

**Minutes – Standing Policy Committee on Finance and Economic Development –
November 3, 2023**

REPORTS

**Item No. 2 NEWPCC Upgrade: Biosolids Facilities,
Project ID: 203110028B,
Quarterly Project Status Report No. 3
For the Period Ended August 31, 2023**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance and Economic Development concurred in the recommendation of the Winnipeg Public Service and received the financial status of the NEWPCC Upgrade: Biosolids Facilities, as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –
November 3, 2023**

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

Carried

ADMINISTRATIVE REPORT

**Title: NEWPCC Upgrade: Biosolids Facilities,
Project ID: 203110028B,
Quarterly Project Status Report No. 3
For the Period Ended August 31, 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:

On September 29, 2023, Council approved an increase of \$482.288 million above the original adopted budget of \$552.712 million, for an amended budget of \$1.035 billion. The current Investing in Canada Infrastructure Program (ICIP) funding is based on a budget of \$552 million. The City will continue to seek additional cost sharing from other levels of government consistent with the initial intent of the program.

Expenditures to date total \$3.874 million. A total of \$1.2 million was spent during this reporting period on consulting services and overhead costs.

Key project developments this quarter:

- Council approved a Progressive Design Build (PDB) procurement model for the Biosolids project.
- The RFP was posted for step one of a two-step procurement process.
- Ongoing development of the second step procurement documents.

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)

Procurement (Update from last report)

On July 13, 2023, Council approved a Progressive Design Build (PDB) procurement model for the NEWPCC Upgrade: Biosolids Facilities project. Council also delegated authority to the Chief Administrative Officer for awarding Early Works Contracts to the design builder up to a cumulative amount of \$50 million.

On July 14, 2023, the City posted RFP No. 779-2021A for the first step of the PDB procurement on MERX. This is the first of a two-step procurement process that will shortlist up to three qualified proponents who will move on to step two.

On August 16, 2023, the City held a virtual meeting to provide potential proponents with an overview of the PDB procurement process.

On August 22, 2023, the City held commercially-confidential meetings with potential proponents to discuss feedback on the project term sheet and the proposed contract model.

- **RFP 182-2015 – Biosolids Procurement:** AECOM (owner’s advisor) continues to:
 - Prepare RFP stage two, design phase agreement (DPA), and design build agreement (DBA) documents.
 - Finalize summary reports from the environmental, Heritage Resource Impact Assessments, and Traffic Impact Studies that occurred this spring and summer.

- Prepare the detailed design for the subsurface Canadian Pacific Railway crossings, land drainage, and watermain extensions.
- **RFP 102-2017:** Blakes Cassels & Graydon LLP (legal advisor) continues to be involved in reviewing procurement, DPA, and DBA documents for the project.
- **RFP 7-2017:** P1 Consulting Inc. (fairness advisor) is providing fairness monitoring and advisory services through the RFP Step 1 and RFP Step 2 evaluation periods.
- **RFP 155-2023:** Hanscomb Limited has prepared a 2023 cost estimate for construction of the biosolids facilities.

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
182-2015 (Biosolids - Procurement)	AECOM Canada Ltd	Professional Engineering Consulting Services for NEWPCC Upgrade (Biosolids - Procurement)	\$ 6,521,026	\$ -	4-Aug-2022	-	27
102-2017 (Biosolids Procurement)	Blakes Cassels & Graydon LLP	External Legal Counsel - NEWPCC Upgrade Project	\$ 804,373	\$ -	14-Sep-2022	-	20
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	-	64
		Total	\$ 7,582,803	\$ -			

Upcoming Procurements:

Description	Anticipated Award Date
182-2015 (Biosolids - Early Works)	Q3 2023

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 Date	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	-	2023 Q2	100
4	2024 Cost Report ¹	2024 Q2	-	-	-
5	RFP Step 1 Posted	2023 Q1	2023 Q2	2023 Q3	100
6	RFP Step 2 Posted	2023 Q4	-	-	70
7	Development Phase Agreement Award	2024 Q2	-	-	-
8	Design Build Agreement Award	2025 Q4	-	-	-
9	Design Build Substantial Completion	2030 Q4	-	-	-
10	Design Build Final Completion	2032 Q4	-	-	-

¹ Cost Consultant Class 3 Estimate

Risk (Update from last report)

The 2023 Class 3 cost estimate for the Biosolids Facilities project is \$1.035 billion. The Public Service requested an in-year budget amendment of \$482.288 million above the approved \$552.712 million at the September Council meeting.

The current ICIP funding is based on the 2018 budget of \$552 million. The Public Service will continue to seek additional external funding for consistent cost sharing from other levels of government.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<u>New:</u>	
External funding is based on the 2018 cost estimate of \$552 million, not the 2023 cost estimate of \$1.035 billion. Without additional funding, the City’s contribution increases from 33.4% (2018) to 64% (2023).	Seek additional funding from the provincial and federal governments through a new cost-sharing agreement based on a budget of \$1.035 billion to maintain the intent of the ICIP cost-sharing principles.
<u>Ongoing:</u>	
No competition on a design-build procurement for the Biosolids Facilities project due to only one bidder	Changed project delivery model to Progressive Design Build to encourage multiple bidders.
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)

No change.

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	490.75	490.75
Federal Government	200.87	200.87	200.87
Provincial Government	167.38	167.38	167.38
Retained Earnings		106.00	106.00
Environmental Projects Reserve		70.00	70.00
Total	552.71	1,035.00	1,035.00

*Refer to Funding Forecast table under "Appendix C – Key Project Events (History)" for funding details.

**On September 29, 2023 Council approved a budget increase of \$482.29 million funded by \$351.62 million debt, \$76 million retained earnings and \$54.67 million Environmental Projects Reserve.

Property Acquisition (Update from last report)

On July 13, 2023, Council approved By-Law No. 67/2023 to close part of the Public Road (Chief Peguis Trail) East of Ferrier Street under Development Application No. DAC 5/2022. This land is adjacent to the Biosolids Facilities project's land and is unusable to the Chief Peguis Trail Extension project. The Public Service will work on transferring the land titles from Public Works' to Water and Waste's jurisdiction.

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

On September 1, 2023, the Mayor sent a letter to the Prime Minister and Premier of Manitoba requesting additional cost sharing for the Investing in Canada Infrastructure Program (ICIP) funded projects consistent with the initial intent of the program.

On September 29, 2023, City Council approved an increase of \$482.288 million to the previously adopted budget of \$552.712 million, for a total amended budget of \$1.035 billion.

FINANCIAL IMPACT

Financial Impact Statement Date: [October 5, 2023](#)

Project Name:
NEWPCC Upgrade: Biosolids Facilities,
Project ID: 203110028B
Quarterly Project Status Report No. 3
For the Period Ended August 31, 2023

COMMENTS:

Financial Forecast for NEWPCC 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 in 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: October 6, 2023

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	
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	\$ 552,712,000
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	-20% to +30%
Amended Budget	\$ 1,035,000,000
Class of Estimate (Amended)	3
Range of Estimate (Amended)	-20% to +30%
<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 - Project North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities Project Financial Forecast
As at August 31, 2023

Project Component Deliverables	Budget (in 000's)			Actual Costs To August 31, 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 ²	Amended Budget		Projected Costs														
					2023	2024	2025	2026	2027	2028	2029	2030	2031	2032					
Engineering, Design and Other	\$ 30,967	\$ 38,303	\$ 69,270	\$ 3,811	\$ 1,801	\$ 14,810	\$ 41,253	\$ 793	\$ 1,334	\$ 1,470	\$ 1,270	\$ 1,285	\$ 800	\$ 643	\$ 69,270	\$ 0	\$ -	\$ 0	
Construction	\$ 377,967	\$ 300,721	\$ 678,688	\$ -	\$ -	\$ 27,556	\$ 95,022	\$ 124,041	\$ 146,461	\$ 133,939	\$ 87,179	\$ 51,093	\$ 6,600	\$ 6,797	\$ 678,688	\$ -	\$ -	\$ -	
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Internal Financing/Overhead Costs	\$ 43,161	\$ 89,656	\$ 132,817	\$ 63	\$ 105	\$ 1,271	\$ 4,088	\$ 3,745	\$ 7,545	\$ 13,608	\$ 20,045	\$ 24,545	\$ 26,378	\$ 31,424	\$ 132,817	\$ -	\$ -	\$ -	
Contingency	\$ 100,617	\$ 53,608	\$ 154,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,225	\$ 154,225	\$ -	\$ -	\$ -	
Total Project Budget	\$ 552,712	\$ 482,288	\$ 1,035,000	\$ 3,874	\$ 1,905	\$ 43,637	\$ 140,363	\$ 128,579	\$ 155,340	\$ 149,017	\$ 108,494	\$ 76,923	\$ 33,778	\$ 193,089	\$ 1,035,000	\$ 0			
% of Project Budget Spent³ (Actual Costs to Date / Adopted & Amended Budget)	0.4%		0.4%																

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 On September 29, 2023 City Council approved a budget increase of \$482.288M on the NEWPCC Upgrade: Biosolids Facilities project

³ 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 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 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.

On July 13, 2023, Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities project be delivered using a Progressive Design Build (PDB) procurement model,
- Delegated authority to the Chief Administrative Officer for awarding Early Works Contracts to the design builder up to a cumulative amount of \$50 million, and
- By-Law No. 67/2023 to close part of the Public Road (Chief Peguis Trail) East of Ferrier Street under Development Application No. DAC 5/2022.

On September 29, 2023, Council approved an increase of \$482.288 million to the previously adopted budget of \$552.712 million, for a total budget of \$1.035 billion.

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 PDB 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)
Class of Estimate	Class 5	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 ⁴		114.90	114.90
Environmental Projects Reserve ^{3,4}		57.97	57.97
Federal Government ^{3,5}		116.11	116.11
Provincial Government ^{3,5}		96.75	96.75
NEWPCC Upgrade: Biosolids Facility			
Project 2 Total ²		1,035.00	1,035.00
External Debt ^{7,8}		490.75	490.75
Federal Government ⁶		200.87	200.87
Provincial Government ⁶		167.38	167.38
Retained Earnings ^{7,8}		106.00	106.00
Environmental Projects Reserve ^{7,8}		70.00	70.00
Total	795.59	1,508.38	1,508.38

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, with project two and three pending Council approval at that moment.
- 2** On September 26, 2019 Council approved Project 2 conditional upon Federal/Provincial Funding.
- 3** 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.
- 4** 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.
- 5** On July 23, 2021 Federal and Provincial ICIP funding of \$212.86 million was announced for the Headworks Project.
- 6** On December 20, 2022 the Province of Manitoba advised that the Biosolids Facilities project was approved for Federal and Provincial funding.
- 7** On February 23, 2023 the CFO approved redistribution of funding to ensure the most effective use and timing of financing sources.
- 8** On September 29, 2023 Council approved a budget increase of \$482.29 million funded by \$351.62 million debt, \$76 million retained earnings and \$54.67 million Environmental Projects Project 3 - NEWPCC Upgrade: Nutrient Removal Facilities - \$828 million is pending Council

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	1,035.00			200.87	167.38	200.87	167.38	666.75
Nutrient Removal Facilities	828.06							
Estimated Program Costs	\$ 2,336.44	\$ -	\$ -	\$ 316.98	\$ 264.13	\$ 316.98	\$ 264.13	\$ 927.27

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	1,035.00			200.87	167.38	200.87	167.38	666.75
NEWPCC Nutrient Removal ⁴	828.06					-	-	-
Estimated Program Costs	\$ 2,797.35	\$ 47.70	\$ 38.71	\$ 322.28	\$ 265.23	\$ 369.98	\$ 303.94	\$ 1,295.37

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 based on a budget of \$552 million. \$200.87 million in Federal and \$167.38 million in Provincial funding.

⁴ NEWPCC Upgrade Nutrient Removal project has not been approved.