STATUS OF MWRA BUDGETS

through December 1993

FY94 Current Expense Budget

Accrued spending through December 1993 reached $164.7 million, or 92.8% of the $177.4 million budgeted for the period.

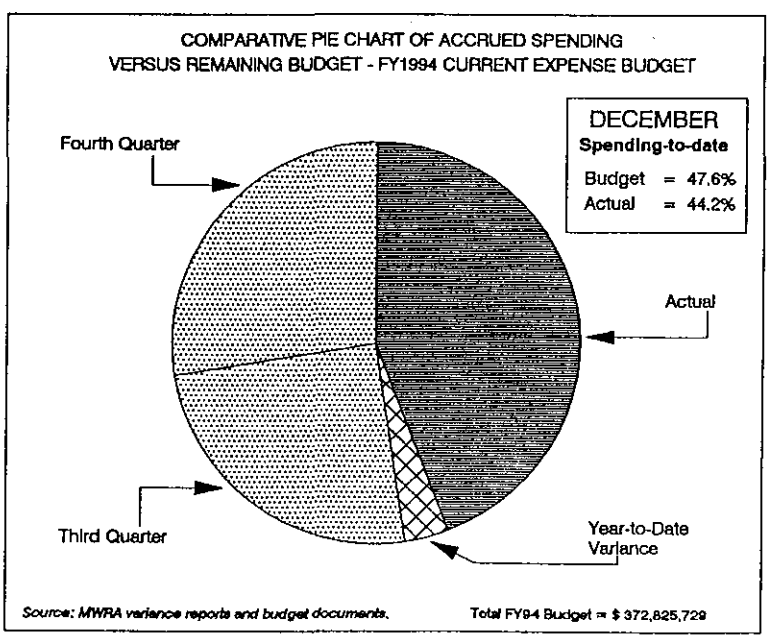
Direct Expenses totaled $66.7 million, 93% of the $71.7 million budgeted for the six-month period. Just over half of the $4.9 million variance is the result of less than budgeted spending for *Wages and Salaries*. Filled positions now number 1,639 (four more than as of the end of November). Another 155 positions are vacant, 90 of them in the Sewerage Division; and 62 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. Wages and Salaries spending continues to account 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 for this service and for grit and screenings removal are $380,000 below the budgeted amounts for the first six months of the year. But the decision to begin accruing the fee for the Utah landfill, at an unbudgeted $625,000 for the first half of the year, resulted in an over-budget variance of $457,000.

Spending on *Utilities* is nearly $904,000 or 19% under the budgeted amount of $4.8 million. Most of the variance continues to be due to less than budgeted spending for Deer Island operations and for the gas and sewer services charges for sludge processing.

Spending on *Maintenance* is now $1 million, or one-sixth, below the $6.0 million budgeted for the six-month period. Over $900,000 of the spending gap is for less than planned spending in the Wastewater Collections Department where large pipeline repairs projects have been delayed until spring.

Professional Services spending continues to lag the amount budgeted, with a variance of $933,000 nearly one-fourth the $4.0 million budgeted. Over $500,000 of the variance continues to be for later than planned lab and testing expense for harbor and outfall monitoring studies; and another $308,000 is for services budgeted but not yet needed for the start-up of the new primary treatment facilities.



Indirect Expenses came to $97.9 million, 7% under the $105.7 million budgeted for the period. The $7.8 million variance is due principally to the later schedule for the fall borrowing, which took place in mid-November.

FY94 Capital Improvement Program

Accrued spending through December reached $329.6 million, $91.3 million or 22% below the $420.9 million budgeted for the period. Accruals for the month of December came to $42.9 million, 42% below the $73.9 million budgeted for the month.

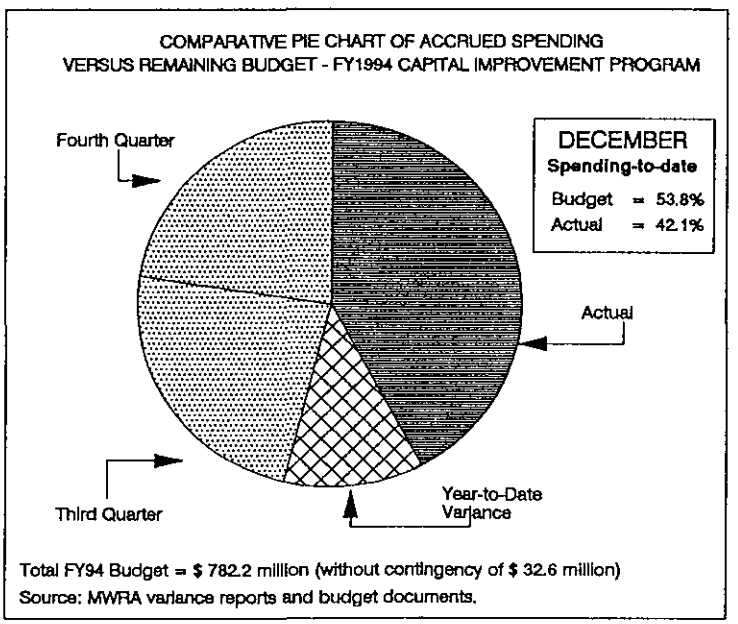
Spending on the *Boston Harbor Project* continues to dominate the capital program: at $303.6 million for the year to date, or 92% of all spending. The Project is also $68.2 million below the amount budgeted for the period, 75% of the variance to date. Despite overall progress on the primary and secondary treatment complexes, bad weather and delays on several contracts have contributed to less than planned spending.

The effluent outfall and inter-island tunnels account for $24.7 million of the variance. Problems encountered during drilling operations have put the outfall tunnel at nearly 40% below planned spending, and the inter-island tunnel at nearly 60% below the amount budgeted for the first half of the fiscal year. Construction of the egg-shaped digester complex, the largest single contract active in FY94, is $9.7 million below the $54.2 million budgeted for the July - December period.

Other projects contributing measurably to the variance are the New Neponset Valley Relief Sewer, at $5.2 million below the $6.3 million budgeted; the Residuals Management project, at $5.8 million below the $7.2 million budgeted (primarily due to the decision to utilize a landfill outside the region); and North Maintenance Facilities, at $2.6 million (due to a delay in acquisition of a site for a new distribution maintenance facility).

Construction Fund Balance

The Construction Fund balance at the end of the December accounting period stood at $367.6 million, with the addition of $250.3 million from the recent borrowing which closed December 2. The Authority has budgeted an additional $362.3 million for the January - June 1994 period.



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