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

REPORTS

Item No. 04 Water Meter Renewals – Advanced Metering System, Project ID: 2001003424, Quarterly Project Status Report No. 8 For the Period Ended April 30, 2026

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the financial status of the Water Meter Renewals – Advanced Metering System, as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: **Water Meter Renewals – Advanced Metering System,**
Project ID: 2001003424,
Quarterly Project Status Report No. 8
For the Period Ended April 30, 2026

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

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Yanchishyn, CPA, CA Manager, Finance and Administration	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: 35.7% **Percent of Adopted Budget Spent:** 0.75%

This is the eighth Quarterly Project Status Report for the Water Meter Renewals – Advanced Metering System project.

Negotiated RFP 497-2025 for the Supply of Advanced Metering Infrastructure closed on February 6, 2026, and has been evaluated. The Public Service is currently in negotiations.

The final stage of Negotiated RFP 795-2025 for Water Meter and AMI Radio Transmitter Installation Contractor closed on May 1, 2026, and is being evaluated.

The total budget is $135,000,000 with expenditures to date of $1,012,972.

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 Water Meter Renewals – Advanced Metering System, 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)

Negotiated RFP 497-2025 for the Supply of Advanced Metering Infrastructure and Water Meter Solution closed on February 6, 2026, and has been evaluated. The Public Service is currently in negotiation with the successful negotiation partner.

The final stage of the Negotiated RFP 795-2025 for Water Meter and AMI Radio Transmitter Installation Contractor closed on May 1, 2026, and is being evaluated.

Table 1 – Contracts

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
399-2024	Diameter Services Inc.	Professional Consulting for Water Meter Renewals and Advanced Metering System	4,544,710.00	-	6-Feb-25	20-Jun-31	13%
			-	-			
			-	-			
			-	-			
			-	-			
		Total	**$ 4,544,710.00**	**$ -**			

Upcoming Procurements:

Description	Anticipated Award Date
AMI and water meter supply Vendor RFP	Q3 2026
Installation Vendor RFP	Q4 2026

Schedule (Update from last report)

No new schedule updates.

The key schedule milestones for the Water Meter Renewals – Advanced Metering System project have been included in Table 2.

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Consultant RFP - Award	Q1 2025		Q1 2025	100%
2	Detailed Design	Q3 2025		Q3 2025	100%
3	AMI and water meter Vendor RFP - Award	Q1 2026	Q3 2026		
4	Installation Vendor RFP - Award	Q2 2026	Q4 2026		
5	Testing and Billing Integration	Q4 2026	Q2 2027		
6	Deployment - City-wide Installation	Q2 2030			
7					
8					

Risk (Update from last report)

- No new risks.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	**Risk Mitigation Management Plan**
New:	
Ongoing:	
Schedule Impacts - Extended NRFP timelines, the duration of negotiations, and dependencies between the Supply and Installation contracts, and timing of award reports create a material risk of delay.	The Public Service will streamline the process in order to mitigate delays by negotiating the contract concurrently where possible and preparing reports in advance.
Suppy Chain Disruptions (Manufacturing, Components, Transportation/Labour) due to civil unrest in the US.	Monitor the situation. Request Risk Mitigation Plan related to these type of events from the Vendor during negotiations.
CAD/USD Exchange Rate has increased the cost of the supply of materials.	Work with Consultant to assess the risks related to the exchange and update the costs.
How implemented and speculated US/CA Tarriffs may apply to meter and AMI transmitters/components related is unknown.	City/Consultant to develop technical evaluation related to tariff risks to mitigate impact to the project.
Council has directed the Public Service to provide a preliminary assessment of the opt-out program to the Standing Committee in Q1 2025	Council adopted that prior to the installation of the new meters, the Winnipeg Public Service present alternative options as described in the report, as well as an option to not have a transmitter installed on the property, to ratepayers who can provide proof of need of a medical exemption.
Increase costs of materials and installation due to inflation	Consultant to inquire with suppliers and installers throughout the design and tendering periods to ensure and accurate project estimates and budget alignment
Reluctancy by customer to allow access to water meters for replacement.	Consultant to work with the Vendor to provide public information and outreach campaigns, review existing bylaw and assist with amendments required
Water Meter Renewal Reserve does not have sufficient funds to fully fund the project at this time.	Transfer to the WMtrRR are completed annually to match anticipated spending. The Public Service will schedule and monitor balances to ensure the Reserve is not overdrawn at any point during the project.
Mitigated:	
The RFP process is a binding contract and is not suitable for this Project due to the need for flexibility, negotiations, and the unique nature of software components. This procurement method represents a risk to the Vendors and may discourage bidders	The Public Service will use a Negotiated RFP process, which is a non-binding contract that will the City to negotiate and allow a proactive approach to addressing Vendor risks while still attracting a competitive and high-quality pool of bidders for this critical project.
The 2024 Capital budget was approved based on a cashflow distribution and not contract award encumbrances. Current approved budget of $2,000,000 is insufficient to cover contract awards in 2024	Award of the Consultant RFP will be delayed to Q1 2025 when budget becomes available contingent on Council approval of the 2025 Capital Budget.
Concerns regarding AMI technology as related to Health Concerns have been brought to Council.	The City will follow Health Canada Safety Code 6 in relation to radiofrequency electromagnetic fields.

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 (in thousands)**	**Forecasted Budget (in thousands)**	**Total Budget (in thousands)**	**Committed (in thousands)**
Class of Estimate	**Class 3**	**Class 3**	**Class 3**	
Water Meter Renewals - Advanced Metering Systems 'Reserve	85,818	49,182	135,000	85,818
Total	**$ 85,818**	**$ 49,182**	**$ 135,000**	**$ 85,818**

Property Acquisition (Update from last report)

N/A

Stakeholder Engagements/Communications (Update from last report)

N/A

Subsequent Events after Report Period End Date

The Public Service is currently in negotiations for 497-2025 Supply of Advanced Metering Infrastructure and Water Meter Solution.

The Public Service has completed the evaluation for 795-2025 Water Meter and AMI Transmitter Installation Contractor and has selected a negotiation partner to start negotiations with.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 4, 2026

Project Name:

Water Meter Renewals - Advanced Metering System Project,
Project IDs: 2001003424
Quarterly Project Status Report No. 8
For the Period Ended April 30, 2026

COMMENTS:

That the financial status of the WMR - AMS Project, as contained in this report, be received as information. Financial Forecast for WMR - AMS Project can be found in Appendix B

T. Yanchishyn, CPA, CA

T. 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 policies as follows:

Goal: Leadership and Good Governance

Objective 1: Establish and implement priority actions through evidence-informed decision-making processes.

Policy 1.6 Results-Based Budgeting: Invest City resources in prioritized, proactive, long term community-beneficial outcomes.

Goal: Environmental Resilience:

Objective 1: Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report aligns with Winnipeg Climate Action Plan as follows:

Strategic Opportunity #1 - Corporate Leadership

Key Direction 1.2 Understand and Integrate Business and Economic Implications of Climate Action into Decision Making Processes.

Key Direction 1.5 Reduce Employee Vehicle Kilometers Travelled (VKT) and associated GHGs.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

One of the guiding principles of the Poverty Reduction Strategy is to promote and maintain the welfare of all residents. By transitioning to the Advanced Metering System, the City will receive accurate and timely reads reducing estimated and high bills due to incorrect information, will allow for timelier leak detection notification preventing unexpected large bills related, and will help facilitate the transition to monthly billing to assist in household budgeting.

SUBMITTED BY

Department:	Water and Waste
Division:	Finance and Administration
Prepared by:	Duy Doan, C.E.T.
Date:	June 4, 2026

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Appendix A – Key Project Facts	
Project Name	Water Meter Renewals - Advanced Metering System
Business Owner (Department)	Water and Waste Department
Project ID	2001003424
Project Sponsor	Tanis Yanchishyn
Department Responsible for Project Delivery	Water and Waste Department
Consultant (Company Name)	Diameter Services Inc
Total Budget	$135M
Class of Estimate (Adopted)	Class 3 cost estimate
Range of Estimate (Adopted)	High +30%, Low -20% $175.5 million to $108.0 million)
Amended Budget	
Class of Estimate (Amended)	
Range of Estimate (Amended)	
Project Scope	
The City of Winnipeg has approximately 223,000 residential and commercial water meters. Over 146,000 (65 percent) are past their service life and need replacement. This project will initiate the renewal of the water meters and the implementation of an Advanced Metering Infrastructure (AMI) to address meter accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.	
Major Capital Projects Advisory Committee Membership: - Tim Shanks, Director of Water and Waste - Tanis Yanchishyn, Manager of Finance, Water and Waste - Danny Tooth, Acting Manager of Major Project Oversight - Rob Taylor, Director Assets & Project Management - Marceli Walczak, Director of Innovation & Technology - Tracy Graham, Chief Financial Officer	

Appendix B – Financial Forecast

Appendix B - Project Water Meter Renewals 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/Forecasted Budget	Council Approved Change	Amended Budget	Actual Costs To April 30, 2026	Projected Costs				Total Forecasted Costs			
					2026	2027	2028	2029 and beyond				
Engineering, Design and Other	$ 14,992	$ -	$ 14,992	$ 1,013	$ 2,402	$ 2,621	$ 3,078	$ 5,878	$ 14,992	$ -	$ -	$ -
Construction	$ 106,735	$ -	$ 106,735	$ -	$ 11,382	$ 21,507	$ 29,794	$ 44,052	$ 106,735	$ -	$ -	$ -
Land Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal Financing/Overhead Costs	$ 100	$ -	$ 100	$ -	$ 100			$ -	$ 100	$ -	$ -	$ -
Contingency	$ 13,173	$ -	$ 13,173					$ 13,173	$ 13,173	$ -	$ -	$ -
Total Project Budget	**$ 135,000**	$ -	$ 135,000	$ 1,013	$ 13,884	$ 24,128	$ 32,872	$ 63,103	$ 135,000	$ -		
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	0.75%		0.75%									

Project ID	Adopted Budget (in thousands)	Forecasted Budget (in thousands)	Total Adopted/Forecasted Budget (in thousands)	Actual Costs (in thousands)
2001003424	$ 85,818	$ 49,182	$ 135,000	$ 1,013

Appendix C – Key Project Events (History)

The City of Winnipeg has approximately 223,000 residential and commercial water meters. Over 146,000 (65 percent) are past their service life and need replacement. The Public Service recommended the renewal of the water meters and the implementation of an Advanced Metering Infrastructure (AMI) to address meter accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.

On February 22, 2011, Council approved the Meter Infrastructure Program as part of the 2011 Annual Capital Budget. The program included the development of a business case for an advanced metering technology project and a 12-month pilot project.

On March 20, 2019, Council approved the Water Meter Replacement Program as part of the 2019 Capital Budget. This project was to review current water meter technology, validate the best replacement technology, and develop a plan and Class 3 estimate for implementation of a multi-year direct-read water meter replacement program.

On January 30, 2020, Council approved the 2020 to 2023 Water and Sewer Rate report which included the establishment of a Water Meter Renewal Reserve for replacement and renewal of aging water meters and a City-wide advanced metering system (AMS), and referenced an automated meter read pilot project with the objective to develop, test and evaluate policies and processes required for a larger AMS implementation.

As part of the 2020 Capital Budget, Council approved funding of $450,000 to review current water meter technology, validate the best replacement technology, and develop a plan and Class 3 estimate for implementation of a multi-year water meter replacement program.

The Public Service contracted with Diameter Services through a Request for Proposal (RFP No. 801-2020) process to review the City’s current inventory of water meters, analyze current meter reading and billing processes, and identify opportunities for improvements in functionality and efficiencies. Analysis included feasibility and benefits of using improved metering technologies commonly referred to as smart meters for the City. This contract reached Total Performance November 25, 2022.

On November 23, 2023 Council approved the Water Meter Renewals – Advanced Metering System project with a class three estimate capital cost of $135,000,000 with implications of the funding source, Water Meter Renewal Reserve (WMtrRR), be referred to the 2024-2027 budget process. During the budget process, the project's budget distribution was adjusted to match annual spending in the WMtrRR.

On March 20, 2024, Council approved the Water Meter Renewals capital project as part of the 2024 Annual Capital Budget with a Class 3 capital cost estimate of $135,000,000.

On July 17, 2025, the Opt-Out Program for the Advanced Metering System was presented to Council. Council adopted that prior to the installation of the new meters, the Winnipeg Public Service present alternative options as described in the report, as well as an option not to have a transmitter installed on the property, to ratepayers who can provide proof of need for a medical

exemption.

Based on business needs and technologies, the procurement grouping has changed from an RFP for the Advanced Metering Infrastructure (AMI) Vendor and an RFP for the water meter and Installation Vendor, to an RFP for the AMI and Water Meter Supply, and a separate RFP for the Installation Vendor. This shift will achieve a more integrated and technologically advanced solution.

In addition to the change in procurement grouping, the method of procurement is also being modified to address risks to the project. The typical RFP process is a binding contract and is not suitable for this Project due to the need for flexibility, negotiations, and the unique nature of software components. This procurement method represents a risk to the Vendors and may discourage bidders. The Public Service will use a Negotiated RFP process, which is a non-binding contract that will allow the City to negotiate and allow a proactive approach to addressing Vendor risks while still attracting competitive and high-quality pool of bidders.

The extended timelines of the NRFP process, the time required for negotiating, contract dependencies and awarding the RFPs carry some risk to the project schedule. Depending on the duration of negotiations, the RFPs may not be awarded until Q4 2026, shifting the start of installation to Q2 2027. The schedule has been updated to reflect this risk.