



Comprehensive ANNUAL FINANCIAL REPORT



Portland
Water District

For the year ended December 31, 2019

Portland Water District | 225 Douglass Street, Portland, Maine 04102

**Comprehensive Annual
Financial Report**



**Portland Water District
Portland, Maine**

For The Year Ended December 31, 2019

**Acknowledgements: This report was prepared by the Financial Services
and Public Relations Departments at the Portland Water District.**

Portland Water District • 225 Douglass Street • Portland, Maine

Table of Contents

INTRODUCTION SECTION:

Letter of Transmittal.....	1
Factors Affecting Financial Condition	2
Company Profile.....	3
Corporate Management.....	4
Corporate History	5
2019 in Review	6
Corporate Goals	9
Recognition.....	10
Independent Audit.....	10

FINANCIAL SECTION:

Independent Auditors' Report	11
Management's Discussion and Analysis:	
<i>Introduction of the Financial Statements</i>	13
<i>Overall Financial Position</i>	24
<i>Significant Changes to Individual Funds - Pension Trust Fund</i>	26
Basic Financial Statements:	
Proprietary Funds:	
<i>Statement of Net Position</i>	28
<i>Statement of Revenues, Expenses and Changes in Net Position</i>	30
<i>Statement of Cash Flows</i>	31
Pension Trust Funds:	
<i>Statement of Fiduciary Net Position</i>	32
<i>Statement of Changes in Fiduciary Net Position</i>	33
Notes to Financial Statements.....	34
Required Supplementary Information:	
<i>Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan</i>	68
<i>Schedules of Changes in the District's Net Pension Liability and Related Ratios - Non Bargaining Unit Pension Plan</i>	70
<i>Schedule of Employer Contributions</i>	72
<i>Schedule of Investment Returns</i>	73

STATISTICAL SECTION:

Financial Trends:	
<i>Net Position by Component</i>	75
<i>Change in Net Position</i>	75
<i>Operating Revenues by Source</i>	76
<i>Operating Expenses</i>	76
<i>Non-Operating Revenues</i>	76
<i>Annual Contributions by Source</i>	77
<i>Water Produced and Consumed</i>	77
Debt Capacity:	
<i>Outstanding Debt</i>	77
Revenue Capacity:	
<i>Ten Largest Water Customers</i>	78
<i>Net Growth in Customers</i>	79
<i>Number of Water Customers by Type</i>	79
<i>Water Rates</i>	79
<i>Water Rate Schedules</i>	80
Operating Information:	
<i>Operating and Capital Indicators</i>	83
<i>Number of Employees by Activity</i>	84
Demographic and Economic Information:	
<i>Demographic and Economic Statistics</i>	85
<i>Principal Employers</i>	85
Proprietary Fund Operating Revenues:	
<i>Water Revenues</i>	86
<i>Wastewater Assessments</i>	86
Water Statistics:	
<i>2019 Water Production</i>	87
<i>Historical Source Water Production</i>	88
<i>2019 Water Services Summary</i>	89
<i>2019 Number of Water Services by Type</i>	89
<i>Water Quality Analysis</i>	90
<i>2019 Active Fire Services</i>	92
<i>2019 Meters in Service</i>	92
<i>Metered Water</i>	93
Wastewater Statistics:	
<i>East End Wastewater Treatment Facility</i>	94
<i>Westbrook/Gorham/Windham Regional Wastewater Treatment Facility</i>	94
<i>Cape Elizabeth Wastewater Treatment Facility</i>	95
<i>Peaks Island Wastewater Treatment Facility</i>	95
<i>East End - 2019 Sludge Cake Metals</i>	96
<i>East End - Historical Sludge Cake Metals Averages</i>	96
<i>Maine Department of Environmental Protection Screening Land Application Limits</i>	96
<i>Westbrook/Gorham - 2019 Sludge Cake Metals</i>	97
<i>Westbrook/Gorham - Historical Sludge Cake Metals Averages</i>	97
<i>Maine Department of Environmental Protection Screening Land Application Limits</i>	97
<i>Wastewater Summary by Division</i>	98
<i>Wastewater Pipeline Length</i>	99
<i>Sebago Lake to Casco Bay System Illustration</i>	100

INTRODUCTION



June 30, 2020

Dear Board of Trustees and Valued Customers:

The Portland Water District is pleased to submit our Comprehensive Annual Financial Report for the fiscal year which ended December 31, 2019.

This report is published to provide the Board of Trustees, customers, bondholders and other interested parties with detailed information concerning the financial condition and activities of the Portland Water District (PWD). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including the disclosures, rests with PWD.

To the best of our knowledge and belief, the information in this report is accurate and organized to fairly present the financial position and results of the operations of PWD as measured by the financial activity of its various funds.

The report is presented in three sections:

- 1 INTRODUCTION SECTION**, which includes this transmittal letter, company profile, economic outlook, and major initiatives.
- 2 FINANCIAL SECTION**, which includes management's discussion and analysis of 2019 financial activities, the financial statements, and the auditor's report on the financial statements and schedules. Information on long-term financial planning can be found in our budget document on our website.
- 3 STATISTICAL SECTION**, which includes selected operational, demographic, and financial information, generally presented on a historical or regional basis.

PWD's Financial Services Department is responsible for establishing and maintaining an internal control system designed to ensure that assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We hope you find this report informative. If you have questions, please contact us at (207)761-8310 or customerservice@pwd.org.

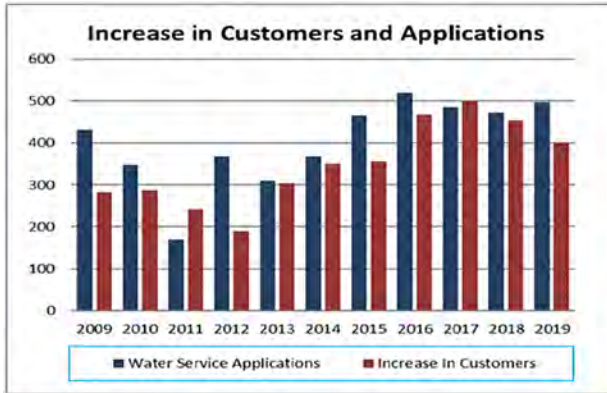
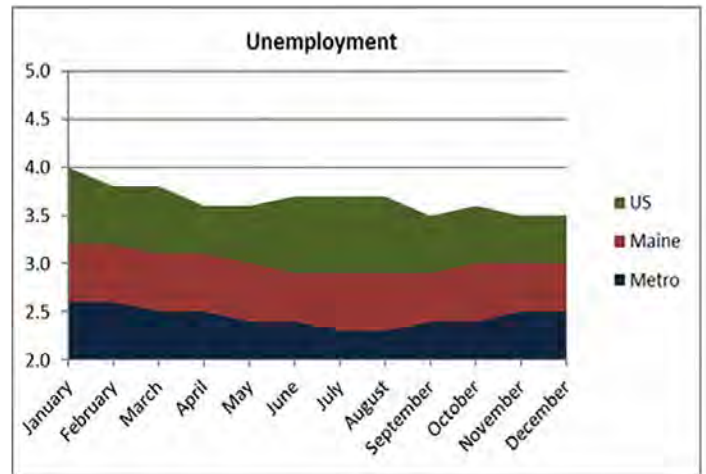
FACTORS AFFECTING FINANCIAL CONDITION

LOCAL ECONOMY

As of 12/31/19 Maine's economy was expected to grow in 2020; however, there was increased talk of a possible recession soon, according to the Bangor Daily News. Ongoing tensions in the Middle East cast a shadow of uncertainty on the economy, including affecting oil prices for homes and prices at the gas pump. The economy was negatively impacted due to the global spread of the COVID 19 pandemic in March 2020.

Employment: Local unemployment remains consistently low and well below national and state levels, ending the year at a 2.5% unemployment rate in the Portland/South Portland metro market.

Housing Market: According to the Maine Association of Realtors, 2019 ends as a record-breaking year, generating the highest statewide sales volume and median sales price (MSP) ever for Maine. Statewide sales saw a 1.55% increase, compared to 2018. The yearly MSP jumped 4.65% to \$225,000. As the state's largest real estate market, nearly a quarter of sales take place in Cumberland County.

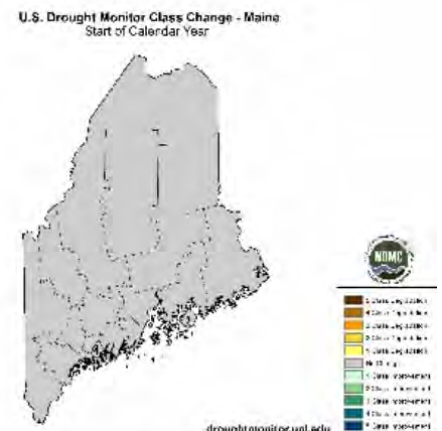


New construction increased a healthy 5% statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 4,760 statewide building permit units in 2019, 1817 were within Cumberland County.

Locally, the Portland Water District continues to experience steady growth in both applications for water service and new customers.

Water Consumption: Water consumption is affected by several factors including the economy, weather, conservation efforts, and sewer rates. Since 2000 the average residential household usage has declined by more than 16% which is consistent within the water utility sector nationwide.

Parts of Maine experienced above average amounts of precipitation during the summer months, according to the U.S. Drought Monitor. USClimateData.com reports 12.85 inches of precipitation fell in Portland during June, July, and August of 2019 which is above normal levels of 10.54 inches.





OUR MISSION

To protect public health, safety, and the environment by providing our customers first-class water, wastewater, and related services.

OUR VISION

With our customers' best interest in mind, we will use innovative approaches to become a trusted provider of world-class products and services and a leader in our industry.

We will become a premier employer and a respected community partner.

OUR VALUES

Customer Focus

We listen and respond to customers by providing products and services that our customers want.

Reliable, Valued Products & Services

We are there when our customers need us. We provide products and services our customers cannot live without.

Reasonable Rates

We provide products and services at the lowest rates possible without compromising quality.

Continuous Improvement

We value every effort to continuously review processes and better employee and customer experiences.

Safety

We work safely and provide safe products and services to our customers.

The Environment

We respect our environment and the need to advocate for changes that improve the world we live in.

Expertise

We appreciate individual talents and encourage our employees to expand skills and embrace lifetime learning.

Openness, Respect, & Fair Treatment

We promote an atmosphere that values openness, respect, and fair treatment.

Quality of Life

We provide a working environment that values family, and we provide quality products and services that enrich our customers' lives.

COMPANY PROFILE

The Portland Water District is an independent, quasi-municipal organization that provides water, wastewater, and related environmental services to 11 Greater Portland communities. Governed by a publicly elected Board of Trustees, PWD maintains eight enterprise funds and two pension trust funds. The Water System Fund accounts for the distribution of water to Greater Portland communities.

The Wastewater Funds account for the collection and processing of wastewater for the seven communities served. In accordance with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," PWD is classified as a "primary government."

The Portland Water District is responsible for delivering water to more than 200,000 people and businesses in Greater Portland. Sebago Lake is the water source for over 99 percent of customers; a well in Standish supplies the rest. A strong watershed protection program, effective water treatment, rigorous laboratory initiatives, and an aggressive approach to maintaining the distribution system are carried out to ensure that responsibility is met.

Due to the active watershed protection program and the quality of Sebago Lake water, PWD holds a state issued waiver from filtration requirements. However, the water is treated with ozone and UV at the Sebago Lake Water Treatment Facility.

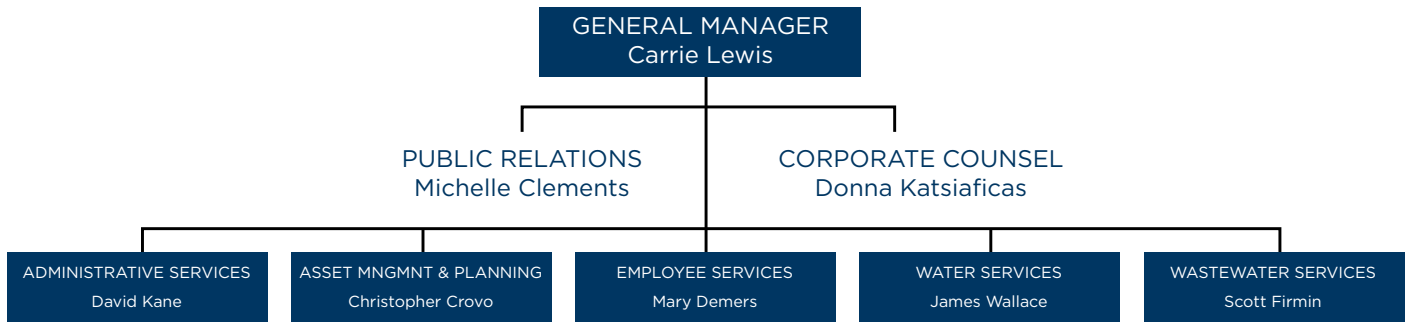
Furthermore, water quality experts perform nearly 15,000 analyses and crews renew several miles of water pipe annually to ensure the water is safe and clean.

While PWD is responsible for water service from source to customer, wastewater services are usually delivered through a partnership between the local municipality and PWD.

PWD operates four wastewater treatment facilities and through one of the largest Industrial Pretreatment Programs in the state, oversees the industrial waste released into its wastewater system.

Approximately 186 employees provide services to over 55,000 customers. PWD manages \$350 million in assets operating over approximately 140 square miles and an annual budget of \$47.5 million. Additionally, PWD manages a \$28.1 million capital improvement plan.

CORPORATE MANAGEMENT (AS OF 12/31/2019)



CORPORATE OFFICERS AND SENIOR MANAGEMENT



Carrie Lewis
General Manager

Christopher Crovo
*Executive Director of
Asset Management
and Planning*

Mary Demers
*Director of
Employee Services*

Scott Firmin
*Director of
Wastewater Services*

David Kane
*Treasurer &
Executive Director
of Administration*

Donna Katsiaficas
*Clerk & Corporate
Counsel*

James Wallace
*Director of
Water Services*

BOARD OF TRUSTEES



Matthew Beck
*South Portland &
Cape Elizabeth*

Robert Burns
Gorham

Guy Cote
*President
Westbrook*

Louise Douglas
*Vice President
Windham
& Raymond*

Seth Garrison
Scarborough

Kenneth Levinsky
Portland



Gary Libby
Portland

William Lunt, III
*Falmouth &
Cumberland*

Kim Rich
Portland

Joseph Siviski
*South Portland
& Cape Elizabeth*

Jamie Willey
Portland



CORPORATE HISTORY

Over a century old, the Portland Water District is a company rich in history and experience. That tradition forms a solid foundation for delivering quality water, wastewater, and environmental services and products. The Portland Water District was formed in response to public outcry for municipal management of the public water system. In 1908, the Portland Water District took over the assets of the privately-owned Portland Water Company.

1869

The first water flowed from Sebago Lake to Portland, and the first water service was turned on in Portland on Thanksgiving Day.

1908

The Portland Water District was formed.

1914

The public water supply was first treated with chlorine.

1978

The Portland Water District began providing wastewater services to the community with the construction of its first wastewater treatment plant.

1994

The Sebago Lake Water Treatment Facility was constructed and ozone disinfection added.

2008

The Portland Water District celebrated its centennial, a hundred years of providing water services to customers.

2014

Ultraviolet light disinfection was added at the Sebago Lake Water Treatment Facility.

2015

Portland Water District was the first water utility in Maine to become exempt from certain PUC rules and regulations.

2019 IN REVIEW

ADMINISTRATION

WATER RATE INCREASE: Water rates increased 4.4% in 2019. The increase added about \$0.89 to the average household water bill.

ASSET MANAGEMENT, BILLING/CUSTOMER ENGAGEMENT PROJECTS: PWD continued work on significant projects to replace the Asset Management, Billing and Customer Engagement software systems. Implementation of billing, customer relations, service-associated assets and operational components of the computerized maintenance management system are planned for the fall of 2020 followed by additional development and implementation of the computerized maintenance management system.

PORTLAND WATER DISTRICT ISSUES FIRST SERIES OF GREEN BONDS: The Portland Water District sold \$6.5 million Water System Bonds in 2019 that were designated as “Green Bonds.” The purpose of labeling the bonds as Green Bonds is to allow purchasers of the Bonds to invest directly in bonds that finance environmentally beneficial purposes.

RENEWED EMPHASIS ON ANNUAL GIVING: In 2019 the Portland Water District and its employees were able to contribute over \$29,000 to worthy causes including Make A Wish, the Travis Mills Foundation, and the Center for Grieving Children. The renewed emphasis on annual giving generated \$18,346 in employee giving pledges (more than tripled from the previous year), \$1,501 from raffle sales, and more than \$9,000 from the 17th annual charity golf classic. In addition to fundraising, a food drive delivered 246 pounds of food to a local food pantry, and the Portland Water District held its first volunteer day where employees spent an afternoon doing trail maintenance at the Presumpscot River Preserve.



RECRUITMENT AND CAREER OUTREACH: The Portland Water District’s recruiting efforts gained momentum with a coordinated and increased effort to attend career fairs. With a newly designed, eye catching booth, employees represented PWD at high school and technical school job fairs and led job shadowing opportunities.

AMERICA’S WATER INFRASTRUCTURE ACT: America’s Water Infrastructure Act was signed into law in 2018 and requires community (drinking) water systems serving more than 3,300 people to develop or update risk assessments and emergency response plans (ERPs). PWD efforts to update the assessments and response plans are underway.

WATER

EMERGING CONCERNS: PFAS IN DRINKING WATER: PFAS (per- and poly-fluoroalkyl substances) are a large group of manmade fluorinated chemicals which include the widely used chemicals perfluorooctanoic acid or PFOA, and perfluorooctanesulfonate or PFOS. There are over 4,000 PFAS compounds that have been identified to-date. These pervasive chemicals are contained in everyday consumer products like non-stick cookware, flame retardant clothing, furniture and carpets, as well as other industrial products like firefighting foams. Scientists are still learning about possible health effects from being exposed to these chemicals. Our most recent testing for PFAS in drinking water occurred in June 2019. Of the 14 compounds tested, only Perfluorooctanoic acid (PFOA) was detected at a level of 2 parts per trillion (2 ppt), a trace amount when compared to the EPA Health Advisory Limit of 70 ppt.



TIGER HILL COMMUNITY FOREST: Approximately 1,400 acres of forest in Sebago, known as the Tiger Hill Community Forest, was permanently protected through collaborative conservation measures. Tiger Hill Community Forest was a cornerstone project of Sebago Clean Waters, a collaborative effort of nine conservation organizations to protect 25% (35,000 more acres) of Sebago Lake watershed in the next 15 years. The Portland Water District pledged \$345,000 to the project.

STANDBY GENERATOR EMISSIONS UPGRADE: One of the two standby generators at the Sebago Lake Water Treatment Facility was upgraded to increase runtime hours, allowing participation in the ISO New England Demand Response Program. By removing the Facility's power load from the grid on peak power days, PWD is able to reduce its power expense and the demand on the power grid.



UV REACTOR LAMP CHANGE OUT: With almost 14,000 hours on the original UV lamps installed in December 2013 at the Sebago Lake Water Treatment Facility, it was time to replace them. The projected lifespan of the 84 UV bulbs was 12,000 hours, so the bulbs delivered better than expected. The bulbs in one reactor were replaced in 2019, and the second reactor will be replaced in 2020.

EMERGENCY PUMPING CAPABILITY: PWD purchased a large portable pump to use as a temporary back-up for the many booster pump stations that supply water to the higher elevations in the distribution system. The pump can also be used to deliver water from an alternative direction, should there be a significant pipe failure at a river crossing, or similar event that cannot be immediately repaired.

IN-HOUSE WATER MAIN RENEWAL: In the absence of contractor availability, a District crew replaced a short section of main on Mayberry St. in South Portland. The water poly wrap used on the 4" ductile iron is a product called V-bio poly wrap. Much like traditional poly wrap, V-Bio contains a corrosion inhibitor to eliminate corrosion. Additionally, this product contains a biocide to combat corrosion causing bacteria which may be present in severely corrosive environments.



2019 WATER MAIN REPLACEMENT PROJECTS:

COMMUNITY	STREET	FEET
PORTLAND	Preble, Somerset to Cumberland	3,000
	Grasmere, Deerfield, Belmeade	2,500
GORHAM	State St., School to Narragansett	1,300
FALMOUTH	Gray Road	1,200
	Falmouth Rotary – Middle, Longwoods	1,000
SCARBOROUGH	Public Safety Road	1,400
SOUTH PORTLAND	Drew, Ship Channel, Danforth, Preble and Leighton	3,000
	Broadway, Anthoine to Elm	1,500
WESTBROOK	New Gorham Road	3,000
TOTAL		17,900

WATER MAIN

REPLACEMENT PROGRAM:

Last year over three miles of water main were replaced as part of the Water Main Replacement Program.

WASTEWATER

EMERGING CONCERN PFAS: Concerns regarding the family of chemicals called PFAS continue to create challenges for the management of biosolids. Wastewater treatment does not use or add these chemicals to our systems, rather they are present in trace quantities due to use in residential and commercial/industrial sources. In response to concerns regarding PFAS, the Maine DEP issued a moratorium in 2019 to the land application and distribution of compost by all treatment plants in the state. Routine testing has been implemented and the new constraints have added additional complications to residuals management in Maine. Currently, the majority of the Portland Water District’s biosolids are being landfilled. Maine’s Governor created a PFAS Task Force to gather information and inform public policy on the topic. The Maine PFAS Task Force released their report in January of 2020 and it identified a number of next steps, including source control.

NUTRIENT OPTIMIZATION EFFORTS CONTINUE: In 2019, the District continued efforts to reduce effluent nitrogen from our treatment facilities. Through the operation and configuration of our facilities using existing capacity and equipment, we were able to successfully reduce the effluent nitrogen load from the East End Treatment Facility. The average seasonal effluent nitrogen mass loading from May 1 to October 31 in 2019 was 873 lb/day. When compared to the estimated historical seasonal effluent loading of 2,437 lbs/day of nitrogen from the EEWTF, this represents a 64 percent reduction from our historical loading. The Westbrook/Gorham Regional Wastewater Treatment Facility’s aeration system upgrade is currently in progress. The ability to nitrify and denitrify will likely be configured as part of the project. The “Nutrient Optimization” approach includes a more flexible regulatory approach to use existing infrastructure to maximize possible reductions while avoiding significant capital costs.

CAPE ELIZABETH UV DISINFECTION UPGRADE: The Cape Elizabeth Wastewater Facility’s disinfection system which relied on liquid chemicals was in need of replacement. A newer UV disinfection technology, similar to the system at the Peaks Island Wastewater Treatment Facility, was installed. Instead of adding chemicals to disinfect the effluent prior to discharge, UV light is used to “inactivate” pathogenic organisms in the effluent. In addition to avoiding the need to supply chemicals for dosing, this project has improved operational performance, enhanced worker safety, increased reliability, and will more easily meet expected future regulations related to the extension of the seasonal disinfection into colder months of the year.



2020 BUDGET GOALS SUMMARY



GOAL 1 | PUBLIC HEALTH

The District will provide products and services that meet all federal, state and local quality standards.

- Continue to support the Partnership for Safe Water.
- Continue progress towards double the amount of land protected in the watershed.
- Explore options to improve water quality in storage tanks.



GOAL 2 | PUBLIC SAFETY

The District will design and maintain its water system to meet modern firefighting needs.

- Complete design of Windham tank.
- Develop plan to utilize portable backup pumper.
- Test to confirm ISO flows.
- Certify completion of risk and resiliency assessment



GOAL 3 | ENVIRONMENT

The District will promote the sustainability of natural resources within Casco Bay watershed.

- Work with Windham to design new wastewater system and provide infrastructure to serve Depot Street development.
- Continue supporting Cape, Portland, and Westbrook CSO initiatives.
- Meet at least 20-40% reduction in effluent nitrogen from EEWTF. Monitor/optimize other plants.
- Complete Cape Elizabeth UV disinfection project.
- Continue to support Cape Elizabeth, Portland, and Westbrook combined sewer overflow initiatives.
- Complete upgrades as outlined in capital improvement plan.



GOAL 4 | RELIABILITY

The District can be trusted to provide its products and services in a manner that meets all reasonable customer expectations.

- Successfully implement ABC Project by Oct 2020.
- Continue to work towards updated water and wastewater master plan in 2021.
- Expand WiFi at facilities to support CMMS mobile platform.



GOAL 5 | AFFORDABILITY

The District will balance the delivery of products and services with customers' ability to pay water and wastewater rates and charges.

- Continue efforts to manage biosolids in a responsible and cost effective manner.
- Expand large meter testing program.
- Implement program to use CWSRF money to fund water main projects related to CSOs.
- Install emission control equipment on the standby generator at the ozone plant to manage electricity costs.



GOAL 6 | EMPLOYEES AND WORK ENVIRONMENT

The District will have well trained and satisfied employees who will work in a safe work environment conducive to productive work.

- Invest on average 80 hours of training per employee.
- Continue to review and update policies.
- Further strengthen employee recruitment and retention initiatives.
- Continue to enhance safety program.

RECOGNITION AND ACKNOWLEDGEMENTS



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Portland Water District
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence to the Portland Water District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards of preparation of the state and local government's financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Distinguished Budget
Presentation Award**
GFOA

**Exceptional Watershed
Control Program**
*Department of Health
and Human Services*

INDEPENDENT AUDIT

PWD's Charter requires an annual audit of the accounts. The independent accounting firm of Wipfli LLP was selected by PWD Trustees to conduct the audit for 2019. Wipfli LLP's report is included in the financial section of this report.

Sincerely,

Carrie Lewis

Carrie Lewis
General Manager

David M. Kane

David M. Kane
Executive Director of Administration

Acknowledgements: This reports was prepared by the finance and public relations departments at the Portland Water District.

FINANCIAL



Independent Auditor's Report

To the Board of Trustees
Portland Water District
Portland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of Portland Water District (the District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Portland Water District's basic financial statements as listed in the contents page.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Portland Water District, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Portland Water District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13-27 and Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining and Non-Bargaining Unit Pension Plan, Schedule of Investment Returns, Schedule of District's Contributions, and Schedule of Investment Returns Annual Money-Weighted Rate of Return, Net of Investment Expense on pages 68-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Portland Water District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2020, on our consideration of Portland Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Portland Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portland Water District's internal control over financial reporting and compliance.

Wipfli LLP

Augusta, Maine
April 27, 2020

Introduction of the Financial Statements

Overview of Financial Report

The Portland Water District (the District) is a quasi-municipal organization providing water and wastewater services. The District uses eight proprietary funds that are financed and operated in a manner similar to private businesses and two pension trust funds. The District's Water Fund serves eleven towns and cities in the greater Portland, Maine area. The District's seven Wastewater Funds serve the following Maine municipalities: Cape Elizabeth, Cumberland, Falmouth, Gorham, Portland, Westbrook and Windham.

This Management Discussion and Analysis (MD&A) serves as an introduction to the audited basic financial statements and notes. The MD&A is the District management's analysis of its financial condition and performance. It is presented to give the reader more insight into the District's finances.

The District's basic financial statements include the:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Statement of Fiduciary Net Position/Changes in Fiduciary Net Position
- Notes to Financial Statements

Financial Highlights

The District's financial condition remained strong in 2019. Among the items of note:

Change in Net Position before Contributions – This item was a gain of \$1.91 million in 2019, net of the impact of the pension expense (\$2.08 million), the gain was \$3.99 million.

Operating Revenues – These revenues increased \$997k (2.3%) in 2019. The increases included: Metered water revenue of \$387k (1.8%), wastewater assessments of \$445k (2.3%) and public and private fire of \$124k (5.1%).

Operating Expense – Operating Expense was up 14.6% (\$5.33 million). Of this increase, \$5.58 million was due to the actuarially determined pension expense. Net of that expense, Operating Expense had a small decline from the previous year. The previous year included a one-time recognition of costs (\$508k) related to the upgrade of the District's asset management computer system.

Net Capital Assets (\$300.74 million) had a net increase of 3.3% (\$9.61 million). About half of the Utility Property additions of \$18.70 million were water distribution mains of \$9.20 million. The Allowance for Depreciation increased \$9.99 million while Construction Work in Progress increased \$906k.

The District's bonded debt of \$91.45 million was relatively unchanged as the District issued \$7.38 million in new debt and retired \$7.53 million.

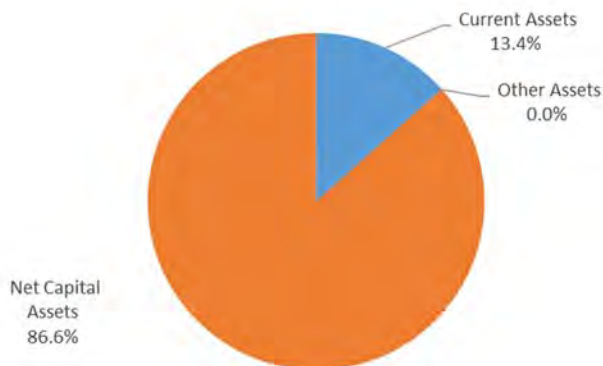
The District's financial ratios remain strong with an overall current ratio of 2.84 and debt coverage ratio of 1.57.

Comparison of Financial Statements for Current and Prior Years

Statement of Net Position (Condensed)

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Current Assets	\$ 46,409,262	\$ 49,497,651	\$ (3,088,389)	-6.2%
Net Capital Assets	300,741,054	291,125,757	9,615,297	3.3%
Other Assets	<u>105,920</u>	<u>129,258</u>	<u>(23,338)</u>	-18.1%
Non-Current Assets	<u>300,846,974</u>	<u>291,255,015</u>	<u>9,591,959</u>	3.3%
Total Assets	347,256,236	340,752,666	6,503,570	1.9%
Deferred Outflows	<u>2,393,767</u>	<u>3,474,631</u>	<u>(1,080,864)</u>	-31.1%
Total Assets and Deferred Outflows	<u>\$ 349,650,003</u>	<u>\$ 344,227,297</u>	<u>\$ 5,422,706</u>	1.6%
Current Liabilities	\$ 16,343,396	\$ 17,590,884	\$ (1,247,488)	-7.1%
Long-Term Debt/Payables	83,446,384	84,195,081	(748,697)	-0.9%
Other Non-Current Liabilities	<u>9,010,725</u>	<u>8,814,122</u>	<u>196,603</u>	2.2%
Non Current Liabilities	<u>92,457,109</u>	<u>93,009,203</u>	<u>(552,094)</u>	-0.6%
Total Liabilities	108,800,505	110,600,087	(1,799,582)	-1.6%
Deferred Inflows	<u>3,628,505</u>	<u>2,137,854</u>	<u>1,490,651</u>	69.7%
Net Position				
Net Invested in Capital Assets	211,071,653	201,842,304	9,229,349	4.6%
Unrestricted	<u>26,149,340</u>	<u>29,647,052</u>	<u>(3,497,712)</u>	-11.8%
Total Net Position	<u>237,220,993</u>	<u>231,489,356</u>	<u>5,731,637</u>	2.5%
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 349,650,003</u>	<u>\$ 344,227,297</u>	<u>\$ 5,422,706</u>	1.6%

District Assets



Current Assets

Current Assets decreased \$3.09 million (6.2%) in 2019. The biggest reduction (\$1.99 million) was in Trustee Held Funds; these were bond proceeds being held by the Maine State Revolving Fund that were used to pay for capital projects during 2019. Additionally, Cash decreased by \$1.05 million; see the Statement of Cash Flows – Proprietary Funds for details.

Net Capital Assets

Net Capital Assets increased \$9.62 million (3.3%):

	<u>Additions</u>	<u>Reductions</u>	<u>Net Change</u>
Utility Property	\$ 19,899,261	\$ (1,195,466)	\$ 18,703,795
Construction Work in Progress	3,693,677	(2,787,756)	905,921
Allowance for Depreciation	(11,009,483)	1,015,064	(9,994,419)
	<u>\$ 12,583,455</u>	<u>\$ (2,968,158)</u>	<u>\$ 9,615,297</u>

The major additions to Utility Property for 2019 included:

- \$9.20 million, water distribution mains in various communities.
- \$2.72 million, water services in various communities.
- \$2.29 million, wastewater pump station equipment and structures mostly related to the Dana Court wastewater pump station in Westbrook

Construction Work in Progress (CWIP) increased by \$906k in 2019. The increase was mostly related to water main renewals in the Water Fund.

The Allowance for Depreciation grew 4.4% (\$9.99 million) in 2019. The change was in line with prior years.

For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Capital Assets.

Other Assets

Other Assets, which decreased \$23,338 (18.1%) in 2019 due to the annual payment of \$13,240 on a Notes Receivable and the final amortization (\$10,098) of costs associated with a study relating to wastewater assets.

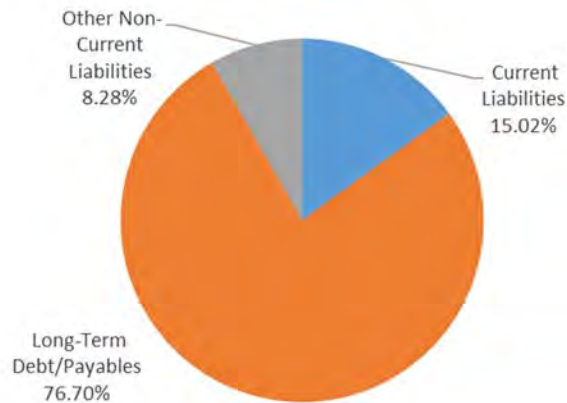
Deferred Outflows

Deferred Outflows of resources represents a consumption of net position that applies to a future period(s) that will not be recognized as an outflow of resources (expense/expenditure) until then. The District has Deferred Outflows for its pension and for a 2016 bond refunding.

In the 2019 financials, the 31.1% (\$1.08 million) decrease in Deferred Outflows was mostly due to the portion related to pensions. This decrease was related to the increase in the market value of the pension investments. The portion of the Deferred Outflows related to bond refunding decreased due to the annual amortization.

For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Deferred Outflow – Bond Refunding and Pension Plans.

District Liabilities



Current Liabilities

Description	2019	2018	Diff	Diff %
Accounts Payable & Accrued Payroll	\$ 6,408,285	\$ 8,094,517	\$ (1,686,232)	-20.8%
Accrued Interest	411,948	387,887	24,061	6.2%
Customer Deposits	287,819	280,065	7,754	2.8%
Construction Retainage	295,104	468,861	(173,757)	-37.1%
Current Portion - Long-Term Debt	8,110,454	7,529,772	580,682	7.7%
All Other Current Liabilities	829,786	829,782	4	0.0%
	<u>\$ 16,343,396</u>	<u>\$ 17,590,884</u>	<u>\$ (1,247,488)</u>	<u>-7.1%</u>

Accounts Payable & Accrued Payroll decreased 20.8% (\$1.69 million) due to large capital expenses that the District recognized in 2018 but were not paid until 2019. Construction Retainage decreased \$174k due to completion of large construction projects, including the Pleasantdale and Bedford Street main renewal projects. The Current Portion of Long-Term Debt increased 7.7% (\$581k) due to the new debt issued in 2019.

Long-Term Debt/Bond Rating

In 2019, the District issued bonds for the Water Fund. Moody's and Standard & Poor's (S&P), respectively assigned ratings of Aa3 and AA.

Long-Term Debt/Payables

Bonded Debt:	Beginning	Issued	Forgiven	Retired	Ending
Water	\$ 53,447,651	\$ 6,500,000	\$ -	\$ (4,320,230)	\$ 55,627,421
Wastewater:					
Cape Elizabeth	2,310,650	875,000	-	(165,600)	3,020,050
Cumberland	50,000	-	-	(6,250)	43,750
Falmouth	4,322,000	-	-	(238,000)	4,084,000
Gorham	3,153,138	-	-	(303,857)	2,849,281
Portland	21,028,653	-	-	(2,034,226)	18,994,427
Westbrook	6,256,402	-	-	(359,428)	5,896,974
Windham	1,037,199	-	-	(102,184)	935,015
Total Bonded Debt	91,605,693	7,375,000	-	(7,529,775)	91,450,918
(Less: current portion)	(7,529,772)				(8,110,454)
Non-Current	<u>\$ 84,075,921</u>				<u>\$ 83,340,464</u>

Notes Payable:	Beginning	Issued	Forgiven	Retired	Ending
Wastewater:					
Windham	\$ 132,400			\$ (13,240)	\$ 119,160
Total Notes Payable	132,400			(13,240)	119,160
(Less: current portion)	(13,240)				(13,240)
Non-Current	<u>119,160</u>				<u>105,920</u>
Non-Current LT Debt	<u>\$ 84,195,081</u>				<u>\$ 83,446,384</u>

This category consists of general revenue bonds and notes payable. During 2019, the balance of Long-Term Debt/Payables decreased 0.2% or \$168k as retirements slightly exceeded new issuances. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Long-Term Debt.

Other Non-Current Liabilities

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Customer Advances & Other Liabilities	\$ 3,049,497	\$ 2,508,854	\$ 540,643	21.5%
Compensated Absences - Non Current	876,226	761,367	114,859	15.1%
Net Pension Liability	5,085,002	5,543,901	(458,899)	-8.3%
	<u>\$ 9,010,725</u>	<u>\$ 8,814,122</u>	<u>\$ 196,603</u>	2.2%

Customer Advances and Other Liabilities increased \$541k mostly due to bond premiums from new bond issues in the Water fund in 2019. The liability for Compensated Absences increased as employee paid time off balances grew during the year. The net pension liability decreased 8.3% (\$459k) due to the impact of the changes in the market value of the plan.

Deferred Inflows

Deferred Inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's Deferred Inflows, which increased \$1.49 million, relate to the pension plan and are determined annually by an outside actuary. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Pension Plans.

Statement of Revenues, Expenses & Changes in Net Position (Condensed)

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Operating Revenue	\$ 44,545,576	\$ 43,548,737	\$ 996,839	2.3%
Non-Operating Revenue	1,392,533	913,835	478,698	52.4%
Total Revenues	45,938,109	44,462,572	1,475,537	3.3%
Operating Expense	41,725,703	36,398,460	5,327,243	14.6%
Non-Operating Expense	2,305,001	2,331,844	(26,843)	-1.2%
Total Expenses	44,030,704	38,730,304	5,300,400	13.7%
Change in Net Position before Capital Contrib	1,907,405	5,732,268	(3,824,863)	-66.7%
Capital Contributions	3,824,232	1,933,510	1,890,722	97.8%
Change in Net Position	5,731,637	7,665,778	(1,934,141)	-25.2%
Beginning Net Position	231,489,356	223,823,578	7,665,778	3.4%
Ending Net Position	\$ 237,220,993	\$ 231,489,356	\$ 5,731,637	2.5%

Operating Revenue

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Metered Water Revenue	\$ 22,011,416	\$ 21,624,774	\$ 386,642	1.8%
Wastewater Assessments	19,448,472	19,003,536	444,936	2.3%
Public & Private Fire Protection	2,555,561	2,431,933	123,628	5.1%
Other Operating Revenue	530,127	488,494	41,633	8.5%
Total Operating Revenue	\$ 44,545,576	\$ 43,548,737	\$ 996,839	2.3%

Metered Water Revenue (\$22.01 million) – The District's metered customers are billed monthly. The billing includes a minimum charge (based on the size of the meter) for the first hundred cubic feet (HCF) of water and a charge for each additional HCF of water used. This category also includes interest charges and penalties on late payments. Effective May 2019, the District's Board approved an average 4.4% increase in metered rates. Consumption in 2019 was 8.05 million HCF, a decrease of 5.3% from the previous year. Interest charges and penalties on late payments were up \$23k in 2019 helping offset the reduction in usage.

Wastewater Assessments (\$19.45 million) – These assessments were paid by the local municipalities to the District for providing wastewater services, such as interception, treatment, and contracted billing and system maintenance services. The District's Board of Trustees sets assessments annually. Assessments were increased in six (6) of the seven (7) wastewater funds mostly due to capital projects in those areas.

Public and Private Fire Protection (\$2.56 million) – This revenue includes charges to local municipalities for water capacity available for public firefighting needs, as well as for private sprinkler systems. The District's Board of Trustees sets these rates; in May 2019, the rates increased an average of 4.4%. In addition, there was also a growth in the number of Private Fire customers.

Operating Revenue - Continued

Other Operating Revenue (\$530k) – Revenue in this category includes charges to septage haulers for dumping at wastewater treatment facilities (\$258k), fees in the Water Fund for new customers (\$81k) and activations for customers whose service had been turned off due to delinquent bills (\$92k). Most of the growth in 2019 can be attributed to the \$37k increase in septage hauler fees.

Operating Revenue by Fund

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 24,789,321	\$ 24,285,206	\$ 504,115	2.1%
Wastewater:				
Cape Elizabeth	1,572,912	1,539,840	33,072	2.1%
Cumberland	905,364	905,364	-	0.0%
Falmouth	314,112	310,056	4,056	1.3%
Gorham	1,133,555	1,107,030	26,525	2.4%
Portland	12,873,423	12,458,070	415,353	3.3%
Westbrook	2,590,093	2,582,461	7,632	0.3%
Windham	366,796	360,710	6,086	1.7%
	<u>\$ 44,545,576</u>	<u>\$ 43,548,737</u>	<u>\$ 996,839</u>	<u>2.3%</u>

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales grew \$387k (1.8%). Fire Protection revenue was up \$124k (5.1%) and Other Revenue was down \$6k (2.7%).

In the Wastewater (WW) Funds, the largest component of Operating Revenue was the wastewater assessments. Assessment increases were: Cape Elizabeth 2.1%, Falmouth 1.3%, Gorham 2.5%, Portland 3.0%, Westbrook 0.3% and Windham 1.7%. Portland also receives revenue from septage haulers, that total was up \$48k (22.8%).

Non-Operating Revenue

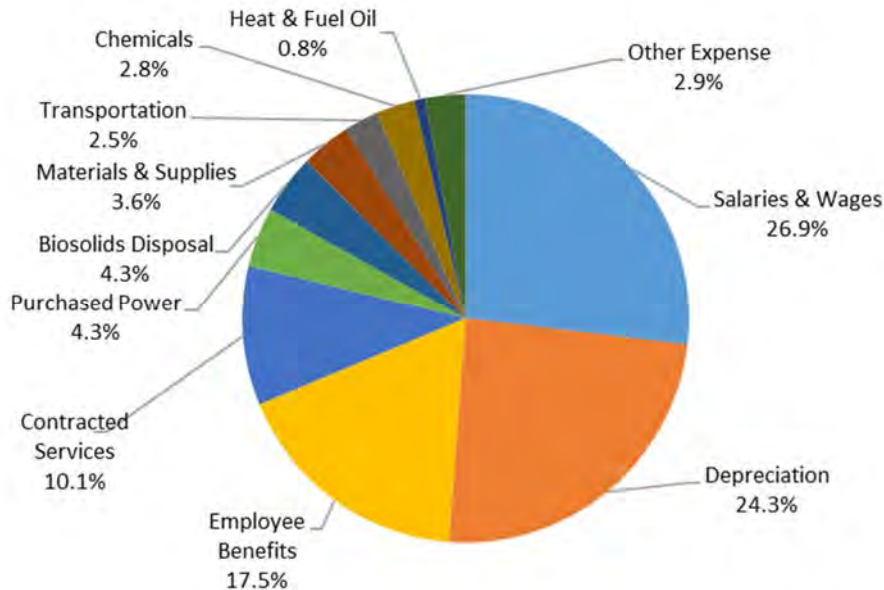
	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Interest Income	\$ 1,090,244	\$ 635,638	\$ 454,606	71.5%
Miscellaneous Income	302,289	278,197	24,092	8.7%
	<u>\$ 1,392,533</u>	<u>\$ 913,835</u>	<u>\$ 478,698</u>	<u>52.4%</u>

Interest Income increased \$455k (71.5%) in 2019. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. The income gain in 2019 can be attributed to higher rates of return as interest rates rose.

Miscellaneous Income includes non-operational items, such as grants and reimbursements for expenses offset by the cost to retire capital assets. The increase in 2019 was attributable to a \$125,000 sale of an easement in Portland Wastewater offset by lower revenues for things, such as timber harvested from District land as part of an ongoing forestry management plan.

Operating Expense

	2019	2018	Diff	Diff %
Salaries & Wages	\$ 11,287,519	\$ 10,785,763	\$ 501,756	4.7%
Depreciation	10,129,483	9,735,663	393,820	4.0%
Employee Benefits (Pension)	2,077,922	(3,505,367)	5,583,289	159.3%
Employee Benefits	5,204,644	5,397,419	(192,775)	-3.6%
Contracted Services	4,205,578	4,464,667	(259,089)	-5.8%
Purchased Power	1,800,127	1,950,747	(150,620)	-7.7%
Biosolids Disposal	1,809,983	1,790,923	19,060	1.1%
Materials & Supplies	1,485,948	1,708,254	(222,306)	-13.0%
Transportation	1,035,709	1,071,205	(35,496)	-3.3%
Chemicals	1,173,157	1,012,613	160,544	15.9%
Heat & Fuel Oil	316,450	347,064	(30,614)	-8.8%
Other Expense	1,199,183	1,639,509	(440,326)	-26.9%
	<u>\$ 41,725,703</u>	<u>\$ 36,398,460</u>	<u>\$ 5,327,243</u>	<u>14.6%</u>



Operating Expense Category Explanations

Salaries/Wages – Salaries and Wages expense has increased by \$501,756 or 4.7%. Regular wages increased by \$418k or 4.2% due to an average wage rate increase 3.0% and because of an increase in the authorized positions of two (2) from 182 to 184. Overtime, Double-time and Standby charges were flat while expenditures on temporary employees increased \$27k. Accruals for compensated absences increased \$56k mostly due to a growth in sick time due to employees upon retirement.

Depreciation Expense – This expense went from \$9.74 million in 2018 to \$10.13 million in 2019, an increase of 4.0% (\$394k). Most of the increase comes from additions to the Water fund. These additions are from new and renewed water mains and services, as well as the first full year of depreciation for the Wards Hill booster station.

Operating Expense Category Explanations - Continued

Employee Benefits (Pension) – Pension expense is equal to the change in the net pension liability and the associated deferred outflows and inflows as calculated by the annual actuary study. The actuarially determined change between 2018 and 2019 was an increase of \$5.58 million

Employee Benefits – This expense decreased \$192,775 or -3.6%. While there were increases to health insurance and other benefit expenses, the category declined in 2019 due to a \$301k decrease in the actuarially determined pension contribution.

Contracted Services – This category, which is comprised of services provided to the District by outside vendors, has decreased by \$259,089 or -5.8% in 2019. The decrease was due to fewer overall maintenance issues in the Water fund requiring outside contractors and a difficulty in hiring contractors due to the robust economy.

Purchased Power – Power costs decreased 7.7% (\$150,620) in 2019. Lower contracted energy rates coupled with a significant reduction in usage by the Sebago Lake Water Treatment Facility (SLWTF) resulted in \$46,244 in savings. The India Street Pump Station (ISPS) had a decrease of \$23,493 in delivery costs; this was mainly due to a reduction in demand usage. Capacity rates dropped by \$2.50/kw in June 2019, as a result the East End Wastewater Treatment Facility (EEWWTF) experienced a savings of \$18,374.

Biosolids Disposal – The District contracts with an outside vendor to remove and dispose of biosolids from its wastewater treatment facilities. In total, the plants experienced a small increase in expenses of 1.1% or \$19,060. This is attributable to a price per wet ton increase of 2.8% offset by a 1.7% decrease in wet tons (volume) hauled.

Materials/Supplies – Materials and Supplies have decreased by \$222,306 or 13%. Expenses in this group include parts and supplies purchased directly from outside vendors or items drawn out of the District's inventory stockroom. This expense is made up of thousands of individual purchases and stock issuances; the annual expense varies depending on the volume and types of repairs/maintenance being performed. Overall 2019 was a lighter year after being up 5.7% last year.

Transportation – Transportation costs are based on vehicle usage and a predefined hourly rate for each class of vehicle. The sum of these charges equal the cost of operating the vehicle fleet, as well as depreciation. In 2019, lower fuel and facility charges were the main factors behind the \$35k (3.3%) reduction.

Chemicals – Expenses were increased by \$160,544 or 15.9% compared to 2018. This is primarily due to EEWWTF using approximately 91,000 more gallons of polymer in their dewatering process, in addition to a price increase over 2018. The SLWTF had a \$29k increase in expense for sodium hypochlorite due to a 35% increase in the per unit cost in 2019.

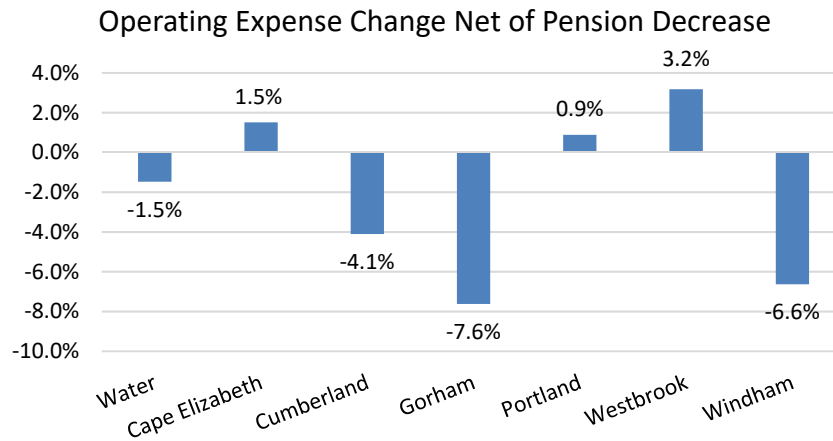
Heating & Fuel Oil – Heating costs have decreased \$30,614 or 8.8% this year due in large part to a reduction in usage at the SLWTF. This drop was due to milder winter temperatures in 2019.

Other Expense – This category included items, such as other utilities (water, wastewater, telephones), training, insurance, and regulatory expenses. This category was down \$440,326 or 26.9% with the majority due to the 2018 one-time write-off of costs associated with the District's ongoing asset, billing and customer information (ABC) project.

Operating Expense by Fund

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 22,148,029	\$ 18,743,075	\$ 3,404,954	18.2%
Wastewater:				
Cape Elizabeth	1,781,721	1,583,170	198,551	12.5%
Cumberland	1,104,580	1,074,189	30,391	2.8%
Falmouth	162,594	163,321	(727)	-0.4%
Gorham	1,110,753	1,060,669	50,084	4.7%
Portland	12,618,188	11,293,281	1,324,907	11.7%
Westbrook	2,489,028	2,198,554	290,474	13.2%
Windham	310,810	282,201	28,609	10.1%
	<u>\$ 41,725,703</u>	<u>\$ 36,398,460</u>	<u>\$ 5,327,243</u>	<u>14.6%</u>

Pension expenses (which are included above) were \$5.58 million higher in 2019 than the previous year. The Operating Expense by Fund without the pension decrease was:



Water Fund (-1.5% or -\$310k) – Contracted construction, maintenance, and supplies dropped in 2019. This decrease was partially offset by higher depreciation due to additions.

Cape Elizabeth (1.5% or \$26k) – Increases in labor and employee benefit costs were partially offset by lower outside contracted services. In addition, depreciation increased by 3.3% due to fixed asset additions.

Cumberland (-4.1% or -\$46k) – Most operating expense categories were lower in 2019, including labor, employee benefits, materials and supplies and power. A partial offset to these reductions were higher expenses from raising manholes due to local paving projects.

Falmouth (-0.4% or -\$727) – Falmouth’s expenses stayed flat with a small decrease in allocated costs from administrative departments.

Gorham (-7.6% or -\$87k) – Gorham had lower costs from the regional wastewater treatment plant (maintenance services and biosolids disposal), as well as costs from the wastewater pump stations within the Town.

Operating Expense by Fund - Continued

Portland (0.9% or \$107k) – The wastewater treatment facility had an increase in chemical usage/cost. However, due to the 2018 one time write off of costs associated with the District’s asset, billing and customer information (ABC) project, costs were flat as compared with 2019.

Westbrook (3.2% or \$75k) – Westbrook operating expenses were similar among years. Of note, they did have 16.5% higher depreciation this year due to asset additions.

Windham (-6.6% or -\$20k) – In 2018, there were several operational problems with a section of wastewater force main that resulted in higher material and labor expenses in comparison with 2019.

Non-Operating Expense

In 2018, the District issued \$12.6 million in long-term debt; the full year impact of those issues increased Interest/Amortization expense 2.3%. The Loss on Sale/Retirement recognizes the retirement of long-term assets that had not yet been fully depreciated. The 2018, totals included mains and meters installed in the last 12 years that were retired well before they were fully depreciated. Similar retirement situations did not recur in 2019.

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Interest/Amortization Expense	\$ 2,173,936	\$ 2,124,897	\$ 49,039	2.3%
Loss on Sale/Retirement	131,065	206,947	(75,882)	-36.7%
	<u>\$ 2,305,001</u>	<u>\$ 2,331,844</u>	<u>\$ (26,843)</u>	-1.2%

Contributions

Contributions are non-exchange transactions in which the District takes ownership of fixed assets constructed and/or paid for by outside parties. Water contributions for mains, services, meters and hydrants occur as developers install water infrastructure each year. Cumberland Wastewater contributions were for sewer interceptors and collectors. The 2018 contributions for Other Water Assets were for the contribution of land received as part of a road reconstruction near the Sebago Lake Water Treatment Facility and principal forgiveness on debt issued for the construction of the Wards Hill Water Pump Station. The 2018 negative contribution, for Falmouth Wastewater, was the result of the final value of the contribution for the Mill Creek Pump Station project being slightly less than the estimate used in 2017.

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$ 2,149,640	\$ 1,207,854	\$ 941,786	78.0%
Water Services	385,517	176,992	208,525	117.8%
Water Meters	228,880	214,998	13,882	6.5%
Hydrants	117,595	121,873	(4,278)	-3.5%
Other Water Assets	-	221,257	(221,257)	-100.0%
Wastewater - Cumberland	942,600		942,600	
Wastewater - Falmouth	-	(9,464)	9,464	-100.0%
	<u>\$ 3,824,232</u>	<u>\$ 1,933,510</u>	<u>\$ 1,890,722</u>	97.8%

Overall Financial Position

To determine the change in the District's financial position in the past year, we have focused on two elements: Financial Ratios and Revenue Stability.

Financial Ratios

Current Ratio by Fund

The Current Ratio measures an organization's ability to meet short-term obligations.

	<u>2019</u>	<u>2018</u>
Water	2.77	2.60
Wastewater:		
Cape Elizabeth	2.04	2.56
Cumberland	4.35	4.52
Falmouth	0.24	0.20
Gorham	4.35	4.11
Portland	2.22	2.71
Westbrook	7.96	5.44
Windham	3.53	3.35
All Funds Combined	2.84	2.81

The Falmouth fund is almost entirely made up of the Mill Creek pump station and the related debt. The next year's bond principal payment is the majority of the current liability. The Town of Falmouth is legally obligated to fund the payment of the debt payments that they do through the next year's assessment.

Debt Coverage Ratio by Fund

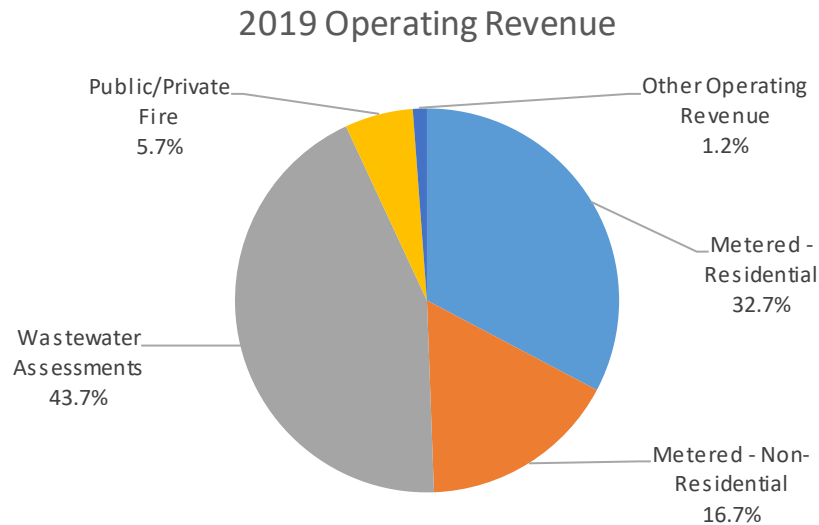
The Debt Coverage Ratio shows an organization's ability to meet debt service payments and should generally be above 1.0.

	<u>2019</u>	<u>2018</u>
Water	1.65	2.31
Wastewater:		
Cape Elizabeth	1.65	2.32
Cumberland	0.99	1.03
Falmouth	1.04	1.01
Gorham	1.26	1.36
Portland	1.60	1.88
Westbrook	1.29	2.21
Windham	1.05	1.25
All Funds Combined	1.57	2.06

Cumberland, with 0.99 above, had a number of one-time expenses that drove the number below 1.0; this is not expected to recur going forward.

Revenue Stability

Most of the District's Operating Revenue (98.8% in 2019), came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges.



Metered Water Revenue (49.4%) – Metered water rates are set by the District’s Board of Trustees. These rate changes allow the District to maintain operations and pay debt service. The District had 53,347 metered customers at the end of 2019; the largest ten customers only represented 8.3% of water revenues.

Wastewater Assessments (43.7%) – These assessments are paid by the local municipalities served by the District and are funded by sewer user charges. Legally, the District is obligated to set the assessments at an amount needed to operate the wastewater facilities and pay the related debt service.

Public/Private Fire Projection (5.7%) – Public Fire charges are paid by the eleven municipalities served by the District; Private Fire has 2,411 customers.

Significant Changes to Individual Funds

Pension Trust Funds

Statement of Net Position

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Bargaining Unit:				
Cash and cash equivalents	\$ 417,113	\$ 11,351,452 *	\$ (10,934,339)	-2621.4%
Investments				
Equity Mutual Funds	7,830,546	51,138	7,779,408	99.3%
Common Stock	4,752,295	-	4,752,295	100.0%
Fixed Income Mutual Funds	624,192	-	624,192	100.0%
	<u>13,207,033</u>	<u>51,138</u>	<u>13,155,895</u>	<u>99.6%</u>
Interest Receivable	-7,993	1,972	-9,965	124.7%
Total Assets	<u>\$ 13,616,153</u>	<u>\$ 11,404,562</u>	<u>\$ 2,211,591</u>	<u>16.2%</u>
Non-Bargaining Unit:				
Cash and cash equivalents	\$ 377,813	\$ 10,048,226 *	\$ (9,670,413)	-96.2%
Investments				
Equity Mutual Funds	6,805,590	49,259	6,756,331	99.3%
Common Stock	4,176,713	-	4,176,713	100.0%
Fixed Income Mutual Funds	537,328	-	537,328	100.0%
	<u>11,519,631</u>	<u>49,259</u>	<u>11,470,372</u>	<u>99.6%</u>
Interest Receivable	-6,983	1,641	-8,624	-525.5%
Total Assets	<u>\$ 11,890,461</u>	<u>\$ 10,099,126</u>	<u>\$ 1,791,335</u>	<u>-(17.7)%</u>

* As of December 31, 2018, funds were in the process of being reinvested and were temporarily held in cash. Shortly thereafter, the funds were invested in accordance with the Plan's investment policy.

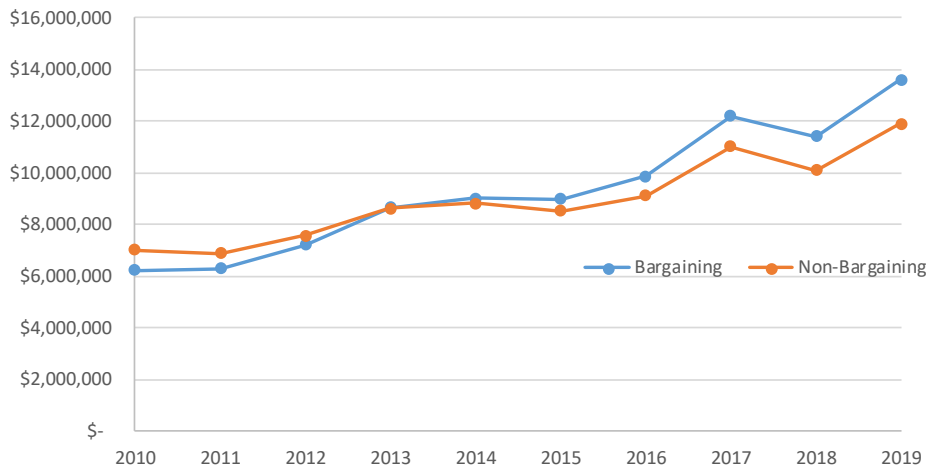
Statement of Revenues, Expenses & Changes in Net Position

	<u>2019</u>	<u>2018</u>	<u>Diff</u>	<u>Diff %</u>
Bargaining Unit:				
Employer Contributions	\$ 657,022	\$ 817,528	\$ (160,506)	-19.6%
Net Investment Income	2,299,669	(889,719)	3,189,388	-358.5%
Total Additions	<u>2,956,691</u>	<u>(72,191)</u>	<u>3,028,882</u>	<u>-4195.7%</u>
Benefit Payments	745,100	699,644	45,456	6.5%
Net Increase in Position	<u>2,211,591</u>	<u>(771,835)</u>	<u>2,983,426</u>	<u>-386.5%</u>
Beginning Year	11,404,562	12,176,397	(771,835)	-6.3%
Ending Year	<u>\$ 13,616,153</u>	<u>\$ 11,404,562</u>	<u>\$ 2,211,591</u>	<u>19.4%</u>
Non-Bargaining Unit:				
Employer Contributions	\$ 455,752	\$ 596,920	\$ (141,168)	-23.6%
Net Investment Income	2,049,544	(805,757)	2,855,301	-354.4%
Total Additions	<u>2,505,296</u>	<u>(208,837)</u>	<u>2,714,133</u>	<u>-1299.6%</u>
Benefit Payments	713,961	710,413	3,548	0.5%
Net Increase in Position	<u>1,791,335</u>	<u>(919,250)</u>	<u>2,710,585</u>	<u>-294.9%</u>
Beginning Year	10,099,126	11,018,376	(919,250)	-8.3%
Ending Year	<u>\$ 11,890,461</u>	<u>\$ 10,099,126</u>	<u>\$ 1,791,335</u>	<u>17.7%</u>

Statement of Revenues, Expenses & Changes in Net Position - Continued

The ending balances for the pension funds over the past ten years have been:

	<u>Bargaining</u>	<u>Diff</u>	<u>Diff %</u>	<u>Non-Bargaining</u>	<u>Diff</u>	<u>Diff %</u>
2010	\$ 6,208,480	\$ 941,655	17.9%	\$ 7,020,744	\$ 902,542	14.8%
2011	6,272,588	64,108	1.0%	6,890,757	(129,987)	-1.9%
2012	7,214,219	941,631	15.0%	7,554,655	663,898	9.6%
2013	8,645,546	1,431,327	19.8%	8,611,262	1,056,607	14.0%
2014	9,017,043	371,497	4.3%	8,823,096	211,834	2.5%
2015	8,988,517	(28,526)	-0.3%	8,514,202	(308,894)	-3.5%
2016	9,869,559	881,042	9.8%	9,096,188	581,986	6.8%
2017	12,176,397	2,306,838	23.4%	11,018,376	1,922,188	21.1%
2018	11,404,562	(771,835)	-6.3%	10,099,126	(919,250)	-8.3%
2019	13,616,153	2,211,591	19.4%	11,890,461	1,791,335	17.7%



The defined benefit plan was closed to new bargaining unit employees hired after December 31, 2010 and new non-bargaining unit employees hired after December 31, 2011.

Request for Information

This financial report is designed to provide a general overview of Portland Water District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Thomas Quirk, Director of Financial Services, Portland Water District, 225 Douglass Street, PO Box 3553, Portland, ME 04104-3553.

Statement of Net Position - Proprietary Funds

December 31, 2019

ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
Current Assets				
Cash and cash equivalents	\$ 4,564,428	\$ 176,436	\$ 152,318	\$ 13,113
Investments	18,542,902	716,973	618,965	53,286
Accounts receivable, net allowance for doubtful accounts of \$173,500 for water systems	3,687,165	-	-	-
Note receivable, current	-	-	-	-
Inventories	1,514,852	-	-	-
Prepaid expenses	214,553	5,832	-	-
Trustee held funds	10,943	279,296	-	-
Total Current Assets	<u>28,534,843</u>	<u>1,178,537</u>	<u>771,283</u>	<u>66,399</u>
Non-Current Assets				
Capital Assets:				
Operating property	340,154,520	17,495,968	8,794,072	5,703,963
Accumulated depreciation	(122,489,334)	(12,117,461)	(5,448,326)	(377,962)
Net operating property	217,665,186	5,378,507	3,345,746	5,326,001
Construction in progress	3,017,777	207,828	-	-
Net Capital Assets	<u>220,682,963</u>	<u>5,586,335</u>	<u>3,345,746</u>	<u>5,326,001</u>
Charges and Other Assets:				
Note receivable	-	-	-	-
Maintenance and other costs	-	-	-	-
Total Charges & Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>220,682,963</u>	<u>5,586,335</u>	<u>3,345,746</u>	<u>5,326,001</u>
Total Assets	<u>249,217,806</u>	<u>6,764,872</u>	<u>4,117,029</u>	<u>5,392,400</u>
Deferred Outflows:				
Deferred outflows of pension resources	1,458,642	79,396	33,407	-
Deferred outflows on bond refunding	105,700	-	-	-
	<u>1,564,342</u>	<u>79,396</u>	<u>33,407</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 250,782,148</u>	<u>\$ 6,844,268</u>	<u>\$ 4,150,436</u>	<u>\$ 5,392,400</u>

See independent auditor's report.

The accompanying notes are an integral part of these financial statements.

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 290,833	\$ 1,694,199	\$ 1,017,654	\$ 86,252	\$ 7,995,233
1,181,842	6,884,612	3,860,167	350,497	32,209,244
-	47,442	215,578	-	3,950,185
-	-	13,240	-	13,240
-	-	-	-	1,514,852
1,537	28,089	9,930	355	260,296
-	-	175,973	-	466,212
<u>1,474,212</u>	<u>8,654,342</u>	<u>5,292,542</u>	<u>437,104</u>	<u>46,409,262</u>
17,880,061	114,372,564	22,644,031	3,041,464	530,086,643
<u>(9,234,971)</u>	<u>(71,110,814)</u>	<u>(13,334,089)</u>	<u>(1,208,453)</u>	<u>(235,321,410)</u>
8,645,090	43,261,750	9,309,942	1,833,011	294,765,233
68,499	2,503,195	144,178	34,344	5,975,821
<u>8,713,589</u>	<u>45,764,945</u>	<u>9,454,120</u>	<u>1,867,355</u>	<u>300,741,054</u>
-	-	105,920	-	105,920
-	-	-	-	-
-	-	105,920	-	105,920
<u>8,713,589</u>	<u>45,764,945</u>	<u>9,560,040</u>	<u>1,867,355</u>	<u>300,846,974</u>
<u>10,187,801</u>	<u>54,419,287</u>	<u>14,852,582</u>	<u>2,304,459</u>	<u>347,256,236</u>
50,566	530,145	118,521	17,390	2,288,067
-	-	-	-	105,700
<u>50,566</u>	<u>530,145</u>	<u>118,521</u>	<u>17,390</u>	<u>2,393,767</u>
<u>\$ 10,238,367</u>	<u>\$ 54,949,432</u>	<u>\$ 14,971,103</u>	<u>\$ 2,321,849</u>	<u>\$ 349,650,003</u>

Statement of Net Position - Proprietary Funds - Continued

December 31, 2019

LIABILITIES AND NET POSITION

	Water Systems	Cape Elizabeth	Cumberland	Falmouth
Current Liabilities				
Accounts payable and accrued payroll	\$ 3,985,880	\$ 332,492	\$ 156,642	\$ 33,902
Accrued interest	290,805	7,540	52	6,807
Customer deposits	270,849	-	14,500	-
Construction retainage	162,889	27,116	-	-
Current portion - compensated absences	816,546	-	-	-
Current portion - note payable	-	-	-	-
Current portion - bonds	4,756,063	209,350	6,250	238,000
Total Current Liabilities	10,283,032	576,498	177,444	278,709
Non-Current Liabilities				
Customer advances and other liabilities	2,913,903	-	-	-
Compensated absences - non-current	876,226	-	-	-
Net pension liability	3,241,689	176,450	74,241	-
Total other non-current liabilities	7,031,818	176,450	74,241	-
Long-term debt - note payable	-	-	-	-
Long-term debt - bonds	50,871,358	2,810,700	37,500	3,846,000
Total long-term debt - note and bonds	50,871,358	2,810,700	37,500	3,846,000
Total Non-Current Liabilities	57,903,176	2,987,150	111,741	3,846,000
Total Liabilities	68,186,208	3,563,648	289,185	4,124,709
Deferred Inflows				
Deferred inflows of pension resources	2,313,174	125,908	52,977	-
Net Position				
Invested in Capital Assets	166,500,950	2,845,581	3,301,996	1,242,001
Unrestricted	13,781,816	309,131	506,278	25,690
Total Net Position	180,282,766	3,154,712	3,808,274	1,267,691
Total Liabilities, Deferred Inflows & Net Position	\$ 250,782,148	\$ 6,844,268	\$ 4,150,436	\$ 5,392,400

See independent auditor's report.

The accompanying notes are an integral part of these financial statements.

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 22,491	\$ 1,756,106	\$ 119,531	\$ 1,241	\$ 6,408,285
10,434	50,471	38,775	7,064	411,948
2,470	-	-	-	287,819
-	67,423	37,676	-	295,104
-	-	-	-	816,546
-	-	-	13,240	13,240
<u>303,766</u>	<u>2,025,757</u>	<u>469,095</u>	<u>102,173</u>	<u>8,110,454</u>
339,161	3,899,757	665,077	123,718	16,343,396
-	58,700	76,894	-	3,049,497
-	-	-	-	876,226
<u>112,378</u>	<u>1,178,195</u>	<u>263,403</u>	<u>38,646</u>	<u>5,085,002</u>
<u>112,378</u>	<u>1,236,895</u>	<u>340,297</u>	<u>38,646</u>	<u>9,010,725</u>
-	-	-	105,920	105,920
<u>2,545,515</u>	<u>16,968,670</u>	<u>5,427,879</u>	<u>832,842</u>	<u>83,340,464</u>
2,545,515	16,968,670	5,427,879	938,762	83,446,384
2,657,893	18,205,565	5,768,176	977,408	92,457,109
2,997,054	22,105,322	6,433,253	1,101,126	108,800,505
<u>80,189</u>	<u>840,725</u>	<u>187,956</u>	<u>27,576</u>	<u>3,628,505</u>
5,864,308	26,770,518	3,733,119	813,180	211,071,653
1,296,816	5,232,867	4,616,775	379,967	26,149,340
<u>7,161,124</u>	<u>32,003,385</u>	<u>8,349,894</u>	<u>1,193,147</u>	<u>237,220,993</u>
<u>\$ 10,238,367</u>	<u>\$ 54,949,432</u>	<u>\$ 14,971,103</u>	<u>\$ 2,321,849</u>	<u>\$ 349,650,003</u>

**Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds**

Year Ended December 31, 2019

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
Operating Revenues				
Water revenues	\$ 24,566,977	\$ -	\$ -	\$ -
Wastewater assessments	-	1,572,912	905,364	314,112
Other operating revenues	222,344	-	-	-
Total Operating Revenues	<u>24,789,321</u>	<u>1,572,912</u>	<u>905,364</u>	<u>314,112</u>
Operating Expenses				
Operations	6,772,853	738,122	583,626	-
Maintenance	5,976,297	123,933	190,308	-
Customer accounting and collections	1,066,506	32,630	16,300	11,447
Administrative and general	2,952,266	387,491	153,956	-
Taxes on operating property	58,769	-	-	-
Depreciation not allocated elsewhere	5,321,338	499,545	160,390	151,147
Total Operating Expenses	<u>22,148,029</u>	<u>1,781,721</u>	<u>1,104,580</u>	<u>162,594</u>
Operating Income (Loss)	2,641,292	(208,809)	(199,216)	151,518
Non-Operating Revenues (Expenses)				
Interest income	593,213	30,322	20,803	2,825
Miscellaneous	233,435	-	-	-
Loss on sale/disposal of operating property	(127,689)	-	-	-
Interest and amortization expense	(1,450,476)	(51,313)	(1,051)	(56,685)
Net Non-Operating Revenues (Expenses)	<u>(751,517)</u>	<u>(20,991)</u>	<u>19,752</u>	<u>(53,860)</u>
Change in Net Position Before Contributions	1,889,775	(229,800)	(179,464)	97,658
Capital Contributions	<u>2,881,632</u>	<u>-</u>	<u>942,600</u>	<u>-</u>
Change in Net Position	4,771,407	(229,800)	763,136	97,658
Net Position, Beginning of Year	<u>175,511,359</u>	<u>3,384,512</u>	<u>3,045,138</u>	<u>1,170,033</u>
Net Position, End of Year	<u>\$ 180,282,766</u>	<u>\$ 3,154,712</u>	<u>\$ 3,808,274</u>	<u>\$ 1,267,691</u>

See independent auditor's report.

The accompanying notes are an integral part of these financial statements.

Wastewater Funds					
<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>	
\$ -	\$ -	\$ -	\$ -	\$ 24,566,977	
1,133,436	12,616,080	2,539,800	366,768	19,448,472	
119	257,343	50,293	28	530,127	
<u>1,133,555</u>	<u>12,873,423</u>	<u>2,590,093</u>	<u>366,796</u>	<u>44,545,576</u>	
354,353	6,160,291	1,173,503	134,659	15,917,407	
72,816	307,187	97,946	33,970	6,802,457	
26,418	214,877	58,210	1,266	1,427,654	
259,453	2,933,721	622,730	80,316	7,389,933	
-	-	-	-	58,769	
<u>397,713</u>	<u>3,002,112</u>	<u>536,639</u>	<u>60,599</u>	<u>10,129,483</u>	
<u>1,110,753</u>	<u>12,618,188</u>	<u>2,489,028</u>	<u>310,810</u>	<u>41,725,703</u>	
22,802	255,235	101,065	55,986	2,819,873	
43,184	247,677	138,237	13,983	1,090,244	
(17,770)	126,550	(38,426)	(1,500)	302,289	
-	(3,376)	-	-	(131,065)	
<u>(71,352)</u>	<u>(379,603)</u>	<u>(135,384)</u>	<u>(28,072)</u>	<u>(2,173,936)</u>	
<u>(45,938)</u>	<u>(8,752)</u>	<u>(35,573)</u>	<u>(15,589)</u>	<u>(912,468)</u>	
(23,136)	246,483	65,492	40,397	1,907,405	
-	-	-	-	3,824,232	
(23,136)	246,483	65,492	40,397	5,731,637	
<u>7,184,260</u>	<u>31,756,902</u>	<u>8,284,402</u>	<u>1,152,750</u>	<u>231,489,356</u>	
\$ 7,161,124	\$ 32,003,385	\$ 8,349,894	\$ 1,193,147	\$ 237,220,993	

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2019

	Water Systems	Cape Elizabeth	Cumberland	Falmouth
Cash flows from operating activities				
Receipts from customers	\$ 24,720,340	\$ 1,585,828	\$ 912,286	\$ 314,112
Payments to suppliers	(8,039,935)	(748,841)	(742,980)	(8,861)
Payments to employees	(6,919,464)	(434,503)	(155,922)	(2,712)
Net cash flows from operating activities	<u>9,760,941</u>	<u>402,484</u>	<u>13,384</u>	<u>302,539</u>
Cash flows from capital and related financing activities				
Proceeds from bonds	6,500,000	875,000	-	-
Principal payments bonds	(4,320,230)	(165,600)	(6,250)	(238,000)
Notes payable payments	-	-	-	-
Transfer from trustee funds	1,212,887	595,704	-	-
New trustee funds	-	(875,000)	-	-
Interest paid	(1,436,932)	(50,187)	(1,058)	(57,081)
Acquisitions and construction of operating property	(12,707,949)	(1,076,857)	-	-
Proceeds from sale of operating property	16,019	-	-	-
Net cash flows from capital and related financing activities	<u>(10,736,205)</u>	<u>(696,940)</u>	<u>(7,308)</u>	<u>(295,081)</u>
Cash flows from investing activities				
Investments - transfer to water	(13,903,734)	904,469	581,656	43,847
Investments - purchases	(30,275,002)	-	-	-
Investments - sales	30,408,946	-	-	-
Investments - market value change	(240,045)	-	-	-
Investments - transfer from water	13,666,342	(716,973)	(618,965)	(53,286)
Interest income received	593,213	30,322	20,803	2,825
Payments on notes receivable	196,438	-	-	-
Net cash flows from investing activities	<u>446,158</u>	<u>217,818</u>	<u>(16,506)</u>	<u>(6,614)</u>
Net change in cash	(529,106)	(76,638)	(10,430)	844
Cash and cash equivalents - beginning of year	<u>5,093,534</u>	<u>253,074</u>	<u>162,748</u>	<u>12,269</u>
Cash and cash equivalents - end of year	<u>\$ 4,564,428</u>	<u>\$ 176,436</u>	<u>\$ 152,318</u>	<u>\$ 13,113</u>
Reconciliation of operating income to net cash flows from operating activities				
Operating income (loss)	\$ 2,641,292	\$ (208,809)	\$ (199,216)	\$ 151,518
Depreciation	5,321,338	499,545	160,390	151,147
Depreciation allocated	880,000	-	-	-
Amortization	17,000	-	-	-
Miscellaneous income (loss)	233,435	-	-	-
Changes in assets and liabilities:				
Accounts receivable	(68,982)	12,916	6,922	-
Inventories	(51,842)	-	-	-
Prepays	245,261	1,950	-	-
Accounts payable and accrued payroll	(1,612,840)	44,227	6,648	(126)
Compensated absences	114,863	-	-	-
Customer deposits	784	-	4,500	-
Net pension liability and deferred inflows	1,465,590	52,655	34,140	-
Bond refunding deferred outflow	34,700	-	-	-
Customer advances and other liabilities	540,342	-	-	-
Net cash flows from operating activities	<u>\$ 9,760,941</u>	<u>\$ 402,484</u>	<u>\$ 13,384</u>	<u>\$ 302,539</u>
Noncash investing, capital and financing activities				
Capital contributions	<u>\$ 2,881,632</u>	<u>\$ -</u>	<u>\$ 942,600</u>	<u>\$ -</u>

See independent auditor's report.

The accompanying notes are an integral part of these financial statements.

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 1,135,615	\$ 12,871,187	\$ 2,379,233	\$ 366,768	\$ 44,285,369
(463,217)	(5,865,725)	(1,872,395)	(165,982)	(17,907,936)
(229,515)	(2,766,434)	(580,030)	(79,529)	(11,168,109)
<u>442,883</u>	<u>4,239,028</u>	<u>(73,192)</u>	<u>121,257</u>	<u>15,209,324</u>
-	-	-	-	7,375,000
(303,857)	(2,034,226)	(359,428)	(102,184)	(7,529,775)
-	-	-	(13,240)	(13,240)
75,971	-	972,453	6,413	2,863,428
-	-	-	-	(875,000)
(73,834)	(385,138)	(116,113)	(29,532)	(2,149,875)
(109,955)	(2,631,446)	(565,596)	(46,589)	(17,138,392)
-	-	-	-	16,019
<u>(411,675)</u>	<u>(5,050,810)</u>	<u>(68,684)</u>	<u>(185,132)</u>	<u>(17,451,835)</u>
1,092,577	7,144,007	3,756,931	380,247	-
-	-	-	-	(30,275,002)
-	-	-	-	30,408,946
-	-	-	-	(240,045)
(1,181,842)	(6,884,612)	(3,860,167)	(350,497)	-
43,184	247,677	138,237	13,983	1,090,244
-	-	13,240	-	209,678
<u>(46,081)</u>	<u>507,072</u>	<u>48,241</u>	<u>43,733</u>	<u>1,193,821</u>
(14,873)	(304,710)	(93,635)	(20,142)	(1,048,690)
305,706	1,998,909	1,111,289	106,394	9,043,923
<u>\$ 290,833</u>	<u>\$ 1,694,199</u>	<u>\$ 1,017,654</u>	<u>\$ 86,252</u>	<u>\$ 7,995,233</u>
\$ 22,802	\$ 255,235	\$ 101,065	\$ 55,986	\$ 2,819,873
397,713	3,002,112	536,639	60,599	10,129,483
-	-	-	-	880,000
-	-	10,098	-	27,098
(17,770)	126,550	(38,426)	(1,500)	302,289
2,060	(2,236)	(210,859)	-	(260,179)
-	-	-	-	(51,842)
(1,537)	25,895	1,741	(355)	272,955
(20,332)	446,421	(528,419)	(21,808)	(1,686,229)
-	-	-	-	114,863
2,470	-	-	-	7,754
57,477	394,051	45,668	28,335	2,077,916
-	-	-	-	34,700
-	(9,000)	9,301	-	540,643
<u>\$ 442,883</u>	<u>\$ 4,239,028</u>	<u>\$ (73,192)</u>	<u>\$ 121,257</u>	<u>\$ 15,209,324</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,824,232</u>

Statement of Fiduciary Net Position - Pension Trust Funds

December 31, 2019

ASSETS

Cash and cash equivalents	<u>\$ 794,926</u>
Investments	
Equity mutual funds	\$ 14,636,137
Common stock	8,929,008
Fixed income - mutual funds	<u>1,161,520</u>
	24,726,665
Interest receivable	<u>(14,977)</u>
Total Assets	<u><u>\$ 25,506,614</u></u>
Restricted for pension benefits	<u>\$ 25,506,614</u>
Total Net Position	<u><u>\$ 25,506,614</u></u>

See independent auditor's report.

Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended December 31, 2019

Additions:

Employer Contributions	<u>\$ 1,112,774</u>
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Investment Income

Interest and dividends	596,588
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Net gain on sale of assets	554,665
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Net depreciation of investments	<u>3,329,912</u>
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Net Investment Income	<u>4,481,165</u>
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Total Additions	5,593,939
------------------------	-----------

Deductions:

Benefits	(1,459,061)
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Fees/Other Expenses	<u>(131,950)</u>
---------------------	------------------

Total Deductions	<u>(1,591,011)</u>
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Change in Position	4,002,928
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Net Position - Beginning of Year	<u>21,503,686</u>
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Net Position - End of Year	<u><u>\$ 25,506,614</u></u>
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NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Portland Water District (the District) was incorporated in 1908 under the laws of the State of Maine. The territories and people of the Cities of Portland, South Portland and Westbrook and the Towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Raymond, Scarborough and Windham constitute the public municipal. The District provides water and wastewater services, including billing services to Greater Portland municipalities. Water services are provided to the Cities of Portland, South Portland and Westbrook and the Towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Raymond, Scarborough, Standish, Yarmouth and Windham. Wastewater services are provided to the Cities of Portland and Westbrook and the Towns of Cape Elizabeth, Cumberland, Falmouth, Gorham and Windham. An 11-member publicly elected Board of Trustees oversees and directs the District's operation. The water service is partially regulated by the Maine Public Utilities Commission (PUC).

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. Management applied criteria as set forth in accounting principles generally accepted in the United States of America (GAAP) to determine if other component units should be included in defining the reporting entity. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the District's ability to exercise financial accountability. Application of this criterion and determination of the type of presentation involves considering whether the activity benefits the District and is generally available to its customers. It is the District's judgment, based on all pertinent facts derived from the analysis of this criterion, that there are no other component units that should be included as part of the reporting entity.

Measurement Focus, Basis of Accounting and Basis of Presentation

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts. The District has the following fund types:

Proprietary funds are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District complies with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board and American Institute of Certified Public Accountants Pronouncements*. Proprietary funds used by the District include enterprise funds as described below.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business. The District maintains eight enterprise funds – Wastewater Funds for Cape Elizabeth, Cumberland, Falmouth, Gorham, Portland, Westbrook and Windham and a Water Fund.

Fiduciary funds account for assets held by the District in a trustee capacity. Trust funds account for the assets held by the District under terms of a formal trust agreement. The District maintains two pension fiduciary funds. The District's non-bargaining unit employees' pension trust and the District's bargaining unit employees' pension trust financial statements are prepared using the accrual basis of accounting. Employer costs are equal to the change in the net pension liability and are recognized in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary funds distinguish operating revenues and expenses from non-operating activity. Operating revenues arise from providing goods or services to outside parties for a fee. The intent of the governing body is that the operating costs, including administration and depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

Cash & Cash Equivalents (Deposits and Investments) - Proprietary Funds

The District considers all highly liquid debt instruments purchased with an initial maturity of two years or less to be cash and cash equivalents. In addition, money market mutual funds held in an overnight cash sweep arrangement are considered to be cash and cash equivalents.

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, obligations of financial institutions, mutual funds and repurchase agreements.

Investments are reported at fair value, except that investments with a remaining maturity at time of purchase of one year or less are reported at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rates.

Credit Risk:

Credit risk is the risk that the entity in which the fund has invested may be unable to redeem investments when they mature. The District's proprietary fund investment policy limits investments to:

- U.S. government obligations and U.S. government agency obligations which have a liquid market with a readily determinable market value.
- Certificates of deposit and other deposits at financial institutions, that are fully insured or collateralized.
- Commercial paper rated the highest tier.
- Repurchase agreements and money market mutual funds whose underlying securities consist of the items above.
- Local government investment cooperatives made up of government securities or broadly diversified money market investments.

Concentration Credit Risk

Concentration of credit risk is the risk caused by the lack of diversification in the portfolio. The District's investment policy strives to avoid over concentration from a specific issuer or business section. The exception to this guideline is investments involving U.S. Treasury securities.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of failure by the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

The District's investment policy does not address custodial credit risk. Overnight sweep funds are invested in a money market mutual fund which is made up of U.S. government and agency instruments, held by the District's Bank in the Bank's name. Overnight repurchase agreement funds are invested in U.S. government backed obligations of U.S. government agencies and corporations, held by the District's Bank in the District's name.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash & Cash Equivalents (Deposits and Investments) - Proprietary Funds - Continued

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value on an investment.

The investment policy calls for investment in securities with varying maturities and investing a portion of the portfolio in money market funds or other overnight investments to ensure appropriate liquidity. The maturity of investments is limited to two years or less. Reserve funds may be invested in assets with maturities of over two years; however, no single investment can exceed three years and the weighted average maturity of the entire reserve fund should not exceed two and one-half years. Information about the exposure of the District’s debt type investments to this risk, using the segmented time distribution model is as follows: U.S. Agency Securities fair value with maturities less than one year are \$17,244,726 and maturities of 1-5 years are \$3,001,170.

Investments – Pension Trust Funds

Method used to Value Investments:

Investments are reported at fair value, except that investments with a remaining maturity at time of purchase of one year or less are reported at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate.

Credit Risk/Concentration Credit Risk:

The pension plans’ policy in regard to the allocation of invested assets is established and may be amended by the District’s Board of Trustees. It is the policy of the District’s Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans’ investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of December 31, 2019:

Asset Class	Minimum	Target	Maximum
U.S. Equities	30%	40%	50%
International Equities	10%	25%	30%
Bonds	20%	25%	40%
Alternatives	0%	10%	15%
Cash and Equivalents	0%	0%	30%

There were no changes to the allocation policy during 2019. As of December 31, 2019, the investment portfolio does not hold any investment in any one organization greater than 5% of either of the plan’s fiduciary net positions.

Rate of Return:

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 19.98 % and 20.37 % for the Bargaining and Non-Bargaining Units Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk:

The District's Pension Fund investment policy does not address custodial credit risk. The District's pension investments are held by a trust company in the District's name. The trust company acts as the District's custodian.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments - Pension Trust Funds - Continued

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value on an investment. The investment policy for the pension fund does not directly address interest rate risk.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the District uses various methods, including market, income and cost approaches. Based on these approaches, the District often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The District utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the District is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the District performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the year ended December 31, 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Certificates of Deposit: The fair value of marketable securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

U.S. Agency Securities: In general, U.S. agency securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to trade accounts receivable. Allowance for doubtful accounts as of December 31, 2019 was \$173,500. The District has the ability to place a lien on property with past due balances.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Inventories

The District's inventories are comprised of fuel, materials and supplies used in the daily operations of the District. Inventory used in various projects that increase the water or wastewater system's life is capitalized and depreciated in capital assets over the appropriate useful life. Inventory used in system repairs is expensed in the period in which the repair occurs. Inventory is stated at weighted average cost.

Capital Assets

Donated operating and non-operating property, recorded as capital assets, are recorded at their acquisition value at the date of donation. Capitalized operating and non-operating property are recorded at cost, including direct and a portion of indirect overhead. The District's policy has been to set the capitalization threshold for reporting capital assets at \$10,000 and a life exceeding one year.

Depreciation is computed using the straight-line method at rates intended to amortize, over the useful life of the underlying property, the original cost. Useful lives of the assets range from 5 to 77 years:

Water Capital Assets:

- 5 to 10 years - Vehicles
- 8 to 20 years - Pumping and General Equipment
- 25 years - Meters
- 33 years - Treatment Equipment, Distribution Mains (less than six inches) and Services
- 50 years - Wells and Hydrants
- 59 years - Reservoirs, Tanks and Standpipes
- 67 years - Intakes
- 77 years - Transmission Mains and Distribution Mains (six inches and larger)

Wastewater Capital Assets:

- 8 to 10 years - General Equipment
- 20 years - Treatment Equipment
- 33 years - Structural Appurtenances
- 50 years - Structures, Force Mains and Interceptors

Depreciation on the water and individual wastewater system assets, built with aggregate contributions in aid of construction, is included in operating expenses. Contributions in aid of construction are recognized as revenue in the year contributed. Interest costs incurred during construction of major projects are capitalized and amortized over the life of the related asset.

Preliminary Surveys for Plant Expansion or Modification

Expenses incurred for preliminary surveys for plant expansion or modification are capitalized and charged to the capital asset when the project is completed or to expense if the project is abandoned.

Maintenance and Other Costs

Certain maintenance and other costs are capitalized and amortized on a straight-line basis over periods as approved by the Maine PUC which approximate methods and periods under GAAP. Amortization costs for 2019 were \$10,098.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

The District's policy is to accrue for employee vacation when the employee vests in such benefits. It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. Upon retirement, employees can be paid up to a maximum of 400 hours of unused sick pay. The estimated sick leave balance due to employees upon retirement is calculated and accrued in accordance with the vesting method of GASB Statement No. 16, *Accounting for Compensated Absences*.

Deferred Outflows & Inflows

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) that will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

These deferred outflows and inflows are related to the recognition of the net pension liability and a 2016 bond refunding. In the case of the pension, these items can include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments, and changes in proportion and differences between the District's contributions and proportionate share of contributions, and also District pension contributions subsequent to the measurement date. For the bond refunding, the deferred outflow is utilized to amortize the loss on the refund over the remaining life of the original bond.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases* which provides guidance for lease contracts for nonfinancial assets—including vehicles, heavy equipment, and buildings – but excludes non-exchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). The requirements of this statement are effective for reporting periods starting with the fiscal year that ends December 31, 2020. Management is currently evaluating the impact of adoption on its financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

An annual budget is prepared by management and approved by the elected Board of Trustees for each of the proprietary funds. The budget is prepared on a departmental basis. The budget is prepared according to GAAP, except that:

- The funding for capital acquisitions and debt principal payments are considered expenses in all funds.
- Depreciation is not considered an expense.
- Contributions are not considered revenue.
- The funding of the pension is considered an expense.
- Gain/loss on disposal of capital assets are not recognized.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Cash & Investments

The carrying amount of the District's deposits with financial institutions was \$(115,155) at December 31, 2019 and the bank balance was \$241,292. The District held certificates of deposit carried at \$11,963,348. Total deposits were categorized, as follows:

	Bank Balances	Certificates of Deposit	Total Deposits
Amount Insured	\$ 241,292	\$ 11,952,106	\$ 12,193,398
Amount Uninsured	-	11,242	11,242
	<u>\$ 241,292</u>	<u>\$ 11,963,348</u>	<u>\$ 12,204,640</u>

A reconciliation of cash, cash equivalents and investments as shown on the Statement of Net Position is, as follows:

Cash on Hand	\$ 1,300
Carrying Value of Deposits	(115,155)
Money Market Mutual Funds	8,109,088
Total cash and cash equivalents	<u>\$ 7,995,233</u>
Certificates of Deposit	\$ 11,963,348
U.S. Agency Securities	20,245,896
Total investments	<u>\$ 32,209,244</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Cash & Investments - Continued

Shares in the overnight money market mutual funds sweep arrangement are held in the Bank's name and not in the name of the District. These funds are secured by the underlying securities of the mutual funds.

Fair value of assets measured on a recurring basis at December 31, 2019 are, as follows:

	Total	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 8,109,088	\$ 8,109,088	\$ -	
Certificates of Deposit	11,963,348	11,702,106	261,242	
U.S. Agency Securities	<u>20,245,896</u>	<u>-</u>	<u>20,245,896</u>	
	<u>\$ 40,318,332</u>	<u>\$ 19,811,194</u>	<u>\$ 20,507,138</u>	

Investment Ratings - Pension Trust Funds

Holdings in the fixed income mutual funds were rated by Standard & Poors as having ratings of AAA to A. Ratings were not available for the equity mutual funds. U.S. Agency Securities are implicitly guaranteed by the U.S. government.

Notes Receivable

During the year, the District had two notes receivable, one in the Water Fund and the other to the Westbrook Wastewater Fund.

The Water Fund Note was due from the Town of Gorham. The Note had no interest and the terms required the Town to make annual payments to the District equal to the amount collected as part of a special impact fee. The terms also required the Town to pay any remaining balance in June 2019, which the Town did.

The note receivable to the Westbrook Wastewater Fund is related to the purchase of assets by the Windham Wastewater Fund. The note originated in 2008 and has an average annual interest rate of 4.395% with a 20-year term starting in 2008.

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>	<u>Current</u>	<u>Non-Current</u>
Water Fund:						
Town of Gorham	\$ 196,438	\$ -	\$ (196,438)	\$ -	\$ -	\$ -
Westbrook Wastewater Fund:						
Windham Wastewater Fund	<u>132,400</u>	<u>-</u>	<u>(13,240)</u>	<u>119,160</u>	<u>13,240</u>	<u>105,920</u>
Total of all Notes	<u>\$ 328,838</u>	<u>\$ -</u>	<u>\$ (209,678)</u>	<u>\$ 119,160</u>	<u>\$ 13,240</u>	<u>\$ 105,920</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Water Fund:				
Operating Property, not being depreciated				
Land	\$ 4,221,448	\$ 310,205	\$ -	\$ 4,531,653
Land Rights	1,628,782	345,000	-	1,973,782
Plant Acquisition Adjustment	121,189	-	(17,000)	104,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	16,318	-	(16,318)	-
Property Held for Future Use	7,425	-	-	7,425
	<u>6,298,730</u>	<u>655,205</u>	<u>(33,318)</u>	<u>6,920,617</u>
Operating Property, being depreciated				
Distribution Mains	177,401,210	9,199,644	(49,903)	186,550,951
Services	35,370,510	2,723,514	-	38,094,024
Structures & Improvements	30,225,759	38,967	-	30,264,726
Water Treatment Equipment	14,407,042	-	-	14,407,042
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,407,854	471,408	(195,456)	12,683,806
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	11,157,043	840,075	(61,474)	11,935,644
Vehicles	3,366,703	394,542	(485,140)	3,276,105
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,411,384	61,236	-	1,472,620
Pumping Equipment	2,799,510	20,720	-	2,820,230
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,184,372	170,684	-	1,355,056
Power Equipment	840,509	-	(109,078)	731,431
Office Furniture & Equipment	739,850	16,490	-	756,340
Shop Equipment	288,562	-	-	288,562
Garage Equipment	232,652	-	-	232,652
Radio Equipment	318,006	-	-	318,006
Laboratory Equipment	113,415	-	-	113,415
Stores Equipment	59,161	-	-	59,161
	<u>320,197,674</u>	<u>13,937,280</u>	<u>(901,051)</u>	<u>333,233,903</u>
Total Operating Property	<u>\$ 326,496,404</u>	<u>\$ 14,592,485</u>	<u>\$ (934,369)</u>	<u>\$ 340,154,520</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets – Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Water Fund (continued):				
Less, accumulated depreciation for:				
Distribution Mains	\$ 48,274,522	\$ 2,583,402	\$ (41,101)	\$ 50,816,823
Services	19,052,187	835,654	-	19,887,841
Structures & Improvements	14,593,734	633,567	-	15,227,301
Transmission Mains	7,233,548	151,815	-	7,385,363
Reservoirs & Standpipes	5,093,344	198,017	-	5,291,361
Water Treatment Equipment	4,534,293	424,943	-	4,959,236
Hydrants	3,989,052	235,038	(26,987)	4,197,103
Meters	4,974,873	505,742	(109,067)	5,371,548
Vehicles	2,052,206	235,029	(471,110)	1,816,125
Intakes Suction Mains	1,849,852	24,813	-	1,874,665
Pumping Equipment	1,500,586	80,074	-	1,580,660
Communication Equipment	1,166,939	64,408	-	1,231,347
Power Equipment	743,939	24,771	(109,078)	659,632
Office Equipment	653,021	64,937	-	717,958
Shop Equipment	337,029	-	-	337,029
Computer Equipment	240,785	94,480	-	335,265
Garage Equipment	245,272	4,137	-	249,409
Wells & Springs	205,874	19,643	-	225,517
Radio Equipment	166,995	16,443	-	183,438
Laboratory Equipment	94,552	3,430	-	97,982
Stores Equipment	42,736	995	-	43,731
	<u>117,045,339</u>	<u>6,201,338</u>	<u>(757,343)</u>	<u>122,489,334</u>
Construction Work in Progress	<u>2,215,569</u>	<u>1,467,237</u>	<u>(665,029)</u>	<u>3,017,777</u>
Net Capital Assets	<u>\$ 211,666,634</u>	<u>\$ 9,858,384</u>	<u>\$ (842,055)</u>	<u>\$ 220,682,963</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets – Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Cape Elizabeth Wastewater:				
Operating Property, not being depreciated				
Land	\$ 130,048	\$ -	\$ -	\$ 130,048
Land Rights	95,111	-	-	95,111
	<u>225,159</u>	<u>-</u>	<u>-</u>	<u>225,159</u>
Operating Property, being depreciated				
Interceptor Structures	6,304,273	-	-	6,304,273
Treatment Plant Equipment	3,081,587	316,424	-	3,398,011
Pumping Station Equipment	2,904,982	25,700	-	2,930,682
Treatment Plant Structures	2,538,921	641,069	-	3,179,990
Pumping Station Structures	1,248,666	-	-	1,248,666
General Equipment	170,835	27,022	-	197,857
Interceptor Equipment	11,330	-	-	11,330
	<u>16,260,594</u>	<u>1,010,215</u>	<u>-</u>	<u>17,270,809</u>
Total Operating Property	<u>16,485,753</u>	<u>1,010,215</u>	<u>-</u>	<u>17,495,968</u>
Less, accumulated depreciation for:				
Interceptor Structures	4,121,188	126,166	-	4,247,354
Treatment Plant Equipment	2,555,616	177,863	-	2,733,479
Pumping Station Equipment	2,077,654	114,978	-	2,192,632
Treatment Plant Structures	1,835,008	45,719	-	1,880,727
Pumping Station Structures	925,126	19,979	-	945,105
General Equipment	101,924	14,692	-	116,616
Interceptor Equipment	1,400	148	-	1,548
	<u>11,617,916</u>	<u>499,545</u>	<u>-</u>	<u>12,117,461</u>
Construction Work in Progress	<u>114,070</u>	<u>172,813</u>	<u>(79,055)</u>	<u>207,828</u>
Net Capital Assets	<u>\$ 4,981,907</u>	<u>\$ 683,483</u>	<u>\$ (79,055)</u>	<u>\$ 5,586,335</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Cumberland Wastewater:				
Operating Property, not being depreciated				
Land	\$ 89,005	\$ -	\$ -	\$ 89,005
Operating Property, being depreciated				
Interceptor Structures	5,589,695	942,600	-	6,532,295
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	1,042,049	-	-	1,042,049
Treatment Plant Equipment	47,416	-	-	47,416
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>7,762,467</u>	<u>942,600</u>	<u>-</u>	<u>8,705,067</u>
Total Operating Property	<u>7,851,472</u>	<u>942,600</u>	<u>-</u>	<u>8,794,072</u>
Less, accumulated depreciation for:				
Interceptor Structures	3,612,141	121,220	-	3,733,361
Pumping Station Structures	767,988	13,690	-	781,678
Pumping Station Equipment	822,689	24,681	-	847,370
Treatment Plant Equipment	43,024	799	-	43,823
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>5,287,936</u>	<u>160,390</u>	<u>-</u>	<u>5,448,326</u>
Construction Work in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Capital Assets	<u>\$ 2,563,536</u>	<u>\$ 782,210</u>	<u>\$ -</u>	<u>\$ 3,345,746</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Falmouth Wastewater:				
Operating Property, not being depreciated				
Land	\$ 10,527	\$ -	\$ -	\$ 10,527
Operating Property, being depreciated				
Pumping Station Structures	2,226,400	-	-	2,226,400
Pumping Station Equipment	1,242,600	-	-	1,242,600
Interceptor Structures	2,224,436	-	-	2,224,436
	<u>5,693,436</u>	<u>-</u>	<u>-</u>	<u>5,693,436</u>
Total Operating Property	<u>5,703,963</u>	<u>-</u>	<u>-</u>	<u>5,703,963</u>
Less, accumulated depreciation for:				
Pumping Station Structures	66,792	44,528	-	111,320
Pumping Station Equipment	93,195	62,130	-	155,325
Interceptor Structures	66,828	44,489	-	111,317
	<u>226,815</u>	<u>151,147</u>	<u>-</u>	<u>377,962</u>
Net Capital Assets	<u>\$ 5,477,148</u>	<u>\$ (151,147)</u>	<u>\$ -</u>	<u>\$ 5,326,001</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Gorham Wastewater:				
Operating Property, not being depreciated				
Land	\$ 185,466	\$ -	\$ -	\$ 185,466
Land Rights	157,770	-	-	157,770
	<u>343,236</u>	<u>-</u>	<u>-</u>	<u>343,236</u>
Operating Property, being depreciated				
Interceptor Structures	11,495,137	-	-	11,495,137
Pumping Station Structures	1,966,330	-	(23,577)	1,942,753
Pumping Station Equipment	1,864,368	23,970	(24,470)	1,863,868
Treatment Plant Structures	1,014,834	43,281	-	1,058,115
Treatment Plant Equipment	1,115,584	2,879	-	1,118,463
General Equipment	42,992	9,980	-	52,972
Solids Handling Equipment	5,517	-	-	5,517
	<u>17,504,762</u>	<u>80,110</u>	<u>(48,047)</u>	<u>17,536,825</u>
Total Operating Property	<u>17,847,998</u>	<u>80,110</u>	<u>(48,047)</u>	<u>17,880,061</u>
Less, accumulated depreciation for:				
Interceptor Structures	5,336,011	229,902	-	5,565,913
Pumping Station Equipment	1,343,004	56,683	(24,470)	1,375,217
Treatment Plant Structures	764,731	20,990	-	785,721
Pumping Station Structures	837,218	43,210	(23,577)	856,851
Treatment Plant Equipment	564,188	45,385	-	609,573
General Equipment	34,637	1,543	-	36,180
Solids Handling Equipment	5,516	-	-	5,516
	<u>8,885,305</u>	<u>397,713</u>	<u>(48,047)</u>	<u>9,234,971</u>
Construction Work in Progress	<u>38,656</u>	<u>45,734</u>	<u>(15,891)</u>	<u>68,499</u>
Net Capital Assets	<u>\$ 9,001,349</u>	<u>\$ (271,869)</u>	<u>\$ (15,891)</u>	<u>\$ 8,713,589</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Portland Wastewater:				
Operating Property, not being depreciated				
Land	\$ 199,555	\$ -	\$ -	\$ 199,555
Land Rights	233,013	-	-	233,013
	<u>432,568</u>	<u>-</u>	<u>-</u>	<u>432,568</u>
Operating Property, being depreciated				
Treatment Plant Structures	36,771,754	125,000	-	36,896,754
Interceptor Structures	28,115,458	-	-	28,115,458
Treatment Plant Equipment	26,884,434	771,900	-	27,656,334
Pumping Station Structures	9,626,432	-	(21,904)	9,604,528
Pumping Station Equipment	9,556,231	22,478	-	9,578,709
Communications Equip.- Collectors	753,873	-	-	753,873
Storm Drains	607,906	9,704	-	617,610
Solids Handling Equipment	397,795	-	-	397,795
General Equipment	255,855	-	-	255,855
Interceptor Equipment	63,080	-	-	63,080
	<u>113,032,818</u>	<u>929,082</u>	<u>(21,904)</u>	<u>113,939,996</u>
Total Operating Property	<u>113,465,386</u>	<u>929,082</u>	<u>(21,904)</u>	<u>114,372,564</u>
Less, accumulated depreciation for:				
Treatment Plant Structures	23,800,742	744,653	-	24,545,395
Interceptor Structures	18,588,392	559,608	-	19,148,000
Treatment Plant Equipment	13,120,758	1,064,140	-	14,184,898
Pumping Station Structures	5,801,666	207,742	(18,528)	5,990,880
Pumping Station Equipment	5,483,532	357,532	-	5,841,064
Communications Equip.- Collectors	531,115	40,827	-	571,942
Solids Handling Equipment	275,603	7,107	-	282,710
General Equipment	251,853	8,248	-	260,101
Storm Drains	210,489	12,255	-	222,744
Interceptor Equipment	63,080	-	-	63,080
	<u>68,127,230</u>	<u>3,002,112</u>	<u>(18,528)</u>	<u>71,110,814</u>
Construction Work in Progress	<u>743,339</u>	<u>1,880,518</u>	<u>(120,662)</u>	<u>2,503,195</u>
Net Capital Assets	<u>\$ 46,081,495</u>	<u>\$ (192,512)</u>	<u>\$ (124,038)</u>	<u>\$45,764,945</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets – Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Westbrook Wastewater:				
Operating Property, not being depreciated				
Land	\$ 162,263	\$ -	\$ -	\$ 162,263
Land Rights	139,144	-	-	139,144
	<u>301,407</u>	<u>-</u>	<u>-</u>	<u>301,407</u>
Operating Property, being depreciated				
Treatment Plant Equipment	3,857,277	6,225	-	3,863,502
Pumping Station Structures	4,272,896	1,193,404	(88,694)	5,377,606
Treatment Plant Structures	4,247,060	93,587	-	4,340,647
Interceptor Structures	3,796,649	-	-	3,796,649
Pumping Station Equipment	2,744,173	1,014,466	(102,452)	3,656,187
General Equipment	1,162,405	21,579	-	1,183,984
Communications Equip. - Collectors	103,231	-	-	103,231
Storm Drains	748	-	-	748
Solids Handling Equipment	20,070	-	-	20,070
	<u>20,204,509</u>	<u>2,329,261</u>	<u>(191,146)</u>	<u>22,342,624</u>
Total Operating Property	<u>20,505,916</u>	<u>2,329,261</u>	<u>(191,146)</u>	<u>22,644,031</u>
Less, accumulated depreciation for:				
Treatment Plant Equipment	2,472,861	117,501	-	2,590,362
Treatment Plant Structures	3,217,423	88,075	-	3,305,498
Interceptor Structures	2,849,558	75,488	-	2,925,046
Pumping Station Structures	2,241,635	117,057	(88,694)	2,269,998
Pumping Station Equipment	1,902,318	108,512	(102,452)	1,908,378
General Equipment	204,057	23,558	-	227,615
Storm Drains	15	10	-	25
Solids Handling Equipment	20,070	-	-	20,070
Communications Equip. - Collectors	80,659	6,438	-	87,097
	<u>12,988,596</u>	<u>536,639</u>	<u>(191,146)</u>	<u>13,334,089</u>
Construction Work in Progress	<u>1,955,005</u>	<u>94,953</u>	<u>(1,905,780)</u>	<u>144,178</u>
Net Capital Assets	<u>\$ 9,472,325</u>	<u>\$ 1,887,575</u>	<u>\$ (1,905,780)</u>	<u>\$ 9,454,120</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
Windham Wastewater:				
Operating Property, not being depreciated				
Land	\$ 129,656	\$ -	\$ -	\$ 129,656
Land Rights	13,296	-	-	13,296
	<u>142,952</u>	<u>-</u>	<u>-</u>	<u>142,952</u>
Operating Property, being depreciated				
Interceptor Structures	1,723,016	-	-	1,723,016
Pumping Station Structures	459,745	-	-	459,745
Pumping Station Equipment	415,104	10,769	-	425,873
Treatment Plant Equipment	130,684	243	-	130,927
Treatment Plant Structures	140,461	3,654	-	144,115
General Equipment	13,311	842	-	14,153
Solids Handling Equipment	683	-	-	683
	<u>2,883,004</u>	<u>15,508</u>	<u>-</u>	<u>2,898,512</u>
Total Operating Property	<u>3,025,956</u>	<u>15,508</u>	<u>-</u>	<u>3,041,464</u>
Less, accumulated depreciation for:				
Interceptor Structures	480,824	34,460	-	515,284
Pumping Station Equipment	320,507	7,976	-	328,483
Pumping Station Structures	151,189	10,598	-	161,787
Treatment Plant Equipment	80,410	4,202	-	84,612
Treatment Plant Structures	106,300	2,911	-	109,211
General Equipment	7,941	452	-	8,393
Solids Handling Equipment	683	-	-	683
	<u>1,147,854</u>	<u>60,599</u>	<u>-</u>	<u>1,208,453</u>
Construction Work in Progress	<u>3,263</u>	<u>32,422</u>	<u>(1,341)</u>	<u>34,344</u>
Net Capital Assets	<u>\$ 1,881,365</u>	<u>\$ (12,669)</u>	<u>\$ (1,341)</u>	<u>\$ 1,867,355</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

All Funds Combined:	Dec 31, 2018	Increases	Decreases	Dec 31, 2019
Operating Property, not being depreciated				
Land (Water)	\$ 4,221,448	\$ 310,205	\$ -	\$ 4,531,653
Land Rights (Water)	1,628,782	345,000	-	1,973,782
Land (Wastewater)	906,520	-	-	906,520
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment	121,189	-	(17,000)	104,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	16,318	-	(16,318)	-
Property Held for Future Use	7,425	-	-	7,425
	<u>7,843,584</u>	<u>655,205</u>	<u>(33,318)</u>	<u>8,465,471</u>
Operating Property, being depreciated				
Distribution Mains	177,401,210	9,199,644	(49,903)	186,550,951
Interceptor Structures	59,248,664	942,600	-	60,191,264
Treatment Plant Structures	44,713,030	906,591	-	45,619,621
Services	35,370,510	2,723,514	-	38,094,024
Structures & Improvements	30,225,759	38,967	-	30,264,726
Treatment Plant Equipment	35,116,982	1,097,671	-	36,214,653
Pumping Station Structures	20,841,682	1,193,404	(134,175)	21,900,911
Pumping Station Equipment	19,769,507	1,097,383	(126,922)	20,739,968
Water Treatment Equipment	14,407,042	-	-	14,407,042
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,407,854	471,408	(195,456)	12,683,806
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	11,157,043	840,075	(61,474)	11,935,644
Vehicles	3,366,703	394,542	(485,140)	3,276,105
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,411,384	61,236	-	1,472,620
Pumping Equipment	2,799,510	20,720	-	2,820,230
General Equipment	1,687,279	59,423	-	1,746,702
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,184,372	170,684	-	1,355,056
Power Equipment	840,509	-	(109,078)	731,431
Communications Equip.- Collectors	857,104	-	-	857,104
Office Furniture & Equipment	739,850	16,490	-	756,340
Storm Drains	608,654	9,704	-	618,358
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	424,065	-	-	424,065
Garage Equipment	232,652	-	-	232,652
Radio Equipment	318,006	-	-	318,006
Laboratory Equipment	113,415	-	-	113,415
Interceptor Equipment	74,623	-	-	74,623
Stores Equipment	59,161	-	-	59,161
	<u>503,539,264</u>	<u>19,244,056</u>	<u>(1,162,148)</u>	<u>521,621,172</u>
Total Operating Property	<u>\$ 511,382,848</u>	<u>\$ 19,899,261</u>	<u>\$ (1,195,466)</u>	<u>\$ 530,086,643</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>
All Funds Combined (continued):				
Less, accumulated depreciation for:				
Distribution Mains	\$ 48,274,522	\$ 2,583,402	\$ (41,101)	\$ 50,816,823
Interceptor Structures	35,054,942	1,191,333	-	36,246,275
Treatment Plant Structures	29,724,204	902,348	-	30,626,552
Treatment Plant Equipment	18,836,857	1,409,890	-	20,246,747
Services	19,052,187	835,654	-	19,887,841
Structures & Improvements	14,593,734	633,567	-	15,227,301
Pumping Station Equipment	12,042,899	732,492	(126,922)	12,648,469
Pumping Station Structures	10,791,614	456,804	(130,799)	11,117,619
Transmission Mains	7,233,548	151,815	-	7,385,363
Reservoirs & Standpipes	5,093,344	198,017	-	5,291,361
Water Treatment Equipment	4,534,293	424,943	-	4,959,236
Hydrants	3,989,052	235,038	(26,987)	4,197,103
Meters & Meter Installations	4,974,873	505,742	(109,067)	5,371,548
Vehicles	2,052,206	235,029	(471,110)	1,816,125
Lake, River & Other Intakes	1,849,852	24,813	-	1,874,665
Pumping Equipment	1,500,586	80,074	-	1,580,660
Communication Equipment	1,166,939	64,408	-	1,231,347
Power Equipment	743,939	24,771	(109,078)	659,632
Office Furniture & Equipment	653,021	64,937	-	717,958
General Equipment	642,293	48,493	-	690,786
Communications Equip.- Collectors	611,774	47,265	-	659,039
Solids Handling Equipment	301,872	7,107	-	308,979
Shop Equipment	337,029	-	-	337,029
Computer Equipment	240,785	94,480	-	335,265
Garage Equipment	245,272	4,137	-	249,409
Wells & Springs	205,874	19,643	-	225,517
Radio Equipment	166,995	16,443	-	183,438
Laboratory Equipment	94,552	3,430	-	97,982
Storm Drains	210,504	12,265	-	222,769
Stores Equipment	42,736	995	-	43,731
Interceptor Equipment	64,693	148	-	64,841
	<u>225,326,991</u>	<u>11,009,483</u>	<u>(1,015,064)</u>	<u>235,321,410</u>
Construction Work in Progress	<u>5,069,902</u>	<u>3,693,677</u>	<u>(2,787,758)</u>	<u>5,975,821</u>
Net Capital Assets	<u>\$ 291,125,759</u>	<u>\$ 12,583,455</u>	<u>\$ (2,968,160)</u>	<u>\$ 300,741,054</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

Depreciation expense for each of the funds is noted below. Please note that \$880,000 in the Water Fund was allocated as part of operating expense.

	Gross Depreciation	Allocated	Depreciation not allocated elsewhere
Water	\$ 6,201,338	\$ (880,000)	\$ 5,321,338
Wastewater Funds:			
Cape Elizabeth	499,545	-	499,545
Cumberland	160,390	-	160,390
Falmouth	151,147	-	151,147
Gorham	397,713	-	397,713
Portland	3,002,112	-	3,002,112
Westbrook	536,639	-	536,639
Windham	60,599	-	60,599
Total	<u>\$ 11,009,483</u>	<u>\$ (880,000)</u>	<u>\$ 10,129,483</u>

Depreciation related to vehicles (\$320,000) and the main office (\$360,000) was allocated to operating expenses based on vehicles hours and office space occupied. Depreciation related to technology (\$200,000) was allocated to the funds based on their percentage of total expenditures.

Long-Term Debt - Bonds

The following is a summary of changes in bonds, including current portions reported in the Statement of Net Position:

General Revenue bonds:

Dec 31, 2018	Increases	Decreases	Dec 31, 2019	Current	Non-Current
<u>\$ 91,605,693</u>	<u>\$ 7,375,000</u>	<u>\$ (7,529,775)</u>	<u>\$ 91,450,918</u>	<u>\$ 8,110,454</u>	<u>\$ 83,340,464</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

Long-term debt outstanding as of December 31, 2019, consisted of the following general revenue bonds:

Water Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Oct-05	\$ 900,000	2025	3.0% to 5.0%	\$ 270,000		
Oct-06	1,500,000	2026	3.0% to 5.0%	525,000		
Oct-08	1,500,000	2028	2.1% to 5.6%	675,000		
Apr-09	1,598,500	2029	1.050%	719,325		
May-09	4,519,800	2029	2.1% to 5.6%	2,259,900		
May-09	180,200	2029	2.1% to 5.6%	90,100		
Aug-09	2,991,066	2029	0.0%	1,495,533		
Aug-09	163,953	2029	0.0%	81,976		
May-10	400,000	2030	2.1% to 5.7%	275,000		
Nov-10	902,500	2030	1.0%	496,375		
Oct-11	2,300,000	2031	0.5% to 5.5%	1,380,000		
May-12	1,130,000	2032	1.0%	734,500		
Oct-12	2,000,000	2032	1.5% to 3.7%	1,300,000		
May-13	2,850,000	2033	1.0%	1,950,000		
May-13	1,428,000	2033	0.6% to 3.7%	999,600		
Nov-13	8,000,000	2033	2.0% to 4.3%	6,000,000		
Nov-13	1,072,000	2033	1.1%	750,400		
Jun-14	2,541,000	2034	2.7%	1,890,000		
Jun-14	2,000,000	2024	2.7%	1,000,000		
May-15	459,000	2035	0.2%	345,537		
Jun-15	2,000,000	2025	3.0%	1,200,000		
Jun-15	3,230,000	2035	3.0%	2,570,000		
Jun-15	500,000	2035	3.0%	400,000		
Dec-15	270,000	2035	1.0%	216,000		
Jun-16	385,000	2036	3.0% to 4.0%	325,000		
Jun-16	1,830,000	2026	3.0% to 4.0%	1,275,000		
Jun-16	1,830,000	2036	3.0% to 4.0%	1,545,000		
Jun-16	1,734,250	2036	3.0% to 4.0%	1,337,000		
Jun-16	185,813	2036	3.0% to 4.0%	143,250		
Jun-16	3,034,938	2036	3.0% to 4.0%	2,339,750		
Sep-16	1,158,979	2036	1.0%	999,488		
Sep-16	566,362	2036	1.0%	488,423		
Jul-17	3,725,000	2037	3.0% to 5.0%	3,350,000		
Jul-17	1,875,000	2027	3.0% to 5.0%	1,500,000		
Mar-18	1,900,000	2038	1.00%	1,795,264		
Aug-18	1,000,000	2038	5.00%	900,000		
Aug-18	900,000	2038	3.0% to 5.0%	855,000		
Aug-18	2,000,000	2028	5.00%	1,800,000		
Nov-18	3,000,000	2038	1.00%	2,850,000		
Aug-19	4,500,000	2039	3% to 5%	4,500,000		
Aug-19	2,000,000	2029	2% to 5%	2,000,000		
				<u>\$ 55,627,421</u>	<u>\$ 4,756,063</u>	<u>\$ 50,871,358</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

Cape Elizabeth Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Oct-08	\$ 95,000	2028	2.1% to 5.6%	\$ 42,750		
Dec-11	2,430,000	2031	1.0%	1,458,000		
Oct-12	160,000	2032	1.48% to 3.7%	104,000		
May-15	240,000	2035	0.4% to 3.9%	192,000		
May-17	315,000	2037	1.3% to 3.9%	283,500		
Nov-17	72,000	2037	1.4% to 4.1%	64,800		
Jun-19	875,000	2039	1.0%	875,000		
				<u>\$ 3,020,050</u>	<u>\$ 209,350</u>	<u>\$ 2,810,700</u>

Cumberland Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Dec-06	\$ 125,000	2026	1.4%	\$ 43,750	\$ 6,250	\$ 37,500

Falmouth Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
May-16	\$ 4,000,000	2036	1.0%	\$ 3,400,000		
Mar-17	760,000	2037	1.0%	684,000		
				<u>\$ 4,084,000</u>	<u>\$ 238,000</u>	<u>\$ 3,846,000</u>

Gorham Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Apr-03	\$ 78,120	2023	1.8%	\$ 11,193		
Nov-03	73,185	2023	2.1%	14,483		
Dec-05	252,000	2025	1.6%	75,600		
May-08	50,400	2028	2.0% to 5.5%	22,680		
Oct-08	474,672	2028	2.1% to 5.6%	237,336		
Jan-09	4,258,208	2029	1.4%	1,935,549		
Feb-09	253,475	2029	1.0%	114,064		
May-09	233,954	2029	2.1% to 5.6%	116,977		
Nov-10	52,360	2030	1.0%	28,798		
Mar-18	308,000	2038	1.00%	292,600		
				<u>\$ 2,849,281</u>	<u>\$ 303,766</u>	<u>\$ 2,545,515</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

Portland Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Oct-01	\$ 2,785,000	2021	2.1%	\$ 278,500		
Nov-01	1,250,000	2021	2.1%	125,000		
Apr-03	1,615,500	2023	1.66%	86,452		
Apr-03	5,200,000	2023	1.88%	745,077		
Nov-03	1,230,000	2023	2.11%	238,743		
Nov-03	2,000,000	2023	2.11%	398,721		
Dec-04	375,000	2024	1.3%	93,750		
Dec-04	1,740,000	2024	1.3%	435,000		
Dec-05	1,900,000	2025	1.6%	570,000		
Apr-09	5,700,000	2029	1.5%	2,528,946		
Nov-10	752,200	2030	1.0%	413,710		
Oct-11	400,000	2031	0.5% to 5.5%	240,000		
Nov-13	3,000,000	2033	3.0% to 4.0%	2,100,000		
Dec-15	2,000,000	2035	1.0%	1,600,000		
Jul-16	7,000,000	2036	1.0%	5,950,000		
Jul-16	1,200,000	2036	1.0%	1,020,000		
May-17	1,900,000	2037	1.0%	1,695,528		
May-18	500,000	2038	1.92% to 4.042%	475,000		
				<u>\$ 18,994,427</u>	<u>\$ 2,025,757</u>	<u>\$ 16,968,670</u>

Westbrook Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 284,208	2023	1.8%	\$ 40,722		
Nov-03	266,254	2023	2.1%	52,692		
Dec-05	1,316,800	2025	1.6%	395,040		
May-08	183,360	2028	2.0% to 5.5%	82,512		
Oct-08	2,384,641	2028	2.1% to 5.6%	1,192,321		
Feb-09	974,925	2029	1.0%	438,716		
Nov-10	113,220	2030	1.0%	62,271		
Dec-15	1,000,000	2035	1.0%	800,000		
Mar-18	666,000	2038	1.00%	632,700		
Sep-18	2,200,000	2038	1.00%	2,200,000		
				<u>\$ 5,896,974</u>	<u>\$ 469,095</u>	<u>\$ 5,427,879</u>

Windham Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 9,672	2023	1.8%	\$ 1,386		
Nov-03	9,061	2023	2.1%	1,793		
Dec-05	31,200	2025	1.6%	9,360		
May-08	6,240	2028	2.0% to 5.5%	2,808		
Oct-08	40,687	2028	2.1% to 5.6%	20,344		
Jan-09	1,681,792	2029	1.4%	764,451		
Feb-09	21,600	2029	1.0%	9,720		
May-09	196,046	2029	2.1% to 5.6%	98,023		
Nov-10	4,420	2030	1.0%	2,431		
Mar-18	26,000	2038	1.00%	24,700		
				<u>\$ 935,015</u>	<u>\$ 102,173</u>	<u>\$ 832,842</u>

Total Long-Term Debt

\$ 91,450,918	\$ 8,110,454	\$ 83,340,464
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NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt -Bonds - Continued

The municipalities comprising the District have ratified a resolution to levy taxes in the event of default by the District on either principal or interest payments of its water system debt.

The municipalities that have wastewater systems pay for the debt service through assessments made on them by the District. The debt of the wastewater system is backed by the good faith and credit of each of the municipalities.

Green Bonds

On August 1, 2019, the District issued \$6.5 million in bonds for the purpose of improvements to water mains and other related infrastructure which were environmentally beneficial projects designed to ensure safe drinking water for the public in accordance with State, Federal and local standards. The District’s Board of Trustees designated the bonds as “Green Bonds.” By taking this action, purchasers of the Bonds can invest directly in environmentally beneficial projects. The holders of the bonds do not assume any specific project risk or economic benefit related to any of the funded projects as the result of the Green Bonds designation.

As of December 31, 2019, the District still had \$1,434,465 in unspent bond proceeds from the original \$6.5 million.

Deferred Outflow - Bond Refunding

During 2016, the District refunded \$5,160,000 in bonds in the Water Fund and incurred a \$247,093 loss. The loss was recorded as Deferred Outflow and will be amortized for the remaining life of the original bonds:

	Beginning		Ending
	<u>Balance</u>	<u>Reduction</u>	<u>Balance</u>
2019	\$ 140,400	\$ (34,700)	\$ 105,700
2020	105,700	(29,800)	75,900
2021	75,900	(24,800)	51,100
2022	51,100	(20,000)	31,100
2023	31,100	(15,100)	16,000
2024	16,000	(10,100)	5,900
2025	5,900	(5,400)	500
2026	500	(500)	-
		<u>\$ (140,400)</u>	

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt

Principal Payments Due: -----WASTEWATER SYSTEMS-----

	Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total
2020	\$ 4,756,063	\$ 209,350	\$ 6,250	\$ 238,000	\$ 303,766	\$ 2,025,757	\$ 469,095	\$ 102,173	\$ 8,110,454
2021	4,771,903	209,350	6,250	238,000	303,655	1,933,008	468,689	102,159	8,033,014
2022	4,737,757	209,350	6,250	238,000	303,589	1,728,050	468,451	102,151	7,793,598
2023	4,733,612	209,350	6,250	238,000	299,883	1,482,041	454,969	101,692	7,525,797
2024	4,749,480	209,350	6,250	238,000	296,304	1,324,091	441,947	101,249	7,366,671
2025-2029	18,545,757	1,042,000	12,500	1,190,000	1,200,865	5,430,711	1,888,461	413,674	29,723,968
2030-2034	9,976,748	642,500	-	1,190,000	79,618	3,851,295	972,161	6,721	16,719,043
2035-2039	3,356,101	288,800	-	514,000	61,601	1,219,474	733,201	5,196	6,178,373
	<u>\$ 55,627,421</u>	<u>\$ 3,020,050</u>	<u>\$ 43,750</u>	<u>\$ 4,084,000</u>	<u>\$ 2,849,281</u>	<u>\$ 18,994,427</u>	<u>\$ 5,896,974</u>	<u>\$ 935,015</u>	<u>\$ 91,450,918</u>

Interest Due: -----WASTEWATER SYSTEMS-----

	Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total
2020	\$ 1,644,258	\$ 45,039	\$ 621	\$ 40,650	\$ 46,999	\$ 285,926	\$ 134,399	\$ 12,954	\$ 2,210,846
2021	1,439,022	42,421	533	38,270	41,678	256,439	102,373	11,304	1,932,040
2022	1,361,394	39,720	444	35,890	39,899	228,308	91,436	12,699	1,809,790
2023	1,217,863	36,952	355	33,510	34,514	204,920	80,457	11,082	1,619,653
2024	1,069,251	34,117	266	31,130	28,694	183,355	69,362	9,119	1,425,294
2025-2029	3,298,337	126,005	267	119,950	60,672	632,509	194,081	17,651	4,449,472
2030-2034	1,223,555	54,230	-	60,450	5,416	242,701	65,712	457	1,652,521
2035-2039	194,204	11,582	-	7,710	1,540	26,145	19,597	130	260,908
	<u>\$ 11,447,884</u>	<u>\$ 390,066</u>	<u>\$ 2,486</u>	<u>\$ 367,560</u>	<u>\$ 259,412</u>	<u>\$ 2,060,303</u>	<u>\$ 757,417</u>	<u>\$ 75,396</u>	<u>\$ 15,360,524</u>

Total Debt Service Due: -----WASTEWATER SYSTEMS-----

	Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total
2020	\$ 6,400,321	\$ 254,389	\$ 6,871	\$ 278,650	\$ 350,765	\$ 2,311,683	\$ 603,494	\$ 115,127	\$ 10,321,300
2021	6,210,925	251,771	6,783	276,270	345,333	2,189,447	571,062	113,463	9,965,054
2022	6,099,151	249,070	6,694	273,890	343,488	1,956,358	559,887	114,850	9,603,388
2023	5,951,475	246,302	6,605	271,510	334,397	1,686,961	535,426	112,774	9,145,450
2024	5,818,731	243,467	6,516	269,130	324,998	1,507,446	511,309	110,368	8,791,965
2025-2029	21,844,094	1,168,005	12,767	1,309,950	1,261,537	6,063,220	2,082,542	431,325	34,173,440
2030-2034	11,200,303	696,730	-	1,250,450	85,034	4,093,996	1,037,873	7,178	18,371,564
2035-2039	3,550,305	300,382	-	521,710	63,141	1,245,619	752,798	5,326	6,439,281
	<u>\$ 67,075,305</u>	<u>\$ 3,410,116</u>	<u>\$ 46,236</u>	<u>\$ 4,451,560</u>	<u>\$ 3,108,693</u>	<u>\$ 21,054,730</u>	<u>\$ 6,654,391</u>	<u>\$ 1,010,411</u>	<u>\$ 106,811,442</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Notes Payable

The Windham Wastewater fund has one note payable. That note payable is related to the purchase of assets from the Westbrook Wastewater Fund. The note was originated in 2008, has an average annual interest rate of 4.395% and has a 20-year term.

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>	<u>Current</u>	<u>Non-Current</u>
Windham Wastewater Fund:						
2008 Note	\$ 132,400	\$ -	\$ (13,240)	\$ 119,160	\$ 13,240	\$ 105,920

The annual debt service requirements to amortize notes payable are, as follows:

Years Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	13,240	5,237	18,477
2021	13,240	4,655	17,895
2022	13,240	4,073	17,313
2023	13,240	3,491	16,731
2024	13,240	2,909	16,149
2025-2028	52,960	5,819	58,779
	<u>\$ 119,160</u>	<u>\$ 26,184</u>	<u>\$ 145,344</u>

Compensated Absences

District employees can be paid out up to 400 hours of sick time upon retirement. The actuary hired by the District determined the value of that liability. The current portion of that liability is equal to the liability of the employees who would be eligible to retire through the end of the next year.

	<u>Dec 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2019</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 891,355	\$ 98,408	\$ (27,346)	\$ 962,417	\$ 249,889	\$ 712,528
Vacation	686,554	814,196	(770,395)	730,355	566,657	163,698
	<u>\$ 1,577,909</u>	<u>\$ 912,604</u>	<u>\$ (797,741)</u>	<u>\$ 1,692,772</u>	<u>\$ 816,546</u>	<u>\$ 876,226</u>

District employees earn vacation time based on their years of service. The liability for vacation time is equal to the sum of all employees' vacation hours times their rate of pay. The current portion is equal to the vacation time they are expected to take in the next year.

NOTE 4 - OTHER INFORMATION

Risk Management

The District is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the District carries commercial insurance. There have been no significant reductions in the commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Operating Leases

The District, as a lessor, entered into two cell tower lease agreements during 2013. The lease terms are five years with automatic extension for four additional five year terms, unless terminated by the lessee. Annual rent was \$30,000 a year and rent for each year after the first lease year shall increase by three percent over the rent for each preceding year. Rental income for the year ended December 31, 2019 was \$117,868.

Commitments and Contingencies

At December 31, 2019, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$6,274,951, which is broken down by funds, as follows:

Water Fund	\$2,748,158
Cape Elizabeth Wastewater	31,026
Portland Wastewater	2,815,542
Westbrook Wastewater	639,511
Windham Wastewater	40,714

Bond Commitments:

As of December 31, 2019, the District's Board of Trustees approved resolutions for the issuance of the following bonds that have yet to be issued as of the date of this report:

<u>Resolution</u>	<u>Fund</u>	<u>Project</u>	<u>Principal</u>	<u>Full Debt Service</u>
18-002	Cape Elizabeth WW	Treatment Plan HVAC	\$ 275,000	\$ 320,023
18-002	Portland WW	Treatment Plan HVAC	425,000	494,582
18-002	Water/Portland WW	Asset/Billing Computer System	3,600,000	4,186,746
18-007	Water Fund	Wards Hill Water Tank	3,000,000	3,563,438
18-016	Portland WW	Fore River WW Pump Station	2,500,000	2,900,625
18-017	Water Fund	Water Mains	266,000	369,949
19-009	Gorham WW	Aeration - Regional Treatment Plant	3,234,000	3,752,249
19-009	Westbrook WW	Aeration - Regional Treatment Plant	6,993,000	8,113,628
19-009	Windham WW	Aeration - Regional Treatment Plant	273,000	316,748
19-010	Water Fund	Tiger Hill Forest Easement	345,000	330,491
19-011	Portland WW	Clarifer Upgrade	750,000	1,031,135
19-014	Cape Elizabeth WW	Treatment Plant UV Treatment	150,000	174,037
			<u>\$21,811,000</u>	<u>\$25,553,651</u>

Cumberland Wastewater - Commitments and Contingencies:

The Town of Falmouth provides wastewater treatment services to the Cumberland Wastewater fund. In 2007, the Town issued a 20-year bond to finance an upgrade at their treatment plant. The District agreed the Cumberland fund would pay 30% of the debt service payments. As of December 31, 2019, the total remaining debt payments to be paid by the Cumberland fund were \$972,035.

The Falmouth Wastewater fund has issued two bonds, \$4.0 million in 2016 and \$0.76 million in 2017, for the replacement/upgrade of the Mill Creek wastewater pump station and force main. The Cumberland Wastewater fund agreed to pay 43.7% of the debt service payments. As of December 31, 2019, the total remaining debt payments for the Cumberland fund through 2037 were \$2,042,598.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Commitments and Contingencies - Continued

Wastewater Funds - Commitments and Contingencies:

The Department of Environmental Protection and Environmental Protection Agency, local municipalities, and the District have entered into agreements to abate combined sewer overflows and wet weather overflows in the respective Cities of Portland and Westbrook and the Town of Cape Elizabeth. Since the District operates the interception and treatment facilities and the municipalities operate the collection systems, the municipality and the District have responsibility to complete certain projects under the agreements. Periodically, the plans are reviewed and updated based on the impact of completion of prior projects. The current status of the agreements is outlined below:

- The City of Portland submitted an updated plan in 2011. This 15-year plan was estimated to cost \$167 million, including approximately \$45 million of projects to be completed by the District towards the end of the plan. The public portion of the plan development was completed recently and the draft report will be compiled and shared with regulatory agencies as the implementation of the plan is negotiated.
- The City of Westbrook and the District submitted an updated plan in December 2014 for the next 5 years. The plan is currently estimated to cost \$22 million and originally called for District capital costs of \$5.7 million from 2015 to 2019. The District has substantially completed an upgrade to the Dana Court Pump Station as part of its requirement under the plan. The District is also installing an underflow trash baffle in one of the major overflow locations to reduce the release of floatables. The City of Westbrook has been working to complete its projects and is on schedule to meet the requirements of the current plan. The 5-year plan will be updated by both Westbrook and the Portland Water District in 2021.
- The Town of Cape Elizabeth, the City of South Portland and the District submitted a draft plan for the Ottawa Road CSO in 2011. Because the combined sewer overflow is impacted by flow from the City of South Portland, the City of South Portland is also a party to the agreement. The 5-year plan was expected to cost \$2,362,000, with the bulk of that cost being the responsibility of the Town of Cape Elizabeth and City of South Portland. Both the Town and City have completed projects to remove extraneous flow from the system. The flow reductions from these projects will be quantified and the District has purchased items to increase the reliability and capacity of the station. Installation of these items is anticipated in 2020. A more intensive capital upgrade is currently included in the Capital Improvements Plan for future years.

In 2006, the District entered into a biosolids management agreement with New England Organics (now Casella Organics). Casella agreed to provide for the transportation and processing of wastewater treatment plant residual called biosolids for a period of five years from the contract date and was extended for five more years in 2010. In April 2015, the District and Casella agreed to an addition five-year extension for service until the end of 2020. In addition, there are two additional five-year mutual extension options. It is estimated that payments of approximately \$1,722,166 will be made to Casella in 2020.

All Funds - Commitments and Contingencies:

The District purchases its electricity from Constellation Energy through an energy aggregation group – Maine Power Option. Energy contracts for small and medium accounts have been signed through December 2022. The contract for the Water Treatment Plant has been signed through December 2024 and the contracts for the Wastewater Treatment Plant and India Street Pump Station are in effect through November 2024. The estimated cost of electricity in 2020 is \$920,970.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Trustee Held Funds

The District participates in the State of Maine’s revolving loan fund program. The program administrator retains the bond proceeds until the District expends the funds and requests reimbursement. During 2019, the District issued a bond through this program in the Cape Elizabeth fund.

	<u>Dec. 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2019</u>
Water Fund	\$ 1,223,830	\$ -	\$ (1,212,887)	\$ 10,943
Cape Elizabeth Wastewater	-	875,000	(595,704)	279,296
Gorham Wastewater	75,971	-	(75,971)	-
Portland Wastewater	-	-	-	-
Westbrook Wastewater	1,148,426	-	(972,453)	175,973
Windham Wastewater	6,413	-	(6,413)	-
Total	<u>\$ 2,454,640</u>	<u>\$ 875,000</u>	<u>\$ (2,863,428)</u>	<u>\$ 466,212</u>

Net Position

Net position invested in capital assets in the Water fund is net of related debt plus unspent bond proceeds of \$1,434,465.

Pension Plans

Plan Descriptions: The Portland Water District administers the District’s non-bargaining unit and bargaining unit employees’ pension plans. Both are single-employer defined benefit pension plans. No employee contributions are required by the plans. Management of the plans is vested in the Portland Water District Board. Membership in the respective plans is, as follows:

	<u>As of May 1, 2018</u>		<u>As of May 1, 2019</u>	
	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Active employees included in plan	70	26	62	24
Retired employees and beneficiaries	86	45	90	45
Terminated employees with vested rights	<u>45</u>	<u>16</u>	<u>43</u>	<u>13</u>
	<u>201</u>	<u>87</u>	<u>195</u>	<u>82</u>

The pension plan does not issue a stand-alone financial report.

Eligibility for each plan requires the participants to be eighteen years of age and to have fulfilled five years of continuous service. Union members and nonunion members are respectively eligible for the bargaining unit employees’ pension plan or the non-bargaining unit plan.

The Trustees of the District elected to freeze eligibility for newly hired bargaining unit and non-bargaining unit employees as of December 31, 2010 and December 31, 2011, respectively. Those employees receive a contribution to the deferred compensation plan (see Deferred Compensation Plan). Employees hired before those dates and transferred between units are required to participate in the deferred compensation plan unless they make a one-time irrevocable decision to continue participation in the defined benefit plan.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

In both plans, members are partially vested after five years and fully vested after seven years of continuous service. Participants who retire at or after age sixty-five with seven or more years of credited service are entitled to an annual retirement benefit payable monthly for life, as follows:

Non-Bargaining Unit Participants: The annual benefit is equal to 1% of the average of the employees three highest annual earnings times the number of total years of service up to forty-five years, plus up to 0.6% of average annual earnings in excess of covered compensation times credited service up to thirty-five years.

Bargaining Unit Participants: Effective November 4, 2019, the monthly pension benefit is computed based on a \$37.75 (previously \$36.75) rate for pay grades A through E and a \$38.75 (previously \$37.75) rate for employees in pay grades F through L. Those dollars are multiplied by the number of creditable years of continuous service with Portland Water District, to a maximum of forty-five years. The maximum monthly benefit is \$1,698.75 (previously \$1,653.75) for employees in pay grades A through E and \$1,743.75 (previously \$1,698.75) for employees in pay grades F through L.

Employees 55 or older and vested in the plan may retire. Benefits are actuarially reduced if an employee retires before turning 65 unless the employee is 62 or older with 30 years or more of service.

Benefits payable may be increased annually, at the discretion of the Board of Trustees, up to the 50% of the consumer price index or 5%, whichever is lower. The authority to establish and amend benefit provisions for both plans rests with the District's Board of Trustees. A stand-alone report is not issued for either of the plans. The assets in the plans' pension funds are presented as fiduciary funds on the accompanying financial statements.

Administrative Expenses: All administrative expenses are paid by the District and allocated to the individual funds. Such expenses were \$150,556 for the year ended December 31, 2019.

Funding Policy: The District's policy is to contribute at least the actuarially determined contribution to the plans or \$1,000,000, whichever is higher. No employee contributions are required by the plans. The District's Board authorizes the specific contribution annually. For the year ended December 31, 2019, a total contribution of \$1,112,774 was made with a contribution of \$657,022 and \$455,752 to the bargaining and non-bargaining units, respectively. The contributions represented 19.5% and 51.0% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2019 is based an actuarial valuation as of May 1, 2019 that was updated through December 31, 2019. Balances as of December 31, 2019 are, as follows:

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Total</u>
Pension Liabilities	\$ 15,909,719	\$ 13,341,455	\$ 29,251,174
Net Fiduciary Position (Pension Assets)	13,616,153	11,890,461	25,506,614
Net Pension Liability	2,293,566	1,450,994	3,744,560
Deferred Outflows of resources related to Pension	(1,192,183)	(1,095,884)	(2,288,067)
Deferred Inflows of resources related to Pension	1,980,563	1,647,942	3,628,505
Net Carrying Amount on Statement of Net Position	<u>\$ 3,081,946</u>	<u>\$ 2,003,052</u>	<u>\$ 5,084,998</u>
Pension Expense	<u>\$ 1,164,448</u>	<u>\$ 913,474</u>	<u>\$ 2,077,922</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Changes in the Net Pension Liability: The changes in each of the pension plans for the year ending December 31, 2019 are listed below:

Bargaining Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 15,389,802	\$ 11,404,562	\$ 3,985,240
Service cost	153,079		153,079
Interest	984,696		984,696
Change in benefit terms	124,915		124,915
Difference between expected and actual experience	(273,423)		(273,423)
Change in assumptions	275,750		275,750
Benefit payments	(745,100)		(745,100)
Contribution - employer		657,022	(657,022)
Net investment income		2,299,669	(2,299,669)
Benefit payments		(745,100)	745,100
Net Change	<u>519,917</u>	<u>2,211,591</u>	<u>(1,691,674)</u>
Balance at 12/31/2019	<u>\$ 15,909,719</u>	<u>\$ 13,616,153</u>	<u>\$ 2,293,566</u>

Plan fiduciary net position as a percentage of total pension liability 86%

Non-Bargaining Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 12,854,166	\$ 10,099,126	\$ 2,755,040
Service cost	190,869		190,869
Interest	824,561		824,561
Difference between expected and actual experience	185,820		185,820
Benefit payments	(713,961)		(713,961)
Contribution - employer		455,752	(455,752)
Net investment income		2,049,544	(2,049,544)
Benefit payments		(713,961)	713,961
Net Change	<u>487,289</u>	<u>1,791,335</u>	<u>(1,304,046)</u>
Balance at 12/31/2019	<u>\$ 13,341,455</u>	<u>\$ 11,890,461</u>	<u>\$ 1,450,994</u>

Plan fiduciary net position as a percentage of total pension liability 89%

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Additional information from the May 1, 2019 actuarial valuation is listed below. The valuation was updated and rolled forward to the December 31, 2019 measurement date.

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	May 1, 2019	May 1, 2019
Measurement date	December 31, 2019	December 31, 2019
Actuarial cost method	Entry Age	Entry Age
Amortization method- investment	5-Year Period	5-Year Period
Amortization method- liability	Expected Future Service	Expected Future Service
Amortization method-assumption	Expected Future Service	Expected Future Service
Amortization method-benefit change	Current Year	Current Year
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	6.25%	6.25%
Projected salary increases	3.0%	3.0%
Inflation rate	1.5%	1.5%
COLA (post-retirement)	1.5%	1.5%
Retirement age	Graded by age based on past experience	Graded by age based on past experience
Mortality	RP-2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2019	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2019

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Return Estimate 7- & 20-Year Horizon</u>
U.S. Equities Large	25%	4.6%/7.6%
U.S. Equities Small	15%	6.25%/7.35%
International Developed Market Equities	15%	6.1%/7.1%
International Emerging Market Equities	10%	7.5%/8.8%
Core Bonds	20%	3.3%/3.7%
High Yield Bonds	5%	3.3%/5.5%
REIT's	5%	6.4%/6.9%
Natural Resources	5%	3.1%/3.8%

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Discount Rate: The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed the District contributions will be made at the rate equal to the actuarially determined contribution or \$1,000,000, whichever is higher. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, calculated using the discount rate of 6.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25 %) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Bargaining Unit Net Pension Liability	\$3,983,217	\$2,293,566	\$615,690
Non-Bargaining Unit Net Pension Liability	\$2,884,196	\$1,450,994	\$233,120

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2019, the District recognized pension expense for the bargaining and non-bargaining unit of \$1,164,448 and \$913,474, respectively. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	Bargaining	Non- Bargaining	Total	Bargaining	Non- Bargaining	Total
Difference between Expected and Actual Expense	\$ 2,050	\$ 13,668	\$ 15,718	\$ 184,635	\$ 55,172	\$ 239,807
Difference between Expected and Actual Returns	1,024,179	921,478	1,945,657	1,763,670	1,587,126	3,350,796
Impact of Assumption Changes	165,954	160,738	326,692	32,258	5,644	37,902
	<u>\$1,192,183</u>	<u>\$1,095,884</u>	<u>\$ 2,288,067</u>	<u>\$1,980,563</u>	<u>\$1,647,942</u>	<u>\$ 3,628,505</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows:

Year Ending December 31:	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
2020	\$ (302,117)	\$ (134,240)
2021	(226,836)	(181,119)
2022	40,981	35,227
2023	<u>(300,411)</u>	<u>(271,928)</u>
	<u>\$ (788,383)</u>	<u>\$ (552,060)</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

For Bargaining Unit employees hired as of December 31, 2010, and Non-Bargaining Unit employees hired as of December 31, 2011, the plan and their level of contribution is optional. During 2013, the District matched employee contributions at the rate of a dollar for dollar match to a limit of \$1,225 per year for Bargaining Unit employees and Non-Bargaining Unit employees.

For Bargaining Unit employees hired after December 31, 2010, and Non-Bargaining Unit employees hired after December 31, 2011, the plan is mandatory. Employees are required to contribute 3.0% of their regular wages to the plan with a District match 150%. Employees can also elect to receive a 150% match on an additional 1.5% of regular wages beyond the mandatory 3.0%.

The District has no liability for losses under the plan but does have the usual fiduciary responsibilities of a plan sponsor. The assets and liabilities of the plan are not reflected in the financial statements of the District.

Subsequent Events

On January 30, 2020, the District's Board of Trustees authorized the General Manager and the Treasurer to enter into a 20-year contract to purchase net energy billing credits and renewable energy certificates (REC) generated from solar and hydro power electricity producers. The District signed a contract for obligating it to annually pay \$807,018 to 21 electricity producers for 9,795,000 kilowatts. The payment is offset by energy billing credits on our electricity bills and sale of the REC. Given the current billing credit rates and REC value, the District would generate \$1,581,244, resulting in a net savings of \$774,226. The billing credit rates are established annually by the Maine Public Utilities. The projects may take as long as 24 months to be constructed so the full cost and benefits may not be realized until then.

On February 24, 2020, the District's Board of Trustees authorized the issuance of up to \$7.0 million in water bonds to finance the installation and renewal of water mains and related infrastructure. The total cost of the debt service payments is estimated at \$8.71 million.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the District had not yet suffered material adverse impact from the CV19 Crisis. However, as a result of the CV19 Crisis, the Board of Trustees voted to delay a planned 2.9% water rate increase which was scheduled to be implemented on May 1, 2020. If the increase is not implemented in 2020, water revenues are estimated to be \$730,000 lower in fiscal year 2020.

REQUIRED SUPPLEMENTARY INFORMATION**December 31, 2019****Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan**

	2016	2017	2018	2019
Total Pension Liability				
Service cost	\$ 169,601	\$ 168,310	\$ 160,841	\$ 153,079
Interest	958,787	955,116	966,881	984,696
Change in benefit terms	94,108	13,576	-	124,915
Difference between expected and actual experience	(154,202)	136,114	(138,333)	(273,423)
Changes in assumptions	(504,440)	644,838	-	275,750
Benefit payments	(584,988)	(631,191)	(699,644)	(745,100)
Net change in total pension liability	(21,134)	1,286,763	289,745	519,917
Net pension liability - beginning	13,834,428	13,813,294	15,100,057	15,389,802
Total pension liability - ending (a)	\$ 13,813,294	\$ 15,100,057	\$ 15,389,802	\$ 15,909,719
Plan fiduciary net position				
Contribution - employer	\$ 684,363	\$ 870,877	\$ 817,528	\$ 657,022
Net investment income	781,667	2,067,152	(889,719)	2,299,669
Benefit payments	(584,988)	(631,191)	(699,644)	(745,100)
Net change in plan fiduciary net position	881,042	2,306,838	(771,835)	2,211,591
Plan fiduciary of net position - beginning	8,988,517	9,869,559	12,176,397	11,404,562
Plan fiduciary of net position - ending (b)	\$ 9,869,559	\$ 12,176,397	\$ 11,404,562	\$ 13,616,153
Net pension liability - ending (a)-(b)	\$ 3,943,735	\$ 2,923,660	\$ 3,985,240	\$ 2,293,566
Plan fiduciary net position as a percentage of total pension liability	71%	81%	74%	86%
Covered payroll	\$ 4,026,235	\$ 3,825,166	\$ 3,367,434	\$ 3,365,672
District's net pension liability as a percentage of covered-employee payroll	98%	76%	118%	68%
Schedule of Investment Returns				
Annual money-weighted rate of return, net of investment return	8.38%	19.98%	(7.16%)	19.98%

REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**December 31, 2019****Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan - Continued**

	2014	2015
Total Pension Liability		
Service cost	\$ 168,163	\$ 195,241
Interest	784,769	918,080
Change in benefit terms	-	-
Difference between expected and actual experience	1,635,699	(115,154)
Changes in assumptions	-	-
Benefit payments	<u>(507,918)</u>	<u>(564,678)</u>
Net change in total pension liability	2,080,713	433,489
Net pension liability - beginning	<u>11,320,226</u>	<u>13,400,939</u>
Total pension liability - ending (a)	<u>\$ 13,400,939</u>	<u>\$ 13,834,428</u>
Plan fiduciary net position		
Contribution - employer	\$ 502,000	\$ 609,851
Net investment income	377,415	(73,698)
Benefit payments	<u>(507,918)</u>	<u>(564,679)</u>
Net change in plan fiduciary net position	371,497	(28,526)
Plan fiduciary of net position - beginning	<u>8,645,546</u>	<u>9,017,043</u>
Plan fiduciary of net position - ending (b)	<u>\$ 9,017,043</u>	<u>\$ 8,988,517</u>
Net pension liability - ending (a)-(b)	<u>\$ 4,383,896</u>	<u>\$ 4,845,911</u>
Plan fiduciary net position as a percentage of total pension liability	67%	65%
Covered payroll	\$ 4,198,147	\$ 4,048,574
District's net pension liability as a percentage of covered-employee payroll	104%	120%
Schedule of Investment Returns		
	2014	2015
Annual money-weighted rate of return, net of investment return	4.27%	(0.97%)

Information is only available starting with the adoption of GASB 67 in 2014; additional year's information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION**December 31, 2019****Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan**

	2016	2017	2018	2019
Total Pension Liability				
Service cost	\$ 214,157	\$ 196,096	\$ 192,284	\$ 190,869
Interest	849,544	852,297	803,360	824,561
Change in benefit terms	-	10,063	-	-
Difference between expected and actual experience	(29,531)	(746,340)	43,588	185,820
Changes in assumptions	(324,599)	533,290	-	-
Benefit payments	<u>(621,009)</u>	<u>(657,627)</u>	<u>(710,413)</u>	<u>(713,961)</u>
Net change in total pension liability	88,562	187,779	328,819	487,289
Net pension liability - beginning	<u>12,249,004</u>	<u>12,337,566</u>	<u>12,525,345</u>	<u>12,854,166</u>
Total pension liability - ending (a)	<u>\$ 12,337,566</u>	<u>\$ 12,525,345</u>	<u>\$ 12,854,164</u>	<u>\$ 13,341,455</u>
Plan fiduciary net position				
Contribution - employer	\$ 515,637	\$ 712,137	\$ 596,920	\$ 455,752
Net investment income	687,358	1,867,678	(805,757)	2,049,544
Benefit payments	<u>(621,009)</u>	<u>(657,627)</u>	<u>(710,413)</u>	<u>(713,961)</u>
Net change in plan fiduciary net position	581,986	1,922,188	(919,250)	1,791,335
Plan fiduciary of net position - beginning	<u>8,514,202</u>	<u>9,096,188</u>	<u>11,018,376</u>	<u>10,099,126</u>
Plan fiduciary of net position - ending (b)	<u>\$ 9,096,188</u>	<u>\$ 11,018,376</u>	<u>\$ 10,099,126</u>	<u>\$ 11,890,461</u>
Net pension liability - ending (a)-(b)	<u>\$ 3,241,378</u>	<u>\$ 1,506,969</u>	<u>\$ 2,755,038</u>	<u>\$ 1,450,994</u>
Plan fiduciary net position as a percentage of total pension liability	74%	88%	79%	89%
Covered payroll	\$ 2,584,837	\$ 2,238,080	\$ 2,094,659	\$ 2,165,844
District's net pension liability as a percentage of covered-employee payroll	125%	67%	132%	67%
Schedule of Investment Returns				
	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment return	7.92%	19.85%	(7.26%)	20.37%

REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

December 31, 2019

Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan - Continued

	2014	2015
Total Pension Liability		
Service cost	\$ 205,440	\$ 229,085
Interest	672,086	802,879
Change in benefit terms	-	-
Difference between expected and actual experience	1,809,303	79,616
Changes in assumptions	-	-
Benefit payments	<u>(587,753)</u>	<u>(651,317)</u>
Net change in total pension liability	2,099,076	460,263
Net pension liability - beginning	<u>9,689,665</u>	<u>11,788,741</u>
Total pension liability - ending (a)	<u><u>\$ 11,788,741</u></u>	<u><u>\$ 12,249,004</u></u>
Plan fiduciary net position		
Contribution - employer	\$ 424,000	\$ 390,149
Net investment income	375,587	(47,726)
Benefit payments	<u>(587,753)</u>	<u>(651,317)</u>
Net change in plan fiduciary net position	211,834	(308,894)
Plan fiduciary of net position - beginning	<u>8,611,262</u>	<u>8,823,096</u>
Plan fiduciary of net position - ending (b)	<u><u>\$ 8,823,096</u></u>	<u><u>\$ 8,514,202</u></u>
Net pension liability - ending (a)-(b)	<u><u>\$ 2,965,645</u></u>	<u><u>\$ 3,734,802</u></u>
Plan fiduciary net position as a percentage of total pension liability	75%	70%
Covered payroll	\$ 2,855,590	\$ 2,753,837
District's net pension liability as a percentage of covered-employee payroll	104%	136%

Schedule of Investment Returns

	2014	2015
Annual money-weighted rate of return, net of investment return	4.29%	(0.95%)

Information is only available starting with the adoption of GASB 67 in 2014; additional year's information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

December 31, 2019

Schedule of District's Contributions

The required supplementary information is intended to show information for ten years, and that additional years' information will be displayed as it becomes available. The actuarial determined rate was determined using the May 1, 2019 actuarial valuation report.

Additional information from the May 1, 2019 actuarial valuation follows:

Fiscal year ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
Bargaining Unit					
2014	\$ 451,021	\$ 502,000	\$ (50,979)	\$4,198,147	12.0%
2015	\$ 560,263	\$ 609,581	\$ (49,318)	\$4,048,574	15.1%
2016	\$ 672,450	\$ 684,363	\$ (11,913)	\$4,026,235	17.0%
2017	\$ 870,877	\$ 870,877	\$ -	\$3,825,166	22.8%
2018	\$ 817,528	\$ 817,528	\$ -	\$3,367,434	24.3%
2019	\$ 657,022	\$ 657,022	\$ -	\$3,365,672	19.5%
Non-Bargaining Unit					
2014	\$ 405,542	\$ 424,000	\$ (18,458)	\$2,855,590	14.8%
2015	\$ 358,425	\$ 390,149	\$ (31,724)	\$2,753,837	14.2%
2016	\$ 503,724	\$ 515,637	\$ (11,913)	\$2,584,837	19.9%
2017	\$ 712,137	\$ 712,137	\$ -	\$2,238,080	31.8%
2018	\$ 596,920	\$ 596,920	\$ -	\$2,094,659	28.5%
2019	\$ 455,752	\$ 455,752	\$ -	\$2,165,844	21.0%

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	May 1, 2019	May 1, 2019
Measurement date	December 31, 2019	December 31, 2019
Actuarial cost method	Entry Age	Entry Age
Amortization method - investment	5-Year Period	5-Year Period
Amortization method - liability	Expected Future Service	Expected Future Service
Amortization method - assumption	Expected Future Service	Expected Future Service
Amortization method - benefit change	3-Year Period	3-Year Period
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	6.25%	6.25%
Projected salary increases	3.0%	3.0%
Inflation rate	1.5%	1.5%
COLA (post-retirement)	1.5%	1.5%
Retirement age	Graded by age based on past experience	Graded by age based on past experience
Mortality	RP-2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2019	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2019

REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

December 31, 2019

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense:

	Bargaining Unit	Non-Bargaining Unit
2019	19.98%	20.37%
2018	(7.16%)	(7.26%)
2017	19.98%	19.85%
2016	8.38%	7.92%
2015	(0.97%)	(0.95%)
2014	4.27%	4.29%

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STATISTICS



This section of the Portland Water District's comprehensive annual financial report presents detailed information as a context for understanding the financial statements and note disclosures and the District's overall financial health.

Financial Trends - Pages 75 to 77

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	Invested in capital		TOTAL NET POSITION
	assets	Unrestricted	
2010	\$185,767,265	\$19,019,546	\$204,786,811
2011	\$186,673,502	\$21,088,636	\$207,762,138
2012	\$188,919,054	\$23,526,229	\$212,445,283
2013	\$189,149,330	\$26,344,637	\$215,493,967
2014	\$190,834,740	\$25,737,197	\$216,571,937
2015	\$189,204,269	\$25,370,021	\$214,574,290
2016	\$191,714,552	\$27,055,864	\$218,770,416
2017	\$197,712,038	\$25,951,054	\$223,663,092
2018	\$201,842,304	\$29,647,052	\$231,489,356
2019	\$209,637,188	\$27,583,805	\$237,220,993

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expense	Operating Income	Non-Operating Income (Expense)	Income Before Contributions	Total Contributions	Change in Net Position
2010	\$36,846,240	\$32,866,955	\$3,979,285	(\$1,466,023)	\$2,513,262	\$3,203,040	\$5,716,302
2011	\$36,724,183	\$33,465,791	\$3,258,392	(\$1,552,159)	\$1,706,233	\$1,269,094	\$2,975,327
2012	\$37,306,198	\$33,731,246	\$3,574,952	(\$1,397,281)	\$2,177,671	\$2,505,474	\$4,683,145
2013	\$37,147,486	\$34,301,284	\$2,846,202	(\$1,934,940)	\$911,262	\$2,298,022	\$3,209,284
2014	\$38,191,819	\$34,884,395	\$3,307,424	(\$4,256,936)	(\$949,512)	\$2,069,800	\$1,120,288
2015	\$39,396,921	\$35,169,923	\$4,226,998	(\$1,596,533)	\$2,630,465	\$2,721,429	\$5,351,894
2016	\$41,304,624	\$37,915,424	\$3,389,200	(\$1,701,445)	\$1,687,755	\$2,488,658	\$4,176,413
2017	\$42,056,624	\$38,702,741	\$3,353,883	(\$1,684,176)	\$1,669,707	\$3,222,969	\$4,892,676
2018	\$43,548,737	\$36,398,460	\$7,150,277	(\$1,418,009)	\$5,732,268	\$1,933,510	\$7,665,778
2019	\$44,545,576	\$41,725,703	\$2,819,873	(\$912,468)	\$1,907,405	\$3,824,232	\$5,731,637

OPERATING REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Water Metered Residential	Water Metered Non-Residential	Public Fire Charges	Private Fire Charges	Wastewater Assessments	Other Operating Revenue**	TOTAL OPERATING REVENUE
2010	\$12,162,204	\$5,966,501	\$1,151,027	\$789,395	\$16,215,680	\$561,433	\$36,846,240
2011	\$12,170,613	\$5,955,791	\$1,178,853	\$820,766	\$16,100,680	\$497,480	\$36,724,183
2012	\$12,163,820	\$6,036,646	\$1,187,433	\$832,535	\$16,530,792	\$554,972	\$37,306,198
2013	\$12,190,427	\$5,960,214	\$1,198,678	\$843,912	\$16,388,476	\$565,779	\$37,147,486
2014	\$12,385,913	\$6,149,574	\$1,227,986	\$876,736	\$16,972,320	\$579,290	\$38,191,819
2015	\$13,106,427	\$6,401,387	\$1,270,959	\$915,884	\$17,116,284	\$585,980	\$39,396,921
2016	\$13,955,172	\$6,981,949	\$1,318,921	\$964,618	\$17,529,312	\$554,652	\$41,304,624
2017	\$13,966,491	\$6,879,184	\$1,344,507	\$996,063	\$18,418,704	\$451,675	\$42,056,624
2018	\$14,353,230	\$7,271,544	\$1,381,691	\$1,050,242	\$19,003,536	\$488,494	\$43,548,737
2019	\$14,580,331	\$7,271,378	\$1,438,674	\$1,116,887	\$19,448,472	\$689,834	\$44,545,576

** Other Operating Revenue includes septage disposal fees and late/interest charges.

OPERATING EXPENSES

Last Ten Fiscal Years

Fiscal Year	Salaries/Wages	Depreciation	Employee Benefits	Contracted Services	Purchased Power	Biosolids Disposal	Materials/Supplies	Chemicals	Other Expenses*	TOTAL
2010	\$9,066,705	\$8,234,571	\$3,924,408	\$2,883,778	\$2,330,548	\$1,244,405	\$1,320,100	\$904,444	\$2,660,996	\$32,569,955
2011	\$9,268,982	\$8,286,124	\$4,293,696	\$3,089,153	\$2,348,734	\$1,237,173	\$1,389,315	\$817,722	\$2,734,892	\$33,465,791
2012	\$9,476,819	\$8,236,258	\$4,390,669	\$3,511,719	\$1,871,944	\$1,174,262	\$1,508,787	\$980,640	\$2,580,148	\$33,731,246
2013	\$9,580,869	\$8,400,409	\$4,625,209	\$3,425,181	\$1,879,630	\$1,351,703	\$1,587,846	\$967,730	\$2,482,707	\$34,301,284
2014	\$9,699,724	\$8,713,697	\$4,662,451	\$3,491,349	\$1,699,980	\$1,462,622	\$1,599,296	\$1,086,724	\$2,468,552	\$34,884,395
2015	\$9,832,283	\$8,845,225	\$3,819,319	\$4,078,652	\$1,750,431	\$1,518,633	\$1,607,479	\$991,814	\$2,726,087	\$35,169,923
2016	\$10,114,266	\$9,075,357	\$5,907,182	\$4,376,286	\$1,728,375	\$1,518,719	\$1,855,522	\$1,029,538	\$2,310,179	\$37,915,424
2017	\$10,423,555	\$9,494,234	\$5,825,409	\$4,268,301	\$1,836,535	\$1,862,526	\$1,616,529	\$1,016,025	\$2,359,627	\$38,702,741
2018	\$10,785,763	\$9,735,663	\$1,892,052	\$4,464,667	\$1,950,747	\$1,790,923	\$1,708,254	\$1,012,613	\$3,057,778	\$36,398,460
2019	\$11,287,519	\$10,129,483	\$7,282,566	\$4,205,578	\$1,800,127	\$1,809,983	\$1,485,948	\$1,173,157	\$2,551,342	\$41,725,703

* Other Expenses include Transportation, Heat/Fuel Oil, Telephone and other Utilities, Insurance, Regulatory costs.

NON-OPERATING REVENUES (EXPENSES)

Last Ten Fiscal Years

Fiscal Year	Interest Income	Miscellaneous Income*	Gain on Sale of Operating Property	Interest & Amortization Expense	TOTAL
2010	\$139,706	\$437,917	(\$220,607)	(\$1,823,039)	(\$1,466,023)
2011	\$95,787	\$101,642	(\$98,559)	(\$1,651,029)	(\$1,552,159)
2012	\$83,934	\$17,195	\$63,690	(\$1,562,100)	(\$1,397,281)
2013	\$73,027	\$24,810	(\$409,482)	(\$1,623,325)	(\$1,934,970)
2014	\$86,684	\$62,509	(\$2,535,831)	(\$1,870,298)	(\$4,256,936)
2015	\$118,826	\$152,728	\$3,320	(\$1,871,407)	(\$1,596,533)
2016	\$163,062	\$239,430	(\$129,711)	(\$1,974,226)	(\$1,701,445)
2017	\$275,377	\$257,526	(\$132,339)	(\$2,084,740)	(\$1,684,176)
2018	\$635,638	\$278,197	(\$206,947)	(\$2,124,897)	(\$1,418,009)
2019	\$1,090,244	\$302,289	(\$131,065)	(\$2,173,936)	(\$912,468)

* Miscellaneous Income includes jobbing revenue and grant monies.

ANNUAL CONTRIBUTIONS BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Water			Water Meters	Other Water	Wastewater Equipment	TOTAL
	Distribution Mains	Water Services	Hydrants				
2010	\$2,036,773	\$289,986	\$135,836	\$123,564	\$11,400	\$605,480	\$3,203,039
2011	\$639,195	\$102,497	\$47,289	\$75,113	\$0	\$405,000	\$1,269,094
2012	\$1,735,559	\$199,772	\$92,940	\$92,750	\$46,334	\$284,965	\$2,452,320
2013	\$1,160,992	\$181,880	\$121,193	\$58,418	\$0	\$775,538	\$2,298,022
2014	\$1,358,398	\$205,879	\$70,983	\$134,540	\$300,000	\$0	\$2,069,800
2015	\$2,104,408	\$291,423	\$171,710	\$116,476	\$37,412	\$0	\$2,721,429
2016	\$1,993,427	\$226,657	\$117,670	\$150,904	\$0	\$0	\$2,488,658
2017	\$1,392,413	\$305,329	\$90,204	\$257,259	\$21,000	\$1,156,764	\$3,222,969
2018	\$1,207,854	\$176,992	\$121,873	\$214,998	\$221,257	(\$9,464)	\$1,933,510
2019	\$2,149,640	\$385,517	\$228,880	\$117,595	\$0	\$942,600	\$3,824,232

WATER PRODUCED AND CONSUMED

Last Ten Fiscal Years

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled*	Average Percent Unbilled	Unaccounted for Water
	2010	8,022,997	6,777,344	1,245,653	15.5%
2011	7,673,583	6,465,814	1,207,769	15.7%	11.0%
2012	7,950,235	6,481,135	1,469,100	18.5%	14.5%
2013	7,954,573	6,417,923	1,536,650	19.3%	10.2%
2014	7,890,697	6,308,749	1,581,948	20.0%	14.2%
2015	7,698,285	6,402,335	1,295,950	16.8%	14.8%
2016	8,044,650	6,594,427	1,450,223	18.0%	14.2%
2017	7,914,329	6,348,462	1,565,867	19.8%	15.0%
2018	7,539,164	6,361,346	1,177,818	15.6%	13.6%
2019	7,240,123	6,121,036	1,119,087	15.5%	13.5%

Note: Gallons are presented in thousands.

* Unbilled water includes water lost in main breaks, service line leaks, and fire protection.

Debt Capacity - Page 77

This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt and its ability to issue additional debt in the future.

OUTSTANDING DEBT (By Type)

Last Ten Fiscal Years

Fiscal Year	General Revenue Bonds	Notes Payable	Total Outstanding Debt	Debt Per Capita	Debt % of Personal Income
	2010	\$58,916,584	\$238,320	\$59,154,904	\$292
2011	\$58,099,553	\$225,080	\$58,324,633	\$288	0.8%
2012	\$55,469,976	\$211,840	\$55,681,816	\$274	0.7%
2013	\$67,132,695	\$198,600	\$67,331,295	\$331	0.9%
2014	\$66,616,415	\$185,360	\$66,801,775	\$323	0.8%
2015	\$71,439,509	\$172,120	\$71,611,629	\$344	0.9%
2016	\$83,744,412	\$158,880	\$83,903,292	\$399	1.0%
2017	\$86,007,583	\$145,640	\$86,153,223	\$409	0.9%
2018	\$91,605,693	\$132,400	\$91,738,093	\$433	1.0%
2019	\$91,450,918	\$119,160	\$91,570,078	n/a	n/a

Revenue Capacity - Pages 78 - 82

These schedules contain information to help the reader assess the District's most significant revenue sources; water rates and wastewater assessments.

TEN LARGEST WATER CUSTOMERS

Current Year (2019) & Ten Years Ago (2010)			
Ten Years Ago (2010):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	847,839	\$680,455
National Semiconductor	So. Portland	341,794	\$298,070
Sappi Fine Paper	Westbrook	233,753	\$246,597
Portland Housing Authority	Portland	69,114	\$165,603
Maine Medical Center	Portland	71,101	\$162,846
Fairchild Semiconductor	So. Portland	189,133	\$159,517
Yarmouth Water District	Yarmouth	142,129	\$138,473
Ecomaine (Regional Waste Systems)	Portland	120,823	\$103,623
B&G Foods (Burham & Morrill)	Portland	102,242	\$96,150
Barber Foods	Portland	<u>56,487</u>	<u>\$62,911</u>
		2,174,415	\$2,114,243
TOTAL SALES		9,060,620	\$20,069,127
PERCENT OF TOTAL SALES		24.0%	10.5%
Current Year (2019):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Sappi Fine Paper	Wesbrook	324,103	\$421,456
Calpine	Westbrook	334,217	\$360,005
Texas Instruments	So. Portland	316,569	\$318,913
Maine Medical Center	Portland	113,959	\$215,355
Yarmouth Water District	Yarmouth	129,331	\$164,566
ON Semiconductor	So. Portland	146,126	\$153,521
Portland Housing Authority	Portland	49,030	\$127,375
Ecomaine	Portland	137,247	\$125,994
B&G Foods	Portland	76,415	\$89,696
Advance Pierre Foods	Portland	<u>53,817</u>	<u>\$73,212</u>
		1,680,814	\$2,050,093
TOTAL SALES		8,053,873	\$24,566,977
PERCENT OF TOTAL SALES		20.9%	8.3%

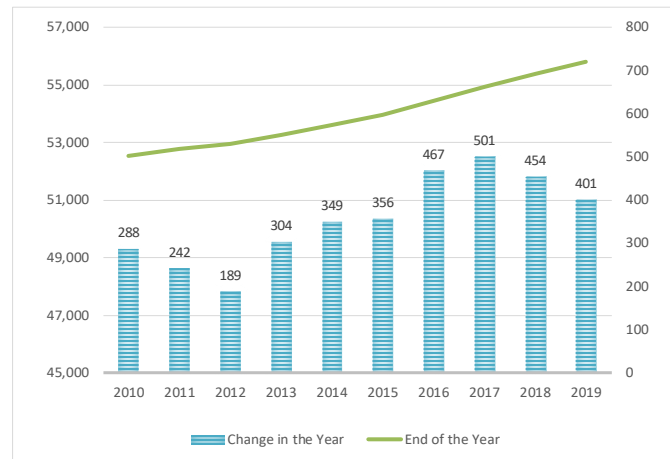
* = Hundreds of Cubic Feet

NET GROWTH IN CUSTOMERS

Last Ten Fiscal Years

Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Percent Increase
2010	52,243	52,531	288	0.6%
2011	52,531	52,773	242	0.5%
2012	52,773	52,962	189	0.4%
2013	52,962	53,266	304	0.6%
2014	53,266	53,615	349	0.7%
2015	53,615	53,971	356	0.7%
2016	53,971	54,438	467	0.9%
2017	54,438	54,939	501	0.9%
2018	54,939	55,393	454	0.8%
2019	55,393	55,794	401	0.7%

CUSTOMER GROWTH



NUMBER OF WATER CUSTOMERS BY TYPE

Last Ten Fiscal Years

Metered Customers							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2010	46,327	3,522	86	502	50,437	2,094	52,531
2011	46,525	3,543	93	507	50,668	2,105	52,773
2012	46,680	3,553	94	508	50,835	2,127	52,962
2013	46,925	3,572	95	509	51,101	2,165	53,266
2014	47,241	3,573	95	513	51,422	2,193	53,615
2015	47,566	3,580	94	506	51,746	2,225	53,971
2016	47,912	3,653	98	507	52,170	2,268	54,438
2017	48,257	3,750	100	513	52,620	2,319	54,939
2018	48,602	3,800	95	505	53,002	2,391	55,393
2019	48,913	3,841	93	500	53,347	2,447	55,794

WATER RATES

The District has two rate groups:

Members: Cape Elizabeth, Cumberland, Falmouth, Gorham, Portland, Raymond, Scarborough, South Portland, Westbrook and Windham

Non-Members: Standish and Yarmouth

During the last ten years the District has had different sets of rates for the following dates:

- 01/01/09 to 04/30/10	-05/01/15 to 04/30/16
- 05/01/10 to 04/30/11	- 05/01/16 to 04/30/17
- 05/01/11 to 04/30/13	- 05/01/17 to 04/30/18
- 05/01/13 to 04/30/14	- 05/01/18 to 04/30/19
- 05/01/14 to 04/30/15	- 05/01/19 to 12/31/19

Non-members receive water service from the District but are not represented on the District's Board of Trustees and are not legally responsible for the District's debt.

WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 01/01/10 to 04/30/10		Effective 05/01/10 to 04/30/11		Effective 05/01/11 to 04/30/13	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	36.06	41.47	37.32	42.92	38.07	43.78
3	80.65	92.74	83.47	95.99	85.14	97.91
4	144.00	165.60	149.04	171.40	152.02	174.83
6	343.97	395.56	356.01	409.40	363.13	417.59
8	576.02	662.41	596.18	685.59	608.10	699.30
10	900.09	1,035.11	931.59	1,071.34	950.22	1,092.77
12	1,296.05	1,490.45	1,341.41	1,542.62	1,368.24	1,573.47
16	2,304.07	2,649.69	2,384.71	2,742.43	2,432.40	2,797.28
General Water						
Minimum Monthly Charges						
5/8	7.75	8.91	8.01	9.21	8.15	9.37
3/4	9.13	10.49	9.44	10.85	9.60	11.03
1	11.87	13.65	12.27	14.11	12.48	14.35
1 1/2	18.74	21.55	19.49	22.41	19.99	22.98
2	26.99	31.03	28.07	32.27	28.79	33.09
3	48.97	56.31	50.93	58.56	52.23	60.05
4	73.70	84.75	76.65	88.14	78.60	90.39
6	142.39	163.75	148.09	170.30	151.87	174.64
8	224.83	258.55	233.82	268.89	239.78	275.75
10	325.53	374.36	338.55	389.33	347.18	399.26
12	430.91	495.55	448.15	515.37	459.58	528.51
Low Income	1.95	2.24	2.02	2.32	2.05	2.36
Seasonal Water *1						
Minimum Seasonal Charges						
5/8	191.77	220.53	198.48	228.25	202.45	232.82
3/4	244.33	280.97	252.88	290.80	257.94	296.62
1	296.89	341.42	307.28	353.37	313.43	360.44
1 1/2	472.09	542.90	488.61	561.90	498.38	573.14
2	682.33	784.68	706.21	812.14	720.33	828.38
3	1,242.98	1,429.43	1,286.48	1,479.46	1,312.21	1,509.05
4	1,873.71	2,154.77	1,939.29	2,230.19	1,978.08	2,274.79
6	3,625.74	4,169.60	3,752.64	4,315.54	3,827.69	4,401.85
8	5,728.18	6,587.41	5,928.67	6,817.97	6,047.24	6,954.33
10	11,334.68	13,034.88	11,731.74	13,491.10	11,966.02	13,760.92
12	17,641.98	20,288.28	18,259.45	20,998.37	18,624.64	21,418.34
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	1.95	2.24	2.02	2.32	2.05	2.36
Next 7,000 Cf	1.53	1.76	1.59	1.83	1.63	1.88
Next 40,000 Cf	1.34	1.55	1.39	1.61	1.43	1.65
Over 50,000 Cf	0.77	0.89	0.80	0.92	0.82	0.94
Seasonal						
Over Min to 90,000 Cf	1.95	2.24	2.02	2.32	2.06	2.37
Over 90,000 Cf	1.34	1.55	1.39	1.60	1.42	1.63
Seasonal Surcharge *1						
Surface Main Surcharge	34.00	39.10	35.19	40.47	35.89	41.28

*1 - If a seasonal service is on a surface main, an additional surcharge is added to the minimum

WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 05/01/13 to 04/30/14		Effective 05/01/14 to 04/30/15		Effective 05/01/15 to 04/30/16	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	38.64	44.40	39.84	45.72	41.40	47.52
3	86.40	99.36	89.40	102.36	92.40	106.20
4	154.32	177.48	158.88	182.76	164.88	189.72
6	368.64	423.84	379.80	436.68	394.20	453.24
8	617.28	709.80	635.88	731.04	660.00	758.88
10	964.44	1,109.16	993.36	1,143.00	1,031.16	1,186.44
12	1,388.76	1,597.08	1,430.40	1,645.08	1,484.76	1,707.60
16	2,468.88	2,839.20	2,542.92	2,924.40	2,639.52	3,035.52
General Water						
Minimum Monthly Charges						
5/8	8.25	9.48	8.46	9.73	8.74	10.05
3/4	9.72	11.16	9.97	11.45	10.30	11.83
1	12.63	14.52	12.93	14.90	13.36	15.39
1 1/2	20.35	23.40	21.14	24.31	22.19	25.51
2	29.31	33.69	30.45	35.00	31.96	36.73
3	53.18	61.14	55.25	63.52	57.98	66.66
4	80.03	92.04	83.15	95.63	87.27	100.36
6	154.64	177.82	160.67	184.75	168.62	193.90
8	244.15	280.78	253.67	291.73	266.23	306.17
10	353.51	406.54	367.30	422.40	385.48	443.31
12	467.96	538.14	486.21	559.13	510.28	586.81
Low Income	2.07	2.39	2.12	2.45	2.19	2.53
Seasonal Water						
Minimum Seasonal Charges						
5/8	205.49	236.31	211.65	243.40	219.69	252.65
3/4	261.81	301.07	269.66	310.10	279.91	321.88
1	318.13	365.85	327.67	376.83	340.12	391.15
1 1/2	505.86	581.74	521.04	599.19	540.84	621.96
2	731.13	840.81	753.06	866.03	781.68	898.94
3	1,331.89	1,531.69	1,371.85	1,577.64	1,423.98	1,637.59
4	2,007.75	2,308.91	2,067.98	2,378.18	2,146.56	2,468.55
6	3,885.11	4,467.88	4,001.66	4,601.92	4,153.72	4,776.79
8	6,137.95	7,058.64	6,322.09	7,270.40	6,562.33	7,546.68
10	12,145.51	13,967.33	12,509.88	14,386.35	12,985.26	14,933.03
12	18,904.01	21,739.62	19,508.65	22,434.96	20,249.98	23,287.49
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.07	2.39	2.12	2.45	2.19	2.53
Next 7,000 Cf	1.66	1.91	1.72	1.98	1.81	2.08
Next 40,000 Cf	1.46	1.68	1.52	1.75	1.60	1.84
Over 50,000 Cf	0.83	0.96	0.86	1.00	0.90	1.05
Seasonal						
Over Min to 90,000 Cf	2.07	2.39	2.12	2.45	2.19	2.45
Over 90,000 Cf	1.46	1.68	1.52	1.75	1.58	1.75
Seasonal Surcharge *1						
Surface Main Surcharge	36.43	41.90	37.52	43.16	38.95	44.80

*1 - If a seasonal service is on a surface main, an additional surcharge is added to the minimum

WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 05/01/16 to 04/30/17		Effective 05/01/17 to 04/30/18		Effective 05/01/18 to 04/30/19		Effective 05/01/19 to 12/31/19	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire								
2	42.84	49.20	43.32	49.68	45.00	51.60	46.92	53.88
3	95.88	110.16	96.84	111.36	100.44	115.44	104.88	120.48
4	171.12	196.80	172.80	198.72	179.28	206.16	187.08	215.16
6	408.96	470.16	413.04	474.84	428.52	492.72	447.24	514.20
8	684.36	787.08	691.56	795.00	717.48	824.76	748.80	860.76
10	1,069.56	1,230.72	1,080.24	1,242.96	1,120.80	1,289.64	1,169.64	1,345.92
12	1,540.20	1,771.32	1,555.56	1,788.96	1,613.88	1,856.04	1,684.20	1,936.92
16	2,738.04	3,148.80	2,765.40	3,180.24	2,869.08	3,299.52	2,994.12	3,443.40
General Water								
Minimum Monthly Charges								
5/8	9.03	10.38	9.11	10.47	9.40	10.81	9.75	11.21
3/4	10.64	12.22	10.74	12.33	11.08	12.72	11.49	13.19
1	13.80	15.90	13.92	16.04	14.37	16.55	14.90	17.16
1 1/2	23.29	26.77	23.60	27.13	24.73	28.43	26.10	30.01
2	33.54	38.55	33.99	39.07	35.62	40.95	37.60	43.22
3	60.85	69.96	61.67	70.90	64.63	74.30	68.22	78.42
4	91.59	105.33	92.83	106.75	97.29	111.87	102.69	118.08
6	176.97	203.50	179.36	206.25	187.97	216.15	198.40	228.15
8	279.41	321.33	283.18	325.67	296.77	341.30	313.24	360.24
10	404.56	465.25	410.02	471.53	429.70	494.16	453.55	521.59
12	535.54	615.86	542.77	624.17	568.82	654.13	600.39	690.43
Low Income	2.26	2.61	2.28	2.63	2.36	2.77	2.44	2.81
Seasonal Water								
Minimum Seasonal Charges								
5/8	227.88	262.07	216.90	249.44	225.03	258.79	234.84	270.07
3/4	290.35	333.89	293.25	337.33	304.25	349.88	317.52	365.13
1	352.81	405.74	356.34	409.80	369.70	425.17	385.82	443.71
1 1/2	561.01	645.16	566.62	651.61	587.87	676.05	613.50	705.53
2	810.84	932.47	818.95	941.79	849.66	977.11	886.71	1,019.71
3	1,477.09	1,698.67	1,491.86	1,715.66	1,547.80	1,780.00	1,615.28	1,857.61
4	2,226.63	2,560.63	2,248.90	2,586.24	2,333.23	2,683.22	2,434.96	2,800.21
6	4,308.65	4,954.96	4,351.74	5,004.51	4,514.93	5,192.18	4,711.78	5,418.56
8	6,807.10	7,828.17	6,875.17	7,906.45	7,132.99	8,202.94	7,443.99	8,560.59
10	13,469.61	15,490.03	13,604.31	15,644.93	14,114.47	16,231.61	14,729.86	16,939.31
12	21,005.30	24,156.11	21,215.35	24,397.67	22,010.92	25,312.58	22,970.60	26,416.21
Volume Charges								
Four Blocks (Step 5)								
Monthly								
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.26	2.61	2.28	2.63	2.35	2.71	2.44	2.81
Next 7,000 Cf	1.90	2.18	1.93	2.21	2.02	2.33	2.13	2.47
Next 40,000 Cf	1.68	1.93	1.70	1.96	1.78	2.04	1.88	2.14
Over 50,000 Cf	0.94	1.10	0.95	1.11	1.00	1.15	1.06	1.20
Seasonal								
Over Min to 90,000 Cf	2.26	2.61	2.28	2.63	2.35	2.71	2.44	2.81
Over 90,000 Cf	1.64	1.89	1.66	1.91	1.78	2.04	1.88	2.14
Seasonal Surcharge *1								
Surface Main Surcharge	40.40	46.47	40.80	46.93	42.33	48.69	44.18	50.81

*1 - If a seasonal service is on a surface main, an additional surcharge is added to the minimum

Operating Information - Page 83 to 84

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

OPERATING AND CAPITAL INDICATORS

*Last Ten Fiscal Years**

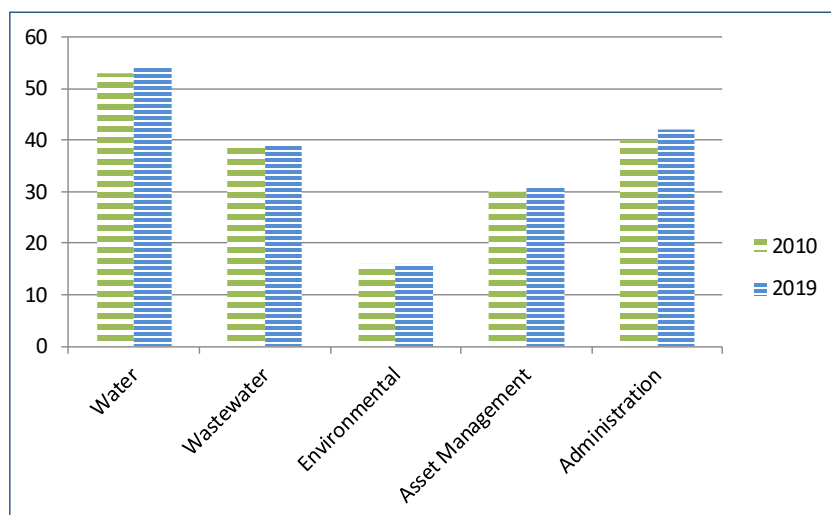
Water Assets										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Services	56,089	56,256	56,389	56,252	53,643	54,022	54,370	54,912	55,245	55,686
Meters	50,381	50,614	51,818	52,275	53,071	53,958	53,132	53,589	53,859	54,259
Hydrants	4,896	4,912	4,954	4,985	5,003	5,048	5,079	5,085	5,123	5,169
Gate Valves	11,140	11,187	11,270	11,294	11,458	11,542	11,671	11,821	11,971	12,062
Distribution Mains (miles)	957.9	958.6	961.7	945.3	947.2	949.6	952.5	958.7	961.3	965.5
Transmission Mains (miles)	41.4	41.4	41.4	41.4	40.7	40.7	41.1	41.1	41.1	41.2
Wastewater Assets										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Interceptors (miles)	46.9	46.9	46.9	48.1	48.1	45.3	45.3	43.1	43.1	43.1
Foremains (miles)	21.8	21.9	21.9	22.3	22.5	25.6	25.6	30.6	30.6	31.6
Collectors (miles)	25.3	25.3	25.7	25.7	26.1	34.4	34.4	41.1	41.3	41.6
Storm Drains (miles)	1.7	1.7	1.7	1.7	1.8	1.9	1.9	1.9	1.9	1.9
Manholes	2,342	2,348	2,387	2,436	2,442	2,523	2,523	2,609	2,616	2,631
Combined Sewer Overflows	28	28	28	28	28	28	28	28	28	28
Wastewater Flow Treated*										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
East End (Portland)	18.15	18.04	18.00	17.22	18.92	16.38	16.41	17.55	17.55	15.58
Westbrook/Gorham	3.29	3.52	3.13	3.01	3.25	2.54	2.47	3.04	3.31	3.15
Cape Elizabeth	0.28	0.30	0.28	0.26	0.30	0.23	0.24	0.27	0.28	0.25
Peaks Island (Portland)	0.09	0.10	0.09	0.09	0.10	0.09	0.09	0.10	0.11	0.10
* Daily average in millions of gallons										
Wastewater Biosolids Disposal**										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
East End (Portland)	45.20	43.54	38.66	45.17	48.18	50.28	47.37	63.20	58.25	58.94
Westbrook/Gorham	10.67	11.80	12.38	12.96	13.96	14.23	15.99	14.39	15.09	13.12
Cape Elizabeth	0.57	0.59	0.48	0.60	0.59	0.66	0.71	1.30	0.75	0.56
Peaks Island (Portland)	0.07	0.12	0.12	0.12	0.12	0.13	0.15	0.19	0.14	0.16
** Daily average in wet tons										

NUMBER OF EMPLOYEES BY ACTIVITY - Actual Approved Full Time Headcount

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Operations:										
Water Distribution	25	25	24	24	23	22	22	22	22	22
Water Utility Services	13	13	13	13	14	15	15	15	16	16
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	4	4	5	5	5	5	5	5	5	5
	53	53	53	53	53	53	53	53	54	54
Wastewater Operations:										
Wastewater Treatment	26	26	25	24	25	25	24	25	23	23
Water/Wastewater Systems	12	12	12	13	13	13	13	13	13	13
Administrative/Other	1	1	2	2	1	1	1	1	2	3
	39	39	39	39	39	39	38	39	38	39
Environmental Services:										
Environmental Services	8	8	8	8	8	8	9	9	9	9
Laboratory	8	7	7	7	7	7	7	7	8	7
	16	15	15	15	15	15	16	16	17	16
Asset Management & Planning:										
Planning & Design	16	17	17	17	17	17	17	16	18	18
Facilities Services	11	10	10	10	10	10	10	10	10	10
Instrumentation	3	3	3	3	3	3	3	4	3	3
	30	30	30	30	30	30	30	30	31	31
Administration:										
Customer Service	14	14	14	14	14	14	14	13	14	14
Executive Office	8	9	9	8	8	8	9	9	10	10
Financial Services	8	8	8	9	9	9	8	8	8	8
Information Services	7	7	7	7	7	7	7	7	7	7
Employee Services	3	3	3	3	3	3	3	3	3	3
	40	41	41	41	41	41	41	40	42	42
	178	178	178	178	178	178	178	178	182	182

Note: The totals shown are the approved full time (non-temporary) headcount for the year.



Demographic and Economic Information - Page 85

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income thousands	(2) Per Capita Personal Income	(2) Unemployment Rate
2010	202,712	\$7,049,674,200	\$25,028	6.0%
2011	202,751	\$7,275,762,709	\$25,626	5.3%
2012	202,930	\$7,469,552,460	\$26,309	5.5%
2013	203,338	\$7,673,493,274	\$26,882	4.6%
2014	207,103	\$7,966,090,650	\$27,680	3.8%
2015	208,449	\$8,346,665,460	\$28,784	2.8%
2016	210,072	\$8,730,810,106	\$29,896	2.6%
2017	210,811	\$9,175,965,847	\$31,371	1.9%
2018	212,038	\$9,608,756,565	\$32,732	2.5%
2019	n/a	n/a	n/a	2.2%

The population shown is equal to the population of the eleven communities served by the District. The income and unemployment figures are that of Cumberland County. The unemployment rate is as of December of each year and is not seasonally adjusted.

All of the District's operations are within Cumberland County and the total population of the communities served by the District equals 72% of the County's total population.

PRINCIPAL EMPLOYERS

Current Year

Ten Largest Employers*

Employer Name	Employees	Business Description
Maine Health	11,001 to 11,500	General Medical & Surgical Hospitals
Unum Provident	2,501 to 3,000	Direct Life Insurance Carriers
Hannaford Bros Co	2,501 to 3,000	Supermarkets & Other Grocery Stores
Mercy Hospital	1,001 to 1,500	General Medical & Surgical Hospitals
WEX LLC	1,001 to 1,500	Financial Transaction Processing
Wal Mart/Sam's Club	1,001 to 1,500	Discount Department Stores
TD Bank NA	1,001 to 1,500	Commercial Banking
Martin's Point Health	501 to 1,000	Outpatient Care Services
Tyler Technologies	501 to 1,000	Computer Systems Design Services
Idexx Laboratories	501 to 1,000	Pharmaceutical Preparation Manufacturing

Source: State of Maine, Center for Workforce Research and Information

Note: Prior data was not available

* Data on total employment limited to the District's service area was not available. The data above is for all of Cumberland County, the population in the areas served by the District represent 72% of the County's total population. In addition, three (3) of the employers shown (L.L. Bean, Bowdoin College & Mid-Coast Hospital have the most (if not all) of their operations outside of the District.

Other Information - Pages 86 to 100

These schedules present additional information on the District's financial and operating performance which gives the reader more insight into the District.

PROPRIETARY FUND OPERATING REVENUES

Last 10 Fiscal Years

WATER REVENUES

YEAR	Residential	Commercial	Industrial	Public Authorities	Public Fire Protection	Private Fire Protection	Resale	Other Revenue	TOTAL
2010 (a)	\$12,162,204	\$3,435,999	\$1,646,460	\$745,569	\$1,151,027	\$789,395	\$138,473	\$104,687	\$20,173,814
2011 (b)	\$12,170,613	\$3,424,326	\$1,650,656	\$734,420	\$1,178,853	\$820,766	\$146,389	\$106,976	\$20,232,999
2012	\$12,163,820	\$3,470,397	\$1,736,216	\$688,760	\$1,187,433	\$832,535	\$141,273	\$125,348	\$20,345,782
2013 (c)	\$12,190,428	\$3,466,827	\$1,668,340	\$657,014	\$1,198,678	\$843,912	\$168,032	\$108,416	\$20,301,647
2014 (d)	\$12,385,913	\$3,552,801	\$1,690,206	\$740,640	\$1,227,986	\$876,736	\$165,927	\$98,749	\$20,738,958
2015 (e)	\$13,106,427	\$3,824,946	\$1,630,601	\$750,107	\$1,270,959	\$915,884	\$195,733	\$94,201	\$21,788,858
2016 (f)	\$13,955,172	\$4,221,468	\$1,749,763	\$834,010	\$1,318,921	\$964,617	\$176,709	\$81,227	\$23,301,887
2017 (g)	\$13,886,799	\$4,292,372	\$1,583,041	\$841,069	\$1,344,507	\$996,063	\$162,703	\$79,691	\$23,186,245
2018 (h)	\$14,353,230	\$4,427,787	\$1,679,774	\$837,927	\$1,381,691	\$1,050,242	\$189,139	\$136,917	\$23,186,245
2019 (i)	\$14,580,331	\$4,643,531	\$1,604,559	\$858,722	\$1,438,674	\$1,116,887	\$164,566	\$159,707	\$24,566,977

- (a) - Effective May 2010 metered water rates increased an average of 3.6% and public and private fire protection increased 3.5%.
 (b) - Effective May 2011 metered water rates, public and private fire rates were increased an average of 2.0%.
 (c) - Effective May 2013 metered water rates increased an average of 1.3% and public and private fire protection increased 1.5%.
 (d) - Effective May 2014 metered water rates increased an average of 2.9% and public and private fire protection increased 3.0%.
 (e) - Effective May 2015 metered water rates, public and private fire rates were increased an average of 3.8%.
 (f) - Effective May 2016 metered water rates, public and private fire rates were increased an average of 3.7%.
 (g) - Effective May 2017 metered water rates, public and private fire rates were increased an average of 1.0%.
 (h) - Effective May 2018 metered water rates increased an average of 3.8%, public and private fire rates increased an average of 3.75%.
 (i) - Effective May 2019 metered water rates increased an average of 4.4%, public and private fire rates increased an average of 4.36%.

WASTEWATER ASSESSMENTS (AMOUNTS EXPRESSED IN THOUSANDS OF DOLLARS)

YEAR	Cape Elizabeth	Cumberland	Falmouth (a)	Gorham	Portland	Westbrook	Windham	TOTAL
2010	\$1,089,984	\$702,264	\$15,012	\$1,068,444	\$10,455,044	\$2,533,176	\$351,756	\$16,215,680
2011	\$1,089,984	\$702,264	\$15,012	\$1,068,444	\$10,340,044	\$2,533,176	\$351,756	\$16,100,680
2012	\$1,293,540	\$712,800	\$15,012	\$1,084,464	\$10,540,044	\$2,533,176	\$351,756	\$16,530,792
2013	\$1,365,084	\$713,940	\$15,012	\$1,084,464	\$10,540,044	\$2,318,176	\$351,756	\$16,388,476
2014	\$1,377,252	\$731,784	n/a	\$1,106,148	\$10,872,204	\$2,533,176	\$351,756	\$16,972,320
2015	\$1,412,112	\$731,784	n/a	\$1,106,148	\$10,981,308	\$2,533,176	\$351,756	\$17,116,284
2016	\$1,443,408	\$750,072	\$36,012	\$1,106,148	\$11,308,740	\$2,533,176	\$351,756	\$17,529,312
2017	\$1,468,692	\$844,584	\$263,604	\$1,106,148	\$11,841,972	\$2,533,176	\$360,528	\$18,418,704
2018	\$1,539,840	\$905,364	\$310,056	\$1,106,148	\$12,248,424	\$2,533,176	\$360,528	\$19,003,536
2019	\$1,572,912	\$905,364	\$314,112	\$1,133,436	\$12,616,080	\$2,539,800	\$366,768	\$19,448,472

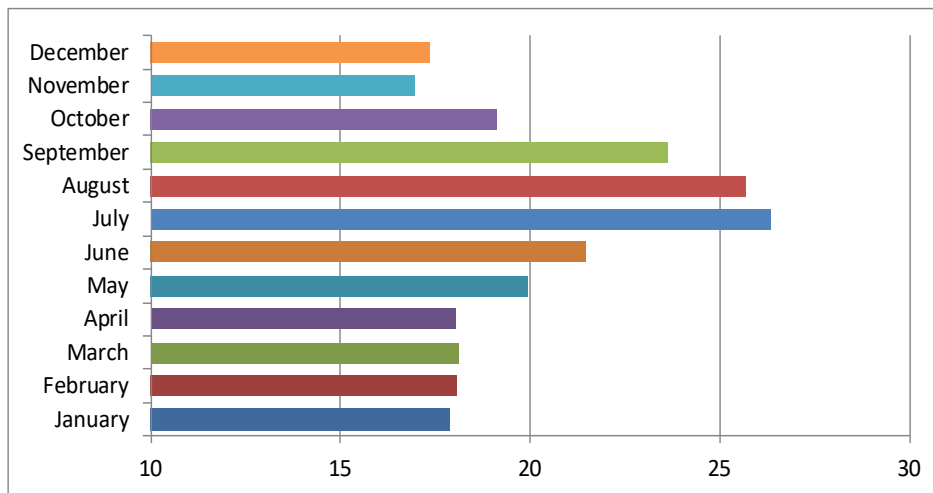
- (a) = Falmouth assessment increase in 2017 due to support of debt service relating to the upgrade of the Mill Creek Wastewater Pump Station.

Water Statistics

2019 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

MONTH	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Rd. Boosted	Wards Hill Boosted
January	17.869	0.032	17.901	0.001	0.447	0.682	0.089	0.395	0.519
February	18.054	0.032	18.086	0.001	0.451	0.604	0.083	0.338	0.536
March	18.087	0.031	18.117	0.001	0.447	0.630	0.084	0.342	0.487
April	17.987	0.042	18.029	0.001	0.476	0.626	0.106	0.371	0.473
May	19.919	0.033	19.953	0.001	0.523	0.680	0.098	0.395	0.526
June	21.454	0.035	21.489	0.001	0.569	0.842	0.119	0.390	0.575
July	26.293	0.038	26.331	0.001	0.675	1.023	0.161	0.632	0.748
August	25.669	0.042	25.711	0.002	0.688	0.962	0.190	0.632	0.714
September	23.603	0.040	23.642	0.001	0.610	0.863	0.378	0.526	0.700
October	19.066	0.040	19.106	0.001	0.479	0.781	0.299	0.300	0.543
November	16.930	0.037	16.967	0.005	0.466	0.680	0.083	0.290	0.465
December	17.320	0.036	17.355	0.003	0.485	0.660	0.082	0.327	0.459
Averages	20.188	0.036	20.224	0.002	0.526	0.753	0.148	0.412	0.562

2019 WATER PRODUCTION BY MONTH (MILLIONS OF GALLONS PER DAY, MGD)



2019 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,663	3,718	330	762	71.8
Cumberland	1,952	1,933	284	469	51.4
Falmouth	3,497	3,338	397	776	83.2
Gorham	3,002	2,872	326	795	63.0
Portland	18,911	18,336	1469	4,045	250.6
Raymond	45	44	25	17	2.7
Scarborough	5,537	5,483	688	1,241	116.4
South Portland	8,661	8,287	583	1,697	122.6
Standish	818	801	148	226	26.7
Westbrook	6,096	5,822	572	1,261	89.7
Windham	3,504	3,583	347	773	87.4
TOTAL	55,686	54,259	5,169	12,062	965.5

2019 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	52	1	3,461	111	4	23	11	3,663
Cumberland	25	5	1,801	61	1	53	6	1,952
Falmouth	61	2	3,257	66	3	92	16	3,497
Gorham	27	0	2,749	91	4	118	13	3,002
Portland	639	8	16,710	396	17	813	328	18,911
Raymond	0	0	40	0	0	5	0	45
Scarborough	113	0	4,826	282	4	299	13	5,537
South Portland	232	1	7,757	206	14	334	117	8,661
Standish	14	0	748	16	0	10	30	818
Westbrook	106	0	5,569	140	1	262	18	6,096
Windham	22	0	3,112	266	0	94	10	3,504
TOTAL	1,291	17	50,030	1,635	48	2,103	562	55,686

WATER QUALITY ANALYSIS

(AS TESTED ON APRIL 10, 2018, UNLESS OTHERWISE NOTED)

Compound	Units	Greater Portland Untreated	Greater Portland Treated	Greater Portland Distribution ¹	Steep Falls Untreated	Steep Falls Treated	MCL ² (for comparison only)
Physical							
Color	SU	<5	<5	<5	5	5	15
Conductivity	µS	58.6	74.0	74.8	249.2	236.7	**
Total Residue	mg/L	48	43	40	132	84	500
Turbidity	NTU	0.25	0.20	0.20 ³	0.13	0.13	1
Inorganic Non-metals							
Residual chlorine ⁴	mg/L	NA	2.11	1.60	NA	1.18	4
Alkalinity (as CaCO ₃)	mg/L	5.2	9.4	9.0	11.5	18.9	**
Carbon dioxide	mg/L	1.7	0.4	0.1	9.7	1.0	**
Ammonia – N	mg/L	<0.01	0.53	0.53	<0.01	<0.01	**
Nitrite – N	mg/L	0.004	0.004	0.004	<0.002	0.003	1
Nitrate – N	mg/L	<0.23	<0.23	<0.23	1.68	1.43	10
Chloride	mg/L	8.2	10	10	50	49	250
Dissolved Oxygen	mg/L	13	21	14	7.4	12	**
Fluoride	mg/L	0.07	0.68	0.65	0.10	0.75	4
Hardness (as CaCO ₃)	mg/L	8.9	10.3	9.5	25.1	24.2	150
pH ⁴	SU	6.4	8.4	7.8	6.7	7.6	8.5
Silica	mg/L	4.0	4.1	3.5	9.6	10.6	**
Phosphorus	mg/L	0.01	0.38	0.38	0.03	0.03	**
Sulfate ⁵	mg/L	NA	3	NA	NA	<1	250
Inorganic Metals							
Arsenic	mg/L	<0.0030	0.0043	<0.0030	0.0149	<0.0030	0.05
Barium	mg/L	0.0035	0.0046	0.0037	0.0070	0.0073	2
Cadmium	mg/L	<0.00065	<0.00065	<0.00065	<0.00065	<0.00065	0.005
Calcium	mg/L	2.66	3.06	2.88	7.16	6.87	**
Chromium	mg/L	<0.0032	<0.0032	<0.0032	<0.0032	<0.0032	0.1
Copper ⁶	mg/L	<0.0047	<0.0047	0.0062	0.118	0.0104	1.3
Iron ⁶	mg/L	<0.058	0.32	<0.058	<0.058	0.129	0.3
Lead ⁶	mg/L	<0.0042	0.0048	0.0066	<0.0042	<0.0042	0.015
Magnesium	mg/L	0.540	0.648	0.555	1.75	1.71	**
Manganese ⁵	mg/L	NA	<0.005	NA	NA	<0.005	0.05
Mercury ⁵	mg/L	NA	<0.0001	NA	NA	<0.0001	0.002
Nickel	mg/L	<0.0034	0.0080	<0.0034	<0.0034	<0.0034	0.1
Potassium	mg/L	0.443	0.518	0.464	1.94	1.7	**
Selenium ⁵	mg/L	NA	<0.001	NA	NA	<0.001	0.05
Silver	mg/L	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	0.05
Sodium	mg/L	4.87	9.38	8.73	31.4	31.5	100
Zinc	mg/L	0.0076	0.130	0.116	0.0248	0.0373	5
Aggregate Organic							
Carbon, total organic	mg/L	2.6	2.6	2.5	<1.0	<1.0	**
Pesticide/Herbicide⁷							
	µg/L	NA	ND	NA	NA	ND	**
Asbestos⁸							
(million fibers/L)	10 ⁶ /L	NA	<0.12	NA	NA	NA	7
Radionuclides⁹							
Gross alpha	pCi/L	NA	2.5	NA	NA	5.0	15

Constituents recorded with a less than sign (<) before the number were NOT detected. They are presented at the level in which detection is possible with available technology.

WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

COMPOUND	MCL ² (MG/L)	GREATER PORTLAND	STEEP FALLS
VOLATILE ORGANICS (EPA 524.2) Collected in June 2017 (Greater Portland and Steep Falls)			
BENZENE	0.005	<0.0005	<0.0005
CARBON TETRACHLORIDE	0.005	<0.0005	<0.0005
p-DICHLOROBENZENE	0.075	<0.0005	<0.0005
1,2-DICHLOROETHANE	0.005	<0.0005	<0.0005
1,1-DICHLOROETHENE	0.007	<0.0005	<0.0005
1,1,1-TRICHLOROETHANE	0.2	<0.0005	<0.0005
TRICHLOROETHENE	0.005	<0.0005	<0.0005
VINYL CHLORIDE	0.002	<0.0005	<0.001
METHYL TERT-BUTYL ETHER (State req.)	0.035	<0.0005	<0.0005
o-DICHLOROBENZENE	0.6	<0.0005	<0.0005
cis-1,2-DICHLOROETHENE	0.07	<0.0005	<0.0005
trans-1,2-DICHLOROETHENE	0.1	<0.0005	<0.0005
1,2-DICHLOROPROPANE	0.005	<0.0005	<0.001
ETHYLBENZENE	0.7	<0.0005	<0.0005
CHLOROBENZENE	0.1	<0.0005	<0.0005
STYRENE	0.1	<0.0005	<0.001
TETRACHLOROETHENE	0.005	<0.0005	<0.0005
TOLUENE	0.1	<0.0005	<0.001
XYLENES	10	<0.0005	<0.003
DICHLOROMETHANE	0.005	<0.0005	<0.001
1,2,4-TRICHLOROBENZENE	0.07	<0.0005	<0.0005
1,1,2-TRICHLOROETHANE	0.005	<0.0005	<0.0005
1,2-DIBROMO-3-CHLOROPROPANE	STWV ¹⁰	STWV ¹⁰	STWV ¹⁰
ETHYLENE DIBROMIDE	STWV ¹⁰	STWV ¹⁰	STWV ¹⁰
SYNTHETIC ORGANIC-PESTICIDES (EPA 525.2)			
Collected in June 2017 (Greater Portland) and September 2017 (Greater Portland and Steep Falls)			
ATRAZINE	0.003	<0.001	<0.001
ALACHLOR (LASSO)	0.002	<0.001	<0.001
BENZO(A)PYRENE	0.0002	<0.0002	<0.0002
BHC GAMMA (LINDANE)	0.0002	<0.0002	<0.0002
BIS (2-ETHYLHEXYL) ADIPATE	0.4	<0.001	<0.001
BIS (2-ETHYLHEXYL) PHTHALATE	0.001	<0.001	<0.001
ENDRIN	0.002	<0.001	<0.001
HEPTACHLOR	0.0004	<0.0004	<0.0004
HEPTACHLOR EPOXIDE	0.0002	<0.0002	<0.0002
HEXACHLOROBENZENE	0.001	<0.001	<0.001
HEXACHLOROCYCLOPENTADIENE	0.05	<0.001	<0.001
METHOXYCHLOR	0.04	<0.001	<0.001
SIMAZINE	0.004	<0.001	<0.001
PESTICIDES/PCB'S (EPA 508.1)			
Collected in June 2017 (Greater Portland) and September 2017 (Greater Portland and Steep Falls)			
CHLORDANE	0.002	<0.0005	<0.0005
POLYCHLORINATED BIPHENYLS, TOTAL	0.0005	<0.0005	<0.0005
TOXAPHENE	0.003	<0.002	<0.002
CARBAMATES (EPA 531.1)			
Collected in June 2017 (Greater Portland) and September 2017 (Greater Portland and Steep Falls).			
ALDICARB	NO MCL	<0.0005	<0.0005
ALDICARB SULFONE	NO MCL	<0.0005	<0.0005
ALDICARB SULFOXIDE	NO MCL	<0.0005	<0.0005
CARBOFURAN	0.04	<0.0005	<0.0005
OXAMYL	0.2	<0.0005	<0.0005
SYNTHETIC ORGANICS - HERBICIDES (EPA 515.3)			
Collected in June 2017 (Greater Portland) and September 2017 (Greater Portland and Steep Falls)			
2,4-D	0.07	<0.005	<0.005
2,4,5 TP (SILVEX)	0.05	<0.005	<0.005
DALAPON	0.2	<0.001	<0.001
DINOSEB	0.007	<0.005	<0.005
PENTACHLOROPHENOL	0.001	<0.001	<0.001
PICLORAM	0.5	<0.001	<0.001

FOOTNOTES and DEFINITIONS:

- ¹ Distribution Sample collected at 334 Cottage Rd., South Portland
- ² MCL= Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water.
- ³ Greater Portland Treated Turbidity measured on 4/9/18.
- ⁴ Chlorine and pH vary throughout the distribution system so values at your tap may differ from these locations.
- ⁵ Sulfate, manganese, mercury and selenium sampled in June 2017 for both Greater Portland and Steep Falls.
- ⁶ Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing.
- ⁷ Pesticide/herbicide analyzed in June and September 2017 (Greater Portland) and September 2017 (Steep Falls).
- ⁸ Asbestos analyzed in July 2011 in Cumberland area.
- ⁹ Gross alpha sampled in June 2015 for both Greater Portland and Steep Falls.
- ¹⁰ STWV-State waiver, no testing required.

** - MCL does not exist for these constituents

NA – Not analyzed

ND – None detected

SU – Standard Unit

mg/l: milligrams per liter, or parts per million, ppm

µg/l: micrograms per liter, or parts per billion, ppb

pCi/l: picocuries per liter (a measure of radioactivity)

< = less than. The number following the less than sign is the lowest amount that can be reliably measured.

Turbidity: The measurement of cloudiness or suspended colloidal matter (silt). Excessive turbidity levels can cause problems with water disinfection.

2019 ACTIVE FIRE SERVICES

DIVISION	1"	1.5"	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	0	0	2	2	9	8	0	0	0	21	0.9%
Cumberland	0	0	1	0	22	10	0	0	0	33	1.4%
Falmouth	0	1	79	6	55	14	1	4	0	160	6.6%
Gorham	0	0	29	7	63	34	0	0	0	133	5.5%
Portland	1	18	127	129	562	192	11	5	0	1,045	43.3%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	31	32	150	79	2	1	0	298	12.4%
South Portland	0	0	17	15	186	114	14	7	0	353	14.6%
Standish	0	0	0	5	10	0	1	0	0	16	0.7%
Westbrook	1	0	33	26	125	73	5	2	1	266	11.0%
Windham	0	0	10	6	47	16	1	2	0	82	3.4%
TOTAL	3	21	329	228	1,231	542	35	21	1	2,411	100.0%

2019 METERS IN SERVICE

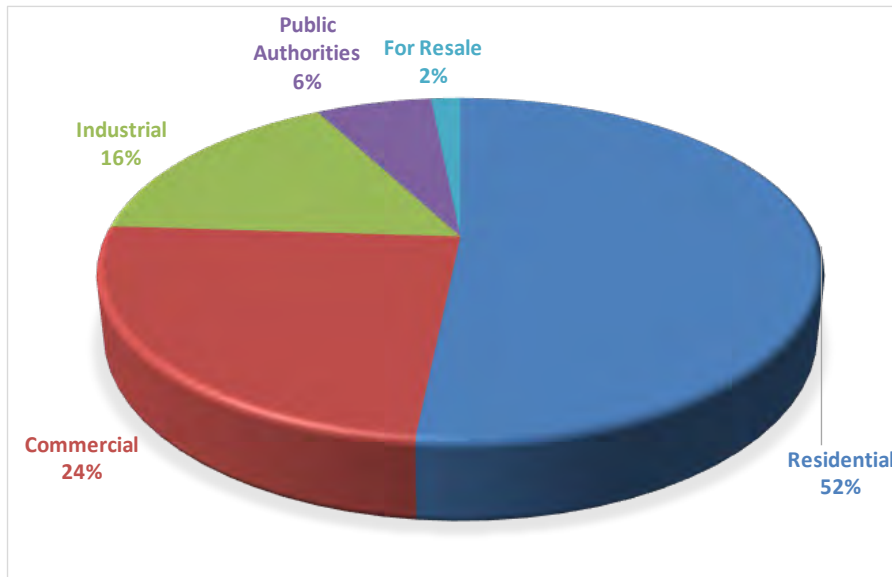
DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,478	94	82	22	32	6	2	1	1	0	3,718	6.9%
Cumberland	1,731	76	77	27	13	5	2	0	1	1	1,933	3.6%
Falmouth	2,900	144	176	43	56	10	1	5	3	0	3,338	6.2%
Gorham	2,652	57	75	31	41	13	2	0	1	0	2,872	5.3%
Portland	15,868	679	733	404	480	101	34	29	7	1	18,336	33.8%
Raymond	27	1	6	4	6	0	0	0	0	0	44	0.1%
Scarborough	4,982	91	179	99	89	20	6	12	5	0	5,483	10.1%
South Portland	7,612	104	164	147	186	34	12	23	4	1	8,287	15.3%
Standish	727	12	50	3	5	0	2	2	0	0	801	1.5%
Westbrook	5,305	123	153	95	94	27	8	9	4	4	5,822	10.7%
Windham	3,322	74	82	45	42	8	3	6	1	0	3,583	6.6%
Yarmouth	41	1	0	0	0	0	0	0	0	0	42	0.1%
TOTAL	48,645	1,456	1,777	920	1,044	224	72	87	27	7	54,259	100.0%

METERED WATER (IN THOUSANDS OF GALLONS)

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2010	3,397,429	1,502,978	1,421,402	349,222	106,312	6,777,343
2011	3,290,807	1,430,439	1,328,681	305,690	110,197	6,465,814
2012	3,271,898	1,430,679	1,374,942	274,003	129,613	6,481,135
2013	3,231,822	1,409,044	1,372,881	279,507	124,669	6,417,923
2014	3,197,526	1,387,342	1,316,962	287,820	119,099	6,417,923
2015	3,288,896	1,484,304	1,209,994	293,177	125,964	6,402,335
2016	3,394,347	1,533,185	1,241,991	309,958	114,946	6,594,427
2017	3,304,462	1,528,336	1,112,456	300,677	102,531	6,348,462
2018	3,316,570	1,513,182	1,123,108	290,945	117,541	6,361,346
2019	3,161,640	1,491,001	991,518	380,137	96,740	6,121,036

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 748, for example the 2019 volume of 6,121,036 TOG equals 8,183,203 HCF

**METERED WATER
(IN THOUSANDS OF GALLONS)**



Wastewater Statistics

EAST END WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)		Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals	
	Primary Treatment Only	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS
	2010	1.268	16.877	2,780	303	45.20	Wet Tons	93
2011	0.935	17.100	1,973	304	43.54	Wet Tons	93	92
2012	1.016	16.989	1,647	302	38.66	Wet Tons	93	93
2013	0.516	16.703	1,839	472	45.17	Wet Tons	93	94
2014	0.906	18.036	2,230	485	48.18	Wet Tons	93	95
2015	0.452	15.923	3,225	165	50.28	Wet Tons	93	94
2016	0.488	15.885	2,393	123	48.36	Wet Tons	92	92
2017	0.376	17.172	3,354	44	63.20	Wet Tons	97	97
2018	0.696	16.850	4,985	229	58.25	Wet Tons	96	95
2019	0.676	14.904	5,841	413	58.94	Wet Tons	97	97

WESTBROOK/GORHAM/WINDHAM REGIONAL WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)	Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals		% Flow		
	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS	Westbrook	Gorham	Windham
	2010 *1	3.291	2,077	263	10.67	Wet Tons	96	97	88.033	9.727
2011	3.523	2,489	303	11.80	Wet Tons	96	96	86.322	11.675	2.003
2012	3.131	2,996	395	12.38	Wet Tons	95	97	81.488	16.124	2.388
2013	3.007	2,944	471	12.96	Wet Tons	94	96	79.618	17.674	2.708
2014	3.251	2,864	672	13.96	Wet Tons	94	96	78.377	18.713	2.910
2015	2.540	2,490	721	14.23	Wet Tons	96	96	80.930	15.850	3.220
2016	2.466	2,638	729	16.03	Wet Tons	97	97	80.920	15.830	3.250
2017	3.035	1,533	657	14.39	Wet Tons	95	93	83.710	13.380	2.910
2018 *2	3.313	75	491	15.09	Wet Tons	94	94	84.180	12.760	3.050
2019	3.151	0	16	13.12	Wet Tons	95	93	82.679	13.794	3.526

*1 - Trucked in Waste deliveries to the Westbrook Regional Treatment Plant were suspended 7/24/10 - 10/31/10 for odor control purposes.

*2 - By July 2018 the Westbrook Regional Treatment Plant had discontinued its septage receiving program.

CAPE ELIZABETH WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
2010	0.275	0.57	Wet Tons	95	96
2011	0.297	0.59	Wet Tons	97	98
2012	0.280	0.48	Wet Tons	95	95
2013	0.255	0.60	Wet Tons	93	96
2014	0.295	0.59	Wet Tons	92	96
2015	0.226	0.66	Wet Tons	94	97
2016	0.242	0.60	Wet Tons	95	96
2017	0.266	1.30	Wet Tons	93	94
2018	0.277	0.75	Wet Tons	94	95
2019	0.247	0.56	Wet Tons	93	96

PEAKS ISLAND WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
2010	0.093	0.07	Wet Tons	92	92
2011	0.102	0.12	Wet Tons	93	91
2012	0.093	0.12	Wet Tons	96	95
2013	0.088	0.12	Wet Tons	94	96
2014	0.104	0.12	Wet Tons	94	97
2015	0.087	0.13	Wet Tons	93	94
2016	0.094	0.16	Wet Tons	94	95
2017	0.095	0.19	Wet Tons	90	90
2018	0.105	0.14	Wet Tons	90	91
2019	0.101	0.16	Wet Tons	92	93

EAST END WASTEWATER TREATMENT FACILITY

SLUDGE CAKE METALS (MG/DRY KG)

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2019	January	2.7	180	15	25	11	350	0.3
	February	2.7	180	19	23	12	350	0.1
	March	2.9	190	21	26	14	380	0.1
	April	3.3	210	20	36	15	430	0.3
	May	3.0	220	17	38	13	460	0.4
	June	2.7	250	19	34	14	550	0.7
	July	2.8	260	17	38	13	630	0.4
	August	2.0	230	13	26	10	530	0.3
	September	2.0	250	12	21	12	500	0.4
	October	2.2	240	13	26	11	420	0.3
	November	2.6	240	14	30	11	440	0.3
	December	3.0	220	16	31	12	480	0.2
Annual Average		2.7	223	16	30	12	460	0.3

HISTORICAL SLUDGE CAKE METALS AVERAGES (MG/DRY KG)

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2010	0.5	260	16	42	13	541	0.5
2011	1.3	205	17	47	15	484	0.5
2012	1.3	254	16	43	14	536	0.5
2013	1.2	243	16	43	13	518	0.3
2014	2.1	240	16	37	12	509	0.4
2015	2.2	237	15	36	11	488	0.5
2016	2.3	217	17	38	12	474	0.4
2017	2.6	218	15	26	11	472	0.4
2018	2.5	220	15	32	12	419	0.4
2019	2.7	223	16	30	12	460	0.3

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION SCREENING LAND APPLICATION LIMITS (MG/DRY KG)

Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
10	1,000	1,000	300	200	2,000	6

WESTBROOK GORHAM WINDHAM REGIONAL WASTEWATER TREATMENT FACILITY

SLUDGE CAKE METALS (MG/DRY KG)

YEAR	QUARTERLY *	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2019	January	2.1	370	44	18	110	590	0.2
	April	2.1	290	37	14	80	510	0.1
	July	2.2	420	38	23	90	1,000	0.3
	October	2.8	280	52	36	52	670	0.4
Annual Average		2.3	340	43	23	83	693	0.3

* Based on regulations and the quantity of biosolids produced at the plant, quarterly testing is required for the Westbrook Facility.

HISTORICAL SLUDGE CAKE METALS AVERAGES (MG/DRY KG)

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2010	0.5	410	39	32	20	879	0.5
2011	0.9	467	42	32	65	931	0.8
2012	1.5	545	35	31	52	1,015	0.6
2013	1.4	512	41	29	71	999	0.5
2014	1.9	387	71	29	62	753	0.2
2015	2.3	403	57	23	65	740	0.5
2016	2.5	348	41	26	44	678	0.4
2017	2.4	337	39	18	38	701	0.3
2018	2.0	296	43	19	54	638	0.4
2019	2.3	340.0	42.8	22.8	83.0	692.5	0.3

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION SCREENING LAND APPLICATION LIMITS (MG/DRY KG)

Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
10	1,000	1,000	300	200	2,000	6

WASTEWATER SUMMARY BY DIVISION

Portland System: *1						
Mainland	Estimated population served	60,000				
	Treatment plant design flow:					
	average / peak wet weather		19.8 mgd average / 80 mgd peak			
	Pump stations	10				
	Interceptors	72,161 feet				
	Force Mains	17,392 feet				
	Peaks Island	Estimated population served	500			
		Treatment plant design flow:				
		average / peak wet weather		0.2 mgd average / .61 mgd peak		
		Pump stations	4			
	Collectors	23,775 feet				
	Interceptors	4,220 feet				
	Force Mains	5,437 feet				
	Storm Drains	10,160 feet				
Westbrook *2						
	Estimated population served	11,000				
	Treatment plant design flow:					
	average / peak wet weather		4.54 mgd average / 15.7 mgd peak			
	Westbrook allocated average treatment plant flow (66.6%)		3.02 mgd average / 10.46 mgd peak			
	Pump stations	3	1	2		
	Interceptors	26,707 feet	9,764	16,943		
	Force Mains	16,750 feet	4,589	12,161		
	Percentage Flow			84%	13% 3%	
Cape Elizabeth System *3						
Cape - North	Estimated population served	4,000				
	Treatment contracted to South Portland					
	System design flow	0.72 mgd				
	Pump stations	16			38,612 Force main (both)	
Cape - South	Estimated population served	3,100			51,693 Interceptor (both)	
	Treatment plant design flow:					
	average / peak wet weather		0.52 mgd average / 2.75 mgd peak			
	Pump stations	10				
Cumberland						
	Estimated population served	2,200				
	Treatment contracted to Falmouth					
	System Design Flow	0.47 mgd				
	Pump stations	13				
	Interceptors	41,032 feet				
	Collectors	83,979 feet				
	Force Mains	40,330 feet				
Gorham Village						
	Estimated population served	6,000				
	Gorham allocated average treatment plant flow (30.8%)		1.4 mgd average / 4.84 mgd peak			
	Pump stations	11				
	Interceptors	27,550 feet				
	Collectors	89,977 feet				
	Force Mains	23,445 feet				
Little Falls System *4						
	Estimated population served	1,000				
	Windham allocated average treatment plant flow (2.6%)		0.12 mgd average / .41 mgd peak			
	Pump stations	6	3	1	2	
	Interceptors/Collectors	24,606 feet	14,215	7,008	3,383	
	Force Mains	16,364 feet	12,291	3,578	495	
	Percentage Flow			28%	72%	

FOOTNOTES:

*1 - The Portland System contains two separate treatment facilities. The Mainland facility processes wastewater for the city of Portland. Trucked in waste and thickened sludge from the Peaks Island and Cape Elizabeth South Treatment Facilities are also processed here. The Peaks Island System processes wastewater for Peaks Island (which is a part of the city of Portland) to a thickened sludge product. This product is then transported to the Portland treatment plant for final dewatering and sludge disposal.

*2 - The Westbrook System has one treatment plant that processes wastewater for the city of Westbrook/Gorham Village and the Windham/Gorham Little Falls area. Wastewater from Gorham Village is pumped to the Westbrook Regional Treatment Facility for processing. Gorham reimburses Westbrook for all joint use costs incurred in transporting and processing the wastewater. Through the Little Falls Conveyance System the Westbrook Regional Treatment Facility, as of 2008, has also processed Windham and Gorham Little Falls' wastewater. Windham and Gorham Little Falls reimburses Westbrook for all joint use costs in the transportation and processing of the wastewater.

*3 - The Cape Elizabeth System is processed through two separate treatment facilities. The town of Cape Elizabeth in conjunction with the Portland Water District has a contract with the City of South Portland to provide wastewater treatment for the Cape North Sewer System. The Cape North System pumps all wastewater to the South Portland Pollution Control Facility for processing and reimburses South Portland for all joint use costs incurred in transporting and processing. The Cape South Sewer System processes wastewater at its own treatment facility to a thickened sludge product that is then transported to the Portland East End Treatment Plant for final dewatering and sludge disposal. The Cape South Treatment Plant was upgraded in 2011, resulting in a peak wet weather design flow increase from 1.7 MGD to 2.75 MGD, whereas the average design flow remained at .52 MGD as originally designed.

*4 - The Little Falls System contains wastewater from an area located within two separate communities. Residents in the towns of Windham and Gorham share in the costs of the Little Falls System. Flows from the Windham and Gorham Little Falls area go to the Westbrook Regional Treatment Facility for processing.

WASTEWATER PIPELINE LENGTH (MILES)

COMMUNITY	Interceptors	Forcemains	Collectors	Storm Drains	TOTAL	# of Manholes	# of CSOs
Cape Elizabeth	9.8	7.3	0.0	0.0	17.1	305	1
Cumberland	7.8	7.6	15.9	0.0	31.3	645	0
Gorham	6.0	7.4	20.8	0.0	34.2	705	0
Windham	0.0	0.1	0.4	0.0	0.5	15	0
Portland	14.5	4.3	4.5	1.9	25.2	833	22
Westbrook	5.0	4.9	0.0	0.0	9.9	128	5
TOTAL	43.1	31.6	41.6	1.9	118.2	2,631	28

