



STATUS OF MWRA BUDGETS

through April 1995

FY95 Current Expense Budget

Accrued spending through April 1995 was \$290.5 million, or 92% of the \$315.5 million budgeted for the period. Of the \$24.9 million variance, *Direct Expenses* account for \$4.4 million of the underspending and *Indirect Expenses* account for \$20.5 million.

Direct Expenses totaled \$123.1 million, or 3.4% under the \$127.5 million budgeted for the ten month period. Nearly half of direct expense spending, or \$59.8 million is for *Wages and Salaries*. Filled positions now total 1,736 (53 more than at the beginning of the fiscal year). Another 133 positions remain vacant, of which 42 are in the Deer Island/Nut Island Wastewater Treatment and Central Laboratory departments.

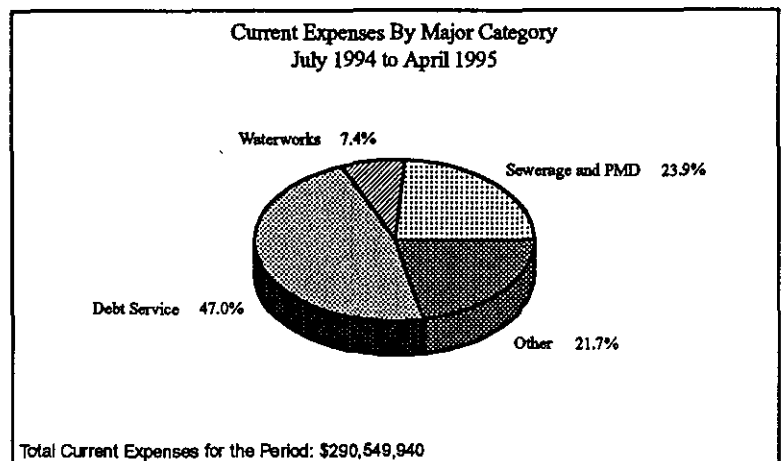
The second largest category of direct expense spending is for *Other Services*. Of the \$15.6 million in expenditures, over half continues to be for the costs of sludge pelletization (net of utility and chemical costs which are paid separately) and the back-up landfill reservation fee. Actual accruals for sludge pelletization are nearly 6% under budget for the ten month period, but 13% over budget for the month of April.

Chemicals spending is now 5.4% below the revised budget for the period following a \$1.17 million mid-year reallocation. Chemicals spending had been running one-sixth over budget, most notably for sodium hypochlorite used at the Deer Island plant which accounts for \$5.1 million of the nearly \$7.0 million in chemicals expenditures for the period.

Utilities spending continues to run substantially under budget, with only \$8.4 million accrued of the \$10.7 million budgeted for the period. \$2.1 million of the underspending is for electricity, due to moderate temperatures and the ongoing generation and use of methane gas which substitutes for fuel oil at the Deer and Nut Island plants, as well as limitations on operation of the new pumps due to excessive vibration problems.

Indirect Expenses for the period reached \$167.4 million, or 11% below the \$188 million budgeted. Most of the \$20.5 million variance is due to lower Debt Service payments resulting from a later borrowing date and lower principal amount and interest rate for last summer's borrowing.

In addition, the implementation of the tax exempt commercial paper program and the authorization of \$250 million in federal grants last fall allowed for the postponement of the planned January borrowing. Also below budget have been the payments for *Insurance* expense and for the *HEEC* agreement capacity charge, to repay a subsidiary of the Boston Edison Company for the supply of electric power to Deer Island.



FY95 Capital Improvement Program

Accrued spending through April 1995 came to \$460.1 million, 16% or \$86.2 million below the \$546.3 million budgeted for the period. Accruals for April were \$42.9 million, only 2.5% below the \$44 million budgeted for the month.

Cumulative accruals for the Boston Harbor Project reached \$416.1 million, just over 90% of all spending for the fiscal year to date. Construction activity is increasing, with the arrival of warmer weather and the acceleration of some contracts to recover slowed schedules.

Contributing to underspending for the year to date are delays for the *outfall tunnel* (\$11.2 million, although accrued spending increased during April and the accrual for the month of nearly \$4.9 million is the largest of all Boston Harbor Project contracts; mining has extended 6.4 miles), the *third module of egg-shaped digesters* (now \$10.3 million below the amount budgeted for the period), the *Nut Island Headworks* (\$7.8 million below budget), the *disinfection/hydropower facility* (\$7.5 million under budget), *secondary reactor batteries A and B* (\$5.8 million under budget despite progress reported to be ahead of schedule), and savings in the capital charge for the *BECo generators* (\$9.18 million below budget).

Several other Boston Harbor Project contracts have experienced change orders which have resulted in greater than budgeted spending for the year to date, including the *inter-island tunnel* project (now \$8.4 million over budget), the *primary digester complex* (now \$8.5 million over the year to date budget), and the *North System Headworks* (\$3.7 million over the budgeted amount).

Spending on the *New Neponset Valley Relief*, *Wellesley Extension Replacement*, *Framingham Extension Relief*, *CSO master planning*, and the *Residuals Management Facilities* projects accounted for most of the remaining \$31.3 million accrued over the past ten months for Other Wastewater Projects. Spending on wastewater projects represents 97% of total spending for the year to date.

Construction Fund Balance

The Construction Fund balance as of the end of April stood at \$20.4 million, as compared to the \$22 million as of the end of March. Disbursements (on a cash basis) were \$36.8 million, the lowest since January. Grant receipts for the month came to \$31.6 million, with additional funds applied for and anticipated later this spring. The Authority has raised \$69.5 million through the tax-exempt commercial paper program since its inception in January.

