AGENDA

FINANCE COMMITTEE
Regular Meeting

Thursday, July 10, 2008
9:00 a.m.

2nd Floor Boardroom
4330 Kingsway, Burnaby, British Columbia

Please advise Eleanor Boldt at (604) 436-6836 if you are unable to attend.

Chair, Director Malcolm Brodie, Richmond
Vice Chair, Director Colleen Jordan, Burnaby
Councillor John Clark, West Vancouver
Councillor Robin Hicks, North Vancouver District
Director Marvin Hunt, Surrey
Councillor Craig Keating, North Vancouver City
Councillor Raymond Louie, Vancouver
Director Don MacLean, Pitt Meadows
Director Gayle Martin, Langley City
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July 3, 2008

NOTICE TO THE GVRD FINANCE COMMITTEE

You are requested to attend a Regular Meeting of the GVRD Finance Committee to be held at 9:00 am on Thursday, July 10, 2008 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

A G E N D A

1. ADOPTION OF THE AGENDA

1.1 July 10, 2008 Regular Meeting Agenda
   Staff Recommendation:
   That the Finance Committee adopt the agenda for its regular meeting scheduled for July 10, 2008 as circulated.

2. ADOPTION OF THE MINUTES

2.1 June 12, 2008 Regular Meeting Minutes
   Staff Recommendation:
   That the Finance Committee adopt the minutes of its regular meeting held June 12, 2008 as circulated.

3. DELEGATIONS
   No items presented.

4. INVITED PRESENTATIONS
   No items presented.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 GVS&DD/Wastech Comprehensive Agreement – 2007 Financial Results
   Designated Speaker: Dennis Ranahan
   Recommendation:
   That the GVS&DD Board receive for information the report dated June 13, 2008 titled “GVS&DD/Wastech Comprehensive Agreement – 2007 Financial Results”.

5.2 Waste-to-Energy Facility - 2007 Financial Update
   Designated Speaker: Chris Allan
   Recommendation:
5.3 **2008 Financial Performance Report as of May 2008**  
*Designated Speaker: Phil Trotzuk*  
**Recommendation:**  

5.4 **Financial Projections for 2009 to 2013**  
*Designated Speaker: Jim Rusnak*  
**Recommendation:**  
That the Board endorse the five year financial framework for 2009-2013 for budget and long range planning purposes as outlined in the report titled “Financial Projections for 2009 to 2013” dated June 30, 2008.

5.5 **Financial Challenges Facing the Region**  
*Designated Speaker: Jim Rusnak*  
**Recommendation:**  
That the Board receive the report titled “Financial Challenges Facing the Region” dated July 2, 2008, and endorse the next steps as outlined in this report.

5.6 **Sustainable Procurement Update 2008**  
*Designated Speaker: Tracey Husoy*  
**Finance Committee Recommendation:**  
That the Board approve the next steps of the Sustainable Procurement practices as outlined in the report titled “Sustainable Procurement Update 2008” dated June 25, 2008.

**Sustainable Region Initiative Committee Recommendation:**  
That the Sustainable Region Initiative Committee receive the report dated June 25, 2008, titled ‘Sustainable Procurement Update 2008’ for information.

5.7 **Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008**  
*Designated Speaker: Phil Trotzuk*  
**Recommendations:**  
That the Board:  
a) introduce and give first, second and third reading to Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008; and  
b) reconsider, pass and finally adopt Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008.
5.8 Fall MFA Borrowing for Member Municipalities –
GVRD Security Issuing Bylaw 1081, 2008
Designated Speaker: Phil Trotzuk
Recommendations:
a) That the GVRD Board, pursuant to Sections 182(1)(b) and 182(2)(a) of the Community Charter, give consent to the request for financing from the Village of Lions Bay in the amount of $1,650,000;
b) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008” being a bylaw to authorize the entering into of an Agreement respecting financing between the Greater Vancouver Regional District and the Municipal Finance Authority of British Columbia, be introduced and read a first, second and third time;
c) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008” be reconsidered, passed and finally adopted;

5.9 Tender/Contract Award Information – May 2008
Designated Speaker: Tracey Husoy
Recommendation:
That the Finance Committee receive the report dated June 20, 2008 titled “Tender/Contract Award Information – May 2008” for information.

5.10 Manager’s Report

6. INFORMATION ITEMS
   No items presented.

7. OTHER BUSINESS
   No items presented.

8. RESOLUTION TO CLOSE MEETING
   Staff Recommendation:
   That the Finance Committee close its regular meeting scheduled for July 10, 2008 pursuant to the Community Charter provisions, Section 90 (1) (g) as follows:
   “90 (1) A part of a committee meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
   (g) litigation or potential litigation affecting the municipality.

9. ADJOURNMENT
   Staff Recommendation:
   That the Finance Committee conclude its regular meeting of July 10, 2008.
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GREATER VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE

Minutes of the Regular Meeting of the Greater Vancouver Regional District (GVRD) Finance Committee held at 9:05 a.m. on Thursday, June 12, 2008 in the 2nd Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

PRESENT:
Chair, Director Malcolm Brodie, Richmond
Councillor John Clark, West Vancouver
Councillor Robin Hicks, North Vancouver District
Director Marvin Hunt, Surrey
Councillor Raymond Louie, Vancouver
Director Don MacLean, Pitt Meadows
Director Gayle Martin, Langley City (arrived at 9:06 a.m.)

ABSENT:
Vice Chair, Director Colleen Jordan, Burnaby
Councillor Craig Keating, North Vancouver City

STAFF:
Johnny Carline, Commissioner/Chief Administrative Officer
Jim Rusnak, Chief Financial Officer
Marla Minichiello, Assistant to Regional Committees, Corporate Secretary’s Department

OTHERS PRESENT:
Hal Weinberg, Mayor, City of Anmore

1. ADOPTION OF THE AGENDA

1.1 June 12, 2008 Regular Meeting Agenda

It was MOVED and SECONDED:
That the Finance Committee adopt the agenda for its regular meeting scheduled for June 12, 2008 as circulated.

CARRIED

2. ADOPTION OF THE MINUTES

2.1 April 17, 2008 Regular Meeting Minutes

It was MOVED and SECONDED
That the Finance Committee adopt the minutes of its regular meeting held April 17, 2008 as circulated.

CARRIED

3. DELEGATIONS
No items presented.
4. INVITED PRESENTATIONS

4.1 SmartGrowth BC
Cheeying Ho, Executive Director, and Michael Alexander, Research Analyst
Smart Growth BC provided a presentation on Innovative Infrastructure
Financing Mechanisms for Smart Growth.

9:06 am
Director Martin arrived at the meeting.

Members of the committee were informed about the $123 billion infrastructure
deficit for Canadian municipalities, traditional assessments of infrastructure
funding, infrastructure financing and six financing mechanisms which may be
applicable to Metro Vancouver are as follows:
1. Development Cost Charges
2. Transit Orientated Policy Leveraging
3. Tax Increment Funding
4. Storm Water Utility Fee credits
5. Tax Based Sharing
6. Land Value Taxation

Discussion ensued relative to higher taxation levels on vacant land,
infrastructure growth, and municipalities sharing taxation costs for land.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Anmore Renewable Energy Foundation
Report dated April 21, 2008 from Jim Rusnak, Chief Financial Officer,
Finance and Administration Department, providing a Community Grant to the
Anmore Renewable Energy Foundation in support of their proposed
Renewable Energy Demonstration Centre, and in particular their solar energy
demonstration project.

Members were advised of the general government and external funding
accounts and community grants available for planning initiatives.

Members discussed having a grant program with no specific criteria outlined
indicating who is eligible to apply for and receive funding.

It was MOVED and SECONDED
That the Board approve the request from the Anmore Renewable Energy
Foundation for a Community Grant in the amount of $8,000.

CARRIED

5.2 Financial Relationship between Metro Vancouver, TransLink and MFA
Report dated April 25, 2008 from Jim Rusnak, Chief Financial Officer,
Finance and Administration Department, informing the Board on the financial
relationship between Metro Vancouver, TransLink and the Municipal Finance
Authority (MFA), given the enactment of the South Coast British Columbia
Transportation Authority Act.
It was MOVED and SECONDED
That the Board receive the report titled "Financial Relationship between Metro Vancouver, TransLink and MFA" dated April 25, 2008 for information.
CARRIED

5.3 2007 Schedules of Financial Information
Report dated June 5, 2008 from Phil Trotzuk, Manager, Finance and Administration Department, presenting the 2007 Schedules of Financial Information as part of the reporting requirements of the Financial Information Act.

It was MOVED and SECONDED
That the Board approve the 2007 Schedules of Financial Information for Remuneration and Expenses and for Payments to Suppliers for Goods and Services.
CARRIED

5.4 Status of Utilities Capital Expenditures to April 30, 2008
Report dated May 30, 2008 from Tim Jervis, Manager, Engineering and Construction and Phil Trotzuk, Manager, Finance and Administration Department, reporting to the Committee(s) the status of utilities capital expenditures.

It was MOVED and SECONDED
CARRIED

5.5 Floating Rate Exposure to April 30, 2008
Report dated June 5, 2008 from Gord Nicol, Comptroller Treasury, Finance and Administration Department, reporting on the GVRD’s exposure to interest rate risk from floating rate debt, as required by policy.

It was MOVED and SECONDED
That the Finance Committee receive the report titled “Floating Rate Exposure to April 30, 2008” dated June 5, 2008 for information.
CARRIED

5.6 Investment Position and Returns – January 1, 2008 to April 30, 2008
Report dated June 5, 2008 Gord Nicol, Comptroller Treasury, Finance and Administration Department, providing the investment returns pursuant to the requirements of the Investment Policy.

It was MOVED and SECONDED
CARRIED
5.7 Tender/Contract Award Information – March and April 2008
Report dated May 23, 2008 from Tracey Husoy, Purchasing and Risk
Division Manager, Finance and Administration Department, providing the
Finance Committee information with regard to contracts valued at or estimated
at more than $250,000.00.

It was MOVED and SECONDED
That the Finance Committee receive the report titled “Tender/Contract Award
Information – March and April 2008” dated May 23, 2008 for information.
CARRIED

5.8 Manager’s Report
Jim Rusnak, Chief Financial Officer, Finance and Administration Department,
provided a verbal update on REAC/RFAC/RAAC presentation regarding
Financial Implications and Internal Audit.

The committee was informed about the following:
• RAAC and REAC were presented with the Financial Implications on
  the Region, and feedback received included broadening the range of
  assumptions. A report incorporating that feedback will be prepared
  requesting the Finance Committee’s direction; and
• division manager audit position job share arrangement with TransLink
  discontinued as of June 30, 2008; alternatives are being examined
  and a decision will be made within the next few weeks.

It was MOVED and SECONDED
That the Finance Committee receive the Manager’s report of June 12, 2008
for information.
CARRIED

6. INFORMATION ITEMS

6.1 Correspondence dated April 25, 2008 from UBCM regarding response
from Finance Minister Carol Taylor on the Carbon Tax

It was MOVED and SECONDED
That the Committee receive for information the following:
6.1 Correspondence dated April 25, 2008 from UBCM regarding response
from Finance Minister Carol Taylor on the Carbon Tax
CARRIED

7. OTHER BUSINESS
No items presented.
8. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED
That the Finance Committee close its regular meeting scheduled for June 12, 2008 pursuant to the Community Charter provisions, Section 90 (1) (g) as follows:
“90 (1) A part of a committee meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
(g) litigation or potential litigation affecting the regional district.

CARRIED

9. ADJOURNMENT

It was MOVED and SECONDED:
That the Finance Committee conclude its regular meeting of June 12, 2008.

CARRIED
(Time: 9:47 a.m.)

_____________________________________ ________________________________
Marla Minichiello Malcolm Brodie, Chair
Assistant to Regional Committees
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To: Waste Management Committee  
    Finance Committee  

From: Dennis Ranahan, Senior Engineer, Engineering and Construction Department  

Date: June 13, 2008  

Subject: GVS&DD/Wastech Comprehensive Agreement – 2007 Financial Results  

Recommendation:  

That the GVS&DD Board receive for information the report dated June 13, 2008 titled “GVS&DD/Wastech Comprehensive Agreement – 2007 Financial Results”.  

1. PURPOSE  

To provide the year 2007 financial results for the GVS&DD/Wastech Comprehensive Agreement to the Waste Management and Finance Committees, and the Board.  

2. CONTEXT  

On December 20, 1996, the GVS&DD executed a 20-year Comprehensive Agreement with Wastech Services Ltd. that combined three fixed price contracts between the GVS&DD and Wastech into a single agreement. The Comprehensive Agreement includes operation of the Coquitlam Transfer Station, North Shore Transfer Station, Matsqui Transfer Station, Surrey Transfer Station, and the Cache Creek Landfill.  

The Comprehensive Agreement allocates risks to the party best able to manage them. On this basis, Wastech took on the responsibility for the operations of the above facilities based on service levels set by the GVS&DD. To achieve the goal of sharing risks and benefits, a target Operating Ratio (ratio of eligible operating expenses over total revenues) approach was implemented as this provides incentive for both parties to work cooperatively and seek new efficiencies and economies on an ongoing basis. The target Operating Ratio was set at 0.89 on the basis of the net income margin that was earned by Wastech in the fixed price contracts prior to the Comprehensive Agreement, as well as industry standards in similar waste management agreements.  

Under this agreement, the GVS&DD receives secure long term waste management services, economies resulting from any increase in waste volumes, and efficiencies from integration of multiple facility operations into one agreement. Wastech receives compensation for Eligible Operating Expenses (adjusted by the target Operating Ratio) related to receiving, transferring and disposal of waste, and resource recovery and recycling. Excess revenues or expenditures are shared 50/50 between the GVS&DD and Wastech and are referred to in the Agreement as the Carry-Over Variance.
The Comprehensive Agreement base rates were established in 2000 following a three year transition period (1997-1999) from the fixed price contracts. These rates are adjusted annually in accordance with the terms and conditions of the Agreement.

Under the terms of the Comprehensive Agreement, the parties conduct a review of the financial results of the operations for the immediately preceding operating year. For 2007, KPMG, under the direction of Metro Vancouver staff, completed a detailed audit of Wastech’s financial records and reports. The audit report produced by KPMG is presented as Attachment No. 1. The audit confirms, among other things: waste and recycling flows, revenues and expenditures, pass-through expenses, and capital expenses.

The 2007 Audit of the Comprehensive Agreement has confirmed the total waste and recycling flows handled by Wastech in 2007 increased by 63,534 tonnes compared to 2006. The increase in flows is attributed primarily to additional waste transferred to the Cache Creek Landfill as a result of labour disruptions at the Vancouver Landfill.

In 2007, revenues increased by $6,126,575 compared to 2006. The increase in revenues is attributed primarily to higher waste flows and contract inflation.

In 2007, total eligible operating expenses increased by $5,588,225 compared to 2006. The increase in expenses is attributed primarily to the increase in waste flows and increased equipment maintenance costs.

Wastech’s actual Operating Ratio for 2007 was 0.861. This resulted in an operating surplus of $1,690,792, fifty percent of which, or $845,396, is payable to the GVS&DD as a Carry-Over Variance. The increase in the Carry-Over Variance from 2006 is primarily due to economies of scale resulting from increased waste flows.

Pass-Through expenses are those items, pre-approved under the Comprehensive Agreement, that are not to be marked up such as property taxes, post closure trust fund payments, permit fees, etc. There is no pass-through expense adjustment for 2007.

Wastech also receives compensation for eligible capital expenses incurred. Capital payments are estimated at the start of the year based on the approved Wastech capital plan and GVS&DD budget. There is no capital expenditure adjustment for 2007.

Under the terms of the Agreement, a retroactive lump sum payment is made (without accrual of interest) which includes the Carry-Over Variance, the pass-through expense adjustment, and the capital expense adjustment. The adjustments resulting from the 2007 year end review total $845,396, payable from Wastech to the GVS&DD.

3. ALTERNATIVES

No alternatives presented.
4. CONCLUSION

The KPMG Audit of the Comprehensive Agreement for the year 2007 has confirmed that the net year end adjustment payable from Wastech to the GVS&DD is $845,396.

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Condensed Statement of Waste Flows, Revenue, Expenditures, and Carry-Over Variance of

GREATER VANCOUVER SEWERAGE & DRAINAGE DISTRICT
AND WASTECH SERVICES LTD. COMPREHENSIVE AGREEMENT

Year ended December 31, 2007
AUDITORS’ REPORT

To the Greater Vancouver Sewerage & Drainage District and Wastech Services Ltd.

We have audited the Condensed Statement of Waste Flows, Revenue, Expenditures, and Carry-Over Variance as prepared pursuant to section 10.2 and Schedule E of the Comprehensive Agreement Respecting the Management of Municipal Solid Waste in the Greater Vancouver Regional District dated December 20, 1996 between Greater Vancouver Sewerage & Drainage District and Wastech Services Ltd. for the year ended December 31, 2007. This Statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement.

In our opinion, the Condensed Statement presents fairly, in all material respects, the Waste Flows, Revenue, Expenditures, and Carry-Over Variance for the year ended December 31, 2007 in accordance with the Agreement referred to above.

This report is intended solely for the information and use of Greater Vancouver Sewerage & Drainage District and Wastech Services Ltd. in connection with the Agreement and should not be relied on for any other purpose.

KPMG LLP
Chartered Accountants
Vancouver, Canada
March 28, 2008
**GREATER VANCOUVER SEWERAGE & DRAINAGE DISTRICT AND WASTECH SERVICES LTD. COMPREHENSIVE AGREEMENT**

Condensed Statement of Waste Flows, Revenue, Expenditures, and Carry-Over Variance  
Year ended December 31, 2007, with comparative figures for 2006

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer - shorthaul</td>
<td>329,285</td>
<td>362,187</td>
</tr>
<tr>
<td>Transfer - longhaul</td>
<td>574,724</td>
<td>474,126</td>
</tr>
<tr>
<td>Resource recovery</td>
<td>21,534</td>
<td>21,837</td>
</tr>
<tr>
<td>Recycling operations</td>
<td>34,422</td>
<td>38,281</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>959,965</strong></td>
<td><strong>896,431</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue: Greater Vancouver Sewerage &amp; Drainage District payments</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>- eligible variable and fixed operating expenses</td>
<td>$40,271,640</td>
<td>$34,535,780</td>
</tr>
<tr>
<td>Backhaul and recycling revenue</td>
<td>10,882,971</td>
<td>10,492,256</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>51,154,611</strong></td>
<td><strong>45,028,036</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures: Eligible variable operating expenses (Section 14.1(n)):</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer stations</td>
<td>15,925,252</td>
<td>14,344,137</td>
</tr>
<tr>
<td>Cache Creek Landfill</td>
<td>29,734,089</td>
<td>25,727,076</td>
</tr>
<tr>
<td>Recycling</td>
<td>1,581,602</td>
<td>1,618,616</td>
</tr>
<tr>
<td>Administrative</td>
<td>1,561,011</td>
<td>1,529,490</td>
</tr>
<tr>
<td><strong>Total eligible variable operating expenses</strong></td>
<td><strong>48,801,954</strong></td>
<td><strong>43,219,319</strong></td>
</tr>
<tr>
<td>Expenditures: Total eligible fixed operating expenses (Section 14.1(j)):</td>
<td>2007</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td>661,865</td>
<td>656,275</td>
</tr>
<tr>
<td><strong>Total eligible operating expenses (Section 14.1(a))</strong></td>
<td><strong>49,463,819</strong></td>
<td><strong>43,875,594</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue in excess of expenditures</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,690,792</td>
<td>1,152,442</td>
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</table>

<table>
<thead>
<tr>
<th>Carry-Over Variance (Section 14.19)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>- payable to Greater Vancouver Sewerage &amp; Drainage District</td>
<td>$845,396</td>
<td>$576,221</td>
</tr>
<tr>
<td><strong>Greater Vancouver Sewerage &amp; Drainage District payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- pass-through expenses</td>
<td>$2,081,491</td>
<td>$2,318,097</td>
</tr>
<tr>
<td><strong>Pass-through expenses (Section 14.1(y))</strong></td>
<td>$2,081,491</td>
<td>$2,318,097</td>
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</table>

<table>
<thead>
<tr>
<th>Payable to (receivable from) Greater Vancouver Sewerage &amp; Drainage District</th>
<th>2007</th>
<th>2006</th>
</tr>
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<tbody>
<tr>
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<thead>
<tr>
<th>Greater Vancouver Sewerage &amp; Drainage District payments</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>- eligible capital expenses</td>
<td>$2,549,163</td>
<td>$2,548,341</td>
</tr>
<tr>
<td><strong>Eligible capital expenses (Section 14.1(i))</strong></td>
<td>$2,549,163</td>
<td>$2,548,341</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payable to (receivable from) Greater Vancouver Sewerage &amp; Drainage District</th>
<th>2007</th>
<th>2006</th>
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GREATER VANCOUNVER SEWERAGE & DRAINAGE DISTRICT AND WASTECH SERVICES LTD. COMPREHENSIVE AGREEMENT

Notes to Condensed Statement of Waste Flows, Revenue, Expenditures and Carry-Over Variance

Year ended December 31, 2007

Basis of presentation:

The Statement of Waste Flows, Revenue, Expenditures, and Carry-Over Variance is compiled in accordance with section 10.2 and Schedule E of the Comprehensive Agreement Respecting the Management of Municipal Solid Waste in the Greater Vancouver Regional District dated December 20, 1996 between Greater Vancouver Sewerage & Drainage District and Wastech Services Ltd.

Total eligible variable and fixed operating expenses are adjusted by the target operating ratio of 0.890 referred to in Section 14.1(ag) of the Agreement.
To: Waste Management Committee  
Finance Committee  

From: Chris Allan, Senior Engineer, Engineering & Construction Department  

Date: June 3, 2008  

Subject: Waste-to-Energy Facility - 2007 Financial Update  

Recommendation:  


1. PURPOSE  

To provide a 2007 financial update for the Metro Vancouver Waste-to-Energy Facility as per recommendations from an Internal Audit.

2. CONTEXT  

In 2006 an internal audit recommended that “On an annual basis, results of the Montenay contract, including expenditures, revenues, performance/service level adjustment details should be provided to the Waste Management Committee for information.”

Table 1 provides the past five years of expenditures for the Waste-to-Energy Facility.

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cost</th>
<th>Debt Charges</th>
<th>Total Expenditure</th>
<th>Tonnage (See Note 1)</th>
<th>Unit Cost/Tonne (See Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$14,374,368</td>
<td>$4,506,422</td>
<td>$18,880,790</td>
<td>249,521</td>
<td>$75.67</td>
</tr>
<tr>
<td>2004</td>
<td>$14,255,190</td>
<td>$5,176,378</td>
<td>$19,431,568</td>
<td>275,174</td>
<td>$70.62</td>
</tr>
<tr>
<td>2005</td>
<td>$15,850,021</td>
<td>$5,093,015</td>
<td>$20,943,036</td>
<td>277,571</td>
<td>$75.45</td>
</tr>
<tr>
<td>2006</td>
<td>$16,094,448</td>
<td>$4,397,572</td>
<td>$20,492,020</td>
<td>273,318</td>
<td>$74.98</td>
</tr>
<tr>
<td>2007</td>
<td>$16,633,464</td>
<td>$4,247,124</td>
<td>$20,880,588</td>
<td>289,900</td>
<td>$72.03</td>
</tr>
</tbody>
</table>

Note 1 - Reduced tonnage in 2003 due to installation of the turbo generator for electrical generation  
Note 2 - Includes debt servicing costs
Operating costs include operating and maintaining the WTEF, minor plant upgrades, and ash management. Debt charges are payments for Metro Vancouver debentures for the initial WTEF construction and the construction of the turbo generator in 2003.

There are two types of Performance/Service Level adjustments in the contract; a Service Level adjustment for Labour and Safety Issues, Customer Service and Community Service and an Environmental Performance adjustment for the number of emission exceedances for the parameters being measured for particulate, acid gases and heavy metals. The contract provides for adjustments to the progress payments to Montenay of plus or minus 2% depending on the performance of the plant and operator during the preceding year. In 2007 Montenay operated the plant at the highest level achievable in the contract and received a plus 2% payment for both Service Levels and Environmental Performance. Table 2 outlines the Performance/Service Level adjustments for the past five years.

Table 2: 5-Year Performance/Service Level Adjustments for the WTEF

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Performance Adjustment</td>
<td>$216,919</td>
<td>$224,651</td>
<td>$261,210</td>
<td>$263,848</td>
<td>$274,618</td>
</tr>
<tr>
<td>Service Level Adjustment</td>
<td>$216,919</td>
<td>$224,651</td>
<td>$261,210</td>
<td>$263,848</td>
<td>$274,618</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$433,838</strong></td>
<td><strong>$449,302</strong></td>
<td><strong>$522,420</strong></td>
<td><strong>$527,696</strong></td>
<td><strong>$549,236</strong></td>
</tr>
</tbody>
</table>

Table 3 below outlines the offsetting energy revenues.

Table 3: 5-Year Energy Revenues for the WTEF

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steam Revenue</td>
<td>$5,289,224</td>
<td>$1,975,605</td>
<td>$6,345,309</td>
<td>$5,397,634</td>
<td>$5,020,387</td>
</tr>
<tr>
<td>(See Note 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical Revenue</td>
<td>$2,858,339</td>
<td>$5,623,073</td>
<td>$6,100,536</td>
<td>$5,792,800</td>
<td>$6,683,645</td>
</tr>
<tr>
<td>(See Note 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$8,147,563</strong></td>
<td><strong>$7,598,678</strong></td>
<td><strong>$12,445,845</strong></td>
<td><strong>$11,190,434</strong></td>
<td><strong>$11,704,032</strong></td>
</tr>
<tr>
<td>Tonnage</td>
<td>249,521</td>
<td>275,174</td>
<td>277,571</td>
<td>273,318</td>
<td>289,900</td>
</tr>
<tr>
<td><strong>Unit Revenue / Tonne</strong></td>
<td><strong>$32.65</strong></td>
<td><strong>$27.61</strong></td>
<td><strong>$44.84</strong></td>
<td><strong>$40.94</strong></td>
<td><strong>$40.37</strong></td>
</tr>
</tbody>
</table>

Note 1 – Steam revenues reduced in 2004 due to Norampac labour dispute.
Note 2 - Electrical revenues reduced in 2003 as the turbo generator operation began in July.
Table 4 outlines the net unit cost per tonne for operation and maintenance of the Metro Vancouver Waste-to-Energy Facility, including debt servicing.

Table 4: 5-Year Net Unit Cost for Operation and Maintenance of the WTEF (including debt servicing)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Cost / Tonne</td>
<td>$75.67</td>
<td>$70.62</td>
<td>$75.45</td>
<td>$74.98</td>
<td>$72.03</td>
</tr>
<tr>
<td>Unit Revenue/ Tonne</td>
<td>$32.65</td>
<td>$27.61</td>
<td>$44.84</td>
<td>$40.94</td>
<td>$40.37</td>
</tr>
<tr>
<td>Net Unit Cost/ Tonne</td>
<td>$43.02</td>
<td>$43.01</td>
<td>$30.61</td>
<td>$34.04</td>
<td>$31.66</td>
</tr>
</tbody>
</table>

Note – 2005 was the first year of full steam and electrical revenues following turbo generator installation in 2003 and the Norampac labour dispute in 2004.

3. ALTERNATIVES

None presented.

4. CONCLUSION

Operating expenditures in 2007 for the WTEF totalled $16.6 million with an additional $4.2 million in debt charges. Energy revenues from steam and electrical sales totalled $11.7 million. Tipping fees are accounted for separately.
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To: Finance Committee

From: Phil Trotzuk, Financial Planning and Operations Manager

Date: June 26, 2008

Subject: 2008 Financial Performance Report as of May 2008


1. PURPOSE

To present the Finance Committee with an update on financial performance to May 31, 2008 and provide a forecast for the year.

2. CONTEXT

This is the first in a series of three reports for 2008 on the financial performance of the Districts.

Year-to-date results as presented are based on the actual results for the first five months of the year with the main focus then on the projections to year-end.

3. ALTERNATIVES

Not applicable

4. CONCLUSION

Overall the Districts are projecting a surplus of approximately $15.7 million or within 3% of budget. This is primarily due to savings in debt service costs in Water and Liquid Waste as well as the deferral of some costs related to the Seymour-Capilano Filtration Plant.
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Greater Vancouver Districts

2008 Financial Performance
As of May 2008
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  - Sewerage & Drainage District Summaries
    - Liquid Waste ........................................................................ 7
    - Solid Waste .......................................................................... 7
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Greater Vancouver Districts
Overview

Overall, the Districts and Housing Corporation are projecting a $15.7 million surplus position for the 2008 fiscal year. The overall surplus is mainly due to the deferral of some projects and lower than budgeted debt costs in both Water and Liquid Waste.

The projected results for 2008, by district, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Surplus/(Deficit)</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>Operating Expenditures</td>
</tr>
<tr>
<td>Regional District</td>
<td>$ 0.1</td>
<td>$ 0.4</td>
</tr>
<tr>
<td>Water District</td>
<td>(2.2)</td>
<td>5.2</td>
</tr>
<tr>
<td>Sewerage &amp; Drainage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid Waste</td>
<td>(0.1)</td>
<td>2.1</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>(10.1)</td>
<td>8.0</td>
</tr>
<tr>
<td>MV Housing Corporation</td>
<td>(0.3)</td>
<td>0.2</td>
</tr>
</tbody>
</table>

The operating surplus in the Regional District can be mainly attributed to savings resulting from staff vacancies in Air Quality, Labour Relations and Strategic Planning and the resulting deferred project costs.

The Water District’s projected surplus is largely the result of lower than budgeted debt charges due to delays in capital spending compared to budget, delays in some maintenance projects and water treatment cost savings which are offset with Water Sales projected to fall short of budget estimates.

The Liquid Waste surplus projection for 2008 is primarily due to savings in debt service costs, delays in some maintenance projects and the expected savings of the operating contingency.

Solid Waste is projecting to be on budget for 2008. The impact of lower than expected waste flows is offset by savings and deferral of expenditures.

The Housing Corporation is projecting net income slightly less than budget primarily due to a shortfall in net revenues.

In addition to the above surpluses, corporate programs are also projecting a surplus for 2008 of approximately $1.6 million primarily due to staff vacancies and deferral of some building improvement projects.
### Greater Vancouver Districts

#### Statement of Surplus (Deficit)

For the period ending May 31, 2008

<table>
<thead>
<tr>
<th>DISTRICT / CORPORATION</th>
<th>Year to Date</th>
<th>Year End</th>
<th>Projected</th>
<th>% Variance to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actuals</td>
<td>Variance</td>
<td>Year End Budget</td>
</tr>
<tr>
<td><strong>Regional District</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,077,133</td>
<td>2,147,480</td>
<td>70,346</td>
<td>47,701,848</td>
</tr>
<tr>
<td>Expenditure</td>
<td>19,600,905</td>
<td>17,035,746</td>
<td>2,565,159</td>
<td>47,701,848</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(17,523,772)</td>
<td>(14,888,266)</td>
<td>2,635,506</td>
<td></td>
</tr>
<tr>
<td><strong>Water District</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>56,628,550</td>
<td>54,198,107</td>
<td>(2,630,443)</td>
<td>165,734,175</td>
</tr>
<tr>
<td>Expenditure</td>
<td>62,276,195</td>
<td>49,374,527</td>
<td>12,901,668</td>
<td>165,734,175</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(5,447,645)</td>
<td>4,823,580</td>
<td>10,271,225</td>
<td></td>
</tr>
<tr>
<td><strong>Sewerage and Drainage District</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid Waste</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1,746,824</td>
<td>3,395,221</td>
<td>1,648,397</td>
<td>163,450,308</td>
</tr>
<tr>
<td>Expenditure</td>
<td>59,617,410</td>
<td>49,223,691</td>
<td>10,393,719</td>
<td>163,450,308</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(57,870,586)</td>
<td>(45,628,469)</td>
<td>12,042,117</td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>45,864,847</td>
<td>36,887,598</td>
<td>(8,977,248)</td>
<td>110,075,632</td>
</tr>
<tr>
<td>Expenditure</td>
<td>45,645,944</td>
<td>35,517,507</td>
<td>10,128,437</td>
<td>110,075,632</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>218,903</td>
<td>1,370,091</td>
<td>1,151,188</td>
<td></td>
</tr>
<tr>
<td>MV Housing Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>14,778,438</td>
<td>14,690,612</td>
<td>(87,826)</td>
<td>35,707,368</td>
</tr>
<tr>
<td>Expenditure</td>
<td>14,599,628</td>
<td>14,192,184</td>
<td>407,444</td>
<td>35,402,286</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>178,810</td>
<td>498,428</td>
<td>319,618</td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated Surplus (Deficit)</strong></td>
<td>(80,444,290)</td>
<td>(54,024,637)</td>
<td>26,419,653</td>
<td>305,082</td>
</tr>
</tbody>
</table>

*2008 Budget includes reserve and surplus carry-forward applications as approved by the Board.*
## Greater Vancouver Districts
### Regional Function’s Surplus (Deficit)
**For the period ended May 31, 2008**

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>Year to Date</th>
<th>Year End</th>
<th>Projected Year End</th>
<th>Variance to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td><strong>Actuals</strong></td>
<td><strong>Variance</strong></td>
<td><strong>Budget Forecast</strong></td>
<td><strong>Variance</strong></td>
</tr>
<tr>
<td>911 Emergency Telephone</td>
<td>3,681,183</td>
<td>3,681,183</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>1,795,211</td>
<td>1,640,305</td>
<td>154,906</td>
<td>0.0%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(1,795,211)</td>
<td>(1,640,305)</td>
<td>154,906</td>
<td>0.0%</td>
</tr>
<tr>
<td>Air Quality</td>
<td>5,839,532</td>
<td>5,939,532</td>
<td>100,000</td>
<td>1.7%</td>
</tr>
<tr>
<td>Revenue</td>
<td>14,491</td>
<td>140,419</td>
<td>125,928</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>2,378,652</td>
<td>2,250,219</td>
<td>128,433</td>
<td>0.1%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(2,364,161)</td>
<td>(2,109,799)</td>
<td>254,362</td>
<td>0.0%</td>
</tr>
<tr>
<td>General Government</td>
<td>4,449,648</td>
<td>4,449,648</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>652,360</td>
<td>668,305</td>
<td>15,945</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>1,776,319</td>
<td>1,285,979</td>
<td>490,340</td>
<td>2.7%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(1,123,959)</td>
<td>(617,675)</td>
<td>506,284</td>
<td>2.7%</td>
</tr>
<tr>
<td>Labour Relations</td>
<td>2,601,675</td>
<td>2,611,675</td>
<td>(10,000)</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>Revenue</td>
<td>182,273</td>
<td>204,986</td>
<td>22,713</td>
<td>1.7%</td>
</tr>
<tr>
<td>Expenditure</td>
<td>1,099,824</td>
<td>975,074</td>
<td>124,750</td>
<td>-</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(917,551)</td>
<td>(770,088)</td>
<td>147,463</td>
<td>1.3%</td>
</tr>
<tr>
<td>Regional GPS</td>
<td>584,107</td>
<td>584,107</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>8,333</td>
<td>238</td>
<td>(8,095)</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>244,172</td>
<td>79,876</td>
<td>164,296</td>
<td>10.3%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(235,839)</td>
<td>(770,088)</td>
<td>156,201</td>
<td>10.3%</td>
</tr>
<tr>
<td>Regional Parks</td>
<td>26,708,520</td>
<td>26,708,520</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>991,184</td>
<td>981,899</td>
<td>(9,285)</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>10,832,259</td>
<td>9,721,652</td>
<td>1,110,607</td>
<td>0.0%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(9,841,075)</td>
<td>(8,739,753)</td>
<td>1,101,322</td>
<td>-</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>3,120,210</td>
<td>3,100,210</td>
<td>(20,000)</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>Revenue</td>
<td>215,059</td>
<td>135,106</td>
<td>(79,953)</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>1,188,626</td>
<td>932,141</td>
<td>256,485</td>
<td>4.5%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(973,567)</td>
<td>(797,035)</td>
<td>176,532</td>
<td>3.8%</td>
</tr>
<tr>
<td>West Nile Virus</td>
<td>118,021</td>
<td>118,021</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>49,482</td>
<td>24,251</td>
<td>25,231</td>
<td>7.4%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(49,482)</td>
<td>(24,251)</td>
<td>25,231</td>
<td>7.4%</td>
</tr>
<tr>
<td>Electoral Area</td>
<td>407,045</td>
<td>407,045</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>9,266</td>
<td>13,478</td>
<td>4,212</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>156,395</td>
<td>72,068</td>
<td>84,327</td>
<td>27.6%</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(147,129)</td>
<td>(58,590)</td>
<td>88,539</td>
<td>27.6%</td>
</tr>
<tr>
<td>Sasamat Volunteer Fire Dept.</td>
<td>191,907</td>
<td>191,907</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>4,167</td>
<td>3,048</td>
<td>(1,119)</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>79,965</td>
<td>54,181</td>
<td>25,784</td>
<td>-</td>
</tr>
<tr>
<td>Surplus (Deficit)</td>
<td>(75,798)</td>
<td>(51,132)</td>
<td>24,666</td>
<td>-</td>
</tr>
<tr>
<td>Regional Surplus (Deficit)</td>
<td>(17,523,772)</td>
<td>(14,888,266)</td>
<td>2,635,506</td>
<td>-</td>
</tr>
</tbody>
</table>

* 2008 Budget includes reserve and surplus carry-forward applications as approved by the Board.

FIN-31
Greater Vancouver Regional District

The Regional District at the end of May 2008 is in a surplus position of approximately $2.6 million. This surplus is due to the timing of actual expenditures being slower than budget, primarily in Regional Parks, and staff vacancies in Air Quality, Labour Relations and Strategic Planning. It is anticipated that the delayed expenditures to date will be incurred by year-end and that the projected surplus for 2008 will be reduced to approximately $500,000.

911 Emergency Telephone

E911 is currently in a surplus position of close to $155,000. This is largely due to the delay in purchasing new upgraded telephone equipment. The need for this budgeted upgrade is currently under review as certain downstream agencies do not require this upgrade as a result of moving to new technology. The equipment upgrade is budgeted to be funded from reserves and thus, by year-end, will have no effect on the bottom line. The program is projected to be on budget.

Air Quality

Air Quality is currently in a surplus position of $254,000 primarily due to an unbudgeted settlement for a bylaw violation and savings from staff vacancies. It is expected that the labour savings will be redirected towards hiring consultants to complete some planned projects, therefore reducing the Air Quality surplus to $100,000 by year’s end.

General Government

General Government is in a surplus position of approximately $506,000 due to Board meetings included in the budget that have not taken place and some expenditures delayed until the latter part of the year. It is expected that the General Government surplus will be reduced to approximately $118,000.

Labour Relations

Labour Relations is in a surplus position of approximately $147,000 due to staff vacancies and timing of some consulting expenditures for member services projects. These projects are expected to be completed and the staff savings offset by additional time invested by existing staff. Labour Relations is, therefore, expected to be on budget by year-end.
Greater Vancouver Regional District (continued)

- **Regional Global Positioning System**

  GPS is in a surplus position at the end of May 2008 due to the timing of some expenditures and cost savings as a result of a favourable contact renewal. The function is expected to have a $60,000 surplus by year end due to the lower contract costs.

- **Regional Parks**

  Regional Parks is showing a surplus at the end of May of approximately $1.1 million due primarily to the delays in filling vacant positions within the department and the deferral of some project costs, asset purchases, and materials and supply expenditures to the summer and fall months.

  At this time, the vacant positions are expected to be filled and all budgeted expenditures incurred by year end. Regional Parks is projected to be on budget for the year.

- **Strategic Planning**

  Strategic Planning is currently in a surplus position of close to $177,000 mainly due to staff vacancies and the resulting project delays. Some of these staff savings will be redirected to other initiatives in Growth Management and support for the Port Cities Committee.

  The expected year-end surplus is expected to be reduced to $119,000 by year end. Some environment studies in the Regional Development division have been deferred as a result of the staff vacancies.

- **West Nile Virus**

  West Nile Virus program has a small surplus to date, however, as spraying begins in May, the costs are expected to be incurred by year end with the function projected to be essentially on budget.

- **Electoral Areas**

  The Electoral Areas currently have a year-to-date surplus of close to $89,000. This is primarily due to staff vacancies which in turn have resulted in the deferral of some planned studies. In addition, UBC’s plans for development have been postponed. These trends are expected to continue to year-end with the projected surplus increasing to approximately $112,000.

- **Sasamat Volunteer Fire Department**

  Sasamat Volunteer Fire Department is currently in a surplus position due to timing of actual expenditures being slower than budget. The program is, however, expected to be on budget for the year.
**Greater Vancouver Water District**

The Water District is currently in a year to date surplus position of approximately $10.3 million. This surplus is expected to increase to $11.2 million by year-end.

Water District revenues to the end of May are $2.6 million under budget. The lower than expected winter per capita water usage is likely the result of a combination of the above-normal level of steady rainfall since the beginning of year and the progressive water conservation programs by GVRD and its member municipalities. Using information from June consumption estimates and updated projected weather impacts for the remainder of the year, it is estimated that water sales revenues will progress at close to budget resulting in a revenue shortfall of $2.2 million. It should be noted that the revenue shortfall will increase should the current consumption trend continue.

Water District expenditures are currently $12.9 million below budget due primarily to a lower debt service costs ($4.1 million) resulting from slower than anticipated expenditures in the fall of 2007 and early 2008, staff vacancies, deferral of several engineering and maintenance projects to the more favourable summer months, delays in completion of the Seymour-Capilano Filtration Plant and savings in water treatment costs, pumping costs and water purchases from B.C. Hydro due to the lower consumption.

At year end, it is expected that the final expenditure surplus will increase to close to $13.4 million. This surplus is largely the result of savings in debt service costs ($8.2 million), delays in maintenance engineering projects due to resource issues and savings in water treatment costs due to less material / chemical purchases.

The 2008 financial impact of the current issues surrounding the completion of the tunneling portion of the Seymour-Capilano Filtration Project have been factored into the projected surplus in debt charges in terms of delayed capital spending.
**Greater Vancouver Sewerage and Drainage District**

- **Liquid Waste**

Liquid Waste is anticipating a surplus of approximately $4.1 million primarily due to debt service costs projected to be less than budget. The projected surplus can be split as follows: FSA $1.5 million, LIWSA $0.3 million, NSSA $0.7 million, VSA $1.5 million and Drainage $0.1 million.

Total revenue is projected to be essentially on budget with a surplus of approximately $80,000 as less than budgeted development cost charge (DCC) revenue is required to be transferred from reserves due to lower than anticipated capital spending on growth related projects.

Debt service costs are expected to be approximately $2.1 million below budget primarily due to the district not requiring the level of long-term financing anticipated in the 2008 budget. Total capital expenditures for the year are projected to be less than budgeted for both growth and non-growth projects.

Liquid Waste operating expenditures are projected to be in an overall surplus position of approximately $2.1 million for 2008. The $500,000 budgeted operating contingency is not expected to be required and there are miscellaneous cost savings projected over several programs ($300,000). In addition, the delay of some maintenance engineering projects ($1.1 million) are expected, due to resource issues. It is projected that there will be $375,000 savings due to delays in some regular maintenance, $225,000 savings in the Quality Control program due to lower than expected labour and overhead costs and some staff vacancies ($100,000) in the SCADA program. These savings are somewhat offset by a $500,000 deficit in the Wastewater Collections program due to the completion of some required right of way purchases that were not included in the budget.

- **Solid Waste**

At the end of May 2008, the Solid Waste function is forecasted to be on budget for the year.

Overall revenues are projected to fall short of budget by approximately $10.1 million of which $7.5 million relates to lower than anticipated waste flows, $2.4 million to the delay in implementing an increase to the minimum residential drop off rates and the remainder in reduced energy revenues.

Total overall expenditures are expected to offset the revenue shortfall. This is due to savings in debt service costs resulting in the delay in capital spending for non-landfill alternatives and savings in processing costs due to lower waste flows.

Waste flows have been less than anticipated in the early part of 2008. Should this turn around, as has been the experience in the past several years, then this forecast could prove to be on the conservative side.
Metro Vancouver Housing Corporation

The Metro Vancouver Housing Corporation (MVHC) is in a surplus position of $498,000, $320,000 higher than budget, for the first five months of the year. This surplus is mainly due to the timing of actual expenditures being slower than budget and savings from staff vacancies. By year end, the projected surplus is expected to decrease to about $169,000 mainly due to declining provincial subsidies in the Homes BC program.

At May 31, revenues are $88,000 lower than budget mainly as a result of a decline in provincial subsidies for the Homes BC portfolio. By year end, the MVHC is projecting revenues to be $35.4 million, $322,000 less than budget.

Expenditures for the first five months of the year are $407,000 below budget. This is due to a number of factors, including timing of expenditures, savings from staff vacancies, lower bad debt, and savings in supplies. It is projected that savings in expenditures will be $186,000 for the year.

In 2008, the MVHC budgeted water ingress repairs and capital replacement expenditures totaled $11.3 million. As at May 31, $2.1 million had been spent. Total expected expenditures on capital related work for 2008 is forecast to be approximately $8.1 million. These capital expenditures are funded from reserves and, therefore, have no impact on the bottom line.
**Corporate Programs**

Overall, Corporate Programs are in a surplus position of approximately $3 million for the first five months of 2008. This surplus is largely due to the timing of actual expenditures being slower than that anticipated in the budget and due to savings from staff vacancies.

As the majority of the delayed expenditures are expected to be made by year-end, the overall Corporate Program surplus is projected to decline to approximately $1.6 million primarily the result of staff vacancies, delays in some information technology projects and the deferral of some budgeted improvements to head office.

- **Chief Administrative Officer**

  The CAO Office is expected to be under budget approximately $25,000 for 2008 as a result of a staff vacancy in the Corporate Strategies Management program.

- **Corporate Relations**

  Corporate Relations is currently in a surplus position of approximately $580,000 due mainly to vacant positions and delays of projects related expenditures for several corporate initiatives.

  At this time, the vacant positions are expected to be filled and the corporate initiatives completed by year-end. Corporate Relations is projected to have a surplus of $150,000 related to staff vacancies during the year.

- **Human Resources**

  The Human Resources department is approximately $31,000 under budget to date. This surplus is expected to increase to approximately $60,000 by year end as some budgeted initiatives in the Employee Health and Wellness program have been delayed as a result of a vacant staff position. These savings are expected to be reduced due to some unanticipated legal costs associated with labour relations issues.

- **Finance and Administration**

  The Finance and Administration department is in a surplus position of approximately $690,000 to the end of May 2008, primarily due to staff vacancies.

  The surplus is expected to be reduced to close to approximately $600,000 at year-end as some contracted services are contemplated to bridge the staff vacancies as the recruiting process continues.
Corporate Programs (continued)

Information Technology

Information Technology is in a surplus position of approximately $1.0 million for the first five months of 2008 due primarily to delays in asset purchases and application support projects as well as staff vacancies in the early part of the year.

Some computer hardware and software purchases and consulting support for various projects have been delayed until further testing of the interaction between the District’s applications and the new Vista desktop operating system has taken place. Most of these expenditures, if they occur are expected to take place in the last quarter of the year. As a result, it is expected that most of the current surplus will be absorbed by the end of the year.

Information Technology is expected to show a surplus of approximately $400,000 for the year. This is primarily due to the noted staff vacancy savings and deferral of asset purchases as a result of challenges with Vista.

Other Corporate Services

At the end of May 2008, other corporate services are in a surplus position of close to $1.6 million. This is mainly due to timing of some building maintenance projects and delays in corporate safety training and head office improvement projects as well as some staff vacancies.

It is anticipated that the maintenance projects and corporate safety training will proceed in the latter part of the year; however, certain head office improvement projects and related consulting expenditures will be delayed into 2009. As a result, the overall surplus for Other Corporate Services is expected to be approximately $440,000 for 2008.
**Greater Vancouver Districts**

**Financial Indicators**

These ratios are intended to help indicate the Greater Vancouver District’s financial ability to continue to provide services to the region on a sustainable basis. This involves evaluating a number of factors, including the ongoing ability to ensure revenues meet expenditures, ability to meet debt obligations, and the flexibility to address unexpected contingencies. Forecast ratios can help to identify potential financial problems in advance.

1) **Municipal Property Tax and Levies / Total Revenue**

This ratio is a measure of the diversification of revenues. A high ratio indicates a reliance on property tax related levies / fees. A low ratio illustrates a greater range of revenues which is seen as beneficial. However, other revenue streams may not be sustainable or fluctuate more than tax requisitions.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Property tax/levies</td>
<td>$167,653,065</td>
<td>$173,509,345</td>
<td>$181,422,031</td>
<td>$189,898,996</td>
<td>$189,898,996</td>
</tr>
<tr>
<td>Total Revenue**</td>
<td>$420,913,055</td>
<td>$452,881,285</td>
<td>$479,594,860</td>
<td>$522,669,331</td>
<td>$510,099,262</td>
</tr>
</tbody>
</table>

The GVRD has a reasonably well diversified revenue base. Some revenue streams are subject to fluctuations during the year. In particular, Solid Waste User Fees and Water Sales are projected to be down for 2008.

2) **Debt Service Costs/ Total Revenue**

This is the percentage of revenue committed to payment of interest and principal on temporary and long-term debt for the regional, sewer, solid waste and water operations. A high percentage indicates greater use of revenues for the repayment of debt, and less ability to adjust to unplanned events and changing circumstances.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Debt Service Costs</td>
<td>$118,547,483</td>
<td>$123,206,919</td>
<td>$130,963,502</td>
<td>$144,384,416</td>
<td>$131,828,138</td>
</tr>
<tr>
<td>Total Revenue**</td>
<td>$420,913,055</td>
<td>$452,881,285</td>
<td>$479,594,860</td>
<td>$522,669,331</td>
<td>$510,099,262</td>
</tr>
</tbody>
</table>

** 2008 Budget includes reserve and surplus carry-forward applications as approved by the Board.
Financial Indicators (continued)

2) ii) Interest Costs/ Total Revenue

This is the percentage of revenue committed to payment of interest on temporary and long-term debt for the regional, sewer, solid waste and water operations. A high percentage indicates greater use of revenues for servicing interest on outstanding debt, and less ability to adjust to unplanned events and changing circumstances.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Costs</td>
<td>$70,581,959</td>
<td>$64,666,569</td>
<td>$67,536,647</td>
<td>$81,532,124</td>
<td>$68,932,590</td>
</tr>
<tr>
<td>%</td>
<td>16.8%</td>
<td>14.3%</td>
<td>14.1%</td>
<td>15.6%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Total Revenue**</td>
<td>$420,913,055</td>
<td>$452,881,285</td>
<td>$479,594,860</td>
<td>$522,669,331</td>
<td>$510,099,262</td>
</tr>
</tbody>
</table>

Both debt service costs and interest costs as a percentage of revenue is down compared to budget indicating that less of our revenue is required to service outstanding debt (principal and interest) and more is available to fund current projects.

3) Operating Reserves/ Total Revenues

Reserve levels are an indicator of financial strength since they provide the ability to meet unforeseen expenditures or revenue losses, though the member municipalities tend to look unfavourably on the region building up large reserves.

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserves</td>
<td>$39,800,916</td>
<td>$57,531,437</td>
<td>$28,064,038</td>
<td>$32,137,385</td>
<td>47,971,052</td>
</tr>
<tr>
<td>%</td>
<td>9.5%</td>
<td>12.7%</td>
<td>5.9%</td>
<td>6.1%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Total Revenue**</td>
<td>$420,913,055</td>
<td>$452,881,285</td>
<td>$479,594,860</td>
<td>$522,669,331</td>
<td>$510,099,262</td>
</tr>
</tbody>
</table>

Projected operating reserves are up from the prior year due to the projected surplus, however, the aggressive application of excess reserves to avoid debt will bring these reserves down to consistent levels. The level of operating reserves appears adequate to meet potential unexpected contingencies.

** 2008 Budget includes reserve and surplus carry-forward applications as approved by the Board.
Financial Indicators (continued)

4) Total Municipal Taxes, Water, Sewer and Solid Waste Charges / Per Capita

This indicator is a representation of the per capita cost impact of the regions tax payer supported services. These costs are passed on to the tax payer through our member municipalities. The 2008 population is assumed to increase at a rate of 1.5% over 2007.

<table>
<thead>
<tr>
<th></th>
<th>2005 Actual Per Capita</th>
<th>2006 Actual Per Capita</th>
<th>2007 Actual Per Capita</th>
<th>2008 Budget Per Capita</th>
<th>2008 Forecast Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tax Revenue ***</td>
<td>$337,879,533</td>
<td>$367,229,493</td>
<td>$396,252,949</td>
<td>$437,495,959</td>
<td>$425,250,353</td>
</tr>
<tr>
<td>Total Population ****</td>
<td>2,188,573</td>
<td>2,221,613</td>
<td>2,249,725</td>
<td>2,283,471</td>
<td>2,283,471</td>
</tr>
</tbody>
</table>

This increase in per capita cost is consistent with our budget increases in the cost of regional services, particularly water treatment and regional parks. The decrease in the forecast over budget is the result of the projected shortfall in Water Sales and Solid Waste User Fees.

** 2008 Budget includes reserve and surplus carry-forward applications as approved by the Board.
*** Total Tax Revenue defined as Regional District tax requisition, Water Sales, Sewer & Drainage Levy and Solid Waste User Fees.
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To: Finance Committee

From: Johnny Carline, Chief Administrative Officer  
Delia Laglagaron, Deputy Chief Administrative Officer  
Jim Rusnak, Chief Financial Officer

Date: June 30, 2008

Subject: Financial Projections for 2009 to 2013

Recommendation:
That the Board endorse the five year financial framework for 2009-2013 for budget and long range planning purposes as outlined in the report titled “Financial Projections for 2009 to 2013” dated June 30, 2008.

1. PURPOSE

To review and endorse financial projections as part of the 2008 Program Planning and Budget Process

2. CONTEXT

*Program Planning and Budget Process*
A key part of the Program Planning and Budget process is the establishment of framework of five year financial projections which are used to set the context for budget development purposes (see Schedule 1 attached for the timeline of our process).

These financial projections reflect, at this point in time, the anticipated program budget changes based on Board supported initiatives as well as legislative and operational requirements. Some of the key corporate financial drivers impacting on operations are general inflation, labour costs, along with rapidly rising energy and steel prices. The impact of these factors varies by legal entity, and are addressed in the discussion that follows.

As in the past, these projections, subject to unpredictable new cost drivers and uncertainties, are reviewed and endorsed by the Board.

*Historical Budget Perspective*
The Finance Committee has been interested in understanding the historical progression of the Districts’ budgets. As in the prior years, Schedule 2 shows this information and includes annual budget changes along with explanations of any significant swings.
Overview of 5 year Budget Framework

Accurately forecasting 5 year financial projections is difficult. This year we anticipate no changes to the projections presented during last year’s Program Planning and Budget Process for the Regional and Water Districts. However, the projections for Liquid Waste and Solid Waste have been increased to reflect a greater required emphasis on infrastructure maintenance and the new provisions under the draft Liquid Waste and Solid Waste Management Plans, as well as the cost drivers noted earlier.

Each legal function is covered in detail below. Overall the projections shown will increase the average household cost in 2009 for District services by approximately $40. An average household is approximately $600,000 in assessed value.

**Regional District:**

**Impact to Average Household**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projections in 2008</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>3.5%</td>
<td>--</td>
</tr>
<tr>
<td>Projections in 2009</td>
<td>5.5%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Impact to Household (rounded)</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
</tr>
</tbody>
</table>

Note: In this case we are assuming that growth in the region will be 1.5%

The main budget drivers in the Regional District over the next five years are primarily the impact of inflation (3.0%) and the implementation of the Parks Greenway Management Plan (PGMP) (2.5%) of approximately $15 million which is being phased in over 10 years. While there is no change in the projection for the Regional District for 2009-2012, it should be noted that new Board initiatives may fall within the Regional District budget, as they have in the recent past (e.g. agriculture, culture, international engagement).
**Water District:**

**Impact to Average Household**

<table>
<thead>
<tr>
<th>Water Rate (m3)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projections in 2008</td>
<td>.4428</td>
<td>.4672</td>
<td>.4859</td>
<td>.5053</td>
<td>--</td>
</tr>
<tr>
<td>Projections in 2009</td>
<td>.4428</td>
<td>.4672</td>
<td>.4859</td>
<td>.5053</td>
<td>.5255</td>
</tr>
<tr>
<td>Impact to Household (rounded)</td>
<td>$26</td>
<td>$11</td>
<td>$8</td>
<td>$8</td>
<td>$9</td>
</tr>
<tr>
<td>15.8%</td>
<td>5.5%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td></td>
</tr>
</tbody>
</table>

The wholesale water rate increases over the next five years are primarily due to the debt service and operating costs associated with the Seymour-Capilano Filtration Plant. In addition to the filtration project costs, the decline in predicted water consumption, costs associated with asset management planning and maintenance and costs related to an increased frequency of turbidity events have put upward pressure on the water rate.

There is no change to the water rate projections for 2009-2012. A projected water rate of $0.5255 per cubic metre has been added for 2013.

**Budget uncertainties not reflected in current projections:**

1) Water Sales revenue variances: (a) consumption on a per capita basis has declined in the past reducing water sales; (b) a wet fall or summer can cause revenue variances of +/- 3% ($3 million).
2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.
3) Financial implications regarding the tunneling portion of the Seymour-Capilano Filtration Project.

**Sewerage and Drainage District:**

**Liquid Waste:**

**Impact to Average Household**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projections in 2008</td>
<td>4.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>--</td>
</tr>
<tr>
<td>Projections in 2009</td>
<td>6.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Impact to Household (rounded)</td>
<td>$9</td>
<td>$7</td>
<td>$7</td>
<td>$7</td>
<td>$7</td>
</tr>
</tbody>
</table>

Note: We are assuming that population growth in the region will be 1.5%

The main budget drivers in Liquid Waste continue to be the impacts of inflation on labour rates, energy and steel prices, and the increased costs associated with the maintenance of our aging infrastructure.

FIN-45
The Liquid Waste projections for 2009-2012 have been increased to reflect the impact of these budget drivers. A projection of 4.0% has been added for 2013 as well.

Budget uncertainties not reflected in current projections:

1) Possible costs associated with the Secondary Treatment Upgrade projects at the Lulu Island and Lions Gate Treatment Plants should these projects commence sooner than currently planned.
2) The market indicators on long-term interest rates are indicating a possible increase in future borrowing costs.

Solid Waste:

Impact to Average Household

<table>
<thead>
<tr>
<th>Tipping Fee ($68 per tonne)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projections in 2008</td>
<td>$67</td>
<td>$68</td>
<td>$69</td>
<td>$70</td>
<td>--</td>
</tr>
<tr>
<td>Projections in 2009</td>
<td>$71</td>
<td>$74</td>
<td>$77</td>
<td>$85</td>
<td>$100</td>
</tr>
<tr>
<td>Impact to Household</td>
<td>$3</td>
<td>$3</td>
<td>$3</td>
<td>$8</td>
<td>$15</td>
</tr>
</tbody>
</table>

The impact of 3rd party contract inflation and the rising cost of fuel have put upward pressure on the tipping fee in recent years; however, this pressure has been offset by continuously increasing waste flows in the region and energy revenues through the sale of steam and electricity.

The Solid Waste Tipping Fee projections for 2009-2012 presented last year have been increased from the modest $1 per year increase. These increased tipping fee projections are driven by several factors:

- Third party contract inflation.
- The impact of the recent significant increases in fuel costs.
- The financial impacts of the provisions contained in the preliminary discussion paper on a new Solid Waste Management Plan (SWMP) which is currently under development. In particular, the increases reflect the debt service costs associated with the projected construction of new waste management facilities at a cost estimated, at this stage, to be likely in excess of $700 million. The SWMP discussion paper provides for increasing waste diversion from the current 52% to 70% by 2015. This reduction in waste flows through the system would result in the loss of some economies of scale in the short term, therefore putting upward pressure on the tipping fee. In addition, with the Cache Creek Landfill closing in 2010, a higher cost waste disposal alternative has been included to bridge the gap until the increased waste management capacity is available in 2015. While the projected increases to the tipping fee are reflective of the financial impacts discussed, many uncertainties and financial concerns remain to be resolved and quantified as the plan for regional waste management is finalized.
Budget uncertainties / financial concerns:

1) In the near term, while measures such as material bans are addressing waste volume reduction, increasing waste volumes are posing a concern as the operating permits at the system’s existing landfills. Cache Creek and Vancouver are both very tight. While increased waste volumes could likely be absorbed in 2009, this would only erode the overall landfill capacity and thus expedite its closure.

2) Diesel fuel costs (currently around $1.50) could continue to move upward thus increasing disposal costs and drive up the tipping fee.

3) The resource requirement associated with increasing the rate of waste diversion in the system as called for under the SWMP discussion paper has not been quantified in a detailed manner.

4) The timing of adoption of an amended SWMP, and the capital spending that flows from it, will have significant impact on projections. If the plan is finalized sooner than assumed, this will accelerated the capital components and the financing required, thus putting upward pressure on tipping fee.

MVHC - Regional Affordable Housing:

The MVHC, the majority of which is governed by partnership operating agreements, is supported by revenue from property rentals which have exceeded expenditures in recent years. Over the past few years a number of operational improvements have been made leading to more efficient use of existing resources and some properties were refinanced to improve the MVHC financial picture. Despite these improvements a review in conjunction with our funding partners is underway in developing a longer term management plan regarding two significant issues facing the MVHC: 1) the financing of the required water ingress repairs and 2) ongoing maintenance and capital replacement of our now aging portfolio.

We continue to move towards resolving some of these issues which should assist in meeting the financial pressures to maintain the existing portfolio in the near future.

3. ALTERNATIVES

1) The Board can endorse the five year financial framework as presented

2) The Board can provide direction for amending the five year financial framework as it considers appropriate

4. CONCLUSION

The financial projection presented during the 2008 Program Planning and Budget process remain unchanged for the Regional and Water Districts while Liquid Waste and Solid Waste have increased after factoring in new information.

PT/eb
Attachments
Document #004638781
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<table>
<thead>
<tr>
<th>Date (2008)</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Deadlines</strong></td>
<td></td>
</tr>
<tr>
<td>May 26</td>
<td>2009 PIP open to program owners</td>
</tr>
<tr>
<td>June 10</td>
<td>CAO/Managers' meeting to discuss strategic priorities and key expenditure drivers for 2009</td>
</tr>
<tr>
<td>June 13</td>
<td>Deadline for department dependency identification</td>
</tr>
<tr>
<td>Jul 4</td>
<td>Deadline for completion of departmental training plans</td>
</tr>
<tr>
<td>Jul 18</td>
<td>Deadline for program owners' completion of programs/budget and staffing</td>
</tr>
<tr>
<td>Jul 25</td>
<td>Deadline for completion of Managers' program review</td>
</tr>
<tr>
<td>Jul 28-Aug 22</td>
<td>Finance department review of programs</td>
</tr>
<tr>
<td>Aug 25-29</td>
<td>CAO administrative review</td>
</tr>
<tr>
<td>Sep 1-12</td>
<td>Managers' appeal</td>
</tr>
<tr>
<td>Sep 19</td>
<td>Final adjustments to Finance</td>
</tr>
<tr>
<td><strong>Committee Review</strong></td>
<td></td>
</tr>
<tr>
<td>Mid-late June</td>
<td>RFAC re five-year budget projections</td>
</tr>
<tr>
<td>Jul 10</td>
<td>Finance Committee review and approval of projections/targets</td>
</tr>
<tr>
<td>tbd</td>
<td>Info Session for RAAC/REAC/RFAC</td>
</tr>
<tr>
<td>Oct tbd</td>
<td>Agriculture Committee review of programs</td>
</tr>
<tr>
<td>Oct tbd</td>
<td>Aboriginal Relations Committee review of programs</td>
</tr>
<tr>
<td>Oct 8</td>
<td>Parks Committee review of programs</td>
</tr>
<tr>
<td>Oct 9</td>
<td>Labour Relations Bureau review of programs</td>
</tr>
<tr>
<td>Oct 10</td>
<td>Land Use and Transportation Committee review of programs</td>
</tr>
<tr>
<td>Oct 14</td>
<td>Environment Committee review of programs</td>
</tr>
<tr>
<td>Oct 15</td>
<td>Waste Management Committee review of programs</td>
</tr>
<tr>
<td>Oct 15</td>
<td>Water Committee review of programs</td>
</tr>
<tr>
<td>Oct 16</td>
<td>Finance Committee review of programs</td>
</tr>
<tr>
<td>Oct 17</td>
<td>Sustainable Region Initiative Task Force</td>
</tr>
<tr>
<td>Oct 17</td>
<td>Housing Committee review of programs</td>
</tr>
<tr>
<td>Oct 16</td>
<td>Finance Committee review of Draft Budget</td>
</tr>
<tr>
<td><strong>Public Consultations</strong></td>
<td></td>
</tr>
<tr>
<td>Sep 9</td>
<td>Public Consultation Session (Fraser South) - Eaglequest Coyote Creek Golf Club, Surrey</td>
</tr>
<tr>
<td>Sep 18</td>
<td>Public Consultation Session (North Shore) - Hollyburn Country Club, West Vancouver</td>
</tr>
<tr>
<td>Sep/Oct – tbd</td>
<td>Public Consultation Session (Central/North-East) - Inlet Theatre, Port Moody</td>
</tr>
<tr>
<td>Sep/Oct – tbd</td>
<td>Public Consultation Session (Vancouver) - Wosk Centre, Vancouver</td>
</tr>
<tr>
<td><strong>Municipal Consultations</strong></td>
<td></td>
</tr>
<tr>
<td>Oct – tbd</td>
<td>Municipal Consultation Session – Fraser North, Coquitlam City Hall</td>
</tr>
<tr>
<td>Oct – tbd</td>
<td>Municipal Consultation Session – Fraser South, Township of Langley</td>
</tr>
<tr>
<td>Oct – tbd</td>
<td>Municipal Consultation Session – North Shore, District of West Vancouver</td>
</tr>
<tr>
<td>Oct – tbd</td>
<td>Municipal Consultation Session – City of Richmond City Hall</td>
</tr>
<tr>
<td>Oct – tbd</td>
<td>Municipal Consultation Session – City of Vancouver City Hall</td>
</tr>
<tr>
<td><strong>Board Review</strong></td>
<td></td>
</tr>
<tr>
<td>Oct 22</td>
<td>Board budget workshop (following Board meeting)</td>
</tr>
<tr>
<td>Oct 31</td>
<td>Board approval of programs &amp; budget</td>
</tr>
</tbody>
</table>
## Greater Vancouver Districts
### Historical Budget Analysis

<table>
<thead>
<tr>
<th>REGIONAL DISTRICT:</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Tax Requisitions</td>
<td>$32,478,911</td>
<td>$33,519,695</td>
<td>$35,141,405</td>
<td>$37,765,056</td>
<td>$38,792,473</td>
</tr>
<tr>
<td>% Change*</td>
<td>10.27%</td>
<td>3.20%</td>
<td>4.84%</td>
<td>7.47%</td>
<td>2.72%</td>
</tr>
<tr>
<td>Cost Per Average Households</td>
<td>$31</td>
<td>$32</td>
<td>$33</td>
<td>$35</td>
<td>$35</td>
</tr>
</tbody>
</table>

With Regional Parks comprising about 60% of the Regional District their costs were kept relatively flat for several years and although this kept the requisitions down it also resulted in deterioration of basic Park’s infrastructure. The increases in 2003 and 2004 begin to address the maintenance and upgrade of this infrastructure as well as the cost increases associated with an increase in the number of park visitors and 2005 is maintaining that level of service. 2006 is up primarily due to increases in 911. 2007 up due to new initiatives in Strategic Planning (Agriculture and Environment) and implementation of PGMP. The increase in 2008 is basically inflation.

### WATER DISTRICT

<table>
<thead>
<tr>
<th>Water Rate</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.223</td>
<td>$0.250</td>
<td>$0.291</td>
<td>$0.348</td>
<td>$0.383</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change</th>
<th>13.52%</th>
<th>12.00%</th>
<th>16.23%</th>
<th>19.67%</th>
<th>9.91%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Per Average Households</td>
<td>$98</td>
<td>$110</td>
<td>$128</td>
<td>$151</td>
<td>$166</td>
</tr>
</tbody>
</table>

2004 Increases due to the start of the construction of the new filtration plant, upgrading of facilities to current seismic and safety standards and $5.6 million increase in "pay as you go" funding for capital.

2005 Increases due to the continuing construction of the new filtration plant.

2006 Increases due to the continuing construction of the new filtration plant.

2007 Increases due to the continuing construction of the new filtration plant.

2008 Increases due to the continuing construction of the new filtration plant.

### LIQUID WASTE

<table>
<thead>
<tr>
<th>Sewer Levy</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>$124,156,385</td>
<td>$125,633,786</td>
<td>$130,457,023</td>
<td>$136,333,761</td>
<td>$144,065,223</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change*</th>
<th>4.21%</th>
<th>1.19%</th>
<th>3.84%</th>
<th>4.50%</th>
<th>5.67%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Per Average Households</td>
<td>$139</td>
<td>$139</td>
<td>$143</td>
<td>$147</td>
<td>$152</td>
</tr>
</tbody>
</table>

Increases in the Liquid Waste budget over this period has been relatively consistent and has been the result of increased maintenance and upgrade requirements to an aging infrastructure (both operating and capital). The increase in 2005 was less than the trend due mainly to some efficiencies in operations.

### SOLID WASTE

<table>
<thead>
<tr>
<th>Tipping Fee</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>$65.00</td>
<td>$65.00</td>
<td>$65.00</td>
<td>$65.00</td>
<td>$65.00</td>
<td>$68.00</td>
</tr>
</tbody>
</table>

| Cost Per Average Households | $64 | $64 | $64 | $64 | $67 |

The Solid Waste Tipping Fee was changed to $65.00 per tonne in 1996 from $69.00 and has remained constant through 2007, made possible by increases in waste flows over the years as well as the addition of other sources of revenue such as the sale of steam generated at the waste to energy facility and the use of that steam to produce and sell electricity. The increase in 2008 was the result of inflationary pressures on the system as well as the longer term solutions due to the closure of the Cache Creek Landfill in 2010.

* Impact per average household would be approximately 1.5% less.
Finance Committee Meeting: July 10, 2008

To: Finance Committee

From: Jim Rusnak, Chief Financial Officer

Date: July 2, 2008

Subject: Financial Challenges Facing the Region

Recommendation:
That the Board receive the report titled “Financial Challenges Facing the Region” dated July 2, 2008, and endorse the next steps as outlined in this report.

1. PURPOSE

The February 22, 2008 Board meeting included a discussion on the 2008 Board priorities, and at that meeting staff were directed to provide further financial analysis around the potential costs arising from Metro Vancouver’s long range management plans, specifically the Liquid Waste Management Plan (LWMP) and the Solid Waste Management Plan (SWMP). Further, to assess the impact of these plans alongside other municipal and regional transportation expenditures. This report and attached presentation responds to that directive.

2. CONTEXT

A report and presentation was made to the March 13th Finance Committee. Comments and suggestions from that meeting were incorporated into the report, which was subsequently presented and discussed at meetings of RFAC, REAC and RAAC. Through this process, a range of assumptions has been developed, upon which the presentation and any possible conclusions are based. These assumptions range from “Optimistic” to “Moderate” to “Pessimistic”, and these assumptions are clearly laid out in the body of the report.

Because the veracity and appropriateness of the assumptions are critical to any conclusions reached, they were reviewed and discussed at some length with the staff committees mentioned. A summary of the comments and questions raised is also included in the body of the report, along with a brief response from staff where appropriate.

Working with these various assumptions, the report provides an analysis of the primary cost drivers flowing from Metro Vancouver’s core services, and projects these costs out to 2030, which is currently the scheduled date to complete the secondary treatment upgrade at the Lion’s Gate Waste Water Treatment Plant. To broaden the scope of this analysis, the projected expenditures of Metro Vancouver member municipalities, and TransLink are factored in, again using the assumptions outlined in the report.

To address the concept of “affordability”, the model aggregates the regional expenditures mentioned, (Metro, Municipalities and TransLink) and calculates an “impact analysis” to an average household in the Metro Vancouver region, using “% of Median Household Income” as the indicator. It should be emphasized that this metric does not relate to what will be seen on tax or utility bills specifically, but rather is a gauge of affordability at a broad, regional level. The
table that follows is derived from taking the estimated aggregate expenditures of Metro Vancouver, TransLink, and the Member Municipalities, and dividing that total by the expected population at each point in time to get a per capita impact. This per capita impact is then converted to a per household impact assuming 2.6 persons per household.

The following table shows the % of Household Income expended under each of the three assumptions, compared against a base case model (zero inflation, no household income growth, no senior government cost sharing, moderate WTE revenue recovery)

<table>
<thead>
<tr>
<th>% of Household Income</th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimistic</td>
<td>8.5</td>
<td>6.8</td>
<td>6.2</td>
<td>5.2</td>
<td>4.1</td>
</tr>
<tr>
<td>Moderate</td>
<td>8.5</td>
<td>6.9</td>
<td>7.1</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Pessimistic</td>
<td>8.5</td>
<td>7.0</td>
<td>7.5</td>
<td>9.9</td>
<td>12.1</td>
</tr>
<tr>
<td>Base Case</td>
<td>8.5</td>
<td>7.0</td>
<td>7.2</td>
<td>7.6</td>
<td>7.2</td>
</tr>
</tbody>
</table>

The “Optimistic” band paints a favourable picture from a purely financial perspective, but, as the assumptions outlined in the report indicate, involves a reduction in transportation services in the region. On the other hand, the “Pessimistic” version combines increases in services, but assumes the worst assumptions around general inflation, construction inflation with income growth lagging behind.

The “Moderate” band represents what could be considered a reasonable representation of the impact on the region in the future, although does not bridge the gap between TransLink’s current 10 Year Plan and the Provincial Transit Plan.

3. ALTERNATIVES
N/A

4. CONCLUSION

Using percentage of median household income as a proxy for affordability, and considering the moderate set of assumptions, the financial impact of the basket of services addressed in this report appears to be in an acceptable range. These projections do reveal the significant impact that regional transportation has, and will have on the regional economy. The projections further indicate the impact that participatory funding from the Federal and Provincial Governments, or the lack thereof, has on the Metro Vancouver region.

It is recommended that:
- These projections be used to help advance the case for senior government funding participation in significant Metro Vancouver utility projects
- The Board reconsider the current “levy as you go” strategy versus a pre-levy, or “rate smoothing” strategy
- These projections be provided to the Mayor’s Council on Regional Transportation as context for evaluating future TransLink expenditures

JR/eb
Attachment
Document #004640820
Financial Challenges Facing the Region

Finance Committee

July 10, 2008

Discussion Outline

- Assumptions
- Summary of REAC/RFAC/RAAC Comments
- Metro Vancouver Cost Drivers
- Metro Vancouver Cost Implications
- Other Considerations
- Strategic Options
- Region Wide Implications
### Metro Vancouver Assumptions

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Optimistic</th>
<th>Moderate</th>
<th>Pessimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>General/Operating Cost Inflation</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Capital/Construction inflation</td>
<td>2%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Population Growth</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Household Income Growth</td>
<td>4.5%</td>
<td>3.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Debt Charges (Interest &amp; Sinking Fund)</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Base Capital (Infrastructure maintenance)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water</td>
<td>$65 million</td>
<td>$85 million</td>
<td>$100 million</td>
</tr>
<tr>
<td>- Liquid Waste</td>
<td>$30 million</td>
<td>$50 million</td>
<td>$70 million</td>
</tr>
<tr>
<td>- Solid Waste</td>
<td>$2.5 million</td>
<td>$5 million</td>
<td>$7.5 million</td>
</tr>
<tr>
<td>Water Consumption Increase</td>
<td>1.5%</td>
<td>1%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Senior Government Cost-Sharing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Liquid Waste</td>
<td>2/3</td>
<td>1/3</td>
<td>0</td>
</tr>
<tr>
<td>- Solid Waste</td>
<td>1/3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energy Recovery from WTE (gross)</td>
<td>$125/tonne</td>
<td>$85/tonne</td>
<td>$45/tonne</td>
</tr>
</tbody>
</table>

**Metro Vancouver Assumptions (continued)**

- Debt Amortization – 15 year throughout
- Regional District – pay-as-you-go, no new debt
- Contribution to Capital – as debt matures, contribution increases
- Secondary Treatment – Iona 2020, Lions Gate 2030
- Costs allocated according to current sewerage district formula
- 500,000 tonne WTE facility 2010-2014
- 250,000 tonne WTE facility 2015-2019
- Organics processing operational 2009-2010
- Cache Creek closes 2010
- Export Waste 2010-2014
- 70% waste diversion by 2015
Summary of REAC/RFAC/RAAC Comments

1. TransLink – The comment was made that given the impact of TransLink and the limited information available about their future plans and finances, that this model was not a realistic portrayal.
   - Response – When this presentation was made to RAAC, TransLink had just released their “2009 10-Year Plan” and this information had not yet been incorporated into this presentation.
   - We have modified this presentation with respect to TransLink as follows:
TransLink (continued)

Optimistic Assumption

• Expenditures as per their 10-year plan, 2008 to 2011, using reserves to fund “gap”
• Services reduced to meet available funding for 2012, roughly $1.2 billion expenditures budget at that point
• Expenditures increase as per their plan to 2018
• Beyond 2018, assume 3.5% growth

TransLink (continued)

Moderate Assumption

• Expenditures as per their 10-year plan, 2008 to 2011, using reserves to fund “gap”
• Assume incremental revenue source ($150 million) found to continue as per plan, no service cuts, to 2018.
• Assume that this $150 million is ultimately passed on to residents of the region
• Beyond 2018, assume 4.5% growth.
Summary of REAC/RFAC/RAAC
Comments (continued)

TransLink (continued)

Pessimistic Assumption

- Expenditures as per their 10-year plan, 2008 to 2011, no service reduction.
- Assume an incremental $2 billion in capital financed between 2015 and 2020, working towards Provincial Transit Plan, with pessimistic inflation factor applied.

2. Concern about the wide range between the three sets of assumptions. For example, to assume 10% ongoing construction inflation seems high. Why not take “moderate” view +/- 25%?

- Response – Model can be re-calculated on a wide variety of assumptions. We’ve tried to develop a best-case to worst-case range.

3. Concern about the moderate assumption of $85/tonne of revenue generation by 2015, when current WTE facility in Burnaby generates $45/tonne.

- Response – Using European examples as model. Proper siting to optimize district heating.
4. Question on level of Solid Waste infrastructure capital estimates. Are they too low, especially as WTE facility ages?
   • Response – Estimates were based on recent experience. Some maintenance embedded in Montenay agreement as well.

5. Question on WTE revenue generation. Are the revenue numbers gross or net?
   • Response – Revenues are stated in gross dollars.

6. Questioned the assumption of achieving 70% diversion by 2015. Should we have a range of assumptions around this?
   • Response – Very strong Board directive to work towards this fundamental objective. Model could be modified to assume lower diversion rate if desired.

7. Should we not be examining the cost of Housing in this presentation? It is the single largest cost factor to most households.
   • Response – There are many other costs that residents must absorb (housing, health care, education). This presentation focuses on the Board directive to analyze affordability of Metro Vancouver’s plans alongside other municipal and regional transportation expenditures.
Summary of REAC/RFAC/RAAC Comments (continued)

8. Question on assumptions around Senior Government financing on Solid Waste. Why have we assumed 0% as a moderate assumption, and are we prejudicing our ability to access funding?
   • Response – Access to Provincial and/or Federal Governments would likely depend on the structure of any future WTE projects, and result of P3 analysis.

9. Impact to Households on Solid Waste assumes that each household generates approximately one tonne of waste per year. Is that valid in light of waste diversion assumptions?
   • Response – We will need to do further analysis on relationship between total cost of solid waste program, tipping fees and per household cost.

Summary of REAC/RFAC/RAAC Comments (continued)

10. How do future assumptions relate to past actual experience?
    • Response – We would need to do more analysis to answer this question, but question how much value this would add to report.

11. What is the impact on businesses versus households?
    • Response – Further analysis would be required. The presentation assumes that these regional costs are ultimately borne by the households.

12. How are “fixed income” folks impacted, versus “average” Households?
    • Response – This analysis was geared towards overall affordability, and median household income used to express this.
Summary of REAC/RFAC/RAAC Comments (continued)

13. Long Term comparison between WTE and landfills. Based upon the moderate set of assumptions, the cost of WTE becomes less expensive than landfill, as debt is retired and revenue continues to grow. Is this a valid comparison?
   - Response – A consultant’s study will be commissioned to analyze WTE vs. Landfill from an economic, environmental and social perspective.

14. Workshop – It was suggested that a staff workshop be held to further address these topics.
   - Response – This will be incorporated into the budget process this fall.

Metro Vancouver Cost Drivers

- Regional District
  - Parks Greenways Management Plan
- Water
  - Completion of Seymour-Capilano Filtration Project
  - Declining Consumption
  - Aging Infrastructure
- Liquid Waste
  - Liquid Waste Management Plan
  - Secondary Treatment Upgrades at Iona and Lions Gate
  - Aging Infrastructure
- Solid Waste
  - Solid Waste Management Plan
2008 Expenditures

- Housing Corporation: 7%
- Regional District: 9%
- Water District: 32%
- Liquid Waste: 31%
- Solid Waste: 21%

<table>
<thead>
<tr>
<th>Category</th>
<th>2008 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional District</td>
<td>$47.5</td>
</tr>
<tr>
<td>Liquid Waste</td>
<td>$161.5</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>$108.1</td>
</tr>
<tr>
<td>Water District</td>
<td>$163.1</td>
</tr>
<tr>
<td>GVHC</td>
<td>$35.4</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$515.6</strong></td>
</tr>
</tbody>
</table>

2008 Revenue

- Tax Requisitions: $38.8
- Sewer Levy: $143.5
- Solid Waste Tipping Fee: $92.2
- Water Sales: $160.2
- Housing Rents: $29.0
- External Revenues/Grants: $32.0
- Other (includes Reserves, BOD/TSS, DCC): $19.9

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2008 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Requisitions</td>
<td>$38.8</td>
</tr>
<tr>
<td>Sewer Levy</td>
<td>$143.5</td>
</tr>
<tr>
<td>Solid Waste Tipping Fee</td>
<td>$92.2</td>
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<tr>
<td>Water Sales</td>
<td>$160.2</td>
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<tr>
<td>Housing Rents</td>
<td>$29.0</td>
</tr>
<tr>
<td>External Revenues/Grants</td>
<td>$32.0</td>
</tr>
<tr>
<td>Other (includes Reserves, BOD/TSS, DCC)</td>
<td>$19.9</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$515.6</strong></td>
</tr>
</tbody>
</table>
Regional District

![Graph showing regional district expenditures over time with optimistic, moderate, and pessimistic scenarios.]

Metro Vancouver
Impact to Average Household (Regional District)

![Bar chart showing impact to average household from 2002 to 2030 with optimistic, moderate, and pessimistic scenarios.]
Major Capital Projects – Water*

- Completion of Seymour/Capilano Filtration Plant $270 million
- Second Narrows Crossing $150 million
- Port Mann Fraser River Crossing $200 million
- Coquitlam Intake $220 million
- Coquitlam Second Intake $175 million
- Coquitlam UV Disinfection $115 million

*2008 Dollars

Water District - Total Expenditures
Metro Vancouver Impact to Average Household (Water District)

Major Capital Projects - Liquid Waste*

- Secondary Treatment Upgrade
  - Iona Island WWTP $1 billion
  - Lions Gate WWTP $400 million

*2008 Dollars
Liquid Waste – Total Expenditures
(Iona 2020 / Lions Gate 2030)

Metro Vancouver
Impact to Average Household
(Liquid Waste)
### GVS&DD

**Projected Municipal Levy (Optimistic) ($ Millions)**

<table>
<thead>
<tr>
<th>Cities:</th>
<th>2008</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnaby</td>
<td>$14.360</td>
<td>$15.901</td>
<td>$22.343</td>
<td>$24.395</td>
</tr>
<tr>
<td>Coquitlam</td>
<td>6.777</td>
<td>7.452</td>
<td>10.638</td>
<td>11.246</td>
</tr>
<tr>
<td>Langley City</td>
<td>1.456</td>
<td>1.671</td>
<td>2.325</td>
<td>2.458</td>
</tr>
<tr>
<td>New Westminster</td>
<td>4.770</td>
<td>5.208</td>
<td>7.419</td>
<td>7.858</td>
</tr>
<tr>
<td>North Vancouver City</td>
<td>3.507</td>
<td>4.216</td>
<td>5.423</td>
<td>5.572</td>
</tr>
<tr>
<td>Pitt Meadows</td>
<td>1.114</td>
<td>1.270</td>
<td>1.777</td>
<td>1.857</td>
</tr>
<tr>
<td>Port Coquitlam</td>
<td>4.205</td>
<td>4.645</td>
<td>6.677</td>
<td>7.067</td>
</tr>
<tr>
<td>Port Moody</td>
<td>1.963</td>
<td>2.296</td>
<td>3.255</td>
<td>3.386</td>
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<tr>
<td>Richmond</td>
<td>15.391</td>
<td>16.536</td>
<td>22.513</td>
<td>23.742</td>
</tr>
<tr>
<td>Surrey</td>
<td>24.922</td>
<td>28.307</td>
<td>40.721</td>
<td>42.839</td>
</tr>
<tr>
<td>Vancouver</td>
<td>40.416</td>
<td>47.481</td>
<td>64.669</td>
<td>80.268</td>
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<tr>
<td>White Rock</td>
<td>1.094</td>
<td>1.214</td>
<td>1.746</td>
<td>1.846</td>
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<tr>
<td>Districts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta</td>
<td>4.472</td>
<td>4.922</td>
<td>7.074</td>
<td>7.493</td>
</tr>
<tr>
<td>Langley</td>
<td>3.094</td>
<td>3.636</td>
<td>5.235</td>
<td>5.469</td>
</tr>
<tr>
<td>Maple Ridge</td>
<td>4.890</td>
<td>5.575</td>
<td>7.796</td>
<td>8.145</td>
</tr>
<tr>
<td>West Vancouver</td>
<td>4.080</td>
<td>4.866</td>
<td>6.251</td>
<td>6.431</td>
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<tr>
<td>Electoral Area:</td>
<td></td>
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<td></td>
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<td>1.495</td>
<td>1.706</td>
<td>2.395</td>
<td>2.965</td>
</tr>
</tbody>
</table>

| Total | $144.065 | $164.135 | $227.574 | $252.623 |

---

### GVS&DD

**Projected Municipal Levy (Moderate) ($ Millions)**

<table>
<thead>
<tr>
<th>Cities:</th>
<th>2008</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnaby</td>
<td>$14.360</td>
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<td>$32.717</td>
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<td>2.803</td>
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<tr>
<td>Delta</td>
<td>4.472</td>
<td>4.922</td>
<td>7.074</td>
<td>7.493</td>
</tr>
<tr>
<td>Langley</td>
<td>3.094</td>
<td>3.636</td>
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<td>5.469</td>
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<tr>
<td>Maple Ridge</td>
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<td>5.575</td>
<td>7.796</td>
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<tr>
<td>West Vancouver</td>
<td>4.080</td>
<td>4.866</td>
<td>6.251</td>
<td>6.431</td>
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<tr>
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<td>Electoral Areas</td>
<td>1.495</td>
<td>1.706</td>
<td>2.395</td>
<td>2.965</td>
</tr>
</tbody>
</table>

| Total | $144.065 | $170.295 | $360.866 | $517.060 |
## GVS&DD

### Projected Municipal Levy (Pessimistic)

($ Millions)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
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<tr>
<td>Cities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burnaby</td>
<td>$14.360</td>
<td>$17.063</td>
<td>$45.225</td>
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<td>7.860</td>
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<td>40.416</td>
<td>54.711</td>
<td>231.785</td>
<td>389.548</td>
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<tr>
<td>White Rock</td>
<td>1.094</td>
<td>1.281</td>
<td>2.892</td>
<td>4.226</td>
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<tr>
<td>Districts:</td>
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<td></td>
</tr>
<tr>
<td>Delta</td>
<td>4.472</td>
<td>5.203</td>
<td>11.954</td>
<td>17.539</td>
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<td>3.792</td>
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<td>4.890</td>
<td>5.808</td>
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<td>6.059</td>
<td>7.561</td>
<td>15.425</td>
<td>23.631</td>
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<tr>
<td>West Vancouver</td>
<td>4.080</td>
<td>5.081</td>
<td>10.323</td>
<td>22.460</td>
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<td></td>
<td></td>
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<td>2.024</td>
<td>8.488</td>
<td>14.248</td>
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</tbody>
</table>

Total: $144.065 $177.655 $506.607 $817.327

### Major Capital Projects - Solid Waste*

- 500,000 tonne capacity Waste-to-Energy Facility
  - $430 million
- 250,000 tonne capacity Waste-to-Energy Facility
  - $275 million
- Organics Processing Facility
  - $40 million

*2008 Dollars
Tipping Fee
(including vs. excluding Debt)
(Moderate View)

Total Expenditures
vs. Energy Revenue
(Moderate View)
Metro Vancouver Impact to Average Household (Solid Waste)

Metro Vancouver Landfills vs. WTE (Moderate View)

Assumptions Landfill Alternative:
1) Cache Creek closing in 2010
2) VLF 750,000 tonnes annually
3) Waste-to-Energy Facility 290,000 tonnes annually
4) 160,000 tonnes organics processed
5) Residual tonnage waste export
Total Metro Vancouver
Capital Expenditures

Assumptions:
- Capital Expenditures – Long term borrowing @ 50% in year of expenditure
- Long Term Debt 15-year Amortization
Metro Vancouver - Total Expenditures

Metro Vancouver Total Impact to Average Household
Metro Vancouver
Other Considerations

• Rising standards / expectations
  – Health standards (drinking water and air)
  – Environmental standards (receiving waters, air, greenhouse gases)
  – Seismic standards
  – Worker safety
  – Service reliability

• Specific member municipality/TransLink issues

Strategic Options

1. Cost Variables
   • Deferral or cancel major projects
   • Senior government grants to offset cost (P3 analysis required)

2. Financing Variables
   • Ramp-up reserves in advance of major projects
   • Amortize debt over a longer period than current practice of 15 years. Increasing amortization period reduces costs in short term, but extends further into the future
   • Deferral of principal payments, i.e. pay interest only
   • Turn-key operation – contract for service provision without Metro Vancouver ownership.
Strategic Options

3. Revenue Generating Variables
   • Current and future Energy Recovery Projects. There are a number of potential Energy Recovery Projects with associated economic, environmental and social costs and benefits.

Region Wide Implications
### Metro Vancouver Region as a Whole

**Total Expenditures (Optimistic)**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional</strong></td>
<td>$37</td>
<td>$48</td>
<td>$58</td>
<td>$76</td>
<td>$92</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td>84</td>
<td>163</td>
<td>234</td>
<td>349</td>
<td>254</td>
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<tr>
<td><strong>Liquid Waste</strong></td>
<td>136</td>
<td>162</td>
<td>202</td>
<td>285</td>
<td>311</td>
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<tr>
<td><strong>Solid Waste</strong></td>
<td>70</td>
<td>110</td>
<td>89</td>
<td>153</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$327</td>
<td>$482</td>
<td>$583</td>
<td>$863</td>
<td>$908</td>
</tr>
</tbody>
</table>

**Assumptions:**
- Municipal Services increasing 3.5% per year
- TransLink – per their 2009 10-year plan, assuming reduction in services to close funding gap in 2012. 3.5% beyond 2018.

### Member Portion

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LWMP/SWMP</strong></td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>70</td>
<td>80</td>
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<tr>
<td><strong>MV Members</strong></td>
<td>2,528</td>
<td>2,574</td>
<td>2,780</td>
<td>3,661</td>
<td>5,164</td>
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<td><strong>Total</strong></td>
<td>$2,855</td>
<td>$3,056</td>
<td>$3,423</td>
<td>$4,594</td>
<td>$6,052</td>
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**Assumptions:**
- *Excludes impact of MV Services

### TransLink

<table>
<thead>
<tr>
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<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
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<td><strong>TransLink</strong></td>
<td>601</td>
<td>913</td>
<td>1,200</td>
<td>1,500</td>
<td>2,115</td>
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<tr>
<td><strong>Total</strong></td>
<td>$3,456</td>
<td>$3,969</td>
<td>$4,623</td>
<td>$6,094</td>
<td>$8,167</td>
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</table>

**Assumptions:**
- TransLink – per their 2009 10-year plan, assuming reduction in services to close funding gap in 2012. 3.5% beyond 2018.

### Regional Impact (Optimistic)

**Total Regional Expenditures (1)**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Capita</strong></td>
<td>$1,647</td>
<td>$1,723</td>
<td>$1,874</td>
<td>$2,235</td>
<td>$2,713</td>
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<tr>
<td><strong>Per Household</strong></td>
<td>$4,281</td>
<td>$4,480</td>
<td>$4,872</td>
<td>$5,812</td>
<td>$7,055</td>
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<tr>
<td><strong>Median Household Income</strong></td>
<td>$50,324</td>
<td>$65,660</td>
<td>$78,301</td>
<td>$111,352</td>
<td>$172,927</td>
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<tr>
<td><strong>Percentage of Household Income</strong></td>
<td>8.5%</td>
<td>6.8%</td>
<td>6.2%</td>
<td>5.2%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

**Assumptions:**
- Average increase 2008 to 2030 – 2.5%
- Includes Metro Vancouver, Member Municipalities and TransLink
- Population based on MV estimates averaging 1.5%
- Average Household has 2.6 people
- Income increases based on Ministry of Finance estimates to 2011, 4.5% thereafter
**Metro Vancouver**

**Region as a Whole**

**Total Expenditures (Moderate)**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>$37M</td>
<td>$48M</td>
<td>$58M</td>
<td>$78M</td>
<td>$104M</td>
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<tr>
<td>Water</td>
<td>$84M</td>
<td>$163M</td>
<td>$260M</td>
<td>$422M</td>
<td>$357M</td>
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<td>$136M</td>
<td>$162M</td>
<td>$217M</td>
<td>$401M</td>
<td>$575M</td>
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<tr>
<td>Solid Waste</td>
<td>$70M</td>
<td>$110M</td>
<td>$124M</td>
<td>$269M</td>
<td>$269M</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$327M</td>
<td>$482M</td>
<td>$659M</td>
<td>$1,171M</td>
<td>$1,304M</td>
<td>12.5%</td>
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<tr>
<td>Member portion</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LWMP/SWMP</td>
<td>-</td>
<td>-</td>
<td>60M</td>
<td>70M</td>
<td>80M</td>
<td>0.8%</td>
</tr>
<tr>
<td>MV Members*</td>
<td>2,528M</td>
<td>2,574M</td>
<td>2,807M</td>
<td>3,992M</td>
<td>6,199M</td>
<td>59.3%</td>
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<tr>
<td>TransLink</td>
<td>601M</td>
<td>913M</td>
<td>1,350M</td>
<td>1,848M</td>
<td>2,871M</td>
<td>27.5%</td>
</tr>
<tr>
<td></td>
<td>$3,456M</td>
<td>$3,969M</td>
<td>$4,875M</td>
<td>$7,081M</td>
<td>$10,453M</td>
<td></td>
</tr>
</tbody>
</table>

*Excludes impact of MV Services

Assumptions:
- Municipal Services increasing 4.5% per year
- TransLink – per their 2009 10-year plan, assuming they find additional $150 million per year in 2012. 4.5% beyond 2018.

---

**Metro Vancouver**

**Regional Impact (Moderate)**

**Total Regional Expenditures**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita</td>
<td>$1,647</td>
<td>$1,723</td>
<td>$1,976</td>
<td>$2,597</td>
<td>$3,473</td>
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<tr>
<td>Per Household</td>
<td>$4,281</td>
<td>$4,480</td>
<td>$5,139</td>
<td>$6,753</td>
<td>$9,030</td>
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<tr>
<td>Median Household Income</td>
<td>$50,324</td>
<td>$64,718</td>
<td>$72,841</td>
<td>$92,272</td>
<td>$124,006</td>
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<tr>
<td>Percentage of Household Income</td>
<td>8.5%</td>
<td>6.9%</td>
<td>7.1%</td>
<td>7.3%</td>
<td>7.3%</td>
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</table>

*Average increase 2008 to 2030 – 4.2%

(1) Includes Metro Vancouver, Member Municipalities and TransLink
(2) Population based on MV estimates averaging 1.5%
(3) Average Household has 2.6 people
(4) Income increases based on Ministry of Finance estimates to 2011, 3% thereafter
### Metro Vancouver Region as a Whole

#### Total Expenditures (Pessimistic)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional</strong></td>
<td>$37</td>
<td>$48</td>
<td>$58</td>
<td>$81</td>
<td>$117</td>
<td></td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td>84</td>
<td>163</td>
<td>284</td>
<td>557</td>
<td>697</td>
<td></td>
</tr>
<tr>
<td><strong>Liquid Waste</strong></td>
<td>136</td>
<td>162</td>
<td>237</td>
<td>563</td>
<td>908</td>
<td></td>
</tr>
<tr>
<td><strong>Solid Waste</strong></td>
<td>70</td>
<td>110</td>
<td>135</td>
<td>343</td>
<td>354</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>$327</td>
<td>$482</td>
<td>$715</td>
<td>$1,543</td>
<td>$2,076</td>
<td>15.0%</td>
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</tbody>
</table>

**Member portion**

| LWMP/SWMP | 60    | 70    | 80    |       |       | 0.6%  |
| MV Members* | 2,528 | 2,574 | 2,834 | 4,349 | 7,429 | 53.6% |

**TransLink**

| 601         | 913   | 1,350 | 2,507 | 4,283 |       | 30.9% |

**Total**

| $3,456      | $3,969 | $4,958 | $8,470 | $13,867|       |

*Excludes impact of MV Services

**Assumptions:**

- Municipal Services increasing 5.5% per year
- TransLink – per their 2009 10-year plan. Assume additional $2 billion in capital being financed by 2020.

---

### Metro Vancouver Regional Impact (Pessimistic)

**Total Regional Expenditures (1)**

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2008</th>
<th>2012</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita (2)</td>
<td>$1,647</td>
<td>$1,723</td>
<td>$2,010</td>
<td>$3,107</td>
<td>$4,607</td>
</tr>
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<td>Per Household (3)</td>
<td>$4,281</td>
<td>$4,480</td>
<td>$5,226</td>
<td>$6,078</td>
<td>$11,979</td>
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<td>Median Household Income (4)</td>
<td>$50,324</td>
<td>$64,090</td>
<td>$69,373</td>
<td>$81,281</td>
<td>$99,081</td>
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<tr>
<td>Percentage of Household Income</td>
<td>8.5%</td>
<td>7.0%</td>
<td>7.5%</td>
<td>9.9%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

*Average increase 2008 to 2030 – 6.5%

- (1) Includes Metro Vancouver, Member Municipalities and TransLink
- (2) Population based on MV estimates averaging 1.5%
- (3) Average Household has 2.6 people
- (4) Income increases based on Ministry of Finance estimates to 2011, 2% thereafter
Summary of Regional Impact
Total Regional Expenditures
(Metro Vancouver, Member Municipalities, TransLink)

\[
\begin{array}{cccccc}
\text{Year} & \text{2002} & \text{2008} & \text{2012} & \text{2020} & \text{2030} \\
\hline
\text{Optimistic} & 8.5 & 6.8 & 6.2 & 5.2 & 4.1 \\
\text{Moderate} & 8.5 & 6.9 & 7.1 & 7.3 & 7.3 \\
\text{Pessimistic} & 8.5 & 7.0 & 7.5 & 9.9 & 12.1 \\
\end{array}
\]

Base Case Assumptions:
- No Inflation
- No Senior Government Cost Sharing
- Moderate Waste-to-Energy Recovery

Recommended Next Steps

Using percentage of median household income as a proxy for affordability, and considering the moderate set of assumptions, the financial impact of the basket of services addressed in this report appears to be in an acceptable range. These projections do reveal the significant impact that regional transportation has, and will have on the regional economy. The projections further indicate the impact that participatory funding from the Federal and Provincial Governments, or the lack thereof, has on the Metro Vancouver region.
Recommended Next Steps

It is recommended that:

- These projections be used to help advance the case for senior government funding participation in significant Metro Vancouver utility projects
- The Board reconsider the current “levy as you go” strategy versus a pre-levy, or “rate smoothing” strategy
- These projections be provided to the Mayor’s Council on Regional Transportation as context for evaluating future TransLink expenditures
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To: Finance Committee  
Sustainable Region Initiative Committee  

From: Tracey Husoy, Division Manager, Purchasing and Risk  

Date: June 25, 2008  

Subject: Sustainable Procurement Update 2008  

Recommendation:  

Finance Committee:  
That the Board approve the next steps of the Sustainable Procurement practices as outlined in the report titled “Sustainable Procurement Update 2008” dated June 25, 2008.  

Sustainable Region Initiative Committee  
That the Sustainable Region Initiative Committee receive the report dated June 25, 2008, titled ‘Sustainable Procurement Update 2008’ for information.  

1. PURPOSE  

To present the Sustainable Region Initiative Committee, Finance Committee and Board of Directors with an update regarding the Framework for Sustainable Procurement.  

2. CONTEXT  

The Board of Directors adopted a Framework for Sustainable Procurement in June 2006. Procedures were subsequently developed and implemented. The Framework noted that our approach was an evolutionary process and that we did not expect significant changes to contract awards, rather, the real impact was in the message it sent – that our procurement process now includes all aspects of sustainability.  

An update was submitted in June 2007 and the Board of Directors requested an update the following year.  

UPDATE  

In November of 2007, our Sustainable Procurement Practices was identified as a finalist in the 2007 Leadership in Public Procurement Award in the municipal sector. This award was established in collaboration with Summit Magazine (a magazine that caters to Canadian public procurement) and the Canadian Public Procurement Council.  

The City of North Vancouver recently approved a sustainable purchasing policy modeled after our Framework and the District of Maple Ridge is using our Framework to assist in the development of their sustainable policy.
During the first year of implementation we focused on compliance with social and environmental laws and regulations and while this remains an important consideration, over this past year, an increased emphasis has been placed on bidder’s extraordinary environmental and social impacts.

As a result of these changes we’ve determined that our bidders are committed to a wide range of sustainable initiatives and as such, with only one exception, we have not experienced any changes to contract awards. Bidders responding to our formal competitive processes are in step with our sustainable practices. Some of the activities that have been reported by them include (not an exhaustive list):

- Participate in fast track for employment program
- Participate in Engineers Without Borders
- Establish, contribute and manage trust funds that provide financial support to schools and hospitals in third world countries
- Subsidize transit passes for employees and/or support ride share programs
- Invest in teleconferencing tools and discourage/restrict corporate travel for intercorporate meetings
- Complete corporate greenhouse gas inventories, set target reductions, measure and monitor results
- A variety of programs to “Green up” facilities
- Initiate programs to reduce waste, measure and monitor progress
- Standardize products purchased such as 100% post-consumer, recycled paper and other green office supplies

Our approach to sustainable procurement continues to be positively accepted by our bidders and there have been no noticeable cost increases as a result of our practices.

NEXT STEPS
Our next step involves reaching into our bidder’s supply chain thus expanding the influence of our policies to a larger audience of contractors. We will ask our bidders to confirm they’ve checked their major contractors’ and suppliers' compliance to environmental and social laws and regulations, including their previous three year history, encourage them to share with us how they take any of their extra ordinary impacts into account when awarding contracts, and we will consider all of this information when awarding our contracts. Based on discussions we’ve had with our bidders, some confirmed they are already checking on the practices of their major suppliers and sub-trades while others expressed concern that this may be too onerous a task. We will hold information sessions and/or provide information on our website to help all our bidders understand what we are asking for and the various websites we access for information.

3. ALTERNATIVES
The Board:
   a) Continue with the Procurement Process as is and not make any further changes; or
   b) Approve the next steps of the Sustainable Procurement practices.

   Recommend Option B
4. CONCLUSION

The Framework for Sustainable Procurement is an evolutionary process that was adopted by the Board in June 2006. The next step in the process is for the Board to approve expanding the influence of our policies to a larger audience of contractors. This would involve amending the competitive bid documents to incorporate the changes as a matter of standard practice in the formal competitive bid process commencing the fall of 2008.
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5.7  

Finance Committee Meeting:  July 10, 2008

TO:        Finance Committee
FROM:      Jim Rusnak, Chief Financial Officer
DATE:      June 30, 2008
SUBJECT:   Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008

Recommendation:
That the Board:
   a) introduce and give first, second and third reading to Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008; and
   b) reconsider, pass and finally adopt Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008.

1. PURPOSE

To amend "Greater Vancouver Regional District Security Issuing Bylaw (GVTA) Number 1058, 2006" due to recent changes to the GVTA (TransLink) governance structure.

2. CONTEXT

In the past, the GVRD was responsible for ratifying the borrowing limit for TransLink and their Strategic Transportation Plan (STP) as an oversight role. In conjunction with these responsibilities, the GVRD was used as the borrowing conduit with the Municipal Finance Authority of British Columbia (MFA) on behalf of TransLink. In late 2007 the Province changed the TransLink governance structure, creating new legislation by enacting the South Coast British Columbia Transportation Authority (SCBCTA) Act. As a result of the legislative changes, the GVRD no longer has any role in TransLink business. Moving forward, TransLink will be borrowing directly through the MFA.

The attached amending bylaw serves to limit the security issuing authority of the GVRD, on behalf of TransLink, to $224,464,544, the amount already borrowed under the original bylaw. Upon approval of this amendment, no authority will exist for any further borrowing on behalf of TransLink.
3. **ALTERNATIVES**

   a) The Board can approve the security issuing amending bylaw thereby removing any authority for the GVRD to engage in future borrowing from the MFA on behalf of the TransLink. This is the recommended alternative.

   b) The Board may choose not to approve the security issuing bylaw thereby maintaining the authority for future borrowings on behalf of TransLink.

4. **CONCLUSION**

Approval of the security issuing amending bylaw is recommended. As TransLink will now borrow directly from MFA, it is appropriate to limit the authority for the GVRD to continue to borrow on their behalf.

PT/eb
Attachments

Doc. #004640588
GREATER VANCOUVER REGIONAL DISTRICT
BYLAW NO. 1094, 2008

A Bylaw to Amend “Greater Vancouver Regional District Security Issuing Bylaw (GVTA) Number 1058, 2006”

A. WHEREAS the Board of Directors of the Greater Vancouver Regional District has adopted “Greater Vancouver Regional District Security Issuing Bylaw (GVTA) Number 1058, 2006”;

B. WHEREAS the Board of Directors of the Greater Vancouver Regional District wishes to amend “Greater Vancouver Regional District Security Issuing Bylaw (GVTA) Number 1058, 2006”;

NOW THEREFORE the Board of Directors of the Greater Vancouver Regional District, in open meeting assembled, enacts as follows:

1. “Greater Vancouver Regional District Security Issuing Bylaw (GVTA) Number 1058, 2006” is hereby amended by:
   a. deleting the words “Five Hundred and Twenty-Five Million Dollars ($525,000,000.00)” from paragraph one and replacing them with the words “Two Hundred and Twenty-Four Million Four Hundred and Sixty-Four Thousand Five Hundred and Forty-Four Dollars ($224,464,544.00)”;
   b. deleting the figure “$525,000,000” and replacing it with the figure “$224,464,544”.

2. The official citation for this bylaw is “Greater Vancouver Regional District Security Issuing Amending Bylaw (GVTA) Number 1094, 2008”.

Read a first, second and third time this ____ day of July, 2008.
Reconsidered, passed and finally adopted this ____ day of July, 2008.

__________________________________________
Lois E. Jackson, Chair

__________________________________________
Paulette Vetleson, Secretary
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Finance Committee Meeting: July 10, 2008

To: Finance Committee
From: Phil Trotzuk, Financial Planning & Operations Manager
Date: June 12, 2008
Subject: Fall MFA Borrowing for Member Municipalities – GVRD Security Issuing Bylaw 1081, 2008

Recommendations:

a) That the GVRD Board, pursuant to Sections 182(1)(b) and 182(2)(a) of the Community Charter, give consent to the request for financing from the Village of Lions Bay in the amount of $1,650,000;

b) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008” being a bylaw to authorize the entering into of an Agreement respecting financing between the Greater Vancouver Regional District and the Municipal Finance Authority of British Columbia, be introduced and read a first, second and third time;

c) That “Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008” be reconsidered, passed and finally adopted;


1. PURPOSE

To bring forward a borrowing request from the Village of Lions Bay for the fall 2008 MFA issue.

2. CONTEXT

Under the legislation, member municipal borrowing requests must be approved by the respective council by way of Loan Authorization and Security Issuing Bylaws. Such borrowings must then be approved by the GVRD Board and included in a GVRD Security Issuing Bylaw to move forward.

The Village of Lions Bay council adopted Loan Authorization Bylaw 374, 2005 on September 19, 2006 for $600,000, Loan Authorization Bylaw 380, 2006 on September 19, 2006 for $1,300,000 and Loan Authorization Bylaw 401, 2008 on June 2, 2008 for $800,000 and subsequently passed the required Security Issuing Resolution(s) on June 23, 2008.

Upon approval, the request is then considered by the MFA.
All debt of the GVRD is a joint and several liability of the member municipalities.

<table>
<thead>
<tr>
<th>GVRD Bylaw</th>
<th>Member</th>
<th>Member Bylaw</th>
<th>Purpose</th>
<th>Amount of Bylaw</th>
<th>Borrowing Request</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1081, 2008</td>
<td>Village of Lions Bay</td>
<td>374, 2005</td>
<td>Water Treatment Plant and Mains</td>
<td>$600,000</td>
<td>$600,000</td>
<td>20 years</td>
</tr>
<tr>
<td>1081, 2008</td>
<td>Village of Lions Bay</td>
<td>380, 2006</td>
<td>Roads</td>
<td>$1,300,000</td>
<td>$250,000</td>
<td>20 years</td>
</tr>
<tr>
<td>1081, 2008</td>
<td>Village of Lions Bay</td>
<td>401, 2008</td>
<td>Water Treatment Plant and Mains</td>
<td>$800,000</td>
<td>$800,000</td>
<td>20 years</td>
</tr>
</tbody>
</table>

At December 31, 2006 (the most recent date for the statistics from the Ministry), the Village of Lions Bay had actual and estimated debt servicing costs of $25,351 which was 6.7% of the available limit of $376,608.

We estimate that with the new borrowings proposed in this bylaw, the debt servicing costs will increase by approximately $170,000 and will be close to 49% of the limit.
GREATER VANCOUVER REGIONAL DISTRICT

BYLAW NO. 1081, 2008

A BYLAW TO AUTHORIZE THE ENTERING INTO OF AN AGREEMENT RESPECTING FINANCING BETWEEN THE GREATER VANCOUVER REGIONAL DISTRICT AND THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

WHEREAS the Municipal Finance Authority of British Columbia (the “Authority”) may provide financing of capital requirements for Regional Districts or for their member municipalities by the issue of debentures or other evidence of indebtedness of the Authority and lending the proceeds there to the Regional District on whose request the financing is undertaken;

AND WHEREAS the Village of Lions Bay is a member municipality of the Greater Vancouver Regional District (the “Regional District”);

AND WHEREAS the Regional District is to finance from time to time on behalf of and at the sole cost of the member municipalities, under the provisions of Section 824 of the Local Government Act, the works to be financed pursuant to the following loan authorization bylaw:

<table>
<thead>
<tr>
<th>Member Loan Authorization Bylaw Number</th>
<th>Purpose</th>
<th>Amount of Borrowing Authorized</th>
<th>Amount Already Borrowed</th>
<th>Borrowing Authority Remaining</th>
<th>Term of Issue</th>
<th>Amount of Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>374, 2005</td>
<td>Water Treatment Plant and Mains</td>
<td>$600,000</td>
<td>$0</td>
<td>$600,000</td>
<td>20 years</td>
<td>$600,000</td>
</tr>
<tr>
<td>380, 2006</td>
<td>Roads</td>
<td>$1,300,000</td>
<td>$0</td>
<td>$1,300,000</td>
<td>20 years</td>
<td>$250,000</td>
</tr>
<tr>
<td>401, 2008</td>
<td>Water Treatment Plant and Mains</td>
<td>$800,000</td>
<td>$0</td>
<td>$800,000</td>
<td>20 years</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

AND WHEREAS the Regional Board, by this bylaw, hereby requests such financing shall be undertaken through the Authority:

NOW THEREFORE the Regional Board of the Greater Vancouver Regional District in open meeting assembled enacts as follows:
1. The Authority is hereby requested and authorized to finance from time to time the aforesaid undertakings at the sole cost and on behalf of the Regional District and its member municipalities up to, but not exceeding one million six hundred and fifty thousand dollars ($1,650,000.00) in lawful money of Canada (provided that the Regional District may borrow all or part of such amount in such currency as the Trustees of the Authority shall determine but the aggregate amount in lawful money of Canada and in Canadian Dollar equivalents so borrowed shall not exceed $1,650,000 in Canadian Dollars at such interest and with such discounts or premiums and expenses as the Authority may deem appropriate in consideration of the market and economic conditions pertaining.

Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and officer assigned the responsibility of financial administration of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times as the Trustees of the Authority may request, enter into and deliver to the Authority one or more agreements, which said agreement or agreements shall be substantially in the form annexed hereto as Schedule "A" and made part of this bylaw (such Agreement or Agreements as may be entered into, delivered or substituted hereinafter referred to as the "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto, which Agreement shall rank as debenture debt of the Regional District.

2. The Agreement in the form of Schedule “A” shall be dated and payable in the principal amount or amounts of monies and in Canadian dollars or as the Authority shall determine and subject to the Local Government Act, in such currency or currencies as shall be borrowed by the Authority under Section 1 and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.

3. The obligation incurred under the said Agreement shall bear interest from a date specified therein, which date shall be determined by the Treasurer of the Authority, and shall bear interest at a rate to be determined by the Treasurer of the Authority.

4. The Agreement shall be sealed with the seal of the Regional District and shall bear the signature of the Chair and the officer assigned the responsibility of financial administration of the Regional District.

5. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Victoria and at such time or times as shall be determined by the Treasurer of the Authority.

6. If during the currency of the obligation incurred under the said Agreement to secure borrowings in respect of the Village of Lions Bay Loan Authorization Bylaws 374, 2005, 380, 2006 and 401, 2008 there shall be requisitioned annually an amount sufficient to meet the annual payment of interest and the repayment of principal.

7. The Regional District shall provide and pay over to the Authority such sums as are required to discharge its obligations in accordance with the terms of the Agreement, provided, however, that if the sums provided for in the Agreement are not sufficient to meet the obligations of the Authority, any deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Regional Board of the Regional District shall make due provision to discharge such liability.
8. The Regional District shall pay over to the Authority at such time or times as the Treasurer of the Authority so directs such sums as are required pursuant to section 15 of the Municipal Finance Authority Act to be paid into the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement.

9. This bylaw may be cited as “Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008”.

READ A FIRST TIME this _____ day of ________________, 2008

READ A SECOND TIME this _____ day of ________________, 2008.

READ A THIRD TIME this _____ day of ________________, 2008.

RECONSIDERED, PASSED AND FINALLY ADOPTED this _____ day of ________________, 2008.

__________________________
Lois E. Jackson, Chair

__________________________
Paulette Vetleson, Secretary

Certified a true copy of Bylaw No 1081, 2008 as adopted.

__________________________
Secretary
SCHEDULE "A" to Bylaw No. 1081, 2008

CANADA

PROVINCE OF BRITISH COLUMBIA

AGREEMENT

Greater Vancouver Regional District

The Greater Vancouver Regional District (the "Regional District") hereby promises to pay to the Municipal Finance Authority of British Columbia at its Head Office in Victoria, British Columbia, (the "Authority") the sum of one million six hundred and fifty thousand dollars ($1,650,000.00) in lawful money of Canada, together with interest calculated semi-annually in each and every year during the currency of this Agreement; and payments shall be as specified in the table appearing below hereof commencing on the ______ day of ____________, provided that in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority further sums as are sufficient to discharge the obligations of the Regional District to the Authority.

DATED at ______________, British Columbia, this ___ day of _____, 20___.

IN TESTIMONY WHEREOF and under the authority of Bylaw No. 1081, 2008 cited as "Greater Vancouver Regional District Security Issuing Bylaw No. 1081, 2008". This Agreement is sealed with the Corporate Seal of the Greater Vancouver Regional District and signed by the Chair and the officer assigned the responsibility of financial administration thereof.

Chair

Treasurer

Pursuant to the Local Government Act, I certify that this Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatever in any Court of the Province of British Columbia.

Dated ______________, 20___

(month, day)

Inspector of Municipalities

PRINCIPAL AND/ OR SINKING FUND DEPOSIT AND INTEREST PAYMENTS

<table>
<thead>
<tr>
<th>Date of Payment</th>
<th>Principal and/or Sinking Fund Deposit</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
To: Finance Committee

From: Tracey Husoy, Purchasing & Risk Manager

Date: June 20, 2008

Subject: Tender/Contract Award Information – May 2008

Recommendation:
That the Finance Committee receive the report dated June 20, 2008 titled “Tender/Contract Award Information – May 2008” for information.

1. PURPOSE

To provide the Finance Committee information with regard to contracts valued at or estimated at more than $250,000.00.

2. CONTEXT

Information pertaining to the award of contracts and standing offer agreements valued at more than $250,000.00 is reported to the Committee monthly.

The following contracts were awarded during the month of May 2008:

(Details attached as APPENDIX A)

1. Tri-Arrow Industrial Recovery Inc. $3,140,000.00 P&P & O & M Dept. (GVS&DD)
   Provision of Hauling and Disposal Services – Non Recyclable Wastewater Treatment Plant Residuals for a 3 year period.

2. CH2M Hill $3,670,671.90 P & P Dept. (GVS&DD)
   Provision of Professional Consulting Services for the provision of a Conceptual Design of a Secondary Treatment Plant.

3. Interlock Employee and Family Assistance $289,012.50 H.R. Dept. (GVRD)
   Provision of Service Provider for Corporate Employee and Family Assistance Program (EFAP).
4. Jewel Holdings $745,122.28 E & C Dept. (GVS&DD)
Provision of Supply and Delivery of Shop Fabricated Large Diameter Steel Mitres, Fittings and Chamber Piping – Boundary Road Main No. 5 – Phases 3 West and 3 East.

5. Rock Point Metalcraft Ltd. $629,212.00 E & C Dept. (GVS&DD)
Provision of Supply and Delivery of Shop Fabricated Large Diameter Steel Mitres, Fittings and Chamber Piping – Boundary Road Main No. 5 – Phases 3 West and 3 East.

The following previously reported contracts were amended during the month of May 2008: (Details attached as APPENDIX C)

<table>
<thead>
<tr>
<th>Original or Previously Amended Value</th>
<th>Value of Amendment</th>
<th>Total Amended Value of Contract</th>
<th>Amendment Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fraser Richmond Soil &amp; Fibre Ltd.</td>
<td>$7,861,778.96</td>
<td>$2,141,905.50</td>
<td>$10,003,684.46</td>
</tr>
</tbody>
</table>
To cover extension of contract for an additional one year period, June 1, 2008 to May 31, 2009, to allow continuation of the existing service while the Regional Green waste Program is re-evaluated as part of the Zero Waste Challenge.

| 2. Norpac Controls Ltd.             | $3,244,383.17      | $350,124.54                    | $3,594,507.71 | Additional Requirements |
To cover 3 Change Orders. Two of the Change Orders are related to the addition of control equipment required to support process equipment additions. The third Change Order is related to configuring SCADA to allow startup without the Seymour-Capilano Filtration Project as a result of slippage in the project construction schedule.

| 3. Emerson Process Management       | $2,440,558.72      | $642,059.09                    | $3,082,617.81 | Additional Work |
To cover 10 Change Orders. Nine of the Change Orders are related to items required to support newly identified O & M strategies, objectives, and standards and additional engineering and programming to account for process equipment additions and adjustments in the Seymour-Capilano Filtration Project design. The other Change Order is related to facility tie-ins and startup including Seymour-Capilano Filtration Project Integrated Systems Verification tests prior to plant commissioning and early stand alone operation of the Greenwood Pumping Station.
Attachments:

APPENDIX A: Detailed information with regard to newly awarded contracts

APPENDIX B: Contracts amended to a value of more than $250,000 but not previously reported to the Finance Committee

(Nothing to report)

APPENDIX C: Contracts amended in value in accordance with Contracting Procedure No. 9 – Contract Amendments and previously reported to the Finance Committee

APPENDIX D: List of tenders and proposals received but not awarded (presently being reviewed)

APPENDIX E: List of current open tender/proposal calls for contracts anticipated to be valued at greater than $250,000
AWARD OF CONTRACT

RFP NO. 08-008

1. A contract was awarded May 8, 2008 for the Policy and Planning Department and Operations and Maintenance Department (GVS&DD)

To: Tri-Arrow Industrial Recovery Inc.

in the estimated amount of $3,140,000.00 (excluding GST) (factoring in higher fuel prices, increased maintenance costs and high driver salaries) for Hauling and Disposal Services – Non Recyclable Wastewater Treatment Plant Residuals for a 3 year period.

This is a unit rate contract.

Original estimate was $1.2 Million/Year based on estimated tonnages from 2006-2007.

2. Proposals were requested by GVRD and BC BID web sites, and private invitation on February 29, 2008

Closing Date: March 27, 2008

3. Proposals received:

   Super Save Disposal Inc. $2,386,403
   Maple Leaf Disposal Ltd. $2,493,424
   Tri-Arrow Industrial Recovery Inc. $3,061,315
   Mr. Bin Disposal Ltd. $7,980,226

4. Proposals reviewed by:

   Contractual: Purchasing Division Staff
   Technical: Policy and Planning Department and Operations and Maintenance Department Staff

5. Award made to the highest ranked proponent.

The 3 unsuccessful firms fell short in both the Technical Considerations and Sustainable sections. They submitted very brief proposals that omitted requested information. Tri-Arrow submitted all of the information requested, had the most relevant experience, included environmental and social initiatives and received the highest scores.

Volumes may fluctuate due to WWTP operational circumstances and no guarantee is made of actual quantities to be hauled. Unit price payment will be made on actual quantities hauled as measured in the field and may be supplemented by cost trigger mechanism of a fuel surcharge (second year) and firm 2% unit price escalator in the second year.

FIN-98
AWARD OF CONTRACT

RFP NO. 08-024

1. A contract was awarded May 27, 2008 for the Policy and Planning Department (GVS&DD)

To: CH2M Hill

in the amount of $3,670,671.90 for professional consulting services for Iona Island Wastewater Treatment Plant (IIWWTP) Project Definition.

This is a unit rate contract.

Original estimate was $3.9 Million.

2. Proposals were requested by GVRD and BC Bid web sites, and private invitation on February 26, 2008.

Closing Date: April 10, 2008

3. Proposals received:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earth Tech</td>
<td>$2,939,600</td>
</tr>
<tr>
<td>Sandwell Engineering</td>
<td>$3,398,038</td>
</tr>
<tr>
<td>CH2M Hill</td>
<td>$3,495,878</td>
</tr>
<tr>
<td>Stantec Consulting</td>
<td>$3,599,547</td>
</tr>
<tr>
<td>UMA Engineering</td>
<td>$3,987,972</td>
</tr>
<tr>
<td>Black &amp; Veatch</td>
<td>$5,882,142</td>
</tr>
</tbody>
</table>

4. Proposals reviewed by:

Contractual: Purchasing Division Staff

Technical: Policy and Planning Department Staff, Operations and Maintenance Department Staff and Engineering and Construction Department Staff

5. Award made to the highest ranked proponent.
AWARD OF CONTRACT
RFP NO. 08-011

1. A contract was awarded May 30, 2008 for the Human Resources Department (GVRD)

To: Interlock Employee and Family Assistance Corporation of Canada

in the amount of $289,012.50 (including GST) for the provision of a Service Provider for Corporate Employee and Family Assistance Program (EFAP).

This is not a unit rate contract.

Original estimate was $295,000.

2. Proposals were requested by GVRD and BC Bid web sites, and private invitation on March 12, 2008.

Closing Date: March 25, 2008

3. Proposals received:

<table>
<thead>
<tr>
<th>Company</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceridian Canada</td>
<td>$40,320 per year</td>
</tr>
<tr>
<td>Interlock Employee and Family</td>
<td>$47,250 per year</td>
</tr>
<tr>
<td>Assistance Corp. of Canada</td>
<td></td>
</tr>
<tr>
<td>Wilson Banwell Human Solutions</td>
<td>$48,960 per year</td>
</tr>
<tr>
<td>Shepell.fgi</td>
<td>$57,414 per year</td>
</tr>
<tr>
<td>Brown Crawshaw, Inc.</td>
<td>$58,825 per year</td>
</tr>
<tr>
<td>Lower Mainland Assessment &amp; Referral Service</td>
<td>$72,000 per year</td>
</tr>
</tbody>
</table>

4. Proposals reviewed by:

Contractual: Purchasing Division Staff

Technical: EFAP Steering Committee members and a Human Resource liaison.

5. Award made to the highest ranked proponent. The lowest cost proponent scored very low within the technical considerations.

The contract cost is fixed for a 2 year period with anticipated 10% usage costs of $3.28 per employee per month for an annual total of approx. $47,250. Based on historical usage, an additional $7,800 to cover the costs of critical incident calls should be incorporated for a total of $55,050 annually (excluding GST).

The approximate value of the 5 year contract is $275,250 (excluding GST).
1. A contract was awarded May 28, 2008 for the Engineering and Construction Department (GVS&DD)

To: Jewel Holdings Ltd.

in the amount of $745,122.28 for Part A: Mitres, Part B: Pipe and fittings and Part D: Provisional Item.

This is a unit rate contract.

To: Rocky Point Metalcraft Ltd.

in the amount of $629,212.00 for Part C: Chamber Piping and Part D: Provisional Item.

This is a unit rate contract.

Original estimate was $1.6 Million.

2. Submissions were requested by GVRD and BC Bid web sites, and private invitation on April 9, 2008.

Closing Date: May 1, 2008

3. Submissions received:

Northwest Pipe Company $ 788,702 (bid submitted for Parts A, B and D only)
Rocky Point Metalcraft $1,487,118 (bid submitted for Parts A, B, C and D)
Jewel Holdings Ltd. $1,537,471 (bid submitted for Parts A, B, C and D)
Ideal Welders $2,434,412 (bid submitted for Parts A, B, C and D)

4. Submissions reviewed by:

Contractual: Purchasing Division Staff

Technical: Engineering and Construction Department Staff

5. Award made to the lowest compliant bidder for each Part (Parts A to D) as allowed in the Tender. Part D is for potential storage and is required to accompany the award of Parts A, B and C.
AMENDMENT TO A PREVIOUSLY REPORTED CONTRACT

RFP NO. 02-012
PURCHASE ORDER NO. 073831

Yard Waste & Mixed Wood Waste Recycling Services
for the Engineering and Construction Department (GVS&DD)

1. Name of Contractor: Fraser Richmond Soil & Fibre Ltd.
2. Date Contract Reported: July 2002
3. Original Reported Value of Contract: $6,200,000.00 (over 5 years)
   June 2002 to May 2007
4. Amendment Number: 02
5. Value of Amendment: $2,141,905.50 (over 1 year)
   June 2008 to May 2009
6. Amendment Type: Contract Extension
7. Total Amended Value of Contract: $10,003,684.46
   (includes value of previously reported Amendment No. 01 in the amount of $1,661,778.96)
8. Previous Amendment Explanation: (Reported to Finance Committee June 2007)
9. Budget Status:
   This is a multi year contract funded within the operating budget for this program.
10. Reason for Amendment to Contract:

    This amendment is to extend the contract for an additional one year period, June 1, 2008 to May 31, 2009, to allow continuation of the existing service while the Regional Green Waste Program is re-evaluated as part of the SWMP review and Zero Waste Challenge.

    The cost is based on contract unit rates and projected increases in green waste tonnage and on the recently implemented disposal ban and financial incentives for green waste.
AMENDMENT TO A PREVIOUSLY REPORTED CONTRACT

RFP NO. 05-017
PURCHASE ORDER NO. 091137

Seymour-Capilano Filtration Plant CDACS and SCADA Master Station Replacement for the Engineering and Construction and Operations and Maintenance Departments (GVWD)

1. Name of Contractor: Norpac Controls Ltd.

2. Date Contract Reported: April 2006

3. Original Reported Value of Contract: $2,908,198.00

4. Amendment Number: 03

5. Value of Amendment: $350,124.54

6. Amendment Type: Additional Requirements

7. Total Amended Value of Contract: $3,594,507.71 (includes value of previously reported Amendment Nos. 01 and 02 in the amount of $336,185.17)

8. Previous Amendment Explanation: (Reported to Finance Committee February 2007 and April 2008)

   Amendments covered standardization and upgrade to the equipment and optional items that were requested in the RFP and in part, identified in the proposal but better suited to be done after the award.

9. Budget Status:

   The CDACS portion of this contract is funded within the $600 million Seymour-Capilano Filtration Project Budget and the SCADA portion of this contract is funded within the $3.5 Million SCADA Master Replacement Project Budget. Both projects are currently projected to complete within their respective budgets.

10. Reason for Amendment to Contract:

   The amendment covers the addition of control equipment required to support process equipment additions and the separation of network architecture to allow independent startup and commissioning of the Seymour Capilano Filtration Plant CDACS and SCADA systems.
AMENDMENT TO A PREVIOUSLY REPORTED CONTRACT

RFP NO. 06-005
PURCHASE ORDER NO. 093280

Programming Services for CDACS and SCADA
for the Engineering and Construction and
Operations and Maintenance Departments (GVWD)

1. Name of Contractor: Emerson Process Management
2. Date Contract Reported: September 2006
3. Original Reported Value of Contract: $2,440,558.72
4. Amendment Numbers: 01 and 02
5. Value of Amendments:
   01 $301,329.89
   02 $340,729.20
6. Amendment Type: Additional Work
7. Total Amended Value of Contract: $3,082,617.81
8. Budget Status:
   The CDACS portion of this contract is funded within the $600 million Seymour-Capilano Filtration Project Budget and the SCADA portion of this contract is funded within the $3.5 Million SCADA Master Replacement Project Budget. Both projects are currently projected to complete within their respective budgets.
9. Reason for Amendment to Contract:
   Amendment No. 01 covers a total of 9 Change Orders related to items required to support newly identified O & M strategies, objectives, and standards and additional engineering and programming to account for process equipment additions and adjustments in the Seymour-Capilano Filtration Project design.
   Amendment No. 02 covers 1 Change Order related to facility tie-ins and startup including additional scope for Integrated Systems Verification tests prior to filtration plant commissioning and early stand alone operation of the Greenwood Pumping Station.
## Tenders/Proposals Received But Not Awarded
(Presently Being Reviewed)

<table>
<thead>
<tr>
<th>Tender/RFP</th>
<th>Date Closed</th>
<th>Estimated Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP No. 08-031 Consulting Engineering Services Related to the Seismic Assessment of the Haney Mains Nos. 2 and 3 – Coquitlam River Crossing</td>
<td>May 6, 2008</td>
<td>$290,000.00</td>
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<tr>
<td>RFP No. 08-045 Machine Shop and Mechanical Service</td>
<td>May 6, 2008</td>
<td>$7.5 Million (over 5 years)</td>
</tr>
<tr>
<td>RFP No. 08-044 Biosolids Field Management Services – Highland Valley Copper Mine</td>
<td>May 29, 2008</td>
<td>$960,000.00 (over 4 years)</td>
</tr>
</tbody>
</table>
### Current Open Tender/Proposal Calls for Contracts Anticipated to be Valued at Greater than $250,000

<table>
<thead>
<tr>
<th>Tender/RFP</th>
<th>Closing Date</th>
<th>Estimated Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITT No. 08-003 Installation of Boundary Road Main No. 5 – Phase 3 – West</td>
<td>May 29, 2008</td>
<td>$8.1 Million</td>
</tr>
<tr>
<td>RFP No. 08-035 Enterprise Asset Management System</td>
<td>June 5, 2008</td>
<td>$1 Million</td>
</tr>
<tr>
<td>ITT No. 08-074 Roof Replacement at Crown Manor</td>
<td>June 12, 2008</td>
<td>$275,000.00</td>
</tr>
<tr>
<td>ITT No. 08-071 Roof Replacement at Habitat Villa</td>
<td>June 12, 2008</td>
<td>$400,000.00</td>
</tr>
<tr>
<td>RFP No. 08-058 Iona Island Wastewater Treatment Plant – CEPT Design – Engineering Services</td>
<td>July 3, 2008</td>
<td>$700,000.00</td>
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</tbody>
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