



STATUS OF MWRA BUDGETS

through May 1995

FY95 Current Expense Budget

Accrued spending through May 1995 was \$322.5 million, or 92% of the \$349.9 million budgeted for the period. Of the \$27.4 million variance, Direct Expenses account for \$4.5 million of the underspending and Indirect Expenses account for \$22.9 million.

Direct Expenses totaled \$138.6 million, or 3.1% under the \$143.1 million budgeted for the eleven month period. Nearly half of direct expense spending, or \$66.9 million is for *Wages and Salaries*. Filled positions now total 1,739 (56 more than at the beginning of the fiscal year). Another 130 positions remain vacant, of which 38 are in the Deer Island/Nut Island Wastewater Treatment and Central Laboratory departments.

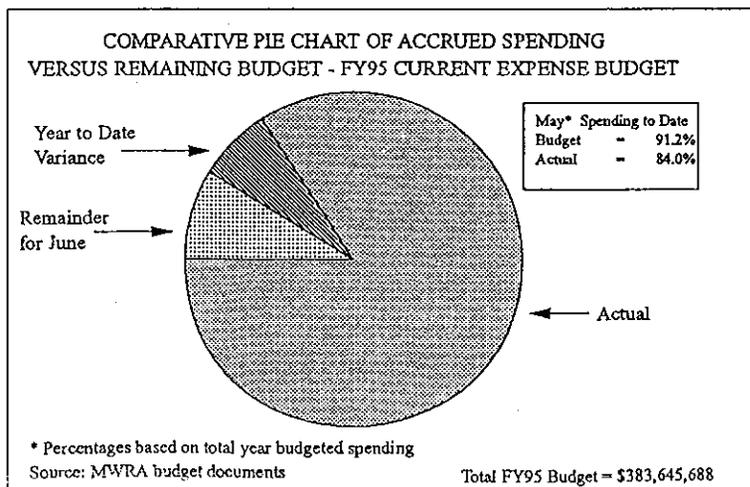
The second largest category of direct expense spending is for *Other Services*. Of the \$17.6 million in expenditures, over half continues to be for the costs of sludge pelletization (net of utility and chemical costs which are paid separately) and the back-up landfill reservation fee. Actual accruals for sludge pelletization are 1.4% over budget for the eleven month period and more than twice the budgeted amount for the month of May (reflecting operational problems at Nut Island during digester cleaning and repair).

Chemicals spending is now 6.8% below the revised budget for the period following a \$1.17 million mid-year reallocation to this category. Chemicals spending had been running one-sixth over budget, most notably for sodium hypochlorite used at the Deer Island plant which accounts for \$5.4 million of the nearly \$7.5 million in chemicals expenditures for the period.

Utilities spending continues to run substantially under budget. Even with the reallocation of nearly \$1.5 million from this category only \$9.4 million of the \$12 million budgeted for the period has been accrued. Of the underspending, \$2.3 million is for electricity, due to lower than anticipated electricity expenses at Deer Island.

Indirect Expenses for the period reached \$183.9 million, or 11% below the \$206.8 million budgeted. Most of the \$22.9 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 *repayments to the MDC* whose expenditures for operating the Watershed Division have been \$1.1 million below budget; and 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 May 1995 came to \$517.7 million, or 12% below the \$590.3 million budgeted for the period. Accruals for the month of May reached \$57.6 million, 31% above the \$44 million budgeted. Accelerated construction activity on the Boston Harbor Project and additional change orders as well as the five-week accounting period accounted for the greater than budgeted spending.

Cumulative accruals for the Boston Harbor Project reached \$463.1 million (reflecting the impact of \$77.3 million in contingency transfers authorized during the eleven-month period). Spending to date is within 10% of the amount budgeted, and can be expected to be even closer to budget by the end of June as construction activity continues to pick up and as additional change orders are approved. The four contracts with the largest accruals for the month were all associated with secondary treatment: the *secondary clarifier batteries* (\$10.9 million); *secondary reactor batteries* (\$4.0 million; spending is below budgeted amounts for the year to date while progress is ahead of schedule); the *third module of digesters* (at \$4.3 million); and the *effluent outfall tunnel* (\$3.3 million).

Contributing to greater than budgeted spending through May were change orders on the *inter-island tunnel project* (change orders utilizing the contingency fund have totaled \$28.4 million this fiscal year and have contributed to \$10.1 million in greater than budgeted spending); on the *primary digester complex* (with \$11.8 million in contingency fund authorizations and \$10.3 million in spending over the budgeted amount); the *North System headworks project* (\$3.6 million over budget); and *secondary clarifier batteries A and B* (\$8.3 million over budget although progress continues to lag behind schedule).

Contributing to less than budgeted spending through May were delays for the *outfall tunnel* (\$12.1 million under budget); the *third module of digester construction* (\$10.6 million under budget, although spending is picking up as the contractor adds staff and additional shifts); the *Nut Island Headworks facility* (\$9.7 million below the budgeted amount); delays to the *ancillary modifications project* (putting spending \$6.5 million behind schedule); the *disinfection/hydropower facility* (\$6.3 million below expected spending); and savings in the *capital charge for the BECo generators* (now \$6.7 million below budget as some of the under budget spending is offset by increased charges from BECo for operating services).

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 \$40.3 million accrued over the past eleven months for Other Wastewater Projects, including nearly \$7.7 million for the *Infiltration/Inflow Financial Assistance Program*. Spending on wastewater projects represents more than 97% of total spending for the year to date.

Construction Fund Balance

The Construction Fund balance as of the end of May stood at \$8.4 million. Disbursements, on a cash basis, were \$55.1 million. Grant receipts for the month came to nearly \$19 million, with additional funds applied for. The Authority raised another \$23.5 million through the tax-exempt commercial paper program during the month.

