

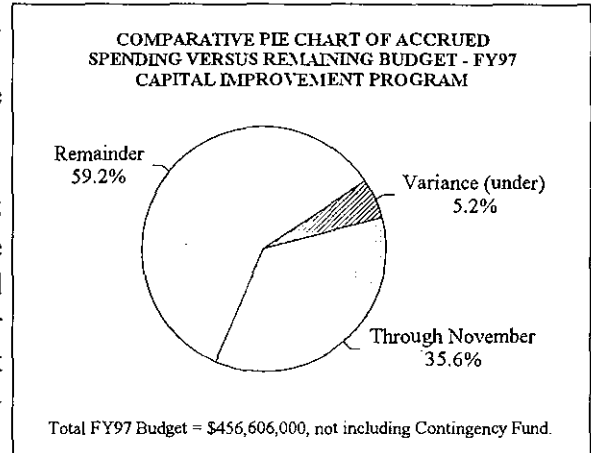


STATUS OF MWRA BUDGETS THROUGH NOVEMBER 1996

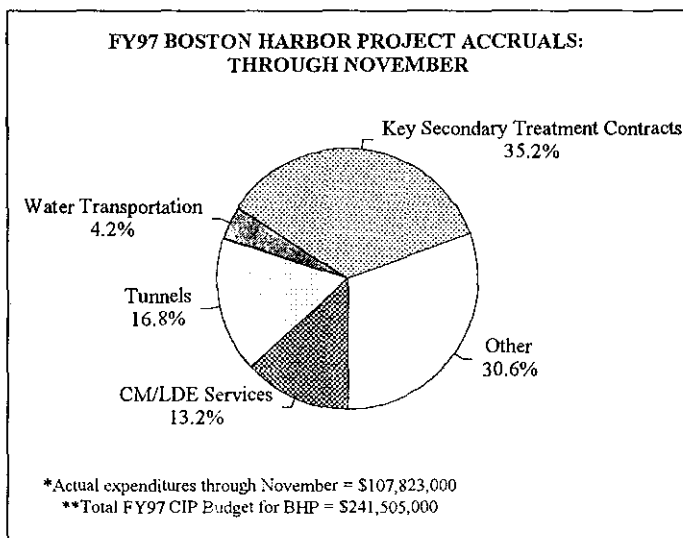
Focus on The FY 97 Capital Improvement Program

Accrued spending through November came to \$162.5 million, or 13% below the \$186.2 million budgeted for the period. Accruals for the month were \$30.1 million, or 10% below the \$34.4 million budgeted.

Spending on the *Boston Harbor Project* came to \$107.8 million, or 66% of all capital spending for the fiscal year to date (as compared to 85% of capital spending during FY96), and \$7.8 million or just under 7% below the amount budgeted for the year to date. Accruals for November (a five-week accounting period) were \$18.8 million or 7.7% below the \$20.4 million budgeted for the month.



The greatest spending for the year to date is for the three principal *secondary treatment facility contracts*: \$20.4 million for the secondary clarifier batteries A and B; \$3.3 million for the nearly completed secondary reactor batteries A and B; and \$11.2 million for the secondary residuals complex. Contributing to spending for secondary treatment in the upcoming months will be work on the Battery C contract, budgeted at \$144.4 million and due to be awarded by the Authority's Board of Directors in January.



Accruals for the *two tunnels projects* (including tunnel muck disposal costs) came to \$20.2 million, as the drilling on the outfall tunnel reached completion and diffuser connection work and lining in both tunnels continued. As of mid-December, the Authority reports that of the 55 diffuser adits, drilling to 33 adits is complete and work is proceeding with 6 more; startup is anticipated in the spring 1998. For the inter-island tunnel, lining is completed for 2.1 miles of the tunnel, with 2.5 miles remaining; startup is scheduled for the fall 1997.

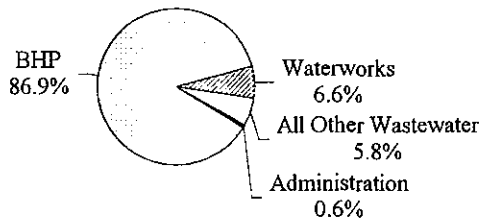
Spending reached \$6.4 million for the *North Main Pump Station* where installation of the butterfly valves and resolution of the pump vibration issues continued to result in greater than budgeted spending. *Construction*

Management and Lead Design Engineer Services spending totaled \$14.3 million for the year to date. Spending on *water and bus transportation services and related costs* was \$4.3 million through November.

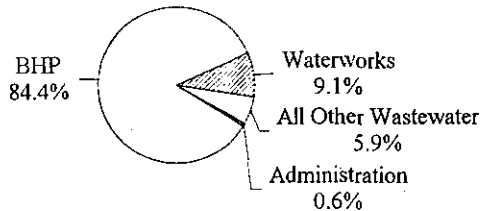
Spending on *Waterworks projects* is increasing and is now 20% of the accruals for the year to date, as compared to 9% at the close of FY96. Thus far this fiscal year, \$32.5 million has been spent on Waterworks projects (within 2% of the budgeted amount), including: \$18.4 million for the *MetroWest Tunnel*; nearly \$4 million for *Newton Street, Lexington Street, Spot Pond Pump Station Rehabilitations*; and \$3.9 million for construction of the *Spot Pond Suction Pipeline*. Spending on *Drinking Water Quality Improvements at the Wachusett Reservoir* has totaled \$0.4 million thus far this year, well below the \$3.3 million budgeted for the period and due to later than expected award of the design contract for the Walnut Hill Water Treatment Plant.

**COMPARATIVE PIE CHARTS FOR
FY96 AND FY97 CIP
EXPENDITURES**

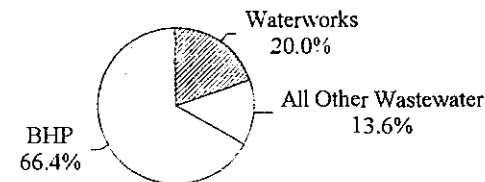
FY96 YTD Through Nov 95



Total Year FY96



FY97 YTD Through Nov 96



*FY96 YTD Through Nov Total = \$207,117,000
 **FY97 YTD Through Nov Total = \$162,458,000
 ***FY96 Total = \$437,495,000

Other important Wastewater projects are the *CSO Control Program* (\$5.2 million); the *Residuals Management Program* (\$7.5 million: spending will be increasing with the award in December of the third phase of pellet plant expansion and improvements); the *Framingham Extension Relief Sewer Project* (\$5.1 million: spending is barely half the amount budgeted for the year to date, as activity on the three major construction phases has been slower than planned); and design work for the *Braintree-Weymouth Relief Facilities Project* (\$1.1 million: the award for initial assessment of the viability of a marine pipeline alternative to the deep rock tunnel was recently approved by the Authority's Board of Directors, who have requested a report by next May).

Construction Fund Balance

As of the end of November the Construction Fund balance stood at \$128.8 million. Spending on a cash basis during the five-week accounting period was \$40.1 million: \$38.4 million for the wastewater capital program and \$0.8 million for waterworks projects. The starting fund balance of \$59.6 million grew by \$109.2 million during the month with the addition of \$96.7 million from the proceeds of the \$150 million fall borrowing (another \$40 million of the borrowing was used to retire some of the outstanding commercial paper notes, and \$10.4 million was deposited to the debt service reserve fund). Also received was \$7.6 million in federal grants and \$3.1 million from the SRF. The Authority has, as of the start of December, \$247 million outstanding in the commercial paper program, which has a ceiling of \$350 million. The agency also expects to borrow approximately \$85 million through the SRF program later this fiscal year. The next major borrowing is expected in the spring, for another \$150 million.