Minutes – Executive Policy Committee – November 18, 2020

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 9, 2020

Item No. 1 Winnipeg Sewage Treatment Program 2019 Annual Report Program Agreement Between the City of Winnipeg and VWNA Winnipeg Inc. (Veolia)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 this report be received as information.

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 9, 2020

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 9, 2020, 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 2019 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	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

This Annual Report to Council summarizes the accomplishments and financial results that were realized in 2019, the ninth year of the 30-year program, as well as the plans and objectives that have been set for 2020.

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 expert advice and 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 2019, the Program continued its focus on delivery of the major capital projects, implementation of the maintenance strategy, and readiness for operating the new infrastructure.

Each year, the Director of Water and Waste approves the WSTP's performance goals and key performance indicators as outlined in an Annual Program Plan. The 2020 APP will build upon the strategy established in 2018 and progressed in 2019, continuing the focus on delivery of the capital projects and operations and maintenance readiness. The Program remains fully committed to compliance and will be continuing to assist Operations with ongoing initiatives. During 2020, the South End Sewage Treatment Plant (SEWPCC) Upgrade and Expansion and the North End Sewage Treatment Plant (NEWPCC) Power Supply Upgrade Projects are expected to reach critical milestones for transfer of assets into long term operation. The Program will prioritize its activities to make this successful and continue planning for progress of the other elements of the capital program.

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 to receiving this report 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;
- The City and Veolia work collaboratively, openly and honestly within a no fault/no blame culture; and
- 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 and administration to the Leadership Team (LT) and the Director of Water and Waste Department.

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 A for the current composition of the MT and LT)

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

ANNUAL PROGRAM REPORT 2019

Notable Successes

- A Contract Administration team was established for the SEWPCC Upgrade and Expansion project.
- A Commissioning Team for the SEWPCC has improved coordination and communication among the parties.
- A MT Planning Tool was developed during the year, enabling the MT to build a three-year program of activity, setting out prioritized actions for 2020 with objectives and goals for subsequent years.
- A Readiness Program was developed for the SEWPCC Upgrade project to facilitate a smooth transfer of the project into long-term operation.
- The Maintenance Strategy included development of the SEWPCC asset hierarchy, development of a condition monitoring RFP, real-time condition monitoring for the NEWPCC raw sewage pumps, and ongoing improvements to NEWPCC Planning and Scheduling.
- Refurbishment of the SEWPCC Primary Clarifier and associated controls upgrade was completed to schedule without adversely impacting operations or the upgrade project.
- Additional professional resources were engaged and have been actively supporting the Program on the SEWPCC as it is in the final construction contract and moving towards the commissioning period.
- Increased management and technical oversight was implemented as a mitigating action for the ongoing existing process risk to the Upgrade Project for the SEWPCC.

A. Program Management Initiatives:

1. Management Team Planning

A WSTP Management Team planning process was developed during the year. The MT planning process is a methodology for developing program activities over multiple years. Broad goals have been established for 2022, with more detailed objectives in 2021 and detailed activity for 2020. The scope covers activities where the MT has a responsibility or influence with respect to Operations and Maintenance, Capital Upgrades, Finance, and Regulatory.

2. Communication

Focus in 2019 has been to improve communication within the MT and the WSTP as a whole. Development of the MT planning process significantly improved knowledge within the MT of activities across departments required to achieve common goals.

3. Benefits Register

A Benefits 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 34 specific benefits are being captured and reported against these key benefit areas.

B. Compliance and Maintenance

1. Compliance

    a) The WEWPCC and the NEWPCC have performed well during the year.
    b) An instability in the SEWPCC biomass prevented handover of two of the existing secondary clarifiers for refurbishment in 2019.

2. NEWPCC Sequence Batch Reactor (SBR) Diffuser Improvements

Commissioning of improvements to the SBR aeration system was completed in 2019. Condition monitoring of the aeration pressure has been implemented to manage ongoing maintenance.

3. NEWPCC Electricity and UV Optimization Project

An electricity consumption variance of 74% was identified in the UV facility, which indicated an issue with its performance relative to the benchmarks. The second part of this project to investigate the effectiveness of the UV treatment operating strategy was completed and a draft report is under review. This report addresses reasons for the electrical consumption variance in the UV facility. The report is under review by Wastewater Services Branch. An action plan is pending.

4. Maintenance Strategy

These include the following initiatives:

a) Development of an RFP for a Condition Monitoring service, ready for tendering in 2020.
b) Priority maintenance performance indicators were defined.
c) Condition monitoring of the SBR aeration grid was implemented. The results are being used to manage a chemical cleaning program and mitigate a long-standing issue with aeration membrane failure.
d) Ongoing development of planning scheduling at the NEWPCC.
e) Recruitment of a second maintenance planner for NEWPCC was concluded and will be in position in early 2020.
f) Wastewater Services installed real-time vibration monitoring on the NEWPCC Raw Sewage Pumps. The vibration data, when combined with process data, lead to changes in the pump operating strategy avoiding costly overhauls and improved pump uptime.
g) Additional City resources were assigned to begin development of a planned maintenance program for the SEWPCC.
h) A complete asset hierarchy for the upgraded SEWPCC was developed which will allow improved management of maintenance and reliability.
i) Criticality of all assets for the SEWPCC was completed.

A draft maintenance strategy charter has been created with a roadmap for progress in 2020.

C. Asset Refurbishment and Replacement (ARR) Program

Prioritization workshops with Wastewater Services continue to build engagement with plant staff and were used to set priorities for the Program. Under the coordination of a lead from Engineering, ARR projects are being delivered by resources from the Engineering Division and the Wastewater Services Division.

1. Delivery Phase:
   a) SEWPCC Primary Clarifier Refurbishment
   b) NEWPCC SBR Optimization
   c) WEWPCC Truck Loading Bay
   d) Digester 11 Refurbishment
   e) Boiler Controls Reliability

2. Procurement Phase:
   a) NEWPCC Return Activated Sludge Pipe Refurbishment
   b) SEWPCC UV Leak Repairs

3. Planning Phase:
   a) WEWPCC Fermenter Condition Assessment
   b) All Facility Roof Condition Assessment

D. Resourcing changes

1. Engineering Division
   - Capability of the Wastewater Planning & Project Delivery Branch was enhanced in 2019 with the recruitment of a Project Engineer and a Project Coordinator. Staff vacancies were filled to continue the execution of the NEWPCC Digester 11 rehabilitation and SEWPCC Upgrade construction.

2. Wastewater Services Division
   - The Wastewater Engineer and Operational Systems Branch Head positions were filled in 2019.
   - The Maintenance Engineer position was filled on an acting basis. Recruitment for a second Maintenance Planner was completed and the position will be filled in 2020. This role will be enhanced with a Maintenance Planning Resource who started in 2019 to support the work load created by commissioning of the SEWPCC major processes.

3. Veolia
   - It was decided to separate the onsite and offsite Contract Administration functions at SEWPCC. Coverage by two different entities would result in more effective, best for project execution of the contracts. Given this, Veolia mobilized a Client Representative Contract Administration Team at SEWPCC. At a high level, this role involves: (i) day-to-day administration of the C4 contract; (ii) administration of deficient C3 work (iii) coordination of Jacobs at site; (iv) identification, preparation and proposal of mitigation or efficiencies regarding the Works; (v) management of risks and claims.
   - The following Veolia resources joined the Program in 2019, replacing resources that left in 2018:
     - SEWPCC Contract Administrator Leader (Constructions Manager)
     - SEWPCC Two Contract Administrators
       SEWPCC Contract Administrator Support
     - SEWPCC Commissioning Leader
     - SEWPCC Commissioning Support (Automation)
   - NEWPCC PSU Support: This role was back filled as the previous incumbent was mobilized to the SEWPCC to be a part of the Contract Administration (CA) Team in the SEWPCC Commissioning Support (Automation) role.

4. The following Veolia resources left the Program during 2019:
    - Lead Maintenance Engineer, the scope of assignment was largely completed and role was absorbed by Veolia's Facility Leader.
    - PMO Analyst, left the program to pursue other opportunities. Role was backfilled by the Controls Manager position on the SEWPCC CA team.

E. NEWPCC Power Supply and Headworks Facility Upgrade Project

In February 2019, the NEWPCC Project was divided into three projects in order to better manage risk, scope and cost of this large complex project. The three projects are being initiated in order of process criticality:

1. NEWPCC Upgrade: Power Supply and Headworks Facilities
2. NEWPCC Upgrade: Biosolids Facilities
3. NEWPCC Upgrade: Nutrient Removal Facilities

External audits of the class estimates of the first two projects of the NEWPCC Upgrade (Power Supply and Headworks Facilities and Biosolids Facilities) were completed by the City Auditor, with reports presented to Council September 2019. The resulting opinion was that the project fairly classifies, in all material respects, as a Class 3 estimate the forecasted total project costs based on the recommended practices of the Association for the Advancement of Cost Engineering, and the Public Service's Asset Management Initiative framework. There were no recommendations forthcoming from the audit.

Site preparation was completed in 2019 for the clean-up and leveling of the parcel of land just west of the NEWPCC plant that will be required for the future upgrade planned for the Biosolids Facility. Upgrade of the NEWPCC Power Supply is being carried out ahead of the other projects which will demand additional power. Upgrade of the headworks will improve reliability and provide an enhanced level of screening and grit removal required for the future treatment upgrades.

1. NEWPCC Power Supply Upgrade

This work will see the construction of a new City of Winnipeg-owned substation complete with redundant transformers and electrical switchgear resulting in an increased electrical distribution capability throughout NEWPCC. Power Sale and Construction agreements have been signed with Manitoba Hydro.

Site Construction progressed according to the project schedule with some minor delays. The automation and control design aspects have lagged behind, which, combined with a Manitoba Hydro construction delay, has pushed the commissioning activities into spring 2020. Critical equipment deliveries have been made throughout 2019, with the main power transformers having passed factory acceptance testing and scheduled to arrive at site early January 2020. All new switchgear equipment has been received in Winnipeg.

2. NEWPCC Headworks Facility

This part of the project will provide an upgrade for the NEWPCC headworks including a new raw sewage pumping station, extensions of existing interceptor sewers to connect to the new pumping station, new process equipment, new grit removal and dewatering system and a new standby generation facility. This work will be delivered as a Design-Build Project. The design

build agreement (DBA) and the RFP for the next phase were advanced to 80% and should be completed and ready for distribution to the qualified proponent in early 2020.

F. SEWPCC Upgrade and Expansion Project

The SEWPCC Upgrade and Expansion Project is being constructed through four main contracts. Contracts 1, 2 and 3 have achieved Total Performance. Contract 4 (C4), the final phase of the project, is underway. This year has seen the completion of the majority of structural construction and fitting out the structures with mechanical, electrical and automation systems is progressing.

1. Contract Administration (CA) Improvements

CA services were taken over by the program team in April 2019. Veolia established a dedicated team to provide CA services under the leadership of an experienced Contract Administrator. Improving contract administration processes and communication has improved collaboration and coordination onsite. The Program also engaged external legal counsel to assist with contract appeals.

Multiple partial and full shutdowns of the treatment process are required for construction of a major project of this nature. Operational risk during the shut downs has been reduced by improvements in planning and communication of the work. Operations are a key stakeholder in the project. Key operations staff are being involved in site progress meetings, commissioning, Distributed Control System (DCS) migration and other meetings related to the facility upgrade. Improvements in reporting and transparency of decision making at site have improved visibility of project issues to City managers.

2. Commissioning

In September 2019 a Commissioning team leader was resourced from Veolia to manage the overall commissioning phase of the project, which had been identified as a risk. Daily Commissioning team meetings are in place to advance and resolve issues, and coordinate activity between all the parties. Improvements to commissioning organization are focused on preparing for the safe startup of the first new treatment processes at the start of 2020.

G. Readiness

Operational and maintenance readiness has been progressing through the year. An overall readiness framework for SEWPCC has been established covering 11 readiness areas and a gap analysis completed against existing activities and contract requirements. The focus of the Program is on identifying and filling priority gaps in readiness activities and coordinating interdependent activities between parties.

H. Plant Automation

The plant automation projects are executing strategy from the Automation Master Plan developed in 2012. The ABB Human Machine Interface replacement project has updated control room software at the NEWPCC and WEWPCC which controls the treatment process. This work has mitigated risks of running the DCS until its planned replacement through the major upgrade projects.

The WEWPCC Communication Project has upgraded communication between the treatment facility and its raw sewage pumping station to maintain process control and alarm management functionality. 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.

I. Biosolids

The biosolids strategy has established three beneficial re-use channels for biosolids and a disposal route to landfill. Capacity to the three re-use channels has been developing during the year. The 50% target for beneficial re-use of biosolids was exceeded in 2019, with biosolids going to a combination of land application, soil fabrication and composting.

J. 2019 Program Key Performance Indicators Results

KPI	Description
MT Planning Process KPI to be developed during 2019	This activity developed a tool to support planning of the Program and annual development of Program Plans. The tool was used to prepare the 2020 annual Program Plan significantly reducing the time required from the MT to create and approve the plan.
SEWPCC Oracle Work and Asset Management readiness Support	The purpose of this activity was to collate the data required for new assets installed under the SEWPCC Upgrade project to be entered into the City Maintenance Management System. A new asset hierarchy was created and all assets were classified by type and ranked for importance, which facilitates efficient maintenance planning.
Condition Monitoring Services Contract	Condition monitoring forms part of the maintenance strategy. This activity developed the scope of work for seven methods of condition monitoring and prepared an RFP for a condition monitoring service contract.
Contractor Safety Induction Training	This activity was not carried out.
SEWPCC Capital Support Survey	This activity consisted of a survey of key City project staff to gauge improvement of the day to day environment as result of Veolia support. An initial survey was conducted to set a baseline with two follow up surveys to assess improvement and identify learning.
SEWPCC Upgrade Process Improvement and Risk Management	This purpose of this activity was to identify key processes and implement improvements, define documentation requirements and develop a readiness framework.

K. 2019 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 ($thousands) as of December 31	2019	2018
Fees	**$ 1,559**	$ 918
Share of gain/(pain) on operations	**(304)**	(421)
Key performance indicators	**779**	734
Interest on funds	**68**	398
Performance compensation	**$2,102**	$1,629
EARA opening balance	**$1,629**	$9,383
EARA closing balance before withdrawals	**$3,731**	$11,012
Veolia withdrawal with security	**$(1,629)**	$(9,383)
EARA closing balance after withdrawals	**2,102**	1,629
Accumulated Veolia withdrawals	**$11,012**	$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. In 2019, the ARA financial model was reviewed and updated to reflect timing of cash flows and revised capital budget for the NEWPCC Upgrade projects. As at December 31, 2019, the EARA balance was $2.1 million ($1.6 million, 2018) and the ARA balance was $54.5 million ($32.7 million, 2018).

Veolia can only reduce their ARA 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 2019, upon approval from the LT, $1,628,539 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 2019 with comparative figures for 2018 is as follows:

Financial Summary ($millions)	**December 31, 2019**	December 31, 2018
Reimbursement of Veolia direct costs	**$ 2.0**	$ 2.0
Earnings At Risk Account	**$ 2.1**	$ 1.6
At Risk Amount	**$ 54.5**	$ 32.7
Performance Security	**$ 50.0**	$ 50.0
Standing Letter of Credit	**$11.0**	$ 9.4

2020 ANNUAL PROGRAM PLAN DELIVERABLES:

The Program will build upon the strategy established in 2018 and progressed through 2019, continuing the focus on delivery of the capital projects and operations and maintenance

readiness. During 2020 the SEWPCC Upgrade and Expansion and the NEWPCC Power Supply Upgrade Projects will reach critical milestones for transfer of assets into long term operation. The Program will prioritize its activities to make this successful and continue planning for progress of the other elements of the Capital Program.

A. Program management initiatives

1. Management Team (MT) Planning Process

The WSTP MT planning process was used in 2019 to develop goals and objectives. The tool will continue to be used to follow progress throughout the year and plan for subsequent Annual Program Plans.

2. Communication

Communication to project, operations and maintenance groups will focus on Program Initiatives. LT communication will take place through monthly update reports and regular LT meetings with pre-scheduled quarterly face-to-face meetings with the City LT members to discuss progress.

3. Change Management

The LT will provide direction to the MT following the strategic planning session held in 2019. Due to staff changes in Wastewater Services (WWS) and the establishment of the Veolia Contract Administration team at the SEWPCC, it is planned to organize a site briefing to re-introduce Veolia and the Program to WWS staff at the SEWPCC. This session will be led by Senior Management.

4. Veolia Resource Requirements

As projects and planning evolve the needs of the Program will be reviewed and resourced accordingly. The Program requires roles to match needs at various stages of the program lifecycle.

Resources which are prioritized to be filled in 2020 are a Support Project Manager (NEWPCC Headworks) and an Automation resource to support DCS migration at both the SEWPCC and NEWPCC.

5. Target Costs

The Program has Target Costs in place for the SEWPCC Upgrade and Expansion and the NEWPCC Power Supply Upgrade. A Capital Project Target Cost will be developed for the NEWPCC Headworks contract.

B. NEWPCC Upgrade Projects

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. The program of work is being managed through multiple related projects.

1. Power Supply and Headworks facility Upgrade Project

The new supply will accommodate additional power demand of the future upgraded facility and replace the existing on-site Manitoba Hydro substation with a City-owned substation. The project will achieve its commissioning milestone in 2020.

An RFQ process was completed for Headworks in 2019 and procurement will be progressed in 2020 with the completion of preparation of an RFP and release to the pre-qualified bidders.

Migration of the existing DCS to a modern system based on Programmable Logic Controllers' will be initiated in 2020 with commencement of the design.

2. Biosolids Facility Upgrade

The procurement strategy for replacement of the NEWPCC Biosolids Treatment facilities will be developed and recommended in 2020. Procurement of engineering resources will also begin.

3. NEWPCC Notice of Alteration

Activities to prepare a response to the letter of Notice of Alteration from the Province were completed and the response was submitted as required by January 1, 2020.

C. SEWPCC Upgrade and Expansion Project

The design phase of the SEWPCC Upgrade and Expansion project is complete. Work on the last construction contract (C4) is continuing as a Program priority in the context of significant schedule and contract relationship challenges.

The Engineering Consultant made senior leadership changes within their project team in 2019. The Consultant is re-chartering the Project with the City and adding resources in the new year for better support. The Program will continue to work closely with the Consultant to manage the progress of C4 and to minimize risk exposure to the City and protect the best interests of the Program.

Transfer of the SEWPCC Upgrade and Expansion project to operations will begin in 2020 and is expected to continue through 2021.

D. Operational Readiness

Readiness efforts will continue in 2020 in preparation to receive new assets as a result of the SEWPCC Upgrade and Expansion and the NEWPCC Power Supply Upgrade Projects.

Management of the Program maintenance readiness activities are managed and monitored through the Maintenance Strategy project.

E. Biosolids Management

The Program will continue to support the City's biosolids re-use strategy which has developed multiple beneficial re-use routes for biosolids:

- Land Application
- Soil Manufacturing and
- Composting

Landfill remains part of the biosolids management strategy for winter operations. This strategy provides maximum flexibility and robustness.

F. Capital Planning

The priority for Program support to Capital Planning will be on addressing the NEWPCC Notice of Alteration issues. A small-scale pilot for research on the feasibility of granular sludge will be started at the WEWPCC, and the Program will support ongoing long-term capital planning efforts.

G. Compliance, Operation and Maintenance

The Program will continue to prioritize the operational support to manage process compliance. A focus will be maintained on readiness activities related to the major upgrade projects.

1. Operations Strategy

No specific operational projects are identified for 2020 due to the significant workload required to support commissioning of the major capital works. The Program will continue to support the WWS Division in performing and delivering on its operational priorities beyond the capital program.

2. Maintenance Strategy

The Program will continue to support the improvement of maintenance capability. Priorities for this year will be:

- Ongoing development and expansion of Planning and Scheduling;
- Implementation of the predictive maintenance strategy through an RFP for condition monitoring; and
- Activities to support maintenance readiness for the SEWPCC and NEWPCC Power Supply projects.

H. Asset Refurbishment and Replacement (ARR) Program

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. The Program will continue to integrate priority ARR projects.

I. 2020 Program Key Performance Indicators (KPI)

There have been no KPIs approved in the 2020 Annual Performance Plan.

FINANCIAL IMPACT

Financial Impact Statement Date: October 23, 2020

Project Name:

WINNIPEG SEWAGE TREATMENT PROGRAM 2019 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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Water and Waste Department
Division: Finance and Administration
Prepared by: Don Blain, CPA, CMA, Darlene Capp, CPA, CGA
Date: October 23, 2020
File No.: 020-17-06-10-01

ATTACHMENTS:

Appendix A: Leadership and Management Team Membership

APPENDIX A: LEADERSHIP AND MANAGEMENT TEAM MEMBERSHIP

