

## STATUS OF MWRA BUDGETS THROUGH SEPTEMBER 1992

### FY93 Current Expense Budget

Spending for the first three months of the fiscal year totaled \$75.2 million, or 92% of the \$81.4 million budgeted for the period. Forty percent of the \$6.2 million variance, or nearly \$2.5 million, is in direct expenses, while the \$3.6 million in indirect expense variance is mostly the result of not paying (or accruing) the budgeted debt service on the MDC debt.

Accrued expenses for a number of direct expense items is close to \$2.5 million less than budgeted:

- . Wages and Salaries spending is \$550,000 under the amount budgeted. Regular Pay, \$750,000 under budget, reflects a high vacancy rate and is partially offset by \$168,000 in greater than budgeted spending for Temporary Employees. Overtime, too, is \$147,000 over budget.

- . Sodium hypochlorite expense at Deer Island is now more than \$400,000 less than the budgeted amount of \$1.5 million for the period.

- . Utility expense at Deer Island is nearly \$400,000 under budget, due primarily to continued use of the diesel engines and methane mixture to meet energy needs, as compared to the budgeted amounts which reflect the possible requirement to use more expensive electric energy from the cross harbor cable.

- . Maintenance materials and services spending at Deer Island is more than \$330,000 under budget, much of it still due to completed but unbilled work on Digester #3.

- . Pelletizing plant costs are \$542,000 under budget, reflecting, in part, plant interruptions and production of sludge cake instead of the more energy-intensive and expensive process to produce fertilizer pellets.

Indirect expense accruals are \$3.6 million under the budgeted amounts.

- . More than \$2.7 million of the variance relates to amounts budgeted for payment of the MDC debt, which has not been paid or accrued. Since the budget was finalized, the state Legislature approved a provision which requires the Authority to pay \$80 million in FY93, in lieu of any further debt service payments on the water and sewer debt incurred by the MDC prior to the creation of the MWRA. The Authority is continuing to investigate approaches to making the \$80 million payment.

- . Another \$500,000 of the variance reflects less than budgeted accruals for debt service on the Authority's revenue bonds due to a change in the way debt service is accrued.

- . Accruals for insurance premiums are \$355,000 under the budgeted amounts; additional billings are anticipated in the coming months.

## FY93 Capital Budget

Accrued spending for the first three months of the fiscal year came to \$114.96 million or 58% of the \$196.99 million budgeted in the FY92-94 CIP. Using the Authority's revised (but not formally adopted) budget of \$146.1 million for the first quarter of the fiscal year, the accrued spending came to 80% of the amount projected to have been spent.

The \$31.2 million difference between actual accruals and revised projections is due mainly to continuing delays in bringing the outfall tunnel boring machine up to full production speed (now \$15.4 million less than the rejections of just six months ago).

Other Boston Harbor projects account for another \$10 million of the variance (less than planned spending on the North System Headworks, \$6.3 million; Switchgear/Yard Piping, \$1.98 million; Secondary facility design, \$4.2 million; and Construction Management Services, \$3.4 million; are somewhat offset by greater than planned spending on the Admin/Lab Building of \$3.8 million and the Primary Residuals complex of \$2.7 million).

Delays in the Squantum Force Main project account for another \$1.5 million of the reported variance. The three Southern Sewer Relief projects have moved forward at a slower pace than projected for another \$2.4 million in less than budgeted spending.

As of the end of September, the Construction Fund balance stood at \$613.6 million. The Authority plans on spending (on an accrual basis) \$353.2 million between now and April 1st; and another \$206.1 million between April 1 and June 30 for a total of \$559.3 million (net of amounts budgeted for contingency spending) between now and the end of the fiscal year.

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. prepared for October 15, 1992 Advisory Board meeting  
. based on preliminary reports for September and first quarter spending