



STATUS OF MWRA BUDGETS

through September 1995

FY96 Current Expense Budget

Accrued spending through September 1995 reached \$85.1 million or 93% of the \$91.8 million budgeted for the period. Of the \$6.6 million variance, direct expenses account for \$2.4 million, and indirect expenses \$4.2 million.

Direct Expenses totaled \$38.5 million, or 6% under the \$40.9 million budgeted for the first quarter. More than half the spending, or \$18.9 million, is for *Wages and Salaries*. Filled positions now number 1,738 with another 185 positions vacant, one third of them in the Central Lab and Deer Island programs.

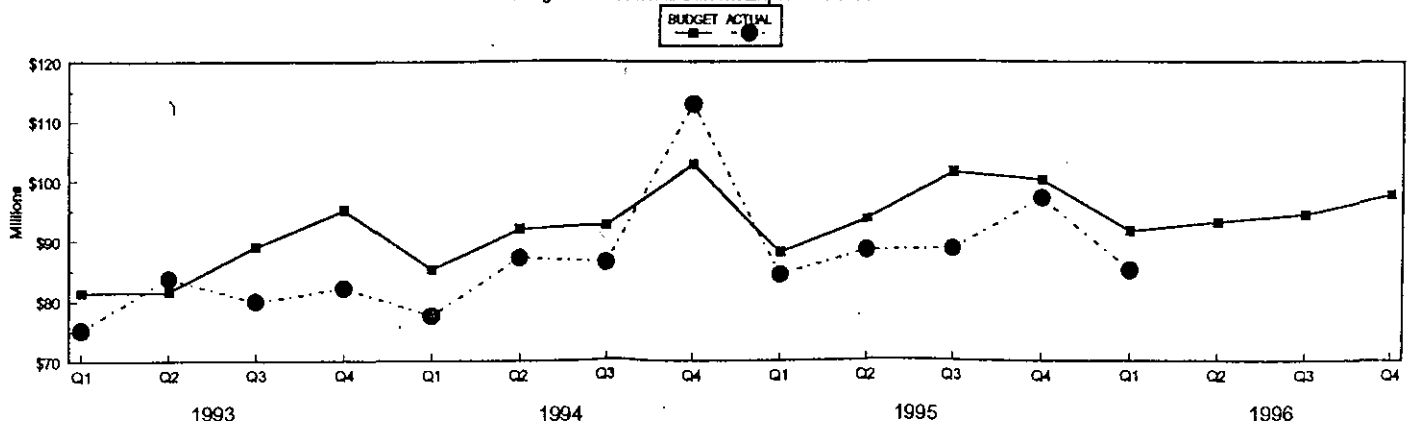
The second largest category of direct expense spending is *Other Services*. Of the \$6 million in expenditures, half is for the cost of sludge pelletization and the reservation fee for potential use of the back-up landfill. Costs of pelletization (net of utility and chemical costs which are paid separately) came to \$2.7 million for the quarter, 45% more than the amount budgeted. The Authority reports that the overspending is due to expenses in July and August to continue to de-water sludge from Nut Island on site and barge it to a landfill (the result of malfunctioning digesters). The old digesters are now providing complete digestion of all sludge and September expenses are at budget.

Chemicals spending, particularly for sodium hypochlorite, was \$457,000 (or 14%) under budget, reflecting lower than expected flows during this summer's dry weather. *Energy and Utilities* spending was nearly \$768,000 (or 22%) below the amounts budgeted, primarily due to lower than projected usage of electricity and diesel fuel at the new Deer Island plant.

Expenses for *Professional Services* through September were \$533,000 (31%) below budget, primarily for lab and testing services for the Harbor Studies program (due to an overaccrual in FY95 for the outfall monitoring contract) and for BECo technical assistance services at Deer Island (reflecting delays in construction for the thermal plant; the combustion turbine generators are now scheduled for completion in December).

Indirect Expenses came to \$46.7 million, \$4.2 million or 8% below the \$50.9 million budgeted for the first quarter. Nearly \$3.8 million of the under budget variance reflects lower than budgeted *debt service payments*: the planned August borrowing is now expected to take place later in the fall, after the bond cap is raised, and is expected to be greater than the budgeted \$200 million. *Insurance* and *charges for Deer Island power* through the cross-harbor cable were lower than budgeted, but were somewhat offset by greater than budgeted expenses for *mitigation* payments reflecting the extension of the Braintree MOU for six months.

Budgeted and Actual Current Expenses: 1993 - 1996



FY96 Capital Improvement Program

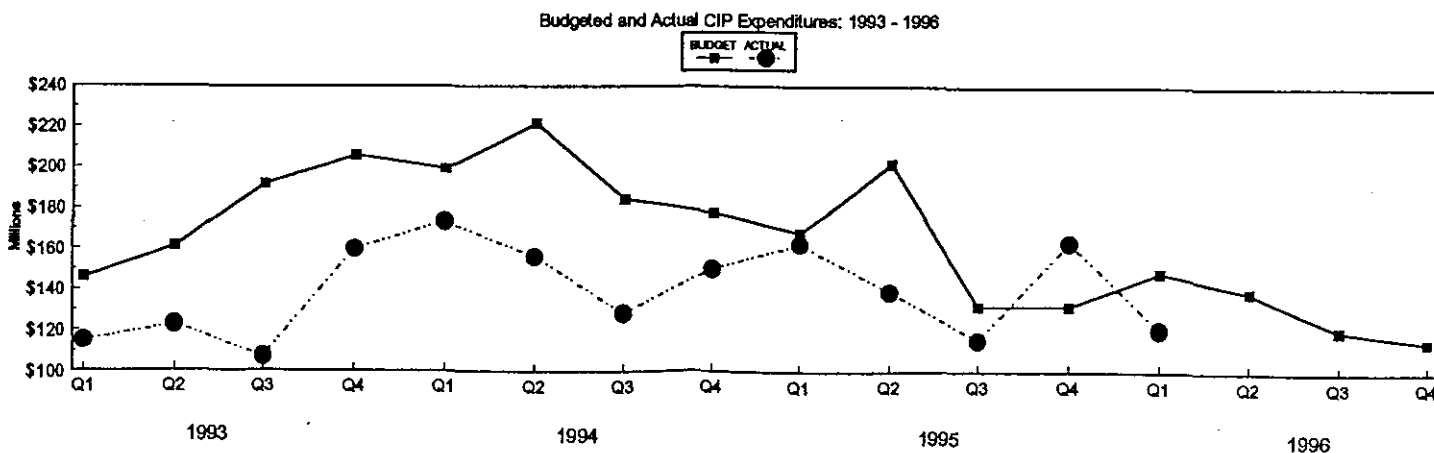
Accrued spending through the first full quarter of the fiscal year came to \$120.6 million, or 14% below the \$139.7 million budgeted for the period. Accruals for the month of September came to \$35.5 million, \$11 million less than the budget for the month.

While spending on the *Boston Harbor Project* continued to dominate the capital program at \$104.8 million, the proportion of all spending for the first quarter dropped to 87% from 92% at this time a year ago. Spending on the secondary clarifier batteries A and B rose to \$17.2 million for the quarter, as the contractor continues to work multiple shifts to recover delays to the schedule. The contract with the next highest spending is the outfall tunnel, at \$10.3 million for the quarter; the contractor has less than two miles remaining to be mined, and is within 2,000 feet to the point of alignment with the riser to the first diffuser. Spending on the third module of digesters reached \$8.6 million during the first quarter, as physical progress neared 50%. The next highest level of spending is for construction management services, at \$8.3 million for the quarter. Inter-island tunnel spending came to \$7.6 million, as progress toward completion of the tunnel bore approached the last quarter mile.

Spending on the *New Neponset Valley Relief sewer project*, the *Interim Corrosion Control facility* (due for start-up later this fiscal year), and the *Spot Pond Pump Station Rehabilitation project* account for much of the other capital spending to date. Wastewater spending represented 93% of all capital spending for the first quarter, as compared to 98% at this time last year, and waterworks project spending increased to 6% of first quarter spending.

Construction Fund Balance

The Construction Fund Balance as of the end of September stood at \$55.1 million. Total disbursements, on a cash basis, were \$40.3 million during September. Grant receipts for the month were \$32.5 million; while an additional \$15 million was raised through the tax exempt commercial paper program.



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