



STATUS OF MWRA BUDGETS

through April 1994

Prepared for the May 19, 1994 meeting of the MWRA Advisory Board

FY94 Current Expense Budget

Accrued spending through April 1994 reached \$278.8 million, or 92% of the \$303.3 million budgeted for the period.

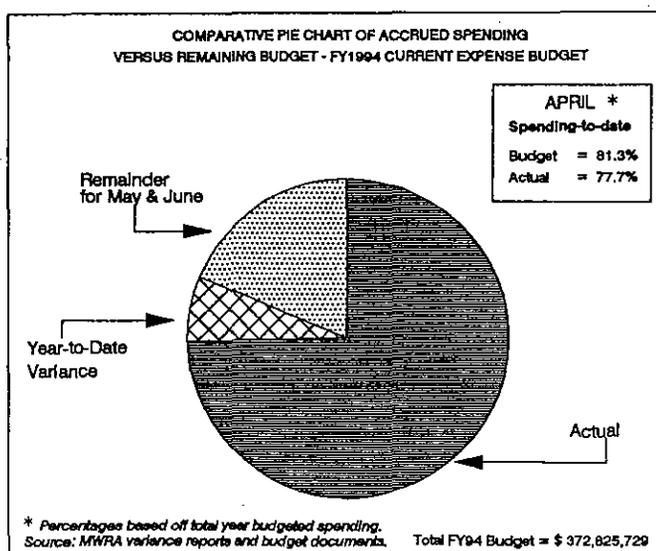
Direct Expenses totaled \$111.8 million, 94.5% of the \$118.4 million budgeted for the ten-month period. Nearly 50% of the \$6.6 million variance is the result of less than budgeted spending for *Wages and Salaries*. Filled positions now number 1,664 (the same as at the end of March). Another 176 positions that were scheduled to be filled as of the end of April are vacant, 113 of them in the Sewerage Division; and 4 more positions (in the Sewerage Division) are planned to be filled in the next two months of the fiscal year. The total number of authorized positions is now 1,844 or five fewer than the month before and 25 fewer than at the start of the fiscal year. The Authority plans to reduce the number of authorized positions of 1,820 by the end of June, reflecting the continuing reorganization and consolidation of the Transport Group and the transfer of some personnel to the new Deer Island plant. Wages and Salaries accounts for nearly half of all direct expense spending.

Spending on *Overtime* was \$306,450 more than budgeted. The Authority reports that spending is linked to the vacancy rate, and to operating emergencies such as storms, equipment failure, and the April water supply pump station failure. The other major over budget variance continues to be for *Workers' Compensation*, which was \$440,111 more than budgeted. The Authority reports that the overage is due to a higher incidence of new claims than anticipated, as well as changes in accounting treatment and billing delays. Funds will be reallocated from areas of underspending.

The second largest category of spending is *Other Services*, including the New England Fertilizer Company costs of sludge pelletization. Costs of this service continue to be virtually on budget. Recent approval of a number of reallocations have brought the \$1.25 million accrual of the Utah landfill fee within revised budgeted amounts.

The largest variance, after *Wages and Salaries*, is *Maintenance*, now \$1.6 million or 16% below the \$9.7 million budgeted for the period. The Authority reports that this continues to be due mostly to underspending for pipeline services in the Waterworks Division. The Authority expects the variance to decrease as the weather improves and the division accelerates the mainline valve replacement program.

Indirect Expenses came to \$167 million, nearly 10% under the \$184.9 million budgeted through April. The \$17.9 million variance is for *Debt Service*, due primarily to the later schedule for the fall borrowing which took place in mid-November instead of September, and to delays in a planned borrowing this spring. Legislation raising the bond cap, necessary for this next borrowing, has not yet been passed. Also over budget is *Insurance*, with accruals \$780,000 greater than planned due to payments and claims associated with the Spring Street water pump station pipe rupture.



FY94 Capital Improvement Program

Accrued FY94 spending through the April accounting period reached \$500 million, a new high for the ten-month period but still 25% or \$165.1 million short of the \$664.8 million budgeted for the period. Accruals for the month of April came to \$41.6 million, nearly 30% below the \$59.2 million budgeted for the month.

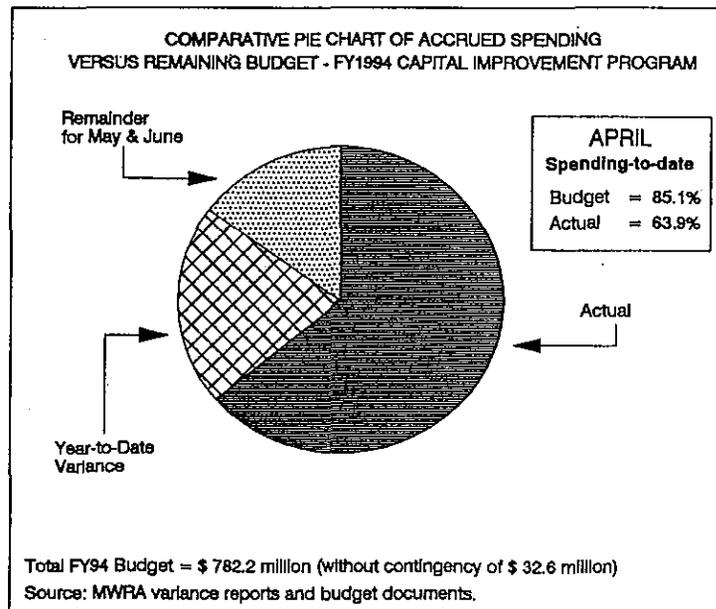
Spending on the *Boston Harbor Project* continues to dominate the capital program: at \$458.5 million for the year to date, still 92% of all capital spending. The Project is also \$117.3 million or 20% below the amount budgeted for the period, or 71% of the total variance to date. Despite overall progress on the primary and secondary treatment complexes, bad weather and delays on several contracts have contributed and will continue to contribute to less than planned spending.

The *effluent outfall and inter-island tunnels* now account for \$34.3 million of the year-to-date variance. Problems encountered during drilling operations have put the outfall tunnel at 37% below planned spending for the year, and the inter-island tunnel at 43% below the year's budget. Construction has pick up in recent weeks for the outfall tunnel, but the inter-island tunnel continues to encounter serious drilling problems which have slowed drilling operations considerably. Construction of the *egg-shaped digester complex*, the contract for which the largest amount of spending has been budgeted for FY94, is now \$18 million or 27% below the \$67.9 million budgeted for the year to date. The next largest variances are the *construction management contract*, \$12.6 million or 33% below the \$37.7 million budgeted for the ten-month period; and the *disinfection facilities, phase I/hydropower plant*, now \$11.5 million or 69% below the \$16.7 million budgeted to date this fiscal year.

Other projects contributing measurably to the variance are the *New Neponset Valley Relief Sewer*, at \$11 million or 76% below the \$14.5 million budgeted; the *Residuals Management* project, at \$9.7 million below the \$12.3 million budgeted (primarily due to the decision to utilize the Utah landfill as the back-up sludge disposal site); the *Wellesley Extension Replacement Sewer* project, at \$3.5 million or 52% below the \$6.6 million budgeted; and the *North Maintenance Facilities* project, at \$2.6 million (due to a delay in acquisition of a site for a new distribution maintenance facility). Waterworks Division spending totaled \$15.6 million for the year to date, \$5.4 million or 26% below the amount budgeted.

Construction Fund Balance

The Construction Fund balance at the end of the April accounting period stood at \$270.7 million. Disbursements (on a cash basis) for the month were \$34.5 million, lower than March and the lowest monthly amount in a year (since April 1993), reflecting the cumulative effects of the severe winter weather. The Authority has budgeted \$118.5 million for the final two months of the year.



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