

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

**REPORTS**

**Item No. 5                      Water Meter Renewals – Advanced Metering System,  
Project ID: 2001003424,  
Quarterly Project Status Report No. 4  
For the Period Ended March 31, 2025**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

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

## ADMINISTRATIVE REPORT

**Title:** Water Meter Renewals – Advanced Metering System,  
Project ID: 2001003424,  
Quarterly Project Status Report No. 4  
For the Period Ended March 31, 2025

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

### AUTHORIZATION

Author	Department Head	CFO	CAO
L. Szkwarek, FCPA FCGA Manager, Finance and Administration	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:** 17.3%

**Percent of Adopted Budget Spent:** 0.39%

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

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

Diameter Services Inc was the successful proponent to Request for Proposal (RFP) 399-2024 – Professional Consulting Services for Water Meter Renewals and Advanced Metering System. The RFP was awarded on February 6, 2025, and work has started to confirm business needs and address Vendor RFP specifications.

Current proposed schedule will have the first meters installed in 2026 as part of the testing and software integration phase of the project, with full city-wide deployment starting in 2027 and ending in 2030.

The current adopted budget in 2025 is \$68,496,000 with expenditures to date of \$271,935.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance and Economic Development.

## RECOMMENDATIONS

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

## REASON FOR THE REPORT

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at \$25 million. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

## IMPLICATIONS OF THE RECOMMENDATIONS

No implications.

## HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

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

Work is being performed in order to confirm business needs, procurement strategy and specifications for upcoming Advanced Metering Infrastructure (AMI), Water Meter and Installation Vendor RFPs.

Table 1 – Contracts

Contracts							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Total Completion	Estimated % Complete
399-2024	Diameter Services Inc.	Professional Consulting for Water Meter Renewals and Advanced Metering System	4,544,710.00	-	6-Feb-25	20-Jun-31	2%
			-	-			
			-	-			
			-	-			
			-	-			
		<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>			

**Upcoming Procurements:**

Description	Anticipated Award Date
AMI Vendor RFP	Q1 2026
Water Meter and Installation Vendor RFP	Q3 2026

**Schedule** (Update from last report)

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

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Consultant RFP - Award	Q1 2025		Q1 2025	100%
2	Detailed Design	Q3 2025			20%
3	Vendor RFP - Award	Q1 2026			
4	Testing and Billing Integration	Q4 2026			
5	Deployment - City-wide Installation	Q2 2030			
6					
7					
8					

**Risk** (Update from last report)

- None

Table 3 – Significant Risks and Mitigations Strategies

<b>Significant Risks and Mitigation Strategies</b>	
<b>Risk Statement and Explanation</b>	<b>Risk Mitigation Management Plan</b>
<b>New:</b>	
<b>Ongoing:</b>	
CAD/USD Exchange Rate has increased the cost of the supply of materials.	- Work with Consultant to assess the risks related to the exchange and update the costs.
How implemented and speculated US/CA Tariffs may apply to meter and AMI transmitters or components related is unknown.	- Consultant to inquire with suppliers to determine how implemented and speculated US/CA tariffs may impact the project and costs. - City/Consultant to develop technical evaluation related to tariff risks to mitigate impact to the project.
Council has directed the Public Service to provide a preliminary assessment of the opt-out program to the Standing Committee in Q1 2025	A follow up report to Council assessing the cost and structure of an 'Opt-Out' program is scheduled for Q2 2025.
Increase costs of materials and installation due to inflation	Consultant to inquire with suppliers and installers throughout the design and tendering periods to ensure and accurate project estimates and budget alignment
Reluctancy by customer to allow access to water meters for replacement.	Consultant to work with the Vendor to provide public information and outreach campaigns, review existing bylaw and assist with amendments required
Water Meter Renewal Reserve does not have sufficient funds to fully fund the project at this time.	Transfer to the WMtrRR are completed annually to match anticipated spending. The Public Service will schedule and monitor balances to ensure the Reserve is not overdrawn at any point during the project.
<b>Mitigated:</b>	
The 2024 Capital budget was approved based on a cashflow distribution and not contract award encumbrances. Current approved budget of \$2,000,000 is insufficient to cover contract awards in 2024	Award of the Consultant RFP will be delayed to Q1 2025 when budget becomes available contingent on Council approval of the 2025 Capital Budget.
Concerns regarding AMI technology as related to Health Concerns have been brought to Council.	The City will follow Health Canada Safety Code 6 in relation to radiofrequency electromagnetic fields.
Concerns regarding AMI technology as related to Data Privacy have been brought to Council.	The City will follow industry established Data Privacy Protocols.

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast

**Funding** (Update from last report)

Refer to Table 4 below for funding details

Table 4 – Project Funding Forecast

Funding Forecast				
Funding Source	Adopted Budget (in thousands)	Forecasted Budget (in thousands)	Total Budget (in thousands)	Committed (in thousands)
Class of Estimate	Class 3	Class 3	Class 3	
Water Meter Renewals - Advanced Metering Systems 'Reserve	68,496	66,504	135,000	4,753
Total	\$ 68,496	\$ 66,504	\$ 135,000	\$ 4,753

**Property Acquisition** (Update from last report)

N/A

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

N/A

**Subsequent Events after Report Period End Date**

None

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement**

**Date:** May 21, 2025

**Project Name:**

**Water Meter Renewals - Advanced Metering System Project,**

**Project IDs: 2001003424**

**Quarterly Project Status Report No. 4**

**For the Period Ended March 31, 2025**

**COMMENTS:**

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

L. Szkwarek, FCPA, FCGA

L. 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 policies as follows:

### **Goal: Leadership and Good Governance**

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

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

### **Goal: Environmental Resilience:**

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

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report aligns with Winnipeg Climate Action Plan as follows:

### **Strategic Opportunity #1 - Corporate Leadership**

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

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

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

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



<b>SUBMITTED BY</b>
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**Department:** Water and Waste  
**Division:** Finance and Administration  
**Prepared by:** Duy Doan, 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>	Water Meter Renewals - Advanced Metering System
<b>Business Owner (Department)</b>	Water and Waste Department
<b>Project ID</b>	2001003424
<b>Project Sponsor</b>	Lucy Szkwarek
<b>Department Responsible for Project Delivery</b>	Water and Waste Department
<b>Consultant</b> (Company Name)	Diameter Services Inc
<b>Adopted Budget</b>	\$68.496M (additional \$66.504M forecasted 2026 to 2029) for a total budget of \$135M
<b>Class of Estimate (Adopted)</b>	Class 3 cost estimate
<b>Range of Estimate (Adopted)</b>	High +30%, Low -20% \$175.5 million to \$108.0 million)
<b>Amended Budget</b>	
<b>Class of Estimate (Amended)</b>	
<b>Range of Estimate (Amended)</b>	
Project Scope	
<p>The City of Winnipeg has approximately 221,000 residential and commercial water meters. Over 144,000 (65 percent) are past their service life and need replacement. This project will initiate the renewal of the water meters and the implementation of an Advanced Metering Infrastructure (AMI) to address meter accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.</p>	
Major Capital Projects Advisory Committee Membership:	
<ul style="list-style-type: none"> <li>- Tim Shanks, Director of Water and Waste</li> <li>- Lucy Szkwarek, Manager of Finance, Water and Waste</li> <li>- Danny Tooth, Acting Manager of Major Project Oversight</li> <li>- Geoff Patton, Director Assets &amp; Project Management</li> <li>- Marceli Walczak, Interim Director of Innovation &amp; Technology</li> <li>- Tracy Graham, Chief Financial Officer</li> </ul>	

## Appendix B – Financial Forecast

### Appendix B - Project Water Meter Renewals Financial Forecast As at March 31, 2025

Project Component Deliverables	Budget (in 000's)			Actual Costs To March 31, 2025	Expenditure Forecast (in 000's)					Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted/Forec asted Budget	Council Approved Change	Amended Budget		Projected Costs								
					2025	2026	2027	2028 and beyond					
Engineering, Design and Other	\$ 14,992	\$ -	\$ 14,992	\$ 272	\$ 1,278	\$ 2,100	\$ 3,500	\$ 7,842	\$ 14,992	\$ -	\$ -	\$ -	
Construction	\$ 106,735	\$ -	\$ 106,735	\$ -	\$ -	\$ 5,000	\$ 31,500	\$ 70,235	\$ 106,735	\$ -	\$ -	\$ -	
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Internal Financing/Overhead Costs	\$ 100	\$ -	\$ 100	\$ -	\$ -	\$ 100		\$ -	\$ 100	\$ -	\$ -	\$ -	
Contingency	\$ 13,173	\$ -	\$ 13,173					\$ 13,173	\$ 13,173	\$ -	\$ -	\$ -	
Total Project Budget	\$ 135,000	\$ -	\$ 135,000	\$ 272	\$ 1,278	\$ 7,200	\$ 35,000	\$ 91,250	\$ 135,000	\$ -			
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	0.20%		0.20%										

## **Appendix C – Key Project Events (History)**

The City of Winnipeg has approximately 221,000 residential and commercial water meters. Over 144,000 (65 percent) are past their service life and need replacement. The Public Service recommended the renewal of the water meters and the implementation of an Advanced Metering Infrastructure (AMI) to address meter accuracy, improve customer service, provide equity in the customer base, and create operational efficiencies.

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

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

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

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

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

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

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