

**Agenda – Standing Policy Committee on Finance and Economic Development –
June 30, 2023**

REPORTS

**Item No. 1 NEWPCC Upgrade: Biosolids Facilities,
Project ID: 203110028B,
Quarterly Project Status Report No. 2
For the Period Ended April 30, 2023**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the financial status of the NEWPCC Upgrade: Biosolids Facilities, as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: NEWPCC Upgrade: Biosolids Facilities,
Project ID: 203110028B,
Quarterly Project Status Report No. 2
For the Period Ended April 30, 2023

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
C. D. Wiebe, P. Eng., CAMP, Manager, Engineering Services	T. W. Shanks, M. Eng., P. Eng., Director, Water and Waste Department	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

Project On Schedule: Yes No

Project On Adopted Budget: Yes No

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The Capital Budget for the NEWPCC Upgrade: Biosolids Facilities project is \$552.7 million, with expenditures to date totaling \$2.7 million. A total of \$749 thousand was spent during this reporting period on consulting services and overhead costs.

Key project developments this quarter:

- The Public Service continued the development of procurement documents. This included finalizing a draft term sheet of proposed commercial and technical terms and conditions to include in the design build agreement. In April 2023, the Public Service met with potential proponents to present this. These meetings identified only one proponent interested in the project if it's delivered using a traditional Design Build (DB) procurement model. There are a number of risks associated with entering into a design build procurement with only one proponent. The City will review potential options to ensure the successful procurement and delivery of the biosolids project.
- Additional environmental assessments and Heritage Resource Impact Assessments are being planned for the spring and summer.
- Detailed designs are progressing on early works packages such as the Canadian Pacific Rail surface and subsurface crossings, watermain extensions, and land drainage.

Key Financial Risk:

- An update to the original Class 3 cost estimate for the biosolids project was developed in 2021. This was further updated in 2022 to \$912 million, which is \$359 million greater than the Council-approved budget of \$552.7 million. The Public Service has received two draft 2023 cost estimates which are currently under review.

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 NEWPCC Upgrade: Biosolids Facilities, as contained in this report, be received as information.

REASON FOR THE REPORT

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$25 million (2023) or more report quarterly to the Standing Policy Committee on Finance and Economic Development. This threshold is reviewed at the beginning of each multi-year budget cycle. 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)

(Update from last report)

Procurement

On March 23, 2023, City Council concurred in the Public Service’s recommendation for:

1. The use of escalation clauses as a negotiation option in the NEWPCC Upgrade: Biosolids Facilities project; and
2. The Public Service be directed to request special meetings of the Standing Policy Committee on Water, Waste and the Environment, Executive Policy Committee, and Council for the advancement of the award of the Design Build Agreement.

Following Council's approval for the use of escalation clauses, the Public Service finalized a draft term sheet of proposed commercial and technical terms and conditions to include in the design build agreement.

The Public Service met with potential proponents to present the draft term sheet in April 2023. These meetings identified only one proponent interested in the project if it uses a traditional Design Build (DB) procurement model. The risks of having only one interested proponent include:

- a single proponent may abandon the procurement process, creating a delay and restart of the process;
- a lack of competition has the potential to result in inflated prices;
- a lack of competition limits the City's ability to negotiate; and
- significant delay may risk funding, have licence implications (i.e. fines), and/or require the City to limit growth due to biosolids capacity limitations.

Due to the high risks with a traditional DB approach, the City will review options to mitigate significant cost and schedule risk and ensure the successful procurement and delivery of the biosolids project.

- **RFP 182-2015 – Biosolids Procurement:** AECOM (owner's advisor) continues to:
 - prepare RFQ and RFP documents,
 - prepare for additional environmental and Heritage Resource Impact Assessments this spring and summer, and
 - Prepare the detailed design for the surface and subsurface Canadian Pacific Railway crossings.
- **RFP 102-2017:** Blakes Cassels & Graydon LLP (legal advisor) continues to be involved in reviewing procurement documents and design build agreement for the project.
- **RFP 7-2017:** P1 Consulting Inc. (fairness advisor) is providing fairness monitoring and advisory services through the RFQ and RFP evaluation periods.
- **RFP 155-2023:** Hanscomb Limited has prepared a 2023 cost estimate for construction of the biosolids facilities.

Table 1 – Contracts

Contracts Table							
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 Completion	Estimated % Complete
182-2015 (Biosolids - Procurement)	AECOM Canada Ltd	Professional Engineering Consulting Services for NEWPCC Upgrade – Phase 1 (Biosolids) - Procurement	\$ 6,521,026	\$ -	4-Aug-2022	-	8
102-2017 (Biosolids Procurement)	Blakes Cassels & Graydon LLP	External Legal Counsel - NEWPCC Upgrade Project	\$ 804,373	\$ -	14-Sep-2022	-	4
9-2017 (Biosolids Procurement)	P1 Consulting Inc	Request for Proposal for a Fairness Advisor for the North End Sewage Treatment Plant Upgrade Project	\$ 124,505	\$ -	14-Oct-2022	-	0
155-2023	Hanscomb Limited	Professional Cost Consulting Services for the NEWPCC Upgrade: Biosolids Facilities project	\$ 132,900	\$ -	28-Feb-2023	-	30
Total			\$ 7,582,803	\$ -			

Schedule (Update from last report)

The key schedule milestones for the Biosolids Facilities project have been included in Table 2.

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion	Actual Completion Date	Estimated % Complete
1	Preliminary Design Report	2022 Q1	2022 Q1	2022 Q1	100
2	2022 Cost Report ¹	2022 Q1	2022 Q1	2022 Q1	100
3	2023 Cost Report ¹	2023 Q2	-	-	50
4	2024 Cost Report ¹	2024 Q2	-	-	-
5	Design Build RFQ Posted	2023 Q1	2023 Q2	-	95
6	Design Build RFP Posted	2023 Q4	-	-	65
7	Design Builder Contract Award	2024 Q4	-	-	-
8	Design Build Substantial Completion	2030 Q4	-	-	-
9	Design Build Final Completion	2032 Q4	-	-	-

¹ Cost Consultant Class 3 Estimate

Risk (Update from last report)

Following Council's approval for the use of escalation clauses, the Public Service met with potential proponents to present draft details of the anticipated project commercial and technical terms. Feedback from the market determined that only one proponent would remain if the project was delivered as a design build. If the City enters into a design build procurement with one proponent it risks: paying inflated prices and an inability to negotiate due to a lack of competition, and significant schedule delays if the procurement fails.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<u>New:</u>	
No competition on a design-build procurement for the Biosolids Facilities project due to only one bidder	Recommend to Council to change the project delivery model
<u>Ongoing:</u>	
The 2022 cost estimate for Biosolids was \$912 million, while the approved project budget is \$552 million	Review cost estimates in 2023 to reflect current market conditions. Future budget increases will be referred to the 2024 to 2027 multi-year budget process, and multi-year utility rates process. Seek additional funding sources that may be available.
The draft ICIP funding agreement from the Province of Manitoba remains outstanding	Ongoing communications with the Province
<u>Mitigated:</u>	

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

Following the CFO's confirmation of the ICIP funding, the capital project budget was increased from \$15.33M to \$552.712M.

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	Adopted Budget (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 3	Class 3	Class 3
NEWPCC Upgrade: Biosolids Facilities			
External Debt	184.46	139.13	139.13
Federal Government	200.87	200.87	200.87
Provincial Government	167.38	167.38	167.38
Retained Earnings		30.00	30.00
Environmental Projects Reserve		15.33	15.33
Total	552.71	552.71	552.71

Property Acquisition (Update from last report)

On April 27, 2023, Council approved the recommendation to close a portion of the legally opened public road (Chief Peguis Trail), east of Ferrier Street to facilitate the development of immediately adjoining land to the south for the Biosolids Facilities project. The Public Service will work on transferring the land titles from Public Works’ to Water and Waste’s jurisdiction.

This application to close the Chief Peguis Trail is not related to the extension of Chief Peguis Trail Extension project.

Stakeholder Engagements/Communications (Update from last report)

The City continues to work with a number of stakeholders on this project including:

- Peguis First Nation regarding the cultural interest in the NEWPCC lands for the Biosolid Facilities project.
- The Manitoba Government as the provincial regulator.
- The International Institute for Sustainable Development, Lake Winnipeg Foundation, Lake Winnipeg Indigenous Collective as environmental stakeholders.

Subsequent Events after Report Period End Date

In the July 21, 2022, report to Council on the Biosolids Facilities procurement model, the Public Service committed to undertaking all due diligence to mitigate cost increases on this project. To this end, the City undertook extensive market soundings and subsequently met with potential proponents to discuss proposed details of the biosolids design build agreement. The current

market for design and construction of very large projects is highly competitive and only one proponent has interest in the project as a traditional Design Build (DB) procurement model. The market prefers a different type of model, called a Progressive Design Build (PDB), for projects of this size, complexity, and duration. If the project proceeds as a traditional DB and does not generate competitive interest, there is significant risk to schedule and cost. To ensure the successful procurement and delivery of the biosolids project, the Public Service recommends using a PDB model. The report recommending a PDB model will go to Council on July 13, 2023.

FINANCIAL IMPACT

Financial Impact StatementDate: [May 24, 2023](#)

Project Name:**North End Sewage Treatment Plant (NEPWCC) Upgrade: Biosolids Facilities,****Project ID: 203110028B****Quarterly Project Status Report No. 2****For the Period Ended April 30, 2023****COMMENTS:**

Financial Forecast for NEPWCC Upgrade Biosolids can be found in Appendix B.

Lucy Szkwarek, CPA, CGA

Lucy Szkwarek, CPA, CGA

Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This report aligns OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by addressing long-term capacity of water-related systems including wastewater management.

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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

NEWPCC Upgrade: Biosolids Facilities Project aligns with the Strategic Opportunity #6 Waste Reduction and Diversion found on page 51 of the Climate Action Plan approved by Council on September 20, 2018, Key Direction 6.3 and 6.4.

The Water Protection Act requires the city to reuse the wastewater biosolids, and to recover the nutrients from the biosolids to the maximum extent possible. The intent is for the facility to produce Class A Biosolids which can be reused resulting in diversion of biosolids from the landfill.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

On February 24, 2022, Council directed that bidders for the Biosolids Facilities Project include the following their submissions:

- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market
- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market

This aligns with Goal 1 - Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change; Topic- Community Benefits in City Projects; of the Winnipeg Poverty Reduction strategy Implementation Plan.

SUBMITTED BY

Department: Water and Waste

Division: Engineering Services

Prepared by: Lana Obach, P. Eng., MASc., PMP

Date: May 12, 2023

File No. S-1192

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix D - Funding

Appendix A – Key Project Facts

Project Name	NEWPCC Upgrade: Biosolids Facilities
Business Owner (Department)	Water and Waste Department
Project ID	203110028B
Project Sponsor	Director of Water and Waste
Department Responsible for Project Delivery	Water and Waste Department
Consultant Engineer (Company Name)	AECOM Canada Ltd.
Adopted Budget	On February 23, 2023 the CFO approved a budget of \$552.71 million based upon written confirmation of government funding.
Class of Estimate (Adopted)	
Range of Estimate (Adopted)	
Amended Budget	
Class of Estimate (Amended)	
Range of Estimate (Amended)	
<u>Project Scope</u>	
<p>The Biosolids Facilities project will address end of life equipment and regulatory requirements regarding the recovery of nutrients and maximize biosolids reuse. It will add new facilities to treat the sludge from City of Winnipeg's three sewage treatment plants and replace end-of-life equipment.</p>	
Major Capital Projects Advisory Committee Membership:	
<ul style="list-style-type: none"> - Michael Jack, Chief Administrative Officer - Moira Geer, Deputy Chief Administrative Officer - Catherine Kloepfer, Chief Financial Officer - Geoffrey Patton, Director of Assets and Project Management - Danny Tooth, Acting Manager of Major Projects Oversight - Tim Shanks, Director of Water and Waste - Lucy Szkwarek, Manager of Finance and Administration, Water and Waste - Colin Javra, Project Director, Winnipeg Sewage Treatment Program, Water and Waste 	

Appendix B – Financial Forecast

Appendix B - North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities Project Financial Forecast
As at April 30, 2023

Project Component Deliverables	Budget (in 000's)			Actual Costs To April 30, 2023	Expenditure Forecast (in 000's)										Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget ¹	Council Approved Change	Amended Budget		Projected Costs													
					2023	2024	2025	2026	2027	2028	2029	2030	2031	2032				
Engineering, Design and Other	\$ 30,967	\$ -	\$ 30,967	\$ 2,679	\$ 6,854	\$ 5,247	\$ 3,230	\$ 3,431	\$ 3,205	\$ 2,964	\$ 2,438	\$ 643	\$ 136	\$ 140	\$ 30,967	\$ -	\$ -	\$ -
Construction	\$ 377,967	\$ -	\$ 377,967	\$ -	\$ -	\$ -	\$ 53,816	\$ 90,658	\$ 92,415	\$ 63,728	\$ 60,459	\$ 8,254	\$ 4,254	\$ 4,383	\$ 377,967	\$ -	\$ -	\$ -
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Financing/Overhead Costs	\$ 43,161	\$ -	\$ 43,161	\$ 27	\$ 27	\$ 100	\$ 3,444	\$ 4,751	\$ 7,935	\$ 11,328	\$ 15,042	\$ 271	\$ 134	\$ 102	\$ 43,161	\$ -	\$ -	\$ -
Contingency	\$ 100,617	\$ -	\$ 100,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,617	\$ 100,617	\$ -	\$ -	\$ -
Total Project Budget	\$ 552,712	\$ -	\$ 552,712	\$ 2,706	\$ 6,881	\$ 5,347	\$ 60,490	\$ 98,840	\$ 103,555	\$ 78,020	\$ 77,939	\$ 9,168	\$ 4,524	\$ 105,242	\$ 552,712	\$ -	\$ -	\$ -

% of Project Budget Spent² (Actual Costs to Date / Adopted & Amended Budget)	0.5%		0.5%
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¹ On February 23, 2023 the CFO approved \$552.71M budget on the NEWPCC Upgrade: Biosolids Facilities project based upon written confirmation of government funding

² Actual costs to date / Amended budget

Appendix C – Key Project Events (History)

The NEWPCC Upgrade will be delivered in three separate capital projects:

1. NEWPCC Upgrade: Power Supply and Headworks Facilities
2. NEWPCC Upgrade: Biosolids Facilities
3. NEWPCC Upgrade: Nutrient Removal Facilities

The Biosolids Facilities upgrade will focus on new sludge processing facilities to treat waste solids from the NEWPCC, SEWPCC and WEPCC. The new sludge processing facilities will include pre-treatment of the combined sludge streams using thermal hydrolysis and mesophilic anaerobic digestion.

On September 26, 2019, Council approved a 2019 capital project budget of \$552.712 million, for the NEWPCC Upgrade: Biosolids Facilities, subject to final written confirmation of federal and provincial funding satisfactory to the Chief Financial Officer.

On January 30, 2020, Council approved \$15.334 million from the Biosolids Facilities Budget to commence engineering services.

On September 20, 2020 Council approved that the City agree to transfer \$321.24 million of Federal Government's funding under the ICIP from the Public Transit Infrastructure Stream to the Green Infrastructure Stream to fund the Federal Government's funding portion for the NEWPCC Upgrade: Headworks Facilities Project and the NEWPCC Upgrade: Biosolids Facilities Project as per the Province of Manitoba's requirement, subject to certain conditions.

On March 25, 2021, Council adopted that:

- The Government of Canada and the Province of Manitoba be requested to provide confirmation of approval of ICIP for the NEWPCC Upgrade Projects: Headworks Facility Project and Biosolids Facility Project
- The Province of Manitoba be requested to confirm the City's recommended procurement methodology for the Biosolids Facility Project
- The Public Service be directed not to proceed with detailed engineering design for the Biosolids Facility design-bid-build project, in the amount of \$15.334 million, as approved by Council on January 30, 2020, until such time as the confirmation requested in recommendations 1 and 2 have been received

On May 18, 2021, the Executive Policy Committee concurred in the recommendation of the Public Service, as amended, that:

- The current Operation and Maintenance of Winnipeg's sewage treatment utility shall remain public and that the Operation and Maintenance not be included as part of the P3 market sounding
- That a single source contract be approved with Deloitte LLP of up to \$400 thousand to conduct a market sounding for a Design, Build and Financing P3 for the Biosolids and Nutrient Removal facilities projects of the NEWPCC upgrades

- That the Public Service report back to Council on the results of the market sounding and analysis

On May 27, 2021, Council approved

- Review of the AACE Class 3 cost estimates for Biosolids and Nutrient Removal Facilities projects and refer any increases to the 2022 capital budget process; and to update the ten-year water and sewer financial plan and report back to Council in October 2021

On November 24, 2021, a joint news release by the Province of Manitoba and the City was issued regarding the advancement of the City's funding application to the Federal Government of Canada for the NEWPCC Upgrade: Biosolids Facilities Project through the ICIP.

On February 24, 2022, Council approved that future tenders for the NEWPCC Upgrade Projects require bidders to include the following as part of their bid submissions:

- Specific information on its intended partnerships or self-directed plans to secure a skilled project labour workforce
- Estimated numbers of and classifications of skilled tradespersons to be employed.
- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market.
- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market.

On July 21, 2022 the City Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities Project be delivered using a Design Build procurement model
- That the revised cost estimate for the NEWPCC Upgrade: Biosolids Facilities Capital Budget be referred to the 2024-2027 Multi-Year Budget Process
- That the \$15.334 million 2019 Capital Budget for the NEWPCC Upgrade: Biosolids Facilities, approved on January 30, 2020, as part of the 2020-2023 Water and Sewer Rate Report, be funded from the Environmental Projects Reserve rather than external debt

On August 16, 2022, a formal press release regarding the approval of funding through the ICIP application for the Biosolids Facilities was carried out at the NEWPCC. All three levels of government were in attendance.

On December 20, 2022, written confirmation was received of the Biosolids Facilities inclusion in the Investing in Canada Infrastructure Program (ICIP), based on the current approved budget of \$552 million.

On February 23, 2023, the CFO approved a budget of \$552.71 million based upon written confirmation of government funding.

On March 23, 2023 City Council concurred in the Public Service's recommendation for:

- the use of escalation clauses as a negotiation option in the NEWPCC Upgrade: Biosolids Facilities project; and
- the Public Service be directed to request special meetings of the Standing Policy Committee on Water, Waste and the Environment, Executive Policy Committee, and Council for the advancement of the award of the Design Build Agreement.

On April 27, 2023 City Council concurred in the Public Service's recommendation to close a portion of the legally opened public road (Chief Peguis Trail), east of Ferrier Street to facilitate the development of immediately adjoining land to the south for the NEWPCC Upgrade: Biosolids Facilities project.

RISKS AND RISK MITIGATION STRATEGIES

There are risks associated with the cost and schedule for a project that is this large and complex, especially at the early stages. In addition, the final bid amounts for projects are unknown until the project agreement is finalized with the Design Builder.

An ongoing risk management strategy has been implemented. It includes a proactive process of identifying risks, performing qualitative and quantitative risk analyses, creating response plan strategies, and ongoing monitoring. The risk management process is an active part of the management of the project. The project will also incorporate structured Hazard and Operability Analysis and a Construction Hazard Assessment Implication Review. Since detailed design and construction will be carried out through a DB contract, the Winnipeg Sewage Treatment Program will be identifying and transferring as much risk as reasonable to the Design Builder.

The Risk Register for the project contains cost and schedule risks associated with design, procurement, construction, operation, and unknown events. This is reviewed and updated regularly.

NEWPCC UPGRADES – FUNDING FORECAST FOR ALL PROJECTS

Funding Forecast				
Funding Source	Adopted Budget (in millions)	Amended Budget ¹ (in millions)	Committed (in millions)	Conditional Budget (in millions)
Class of Estimate	Class 5	Class 3	Class 3	Class 3
North End Sewage Treatment Plant (NEWPCC) Biological Nutrient Removal Upgrade Project				
City of Winnipeg Total	795.59			
Retained Earnings	87.64			
External Debt	690.29			
Environmental Projects Reserve	17.66			
NEWPCC Upgrade: Power Supply and Headworks Facilities				
Project 1 Total ¹		473.38	473.38	
Retained Earnings		87.64	87.64	
External Debt ⁵		114.90	114.90	
Environmental Projects Reserve ^{4, 5}		57.97	57.97	
Federal Government ^{4, 6}		116.11	116.11	
Provincial Government ^{4, 6}		96.75	96.75	
NEWPCC Upgrade: Biosolids Facility				
Project 2 Total ²		15.33	15.33	552.71
External Debt ³		15.33	15.33	184.46
Federal Government				200.87
Provincial Government				167.38
Total	795.59	488.71	488.71	552.71

The funding forecast should match The Capital Budget Detail Sheet.

1 On February 28, 2019 Council approved the existing project be amended to consist of three projects. Project one being Power Supply and Headworks Facilities only. With projects two and three pending Council approval.

2 On September 26, 2019 Council approved Project 2 conditional upon Federal\Provincial Funding. Total contains \$15.33 million for engineering.

3 On January 30, 2020 Council approved \$15.33 million budget for Project 2 to proceed with engineering services.

4 In a letter dated April 1, 2021, the Province confirmed that funding for Headworks Project would be reduced to \$96.749 million from \$100.300 million (Province) and to \$116.111 million from \$120.373 million (Federal), resulting in an increase of \$7.813 million to the City's share of costs.

5 On May 27, 2021 Council approved a budget increase of \$65 million funded by \$32.5 million debt and \$32.5 million Environmental Projects Reserve.

6 On July 23, 2021 Federal and Provincial ICIP funding of \$212.86 million was announced for the Headworks Project.

Project 3 - NEWPCC Upgrade: Nutrient Removal Facilities - \$828 million is, pending Council approval.

Appendix D - Funding

Appendix D North End Sewage Treatment Plant (NEWPCC) and Winnipeg Sewage Treatment Program (WSTP)

1) Funding for the NEWPCC is as follows:

NEWPCC Nutrient Removal Facilities (in \$millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
Provincial Funding								
Power Supply and Headworks Facilities	\$ 473.38			\$ 116.11	\$ 96.75	\$ 116.11	\$ 96.75	\$ 260.52
Funding Dependent								
Biosolids Facilities	552.71			200.87	167.38	200.87	167.38	184.46
Nutrient Removal Facilities	828.06							
Estimated Program Costs	\$ 1,854.15	\$ -	\$ -	\$ 316.98	\$ 264.13	\$ 316.98	\$ 264.13	\$ 444.98

2) Funding for the Winnipeg Sewage Treatment Programs is as follows:

WSTP All Projects (in \$millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
WEWPCC Biological Nutrient Removal ¹	\$ 33.23	\$ 5.07	\$ 8.19			\$ 5.07	\$ 8.19	\$ 19.97
NEWPCC Centrate and UV Disinfection ¹	52.08	5.59	14.54			5.59	14.54	31.95
SEWPCC Nutrient Removal/Expansion	375.60	37.04	15.98	5.30	1.10	42.34	17.08	316.18
NEWPCC Power Supply and Headworks ²	473.38			116.11	96.75	116.11	96.75	260.52
NEWPCC Biosolids ³	552.71			200.87	167.38	200.87	167.38	184.46
NEWPCC Nutrient Removal ⁴	828.06					-	-	-
Estimated Program Costs	\$ 2,315.06	\$ 47.70	\$ 38.71	\$ 322.28	\$ 265.23	\$ 369.98	\$ 303.94	\$ 813.08

¹ WEWPCC Biological Nutrient Removal and NEWPCC Centrate and UV Disinfection have been completed.

² On July 23, 2021 the Federal and Provincial governments announced \$212.86 million in Investment in Canada Infrastructure Program (ICIP) funding for the NEWPCC Upgrade Power Supply and Headworks project. \$116.11 million in Federal and \$96.75 million in Provincial funding.

³ On August 16, 2022 the Federal and Provincial governments announced an additional \$368.25 million in ICIP funding for the NEWPCC Upgrade Biosolids project. \$200.87 million in Federal and \$167.38 million in Provincial funding.

⁴ NEWPCC Upgrade Nutrient Removal project has not been approved.