Agenda – Standing Policy Committee on Water, Waste and Environment – September 11, 2026

REPORTS

Item No. 1 Winnipeg Sewage Treatment Program 2025 Annual Report Program Agreement Between the City of Winnipeg and VWNA Winnipeg Inc. (Veolia)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That this report is received as information.

ADMINISTRATIVE REPORT

Title: Winnipeg Sewage Treatment Program 2025 Annual Report Program Agreement Between the City of Winnipeg and VWNA Winnipeg Inc. (Veolia)

Critical Path: Standing Policy Committee on Water, Waste and Environment – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

This annual report summarizes the:

- Accomplishments and financial results that happened in 2025.
- The plans and objectives that have been set for 2026.

Veolia staff strengthen the City's team. They bring worldwide expertise to the Winnipeg Sewage Treatment Program (WSTP).

The WSTP day-to-day operations are governed by the Management Team (MT). The MT provides advice and recommendations on the WSTP activities to the Leadership Team (LT) and the Director of the Water and Waste Department (Director). The City retains full ownership and control of the sewage treatment plant facilities. The membership of the MT and LT are listed in Appendix A.

In 2025, the WSTP focused on the delivery of major capital projects and readiness for operation of the new infrastructure.

In 2026, the WSTP will build on the previous years' work. It will continue to focus on delivery of capital projects and operations and maintenance readiness.

RECOMMENDATIONS

That this report is received as information.

REASON FOR THE REPORT

A 30-year program agreement with VWNA Winnipeg Inc. (Veolia) was executed on April 20, 2011. The Agreement requires the city to report annually on results of the Winnipeg Sewage Treatment Program to Council.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications with receiving this report as information.

HISTORY/DISCUSSION

The City of Winnipeg (City) operates three sewage treatment plants:

- North End Wastewater Treatment Plant (NEWPCC)
- South End Wastewater Treatment Plant (SEWPCC)
- West End Wastewater Treatment Plant (WEWPCC)

On April 20, 2011, the City entered into a program agreement with VWNA Winnipeg Inc. (Veolia) (the Agreement). The scope includes advice on operations and capital upgrades at the City's three sewage treatment plants for the duration of 30 years. The City retains full ownership and control of the wastewater treatment plant facilities.

The Winnipeg Sewage Treatment Program (WSTP) day-to-day operations are governed by the Management Team (MT), Leadership Team (LT), and the Director of Water and Waste (Director). Within the City delegated authority, it is the Director who approves all final decisions related to the WSTP. The Annual report details the progress made in 2025 and the Annual Program Plan (APP) details the goals and deliverables established for 2026. Each of these are described below. (See Appendix A for the current membership of the MT and LT).

2025 ANNUAL WINNIPEG SEWAGE TREATMENT PROGRAM REPORT (WSTP)

1. Program Management

The WSTP strengthened its organization over the past year by hiring a number of key individuals, including a new Interface Manager, Program Controller, Program Administrator, Project Leader, Senior Project Engineer, and two Project Officers.

2. Compliance

SEWPCC Upgrade and Expansion Project
SEWPCC completed the 30-day performance verification period. Key treatment parameters (cBOD, TSS, TN, TP, ammonia, and E. coli) remained within the facility's Environment Act Licence limits, confirming that the facility meets license performance requirements.

NEWPCC Ultraviolet (UV) Upgrade Project

A planned shutdown of the existing UV system was executed with appropriate notifications issued to the public, the Province, and the surrounding community, along with mitigation measures to manage associated risks. The UV system was shut down on October 1, 2025, and was reinstated ahead of schedule on March 13, 2026.

NEWPCC Interim Phosphorous Reduction Project

The optimization approach of the interim phosphorous reduction plan is intentionally slow and cautious to avoid unintended impacts on plant operations. Early in commissioning, ferric chloride addition at a particular dosing point affected the UV disinfection system, resulting in E. coli compliance issues. The ferric chloride was lowered at this dosing location to restore E. coli compliance.

3. Audit Activities

The Public Service is accountable for the implementation of the KPMG recommendations contained in the NEWPCC Upgrade Projects Audit Report, approved by Council on January 30, 2025. In total, KPMG made 44 recommendations resulting from their audit of the NEWPCC projects.

The City of Winnipeg Audit Department tracks the progress being made on each of the KPMG recommendations. The Audit Department reports quarterly to Council on the status of various audit recommendations. By the end of 2025, 18 recommendations from the KPMG audit have been implemented and 26 recommendations are in progress. Veolia, under the WSTP, is aiding in the development and implementation of the audit recommendations

3.1. Risk Management Services

The WSTP completed an update to the Risk Management Plan (RMP) to strengthen risk mitigation practices, improve risk-based budgeting, and enhance the control of contingency. A third-party consultant, SMA Consulting, was engaged to update the RMP and to refresh the risk registers for all three NEWPCC projects. The updated RMP establishes a unified and structured approach to identify, manage, and monitor risks that may impact program and project cost, schedule, and objectives throughout design, construction, commissioning, and close-out.

3.2. Dashboard Management Services

The WSTP program initiated the development of standardized project dashboards for the three NEWPCC projects. This included the engagement of a third-party consultant, SMA Consulting, for development of the initial dashboards.

The dashboards incorporate industry best practices for project management and controls appropriate for projects of similar size, scope, and complexity. Dashboard content includes:

- Key Performance Indicators (KPIs) related to cost, schedule, risk and contingency, community engagement, health/safety/environment (HSE), interface, and quality.
- Key risk mitigation measures.
- Visual representations of progress, schedule, and cost; and
- Narrative sections describing key events and issues.

An executive summary is produced in conjunction with the dashboard providing detailed commentary of the performance indicators.

The dashboards and executive summaries are used to support reporting to the Mega Project Steering Committee and to assist the MT in informed decision-making, resource allocation, and proactive issue management. The reports are also presented monthly to the Executive Policy Committee to provide an overview of each NEWPCC project's performance.

3.3. NEWPCC Project Governance

A third-party consultant, KPMG, developed a governance framework and assurance plan approved by City Council on December 18, 2025. The framework enhances performance reporting, decision-making processes, delegation of authority, key risk management, project organization, and compliance requirements.

3.4. Contract and Claims Management Plans

Contracts and Claims Management Plans were developed to clearly define roles, responsibilities, and processes related to contractual compliance and claims administration.

The Contract Management Plan standardized procedures for payments, schedule performance, contract administration, submittals, change management, and earned value management. The plan includes best-practice templates and requires consistent and complete use to support transparency and predictable project delivery. Key elements include a formal contract kickoff, schedule health assessments, earned value updates, milestone administration, invoice evaluation, and structured project closeout. These requirements have been embedded into project contract documents.

The Claims Management Plan defines a standardized five-step process—entitlement, events and triggers, causation, quantification, and contractual pre-conditions—to guide the review of claims and change orders. The approach strengthens collaboration with contractors, improves consistency in evaluating causation and quantum, and enhances the overall reliability of claim assessments. Core components of the claims process have also been incorporated into contract documentation and will be applied throughout the project lifecycle.

4. Operation and Maintenance

Wastewater Services (WWS) refurbished a Sequencing Batch Reactor (SBR) at NEWPCC and supported capital projects including Interim Phosphorous Removal optimization, NEWPCC Headworks commissioning readiness, NEWPCC Biosolids design involvement, and ongoing construction and commissioning at SEWPCC.

5. Project Updates

Upgrades to the NEWPCC are required to meet regulatory requirements, replace aging infrastructure, and increase capacity for future growth of the City is being delivered through three major projects. This phased approach has been adopted to better manage the risk, scope,

and cost associated with a large and complex program. The projects are being initiated and delivered in order of process criticality, as follows:

- NEWPCC Upgrade: Power Supply and Headworks Facilities
- NEWPCC Upgrade: Biosolids Facilities
- NEWPCC Upgrade: Nutrient Removal Facilities (NRF)

In addition, the WTSP are administering other projects at all three sewage treatment plants. Updates for 2025 for the three NEWPCC projects, their ancillary projects, and all other treatment projects are provided below.

5.1. NEWPCC Upgrade: Power Supply Upgrade (PSU) and Headworks Facilities

The PSU project was advanced ahead of the Headworks Facilities to bring electrical supply to the site to power the future upgraded plant. This project was substantially completed in 2020, and the warranty period has ended. Final acceptance was issued in 2025.

The Headworks Facilities include upgrades to raw sewage pumping, screening, and grit removal. This project is a prerequisite to Biosolids and NRF and will address regulatory requirements, replace end-of-life equipment, and increase capacity.

The Headworks project made significant progress in 2025, achieving facility energization alongside advanced electrical works, installation of long-lead equipment, and completion of building envelope systems.

On December 12, 2025, during installation of a water main for the new Headworks facility, a feeder main broke, resulting in significant flooding on Main Street. An insurance claim was opened and an investigation into the root cause was initiated.

- **Distributed Control System (DCS) Migration Project**

  The DCS Migration project will replace the end-of-life DCS with a new Programmable Logic Controller (PLC) system. Migration from DCS to PLC-based architecture of four process areas (Grit, Primaries, Digesters, and Boilers) was completed in 2025.

- **Primary Clarifier Upgrade Project**

  The project, which includes design and construction of a new Primary Clarifier Scum Dewatering Building, was awarded and construction commenced in 2025. Early-stage progress included completion of piling works and construction of the concrete foundation.

- **UV Upgrade Project**

  The project, which includes replacement of the end-of-life Trojan UV system to deliver improved reliability, renewed vendor support, and increased energy efficiency, was awarded and construction commenced in 2025.

  A planned shutdown of the existing UV system was executed with appropriate notifications issued to the public, the Province, and the surrounding community, along with mitigation measures to manage associated risks.

The upstream gates and actuators procured under a supply contract were not delivered by the specified date. To mitigate potential schedule impacts, alternate upstream gates and actuators were procured under the construction contract. By the end of 2025, the replacement equipment was tracking to be delivered in time to maintain the overall UV Upgrade schedule.

5.2. NEWPCC Upgrade: Biosolids Facilities

The Biosolids Facilities project is a critical upgrade at NEWPCC aimed at replacing end-of-life equipment, addressing regulatory requirements related to nutrient recovery and biosolids reuse, and supporting future population growth in Winnipeg and the surrounding capital region. The project scope includes construction of new digesters, Thermophilic Aerobic Digestion (TAD) equipment, and associated sludge handling facilities. In 2025, the project reached several key milestones, including successful completion of the Start-Up Phase on January 31, 2025, and achievement of the Preliminary Design Phase on December 12, 2025. Key deliverables from the Preliminary Design Phase included a 30 percent design package, an initial construction schedule, a project risk register, and a Class 3 cost estimate.

Throughout 2025, the project team navigated budget and schedule constraints through disciplined cost management and collaborative decision-making under the Progressive Design-Build (PDB) delivery model. Multiple value-engineering exercises were undertaken to maintain budget alignment, with the most significant outcome being the transition from Thermal Hydrolysis Process (THP) to TAD technology, enabling the project to meet performance objectives in a more cost-effective manner. The Intermediate Design Phase commenced in Q4 2025 and was completed in Q2 2026, with a Design Build Agreement (DBA) award approved by Council on July 16, 2026.

- **NEWPCC Piping Installation, Soil Remediation, and Site Compound Development**

  This project included site preparation for future NEWPCC upgrade contracts, the extension of the water main on Ferrier Street, installation of four subsurface railway crossings, and the removal and replacement of contaminated soils. This project was near Substantial Completion at the end of 2025.

- **NEWPCC Land Drainage System (LDS) Project**

  This project will provide land drainage to support both the Biosolids and NRF projects and was awarded in late November 2025.

- **Northwest Interceptor (NWI) Liner Project**

  This project lines the NWI with a cured in place pipe and will mitigate risks related to the NWI failing during Biosolids construction activities. The project was awarded in late November 2025.

5.3. NEWPCC Upgrade: Nutrient Removal Facilities (NRF)

The NRF Facilities project will upgrade secondary treatment at NEWPCC, replace end-of-life equipment, address regulatory requirements for nutrient removal and recovery, and increase capacity for future growth. The project includes new secondary clarifiers, bioreactors, and a fermentation system.

In 2025, the project was in the Procurement Phase. RFP Step 1 was issued on August 22, 2025. Three proponents submitted proposals and all proponents met the Step 1 requirements and were advanced to RFP Step 2, which is scheduled to be issued in early 2026.

The project team also completed multiple revisions of the Development Phase Agreement (DPA) and the Project Agreement in preparation for issuing RFP Step 2. These contract documents incorporated additional project control terms based on the NEWPCC audit and reflected lessons learned and best practices from the Biosolids Facilities project.

5.4. Interim-Phosphorous Reduction Project

This project is being implemented ahead of the secondary treatment upgrade. The objective is to reduce final effluent phosphorus levels while maintaining stable overall plant performance. This measured approach supports careful monitoring and timely refinement of the new chemical treatment process.

Major components were largely completed in 2024, including railcar shelter expansion, a new sodium hydroxide storage facility, bulk chemical storage tanks, and remote injection points with day tanks. Process optimization began in June 2024 with the introduction of ferric chloride dosing at new locations throughout the plant. The strategy involves testing different dosages at multiple points in the facility. Optimization activities are expected to continue through 2026.

5.5. SEWPCC Upgrade and Expansion Project

This project increases SEWPCC's capacity and upgrades treatment processes to meet new effluent limits for nitrogen and phosphorus. The project adds new process and replaces end-of-life infrastructure including secondary clarifiers, bioreactors, wet-weather treatment systems, the fermentation system, odour control facilities, and UV disinfection equipment.

The project was delivered through four primary construction contracts. Contracts 1, 2, and 3 have been completed and Contract 4 is still underway.

In 2025, the primary focus was the completion of construction clean-up activities and final commissioning of key process systems, including the fermenters, thickeners, and biofilters. Several assets were handed over from the Contractor to the City's Operations and Maintenance team including the UV Disinfection system and the High Rate Clarifier.

Performance issues were identified with the thickening systems and associated polymer dosing systems. Corrective actions and targeted system improvements are underway to enhance sludge thickening performance and optimize polymer consumption, with the goal of improving long-term operational efficiency and reducing future operating costs.

5.6. Asset Refurbishment and Replacement Program (ARRP)

The ARRP is a long-term strategic capital program created to ensure safety, reliability, and efficiency of wastewater treatment plant assets to achieve their targeted or expected operational life. The Program requires coordination of activities with the major plant upgrades, maintenance programs, and operational improvements. The progress for the ARRP projects is described below.

NEWPCC Boiler Controls Reliability

This project addresses critical safety and reliability improvements to the boiler control systems at NEWPCC. Upgrades will bring the controls into compliance with current safety standards while enhancing overall boiler reliability. In 2025, construction continues with completion anticipated in 2026.

NEWPCC Boiler #5 Replacement
Boiler #5, a natural gas-fired unit essential for digester and facility space heating, is currently out of service and requires full replacement. To mitigate operational risk during the replacement period, a comprehensive interim heating plan was developed and implemented in 2025. The interim boiler design was completed, and three temporary boilers were installed and commissioned. Project completion is anticipated in 2026.

NEWPCC Secondary Clarifier Sludge Blanket Detection
This project enhances both operational safety and process control by providing staff with remote, real-time monitoring of sludge blanket levels in the secondary clarifiers. Detailed design and construction activities progressed in 2025.

WEWPCC and SEWPCC Sludge Holding Tank Refurbishment
This project will refurbish the existing WEWPCC and SEWPCC Sludge Holding Tanks to extend the life of these assets. In 2025, an assessment of the structures and the refurbishment design was completed. A tender was issued but only one bid was received, and it was significantly higher than the pre-bid estimate. Modifications to the tender were made with the intent to re-issue in 2026.

WEWPCC Grit and Screening Improvements
Detailed design to continue in 2026.

NEWPCC Dewatering Sludge Cake Pumping System Rehabilitation
This project will replace hydraulic power units from the existing sludge cake pumping system at the NEWPCC Sludge Dewatering Facility. Detailed design commenced in 2025.

6. Biosolids Reuse Update

In 2025, the City continued its multi-pronged biosolids strategy utilizing Land Application and Soil Fabrication. Together, these routes provide an environmentally sound, sustainable, and cost-effective strategy for beneficial reuse of Biosolids while meeting provincial regulations.

6.1. Land Application

The year 2025 marked the eighth year of the City's Biosolids Land Application Program, which involves the annual application of Class B biosolids onto local farmland. Land application is an environmentally sustainable practice that returns valuable nutrients to the soil and provides a beneficial reuse option for wastewater biosolids. This year, the Program achieved a milestone by applying the largest volume of biosolids to date.

The Program in 2025 included:

- In-field stockpiling and storage of the biosolids materials on agricultural land where land application is to take place for a given year;
- Continuation of odour assessments of the biosolids storage sites;
- Biosolids land application after crop harvest onto agricultural fields at agronomic rates that matched crop uptake of nutrients;
- Fulfillment of monitoring and reporting requirements as outlined in the City's Notice of Alteration (NOA).

To meet the updated regulatory phosphorus emission limits, process modifications were implemented that increased the rate of sludge production at NEWPCC, resulting in an overall increase in biosolids production. The Biosolids Land Application Program successfully managed the hauling and land application of the increased volume of biosolids.

6.2. Soil Fabrication Program

In 2025, the City continued its soil fabrication program which uses biosolids, woodchips, and street sweepings to produce a soil mixture that serves as landfill top cover. This soil cover helps reduce water infiltration, erosion, and greenhouse gas emissions while restoring the land to native prairie landscape. Operationally, the program provides an alternative to landfill disposal of biosolids in winter months when land application routes are not viable.

7. 2025 WSTP KPI Results

2025 KPIs were evaluated in accordance with Schedule III of the Agreement.

KPI	Description	Target	Value Achieved
Wastewater Treatment Process Knowledge for Managers	Provision of training for managers and project personnel on the existing and planned future treatment processes at the City's three sewage treatment plants.	$50,000	$50,000
Biosolids Hauling Equipment	Analysis of biosolids program management practices across various municipalities and private businesses with particular emphasis on equipment choices and usage. Provision of recommendations on the City's current hauling equipment.	$200,000	$180,000
Process Instrumentation Gap Analysis	Evaluation of existing instrumentation against newer technologies. Provision of recommendations for potential upgrades or additions to enhance process troubleshooting, monitoring, change detection, and enable timely operational decisions.	$100,000	$95,000
Digester Capacity Contingency Plan	Development of a contingency plan to address two critical capacity periods: when the current digesters reach their maximum capacity and the interim period between the startup of the new digester facility and the NRF project completion.	$200,000	$140,000
NEWPCC Decommissioning, Demo, Future Use, and Storage & Maintenance Plan	Conduct a detailed analysis of each building and process scheduled for decommissioning. Examine the operational expenditures ("OPEX") required to maintain the buildings in place, potential opportunities for future facility reuse, costs associated with building demolition, asbestos mitigation, high level HVAC condition assessment, and identification of possible locations for a WWS storage and maintenance facility.	$200,000	$190,000
NEWPCC NRF Process Review	Evaluate the nutrient removal technologies and their associated Capital Expenditure (CAPEX) and OPEX costs to ensure the selected technology best meets site constraints, operational requirements, and the City's future needs.	$50,000	$40,000
Historical KPIs – Additional Scope	Continue with additional scope on the following previous KPI's: • NEWPCC Risk Mitigation Plan • SEWPCC Lessons Learned • Class A Compost Marketing • Program Agreement (PA) Training • Capital Sampling Parameters • NEWPCC Constructability Review • NEWPCC Biosolids Operational Strategy	$200,000	$180,000
TOTALS		**$1,000,000**	**$875,000**

8. 2025 Financial Results

Veolia's compensation components that are earned annually include:

- Fees on aggregate program target costs.

- Gain share/pain share allocations (operations and capital).
- Meeting KPIs; and
- Interest adjustments.

Compensation earnings in any given year are credited to the Earnings at Risk Account (EARA) and earn interest. EARA categories are itemized in the following table.

EARA Summary ($dollars) as of December 31	**2025**	**2024**
Fees	**$ 2,171,336**	$ 1,710,600
Share of gain/(pain) on operations	**(283,187)**	(6,188)
Share of gain/(pain) on capital	**250,000**	0
Key performance indicators	**875,000**	897,920
Interest on funds	**130,132**	155,177
Performance compensation	**3,143,281**	2,757,509
EARA opening balance	**5,247,436**	5,748,506
Performance compensation	**3,143,281**	2,757,509
EARA closing balance before withdrawals	**8,390,717**	8,506,015
Veolia withdrawal with security	**(2,489,927)**	(3,258,579)
EARA closing balance after withdrawals	**5,900,790**	5,247,436
Accumulated Veolia withdrawals	**$22,739,989**	$20,250,049

As of December 31, 2025, the EARA balance was $5.9 million ($5.2 million, 2024).

Veolia can reduce the EARA balance if a letter of credit is issued to support a withdrawal. In April 2025, upon approval from the LT, $2,489,927 of the EARA balance was paid out to Veolia and replaced with a Standing Letter of Credit.

As per the Agreement, Veolia is required to post security to the City with the purpose of protecting the City in the event of certain situations. Veolia has posted $25 million security bond and a $47.7 million letter of credit. There is also a Parental Guarantee in place to protect the City whereby Veolia North America guarantees all of Veolia's obligations under the Agreement.

Financial Summary ($ Millions)	**December 31, 2025**	**December 31, 2024**
Reimbursement of Veola direct costs	**3.3**	3.0
Earnings At Risk Account	**5.9**	5.2
At Risk Amount	**37.0**	41.7

Performance Security	**50.0**	50.0
Standing Letter of Credit	**22.7**	20.3

Actual direct costs of $3,281,772 were reimbursed to Veolia. Direct costs are primarily comprised of staff salary, benefits and insurance.

9. Benefit Register

The Benefits Register was created as part of the Program Strategy to enable reporting on value and benefit realization across the Program. Serving as the central repository for all Program benefits, it captures achievements across ten key benefit areas, tracking a total of fifty-seven specific benefits. In 2025, two new benefits were added, both impacting the Capital Delivery and Operations and Maintenance areas.

Benefit Title	**Veolia Technical Forum Requests 2025**
Specific Benefit	The WSTP is managing a series of connected major capital upgrades; the pace of the schedule makes prompt decision making critical to delivering to regulatory deadlines within tight budgets. Knowledge shared by Veolia's experts around the world helps reduce risk in decision making.
Description	By connecting practitioners with worldwide wastewater treatment expertise, Veolia Technical Forums enable rapid global knowledge sharing among staff, facilitating the WSTP with information for decision-making on complex operational challenges. During 2025, 17 topics were researched through four Veolia technical forms: Municipal Wastewater Treatment Plants Community; Water Quality, Health & Emerging pollutants Community; Materials and Corrosion Community; Capex Delivery Community. Feedback was received from industry professionals and experts from Veolia's activities around the world including Paris (FRA); New York (USA); Brisbane (AUS); Pyrmont (AUS); Quarry Bay (HK); Montreal (CAN); Arvin (USA); Madrid (ESP); Cary (USA); Sao Paulo (BRA); Brussels (BEL); Indianapolis (USA); Dubai (UAE).
Key Benefit(s)	KB-01 Improved operational control and stability of the sewage treatment plants to support environmental stewardship. KB-02 Optimized operating costs of the sewage treatment plants. KB-03 Improved reliability and availability of equipment. KB-04 Improved the whole-life value of the facilities and their assets. KB-05 Increased knowledge and competencies of the team. KB-06 Improved capital cost certainty & control. KB-08 Improved long-term capital planning. KB-10 Improved safety awareness and knowledge.
Benefit Title	**Wastewater Treatment, Process Knowledge for Managers - 2025**
Specific Benefit	This training gives project managers the practical process knowledge needed to make better upgrade decisions across the City's three plants. It explains why treatment matters for public health and the environment, clarifies key wastewater terminology, and shows what each process unit does and how it operates. The training helps managers ask the right questions early, to reduce design and commissioning risk, improve whole-life outcomes, and deliver upgrades that are robust, maintainable, and compliant.
Description	Developed and delivered process training for Managers, covering all wastewater treatment process currently in use in Winnipeg and those planned for known upgrades. Training outcomes included understanding of: • existing and planned treatment processes at the City's three sewage treatment plants including their purpose and principles of their operation; • the basis of the public sanitation and the mechanisms for ecological impact of

	urban wastewater pollution • wastewater terminology • operability and maintainability issues and key risks of process units • life cycle considerations of process units and how they could be upgraded
Key Benefit(s)	KB-05 Increased knowledge and competencies of the team.

10. 2026 ANNUAL PROGRAM PLAN (APP) GOALS AND DELIVERABLES

The WSTP will build on the previous year's work continuing the focus on delivery of capital projects and operations and maintenance readiness. The program remains fully committed to compliance and will be continuing to assist Operations with ongoing initiatives.

10.1. Program Management Initiatives

Management Team (MT) Planning

The MT has established a rolling three-year plan to coordinate Operations, Capital, Regulatory, Finance, and Program Administration activities. The first year of the plan forms the basis for this APP, while years two and three provide forward visibility to support sequencing, risk management, and future planning.

This plan is maintained through the MT Planning Tool, a structured spreadsheet that captures key tasks, planned timelines, assigned owners, and current status across all program areas. The tool is used throughout the year to track progress, manage accountability, monitor risks, support decision making, and inform the development of future APPs.

Communication

The WSTP will prioritize relationship management across City, Veolia, and all program stakeholders in 2026. Key focus areas include continued trust building and collaboration with the Biosolids Upgrade Project Development Partner, sustaining communication with the NRF Shortlisted Proponents, and continuing engagement with the Province regarding all WSTP project risks and effluent objectives. Given the significant infrastructure investment and rapid pace of change, the MT will continue emphasizing effective communication among the Water and Waste Engineering Division, WWS, and Veolia to ensure alignment on project delivery goals and operational compliance. External communications will also include notifications to downstream First Nations communities and local area residents where appropriate. Additionally, engagement and community outreach with local social enterprises, community organizations, and vocational schools will be carried out to support social procurement objectives for the Biosolids and NRF projects.

Change Management

The Biosolids and NRF projects will employ a PDB delivery method, representing a shift away from traditional Design Build (DB) or Design Bid Build (DBB) approaches. This collaborative methodology emphasizes comprehensive risk management, design development, and cost optimization before finalizing the DBA. The intent is to maximize value, ensure quality, and enhance operational readiness.

As SEWPCC Upgrade and Expansion Project approaches completion of commissioning, engineering expertise from both City and Veolia teams will transition to support the expanding NEWPCC Upgrades activities in 2026. Throughout this transition, the MT will continue to assess and incorporate Change Management considerations into their planning to ensure a smooth and effective shift in resources and focus.

Target Costs

Capital Project Target Cost (CPTC):
The CPTC is in place for the SEWPCC Upgrade and Expansion Project, PSU Project, and the NEWPCC Headworks Project. The final pain/gain calculation of the PSU Project is completed and there was a realized gain of $500,000 ($250,000 per party). The SEWPCC Target Cost will do an initial pain/gain calculation at Total Performance but will not be realized until the Acceptance Certificate is issued after completion of the warranty period.

The CPTC for the NEWPCC Biosolids Project is anticipated to be finalized in 2026 prior to the execution of the DBA. Lessons learned from the Biosolids Project will inform the development of the CPTC methodology for the NRF Project. An initial CPTC submission for the NRF Project is planned to be submitted to the LT by the end of 2026.

Baseline Operating Target Costs (BOTC):
The Program Agreement requires a re-baseline of the BOTC at the end of year 15, which will be completed in 2026. The WSTP is actively updating the BOTC and plans to submit for Director approval by year end.

10.2. Program Resources

Veolia Resources: Following the recruitment of new team members in 2025, the Veolia team is expected to remain fully staffed for the foreseeable future. There are no requests for additional resources currently.

City Resources: Following the recruitment of new team members in 2025, the City Engineering team is expected to remain fully staffed for the foreseeable future.

10.3. Compliance, Operation, and Maintenance Update

The Program will continue to prioritize operational support to manage process compliance. A focus will be maintained on readiness activities related to the major upgrade projects.

The Program will look at ways to optimize operations within the SEWPCC Facility while continuing to support the WWD in performing and delivering its operational priorities beyond the capital program.

The Program will continue to support the improvement of maintenance capabilities, including medium voltage maintenance support and training, and to prepare for maintenance requirements associated with the capital program.

10.4. 2026 WSTP Project Goals and Objectives 2026

10.4.1. NEWPCC Upgrade: PSU and Headworks Facilities

Complete final tie-in to existing infrastructure, commence and complete commissioning, and achieve Substantial and Final Completion in 2026. Continue operational support on the PSU project as needed.

Feeder main was returned to service on February 11, 2026. Insurance claim has been initiated.

DCS Migration Project: Complete migration of four process areas (Dewatering, Secondaries, Centrate, and Main) from DCS to PLC-based architecture in 2026.

Primary Clarifier Upgrade Project: Continue with construction including completion of building structural in 2026.

UV Upgrade Project: UV treatment was reinstated on March 13, 2026. Complete construction, commence and complete commissioning, and achieve Total Performance in 2026.

10.4.2. NEWPCC Upgrade: Biosolids Facilities

Complete the Intermediate Design Phase, including final pricing, construction schedule, and risk register. On July 16, 2026, Council approved the Award of the Biosolids DBA. Execute the DBA and begin construction.

NEWPCC Piping Installation, Soil Remediation, and Site Compound Development: Achieve Total Performance in 2026.

NEWPCC LDS Project**:** Achieve Substantial Performance in late 2026.

NWI Liner Project: Achieved Total Performance in June 2026.

Manitoba Hydro/CSTE Installation Project (New): This project provides temporary construction power to support the initiation of active construction activities on site and is anticipated to be completed in 2026.

10.4.3. NEWPCC Upgrade: Nutrient Removal Facilities (NRF)

Issue RFP Step 2 and select the preferred proponent to execute the DPA by fall 2026. Upon execution of the DPA, commence the Start-Up Phase. Confirm external funding.

Throughout the year, the project team will focus on further defining project scope, coordinating interfacing requirements with the Biosolids Project, and identifying site servicing requirements to minimize project risks.

10.4.4. SBR Upgrades Preliminary Design (New)

The NRF Project is initiating the preliminary design for upgrades of the existing SBR. The scope of work includes upgrading the existing facility to improve reliability and enhance treatment capacity in advance of Biosolids commissioning. The preliminary design phase is anticipated to commence in 2026 and is expected to last approximately one year. The public service will proceed with the work as a separate capital project which will be included in future capital budget submissions.

10.4.5. Interim-Phosphorous Reduction Project

In 2026, continue to optimize ferric chloride dosing to achieve increased phosphorus removal while maintaining stable plant operations and preserving digester capacity.

10.4.6. SEWPCC Upgrade and Expansion Project

Handover of Biofilters, Fermenters, and Thickeners was achieved in Q1 2026. Substantial Performance was achieved February 27, 2026. Continue deficiency resolution and achieve Total Performance and commence the warranty period before the end of 2026.

10.4.7. Asset Refurbishment and Replacement Program (ARRP)

NEWPCC Boiler Controls Reliability: Continue construction and complete in 2026.

NEWPCC Boiler #5 Replacement: Continue construction and complete in 2026.

NEWPCC Secondary Clarifier Sludge Blanket Detection: Continue construction and complete in 2026.

WEWPCC and SEWPCC Sludge Holding Tank Refurbishment: Tender was reissued and awarded in February 2026. Continue construction in 2026.

WEWPCC Grit and Screening Improvements**:** Finalize detailed design in 2026.

NEWPCC Dewatering Sludge Cake Pumping System Rehabilitation: Finalize detailed design in 2026.

WEWPCC Ponds Effluent Quality (New): This project will evaluate various options to meet disinfection and total suspended solids licence requirements at WEWPCC. RFP for Preliminary Design was awarded in April 2026. Preliminary design to continue in 2026.

10.4.8. Biosolids Management

The Program will continue supporting the City's biosolids re-use strategy, which encompasses land application and soil fabrication, with landfill remaining as a contingency option. This work will proceed in parallel with activities associated with the Class A Compost Strategy.

10.4.9. Capital Planning Program Support

The Program will continue to provide ongoing support to Capital Planning and Project Support through document reviews, proposal evaluations, attending progress meetings, and project assistance. The priority will be to support the WEWPCC Grit and Screening Project through the detailed design phase.

10.4.10. Compliance, Operation, and Maintenance

The Program will continue to prioritize operational support to manage process compliance. A focus will be maintained on readiness activities related to the major upgrade projects.

Operations Strategy: The Program will look at innovations for operational enhancements within the SEWPCC Facility while continuing to support WWS in performing and delivering its operational priorities beyond the capital program.

Maintenance Priorities: The Program will continue to support the improvement of maintenance capabilities, including medium voltage maintenance support and training, and to prepare maintenance requirements associated with the capital program.

10.5. 2026 Winnipeg Sewage Treatment Program KPIs

KPI	Description
Project Controls and Commissioning Training	The purpose of this KPI is to support a shared understanding across the project team of the execution practices included in the NRF contract documents. The training will explain the concepts embedded in the contract, their intent, and how they benefit the project/owner.
WEWPCC Secondary Treatment Optimization and Improvements	The purpose of this KPI is to evaluate potential modifications to the existing secondary clarifiers to enhance solids capture performance during periods of high flow and high solids loading events.
NEWPCC Boilers Contingency Plan	The NEWPCC boilers are old and will become obsolete in 2032 with the completion of the upgrades. The purpose of this KPI is to assess the current condition of the existing boilers, identify ways to extend boiler life, and develop contingency and emergency response procedures if boilers were to fail.
NEWPCC Centrifuge Strategy	The NEWPCC centrifuges are old and will become obsolete in 2030 with the completion of the Biosolids upgrades. The purpose of this KPI is to assess the current condition of the existing centrifuges, identify ways to extend centrifuge life, and develop contingency procedures if centrifuges were to fail.
NEWPCC Flood Protection Plan	The purpose of the NEWPCC Flood Protection Plan is to evaluate the hydraulic impacts associated with the new Headworks Facility and to update the recommended operational procedures to be followed during extreme flood conditions and/or high-flow events.
NEWPCC Digital Twin	The purpose of this KPI is to create a digital representation of the NEWPCC facility to: • Document existing conditions prior to the upgrades • Provide contractors with accurate visual information to plan tie-ins, access points, feasibility reviews, and safety requirements • Supports future operational needs

FINANCIAL IMPACT

Financial Impact Statement **Date:** 31-Jul-26

Project Name:

WINNIPEG SEWAGE TREATMENT PROGRAM 2025 ANNUAL REPORT PROGRAM AGREEMENT BETWEEN THE CITY OF WINNIPEG AND VWNA WINNIPEG INC. (VEOLIA)

COMMENTS:

The report is received for information. Financial implications of the Program are discussed in the Financial Results section of the report.

Angela Wiebe, for

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 Our Winnipeg 2045, Policy 2.19 Leverage Green Infrastructure, by adding to the value of nature preservation by using its characteristics to provide infrastructure capacity solutions.

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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report aligns with the Winnipeg Climate Action Plan through Strategic Opportunity 6: Waste Reduction and Diversion.

> Key Direction 6.3 Utilize Biosolids In Agriculture and Landscaping Industries

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 Department
Division: Winnipeg Sewage Treatment Program
Prepared by: Linda McCusker, P. Eng.
Date: August 10, 2026
File No.: 020-17-06-10-01

APPENDIX A: Leadership and Management Team Membership

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