



THE GREEN SHEET

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NEARLY TWO-THIRDS OF FY08 CAPITAL SPENDING IS FOR WASTEWATER PROJECTS

The Authority has budgeted \$228 million in capital spending for FY08, including nearly \$145 million for wastewater and \$77 million for waterworks projects, just over half of all wastewater spending. The North Dorchester Bay CSO Tunnel Project is budgeted at \$64 million, or 28% of the entire year's capital budget. All CSO spending for the year is budgeted at nearly \$97 million or 42% of the capital budget for FY08.

Spending on the capital program through the first quarter came to \$37 million, 26% below the \$51 million budgeted for the period. Nearly two-thirds of the gap is related to slower accruals for the CSO program. We can expect to see spending catch up as the year progresses.

MWRA TO TRANSMIT PROPOSED FY09 CAPITAL IMPROVEMENT PROGRAM TO ADVISORY BOARD

At its December 12 meeting, the MWRA Board of Directors approved transmittal of the Proposed FY09 Capital Improvement Program to the Advisory Board for review and comment. The proposed budget includes \$288.5 million for FY09 and \$1,161.4 million for the next five-year cap period, FY09 - FY13. The review period is expected to run from January to March, with adoption by the Board of Directors in June.

DEBT SERVICE CONTINUES TO DOMINATE CURRENT EXPENSE BUDGET SPENDING

Nearly 60% of all MWRA spending for the year to date, just over \$75 million, was for debt and related capital financing expense. The amount and share of the budget for debt service continues to grow as much of the \$5.6 billion in outstanding debt continues to come due. The FY08 Current Expense Budget is nearly \$565 million, of which \$313 million is for capital financing.

Through September, CEB spending totaled \$135.8 million, \$2.15 million (1.6%) below budgeted amounts. Direct expenses came to \$48.7 million or \$1.25 million (2.5%) below the \$49.9 million budgeted due primarily to lower personnel-related costs and to lower costs for processing the residuals pellets. Historically low flows resulted in lower sludge quantities, as well as lower grit and screenings in the wastewater.

LIABILITY FOR POST RETIREMENT BENEFITS NEEDS TO BE DISCLOSED

Post retirement healthcare and other post-employment benefits (referred to as OPEB) must now be disclosed by state and local governments according to GASB 45. The MWRA is developing an approach to meet this new requirement and has set up a working committee, which includes Advisory Board staff. The Advisory Board is interested in hearing about how the communities are approaching GASB 45. Please email staff at mwra_ab@mwra.state.ma.us.

MWRA ADVISORY BOARD

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