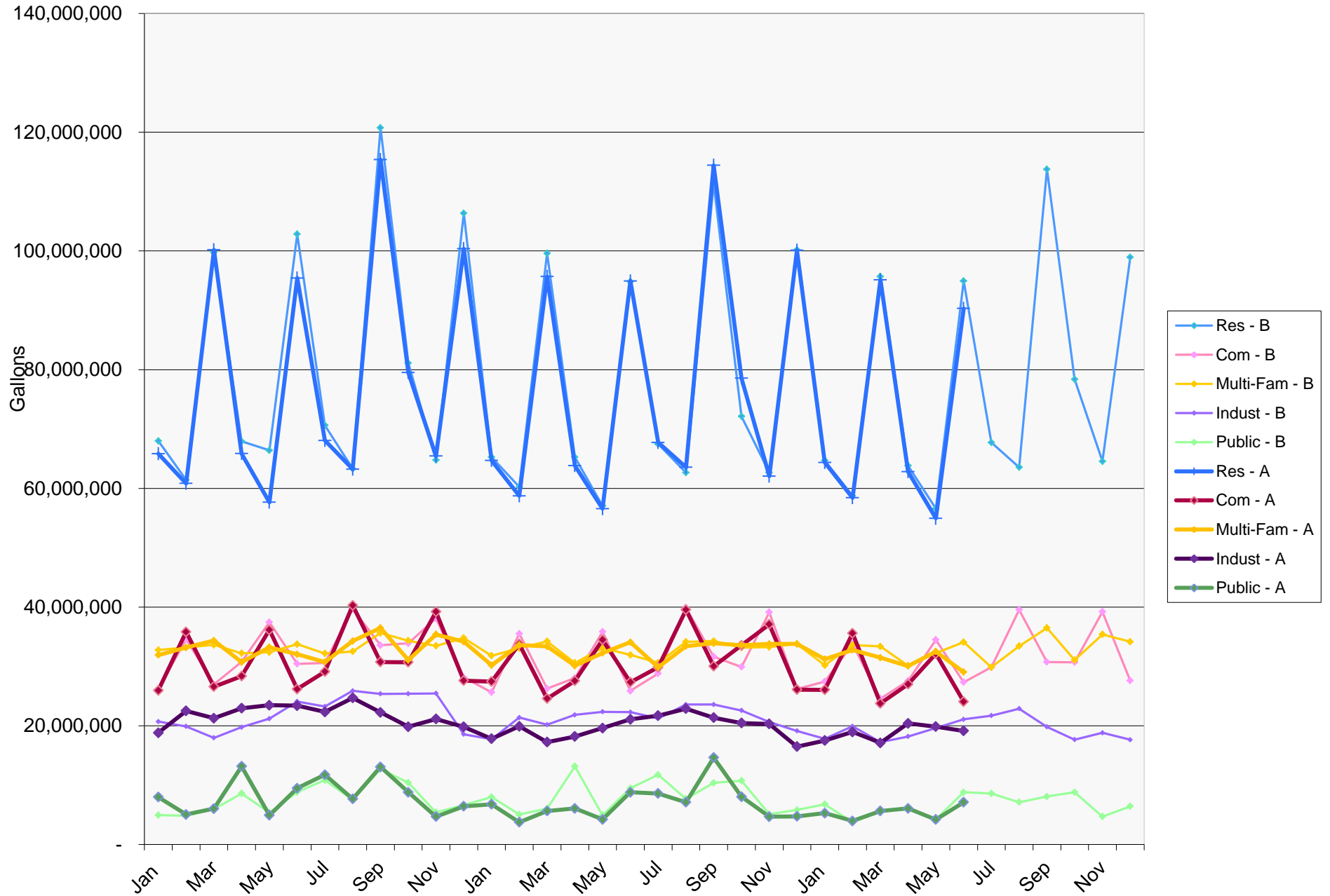


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 6/30/2017**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'17	BUDGET'17	VARIANCE	%	ACTUAL'17	BUDGET'17	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$468,342.15	\$542,176.76	(\$73,834.61)	(13.62)	\$2,193,374.64	\$2,334,448.74	(\$141,074.10)	(6.04)	\$5,030,437.72
Commercial	94,042.72	117,839.20	(23,796.48)	(20.19)	665,594.18	715,122.06	(49,527.88)	(6.93)	1,569,599.84
Industrial	61,886.16	75,153.92	(13,267.76)	(17.65)	367,231.96	401,074.09	(33,842.13)	(8.44)	827,015.90
Public	26,518.99	35,610.38	(9,091.39)	(25.53)	125,268.89	145,702.17	(20,433.28)	(14.02)	326,294.38
Multi Family	113,328.46	144,723.56	(31,395.10)	(21.69)	738,282.02	796,336.79	(58,054.77)	(7.29)	1,668,162.54
Total Metered Sales	\$764,118.48	\$915,503.82	(\$151,385.34)	(16.54)	\$4,089,751.69	\$4,392,683.85	(\$302,932.16)	(6.90)	\$9,421,510.38
Private Fire Capacity	\$14,592.61	\$16,495.71	(\$1,903.10)	(11.54)	\$93,759.41	\$96,620.11	(\$2,860.70)	(2.96)	\$199,976.65
Public Fire Capacity	174,035.82	198,908.67	(24,872.85)	(12.50)	887,916.12	932,873.32	(44,957.20)	(4.82)	1,927,919.50
Other Operating Revenues	29,738.69	28,940.62	798.07	2.76	198,733.66	212,592.97	(13,859.31)	(6.52)	496,500.37
TOTAL OPERATING REVENUES	\$982,485.60	\$1,159,848.82	(\$177,363.22)	(15.29)	\$5,270,160.88	\$5,634,770.25	(\$364,609.37)	(6.47)	\$12,045,906.90
OPERATING EXPENSES:									
Source	\$1,248,822.70	\$64,128.89	\$1,184,693.81	1847.36	\$1,259,774.67	\$384,773.34	\$875,001.33	227.41	\$769,546.68
Pumping	75,830.88	85,682.50	(9,851.62)	(11.50)	405,013.17	502,686.21	(97,673.04)	(19.43)	1,015,429.53
Treatment	54,514.69	55,362.65	(847.96)	(1.53)	214,419.55	236,600.90	(22,181.35)	(9.38)	473,201.80
Distribution	73,390.66	131,802.12	(58,411.46)	(44.32)	489,591.12	744,930.67	(255,339.55)	(34.28)	1,476,932.94
Customer Service	12,842.85	14,169.47	(1,326.62)	(9.36)	100,615.48	92,091.09	8,524.39	9.26	203,204.17
Administrative	153,237.88	167,945.88	(14,708.00)	(8.76)	819,418.98	883,641.48	(64,222.50)	(7.27)	1,626,498.94
Total	\$1,618,639.66	\$519,091.51	1,099,548.15	211.82	\$3,288,832.97	\$2,844,723.69	444,109.28	15.61	\$5,564,814.06
MANAGERS' MARGIN	(636,154.06)	640,757.31	(1,276,911.37)	(199.28)	1,981,327.91	2,790,046.56	(\$808,718.65)	(28.99)	6,481,092.84
Depreciation	158,356.27	156,724.04	1,632.23	1.04	953,631.71	940,344.24	13,287.47	1.41	1,880,688.48
Tax Equivalent	146,566.83	145,847.99	718.84	0.49	879,085.68	875,087.94	3,997.74	0.46	1,750,175.88
Other Taxes	11,750.38	12,142.86	(392.48)	(3.23)	72,632.97	72,232.16	400.81	0.55	154,451.82
TOTAL OPERATING EXPENSES	\$1,935,313.14	\$833,806.40	\$1,101,506.74	132.11	\$5,194,183.33	\$4,732,388.03	\$461,795.30	9.76	\$9,350,130.24
TOTAL OPERATING INCOME(LOSS)	(\$952,827.54)	\$326,042.42	(\$1,278,869.96)	(392.24)	\$75,977.55	\$902,382.22	(\$826,404.67)	(91.58)	\$2,695,776.66
NON OPERATING INCOME&(EXPENSE)	56,147.20	(119,812.57)	175,959.77	(146.86)	(628,279.73)	(892,238.22)	263,958.49	(29.58)	(1,009,821.75)
NET INCOME(LOSS)	(\$896,680.34)	\$206,229.85	(\$1,102,910.19)	(534.80)	(\$552,302.18)	\$10,144.00	(\$562,446.18)	(5544.62)	\$1,685,954.91

WWU
Billed Gallons
Actual v Budget
2015 - 2017



**WAUKESHA WATER UTILITY
STATEMENT OF SOURCES AND USES OF CASH
PERIOD ENDING JUNE 30, 2017**

Cash Balance - May 31, 2017

\$37,746,408

SOURCES:

Operations:

Customers - water sales	\$738,468
Waste Water Utility - joint metering billing	56,968
Rent of utility property - cellular leases	12,028
Receipts on sewer bills	1,004,051
Other - miscellaneous	11,975
Total Cash From Operating Activities	<u>\$1,823,491</u>

Capital and Related Financing Activities:

Grants	
Contributions	277
Issuance of long-term debt	
Sale of short-term debt	
Interest income	24,510
Total Cash From Capital/ Investing Activities	<u>\$24,786</u>

Total Cash Receipts

\$1,848,278

USES:

Salaries, wages, payroll taxes and benefits	\$246,722
Subcontracted and outside services	80,142
Disbursement to city for sewer transfer	992,015
Pumping power	46,370
Purchase of materials and supplies	82,736
Tax equivalent - PILOT	
Acquisition of capital assets	1,080,183
Debt service - principal	
Debt service - interest	

Total Cash Used

\$2,528,168

Net Change in Cash

(\$679,891)

Cash Balance - June 30, 2017

\$37,066,517

**WAUKESHA WATER UTILITY
BALANCE SHEET
6/30/2017**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$22,567,614.66
ACCOUNTS RECEIVABLE	4,994,725.87
RECEIVABLE FROM SEWER REIMB	0.00
MATERIALS & SUPPLIES	579,449.19
OTHER CURRENT ASSETS	15,997.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	\$28,157,786.72
DEFERRED	
DEFERRED ASSETS	\$3,060,787.32
TOTAL DEFERRED DEBITS	3,060,787.32
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$896,607.60
DEBT RESERVE ACCOUNT	475,416.77
CONSTRUCTION FUND	11,635,333.75
TAX EQUIV RESERVE ACCOUNT	1,491,544.33
TOTAL RESTRICTED FUNDS	\$14,498,902.45
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$89,336,486.64
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	7,407,121.31
RESTRICTED NET PENSION	(225,396.00)
TOTAL UTILITY PLANT	\$96,953,301.64
TOTAL ASSETS	\$142,670,778.13
<u>LIABILITIES</u>	
CURRENT	
CUR PORTION BOND	420,134.14
NOTES PAYABLE	27,285,000.00
ACCOUNTS PAYABLE	1,428,888.04
PAYABLE TO OTHER FUNDS	2,859,267.19
CUSTOMER DEPOSITS	89,394.61
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	896,814.00
INTEREST ACCRUED	388,051.84
EMPLOYEE WITHHOLDING	13,306.87
ACCRUED PAYROLL	85,420.00
ACCRUED VACATION	227,813.40
TOTAL CURRENT LIABILITIES	\$33,694,090.09
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	1,242,187.46
OPEB LIABILITY	1,226,637.73
OTHER DEFERRED CREDITS	3,093,140.36
TOTAL DEFERRED CREDITS	\$5,561,965.55
LONG-TERM	
BONDS	\$28,128,907.51
<u>EQUITY</u>	
CAPITAL PAID IN BY MUNICIPALITY	\$729,520.02
EQUITY FINANCED BY UTILITY	41,886,232.22
EQUITY FROM CONTRIBUTIONS	32,526,407.92
RESTRICTED EQUITY	695,957.00
NET PROFIT (LOSS)	(552,302.18)
TOTAL EQUITY	\$75,285,814.98
TOTAL EQUITY AND LIABILITIES	\$142,670,778.13

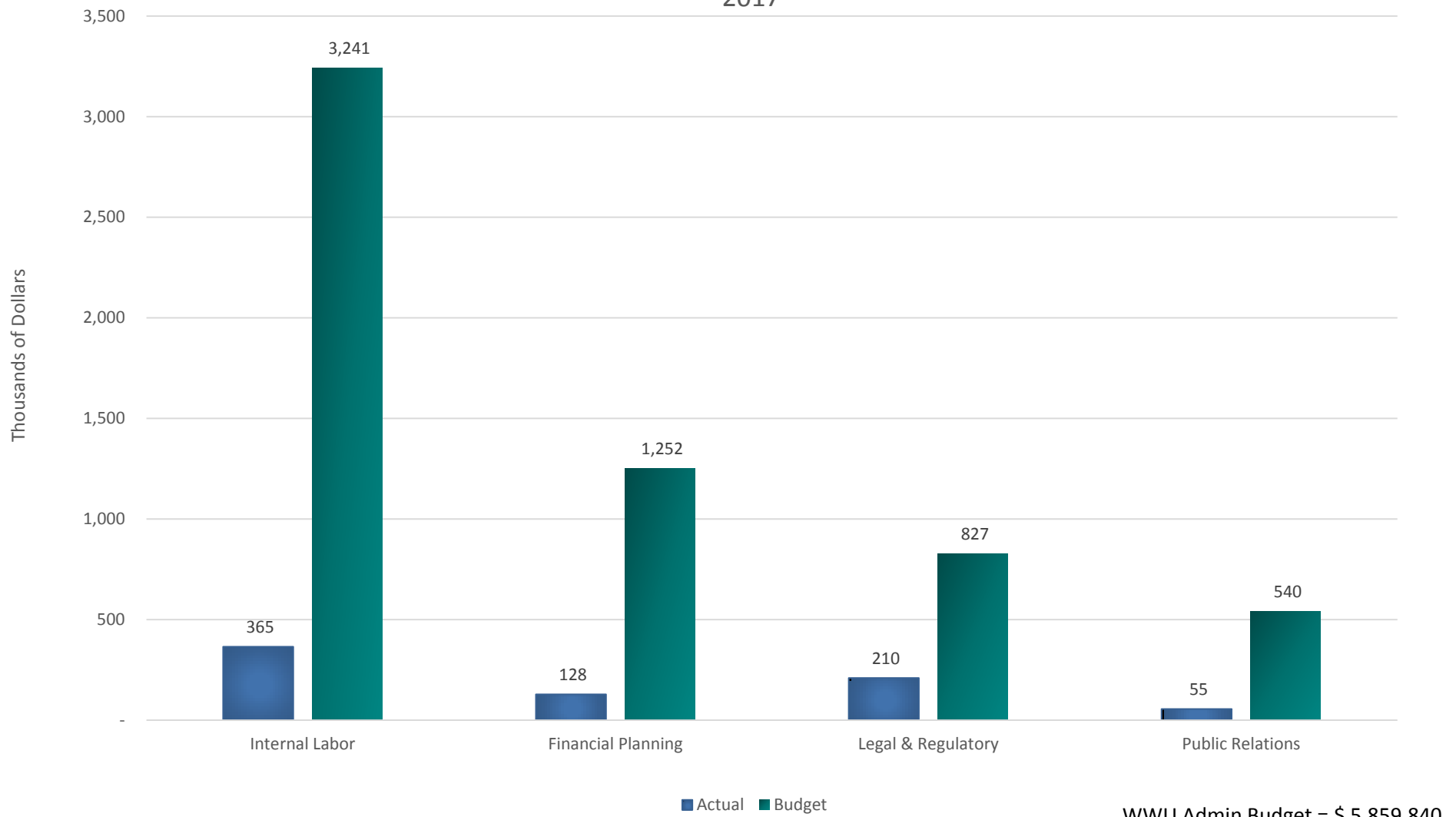
WWU
TRANSMISSION AND DISTRIBUTION
BUDGET VARIANCE ANALYSIS

Project	Project #	Description/Location	Budget	Current Estimate	PJC Total	Aldermanic District		Construction Completion
WM offsets from WSB from Fiddlers Creek to Northview Road	M00500	Water Main offsets to accommodate changes in the storm sewer and roadway alignments. Project run by CH2M on behalf of the County.	\$2,787,447	\$ 58,407	\$ 48,536	14	Bill Boyle	December 2017
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.		\$ 250,000	\$ 8,760	6 7 13 14	Adam Jankowski Daniel J. Manion Dean Lemke Bill Boyle	Fall 2018
WM offsets from WSB from Northview to Rolling Ridge Drive	M00502	Water Main offsets to accommodate changes in the storm sewer and roadway alignments. Project run by the City.		\$ 298,751	\$ 48,049	5 14	Peter Bartels Bill Boyle	November 2017
N Grand - 5 Points to Wisconsin and South St - Clinton to Grand Ave.	M00507	Replace 600 feet of 10" main from 1908 with 12" on South Street from Clinton to Grand and on N. Grand from 5 Points to Wisconsin. Project done with the City.		\$ 298,945	\$ 34,194	11	Erik Helgestad	June 2017
Prairie Ave - College to St Paul Ave.	M00508	Cancelled by the City until a Future Year		\$ -	\$ 794			Cancelled
Caroline St - Arcadian to Main St.	M00509	Replace 750 of 6" main from 1911 with 8" on Caroline between Arcadian and Main Street. Project done with City Sanitary.		\$ 176,392	\$ 7,122	3 11	Cassie Rodriguez Erik Helgestad	November 2017
NW Barstow - Buena Vista to Lemira Ave.	M00510	Replace 1,560 feet of 6" main from 1909, 1915, and 1930 with 8" on NW Barstow from Buena Vista to Lemira. Project done with the City.		\$ 312,364	\$ 102,698	2	Eric Payne	June 2017
Arcadian - Eugene to Greenfield Ave.	M00512	Replace 1,500 feet of 6" main from 1924 with 550' of 8" and 950' 12" on NW Barstow from Buena Vista to Lemira. Project done with the City.		\$ 363,087	\$ 20,709	3	Cassie Rodriguez	October 2017
Oscar Street - Jefferson to Highland Ave.	M00513	Lower services on Oscar between Jefferson & Highland to eliminate annual water runs due to large storm sewer. Main is from 1958 but will not be replaced due to budget constraints.		\$ 41,622	\$ 3,463	3	Cassie Rodriguez	October 2017
Waukesha County Expo Center	M00514	Eliminate water meter pit and install 20 feet of 8" ductile iron pipe.		\$ 7,508	\$ 7,508	2	Eric Payne	May 2017
Routine Projects			\$ 2,787,447	\$ 1,807,077	\$ 281,833			
Misc Routine			\$ 558,809	\$ 558,809	\$ 558,809			
Total Routine			\$ 3,346,256	\$ 2,365,886	\$ 840,642			
West Ave from Wisconsin to Glenwood, West on Glenwood, under Fox River to Mountain Ave.	GLCD0008	Replacing 8" from 1913 on West from Wisconsin to Glenwood, 6" from 1927 on Glenwood, with 24" main, then new 24" crossing river, passing through Grede Park and connecting to 20" main on Mountain. Project done with City Sanitary.	\$ 1,924,600	\$ 1,632,662	\$ 70,582	2 11	Eric Payne Erik Helgestad	9/29/17
Distribution System Improvements			\$1,924,600	\$ 1,632,662	\$ 70,582			
Total Transmission & Distribution			\$ 5,270,856	\$ 3,998,548	\$ 911,224			

Bold Totals are Based on Bids



Future Water Supply
WWU Admin Sub Costs
2017



Earned Value Narrative

The Earned Value (EV) technique is being used to monitor the Program scope, schedule and cost, and to assess overall Program performance. The components of EV are the work breakdown structure, the schedule and the estimated costs. By connecting these components, future Program performance can be predicted and proactive actions can be taken to stay on track.

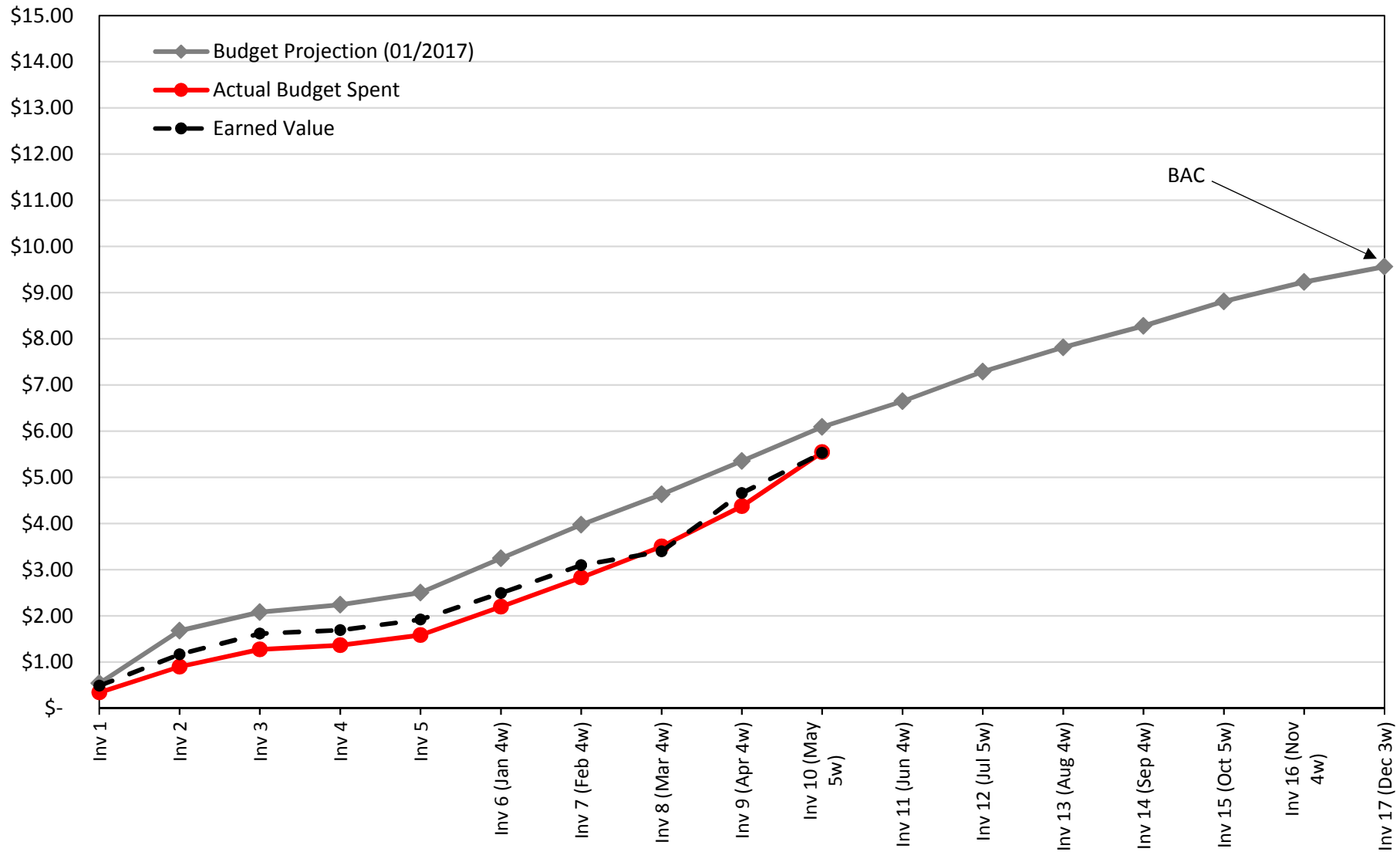
The work breakdown structure is a grouping of Program elements that define and organize the scope of the Program. For this Program, the work breakdown structure is defined by the Task and subtask activities, deliverables, meetings and workshops. An estimated cost, or Planned Value (PV), duration and interdependencies are assigned to the Task and subtask activities, deliverables, meetings and workshop. A PV cumulative cost curve is used to identify the value at any point in time of the work that is planned to be done.

On a monthly basis, the value of the work completed as a percentage of the PV is determined by the Program Manager and defines the EV which is shown on the cumulative cost curve. The monthly Program invoices define the Actual Costs (AC) which are also shown on the cumulative cost curve. Using the cumulative cost curves developed for the overall Program and each Task, the Schedule Performance Index (SPI) and the Cost Performance Index (CPI) are calculated. SPI is calculated by dividing EV by PV. The CPI is calculated by dividing EV by AC.

The PV for the overall Program reflects that the full approved budget amount less allowances and contingencies will be spent by September 2017 with some Tasks sooner. The full approved budget of \$10,451,450 includes \$875,781.30 of allowances and contingencies.

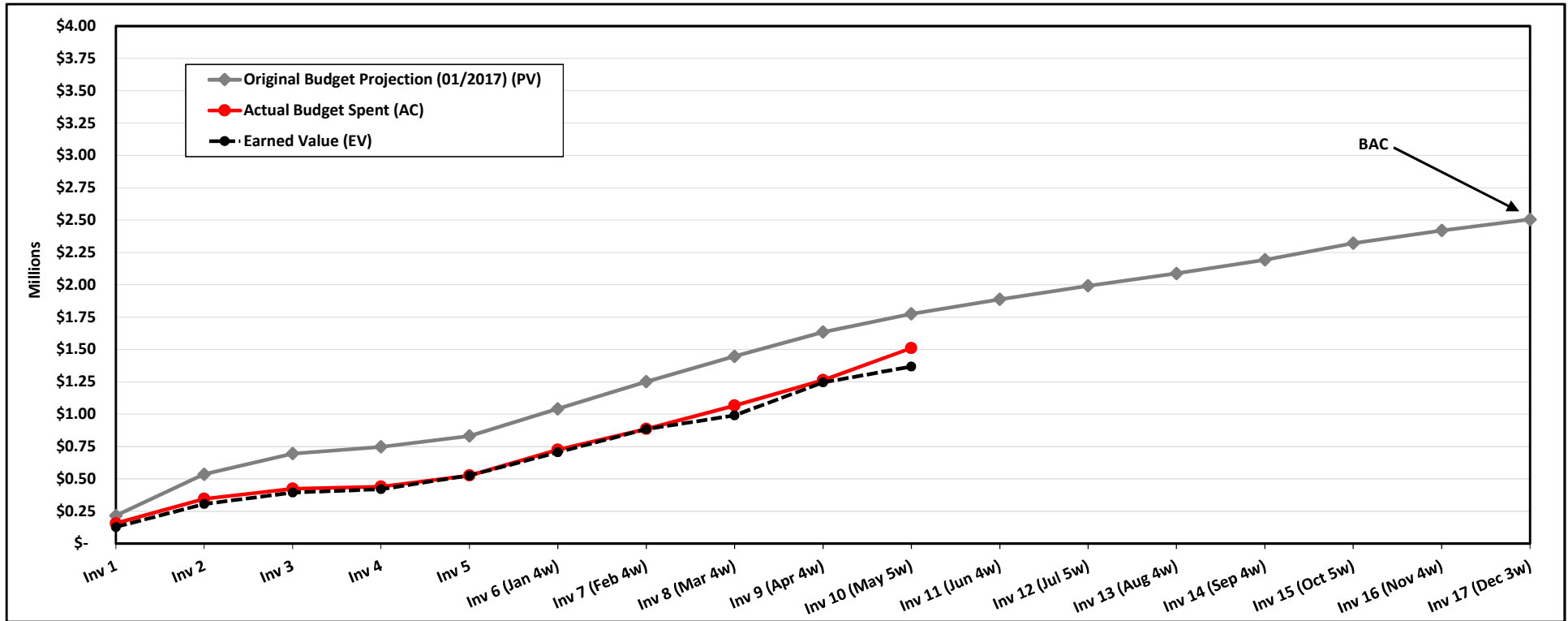
In order to provide greater design clarity for the development of Program costs and to be prepared to accelerate Program design and permitting activities to meet anticipated funding timelines, the Program Tasks originally anticipated to occur in 2018 are being expedited in 2017. The budget status and challenges for each Task are noted on the following graphs.

Great Lakes Water Supply Program Chart



% Spent 53.0%
Actual Budget Spent \$5,544,098.64

Schedule Performance Index (SPI) 0.91
Cost Performance Index (CPI) 1.00



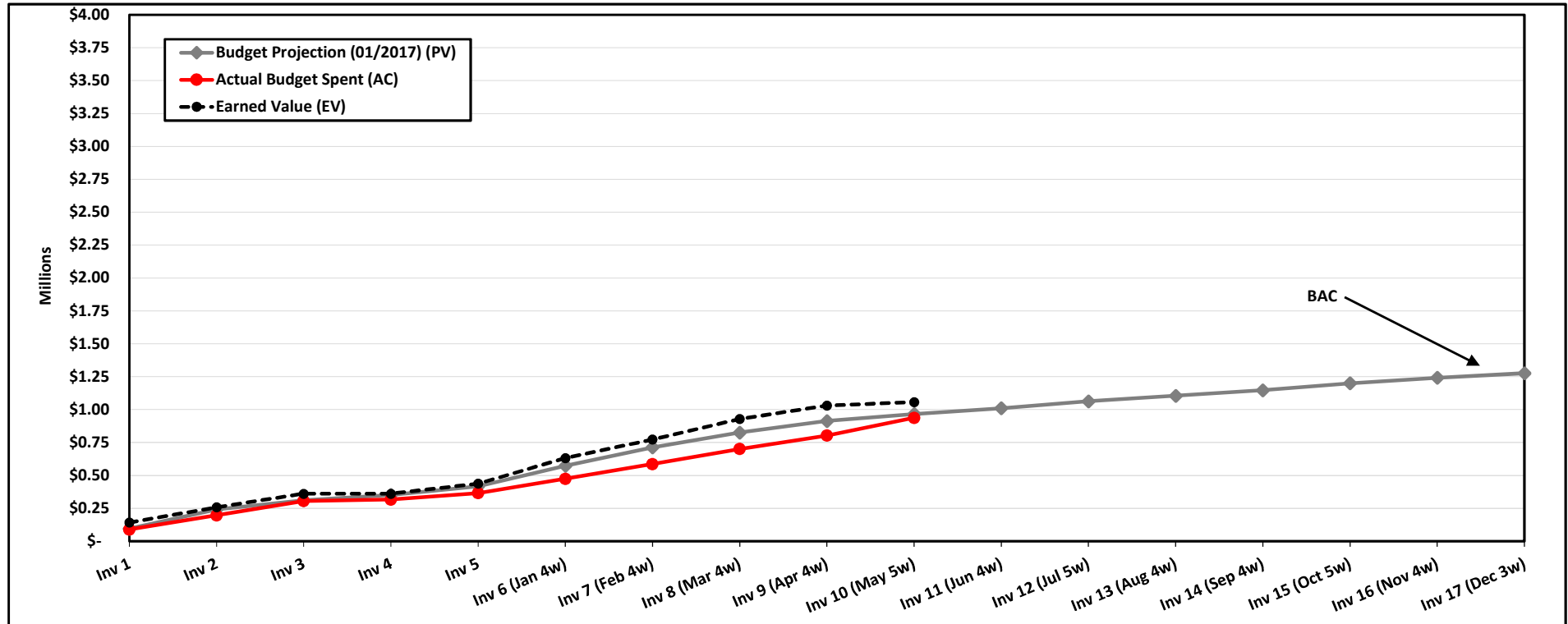
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 2,630,655.70
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,394,540.39
Cost Variance ^(CV) (CV=EV-PV)	\$ (408,119.04)
Schedule Variance ^(SV) (SV=EV-AC)	\$ (142,811.12)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.91
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.77
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.70
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 2,905,292.48
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (274,636.78)

Task 1 Program Management Plan/Progress

- Efforts to support the Open Houses preparation, AWWA conference preparation, Program Cost review and Water Supply comparison increased in May.
- Development of the Design Report for the Public Service Commission continues to be expedited to be prepared to create float in the schedule and meet anticipated funding timelines.
- the Financial Management Dashboard is under development.

Task 1 Program Management Challenges

- It is anticipated that the Task 1 budget will be expended by the end of November 2017. An estimate of 2018 budget needed in 2017 to continue providing Program Management will be developed and reviewed with WWU in advance of November 2017.
- Development of the Design Reports for the Public Service Commission is being expedited to be prepared to meet anticipated funding timelines.



Note: 'Planned Value 04/2017' includes approved allowances.

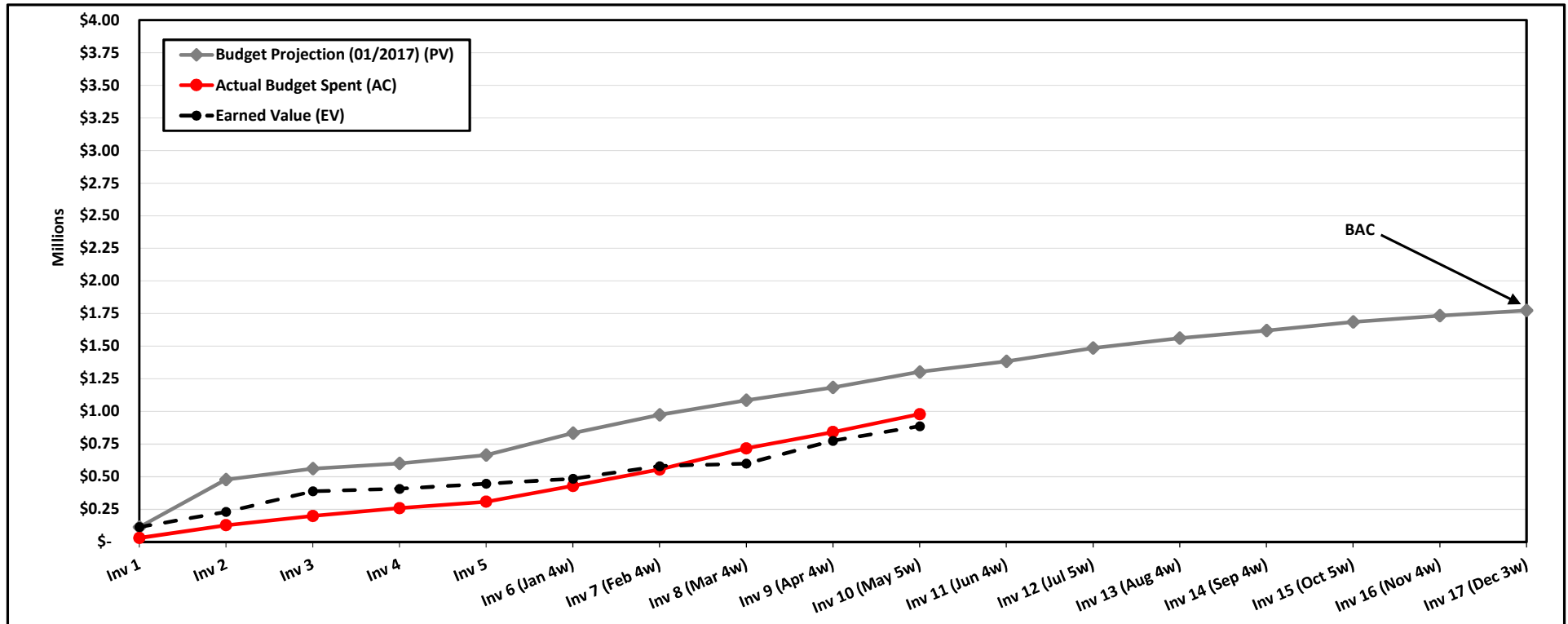
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 1,289,071.00
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 205,705.09
Cost Variance ^(CV) (CV=EV-PV)	\$ 119,938.55
Schedule Variance ^(SV) (SV=EV-AC)	\$ 90,866.89
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.13
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.09
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.23
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 1,142,804.43
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 146,266.57

Task 2 Programmatic Support Services Plan/Progress

- The Strategic Communication Plan was reviewed in accordance with the Quality Management Plan.
- Preparation for the Open Houses and AWWA presentation were the primary focus in May.

Task 2 Programmatic Support Services Challenges

- As the Program has progressed, additional programmatic support services have been identified, specifically:
 - Maintenance of the WWU website,
 - Increased social media presence,
 - Greater focus on multi-tiered community outreach plans,
 - Additional strategic communication rapid response needs, and
 - Press release development
- It is anticipated that the Task 2 budget will be expended by July 2017. An estimate of 2018 budget needed in 2017 to continue providing Programmatic Support Services will be developed and reviewed with WWU in July 2017.



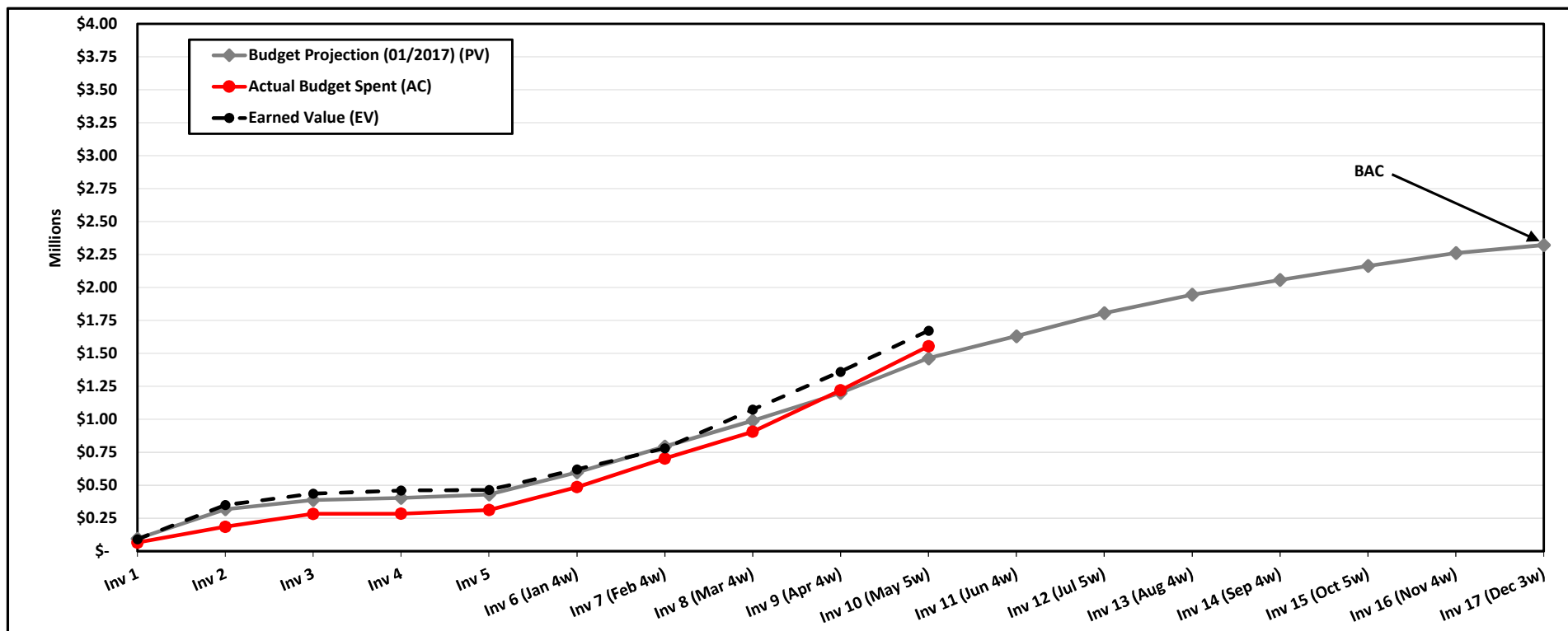
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 1,774,155.80
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,071,230.60
Cost Variance ^(CV) (CV=EV-PV)	\$ (416,922.10)
Schedule Variance ^(SV) (SV=EV-AC)	\$ (92,076.35)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.91
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.68
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.62
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 1,958,308.50
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (184,152.70)

Task 3 Permitting Plan/Progress

- WDNR Workgroup Workshop meetings for construction and WPDES permitting were scheduled and prepared for. The PM/CM team, Paul Kent, and Bruce Baker are contacting WDNR weekly to maintain open lines of communication. The permitting team has developed a schedule for permitting agency meetings and deliverable development that puts Task 3 back on the original planned schedule by August, 2017.
- Open Houses have been scheduled to share prospective routes with local communities. This will allow permits to be secured for field investigations and conversations to occur with external entities regarding the routes.

Task 3 Permitting Challenges

- It is anticipated that the Task 3 budget will be expended by the end of November 2017. An estimate of 2018 budget needed in 2017 will be developed and reviewed with WWU in advance of November 2017.
- Scheduling the water supply meeting with WDNR is awaiting final water supply agreement execution.



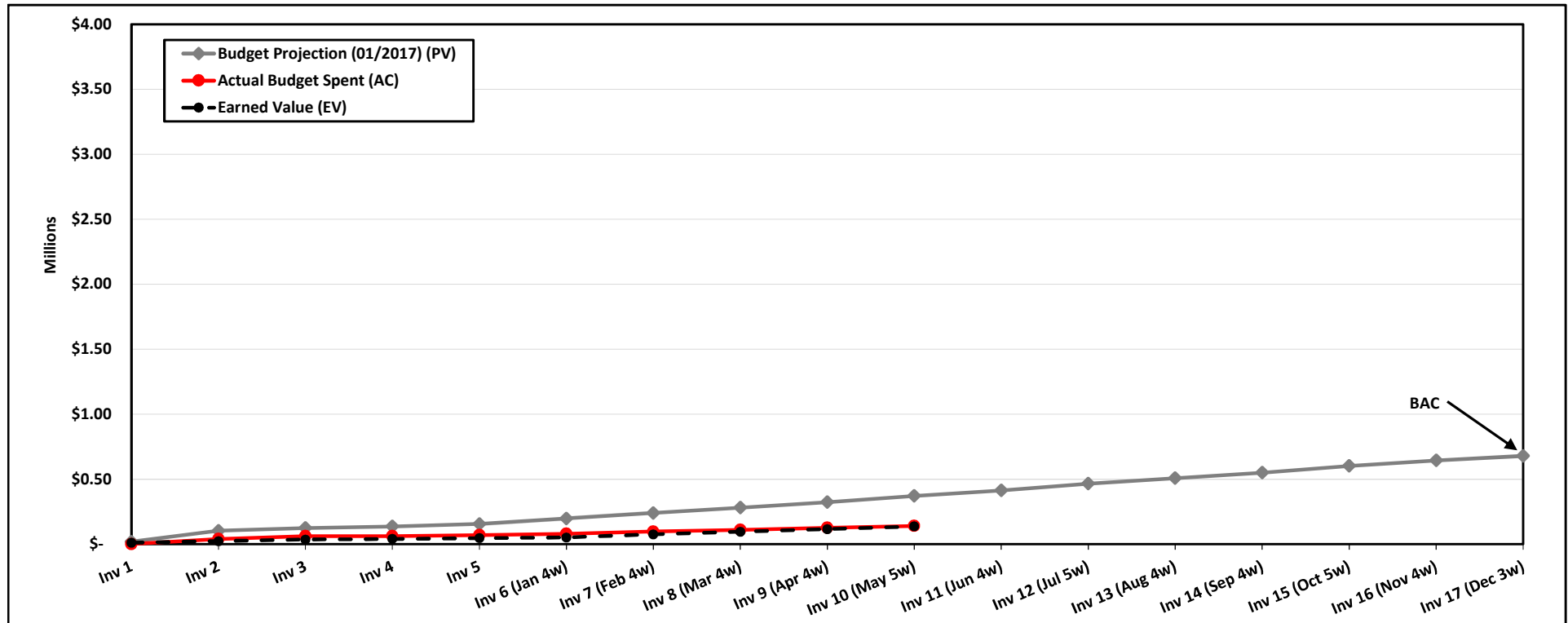
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 2,322,359.60
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 604,325.02
Cost Variance ^(CV) (CV=EV-PV)	\$ 118,120.30
Schedule Variance ^(SV) (SV=EV-AC)	\$ 208,598.91
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.08
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.14
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.23
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 2,158,303.63
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 164,055.98

Task 4 Route Study and Pipeline Plan/Progress

- Preliminary Design Reports have been started to provide greater clarity for development of program costs and to be prepared to accelerate Program design and permitting activities to meet anticipated funding timelines.
- Open Houses have been scheduled to share prospective routes with local communities. This will allow permits to be secured for field investigations and conversations to occur with external entities regarding the routes.

Task 4 Route Study and Pipeline Challenges

- It is anticipated that the Task 4 budget will be expended by the end of July 2017. An estimate of 2018 budget needed in 2017 to support the accelerated schedule will be developed and reviewed with WWU in July 2017.



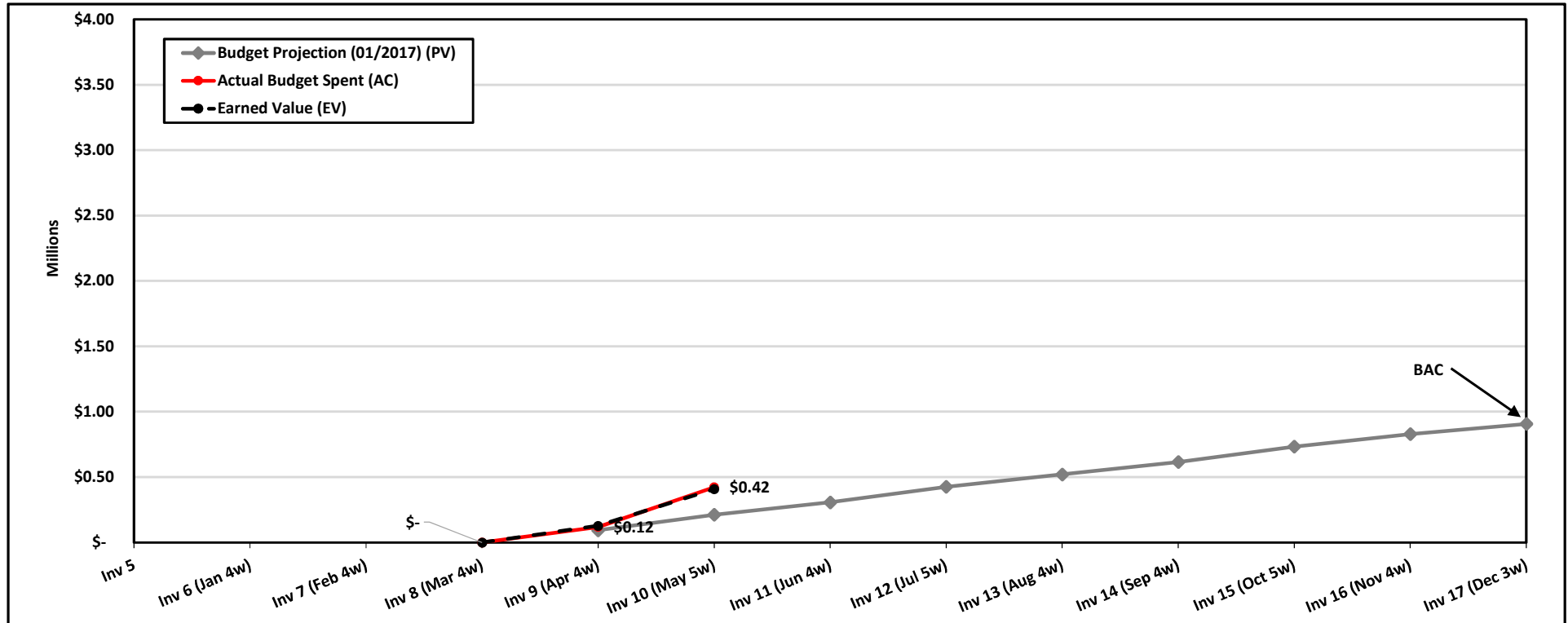
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 953,580.90
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 842,526.96
Cost Variance ^(CV) (CV=EV-PV)	\$ (4,092.44)
Schedule Variance ^(SV) (SV=EV-AC)	\$ (235,383.82)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.97
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.37
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.36
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 982,335.58
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (28,754.68)

Task 5 Distribution System and Water Quality Plan/Progress

- The Pipe Loop Test Plan was reviewed in accordance with the Quality Management Plan.

Task 5 Distribution System and Water Quality Challenges

- The delay in having the WDNR Water Supply meetings for permitting has impacted Task 5 from a schedule perspective.
- No 2018 budget is anticipated in 2017 to achieve the Task 5 plan for 2017.



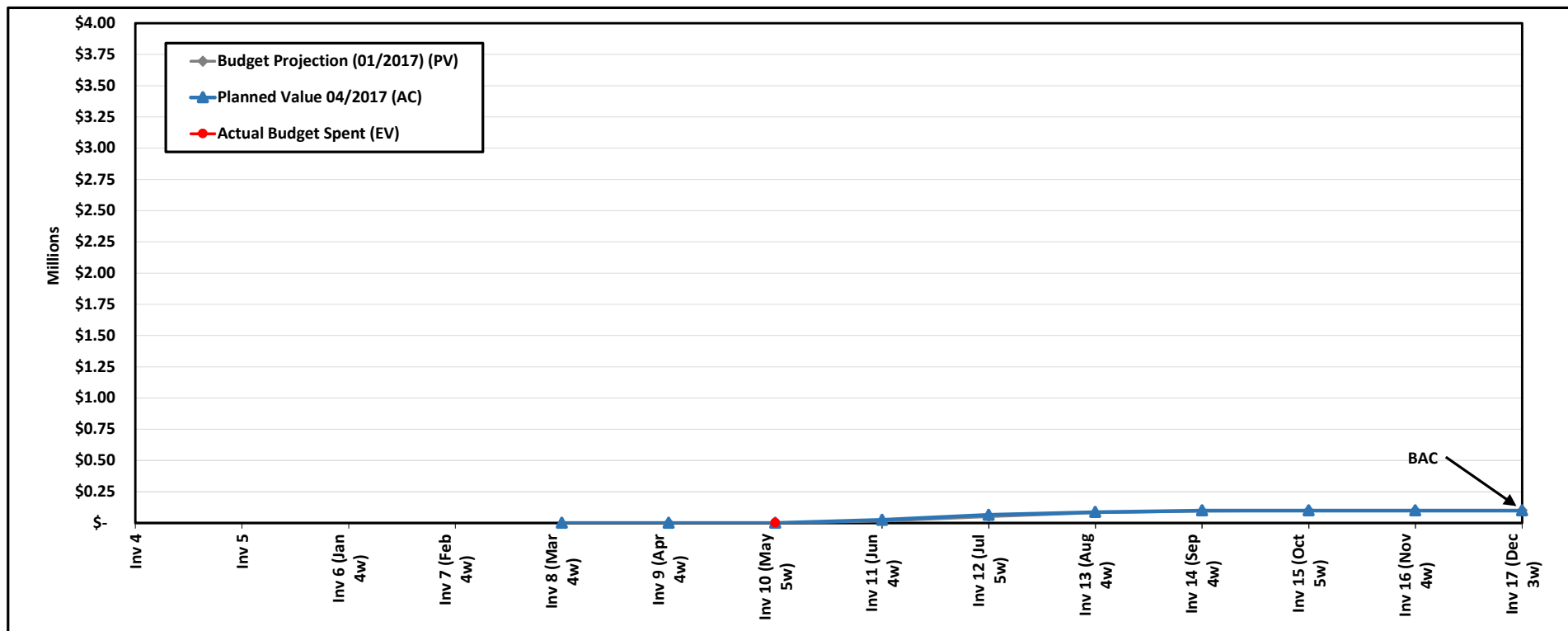
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 950,741.60
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 563,020.52
Cost Variance ^(CV) (CV=EV-PV)	\$ (15,272.01)
Schedule Variance ^(SV) (SV=EV-AC)	\$ 194,918.72
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.96
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.91
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.85
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 986,326.25
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (35,584.65)

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

- The Preliminary Design Reports are being expedited in order to provide a basis for Oak Creek water supply contract negotiations with respect to operations, to provide greater clarity for the development of program costs and to be prepared to accelerate Program design and permitting activities to meet anticipated funding timelines.

Task 6 Pump Stations, Storage and Chemical Treatment Challenges

- It is anticipated that the Task 6 budget will be expended by September 2017. An estimate of 2018 budget needed in 2017 will be developed and reviewed with WWU in advance of September 2017.



Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ -
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ -
Cost Variance ^(CV) (CV=EV-PV)	\$ -
Schedule Variance ^(SV) (SV=EV-AC)	\$ -
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.00
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.00
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ -
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ -

Task 7 Construction and Construction Management Plan/Progress
<ul style="list-style-type: none"> No progress.

Task 7 Construction and Construction Management Challenges
<ul style="list-style-type: none"> No challenges.