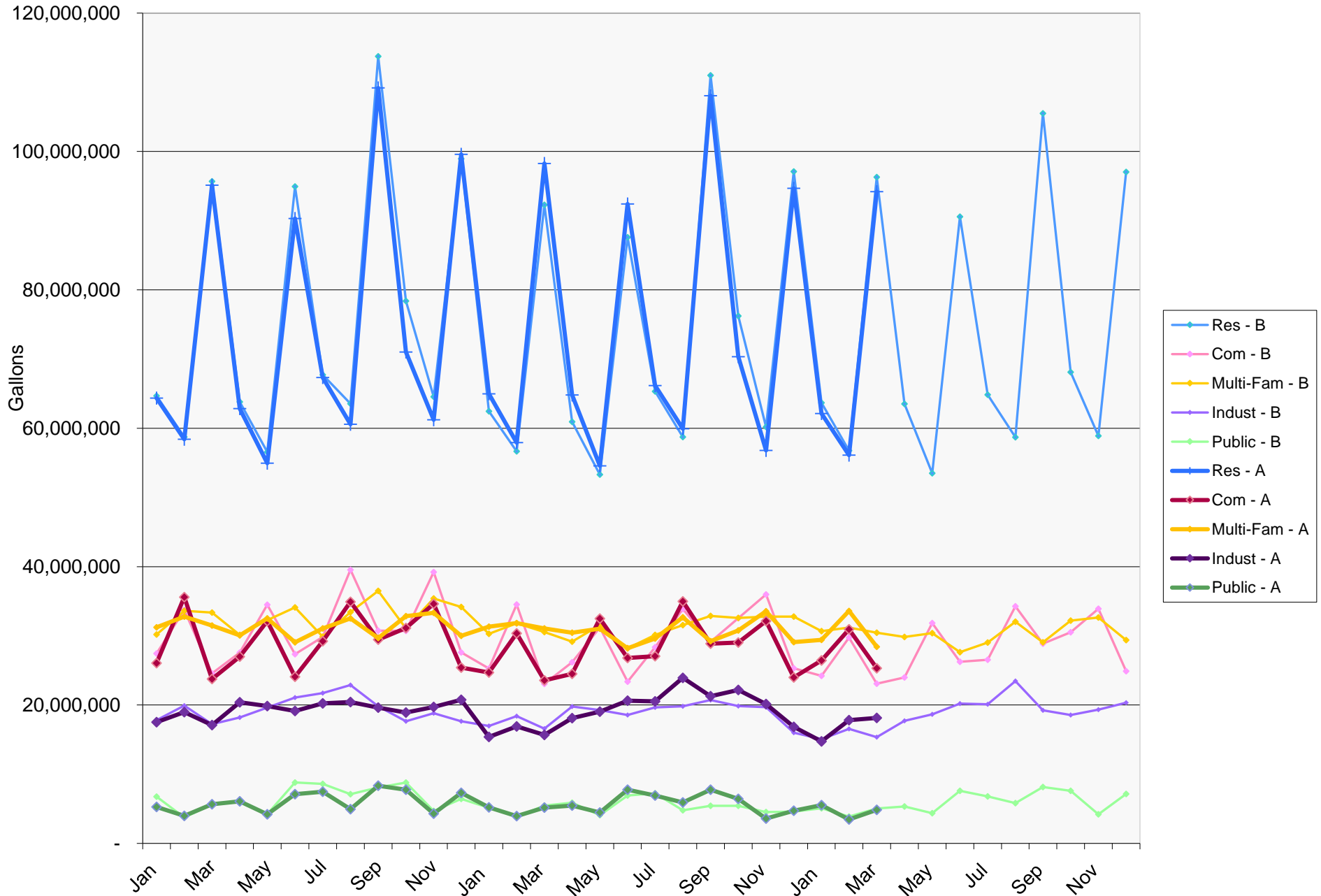


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 3/31/2019**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'19	BUDGET'19	VARIANCE	%	ACTUAL'19	BUDGET'19	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$530,719.37	\$532,328.80	(\$1,609.43)	(0.30)	\$1,194,191.49	\$1,167,853.82	\$26,337.67	2.26	\$4,824,683.03
Commercial	104,883.19	97,514.35	7,368.84	7.56	354,209.62	321,067.43	33,142.19	10.32	1,437,793.46
Industrial	61,500.25	52,846.18	8,654.07	16.38	175,533.76	162,567.56	12,966.20	7.98	770,326.57
Public	20,891.25	21,408.14	(516.89)	(2.41)	59,340.04	58,871.14	468.90	0.80	287,895.53
Multi Family	120,086.16	125,104.74	(5,018.58)	(4.01)	388,458.56	377,875.46	10,583.10	2.80	1,540,312.64
Irrigation	736.34	498.13	238.21	47.82	4,417.87	4,843.62	(425.75)	(8.79)	42,826.69
Total Metered Sales	\$838,816.56	\$829,700.34	\$9,116.22	1.10	\$2,176,151.34	\$2,093,079.03	\$83,072.31	3.97	\$8,903,837.92
Private Fire Capacity	\$19,733.67	\$19,316.78	\$416.89	2.16	\$64,726.04	\$57,063.47	\$7,662.57	13.43	\$239,814.12
Public Fire Capacity	217,428.78	212,183.91	5,244.87	2.47	543,277.08	501,089.39	42,187.69	8.42	2,112,230.99
Other Operating Revenues	36,866.83	26,676.03	10,190.80	38.20	74,308.57	80,624.83	(6,316.26)	(7.83)	471,295.46
TOTAL OPERATING REVENUES	\$1,112,845.84	\$1,087,877.06	\$24,968.78	2.30	\$2,858,463.03	\$2,731,856.72	\$126,606.31	4.63	\$11,727,178.49
OPERATING EXPENSES:									
Source	\$51,139.40	\$51,936.93	(\$797.53)	(1.54)	\$152,755.68	\$154,505.94	(\$1,750.26)	(1.13)	\$755,121.90
Pumping	80,255.41	72,791.34	7,464.07	10.25	237,648.50	229,601.50	8,047.00	3.50	1,038,078.03
Treatment	52,679.86	68,150.73	(15,470.87)	(22.70)	104,342.75	128,503.67	(24,160.92)	(18.80)	535,037.61
Distribution	63,041.40	84,821.41	(21,780.01)	(25.68)	360,201.71	314,675.23	45,526.48	14.47	1,379,286.99
Customer Service	11,042.80	20,368.21	(9,325.41)	(45.78)	47,139.18	60,904.63	(13,765.45)	(22.60)	258,081.70
Administrative	130,918.54	162,021.46	(31,102.92)	(19.20)	438,854.29	469,171.28	(30,316.99)	(6.46)	1,677,514.93
Total	\$389,077.41	\$460,090.08	(71,012.67)	(15.43)	\$1,340,942.11	\$1,357,362.25	(16,420.14)	(1.21)	\$5,643,121.16
MANAGERS' MARGIN	723,768.43	627,786.98	95,981.45	15.29	1,517,520.92	1,374,494.47	\$143,026.45	10.41	6,084,057.33
Depreciation	158,640.16	159,482.42	(842.26)	(0.53)	479,611.38	478,447.26	1,164.12	0.24	1,913,789.04
Tax Equivalent	168,280.82	168,280.82	0.00	0.00	504,842.46	504,842.46	0.00	0.00	2,019,369.84
Other Taxes	11,265.28	12,395.50	(1,130.22)	(9.12)	36,176.64	37,186.50	(1,009.86)	(2.72)	159,817.37
TOTAL OPERATING EXPENSES	\$727,263.67	\$800,248.82	(\$72,985.15)	(9.12)	\$2,361,572.59	\$2,377,838.47	(\$16,265.88)	(0.68)	\$9,736,097.41
TOTAL OPERATING INCOME(LOSS)	\$385,582.17	\$287,628.24	\$97,953.93	34.06	\$496,890.44	\$354,018.25	\$142,872.19	40.36	\$1,991,081.08
NON OPERATING INCOME&(EXPENSE)	(144,913.52)	(189,244.24)	44,330.72	(23.43)	(434,516.48)	(567,732.72)	133,216.24	(23.46)	(371,184.63)
NET INCOME(LOSS)	\$240,668.65	\$98,384.00	\$142,284.65	144.62	\$62,373.96	(\$213,714.47)	\$276,088.43	(129.19)	\$1,619,896.45

WWU
 Billed Gallons
 Actual v Budget
 2017 - 2019



**WAUKESHA WATER UTILITY
BALANCE SHEET
3/31/2019**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$26,188,953.20
ACCOUNTS RECEIVABLE	5,949,286.19
RECEIVABLE FROM SEWER REIMB	0.01
MATERIALS & SUPPLIES	396,857.78
OTHER CURRENT ASSETS	0.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	<u>\$32,535,097.18</u>
DEFERRED	
DEFERRED ASSETS	<u>\$25,775,139.95</u>
TOTAL DEFERRED DEBITS	25,775,139.95
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$663,813.98
DEBT RESERVE ACCOUNT	477,655.29
CONSTRUCTION FUND	150.76
TAX EQUIV RESERVE ACCOUNT	1,176,646.80
TOTAL RESTRICTED FUNDS	<u>\$2,318,266.83</u>
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$93,355,451.83
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	529,912.20
RESTRICTED NET PENSION	403,235.00
TOTAL UTILITY PLANT	<u>\$94,723,688.72</u>
TOTAL ASSETS	<u><u>\$155,352,192.68</u></u>
 LIABILITIES	
CURRENT	
CUR PORTION BOND	1,074,440.48
NOTES PAYABLE	21,775,000.00
ACCOUNTS PAYABLE	1,122,638.55
PAYABLE TO OTHER FUNDS	3,499,189.82
CUSTOMER DEPOSITS	155,650.21
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	1,139,693.25
INTEREST ACCRUED	425,248.33
EMPLOYEE WITHHOLDING	10,431.67
ACCRUED PAYROLL	44,947.98
ACCRUED VACATION	249,468.59
TOTAL CURRENT LIABILITIES	<u>\$29,496,708.88</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	907,752.38
OPEB LIABILITY	4,123,441.05
OTHER DEFERRED CREDITS	<u>3,468,533.72</u>
TOTAL DEFERRED CREDITS	\$8,499,727.15
LONG-TERM	
BONDS	\$42,480,353.28
 EQUITY	
CAPITAL PAID IN BY MUNICIPALITY	\$2,707,846.48
EQUITY FINANCED BY UTILITY	37,970,779.96
EQUITY FROM CONTRIBUTIONS	33,438,445.97
RESTRICTED EQUITY	695,957.00
NET PROFIT (LOSS)	62,373.96
TOTAL EQUITY	<u>\$74,875,403.37</u>
TOTAL EQUITY AND LIABILITIES	<u><u>\$155,352,192.68</u></u>

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

Cash Balance - February 28, 2019

\$29,450,932

SOURCES:

Operations:

Customers - water sales	\$827,216
Waste Water Utility - joint metering billing	72,701
Rent of utility property - cellular leases	12,153
Receipts on sewer bills	1,146,021
Receipts from return flow	155,710
Reimbursement from City for return flow expenses	462,415
Reimbursement from City for sewer construction costs	1,830
Other - miscellaneous	9,295
Total Cash From Operating Activities	\$2,687,341

Capital and Related Financing Activities:

Grants	
Contributions	10,000
Issuance of long-term debt	4,832,080
Sale of short-term debt	
Interest income	63,173
Total Cash From Capital/ Investing Activities	\$4,905,253

Total Cash Receipts

\$7,592,594

USES:

Salaries, wages, payroll taxes and benefits	\$355,423
Subcontracted and outside services	38,404
Disbursement to city for sewer transfer	1,008,810
Disbursement to city for return flow transfer	93,361
Pumping power	70,364
Purchase of materials and supplies	112,774
Tax equivalent - PILOT	624,960
Acquisition of capital assets	882,210
Debt service - principal	4,835,000
Debt service - interest	515,002
	515,002

Total Cash Used

\$8,536,306

Net Change in Cash

(\$943,712)

Cash Balance - March 31, 2019

\$28,507,220

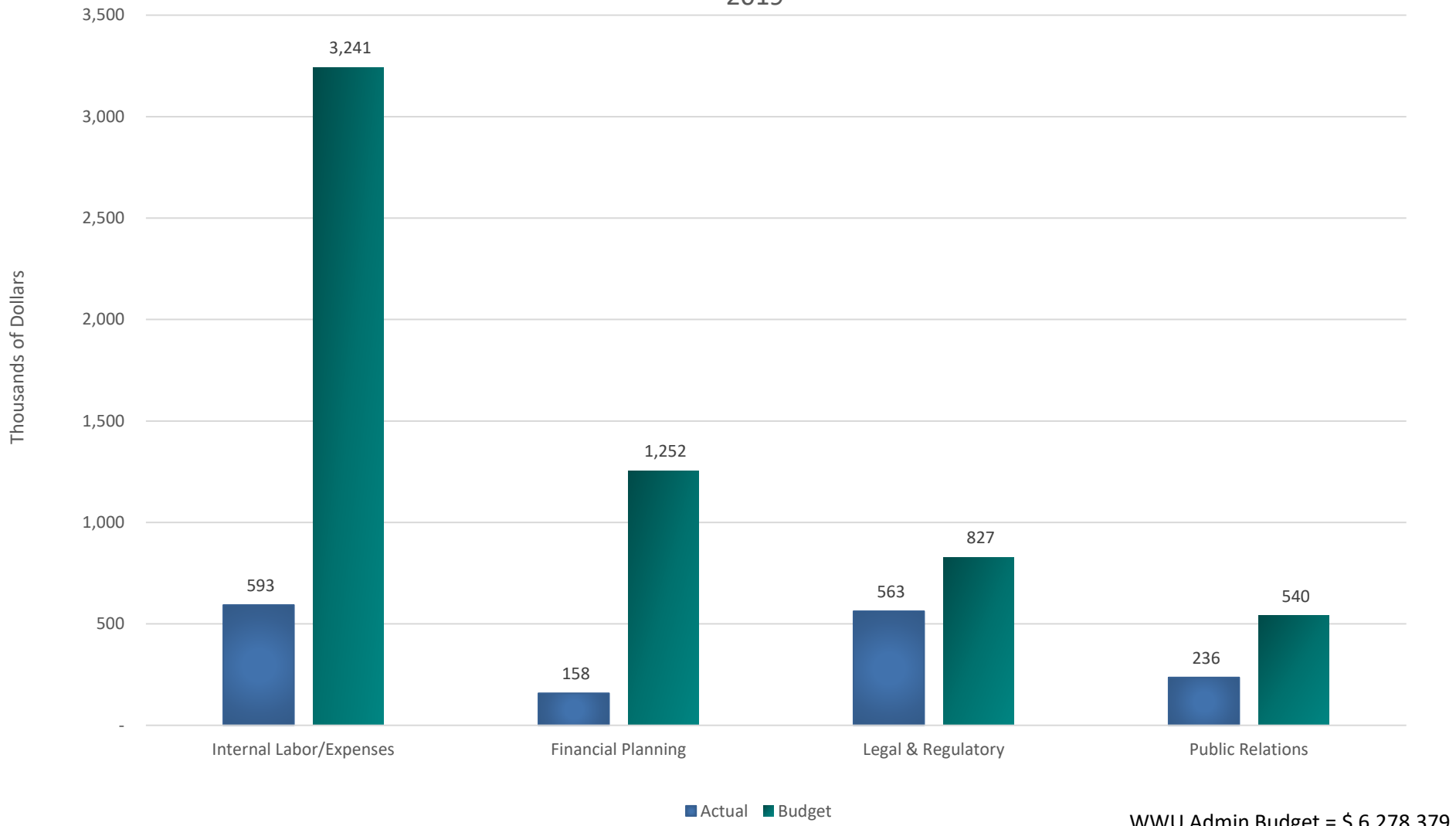
WWU
TRANSMISSION AND DISTRIBUTION
BUDGET VARIANCE ANALYSIS

Project	Project #	Description/Location	Budget	Current Estimate	PJC Total	Aldermanic District		Construction Completion
WM offsets from WSB from Genesee Road to Fiddlers Creek Drive	M00501	Water Main offsets to accommodate changes in the storm sewer and roadway alignments. Project run by WDOT.		\$ 118,780	\$ 19,212	6	Jack Wells	Fall 2019
						7	Daniel J. Manion	
						13	Dean Lemke	
						14	Rick Lemke	
Greenmeadow Sanitary Water Main Lowering	M00527	Replace 920 feet of 6-inch cast iron water main from 1966 with 8-inch PVC main on Dopp St between Joellen and Moreland. Re-connect services on Moreland between Dopp and St. Paul. Project done with City.		\$ 580,958	\$ 30,235	15	Cory Payne	Fall 2019
Dunbar - Marshall to West	M00531	Replace 1,540 feet of 6-inch cast iron from 1913 with 8-inch PVC water main on Dunbar from Marshall to West. Project done with City.		\$ 300,678	\$ 16,226	11	Leonard Miller	July 2019
Moreland - Riverview to Delafield	M00533	Replace 3,120 feet of 8-inch cast iron water main from 1958 with 12" water main on Moreland from Riverview to Delefield. Project done with City.		\$ 615,881	\$ 5,217	2	Eric Payne	September 2019
Summit - Greenmeadow to Grandview	M00537	Replace 1,780 feet of 8-inch cast iron from 1957 with 16-inch ductile iron water main on Summit from Greenmeadow to Grandview. Project done with City.		\$ 689,093	\$ 5,579	4	Joe Pieper	Fall 2019
Aurora - Main St to National Ave.	M00538	Replace 500 feet of 6-inch Phipps from 1929 with 8-inch PVC on Aurora from Main Street to National. Project done with City.		\$ 247,500	\$ 2,594	3	Cassie Rodriguez	Fall 2019
Oakmont to Pebble Valley Zone	TBD	Extend 12" water main through easement connecting Pebble Valley and Oakmont.		\$ 293,128	\$ -	14	Rick Lemke	Fall 2019
<i>Routine Projects</i>			\$ 3,045,649	\$ 2,846,019	\$ 79,062			
<i>Misc Routine</i>			\$ 936,516	\$ 936,516	\$ 936,516			
<i>Total Routine</i>			\$ 3,982,165	\$ 3,782,535	\$ 1,015,578			
Main St - Lombardi to Manhattan	GLCD0011	Replace 4,300 feet of 6-inch cast iron from 1911 with 24-inch ductile iron main. Project being done with City sanitary.		\$ 3,244,865	\$ 23,837	3	Cassie Rodriguez	October 2019
<i>Distribution System Improvements</i>			\$ 3,244,865	\$ 3,244,865	\$ 23,837			
Total Transmission & Distribution			\$ 7,227,030	\$ 7,027,400	\$ 1,039,415			

Bold Totals are Based on Bids



Future Water Supply
WWU Admin Sub Costs
2019



Status update

Waukesha Water Utility

Future Water Supply

April 15, 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”) is the Program Manager and Black & Veatch (“BV” or “CM”) is the 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.

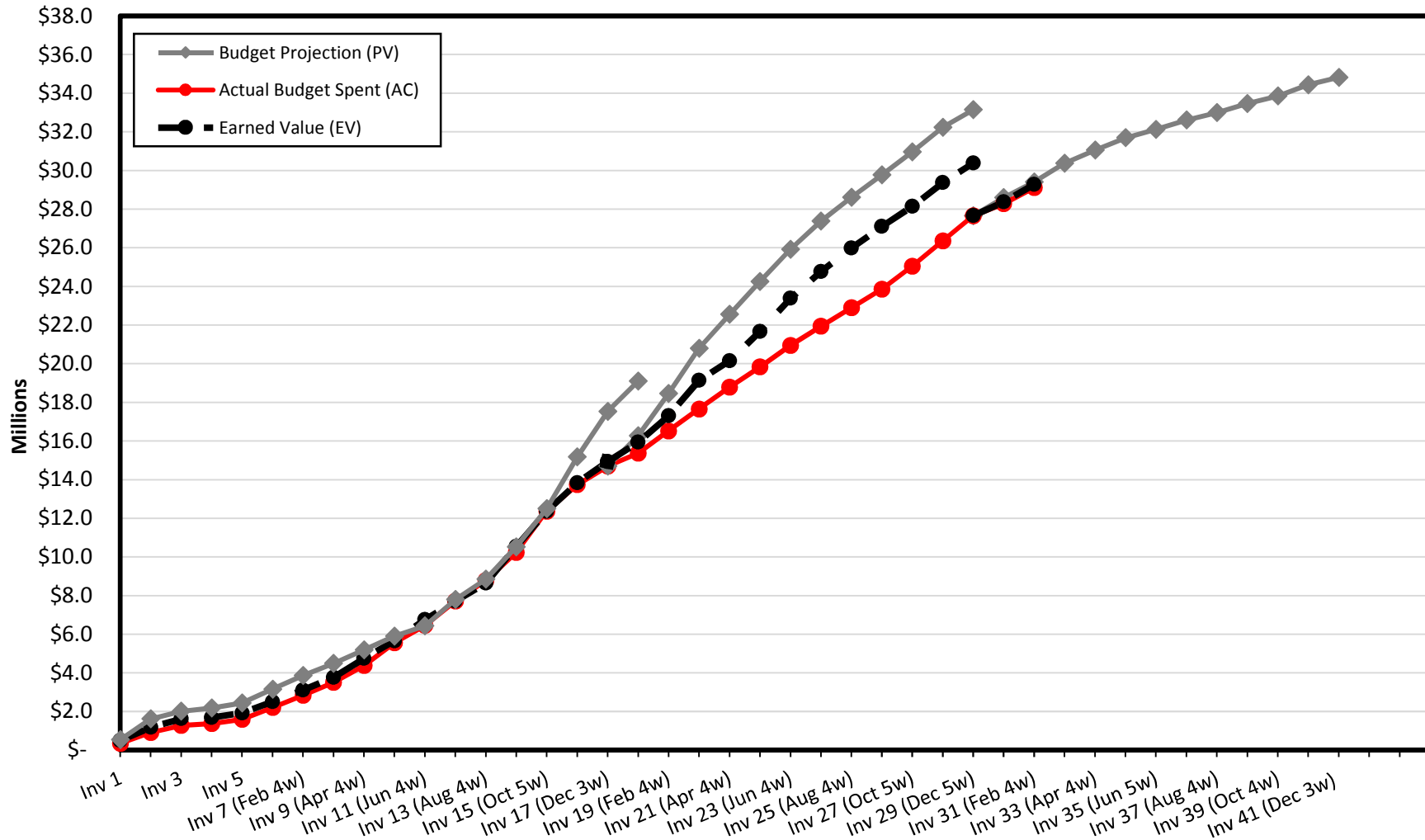
Current Period Audit Issues

During the current period, we reviewed Invoice No. 31 from Greeley and Hansen and Phase 2 Invoice No. 3 from Black & Veatch. There were no Audit Issues identified during the current period.

Current Period Request for Information

During the current period, we sent a request for payroll documentation to Black & Veatch to verify labor-billing rates comply with the contract rates (RFI 028). Black & Veatch provided documentation on April 12, 2019 and requested a call during the week of April 15th to discuss the information they provided. We will review the documentation and we will report on testing results in the May 2019 status update.

Great Lakes Water Supply Program PM/CM
Program
Earned Value Chart
Phase 1 and 2 (Invoice No. 31)
(Excluding Allowances and Contingencies)

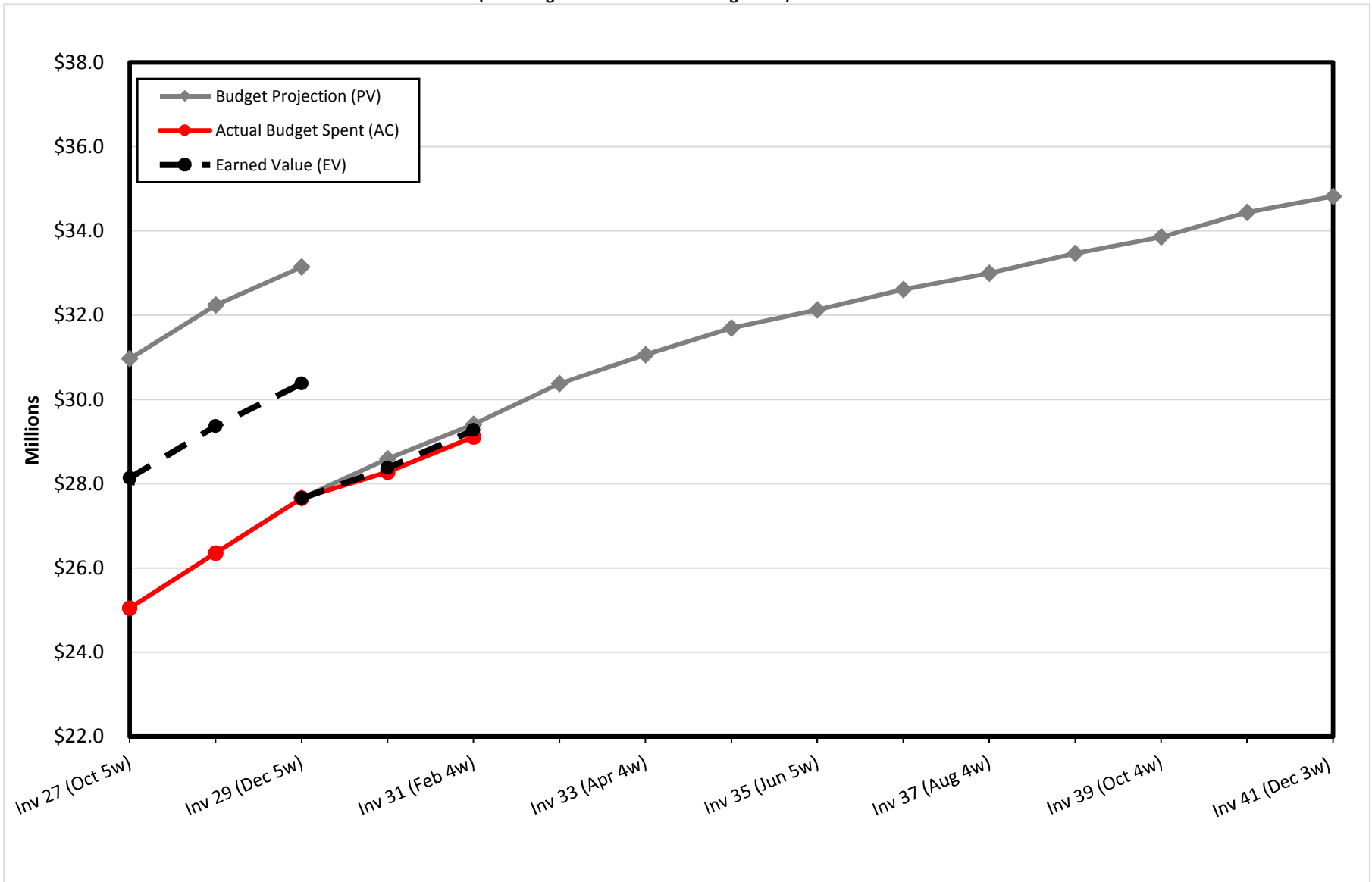


% Spent 83.2%
Actual Budget Spent \$29,110,690

Schedule Performance Index (SPI) 1.00
Cost Performance Index (CPI) 1.01

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

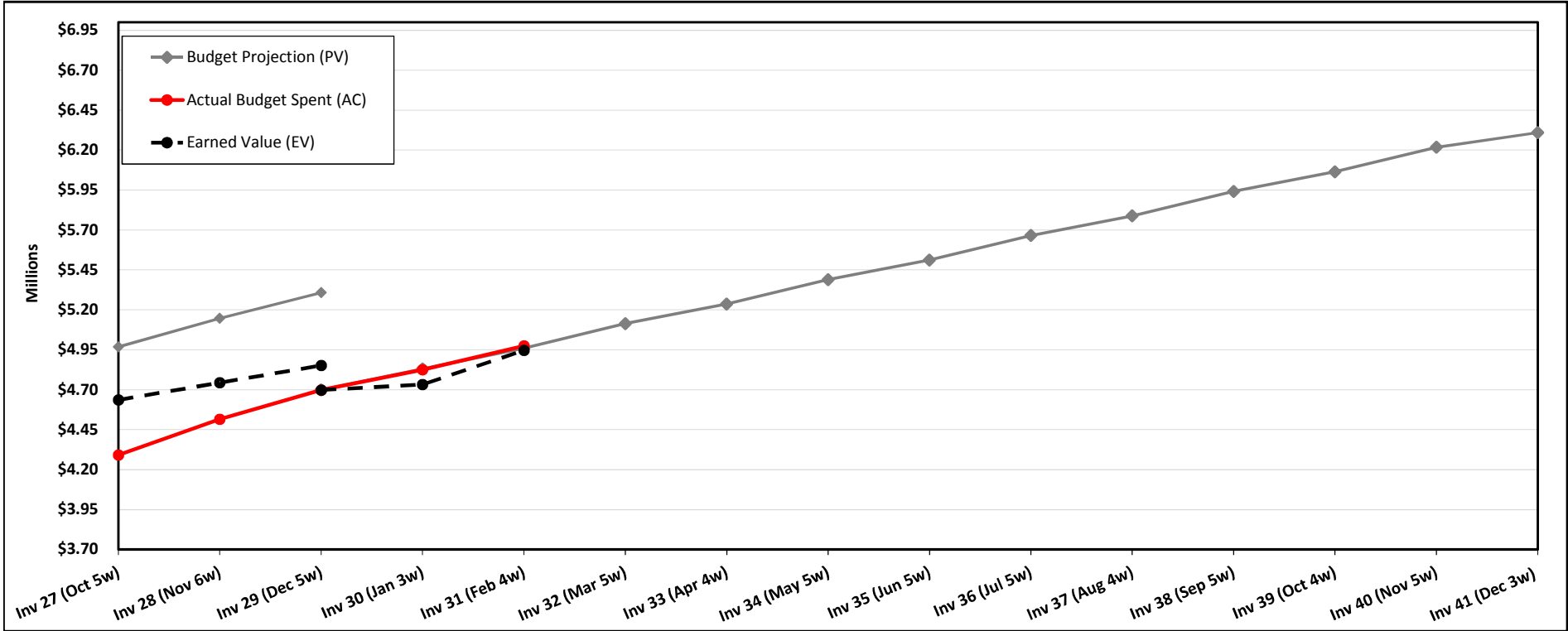
Great Lakes Water Supply Program PM/CM
Program
Earned Value Chart
Phase 1 and 2 (Invoice No. 31)
 (Excluding Allowances and Contingencies)



% Spent 83.2%
Actual Budget Spent \$29,110,690

Schedule Performance Index (SPI) 1.00
Cost Performance Index (CPI) 1.01

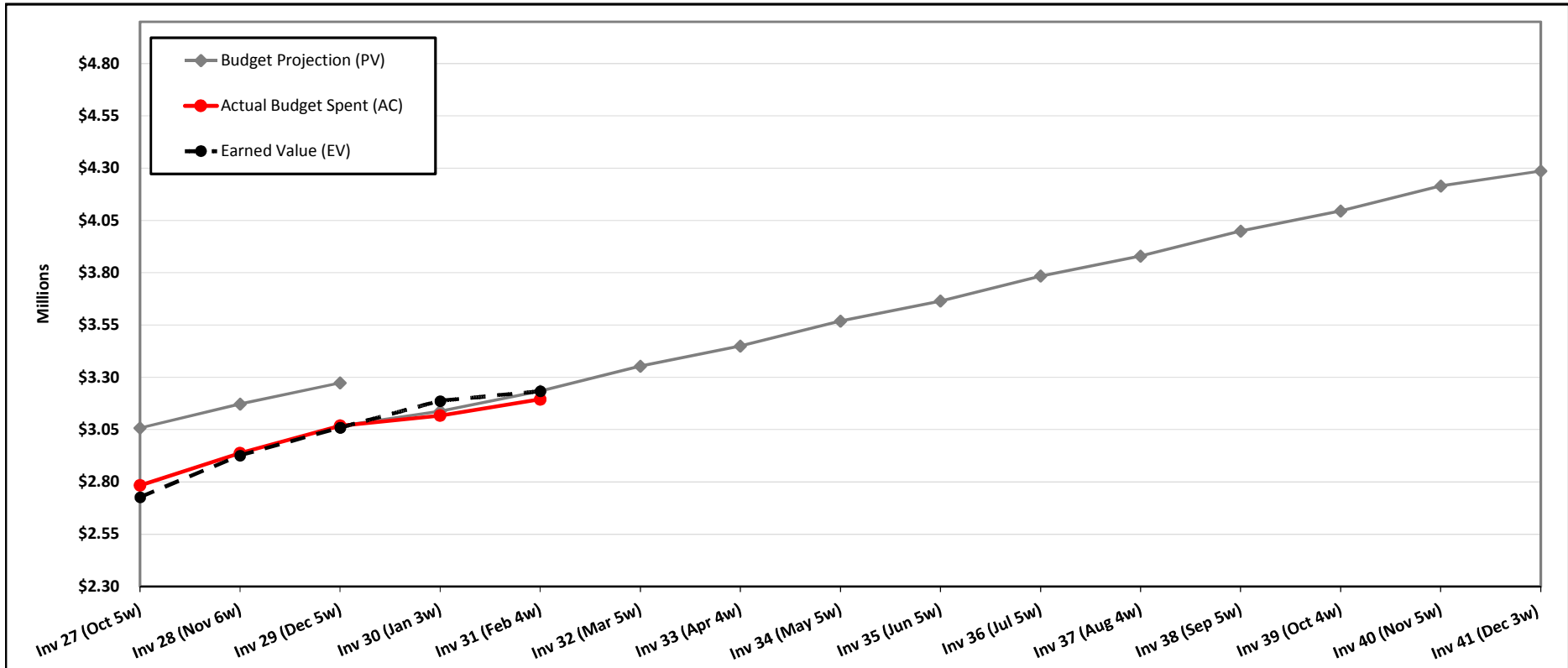
Note: Budget associated with Task 3-300, 5-200 and 5-300 water quality scope has been removed.



Earned Value Calculations	
Budget at Completion ^{(BAC)(1)} (BAC)	\$ 6,309,451
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,370,579
Cost Variance ^(CV) (CV=EV-AC)	\$ (28,086)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (13,365)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.99
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.00
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.99
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,345,275.25
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (35,824.25)

Task 1 Program Management Plan/Progress
<ul style="list-style-type: none"> Prepared and submitted Invoice No. 30; updated the Financial Management Dashboard and Report for Invoice No. 30. Held Twelve (12) Program Team meetings. Executed two subconsultants contracts. Updated Program schedule and Risk Register. Reviewed 90% Contract Package 3 Documents for Quality Management. Submitted responses to PSC request for information on the PSC Type 2 Application for Certificate of Authority and revised PSC Type 2 Application for Certificate of Authority.

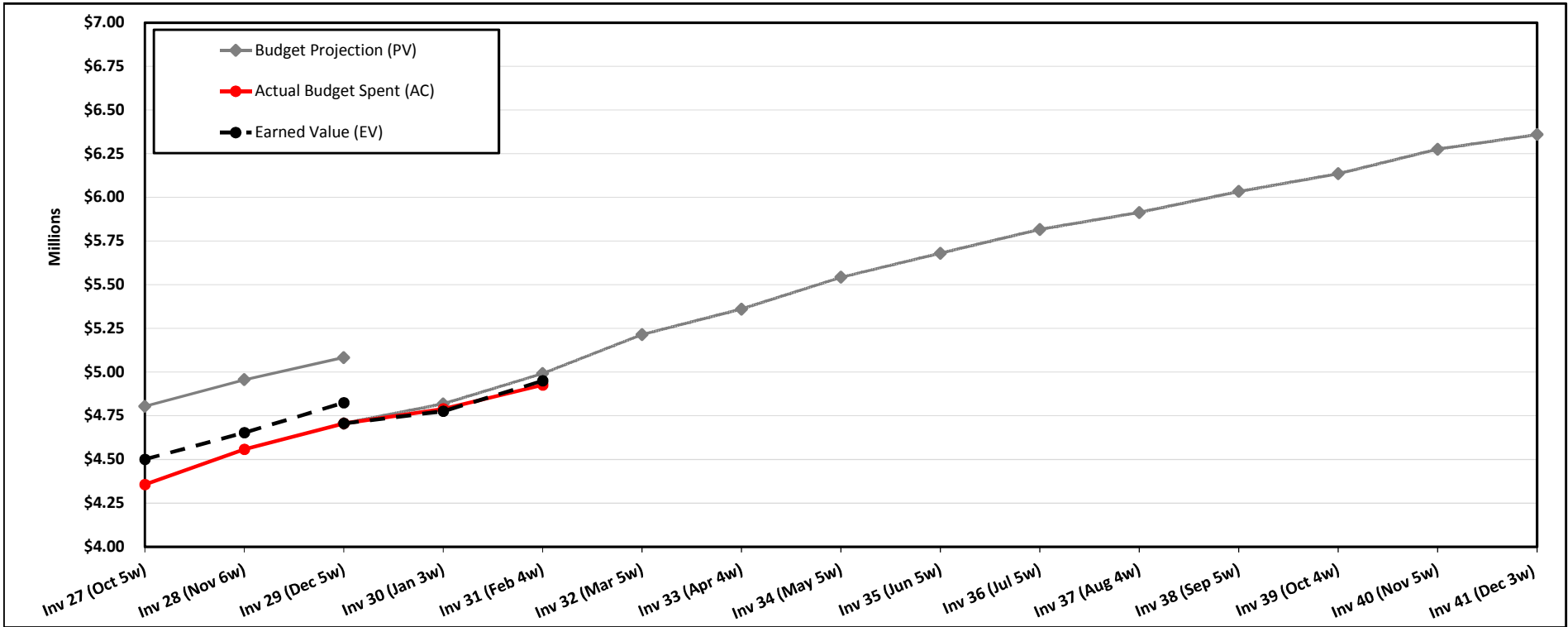
Task 1 Program Management Challenges
<ul style="list-style-type: none"> The WisDOT Interstate 43 Hardship Application requesting an easement within the WisDOT Interstate 43 right-of-way has been prepared and submitted to WisDOT. Delay of WisDOT's determination may result in delay of Program design, which 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)	\$ 4,286,663
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,040,087
Cost Variance ^(CV) (CV=EV-AC)	\$ 39,066
Schedule Variance ^(SV) (SV=EV-PV)	\$ -
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.01
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.00
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.01
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 4,234,879.12
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 51,783.68

Task 2 Programmatic Support Services Plan/Progress
<ul style="list-style-type: none"> Finalized and presented the 2018 annual presentation. Met with policy advisors for the new Governor and with the Deputy Secretary of the Department of Transportation. Scheduled meetings with the legislators along the pipeline route to discuss the project and construction. Prepared a list of topics for talking points on WDNR hearings. Prepared and reviewed PSST materials and participated in associated team correspondence throughout the reporting period, including permitting and well pump failure

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

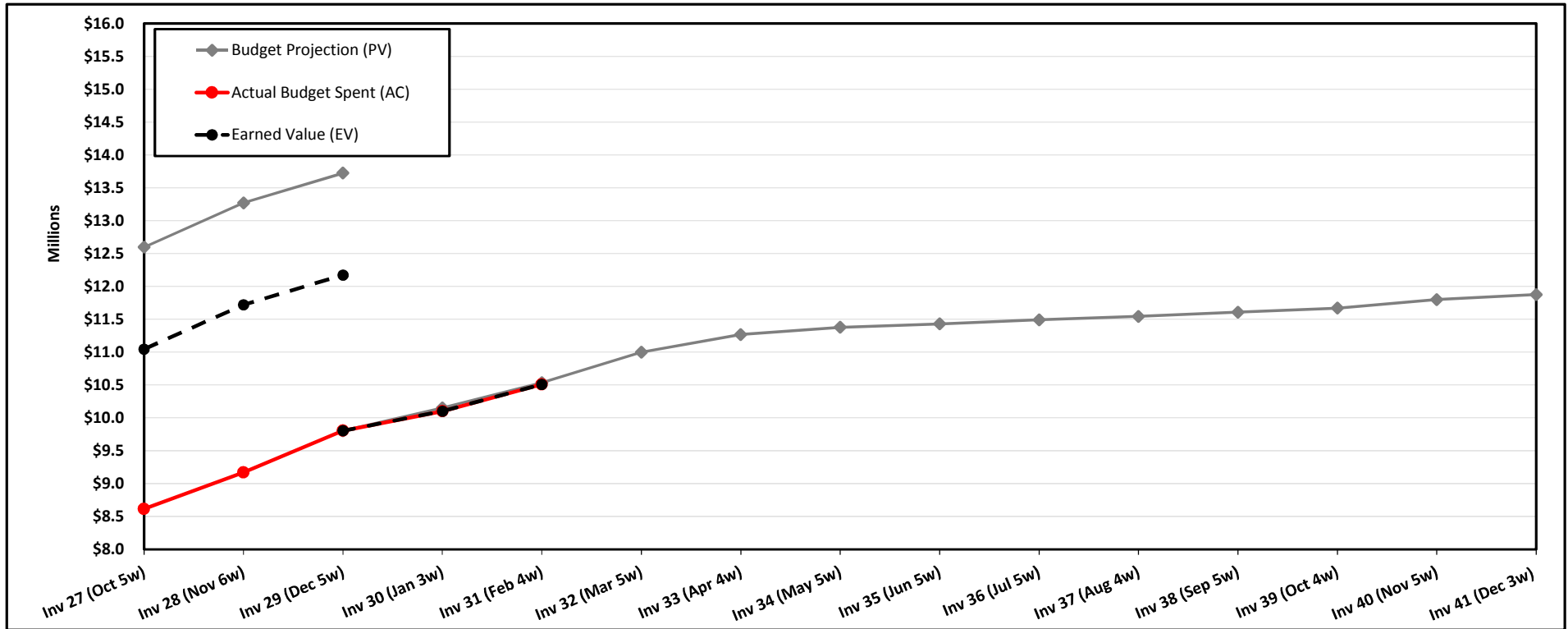


Note: The Task 3 amount for Invoice 5 was reported incorrectly in the previous version of this Report. The correct cumulative amount is \$263.96 lower.
The Task 3 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^{(BAC(1))} (BAC)	\$ 6,360,129
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,402,984
Cost Variance ^(CV) (CV=EV-AC)	\$ 23,926
Schedule Variance ^(SV) (SV=EV-PV)	\$ (42,047)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.99
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.00
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,329,390.20
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 30,739.24

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> DATCP issued their decision that an Agricultural Impact Statement (AIS) will not be required for the Program. Received conditional approval from WDNR of the Facility Plan Amendment. Submitted agreement between WWU and USGS for Root River data collection for 2019 to WWU. Submitted responses to DNR questions regarding Mixing Zone Memorandum. Began drafting responses to comments on the Wetlands and Waterways Permit Application received from WDNR and United States Army Corps of Engineers (USACE) on January 28 and 29, respectively.

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 and the WPDES discharge permit



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

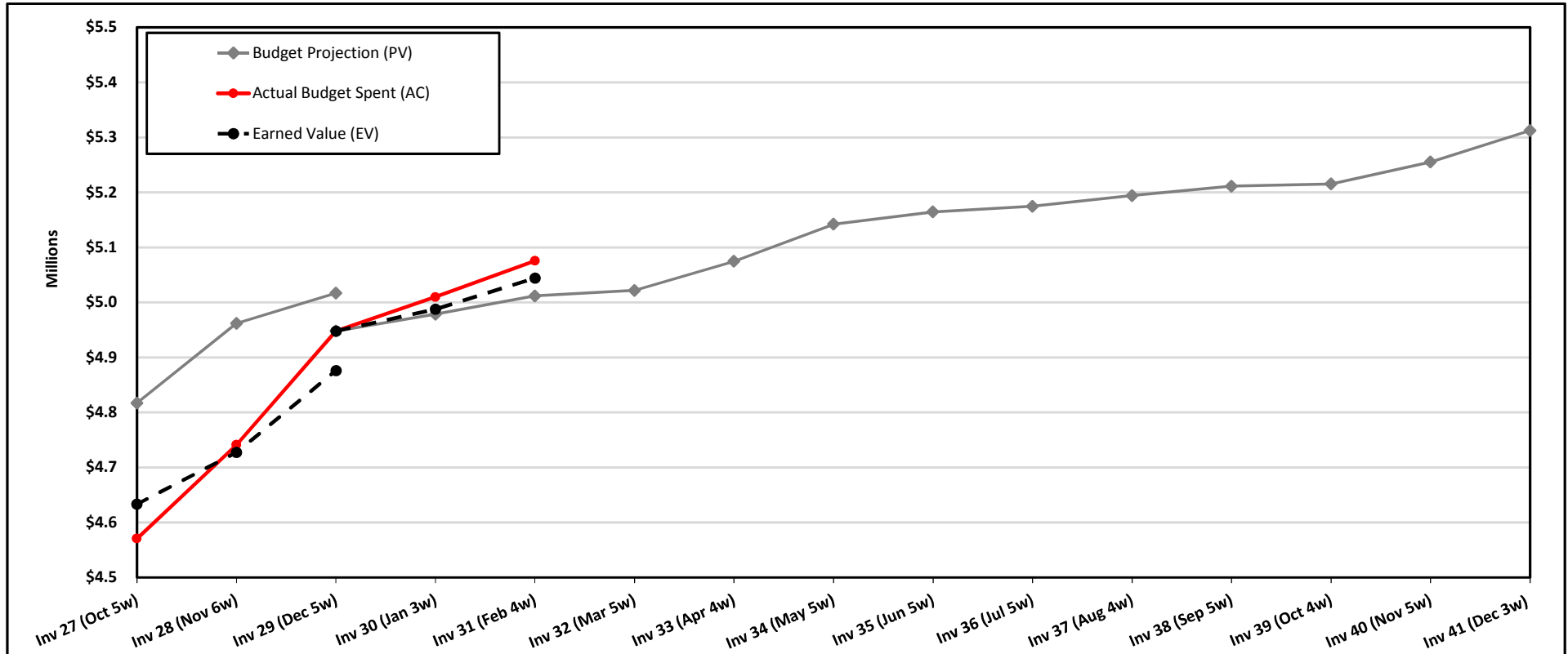
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 12,042,185
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,532,615
Cost Variance ^(CV) (CV=EV-AC)	\$ -
Schedule Variance ^(SV) (SV=EV-PV)	\$ (27,230)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.00
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.00
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 12,042,184.61
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ -

Task 4 Route Study and Pipeline Plan/Progress
<ul style="list-style-type: none"> Submitted four Phase II Environmental Site Assessment reports to WDNR. Additional information was requested and added to the NEPA CEC and submitted to WisDOT for SHPO consultation. Began to address additional comments received from WisDOT on NEPA CEC. Addressed comments on two pipeline geotechnical reports. Continued preparation of 90% design documents for CP2, CP5, and CP6.

Task 4 Route Study and Pipeline Challenges
<ul style="list-style-type: none"> 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. The Program design schedule was delayed due to the hydraulic capacity of the Return Flow Pipeline being increased to 14.5 MGD.



**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)	\$ 5,312,561
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 269,804
Cost Variance ^(CV) (CV=EV-AC)	\$ (31,167)
Schedule Variance ^(SV) (SV=EV-PV)	\$ 32,632
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.99
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.01
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.00
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 5,345,385.39
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (32,823.97)

Task 6 Pump Stations, Storage and Chemical Treatment Plan/Progress

- Coordinated with WDNR on clear water discharge of floor drains from Pumping Room and Basement to Stormwater Management System at the BPS.
- Submitted 90% Contract Drawings and Specifications (6-310 D1) for Contract Package 3 to WWU for review and comment.
- Continued to coordinate with DPLU on land transfer of BPS site.

Task 6 Pump Stations, Storage and Chemical Treatment Challenges

- Completing the land acquisition of the parcel is required prior to beginning zoning process with New Berlin. Feedback during the review and zoning process could impact building materials and site improvements.