Agenda – Standing Policy Committee on Finance and Economic Development – April 17, 2026

REPORTS

Item No. 8 **CentrePort South Water and Sewer Servicing,**
Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724,
Quarterly Project Status Report No. 10
For the Period Ended January 31, 2026

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the financial status of the CentrePort South Water and Sewer Servicing, as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: **CentrePort South Water and Sewer Servicing,**
Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724,
Quarterly Project Status Report No. 10
For the Period Ended January 31, 2026

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: 85% **Percent of Adopted Budget Spent:** 70%

The amended capital budget for the CentrePort South project is $73.7 million. The costs to date total $51.3 million. A total of $6.6 million was spent during this reporting period.

Key project developments:

- A new subcontractor has been selected to complete the feeder main railway crossing. Construction is scheduled for spring 2026.
- The lift station land purchase agreement was completed.
- Force main testing and commissioning are progressing well and nearing substantial performance.

New risks:

- MB Hydro requires an easement from the City to install power to the lift station. The City cannot approve the easement until the land transfer is complete. This may result in schedule delays.
- Contract 3 Enter-to-Construct agreements may need to be extended. This is due to an approximate six-week delay in the interceptor and intake sewers contract schedule.

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 financial status of the CentrePort South Water and Sewer Servicing, as contained in this report, be received as information.

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.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications associated with receiving this report as information.

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 for CentrePort South. Calibration of the hydraulic model is complete, and the 60 percent hydraulic model technical memorandum has been submitted for review.

Construction

301-2024 Lift Station

- Lift station dry well delivered to site and installed.
- Vaporizer pad and beams for the superstructure were poured.
- Valves installed.
- Shoring for tunnel has been completed, and the bulkhead has been removed.
- Lift station design changes were required to address motor-generated vibration at the intermediate platform, and a contract change work order will be forthcoming.
- Ongoing construction work includes:
    - Tunneling to the property line
    - Site development

427-2027 Force Main

- Flushing line test completed.
- Leaks found near Canadian National Railway crossing were fixed.
- Construction activities for the force main were completed.
- Force main testing and commissioning are progressing well and nearing substantial performance.

990-2023B Interceptor and Intake Sewers

- A suitable repair solution is still being investigated for the segment of interceptor sewer pipe that was damaged by a boulder during installation.
- During the excavation of sewer manholes, the contractor encountered a significant number of boulders in the excavation area. The extra work claim of $176,000 for boulder removal submitted by Bothar is still under review.
- Pipe for tunnel drive 3 has been delivered to site.
- The contractor started 24-hour tunneling operations in early November.
- Colder weather, ground conditions, and equipment issues have slowed tunnelling operations. This has delayed total completion approximately six weeks.

220-2024 Feeder Main

- A new subcontractor has been selected to complete the feeder main railway crossing, with construction scheduled for spring 2026.
- Shoring and tunneling methodology changes were required due to ground conditions discovered on-site. A change work order is being prepared.

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	85%
301-2024	J-Con Civil Ltd.	Contract 1A - New Wastewater Lift Station	$ 12,736,111	$ -	8-Oct-24	30-Oct-26	62%
427-2024	Tri-Core Projects Ltd.	Contract 2A - 450mm Force Main	$ 21,657,005		10-Sep-24	30-Oct-26	57%
990-2023B	Bothar Inc.	Contract 3 - Interceptor and Intake Sewers	$ 11,510,955	$ 1,391,709	2-Jul-24	~~14-Apr-26~~ 27-May-26	76%
220-2024	Tri-Core Projects Ltd.	Contract 4A - 750mm Feeder Main	$ 10,688,800	$ 1,287,100	2-Jul-24	31-Jul-26	71%
		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.

The Contract 3 – Interceptor schedule has been updated, extending targeted completion to

Q2 2026. The contractor will continue 24-hour tunneling operations until substantial completion.

Contract 4A – A schedule extension request extending targeted completion to Q3 2026 is under review.

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		82%
3	Contract 2A - Force Main Substantial Completion	Q4 2025	Q3 2026		85%
4	Contract 3 - Interceptor and Intake Sewers Substantial Completion	Q2 2025	~~Q1 2026~~ Q2 2026		90%
5	Contract 4A - Feeder Main Substaintial Completion	Q2 2025	~~Q2 2026~~ Q3 2026		84%

Risk (Update from last report)

New Risks:

- MB Hydro requires an easement from the City to install power to the lift station. The City cannot approve the easement until the land transfer is complete. This may result in schedule delays.
- Contract 3 land agreements may need to be updated due to schedule delays due to cold weather and ground conditions.

Mitigated Risks

- The motor control center (MCC) for the lift station has been ordered and is in production. This reduces the risk of schedule delays.

Table 3 – Significant Risks and Mitigations Strategies

Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
MB Hydro requires an easement from the City to install power to the lift station. The City cannot approve the easement until the land transfer is complete.	Submit transfer to Land Titles. Expedite review/approval of MB Hydro easement
Contract 3 land agreements may need to be updated due to schedule delays.	Extend enter to construct agreements to cover construction schedule
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.
Key personnel for Bothar Inc. have left the company.	The public service will ensure all new staff are qualified to perform the construction works.
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.
Mitigated:	
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.

Financial (Update from last report)

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

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)

The lift station land purchase agreement has been finalized, and the request to land titles has been submitted.

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

- Boulder claim review for Contract 3 is complete. A change order for $145,000 was approved.
- MB Hydro easement on the lift station land has been approved by the City - waiting for an installation date.
- Schedule extension for Contract 4A (Feeder Main) was approved due to higher than expected groundwater. New substantial performance date is July 31, 2026, (+60 days) and new total performance date is August 31, 2026 (+30 days). The overall CentrePort schedule is not impacted.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 5, 2026

Project Name:

CentrePort South Water and Sewer Servicing
Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723 and 2037001724
Quarterley Project Status Report No. 10
For the Period Ended Jan 31, 2026

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

Angela Neufeld
Angela Neufeld
Acting 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:	March 6, 2026

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. The Adopted Budget for CentrePort South is $73.7 million. 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% ($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 Tracy Graham, Chief Financial Officer Hazel Borys, Director of Planning Property & Development Jim Berezowsky, Director of Public Works Tim Shanks, Director of Water and Waste Danny Tooth, Acting Manager of Major Project Oversight 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 Jan 31, 2026

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 Jan 31, 2026	Projected Costs				Total Forecasted Costs			
					2024	2025	2026	2027				
Engineering, Design and Other	$ 9,941	$ -	$ 9,941	$ 9,000	$ -	$ -	$ 4,000	$ 445	$ 13,445	$ (3,504)	$ (3,504)	$ -
Construction	$ 51,202	$ -	$ 51,202	$ 41,442	$ -	$ -	$ 16,733	$ -	$ 58,175	$ (6,973)	$ (6,973)	$ -
Land Acquisition	$ 2,453	$ -	$ 2,453	$ 884	$ -	$ -	$ 1,196	$ -	$ 2,080	$ 373	$ 373	$ -
Internal Financing/Overhead Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contingency	$ 10,104	$ -	$ 10,104	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,104	$ 10,104	$ -
Total Project Budget	**$ 73,700**	$ -	$ 73,700	$ 51,326	$ -	$ -	$ 21,929	$ 445	$ 73,700	$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	70%		70%									

Project ID	Project Year	Adopted Budget	Cost to Date
20040012YY	2024	$18,200	$12,976
20370017YY	2024	$55,500	$38,350
Total Project Budget		$73,700	$51,326

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.

On September 4, 2025, HC Matcon Inc. provided notice that its lien in relation to Contract 3 has been withdrawn.

Appendix D – CentrePort South Regional Infrastructure Phase 1A

