Agenda – Council – July 18, 2019

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 27, 2019

Item No. 2 Winnipeg Sewage Treatment Program 2018 Annual Report Program Agreement between the City of Winnipeg and VWNA Winnipeg Inc. (Veolia)

STANDING COMMITTEE RECOMMENDATION:

On July 9, 2019, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That the report be received as information.

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 27, 2019

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 9, 2019, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 27, 2019, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **WINNIPEG SEWAGE TREATMENT PROGRAM 2018 ANNUAL REPORT PROGRAM AGREEMENT BETWEEN THE CITY OF WINNIPEG AND VWNA WINNIPEG INC. (VEOLIA)**

Critical Path: **Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Szkwarek, CPA, CGA Manager Finance and Administration	M. L. Geer, CPA, CA, Director, Water and Waste Department	B. D'Avignon, Acting for P. Olafson	M. Ruta

EXECUTIVE SUMMARY

This Annual Report to Council summarizes the accomplishments and financial results that were realized in 2018, the eighth year of the 30-year program, as well as the plans and objectives that have been set for 2019.

The Veolia personnel augment the City's team and bring capacity and worldwide expertise to the Winnipeg Sewage Treatment Program (WSTP). Through Veolia's global network the City benefits from strategic procurement strategies and extensive experience in operations and maintenance of the upgraded sewage treatment plants. Veolia's earnings are performance based and remain at risk for the duration of the agreement.

The WSTP day-to-day operations are governed by the program's Management Team (MT). The MT provides advice and recommendations on the WSTP activities to the Director of Water and Waste Department (Director) and on the administration of the WSTP to the Leadership Team (LT). The City retains full ownership and control of the sewage treatment plant facilities. The membership of the MT and LT are attached as Appendix A.

In 2018 the WSTP focused on initiatives related to MT planning and communication, operational compliance and maintenance, asset refurbishment and replacement (ARR) program delivery as well as continued emphasis on the SEWPCC and NEWPCC major upgrade projects.

Each year the Director of Water and Waste approves the WSTP's performance goals and key performance indicators (KPI) as outlined in an Annual Program Plan (APP). The 2019 APP remains focused on activities for the delivery of the major capital projects (SEWPCC Upgrade and Expansion, and NEWPCC Upgrade and Power Supply) with continued support for compliance, maintenance improvement, and operational readiness to receive the new works.

The MT Planning Process will continue to be developed to improve focus on short term deliverables and long term goals specific to the MT.

RECOMMENDATIONS

That Council receives this report as information.

REASON FOR THE REPORT

A 30-year consulting services agreement with VWNA Winnipeg Inc. (Veolia) was executed on April 20, 2011. This agreement requires the City to report on results of the WSTP to City Council on an annual basis.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications as this report is being received as information.

HISTORY/DISCUSSION

On April 20, 2011, the City entered into a consulting services agreement with VWNA Winnipeg Inc. (Veolia). The scope of the agreement includes advice on operations and capital upgrades at the City's three sewage treatment plants for the duration of a 30-year agreement.

The City retains full ownership and control of the sewage treatment plant facilities. The City-Veolia contractual relationship abides by the following WSTP principles:

- City employees are managing and operating the facilities;
- Decisions are being made on the basis of whole-life costs;
- Best for job and best for Program decisions are being made;
- Open book accounting and audit of direct costs continues; and
- The City and Veolia work collaboratively, openly and honestly within a no fault/no blame culture.
- Compensation based upon performance.

The Winnipeg Sewage Treatment Program (WSTP) is comprised of key participants from the Water and Waste Department's (WWD) Engineering Services, Wastewater Services, and Finance and Administration Divisions, along with dedicated on-site Veolia staff members.

The WSTP day-to-day operations are governed by the program's Management Team (MT). The MT provides advice and recommendations on the WSTP activities to the Leadership Team (LT) and the Director of Water and Waste Department and on the administration of the WSTP.

The LT is comprised of senior leaders from Veolia North America and City of Winnipeg who act as the executive steering committee for the WSTP. The LT provides advice and recommendations to the Director on the efficient delivery of all aspects of the Program including ensuring compliance with City reporting and approval requirements. Within City delegated authority, it is the Director who approves all final decisions related to the WSTP. (See Appendix 1 for the current composition of the MT and LT)

The Annual Program Plan (APP) is developed by the WSTP with input and review from the MT and LT, and submitted for approval to the Director.

ANNUAL PROGRAM REPORT 2018

A. Program Management Initiatives:

1. Management Team Planning
   A WSTP MT planning process was proposed during the year. The MT plan will be a living document owned by the MT showing broad objectives or goals for the future with more specific deliverables for the short-term. Goals and objectives in the future will be developed in planned activities in the near term as the plan evolves from year to year. This will support the development of the APP by identifying activities that must happen.

2. Communication
   Internal communication was enhanced during 2018 by the use of "health checks" with City managers and ongoing site visits focused on the development of the major capital projects. Final changes to the WSTP public facing website were completed and the website went live at the end of 2018. External communication was also enhanced this year by five presentations at the Western Canada Water Conference.

3. Benefits Register
   A Benefit Register has been established as a tool to document Program achievement and success. Benefits are identified against four Program Areas: Capital Planning; Capital Delivery; Operations and Maintenance; and Finance and Administration. 10 Key Benefit areas have been defined and 31 specific benefits are being captured and reported against these key benefit categories.

4. Change Management
   Five presentations were made during 2018 with a total of approximately 53 contact hours. A safety awareness training course for Project Managers was prepared and delivered during the year. Additional opportunities for technical awareness in the industry were brought through sharing of live webinar from the Veolia Technical and Performance group in Paris to staff in the engineering and wastewater services divisions.

5. SEWPCC Baseline Operational Target Cost Adjustment
   The upgrade of the SEWPCC will require an adjustment to the Baseline Operating Target Cost (BOTC) to measure the operation of that facility. A draft plan to create the BOTC adjustment was created to define the timeline and key activities.

B. Compliance and Maintenance

1. Compliance
   a) The NEWPCC achieved compliance during the year.
   b) A final effluent flow meter was commissioned for the WEWPCC at the end of 2017 and data has been collected throughout 2018. Data collection will continue at the WEWPCC through 2019 to allow analysis of the pond system to be carried out.
   c) The early stages of a plant upset were detected at the SEWPCC in the autumn of 2018 through the use of Process Control Management. A response team was jointly established and no significant exceedances occurred. The process is stable and

recovery will continue into early 2019 together with a collaborative investigation into root causes.

2. NEWPCC Sequencing Batch Reactor (SBR) Diffuser Investigation
   Operational experts from Veolia carried out a design review and an onsite investigation, highlighting design deficiencies. Interim mitigating strategies have been implemented and works will continue in 2019 to coordinate with commissioning of a separate SBR optimization project.

3. NEWPCC Grit Optimization
   Improvement in the NEWPCC grit removal process was identified as a risk factor to digester performance. Trials of operating scenarios continued from 2017 into 2018, a summary report was issued and is under review by Wastewater Services.

4. Wastewater Reporting System
   Designed to support Process Control Management, this web based tool was implemented in 2018 and allows efficient collection, analysis and reporting of operations process data to support timely process control decision making.

5. Deferred Operational Projects
   Continued focus on capital project support necessitated the deferral of two optimization projects to 2019; the NEWPCC Electricity Feasibility Study and the NEWPCC Ultra Violet Optimization.

6. Maintenance Strategy
   Maintenance maturity was reassessed at the end of 2018 and compared with the initial road map to evaluate progress. Significant work has been completed to develop strategy, plans and foundational documents. These include the following initiatives;
   a) ongoing development of planning scheduling at the NEWPCC,
   b) major revision of the Asset Management Manual,
   c) an Asset Information Strategy was developed for maintenance activities,
   d) asset management training material was created,
   e) guidelines for accruing cost to assets was completed,
   f) development of a business process for maintenance planning to support budget planning, and
   g) completion of a Maintenance Planning Manual.

   The main opportunity in 2019 is implementation of these initiatives to convert strategy to tangible improvement.

7. Distributed Control Systems (DCS)/Programmable Logic Controller (PLC) Training
   A Project Charter was created to identify competencies and training requirements for Automation and Instrumentation Control (A&IC) and Electrical and Instrumentation (E&I) staff relating to PLC and DCS architectures.

8. Maintenance readiness
   The maintenance strategy project is designed to support maintenance readiness for the major upgrade projects. A Project Charter for SEWPCC maintenance readiness was approved during 2018. Development of an implementation plan for the Charter will be developed in conjunction with a resource plan to deliver. The NEWPCC Maintenance

Readiness Program was developed in 2017. Refinement of the NEWPCC Readiness Program has been deferred due to the NEWPCC Upgrade procurement strategy review.

C. Asset Refurbishment and Replacement (ARR) Program

An ARR Delivery Tracking Report has been created to monitor the Program. Currently there are five projects in the delivery phase and one project in the procurement phase.

Delivery Phase:

a) NEWPCC Return Activated Sludge Pipe Inspection
b) WEWPCC Fermenter Inspection
c) NEWPCC Sequence Batch Reactors Optimization
d) SEWPCC Primary Clarifier Refurbishment
e) SEWPCC UV Leak Repair

Procurement Phase:

a) NEWPCC transformer replacement

Investment planning:

Work began in 2018 to develop a capital investment planning approach which will bring the benefits of asset management to capital planning. This will continue to be developed in 2019.

D. Resourcing changes

A new Veolia Program Leader was hired in 2018. The former Program Leader has joined the LT. Seven Veolia resources left the Program during 2018. Positions will be filled as required to match the roles needed at various stages of the program life cycle, as intended in the agreement.

E. North End Sewage Treatment Plant (NEWPCC)

Two major capital projects are being carried out at the NEWPCC: the Power Supply Upgrade Project and the NEWPCC Upgrade Project.

1. NEWPCC Power Supply Upgrade

   The NEWPCC Power Supply Upgrade design-build project is being delivered in advance of the major NEWPCC Upgrade project and will ensure there is adequate electrical power to operate the upgraded facility. The project will see the construction of a 30MVA substation electrical building with the capability of implementing a 12.46kV electrical distribution system.

   In 2018 the design-build contract was awarded and the contractor mobilized to site. The beginning of the contract involved establishing design builder systems and plans, and a construction agreement has been signed with Manitoba Hydro.

   Construction has begun with installation of infrastructure for a temporary power supply required for construction phasing. The design builder achieved their first financial milestone in 2018.

2. NEWPCC Upgrade

   The NEWPCCC Upgrade will enable the facility to meet new regulatory licence requirements associated with nutrients and biosolids reuse and new effluent limits for nitrogen and phosphorus. The final preliminary design and technical requirements were completed during the year and a class 3 cost estimate was completed by the Consultant and an independent third party.

   The Phase II Environmental Site Assessment (ESA) reporting was also completed. Manitoba Sustainable Development was notified regarding the City's intentions for the area as part of the NEWPCC Upgrade Project. A site preparation contract was awarded in August for the clean-up and leveling of the parcel of land that will be required for the upgrade.

   A review was conducted of available Biological Nutrient Removal (BNR) treatment process technologies to identify potential options for innovation and process selection validation.

   During 2018, as part of the procurement strategy, the headworks facilities were identified as a priority project due to aging infrastructure.

F. South End Sewage Treatment Plant (SEWPCC)

The SEWPCC BNR Upgrade and Expansion Project is required to meet the new regulatory licence requirements and to increase the plant capacity to meet demands from growth of the City. The project is being delivered as a design-bid-build project. A staged approach to the construction was adopted to allow work to proceed as design was completed. Construction began in the fourth quarter of 2014 and is phased through four major contracts.

Contracts 1 and 2 have achieved Total Performance. Contract 3 has achieved Substantial Performance. Contract 4 (C4) is the final phase of the project which will complete construction and staged commissioning of the new facilities to hand over to operations over the next three years.

Following the award of C4 in 2017, the main focus in 2018 was on the completion of mobilization of the C4 contractor and startup of the construction activities under the scope of the C4 contract. 2018 has seen significant construction progress in the following areas:

a) Headworks
b) High Rate Clarifiers (HRC)
c) Administration Building
d) Chemical and Electrical Building
e) Electrical Substation

Construction walk-throughs have been held for the operations staff throughout the year. The project team facilitates a weekly meeting with frontline staff to discuss the construction and operations interface. A considerable effort was expended during the first quarter of 2018 to develop a baseline schedule for C4 to manage the contract. The work carried out during 2018 was primarily related to completing the remaining concrete pours in the Biological Nutrient Reactor and Secondary Clarifier areas.

G. Plant Automation

The plant automation projects are executing strategy from the Automation Master Plan developed in 2012.

The ASEA Brown Boveri (ABB) process control viewer (PCV) replacement project will update obsolete control room software which controls the treatment process. The project was started in 2018 for replacement of software at the NEWPCC and the WEWPCC and execution of the works has started.

The WEWPCC and perimeter road pumping station (PRPS) Communication Project will upgrade communication between the two facilities to maintain process control and alarm management functionality. In 2018 a bid opportunity to install the fibre optic cable was issued and construction and testing were completed

The WEWPCC, SEWPCC and NEWPCC Process Control System Upgrade Projects will see the replacement of the existing control systems with a modern equivalent to improve resilience and achieve the strategy from the Automation Master Plan.

a) The WEWPCC Project was initiated in 2018 and development of a Consultant RFP is in progress.
b) The SEWPCC control system upgrade has been incorporated into the scope of the existing Contract 4.
c) The NEWPCC control system upgrade has been incorporated into the scope of NEWPCC Headworks Upgrade Project which is undergoing budget approval.

H. Biosolids

The City began a biosolids compost pilot on May 4, 2015 using a small percentage of the biosolids produced at the NEWPCC. The goal of the pilot was to test the feasibility of composting in Winnipeg's cold climate, documenting performance, compost quality and costs. The compost pilot was completed in 2018.

The pilot project informed the WSTP of practical limitations in composting in Winnipeg's cold climate. Results of the pilot recommended continuing biosolids composting at the Brady Road Resource Management Facility in an optimized production process.

The pilot land application program and field storage of biosolids were completed in 2017. The Environment Act Licence Notice of Alteration was submitted to the Regulator in 2018 for a three-year land application program. Approximately 11,000 wet tonnes of biosolids were applied in 2018. Wastewater Services Operations staff successfully took over the administration of the land application program. The goal is to apply 16,000 wet tonnes in 2019.

The Solid Waste Division has undertaken a soil manufacturing pilot utilizing biosolids, street sweeping and recovered wood chips. The goal is to develop a manufactured mix to offset the need for topsoil to restore surface vegetation on the existing landfill structure.

I. 2018 Program Key Performance Indicators Results

Key Performance Indicator	Description
Program Progress Evaluation	Obtained feedback from key stakeholders in the areas of long term planning, communication, program value and change management to measure progress and performance.
Safety Awareness Training	Completed project charter and four formal training sessions in which participates wrote a test and provided feedback.
Maintenance Planning Manual	Developed a reference manual for maintenance planning and scheduling procedures.
Asset Information Management System	Developed an asset information strategy framework to update the existing manual and provide appropriate training materials to ensure consistent understanding and application of new practices with respect to asset management.
NEWPCC Asset Risk Mitigation Plan	Undertake critical assessment of NEWPCC equipment maintenance to define risk methodology, identify inventory of assets at the highest risk level and produce appropriate mitigation plans.

J. 2018 Financial Results

Veolia's compensation components that are earned annually include:

- fees on aggregate program target costs,
- gain share/pain share allocations,
- meeting key performance indicators, and
- interest adjustments.

Compensation earnings in any given year are credited to the Earnings At Risk Account (EARA) and earn interest. The balance in the EARA account is reflected in the City's financial statements as a liability. EARA categories are itemized in the following table.

Earnings At Risk Account Summary ($thousands) as of December 31	2018	2017
Fees	**$ 918**	$ 764
Share of gain/(pain) on operations	**(421)**	281
Key performance indicators	**734**	857
Interest on funds	**398**	207
Performance compensation	**$1,629**	$2,109
EARA opening balance	**$9,383**	$7,273
EARA closing balance before withdrawals	**$11,012**	$9,382
Veolia withdrawal with security	**$(9,383)**	-
EARA closing balance after withdrawals	**1,629**	9,382
Accumulated Veolia withdrawals	**9,383**	-

The EARA is compared to the At Risk Amount (ARA) to determine if Veolia is entitled to reduce their at risk amount. The ARA represents numerically the amount of risk remaining in the Program over the balance of the contract, and includes best estimates of operating and capital expenditures. As at December 31, 2018, the EARA balance was $1.6 million ($9.4 million, 2017) and the ARA balance was $32.7 million ($33.8 million, 2017).

Veolia can only reduce their at risk amount at such time as the EARA balance exceeds the ARA balance or if a letter of credit is issued to support a withdrawal. In December 2018, upon approval from the LT and completion of an independent audit by an external audit firm, $9,382,913 of the EARA balance was paid out to Veolia and replaced with a Standing Letter of Credit. On a go-forward basis, the prior year EARA balance will be paid out annually and the Letter of Credit balance will increase by the same amount.

As per the Agreement, Veolia is required to post security to the City with the purpose of protecting the City in the event of certain situations. Veolia has posted $50 million security ($25 million letter of credit and $25 million performance bond). There is also a Parental Guarantee in place to protect the City whereby Veolia North America guarantees all of Veolia's obligations under the agreement.

The financial summary for 2018 with comparative figures for 2017 is as follows:

Financial Summary ($millions)	**December 31, 2018**	December 31, 2017
Reimbursement of Veolia direct costs	**$ 2.0**	$ 3.2
Earnings At Risk Account	**$ 1.6**	$ 9.4
At Risk Amount	**$ 32.7**	$ 33.8
Performance Security	**$ 50.0**	$ 50.0
Standing Letter of Credit	**$ 9.4**	n/a

2019 ANNUAL PROGRAM PLAN DELIVERABLES:

The Program will build upon the strategy established in 2018 and continue to focus on delivery of the capital projects and implementation of the maintenance strategy and operational readiness. The Program remains fully committed to compliance and will continue to assist operations with ongoing initiatives. In early 2019, the Director will establish a strategic planning session which may result in changes within the Program and impact activities planned this year.

The MT Planning Process will continue to be developed to improve focus on short term deliverables and long term goals specific to the MT.

A. Program management initiatives

1. MT Planning Process
   The process will support the development of the APP by identifying activities that must happen within a specific timeframe. The scope will include MT deliverables with respect to: capital; O&M; WSTP MT administration; finance (such as Capital Project Target Costs, BOTC); WSTP and City resources; skill development, continuous improvement, and systems improvement.

2. Communication
   The focus in 2019 is to improve communication among the MT and within the WSTP as a whole. The MT will actively identify communication gaps for future initiatives.

3. Change Management
   There is a LT Strategic Planning Session planned for 2019. As required, the MT will initiate a change management strategy to implement the LT's strategic direction.

4. Veolia Resource Requirements
   Resource planning is a continual process. As projects and planning evolve, the needs of the Program will be reviewed and resourced accordingly.

B. NEWPCC Upgrade Project

A major upgrade of the NEWPCC facility is required to meet new regulatory requirements as well as end-of-life issues with the existing facility.

A new power substation is required at the NEWPCC to accommodate the additional power demand of the future upgraded facility and will replace the existing on-site Manitoba Hydro substation with a City owned substation. The NEWPCC Power Supply Upgrade project commenced in 2018 and will continue through 2019.

The NEWPCC BNR Upgrade project will be completed as three separate capital projects; the Headworks Facilities project; the Biosolids Facilities project; and the Nutrient Removal Facilities project. The focus in 2019 will be to progress the Headworks Facility project and complete the RFQ process, pre-qualify three proponents and issue the RFP.

C. SEWPCC Upgrade and Expansion

The design phase of the SEWPCC Upgrade and Expansion project is complete. The last and largest construction contract has been awarded. The major initiatives for the project in 2019 are the closeout of Contract 3 and the continued execution of Contract 4 construction and commissioning.

D. Operational Readiness

SEWPCC operational readiness activities:

1. Revise the schedule of the SEWPCC Maintenance Readiness Charter; develop a resource and procurement plan (if required) for implementation of the Charter scope; deliver the Charter activities planned for 2019.
2. Prepare for receiving spare parts to be provided through C4.
3. Prepare a process to review, document and communicate warranty issues to the appropriate contacts.
4. Review readiness for chemical procurement.
5. Review recommendations from SEWPCC operational risk review and incorporate into plans as necessary.

NEWPCC operational readiness activities:

1. Operational readiness initiatives that were developed for NEWPCC Upgrade project or the NEWPCC Power Supply Upgrade project will be reviewed for applicability to the NEWPCC Headworks Facilities project. Maintenance contracts for new transformers delivered through the Power Supply Upgrade project will need to be developed.

E. Plant Automation

The City has initiated a program to upgrade the process control systems at the three sewage treatment plants. The existing ABB Distributed Control System (DCS) will be replaced with a Programmable Logic Controller (PLC) based system.

The DCS at the SEWPCC will be replaced as part of the SEWPCC Upgrade and Expansion project.

The DCS at the NEWPCC will be replaced as part of the NEWPCC Headworks Facilities project. The DCS at the WEWPCC will be replaced as a separate project. The NEWPCC and WEWPCC Human Machine Interface (HMI) software will be upgraded to extend the life of the DCS until replacement.

F. Biosolids

In 2019 the following activities will progress:

a) Biosolids composting at the Brady Road Resource Management Facility will continue in optimized production process which limits composting to temperatures above -15 degrees Celcius.
b) The goal for the land application program is to apply 16,000 wet tonnes in 2019.
c) Solid Waste will continue their soil fabrication pilot using biosolids in 2019.
d) Targets of 50 percent recycle for biosolids is set for 2019.

G. Compliance, Operation and Maintenance

1. Operations Strategy
   The Wastewater Reporting System was implemented in 2018, opportunities will be explored to use the system to improve reporting of utility, chemical, sludge transport and biosolids activities.

2. Maintenance Strategy
   The Program will continue to support the improvement of maintenance capability. The maintenance maturity model will be updated and a project charter created for maintenance strategy activities in 2019.

   Priorities for 2019 year will be:
   a) Ongoing development and expansion of planning and scheduling;
   b) Implementation of the predictive maintenance strategy with the creation of service specifications for condition monitoring ready for inclusion in a bid opportunity or RFP;
   c) Progression of FMECA (Failure Mode, Effects and Criticality Analysis) to more asset classes; and
   d) Activities to support SEWPCC maintenance readiness.

3. PLC and DCS Training
   Winnipeg's sewage treatment plants are controlled by aging ABB-based DCS architecture. Going forward, the Department has standardized future sewage treatment control systems on a single PLC architecture.

H. NEWPCC Capital Improvement Plan

The NEWPCC BNR Upgrade project has been redefined into three projects:

1. Power Supply and Headworks Facilities
2. Biosolids Facilities
3. Biological Nutrient Removal Facilities

The completion dates for the biosolids and BNR projects are undefined at this time due to funding uncertainty.

I. Asset Refurbishment and Replacement Program

Asset Refurbishment and Replacement (ARR) is a long-term strategic capital program created to assure safety, reliability and efficiency of assets to achieve their targeted or expected operational life. This requires coordination of activities with the major upgrades, maintenance program and operational improvements.

The NEWPCC Capital Improvement Plan integrates priority ARR projects with the timelines of the NEWPCC Headworks Facilities project. The integration of ARR and the SEWPCC Upgrade and Expansion projects was completed in 2018.

In 2019 the following activities will progress:

- Review NEWPCC asset risk in the context of the evolution of the NEWPCC upgrade delivery strategy. Consider risks for O&M under scenarios where particular upgrade components are scheduled to be delivered later than currently anticipated.
- The ARR risk review process will be supported with the addition of condition assessment consultant assignments to support the program in reviewing and assessing the critical elements identified.

J. 2019 Program Key Performance Indicators (KPI)

Program KPI initiatives have been defined to support the strategic APP priorities. Maximum available allocation for 2019 is $884,000.

SEWPCC OWAM Readiness Support	$ 100,000
Condition Monitoring Services Contract	$ 75,000
Contractor Safety Induction Training	$ 50,000
SEWPCC Capital Support Survey	$ 100,000
Unallocated Potential allocation in 2019	$ 559,000
Total	$ 884,000

The LT has approved the $325,000 in KPIs and will define any additional KPIs deemed critical through the strategic planning process, including the refinement of the MT Planning Process.

SEWPCC OWAM READINESS SUPPORT - The purpose of this activity is to support work needed to be completed so that new assets installed under the SEWPCC Upgrade project can be entered into OWAM.

CONDITION MONITORING SERVICES CONTRACT - The Maintenance Strategy has studied and recommended candidate predictive maintenance practices for use at the NEWPCC. Implementing these practices will support better asset care at all three treatment plants, in-particular it will support the management of asset risk with the delay of the planned NEWPCC Upgrade.

The scope of the work is to:

1. Develop specifications for a multi-year services contract for the three treatment plants to provide predictive maintenance services covering: Thermography; Oil analysis; Ultrasonic testing; Vibration analysis; Motor current signature analysis (MCSA)
2. Develop the tender documents for a multi-year services contract using City templates
3. Support the City Contract Administrator in the procurement process (Contract Administration activities will be performed by City staff).

CONTRACTOR SAFETY INDUCTION TRAINING - The Capital Delivery Project Managers are required to ensure safety induction training is conducted for contractors when they start work or when contractors bring new staff to the plants. The purpose of this KPI is to develop material for use by Project Managers when conducting safety inductions for contractors, consultants and visitors requiring access to the WWTPs. The focus will be on the NEWPCC and the WEWPCC.

SEWPCC CAPITAL SUPPORT SURVEY - This KPI will survey key City project individuals to gauge improvement of the day to day environment as result of Veolia support. Surveys will be conducted on-line and will be sent to an agreed group of individuals. An initial survey will be conducted early 2019 to establish a baseline, with subsequent surveys at mid and year end.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 13, 2019

Project Name:

WINNIPEG SEWAGE TREATMENT PROGRAM 2018 ANNUAL REPORT PROGRAM AGREEMENT BETWEEN THE CITY OF WINNIPEG AND VWNA WINNIPEG INC. (VEOLIA)

COMMENTS:

The report is received for information. Financial implications of the Program are discussed in the Financial Results section of the report.

"Original signed by L. Szkwarek, CPA, CGA"
Lucy Szkwarek, CPA, CGA
Manager Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

WSTP Leadership Team

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through

OurWinnipeg Reference: Sustainable Water and Waste Direction Strategy, Environment

SUBMITTED BY

Department: Water and Waste Department
Division: Finance and Administration
Prepared by: Don Blain, CPA, CMA, Darlene Capp, CPA, CGA
Date: June 13, 2019
File No.: 020-17-06-10-01

ATTACHMENTS:
Appendix A: Leadership and Management Team Membership

APPENDIX A: LEADERSHIP AND MANAGEMENT TEAM MEMBERSHIP

