

**MEMORANDUM**

DATE: February 18, 2020

TO: Dan Duchniak  
General Manager

FROM: Joseph Ciurro, CPA  
Administrative Services Manager

RE: January Financials

As you know, our accounting staff have been diligently closing the 2019 fiscal year. While our team has not quite completed this process, we are right on schedule to complete all requested items for the auditors' planned fieldwork starting on March 2, 2020.

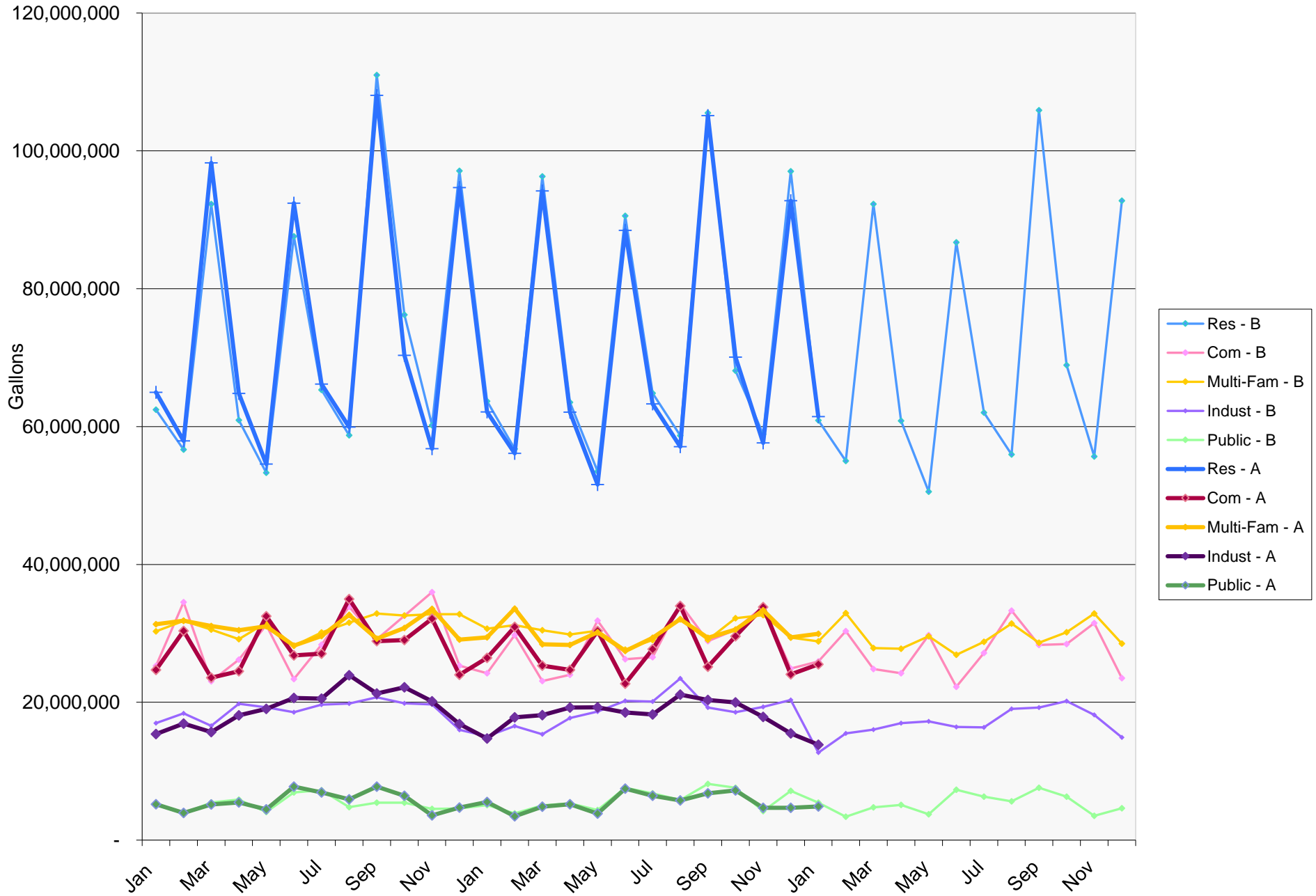
Additionally, our accounting software does not allow for reporting in the new year until the previous year's books have been closed. As such, the complete monthly financial statement package is not fully available.

Included in the January financials is the Billed Gallons (Budget versus Actual) chart, Statement of Sources and Uses of Cash, Transmission and Distribution Budget Analysis and Greeley and Hansen's Earned Value for the Great Water Alliance Project.

We anticipate that all the typical reports and charts will be included starting with the February financials.

Please let me know if you or any of the Commissioners have questions regarding the January financials. Thanks.

WWU  
Billed Gallons  
Actual v Budget  
2018 - 2020



**WAUKESHA WATER UTILITY  
STATEMENT OF SOURCES AND USES OF CASH  
PERIOD ENDING JANUARY 31, 2020**

**Cash Balance - December 31, 2019**

\$36,941,484

**SOURCES:**

**Operations:**

Customers - water sales	\$1,528,803
Waste Water Utility - joint metering billing	61,571
Rent of utility property - cellular leases	12,283
Receipts on sewer bills	1,344,361
Receipts from return flow	301,290
Reimbursement from City for return flow expenses	
Reimbursement from City for sewer construction costs	224,571
Other - miscellaneous	52,308
Total Cash From Operating Activities	\$3,525,188

**Capital and Related Financing Activities:**

Grants	
Contributions	1,431
Issuance of long-term debt	
Sale of short-term debt	
Interest income	52,726
Total Cash From Capital/ Investing Activities	\$54,157

**Total Cash Receipts**

\$3,579,345

**USES:**

Salaries, wages, payroll taxes and benefits	\$375,585
Subcontracted and outside services	15,132
Disbursement to city for sewer transfer	
Disbursement to city for return flow transfer	
Pumping power	58,946
Purchase of materials and supplies	117,224
Tax equivalent - PILOT	686,311
Acquisition of capital assets	3,167,301
Debt service - principal	
Debt service - interest	

**Total Cash Used**

\$4,420,499

**Net Change in Cash**

(\$841,154)

**Cash Balance - January 31, 2020**

\$36,100,331

WWU  
TRANSMISSION AND DISTRIBUTION  
BUDGET VARIANCE ANALYSIS

Project	Project #	Description/Location	Budget	Current Estimate	PJC Total	Aldermanic District		Construction Completion
Hartwell - Wabash to Newhall & Oxford - Hartwell to East	M00532	Replace 2600 feet of 6-inch and 8-inch cast iron water main from 1929 with 8-inch ductile iron main on Hartwell Avenue from Wabash to Newhall, and on Oxford Road from Hartwell to East. The project is being done with the City Public Works Dept.		\$ 884,592	\$ 11,127	8	Elizabeth Moltzan	October 2020
						10	Steve Johnson	
N. Barstow Street and Riverfront Plaza Utility & Street Reconstruction	M00543	Replace approximately 4300 feet of existing 8" and 12" water main from 1909 - 1957 with 12-inch ductile iron on Barstow Street from Wisconsin to North, and on Riverfront Plaza from Broadway to Barstow. The project is being done with the City Public Works Dept.		\$ 1,219,483	\$ 28,086	11	Leonard Miller	October 2020
Roberta Avenue and Tenny Avenue Utility & Street Reconstruction	M00545	Replace 2800 feet of 12-inch cast iron pipe from 1951 with 12-inch PVC on Tenny Avenue from Roberta to Oakwood and on Roberta from East to Tenny. The project is being done with the City Public Works Dept.		\$ 914,862	\$ 4,971	10	Steve Johnson	October 2020
Scott Avenue Water Main Improvements	TBD	Replace 6-inch cast iron from 1924 - 1950 with 8-inch PVC on Wabash, Frame, and Harrison, from Scott Avenue to their terminating cul-de-sacs. The project is being done with the City Public Works Dept.		\$ 546,640	\$ -	6	Jack Wells	October 2020
Oakmont to Pebble Valley Zone	TBD	Extend 12" water main through easement connecting Pebble Valley and Oakmont.		\$ 529,997	\$ -	14	Rick Lemke	November 2020
<i>Routine Projects</i>			\$ 4,763,476	\$ 4,095,574	\$ 44,184			
<i>Misc Routine</i>			\$ 881,799	\$ 881,799	\$ 881,799			
<b>Total Transmission &amp; Distribution</b>			\$ 5,645,275	\$ 4,977,373	\$ 925,983			

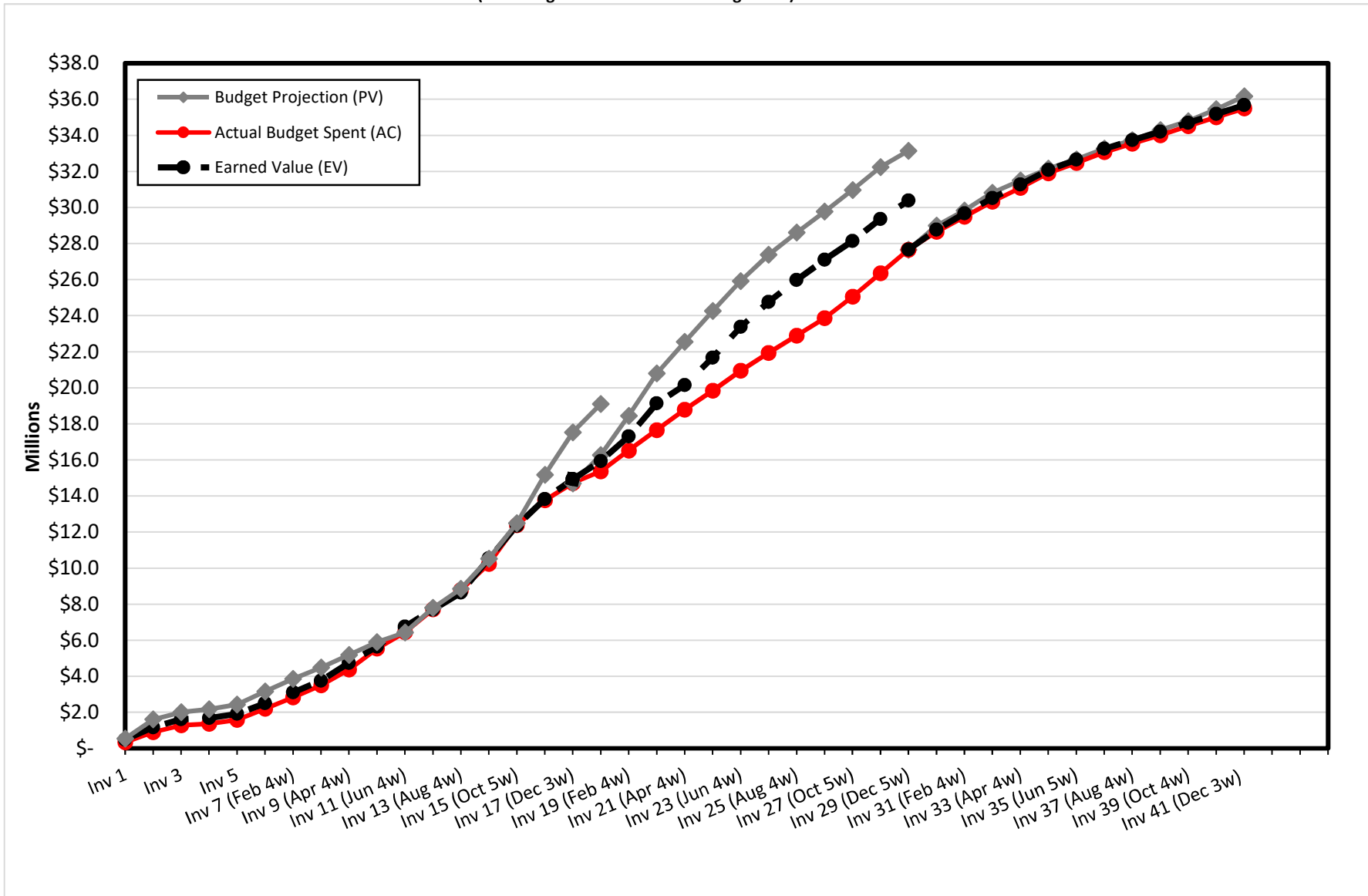
**Bold Totals are Based on Bids**



## **Exhibit 5 – Earned Value Analysis**



**Great Lakes Water Supply Program PM/CM**  
**Program**  
**Earned Value Chart**  
**Phase 1 and 2 (Invoice No. 41)**  
 (Excluding Allowances and Contingencies)

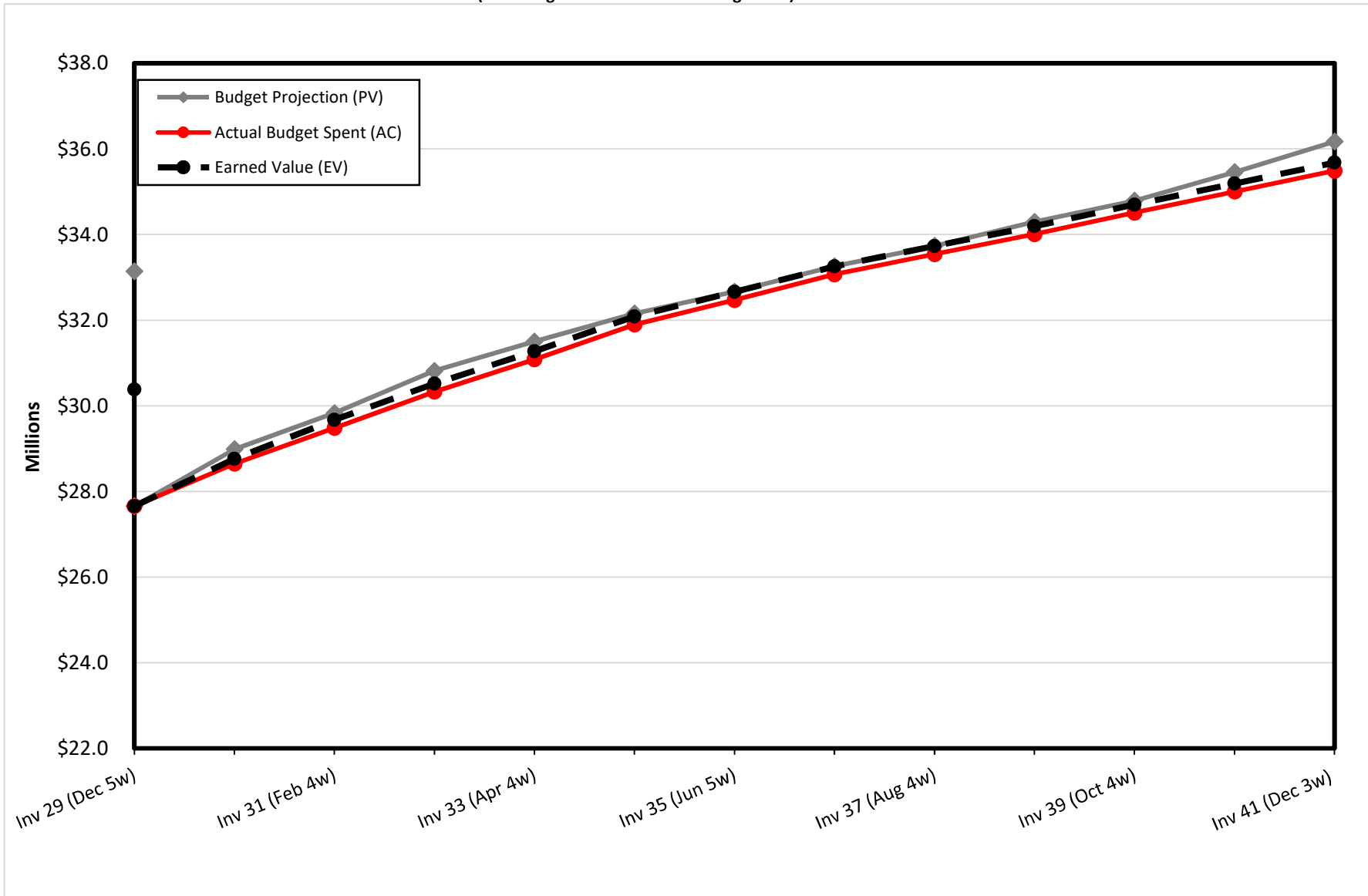


**% Spent 98.4%**  
**Actual Budget Spent \$35,489,187**

**Schedule Performance Index (SPI) 0.99**  
**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. 41)  
 (Excluding Allowances and Contingencies)



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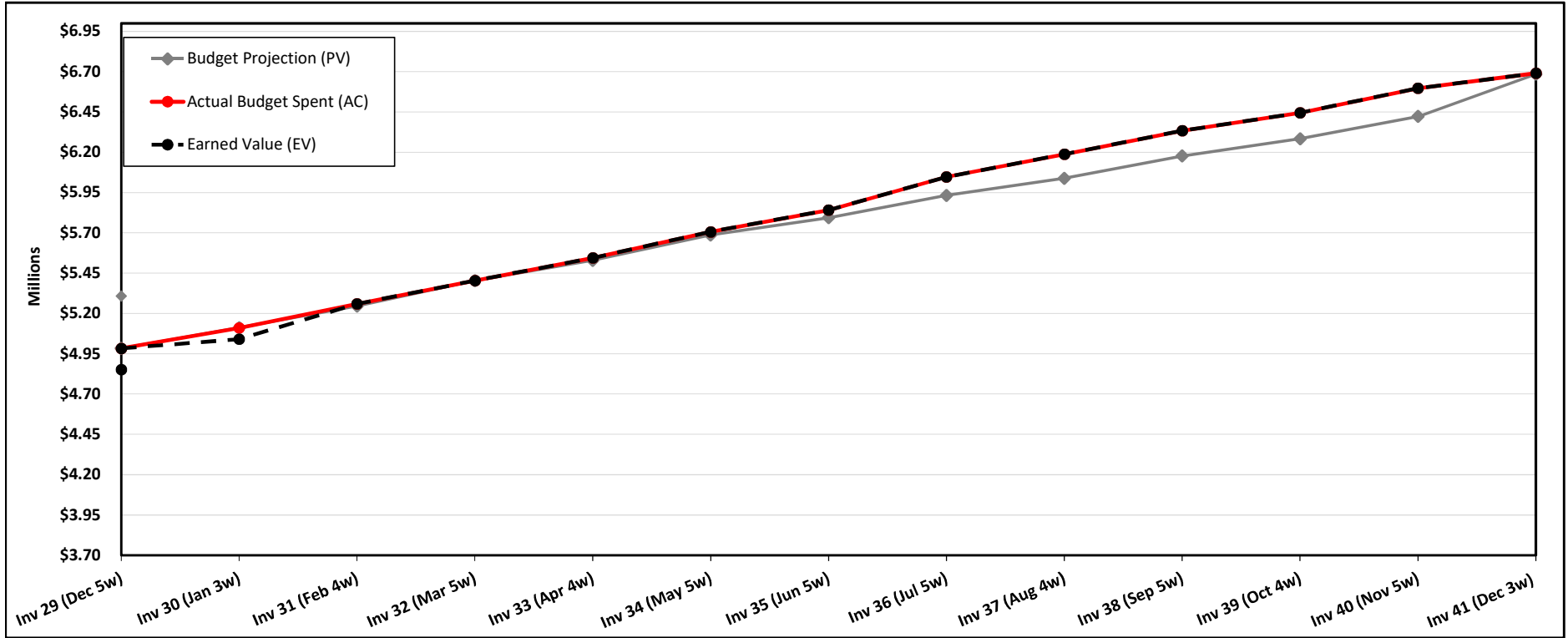
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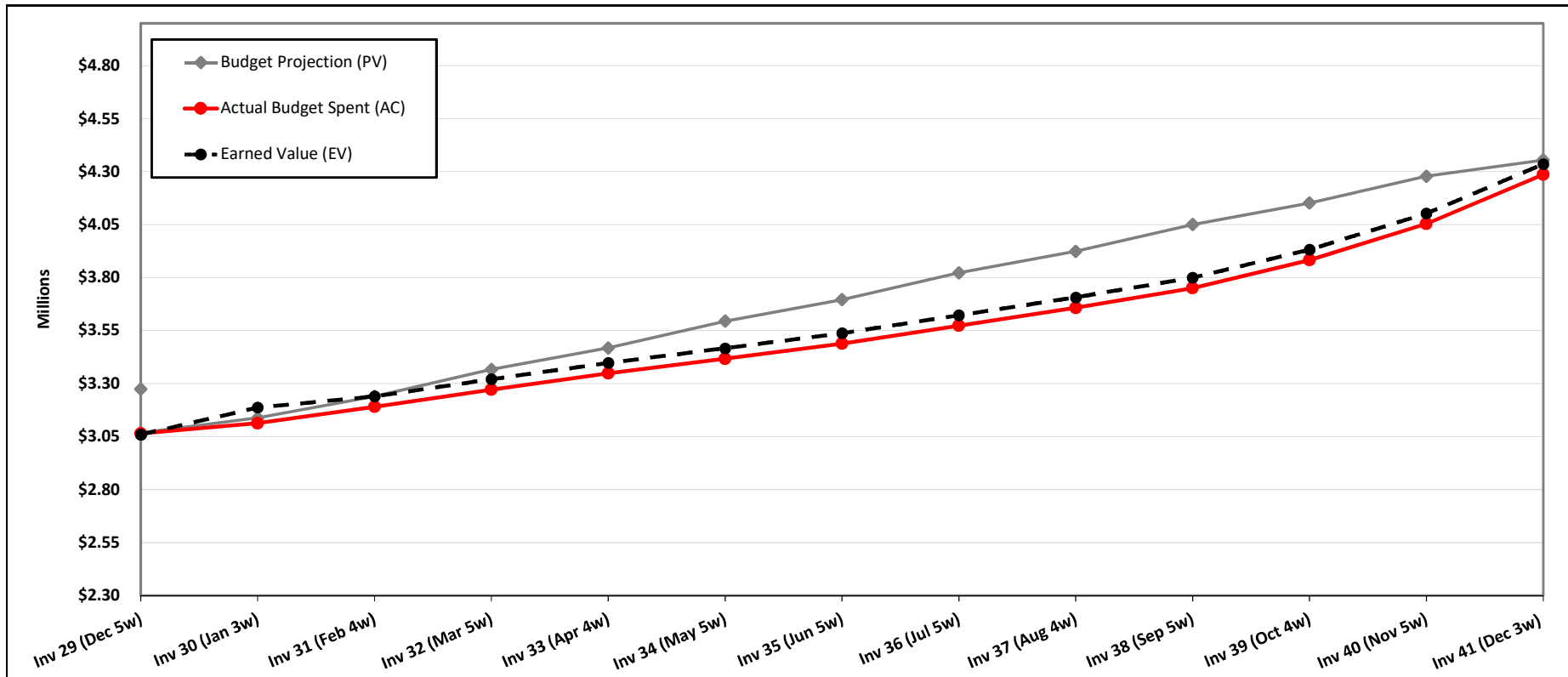


Earned Value Calculations	
Budget at Completion <sup>(BAC)(1)</sup> (BAC)	\$ 6,683,982
Estimate to Complete <sup>(ETC1)</sup> (ETC1=EAC1-AC)	\$ (6,445)
Cost Variance <sup>(CV)</sup> (CV=EV-AC)	\$ -
Schedule Variance <sup>(SV)</sup> (SV=EV-PV)	\$ 6,445
Cost Performance Index <sup>(CPI)</sup> (CPI=EV/AC)	1.00
Schedule Performance Index <sup>(SPI)</sup> (SPI=EV/PV)	1.00
Cost /Schedule Index <sup>(CSI)</sup> (CSI=CPI x SPI)	1.00
Estimate at Completion <sup>(EAC1)</sup> (EAC1=BAC/CPI)	\$ 6,683,982.26
Variance at Completion <sup>(VAC1)</sup> (VAC1=BAC-EAC1)	\$ -

Task 1	Program Management Plan/Progress
	<ul style="list-style-type: none"> <li>Prepared and submitted Invoice No. 40; updated the Financial Management Dashboard and Report for Invoice No. 40.</li> <li>Held nine (9) Program Team meetings.</li> <li>Updated Program schedule and Risk Register.</li> <li>Support has been provided for permitting of the BPS Site in the City of New Berlin.</li> <li>Reviewed and provided comments on draft transcript from the PSC Technical Hearing on November 21.</li> <li>Drafted and submitted briefs on December 11 for PSC CA Application intervention.</li> <li>Drafted and submitted response briefs on December 18 PSC CA Application intervention.</li> </ul>

Task 1	Program Management Challenges
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Plan Commission Approval for the BPS and Storage Facilities in New Berlin has required more effort than anticipated.</li> </ul>

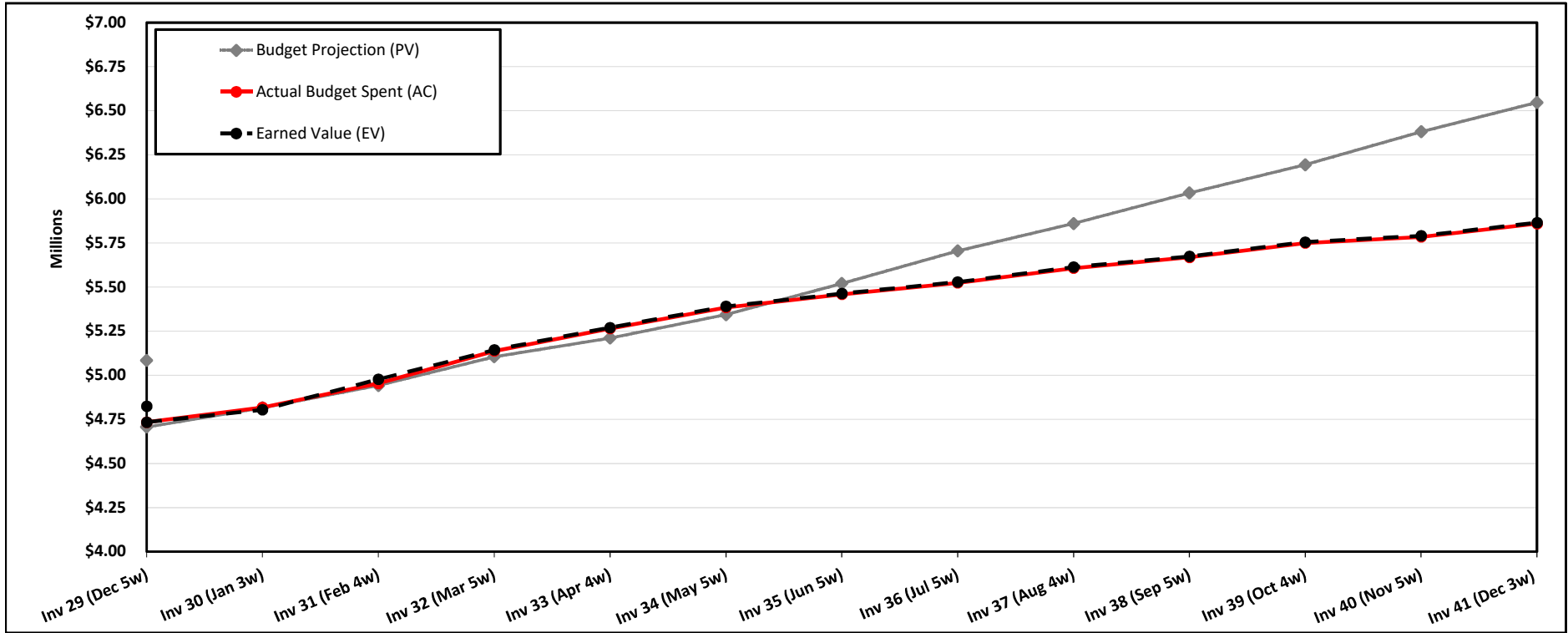




Earned Value Calculations	
Budget at completion <sup>(BAC)</sup> (BAC)	\$ 4,358,630
Estimate to Complete <sup>(ETC1)</sup> (ETC1=EAC1-AC)	\$ 22,921
Cost Variance <sup>(CV)</sup> (CV=EV-AC)	\$ 48,858
Schedule Variance <sup>(SV)</sup> (SV=EV-PV)	\$ (19,477)
Cost Performance Index <sup>(CPI)</sup> (CPI=EV/AC)	1.01
Schedule Performance Index <sup>(SPI)</sup> (SPI=EV/PV)	1.00
Cost /Schedule Index <sup>(CSI)</sup> (CSI=CPI x SPI)	1.01
Estimate at Completion <sup>(EAC1)</sup> (EAC1=BAC/CPI)	\$ 4,309,511.09
Variance at Completion <sup>(VAC1)</sup> (VAC1=BAC-EAC1)	\$ 49,119.28

Task 2 Programmatic Support Services Plan/Progress
<ul style="list-style-type: none"> <li>Assisted with responding to BPS issues.</li> <li>Reviewed several drafts of a lawsuit by the City of Waukesha requesting judicial review of New Berlin's denial of the CUP.</li> <li>Drafted and discussed a press release and talking points regarding the lawsuit and contacted various stakeholders and potential allies about the suit.</li> <li>Began production for Video 2.</li> <li>Developed and launched the December issue of the E-Newsletter.</li> <li>Developed materials for the Top Water Users meeting.</li> </ul>

Task 2 Programmatic Support Services Challenges
<ul style="list-style-type: none"> <li>Negative public perception of the Booster Pumping Station site has affected 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 and has required additional PSS support.</li> </ul>

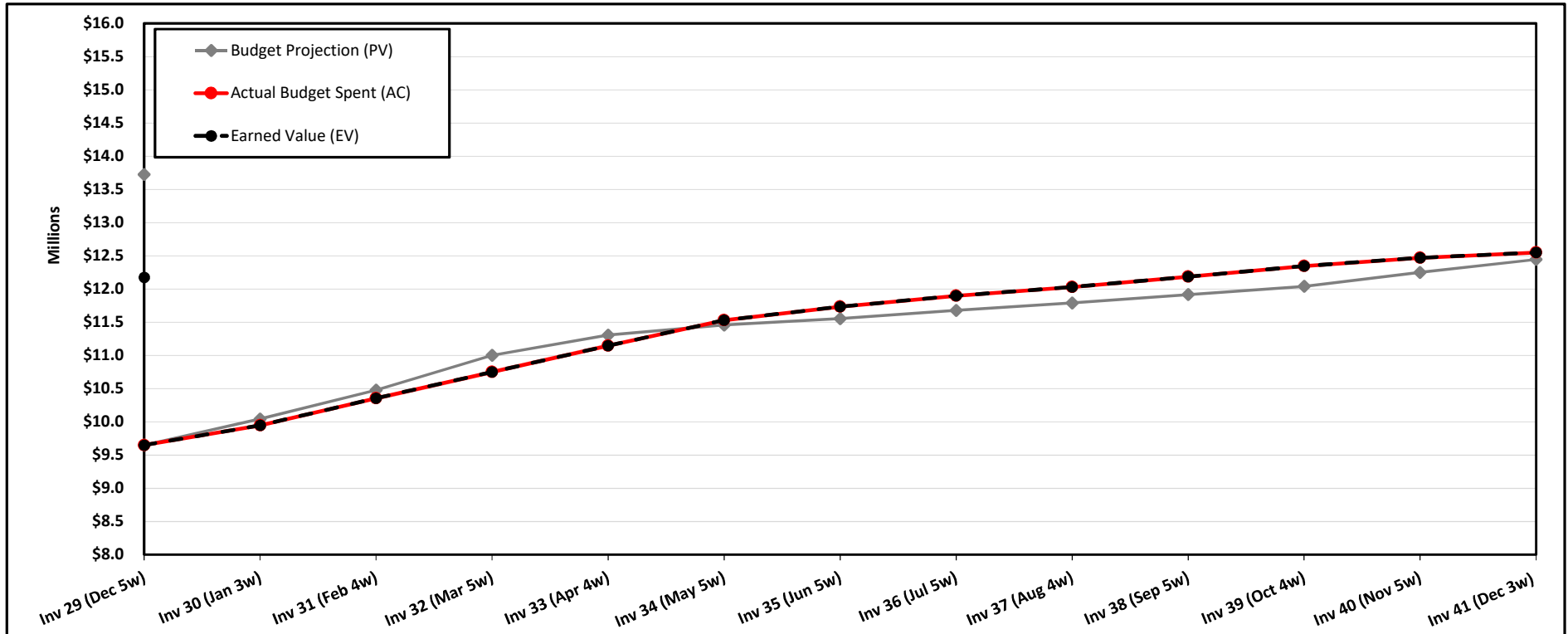


Note: The Task 3 amount for Invoice 5 was reported incorrectly in the previous version of this Report. The correct cumulative amount is \$263.96 lower.  
The Task 3 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion <sup>(BAC)(1)</sup> (BAC)	\$ 6,547,292
Estimate to Complete <sup>(ETC1)</sup> (ETC1=EAC1-AC)	\$ 681,087
Cost Variance <sup>(CV)</sup> (CV=EV-AC)	\$ 5,515
Schedule Variance <sup>(SV)</sup> (SV=EV-PV)	\$ (681,728)
Cost Performance Index <sup>(CPI)</sup> (CPI=EV/AC)	1.00
Schedule Performance Index <sup>(SPI)</sup> (SPI=EV/PV)	0.90
Cost /Schedule Index <sup>(CSI)</sup> (CSI=CPI x SPI)	0.90
Estimate at Completion <sup>(EAC1)</sup> (EAC1=BAC/CPI)	\$ 6,541,135.95
Variance at Completion <sup>(VAC1)</sup> (VAC1=BAC-EAC1)	\$ 6,155.55

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> <li>Followed up on USACE and Potawatomi meeting regarding construction monitoring.</li> <li>Reviewed WDNR wetland and waterway permit conditions and provided a list of special conditions.</li> <li>Started addressing comments received from the City of Franklin on the permit application for the Outfall Site.</li> <li>Continued assisting WWU, CWP and the City of Milwaukee with the mercury sampling program as part of the WPDES permit.</li> </ul>

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

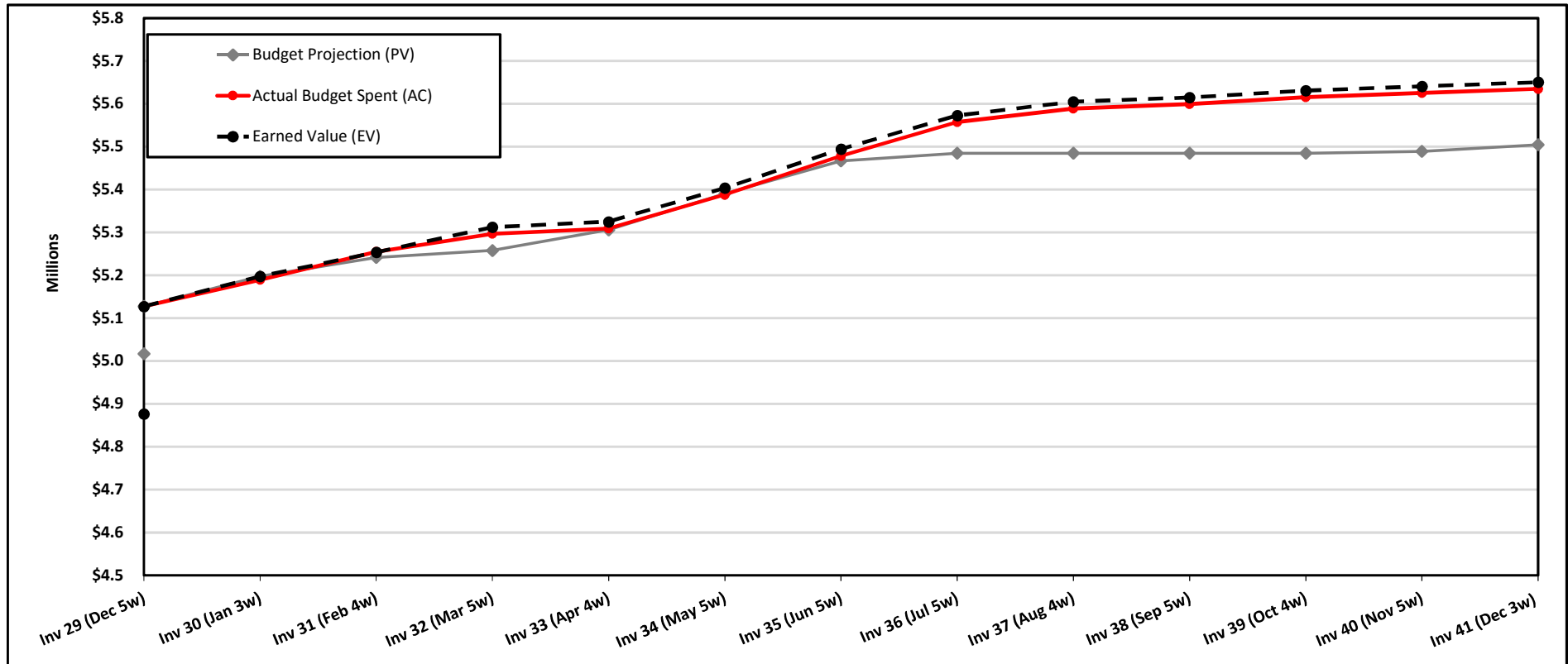


Note: The Task 4 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion <sup>(BAC)</sup> (BAC)	\$ 12,445,216
Estimate to Complete <sup>(ETC1)</sup> (ETC1=EAC1-AC)	\$ (104,894)
Cost Variance <sup>(CV)</sup> (CV=EV-AC)	\$ -
Schedule Variance <sup>(SV)</sup> (SV=EV-PV)	\$ 104,894
Cost Performance Index <sup>(CPI)</sup> (CPI=EV/AC)	1.00
Schedule Performance Index <sup>(SPI)</sup> (SPI=EV/PV)	1.01
Cost /Schedule Index <sup>(CSI)</sup> (CSI=CPI x SPI)	1.01
Estimate at Completion <sup>(EAC1)</sup> (EAC1=BAC/CPI)	\$ 12,445,215.84
Variance at Completion <sup>(VAC1)</sup> (VAC1=BAC-EAC1)	\$ -

Task 4 Route Study and Pipeline Plan/Progress
<ul style="list-style-type: none"> <li>Completed updating Contract Packages 5 and 6 Permit Review Contract Documents to address final comments from municipalities and submitted updated drawings to WDNR to receive construction permits.</li> <li>Further development of the Permit Review Contract Documents is contingent upon the BPS Site location. The deliverable will be completed after the site location is confirmed.</li> <li>Started combining the Station Suction Pipelines Contract Package into Contract Package 2.</li> <li>Continued responding to comments from authorities having jurisdiction on traffic and restoration.</li> </ul>

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



Earned Value Calculations	
Budget at completion <sup>(BAC)(1)</sup> (BAC)	\$ 5,504,554
Estimate to Complete <sup>(ETC1)</sup> (ETC1=EAC1-AC)	\$ (145,542)
Cost Variance <sup>(CV)</sup> (CV=EV-AC)	\$ 15,583
Schedule Variance <sup>(SV)</sup> (SV=EV-PV)	\$ 145,944
Cost Performance Index <sup>(CPI)</sup> (CPI=EV/AC)	1.00
Schedule Performance Index <sup>(SPI)</sup> (SPI=EV/PV)	1.03
Cost /Schedule Index <sup>(CSI)</sup> (CSI=CPI x SPI)	1.03
Estimate at Completion <sup>(EAC1)</sup> (EAC1=BAC/CPI)	\$ 5,489,373.20
Variance at Completion <sup>(VAC1)</sup> (VAC1=BAC-EAC1)	\$ 15,180.64

Task 6 Pump Stations, Storage and Chemical Treatment Plan/Progress
<ul style="list-style-type: none"> <li>Waiting on confirmation for final BPS Site location before continuing with design.</li> <li>Continued coordination with MWW on the design for the Oklahoma Pumping Station, formerly called the WSPS.</li> </ul>

Task 6 Pump Stations, Storage and Chemical Treatment Challenges
<ul style="list-style-type: none"> <li>City of New Berlin denied amending the Future Land Use Map within the City's Comprehensive Plan and rezoning of the Booster Pumping Station. New conditional use approval has been submitted to the City of New Berlin. Public hearing occurred on November 4, 2019 and voting on December 2, 2019. Legal proceedings have been pursued against the City of New Berlin. A contract amendment would be required to redesign the site.</li> </ul>