

Report to Council

To: Waterworks Committee- New Business
From: Administration
File #: DOP-CC-15
Date: February 13, 2023
Re: WPCF Upgrading Status

For Information

The Portage la Prairie Water Pollution Control Facility (WPCF) Upgrading project has not proceeded as anticipated due mainly to the inability to specify project cost certainty for capital and operating costs and the significant financial risk it represents for the City and the regional industries as well as the prospective construction and operation contractor. The Province of Manitoba has denied the City's request to backstop the project with a financial guarantee for the capital and fixed cost components which is believed to be necessary for the project to proceed. The Province advised it will appoint a third-party consultant to act as a Project Manager on their behalf.

Manitoba Strategic Initiatives and Alternate Delivery has prepared a draft interim contribution agreement under the Investing in Canada Infrastructure Program. The clause regarding insurance requirements is to be revised by the Province, therefore, the agreement has not been signed.

City Administration continues to negotiate Industrial Service Agreements with each of the three industries: McCain Foods Ltd., NutriPea LLP, and Roquette. All of the industries have not yet committed to wastewater flow and load limits.

Administration is also preparing a proposal to the Public Utilities Board for the approval process for the utility rate amendments to coincide with the Public Private Partnership proposal submission process and contract award, since this project is unique in Manitoba.

The Utility Maintenance Building, which is being partially funded under the interim ICIP agreement, was substantially complete on December 22, 2022. There are a few items to be completed in Spring for the contractor to achieve final completion.

The details of the Project Agreement and Request for Proposal documents continue to be reviewed and revised as needed. Project payment mechanism options and industrial service agreement cost-sharing approaches are being considered. It is intended to issue the RFP once the wastewater loading and required treatment is confirmed, a payment guarantee is received from the Province, and the PUB process is approved; which should be in the Fall.

Tasks over the next several months will include reviewing and finalizing the ICIP interim contribution agreement; confirming the industrial wastewater loading and treatment requirement; finalizing the scope of work for the Request for Proposals and the Project Agreement; obtaining approval of the process for approval of utility rates and preparing the initial utility rate application for the PUB.