

<u>COUNCIL AGENDA</u>	
Date: <u>April 13, 2026</u>	Item: <u>7.3.</u>



7.3.

MEMORANDUM

Date: March 30, 2026
To: Council
From: Emily Willobee, Senior Manager, Engineering Services
Subject: Metro Vancouver Organic Waste Contract Update

RECOMMENDATION:

THAT the Council Memorandum regarding “Metro Vancouver Organic Waste Contract Update”, dated March 30, 2026, from the Senior Manager, Engineering Services, be received for information.

The purpose of this memorandum is to provide an update on the results of Metro Vancouver’s (MV), procurement process for municipal organics at the North Shore Recycle and Waste Centre.

Information about the procurement process and potential impacts was initially provided with the 2026 solid waste utility rate setting in the fall (see report titled “Solid Waste utility Update and Proposed 2026 Rates” received by Council at the November 17, 2025, Regular Meeting).

The District’s residential organics materials are received and processed by MV out of the North Shore Waste and Recycling Centre. MV’s North Shore contract for municipal residential organics expires June 30, 2026.

MV initiated a procurement process in the fall and is set to award a new contract that begins July 1, 2026. MV’s incoming contract pricing will impact the District’s organics processing costs, particularly for municipal residential organics.

Applicable Legislation:

Greater Vancouver Sewerage and Drainage District (GVS&DD) Bylaw No. 379, 2024, as amended (Tipping Fee Bylaw), which sets garbage and recycling fees at Metro Vancouver solid waste facilities.

ENGI-903810509-158059

GVS&DD Municipal Solid Waste and Recyclable Material Regulatory Bylaw No 181, 1996, as amended, which specifies requirements for private solid waste facilities including the reporting, inspection and enforcement provisions.

District of West Vancouver Solid Waste Utility Bylaw No 4740, 2012 as amended, which provides for the operation and management of the District's solid waste utility.

Council Strategic Objectives/Official Community Plan:

Official Community Plan (OCP)

Section 2.5 of the 2018 OCP outlined an emerging issue described as a “Greater need to manage greenhouse gas emissions sourced from solid waste through recycling and waste diversion initiatives”.

OCP policies to achieve this include:

2.5.9 Increase community-wide diversion rates to meet regional solid waste management objectives of 80% diversion by 2020 and work progressively toward maximizing diversion rates beyond 2020.

2.5.10 Expand organics and food waste reduction through education and on-site composting and re-use.

Council Strategic Objectives

This memo aligns with Council's Strategic Objective 1.7 Continue to reduce community and corporate waste.

Financial Implications:

Metro Vancouver anticipates an increase in contract pricing for organics processing beginning July 1, 2026. The District anticipated this increase and, in the near term, will rely on Reserve funds to offset rate impacts to residents while staff assess how incoming pricing affects longer term budget projections.

The current tipping fee for municipal organics at the North Shore Waste & Recycling Centre is \$117 per tonne, as established in the GVS&DD Tipping Fee Bylaw.

New contract pricing is expected to come into effect July 1, 2026, and is expected to increase the municipal organics tipping fee to approximately \$155 per tonne for the remainder of 2026. MV expects that this rate will increase annually over the 5 ½ -year term of the incoming contract. The GVS&DD Tipping Fee Bylaw will be amended to reflect new pricing.

The impact of the tipping fee increase on the solid waste utility is that residential organics tipping costs will be an estimated \$110,000 more than budgeted in 2026. This reflects six months of collection, with a higher tipping fee effective July 1, 2026.

For 2027, annual residential organics tipping costs could increase by approximately \$240,000 over projections provided in the 2026 Solid Waste 5-Year Financial Plan. The District's organics processing costs for the park and streetscape programs may also be impacted by MV's amended organics tipping fees. However, because these programs manage much less material the financial impacts will be much smaller.

The District anticipated an increase in MV processing costs and, in the near term, will rely on Solid Waste Reserve funds to offset a rate impact for residents.

The Solid Waste Reserve has a target level of \$1M and is primarily held as contingency for managing the retired 3rd Street Landfill (located under sections of Hugo Ray Park). The secondary purpose of the reserve fund is to provide for rate smoothing.

The current reserve balance is approximately \$2.4M, which is higher than the target level. The higher-than-target balance is the result of recent conservative budgeting, as staff anticipated several significant municipal and regional contract renewals in 2025 and 2026. The District completed its own procurement process in 2025, awarding new residential garbage/organics and civic building collection contracts. Pricing was more favourable than anticipated.

The District plans to respond to MV organics processing cost increases by drawing down the Reserve, which will smooth rate impacts in 2027 while staff reassess longer term impacts. Additional information will be provided to Council in the coming months as part of 2027 rate setting materials, which will include an updated 5-year Financial Plan for the solid waste utility.

Analysis:

The District manages approximately 5,500 tonnes of household mixed organics annually as part of the curbside collection program. It also manages between six and 12 tonnes of mixed organics annually from the parks & streetscape recycling programs and roughly seven to eight hundred tonnes yard trimmings and clean wood as part of parks and roads maintenance operations.

MV provides municipal organics service to North Shore municipalities through the North Shore Waste and Recycling Centre. MV's municipal organics service is only available at MV's North Shore facility and is not provided at other MV facilities.

The terms for this service were formalized through a North Shore Organics Agreement (the Agreement), which was initially executed in 2021 and received an administrative update in 2025 in advance of MV's contract procurement process. As part of the Agreement, the three North Shore municipalities commit municipal residential organics tonnage to MV's facility and MV manages a contract for receiving, transporting and processing municipal organics out of the North Shore Recycling & Waste Centre.

MV's intent has been to provide this service on a cost recovery basis. In 2021, the Agreement formalized a 5-year rate schedule for municipal organics services at the North Shore Waste & Recycling Centre, which informed municipal organics rates in the Tipping Fee Bylaw. At the time those municipal organics tipping fees were on the low end but aligned with market conditions, which have since changed significantly.

The Agreement's rate schedule kept organics processing costs for North Shore municipalities low between 2021 and 2026 while market rates for similar service continued to rise. Rate drivers affecting the new contract rates for MV's organics processing include:

- increased operating and transport costs (including fuel, inflation, and CPI);
- increased costs of compliance with environmental regulations associated with managing mixed household organics (e.g. odour and leachate management requirements); and
- market conditions for the sale of finished compost.

The Agreement with MV expires in 2026 and will be dissolved. Moving forward, MV will establish municipal organic rates through the Tipping Fee Bylaw. The District can continue to use MV's North Shore facility for municipal organics processing, but the dissolution of the Agreement releases the District from the obligation to do so.

MV's administration of the municipal organics processing contract has had several benefits for the District. First, MV's North Shore Waste & Recycling Centre is the closest available drop-off location for West Vancouver's municipal organics; it eliminates the need for a bridge crossing which reduces the District's transport costs. Second, combining municipal organics tonnage with other North Shore municipalities at a MV facility likely results in better pricing than working alone with a private processor.

Finally, working with MV limits the District's direct exposure to risk. MV provides for contingency planning in the case of unexpected service interruptions (e.g. the District experienced no organics service impact during the significant flooding events in the Fraser Valley in 2021). It has also limited the District's exposure to closure of private organics receiving and processing facilities, which has been known to happen unexpectedly as a result of environmental compliance issues or market conditions.

The District anticipated an increase in MV processing costs and, in the near term, can rely on Solid Waste Reserve funds to offset rate impacts of new MV contract pricing. This approach can smooth rate impacts in 2027 while staff reassess longer term impacts and options.

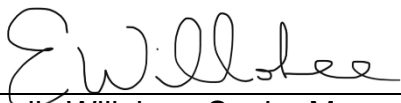
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Options:

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Author:



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