

**GREATER VANCOUVER WATER DISTRICT (GVWD)
BOARD OF DIRECTORS**

REGULAR BOARD MEETING

Friday, October 30, 2020

9:00 A.M.

28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia

[Membership and Votes](#)

REVISED AGENDA¹

A. ADOPTION OF THE AGENDA

1. October 30, 2020 Regular Meeting Agenda

That the GVWD Board adopt the agenda for its regular meeting scheduled for October 30, 2020 as circulated.

B. ADOPTION OF THE MINUTES

1. October 2, 2020 Regular Meeting Minutes

That the GVWD Board adopt the minutes for its regular meeting held October 2, 2020 as circulated.

2. October 21, 2020 Metro Vancouver Board Budget Meeting Minutes

That the GVWD Board adopt the minutes for the joint meeting of the MVRD, MVHC, GVWD and GVS&DD Boards held October 21, 2020, as circulated.

C. DELEGATIONS

D. INVITED PRESENTATIONS

E. CONSENT AGENDA

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

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

1. WATER COMMITTEE REPORTS

1.1 Award of Contract Resulting from Request for Proposal No. 20-098: Water Design & Construction Projects - Project Management Services (2020)

That the GVWD Board:

- a) approve the award of a contract in the amount of up to \$6,236,880 (exclusive of taxes) to Colliers Project Leaders Inc. resulting from Request for Proposal No. 20-098: Water Design & Construction Projects – Project Management Services (2020), subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer, to execute the required documentation once the Commissioner is satisfied that the award should proceed.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1. BUDGET REPORTS

Added 1.1 **GVWD 2021 Budget and 2021 – 2025 Financial Plan**
[Recommendation a), b) and c): simple weighted majority vote.]

That the GVWD Board:

- a) approve the 2021 Annual Budget and endorse the 2021 - 2025 Financial Plan as shown in Attachment 1 of the report dated October 22, 2020, titled “GVWD 2021 Budget and 2021 - 2025 Financial Plan”, in the following schedules:
 - Revenue and Expenditure Summary
 - Water Services
 - Capital Programs Project Totals – Water Services
- b) approve the 2021 Reserve Applications as shown in Attachment 2 of the report dated October 22, 2020, titled “GVWD 2021 Budget and 2021 - 2025 Financial Plan”; and
- c) set the Water Rate for 2021 at:
\$0.9546 per cubic metre for June through September; and
\$0.7119 per cubic metre for January through May and October through December.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

1. GVWD Board Committee Information Items and Delegation Summaries

J. BUSINESS ARISING FROM DELEGATIONS

K. RESOLUTION TO CLOSE MEETING

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

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

M. ADJOURNMENT/CONCLUSION

That the GVWD Board adjourn/conclude its regular meeting of October 30, 2020.

**GREATER VANCOUVER WATER DISTRICT
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Water District (GVWD) Board of Directors held at 10:13 a.m. on Friday, October 2, 2020 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal
North Vancouver City, Vice Chair Director
Linda Buchanan
Anmore, Director John McEwen
Belcarra, Director Neil Belenkie*
Burnaby, Director Pietro Calendino*
Burnaby, Director Mike Hurley
Coquitlam, Director Craig Hodge
Coquitlam, Director Richard Stewart*
Delta, Director George Harvie
Delta, Director Bruce McDonald*
Electoral Area A, Director Jen McCutcheon*
Langley City, Director Val van den Broek*
Langley Township, Director Jack Froese*
Langley Township, Director Kim Richter*
Maple Ridge, Director Mike Morden*
New Westminster, Director Jonathan Coté*
North Vancouver District, Director Lisa Muri*
Pitt Meadows, Director Bill Dingwall*
Port Coquitlam, Director Brad West*

Port Moody, Director Rob Vagramov
Richmond, Director Malcolm Brodie*
Richmond, Director Harold Steves*
Surrey, Director Linda Annis
Surrey, Director Doug Elford*
Surrey, Director Laurie Guerra*
Surrey, Director Doug McCallum*
Surrey, Director Mandeep Nagra*
Surrey, Director Allison Patton*
Tsawwassen, Director Ken Baird*
Vancouver, Director Christine Boyle*
Vancouver, Director Adriane Carr
Vancouver, Director Melissa De Genova*
Vancouver, Director Lisa Dominato*
Vancouver, Director Colleen Hardwick*
Vancouver, Alternate Director Pete Fry* for
Kennedy Stewart
Vancouver, Director Michael Wiebe
West Vancouver, Director Mary-Ann Booth*
Commissioner Jerry W. Dobrovlny (Non-voting
member)

MEMBERS ABSENT:

None

STAFF PRESENT:

Genevieve Lanz, Legislative Services Coordinator, Board and Information Services
Chris Plagnol, Corporate Officer

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

A. ADOPTION OF THE AGENDA

1. October 2, 2020 Regular Meeting Agenda

It was MOVED and SECONDED

That the GVWD Board adopt the agenda for its regular meeting scheduled for October 2, 2020 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. July 31, 2020 Regular Meeting Minutes

It was MOVED and SECONDED

That the GVWD Board adopt the minutes for its regular meeting held July 31, 2020 as circulated.

CARRIED

Director Vagramov absent at the vote.

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

At the request of Directors, the following items were removed from the Consent Agenda for consideration under Section F. Items Removed from the Consent Agenda:

2.1 Capital Infrastructure Project Governance

It was MOVED and SECONDED

That the GVWD Board adopt the recommendations in the following items presented in the October 2, 2020 GVWD Board Consent Agenda:

1.1 Award of Contract Resulting from Request for Proposal No. 20-097: Construction Management Services for Capilano Main No. 5 South Shaft to Chilco

1.2 Seymour Salmonid Society – Contribution Agreement

CARRIED

The items and recommendations referred to above are as follows:

1.1 Award of Contract Resulting from Request for Proposal No. 20-097: Construction Management Services for Capilano Main No. 5 South Shaft to Chilco

Report dated August 20, 2020 from Roy Moulder, Director, Purchasing and Risk Management, Financial Services and Joel Melanson, Division Manager, Engineering and Construction, Water Services, advising the GVWD Board of the results of Request for Proposal (RFP) No. 20-097: Construction Management

Services for Capilano Main No. 5 South Shaft to Chilco, and recommending award of contract to McMillen Jacobs Associates for Phase 1, Preconstruction Services, in the amount up to \$483,062 (exclusive of taxes).

Recommendation:

That the GVWD Board:

- a) approve the award of a contract in the amount of up to \$483,062 (exclusive of taxes) to McMillen Jacobs Associates for Phase 1, Pre-construction Services, resulting from Request for Proposal No. 20-097: Construction Management Services for Capilano Main No. 5 – South Shaft to Chilco, subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer, to execute the required documentation once the Commissioner is satisfied that the award should proceed.

Adopted on Consent

1.2 Seymour Salmonid Society – Contribution Agreement

Report dated August 12, 2020 from Jesse Montgomery, Division Manager, Environmental Management, Water Services, seeking GVWD Board authorization to renew the Contribution Agreement between the GVWD and the Seymour Salmonid Society for a three-year term commencing January 1, 2021 and ending December 31, 2020.

Recommendation:

That the GVWD Board approve the renewal of the Contribution Agreement between the Greater Vancouver Water District and the Seymour Salmonid Society for a three-year term, and annual contribution amount of \$125,000, commencing on January 1, 2021 and ending on December 31, 2023.

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

2.1 Capital Infrastructure Project Governance

Report dated September 18, 2020 from Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer and Cheryl Nelms, General Manager, Project Delivery, providing the GVWD Board with an update on the implementation of recommendations regarding the delivery of capital projects.

Members were provided with a presentation on the capital infrastructure project governance review, highlighting capital project governance, scalability of project oversight, authority and accountability, and next steps.

Presentation material titled “Project Delivery Update” is retained with the October 2, 2020 GVWD Board agenda.

It was MOVED and SECONDED

That the GVWD Board receive for information the report dated September 18, 2020, titled "Capital Infrastructure Project Governance".

CARRIED

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

With the consensus of the Board, the Chair asked the Commissioner to provide members with a brief overview of the October 1, 2020 Cleveland Dam spillway incident.

October 1, 2020 Cleveland Dam Spillway Incident

Jerry W. Dobrovolny, Commissioner, provided members with a verbal update on the October 1, 2020 Cleveland Dam spillway incident, including Metro Vancouver's full cooperation with the ongoing investigation, multi-jurisdictional emergency response and involvement, counselling and support for staff, and next steps.

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the GVWD Board close its regular meeting scheduled for October 2, 2020 pursuant to the *Community Charter* provisions, Section 90 (1) (g) and (m) as follows:

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

(g) litigation or potential litigation affecting the regional district; and

(m) a matter that, under another enactment, is such that the public may be excluded from the meeting."

CARRIED

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

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the GVWD Board adjourn its regular meeting of October 2, 2020.

CARRIED

(Time: 10:56 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

METRO VANCOUVER BOARD BUDGET WORKSHOP

Minutes of the Regular Joint Meeting of the Metro Vancouver Regional District (MVRD), the Greater Vancouver Water District (GVWD), the Greater Vancouver Sewerage and Drainage District (GVS&DD), and the Metro Vancouver Housing Corporation (MVHC) Boards of Directors held at 9:01 a.m. on Wednesday, October 21, 2020 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal	Port Moody, Director Rob Vagramov* (arrived at 9:09 a.m.)
North Vancouver City, Vice Chair Director Linda Buchanan*	Richmond, Director Malcolm Brodie*
Anmore, Director John McEwen	Richmond, Director Harold Steves*
Belcarra, Director Carolina Clark	Surrey, Director Linda Annis*
Bowen Island, Director David Hocking*	Surrey, Director Doug Elford*
Burnaby, Director Pietro Calendino*	Surrey, Director Laurie Guerra
Burnaby, Director Mike Hurley	Surrey, Director Doug McCallum*
Coquitlam, Director Craig Hodge*	Surrey, Alternate Director Brenda Locke for Mandeep Nagra*
Coquitlam, Director Richard Stewart*	Surrey, Director Allison Patton
Delta, Alternate Director Dylan Kruger for George Harvie*	Tsawwassen, Director Ken Baird*
Delta, Director Bruce McDonald*	Vancouver, Director Christine Boyle*
Electoral Area A, Director Jen McCutcheon*	Vancouver, Director Adriane Carr*
Langley City, Director Val van den Broek*	Vancouver, Director Melissa De Genova* (arrived at 9:35 a.m.)
Langley Township, Director Jack Froese*	Vancouver, Director Lisa Dominato* (arrived at 9:13 a.m., and departed at 11:56 a.m.)
Langley Township, Director Kim Richter* (arrived at 10:07 a.m.)	Vancouver, Director Colleen Hardwick* (arrived at 9:51 a.m.)
Lions Bay, Director Ron McLaughlin*	Vancouver, Alternate Director Pete Fry for Kennedy Stewart*
Maple Ridge, Director Mike Morden*	Vancouver, Director Michael Wiebe*
New Westminster, Director Jonathan Coté*	West Vancouver, Director Mary-Ann Booth* (arrived at 9:12 a.m.)
North Vancouver District, Director Lisa Muri*	White Rock, Director Darryl Walker*
Pitt Meadows, Director Bill Dingwall*	
Port Coquitlam, Director Brad West	

MEMBERS ABSENT:

None

STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer
 Lauren Cichon, Legislative Services Coordinator, Board and Information Services
 Klara Kutakova, Deputy Corporate Officer

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

The Chair called the meeting to order at 9:01 a.m.

1. PRESENTATION

1.1 2021 Budget and 2021-2025 Financial Plan – Metro Vancouver Districts and Housing Corporation

Jerry Dobrovolny, Chief Administrative Officer/Commissioner and Dean Rear, Chief Financial Officer/General Manager, Financial Services Department, introduced the 2021 Metro Vancouver Districts and Housing Corporation Budget and 2021 – 2025 Financial Plan highlighting overall household impacts for 2021 – 2025, historic and projected population growth, and operating and capital budget expenditures and revenues.

9:09 a.m. Director Vagramov arrived at the meeting.

9:12 a.m. Director Booth arrived at the meeting.

9:13 a.m. Director Dominato arrived at the meeting.

Presentation material titled “2021-2025 Financial Plan Overview” is retained with the October 21, 2020 Board Budget Workshop agenda.

9:35 a.m. Director De Genova arrived at the meeting.

9:51 a.m. Director Hardwick arrived at the meeting.

10:07 a.m. Director Richter arrived at the meeting.

Members discussed a temporary relaxation of the amortization period as outlined in the *Financial Management Policy* by temporarily changing it from 15 years to 30 years.

It was MOVED and SECONDED

That the MVRD Board direct staff to adopt a 30-year amortization for borrowing for 2021 and 2022 only and then return to a 15-year amortization period as per the *Financial Management Policy*.

Recorded Vote

At the request of the Chair, a recorded vote was conducted.

Director	Number of Votes	
	For	Against
Linda Annis		4
Ken Baird	1	
Mary-Ann Booth	3	
Christine Boyle	5	
Malcolm Brodie		5
Linda Buchanan	3	
Pietro Calendino	4	
Adriane Carr		5

Carolina Clark	1	
Jonathan Côté	4	
Melissa De Genova	5	
Sav Dhaliwal	4	
Bill Dingwall		1
Lisa Dominato		4
Doug Elford	5	
Jack Froese		3
Laurie Guerra		4
Colleen Hardwick		4
Dylan Kruger	3	
David Hocking		1
Craig Hodge		3
Mike Hurley	4	
Doug McCallum		5
Jen McCutcheon	1	
Bruce McDonald	3	
John McEwen	1	
Ron McLaughlin	1	
Mike Morden	5	
Lisa Muri		5
Brenda Locke		4
Allison Patton		4
Kim Ritcher		3
Harold Steves		5
Pete Fry		5
Richard Stewart		4
Rob Vagramov		2
Val van den Broek	2	
Darryl Walker		1
Brad West	3	
Michael Wiebe		4
	For	Against
Total Votes	58	76

DEFEATED

Liquid Waste Services

Members were provided an overview of the 2021 Liquid Waste Services Budget and 2021-2025 Financial Plan, highlighting performance metrics, continuous improvement, operating and capital expenditures, 2021 – 2025 major projects, financial plan summaries, and concerns about the Ministry of Environment increase of wastewater treatment plant fee in 2021.

It was MOVED and SECONDED

That the GVS&DD Board:

- a) endorse the 2021 Budget and 2021-2025 Financial Plan for Liquid Waste Services, as presented; and
- b) direct staff to prepare the necessary budget information to be presented at the October 30, 2020 GVS&DD Board meeting for consideration.

That the GVS&DD Board Chair write a letter to the Honourable George Heyman, Minister of Environment and Climate Change Strategy, requesting that the Minister consider the deferral or graduated application of the \$2,479,807 fee increase in 2021 for Metro Vancouver's five wastewater treatment plant authorizations.

CARRIED

Director Richter voted in the negative.

Water Services

Members were provided with an overview of the 2021 Water Services Budget and 2021-2025 Financial Plan, highlighting performance metrics, continuous improvement, 2021 – 2025 major projects, 2021-2025 financial plan summary, and proposed adjusted pricing approach.

Members requested additional information on the proposed adjusted pricing approach of the peak and non-peak water rates to be provided before the October 30, 2020 Board Meeting.

11:56 a.m. Director Dominato departed the meeting.

It was MOVED and SECONDED

That the GVWD Board:

- a) endorse the 2021 Budget and 2021-2025 Financial Plan for Water Services, as presented;
- b) direct staff to calculate the water rates applying the 2021 increase wholly to the peak rate; and,
- c) direct staff to prepare the necessary budget information to be presented at the October 30, 2020 GVWD Board meeting for consideration.

CARRIED

Director Richter voted in the negative.

Solid Waste Services

Members were provided with an overview of the 2021 Solid Waste Services Budget and 2021 – 2025 Financial Plan, highlighting performance metrics, continuous improvement, tipping fees, and capital program highlights.

It was MOVED and SECONDED

That the GVS&DD Board:

- a) endorse the 2021 Budget and 2021-2025 Financial Plan for Solid Waste Services, as presented; and
- b) direct staff to prepare the necessary budget information to be presented at the October 30, 2020 GVS&DD Board meeting for consideration.

CARRIED

Metro Vancouver Housing Corporation

Members were provided an overview of the 2021 MVHC Budget and 2021 – 2025 Financial Plan, outlining performance metrics, and operating and capital highlights.

It was MOVED and SECONDED

That the MVHC Board:

- a) endorse the 2021 Budget and 2021-2025 Financial Plan for Metro Vancouver Housing Corporation, as presented; and
- b) direct staff to prepare the necessary budget information to be presented at the October 30, 2020 MVHC Board meeting for consideration.

CARRIED

Metro Vancouver Regional District Services

Members were provided an overview of the MVRD 2021 Budget, highlighting MVRD functions and the financial plan summary.

It was MOVED and SECONDED

That the MVRD Board:

- a) endorse the 2021 Budget and 2021-2025 Financial Plan for the Regional District Service Areas, as presented;
- b) endorse the 2021 Budget and 2021-2025 Financial Plan for the Electoral Area A Service Area, as presented;
- c) endorse the 2021 Budget and 2021-2025 Financial Plan for the Sasamat Fire Protection Service, as presented; and
- d) direct staff to prepare the necessary budget information to be presented at the October 30, 2020 Metro Vancouver Regional District Board meeting for consideration.

CARRIED

2. REPORTS

2.1 2021-2025 Financial Plan – Metro Vancouver Districts and Housing Corporation

Report dated October 14, 2020 from Jerry Dobrovlny, Commissioner/Chief Administrative Officer and Dean Rear, Chief Financial Officer/General Manager – Financial Services Department, presenting the 2021 Budget and 2021-2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation for consideration.

It was MOVED and SECONDED

That the Board endorse the 2021 Budget and 2021 - 2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation, as presented, and direct staff to prepare the necessary budget information to be presented at the October 30, 2020 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.

Motion Withdrawn

The aforementioned motion was deemed unnecessary in light of the endorsement motions passed earlier in the meeting; consequently, withdrawal of the motion was in order. With consent of the Board, the aforementioned motion was withdrawn.

It was MOVED and SECONDED

That the MVRD, GVWD, GVS&DD, and MVHC Boards receive the report titled “2021-2025 Financial Plan – Metro Vancouver Districts and Housing Corporation” dated October 14, 2020 for information.

CARRIED

3. REFERENCE MATERIAL

3.1 2021 – 2025 Financial Plan – Standing Committee Reports

4. Q&A/COMMENTS FROM THE PUBLIC

Chair Dhaliwal asked three times if there were any members of the public wishing to speak to the proposed Metro Vancouver Districts and Housing Corporation Budgets. No persons stepped forward.

5. ADJOURNMENT

The Chair declared the meeting adjourned at 12:41 p.m.

CERTIFIED CORRECT

Klara Kutakova, Deputy Corporate Officer

Sav Dhaliwal, Chair

To: Water Committee

From: Roy Moulder, Director, Purchasing and Risk Management, Financial Services
Goran Oljaca, Director, Engineering and Construction, Water Services

Date: September 25, 2020 Meeting Date: October 8, 2020

Subject: **Award of Contract Resulting from Request for Proposal No. 20-098: Water Design & Construction Projects - Project Management Services (2020)**

RECOMMENDATION

That the GVWD Board:

- a) approve the award of a contract in the amount of up to \$6,236,880 (exclusive of taxes) to Colliers Project Leaders Inc. resulting from Request for Proposal No. 20-098: Water Design & Construction Projects – Project Management Services (2020), subject to final review by the Commissioner; and
- b) authorize the Commissioner and the Corporate Officer, to execute the required documentation once the Commissioner is satisfied that the award should proceed.

EXECUTIVE SUMMARY

On June 22, 2020, GVWD issued Request for Proposal (RFP) No. 20-098: Water Design & Construction Projects – Project Management Services (2020). RFP No. 20-098 was a result of a Request for Qualifications (RFQ) No. 19-329 in which five (5) proponents were pre-qualified. All five (5) proposals were received in response to the RFP. Based on the evaluation of the proposals, it is recommended that the GVWD Board approve the award of a contract for project management services to Colliers Project Leaders Inc. in the amount up to \$6,236,880 (exclusive of taxes). These services are to be funded from projects within Metro Vancouver’s Capital Long Range Plan.

PURPOSE

This report is to advise the GVWD Board of the results of Request for Proposal (RFP) No. 20-098: Water Design & Construction Projects – Project Management Services (2020) and to recommend award of the contract in the amount of up to \$6,236,880 (exclusive of taxes) to Colliers Project Leaders Inc. (Colliers).

BACKGROUND

Pursuant to the *GVWD Officers and Delegation Bylaw No. 247, 2014 (Bylaw)* and the *Procurement and Real Property Contracting Authority Policy (Policy)*, procurement contracts which exceed a value of \$5 million require the approval of the GVWD Board of Directors.

This report is being brought forward to the Water Committee to consider a recommendation to the GVWD Board to authorize the award of a contract for project management services for water design and construction projects to Colliers.

PROJECT DESCRIPTION

The Greater Vancouver Water District (the “GVWD”) is responsible for delivering a safe, reliable supply of drinking water. The region’s water is supplied through a network of over 500km of water mains from three storage lakes (Capilano, Seymour and Coquitlam) located in closed watersheds north of the Greater Vancouver area in the coastal mountains.

RFP No. 20-098: Water Design & Construction Projects – Project Management Services (2020) was issued with the objective to select one experienced consultant to successfully provide professional project management consulting services during design and construction of various water main projects for which the value of construction may be up to \$35 million for each project. These projects may include design and installation of steel pipe ranging from 900mm to 3050mm in diameter, and may include pertinent facilities such as valve chambers, pump stations and flow meter chambers. The Services are required until the end of the calendar year 2025 and will depend upon future funding approval on the amount of remaining funds, and any revisions to charge out rates in the fourth and fifth contract years.

The Project Management Consultant (Consultant) will coordinate the activities of both the Corporation’s staff, the staff of the Corporation’s Engineer and other required project consultants and contractors.

A Request for Proposals (RFP No. 20-098) for project management services was issued on June 22, 2020 to five (5) prequalified proponents as a result of Request for Qualifications (RFQ No. 19-329). The RFP contemplated a three (3) year term, the purpose of this report, with an option to extend by an additional 2 one year terms. The RFP closed on July 23, 2020 and proposals were received from all five (5) proponents. The proposal prices for the five (5) proponents are summarized in Table 1 below.

Table 1: Proposal Submission Summary

Proponent	Years 1 - 3	Year 4*	Year 5*	Proposed Amount (excl. tax)
RAM Engineering Ltd.	\$5,834,400	\$1,944,800	\$1,944,800	\$9,724,000
Colliers Project Leaders Inc.	\$5,974,800	\$1,991,600	\$1,991,600	\$9,958,000
Jacobs CH2M Hill Canada Inc.	\$6,965,400	\$2,231,800	\$2,231,800	\$11,159,000
Ausenco Engineering Canada Ltd.	\$7,261,800	\$2,420,600	\$2,420,600	\$12,103,000
Stantec Consulting Ltd.	\$7,411,560	\$2,470,520	\$2,470,520	\$12,352,600

* Year 4 and 5 charge out rates are subject to negotiation and revision as per the terms and conditions of the RFP.

Evaluation of the proposals was based on the selection criteria identified in the RFP. The technical component of the proposals was evaluated by three staff from Water Services and the financial component was evaluated by staff from the Purchasing and Risk Management Division.

Colliers was identified as the highest ranked proponent. Their proposal demonstrated a thorough understanding of the scope of services and the key issues, and included a well thought out and detailed methodology along with an appropriate, experienced team. The Colliers team has

demonstrated expertise in project management, with an emphasis on civil design and construction projects, in particular large diameter steel water main construction. The program manager has significant experience in managing large, complex civil engineering projects.

Negotiations were held with Colliers on September 22, 2020 to confirm allocation of hours and resources. The negotiations resulted in a reallocation of some hours from junior staff to more senior staff to better support the needs of the Corporation for construction phase project management services. This resulted in an overall 4% increase in the annual proposal price to \$2,078,960 with a three (3) year term cost of \$6,236,880 (exclusive of taxes), as shown in Table 2 below.

Table 2: Revised Proposal Submission Summary

Proponent	Years 1 - 3	Year 4*	Year 5*	Proposed Amount (excl. tax)
Colliers Project Leaders Inc.	\$6,236,880	\$2,078,960	\$2,078,960	\$10,394,800

* Year 4 and 5 charge out rates are subject to negotiation and revision as per the terms and conditions of the RFP.

FINANCIAL IMPLICATIONS

If the GVWD Board approves Alternative 1, a contract will be awarded to Colliers Project Leaders Inc. in the amount of up to \$6,236,880 (exclusive of taxes) for project management services for an initial three (3) year term. These services are to be funded from projects within Metro Vancouver’s Capital Long Range Plan. The RFP contemplated 2 one year additional terms whose charge out rates will be subject to annual Consumer Price Index (CPI) adjustments. The total potential value of this contract is \$10,394,800 (exclusive of taxes) without CPI adjustments factored in. Years 4 and 5 of the contract will be added through amendment approved by the appropriate contracting authority upon successful performance during the initial term.

The GVWD Board has the choice not to proceed with Alternative 1 but staff will need further direction in relation to the project. Alternative 2 will result in a delay to various projects, which could impact water supply to member jurisdictions throughout the region.

CONCLUSION

Project management services are required for water design and construction projects to promote and maintain the Board strategic plan for providing a clean reliable supply of drinking water to member municipalities in the region.

A Request for Proposal was issued for project management services for water design and construction projects. Colliers Project Leaders Inc. was identified as the highest ranked proponent, and offered the second lowest fee for services. These services are to be funded from projects within Metro Vancouver’s Capital Long Range Plan.

Based on the evaluation of the proposals in response to RFP No. 20-098: Water Design & Construction Projects – Project Management Services (2020), it is recommended that the GVWD Board authorize the Commissioner and Corporate Officer to award and execute a contract to Colliers Project Leaders Inc. in the amount of up to \$6,236,880 (exclusive of taxes).

To: GVWD Board of Directors

From: Dean Rear, General Manager, Financial Services/Chief Financial Officer

Date: October 22, 2020 Meeting Date: October 30, 2020

Subject: **GVWD 2021 Budget and 2021 - 2025 Financial Plan**

RECOMMENDATION

That the GVWD Board:

- a) approve the 2021 Annual Budget and endorse the 2021 - 2025 Financial Plan as shown in Attachment 1 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan", in the following schedules:
 - Revenue and Expenditure Summary
 - Water Services
 - Capital Programs Project Totals – Water Services
- b) approve the 2021 Reserve Applications as shown in Attachment 2 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan"; and
- c) set the Water Rate for 2021 at:
 - \$0.9546 per cubic metre for June through September; and
 - \$0.7119 per cubic metre for January through May and October through December.

EXECUTIVE SUMMARY

Following the planning process outlined at the June 5th Board Budget Workshop, the GVWD 2021 Annual Budget and 2021 - 2025 Financial Plan is now being brought forward to the Board for consideration and approval. The financial plan has been developed based on a detailed budgeting process that is designed to forecast anticipated future revenue requirements to cover operating expenditures, capital expenditures and debt servicing costs over the next five years.

The proposed water rate increase to the peak season is expected to pay dividends over the next few years by supporting the transition to a stronger culture of water conservation regionally (especially during summer months).

Also being brought forward is a request to authorize the application of 2021 reserve funds which requires the approval of the GVWD Board pursuant to the Board's *Operating, Discretionary, and Statutory Reserves Policy*.

Staff recommend approving the GVWD 2021 Annual Budget and 2021 - 2025 Financial Plan as presented.

PURPOSE

To consider and approve the 2021 GVWD Annual Budget for Water Services and endorse the GVWD 2021 - 2025 Financial Plan.

BACKGROUND

A Board Budget Workshop was held on June 5th with the objective to seek direction for the preparation of the 2021 - 2025 Financial Plan. The workshop outlined the principles that guide the work of Metro Vancouver as an organization, the current 2020 - 2024 Financial Plan, the implications of the COVID-19 pandemic, the tools that can be used to make budget adjustments, and a proposed approach for the 2021 - 2025 Financial Plan.

In October, the 2021 budget and five-year financial plan for Water Services was presented to the Water Services Committee for consideration and endorsement and is included in Attachment 1. On October 21, 2020 this budget was also presented at the Board Budget Workshop and is summarized in the report titled “2021 - 2025 Financial Plan – Metro Vancouver Districts and Housing Corporation” (Attachment 3).

The GVWD 2021 Annual Budget and 2021 - 2025 Financial Plan are now being brought forward to the Board for consideration and approval. Also being brought forward is a request to authorize the application of 2021 reserve funds which requires the approval of the GVWD Board pursuant to the Board’s *Operating, Discretionary, and Statutory Reserves Policy* (Attachment 2).

WATER RATE STRUCTURE

Metro Vancouver currently has two distinct water rates, based on the time of the year:

1. Non-peak season - October 1 to May 31
2. Peak season - June 1 to September 30

This rate structure was implemented in 2008 to encourage water conservation, particularly during the dry summer months when water use is high and rainfall is low. Historically, increases in water rates are applied equally between both rates, and the ratio is kept the same at 1.25.

In 2021, staff are proposing to apply any approved rate increase only to the peak rate (summer season) while holding the blended rate constant. As a result, the proposed rates would be as follows:

1. Non-peak season rate would remain the same as 2020 at \$0.7119.
2. Peak season rate would rise from \$0.8899 (2020) to \$0.9546, a 7.2% increase.

The proposed increase to the peak season water rate is expected to have only a small initial effect on water consumption but is expected to pay dividends over the next few years by supporting the transition to a stronger culture of water conservation regionally (especially during summer months). Every drop of water conserved saves money by reducing treatment and operational costs while supporting regional climate change initiatives by reducing energy consumption system-wide. A sustained reduction in peak summer water use across the region will also allow for the deferral of a number of growth-related projects as current assessments indicate that the new infrastructure will only be needed if summertime demand for drinking water continues to increase.

BOARD BUDGET APPROVAL REQUIREMENTS

Unlike the *Local Government Act* and the *Community Charter* which requires Regional Districts and Municipalities in British Columbia to annually approve by bylaw a financial plan for a five-year period, multi-year financial plans are not required under *Greater Vancouver Water District Act*. The *GVWD Act* only requires an annual budget to be approved that sets rates and applies reserves to meet the requirements and obligations of the GVWD.

However, in accordance with Metro Vancouver's policies that adhere to long term financial planning principles, this report brings forward for the Board's consideration a five-year financial plan for the years 2021 - 2025. The financial plan has been developed based on a detailed budgeting process that is designed to provide member jurisdictions with anticipated rates to cover operating expenditures, capital expenditures and debt servicing costs over the next five years. This information is essential in supporting Metro Vancouver's overall budgeting process, but also provides critical information to member jurisdictions that is used in preparing individual member jurisdiction financial plans.

ALTERNATIVES

1. That the GVWD Board:
 - a) approve the 2021 Annual Budget and endorse the 2021 - 2025 Financial Plan as shown in Attachment 1 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan", in the following schedules:
 - Revenue and Expenditure Summary
 - Water Services
 - Capital Programs Project Totals – Water Services
 - b) approve the 2021 Reserve Applications as shown in Attachment 2 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan"; and
 - c) set the Water Rates for 2021 at:
 - \$0.9546 per cubic metre for June through September; and
 - \$0.7119 per cubic metre for January through May and October through December.

2. That the GVWD Board:
 - a) approve the 2021 Annual Budget and endorse the 2021 - 2025 Financial Plan as shown in Attachment 1 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan", in the following schedules:
 - Revenue and Expenditure Summary
 - Water Services
 - Capital Programs Project Totals – Water Services
 - b) approve the 2021 Reserve Applications as shown in Attachment 2 of the report dated October 22, 2020, titled "GVWD 2021 Budget and 2021 - 2025 Financial Plan"; and
 - c) set the Water Rates for 2021 at:
 - \$0.9211 per cubic metre for June through September; and
 - \$0.7369 per cubic metre for January through May and October through December.

3. That the Board provide alternative direction as appropriate.

FINANCIAL IMPLICATIONS

If the Board approves alternative one, the 2021 Annual Budget will be approved as presented and authority will be provided to undertake the Water Services work plans presented in the budget reports with the Peak and Off-Peak water rates set at a ratio of 1.3409 (where the Peak water rate is equal to 1.3409 times the Off-Peak water rate which would remain the same as in 2020 budget year at \$0.7119 per cubic metre). The 2021 to 2025 Financial Plan for Water Services will also be endorsed and will provide greater certainty for budget planning in future years, as well as improved information to the public and to member jurisdictions on anticipated budgets and future rate impacts. This alternative supports Metro Vancouver's plan to enhance demand side management in order to defer capital projects to increase system capacity.

Under alternative two, the 2021 Annual Budget will be approved as presented and authority will be provided to undertake the Water Services work plans presented in the budget reports with the Peak and Off-Peak water rates set at a ratio of 1.25 (where the Peak water rate is equal to 1.25 times the Off-Peak water rate) as has been calculated in prior budget years.

Under alternative three, the Board may wish to amend the 2021 budget and approve the budget and financial plan as amended. Under the *GVWD Act*, the Board is required to adopt a budget before the end of the year on an annual basis to ensure the ongoing financial sustainability of the Corporation. Member jurisdictions rely on receiving GVWD rate information in late October or early November of each year to inform member jurisdictions in the preparation of their municipal budgets and five year financial plans.

SUMMARY / CONCLUSION

The 2021 Revenue and Expenditure Budgets and the 2021 Reserve Applications require Board approval. Endorsing the GVWD 2021 - 2025 Financial Plan aligns with Metro Vancouver's financial planning practices and concludes the administrative process of the 2021 budget development cycle. Staff recommend approving the GVWD 2021 Annual Budget and endorsing the 2021 - 2025 Financial Plan as presented in alternative one.

Attachments

1. GVWD 2021 - 2025 Financial Plan
2. 2021 Reserve Applications
3. "2021 - 2025 Financial Plan – Metro Vancouver Districts and Housing Corporation", dated October 26, 2020.

Reference

[Metro Vancouver Board Budget Workshop Agenda, October 21, 2020](#)

METRO VANCOUVER DISTRICTS
REVENUE AND EXPENDITURE SUMMARY
2021-2025 FINANCIAL PLAN

	2020	2021	%	2022	%	2023	%	2024	%	2025	%
	BUDGET	BUDGET	CHANGE	FORECAST	CHANGE	FORECAST	CHANGE	FORECAST	CHANGE	FORECAST	CHANGE
REVENUES											
Water Sales	\$ 307,175,053	\$ 316,341,192	3.0%	\$ 333,002,653	5.3%	\$ 354,421,887	6.4%	\$ 387,720,817	9.4%	\$ 430,609,768	11.1%
Liquid Waste Services Levy	274,237,112	288,225,540	5.1%	319,960,015	11.0%	357,836,615	11.8%	402,644,254	12.5%	467,016,401	16.0%
Solid Waste Tipping Fees	105,822,892	108,516,645	2.5%	112,961,596	4.1%	118,233,412	4.7%	124,343,566	5.2%	131,328,614	5.6%
Metro Vancouver Regional District Requisitions	71,779,890	80,939,658	12.8%	86,385,178	6.7%	92,715,620	7.3%	98,731,159	6.5%	101,958,338	3.3%
Compensation Services Revenue	483,893	484,531	0.1%	492,157	1.6%	505,829	2.8%	513,689	1.6%	523,498	1.9%
Collective Bargaining Services Revenue	887,536	900,427	1.5%	912,825	1.4%	928,833	1.8%	952,942	2.6%	971,033	1.9%
Housing Rents	40,392,325	41,303,421	2.3%	41,812,776	1.2%	44,361,315	6.1%	44,752,648	0.9%	47,398,800	5.9%
Liquid Waste Industrial Charges	11,201,217	11,756,424	5.0%	12,026,821	2.3%	12,303,439	2.3%	12,586,418	2.3%	12,875,906	2.3%
Energy Sales	5,681,540	6,239,530	9.8%	6,401,758	2.6%	6,568,204	2.6%	6,738,977	2.6%	6,914,190	2.6%
Transfer from DCC Reserves	34,172,083	43,145,119	26.3%	53,536,875	24.1%	69,782,765	30.3%	83,666,018	19.9%	94,707,923	13.2%
User Fees	5,288,054	5,184,946	(1.9%)	5,316,631	2.5%	5,343,821	0.5%	5,412,927	1.3%	5,480,086	1.2%
Housing Mortgage Subsidies	2,103,014	2,099,058	(0.2%)	2,147,785	2.3%	1,890,957	(12.0%)	1,934,029	2.3%	1,977,969	2.3%
Non-Road Diesel Permit Fees	1,760,000	1,365,000	(22.4%)	1,365,000	0.0%	1,365,000	0.0%	1,365,000	0.0%	1,365,000	0.0%
Regional Global Positioning System User Fees	292,221	288,091	(1.4%)	291,655	1.2%	287,103	(1.6%)	292,844	2.0%	298,508	1.9%
Electoral Area Requisition	376,943	389,401	3.3%	401,335	3.1%	404,654	0.8%	424,205	4.8%	443,327	4.5%
Love Food Hate Waste	406,800	492,000	20.9%	492,000	0.0%	452,000	(8.1%)	452,000	0.0%	346,000	(23.5%)
Zero Waste Conference	230,000	325,000	41.3%	337,000	3.7%	350,500	4.0%	366,200	4.5%	366,200	0.0%
Other External Revenues	9,213,671	11,537,524	25.2%	13,243,451	14.8%	14,385,966	8.6%	14,511,275	0.9%	13,520,316	(6.8%)
Transfer from Sustainability Innovation Fund Reserve	5,173,589	2,102,001	(59.4%)	1,082,001	(48.5%)	697,001	(35.6%)	442,000	(36.6%)	-	(100.0%)
Transfer from Reserves	17,650,939	17,852,993	1.1%	14,825,427	(17.0%)	14,137,436	(4.6%)	12,177,944	(13.9%)	12,760,030	4.8%
TOTAL REVENUES	\$ 894,328,772	\$ 939,488,501	5.0%	\$ 1,006,994,939	7.2%	\$ 1,096,972,357	8.9%	\$ 1,200,028,912	9.4%	\$ 1,330,861,907	10.9%
EXPENDITURES											
Operating Programs:											
Greater Vancouver Water District	\$ 310,426,734	\$ 318,631,748	2.6%	\$ 334,918,209	5.1%	\$ 356,327,856	6.4%	\$ 389,642,315	9.3%	\$ 431,491,440	10.7%
Greater Vancouver Sewerage & Drainage District:											
Liquid Waste	330,200,194	353,356,111	7.0%	393,867,015	11.5%	447,312,853	13.6%	503,828,549	12.6%	578,908,562	14.9%
Solid Waste	114,088,624	118,512,571	3.9%	124,657,028	5.2%	131,118,607	5.2%	137,455,691	4.8%	144,666,779	5.2%
Metro Vancouver Housing Corporation	52,289,752	53,692,021	2.7%	54,676,141	1.8%	57,551,666	5.3%	58,402,255	1.5%	62,112,882	6.4%
Metro Vancouver Regional District											
Air Quality	11,858,732	11,683,020	(1.5%)	11,562,719	(1.0%)	11,507,291	(0.5%)	11,940,897	3.8%	12,244,950	2.5%
E911 Emergency Telephone Service	4,521,227	4,633,573	2.5%	4,748,693	2.5%	4,866,654	2.5%	4,987,528	2.5%	5,111,386	2.5%
Electoral Area Service	808,417	678,891	(16.0%)	763,003	12.4%	676,322	(11.4%)	691,288	2.2%	698,410	1.0%
General Government Administration	5,879,900	5,681,876	(3.4%)	5,911,994	4.1%	5,975,895	1.1%	6,049,999	1.2%	6,118,636	1.1%
General Government-Zero Waste Collaboration Initiatives	1,679,923	1,660,020	(1.2%)	1,650,208	(0.6%)	1,623,868	(1.6%)	1,641,101	1.1%	1,538,185	(6.3%)
Housing Planning and Policy	6,093,504	6,221,486	2.1%	6,064,759	(2.5%)	6,079,659	0.2%	6,170,999	1.5%	6,197,799	0.4%
Regional Economic Prosperity	1,020,000	1,530,000	50.0%	2,040,000	33.3%	2,550,000	25.0%	2,550,000	0.0%	2,550,000	0.0%
Regional Emergency Management	237,868	228,945	(3.8%)	201,745	(11.9%)	189,162	(6.2%)	178,579	(5.6%)	178,635	0.0%
Regional Employer Services	3,164,558	3,102,235	(2.0%)	3,253,149	4.9%	2,999,503	(7.8%)	2,994,075	(0.2%)	2,997,621	0.1%
Regional Global Positioning System	328,849	324,719	(1.3%)	328,283	1.1%	323,731	(1.4%)	330,314	2.0%	336,840	2.0%
Regional Parks	46,873,308	54,561,963	16.4%	57,926,755	6.2%	63,137,878	9.0%	68,354,979	8.3%	70,742,766	3.5%
Regional Planning	3,913,393	3,855,768	(1.5%)	3,886,340	0.8%	4,044,061	4.1%	4,114,430	1.7%	4,262,366	3.6%
Sasamat Fire Protection Service	943,789	1,133,554	20.1%	538,898	(52.5%)	687,351	27.5%	695,913	1.2%	704,650	1.3%
	87,323,468	95,296,050	9.1%	98,876,546	3.8%	104,661,375	5.9%	110,700,102	5.8%	113,682,244	2.7%
TOTAL EXPENDITURES	\$ 894,328,772	\$ 939,488,501	5.0%	\$ 1,006,994,939	7.2%	\$ 1,096,972,357	8.9%	\$ 1,200,028,912	9.4%	\$ 1,330,861,907	10.9%

GREATER VANCOUVER WATER DISTRICT
WATER
2021-2025 FINANCIAL PLAN

	2020 BUDGET	2021 BUDGET	% CHANGE	2022 FORECAST	% CHANGE	2023 FORECAST	% CHANGE	2024 FORECAST	% CHANGE	2025 FORECAST	% CHANGE
REVENUES											
Water Sales	\$ 307,175,053	\$ 316,341,192	3.0%	\$ 333,002,653	5.3%	\$ 354,421,887	6.4%	\$ 387,720,817	9.4%	\$ 430,609,768	11.1%
Other External Revenues	1,652,712	1,674,556		1,806,556		1,905,969		1,921,498		881,672	
Transfer from Sustainability Innovation Fund Reserve	1,507,969	520,000		100,000		-		-		-	
Transfer from Reserves	91,000	96,000		9,000		-		-		-	
TOTAL REVENUES	\$ 310,426,734	\$ 318,631,748	2.6%	\$ 334,918,209	5.1%	\$ 356,327,856	6.4%	\$ 389,642,315	9.3%	\$ 431,491,440	10.7%
EXPENDITURES											
Operating Programs:											
Policy Planning and Analysis											
Contribution to Sustainability Innovation Reserve	\$ 723,000	\$ 723,000		\$ 723,000		\$ 723,000		\$ 723,000		\$ 723,000	
Research and Innovation	766,814	588,600		588,445		589,580		602,319		626,435	
Utility Analysis and Infrastructure	1,627,545	1,626,994		1,625,614		1,629,740		1,686,277		1,726,510	
Utility Policy and Planning	1,747,420	1,017,380		1,017,983		1,017,129		1,018,619		1,040,897	
	4,864,779	3,955,974	(18.7%)	3,955,042	0.0%	3,959,449	0.1%	4,030,215	1.8%	4,116,842	2.1%
Engineering and Construction											
Minor Capital Projects	10,486,537	8,542,892		8,666,254		8,776,243		9,027,390		9,282,647	
Dispatch	127,172	129,772		132,342		134,966		138,068		141,244	
	10,613,709	8,672,664	(18.3%)	8,798,596	1.5%	8,911,209	1.3%	9,165,458	2.9%	9,423,891	2.8%
Management Systems and Utility Services											
Engineers in Training	403,690	325,547		331,922		338,430		346,883		355,134	
Management Systems Utility Services	150,000	318,377		202,144		205,987		210,704		215,530	
Minor Capital Projects	915,963	812,108		823,835		834,290		858,165		882,430	
Records Management	107,704	109,200		111,196		113,232		115,946		118,724	
	1,577,357	1,565,232	(0.8%)	1,469,096	(6.1%)	1,491,939	1.6%	1,531,698	2.7%	1,571,818	2.6%
Watershed and Environmental Management											
Watershed and Environmental Management	12,209,812	12,411,660		12,416,468		12,430,085		12,559,668		12,808,809	
	12,209,812	12,411,660	1.7%	12,416,468	0.0%	12,430,085	0.1%	12,559,668	1.0%	12,808,809	2.0%
Operations and Maintenance											
Drinking Water Residuals	986,682	1,002,120		1,022,954		1,044,261		1,066,514		1,089,280	
Lake City Operations	999,649	955,508		967,219		979,167		1,001,695		1,024,739	
Maintenance	9,384,035	9,173,510		9,711,140		10,028,594		10,574,168		10,944,082	
SCADA Control Systems	5,330,421	5,487,404		5,576,486		5,667,384		5,812,353		5,940,804	
Secondary Disinfection	1,845,431	1,438,767		1,454,880		1,524,685		1,629,865		1,666,892	
Seymour Capilano Filtration Plant	8,960,728	9,421,163		9,481,653		9,650,700		9,888,027		10,130,559	
Coquitlam Water Treatment Plant	5,136,483	6,430,751		6,386,449		6,486,834		6,772,380		6,953,977	
Infrastructure Operations Support	1,441,854	1,462,536		1,487,161		1,502,528		1,571,764		1,667,433	
Utility Voice Radio	123,175	124,754		126,217		127,705		131,195		134,557	
Water Supply	19,055,252	19,148,229		19,676,537		20,287,978		21,197,354		21,748,424	
	53,263,710	54,644,742	2.6%	55,890,695	2.3%	57,299,836	2.5%	59,645,314	4.1%	61,300,747	2.8%
Interagency Projects and Quality Control											
Drinking Water Quality Control	2,775,624	2,840,813		2,903,181		2,911,881		2,929,192		3,055,057	
Energy Management	122,423	122,421		122,423		122,423		126,647		130,982	
Interagency Projects	393,493	552,535		552,535		552,535		755,636		772,532	
Contribution to Reserve	46,000	25,519		-		-		-		-	
	3,337,540	3,541,288	6.1%	3,578,139	1.0%	3,586,839	0.2%	3,811,475	6.3%	3,958,571	3.9%
Administration and Department Support											
Administration and Department Support	2,180,659	2,158,078	(1.0%)	2,196,100	1.8%	2,219,424	1.1%	2,271,710	2.4%	2,325,212	2.4%
Communications Program											
Communications Program	450,000	440,000	(2.2%)	440,000	0.0%	440,000	0.0%	440,000	0.0%	440,000	0.0%
Allocation of Centralized Support											
Allocation of Centralized Support	24,993,939	26,052,630	4.2%	26,552,857	1.9%	26,198,398	(1.3%)	26,917,222	2.7%	27,691,505	2.9%
Total Operating Programs	113,491,505	113,442,268	0.0%	115,296,994	1.6%	116,537,179	1.1%	120,372,761	3.3%	123,637,394	2.7%
Allocation of Project Delivery											
Allocation of Project Delivery	2,288,735	2,889,566	26.3%	2,891,768	0.1%	2,518,273	(12.9%)	2,526,479	0.3%	2,575,070	1.9%
Debt Service											
Debt Service	67,582,784	71,324,155	5.5%	85,460,303	19.8%	102,956,115	20.5%	120,299,503	16.8%	135,431,617	12.6%
Contribution to Capital											
Contribution to Capital	127,063,710	130,975,759	3.1%	131,269,144	0.2%	134,316,289	2.3%	146,443,572	9.0%	169,847,359	16.0%
TOTAL EXPENDITURES	\$ 310,426,734	\$ 318,631,748	2.6%	\$ 334,918,209	5.1%	\$ 356,327,856	6.4%	\$ 389,642,315	9.3%	\$ 431,491,440	10.7%

**GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN**

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
CAPITAL EXPENDITURES						
Water Infrastructure Growth Capital						
Annacis Main No. 5	\$ 69,700,000	\$ 73,100,000	\$ 93,900,000	\$ 115,200,000	\$ 115,200,000	\$ 467,100,000
Cape Horn Pump Station No. 3	1,000,000	2,100,000	6,250,000	43,250,000	43,250,000	95,850,000
Coquitlam Intake No. 2 (Tunnel & Treatment)	8,500,000	11,000,000	18,500,000	30,000,000	31,000,000	99,000,000
Coquitlam Main No. 4	11,400,000	41,600,000	60,300,000	58,800,000	136,300,000	308,400,000
Fleetwood Reservoir	16,500,000	12,000,000	4,000,000	-	-	32,500,000
Grandview Reservoir Unit No. 2	-	-	-	400,000	800,000	1,200,000
Haney Main No. 4 (West Section)	800,000	400,000	350,000	-	-	1,550,000
Hellings Tank No. 2	14,000,000	8,000,000	-	-	-	22,000,000
Jericho Reservoir No. 1	1,000,000	-	-	-	-	1,000,000
Kennedy Newton Main	34,750,000	32,450,000	21,450,000	10,600,000	4,500,000	103,750,000
Newton Pump Station No. 2	1,800,000	17,600,000	16,500,000	6,800,000	4,000,000	46,700,000
Port Mann Main No. 2 (South)	3,300,000	-	-	-	-	3,300,000
South Surrey Main No. 2	600,000	1,000,000	1,000,000	3,500,000	3,500,000	9,600,000
South Surrey Main No. 2 Nickomekl Dam Prebuild	1,000,000	500,000	500,000	-	-	2,000,000
Whalley Kennedy Main No. 2	-	-	1,000,000	1,300,000	1,300,000	3,600,000
Whalley Main	3,200,000	-	-	-	-	3,200,000
	\$ 167,550,000	\$ 199,750,000	\$ 223,750,000	\$ 269,850,000	\$ 339,850,000	\$ 1,200,750,000
Water Infrastructure Maintenance Capital						
Annacis Main No. 2 - Queensborough Crossover Improvement	\$ 400,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 500,000
Annacis Main No. 3 BHP Potash Facility Pipe Protection	450,000	100,000	-	-	-	550,000
Beach Yard Facility - Site Redevelopment	-	-	-	-	500,000	500,000
Boundary Road Main No. 2 & No. 3 Decommissioning	600,000	600,000	-	-	-	1,200,000
Burnaby Mountain Main No. 2	-	300,000	300,000	1,300,000	2,100,000	4,000,000
Burnaby Mountain Pump Station No. 2	100,000	800,000	1,100,000	800,000	9,000,000	11,800,000
Cape Horn Reservoir Condition Assessment and Structural Repair	-	350,000	-	1,200,000	-	1,550,000
Capilano Main No. 5 (South Shaft to Lost Lagoon)	10,500,000	43,500,000	45,000,000	50,000,000	45,000,000	194,000,000

**GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN**

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
Capilano Main No. 7 Line Valve & Swing Connection	1,000,000	300,000	-	-	-	1,300,000
Capilano Raw Water Pump Station Bypass PRV Upgrades	700,000	500,000	-	-	-	1,200,000
Capilano Watershed Security Gatehouse	1,200,000	500,000	-	-	-	1,700,000
Central Park Main No. 2 (10th Ave to Westburnco)	900,000	1,200,000	6,800,000	7,000,000	8,000,000	23,900,000
Central Park Main No. 2 (Patterson to 10th Ave)	16,700,000	26,500,000	18,600,000	11,500,000	-	73,300,000
Central Park Reservoir Structural Improvements	-	-	-	300,000	1,100,000	1,400,000
Central Park WPS Starters Replacement	5,000,000	1,550,000	-	-	-	6,550,000
CLD & SFD Fasteners Replacement & Coating Repairs	800,000	400,000	-	-	-	1,200,000
Cleveland Dam - Lower Outlet HBV Rehabilitation	2,900,000	1,000,000	-	-	-	3,900,000
Cleveland Dam Drumgate Seal Replacement	-	-	500,000	500,000	-	1,000,000
Coquitlam Pipeline Road Remediation	900,000	-	-	-	-	900,000
CWTP Ozone Sidestream Pipe Heat Trace and Insulation	700,000	200,000	-	-	-	900,000
CWTP Ozone Sidestream Pump VFD Replacement	750,000	500,000	-	-	-	1,250,000
CWTP pH, Alkalinity Upgrades	50,000	-	-	-	-	50,000
Dechlorination for Reservoir Overflow and Underdrain Discharges	400,000	1,000,000	1,000,000	300,000	-	2,700,000
Douglas Road Main No. 2 - Kincaid Section	250,000	300,000	1,000,000	1,000,000	-	2,550,000
Douglas Road Main No. 2 (Vancouver Heights Section)	400,000	-	-	-	-	400,000
Douglas Road Main No. 2 Still Creek	13,100,000	13,600,000	14,000,000	13,500,000	-	54,200,000
Douglas Road Main Protection	100,000	900,000	500,000	-	-	1,500,000
E2 Shaft Phase 3	800,000	-	-	-	-	800,000
First Narrows Tunnel Isolation Chamber Improvements	2,800,000	3,000,000	-	-	-	5,800,000
Improvements to Capilano Mains No. 4 and 5	1,000,000	450,000	-	-	-	1,450,000
Kersland Reservoir No. 1 Structural Improvements	2,700,000	1,500,000	1,500,000	-	-	5,700,000
Little Mountain Reservoir Roof Upgrades	2,200,000	1,000,000	-	-	-	3,200,000
Lulu Island - Delta Main - Scour Protection Phase 2	250,000	2,500,000	800,000	-	-	3,550,000
Lulu Island - Delta Main No. 2 (Marine Crossing)	-	-	5,000,000	5,000,000	5,000,000	15,000,000
Maple Ridge Main West Lining Repairs	500,000	1,500,000	800,000	-	-	2,800,000
Newton Rechlorination Station No. 2	-	400,000	600,000	1,500,000	1,500,000	4,000,000
Port Mann Main No. 1 (Fraser River Crossing Removal)	500,000	250,000	5,000,000	7,000,000	5,000,000	17,750,000

**GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN**

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
Port Moody Main No. 1 Christmas Way Relocation	1,900,000	350,000	-	-	-	2,250,000
Port Moody Main No. 3 Dewdney Trunk Rd Relocation	900,000	-	-	-	-	900,000
Port Moody Main No. 3 Scott Creek Section	450,000	3,500,000	3,000,000	2,000,000	2,500,000	11,450,000
Queensborough Main Royal Avenue Relocation	3,500,000	2,000,000	300,000	-	-	5,800,000
Rechlorination Station SHS Storage Tank Replacement	800,000	-	-	-	-	800,000
Rechlorination Station Upgrades	300,000	-	1,000,000	2,000,000	6,000,000	9,300,000
Rehabilitation of AN2 on Queensborough Bridge	800,000	-	-	-	-	800,000
Relocation and Protection for MOTI Expansion Project Broadway	3,150,000	1,500,000	500,000	500,000	500,000	6,150,000
Relocation and Protection for MOTI George Massey Crossing Replacement	-	200,000	650,000	600,000	500,000	1,950,000
Relocation and Protection for Translink Expansion Project Surrey Langley SkyTrain	350,000	2,300,000	2,200,000	1,000,000	750,000	6,600,000
Sapperton Main No. 2 North Road Relocation and Protection	400,000	2,250,000	2,250,000	1,600,000	-	6,500,000
SCFP Centralized Compressed Air System	200,000	550,000	150,000	-	-	900,000
SCFP Clearwell Membrane Replacement	200,000	1,200,000	5,500,000	5,500,000	5,000,000	17,400,000
SCFP Concrete Coatings	150,000	-	-	-	-	150,000
SCFP OMC Building Expansion	1,050,000	1,000,000	-	-	-	2,050,000
SCFP Polymer System Upgrade	1,550,000	-	-	-	-	1,550,000
SCFP SCADA/ICS Controller Upgrade	-	-	700,000	700,000	-	1,400,000
South Delta Main No. 1 - Ferry Road Check Valve Replacement	500,000	-	-	-	-	500,000
South Surrey Main No. 1 Nickomekl Dam Relocation	1,800,000	3,000,000	2,100,000	-	-	6,900,000
South Surrey Supply Main (Serpentine River) Bridge Support Modification	300,000	-	-	-	-	300,000
Sunnyside Reservoir Unit 1 Upgrades	800,000	-	-	-	-	800,000
Tilbury Main North Fraser Way Valve Addition	800,000	1,500,000	400,000	-	-	2,700,000
Water Chamber Improvements and Repairs	1,000,000	1,000,000	-	-	-	2,000,000
Westburnco Pump Station No. 2 VFD Replacements	1,650,000	300,000	-	-	-	1,950,000
	\$ 91,200,000	\$ 125,450,000	\$ 121,250,000	\$ 114,800,000	\$ 92,450,000	\$ 545,150,000
Water Infrastructure Resilience Capital						
Barnston/Maple Ridge Pump Station - Back-up Power	\$ 1,050,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	\$ 4,050,000

**GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN**

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
Burnaby Mountain Tank No. 2	2,300,000	500,000	1,000,000	13,000,000	4,000,000	20,800,000
Burnaby Mountain Tank No. 3	1,300,000	1,100,000	1,700,000	13,000,000	4,000,000	21,100,000
Cambie Richmond Main No. 3 (Marine Crossing)	31,000,000	18,000,000	6,000,000	10,000,000	6,000,000	71,000,000
Cape Horn Pump Station 2 - Back-Up Power	650,000	1,100,000	1,100,000	1,250,000	1,250,000	5,350,000
Capilano Raw Water Pump Station - Back-up Power	17,000,000	8,000,000	-	-	-	25,000,000
Clayton Langley Main No. 2	400,000	600,000	700,000	3,200,000	9,000,000	13,900,000
Cleveland Dam Power Resiliency Improvements	700,000	500,000	-	-	-	1,200,000
Cleveland Dam Seismic Stability Evaluation	800,000	-	-	-	-	800,000
Coquitlam Intake Tower Seismic Upgrade	500,000	7,000,000	10,000,000	7,000,000	-	24,500,000
Critical Control Sites - Back-Up Power	-	200,000	300,000	400,000	500,000	1,400,000
CWTP Ozone Back-up Power	-	-	500,000	1,450,000	4,000,000	5,950,000
Emergency Power Strategy for Regional Water Facilities	200,000	-	-	-	-	200,000
Grandview Pump Station Improvements	1,950,000	50,000	-	-	-	2,000,000
Haney Main No. 4 (Marine Crossing)	-	5,000,000	20,000,000	-	-	25,000,000
Mackay Creek Debris Flow Mitigation	300,000	-	-	-	-	300,000
Pebble Hill Pump Station Seismic Upgrade	-	300,000	1,000,000	500,000	-	1,800,000
Pebble Hill Reservoir No. 3 Seismic Upgrade	-	-	5,000,000	4,000,000	-	9,000,000
Pebble Hill Reservoir Seismic Upgrade	5,400,000	4,000,000	-	-	-	9,400,000
Reservoir Isolation Valve Automation	250,000	1,000,000	1,000,000	1,000,000	1,000,000	4,250,000
Scour Protection Assessments and Construction General	1,500,000	500,000	-	-	-	2,000,000
Second Narrows Crossing (Tunnel)	75,000,000	65,000,000	60,000,000	50,000,000	20,600,000	270,600,000
Seymour Main No. 2 Joint Improvements	1,200,000	900,000	-	1,000,000	1,000,000	4,100,000
Seymour Main No. 5 III (North)	2,400,000	800,000	-	-	-	3,200,000
Seymour Reservoir Mid-Lake Debris Boom	700,000	-	-	-	-	700,000
Sunnyside Reservoir Units 1 and 2 Seismic Upgrade	550,000	3,000,000	7,200,000	-	-	10,750,000
Vancouver Heights System Resiliency Improvements	350,000	500,000	500,000	-	-	1,350,000
Westburnco Pump Station - Back-up Power	10,100,000	9,500,000	-	-	-	19,600,000
	\$ 155,600,000	\$ 128,550,000	\$ 116,000,000	\$ 105,800,000	\$ 53,350,000	\$ 559,300,000

**GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN**

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
Water Infrastructure Upgrade Capital						
CWTP Ozone Generation Upgrades for Units 2 & 3	\$ 2,050,000	\$ 1,500,000	\$ -	\$ -	\$ -	3,550,000
Lower Seymour Conservation Reserve Learning Lodge Replacement	2,400,000	-	-	-	-	2,400,000
Online Chlorine Monitoring Stations	-	-	-	-	450,000	450,000
Sapperton Main No. 1 New Line Valve and Chamber	1,000,000	1,100,000	-	-	-	2,100,000
South Delta Main No. 1 - 28 Ave to 34B Ave	3,000,000	-	-	-	-	3,000,000
South Delta Mains - 28 Ave Crossover	500,000	-	-	-	-	500,000
Tilbury Junction Chamber Valves Replacement with Actuators	900,000	-	-	-	-	900,000
Water Meter Upgrades	2,700,000	2,700,000	3,000,000	3,000,000	3,000,000	14,400,000
Water Optimization - Flow Meters (Non-billing) Phase 1	-	1,500,000	2,000,000	3,000,000	4,000,000	10,500,000
Water Optimization - Flow Meters (Non-billing) Phase 2	-	250,000	1,500,000	750,000	2,000,000	4,500,000
Water Optimization - Instrumentation	250,000	750,000	2,000,000	2,500,000	2,500,000	8,000,000
Water Optimization Automation & Instrumentation	2,100,000	300,000	-	-	-	2,400,000
	\$ 14,900,000	\$ 8,100,000	\$ 8,500,000	\$ 9,250,000	\$ 11,950,000	\$ 52,700,000
Water Opportunity Capital						
Capilano Hydropower	\$ 2,000,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 2,750,000
	\$ 2,000,000	\$ 750,000	\$ -	\$ -	\$ -	\$ 2,750,000
TOTAL CAPITAL EXPENDITURES	\$ 431,250,000	\$ 462,600,000	\$ 469,500,000	\$ 499,700,000	\$ 497,600,000	\$ 2,360,650,000

GREATER VANCOUVER WATER DISTRICT
CAPITAL PROGRAMS & PROJECT TOTALS
WATER SERVICES
2021 - 2025 CAPITAL PLAN

	2021 CAPITAL BUDGET	2022 CAPITAL PLAN	2023 CAPITAL PLAN	2024 CAPITAL PLAN	2025 CAPITAL PLAN	2021 TO 2025 TOTAL
2021 - 2025 CAPITAL FUNDING						
New External Borrowing	\$ 288,250,000	\$ 315,600,000	\$ 303,500,000	\$ 314,700,000	\$ 280,600,000	\$ 1,502,650,000
Contribution to Capital	131,000,000	131,000,000	134,000,000	146,000,000	170,000,000	712,000,000
Development Cost Charges	-	-	20,000,000	30,000,000	40,000,000	90,000,000
Reserves	-	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000
External Funding - Interagency	12,000,000	11,000,000	7,000,000	4,000,000	2,000,000	36,000,000
Total	\$ 431,250,000	\$ 462,600,000	\$ 469,500,000	\$ 499,700,000	\$ 497,600,000	\$ 2,360,650,000

2021 - 2025 DEBT SERVICING TOTALS/RATIO						
Operations	\$ 117,000,000	\$ 118,000,000	\$ 119,000,000	\$ 123,000,000	\$ 126,000,000	\$ 603,000,000
Debt Service - Existing	68,000,000	67,000,000	79,000,000	96,000,000	110,000,000	420,000,000
Debt Service - New	3,000,000	19,000,000	24,000,000	25,000,000	25,000,000	96,000,000
Contribution to Capital	131,000,000	131,000,000	134,000,000	146,000,000	170,000,000	712,000,000
Total	\$ 319,000,000	\$ 335,000,000	\$ 356,000,000	\$ 390,000,000	\$ 431,000,000	\$ 1,831,000,000
% Debt Service	22%	26%	29%	31%	31%	28%

2021 RESERVE APPLICATIONS - METRO VANCOUVER DISTRICTS

2021 Budget - Proposed Application And Transfers of Reserves (To Be Approved by the Board in October 2020)

Function	Description	Reserve Name	Discretionary Reserves	Statutory Reserves
PROPOSED APPLICATIONS				
GVWD				
Water Services	Fund Water Services SIF Projects	Water SIF Reserve	\$	520,000
	Fund Laboratory Equipment Purchases	Water Lab Equipment Reserve		96,000
TOTAL PROPOSED APPLICATIONS			\$ -	\$ 616,000

To: Metro Vancouver Districts Boards of Directors
 Metro Vancouver Housing Corporation Board of Directors

From: Jerry Dobrovlny, Commissioner/Chief Administrative Officer
 Dean Rear, General Manager, Financial Services/Chief Financial Officer

Date: October 26, 2020 Meeting Date: October 30, 2020

Subject: **2021 - 2025 Financial Plan – Metro Vancouver Districts and Housing Corporation**

The 2021 - 2025 Financial Plans for the Metro Vancouver Regional District (MVRD), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD) and Metro Vancouver Housing Corporation (MVHC) have been prepared following the direction received at the June 5, 2020 and October 21, 2020 Board Budget Workshops. In response to feedback and direction provided by the Board at the Board Budget Workshop on October 21, 2020, the attached documents contain an adjusted the 2021 budget and 2021 - 2025 Financial Plan structured to maintain the 15-year amortization period contained in the Financial Management Policy.

OVERALL HOUSEHOLD IMPACT 2021-2025						
	2020	2021	2022	2023	2024	2025
Water	\$ 172	\$ 174	\$ 182	\$ 191	\$ 207	\$ 226
Liquid Waste	264	272	297	326	361	411
Solid Waste	61	61	63	65	67	70
Regional District	63	70	73	77	81	82
Total Household Impact	\$ 560	\$ 577	\$ 615	\$ 659	\$ 716	\$ 789
Recommendation (15 yr) % Change		3.2%	6.4%	7.3%	8.5%	10.4%
Alternative (30 yr) % Change		3.2%	4.2%	5.2%	8.8%	9.4%
<i>Prior Year % Change</i>		7.4%	9.0%	8.0%	6.7%	
<i>Prior Year Forecast</i>		\$ 602	\$ 655	\$ 708	\$ 755	

The result of this change adjusts the Household Impact in years 2022 to 2025 of the plan. Staff will continue to work over the next year to evaluate where budget amendments and strategies can be implemented to reduce the burden on the rate-payers of the region, in line with board feedback received during the 2021 process.

To: Metro Vancouver Districts Boards of Directors
Metro Vancouver Housing Corporation Board of Directors

From: Jerry Dobrovlny, Commissioner/Chief Administrative Officer
Dean Rear, General Manager, Financial Services/Chief Financial Officer

Date: October 14, 2020 Meeting Date: October 21, 2020

Subject: **2021 - 2025 Financial Plan – Metro Vancouver Districts and Housing Corporation**

RECOMMENDATION

That the Board endorse the 2021 Budget and 2021 - 2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation, as presented, and direct staff to prepare the necessary budget information to be presented at the October 30, 2020 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.

EXECUTIVE SUMMARY

The 2021 Budget and the 2021 - 2025 Financial Plan focusses on the short term as the region and the organization continues to adapt to the challenges of a global pandemic. Ongoing uncertainty requires that Metro Vancouver continuously evaluate and adapt until the challenges and conditions become clearer, while working to support the region through it to come out stronger.

As proposed, the 2021 budget has total operating expenditures of \$939.5 million, \$28 million less than that proposed for 2021 in the previous cycle. For the year, the average household impact is projected to increase by \$17 for a total of \$577. This represents a 3.2% over the prior year.

Options in this budget for consideration by the Board include:

- Continuing to amortize debt issued over 15 years as per the *Financial Management Policy*, or amortize debentures issued over the next two years over 30 years in order to reduce the short term impact for 2022 and 2023.
- Continuing the practice of applying the change to the water rate equally between the peak and off-peak rates, or maintaining the non-peak rate and adding all the necessary increase to the peak rate in order to enhance demand-side management initiatives in support of delaying capital projects, where plausible.

PURPOSE

To present the 2021 Budget and 2021 - 2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation for consideration.

BACKGROUND

The 2021 - 2025 Financial Plans for the Metro Vancouver Regional District (MVRD), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD) and Metro Vancouver Housing Corporation (MVHC) have been prepared following the direction received at the June 5, 2020 Board Budget Workshop.

The Board Budget Workshop was held with the objective to seek direction for the preparation of the 2021 - 2025 Financial Plan. The workshop outlined the principles that guide the work of Metro Vancouver as an organization, the current 2020 - 2024 Financial Plan, the implications of the COVID-19 pandemic, the tools that can be used to make budget adjustments, and a proposed approach for the 2021 - 2025 Financial Plan.

Staff proposed leveraging the supported tools to create a short-term action plan that would lessen the upward pressure on household impact for 1-3 years. A short-term action plan would enable strategic goals and objectives to be maintained. If larger or more long-term adjustments are desired, a re-evaluation of long-term plans such as the *Metro Vancouver Housing Plan*, *Climate 2050*, or the *Liquid Waste Management Plan* would be required. Since an annual budget is approved, this approach will allow for adjustments to be made each year as conditions evolve based on market changes and other factors. The use of the tools will aim to avoid making severe changes that cannot be easily corrected in the short-term.

During the month of October, the 2021 - 2025 Financial Plans for Metro Vancouver's four legal entities were presented to the following ten Board Standing Committees for the individual functions that fall under the oversight of those Committees:

- Indigenous Relations
- Climate Action
- Electoral Area
- Finance and Intergovernment
- Housing
- Regional Parks
- Regional Planning
- Water
- Liquid Waste
- Zero Waste

The Metro Vancouver Standing Committees were presented with individual reports covering the 2021 Budget and 2021 - 2025 Financial Plans for each function including program highlights and financial plan highlights (see Item 3.1). The reports included financial information for multiple years as well as a "What's Happening" summary page that described the key activities projected over the five-year period of the financial plan. Each Committee has reviewed and endorsed their individual financial plans and provided comments and direction where appropriate for consideration by the Board at the October 21, 2020 Board Budget Workshop.

The 2021 Budget and 2021 - 2025 Financial Plans reflect alignment with the legislative authority of the individual Districts and functions. Prepared with the direction provided at the Board Budget Workshop on June 5, 2020, the Financial Plan supports the vision and mission as articulated in the *Board Strategic Plan* and the corresponding Regional Management Plans. The 2021 - 2025 Financial Plan focusses on the next three years as the region adjusts to the realities of a pandemic and works to support the region through it, and come out stronger.

This report is being brought forward to present the overall 2021 - 2025 Financial Plan for Metro Vancouver Districts and Housing Corporation (representing the four legal entities: MVRD, GVWD, GVS&DD, MVHC) for consideration and to forward to the Board meeting on October 30, 2020 for approval.

DEVELOPMENT OF 2021 BUDGET AND FIVE-YEAR FINANCIAL PLAN

The *Metro Vancouver Proposed 2021 - 2025 Financial Plan* (Attachment 1) provides the financial details of the proposed 2021 Budget and 2021 - 2025 Financial Plan including financial information by sub-region for the GVS&DD sewerage areas. The attachment also shows the impact of the plan on the cost to the average regional household by those sub-regions to assist member local governments in anticipating the financial impact of Metro Vancouver services to their communities.

The budget and the five-year financial plans are built upon five central themes that guide the development of Metro Vancouver’s long term plans and budgets:

- Financial Sustainability
- Regional Growth
- Environmental Sustainability
- System Stewardship
- Regulatory and Legislative Environment

The Metro Vancouver financial planning process is also framed by a number of Board policies including:

- the *Financial Management Policy*
- the *Corporate Allocation Policy*
- the *Operating, Statutory and Discretionary Reserves Policy*
- the Asset Management policies for individual functions

The 2021 Budget and 2021 - 2025 Financial Plan includes variations to temporarily move away from the principles of some of these policies based on the direction provided at the Board Budget Workshop on June 5th. These variations form the basis of the three-year action plan that maintains the goals and objectives of Metro Vancouver while using key financial tools to minimize impact to the ratepayers of the region.

Economic Uncertainty

As there is a significant amount of uncertainty going forward, the 2021 Budget and 2021 - 2025 Financial Plan has been constructed to help the region withstand some of that uncertainty in the short term until the challenges and conditions become clearer. The key task for the organization is to be responsive, but to not over respond so as to significantly risk long term fiscal sustainability.

The duration and depth of the impact of the pandemic is unknown, however there are a variety of estimates of the economic future, some of which are shown below:

GDP GROWTH ESTIMATES			
Source	2020	2021	2022
Conference Board of Canada (Metro Vancouver GDP Growth)	(3.0%) Contraction	6.5%	2.5%
Central 1 Credit Union (BC GDP Growth)	(6.1%) Contraction	4.0%	3.4%
Parliamentary Budget Office (Canada GDP Growth)	(5.2%) Contraction	4.7%	2.8%

The first three years of the 2021 - 2025 Financial Plan utilizes financial tools to mitigate the impact on the ratepayers of the region. As the financial planning process is an annual cycle, economic conditions will be considered each year as the approach to the budget and utilization of financial tools are considered.

Financial Tools - Key Assumptions and Alternatives

Debt Amortization

The *Financial Management Policy* sets the amortization term for any debentures issued to be 15 years. This is a sound practice as it minimizes the amount of interest on borrowing and therefore contributes to keeping the overall cost of services lower. The Proposed 2021 - 2025 Financial Plan assumes choosing 30-year amortization for debentures issued in 2021 and 2022. With the delay in sinking fund payments for debentures, this means that there is no impact from this policy variance for 2021, and that the overall household impact for 2021 would still have an increase of only 3.2%. Without this variance, the average increase to the household impact would change from 4.2% to 6.4% in 2022, and from 5.2% to 7.3% in 2023.

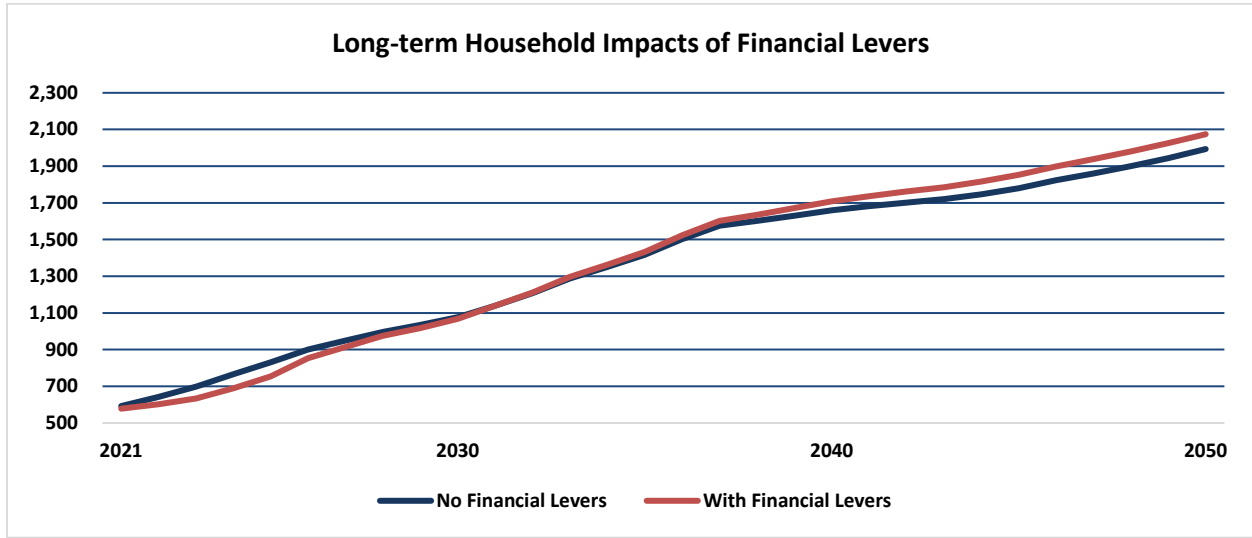
Overall, in dollar terms, opting for a 30-year amortization period for debt required in 2021/22 creates an increase in the overall cost of the planned capital program of \$815 million due to increased interest costs. In context, this would represent approximately 3% of overall capital expenditures during that 30-year timeframe.

Reducing “Pay as You Go” Funding

Just under 30% of the Operating Budget is for Contribution to Capital, which is “Pay as You Go” funding for capital projects. The *Financial Management Policy* promotes increasing this so as to reduce the reliance on borrowing, particularly for capital maintenance for significant utility infrastructure.

The 2020 - 2024 Financial Plan had Contribution to Capital projected at \$275.9 million for 2021, whereas the Proposed 2021 - 2025 Financial Plan projects \$256.8 million for 2021 and is a significant part of the \$28 million reduction in the 2021 budget from that which was projected in the prior cycle. However, reducing “Pay as You Go” funding means that there will be a need for greater borrowing, which will also contribute to increased costs in the future.

These are uncertain and unprecedented times which may require thinking contrary to what seemed right just a few months ago. While interest rates for borrowing are very low, the decision to support variations from the *Financial Management Policy* must be made with the clear understanding that it will impact future costs, shifting the future household impact higher. This is illustrated below:



The Proposed 2021 – 2025 Financial Plan assumes that Metro Vancouver returns to *Financial Management Policy* principles in 2024/25.

Moving Forward with the Capital Plan

Direction provided during the Board Budget Workshop that was held on June 5th was clear that while there wasn't a desire to move away from key strategic directions at this time, it was expected that capital projects be evaluated. Much of the capital plan in the utilities is multiyear in nature, with a majority of the projects in the previous five-year plan relating to projects currently in progress. This is illustrated in the table below:

METRO VANCOUVER CAPITAL PLAN PROGRESS				
2020	2021	2022	2023	2024
\$1.41 Billion Spend	\$1.35 Billion Spend (projected)	\$1.13 Billion Spend (projected)	\$1.19 Billion Spend (projected)	\$1.25 Billion Spend (projected)
90% committed to projects underway	80% already committed to projects underway	78% already committed to projects underway	71% already committed to projects underway	66% already committed to projects underway

Through the budget process, over 300 projects were reviewed which resulted in more than \$400 million in projects from the prior five-year capital plan being deferred. While this is not insignificant, with many complex and broad projects, work still remains to determine if there are further opportunities to re-scope or retime projects. This is a priority as additional work on demand side management and an enhanced approach to project delivery are two ways that Metro Vancouver is working to maximize value for money in regional infrastructure investment.

As an example, during this financial planning cycle, adjustments have been made to planned timing for Coquitlam intake #2 and its related infrastructure, allowing additional time to determine if additional conservation efforts will result in further timing deferrals on such a regionally significant project.

HOUSEHOLD IMPACT

Household Impact is the key budget metric for Metro Vancouver. It estimates the impact of Metro Vancouver services on the average regional household based on services used.

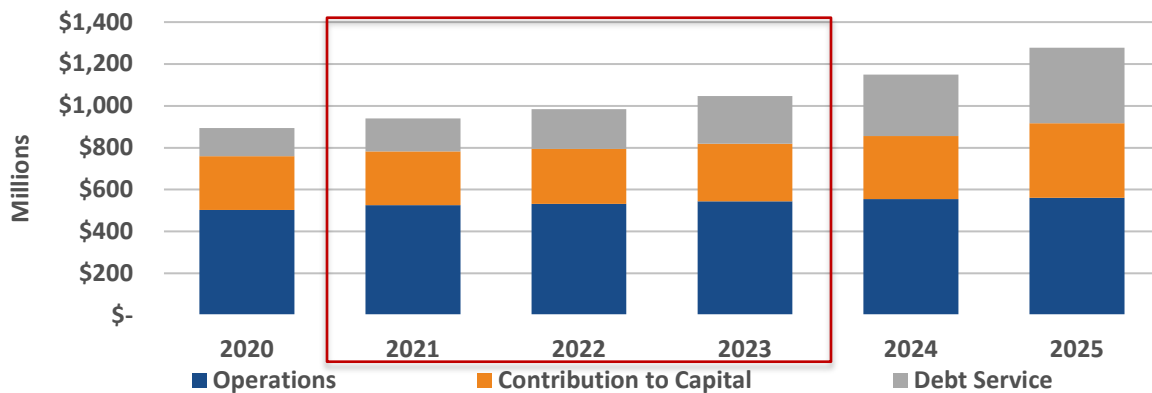
The projection for 2021 in the 2020 - 2024 was for an increase in the household impact of \$42 to a total of \$602. For this cycle, the household impact for 2021 is projected to increase by \$17 for a total of \$577. The total household impact compared to that projected in the previous financial plan is set out in the table below:

OVERALL HOUSEHOLD IMPACT 2021-2025						
	2020	2021	2022	2023	2024	2025
Water	\$ 172	\$ 174	\$ 178	\$ 182	\$ 197	\$ 217
Liquid Waste	264	272	289	310	344	385
Solid Waste	61	61	63	65	67	70
Regional District	63	70	73	77	81	82
Total Household Impact	\$ 560	\$ 577	\$ 603	\$ 634	\$ 689	\$ 754
30 Year Amortization % Change		3.2%	4.2%	5.2%	8.8%	9.4%
15 Year Amortization % Change		3.2%	6.4%	7.3%	9.9%	11.5%
<i>Prior Year Forecast</i>		\$ 602	\$ 655	\$ 708	\$ 755	
<i>Prior Year % Change</i>		7.4%	9.0%	8.0%	6.7%	

FINANCIAL PLAN OVERVIEW

As proposed, the 2021 - 2025 Financial Plan has total operating expenditures for 2021 of \$939.5 million (prior projected: \$967.5 million) with projected capital expenditures of just over \$1,524.7 million as summarized in the tables below:

Operating Budget



The overall Metro Vancouver Operating budget can be categorized into Operations, Debt Service and Contributions to Capital.

Operations – These are the basic inputs for all of the services that Metro Vancouver provides – materials, supplies, labour, energy, chemicals, contractors etc. This makes up about 56% of the proposed 2021 operating budget and is projected to increase on average by about 2.2% over the term of the plan. This is essentially inflationary, especially taking into consideration regional growth.

Debt Service – This represents about 17% of the proposed 2021 operating budget. Much of the capital program is funded through borrowing and thus debt servicing is a function of the size of that capital program, thus the growth that is projected over the five-year term. The proposed budget assumes that debt issued in 2021 and 2022 would undertake an amortization term of 30 years, whereas normally it would be 15 years. This is one of the financial tools which has been used to soften the household impact over the short term.

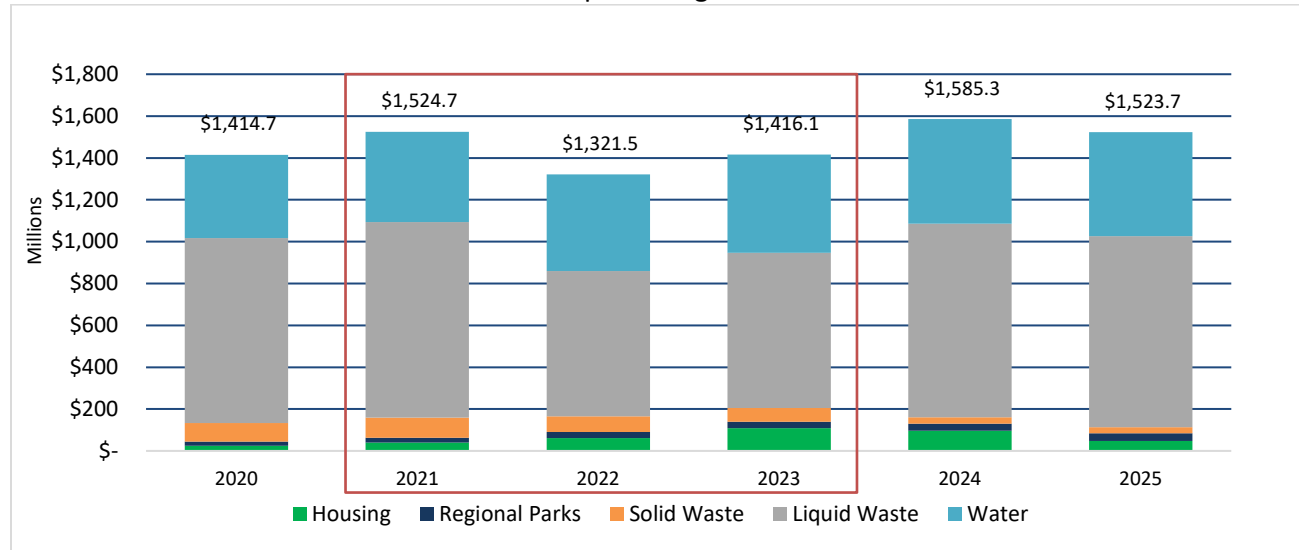
Contribution to Capital – This is the “Pay as You Go” funding for the capital program which is a key factor in avoiding debt and keeping long term costs as low as possible. This represents about 27% of the proposed 2021 operating budget, and the easing of this program is the other key financial tool which has been used to soften the impact over 2021, 2022 and 2023.

The 2021 – 2025 Metro Vancouver Districts Operating Budget is summarized in the table below.

2021-2025 METRO VANCOUVER DISTRICTS OPERATING BUDGET						
\$ Millions	2020	2021	2022	2023	2024	2025
Revenues						
Water Sales	\$ 307.2	\$ 316.3	\$ 325.5	\$ 337.0	\$ 370.3	\$ 413.2
Liquid Waste Services Levy	274.2	288.2	311.0	339.6	383.9	437.0
Solid Waste Tipping Fees	105.8	108.5	113.0	118.2	124.3	131.3
Housing Rents	40.4	41.3	41.8	44.4	44.8	47.4
MVRD Requisitions	71.8	80.9	86.4	92.9	99.0	102.2
Other Revenue	37.9	41.1	43.4	44.8	45.6	45.1
Transfer from Reserves	57.0	63.2	63.9	70.0	81.5	101.9
Total Revenues	\$ 894.3	\$ 939.5	\$ 985.0	\$ 1,046.9	\$ 1,149.4	\$ 1,278.1
Expenditures						
Water Services	\$ 310.4	\$ 318.6	\$ 327.4	\$ 338.9	\$ 372.3	\$ 414.1
Liquid Waste Services	330.2	353.4	379.4	414.5	470.3	543.2
Solid Waste Services	114.1	118.5	124.7	131.1	137.5	144.7
MVHC	52.3	53.7	54.7	57.6	58.4	62.1
MVRD	87.3	95.3	98.8	104.8	110.9	114.0
Total Expenditures	\$ 894.3	\$ 939.5	\$ 985.0	\$ 1,046.9	\$ 1,149.4	\$ 1,278.1

Capital Budget

The 2021 - 2025 Metro Vancouver Districts Capital Budget is summarized in the table below.



The 2021 - 2025 Capital plan includes over \$200 million of capital cost being carried forward as incomplete from 2020. Further, through the review of the capital projects through this budget cycle, over \$400 million of projects were deferred from the previous capital plan. In this financial plan, the housing team has over \$350 million for projects either underway or in planning to meet the objectives of the affordable housing plan.

ALTERNATIVES

1. That the Board endorse the 2021 Budget and 2021 -2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation, as presented, and direct staff to prepare the necessary budget information to be presented at the October 30, 2020 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.
2. That the Board direct staff to:
 - a) Amend the 2021 -2025 Financial Plan to maintain 15-year amortization for debt servicing, changing the projected average increase to the household impact from 4.2% to 6.4% in 2022, and from 5.2% to 7.3% in 2023, and
 - b) Prepare the necessary budget information to be presented at the October 30, 2020 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.
3. That the Board make recommendations to amend the 2021 Budget and 2021 -2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation, as presented, and endorse the 2021 Budget and 2021 -2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation as amended.

FINANCIAL IMPLICATIONS

If the Board endorses the 2021 Budget and 2021 - 2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation as presented under alternative one, the cost to the average

regional household will increase by \$17 in 2021 for a total impact of \$577 for all Metro Vancouver services.

The Board may wish to consider recommending amendments to the financial plan to reflect program priorities. Any proposed changes could require an update to the revenues required to fund the priorities in the plan.

SUMMARY / CONCLUSION

During the first two weeks of October, the 2021 Budget and 2021 - 2025 Financial Plans for Metro Vancouver's legal entities and functions were presented to the following ten Board Standing Committees for the individual functions that fall under the oversight of those Committees:

- Indigenous Relations
- Climate Action
- Electoral Area
- Finance and Intergovernment
- Housing
- Regional Parks
- Regional Planning
- Water
- Liquid Waste
- Zero Waste

The Metro Vancouver Standing Committees were presented with individual reports covering the 2021 Budget and 2021 - 2025 Financial Plans for each function including program highlights, financial plan highlights, financial information for multiple years as well as a "What's Happening" summary page that described the key activities projected over the five-year period of the financial plan. Each Committee reviewed and endorsed their individual financial plans and provided comments and direction where appropriate for consideration by the Board at the October 21, 2020 Board Budget Workshop.

Within this report, the 2021 Budget and 2021 - 2025 Financial Plan for the Metro Vancouver Districts and Housing Corporation have been consolidated for Board consideration and present the overall financial forecast for Metro Vancouver over the next five years. The proposed Financial Plan includes significant capital investment that will be required if Metro Vancouver and its member jurisdictions are to meet the growth and regulatory demands of the region over the coming years. For 2020, the plan represents a \$17 in 2021 for a total impact of \$577 for all Metro Vancouver services.

Staff recommend endorsing the 2021 Budget and 2021 - 2025 Financial Plan as presented under alternative one.

Attachments:

1. ~~Proposed 2021 – 2025 Financial Plan~~
2. ~~GVWD Summary~~
3. ~~GVS&DD Summary~~
4. ~~MVHC Summary~~
5. ~~MVRD Summary~~
6. ~~Budget in Brief~~

COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Greater Vancouver Water District

Board Meeting Date – Friday, October 30, 2020

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

Water Committee – October 15, 2020

Delegation Summaries:

No delegations presented

Information Items:

5.5 Water Services Capital Program Expenditure Update to August 31, 2020

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