



MEMORANDUM

DATE: September 18, 2016
TO: Dan Duchniak
FROM: Donna Scholl
RE: 2017 Capital Improvement Plan

As you know we are scheduled to present to the Commission the first draft of the 2017 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 2017 will be approximately \$8.8 million; Future Water Supply = 4.9 million and Routine = 3.9 million.

We project 2016 Capital Expenditures to be approximately \$13.2 million, down from the 18.2 million budgeted, due to the elimination of a city street project.

The List of Significant Items totals \$8.4 million. After the commission has discussed these budgeted items, they will have analyzed 95% of the Utility Capital Budget.

Funds remaining from the 2016 borrowing and Safe Drinking Water money can fund the 2017 CIP. At 2016 year end, \$4.1 million will remain from the 2016 borrowing. Safe Drinking Water Loans totaling \$5.5 will reimburse the Utility for funds spent on Distribution System Improvements in 2013 – 2015.

The Utility could avoid issuing the remaining \$9.8 million dollars promised by the City in GO Debt until a later year, thereby deferring the interest expense associated with borrowing.

At 2016 year end, cash is predicted to be at \$29.5 million.

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

Waukesha Water Utility Capital Improvement Plan

2017

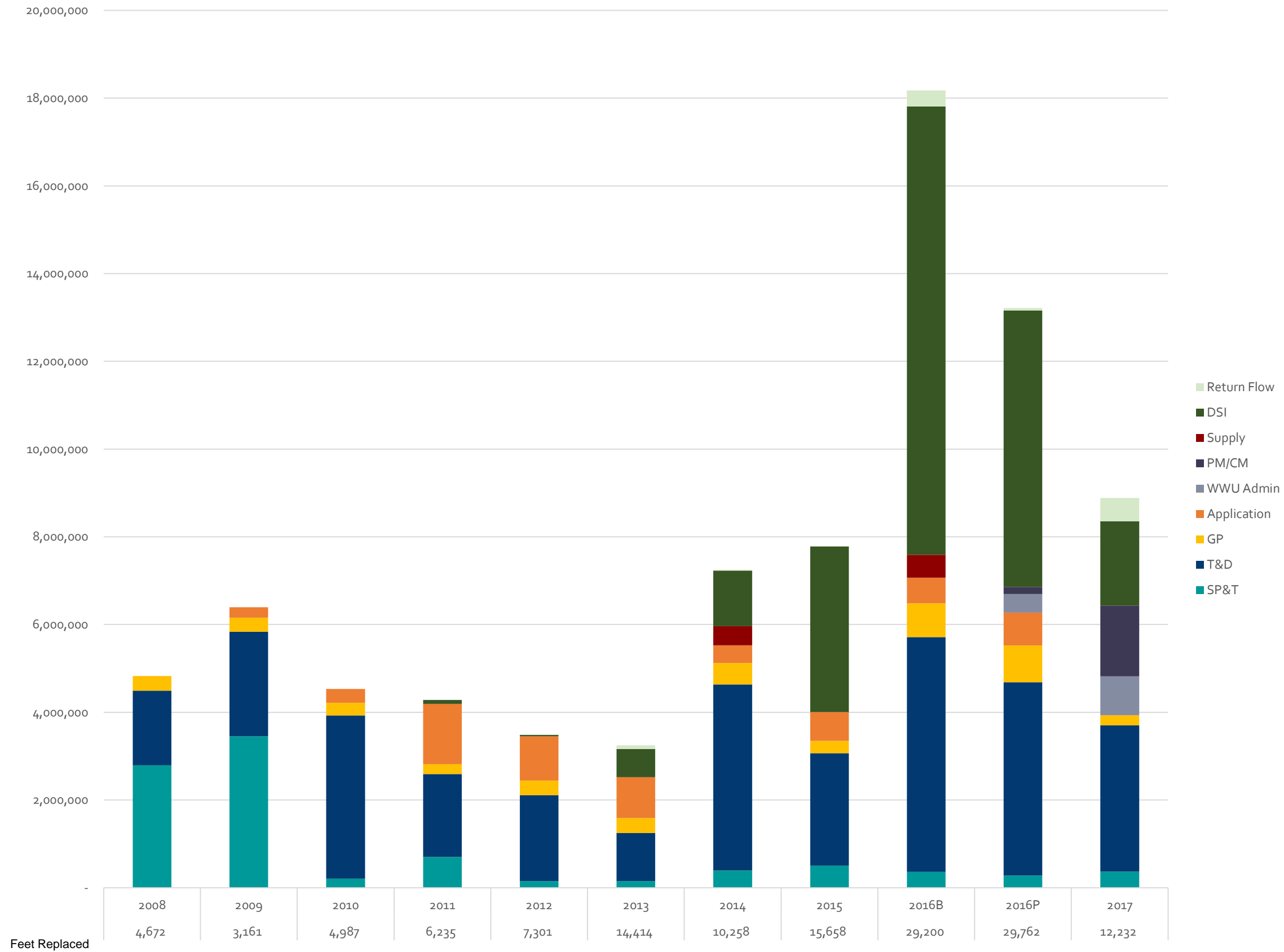
History

Significant Items

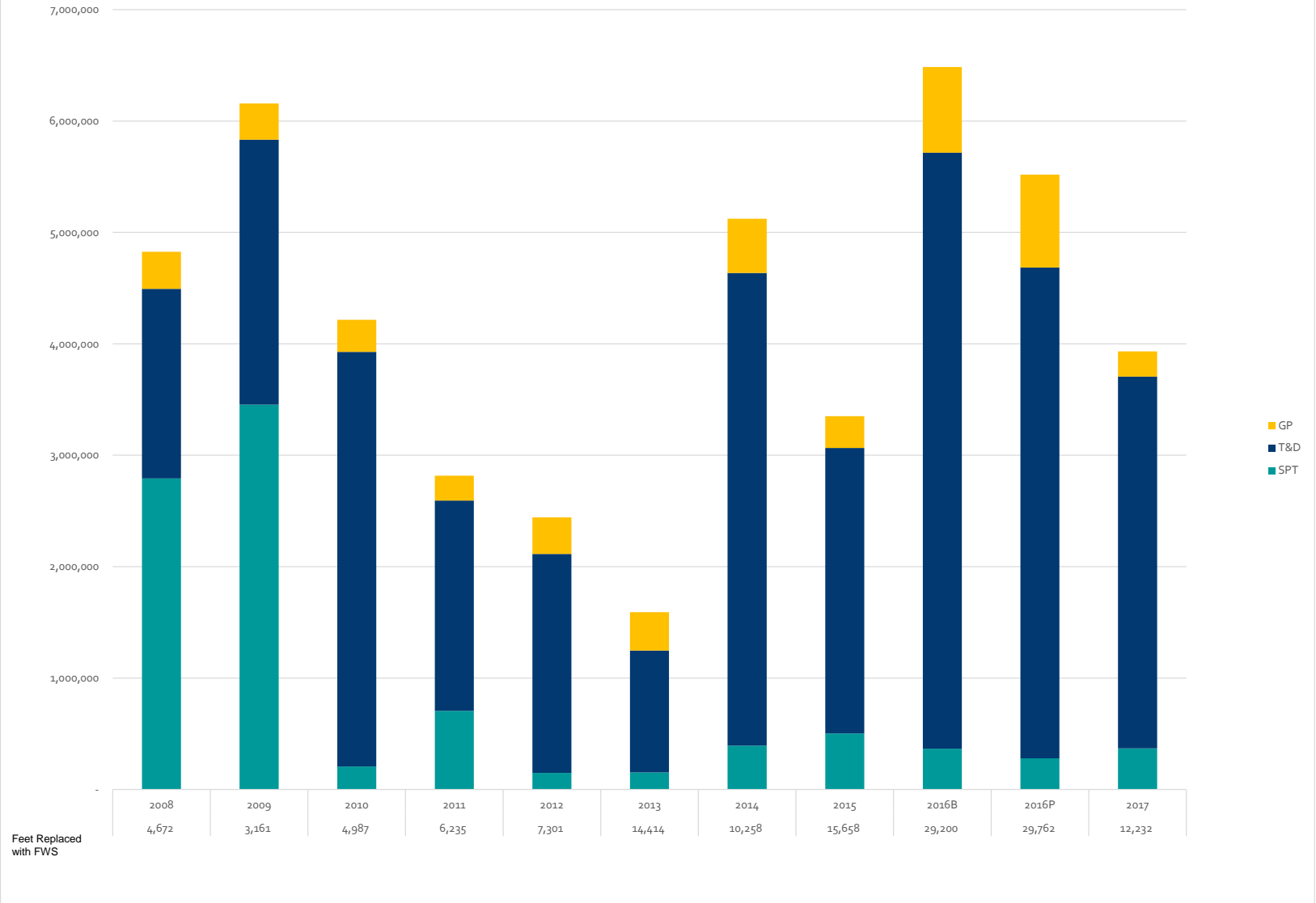
Borrowing

Cash

WWU
CAPITAL IMPROVEMENTS - HISTORY
2008-2017



WWU
 CAPITAL IMPROVEMENTS - HISTORY
 ROUTINE
 2008-2017



WAUKESHA WATER UTILITY
CIP
SIGNIFICANT ITEMS > \$100,000
2017

FUTURE WATER SUPPLY

WWU Administration			
Internal Labor	\$	467,238	
Financial Planning		139,500	
Legal & Regulatory		159,250	
Public Relations		120,000	
PM/CM		1,612,698	
Distribution System Improvements			
Segment AC - 1,200 feet		1,924,600	
Return Flow			
Land		528,332	\$ 4,951,618

ROUTINE

Capital Pumping Equipment	\$	295,440	
Main Replacement - 11,032 feet		2,786,885	
Street Lateral Replacements		112,418	
Valve Replacements		135,916	
Water Meter Replacement		136,135	\$ 3,466,794

\$ 8,418,412 95%

TOTAL CAPITAL BUDGET

\$ 8,883,785

CONTRIBUTED CAPITAL

\$ 779,942

WAUKESHA WATER UTILITY
CIP
BORROWED FUNDS - BUDGET
2017

<u>Capital</u>	Budget	Less P Funds Remaining	Total Needed	Less Grants	Borrowed Funds Needed	Less SDWLP	GO Debt Needed
FWS	4,951,618						
Routine	3,932,167						
	8,883,785	4,181,792	4,701,993	-	4,701,993	5,524,392	-

GO Debt from City	50,000,000	
GO Debt Utilized	<u>40,115,000</u>	
GO Debt Available		9,885,000
GO Debt Remaining at 12/31/17		<u><u>\$ 9,885,000</u></u>

**WAUKESHA WATER UTILITY
STATEMENT OF SOURCES AND USES OF CASH
PERIOD ENDING AUGUST 31, 2016**

Cash Balance - August 31,2016

\$34,957,136

SOURCES 9/1 - 12/31:

Operations:

Customers - water sales	\$3,762,203
Waste Water Utility - joint metering billing	263,158
Rent of utility property - cellular leases	128,981
Receipts on sewer bills	3,931,315
Other - miscellaneous	53,324
Total Cash From Operating Activities	\$8,138,980

Capital and Related Financing Activities:

Grants	
Contributions	69,434
Issuance of long-term debt	
Sale of short-term debt	
Interest income	56,450
Total Cash From Capital/ Investing Activities	\$125,884

Total Cash Receipts

\$8,264,864

USES 9/1 - 12/31:

Salaries, wages, payroll taxes and benefits	\$1,021,764
Subcontracted and outside services	205,427
Disbursement to city for sewer transfer	3,809,024
Pumping power	250,663
Purchase of materials and supplies	444,171
Tax equivalent - PILOT	
Acquisition of capital assets	6,517,395
Debt service - principal	790,000
Debt service - interest	665,424
	665,424

Total Cash Used

\$13,703,868

Net Change in Cash

(\$5,439,004)

Cash Balance - December 31, 2016

\$29,518,132