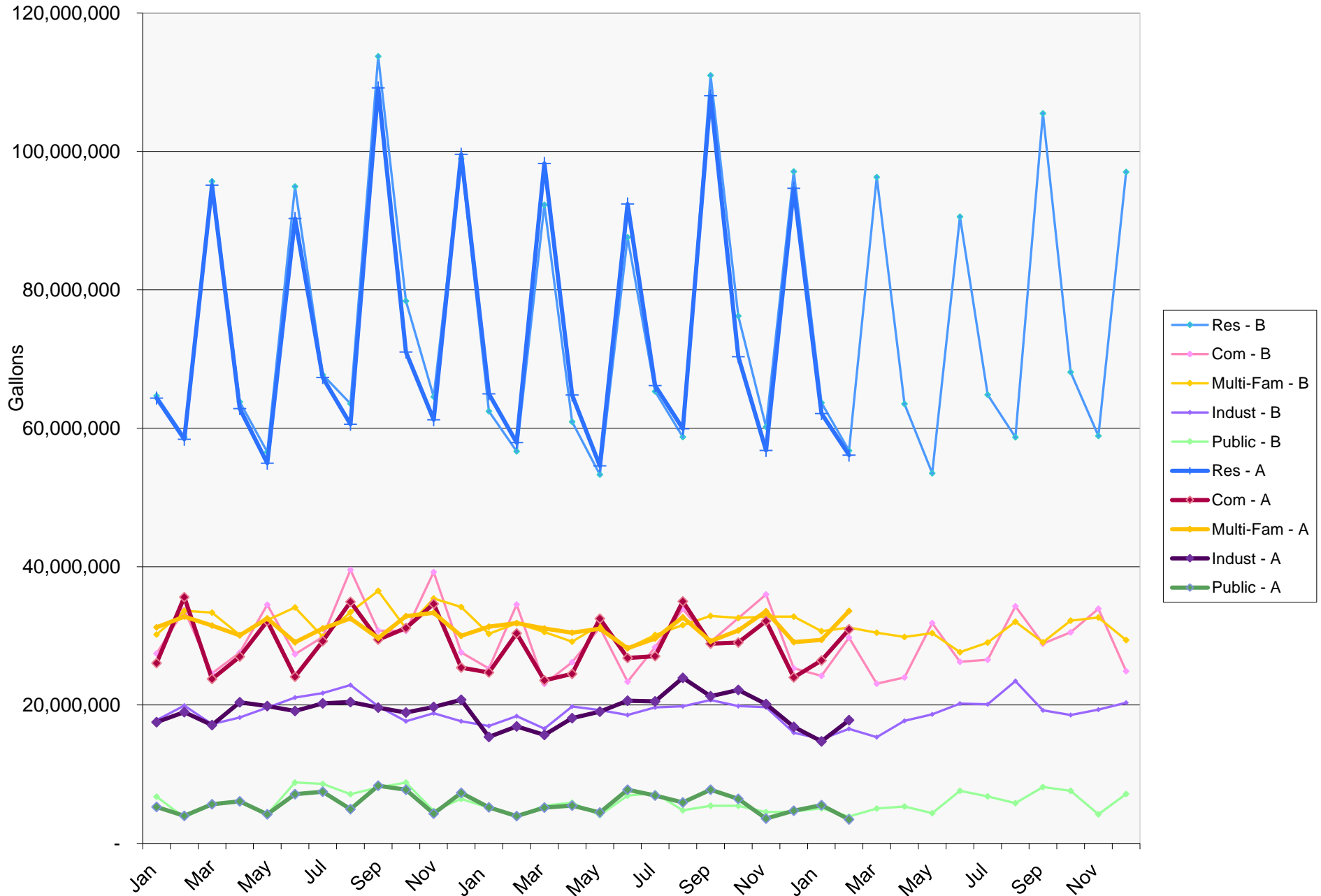


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 2/28/2019**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'19	BUDGET'19	VARIANCE	%	ACTUAL'19	BUDGET'19	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$316,057.88	\$305,143.90	\$10,913.98	3.58	\$663,472.12	\$635,525.02	\$27,947.10	4.40	\$4,824,683.03
Commercial	131,961.37	123,063.17	8,898.20	7.23	249,326.43	223,553.08	25,773.35	11.53	1,437,793.46
Industrial	61,540.32	57,035.88	4,504.44	7.90	114,033.51	109,721.38	4,312.13	3.93	770,326.57
Public	15,329.04	16,475.61	(1,146.57)	(6.96)	38,448.79	37,463.00	985.79	2.63	287,895.53
Multi Family	140,526.47	127,232.61	13,293.86	10.45	268,372.40	252,770.72	15,601.68	6.17	1,540,312.64
Irrigation	856.10	737.37	118.73	16.10	3,681.53	4,345.49	(663.96)	(15.28)	42,826.69
Total Metered Sales	\$666,271.18	\$629,688.54	\$36,582.64	5.81	\$1,337,334.78	\$1,263,378.69	\$73,956.09	5.85	\$8,903,837.92
Private Fire Capacity	\$23,414.79	\$19,983.40	\$3,431.39	17.17	\$44,992.37	\$37,746.69	\$7,245.68	19.20	\$239,814.12
Public Fire Capacity	161,302.46	144,377.15	16,925.31	11.72	325,848.30	288,905.48	36,942.82	12.79	2,112,230.99
Other Operating Revenues	19,064.90	26,974.40	(7,909.50)	(29.32)	37,441.74	53,948.80	(16,507.06)	(30.60)	471,295.46
TOTAL OPERATING REVENUES	\$870,053.33	\$821,023.49	\$49,029.84	5.97	\$1,745,617.19	\$1,643,979.66	\$101,637.53	6.18	\$11,727,178.49
OPERATING EXPENSES:									
Source	\$50,827.07	\$51,936.93	(\$1,109.86)	(2.14)	\$101,616.28	\$102,569.01	(\$952.73)	(0.93)	\$755,121.90
Pumping	89,139.34	73,538.98	15,600.36	21.21	157,393.09	156,810.16	582.93	0.37	1,038,078.03
Treatment	20,712.81	28,114.23	(7,401.42)	(26.33)	51,662.89	60,352.94	(8,690.05)	(14.40)	535,037.61
Distribution	153,007.16	90,121.41	62,885.75	69.78	297,160.31	229,853.82	67,306.49	29.28	1,379,286.99
Customer Service	10,644.57	20,268.21	(9,623.64)	(47.48)	36,096.38	40,536.42	(4,440.04)	(10.95)	258,081.70
Administrative	110,571.76	125,043.30	(14,471.54)	(11.57)	307,935.75	307,149.82	785.93	0.26	1,677,514.93
Total	\$434,902.71	\$389,023.06	45,879.65	11.79	\$951,864.70	\$897,272.17	54,592.53	6.08	\$5,643,121.16
MANAGERS' MARGIN	435,150.62	432,000.43	3,150.19	0.73	793,752.49	746,707.49	\$47,045.00	6.30	6,084,057.33
Depreciation	159,903.63	159,482.42	421.21	0.26	320,971.22	318,964.84	2,006.38	0.63	1,913,789.04
Tax Equivalent	168,280.82	168,280.82	0.00	0.00	336,561.64	336,561.64	0.00	0.00	2,019,369.84
Other Taxes	11,253.05	12,395.50	(1,142.45)	(9.22)	24,911.36	24,791.00	120.36	0.49	159,817.37
TOTAL OPERATING EXPENSES	\$774,340.21	\$729,181.80	\$45,158.41	6.19	\$1,634,308.92	\$1,577,589.65	\$56,719.27	3.60	\$9,736,097.41
TOTAL OPERATING INCOME(LOSS)	\$95,713.12	\$91,841.69	\$3,871.43	4.22	\$111,308.27	\$66,390.01	\$44,918.26	67.66	\$1,991,081.08
NON OPERATING INCOME&(EXPENSE)	(146,831.44)	(189,244.24)	42,412.80	(22.41)	(289,602.96)	(378,488.48)	88,885.52	(23.48)	(371,184.63)
NET INCOME(LOSS)	(\$51,118.32)	(\$97,402.55)	\$46,284.23	(47.52)	(\$178,294.69)	(\$312,098.47)	\$133,803.78	(42.87)	\$1,619,896.45

WWU
Billed Gallons
Actual v Budget
2017 - 2019



**WAUKESHA WATER UTILITY
BALANCE SHEET
2/28/2019**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$26,464,081.75
ACCOUNTS RECEIVABLE	5,238,184.87
RECEIVABLE FROM SEWER REIMB	0.01
MATERIALS & SUPPLIES	379,494.51
OTHER CURRENT ASSETS	0.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	<u>\$32,081,761.14</u>
DEFERRED	
DEFERRED ASSETS	<u>\$25,355,936.06</u>
TOTAL DEFERRED DEBITS	25,355,936.06
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$882,341.59
DEBT RESERVE ACCOUNT	477,655.27
CONSTRUCTION FUND	150.44
TAX EQUIV RESERVE ACCOUNT	1,626,703.28
TOTAL RESTRICTED FUNDS	<u>\$2,986,850.58</u>
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$93,596,570.99
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	450,464.87
RESTRICTED NET PENSION	403,235.00
TOTAL UTILITY PLANT	<u>\$94,885,360.55</u>
TOTAL ASSETS	<u><u>\$155,309,908.33</u></u>
 LIABILITIES	
CURRENT	
CUR PORTION BOND	1,074,440.48
NOTES PAYABLE	26,610,000.00
ACCOUNTS PAYABLE	1,020,026.84
PAYABLE TO OTHER FUNDS	2,877,076.07
CUSTOMER DEPOSITS	159,072.59
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	1,593,075.50
INTEREST ACCRUED	766,907.12
EMPLOYEE WITHHOLDING	17,044.25
ACCRUED PAYROLL	125,956.98
ACCRUED VACATION	249,468.59
TOTAL CURRENT LIABILITIES	<u>\$34,493,068.42</u>
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	923,677.86
OPEB LIABILITY	4,117,158.22
OTHER DEFERRED CREDITS	<u>3,492,995.93</u>
TOTAL DEFERRED CREDITS	\$8,533,832.01
LONG-TERM	
BONDS	\$37,648,273.18
 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)	<u>(178,294.69)</u>
TOTAL EQUITY	<u>\$74,634,734.72</u>
TOTAL EQUITY AND LIABILITIES	<u><u>\$155,309,908.33</u></u>

**WAUKESHA WATER UTILITY
STATEMENT OF SOURCES AND USES OF CASH
PERIOD ENDING FEBRUARY 28, 2019**

Cash Balance - January 31, 2019

\$30,814,450

SOURCES:

Operations:

Customers - water sales	\$810,747
Waste Water Utility - joint metering billing	56,007
Rent of utility property - cellular leases	12,153
Receipts on sewer bills	1,008,810
Receipts from return flow	93,361
Reimbursement from City for return flow expenses	732,377
Reimbursement from City for sewer construction costs	324,608
Other - miscellaneous	38,589
Total Cash From Operating Activities	\$3,076,651

Capital and Related Financing Activities:

Grants	
Contributions	
Issuance of long-term debt	
Sale of short-term debt	
Interest income	58,533
Total Cash From Capital/ Investing Activities	\$58,533

Total Cash Receipts

\$3,135,184

USES:

Salaries, wages, payroll taxes and benefits	\$268,155
Subcontracted and outside services	17,329
Disbursement to city for sewer transfer	2,272,461
Disbursement to city for return flow transfer	194,624
Pumping power	54,474
Purchase of materials and supplies	234,711
Tax equivalent - PILOT	
Acquisition of capital assets	1,456,947
Debt service - principal	
Debt service - interest	

Total Cash Used

\$4,498,701

Net Change in Cash

(\$1,363,517)

Cash Balance - Febraury 28, 2019

\$29,450,932

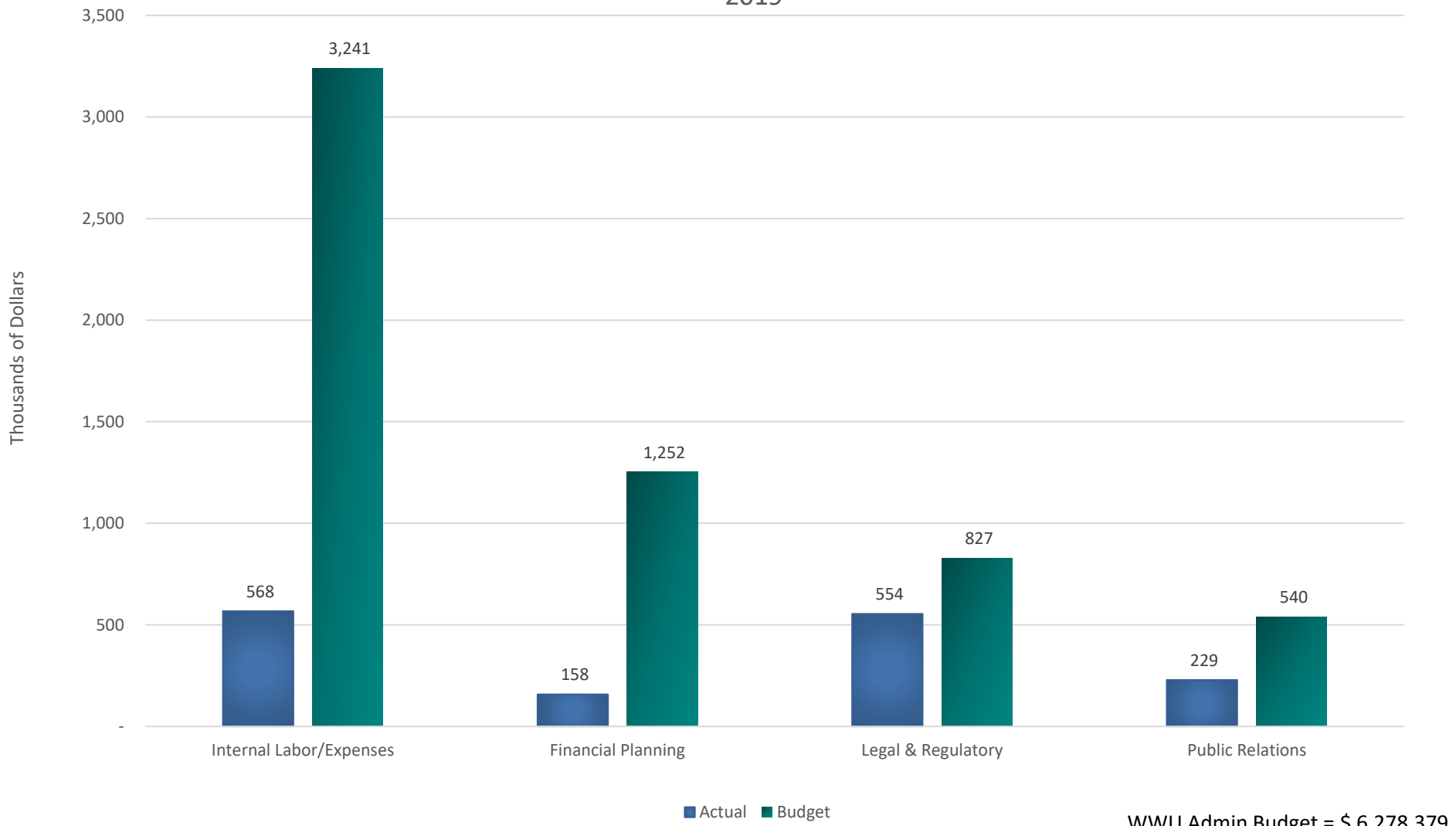
WWU
TRANSMISSION AND DISTRIBUTION
BUDGET VARIANCE ANALYSIS

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	\$ 18,960	6	Jack Wells	Fall 2019
						7	Daniel J. Manion	
						13	Dean Lemke	
						14	Sarah Wilke	
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	\$ 13,555	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	\$ 7,458	11	Erik Helgestad	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	\$ 932	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.		\$ 642,841	\$ 2,236	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	\$ 2,065	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	Sarah Wilke	Fall 2019
<i>Routine Projects</i>			\$ 3,045,649	\$ 2,799,766	\$ 45,206			
<i>Misc Routine</i>			\$ 936,516	\$ 936,516	\$ 936,516			
<i>Total Routine</i>			\$ 3,982,165	\$ 3,736,282	\$ 981,722			
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	\$ 15,947	3	Cassie Rodriguez	October 2019
<i>Distribution System Improvements</i>			\$ 3,244,865	\$ 3,244,865	\$ 15,947			
Total Transmission & Distribution			\$ 7,227,030	\$ 6,981,147	\$ 997,669			

Bold Totals are Based on Bids



Future Water Supply WWU Admin Sub Costs 2019



Status update

Waukesha Water Utility

Future Water Supply

March 20, 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/CM”) is the Program Manager and 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. 30 from Greeley and Hansen. There were no Audit Issues identified during the current period.

Additionally, we reviewed the Black & Veatch invoices for the period from May 2018 through February 2019. There were no Audit Issues identified for these invoices; however, the agreement between Waukesha Water Utility and Black & Veatch did not include a labor rate schedule. We have requested a rate schedule to verify labor is being charged at the agreed up rates.

Current Period Request for Information

There are no current period requests for information related to Greeley and Hansen.

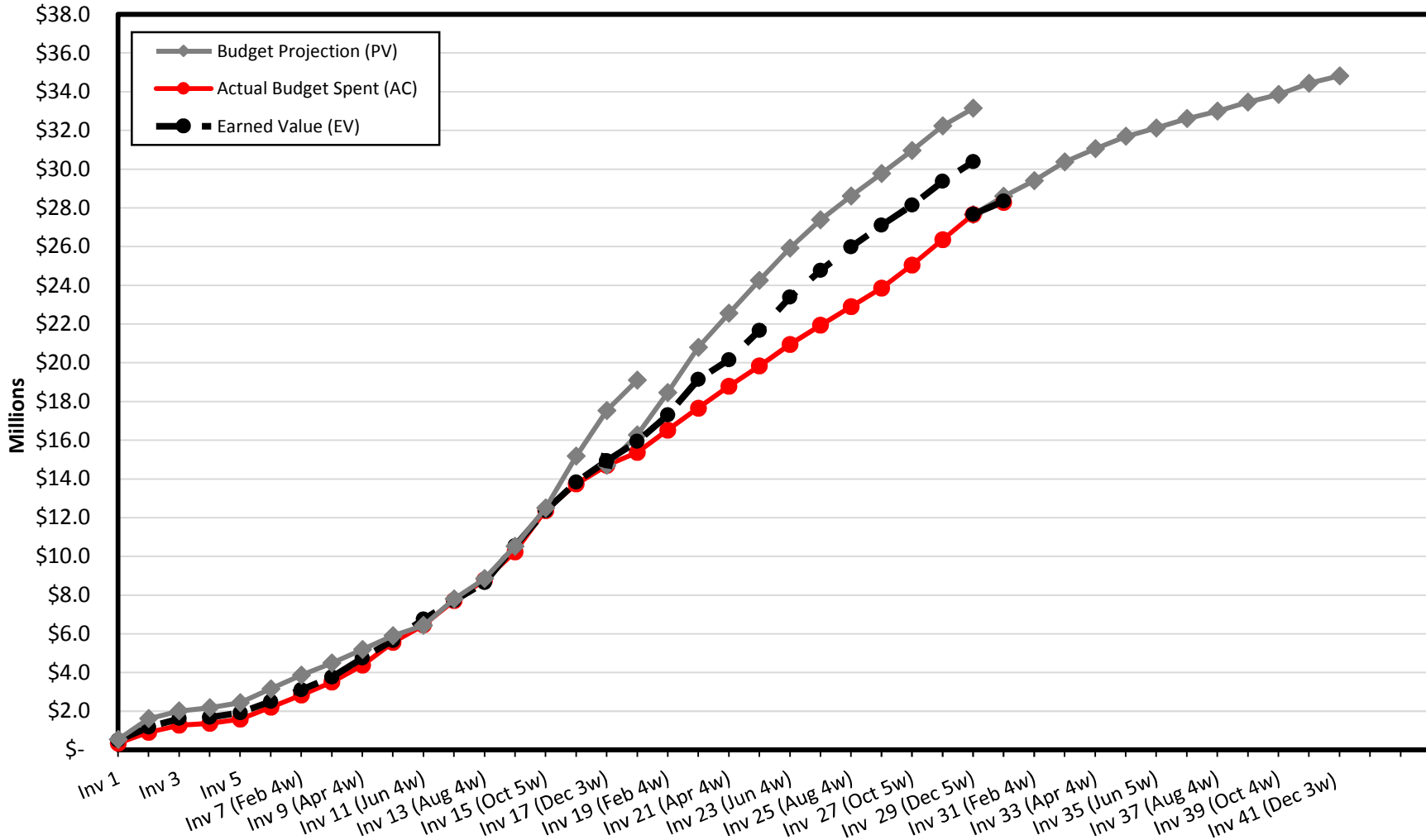
We requested a labor rate schedule for Black & Veatch (RFI 028).



Exhibit 5 – Earned Value Analysis



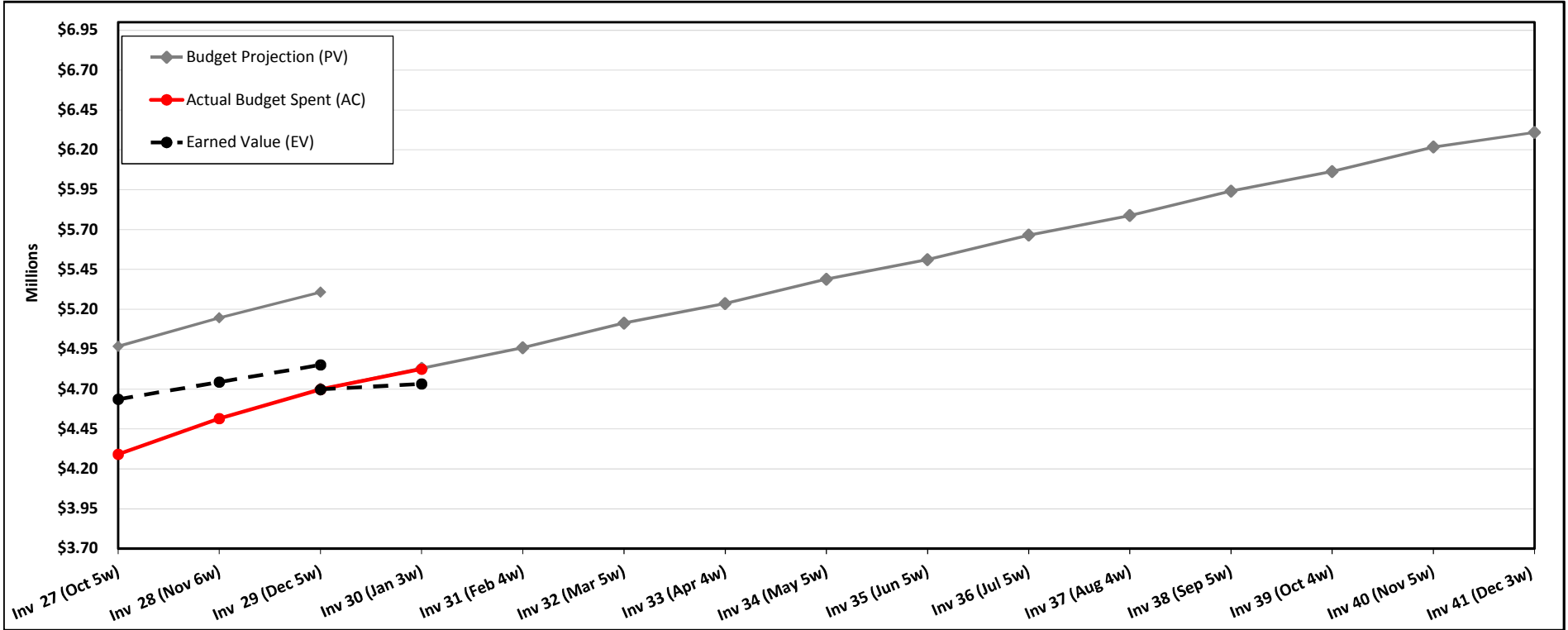
Great Lakes Water Supply Program PM/CM Program
Earned Value Chart
Phase 1 and 2 (Invoice No. 30)
 (Excluding Allowances and Contingencies)



% Spent 80.8%
Actual Budget Spent \$28,275,784

Schedule Performance Index (SPI) 0.99
Cost Performance Index (CPI) 1.00

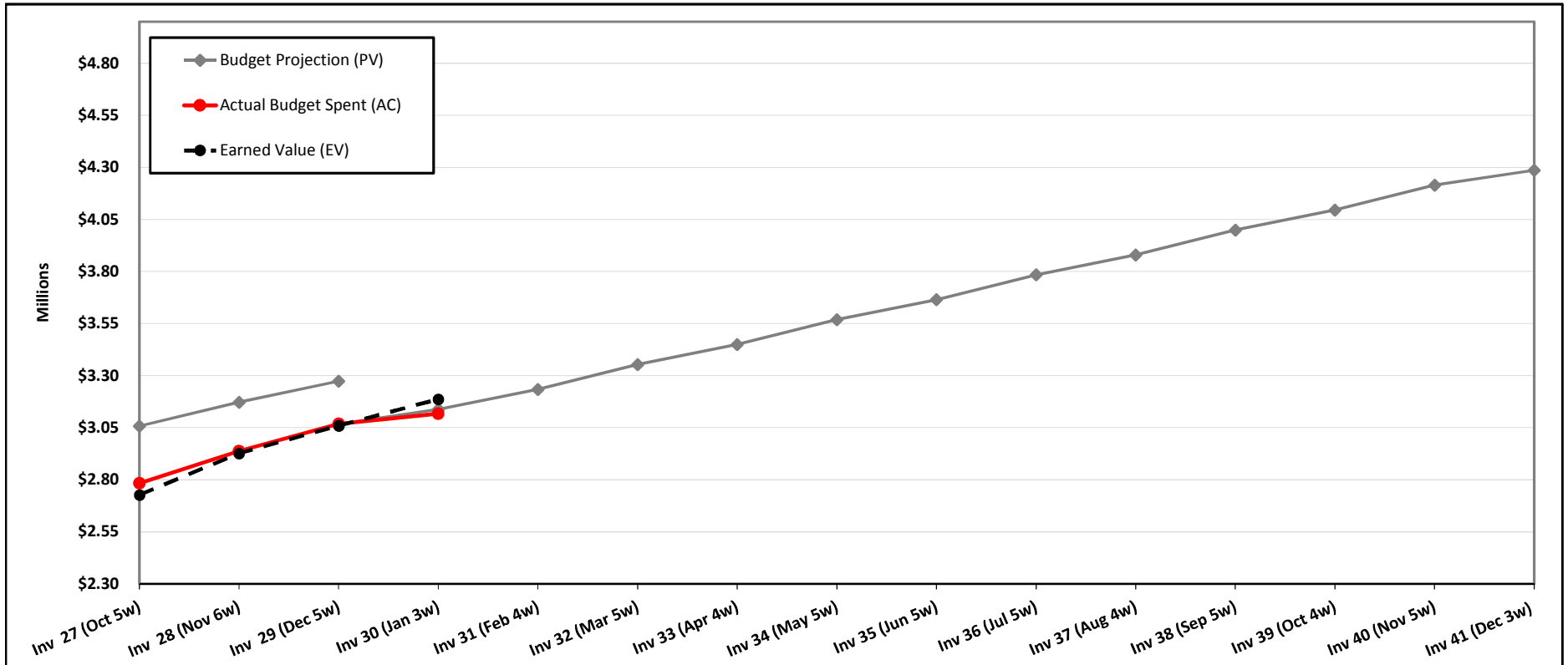
Note: Budget associated with Task 3-300, 5-200 and 5-300 water quality scope has been removed.



Earned Value Calculations	
Budget at Completion ^{(BAC)(1)} (BAC)	\$ 6,309,451
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,608,608
Cost Variance ^(CV) (CV=EV-AC)	\$ (93,735)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (97,931)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.98
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.98
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.96
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,434,431.09
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (124,980.09)

Task 1 Program Management Plan/Progress
<ul style="list-style-type: none"> Prepared and submitted Invoice No. 29; updated the Financial Management Dashboard and Report for Invoice No. 29. Held nine (9) Program Team meetings. Executed two subconsultants contracts. Received request for additional information from PSC regarding the CA Application and began drafting responses.

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



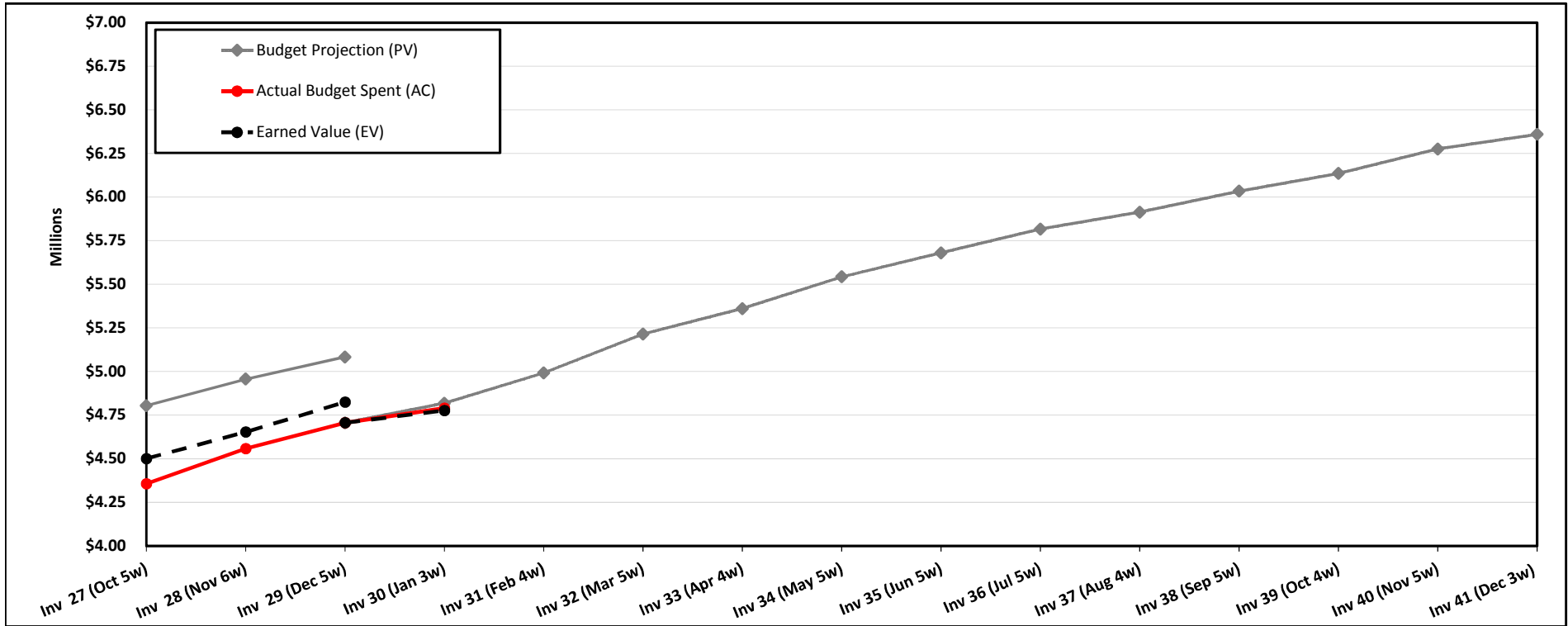
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 4,286,663
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,075,261
Cost Variance ^(CV) (CV=EV-AC)	\$ 69,899
Schedule Variance ^(SV) (SV=EV-PV)	\$ 49,144
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.02
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.02
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.04
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 4,192,653.43
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 94,009.37

Task 2 Programmatic Support Services Plan/Progress

- Prepared for 2018 annual presentation.
- Arranged and participated in a meeting with the new WDNR Secretary regarding the Waukesha project and helped arrange a second meeting including other WDNR officials.
- 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

- No Challenges.

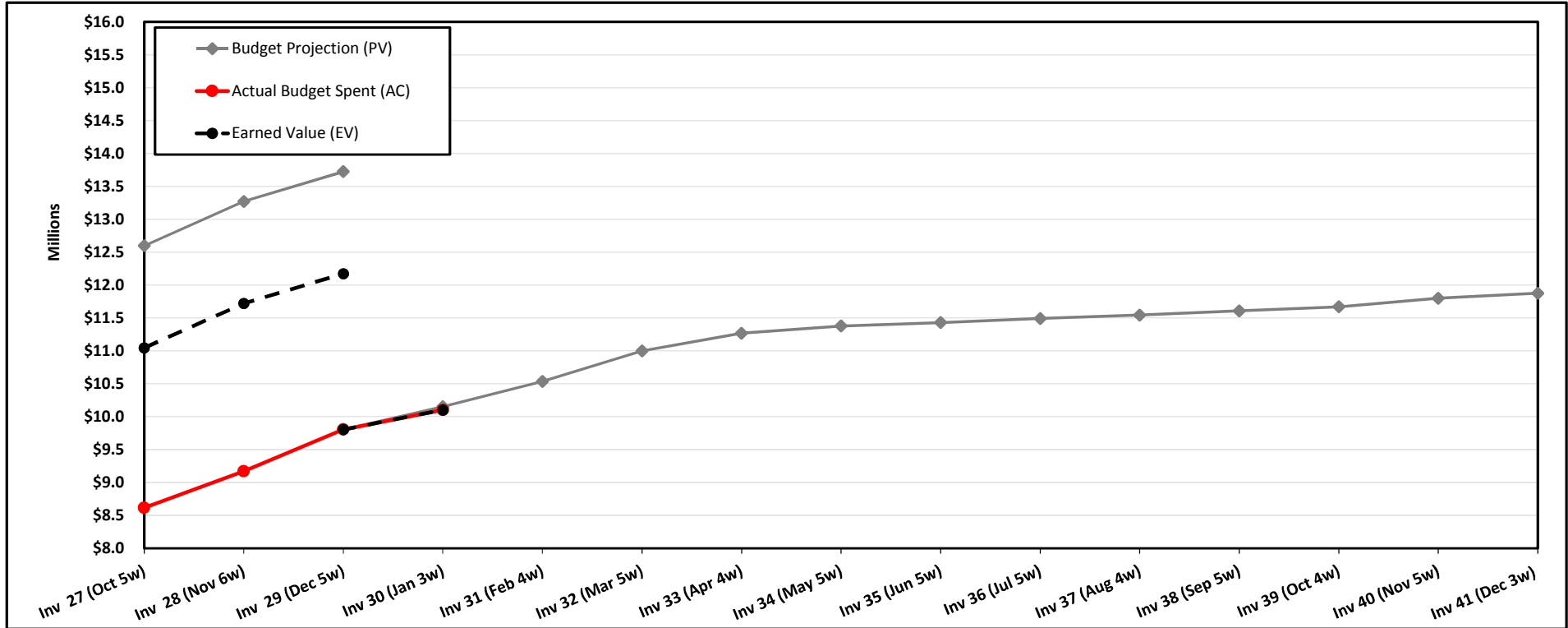


Note: The Task 3 amount for Invoice 5 was reported incorrectly in the previous version of this Report. The correct cumulative amount is \$263.96 lower.
The Task 3 Budget at completion amount was revised to reflect Task Authorizations and contract amendments

Earned Value Calculations	
Budget at completion ^{(BAC(1))} (BAC)	\$ 6,360,129
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,588,187
Cost Variance ^(CV) (CV=EV-AC)	\$ (13,630)
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)	0.99
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 6,378,278.34
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (18,148.91)

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> Held seven (7) Program Task 3 meetings. Prepared and submitted NEPA CEC documents to WisDOT. Began preparation of Environmental Construction Plans. Continued discussions with WWU, Clean Water Plan (CWP) staff and WDNR, on the Return Flow Management Plan (3-200 D1) and the Diversion Permit. Distributed field investigation notices to local municipalities

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, the WPDES discharge permit, and the Facility Plan Amendment.



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

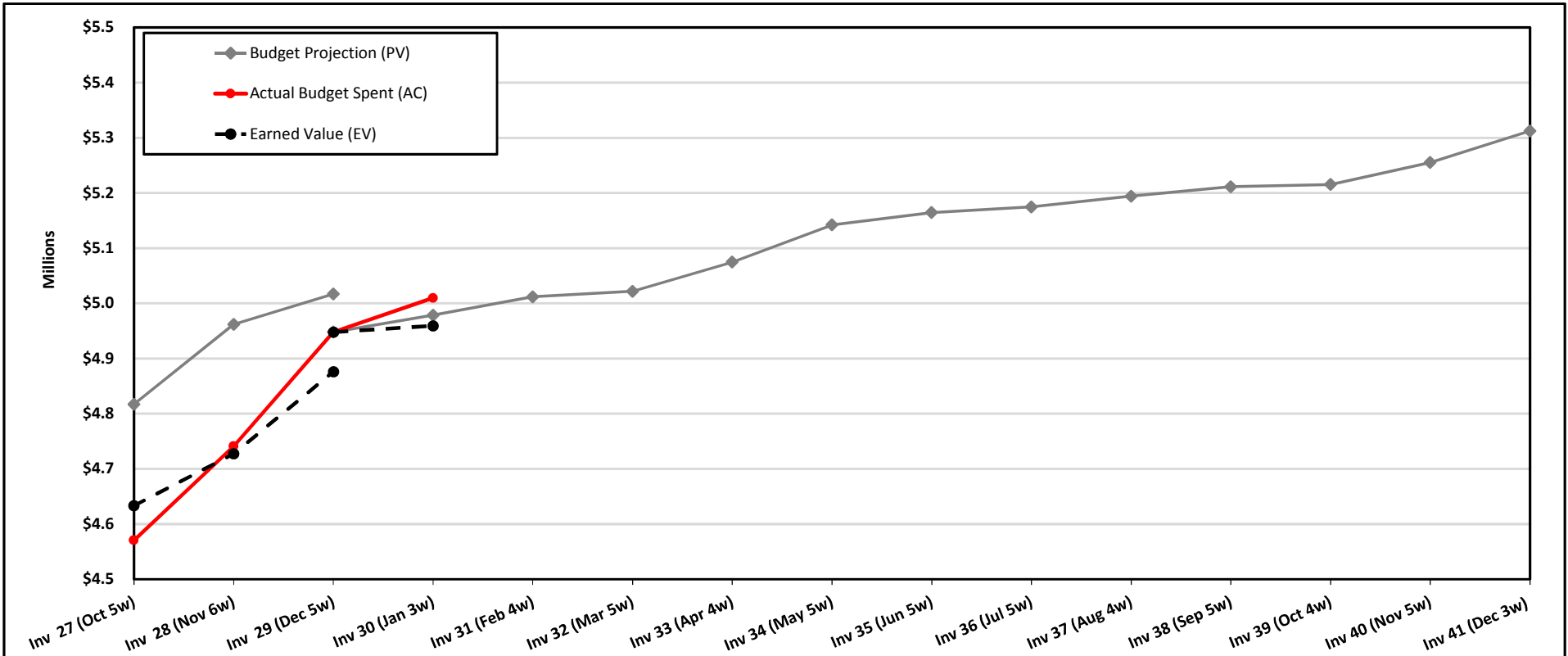
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 12,042,185
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,939,244
Cost Variance ^(CV) (CV=EV-AC)	\$ -
Schedule Variance ^(SV) (SV=EV-PV)	\$ (48,997)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	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"> The third draft of the WisDOT Interstate 43 Hardship Application (4-110 D1) was reviewed by WisDOT and FHWA. WisDOT and FHWA indicated the WisDOT Interstate 43 Hardship Application (4-110 D1) is 'approvable'. NEPA CEC documentation was developed and submitted to WisDOT / FHWA. Geotechnical reports were submitted for Task Lead Review. Contract Packages 5,6 and 2 90% Contract Documents were further developed.

Task 4 Route Study and Pipeline Challenges
<ul style="list-style-type: none"> The Program Schedule will be impacted if WisDOT / FHWA changes their inclination to approve locating the Return Flow Pipeline in the Interstate 43 corridor. 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.



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)	\$ 356,742
Cost Variance ^(CV) (CV=EV-AC)	\$ (50,477)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (19,291)
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)	\$ 5,366,632.51
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (54,071.08)

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.
- Continued preparation of the 90% Contract Drawings and Specifications (6-310 D1) for Contract Package 3, BPS and WSCB.

Task 6 Pump Stations, Storage and Chemical Treatment Challenges

- Land Acquisition prior to beginning zoning process with New Berlin which could impact building materials and site improvements.