



STATUS OF MWRA BUDGETS

through April 1996

FY96 Capital Improvement Program

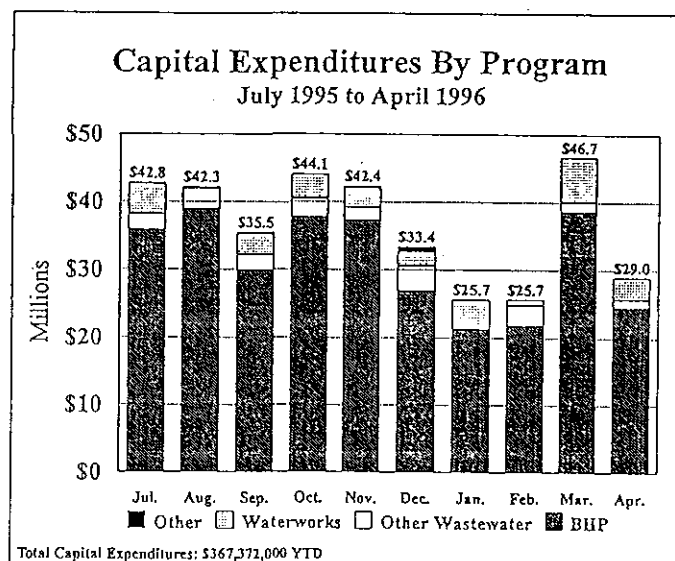
Accrued spending through April came to \$367.4 million, or 12% below the \$417.5 million budgeted for the period. Accruals for the month of April came to nearly \$29 million, or 18% below \$35.5 million budgeted. The monthly accrual was the third lowest for the year to date.

Spending on the *Boston Harbor Project* reached \$315.1 million, still 86% of all capital spending during FY96, and \$29.2 million or 8.5% below the amount budgeted for the year to date. Accruals in April came \$24.5 million, 9% below the nearly \$27 million budgeted for the month. Just over 25% of the Boston Harbor Project accruals was for the *two tunnel projects*: \$3.3 million for the inter-island tunnel and \$3.3 million for the outfall tunnel. Nearly 33% was for the *three secondary facility contracts*: \$3.5 million for the secondary residuals complex, \$2.9 million for secondary batteries A and B, and \$1.6 million for secondary reactor batteries A and B. Another \$2.6 million was accrued for *construction management and lead design engineering services*; \$1.1 million for *late site preparation* and old plant demolition activities; and just under \$1 million for continuing work at the *North Main Pump Station*.

Accruals on the MetroWest Tunnel Project (\$0.55 million), Spot Pond Pump Station (\$2.4 million), Safe Drinking Water Act improvement projects (Wachusett EIR and the Interim Corrosion Control projects, \$0.12 million), Braintree-Weymouth relief facilities design (\$0.17 million), Wellesley extension relining (\$0.18 million), pellet plant expansion (\$0.12 million), and the CSO control program planning (\$0.5 million) account for much of the other capital project accruals for the month. Spending on *Waterworks* projects has reached \$30.6 million, or 8.3% of all accruals for the year to date.

Construction Fund Balance

The Construction Fund balance as of the end of April stood at \$168.7 million (less than \$1 million below the balance as of the end of February). Proceeds of \$19.8 million from the commercial paper program and \$4.5 million in federal grants were offset by disbursements (on a cash basis) of \$30.35 million. Federal grant receipts for the fiscal year to date have totaled \$141.8 million.



Joseph E. Favaloro, Executive Director

11 Beacon Street - Suite 1010 - Boston, MA 02108-3002 - Telephone: (617) 742-7561 - Fax (617) 742-4614

FY96 Current Expense Budget Through April 1996

Accrued spending through the month of April reached \$301.85 million, 2.7% of the \$310.3 million budgeted for the period. Of the \$8.4 million variance, direct expenses account for nearly \$5.7 million and indirect expenses for \$2.7 million.

Direct Expenses came to \$130.1 million or 4.1% below the \$135.8 million budgeted for the ten-month period. Over 57% of the spending continues to be for *labor-related costs*. Filled positions now number 1,759 with 159 vacant. The total number of positions is still at 1,918. The Authority has stated that it plans to reduce the total number further and end the fiscal year at 1,907 positions.

Over 55% of all direct expenses continues to be for *Sewerage Division* operations. Over \$44 million or 34% of all direct spending for the year to date is for the costs associated with the *Deer Island and Nut Island treatment facilities and the pelletizing operations at Fore River*. Spending on *chemicals at Deer Island* continues to run approximately 20% or \$1 million under budget, due to lower than expected use. April expense is essentially the same as March at just over \$300,000. However, as noted last month, staff have reported an extensive corrosion problem in the new Deer Island primary facility, due to higher than anticipated hydrogen sulfide levels. As a result, increased use of sodium hypochlorite during the warm weather months is anticipated. Spending of \$425,000 on *electricity at Deer Island* is slightly below the amount accrued for March, as wet weather continued.

Maintenance spending is \$1.2 million or 12.6% less than budgeted due primarily to early completion of the Waterworks Dorchester Corridor project and delays and rescheduling of Transport pipeline rehabilitation projects.

Professional Services spending is \$1.2 million or 17.5% less than budgeted. Contributing to the underspending are delays in training for the startup of the backup power facility on Deer Island, delays in some Wastewater Engineering projects, the shift of the odor control study to the capital budget, the postponement into FY97 of the wastewater characterization study, and revisions to the scope and schedule of payments for the outfall monitoring contract.

Indirect Expenses came to \$171.7 million for the year to date, \$2.7 million or 1.5% below the \$174.5 million budgeted for the period. Nearly all the under budget variance reflects lower

than budgeted *debt service payments* for the year to date; the variance is expected to close by the end of June. Lower than budgeted payments for a subsidiary of the *Boston Electric Company* (for the cross harbor cable which brings electricity to Deer Island) were somewhat offset by greater than budgeted spending for *Insurance* claims and *mitigation payments to Braintree* (during calendar year 1995).

