



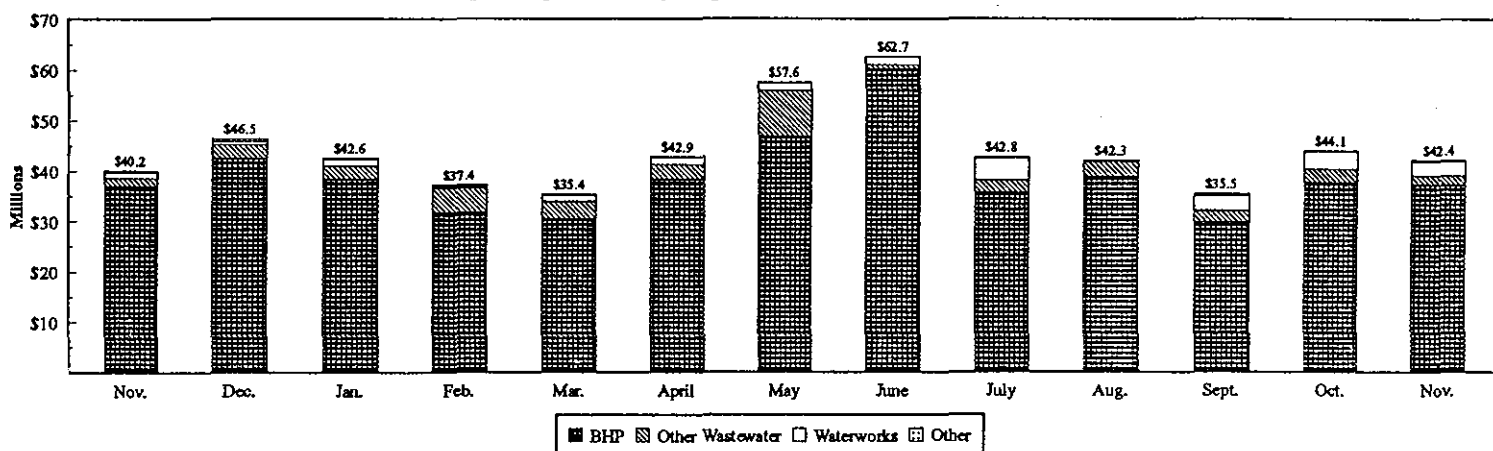
# STATUS OF MWRA BUDGETS

*through November 1995*

## FY96 Capital Improvement Program

Accrued spending through November came to \$207.1 million or 8.5% below the \$228.5 million budgeted for the period. Accruals for the month of November came to \$42.4 million or 2% lower than budgeted for the month.

Capital Expenditures By Program - November 1994 to November 1995



Spending on the *Boston Harbor Project* continued to dominate the capital program at \$180 million. Nearly \$6 million was accrued for the outfall tunnel project, reflecting several weeks of mining progress in late October and the first week of November, before another area of soft rock and higher water inflows was encountered. The second most active contract for the month was secondary clarifier batteries A and B, at \$5.6 million accrued for the month, reflecting the contractor's plan to work multiple shifts into mid-December. Accruals for the late site preparation contract reached \$2.7 million for the month, as the contractor works to remove more than twice the originally estimated amount of poor quality sludge from the old digesters prior to their demolition. Nearly \$2.4 million was accrued for the disinfection facilities contract (phase II), and nearly \$3.2 million for the construction management services contract.

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 for the year to date. Through November, nearly \$2 million has been accrued for the *MetroWest Tunnel project*.

## Construction Fund Balance

The Construction Fund balance as of the end of November stood at \$11.25 million, as the Authority prepared for a borrowing of \$300 million priced December 7. Federal grant receipts came to \$12.8 million for November, and have totaled \$90.4 million for the fiscal year to date. Total disbursements were \$51.3 million (on a cash basis) for the month.

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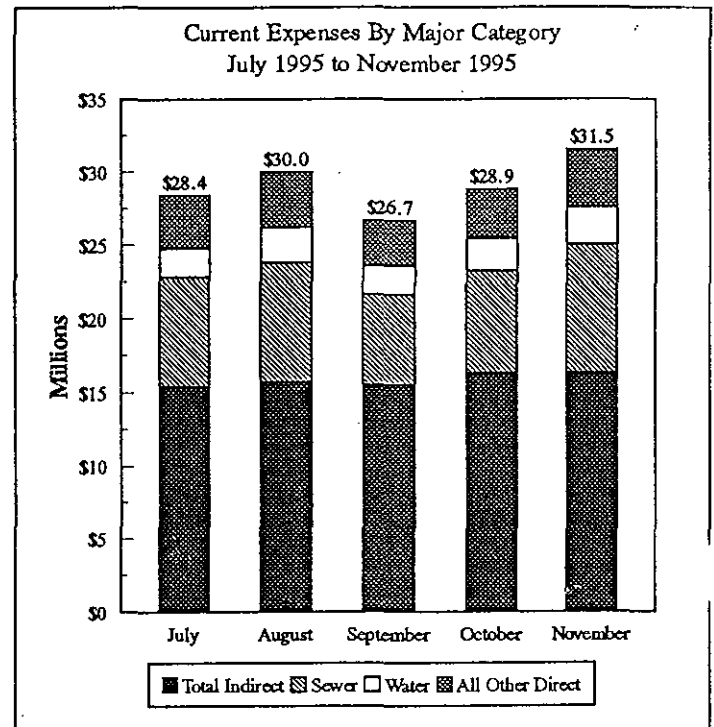
## FY96 Current Expense Budget

Accrued spending through November 1995 reached \$145.5 or nearly 95% of the \$154 million budgeted for the period. Of the \$8.5 million variance, direct expenses account for \$2.2 million, and indirect expenses \$6.2 million.

Direct Expenses come to nearly \$66.2 million or 3.2% below the \$68.4 million budgeted for the first five months of the fiscal year. Nearly 60% of the spending is for *labor-related costs*. Filled positions now number 1,752 (fourteen more than as of the end of September) with another 171 positions vacant, 47 of them in the Deer Island and Central Laboratory programs.

More than 55% of all direct spending is to support the operations of the *Sewerage Division*, and nearly 35% of all direct spending for the year to date is for the operation of the *Deer Island and Nut Island treatment facilities and the pelletizing operations at Fore River*.

Monthly expenses in these programs have continued to rise as new components of the *Deer Island facility* have come on line, including the huge primary residuals treatment complex and new disinfection facilities. Some of these increases have been offset by better instrumentation and controls: in particular, sodium hypochlorite expense is less than budgeted for the second month in a row, as better removal rates and improved controls have tightened the use of disinfection chemicals. Electricity expense has declined from the previous month, in part due to an accounting correction; the Authority also reports that there have been some interruptions and delays in completing the pump vibration testing schedule, in order to maintain full availability of all the pumps at times of higher flows and peak demands. Professional services expense has risen to support training and other start-up costs for the thermal facility.



Difficulty at the *Nut Island facility* in processing sludge continues to result in sludge cake production through November, with associated barging, dewatering, and disposal costs. Accruals are now at least \$1.3 million or 40% over the amount budgeted for pelletizing for the period. The plant was originally scheduled to be decommissioned by the summer of 1995, but delays in the inter-island tunnel project have postponed the transfer of the south system flows to the new Deer Island plant until the spring of 1997. Sludge problems have also resulted in increased maintenance expense.

Spending in the *Waterworks Division* is \$740,000 below the amounts budgeted for the period, reflecting underspending in pipeline services: the work on the Dorchester Corridor valve replacement program, planned for early FY96, was accelerated during the last quarter of FY95.

Indirect Expenses came to \$79.4 million, \$6.2 million or 7% below the \$85.6 million budgeted for the year to date. Nearly all the under budget variance reflects lower than budgeted *debt service payments*: the planned August borrowing took place in early December. The borrowing was sized at \$300 million instead of the \$200 million budgeted; debt service spending should approach the year's budgeted amount by June.