

STATUS OF MWRA BUDGETS THROUGH JANUARY 1992

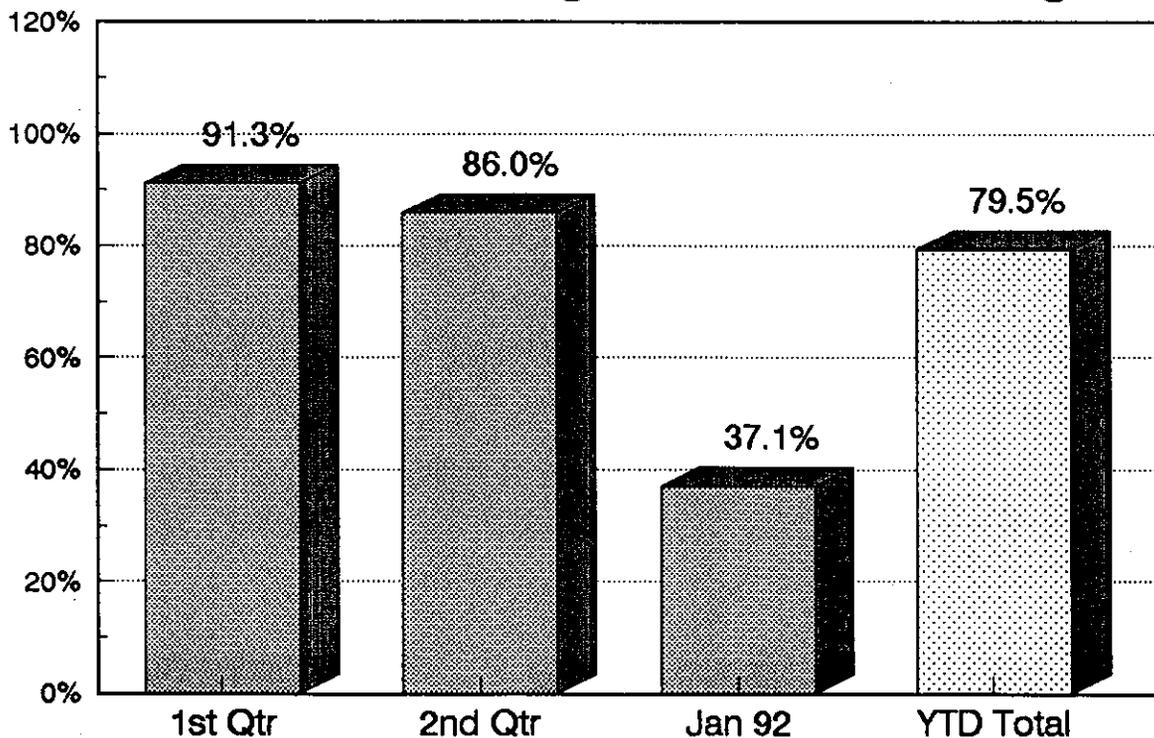
FY92 CAPITAL BUDGET

Spending through the first seven months of FY92 is 79% of budgeted amounts: \$228.0 million as compared to \$287.0 million planned. This compares to spending through the first six months at 88% of budget. Accrued expenses during January came to \$18.6 million, the second lowest monthly accruals so far this fiscal year. This low level of spending is due in large part to slippage in some project schedules and some accounting adjustments, as well as lower bid prices than had been assumed when the cash flows were estimated.

At \$9.1 million, accrued spending in January for Deer Island was only 24% of the \$37.5 million budgeted. This can be explained in part to some accounting adjustments which accentuate the apparent underspending this month. Actual payments came to \$23.7 million. Through the first seven months of FY92, accrued spending for Deer Island was \$167.7 million, 87% of the \$193.5 million budgeted. Major components of the Deer Island project that are running below budgeted amounts are the Primary Digesters (\$13.8), Outfall Tunnel (\$5.2), and the North System Tunnels (\$3.0). The Authority plans to spend \$419.1 million for the Deer Island Treatment Plant during FY92. Spending should increase this spring as several projects -- including the Administration/Lab building, the Outfall Tunnel, and the Digesters -- move forward.

Some of the other \$33.2 million of the \$59.0 million underspending for the first seven months of FY92 can be attributed to the following projects: Water Transportation Facilities (\$8.0), Residuals (\$6.8), Deer Island Upgrade (\$1.8), New Neponset (\$1.4), and the East Boston Facilities (\$1.3).

MWRA FY92 CIP Budget Variance Percentage



FY92 CURRENT EXPENSE BUDGET

Spending through January totaled \$129.8 million, or 88.8% of the amount budgeted for the period. The \$16.4 million variance is nearly evenly split between direct and indirect expenses.

Accrued spending for a number of **direct expense items** is \$8.4 million less than planned for the period:

. Wages and Salaries spending (which includes payments for interns and temporary help, shift differential, and holiday pay) is \$1.6 million under budgeted amounts, reflecting greater than expected vacancies and later than expected implementation of some step and union increases. Of the 1,734 authorized positions, 122 (or 7%) were vacant as of the end of January; half were in the Sewerage Division.

. Another \$2.2 million was budgeted (mostly under Other Services, with a smaller portion under Maintenance) for the cleaning of Digester #3 at Deer Island, a project now under way at a cost much lower than what had been planned.

. Utilities spending is \$0.8 million less than budgeted. Much of the reduced spending is at Deer Island where use of fuel oil and diesel fuel are \$665,000 under budget due to increased production of methane gas as a substitute fuel, as well as lower than budgeted fuel prices.

. Maintenance spending has picked up, but is still \$1.7 million under budget, particularly in Wastewater Collections, Pumping, and Nut Island (in addition to the Digester #3 maintenance at Deer Island), and in the MIS Department.

. Other Materials spending is \$1.06 million less than planned, mostly in the areas of health and safety materials, vehicles and vehicle expense, computer hardware, and work clothes. Some of these purchases can be expected in the next few months.

The Authority has accrued \$8.0 million less than budgeted on **indirect expenses** for the seven-month period. Lower debt service payments account for \$9.6 million (much of it the suspended payments for Commonwealth debt). Offsetting this amount somewhat is the accrual, under Reimbursements, of \$1.3 million for the possible furlough payment (although the requirement to make the furlough payment is now expected to be dropped by the state).

Spending for the seven-month period was 47.5% of the year's total budget. Another \$143,154,228 remains for current expenses for the next five months.