



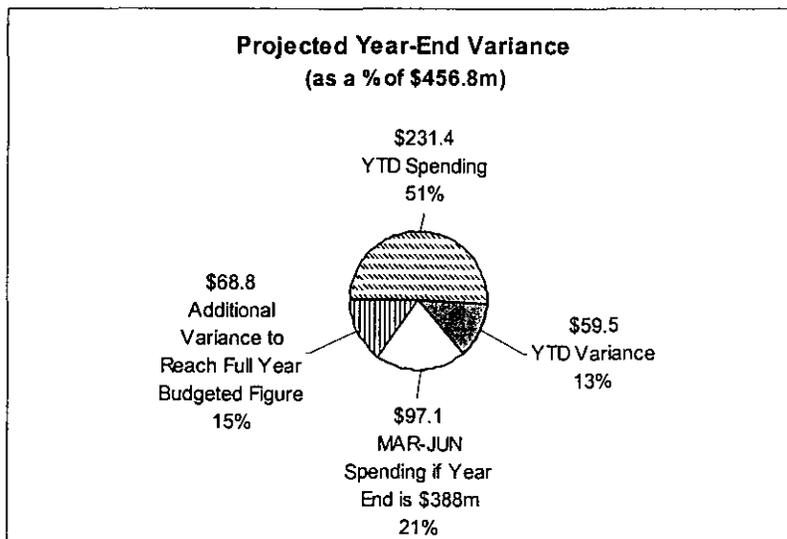
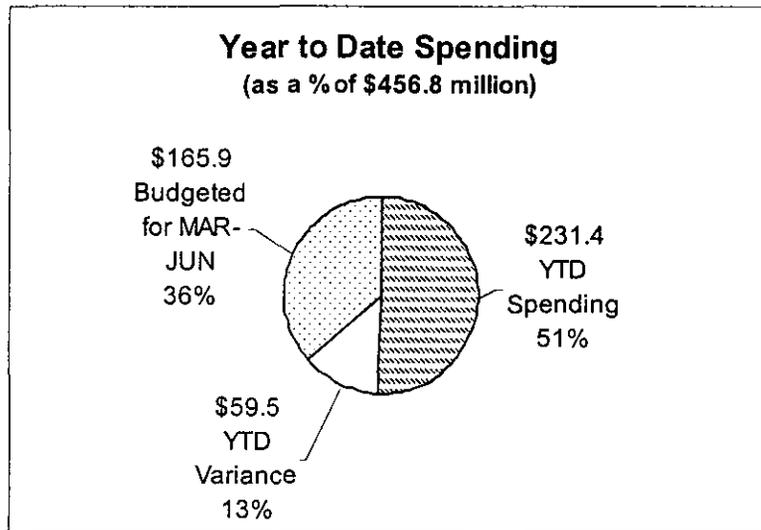
# STATUS OF MWRA BUDGETS

*FY2001 (through February 2001)*

## Focus on the FY2001 Capital Improvement Program and Budget

Capital spending through February 2001 came to \$231.36 million, or 20% below the \$290.0 million budgeted for the eight-month period. Accruals for the month (a five-week accounting period) were \$32.38 million, or just 4% below the \$34.02 million budgeted. The 20% variance is the lowest so far this year.

**Year to Date Spending:** The Authority has budgeted \$456.845 million for capital spending in FY01 (net of \$45.2 million in contingency fund allowances). With \$165.95 million budgeted for the remaining four months of the fiscal year and \$59.53 million in year to date below-budgeted spending, \$225.48 million of authorized spending remains in the CIP for the period between now and the end of June.



**Projected Spending:** However, Authority projections for year end spending levels put accruals by June 30 at no more than 85% of the year's budgeted amount, or \$156.6 million over the next four months. Accruals for the full year are projected to be \$388 million (or less). The full year's variance would be \$68.5 million. A 20% variance would put year end spending at \$365.5 million and the variance at \$91.4 million.

**Waterworks** spending for the year to date accounts for 50% of the budgeted amount and 53% of all

actual spending. Three of the five largest capital projects budgeted during this fiscal year are the MetroWest Water Supply Tunnel, the Walnut Hill Water Treatment Plant, and the Norumbega Covered Storage project. Spending on these three projects came to \$95.5 million through February, 41% of all year to date spending.

Joseph E. Favaloro, Executive Director

Contributing to the \$21.85 million variance has been lower than budgeted spending on the Walnut Hill project of \$14.6 million (two-thirds of all the Waterworks variance). Unfavorable weather conditions have led to delays in starting the concrete pour for the water storage tanks and have subsequently contributed to the variance.

Later accruals for the MetroWest Tunnel project account for another \$4.25 million of the lower than budgeted spending. Concrete lining in the western tunnel segment has been slowed by moran car derailments and problems with the concrete pumps. Lining in the middle tunnel segment is in a transition phase, with attention turning from the west heading (where lining has been completed) to the east heading (where concrete forms and associated apparatus support are being placed). The grouting phase for the west heading is anticipated to begin in early to mid April while lining in the east heading is expected to start in early April.

Greater than budgeted accruals of \$6.18 million on the Norumbega project have offset lower than budgeted spending on a number of other projects, including \$2.63 million in lower than planned spending for the Local Water Pipeline Infrastructure Loan program.

Spending on the ***Boston Harbor Project*** came to \$54.8 million or 23.7% of all capital spending for the fiscal year to date (as compared to 50% at the end of FY98 and 61% of all capital spending during FY97). Spending is within 2% of the budgeted amount and represents the resolution of several outstanding claims in recent months.

Spending on ***Other Wastewater Projects*** totaled \$50.4 million or 59% of the \$85.36 million budgeted for the period. Year to date spending on Other Wastewater Projects accounts for 22% of all spending, and nearly 60% of the variance. Delays on the *Braintree-Weymouth project*, particularly the tunnel and pump station contracts, accounted for \$21.9 million or 37% of the year to date variance. However, the pace of spending has increased in the last month and is expected to continue into the spring, as the tunnel boring machine is being assembled and readied to begin machine mining operations. A later start for two pump station contracts in the *Quincy Pump Station project* accounts for another \$2.5 million of the year to date variance; a later start and lower contract award account for lower spending of \$2.325 million for the *Framingham Extension Relief Sewer rehabilitation contract*. Slower spending on the *Deer Island Plant Optimization project* and the *Deer Island Facilities Asset Management Program* account for another \$2.6 million in later than budgeted spending. *Residuals* spending accounts for \$4.03 million in slower spending, although accruals increased measurably in February. Spending on the *Combined Sewer Overflow Control Program* has increased and is now \$2.5 million greater than the \$28.1 million budgeted for the year to date. Greater than budgeted spending for the Chelsea Branch Sewer project of \$9.2 million, more than twice the \$8.7 million budgeted for the year to date, has more than offset lower than budgeted spending for other projects that make up the CSO Program.

### **Construction Fund Balance**

The ***Construction Fund Balance***, as of the end of February, stood at \$144 million. Spending during February (on a cash basis) was \$37 million for the five-week accounting period. The Authority now plans on a new borrowing later this spring of up to \$180 million in subordinate lien variable bonds. The borrowing will be used to repay short-term borrowing construction loans and is expected to cover capital spending through October 2001. In addition, the Authority plans to participate this spring in a SRF pool financing that will provide \$8.5 million for the Walnut Hill Water Treatment Plant.