**Agenda – Standing Policy Committee on Finance and Economic Development – January 16, 2026**

## REPORTS

**Item No. 2** **CentrePort South Water and Sewer Servicing,**
**Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724,**
**Quarterly Project Status Report No. 9**
**For the Period Ended October 31, 2025**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Standing Policy Committee on Finance and Economic Development approve the consolidation of the capital budgets for the Airport Area West (CentrePort South) Servicing Project.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

# ADMINISTRATIVE REPORT

**Title:** **CentrePort South Water and Sewer Servicing,**
**Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724,**
**Quarterly Project Status Report No. 9**
**For the Period Ended October 31, 2025**

**Critical Path:** **Standing Policy Committee on Finance and Economic Development**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| C. D. Wiebe, P.Eng., CAMP, Manager of Engineering Services | T. W. Shanks, M. Eng., P. Eng. Director, Water and Waste Department | T. Graham | J. Dunford |

## EXECUTIVE SUMMARY

**Project On Schedule: Yes ☐ No ☑** **Project On Adopted Budget: Yes ☑ No ☐**

**Percent of Schedule Complete:** 78% **Percent of Adopted Budget Spent:** 61%

The amended capital budget for the CentrePort South project is $73.7 million with expenditures to date totaling $44.7 million. A total of $9.7 million was spent during this reporting period.

Adverse geotechnical conditions have resulted in the following additional work claims by the Interceptor contractor:

- $391,000 approved in this reporting period
- $176,000 remains under review

Key project developments:

- On September 4, 2025, HC Matcon Inc. provided notice that its lien in relation to Contract 3 has been withdrawn.
- Force main pipe installation is complete, miscellaneous works and site restoration will continue into the spring of 2026.
- Annual meetings have been scheduled with Manitoba Transportation and Infrastructure (MTI) and the RM of Rosser to ensure space is available for the future force main alignment. This action reduces the risk of conflicts with other infrastructure projects.
- British Columbia's public service workers strike has delayed the delivery of the dry well structure for the lift station. Provincial permits are required to transport the dry well. This delay may extend the project completion date.

- The interceptor sewer contractor is behind schedule. The contractor is planning to start 24-hour tunneling operations in early November. The contract completion date has been extended to Q1 2026. This doesn't impact the critical path.

New risks:

- The motor control center (MCC) for the lift station has not been ordered as contractor has not submitted shop drawings to the consultant for review. This may lead to schedule delays.
- Key personnel for Bothar Inc. have left the company. The Public Service will ensure all new staff are qualified to perform the construction works.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance and Economic Development.

## RECOMMENDATIONS

1. That the Standing Policy Committee on Finance and Economic Development approve the consolidation of the capital budgets for the Airport Area West (CentrePort South) Servicing Project.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## REASON FOR THE REPORT

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at $25 million. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

Standing Policy Committee on Finance and Economic Development approval is required to consolidate Capital Project and/or Program Budgets.

## IMPLICATIONS OF THE RECOMMENDATIONS

No additional funding is being requested as this report only recommends the consolidation of existing Council-approved capital project budgets, see Appendix E.

The Capital project budgets to be consolidated are for the purposes for which they were approved by Council. Consolidation of the capital budget improves accounting for and reporting of the financial status of a major capital project.

## HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

**Procurement** (Update from last report)

Table 1 below summarizes the contracts for this project. Percent complete is based on actual contract schedule to Total Performance.

**RFP 122-2023: KGS, Detailed Design and Contract Administration**
KGS continues to perform engineering design services including work on the wastewater hydraulic modeling for CentrePort South. Calibration of the hydraulic model is in progress

**Construction**

**301-2024 Lift Station**

- British Columbia's Public Service workers strike has delayed the delivery of the dry well structure for the lift station. Provincial permits are required to transport the dry well. This delay may extend the project completion date.
- Lift station design changes were required to prevent vibration generated by the motor at the intermediate platform. A contract change order will be required.
- Ongoing construction work includes:
    - Form work for wet well concrete slab
    - Wet well entryway installation
    - Concrete bollards and dry well base slab poured
    - Site development

**427-2027 Force Main**

- Annual meetings have been scheduled with Manitoba Transportation and Infrastructure (MTI) and the RM of Rosser to ensure space is available for the future force main alignment. This action reduces the risk of conflicts with other infrastructure projects.
- 7,200 meters of force main pipe has been installed.
- Toowoomba land company would like to keep the temporary gravel parking lot of Maxim Truck and Trailer. RM of Rosser approvals will be required for the parking lot to become permanent.
- Ongoing construction work includes:
    - Granular fill of force main
    - Site cleanup and restoration
    - Valve chamber installation
    - Repair of deficiencies

**990-2023B Interceptor and Intake Sewers**

- On September 4, 2025, HC Matcon Inc. provided notice that its lien in relation to Contract 3 has been withdrawn.
- A section of the interceptor pipe was damaged during installation. Further investigation is required to determine a suitable repair solution.
- During the excavation of sewer manholes, the contractor encountered a significant number of boulders in the excavation area. An extra work claim of $176,000 for boulder removal has been submitted by Bothar and is under review.

- A productivity loss claim for higher rock strength was submitted by Bothar and approved for $175,000. Testing results confirmed the bedrock was 80 percent to 300 percent higher than the values identified in the geotechnical baseline report.
- An extra work claim for larger boulders encountered during secant piling was submitted and approved for $216,000.
- The interceptor sewer contractor is behind schedule. The contractor is planning to start 24-hour tunneling operations in early November.
- Ongoing construction work includes:
    - Stub out tunneling to lift station site is complete
    - Microtunneling of drive 1 - complete
    - Microtunneling of drive 2 – 25 percent complete
    - Microtunneling of drive 3 – not started
    - Pipe delivery to site

**220-2024 Feeder Main**

- Minor construction works completed on the offtake structures.
- Ongoing construction work includes:
    - Subgrade and topsoil trimming
    - Concrete pad for flushing unit
    - Site cleanup and trailer removal
- The feeder main railway crossing at Saskatchewan Avenue is the only outstanding pipe installation remaining and will be installed by trenchless methods.
    - Anticipated completion is spring 2026.

Table 1 – Contracts

| Bid Opportunity # | Company Name | Description | Original Contract Award Value (GST & MRST extra as applicable) | Total Approved Over-Expenditures (Over-Expenditure amount only) | Date of Award | Date of Total Completion | Estimated % Complete |
|---|---|---|---|---|---|---|---|
| 122-2023 | KGS Group | Professional Engineering Consulting Services for CentrePort South Water and Wastewater Servicing Phase 1A - Detailed Design | $ 5,779,900 | $ 1,783,060 | 23-Jun-23 | 2-Apr-27 | 78% |
| 301-2024 | J-Con Civil Ltd. | Contract 1A - New Wastewater Lift Station | $ 12,736,111 | $ - | 8-Oct-24 | 30-Oct-26 | 45% |
| 427-2024 | Tri-Core Projects Ltd. | Contract 2A - 450mm Force Main | $ 21,657,005 | | 10-Sep-24 | 30-Oct-26 | 43% |
| 990-2023B | Bothar Inc. | Contract 3 - Interceptor and Intake Sewers | $ 11,510,955 | $ 1,391,709 | 2-Jul-24 | 14-Apr-26 | 68% |
| 220-2024 | Tri-Core Projects Ltd. | Contract 4A - 750mm Feeder Main | $ 10,688,800 | $ 1,287,100 | 2-Jul-24 | 31-Jul-26 | 56% |
| | | **Total** | **$ 62,372,771** | **$ 4,461,869** | | | |

**Schedule** (Update from last report)

The key schedule milestones for the CentrePort South project have been included in Table 2. Contract 3 schedule has been updated, extending the targeted completion date to the first quarter of 2026. The contractor intends to commence 24-hour tunneling operations in early November to ensure adherence to the revised schedule.

Percent complete is calculated from start of design to substantial completion.
Table 2 – Milestones

| Milestones | | | | | |
|---|---|---|---|---|---|
| | Deliverable | Original Targeted Completion Date | Revised Targeted Completion Date | Actual Completion Date | Estimated % Complete |
| 1 | Heritage Resource Impact Assessments | Q4 2023 | Q2 2024 | Q3 2024 | 100% |
| 2 | Contract 1A - By Pass Lift Station Substantial Completion | Q3 2024 | Q3 2026 | | 66% |
| 3 | Contract 2A - Force Main Substantial Completion | Q4 2025 | Q3 2026 | | 68% |
| 4 | Contract 3 - Interceptor and Intake Sewers Substantial Completion | Q2 2025 | ~~Q4 2025~~ Q1 2026 | | 91% |
| 5 | Contract 4A - Feeder Main Substaintial Completion | Q2 2025 | Q2 2026 | | 71% |

**Risk** (Update from last report)

New Risks:

- The motor control center (MCC) for the lift station has not been ordered as contractor has not submitted shop drawings to the consultant for review. This may lead to schedule delays.
- Key personnel for Bothar Inc. have left the company. The Public Service will ensure all new staff are qualified to perform the construction works.

Mitigated Risks

- Annual meetings have been scheduled with MTI and the RM of Rosser to ensure space is available for the future force main alignment. This action reduces the risk of conflicts with other infrastructure projects.

Table 3 – Significant Risks and Mitigations Strategies

| Significant Risks and Mitigation Strategies | |
|---|---|
| **Risk Statement and Explanation** | **Risk Mitigation Management Plan** |
| **New:** | |
| The motor control center (MCC) for the lift station has not been ordered as contractor has not submitted shop drawings to the consultant for review. This may lead to schedule delays. | Consultant to investigate the delivery times and expedite the review of shop drawings when received. |
| Key personnel for Bothar Inc. have left the company. | The public service will ensure all new staff are qualified to perform the construction works. |
| **Ongoing:** | |
| Subcontractor for the feeder main rail crossing tunneling work is behind schedule. Currently the work is planned for spring of 2026; this can be accommodated in the schedule. If there are further delays, overall schedule and cost could be impacted. | Contractor shall provide an updated schedule, which includes the feeder main crossing construction works and planned coordination meeting touch-points. |
| Negotiations for permanent easements for the interceptor are ongoing. | * If permanent easements cannot be secured, consider outright purchase of the required lands. Alternatively, explore expropriation option.<br>* Pursue enter to construct agreements to allow construction to start. |
| **Mitigated:** | |
| The proposed force main alignment and associated permitting was previously approved by MTI and RM of Rosser. Both of these groups have approved other infrastructure projects that directly conflict with the force main. | Project team members will meet with MTI and RM of Rosser to discuss infrastructure conflicts.. |

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast.

For consolidation of capital program budgets, refer to Appendix E.

**Funding** (Update from last report)

Refer to Table 4 below for funding details.

Table 4 – Project Funding Forecast

| Funding Forecast | | | |
|---|---|---|---|
| **Funding Source** | **Adopted Budget [1] (in millions)** | **Amended Budget (in millons)** | **Committed (in millions)** |
| **Class of Estimate** | **Class 3** | **Class 3** | **Class 3** |
| CentrePort South Water and Sewer | | | |
| Retained Earnings | 25.7 | 25.7 | 25.7 |
| External Debt | 8.0 | 8.0 | 8.0 |
| Province of Manitoba | 40.0 | 40.0 | 40.0 |
| **Total** | **$ 73.7** | **$ 73.7** | **$ 73.7** |

[1] On March 30, 2023 a funding agreement was signed for the CentrePort South Project between the Government of Manitoba and The City of Winnipeg

**Property Acquisition** (Update from last report)

Toowoomba Land Company would like to keep the temporary gravel parking lot of Maxim Truck and Trailer. RM of Rosser approvals will be required for the parking lot to become permanent.

**Stakeholder Engagements/Communications** (Update from last report)

The City continues to work with a number of stakeholders on the project including:

- RM of Rosser
- Canadian Pacific Kansas City (CPKC)
- Manitoba Transportation and Infrastructure
- Private land owners
- Residential and industrial developers

**Subsequent Events after Report Period End Date**

On November 3, 2025, Bothar started 24-hour tunneling operations. The additional crew will speed up the construction timeline.

On November 6, 2025, a site visit was held with the RM of Rosser to review construction works in their jurisdiction. No issues or concerns were raised.

The lift station dry well has been delivered to site.

MCC shop drawings have been submitted and are being reviewed. Once approved, the MCC's will be ordered.

**FINANCIAL IMPACT**

## Financial Impact Statement

**Date:** November 26, 2025

**Project Name:**
**CentrePort South Water and Sewer Servicing**
**Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723 and 2037001724**
**Quarterley Project Status Report No. 9**
**For the Period Ended October 31, 2025**

**Comments:**
Financial Forecast for CentrePortSouth Water and Sewer Servicing can be found in Appendix B.

*Lucy Szkwarek, FCPA, FCGA*
Lucy Szkwarek, FCPA, FCGA
Manager of Finance and Administration

## CONSULTATION

This Report has been prepared in consultation with:

N/A

## OURWINNIPEG POLICY ALIGNMENT

This report aligns with OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by protecting local and regional watershed resources from the negative impacts of development, flooding, and pollution.

> Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

This report aligns OurWinnipeg 2045, Policy 2.18 Potable Water Conservation, by providing safe, reliable and sustainable supply of potable water.

> Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report aligns with the Winnipeg Climate Action Plan (CAP) and its Goals and Objectives, and it was determined that the CAP is not applicable to this specific report.

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report aligns with the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

## SUBMITTED BY

| | |
|---|---|
| **Department:** | Water and Waste |
| **Division:** | Engineering Services |
| **Prepared by:** | Tim Turzak, C.E.T. |
| **Date:** | November 27, 2025 |

## Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix D – CentrePort South Regional Infrastructure Phase 1A

Appendix E – Consolidation of Various Capital Budgets for CentrePort Servicing

# Appendix A – Key Project Facts

| Appendix A – Key Project Facts | |
|---|---|
| **Project Name** | CentrePort South Water and Sewer Servicing |
| **Business Owner (Department)** | Water and Waste Department |
| **Project ID** | 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724 |
| | |
| **Project Sponsor** | Stacy Cournoyer |
| **Department Responsible for Project Delivery** | Water and Waste Department |
| **Consultant Engineer** (Company Name) | KGS Group |
| | |
| **Adopted Budget** | On March 30, 2023 a Bi-party funding agreement was executed between the Government of Manitoba and The City of Winnipeg.<br>The Adopted Budget for CentrePort South is $73.7 million.<br>The Provincial funding contribution for this project totals $40 million. |
| **Class of Estimate (Adopted)** | Class 3 cost estimate |
| **Range of Estimate (Adopted)** | High +30%, Low -20%<br>($95.8 million to $59.0 million) |
| | |
| **Amended Budget** | |
| **Class of Estimate (Amended)** | |
| **Range of Estimate (Amended)** | |
| | |
| **Project Scope** | |
| CentrePort Canada is North America's largest trimodal inland port shared between the City of Winnipeg and the RM of Rosser. The goal of this project is to bring regional water and wastewater infrastructure to the southern portions of CentrePort Canada (CentrePort South) located within the City of Winnipeg. | |
| | |
| **Major Capital Projects Advisory Committee Membership:** | |
| Matt Dryburgh, Acting Deputy Chief Administrative Officer<br>Tracy Graham, Chief Financial Officer<br>Hazel Borys, Director of Planning Property & Development<br>Jim Berezowsky, Director of Public Works<br>Tim Shanks, Director of Water and Waste<br>Danny Tooth, Acting Manager of Major Project Oversight<br>Cynthia Wiebe, Manager of Engineering Services, Water and Waste | |

# Appendix B – Financial Forecast

**Appendix B - CentrePort South Water and Sewer Servicing Financial Forecast**
**As at Oct 31, 2025**

| Project Component Deliverables | Budget (in 000's) | | | Expenditure Forecast (in 000's) | | | | | | Surplus (Deficit) From Amended Budget | Variance Last Report | Change in Variance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Adopted Budget | Council Approved Change | Amended Budget | Actual Costs To Oct 31, 2025 | Projected Costs | | | | Total Forecasted Costs | | | |
| | | | | | 2024 | 2025 | 2026 | 2027 | | | | |
| Engineering, Design and Other | $ 9,941 | $ - | $ 9,941 | $ 8,472 | $ - | $ 1,504 | $ 3,469 | $ - | $ 13,445 | $ (3,504) | $ (3,504) | $ - |
| Construction | $ 51,202 | $ - | $ 51,202 | $ 35,507 | $ - | $ 4,000 | $ 18,668 | $ - | $ 58,175 | $ (6,973) | $ (6,973) | $ - |
| Land Acquisition | $ 2,453 | $ - | $ 2,453 | $ 729 | $ - | $ 351 | $ 1,000 | $ - | $ 2,080 | $ 373 | $ 373 | $ - |
| Internal Financing/Overhead Costs | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Contingency | $ 10,104 | $ - | $ 10,104 | $ - | $ - | $ - | $ - | $ - | $ - | $ 10,104 | $ 10,104 | $ - |
| **Total Project Budget** | **$ 73,700** | $ - | $ 73,700 | $ 44,709 | $ - | $ 5,855 | $ 23,137 | $ - | $ 73,700 | $ - | | |

| | | | |
|---|---|---|---|
| **% of Project Budget Spent**<br>(Actual Costs to Date / Adopted & Amended Budget) | 61% | | 61% |

| Project ID | Project Year | Adopted Budget | Cost to Date |
|---|---|---|---|
| 2004001222 | 2022 | $5,000 | $3,999 |
| 2004001223 | 2023 | $10,000 | $5,860 |
| 2004001224 | 2024 | $3,200 | $1,498 |
| 2037001722 | 2022 | $16,000 | $11,273 |
| 2037001723 | 2023 | $30,000 | $17,640 |
| 2037001724 | 2024 | $9,500 | $4,439 |
| **Total Project Budget** | | $73,700 | $44,709 |

# Appendix C – Key Project Events (History)

On June 21, 2019, KGS Group was retained to perform preliminary engineering services for Airport Area West Regional Water and Wastewater Servicing. The preliminary design report can be found here: https://engage.winnipeg.ca/airport-area-west-water-wastewater-study (Airport Area West has been renamed to CentrePort South)

On March 30, 2023, a funding agreement was signed for the CentrePort South project between the Government of Manitoba and The City of Winnipeg, with the Provincial contribution totaling $40 million

On June 23, 2023, Standing Policy Committee on Water, Waste and Environment approved a $5.8 million award to KGS Group for Professional Consulting Services for CentrePort South Regional Water and Wastewater Servicing – Phase 1A Detailed Design and Contract Administration

On January 23, 2024, the Public Service hosted and information and engagement session with First Nation groups that may have ties to the burial mounds in CentrePort South

On May 13, 2024, the Public Service hosted and information and engagement session with Manitoba Metis Federation (MMF) representatives that have interest on heritage resource findings in CentrePort South

On June 28, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to Bothar Inc. for construction of 1,045 M of 1,200mm interceptor sewer pipe. Tender 990-2023B - Contract No. 3 at an estimated cost of $11,285,249.67 plus a possible site occupancy bonus of $225,704.99

On June 28, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to Tri-Core Projects Ltd. for construction of 2,301 M of 750mm feeder main pipe. Tender 220-2024 - Contract No. 4A at an estimated cost of $10,688,800.00

On September 9, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to Tri-Core Projects Ltd. for construction of a new Force Main system in CentrePort South. Tender 427-2024 - Contract No. 2A at an estimated cost of $21,657,005.10

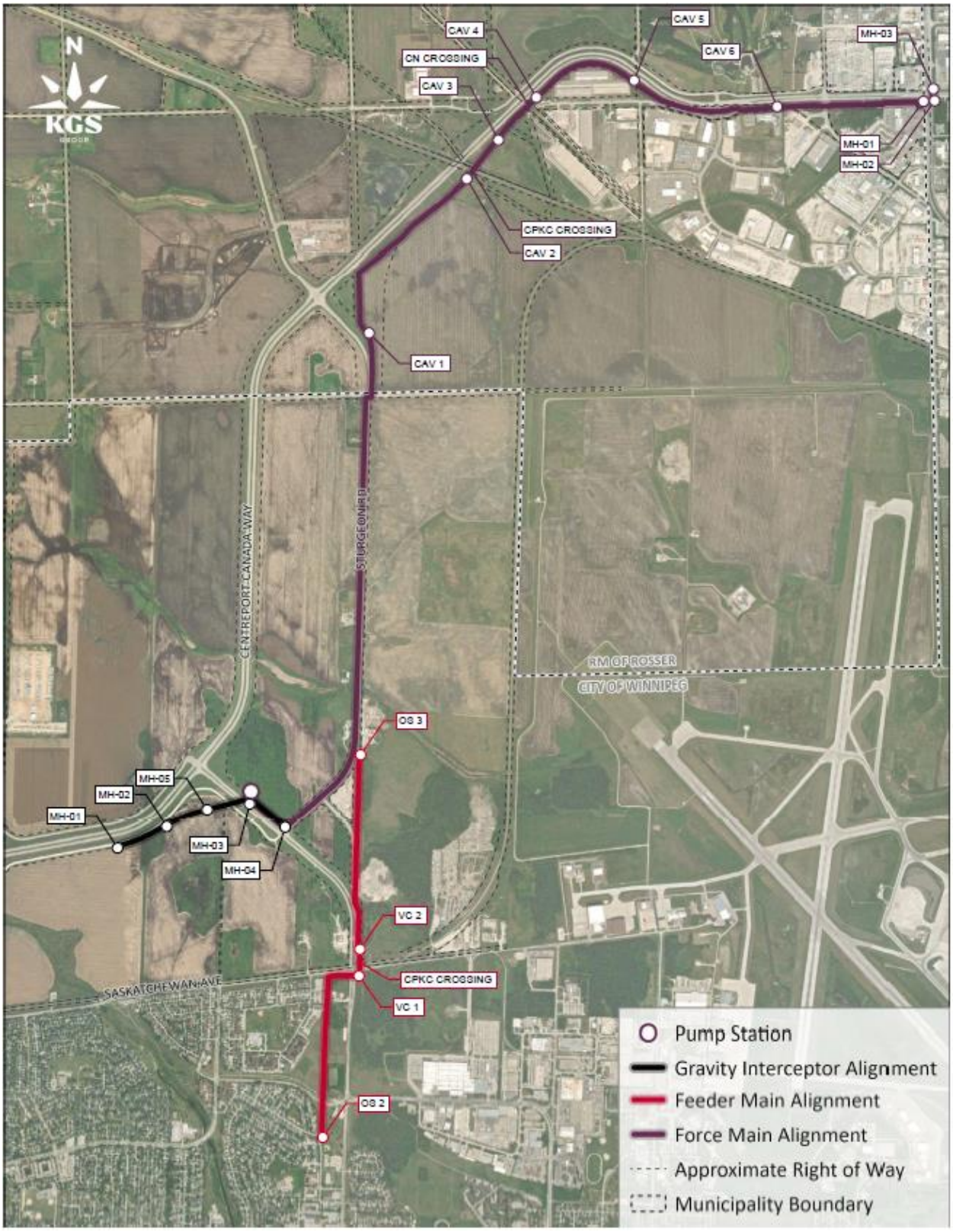
On October 4, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to J-CON Civil Ltd. for construction of a New Wastewater Lift Station. Tender 301-2024 - Contract No. 1A at an estimated cost of $12,736,111.00

On April 11, 2025, Standing Policy Committee on Water, Waste and Environment approved a Contract Over-Expenditure for construction of the interceptor sewer –Tender No. 990-2023B in the amount of $1.4 million.

On April 11, 2025, Standing Policy Committee on Water, Waste and Environment approved a Contract Over-Expenditure for construction of the feeder main – Tender No. 220-2024 in the amount of $1.3 million.

On June 19, 2025, a lien claim was filed under the Builders' Liens Act between HC Matcon Inc., and Bothar Inc. for the Interceptor and Intake Sewers tender. The Public Service will continue to work with Bothar to expedite resolution of the lien claim.
On June 25, 2025, Chief Financial Officer approved a Contract Over-Expenditure for Professional Consulting Services for CentrePort South – RFP No. 122-2023 in the amount of $1.78 million.

## Appendix D – CentrePort South Regional Infrastructure Phase 1A



## Appendix E

### Consolidation of various capital budgets for CentrePort Servicing

Funding for the project, which currently totals $73,700,000, is currently distributed to six capital project numbers. Consolidation of these budgets into two capital project budgets (one for the sewer portion and one for the water portion) will facilitate transparency and ease of recordkeeping and reporting related to the work performed at this site.

**CentrePort Servicing: Water**

| Capital Project # | Description | Council Approved Budget / Funding | Portion Related to CentrePort Servicing: Water |
|---|---|---|---|
| **Approved Budgets** | | | |
| 2004001222 | Airport West Servicing | 5,000,000.00 | 5,000,000.00 |
| 2004001223 | CentrePort Servicing | 10,000,000.00 | 10,000,000.00 |
| 2004001224 | CentrePort Servicing | 3,200,000.00 | 3,200,000.00 |
| | | $18,200,000.00 | $18,200,000.00 |
| **Consolidated CentrePort Servicing: Water Budget** | | | |
| 2004001224 | CentrePort Servicing | | $18,200,000.00 |

**CentrePort Servicing: Sewer**

| Capital Project # | Description | Council Approved Budget / Funding | Portion Related to CentrePort Servicing: Sewer |
|---|---|---|---|
| **Approved Budgets** | | | |
| 2037001722 | Airport West Servicing | 16,000,000.00 | 16,000,000.00 |
| 2037001723 | CentrePort Servicing | 30,000,000.00 | 30,000,000.00 |
| 2037001724 | CentrePort Servicing | 9,500,000.00 | 9,500,000.00 |
| | | $55,500,000.00 | $55,500,000.00 |
| **Consolidated CentrePort Servicing: Sewer Budget** CentrePort Servicing | | | |
| 2037001724 | | | $55,500,000.00 |