



Portland Water District

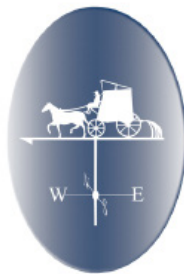
# Annual Comprehensive Financial Report



*For the year ended December 31, 2021*

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

# **Annual Comprehensive Financial Report**



**Portland Water District  
Portland, Maine  
For The Year Ended December 31, 2021**

**Acknowledgements: This report was prepared by the Financial Services**

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# INTRODUCTION



# TRANSMITTAL LETTER

June 15, 2022

Dear Board of Trustees and Valued Customers:

The Portland Water District is pleased to submit our Annual Comprehensive Financial Report for the fiscal year which ended December 31, 2021.

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 2021 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.

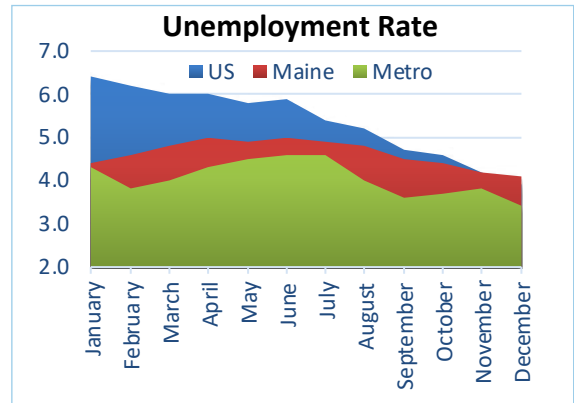
We hope you find this report informative. If you have questions, please contact us at (207)761-8310 or [customerservice@pwd.org](mailto:customerservice@pwd.org).

# FACTORS AFFECTING FINANCIAL CONDITION

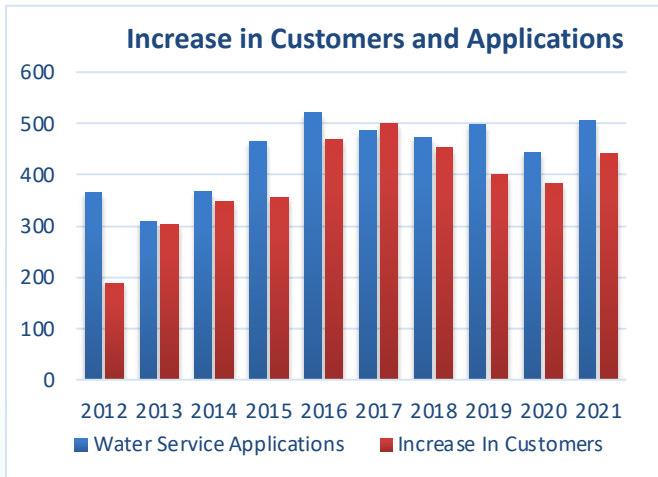
## LOCAL ECONOMY

The Maine economy experienced a year of robust recovery in 2021 following the negative impacts of the global pandemic in 2020, according to the Maine Department of Administrative and Financial Services Office of the State Economist's *Economic Year in Review:2021*. The state's population grew by 0.7% compared to 2020, ranking 14th in the nation for population growth. While salary and wages increased, high levels of inflation, economic uncertainty, and the spread of the Delta variant caused consumer sentiment to dip in 2021.

**Employment:** Maine's labor market saw robust growth in 2021, growing by over 22,000 jobs for the year. Unemployment dropped throughout the year and ended at a 3.4% unemployment rate in the Portland/South Portland metro market at yearend, as reported by the Maine Department of Labor.



**Housing Market:** According to the Maine Association of Realtors, 2021 was a record breaking year. Single-family existing homes across Maine remained in very high demand during the full sales year of 2021. The state-wide median sales price (MSP) reached \$299,000 last year, a rise of 16.8 percent, and sales increased 2.41 percent. As the state's largest real estate market, nearly one fifth of sales took place in Cumberland County.



New construction increased a phenomenal 30% statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 6530 statewide building permit units in 2021, over half (3712) were within the Portland/South Portland metro area.

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.

The National Weather Service reports 12.67 inches of precipitation fell in Portland during June, July, and August of 2021 which is slightly higher than the normal level of 11.15 inches. This undoubtedly contributed to an overall water consumption reduction in 2021.

# 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 219,000 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 57,000 customers. PWD manages \$368 million in assets operating over approximately 140 square miles and an annual budget of \$47.9 million. Additionally, PWD manages a \$14.5 million capital improvement plan.



## 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.

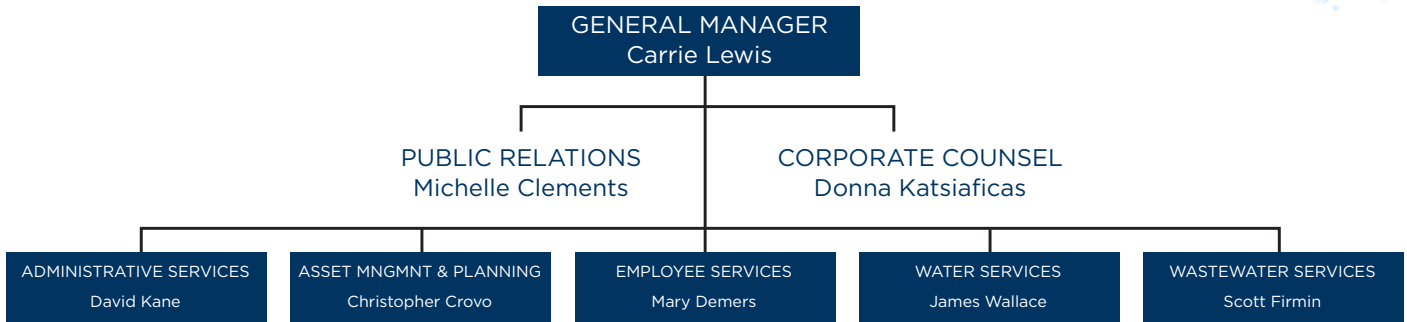
### *Openness, Respect, & Fair Treatment*

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.

## CORPORATE MANAGEMENT (AS OF 12/31/2021)



## 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*

**Vacant**  
*Gorham*

**Guy Cote**  
*Westbrook*

**Louise Douglas**  
*President  
Windham  
& Raymond*

**Seth Garrison**  
*Scarborough*

**Kenneth Levinsky**  
*Portland*



**Gary Libby**  
*Portland*

**William Lunt, III**  
*Vice President  
Falmouth &  
Cumberland*

**Kim Rich**  
*Portland*

**Joseph Siviski**  
*South Portland  
& Cape Elizabeth*

**Charles Shattuck-  
Heidorn**  
*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.

## 2021 IN REVIEW

### ADMINISTRATION

**GLOBAL PANDEMIC:** While the Portland Water District opened its doors in 2021 with a return to in-person customer service hours, Board and staff meetings, and office work, the Delta variant hampered forward progress as regular adjustments were required to comply with Centers for Disease Control (CDC) recommendations and to keep everyone safe. Field collections on delinquent accounts restarted in January after a 10-month pause due to Covid-19.

**WATER RATE INCREASE:** There was no water rate adjustment in 2021. The previous water rate adjustment was delayed seven months due to the pandemic and was implemented in December 2020.

**ASSET MANAGEMENT, BILLING/CUSTOMER ENGAGEMENT PROJECTS:** The Portland Water District successfully launched a new asset management, billing, and customer relations system on October 15, 2021.



The previous technology was implemented 26 years ago and no longer was being supported. A modern system was needed to provide improved service to customers and maintain the stability of the workflow and billing systems. The new billing system better integrated work processes and provided enhanced customer service capabilities including real time payment processing, better communication and user-friendly interfaces, and expanded payment options like pay by text. The asset management system fully integrated with GIS is better equipped to track PWD's 250,000+ assets and able to deliver better preventative maintenance capabilities. The billing conversion went smoothly, and the clear and concise communication strategy aided adoption and minimized confusion. The goal of converting 100% of both paperless and autopay customers was surpassed.

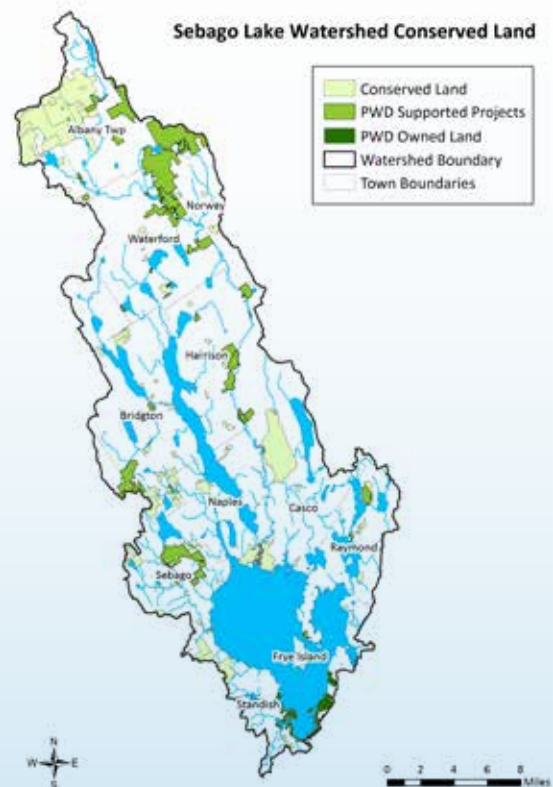
CUSTOMERS	PRELAUNCH OCTOBER 2021	POST LAUNCH: JANUARY 2022
Paperless	22,146	23,425
Autopay	19,683	20,296

**BILLING:** Finance began processing payments in-house due to the external provider moving to Delaware.

## WATER

**LEAD:** In 2021, EPA announced new Lead and Copper Rule Revisions (LCRR) that aim to further eliminate sources of lead in water. Although inspections of piping materials carried out in the early 1990s indicated that the Portland Water District has no lead service lines in its system, the revised regulations require the Portland Water District to reexamine its system to reassess all possible sources of lead, including that portion of the service line owned by the customer.

**\$8 MILLION AWARD PROTECTS SEBAGO LAKE:** PWD and Sebago Clean Waters were awarded \$8 million from the U.S. Department of Agriculture Natural Resources Conservation Service in 2020. This award has already helped to fund the conservation of over 7,700 acres of land in the Sebago Lake watershed in 2021.





**WATER STORAGE:** We conducted a maintenance project on the Standish Water Storage Tank, which rendered it out of service for three weeks. With the tank offline, the Standish distribution system (540 pressure zone) was connected to the North Windham system (510 pressure zone) to maintain proper water pressure in the Standish distribution system.

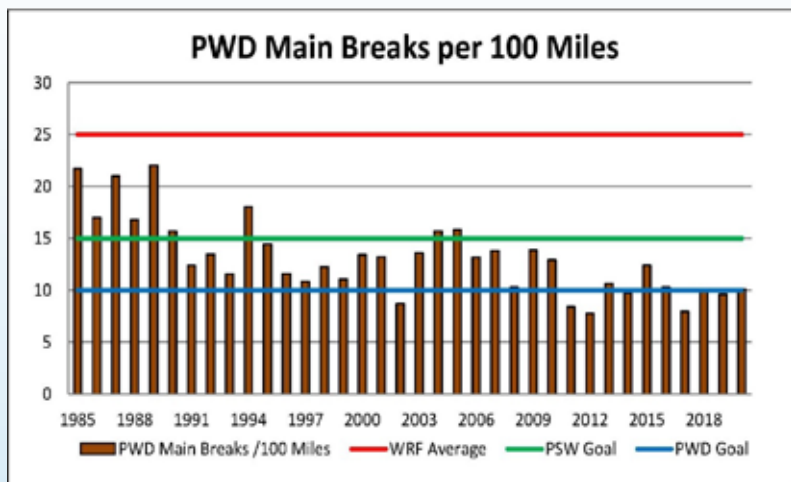


**WATER MAIN REPLACEMENT PROGRAM:** Approximately \$8 million was allocated to replace roughly four miles of water main. Also a critical connection between the 407 north zone and 407 south zone in Windham was completed.

## 2021 WATER MAIN REPLACEMENT PROJECTS (21,655 FEET)

COMMUNITY	STREET	FEET
CUMBERLAND	Tuttle Road, Cumberland - Culvert at Harris Road	400
FALMOUTH	Ledgewood Road, Middle Road to Hayden Way	800
GORHAM	College Street, School to Husky Drive, Academy Street	2000
	Narragansett Road - State Street to Access Road	2000
PORTLAND	Veranda Street Wordsworth to Martin Pt.	1600
	Brighton Ave, Wessea to Dorsett	1300
	Ocean Ave, Walton, and Sawyer Street	4100
	Maine Turnpike - Barron Center and transmission Crossings	750
	Diamond Street - Fox to Marginal	800
	Colonial Court, Colonial Ave to DE	300
	Union Wharf, Commercial Street to DE	280
SCARBOROUGH	Willowdale Road, Willowood Lane to DE	700
	Blackpoint Road - Culvert Crossing	500
SOUTH PORTLAND	Cottage Road, Broadway to Pine	3100
WINDHAM	Depot Street, 202 to River Road	2750
	Lantern Way - Pine Street to culvert	275

Investments in buried infrastructure have a positive impact on the number of water main breaks PWD experiences. In 2021, 10 breaks per 100 miles of main occurred, below AWWA's standard of 25-30 leaks per 100 miles of main per year.



**VACUUM EXCAVATION:** Vacuum excavation continues to be a very efficient and cost effective method to tackle some of our maintenance work. In 2021 we used vacuum excavation on 1,400 projects, an increase from 2020 of roughly 850 projects.



## WASTEWATER

**EMERGING CONCERN PFAS:** Concerns regarding the family of chemicals called PFAS continue to create challenges for our industry, in particular the management of biosolids. Wastewater treatment does not use or add these chemicals in systems, rather they are present in residential and commercial/industrial sources. In response to concerns regarding PFAS, land application and distribution of compost by all treatment plants in the state of Maine have been banned. In 2021 Maine passed a law to outlaw PFAS in products, mandating that on Jan. 1, 2030, “a person may not sell, offer for sale or distribute for sale” in Maine products where PFAS has been “intentionally added” except in cases of “unavoidable use,” and effective on Jan. 1, 2023, manufacturers of products for sale in the state that contain the chemical must notify state authorities. The Maine DEP continues an ongoing investigation of possible contamination sites.

The Portland Water District has engaged an engineering consultant to develop a long-term biosolids management plan to help with these emerging constraints on biosolids management. Additionally, the need for source elimination and reduction from use continues to be emphasized.

**ODOR MANAGEMENT:** The management of odors is a priority at our pump stations and treatment plants. In 2021, we received a handful of odor complaints and planning is already underway to prepare for summer in on-going efforts to manage the impact of odors on our neighbors.

**NITROGEN OPTIMIZATION:** Nutrient reduction efforts continued at our treatment plants. Peaks Island and Cape Elizabeth were optimized through process control measures and staff activity. Efforts during the summer months at the East End Wastewater Treatment Facility were successful and have produced a 75% reduction in nitrogen entering Casco Bay. Over the past four years, the East End Facility removed about 1,500,000 million pounds of nitrogen.

**WESTBROOK/GORHAM/WINDHAM REGIONAL WASTEWATER TREATMENT PLANT UPGRADES:** The \$11.3 million aeration and secondary clarifier upgrade project began in 2021.

**PUMP STATIONS:** The Little John Pump Station upgrade project was completed and design of the Maiden Cove Pump Station was completed and construction begun. The Baxter Blvd. Pump Station and forcemain were under construction as well.

**WINDHAM WASTEWATER SYSTEM DEVELOPMENTS AND IMPROVEMENTS:** Preliminary engineering for the North Windham Wastewater System was nearly complete. In 2022, the project will go to public referendum and additional funding sources will be sought.

Also a new pump station was installed on Depot Street which will allow for development and growth in the South Windham area.

**TRACKING COVID-19 FRAGMENTS IN WASTEWATER AIDS PUBLIC HEALTH PLANNING EFFORTS:**

The Portland Water District continued to support the public health sector since July 2020 by conducting wastewater epidemiology sampling at the Westbrook and Portland wastewater plants, first in partnership with Saint Joseph’s College, and later with other government-funded programs and commercial labs. Results have been shared with state and local public health sectors and were successful at identifying trends.





# 2022 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 implement AWWA's Partnership for Safe Water recommendations to improve water quality in the water distribution system.
- Continue supporting the land conservation efforts of Sebago Clean Waters, including completing negotiations with NRCS and accomplishing RCPP deliverables.
- Implement Sebago Lake Phase IV: Utilize federal 319 grant funds to improve eroding sites around Sebago Lake.
- Serve on the Mountain Division Rail Corridor Advisory Council to ensure the process considers the protection of Sebago Lake.
- Begin planning and efforts to meet the new Lead and Copper Rule Revisions.



## GOAL 2 | PUBLIC SAFETY

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

- Move forward with design/build project to replace the undersized Windham Center Storage Tank with a one million gallon standpipe.
- Continue to develop and test locations to utilize portable backup pumper to supply water between pressure zones during emergencies.
- Continue to perform flow testing for new construction and redevelopment to aid in design of fire sprinkler systems.



## GOAL 3 | ENVIRONMENT

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

- Continue the condition assessment program of line cleaning and CCTV inspection of 10% of each community's buried wastewater infrastructure.
- Continue to employ a nutrient optimization approach at wastewater treatment plants.
- Continue construction on the Westbrook Wastewater Treatment Plant aeration and secondary clarifier upgrade project.
- Work with Windham to promote and build a new wastewater system in North Windham.



## GOAL 4 | RELIABILITY

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

- Continue to optimize the new billing and customer information system and the computerized maintenance management system.
- Increase use of vacuum excavation to reduce the backlog of maintenance work.
- Replace several data servers as part of annual server refresh program.
- Extend right-of-way maintenance program into the more developed areas.
- Conduct a full scale or table top emergency preparedness exercise.



## 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 to implement process control measures at plants.
- Conduct a study of biosolids management options to reduce volumes of material and concentration of PFAS and other contaminants of emerging concern.
- Support use of new asset management systems to efficiently manage equipment and systems.
- Continue large meter testing program.



## 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 union negotiations to develop a new contract.
- Conduct hazard surveys/safety inspections of each facility twice a year and create and share reports.

# RECOGNITION AND ACKNOWLEDGEMENTS



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Portland Water District  
Maine**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*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 annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2020.

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 ACFR 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 2021. 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 report 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

### ***Opinions***

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, 2021, and the related notes to the financial statements, which collectively comprise Portland Water District's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Portland Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portland Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



To the Board of Trustees  
Portland Water District

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Portland Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portland Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis pages 14-28 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 74-79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 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***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Board of Trustees  
Portland Water District

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of the 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*

Wipfli LLP  
South Portland, Maine  
April 27, 2022

# 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 2021.

Change in Net Position before Contributions – This item was a gain of \$4.44 million in 2021.

In 2021 the District was awarded a five (5) year, \$8.0 million watershed grant from the federal Natural Resources Conservation Service. During 2021, a portion of the \$8.0 million grant was used to award \$1,860,700 to Mahoosic Trust to purchase a conservation easement within the District's watershed. The \$1,860,700 was included as operating revenue offset by operating expense. The District contributed \$503,348 to the purchase and received a right to enforce the conservation if Mahoosic Trust failed to protect the land. The purchase is considered an intangible asset. The contribution was funded by issuing a \$500,000 bond and grant proceeds.

Operating Revenues – Operating revenues were up \$3.79 million (8.2%). The increase included: the watershed grant of \$1.86 million and wastewater assessments of \$1.48 million (7.5%).

Operating Expense – Operating Expense increased \$2.45 million (5.9%). This number included the watershed grant expense of \$1.86 million in 2021 and a reduction in pension expense of \$1.06 million. Also of note were increases of \$571k (33.5%) in biosolids disposal, depreciation \$581k (5.6%) and employee benefits \$304k (7.5%).

Net Capital Assets (\$323.7 million) had an increase of 4.8% (\$14.7 million). More than half of the Utility Property additions of \$21.2 million were water distribution infrastructure of \$13.9 million. The Allowance for Depreciation increased \$10.1 million while Construction Work in Progress increased \$3.5 million.

The District's new Asset Management, Billing and Customer Information System (ABC) went live in Q4 2021. The impact on the District's financial statements included a \$3.64 million addition to capital assets and a reduction of \$2.72 million in construction work in progress related to prior year project expenditures.

The District's bonded debt of \$94.85 million was up \$2.83 million as the District issued \$11.43 million in new debt, retired \$8.58 million and had \$0.02 million forgiven. The District's financial ratios remain strong with an overall current ratio of 2.20 and debt coverage ratio of 1.74

## COVID-19 Impact on District

The small water rate increase the District typically has each year was delayed until 2022. In addition, the pandemic has shifted water consumption to residential customers, as more people work at home, which has generated more revenue. In 2020 the Maine Public Utilities Commission ordered a suspension of collection activities, the resulting rise in past due receivables lead to a bad debt expense of \$220k. Collections resumed in 2021 and bad debt expense was down \$170k as past due levels returned to historical norms. In addition, inventory levels rose \$312k (19.5%) as supply chain issues drove up commodity prices and the District carried higher than normal inventory levels to ensure adequate supplies for ongoing operations.

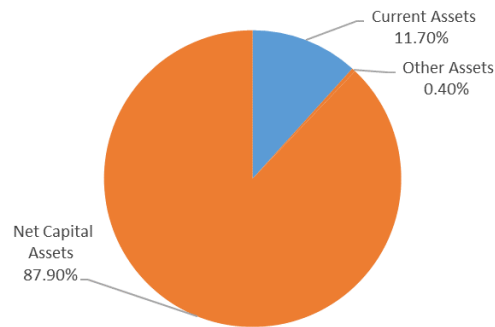
## Comparison of Financial Statements for Current and Prior Years

### Statement of Net Position (Condensed)

	2021	2020	Diff	Diff %
Current Assets	\$ 42,975,540	\$ 47,680,745	\$ (4,705,205)	-9.9%
Net Capital Assets	323,701,256	309,005,225	14,696,031	4.8%
Other Assets	1,505,496	1,542,224	(36,728)	-2.4%
Non-Current Assets	325,206,752	310,547,449	14,659,303	4.7%
<b>Total Assets</b>	<b>368,182,292</b>	<b>358,228,194</b>	<b>9,954,098</b>	<b>2.8%</b>
<b>Deferred Outflows</b>	<b>891,025</b>	<b>403,569</b>	<b>487,456</b>	<b>120.8%</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 369,073,317</b>	<b>\$ 358,631,763</b>	<b>\$ 10,441,554</b>	<b>2.9%</b>
Current Liabilities	\$ 19,537,246	\$ 17,985,455	\$ 1,551,791	8.6%
Long-Term Debt/Payables	85,931,793	83,539,630	2,392,163	2.9%
Other Non-Current Liabilities	7,261,049	7,861,070	(600,021)	-7.6%
Non Current Liabilities	93,192,842	91,400,700	1,792,142	2.0%
<b>Total Liabilities</b>	<b>112,730,088</b>	<b>109,386,155</b>	<b>3,343,933</b>	<b>3.1%</b>
<b>Deferred Inflows</b>	<b>4,271,191</b>	<b>4,394,744</b>	<b>(123,553)</b>	<b>-2.8%</b>
Net Position				
Net Invested in Capital Assets	232,901,919	218,114,336	14,787,583	6.8%
Unrestricted	19,170,119	26,736,528	(7,566,409)	-28.3%
<b>Total Net Position</b>	<b>252,072,038</b>	<b>244,850,864</b>	<b>7,221,174</b>	<b>2.9%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 369,073,317</b>	<b>\$ 358,631,763</b>	<b>\$ 10,441,554</b>	<b>2.9%</b>

**Note:** The 2020 totals have been reclassified to reflect changes made in 2021.

## District Assets



## Current Assets

Current Assets decreased \$4.7 million (9.9%) in 2021. The Cash/Investment balance decreased \$7.8 million (18.8%) due dollars spent on capital projects that will be reimbursed by bonds issued in early 2022. This was somewhat offset by a rise in bond Trustee Held funds of \$2.4 million.

## Net Capital Assets

Net Capital Assets increased \$14.7 million (4.8%):

	<u>Additions</u>	<u>Reductions</u>	<u>Net Change</u>
Operating Property	\$ 23,056,538	\$ (1,875,439)	\$21,181,099
Construction Work in Progress	8,704,526	(5,162,801)	3,541,725
Right to use Lease Assets (Net)	53,653	-	53,653
Allowance for Depreciation	(11,846,036)	1,765,590	(10,080,446)
	<u>\$ 19,968,681</u>	<u>\$ (5,272,650)</u>	<u>\$ 14,696,031</u>

The major additions to Utility Property for 2021 included:

- \$13.93 million in water infrastructure (mains, services, hydrants & meters).
- \$3.64 million in computer software and equipment mostly related to the Asset Management, Billing and Customer Information System (ABC) project.
- \$1.98 million in wastewater pump station structures and equipment.
- \$1.89 million in wastewater treatment plant structures and equipment.

Construction Work in Progress increased by \$3.54 million in 2021. There were large increases for the Westbrook Regional Wastewater Treatment Facility (WWTF) aeration (\$4.72 million), the East End WWTF backup power (\$1.41 million) and the Baxter Boulevard Wastewater Pump Station (WWPS) (\$0.93 million). This was somewhat offset by the completion of work with the ABC Project (\$2.72 million) and WWPS work in Cape Elizabeth (\$1.18 million).

The Allowance for Depreciation grew 4.2% (\$10.08 million) in 2021. 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

The District's Other Assets, which decreased 2.4% (\$36.7k) in 2021, involves Lease and Notes Receivable. This decrease was due to pay downs of receivable balances. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Leases and Notes Receivable.

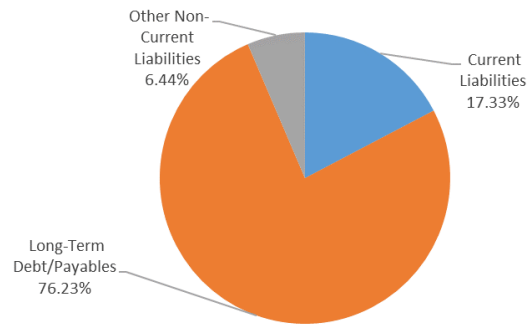
## Deferred Outflows

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) until then. The District has Deferred Outflows for its pension and for a 2016 bond refunding.

In the 2021, Deferred Outflows increased \$487k (120.8%). The portion of the Deferred Outflows relating to the pension was up \$512k (156.3%) primarily due to a rise Outflows related changes in assumptions. The portion of the Deferred Outflows related to bond refunding decreased \$24.8k 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	2021	2020	Diff	Diff %
Accounts Payable & Accrued Payroll	\$ 7,783,619	\$ 7,472,758	\$ 310,861	4.2%
Accrued Interest	422,836	387,899	34,937	9.0%
Customer Deposits	436,374	363,640	72,734	20.0%
Construction Retainage	785,207	201,183	584,024	290.3%
Current Portion - Long-Term Debt	8,999,598	8,577,514	422,084	4.9%
All Other Current Liabilities	1,109,612	982,461	127,151	12.9%
	<u>\$ 19,537,246</u>	<u>\$ 17,985,455</u>	<u>\$ 1,551,791</u>	<u>8.6%</u>

Current Liabilities increased \$1.55 million (8.6%). Construction Retainage increased \$584k (290.3%) as the District had several large/multi-year projects ongoing at the end of 2021 including \$385k in retainage on water main renewal projects as well as \$210k for the Westbrook Regional Wastewater Treatment Facility aeration project. In addition, the Current Portion of Long-Term Debt increased 4.9% (\$422k) due to the new debt issued in 2021 (\$11.43 million) exceeding the debt retired (\$8.58 million).

## Long-Term Debt/Bond Rating

In 2021, the District issued bonds directly to the market for the Water. Moody's assigned a rating of Aa3 while Standard & Poor's (S&P) rated the debt AA.

## Long-Term Debt/Payables

<b>Bonded Debt:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Water	\$ 54,931,858	\$ 8,975,000	\$ (20,000)	\$ (5,082,403)	\$ 58,804,455
Wastewater:					
Cape Elizabeth	2,934,200	1,238,000	-	(215,850)	3,956,350
Cumberland	37,500	-	-	(6,250)	31,250
Falmouth	3,846,000	-	-	(238,000)	3,608,000
Gorham	2,545,515	53,900	-	(303,655)	2,295,760
Portland	21,468,670	422,000	-	(2,160,508)	19,730,162
Westbrook	5,427,879	116,550	-	(468,689)	5,075,740
Windham	832,842	619,550	-	(102,158)	1,350,234
Total Bonded Debt	92,024,464	11,425,000	(20,000)	(8,577,513)	94,851,951
(Less: current portion)	(8,577,514)				(8,999,598)
Non-Current	<u>\$ 83,446,950</u>				<u>\$ 85,852,353</u>
<b>Notes Payable:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Wastewater:					
Windham	\$ 105,920			\$ (13,240)	\$ 92,680
Total Notes Payable	105,920			(13,240)	92,680
(Less: current portion)	(13,240)				(13,240)
Non-Current	<u>92,680</u>				<u>79,440</u>
Non-Current LT Debt	<u>\$ 83,539,630</u>				<u>\$ 85,931,793</u>

This category consists of general revenue bonds and notes payable. During 2021, the balance of Long-Term Debt/Payables increased 2.9% (\$2.39 million) as new issuances exceeded retirements. 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>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Customer Advances & Other Liabilities	\$ 4,071,768	\$ 3,524,975	\$ 546,793	15.5%
Compensated Absences - Non Current	881,234	838,099	43,135	5.1%
Lease Liability - Non-Current	180,886	130,592	50,294	38.5%
Net Pension Liability	2,127,161	3,367,404	(1,240,243)	-36.8%
	<u>\$ 7,261,049</u>	<u>\$ 7,861,070</u>	<u>\$ (600,021)</u>	-7.6%

Other Non-Current Liabilities were down \$0.60 million (7.6%). The Net Pension Liability decreased \$1.24 million (36.8%) as the value of the plan assets as a percentage of the liabilities improved from 98% to 99% for the Bargaining Unit and from 96% to 101% for the Non-Bargaining Unit. Somewhat offsetting this was the increase in Customer Advances and Other Liabilities due an increase in unamortized bond premiums generated by new bond issues (\$534k).

## 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 portion of the Deferred Inflows relating to the pension was down 2.2% with reductions of inflows related to plan experience offsetting inflows related to investment earnings. 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>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Operating Revenue	\$ 50,031,055	\$ 46,239,468	\$ 3,791,587	8.2%
Non-Operating Revenue	642,368	955,330	(312,962)	-32.8%
Total Revenues	50,673,423	47,194,798	3,478,625	7.4%
Operating Expense	43,778,873	41,331,292	2,447,581	5.9%
Non-Operating Expense	2,458,009	2,434,899	23,110	0.9%
Total Expenses	46,236,882	43,766,191	2,470,691	5.6%
Change in Net Position before Capital Contribution	4,436,541	3,428,607	1,007,934	29.4%
Capital Contributions	2,784,633	4,201,264	(1,416,631)	-33.7%
Change in Net Position	7,221,174	7,629,871	(408,697)	-5.4%
Beginning Net Position	244,850,864	237,220,993	7,629,871	3.2%
Ending Net Position	<u>\$ 252,072,038</u>	<u>\$ 244,850,864</u>	<u>\$ 7,221,174</u>	2.9%

Note: 2020 presentation changed to reflect groupings in 2021.

## Operating Revenue

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Metered Water Revenue	\$ 23,728,260	\$ 23,539,794	\$ 188,466	0.8%
Wastewater Assessments	21,083,736	19,604,461	1,479,275	7.5%
Public & Private Fire Protection	2,727,737	2,623,588	104,149	4.0%
Watershed Protection Grant	1,860,700	-	1,860,700	n/a
Other Operating Revenue	630,622	471,625	158,997	33.7%
Total Operating Revenue	<u>\$ 50,031,055</u>	<u>\$ 46,239,468</u>	<u>\$ 3,791,587</u>	8.2%



## Operating Revenue - Continued

Metered Water Revenue (\$23.73 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. Due to COVID-19, the District postponed the planned water rate increase from May 2020 to December 2020. The December increase was an average increase of 3.4% with no other change in the year 2021 therefore explaining the 0.8% change in metered revenue. Consumption in 2021 was 8.37 million HCF, a decrease of 2.5% from the previous year while interest charges and penalties on late payments were 63% higher than 2020 once disconnections were reinstated.

Wastewater Assessments (\$21.08 million) – These assessments were paid by the local municipalities to the District for providing wastewater services, such as interception, collection, 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.

Public and Private Fire Protection (\$2.73 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. A 3.4% rate increase was put in place in December 2020, this was primarily the reason for the 4.0% increase in 2021.

Watershed Protection Grant (\$1.86 million) – Fund received for conservation easement purchase via the grant from the federal Natural Resources Conservation Service.

Other Operating Revenue (\$0.63 million) – Revenue in this category includes charges to septage haulers for dumping at wastewater treatment facilities (\$425k), fees in the Water Fund for new customers (\$89k) and activations for customers whose service had been turned off due to delinquent bills (\$43k).

## Operating Revenue by Fund

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 28,475,693	\$ 26,313,359	\$ 2,162,334	8.2%
Wastewater:				
Cape Elizabeth	1,835,412	1,705,380	130,032	7.6%
Cumberland	989,268	965,292	23,976	2.5%
Falmouth	314,112	314,112	-	0.0%
Gorham	1,189,593	1,161,654	27,939	2.4%
Portland	13,860,833	12,637,728	1,223,105	9.7%
Westbrook	2,955,054	2,752,713	202,341	7.4%
Windham	411,090	389,230	21,860	5.6%
	<u>\$ 50,031,055</u>	<u>\$ 46,239,468</u>	<u>\$ 3,791,587</u>	8.2%

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales grew \$188k (0.8%). Fire Protection revenue was up \$104k (4%) and Other Revenue was up \$1.86 million due to the watershed grant which does not impact the bottom line.

In the Wastewater (WW) Funds, the largest component of Operating Revenue was the wastewater assessments. Assessment increases in 2021 were: Cape Elizabeth 7.6%, Cumberland 2.5%, Gorham 2.4%, Portland 4.5%, Westbrook 2.9%, and Windham 5.9%. Portland also receives revenue from septage haulers, which was up \$148k (55%) attributed to a new car-wash customer that has added \$151k in 2021

## Non-Operating Revenue

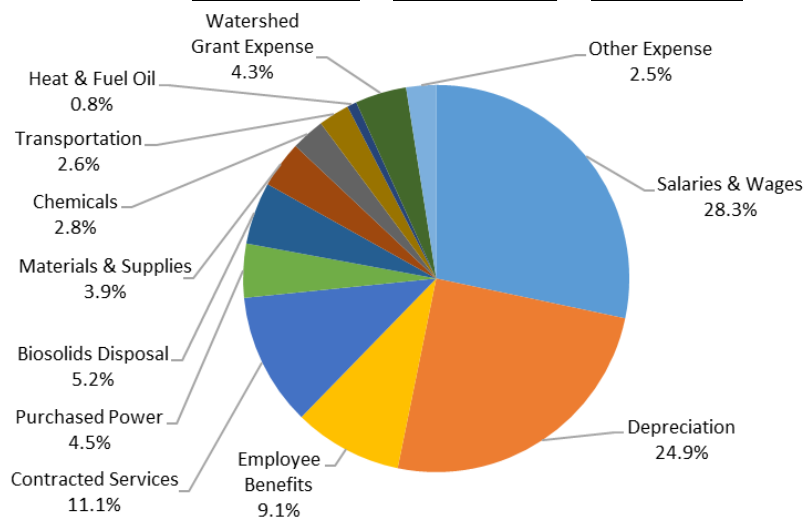
	2021	2020	Diff	Diff %
Interest Income	\$ 197,403	\$ 573,255	\$ (375,852)	-65.6%
Miscellaneous Income	444,965	382,075	62,890	16.5%
	<u>\$ 642,368</u>	<u>\$ 955,330</u>	<u>\$ (312,962)</u>	-32.8%

Interest Income decreased \$376k (65.6%) in 2021. The decline in 2021 can be attributed to lower rates of return. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return.

Miscellaneous Income includes non-operational items, such as grants and reimbursements for expenses offset by the cost to retire capital assets. The increase in 2021 (\$62.9k) was mostly due to income from a developer received in an exchange easements and other considerations at the India St Wastewater Pump Station.

## Operating Expense

	2021	2020	Diff	Diff %
Salaries & Wages	\$ 12,368,700	\$ 11,857,086	\$ 511,614	4.3%
Depreciation	10,886,036	10,304,624	581,412	5.6%
Employee Benefits (Pension)	(393,583)	668,466	(1,062,049)	-158.9%
Employee Benefits	4,372,834	4,068,521	304,313	7.5%
Contracted Services	4,869,919	4,862,161	7,758	0.2%
Purchased Power	1,978,899	1,859,039	119,860	6.4%
Biosolids Disposal	2,275,184	1,704,001	571,183	33.5%
Materials & Supplies	1,715,342	1,508,430	206,912	13.7%
Chemicals	1,238,597	1,239,730	(1,133)	-0.1%
Transportation	1,156,609	988,095	168,514	17.1%
Heat & Fuel Oil	334,938	320,128	14,810	4.6%
Watershed Grant Expense	1,860,700	-	1,860,700	n/a
Other Expense	1,114,698	1,951,011	(836,313)	-42.9%
	<u>\$ 43,778,873</u>	<u>\$ 41,331,292</u>	<u>\$ 2,447,581</u>	5.9%



## Operating Expense Category Explanations

Salaries/Wages - Salaries and Wages expense increased by \$511,614 or 4.3%. Wages rates were increased an average of 3.0%. Regular hours were down 1.1% from 2020 while overtime and double-time and standby hours increased 4.5% in part due to turnover and open positions during 2021. In addition, bonuses paid in 2021 totaled \$131,499.

Depreciation Expense – This expense went from \$10.30 million in 2020 to \$10.89 million in 2021, an increase of \$581,412 or 5.6%. Most of the increase comes from additions to the Water fund, such as new and renewed water mains and services.

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 and the amount of the pension contribution. The change between 2020 and 2021 was a decrease of \$1.06 million.

Employee Benefits - This expense increased \$304,313 or 7.5%. Health insurance costs rose \$169k and FICA taxes were \$45k higher.

Contracted Services - This category, which is comprised of services provided to the District by outside vendors, has remained relatively flat compared to 2020. Increases in repair and maintenance services were offset by lower expenses for contractor construction and minor paving.

Purchased Power – Power costs increased \$119,860 or 6.4% in 2021. The increase was primarily due to the rise in transmission and distribution rates that was impacted by costs from the Federal Energy Regulatory Commission (FERC) which manages the national energy grid.

Biosolids Disposal - The District contracts with an outside vendor to remove and dispose of biosolids from its wastewater treatment facilities. In total, biosolids expense was higher by \$571,183 or 33.5% with the majority due to a 25% price increase in the per unit disposal cost driven by regulator and public concerns with poly-fluoroalkyl substances (PFAS) In addition, the District incurred \$51k in surcharges for off hours disposal and overweight truck loads from the East End Treatment Facility.

Materials/Supplies - Materials and Supplies have increased by \$206,912 or 13.7%. 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.

Transportation - Transportation costs, which were up \$168,514 or 17.1% 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. Vehicle maintenance and associated supplies were higher by \$43k in addition to vehicle depreciation.

Chemicals - Expenses have remained flat in relation to 2020 by fluctuations in prices by different chemical types. Polymer, used in the dewatering process of wastewater, has increased \$26k or 8.2% due to higher usage and liquid oxygen, used in the drinking water treatment, was down by \$27k or 30% due to a lower contracted price per unit.

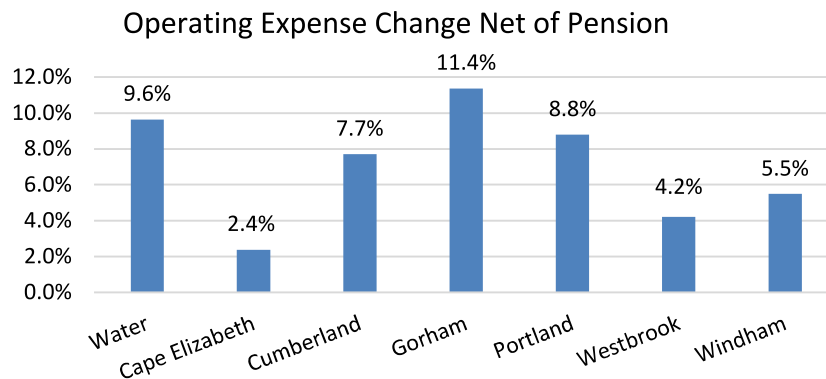
Watershed Grant Expense – The \$1.86 million expense in 2021 was the funding for the purchase of a conservation easement by a local environmental non-profit.

Other Expense – In 2021, this category was down \$836,313 or 42.9%. The 2020 expenditures included a \$450k write-off for costs associated with the new Asset Management, Billing and Customer Information System (ABC) project, higher expenses for bad debt (\$170k) related suspension of collections activity and \$70k for an emergency generator at the East End Wastewater Treatment Facility.

## Operating Expense by Fund

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 23,559,034	\$ 22,063,590	\$ 1,495,444	6.8%
Wastewater:				
Cape Elizabeth	1,893,128	1,910,105	(16,977)	-0.9%
Cumberland	1,146,345	1,070,772	75,573	7.1%
Falmouth	166,476	168,998	(2,522)	-1.5%
Gorham	1,145,522	1,039,703	105,819	10.2%
Portland	12,910,659	12,177,254	733,405	6.0%
Westbrook	2,670,441	2,627,206	43,235	1.6%
Windham	287,268	273,664	13,604	5.0%
	<u>\$ 43,778,873</u>	<u>\$ 41,331,292</u>	<u>\$ 2,447,581</u>	5.9%

Pension expenses (which are included above) were \$1.06 million lower in 2021 than the previous year. The Operating Expense by Fund without the pension decrease was:



Water Fund (9.6% or \$2.09 million) – Most of the increase (\$1.83 million) was the watershed grant which was offset in Other Operating Revenue. All other expenses were up 1.2% (\$265k) with higher labor and benefits expenses being offset by lower bad debt and contracted services expenses.

Cape Elizabeth (2.4% or \$44k) – Depreciation increased \$34k in 2021 due to the first year of additions from the work at Little John and Spurwink WWPS's. Increases in labor and benefits were mostly offset by a decrease in contracted treatment services due to lower flows at the City of South Portland's Wastewater Treatment Facility (WWTF).

Cumberland (7.7% or \$82k) – Contracted services were up \$34k due mostly to manhole raising due to local paving projects. In addition, expenses increased for contracted treatment services to the Town of Falmouth at their WWTF (\$17k) because of higher flows. Depreciation expense was up \$8k due to recent additions.

Falmouth (-1.5% or \$2.5k) – Falmouth's expenses in 2021 as the onetime write-off of billing system costs from 2020 (\$6.5k) did not recur.

Gorham (11.4% or \$118k) – Contracted services were up \$56k due mostly to manhole raising due to local paving projects. In addition, Higher labor/benefit, biosolids disposal and maintenance/repair costs at the Westbrook Regional Wastewater Treatment Facility (WWTF) increases the costs \$27k.

Portland (8.8% or \$1.05 million) – Biosolids costs were up \$506k due to an 29.2% increase in per unit disposal costs as well as a 6.0% increase in volume disposed. Also of note were approximately \$191k in unexpected maintenance issues including the Baxter Boulevard Wastewater Pump Station.

## Operating Expense by Fund - Continued

Westbrook (4.2% or \$109k) – Expenses were higher at the treatment facility (\$170k) due to increases in labor/benefit, biosolids disposal and maintenance/repair costs. These costs were offset somewhat as the costs associated with the 2020 landslide (\$128k) did not recur.

Windham (5.5% or \$15k) – Higher labor/benefit and transportation expenses in 2021 (\$8.4k) were offset as the onetime write-off of billing system costs from 2020 (\$4.8k) did not recur.

## Non-Operating Expense

Interest/Amortization Expense was relatively flat. The Loss on Sale/Retirement recognizes the retirement of long-term assets that had not yet been fully depreciated and 2021 was \$225k lower than 2020. Due to rising interest rates, the market value of investments held declined resulting in an unrealized loss in 2021.

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Interest/Amortization Expense	\$ 2,167,973	\$ 2,147,227	\$ 20,746	1.0%
Investments unrealized loss (gain)	214,829	(12,482)	227,311	-1821.1%
Loss on Sale/Retirement	75,207	300,154	(224,947)	-74.9%
	<u>\$ 2,458,009</u>	<u>\$ 2,434,899</u>	<u>\$ 23,110</u>	<u>0.9%</u>

## 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. The Gorham Wastewater contributions was for sewer interceptors and collector. The contribution in Windham Wastewater was related to the Depot Street wastewater pump station. The 2020 Other Water Assets contribution represents the principal forgiveness on debt issued for the Crooked River conservation right to enforce easement.

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$ 1,891,638	\$ 3,009,540	\$ (1,117,902)	-37.1%
Water Services	288,003	207,108	80,895	39.1%
Water Meters	202,552	93,957	108,595	115.6%
Hydrants	107,840	163,159	(55,319)	-33.9%
Other Water Assets	20,000	50,000	(30,000)	n/a
Wastewater - Gorham	11,700	499,500	(487,800)	-97.7%
Wastewater - Windham	262,900	178,000	84,900	n/a
	<u>\$ 2,784,633</u>	<u>\$ 4,201,264</u>	<u>\$ (1,416,631)</u>	<u>-33.7%</u>

## 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>2021</u>	<u>2020</u>
Water	2.42	2.44
Wastewater:		
Cape Elizabeth	2.22	0.50
Cumberland	3.42	4.62
Falmouth	0.11	0.21
Gorham	0.00	2.99
Portland	2.01	2.91
Westbrook	2.30	7.60
Windham	0.00	1.99
All Funds Combined	2.20	2.65

The Gorham and Windham Wastewater funds had large Construction Work in Progress balances at the end of 2021, they which are related to the aeration project at the Westbrook Regional Wastewater Treatment Facility. The bonds to pay for this work will be issued in 2022. 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.

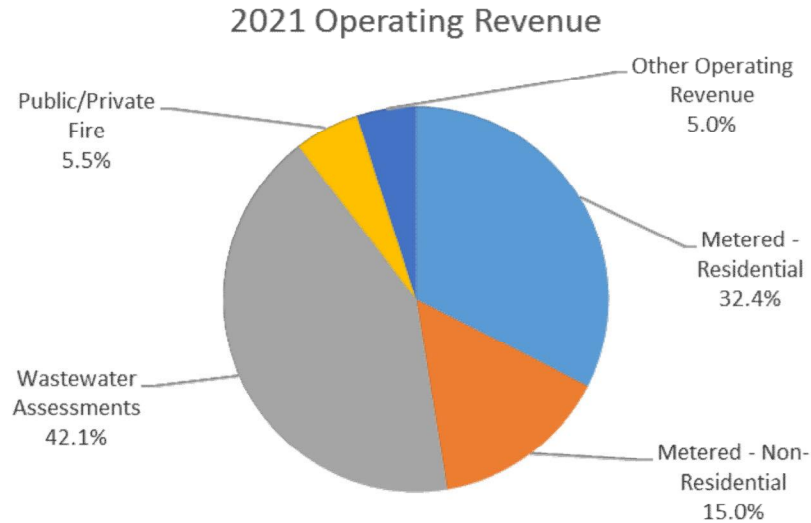
#### **Debt Coverage Ratio by Fund**

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

	<u>2021</u>	<u>2020</u>
Water	1.82	1.80
Wastewater:		
Cape Elizabeth	1.84	1.33
Cumberland	1.13	1.32
Falmouth	1.04	1.02
Gorham	1.32	1.56
Portland	1.76	1.63
Westbrook	1.56	1.37
Windham	1.62	1.54
All Funds Combined	1.74	1.68

## Revenue Stability

Most of the District's Operating Revenue (95% in 2021), not including the revenue related to the watershed grant, came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges.



**Metered Water Revenue (47.4%)** – 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 54,058 metered customers at the end of 2021; the largest ten customers only represented 8.7% of water revenues.

**Wastewater Assessments (42.1%)** – 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 (5.5%)** – Public Fire charges are paid by the eleven municipalities served by the District; Private Fire has 2,560 customers.

## Significant Changes to Individual Funds

### Pension Trust Funds

#### Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
<b>Bargaining Unit:</b>				
Cash and cash equivalents	\$ 328,118	\$ 241,436	\$ 86,682	35.9%
Investments				
Equity Mutual Funds	10,009,150	8,861,038	1,148,112	13.0%
Common Stock	5,960,993	5,469,357	491,636	9.0%
Fixed Income Mutual Funds	<u>678,794</u>	<u>703,423</u>	<u>(24,629)</u>	-3.5%
	16,648,937	15,033,818	1,615,119	10.7%
Interest Receivable	<u>-3,160</u>	<u>-760</u>	<u>-2,400</u>	315.8%
Total Assets	<u><b>\$ 16,973,895</b></u>	<u><b>\$ 15,274,494</b></u>	<u><b>\$ 1,699,401</b></u>	<b>11.1%</b>
<b>Non-Bargaining Unit:</b>				
Cash and cash equivalents	\$ 284,114	\$ 213,916	\$ 70,198	32.8%
Investments				
Equity Mutual Funds	8,565,168	7,635,485	929,683	12.2%
Common Stock	5,392,762	4,883,552	509,210	10.4%
Fixed Income Mutual Funds	<u>565,347</u>	<u>585,869</u>	<u>(20,522)</u>	-3.5%
	14,523,277	13,104,906	1,418,371	10.8%
Interest Receivable	<u>-2,974</u>	<u>-387</u>	<u>-2,587</u>	668.5%
Total Assets	<u><b>\$ 14,804,417</b></u>	<u><b>\$ 13,318,435</b></u>	<u><b>\$ 1,485,982</b></u>	<b>11.2%</b>

#### Statement of Revenues, Expenses & Changes in Net Position

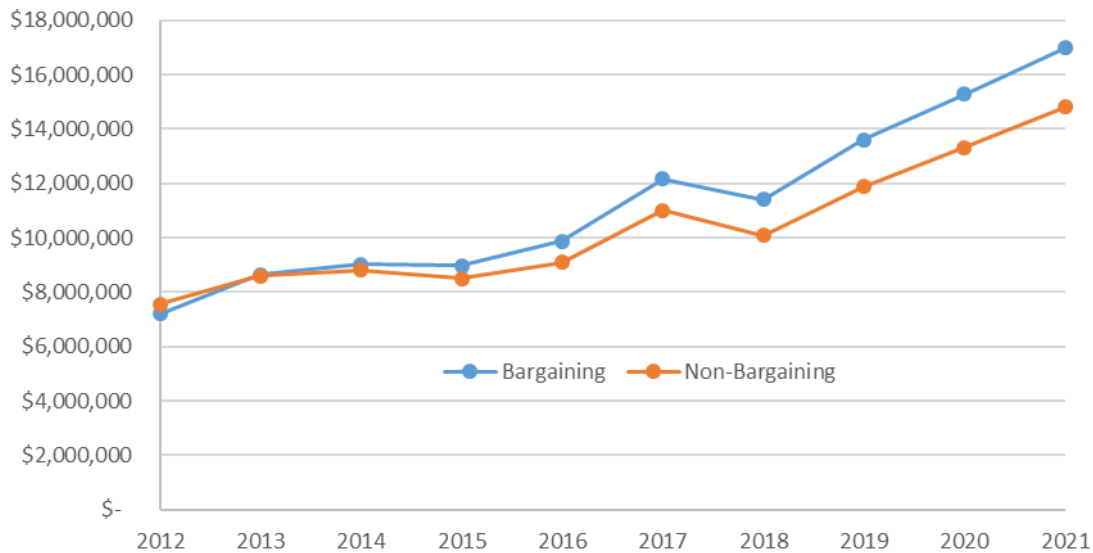
	<u>2021</u>	<u>2020</u>	<u>Diff</u>	<u>Diff %</u>
<b>Bargaining Unit:</b>				
Employer Contributions	\$ 816,192	\$ 632,344	\$ 183,848	29.1%
Net Investment Income	<u>1,791,576</u>	<u>1,844,171</u>	<u>(52,595)</u>	-2.9%
Total Additions	2,607,768	2,476,515	131,253	5.3%
Benefit Payments	<u>908,368</u>	<u>818,174</u>	<u>90,194</u>	11.0%
Net Increase in Position	1,699,400	1,658,341	41,059	2.5%
Beginning Year	<u>15,274,495</u>	<u>13,616,154</u>	<u>1,658,341</u>	12.2%
Ending Year	<u><b>\$ 16,973,895</b></u>	<u><b>\$ 15,274,495</b></u>	<u><b>\$ 1,699,400</b></u>	<b>11.1%</b>
<b>Non-Bargaining Unit:</b>				
Employer Contributions	\$ 608,121	\$ 488,318	\$ 119,803	24.5%
Net Investment Income	<u>1,563,111</u>	<u>1,624,656</u>	<u>(61,545)</u>	-3.8%
Total Additions	2,171,232	2,112,974	58,258	2.8%
Benefit Payments	<u>685,250</u>	<u>685,000</u>	<u>250</u>	0.0%
Net Increase in Position	1,485,982	1,427,974	58,008	4.1%
Beginning Year	<u>13,318,435</u>	<u>11,890,461</u>	<u>1,427,974</u>	12.0%
Ending Year	<u><b>\$ 14,804,417</b></u>	<u><b>\$ 13,318,435</b></u>	<u><b>\$ 1,485,982</b></u>	<b>11.2%</b>



## 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>
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	1,439,756	11.8%	11,890,461	872,085	7.9%
2020	15,274,494	1,658,341	12.2%	13,318,435	1,427,974	12.0%
2021	16,973,895	1,699,401	11.1%	14,804,417	1,485,982	11.2%



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.

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## Statement of Net Position - Proprietary Funds

December 31, 2021

## ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 6,677,377	\$ 414,678	\$ 221,900	\$ 8,561
Investments	15,802,276	981,541	525,240	20,263
Accounts receivable, net allowance for doubtful accounts of \$334,081 for water systems	3,464,100	-	-	-
Notes receivable, current	-	-	-	-
Interfund receivable	151,150	-	-	-
Lease receivable, current	44,882	-	-	-
Inventories	1,909,323	-	-	-
Prepaid expenses	657,155	55,377	-	-
Trustee held funds	2,600,000	7,871	-	-
<b>Total Current Assets</b>	<u>31,306,263</u>	<u>1,459,467</u>	<u>747,140</u>	<u>28,824</u>
<b>Non-Current Assets</b>				
<b>Capital Assets:</b>				
Operating property	369,856,357	18,592,545	9,406,758	5,743,834
Accumulated depreciation	<u>(134,941,106)</u>	<u>(12,856,326)</u>	<u>(5,799,381)</u>	<u>(682,747)</u>
Net operating property	<u>234,915,251</u>	<u>5,736,219</u>	<u>3,607,377</u>	<u>5,061,087</u>
Right to use lease asset	82,164	126,123	-	-
Accumulated amortization - lease assets	<u>(13,071)</u>	<u>(7,007)</u>	<u>-</u>	<u>-</u>
Net lease assets	<u>69,093</u>	<u>119,116</u>	<u>-</u>	<u>-</u>
Construction in progress	<u>533,731</u>	<u>70,685</u>	<u>1,520</u>	<u>-</u>
<b>Net Capital Assets</b>	<u>235,518,075</u>	<u>5,926,020</u>	<u>3,608,897</u>	<u>5,061,087</u>
<b>Charges and Other Assets:</b>				
Notes receivable	-	-	-	-
Lease receivable	<u>1,426,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Charges and Other Assets</b>	<u>1,426,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>236,944,131</u>	<u>5,926,020</u>	<u>3,608,897</u>	<u>5,061,087</u>
<b>Total Assets</b>	<u>268,250,394</u>	<u>7,385,487</u>	<u>4,356,037</u>	<u>5,089,911</u>
<b>Deferred Outflows:</b>				
Deferred outflows of pension resources	535,787	31,581	11,423	-
Deferred outflows on bond refunding	<u>51,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Deferred Outflows</b>	<u>586,887</u>	<u>31,581</u>	<u>11,423</u>	<u>-</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 268,837,281</u>	<u>\$ 7,417,068</u>	<u>\$ 4,367,460</u>	<u>\$ 5,089,911</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>
\$ -	\$ 2,123,515	\$ 648,190	\$ -	\$ 10,094,221
-	5,026,365	1,334,469	-	23,690,154
-	159,266	3,055	-	3,626,421
-	-	13,240	-	13,240
-	-	-	-	151,150
-	-	-	-	44,882
-	-	-	-	1,909,323
-	90,923	26,699	-	830,154
-	8,124	-	-	2,615,995
<u>-</u>	<u>7,408,193</u>	<u>2,025,653</u>	<u>-</u>	<u>42,975,540</u>
18,403,529	116,530,581	22,988,989	3,860,356	565,382,949
<u>(10,019,455)</u>	<u>(72,583,517)</u>	<u>(14,400,958)</u>	<u>(1,342,951)</u>	<u>(252,626,441)</u>
<u>8,384,074</u>	<u>43,947,064</u>	<u>8,588,031</u>	<u>2,517,405</u>	<u>312,756,508</u>
-	-	-	-	208,287
-	-	-	-	(20,078)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,209</u>
<u>1,698,869</u>	<u>4,011,261</u>	<u>3,677,173</u>	<u>763,300</u>	<u>10,756,539</u>
<u>10,082,943</u>	<u>47,958,325</u>	<u>12,265,204</u>	<u>3,280,705</u>	<u>323,701,256</u>
-	-	79,440	-	79,440
-	-	-	-	1,426,056
<u>-</u>	<u>-</u>	<u>79,440</u>	<u>-</u>	<u>1,505,496</u>
<u>10,082,943</u>	<u>47,958,325</u>	<u>12,344,644</u>	<u>3,280,705</u>	<u>325,206,752</u>
<u>10,082,943</u>	<u>55,366,518</u>	<u>14,370,297</u>	<u>3,280,705</u>	<u>368,182,292</u>
16,715	196,962	41,241	6,216	839,925
-	-	-	-	51,100
<u>16,715</u>	<u>196,962</u>	<u>41,241</u>	<u>6,216</u>	<u>891,025</u>
<u>\$ 10,099,658</u>	<u>\$ 55,563,480</u>	<u>\$ 14,411,538</u>	<u>\$ 3,286,921</u>	<u>\$ 369,073,317</u>

## Statement of Net Position - Proprietary Funds - Continued

December 31, 2021

## LIABILITIES AND NET POSITION

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
<b>Current Liabilities</b>				
Accounts payable and accrued payroll	\$ 5,284,287	\$ 358,700	\$ 212,290	\$ 19,843
Accrued interest	320,694	12,643	37	6,013
Customer deposits	436,374	-	-	-
Construction retainage	384,577	6,586	-	-
Interfund Payable	-	-	-	-
Current portion - lease liability	9,283	1,308	-	-
Current portion - compensated absences	934,631	-	-	-
Current portion - notes payable	-	-	-	-
Current portion - bonds	5,587,257	277,750	6,250	238,000
<b>Total Current Liabilities</b>	<u>12,957,103</u>	<u>656,987</u>	<u>218,577</u>	<u>263,856</u>
<b>Non-Current Liabilities</b>				
Customer advances and other liabilities	3,884,506	-	-	-
Compensated absences - non-current	881,234	-	-	-
Lease liability - non-current	60,431	120,455	-	-
Net pension liability	1,356,917	79,981	28,929	-
Total other non-current liabilities	<u>6,183,088</u>	<u>200,436</u>	<u>28,929</u>	<u>-</u>
Long-term debt - notes payable	-	-	-	-
Long-term debt - bonds	53,217,198	3,678,600	25,000	3,370,000
Total long-term debt - notes payable and bonds	<u>53,217,198</u>	<u>3,678,600</u>	<u>25,000</u>	<u>3,370,000</u>
<b>Total Non-Current Liabilities</b>	<u>59,400,286</u>	<u>3,879,036</u>	<u>53,929</u>	<u>3,370,000</u>
<b>Total Liabilities</b>	72,357,389	4,536,023	272,506	3,633,856
<b>Deferred Inflows</b>				
Deferred Inflows - leases	1,403,077	-	-	-
Deferred inflows of pension resources	1,829,569	107,841	39,007	-
<b>Total Deferred Inflows</b>	<u>3,232,646</u>	<u>107,841</u>	<u>39,007</u>	<u>-</u>
<b>Net Position</b>				
Invested in capital assets	180,567,889	1,977,541	3,577,647	1,453,087
Unrestricted	12,679,357	795,663	478,300	2,968
<b>Total Net Position</b>	<u>193,247,246</u>	<u>2,773,204</u>	<u>4,055,947</u>	<u>1,456,055</u>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<u>\$ 268,837,281</u>	<u>\$ 7,417,068</u>	<u>\$ 4,367,460</u>	<u>\$ 5,089,911</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>
\$ 163,500	\$ 1,478,926	\$ 177,922	\$ 88,151	\$ 7,783,619
8,827	49,746	17,069	7,807	422,836
-	-	-	-	436,374
-	173,256	209,889	10,899	785,207
106,059	-	-	45,091	151,150
-	-	-	-	10,591
-	-	-	-	934,631
-	-	-	13,240	13,240
<u>306,284</u>	<u>1,976,650</u>	<u>474,279</u>	<u>133,128</u>	<u>8,999,598</u>
<u>584,670</u>	<u>3,678,578</u>	<u>879,159</u>	<u>298,316</u>	<u>19,537,246</u>
-	94,117	93,145	-	4,071,768
-	-	-	-	881,234
-	-	-	-	180,886
<u>42,330</u>	<u>498,819</u>	<u>104,444</u>	<u>15,741</u>	<u>2,127,161</u>
<u>42,330</u>	<u>592,936</u>	<u>197,589</u>	<u>15,741</u>	<u>7,261,049</u>
-	-	-	79,440	79,440
<u>1,989,476</u>	<u>17,753,512</u>	<u>4,601,461</u>	<u>1,217,106</u>	<u>85,852,353</u>
<u>1,989,476</u>	<u>17,753,512</u>	<u>4,601,461</u>	<u>1,296,546</u>	<u>85,931,793</u>
<u>2,031,806</u>	<u>18,346,448</u>	<u>4,799,050</u>	<u>1,312,287</u>	<u>93,192,842</u>
2,616,476	22,025,026	5,678,209	1,610,603	112,730,088
-	-	-	-	1,403,077
<u>57,076</u>	<u>672,572</u>	<u>140,825</u>	<u>21,224</u>	<u>2,868,114</u>
<u>57,076</u>	<u>672,572</u>	<u>140,825</u>	<u>21,224</u>	<u>4,271,191</u>
7,805,492	28,253,227	7,229,055	2,037,981	232,901,919
(379,386)	4,612,655	1,363,449	(382,887)	19,170,119
<u>7,426,106</u>	<u>32,865,882</u>	<u>8,592,504</u>	<u>1,655,094</u>	<u>252,072,038</u>
<u>\$ 10,099,658</u>	<u>\$ 55,563,480</u>	<u>\$ 14,411,538</u>	<u>\$ 3,286,921</u>	<u>\$ 369,073,317</u>

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

Year Ended December 31, 2021

	<b>Water Systems</b>	<b>Cape Elizabeth</b>	<b>Cumberland</b>	<b>Falmouth</b>
<b>Operating Revenues</b>				
Water revenues	\$ 26,455,997	\$ -	\$ -	\$ -
Wastewater assessments	-	1,835,412	989,268	314,112
Other operating revenues	2,019,696	-	-	-
Total Operating Revenues	<u>28,475,693</u>	<u>1,835,412</u>	<u>989,268</u>	<u>314,112</u>
<b>Operating Expenses</b>				
Operations	5,922,699	780,373	581,537	-
Maintenance	5,981,970	116,639	201,792	-
Customer accounting and collections	1,064,491	28,884	15,110	8,998
Administrative and general	4,650,681	418,568	168,353	3,839
Taxes on operating property	60,425	-	-	-
Depreciation not allocated elsewhere	5,878,768	548,664	179,553	153,639
Total Operating Expenses	<u>23,559,034</u>	<u>1,893,128</u>	<u>1,146,345</u>	<u>166,476</u>
<b>Operating Income (Loss)</b>	4,916,659	(57,716)	(157,077)	147,636
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	106,977	5,085	4,340	598
Investments unrealized loss	(120,388)	(6,606)	(4,930)	(736)
Miscellaneous	231,924	1,554	441	-
Loss on sale/disposal of operating property	(40,437)	-	-	-
Interest and amortization expense	(1,454,083)	(74,150)	(864)	(51,687)
Net Non-Operating Revenues (Expenses)	<u>(1,276,007)</u>	<u>(74,117)</u>	<u>(1,013)</u>	<u>(51,825)</u>
<b>Change in Net Position Before Contributions</b>	3,640,652	(131,833)	(158,090)	95,811
<b>Capital Contributions</b>	<u>2,510,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	6,150,685	(131,833)	(158,090)	95,811
<b>Net Position, Beginning of Year</b>	<u>187,096,561</u>	<u>2,905,037</u>	<u>4,214,037</u>	<u>1,360,244</u>
<b>Net Position, End of Year</b>	<u>\$ 193,247,246</u>	<u>\$ 2,773,204</u>	<u>\$ 4,055,947</u>	<u>\$ 1,456,055</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>
\$ -	\$ -	\$ -	\$ -	\$ 26,455,997
1,188,840	13,441,944	2,903,244	410,916	21,083,736
753	418,889	51,810	174	2,491,322
<u>1,189,593</u>	<u>13,860,833</u>	<u>2,955,054</u>	<u>411,090</u>	<u>50,031,055</u>
393,134	6,395,123	1,278,595	116,239	15,467,700
82,396	361,472	92,302	22,829	6,859,400
23,407	208,827	57,526	658	1,407,901
247,598	2,860,959	673,722	73,691	9,097,411
-	-	-	-	60,425
<u>398,987</u>	<u>3,084,278</u>	<u>568,296</u>	<u>73,851</u>	<u>10,886,036</u>
<u>1,145,522</u>	<u>12,910,659</u>	<u>2,670,441</u>	<u>287,268</u>	<u>43,778,873</u>
44,071	950,174	284,613	123,822	6,252,182
6,103	46,346	26,178	1,776	197,403
(5,825)	(51,395)	(23,008)	(1,941)	(214,829)
825	206,068	3,879	274	444,965
(691)	(31,480)	(2,513)	(86)	(75,207)
<u>(56,225)</u>	<u>(385,946)</u>	<u>(119,694)</u>	<u>(25,324)</u>	<u>(2,167,973)</u>
<u>(55,813)</u>	<u>(216,407)</u>	<u>(115,158)</u>	<u>(25,301)</u>	<u>(1,815,641)</u>
(11,742)	733,767	169,455	98,521	4,436,541
<u>11,700</u>	<u>-</u>	<u>-</u>	<u>262,900</u>	<u>2,784,633</u>
(42)	733,767	169,455	361,421	7,221,174
<u>7,426,148</u>	<u>32,132,115</u>	<u>8,423,049</u>	<u>1,293,673</u>	<u>244,850,864</u>
<u>\$ 7,426,106</u>	<u>\$ 32,865,882</u>	<u>\$ 8,592,504</u>	<u>\$ 1,655,094</u>	<u>\$ 252,072,038</u>



**Statement of Cash Flows - Proprietary Funds**

For the Year Ended December 31, 2021

	<b>Water Systems</b>	<b>Cape Elizabeth</b>	<b>Cumberland</b>	<b>Falmouth</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 28,791,939	\$ 1,835,412	\$ 989,268	\$ 314,113
Payments to suppliers	(10,221,633)	(971,022)	(767,775)	(5,482)
Payments to employees	(7,617,979)	(487,935)	(184,326)	(3,132)
<b>Net cash flows from operating activities</b>	<b>10,952,327</b>	<b>376,455</b>	<b>37,167</b>	<b>305,499</b>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from bonds	8,975,000	1,238,000	-	-
Bond principal forgiven	(20,000)	-	-	-
Principal payments bonds	(5,082,403)	(215,850)	(6,250)	(238,000)
Notes payable payments	-	-	-	-
Transfer from trustee funds	2,777	1,238,311	-	-
New trustee funds	(2,600,000)	(1,238,000)	-	-
Interest paid	(1,417,675)	(68,816)	(871)	(52,085)
Acquisitions and construction of operating property	(12,360,597)	(234,888)	(114,706)	(39,871)
Amortization of leased assets	3,784	3,504	-	-
Proceeds from sale of operating property	17,240	-	-	-
<b>Net cash flows from capital and related financing activities</b>	<b>(12,481,874)</b>	<b>722,261</b>	<b>(121,827)</b>	<b>(329,956)</b>
<b>Cash flows from investing activities:</b>				
Investments - transfer to water	(13,562,261)	231,829	645,341	41,415
Investments - purchases	(15,835,317)	-	-	-
Investments - sales	24,116,005	-	-	-
Investments - market value change	214,829	-	-	-
Investments - transfer from water	7,887,878	(981,541)	(525,240)	(20,263)
Interest income received	106,977	5,085	4,340	598
Investments unrealized loss	(120,388)	(6,606)	(4,930)	(736)
Payments on notes receivable	-	-	-	-
<b>Net cash flows from investing activities</b>	<b>2,807,723</b>	<b>(751,233)</b>	<b>119,511</b>	<b>21,014</b>
Net change in cash	1,278,176	347,483	34,851	(3,443)
Cash and cash equivalents - beginning of year	5,399,201	67,195	187,049	12,004
Cash and cash equivalents - end of year	<u>\$ 6,677,377</u>	<u>\$ 414,678</u>	<u>\$ 221,900</u>	<u>\$ 8,561</u>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>				
Operating income (loss)	\$ 4,916,659	\$ (57,716)	\$ (157,077)	\$ 147,636
Depreciation	5,878,768	548,664	179,553	153,639
Depreciation allocated	960,000	-	-	-
Amortization	17,000	-	-	-
Miscellaneous income	231,924	1,554	441	-
Changes in assets and liabilities:				
Accounts receivable	316,246	-	-	-
Interfund receivable	(151,150)	-	-	-
Inventories	(311,829)	-	-	-
Prepays	(343,798)	(50,984)	-	-
Lease receivable	24,288	-	-	-
Accounts payable and accrued payroll	(136,649)	5,764	48,376	4,223
Interfund payable	-	-	-	-
Compensated absences	12,966	-	-	-
Customer deposits	82,734	-	(10,000)	-
Net pension liability and deferred inflows (outflows)	(1,120,811)	(69,548)	(24,126)	-
Bond refunding deferred outflow	24,800	-	-	-
Lease liability	57,743	(1,279)	-	-
Lease deferred inflows	(58,151)	-	-	-
Customer advances and other liabilities	551,588	-	-	-
<b>Net cash flows from operating activities</b>	<b>\$ 10,952,328</b>	<b>\$ 376,455</b>	<b>\$ 37,167</b>	<b>\$ 305,498</b>
<b>Noncash investing, capital and financing activities</b>				
Capital contributions	\$ 2,510,033	\$ -	\$ -	\$ -

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>
\$ 1,189,593	\$ 13,769,767	\$ 2,955,489	\$ 411,088	\$ 50,256,669
(418,225)	(6,812,963)	(1,513,295)	(65,862)	(20,776,257)
(256,150)	(2,931,694)	(681,466)	(92,779)	(12,255,461)
<u>515,218</u>	<u>4,025,110</u>	<u>760,728</u>	<u>252,447</u>	<u>17,224,951</u>
53,900	422,000	116,550	619,550	11,425,000
-	-	-	-	(20,000)
(303,655)	(2,160,508)	(468,689)	(102,158)	(8,577,513)
-	-	-	(13,240)	(13,240)
-	574,173	-	-	1,815,261
-	(422,000)	-	-	(4,260,000)
(56,618)	(392,068)	(121,182)	(23,724)	(2,133,039)
(1,623,201)	(4,519,107)	(3,289,217)	(1,108,935)	(23,290,522)
-	383	-	-	7,288
-	-	-	-	17,623
<u>(1,929,574)</u>	<u>(6,497,127)</u>	<u>(3,762,538)</u>	<u>(628,507)</u>	<u>(25,029,142)</u>
1,096,317	7,463,647	3,792,030	291,682	-
-	-	-	-	(15,835,317)
-	-	-	-	24,116,005
-	-	-	-	214,829
-	(5,026,365)	(1,334,469)	-	-
6,103	46,346	26,178	1,776	197,403
(5,825)	(51,395)	(23,008)	(1,941)	(214,829)
-	-	13,240	-	13,240
<u>1,096,595</u>	<u>2,432,233</u>	<u>2,473,971</u>	<u>291,517</u>	<u>8,491,331</u>
(317,761)	(39,784)	(527,839)	(84,543)	687,140
<u>317,761</u>	<u>2,163,299</u>	<u>1,176,029</u>	<u>84,543</u>	<u>9,407,081</u>
<u>\$ -</u>	<u>\$ 2,123,515</u>	<u>\$ 648,190</u>	<u>\$ -</u>	<u>\$ 10,094,221</u>
\$ 44,071	\$ 950,174	\$ 284,613	\$ 123,822	\$ 6,252,182
398,987	3,084,278	568,296	73,851	10,886,036
-	-	-	-	960,000
-	-	-	-	17,000
825	206,068	3,879	274	444,965
-	(91,065)	437	-	225,618
-	-	-	-	(151,150)
-	-	-	-	(311,829)
-	(18,842)	(8,249)	-	(421,873)
-	-	-	-	24,288
3,840	358,227	6,605	20,475	310,861
106,059	-	-	45,091	151,150
-	-	-	-	12,966
-	-	-	-	72,734
(38,565)	(450,191)	(103,596)	(11,064)	(1,817,901)
-	-	-	-	24,800
-	-	-	-	56,464
-	-	-	-	(58,151)
-	(13,538)	8,744	-	546,794
<u>\$ 515,217</u>	<u>\$ 4,025,111</u>	<u>\$ 760,729</u>	<u>\$ 252,449</u>	<u>\$ 17,224,954</u>
<u>\$ 11,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,900</u>	<u>\$ 2,784,633</u>

**Statement of Fiduciary Net Position - Pension Trust Funds**

**December 31, 2021**

	<u><b>Total</b></u>
<b>ASSETS</b>	
<b>Cash and cash equivalents</b>	<u>\$ 612,232</u>
Investments	
Equity mutual funds	18,574,318
Common stock	11,353,755
Fixed income - mutual funds	<u>1,244,141</u>
	31,172,214
Interest receivable	<u>(6,134)</u>
<b>Total Assets</b>	<u><u>\$ 31,778,312</u></u>
Restricted for pension benefits	<u>\$ 31,778,312</u>
<b>Total Net Position</b>	<u><u>\$ 31,778,312</u></u>

See independent auditor's report.  
The accompanying notes are an integral part of these financial statements.

**Statement of Changes in Fiduciary Net Position - Pension Trust Funds**

**Year Ended December 31, 2021**

	<u><b>Total</b></u>
<b>Additions:</b>	
<b>Employer Contributions</b>	\$ 1,424,313
<b>Investment Income</b>	
Interest and dividends	684,170
Net gain on sale of assets	2,030,296
Net appreciation of investments	816,698
<b>Net Investment Income</b>	<u>3,531,164</u>
<b>Total Additions</b>	4,955,477
<b>Deductions:</b>	
Benefits	(1,593,618)
Fees/Other Expenses	<u>(176,477)</u>
<b>Total Deductions</b>	<u>(1,770,095)</u>
<b>Change in Position</b>	3,185,382
<b>Net Position - Beginning of Year</b>	<u>28,592,930</u>
<b>Net Position - End of Year</b>	<u><u>\$ 31,778,312</u></u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### 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, 2021

### 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, 2021**

**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 and Treasury Securities fair value with maturities less than one year are \$2,079,426 and maturities of 1-5 years are \$7,435,166.

**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, 2021:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
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 2021. As of December 31, 2021, 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 12.42% and 12.43% 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, 2021**

**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, 2021, 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 and Treasury Securities:* In general, U.S. agency and treasury 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, 2021 was \$334,081. The District has the ability to place a lien on property with past due balances.



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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.

**Leases**

The District complies with the requirements of GASB Statement 87 – *Leases*. The threshold for inclusion were leases where the present value of the payments at the beginning of the lease term were over \$10,000. The Discount rates used were the District's average borrowing costs at the date of execution.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### **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. There were no amortization costs in 2021.

#### **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, lease transactions and a 2016 bond refunding. In the case of the pension, these items can include differences between expected and actual expense, change in assumptions, the net difference between projected and actual returns on pension plan investments and also District pension contributions made prior to the measurement date. For leases the initial value of the deferred inflow is the present value of the lease payments the District expects to receive and is amortized over the life of the lease on a straight-line basis. 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.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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 -\$1,045,400 at December 31, 2021 and the bank balance was \$328,376. The District held certificates of deposit carried at \$14,175,562. Total deposits were categorized, as follows:

	<b>Bank Balances</b>	<b>Certificates of Deposit</b>	<b>Total Deposits</b>
Amount Insured	\$ 328,376	\$ 14,157,468	\$ 14,485,844
Amount Uninsured	-	18,094	18,094
	<u>\$ 328,376</u>	<u>\$ 14,175,562</u>	<u>\$ 14,503,938</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
Investment Account Cash	8,005
Carrying Value of Deposits	(1,053,405)
Money Market Mutual Funds	11,138,321
<b>Total cash and cash equivalents</b>	<u><u>\$ 10,094,221</u></u>
Certificates of Deposit	\$ 14,175,562
U.S. Treasury Securities	732,689
U.S. Agency Securities	8,781,903
<b>Total investments</b>	<u><u>\$ 23,690,154</u></u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Cash &amp; 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, 2021 are, as follows:

## Proprietary Funds

	Total	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 11,138,321	\$ 11,138,321	\$ -	\$ -
Certificates of Deposit	14,175,562	13,417,268	758,294	-
U.S. Treasury Securities	732,689	-	732,689	-
U.S. Agency Securities	8,781,903	-	8,781,903	-
	<u>\$ 34,828,475</u>	<u>\$ 24,555,589</u>	<u>\$ 10,272,886</u>	<u>\$ -</u>

## Pension Trust Funds

	Total	Level 1	Level 2	Level 3
Equity Mutual Funds	\$ 18,574,318	\$ 18,574,318	\$ -	\$ -
Common Stock	11,353,755	11,353,755	-	-
Fixed Income - Mutual Funds	1,244,141	1,244,141	-	-
	<u>\$ 31,172,214</u>	<u>\$ 31,172,214</u>	<u>\$ -</u>	<u>\$ -</u>

## Investment Ratings

U.S. Agency and Treasury Securities are implicitly guaranteed by the U.S. government.

## Investment Ratings - Pension Trust Funds

Holdings in the fixed income mutual funds were rated by Standard & Poor's 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 one note receivable in Westbrook Wastewater Fund.

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.

	Dec 31, 2020	Increases	Decreases	Dec 31, 2021	Current	Non-Current
<b>Westbrook Wastewater Fund:</b>						
Windham Wastewater Fund	105,920	-	(13,240)	92,680	13,240	79,440
<b>Total of all Notes</b>	<u>\$ 105,920</u>	<u>\$ -</u>	<u>\$ (13,240)</u>	<u>\$ 92,680</u>	<u>\$ 13,240</u>	<u>\$ 79,440</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Water Fund:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 4,539,448	\$ 15,400	\$ -	\$ 4,554,848
Land Rights	1,973,782	503,348	-	2,477,130
Plant Acquisition Adjustment	87,189	-	(17,000)	70,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	-	-	-	-
Property Held for Future Use	7,425	-	-	7,425
	<u>6,911,412</u>	<u>518,748</u>	<u>(17,000)</u>	<u>7,413,160</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	196,582,954	11,390,110	(72,473)	207,900,591
Services	38,974,017	1,569,905	-	40,543,922
Structures & Improvements	30,674,337	76,602	-	30,750,939
Water Treatment Equipment	14,424,461	-	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,948,958	396,889	(46,608)	13,299,239
Reservoirs & Standpipes	11,090,541	96,000	-	11,186,541
Hydrants	12,302,245	569,372	(49,166)	12,822,451
Vehicles	3,397,407	389,738	(294,106)	3,493,039
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,485,020	-	-	1,485,020
Pumping Equipment	2,820,230	111,050	-	2,931,280
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,573,084	2,768,144	-	4,341,228
Power Equipment	706,964	-	-	706,964
Office Furniture & Equipment	762,135	-	-	762,135
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>345,537,740</u>	<u>17,367,810</u>	<u>(462,353)</u>	<u>362,443,197</u>
<b>Total Operating Property</b>	<u>\$ 352,449,152</u>	<u>\$ 17,886,558</u>	<u>\$ (479,353)</u>	<u>\$ 369,856,357</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets – Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Water Fund (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 53,444,555	\$ 2,849,499	\$ (65,590)	\$ 56,228,464
Services	20,778,091	919,514	-	21,697,605
Structures & Improvements	15,866,711	645,038	-	16,511,749
Transmission Mains	7,529,521	139,836	-	7,669,357
Reservoirs & Standpipes	5,488,241	197,840	-	5,686,081
Water Treatment Equipment	5,382,802	422,862	-	5,805,664
Hydrants	4,391,417	251,341	(32,635)	4,610,123
Meters	5,831,932	525,896	(24,382)	6,333,446
Vehicles	1,888,056	339,548	(282,069)	1,945,535
Intakes Suction Mains	1,899,478	24,813	-	1,924,291
Pumping Equipment	1,656,949	73,814	-	1,730,763
Communication Equipment	1,298,418	64,263	-	1,362,681
Power Equipment	648,358	5,385	-	653,743
Office Equipment	783,098	59,885	-	842,983
Shop Equipment	337,029	-	-	337,029
Computer Equipment	437,633	274,586	-	712,219
Garage Equipment	253,546	4,137	-	257,683
Wells & Springs	245,160	19,643	-	264,803
Radio Equipment	199,881	16,443	-	216,324
Laboratory Equipment	101,412	3,430	-	104,842
Stores Equipment	44,726	995	-	45,721
	<u>128,507,014</u>	<u>6,838,768</u>	<u>(404,676)</u>	<u>134,941,106</u>
<b>Net Operating Property</b>	<u>223,942,138</u>	<u>11,047,790</u>	<u>(74,677)</u>	<u>234,915,251</u>
<b>Right to Use Lease Assets:</b>				
Right to Use - Buildings	6,104	67,045	(6,104)	67,045
Right to Use - Equipment	15,119	-	-	15,119
	<u>21,223</u>	<u>67,045</u>	<u>(6,104)</u>	<u>82,164</u>
<b>Less, accumulated amortization for lease assets:</b>				
Right to Use - Buildings	6,104	6,705	(6,104)	6,705
Right to Use - Equipment	3,183	3,183	-	6,366
	<u>9,287</u>	<u>9,888</u>	<u>(6,104)</u>	<u>13,071</u>
<b>Net Lease Assets</b>	<u>11,936</u>	<u>57,157</u>	<u>-</u>	<u>69,093</u>
<b>Construction Work in Progress</b>	<u>3,305,579</u>	<u>232,505</u>	<u>(3,004,353)</u>	<u>533,731</u>
<b>Net Capital Assets</b>	<u>\$ 227,259,653</u>	<u>\$ 11,337,452</u>	<u>\$ (3,079,030)</u>	<u>\$ 235,518,075</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets – Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Cape Elizabeth Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 130,048	\$ -	\$ -	\$ 130,048
Land Rights	95,111	-	-	95,111
	<u>225,159</u>	<u>-</u>	<u>-</u>	<u>225,159</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	6,315,962	-	-	6,315,962
Treatment Plant Equipment	3,419,135	-	(54,662)	3,364,473
Pumping Station Equipment	2,804,416	219,582	(98,601)	2,925,397
Treatment Plant Structures	3,200,940	399,015	-	3,599,955
Pumping Station Structures	1,244,753	674,035	(41,181)	1,877,607
General Equipment	197,955	-	(22)	197,933
Computer Equipment	-	74,729	-	74,729
Interceptor Equipment	11,330	-	-	11,330
	<u>17,194,491</u>	<u>1,367,361</u>	<u>(194,466)</u>	<u>18,367,386</u>
<b>Total Operating Property</b>	<u>17,419,650</u>	<u>1,367,361</u>	<u>(194,466)</u>	<u>18,592,545</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,373,636	126,399	-	4,500,035
Treatment Plant Equipment	2,919,297	185,861	(54,662)	3,050,496
Pumping Station Equipment	2,177,585	119,213	(98,601)	2,198,197
Treatment Plant Structures	1,936,058	65,655	-	2,001,713
Pumping Station Structures	961,171	30,667	(41,181)	950,657
General Equipment	132,664	16,051	-	148,715
Computer Equipment	-	4,671	-	4,671
Interceptor Equipment	1,695	147	-	1,842
	<u>12,502,106</u>	<u>548,664</u>	<u>(194,444)</u>	<u>12,856,326</u>
<b>Net Operating Property</b>	<u>4,917,544</u>	<u>818,697</u>	<u>(22)</u>	<u>5,736,219</u>
<b>Right to Use Lease Assets:</b>				
Right to Use - Land	126,123	-	-	126,123
<b>Less, accumulated amortization for lease assets:</b>				
Right to Use - Land	3,503	3,504	-	7,007
<b>Net Lease Assets</b>	<u>122,620</u>	<u>(3,504)</u>	<u>-</u>	<u>119,116</u>
<b>Construction Work in Progress</b>	<u>1,241,282</u>	<u>46,016</u>	<u>(1,216,613)</u>	<u>70,685</u>
<b>Net Capital Assets</b>	<u>\$ 6,281,446</u>	<u>\$ 861,209</u>	<u>\$(1,216,635)</u>	<u>\$ 5,926,020</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets - Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Cumberland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 89,005	\$ -	\$ -	\$ 89,005
<b>Operating Property, being depreciated</b>				
Interceptor Structures	7,031,795	76,522	-	7,108,317
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
Computer Equipment	-	36,664	-	36,664
Interceptor Equipment	213	-	-	213
	<u>9,204,567</u>	<u>113,186</u>	<u>-</u>	<u>9,317,753</u>
<b>Total Operating Property</b>	<u>9,293,572</u>	<u>113,186</u>	<u>-</u>	<u>9,406,758</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,869,002	141,401	-	4,010,403
Pumping Station Structures	795,161	13,483	-	808,644
Pumping Station Equipment	868,949	21,579	-	890,528
Treatment Plant Equipment	44,622	799	-	45,421
General Equipment	41,881	-	-	41,881
Computer Equipment	-	2,291	-	2,291
Interceptor Equipment	213	-	-	213
	<u>5,619,828</u>	<u>179,553</u>	<u>-</u>	<u>5,799,381</u>
<b>Construction Work in Progress</b>	<u>-</u>	<u>1,520</u>	<u>-</u>	<u>1,520</u>
<b>Net Capital Assets</b>	<u>\$ 3,673,744</u>	<u>\$ (64,847)</u>	<u>\$ -</u>	<u>\$ 3,608,897</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets - Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Falmouth Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 10,527	\$ -	\$ -	\$ 10,527
<b>Operating Property, being depreciated</b>				
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
Computer Equipment	-	39,871	-	39,871
	<u>5,693,436</u>	<u>39,871</u>	<u>-</u>	<u>5,733,307</u>
<b>Total Operating Property</b>	<u>5,703,963</u>	<u>39,871</u>	<u>-</u>	<u>5,743,834</u>
<b>Less, accumulated depreciation for:</b>				
Pumping Station Structures	155,848	44,528	-	200,376
Pumping Station Equipment	217,455	62,130	-	279,585
Interceptor Structures	155,805	44,489	-	200,294
Computer Equipment	-	2,492	-	2,492
	<u>529,108</u>	<u>153,639</u>	<u>-</u>	<u>682,747</u>
<b>Net Capital Assets</b>	<u>\$ 5,174,855</u>	<u>\$ (113,768)</u>	<u>\$ -</u>	<u>\$ 5,061,087</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets - Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Gorham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 185,466	\$ -	\$ -	\$ 185,466
Land Rights	157,770	-	-	157,770
	<u>343,236</u>	<u>-</u>	<u>-</u>	<u>343,236</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	11,826,653	11,700	-	11,838,353
Pumping Station Structures	1,938,943	-	-	1,938,943
Pumping Station Equipment	1,863,868	-	-	1,863,868
Treatment Plant Structures	1,058,115	13,843	-	1,071,958
Treatment Plant Equipment	1,118,463	107,059	(3,264)	1,222,258
Computer Equipment	-	66,424	-	66,424
General Equipment	52,972	-	-	52,972
Solids Handling Equipment	5,517	-	-	5,517
	<u>17,864,531</u>	<u>199,026</u>	<u>(3,264)</u>	<u>18,060,293</u>
<b>Total Operating Property</b>	<u>18,207,767</u>	<u>199,026</u>	<u>(3,264)</u>	<u>18,403,529</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	5,799,131	236,650	-	6,035,781
Pumping Station Equipment	1,427,768	49,801	-	1,477,569
Treatment Plant Structures	806,079	20,188	-	826,267
Pumping Station Structures	896,302	43,203	-	939,505
Treatment Plant Equipment	650,024	42,952	(2,574)	690,402
General Equipment	38,222	2,042	-	40,264
Computer Equipment	-	4,151	-	4,151
Solids Handling Equipment	5,516	-	-	5,516
	<u>9,623,042</u>	<u>398,987</u>	<u>(2,574)</u>	<u>10,019,455</u>
<b>Construction Work in Progress</b>	<u>262,994</u>	<u>1,452,826</u>	<u>(16,951)</u>	<u>1,698,869</u>
<b>Net Capital Assets</b>	<u>\$ 8,847,719</u>	<u>\$ 1,252,865</u>	<u>\$ (17,641)</u>	<u>\$10,082,943</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets - Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Portland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 199,555	\$ -	\$ -	\$ 199,555
Land Rights	233,013	-	-	233,013
	<u>432,568</u>	<u>-</u>	<u>-</u>	<u>432,568</u>
<b>Operating Property, being depreciated</b>				
Treatment Plant Structures	35,209,686	1,031,365	-	36,241,051
Interceptor Structures	28,219,221	25,205	-	28,244,426
Treatment Plant Equipment	27,521,048	70,268	(1,100,872)	26,490,444
Pumping Station Structures	11,906,803	446,864	-	12,353,667
Pumping Station Equipment	9,903,213	189,757	(85,204)	10,007,766
Communications Equip.- Collectors	753,873	-	-	753,873
Computer Equipment	-	523,155	-	523,155
Storm Drains	617,610	-	-	617,610
Solids Handling Equipment	407,487	14,797	-	422,284
General Equipment	374,585	6,072	-	380,657
Interceptor Equipment	63,080	-	-	63,080
	<u>114,976,606</u>	<u>2,307,483</u>	<u>(1,186,076)</u>	<u>116,098,013</u>
<b>Total Operating Property</b>	<u>115,409,174</u>	<u>2,307,483</u>	<u>(1,186,076)</u>	<u>116,530,581</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Structures	23,395,041	715,931	-	24,110,972
Interceptor Structures	19,706,616	455,733	-	20,162,349
Treatment Plant Equipment	14,342,821	1,040,586	(1,100,872)	14,282,535
Pumping Station Structures	6,072,271	306,900	-	6,379,171
Pumping Station Equipment	5,675,035	350,519	(53,341)	5,972,213
Communications Equip.- Collectors	598,785	63,033	-	661,818
Solids Handling Equipment	290,422	9,058	-	299,480
General Equipment	274,285	32,958	-	307,243
Storm Drains	235,096	76,863	-	311,959
Interceptor Equipment	63,080	-	-	63,080
Computer Equipment	-	32,697	-	32,697
	<u>70,653,452</u>	<u>3,084,278</u>	<u>(1,154,213)</u>	<u>72,583,517</u>
<b>Construction Work in Progress</b>	<u>1,703,276</u>	<u>3,120,695</u>	<u>(812,710)</u>	<u>4,011,261</u>
<b>Net Capital Assets</b>	<u>\$46,458,998</u>	<u>\$2,343,900</u>	<u>\$ (844,573)</u>	<u>\$47,958,325</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets – Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Westbrook Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 162,263	\$ -	\$ -	\$ 162,263
Land Rights	139,144	-	-	139,144
	<u>301,407</u>	<u>-</u>	<u>-</u>	<u>301,407</u>
<b>Operating Property, being depreciated</b>				
Treatment Plant Equipment	3,863,502	231,497	(11,876)	4,083,123
Pumping Station Structures	5,367,086	-	-	5,367,086
Treatment Plant Structures	4,340,647	29,933	-	4,370,580
Interceptor Structures	3,809,153	-	-	3,809,153
Pumping Station Equipment	3,623,810	-	-	3,623,810
General Equipment	1,180,597	-	-	1,180,597
Computer Equipment	-	129,184	-	129,184
Communications Equip. - Collectors	103,231	-	-	103,231
Storm Drains	748	-	-	748
Solids Handling Equipment	20,070	-	-	20,070
	<u>22,308,844</u>	<u>390,614</u>	<u>(11,876)</u>	<u>22,687,582</u>
<b>Total Operating Property</b>	<u>22,610,251</u>	<u>390,614</u>	<u>(11,876)</u>	<u>22,988,989</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Equipment	2,692,648	106,961	(9,364)	2,790,245
Treatment Plant Structures	3,392,206	81,604	-	3,473,810
Interceptor Structures	3,000,659	75,738	-	3,076,397
Pumping Station Structures	2,391,461	135,638	-	2,527,099
Pumping Station Equipment	2,003,880	131,202	-	2,135,082
General Equipment	248,865	24,637	-	273,502
Computer Equipment	-	8,074	-	8,074
Storm Drains	35	10	-	45
Solids Handling Equipment	20,070	-	-	20,070
Communications Equip. - Collectors	92,202	4,432	-	96,634
	<u>13,842,026</u>	<u>568,296</u>	<u>(9,364)</u>	<u>14,400,958</u>
<b>Construction Work in Progress</b>	<u>568,681</u>	<u>3,145,146</u>	<u>(36,654)</u>	<u>3,677,173</u>
<b>Net Capital Assets</b>	<u>\$ 9,336,906</u>	<u>\$ 2,967,464</u>	<u>\$ (39,166)</u>	<u>\$ 12,265,204</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets - Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>Windham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 129,656	\$ 12,900	\$ -	\$ 142,556
Land Rights	13,296	-	-	13,296
	<u>142,952</u>	<u>12,900</u>	<u>-</u>	<u>155,852</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	1,789,876	223,917	-	2,013,793
Pumping Station Structures	459,745	293,290	-	753,035
Pumping Station Equipment	425,873	159,788	-	585,661
Treatment Plant Equipment	130,927	9,037	(404)	139,560
Treatment Plant Structures	144,115	1,169	-	145,284
Storm Drains	-	46,079	-	46,079
General Equipment	14,153	-	-	14,153
Computer Equipment	-	6,256	-	6,256
Solids Handling Equipment	683	-	-	683
	<u>2,965,372</u>	<u>739,536</u>	<u>(404)</u>	<u>3,704,504</u>
<b>Total Operating Property</b>	<u>3,108,324</u>	<u>752,436</u>	<u>(404)</u>	<u>3,860,356</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	550,413	38,037	-	588,450
Pumping Station Equipment	336,697	12,913	-	349,610
Pumping Station Structures	172,384	14,964	-	187,348
Treatment Plant Equipment	88,286	3,874	(319)	91,841
Treatment Plant Structures	112,069	2,717	-	114,786
General Equipment	8,887	494	-	9,381
Computer Equipment	-	391	-	391
Storm Drains	-	461	-	461
Solids Handling Equipment	683	-	-	683
	<u>1,269,419</u>	<u>73,851</u>	<u>(319)</u>	<u>1,342,951</u>
Construction Work in Progress	<u>133,002</u>	<u>705,818</u>	<u>(75,520)</u>	<u>763,300</u>
<b>Net Capital Assets</b>	<u>\$ 1,971,907</u>	<u>\$1,384,403</u>	<u>\$(75,605)</u>	<u>\$ 3,280,705</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets – Continued

All Funds Combined:	Dec 31, 2020	Increases	Decreases	Dec 31, 2021
<b>Operating Property, not being depreciated</b>				
Land (Water)	\$ 4,539,448	\$ 15,400	\$ -	\$ 4,554,848
Land Rights (Water)	1,973,782	503,348	-	2,477,130
Land (Wastewater)	906,520	12,900	-	919,420
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment Organization	87,189	-	(17,000)	70,189
	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Property Held for Future Use	7,425	-	-	7,425
	<u>8,456,266</u>	<u>531,648</u>	<u>(17,000)</u>	<u>8,970,914</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	196,582,955	11,390,110	(72,473)	207,900,592
Interceptor Structures	61,217,096	337,344	-	61,554,440
Treatment Plant Structures	43,953,503	1,475,325	-	45,428,828
Services	38,974,017	1,569,905	-	40,543,922
Structures & Improvements	30,674,337	76,602	-	30,750,939
Treatment Plant Equipment	36,100,488	417,864	(1,171,078)	35,347,274
Pumping Station Structures	24,184,943	1,414,189	(126,385)	25,472,747
Pumping Station Equipment	20,905,829	569,127	(98,601)	21,376,355
Water Treatment Equipment	14,424,461	-	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,948,958	396,889	(46,608)	13,299,239
Reservoirs & Standpipes	11,090,541	96,000	-	11,186,541
Hydrants	12,302,245	569,372	(49,166)	12,822,451
Vehicles	3,397,407	389,738	(294,106)	3,493,039
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,485,020	-	-	1,485,020
Pumping Equipment	2,820,230	111,050	-	2,931,280
General Equipment	1,862,143	6,072	(22)	1,868,193
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,573,084	3,644,427	-	5,217,511
Power Equipment	706,964	-	-	706,964
Communications Equipment - Collectors	857,104	-	-	857,104
Office Furniture & Equipment	762,135	-	-	762,135
Storm Drains	618,358	46,079	-	664,437
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	433,757	14,797	-	448,554
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>535,745,585</u>	<u>22,524,890</u>	<u>(1,858,439)</u>	<u>556,412,035</u>
<b>Total Operating Property</b>	<u>\$ 544,201,851</u>	<u>\$ 23,056,538</u>	<u>\$ (1,875,439)</u>	<u>\$ 565,382,949</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

## Capital Assets – Continued

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>
<b>All Funds Combined (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 53,444,555	\$ 2,849,501	\$ (65,590)	\$ 56,228,466
Interceptor Structures	37,455,261	1,118,447	-	38,573,708
Treatment Plant Structures	29,641,453	886,095	(54,662)	30,472,886
Treatment Plant Equipment	20,737,701	1,381,033	(1,112,810)	21,005,924
Services	20,778,089	919,512	-	21,697,601
Structures & Improvements	15,866,711	645,038	-	16,511,749
Pumping Station Equipment	12,707,369	747,357	(152,261)	13,302,465
Pumping Station Structures	11,444,598	589,383	(41,181)	11,992,800
Transmission Mains	7,529,521	139,836	-	7,669,357
Reservoirs & Standpipes	5,488,241	197,840	-	5,686,081
Water Treatment Equipment	5,382,802	422,862	-	5,805,664
Hydrants	4,391,417	251,341	(32,635)	4,610,123
Meters & Meter Installations	5,831,932	525,896	(24,382)	6,333,446
Vehicles	1,888,056	339,548	(282,069)	1,945,535
Lake, River & Other Intakes	1,899,478	24,813	-	1,924,291
Pumping Equipment	1,656,949	73,814	-	1,730,763
Communication Equipment	1,298,418	64,263	-	1,362,681
Power Equipment	648,358	5,385	-	653,743
Office Furniture & Equipment	783,098	59,885	-	842,983
General Equipment	744,804	76,182	-	820,986
Communications Equip.- Collectors	690,987	67,465	-	758,452
Solids Handling Equipment	316,691	9,058	-	325,749
Shop Equipment	337,029	-	-	337,029
Computer Equipment	437,633	329,353	-	766,986
Garage Equipment	253,546	4,137	-	257,683
Wells & Springs	245,160	19,643	-	264,803
Radio Equipment	199,881	16,443	-	216,324
Laboratory Equipment	101,412	3,430	-	104,842
Storm Drains	235,131	77,334	-	312,465
Stores Equipment	44,726	995	-	45,721
Interceptor Equipment	64,988	147	-	65,135
	<u>242,545,995</u>	<u>11,846,036</u>	<u>(1,765,590)</u>	<u>252,626,441</u>
<b>Net Operating Property</b>	<u>301,655,856</u>	<u>11,210,502</u>	<u>(109,849)</u>	<u>312,756,508</u>
<b>Right to Use Lease Assets:</b>				
Right to Use - Buildings	6,104	67,045	(6,104)	67,045
Right to Use - Equipment	15,119	-	-	15,119
Right to Use - Land	126,123	-	-	126,123
	<u>147,346</u>	<u>67,045</u>	<u>(6,104)</u>	<u>208,287</u>
<b>Less, accumulated amortization for lease assets:</b>				
Right to Use - Buildings	6,104	6,705	(6,104)	6,705
Right to Use - Equipment	3,183	3,183	-	6,366
Right to Use - Land	3,503	3,504	-	7,007
	<u>12,790</u>	<u>13,392</u>	<u>(6,104)</u>	<u>20,078</u>
<b>Net Lease Assets</b>	<u>134,556</u>	<u>53,653</u>	<u>-</u>	<u>188,209</u>
<b>Construction Work in Progress</b>	<u>7,214,814</u>	<u>8,704,526</u>	<u>(5,162,801)</u>	<u>10,756,539</u>
<b>Net Capital Assets</b>	<u>\$309,005,226</u>	<u>\$19,968,681</u>	<u>\$(5,272,650)</u>	<u>\$323,701,256</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Capital Assets - Continued**

Depreciation expense for each of the funds is noted below. Please note that \$960,000 in the Water Fund was allocated as part of operating expense.

	<b>Gross Depreciation</b>	<b>Allocated</b>	<b>Depreciation not allocated elsewhere</b>
Water	\$ 6,838,768	\$ (960,000)	\$ 5,878,768
Wastewater Funds:			
Cape Elizabeth	548,664	-	548,664
Cumberland	179,553	-	179,553
Falmouth	153,639	-	153,639
Gorham	398,987	-	398,987
Portland	3,084,278	-	3,084,278
Westbrook	568,296	-	568,296
Windham	73,851	-	73,851
<b>Total</b>	<u>\$ 11,846,036</u>	<u>\$ (960,000)</u>	<u>\$ 10,886,036</u>

Depreciation related to vehicles (\$400,000) 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.

**Leases – District as Lessee**

As of December 31, 2021 the District was leasing assets for the Water Fund (2) and Cape Elizabeth Wastewater (1):

**Peaks Island Storage:** The District leases warehouse space on Peaks Island (Portland) from Central Maine Power to support the Water Operations group. The lease began in November 2011 for two (2) five (5) year terms. The lease was amended in 2021 adding two (2) additional five (5) year terms through October of 2031. The cost for 2021 was \$6,160. The cost is \$6,776/year for the initial term and \$7,454/year for the second with payment due the first day of each year's lease term.

**Finance Department Mail Machine:** The lease with Pitney Bowes started in October 2019 and has a five (5) year term through the end of September 2024 and calls for quarterly payments of \$817.

<u>Water Fund</u>	<u>Intangible Asset</u>	<u>Accumulated Amortization</u>	<u>Net Lease Asset</u>	<u>Lease Liability</u>
Peaks Island Storage	\$67,045	(\$6,705)	\$60,340	\$60,883
Finance Mail Machine	15,119	(6,366)	8,753	8,831
	<u>\$82,164</u>	<u>(\$13,071)</u>	<u>\$69,093</u>	<u>\$69,714</u>

The annual lease payments to amortize the lease liability are, as follows:

<u>Years Ending, December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$9,283	\$762	\$10,045
2023	9,388	657	10,045
2024	8,676	551	9,228
2025	6,308	468	6,776
2026	7,055	399	7,454
2027-2030	<u>29,004</u>	<u>810</u>	<u>29,814</u>
	<u>\$69,714</u>	<u>\$3,647</u>	<u>\$73,361</u>



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Leases – District as Lessee - Continued**

**Cape Elizabeth Wastewater Treatment Facility (WWTF) Land (Cape Elizabeth WW):** The District leases the land for the treatment plant from the Town of Cape Elizabeth. The original lease commenced in 1985 with a term of 40 years expiring at the end of April 2025. That lease has been amended to extend the lease until April 2055. The annual rent is currently \$4,000 and will have annual 2.0% increases each year starting in 2025.

<u>Cape Elizabeth Wastewater</u>	<u>Intangible Asset</u>	<u>Accumulated Amortization</u>	<u>Net Lease Asset</u>	<u>Lease Liability</u>
Cape Elizabeth WWTF Land	<u>\$126,123</u>	<u>(\$7,007)</u>	<u>\$119,116</u>	<u>\$121,763</u>

The annual lease payments to amortize the lease liability are, as follows:

Years Ending, December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$1,308	\$2,692	\$4,000
2023	1,337	2,663	4,000
2024	1,366	2,634	4,000
2025	1,397	2,603	4,000
2026	1,507	2,573	4,080
2027-2031	9,348	12,311	21,659
2032-2036	12,784	11,131	23,915
2037-2041	16,872	9,543	26,415
2042-2046	21,697	7,471	29,168
2047-2051	27,373	4,830	32,203
2052-2055	<u>26,774</u>	<u>1,385</u>	<u>28,159</u>
	<u>\$121,763</u>	<u>\$59,836</u>	<u>\$181,599</u>

**Leases – District as Lessor**

As of December 31, 2021, the District leased five (5) Water fund assets:

**Shore Acres Tank – AT&T:** The cell phone provider leases space on the District’s water tank located in Cape Elizabeth for their equipment. The lease commenced in November 2014 with an initial five (5) year term. The lease contains an additional four extensions which if executed would extend the lease until the end of October 2039. The District expects these extensions will take place. Payments are made monthly and as of the end of 2021 were \$3,075/month. The contract includes an automatic increase of 3.0% each year in November.

**Shore Acres Tank – Verizon:** The cell phone provider leases space on the District’s water tank located in Cape Elizabeth for their equipment. The dates and terms are the same as the AT&T contract.

**Broadway South Portland – AIM:** The District leases the land on top a transmission water main to AIM Broadway LLC which constructed a parking lot. The original lease started in 1998 and was later extended until the end of 2038. The current annual rent is \$2,196 and have 10.0% increases in 2023, 2028 and 2033.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Leases – District as Lessor - Continued**

**Broadway South Portland – Pape Subaru:** The District leases the land on top of a transmission water main to FWP Realty Company (Pape Subaru) which constructed a driveway and utility crossing. The lease was initiated in 2002 with a 20 year term expiring in 2022. The current annual rent is \$1,997.

**Main Street Gorham – Madison VWB:** – The District leases land next to the inactive water pumping station on Main Street in Gorham. The lease was originated in 2021 with a five (5) year term and an option for addition five (5) years through the end of 2030. The annual rent is \$2,420 for the first term and \$2,662 for the second.

<u>Water Fund</u>	<u>Lease Revenue</u>	<u>Interest Income</u>	<u>Total Income</u>	<u>Lease Receivable</u>	<u>Deferred Inflow</u>
Shore Acres Tank - AT&T	\$37,690	\$14,874	\$52,564	\$707,012	\$673,705
Shore Acres Tank - Verizon	37,690	14,874	52,564	707,012	673,705
Broadway So Portland - AIM	2,198	740	2,938	35,519	34,259
Broadway So Portland - Pape	1,980	22	2,002	-	-
Main St. Gorham - Madison VWB	<u>2,379</u>	<u>29</u>	<u>2,408</u>	<u>21,395</u>	<u>21,408</u>
	<u>\$81,937</u>	<u>\$30,539</u>	<u>\$112,476</u>	<u>\$1,470,938</u>	<u>\$1,403,077</u>

**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:

<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>	<u>Current</u>	<u>Non-Current</u>
<u>\$ 92,024,464</u>	<u>\$11,425,000</u>	<u>\$ (8,597,513)</u>	<u>\$ 94,851,951</u>	<u>\$ 8,999,598</u>	<u>\$ 85,852,353</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED**

**Long-Term Debt - Bonds - Continued**

Long-term debt outstanding as of December 31, 2021, 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%	\$ 180,000		
Oct-06	\$ 1,500,000	2026	3.0% to 5.0%	\$ 375,000		
Oct-08	\$ 1,500,000	2028	2.1% to 5.6%	\$ 525,000		
Apr-09	\$ 1,598,500	2029	1.050%	\$ 559,475		
May-09	\$ 4,519,800	2029	2.1% to 5.6%	\$ 1,807,920		
May-09	\$ 180,200	2029	2.1% to 5.6%	\$ 72,080		
Aug-09	\$ 2,991,066	2029	0.0%	\$ 1,196,426		
Aug-09	\$ 163,953	2029	0.0%	\$ 65,581		
May-10	\$ 400,000	2030	2.1% to 5.7%	\$ 225,000		
Nov-10	\$ 902,500	2030	1.0%	\$ 406,125		
Oct-11	\$ 2,300,000	2031	0.5% to 5.5%	\$ 1,150,000		
May-12	\$ 1,130,000	2032	1.0%	\$ 621,500		
Oct-12	\$ 2,000,000	2032	1.5% to 3.7%	\$ 1,100,000		
May-13	\$ 2,850,000	2033	1.0%	\$ 1,650,000		
May-13	\$ 1,428,000	2033	0.6% to 3.7%	\$ 856,800		
Nov-13	\$ 8,000,000	2033	2.0% to 4.3%	\$ 5,200,000		
Nov-13	\$ 1,072,000	2033	1.1%	\$ 643,200		
Jun-14	\$ 2,541,000	2034	2.7%	\$ 1,630,000		
Jun-14	\$ 2,000,000	2024	2.7%	\$ 600,000		
May-15	\$ 459,000	2035	0.2%	\$ 299,913		
Jun-15	\$ 2,000,000	2025	3.0%	\$ 800,000		
Jun-15	\$ 3,230,000	2035	3.0%	\$ 2,240,000		
Jun-15	\$ 500,000	2035	3.0%	\$ 350,000		
Dec-15	\$ 270,000	2035	1.0%	\$ 189,000		
Jun-16	\$ 385,000	2036	3.0% to 4.0%	\$ 285,000		
Jun-16	\$ 1,830,000	2026	3.0% to 4.0%	\$ 905,000		
Jun-16	\$ 1,830,000	2036	3.0% to 4.0%	\$ 1,355,000		
Jun-16	\$ 1,734,250	2036	3.0% to 4.0%	\$ 953,750		
Jun-16	\$ 185,813	2036	3.0% to 4.0%	\$ 102,188		
Jun-16	\$ 3,034,938	2036	3.0% to 4.0%	\$ 1,669,063		
Sep-16	\$ 1,158,979	2036	1.0%	\$ 890,486		
Sep-16	\$ 566,362	2036	1.0%	\$ 435,157		
Jul-17	\$ 3,725,000	2037	3.0% to 5.0%	\$ 2,975,000		
Jul-17	\$ 1,875,000	2027	3.0% to 5.0%	\$ 1,125,000		
Mar-18	\$ 1,900,000	2038	1.0%	\$ 1,595,792		
Aug-18	\$ 1,000,000	2038	5.00%	\$ 700,000		
Aug-18	\$ 900,000	2038	3.0% to 5.0%	\$ 765,000		
Aug-18	\$ 2,000,000	2028	5.00%	\$ 1,400,000		
Nov-18	\$ 3,000,000	2038	1.0%	\$ 2,550,000		
Aug-19	\$ 4,500,000	2039	3% to 5%	\$ 4,050,000		
Aug-19	\$ 2,000,000	2029	2% to 5%	\$ 1,600,000		
Jan-20	\$ 295,000	2030	1.0%	\$ 236,000		
Jul-20	\$ 1,745,000	2040	2% to 5%	\$ 1,658,000		
Jul-20	\$ 1,830,000	2030	5.00%	\$ 1,647,000		
Nov-20	\$ 220,000	2040	1.0%	\$ 209,000		
Jul-21	\$ 3,479,157	2041	2% to 5%	\$ 3,479,157		
Jul-21	\$ 1,743,308	2031	5.00%	\$ 1,743,308		
Jul-21	\$ 1,152,535	2041	2% to 5%	\$ 1,152,535		
Dec-21	\$ 2,100,000	2041	1.0%	\$ 2,100,000		
Dec-21	\$ 480,000	2041	1.0%	\$ 480,000		
				<u>\$ 58,804,455</u>	<u>\$ 5,587,257</u>	<u>\$ 53,217,198</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds – Continued

**Cape Elizabeth Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Oct-08	\$ 95,000	2028	2.1% to 5.6%	\$ 33,250		
Dec-11	\$ 2,430,000	2031	1.0%	\$ 1,215,000		
Oct-12	\$ 160,000	2032	1.48% to 3.7%	\$ 88,000		
May-15	\$ 240,000	2035	0.4% to 3.9%	\$ 168,000		
May-17	\$ 315,000	2037	1.3% to 3.9%	\$ 252,000		
Nov-17	\$ 72,000	2037	1.4% to 4.1%	\$ 57,600		
Jun-19	\$ 875,000	2039	1.0%	\$ 787,500		
May-20	\$ 130,000	2040	1.0%	\$ 117,000		
Feb-21	\$ 850,000	2041	1.0%	\$ 850,000		
Jul-21	\$ 388,000	2041	1.0%	\$ 388,000		
				<u>\$ 3,956,350</u>	<u>\$ 277,750</u>	<u>\$ 3,678,600</u>

**Cumberland Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Dec-06	\$ 125,000	2026	1.4%	\$ 31,250	\$ 6,250	\$ 25,000

**Falmouth Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
May-16	\$ 4,000,000	2036	1.0%	\$ 3,000,000		
Mar-17	\$ 760,000	2037	1.0%	\$ 608,000		
				<u>\$ 3,608,000</u>	<u>\$ 238,000</u>	<u>\$ 3,370,000</u>

**Gorham Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 78,120	2023	1.8%	\$ 3,676		
Nov-03	\$ 73,185	2023	2.1%	\$ 7,189		
Dec-05	\$ 252,000	2025	1.6%	\$ 50,400		
May-08	\$ 50,400	2028	2.0% to 5.5%	\$ 17,640		
Oct-08	\$ 474,672	2028	2.1% to 5.6%	\$ 189,869		
Jan-09	\$ 4,258,208	2029	1.4%	\$ 1,505,427		
Feb-09	\$ 253,475	2029	1.0%	\$ 88,716		
May-09	\$ 233,954	2029	2.1% to 5.6%	\$ 93,582		
Nov-10	\$ 52,360	2030	1.0%	\$ 23,562		
Mar-18	\$ 308,000	2038	1.00%	\$ 261,800		
Nov-21	\$ 53,900	2041	2.27%	\$ 53,900		
				<u>\$ 2,295,760</u>	<u>\$ 306,284</u>	<u>\$ 1,989,476</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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
Apr-03	\$ 5,200,000	2023	1.88%	\$ 244,663		
Nov-03	\$ 1,230,000	2023	2.11%	\$ 118,525		
Nov-03	\$ 2,000,000	2023	2.11%	\$ 198,721		
Dec-04	\$ 375,000	2024	1.3%	\$ 56,250		
Dec-04	\$ 1,740,000	2024	1.3%	\$ 261,000		
Dec-05	\$ 1,900,000	2025	1.6%	\$ 380,000		
Apr-09	\$ 5,700,000	2029	1.5%	\$ 1,966,958		
Nov-10	\$ 752,200	2030	1.0%	\$ 338,490		
Oct-11	\$ 400,000	2031	0.5% to 5.5%	\$ 200,000		
Nov-13	\$ 3,000,000	2033	3.0% to 4.0%	\$ 1,800,000		
Dec-15	\$ 2,000,000	2035	1.0%	\$ 1,400,000		
Jul-16	\$ 7,000,000	2036	1.0%	\$ 5,250,000		
Jul-16	\$ 1,200,000	2036	1.0%	\$ 900,000		
May-17	\$ 1,900,000	2037	1.0%	\$ 1,496,055		
May-18	\$ 500,000	2038	1.92% to 4.042%	\$ 425,000		
Jul-20	\$ 940,000	2040	2.00%	\$ 891,000		
Jul-20	\$ 410,000	2040	2.00%	\$ 389,000		
Dec-20	\$ 3,150,000	2040	1.00%	\$ 2,992,500		
Jul-21	\$ 422,000	2041	1.00%	\$ 422,000		
				<u>\$ 19,730,162</u>	<u>\$ 1,976,650</u>	<u>\$ 17,753,512</u>

**Westbrook Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 284,208	2023	1.8%	\$ 13,372		
Nov-03	\$ 266,254	2023	2.1%	\$ 26,153		
Dec-05	\$ 1,316,800	2025	1.6%	\$ 263,360		
May-08	\$ 183,360	2028	2.0% to 5.5%	\$ 64,176		
Oct-08	\$ 2,384,641	2028	2.1% to 5.6%	\$ 953,856		
Feb-09	\$ 974,925	2029	1.0%	\$ 341,224		
Nov-10	\$ 113,220	2030	1.0%	\$ 50,949		
Dec-15	\$ 1,000,000	2035	1.0%	\$ 700,000		
Mar-18	\$ 666,000	2038	1.00%	\$ 566,100		
Sep-18	\$ 2,200,000	2038	1.00%	\$ 1,980,000		
Nov-21	\$ 116,550	2041	2.27%	\$ 116,550		
				<u>\$ 5,075,740</u>	<u>\$ 474,279</u>	<u>\$ 4,601,461</u>

**Windham Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 9,672	2023	1.8%	\$ 455		
Nov-03	\$ 9,061	2023	2.1%	\$ 890		
Dec-05	\$ 31,200	2025	1.6%	\$ 6,240		
May-08	\$ 6,240	2028	2.0% to 5.5%	\$ 2,184		
Oct-08	\$ 40,687	2028	2.1% to 5.6%	\$ 16,275		
Jan-09	\$ 1,681,792	2029	1.4%	\$ 594,573		
Feb-09	\$ 21,600	2029	1.0%	\$ 7,560		
May-09	\$ 196,046	2029	2.1% to 5.6%	\$ 78,418		
Nov-10	\$ 4,420	2030	1.0%	\$ 1,989		
Mar-18	\$ 26,000	2038	1.00%	\$ 22,100		
Nov-21	\$ 615,000	2041	2.27%	\$ 615,000		
Nov-21	\$ 4,550	2041	2.27%	\$ 4,550		
				<u>\$ 1,350,234</u>	<u>\$ 133,128</u>	<u>\$ 1,217,106</u>

**Total Long-Term Debt**

**\$ 94,851,951**      **\$ 8,999,598**      **\$ 85,852,353**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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 July 29, 2021, the District issued bonds in the amount of \$6.375 million for the purpose of improvements to water mains and other related infrastructure. Water main projects are environmentally beneficial because they are designed to ensure safe drinking water for the public in accordance with State, Federal and local standards. The same is true in regards to sewer infrastructure upgrades in that efforts are designed to address water quality standards related to the sewer system and its surroundings. The District’s Board of Trustees designated all of these 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, 2021, the District still had spent \$5.13 million of the original bond principal on qualifying projects leaving \$1.25 million in unspent bond proceeds from the 2021 Green Bond issuance.

Additionally, there were \$16,940 remaining from a 2020 Green Bond issued in the amount of \$1.35 million in the Portland Wastewater fund. Those funds will be used on final project costs in early 2022.

**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 as of December 31, 2021 had a balance of \$51,100. The remaining balance will be amortized for the remaining life of the original bonds:

<b>Years Ending, December 31,</b>	<b>Beginning Balance</b>	<b>Reduction</b>	<b>Ending Balance</b>
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>\$ (51,100)</u>	

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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	
2022	\$ 5,587,257	\$ 277,750	\$ 6,250	\$ 238,000	\$ 306,284	\$ 1,976,650	\$ 474,279	\$ 133,128	\$ 8,999,598	
2023	5,583,112	277,750	6,250	238,000	302,578	1,730,641	460,796	132,669	8,731,796	
2024	5,598,980	277,750	6,250	238,000	298,999	1,572,691	447,775	132,226	8,572,671	
2025	5,374,852	277,750	6,250	238,000	298,999	1,466,941	447,775	132,226	8,242,793	
2026	5,140,738	277,750	6,250	238,000	286,399	1,371,941	381,935	130,666	7,833,679	
2027-2031	18,177,826	1,374,500	0	1,190,000	667,750	5,974,113	1,491,808	370,444	29,246,441	
2032-2036	9,812,954	713,500	0	1,190,000	90,475	4,591,685	945,640	161,390	17,505,644	
2037-2041	3,528,736	479,600	0	38,000	44,276	1,045,500	425,732	157,485	5,719,329	
	\$ 58,804,455	\$ 3,956,350	\$ 31,250	\$ 3,608,000	\$ 2,295,760	\$ 19,730,162	\$ 5,075,740	\$ 1,350,234	\$ 94,851,951	

Interest Due:		-----WASTEWATER SYSTEMS-----								
		Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total	
2022	\$ 1,840,509	\$ 51,615	\$ 444	\$ 35,890	\$ 40,903	\$ 287,948	\$ 93,606	\$ 24,234	\$ 2,375,149	
2023	1,601,113	53,856	355	33,510	35,510	261,479	82,609	22,525	2,090,957	
2024	1,416,806	46,299	266	31,130	29,671	236,728	71,476	20,355	1,852,731	
2025	1,229,833	42,705	178	28,750	24,153	213,225	60,823	18,334	1,618,001	
2026	1,055,119	39,066	89	26,370	18,407	191,107	50,085	16,100	1,396,343	
2027-2031	3,113,086	139,750	0	96,150	26,778	649,619	128,313	52,660	4,206,356	
2032-2036	997,555	59,740	0	36,650	6,717	237,936	52,525	33,281	1,424,404	
2037-2041	162,628	12,612	0	190	1,625	33,959	9,379	13,397	233,790	
	\$ 11,416,649	\$ 445,643	\$ 1,332	\$ 288,640	\$ 183,764	\$ 2,112,001	\$ 548,816	\$ 200,886	\$ 15,197,731	

Total Debt Service Due:		-----WASTEWATER SYSTEMS-----								
		Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total	
2022	\$ 7,427,766	\$ 329,365	\$ 6,694	\$ 273,890	\$ 347,187	\$ 2,264,598	\$ 567,885	\$ 157,362	\$ 11,374,747	
2023	7,184,225	331,606	6,605	271,510	338,088	1,992,120	543,405	155,194	10,822,753	
2024	7,015,786	324,049	6,516	269,130	328,670	1,809,419	519,251	152,581	10,425,402	
2025	6,604,685	320,455	6,428	266,750	323,152	1,680,166	508,598	150,560	9,860,794	
2026	6,195,857	316,816	6,339	264,370	304,806	1,563,048	432,020	146,766	9,230,022	
2027-2031	21,290,912	1,514,250	-	1,286,150	694,528	6,623,732	1,620,121	423,104	33,452,797	
2032-2036	10,810,509	773,240	-	1,226,650	97,192	4,829,621	998,165	194,671	18,930,048	
2037-2041	3,691,364	492,212	-	38,190	45,901	1,079,459	435,111	170,882	5,953,119	
	\$ 70,221,104	\$ 4,401,993	\$ 32,582	\$ 3,896,640	\$ 2,479,524	\$ 21,842,163	\$ 5,624,556	\$ 1,551,120	\$ 110,049,682	

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>	<u>Current</u>	<u>Non-Current</u>
<b>Windham Wastewater Fund:</b>						
2008 Note	\$ 105,920	\$ -	\$ (13,240)	\$ 92,680	\$ 13,240	\$ 79,440

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>
2022	13,240	4,073	17,313
2023	13,240	3,491	16,731
2024	13,240	2,909	16,149
2025	13,240	2,328	15,568
2026	13,240	1,746	14,986
2027-2028	26,480	1,745	28,225
	<u>\$ 92,680</u>	<u>\$16,292</u>	<u>\$108,972</u>

**Compensated Absences**

Sick Time: 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.

Vacation Time: 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.

	<u>Dec 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2021</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 921,396	\$ 37,854	\$ (58,818)	\$ 900,432	\$ 269,997	\$ 630,435
Vacation	881,503	833,265	(799,335)	915,433	664,634	250,799
	<u>\$ 1,802,899</u>	<u>\$ 871,119</u>	<u>\$ (858,153)</u>	<u>\$ 1,815,865</u>	<u>\$ 934,631</u>	<u>\$ 881,234</u>

**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, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Commitments and Contingencies**

At December 31, 2021, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$14,127,252, which is broken down by funds, as follows:

Water Fund	\$2,425,145
Cape Elizabeth Wastewater	553,747
Gorham Wastewater	1,936,314
Portland Wastewater	4,059,878
Westbrook Wastewater	4,289,709
Windham Wastewater	862,459

**Bond Commitments:**

As of December 31, 2021, 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	Water/Portland WW	Asset/Billing Computer System	\$3,600,000	\$3,819,854
18-007	Water Fund	Wards Hill Water Tank	3,000,000	3,691,536
19-009/21-001	Gorham WW	Aeration - Regional Treatment Plant	3,696,000	4,547,972
19-009/21-001	Westbrook WW	Aeration - Regional Treatment Plant	7,992,000	9,834,251
19-009/21-001	Windham WW	Aeration - Regional Treatment Plant	312,000	383,919
21-006	Water Fund	Watershed Protection	785,000	965,712
21-009	Cape Elizabeth WW	Maiden Cover Pump Station	650,000	799,634
21-012	Portland WW	HVAC System	575,000	707,368
21-013	Windham WW	North Windham Treatment	11,000,000	15,636,067
			<u>\$ 31,610,000</u>	<u>\$ 40,386,313</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, 2021, the total remaining debt payments to be paid by the Cumberland fund were \$682,170.

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, 2021, the total remaining debt payments for the Cumberland fund through 2037 were \$1,787,973.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2021**

### 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 (CSO) 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 City of Portland completed an update to the Long Term Control Plan in 2020 as part of the Integrated Planning process. The City and MEDEP continue to negotiate on the final plan based on the work submitted.

The City of Westbrook and the District submitted an updated plan in December 2014 for the next 5 years. The City of Westbrook has completed its projects and is on schedule to meet the requirements of the current plan. The 5-year plan is currently being developed with the help of an engineering consultant and following updated flow monitoring, the draft Long Term Control Plan update will be submitted to DEP for their approval by the end of 2022.

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 upgraded the station pumps to increase the capacity of the station. The flow from the area will be monitored to assess the benefits of this work.

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. In December 2020 the parties signed an amendment for additional five year period through the end of 2025. It is estimated that payments of approximately \$2,333,500 will be made to Casella in 2022.

##### 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, medium and large accounts have been signed through the end of 2024. The estimated cost of electricity in 2022 is \$1,020,505.

On January 30, 2020, the District's Board of Trustees authorized entering 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 \$1,011,400 to electricity producers for 10,790,000 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 \$1,456,700, resulting in a net savings of \$445,300. The billing credit rates are established annually by the Maine Public Utilities. Most of the projects have not been completed as of the end of 2021 so the full cost and benefits have not been realized

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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 2021, the District issued bonds through this program in the Water, Cape Elizabeth and Portland funds.

	<u>Dec. 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2021</u>
Water Fund	\$ 2,777	\$ 2,600,000	\$ (2,777)	\$ 2,600,000
Cape Elizabeth Wastewater	8,182	1,238,000	(1,238,311)	7,871
Portland Wastewater	160,297	422,000	(574,173)	8,124
<b>Total</b>	<u>\$ 171,256</u>	<u>\$ 4,260,000</u>	<u>\$ (1,815,261)</u>	<u>\$ 2,615,995</u>

**Net Position**

Net position invested in capital assets in each fund is net of related debt plus unspent bond proceeds of \$1,529,299:

Water Fund	\$1,254,269
Gorham Wastewater	18,309
Portland Wastewater	16,940
Westbrook Wastewater	39,591
Windham Wastewater	200,190

**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 January 1, 2021</u>		<u>As of January 1, 2022</u>	
	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Active employees included in plan	50	24	43	23
Retired employees and beneficiaries	94	44	105	43
Terminated employees with vested rights	39	12	27	11
	<u>183</u>	<u>80</u>	<u>175</u>	<u>77</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, 2021**

**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 2, 2020, the monthly pension benefit is computed based on a \$38.25 (previously \$37.75) rate for pay grades A through E and a \$39.25 (previously \$38.75) 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 \$1,721.25 (previously \$1,698.75) for employees in pay grades A through E and \$1,766.25 (previously \$1,743.75) 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 \$194,575 for the year ended December 31, 2021.

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, 2021, a total contribution of \$1,424,313 was made with a contribution of \$816,192 and \$608,121 to the bargaining and non-bargaining units, respectively. The contributions represented 32.5% and 25.0% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2021 is based an actuarial valuation as of January 1, 2022 that was adjusted back to December 31, 2021. Balances as of December 31, 2021 are, as follows:

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Total</u>
Pension Liabilities	\$ 17,178,169	\$ 14,699,115	\$ 31,877,284
Net Fiduciary Position (Pension Assets)	16,973,895	14,804,417	31,778,312
Net Pension Liability	204,274	(105,302)	98,972
Deferred Outflows of resources related to Pension	(572,882)	(267,043)	(839,925)
Deferred Inflows of resources related to Pension	1,517,151	1,350,963	2,868,114
Net Carrying Amount on Statement of Net Position	<u>\$ 1,148,543</u>	<u>\$ 978,618</u>	<u>\$ 2,127,161</u>
Pension Expense	<u>\$ (521,224)</u>	<u>\$ 127,641</u>	<u>\$ (393,583)</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 are listed below:

Bargaining Unit	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at 12/31/2020</b>	<u>\$ 15,547,237</u>	<u>\$ 15,274,495</u>	<u>\$ 272,742</u>
Service cost	128,489		128,489
Interest	913,919		913,919
Difference between expected and actual experience	118,140		118,140
Change in assumptions	1,378,752		1,378,752
Benefit payments	(908,368)		(908,368)
Contribution - employer		816,192	(816,192)
Net investment income		1,885,683	(1,885,683)
Fees/Other Expenses		(94,107)	94,107
Benefit payments		(908,368)	908,368
Net Change	<u>1,630,932</u>	<u>1,699,400</u>	<u>(68,468)</u>
<b>Balance at 12/31/2021</b>	<u><b>\$ 17,178,169</b></u>	<u><b>\$ 16,973,895</b></u>	<u><b>\$ 204,274</b></u>

Plan fiduciary net position as a percentage of total pension liability 99%

Non-Bargaining Unit	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at 12/31/2020</b>	<u>\$ 13,807,251</u>	<u>\$ 13,318,435</u>	<u>\$ 488,816</u>
Service cost	212,607		212,607
Interest	818,185		818,185
Difference between expected and actual experience	315,451		315,451
Change in assumptions	230,871		230,871
Benefit payments	(685,250)		(685,250)
Contribution - employer		608,121	(608,121)
Net investment income		1,645,481	(1,645,481)
Fees/Other Expenses		(82,370)	82,370
Benefit payments		(685,250)	685,250
Net Change	<u>891,864</u>	<u>1,485,982</u>	<u>(594,118)</u>
<b>Balance at 12/31/2021</b>	<u><b>\$ 14,699,115</b></u>	<u><b>\$ 14,804,417</b></u>	<u><b>\$ (105,302)</b></u>

Plan fiduciary net position as a percentage of total pension liability 101%

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

Additional information from the January 1, 2022 actuarial valuation is listed below. The valuation was updated and rolled back to the December 31, 2021 measurement date.

	<u><b>Bargaining Unit</b></u>	<u><b>Non-Bargaining Unit</b></u>
Valuation date	January 1, 2022	January 1, 2022
Measurement date	December 31, 2021	December 31, 2021
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	6.0%	6.0%
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	Pri-2012 Blue Collar Dataset Employee Amount – Weighted Mortality with Scale MP-2021	RP-2012 Total Dataset Employee Amount – Weighted Mortality with Scale MP-2021

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, 2021 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u><b>Asset Class</b></u>	<u><b>Target Allocation</b></u>	<u><b>Annual Return Estimate 7- &amp; 20-Year Horizon</b></u>
U.S. Equities Large	25%	4.30%/7.80%
U.S. Equities Small	15%	6.40%/7.55%
International Developed Market Equities	15%	4.60%/6.60%
International Emerging Market Equities	10%	7.80%/8.40%
Core Bonds	20%	1.10%/3.20%
High Yield Bonds	5%	1.20%/5.00%
REIT's	5%	6.00%/6.10%
Natural Resources	5%	5.60%/5.40%

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

Discount Rate: The discount rate used to measure the total pension liability was 6.0%. 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 6.0%, 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 (5.0%) or 1-percentage-point higher (7.0%) than the current rate:

	<b>1% Decrease (5.0%)</b>	<b>Current Discount Rate (6.0%)</b>	<b>1% Increase (7.0%)</b>
Bargaining Unit Net Pension Liability	\$2,026,201	\$ 204,274	\$(1,346,381)
Non-Bargaining Unit Net Pension Liability	\$1,457,762	\$(105,302)	\$(1,440,862)

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2021, the District recognized pension expense for the bargaining and non-bargaining unit of \$(521,224) and \$127,641, respectively. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>			<b><u>Deferred Inflows of Resources</u></b>		
	<b>Bargaining</b>	<b>Non- Bargaining</b>	<b>Total</b>	<b>Bargaining</b>	<b>Non- Bargaining</b>	<b>Total</b>
Difference between Expected and Actual Expense	\$ 45,211	\$ 147,942	\$ 193,153	\$ -	\$ 4,015	\$ 4,015
Difference between Projected and Actual Returns	-	-	-	1,517,151	1,346,948	2,864,099
Impact of Assumption Changes	<u>527,671</u>	<u>119,101</u>	<u>646,772</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 572,882</u>	<u>\$ 267,043</u>	<u>\$ 839,925</u>	<u>\$ 1,517,151</u>	<u>\$ 1,350,963</u>	<u>\$ 2,868,114</u>

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

	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>
Year Ending December 31:		
2022	\$ 251,620	\$ (21,679)
2023	(662,652)	(591,869)
2024	(362,244)	(319,939)
2025	<u>(170,993)</u>	<u>(150,433)</u>
	<u>\$ (944,269)</u>	<u>\$ (1,083,920)</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

**Combining Statement of Fiduciary Net Position - Pension Trust Funds**

**December 31, 2021**

	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 328,118	\$ 284,114	\$ 612,232
Investments			
Equity mutual funds	\$ 10,009,150	\$ 8,565,168	\$ 18,574,318
Common stock	5,960,993	5,392,762	11,353,755
Fixed income - mutual funds	678,794	565,347	1,244,141
	<u>16,648,937</u>	<u>14,523,277</u>	<u>31,172,214</u>
Interest receivable	<u>(3,160)</u>	<u>(2,974)</u>	<u>(6,134)</u>
<b>Total Assets</b>	<u>\$ 16,973,895</u>	<u>\$ 14,804,417</u>	<u>\$ 31,778,312</u>
Restricted for pension benefits	<u>\$ 16,973,895</u>	<u>\$ 14,804,417</u>	<u>\$ 31,778,312</u>
<b>Total Net Position</b>	<u>\$ 16,973,895</u>	<u>\$ 14,804,417</u>	<u>\$ 31,778,312</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans – Continued

## Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds

Year Ended December 31, 2021

	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
<b>Additions:</b>			
Employer Contributions	\$ 816,192	\$ 608,121	\$ 1,424,313
<b>Investment Income</b>			
Interest and dividends	366,361	317,809	684,170
Net gain on sale of assets	1,071,669	958,627	2,030,296
Net appreciation of investments	447,653	369,045	816,698
<b>Net Investment Income</b>	<u>1,885,683</u>	<u>1,645,481</u>	<u>3,531,164</u>
<b>Total Additions</b>	2,701,875	2,253,602	4,955,477
<b>Deductions:</b>			
Benefits	(908,368)	(685,250)	(1,593,618)
Fees/Other Expenses	(94,107)	(82,370)	(176,477)
<b>Total Deductions</b>	<u>(1,002,475)</u>	<u>(767,620)</u>	<u>(1,770,095)</u>
<b>Change in Position</b>	1,699,400	1,485,982	3,185,382
<b>Net Position - Beginning of Year</b>	<u>15,274,495</u>	<u>13,318,435</u>	<u>28,592,930</u>
<b>Net Position - End of Year</b>	<u>\$ 16,973,895</u>	<u>\$ 14,804,417</u>	<u>\$ 31,778,312</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**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 24, 2022, the District’s Board of Trustees approved Order 22-001 which put in place a 3.7% water rate adjustment. The increase, effective March 1, 2022, is projected to increase water revenue by \$962,906.

On February 28, 2022 the District’s Board of Trustees approved resolutions for the issuance of the following bonds that have yet to be issued:

<u>Resolution</u>	<u>Fund</u>	<u>Project</u>	<u>Principal</u>	<u>Full Debt Service</u>
22-003	Water Fund	Water Mains & Related Infrastructure (20 Years)	\$ 5,800,000	\$ 7,135,186
22-003	Water Fund	Water Mains & Related Infrastructure (10 Years)	2,000,000	2,121,808
			<u>\$ 7,800,000</u>	<u>\$ 9,256,994</u>

**REQUIRED SUPPLEMENTARY INFORMATION****December 31, 2021****Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan**

	2018	2019	2020	2021
<b>Total Pension Liability</b>				
Service cost	\$ 160,841	\$ 153,079	\$ 143,565	\$ 128,489
Interest	966,881	984,696	976,184	913,919
Change in benefit terms	-	124,915	-	-
Difference between expected and actual experience	(138,333)	(273,426)	(954,383)	118,140
Changes in assumptions	-	275,750	290,329	1,378,752
Benefit payments	(699,644)	(745,100)	(818,174)	(908,368)
Net change in total pension liability	289,745	519,914	(362,479)	1,630,932
Net pension liability - beginning	15,100,057	15,389,802	15,909,716	15,547,237
Total pension liability - ending (a)	\$ 15,389,802	\$ 15,909,716	\$ 15,547,237	\$ 17,178,169
Plan fiduciary net position				
Contribution - employer	\$ 817,528	\$ 657,022	\$ 632,344	\$ 816,192
Net investment income	(889,719)	2,299,668	1,844,172	1,791,576
Benefit payments	(699,644)	(745,100)	(818,174)	(908,368)
Net change in plan fiduciary net position	(771,835)	2,211,590	1,658,342	1,699,400
Plan fiduciary of net position - beginning	12,176,397	11,404,562	13,616,152	15,274,495
Plan fiduciary of net position - ending (b)	\$ 11,404,562	\$ 13,616,152	\$ 15,274,494	\$ 16,973,895
Net pension liability - ending (a)-(b)	\$ 3,985,240	\$ 2,293,564	\$ 272,743	\$ 204,274
Plan fiduciary net position as a percentage of total pension liability	74%	86%	98%	99%
Covered payroll	\$ 3,367,434	\$ 3,365,672	\$ 2,968,576	\$ 2,514,595
District's net pension liability as a percentage of covered payroll	118%	68%	9%	8%
<b>Schedule of Investment Returns</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Annual money-weighted rate of return, net of investment return	(7.16%)	19.98%	12.81%	12.42%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED****December 31, 2021****Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan - Continued**

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 168,163	\$ 195,241	\$ 169,601	\$ 168,310
Interest	784,769	918,080	958,787	955,116
Change in benefit terms	-	-	94,108	13,576
Difference between expected and actual experience	1,635,699	(115,154)	(154,202)	136,114
Changes in assumptions	-	-	(504,440)	644,838
Benefit payments	<u>(507,918)</u>	<u>(564,678)</u>	<u>(584,988)</u>	<u>(631,191)</u>
Net change in total pension liability	2,080,713	433,489	(21,134)	1,286,763
Net pension liability - beginning	<u>11,320,226</u>	<u>13,400,939</u>	<u>13,834,428</u>	<u>13,813,294</u>
Total pension liability - ending (a)	<u>\$ 13,400,939</u>	<u>\$ 13,834,428</u>	<u>\$ 13,813,294</u>	<u>\$ 15,100,057</u>
Plan fiduciary net position				
Contribution - employer	\$ 502,000	\$ 609,851	\$ 684,363	\$ 870,877
Net investment income	377,415	(73,698)	781,667	2,067,152
Benefit payments	<u>(507,918)</u>	<u>(564,679)</u>	<u>(584,988)</u>	<u>(631,191)</u>
Net change in plan fiduciary net position	371,497	(28,526)	881,042	2,306,838
Plan fiduciary of net position - beginning	<u>8,645,546</u>	<u>9,017,043</u>	<u>8,988,517</u>	<u>9,869,559</u>
Plan fiduciary of net position - ending (b)	<u>\$ 9,017,043</u>	<u>\$ 8,988,517</u>	<u>\$ 9,869,559</u>	<u>\$ 12,176,397</u>
Net pension liability - ending (a)-(b)	<u>\$ 4,383,896</u>	<u>\$ 4,845,911</u>	<u>\$ 3,943,735</u>	<u>\$ 2,923,660</u>
Plan fiduciary net position as a percentage of total pension liability	67%	65%	71%	81%
Covered payroll	\$ 4,198,147	\$ 4,048,574	\$ 4,026,235	\$ 3,825,166
District's net pension liability as a percentage of covered payroll	104%	120%	98%	76%
<b>Schedule of Investment Returns</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment return	4.27%	(0.97%)	8.38%	19.98%

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, 2021****Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total Pension Liability</b>				
Service cost	\$ 192,284	\$ 190,869	\$ 198,332	\$ 212,607
Interest	803,360	824,557	821,796	818,185
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	43,588	185,820	(76,959)	315,451
Changes in assumptions	-	-	207,627	230,871
Benefit payments	<u>(710,413)</u>	<u>(713,961)</u>	<u>(685,000)</u>	<u>(685,250)</u>
Net change in total pension liability	328,819	487,285	465,796	891,864
Net pension liability - beginning	<u>12,525,345</u>	<u>12,854,166</u>	<u>13,341,455</u>	<u>13,807,251</u>
Total pension liability - ending (a)	<u>\$ 12,854,164</u>	<u>\$ 13,341,451</u>	<u>\$ 13,807,251</u>	<u>\$14,699,115</u>
<b>Plan fiduciary net position</b>				
Contribution - employer	\$ 596,920	\$ 455,752	\$ 488,318	\$ 608,121
Net investment income	(805,757)	2,049,544	1,624,656	1,563,111
Benefit payments	<u>(710,413)</u>	<u>(713,961)</u>	<u>(685,000)</u>	<u>(685,250)</u>
Net change in plan fiduciary net position	(919,250)	1,791,335	1,427,974	1,485,982
Plan fiduciary of net position - beginning	<u>11,018,376</u>	<u>10,099,126</u>	<u>11,890,461</u>	<u>13,318,435</u>
Plan fiduciary of net position - ending (b)	<u>\$ 10,099,126</u>	<u>\$ 11,890,461</u>	<u>\$ 13,318,435</u>	<u>\$14,804,417</u>
Net pension liability - ending (a)-(b)	<u>\$ 2,755,038</u>	<u>\$ 1,450,990</u>	<u>\$ 488,816</u>	<u>\$ (105,302)</u>
Plan fiduciary net position as a percentage of total pension liability	79%	89%	96%	101%
Covered payroll	\$ 2,094,659	\$ 2,165,844	\$ 2,268,241	\$ 2,427,926
District's net pension liability as a percentage of covered payroll	132%	67%	22%	-4%
<b>Schedule of Investment Returns</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Annual money-weighted rate of return, net of investment return	(7.26%)	20.37%	13.64%	12.43%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED****December 31, 2021****Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan - Continued**

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service cost	\$ 205,440	\$ 229,085	\$ 214,157	\$ 196,096
Interest	672,086	802,879	849,544	852,297
Change in benefit terms	-	-	-	10,063
Difference between expected and actual experience	1,809,303	79,616	(29,531)	(746,340)
Changes in assumptions	-	-	(324,599)	533,290
Benefit payments	(587,753)	(651,317)	(621,009)	(657,627)
Net change in total pension liability	2,099,076	460,263	88,562	187,779
Net pension liability - beginning	9,689,665	11,788,741	12,249,004	12,337,566
Total pension liability - ending (a)	<u>\$ 11,788,741</u>	<u>\$ 12,249,004</u>	<u>\$ 12,337,566</u>	<u>\$ 12,525,345</u>
<b>Plan fiduciary net position</b>				
Contribution - employer	\$ 424,000	\$ 390,149	\$ 515,637	\$ 712,137
Net investment income	375,587	(47,726)	687,358	1,867,678
Benefit payments	(587,753)	(651,317)	(621,009)	(657,627)
Net change in plan fiduciary net position	211,834	(308,894)	581,986	1,922,188
Plan fiduciary of net position - beginning	8,611,262	8,823,096	8,514,202	9,096,188
Plan fiduciary of net position - ending (b)	<u>\$ 8,823,096</u>	<u>\$ 8,514,202</u>	<u>\$ 9,096,188</u>	<u>\$ 11,018,376</u>
Net pension liability - ending (a)-(b)	<u>\$ 2,965,645</u>	<u>\$ 3,734,802</u>	<u>\$ 3,241,378</u>	<u>\$ 1,506,969</u>
Plan fiduciary net position as a percentage of total pension liability	75%	70%	74%	88%
Covered payroll	\$ 2,855,590	\$ 2,753,837	\$ 2,584,837	\$ 2,238,080
District's net pension liability as a percentage of covered payroll	104%	136%	125%	67%
<b>Schedule of Investment Returns</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment return	4.29%	(0.95%)	7.92%	19.85%

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, 2021**

**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 January 1, 2022 actuarial valuation report.

Additional information from the January 1, 2022 actuarial valuation follows:

Fiscal year ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
<b>Bargaining Unit</b>					
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%
2020	\$ 632,344	\$ 632,344	\$ -	\$ 2,968,576	21.3%
2021	\$ 816,192	\$ 816,192	\$ -	\$ 2,514,595	32.5%
<b>Non-Bargaining Unit</b>					
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%
2020	\$ 488,318	\$ 488,318	\$ -	\$ 2,268,241	21.5%
2021	\$ 608,121	\$ 608,121	\$ -	\$ 2,427,926	25.0%

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	January 1, 2022	January 1, 2022
Measurement date	December 31, 2021	December 31, 2021
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	6.0%	6.0%
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	Pri-2012 Blue Collar Dataset Employee Amount – Weighted Mortality with Scale MP-2021	RP-2012 Total Dataset Employee Amount – Weighted Mortality with Scale MP-2021

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2021**

**Schedule of Investment Returns**

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

	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>
2021	12.42%	12.43%
2020	12.81%	13.64%
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 81 to 83

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	
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	\$211,071,653	\$26,149,340	\$237,220,993
2020	\$218,114,336	\$26,736,528	\$244,850,864
2021	\$232,901,919	\$17,170,119	\$250,072,038

### 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
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
2020	\$46,239,468	\$41,331,292	\$4,908,176	(\$1,479,569)	\$3,428,607	\$4,201,264	\$7,629,871
2021	\$50,031,055	\$43,778,873	\$6,252,182	(\$1,815,641)	\$4,436,541	\$2,784,633	\$7,221,174

## 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
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
2020	\$16,591,770	\$6,948,024	\$1,463,871	\$1,159,717	\$19,604,461	\$471,625	\$46,239,468
2021	\$16,223,526	\$7,504,734	\$1,511,988	\$1,215,749	\$21,083,736	\$2,491,322	\$50,031,055

\*\* Other Operating Revenue includes watershed grants, 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	Watershed Grant	Other Expenses*	TOTAL
2012	\$9,476,819	\$8,236,258	\$4,390,669	\$3,511,719	\$1,871,944	\$1,174,262	\$1,508,787	\$980,640	\$0	\$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	\$0	\$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	\$0	\$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	\$0	\$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	\$0	\$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	\$0	\$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	\$0	\$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	\$0	\$2,551,342	\$41,725,703
2020	\$11,857,086	\$10,304,624	\$4,736,987	\$4,862,161	\$1,859,039	\$1,704,001	\$1,508,430	\$1,239,730	\$0	\$3,259,234	\$41,331,292
2021	\$12,368,700	\$10,886,036	\$3,979,251	\$4,869,919	\$1,978,899	\$2,275,184	\$1,715,342	\$1,238,597	\$1,860,700	\$2,606,245	\$43,778,873

\* 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	Investment Unrealized Gain (Loss)	Miscellaneous Income*	Gain on Sale of Operating Property	Interest & Amortization Expense	TOTAL
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)
2020	\$573,123	\$12,614	\$382,075	(\$300,154)	(\$2,147,227)	(\$1,479,569)
2021	\$197,403	(\$214,829)	\$444,965	(\$75,207)	(\$2,167,973)	(\$1,815,641)

\* Miscellaneous Income includes jobbing revenue and grant monies.

\*\* Investment Unrealized Gain (Loss) not available prior to 2020

## ANNUAL CONTRIBUTIONS BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Water						TOTAL
	Distribution Mains	Water Services	Hydrants	Water Meters	Other Water	Wastewater Equipment	
2012	\$1,735,559	\$199,772	\$92,940	\$92,750	\$46,334	\$284,965	\$2,452,3
2013	\$1,160,992	\$181,880	\$121,193	\$58,418	\$0	\$775,538	\$2,298,0
2014	\$1,358,398	\$205,879	\$70,983	\$134,540	\$300,000	\$0	\$2,069,8
2015	\$2,104,408	\$291,423	\$171,710	\$116,476	\$37,412	\$0	\$2,721,4
2016	\$1,993,427	\$226,657	\$117,670	\$150,904	\$0	\$0	\$2,488,6
2017	\$1,392,413	\$305,329	\$90,204	\$257,259	\$21,000	\$1,156,764	\$3,222,9
2018	\$1,207,854	\$176,992	\$121,873	\$214,998	\$221,257	(\$9,464)	\$1,933,5
2019	\$2,149,640	\$385,517	\$228,880	\$117,595	\$0	\$942,600	\$3,824,2
2020	\$3,009,540	\$207,108	\$163,159	\$93,957	\$50,000	\$677,500	\$4,201,2
2021	\$1,891,638	\$288,003	\$107,840	\$202,552	\$20,000	\$274,600	\$2,784,6

## 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
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%
2020	7,631,358	6,415,803	1,215,555	15.9%	14.2%
2021	7,521,708	6,257,807	1,263,901	16.8%	12.3%

Note: Gallons are presented in thousands.

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

## Debt Capacity - Page 83

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			Total Outstanding Debt	Debt Per Capita	Debt % of Personal Income
	Revenue Bonds	Notes Payable	Lease Liability			
2012	\$55,469,976	\$211,840	\$0	\$55,681,816	\$274	0.7%
2013	\$67,132,695	\$198,600	\$0	\$67,331,295	\$331	0.9%
2014	\$66,616,415	\$185,360	\$0	\$66,801,775	\$323	0.8%
2015	\$71,439,509	\$172,120	\$0	\$71,611,629	\$344	0.9%
2016	\$83,744,412	\$158,880	\$0	\$83,903,292	\$399	1.0%
2017	\$86,007,583	\$145,640	\$0	\$86,153,223	\$409	0.9%
2018	\$91,605,693	\$132,400	\$0	\$91,738,093	\$433	1.0%
2019	\$91,450,918	\$119,160	\$0	\$91,570,078	\$430	0.9%
2020	\$92,024,465	\$105,920	\$135,013	\$92,265,398	\$420	0.9%
2021	\$94,851,951	\$92,680	\$191,477	\$95,136,108	n/a	n/a

# Revenue Capacity - Pages 84 - 88

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

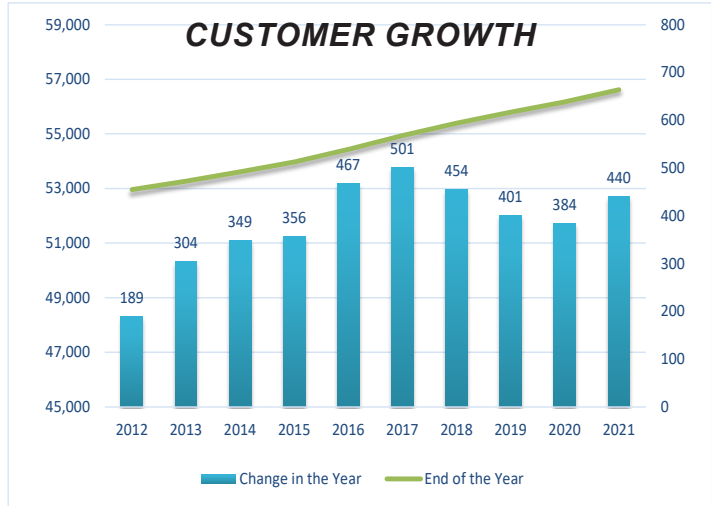
Current Year (2021) & Ten Years Ago (2012)			
Ten Years Ago (2012):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	779,300	\$648,169
National Semiconductor (Texas Instruments)	So. Portland	306,608	\$300,467
Sappi Fine Paper	Westbrook	275,653	\$295,853
Fairchild Semiconductor (ON Semi)	So. Portland	143,760	\$140,338
Yarmouth Water District	Yarmouth	129,613	\$141,273
B&G Foods	Portland	112,781	\$102,733
Ecomaine	Portland	107,477	\$103,360
Maine Medical Center	Portland	71,908	\$157,675
Portland Housing Authority	Portland	63,465	\$167,628
Shipyard Beverage	Portland	<u>44,329</u>	<u>\$50,613</u>
		2,034,894	\$2,108,109
TOTAL SALES		7,595,574	\$20,220,433
PERCENT OF TOTAL SALES		26.8%	10.4%
Current Year (2021):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	539,733	\$610,899
Sappi Fine Paper	Wesbrook	298,794	\$412,843
Texas Instruments	So. Portland	247,705	\$291,747
Maine Medical Center	Portland	105,837	\$215,074
ON Semiconductor	So. Portland	130,914	\$169,355
Yarmouth Water District	Yarmouth	111,508	\$155,555
Ecomaine	Portland	117,555	\$152,701
Portland Housing Authority	Portland	42,957	\$130,371
Advance Pierre Foods	Portland	52,207	\$83,129
Port Property Management	Portland	<u>23,655</u>	<u>\$71,919</u>
		1,670,865	\$2,293,593
TOTAL SALES		8,366,052	\$26,455,997
PERCENT OF TOTAL SALES		20.0%	8.7%

\* = Hundreds of Cubic Feet

## NET GROWTH IN CUSTOMERS

Last Ten Fiscal Years

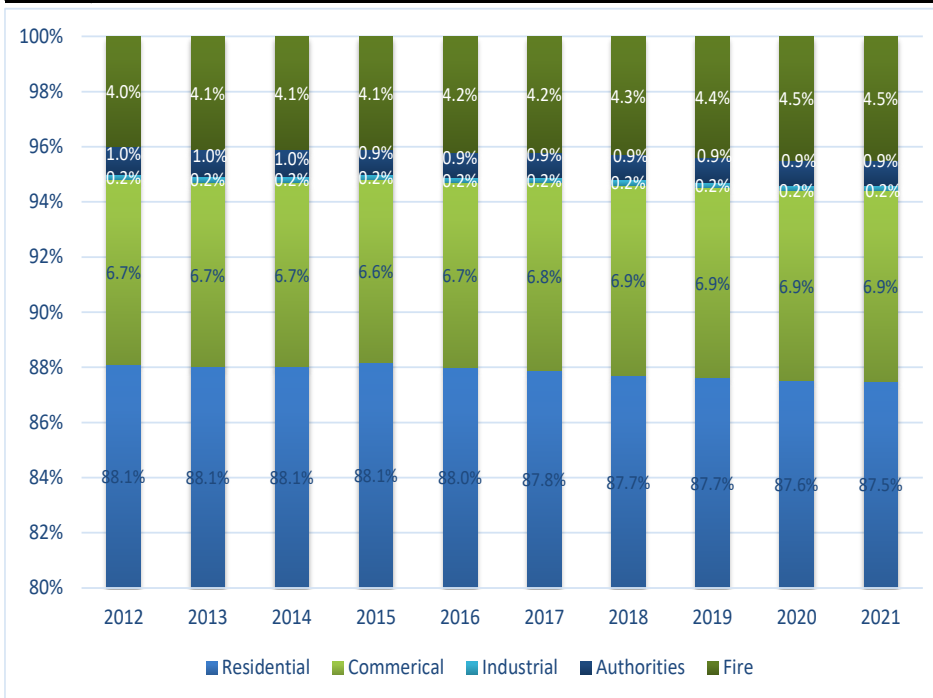
Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Percent Increase
2012	52,773	52,962	189	0.4%
2013	52,962	53,266	304	0.6%
2014	53,266	53,615	349	0.7%
2015	53,615	53,971	356	0.7%
2016	53,971	54,438	467	0.9%
2017	54,438	54,939	501	0.9%
2018	54,939	55,393	454	0.8%
2019	55,393	55,794	401	0.7%
2020	55,794	56,178	384	0.7%
2021	56,178	56,618	440	0.8%



## NUMBER OF WATER CUSTOMERS BY TYPE

Last Ten Fiscal Years

Metered Customers							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
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
2020	49,219	3,867	93	493	53,672	2,506	56,178
2021	49,542	3,926	92	498	54,058	2,560	56,618



## 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:

- 01/01/12 to 04/30/13
- 05/01/13 to 04/30/14
- 05/01/14 to 04/30/15
- 05/01/15 to 04/30/16
- 05/01/16 to 04/30/17
- 05/01/17 to 04/30/18
- 05/01/18 to 04/30/19
- 05/01/19 to 11/30/20
- 12/01/20 to 12/31/21

\* 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 01/01/12 to 04/30/13		Effective 05/01/13 to 04/30/14		Effective 05/01/14 to 04/30/15	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	38.07	43.78	38.64	44.40	39.84	45.72
3	85.14	97.91	86.40	99.36	89.40	102.36
4	152.02	174.83	154.32	177.48	158.88	182.76
6	363.13	417.59	368.64	423.84	379.80	436.68
8	608.10	699.30	617.28	709.80	635.88	731.04
10	950.22	1,092.77	964.44	1,109.16	993.36	1,143.00
12	1,368.24	1,573.47	1,388.76	1,597.08	1,430.40	1,645.08
16	2,432.40	2,797.28	2,468.88	2,839.20	2,542.92	2,924.40
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	8.15	9.37	8.25	9.48	8.46	9.73
3/4	9.60	11.03	9.72	11.16	9.97	11.45
1	12.48	14.35	12.63	14.52	12.93	14.90
1 1/2	19.99	22.98	20.35	23.40	21.14	24.31
2	28.79	33.09	29.31	33.69	30.45	35.00
3	52.23	60.05	53.18	61.14	55.25	63.52
4	78.60	90.39	80.03	92.04	83.15	95.63
6	151.87	174.64	154.64	177.82	160.67	184.75
8	239.78	275.75	244.15	280.78	253.67	291.73
10	347.18	399.26	353.51	406.54	367.30	422.40
12	459.58	528.51	467.96	538.14	486.21	559.13
Low Income	2.05	2.36	2.07	2.39	2.12	2.45
<b>Seasonal Water *1</b>						
<b>Minimum Seasonal Charges</b>						
5/8	202.45	232.82	205.49	236.31	211.65	243.40
3/4	257.94	296.62	261.81	301.07	269.66	310.10
1	313.43	360.44	318.13	365.85	327.67	376.83
1 1/2	498.38	573.14	505.86	581.74	521.04	599.19
2	720.33	828.38	731.13	840.81	753.06	866.03
3	1,312.21	1,509.05	1,331.89	1,531.69	1,371.85	1,577.64
4	1,978.08	2,274.79	2,007.75	2,308.91	2,067.98	2,378.18
6	3,827.69	4,401.85	3,885.11	4,467.88	4,001.66	4,601.92
8	6,047.24	6,954.33	6,137.95	7,058.64	6,322.09	7,270.40
10	11,966.02	13,760.92	12,145.51	13,967.33	12,509.88	14,386.35
12	18,624.64	21,418.34	18,904.01	21,739.62	19,508.65	22,434.96
<b>Volume Charges</b>						
<b>Four Blocks (Step 5)</b>						
<b>Monthly</b>						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.05	2.36	2.07	2.39	2.12	2.45
Next 7,000 Cf	1.63	1.88	1.66	1.91	1.72	1.98
Next 40,000 Cf	1.43	1.65	1.46	1.68	1.52	1.75
Over 50,000 Cf	0.82	0.94	0.83	0.96	0.86	1.00
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.06	2.37	2.07	2.39	2.12	2.45
Over 90,000 Cf	1.42	1.63	1.46	1.68	1.52	1.75
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	35.89	41.28	36.43	41.90	37.52	43.16

\*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 05/01/15 to 04/30/16		Effective 05/01/16 to 04/30/17		Effective 05/01/17 to 04/30/18	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	41.40	47.52	42.84	49.20	43.32	49.68
3	92.40	106.20	95.88	110.16	96.84	111.36
4	164.88	189.72	171.12	196.80	172.80	198.72
6	394.20	453.24	408.96	470.16	413.04	474.84
8	660.00	758.88	684.36	787.08	691.56	795.00
10	1,031.16	1,186.44	1,069.56	1,230.72	1,080.24	1,242.96
12	1,484.76	1,707.60	1,540.20	1,771.32	1,555.56	1,788.96
16	2,639.52	3,035.52	2,738.04	3,148.80	2,765.40	3,180.24
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	8.74	10.05	9.03	10.38	9.11	10.47
3/4	10.30	11.83	10.64	12.22	10.74	12.33
1	13.36	15.39	13.80	15.90	13.92	16.04
1 1/2	22.19	25.51	23.29	26.77	23.60	27.13
2	31.96	36.73	33.54	38.55	33.99	39.07
3	57.98	66.66	60.85	69.96	61.67	70.90
4	87.27	100.36	91.59	105.33	92.83	106.75
6	168.62	193.90	176.97	203.50	179.36	206.25
8	266.23	306.17	279.41	321.33	283.18	325.67
10	385.48	443.31	404.56	465.25	410.02	471.53
12	510.28	586.81	535.54	615.86	542.77	624.17
Low Income	2.19	2.53	2.26	2.61	2.28	2.63
<b>Seasonal Water</b>						
<b>Minimum Seasonal Charges</b>						
5/8	219.69	252.65	227.88	262.07	216.90	249.44
3/4	279.91	321.88	290.35	333.89	293.25	337.33
1	340.12	391.15	352.81	405.74	356.34	409.80
1 1/2	540.84	621.96	561.01	645.16	566.62	651.61
2	781.68	898.94	810.84	932.47	818.95	941.79
3	1,423.98	1,637.59	1,477.09	1,698.67	1,491.86	1,715.66
4	2,146.56	2,468.55	2,226.63	2,560.63	2,248.90	2,586.24
6	4,153.72	4,776.79	4,308.65	4,954.96	4,351.74	5,004.51
8	6,562.33	7,546.68	6,807.10	7,828.17	6,875.17	7,906.45
10	12,985.26	14,933.03	13,469.61	15,490.03	13,604.31	15,644.93
12	20,249.98	23,287.49	21,005.30	24,156.11	21,215.35	24,397.67
<b>Volume Charges</b>						
<b>Four Blocks (Step 5)</b>						
<b>Monthly</b>						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.19	2.53	2.26	2.61	2.28	2.63
Next 7,000 Cf	1.81	2.08	1.90	2.18	1.93	2.21
Next 40,000 Cf	1.60	1.84	1.68	1.93	1.70	1.96
Over 50,000 Cf	0.90	1.05	0.94	1.10	0.95	1.11
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.19	2.45	2.26	2.61	2.28	2.63
Over 90,000 Cf	1.58	1.75	1.64	1.89	1.66	1.91
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	38.95	44.80	40.40	46.47	40.80	46.93

\*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 05/01/18 to 04/30/19		Effective 05/01/19 to 11/30/20		Effective 12/01/20 to 12/31/21	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	45.00	51.60	46.92	53.88	48.48	55.68
3	100.44	115.44	104.88	120.48	108.48	124.68
4	179.28	206.16	187.08	215.16	193.44	222.48
6	428.52	492.72	447.24	514.20	462.36	531.60
8	717.48	824.76	748.80	860.76	774.12	889.80
10	1,120.80	1,289.64	1,169.64	1,345.92	1,209.12	1,391.40
12	1,613.88	1,856.04	1,684.20	1,936.92	1,741.08	2,000.04
16	2,869.08	3,299.52	2,994.12	3,443.40	3,095.28	3,559.80
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	9.40	10.81	9.75	11.21	10.04	11.55
3/4	11.08	12.72	11.49	13.19	11.83	13.59
1	14.37	16.55	14.90	17.16	15.35	17.67
1 1/2	24.73	28.43	26.10	30.01	27.27	31.36
2	35.62	40.95	37.60	43.22	39.29	45.16
3	64.63	74.30	68.22	78.42	71.29	81.95
4	97.29	111.87	102.69	118.08	107.31	123.39
6	187.97	216.15	198.40	228.15	207.33	238.42
8	296.77	341.30	313.24	360.24	327.34	376.45
10	429.70	494.16	453.55	521.59	473.96	545.06
12	568.82	654.13	600.39	690.43	627.41	721.50
Low Income	2.36	2.77	2.44	2.81	2.51	2.89
<b>Seasonal Water</b>						
<b>Minimum Seasonal Charges</b>						
5/8	225.03	258.79	234.84	270.07	242.78	279.20
3/4	304.25	349.88	317.52	365.13	328.25	377.47
1	369.70	425.17	385.82	443.71	398.86	458.71
1 1/2	587.87	676.05	613.50	705.53	634.24	729.38
2	849.66	977.11	886.71	1,019.71	916.68	1,054.18
3	1,547.80	1,780.00	1,615.28	1,857.61	1,669.88	1,920.40
4	2,333.23	2,683.22	2,434.96	2,800.21	2,517.26	2,894.86
6	4,514.93	5,192.18	4,711.78	5,418.56	4,871.04	5,601.71
8	7,132.99	8,202.94	7,443.99	8,560.59	7,695.60	8,849.94
10	14,114.47	16,231.61	14,729.86	16,939.31	15,227.73	17,511.86
12	22,010.92	25,312.58	22,970.60	26,416.21	23,747.01	27,309.08
<b>Volume Charges</b>						
<b>Four Blocks (Step 5)</b>						
<b>Monthly</b>						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.35	2.71	2.44	2.81	2.51	2.89
Next 7,000 Cf	2.02	2.33	2.13	2.47	2.23	2.57
Next 40,000 Cf	1.78	2.04	1.88	2.14	1.96	2.25
Over 50,000 Cf	1.00	1.15	1.06	1.20	1.11	1.28
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.35	2.71	2.44	2.81	2.51	2.89
Over 90,000 Cf	1.78	2.04	1.88	2.14	1.96	2.25
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	42.33	48.69	44.18	50.81	45.67	52.53

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

## Operating Information - Page 89 to 90

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\**

<b>Water Assets</b>										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Services	56,389	56,252	53,643	54,022	54,370	54,912	55,245	55,686	56,114	57,460
Meters	51,818	52,275	53,071	53,958	53,132	53,589	53,859	54,259	53,222	54,027
Hydrants	4,954	4,985	5,003	5,048	5,079	5,085	5,123	5,169	5,197	5,212
Gate Valves	11,270	11,294	11,458	11,542	11,671	11,821	11,971	12,062	12,033	12,203
Distribution Mains (miles)	961.7	945.3	947.2	949.6	952.5	958.7	961.3	965.5	969.4	973.6
Transmission Mains (miles)	41.4	41.4	40.7	40.7	41.1	41.1	41.1	41.2	41.9	42.0

<b>Wastewater Assets</b>										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Interceptors (miles)	46.9	48.1	48.1	45.3	45.3	43.1	43.1	43.1	43.1	43.1
Foremains (miles)	21.9	22.3	22.5	25.6	25.6	30.6	30.6	31.6	31.7	32.1
Collectors (miles)	25.7	25.7	26.1	34.4	34.4	41.1	41.3	41.6	42.4	43.3
Storm Drains (miles)	1.7	1.7	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Manholes	2,387	2,436	2,442	2,523	2,523	2,609	2,616	2,631	2,652	2,631
Combined Sewer Overflows	28	28	28	28	28	28	28	28	25	26

<b>Wastewater Flow Treated*</b>										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
East End (Portland)	18.00	17.22	18.92	16.38	16.41	17.55	17.55	15.58	15.12	14.19
Westbrook/Gorham	3.13	3.01	3.25	2.54	2.47	3.04	3.31	3.15	3.03	2.95
Cape Elizabeth	0.28	0.26	0.30	0.23	0.24	0.27	0.28	0.25	0.24	0.23
Peaks Island (Portland)	0.09	0.09	0.10	0.09	0.09	0.10	0.11	0.10	0.10	0.10

\* Daily average in millions of gallons

<b>Wastewater Biosolids Disposal**</b>										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
East End (Portland)	38.66	45.17	48.18	50.28	47.37	63.20	58.25	58.94	52.87	56.04
Westbrook/Gorham	12.38	12.96	13.96	14.23	15.99	14.39	15.09	13.12	12.17	11.39
Cape Elizabeth	0.48	0.60	0.59	0.66	0.71	1.30	0.75	0.56	0.70	0.55
Peaks Island (Portland)	0.12	0.12	0.12	0.13	0.15	0.19	0.14	0.16	0.09	0.12

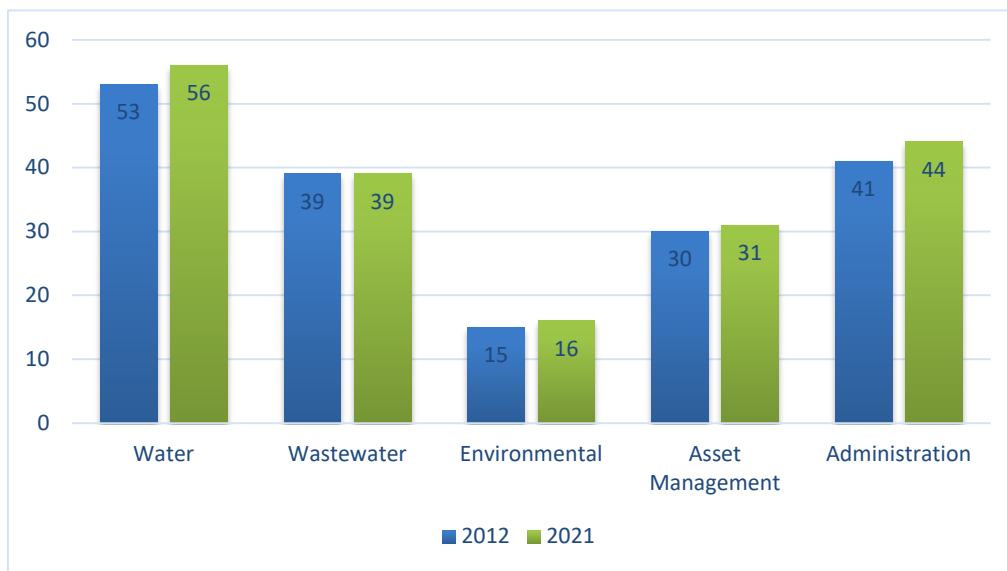
\*\* Daily average in wet tons

## NUMBER OF EMPLOYEES BY ACTIVITY - Actual Approved Full Time Headcount

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Water Operations:</b>										
Water Distribution	24	24	23	22	22	22	22	22	24	24
Water Utility Services	13	13	14	15	15	15	16	16	16	16
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	5	5	5	5	5	5	5	5	5	5
	53	53	53	53	53	53	54	54	56	56
<b>Wastewater Operations:</b>										
Wastewater Treatment	25	24	25	25	24	25	23	23	23	23
Water/Wastewater Systems	12	13	13	13	13	13	13	13	13	13
Administrative/Other	2	2	1	1	1	1	2	3	3	3
	39	39	39	39	38	39	38	39	39	39
<b>Environmental Services:</b>										
Environmental Services	8	8	8	8	9	9	9	9	9	9
Laboratory	7	7	7	7	7	7	8	7	7	7
	15	15	15	15	16	16	17	16	16	16
<b>Asset Management &amp; Planning:</b>										
Planning & Design	17	17	17	17	17	16	18	18	18	18
Facilities Services	10	10	10	10	10	10	10	10	10	10
Instrumentation	3	3	3	3	3	4	3	3	3	3
	30	30	30	30	30	30	31	31	31	31
<b>Administration:</b>										
Customer Service	14	14	14	14	14	13	14	14	14	14
Executive Office	9	8	8	8	9	9	10	10	10	10
Financial Services	8	9	9	9	8	8	8	8	8	8
Information Services	7	7	7	7	7	7	7	7	8	8
Employee Services	3	3	3	3	3	3	3	3	4	4
	41	41	41	41	41	40	42	42	44	44
<b>TOTAL</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>178</b>	<b>182</b>	<b>182</b>	<b>186</b>	<b>186</b>

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



# Demographic and Economic Information - Page 91

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
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	212,754	\$10,155,680,814	\$34,426	2.2%
2020	219,443	\$10,525,827,198	\$34,731	4.2%
2021	n/a	n/a	n/a	2.9%

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.

(1) Source: U.S. Census Bureau

(2) Source: State of Maine, Department of Labor

n/a = data not available

## PRINCIPAL EMPLOYERS

*Current Year*

### Ten Largest Employers\*

Employer Name	Employees	Business Description
Maine Health	11,001 to 11,500	General Medical & Surgical Hospitals
Hannaford	2,501 to 3,000	Supermarkets & Other Grocery Stores
Unum Group	2,501 to 3,000	Direct Life Insurance Carriers
Alere Scarborough	1,001 to 1,500	In-vitro Diagnostic Substance Manufacturing
Northern Light Mercy Hospital	1,001 to 1,500	General Medical & Surgical Hospitals
Index Laboratories	1,001 to 1,500	Pharmaceutical Preparation Manufacturing
WEX LLC	1,001 to 1,500	Financial Transaction Processing
Walmart/Sam's Club	1,001 to 1,500	Discount Department Stores
TD Bank NA	1,001 to 1,500	Commercial Banking
Tyler Technologies	501 to 1000	Computer Systems Design Services

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 92 to 106

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
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
2020 (j)	\$16,591,771	\$4,386,721	\$1,534,935	\$833,501	\$1,463,871	\$1,159,717	\$155,409	\$37,457	\$26,163,382
2021	\$16,223,526	\$4,669,578	\$1,823,254	\$795,197	\$1,511,988	\$1,215,749	\$155,555	\$61,150	\$26,455,997

(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%.

(j) - Effective Dec 2020 metered water rates increased an average of 3.4%, public and private fire rates increased an average of 3.5%.

### WASTEWATER ASSESSMENTS

YEAR	Cape Elizabeth	Cumberland	Falmouth (a)	Gorham	Portland	Westbrook	Windham	TOTAL
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
2020	\$1,705,380	\$965,292	\$314,112	\$1,160,676	\$12,367,494	\$2,702,503	\$389,004	\$19,604,461
2021	\$1,835,412	\$989,268	\$314,112	\$1,188,840	\$13,441,944	\$2,903,244	\$410,916	\$21,083,736

(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

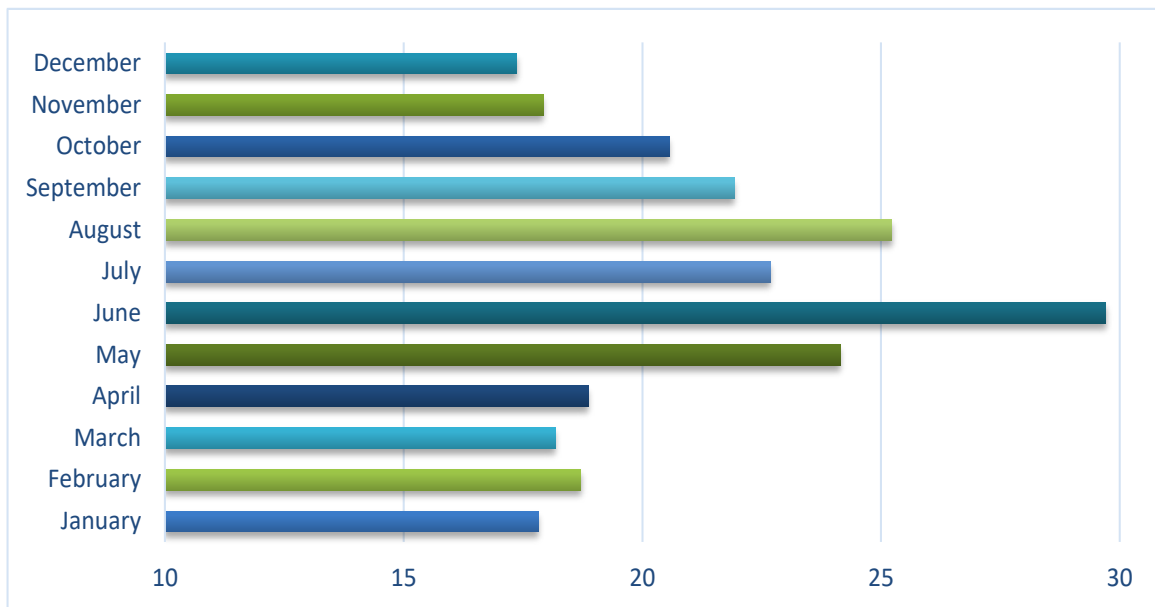
## 2021 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

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	17.765	0.049	17.815	0.001	0.508	0.769	0.089	0.391	0.434
February	18.657	0.051	18.708	0.000	0.476	0.793	0.090	0.402	0.435
March	18.121	0.052	18.173	0.001	0.464	0.855	0.087	0.402	0.447
April	18.809	0.051	18.861	0.001	0.471	0.561	0.096	0.491	0.475
May	24.083	0.060	24.144	0.001	0.642	0.805	0.155	0.747	0.667
June	29.633	0.070	29.703	0.004	0.951	0.971	0.183	1.019	0.934
July	22.625	0.052	22.677	0.001	0.648	0.667	0.124	0.639	0.590
August	25.171	0.054	25.225	0.001	0.701	0.769	0.144	0.757	0.660
September	21.872	0.053	21.925	0.001	0.632	0.623	0.118	0.595	0.590
October	20.509	0.051	20.560	0.000	0.508	0.579	0.105	0.493	0.523
November	17.885	0.038	17.923	0.000	0.423	0.535	0.092	0.425	0.468
December	17.334	0.040	17.374	0.000	0.442	0.532	0.086	0.419	0.460
Averages	21.039	0.052	21.091	0.001	0.572	0.705	0.114	0.565	0.557

## 2021 WATER PRODUCTION (MILLION GALLONS PER YEAR)

	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Road Boosted	Wards Hill Boosted
	7,679.128	18.924	7,698.052	0.085	208.807	257.296	41.675	206.224	203.288

## 2021 WATER PRODUCTION BY MONTH (MILLIONS OF GALLONS PER DAY, MGD)



**HISTORICAL SOURCE WATER PRODUCTION (MILLION GALLONS PER DAY)**

YEAR	Source Water									Boosted Water						Percentage Boosted to Total
	Sebago Lake					TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish	West Falmouth	Wards Hill	Total Boosted	
	Greater Portland System	Sebago Lake Standish System	Cumberland Wells	N. Windham Wells	Steep Falls Wells											
1963	19.936	0.043	0.000	0.168	0.013	20.160			0.168		0.021				0.189	0.94%
1964	19.402	0.039	0.000	0.144	0.013	19.598			0.188		0.032				0.220	1.12%
1965	20.214	0.047	0.076	0.196	0.011	20.544			0.183		0.025				0.208	1.01%
1966	20.189	0.048	0.161	0.166	0.013	20.577			0.187		0.032				0.219	1.06%
1967	18.785	0.060	0.152	0.142	0.012	19.151			0.195		0.028				0.223	1.16%
1968	20.576	0.159	0.191	0.156	0.014	21.096			0.213		0.031				0.244	1.16%
1969	21.849	0.167	0.192	0.179	0.019	22.406			0.210		0.036				0.246	1.10%
1970	21.875	0.137	0.205	0.186	0.020	22.423	17.180	5.243	0.228		0.043				0.271	1.21%
1971	22.511	0.185	0.275	0.230	0.022	23.223	17.070	6.153	0.246		0.045				0.291	1.25%
1972	21.232	0.221	0.225	0.263	0.022	21.963	16.380	5.583	0.257		0.063				0.320	1.46%
1973	21.846	0.220	0.228	0.288	0.021	22.603	16.290	6.313	0.228		0.113				0.341	1.51%
1974	21.810	0.202	0.221	0.334	0.017	22.584	16.410	6.174	0.242		0.114				0.356	1.58%
1975	21.635	0.215	0.266	0.363	0.021	22.500	15.960	6.540	0.258		0.167				0.425	1.89%
1976	21.589	0.258	0.274	0.345	0.022	22.488	16.020	6.468	0.266		0.194				0.460	2.05%
1977	21.060	0.246	0.310	0.408	0.039	22.063	16.840	5.223	0.273		0.193				0.466	2.11%
1978	21.566	0.247	0.296	0.351	0.037	22.497	17.300	5.197	0.255		0.325				0.580	2.58%
1979	19.306	0.261	0.161	0.490	0.046	20.264	17.470	2.794	0.250		0.160				0.410	2.02%
1980	19.104	0.250	0.177	0.419	0.043	19.993	16.550	3.443	0.266		0.306				0.572	2.86%
1981	19.720	0.274	0.204	0.433	0.039	20.670	16.880	3.790	0.245		0.190				0.435	2.10%
1982	21.462	0.252	0.209	0.433	0.036	22.392	17.840	4.552	0.231		0.214				0.445	1.99%
1983	20.459	0.293	0.186	0.433	0.032	21.403	18.160	3.243	0.213		0.259				0.472	2.21%
1984	21.466	0.273	0.155	0.342	0.044	22.280	18.990	3.290	0.245		0.448				0.693	3.11%
1985	21.322	0.247	0.185	0.357	0.042	22.153	19.270	2.883	0.268		0.428				0.696	3.14%
1986	21.425	0.270	0.201	0.405	0.030	22.331	19.700	2.631	0.289		0.365				0.654	2.93%
1987	22.528	0.255	0.238	0.463	0.044	23.528	19.190	4.338	0.276		0.354				0.630	2.68%
1988	23.141	0.287	0.243	0.426	0.065	24.162	19.460	4.702	0.295		0.465				0.760	3.15%
1989	22.728	0.285	0.209	0.421	0.057	23.700	19.270	4.430	0.324		0.461				0.785	3.31%
1990	22.916	0.182	0.198	0.461	0.053	23.810	18.630	5.180	0.366		0.427				0.793	3.33%
1991	19.293	0.146	0.202	0.432	0.033	20.106	19.670	0.436	0.384		0.485				0.869	4.32%
1992	20.360	0.142	0.263	0.471	0.038	21.274	17.950	3.324	0.394		0.496				0.890	4.18%
1993	23.092	0.160	0.269	0.493	0.046	24.060	17.920	6.140	0.332		0.509		0.146		0.987	4.10%
1994	22.415	0.023	0.194	0.525	0.038	23.195	18.318	4.877	0.357		0.461	N.A.	0.149		0.967	4.17%
1995	21.880	0.000	0.216	0.583	0.027	22.706	18.564	4.142	0.350		0.459	N.A.	0.159		0.968	4.26%
1996	22.619	0.000	0.242	0.699	0.026	23.586	18.402	5.184	0.355		0.452	N.A.	0.135		0.942	3.99%
1997	23.538	0.000	0.252	0.673	0.024	24.487	19.634	4.853	0.357		0.515	0.159	0.325		1.356	5.54%
1998	22.866	0.000	0.000	0.588	0.025	23.479	19.252	4.227	0.341		0.502	0.158	0.379		1.380	5.88%
1999	23.874	0.000	0.000	0.533	0.022	24.429	19.598	4.831	0.380	0.594	0.551	0.181	0.418		2.124	8.69%
2000	23.077	0.000	0.000	0.000	0.028	23.105	18.484	4.621	0.370	0.451	0.578	0.183	0.391		1.973	8.54%
2001	25.424	0.000	0.000	0.000	0.039	25.463	20.389	5.074	0.396	0.620	0.646	0.197	0.464		2.323	9.12%
2002	24.846	0.000	0.000	0.000	0.031	24.877	19.996	4.881	0.395	0.605	0.565	0.172	0.473		2.210	8.88%
2003	24.198	0.000	0.000	0.000	0.036	24.234	19.167	5.067	0.396	0.540	0.602	0.177	0.449		2.164	8.93%
2004	23.774	0.000	0.000	0.000	0.037	23.811	18.789	5.022	0.371	0.645	0.600	0.213	0.504		2.333	9.80%
2005	23.376	0.000	0.000	0.000	0.028	23.404	18.803	4.601	0.392	0.769	0.636	0.222	0.479		2.498	10.67%
2006	22.371	0.000	0.000	0.000	0.024	22.395	18.352	4.043	0.399	0.675	0.703	0.185	0.495		2.457	10.97%
2007	22.441	0.000	0.000	0.000	0.027	22.468	18.266	4.202	0.459	0.885	0.705	0.188	0.604		2.841	12.64%
2008	21.726	0.000	0.000	0.000	0.028	21.754	17.602	4.152	0.452	0.851	0.693	0.140	0.562		2.698	12.40%
2009	20.319	0.000	0.000	0.000	0.027	20.346	17.367	2.979	0.447	0.778	0.698	0.128	0.530		2.581	12.69%
2010	21.957	0.000	0.000	0.000	0.034	21.991	18.568	3.423	0.442	0.663	0.793	0.137	0.957		2.992	13.61%
2011	20.980	0.000	0.000	0.000	0.030	21.010	17.715	3.295	0.426	0.944	0.669	0.154	0.894		3.086	14.69%
2012	21.688	0.000	0.000	0.000	0.021	21.709	17.708	4.001	0.419	0.859	0.684	0.137	0.852		2.950	13.59%
2013	21.187	0.000	0.000	0.000	0.035	21.222	21.049	0.173	0.357	0.664	0.601	0.088	0.379		2.089	9.84%
2014	21.569	0.000	0.000	0.000	0.037	21.606	17.284	4.321	0.431	0.702	0.654	0.124	0.574		2.484	11.50%
2015	21.036	0.000	0.000	0.000	0.042	21.078	17.541	3.538	0.421	0.604	0.640	0.123	0.580		2.368	11.23%
2016	21.929	0.000	0.000	0.000	0.038	21.967	18.382	3.585	0.462	0.475	0.664	0.180	0.559		2.340	10.65%
2017	21.635	0.000	0.000	0.000	0.038	21.673	17.393	4.280	0.537	0.627	0.619	0.119	0.514		2.416	11.15%
2018	20.589	0.000	0.000	0.000	0.042	20.631	17.428	3.203	0.373	0.519	0.694	0.117	0.498	0.564	2.765	13.40%
2019	20.188	0.000	0.000	0.000	0.036	20.224	16.770	3.454	0.002	0.526	0.753	0.148	0.412	0.562	2.402	11.88%
2020	21.191	0.000	0.000	0.000	0.046	21.237	17.578	3.659	0.002	0.594	0.812	0.122	0.551	0.589	2.670	12.57%
2021	21.039	0.000	0.000	0.000	0.052	21.091	17.145	3.946	0.000	0.572	0.705	0.114	0.565	0.557	2.513	11.92%

\* Difference: Includes water used for flushing hydrants and new mains, fire protection, and water lost in main breaks and leakage.



### 2021 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,761	3,857	332	764	72.4
Cumberland	2,005	2,049	289	473	52.6
Falmouth	3,608	3,196	405	793	84.0
Gorham	3,063	2,668	330	799	63.6
Portland	19,568	19,021	1470	4,096	250.5
Raymond	47	30	25	17	2.8
Scarborough	5,876	4,978	702	1,282	118.4
South Portland	8,722	8,294	585	1,693	121.8
Standish	839	748	150	225	27.7
Westbrook	6,204	5,869	576	1,259	90.6
Windham	3,722	3,275	348	799	89.2
Yarmouth	45	42	0	3	0.2
<b>TOTAL</b>	<b>57,460</b>	<b>54,027</b>	<b>5,212</b>	<b>12,203</b>	<b>973.6</b>

### 2021 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	79	1	3,532	111	7	25	6	3,761
Cumberland	21	5	1,855	62	1	56	5	2,005
Falmouth	61	2	3,367	67	3	93	15	3,608
Gorham	28	0	2,805	91	3	124	12	3,063
Portland	950	9	17,009	414	22	886	278	19,568
Raymond	1	0	41	0	0	5	0	47
Scarborough	158	0	5,084	296	4	324	10	5,876
South Portland	261	1	7,805	208	15	346	86	8,722
Standish	15	0	766	17	0	10	31	839
Westbrook	112	0	5,661	141	1	276	13	6,204
Windham	124	4	3,213	273	0	98	10	3,722
Yarmouth	0	0	42	1	0	2	0	45
<b>TOTAL</b>	<b>1,810</b>	<b>22</b>	<b>51,180</b>	<b>1,681</b>	<b>56</b>	<b>2,245</b>	<b>466</b>	<b>57,460</b>

## WATER QUALITY ANALYSIS

(AS TESTED ON APRIL 26, 2022, UNLESS OTHERWISE NOTED)

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.

Compound	Units	Greater Portland Untreated	Greater Portland Treated	Greater Portland Distribution <sup>1</sup>	Steep Falls Untreated	Steep Falls Treated	MCL <sup>2</sup> (for comparison only)
<b>Physical</b>							
Color	SU	5	<5	<5	<5	<5	15
Conductivity	µS	52.7	74.4	70.1	210.7	220.1	**
Total Residue	mg/L	14	5	6	114	42	500
Turbidity	NTU	0.23	0.20	0.13	0.31	0.22	1
<b>Inorganic Non-metals</b>							
Residual chlorine <sup>3</sup>	mg/L	0	2.2	1.94	0	1.3	4
Alkalinity (as CaCO <sub>3</sub> )	mg/L	4.9	8.2	9.3	12.1	21.3	**
Ammonia – N	mg/L	<0.01	0.36	0.43	<0.01	<0.01	**
Nitrite – N	mg/L	0.004	0.006	0.012	0.004	0.006	1
Nitrate – N	mg/L	<0.25	<0.25	<0.25	1.5	1.6	10
Chloride	mg/L	9	10	10	49	54	250
Dissolved Oxygen	mg/L	12.1	18.4	17.0	9.4	11.0	**
Fluoride	mg/L	0.07	0.66	0.58	0.08	0.63	4
Hardness (as CaCO <sub>3</sub> )	mg/L	NA	6.7	NA	NA	23.7	150
pH <sup>3</sup>	SU	7.18	8.09	8.2	6.09	7.82	8.5
Silica	mg/L	3.1	3.4	3.4	9.9	9.7	**
Phosphorus	mg/L	0.01	0.32	0.33	0.02	0.02	**
Sulfate <sup>5</sup>	mg/L	2	3	3	4	5	250
<b>Inorganic Metals<sup>4</sup></b>							
Arsenic	mg/L	<0.02	>0.02	<0.02	<0.02	<0.02	0.05
Barium	mg/L	0.0032	0.0033	0.0033	0.0062	0.0062	2
Cadmium	mg/L	<0.003	<0.003	<0.003	<0.003	<0.003	0.005
Calcium	mg/L	2.9	3.0	3	7.3	7.2	**
Chromium	mg/L	<0.008	<0.008	<0.008	<0.008	<0.008	0.1
Copper <sup>5</sup>	mg/L	<0.01	<0.01	<0.01	0.023	<0.01	1.3
Iron <sup>5</sup>	mg/L	<0.001	0.0071	0.0097	<0.001	<0.001	0.3
Lead <sup>5</sup>	mg/L	<0.006	<0.006	<0.006	<0.006	<0.006	0.015
Magnesium	mg/L	0.61	0.61	0.60	1.8	6	**
Manganese	mg/L	NA	0.0013	NA	NA	0.0025	0.05
Mercury	mg/L	NA	<0.0001	NA	NA	<0.0001	0.002
Nickel	mg/L	<0.005	<0.005	<0.005	<0.005	<0.005	0.1
Potassium	mg/L	0.50	0.51	0.52	1.9	2.0	**
Selenium	mg/L	NA	<0.001	NA	NA	<0.001	0.05
Silver	mg/L	<0.002	<0.002	<0.002	<0.002	<0.002	0.05
Sodium	mg/L	5.7	9.2	9.2	30	37	100
Zinc	mg/L	<0.02	0.097	0.091	<0.02	<0.02	5
<b>Aggregate Organic</b>							
Carbon, total organic	mg/L	2.93	2.63	2.7	0.62	0.52	**
<b>Pesticide/Herbicide<sup>6</sup></b>							
	µg/L	NA	ND	NA	NA	ND	**
<b>Asbestos<sup>7</sup></b>							
(million fibers/L)	10 <sup>6</sup> /L	NA	<0.19	NA	NA	NA	7
<b>Radionuclides<sup>8</sup></b>							
Gross alpha	pCi/L	NA	2.5	NA	NA	5.0	15

## WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

COMPOUND	MCL <sup>4</sup> (MG/L)	GREATER PORTLAND	STEEP FALLS
<b>VOLATILE ORGANICS (EPA 524.2) Collected in June 2021 (Greater Portland) June 2020 (Steep Falls)</b>			
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	<0.0005
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	<0.0005
ETHYLBENZENE	0.7	<0.0005	<0.0005
CHLOROBENZENE	0.1	<0.0005	<0.0005
STYRENE	0.1	<0.0005	<0.0005
TETRACHLOROETHENE	0.005	<0.0005	<0.0005
TOLUENE	1	<0.0005	<0.0005
XYLENES	10	<0.0005	<0.0005
DICHLOROMETHANE	0.005	<0.0005	<0.0005
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 <sup>9</sup>	STWV <sup>9</sup>	STWV <sup>9</sup>
ETHYLENE DIBROMIDE	STWV <sup>9</sup>	STWV <sup>9</sup>	STWV <sup>9</sup>
<b>SYNTHETIC ORGANIC-PESTICIDES (EPA 525.2)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls).			
ATRAZINE	0.003	<0.001	<0.001
ALACHLOR (LASSO)	0.002	<0.001	<0.001
BENZO(A)PYRENE	0.0002	<0.0001	<0.0002
BHC GAMMA (LINDANE)	0.0002	<0.0001	<0.0002
BIS (2-ETHYLHEXYL) ADIPATE	0.4	<0.001	<0.001
BIS (2-ETHYLHEXYL) PHTHALATE	0.006	<0.001	<0.001
ENDRIN	0.002	<0.001	<0.001
HEPTACHLOR	0.0004	<0.0001	<0.0004
HEPTACHLOR EPOXIDE	0.0002	<0.0001	<0.0002
HEXACHLOROBENZENE	0.001	<0.0001	<0.001
HEXACHLOROCYCLOPENTADIENE	0.05	<0.0001	<0.001
METHOXYCHLOR	0.04	<0.0001	<0.001
SIMAZINE	0.004	<0.0001	<0.001
<b>PESTICIDES/PCB'S (EPA 508.1)</b>			
CHLORDANE	0.002	<0.0004	<0.0005
POLYCHLORINATED BIPHENYLS, TOTAL	0.0002	<0.0002	<0.0005
TOXAPHENE	0.002	<0.002	<0.002
<b>CARBAMATES (EPA 531.1)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls)			
ALDICARB	NO MCL	<0.001	<0.0005
ALDICARB SULFONE	NO MCL	<0.001	<0.0005
ALDICARB SULFOXIDE	NO MCL	<0.001	<0.0005
CARBOFURAN	0.04	<0.001	<0.0005
OXAMYL	0.2	<0.001	<0.0005
<b>SYNTHETIC ORGANICS - HERBICIDES (EPA 515.3)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls)			
2,4-D	0.07	<0.001	<0.005
2,4,5 TP (SILVEX)	0.05	<0.00025	<0.005
DALAPON	0.2	<0.001	<0.001
DINoseb	0.007	<0.001	<0.005
PENTACHLOROPHENOL	0.001	<0.0001	<0.001
PICLORAM	0.5	<0.002	<0.005

### FOOTNOTES and DEFINITIONS:

- <sup>1</sup> Distribution Sample collected at 26 Bittersweet Rd., Windham.
- <sup>2</sup> MCL= Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water.
- <sup>3</sup> Chlorine and pH vary throughout the distribution system so values at your tap may differ from these locations.
- <sup>4</sup> Steep Falls treated collected in June 2020, Greater Portland treated sampled in June 2021.
- <sup>5</sup> Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing.
- <sup>6</sup> Pesticide/herbicide analyzed in June and September 2020 (Greater Portland) and September 2017 (Steep Falls).
- <sup>7</sup> Asbestos analyzed in November 2020 in Cumberland area.
- <sup>8</sup> Gross alpha sampled in June 2015 for both Greater Portland and Steep Falls.
- <sup>9</sup> 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.

## 2021 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	0.8%
Cumberland	0	0	1	0	23	10	0	0	0	34	1.3%
Falmouth	0	1	79	6	55	14	1	4	0	160	6.3%
Gorham	0	0	29	8	64	36	0	0	0	137	5.4%
Portland	1	18	135	142	593	207	9	6	0	1,111	43.7%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	31	35	167	84	2	1	0	323	12.7%
South Portland	0	0	17	20	194	117	14	6	0	368	14.5%
Standish	0	0	0	6	10	0	1	0	0	17	0.7%
Westbrook	1	0	33	31	131	78	5	2	1	282	11.1%
Windham	0	0	10	9	47	17	1	2	0	86	3.4%
Yarmouth	0	0	0	0	2	0	0	0	0	2	0.1%
<b>TOTAL</b>	<b>3</b>	<b>21</b>	<b>337</b>	<b>259</b>	<b>1,297</b>	<b>573</b>	<b>33</b>	<b>21</b>	<b>1</b>	<b>2,545</b>	<b>100.0%</b>

## 2021 METERS IN SERVICE

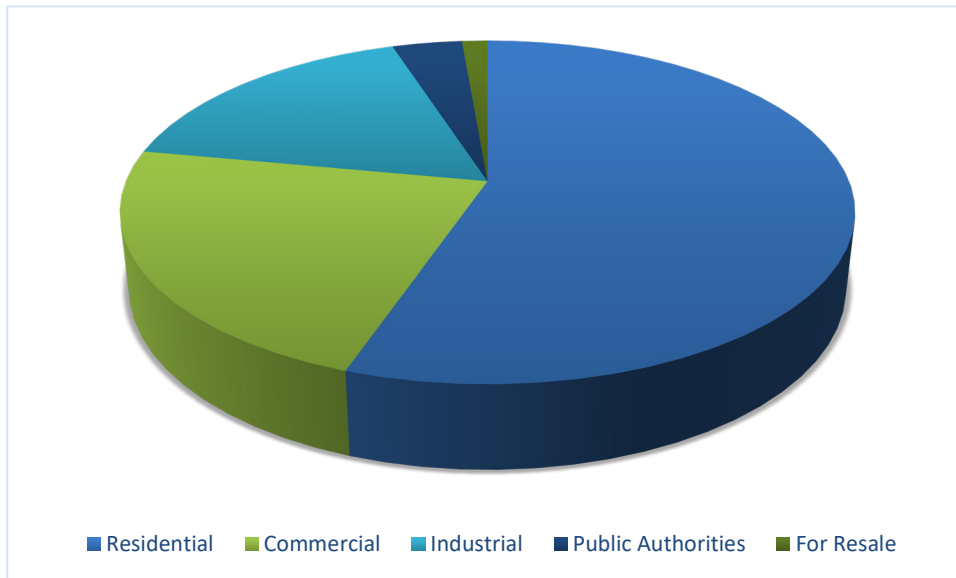
DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,583	127	90	18	27	7	3	0	2	0	3,857	7.1%
Cumberland	1,779	115	107	25	11	5	3	0	2	2	2,049	3.8%
Falmouth	2,735	162	185	40	50	9	2	8	5	0	3,196	5.9%
Gorham	2,384	73	115	35	41	15	3	0	2	0	2,668	4.9%
Portland	16,301	774	848	412	483	109	45	37	10	2	19,021	35.2%
Raymond	17	1	5	3	4	0	0	0	0	0	30	0.1%
Scarborough	4,470	104	167	104	84	24	6	14	5	0	4,978	9.2%
South Portland	7,581	120	171	150	178	39	17	29	7	2	8,294	15.4%
Standish	677	11	51	2	3	0	3	1	0	0	748	1.4%
Westbrook	5,305	141	172	106	94	24	8	8	9	2	5,869	10.9%
Windham	3,014	78	79	40	41	10	3	8	2	0	3,275	6.1%
Yarmouth	41	1	0	0	0	0	0	0	0	0	42	0.1%
<b>TOTAL</b>	<b>47,887</b>	<b>1,707</b>	<b>1,990</b>	<b>935</b>	<b>1,016</b>	<b>242</b>	<b>93</b>	<b>105</b>	<b>44</b>	<b>8</b>	<b>54,027</b>	<b>100.0%</b>

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

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
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	283,398	96,740	6,024,297
2020	3,731,382	1,399,150	912,729	283,428	89,114	6,415,803
2021	3,459,232	1,420,034	1,066,513	228,620	83,408	6,257,807

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 748, for example the 2021 volume of 6,257,807 TOG equals 8,366,052 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
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
2020	0.683	14.438	5,907	1,191	52.87	Wet Tons	97	96
2021	0.510	13.676	6,586	8,011	56.04	Wet Tons	97	96

## 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
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 *1	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
2020	3.033	0	194	12.17	Wet Tons	94	92	82.835	14.146	3.020
2021	2.950	0	109	11.39	Wet Tons	91	90	83.356	14.587	2.057

\*1 - 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
2012	0.280	0.48	Wet Tons	95	95
2013	0.255	0.6	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
2020	0.236	0.70	Wet Tons	94	95
2021	0.229	0.55	Wet Tons	95	96

**PEAKS ISLAND WASTEWATER TREATMENT FACILITY**

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
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
2020	0.101	0.09	Wet Tons	95	96
2021	0.098	0.12	Wet Tons	94	95

## EAST END WASTEWATER TREATMENT FACILITY

### SLUDGE CAKE METALS (MG/DRY KG)

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2021	January	2.5	240	21	50	15	460	0.4
	February	6.5	180	13	13	7	360	0.4
	March	6.5	190	15	29	7	380	0.3
	April	6.5	195	7	26	7	430	0.4
	May	6.5	240	17	30	14	480	0.3
	June	6.0	240	13	13	6	530	0.4
	July	5.5	250	21	48	16	470	0.2
	August	7.0	270	18	34	14	590	0.7
	September	6.0	260	15	33	13	530	0.9
	October	6.5	250	7	13	7	490	0.4
	November	6.0	370	16	34	14	400	3.4
	December	6.0	220	15	30	13	410	0.5
Annual Average		6.0	242	15	29	11	461	0.7

### HISTORICAL SLUDGE CAKE METALS AVERAGES (MG/DRY KG)

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
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
2020	2.3	242	18	34	13	500	0.4
2021	6.0	242	15	29	11	461	0.7

### 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
2021	January	1.9	250	31	24	62	630	0.1
	April	6.5	240	19	13	52	540	0.2
	July	5.5	440	38	33	150	780	0.5
	October	5.5	280	42	11	270	750	0.3
Annual Average		4.9	303	33	20	134	675	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
2012	1.5	545	35	31	52	1015	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	43	23	83	693	0.3
2020	2.0	264	43	23	62	715	0.3
2021	4.9	303	33	20	134	675	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	65,500					
	Treatment plant design flow:						
	average / peak wet weather		19.8 mgd average / 80 mgd peak				
	Pump stations	10 owned					
	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 owned				
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 owned	Joint Use	Westbrook Only	Gorham Only	Windham Only	
	Interceptors	26,707 feet	1	2			
	Force Mains	16,750 feet	9,764	16,943			
	Percentage Flow		4,589	12,161	83.5%	13.5%	3%
Cape Elizabeth System *3							
Cape - North	Estimated population served	4,000					
	Treatment contracted to South Portland						
	System design flow	0.72 mgd					
Cape - South	Pump stations	13 owned			38,612 Force main (both)		
	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 owned						
Cumberland							
	Estimated population served	2,200					
	Treatment contracted to Falmouth						
	System Design Flow	0.47 mgd					
	Pump stations	12 owned					
	Interceptors	41,032 feet					
	Collectors	87,024 feet					
Force Mains	40,729 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	10 owned					
	Interceptors	27,550 feet					
	Collectors	91,124 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 owned	Joint Use	Gorham Only	Windham Only		
	Interceptors/Collectors	25,423 feet	2	1	3		
	Force Mains	17,295 feet	14,215	7,008	4,200		
	Percentage Flow		12,836	3,578	881		
				27.0%	73.0%		

**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	246	1
Cumberland	7.8	7.9	17.0	0.0	32.7	650	0
Gorham	6.0	7.5	21.4	0.0	34.9	713	0
Portland	14.5	4.3	4.5	1.9	25.2	874	20
Westbrook	5.0	4.9	0.0	0.0	9.9	129	5
Windham	0.0	0.2	0.4	0.0	0.6	19	0
<b>TOTAL</b>	<b>43.1</b>	<b>32.1</b>	<b>43.3</b>	<b>1.9</b>	<b>120.4</b>	<b>2631</b>	<b>26</b>

