



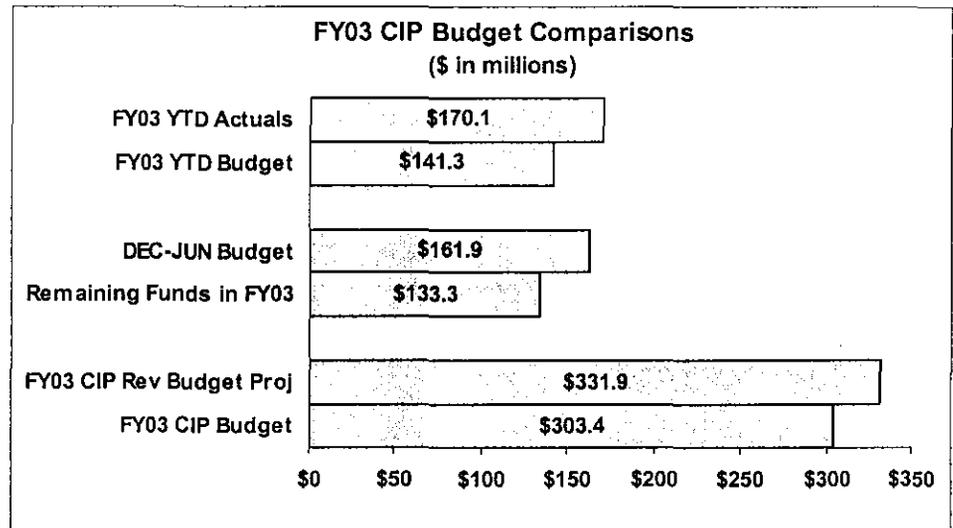
# STATUS OF MWRA BUDGETS

*CIP through November 2002*

## Focus on the FY 2003 Capital Improvement Program and Budget

Capital spending through November 2002 came to \$170.1 million, \$28.8 million (20%) over the \$141.3 million budgeted for the first five months of the fiscal year. Accruals for the month (a five-week accounting period) were just under \$27 million, or 19% above the \$22.66 million budgeted.

The Authority has budgeted \$303.436 million in capital spending in FY03 (net of \$37.297 million in contingency fund allowances). The year's budget including contingency fund allowances total \$340.297 million. (The Authority also reports the budgeted amount for the full year as \$259.081 million, excluding contingency funds, community financial assistance programs, community CSO projects, and technical assistance.) With the



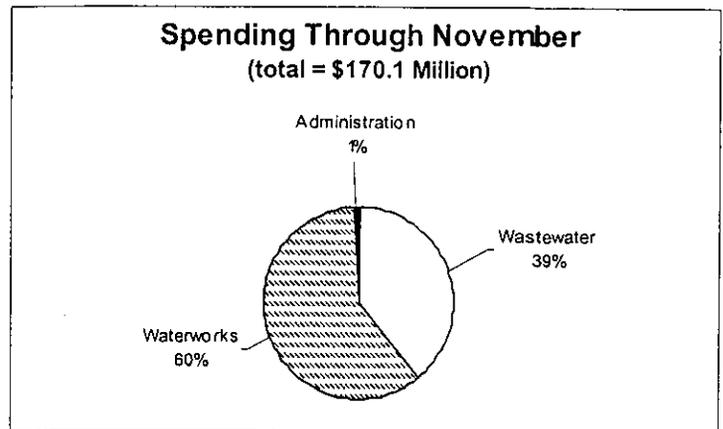
recent resolution of the last major claim on the effluent outfall tunnel, the Authority now anticipates capital spending to total \$331.885 million by June 30, 2003.

Largest Capital Projects - FY02 (total FY03 budget: \$303.4)	
Walnut Hill Water Treatment Plant	\$62,519
Braintree-Weymouth Relief Facilities	45,574
Combined Sewer Overflows	34,045
MetroWest Tunnel	32,400
Norumbega Covered Storage	23,341
Local Water Pipeline Improvement Loan Program	17,003
Weston Aqueduct Supply Mains (WASMs)	11,321
All Other Projects	77,234

Seven capital projects make up 75% of the year's capital budget; five of these are waterworks projects and make up nearly half of the entire capital budget for the year. Even though new capital spending is growing at a slower pace than in past years (\$303 million in FY03, \$410 million in FY02, and \$457 million in FY01), spending through November was higher than for the same five-month period in FY02 and FY01 (largely due to the claims payment and related costs that were accrued in October).

**Waterworks** spending is now 60% of all spending for the year to date. At \$102.5 million, waterworks is at virtually the same level as compared to the \$103.8 million spent during the first five months of FY02. Spending is 50% greater than for all wastewater spending (including the *Boston Harbor Project*). Waterworks spending is \$20.4 million (24%) greater than the \$82.1 million budgeted for the year to date. With major work on the *MetroWest Water Supply Tunnel* and *Drinking Water Quality Improvements* (including the *Walnut Hill Water Treatment Plant* and *Covered Storage projects*) continuing, *Waterworks* spending is expected to continue to outpace wastewater capital spending this fiscal year.

Contributing to the greater than budgeted variance for the year to date were two of the largest projects in the capital program for FY03: the *Walnut Hill Water Treatment Plant*, with spending reaching \$39.3 million (29% over the \$30.3 million budgeted) and the *MetroWest Water Supply Tunnel*, with spending at nearly \$20 million (21% over the \$16.4 million budgeted). Recent distributions under the *Local Water Pipeline Improvement Program* brought year to date spending to \$10.1 million (37% over the \$7.36 million budgeted). Other areas of significant spending include: the *Norumbega Covered Storage Project*, at \$15.85 million (56% over the \$10.12 million budgeted); \$6.85 million for the *Weston Aqueduct Supply Mains project*; \$2.4 million for the *Spot Pond Supply Mains Rehabilitation project*; and \$1.75 million for the *Boston Low Service Pipe and Valve Rehabilitation project*.



Spending on the ***Boston Harbor Project*** came to nearly \$30 million, well over the \$5.7 million budgeted. The higher accrual reflected the recent resolution of the dispute between the Authority and the *outfall tunnel* contractor, resulting in claims payments totaling \$26 million (plus related administrative and legal expenses). Just \$153,000 is budgeted for the remaining closeout work for the project for the rest of the fiscal year.

Spending on all ***Other Wastewater Projects*** totaled \$36.6 million, \$10.3 million below the \$46.9 million budgeted for the period. The greatest contributor to the variance was slowed spending on several contracts that make up the *Braintree-Weymouth Relief Facilities project* (most notably the tunnel and intermediate pump station contracts). Also of concern is the delayed availability of access to the site for the *Fore River Siphon contract*, which is now expected to result in delayed startup of the tunnel and related facilities. The Braintree-Weymouth Project represents 43% of all budgeted *Other Wastewater* spending in FY03.

Also contributing to lower than budgeted spending are several projects that make up the *Combined Sewer Overflow Control Program*. Spending through November came to \$10.9 million, \$3.2 million (22%) below the \$14.1 million budgeted. The largest dollar amounts are related to slower progress on the *Cambridge sewer separation project* and some *South Dorchester Bay sewer separation work*, partially offset by faster progress on portions of the *Stony Brook sewer separation project*. At \$34 million, CSO program spending is one third of all *Other Wastewater* spending in FY03.

Slower progress on the *Deer Island Asset Management Program* and the *Wastewater Meter Replacement project* added \$1.6 million to the below budgeted variance.

The ***Construction Fund balance***, as of the end of November, stood at just under \$63 million; \$38 million was spent (on a cash basis) during the month. Borrowing through the SRF program added \$3.7 million to the construction fund during the month. The Authority issued \$200 million in new borrowing and refunded more than \$400 million of existing debt in November, a transaction scheduled to close December 18.