

**Agenda – Standing Policy Committee on Finance and Economic Development –  
June 10, 2025**

**REPORTS**

**Item No. 1                      CentrePort South Water and Sewer Servicing,  
Project ID: 2004001222, 2004001223, 2004001224, 2037001722,  
2037001723, 2037001724,  
Quarterly Project Status Report No. 7  
For the Period Ended March 31, 2025**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

That the financial status of the CentrePort South Water and Sewer Servicing, as contained in this report, be received as information

## ADMINISTRATIVE REPORT

**Title:** CentrePort South Water and Sewer Servicing,  
Project ID: 2004001222, 2004001223, 2004001224, 2037001722,  
2037001723, 2037001724,  
Quarterly Project Status Report No. 7  
For the Period Ended March 31, 2025

**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	T. Graham	S. Armbruster, Interim CAO

### EXECUTIVE SUMMARY

Project On Schedule: Yes ☐ No ☒

Project On Adopted Budget: Yes ☒ No ☐

Percent of Schedule Complete: 67%

Percent of Adopted Budget Spent: 26%

The amended capital budget for the CentrePort South project is \$73.7 million with expenditures to date totaling \$18.8 million. A total of \$6.7 million was spent during this reporting period.

#### Key project developments:

- A letter of credit was issued to the Rural Municipality (RM) of Rosser. All requirements of the early construction agreement have been fulfilled and construction can proceed as planned within the RM.
- Railway agreement approvals are now in place for installation of the force main pipe:
  1. Canadian Pacific Kansas City (CPKC) Mile 6.46 on the Carberry Subdivision
  2. Canadian National Rail Company Mile 8.53 on the Rivers Subdivision
- Trenchless crossing at Oak Point Highway for the force main is not possible; open cut installation is needed due to large boulders in the right-of-way.

#### New risks:

- Trenchless crossing for the force main at Oak Point Highway is not possible; open cut installation is needed due to large boulders in the right-of-way. Lane closures will be necessary to facilitate the installation.
- Shaft excavation for the interceptor pipe has stopped due to concerns for excessive groundwater possibly compromising the shoring systems used for the excavations. Delays could impact construction 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 the wastewater hydraulic modeling for CentrePort South. The Hydraulic Model Technical Memorandum was submitted to the City for review.

## **Construction**

### **301-2024 Lift Station**

- Ongoing construction work includes:
  - Valve chamber formwork and steel for slab and exterior walls
  - Granular base and compaction testing for shear key
  - Concrete pour for valve chamber base slab and exterior walls
  - Gabion baskets filled with rock and geofabric curtain placed
  - Land drainage system and pipe layout and installation in-progress with manholes and catch basins
  - Water cistern pad was poured

### **427-2027 Force Main**

- Ongoing construction work includes:
  - Work on three manholes
  - Mobilization and construction work began at East Colony Creek
  - Thrust blocks poured at two locations
  - 200 m of piping installed
- A traffic control plan to facilitate open cut installation of the interceptor crossing Oak Point Highway has been submitted to the Province for review.

### **990-2023B Interceptor and Intake Sewers**

- Ongoing construction work includes:
  - Work on three manholes, including secant piling
  - Site fencing installed

### **220-2024 Feeder Main**

- Minor construction works completed on the offtake structures.
- Connection to the feeder main on Rouge Road is expected to start in early May 2025.
- The feeder main railway crossing at Saskatchewan Avenue is the only outstanding pipe installation remaining; it will be installed by trenchless methods.
  - The contractor submitted a dewatering delay claim to the City. The claim has been reviewed and an over-expenditure report for \$1.3 million is pending.

Table 1 – Contracts

Contracts							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Total Completion	Estimated % Complete
122-2023	KGS Group	Professional Engineering Consulting Services for CentrePort South Water and Wastewater Servicing Phase 1A - Detailed Design	\$ 5,779,900	\$ -	23-Jun-23	2-Apr-27	67%
301-2024	J-Con Civil Ltd.	Contract 1A - New Wastewater Lift Station	\$ 12,736,111	\$ -	8-Oct-24	30-Oct-26	13%
427-2024	Tri-Core Projects Ltd.	Contract 2A - 450mm Force Main	\$ 21,657,005		10-Sep-24	30-Oct-26	16%
990-2023B	Bothar Inc.	Contract 3 - Interceptor and Intake Sewers	\$ 11,510,955	-	2-Jul-24	31-Oct-25	27%
220-2024	Tri-Core Projects Ltd.	Contract 4A - 750mm Feeder Main	\$ 10,688,800	\$ -	2-Jul-24	31-Aug-25	27%
<b>Total</b>			<b>\$ 62,372,771</b>	<b>\$ -</b>			

**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 below. 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
1	Heritage Resource Impact Assessments	Q4 2023	Q2 2024	Q3 2024	100%
2	Contract 1A - By Pass Lift Station Substantial Completion	Q3 2024	Q3 2026		55%
3	Contract 2A - Force Main Substantial Completion	Q4 2025	Q3 2026		57%
4	Contract 3 - Interceptor and Intake Sewers Substantial Completion	Q2 2025	Q4 2025		76%
5	Contract 4A - Feeder Main Substantial Completion	Q2 2025	Q3 2025		84%

## **Risk** (Update from last report)

### **New Risks:**

- Trenchless crossing at Oak Point Highway is not possible; open cut installation is needed due to large boulders in the right-of-way. Lane closures will be necessary to facilitate the installation. A traffic control plan has been submitted to the Province for review.
- Shaft excavation for the interceptor pipe has stopped due to concerns for a sudden basal rupture. Delays could impact construction schedule.

### **Mitigated Risks**

- A letter of credit was issued to the RM of Rosser. All requirements of the early construction agreement have been fulfilled and construction can proceed as planned within the RM of Rosser.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<b>New:</b>	
Traffic disruptions Oak Point Highway due to lane closures from open cut pipe installation.	Meetings and an installation and traffic management plan will occur before work begins
Shaft excavation for the interceptor pipe has stopped due to concerns for a sudden basal rupture. Delays could impact construction schedule	Contractor to complete ground assessment work to ensure safe excavation of the shafts
<b>Ongoing:</b>	
Higher than expected groundwater levels for the feeder main railway crossing at Saskatchewan Avenue will delay completion of the feeder main construction contract. This may result in a change work order	The Public Service will continue to work the Contractor to come up with an agreeable solution to minimize cost and schedule impacts
Consultant resident services hours stated in request for proposal could be exceeded as a result of the additional work due to changes in conditions on-site. A consultant change in scope will be required should this occur	Consultant to provide fee estimate for resident services to complete the construction contracts
Exemplar Developments require land agreements for a segment of the force main pipe located near the intersection of CentrePort Canada Way and Sturgeon Road	The Public Service will pursue Entry to Construct agreements to avoid schedule delays
Additional land agreements were identified for the feeder main and force main alignments. This could impact the start of construction activities	Early discussions with stakeholders and advance design activities. The Public Service will pursue <i>Entry to Construct</i> agreements to avoid schedule delays
Negotiations for permanent easements for the interceptor are ongoing	* If permanent easements cannot be secured, consider outright purchase of the required lands. Alternatively, explore expropriation option * Pursue enter to construct agreements to allow construction to start
<b>Mitigated:</b>	
Issuance of the letter of credit to the RM of Rosser will delay construction activities for the force main pipe installation under East Colony Creek. Work within East Colony Creek right of way is intended to occur in winter from December 15, 2024 to March 1, 2025, when the creek is not flowing	A letter of credit was issued to the RM of Rosser. All requirements of the early construction agreement have been fulfilled and construction can proceed as planned within the RM of Rosser.
Higher than expected ground water elevations has caused the interceptor sewer contractor to review designs	The Public Service will continue to work the Contractor to come up with an agreeable solution to minimize cost and schedule impacts
The force main tender has unique risks (difficult ground conditions, limited access, restrictive site conditions from private property and right-of-ways, and varying installation technologies necessary to complete various water and rail crossings	Extension to the substantial completion date to allow Contractors to complete the work on schedule
Commissioning of the force main is required to test the performance of the lift station.	substantial completion date of the lift station has been extended to Q3 2026
Delivery times for some lift station equipment will take approximately a year to come. This has extended the substantial completion date.	Finish the design and post construction tender as quickly as possible. Ensure the contractor orders equipment with long lead times early in the project.
Application for a development permit requires the lift station property to be owned by the City. The purchase agreement has not yet been fully executed between the City and the Province of Manitoba.	The Public Service will continue to work with the Province to finalize the land purchase agreement as quickly as possible.
Higher precipitation this summer has the potential for higher than anticipated groundwater elevations along the force main alignment	Include appropriate allowance in the contract to manage groundwater. Obtain unit rates for pump tests, ground depressurization wells, and daily pumping for dewatering
In order to construct the force main pipe within the RM of Rosser, RM of Rosser approvals are required. Delayed approvals could impact posting of the force main contract resulting construction schedule impacts	Submit 90% design drawings and specifications as soon as ready. Engage the RM's engineer to inquire about preferred specifications for bedding, backfill, and road restorations. Follow up frequently to ensure review and approval process progresses in a timely fashion
Significant construction and consulting escalation has occurred since the 2020 preliminary design cost estimate	The Public Service will continue to monitor scope and cost during the detailed design phase
Land acquisition negotiations for the lift station location are still underway. This could delay detailed design and construction	Obtain Consent of Entry from property owners to proceed with pre-construction activities

## **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 <sup>1</sup> (in millions)	Amended Budget (in millions)	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
<b>Total</b>	<b>\$ 73.7</b>	<b>\$ 73.7</b>	<b>\$ 73.7</b>

<sup>1</sup> 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)

Railway agreement approvals are now in place for installation of the force main pipe

1. Canadian Pacific Kansas City (CPKC) Mile 6.46 on the Carberry Subdivision
2. Canadian National Rail Company Mile 8.53 on the Rivers Subdivision

A letter of credit was issued to the RM of Rosser. All requirements of the early construction agreement have been fulfilled and construction can proceed as planned within the RM of Rosser.

Land agreements with Exemplar Developments are still ongoing.

The Public Service is working with MTI to secure lands for the future force main pipe.

## **Stakeholder Engagements/Communications** (Update from last report)

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



- Manitoba Métis Federation
- RM of Rosser
- Canadian Pacific Kansas City (CPKC)
- Canadian National Railway Company (CNR)
- Manitoba Transportation and Infrastructure
- Private land owners
- Residential and industrial developers

### **Subsequent Events after Report Period End Date**

The Public Service submitted a development permit application on behalf of Toowoomba Land Company for construction of a temporary gravel parking lot. The temporary lot is for parking trucks during construction of force main under existing parking lot of Maxim Truck and Trailer.

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.

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement****Date:** May 2, 2025**Project Name:****CentrePort South Water and Sewer Servicing****Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723 and 2037001724****Quarterley Project Status Report No. 7****For the Period Ended March 31, 2025****Comments:**

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

*Lucy Szkwarek, FCPA, FCGA*

Lucy Szkwarek, FCPA, FCGA

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

N/A

## 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:** May 26, 2025

## Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

## Appendix A – Key Project Facts

Appendix A – Key Project Facts	
<b>Project Name</b>	CentrePort South Water and Sewer Servicing
<b>Business Owner (Department)</b>	Water and Waste Department
<b>Project ID</b>	2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724
<b>Project Sponsor</b>	Stacy Cournoyer
<b>Department Responsible for Project Delivery</b>	Water and Waste Department
<b>Consultant Engineer</b> (Company Name)	KGS Group
<b>Adopted Budget</b>	On March 30, 2023 a Bi-party funding agreement was executed between the Government of Manitoba and The City of Winnipeg. The Adopted Budget for CentrePort South is \$73.7 million. The Provincial funding contribution for this project totals \$40 million.
<b>Class of Estimate (Adopted)</b>	Class 3 cost estimate
<b>Range of Estimate (Adopted)</b>	High +30%, Low -20% (\$95.8 million to \$59.0 million)
<b>Amended Budget</b>	
<b>Class of Estimate (Amended)</b>	
<b>Range of Estimate (Amended)</b>	
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, Interim Deputy Chief Administrative Officer Tracy Graham, Chief Financial Officer Hazel Borys, Director of Planning Property & Development Jim Berezowsky, Director of Public Works Tim Shanks, Director of Water and Waste Danny Tooth, Acting Manager of Major Project Oversight Cynthia Wiebe, Manager of Engineering Services, Water and Waste	

## Appendix B – Financial Forecast

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 Mar 31, 2025	Projected Costs				Total Forecasted Costs				
					2024	2025	2026	2027					
Engineering, Design and Other	\$ 9,941	\$ -	\$ 9,941	\$ 7,200	\$ -	\$ 3,615	\$ 2,230	\$ -	\$ 13,045	\$ (3,104)	\$ (3,104)	\$ -	
Construction	\$ 51,202	\$ -	\$ 51,202	\$ 11,275	\$ -	\$ 31,100	\$ 15,800	\$ -	\$ 58,175	\$ (6,973)	\$ (7,000)	\$ 28	
Land Acquisition	\$ 2,453	\$ -	\$ 2,453	\$ 340	\$ -	\$ 1,800	\$ 340	\$ -	\$ 2,480	\$ (27)	\$ -	\$ (27)	
Internal Financing/Overhead Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contingency	\$ 10,104	\$ -	\$ 10,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,104	\$ 10,104	\$ -	
Total Project Budget	\$ 73,700	\$ -	\$ 73,700	\$ 18,815	\$ -	\$ 36,515	\$ 18,370	\$ -	\$ 73,700	\$ (0)			

% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	26%		26%
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Project ID	Project Year	Adopted Budget	Cost to Date
2004001222	2022	\$5,000	\$3,191
2004001223	2023	\$10,000	\$1,319
2004001224	2024	\$3,200	\$417
2037001722	2022	\$16,000	\$8,603
2037001723	2023	\$30,000	\$4,089
2037001724	2024	\$9,500	\$1,195
Total Project Budget		\$73,700	\$18,815

## **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.