



# STATUS OF MWRA BUDGETS

## *CIP through November 1998*

### Focus on the FY98 Capital Improvement Program

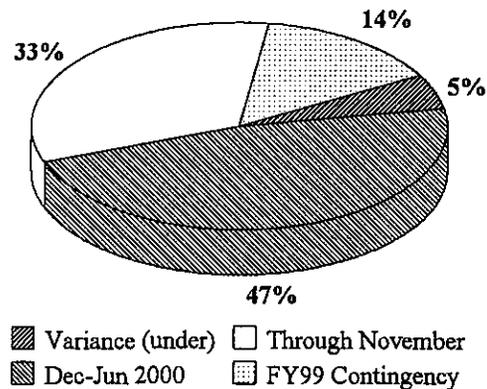
Accrued spending through November 1998 came to nearly \$204 million (on an accrual basis), or 14% below the \$237.3 million budgeted for the five-month period. Accruals for the month of November were \$43.0 million, within 2% of the \$43.9 million budgeted.

In contrast to the years of dominance by wastewater spending, and particularly by the Boston Harbor Project, waterworks capital spending is now 53% of year to date accruals. Just over \$108 million (just under the budgeted amount for the year to date of \$109.6 million) has been spent since July on over thirty **Waterworks** projects, with the MetroWest Water Supply Tunnel, the Walnut Hill Water Treatment plant, and the Nash Hill Covered Storage project showing the most spending since the summer.

#### FY99 Capital Expenditures

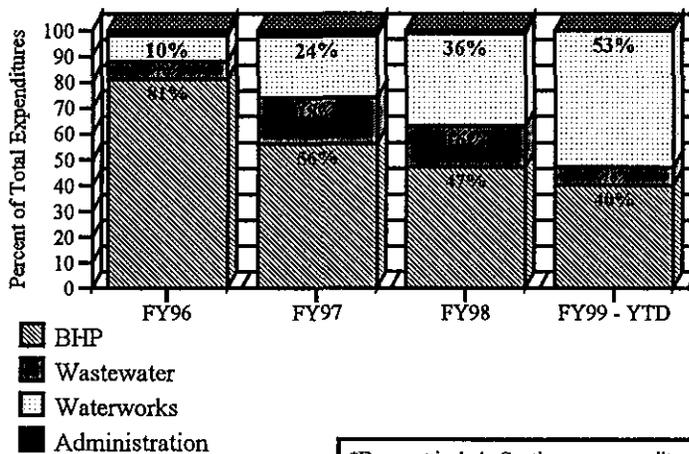
Totals through November

% of \$616.6 million CIP



#### Shrinking Boston Harbor Project Expenditures

% of Total Capital Spending



\*Does not include Contingency expenditures.

Nearly \$95.5 million (or nearly 47% of all capital spending during FY99) has been spent on **Wastewater** projects, a variance of 25% below the budgeted amount of \$126.8 million. Lower than budgeted accruals totaling \$31.3 million occurred in all four categories of Wastewater project spending. Under *Interception and Pumping*, slower than budgeted spending for the Quincy Pump Facilities and the Braintree-Weymouth Relief Facilities projects contributed \$4.4 million to the year to date variance.

Joseph E. Favaloro, Executive Director

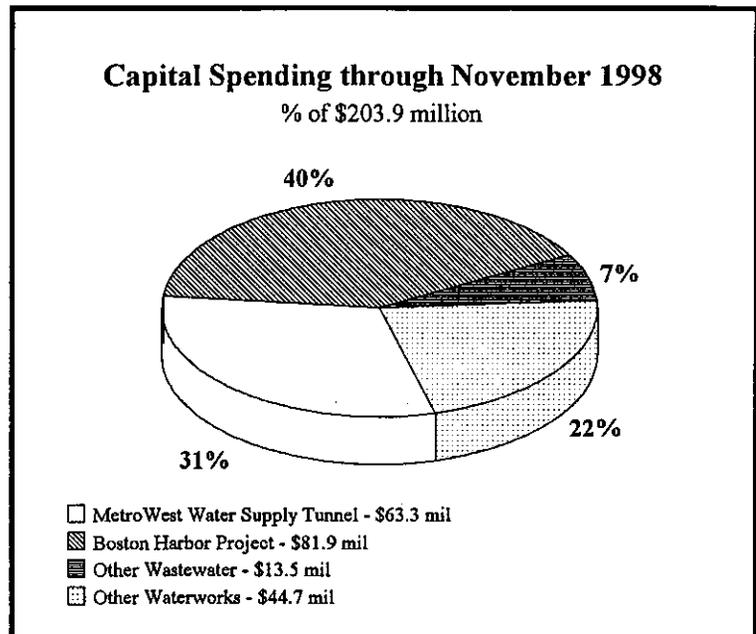
11 Beacon Street - Suite 1010 - Boston, MA 02108-3002 - Telephone (617) 742-7561 - Fax (617) 742-4614

However, spending increased during November and is expected to continue as the projects move forward. Within the *Treatment* category, lower than budgeted spending of \$16.2 million on the *Boston Harbor Project* reflected a slower than budgeted start on the Final Paving and Site Completion project and slower progress in the final reaches of the Effluent Outfall Tunnel, as well as lower than budgeted accruals on modifications of the essentially-completed Secondary Treatment Battery B. Delays in the completion of both the outside work and inside treatment train expansion for the pelletizing plant contributed \$3.1 million in lower than budgeted spending under *Residuals*. And later than planned transfers to Cambridge and Boston for their ongoing sewer separation projects resulted in a year-to-date variance of \$6.4 million for the *Combined Sewer Overflow* program.

Even so, considerable activity continues in support of the **Boston Harbor Project**. Nearly \$82 million has been spent since July. The largest active contract is *Secondary Treatment Battery C*, for which \$29.3 million has been accrued in the five months since the start of the fiscal year (or 14% of all capital spending for the year to date). Other large contracts ongoing are: the *Nut Island Headworks*, with spending of \$8.5 million this year; *Ancillary Modifications, Phase III*, at \$8.1 million; *Western Shoreline Protection*, at \$2.4 million; *Construction Management Services*, at \$8.5 million; *Concrete Coating/Lining Repair and Upgrade*, at more than \$5.5 million; and \$3.1 million in support of *materials and personnel transport* to Deer Island.

Spending on *Waterworks Projects* through November reached \$108.1 million (1.4% less than the budgeted amount). This included: \$63.3 million for the *MetroWest Tunnel* (58.6% of the entire Waterworks YTD budget); \$6.3 million for the *Walnut Hill Water Treatment Plant*; and \$6.2 million for *Nash Hill Covered Storage*.

Spending on *Transmission* projects continues to be driven by spending on the *MetroWest Tunnel*. With the award of the Eastern Tunnel Segment (CP-3A) in October, approximately 97% of the *MetroWest Tunnel* construction contracts, as measured by contract value, are now committed. Spending on the *Boston Low Service Pipe and Valve Rehabilitation* project reached nearly \$4.7 million, and nearly \$3.1 million on the *Weston Aqueduct Supply Main (WASM) 4* project.



### Construction Fund Balance

As of the end of November, the *Construction Fund Balance* stood at \$87.0 million. Spending during November (on a cash basis) was \$52.5 million for the five-week accounting period, and \$216.7 million for the fiscal year to date. Receipts during November totaled \$32.9 million. For the year to date receipts have totaled \$170.9 million, and include \$25.3 million in federal grant receipts, \$58.1 million in loans from the SRF, and \$60.2 million in borrowings through the Authority's commercial paper program. The MWRA plans to pursue refunding portions of its existing debt, and to borrow up to \$195 million during December and January.