



STATUS OF MWRA BUDGETS

through November 1993

FY94 Current Expense Budget

Accrued spending through November 1993 reached \$133.5 million, or 91% of the \$146.8 million budgeted for the period. Of the nearly \$13.3 million variance, direct expenses accounted for \$4.5 million and indirect expenses for \$8.7 million.

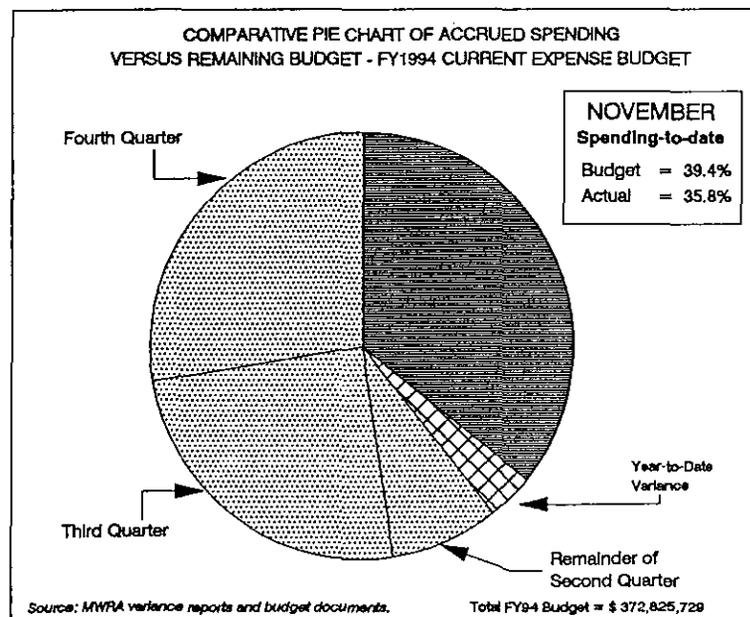
Direct Expenses totaled \$55.0 million, 92% of the \$59.6 million budgeted. Just over half of the \$4.5 million variance is the result of less than budgeted spending for *Wages and Salaries*. Filled positions now number 1,635. Another 155 positions are vacant as of the end of November, 94 of them in the Sewerage Division; and 66 more positions are planned to be filled later in the fiscal year, nearly all of them in support of the start up of the new Deer Island treatment facilities, for a total of 1,856 authorized positions (a net reduction of 10 positions in November). Wages and Salaries spending accounts for nearly half of all direct expense accruals to date.

The next largest category of spending is *Other Services*, including the costs of sludge pelletization. Accruals have increased in November, leaving a 4% variance of \$143,208 under the \$3,915,000 budgeted for the first five months of the fiscal year.

Spending on *Utilities* is now nearly \$0.9 million or 22% under the budgeted amount of \$3.9 million. Much of the variance continues to be due to less than budgeted spending for Deer Island operations and for the natural gas costs of sludge pelletization. On the other hand, spending on *Chemicals* is \$0.27 million over the budgeted amount of \$3.4 million for the year to date, due in part to higher than budgeted prices for sodium hypochlorite and chlorine.

Professional Services spending continues to run well under the amount budgeted, with a variance of nearly \$0.6 million or 18% under the \$3.2 million budgeted to date. Laboratory and testing services accounts for more than \$0.4 million of the underspending, due principally to later than planned spending for harbor and outfall monitoring studies.

Indirect Expenses came to \$78.5 million, almost 10% under the \$87.2 million budgeted for the period. The \$8.7 million variance is due principally to the later schedule for the fall borrowing, which took place in mid-November. Accruals will begin in December.



FY94 Capital Improvement Program

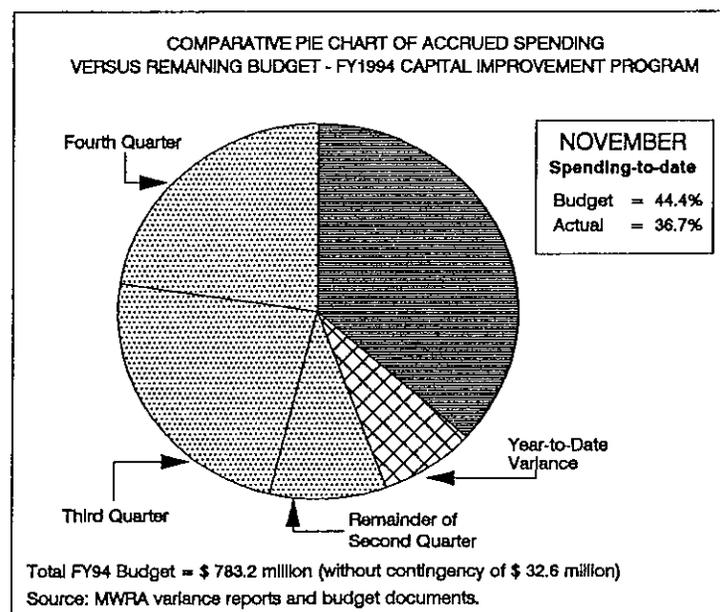
Accrued spending through November reached \$286.7 million, \$60.3 million or 17% below the \$347.1 million budgeted for the period. Accruals for the month of November came to \$68.9 million, only 7% below the \$73.9 million budgeted for the month. Average weekly spending at \$13.8 million is higher than the \$11 million per week in September and October, but lower than the \$14 and \$14.5 million per week in July and August.

Spending on the *Boston Harbor Project* continues to dominate the capital program at \$64.1 million for the month and \$266.0 million for the year to date, both 93% of all spending in the last five months.

The Deer Island project with the greatest amount of spending in FY94 is the huge primary residuals complex. With all eight of the egg-shaped digesters delivered, spending to date, at \$42.4 million, is within 4% of the budgeted amount. The second largest project is the outfall tunnel, with accruals of \$19.0 million so far this year. However, boring machine problems and, more recently, experience with unanticipated unstable underground conditions has slowed progress, and spending to date is 37% or \$11.0 million below the budgeted amount. (However, the situation has also resulted in a change order for \$1.75 million to deal with additional costs associated with dealing with the differing site conditions.) Also below budgeted amounts are accruals for the inter-island tunnel, the disinfection/hydropower project, and primary clarifier batteries C & D.

Construction Fund Balance and Capital Borrowing

The Construction Fund balance at the end of the November accounting period stood at \$152.7 million. The recent issue of new revenue and refunding bonds closed on December 2 and will be reflected in the December financial reports. The new borrowing will provide another \$249.6 million to the Construction Fund. Also in December, the Massachusetts Wastewater Pollution Abatement Trust issued bonds to produce \$86 million of SRF bond proceeds to fund Authority projects. The Authority has budgeted an additional \$436.2 million in capital spending for the next seven months from December through June 1994.



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