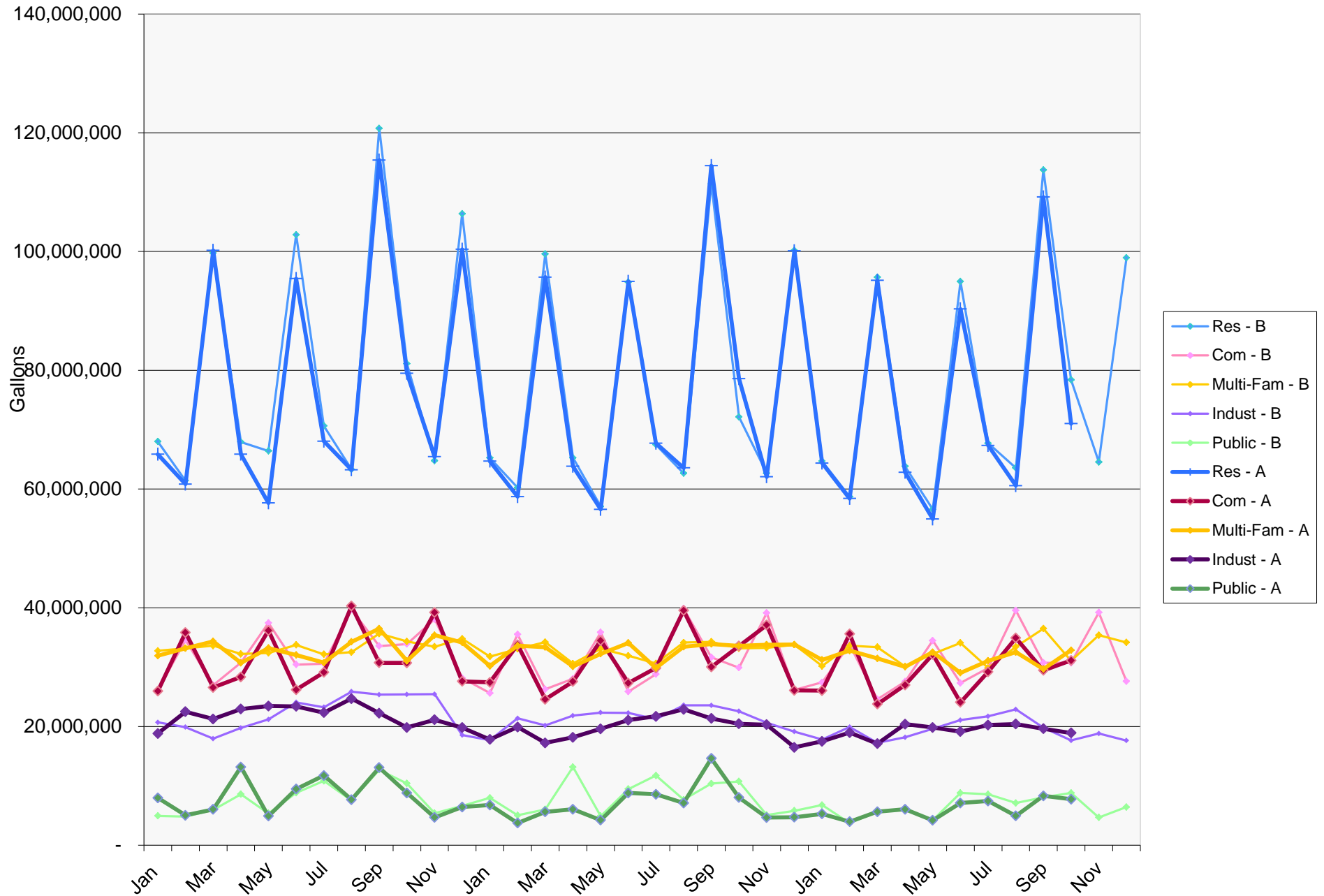


**WAUKESHA WATER UTILITY
STATEMENT OF REVENUES & EXPENSES
MONTH ENDED 10/31/2017**

	CURRENT MONTH				YEAR TO DATE				ANNUAL BUDGET
	ACTUAL'17	BUDGET'17	VARIANCE	%	ACTUAL'17	BUDGET'17	VARIANCE	%	
OPERATING REVENUES:									
Residential	\$357,884.95	\$429,017.29	(\$71,132.34)	(16.58)	\$3,749,890.86	\$4,116,434.00	(\$366,543.14)	(8.90)	\$5,030,437.72
Commercial	128,076.04	138,730.51	(10,654.47)	(7.68)	1,159,532.81	1,282,570.77	(123,037.96)	(9.59)	1,569,599.84
Industrial	61,621.06	64,162.34	(2,541.28)	(3.96)	624,183.14	695,826.46	(71,643.32)	(10.30)	827,015.90
Public	28,582.99	35,197.79	(6,614.80)	(18.79)	231,460.20	278,468.82	(47,008.62)	(16.88)	326,294.38
Multi Family	131,074.47	139,338.13	(8,263.66)	(5.93)	1,238,852.29	1,370,101.06	(131,248.77)	(9.58)	1,668,162.54
Total Metered Sales	\$707,239.51	\$806,446.06	(\$99,206.55)	(12.30)	\$7,003,919.30	\$7,743,401.11	(\$739,481.81)	(9.55)	\$9,421,510.38
Private Fire Capacity	\$15,767.82	\$16,234.86	(\$467.04)	(2.88)	\$157,600.71	\$165,054.94	(\$7,454.23)	(4.52)	\$199,976.65
Public Fire Capacity	138,390.27	153,591.81	(15,201.54)	(9.90)	1,482,580.34	1,582,517.47	(99,937.13)	(6.32)	1,927,919.50
Other Operating Revenues	(79,694.40)	28,281.06	(107,975.46)	(381.79)	209,078.04	350,594.94	(141,516.90)	(40.36)	496,500.37
TOTAL OPERATING REVENUES	\$781,703.20	\$1,004,553.79	(\$222,850.59)	(22.18)	\$8,853,178.39	\$9,841,568.46	(\$988,390.07)	(10.04)	\$12,045,906.90
OPERATING EXPENSES:									
Source	\$70,485.37	\$64,128.89	\$6,356.48	9.91	\$1,540,838.51	\$641,288.90	\$899,549.61	140.27	\$769,546.68
Pumping	69,079.92	85,682.50	(16,602.58)	(19.38)	714,536.69	844,654.12	(130,117.43)	(15.40)	1,015,429.53
Treatment	23,815.28	31,468.90	(7,653.62)	(24.32)	346,510.65	386,370.25	(39,859.60)	(10.32)	473,201.80
Distribution	82,122.71	118,406.97	(36,284.26)	(30.64)	769,107.00	1,219,198.85	(450,091.85)	(36.92)	1,476,932.94
Customer Service	20,679.27	19,925.65	753.62	3.78	167,499.79	161,846.26	5,653.53	3.49	203,204.17
Administrative	100,207.72	121,922.35	(21,714.63)	(17.81)	1,289,321.11	1,376,368.55	(87,047.44)	(6.32)	1,626,498.94
Total	\$366,390.27	\$441,535.26	(75,144.99)	(17.02)	\$4,827,813.75	\$4,629,726.93	198,086.82	4.28	\$5,564,814.06
MANAGERS' MARGIN	415,312.93	563,018.53	(147,705.60)	(26.23)	4,025,364.64	5,211,841.53	(\$1,186,476.89)	(22.77)	6,481,092.84
Depreciation	159,189.59	156,724.04	2,465.55	1.57	1,596,759.17	1,567,240.40	29,518.77	1.88	1,880,688.48
Tax Equivalent	146,566.83	145,847.99	718.84	0.49	1,465,353.00	1,458,479.90	6,873.10	0.47	1,750,175.88
Other Taxes	11,728.27	12,017.86	(289.59)	(2.41)	129,513.06	130,416.10	(903.04)	(0.69)	154,451.82
TOTAL OPERATING EXPENSES	\$683,874.96	\$756,125.15	(\$72,250.19)	(9.56)	\$8,019,438.98	\$7,785,863.33	\$233,575.65	3.00	\$9,350,130.24
TOTAL OPERATING INCOME(LOSS)	\$97,828.24	\$248,428.64	(\$150,600.40)	(60.62)	\$833,739.41	\$2,055,705.13	(\$1,221,965.72)	(59.44)	\$2,695,776.66
NON OPERATING INCOME&(EXPENSE)	(123,095.03)	(138,143.82)	15,048.79	(10.89)	(1,163,634.07)	(1,465,813.50)	302,179.43	(20.62)	(1,009,821.75)
NET INCOME(LOSS)	(\$25,266.79)	\$110,284.82	(\$135,551.61)	(122.91)	(\$329,894.66)	\$589,891.63	(\$919,786.29)	(155.92)	\$1,685,954.91

WWU
Billed Gallons
Actual v Budget
2015 - 2017



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

Cash Balance - September 30, 2017

\$33,664,504

SOURCES:

Operations:

Customers - water sales	\$1,196,654
Waste Water Utility - joint metering billing	56,968
Rent of utility property - cellular leases	54,236
Receipts on sewer bills	1,488,232
Other - miscellaneous	6,007
Total Cash From Operating Activities	<u>\$2,802,097</u>

Capital and Related Financing Activities:

Grants	
Contributions	4,311
Issuance of long-term debt	
Sale of short-term debt	
Interest income	31,076
Total Cash From Capital/ Investing Activities	<u>\$35,387</u>

Total Cash Receipts

\$2,837,483

USES:

Salaries, wages, payroll taxes and benefits	\$253,980
Subcontracted and outside services	29,468
Disbursement to city for sewer transfer	1,076,369
Pumping power	65,063
Purchase of materials and supplies	233,590
Tax equivalent - PILOT	
Acquisition of capital assets	1,683,689
Debt service - principal	370,000
Debt service - interest	452,654

Total Cash Used

\$4,164,813

Net Change in Cash

(\$1,327,330)

Cash Balance - October 31, 2017

\$32,337,174

**WAUKESHA WATER UTILITY
BALANCE SHEET
10/31/2017**

<u>ASSETS</u>	<u>THIS YEAR</u>
CURRENT	
CASH AND INVESTMENTS	\$23,751,881.58
ACCOUNTS RECEIVABLE	4,934,854.12
RECEIVABLE FROM SEWER REIMB	0.00
MATERIALS & SUPPLIES	530,997.27
OTHER CURRENT ASSETS	15,997.00
ACCRUED UTILITY REVENUE	0.00
TOTAL CURRENT ASSETS	\$29,233,729.97
DEFERRED	
DEFERRED ASSETS	\$13,897,176.21
TOTAL DEFERRED DEBITS	13,897,176.21
RESTRICTED	
DEBT PAYMENT ACCOUNT	\$266,660.48
DEBT RESERVE ACCOUNT	475,705.16
CONSTRUCTION FUND	5,747,675.21
TAX EQUIV RESERVE ACCOUNT	2,095,251.33
TOTAL RESTRICTED FUNDS	\$8,585,292.18
LONG TERM	
UTILITY PLANT IN SERVICE-NET	\$88,816,930.74
PROPERTY HELD FOR FUTURE USE	435,089.69
CONSTRUCTION WORK IN PROGRESS	3,121,818.33
RESTRICTED NET PENSION	(225,396.00)
TOTAL UTILITY PLANT	\$92,148,442.76
TOTAL ASSETS	\$143,864,641.12
<u>LIABILITIES</u>	
CURRENT	
CUR PORTION BOND	50,134.14
NOTES PAYABLE	27,285,000.00
ACCOUNTS PAYABLE	1,963,606.82
PAYABLE TO OTHER FUNDS	3,324,104.01
CUSTOMER DEPOSITS	191,622.20
A/P MISCELLANEOUS	0.00
TAXES ACCRUED	1,494,690.00
INTEREST ACCRUED	83,585.33
EMPLOYEE WITHHOLDING	16,614.13
ACCRUED PAYROLL	59,794.00
ACCRUED VACATION	227,813.40
TOTAL CURRENT LIABILITIES	\$34,696,964.03
DEFERRED CREDITS	
CUSTOMER ADVANCES CONSTRUCTION	\$0.00
REGULATORY LIABILITY	1,178,485.54
OPEB LIABILITY	1,263,589.73
OTHER DEFERRED CREDITS	3,088,471.81
TOTAL DEFERRED CREDITS	\$5,530,547.08
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)	(329,894.66)
TOTAL EQUITY	\$75,508,222.50
TOTAL EQUITY AND LIABILITIES	\$143,864,641.12

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	\$ 71,757	\$ 63,377	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	\$ 13,745	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.		\$ 308,751	\$ 307,649	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	\$ 250,009	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	\$ 171,944	3 11	Cassie Rodriguez Erik Helgestad	October 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	\$ 259,550	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	\$ 340,415	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.		\$ 43,705	\$ 43,705	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	\$ 7,260	2	Eric Payne	May 2017
Routine Projects			\$ 2,787,447	\$ 1,832,510	\$1,458,447			
Misc Routine			\$ 558,809	\$ 558,809	\$ 558,809			
Total Routine			\$ 3,346,256	\$ 2,391,319	\$2,017,256			
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	\$ 1,134,906	\$ 806,106	2 11	Eric Payne Erik Helgestad	December 2017
Distribution System Improvements			\$1,924,600	\$ 1,134,906	\$ 806,106			
Total Transmission & Distribution			\$ 5,270,856	\$ 3,526,225	\$2,823,361			

Bold Totals are Based on Bids



Future Water Supply
WWU Admin Sub Costs
2017

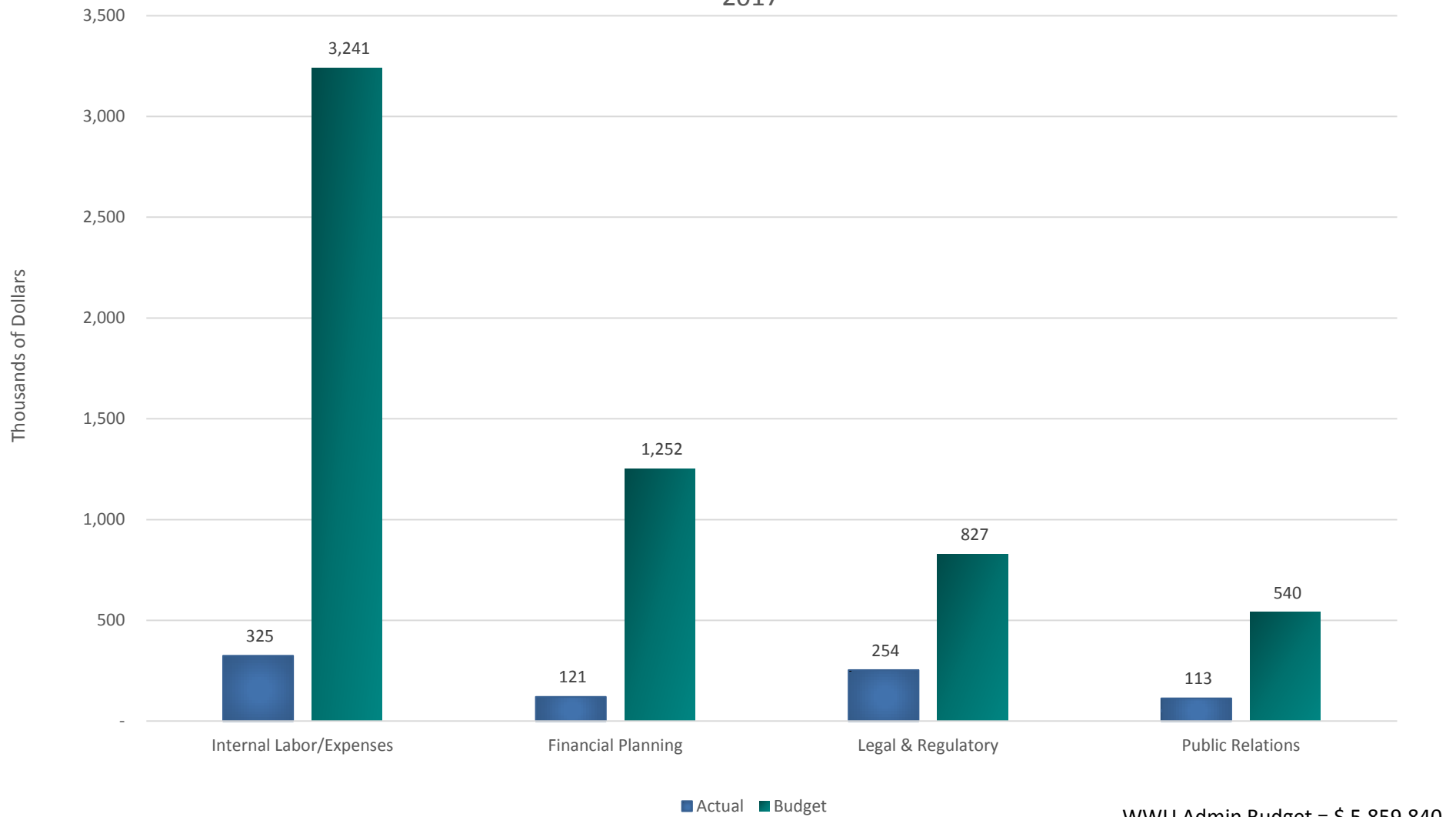
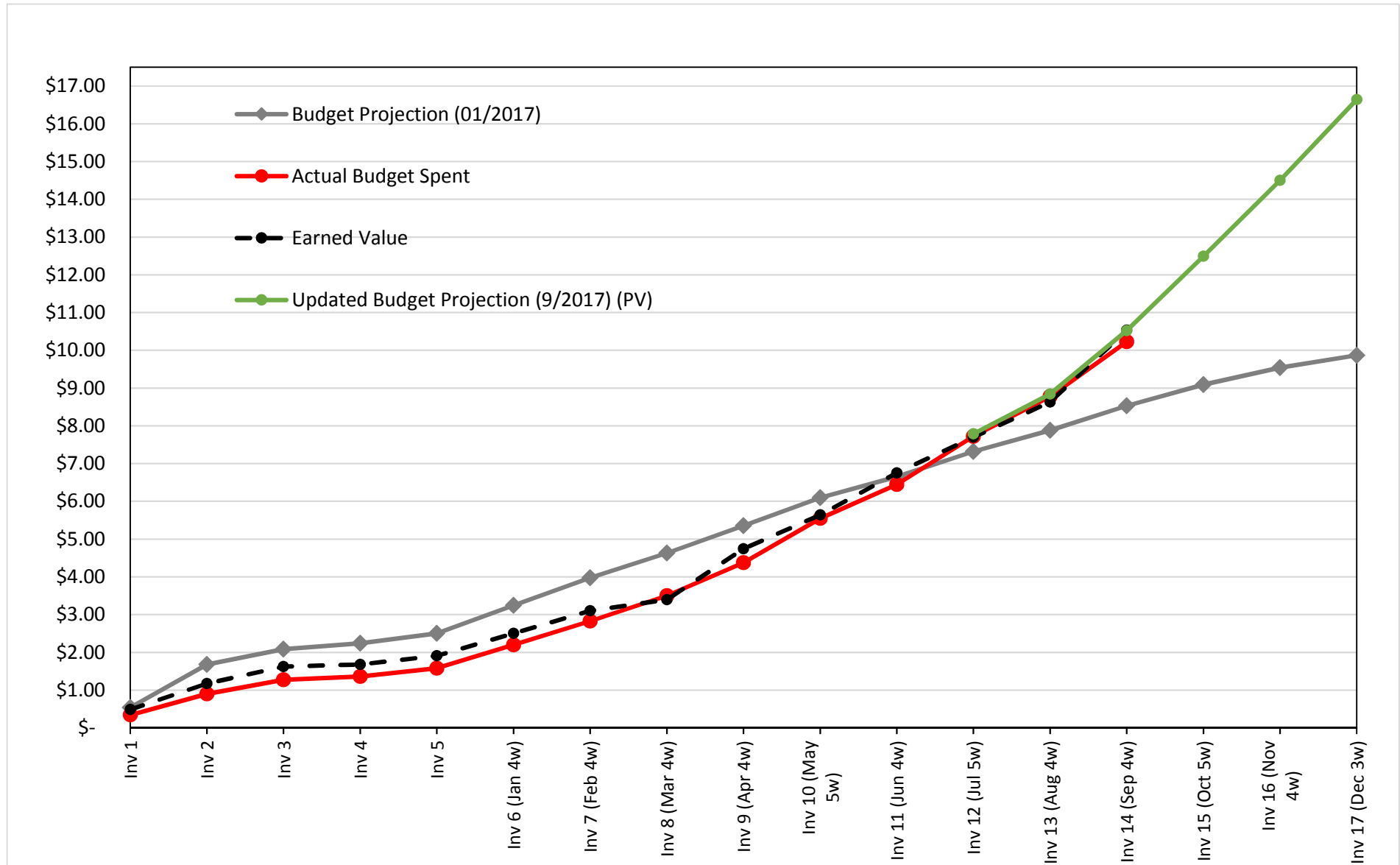


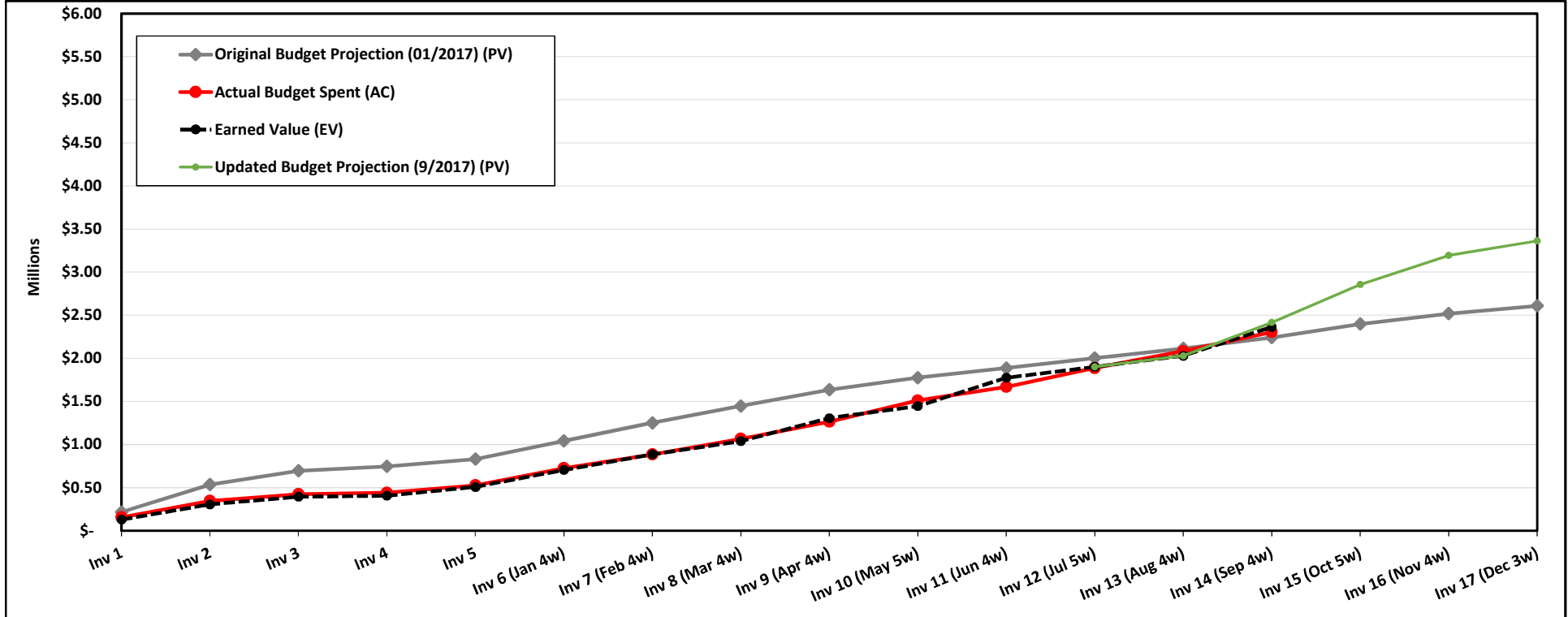
Exhibit 5: Earned Value Analysis

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



% Spent 60.2%
Actual Budget Spent \$10,226,965.84

Schedule Performance Index (SPI) 1.00
Cost Performance Index (CPI) 1.03

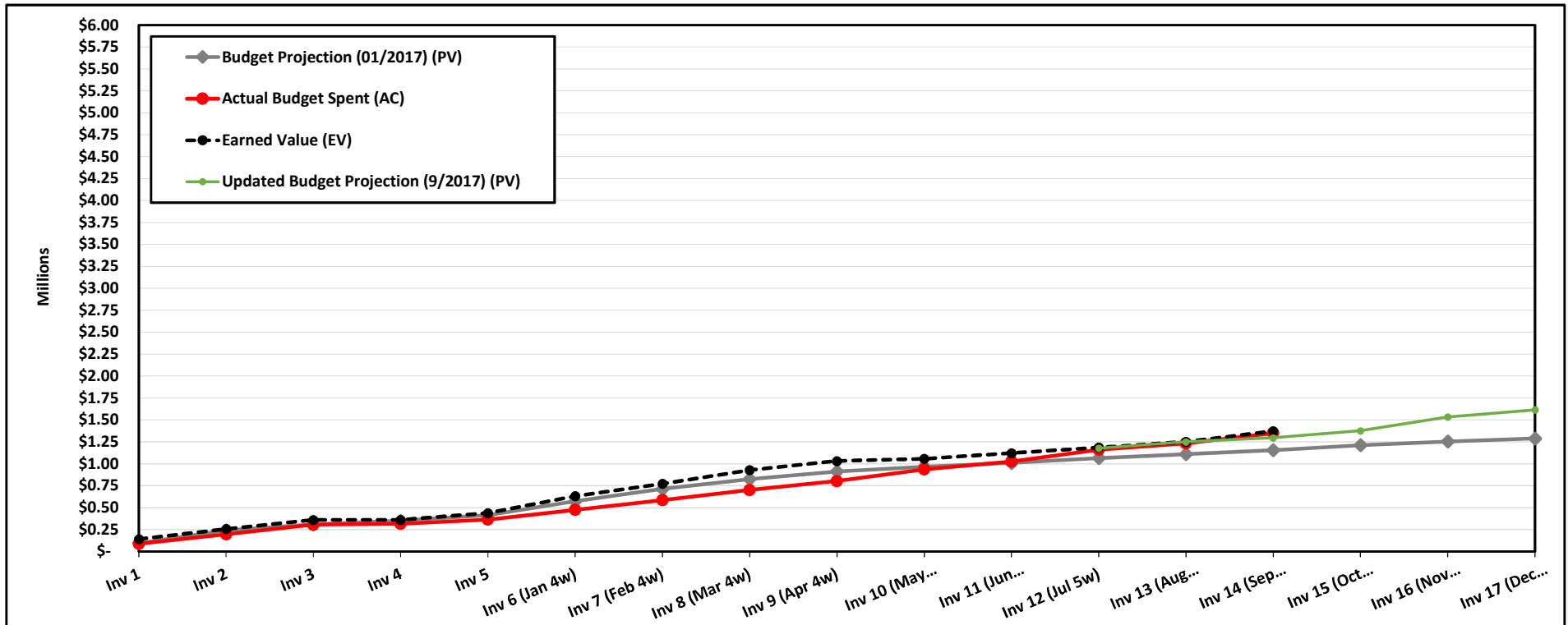


Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 3,376,225.00
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 987,833.60
Cost Variance ^(CV) (CV=EV-AC)	\$ 58,412.44
Schedule Variance ^(SV) (SV=EV-PV)	\$ (53,787.90)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.03
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.98
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.00
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 3,292,778.65
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 83,446.35

(1) Task 1 Budget at Completion includes Program Contingency Authorizations

Task 1	Program Management Plan/Progress
	<ul style="list-style-type: none"> Water Supplier Assessment was completed to support selection of a water supplier. Quality Management review of the Draft Oak Creek Route Study was initiated. The Program Management Team met with Clean Water Plant Staff to discuss the Program scope and schedule with a focus on the Return Flow elements. Attended the Michigan and Wisconsin American Water Works Association (AWWA) Annual Meetings to participate in panel discussions and present on the Great Water Alliance Program. Submitted and obtained approval of four Task Authorizations and drafted 10 Subconsultant

Task 1	Program Management Challenges
	<ul style="list-style-type: none"> The Task 1 budget was increased by the 2018 to 2017 Budget Shift approved by the Commission at their September 2017 meeting. The updated Planned Value is depicted starting at Invoice 12 and through the end of 2017. Development of the Preliminary Design Report is being expedited to meet anticipated funding timelines and provide greater design refinement for Program Cost update.



Note: Task 2 amount for Invoice 6 was reported incorrectly in the previous version of this earned value analysis. The corrected cumulative amount is \$984.33 higher.

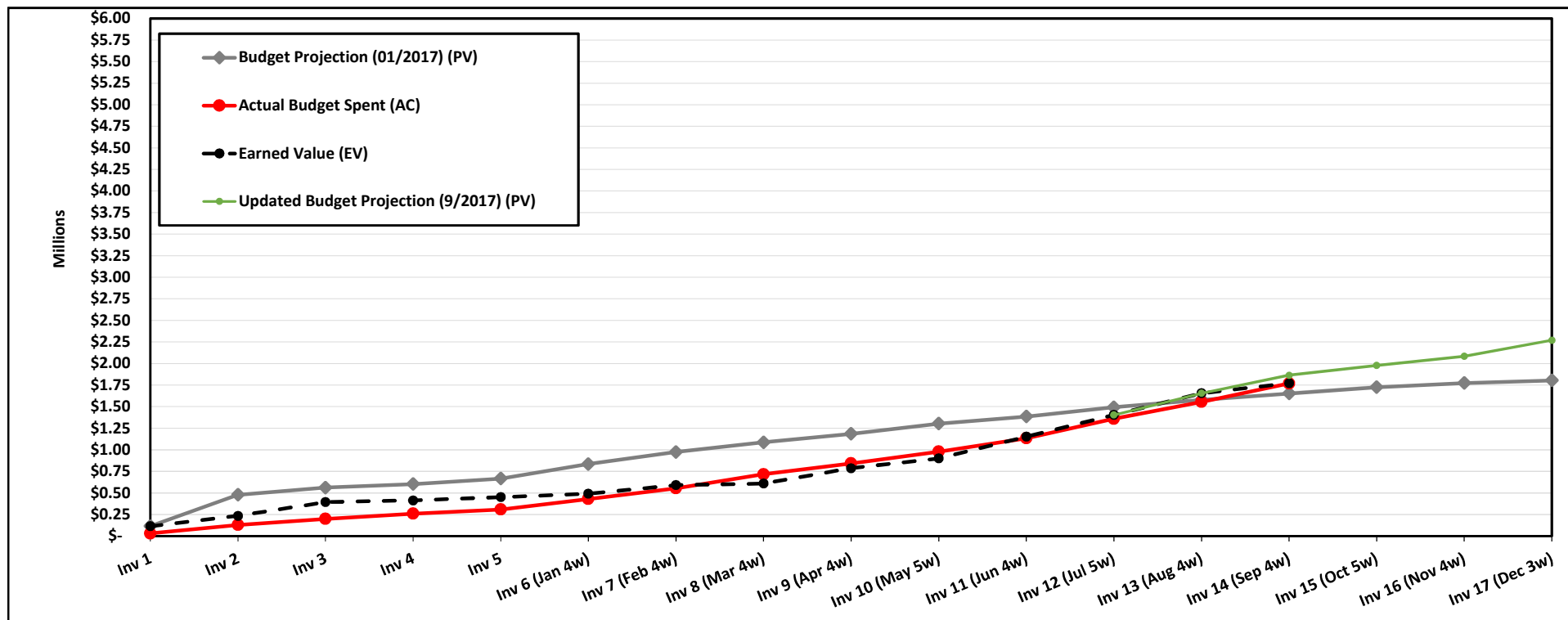
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 1,614,920.57
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 238,158.04
Cost Variance ^(CV) (CV=EV-AC)	\$ 23,120.25
Schedule Variance ^(SV) (SV=EV-PV)	\$ 77,484.48
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.02
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.06
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.08
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 1,587,720.27
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 27,200.30

Task 2 Programmatic Support Services Plan/Progress

- Assisted WWU with communications and negotiations with the City of Milwaukee regarding the City of Milwaukee's proposal to supply water.
- Media relations planning and support was provided regarding the water supplier selection.
- Communication with local stakeholders continues to support Route Study field investigations.
- Performed ongoing general to the Program website including: Local community events, published News and Press Releases, E-Newsletter and Route information.

Task 2 Programmatic Support Services Challenges

- In association with the water supplier selection, Waukesha's Common Council has requested that open houses be held in Waukesha before the December 5, 2017 Council meeting in order to provide opportunity for rate payer feedback.
- The Task 1 budget was increased by the 2018 to 2017 Budget Shift approved by the Commission at their September 2017 meeting.
- The updated Planned Value is depicted starting at Invoice 12 and through the end of 2017.



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.

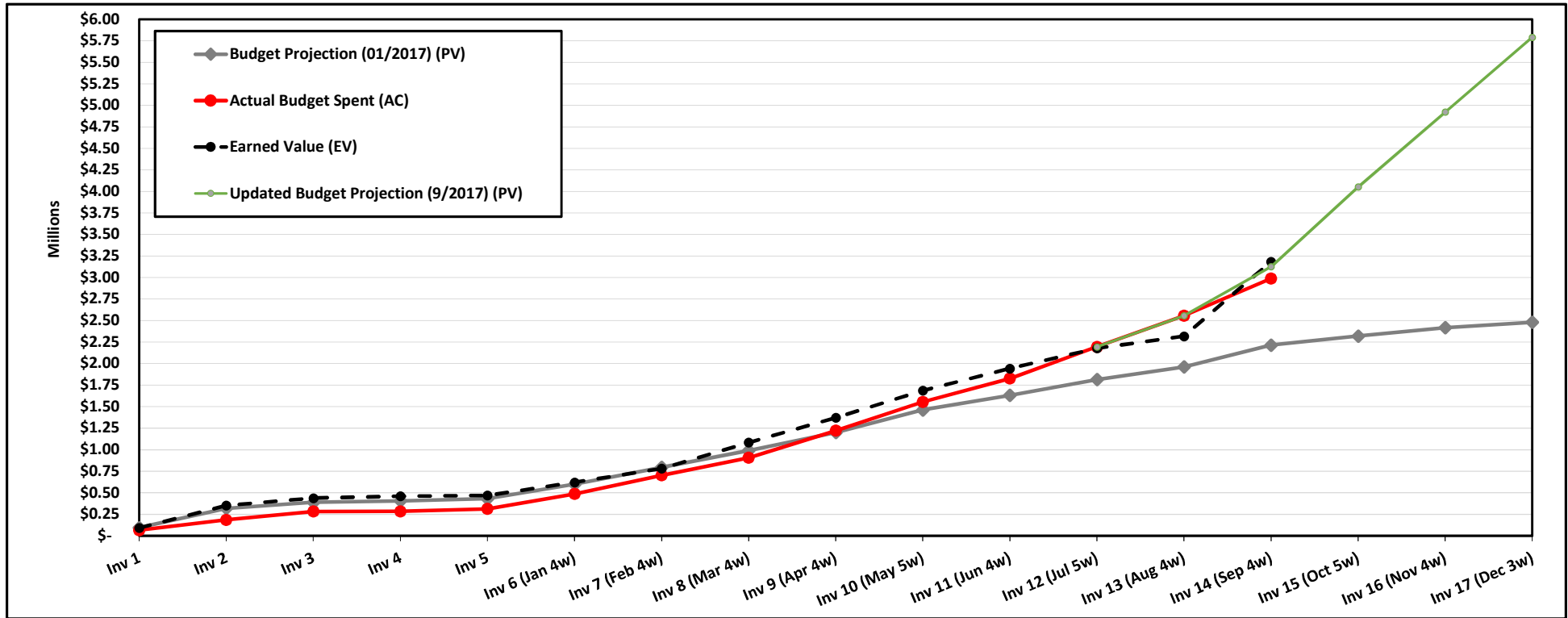
Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 2,273,029.42
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 498,833.04
Cost Variance ^(CV) (CV=EV-AC)	\$ 4,373.09
Schedule Variance ^(SV) (SV=EV-PV)	\$ (90,921.18)
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.00
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.95
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.95
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 2,267,422.90
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 5,606.52

Task 3 Permitting Plan/Progress

- Discussions occurred with WDNR on thermal limits, return flow management, and chlorides compliance which helped bring clarity to the future WPDES permit limits and will determine the information to be provided to the WDNR with the WPDES application.
- Permits necessary for geotechnical, environmental, wetlands and archeological field investigations have been obtained from local authorities having jurisdiction.

Task 3 Permitting Challenges

- The Task 3 budget was increased by the 2018 to 2017 Budget Shift approved by the Commission at their September 2017 meeting. The updated Planned Value is depicted starting at Invoice 12 and through the end of 2017.
- The City of Waukesha Departments and WWU need to identify clear roles and responsibility and agree upon the Chloride Reduction Plan to submit with the WPDES permit.
- The Program Team is awaiting determination by WDNR of the supporting documentation expected to be included with the WPDES permit for the Return Flow Management Plan (RFMP) and Phosphorus Reduction Plan.



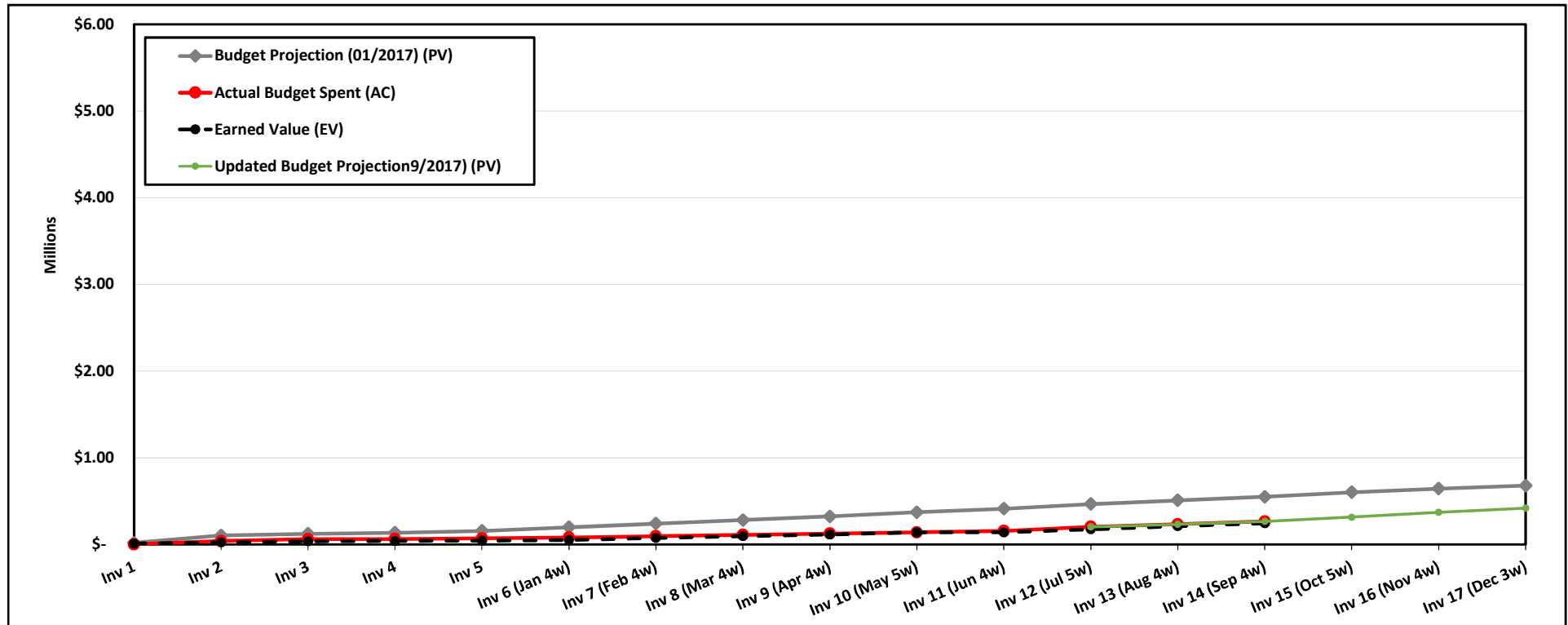
Earned Value Calculations	
Budget at completion ^(BAC) (BAC)	\$ 5,790,482.98
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 2,444,684.22
Cost Variance ^(CV) (CV=EV-AC)	\$ 196,818.26
Schedule Variance ^(SV) (SV=EV-PV)	\$ 57,904.83
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.07
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.02
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.09
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 5,432,631.60
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 357,851.38

Task 4 Route Study and Pipeline Plan/Progress

- Geotechnical, wetland delineation, archeological survey, traditional survey field investigations are being performed along the common corridor. Soil borings have started for the Geotechnical Field Investigations for the common corridor.
- The WDNR Preliminary Design Report is being prepared for internal Quality Management review.

Task 4 Route Study and Pipeline Challenges

- The scope and fee to perform a Milwaukee Route Study in being developed in anticipation of the water supplier selection.
- Task Authorization No. 11 was approved by WWU to initiate seasonal field investigations in anticipation of the water supplier selection.
- The Task 4 budget was increased by the 2018 to 2017 Budget Shift approved by the Commission at their September 2017 meeting.
- The updated Planned Value is depicted starting at Invoice 12 and through the end of 2017.



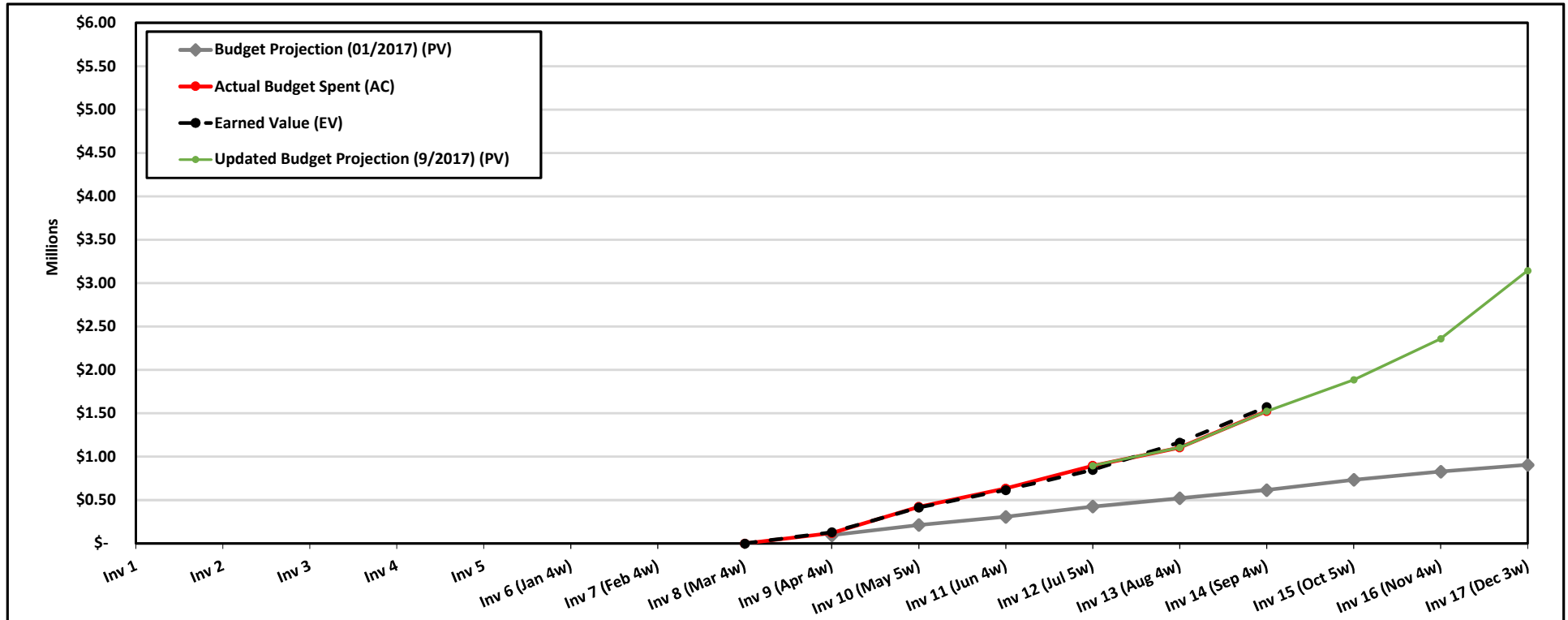
Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 698,405.42
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 494,529.96
Cost Variance ^(CV) (CV=EV-AC)	\$ (21,843.47)
Schedule Variance ^(SV) (SV=EV-PV)	\$ (20,952.16)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.92
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.92
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.85
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 760,815.32
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (62,409.90)

Task 5 Distribution System and Water Quality Plan/Progress

- Updated scenarios for connection points into the Waukesha distribution system were further modeled and conceptual level costs for the scenarios were developed.

Task 5 Distribution System and Water Quality Challenges

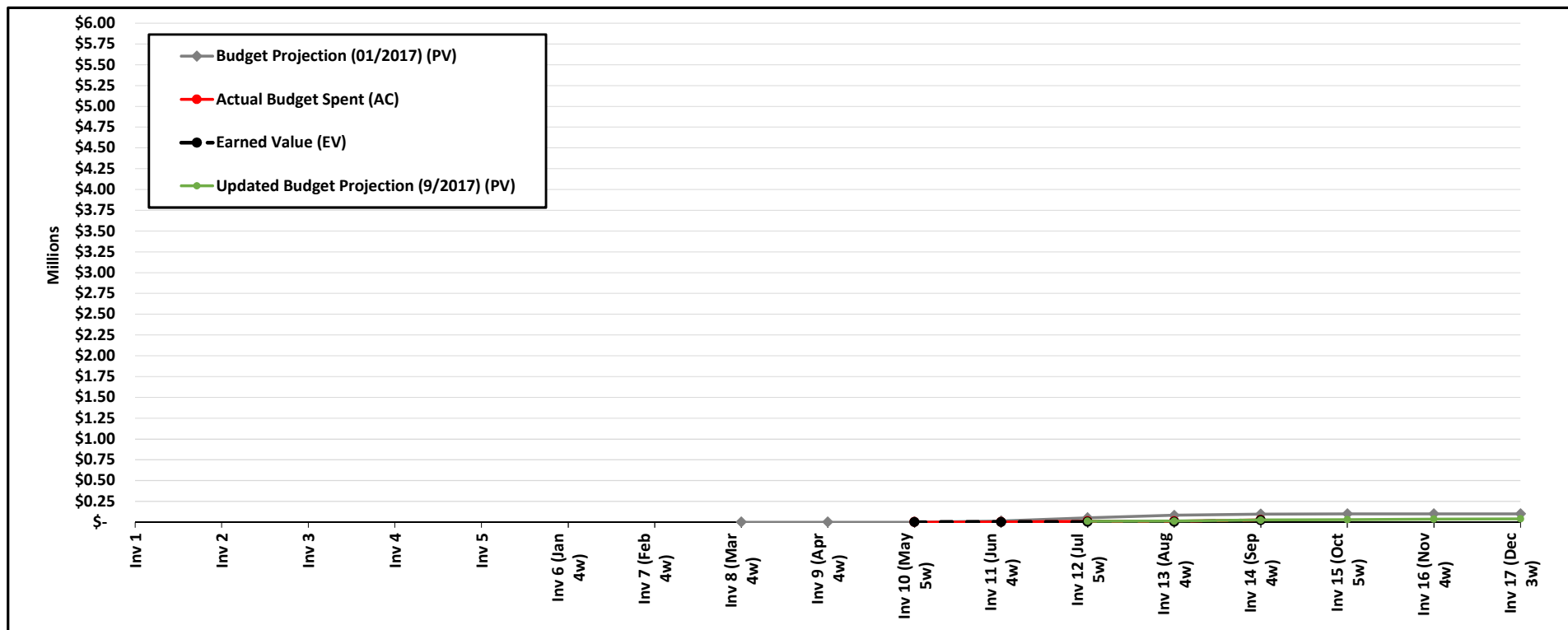
- Selection of the water supplier has resulted in a delay in having the WDNR Water Supply meetings for permitting has impacted the schedule for Pipe Loop Testing and water quality analysis.



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 3,145,270.73
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 1,523,778.87
Cost Variance ^(CV) (CV=EV-AC)	\$ 48,856.49
Schedule Variance ^(SV) (SV=EV-PV)	\$ 48,856.49
Cost Performance Index ^(CPI) (CPI=EV/AC)	1.03
Schedule Performance Index ^(SPI) (SPI=EV/PV)	1.03
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	1.07
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 3,047,557.74
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ 97,712.99

Task 6 Pump Stations, Storage and Chemical Treatment Plan/Progress
<ul style="list-style-type: none"> The WDNR Preliminary Design Report development is on track for QM review in early November. Wetland delineation, archeological survey, traditional survey field investigations are being performed along at the Booster Pumping Station site.

Task 6 Pump Stations, Storage and Chemical Treatment Challenges
<ul style="list-style-type: none"> The Task 6 budget was increased by the 2018 to 2017 Budget Shift approved by the Commission at their September 2017 meeting. The updated Planned Value is depicted starting at Invoice 12 and through the end of 2017. The water supplier has not been confirmed. Selection of the supplier is needed to continue the Water Supply Pumping Station design for the WDNR Preliminary Design Report submission.



Earned Value Calculations	
Budget at completion ^{(BAC)(1)} (BAC)	\$ 99,105.00
Estimate to Complete ^(ETC1) (ETC1=EAC1-AC)	\$ 86,565.01
Cost Variance ^(CV) (CV=EV-AC)	\$ (3,062.93)
Schedule Variance (SV) (SV=EV-PV)	\$ (1,982.10)
Cost Performance Index ^(CPI) (CPI=EV/AC)	0.88
Schedule Performance Index ^(SPI) (SPI=EV/PV)	0.92
Cost /Schedule Index ^(CSI) (CSI=CPI x SPI)	0.81
Estimate at Completion ^(EAC1) (EAC1=BAC/CPI)	\$ 112,422.09
Variance at Completion ^(VAC1) (VAC1=BAC-EAC1)	\$ (13,317.09)

Task 7 Construction and Construction Management Plan/Progress

- No development of the construction schedule to support contracting strategy and program delivery has been initiated.

Task 7 Construction and Construction Management Challenges

- No challenges identified.