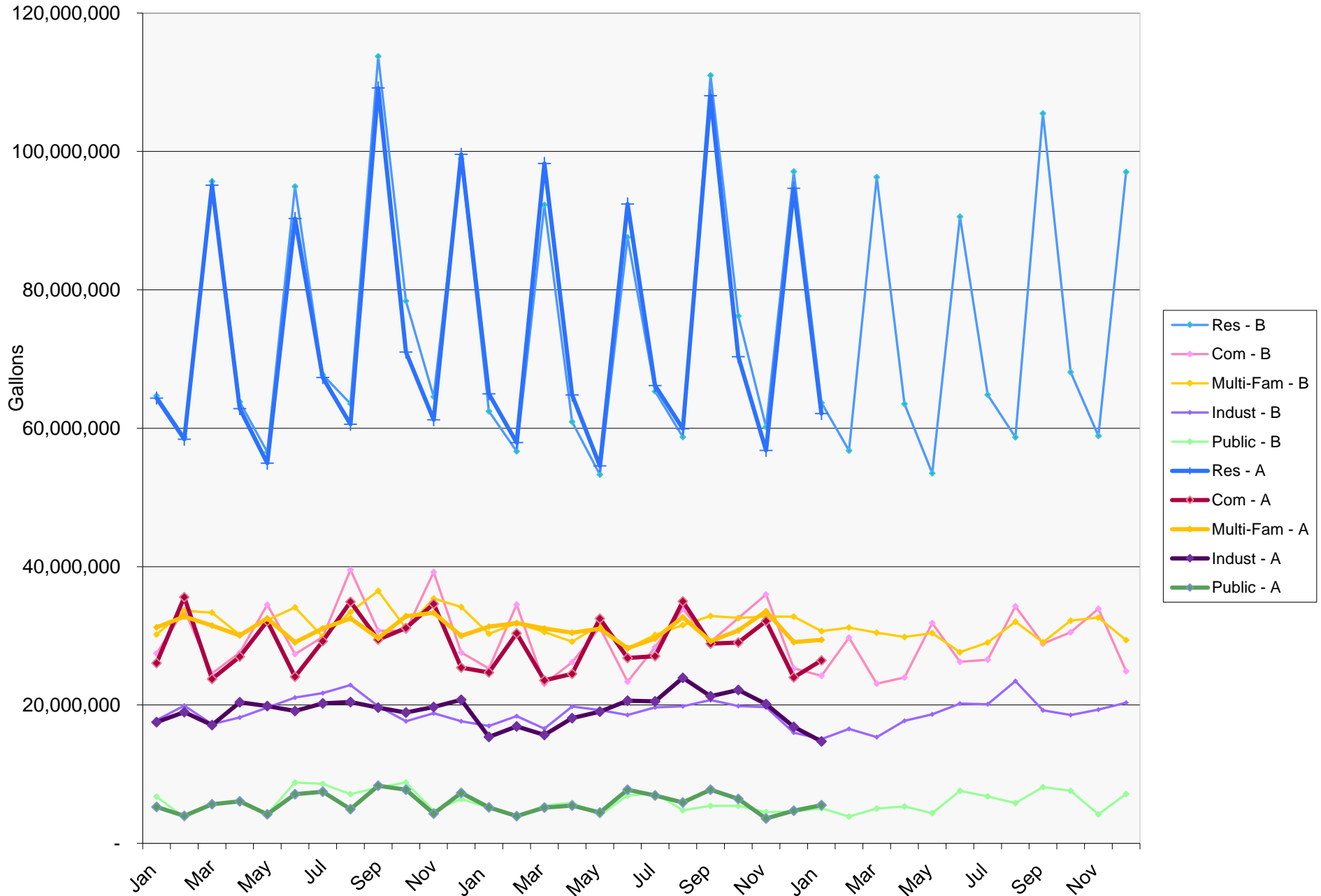


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 1/31/2019**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'19	BUDGET'19	VARIANCE	%	ACTUAL'19	BUDGET'19	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$347,414.24	\$330,381.12	\$17,033.12	5.16	\$347,414.24	\$330,381.12	\$17,033.12	5.16	\$4,824,683.03
Commercial	117,365.06	100,489.91	16,875.15	16.79	117,365.06	100,489.91	16,875.15	16.79	1,437,793.46
Industrial	52,493.19	52,685.50	(192.31)	(0.37)	52,493.19	52,685.50	(192.31)	(0.37)	770,326.57
Public	23,119.75	20,987.39	2,132.36	10.16	23,119.75	20,987.39	2,132.36	10.16	287,895.53
Multi Family	127,845.93	125,538.11	2,307.82	1.84	127,845.93	125,538.11	2,307.82	1.84	1,540,312.64
Irrigation	2,825.43	3,608.12	(782.69)	(21.69)	2,825.43	3,608.12	(782.69)	(21.69)	42,826.69
Total Metered Sales	<u>\$671,063.60</u>	<u>\$633,690.15</u>	<u>\$37,373.45</u>	<u>5.90</u>	<u>\$671,063.60</u>	<u>\$633,690.15</u>	<u>\$37,373.45</u>	<u>5.90</u>	<u>\$8,903,837.92</u>
Private Fire Capacity	\$21,577.58	\$17,763.29	\$3,814.29	21.47	\$21,577.58	\$17,763.29	\$3,814.29	21.47	\$239,814.12
Public Fire Capacity	164,545.84	144,528.33	20,017.51	13.85	164,545.84	144,528.33	20,017.51	13.85	2,112,230.99
Other Operating Revenues	<u>18,376.84</u>	<u>26,974.40</u>	<u>(8,597.56)</u>	<u>(31.87)</u>	<u>18,376.84</u>	<u>26,974.40</u>	<u>(8,597.56)</u>	<u>(31.87)</u>	<u>471,295.46</u>
TOTAL OPERATING REVENUES	<u>\$875,563.86</u>	<u>\$822,956.17</u>	<u>\$52,607.69</u>	<u>6.39</u>	<u>\$875,563.86</u>	<u>\$822,956.17</u>	<u>\$52,607.69</u>	<u>6.39</u>	<u>\$11,727,178.49</u>
OPERATING EXPENSES:									
Source	\$50,789.21	\$50,632.08	\$157.13	0.31	\$50,789.21	\$50,632.08	\$157.13	0.31	\$755,121.90
Pumping	68,253.75	83,271.18	(15,017.43)	(18.03)	68,253.75	83,271.18	(15,017.43)	(18.03)	1,038,078.03
Treatment	30,950.08	32,238.71	(1,288.63)	(4.00)	30,950.08	32,238.71	(1,288.63)	(4.00)	535,037.61
Distribution	144,153.15	139,732.41	4,420.74	3.16	144,153.15	139,732.41	4,420.74	3.16	1,379,286.99
Customer Service	25,451.81	20,268.21	5,183.60	25.58	25,451.81	20,268.21	5,183.60	25.58	258,081.70
Administrative	197,363.99	182,106.52	15,257.47	8.38	197,363.99	182,106.52	15,257.47	8.38	1,677,514.93
Total	<u>\$516,961.99</u>	<u>\$508,249.11</u>	<u>8,712.88</u>	<u>1.71</u>	<u>\$516,961.99</u>	<u>\$508,249.11</u>	<u>8,712.88</u>	<u>1.71</u>	<u>\$5,643,121.16</u>
MANAGERS' MARGIN	<u>358,601.87</u>	<u>314,707.06</u>	<u>43,894.81</u>	<u>13.95</u>	<u>358,601.87</u>	<u>314,707.06</u>	<u>\$43,894.81</u>	<u>13.95</u>	<u>6,084,057.33</u>
Depreciation	161,067.59	159,482.42	1,585.17	0.99	161,067.59	159,482.42	1,585.17	0.99	1,913,789.04
Tax Equivalent	168,280.82	168,280.82	0.00	0.00	168,280.82	168,280.82	0.00	0.00	2,019,369.84
Other Taxes	13,658.31	12,395.50	1,262.81	10.19	13,658.31	12,395.50	1,262.81	10.19	159,817.37
TOTAL OPERATING EXPENSES	<u>\$859,968.71</u>	<u>\$848,407.85</u>	<u>\$11,560.86</u>	<u>1.36</u>	<u>\$859,968.71</u>	<u>\$848,407.85</u>	<u>\$11,560.86</u>	<u>1.36</u>	<u>\$9,736,097.41</u>
TOTAL OPERATING INCOME(LOSS)	<u>\$15,595.15</u>	<u>(\$25,451.68)</u>	<u>\$41,046.83</u>	<u>(161.27)</u>	<u>\$15,595.15</u>	<u>(\$25,451.68)</u>	<u>\$41,046.83</u>	<u>(161.27)</u>	<u>\$1,991,081.08</u>
NON OPERATING INCOME&(EXPENSE)	<u>(142,771.52)</u>	<u>(189,244.24)</u>	<u>46,472.72</u>	<u>(24.56)</u>	<u>(142,771.52)</u>	<u>(189,244.24)</u>	<u>46,472.72</u>	<u>(24.56)</u>	<u>(371,184.63)</u>
NET INCOME(LOSS)	<u>(\$127,176.37)</u>	<u>(\$214,695.92)</u>	<u>\$87,519.55</u>	<u>(40.76)</u>	<u>(\$127,176.37)</u>	<u>(\$214,695.92)</u>	<u>\$87,519.55</u>	<u>(40.76)</u>	<u>\$1,619,896.45</u>

WWU
Billed Gallons
Actual v Budget
2017 - 2019



**WAUKESHA WATER UTILITY
STATEMENT OF SOURCES AND USES OF CASH
PERIOD ENDING JANUARY 31, 2019**

Cash Balance - December 31, 2018

\$29,854,983

SOURCES:

Operations:

Customers - water sales	\$1,520,166
Waste Water Utility - joint metering billing	56,007
Rent of utility property - cellular leases	12,153
Receipts on sewer bills	1,268,502
Receipts from return flow	100,246
Reimbursement from City for return flow expenses	866,165
Reimbursement from City for sewer construction costs	
Other - miscellaneous	<u>21,819</u>
Total Cash From Operating Activities	<u>\$3,845,057</u>

Capital and Related Financing Activities:

Grants	
Contributions	
Issuance of long-term debt	
Sale of short-term debt	
Interest income	<u>64,815</u>
Total Cash From Capital/ Investing Activities	<u>\$64,815</u>

Total Cash Receipts

\$3,909,872

USES:

Salaries, wages, payroll taxes and benefits	\$257,861
Subcontracted and outside services	10,581
Disbursement to city for sewer transfer	0
Disbursement to city for return flow transfer	0
Pumping power	61,491
Purchase of materials and supplies	316,432
Tax equivalent - PILOT	624,960
Acquisition of capital assets	1,679,080
Debt service - principal	
Debt service - interest	

Total Cash Used

\$2,950,405

Net Change in Cash

\$959,467

Cash Balance - January 31, 2019

\$30,814,450

**WAUKESHA WATER UTILITY
BALANCE SHEET
1/31/2019**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$28,018,321.24
ACCOUNTS RECEIVABLE	5,671,707.49
RECEIVABLE FROM SEWER REIMB	10,565.55
MATERIALS & SUPPLIES	388,592.24
OTHER CURRENT ASSETS	0.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	<u>\$34,089,186.52</u>
DEFERRED	
DEFERRED ASSETS	<u>\$24,996,357.22</u>
TOTAL DEFERRED DEBITS	24,996,357.22
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$412,746.08
DEBT RESERVE ACCOUNT	477,655.25
CONSTRUCTION FUND	150.16
TAX EQUIV RESERVE ACCOUNT	1,905,576.87
TOTAL RESTRICTED FUNDS	<u>\$2,796,128.36</u>
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$93,835,919.95
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	318,297.74
RESTRICTED NET PENSION	403,235.00
TOTAL UTILITY PLANT	<u>\$94,992,542.38</u>
TOTAL ASSETS	<u><u>\$156,874,214.48</u></u>

<u>LIABILITIES</u>	
CURRENT	
CUR PORTION BOND	1,074,440.48
NOTES PAYABLE	26,610,000.00
ACCOUNTS PAYABLE	1,687,957.11
PAYABLE TO OTHER FUNDS	4,038,999.47
CUSTOMER DEPOSITS	159,027.52
A/P MISCELLANEOUS	7,096.21
TAXES ACCRUED	1,421,497.75
INTEREST ACCRUED	596,194.09
EMPLOYEE WITHHOLDING	19,741.17
ACCRUED PAYROLL	126,014.00
ACCRUED VACATION	249,468.59
TOTAL CURRENT LIABILITIES	<u>\$35,990,436.39</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	939,603.34
OPEB LIABILITY	3,951,471.39
OTHER DEFERRED CREDITS	<u>3,513,831.14</u>
TOTAL DEFERRED CREDITS	\$8,404,905.87
LONG-TERM	
BONDS	\$37,648,273.18

<u>EQUITY</u>	
CAPITAL PAID IN BY MUNICIPALITY	\$2,707,846.48
EQUITY FINANCED BY UTILITY	38,115,525.96
EQUITY FROM CONTRIBUTIONS	33,438,445.97
RESTRICTED EQUITY	695,957.00
NET PROFIT (LOSS)	<u>(127,176.37)</u>
TOTAL EQUITY	<u>\$74,830,599.04</u>
TOTAL EQUITY AND LIABILITIES	<u><u>\$156,874,214.48</u></u>

Status update

Waukesha Water Utility

Future Water Supply

February 20, 2019

This update is solely intended for the use of Waukesha Water Utility's internal management and is not intended to be and should not be used by any other parties without prior written consent from Baker Tilly Virchow Krause, LLP





Summary of Significant Events

Scope and Objectives

Waukesha Water Utility (“WWU” or “Owner”) engaged Baker Tilly Virchow Krause, LLP (Baker Tilly, “we” or “our”) to perform construction audit services on the Future Water Supply project. Greeley and Hansen (“GH” or “PM/CM”) is the Program Manager and Construction Manager engaged by the Owner.

The primary objective of this engagement is to verify whether project expenditures billed to Waukesha Water Utility are adequately supported, verifiable and appropriately allocated to the project.

Current Period Significant Events

This section of the monthly interim report summarizes Audit Issues and Requests for Information during the current period. The project-to-date Audit Issues (AI) and Request for Information (RFI) logs are included as attachments with this document.

Current Period Audit Issues

During the current period, we reviewed Invoice No. 29 from Greeley and Hansen. There were no Audit Issues identified during the current period.

Current Period Request for Information

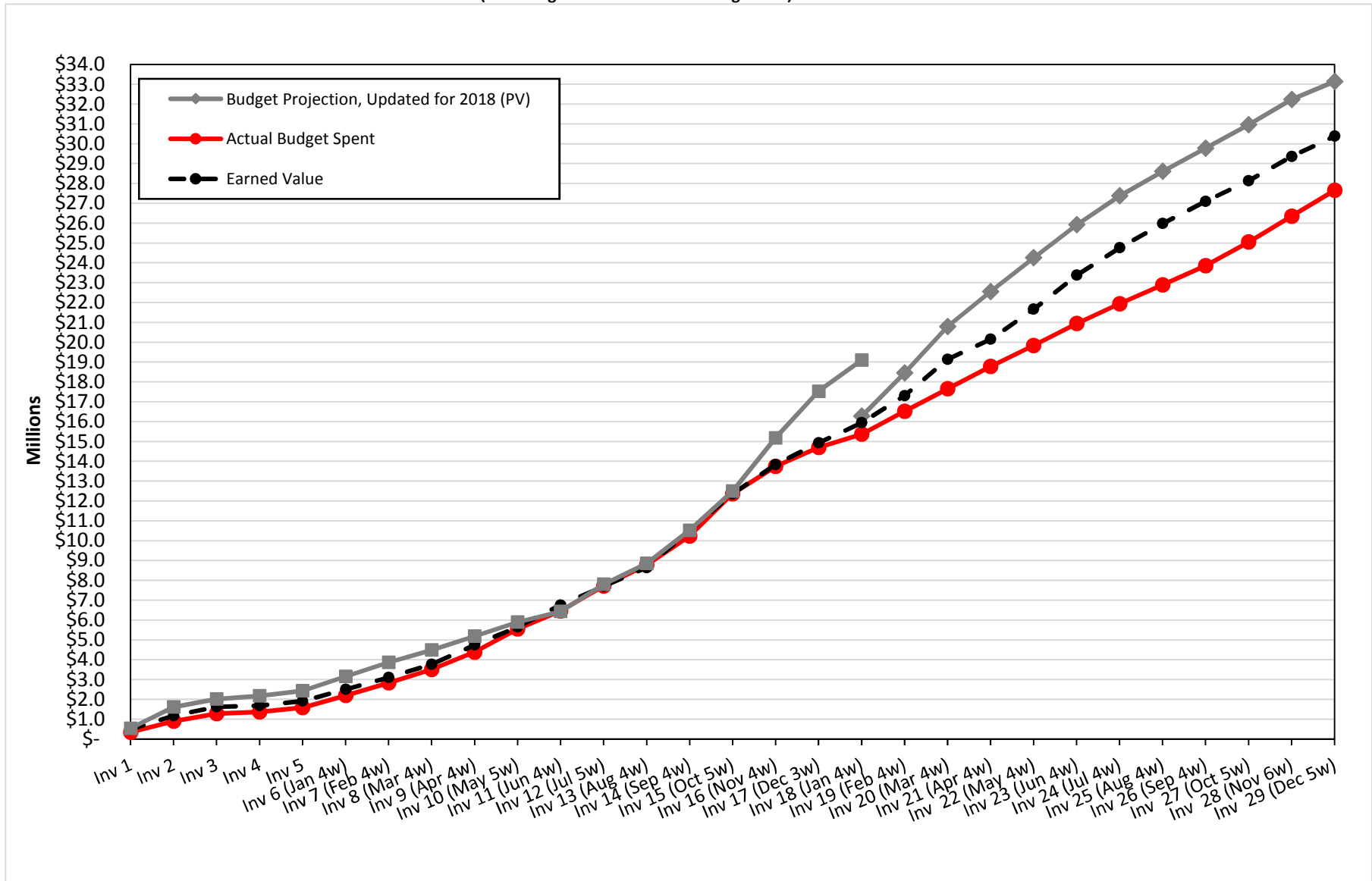
There are no current period requests for information.



Exhibit 5 – Earned Value Analysis



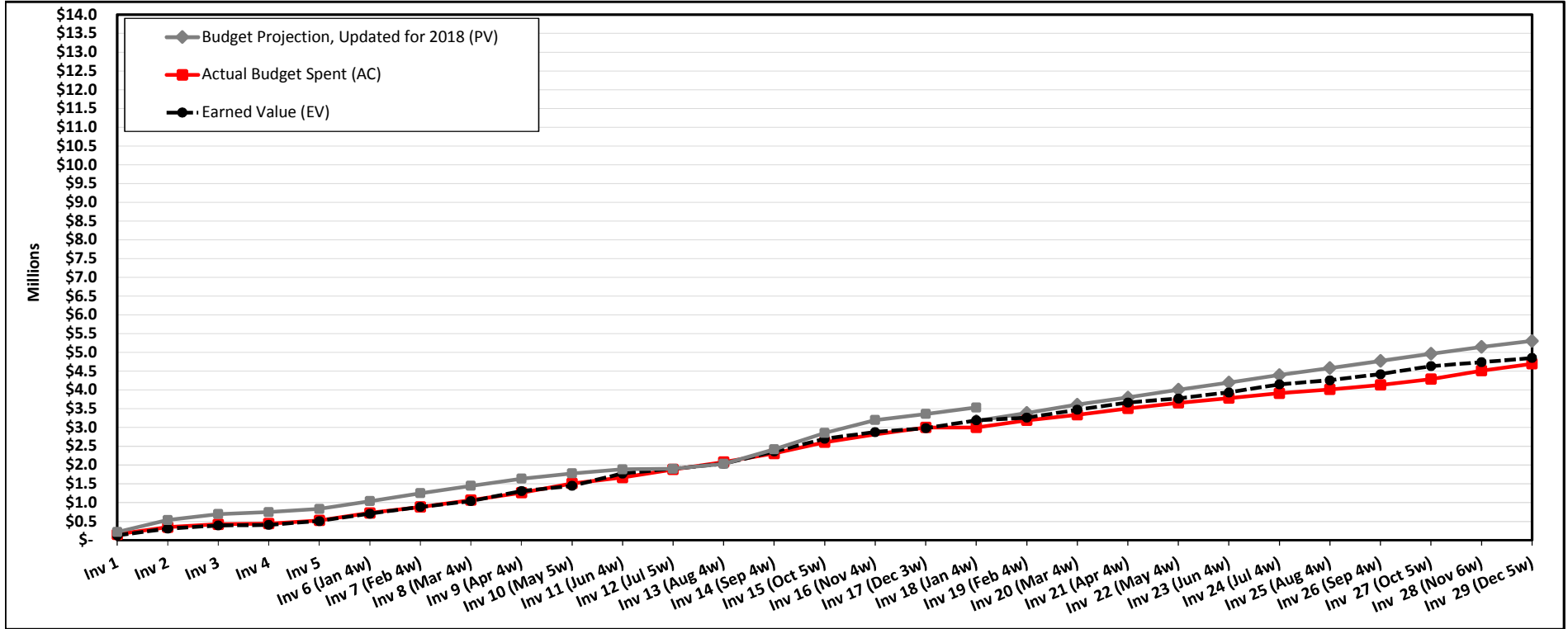
Great Lakes Water Supply Program PM/CM
Program
Earned Value Chart
Phase 1 and 2 (Invoice No. 29)
 (Excluding Allowances and Contingencies)



% Spent 83.1%
Actual Budget Spent \$27,655,550

Schedule Performance Index (SPI) 0.92
Cost Performance Index (CPI) 1.10

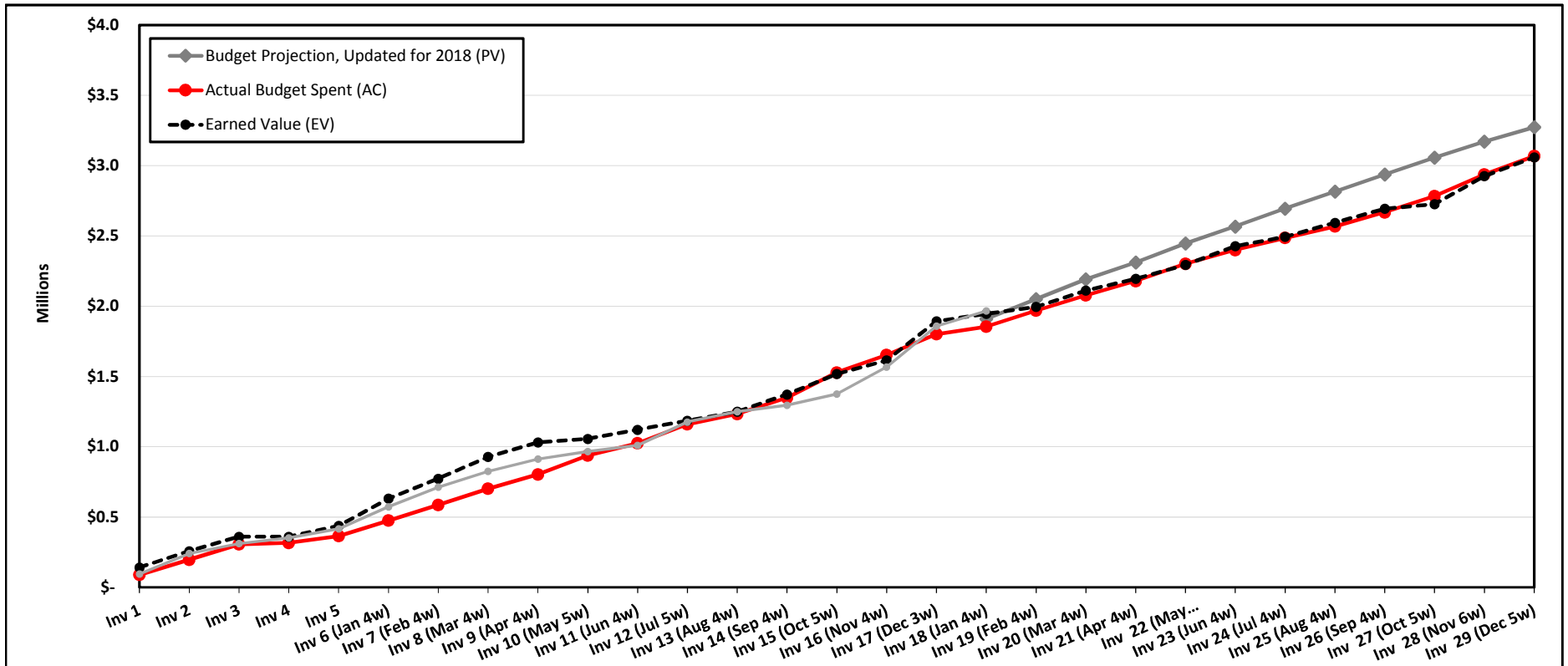
Note: Budget associated with Task 3-300, 5-200 and 5-300 water quality scope has been removed.



Earned Value Calculations	
Budget at Completion ^{(BAC)(1)} (BAC)	\$ 5,390,965
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 522,062
Cost Variance ^(CV) (CV=EV-AC)	\$ 153,311
Schedule Variance ^(SV) (SV=EV-PV)	\$ (455,775)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.03
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.91
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.94
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 5,220,620.00
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 170,345.00

Task 1	Program Management Plan/Progress
	<ul style="list-style-type: none"> Prepared and submitted Invoice No. 28; updated the Financial Management Dashboard and Report for Invoice No. 28. Held sixteen (16) Program Team meetings. Responded to questions from PSC on the PSC Certificate of Authority Application submittal. Comments were provided by the QM reviewers on Wetland and Waterway Delineation Report (4-240 D1), Comments were provided by the QM reviewers on Threatened and Endangered Species Habitat Report (4-240 D2) Comments were provided by the QM reviewers on Phase I Archaeological Survey Report (4-250 D1).

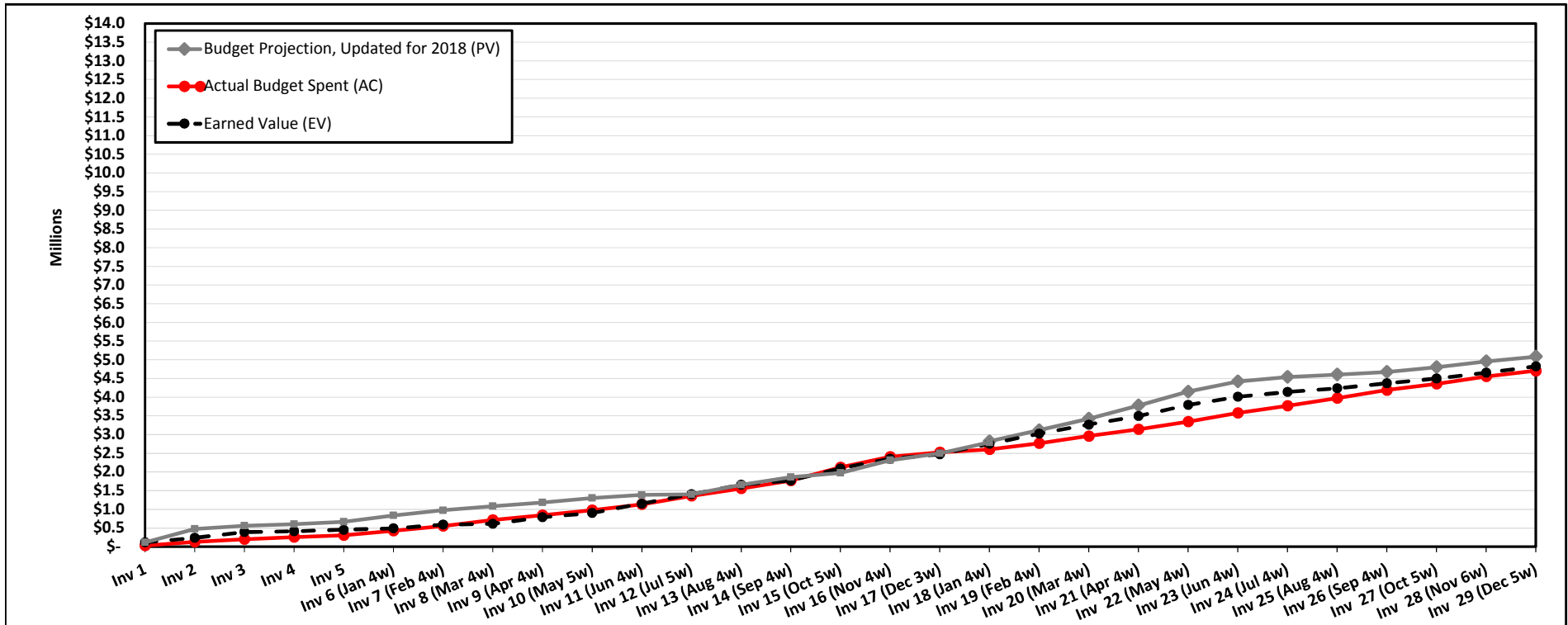
Task 1	Program Management Challenges
	<ul style="list-style-type: none"> The WisDOT Interstate 43 Hardship Application requesting an easement within the WisDOT Interstate 43 right-of-way has been prepared and submitted to WisDOT. Delay of WisDOT's determination may result in delay of Program design, which will result in a negative impact the Program schedule for bidding and construction, startup and testing and final completion. The condemnation process has begun for the preferred location for the Water Supply Pumping Station (WSPS) in Milwaukee. The Water Supply Pipeline design will proceed based on this preferred location



Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 3,325,716
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 266,804
Cost Variance ^(CV) (CV=EV-AC)	\$ (8,590)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (213,960)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.93
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.93
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 3,335,052.87
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (9,336.87)

Task 2 Programmatic Support Services Plan/Progress
<ul style="list-style-type: none"> Discussed PSC application, public outreach about permit review process and pipeline routes, amendments to the water supply agreement with City of Milwaukee, WDNR permit hearing schedules, state agency transitions and well failures with WWU. Prepared draft rebuttals of social media comments and reviewed draft text for a social media video

Task 2 Programmatic Support Services Challenges
<ul style="list-style-type: none"> No Challenges.

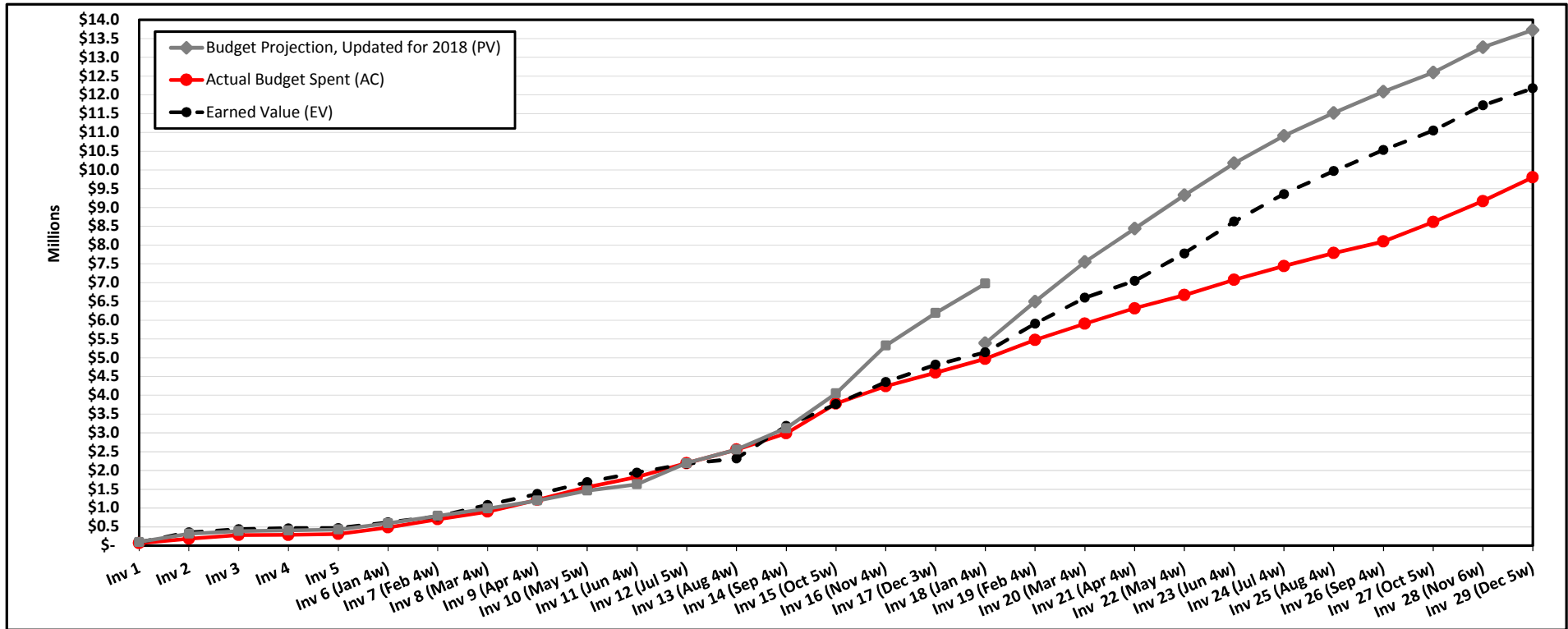


Note: The Task 3 amount for Invoice 5 was reported incorrectly in the previous version of this Report. The correct cumulative amount is \$263.96 lower.
The Task 3 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 5,083,873
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 252,446
Cost Variance ^(CV) (CV=EV-AC)	\$ 118,604
Schedule Variance ^(SV) (SV=EV-PV)	\$ (258,808)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.03
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.95
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.97
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 4,958,907.78
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 124,965.22

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> Held seven (7) Program Task 3 meetings. Responded to questions on the Agriculture Impact Notice (3-150 D1) to DATCP. Submitted draft NEPA Categorical Exclusion Checklist to supplement the I-43 Hardship Application to Task Lead for review. Submitted WDNR/USACE Wetlands and Waterways permit application (3-110 D1) to the agencies. Continued coordination with WDNR for WPDES permit and meetings.

Task 3 Permitting Challenges
<ul style="list-style-type: none"> Ongoing negotiation with WDNR of return flow management requirements may delay the issuance of the Environmental Impact Statement, the WPDES discharge permit, and the Facility Plan Amendment.

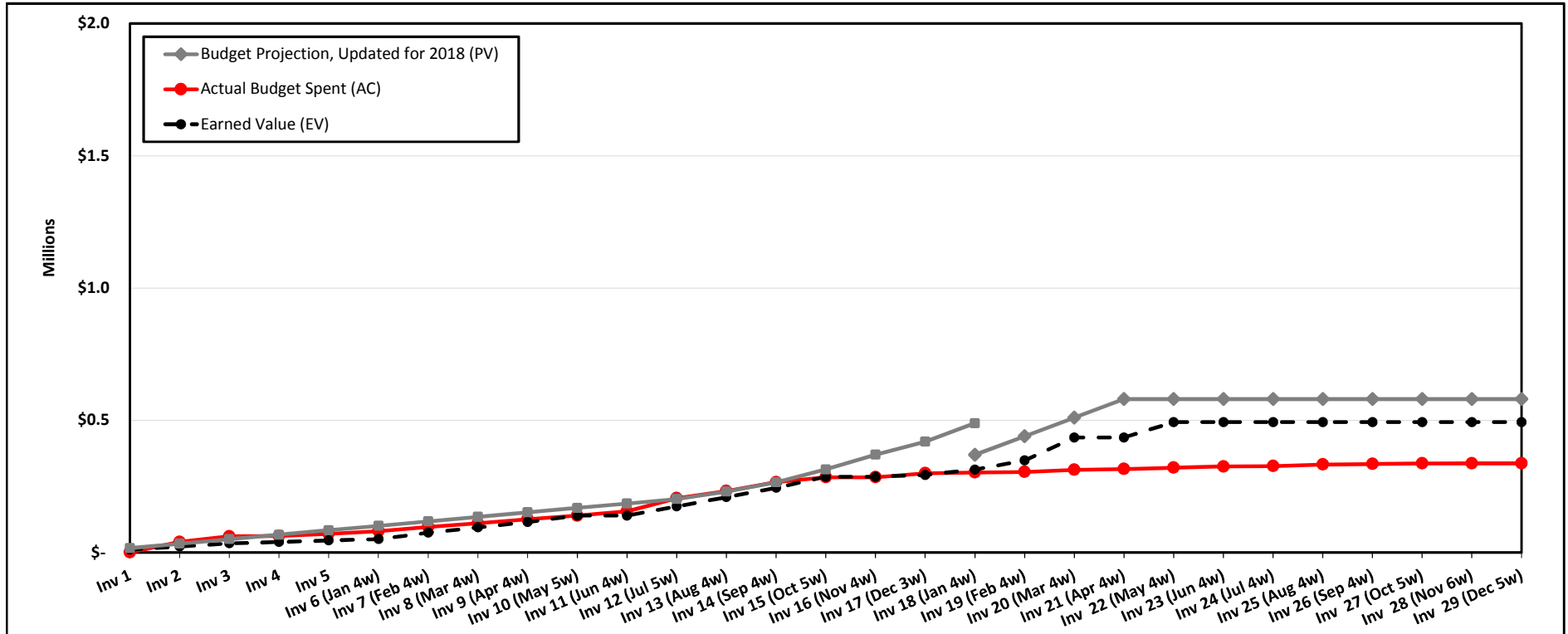


Note: The Task 4 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 13,744,049
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,264,013
Cost Variance ^(CV) (CV=EV-AC)	\$ 2,369,863
Schedule Variance ^(SV) (SV=EV-PV)	\$ (1,550,053)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.24
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.89
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.10
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 11,068,663.68
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 2,675,385.61

Task 4 Route Study and Pipeline Plan/Progress
<ul style="list-style-type: none"> WisDOT / FHWA indicated the WisDOT Interstate 43 Hardship Application (4-110 D1) is 'approvable'. NEPA documentation is currently being developed to respond to comments raised on the Application. The Contract Package 2 60% Design Set was submitted to WWU for review and comment. Wetland and Waterway Delineation Report (4-240 D1), Threatened and Endangered Species Habitat Report (4-240 D2), and Phase I Archaeological Survey Report (4-250 D1) were completed for the Water Supply and Return Flow Pipelines and submitted to USACE and WDNR as part of the Wetlands and Waterways Permit Application (3-110 D1).

Task 4 Route Study and Pipeline Challenges
<ul style="list-style-type: none"> Changes to the selected WSPS location and connection to the MWW distribution system could negatively impact the schedule for submission of the PSC Construction Authorization, which is a critical path item for the design, bidding and construction of the Program. The Program Schedule will be impacted if WisDOT / FHWA changes their inclination to approve locating the Return Flow Pipeline in the Interstate 43 corridor. Soil borings along Interstate 43 are on hold for the Return Flow Pipeline until an agreement has been reached with WisDOT. The remainder of the soil borings and analysis are complete.



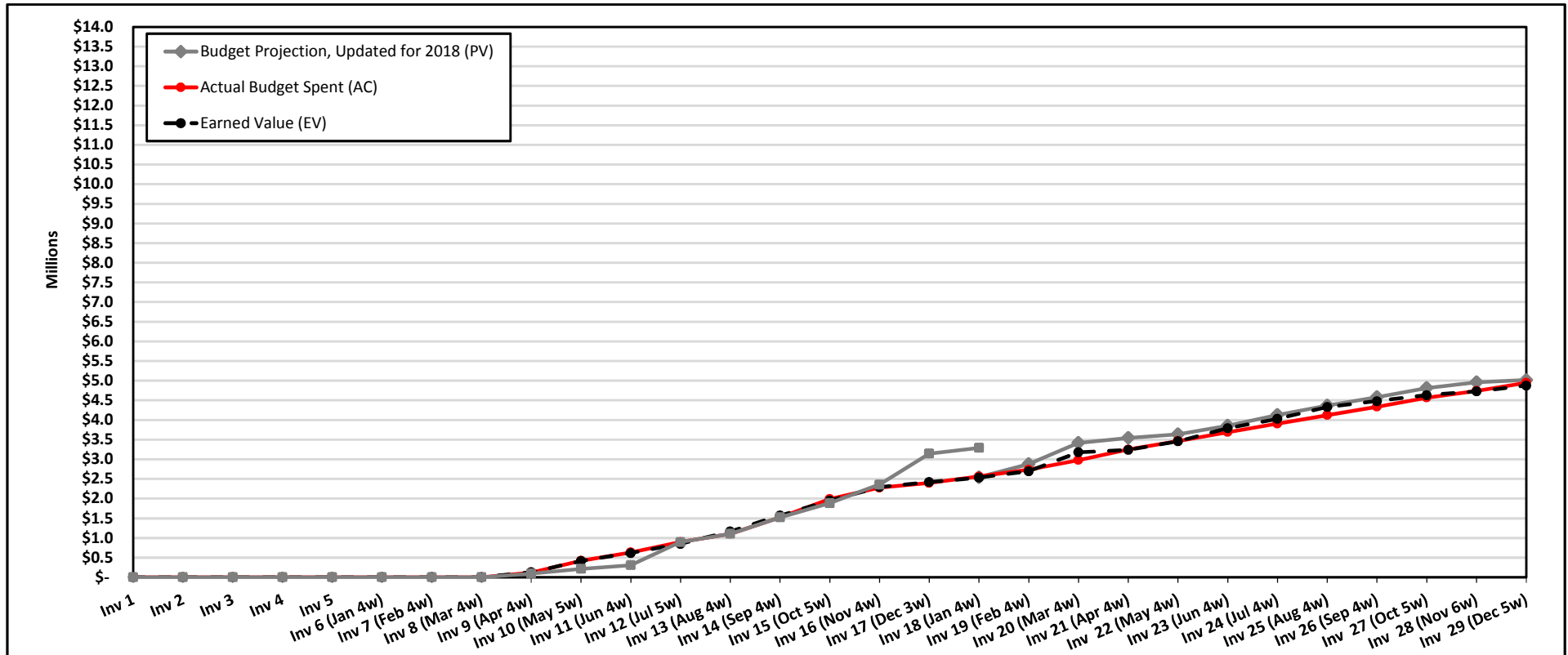
Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 579,901
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 59,490
Cost Variance ^(CV) (CV=EV-AC)	\$ 155,807
Schedule Variance ^(SV) (SV=EV-PV)	\$ (87,130)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.46
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.85
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.24
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 396,598.13
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 183,302.94

Task 5 Distribution System Plan/Progress
<ul style="list-style-type: none"> No Activity

Task 5 Distribution System Challenges
<ul style="list-style-type: none"> Scope and budget associated with Tasks 5-200 and 5-300 water quality has been removed.



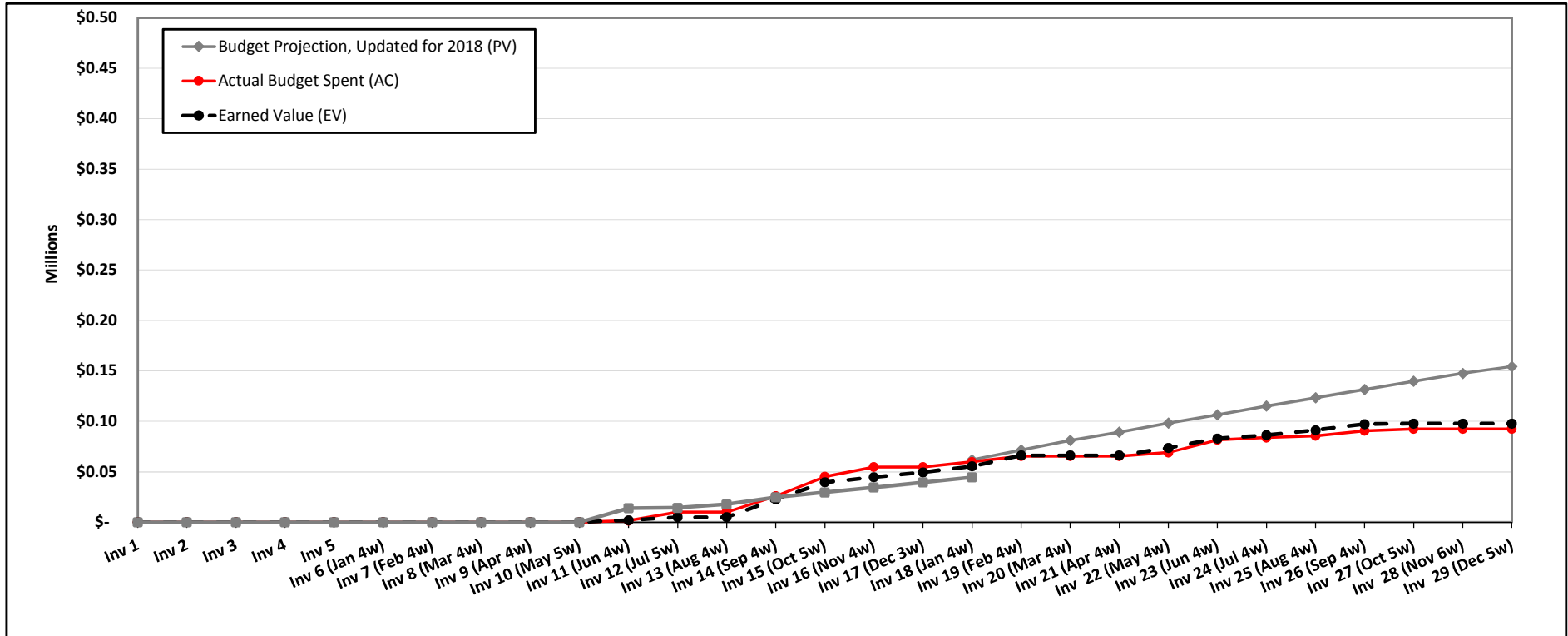
Great Lakes Water Supply Program
Phase 1 and 2
Task 6 - Pump Stations, Storage, and Chemical Treatment Earned Value Chart
(Excluding Allowances and Contingencies)



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 5,018,415
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 144,022
Cost Variance ^(CV) (CV=EV-AC)	\$ (71,512)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (140,742)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.99
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.97
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.96
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 5,092,008.45
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (73,593.35)

- Task 6 Pump Stations, Storage and Chemical Treatment Plan/Progress**
- Submitted Geotechnical Report – BPS (6-120 D2) for Contract Package 3 for Task Lead review.
 - Submitted Draft Geotechnical Report – WSPS (6-120 D3) for Contract Package 1 for Task Lead review.
 - Reviewed Draft Phase II Environmental Site Assessment - WSPS and provided comments to author.
 - Submitted application to Waukesha County for Racine Avenue access drive at the BPS. Access location approved by County and will work with Program to finalize permit in the year that construction begins

- Task 6 Pump Stations, Storage and Chemical Treatment Challenges**
- Land Acquisition prior to beginning zoning process with New Berlin which could impact building materials and site improvements.



Earned Value Calculations	
Budget at completion ^(BAC1) (BAC)	\$ 154,378
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 53,493
Cost Variance ^(CV) (CV=EV-AC)	\$ 5,290
Schedule Variance (SV) (SV=EV-PV)	\$ (56,551)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.06
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.63
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.67
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 146,029.84
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 8,348.16

Task 7 Construction and Construction Management Plan/Progress
<ul style="list-style-type: none"> No Activity.

Task 7 Construction and Construction Management Challenges
<ul style="list-style-type: none"> Impending Federal funding and financing opportunities may impact the bidding strategy for the Program.