

METRO VANCOUVER REGIONAL DISTRICT LIQUID WASTE COMMITTEE

MEETING

Wednesday, January 15, 2025 9:00 am

28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia Webstream available at https://www.metrovancouver.org

REVISED AGENDA

A. ADOPTION OF THE AGENDA

1. January 15, 2025 Meeting Agenda

That the Liquid Waste Committee adopt the agenda for its meeting scheduled for January 15, 2025 as circulated.

- B. ADOPTION OF THE MINUTES
 - 1. October 30, 2024 Special Meeting Minutes

 That the Liquid Waste Committee adopt the minutes of its special meeting held

 October 30, 2024 as circulated.
 - 2. November 13, 2024 Regular Meeting Minutes pg. 13
 That the Liquid Waste Committee adopt the minutes of its meeting held November 13, 2024 as circulated.
- C. DELEGATIONS
- D. INVITED PRESENTATIONS
- E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. 2025 Liquid Waste Committee Meeting Schedule and Work Plan

pg. 19

Executive Summary

The Terms of Reference for the Liquid Waste Committee sets out the committee responsibilities in the area of liquid waste management under the Greater Vancouver Sewerage and Drainage District (GVS&DD) service, which provides guidance and oversight on the implementation of the annual work plan. Work plan priorities for 2025 include: complete Phase 3 Engagement of the Liquid Waste Management Plan and submission to the Ministry of Environment; financial reporting, including Operating budget performance and capital program updates; providing updates on projects, procurements, policies and programs. Information discussed at other Metro Vancouver committees, such as the anticipated impacts of Provincial Housing Policy Changes, development cost charges, and the Long Range Financial Plans will be shared with the Liquid Waste Committee. These priorities are consistent with the endorsed 2025 Budget. Pursuant to the

Terms of Reference, the meeting schedule proposes 10 meetings.

Recommendation

That the Liquid Waste Committee:

- a) receive for information the Liquid Waste Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan"; and
- b) endorse the 2025 Work Plan, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan".

2. Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units

pg. 32

Executive Summary

In October 2023, the MVRD Board directed staff to review the Metro Vancouver DCC Waiver Framework with the aim of continuing to support affordable rental housing. Metro Vancouver currently waives regional development cost charges (DCCs) for not-for-profit rental housing for liquid waste and water infrastructure, but does not waive DCCs if the not-for-profit housing units are delivered by a private entity. Inclusionary housing refers to regulations or policies that seek to have developers provide a set amount of below market housing within market-rate residential developments. The current waiver is projected to support between 1,950 and 2,500 affordable units annually over the next 10 years with an annual impact on DCC revenues to Metro Vancouver of between \$38 million and \$49 million.

This report presents the opportunity to expand the DCC Waiver Framework to: include waiving DCCs for inclusionary units, revise definitions to better align with provincial and federal funding programs, and reduce administrative complexity. The impact of expanding the program on DCC revenues is estimated to be \$5.4 million to \$7.0 million per year over the existing DCC waiver.

Any proposed changes to the DCC Framework go through the Finance Committee to the MVRD/GVWD/GVS&DD Boards for consideration. However, as the Liquid Waste, Water, Regional Parks and Regional Planning committees either have a DCC bylaw or interest in incentivizing housing, staff are bringing the proposed changes to these four committees for information and an opportunity to provide feedback. Any feedback received will be provided to the Finance committee at the February 2025 Finance Committee meeting along with alternatives.

Recommendation

That the Liquid Waste Committee receive for information the report dated December 20, 2024, titled "Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units".

3. Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2025

pg. 47

Executive Summary

The *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2025* is presented for Board consideration and adoption. At the November 13, 2024 Liquid Waste Committee meeting, proposed trucked liquid waste discharge fee increases were referred back to staff to consider a more gradual phase in period. The bylaw has been revised to phase in fees for discharges of trucked liquid waste that will achieve fully cost recovered rates by 2027. Additionally, a new annual fee update process will be implemented each fall, to reflect annual GVS&DD budget increases and include five-year rate projections to help the industry anticipate future changes.

Recommendation

That the GVS&DD Board:

- a) give first, second and third reading to the *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2025*; and
- b) adopt the *Greater Vancouver Sewerage and Drainage District Trucked Liquid* Waste Amending Bylaw No 386, 2025.

Added 4. Award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation

pg. 54

Executive Summary

Michels Canada Co. proposal ranked highest overall, provided the lowest cost, met the minimum technical requirement and demonstrated best value overall for Metro Vancouver.

The work to be provided under RFP 24-391 includes design and installation for the rehabilitation of the Columbia Forcemain using Cured in Place Pipe (CIPP) technology in the City of Vancouver. The pipe to be rehabilitated is approximately 1700 m long and 900 mm in diameter. The pipe has suffered extensive corrosion and has had two significant breaks. The failure of this asset was unexpected, and a temporary diversion is in place.

RFP 24-391 was issued on October 28, 2024, was advertised publicly, and the procurement was executed in accordance with the terms and conditions of Metro Vancouver's Procurement Policy. The RFP 24-391 evaluation team has considered the proposals received, and on that basis recommend that the GVS&DD Board award RFP 24-391 to Michels Canada Co.

The proposed price was over the budgetary estimate, and it is recommended that the shortfall be addressed by reallocating funds from the VSA Emergency Backup Power project, which is nearing completion and is projected to show a surplus.

Recommendation

That the GVS&DD Board:

- a) approve the award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation in the amount of up to \$14,304,211.91 (exclusive of taxes) to Michels Canada Co., subject to final review by the Commissioner;
- b) authorize and approve a budget reallocation from the 2025 approved GVS&DD Budget in the amount of \$3,000,000 from the VSA Emergency Backup Power project to the Columbia Forcemain (CLT) Rehabilitation Project; and
- authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

5. Manager's Report

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Recommendation

That the Liquid Waste Committee receive for information the report dated December 20, 2024 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.

That the Liquid Waste Committee close its meeting scheduled for January 15, 2025 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

- 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
 - the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality;
 - (g) litigation or potential litigation affecting the municipality;
 - information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act; and
 - (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

I. ADJOURNMENT

That the Liquid Waste Committee adjourn its meeting of January 15, 2025.

Membership:

Brodie, Malcolm (C) – Richmond Knight, Megan (VC) – White Rock Albrecht, Paul – Langley City Binder, Rod – Delta Cassidy, Christine – West Vancouver Elford, Doug – Surrey
Ferguson, Steve – Langley Township
Kim, Steve – Coquitlam
Kirby-Yung, Sarah – Vancouver
Little, Mike – North Vancouver District

MacDonald, Nicole – Pitt Meadows Nakagawa, Nadine – New Westminster Wang, James – Burnaby West, Brad – Port Coquitlam

METRO VANCOUVER REGIONAL DISTRICT LIQUID WASTE COMMITTEE

Minutes of the Special Meeting of the Metro Vancouver Regional District (MVRD) Liquid Waste Committee held at 9:00 am on Wednesday, October 30, 2024 in the 28th Floor Boardroom Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Director Mike Hurley, Burnaby

Vice Chair, Director Megan Knight, White Rock*

Director Paul Albrecht, Langley City

Councillor Christine Cassidy, West Vancouver (arrived at 9:01 am)

Director Doug Elford, Surrey

Director Steve Ferguson, Langley Township

Councillor Steve Kim, Coquitlam

Director Sarah Kirby-Yung, Vancouver (arrived at 9:15 am)

Director Dylan Kruger, Delta

Mayor Mike Little, North Vancouver District

Councillor Alexa Loo, Richmond

Director Nicole MacDonald, Pitt Meadows (departed at 11:29 am)

Councillor Nadine Nakagawa, New Westminster

Councillor Ahmed Yousef, Maple Ridge*

MEMBERS ABSENT:

Director Brad West, Port Coquitlam

OTHERS PRESENT:

Diana Bulley, President, Ideaspace Sergio Garcia, Manager of Utility Planning, City of Coquitlam Robb Lukes, Associate Director of Green Infrastructure, City of Vancouver Dave Matsubara, Director of Utilities, City of Surrey Harvy Takhar, Manager of Drainage and Natural Hazards, City of Delta

STAFF PRESENT:

Peter Navratil, General Manager, Liquid Waste Services
Jacque Killawee, Legislative Services Coordinator, Board and Information Services
Abin Antony, Program Manager, Utility Planning, Liquid Waste Services
Paul Kadota, Director, Policy, Planning and Analysis, Liquid Waste Services
Lillian Zaremba, Program Manager, Collaborative Innovations, Liquid Waste Services
Dana Zheng, Program Manager, Source Control, Liquid Waste Services

^{*}denotes electronic meeting participation as authorized by the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. October 30, 2024 Special Meeting Agenda

It was MOVED and SECONDED

That the Liquid Waste Committee adopt the agenda for its special meeting scheduled for October 30, 2024 as circulated.

CARRIED

9:01 am Councillor Cassidy arrived in the meeting.

B. INVITED PRESENTERS

1. Harley Chappell, Chief and Joanne Charles, Councillor, Semiahmoo First Nation Subject: Metro Vancouver Liquid Waste Management

Chief Harley Chappell, and Councillor Joanne Charles, of Semiahmoo First Nation, gave a presentation titled "Metro Vancouver's Liquid Waste Management Plan" noting the importance of food harvesting from the bay to Semiahmoo First Nation, and the effects of the current harvesting bans. They asked that pollution be prevented from entering waterways that feed the bay and that the plan include indicators and targets that are outcome based with the goal of having clean water for traditional food harvesting.

9:15 am Councillor Kirby Yung arrived at the meeting.

They noted that First Nations need to not only be consulted but have a seat at the table. They committed to provide feedback during stage 3 engagement on the plan.

2. George Chaffee, Councillor, John Peters, Councillor, Kyle Robertson, Environmental/Regulatory Advisor, kwikwałam (Kwikwetlem First Nation)

Subject: Metro Vancouver Liquid Waste Management

Councillor George Chaffee, and Kyle Robertson, Environmental/Regulatory Advisor, kwikwałam (Kwikwetlem First Nation) provided the committee comments on Metro Vancouver's Liquid Waste Management Plan (LWMP) noting that kwikwałam (Kwikwetlem First Nation) are the guardians of the Coquitlam watershed and that it is essential that water conservation be included as this will reduce the liquid waste volumes produced. They noted that kwikwałam (Kwikwetlem First Nation) will be a willing partner in water conservation and that development needs to be balanced with the needs of the earth so that the impacts are reduced.

3. Gordon Mielke, Senior Operator/Utilities Supervisor, Public Works, scawaθan masteyaxw (Tsawwassen First Nation)

Subject: Liquid Waste Management

Gordon Mielke, Senior Operator/Utilities Supervisor, Public Works, scəwaθən məsteyəx^w (Tsawwassen First Nation) gave a presentation titled "Sustainable Liquid Waste Management: Tsawwassen First Nation's Achievements and Future Vision" which provided the committee with the history of Tsawwassen First Nation's Liquid Waste Management noting that their system has grown with demand and includes an Integrated Rainwater Management Plan, green infrastructure and nature based solutions and climate resilience and adaption strategies.

4. Anuradha Rao, Senior Environmental Specialist, Marine Ecosystems, and John Morra, Senior Referrals Analyst, Treaty, Lands and Resources Department, səlilwəta (Tsleil-Waututh Nation)

Subject: LWMP Update – A Vital Opportunity to Address Water Quality Impacts

Anuradha Rao, Senior Environmental Specialist, Marine Ecosystems, and John Morra, Senior Referrals Analyst, Treaty, Lands and Resources Department, səlilwəta‡ (Tsleil-Waututh Nation) gave a presentation titled "LWMP Update: A Vital Opportunity to Address Water Quality Impacts" in which they noted the linkage between səlilwəta‡ (Tsleil-Waututh Nation) and the Burrard Inlet, and with the closure of food harvesting the First Nation is not able to practice their way of life. They noted that they are the first First Nation to sign a water quality policy in the province which re-frames what clean water is in terms of the First Nation's goals which are to protect the use of the waters. They asked that the LWMP plan preserve the First Nations rights, values and priorities, prevent contamination entering the inlet, and include real time access to data. They further noted they want to move to a co-decision-making model and coordinated monitoring across the region.

5. Kim Stephens, Executive Director, Partnership for Water Sustainability in BC Subject: Lessons from the Past Inform the Future

Kim Stephens, Executive Director, Partnership for Water Sustainability in BC, gave a presentation titled "Lessons from the Past Inform the Future" noting the importance of designing the plan in concert with *Metro 2050* to provide a better future. They discussed the factors for success and noted that they supported the plan.

6. Dr. Peter Ross and Deborah Carlson, Co-Chairs, LWMP Public Advisory Committee Subject: Recommendations for the Liquid Waste Management Plan

Dr. Peter Ross and Deborah Carlson, Co-Chairs, LWMP Public Advisory Committee, gave a presentation titled "Recommendations for the Liquid Waste Management Plan" noting that the LWMP Public Advisory Committee have provided staff with a

series of recommendations for the plan that address three key focus areas: encourage everyone to take action to improve wastewater at the source; improve the quality of the region's stormwater/wastewater to reduce the pollutants it carries; and to strengthen our knowledge and understanding of local water quality and emerging and traditional pollutants. They provided a number of recommendations in each area and concluded by noting the time for action is now.

C. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Draft Updates to the Liquid Waste Management Plan

Report dated October 23, 2024, from Abin Antony, Program Manager, Policy Planning & Analysis, Liquid Waste Services provides the Liquid Waste Committee the Interim Draft Liquid Waste Management Plan for discussion at the Workshop.

Peter Navratil, General Manager, Liquid Waste Services, began the presentation "Liquid Waste Management Plan Update: Collective Action to Protect Public Health and the Environment" by noting that this meeting was about collecting information. They then turned the meeting over to Diana Bulley, President, Ideaspace, to facilitate the conversation.

Paul Kadota, Director, Policy, Planning and Analysis, Liquid Waste Services, and Abin Antony, continued the presentation noting the plan builds on the previous plan and has been collaboratively developed with First Nations and the Public Advisory Committee. It includes 20 strategies and 87 actions that address the pressure of cost, growth and environment management.

Abin Antony discussed the importance of rainwater management and watershed health. Harvy Takhar, Manager of Drainage and Natural Hazards, City of Delta, and Robb Lukes, Associate Director of Green Infrastructure, City of Vancouver, provided municipal examples of liquid waste and rainwater management from Delta and Vancouver that aligned with the goals of the draft plan. Rob Lukes noted the importance of the Stormwater Interagency Liaison Group in ensuring a coordinated implementation of the plan.

In response, committee members indicated by poll they were in support of the rainwater management proposals but wanted to see the First Nation perspectives taken into account and noted that it is important for all municipalities to be in alignment.

The meeting was recessed at 10:55 am.

The meeting was called to order at 11:00 am with all members present.

Dana Zheng Program Manager, Source Control, Liquid Waste Services and Abin Antony continued the presentation discussing system resilience strategies that will allow the system to serve a growing population and be resilient to climate change and natural hazards. They noted the importance of demand reduction and source control.

Dave Matsubara, Director of Utilities, City of Surrey and Sergio Garcia, Manager of Utility Planning, City of Coquitlam provided municipal examples that supported private residences to reduce inflow and infiltration into the stormwater system with the goal of reducing sanitary sewer overflows.

In response to the discussion, committee members noted through a poll that they were supportive of the inflow and infiltration strategies in the plan. Members noted that this is an important issue but a costly one for municipalities and individual property owners particularly where sewer separation was required.

11:29 am Director MacDonald left the meeting.

Lillian Zaremba Program Manager, Collaborative Innovations, Liquid Waste Services and Abin Antony continued the presentation by discussing wastewater treatment plants noting the plan's goal was to surpass regulatory requirements and be collaborative with First Nations and the public on upgrades and expansions. They then discussed biosolids, the circular water economy and the environmental management goals of the plan.

In closing, the financial implications of the plan were discussed. They noted that in discussions with municipal staff there was general agreement that building infrastructure was not the solution to liquid waste growth but reduction was.

Peter Navratil concluded the meeting noting that Metro Vancouver is committed to reducing costs, finding innovative solutions to issues and being active partners with First Nations and noted it is expected that the plan will be updated to reflect the needs of the region during the next ten years.

It was MOVED and SECONDED

That the Liquid Waste Committee receive for information the report dated October 23, 2024 titled "Draft Updates to the Liquid Waste Management Plan".

CARRIED

D. RESOLUTION TO CLOSE MEETING

No items presented.

E. ADJOURNMENT

It was MOVED and SECONDED

That the Liquid Waste Committee adjourn its special meeting of October 30, 2024.

CARRIED

(Time: 11.54 am)

Hadir Ali, Malcolm Brodie,
Legislative Services Coordinator Chair

METRO VANCOUVER REGIONAL DISTRICT LIQUID WASTE COMMITTEE

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Liquid Waste Committee held at 9:01 am on Wednesday, November 13, 2024 in the 28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Director Mike Hurley, Burnaby
Vice Chair, Director Megan Knight, White Rock*
Director Paul Albrecht, Langley City
Councillor Christine Cassidy, West Vancouver
Director Doug Elford, Surrey
Councillor Steve Kim, Coquitlam*
Director Sarah Kirby-Yung, Vancouver*
Director Dylan Kruger, Delta
Mayor Mike Little, North Vancouver District
Councillor Alexa Loo, Richmond
Director Nicole MacDonald, Pitt Meadows* (arrived at 9:10 am)
Director Nadine Nakagawa, New Westminster
Director Brad West, Port Coquitlam*
Councillor Ahmed Yousef, Maple Ridge*

MEMBERS ABSENT:

Director Steve Ferguson, Langley Township

STAFF PRESENT:

Peter Navratil, General Manager, Liquid Waste Services
Jacque Killawee, Deputy Corporate Officer
Jennifer Crosby, Director, Project Management Office, Project Delivery
Kris Etches, Community Engagement Program Manager, External Relations
Janelle Hunt, Program Manager, Utility Residuals Management, Liquid Waste Services

^{*}denotes electronic meeting participation as authorized by the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. November 13, 2024 Meeting Agenda

It was MOVED and SECONDED

That the Liquid Waste Committee:

- a) amend the agenda for its meeting scheduled for November 13, 2024 by adding the following two late delegation requests as items C1 and C2:
 - i. Lee Selzer, ACE Tank Services Inc., and
 - ii. Ravi Daniels, Pumperguys Tank Service Ltd; and
- b) adopt the agenda as amended.

CARRIED

B. ADOPTION OF THE MINUTES

1. October 10, 2024 Meeting Minutes

It was MOVED and SECONDED

That the Liquid Waste Committee adopt the minutes of its meeting held October 10, 2024 as circulated.

CARRIED

C. DELEGATIONS

1. Lee Selzer, ACE Tank Services Inc.

Subject: Trucked Liquid Waste Fee raise

Lee Selzer, ACE Tank Services Inc. spoke about agenda Item E5 explaining the financial challenges septic tank owners will face if the fees are doubled and the potential consequences for the environment due to improper disposal of liquid waste. They requested that the fee increases be phased in to provide cost certainty.

2. Ravi Daniels, Pumperguys Tank Service Ltd

Subject: Trucked Liquid Waste Fee changes

Ravi Daniels, Pumperguys Tank Service Ltd. spoke about agenda Item E5 explaining the importance of keeping the price of trucked liquid waste reasonable for septic tank owners so that liquid waste is properly disposed of. They requested that the fee increases be reconsidered.

9:10 am Director Macdonald arrived at the meeting.

D. INVITED PRESENTATIONS

No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. Liquid Waste Management Plan Phase 2 Engagement

Report dated November 5, 2024, from Kris Etches, Community Engagement Program Manager, External Relations, providing the GVS&DD Board with the results of the second phase of engagement on the Liquid Waste Management Plan review and update, and the process for the third and final phase of engagement on the draft plan.

Kris Etches, provided members with a presentation titled "Drafting the Liquid Waste Management Plan: Phase 2 Engagement Overview" which provided a review of the consultation and engagement timeline for the draft Liquid Waste Management Plan to date. He noted the importance of meaningful First Nations engagement to the Provincial approval of the plan.

In response the committee noted that the plan should address trucked liquid waste, which is a significant issue south of the Fraser, consider addressing agricultural land pollutants and ensure First Nations input is included in the plan.

It was MOVED and SECONDED

That the GVS&DD Board receive for information the report dated November 5, 2024, titled "Liquid Waste Management Plan Phase 2 Engagement".

CARRIED

2. Endorsement of the Interim Draft Liquid Waste Management Plan

Report dated November 5, 2024, from Abin Antony, Program Manager, Utility Planning, Liquid Waste Services, seeking the endorsement of the GVS&DD Board for the updated draft Liquid Waste Management Plan that was presented during the October 30, 2024 workshop, and requesting approval to proceed to Phase 3.

It was MOVED and SECONDED

That the GVS&DD Board endorse the interim draft Liquid Waste Management Plan and authorize staff to proceed with phase three of the plan's review and update process, as outlined in the report dated November 5, 2024, titled "Endorsement of the Interim Draft Liquid Waste Management Plan".

CARRIED

3. Update on the Development of a Construction Impact Mitigation Framework

Report dated November 6, 2024, from Jennifer Crosby, Director, Project Management Office, Project Delivery, updating the Liquid Waste Committee and the GVS&DD Board on the development of a Construction Impact Mitigation Framework for Metro Vancouver utility capital project construction.

Jennifer Crosby provided members with a presentation titled "MV Utility Capital Projects – Construction Impact Mitigation Framework" that walked the committee

through the collaborative development of the Construction Impact Mitigation Framework and the plan to implement it in early 2025.

It was MOVED and SECONDED

That the GVS&DD Board receive for information the report dated November 6, 2024, titled "Update on the Development of a Construction Impact Mitigation Framework".

CARRIED

4. Authorization of a Contract Amendment to 19-112 Utility Residuals Management Hauling Services

Report dated November 5, 2024, from Janelle Hunt, Program Manager, Utility Residuals Management, Liquid Waste Services seeking GVS&DD Board approval to amend the Utility Residuals Management Hauling Services contract to include new greenhouse gas reduction opportunities.

Janelle Hunt provided members with a presentation titled "Authorization of a contract amendment: 19-112 Utility Residuals Management Hauling Services" with proposals to amend the utilities residuals hauling services contract to achieve Metro Vancouver's *Climate 2050* goals by transitioning all trucks in the fleet to biodiesel, hydrogen or electric.

Committee members noted that more information is needed about the benefits of utilizing hydrogen trucks, and the potential for production of hydrogen by Metro Vancouver before a decision can be made to include it in the contract.

A division of the motion was called.

It was MOVED and SECONDED

That the Liquid Waste Committee refer part b) which states: "b) trial a hydrogen fuel cell electric vehicle in the residuals hauling fleet at a cost of up to \$3,915,000 (exclusive of taxes) over the five-year term, subject to final review by the Commissioner;" back to staff for further consideration.

CARRIED

(Director Elford voted against)

It was MOVED and SECONDED

That the GVS&DD Board approve the amendment of contract 19-112 Utility Residuals Management Hauling Services to include the following greenhouse gas emissions mitigation items:

a) switch from current fossil fuel-based diesel to renewable diesel in the residuals hauling fleet at a cost of up to \$1,701,000 (exclusive of taxes) over the five-year term, subject to final review by the Commissioner; and

CARRIED

(Mayor Little and Director Elford voted against)

It was MOVED and SECONDED

That the GVS&DD Board approve the amendment of contract 19-112 Utility Residuals Management Hauling Services to include the following greenhouse gas emissions mitigation items:

c) authorize the Commissioner to execute the required documentation once the Commissioner is satisfied that the award should proceed.

CARRIED

(Mayor Little and Director Elford voted against)

5. Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2024

Report dated November 5, 2024, from Dana Zheng, Program Manager, Policy, Planning and Analysis, Liquid Waste Services, asking the GVS&DD Board to give consideration and adoption to the Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2024 which updates the schedule of fees for discharges of trucked liquid waste.

Dana Zhang provided members with a presentation titled "Trucked Liquid Waste" providing the committee with the context of trucked liquid waste in the region and outlining the proposed changes to the fees and reasons behind the increases.

The committee noted the significant increase in costs for the end user had the potential to lead to significant environmental pollution and that it would be preferable to provide a gradual phase in of the cost increases.

It was MOVED and SECONDED

That the Liquid Waste Committee refer the report dated November 5, 2024, titled "Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No. 386, 2024" back to staff for further consideration.

CARRIED

6. Seeking Federal Support for the Development of a Flushability Standard

Report dated November 6, 2024, from Dana Zheng, Program Manager, Policy Planning and Analysis, Liquid Waste Services, seeking GVS&DD Board support Metro Vancouver submitting a resolution to FCM regarding federal support for the development of a flushability standard through an accredited standards development organization.

It was MOVED and SECONDED

That the GVS&DD Board support Metro Vancouver to submit a resolution to request federal support for the development of a flushability standard to the Federation of Canadian Municipalities.

CARRIED

7. Manager's Report

Report dated November 6, 2024, from Peter Navratil, General Manager, Liquid Waste Services providing the Liquid Waste Committee with an update on the committees workplan, the results of the 2024 Surfactant Reduction public campaign, and details of the upcoming Inflow and Infiltration public campaign.

It was MOVED and SECONDED

That the Liquid Waste Committee receive for information the report dated November 5, 2024 titled "Manager's Report".

CARRIED

F. INFORMATION ITEMS

No items presented.

G. OTHER BUSINESS

No items presented.

H. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the Liquid Waste Committee close its meeting scheduled for November 13, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

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 - (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

I. ADJOURNMENT

It was MOVED and SECONDED

That the Liquid Waste Committee adjourn its meeting of November 13, 2024.

CARRIED

| Hadir Ali, Legislative Services Coordinator | Malcolm Brodie, Chair | |
|--|--------------------------|--|
| 72059818 | | |



To: Liquid Waste Committee

From: Peter Navratil, General Manager, Liquid Waste Services

Date: January 2, 2025 Meeting Date: January 15, 2025

Subject: 2025 Liquid Waste Committee Meeting Schedule and Work Plan

RECOMMENDATION

That the Liquid Waste Committee:

- a) receive for information the Liquid Waste Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan"; and
- b) endorse the 2025 Work Plan, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan".

EXECUTIVE SUMMARY

The Terms of Reference for the Liquid Waste Committee sets out the committee responsibilities in the area of liquid waste management under the Greater Vancouver Sewerage and Drainage District (GVS&DD) service, which provides guidance and oversight on the implementation of the annual work plan. Work plan priorities for 2025 include: complete Phase 3 Engagement of the Liquid Waste Management Plan and submission to the Ministry of Environment; financial reporting, including Operating budget performance and capital program updates; providing updates on projects, procurements, policies and programs. Information discussed at other Metro Vancouver committees, such as the anticipated impacts of Provincial Housing Policy Changes, development cost charges, and the Long Range Financial Plans will be shared with the Liquid Waste Committee.

These priorities are consistent with the endorsed 2025 Budget. Pursuant to the Terms of Reference, the meeting schedule proposes 10 meetings.

PURPOSE

To provide the Liquid Waste Committee with the 2025 Work Plan, its Terms of Reference, and the Annual Meeting Schedule.

BACKGROUND

Annually, following the Board Inaugural meeting in November, the Board Chair establishes the committee structure and the terms of reference for each committee for the new year. To support the Committee in its work, this report brings forward the committee's Work Plan and the Schedule of Meetings for 2025.

2025 WORK PLAN

The Annual Work Plans for the Liquid Waste Services function are based on the 2025 Budget approved by the GVS&DD Board on November 1, 2024, which include a list of key actions that were used to develop the Liquid Waste Committee's Work Plan presented in this report (Attachment 1).

The Work Plan presented in this report is consistent with the Liquid Waste Committee's Terms of Reference (Attachment 2) and with the Board Strategic Plan and is being brought forward for the Committee's information, review and endorsement.

Key actions in the 2025 Work Plan for the Committee are described below and listed according to the Committee responsibilities in its Terms of Reference.

- Liquid Waste Management Plan Phase 3 Engagement and submission to the Ministry of Environment
- Servicing Plan for Fraser Sewerage Area
- Impacts of the Province's Housing Policy changes
- Stage Gate approval for the North Shore Wastewater Treatment Program
- Tri-annual Budget performance reporting, including major projects managed by the Project Delivery Department
- Innovation project updates
- Drainage Area policy
- Continued work on projects that support the circular water resource economy, that provide a positive life-cycle benefit and greenhouse gas reductions
- Bylaw updates and Sewage Catchment Area (Rawn) amendments
- Updates on the utility's public outreach campaigns
- Environmental management updates
- 2026 budget preparation and approval
- Approval of all contract awards as per Procurement and Real Property Contracting Authority Policy

The Committee will be updated on the status of the actions and projects in this Work Plan on a monthly basis per the Committee's schedule.

2025 COMMITTEE MEETING SCHEDULE

The *Procedure Bylaw* requires the Corporate Officer to provide the Committee with an Annual Meeting Schedule for the upcoming year, including the date and time of the meetings (Attachment 3).

Meeting Place

Committee meetings will be held at Metro Vancouver Committee Room, 28th Floor, 4515 Central Blvd, Burnaby, BC, at 9:00 am, unless otherwise specified on the Metro Vancouver public notice board, the Metro Vancouver website, and the respective agenda.

ALTERNATIVES

- 1. That the Liquid Waste Committee:
 - a) receive for information the Liquid Waste Committee Terms of Reference and the 2025
 Annual Meeting Schedule, as presented in the report dated January 2, 2025, titled "2025
 Liquid Waste Committee Meeting Schedule and Work Plan"; and
 - b) endorse the 2025 Work Plan, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan".
- 2. That the Liquid Waste Committee:
 - a) receive for information the Liquid Waste Committee Terms of Reference and the 2025 Annual Meeting Schedule, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan"; and
 - b) endorse the 2025 Work Plan, as presented in the report dated January 2, 2025, titled "2025 Liquid Waste Committee Meeting Schedule and Work Plan", incorporating the requested changes from the Liquid Waste Committee.

FINANCIAL IMPLICATIONS

The priorities in the 2025 Work Plan of the Liquid Waste Committee are consistent with the 2025 Budget approved by the GVS&DD Board on November 1, 2024 and with key actions included in the Annual Work Plans.

Committee meeting expenses and remuneration associated with meeting attendance have been allocated in the annual budget.

CONCLUSION

The Work Plan presented in this report identifies the priorities for the Liquid Waste Committee in 2025 and is consistent with its Terms of Reference and the 2025 Budget approved by the GVS&DD Board. To assist the Committee, the 2025 Annual Meeting Schedule has been established to guide the Committee's success in completing the business of the work plan. Staff recommend that Alternative 1 be approved.

ATTACHMENTS

- 1. Liquid Waste Committee 2025 Work Plan.
- 2. Liquid Waste Committee Terms of Reference.
- 3. Liquid Waste Committee 2025 Annual Meeting Schedule.
- 4. Presentation re: Liquid Waste Committee Work Plan.

Liquid Waste Committee 2025 Work Plan

Report Date: January 15, 2025

| 2024 Wipe It, Green Bin It Campaign Results Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units Decommissioning the Iona Island WWTP Biosolids Stockpile | In Progress In Progress |
|--|-------------------------|
| Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units | _ |
| Housing Units | In Progress |
| | |
| Decommissioning the Iona Island WWTP Biosolids Stockpile | In Progress |
| Decommissioning the Iona Island WWTP Biosolids Stockpile | |
| GVSⅅ Trucked Liquid Waste Amending Bylaw | |
| Major Project Updates (as applicable) | |
| Municipal Requests for Sewerage Area Boundary Amendments (as applicable) | |
| Contract Approvals as per the <i>Procurement and Asset Disposal Authority</i> Policy | |
| Transaction Approvals as per the <i>Real Estate Authority</i> Policy | |
| Utility Policies (as applicable) | In Progress |
| 2 nd Quarter | |
| Iona Island Wastewater Treatment Plant Projects – Proposed Barge Berth | Pending |
| Liquid Waste Management Plan Phase 3 Engagement | |
| 2024 Year-End Financial Results | |
| Major Project Updates (as applicable) | |
| Municipal Requests for Sewerage Area Boundary Amendments (as applicable) | |
| Contract Approvals as per the <i>Procurement and Asset Disposal Authority</i> Policy | |
| Transaction Approvals as per the <i>Real Estate Authority</i> Policy | |
| Utility Policies (as applicable) | |
| 3rd Quarter | |
| Draft Liquid Waste Services 2025 – 2029 Capital Plan | Pending |
| 2024 GVSⅅ Environmental Management and Quality Control Annual Report | |
| Liquid Waste Management Plan Recommendation to the Province | |
| Innovation Project Updates | |
| Major Project Updates (as applicable) | |
| Municipal Requests for Sewerage Area Boundary Amendments (as applicable) | |
| Contract Approvals as per the <i>Procurement and Asset Disposal Authority</i> Policy | |
| Transaction Approvals as per the <i>Real Estate Authority</i> Policy | |
| Utility Policies (as applicable) | Pending Pending |
| 4th Quarter | 8 |
| 2026 – 2030 Five Year Financial Plan and 2025 Budget & Annual Rates | |
| Major Project Updates (as applicable) | |
| Drainage Area Policy | |
| Municipal Requests for Sewerage Area Boundary Amendments (as applicable) | |
| Contract Approvals as per the <i>Procurement and Asset Disposal Authority</i> Policy | |
| Transaction Approvals as per the <i>Real Estate Authority</i> Policy | |
| Utility Policies (as applicable) | Pending Pending |

Liquid Waste Committee

Terms of Reference

The Liquid Waste Committee is the standing committee of the Metro Vancouver Board that provides advice and recommendations on policies, bylaws, plans, programs, budgets and issues related to liquid waste management under the GVS&DD service.

Committee Responsibilities

Within the scope of the *Board Strategic Plan*, *Integrated Liquid Waste and Resource Management Plan*, and *Metro Vancouver Financial Plan*, the Committee provides guidance and oversight to staff on the implementation of the annual work plan and business plans for the service. Specific Committee responsibilities include:

- Reviewing and endorsing the annual budget and five-year financial plan for the Liquid Waste function;
- Overseeing and monitoring implementation of strategic utility plans including the Integrated Liquid Waste and Resource Management Plan;
- Overseeing implementation of GVS&DD (liquid waste) capital programs, including award of major contracts for engineering services, materials supply, and construction;
- Providing governance and oversight over key major projects within the context of the approved budgets and financial plans;
- Reviewing and receiving the annual Environmental Management and Quality Control report for the GVS&DD (liquid waste);
- Reviewing and making recommendations with respect to municipal requests for sewerage area boundary expansions;
- Reviewing and recommending amendments to the GVS&DD Sewer Use Bylaw; and
- Reviewing and approving Integrated Stormwater Management Plans for GVS&DD drainage areas.

Committee Membership and Meetings

The Chair, Vice Chair, and members are appointed annually by the Chair of the Metro Vancouver Board. The Committee meets monthly, except for August and December, and has special meetings as required. Members of the Committee must be a member of the GVS&DD. A quorum of 50% plus one of the Committee membership is required to conduct committee business.

Committee Management

The Committee Chair, or in the absence of the Chair, the Vice Chair is the chief spokesperson on matters of public interest within the Committee's purview. For high profile issues the role of spokesperson should rest with the Board Chair or Vice Chair. On technical matters or in cases where an initiative is still at the staff proposal level, the Commissioner or designate is the appropriate spokesperson. Where necessary and practical, the Board Chair, the Committee Chair and the Commissioner confer to determine the most appropriate representative to speak.

The Chief Administrative Officer assigns a Committee Manager for the Committee. The Committee Manager is responsible for coordinating agendas and be the principal point of contact for Committee members.



Liquid Waste Committee 2025 Annual Meeting Schedule*

- Wednesday, January 15, 2025 at 9:00 am
- Wednesday, February 12, 2025 at 9:00 am
- Wednesday, March 12, 2025 at 9:00 am
- Wednesday, April 16, 2025 at 9:00 am
- Wednesday, May 14, 2025 at 9:00 am
- Wednesday, June 11, 2025 at 9:00 am
- Wednesday, July 9, 2025 at 9:00 am
- Wednesday, September 17, 2025 at 9:00 am
- Wednesday, October 15, 2025 at 9:00 am
- Wednesday, November 12, 2025 at 9:00

^{*} Committee Meetings are subject to change.

Attachment 4



2025 Liquid Waste Committee Priorities and Work Plan

Peter Navratil, P.Eng, MPA

Liquid Waste Committee Meeting – January 15, 2025

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KEY CHALLENGES

- Financial impact on region rate of infrastructure investment (Major Projects)
- Ensuring efficient operations
- Conservation principles as outlined in the LWMP
- Circular Water Resource Economy
- First Nations Relationship Building







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KEY CHALLENGES AND STRATEGIES

- Financial impact on region rate of infrastructure investment (Major Projects)
- Evaluation of requirements for Iona Island WWTP initial build
- Ensuring efficient operations
- Full capital program review
- Conservation principles as outlined in the LWMP
- I&I Management strategies / solids loading reductions
- Circular Water Resource Economy
- Identification and implementation of energy and resource recovery
- First Nations Relationship Building
- Support First Nations leadership role in regional estuary management initiatives and ongoing engagement on projects

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Sanitary Sewer Overflow Trend Demand Side Management is critical 100 90 80 70 Events 60 50 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 < 1:5 Year Return Period - Wet Weather</p> > 1:5 Year Return Period - Wet Weather ¬ Projection **metro**vancouver 4

LIQUID WASTE MANAGEMENT PLAN

2025 Process – Phase 3 (Engagement)

Q1 – Engage with First Nations

Q2 – Seek Municipal Endorsement

Q3 - Seek GVS&DD Board approval to submit

Q4 – Submit LWMP and Engagement Report to Province



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MAJOR PROJECTS



- North Shore WWTP Construction
- Iona Island WWTP Project Re-scoping
 - WWTP and Ecological Improvements
- Northwest Langley WWTP Design
 - Treatment plant and Outfall
- Annacis Island WWTP
 - Stage 5, Outfall







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INNOVATION & CIRCULAR WATER RESOURCE ECONOMY

- Hydrothermal Liquefaction (HTL)
- Ocean Alkalinity Enhancement
- Sustainability project updates

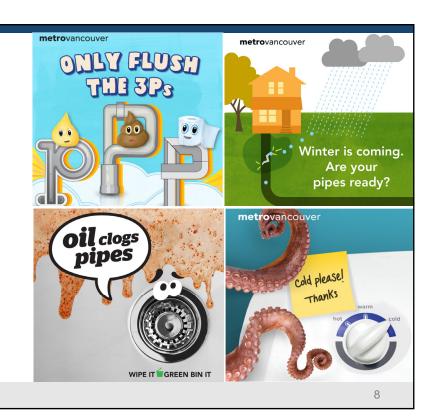


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PUBLIC OUTREACH

- Unflushables
- Fats, oils, grease
- Microfibres
- Inflow & infiltration
- Surfactants



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CONTRACT APPROVALS

- Columbia Forcemain Rehabilitation
- North Surrey Interceptor Manson Road Twinning
- South Surrey Interceptor Twinning
- AIWWTP HTL Project Site Preparations / Tie-in Connections
- Northwest Langley Early Works
- Gleneagles Forcemains







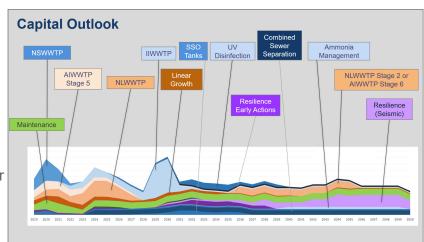
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FINANCIAL PLANNING

- Trucked Liquid Waste Fees Update
- Budget Performance Reporting
- LWS Draft Capital Budget
- 2026 Budget Sept/October
- Long Range Financial Plan



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ADDITIONAL ITEMS

 One-on-one orientation with site tour background by request





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To: Liquid Waste Committee

From: Jessica Hayes, Program Manager, Housing Policy and Planning,

Regional Planning and Housing Services

Date: December 20, 2024 Meeting Date: January 15, 2025

Subject: Consideration of Updating Development Cost Charge Waivers to Include

Inclusionary Housing Units

RECOMMENDATION

That the Regional Planning Committee / Water Committee / Liquid Waste Committee / Regional Parks Committee receive for information the report dated December 20, 2024, titled "Consideration of Updating Development Cost Charge Waivers to Include Inclusionary Housing Units".

EXECUTIVE SUMMARY

In October 2023, the MVRD Board directed staff to review the Metro Vancouver DCC Waiver Framework with the aim of continuing to support affordable rental housing. Metro Vancouver currently waives regional development cost charges (DCCs) for not-for-profit rental housing for liquid waste and water infrastructure, but does not waive DCCs if the not-for-profit housing units are delivered by a private entity. Inclusionary housing refers to regulations or policies that seek to have developers provide a set amount of below market housing within market-rate residential developments. The current waiver is projected to support between 1,950 and 2,500 affordable units annually over the next 10 years with an annual impact on DCC revenues to Metro Vancouver of between \$38 million and \$49 million.

This report presents the opportunity to expand the DCC Waiver Framework to: include waiving DCCs for inclusionary units, revise definitions to better align with provincial and federal funding programs, and reduce administrative complexity. The impact of expanding the program on DCC revenues is estimated to be \$5.4 million to \$7.0 million per year over the existing DCC waiver.

Any proposed changes to the DCC Framework go through the Finance Committee to the MVRD/GVWD/GVS&DD Boards for consideration. However, as the Liquid Waste, Water, Regional Parks and Regional Planning committees either have a DCC bylaw or interest in incentivizing housing, staff are bringing the proposed changes to these four committees for information and an opportunity to provide feedback. Any feedback received will be provided to the Finance committee at the February 2025 Finance Committee meeting along with alternatives.

PURPOSE

To seek feedback on proposed new directions for Metro Vancouver's development cost charge (DCC) Waiver Framework, including extending DCC waivers for inclusionary housing units, and additional housekeeping amendments.

BACKGROUND

Metro Vancouver collects DCCs for new residential and non-residential developments in the region to pay for the new liquid waste and water infrastructure required to accommodate growth. Metro Vancouver can waive or reduce DCCs for certain types of development under provincial legislation (Local Government Act and GVS&DD Act):

- Not-for-profit rental housing: This includes supportive living housing;
- **For-profit affordable rental housing**: Local governments can waive or reduce DCCs for these types of developments;
- **Small lots**: Local governments can waive or reduce DCCs for subdivisions of small lots that are designed to have low greenhouse gas emissions; and
- **Low environmental impact**: Local governments can waive or reduce DCCs for developments that are designed to have a low environmental impact.

Since 2010, Metro Vancouver has waived DCCs for not-for-profit rental housing. From 2010-2018, Metro Vancouver also waived DCCs for for-profit rental housing where rental rates were set at 20% below the lesser of CMHC average market rents for the municipality or region. In 2018, when a separate DCC waiver bylaw was introduced, applicability of the DCC waiver was limited to not-for-profit rental housing only. As such, DCCs cannot currently be waived if not-for-profit affordable housing units are delivered by a private entity (inclusionary housing).

At its October 27, 2023 meeting, the MVRD Board gave third reading to bylaws to revise DCC rates and implement a regional parkland acquisition DCC, based on the principle of ensuring new development in the region fund the cost of the infrastructure expansion required to service growth. The DCC rates approved included transitioning, over three years, to a 1% assist factor, such that new growth would pay for 99% of infrastructure required to accommodate growth. As part of implementing revised DCC rates, the Board directed staff to conduct reviews of the DCC program, including a review of the DCC waiver program with the aim of supporting rental housing and incentivizing affordable housing. On March 22, 2024, final adoption was given to the applicable DCC bylaws.

Recognizing that a private developer is likely in receipt of other benefits or incentives (e.g. increased market residential density) in exchange for the provision of the inclusionary units, Metro Vancouver conducted an analysis to assess the costs/benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion, to ensure that it is possible for the benefit of the DCC waiver to flow through to non-profit partners in the form of realized housing affordability benefits (i.e. lower rents and/or more units). This report provides an overview of proposed amendments to the DCC waiver bylaws stemming from this analysis, including providing DCC waivers for inclusionary housing units, and other amendments to simplify implementation of the waivers.

CONSIDERATION OF DCC AFFORDABLE HOUSING WAIVERS FOR INCLUSIONARY HOUSING UNITS In recent years, BC local governments have been using tools such as inclusionary housing and density bonusing to require the provision of affordable housing units within private developments,

often as a condition of rezoning. Six of the 19 municipalities that have DCC Bylaws in Metro Vancouver currently waive or reduce DCCs for affordable rental housing, and it is anticipated that, with the introduction of new provincial housing legislation to enable inclusionary zoning powers, there will be an increasing number of projects in which for-profit and not-for-profit entities collaborate in projects with a mix of market and below-market housing. As a result of these changes and in response to MVRD Board direction, Metro Vancouver is exploring possible adjustments to its DCC waiver framework to better enable and incent inclusionary units.

Currently, regional liquid waste and water DCCs are waived for not-for-profit rental housing that is:

- Owned, leased or otherwise held by a not-for-profit society, BC Housing, CMHC, a non-profit
 municipal housing corporation, or a registered charity at the time of any application for, or
 issuance of, a waiver of DCCs;
- Operated as rental housing for people who meet eligibility criteria;
- Governed by the terms of an agreement and/or covenant with the Province of British Columbia, BC Housing, CMHC or a municipality regarding the operation of the housing and stipulating how the dwelling units will be managed and occupied; and
- Geared toward households who meet or fall below the applicable Housing Income Limits (HILs) as defined by BC Housing.

In addition, Metro Vancouver's existing framework includes provisions to reduce DCCs by 50% for not-for-profit student housing. The intent of the DCC waivers and reductions has been to support the development of affordable housing by non-profit entities. To that end, the bylaws require that applicants either own or lease the affordable units at the time of the application for or issuance of the DCC waiver (typically at the time of building permit issuance). The intent of the requirement for ownership or possession of the affordable units at the time of the application was to ensure any foregone DCC revenue directly supported non-profit affordable housing, without relying on private agreements to secure housing commitments that the region cannot enforce or effectively monitor.

In October 2023, the MVRD Board directed staff to review the DCC waiver framework with the aim of supporting rental housing and incentivizing affordable housing. Concurrently, Metro Vancouver has received an increasing number of enquiries as to whether privately owned affordable units that will be transferred to a not-for-profit upon completion qualify for a waiver of regional DCCs. Under the currently waiver Bylaw, the not-for-profit must have fee simple ownership or an enacted lease at the time of the application or issuance of the waiver. Additionally, through its engagement with the development industry on DCCs, Metro Vancouver has received feedback requesting that Metro Vancouver revisit the DCC waiver bylaws to better facilitate the delivery of inclusionary units.

LEGAL CONTEXT AND DCC WAIVER BYLAW HISTORY

The Greater Vancouver Sewerage and Drainage District Act and Local Government Act permit the Greater Vancouver Sewerage and Drainage District (GVS&DD) and the Greater Vancouver Water District (GVWD) to, by bylaw, waive or reduce DCCs for eligible developments and to set the conditions for which such waivers or reductions may be granted. Since 2010, Metro Vancouver's liquid waste DCC bylaw (GVS&DD Bylaw No. 254, 2010) has included provisions to waive DCCs for not-for-profit rental housing.

In 2018, the waiver language in *GVS&DD Bylaw No. 254, 2010* was moved into a separate bylaw concerning the waiver of DCCs, following a review of the overall DCC program. On May 25, 2018, the GVS&DD Board adopted *Greater Vancouver Sewerage and Drainage District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 314, 2018* (Reference 1). At this time, the Board, in consultation with its members, decided to limit the DCC waiver to not-for-profit rental housing only. On October 26, 2018, the GVS&DD Board enacted an amending bylaw, *GVS&DD Bylaw, No. 322, 2018*, to establish additional requirements and conditions for a 50 per cent reduction of DCCs for Not-for-Profit Student Housing.

To support housing affordability within the region, and ease of administration for municipalities within Metro Vancouver, TransLink also adopted a bylaw in 2018 to provide a waiver for not-for-profit affordable rental housing and reduction for not-for-profit student housing from DCCs consistent with the waiver and reduction provided by GVS&DD.

On April 28, 2023, the GVWD Board adopted *Greater Vancouver Water District Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw, No. 256, 2022* (Reference 2). The frameworks for liquid waste and water DCC waivers are identical. When the new parkland acquisition DCC is introduced in 2025, it is proposed to also provide DCC waivers to affordable rental housing under the same conditions as the existing bylaws.

SCOPE AND FINDINGS OF THE DCC WAIVER BYLAW REVIEW

Metro Vancouver assessed the costs and benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion. The review included modelling the ability of mixed-market residential developments to absorb DCC payments for affordable housing units in a market development, and the impact of these DCC payments on the provision of affordable units required through negotiations/agreements with local governments (e.g. secured via an inclusionary zoning bylaw, density bonus, or negotiated at the time of rezoning). The objective of the review was to identify whether the DCC payments impact the viability of the project and the ability of the private developer to produce the agreed upon affordable/inclusionary units at below-market rates. The review also analyzed whether the benefit of a DCC waiver would be likely to be passed down from the private developer to the not-for-profit owner or operator.

The DCC waiver review found that, given the increasing number of developments in the region in which for-profit and not-for-profit entities collaborate to include a mix of market and below-market housing, the waiver framework should be adjusted to enable DCC waivers for this type of development, provided there are mechanisms in place to ensure that the benefit of the waiver flows through to the not-for-profit entity. Such mechanisms could include using contract terms that require the transfer of units at cost or a specified price, with no provision for land cost or developer profit. This recommendation is aligned with the findings of Metro Vancouver's recent Inclusionary Housing Policy Review study (Reference 3), which found that inclusionary housing policies were most viable and worked most effectively where the inclusionary units are sold at below-market rates to a non-profit organization for ongoing ownership, management, and operations. Selling the units at a reduced price to a not-for-profit housing provider facilitates retention of the units in the affordable market, improves long term affordability, and reduces the need for monitoring.

If the DCC waiver eligibility is expanded to inclusionary housing units that are built by a private developer and then turned over at or below cost to a non-profit (or government) upon completion, the number of affordable units receiving a DCC waiver is anticipated to increase between 281 to 361 units per year in the 10-year period between 2025 and 2034. A review found waiving Metro DCCs for inclusionary units could reduce break-even rents for affordable housing projects by 4.0% to 4.4%. Alternatively, waiving Metro Vancouver DCCs for inclusionary housing could increase the supply of new below-market rental units by between 5.3% and 6.7% with the same equity invested by affordable housing developers. There are a number of factors which make it difficult to accurately predict the mix of rent reductions or increased housing supply, because how the savings from the DCC waiver are applied will vary from project to project based on site capacity, the financial resources of the non-profit entity, and other factors. There is also no reliable way to predict whether there will be new projects that would not otherwise have been built because of the change. For the waiver to be effective it must be coupled with inclusionary housing policies that limit the sale price upon transfer of the units to the non-profit partner, to ensure that the cost savings are passed on to the non-profit entity and not the private developer.

The study found that with appropriate oversight, it is possible to ensure that the foregone DCC revenue will translate into affordable housing benefits, in the form of lower rent, more units, or some combination thereof. Though the legislation permits DCCs to be waived for for-profit rental housing units, the current review did not consider development projects that include a mix of market units and below market units all developed and owned by a private for-profit entity (e.g. purpose-built rental housing buildings incorporating below-market rental units). The proposed revised bylaw definitions to enable a waiver of DCCs for inclusionary units is outlined in Table 1 below.

Table 1: Proposed Amendment – Waiver of DCCs for Inclusionary Units Turn-keyed to Not-for-Profit Entities

| Bylaw Section | on Proposed Change | Rationale |
|---------------|--|---|
| Definition | Modify the definition of "Not-for-Profit | Currently, the definition states that |
| of "Not- | Affordable Housing" to include affordable | the units that will be built must be |
| for-Profit | rental units in a mixed-market or mixed- | "owned, leased, or otherwise held" by |
| Affordable | tenure project (e.g. inclusionary housing units) | a Not-for-Profit Society, BC Housing, |
| Housing" | built by a private developer, where there is an | CMHC, a Non-Profit Municipal Housing |
| | obligation to turnkey the affordable rental | Corporation or a Registered Charity at |
| | units to a not-for-profit entity upon | the time of any application for, or |
| | completion, provided there is a means to | issuance of, a waiver of DCCs. |
| | ensure that the benefit of the waiver flows | |
| | through to the not-for-profit entity. | Expanding eligibility for the DCC |
| | | waivers to affordable rental units built |
| | A DCC waiver will only be provided for the | by for-profit entities that will be turn- |
| | units where there is a binding agreement | keyed to a not-for-profit at cost, under |
| | obligating the developer to turnkey the units | strict contract terms, is aligned with |
| | via sale or long-term lease to not-for-profit | the original intent of the bylaws to |
| | entity, where there is an agreement with | support not-for-profit affordable |

| Province, BC Housing, CMHC, or municipality | housing, and ensures that foregone |
|---|--------------------------------------|
| regarding operation of the units, and where | DCC revenue are translated into |
| the cost of the units transferred to the not-for- | tangible affordable housing benefits |
| profit entity does not include any land cost or | for the region. |
| developer's profit (but can include a | |
| reasonable project management fee). | |
| Verification would be obtained in the form of | |
| municipal confirmation that agreements or | |
| regulations are in place which restrict the sale | |
| price of the units to the not-for-profit entity. | |

PROPOSED ADDITIONAL HOUSEKEEPING AMENDMENTS

In addition to bylaw amendments being considered to enable DCC waivers for inclusionary units, the DCC waiver bylaw review also considered amendments to simplify implementation of the existing framework, as outlined in Table 2.

Table 2: Proposed Additional DCC Waiver Bylaw Housekeeping Amendments

| Bylaw Section | Proposed Change | Rationale |
|--|--|--|
| Definition of "Not- for-Profit Affordable Housing" | Clarify eligible not- for-profit entities within the existing definition of Not- for-Profit Affordable Rental Housing | Add 'Member Jurisdiction', 'Metro Vancouver Housing Corporation', 'British Columbia Housing Management Commission', 'Provincial Rental Housing Corporation', 'Vancouver Affordable Housing Agency' to the list of public bodies described in the definition of Not-for-Profit Rental Housing. |
| Section 3.1 | Remove the household income criteria for eligible Not-for-Profit Affordable Rental Housing Developments (i.e. requirement that units be occupied by households with incomes at or below BC Housing's Housing Income Limits (HILs)) | Eliminating the requirement for specific rent rates or income limits as long as there is an agreement in place with the Province, BC Housing, CMHC, or municipality regarding management of units for the purpose of providing affordable housing, will streamline the administration of the DCC Waiver, and eliminate the need for ongoing compliance monitoring of eligible rents. This change would make the DCC waiver automatic for units developed, owned, and operated by a not-for-profit entity, subject to confirmation of units being non-market rental. Confirmation would include evidence of provincial or federal affordable housing funding OR a statutory declaration that units will be below-market rental OR an agreement or covenant with the Province, BC Housing, CMHC, or a municipality. This approach would remove the need to evaluate varying yet overlapping affordability and income criteria for non-profit affordable rental housing, which is already being assessed and secured by other levels of government. |
| Section 3.1 | Remove the thirty percent | Currently, the DCC waiver framework makes an entire project eligible for a DCC waiver if at least 30% of the units meet the |

| household income requirement (based on BC Housing HILs). Removing this threshold in favour of a simplified system that entire not-for-profit affordabile rental housing development to receive a DCC waiver In addition, nearly all waivers granted to non-profits to date have been for 100% of units in the development (i.e. non-profit affordabile housing projects rarely fall short of providing at least 30% of the total units at affordability levels suitable for HILs incomes). Section 3.2 Replace 50% DCC reduction for Not-for-Profit Student Housing with 100% DCC waiver Housing, it was assumed that most student housing units would not pay DCCs as a result of the statutory exemption for units less than 29 square metres in size. However, the GVSⅅ Act and LGA specify that such units must be 'self-contained' (with kitchen and bathroom) to be exempt from DCCs. As a result, dormitory-style student housing units are subject to the per square foot DCC rates as they do not meet the current bylaw definition of a self-contained Dwelling Unit. Residences for upper year students that tend to be suite style and can include studio, one bedroom and larger apartments are technically eligible for the 50% reduction, but to date, no such reductions have been granted under the existing bylaws. Consequently, there is very little DCC revenue from student housing projects and it would be administratively simpler to waive DCCs for all student housing units, provided the housing is primarily intended for occupancy by students, is on-campus, and is owned/operated by a post-secondary institution. Introducing a new definition of "student housing unit" that comprises housing units are eligible for a DCC vaiver will simplify administration given that DCCs are already not payable for most new student housing units as they are typically under 29 m2 in area, and exempt from DCCs as per the GVSⅅ Act and LGA. Though student housing units my | | | |
|---|-------------|---|--|
| profit affordable housing projects rarely fall short of providing at least 30% of the total units at affordability levels suitable for HILs incomes). Section 3.2 Replace 50% DCC reduction for Not-for-Profit Student Housing with 100% DCC waiver framework to enable a 50% DCC reduction for not-for-profit student Housing with 100% DCC waiver Profit Student Housing with 100% DCC waiver However, the GVSⅅ Act and LGA specify that such units must be 'self-contained' (with kitchen and bathroom) to be exempt from DCCs. As a result, dormitory-style student housing units are subject to the per square foot DCC rates as they do not meet the current bylaw definition of a self-contained Dwelling Unit. Residences for upper year students that tend to be suite style and can include studio, one bedroom and larger apartments are technically eligible for the 50% reduction, but to date, no such reductions have been granted under the existing bylaws. Consequently, there is very little DCC revenue from student housing projects and it would be administratively simpler to waive DCCs for all student housing units, provided the housing is primarily intended for occupancy by students, is on-campus, and is owned/operated by a post-secondary institution. Introducing a new definition of "student housing unit" that comprises housing units that have shared living quarters (kitchen, living, bath), e.g. double, triple, quad-style rooms, and ensuring that these units are eligible for a DCC waiver will simplify administration given that DCCs are already not payable for most new student housing units as they are typically under 29 m2 in area, and exempt from DCCs as per | | threshold for an entire not-for-profit affordable rental housing development to | Removing this threshold in favour of a simplified system that relies on the affordability and income mix stipulated through senior government funding or municipal policy will simplify administration and monitoring. In addition, nearly all waivers granted to non-profits to date |
| framework to enable a 50% DCC reduction for not-for-profit student Housing with 100% DCC waiver framework to enable a 50% DCC reduction for not-for-profit student housing, it was assumed that most student housing units would not pay DCCs as a result of the statutory exemption for units less than 29 square metres in size. However, the GVSⅅ Act and LGA specify that such units must be 'self-contained' (with kitchen and bathroom) to be exempt from DCCs. As a result, dormitory-style student housing units are subject to the per square foot DCC rates as they do not meet the current bylaw definition of a self-contained Dwelling Unit. Residences for upper year students that tend to be suite style and can include studio, one bedroom and larger apartments are technically eligible for the 50% reduction, but to date, no such reductions have been granted under the existing bylaws. Consequently, there is very little DCC revenue from student housing projects and it would be administratively simpler to waive DCCs for all student housing units, provided the housing is primarily intended for occupancy by students, is on-campus, and is owned/operated by a post-secondary institution. Introducing a new definition of "student housing unit" that comprises housing units that have shared living quarters (kitchen, living, bath), e.g. double, triple, quad-style rooms, and ensuring that these units are eligible for a DCC waiver will simplify administration given that DCCs are already not payable for most new student housing units as they are typically under 29 m2 in area, and exempt from DCCs as per | | waiver | profit affordable housing projects rarely fall short of providing at least 30% of the total units at affordability levels suitable for |
| rent at near-market rates, on-campus housing operated on a cost recovery basis for students takes pressure off the local rental housing market and reduces transportation demand and GHG emissions. | Section 3.2 | reduction for Not- for-Profit Student Housing with | In 2018, when amendments were made to the DCC waiver framework to enable a 50% DCC reduction for not-for-profit student housing, it was assumed that most student housing units would not pay DCCs as a result of the statutory exemption for units less than 29 square metres in size. However, the GVSⅅ Act and LGA specify that such units must be 'self-contained' (with kitchen and bathroom) to be exempt from DCCs. As a result, dormitory-style student housing units are subject to the per square foot DCC rates as they do not meet the current bylaw definition of a self-contained Dwelling Unit. Residences for upper year students that tend to be suite style and can include studio, one bedroom and larger apartments are technically eligible for the 50% reduction, but to date, no such reductions have been granted under the existing bylaws. Consequently, there is very little DCC revenue from student housing projects and it would be administratively simpler to waive DCCs for all student housing units, provided the housing is primarily intended for occupancy by students, is on-campus, and is owned/operated by a post-secondary institution. Introducing a new definition of "student housing unit" that comprises housing units that have shared living quarters (kitchen, living, bath), e.g. double, triple, quad-style rooms, and ensuring that these units are eligible for a DCC waiver will simplify administration given that DCCs are already not payable for most new student housing units as they are typically under 29 m2 in area, and exempt from DCCs as per the GVSⅅ Act and LGA. Though student housing units may rent at near-market rates, on-campus housing operated on a cost recovery basis for students takes pressure off the local rental housing market and reduces transportation demand and |

Several illustrative examples comparing the calculation of DCCs under the current waiver bylaw with those owing with the proposed changes are shown in Attachment 1.

REGIONAL PLANNING AND FINANCE ADVISORY COMMITTEES' FEEDBACK

The draft proposed framework was reviewed at the October 11, 2024, Regional Planning Advisory Committee and November 21, 2024 Regional Finance Advisory Committee (RFAC) meetings, with members supportive of the proposed direction and providing the following comments:

- In implementing the waivers, ease of administration and verification processes are important for municipalities;
- Supportive of mechanisms to ensure the benefits of waivers flow to non-profits;
- Supportive of reduced complexity in the proposed definitions; and
- Desire for additional opportunities to engage and provide feedback and coordinate on development cost related matters.

If directed to proceed, staff will consider and incorporate these comments into the bylaw amendments.

NEXT STEPS

Staff have been directed by the Board to conduct periodic reviews of the DCC bylaws including a review of economic impacts and measures to support rental housing and to incentivize affordable housing and report back with recommendations. The proposed updates to the DCC waiver framework outlined in this report for consideration are one aspect of the work underway to further this objective. Feedback received from the Regional Planning Committee, Liquid Waste Committee, Water Committee, and Regional Parks Committee in January 2025 will be forwarded on to the Finance Committee and MVRD Board for direction in February. Should staff be directed to prepare bylaw amendments, these will come forward to the respective Committees and Boards in March 2025. If directed to proceed, staff will consult with stakeholders including member jurisdictions, industry stakeholders and other levels of government prior to bringing forward amendments to the respective DCC waiver bylaws for consideration in March 2025.

ALTERNATIVES

This is an information report. No alternatives are presented. Feedback on the proposed framework will be provided to the Finance Committee in February with alternatives.

FINANCIAL IMPLICATIONS

The Metro Vancouver DCC waiver review is within the Regional Planning and Housing Services work program and was considered as part of the Board-approved budget. \$50,000 was allocated for external consultant support.

Should the proposed changes to the DCC waiver framework be supported, staff will bring forward a subsequent report detailing proposed waiver bylaw amendments. Based on historical waivers, it is projected that between 1,950 and 2,500 affordable units will receive a DCC waiver each year on average between 2024 and 2033 under the current waiver definitions, representing a total

estimated ten-year impact on DCC revenues to Metro Vancouver of \$380 million to \$488 million (or about \$38 million to \$49 million per year on average).

If the DCC waiver eligibility is expanded to projects that are built by a private developer and then turned over at cost to a non-profit (or government) upon completion (i.e. inclusionary housing), the review found the number of affordable units receiving a DCC waiver is anticipated to increase by an average of 281 to 361 units per year between 2024 and 2033. The total estimated ten-year impact on DCC revenues to Metro Vancouver of these additional units receiving the DCC waiver would range between about \$54.3 million and \$69.7 million between 2024 and 2033 (or \$5.4 million to \$7.0 million per year), representing 0.8% to 1.0% of average annual DCC revenue.

The cost associated with the DCC waiver program is required by the Province's best practices guide to be funded through the water sales, liquid waste levy or tax requisition. The average annual cost per household is projected to be \$3 to \$4. Funding to accommodate this expansion is not available in the 2025 Budget and Five-Year Financial Plan, and therefore would need to come from within the current budget and result in updates to future years in the Five-Year Financial Plan.

CONCLUSION

Since 2010, Metro Vancouver has waived DCCs for affordable rental housing, for a time for not-for-profit and for-profit affordable rental housing, and since 2018, only for not-for-profit affordable rental housing. Metro Vancouver has assessed the costs/benefits associated with expanding eligibility for DCC waivers to private (for-profit) developers building affordable rental housing units to be transferred to a non-profit or public entity upon completion (e.g. inclusionary housing). Recognizing that the private developer is likely in receipt of other benefits or incentives (e.g. increased market residential density) in exchange for the provision of the inclusionary units, and to ensure that the benefit of the waiver flows through to non-profit partners in the form of realized housing affordability benefits (i.e. lower rents and/or more units), it is recommended that the waiver framework be adjusted to enable DCC waivers for this type of development, with strict terms in place (e.g., requiring the transfer of units to the non-profit partner at cost with no provision for land cost or profit).

Several additional housekeeping amendments are also outlined in the report, to improve the efficiency and ease of administration. Staff are now seeking feedback from the Regional Planning Committee, Liquid Waste Committee, Water Committee, and Regional Parks Committee regarding possible amendments to the DCC waiver framework, and will forward this input to the Finance Committee and MVRD Board in February 2025 for further direction. Should the proposed changes to the DCC waiver framework be supported, staff will bring forward a subsequent report detailing proposed waiver bylaw amendments.

ATTACHMENTS

- 1. Example Calculation of DCC Affordable Housing Waivers (Current Framework Compared with Proposed).
- 2. Presentation re: Development Cost Charge Waiver Update: Consideration of Including inclusionary Housing units.

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REFERENCES

- 1. <u>GVS&DD Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 314, 2018 Unofficial Consolidation (metrovancouver.org)</u>
- 2. <u>GVWD Development Cost Charge Waiver or Reduction for Not-for-Profit Rental Housing Bylaw No. 256, 2022 Unofficial Consolidation (metrovancouver.org)</u>
- 3. <u>Inclusionary Housing Policy Review and Regional Model Policy Framework</u> (metrovancouver.org)

EXAMPLE CALCULATION OF DCC WAIVERS (CURRENT FRAMEWORK COMPARED WITH PROPOSED)

| Scenario Description | Eligibility for DCC Waiver | Eligibility for DCC Waiver |
|--|---|--|
| | Under Current Bylaw | Under Proposed Bylaw Changes |
| Local government-owned land will be leased to a non-profit housing agency and developed into a 100-unit social housing building. The non-profit housing agency will operate the entire building. 30 of the units will rent at BC HILs (Housing Income Limits), and 70 of the units will rent at low end of market rents. | All 100 units will be eligible for a waiver of DCCs. | All 100 units will be eligible for a waiver of DCCs. |
| For-profit developer plans to develop a 70-unit mixed-use strata, with an additional 30 units of social housing which will be turned over to the City upon completion at no cost as turnkey social housing (separate air space parcel to be owned by the City and operated by a non-profit housing provider). | Not eligible for a waiver of DCCs as the development does not meet the current definition of not-forprofit affordable rental housing. | The 30 social housing units will be eligible for a waiver of DCCs. |
| For-profit developer plans to develop a 70-unit mixed-use strata, with an additional 30 units of social housing which will be sold to a non-profit housing provider at market value upon completion. | Not eligible for a waiver of DCCs as the development does not meet the current definition of not-forprofit affordable rental housing. | Not eligible for a waiver of DCCs as the development does not meet the definition of not-for-profit affordable rental housing. |
| For-profit developer plans to develop a 85-unit mixed-use strata, with an additional 15 units of inclusionary housing which will be sold to a non-profit housing provider at below market value upon completion. | Not eligible for a waiver of DCCs as the development does not meet the current definition of not-forprofit affordable rental housing. | The 15 inclusionary housing units will be eligible for a waiver of DCCs. |
| Post-secondary institution plans to develop on-campus student housing divided into: 60 dormitory-style units smaller than 312 sq.ft. (without a kitchen or bathroom), 40 units of self-contained dwelling units larger than 312 sq.ft. (with their own kitchen and bathroom). | The 60 dormitory-style units under 312 sq.ft. are not exempt from DCCs as they are not 'self-contained'. The 40 self-contained dwelling units larger than 312 sq.ft. would be eligible for a 50% reduction of DCCs. | The 60 dormitory-style units under 312 sq.ft. and the 40 self-contained dwelling units larger than 312 sq.ft. would be eligible for a 100% waiver of DCCs. |

Attachment 2



DEVELOPMENT COST CHARGE WAIVERS

Enabling Legislation

Provincial legislation specifies that
Metro Vancouver can waive or reduce
DCCs for:

Not-for-profit rental housing
For-profit affordable rental housing
Small lots
Low environmental impact projects

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EXPLORING DCC WAIVERS FOR INCLUSIONARY HOUSING UNITS



Affordable housing projects with for-profit/not-for-profit partnerships on the rise

- Local governments increasingly using inclusionary housing & density bonusing as a tool
- New provincial legislation enabling inclusionary zoning

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Impacts of extending DCC waiver bylaw eligibility to inclusionary housing units:

281 to 361 more

affordable units per year receiving waiver

Reduce break-even rents

for affordable housing projects by 4.0% to 4.4%

Increase the supply

of new below-market rental units by 5.3% to 6.7%

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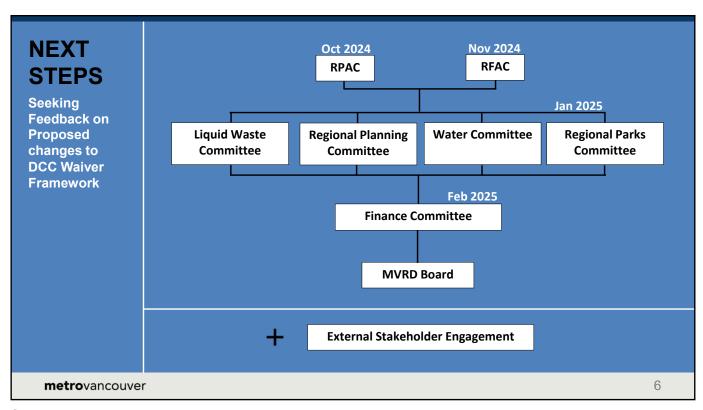
PROPOSED HOUSEKEEPING AMENDMENTS

| Bylaw Section | Proposed change |
|---|--|
| Definition of "Not-for-Profit Affordable Housing" | Expand waiver to include inclusionary housing units |
| Definition of "Not- for-Profit Affordable Housing | Clarify eligible not-for-profit entities |
| Section 3.1 | Remove household income criteria |
| Section 3.1 | Remove 30% threshold for an entire project to receive waiver |
| Section 3.2 | Increase waiver for student housing from 50% to 100% |

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To: Liquid Waste Committee

From: Dana Zheng, Program Manager, Policy, Planning and Analysis, Liquid Waste Services

Date: December 20, 2024 Meeting Date: January 15, 2025

Subject: Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste

Amendment Bylaw No. 386, 2025

RECOMMENDATION

That the GVS&DD Board:

- a) give first, second and third reading to *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025*; and
- b) adopt the *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025.*

EXECUTIVE SUMMARY

The *Greater Vancouver Sewerage* and *Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025* is presented for Board consideration and adoption. At the November 13, 2024 Liquid Waste Committee meeting, proposed trucked liquid waste discharge fee increases were referred back to staff to consider a more gradual phase in period. The bylaw has been revised to phase in fees for discharges of trucked liquid waste that will achieve fully cost recovered rates by 2027. Additionally, a new annual fee update process will be implemented each fall, to reflect annual GVS&DD budget increases and include five-year rate projections to help the industry anticipate future changes.

PURPOSE

To seek GVS&DD Board consideration of trucked liquid waste fees for 2025 and adoption of the *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No.* 386, 2025.

BACKGROUND

The trucked liquid waste (TLW) program receives trucked domestic waste (e.g., septic tank waste from homes not connected to municipal collection systems) and non-domestic waste (e.g., restaurant grease trap waste) and operates at the Iona, Annacis, and Northwest Langley wastewater treatment plants. TLW is regulated through *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Bylaw 345, 2021* and *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw 360, 2022* (TLW Bylaws, see References 1 and 2).

Fees for discharging TLW are volumetric with different rates for domestic and non-domestic waste. Waste generated outside of Metro Vancouver (out-of-region waste) is subject to a 30 per cent fee surcharge to recover the additional costs associated with managing these unplanned discharge requests. TLW fees were reviewed in 2024 as recent cost increases of liquid waste management in the region are not reflected in the existing fee schedule. The proposed fee increases provide full

recovery of TLW costs, so that costs of services are passed fairly and equitably to all users of the system.

Previous TLW Fees

TLW fees were last updated in 2021 during the adoption of the TLW Bylaw, which included a fee schedule with a gradual increase for 2021 to 2025 in consideration of the economic challenges due to COVID-19. Previous to this, TLW fees had not been updated since 2012. Past revenues from TLW have not been able to fully recover all costs associated with TLW. As such, annual TLW revenues have not increased proportionally with annual GVS&DD budget increases, requiring significant fee increases to make up for the shortfall and ensure that all users are paying an equitable share of GVS&DD costs.

PROPOSED TLW BYLAW AMENDMENT

At the November 13, 2024 Liquid Waste Committee meeting, Metro Vancouver staff proposed TLW fee increases in 2025 to allow Metro Vancouver to fully recover all costs associated with its TLW program. At this meeting the Committee referred Bylaw 386, 2024 back to staff to phase in the fees more gradually. The proposed TLW fee schedule and implementation timeline have been revised for the Committee's reconsideration.

The proposed TLW bylaw amendment (Attachment 1) is a new Schedule A that updates TLW fees and is applicable starting March 1, 2025. This new Schedule A is revised from the Schedule A presented at the November 13, 2024 Liquid Wate Committee meeting and proposes a lower fee increase for 2025, a delayed implementation date, and will allow TLW revenues to achieve cost recovery by 2027.

Proposed TLW Fees

The revised proposed TLW fees for 2025, effective March 1, 2025 are shown in Table 1. Moving forward, a new fee schedule will be presented annually every fall for Board adoption to maintain direct correlation with annual GVS&DD budget changes.

Table 1: Proposed TLW Discharge Fees for 2025¹

| TLW Type | 2024 Fees (\$/m³) | Previously Proposed 2025 Fees for Full Cost | Revised Proposed 2025 Fees, Effective March 1, 2025 |
|--------------|----------------------|--|--|
| | | Recovery (\$/m³) | (\$/m³) |
| Domestic | \$35.27 | \$78.80 | \$53.00 |
| Non-domestic | \$74.30 | \$124.49 | \$96.00 |

¹Out-of-region generated TLW is subject to a 30% surcharge to capture additional costs from processing out-of-region TLW discharge applications and tracking out-of-region generated TLW

A three-year (2025-2027) projection of estimated TLW fees is provided in Table 2, based on the GVS&DD Liquid Waste Services 2025-2029 Financial Plan. Actual TLW fees for 2026 onwards will be calculated and presented each year, based on that year's budget. After cost recovery is achieved in 2027, TLW fees will track the same rate as annual changes in the wastewater treatment (WWT) proportion of the overall GVS&DD budget presented annually.

Table 2: Three-Year (2025-2027) Projection of Estimated TLW Fees to Reach Cost Recovery by 2027

| Projected TLW Fees | 2025 | 2026 | 2027 |
|-----------------------|------|-------|-------|
| Domestic TLW Fees | \$53 | \$80 | \$103 |
| Non-Domestic TLW Fees | \$96 | \$125 | \$162 |

Neighbouring Jurisdiction TLW Fees

A scan of domestic TLW discharge fees in neighbouring jurisdictions is shown in Table 3. The proposed domestic TLW fees are comparable with neighbouring jurisdictions' domestic TLW fees.

Table 3: Proposed Domestic TLW Fee Compared with Current Neighbouring Jurisdiction TLW Fees

| | Abbotsford- | Proposed Metro | | Regional District | Capital |
|--------------|-------------|----------------|------------|--------------------------|------------------|
| | Mission | Vancouver 2025 | Chilliwack | of Nanaimo | Regional |
| | (\$/m³) | Fees (\$/m³) | (\$/m³) | (\$/m³) | District (\$/m³) |
| Domestic TLW | \$51.63 | \$53.00 | \$62.41 | \$68.20 | \$104.50 |

Communication with TLW Stakeholders

Communication with stakeholders including TLW haulers, non-domestic waste generators, and member jurisdictions has been provided by Metro Vancouver regarding TLW fee updates. In October 2024 proposed fee increases and implementation timing were shared, followed by an update after the November 13, 2024 Liquid Waste Committee meeting. Communication with stakeholders has been provided via email and through Metro Vancouver's website. The purpose of this notification was to share the proposed fees and timing for implementation to support stakeholders in planning for these potential changes. Communication with residents on septic is planned after proposed fees are adopted.

ALTERNATIVES

- 1. That the GVS&DD Board:
 - a) give first, second, and third reading to *Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025*; and
 - b) adopt Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025.
- 2. That the GVS&DD Board receive for information the report dated December 20, 2024, titled "Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025".

FINANCIAL IMPLICATIONS

The proposed TLW fees will result in an estimated \$5.2M in revenue, recovering approximately 70% of TLW operating and capital costs.

The financial impact to septic households in Metro Vancouver was assessed for proposed TLW fees. For a typically sized household septic tank, the disposal cost at a Metro Vancouver TLW facility will increase by approximately \$65 per clean out with the proposed TLW fees. Residents with septic tanks typically hire septic waste haulers every three to five years at a current cost of \$500 to \$800

per clean out. Accounting for the proposed TLW fee increase as well as maintenance and replacement costs for septic systems, the household impact of wastewater management for septic households will be approximately 25% less than household impact of Metro Vancouver and municipal sewer charges for sewered homes in the region, reflecting a comparable price for services provided.

CONCLUSION

The proposed 2025 TLW fees will provide near cost recovery for receiving and treating TLW in 2025 and 2026. The graduated increase in the proposed TLW fee implementation schedule will achieve the principle of cost recovery by 2027. Future TLW fee updates will be presented annually for Board consideration and adoption to ensure equity and fairness across all GVS&DD revenue streams.

ATTACHMENT

1. Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025.

REFERENCES

- 1. Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Bylaw No. 345, 2021.
- 2. <u>Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amending Bylaw No.</u> 360, 2022.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT BYLAW NO. 386, 2025

A bylaw to amend Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Bylaw No. 345, 2021

WHEREAS:

- A. The Environmental Management Act, S.B.C. 2003, c. 53 and the Greater Vancouver Sewerage and Drainage District Act, S.B.C, 1956, c. 59 authorize the Greater Vancouver Sewerage and Drainage District (the "District") Board (the "Board") to make bylaws respecting the direct or indirect discharge of wastes into any sewer or drain connected to a sewage facility operated by the District;
- B. The Board wishes to amend the "Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Bylaw No. 345, 2021".

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

Citation

1. The official citation of this bylaw is "Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Amendment Bylaw No. 386, 2025".

Effective Date

2. This bylaw will come into effect on March 1, 2025.

Schedule(s)

- 3. The following Schedules are attached to and form part of the bylaw:
 - Schedule "A", Trucked Liquid Waste Discharge Fees.

Amendment of Bylaw

- 4. "Greater Vancouver Sewerage and Drainage District Trucked Liquid Waste Bylaw No. 345, 2021" is amended as follows:
 - (a) The below definitions are added in alphabetical order to Section 3:
 - "in-region generated waste" means trucked liquid waste generated within the geographic area of the Metro Vancouver Regional District;
 - "out-of-region generated waste" means trucked liquid waste generated outside of the geographic area of the Metro Vancouver Regional District;
 - (b) Schedule "A" is deleted and replaced with Schedule "A", Trucked Liquid Waste Discharge Fees, which is attached to and forms part of this bylaw.

| Read a first, second, and third time this day of,,, |
|---|
| Adopted this day of,, |
| |
| |
| Mike Hurley, Chair |
| |
| Dorothy Shermer, Corporate Officer |

Schedule A

TRUCKED LIQUID WASTE DISCHARGE FEES

1. Effective March 1, 2025, the *discharge fee* applicable to a discharge of *trucked liquid waste* is calculated in accordance with the discharge fee rates set out in Table 1 for *in-region generated waste* and *out-of-region generated waste* respectively.

Table 1: Trucked Liquid Waste Discharge Fees (\$/m3)

| Discharge Fee Type | | Discharge Fee Rate (\$/m³) |
|--|-----------------------------------|----------------------------------|
| in-region generated waste | domestic trucked liquid waste | \$53 |
| III-region generated waste | non-domestic trucked liquid waste | \$96 |
| out-of-region generated waste (valid out-of-region discharge | domestic trucked liquid waste | \$69 |
| number required) | non-domestic trucked liquid waste | \$125 |



To: Liquid Waste Committee

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

Joan Liu, Division Manager, Liquid Waste Services Collection System

Date: January 10, 2025 Meeting Date: January 15, 2025

Subject: Award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation

RECOMMENDATION

That the GVS&DD Board:

- a) approve the award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation in the amount of up to \$14,304,211.91 (exclusive of taxes) to Michels Canada Co., subject to final review by the Commissioner;
- authorize and approve a budget reallocation from the 2025 approved GVS&DD Budget in the amount of \$3,000,000 from the VSA Emergency Backup Power project to the Columbia Forcemain (CLT) Rehabilitation Project; and
- c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.

EXECUTIVE SUMMARY

Michels Canada Co. proposal ranked highest overall, provided the lowest cost, met the minimum technical requirement and demonstrated best value overall for Metro Vancouver.

The work to be provided under RFP 24-391 includes design and installation for the rehabilitation of the Columbia Forcemain using Cured in Place Pipe (CIPP) technology in the City of Vancouver. The pipe to be rehabilitated is approximately 1700 m long and 900 mm in diameter. The pipe has suffered extensive corrosion and has had two significant breaks. The failure of this asset was unexpected, and a temporary diversion is in place.

RFP 24-391 was issued on October 28, 2024, was advertised publicly, and the procurement was executed in accordance with the terms and conditions of Metro Vancouver's Procurement Policy. The RFP 24-391 evaluation team has considered the proposals received, and on that basis recommend that the GVS&DD Board award RFP 24-391 to Michels Canada Co.

The proposed price was over the budgetary estimate, and it is recommended that the shortfall be addressed by reallocating funds from the VSA Emergency Backup Power project, which is nearing completion and is projected to show a surplus.

PURPOSE

Pursuant to GVS&DD Officers and Delegation Bylaw No. 284, 2014 (Bylaw) and Board Policy No. FN-031, procurement contracts which exceed a value of \$10 million require the approval of the GVS&DD Board.

BACKGROUND

The Columbia Forcemain is in the City of Vancouver. It has corroded due to the erosion of the cement mortar lining along the invert of the pipe, resulting in direct contact of the underlying ductile iron pipe material with raw sewage. Two significant breaks have occurred in the previous four years with the most recent in June 2024. Currently, the Columbia Forcemain is out of service, awaiting rehabilitation. Flow is being temporarily diverted to the Harbour Pump Station. This reduces the sewer network's capacity for system flows and increases the risk of sanitary overflow events to receiving water bodies.

It was decided that the CIPP rehabilitation method be used as it minimizes disruption to the residents and traffic and can provide a reliable long-term solution for the corroded pipe. As a result, RFP 24-391 was advertised to call for qualified contractors to do the design and rehabilitation work using the CIPP method.

The Columbia Forcemain is a critical part of the GVS&DD infrastructure. It is important that it functions as intended to ensure we meet Goal 1, "protect public health and the environment", of the *Liquid Waste Management Plan*.

PROCUREMENT SUMMARY

RFP 24-391 Submissions

| Proponents | Pricing (excluding taxes) |
|--|---------------------------|
| Michels Canada Co. | \$14,304,211.91 |
| PW Trenchless Construction Inc. | \$42,599,215.00 |
| Clearway Construction Inc. | Not opened |
| Oscar Renda Contracting of Canada Inc. | Not opened |

Metro Vancouver received four proposals. All proposals submitted by the proponents were incompliance with the submission requirements. The compliant proposals were evaluated in a two-stage process. Stage 1 evaluated technical requirements and Proponents required a minimum score of 65/100 to be considered for the Stage 2 evaluation. Two Proponents met this threshold. Stage 2 evaluated commercial requirements and the lowest cost Proponent that had a score of 65 or greater would be the successful Proponent. Technical requirements were evaluated by Liquid Waste Services Engineering Design and Construction Collection System group and Commercial requirements were evaluated by the Procurement and Real Estate Services staff.

After a comprehensive and detailed evaluation of the compliant proposals the evaluation team concluded that the proposal submitted by Michels Canada Co. ranked highest overall, provided the lowest cost, met the technical requirement and demonstrated best value overall for Metro Vancouver.

Staff are confident that the award value is suitable, and the technical evaluation, which included an interview process, rigorously assessed all of the Proponent's understandings of the scope, challenges and approach to the work.

ALTERNATIVES

- 1. That the GVS&DD Board:
 - a) approve the award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation in the amount of up to \$14,304,211.91 (exclusive of taxes) to Michels Canada Co., subject to final review by the Commissioner;
 - b) authorize and approve a budget reallocation from the 2025 approved GVS&DD Budget in the amount of \$3,000,000 from the VSA Emergency Backup Power project to the Columbia Forcemain (CLT) Rehabilitation Project; and
 - c) authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.
- 2. That the GVS&DD Board receive the report dated January 10, 2025, titled *Award of RFP 24-391* for Columbia Forcemain Cured in Place Pipe Rehabilitation for information.

FINANCIAL IMPLICATIONS

If the GVS&DD Board approves the award recommendation, a budget reallocation of \$3,000,000 is required to provide sufficient funds for the proposed award amount of up to \$14,304,211.91. Currently, the approved budget / project estimate for the Columbia Forcemain Cured in Place Pipe Rehabilitation is \$13,000,000. The required reallocation of \$3,000,000 can be accommodated using surplus funds from the existing VSA Emergency Backup Power project. That project currently has a projected surplus of \$6,500,000. By reallocating these funds, there will be no increase to the overall approved GVS&DD Capital Budget.

OTHER IMPLICATIONS

If the Columbia Forcemain is not rehabilitated in a timely fashion, there will be elevated risk of increased sewer spills as the current set up of bypassing flow to the Harbour Pump Station does not have capacity to be in operation for the long term.

CONCLUSION

It is recommended that the GVS&DD Board approve the award of RFP 24-391 for Columbia Forcemain Cured in Place Pipe Rehabilitation, in the amount of up to \$14,304,211.91 (exclusive of taxes) to Michels Canada Co. and authorize the General Manager, Procurement and Real Estate to execute the required documentation once the General Manager, Procurement and Real Estate is satisfied that the award should proceed.



To: Liquid Waste Committee

From: Peter Navratil, General Manager, Liquid Waste Services

Date: December 20, 2024 Meeting Date: January 15, 2025

Subject: Manager's Report

RECOMMENDATION

That the Liquid Waste Committee receive for information the report dated December 20, 2024 titled "Manager's Report".

1. Update on the Development of an Environmental Management System for the Liquid Waste Utility

Pursuant to Board approval of the Environmental Risk Management Policy, several initiatives supporting environmental regulatory compliance, due diligence and environmental protection have been implemented in 2024. This includes the continued development of an Environmental Management System (EMS) to reduce environmental risks in conformance with the ISO EMS 14001:2015 standard.

Notable 2024 actions included: (i) established an efficient corporate procurement process to retain adequately qualified environmental professionals for response to all environmental incidents and emergencies (ii) improved the effectiveness of the investigation process associated with environmental incidents at the wastewater treatment plants; (iii) conducted unflushables and grease public awareness campaigns to help protect wastewater infrastructure and prevent sewer overflows; (iv) created a new GVS&DD bylaw allowing financial penalties for infractions to improve the ability to prevent and reduce contaminants entering wastewater; (v) improved pump station infrastructure/instrumentation to lower risk of fuel spills; and (vi) developed site specific fuel transfer and spill response documents for each pump station.

Work on EMS is ongoing with annual reviews and iterative modifications, providing opportunity for improvements and alignment with other LWS related objectives, processes, and systems. In addition to operational environmental management aspects listed above, many capital projects that also serve to continually improve LWS environmental performance are ongoing or have been implemented.

2. Metro Vancouver Laboratory among the Top Performing Laboratories in 2024

The Metro Vancouver Quality Control Laboratory (1299 Derwent Way) received a Certificate of Performance (Attachment 1) from Proficiency Testing Canada for being one of the top 20% performers among other participants in the equivalent proficiency testing program. Proficiency testing is a form of external evaluation of the laboratory to ensure its ability to perform to the required level of quality and competence. In this quality assurance process, the performance is

evaluated against pre-established criteria by means of inter-laboratory comparison in accordance with an international ISO/IEC 17043 standard.

Participation in proficiency testing is one of the requirements for the Metro Vancouver Laboratory to maintain its accreditation with the Canadian Association for Laboratory Accreditation (CALA). Accreditation attests to the laboratory's ability to consistently produce reliable analytical results and provides assurance of quality to regulators and laboratory customers. To maintain CALA accreditation and demonstrate its ongoing technical competence, Metro Vancouver Laboratory must undergo a bi-annual assessment of conformance with stringent quality management and performance standards.

The Certificate of Accreditation was originally granted to Metro Vancouver Laboratory in 1995. Since then, the Laboratory increased its scope of accreditation and successfully renewed its Certificate of Accreditation every two years. The next CALA assessment of the Metro Vancouver Laboratory technical competence is scheduled for 2025.

ATTACHMENT

1. 2024 Certificate of Performance – Proficiency Testing of Canada.



2024 Certificate of Performance

This is to certify that

Metro Vancouver - Quality Control Laboratory

1299 Derwent Way Delta, BC

participated in Proficiency Testing Canada PT Schemes throughout 2024 and obtained a level of performance that places their median PT score within the **top 20**th **percentile** amongst other participants who received between 50 and 1,000 evaluations throughout the year.

Ken Middlebrook

PTC Executive Director