



## MEMORANDUM

DATE: September 26, 2017  
TO: Dan Duchniak  
FROM: Donna Scholl  
RE: 2018 Capital Improvement Plan

As you know we are scheduled to present to the Commission the first draft of the 2018 Capital Improvement Plan (CIP). This first draft is for discussion and provides us an opportunity to get their guidance at the front end of the process.

This initial plan indicates that the capital budget for 2018 will be approximately \$16.6 million; Future Water Supply = 13.1 million and Routine = 3.5 million.

We project 2017 Capital Expenditures to be approximately \$15.3 million, almost even with the 15.2 million budgeted.

The List of Significant Items totals \$16.3 million. After the commission has discussed these budgeted items, they will have analyzed 98% of the Utility Capital Budget.

The Utility will have spent all funds borrowed in 2017. \$4.0 million of Drinking Water Loans did not materialize because the expenditures were too old to be reimbursed.

At 2017 year end, cash is predicted to be at \$29.0 million.

The Utility will need to issue \$16.6 million of Note Anticipation Notes early in the year in order to fund the plan. An additional \$10.7 million of Safe Drinking Water Loans will be issued later in the year to cover current and past expenditures on Distribution System Improvements. \$5.5 million of those funds will be used to reimburse the City for previously issued GO debt. This transaction will free up \$5.5 million of the City's GO debt to be used by the Utility in 2019.

I look forward to presenting more detailed information at the meeting.

# **Waukesha Water Utility Capital Improvement Plan**

2018

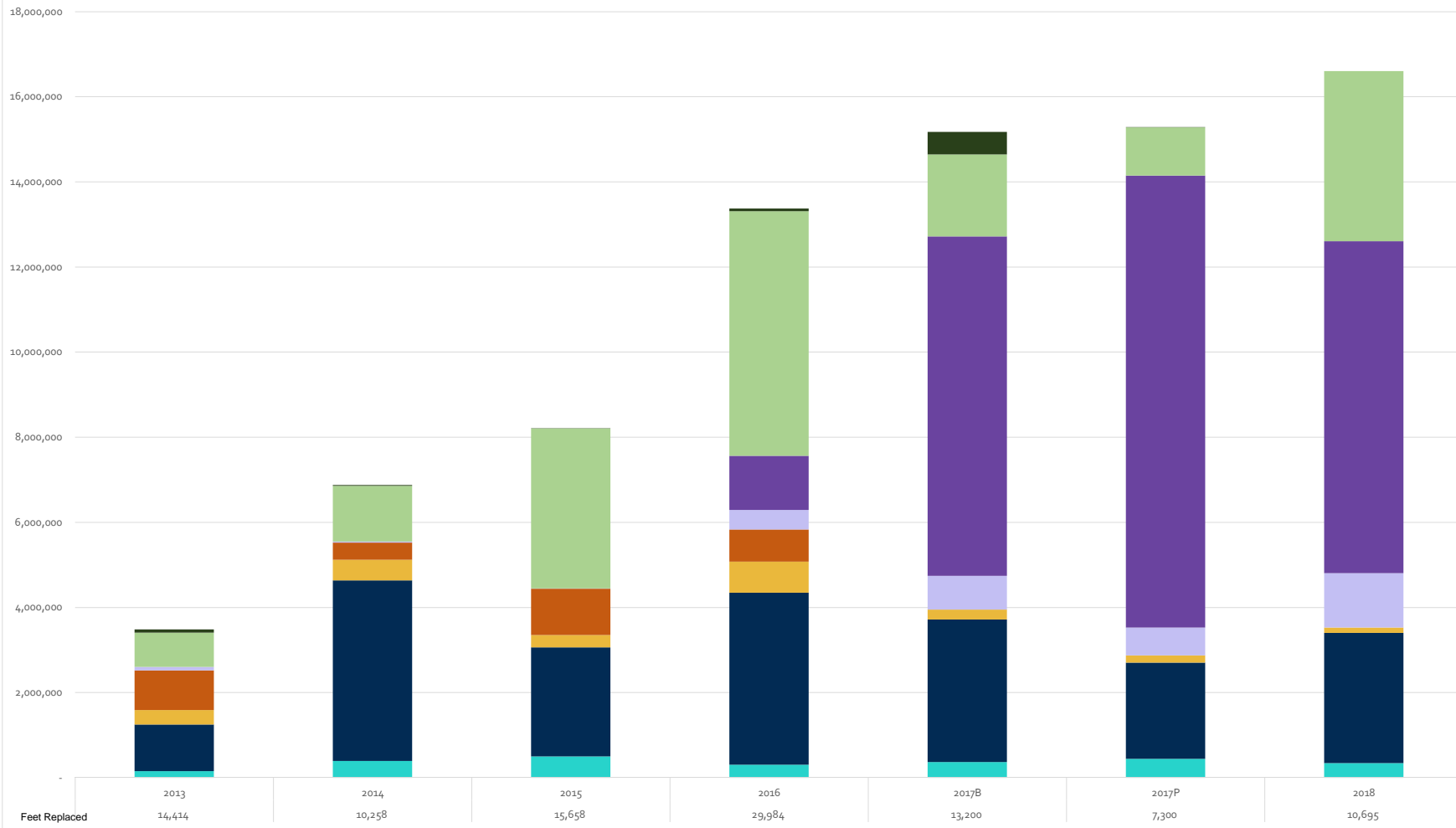
History

Significant Items

Cash

Borrowing

WWU  
CAPITAL IMPROVEMENTS - HISTORY  
2013 - 2018



- Return Flow
- DSI
- Supply
- PM/CM
- WWU Admin
- Application
- GP
- T&D
- SP&T

WAUKESHA WATER UTILITY  
CIP  
SIGNIFICANT ITEMS > \$100,000  
2018

FUTURE WATER SUPPLY

WWU Administration			
Internal Labor	\$	189,049	
Financial Planning		155,000	
Legal & Regulatory		255,000	
Route Determination		132,026	
Effluent Land		463,583	
PM/CM		7,800,000	
Distribution System Improvements			
Segment AC - 3,900 feet		2,733,419	
N Moreland - 2,000 feet		1,265,199	\$ 12,993,275
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ROUTINE

Capital Pumping Equipment	\$	258,265	
Main Replacement - 4,795 feet		2,331,686	
Street Lateral Replacements		150,960	
Hydrant Replacement		153,984	
Valve Replacements		155,879	
Manhole to valve box conversions		122,023	
Water Meter Replacement		143,113	\$ 3,315,910
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\$ 16,309,185    98%

TOTAL CAPITAL BUDGET

\$ 16,604,518

CONTRIBUTED CAPITAL

\$ 2,028,254

**WAUKESHA WATER UTILITY  
STATEMENT OF SOURCES AND USES OF CASH  
PERIOD ENDING DECEMBER 31, 2017**

**Cash Balance - August 31, 2017** \$35,314,273

**SOURCES 9/1 - 12/31:**

**Operations:**

Customers - water sales	\$3,736,082
Waste Water Utility - joint metering billing	227,873
Rent of utility property - cellular leases	42,552
Receipts on sewer bills	4,138,761
Other - miscellaneous	48,282
<b>Total Cash From Operating Activities</b>	<b>\$8,193,550</b>

**Capital and Related Financing Activities:**

Grants	
Contributions	15,600
Issuance of long-term debt	
Sale of short-term debt	
Interest income	128,823
<b>Total Cash From Capital/ Investing Activities</b>	<b>\$144,423</b>

<b>Total Cash Receipts</b>	<b>\$8,337,973</b>
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**USES 9/1 - 12/31:**



Salaries, wages, payroll taxes and benefits	1,118,156
Subcontracted and outside services	130,836
Disbursement to city for sewer transfer	4,155,528
Pumping power	223,650
Purchase of materials and supplies	272,360
Tax equivalent - PILOT	
Acquisition of capital assets	7,493,825
Debt service - principal	370,000
Debt service - interest	909,468
<b>Total Cash Used</b>	<b>\$14,673,824</b>

<b>Net Change in Cash</b>	<b>(\$6,335,851)</b>
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<b>Cash Balance - December 31, 2017</b>	<b>\$28,978,422</b>
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WAUKESHA WATER UTILITY  
CIP  
BORROWED FUNDS - BUDGET  
2018

<u>Capital</u>	<u>Budget</u>	<u>Less Funds Remaining</u>	<u>Total Needed</u>	<u>Less Grants</u>	<u>Borrowed Funds Needed</u>	<u>Less SDWLP</u>	<u>Debt Needed</u>
FWS	13,077,275						
Routine	3,527,243						
	16,604,518	0	16,604,518	-	16,604,518		16,604,518

10,663,168  5,512,409 Repay City  
 5,150,759 Arrives Late in Year