**Minutes – 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**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance and Economic Development concurred in the recommendation of the Winnipeg Public Service and received the financial status of the CentrePort South Water and Sewer Servicing, as contained in this report, as information.

DECISION MAKING HISTORY:

Moved by Councillor Allard,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

# 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.<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.. |
| 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.<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 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

