



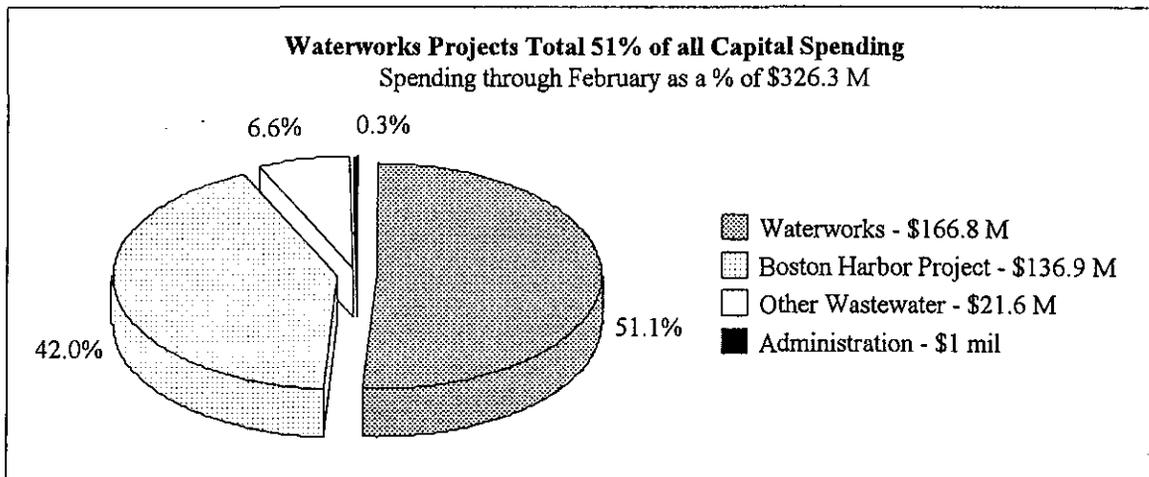
# STATUS OF MWRA BUDGETS

## *CIP through February 1999*

### Focus on the FY99 Capital Improvement Program

Capital spending through February 1999 came to \$326.3 million (on an accrual basis), or 10% below the \$362.6 million budgeted for the eight-month period (net of budgeted contingency fund allowances). Accruals for the month of February were \$31.3 million, or 23% below the \$40.7 million budgeted.

Waterworks spending continues to run more than half of all capital spending: \$166.8 million or 51% of all spending for the year to date. However, spending has slowed somewhat due to failure of the bearing for the tunnel boring machine for the eastern heading of the middle tunnel segment. Still, the projects with the largest dollar accruals continue to be the MetroWest Water Supply Tunnel, the Walnut Hill Water Treatment Plant and the Nash Hill Covered Storage project.



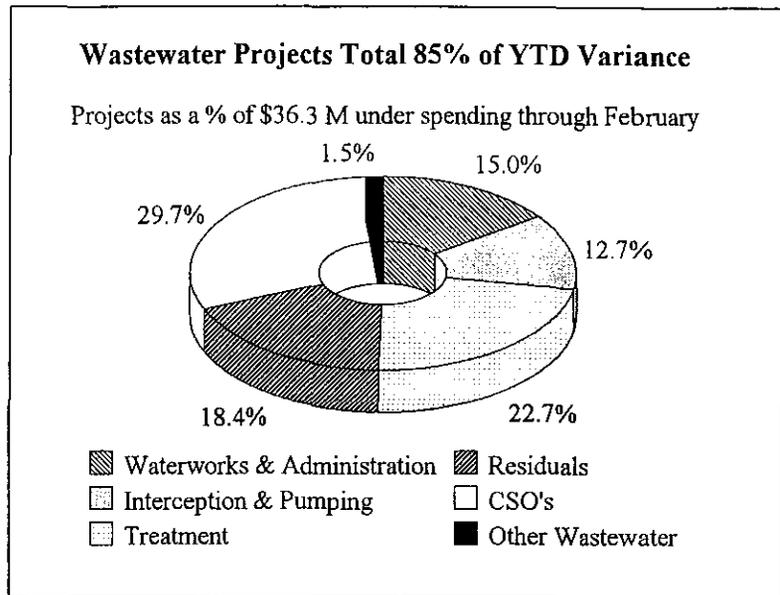
Just over \$158.5 million (or nearly 49% of all capital spending during FY99) has been spent on *Wastewater Projects*, a variance of 16% below the budgeted amount of \$189.4 million (as compared to a variance of 25% through November). Below budgeted variances totaling \$30.85 million occurred in all 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 \$3.2 million to the year to date variance. However, spending has recently increased, and the year-to-date variance is closing.

Within the *Treatment* category, spending totaled \$137.2 million for the year to date, 5.6% below the \$145.4 million budgeted. The **Boston Harbor Project**, with spending of \$136.9 million, makes up most of this category of capital spending and accounts for \$5.8 million of the \$8.2 million variance. Recent settlements have closed the year to date variance, but the later than budgeted start of the *Final Paving and*

*Site Completion project* and slower progress in the final reaches of the *Effluent Outfall Tunnel* account for much of the variances to date. The largest active contract is *Secondary Treatment Battery C*, for which \$44.4 million has been accrued through February (or 14% of all capital spending for the year to date). Other large contracts ongoing are: the *Nut Island Headworks*, with spending of \$10.7 million this year; *Ancillary Modifications, Phase III*, also at \$10.7 million; *Concrete Coating/Lining Repair and Upgrade*, at \$8.7 million; and *Construction Management Services*, at \$14.3 million (and 9% over the amount budgeted).

All seven projects on Deer Island are running 80 - 100% behind budget for the year to date, and account for \$1.6 million of the variance for the year to date: the *Boston Harbor Performance Certification project*; *Ancillary Modifications*; *On-Site Generation of Sodium Hypochlorite facility*; *Deer Island Plant-Wide Systems*; *Deer Island Maintenance and Storage Warehouse*; *Deer Island Equipment Replacement Program*; and the *Deer Island Dimineralizer System for the Power Plant* are all behind the scheduled spending for FY99.

Delays in the completion of both the outside work and inside treatment train expansion for the pelletizing plant contributed \$6.7 million in lower than budgeted spending under *Residuals*. A fire in December inside the pelletizing plant slowed construction progress considerably, and year-to-date variances are nearly 80% below the planned spending. Later than planned transfers to Cambridge and Boston for their ongoing sewer separation projects contributed to a year to date variance for the *Combined Sewer Overflow Control Program* of \$10.8 million: spending of \$9.7 million was less than half the \$20.5 million budgeted for the year to date.



Spending on *Waterworks Projects* through February reached \$166.8 million, less than 3% below the \$171.3 million budgeted for the period. The greatest project spending was \$101.4 million for the *MetroWest Tunnel* (61% of all Waterworks spending for the year to date); spending has slowed in February, due to problems with a bearing on one of the tunnel boring machines; repairs are expected within a few weeks. Other active projects include: \$15.2 million for the *Walnut Hill Water Treatment Plant*; \$6.6 million for the *Nash Hill Covered Storage project* (recently put into service); \$6.6 million for the *Boston Low Service Pipe and Valve Rehabilitation project*; and \$4.2 million for the *Weston Aqueduct Supply Main (WASM) 4 project*.

### Construction Fund Balance

As of the end of February, the *Construction Fund Balance* stood at \$129 million. Spending during February (on a cash basis) was \$78.5 million for the five-week accounting period, and \$359.15 million for the fiscal year to date. Receipts during February totaled \$68.3 million, including receipts from the recent borrowing. For the year to date, receipts have totaled \$355.4 million, including \$41.5 million in federal grant receipts, \$65.2 million from the SRF program, and \$238.9 million in new borrowings and commercial paper receipts. The Authority plans another borrowing of approximately \$150 million later this spring.