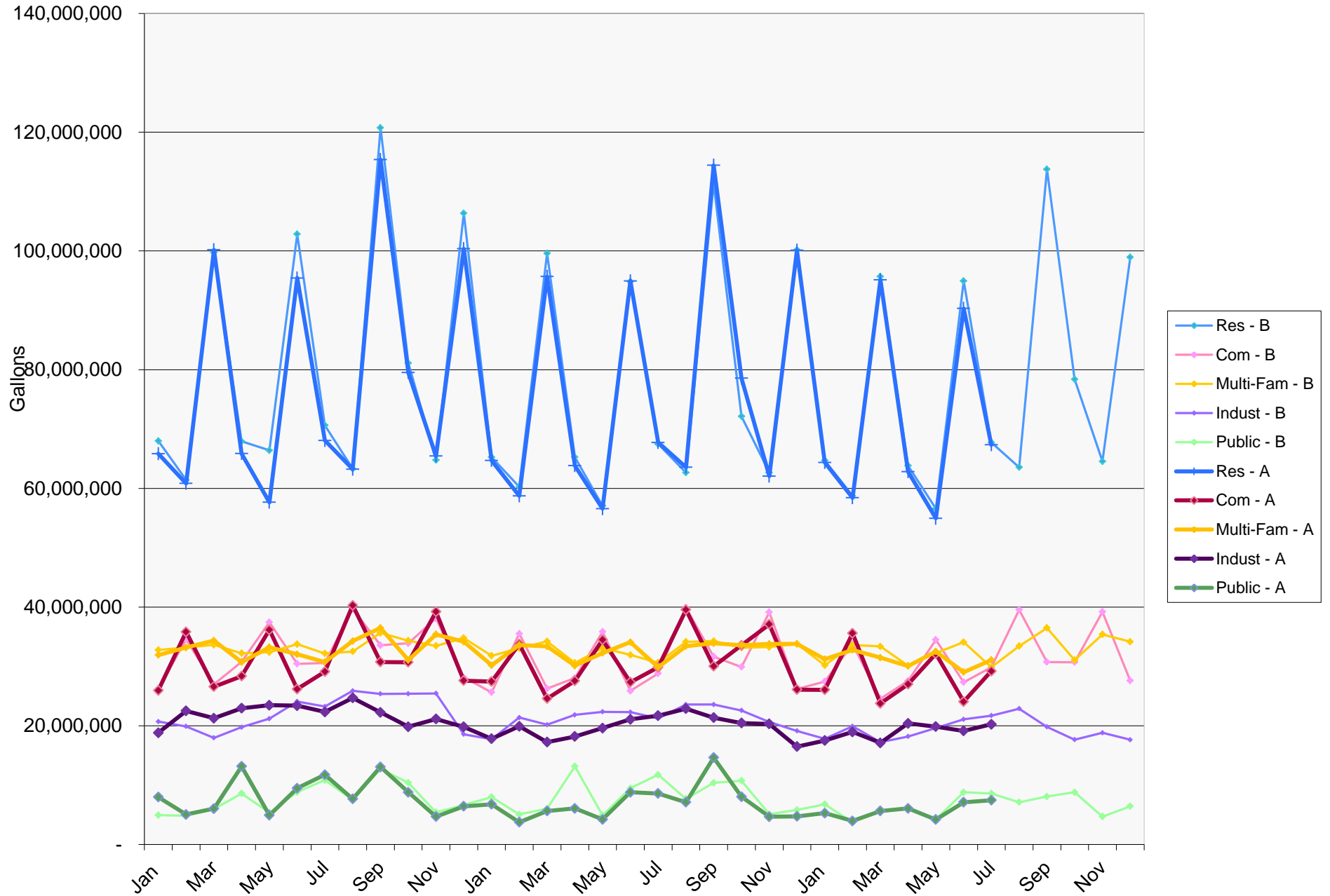


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 7/31/2017**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'17	BUDGET'17	VARIANCE	%	ACTUAL'17	BUDGET'17	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$342,963.87	\$380,073.07	(\$37,109.20)	(9.76)	\$2,536,338.51	\$2,714,521.81	(\$178,183.30)	(6.56)	\$5,030,437.72
Commercial	117,412.64	132,685.95	(15,273.31)	(11.51)	783,006.82	847,808.01	(64,801.19)	(7.64)	1,569,599.84
Industrial	66,065.43	78,247.02	(12,181.59)	(15.57)	433,297.39	479,321.11	(46,023.72)	(9.60)	827,015.90
Public	27,717.21	34,619.82	(6,902.61)	(19.94)	152,986.10	180,321.99	(27,335.89)	(15.16)	326,294.38
Multi Family	125,153.79	134,372.59	(9,218.80)	(6.86)	863,435.81	930,709.38	(67,273.57)	(7.23)	1,668,162.54
Total Metered Sales	\$679,312.94	\$759,998.45	(\$80,685.51)	(10.62)	\$4,769,064.63	\$5,152,682.30	(\$383,617.67)	(7.45)	\$9,421,510.38
Private Fire Capacity	\$15,883.22	\$17,319.33	(\$1,436.11)	(8.29)	\$109,642.63	\$113,939.44	(\$4,296.81)	(3.77)	\$199,976.65
Public Fire Capacity	139,335.80	151,533.87	(12,198.07)	(8.05)	1,027,251.92	1,084,407.19	(57,155.27)	(5.27)	1,927,919.50
Other Operating Revenues	30,213.84	28,545.06	1,668.78	5.85	228,947.50	241,138.03	(12,190.53)	(5.06)	496,500.37
TOTAL OPERATING REVENUES	\$864,745.80	\$957,396.71	(\$92,650.91)	(9.68)	\$6,134,906.68	\$6,592,166.96	(\$457,260.28)	(6.94)	\$12,045,906.90
OPERATING EXPENSES:									
Source	\$70,008.06	\$64,128.89	\$5,879.17	9.17	\$1,329,782.73	\$448,902.23	\$880,880.50	196.23	\$769,546.68
Pumping	76,562.58	82,634.79	(6,072.21)	(7.35)	481,575.75	585,321.00	(103,745.25)	(17.72)	1,015,429.53
Treatment	26,595.89	31,468.90	(4,873.01)	(15.49)	241,015.44	268,069.80	(27,054.36)	(10.09)	473,201.80
Distribution	63,455.72	118,327.12	(54,871.40)	(46.37)	553,046.84	863,257.79	(310,210.95)	(35.93)	1,476,932.94
Customer Service	12,443.96	17,502.81	(5,058.85)	(28.90)	113,059.44	109,593.90	3,465.54	3.16	203,204.17
Administrative	157,893.05	119,136.18	38,756.87	32.53	977,312.03	1,002,777.66	(25,465.63)	(2.54)	1,626,498.94
Total	\$406,959.26	\$433,198.69	(26,239.43)	(6.06)	\$3,695,792.23	\$3,277,922.38	417,869.85	12.75	\$5,564,814.06
MANAGERS' MARGIN	457,786.54	524,198.02	(66,411.48)	(12.67)	2,439,114.45	3,314,244.58	(\$875,130.13)	(26.41)	6,481,092.84
Depreciation	166,260.51	156,724.04	9,536.47	6.08	1,119,892.22	1,097,068.28	22,823.94	2.08	1,880,688.48
Tax Equivalent	146,566.83	145,847.99	718.84	0.49	1,025,652.51	1,020,935.93	4,716.58	0.46	1,750,175.88
Other Taxes	11,254.38	12,017.86	(763.48)	(6.35)	83,887.35	84,250.02	(362.67)	(0.43)	154,451.82
TOTAL OPERATING EXPENSES	\$731,040.98	\$747,788.58	(\$16,747.60)	(2.24)	\$5,925,224.31	\$5,480,176.61	\$445,047.70	8.12	\$9,350,130.24
TOTAL OPERATING INCOME(LOSS)	\$133,704.82	\$209,608.13	(\$75,903.31)	(36.21)	\$209,682.37	\$1,111,990.35	(\$902,307.98)	(81.14)	\$2,695,776.66
NON OPERATING INCOME&(EXPENSE)	(260,512.59)	(145,143.82)	(115,368.77)	79.49	(888,792.32)	(1,037,382.04)	148,589.72	(14.32)	(1,009,821.75)
NET INCOME(LOSS)	(\$126,807.77)	\$64,464.31	(\$191,272.08)	(296.71)	(\$679,109.95)	\$74,608.31	(\$753,718.26)	(1010.23)	\$1,685,954.91

WWU
Billed Gallons
Actual v Budget
2015 - 2017



**WAUKESHA WATER UTILITY
STATEMENT OF SOURCES AND USES OF CASH
PERIOD ENDING JULY 31, 2017**

Cash Balance - June 30, 2017

\$37,066,517

SOURCES:

Operations:

Customers - water sales	\$877,971
Waste Water Utility - joint metering billing	56,968
Rent of utility property - cellular leases	12,028
Receipts on sewer bills	1,181,203
Other - miscellaneous	14,138
Total Cash From Operating Activities	<u>\$2,142,308</u>

Capital and Related Financing Activities:

Grants	
Contributions	17,314
Issuance of long-term debt	
Sale of short-term debt	
Interest income	28,783
Total Cash From Capital/ Investing Activities	<u>\$46,097</u>

Total Cash Receipts

\$2,188,405

USES:

Salaries, wages, payroll taxes and benefits	\$245,031
Subcontracted and outside services	24,922
Disbursement to city for sewer transfer	1,004,051
Pumping power	59,042
Purchase of materials and supplies	65,093
Tax equivalent - PILOT	
Acquisition of capital assets	1,344,666
Debt service - principal	
Debt service - interest	

Total Cash Used

\$2,742,805

Net Change in Cash

(\$554,400)

Cash Balance - July 31, 2017

\$36,512,117

**WAUKESHA WATER UTILITY
BALANCE SHEET
7/31/2017**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$22,856,611.87
ACCOUNTS RECEIVABLE	4,856,255.71
RECEIVABLE FROM SEWER REIMB	0.00
MATERIALS & SUPPLIES	559,715.40
OTHER CURRENT ASSETS	15,997.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	\$28,288,579.98
DEFERRED	
DEFERRED ASSETS	\$10,199,768.42
TOTAL DEFERRED DEBITS	10,199,768.42
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$1,058,952.04
DEBT RESERVE ACCOUNT	475,489.44
CONSTRUCTION FUND	10,478,908.60
TAX EQUIV RESERVE ACCOUNT	1,642,155.33
TOTAL RESTRICTED FUNDS	\$13,655,505.41
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$89,262,522.37
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	1,781,023.24
RESTRICTED NET PENSION	(225,396.00)
TOTAL UTILITY PLANT	\$91,253,239.30
TOTAL ASSETS	\$143,397,093.11

<u>LIABILITIES</u>	
CURRENT	
CUR PORTION BOND	420,134.14
NOTES PAYABLE	27,285,000.00
ACCOUNTS PAYABLE	1,831,047.33
PAYABLE TO OTHER FUNDS	2,931,143.38
CUSTOMER DEPOSITS	96,269.68
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	1,046,283.00
INTEREST ACCRUED	539,629.89
EMPLOYEE WITHHOLDING	15,056.82
ACCRUED PAYROLL	93,962.00
ACCRUED VACATION	227,813.40
TOTAL CURRENT LIABILITIES	\$34,486,339.64
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	1,226,261.98
OPEB LIABILITY	1,235,875.73
OTHER DEFERRED CREDITS	3,160,701.04
TOTAL DEFERRED CREDITS	\$5,622,838.75
LONG-TERM	
BONDS	\$28,128,907.51

<u>EQUITY</u>	
CAPITAL PAID IN BY MUNICIPALITY	\$2,666,484.02
EQUITY FINANCED BY UTILITY	39,949,268.22
EQUITY FROM CONTRIBUTIONS	32,526,407.92
RESTRICTED EQUITY	695,957.00
NET PROFIT (LOSS)	(679,109.95)
TOTAL EQUITY	\$75,159,007.21
TOTAL EQUITY AND LIABILITIES	\$143,397,093.11

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	\$ 49,488	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	\$ 9,432	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	\$ 251,308	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 if 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	\$ 249,150	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	\$ 9,818	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	\$ 256,569	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	\$ 236,869	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	\$ 6,633	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	\$1,077,571			
Misc Routine			\$ 558,809	\$ 558,809	\$ 558,809			
Total Routine			\$ 3,346,256	\$ 2,365,886	\$1,636,380			
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	\$ 72,315	2 11	Eric Payne Erik Helgestad	November 2017
Distribution System Improvements			\$1,924,600	\$ 1,632,662	\$ 72,315			
Total Transmission & Distribution			\$ 5,270,856	\$ 3,998,548	\$1,708,695			

Bold Totals are Based on Bids

Monthly Interim Report

Waukesha Water Utility
Future Water Supply

August 15, 2017

This update is solely intended for the use of Waukesha Water Utility's internal management and for Waukesha Water Utility's discussions with the Owner's Engineer and Contractor. The update 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

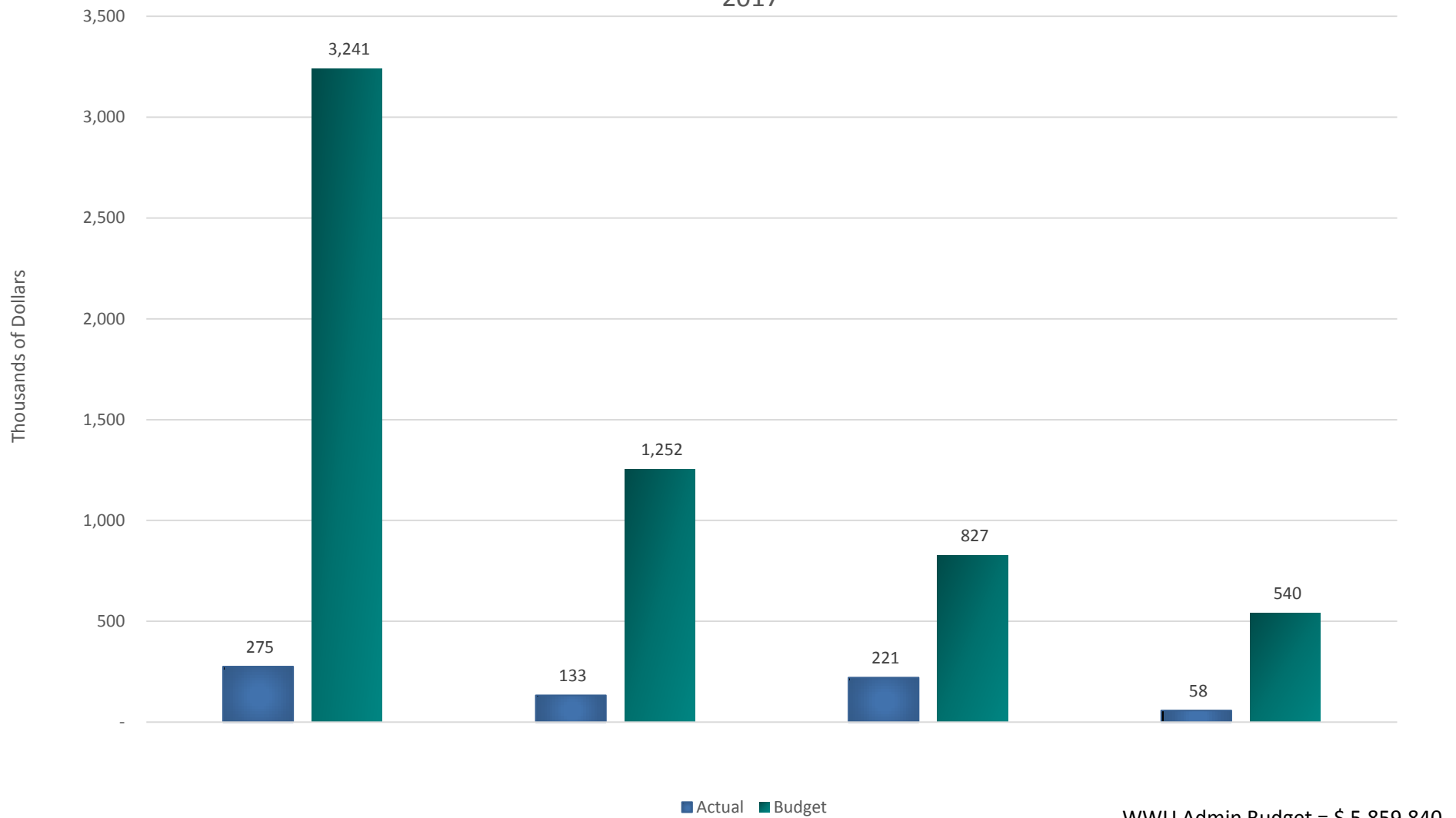
During the current period we reviewed Invoice No. 11 from Greeley and Hansen. Additional information is required to verify the Earned Value Analysis included as Exhibit 5 in Monthly Program Status Report No. 11 (see AI-003). We met with Greeley and Hansen on July 27, 2017 and conducted a follow up call on August 7, 2017 to discuss the earned value calculations provided with monthly progress reporting. Specifically we inquired about the Budget at Completion for each task, actual costs utilized in the calculations, and the methodology for determining earned value for the period. Greeley and Hansen provided additional support on August 7, 2017; however, the values per the support did not reconcile to Exhibit 5 in Monthly Program Status Report No. 11. We will continue to follow up with Greeley and Hansen during August 2017 in order to close this audit issue.

Current Period Request for Information

Additional documentation was requested to validate labor hours for four Greeley and Hansen employees whose hours did not reconcile to billings on Invoice No. 11 (see RFI-012). Greeley and Hansen provided the requested documentation, the labor hours were verified, and this item was closed.



Future Water Supply
WWU Admin Sub Costs
2017



Great Lakes Water Supply Program PM/CM

Budget Summary (Phase 1 and Phase 2)

Greeley and Hansen LLC
Thru July 17, 2017

Phase 1 Budget Summary							Phase 2 Budget Summary					Program Budget Summary				
Task Number	Description	Phase 1 Budget	Previously Invoiced (thru Inv 10)	Invoice No. 11	Invoiced to Date	Phase 1 Remaining Budget	Phase 2 Budget	Previously Invoiced (thru Inv 10)	Invoice No. 11	Invoiced to Date	Phase 2 Remaining Budget	Program Approved Budget	Previously Invoiced (thru Inv 10)	Total Invoice No. 11 (Phase 1 + 2)	Total Invoiced to Date	Remaining Budget
Task 1	Program Management	\$ 526,460.00	\$ 462,949.38	\$ 2,957.15	\$ 465,906.53	\$ 60,553.47	\$ 1,880,329.00	\$ 954,720.63	\$ 147,441.52	\$ 1,102,162.15	\$ 778,166.85	\$ 2,406,789.00	\$ 1,417,670.01	\$ 150,398.67	\$ 1,568,068.68	\$ 838,720.32
Task 2	Programmatic Support Services	\$ 336,701.00	\$ 316,708.36	\$ -	\$ 316,708.36	\$ 19,992.64	\$ 952,370.00	\$ 621,375.52	\$ 87,978.21	\$ 709,353.73	\$ 243,016.27	\$ 1,289,071.00	\$ 938,083.88	\$ 87,978.21	\$ 1,026,062.09	\$ 263,008.91
Task 3	Permitting	\$ 649,764.00	\$ 403,114.48	\$ 22,683.54	\$ 425,798.02	\$ 223,965.98	\$ 1,145,304.00	\$ 575,713.18	\$ 131,800.83	\$ 707,514.01	\$ 437,789.99	\$ 1,795,068.00	\$ 978,827.66	\$ 154,484.37	\$ 1,133,312.03	\$ 661,755.97
Task 4	Route Study and Pipeline	\$ 440,700.00	\$ 367,058.70	\$ -	\$ 367,058.70	\$ 73,641.30	\$ 1,882,754.00	\$ 1,186,919.78	\$ 273,963.56	\$ 1,460,883.34	\$ 421,870.66	\$ 2,323,454.00	\$ 1,553,978.48	\$ 273,963.56	\$ 1,827,942.03	\$ 495,511.97
Task 5	Distribution System and Water Quality	\$ 259,751.00	\$ 139,808.12	\$ 14,391.87	\$ 154,199.99	\$ 105,551.01	\$ 438,654.00	\$ -	\$ 1,396.08	\$ 1,396.08	\$ 437,257.92	\$ 698,405.00	\$ 139,808.12	\$ 15,787.95	\$ 155,596.07	\$ 542,808.93
Task 6	Pump Stations, Storage and Chemical Treatment						\$ 908,390.00	\$ 423,305.73	\$ 211,103.27	\$ 634,409.00	\$ 273,981.00	\$ 908,390.00	\$ 423,305.73	\$ 211,103.27	\$ 634,409.00	\$ 273,981.00
Task 7	Construction and Construction Management						\$ 99,105.00		\$ 1,483.08		\$ 99,105.00	\$ 99,105.00	\$ -	\$ 1,483.08	\$ 1,483.08	\$ 97,621.92
	Miscellaneous Services Allowances, Task Authorizations, and Contingencies	\$ 169,897.00	\$ 93,081.94	\$ 8,223.48	\$ 101,305.42	\$ 68,591.58	\$ 761,271.00		\$ -		\$ 761,271.00	\$ 931,168.00	\$ 93,081.94	\$ 8,223.48	\$ 101,305.42	\$ 829,862.58
TOTAL		\$ 2,383,273.00	\$ 1,782,720.98	\$ 48,256.03	\$ 1,830,977.02	\$ 552,295.98	\$ 8,068,177.00	\$ 3,762,034.83	\$ 855,166.49	\$ 4,615,718.30	\$ 3,452,458.70	\$ 10,451,450.00	\$ 5,544,755.81	\$ 903,422.52	\$ 6,448,178.40	\$ 4,003,271.60

Exhibit 4: Task-Hour Status

Great Lakes Water Supply Program PM/CM

Hours Summary (Phase 1 and Phase 2)

Greeley and Hansen LLC

Thru July 19, 2017

Phase 1 & 2 Hours Summary		Program Hour Summary				
Task Number	Description	Program Approved Hours	Previously Invoiced (thru Inv 10)	Current Invoice No. 11 (Phase 1 + 2)	Total Invoiced to Date	Remaining Hours
Task 1	Program Management	13,910.0	8,557.0	1,001.5	9,558.5	4,351.5
Task 2	Programmatic Support Services	6,430.0	4,906.5	444.8	5,351.3	1,078.8
Task 3	Permitting	10,754.0	5,086.3	932.7	6,019.0	4,735.1
Task 4	Route Study and Pipeline	16,041.0	10,372.2	1,793.7	12,165.9	3,875.1
Task 5	Distribution System and Water Quality	3,327.0	390.9	109.8	500.7	2,826.4
Task 6	Pump Stations, Storage and Chemical Treatment	7,010.0	2,354.5	1,557.8	3,912.3	3,097.8
Task 7	Construction and Construction Management	600.0	0.0	10.5	10.5	589.5
	Miscellaneous Services Allowance	1,066.0	0.0	40.0	40.0	1,026.0
TOTAL		59,138.0	31,667.4	5,890.6	37,558.0	21,580.0

Exhibit 5: Earned Value Analysis

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.

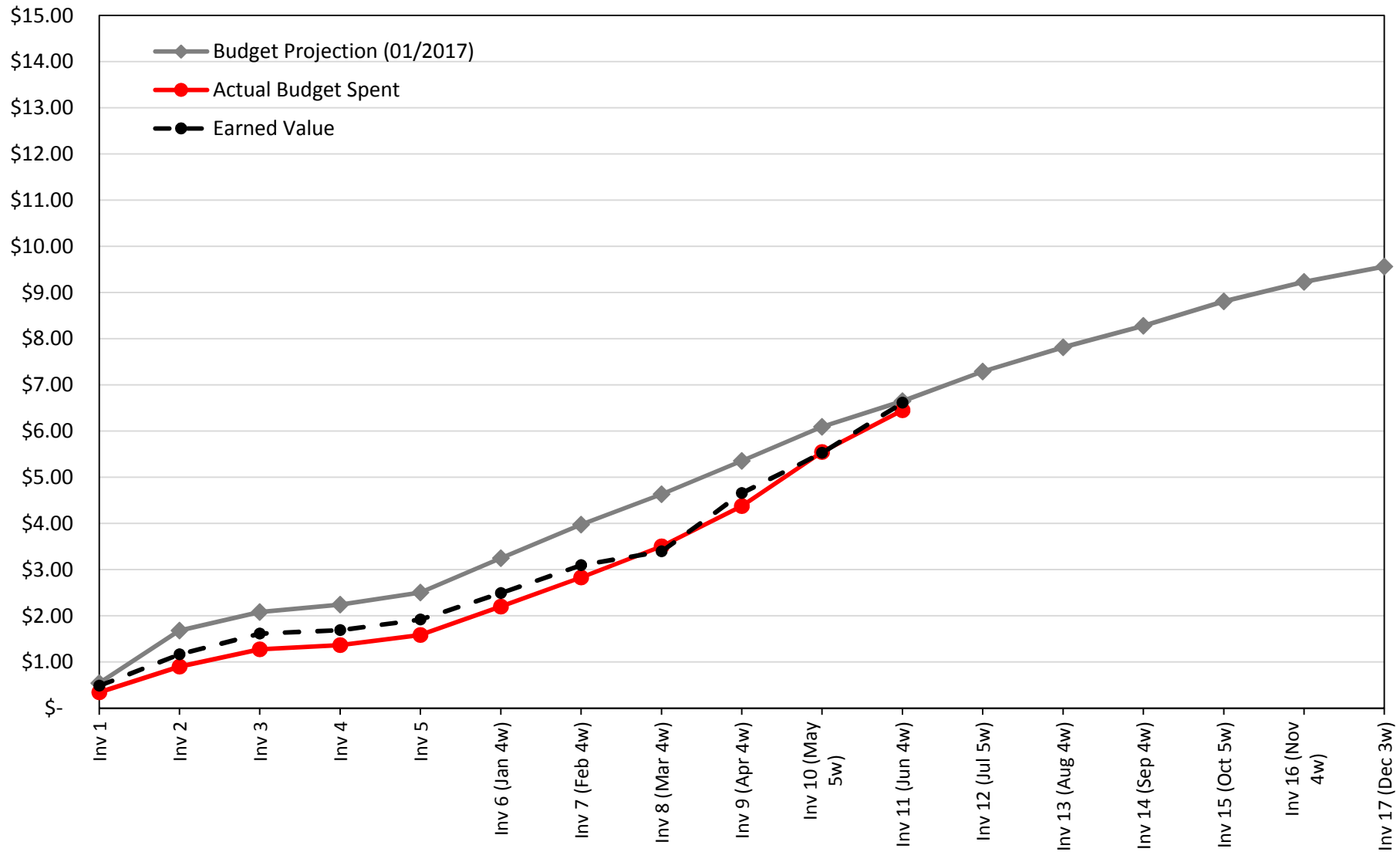
On a monthly basis, the value of the work completed as a percentage of the PV is determined by the Program Manager and defines the EV which is shown on the cumulative cost curve. The monthly Program invoices define the Actual Costs (AC) which are also shown on the cumulative cost curve. Using the cumulative 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. Please note that the budgets utilized for earned value analysis reflect only authorized amounts which does not include allowances and contingency.

In order to provide greater clarity for the development of overall 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.

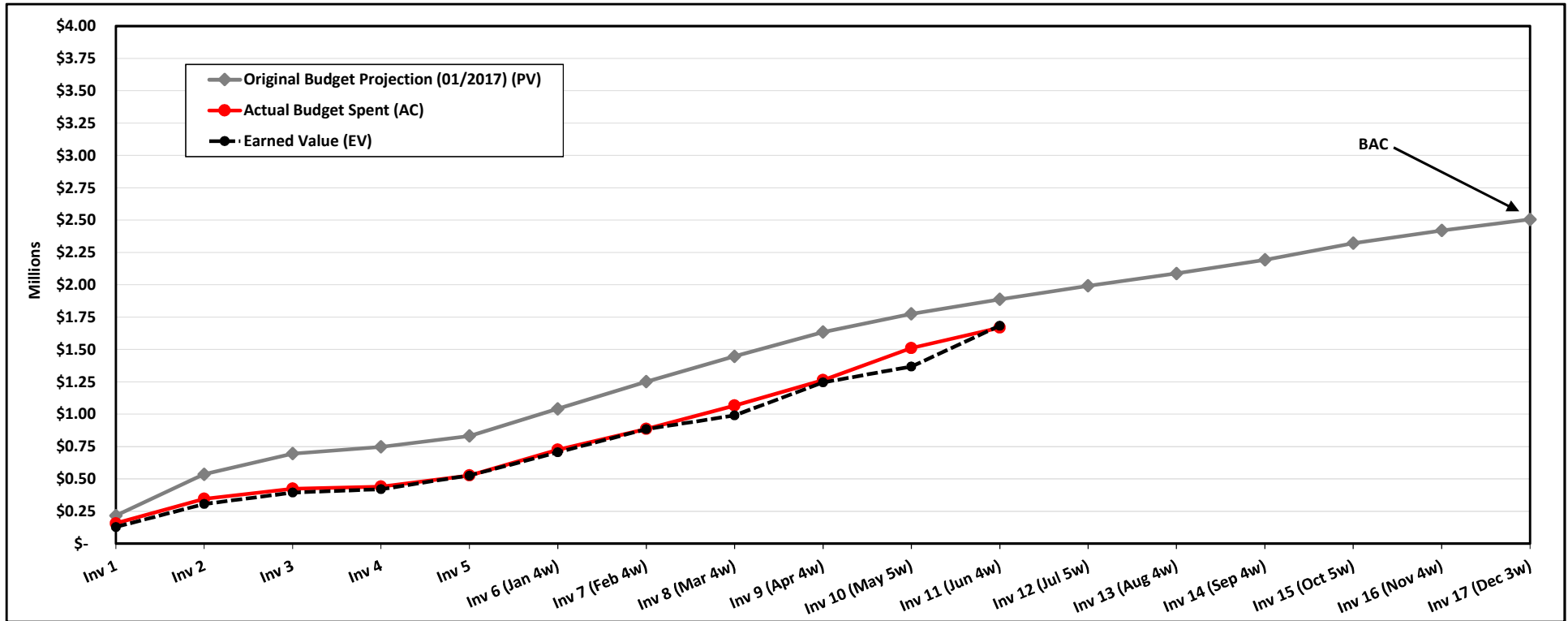
Great Lakes Water Supply Program PM/CM
Program
Earned Value Chart
Phase 1 and 2
(Excluding Allowances and Contingencies)

Great Lakes Water Supply Program Chart



% Spent 61.7%
Actual Budget Spent \$6,447,521.23

Schedule Performance Index (SPI) 0.99
Cost Performance Index (CPI) 1.03



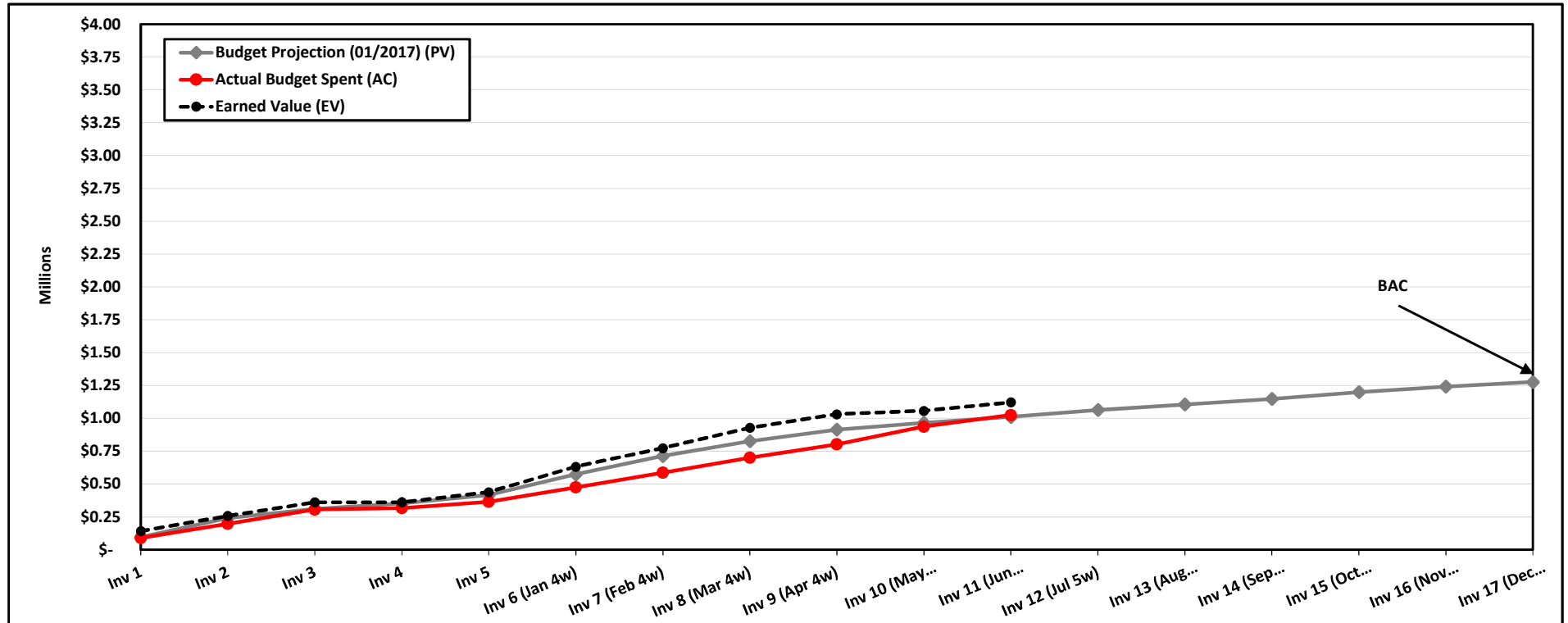
Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 2,630,655.70
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 939,023.01
Cost Variance ^(CV) (CV=EV-PV)	\$ (204,440.35)
Schedule Variance ^(SV) (SV=EV-AC)	\$ 14,245.41
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.01
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.89
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.90
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 2,608,397.25
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 22,258.45

Task 1 Program Management Plan/Progress

- The AWWA conference presentation was given by Dan Duchniak and Nicole Spieles.
- Program Cost was reviewed and further updated based on design refinements.
- The Financial Management Dashboard has been drafted and is under review.

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 and provide greater design refinement for Program Cost update.



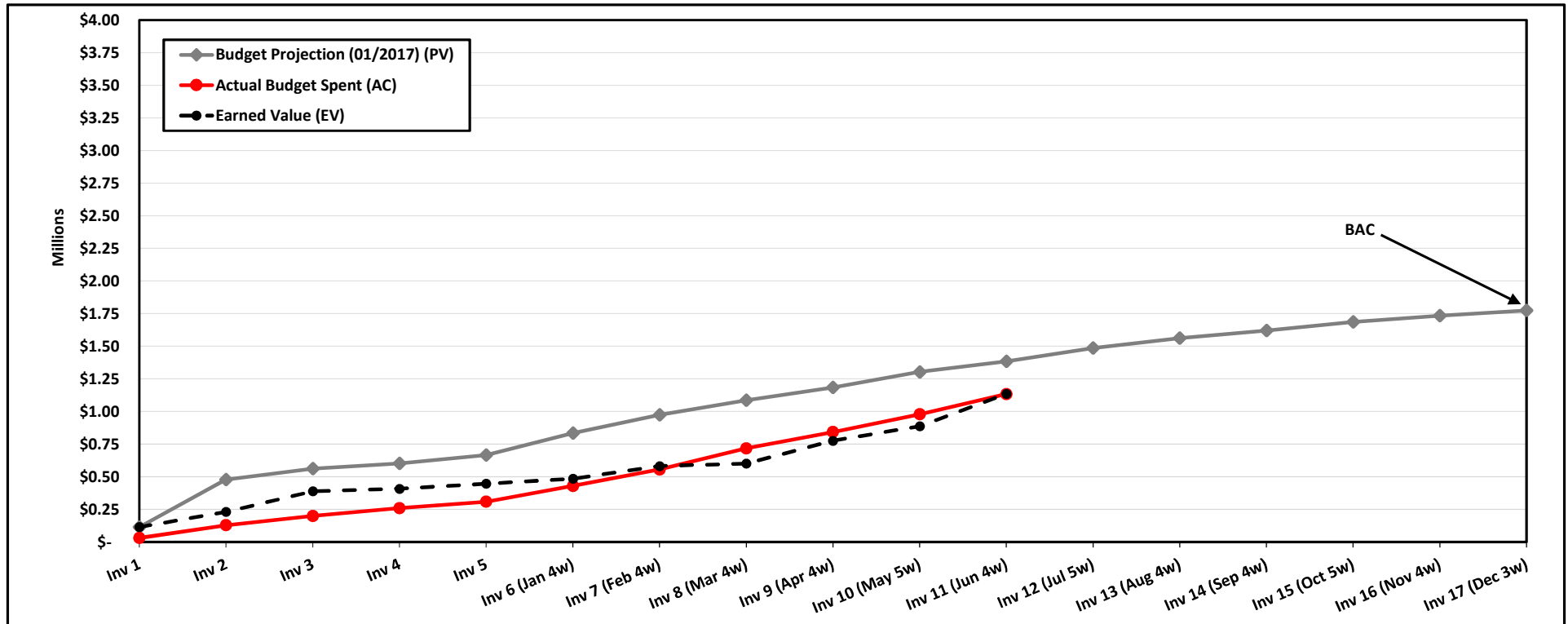
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 1,289,071.00
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 153,172.87
Cost Variance ^(CV) (CV=EV-PV)	\$ 96,413.87
Schedule Variance ^(SV) (SV=EV-AC)	\$ 110,520.42
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.09
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.11
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.21
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 1,178,250.42
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 110,820.58

Task 2 Programmatic Support Services Plan/Progress

- The Strategic Communication Plan was resubmitted and approved by WWU.
- Open Houses in Franklin, Muskego and New Berlin were held. Planning for Open Houses in Waukesha and Oak Creek has started.
- Communication with local stakeholders continues to support Route Study field investigations.

Task 2 Programmatic Support Services Challenges

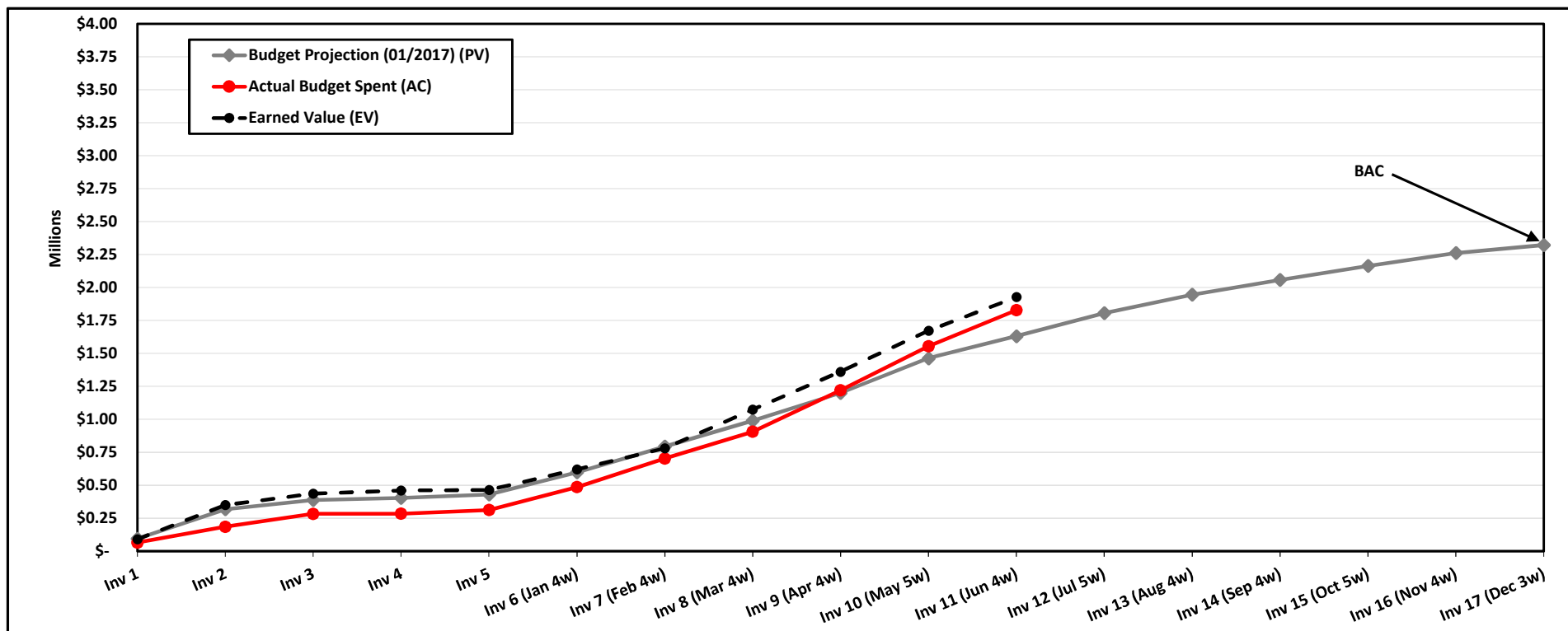
- To support the Program added programmatic support services have been performed, specifically:
 - Maintenance of the WWU website,
 - Increased social media presence,
 - Greater focus on multi-tiered community outreach,
 - Additional strategic communication rapid response needs, and
 - Press release development
- The Task 2 budget will be expended by July 2017. Contingency budget will be requested to continue Task 2 until a budget shift is approved. An estimate of budget needed to continue providing Programmatic Support Services will be developed and reviewed with WWU in August 2017.



Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 1,774,155.80
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 635,850.63
Cost Variance ^(CV) (CV=EV-PV)	\$ (249,675.89)
Schedule Variance ^(SV) (SV=EV-AC)	\$ 1,821.09
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.82
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.82
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 1,771,310.34
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 2,845.46

Task 3 Permitting Plan/Progress
<ul style="list-style-type: none"> WDNR Workgroup Workshop meetings for construction and WPDES permitting occurred. The PM/CM team, Paul Kent, and Bruce Baker continue to contact WDNR weekly to maintain open lines of communication. Support and planning for field investigations is occurring with external entities regarding the routes. Meetings with local municipalities are being scheduled and prepared for.

Task 3 Permitting Challenges
<ul style="list-style-type: none"> 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.



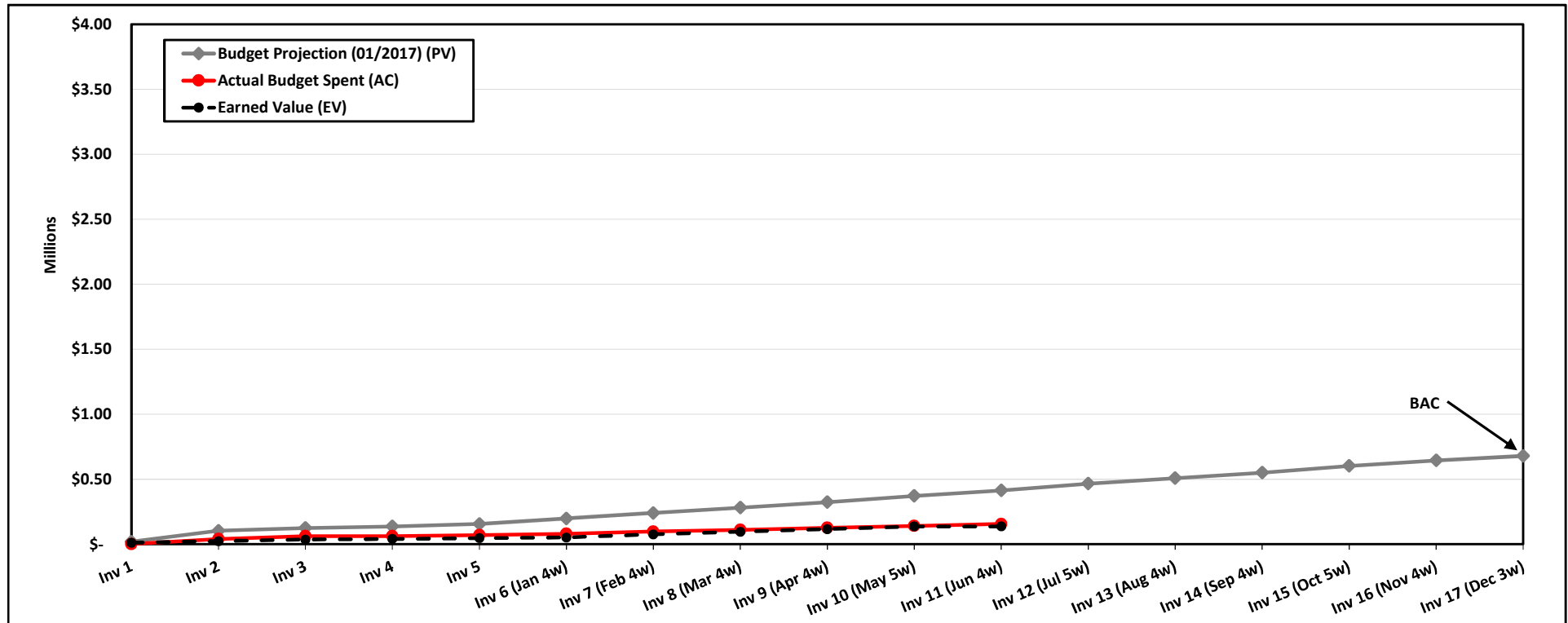
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 2,322,359.60
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 374,397.79
Cost Variance ^(CV) (CV=EV-PV)	\$ 99,616.30
Schedule Variance ^(SV) (SV=EV-AC)	\$ 296,058.47
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.05
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.18
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.25
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 2,202,339.96
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 120,019.64

Task 4 Route Study and Pipeline Plan/Progress

- Preliminary Design has been initiated 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 occurred to share prospective routes with local communities. The process to secure permits for field investigations has been initiated and as well as conversations 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 August 2017.



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 678,580.90
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 622,386.29
Cost Variance ^(CV) (CV=EV-PV)	\$ (19,880.39)
Schedule Variance ^(SV) (SV=EV-AC)	\$ (277,383.82)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.87
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.33
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.29
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 777,982.87
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (99,401.96)

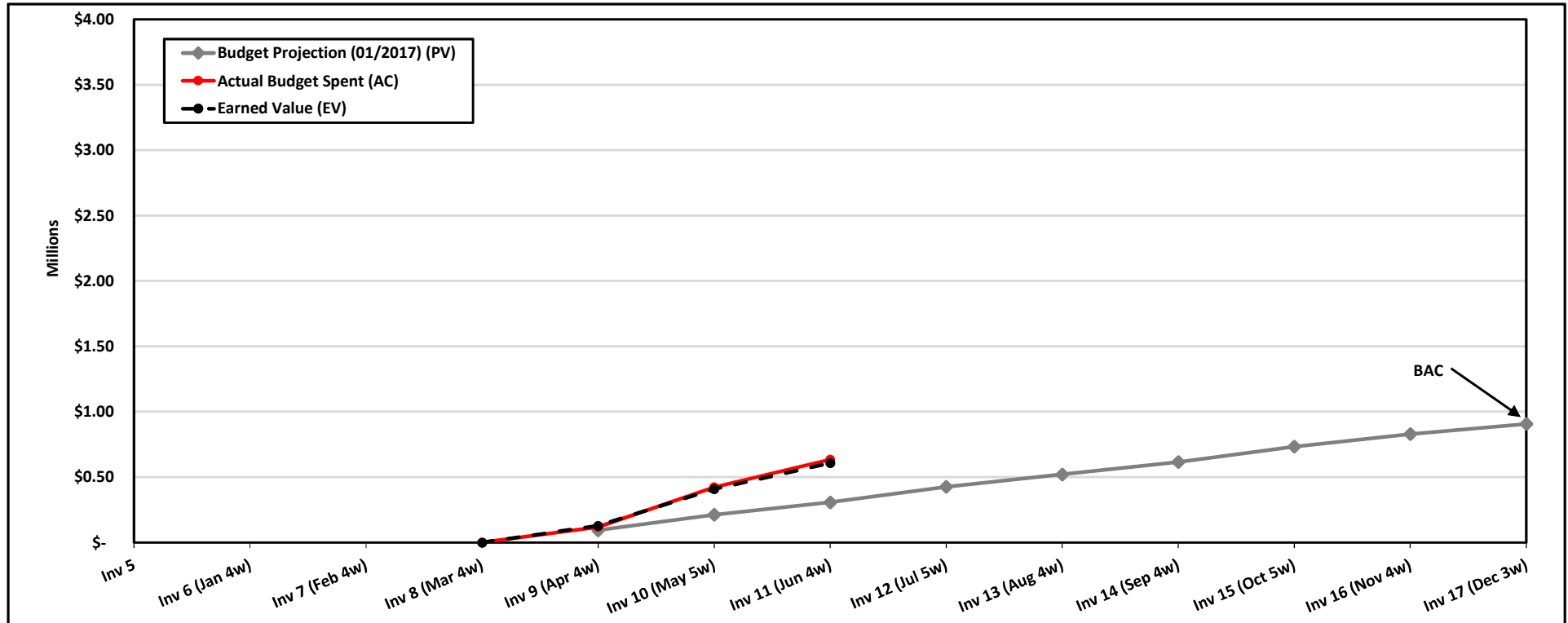
1. Task 6 total budget value has been corrected

Task 5 Distribution System and Water Quality Plan/Progress

- The Pipe Loop Test Plan was submitted and accepted by WWU.
- Preliminary design documents for the pipe loop test apparatus will be initiated upon confirmation of water supplier.
- Preparation for field testing occurred for calibration of the distribution system model.

Task 5 Distribution System and Water Quality Challenges

- Selection of the water supplier has resulted in a 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)(1)} (BAC)	\$ 906,741.60
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 312,470.10
Cost Variance ^(CV) (CV=EV-PV)	\$ (26,892.13)
Schedule Variance ^(SV) (SV=EV-AC)	\$ 299,621.87
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.96
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.97
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.89
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 946,879.10
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (40,137.50)

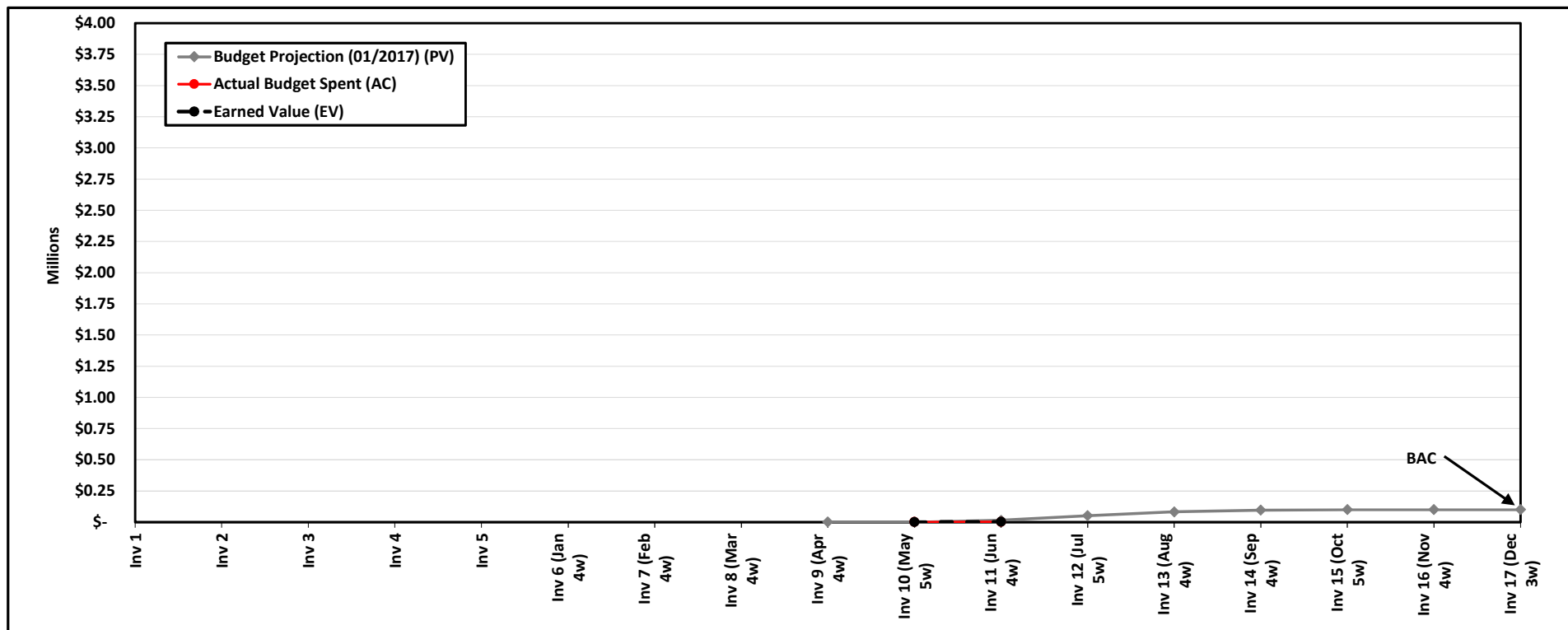
1. Task 5 total budget value has been corrected

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

- The Preliminary Design Report is being expedited in order to provide a basis for 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 regulatory and funding schedules.

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.
- The water supplier has not been confirmed. The supplier will need to be identified in order to move project milestones and compliance with the justice department.



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 99,105.00
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)	\$ -

1. Task 7 total budget value is added

Task 7 Construction and Construction Management Plan/Progress

- Preliminary evaluation of contracting strategies has been initiated.

Task 7 Construction and Construction Management Challenges

- No challenges.