Agenda – Standing Policy Committee on Finance and Economic Development – July 6, 2026

REPORTS

Item No. 02 **CentrePort South Water and Sewer Servicing, Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724, Quarterly Project Status Report No. 11 For the Period Ended April 30, 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. 11
For the Period Ended April 30, 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	B. D'Avignon, acting for T. Graham	M. Dryburgh, acting for 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:** 71%

The amended capital budget for the CentrePort South project is $73.7 million with expenditures to date totaling $52.6 million. A total of $1.3 million was spent during this reporting period.

Key project developments:

- The building permit for the lift station has been issued.
- The Manitoba Hydro easement for the lift station lands has been approved.
- A schedule extension for Contract 4A (Feeder Main) was approved due to higher-than-anticipated groundwater conditions.
- The boulder claim review for Contract 3 (Interceptor) has been completed, and a change order of approximately $145,000 has been approved.
- The Contract 3 Interceptor contractor is currently behind schedule, primarily because of equipment issues and staffing challenges.
- Enter-to-Construct agreements for the interceptor pipeline have been extended to September 30, 2026.
- Railway crossing works for the feeder main at Saskatchewan Avenue have commenced.

New risks:

- Potential delays in bringing power to the lift station site may present a risk to the overall project schedule.

- Based on tunneling progress for the first two drives, the Interceptor Sewer contractor might not complete the last tunnel drive within the planned 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

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

No implications.

HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

Procurement (Update from last report)

Table 1 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 wastewater hydraulic modeling for CentrePort South. Re-calibration of the hydraulic model is in progress.

Construction

301-2024 Lift Station – Contract 1A

- Pressure testing of the force main installation was completed successfully.
- Valve chamber concrete works are complete.
- The building permit for the lift station has been issued.

- The Manitoba Hydro easement for the lift station lands has been approved.
- Ongoing construction work includes:
    - Masonry for the superstructure
    - Wet well lining and base formwork
    - Pipe installation to property line
    - Electrical conduit installation

427-2027 Force Main – Contract 2A

- All construction activities associated with the force main pipe have been completed.
- Further testing of the force main pipe is required to achieve substantial performance.

990-2023B Interceptor and Intake Sewers – Contract 3

- The review of the boulder claim has been completed, and a change order in the amount of $145,278.79 has been approved.
- Three sinkholes have occurred as a result of micro tunnelling activities. Operational setpoints are being adjusted to reduce the risk of ground loss, and additional safety fencing has been installed around the affected areas. All costs associated with repairing the sink holes are the responsibility of the contractor.
- The contractor is currently behind schedule. This is primarily due to equipment issues and staffing challenges/lack of resources. Based on their progress to date, they may not be able to complete the last tunnel drive within the current schedule.
- Dispute resolution meetings are in progress regarding shaft size change request 24030-CR-0005.
- Ongoing construction work includes:
    - Work on three manholes
    - Microtunneling of drive 2 (93 percent complete)
- Upon completion of Tunnel Drive 2, a detailed refurbishment of the micro tunnelling machine will be undertaken.

220-2024 Feeder Main – Contract 4A

- Railway crossing works at Saskatchewan Avenue have commenced.
- The feeder main railway crossing at Saskatchewan Avenue is the only remaining pipe installation and will be completed using trenchless construction methods.
- Microtunneling shafts: Several secant piles required additional concrete to achieve full backfilling due to fractures in the bedrock. The contractor is preparing an extra work claim for this effort.
- The schedule extension request for Contract 4A (Feeder Main) has been approved
    - New Substantial Performance Date: July 31, 2026 (+60 days)
    - New Total Performance Date: August 31, 2026 (+30 days)
    - There is no impact on the overall project schedule
- Ongoing construction work includes:
    - Feeder main railway crossing works at Saskatchewan Avenue
    - Site restoration activities

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	$ 695,634	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	~~27-May-26~~ 5-Aug-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~~ 31-Aug-26	74%
		Total	**$ 62,372,771**	**$ 5,157,503**			

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

The key schedule milestones for the CentrePort South project have been included in Table 2. 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
Heritage Resource Impact Assessments	Q4 2023	Q2 2024	Q3 2024	100%
Contract 1A - By Pass Lift Station Substantial Completion	Q3 2024	Q3 2026		89%
Contract 2A - Force Main Substantial Completion	Q4 2025	Q3 2026		93%
Contract 3 - Interceptor and Intake Sewers Substantial Completion	Q2 2025	~~Q2 2026~~ Q3 2026		93%
Contract 4A - Feeder Main Substaintial Completion	Q2 2025	Q3 2026		92%

Risk (Update from last report)

New Risks:

- Potential delays in bringing power to the lift station site may present a risk to the overall project schedule.
- Based on tunneling progress for the first two drives, the Interceptor Sewer contractor might not complete the last tunnel within the planned schedule.

Mitigated Risks

- Feeder main railway crossing works have commenced, mitigating the risk of further schedule delays.
- Annual coordination meetings have been established with the Province and the RM of Rosser to proactively mitigate potential infrastructure conflicts.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	**Risk Mitigation Management Plan**
New:	
Potential delays in extending power to the lift station site may present a risk to the overall project schedule	Ongoing communitation between MB Hydro and the project team is required. Installation date is planned for June 2026.
Based on tunneling progress for the first two drives, the Interceptor Sewer contractor might not complete the last tunnel within the planned schedule.	Monitor contractors performance and hold regular site meetings.
Ongoing:	
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. * 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..
Subcontractor for the feeder main rail crossing tunneling work is behind schedule. Currently the work is planned for fall of 2025; 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.

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 Manitoba Hydro easement for the lift station lands has been approved. Bringing power to the site is planned for June 2026.
- Enter-to-Construct agreements for the interceptor pipeline have been extended to September 30, 2026.

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 May 1, 2026, Standing Policy Committee on Water, Waste and Environment approved a Contract Over-Expenditure for Construction of a new Wastewater Lift Station – CentrePort South Regional Water and Wastewater Servicing Phase 1A (Contract 1A)– Tender No. 301-2024 in the amount of $695,633.96.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 1, 2026

Project Name:

CentrePort South Water and Sewer Servicing
Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723 and 2037001724
Quarterly Project Status Report No. 11
For the Period Ended April 30, 2026

Comments:

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

Tanis Yanchishyn, CPA, CA

Tanis Yanchishyn, CPA, CA
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 connects to 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:	June 4, 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 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 April 30, 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 April 30, 2026	Projected Costs 2024	2025	2026	2027	Total Forecasted Costs			
Engineering, Design and Other	$ 9,941	$ -	$ 9,941	$ 9,123	$ -	$ -	$ 4,277	$ 445	$ 13,845	$ (3,904)	$ (3,504)	$ (400)
Construction	$ 51,202	$ -	$ 51,202	$ 42,551	$ -	$ -	$ 15,624	$ -	$ 58,175	$ (6,973)	$ (6,973)	$ -
Land Acquisition	$ 2,453	$ -	$ 2,453	$ 890	$ -	$ -	$ 790	$ -	$ 1,680	$ 773	$ 373	$ 400
Internal Financing/Overhead Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contingency	$ 10,104	$ -	$ 10,104	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,104	$ 10,104	$ -
Total Project Budget	**$ 73,700**	$ -	$ 73,700	$ 52,564	$ -	$ -	$ 20,691	$ 445	$ 73,700	$ -		

% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	71%		71%

Project ID	Project Year	Adopted Budget	Cost to Date
20040012YY	2024	$18,200	$13,283
20370017YY	2024	$55,500	$39,281
Total Project Budget		$73,700	$52,564

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 1

