

STATUS OF MWRA BUDGETS (as of mid-November 1991)

Capital Budget

. Spending through the first four months of the year is nearly 95% of the budgeted amounts: \$143.6 million as compared to almost \$152 million planned. This compares to spending through the first three months at just over 91% of budget.

. Accrued expenses during October reached \$43.1 million, nearly three-quarters of which was for the Deer Island plant and related on-island facilities. This is a marked increase over the average of \$33.4 million in accrued expenses for each of the first three months of the fiscal year. Spending is now approaching \$1.4 million per day, as compared to approximately \$1 million per day as recently as last June.

. The most active projects on Deer Island include: North System Headworks, the Effluent Outfall Diffusers, the Inter-Island Tunnels, Effluent Outfall Tunnel, Primary Clarifiers, construction of the egg-shaped Digesters, North System Tunnels, Disposal of Excess Till, and Construction Management Services from Kaiser Engineering.

. Other spending over \$1 million during October includes the Pelletizing Plant at Fore River, the Charlestown Pump Station, and personnel and ferry transportation services. Spending is in the area of \$0.5 million for the Lynn Pipeline, Hingham Pump Station, New Neponset Valley Relief Sewer, Wellesley Extension Sewer project, and the Domestic Device Retrofit project.

Capital Borrowing

. The Authority issued \$300 million in 30-year general revenue bonds on October 23rd, at an interest rate of 7.0384%. Some \$43 million went to the debt service reserve fund and for the cost of issuance, leaving \$257 million for deposit to the Construction Fund. The next debt issue is now expected to be in March or April, for an amount presently estimated to be \$500 million.

MWRA OCTOBER 1991 CIP VARIANCE

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Authority	152.0	143.0	9.0
Wastewater	144.4	137.4	7.0
Waterworks	5.5	5.7	(0.2)
Administration	2.0	0.5	1.5

Note: Numbers represent 4 month totals (July-Oct).
In millions of dollars.

Current Expense Budget

. Spending through October approached \$70.8 million, or 88.8% of the amount budgeted for the period. The \$8.9 million variance is nearly evenly split between direct and indirect expenses.

. Spending for a number of direct expense items is close to \$4.2 million less than planned:

. Wages and Salaries spending (which includes payments for interns and temporary help) is \$1 million under budgeted amounts, reflecting, in part, vacancies since July of at least 140 of the 1734 authorized positions.

. Another \$1.25 million was budgeted to date for the cleaning of Digester #3, a project expected to start up this winter at a cost much less than the estimated \$3.75 million.

. Utilities savings of \$470,000 at Deer Island have been more than offset by spending on sodium hypochlorite which has been nearly \$690,000 more than budgeted.

. Professional Services spending throughout the Authority has been \$560,000 under budgeted amounts. Nearly \$250,000 of that amount reflects less-than-planned spending in the TRAC program.

. The Authority has spent nearly \$6.1 million less on debt service payments or deposits than planned for the period. On the other hand, \$1.3 million has been accrued (as part of the Watershed/PILOT line) for the furlough payment (if, after resolution of the suits, that payment has to be made). Thus, total indirect expense spending is \$4.7 million less than budgeted for the first third of the year.

