

2026 Preliminary Budget

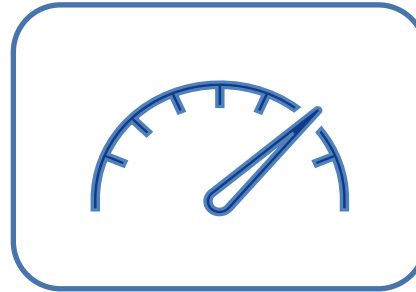
# **Water and Waste Department Presentation to SPC Water, Waste and Environment**

*December 1, 2025*

# Agenda



1. Service Highlights



2. Performance Reporting



3. Service Based Budget:  
Operating, Capital and  
Reserves



4. Questions

# Service Highlights





# Service Highlights

## Water and Waste Department



### Key Achievements (2024/2025):

#### **1. NEWPCC Upgrades**

- Project 2 Development Phase (awarded)
- Project 3 RFP Step 1 (issued)

#### **2. SEWPCC Upgrade (effluent compliance)**

#### **3. Fort Garry / St. Vital Crossing Replacement (underway)**

#### **4. Rapid Response for Water & Wastewater Service Capacity (approved)**

#### **5. Water Meter Renewal Program/AMS (underway)**

# Service Highlights

## Water and Waste Department



### 2025 Financial Forecast (Budget vs Actuals as at September 30)

- Water Utility forecast surplus of \$8.9M over Adopted budget
- Sewage Utility forecast surplus of \$35.5M over Adopted budget
- Solid Waste Utility forecast surplus of \$33.9M over Adopted budget

2025 Adopted Budget does not reflect budget amendments from 2025

Council approved Sewer Volume Rate and Solid Waste Utility Rate

Reports.

- Net surplus Adopted budget \$78.3
- Net surplus Amended budget \$28.5

### 2025 September Forecast

Forecasted Surplus \$millions

|                     | To<br>Adopted<br>Budget | To<br>Amended<br>Budget |
|---------------------|-------------------------|-------------------------|
| Water Utility       | \$ 8.9                  | \$ 9.2                  |
| Wastewater Utility  | 35.5                    | 13.4                    |
| Solid Waste Utility | 33.9                    | 5.9                     |
| Land Drainage       | 0.0                     | 0.0                     |
| Net                 | \$ 78.3                 | \$ 28.5                 |

# Service Highlights

## Water and Waste Department



### Budget Priorities / Highlights 2026 Operating Budget

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#### 1. Utility Billing Centre

#### 2. 2026 and 2027 Water and Sewer Rates

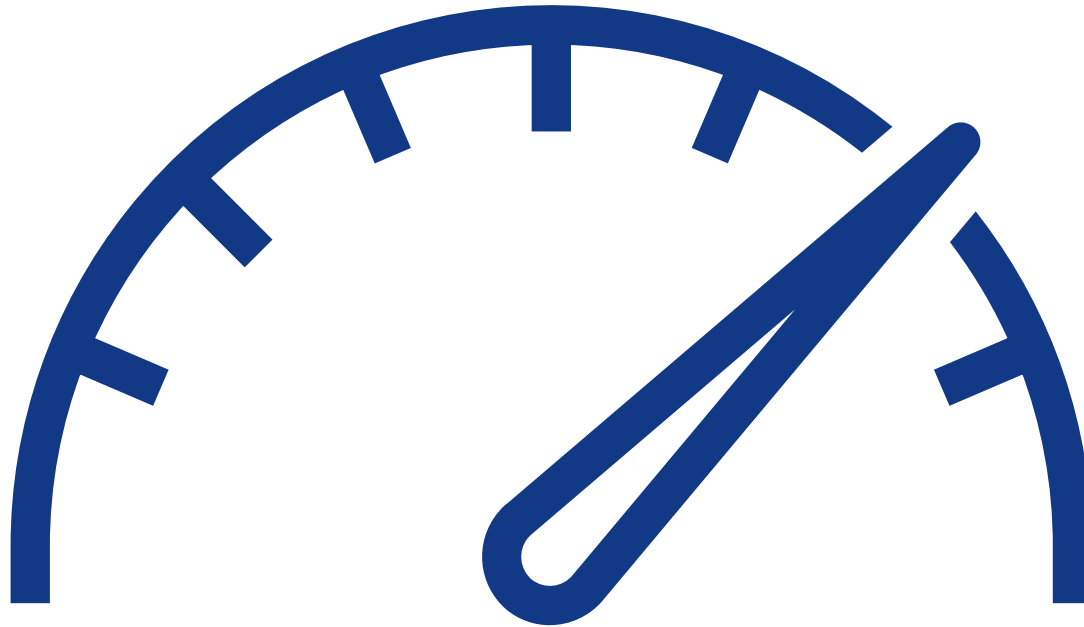
- Affordability (funding plan NEWPCC – NR project 3, H2O program, Water Leak Credit program, payment arrangements)

#### 3. Capital Budget Priorities

- NEWPCC Nutrient Removal Facilities
- Water and Sewer Main Renewals
- Combined Sewer Overflow Mitigation
- Southwest Interceptor
- Water Meter Renewals

#### 4. Solid Waste Utility

# Performance Reporting




*Measuring Performance.*


*Inspiring Excellence.*


# Performance Reporting – ALL Services

OurWinnipeg:



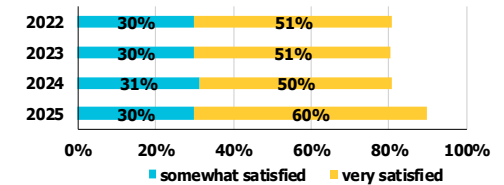
| Service Goal / Measure Description  | 2023<br>Actual | 2024<br>Actual | 2024<br>Target | 2025<br>Target | 2026<br>Target |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>WATER</b>  |                |                |                |                |                |
|  <b>Goal 2: Maintain and improve citizen satisfaction with quality of drinking water in Winnipeg</b> |                |                |                |                |                |
| Number of water quality tests conducted   | 89,320         | 100,356        | 100,000        | 100,000        | 100,000        |
| Citizen satisfaction with quality of drinking water   | 81%            | 81%            | 85%            | 85%            | 85%            |

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| <b>WASTEWATER</b>  |        |        |        |        |        |
|  <b>Goal 1: Meet or outperform Environmental Act licence requirements for sewage treatment plants, combined sewer overflows and biosolids</b> |        |        |        |        |        |
| Megalitres of Treated Wastewater per 100,000 Population  | 11,162 | 12,521 | 11,640 | 11,681 | 11,675 |

|  |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|
| <b>LAND DRAINAGE AND FLOOD CONTROL</b>   |     |     |     |     |     |
|  <b>Goal 1: Investigate and implement opportunities to improve flood protection measures to minimize potential damage to property and equipment</b> |     |     |     |     |     |
| Citizen satisfaction with protection from river flooding   | 89% | 83% | 90% | 90% | 90% |

Source: 2026 Preliminary Budget pages 151 to 162

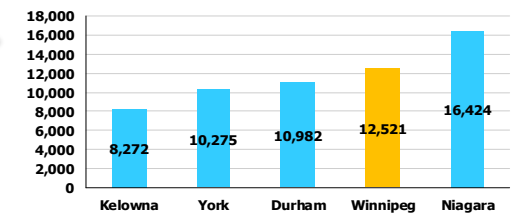
## Citizen Satisfaction with Quality of Drinking Water



|                 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------|------|------|------|------|------|
| Total Satisfied | 84%  | 81%  | 81%  | 81%  | 90%  |

Source: City of Winnipeg Annual Citizen Survey

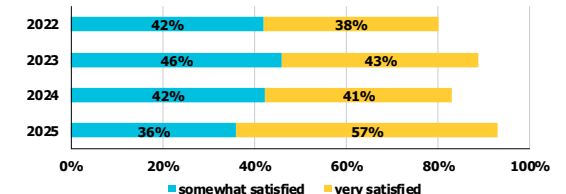
## Megalitres of Treated Wastewater per 100,000 Population (2024)



|            | 2020   | 2021   | 2022   | 2023   | 2024   |
|------------|--------|--------|--------|--------|--------|
| Wpg. Trend | 11,166 | 10,719 | 15,515 | 11,162 | 12,521 |

Source: Municipal Benchmarking Network Canada (WWTR210)

## Citizen Satisfaction with Protection from River Flooding



|                 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------|------|------|------|------|------|
| Total Satisfied | 90%  | 80%  | 89%  | 83%  | 93%  |

Source: City of Winnipeg Annual Citizen Survey



# Performance Reporting – ALL Services

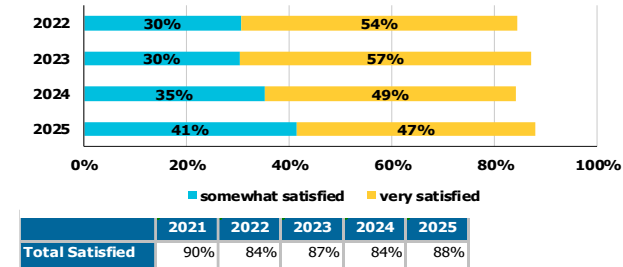
OurWinnipeg:



| Service Goal / Measure Description   | 2023<br>Actual | 2024<br>Actual | 2024<br>Target | 2025<br>Target | 2026<br>Target |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>SOLID WASTE COLLECTION</b>  |                |                |                |                |                |
| <b>Goal 1: Improve and sustain performance of the waste collection system</b>  |                |                |                |                |                |
| Citizen satisfaction with garbage collection   | 87%            | 84%            | 90%            | 90%            | 90%            |
| <b>SOLID WASTE DISPOSAL</b>  |                |                |                |                |                |
| <b>Goal 1: Ensure efficiency of waste disposal by maintaining an operating cost per tonne of less than the Municipal Benchmarking Network Canada average</b> |                |                |                |                |                |
| Operating cost for solid waste disposal per tonne  | \$ 47.44       | \$ 43.43       | \$ 47.50       | \$ 48.50       | \$ 48.50       |
| <b>RECYCLING AND WASTE DIVERSION</b>   |                |                |                |                |                |
| <b>Goal 3: Improve and sustain performance of the waste reduction and diversion system</b>   |                |                |                |                |                |
| Citizen satisfaction with recycling  | 82%            | 80%            | 85%            | 85%            | 85%            |

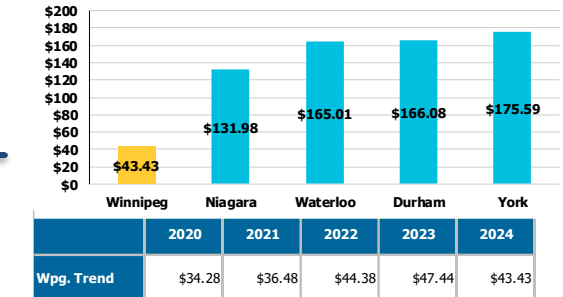
Source: 2026 Preliminary Budget pages 163 to 173

## Citizen Satisfaction with Garbage Collection



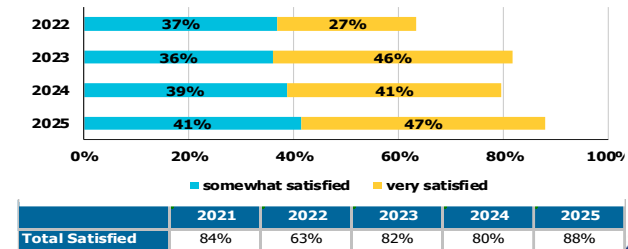
Source: City of Winnipeg Annual Citizen Survey

## Operating Cost for Solid Waste Disposal per Tonne - All Property Classes (2024)



Source: Municipal Benchmarking Network Canada (SWST325)  
Extracted from MBNCanada data portal on Sep 8, 2025.

## Citizen Satisfaction with Recycling



Source: City of Winnipeg Annual Citizen Survey

# 2026 Budget Overview



## Service Based View

| Service Based Budget<br>(in millions of \$)  | FTEs         | Surplus /<br>(Deficit) | Capital<br>Budget | Reserves,<br>Net Changes |
|--|--------------|------------------------|-------------------|--------------------------|
| Water  | 403.4        | 11.8                   | 57.4              | 11.4                     |
| Wastewater                                   | 434.7        | 67.0                   | 671.6             | (36.5)                   |
| Land Drainage and Flood Control <sup>1</sup> | 25.6         | (0.2)                  | 8.6               | -                        |
| Solid Waste Collection                       | 14.4         | 7.3                    | -                 | -                        |
| Solid Waste Disposal                         | 37.9         | 3.4                    | 8.6               | -                        |
| Recycling and Waste Diversion                | 81.0         | 0.5                    | 0.3               | 0.9                      |
| <b>Total</b>                                 | <b>997.0</b> | <b>89.8</b>            | <b>746.5</b>      | <b>(24.2)</b>            |

Notes:

1. Other contributing departments include Public Works Department (1.8%)

Source: 2026 Preliminary Budget pages 151 to 173, 341

# Service Based Operating Budget

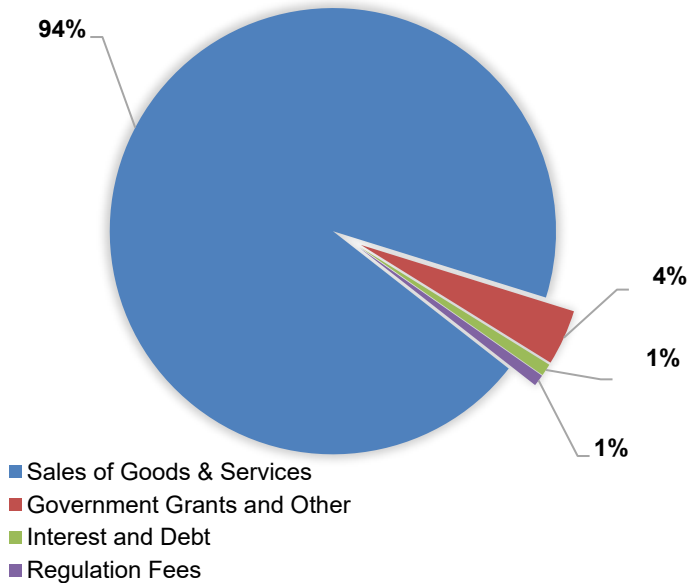


# 2026 Budget Overview

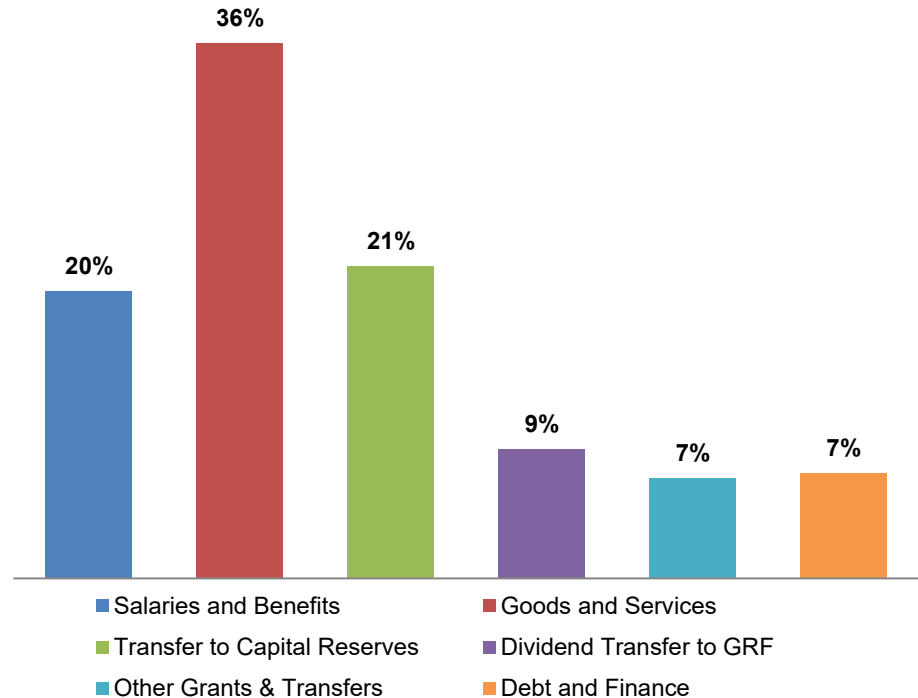
## (Service Based View)



**Revenues = \$604.6 million**



**Expenditures = \$514.8 million**



Source: 2026 Preliminary Budget



# Comparison of 2026 and 2027 Projection (from 2025 Adopted Budget) to 2026 Budget Update



## Service Based View

In millions of \$

2026 and 2027 Budget - Surplus / (Deficit)

2026 and 2027 Projection from 2025 Budget - Surplus / (Deficit)

### **Increase Surplus**

| 2026<br>Budget | 2027<br>Projection |
|----------------|--------------------|
| \$ 89.8        | \$ 94.9            |
| 10.5           | 6.5                |
| <b>\$ 79.3</b> | <b>\$ 88.4</b>     |

Notes:

1. Increase in surplus primarily due to Council approved Waste Management and Sewer Volume fees.
2. Increased surpluses reflect committed funds for capital expenditures.

Source: 2026 Budget, 2025 Adopted Budget pages 105 and 153 to 172.

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

## Service Based View



|  | 2024<br>Actual | 2024<br>Adopted<br>Budget | 2025<br>Budget | 2026<br>Projection | Increase /<br>(Decrease) | 2027<br>Projection |
|--|----------------|---------------------------|----------------|--------------------|--------------------------|--------------------|
| <b>Full Time Equivalents</b><br><i>(number of FTEs)</i>      | 902.46         | 982.03                    | 987.24         | 997.03             | 9.79                     | 997.03             |
| <b>Salaries &amp; Benefits</b><br><i>(in millions of \$)</i> | \$ 86.6        | \$ 92.2                   | \$ 96.1        | \$ 100.5           | \$ 4.4                   | \$ 103.5           |

### Notes:

1. Total departmental vacancy management \$5.23M and 71.37 FTEs. 1 FTE is approximately equivalent to \$73,349 for vacancy management in the 2026 budget. Further details included below.
2. 22 temporary FTEs expected to be working in 2026 at a cost of \$2.3M. These costs are not included in the operating budget but noted on the capital detail sheets, if applicable.
3. FTE increase of 9.79 FTE is primarily due to introduction of 8 new positions in 2025 as per Council approved Rapid Response Rate Report, 3.0 FTE to improve Utility Billing Centre call response times.

Source: 2026 Budget and Capital detail sheets

| Vacancy Management<br>(Department Based) | Budget        | Met or exceeded<br>Budget |
|--|---------------|---------------------------|
| 2023                                     | \$4.7 million | ✓                         |
| 2024                                     | \$4.6 million | ✓                         |
| 2025*                                    | \$5.3 million | ✓                         |

\* Projected to meet vacancy management budget as per third quarter 2025 projection.

# Operating Budget Referrals

## Service Based View



| No. | Referrals to the Budget Process (include only those from an elected official process):  | SPC/<br>Council/<br>Date      | Included<br>in Budget<br>Y/N | 2026 |           | 2027      | SPAP Action Item   |
|-----|---|-------------------------------|------------------------------|------|-----------|-----------|--|
|     |   |                               |                              | FTE  | \$        | \$        |  |
| 1   | Building Emissions Reduction Strategy<br><br>That funding for the Building Emissions Reduction Strategy initiatives, inclusive of capital, be referred to the 2026 Budget Review Process. | Council –<br>June 26,<br>2025 | N                            | 3    | 1,227,000 | 1,580,000 | 4.5 Update<br>Winnipeg's Climate<br>Action Plan,<br>including<br>development of a<br>Climate Resiliency<br>Strategy (mitigation<br>and adaptation) |
|     |   |                               |                              |      |           |           |  |

Note: Building Emissions Reduction Strategy capital of \$0.163 million in 2026 will result in operating budget savings of \$66,000/annum beginning in 2027.

# Service Based Capital Budget





# Capital Summary

## Service Based View



| Service (\$000's)                   | 2025<br>Adopted<br>Budget | 2026<br>Budget | 2027 - 2031<br>Forecast | 6-year<br>Total  |
|-------------------------------------|---------------------------|----------------|-------------------------|------------------|
| Land Drainage and Flood Control     | 12,508                    | 8,563          | 27,161                  | 35,724           |
| Water                               | 130,709                   | 57,392         | 268,552                 | 325,944          |
| Wastewater                          | 119,297                   | 671,624        | 519,700                 | 1,191,324        |
| Solid Waste Collection and Disposal | 18,427                    | 8,591          | 36,001                  | 44,592           |
| Recycling and Waste Diversion       | 1,944                     | 318            | 19,171                  | 19,489           |
| <b>Total Capital Budget</b>         | <b>282,885</b>            | <b>746,488</b> | <b>870,585</b>          | <b>1,617,073</b> |

Source: 2026 Preliminary Budget page 341 and 2025 Adopted Budget page 353

# Key Projects in the Funded Capital Submission

## Service Based View



### **NEWPCC Upgrade: Nutrient Removal Facilities**

Addition of Nutrient Removal Facilities to NEWPCC to meet operating licence requirements

Budget Year(s): 2026

Amount: \$547.000 million



**River Crossings Monitoring and Renewals**  
Minor rehabilitation at three river crossing sites, abandonment of one river bottom crossing and geotechnical work at eight sites.

Budget Year(s): 2026 - 2028

Amount: \$3.910 million

**Combined Sewer Overflow and Basement Flood Management Strategy**  
Implementation of the CSO Master Plan and sewer relief works

Budget Year(s): 2026 - 2031

Amount: \$219.500 million



**Feeder Main Renewals**  
Condition Assessment and renewal of water distribution feeder mains, including associated infrastructure

Budget Year(s): 2026 - 2030

Amount: \$2.811 million



### **WEWPCC Screening and Grit**

Construction of improved screening and grit removal systems at WEWPCC as required for the new NEWPCC biosolids facility.

Budget Year(s): 2026

Amount: \$19.466 million



### **Regulatory Soil Fabrication for Landfill Cover**

Program for all-season soil fabrication to meet vegetative cover licence requirements at City landfills

Budget Year(s): 2026 - 2028

Amount: \$5.132 million

Source: 2026 Supplement to the Preliminary Budget pages 244, 251, 254, 260, 265, and 269

# Capital Budget Changes



| Description (\$000's)                       | Expln. | Changes from Forecast |                |                |                |                |                    | 2031 Forecast  | 6-year Total     | SPAP Action Item |
|---|--------|-----------------------|----------------|----------------|----------------|----------------|--------------------|----------------|------------------|------------------|
|   |        | 2026 Budget           | 2027 Forecast  | 2028 Forecast  | 2029 Forecast  | 2030 Forecast  | 2026 to 2030 Total |                |                  |                  |
| Council Approved Forecast                   |        | 189,521               | 186,488        | 191,341        | 140,037        | 123,111        | 830,498            | -              | 830,498          |                  |
| <b>Increase / (Decrease) From Forecast:</b> |        |                       |                |                |                |                |                    |                |                  |                  |
| Asset Refurbishment and Replacement Program | 1      | 5,127                 | 3,157          | 8,622          | 556            | (2,095)        | 15,367             | 6,941          | 22,308           | None             |
| NEWPCC Upgrade: Nutrient Removal Facilities | 2      | 547,000               |                |                |                |                | 547,000            |                | 547,000          | None             |
| 2031 Forecast                               |        |                       |                |                |                |                |                    | 139,026        | 139,026          | None             |
| Other Changes                               |        | 4,840                 | 5,981          | 20,436         | 17,111         | 29,873         | 78,241             |                | 78,241           |                  |
| <b>Total Changes</b>                        |        | 556,967               | 9,138          | 29,058         | 17,667         | 27,778         | 640,608            | 145,967        | 786,575          |                  |
| <b>TOTAL CAPITAL BUDGET</b>                 |        | <b>746,488</b>        | <b>195,626</b> | <b>220,399</b> | <b>157,704</b> | <b>150,889</b> | <b>1,471,106</b>   | <b>145,967</b> | <b>1,617,073</b> |                  |

## Variance to forecast explanations:

- 1 Overall program funding increase of \$15,367,000 due to risk-based re-prioritization. The increase is funded by Retained Earnings. The change is due to revision/cost driver.
- 2 Funding increase of \$547,000,000 in 2026, comprised of \$468,000,000 of External Debt and \$79,000,000 Retained Earnings to fund one third of the Nutrient Removal project. This project is conditional on securing additional funding of \$497,000,000 from each of the Federal and Provincial Governments. This change is due to new legislation.

Source: 2026 Supplement to the Preliminary Budget pages 231-283

# Capital Budget Referrals

## Service Based View



| No. | Referral Name                               | Referral Wording   | SPC/<br>Council/ Date  | Included<br>in Budget<br>Y/N      | 2026      | 2027   | 2028   | 2029  | 2030  | 2031      | 6 Year<br>Total |
|-----|---|--|------------------------|-----------------------------------|-----------|--------|--------|-------|-------|-----------|-----------------|
|     |   |  |                        |                                   | (\$000's) |        |        |       |       |           |                 |
| 1   | NEWPCC Upgrade: Nutrient Removal Facilities | That a budget increase of \$1,462,133,000 for the NEWPCC Upgrade: Nutrient Removal Facilities project be referred to the 2026 Budget Review Process. | Council March 27, 2025 | Total funding required per report | 1,462,133 |        |        |       |       |           | 1,462,133       |
|     |   |  |                        | Adjustment                        | 78,867    |        |        |       |       |           | 78,867          |
|     |   | Total funding required   |                        | 1,541,000                         |           |        |        |       |       | 1,541,000 |                 |
|     |   | Y  |                        | 547,000                           |           |        |        |       |       | 547,000   |                 |
|     |   | N  |                        | 994,000                           |           |        |        |       |       | 994,000   |                 |
|     |   | Funding has been adjusted to reflect debt and financing.   |                        |                                   |           |        |        |       |       |           |                 |
| 2   | Building Emissions Reduction Strategy       | That funding for the Building Emissions Reduction Strategy initiatives, inclusive of capital, be referred to the 2026 budget review process.         | Council June 26, 2025  | Total funding required per report | 2,242     | 10,650 | 11,167 | 9,300 | 5,966 |           | 39,325          |
|     |   |  |                        | Y                                 | 163       |        |        |       |       |           | 163             |
|     |   |  |                        | N                                 | 2,079     | 10,650 | 11,167 | 9,300 | 5,966 |           | 39,162          |

Source (for budgeted amounts): 2026 Supplement to the Preliminary Budget pages 178 and 254



# Reserve Projections

## Service Based View



| In Millions of \$            | 2025<br>Forecast<br>Balance | 2026 Activities  | 2026<br>Balance | 2027<br>Balance |
|------------------------------|-----------------------------|------------------|-----------------|-----------------|
| Climate Action               | \$ 0.3                      | \$ (0.3)         | \$ 0.1          | \$ 0.0          |
| Environmental Projects       | 144.6                       | (32.2)           | 112.4           | 117.4           |
| Landfill Rehabilitation      | 1.9                         | (1.3)            | 0.6             | 0.6             |
| Sewer System Rehabilitation  | 5.4                         | (4.0)            | 1.4             | 3.0             |
| Solid Waste Asset Management | 1.5                         | 1.2              | 2.7             | 4.0             |
| Waste Diversion              | 18.6                        | 0.9              | 19.5            | 21.0            |
| Water Main Renewal           | 5.2                         | (3.0)            | 2.2             | 3.0             |
| Water Meter Renewal          | 70.0                        | 14.3             | 84.3            | 65.1            |
| <b>TOTAL</b>                 | <b>\$ 247.5</b>             | <b>\$ (24.2)</b> | <b>\$ 223.3</b> | <b>\$ 214.1</b> |

Source: 2026 Budget; Appendix 3 Reserves Summary page 333.

# Questions

