



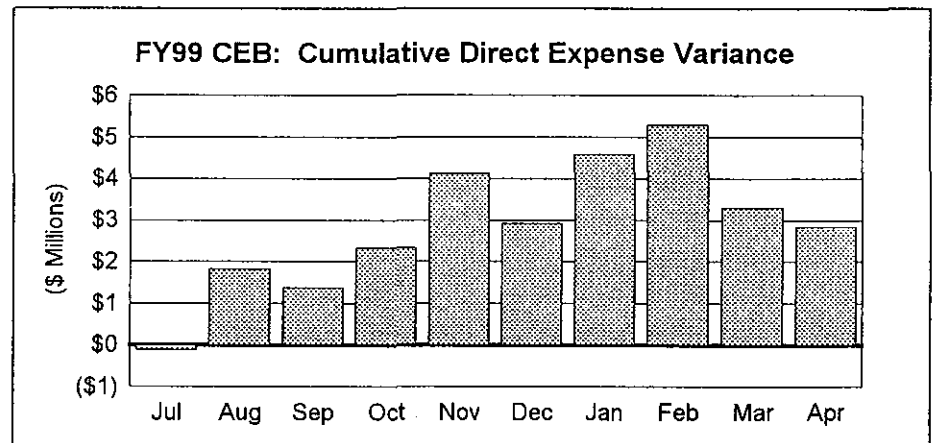
STATUS OF MWRA BUDGETS

CEB through April 1999

Focus on the FY99 Current Expense Budget

Through April 1999, Current Expense Budget spending came to \$340.2 million or 0.2% above the \$339.25 million budgeted for the ten-month period. The \$950,112 variance is the result of \$2.8 million of Direct Expense overspending offset by Indirect Expense underspending of \$1.88 million. Spending for the month of April came to \$28.4 million, or \$1.25 million (4.2%) below the \$29.63 million budgeted. Direct Expense spending for April came to \$13.3 million or 3.3% below the budget of \$13.8 million for the month. Indirect Expense accruals for April came to \$28.4 million, approximately \$1.25 million less than the \$29.6 million budgeted for the period.

Direct Expenses, for the ten-month period, reached \$147.3 million, or nearly 2% above the \$144.5 million budgeted for the year to date. Spending on *Wages and Salaries* through April totaled \$68.26 million or 1% below the \$68.95 million for the period. The close to \$700,000 variance is due to higher than anticipated vacancy rates. *Overtime* spending is now \$3.16 million or 6% more than the \$2.97 million budgeted for the year to date. This compares to the \$3.73 million in spending for the ten-month period a year ago. Spending for the month of April was \$238,946, or 11% below the \$269,061 budgeted for the period.



Fringe Benefits underspending through April was \$128,497 for health and dental insurance because of higher than budgeted vacancy rates. Workers' Compensation expense is \$257,353 under budget because of reduced spending due to fewer claims than anticipated and the renegotiation of fees.

Year-to-date spending on *Chemicals* has been nearly \$600,000 or 7% below the \$8.6 million budgeted. Less than budgeted spending is primarily due to lower use of sodium hypochlorite at the Deer Island plant and to delayed startup of the Cosgrove Disinfection Facility.

Spending on *Utilities* has been \$17.6 million, more than 6% above the revised budget of \$16.6 million for the ten-month period. More than budgeted spending is due to greater than anticipated expenses for diesel fuel, needed to provide heat to the Deer Island Treatment Plant and power to the steam turbine generators (STGs) until the digester gas system is fully operational in June; and water due to underestimating the impact of the transfer of south system flows to Deer Island and delays in the effluent outfall tunnel construction. Increases in diesel fuel and water are partially offset by lower than budgeted spending for electricity.

Joseph E. Favaloro, Executive Director

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

Year-to-date spending for *Maintenance* expenses totaled \$12.09 million, nearly 10% above the \$11 million budgeted. More than budgeted spending is due to greater than anticipated expenses for HVAC filter purchases, pelletizing plant fire-related costs, and BECo services for the combustion turbine generator (CTG) control systems at Deer Island.

Professional Services spending through the ten-month period was \$302,001 under budget. The underspending is within *Lab & Testing & Analysis* (\$222,533) and *Legal* (\$147,429) spending categories because of delays in completing air testing and lower than budgeted outside service contracts.

Year-to-date spending for *Other Materials* is under budget by \$153,628 due to delays in the delivery of replacement vehicles.

Other Services spending was more than \$20.5 million for the year to date, \$2.66 million or 15% above the amount budgeted. Spending for the period is greater than expected because of increased landfill use charges due to the disposing of higher sludge volumes as a result of the December Pellet Plant fire, as well as greater than budgeted spending for sludge processing. Through April, all Residuals Department spending is \$4.2 million greater than budgeted, a reduction from the \$4.47 million variance as of March.

Indirect Expenses came to nearly \$193 million for the ten-month period, \$1.88 million or close to 1% less than the \$194.8 million budgeted. *Capital Financing* expenses were \$164.7 million (as compared to \$150.5 million at this time last year), or \$1.9 million (1.1%) below the budgeted amount due primarily to slightly later and lower borrowing costs. The next bond issue, budgeted for April, is to take place in early June. Accruals of the *BECo expense* (for costs associated with the provision of electricity to Deer Island through the cross harbor cable) are now \$5 million, slightly more than the \$4.95 million budgeted for the period. Accruals for *Insurance* expense totaled \$906,254, nearly 9% less than the \$992,310 budgeted for the period, reflecting lower premiums and claims payments for the year to date.

