



2024-2027 Service Based Budget Overview

Water and Waste Department – Presentation to SPC Water, Waste and Environment

March 14, 2024

Photo: Mike Peters, courtesy Tourism Winnipeg

Agenda

1. Performance Reporting
2. Budget and Strategic Priorities Action Plan Alignment
3. Budget Highlights and Overview
4. Service Based:
 - a. Operating Budget
 - b. Capital Budget
 - c. Reserve Projections
5. Questions

Performance Reporting - Water

Description

Provide citizens with a safe and adequate supply of potable water for residential and commercial use through water supply, storage, treatment, pumping, distribution and metering.


Key services include water supply and treatment, and water distribution.

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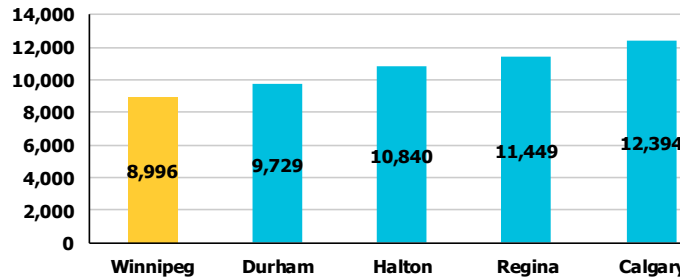
Environmental
Resilience (ER)

Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
 Goal 1: To provide a safe, reliable and sustainable supply of potable water and fire protection by operating and maintaining the drinking water system in accordance with our Public Water System Operating Licence and the City of Winnipeg Charter					
Megalitres of treated water per 100,000 population	9,468	8,996	9,657	9,850	9,850

Source: 2024 - 2027 Multi-Year Budget page 141

Megaliters of Treated Water per 100,000 Population (2022)

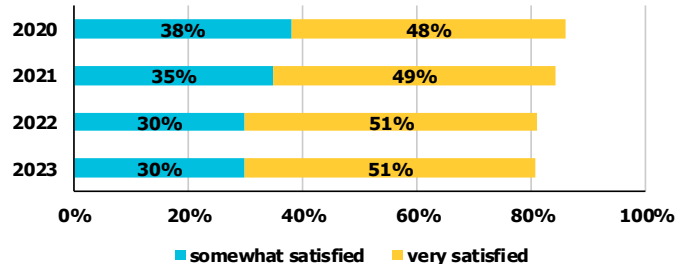


	2018	2019	2020	2021	2022
Wpg. Trend	9,464	9,363	9,197	9,468	8,996

Source: Municipal Benchmarking Network Canada (WATR210)

Effectiveness Measurements

Citizen Satisfaction with Quality of Drinking Water



	2019	2020	2021	2022	2023
Total Satisfied	85%	86%	84%	81%	81%

Source: City of Winnipeg Annual Citizen Survey

Performance Reporting - Wastewater

Description

Provide property owners with the collection, transmission, disposal, treatment and monitoring of wastewater in order to ensure the environmentally appropriate handling of high volume sewage discharge.

Key services include wastewater collection and wastewater treatment.

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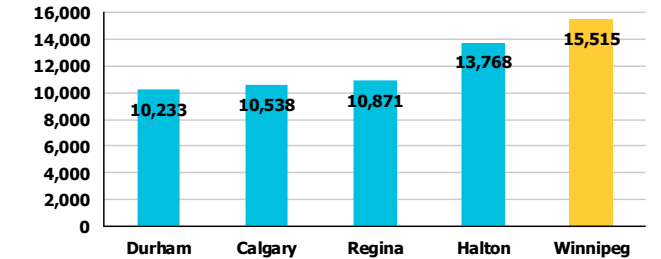
Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
 Goal 1: To meet or outperform Environmental Act licence requirements for sewage treatment plants, combined sewer overflows and biosolids					

Megalitres of Treated Wastewater per 100,000 Population	10,719	15,515	10,930	11,150	11,640
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Source: 2024 - 2027 Multi-Year Budget page 145

Megalitres of Treated Wastewater per 100,000 Population (2022)

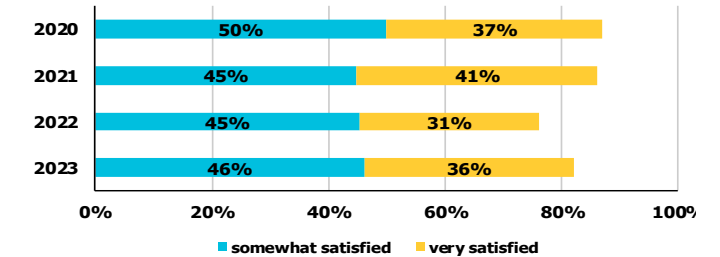


	2018	2019	2020	2021	2022
Wpg. Trend	10,621	13,076	11,166	10,719	15,515

Source: Municipal Benchmarking Network Canada (WWTR210)

Effectiveness Measurements

Citizen Satisfaction with Protection from Sewer Back-up



	2019	2020	2021	2022	2023
Total Satisfied	85%	87%	86%	76%	82%

Source: City of Winnipeg Annual Citizen Survey

Performance Reporting – Land Drainage and Flood Control

Description

Provide property owners with storm and flood water control in order to prevent flood damage to property.

To monitor riverbank conditions, including undertaking stabilization and erosion protection along city-owned riverbank lands.

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Environmental
Resilience (ER)



Leadership and
Good Governance (LG)

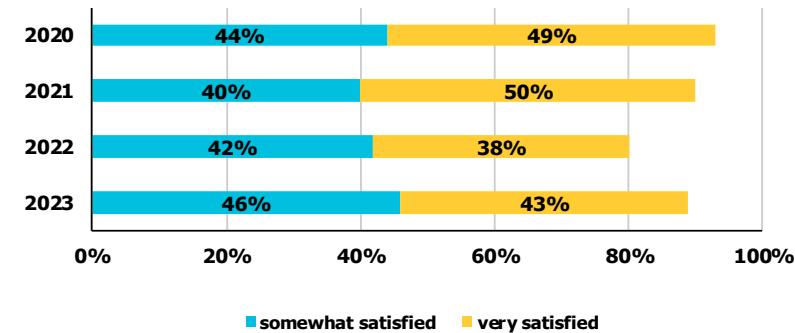
Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
 Goal 1: Investigate and implement opportunities to improve flood protection measures to minimize potential damage to property and equipment					
Citizen satisfaction with protection from river flooding	90%	80%	90%	90%	90%

Source: 2024 - 2027 Multi-Year Budget page 149

Effectiveness Measurements

Citizen Satisfaction with Protection from River Flooding



	2019	2020	2021	2022	2023
Total Satisfied	96%	93%	90%	80%	89%

Source: City of Winnipeg Annual Citizen Survey

Performance Reporting – Solid Waste Collection

Description


The Solid Waste Collection services include weekly collection of garbage from single-family and multi-family homes. Other miscellaneous services are offered on a fee for service basis and include collection of surplus waste, large items, and appliances as well as garbage collection from small commercial entities and the collection of dead animals from public right-of-ways.

Garbage collection services are provided by contractors and the City manages multiple contracts for this service.

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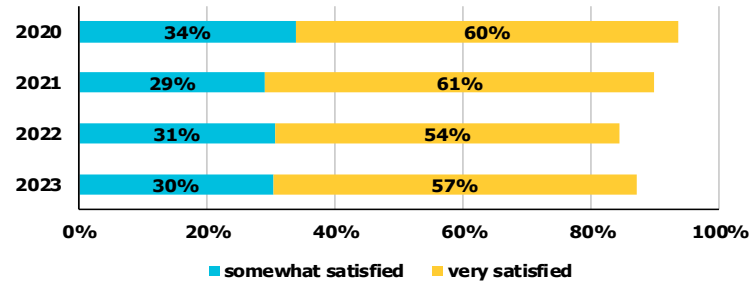


Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
 Goal 1: Improve and sustain performance of the waste collection system					
Citizen satisfaction with garbage collection	90%	84%	90%	90%	90%

Source: 2024 - 2027 Multi-Year Budget page 153

Effectiveness Measurement



	2019	2020	2021	2022	2023
Total Satisfied	94%	94%	90%	84%	87%

Source: City of Winnipeg Annual Citizen Survey

Performance Reporting – Solid Waste Disposal

Description

Solid Waste Disposal services include the operation and maintenance of the City's active and closed landfills.

The Brady Road Resource Management Facility is the site of the only active landfill the City of Winnipeg operates and it receives all of the City's residential garbage and some commercial waste as well. A landfill gas system collects and flares landfill gas, which diverts equivalent tonnes of carbon dioxide every year. Additionally this area is responsible for the maintenance and environmental monitoring of the thirty-three closed landfill sites within the City.

OurWinnipeg




Environmental
Resilience (ER)



Leadership and
Good Governance (LG)

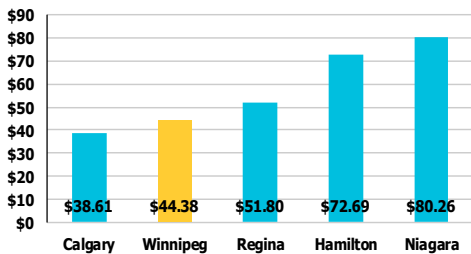
Performance Reporting

Service Goal / Measure Description		2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
	Goal 1: To ensure efficiency of waste disposal by maintaining an operating cost per tonne of less than the Municipal Benchmarking Network Canada average					
	Operating cost for solid waste disposal per tonne	\$36.48	\$44.38	\$37.50	\$38.00	\$47.50

Source: 2024 - 2027 Multi-Year Budget page 156

Efficiency Measurement

Operating Cost for Solid Waste Disposal per Tonne - All Property Classes (2022)



This chart shows the total cost per tonne to dispose of all residential, commercial, industrial and other municipality waste. Winnipeg has the second lowest operating cost per tonne for solid waste disposal among the cities being compared. Winnipeg's cost is lower than the average (\$57.55).

	2018	2019	2020	2021	2022
Wpg. Trend	\$30.96	\$36.81	\$34.28	\$36.48	\$44.38

Source: Municipal Benchmarking Network Canada (SWST325)

Performance Reporting – Recycling and Waste Diversion

Description

Recycling services provided to residents include the weekly collection for single-family and some multi-family homes and sorting of the recyclables at the material recovery facility. Bales of commodities collected are sold and shipped at market prices. Public recycling community drop-off depots are also located throughout the City.

Waste diversion services include bi-weekly seasonal yard waste collection and the operation of a nine-hectare composting pad located at the Brady Road Resource Management Facility. Additionally, there are three 4R Winnipeg Depot locations which provide residents a one-stop location for recycling materials, divertible materials and the safe disposal of hazardous waste including paints, oil and electronics.

Waste minimization services include an education program that supports backyard composting, grasscycling, giveaway weekends and other waste diversion initiatives.


Key services include recycling and waste diversion.

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 Environmental Resilience (ER)

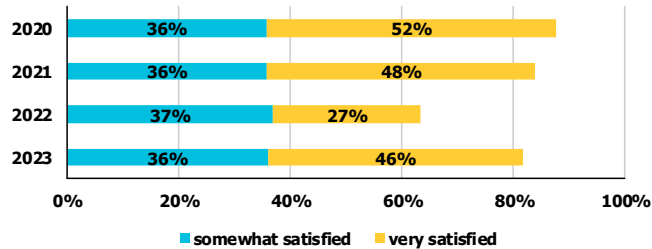
 Leadership and Good Governance (LG)

Performance Reporting

Service Goal / Measure Description	2021 Actual	2022 Actual	2022 Target	2023 Target	2024 Target
 Goal 3: Improve and sustain performance of the waste reduction and diversion system					
Citizen satisfaction with recycling	84%	63%	85%	85%	85%

Source: 2024 - 2027 Multi-Year Budget page 160

Effectiveness Measurements Citizen Satisfaction with Recycling



	2019	2020	2021	2022	2023
Total Satis	83%	88%	84%	63%	82%

Source: City of Winnipeg Annual Citizen Survey

Budget and Strategic Priorities Action Plan Alignment





Key Theme	SPAP Action Item	Program / Initiative	Outcome / KPIs	Status Update
The Downtown	1.5 Increase the frequency of garbage collection for litterbins, bulky waste dumping on private property, and attend to mindful cleanup of litter in encampments, especially in the inner city	Garbage Collection - Area Cleanups	Increase safety and wellbeing	In progress
A Strong Economy	2.5 Initiate water and wastewater servicing for Phase 1A of CentrePort South expansion	CentrePort South Water and Sewer Servicing	New water and sewer infrastructure for CentrePort south to enable regional development	In progress
A Green Growing City with Sustainable Renewal of Infrastructure	4.5 Update Winnipeg's Climate Action Plan, including development of a Climate Resiliency Strategy (mitigation and adaptation)	Winnipeg Climate Action Plan and Policy Updates	Increased resiliency to climate change	In progress
A Green Growing City with Sustainable Renewal of Infrastructure	4.8 Develop and implement a city-wide residential food waste collection (green cart) and processing program	City Wide Residential Food Waste Collection and Processing	Increase waste diversion	In progress
A City that Works for Residents through Improved Customer Service	5.4 Consolidate departmental responsibilities for garbage collection to one City department	Consolidate departmental responsibilities for garbage collection to one department	More coordinated solid waste collection	Not Started

Source: Council's Strategic Priorities Action Plan 2023-2026 pages 15, 16, 18 and 19; 2024 - 2027 Multi-Year Budget pages 42 to 53

Budget Highlights

Annual Tax Supported Operating Increase ¹	Expenditure Growth Rate Average ²
Current Budget Cycle (2024 to 2027)	4.4%
Previous Budget Cycle (2020 to 2023)	2.2%



Service	Operating Budget Highlight(s)	Capital Budget Highlight(s)	SPAP
Water	<ul style="list-style-type: none"> Total revenues increasing primarily due to water sales as a result of forecasted rates from the Council approved 2024-2027 rate report. Total expenses, excluding the effects of the one-time \$15M transfer to the financial stabilization fund in 2023, are increasing primarily due to operations and maintenance of water treatment and distribution, and the dividend. Water utility dividends are estimated at \$68.4M total over the four years. 	<ul style="list-style-type: none"> Shoal Lake Aqueduct Condition Assessment and Rehabilitation: \$17.5M in 2024-2029 	
Wastewater	<ul style="list-style-type: none"> Total revenues are increasing primarily due to sewer sales as a result of forecasted rates from the Council approved 2024-2027 rate report. Total expenses increasing primarily due to operations, maintenance and upgrades of sewage treatment plants, capital transfers, and the dividend. Sewer utility dividends are estimated at \$107.15M total over the four years. 	<ul style="list-style-type: none"> Combined Sewer Overflow program: \$242M in 2024-2029 Southwest Interceptor: \$84.5M in 2024-2028 	

Notes:

1. Based on expenditures before capital related expenditures
2. Average expenditure increase for 2024 to 2027 budget and 2020 to 2023 budget.



Source: 2024 – 2027 Multi-Year Budget starting on page 140; Supplement to the 2024 Budget starting on page 35.

Budget Highlights, continued

Service	Operating Budget Highlight(s)	Capital Budget Highlight(s)	SPAP
Land Drainage and Flood Control	<ul style="list-style-type: none"> Forecasting a mill rate support for all four years primarily due to higher cut restoration costs, and increase in debt and finance charges for Property, Planning and Development. 	Riverbank Stabilization Physical Asset Protection (PPD)	
Solid Waste Collection	<ul style="list-style-type: none"> To support a fully sustainable utility, Solid Waste Collection will be included in the Solid Waste Utility rather than the tax support base. The Public Service will report back to Council in 2024 on a sustainable funding model for the Solid Waste Utility introducing defined fees in which all services will be fully recovered. The 2024-2027 budget includes net costs of approximately \$24M-\$31M per year to the Solid Waste Utility. Increases in collection contracts driven by contractual inflationary price adjustments and anticipated growth. 	Not Applicable	

Source: 2024 – 2027 Multi-Year Budget starting on page 153; Supplement to the 2024 Budget page 38.

Budget Highlights, continued

	Operating Budget Highlight(s)	Capital Budget Highlight(s)	SPAP
Solid Waste Disposal	<ul style="list-style-type: none"> Forecasting a surplus position for all four years primarily due to inflationary increases for fees and charges. 	<ul style="list-style-type: none"> Brady Road Cell Construction: \$1M funded in 2024; \$37.7M funded 2025-2029 required to meet expected volume of refuse. 	
Recycling and Waste Diversion	<ul style="list-style-type: none"> Forecasting a deficit position for all four years primarily due to lower than expected MMSM revenue, contractual inflationary price adjustments for collection and recycling processing contracts, and recycling cart purchases. An above inflationary increase to the residential waste diversion fee effective April 1, 2024. Introduction of a multi-unit waste diversion fee effective April 1, 2025. 	<ul style="list-style-type: none"> Comprehensive Integrated Waste Management Strategy (CIWMS) Review: \$450k in 2028 Green Cart Organics collection and processing program \$500K in 2024. 	

Source: 2024 – 2027 Multi-Year Budget starting on page 160; Supplement to the 2024 Budget page 38.

2024 Budget Overview

(Service Based View)

Service Based Budget (in millions of \$)	FTEs	Surplus / (Deficit)	Capital Budget	Reserves, Net Changes
Water	398.1	(0.3)	44.0	11.6
Wastewater	423.5	44.3	143.8	(77.3)
Land Drainage and Flood Control ¹	27.1	(0.6)	9.7	-
Solid Waste Collection	12.4	(24.3)	-	-
Solid Waste Disposal	39.4	2.1	3.0	(1.0)
Recycling and Waste Diversion	81.5	(5.6)	0.5	(1.2)
Total	982.0	15.6	201.0	(67.9)

Notes:

1. Other contributing departments include - PPD (10%) and Public Works (3%).

Source: 2024 – 2027 Multi-Year Budget pages 140-163, 311 and 322-323.

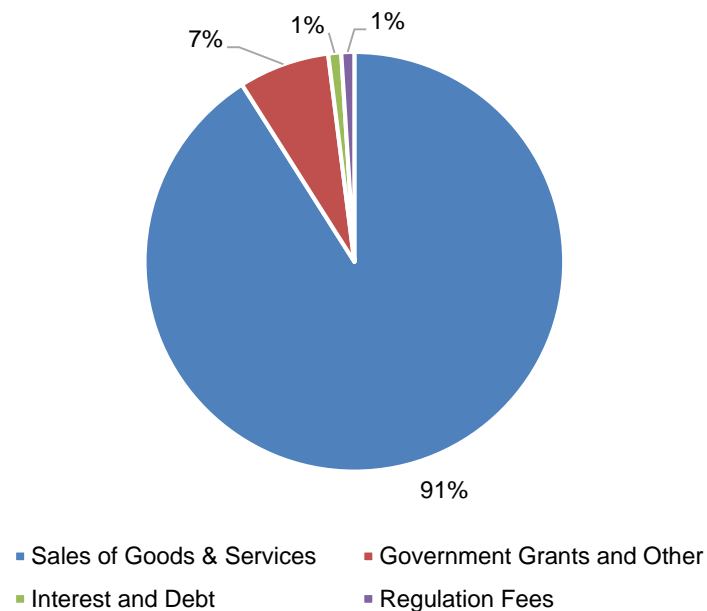
Service Based Operating Budget



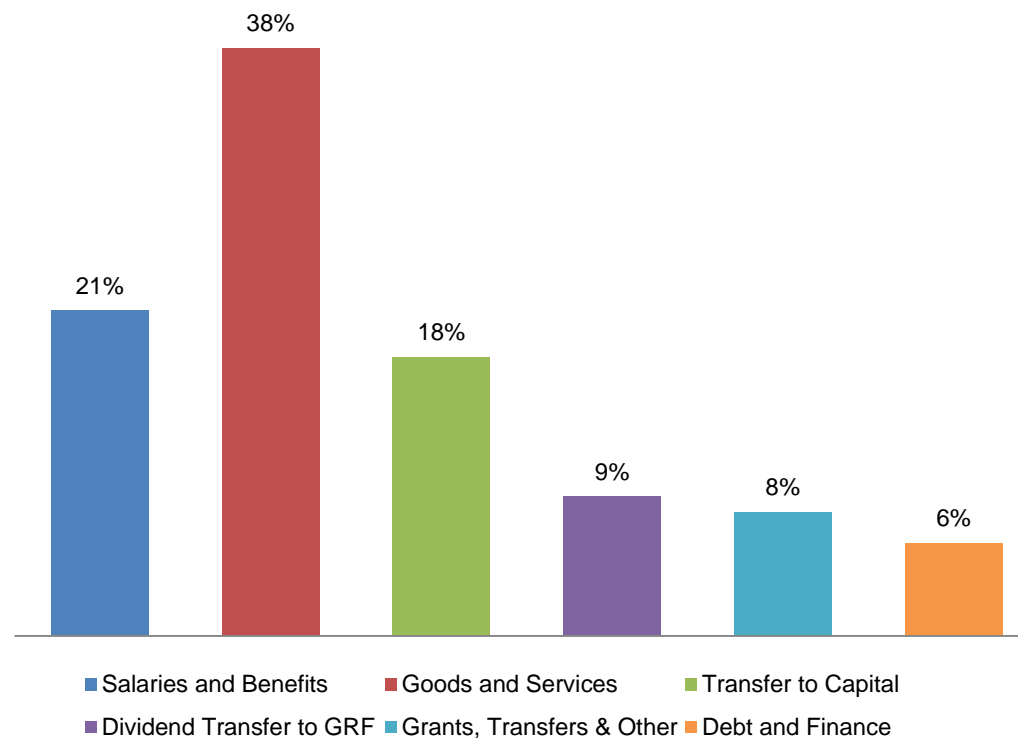
2024 Budget Overview

(Service Based View)

Revenues = \$455.0 million



Expenditures = \$439.5 million



Source: 2024 – 2027 Multi-Year Budget pages 97 and 140 to 163

Comparison of 2023 Adopted Budget to 2024 Preliminary Budget

(Service Based View)

In millions of \$

Revenue

Expenditure

Surplus / (Deficit)

2023 Adopted Budget	2024 Budget	2024 Increase / (Decrease)			2025 Projection	2026 Projection	2027 Projection
		\$	%	Notes			
\$ 425.9	\$ 455.0	\$ 29.1	6.8%	1	\$ 473.9	\$ 503.4	\$ 534.5
412.4	439.5	27.1	6.6%	2	452.7	479.5	499.0
\$ 13.5	\$ 15.5				\$ 21.2	\$ 23.9	\$ 35.5

Notes:

1. Revenue increase primarily due to a one-time transfer from Water to Sewer to fund emergency repairs (revenue in Sewer is offset by expense in Water), and increased Water and Sewer sales offset by decrease in MMSM funding.
2. Expenditure increase primarily due to increased capital transfers, salary and benefits, dividend transfer, and operating costs such as chemicals, hauling, collection contracts, fleet and equipment rentals, software, and debt and finance.

Source: 2024 - 2027 Multi-Year Budget pages 97 and 140-160

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / FTE Recoveries

(Service Based View)

2024 - 2027 Operating Budget

	2023 Adopted Budget	2024 Budget	Increase / (Decrease)	2025 Projection	2026 Projection	2027 Projection
Full Time Equivalents <i>(number of FTEs)</i>	979.69	982.03	2.34	982.53	982.53	982.53
Salaries & Benefits <i>(in millions of \$)</i>	\$ 88.2	\$ 92.1	\$ 3.9	\$ 95.3	\$ 98.4	\$ 101.1

Note 1: Total departmental vacancy management \$4.6 million and 65.05 FTEs. 1 FTE is approximately equivalent to \$70,244 for vacancy management in the 2024 budget.

Note 2: 21 temporary FTEs expected to be working in 2024 at a cost of \$2.4 million. These costs are not included in the operating budget.

Note 3: Increase of FTEs from 2023 primarily due to 1 FTE for Multi Family Waste Diversion and 1 FTE to support Winnipeg Sewage Treatment Program.

Source: 2024 - 2027 Multi-Year Budget page 98

Operating Budget Referrals

(Service Based View)

No.	Referrals to the Budget Process (include only those from an elected official process):	SPC/ Council/ Date	Included in Budget Y/N	2024		2025	2026	2027	SPAP Action Item
				FTE	\$	\$	\$	\$	
1	•Cost Increase for Garbage, Recycling, and Yard Waste Collection	Council January 25, 2024	Total funding required						None
			Y	0.00	-	3,729,757	6,423,408	464,264	

Source: 2024 - 2027 Multi-Year Budget pages 155 and 162

Service Based Capital Budget



Capital Summary

(Service Based View)

Service (\$000's)	2023 Adopted Budget	2024 Budget	2025 - 2029 Forecast	6-year Total
Land Drainage and Flood Control ¹	3,315	9,735	44,680	54,415
Water ²	50,500	44,010	341,950	385,960
Wastewater ²	113,755	143,850	512,550	656,400
Solid Waste Disposal, Recycling & Waste Diversion ²	4,650	3,525	44,160	47,685
Total Capital Budget	172,220	201,120	943,340	1,144,460

Notes:

1. Other contributing departments include PPD
2. Other contributing departments include IT
3. Source: 2024 – 2027 Multi-Year Budget page 99 and starting on page 140; Supplement to the 2024 Budget starting on page 35.

Key Projects in the Funded Capital Submission

(Service Based View)



Water Meter Renewals

Project to replace aging water meters with an advanced metering infrastructure solution.

Budget Year(s): 2024-2029

Amount: \$135.00 million



Southwest Interceptor

Provision of additional river crossing of the Red River.

Budget Year(s): 2026-2028

Amount: \$84.50 million

Soil Fabrication for Landfill Cover

Program for all-season fabrication of soil to supplement topsoil requirements at City landfills.

Budget Year(s): 2024-2027

Amount: \$4.04 million



Sewer Renewals

Program to assess, replace or rehabilitate combined, wastewater and land drainage infrastructure.

Budget Year(s): 2024-2029

Amount: \$144.25 million

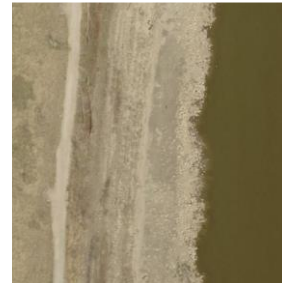


Combined Sewer Overflow and Basement Flood Management Strategy

Program to complete projects identified in the CSO Master Plan, to meet licence requirements.

Budget Year(s): 2024-2029

Amount: \$242.00 million



Riverbank Stabilization

Program to address riverbank erosion and slope instability risks to public riverbank lands.

Budget Year(s): 2024-2029

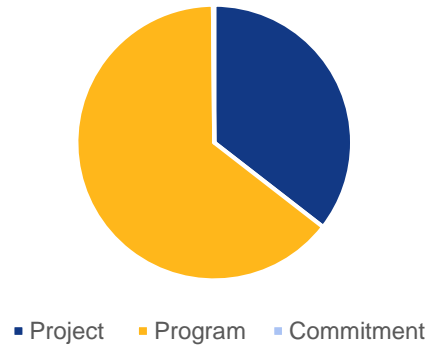
Amount: \$18 million

Source: 2024 – 2027 Multi-Year Budget pages 322 and 323; Supplement to the 2024 Budget pages 263, 272, 282, 278, 271, 179 (left to right down the slide)

Additional Capital Details

(Service Based View)

2024 Composition



The 2024 Budget includes 36% projects, 64% programs, and <1% other commitments

All projects in 2024 have been evaluated as Class 3 estimates.

For all programs, Class 3 cost estimates for individual projects within the program will be obtained through preliminary engineering prior to construction.

Capital Budget Changes (Service Based View)

Description (\$000's)	Expln.	Changes from Forecast						2029 Forecast	6-year Total	SPAP Action Items
		2024 Draft Submission	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2024 to 2028 Total			
Council Approved Forecast		142,135	177,730	173,860	195,180	150,470	839,375	-	839,375	
<i>Increase / (Decrease) From Forecast:</i>										
Water Meter Renewals	1	2,000	(6,000)	(3,000)	6,000	9,000	8,000	14,000	22,000	
Water Main Renewals	2	1,500	1,500	1,500	1,500	1,750	7,750	24,750	32,500	
NEWPCC Upgrades: Headworks Facilities	3	44,475	-	-	-	-	44,475		44,475	
Southwest Interceptor	4	(4,000)	(35,000)	2,000	(2,500)	30,000	(9,500)	-	(9,500)	
Brady Road Resource Management Facility - Cell Construction	5	1,000	16,300	1,500	4,800	3,400	27,000	5,900	32,900	
Other Changes		14,010	27,505	18,330	14,620	(1,680)	72,785	109,925	182,710	
Total Changes		58,985	4,305	20,330	24,420	42,470	150,510	154,575	305,085	
PRELIMINARY CAPITAL BUDGET		201,120	182,035	194,190	219,600	192,940	989,885	154,575	1,144,460	

Variance to forecast explanations:

- 1 Cost estimates refined to Class 3 as part of consulting assignment in 2022
- 2 Funding increased due to current market conditions
- 3 New funding request in 2024 due to the Northwest Interceptor failure
- 4 Refinement of project cost estimate and spending forecasts with the submission of Class 3 Capital Cost Estimate for Detailed Design and Construction work.
- 5 Revised scope of work to include ancillary infrastructure. Updated cost estimated based on market data.

Capital Budget Referrals

(Service Based View)

No.	Referral Name	Referral Wording	SPC/Council and Date	Included in the Budget	2024	2025	2026	2027	2028	2029	6-Year Total	SPAP Action Items
				Y/N	(\$ 000's)							
1	Revised Cost Estimate for the NEWPCC Upgrade – Biosolids Facilities Capital Budget	That the revised cost estimate for the NEWPCC Upgrade: Biosolids Facilities Capital Budget be referred to the 2024-2027 Multi-Year Budget Process.	Council July 21, 2021	Total funding required per Report	-	-	-	-	-	-	-	None
				Y *	-	-	-	-	-	-	-	
2	Advanced Water Metering Solution Business Case	That the capital project, Water Meter Renewals, with an AACE Class 3 capital cost be approved and advanced to 2024. Any financial implications of the funding source, Water Meter Renewal Reserve, be referred to the 2024-2027 budget process.	Council November 23, 2023	Total funding required per report	2,000	10,000	20,000	44,000	45,000	14,000	135,000	None
				Y **	2,000	10,000	20,000	44,000	45,000	14,000	135,000	
Total					2,000	10,000	20,000	44,000	45,000	14,000	135,000	

Notes:

- * On Friday, September 29, 2023 Council approved a budget increase of \$482,288,000 for the NEWPCC Upgrade: Biosolids Facilities Project Capital Budget.

CASH FLOW	Previous expenditure	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
Project Costs (\$000's)	4,757	30,970	69,426	131,878	198,201	222,933	154,231	222,604	1,035,000

- ** On Thursday, November 23, 2023 Council approved and advanced \$135 million to 2024 and any financial implications of the funding source, Water Meter Renewal Reserve, be referred to the 2024 - 2027 Budget process. Subject to Council approval, the budget authorization will supersede the November 23, 2023 approval.

Source: Minutes – Council – July 21, 2022; Minutes – Council – September 29, 2023; Minutes – Council – November 23, 2023

Reserve Projections

(Service Based View)

In Millions of \$	2023 Forecast Balance	2024 Activities	2024 Balance	2025 Balance	2026 Balance	2027 Balance
Landfill Rehabilitation Reserve	\$ 2.6	\$ (1.0)	\$ 1.6	\$ 0.5	\$ 0.0	\$ 0.3
Climate Action Reserve^{2, 3}	0.5	(0.4)	0.1	\$ -	\$ -	\$ -
Water Main Renewal Reserve	16.4	(0.6)	15.8	\$ 14.8	\$ 13.2	\$ 11.7
Water Meter Renewal Reserve	37.5	12.2	49.7	\$ 55.3	\$ 52.0	\$ 46.8
Sewer System Rehabilitation Reserve	2.2	1.1	3.3	\$ 4.8	\$ 4.7	\$ 5.3
Environmental Projects Reserve	166.4	(78.0)	88.4	\$ 40.8	14.9	19.9
Waste Diversion Reserve ¹	14.8	(1.2)	13.6	13.7	13.9	14.0
TOTAL	\$ 240.4	\$ (67.9)	\$ 172.5	\$ 129.9	\$ 98.7	\$ 98.0

Source: 2024 - 2027 Multi-Year Budget page 311

Notes:

1. Equity within the Waste Diversion Reserve is forecasted to be used for future Council approved projects. Potential projects include a fourth 4R Winnipeg Depot and to fund a portion of the cart acquisitions to achieve a full scale organics program.
2. Winnipeg Climate Action Plan and Policy updates funded via Climate Action Reserve, future funding for this reserve to come from sale of natural gas once negotiations are complete.
3. Investments aligned to SPAP action items bolded.

