PRESS RELEASE

WAUKESHA WATER UTILITY For Immediate Release

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WAUKESHA, WI 53188-3615 DATE: July 29, 2016

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CONSUMER NOTICE

Utility Hires Contract Compliance Firm Attempts to Avoid Unnecessary Costs on Lake Michigan Pipelines

Waukesha, WI – July 29, 2016, The Waukesha Water Utility has engaged the construction contract compliance division of Baker Tilly Virchow Krause, LLP (Baker Tilly) to monitor construction costs related to acquiring and returning Lake Michigan water. Baker Tilly has experience with large pipeline projects and has worked to help clients reduce financial risk and realize savings.

"We are preparing to embark on one of the largest municipal water supply projects in the history of the state of Wisconsin," Dan Duchniak, general manager, said. "Baker Tilly will work to help us so that ratepayers' dollars are buying only what we need." The \$207 million project will build a pipeline from the lake, upgrade the city's water treatment plant and build a second pipe to return the treated water back to the Root River, allowing the water to flow back to the lake.

"We've sent the same message since 2012. Lake Michigan is the least expensive source of safe, sustainable water. Yet, the cost of the project will double, maybe triple, the water portion of the quarterly bill," Duchniak added.

"Managing this money is a huge responsibility," Donna Scholl, CPA, and the utility's administrative services manager, said. "We want to tap into Baker Tilly's expertise sooner, rather than later, to avoid making the common mistakes."

Tony Ollmann, CPA, CCA, and Baker Tilly's leader on the project, commented, "Waukesha is bringing us in on the front end to advise on contract language and help implement construction risk mitigating processes and controls."

The utility has started to talk to project/construction management firms. It hopes to have a project manager hired this fall. In addition to helping with that contract, Baker Tilly will be auditing the firm's bills.