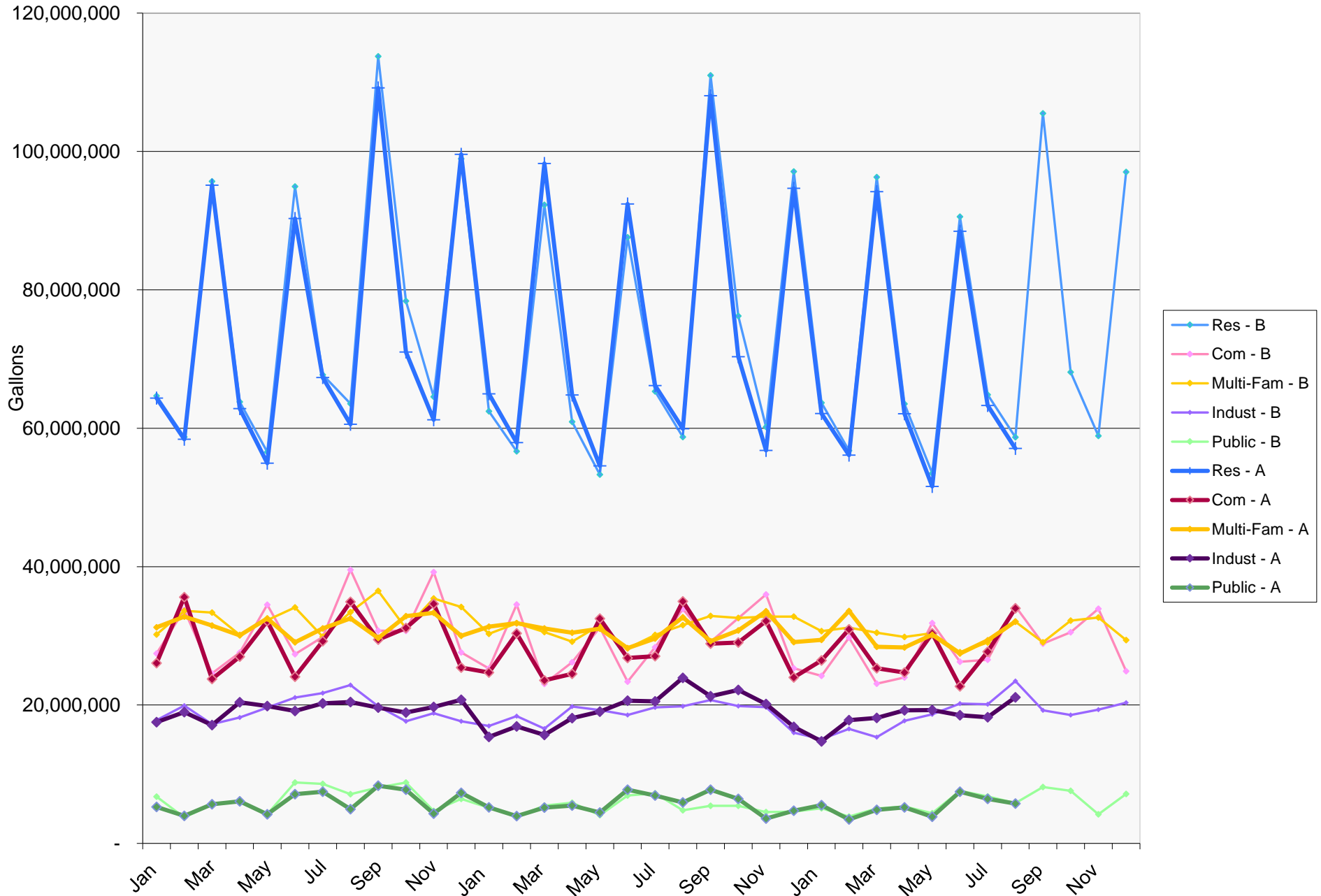


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 8/31/2019**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'19	BUDGET'19	VARIANCE	%	ACTUAL'19	BUDGET'19	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$316,731.40	\$322,292.80	(\$5,561.40)	(1.73)	\$3,004,638.07	\$3,009,985.78	(\$5,347.71)	(0.18)	\$4,824,683.03
Commercial	141,198.20	141,679.80	(481.60)	(0.34)	952,995.05	923,798.99	29,196.06	3.16	1,437,793.46
Industrial	74,535.81	79,022.67	(4,486.86)	(5.68)	507,712.39	504,279.05	3,433.34	0.68	770,326.57
Public	22,795.11	22,789.81	5.30	0.02	176,294.45	179,563.63	(3,269.18)	(1.82)	287,895.53
Multi Family	134,603.21	133,804.35	798.86	0.60	1,017,452.63	1,010,780.85	6,671.78	0.66	1,540,312.64
Irrigation	1,550.03	1,008.04	541.99	53.77	13,278.97	14,435.66	(1,156.69)	(8.01)	42,826.69
Total Metered Sales	\$691,413.76	\$700,597.47	(\$9,183.71)	(1.31)	\$5,672,371.56	\$5,642,843.96	\$29,527.60	0.52	\$8,903,837.92
Private Fire Capacity	\$22,442.43	\$22,560.96	(\$118.53)	(0.53)	\$171,744.96	\$163,972.33	\$7,772.63	4.74	\$239,814.12
Public Fire Capacity	155,281.46	155,154.51	126.95	0.08	1,389,821.72	1,353,113.31	36,708.41	2.71	2,112,230.99
Other Operating Revenues	31,352.92	27,272.27	4,080.65	14.96	253,722.72	255,401.68	(1,678.96)	(0.66)	471,295.46
TOTAL OPERATING REVENUES	\$900,490.57	\$905,585.21	(\$5,094.64)	(0.56)	\$7,487,660.96	\$7,415,331.28	\$72,329.68	0.98	\$11,727,178.49
OPERATING EXPENSES:									
Source	\$50,960.50	\$50,632.08	\$328.42	0.65	\$407,709.64	\$407,666.34	\$43.30	0.01	\$755,121.90
Pumping	77,350.14	108,416.47	(31,066.33)	(28.65)	611,833.55	698,987.94	(87,154.39)	(12.47)	1,038,078.03
Treatment	26,070.69	38,315.27	(12,244.58)	(31.96)	264,126.47	332,622.26	(68,495.79)	(20.59)	535,037.61
Distribution	86,203.97	100,131.24	(13,927.27)	(13.91)	896,411.63	795,809.72	100,601.91	12.64	1,379,286.99
Customer Service	18,906.13	20,862.74	(1,956.61)	(9.38)	128,414.31	163,840.21	(35,425.90)	(21.62)	258,081.70
Administrative	100,770.79	113,611.56	(12,840.77)	(11.30)	980,484.17	1,118,995.97	(138,511.80)	(12.38)	1,677,514.93
Total	\$360,262.22	\$431,969.36	(71,707.14)	(16.60)	\$3,288,979.77	\$3,517,922.44	(228,942.67)	(6.51)	\$5,643,121.16
MANAGERS' MARGIN	540,228.35	473,615.85	66,612.50	14.06	4,198,681.19	3,897,408.84	\$301,272.35	7.73	6,084,057.33
Depreciation	157,741.56	159,482.42	(1,740.86)	(1.09)	1,275,238.11	1,275,859.36	(621.25)	(0.05)	1,913,789.04
Tax Equivalent	168,280.82	168,280.82	0.00	0.00	1,346,246.56	1,346,246.56	0.00	0.00	2,019,369.84
Other Taxes	12,539.71	12,395.50	144.21	1.16	97,745.87	99,289.00	(1,543.13)	(1.55)	159,817.37
TOTAL OPERATING EXPENSES	\$698,824.31	\$772,128.10	(\$73,303.79)	(9.49)	\$6,008,210.31	\$6,239,317.36	(\$231,107.05)	(3.70)	\$9,736,097.41
TOTAL OPERATING INCOME(LOSS)	\$201,666.26	\$133,457.11	\$68,209.15	51.11	\$1,479,450.65	\$1,176,013.92	\$303,436.73	25.80	\$1,991,081.08
NON OPERATING INCOME&(EXPENSE)	(166,920.83)	(189,244.24)	22,323.41	(11.80)	(1,087,343.74)	(1,362,275.54)	274,931.80	(20.18)	(371,184.63)
NET INCOME(LOSS)	\$34,745.43	(\$55,787.13)	\$90,532.56	(162.28)	\$392,106.91	(\$186,261.62)	\$578,368.53	(310.51)	\$1,619,896.45

WWU
Billed Gallons
Actual v Budget
2017 - 2019



**WAUKESHA WATER UTILITY
BALANCE SHEET
8/31/2019**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$28,307,425.86
ACCOUNTS RECEIVABLE	6,661,265.24
RECEIVABLE FROM SEWER REIMB	0.01
MATERIALS & SUPPLIES	424,694.63
OTHER CURRENT ASSETS	17,282.50
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	<u>\$35,410,668.24</u>
DEFERRED	
DEFERRED ASSETS	<u>\$27,662,143.49</u>
TOTAL DEFERRED DEBITS	27,662,143.49
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$1,611,950.59
DEBT RESERVE ACCOUNT	477,655.39
CONSTRUCTION FUND	152.26
TAX EQUIV RESERVE ACCOUNT	1,249,602.09
TOTAL RESTRICTED FUNDS	<u>\$3,339,360.33</u>
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$92,335,354.65
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	4,783,853.06
RESTRICTED NET PENSION	403,235.00
TOTAL UTILITY PLANT	<u>\$97,957,532.40</u>
TOTAL ASSETS	<u><u>\$164,369,704.46</u></u>
 LIABILITIES	
CURRENT	
CUR PORTION BOND	995,000.00
NOTES PAYABLE	21,775,000.00
ACCOUNTS PAYABLE	2,887,682.83
PAYABLE TO OTHER FUNDS	3,892,142.77
CUSTOMER DEPOSITS	126,214.37
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	1,372,622.00
INTEREST ACCRUED	899,087.84
EMPLOYEE WITHHOLDING	16,664.61
ACCRUED PAYROLL	44,947.98
ACCRUED VACATION	249,468.59
TOTAL CURRENT LIABILITIES	<u>\$32,258,830.99</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	828,124.98
OPEB LIABILITY	4,154,855.20
OTHER DEFERRED CREDITS	<u>3,346,222.67</u>
TOTAL DEFERRED CREDITS	\$8,329,202.85
LONG-TERM	
BONDS	\$48,576,534.30
 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)	392,106.91
TOTAL EQUITY	<u>\$75,205,136.32</u>
TOTAL EQUITY AND LIABILITIES	<u><u>\$164,369,704.46</u></u>

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

Cash Balance - July 31, 2019

\$32,245,079

SOURCES:

Operations:

Customers - water sales	\$850,338
Waste Water Utility - joint metering billing	61,571
Rent of utility property - cellular leases	12,283
Receipts on sewer bills	1,147,054
Receipts from return flow	261,779
Reimbursement from City for return flow expenses	403,577
Reimbursement from City for sewer construction costs	43,859
Other - miscellaneous	18,077
Total Cash From Operating Activities	\$2,798,538

Capital and Related Financing Activities:

Grants	
Contributions	3,823
Issuance of long-term debt	
Sale of short-term debt	
Interest income	60,158
Total Cash From Capital/ Investing Activities	\$63,981

Total Cash Receipts

\$2,862,519

USES:

Salaries, wages, payroll taxes and benefits	\$352,979
Subcontracted and outside services	20,583
Disbursement to city for sewer transfer	1,302,195
Disbursement to city for return flow transfer	276,264
Pumping power	61,862
Purchase of materials and supplies	94,004
Tax equivalent - PILOT	
Acquisition of capital assets	1,352,925
Debt service - principal	
Debt service - interest	

Total Cash Used

\$3,460,812

Net Change in Cash

(\$598,293)

Cash Balance - August 31, 2019

\$31,646,786

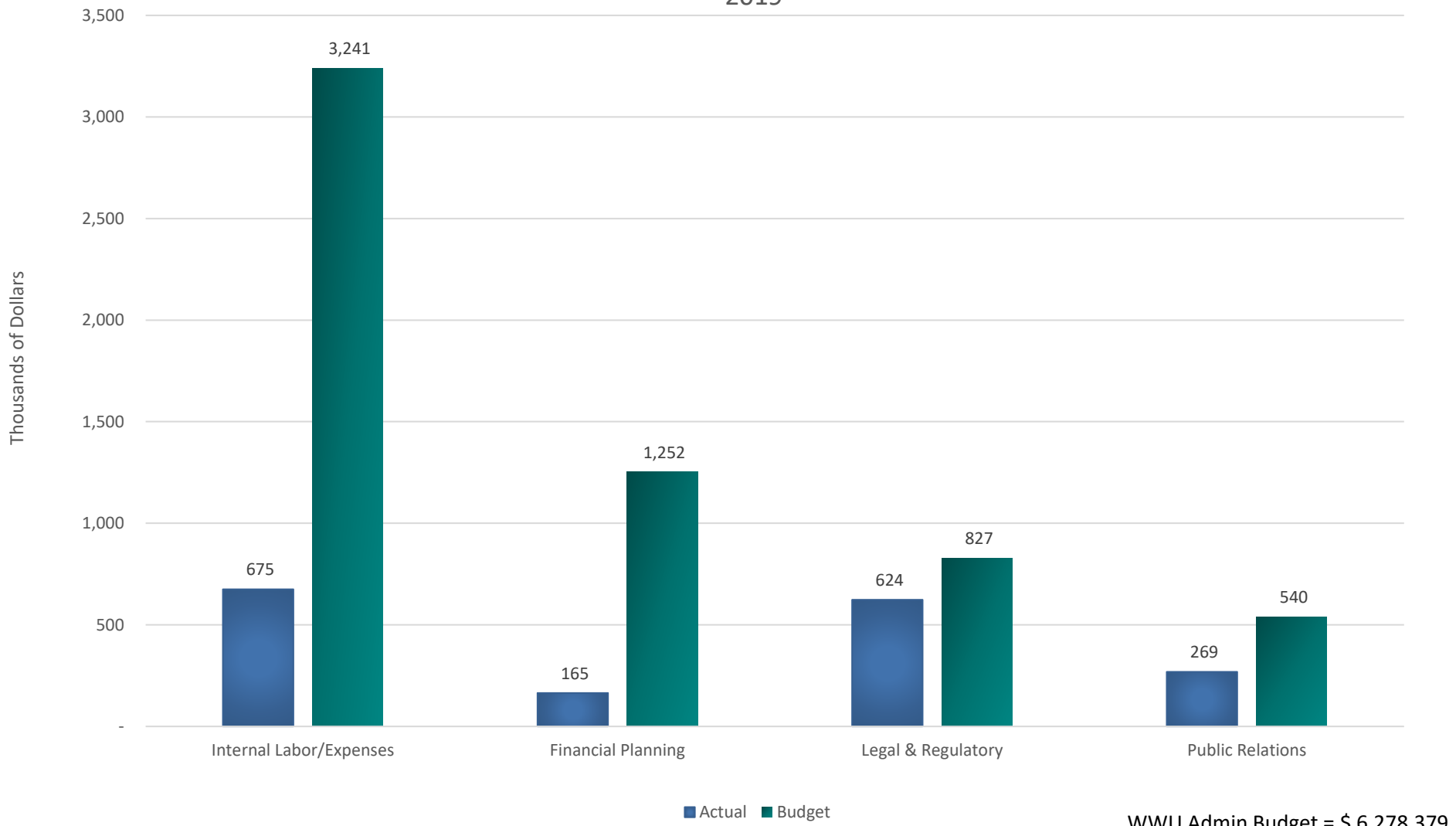
WWU
TRANSMISSION AND DISTRIBUTION
BUDGET VARIANCE ANALYSIS

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	\$ 21,770	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.		\$ 800,386	\$ 594,645	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	\$ 232,445	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.		\$ 694,370	\$ 546,325	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	\$ 357,722	4	Joe Pieper	October 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	\$ 173,838	3	Cassie Rodriguez	October 2019
Oakmont to Pebble Valley Zone	TBD	Extend 12" water main through easement connecting Pebble Valley and Oakmont.		\$ -	\$ -	14	Rick Lemke	Project Moved to 2020
<i>Routine Projects</i>			\$ 3,045,649	\$ 2,850,808	\$ 1,926,744			
<i>Misc Routine</i>			\$ 936,516	\$ 936,516	\$ 936,516			
<i>Total Routine</i>			\$ 3,982,165	\$ 3,787,324	\$ 2,863,260			
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.		\$ 2,997,365	\$ 1,681,584	3	Cassie Rodriguez	October 2019
<i>Distribution System Improvements</i>			\$ 3,244,865	\$ 2,997,365	\$ 1,681,584			
Total Transmission & Distribution			\$ 7,227,030	\$ 6,784,689	\$ 4,544,844			

Bold Totals are Based on Bids



Future Water Supply WWU Admin Sub Costs 2019



Status update

Waukesha Water Utility

Future Water Supply

September 12, 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.

Prior Period Audit Issues

The following Audit Issues were closed during the current period:

- **AI 009** – Mileage reimbursement was requested for miles traveled while on the ferry between Michigan and Wisconsin. As the cost of the ferry was also submitted for reimbursement, these miles are considered duplicate charges. A credit was issued for this duplicate charge totaling \$95.81
- **AI 010** – A meal receipt was not provided to validate costs James Cobb submitted for reimbursement. A credit was issued for this unsupported charge totaling \$24.50

Current Period Audit Issues

There were no Audit Issues identified during the current period.

Prior Period Requests for Information

The following requests for information were closed during the current period:

- **RFI 030** - Per David Diehl, the requested meal receipt was unable to be provided. A credit was issued for \$24.50 on Invoice No. 8.
- **RFI 032** - Documentation was provided to support the billing rate increases for David Diehl, Jeffrey Champion, Matthew Hayes, and James Cobb. Their billing rates reflect their actual rate of pay.

Current Period Request for Information

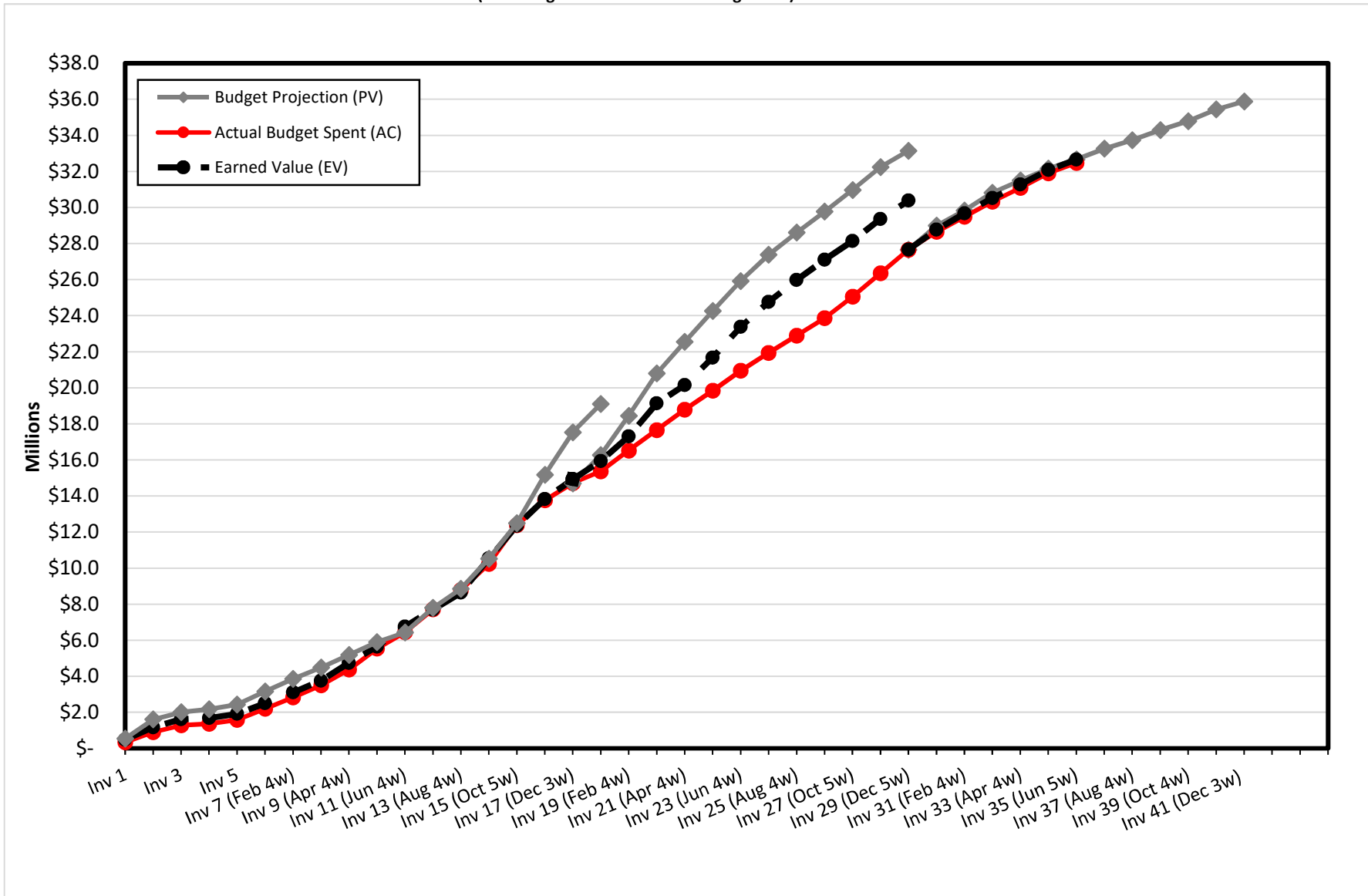
There were no requests for information during the current period.



Exhibit 5 – Earned Value Analysis



Great Lakes Water Supply Program PM/CM
Program
Earned Value Chart
Phase 1 and 2 (Invoice No. 36)
 (Excluding Allowances and Contingencies)

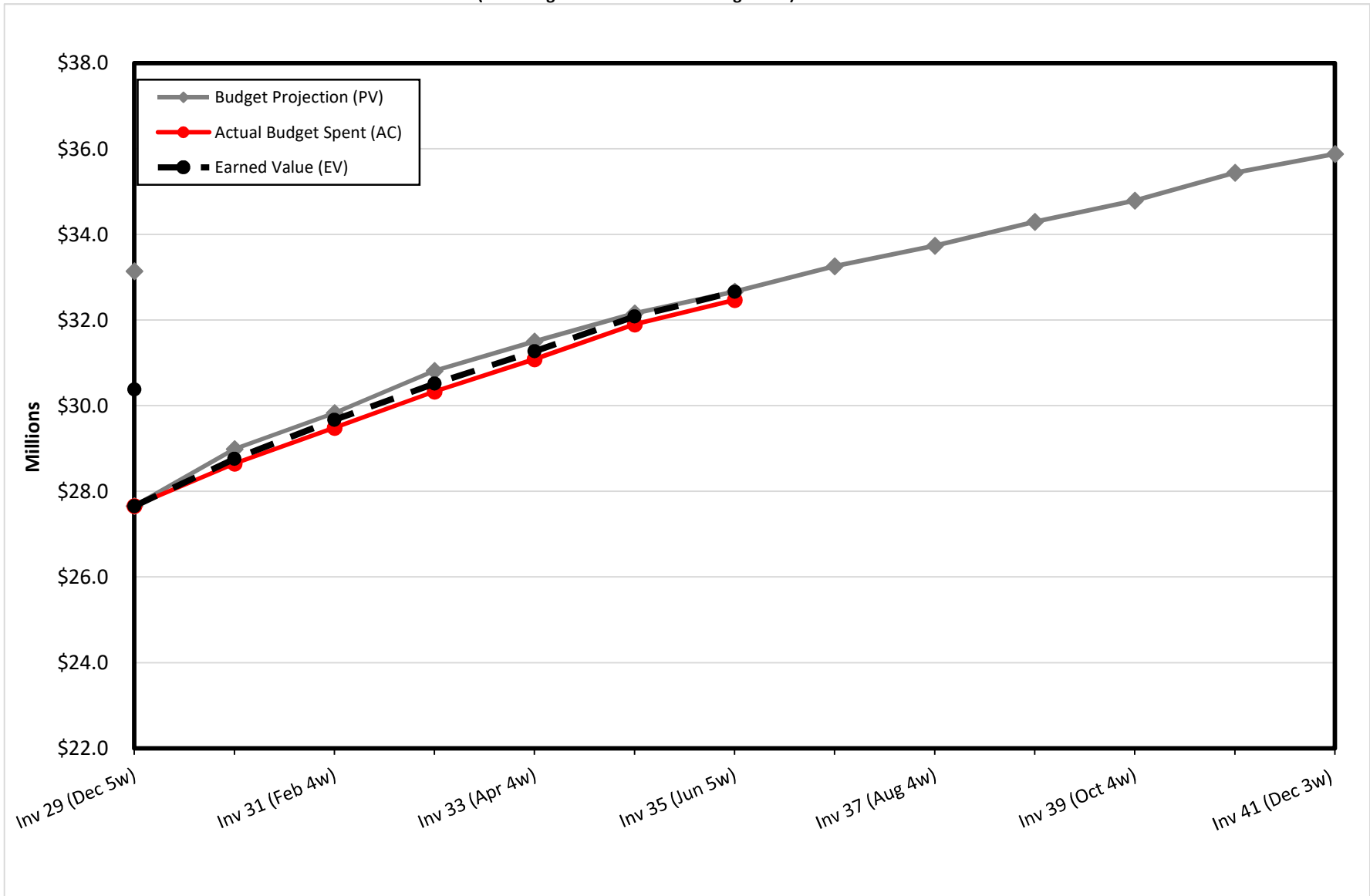


% Spent 0.0%
Actual Budget Spent \$0

Schedule Performance Index (SPI) 0.00
Cost Performance Index (CPI) #DIV/0!

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

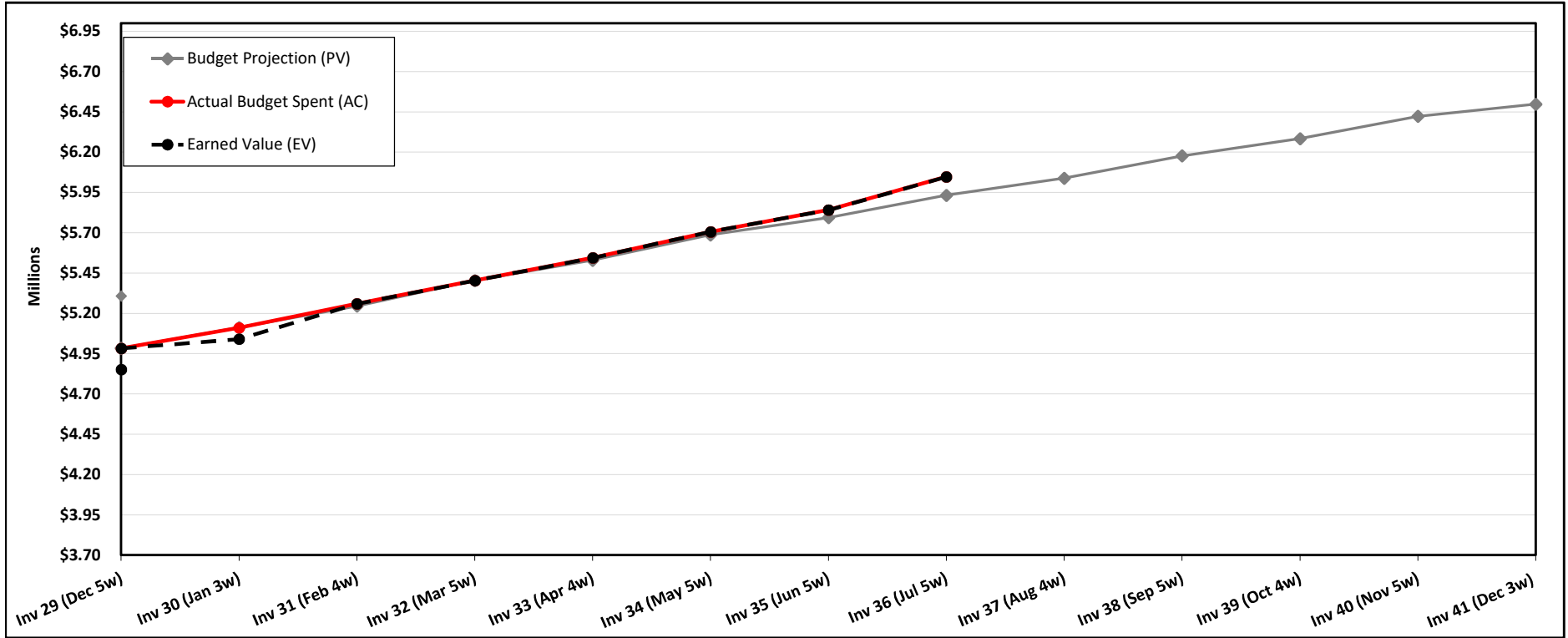
Great Lakes Water Supply Program PM/CM Program
 Earned Value Chart
 Phase 1 and 2 (Invoice No. 36)
 (Excluding Allowances and Contingencies)



% Spent 0.0%
Actual Budget Spent \$0

Schedule Performance Index (SPI) 0.00
Cost Performance Index (CPI) #DIV/0!

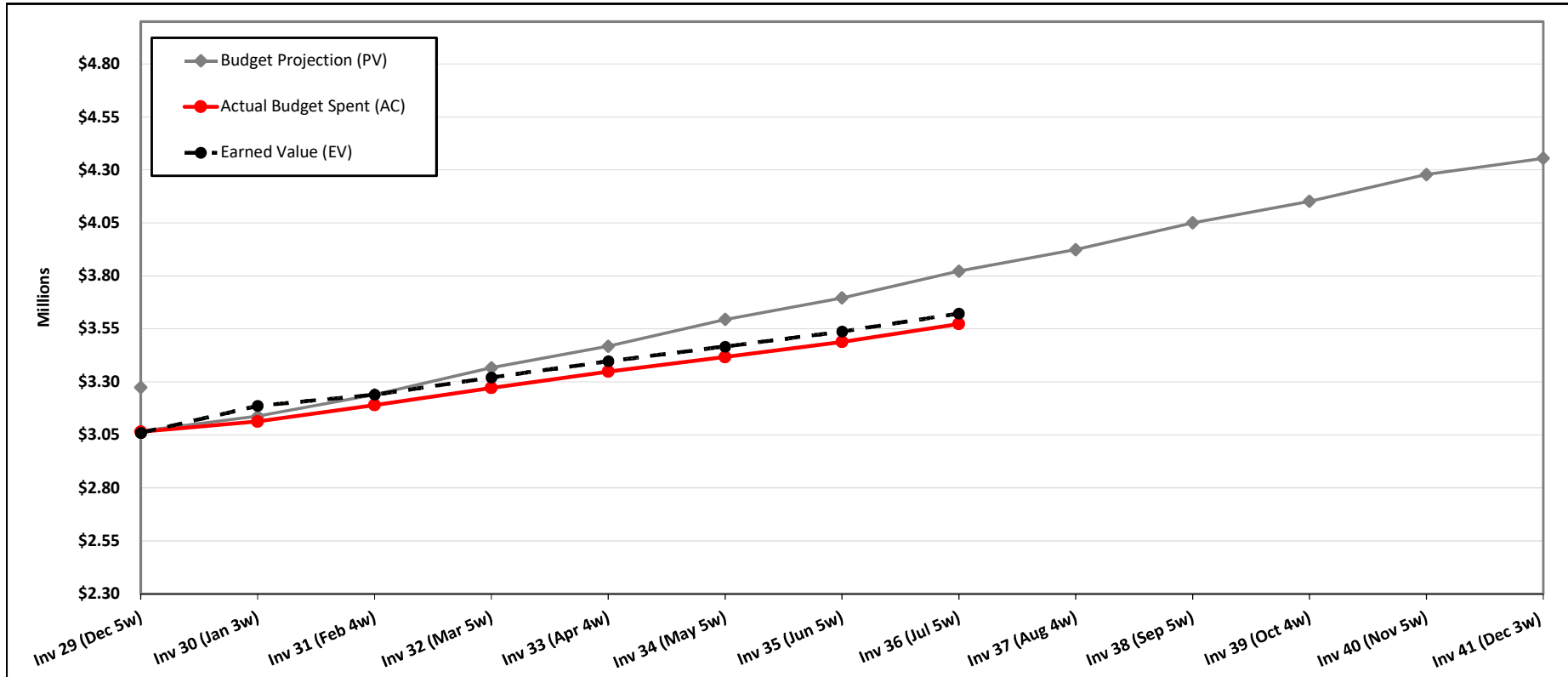
Note: Budget associated with Task 3-300, 5-200 and 5-300 water quality scope has been removed.



Earned Value Calculations	
Budget at Completion ^{(BAC)(1)} (BAC)	\$ 6,497,481
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 449,959
Cost Variance ^(CV) (CV=EV-AC)	\$ -
Schedule Variance ^(SV) (SV=EV-PV)	\$ 115,389
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.02
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.02
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,497,480.53
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ -

Task 1	Program Management Plan/Progress
	<ul style="list-style-type: none"> Prepared and submitted Invoice No. 35; updated the Financial Management Dashboard and Report for Invoice No. 35. Held seventeen (17) Program Team meetings. Updated Program schedule and Risk Register. Submitted portions of the WIFIA application to WWU to be included in the WIFIA loan application. Began drafting PSC CA application Greeley and Hansen Direct Testimony.

Task 1	Program Management Challenges
	<ul style="list-style-type: none"> The second phase of the Water Infrastructure Finance and Innovation Act (WIFIA) loan approval process will need to be completed in order to secure low interest funding for the Program. A draft MWW PSC CA application has been submitted to PSC. If there is an intervention on this application as well, it may affect the supplier agreement and/or contract package 2.



Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 4,358,707
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 726,065
Cost Variance ^(CV) (CV=EV-AC)	\$ 48,858
Schedule Variance ^(SV) (SV=EV-PV)	\$ (200,021)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.01
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.95
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.96
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 4,299,923.35
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 58,784.02

Task 2 Programmatic Support Services Plan/Progress

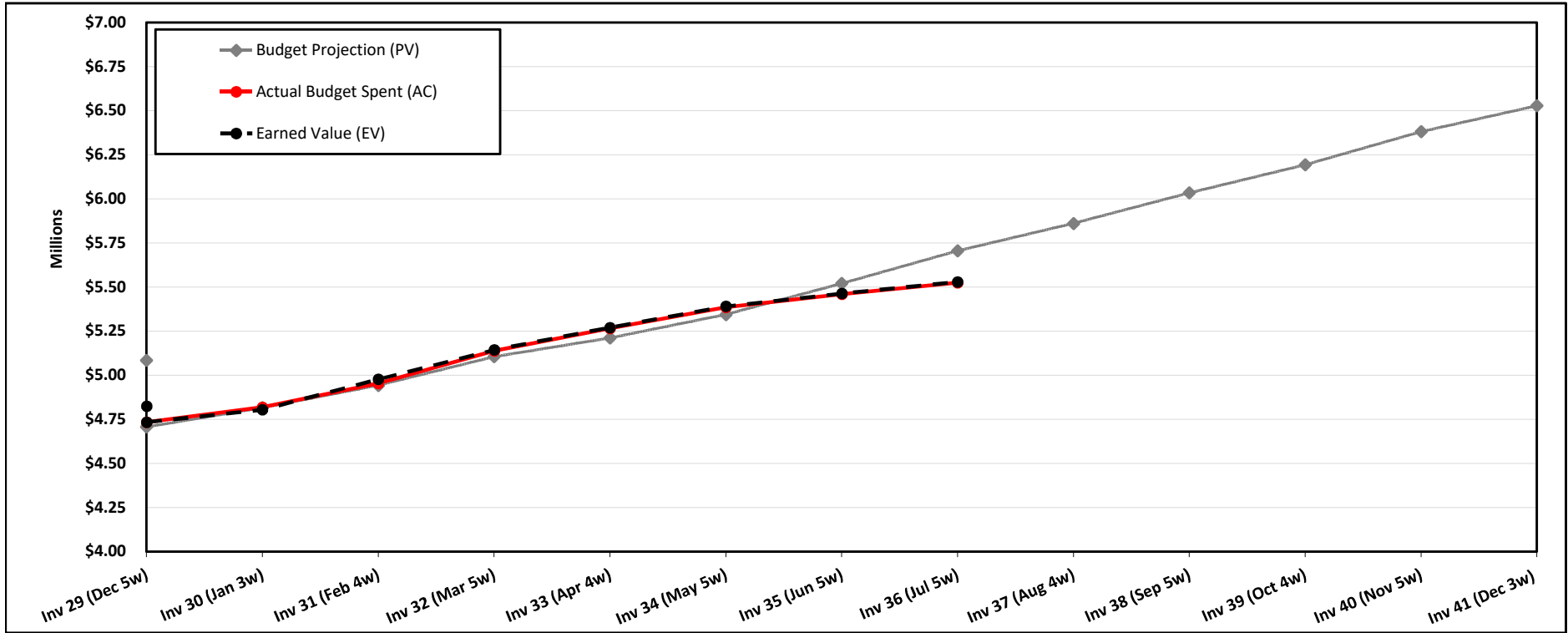
- Assisted with responding to BPS issues.
- Finalized base facts one-sheet.
- Prepared talking points for BPS.
- Began a strategy plan for the groundbreaking event.
- Task 2 effort is expected to increase in summer and fall 2019 during permit public comment periods and local municipality open houses.

Task 2 Programmatic Support Services Challenges

- Negative public perception of the Booster Pumping Station site may affect the New Berlin Plan Commission approval regarding amending the Future Land Use Map within the City's Comprehensive Plan and rezoning of the Booster Pumping Station.



Great Lakes Water Supply Program
Phase 1 and 2
Task 3 - Permitting Earned Value Chart
(Excluding Allowances and Contingencies)

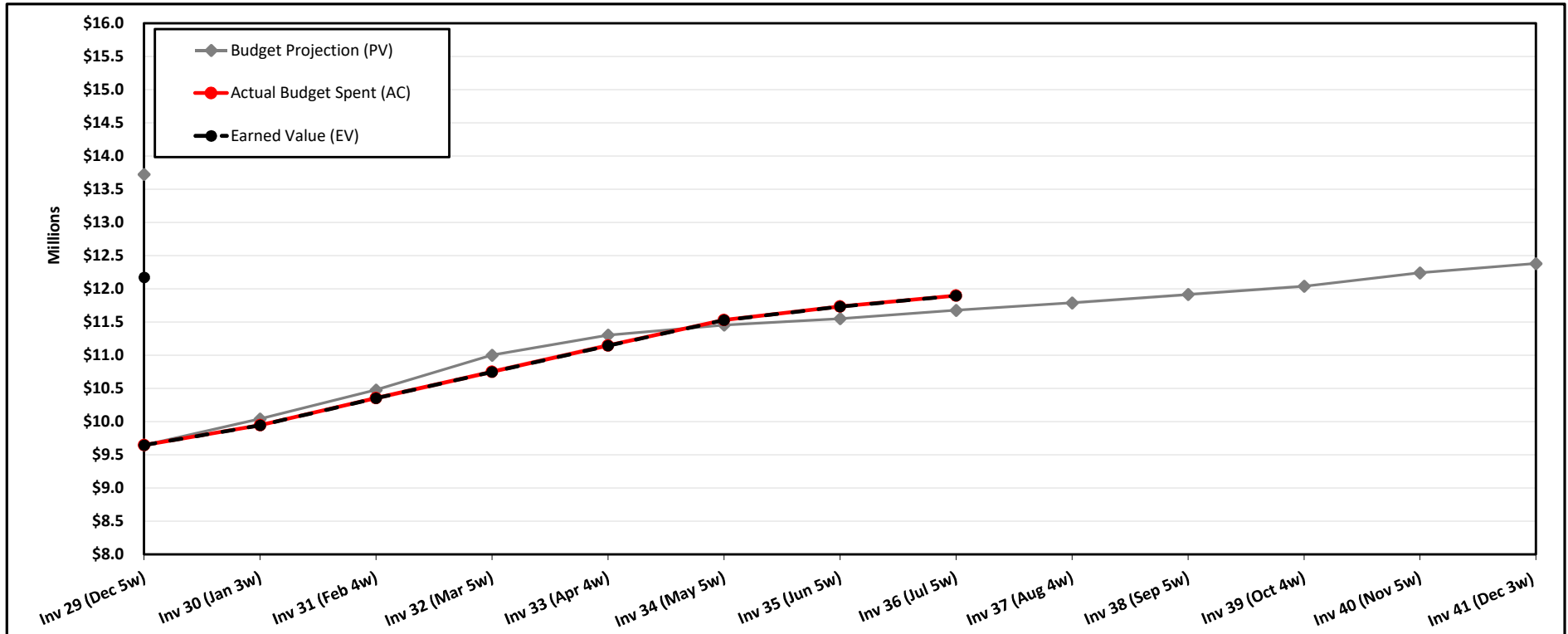


Note: The Task 3 amount for Invoice 5 was reported incorrectly in the previous version of this Report. The correct cumulative amount is \$263.96 lower.
The Task 3 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^{(BAC(1))} (BAC)	\$ 6,527,842
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 997,221
Cost Variance ^(CV) (CV=EV-AC)	\$ 5,515
Schedule Variance ^(SV) (SV=EV-PV)	\$ (175,473)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.97
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.97
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,521,331.38
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 6,510.12

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> Prepared for and attended meetings with the City of Waukesha, City of Franklin, Town of Waukesha, City of New Berlin, City of West Allis, and WisDOT. Continued addressing WDNR/USACE Wetland and Waterway Impacts Application and Environmental Impact Statement comments. Continued coordination with WDNR for WPDES permit issuance. Continued assisting WWU, CWP and the City of Milwaukee with the mercury sampling program as part of the WPDES permit.

Task 3 Permitting Challenges
<ul style="list-style-type: none"> Extended agency review timelines may delay bidding.

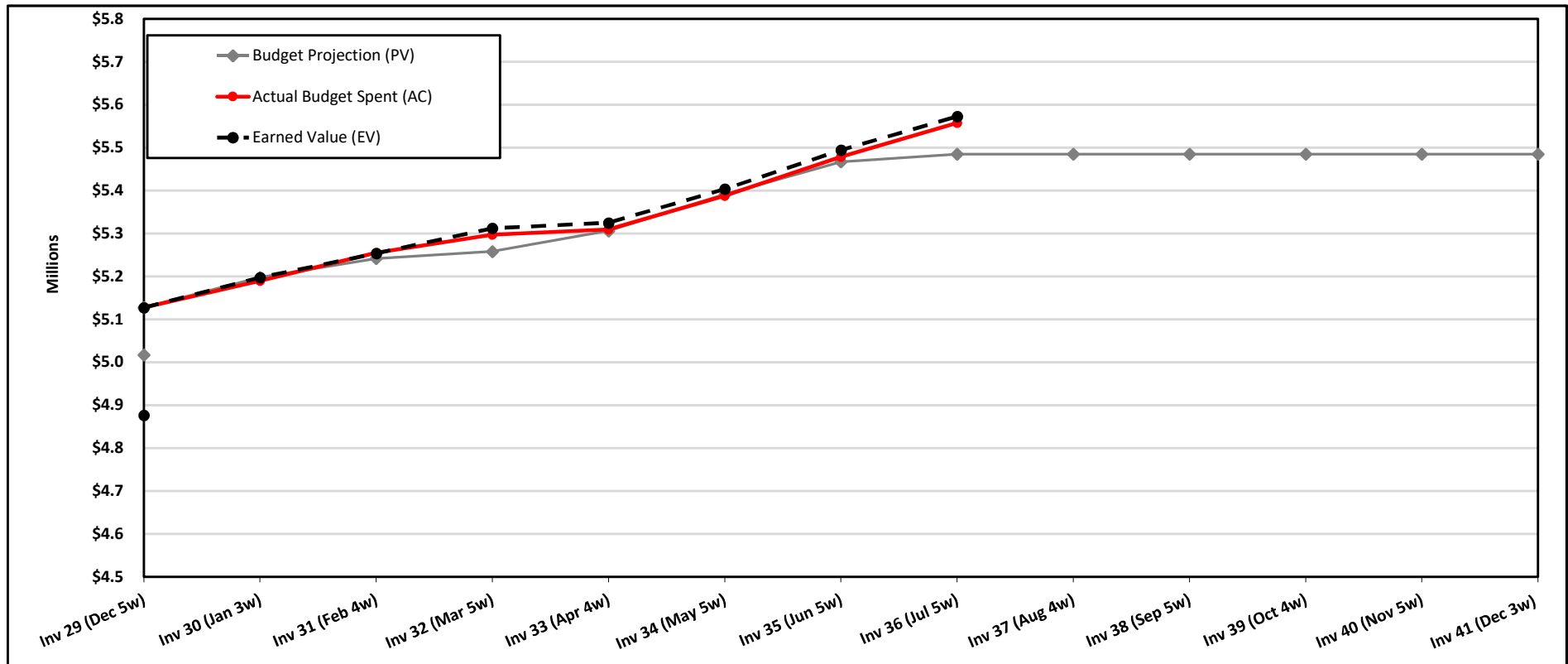


Note: The Task 4 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 12,381,330
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 483,157
Cost Variance ^(CV) (CV=EV-AC)	\$ -
Schedule Variance ^(SV) (SV=EV-PV)	\$ 219,576
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.02
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.02
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 12,381,329.84
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ -

Task 4 Route Study and Pipeline Plan/Progress
<ul style="list-style-type: none"> The Contract Package 5 90% Contract Documents were updated per comments received from WWU and B&V. The Contract Package 6 90% Contract Documents were updated per comments received from WWU and B&V. Began addressing comments received from WWU and B&V on the Contract Package 2 90% Contract Documents. Revised Phase II ESA reports for Sites 21.17, 20.63, 20.35/20.36, and 20.18 were submitted to WDNR. Engineering Report: Return Flow Pipeline and Outfall Facilities was submitted to WWU for review. Continued drafting the WDNR Engineering Report: Water Supply System. Continued responding to comments from authorities having jurisdiction on traffic and restoration.

Task 4 Route Study and Pipeline Challenges
<ul style="list-style-type: none"> The acquisition process for currently identified easements is in progress. Additional easements will impact the Program schedule.



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 5,519,375
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ (53,425)
Cost Variance ^(CV) (CV=EV-AC)	\$ 15,583
Schedule Variance ^(SV) (SV=EV-PV)	\$ 88,193
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.02
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.02
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 5,503,941.62
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 15,433.32

Task 6 Pump Stations, Storage and Chemical Treatment Plan/Progress
<ul style="list-style-type: none"> Coordinated with DPLU on temporary construction easement for BPS site construction stockpiling. Drafted Certified Survey Map for land transfer of BPS Site. Submitted 98% Chemical Feed Drawings and Specifications for Contract Package 3 (6-310 D2) to WWU for Review and Comment. The Contract Package 3 98% Design Workshop was held on July 25. Finalized the facilities portion of the WDNR Water Supply Engineering Report. Continued coordination with MWW on the design for the Oklahoma Pumping Station, formerly called the WSPS.

Task 6 Pump Stations, Storage and Chemical Treatment Challenges
<ul style="list-style-type: none"> The City of New Berlin Planning Commission has not made a decision regarding amending the Future Land Use Map within the City's Comprehensive Plan and rezoning of the Booster Pumping Station. The Program submitted the request and required documentation in May, 2019. If the land use and rezoning is not approved, a conditional use approval may be required. A new site and contract amendment will be needed if rezoning or conditional use approval is not received.