



# STATUS OF MWRA BUDGETS

*FY1997 First Quarter Update (through September 1996)*

## **FY97 Capital Improvement Program**

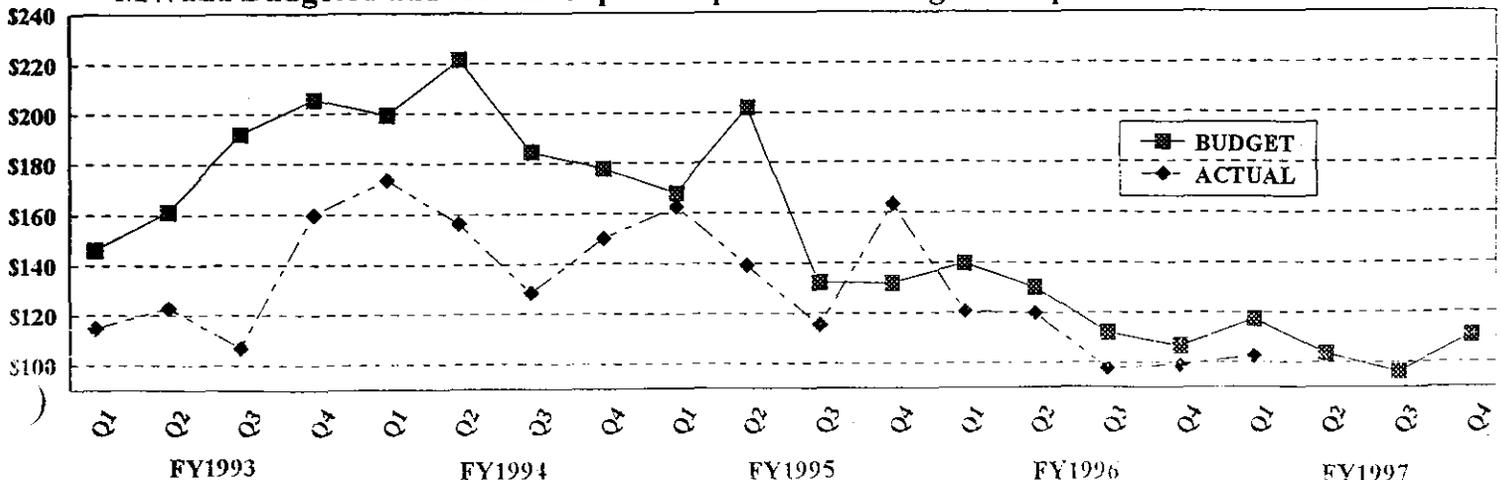
Accrued spending through September came to \$102.6 million, or 13% below the \$117.5 million budgeted for the period. Accruals for the month came to nearly \$37 million or 5.5% below the \$39.2 million budgeted.

Spending on the *Boston Harbor Project* came to nearly \$69 million, or 67% of all capital spending for the fiscal year to date (as compared to 85% of capital spending during FY96), and \$5.9 million or 8% below the amount budgeted for the project for the year to date. Accruals for September were \$24.9 million, the budgeted amount for the month. Much of the month's spending supported the principal *secondary treatment facilities contracts*: \$6.3 million for secondary clarifier batteries A and B; \$0.5 million for the nearly completed secondary reactor batteries A and B; and \$2.3 million for the secondary residuals complex. Accruals for the *two tunnels projects* came to \$3.6 million, as the drilling on the outfall tunnel reached completion and diffuser connection work and lining in both tunnels continued. Spending for the *North Main Pump Station* was \$2.8 million where installation of the butterfly valves and resolution of the pump vibration issues continued to result in greater than budgeted spending.

Spending on the *Waterworks projects* is increasing and is now nearly 20% of the first quarter accruals as compared to 9% at the close of FY96. Thus far this fiscal year, nearly \$20 million has been spent on such projects as the *MetroWest Tunnel* (\$11.8 million); *Southern Service Improvements* (\$2.1 million); *Spot Pond Pump Station* (\$2.0 million); *Lexington Street Pump Station Improvements* (\$1.3 million); and *Nonantum Road Pipe Replacement* (\$0.9 million). Other important *Wastewater projects* are the *CSO Control Program* (\$4.2 million); *Residuals Management Program* (\$3.9 million); and the *Framingham Extension Relief Sewer project* (\$2.8 million); and design work for the *Braintree-Weymouth Relief Facilities project* (\$0.8 million).

As of the end of September the **Construction Fund balance** stood at \$67.5 million. Federal and state grant and SRF proceeds have added \$31.9 million to the fund for the year to date; and another \$14 million has been borrowed through the commercial paper program for the fiscal year to date. Spending, on a cash basis, came to \$37.9 million for the month and \$111.8 million for the year to date.

**MWRA Budgeted and Actual Capital Improvement Program Expenses: FY1993 - FY1997**



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## FY97 Current Expense Budget

Accrued spending through September reached \$87.1 million, just 2% below the \$88.8 million budgeted for the period, the smallest first quarter variance in several years. Direct Expenses were nearly \$1.8 million or 4% below the amount budgeted for the period, while Indirect Expenses were \$0.1 million over the amount budgeted, for a total variance \$1.6 million.

**Direct Expenses** came to \$40.8 million for the three-month period. Over 58% of direct expense spending continues to be for labor-related costs. Filled positions number 1,770 with 125 positions vacant. The total number of filled positions is now 1,895 with a net of 14 positions eliminated (29 eliminations and 17 additions) as of the start of the fiscal year in July.

Nearly 56% of all direct expenses continues to be for *Sewerage Division operations*. Just over \$14 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 pelletizing operations and disposal of problem sludge cake from the Nut Island plant have resulted in more than \$630,000 of over budgeted spending in just the first three months of the fiscal year.

Spending on *Overtime* is over budget. As of the end of September spending was \$283,300 or 27% over budget, due, in part, to wet weather in the case of the Sewerage Division and, for the Waterworks Division, increased water quality sampling and delays in completing construction of the interim corrosion control facility.

On the other hand, spending for *Chemicals* was \$903,000 or 26% less than budgeted, primarily in the Sewerage Division. Much of the variance was the result of less than planned spending for chemicals testing at Deer Island and lower than expected use of sodium hypochlorite, also at Deer Island. Spending on *Utilities* was \$356,600 or 9% below budgeted amounts, principally due to lower spending on diesel fuel (supplies charged to the FY96 budget carried over into FY97). *Maintenance* expenses were \$263,000 or 9% less than budgeted, with lower spending in Transport and Waterworks Operations somewhat offset by greater than budgeted spending at Deer Island.

**Indirect Expenses** came to \$46.3 million, just over the \$46.2 million budgeted for the period. Although spending for *debt service payments* is just below the budgeted amount for the year to date, two other items are already over the amounts budgeted for the first quarter of the year. Spending on *Insurance* premiums, claims, and fees reached \$437,000 or more than twice the amount budgeted for the period, primarily due to a difference between the budget spread and the actual spending pattern. In addition, payments for the capacity charge for electricity provided by a *subsidiary of the Boston Electric Company* (for the cross harbor cable which brings electricity to Deer Island) have been 7% or \$138,500 greater than the amount budgeted for the period.

### MWRA Budgeted and Actual Current Expenses: FY1993 - FY1997

