

**Minutes – Standing Policy Committee on Finance and Economic Development –  
November 27, 2024**

**REPORTS**

**Item No. 7                      Water Meter Renewals – Advanced Metering Systems,  
Project ID: 2001003420, 2001003424,  
Quarterly Project Status Report No. 2  
For the Period Ended August 31, 2024**

**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 Water Meter Renewals – Advanced Metering System, as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –  
November 27, 2024**

**DECISION MAKING HISTORY:**

Moved by Councillor Lukes,

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

Carried

David Grant submitted a communication in opposition to the matter.

## ADMINISTRATIVE REPORT

**Title:** Water Meter Renewals – Advanced Metering Systems,  
Project ID: 2001003420, 2001003424,  
Quarterly Project Status Report No. 2  
For the Period Ended August 31, 2024

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

### AUTHORIZATION

Author	Department Head	CFO	CAO
L. Szkwarek, CPA CGA Manager, Finance and Administration	T. W. Shanks, M. Eng., P. Eng. Director, Water and Waste	T. Graham	S. Armbruster, Interim CAO

### EXECUTIVE SUMMARY

Project On Schedule: Yes ☒ No ☐

Project On Adopted Budget: Yes ☒ No ☐

Percent of Schedule Complete: 8.0%

Percent of Adopted Budget Spent: 5.89%

This is the second 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 \$135,000,000.

The Consultant RFP to assist the City in delivering the project was issued on August 1, 2024, with an anticipated Award in Q1 2025. 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 2024 is \$2.00 million with expenditures to date of \$117,728.28.

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)

RFP 399-2024 – Water Meter Renewals and Advanced Metering System Consultant was issued August 1, 2024.

- RFP 399-2024 is scheduled to close September 10, 2024, with award in Q1 2025 subject to Council approved capital budget.

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
			-	-			
			-	-			
			-	-			
			-	-			
			-	-			
		<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>			

**Upcoming Procurements:**

Description	Anticipated Award Date
Consultant RFP	Q1 2025
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.

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Consultant RFP - Award	Q1 2025			
2	Detailed Design	Q3 2025			
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)

- No updates

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>	
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 Q1 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 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 millions)
Class of Estimate	Class 3	Class 3	Class 3	
Water Meter Renewals - Advanced Metering Systems 'Reserve	2,000	133,000	135,000	2,000
Total	\$ 2,000	\$ 133,000	\$ 135,000	\$ 2,000

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

N/A

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

N/A

**Subsequent Events after Report Period End Date**

RFP 399-2024 has closed and is being evaluated.

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement**    **Date:**    October 31, 2024

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**Project Name:**

**Water Meter Renewals - Advanced Metering System Project,  
Project IDs: 2001003424  
Quarterly Project Status Report No. 2  
For the Period Ended August 31, 2024**

**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, CPA, CGA*

L. Szkwarek, CPA, CGA

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. The Advanced Metering System will provide the City with accurate and timely meter readings, reducing the risk of high bills due to incorrect or estimated information. In addition, the increased frequency in meter reads will allow for faster detection of leaks, avoiding large, costly customer bills. Implementation of the Advanced Metering System 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:** October 31, 2024

**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>	2001003420, 2001003424
<b>Project Sponsor</b>	Lucy Szkwarek
<b>Department Responsible for Project Delivery</b>	Water and Waste Department
<b>Consultant Engineer</b> (Company Name)	N/A
<b>Adopted Budget</b>	\$2.00M (additional \$133.0 forecasted 2025 to 2029)
<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>	
<u>Project Scope</u>	
<p>The City of Winnipeg has approximately 220,000 residential and commercial water meters. Over 139,000 (63 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>- Tyler Gooch, Director 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 August 31, 2024

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)							Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted/Forecasted Budget	Council Approved Change	Amended Budget	Actual Costs To August 31, 2024	Projected Costs				Total Forecasted Costs				
					2024	2025	2026	2027 and beyond					
Engineering, Design and Other	\$ 14,992	\$ -	\$ 14,992	\$ 118	\$ 182	\$ 1,250	\$ 2,100	\$ 11,342	\$ 14,992	\$ -	\$ -	\$ -	
Construction	\$ 106,735	\$ -	\$ 106,735	\$ -	\$ -	\$ -	\$ 5,000	\$ 101,735	\$ 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	\$ 118	\$ 182	\$ 1,250	\$ 7,200	\$ 126,250	\$ 135,000	\$ -			
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	0.09%		0.09%										

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

The City of Winnipeg has approximately 220,000 residential and commercial water meters. Over 139,000 (63 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.