appropriate step is to request the Province of British Columbia to place this as a referendum question on every Metro Vancouver municipality's ballot in the upcoming local government election. This would allow the public to indicate whether this significant process should be undertaken, and ultimately approved.

As an interim measure, I would recommend an immediate consolidation of Metro Vancouver's committee structure from 14 committees to 5 committees.

Specifically:

- A single committee that combines the functions of the regional parks, regional planning, housing, and air quality committees.
- A single committee that combines the functions of the governance, mayors, and performance and audit committees.
- Maintain Water, Liquid Waste and Solid Waste committees.

All remaining committees should be eliminated.

I appreciate the opportunity to put forward my views for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'BW' followed by a stylized 'T'.

Brad West

Mayor
City of Port Coquitlam

cc: Metro Vancouver Directors

Squamish Connect correspondence received from Sk̓wx̓wú7mesh Úxwumixw (Squamish Nation)

Hello,

Thank you for your April 30, 2026 correspondence regarding Metro Vancouver's Assessment of Board Size and Structure and the opportunity to provide input.

We understand that this work follows the 2025 Deloitte Governance Review and is considering potential changes to board composition, representation, and voting structures to strengthen governance across the region.

Squamish Nation's response is guided by the Squamish Nation Strategic Plan (available online), specifically the Txwnaḥ Tkwétsi na Nchéḥ usntúmulhaswit (External Relations) section, which directs the Nation to advance government-to-government relationships, assert its role within regional governance systems, and ensure that Squamish Nation rights, title, and interests are meaningfully reflected in external decision-making bodies.

In alignment with this Strategic Plan priority, Squamish Nation expects that the outcomes of this process will:

- Explicitly recognize Squamish Nation as a government within the Metro Vancouver governance framework, consistent with nation-to-nation and government-to-government relationships;
- Ensure meaningful and direct participation in governance structures, including board composition and any future structural models, rather than limiting First Nations to advisory or peripheral roles;
- Advance equitable decision-making authority, including voting and representation approaches that reflect Squamish Nation's distinct status and interests in the region;
- Be developed through early, ongoing, and collaborative engagement with Squamish Nation, consistent with the Strategic Plan's direction on strengthening external relationships;
- Align with DRIPA implementation and broader "inclusive regional governance" work, recognizing that changes to governance structures must support, not precede or undermine, this broader transformation.

As directed by the Strategic Plan, Squamish Nation is committed to ensuring its role in regional governance evolves in a manner that reflects its inherent rights and responsibilities. Accordingly, it is critical that this process not only considers efficiency and structure, but also substantively advances Indigenous inclusion at a governance level.

We expect that Squamish Nation's Strategic Plan priorities will be meaningfully reflected in both the development and implementation of any proposed changes, and we welcome continued engagement to support this alignment.

Thank you,

Lilian

—[Lilian Shams-Amiri \(Squamish Nation\)](#), June 16, 2026

To: Governance Committee

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

Date: June 30, 2026

Meeting Date: July 9, 2026

Subject: **Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors**

RECOMMENDATION

THAT the Governance Committee receive for information the report dated June 30, 2026, titled "Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors".

EXECUTIVE SUMMARY

The 2025 independent Metro Vancouver Board Governance Review recommended optimization of the size and structure of Metro Vancouver's four Boards to improve governance effectiveness and oversight, and to enhance decision making and risk management. This report goes through each of the options considered by the Governance Committee and Boards in March / April of this year for each of Metro Vancouver's four Boards. It provides a summary of engagement, initial and additional option analysis, and implementation mechanisms, as well as sample recommendations that would advance that option.

In summary, for the MVRD Board, across audiences, the preferred option is to Cap the Number of Directors at 3 per Member Jurisdiction, maintaining the proportional voting, bringing the Board size to 34, and slowing growth of the Board over time. For the GVWD and GVS&DD Boards, the preferred option across audiences is to align with any changes made to the MVRD Board, and to add a Major Capital Projects Committee with some delegated authority, comprised of a mix of elected officials and external, appointed Directors with technical expertise to improve focus and oversight for the largest, most complex utility capital projects. For the MVHC Board, the results were split across audiences with no clear direction for change at this time.

In addition, other ideas, both regarding the size and structure of the Boards, as well as broader governance ideas, generated through engagement are provided. A separate report in the July 9, 2026 agenda package summarizes, in greater detail, feedback from engagement undertaken on potential changes to the size and structure of each of Metro Vancouver's four Boards.

Staff is seeking Governance Committee support for, and advancement of, recommended options for each of Metro Vancouver's four Boards of Directors from the options outlined in the report dated June 30, 2026, titled "Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's four Boards of Directors" to advance to the July 24, 2026 Board meeting for consideration by the MVRD, MVHC, GVWD, and GVS&DD Boards. Recommendations will be advanced to the Boards through a cover report to this report.

Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors

Governance Committee Regular Meeting Date: July 9, 2026

Page 2 of 17

PURPOSE

This report provides analysis of the options emerging from the recent engagement on potential changes to each of Metro Vancouver's four Boards of Directors with an aim to improve governance effectiveness, oversight, and enhanced decision making and risk management. The intent is for the Governance Committee to advance recommendations to the Boards for their consideration at the July 24, 2026 Board meeting.

BACKGROUND

At its January 22, 2026 meeting, the MVRD Board endorsed a process for the Governance Committee and the Boards to consider potential changes to Board size and structure to improve governance, and to outline any legislative changes necessary to implement any recommended changes. In February, the Governance Committee and MVRD Board endorsed an evaluation methodology for this work including problem statements for each Board, evaluation criteria, and preliminary weighting.

In March 2026, the Governance Committee considered the report titled, "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", dated March 6, 2026 (**Attachment 2**) and discussed options for amending the size and structure of both the MVRD and MVHC Boards with the aim of improving governance effectiveness, scalability of the option into the future, how member jurisdictions are represented, broader stakeholder impact, and how readily the options could be implemented.

For the MVRD Board, the Committee discussed the pros, cons, and implications of five options:

1. Status Quo (41 Directors)
2. One Director per member jurisdiction (23 Directors)
3. Cap the number of Directors at three per member jurisdiction (34 Directors)
4. Increase the population threshold per vote to 25,000 (36 Directors)
5. Increase voting divisor to seven from five (one Director for every 140,000 residents) (34 Directors).

For the MVHC Board, the Committee discussed the pros, cons and implications of four options:

1. Status Quo (41 Directors)
2. Align with any changes to the structure of the MVRD Board (23-36 Directors)
3. Smaller Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected based on merit), and
4. Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board based on merit).

In April 2026, the Governance Committee discussed options for amending the size and structure of the GVWD and GVS&DD Boards.

Three options for the GVS&DD and GVWD Boards were considered:

1. Status Quo (37 and 38 Directors)
2. Align with any changes to the structure of the MVRD Board (23-36 Directors)
3. A Smaller Hybrid Board (9-11 Directors).

In addition, the Committee discussed the option of adding a Major Capital Projects Committee with or without delegated authority to add additional oversight and independent external Directors to one or more of Metro Vancouver's largest utility capital projects (e.g. Chair, Commissioner + 5 independent, externally appointed Directors). The Committee received a presentation from Dana Hayden, Hayden Consulting, on this option.

This report leverages that early work with findings and themes from the engagement on Board size and structure, as well as input from Deloitte Canada (Deloitte) and Hayden Consulting, and presents options, analysis and sample recommendation language each of the options for the four Boards for the Governance Committee's consideration.

ENGAGEMENT SUMMARY

The six-week engagement launched April 25th and concluded on June 14th. A separate report detailing engagement activities, feedback, and input is included as item E1 in the Governance Committee's agenda package with data and input segmented by audience.

EVALUATION CRITERIA

The Governance Committee and MVRD Board endorsed an evaluation framework for considering potential changes to the size and structure of the four Boards. The following evaluation criteria were endorsed by the Governance Committee and received by the MVRD Board, and informed the analysis of options below:

- Improved Governance Effectiveness
- Size / Scalability into the Future
- Member Jurisdiction Representation and Impact
- Broader Stakeholder Impact
- Transition Readiness (ease of implementation).

PROBLEM STATEMENT

One of the main points that Deloitte Canada makes in their June 2026 report (**Attachment 1**) is that "Board size emerged as a recurring constraint on effective governance. Almost all Directors view the current and projected Board size as unsustainable and impacting effectiveness. Most noted Board size is not the primary driver of governance challenges affecting Metro Vancouver, but it is a structural issue that amplifies other Board culture challenges identified in the system."

"Interviewees indicated the issue for them was less about identifying a single ideal number and more about the impacts of scale. Larger board meetings create longer discussions; greater repetition - often from a small number of jurisdictions; lack of desire or ability of some directors to participate; and less disciplined decision making. They also place greater pressure on the Chair's ability to manage equity of time allotted to Directors, control of Board process, and overall debate."

OPTIONS ANALYSIS

The following sections of this report go through each of the options presented to the Governance Committee and the Boards in March and April of this year and that formed the basis of the engagement. The options were those identified by Deloitte in their 2025 Board Governance Review report. Additional analysis is provided to incorporate the feedback from engagement, and sample recommendations are provided for the Committee and the Boards' consideration.

MVRD BOARD OPTIONS

Five options for the MVRD Board were considered:

1. Status Quo
2. One Director per member jurisdiction
3. Cap the number of Directors at three per member jurisdiction
4. Increase population threshold per vote to 25,000
5. Increase voting divisor to seven (one Director for every 140,000 residents)

1. **Status Quo** (41 Board Directors and growing with population into the future)

Initial analysis for this option noted that although it retains established accountability between Metro Vancouver and member jurisdictions, has strong jurisdictional representation, and is a familiar accountability structure, the growing Board size may dilute accountability and make oversight of complex risks harder and may discourage active participation from all members.

Engagement Summary

Given concern that the trajectory for growth for the MVRD Board is that it will reach over 50 Directors by the next Census period, there was little to no support noted by the Governance Committee, Board Directors and others for keeping the status quo. Almost all Directors (97%) indicated that the current and projected trajectory of Board size is an issue, with key concerns noted as overall effectiveness, manageability and the ability to sustain focused, strategic discussion.

2. **One Director per member jurisdiction** (23 Board Directors)

This option would see one representative from each member jurisdiction, or their designate making up the MVRD Board. There would be no change in the process for choosing the Directors. This would remain up to each jurisdiction council. This option would keep the existing weighted voting methodology of one vote per 20,000 residents in each community, but place all votes with one Director per member jurisdiction.

Initial analysis for the option noted that it could improve decision speed, manageability and strategic focus, ensure each jurisdiction maintains a seat, and continue with proportional representation. However, for this option, *the balance of power at the Board would be held by only three Directors* (replacing 16 Directors under the status quo) who would hold the majority of votes at the Board. In addition, the diversity of perspectives from individual member jurisdictions would be removed, specifically impacting larger municipalities that currently have multiple Directors.

Engagement Summary

- This option was not prioritized by the Governance Committee, however, there was some interest in exploring it further.
- Deloitte found that “most Directors (77%) expressed that having more than one Director per municipality is important for the larger jurisdictions, ensuring adequate representation and minimizing influence over Board decisions. The primary concern noted regarding having only one Director is the fact that more than 50% of the voting power for Metro Vancouver would be held by three individuals”.
- At Council of Councils, this option was favoured by 26% of respondents
- At the public webinars, this option was favoured by 31% of respondents
- At the joint advisory committee webinar, this option was favoured by 22% of respondents.

Transition Readiness

This option requires legislative change to implement. The change could be effected through either an amendment to the *Local Government Act (LGA)* or a new provision in the *Municipalities Enabling and Validating Act (MEVA)*. It could also require amendments to MVRD's Letters Patent via a provincial Order in Council / Cabinet decision, and consequential bylaw and process modifications within Metro Vancouver. It would require provincial engagement with interested parties, and likely would take 12-18 months to complete (to be confirmed with the Province).

Sample Recommendation

THAT the MVRD Board:

- a) endorse having one Director per member jurisdiction at the MVRD Board while maintaining existing methodology for number of votes; this would reduce the current Board size to 23; and
- b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier requesting changes to either the *Local Government Act* or the *Municipalities Enabling and Validating Act*, and any corresponding adjustments to the MVRD Letters Patent, as required to include only one Director per member jurisdiction on MVRD Board.

3. Cap the number of Directors at 3 per member jurisdiction (34 Board Directors with slower growth)

This option would introduce a cap of three Board Directors from any one jurisdiction while maintaining the current overall approach to Board composition. This would mean that jurisdictions with a population of over 300,000 residents would have a maximum of three Directors on the Board. The three Directors would retain the same proportional voting based on a vote for every 20,000 residents in the community. The immediate impact would be for the cities of Vancouver and Surrey that see a reduction in the number of Directors, but no change in the number of votes.

Initial analysis of this option noted that it could improve decision making speed, efficiency, and strategic focus with a reduced number of speakers at each Board meeting, that proportional representation would be maintained, that there would be a more consistent number of Directors for larger municipalities, and that the size of the Board would grow much more slowly over time.

Engagement Summary

- This was the preferred option for the Governance Committee as a longer-term solution, noting the time it would take for required legislative change.
- In subsequent engagement, this was the preferred option across audiences.
- Deloitte found that "most Directors (77%) expressed that having more than one Director per municipality is important for the larger jurisdictions, ensuring adequate representation and minimizing influence over Board decisions. The primary concern noted regarding one Director is the fact that more than 50% of the voting power for Metro Vancouver would be held by three individuals". They also found that "most Directors (90%) indicated that they would be comfortable with larger municipalities giving up seats (including some from the largest cities), provided voting power is retained".
- At Council of Councils, this option was favoured by 34% of respondents.
- At the public webinars, this option was favoured by 21% of respondents.
- At the joint advisory committee webinar, this option was favoured by 34% of respondents.

Transition Readiness

This option requires provincial legislative change to implement - either by amending the *LGA* or adding a new provision under *MEVA*. It may also require amendments to MVRD's Letters Patent, via a provincial Order in Council / Cabinet decision, and consequential bylaw and process modifications within Metro

Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors

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Vancouver. It would require provincial engagement with interested parties, and likely take 12-18 months to complete (to be confirmed with the Province).

Sample Recommendation

THAT the MVRD Board:

- a) endorse capping the number of MVRD Board Directors at 3 per member jurisdiction while maintaining existing methodology for number of votes; this would reduce the current Board size to 34, slow growth of the Board over time, and achieve gains in governance effectiveness while maintaining proportional representation; and
- b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier requesting changes to either the *Local Government Act* or the *Municipalities Enabling and Validating Act*, and any corresponding adjustments to the MVRD Letters Patent, as required to cap at 3 the number of Directors per member jurisdiction on the MVRD Board.

4. Increase population threshold per vote to 25,000 (36 Board Directors)

In this option, the population threshold per vote would be increased from 20,000 to 25,000. All member jurisdictions under 25,000 would have one vote at the Board. Additional votes would be provided at 25,000 population intervals. The divisor of 5 per Director would remain the same, meaning that each Director would have a maximum of 5 votes for 125,000 residents (currently 5 votes for 100,000 residents). This option reduces the current overall number of Board Directors to 36.

Early analysis of this option found that it is the only option that changes the overall number of votes at the Board; twelve jurisdictions would have at least one less vote. Most of the impact of this option would fall to larger member jurisdictions with a reduced number of Directors and number of votes, as well as for jurisdictions on the threshold of an additional vote.

Engagement Summary

- This option was not supported by the Governance Committee, saw little support from Board Directors and Council of Councils, and little support from member jurisdiction advisory committee participants.
- At Council of Councils, this option was favoured by 14% of respondents.
- At the public webinars, this option was favoured by 21% of respondents.
- At the joint advisory committee webinar, this option was favoured by 12% of respondents.

Transition Readiness

No legislative amendment is required for this option. It would require a revision to the MVRD Letters Patent via a provincial Order in Council or Cabinet decision. Consequential bylaw and process modifications within Metro Vancouver may also be required.

Sample Recommendation

THAT the MVRD Board:

- a) endorse increasing the population threshold per vote to 25,000; this would reduce the current Board size to 36, slow growth of the Board over time, and achieve modest gains in governance effectiveness while maintaining proportional representation; and
- b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier seeking an Order in Council or Cabinet decision to change the voting threshold included in the Metro Vancouver Regional District Letters Patent from 20,000 to 25,000.

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5. Increase voting divisor to seven from five (one Director for every 140,000 residents) (34 Board Directors)

This option would decrease the number of Directors on the MVRD Board by increasing the voting divisor from five to seven, effectively increasing the number of residents represented by each Director from 100,000 to 140,000. The number of Directors is reduced while proportional voting remains the same.

Engagement Summary

- The Governance Committee expressed preference for this option as a shorter-term option that can be implemented without legislative change, and for capping the number of Directors at 3 per member jurisdiction as a longer-term solution.
- There was limited support from other audiences including Council of Councils, public webinars, and member jurisdiction staff participating in the joint advisory committee webinar.
- At Council of Councils, this option was favoured by 16% of respondents.
- At the public webinars, this option was favoured by 27% of respondents.
- At the joint advisory committee webinar, this option was favoured by 7% of respondents.

Transition Readiness

No legislative amendment is required for this option. It would require a revision to the MVRD Letters Patent via provincial Order in Council or Cabinet decision. Consequential bylaw and process modifications within Metro Vancouver may also be required.

Sample Recommendation

THAT the MVRD Board:

- a) endorse increasing the voting divisor from five to seven for the MVRD Board; this would reduce the current number of Directors to 34, slow growth of the Board over time, and achieve gains in governance effectiveness while maintaining proportional representation; and
- b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier seeking an Order in Council or Cabinet decision to include a voting divisor of seven in the Metro Vancouver Regional District Letters Patent.

GVWD AND GVS&DD BOARD OPTIONS

Three options for the GVWD and GVS&DD Boards were considered as well as one additional option to bring additional oversight to major capital projects:

1. Status Quo
2. Align with any changes to the size and structure of the MVRD Board
3. Smaller Hybrid Board (9-11 Directors - blend of utility member MVRD Board Directors plus external appointed Directors selected on merit)

Additional Option: Add Major Capital Projects Committee (with or without delegated authority) to any Board Structure (smaller Committee with a blend of GVWD and GVS&DD Board Directors + external appointed Directors)

1. **Status Quo** (38 GVWD Board Directors and 37 GVS&DD Board Directors)

The current GVWD and GVS&DD Boards align with the size and structure of the MVRD Board as stipulated in both the *GVWD Act* and *GVS&DD Act*. The number of Directors is slightly lower than for the MVRD Board as not all member jurisdictions are members of the GVWD and GVS&DD.

Engagement Summary

Given concern that the trajectory for growth for the MVRD Board is that it will reach over 50 Directors by the next Census period, there was no support noted by the Governance Committee, Board Directors and others for keeping the status quo for the utility Boards. In addition, there was substantial feedback that finding means to add independent, external expertise to oversee the largest capital projects would be beneficial.

2. **Align with any changes to the size and structure of the MVRD Board**

Early analysis of this option noted that there is simplicity in having the same governance model as for the MVRD. However, for the two utilities, Deloitte found an inherent tension reflecting the scale of investment involved and the technical nature of the mandate. They found that it is important to continue to have elected representation at the Board, particularly to have local government involvement in major infrastructure decisions, yet at the same, there is a clear interest in stronger technical input and oversight given the complexity of the largest utility projects that comprise 85% of the Metro Vancouver's budget and five-year financial plan.

Engagement Summary

- The Governance Committee supported this option for the two utility boards in conjunction with the addition of a Major Projects Committee.
- Deloitte found that "Board Directors had mixed views on whether to retain only elected representation or to introduce more specialized independent professional expertise on the Boards."
- Deloitte found that a majority of Directors (52%) indicated that both Board size and Board expertise are affecting the utility Boards' ability to oversee complex major construction projects. Two-thirds of those indicated expertise was the primary concern. About 19% of Directors indicated neither was a concern.
- Deloitte found that a "majority of Directors (74%) indicated a preference for utility Boards to remain composed of elected officials only".
- A majority of Directors (71%) expressed a preference for a smaller or reduced-cap Board structure aligning with potential changes to the MVRD Board.

Transition Readiness

Both the *GVWD Act* and *GVS&DD Act* specifically note that the size and structure of those Boards align with the MVRD Board. No legislative change is required to maintain alignment with the MVRD Board. The Boards could simply not pass any motion and the alignment would continue, or the Boards could endorse that continuing alignment is the preferred option.

Sample Recommendation

THAT the GVWD / GVS&DD Board support the continued alignment of the GVWD / GVS&DD Board size and structure with any changes made to the MVRD Board that aim to reduce the size of the Board, slow the growth of the Board over time, and improve governance outcomes.

3. **Smaller Hybrid Board (9-11 Directors blend of utility member MVRD Board Directors plus external appointed Directors selected on merit)**

This option would see the creation of a new, smaller Board structure for both the GVWD and GVS&DD Boards with 9-11 Directors on each Board. It would be a blend of MVRD Directors who are members of the utility in question (Sub-regional representation could be a requirement in selecting Directors) plus external Directors appointed by the MVRD Board (members of the utility in question) for a set term (e.g. four years).

Early analysis of this option noted that the inclusion of independent Directors would encourage regional perspective and emphasis on the best outcomes for the utility over member jurisdiction interests, the potential for improvements in decision making efficiency with a smaller, purpose built Board, combining technical expertise with a political lens, and some concern about loss of proportional representation at the Board.

Engagement Summary

- This option did not receive support at the Governance Committee because of the impact on proportional representation.
- Deloitte heard about a desire to have a skills matrix for the utility Boards to build greater technical capacity at the Board to add to the checks and balances in place and the expertise of technical staff.
- Deloitte found that about a quarter (26%) of Board Directors favoured either a hybrid or professional Board (similar to a Crown Corporation).
- However, 73% of participants at the public webinars felt that it would be valuable to add appointed external directors to the decision making for Metro Vancouver's two utility boards, and 39% of advisory committee member participants supporting a smaller, more nimble board with external, appointed directors.

Transition Readiness

Legislative changes to the *GVWD Act* and *GVS&DD Act* would be required for this option. It would require provincial engagement with interested parties as well as additional consequential bylaw and process modifications within Metro Vancouver. The process for determining member participation over time would need to be determined. Legislative changes would likely take 18-24 months to complete, to be confirmed by Province.

Sample Recommendation

THAT the GVWD / GVS&DD Board:

- a) endorse a Smaller Hybrid Board of 9-11 Directors with a mix of MVRD Board Directors who are members of the utility along with independent, appointed Directors;
- b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier requesting changes to the *GVS&DD Act* and *GVWD Act* to enable the GVWD / GVS&DD to have a smaller, hybrid Board with both elected officials and independent, appointed Directors; and
- c) direct staff to advance the Smaller Hybrid Board by bringing forward:
 - governance structure options,
 - implementation implications for Corporate and Board policies and procedures, and
 - selection criteria and remuneration for independent Directors.

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Additional Option: Add a Major Capital Projects Committee (with or without delegated authority)

A Major Capital Projects Committee is available as an option irrespective of the Board structure chosen. It could be added to the current Board structure for either or both the GVWD and GVS&DD or be utilized with any option that aligns with changes made to the MVRD Board.

For clarity, in May 2021, this option was recommended as part of the Capital Project Governance Practices Review. Board members have asked for a summary of that review (**Attachment 3**). The review was undertaken just after the establishment of the Project Delivery Department. It included:

- Review of capital project delivery challenges and best practice response (KPMG)
- Addition of Capital Project Cost Estimating Framework
- Addition of external expert advisor panel for highest value, risk, and consequence projects
- Benchmarking review of six North American jurisdictions on how they governed and managed their capital projects (Hayden Consulting)
- Set of recommendations regarding clearly defined objectives, robust project oversight, clear roles, responsibilities and authorities, effective risk management and rigorous project reporting and communication (Hayden Consulting)
- Adoption of Stage Gate Framework and Capital Project Governance Framework.

These project management best practices have largely been implemented by Metro Vancouver.

In April 2026, the Governance Committee received a presentation from Dana Hayden, Hayden Consulting, on this option. Subsequently, as requested by the Board, the Board received a similar presentation at the May Board meeting. Ms. Hayden noted that Project Boards / Committees are a governance standard for managing major public capital projects to ensure technical project delivery skills, continuity in oversight, decision making based on project needs, and for efficiency and cost savings.

Early analysis of this option noted that additional independent expertise aligned with the scope, scale and complexity of major capital projects could enhance decision making, risk mitigation, and oversight.

Evaluation Summary

- The Governance Committee supported this option and directed staff to bring back additional information on implementation.
- Deloitte found that “there is interest in enhanced oversight and expertise for major construction projects, including a narrow delegation of accountability for technical decision making, balanced by concern that additional governance layers may duplicate staff efforts and add complexity without addressing root causes”.
- “Most Directors (87%) supported the concept of a Major Capital Projects Committee overseeing a few of the very largest infrastructure projects”.
- “A majority of Directors (74%) indicated they felt major capital projects and related decisions do currently receive sufficient oversight and governance prior to coming to the full Board”.
- “The preferred option was that GVS&DD and/or GVWD Boards, composed of elected officials, would set the overall direction, project prioritization, timelines and budget parameters, with more detailed oversight of project execution managed through delegated mechanisms – such as a Major Capital Projects / Construction Special Purpose Committee of the Board.”
- 51% of Council of Council participants supported a Major Projects Committee.
- 73% of participants at the public webinars felt that it would be valuable to add appointed external support to the decision making for Metro Vancouver's two utility boards.

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- 41% of advisory committee member participants supported more oversight / focus on major capital infrastructure projects.

Transition Readiness

A *Standing* Committee can be struck by the Board Chair. A Standing Committee, like the Liquid Waste or Water Committees, would make recommendations to the GVWD / GVS&DD Boards. Alternatively, the GVWD / GVS&DD Boards can strike a *select* committee that has *delegated authority* via a two-thirds weighted vote.

The Boards will need additional information on governance structure / relationship to the Water and Liquid Waste Committees and the GVWD and GVS&DD Boards, as well as an understanding about how independent Board Directors will be selected, criteria, and remuneration. They will also need to decide what authority will be delegated and what will remain with the utility Boards, and to understand the operational implications in terms of needed changes to Board or Corporate policies, bylaws, and procedures.

Sample Recommendations

THAT the GVWD / GVS&DD Board support the continued alignment of the GVWD / GVS&DD Board size and structure with any changes made to the MVRD Board.

THAT the GVWD / GVS&DD Board direct staff to advance the Major Capital Projects Committee by bringing forward for consideration by January 2027:

- governance structure options, with consideration of the Major Projects Committee at the Capital Regional District, that clearly identify the relationship to the Water / Liquid Waste Committee and GVWD / GVS&DD Board,
- how projects are selected to be included in the Committee's terms of reference (e.g. by dollar value / stage gate),
- implementation implications for Corporate and Board policies and procedures,
- selection criteria and remuneration for independent Directors, and
- options for delegated authority.

MVHC BOARD OPTIONS

Four options for the MVHC Board were considered for discussion:

1. Status Quo
2. Align with any Changes to Structure for MVRD Board
3. Smaller Hybrid Non-Profit Board
4. Fully Appointed Non-Profit Board

1. Status Quo (41 Board Directors and growing into the future)

The current MVHC Board structure aligns with the MVRD Board. There are 41 Board Directors, which will continue to grow with population growth.

Engagement Summary

Given concern that the trajectory for growth for the MVRD Board is that it will reach over 50 Directors by the next Census period, the status quo was not supported by the Governance Committee, nor did it receive support from other audiences.

2. Align with any Changes to Structure for MVRD Board

Early analysis noted that there is simplicity in having the same structure as the MVRD Board, and that the structure for MVHC was changed from a smaller Board of 14 Directors in 2016 to the current structure, with the aim of consistent decision making and ease of holding all Board meetings in one day. However, the size of the Board is not aligned with other non-profit housing providers, and sometimes causes challenges with timeliness of agreements, funders and programs designed for other non-profits.

Evaluation Summary

- Deloitte found that overall, there is a high degree of consistency in how the MVHC Board is perceived, with the current structure generally viewed as effective and aligned with its mandate. They found limited appetite for significant structural change beyond simplification to remain aligned with any changes made to the MVRD Board.
- Deloitte found that 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials, and that 93% indicated that any misalignment with other housing non-profit Board structures was not a significant concern.
- The Governance Committee's preference was split between aligning with any changes to the MVRD Board and a smaller hybrid board with both elected Directors and independent external Directors.
- At Council of Councils, 57% of respondents preferred a smaller, hybrid Board, and 37% preferred that the Board remain aligned with the MVRD Board size and structure.
- 16% of staff advisory committee participants supported continuing to align with the MVRD Board size and structure.

Transition Readiness

Since pursuant to MVHC Articles, MVHC Board composition is aligned with MVRD Board composition and voting procedures, revisions to the MVRD Board and voting procedures will automatically apply to MVHC. The Board could simply not pass any motion, and the alignment would continue, or the Board could endorse that continuing alignment is the preferred option.

Sample Recommendation

THAT the MVHC Board supports the continued alignment of the MVHC Board size and structure with any changes made to the MVRD Board that aim to reduce the size of the Board, slow the growth of the Board over time, and improve governance outcomes.

3. Smaller Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected on merit)

This option would create a new and much smaller MVHC Board structure with 7-9 Directors, the majority being chosen from among MVRD Board Directors plus additional external housing sector Directors appointed by the MVRD Board either annually or for a four-year term. The current Board Standing Committee (Housing Committee) could be eliminated. This would be a return to a structure similar to that held prior to 2016.

Early analysis noted that additional professional and/or Board expertise (housing, finance, non-profit, development) could support improved decision-making and oversight, and that a smaller, more nimble Board could better support decisions in time-sensitive scenarios, including accelerating development, funding and partnership agreements, and be more aligned with other non-profit housing providers and

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funder programs. Some regional representation could remain by having sub-regional MVRD Board Directors selected and the independent Directors appointed by the MVRD Board based on skills and experience.

Evaluation Summary

- The Governance Committee's preference was split between aligning with any changes to the MVRD Board and a smaller hybrid board with both elected Directors and independent external Directors.
- Deloitte found that 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials, and that 93% indicated that any misalignment with other housing non-profit Board structures was not a significant concern.
- At Council of Councils 57% of respondents preferred a smaller, hybrid Board, and 37% preferred that the Board remain aligned with the MVRD Board size and structure.
- 60% of respondents to the survey supported adding external Directors with housing sector experience to the MVHC Board.
- 79% of respondents at the public webinars supported adding external Directors with housing sector experience to the MVHC Board.
- 79% of staff advisory committee participants supported a smaller board with external housing sector Directors.

Transition Readiness

Revision to the MVHC Board structure could be done quickly via a MVRD Board resolution in its capacity as the sole shareholder of MVHC, plus the requisite administrative filing with BC Registry Services. Modified MVHC processes and procedures, such as determining criteria for identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time.

Sample Recommendation

THAT the MVHC Board direct staff to advance the Smaller Hybrid Board option for the Metro Vancouver Housing Corporation by bringing forward by January 2027:

- additional information including selection criteria, length of term, and remuneration implications for independent Directors;
- implementation implications for Corporate and Board policies and procedures; and
- options for the accountability framework between the Board and the MVRD, in its capacity as the sole shareholder of MVHC.

4. Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board on merit)

This option would create a new and much smaller Board structure with 7-9 Directors appointed by the MVRD Board for a set term (e.g. four years), with no political representation on the MVHC Board. In this options, all MVHC Board Directors would be selected by the MVRD according to criteria / direction established by the MVRD Board based on expertise (ie. housing, finance, non-profit, development).

Evaluation Summary

- The Governance Committee and Boards did not support this option, and this lack of support was reflected throughout the engagement process.
- Again, Deloitte found that 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials, and that 93% indicated that any misalignment with other housing non-profit Board structures was not a significant concern.

Transition Readiness

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Revision to the MVHC Board structure could be done quickly via an MVRD Board resolution in its capacity as the sole shareholder of MVHC, plus the requisite administrative filing with BC Registry Services. Development of associated new and modified MVHC processes and procedures, such as determining criteria for identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time.

Sample Recommendation

THAT the MVHC Board direct staff to advance the Fully Appointed Non-Profit Board option for the Metro Vancouver Housing Corporation by bringing forward by January 2027:

- Additional information including selection criteria, length of term, and remuneration implications for independent Directors;
- implementation implications for Corporate and Board policies and procedures;
- options for the accountability framework between the Board and the MVRD, in its capacity as the sole shareholder of MVHC.

ADDITIONAL INPUT ON BOARD SIZE AND STRUCTURE

Throughout the engagement process, a number of additional ideas regarding the size and structure of Metro Vancouver's four Boards were raised. One in particular is the idea of Metro Vancouver's utilities being run by the BC Utilities Commission. As a result, Shayne Gregg, Deloitte and Dana Hayden, Hayden Consulting, have provided a short summary responding to this idea. It is included as **Attachment 4**.

ADDITIONAL INPUT ON BROADER BOARD GOVERNANCE

Finally, a number of additional ideas, not related to potential changes to the size and structure of Metro Vancouver's four Boards were also raised through the engagement process.

Onboarding / Orientation / Education

Through Deloitte's interviews with Board Directors, an emphasis on the importance of onboarding, Board education, and adherence to the Code of Conduct featured prominently. Deloitte noted in their report that:

- "The majority of Directors indicated a desire to enhance mandatory governance and oversight education as part of formal onboarding for new Directors. This training would provide better insights into the fiduciary duties of a Director, and how to best manage their dual (and often competing) municipal and regional governance roles.
- Feedback also indicated a need for Director training and onboarding to reinforce shared values and set the desired conduct of Board Directors for the next four years.
- There was broad interest in introducing mechanisms to police and address behaviour inconsistent with the code of conduct, but in a manner that would protect individuals for raising concerns about fellow Directors. Several Directors indicated the impending Provincial Government legislation around the conduct and behaviour of elected officials may assist in addressing this concern, but a similar number were also skeptical as to its potential effectiveness.
- Providing enhanced transparency and governance rigour into the process of nomination and selection of new Board and Committee members to better align the inherent skills and experience of Board Directors to where they can be best utilized."

Board / Standing Committee Structure

Across engagement audiences, views varied on the role of Board Standing Committees and staff advisory committees, with a diversity of opinions on the effectiveness of information flow and value of committee work. As reminder, the Governance Committee and Board provided input to the Chair for his consideration for 2026 Standing Committees as the *Local Government Act* identifies that Standing Committees are formed at the Board Chair's discretion. Over two months in late 2025, the Governance Committee considered the number of Standing Committees, the number of meetings, size and composition of Standing Committees and how Committee members are chosen. This work resulted in changes including streamlining the number of Committees from 17 to 14, reducing the number of meetings for some Committees, and amending Terms of Reference for several committees to clarify and streamline roles. Additional changes can occur each year as the Chair considers the following year's Standing Committees.

Deloitte noted in their report that:

- “Almost all Directors (97%) indicated they understand clearly how the various standing committees, task forces, and oversight bodies operate and the division of responsibilities and accountabilities between them.
- Most Directors (90%) indicated that the mandates and decision rights of the Boards, Committees, and Task Forces are clear and appropriate.
- Most Directors (84%) indicated they trust these structures and supporting processes to surface issues early and provide effective oversight.
- Directors were equally divided (51%) as to whether they believed their peers trust these structures and information coming forward from committees to be balanced and complete.
- Majority of Directors (71%) indicated that the Committee structures meaningfully reduce workload and improve the quality of Board decisions as they ensure regional staff consultation, Metro Vancouver staff engagement, and provide a forum for debate and analysis prior to decisions coming to the Boards.”

One Sewerage Area

Finally, an issue that arose throughout engagement, both through the Governance Committee and Deloitte's interviews was the interest in changing how costs are allocated for Liquid Waste Capital Projects. One specific recommendation from most of the Directors (92%) is the desire to unify the four sewerage areas into one – but through a managed, staged transition process that is equitable. A small number of Directors expressed a desire to return to the cost allocation model that existed prior to the late 1990's when the host sewerage area to a major project pays 100% of the cost, and another small contingent of respondents expressed that the current cost share model is appropriate. As reminder, Liquid Waste Capital project costs are allocated based on the 'Tier' of the project (or project components) as shown in Table 1.

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Table 1. Description of Tiers and Allocation for GVS&DD capital projects Year Tier Description Allocation

Year	Tier	Description	Allocation
<1993		No Tiers for capital projects	100% of project costs allocated to the host sewerage area
1995	Tier 1	Any project costs where the host sewerage area is the beneficiary (e.g. community benefits, and local serving infrastructure)	100% of project costs paid by the host sewerage area
1995	Tier II	Any project costs for secondary treatment + WWTPs	70% of costs paid by the region; 30% of costs paid by the host sewerage area
1997	I & II	GVS&DD DCCs introduced	Same cost apportionment framework for Tier I and Tier II used
2014	Tier III	Any project costs for tertiary treatment; cost associated with resource recovery	100% of costs paid by the region; for both growth and non-growth portions

Note: DCCs for GVS&DD are subject to Cost Apportionment Bylaw; DCCs for water and parks acquisition are one rate for the region.

ALTERNATIVES

This is an information report, no alternatives are provided. Staff is seeking Governance Committee support for, and advancement of, recommended options for each of Metro Vancouver's four Boards of Directors from the options outlined in the report dated June 30, 2026, titled "Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's four Boards of Directors" to advance to the July 24, 2026 Board meeting for consideration by the MVRD, MVHC, GVWD, and GVS&DD Boards. Recommendations will be advanced to the Boards through a cover report to this report.

FINANCIAL IMPLICATIONS

There are no direct financial implications to this report, however, each of the options, if chosen, will have financial implications, either because of costs associated with implementation and other factors. Several of the sample recommendations include both an endorsement of the option as well as a direction to receive additional information, including financial implications.

CONCLUSION

The 2025 independent Metro Vancouver Board Governance Review recommended optimization of the size and structure of Metro Vancouver's four Boards to improve governance effectiveness, oversight, and to enhance decision making and risk management. This report goes through each of the options considered by the Governance Committee and Boards in March / April of this year for each of Metro Vancouver's four Boards. It provides a: summary of engagement; initial and additional analysis; how the option would be implemented; and sample recommendations that would advance that option.

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In summary, for the MVRD Board, across all audiences, the preferred option is to Cap the Number of Directors at 3 per Member Jurisdiction, maintaining the proportional voting, bringing the Board size to 34 and slowing growth of the Board over time. For the GVWD and GVS&DD Boards, the preferred option across audiences is to align with any changes made to the MVRD Board, and to add a Major Capital Projects Committee with some delegated authority comprised of a mix of elected officials and external, appointed Directors with technical expertise to improve focus and oversight for the largest, most complex utility capital projects. For the MVHC Board, the results were split across audiences with no clear direction for change at this time.

ATTACHMENTS

1. Deloitte Canada. "Board Governance Consultations – June 2026", dated, June 23, 2026.
2. "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", report dated March 24, 2026.
3. "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework", report dated May 3, 2021.
4. Deloitte LLP & Hayden Consulting. "BC Utilities Commission Oversight of Metro Vancouver – A Discussion Paper", dated June 29, 2026.
5. Presentation re: Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors – *to be provided at a later date*.

REFERENCES

1. Deloitte. "Considering Board Size and Structure for Metro Vancouver's Boards – Proposed Process", dated January 6, 2026. <https://metrovancover.org/boards/GVRD/RD-2026-01-30-AGE.pdf> [page#524](#)
2. Deloitte. (2025, May). *Metro Vancouver Board Governance Review*. [MVRD Board report on 2025, May 23]. <https://metrovancover.org/boards/Documents/Deloitte-MV-Board-Governance-Review-2025-05-23.pdf>

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Board Governance Consultations – June 2026

Metro Vancouver

June 25, 2026

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Deloitte acknowledges that the region's residents of Metro Vancouver live, work, and learn on the shared territories of many Indigenous peoples, including 10 local First Nations: ǵícǵý (Katzie), ǵʷa:ńłǵń (Kwantlen), kʷíkʷǵǵǵm (Kwikwetlem), máthxwi (Matsqui), xʷmǵθkʷǵǵm (Musqueam), qiqǵýt (Qayqayt), se'mya'me (Semiahmoo), Skwxwǵ7mesh úxwumixw (Squamish), scǵǵǵǵǵǵ mǵsteyǵxʷ (Tsawwassen), and sǵlǵlǵǵǵǵǵǵ (Tsleil-Waututh).

1. Executive Summary

1.1. Context & Approach

Metro Vancouver delivers essential regional services across a large and growing metropolitan area. Its governance model has supported this mandate for decades and continues to provide a strong foundation. As the organization has grown in scale and complexity, the effectiveness of Board size and structure has become a key area of focus.

In May 2025, Deloitte completed an independent Board Governance Review, identifying 49 recommendations (including 2 considerations for the Province of BC) to strengthen governance. The Governance Committee of the Board has since advanced their implementation, with recent attention to the Board size and structure given its impact on the efficiency of decision making, representation of communities, and Board process and operational effectiveness.

As part of this effort, the Governance Committee developed a set of structural options for the four Metro Vancouver boards and presented these at the MVRD Board meeting on April 24, 2026, and the Council of Councils meeting on April 25, 2026. Deloitte was asked to gather independent Board and internal stakeholder input to supplement other broader external consultations led by Metro Vancouver staff to further inform these options for the Board.

Deloitte conducted confidential consultations with Board Directors, management, and a select group of external stakeholders between April 27 and June 5, 2026. The consultations focused on key issues related to Board size and structure, potential approaches for change, and considerations for implementation.

This report presents a synthesis of stakeholder input, including areas of alignment and divergence, along with a structured overview of potential options and associated trade-offs. It is intended to support decision making by the Governance Committee and the Board as they consider their final options.

1.2. Findings & Observations

Feedback from the independent consultation process reinforces that Metro Vancouver's current governance model continues to provide a strong foundation, but regional growth, emerging regulations, capital project complexity, and board composition has increased pressure on how the Boards operate and govern.

Across all areas relating to Board size and structure, there are areas of strong alignment and also strong divergence in views. While certain themes are widely shared, there is no singular or uniform position on the optimal path forward given the equal balance of advantages and disadvantages inherent in each option. Instead, the findings reflect a set of common widely considerations that will need to be balanced as the governance structure evolves.

Key observations from the independent consultation process include:

- **Board size remains a concern**, with broad consensus that the projected trajectory into the future is not sustainable and is impacting effectiveness, efficiency, and quality of discussion.

- **There is general support for a reduced or capped MVRD Board size**, particularly if proportional voting strength is preserved - although views differ on how far reductions should go and how they might be achieved.
- **Representation versus efficiency remains a central trade-off**, with recognition that fewer seats may improve effectiveness and efficiency but reduce the diversity of municipal perspectives.
- **Utilities governance reflects a tension between accountability and expertise**, with a strong desire to strengthen the level of independent expertise advising the Boards but still preferring to maintain a fully elected model with some seeking a professional hybrid structure.
- **There is significant support for the consolidation of the current four sewer areas into one regional area** (as it is for the water district).
- **There is strong support for delegating technical oversight of major capital projects** through the creation of a Major Capital Projects Committee.
- **The MVHC Board is generally viewed as functioning effectively**, with limited appetite for structural change beyond targeted refinement to maintain alignment with the MVRD Board.
- **Near-term governance improvements are a priority**, particularly those that can be implemented ahead of the next Board term, while more substantive changes are expected to require provincial engagement.
- **Understanding and confidence in governance processes varies**, particularly with respect to the roles of committees, perceived confidence in information received, and the extent to which current structures reduce workload. Some of these challenges were attributed to the volume of information received and the resources and time available to the Director to assess it, as well as their desire to seek support from staff in reviewing it.
- **Opportunities exist to strengthen several other governance mechanisms**, including Director onboarding and education, Board and Committee nominations, and Board discipline. Almost all Directors indicated Board size and structure was a contributor to governance challenges within the Board, however they were quick to identify concerns regarding Director behaviour as a more predominant driver. A recurring theme across almost all interviews was a frustration with a marked increase during the current term in negative attitudes and behaviours from some Board members despite the recent introduction of a code of conduct.

Taken together, these observations highlight that governance challenges are not driven by a single issue. Rather, they reflect a combination of structural, operational, and behavioural factors that will need to be addressed in an integrated manner.

2. Introduction & Context

2.1. Purpose of this document

The Governance Committee of the Metro Vancouver Regional District Board is advancing the implementation of the 47 recommendations identified in the 2025 Deloitte Board Governance Review. While that review identified a range of governance priorities, the size and structure of the Board and its related entities has emerged as a key area of focus for further consideration.

In this context, the Governance Committee has undertaken targeted work to better define the challenges associated with Board size and structure across the four Metro Vancouver boards. This work has included the development of a set of structural options intended to address identified pressures, while supporting effective governance, representation, and decision making. These options were discussed by the Governance Committee in March and April 2026, and subsequently presented to the MVRD Board on April 24, 2026, as part of ongoing engagement on potential governance enhancements.

This report has been prepared to provide an independent summary of Deloitte's findings from subsequent stakeholder consultations. It presents the observations gathered through this process, along with a synthesis of emerging themes and a structured overview of potential options, including associated considerations, benefits, and trade-offs. Consistent with its intended purpose, this report does not provide specific recommendations but is designed to support informed decision making by the Board Governance Committee, along with a variety of other stakeholder inputs, as they develop their recommendations on size, structure and ongoing governance improvement for the Board.

2.2. Approach to the Review

To inform this work, Deloitte conducted a series of **independent, confidential consultations** with Board Directors, selected members of management, and a targeted group of external stakeholders, including representatives from municipalities and the Province of British Columbia. The consultation process was conducted over a six-week period from April 27 to June 5, 2026.

The objective of the consultations was to deepen understanding of the challenges related to Board size and structure, assess perspectives on potential paths forward, and gather targeted input on key considerations to inform decision making. Discussions were structured around a consistent set of themes, including:

- Board size and structure across the four boards, including considerations related to growth and long-term sustainability
- Representation models and approaches to maintaining effective participation at the Board table
- Governance of utility boards, with a focus on composition and decision-making effectiveness, particularly with regard to major infrastructure construction projects
- Governance considerations specific to Metro Vancouver Housing Corporation, including alignment with partners and funders
- Feasibility and implementation considerations, including legislative and provincial requirements
- Confidence in Board governance structures and inputs, including standing committees, task forces and working groups, staff developed materials, and regional committees
- Potential challenges to implementation and adoption of proposed changes

Interview responses were analyzed to identify areas of alignment and divergence. For selected questions, responses were grouped into structured categories based on the proportion of participants expressing a similar view.

The following framework defines these categories, based on the percentage of participants supporting each key observation:

Criteria	%
All	100
Almost All	95-99
Most	75-94
Majority	52-74
Equally divided	49-51
Minority	25-48
Some	1-24
None	0

In addition, recurring themes and observations raised across consultations have been captured to provide supplementary insights, reflecting areas of sustained stakeholder interest and concern.

3. Summary Observations

This section provides the overall findings and observations from the consultation process grouped thematically against eight key aspects of this review.

1. **Board Size Trajectory** – is the trend toward a larger Board size a concern?
2. **MVRD Board Options** – what are the preferred MVRD Board size and structural options?
3. **Utilities (GVWD and GVS&DD) Board Options** – what are the preferred utilities Boards size and structural options?
4. **Major Capital Projects Committee** – Is there support for a Major Capital Projects Committee?
5. **MVHC Board Options** – what are the preferred MVHC Board size and structural options?
6. **Prioritization of Governance Actions** – what is the preferred timing for implementation of any Board structural recommendations?
7. **Board and Committee Structures** – how satisfied are Directors with the current Board and Committee structure and the various input processes?
8. **Other Governance Considerations** – what are other related governance concerns?

The following provide more detail on the outcomes of this consultation process by above theme.

3.1. Board Size Trajectory

Board size emerged as a recurring constraint on effective governance. Almost all Directors view the current and projected Board size as unsustainable and impacting effectiveness. Most noted Board size is not the primary driver of governance challenges affecting Metro Vancouver, but it is a structural issue that amplifies other Board culture challenges identified in the system.

Directors indicated it is important to slow the growth trajectory, but don't have a specific size target in mind. The current Board is already viewed as difficult to manage, and continued growth is expected to further reduce efficiency and effectiveness.

Interviewees indicated the issue for them was less about identifying a single ideal number and more about the impacts of scale. Larger board meetings create longer discussions; greater repetition - often from a small number of jurisdictions; lack of desire or ability of some directors to participate; and less disciplined decision making. They also place greater pressure on the Chair's ability to manage equity of time allotted to Directors, control of Board process, and overall debate.

Summary of Key Observations – Overall Board Size:

- Almost all Directors (97%) indicated that the current and projected trajectory of Board size is an issue.
- Key concerns of Board Directors are primarily regarding overall effectiveness, manageability, and the ability to sustain focused, strategic discussion.

3.2. MVRD Board Options

Within the MVRD Board size options, the central issue raised is the trade-off between representation and effective participation. Concerns have been raised regarding models that disproportionately provide consolidated power among a few Directors. For example, under a model with one Director per member jurisdiction, totalling 23, but maintaining the weighted voting, there would be three directors

with over 50% of the weighted vote centralizing a significant amount of decision-making in very few individuals from the largest cities. This is true under the current census data and the projected forthcoming data that will take effect in 2027.

Multiple seats continue to have value for larger municipalities, particularly where councils are large or politically diverse. At the same time, the practical value of additional seats appears to diminish where multiple representatives advance largely the same position at the table. This creates a dynamic in which presence and airtime increase, but the quality of discussion does not necessarily improve.

There was a broader commentary that having a member jurisdiction's council quorum attending a meeting felt inappropriate, and unnecessary. For example, quorum for Vancouver and Surrey councils is 6 and 5, respectively, while they are required to appoint 7 and 6 Directors, respectively. Under the current population growth projections, Surrey would have to begin appointing all 8 city councillors and the mayor to meet the 9 appointment requirements following the 2031 census. The same would be potentially true of Vancouver's 10 city councillors and mayor following the 2051 census. After these inflection points, Surrey and Vancouver would not have enough city councillors or mayor to meet the appointment requirements of Metro Vancouver.

There is openness to reducing the number of seats allocated to larger municipalities, provided their voting strength is retained. This is viewed as one of the more practical ways to improve efficiency without materially changing influence over decisions. The trade-off is that fewer seats may narrow the range of municipal perspectives reflected in the room, even where formal voting power remains unchanged.

A capped model of 3 Directors was frequently viewed as a workable middle ground. This was generally considered alongside weighted voting, with the intent of preserving proportionality while reducing duplication and improving meeting efficiency.

Some form of amalgamation Board of seats was raised as a longer-term structural consideration by a majority of the Directors. While not an immediate option available to the MVRD Board given the legislative change required, and certainly not supported by many of the smaller jurisdictions, it does reflect underlying questions about representation, scale, and decision-making authority across the region.

Underlying these Board size dynamics is an ongoing tension between regional and municipal perspectives. The current structure continues to reinforce local advocacy and changes to Board size can intensify this by inadvertently providing additional authority to promote municipal rather than regional interests. Any redesign of the MVRD Board will need to balance efficiency, proportional influence, and perceived fairness across municipalities of different scale.

Summary of Key Observations - MVRD:

- The MVRD Board is widely perceived as too large and unwieldy, with duplication of voices and reduced efficiency cited as the main concerns.
- There is general support for a capped model (some preferring a single Director per jurisdiction, but most tending towards a cap of 3 Directors) with appropriately adjusted voting.
- Most Directors (77%) expressed that having more than one Director per municipality is important for the larger jurisdictions, ensuring adequate representation and minimizing influence over Board decisions. The primary concern noted regarding one Director is the fact that more than 50% of the voting power for Metro Vancouver would be held by three individuals.
- Most Directors (90%) indicated they would be comfortable with larger municipalities giving up seats (including some from the largest cities), provided voting power is retained.

- Majority of Directors (71%) indicated they have concerns regarding bloc voting by larger municipalities.
- Most Directors (77%) agreed that fewer Directors would likely improve meeting efficiency.
- Majority of Directors (65%) did not support the amalgamation of smaller municipal seats into larger neighbouring jurisdictions or combining them in other forms.

3.3. Utility Board Options (GVWD and GVS&DD)

The utility boards raise a different set of considerations, reflecting both the scale of investment involved and the technical nature of the mandate. The current model is more aligned with the broader MVRD governance structure, which can make it more difficult to distinguish utility oversight from general Board business and does result in more of a regional weighting to the Board discussions. There were mixed views on whether to retain only elected representation or introduce more specialized independent professional expertise on the Boards.

The core issue is not simply Board size of the utilities, but whether the composition of the utilities boards is appropriate given the decisions they are being asked to make. There remains strong support for maintaining elected representation, particularly on the basis of accountability and the importance of local government involvement in major infrastructure decisions. At the same time, there is clear interest in stronger technical input and more specialized oversight given the complexity of the subject matter.

This tension is reflected in the range of models being considered by the MVRD Governance Committee and Boards. A fully elected model preserves democratic accountability. A capped model may improve manageability. A hybrid approach introduces the possibility of blending elected oversight with external expertise. No single approach resolves all trade-offs, and the current structure does not fully address the balance between representation, expertise, and effective oversight.

Key Observations – Utilities Boards:

- Majority of Directors (52%) indicated that both Board size and Board expertise are affecting the utility Boards' ability to oversee complex major construction projects. Two-thirds of those indicated expertise was the primary concern. Around 19% of Directors indicated neither was a concern.
- Majority of Directors (74%) indicated a preference for utility Boards to remain composed of elected officials only, with the remainder preferring a hybrid or professional Board (similar to Crown Corporation). The Directors preferring an 'elected-only' Board still tended to identify the need for additional expertise in Committees or other advisory groups.
- Majority of Directors (71%) expressed a preference for a smaller or reduced-cap Board structure.
- One specific recommendation from most of the Directors (92%) is the desire to unify the four sewer districts back into one – but through a managed, staged transition process that is equitable to all.

3.4. Major Capital Projects Committee

There is interest in enhanced oversight and expertise for major construction projects, including a narrow delegation of accountability for technical decision making, balanced by concern that additional governance layers may duplicate staff efforts and add complexity without addressing root causes.

Views on major capital project governance are divided. Existing oversight arrangements are, in some cases, seen as sufficient, particularly where committees and staff expertise are functioning as intended. In other cases, some felt the utilities Boards insufficiently equipped for projects of increasing

scale, risk, and complexity. Discussion in this area focused on major construction projects, with an emphasis on technical project delivery governance and oversight.

The preferred option was that GVS&DD and/or GVWD Boards, composed of elected officials, would set overall direction, project prioritization, timelines and budget parameters, with more detailed oversight of project execution managed through delegated governance mechanisms – such as a Major Capital Projects/Construction Special Purpose Committee of the Board.

Support for a dedicated major capital projects structure is strongest where it is understood as a mechanism to strengthen oversight, introduce relevant expertise, and maintain focus on large projects. The concept is less compelling where it is seen as adding another governance layer without clarifying mandate or decision authority or simply duplicates existing project oversight processes.

Key Observations – Major Capital Projects Committee:

- Most Directors (87%) supported the concept of a Major Capital Projects Committee overseeing a few of the very largest infrastructure projects.
- Majority of Directors (74%) indicated they felt major capital projects and related decisions do currently receive sufficient oversight and governance prior to coming to the full Board.

3.5. MVHC Board Options

The Metro Vancouver Housing Corporation operates within a more contained and focused governance model relative to other Metro Vancouver entities. Overall, there is a high degree of consistency in how the MVHC Board is perceived, with the current structure generally viewed as effective and aligned with its mandate.

MVHC is generally viewed as functioning effectively, with limited appetite for significant structural change beyond potential simplification to remain aligned with a leaner MVRD Board, with some interest in considering the addition of independent property management or housing-related expertise.

The current structure is widely considered proportionate to the scale and operational focus of the organization. As a result, there is limited appetite for significant structural change. Where refinements are considered, they tend to focus on Board composition, including the potential to incorporate more targeted expertise or to further align with governance practices typical of leaner not-for-profit housing organizations.

Key Observations - MVHC:

- Majority of Directors (55%) indicated that a leaner Board structure is more appropriate (such as that proposed for MVRD).
- Most Directors (83%) did not support a hybrid or skills-based MVHC Board without elected officials.
- Most Directors (93%) indicated that any misalignment with other housing non-profit (NPO) Board structures is not a significant concern.

3.6. Prioritization of Governance Actions

The timing of governance change is a key consideration, particularly in advance of the upcoming municipal election cycle and the transition to a new Board.

There is a strong desire to implement any immediate practical changes that do not require legislative change ahead of the next Board and municipal election cycle, recognizing the depth of experience already present in the Board, and the concern for the typically overwhelming information flows initially experienced by new board directors. These types of amendments are seen as important to position the

incoming Board for more effective operation from the outset and to address governance concerns impacting both current and future Directors.

There is also a recognition that certain structural changes will require provincial engagement and direction and where Metro Vancouver can articulate the required changes the Board should continue to move this forward in parallel with other enhancements. The preferred path forward therefore combines immediate, practical changes within Metro Vancouver's control and a more deliberate engagement with the Provincial Government on larger structural issues.

Key Observations – Prioritization of Governance Actions:

- All Directors (100%) supported prioritizing governance changes that can be implemented without requiring provincial approval rather than waiting for the new Board to reconsider these issues next year.
- All Directors (100%) expressed support for taking a more proactive stance with the Provincial Government (i.e., engaging proactively versus waiting for direction or other indications from the Provincial Government).

3.7. Board and Committee Structures

Views varied on the clarity and effectiveness of governance processes, including the roles of the Board, committees, and advisory bodies, with mixed levels of confidence in information flows and whether the current structure reduces or adds to Board workload.

The respective roles of the Board, standing committees, task forces, and advisory or technical bodies are generally well understood in principle, but not always experienced as clearly in practice. This is particularly evident in how issues progress through the system, with committee work in some cases being revisited or challenged at the Board level.

While committees can provide value by enabling more detailed review and surfacing issues early, this is not always realized consistently. The result can be duplication of effort as decisions move to the Board.

Confidence in the information flowing through these structures and from Metro Vancouver staff is also uneven and certainly is not made any easier by complexity and larger volumes of information being received by the Board. In some areas, this information readily supports effective decision making. In others, concerns remain around completeness, timing, or transparency. These dynamics influence both the level of scrutiny applied at the Board and the overall workload associated with governance processes.

Key Observations – Board and Committee Structures:

- Almost all Directors (97%) indicated they understand clearly how the various standing committees, task forces, and oversight bodies operate and the division of responsibilities and accountabilities between them.
- Most Directors (90%) indicated that the mandates and decision rights of the Boards, Committees, and Task Forces are clear and appropriate.
- Most Directors (84%) indicated they trust these structures and supporting processes to surface issues early and provide effective oversight.
- Directors were equally divided (51%) as to whether they believed their peers trust these structures and information coming forward from committees to be balanced and complete.
- Majority of Directors (71%) indicated that the Committee structures meaningfully reduce workload and improve the quality of Board decisions as they ensure regional staff consultation,

Metro Vancouver staff engagement, and provide a forum for debate and analysis prior to decisions coming to the Boards.

3.8. Other Governance Considerations

All Directors provided various concerns related to or adjacent to the effectiveness of the Boards and their efficient operation. Almost all Directors indicated Board size and structure was a contributor to governance challenges within the Board, however they were quick to identify concerns regarding Director behaviour as a more predominant driver. A recurring theme across almost all interviews was a frustration with a marked increase during the current term in negative attitudes and behaviours from some Board members. Despite the introduction of a Board Code of Conduct and various attempts by the Chair to reign in this divisive activity, it is seen as continuing to escalate. Directors indicated several factors they felt were causing this increase, ranging from the need for some to message to voters given the impending election; a desire for increased media attention; the lack of effective 'teeth' in the Code of Conduct; the fear of reprimand for elevating concerns or calling other Directors out; and the cumulative of political risk and responsibility on the Chair to police the Board environment. Several potential mitigating considerations were noted, including the following:

Key Observations – Other Governance Considerations:

- The majority of Directors indicated a desire to enhance mandatory governance and oversight education as part of formal onboarding for new Directors. This training would provide better insights into the fiduciary duties of a Director, and how to best manage their dual (and often competing) municipal and regional governance roles.
- Feedback also indicated a need for Director training and onboarding to reinforce shared values and set the desired conduct of Board Directors for the next four years.
- There was broad interest in introducing mechanisms to police and address behaviour inconsistent with the code of conduct, but in a manner that would protect individuals for raising concerns about fellow Directors. Several Directors indicated the impending Provincial Government legislation around the conduct and behaviour of elected officials may assist in addressing this concern, but a similar number were also skeptical as to its potential effectiveness.
- Providing enhanced transparency and governance rigour into the process of nomination and selection of new Board and Committee members to better align the inherent skills and experience of Board Directors to where they can be best utilized.

4. Comparison of Options

Building on the structural options developed through the Council of Councils process, consultations provided additional perspective on how these options are expected to function in practice, and the trade-offs associated with each.

While the configurations vary by board, the options generally fall along a spectrum between maintaining full elected representation, introducing capped representation, and considering hybrid approaches that incorporate targeted expertise. Each option reflects a different balance between representation, efficiency, expertise, and accountability.

Across all options, several consistent patterns emerge.

There is broad alignment that **reducing size improves efficiency**, but less agreement on how far that reduction should go. There is also a recognition that **voting power and presence are not interchangeable**. Retaining votes does not fully replace the influence that comes from having multiple voices in the room.

The introduction of **expertise** is also widely supported in principle, but more contested in practice. The tension lies in how to introduce that expertise without weakening accountability or creating ambiguity in governance roles.

Perhaps most importantly, there is a consistent view that **structural change alone will not resolve all governance challenges**. Many of the issues identified, including behaviour, trust, and decision-making dynamics, will persist under any model if not addressed directly.

Finally, there is a practical dimension to all options. Some can be implemented within existing authority. Others require legislative change and engagement with the Provincial Government. This creates a need to balance short-term improvements with longer-term structural reform.

4.1. MVRD Board Options

Options for the MVRD Board focus on three primary levers: overall Board size, the allocation of seats across municipalities, and the structure of weighted voting.

There is limited support for maintaining a full representation model where Board size continues to grow in line with population. While this model preserves the broadest representation and continuity with the current structure, it is closely associated with the inefficiencies identified to date. It does not materially change how the Board operates, and is expected to exacerbate existing challenges as the region grows.

The most widely supported concept is a capped model, typically limiting the number of Directors per municipality while maintaining weighted voting. This is viewed as a pragmatic adjustment that reduces duplication at the table while retaining proportional influence. That said, it is also understood as an incremental change. It improves the structure of meetings, but is not expected to materially alter underlying dynamics such as bloc voting or the tendency toward municipal advocacy.

More significant reductions, including a single representative per jurisdiction, are acknowledged as effective from an efficiency perspective. However, they are viewed as a more fundamental shift, concentrating voice and placing greater reliance on voting mechanisms to reflect representation. These models are seen as clearer in form, but more difficult to reconcile with expectations of municipal inclusiveness, particularly for larger jurisdictions.

A distinct but related set of options considers adjustments to voting thresholds and representation formulas. These are seen as technically viable, and in some cases more directly aligned with proportionality. However, they are also viewed as more sensitive, both in terms of perceived fairness and in their potential to formalize existing power dynamics without improving discussion or decision-making quality.

Option	How the option is expected to function	Benefits	Drawbacks
Full representation (status quo / growth)	Board size continues to increase based on population thresholds and existing rules; multiple Directors per municipality reflect internal council representation	Maintains broad representation; preserves diversity within municipalities; no disruption to current model	Does not address inefficiencies; reinforces duplication of discussion; Board becomes progressively harder to manage; does not change decision dynamics
Cap number of directors at 3 per member jurisdiction	Limits total number of Directors while preserving weighted voting; reduces number of voices but maintains proportional influence	Improves meeting efficiency and focus; reduces repetition; maintains representation across all jurisdictions; relatively implementable	Incremental impact; does not change bloc voting or municipal alignment; may reduce diversity of views within larger municipalities; perceived as partial solution
One Director per member jurisdiction	One Director per municipality, with voting weight reflecting population; Board becomes materially smaller and more centralized	Maximizes efficiency; simplifies governance structure; improves clarity of accountability; reduces duplication	Concentrates influence into fewer individuals; limits representation of diverse municipal perspectives; increases reliance on internal municipal selection; may amplify voting-based outcomes over deliberation
Adjust votes per Director (7 votes per director instead of 5)	Reduces number of Directors while reallocating voting strength to reflect population more directly	Maintains proportionality; reduces need for multiple seats; aligns decisions more closely to population base	Concentrates influence; does not improve quality of discussion; may formalize bloc dynamics; perceived fairness concerns
Adjust population threshold per vote to 25,000 (up from 20,000)	Revises how additional votes or seats are allocated as municipalities grow	Modernizes model; may improve long-term alignment to population	Complex to calibrate; may create perceived inequities; does not directly address efficiency or behaviour

4.1.1. Board Trajectory Under Options

Under the key proposed Board models, the future trajectory of the MVRD Board size can be estimated based on population estimates (represented by the shaded area in the graph). The alternative options proposed above have also been plotted on the graph to provide a relative comparison to the status quo over the same time horizon.

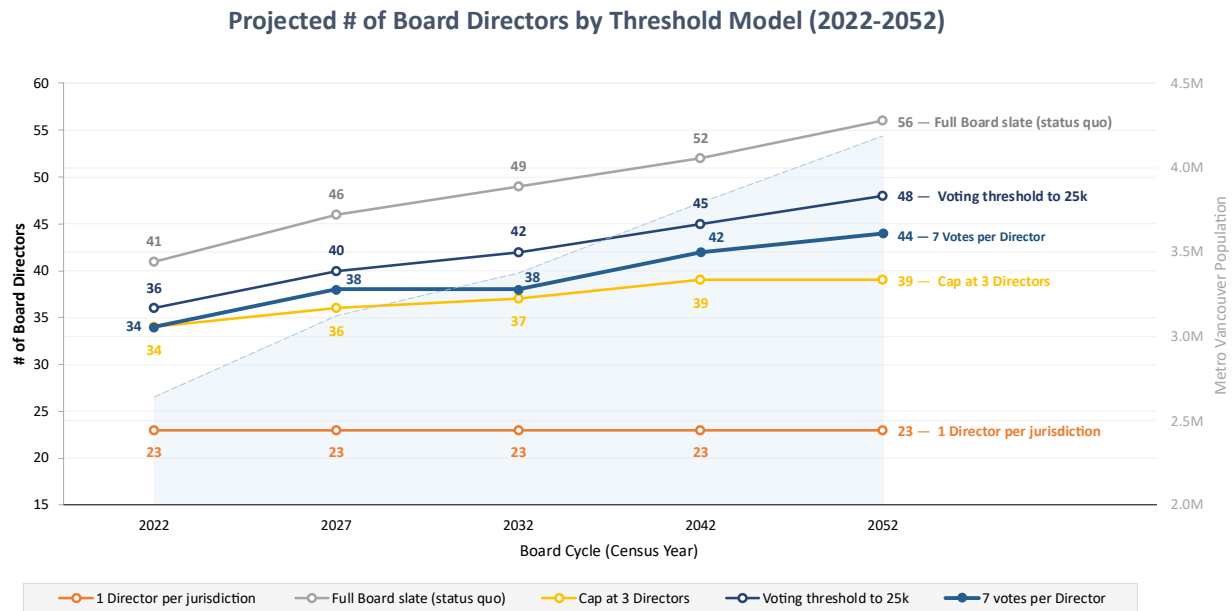


Figure 1: Projected # of Board Directors by Threshold Model (2022-2052)

As a result of this analysis, the capped model with no more than 3 directors per member jurisdiction, and maintaining the weighted votes distributions, provides the most meaningful and viable approach to limit the Board size trajectory.

4.2. Utility Board Options (GVWD and GVS&DD)

For the utilities boards, the discussion shifts from representation alone to include the level of technical expertise required to support oversight of large-scale infrastructure systems.

A fully elected model remains aligned with the current governance approach and maintains clear accountability to municipalities. However, it is also widely recognized that the complexity of utility operations and capital programs has increased to a level where reliance on generalist oversight is strained.

Capped models provide a more manageable structure but are generally viewed as addressing efficiency rather than capability. They reduce the number of participants, but do not materially change the Board's ability to challenge or oversee technical decisions.

Hybrid models introduce a more substantive shift by incorporating non-elected members with relevant expertise. These models are seen as having the potential to improve oversight and decision-making quality, particularly for capital-intensive programs. At the same time, they introduce questions of governance clarity, including how roles are defined, how accountability is maintained, and how different forms of authority interact.

A further set of considerations relates to aligning representation and voting structures more closely with cost allocation and service delivery. While this is conceptually appealing, it is also seen as complex and potentially contentious, particularly given the diversity of utility arrangements across the region.

Option	How the option is expected to function	Benefits	Drawbacks
Full elected Board – status quo	Member jurisdiction representatives retain full oversight; decisions are made within existing governance structure	Maintains accountability; aligns with municipal mandates; clear governance model	Limited technical depth; reliance on staff expertise; may constrain effective oversight of complex systems
Align with changes to MVRD Board	- see MVRD options above	- see MVRD options above	- see MVRD options above
Smaller Hybrid Board (elected + non-elected experts)	Incorporates individuals with technical or industry expertise into governance alongside elected officials	Strengthens oversight; improves quality of challenge and decision-making; aligns with models for complex utilities	Blurs accountability; introduces governance complexity; requires clear role definition; potential tension between perspectives

Additionally, insights were captured regarding the **Major Capital Projects Committee**.

The governance of major capital projects is closely linked to utilities but raises distinct questions around depth of oversight, continuity, and expertise.

Maintaining the current model assumes that improved clarity of process and stronger use of existing committees can address current gaps. This approach prioritizes simplicity and continuity.

Enhanced committee or advisory models introduce more focused oversight while maintaining Board authority. These models tend to attract broader acceptance, particularly where they are clearly scoped and aligned to project needs.

Dedicated capital project boards or committees represent a more significant evolution, particularly where delegated authority is considered. These models are seen as beneficial where they introduce continuity and expertise, but only where mandates and decision rights are clearly defined.

Option	How the option is expected to function	Benefits	Drawbacks
Current model (status quo relying on existing committees + staff)	Oversight continues through existing committees and staff processes	Simple; maintains accountability to Board; no structural change	Limited focus; inconsistent depth of oversight; relies heavily on existing capacity
Enhanced standing committee model	Dedicated project-focused forum within existing governance structure	Improves scrutiny and focus; builds on current mechanisms; maintains authority	Dependent on clarity of mandate; may still duplicate effort; effectiveness varies
Major Capital Projects Committee	Separate or semi-autonomous structure focused on major projects, potentially with delegated authority	Strong oversight; continuity across project lifecycle; introduces expertise	Adds governance layer; requires clear authority; risk of duplication or fragmentation

4.3. MVHC Board Options

The MVHC Board is generally viewed as more stable and aligned to its mandate, with options focused on refinement rather than structural change. Many participants cited the common idiom: “if it ain’t broke, don’t fix it.” This comment reinforced the level of comfort with current operations. The primary frustration commonly cited was the reference to cost-neutrality for the Housing Corporation. There is some concern that the cost borne by households may be understated in current messaging, and that the characterization of MVHC as financially self-sustaining may not fully reflect its underlying cost structure. In some cases, participants cited the fact they felt Metro Vancouver should not even be in the housing industry and should leave it to other organizations (such as BC Housing).

Overall, most participants felt the MVHC Board should maintain alignment with the MVRD Board. At present, there is not significant change needed.

Option	How the option is expected to function	Benefits	Drawbacks
Full elected Board – status quo	Maintains representation consistent with other Metro Vancouver boards	Preserves consistency; broad representation	Disproportionate to scale; adds unnecessary complexity
Align with changes to MVRD Board	- see MVRD options above	- see MVRD options above	- see MVRD options above
Smaller ‘hybrid’ Board with blend of elected and external appointed directors	Incorporates targeted expertise while maintaining a streamlined structure	Enhances decision-making; supports partnerships and funding alignment	Additional cost and complexity of identifying external directors; legislative change required; limited benefit if overextended
Fully appointed not-for-profit	Reduced number of Directors aligned to scope and mandate of MVHC	Efficient; focused governance; aligned with NFP practices	Reduced municipal representation; less visibility

5. Conclusions

The consultation process confirms that there is a strong base of consistent shared perspective across the Directors and key stakeholders regarding Board size and structure. There is broad alignment that the current trajectory of Board growth is not sustainable, and that opportunities exist to improve efficiency, clarity, and effectiveness through structural and procedural adjustments. At the same time, these views do not always converge on a single preferred model or a uniform approach across all Boards.

Across each governance component, the feedback reflects a consistent pattern. Participants are generally aligned on the nature of the challenges and the importance of addressing them but are divergent on how best to do so. This is particularly evident in areas where trade-offs are most pronounced, including the balance between representation and efficiency, the role of expertise versus elected accountability, and the extent to which structural changes alone can improve outcomes.

Importantly, there is no clear consensus on a single option for Board redesign. Instead, there is a well-developed understanding of the benefits, limitations, and risks associated with each model, as well as an appreciation for the broader considerations that shape governance outcomes. This independent consultation process has somewhat narrowed the path to one or two preferred solutions as well as the implications of each.

As the Governance Committee and Metro Vancouver Boards advance their work analyzing other stakeholder engagement results, these observations provide further insight as to the most effective path forward, not simply defined by structural change, but by how Board size, voting structures, expertise, and governance processes are considered together.



To: Governance Committee

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

Date: March 24, 2026 Meeting Date: April 9, 2026

Subject: **Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis**

The 2025 independent Metro Vancouver Board Governance Review concluded that there is an opportunity to optimize the size and structure of the four Metro Vancouver Boards to improve governance and oversight, and to enhance decision making and risk management. Considerations of such options is a major piece of work for the Governance Committee and Boards in 2026. Earlier this year, the MVRD Board approved a *process* to consider potential changes and approved an *evaluation framework*.

The March and April Governance Committee meetings have been dedicated to discussion and evaluation of the options presented for all four of Metro Vancouver's Boards. During its March 12, 2026 meeting, the Governance Committee considered the report titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options and Analysis", dated March 6, 2026 (**Attachment 1**). The Committee discussed and deliberated the options for the Metro Vancouver Regional District (MVRD) and the Metro Vancouver Housing Corporation (MVHC) Boards.

The same report is being provided to the Committee for the April 9, 2026 meeting so that the Committee can continue its discussions focusing on the Greater Vancouver Water District (GVWD) and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Boards (**Attachment 2**).

In addition to the information prepared for Committee consideration last month, the Committee will also receive a presentation by Dana Hayden of Hayden Consulting Services. Hayden completed work for the Board in 2021 subsequent to the Project Delivery Department being instituted. The resulting report titled, "Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework" (**Attachment 3**) was one in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Boards. Dana Hayden will present the earlier findings, and support the Committee's discussion about potential governance models for the utility boards.

ATTACHMENTS

1. "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", dated March 6, 2026.
2. ~~Presentation re: Considerations of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis.~~
3. ~~"Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework", dated May 3, 2021.~~

REFERENCES

1. Deloitte. (2026). "Considering Board Size and Structure for Metro Vancouver's Boards – Proposed Process", dated January 6, 2026. <https://metrovancover.org/boards/GVRD/RD-2026-01-30-AGE.pdf#page#524>

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2. Deloitte. (2025). *Metro Vancouver Board Governance Review*. [MVRD Board report on 2025, May 23]. <https://metrovanancouver.org/boards/Documents/Deloitte-MV-Board-Governance-Review-2025-05-23.pdf>

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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Governance Committee

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

Date: March 6, 2026 Meeting Date: March 12, 2026

Subject: **Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis**

RECOMMENDATION

THAT the MVRD Board receive for information the report titled "Consideration of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis", dated March 6, 2026.

EXECUTIVE SUMMARY

Metro Vancouver has four Boards of Directors, one for each of the legal entities that make up the organization - the Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), Metro Vancouver Regional District (MVRD), and Metro Vancouver Housing Corporation (MVHC). The Boards provide strategic direction and oversight for Metro Vancouver's critical regional services to over three million people. The 2025 Metro Vancouver Board Governance Review, completed in May 2025, provided 47 recommendations for continuous governance improvement. A new Governance Committee has been guiding the implementation of recommendations, and in less than a year, Metro Vancouver has addressed and completed 20 of the 47 recommendations.

The Board Governance Review concluded that there is an opportunity to optimize the size and structure of the four Boards to improve governance and oversight, and to enhance decision making and risk management. Consideration of such options is a major piece of work for the Governance Committee and Boards in 2026. To date, the MVRD Board has approved a process to consider potential changes and considered an evaluation framework. Over the next two months options for the GVWD, GVS&DD, MVRD, and MVHC Boards will be evaluated. In March, the Governance Committee and Boards will evaluate options for improvements to the MVRD and MVHC Boards' size and structure. In April, they will evaluate options for the GVWD and GVS&DD Boards.

All options will be evaluated against the following evaluation criteria:

- Governance effectiveness
- Size / scalability
- Member jurisdiction representation and impact
- Broader stakeholder impact
- Transition readiness

For the MVRD Board, five options are provided: Status Quo; One Director per member jurisdiction; Cap Directors at three per member jurisdiction; Increase population threshold per vote to 25,000; and Increase voting divisor to seven (one Director for every 140,000 residents).

For the MVHC Board, all the options for the MVRD Board are considered, and two additional options are provided: a Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected based on merit), and a Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board based on merit).

For the GVS&DD and GVWD Boards, all the options for the MVRD Board are considered, and two additional options are provided: Hybrid Board (9-11 Directors with majority member Elected Officials (ensure sub-regional representation) + External Appointed Directors) and Addition of a Major Projects Committee with delegated authority (Smaller Committee with majority GVS&DD / GVWD Board Directors + option of External Appointed Directors).

Engagement on options will take place throughout May and June, and in July 2026, the Governance Committee and Boards will have the opportunity to recommend and implement changes to the Board size and structure for one or more of the Metro Vancouver Boards. This would include subsequent provincial involvement if legislative change is required.

PURPOSE

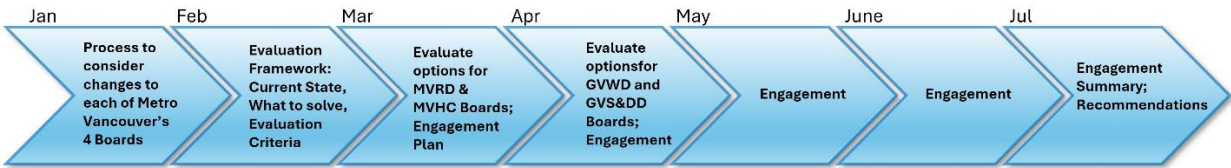
To provide information to support the Governance Committee and Boards in evaluating options to amend the size and structure of each of the four Metro Vancouver Boards. The focus for the March meeting will be on the MVRD and MVHC Boards.

BACKGROUND

At its May 23, 2025 meeting, the MVRD Board received Deloitte Canada’s Metro Vancouver Board Governance Review (Reference 1). The report, commissioned to assess and enhance the effectiveness of the Boards’ governance framework, included 47 recommendations for consideration, including initial recommendations on the size, structure, and composition of Metro Vancouver’s Boards.

At its January 30, 2026 meeting, as part of the implementation of the 2025 Board Governance Review, the MVRD Board endorsed the process to consider the size and structure of each of Metro Vancouver’s four Boards (Reference 1). At its February 27, 2026 meeting, the MVRD Board received a report from the Governance Committee establishing the evaluation framework for considering possible changes to the size and structure of each of Metro Vancouver’s four Boards. This included a current state analysis, problem statements to specify the challenges any changes are intended to address, and an evaluation framework with criteria and weighting.

Figure 1. Process for Considering Possible Changes to Each of Metro Vancouver’s Four Boards



During the March and April meetings, the Governance Committee will discuss size and structure options for each of the four Metro Vancouver Boards in relation to the evaluation framework. The Committee and Boards will consider options for the MVRD and MVHC Boards in March, and options for the GVS&DD and GVWD Boards in April. This work will be supported by staff, Deloitte Canada, and Dana Hayden, consultant on public, private and not for profit entities related to business and strategic planning, public policy and Board and infrastructure project governance.

Feedback from the March and April discussions will be incorporated into materials to support engagement with all Board Directors, representatives from the Province, member jurisdiction elected officials and staff, local First Nations, other agencies, and the public. A summary of engagement will be provided to the Boards to support deliberations on Board size and structure in July 2026.

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In addition, options that complement Board size and structure, such as ways to improve information flow or structure meetings, are identified in this report to support improved governance with any recommended changes to Board size and structure. Out of scope of this report is consideration of any of the services that Metro Vancouver provides. These were confirmed as part of the 2025 Cost and Services Efficiency Review.

As reminder, Deloitte provided a current state analysis of Metro Vancouver's four Boards as a baseline for discussion. This is provided again to support discussion prior to consideration of each Board separately (Figure 2).

Figure 2. Deloitte Canada's Current State Analysis for Metro Vancouver's Four Boards

	Metro Vancouver Regional District (MVRD)	Greater Vancouver Water District (GVWD)	Greater Vancouver Sewerage & Drainage District (GVS&DD)	Metro Vancouver Housing Corporation (MVHC)
# of Directors	41	38	37	41
Elected	Y	Y	Y	Y
Member Jurisdictions	Full region (23)	Water-serving (20)	Wastewater/solid-waste (19)	Full region (23)
Operating Budget (\$)	\$133M	\$450M	\$926M	\$62M
Capital Cash Flow (\$)	\$48M (Parks)	\$488M	\$1,027M	\$207M
Information Flow	Board meeting freq: monthly Agenda load: high Committees: 5*	Board meeting freq: monthly Agenda load: mod-high Committees: 1*	Board meeting freq: monthly Agenda load: high Committees: 2*	Board meeting freq: monthly Agenda load: low-mod Committees: 1*
Decision-Making Complexity	Moderate-High — broad regional scope; multi-service decisions	High — deep technical requirements; large projects and budgets	Very High — deep technical requirements; largest budgets; four sewerage areas	Low-Moderate — focused mandate; smaller capital footprint
Transparency	Publicly available meeting agendas and minutes, and the public is allowed to attend meetings in person (except for legally closed sessions)			

*Note: All committees are MVRD committees, but some serve the other legal entities; MVRD has **4 additional standing committees** that serve all legal entities: Performance and Audit, Mayors, Caucus of Committee Chairs and Governance

METRO VANCOUVER REGIONAL DISTRICT

The Metro Vancouver Regional District (MVRD) is governed by the *Local Government Act*. There are 27 regional districts throughout British Columbia. The Province notes that the purpose of a regional district is to take care of the region's public assets and to foster the current and future economic, social, and environmental well-being of the region. Collectively, the regional district Board is the governing body of the regional district. It has authority to make decisions through resolutions and bylaws, consistent with the purposes of the regional district. The Board is ultimately responsible for the services provided and actions taken by the regional district.

Each regional district in BC is governed by a Board consisting of a Chair and a varying number of Directors. Each electoral area has one elected Director while municipalities and Treaty First Nations' members may have one or more appointed Directors depending on size of their population. The Chair of the Board is elected from among the Directors each November and has specific responsibilities outlined in the legislation.

The number of Directors appointed is based on a proportional representation model, laid out in the *Local Government Act*, and the specifics around how population translates into Board seats and votes are included in the Letters Patent for each regional district. For Metro Vancouver, every member jurisdiction has a Director on the Board with at least one vote. Each member jurisdiction gets one vote for every 20,000 people (or fewer) in the community (voting unit). In addition, once a Director has five votes (the community reaches 100,000 residents), a second Director is added (voting divisor). The

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current MVRD Board has 41 Directors from 23 member jurisdictions with a total of 145 votes. Over the next two Census periods, the size of the MVRD Board is expected to grow to over 50 Directors given the most recent population projections (49 Directors after 2026 Census and 52 after 2031 Census).

Figure 3. Current MVRD Board Voting Structure

Member Jurisdiction	Type	Population	# of Directors	Voting Strength	Voting %
Vancouver	City	662,248	7	34	23.4
Surrey	City	568,322	6	29	20.0
Burnaby	City	249,125	3	13	9.0
Richmond	City	209,937	3	11	7.6
Coquitlam	City	148,625	2	8	5.5
Township of Langley	District	132,603	2	7	4.8
Delta	City	108,455	2	6	4.1
Maple Ridge	City	90,990	1	5	3.4
District of North Vancouver	District	88,168	1	5	3.4
New Westminster	City	78,916	1	4	2.8
Port Coquitlam	City	61,498	1	4	2.8
City of North Vancouver	City	58,120	1	3	2.1
West Vancouver	District	44,122	1	3	2.1
Port Moody	City	33,535	1	2	1.4
City of Langley	City	28,963	1	2	1.4
White Rock	City	21,939	1	2	1.4
Pitt Meadows	City	19,146	1	1	0.7
Electoral Area A (incl UBC)	Electoral Area	18,612	1	1	0.7
Bowen Island	Island municipality	4,256	1	1	0.7
Anmore	Village	2,356	1	1	0.7
Tsawwassen First Nation	Treaty First Nation	2,256	1	1	0.7
Lions Bay	Village	1,390	1	1	0.7
Belcarra	Village	687	1	1	0.7
Metro Vancouver		2,642,825	41	145	100.0

Director seats are allocated by population per the Local Government Act; in weighted votes, each Director gets 1 vote per 20,000 residents (max 5 votes); 2021 Census

PROBLEM STATEMENT

As reminder, the Problem Statement for the MVRD Board identified by Deloitte Canada and input from the Governance Committee is as follows:

- Mixed response about whether current size of 41 is too large, but agreement that the growth trajectory is unsustainable
- Balancing the intent for all jurisdictions to have a voice at the table with differing expectations for collaboration for larger and smaller jurisdictions
- Public perception and reputational risk
- Board culture and decorum
- Decision making, such as the tendency to revisit controversial decisions (e.g. difference of opinion on Scope of Services or Financial Policies)
- Uneven trust that Committees have done the 'heavy lifting' to make an informed recommendation to the Boards.

EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%).

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SIZE AND STRUCTURE OPTIONS FOR THE MVRD BOARD

Five options for the MVRD Board are presented for discussion.

1. Status Quo (41 Board Directors)
2. One Director per member jurisdiction (23 Board Directors)
3. Cap the number of Directors at three per member jurisdiction (34 Board Directors)
4. Increase population threshold per vote to 25,000 (36 Board Directors)
5. Increase voting divisor to seven (one Director for every 140,000 residents) (34 Board Directors)

Each option will be assessed in turn below in relation to the evaluation criteria.

OPTION 1. STATUS QUO

Maintain current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 41 MVRD Board Directors and this will grow in proportion to population.

Evaluation Criteria	Considerations
Governance Effectiveness	- Retains established accountability between Metro Vancouver and member jurisdictions - Decision-making efficiency and oversight effectiveness may be increasingly strained by Board size - Larger Board can discourage active participation from all members
Size / Scalability	- Current size is 41 - Board size will continue to grow with population (after each census), reducing scalability - Larger Board may dilute accountability and make oversight of complex risks harder (e.g., financial, operational, reputational risks)
Member Jurisdiction Representation and Impact	- Strong jurisdictional representation is maintained - Challenge to balance intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions - Voting power is concentrated in larger cities according to population with 52% of votes allocated to 16 Directors representing the three largest jurisdictions
Broader Stakeholder Impact	- Familiar accountability structure reflective of BC's regional district model - High transparency and public legitimacy - Political nature of issues and discussion can impact timely decisions and public confidence - Some external stakeholders view the large Board as less effective
Transition Readiness	- No transition required and aligned with legislation and Letters Patent - As with all options, there are ongoing opportunities within the current structure for process improvements to increase governance effectiveness

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OPTION 2. ONE DIRECTOR PER MEMBER JURISDICTION

This option would see one representative from each member jurisdiction, or their designate making up the MVRD Board. There would be no change in the process for choosing the Directors. This would remain up to each jurisdiction council.

Evaluation Criteria	Considerations
Governance Effectiveness	• Could improve decision speed, manageability, and strategic focus • Clearer “who is accountable” for decisions: one designated representative per jurisdiction • Lower governance overhead (fewer Directors), improving meeting efficiency and staff support demands • Concentrates influence in a single representative per jurisdiction; will reduce breadth of perspectives and experience at the table • Majority of votes held by three Directors (replacing 16 Directors under status quo) • Largest municipalities lose multiple voices at the table
Size / Scalability	• Smaller, fixed-size Board (23) would be unaffected by population growth and remain the same as long as membership remains the same
Member Jurisdiction Representation & Impact	• Every jurisdiction maintains a seat • Weighted voting maintains proportional representation • Diversity of perspectives from within individual member jurisdictions will likely be removed, specifically impacting larger jurisdictions who currently have multiple Directors • Smaller member jurisdictions are unaffected in terms of the number of Directors
Broader Stakeholder Impact	• Accountability for decisions may be clearer with one designated representative per jurisdiction • Could improve decision timeliness • Public perception of fairness / equal representation may be affected
Transition Readiness	• Provincial legislative change required: Could amend the <i>Local Government Act</i> for Metro Vancouver only or add a provision under <i>Municipalities Enabling and Validating Act (MEVA)</i> • May require amendments to the MVRD Letters Patent to create consistency • Will require provincial engagement with interested parties • Likely 12-18 months (to be confirmed with Province)

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OPTION 3. CAP THE NUMBER OF DIRECTORS AT 3 PER MEMBER JURISDICTION

This option would introduce a cap of three Board Directors from any one jurisdiction while maintaining the overall approach to Board composition. This would mean that jurisdictions with a population of over 300,000 residents would have a maximum of three Directors on the Board. The three Directors would retain the same proportional voting based on a vote for every 20,000 residents in the community. The impact would largely be that the cities of Vancouver and Surrey would see a reduction in the number of Directors, but no change in the number of votes.

Evaluation Criteria	Considerations
Governance Effectiveness	• Could improve decision speed, manageability, efficiency, and strategic focus with the reduced number of speakers at each Board meeting and potential for more time for discussion • Accountability remains diffused • Proportional representation maintained • Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	• Smaller Board (34) • Board will grow at a much slower rate with population growth compared to status quo • More consistent membership for larger member jurisdictions • Still a relatively large Board, but relatively resilient for the future • Size grows at a much slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	• Established accountability between Metro Vancouver and member jurisdictions is largely retained • Impacts largest cities (Vancouver and Surrey) which would see a reduction in the number of Directors, but no impact on the number of votes • Larger member jurisdictions would look more similar in terms of the number of representatives at the Board: Vancouver, Surrey, Burnaby, Richmond • Smaller jurisdictions would be unaffected in terms of number of Directors
Broader Stakeholder Impact	• Public accountability would be maintained with political representation from each jurisdiction • Public perception of fairness or equal representation may be affected
Transition Readiness	• Provincial legislative change required: could amend the <i>Local Government Act</i> for Metro Vancouver only or add a provision under <i>MEVA</i> • May require amendments to the MVRD Letters Patent to create consistency • Will require provincial engagement with interested parties • Likely 12-18 months (to be confirmed with Province)

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OPTION 4. INCREASE POPULATION THRESHOLD PER VOTE TO 25,000

In this option, the population threshold per vote would be increased from 20,000 to 25,000. All member jurisdictions under 25,000 would have one vote at the Board. Additional votes would be provided at 25,000 population intervals. The divisor of five per Director would remain the same, meaning that each Director would have a maximum of five votes for 125,000 residents (currently five votes for 100,000 residents). This option reduces the overall number of Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Board size would be reduced without changing the overall governance framework • Decision speed, manageability, efficiency, and strategic focus could be modestly improved with the reduced number of speakers at each Board meeting and potential for more time for discussion • Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	• Smaller Board (36) • Board will grow at a much slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	• Weighted voting maintains proportional representation while ensuring every jurisdiction has a seat • Concentrates accountability among fewer Directors, while maintaining proportional representation • Most of impact to be felt by larger communities with reduced number of Directors and number of votes, and communities on the threshold of an additional vote (e.g., Township of Langley, Port Moody) • Small communities that are not projected to grow rapidly are largely unaffected (e.g., Anmore, Belcarra, Bowen Island, Lions Bay, Tsawwassen First Nation) • Five jurisdictions have one fewer Director (Vancouver, Surrey, Burnaby, Richmond, Delta) • 12 jurisdictions have at least one fewer vote • Raises equity concerns
Broader Stakeholder Impact	• Public perception of fairness or equal representation may be affected • May be viewed as prioritizing efficiency over regional representation for local voices
Transition Readiness	• No legislative amendment required • A revision to the MVRD Letters Patent via provincial Order in Council or Cabinet decision • Consequential bylaw and process modifications within Metro Vancouver may be required • Shorter timeline to implement

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OPTION 5. INCREASE VOTING DIVISOR TO 7 (ONE DIRECTOR PER 140,000 RESIDENTS)

This option would decrease the number of Directors on the Board by increasing the voting divisor from five to seven, increasing the number of residents represented by each Director from 100,000 to 140,000. The number of Directors is reduced while voting across jurisdictions remains the same.

Evaluation Criteria	Considerations
Governance Effectiveness	- Reduces Board size without changing the overall governance framework - Marginal efficiency gains - Decision speed, manageability, and strategic focus could be modestly improved with the reduced number of speakers at each Board meeting and potential for more time for discussion - Fewer Directors would modestly reduce governance overhead with more efficient meetings and reduced staff support needs
Size / Scalability	- Smaller Board (34) - Still a relatively large Board, but relatively resilient for the future - Size grows at a slower rate with population growth compared to status quo
Member Jurisdiction Representation & Impact	- Weighted voting maintains proportional representation while ensuring every jurisdiction has a seat - Number of Directors for larger member jurisdictions would be reduced while keeping the voting structure intact - Member jurisdictions with populations close to the current threshold for an additional Director would be most immediately impacted - Member jurisdictions currently under 100,000 residents would not be impacted
Broader Stakeholder Impact	- Public perception of fairness or equal representation may be affected - May be viewed as prioritizing efficiency over regional representation for local voices
Transition Readiness	- Could be achieved through a revision to the MVRD Letters Patent via a provincial Order in Council / Cabinet decision; no legislative amendment required - Consequential bylaw and process modifications within Metro Vancouver may be required - Shorter timeline to implement

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METRO VANCOUVER HOUSING CORPORATION

The Metro Vancouver Housing Corporation (MVHC) is incorporated under the *British Columbia Business Corporations Act* as a non-profit entity wholly owned by the Metro Vancouver Regional District (MVRD). MVHC has operated since 1974. It has a portfolio of 50 sites and provides non-market rental housing to nearly 10,000 residents. The corporation operates at no direct cost to taxpayers and is funded almost entirely through rental revenues, which account for approximately ninety-five per cent of its annual operating budget. A small number of legacy sites receive operating subsidies from BC Housing (approximately three per cent of the operating budget), with the remaining revenues generated through parking, laundry, and related sources (approximately two per cent).

Metro Vancouver Housing is growing its portfolio. Expansion is funded through operating surpluses where sites no longer have mortgages (equity), through significant partnerships with other orders of government, and from a \$5/household tax levy. MVHC, as a non-profit, is eligible for grants and favourable loans from BC Housing and CMHC. MVHC is projected to grow by 50% over the next decade, with an increasingly large capital program (over \$1 billion) and operational complexity, making this an ideal time to review governance to ensure it is fit for purpose.

Since October 17, 2016, the MVHC Articles have required the MVHC Board to comprise the same membership as the MVRD Board, and the business of the Board to be conducted according to the procedures established in the MVRD procedural bylaw under the *Local Government Act*. This change was made as a result of a governance review of the corporation. MVHC's governance structure is unique amongst non-profit and public sector housing delivery agencies.

Prior to 2016, the MVHC Board was comprised of 13 Directors appointed annually by the MVRD Board. Additionally, the MVHC had five officers appointed annually to the following positions: Housing Committee Chair as President, Housing Committee Vice Chair as Vice President, MVRD Corporate Officer as Secretary, MVRD Chief Financial Officer as Treasurer, and MVRD Housing Director as Director, Housing. Of the 13 MVHC Directors, 10 were also MVRD Directors and three were member jurisdiction councillors. The 2016 changes were made to align the number and identity of MVHC Directors and voting rights to the MVRD Board (and consequently, to the GVWD and GVS&DD Boards as well).

PROBLEM STATEMENT

As reminder, the Problem Statement for the MVHC Board identified by Deloitte Canada and input from the Governance Committee is as follows:

- Differing opinions about whether the current size of the Board is a problem, with some members noting that a much smaller Board may function better.
- Some expressed that broad membership from member jurisdictions is preferable.
- Some expressed that representation from all member jurisdictions is not required on a non-profit Board.
- There is an expectation of regional equity – having housing in every community.
- The mandate is that the non-profit delivers and operates affordable rental housing through partnerships in good, transit-oriented locations and is financially sustainable.
- MVHC is seen as functioning well and not requiring the same attention as other Boards.
- Strong support for MVHC's operations, growth and success.

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EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%).

SIZE AND STRUCTURE OPTIONS FOR THE MVHC BOARD

Four options for the MVHC Board are presented for discussion:

1. Status Quo (41 Board Directors)
2. Align with any Changes to Structure for MVRD Board (options 2 to 5 described above)
3. Smaller Hybrid Non-Profit Board (7-9 Directors comprised of a majority MVRD Board Directors + additional appointees selected on merit)
4. Fully Appointed Non-Profit Board (7-9 Directors appointed by the MVRD Board on merit).

Each of these options is assessed in turn below in relation to the evaluation criteria.

OPTION 1. STATUS QUO

This option maintains the current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 41 MVHC Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Decision-making efficiency, timeliness, and oversight effectiveness may be increasingly strained by Board size • Changes to align with MVRD were made only ten years ago with the aim of consistent decision making and governance • Current governance model is an outlier in the non-profit and housing sector • Accountability to non-profit not necessarily linked to member jurisdictions. • Larger Board can discourage active participation from all members • 1:1 overlap with MVRD may result in less bandwidth available for MVHC oversight
Size / Scalability	• Board size = 41. Will continue to grow with population (after each census), reducing scalability • Larger Board can dilute clear accountability and make oversight of risks harder (e.g., financial, operational, and reputational risks)
Member Jurisdiction Representation & Impact	• Strong jurisdictional representation and participation is maintained • Challenge to balancing intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions

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	Voting power is concentrated in larger cities according to population with 52% of votes allocated to 16 Directors representing the three largest jurisdictions
Broader Stakeholder Impact	- High transparency and public legitimacy - Political nature of issues and discussion can impact public confidence and timely decisions - External stakeholders may view a very large Board as less effective and efficient - Unique structure of a large MVHC Board and public meetings pose alignment issues with funders and programs designed for other non-profits
Transition Readiness	- No transition required; aligned with existing legislation, MVHC Articles and internal Metro Vancouver processes and practices - As with all options, there are ongoing opportunities within the current structure for process improvements to increase governance effectiveness

OPTION 2. ALIGN WITH ANY CHANGES TO STRUCTURE OF MVRD BOARD

With this option, MVHC follows the size and composition recommended for the MVRD Board, which may be any of the options considered in the previous section: status quo, one Director per member jurisdiction, cap the number of Directors at 3 per member jurisdiction, increase the population threshold per vote to 25,000, or increase the voting divisor to 7.

Evaluation Criteria	Considerations
Governance Effectiveness	- Governance effectiveness considerations reflected in the evaluation of each of the options for MVRD above would apply to the MVHC Board as well. Additional considerations specific to MVHC: - Simplicity from having same governance model as MVRD - Changes to align with MVRD were made only ten years ago with the aim of consistent decision making and governance - Not aligned with governance best practice for non-profits - Accountability to non-profit not necessarily linked to member jurisdictions 1:1 overlap with MVRD may result in less bandwidth available for MVHC oversight
Size / Scalability	Size and scalability considerations are reflected in the evaluation of each of the options above with no additional considerations specific to MVHC
Member Jurisdiction Representation & Impact	Member jurisdiction representation and impact considerations are reflected in the evaluation of each of the options above with no additional considerations specific to MVHC

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Broader Stakeholder Impact	• Broader stakeholder impact considerations are reflected in the evaluation of each of the options above Additional considerations specific to MVHC: • Political and public nature of issues and discussion can impact public confidence and timely decisions • External stakeholders and funders primarily working with non-profit housing providers may view a large, political Board as less nimble and less effective • Unique structure of a large MVHC Board poses alignment issues with funders and programs designed for other non-profits
Transition Readiness	• Since pursuant to MVHC Articles, MVHC Board composition and business are aligned with MVRD Board composition and MVRD procedural bylaw under the <i>Local Government Act</i>, revisions to MVRD Board and procedures will automatically apply to MVHC.

OPTION 3. SMALLER HYBRID NON-PROFIT BOARD

This option would create a new Board structure with 7-9 Directors, the majority being chosen from among MVRD Board Directors (four to five) plus additional external housing sector Directors (three to four) appointed by the MVRD Board either annually or for a four-year term. The current Board Standing Committee (Housing Committee) would be eliminated.

Evaluation Criteria	Considerations
Governance Effectiveness	• Additional professional and/or Board expertise (housing, finance, non-profit, development) could be added to support decision-making and to advance MVHC mandate • Smaller and more nimble structure could speed up decision-making in time-sensitive scenarios, including accelerating development and property acquisitions and partnerships • Potential for greater direct involvement and oversight from the Board • With smaller Board, would eliminate the need for a Board Standing Committee, creating efficiencies and better information flow for decision making
Size / Scalability	• Board size = 7-9 Directors. Smaller and future changes to the Board size would be guided by the needs of MVHC's mandate rather than population growth
Member Jurisdiction Representation & Impact	• Some regional representation can be maintained as part of Board selection criteria • Maintains accountability and connection to MVRD, with political representation on the Board

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	Some member jurisdictions may feel more disconnected from decision making and Metro Vancouver Housing
Broader Stakeholder Impact	- External expertise can be added to support development and operational goals, in-line with other housing-sector organizations, potentially improving partnerships and tenant experience - Potential perception of reduced transparency and accountability compared to other options with broad regional representation - Consistent with many other publicly held non-profit housing corporations (such as Toronto Community Housing, Calgary Housing, and Ottawa Community Housing)
Transition Readiness	- Revision to Board structure could be done quickly, via MVRD Board resolution and administrative filing with the BC Registry Services - Development of associated new and modified MVHC processes and procedures, such as determining member participation, criteria for/ identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time

OPTION 4. FULLY APPOINTED NON-PROFIT BOARD

This option would create a new and much smaller Board structure with 7-9 Directors appointed by the MVRD Board for a set term (e.g. four years), with no political representation on the MVHC Board. It would be a return to the structure prior to 2016 to align with other non-profit housing providers. The change in 2016 was made to align with the other three Metro Vancouver Board structures.

Evaluation Criteria	Considerations
Governance Effectiveness	- All MVHC Board members would be selected by MVRD Board based on expertise (which could include housing, finance, non-profit, development, governance, lived experience, etc.) to support decision-making and advance MVHC mandate - Smaller and more nimble structure which could speed decision-making in time-sensitive scenarios, including accelerating development and property acquisitions and partnerships - May add challenges for timing and streamlining of Board meetings - Aligns with non-profit sector governance best practices
Size and Scalability	Board size = 7-9 Directors. Remains unaffected by population growth
Member Jurisdiction Representation & Impact	- Accountability to MVRD as shareholder would be maintained through annual general meeting and annual or quarterly reports to MVRD - Shifts accountability and control from elected officials to appointed Directors, reducing member representation, control, and oversight

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	• Member jurisdictions may feel disconnected from MVHC overall and is decision making in particular
Broader Stakeholder Impact	• Added external expertise could support development and operational goals • Potential to accelerate partnerships for faster delivery of capital projects • Potential perception of reduced transparency • Aligns MVHC Board with other comparable organizations, structure aligns with funding program expectations
Transition Readiness	• Revision to Board structure could be done relatively quickly, via MVRD Board resolution and administrative filing with the BC Registry Services • Development of associated new and modified MVHC processes and procedures, such as determining criteria for identifying suitable independent Directors, and MVHC-specific Board procedures, would require more time • Relationship to MVRD Centralized Services to be determined (e.g. legal, procurement, finance, etc.)

GREATER VANCOUVER WATER DISTRICT

Metro Vancouver provides clean, safe drinking water to residents and businesses through the member jurisdictions of the Greater Vancouver Water District (GVWD). This includes acquiring and maintaining water supply, as well as treating, testing, and delivering drinking water through a system of water supply areas, dams, treatment facilities, reservoirs, pump stations, and water mains. Metro Vancouver's source water supply is stored in three main reservoirs and three supplemental alpine reservoirs. The water comes from rainfall and snowmelt within three major water supply areas: Capilano, Seymour, and Coquitlam. These water supply areas cover about 60,000 hectares of protected land, which is closed to the public to safeguard the high quality of the source water.

Metro Vancouver is responsible for:

- Managing and protecting the water supply areas
- Storing, treating, and ensuring the quality of drinking water to meet provincial *Drinking Water Protection Act* and federal Guidelines for Canadian Drinking Water Quality regulatory requirements
- Transmission of drinking water directly to member jurisdictions
- Upgrading, maintaining, and expanding our system
- Planning for future supply and demand

The GVWD is governed by the *Greater Vancouver Water District Act* (established in 1926).

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Metro Vancouver provides reliable, cost-effective wastewater treatment that protects public health and the environment. This includes planning for the long-term resilience and sustainability of regional liquid waste and drainage systems. Metro Vancouver receives wastewater from municipal systems and carries it to one of five wastewater treatment plants, where it is treated and tested before being released into the Fraser River, Burrard Inlet, or Georgia Strait. This combined regional and municipal infrastructure includes over 15,000 km of sewers and processes over one billion litres of wastewater every day.

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Metro Vancouver is responsible for:

- Operating a system that collects and treats wastewater
- Testing and environmental monitoring
- Developing and enforcing regulations to protect the wastewater system and the environment
- Issuing permits to industry and collecting fees associated with bylaws
- Recovering resources within the regional wastewater system, including heat, energy, and biosolids
- Planning for the future and building regional infrastructure

Under the GVS&DD, Metro Vancouver is also responsible for waste reduction and recycling planning for the region. Metro Vancouver also operates a series of solid waste facilities serving residents and businesses across the region. Metro Vancouver's solid waste and air quality regulatory frameworks support enterprises advancing zero waste and the circular economy and protecting the environment.

Metro Vancouver is responsible for:

- Operating solid waste facilities in the region that focus on recycling and reuse
- Disposing of all remaining waste in landfill, after material recycling and energy recovery
- Implementing bylaws and regulations to better manage waste within our system, improve recycling, and protect public health and the environment
- Protecting the receiving environment (air, land, and water)
- Seeking technologies that recover and recycle materials and recover energy

The GVS&DD is governed by the *Greater Vancouver Sewerage and Drainage District Act* (established in 1914 and re-incorporated in 1956).

RECENT CHANGES TO IMPROVE GOVERNANCE AND OVERSIGHT OF LARGE CAPITAL PROJECTS

Metro Vancouver has undertaken extensive continuous improvement measures to enhance the oversight of major capital projects. Several of these measures were informed by recommendations from KPMG following a review of Metro Vancouver's major capital project management in early 2020. This included the formation of the Project Delivery Department to be responsible for the delivery of the highest value, risk and consequence capital projects and act as a centre of project delivery expertise focusing on regulatory strategy, project and portfolio management, quality management, and project controls to ensure enhanced risk, schedule, and budget management.

The Project Delivery Department has led the development, implementation, and continuous improvement of a Corporate Stage Gate Framework and Project Management Framework including a suite of standards and templates, training and knowledge transfer programs, internal professional practice auditing, and advanced in-house digitalization and dashboarding for projects. The Department has also enhanced oversight of the organization's largest projects through formal stage gate reviews with Expert Advisory Panels, Committees and Boards, expanded use of Technical Review Boards, and increased progress and status reporting of the portfolio of highest value, risk and consequence projects to Regional Engineering Advisory Committee, Standing Committees, Boards, and the public.

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PROBLEM STATEMENT

As reminder, the Problem Statement for the GVS&DD and GVWD Boards identified by Deloitte Canada and input from the Governance Committee is as follows:

For both Utility Boards:

- Differing opinions about whether the current size of the Board is a problem, but general agreement that the trajectory of growth of the Boards is unsustainable
- Duplication of work between Committee and Board, as well as some members expressing that as they were not part of a Committee discussion, where 'all the heavy lifting' is done, they feel less equipped when making decisions at the Board.
- Need for more trust at the Board
- Bringing expertise to the Board is not about having a private Board but rather utilizing and trusting the tools available to support Board decision making including: strong professional staff and expertise; strong project management controls including the cost estimating framework (independent estimates); stage gate process; and independent expert panels on large projects.
- For the GVS&DD, four sewerage areas and resulting equity and funding issues are a source of conflict and challenge (cost allocation with Tiers for both non-growth- and growth-related projects)
- For the GVWD, it was acknowledged that the funding model supports good governance without the challenges faced by separate GVS&DD sewerage areas

EVALUATION CRITERIA

The Evaluation Criteria and associated weighting supported by the Governance Committee and received by the MVRD Board are as follows:

- Governance Effectiveness (30%)
- Size / Scalability (10%)
- Member Jurisdiction Representation and Impact (30%)
- Broader Stakeholder Impact (20%)
- Transition Readiness (10%)

SIZE AND STRUCTURE OPTIONS FOR THE GVS&DD and GVWD BOARDS

Four options for the GVS&DD and GVWD Boards are presented for discussion.

1. Status Quo (38 GVWD Board Directors and 37 GVS&DD Board Directors, growing in proportion to population increases).
2. Align with recommended structure for MVRD Board (options 2 to 5 described above)
3. Smaller Hybrid Board (9-11 Directors blend of utility member MVRD Board Directors plus external appointed Directors selected on merit)
4. Add Major Projects Committee (with or without delegated authority) to any Board Structure (smaller Committee with a blend of GVS&DD / GVWD Board Directors + external appointed Directors)

Each option will be assessed in turn below in relation to the evaluation criteria.

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OPTION 1. STATUS QUO

Maintain current approach to Board size and structure where the size of the Board will increase with population growth as per a specified formula. There are currently 38 GVWD Board Directors and 37 GVS&DD Board Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Decision-making efficiency and oversight effectiveness may be increasingly strained by Board size • Larger Board can discourage active participation from all members • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities • Potential gaps in subject matter expertise for complex issues, such those related to major projects • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making
Size / Scalability	• Board size = 37/38. Continues to grow with population, reducing scalability • Larger Board can dilute clear accountability and make oversight of risks harder (e.g., financial, operational, and reputational risks)
Member Jurisdiction Representation & Impact	• Strong jurisdictional representation and participation is maintained • Increasingly disproportionate and unwieldy as population grows • Challenge to balancing intent for all jurisdictions to have a voice at the table with differing expectations for collaboration from larger and smaller jurisdictions • Voting power concentrated in larger cities according to population
Broader Stakeholder Impact	• High transparency and public legitimacy • Political nature of issues and discussion can impact public confidence and timely decisions • External stakeholders may view a very large Board as less effective
Transition Readiness	• No transition required, aligned with existing legislation and practices • As with all options, there are ongoing opportunities for process improvements to increase governance effectiveness

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OPTION 2. ALIGN WITH STRUCTURE OF MVRD BOARD

With this option, the GVWD and GVS&DD Boards align with the recommended structure for the MVRD Board – accounting for variation in representation by utility areas – which may be any of the options considered in the previous section: status quo, one Director per member jurisdiction, cap the number of Directors at 3 per member jurisdiction, increase the population threshold per vote to 25,000, or increase the voting divisor to 7.

Evaluation Criteria	Considerations
Governance Effectiveness	• Governance effectiveness considerations reflected in the evaluation of each of the options for MVRD above would apply to the utility Boards as well • Additional considerations specific to the utility Boards: • Simplicity in having same governance model as MVRD • Not aligned with some other large utility governance models • 85% of Metro Vancouver's Budget / Five Year Financial Plan lies with these two highly technical and complex utilities • Potential gaps in subject matter expertise for complex issues, such those related to major projects • Stage Gate Process, Project Management Framework, Expert Advisory Panels and Project Technical Review Boards in place for due diligence and to support Board decision making
Size / Scalability	• Size and scalability considerations reflected in the evaluation of each of the options above for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards
Member Jurisdiction Representation & Impact	• Member jurisdiction representation and impact considerations are reflected in the evaluation of each of the options for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards
Broader Stakeholder Impact	• Broader stakeholder impact considerations are reflected in the evaluation of each of the options for MVRD above and would apply to the utility Boards as well with no additional considerations specific to the utility Boards • External stakeholders may view a very large Board as less effective
Transition Readiness	• <i>GVWD</i> and <i>GVS&DD Acts</i> reflect and depend on the MVRD governance model under the <i>LGA</i> to determine the composition of the utility Boards • No legislative changes to the utility legislation would therefore be required to implement changes made to MVRD Board composition under the <i>Local Government Act</i>

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OPTION 3. HYBRID BOARD

This option would see the creation of a new, smaller Board structure for both the GVS&DD and GVWD with 9-11 Directors on each Board. It would be a blend of MVRD Directors who are members of the utility in question (Sub-regional representation could be a requirement in selecting Directors) plus external Directors appointed by the MVRD Board (members of the utility in question) for a set term (e.g. four years).

Evaluation Criteria	Considerations
Governance Effectiveness	• Inclusion of independent Directors may encourage regional perspective over member jurisdiction interests • Potential for improvements in decision-making efficiency with smaller, purpose-built Board, combining technical expertise with a political lens • Direct involvement of independent expertise to support decision making, including anticipation and mitigation of challenges and issues • Risks moving Board focus into operational vs governance matters • Loss of experience / expertise and risk of large directional shifts as member Directors change over time • Lower diversity of member jurisdiction voices
Size / Scalability	• Board size = 9-11 Directors. Smaller Board size remains fixed in the future and unaffected by population growth
Member Jurisdiction Representation & Impact	• Some regional representation can be maintained as part of Board selection criteria • Some jurisdictions may feel more distant from decision-making and perceive a lack of representation
Broader Stakeholder Impact	• May receive support as better aligned with other large utilities
Transition Readiness	• Legislative changes to the <i>GVWD</i> and <i>GVS&DD Acts</i> would be required • Will require provincial engagement with interested parties /stakeholders • Additional consequential bylaw and process modifications within Metro Vancouver may be required, including the process for determining member participation over time. • Likely 18 to 24 months (to be confirmed by Province)

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OPTION 4. ADD A MAJOR PROJECTS COMMITTEE (WITH OR WITHOUT DELEGATED AUTHORITY)

This option is available *irrespective of the Board structure chosen*. It could be added to the current Board structure for both the GVS&DD and GVWD or be utilized with any option that aligns with any changes to the MVRD Board.

For clarity, in May 2021, this option was recommended as part of the Capital Project Governance Practices Review. Committee members have asked for a summary of that review. The Review was undertaken just after the establishment of the Project Delivery Department.

It included:

- Review of capital project delivery challenges and best practice response (KPMG)
- Addition of Capital Project Cost Estimating Framework
- Addition of external expert advisor panel for highest value, risk, and consequence projects
- Benchmarking review of six North American jurisdictions on how they governed and managed their capital projects (Hayden Consulting)
- Set of recommendations regarding clearly defined objectives, robust project oversight, clear roles, responsibilities and authorities, effective risk management and rigorous project reporting and communication (Hayden Consulting)
- Adoption of Stage Gate Framework and Capital Project Governance Framework

These project management best practices have largely been implemented by Metro Vancouver.

There are a variety of ways that the Boards could implement a Major Projects Committee. It could:

- a) Be a Standing Committee of the GVS&DD and GVWD Boards with regular reporting to those Boards for decision making;
- b) Have delegated authority to have oversight over some or all of the highest value, risk, and consequence projects; and/or
- c) Have a mix of GVS&DD / GVWD Board Directors and external, appointed Directors.

Evaluation Criteria	Considerations
Governance Effectiveness	• Additional independent expertise aligned with scope, scale, and complexity of major projects could support decision making, including anticipation and mitigation of challenges and issues • Clear and concentrated scope of responsibility and efficient decision making with delegated authority for project oversight
Size / Scalability	• Smaller Committee of 9-11 members and no future growth impacts
Member Jurisdiction Representation & Impact	• Reporting for information to the larger GVS&DD Board would be required on a regular cadence to retain connection and accountability to all member jurisdictions • Some jurisdictions may feel more distant from decision making on major projects

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Broader Stakeholder Impact	• Likely to improve public understanding and confidence in utility governance over major projects • Additional independent expertise may improve confidence in decisions by public and other external stakeholders • Delegated authority may create perceptions of lack of representation when significant or controversial decisions are made
Transition Readiness	• GVS&DD and GVWD Boards are able to strike a Committee with delegated authority via a 2/3 weighted vote • Relatively short implementation timeline • Would require establishment of selection criteria, clear parameters for delegated authority, and means to remunerate External Committee members

ADDITIONAL CONSIDERATIONS COMPLEMENTARY TO BOARD SIZE AND STRUCTURE THAT COULD IMPROVE GOVERNANCE

The current structure and timing of monthly Board meetings is to hold up to eight Board meetings on the last Friday of every month. The intent is to minimize the number of times Board Directors come to Board meetings, and to bring all Metro Vancouver business into one agenda package for comprehensiveness and transparency.

One option for consideration is to hold multiple Board meetings per month to support smaller agenda packages where more consideration and time can be given to issues on the agenda. For example, if two Board meetings were held per month, it could be structured so that utility Boards are held on the second Friday of the month and MVRD and MVHC Boards are held on the last Friday of the month. Standing committees could be scheduled accordingly, or other modifications could be made, like a Committee of the Whole for both Water and Liquid Waste to further improve information flow and decision making. Once the Governance Committee and Boards have addressed size and structure, staff can look at additional changes and streamlining to support improved governance.

ALTERNATIVES

This report is provided for information, and therefore no alternatives are presented.

However, to prepare for engagement on Board size and structure options over the months of May and June, staff will be capturing the Committee conversation and any preferences or feedback on options to inform both a cover report to the Boards, and to inform the development of engagement materials.

FINANCIAL IMPLICATIONS

There are no financial implications to reviewing the Boards' size and structure options as all activities can be accomplished within the MVRD Board approved 2026 budget. Eventually, if changes are made to any of the Board's size or structure, there may be associated financial implications.

OTHER IMPLICATIONS

A separate report on the agenda provides an overview of planned engagement on this issue. Feedback from Board Directors, the Province, member jurisdictions, local First Nations, other agencies, and the public will be reported out to the Governance Committee and Boards in July.

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CONCLUSION

Following recommendations from the independent 2025 Metro Vancouver Board Governance Review, changes to the size and structure of Metro Vancouver's four Boards to improve governance and to enhance decision making and risk management are being evaluated. First, in March, options for improvements to the MVRD and MVHC Boards' size and structure will be considered, and then in April, for the GVWD and GVS&DD Boards. Feedback from these discussions will be incorporated into engagement materials. In May and June, there will be opportunities for engagement on the options by Board Directors, the Province, member jurisdictions, First Nations other agencies and the public, and a final summary of feedback will be presented to the Boards as part of their deliberations in July.

ATTACHMENTS

1. ~~Presentation re: Considerations of Changes to the Size and Structure of each of Metro Vancouver's Four Boards of Directors: Options Analysis.~~

REFERENCES

1. Deloitte. (2026). "Considering Board Size and Structure for Metro Vancouver's Boards – Proposed Process", dated January 6, 2026. <https://metrovancover.org/boards/GVRD/RD-2026-01-30-AGE.pdf> page#524
2. Deloitte. (2025). *Metro Vancouver Board Governance Review*. [MVRD Board report on 2025, May 23]. <https://metrovancover.org/boards/Documents/Deloitte-MV-Board-Governance-Review-2025-05-23.pdf>

83481271

To: Finance & Intergovernment Committee

From: Cheryl Nelms, General Manager, Project Delivery

Date: May 3, 2021 Meeting Date: May 12, 2021

Subject: **Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework**

RECOMMENDATION

That the MVRD Board receive for information the report dated May 3, 2021 titled “Project Delivery Best Practice Response – Capital Project Governance & Stage Gate Framework.”

EXECUTIVE SUMMARY

Metro Vancouver is implementing best practices related to governance and oversight on capital projects. A key deliverable is to implement a formalized stage gate framework, with the goal of supporting the Metro Vancouver Board and Committees in achieving greater insight and clarity into highest value, risk and consequence projects, including more consistent information with which to make decisions over the lifecycle of a project. A stage gate is a point in time where the governing body makes go/no-go decisions at defined points throughout the project lifecycle. The implementation of stage gates as a key measure to improve project governance is based on a KPMG review of Metro Vancouver project delivery practices and a review of governance practices and stage gate frameworks used by other jurisdictions.

PURPOSE

This report is the fifth in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Board. It is focused on improvement areas related to project oversight and governance following an interjurisdictional review of practices by organizations delivering large capital programs and the introduction of a stage gate process for key decision points over the lifecycle of capital projects.

BACKGROUND

In the fall of 2019, the Board expressed interest in undertaking a review of Metro Vancouver’s capital project delivery practices in order to ensure value for our residents. Since the formation of the Project Delivery Department in February 2020, Metro Vancouver has been conducting a high level review of practices related to project delivery. This work started with a review by an independent consultant (KPMG) and continues to progress with input from external advisors who bring expertise in reviewing, overseeing and constructing multibillion dollar projects.

These reviews are critical to responding to the complex challenges presented by the unprecedented scale of Metro Vancouver’s capital projects, the layers of complexity, and market influences. The reviews have identified opportunities for improvement within the areas of leadership, governance, commercial practices, stakeholder engagement, and technical knowledge.

Updates on best practice framework to the Metro Vancouver Board to date have included:

- April 15, 2020 – KPMG review of capital project delivery challenges and best practice response.

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- October 2, 2020 – Progress update on activities undertaken by the Project Delivery Department.
- November 18, 2020 – Capital project cost estimating best practices introduced.
- February 10, 2021 – Governance update and draft terms of reference for an external expert advisors panel for highest value, risk, consequence projects.

This fifth update to the Board provides information on project governance and oversight in other jurisdictions and the introduction to a stage gate process for Metro Vancouver. The annual budget and contract approval process is currently being used as a surrogate for a stage gate process in the organization and there are limited guidelines for staff to standardize information presented to the Board for decision making on highest value, risk, consequence projects. The intent of this work is to draw upon inter-jurisdictional best practices for the governance of highest value, risk, consequence projects to improve the processes and information provided for decision making by the Board using current approval mechanisms.

KEY TAKEAWAYS FROM CAPITAL PROJECT GOVERNANCE PRACTICES REVIEW

From December 2020 to February 2021, six North American jurisdictions were interviewed to learn how they governed and managed their capital projects. Jurisdictions were chosen by Metro Vancouver based on the size and complexity of their water and wastewater capital programs. The jurisdictions were: Toronto, Victoria Capital Regional District, San Francisco, Halifax, District of Columbia (Washington, DC), and Edmonton.

The comparator jurisdictions employ a broad range of governance frameworks to operate and manage water and wastewater (and in some cases other) utilities and related capital projects. At one end of the spectrum, Toronto manages and operates its utilities and capital projects internally. At the other end of the spectrum, Edmonton has privatized the ownership and operation of their water and wastewater utilities and the delivery of capital projects required to support it.

Table 1: Capital Project Governance Practices

Toronto	Capital Regional District	San Francisco	Halifax	DC	Edmonton
In-house city management	Project board for core area wastewater treatment project	Independent commission	Crown corporation	Multi-state independent authority	Privatized

Elements of good capital project governance¹

A rigorous governance framework guides capital project owners in effective decision making and lays the groundwork for project success. Project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, performance, and quality goals. Good capital project governance generally has the following characteristics:

1. Clearly defined objectives
2. Robust project oversight

¹ Informed by: PWC: Successful capital project delivery: The art and science of effective governance

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3. Clear roles, responsibilities, and authorities
4. Effective risk management
5. Rigorous project reporting and communication

The five criteria above were used to evaluate the maturity of project governance for successful project delivery.

GOVERNANCE PRACTICE REVIEW RECOMMENDATIONS FOR MV

The review of governance practices across these various jurisdictions has resulted in the following recommendations with respect to highest value, risk, consequence capital project governance at Metro Vancouver.

Clearly Defined Objectives

- Identify and recommend clear project objectives and associated performance targets for capital projects for endorsement by the Board. These objectives should include cost, scope, schedule, and potentially other objectives that the Board wants to achieve through its projects.
- Collect data to track and measure project progress against performance targets.

Robust Project Oversight

- Establish an expert project oversight group with the skills and experience required to effectively oversee projects.
- Consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
- Formalize a process for the Board to review highest value, risk, consequence projects at stage gates with the benefit of input from an expert project oversight board.

Clear Roles, Responsibilities, and Authorities

- Continue with implementation of a centralized project management organization for highest value, risk, consequence capital projects. The core responsibilities of this group should be to:
 - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
 - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
 - Define KPIs and targets for projects;
 - Define project management oversight and support needs;
 - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
 - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,
 - Develop a database for key project information and lessons learned to improve future delivery practices.
- Operations and maintenance groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Effective Risk Management

- Focus attention early in the development of any capital project on assessing risks associated with construction and other project risks, and develop plans to continually assess, monitor and mitigate them should they arise.

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- Evaluate a range of forms of construction contracts for projects to allocate risk and incentivize innovation and ensure the team has the skills and experience to manage the contract models being used.

Rigorous Project Reporting and Communication

- Ensure there are clear project success criteria in place that are reported against.
- Implement an external oversight group and have project managers present their results to them.
- Develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

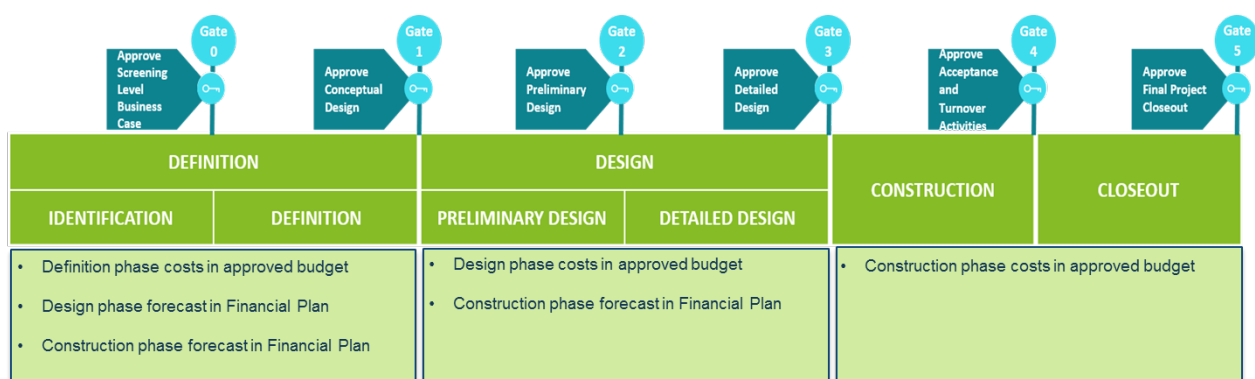
Each of these recommendations is now being planned for and/or implemented. Those recommendations that affect the way the MV Board oversees projects will be brought forward for the Board's consideration. One of these is that the MV Board should review highest value, risk, consequence projects at stage gates with the benefit of input from an expert advisors panel.

STAGE GATE FRAMEWORK AND CAPITAL PROJECT GOVERNANCE

To continue to improve project delivery across Metro Vancouver's portfolio of highest value, risk, consequence capital projects in line with the findings identified above, a project management framework will be developed that will provide the overarching foundation for the planning and delivery of highest value, risk, consequence capital projects. The project management framework will consist of processes, systems, and controls, anchored in project management best practices. A cornerstone element of this project management framework will be a formalized stage gate process for highest value, risk, consequence projects which can then be scaled for other projects across the organization.

As outlined in the attached white paper, a stage gate process provides decision makers with the opportunity to make informed decisions at key points through the entire project lifecycle.

Figure 1: Indicative Stage Gate Process



The stage gate process is used to determine whether a project is situated to meet objectives and therefore continues to warrant investment. When a decision is made to proceed to the next phase, the project team is authorized to spend the funds that were allotted for the next set of planned work activities. Stage gate reviews provide key communication opportunities as projects move through the project lifecycle. They also provide a formal means of controlling project risk, monitoring scope changes, and maintaining stakeholder interest. These reviews are also a means of ensuring implementation of standardized project management processes.

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Metro Vancouver's current approach uses the annual budget and contract approval processes as a surrogate for stage gating. This report introduces the implementation of a formalized stage gate process to improve consistency and provide guidance to staff for checks and balances across the life cycle of a project. In addition, the new process will ensure that communication and decision making for the highest value, risk, consequence projects are not limited to the annual budget and contract approval processes.

The following are the lenses that are used to assess the information provided during the stage gate reviews.

- Alignment with organizational strategic goals
- Structure of the project/program
- Value proposition
- Risk mitigation plan
- Organizational implementation capacity
- Impact/ outcome measurement

At stage gate reviews, the project will either be endorsed to proceed for budget approval of the next stage/phase, terminated, or required to reconsider/revise all or part of the current stage/phase.

A stage gate process can be applied to all projects regardless of their classification (scale, risk, and complexity). How it is applied, the level of documentation, and the composition of decision makers are all scalable. Many organizations assess projects based on risk and complexity in addition to the project budget (scale) to determine the level of project governance and oversight required. The Project Management Office will be developing a project classification approach to determine which projects are considered highest value, risk, consequence projects in the organization.

Next Steps for Implementing the Stage Gate Process

The Project Delivery department is developing and implementing a stage gate process for highest value, risk, consequence capital projects that fall under the oversight of the Finance and Intergovernment Committee. An external expert advisors panel will provide input for the consideration of the Finance and Intergovernment Committee's at stage gates for highest value, risk, consequence capital projects. Upcoming projects that are coming to Finance and Intergovernment Committee for stage gate reviews include: Iona Wastewater Treatment Plant Project Definition; Coquitlam Water Supply Project Definition; and construction for Langley Wastewater Treatment Plant Project.

ALTERNATIVES

No alternatives are provided. This is an information report.

FINANCIAL IMPLICATIONS

There are no specific financial implications from this report.

CONCLUSION

This report is the fifth in a series of updates on implementation of best practices for capital projects at Metro Vancouver as requested by the Board. In order to support the Metro Vancouver Board and Committees in achieving greater insight and clarity into highest value, risk, consequence projects, including more consistent information with which to make decisions over the lifecycle of the project. Formalizing a stage gate process for Metro Vancouver and implementing it across the organization

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will significantly improve the effectiveness of decision making and likelihood of success for capital projects for the organization. Processes under development will be consistent with best practices across other similar jurisdictions delivering large capital programs.

Attachments

1. "Capital Project Governance Practices in Selected Jurisdictions and Recommendations for Metro Vancouver", dated February 2021 by Dana Hayden (*Doc# 44611172*)
2. ~~White paper "How a stage gate process enables informed decision making", dated March 2021 by Catherine Ella (*Doc# 44553865*)~~

44553967



HAYDEN CONSULTING SERVICES

February 2021

Capital Project Governance Practices in Selected Jurisdictions and Recommendations for Metro Vancouver

Background

The purpose of this report is to provide information about practices evident in a selection of other jurisdictions related to their project management of major capital projects and programs.

During December 2020 to February 2021, Cheryl Nelms and Dana Hayden interviewed 6 North American jurisdictions learn how they governed and managed their capital projects. Jurisdictions were chosen by Metro Vancouver (MV) based on the size and complexity of their water and wastewater capital programs. The jurisdictions were: Toronto, Victoria Capital Regional District, San Francisco, Halifax, District of Columbia and Edmonton.

Appendix A provides a summary of information obtained from each jurisdiction. Appendix B includes questions that were provided in advance to representatives of these jurisdictions to consider prior to zoom meetings with their executive representatives.

Discussion

The jurisdictions examined employ a broad range of governance frameworks to operate and manage water and wastewater (and in some cases other) services and related capital projects. The jurisdictions interviewed and the models they utilize are:

B.C.'s Capital Regional District – Project Board for core area wastewater treatment project
Halifax – Crown corporation
District of Columbia Water – Multi-state independent authority
San Francisco - Independent Commission
Edmonton – privatized
Toronto – in-house city management

Elements of good capital project governance¹

A rigorous governance framework guides capital project owners in effective decision making and lays the groundwork for project success. Project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, performance and quality goals. Good capital project governance generally has the following characteristics:

1. **Clearly defined objectives**

Clear project definition through Key Performance Indicators (KPIs) and targets, including cost and schedule estimates and anticipated project scope but potentially also other performance measures such as employment, safety, carbon reduction, impacts on ratepayers, indigenous partnerships etc.

2. **Robust project oversight**

Clearly understanding the performance of projects against a range of measures such as cost, schedule, and quality at every stage in a project's life cycle is vital to project success. Independent and unbiased expert perspectives assist in anticipating and managing issues that arise during a project.

3. **Clear roles, responsibilities and authorities**

Having clear roles and authorities for those involved in the planning and development of projects leads to better project management. Planning and construction should be informed by end users so that transition to operations is smooth.

4. **Effective risk management**

Project owners need to account for the unique risks that each project presents and have plans in place to manage them. An important part of risk management is the implementation of a contract framework that is best suited to those risks and to have staff with the experience to manage them.

5. **Rigorous project reporting and communication**

To effectively communicate about and report on the status of projects, organizations need common sources of information and a standard set of key performance indicators that align with project and corporate goals.

“In our experience advising on the planning and execution of capital projects across multiple industries, project owners who implement robust governance practices that are specifically designed to meet the demands of the capital project delivery process are the ones most likely to achieve their cost, schedule, and performance and quality goals.”²

¹ Informed by: PWC: Successful capital project delivery: The art and science of effective governance

² Daryl Walcroft, US Capital Projects & Infrastructure Leader, PWC

The 5 governance practices noted above were considered in the context of the jurisdictions interviewed and are summarized in Appendix A.

Key Themes and Recommendations for MV

Criterion 1: Clearly Defined Objectives

The success of a project is as closely tied to thorough project definition as it is to execution quality. Clear project performance definition in terms of cost, scope and schedule but also other performance measures such as employment, safety, carbon reduction, impacts on ratepayers, indigenous partnerships etc. inform all stakeholders about what the owner considers important for success. Without sufficient definition, post-contract changes will likely proliferate, introducing further complexities into project delivery.

Key Themes from our review

- The more that governance is delegated to project or fiduciary Boards the greater the likelihood that clear project performance measures and targets are established.
- When the role of oversight is delegated to a project or fiduciary Board it requires & enables the establishment of clear project deliverables to provide clarity on what the board is expected to achieve.
- The more outsourced governance is the less likely that “social” objectives are established and tracked.
- In many jurisdictions, performance objectives are identified but no targets have been set for them so it’s very difficult to know if the objectives have or have not been met.
- In several jurisdictions the data to report on performance measures beyond scope, schedule and cost are not available or collected making consistent and meaningful tracking against them impossible.

Recommendations for MV

- MV staff should develop and recommend clear project objectives and associated performance targets for its capital projects for endorsement by the MV Board. These objectives should include cost, scope and schedule, and potentially other objectives that the MV Board wants to achieve through its projects.
- MV staff should collect data to track and measure project progress against performance targets.

Criterion 2: Robust Project Oversight

Clearly understanding the performance of projects against a range of measures such as cost, schedule, and quality at every stage in a project’s life cycle is vital to project success. Having a

clear line of sight into project performance at each stage in a project's life cycle requires time and the application of appropriate skills and experience to provide oversight.

An important component of oversight is the anticipation of, and potential mitigation of challenges and issues. This may include construction issues such as geotechnical challenges, unforeseen soil contamination, regulatory approvals etc., and also issues that may not specifically be related to construction such as misalignment of objectives between contractors and the project owner, stakeholder challenges, and/or natural and uncontrollable challenges such as earthquakes and pandemics.

Independent and unbiased expert perspectives that address very complex and challenging issues faced over the life cycle of the project and that assist in anticipating and managing issues that arise during a project results in improved project outcomes.

Key themes from our review

- In most jurisdictions elected officials with a broad range of accountabilities had neither the time or the subject matter expertise to provide effective oversight of complex capital projects or programs.
- Elected officials in most jurisdictions have delegated their oversight role to individuals that have skills and experience to understand the implications of construction project performance as they proceed. Different jurisdictions have delegated more or less of the elected officials' oversight role.
- The more independent the oversight is, the greater the use of subject matter experts.
- Where capital project oversight is performed by elected officials, controls based on dollar value of contracts or variance against approved budget are commonly used as a surrogate for project management oversight.
- Using cost and contract approvals as project management tools tends to lead to inefficient allocation of capital.
- All jurisdictions where cost and contract approvals were used as the oversight checkpoint were planning to change associated policies and processes due to its inefficiency.
- The greater the delegation of responsibilities the less likelihood that political interests and/or issues influence project decisions.
- Those jurisdictions implementing the greatest rigor all use a stage gate process to review the progress of projects.

Recommendations for MV

- MV should put in place a project oversight board that has the expertise required to effectively oversee projects.
- MV should consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.

- MV should formalize a process for the MV Board to review major projects at stage gates with the benefit of input from an expert project oversight board.

Criterion 3: Clear Roles, Responsibilities and Authorities

A good governance framework enables project owners to clearly articulate the roles and responsibilities for decision making and accountabilities (who is responsible for doing what) using tools such as project charters or governance authority matrices. Because large capital projects often have multiple stakeholders, it is crucial to assign, define, and communicate all players' roles and responsibilities. Clarity on this front helps to avoid redundant control functions or gaps in important management tasks among various groups within the organization. Involving end users (operations group) in the design and development of projects ensures that the end project meets operational needs.

Key themes from our review

- Clarity in roles and responsibilities (Project charter) benefits capital project development regardless of the governance model.
- Many jurisdictions did not have standard processes, procedures or tools to manage and report on progress.
- In jurisdictions where responsibility for capital construction is separate from operations the relationship between the two is often strained and results in complications related to project scope, cost, and schedule and relationships with project stakeholders.
- Operations groups that identify the need for a project need to participate throughout the project life cycle, working together with the capital construction group, including seeking approvals where changes in requirements or performance metrics occur.

Recommendations for MV

- MV should continue with its implementation of a centralized project management organization for its major capital projects. The core responsibilities of this group should be to:
 - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
 - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
 - Define KPIs and targets for projects;
 - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
 - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,
 - Develop a database for key project information and lessons learned to improve future delivery practices.

- MV's Operations groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Criterion 4: Effective Risk Management

Capital project owners typically appoint contractors to design and deliver their projects, and many contract out the project's day-to-day construction management. Many assume that once the contracts are in place the contractor will execute the project as planned. This assumption can be dangerous.

From the outset of project planning, project owners should take into account the level of in-house resources and their technical and commercial skill set to monitor and direct performance. They also need to account for the unique risks that each project presents, and ensure they implement a contract framework best suited to those risks and have staff with experience in the contract management approach selected.

When private sector firms bid on public construction contracts they effectively "price" those risks and include the cost of managing them into their bids. Effective contracting strategies allocate risk to the party that is most able to deal with it so that projects can be implemented at the best cost. Different contracting models (e.g. Design-Build, Design-Bid-Build, Construction Management, Design-Build-Finance, Design-Build-Finance-Operate, etc.) provide the opportunity to allocate risks to the party best able to manage them and to incent innovation.

Good governance helps ensure that incentives connect directly to valid corporate objectives and drives out any elements that do not. In addition, contract terms should carefully articulate the contractor's responsibilities to establish, maintain, and report on defined performance metrics and specify the owner's rights to access and audit the underlying project information.

Key themes from our review

- Most jurisdictions focus on construction related risks only.
- Construction risks are used to determine contingency funding levels, but it's unclear whether they are explicitly used to define the types of construction contracts used.
- Several jurisdictions utilize a variety of construction contracts.
- Where external construction and governance related expertise is employed there is a greater level of confidence in forecast budgets and contingency.
- Unless there is rigor in allocating costs to risks and "retiring" risks when the likelihood of them is over construction staff have a tendency to "hide" unused contingency funds to avoid having to request additional funding for their projects.

Recommendations for MV

- MV should focus attention early in the development of any capital project on assessing risks associated with construction and other project risks and develop plans to address them should they arise.
- MV should evaluate a range of forms of construction contracts for its projects to allocate risk and incent innovation and ensure it has the skills and experience to manage the contract models it uses.

Criterion 5: Rigorous Project Reporting and Communication

A lack of defined performance metrics, and untimely or infrequent communication between project owners, contractors and stakeholders can increase project costs and cause delays.

Contract documents should clearly define expectations regarding the nature, frequency, and level of detail to be included in progress reports to the owner. Real-time and complete information regarding the status of the project's performance allows good project management decisions and allows the owner to take actions to mitigate risks. Similarly, current and complete information on potential and pending changes to work allows the owner to make appropriate decisions regarding the scope of work and related commercial issues.

To effectively communicate about and report on the status of projects, organizations need common sources of information and a standard set of key performance indicators that align with project and corporate goals. Once reports are developed, members of the project team and leadership team need to discuss them and agree on next steps. In addition, project status reports across the company should report the same type of information in the same format and from the same databases.

Key themes from our review

- Where the governance structure requires project managers to present project progress against defined criteria to experts not involved in their project there is more rigour in how those projects are managed (reinforces accountability), less instance of cost overruns and other contractual issues.
- Project progress reporting was identified by each jurisdiction as critical but most jurisdictions did not have systems or tools in place for 'smart' enterprise reporting.
- Project data management was identified as important for costing future projects.

Recommendations for MV

- MV should ensure there are clear project success criteria in place that are reported against.
- MV should implement an external oversight group and have project managers present their results to them.

- MV should develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

Conclusion

The jurisdictions reviewed employ a range of governance models, practices and procedures to implement capital projects. To improve MV's governance model to better reflect good project governance criteria identified for successful capital project implementation, the following actions are recommended.

Summary of Recommendations to Strengthen MV Capital Project Governance

Clearly Defined Objectives

- MV staff should develop and recommend clear project objectives and associated performance targets for its capital projects for endorsement by the MV Board. These objectives should include cost, scope and schedule, and potentially other objectives that the MV Board wants to achieve through its projects.
- MV staff should collect data to track and measure project progress against performance targets.

Robust Project Oversight

- MV should put in place a project oversight board that has the expertise required to effectively oversee projects
- MV should consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
- MV should formalize a process for the MV Board to review major projects at stage gates with the benefit of input from an expert project oversight board.

Clear Roles, Responsibilities and Authorities

- MV should continue with its implementation of a centralized project management organization for its major capital projects. The core responsibilities of this group should be to:
 - Develop a clear project charter to define roles and responsibilities and authorities for efficient management and decision making;
 - Develop standardized processes, procedures, tools, and methodologies for managing and monitoring projects and for progress reporting;
 - Define KPIs and targets for projects;
 - Define project management oversight and support needs;
 - Recommend and assist with implementation of specific project management processes, procedures, and tools for individual projects;
 - Provide project management and contract administrative support through advice or through dedicated or shared staff; and,

- Develop a database for key project information and lessons learned to improve future delivery practices.
- MV's Operations groups that identify the need for a project should work together with the capital construction group throughout the project lifecycle, including when seeking approvals where changes in requirements or performance metrics occur.

Effective Risk management

- MV should focus attention early in the development of any capital project on assessing risks associated with construction and other project risks and develop plans to address them should they arise.
- MV should evaluate a range of forms of construction contracts for its projects to allocate risk and incent innovation and ensure it has the skills and experience to manage the contract models it uses.

Rigorous Project Reporting and Communication

- MV should ensure there are clear project success criteria in place that are reported against.
- MV should implement an external oversight group and have project managers present their results to them.
- MV should develop a consistent project and progress reporting structure that is reviewed at each level of oversight using the same data.

Appendix A Summary of Information from Jurisdictions Interviewed³

Criterion 1: Clearly Defined Objectives

A	B	C	D	E	F
Cost, schedule and scope are tracked. Ad hoc Use of social procurement objectives e.g., at risk youth employment. Only a few projects have performance measures.	Performance measures and targets for cost, scope and schedule clearly defined by Utility B elected officials in project board terms of reference and mandate. Project Board instituted others. Any potential deviation from cost, scope and schedule performance metrics requires project board to seek Utility B approval. Data are tracked to report on all performance measures.	Utility C elected officials have delegated this role to the Commission. Commission has established performance measures for cost, scope and schedule, but also now sustainability and environment, flow rates and maintenance frequency. They are considering adding measures to respond to climate change, good neighbor objectives, air quality etc. Project metrics to measure project performance are generally lacking.	Clear performance objectives and targets defined by Utility D. These are reviewed each year by the municipality. Independent utilities commission reviews all projects and approves them only if they are consistent with rates/objectives. Data are tracked to measure against	Defined by Utility E. Customer rates are set by the Board and can't be exceeded. Board also approves schedules and requires reduced energy consumption over time. Metrics are collected for these measures. Have "go/no go" objectives to increase equity and diversity and employment of minority and women owned businesses. No targets for these are set but contractors are required to report on efforts.	Utility F contractor and management define performance measures and targets (both for projects and staff work) that include performance measures and targets established by Utility F elected officials that are in Utility F's contract with the contractor. Data are tracked to

³ Jurisdiction names removed for confidentiality.

			performance measures.		report on all KPIs.
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Criterion 2: Robust Project Oversight

A	B	C	D	E	F
Staff at various levels have this. No independent oversight exists. Utility A elected officials use cost and contract approvals as a surrogate for oversight. No use of stage gate process but KPMG has recommended that they do this with council.	Project board performs this role on behalf of Utility B elected officials. Staff report to the project Board monthly, and more often if issues arise. All project stages are reviewed by the project board. The project board has full authority to implement studies, reviews etc. as it sees fit to oversee projects.	Commission established by elected officials to oversee water and wastewater. They oversee all aspects of operations, construction, public consultation, etc. The Commission is made up of 5 members appointed by the mayor. Each has a specific oversight role: workforce, environmental, financial, construction etc. They don't use a stage gate process to review projects.	Utility D corporation was established to provide oversight on behalf of elected officials. Utility D board has 4 (elected) councillors and 3 private sector representatives with expertise in capital construction. Utility D Board reviews projects at various stages and uses a stage-gate process. Utilities commission provides independent assessment of Utility D capital projects and must approve them before they proceed.	Utility E provides oversight on capital projects on behalf of elected officials from multiple states. Board of Directors is 11 representatives from districts (6) and jurisdictions (5). All appointed by the mayor. Board is composed of businesspeople, engineers, persons with utility and construction background, etc. Board has sub committees that do a thorough review of projects with staff.	The contractor's board uses internal project boards that receive regular reports. No elected officials are involved in governance but they have performance-based regulations in place that Utility F approves. Staff are incentivized to achieve desired performance outcomes for projects and for management. Use a formal stage gate process for internal approvals of projects (1. concept, 2.

A	B	C	D	E	F
		Even though they meet every 2 weeks, Commissioners are challenged to be able to spend the required time on any given project given the range of responsibilities assigned to them. A Board of Supervisors (elected) Capital Planning Committee receives reports from the Commissioners		Water and sewer issues are voted on by Districts only. Policy issues and governance is overseen by entire board. Board presents its plans to customers each year to present their plans and rate impacts. Wards (customer representatives) present to Board of Directors.	financial envelope approval, 3. budget request, 4. Release of funds, 5. change orders

Criterion 3: Clear Roles, Responsibilities and Authorities

A	B	C	D	E	F
Operating division does longer term planning and determines capital program and requests funding from Council.	Project board hires and directs staff working on project. Clear authority matrix and roles and	Robust authority matrix in place that is applied to every RFP, contract award and policy.	Good internal accountability. Cost of service modelling in place. Presentation of major projects to the	Board and its sub committees receive presentations from staff. Staff recommend capital projects required.	Every 5 years the Contractor prepares an application for revenue needs that includes an operations plan and a capital plan. This

A	B	C	D	E	F
Then capital division procures and manages on behalf of operating divisions. If inadequate funding operations staff return to council to request additional funds. Operations divisions do long term planning. Some tension between operating divisions and capital construction divisions.	responsibilities developed. Strong communication between project staff and operations staff in Utility B. Several project staff will continue to work for Utility B on the project in operations after its complete.	The Commission meets every 2 weeks to review progress. There is a lack of integration between operations division and capital division. This leads to a lack of accurate prioritization of projects. Fairly heavy level of bureaucracy and politics resulting in prolonged project decision making adversely impacting project outcomes.	utilities commission has created rigor in project planning. Good integrated resource plan (IRP) with a 25- year outlook to deal with water and wastewater. New IRP every 5 years Good relationship with municipal staff. Utilities commission lets them know if the relationship is too close.	Board presents to customers during the year to present plans and proposed rates. Approvals are based on implications to rates, not inputs – i.e., outcome focused and not controlled by inputs. Only issues brought forward once a budget is approved are legal. If politicians don't like what the rates look like (and therefore the budget for Utility E) they can change them (even though they have a 10-year budget).	must have an efficiency factor included. The Contractor approves or not. Clear project charter in place Project managers are required to present their performance metrics to the Contractor Board which approves them. These must include net income, safety etc. Decision authority is clear. Decisions are pushed down to the lowest level possible.

Criterion 4: Effective Risk Management

A	B	C	D	E	F
Risk registry exists for schedule, cost and scope but not otherwise. Traditional Design Bid Build delivery approach was outlined as a key contract approach. Larger projects (e.g. tunneling) attracts greater political oversight.	A well-developed risk register in place for the project that includes both construction and non-construction risks. Risks are assigned to managers to track. Portions reviewed by board at each meeting. Several different types of contracts used in the project.	Have a well-established suite of tools to manage risks but the risk management process is only well defined for construction projects. They have a limit on contingency depending on the type of project. Contingency estimates are regularly exceeded. Have done CM, DBB but no P3s. Every 2 years they “re-baseline” their project budgets.	Utility D Board has a separate committee dedicated to assessing risks. Utilities commission challenges project team, schedule, risk management framework, size of contingency etc. – very rigorous. Large project reviews are public. Outside experts challenge Utility D assumptions as part of utilities commission process.	Construction related risks are assessed and contingency established based on them. Don’t reduce contingency as project proceeds until milestones are reached. Tends to “hide” dollars from finance dept. resulting in poor relations. Board sub-committees meet with staff and do a thorough review of projects and determine when they are ready to go to the Board. Construction management, design build, and design bid build approaches applied.	Use standard construction related risk management assessment and allocation of contingency. Project managers present their performance against targets with metrics regularly. Have a “controllable capital” performance measure that requires them to be within +/- 5% of their forecast costs.

Criterion 5: Rigorous Project Reporting and Communication

A	B	C	D	E	F
Don't have good tools in place to measure how they have achieved objectives. Once a project is approved oversight beyond staff is minimal unless additional funds are required.	Monthly reporting to project board. Monthly reports include information on project status and pending challenges to allow for corrective and anticipatory actions. Project board meetings are open and closed, and stakeholders can make presentations or see information online. Staff meet regularly with citizen stakeholders. Quarterly reporting to Utility B wastewater committee of Utility B Council.	Board of Commissioners is responsible for reviewing and approving everything but doesn't have the time to question risk assessment or contract implementation. Have annual reports, financial reports. Also have a waste- water capital report where they report on all projects quarterly.	Utility D staff have good control on projects with external advisors (engineers, lawyers, accountants). Good relations between Utility D and municipalities. IRP in place and reviewed publicly at utilities commission Annual report back to commission on what was approved and what was spent	Committees of the Board meet with staff monthly and do a thorough review of progress. Monthly program reports on all projects. Board does presentations to customers a few times a year to get their input. The Board of Directors presents its plan to Utility E commission.	Contractor staff oversee all capital projects. Staff report to Board and its committees regularly against performance criteria established for their project. Contractor produces quarterly reports that are reviewed by the utilities committee of the city. Anything outside of plan that counsellors request is tracked and costed. There is little long-term objective setting beyond the 5-year plan.

Appendix B: Public Sector Capital Infrastructure Projects Questions for Other Jurisdictions

Introduction/Background:

Metro Vancouver is a federation of 21 municipalities, one Electoral Area and one Treaty First Nation that collaboratively plans for and delivers regional-scale services. Its core services are drinking water, wastewater treatment and solid waste management. Metro Vancouver also regulates air quality, plans for urban growth, manages a regional parks system and provides affordable housing. The regional district is governed by a Board of Directors of elected officials from each local authority.

Metro Vancouver has a large capital infrastructure program in progress. It has recently established a capital project delivery unit, headed by General Manager Cheryl Nelms. Cheryl Nelms is leading a review of the way in which Metro Vancouver currently manages and oversees the implementation of its capital program and is seeking to learn more about what is working and what is not working with respect to the governance and oversight of capital projects in other jurisdictions. She is being assisted in this work by Dana Hayden. As part of this work, Cheryl Nelms and Dana Hayden would like to learn more about how your capital projects are governed, what works and potentially what challenges you are facing in implementing your capital projects.

We would greatly appreciate it if you would share your insights on capital infrastructure project governance. In particular, we are interested in learning about how you support project management and expenditure decision-making, accountability and transparency to:

- Monitor and control projects;
- Set performance measures and track them;
- Measure benefits and manage risks;
- Ensure a smooth transition to operations; and,
- Translate and incorporate “lessons learned”

The following questions are intended to guide our discussion.

Governance Structure/Model

Public infrastructure projects are often complicated and costly and as a result project oversight is particularly important. Some public sector organizations rely on in-house expertise to oversee projects, and some use fiduciary boards or advisory boards to utilize skills/expertise that may not be held by staff. We would like to understand what type of structure(s) you use.

1. Please describe/explain the type of governance structure you have in place for your capital projects:
 - a. Do you have a Chief Project Officer for your capital project(s)? (i.e. even if you have a team of people working on capital projects, is there someone individually who is accountable for managing the project(s)?)

- b. Do you have a project board?
 - c. Do you have an oversight board?
 - d. Does your oversight board provide direction to staff managing capital projects (fiduciary board) or does it provide advice to those managing capital projects (advisory board)?
 - e. Do you have a single capital project or several, and does your project board or oversight board (if you have one) deal with more than one project?
2. What process did you undertake to establish the governance structure you have?
 - a. How did you determine that the governance structure you have was the best one for your jurisdiction?
 - b. Does the structure include elected individuals?
 - c. Was the structure endorsed by elected officials?
 - d. What are the skills/experience that you have at each (and different) levels of your governance/oversight?
 - e. Do you use internal staff to populate these structures or do you use expertise from outside your organization?
 - f. If you have a project board, who decided which persons would be on these boards and who selected them?
 - g. Did that process involve public disclosure of the delegation of any responsibilities of the elected officials?
 3. What are the advantages of the structure you have in place? What works well?
 4. What are the disadvantages of the structure you have in place? If you could change some things what would you change?

Public accountability and decision-making authority

Elected officials use different ways to “control” and provide oversight for public sector capital infrastructure projects, for example, through expenditure limits, or by putting in place oversight boards with elected and/or non-elected individuals. Where a non-staff fiduciary or advisory board is used, elected officials may be wary of delegating responsibility for high value/cost projects to individuals who are not staff. We would like to understand who is accountable for ensuring your projects are well implemented, what authorities are delegated to them, and what reports are produced. You may have this documented in a project charter, or it may be that the easiest way to explain this to us is with an organization chart.

1. What kinds of decisions can be made by whom at what level in the governance/oversight structure that you have in place?
 - a. How are decision making authorities and accountabilities established?
 - b. Are there financial limits or other constraints that are important in your oversight model?
 - c. Do you have a project charter that lays out these decision rules?
 - i. If so can you share it?

2. Do you contract specific types of services or expertise? What types of services do you acquire through contract (e.g. legal, procurement advice, fairness advisor, etc.)?
3. What is the reporting system that you have in place?
 - a. How/how often do you report to senior management, elected officials, the public?
 - b. What types of information is included in reports?
 - c. Can you share an example of your reports?

Project Objectives

The public, and therefore elected officials, have high expectations for public sector capital infrastructure projects. In addition to key performance indicators such as cost, scope and schedule, there are often project objectives related to public amenities, safety, job creation, economic development, etc. We would like to understand what objectives (key performance indicators) are important for your project(s), and how you collect data to report on them.

1. How do you define project objectives? Who approves/endorsees them?
2. Did you establish key performance indicators (KPIs) beyond cost, scope and schedule for your project(s) and if so what kind of KPIs do you track?
3. How do you measure/collect data to report on your KPIs?

Risk Management

Anticipating and managing risks is vital in large capital infrastructure projects. Some jurisdictions focus on risks associated with cost and schedule, and others use a more fulsome risk register that attempts to identify different types of risks, to quantify the likelihood of them occurring, and what actions will be taken by the organization to manage them. Often contingencies are established to manage risks. We would like to understand how you identify and manage risks, and whether you establish/allocate contingency funds to manage them.

1. How do you manage risks?
2. Do you use a risk register?
3. Who establishes your risk register?
4. What types of risks do you consider?
5. Do you establish project contingency funds associated with identified risks?
6. Are risks assigned to/managed by particular individuals?
7. How often is your risk register reviewed/updated, and who reviews it?

Integration with Operations

In some cases those individuals who will be operating a capital infrastructure project when it is built are involved in its construction. Sometimes construction is overseen by others, and then the project is “handed off” to those operating it. We would like to understand how you manage, or plan to manage, the transition from construction to operations.

1. How do you manage integration or hand-off between those responsible for construction of the capital project and those who will manage it?
 - a. Are “operators” part of the capital construction team (the same team?)
 - b. If these groups are separated, how is/will the handoff be managed?
 - c. If these groups are separated, what challenges do you believe you’ll have to manage.

Lessons Learned

Capital Infrastructure projects often take many years to plan, procure and implement. During that process, there are key learnings that ideally should be passed on so that the next projects can benefit from that knowledge. Often key staff or individuals will retire, be promoted or leave projects before they are completed. We would like to learn about how you manage the transfer of knowledge to take advantage of lessons learned.

1. Do you have a process in place to manage the transfer of knowledge from person to person, or from project to project?
2. Is the process effective?
3. If you could do something differently with respect to knowledge transfer what would you do?

Attachment 2

STAGE-GATE FRAMEWORK:

How a stage gate process enables informed decision making.

Date: 20 March 2021



ELLA ADVISORY
SERVICES

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1 Background

Metro Vancouver is in the process of planning and implementing several significant capital infrastructure projects related to liquid waste and water services for the region. There is an understanding that the size, complexity, and volume of these projects requires a new approach.

One of the overall findings of the KPMG review completed in early 2020, was that Metro Vancouver needs to adapt how capital projects are delivered within the organization. The review also observed that there is no standardized or fully implemented stage gate process across the organization for approvals at key project milestones. Metro Vancouver has historically used the annual capital budget process and contract award approval process as surrogates for a formal stage gate process. Although staff in the Water and Liquid Waste utilities mapped out a Stage Gate Process for the utilities in 2018, only Stage Gate 1 (the very start of the project lifecycle) for minor capital (<\$250K) projects has been implemented.

This is not consistent with other similar capital-intensive public-sector organizations delivering complex and high-risk projects. Decision makers should be provided with the opportunity to make informed decisions through the following lenses for the entire project lifecycle. This allows them to be strategically positioned to allow for early, timely and effective oversight.

Alignment	Structure	Value	Risk	Implementation Capacity	Impact
Does the project align with the organization's strategic goals?	How is the project/program structured?	Does the project represent good value?	Are risk mitigation plans in place for the project?	Can the project be delivered within the department's existing capacity?	Will it achieve outcomes? How will these be measured?

The objective of this whitepaper is to describe what a Stage-Gate model is, including how leading practices have been implemented in other organizations. The paper concludes with next steps and the expected outcomes of implementing a Stage-Gate Framework across Metro Vancouver's portfolio of large capital projects.

This whitepaper is one of a series of improvement initiatives, consistent with the KPMG review, to enhance project delivery throughout Metro Vancouver.

2 What is Stage-Gating?

Developed in the 1940s for large-scale engineering projects, the stage-gate process is a linear project management concept punctuated by stages of development followed by benchmarks for assessment.

It is used to determine whether a project is situated for success and therefore continues to warrant investment. When a decision is made to proceed to the next phase, the project is authorized to spend the funds that were allotted for the next set of planned work activities.

To make a decision at a gate, a project review at the end of each phase, should include: a revalidation of the project; confirmation that the intended benefits are still relevant and attainable; and an overall determination of the ongoing viability of the project.

Project Gates and Project Gate Reviews are both concepts that provide key communication opportunities as projects move through the project lifecycle.

Gates and Gate Reviews also provide a formal means of controlling project risk, monitoring scope changes, and maintaining stakeholder interest. Within an organization, Gate Reviews are also a means of project management process deployment and change management.

2.1 Key Components

The key components of a Stage-Gate model are:

- 1) Stage Gates
- 2) Gate Review
- 3) Gate Committees
- 4) Gate Keepers

2.1.1 Stage Gates

Stage Gates are key points in a project where a formal review of the project's current state is performed. They appear at the phase transitions of projects and represent a point in the project where the sponsor and stakeholders will review risk, expense, and reward. When a Stage Gate is encountered, a Gate Review is held to determine if the project should proceed or not and under what conditions.

Stage Gates are governance check points that support informed business decisions during the selection and delivery of a project or program.

Defining Each Gate

Typically project gates follow transitions within a Project Lifecycle. The Project Lifecycle is the full set of activities from the beginning to the end in a project. The lifecycle is divided into phases, which can be sub-divided into stages.

The Project Management Institute (PMI) describes the life cycle of a project in five phases including: conception and initiation, planning, execution, performance/monitoring, and project close. The following Environmental Scan summarizes how several organizations describe their project phases:

Government of Canada	UK Government	BC Hydro	Seattle Public Utilities	PMI
Initiation	Policy	Initiation	Initiation	Conception and Initiation
Planning and Identification	Feasibility Appraise and Select	Identification	Options Analysis	Planning
Definition	Define	Definition	Design	
Implementation	Deliver	Implementation	Construction	Execution

Close-out	Operate, Embed and Close	Close-out	Project Close
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Typical Project Stage-Gate Model:

Gate approval points are positions at the end of key stages in the project life cycle to allow decision-makers to confirm that the proposed project solution remains in alignment with business needs and priorities. Each gate is a formal approval point, which presents key information to management, typically categorized in terms of cost, schedule, scope, procurement, and risk.

According to BC Hydro's Project Lifecycle (see Figure 1), the project lifecycle is the full set of activities from the beginning to the end in a project. The lifecycle is divided into four phases, which are, in turn, sub-divided into stages. The stages are determined based on the major parts of project performance (e.g. Initiation; Identification – needs, conceptual design, feasibility; Definition – preliminary design, regulatory approval; Implementation – detailed design, procurement, construction, commissioning & acceptance, and completion) and the need for control by the organization's management applying gates and checkpoints for go/no go decision making.

For each project that advances through to completion, the Initiation, Identification, Definition, and Implementation phases are always required, but the magnitude of the content and the rigour of review will vary depending on the individual project.

Procurement activities occur throughout all phases and are required to comply with procurement policy and practices.

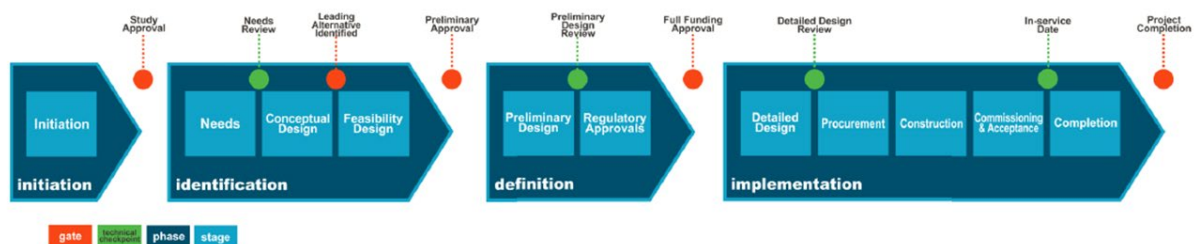


Figure 1 – BC Hydro's Project Lifecycle with gates.

2.1.2 Gate Reviews

Gate Reviews should accomplish the following:

- A review of the project by decision makers (ie not the project team).
- Assessment of readiness for project to go forward.
- A revalidation of the project's purpose.

- A recap of recent project history.
- A look into the project's near-term plans.
- A re-commitment of resources.
- Expenditure authorization for the next phase and procurement contracts.

Defining the Gate Review Process

Gate reviews provide decision makers input at specific points in the project life cycle when further progress entails higher investment and commitment¹. At the Gate Review the project manager advises on progress made to-date, changes since the last Gate Review, and the plan for the work between this Gate and the subsequent Gate. To be effective Gates should address the two key causes of project failure: scope changes and risk. Formal (change order) and informal scope changes (unknown complexity), and new risks and risk assessments should be Gate topics. Gate Reviews give decision makers visibility into the project's progress to-date, changes since the last Gate, and the project manager's plan for the near term. At this point decision makers may let the project proceed, delay, alter, or cancel the project before further work is performed.

A gating decision typically is known as a go/no-go decision. The decision may recommend any one of the following:

	Decision	Meaning
GO	Proceed	Continue to invest in the project.
GO	Proceed with conditions	Continue to invest in the project acknowledging that certain conditions must be met prior to the next gate
NO GO	Not ready to proceed	Finalize outstanding items to meet any necessary conditions and then return to the gate to confirm readiness to proceed
NO GO	Terminate the project	Cancel the project as it is no longer considered viable or is no longer aligned to organizational priorities

As a result of a successful Gate Review, the project manager has obtained the concurrence that the work to-date is satisfactory, risk is controlled, scope is being addressed, the plans are sound, and the organization remains committed to the project.

Gates and Gate Reviews are not periodic. Gates occur at phase transitions and thus are paced by the rate of progress and complexity of the project. Gate Reviews address progress to-date, scope, detail plans for the next phase, sponsor recommitment, and authorization to proceed into the next phase. Gates represent a point in time when the project manager may be told to execute the next phase per the plan, rework one or more of last phase's deliverables, or revise and resubmit the plans for the phase. A Gate Review can also cancel a project if the project's purpose and benefit are no longer consistent with the risk, required resources, or strategy of the organization.

¹ <https://www.pmi.org/learning/library/contemporary-gate-philosophy-implemented-outcome-7786>. Stratton, R. W. (2003). Project gates: "Chutes and Ladders®" for project managers. Paper presented at PMI® Global Congress 2003—EMEA, The Hague, South Holland, The Netherlands. Newtown Square, PA: Project Management Institute.

2.1.3 Project Management Framework & Project Governance, Gate Committees and Gate Reviews

2.1.3.1 *Project Management Framework & Project Governance*

A Project Management Framework includes a project governance structure that includes authority limits, decision making roles, quality assurance needs, reporting structure, accountabilities, and responsibilities.

The main participants in project governance are as follows:

- **Project Sponsor**
 - Accountable for enabling the successful planning, definition, implementation, transition, and close-out of the project.
 - Decides if a project is ready to proceed to a gate.
- **Project Approval Authority (ie Gate Committee)**
 - Provides clear, documented approval within the boundaries of scope, budget, risks, and benefits.
 - Conducts a due diligence review commensurate with the scale, complexity and risk of the project prior to granting of approval.
- **Project Manager**
 - Manages the project on behalf of the organization, including managing, within their authority level, the financial and human resources.
 - Prepares the Gate Review submissions after Initiation Gate Review
 - Authority is delegated by the Project Sponsor.
 - Accountable to the Project Sponsor for the successful delivery of the project, and for achieving the approved project outcomes within the approved cost and schedule.
- **Gatekeeper (Corporate Project Management Office)**
 - Manages the integrity and rigour of the stage-gate process on behalf of the organization.
 - Supports the stage-gate process by presenting submissions to the Gate Committee and provides integrated advice and administrative support.
 - Ensures that the Gate Committee's membership includes relevant Subject Matter Experts (SME).
 - Establishes the processes, templates, and tools, and training.
 - Provides guidance and advisory services for the Stage Gate process to Project Managers.
 - Performs a challenge function and advises Gate Committee members on submission readiness.
 - Executes the analysis on project health and provides a means of direct escalation of issues and risk to the Project Sponsor.
- **Business Owner**
 - Responsible for identifying the need/opportunity.
 - Prepares the Gate Review for the Initiation Gate Review.
 - Ensures that the project deliverables meet user requirements, business processes and overall operational service needs.
- **Benefit Owner**

- Responsible for accepting the identified benefits.
- Representative of the client stakeholder (e.g. O&M).
- External Project Steering Committee (Typically in place only for large complex and high risk projects)
 - Provides expert advice to augment skills and experience of organizations.
 - Provides expert advice related to project management, risk management, reporting, stakeholder engagement, design and construction, and delivery methods.

2.1.3.2 Role of the Gate Committees

The gate committee is an essential component of the project governance process. It provides oversight and endorsement at identified points along the project life cycle. At the gate meeting, the project will either be endorsed to proceed for budget approval of the next stage/phase, be terminated or will be required to repeat all or part of the current stage/phase. The gate committee will also review requests for other approvals such as increases to the project budget or change orders for procurements.

During the project life cycle, the gate committee may also receive mid-phase project briefings related to specific issues. The gate committee may provide advice or approve a recommended action, depending on the issue.

Typically, the composition of the gate committee is linked to the scale, risk and complexity of the projects under consideration. For example, the BC Hydro Board of Directors is the “Gate Committee” for projects greater than \$45 M. For Government of Canada projects, a dollar threshold is not the driver for projects approved at the cabinet committee “Treasury Board” responsible for Expenditure Management. All departments and agencies must submit projects that are determined to be high risk and complexity and that exceed the capacity of the department.

Regardless of the composition of the Gate Committee, or the size, risk, and complexity of the project under consideration, the following are the lenses that are used to assess the information provided during the gate reviews.

Decision Body Lenses					
Alignment	Structure	Value	Risk	Implementation Capacity	Impact
Does the project align with the organization’s strategic goals?	How is the program or project structured?	Does the proposal represent good value?	Are solid risk mitigation plans for the project?	Can the project be delivered within the department’s existing capacity?	Will it achieve outcomes? How will these be measured?

2.1.3.3 Gate Reviews

The following is a description of typical gates, key decisions, and considerations:

GATE 1: Initiation: Approval to proceed to Planning Phase.

The goal of the initiation phase is to determine whether a problem or opportunity is worthy of additional investment in the time and resources required to gather data, refine the understanding of the issue, and assess possible responses or solutions.

The key decision for the Gate Board is to authorize expenditures for the Planning Phase (ie seed funding and resource allocation).

Key Considerations for Gate Committee Members:

1. Is this a valid need/opportunity (problem statement) aligned with the organization's strategic objectives? Investment Plan?
2. Does this represent a priority for our resources?
3. Is the scope of the problem statement clearly defined? Is it related or aligned with any other need/opportunity?
4. Are the right alternatives being considered?

GATE 2: End of Planning: Approval to proceed to Definition Phase.

The goal of this phase is to study the benefits and costs, as well as other non-financial criteria of each option, including the option of no project – i.e. maintaining the status quo. This is typically summarized in a business case which includes a clear problem definition and documents the study and evaluation of several options through reasoned analysis and clear criteria. It reflects both quantitative and qualitative analyses. This analysis culminates in a recommended solution to the problem statement.

The recommended solution should include a project plan (e.g. scope statement, project budget, project schedule, procurement options analysis and strategy, risk management plan, communications plan, and human resourcing plan). The source of funds as well as consideration of ongoing life cycle costs and any decommissioning costs (if replacing an existing asset) should also be included. The objective is to present the information decision makers need to make an informed choice. For many organizations, the proposed solution sets the project baseline that is used to compare variances as the project is further developed.

At this gate, the Gate Committee makes the following key decisions:

- 1) Approves the project (or not).
- 2) Authorizes expenditures for the Definition Phase (for project definition and/or preliminary design, technical studies, advisory services if required).
- 3) Authorizes contracts for procurements within the Definition Phase.

Key Considerations for Gate Committee Members:

1. Does the recommended solution maximize the benefit to the organization?
2. Is the recommended solution timely?
3. Is the recommended solution scope clear enough to proceed to the Definition phase?
4. Does the project plan address all key aspects of project delivery in a complete and effective way? Is the project adequately resourced?
5. Are the risks to complete Definition phase as proposed adequately managed?

GATE 3: End of Definition: Approval to proceed to Implementation Phase.

At the end of the Definition Phase, the cost estimate for the project should be available as well as the final business case, and project plan for the implementation process.

It is at this gate that the Gate Committee makes the following key decisions:

- 1) Approves proceeding to implementation (or not).
- 2) Authorizes expenditures for the Implementation phase.
- 3) Authorizes contracts for procurements (design, construction, equipment, etc.).
- 4) Authorizes real estate transactions (if required).

Key Considerations for Gate Committee Members:

1. Does the recommended solution maximize benefits to the organization and key stakeholders?
2. Is the project still affordable? Is funding available?
3. How does the project affect other projects within the overall capital portfolio?
4. How are costs going to be contained?
5. Are the risks to completing the Implementation phase as proposed adequately managed?

Gate 4: End of Implementation: Approval to Close the Project

In this phase, project outcomes are examined to ensure that the work is complete and has met all the project objectives. Understand if there are any material deficiencies or outstanding needs for expenditures and how they are going to be addressed.

Key considerations:

1. Did the project meet its objectives?
2. Is the project complete, including resolution of all outstanding deficiencies or defects?
3. Reviewing and accepting any ongoing Indigenous, environmental and/or stakeholder commitments.

2.1.4 Gate Keeper

The Gate Keeper's role in the Gate Review is to make sure the project proceeds with an enterprise-wide re-commitment to the (current) scope, required resources, estimated risk, and other enterprise and project interests. The Gate Keeper should be neutral regarding the outcome of the Gate Review. The Gate Keeper should chair the Gate Review meeting, set the agenda, and invite the participants. The Gate Keeper should also know good project management principles and what should be expected of project managers considering their experience and their project.

Gate Keeper staff support the process by presenting cases to the Gate Committee and provide integrated advice and administrative support. They also perform a challenge function and advise Gate Committee members on the readiness of submissions. Gate Keepers also establish the processes, templates, and tools.

Gate Keeper staff manage the integrity and rigour of the Stage-Gate process for the organization. A key task is to review submissions for:

- clarity, completeness, and quality
- business case and value for money
- compliance with existing legal and policy requirements
- program operations and viability
- risk and mitigation
- design and implementation
- alignment
- regulatory quality and adherence to the organizational directives on social and economic priorities

2.1.5 Applicability

A Stage Gate process can be applied to all projects – regardless of their classification (scale, risk, and complexity). How it is applied, the level of documentation and who the decision makers are – is all scalable.

Many organizations assess projects based on risk and complexity, in addition to the project budget (scale) to determine the level of project governance and oversight required. The Government of Canada uses the following categories to assess project risk and complexity:

- Project Characteristics
 - The greater the complexity of a project, the greater the potential for risk and the greater the need for a high level of project management maturity or capacity.
 - This category is designed to build a profile of the project, its level of complexity and potential for risk and areas of concern.
- Strategic Management Risk
 - This category is intended to establish the project's alignment with the objectives and/or priorities of the organization and its commitment to the project.
- Procurement Risk
 - When a project includes significant procurement activities, the importance of clear scope, requirements, risks, and cost constraints is only increased. A sound understanding of the scope, requirements, risks and time and cost constraints for both the project and any and all related contracts is critical in order to support the selection of the best contractors (vendors) and the awarding of applicable contracts.
- Human Resources Risk
 - This category assesses the extent to which the project has the right skill sets in place to deliver the approved project scope. How a project is staffed will greatly influence a team's ability to manage the project's identified complexity and risk.
- Business Risk
 - This category is to determine the state of readiness of the business for adopting the services being provided by the project.
- Project Management Integration Risks
 - This category is to assess whether the right strategies, controls, and project management skills and supporting activities are in place to:

- Plan a project effectively through integrating the planning elements of scope, schedule, cost, and risk; and
- Keep the project on track through aggregating scope, schedule, cost, and risk progress information, taking corrective action where needed to remain in alignment with the plan.
- Project Requirements Risks
 - This category is to assess various aspects of the requirements of the project. This includes the actual nature of the requirements as well as some related issues such as how difficult requirements are to gather and how well they are documented. To what extent do the specific requirements of the project add risk and complexity?

In many organizations, even projects assessed as low risk/complexity, and dollar thresholds are subject to the gating process. What differs between those low risk/complexity and high risk/complexity projects is the depth and breadth of documentation, the composition of the Gate Committee and the authority to make the decision to proceed or not. These are concomitant with the delegated authorities within the organization.

With this approach, only projects that are high risk and high complexity are submitted to the highest level of authority or decision making. Decision makers are thus strategically positioned to allow for early and timely oversight.

3 Implementation of a Stage Gate Model – Leading Practices

Organizations that employ a Stage-Gate model in their capital investment decisions have the following commonality in its design and implementation.

Investment/Long-term Capital Planning Frameworks

Capital intensive organizations are generally guided by high level three-to-five-year investment plans (or long-range capital plans) that are informed by asset management plans and specific project plans. These high-level plans are supported by and reflect program/business plans that are updated annually or bi-annually.

These plans guide organizations and provide a basis for prioritizing specific problems, opportunities and infrastructure or other capital projects. Integrating these priorities across business lines also ensures that resources are allocated and re-allocated based on a set of criteria established through strategic planning processes.

Once this strategic investment planning and project management framework is set, organizations can then allocate resources to investigate specific issues, problems, or opportunities and to make recommendations. This may mean developing a business case for implementing a response to the issue, or it may mean no additional action is recommended.

These investment/long-term capital plans are typically approved at the highest level of governance in an organization. By presenting a multi-year, prioritized, integrated plan to decision makers, they are provided with a holistic picture of investments at the enterprise level and are strategically positioned to

allow for early and timely oversight. Once approved, the investment plan provides the spending envelope that the organization works within to undertake the stated priorities in the plan.

However, the inclusion of proposed projects in the investment/long-term capital plan does not automatically confer the approval of the project. The authority to advance the project is granted through the organizations' project approval process (typically a Stage-Gate model). Thus, the project is not a project until it is actively "approved" by the appropriate body delegated to approve projects and associated expenditures.

Challenge and Support Function

To actively manage a meaningful investment planning and project management framework, most organizations have dedicated resources that provide both a challenge function to the proposed investments and act as a gate keeper for the Stage Gate process. This function ensures that Gate Committee members are provided with accurate information and sound advice for making decisions. This is achieved through a rigorous scrutiny of project proposals. Through its challenge and oversight role, this function provides an enterprise perspective for Gate Committee members, strengthening how the organization is managed and ensuring value for money in spending and results for stakeholders.

This function also provides advice and guidance to departments/business lines who are preparing project submissions, and it provides recommendations to Gate Committee members on expenditure and management policies as well as developing standardized tools, templates, and processes.

Integration of Procurements and Property Decisions within Projects

Project-based procurements and real property (land) transactions are fully integrated into the governance, management, and oversight of projects. Procurement options analyses, procurement strategies are key elements of project approval documentation. Procurement contracts are approved within the context of the entire project/program.

Standardized Project Management Frameworks

Project Management Frameworks provide mandatory processes for project approvals - supported by tools, templates, and guidance documents. These include clear accountabilities and definitions re: key reviews and oversight, delegated authorities, and terms of reference for committees. One important element of standardized project management frameworks is cost estimating.

Application: All Projects + Full Project Life Cycle

Generally, Stage Gate processes apply to all projects regardless of scale, risk, and complexity. While projects with lower scale/risk/complexity and dollar thresholds are subject to the gating process, the nature of the documentation, the composition of the Gate Committee and the authority to make the decision to proceed or not, would be concomitant with the delegated authorities within organizations.

In addition, the Stage-Gate process applies to the full project life cycle (i.e. every phase/stage from Initiation through to Close-out).

4 Complementary Project Delivery Improvement Initiatives

Following the creation of the Project Delivery Department in Metro Vancouver in 2020 and the work completed by KPMG, best practice reviews have been undertaken including: Governance and Cost Estimation. Recommendations from these reviews also referenced stage gate processes as follows:

- Cost Estimation Framework identified a Best Practice: “Formalized cost and scope stage gate process.”
- The Interjurisdictional Governance Review recommended:
 - Put in place a project oversight committee that has the expertise required to effectively oversee projects.
 - Consider using project outcomes to manage projects instead of relatively low value dollar approval limits and contract approvals.
 - Formalize a process for the Committee to review major projects at stage gates with the benefit of input from an expert project oversight committee.

To continue to enhance project delivery across Metro Vancouver’s portfolio of large capital projects, and to complement the other targeted initiatives (Cost Estimating Framework, Interjurisdictional Governance Review) a Project Management Framework will be developed that will provide the overarching policy foundation for the planning and delivery of projects. The Project Management Framework will consist of processes, systems, and controls, anchored in project management best practices. Embedded within the project management framework will be an approach to project gating.

5 Implementing a Stage-Gate Framework at Metro Vancouver

These next steps focus on Stage Gate Framework, and it is expected that Metro Vancouver will also consider other initiatives in all areas of project delivery. It is understood that this work will be led by the corporate Project Management Office (PMO) who will work collaboratively across Metro Vancouver.

- Formalize stage-gate approach, scaled based on size and complexity/risk.
- Prepare a road map for implementing the Stage-Gate Framework across the entire organization.
- Develop guidelines for project classification considering project size, risk, complexity, and cost estimate.
- Assess competencies, identify gaps in project management expertise.
- Develop tools, templates, and guidelines to enable and support the Stage-Gate Framework.
- Develop and deliver training for the stage-gate process.
- Collaborate with other similar agencies to identify and apply best practices and lessons learned.

6 Conclusion

The benefits of a Stage-Gate process are clear, tried, and true and have been adopted by similar capital-intensive organizations to Metro Vancouver. To ensure that the management of programs and projects provide value for money and that they are delivered successfully, timely and cost effectively,

expectations for their direction must be set. There is a requirement to ensure that there are appropriate processes and controls in place to effectively manage projects, deliver expected results and limit risk to stakeholders.

Key benefits of a Stage Gate process:

- Defines what points where go/no go decisions will be made.
 - Describes what information and documentation will be provided for those decisions.
- Defines the project baseline:
 - Scope, schedule, cost, risk and other critical socio-economic objectives (e.g. Indigenous participation, equity, diversity, heritage, sustainability).
- Adopts a risk-based approach to the management of projects.

While Metro Vancouver has mapped out a credible Stage-Gate process, it has not been implemented past Stage-Gate 1 and only applies to projects less than \$250k – essentially minor capital projects.

Formalizing a Stage Gate process for Metro Vancouver and implementing it across the organization, starting with the major capital projects that are now under the responsibility of the Project Delivery Department, will significantly improve the consistency and effectiveness of decision-making and likelihood of success for capital projects for the organization.

7 References

1. Directive on the Management of Projects and Programmes, Government of Canada:

<https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32594>

This directive ensures that government projects and programmes are effectively planned, implemented, monitored, controlled and closed, so that the expected benefits and results are realized for Canadians.

2. Project Delivery Standard 1.2, HM Government, Government Functional Standard GovS002: Project Delivery: <https://www.gov.uk/government/publications/project-delivery-functional-standard#:~:text=The%20Project%20Delivery%20Functional%20Standard,It%20contains%207%20main%20elements%3A&text=Governance%20and%20roles%20of%20portfolios,Portfolio%20management>

The standard sets expectations for the direction and management of portfolios, programmes, and projects in government.

3. *Chapter 1 SPU Design Process, Seattle Public Utilities:*

<http://www.seattle.gov/Documents/Departments/SPU/Engineering/1DesignProcessFinalRedacted.pdf>

This chapter of the Design Standards and Guidelines (DSG) explains a typical design process from project initiation through commissioning for a Seattle Public Utilities (SPU) traditional design bid-build project. The primary audience for this chapter is SPU engineering staff. DSG standards are shown as underlined text.

BC Utilities Commission Oversight of Metro Vancouver – A Discussion Paper

Purpose of this Briefing Note

An idea has emerged relating to the oversight and regulation of projects overseen by the Metro Vancouver's utilities (GVS&DD and GVWD). Specifically, the question has been raised as to whether the British Columbia Utilities Commission (BCUC) could provide regulatory oversight for Metro Vancouver's utilities – including projects and capital cost planning and allocations to municipal taxpayers. Deloitte has been engaged by Metro Vancouver, with the support of Dana Hayden, to provide an independent overview of this concept, a summary of the opportunity and potential risks, and other considerations for the Governance Committee and broader Boards of Directors as they consider this governance option.

Background on BCUC

BC's first dedicated utilities regulator was introduced in 1919, when the BC government established the Public Utilities Commission (PUC). It was dissolved shortly after, only to be reinstated in 1938, then replaced by the BC Energy Commission in 1973, and eventually by the current BCUC in 1980. Today the BCUC is an independent regulatory agency of the Government of BC regulating rates and standards of service quality, primarily governed by *the Utilities Commission Act* (as well as sections of the *Clean Energy Act*, *Administrative Tribunals Act*, *Insurance Corporation Act* and *Freedom of Information and Protection of Privacy Act*). The BCUC also administers BC's *Fuel Price Transparency Act*.

The Commission's primary responsibility is the regulation of British Columbia's natural gas and electricity utilities. They also regulate intra-provincial pipeline, fuel prices and the Insurance Corporation of British Columbia (ICBC). Aside from rate regulation, BCUC also ensures shareholders of utilities earn a fair return on their invested capital – in effect equally serving both the customers and providers of the utility services.

With respect to ICBC, BCUC is responsible for ensuring that services to basic automobile insurance policyholders are adequate, efficient, just and reasonable, and that ICBC optional insurance is not subsidized by other ICBC operations.

As a provincial government agency, BCUC also reviews energy-related matters referred by Cabinet and has a key role in implementing provincial government policy. The Commission has been self-funded since 1988 with an annual budget of approximately \$20 million recovered primarily through a levy on the companies that it regulates.

Potential Opportunities for BCUC Oversight

1. Stronger independent oversight & accountability

As an independent regulator that reviews rates, service quality, and capital plans for energy and insurance utilities, BCUC could address concerns about oversight and limited external scrutiny over rate increases or capital project decisions. Such decisions would be tested through formal, in-depth, evidence-based hearings.

2. More rigorous cost control & rate scrutiny

Utility-style regulation requires extensive justification of rate increases and major projects, and forces long-term financial discipline (e.g., project lifecycle costing, demand forecasts, etc.) and can minimize some political influence on spending decisions. In addition, rigorous oversight could potentially reduce the risk of poorly scoped infrastructure decisions but is obviously not a replacement for strong project management oversight or managing cost overruns.

3. Increased transparency

BCUC processes are public legal proceedings, with filings, evidence, interveners, extensive reporting and published decisions. This may conflict with the intentions of a board of elected officials operating as a federation of municipalities where other interests would need to be considered, and municipal confidentiality may take precedent. This type of legal proceeding would also allow members of the public, industry representatives, First Nations, and other stakeholders to provide their written and verbal perspectives for the Commission to consider.

4. Improved public confidence

Independent oversight, justification of costs and rates, and improved overall transparency provide the public with significant detailed visibility into decisions made, potentially reassuring ratepayers that decisions are being made in the public interest and that costs have been independently challenged before being passed on through annual utility bills.

5. Consistency with other essential utilities

Electricity and natural gas in BC are already regulated under the BCUC; however, it should be noted they are provincial-wide services provided in some cases by (non-government) corporations. BCUC regulation would evaluate water and wastewater treatment as a core utility infrastructure rather than a municipal or regional service. This level of oversight would likely drive standardized practices across the various regulated utilities in BC (including rate design, asset management, performance metrics, etc.).

6. Reduced political influence on pricing

The current Metro Vancouver utility boards are comprised of municipal politicians with limited independent oversight over their decisions. BCUC oversight could eliminate some political pressures, weighting decisions away from political or regional quality of life factors towards quantitative economic, engineering, and system reliability factors. However, it should be noted that given the Board of Metro Vancouver is comprised of elected officials with infrastructure projects occurring within their jurisdictions, subject to provincial and federal regulation and influence, BCUC is not able to eliminate political influence.

Potential Challenges of BCUC Oversight

1. Loss of local democratic control

Metro Vancouver's governance model is based on municipal representation and weighted voting, therefore BCUC oversight would result in major rate increase decisions to effectively move from elected officials to appointed commissioners. This would not reduce the influence municipalities have over regional infrastructure priorities but could remove their ability to allocate unfair rate

increases to specific municipalities. Regional political trade-offs (growth, affordability, environmental goals, resilience, etc.) could become more regulatory and less political in nature. Residents would also lose some democratic control; in the sense they cannot ‘vote out’ BCUC Commissioners in the same way they might their elected representatives.

2. Slower decision-making and project approvals

Given the legal structure and fiduciary responsibilities of the Commissioners, BCUC proceedings can be extensive, lengthy and evidence heavy. This would require annual rate increases or major capital projects to undergo regulatory hearings before proceeding. Enhanced scrutiny could prevent costly mistakes, but urgent infrastructure investments could face delays, and regulatory uncertainty could complicate project scheduling – especially given water and wastewater projects often need decades of planning or alternatively to react quickly to federal regulatory changes.

3. Challenges in establishing baseline rate structures

Regulated utilities such as BC Hydro, Fortis, or ICBC operate following a defined capital cost and activity-based rate structure. Periodically these utilities will apply to BCUC to increase their rates and the BCUC will facilitate a rate hearing to determine whether a sufficient basis for the increase exists or not. Metro Vancouver does not currently bill customers on a water, liquid waste or solid waste usage rate system, but rather a capital and operating cost allocation model. There would need to be some framework in place to meter water, solid waste and liquid waste and create a rate costing structure and drive changes to an annual or biannual rate hearing. Metro Vancouver would then have to manage their project costs and timing within the annualized rate-based budget. This is largely similar to the current model where project and operating costs are forecast within a budget envelope approved by the elected officials on each utility Board.

4. Risk of underinvestment in infrastructure

The BCUC’s mandate is generally focused on ensuring rates are “just and reasonable” and that profits and returns to corporations and their shareholders are also equitable. Given the desire of the public to avoid rate increases (at least until failures occur), there would be significant political pressure to keep rates low which in turn could make it harder to fund large future critical infrastructure projects. Rejected projects or rate increases could also result in the temptation for maintenance or upgrades to be deferred.

5. False promise of savings

Climate adaptation, seismic upgrades, water security projects, and wastewater treatment upgrades often require very large long-term spending commitments. Metro Vancouver’s wastewater planning already involves legally binding regional and environmental obligations as well as constantly evolving complex federal and provincial regulatory compliance requirements. BCUC would not interfere with the need to address regulatory or legal compliance. Rate regulation can sometimes create apparent short-term ratepayer savings by forcing the delay of projects, reductions in project scope, or deferring of expenditures, possibly at the cost of quality and reliability of infrastructure.

6. Added regulatory costs and bureaucracy

BCUC oversight is not free from a cost or resourcing perspective. Regulatory oversight of Metro Vancouver's utilities could require additional regulatory staff at BCUC (currently approximately 80 staff) and within Metro Vancouver; the development of a formal rate application process; independent consulting reports; expert evidence; intervener costs; internal and external legal counsel costs; formal public hearings; additional compliance reporting; municipal engagement; and many other inherent costs. While these costs might be small relative to Metro Vancouver's utility budgets (likely a few dollars per household annually), they would still ultimately be paid by ratepayers. As in other regulated utilities, internal resources are largely only required to support infrequent rate/project hearings, but this would imply Metro Vancouver would have to support these hearings using external contract/consulting resources.

7. Tension between regional growth policy and utility regulation

Metro Vancouver often uses rates, development cost charges, and infrastructure investments to achieve broader regional objectives (such as growth management, environmental protection, water conservation, food sustainability, long-term wastewater capacity planning, etc.). There is already significant public debate regarding infrastructure charges and affordability impacts. While the regulator looks at the need for project spending and the equity to current taxpayers, local governments are also looking for alignment with regional growth, environmental, housing development, and sustainability objectives, as well as local municipal policies and goals. BCUC can ultimately only review rates and spending in accordance with legal and financial facts, while local and provincial governments can make major policy changes outside the regulatory process, potentially overriding the intentions of the regulator. BCUC would also not play an adjudication or mediation role between municipalities – they simply respond to the legalities and facts placed before them. It would still be up to the elected officials on the utility boards to debate the merits, timing and scope of the proposed projects.

8. Provincial Support

The BCUC is an independent regulatory agency of the Government of British Columbia established through legislation. Legislative amendments would be required to change its mandate if water and sewage utilities were to be regulated by the BCUC. Similarly, it is likely there would need to be legislative change in the Local Government Act, as well as policy change and additional support from the Ministry of Housing and Municipal Affairs. Consideration would also have to be given as to the impact on other regional districts and providers of water and liquid waste services in BC. The BCUC would need to obtain commissioners and staff who have the expertise to regulate Metro Vancouver's utilities.

Comparison with other utilities

A review of other utilities currently regulated by BCUC generally indicates various perceived improvements, including:

- Better public disclosure
- More rigorous business cases

- Independent review of capital projects
- Lower risk of unchecked spending
- Increased public confidence.

However, critics tend to emphasize several challenges:

- Longer project approval timelines
- Higher administrative costs and increased bureaucracy
- Risk avoidance culture in decision-making
- Potential reluctance to pursue ambitious long-term investments
- Difficulty applying a utility-regulation model to organizations whose corporate objectives extend beyond utility service.

BC Hydro has been subject to varying degrees of BCUC oversight, depending on the government in power and the nature of the infrastructure project (e.g. Site C Dam). The level of transparency, public consultation, independent examination, evidence gathering, industry challenge, and overall diligence required by BCUC is much stronger than other municipal utility project oversight processes. However, given the size of these projects, reviews can take a considerable time. Provincial Governments have also exempted projects from the process for urgency or political reasons, and certainly BCUC oversight has not replaced the government's legislative authority.

ICBC did experience stronger oversight and improved transparency around rate requests after falling under BCUC regulatory authority, however, broader policy decisions (often directly affecting rates) remained with the Provincial government.

FortisBC is likely the clearest example of effective regulation (perhaps in Canada), with regular scrutiny of rates and expenditures; independent review of proposed investments; fair challenge of utility proposals by consumer groups and industrial customers; and ultimately the need to demonstrate that expenditures are prudent and necessary. FortisBC, as a public company with a professional board, is not accountable to the political needs of the communities in which it operates, so the BCUC does provide a level of accountability to the taxpayer beyond the shareholders' needs. Drawbacks cited did include the cost, bureaucracy and technical nature of the BCUC proceedings, as well as the fact that the regulatory process tended to lengthen project timelines.

Potential Cost of BCUC Oversight

There is no estimate of what it would cost the BCUC to regulate Metro Vancouver's water, solid and liquid waste utilities, but some reasonable comparisons can be made. For large, regulated utilities such as FortisBC and BC Hydro, regulatory costs are a very small fraction of total revenue – less than 1%. For a utility system as large and complex as Metro Vancouver's, annual incremental costs in the range of \$5 million to \$10 million per year would not be surprising. The exact amount would depend heavily on the scope of oversight and the number of major projects under review.

Direct regulatory costs would likely include:

- BCUC staff time (engineers, economists, accountants, lawyers, etc.)
- Hearings and adjudication
- Independent expert and consulting reviews
- Industry participation funding
- Metro Vancouver's own regulatory affairs staff and consultants
- Preparation of rate applications and capital project submissions

It is less clear that regulatory oversight consistently produces large reductions in total capital spending and rate reductions. More often, regulators improve the quality of decision-making rather than dramatically reducing costs. However, even small improvements in multi-billion-dollar capital projects can generate significant savings outweighing the costs of additional oversight and scrutiny. These savings could come from:

- More rigorous project review before approval
- Challenges to cost estimates and contingencies that may be larger than necessary
- Better procurement and contracting discipline stemming from external scrutiny
- Stronger incentives to control scope creep and avoid "gold-plating" infrastructure
- Improved financial transparency and identification of inefficiencies that might have otherwise gone unnoticed

However, the hidden costs and potential offsets can quickly exceed any major project savings and could include:

- Longer approval timelines
- Additional reporting requirements
- Delays to capital projects
- Increased administrative workload

More importantly, many of Metro Vancouver's costs are driven by factors that a regulator cannot easily change, such as:

- Federal and Provincial Environmental regulations
- Population growth and capacity requirements
- Inflation in construction costs
- Labour shortages
- Contractor failure
- Macroeconomic and geopolitical shocks
- Seismic resilience requirements
- Climate adaptation investments
- Global supply chain disruptions
- Land acquisition and permitting costs

BCUC may question whether a project is prudent, but it cannot eliminate many of these underlying cost drivers. Furthermore, delaying projects or extending the timelines may just result in the uncontrollable factors noted above having a much greater long-term impact on ratepayers.

Conclusion

The strongest argument for BCUC oversight applies to water and liquid/solid waste because they are natural monopolies with user fees, although there would need to be some form of rate structure put in place beyond the current cost allocation model.

The trade-off to be considered is that between more independent oversight, transparency, and accountability versus less local flexibility, slower decision-making, and reduced ability to pursue broader regional policy objectives through utility investments. As a utility regulator, BCUC would not be equipped to make decisions that are fundamentally political and regional rather than purely legal or utility related.

The policy question is not whether BCUC oversight would cost more than it could save. The question is whether the value of independent review, increased transparency, improved project scrutiny, and greater public confidence would outweigh both the direct regulatory costs and the risk of slower decision-making, as well as the loss of direct accountability to municipalities and their voters. Conversely, if Metro Vancouver is already making prudent investment decisions and has strong project management oversight controls in place, or if Metro Vancouver augments the quality of these controls through other means, the financial savings may be modest or non-existent, and the primary benefit would be increased accountability and transparency rather than lower costs.

If the Province were to place Metro Vancouver's water and liquid waste utilities under the oversight of the BCUC, the debate is also likely not whether oversight or stronger accountability is a good goal. The real question is what would be lost, what could be gained, and whether utility regulation is an effective tool for overseeing the prioritization, scoping and delivery of major capital infrastructure projects. From a strictly governance perspective, stronger independent oversight of major construction projects, without fully converting Metro Vancouver into a regulated utility, may be the most practical compromise.



Recommendations for Changes to the Size and Structure of Each of Metro Vancouver's Four Boards of Directors

Heather McNeill
Deputy CAO, Policy and Planning

Metro Vancouver Governance Committee Meeting: July 9, 2026
Orbit Link: Add when archiving presentation to Orbit

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OBJECTIVES

- Present options for each of the MVRD, GVWD, GVS&DD, and MVHC Boards and provide:
 - Description of the option
 - Analysis of the option
 - Summary of Engagement across audiences
 - How to implement the option
 - Sample Recommendation
- Seeking Governance Committee support for and advancements of, recommendations for each Board the Boards for their consideration at the July 24, 2026 Board meeting.

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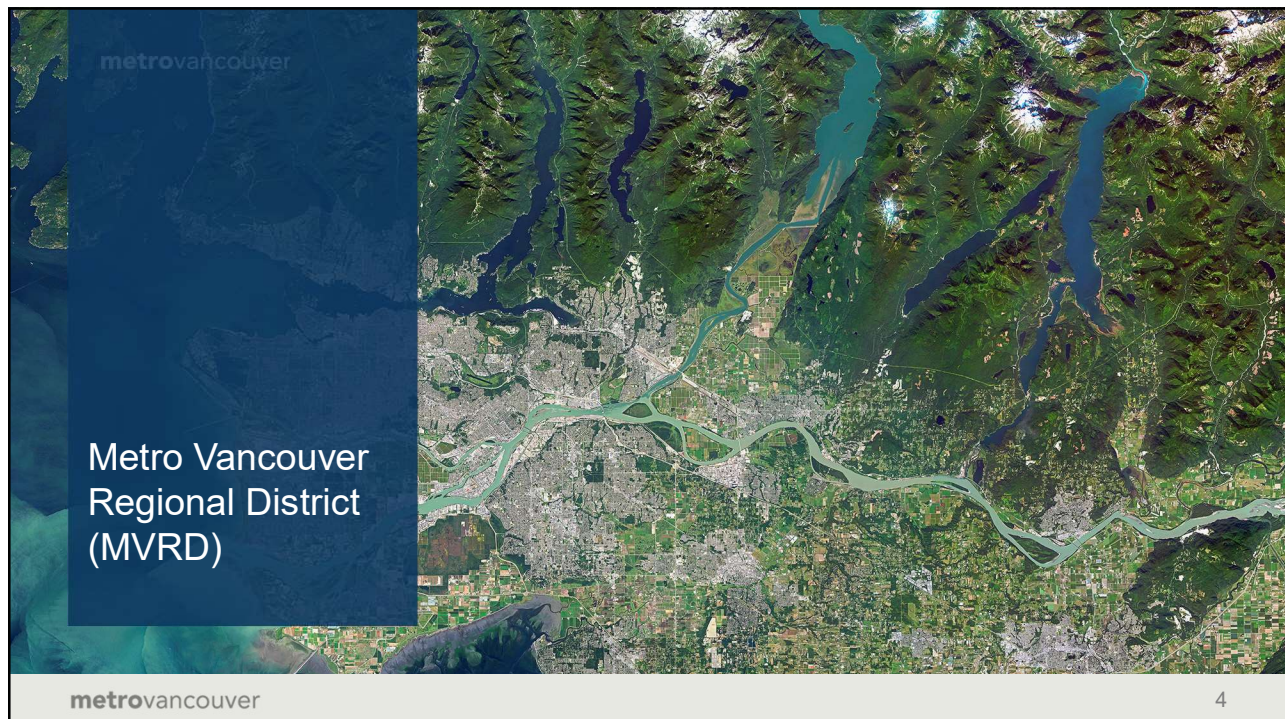
EVALUATION CRITERIA – WHAT OUTCOMES?

Governance Effectiveness	- Improved decision-making efficiency & effectiveness - Trusted oversight, collaboration, and strategic alignment - Operates effectively without unnecessary structural or administrative burden - Effectively identify and respond to risks - Reinforce clear decision-making accountability
Size / Scalability	Board size and scalability align with mandate and complexity
Member Jurisdiction Representation and Impact	- Member jurisdiction representation for services provided - Fairness and equity; Support the broader provision of regional services - Proportional representation of the population served
Broader Stakeholder Impact	- Support the broader provision of regional services to the public - Accountability and transparency; Public trust and expectations
Transition Readiness	- Readiness and ease of implementation - Requirement to adjust enabling legislation. Timing and ease of legal structure change and impacts on funding, programs and projects - Impact on bylaws, policies, board meeting logistics, remuneration and other operational practicalities

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 MVRD BOARD – Options and Considerations				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
41 Directors Growing to 45 in 2027 and 52 in 2032	- Retains established accountability between Metro Vancouver and member jurisdictions, has strong jurisdictional representation, and is a familiar accountability structure - Growing Board size may dilute accountability and make oversight of complex risks harder and may discourage active participation from all members - Almost all Directors (97%) indicated that the current and projected trajectory of Board size is an issue, with key concerns noted as overall effectiveness, manageability and the ability to sustain focused, strategic discussion.			
Legislative change required?				No
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 MVRD BOARD – Options and Considerations				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
23 Directors No Growth	- Could improve decision speed, manageability and strategic focus, ensure each jurisdiction maintains a seat, and continue with proportional representation <i>The balance of power at the Board would be held by only three Directors</i> (replacing 16 Directors under the status quo) who would hold the majority of votes at the Board - Diversity of perspectives from individual member jurisdictions would be removed, specifically impacting larger municipalities that currently have multiple Directors			
Legislative change required?				Yes
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 MVRD BOARD – Engagement Summary				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
23 Directors No Growth	- Not prioritized by the Governance Committee, however, some interest in further exploration. - Deloitte found that most Directors (77%) expressed that having more than one Director per municipality is important for the larger jurisdictions, to ensure adequate representation and minimize influence over Board decisions. - Concern that 50% of voting power held by 3 individuals Council of Councils - favoured by 26% of respondents Public Webinars - favoured by 31% of respondents Joint Advisory Committee webinar - favoured by 22% of respondents			
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 MVRD BOARD – Sample Recommendation				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
23 Directors No Growth	THAT the MVRD Board: a) endorse having one Director per member jurisdiction at the MVRD Board while maintaining existing methodology for number of votes; and b) request that the Board Chair send a letter to the Minister of Municipal Affairs and Premier requesting changes to either the <i>Local Government Act</i> or the <i>Municipalities Enabling and Validating Act</i> and any corresponding adjustments to the MVRD Letters Patent, as required to enable the MVRD Board to include only one Director per member jurisdiction.			
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MVRD BOARD – Options and Considerations

1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
34 Directors Grows more slowly • Could improve decision making speed, efficiency, and strategic focus with a reduced number of speakers at each Board meeting • Proportional representation is maintained • Grows more slowly over time (ie. do not reach current size by 2050) • More consistent number of Directors for larger municipalities, and that the size of the Board would grow much more slowly over time. Legislative change required ? Yes				

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MVRD BOARD – Engagement Summary

1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
34 Directors Grows more slowly • Preferred option for the Governance Committee as longer-term solution. • Preferred option across most audiences. • Deloitte found that most Directors (77%) expressed that having more than one Director per municipality is important for the larger jurisdictions, ensuring adequate representation and minimizing influence over Board decisions. • At Council of Councils, this option was favoured by 34% of respondents. • At the public webinars, this option was favoured by 21% of respondents. • At the joint advisory committee webinar, this option was favoured by 34% of respondents.				

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 MVRD BOARD – Sample Recommendation				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
34 Directors Grows more slowly THAT the MVRD Board: a) endorse capping the number of MVRD Board Directors at 3 per member jurisdiction while maintaining existing methodology for number of votes; this would reduce the current Board size to 34, slow growth of the Board over time, and achieve gains in governance effectiveness while maintaining proportional representation; and b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier requesting changes to either the <i>Local Government Act</i> or the <i>Municipalities Enabling and Validating Act</i>, and any corresponding adjustments to the MVRD Letters Patent, as required to cap at 3 the number of Directors per member jurisdiction on the MVRD Board.				
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 MVRD BOARD – Options and Considerations				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change threshold for votes	5 Each director represents more residents
36 Directors Grows more slowly - Currently have one vote / 20,000 residents; change to one vote / 25,000 residents - Could improve decision speed, strategic focus and collaborative dialogue - Only option that changes <i>number of votes</i> for communities close to threshold; impacts many communities				
Legislative change required?				No
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 MVRD BOARD – Engagement Summary				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change threshold for votes	5 Each director represents more residents
36 Directors Grows more slowly - This option was not supported by the Governance Committee, saw little support from Board Directors and Council of Councils, and little support from member jurisdiction advisory committee participants. - At Council of Councils, this option was favoured by 14% of respondents. - At the public webinars, this option was favoured by 21% of respondents. - At the joint advisory committee webinar, this option was favoured by 12% of respondents.				
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 MVRD BOARD – Sample Recommendation				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change threshold for votes	5 Each director represents more residents
36 Directors Grows more slowly THAT the MVRD Board: - endorse increasing the population threshold per vote to 25,000; this would reduce the current Board size to 36, slow growth of the Board over time, and achieve modest gains in governance effectiveness while maintaining proportional representation; and - request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier seeking an Order in Council or Cabinet decision to change the voting threshold included in the Metro Vancouver Regional District Letters Patent from 20,000 to 25,000.				
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 MVRD BOARD – Options and Considerations				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
34 Directors Grows more slowly - Each Director gets up to 7 votes (currently 5) - Could improve decision speed, strategic focus and collaborative dialogue - No impact on communities smaller than 100,000 residents - No change to number of votes				
Legislative change required?				No
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 MVRD BOARD – Engagement Summary				
1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
34 Directors Grows more slowly - The Governance Committee expressed preference for this option as a shorter-term option that can be implemented without legislative change. - Limited support from other audiences including Council of Councils, public webinars, and member jurisdiction staff participating in the joint advisory committee webinar. - At Council of Councils, this option was favoured by 16% of respondents. - At the public webinars, this option was favoured by 27% of respondents. - At the joint advisory committee webinar, this option was favoured by 7% of respondents.				
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MVRD BOARD – Sample Recommendation

1 Status quo	2 One director per member jurisdiction	3 Cap number of directors at 3 per jurisdiction	4 Change thresholds for votes	5 Each director represents more residents
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34 Directors

Grows more slowly

THAT the MVRD Board:

a) endorse increasing the voting divisor from five to seven for the MVRD Board; this would reduce the current number of Directors to 34, slow growth of the Board over time, and achieve gains in governance effectiveness while maintaining proportional representation; and

b) request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier seeking an Order in Council or Cabinet decision to include a voting divisor of seven in the Metro Vancouver Regional District Letters Patent.

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IMPACT OF EACH OPTION ON NUMBER OF VOTES AND DIRECTORS										
	Option 1: Status Quo		Option 2: One Director Per Jurisdiction		Option 3: Cap of 3 Directors per Member Jurisdiction		Option 4: Increase population threshold per vote to 25,000		Option 5: Increase voting divisor to seven	
	Votes	Directors	Change in Votes	Change in Directors	Change in Votes	Change in Directors	Change in Votes	Change in Directors	Change in Votes	Change in Directors
Anmore	1	1	-	-	-	-	-	-	-	-
Belcarra	1	1	-	-	-	-	-	-	-	-
Bowen Island	1	1	-	-	-	-	-	-	-	-
Burnaby	13	3	-	-2	-	-	-3	-1	-	-1
Coquitlam	8	2	-	-1	-	-	-2	-	-	-
Delta	6	2	-	-1	-	-	-1	-1	-	-1
Electoral Area A	1	1	-	-	-	-	-	-	-	-
Langley, City	2	1	-	-	-	-	-	-	-	-
Langley, Township	7	2	-	-1	-	-	-1	-	-	-1
Lions Bay	1	1	-	-	-	-	-	-	-	-
Maple Ridge	5	1	-	-	-	-	-1	-	-	-
New Westminster	4	1	-	-	-	-	-	-	-	-
North Vancouver, City	3	1	-	-	-	-	-	-	-	-
North Vancouver, District	5	1	-	-	-	-	-1	-	-	-
Pitt Meadows	1	1	-	-	-	-	-	-	-	-
Port Coquitlam	4	1	-	-	-	-	-1	-	-	-
Port Moody	2	1	-	-	-	-	-	-	-	-
Richmond	11	3	-	-2	-	-	-2	-1	-	-1
Surrey	29	6	-	-5	-	-3	-6	-1	-	-1
Tsawwassen First Nation	1	1	-	-	-	-	-	-	-	-
Vancouver	34	7	-	-6	-	-4	-7	-1	-	-2
West Vancouver	3	1	-	-	-	-	-1	-	-	-
White Rock	2	1	-	-	-	-	-1	-	-	-
Metro Vancouver	145	41	-	-18	-	-7	-27	-5	-	-7

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 GVS&DD & GVWD BOARDS – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Aligns with MVRD Board 38 Directors (GVWD) 37 Directors (GVS&DD)	- Transparent and representative, but growing Board can slow decision making, effectiveness, and oversight; Continues to grow with population - Tension between local government representation and need for more independent oversight of larger capital projects - No support noted by the Governance Committee, Board Directors and others for keeping the status quo for the Utility Boards. In addition, there was substantial feedback that finding means to add independent, external expertise to oversee the largest capital projects would be beneficial.		
Legislative change required?			No
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 GVS&DD & GVWD BOARDS – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Follow any changes made for the MVRD Board 23-36 Directors	• Same considerations as with MVRD options • Simplicity to keep same model • Continued proportional representation and local elected official oversight • No legislative change needed – GVS&DD and GVWD Acts stipulate these Boards follow the MVRD • Many strong project management tools already in place that support Board decision making and oversight		
Legislative change required?			No
metrovancouver			21

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 GVS&DD & GVWD BOARDS – Engagement Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Follow any changes made for the MVRD Board 23-36 Directors	• Governance Committee supported this option in conjunction with the addition of a Major Projects Committee. • Deloitte found that Board Directors had mixed views on whether to retain only elected representation or to introduce independent professional expertise on the Boards. • Just over half of Directors indicated that Board size and expertise are affecting the utility Boards' ability to oversee major construction projects. • 74% of Directors indicated a preference for utility Boards to remain composed of elected officials with 71% expressing a preference for a smaller or reduced-cap Board structure aligning with changes to the MVRD Board.		
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 GVS&DD & GVWD BOARDS – Sample Recommendation			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Follow any changes made for the MVRD Board 23-36 Directors	If the Board does nothing alignment would continue, or the Board could endorse that continuing alignment is the preferred option. THAT the GVWD / GVS&DD Board support the continued alignment of the GVWD / GVS&DD Board size and structure with any changes made to the MVRD Board that aim to reduce the size of the Board, slow the growth of the Board over time, and improve governance outcomes.		
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 GVS&DD & GVWD BOARDS – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Hybrid Board with elected and external Directors 9-11 Directors	- Adds independent and professional expertise to support oversight, decision making, continuity, and clear regional perspective - Encourages regional perspective and emphasis on the best outcomes for the utility over member jurisdiction interests - Smaller, nimbler Board remains fixed into the future - Trade-off: Lose proportional representation - Similar to TransLink Board		
Legislative change required?			Yes
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 GVS&DD & GVWD BOARDS – Engagement Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Hybrid Board with elected and external Directors 9-11 Directors	• Governance Committee did not support because of the impact on proportional representation. • Desire to have a skills matrix for the utility Boards to build greater technical capacity. • About a quarter (26%) of Board Directors favoured either a hybrid or professional Board (similar to a Crown Corporation). • 73% of participants at public webinars felt that it would be valuable to add appointed external directors to the decision making for the utility boards • 39% of advisory committee webinar participants supported a smaller, more nimble board with external, appointed directors.		
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 GVS&DD & GVWD BOARDS – Sample Recommendation			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid Board	Additional Option Add a Major Projects Committee
Hybrid Board with elected and external Directors 9-11 Directors	THAT the GVWD / GVS&DD Board: - endorse a Smaller Hybrid Board of 9-11 Directors with a mix of MVRD Board Directors who are members of the utility along with independent, appointed Directors; - request that the Board Chair send a letter to the Minister of Housing and Municipal Affairs and Premier requesting changes to the <i>GVS&DD Act</i> and <i>GVWD Act</i> to enable the GVWD / GVS&DD to have a smaller, hybrid Board with both elected officials and independent, appointed Directors; and - direct staff to advance the Smaller Hybrid Board by bringing forward: • governance structure options, • implementation implications for Corporate and Board policies and procedures, and • selection criteria and remuneration for independent Directors.		
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 GVS&DD & GVWD BOARDS – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller 'Hybrid' Board	Additional Option Add Major Projects Committee
Available for any Board structure Elected and Independent members 9 - 11 Directors	- Adds oversight for largest, most costly, highest complexity infrastructure capital projects - Adds technical project delivery skills to decision making; continuity in oversight, speeds up decision making, attracts project bidders and facilitates funding - Metro Vancouver retains significant authority; can delegate some authority - Requires 2/3 vote of Board to add a Select Committee with delegated authority.		
Legislative change required?			No
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 GVS&DD & GVWD BOARDS – Engagement Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller 'Hybrid' Board	Additional Option Add Major Projects Committee
Available for any Board structure Elected and Independent members 9 - 11 Directors	Governance Committee supported this option; directed staff to bring back additional information on implementation. - Deloitte found that “there is interest in enhanced oversight and expertise for major construction projects, including a narrow delegation of accountability for technical decision making, balanced by concern that additional governance layers may duplicate staff efforts and add complexity without addressing root causes”. - Most Directors (87%) supported a Major Capital Projects Committee overseeing a few of the very largest infrastructure projects.		
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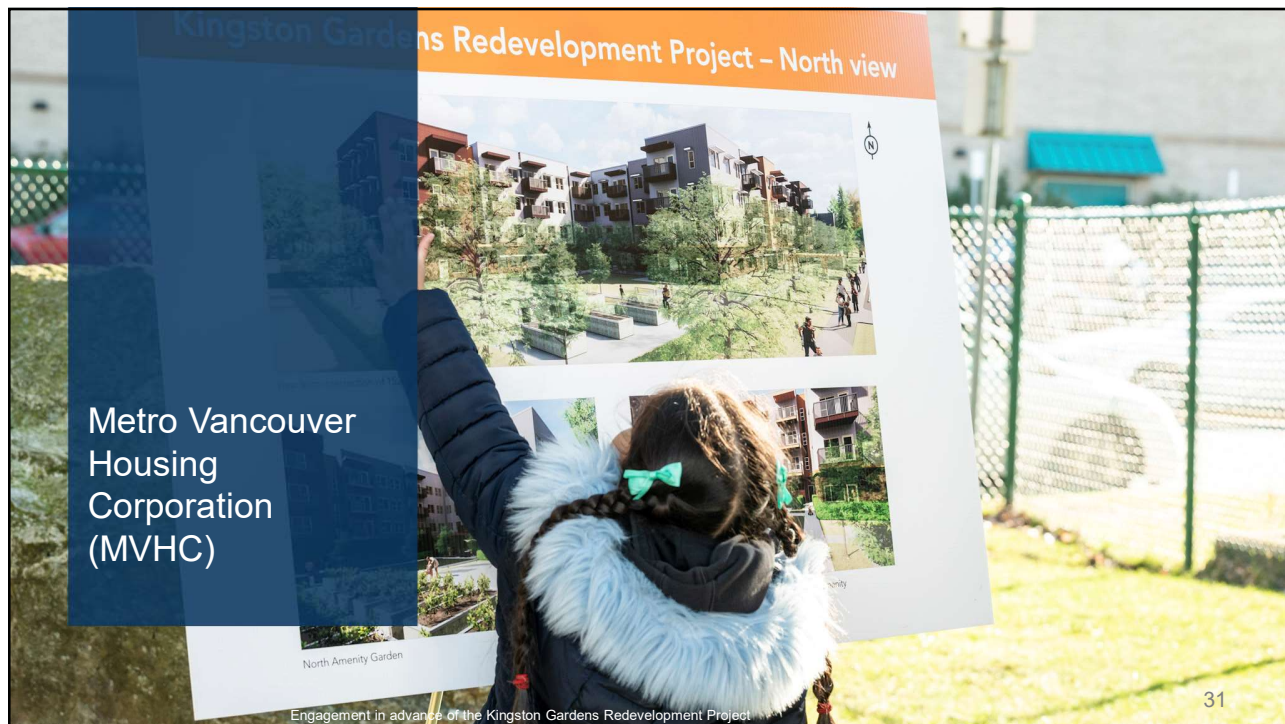
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 GVS&DD & GVWD BOARDS – Engagement Summary (con't)			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller 'Hybrid' Board	Additional Option Add Major Projects Committee
Available for any Board structure Elected and Independent members 9 - 11 Directors	74% of Directors indicated that major projects currently receive sufficient oversight and governance prior to coming to the Board. - Preferred option: GVS&DD / GVWD Boards, composed of elected officials, set the overall direction, project prioritization, timelines and budget parameters, with more detailed oversight of project execution managed through delegated mechanisms – such as a Major Capital Projects Committee. 51% of Council of Council participants supported a Major Projects Committee. 73% of participants at the public webinars felt that it would be valuable to add appointed external support to the decision making for the two utility boards. 41% of advisory committee member participants supported more oversight / focus on major capital infrastructure projects.		
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 GVS&DD & GVWD BOARDS – Sample Recommendation			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller 'Hybrid' Board	Additional Option Add Major Projects Committee
Available for any Board structure Elected and Independent members 9 - 11 Directors	THAT the GVWD / GVS&DD Board support the continued alignment of the GVWD / GVS&DD Board size and structure with any changes made to the MVRD Board. THAT the GVWD / GVS&DD Board direct staff to advance the Major Capital Projects Committee by bringing forward for consideration by January 2027: - governance structure options, with consideration of the Major Projects Committee at the Capital Regional District, that clearly identify the relationship to the Water / Liquid Waste Committee and GVWD / GVS&DD Board, - how projects are selected to be included in the Committee's terms of reference (e.g. by dollar value / stage gate) - implementation implications for Corporate and Board policies and procedures, - selection criteria and remuneration for independent Directors, and - options for delegated authority.		
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 MVHC BOARD – Options and Considerations				
1	2	3	4	
Status quo	Align with MVRD Board Structure	Smaller Hybrid non-profit Board	Fully Appointed Non-profit Board	
41 Directors 45 in 2027 52 in 2032	• Long standing, successful non-profit housing provider; operates at no cost to taxpayer • Transparent and representative • Growth of board size can slow decision making, effectiveness and oversight • Not aligned with other non-profit housing providers; funder programs which causes challenges for timeliness and nimbleness			
Legislative change required?				No
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 MVHC BOARD – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Follow any changes made for the MVRD Board 23-36 Directors	- Simple to follow model for MVRD Board, but not aligned with boards of most non-profit housing providers and funders' expectations - Favoured by those who value having all member voices at the table - Same considerations as with MVRD options		
	Legislative change required? No		
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 MVHC BOARD – Evaluation Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Follow any changes made for the MVRD Board 23-36 Directors	- Deloitte found that MVHC current structure viewed as effective and aligned with mandate. Limited appetite for structural change beyond remaining aligned with any changes made to the MVRD Board. 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials. Governance Committee's preference was split between aligning with any changes to the MVRD Board and a smaller hybrid board - At Council of Councils, 37% preferred alignment with the MVRD Board. 16% of staff advisory committee participants supported continuing to align with the MVRD Board size and structure.		
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 MVHC BOARD – Sample Recommendation			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Follow any changes made for the MVRD Board 23-36 Directors	If the Board does nothing alignment would continue, or the Board could endorse that continuing alignment is the preferred option. THAT the MVHC Board supports the continued alignment of the MVHC Board size and structure with any changes made to the MVRD Board that aim to reduce the size of the Board, slow the growth of the Board over time, and improve governance outcomes.		
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 MVHC BOARD – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Hybrid Board with both elected and external Directors 7-9 Directors	- Adds additional professional expertise (housing development, finance, non-profit experience) to support oversight and decision making - Smaller, more nimble board aligns with non-profit housing providers and funding agency processes - Could retain some regional representation (e.g. sub-regions)		
Legislative change required ?			No
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 MVHC BOARD – Engagement Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Hybrid Board with both elected and external Directors 7-9 Directors 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials Governance Committee's preference was split between aligning with any changes to the MVRD Board and a smaller hybrid board. - At Council of Councils, 57% of respondents preferred a smaller, hybrid Board. 60% of respondents to the survey supported adding external Directors with housing sector experience to the MVHC Board. 79% of respondents at the public webinars supported adding external Directors with housing sector experience to the MVHC Board. 79% of staff advisory committee participants supported a smaller board with external housing sector Directors.			
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 MVHC BOARD – Sample Recommendation			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
Hybrid Board with both elected and external Directors 7-9 Directors THAT the MVHC Board direct staff to advance the Smaller Hybrid Board option for the Metro Vancouver Housing Corporation by bringing forward by January 2027: - Additional information including selection criteria, length of term, and remuneration implications for independent Directors; - implementation implications for Corporate and Board policies and procedures; and - options for the accountability framework between the Board and the MVRD, in its capacity as the sole shareholder of MVHC.			
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 MVHC BOARD – Options and Considerations			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
7-9 Directors • Adds additional professional expertise (housing, finance, non-profit experience) to support oversight and decision making • Smaller, more nimble board aligns with non-profit housing providers and funding agency processes • Board members selected by MVRD Board based on expertise for 4 year term • Municipalities may feel disconnected from MVHC and decision making Legislative change required? No			
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 MVHC BOARD – Evaluation Summary			
1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
7-9 Directors • The Governance Committee and Boards did not support this option, and this lack of support was reflected throughout the engagement process. • Deloitte found that 83% of Directors did not support a hybrid or skills-based MVHC Board without elected officials, and that 93% indicated that any misalignment with other housing non-profit Board structures was not a significant concern			
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 **MVHC BOARD – Sample Recommendation**

1 Status quo	2 Align with MVRD Board Structure	3 Smaller Hybrid non-profit Board	4 Fully Appointed Non-profit Board
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7-9 Directors

THAT the MVHC Board direct staff to advance the Fully Appointed Board option for the Metro Vancouver Housing Corporation by bringing forward by January 2027:

- Additional information including selection criteria, length of term, and remuneration implications for independent Directors;
- implementation implications for Corporate and Board policies and procedures;
- options for the accountability framework between the Board and the MVRD, in its capacity as the sole shareholder of MVHC.

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ADDITIONAL IDEAS FOR SIZE AND STRUCTURE

- Engagement identified a number of other ideas for size and structure of Boards
- BCUC to take on the GVWD and Liquid Waste and Solid Waste services of the GVS&DD (Attachment 4)
- Combine Options (ie. Cap at 3 and change divisor to 7)
- Decisions of the Board this month advance the principles of good governance, but do not close the door to future discussions about size and structure of the Boards

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ADDITIONAL GOVERNANCE IDEAS

ONBOARDING / ORIENTATION / BOARD EDUCATION

Deloitte noted in their report that:

- Majority of Directors indicated a desire to enhance mandatory governance and oversight education as part of formal onboarding for new Directors to provide better insights into the fiduciary duties of a Director, and how to best manage their dual (and often competing) municipal and regional governance roles.
- Feedback also indicated a need for Director training and on-boarding to reinforce shared values and set the desired conduct of Board Directors for the next four years.
- Broad interest in introducing mechanisms to police and address behaviour inconsistent with the code of conduct, but in a manner that would protect individuals for raising concerns about fellow Directors.
- Providing enhanced transparency and governance rigour into the process of nomination and selection of new Board and Committee members to better align inherent skills and experience of Directors to where they can be best utilized.

ADDITIONAL GOVERNANCE IDEAS

STANDING COMMITTEES

In 2025, the Governance Committee reviewed (and Board endorsed results): the number of Committees, the number of meetings, size and composition of Committees, and how Committee members are chosen.

Resulted in:

- reducing the number of Committees from 17 to 14
- reducing the number of meetings,
- amending the Terms of Reference to clarify and streamline roles, and
- adding a Skills Matrix to support committee appointments.

Additional changes can occur each year.

ADDITIONAL GOVERNANCE IDEAS

STANDING COMMITTEES

Deloitte noted that:

- 97% of Directors indicated they understand clearly how the various standing committees, task forces, and oversight bodies operate and the division of responsibilities and accountabilities between them.
- 90% of Directors indicated that the mandates and decision rights of the Boards, Committees, and Task Forces are clear and appropriate.
- 84% of Directors indicated they trust these structures and supporting processes to surface issues early and provide effective oversight.
- Directors were equally divided (51%) as to whether they believed their peers trust these structures and information coming forward from committees to be balanced and complete.
- 71% of Directors indicated that the Committee structures meaningfully reduce workload and improve the quality of Board decisions as they ensure municipal staff consultation, Metro Vancouver staff engagement, and provide a forum for debate and analysis prior to decisions coming to the Boards.

ADDITIONAL GOVERNANCE IDEAS

ONE SEWERAGE AREA

92% of Directors would like to unify the four sewerage areas into one – but through a managed, staged transition process that is equitable.

Next Steps

- Governance Committee advances recommendations to the Boards for July 24, 2026 meetings.
- Recommendations go to appropriate Board
- Advance recommendations that require Provincial involvement to the Province
- Governance Committee continues discussions and work on future changes
- Report out to those involved in engagement

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Discussion

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**Board Governance Consultations – June 2026
Findings and Observations**

Shayne Gregg
Partner, Governance and Risk, Deloitte

Metro Vancouver Governance Committee Meeting: July 9, 2026

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Deloitte: Findings and Observations

- Board size remains a concern, with broad consensus that the projected trajectory into the future is not sustainable and is impacting effectiveness, efficiency, and quality of discussion.
- There is general support for a reduced or capped MVRD Board size, particularly if proportional voting strength is preserved - although views differ on how far reductions should go and how they might be achieved.
- Representation versus efficiency remains a central trade-off, with recognition that fewer seats may improve effectiveness and efficiency but reduce the diversity of municipal perspectives.
- Utilities governance reflects a tension between accountability and expertise, with a strong desire to strengthen the level of independent expertise advising the Boards but still preferring to maintain a fully elected model with some seeking a professional hybrid structure.

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Deloitte: Findings and Observations

- Significant support for the consolidation of the current four sewer areas into one regional area (as it is for the water district).
- Strong support for delegating technical oversight of major capital projects through the creation of a Major Capital Projects Committee.
- The MVHC Board is generally viewed as functioning effectively, with limited appetite for structural change beyond targeted refinement to maintain alignment with the MVRD Board.
- Near-term governance improvements are a priority, particularly those that can be implemented ahead of the next Board term, while more substantive changes are expected to require provincial engagement.
- Understanding and confidence in governance processes varies, particularly with respect to the roles of committees, perceived confidence in information received, and the extent to which current structures reduce workload. Some of these challenges were attributed to the volume of information received and the resources and time available to the Director to assess it, as well as their desire to seek support from staff in reviewing it.

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Deloitte: Findings and Observations

- Opportunities exist to strengthen several other governance mechanisms, including Director onboarding and education, Board and Committee nominations, and Board discipline.
- Almost all Directors indicated Board size and structure was a contributor to governance challenges within the Board, however they were quick to identify concerns regarding Director behaviour as a more predominant driver. A recurring theme across almost all interviews was a frustration with a marked increase during the current term in negative attitudes and behaviours from some Board members despite the recent introduction of a code of conduct.

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To: Governance Committee

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

Date: June 18, 2026

Meeting Date: July 9, 2026

Subject: **Manager's Report**

RECOMMENDATION

THAT the Governance Committee receive for information the report dated June 18, 2026 titled "Manager's Report".

GOVERNANCE COMMITTEE WORK PLAN

The Governance Committee's Work Plan for 2026 is attached to this report (**Attachment 1**). The status of work program elements is indicated as pending, in progress, or complete. The listing is updated as needed to include new issues that arise, items requested by the committee, and changes to the schedule. An update on the status of the Metro Vancouver Board Governance Review recommendations is provided for the Committee (**Attachment 2**).

ATTACHMENTS

1. 2026 Governance Committee Work Plan
2. Status Update on the Metro Vancouver Board Governance Review Recommendations

REFERENCES

1. Deloitte. (2025, May). Metro Vancouver Board Governance Review. [MVRD Board report on 2025, May 23]. <https://metrovanancouver.org/boards/GVRD/RD-2025-05-23-AGE.pdf#page=31>

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Governance Committee 2026 Work Plan

Report Date: June 18, 2026

1st Quarter	Status
Review Standing Committee Terms of Reference	Complete
Review of Board policies, bylaws and procedures during Q1-Q3	Complete
Discussion of Board size and structure including potential legislative changes over Q1-Q3 – Review process	Complete
Review Committee and Board decision making processes and flow of information as a means of addressing recommendations #22, #26, #29, #30 and #31 from the Metro Vancouver Board Governance Review	Pending
Early input on review of Board Strategic Plan for upcoming four-year term	Underway
Prioritize and make recommendations to the Board on issues identified in the recently completed independent Board Governance Review	Complete
2nd Quarter	Status
Review Board Code of Conduct adopted in January 2025 (annual review)	Complete
Review of Board policies, bylaws and procedures during Q1-Q3	Complete
Discussion of Board size and structure over Q1-Q3	Complete
Receive update on strengthened Internal Audit and Enterprise Risk functions	Underway
Review and clarify roles and responsibilities of the Board and Management	Pending
Early input on review of Board Strategic Plan for upcoming four-year term	Underway
3rd Quarter	Status
Review of Board policies, bylaws and procedures during Q1-Q3	Underway
Discussion of Board size and structure over Q1-Q3	Underway
Recommendation on a Board education plan for new Board Directors members as well as ongoing opportunities for the four-year term	Pending
4th Quarter	Status
Support Board term completion and turn-over	Pending
Receive update on Internal Audit and Enterprise Risk functions	Pending

Status Update on the Metro Vancouver Board Governance Review Recommendations

Report Date: June 18, 2026

The 2025 Metro Vancouver Board Governance Review, completed in May 2025, provided 47 recommendations for continuous Board governance improvement at Metro Vancouver. An additional two recommendations were directed towards the Province. In less than a year, 24 of these 47 recommendations have been completed by Metro Vancouver.

The following list outlines Deloitte's 47 recommendations for Metro Vancouver, categorized as follows:

- Completed (13)
- Ongoing (11)
- Underway (11)
- In Work Plan / Prioritized for 2026 (4)
- Pending (8)
- Two recommendations conveyed to the Province for information (2)

This framing is intended to serve as a guiding framework to help the committee prioritize recommendations.

It is important to note that Deloitte's recommendations were developed based on interviews and have not been independently verified by the consultant. Any additions to the Governance Committee's Work Plan will include staff reporting back to the Committee and MVRD Board on the recommendation's current status, financial implications, and other relevant information to support recommendations and decisions.

The recommendations listed below have been condensed for readability given the large quantity for review. Please refer to the Deloitte Report for the comprehensive descriptions if required.

Completed (13)

#	Recommendation
3	Create a Governance Committee of the MVRD Board.
4	Reduce or optimize the time investment for meetings – Review Committees – number of committees, number of meetings, size and composition of committees and how members are selected.
5	Ensure reports include feedback from the Staff Advisory Committees regarding the specific options, risks and direct impacts on the member jurisdictions.
6	Revisit Committee Terms of Reference for aligned scope and mandate.
9	Enhance Board education plan including orientation.
13	Develop a skills matrix to assist in allocation of Committee roles and Board duties.
21	Board to be apprised of cumulative expenditures, such as those with change orders aggregating to total balances over the Board approval threshold.
29	Board reports to include multiple options for the Board to consider, where practical.
38	Maintain Current Meeting Stipend; review periodically
39	Eliminate the double meeting stipend for meetings over 4 hours.

#	Recommendation
40	Eliminate the monthly stipend for Committee Chairs when no meetings are held and replace with a double meeting fee to reflect additional time and effort required to prepare.
41	Remove the payment of a double meeting stipend for travel days and conference attendance.
45	Review and reduce the number of external Board appointments.

Ongoing (11)

#	Recommendation
10	Chair should allow sufficient time and question Board directors in the meeting to ensure the directors understand motions and can make informed decisions.
15	Strengthen enterprise-wide strategic risk management for Metro Vancouver and its strategic priorities.
16	Strengthen Internal Audit function, focused on assessing and reporting to management and the Board on the design and effectiveness of internal controls and specific operational risks.
19	Board and Committee Chairs should strictly enforce speaking time limits, keeping discussion to the confines of the motion at hand, restricting additive commentary while allowing opposing commentary, and otherwise ensuring directors respect each other, staff and the Board's time.
25	Work with staff to find ways to close the information and knowledge gap between Committees and the Board; ensure directors with vested interests are consulted.
30	Leverage Metro Vancouver staff as the key source of information.
31	Ensure, for large complex and capital-intensive projects, that management continues to provide regular updates to the Board as the project progresses.
35	Chair to continue to reinforce the need for all directors to take a regional perspective at the outset of meetings.
36	Implement a Board performance assessment tool to solicit and identify opportunities to enhance group and individual behaviour.
37	Invest in specific Board management training and education for future Board Chairs.
42	The Chair, Vice Chair and Committee Chair total remuneration appear reasonable. No change is recommended in this formula; however, remuneration bylaw should continue to be assessed on a periodic basis to ensure alignment with other similar public sector entities.

Recommendations Underway (11)

#	Recommendation
1	Consider a Hybrid Board Structure (could be different for different legal entity Boards).
2	Consider reducing the size of the Boards. • Cap the number of Directors per jurisdiction, but maintain votes by population • Voting threshold changes by changing the number of votes per director (e.g. from 5 to 6 or 7) • Reduce the size of the Utility Boards and/or MVHC Board
7	Consider appointing an independent Chair for the Boards.
8	Consider seeking legislative change to set the term of the Chair to a four year period, beyond the current annual term.
12	Continue to explore ways to bring municipal interests and perspectives into Board and Committee meeting discussions to achieve a balance between dual fiduciary duties and to reduce polarizing viewpoints dominating meetings.
17	Review bylaws, policies and procedures to ensure they are current and appropriate, and simplify them for ease of use, understanding and adoption.
18	Enhance Board training for stronger understanding of key policies and Board procedures.

20	Investigate electronic voting solutions in the Board room.
26	Review Board materials to streamline information in a way that enhances the ability of directors to better read, understand and govern.
27	Consider supporting more complex or controversial decisions with staff presentations at the Board with options considered, implications and risks.
33	Revisit code of conduct to ensure it does directly address respectful and productive behaviours in the Board and Committee meetings.

Recommendations in Work Plan (4)

#	Recommendation
11	Clearly define & communicate the roles and responsibilities of Board members and CAO.
14	Lead a refresh of the Board Strategic Plan, seeking alignment around a common set of goals and initiatives – Early input on review of Board Strategic Plan for upcoming four year term
22	Define and document decision making processes
23	Investigate creating an effective dispute resolution mechanism between Board and member jurisdiction councils and management.

Pending (8)

#	Recommendation
24	Consider making Board meeting attendance in person mandatory.
28	Work with member jurisdictions to ensure robust analysis, especially in the identification of risk and financial implications and then present to Board.
32	Work with Metro Vancouver staff and municipal staff to find more efficient methods of integrating municipal planning with Metro Vancouver strategies and projects.
34	Explore new avenues for communication between the Board and staff, both within and outside of the Boardroom.
43	Review Board Travel Policies to ensure equitable access.
44	Consider a threshold for non-payment of the meeting stipend.
46	Introduce maximums for the number of meetings attended per year to ensure directors are not overloaded from a governance perspective, and to prevent the perception of excessive remuneration.
47	Given consolidated disclosure in the SOFI, consider proactively publishing a simple more transparent disclosure of Board remuneration and travel expenses.

Conveyed to the Province for Information (2)

48	Provide detailed Crown, agency and local government-related income data in a simple, publicly accessible format may alleviate some remuneration pressure on the regional mayors and Metro Vancouver directors. (Sent to the Province)
49	Introduce a cap or maximum remuneration threshold for total income from all local government-related appointments (such as Metro Vancouver, TransLink, E-Comm 9-1-1). (Sent to the Province)