



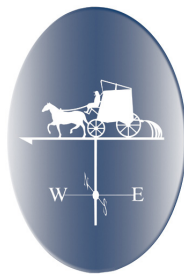
Portland  
Water District

# Comprehensive ANNUAL FINANCIAL REPORT

*For the year ended December 31, 2020*

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

**Comprehensive Annual  
Financial Report**



**Portland Water District  
Portland, Maine**

**For The Year Ended December 31, 2020**

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

**Portland Water District • 225 Douglass Street • Portland, Maine**

# Table of Contents

## INTRODUCTION SECTION:

Letter of Transmittal.....	1
Factors Affecting Financial Condition .....	2
Company Profile.....	3
Corporate Management.....	4
Corporate History .....	5
2020 in Review .....	6
Corporate Goals .....	9
Recognition.....	10
Independent Audit.....	10

## FINANCIAL SECTION:

Independent Auditors' Report .....	11
Management's Discussion and Analysis:	
<i>Introduction of the Financial Statements</i> .....	13
<i>Overall Financial Position</i> .....	24
<i>Significant Changes to Individual Funds - Pension Trust Fund</i> .....	26
Basic Financial Statements:	
Proprietary Funds:	
<i>Statement of Net Position</i> .....	28
<i>Statement of Revenues, Expenses and Changes in Net Position</i> .....	30
<i>Statement of Cash Flows</i> .....	31
Pension Trust Funds:	
<i>Statement of Fiduciary Net Position</i> .....	32
<i>Statement of Changes in Fiduciary Net Position</i> .....	33
Notes to Financial Statements.....	34
Required Supplementary Information:	
<i>Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan</i> .....	70
<i>Schedules of Changes in the District's Net Pension Liability and Related Ratios - Non Bargaining Unit Pension Plan</i> .....	72
<i>Schedule of Employer Contributions</i> .....	74
<i>Schedule of Investment Returns</i> .....	75

## STATISTICAL SECTION:

Financial Trends:	
<i>Net Position by Component</i> .....	77
<i>Change in Net Position</i> .....	77
<i>Operating Revenues by Source</i> .....	78
<i>Operating Expenses</i> .....	78
<i>Non-Operating Revenues</i> .....	78
<i>Annual Contributions by Source</i> .....	79
<i>Water Produced and Consumed</i> .....	79
Debt Capacity:	
<i>Outstanding Debt</i> .....	79
Revenue Capacity:	
<i>Ten Largest Water Customers</i> .....	80
<i>Net Growth in Customers</i> .....	81
<i>Number of Water Customers by Type</i> .....	81
<i>Water Rates</i> .....	81
<i>Water Rate Schedules</i> .....	82
Operating Information:	
<i>Operating and Capital Indicators</i> .....	85
<i>Number of Employees by Activity</i> .....	86
Demographic and Economic Information:	
<i>Demographic and Economic Statistics</i> .....	87
<i>Principal Employers</i> .....	87
Proprietary Fund Operating Revenues:	
<i>Water Revenues</i> .....	88
<i>Wastewater Assessments</i> .....	88
Water Statistics:	
<i>2020 Water Production</i> .....	89
<i>Historical Source Water Production</i> .....	90
<i>2020 Water Services Summary</i> .....	91
<i>2020 Number of Water Services by Type</i> .....	91
<i>Water Quality Analysis</i> .....	92
<i>2020 Active Fire Services</i> .....	94
<i>2020 Meters in Service</i> .....	94
<i>Metered Water</i> .....	95
Wastewater Statistics:	
<i>East End Wastewater Treatment Facility</i> .....	96
<i>Westbrook/Gorham/Windham Regional Wastewater Treatment Facility</i> .....	96
<i>Cape Elizabeth Wastewater Treatment Facility</i> .....	97
<i>Peaks Island Wastewater Treatment Facility</i> .....	97
<i>East End - 2020 Sludge Cake Metals</i> .....	98
<i>East End - Historical Sludge Cake Metals Averages</i> .....	98
<i>Maine Department of Environmental Protection Screening Land Application Limits</i> .....	98
<i>Westbrook/Gorham - 2020 Sludge Cake Metals</i> .....	99
<i>Westbrook/Gorham - Historical Sludge Cake Metals Averages</i> .....	99
<i>Maine Department of Environmental Protection Screening Land Application Limits</i> .....	99
<i>Wastewater Summary by Division</i> .....	100
<i>Wastewater Pipeline Length</i> .....	101
<i>Sebago Lake to Casco Bay System Illustration</i> .....	102

# INTRODUCTION





June 30, 2021

Dear Board of Trustees and Valued Customers:

The Portland Water District is pleased to submit our Comprehensive Annual Financial Report for the fiscal year which ended December 31, 2020.

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 2020 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).

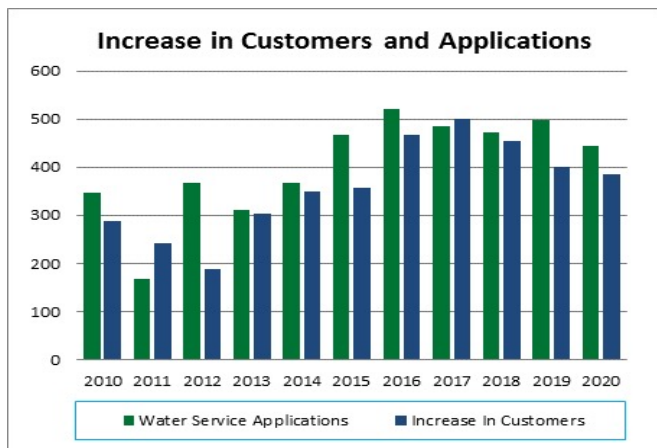
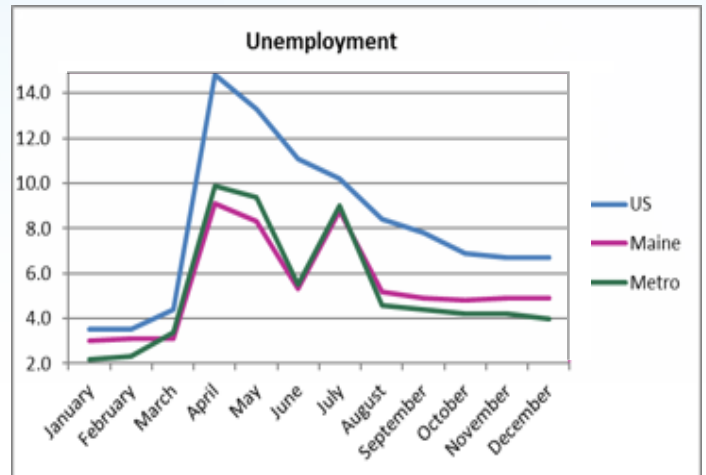
# FACTORS AFFECTING FINANCIAL CONDITION

## LOCAL ECONOMY

The economy was expected to grow in 2020; however, a global pandemic swept the nation and the economy plummeted. While the shock of the pandemic was intense, Maine found its way out of the pandemic lows and is on its way to see strong growth, according to the Colby Economic Outlook (CEO) report. Overall, Maine is expected to recover almost all of its lost economic activity in 2021 and a full recovery for all counties might come by 2022.

**Employment:** Unemployment spiked as a result of the pandemic. It steadily recovered throughout the year, ending at a 4.0% unemployment rate in the Portland/South Portland metro market at yearend.

**Housing Market:** According to the Maine Association of Realtors, Maine's residential real estate market fared well in 2020 despite COVID. Fueled by low inventory and a desire for the Maine lifestyle, sales soared 9.82 percent for all single-family existing homes and values rose by double digits (13.8%). As the state's largest real estate market, nearly one fifth of sales took place in Cumberland County.



New construction increased an incredible 11% statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 5,304 statewide building permit units in 2020, over half (2,855) 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 pandemic modified consumption use as more people worked from home.

Parts of Maine experienced drought conditions, according to the U.S. Drought Monitor. The National Weather Service reports only 7.96 inches of precipitation fell in Portland during June, July, and August of 2020 which is well below normal levels of 10.54 inches, followed by a dry September. These factors undoubtedly contributed to an overall water consumption increase of 6.5% over 2019.



## OUR MISSION

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

## OUR VISION

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

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

## OUR VALUES

### *Customer Focus*

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

### *Reliable, Valued Products & Services*

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

### *Reasonable Rates*

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

### *Continuous Improvement*

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

### *Safety*

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

### *The Environment*

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

### *Expertise*

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

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

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

### *Quality of Life*

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

# COMPANY PROFILE

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

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

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

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

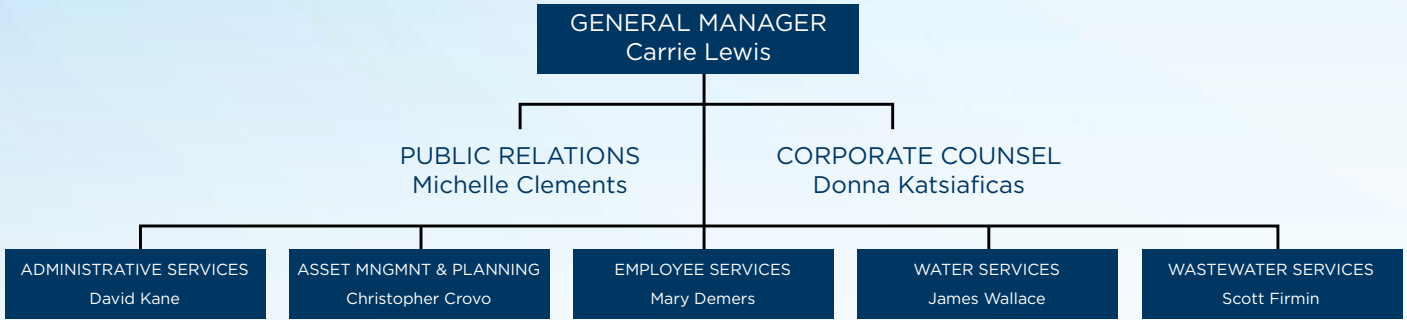
Furthermore, water quality experts perform nearly 15,000 analyses and crews renew several miles of water pipe annually to ensure the water is safe and clean.

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

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

Approximately 186 employees provide services to over 55,000 customers. PWD manages \$358 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.

## CORPORATE MANAGEMENT (AS OF 12/31/2020)



## CORPORATE OFFICERS AND SENIOR MANAGEMENT



**Carrie Lewis**  
*General Manager*

**Christopher Crovo**  
*Executive Director of  
Asset Management  
and Planning*

**Mary Demers**  
*Director of  
Employee Services*

**Scott Firmin**  
*Director of  
Wastewater Services*

**David Kane**  
*Treasurer &  
Executive Director  
of Administration*

**Donna Katsiaficas**  
*Clerk & Corporate  
Counsel*

**James Wallace**  
*Director of  
Water Services*

## BOARD OF TRUSTEES



**Matthew Beck**  
*South Portland &  
Cape Elizabeth*

**Robert Burns**  
*Gorham*

**Guy Cote**  
*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*

**Jamie Willey**  
*Portland*





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.

# 2020 IN REVIEW

## ADMINISTRATION

**GLOBAL PANDEMIC:** 2020 was defined by adapting, pivoting, and adjusting to the various stages of the ongoing COVID-19 global pandemic. Early on, the Portland Water District focused on protecting public health and safety, both that of customers and employees. Offices, including Customer Service, and facilities were closed to the public and health guidelines for sanitation, physical distancing, and masking were observed and enforced. Administrative staff shifted to work remotely and field staff focused



on providing essential services. Because disinfection and sanitation were thought to be a critical component to combat the spread of the virus, water disconnections were suspended. As the global crisis ensued, the prolonged pandemic impacted us all in significant ways. To lessen the burden on customers, a water rate increase was postponed and late fees were waved.

**WATER RATE INCREASE:** Water rates increased 3.4% in December of 2020. The rate adjustment, which was delayed seven months due to the pandemic, added about \$0.71 to the average household water bill.

**ASSET MANAGEMENT, BILLING/CUSTOMER ENGAGEMENT PROJECTS:** PWD continued work on significant projects to replace the Asset Management, Billing and Customer Engagement software systems. Implementation of billing, customer relations, service-associated assets and operational components of the computerized maintenance management system are planned for the fall of 2021.

**RENEWAL ENERGY CONTRACTS:** PWD joined 23 Competitive Energy Services (CES) Consortium members to take advantage of Maine's new net energy billing credit program. The program which was enacted in 2019, allows utility billing credits to be issued in exchange for electricity exported to the grid by qualified solar and hydro power generators. Annually the Portland Water District (PWD) spends approximately \$1.9 million for electricity. If the initiative moves forward as currently structured, it is expected to save PWD roughly \$437,000 a year, which includes \$237,000 in Renewable Energy Credits.



**LANDSLIDE THREATENED WASTEWATER AND PUBLIC WATER SYSTEMS:** On September 16, a landslide occurred into the Presumpscot River in Westbrook. An area approximately the size of 2 acres of private property slid over portions of PWD land into the river, over two 42-inch water mains and upstream of the Westbrook Wastewater Treatment Facility's outfall. Over several days the US Army Corp of Engineers, city and state officials, environmentalists, public safety personnel, and PWD met and assessed the event under a city called State of Emergency. Eventually the river found a small channel through the debris; the threat of flooding lessened and the City ended the State of Emergency. PWD remained concerned with potential damage to critical infrastructure, so mobilized a crew to remove debris and stabilize our portion of the riverbank. Over 3 to 4 thousand yards of debris and truckloads of trees and root balls were removed from the river at a cost of \$371,259.

# WATER

**\$8 MILLION GRANT PROTECTS SEBAGO LAKE:** PWD and Sebago Clean Waters were awarded an \$8 million grant from the U.S. Department of Agriculture Natural Resources Conservation Service. This grant will be matched with local funding to help conserve 10,000 acres of forestland, remove invasive aquatic plants, replace undersized culverts, and manage working forests.



**EMERGENCY PUMPING CAPABILITY:** PWD conducted a field exercise of the newly purchased emergency pump at the interface of the 267 and 407 pressure zones in a continued effort to improve reliability of the water system in the event of major failures.



**WATER STORAGE:** Both Rocky Hill Junior Reservoir and Cumberland Reservoir were inspected and cleaned to evaluate the condition of the facilities.

**TREATMENT PLANT PUMP MOTOR REBUILD:** As part of an annual maintenance program, PWD conducted a motor and pump vibration analysis in an effort to identify assets approaching potential failure. The latest round of analysis conducted in the spring of 2020 identified the #4 Raw Water Pump motor needing repairs.

**WATER MAIN REPLACEMENT PROGRAM:** Last year over three miles of water main were replaced as part of the Water Main Replacement Program.

## 2020 WATER MAIN REPLACEMENT PROJECTS (17,175 FEET)

COMMUNITY	STREET	FEET
FALMOUTH	Gray Road - Leighton to entrance to TD Bank	900
	Leighton Road - Gray to Turnpike	1200
GORHAM	Mosher Road - Little River Bridge	400
PORTLAND	Newbury Street- Hancock to Mountfort	375
	Somerset St - Elm to Forest	1500
	Mackworth St. - Clifton to Ocean	1500
	Brighton Ave/ Deering /Falmouth/ Bedford - roundabout	2400
	Warren Ave- Turnpike Crossing	1700
SCARBOROUGH/ SOUTH PORTLAND	MTA crossings - 16" Cummings Road, 30" Maine Mall	2900
SOUTH PORTLAND	E Street - Waterman to D	600
	Highland Street - Dresser to Crestview South entrance	1800
STANDISH	Oak Hill Standish Development - Water main contribution	1900

## WASTEWATER

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

**NUTRIENT OPTIMIZATION EFFORTS CONTINUE:** Continuing in 2020, the District worked to reduce effluent nitrogen from our treatment facilities. Through the operation and configuration of our facilities using existing capacity and equipment, we were able to successfully reduce the effluent nitrogen load from the East End Treatment Facility. The average seasonal effluent nitrogen mass loading from May 1 to October 31 in 2020 was 606 lb/day. When compared to the estimated historical seasonal effluent loading of 2,437 lbs/day of nitrogen from the EEWTF, this represents a 75 percent reduction from our historical loading. These results are consistent with performance over the past 3 years since the aeration system at the treatment plant was upgraded. The "Nutrient Optimization" approach includes a more flexible regulatory approach to use existing infrastructure to maximize possible reductions while avoiding significant capital costs. The Department of Environmental Protection is expected to develop nutrient criteria in the coming years.



**WESTBROOK WASTEWATER TREATMENT PLANT UPGRADES:** The design and bid process for Westbrook Gorham Windham Regional WWTF aeration and secondary clarifier upgrade project were completed. The construction will begin on the \$11.3 million project in 2021.

**WINDHAM WASTEWATER SYSTEM DEVELOPMENTS AND IMPROVEMENTS:** The PWD Board and Windham Town Council signed an MOU to work together to develop a wastewater system to serve the North Windham business district. An engineering firm was hired to evaluate and estimate the development of a wastewater system, including treatment and collection. Preliminary engineering design will take place in 2021 with a public referendum to follow. In addition, a new wastewater pump station was designed to replace an undersized structure now servicing the Depot Street area in the South Windham system.

### TRACKING COVID-19 FRAGMENTS IN WASTEWATER AIDS PUBLIC HEALTH

**PLANNING EFFORTS:** PWD assisted the public health sector by monitoring for COVID prevalence and trends through wastewater sampling. Beginning mid-year, staff took samples from Westbrook and Portland wastewater plants as part of a unique partnership with Saint Joseph's College to analyze SARS-coV-2 fragments in local wastewater. Later, PWD joined a larger effort commissioned by the US government to analyze wastewater at up to 100 wastewater treatment plants across the country. Wastewater-based epidemiology has proven it can be an effective and economical way to track COVID-19 spikes days before clinical observations.





# 2021 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.
- Support land conservation and Sebago Clean Water's initiative to purchase and conserve the 3,000-acre Chadbourne Tree Farms property, a working forest with nearly 14 miles of frontage on the Crooked River.
- Implement Sebago Lake Phase IV: Utilize federal 319 grant funds to improve eroding sites around Sebago Lake.
- Work with the new forester on an inventory and update of the District's Forest Management Plan for the Sebago Lake Land Reserve.

## GOAL 2 | PUBLIC SAFETY

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

- Locate site for design and 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 infrastructure.
- Meet at least 20-40% reduction in effluent nitrogen from EEWTF. Monitor/optimize other plants.
- Review the Cape Elizabeth aeration system to identify process changes to further enhance nutrient optimization throughout our wastewater systems.
- Begin construction on the Westbrook Wastewater Treatment Plant aeration and secondary clarifier upgrade project.
- Work with Windham to develop a new wastewater system in North Windham and provide infrastructure to serve Depot Street development in existing South Windham system.

## GOAL 4 | RELIABILITY

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

- Successfully implement the new billing and customer information system and the computerized maintenance management system in October.
- Enhance in-plant electrical distribution and reliability at the EEWTF through a recent agreement with Central Maine Power to site a substation at the plant.
- Continue to expand Wi-Fi networks to support a new asset work management system.
- Continue end-user cyber security training throughout the year to raise awareness and security.
- Extend right-of-way maintenance program into the more developed areas.
- Review and update PWD's Water Emergency Action Plan, complete upgrade projects and further develop incident action checklists to address vulnerabilities identified in the 2020 Risk and Resiliency Assessment.

## 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 efforts to look at reducing volumes of material and concentration of PFAS and other contaminants of emerging concern.
- Support use of asset management systems to efficiently manage equipment and systems.
- Continue large meter testing program.
- Explore available federal and state relief funding of pandemic-related costs.

## GOAL 6 | EMPLOYEES AND WORK ENVIRONMENT

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

- Invest on average 80 hours of training per employee.
- Continue to review and update policies.
- Begin union negotiations to develop a new three year contract.



# RECOGNITION AND ACKNOWLEDGEMENTS



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Portland Water District  
Maine**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*  
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence to the Portland Water District for its comprehensive annual financial report (COA) for the fiscal year ended December 31, 2019.

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 COA 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 2020. Wipfli LLP's report is included in the financial section of this report.

Sincerely,

*Carrie Lewis*

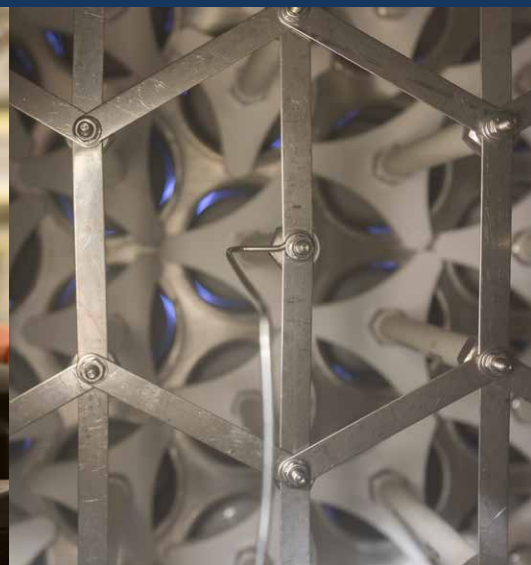
Carrie Lewis  
General Manager

*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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of each major fund of Portland Water District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Portland Water District's basic financial statements as listed in the contents page.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Portland Water District, as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Board of Trustees  
Portland Water District

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis on pages 13-27 and Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining and Non-Bargaining Unit Pension Plan, Schedule of Investment Returns, Schedule of District's Contributions, and Schedule of Investment Returns Annual Money-Weighted Rate of Return, Net of Investment Expense on pages 70-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

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



Wipfli LLP  
South Portland, Maine  
April 28, 2021

# 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***

Despite the impact of COVID-19 on operations, the District's financial condition remained strong in 2020.

Among the items of note:

Change in Net Position before Contributions – This item was a gain of \$3.43 million in 2020.

Operating Revenues – These revenues increased \$1.70 million (3.8%) in 2020. The increases included: Metered water revenue of \$1.53 million (6.9%), wastewater assessments of \$156k (0.8%) and public and private fire of \$68k (2.7%).

Operating Expense – Operating Expense was down 0.9% (\$394k). This decrease was primarily due to the reduction of \$2.53 million in the actuarially determined pension expense. Net of that expense, Operating Expense was up \$2.14 million or 5.4%. That total included recognition of costs (\$450k) related to the upgrade of the District's asset management computer system and \$380k for expenses related to a landslide near District Water and Wastewater assets.

Net Capital Assets (\$308.9 million) had a net increase of 2.7% (\$8.13 million). More than half of the Utility Property additions of \$18.50 million were water distribution mains of \$10.11 million. The Allowance for Depreciation increased \$7.22 million while Construction Work in Progress increased \$1.24 million.

The District's bonded debt of \$92.02 million was relatively unchanged as the District issued \$8.77 million in new debt and retired \$8.15 million.

The District's financial ratios remain strong with an overall current ratio of 2.65 and debt coverage ratio of 1.68.

## COVID-19 Impact on District

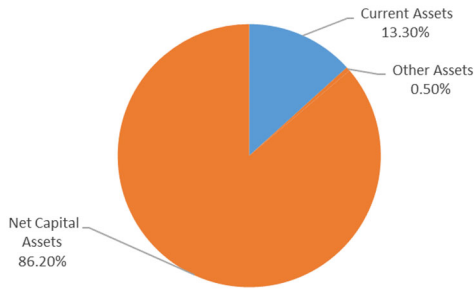
The pandemic had several financial related impacts on the District. A planned May 2020 water rate increase was delayed until December 2020 reducing revenue by an estimated \$540k. In addition, the order by the Maine Public Utilities Commission to suspend collections activity and customer late fees reduced related revenue by \$80k. With regard to expense, bad debt expense increased \$193k due to suspended collections and the economic climate, the District spent \$30k setting up employees to work remotely and costs involving additional cleaning, masks, gloves and other COVID-19 related safety items totaled \$27k.

## Comparison of Financial Statements for Current and Prior Years

### Statement of Net Position (Condensed)

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Current Assets	\$ 47,680,745	\$ 46,409,262	\$ 1,271,483	2.7%
Net Capital Assets	308,870,671	300,741,054	8,129,617	2.7%
Other Assets	1,676,778	105,920	1,570,858	1483.1%
Non-Current Assets	310,547,449	300,846,974	9,700,475	3.2%
<b>Total Assets</b>	<b>358,228,194</b>	<b>347,256,236</b>	<b>10,971,958</b>	<b>3.2%</b>
<b>Deferred Outflows</b>	<b>1,700,673</b>	<b>2,393,767</b>	<b>(693,094)</b>	<b>-29.0%</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 359,928,867</b>	<b>\$ 349,650,003</b>	<b>\$ 10,278,864</b>	<b>2.9%</b>
Current Liabilities	\$ 17,985,455	\$ 16,343,396	\$ 1,642,059	10.0%
Long-Term Debt/Payables	83,539,631	83,446,384	93,247	0.1%
Other Non-Current Liabilities	7,861,069	9,010,725	(1,149,656)	-12.8%
Non Current Liabilities	91,400,700	92,457,109	(1,056,409)	-1.1%
<b>Total Liabilities</b>	<b>109,386,155</b>	<b>108,800,505</b>	<b>585,650</b>	<b>0.5%</b>
<b>Deferred Inflows</b>	<b>5,691,848</b>	<b>3,628,505</b>	<b>2,063,343</b>	<b>56.9%</b>
Net Position				
Net Invested in Capital Assets	218,114,336	211,071,653	7,042,683	3.3%
Unrestricted	26,736,528	26,149,340	587,188	2.2%
<b>Total Net Position</b>	<b>244,850,864</b>	<b>237,220,993</b>	<b>7,629,871</b>	<b>3.2%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 359,928,867</b>	<b>\$ 349,650,003</b>	<b>\$ 10,278,864</b>	<b>2.9%</b>

## District Assets



## Current Assets

Current Assets increased \$1.27 million (2.7%) in 2020. The Cash/Investment balance grew \$1.39 million (3.5%) due to increase in Net Position before Capital Contributions of \$1.52 million. All other Current Assets were down \$117k or 1.9%.

## Net Capital Assets

Net Capital Assets increased \$8.13 million (2.7%):

	Additions	Reductions	Net Change
Utility Property	\$ 18,500,341	\$ (4,385,131)	\$ 14,115,210
Construction Work in Progress	3,316,657	(2,077,664)	1,238,993
Allowance for Depreciation	(11,284,622)	4,060,036	(7,224,586)
	<u>\$ 10,532,376</u>	<u>\$ (2,402,759)</u>	<u>\$ 8,129,617</u>

The major additions to Utility Property for 2020 included:

- \$10.11 million, water distribution mains in various communities.
- \$2.47 million in wastewater pump station (WWPS) structures and \$0.82 million in WWPS equipment mostly related to the upgrade of the Fore River WWPS in Portland.
- \$1.03 million in wastewater interceptor structures primarily in Cumberland, Gorham and Windham.

Construction Work in Progress (CWIP) increased by \$1.24 million in 2020. There were large increases for projects at Cape Elizabeth WWPS's (\$1.03 million) and for aeration at the Westbrook Regional wastewater treatment facility (WWTF) (\$608k), HVAC at Portland's East End WWTF (\$328k) and the ABC Project (\$315k). This was somewhat offset by the completion of work at Portland's Fore River WWPS (\$1.21 million) and the clarifier project at the East End WWTF (\$612k).

The Allowance for Depreciation grew 3.1% (\$7.22 million) in 2020. The change was in line with prior years. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Capital Assets.

## Other Assets

Other Assets, which increased \$1.57 million in 2020. In 2020, the District adopted Governmental Accounting Standards Board (GASB) 87 - *Leases* which resulted in the recognition of long-term lease receivables of \$1.45 million and net lease right to use assets of \$134k. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Leases.

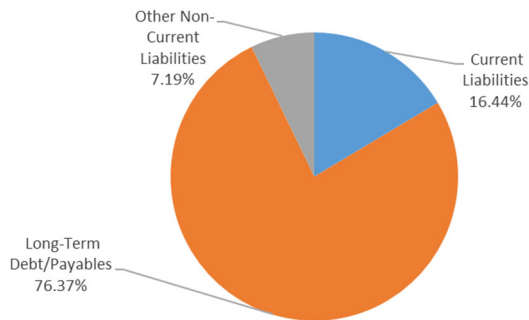
## Deferred Outflows

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

In the 2020, Deferred Outflows decreased \$693k (29.0%). The portion of the Deferred Outflows relating to the pension was down \$663k, primarily due to the actual returns of the pension plans of 13.37% (Bargaining) and 13.64% (Non-Bargaining) exceeding the expected return of 6.0%. The portion of the Deferred Outflows related to bond refunding decreased due to the annual amortization.

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

## District Liabilities



## Current Liabilities

Description	2020	2019	Diff	Diff %
Accounts Payable & Accrued Payroll	\$ 7,472,758	\$ 6,408,285	\$ 1,064,473	16.6%
Accrued Interest	387,899	411,948	(24,049)	-5.8%
Customer Deposits	363,640	287,819	75,821	26.3%
Construction Retainage	201,183	295,104	(93,921)	-31.8%
Current Portion - Long-Term Debt	8,577,514	8,110,454	467,060	5.8%
All Other Current Liabilities	982,461	829,786	152,675	18.4%
	<u>\$ 17,985,455</u>	<u>\$ 16,343,396</u>	<u>\$ 1,642,059</u>	10.0%

Accounts Payable & Accrued Payroll increased 16.6% (\$1.06 million). This was due to large capital expenses recognized in 2020 for which the vendors had not yet invoiced the District, including \$1.29 million not yet billed by the Maine Turnpike Authority for work on Cummings Road in South Portland. In addition, the Current Portion of Long-Term Debt increased 5.8% (\$467k) due to the new debt issued in 2020 (\$8.77 million) exceeding the debt retired (\$8.15 million).

## Long-Term Debt/Bond Rating

In 2020, the District issued bonds directly to the market for the Water and Portland Funds. Moody's assigned ratings of Aa3 and Aa1 while Standard & Poor's (S&P) rated the debt AA and AA+, respectively.

## Long-Term Debt/Payables

<b>Bonded Debt:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Water	\$ 55,627,421	\$ 4,140,000	\$ (50,000)	\$ (4,785,563)	\$ 54,931,858
Wastewater:					
Cape Elizabeth	3,020,050	130,000	-	(215,850)	2,934,200
Cumberland	43,750	-	-	(6,250)	37,500
Falmouth	4,084,000	-	-	(238,000)	3,846,000
Gorham	2,849,281	-	-	(303,766)	2,545,515
Portland	18,994,427	4,500,000	-	(2,025,757)	21,468,670
Westbrook	5,896,974	-	-	(469,095)	5,427,879
Windham	935,015	-	-	(102,172)	832,843
Total Bonded Debt	91,450,918	8,770,000	(50,000)	(8,146,453)	92,024,465
(Less: current portion)	(8,110,454)				(8,577,514)
Non-Current	<u>\$ 83,340,464</u>				<u>\$ 83,446,951</u>
<b>Notes Payable:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Wastewater:					
Windham	\$ 119,160			\$ (13,240)	\$ 105,920
Total Notes Payable	119,160			(13,240)	105,920
(Less: current portion)	(13,240)				(13,240)
Non-Current	<u>105,920</u>				<u>92,680</u>
Non-Current LT Debt	<u>\$ 83,446,384</u>				<u>\$ 83,539,631</u>

This category consists of general revenue bonds and notes payable. During 2020, the balance of Long-Term Debt/Payables increased 0.1% or \$93k 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>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Customer Advances & Other Liabilities	\$ 3,524,974	\$ 3,049,497	\$ 475,477	15.6%
Compensated Absences - Non Current	838,099	876,226	(38,127)	-4.4%
Lease Liability - Non-Current	130,592	-	130,592	n/a
Net Pension Liability	3,367,404	5,085,002	(1,717,598)	-33.8%
	<u>\$ 7,861,069</u>	<u>\$ 9,010,725</u>	<u>\$ (1,149,656)</u>	-12.8%

Other Non-Current Liabilities were down \$1.15 million (12.8%). The Net Pension Liability decreased \$1.72 million (33.8%) as the value of the plan assets as a percentage of the liabilities improved from 86% to 98% for the Bargaining Unit and from 89% to 96% for the Non-Bargaining Unit. Somewhat offsetting this was the increase in Customer Advances and Other Liabilities due to the rise in deposits from contractors as outside construction activity continues to grow and an increase in unamortized bond premiums generated by new bond issues.

## 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. In 2020 the District adopted GASB 87 - *Leases* which resulted in recognizing deferred inflows from leases of \$1.46 million. Additionally, the actuarially determined deferred inflow for pension increased \$602k (16.6%). 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>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Operating Revenue	\$ 46,239,468	\$ 44,545,576	\$ 1,693,892	3.8%
Non-Operating Revenue	967,812	1,392,533	(424,721)	-30.5%
Total Revenues	47,207,280	45,938,109	1,269,171	2.8%
Operating Expense	41,331,292	41,725,703	(394,411)	-0.9%
Non-Operating Expense	2,447,381	2,305,001	142,380	6.2%
Total Expenses	43,778,673	44,030,704	(252,031)	-0.6%
Change in Net Position before Capital Contrib	3,428,607	1,907,405	1,521,202	79.8%
Capital Contributions	4,201,264	3,824,232	377,032	9.9%
Change in Net Position	7,629,871	5,731,637	1,898,234	33.1%
Beginning Net Position	237,220,993	231,489,356	5,731,637	2.5%
Ending Net Position	<u>\$ 244,850,864</u>	<u>\$ 237,220,993</u>	<u>\$ 7,629,871</u>	3.2%

## Operating Revenue

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Metered Water Revenue	\$ 23,539,794	\$ 22,011,416	\$ 1,528,378	6.9%
Wastewater Assessments	19,604,461	19,448,472	155,989	0.8%
Public & Private Fire Protection	2,623,588	2,555,561	68,027	2.7%
Other Operating Revenue	471,625	530,127	(58,502)	-11.0%
Total Operating Revenue	<u>\$ 46,239,468</u>	<u>\$ 44,545,576</u>	<u>\$ 1,693,892</u>	3.8%

## Operating Revenue - Continued

Metered Water Revenue (\$23.54 million) – The District's metered customers are billed monthly. The billing includes a minimum charge (based on the size of the meter) for the first hundred cubic feet (HCF) of water and a charge for each additional HCF of water used. This category also includes interest charges and penalties on late payments. 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%. Consumption in 2020 was 8.57 million HCF, an increase of 6.5% from the previous year while interest charges and penalties on late payments were lower by \$122k effected by COVID-19 which restricted collections after Q1 2020.

Wastewater Assessments (\$19.60 million) – These assessments were paid by the local municipalities to the District for providing wastewater services, such as interception, treatment, and contracted billing and system maintenance services. The District's Board of Trustees sets assessments annually. Assessments were increased in six (6) of the seven (7) wastewater funds mostly due to capital projects.

Public and Private Fire Protection (\$2.62 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, which postponed the original rate increase from May 2020 to December, with a 3.4% increase. In addition, there was also growth in the number of Private Fire customers.

Other Operating Revenue (\$471k) – Revenue in this category includes charges to septage haulers for dumping at wastewater treatment facilities (\$279k), fees in the Water Fund for new customers (\$78k) and activations for customers whose service had been turned off due to delinquent bills (\$41k). The decrease in 2020 can be attributed to the \$51k difference in disconnections since the Public Utilities Commission had paused them from March to November due to COVID-19.

## Operating Revenue by Fund

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 26,313,359	\$ 24,789,321	\$ 1,524,038	6.1%
Wastewater:				
Cape Elizabeth	1,705,380	1,572,912	132,468	8.4%
Cumberland	965,292	905,364	59,928	6.6%
Falmouth	314,112	314,112	-	0.0%
Gorham	1,161,654	1,133,555	28,099	2.5%
Portland	12,637,728	12,873,423	(235,695)	-1.8%
Westbrook	2,752,713	2,590,093	162,620	6.3%
Windham	389,230	366,796	22,434	6.1%
	<u>\$ 46,239,468</u>	<u>\$ 44,545,576</u>	<u>\$ 1,693,892</u>	<u>3.8%</u>

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales grew \$1.53 million (6.9%). Fire Protection revenue was up \$68k (2.6%) and Other Revenue was down \$72k (32.5%) due to the moratorium of disconnections and late fees.

In the Wastewater (WW) Funds, the largest component of Operating Revenue was the wastewater assessments. Assessment increases in 2020 were: Cape Elizabeth 8.4%, Cumberland 6.6%, Gorham 2.4%, Portland 2.0%, Westbrook 11.1%, and Windham 6.1%. Due to prior fund surpluses, assessment revenue was returned to Portland (\$496k) and Westbrook (\$118k) in 2020 reducing current year revenue. Portland also receives revenue from septage haulers, that total was up \$13k (5%).



## Non-Operating Revenue

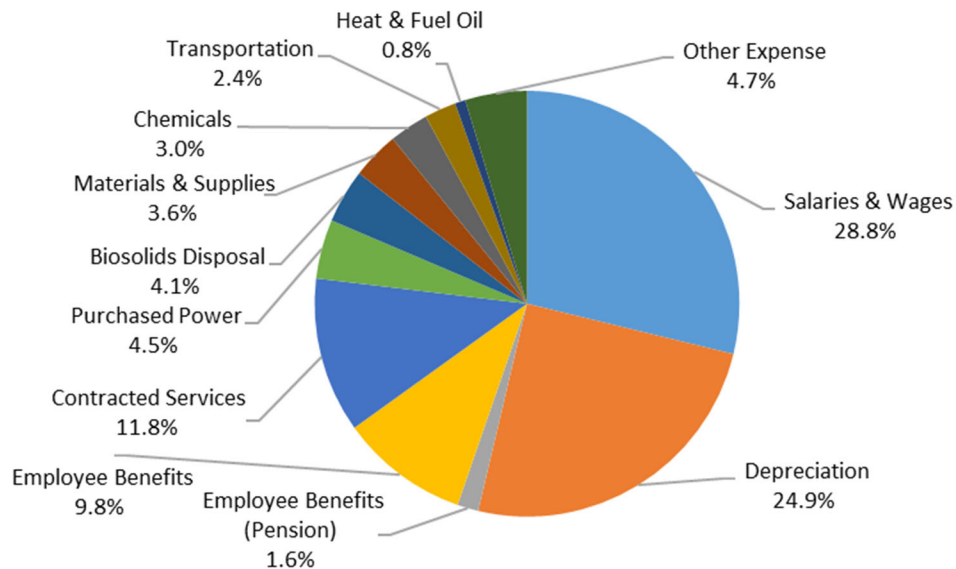
	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Interest Income	\$ 585,737	\$ 1,090,244	\$ (504,507)	-46.3%
Miscellaneous Income	382,075	302,289	79,786	26.4%
	<u>\$ 967,812</u>	<u>\$ 1,392,533</u>	<u>\$ (424,721)</u>	-30.5%

Interest Income decreased \$504k (46.3%) in 2020. The decline in 2020 can be attributed to lower rates of return as interest rates dropped during the year. 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 2020 (\$79.8k) was due to a reduction in the cost to retire capital assets from \$95.2k in 2019 to \$16.9k in 2020.

## Operating

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Expense Diff %</u>
Salaries & Wages	\$ 11,857,086	\$ 11,287,519	\$ 569,567	5.0%
Depreciation	10,304,624	10,129,483	175,141	1.7%
Employee Benefits (Pension)	668,466	3,190,696	(2,522,230)	-121.8%
Employee Benefits	4,068,521	4,091,870	(23,349)	-0.6%
Contracted Services	4,862,161	4,205,578	656,583	15.6%
Purchased Power	1,859,039	1,800,127	58,912	3.3%
Biosolids Disposal	1,704,001	1,809,983	(105,982)	-5.9%
Materials & Supplies	1,508,430	1,485,948	22,482	1.5%
Chemicals	1,239,730	1,173,157	66,573	5.7%
Transportation	988,095	1,035,709	(47,614)	-4.6%
Heat & Fuel Oil	320,128	316,450	3,678	1.2%
Other Expense	1,951,011	1,199,183	751,828	62.7%
	<u>\$ 41,331,292</u>	<u>\$ 41,725,703</u>	<u>\$ (394,411)</u>	-0.9%



## Operating Expense Category Explanations

Salaries/Wages – Salaries and Wages expense increased by \$569,567 or 5.0% with which due to the 3.0% average wage increase and an increase in the District’s authorized headcount of four (4) positions. In addition, expenses related to accrued vacation time due to employees increased by \$89,634 due to the lower levels of leave taken by employees during the pandemic.

Depreciation Expense – This expense went from \$10.13 million in 2019 to \$10.30 million in 2020, an increase of 1.7% or \$175,141. Most of the increase comes from additions to the Water fund, like 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 2019 and 2020 was a decrease of \$2.5 million.

Employee Benefits - This expense decreased \$23,349 or -0.6%. FICA taxes were \$43,821 higher, in line with wages increase, but offset with savings in health insurance and workers compensation.

Contracted Services - This category, which is comprised of services provided to the District by outside vendors, has increased by \$656,583 or 15.6%. This was impacted by an unexpected landslide on the Presumpscot River where the District incurred approximately \$380k in construction expenses. In addition, costs related to road work done by local municipalities, such as valve box raising, was \$361k more than 2019.

Purchased Power – Power costs increased 3.3% (\$58,911) in 2020. Increased usage by the Sebago Lake Water Treatment Facility (SLWTF) of 3.5% correlates with the increase in water production for the year and was an increased expense of \$24,705. The Cape Elizabeth Wastewater Treatment Facility also saw an increase in expense (\$16,247 - 55.9%) brought on by increased usage of 168,960 (66.5%) kWh as compared to 2019 actuals. This was the first full year that the UV disinfection system was in operation.

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 less than 2019 by \$105,982 and 5.9%. This decrease was due to a 10.7% reduction in the volume of solids arriving at the treatment plants. This volume reduction was partially offset by a 2.6% increase in the per unit cost of disposal.

Materials/Supplies - Materials and Supplies have increased by \$22,482 or 1.5%. 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. In 2020, material expenses were curtailed due to the pandemic but offset by one time purchases needed to create home offices.

Transportation - Transportation costs, where were down \$47,614 (4.6%), are based on vehicle usage and a predefined hourly rate for each class of vehicle. The sum of these charges equal the cost of operating the vehicle fleet, as well as depreciation. In 2020, facility costs assigned to the garage area were lower due to a large reduction in security costs at the District’s main office due to security automation.

Chemicals - Expenses have gone up by \$66,573 and 5.7% which is predominantly due to Sodium Hypochlorite, a disinfectant, used in both water and wastewater treatment plants. The vendor's price per gallon went up by \$0.18 or 20% from 2019 and all plants have increased usage attributed to higher production needs.

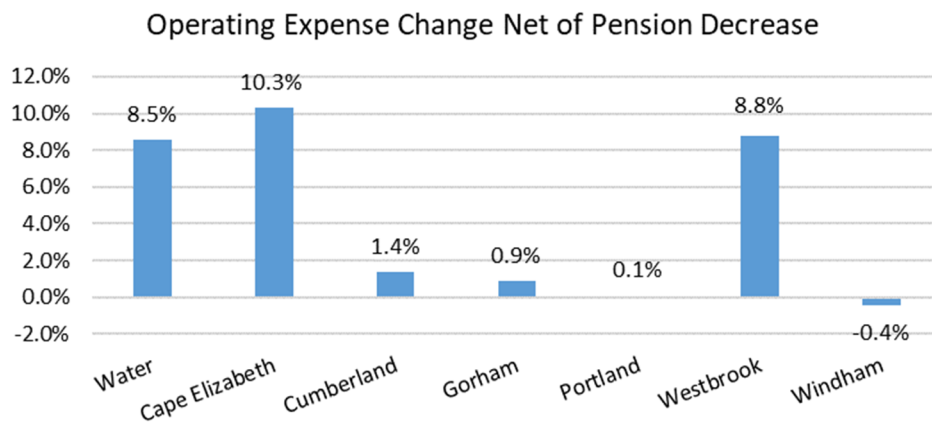
Heating & Fuel Oil - The cost of fuels relating to heating facilities rose \$8.8k (2.99%) while fuel for vehicles that fill up at the District's main facility decreased \$5.1k (23.5%) due to reduced travel during the pandemic. Overall, costs increased by 1.2% or \$3.7k.

Other Expense - This category included items such as other utilities (water, wastewater, telephones), training, insurance, and regulatory expenses as well as other expenses that don't fit in aforementioned categories. The category has increased by \$751,828 or 62.7% mainly due to the write-off of \$450k for the ongoing asset, billing and customer information project (ABC). The other large contributor this year was the increase in our bad debt expense due to the financial difficulties presented by the pandemic that increased customer delinquencies and the write off by \$228k.

## Operating Expense by Fund

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 22,063,590	\$ 22,148,029	\$ (84,439)	-0.4%
Wastewater:				
Cape Elizabeth	1,910,105	1,781,721	128,384	7.2%
Cumberland	1,070,772	1,104,580	(33,808)	-3.1%
Falmouth	168,998	162,594	6,404	3.9%
Gorham	1,039,703	1,110,753	(71,050)	-6.4%
Portland	12,177,254	12,618,188	(440,934)	-3.5%
Westbrook	2,627,206	2,489,028	138,178	5.6%
Windham	273,664	310,810	(37,146)	-12.0%
	<u>\$ 41,331,292</u>	<u>\$ 41,725,703</u>	<u>\$ (394,411)</u>	<u>-0.9%</u>

Pension expenses (which are included above) were \$2.53 million lower in 2020 than the previous year. The Operating Expense by Fund without the pension decrease was:



Water Fund (8.5% or \$1.7 mil) – Contracted construction increased significantly in 2020 due to more paving related costs and an unexpected landslide. Also a portion of the asset billing management system was written off for \$301k as well as an increase to the bad debt expense to cover the higher delinquent bills resulting from the pandemic.

Cape Elizabeth (10.3% or \$174k) – The cost of treatment contracted services provide by the City of South Portland increased \$77k due to a rise in Cape Elizabeth’s follows as a percentage of plant’s total flows. The fund also had higher costs for maintenance (\$25k) and power (\$17k). In addition, depreciation increased by 3.1% due to fixed asset additions.

Cumberland (1.4% or \$15k) – Cumberland had an increase in materials as well as a portion of the billing system write off. In addition, depreciation increased by 6.9% due to fixed asset additions.

## Operating Expense by Fund - Continued

Falmouth (3.9% or \$6.4k) – Falmouth’s expense increase was due to the billing system write off for \$6.5k.

Gorham (0.9% or \$9k) – Gorham had higher costs in chemicals, materials, and power that was offset by less transportation costs due to the pandemic. Total operations were offset by a decrease in depreciation by 1.5%.

Portland (0.1% or \$8k) – Biosolids costs were down \$87k due to lower volumes and outside engineering costs were lower (\$19k). Offsetting those savings were costs relating a generator failure (\$24k) and the write-off of the billing project costs (\$73k).

Westbrook (8.8% or \$209k) – Westbrook operating expenses were higher in chemicals, specifically in sodium hypochlorite, used in disinfection, contractor construction, and materials. In addition they did have 4.6% higher depreciation this year due to asset additions.

Windham (-0.4% or -\$1k) – In 2020, Windham remained relatively unchanged due to labor and benefits increasing with a comparable offset of lower materials.

## Non-Operating Expense

Interest/Amortization Expense was relatively flat as debt issues and retirements were relatively even. The Loss on Sale/Retirement recognizes the retirement of long-term assets that had not yet been fully depreciated. The increase in expense in 2020 was due to assets retired at the Portland fund’s East End Wastewater Treatment Facility.

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Interest/Amortization Expense	\$ 2,147,227	\$ 2,173,936	\$ (26,709)	-1.2%
Loss on Sale/Retirement	300,154	131,065	169,089	129.0%
	<u>\$ 2,447,381</u>	<u>\$ 2,305,001</u>	<u>\$ 142,380</u>	<u>6.2%</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. Cumberland and Gorham Wastewater contributions were for sewer interceptors and collectors. The 2020 Other Water Assets contribution represents the principal forgiveness on debt issued for the Tiger Hill conservation easement purchase.

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$ 3,009,540	\$ 2,149,640	\$ 859,900	40.0%
Water Services	207,108	385,517	(178,409)	-46.3%
Water Meters	93,957	228,880	(134,923)	-58.9%
Hydrants	163,159	117,595	45,564	38.7%
Other Water Assets	50,000	-	50,000	n/a
Wastewater - Cumberland	499,500	942,600	(443,100)	-47.0%
Wastewater - Gorham	178,000	-	178,000	n/a
	<u>\$ 4,201,264</u>	<u>\$ 3,824,232</u>	<u>\$ 377,032</u>	<u>9.9%</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>2020</u>	<u>2019</u>
Water	2.44	2.77
Wastewater:		
Cape Elizabeth	0.50	2.04
Cumberland	4.62	4.35
Falmouth	0.21	0.24
Gorham	2.99	4.35
Portland	2.91	2.22
Westbrook	7.60	7.96
Windham	1.99	3.53
All Funds Combined	2.65	2.84

Cape Elizabeth's current ratio temporarily dipped below 1.0 at year-end due to the timing of capital expenditures paid in 2020 which were not reimbursed by the issuance of debt until early 2021. 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.

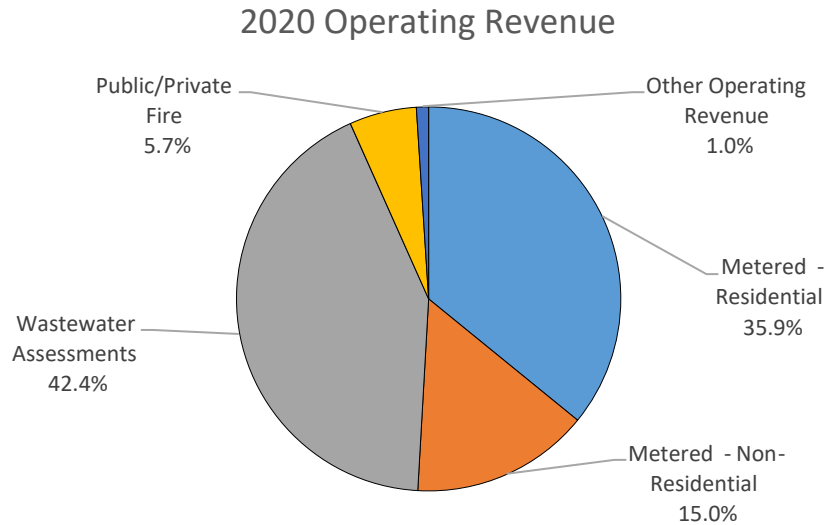
#### Debt Coverage Ratio by Fund

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

	<u>2020</u>	<u>2019</u>
Water	1.80	1.65
Wastewater:		
Cape Elizabeth	1.33	1.65
Cumberland	1.32	0.99
Falmouth	1.02	1.04
Gorham	1.56	1.26
Portland	1.63	1.60
Westbrook	1.37	1.29
Windham	1.54	1.05
All Funds Combined	1.68	1.57

## Revenue Stability

Most of the District's Operating Revenue (99% in 2020), came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges.



Metered Water Revenue (50.9%) – Metered water rates are set by the District’s Board of Trustees. These rate changes allow the District to maintain operations and pay debt service. The District had 53,672 metered customers at the end of 2020; the largest ten customers only represented 7.8% of water revenues.

Wastewater Assessments (42.4%) – These assessments are paid by the local municipalities served by the District and are funded by sewer user charges. Legally, the District is obligated to set the assessments at an amount needed to operate the wastewater facilities and pay the related debt service.

Public/Private Fire Projection (5.7%) – Public Fire charges are paid by the eleven municipalities served by the District; Private Fire has 2,506 customers.

## Significant Changes to Individual Funds

### Pension Trust Funds

#### Statement of Net Position

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
<b>Bargaining Unit:</b>				
Cash and cash equivalents	\$ 241,436	\$ 417,113	\$ (175,677)	-72.8%
Investments				
Equity Mutual Funds	8,861,038	7,830,546	1,030,492	11.6%
Common Stock	5,469,357	4,752,295	717,062	13.1%
Fixed Income Mutual Funds	<u>703,423</u>	<u>624,192</u>	<u>79,231</u>	11.3%
	15,033,818	13,207,033	1,826,785	12.2%
Interest Receivable	<u>-760</u>	<u>-7,993</u>	<u>7,233</u>	-951.7%
Total Assets	<u><b>\$ 15,274,494</b></u>	<u><b>\$ 13,616,153</b></u>	<u><b>\$ 1,658,341</b></u>	<b>10.9%</b>
<b>Non-Bargaining Unit:</b>				
Cash and cash equivalents	\$ 213,916	\$ 377,813	\$ (163,897)	-43.4%
Investments				
Equity Mutual Funds	7,635,485	6,805,590	829,895	10.9%
Common Stock	4,883,552	4,176,713	706,839	14.5%
Fixed Income Mutual Funds	<u>585,869</u>	<u>537,328</u>	<u>48,541</u>	8.3%
	13,104,906	11,519,631	1,585,275	12.1%
Interest Receivable	<u>-387</u>	<u>-6,983</u>	<u>6,596</u>	-94.5%
Total Assets	<u><b>\$ 13,318,435</b></u>	<u><b>\$ 11,890,461</b></u>	<u><b>\$ 1,427,974</b></u>	<b>-(12.0)%</b>

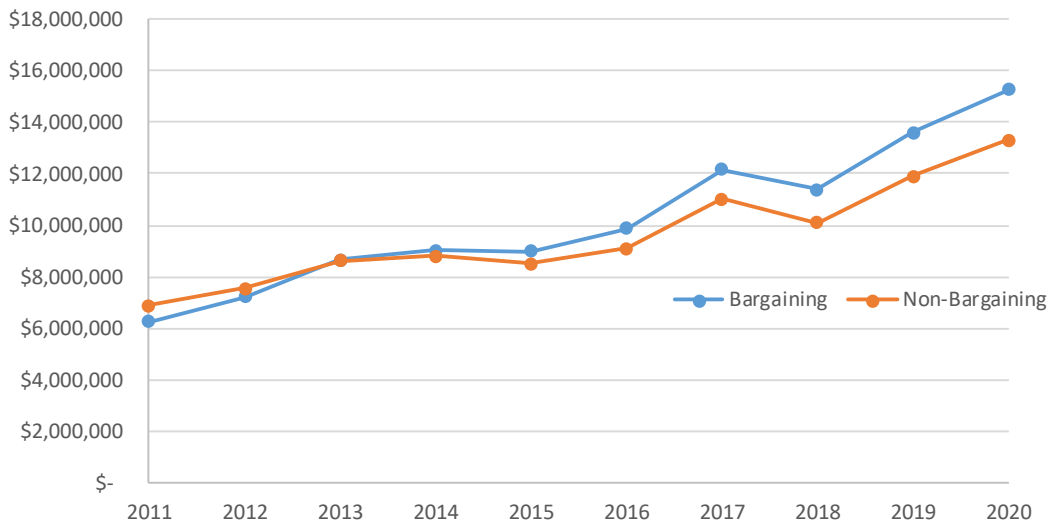
#### Statement of Revenues, Expenses & Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>Diff</u>	<u>Diff %</u>
<b>Bargaining Unit:</b>				
Employer Contributions	\$ 632,344	\$ 657,022	\$ (24,678)	-3.8%
Net Investment Income	<u>1,844,171</u>	<u>2,299,669</u>	<u>(455,498)</u>	-19.8%
Total Additions	2,476,515	2,956,691	(480,176)	-16.2%
Benefit Payments	<u>818,174</u>	<u>745,100</u>	<u>73,074</u>	9.8%
Net Increase in Position	1,658,341	2,211,591	(553,250)	-25.0%
Beginning Year	<u>13,616,153</u>	<u>11,404,562</u>	<u>2,211,591</u>	19.4%
Ending Year	<u><b>\$ 15,274,494</b></u>	<u><b>\$ 13,616,153</b></u>	<u><b>\$ 1,658,341</b></u>	<b>12.2%</b>
<b>Non-Bargaining Unit:</b>				
Employer Contributions	\$ 488,318	\$ 455,752	\$ 32,566	7.1%
Net Investment Income	<u>1,624,656</u>	<u>2,049,544</u>	<u>(424,888)</u>	-20.7%
Total Additions	2,112,974	2,505,296	(392,322)	-15.7%
Benefit Payments	<u>685,000</u>	<u>713,961</u>	<u>(28,961)</u>	-4.1%
Net Increase in Position	1,427,974	1,791,335	(363,361)	-20.3%
Beginning Year	<u>11,890,461</u>	<u>10,099,126</u>	<u>1,791,335</u>	17.7%
Ending Year	<u><b>\$ 13,318,435</b></u>	<u><b>\$ 11,890,461</b></u>	<u><b>\$ 1,427,974</b></u>	<b>12.0%</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>
2011	\$ 6,272,588	\$ 64,108	1.0%	\$ 6,890,757	\$ (129,987)	-1.9%
2012	7,214,219	941,631	15.0%	7,554,655	663,898	9.6%
2013	8,645,546	1,431,327	19.8%	8,611,262	1,056,607	14.0%
2014	9,017,043	371,497	4.3%	8,823,096	211,834	2.5%
2015	8,988,517	(28,526)	-0.3%	8,514,202	(308,894)	-3.5%
2016	9,869,559	881,042	9.8%	9,096,188	581,986	6.8%
2017	12,176,397	2,306,838	23.4%	11,018,376	1,922,188	21.1%
2018	11,404,562	(771,835)	-6.3%	10,099,126	(919,250)	-8.3%
2019	13,616,153	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%



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

### Request for Information

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



## Statement of Net Position - Proprietary Funds

December 31, 2020

## ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 5,399,201	\$ 67,195	\$ 187,049	\$ 12,004
Investments	18,623,410	231,829	645,341	41,415
Accounts receivable, net allowance for doubtful accounts of \$373,800 for water systems	3,780,346	-	-	-
Notes receivable, current	-	-	-	-
Lease receivable, current	45,684	-	-	-
Inventories	1,597,494	-	-	-
Prepaid expenses	313,357	4,393	-	-
Trustee held funds	2,777	8,182	-	-
<b>Total Current Assets</b>	<u>29,762,269</u>	<u>311,599</u>	<u>832,390</u>	<u>53,419</u>
<b>Non-Current Assets</b>				
<b>Capital Assets:</b>				
Operating property	352,449,154	17,419,648	9,293,572	5,703,963
Accumulated depreciation	<u>(128,507,015)</u>	<u>(12,502,106)</u>	<u>(5,619,828)</u>	<u>(529,108)</u>
Net operating property	223,942,139	4,917,542	3,673,744	5,174,855
Construction in progress	3,305,579	1,241,282	-	-
<b>Net Capital Assets</b>	<u>227,247,718</u>	<u>6,158,824</u>	<u>3,673,744</u>	<u>5,174,855</u>
<b>Intangible Assets:</b>				
Right to use lease asset	21,223	126,123	-	-
Accumulated amortization	<u>(9,287)</u>	<u>(3,503)</u>	<u>-</u>	<u>-</u>
<b>Net Intangible Assets</b>	<u>11,936</u>	<u>122,620</u>	<u>-</u>	<u>-</u>
<b>Charges and Other Assets:</b>				
Notes receivable	-	-	-	-
Lease receivable	1,449,542	-	-	-
<b>Total Charges &amp; Other Assets</b>	<u>1,449,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>228,709,196</u>	<u>6,281,444</u>	<u>3,673,744</u>	<u>5,174,855</u>
<b>Total Assets</b>	<u>258,471,465</u>	<u>6,593,043</u>	<u>4,506,134</u>	<u>5,228,274</u>
<b>Deferred Outflows:</b>				
Deferred outflows of pension resources	1,025,882	61,416	21,935	-
Deferred outflows on bond refunding	75,900	-	-	-
<b>Total Deferred Outflows</b>	<u>1,101,782</u>	<u>61,416</u>	<u>21,935</u>	<u>-</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 259,573,247</u>	<u>\$ 6,654,459</u>	<u>\$ 4,528,069</u>	<u>\$ 5,228,274</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>
\$ 317,761	\$ 2,163,299	\$ 1,176,029	\$ 84,543	\$ 9,407,081
1,096,317	7,463,647	3,792,030	291,682	32,185,671
-	68,201	3,491	-	3,852,038
-	-	13,240	-	13,240
-	-	-	-	45,684
-	-	-	-	1,597,494
-	72,081	18,450	-	408,281
-	160,297	-	-	171,256
<u>1,414,078</u>	<u>9,927,525</u>	<u>5,003,240</u>	<u>376,225</u>	<u>47,680,745</u>
18,207,767	115,409,174	22,610,251	3,108,324	544,201,853
<u>(9,623,041)</u>	<u>(70,653,453)</u>	<u>(13,842,026)</u>	<u>(1,269,419)</u>	<u>(242,545,996)</u>
8,584,726	44,755,721	8,768,225	1,838,905	301,655,857
262,994	1,703,276	568,681	133,002	7,214,814
<u>8,847,720</u>	<u>46,458,997</u>	<u>9,336,906</u>	<u>1,971,907</u>	<u>308,870,671</u>
-	-	-	-	147,346
-	-	-	-	(12,790)
-	-	-	-	134,556
-	-	92,680	-	92,680
-	-	-	-	1,449,542
-	-	92,680	-	1,542,222
<u>8,847,720</u>	<u>46,458,997</u>	<u>9,429,586</u>	<u>1,971,907</u>	<u>310,547,449</u>
<u>10,261,798</u>	<u>56,386,522</u>	<u>14,432,826</u>	<u>2,348,132</u>	<u>358,228,194</u>
32,984	387,508	83,675	11,373	1,624,773
-	-	-	-	75,900
<u>32,984</u>	<u>387,508</u>	<u>83,675</u>	<u>11,373</u>	<u>1,700,673</u>
<u>\$ 10,294,782</u>	<u>\$ 56,774,030</u>	<u>\$ 14,516,501</u>	<u>\$ 2,359,505</u>	<u>\$ 359,928,867</u>

## Statement of Net Position - Proprietary Funds - Continued

December 31, 2020

## 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	\$ 5,420,936	\$ 352,936	\$ 163,914	\$ 15,620
Accrued interest	284,286	7,309	44	6,410
Customer deposits	353,640	-	10,000	-
Construction retainage	79,558	44,730	-	-
Current portion - lease liability	3,141	1,280	-	-
Current portion - compensated absences	964,800	-	-	-
Current portion - notes payable	-	-	-	-
Current portion - bonds	5,082,403	215,850	6,250	238,000
<b>Total Current Liabilities</b>	<u>12,188,764</u>	<u>622,105</u>	<u>180,208</u>	<u>260,030</u>
<b>Non-Current Liabilities</b>				
Customer advances and other liabilities	3,332,918	-	-	-
Compensated absences - non-current	838,099	-	-	-
Lease liability - non-current	8,830	121,762	-	-
Net pension liability	2,126,179	127,288	45,460	-
Total other non-current liabilities	<u>6,306,026</u>	<u>249,050</u>	<u>45,460</u>	<u>-</u>
Long-term debt - notes payable	-	-	-	-
Long-term debt - bonds	49,849,455	2,718,350	31,250	3,608,000
Total long-term debt - notes and bonds	<u>49,849,455</u>	<u>2,718,350</u>	<u>31,250</u>	<u>3,608,000</u>
<b>Total Non-Current Liabilities</b>	<u>56,155,481</u>	<u>2,967,400</u>	<u>76,710</u>	<u>3,608,000</u>
<b>Total Liabilities</b>	<u>68,344,245</u>	<u>3,589,505</u>	<u>256,918</u>	<u>3,868,030</u>
<b>Deferred Inflows</b>				
Deferred inflows - leases	1,461,228	-	-	-
Deferred inflows of pension resources	2,671,213	159,917	57,114	-
<b>Total Deferred Inflows</b>	<u>4,132,441</u>	<u>159,917</u>	<u>57,114</u>	<u>-</u>
<b>Net Position</b>				
Invested in capital assets	173,228,947	3,232,806	3,636,244	1,328,855
Unrestricted	13,867,614	(327,769)	577,793	31,389
<b>Total Net Position</b>	<u>187,096,561</u>	<u>2,905,037</u>	<u>4,214,037</u>	<u>1,360,244</u>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<u>\$ 259,573,247</u>	<u>\$ 6,654,459</u>	<u>\$ 4,528,069</u>	<u>\$ 5,228,274</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>
\$ 159,660	\$ 1,120,699	\$ 171,317	\$ 67,676	\$ 7,472,758
9,219	55,868	18,556	6,207	387,899
-	-	-	-	363,640
-	76,895	-	-	201,183
-	-	-	-	4,421
-	-	-	-	964,800
-	-	-	13,240	13,240
<u>303,655</u>	<u>2,160,508</u>	<u>468,689</u>	<u>102,159</u>	<u>8,577,514</u>
<u>472,534</u>	<u>3,413,970</u>	<u>658,562</u>	<u>189,282</u>	<u>17,985,455</u>
-	107,655	84,401	-	3,524,974
-	-	-	-	838,099
-	-	-	-	130,592
<u>68,358</u>	<u>803,126</u>	<u>173,422</u>	<u>23,571</u>	<u>3,367,404</u>
<u>68,358</u>	<u>910,781</u>	<u>257,823</u>	<u>23,571</u>	<u>7,861,069</u>
-	-	-	92,680	92,680
<u>2,241,860</u>	<u>19,308,162</u>	<u>4,959,190</u>	<u>730,684</u>	<u>83,446,951</u>
2,241,860	19,308,162	4,959,190	823,364	83,539,631
2,310,218	20,218,943	5,217,013	846,935	91,400,700
2,782,752	23,632,913	5,875,575	1,036,217	109,386,155
-	-	-	-	1,461,228
<u>85,882</u>	<u>1,009,002</u>	<u>217,877</u>	<u>29,615</u>	<u>4,230,620</u>
<u>85,882</u>	<u>1,009,002</u>	<u>217,877</u>	<u>29,615</u>	<u>5,691,848</u>
6,302,205	25,443,108	3,909,027	1,033,144	218,114,336
<u>1,123,943</u>	<u>6,689,007</u>	<u>4,514,022</u>	<u>260,529</u>	<u>26,736,528</u>
<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>\$ 10,294,782</u>	<u>\$ 56,774,030</u>	<u>\$ 14,516,501</u>	<u>\$ 2,359,505</u>	<u>\$ 359,928,867</u>

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

Year Ended December 31, 2020

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>
<b>Operating Revenues</b>				
Water revenues	\$ 26,163,382	\$ -	\$ -	\$ -
Wastewater assessments	-	1,705,380	965,292	314,112
Other operating revenues	149,977	-	-	-
Total Operating Revenues	<u>26,313,359</u>	<u>1,705,380</u>	<u>965,292</u>	<u>314,112</u>
<b>Operating Expenses</b>				
Operations	6,342,219	805,654	548,176	-
Maintenance	5,985,482	163,808	178,591	-
Customer accounting and collections	1,200,363	31,269	15,916	11,284
Administrative and general	3,020,602	394,550	156,587	6,567
Taxes on operating property	60,806	-	-	-
Depreciation not allocated elsewhere	5,454,118	514,824	171,502	151,147
Total Operating Expenses	<u>22,063,590</u>	<u>1,910,105</u>	<u>1,070,772</u>	<u>168,998</u>
<b>Operating Income (Loss)</b>	4,249,769	(204,725)	(105,480)	145,114
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	326,408	14,639	12,505	1,625
Miscellaneous	262,881	709	195	-
Loss on sale/disposal of operating property	(124,632)	-	-	-
Interest and amortization expense	(1,424,395)	(60,298)	(957)	(54,186)
Net Non-Operating Revenues (Expenses)	<u>(959,738)</u>	<u>(44,950)</u>	<u>11,743</u>	<u>(52,561)</u>
<b>Change in Net Position Before Contributions</b>	3,290,031	(249,675)	(93,737)	92,553
<b>Capital Contributions</b>	<u>3,523,764</u>	<u>-</u>	<u>499,500</u>	<u>-</u>
<b>Change in Net Position</b>	6,813,795	(249,675)	405,763	92,553
<b>Net Position, Beginning of Year</b>	<u>180,282,766</u>	<u>3,154,712</u>	<u>3,808,274</u>	<u>1,267,691</u>
<b>Net Position, End of Year</b>	<u>\$ 187,096,561</u>	<u>\$ 2,905,037</u>	<u>\$ 4,214,037</u>	<u>\$ 1,360,244</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>
\$ -	\$ -	\$ -	\$ -	\$ 26,163,382
1,160,676	12,367,494	2,702,503	389,004	19,604,461
978	270,234	50,210	226	471,625
<u>1,161,654</u>	<u>12,637,728</u>	<u>2,752,713</u>	<u>389,230</u>	<u>46,239,468</u>
331,877	5,805,771	1,292,955	120,123	15,246,775
56,041	285,279	94,398	22,495	6,786,094
23,471	200,164	54,375	1,176	1,538,018
236,488	2,886,868	624,409	68,904	7,394,975
-	-	-	-	60,806
391,826	2,999,172	561,069	60,966	10,304,624
<u>1,039,703</u>	<u>12,177,254</u>	<u>2,627,206</u>	<u>273,664</u>	<u>41,331,292</u>
121,951	460,474	125,507	115,566	4,908,176
25,366	117,640	80,316	7,238	585,737
333	116,266	1,580	111	382,075
(55)	(175,258)	(209)	-	(300,154)
(60,571)	(390,392)	(134,039)	(22,389)	(2,147,227)
<u>(34,927)</u>	<u>(331,744)</u>	<u>(52,352)</u>	<u>(15,040)</u>	<u>(1,479,569)</u>
87,024	128,730	73,155	100,526	3,428,607
<u>178,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,201,264</u>
265,024	128,730	73,155	100,526	7,629,871
<u>7,161,124</u>	<u>32,003,385</u>	<u>8,349,894</u>	<u>1,193,147</u>	<u>237,220,993</u>
<u>\$ 7,426,148</u>	<u>\$ 32,132,115</u>	<u>\$ 8,423,049</u>	<u>\$ 1,293,673</u>	<u>\$ 244,850,864</u>

**Statement of Cash Flows - Proprietary Funds**

For the Year Ended December 31, 2020

	<b>Water Systems</b>	<b>Cape Elizabeth</b>	<b>Cumberland</b>	<b>Falmouth</b>
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 26,220,178	\$ 1,705,380	\$ 965,292	\$ 314,113
Payments to suppliers	(6,502,135)	(798,868)	(752,869)	(33,600)
Payments to employees	(7,298,851)	(447,952)	(156,606)	(2,534)
<b>Net cash flows from operating activities</b>	<b>12,419,192</b>	<b>458,560</b>	<b>55,817</b>	<b>277,979</b>
<b>Cash flows from capital and related financing activities:</b>				
Issuance of bonds	4,140,000	130,000	-	-
Bond principal forgiven	(50,000)	-	-	-
Principal payments bonds	(4,785,563)	(215,850)	(6,250)	(238,000)
Notes payable payments	-	-	-	-
Transfer from trustee funds	573,166	401,114	-	-
New trustee funds	(565,000)	(130,000)	-	-
Interest paid	(1,430,914)	(60,529)	(965)	(54,584)
Acquisitions and construction of operating property	(9,729,047)	(1,195,822)	-	-
Amortization of leased assets	9,287	3,503	-	-
Proceeds from sale of operating property	7,752	-	-	-
Payments for preliminary plant survey	-	-	-	-
<b>Net cash flows from capital and related financing activities</b>	<b>(11,830,319)</b>	<b>(1,067,584)</b>	<b>(7,215)</b>	<b>(292,584)</b>
<b>Cash flows from investing activities:</b>				
Investments - transfer to water	(13,666,342)	716,973	618,965	53,286
Investments - purchases	(29,934,340)	-	-	-
Investments - sales	30,100,000	-	-	-
Investments - market value change	(142,087)	-	-	-
Investments - transfer from water	13,562,261	(231,829)	(645,341)	(41,415)
Interest income received	326,408	14,639	12,505	1,625
Payments on notes receivable	-	-	-	-
<b>Net cash flows from investing activities</b>	<b>245,900</b>	<b>499,783</b>	<b>(13,871)</b>	<b>13,496</b>
<b>Net change in cash</b>	<b>834,773</b>	<b>(109,241)</b>	<b>34,731</b>	<b>(1,109)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>4,564,428</b>	<b>176,436</b>	<b>152,318</b>	<b>13,113</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 5,399,201</b>	<b>\$ 67,195</b>	<b>\$ 187,049</b>	<b>\$ 12,004</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>				
Operating income (loss)	\$ 4,249,769	\$ (204,725)	\$ (105,480)	\$ 145,114
Depreciation	5,454,118	514,824	171,502	151,147
Depreciation allocated	980,000	-	-	-
Amortization	17,000	-	-	-
Miscellaneous income	262,881	709	195	-
Changes in assets and liabilities:				
Accounts receivable	(93,181)	-	-	-
Inventories	(82,642)	-	-	-
Prepays	(98,804)	1,439	-	-
Lease receivable	(1,495,226)	-	-	-
Accounts payable and accrued payroll	1,435,056	20,444	7,272	(18,282)
Compensated absences	110,127	-	-	-
Customer deposits	82,791	-	(4,500)	-
Net pension liability and deferred inflows (outflows)	(324,711)	2,827	(13,172)	-
Bond refunding deferred outflow	29,800	-	-	-
Lease liability	11,971	123,042	-	-
Lease deferred inflows	1,461,228	-	-	-
Customer advances and other liabilities	419,015	-	-	-
<b>Net cash flows from operating activities</b>	<b>\$ 12,419,192</b>	<b>\$ 458,560</b>	<b>\$ 55,817</b>	<b>\$ 277,979</b>
<b>Noncash investing, capital and financing activities</b>				
Capital contributions	\$ 3,523,764	\$ -	\$ 499,500	\$ -

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>
\$ 1,160,677	\$ 12,616,969	\$ 2,964,800	\$ 389,230	\$ 46,336,639
(300,211)	(6,951,471)	(1,454,527)	(66,342)	(16,860,023)
(230,865)	(2,804,944)	(574,372)	(86,474)	(11,602,598)
<u>629,601</u>	<u>2,860,554</u>	<u>935,901</u>	<u>236,414</u>	<u>17,874,018</u>
-	4,500,000	-	-	8,770,000
-	-	-	-	(50,000)
(303,766)	(2,025,757)	(469,095)	(102,172)	(8,146,453)
-	-	-	(13,240)	(13,240)
-	2,989,703	175,973	-	4,139,956
-	(3,150,000)	-	-	(3,845,000)
(61,787)	(384,995)	(154,259)	(23,246)	(2,171,279)
(348,011)	(3,859,200)	(481,740)	(165,518)	(15,779,338)
-	-	-	-	12,790
-	190	-	-	7,942
-	-	(10,098)	-	(10,098)
<u>(713,564)</u>	<u>(1,930,059)</u>	<u>(939,219)</u>	<u>(304,176)</u>	<u>(17,084,720)</u>
1,181,842	6,884,612	3,860,167	350,497	-
-	-	-	-	(29,934,340)
-	-	-	-	30,100,000
-	-	-	-	(142,087)
(1,096,317)	(7,463,647)	(3,792,030)	(291,682)	-
25,366	117,640	80,316	7,238	585,737
-	-	13,240	-	13,240
<u>110,891</u>	<u>(461,395)</u>	<u>161,693</u>	<u>66,053</u>	<u>622,550</u>
26,928	469,100	158,375	(1,709)	1,411,848
<u>290,833</u>	<u>1,694,199</u>	<u>1,017,654</u>	<u>86,252</u>	<u>7,995,233</u>
<u>\$ 317,761</u>	<u>\$ 2,163,299</u>	<u>\$ 1,176,029</u>	<u>\$ 84,543</u>	<u>\$ 9,407,081</u>
\$ 121,951	\$ 460,474	\$ 125,507	\$ 115,566	\$ 4,908,176
391,826	2,999,172	561,069	60,966	10,304,624
-	-	-	-	980,000
-	-	10,098	-	27,098
333	116,266	1,580	111	382,075
-	(20,759)	212,088	-	98,148
-	-	-	-	(82,642)
1,537	(43,992)	(8,520)	355	(147,985)
-	-	-	-	(1,495,226)
137,169	(635,407)	51,786	66,435	1,064,473
-	-	-	-	110,127
(2,470)	-	-	-	75,821
(20,745)	(64,155)	(25,214)	(7,019)	(452,189)
-	-	-	-	29,800
-	-	-	-	135,013
-	-	-	-	1,461,228
-	48,955	7,507	-	475,477
<u>\$ 629,601</u>	<u>\$ 2,860,554</u>	<u>\$ 935,901</u>	<u>\$ 236,414</u>	<u>\$ 17,874,018</u>
<u>\$ 178,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,201,264</u>



## Statement of Fiduciary Net Position - Pension Trust Funds

December 31, 2020

	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>	\$ 241,436	\$ 213,916	\$ 455,352
Investments			
Equity mutual funds	\$ 8,861,038	\$ 7,635,485	\$ 16,496,523
Common stock	5,469,357	4,883,552	10,352,909
Fixed income - mutual funds	703,423	585,869	1,289,292
	<u>15,033,818</u>	<u>13,104,906</u>	<u>28,138,724</u>
Interest receivable	<u>(760)</u>	<u>(387)</u>	<u>(1,147)</u>
<b>Total Assets</b>	<u>\$ 15,274,494</u>	<u>\$ 13,318,435</u>	<u>\$ 28,592,929</u>
Restricted for pension benefits	<u>\$ 15,274,494</u>	<u>\$ 13,318,435</u>	<u>\$ 28,592,929</u>
<b>Total Net Position</b>	<u>\$ 15,274,494</u>	<u>\$ 13,318,435</u>	<u>\$ 28,592,929</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, 2020

	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
<b>Additions:</b>			
<b>Employer Contributions</b>	\$ 632,344	\$ 488,318	\$ 1,120,662
<b>Investment Income</b>			
Interest and dividends	405,111	346,854	751,965
Net gain on sale of assets	504,569	441,739	946,308
Net depreciation of investments	1,011,249	902,968	1,914,216
<b>Net Investment Income</b>	<u>1,920,929</u>	<u>1,691,561</u>	<u>3,612,489</u>
<b>Total Additions</b>	2,553,273	2,179,879	4,733,151
<b>Deductions:</b>			
Benefits	(818,174)	(685,000)	(1,503,174)
Fees/Other Expenses	<u>(76,758)</u>	<u>(66,905)</u>	<u>(143,662)</u>
<b>Total Deductions</b>	<u>(894,932)</u>	<u>(751,905)</u>	<u>(1,646,836)</u>
<b>Change in Position</b>	1,658,341	1,427,974	3,086,315
<b>Net Position - Beginning of Year</b>	<u>13,616,153</u>	<u>11,890,461</u>	<u>25,506,614</u>
<b>Net Position - End of Year</b>	<u>\$ 15,274,494</u>	<u>\$ 13,318,435</u>	<u>\$ 28,592,929</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 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, 2020

### 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, 2020**

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

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

*Interest Rate Risk:*

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

The investment policy calls for investment in securities with varying maturities and investing a portion of the portfolio in money market funds or other overnight investments to ensure appropriate liquidity. The maturity of investments is limited to two years or less. Reserve funds may be invested in assets with maturities of over two years; however, no single investment can exceed three years and the weighted average maturity of the entire reserve fund should not exceed two and one-half years. Information about the exposure of the District’s debt type investments to this risk, using the segmented time distribution model is as follows: U.S. Agency Securities fair value with maturities less than one year are \$6,269,005 and maturities of 1-5 years are \$6,253,052.

**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, 2020:

<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 2020. As of December 31, 2020, 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 12.81% and 13.64% 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, 2020

### 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, 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

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

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

##### **Accounts Receivable**

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to trade accounts receivable. Allowance for doubtful accounts as of December 31, 2020 was \$373,800. The District has the ability to place a lien on property with past due balances.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2020**

### 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 is complying with the requirements of GASB Statement 87 – *Leases* starting with the year ended December 31, 2020. 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, 2020

### 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 2020.

#### 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.

#### Recently Adopted Accounting Pronouncements

##### *Leases*

In June 2017, the GASB issued GASB Statement No. 87, *Leases* which provides guidance for lease contracts for nonfinancial assets—including vehicles, heavy equipment, and buildings – but excludes non-exchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). The requirements of this statement are effective for reporting periods beginning after June 15, 2021 with early implementation permitted.



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

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

**Recently Adopted Accounting Pronouncements - Continued**

The District elected to adopt GASB Statement 87 effective January 1, 2020. All leases are classified as operating leases, and therefore, were previously not recognized on the District’s statement of net position. With the adoption of GASB Statement 87, operating lease agreements are required to be recognized on the statement of net position as a right-of-use (ROU) asset with a corresponding lease liability. If at a lease inception date or at some later date during the term of a lease, the District considers the exercising of a renewal option to be reasonably certain, the District would include the extended term in the calculation of the ROU asset and lease liability. Regarding the discount rate, GASB Statement 87 requires the use of the rate implicit in the lease whenever this rate is readily determinable. As this rate is rarely determinable, the District utilize the incremental borrowing rate at lease inception, on a collateralized basis, over a similar term. See Note 3.

**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 \$284,345 at December 31, 2020 and the bank balance was \$1,676,455. The District held certificates of deposit carried at \$19,663,615. Total deposits were categorized, as follows:

	<b>Bank Balances</b>	<b>Certificates of Deposit</b>	<b>Total Deposits</b>
Amount Insured	\$ 1,660,886	\$ 19,648,576	\$ 21,309,462
Amount Uninsured	15,569	15,039	30,607
	<u>\$ 1,676,455</u>	<u>\$ 19,663,615</u>	<u>\$ 21,340,070</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	1,210,327
Carrying Value of Deposits	(925,982)
Money Market Mutual Funds	9,121,436
Total cash and cash equivalents	<u>\$ 9,407,081</u>
Certificates of Deposit	\$ 19,663,614
U.S. Agency Securities	12,522,057
Total investments	<u>\$ 32,185,671</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

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

**Cash & Investments - Continued**

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

Fair value of assets measured on a recurring basis at December 31, 2020 are, as follows:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money Market Mutual Funds	\$ 9,121,436	\$ 9,121,436	\$ -	
Certificates of Deposit	19,663,614	19,398,575	265,039	
U.S Treasury Securities	<u>12,522,057</u>	<u>-</u>	<u>12,522,057</u>	
	<u>\$ 41,307,107</u>	<u>\$ 28,520,011</u>	<u>\$ 12,787,096</u>	

**Investment Ratings - Pension Trust Funds**

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

**Notes Receivable**

During the year, the District had 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.

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>	<u>Current</u>	<u>Non-Current</u>
<b>Westbrook Wastewater Fund:</b>						
Windham Wastewater Fund	<u>119,160</u>	<u>-</u>	<u>(13,240)</u>	<u>105,920</u>	<u>13,240</u>	<u>92,680</u>
<b>Total of all Notes</b>	<u>\$ 119,160</u>	<u>\$ -</u>	<u>\$ (13,240)</u>	<u>\$ 105,920</u>	<u>\$ 13,240</u>	<u>\$ 92,680</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>
<b>Water Fund:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 4,531,653	\$ 7,795	\$ -	\$ 4,539,448
Land Rights	1,973,782	-	-	1,973,782
Plant Acquisition Adjustment	104,189	-	(17,000)	87,189
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>6,920,617</u>	<u>7,795</u>	<u>(17,000)</u>	<u>6,911,412</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	186,550,953	10,106,723	(74,720)	196,582,956
Services	38,094,024	879,993	-	38,974,017
Structures & Improvements	30,264,726	409,611	-	30,674,337
Water Treatment Equipment	14,407,042	17,419	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,683,806	379,916	(114,764)	12,948,958
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	11,935,644	471,687	(105,086)	12,302,245
Vehicles	3,276,105	351,085	(229,783)	3,397,407
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,472,620	12,400	-	1,485,020
Pumping Equipment	2,820,230	-	-	2,820,230
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,355,056	218,028	-	1,573,084
Power Equipment	731,431	-	(24,467)	706,964
Office Furniture & Equipment	756,340	5,795	-	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>333,233,905</u>	<u>12,852,657</u>	<u>(548,820)</u>	<u>345,537,742</u>
<b>Total Operating Property</b>	<u>\$ 340,154,522</u>	<u>\$ 12,860,452</u>	<u>\$ (565,820)</u>	<u>\$ 352,449,154</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets – Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>
<b>Water Fund (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 50,816,823	\$ 2,700,072	\$ (72,339)	\$ 53,444,556
Services	19,887,841	890,250	-	20,778,091
Structures & Improvements	15,227,301	639,410	-	15,866,711
Transmission Mains	7,385,363	144,158	-	7,529,521
Reservoirs & Standpipes	5,291,361	196,880	-	5,488,241
Water Treatment Equipment	4,959,236	423,566	-	5,382,802
Hydrants	4,197,103	242,589	(48,275)	4,391,417
Meters	5,371,548	514,951	(54,567)	5,831,932
Vehicles	1,816,125	288,720	(216,789)	1,888,056
Intakes Suction Mains	1,874,665	24,813	-	1,899,478
Pumping Equipment	1,580,660	76,289	-	1,656,949
Communication Equipment	1,231,347	67,071	-	1,298,418
Power Equipment	659,632	13,193	(24,467)	648,358
Office Equipment	717,958	65,140	-	783,098
Shop Equipment	337,029	-	-	337,029
Computer Equipment	335,265	102,368	-	437,633
Garage Equipment	249,409	4,137	-	253,546
Wells & Springs	225,517	19,643	-	245,160
Radio Equipment	183,438	16,443	-	199,881
Laboratory Equipment	97,982	3,430	-	101,412
Stores Equipment	43,731	995	-	44,726
	<u>122,489,334</u>	<u>6,434,118</u>	<u>(416,437)</u>	<u>128,507,015</u>
<b>Construction Work in Progress</b>	<u>3,017,777</u>	<u>507,194</u>	<u>(219,392)</u>	<u>3,305,579</u>
<b>Net Capital Assets</b>	<u>\$ 220,682,965</u>	<u>\$ 6,933,528</u>	<u>\$ (368,775)</u>	<u>\$ 227,247,718</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets – Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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	6,304,273	11,687	-	6,315,960
Treatment Plant Equipment	3,398,011	21,124	-	3,419,135
Pumping Station Equipment	2,930,682	-	(126,266)	2,804,416
Treatment Plant Structures	3,179,990	20,950	-	3,200,940
Pumping Station Structures	1,248,666	-	(3,913)	1,244,753
General Equipment	197,857	98	-	197,955
Interceptor Equipment	11,330	-	-	11,330
	<u>17,270,809</u>	<u>53,859</u>	<u>(130,179)</u>	<u>17,194,489</u>
<b>Total Operating Property</b>	<u>17,495,968</u>	<u>53,859</u>	<u>(130,179)</u>	<u>17,419,648</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,247,354	126,282	-	4,373,636
Treatment Plant Equipment	2,733,479	185,818	-	2,919,297
Pumping Station Equipment	2,192,632	111,219	(126,266)	2,177,585
Treatment Plant Structures	1,880,727	55,331	-	1,936,058
Pumping Station Structures	945,105	19,979	(3,913)	961,171
General Equipment	116,616	16,048	-	132,664
Interceptor Equipment	1,548	147	-	1,695
	<u>12,117,461</u>	<u>514,824</u>	<u>(130,179)</u>	<u>12,502,106</u>
<b>Construction Work in Progress</b>	<u>207,828</u>	<u>1,056,884</u>	<u>(23,430)</u>	<u>1,241,282</u>
<b>Net Capital Assets</b>	<u>\$ 5,586,335</u>	<u>\$ 595,919</u>	<u>\$ (23,430)</u>	<u>\$ 6,158,824</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets - Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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	6,532,295	499,500	-	7,031,795
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	1,042,049	-	-	1,042,049
Treatment Plant Equipment	47,416	-	-	47,416
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>8,705,067</u>	<u>499,500</u>	<u>-</u>	<u>9,204,567</u>
<b>Total Operating Property</b>	<u>8,794,072</u>	<u>499,500</u>	<u>-</u>	<u>9,293,572</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,733,361	135,641	-	3,869,002
Pumping Station Structures	781,678	13,483	-	795,161
Pumping Station Equipment	847,370	21,579	-	868,949
Treatment Plant Equipment	43,823	799	-	44,622
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>5,448,326</u>	<u>171,502</u>	<u>-</u>	<u>5,619,828</u>
<b>Construction Work in Progress</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Capital Assets</b>	<u>\$ 3,345,746</u>	<u>\$ 327,998</u>	<u>\$ -</u>	<u>\$ 3,673,744</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

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

**Capital Assets - Continued**

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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
	<u>5,693,436</u>	<u>-</u>	<u>-</u>	<u>5,693,436</u>
<b>Total Operating Property</b>	<u>5,703,963</u>	<u>-</u>	<u>-</u>	<u>5,703,963</u>
<b>Less, accumulated depreciation for:</b>				
Pumping Station Structures	111,320	44,528	-	155,848
Pumping Station Equipment	155,325	62,130	-	217,455
Interceptor Structures	111,316	44,489	-	155,805
	<u>377,961</u>	<u>151,147</u>	<u>-</u>	<u>529,108</u>
<b>Net Capital Assets</b>	<u>\$ 5,326,002</u>	<u>\$ (151,147)</u>	<u>\$ -</u>	<u>\$ 5,174,855</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets - Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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	11,495,137	331,516	-	11,826,653
Pumping Station Structures	1,942,753	-	(3,810)	1,938,943
Pumping Station Equipment	1,863,868	-	-	1,863,868
Treatment Plant Structures	1,058,115	-	-	1,058,115
Treatment Plant Equipment	1,118,463	-	-	1,118,463
General Equipment	52,972	-	-	52,972
Solids Handling Equipment	5,517	-	-	5,517
	<u>17,536,825</u>	<u>331,516</u>	<u>(3,810)</u>	<u>17,864,531</u>
<b>Total Operating Property</b>	<u>17,880,061</u>	<u>331,516</u>	<u>(3,810)</u>	<u>18,207,767</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	5,565,912	233,218	-	5,799,130
Pumping Station Equipment	1,375,217	52,551	-	1,427,768
Treatment Plant Structures	785,721	20,358	-	806,079
Pumping Station Structures	856,851	43,206	(3,755)	896,302
Treatment Plant Equipment	609,573	40,451	-	650,024
General Equipment	36,180	2,042	-	38,222
Solids Handling Equipment	5,516	-	-	5,516
	<u>9,234,970</u>	<u>391,826</u>	<u>(3,755)</u>	<u>9,623,041</u>
<b>Construction Work in Progress</b>	<u>68,499</u>	<u>196,317</u>	<u>(1,822)</u>	<u>262,994</u>
<b>Net Capital Assets</b>	<u>\$ 8,713,590</u>	<u>\$ 136,007</u>	<u>\$ (1,877)</u>	<u>\$ 8,847,720</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets - Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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	36,896,754	318,223	(2,005,291)	35,209,686
Interceptor Structures	28,115,458	107,666	(3,903)	28,219,221
Treatment Plant Equipment	27,656,335	822,749	(958,036)	27,521,048
Pumping Station Structures	9,604,528	2,469,820	(167,545)	11,906,803
Pumping Station Equipment	9,578,709	821,710	(497,206)	9,903,213
Communications Equip.- Collectors	753,873	-	-	753,873
Storm Drains	617,610	-	-	617,610
Solids Handling Equipment	397,795	9,692	-	407,487
General Equipment	255,855	118,730	-	374,585
Interceptor Equipment	63,080	-	-	63,080
	<u>113,939,997</u>	<u>4,668,590</u>	<u>(3,631,981)</u>	<u>114,976,606</u>
<b>Total Operating Property</b>	<u>114,372,565</u>	<u>4,668,590</u>	<u>(3,631,981)</u>	<u>115,409,174</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Structures	24,545,395	740,146	(1,890,500)	23,395,041
Interceptor Structures	19,148,000	560,646	(2,030)	19,706,616
Treatment Plant Equipment	14,184,898	1,057,177	(899,253)	14,342,822
Pumping Station Structures	5,990,880	248,935	(167,544)	6,072,271
Pumping Station Equipment	5,841,064	331,177	(497,206)	5,675,035
Communications Equip.- Collectors	571,942	26,843	-	598,785
Solids Handling Equipment	282,710	7,712	-	290,422
General Equipment	260,101	14,184	-	274,285
Storm Drains	222,744	12,352	-	235,096
Interceptor Equipment	63,080	-	-	63,080
	<u>71,110,814</u>	<u>2,999,172</u>	<u>(3,456,533)</u>	<u>70,653,453</u>
<b>Construction Work in Progress</b>	<u>2,503,196</u>	<u>1,032,282</u>	<u>(1,832,202)</u>	<u>1,703,276</u>
<b>Net Capital Assets</b>	<u>\$ 45,764,947</u>	<u>\$ 2,701,700</u>	<u>\$(2,007,650)</u>	<u>\$46,458,997</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets – Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</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	-	-	3,863,502
Pumping Station Structures	5,377,607	3,814	(14,335)	5,367,086
Treatment Plant Structures	4,340,647	-	-	4,340,647
Interceptor Structures	3,796,649	12,504	-	3,809,153
Pumping Station Equipment	3,656,187	3,242	(35,619)	3,623,810
General Equipment	1,183,984	-	(3,387)	1,180,597
Communications Equip. - Collectors	103,231	-	-	103,231
Storm Drains	748	-	-	748
Solids Handling Equipment	20,070	-	-	20,070
	<u>22,342,625</u>	<u>19,560</u>	<u>(53,341)</u>	<u>22,308,844</u>
<b>Total Operating Property</b>	<u>22,644,032</u>	<u>19,560</u>	<u>(53,341)</u>	<u>22,610,251</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Equipment	2,590,362	102,286	-	2,692,648
Treatment Plant Structures	3,305,498	86,708	-	3,392,206
Interceptor Structures	2,925,046	75,613	-	3,000,659
Pumping Station Structures	2,269,998	135,589	(14,126)	2,391,461
Pumping Station Equipment	1,908,378	131,121	(35,619)	2,003,880
General Equipment	227,615	24,637	(3,387)	248,865
Storm Drains	25	10	-	35
Solids Handling Equipment	20,070	-	-	20,070
Communications Equip. - Collectors	87,097	5,105	-	92,202
	<u>13,334,089</u>	<u>561,069</u>	<u>(53,132)</u>	<u>13,842,026</u>
<b>Construction Work in Progress</b>	<u>144,178</u>	<u>424,503</u>	<u>-</u>	<u>568,681</u>
<b>Net Capital Assets</b>	<u>\$ 9,454,121</u>	<u>\$ (117,006)</u>	<u>\$ (209)</u>	<u>\$ 9,336,906</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets - Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>
<b>Windham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 129,656	\$ -	\$ -	\$ 129,656
Land Rights	13,296	-	-	13,296
	<u>142,952</u>	<u>-</u>	<u>-</u>	<u>142,952</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	1,723,015	66,861	-	1,789,876
Pumping Station Structures	459,745	-	-	459,745
Pumping Station Equipment	425,873	-	-	425,873
Treatment Plant Equipment	130,927	-	-	130,927
Treatment Plant Structures	144,115	-	-	144,115
General Equipment	14,153	-	-	14,153
Solids Handling Equipment	683	-	-	683
	<u>2,898,511</u>	<u>66,861</u>	<u>-</u>	<u>2,965,372</u>
<b>Total Operating Property</b>	<u>3,041,463</u>	<u>66,861</u>	<u>-</u>	<u>3,108,324</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	515,284	35,129	-	550,413
Pumping Station Equipment	328,483	8,214	-	336,697
Pumping Station Structures	161,787	10,597	-	172,384
Treatment Plant Equipment	84,612	3,674	-	88,286
Treatment Plant Structures	109,211	2,858	-	112,069
General Equipment	8,393	494	-	8,887
Solids Handling Equipment	683	-	-	683
	<u>1,208,453</u>	<u>60,966</u>	<u>-</u>	<u>1,269,419</u>
<b>Construction Work in Progress</b>	<u>34,343</u>	<u>99,477</u>	<u>(818)</u>	<u>133,002</u>
<b>Net Capital Assets</b>	<u>\$ 1,867,353</u>	<u>\$ 105,372</u>	<u>\$ (818)</u>	<u>\$ 1,971,907</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets - Continued

All Funds Combined:	Dec 31, 2019	Increases	Decreases	Dec 31, 2020
<b>Operating Property, not being depreciated</b>				
Land (Water)	\$ 4,531,653	\$ 7,795	\$ -	\$ 4,539,448
Land Rights (Water)	1,973,782	-	-	1,973,782
Land (Wastewater)	906,520	-	-	906,520
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment	104,189	-	(17,000)	87,189
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>8,465,471</u>	<u>7,795</u>	<u>(17,000)</u>	<u>8,456,266</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	186,550,953	10,106,723	(74,720)	196,582,956
Interceptor Structures	60,191,263	1,029,734	(3,903)	61,217,094
Treatment Plant Structures	45,619,621	339,173	(2,005,291)	43,953,503
Services	38,094,024	879,993	-	38,974,017
Structures & Improvements	30,264,726	409,611	-	30,674,337
Treatment Plant Equipment	36,214,651	843,876	(958,036)	36,100,491
Pumping Station Structures	21,900,912	2,473,634	(189,603)	24,184,943
Pumping Station Equipment	20,739,968	824,952	(659,091)	20,905,829
Water Treatment Equipment	14,407,042	17,419	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	12,683,806	379,916	(114,764)	12,948,958
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	11,935,644	471,687	(105,086)	12,302,245
Vehicles	3,276,105	351,085	(229,783)	3,397,407
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,472,620	12,400	-	1,485,020
Pumping Equipment	2,820,230	-	-	2,820,230
General Equipment	1,746,702	118,828	(3,387)	1,862,143
Wells & Springs	989,248	-	-	989,248
Computer Equipment	1,355,056	218,028	-	1,573,084
Power Equipment	731,431	-	(24,467)	706,964
Communications Equip.- Collectors	857,104	-	-	857,104
Office Furniture & Equipment	756,340	5,795	-	762,135
Storm Drains	618,358	-	-	618,358
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	424,065	9,692	-	433,757
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>521,621,172</u>	<u>18,492,546</u>	<u>(4,368,131)</u>	<u>535,745,587</u>
<b>Total Operating Property</b>	<u>\$ 530,086,643</u>	<u>\$ 18,500,341</u>	<u>\$ (4,385,131)</u>	<u>\$ 544,201,853</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

## Capital Assets – Continued

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>
<b>All Funds Combined (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 50,816,823	\$ 2,700,072	\$ (72,339)	\$ 53,444,556
Interceptor Structures	36,246,273	1,211,018	(2,030)	37,455,261
Treatment Plant Structures	30,626,552	905,401	(1,890,500)	29,641,453
Treatment Plant Equipment	20,246,749	1,390,205	(899,253)	20,737,701
Services	19,887,841	890,248	-	20,778,089
Structures & Improvements	15,227,301	639,410	-	15,866,711
Pumping Station Equipment	12,648,467	717,993	(659,091)	12,707,369
Pumping Station Structures	11,117,619	516,317	(189,338)	11,444,598
Transmission Mains	7,385,363	144,158	-	7,529,521
Reservoirs & Standpipes	5,291,361	196,880	-	5,488,241
Water Treatment Equipment	4,959,236	423,566	-	5,382,802
Hydrants	4,197,103	242,589	(48,275)	4,391,417
Meters & Meter Installations	5,371,548	514,951	(54,567)	5,831,932
Vehicles	1,816,125	288,720	(216,789)	1,888,056
Lake, River & Other Intakes	1,874,665	24,813	-	1,899,478
Pumping Equipment	1,580,660	76,289	-	1,656,949
Communication Equipment	1,231,347	67,071	-	1,298,418
Power Equipment	659,632	13,193	(24,467)	648,358
Office Furniture & Equipment	717,958	65,140	-	783,098
General Equipment	690,786	57,405	(3,387)	744,804
Communications Equip.- Collectors	659,039	31,948	-	690,987
Solids Handling Equipment	308,979	7,712	-	316,691
Shop Equipment	337,029	-	-	337,029
Computer Equipment	335,265	102,368	-	437,633
Garage Equipment	249,409	4,137	-	253,546
Wells & Springs	225,517	19,643	-	245,160
Radio Equipment	183,438	16,443	-	199,881
Laboratory Equipment	97,982	3,430	-	101,412
Storm Drains	222,769	12,362	-	235,131
Stores Equipment	43,731	995	-	44,726
Interceptor Equipment	64,841	147	-	64,988
	<u>235,321,408</u>	<u>11,284,624</u>	<u>(4,060,036)</u>	<u>242,545,996</u>
<b>Construction Work in Progress</b>	<u>5,975,821</u>	<u>3,316,657</u>	<u>(2,077,664)</u>	<u>7,214,814</u>
<b>Net Capital Assets</b>	<u>\$ 300,741,056</u>	<u>\$ 10,532,374</u>	<u>\$ (2,402,759)</u>	<u>\$ 308,870,671</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

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

**Capital Assets - Continued**

Depreciation expense for each of the funds is noted below. Please note that \$980,000 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	\$ 6,434,118	\$ (980,000)	\$ 5,454,118
Wastewater Funds:			
Cape Elizabeth	514,824	-	514,824
Cumberland	171,502	-	171,502
Falmouth	151,147	-	151,147
Gorham	391,826	-	391,826
Portland	2,999,172	-	2,999,172
Westbrook	561,069	-	561,069
Windham	60,966	-	60,966
Total	<u>\$ 11,284,624</u>	<u>\$ (980,000)</u>	<u>\$ 10,304,624</u>

Depreciation related to vehicles (\$320,000) and the main office (\$460,000) 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, 2020 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 with a five (5) year term and an extension for five (5) additional years through the end of October 2021. The cost was \$5,600/year for the initial term and \$6,160/year for the extension 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	\$6,104	(\$6,104)	\$0	\$0
Finance Mail Machine	15,119	(3,183)	11,936	11,971
	<u>\$21,223</u>	<u>(\$9,287)</u>	<u>\$11,936</u>	<u>\$11,971</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>
2021	\$3,141	\$128	\$3,269
2022	3,178	91	3,269
2023	3,216	53	3,269
2024	<u>2,436</u>	<u>15</u>	<u>2,452</u>
	<u>\$11,971</u>	<u>\$287</u>	<u>\$12,259</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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>(\$3,503)</u>	<u>\$122,620</u>	<u>\$123,042</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>
2021	\$1,280	\$2,720	\$4,000
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
2026-2030	8,730	12,504	21,234
2031-2035	12,048	11,397	23,445
2036-2040	15,998	9,897	25,895
2041-2045	20,668	7,928	28,596
2046-2050	26,164	5,408	31,572
2051-2055	<u>32,746</u>	<u>2,109</u>	<u>34,857</u>
	<u>\$123,042</u>	<u>\$62,555</u>	<u>\$185,599</u>

Prior periods for above leases have not been restated because amounts are not material.

**Leases – District as Lessor**

As of December 31, 2020, the District leased four (4) 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 2020 were \$2,985/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, 2020**

**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.

<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	\$14,005	\$51,695	\$728,138	\$711,395
Shore Acres Tank - Verizon	37,690	14,005	51,695	728,138	711,395
Broadway So Portland - AIM	2,198	516	2,714	36,975	36,457
Broadway So Portland - Pape	<u>1,980</u>	<u>11</u>	<u>1,991</u>	<u>1,975</u>	<u>1,981</u>
	<u>\$79,558</u>	<u>\$28,537</u>	<u>\$108,095</u>	<u>\$1,495,226</u>	<u>\$1,461,228</u>

Prior periods for above leases have not been restated because amounts are not material.

**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, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>	<u>Current</u>	<u>Non-Current</u>
<u>\$ 91,450,918</u>	<u>\$ 8,720,000</u>	<u>\$ (8,146,453)</u>	<u>\$ 92,024,465</u>	<u>\$ 8,577,514</u>	<u>\$ 83,446,951</u>



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

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

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

Long-term debt outstanding as of December 31, 2020, 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%	\$ 225,000		
Oct-06	\$ 1,500,000	2026	3.0% to 5.0%	\$ 450,000		
Oct-08	\$ 1,500,000	2028	2.1% to 5.6%	\$ 600,000		
Apr-09	\$ 1,598,500	2029	1.050%	\$ 639,400		
May-09	\$ 4,519,800	2029	2.1% to 5.6%	\$ 2,033,910		
May-09	\$ 180,200	2029	2.1% to 5.6%	\$ 81,090		
Aug-09	\$ 2,991,066	2029	0.0%	\$ 1,345,980		
Aug-09	\$ 163,953	2029	0.0%	\$ 73,779		
May-10	\$ 400,000	2030	2.1% to 5.7%	\$ 250,000		
Nov-10	\$ 902,500	2030	1.0%	\$ 451,250		
Oct-11	\$ 2,300,000	2031	0.5% to 5.5%	\$ 1,265,000		
May-12	\$ 1,130,000	2032	1.0%	\$ 678,000		
Oct-12	\$ 2,000,000	2032	1.5% to 3.7%	\$ 1,200,000		
May-13	\$ 2,850,000	2033	1.0%	\$ 1,800,000		
May-13	\$ 1,428,000	2033	0.6% to 3.7%	\$ 928,200		
Nov-13	\$ 8,000,000	2033	2.0% to 4.3%	\$ 5,600,000		
Nov-13	\$ 1,072,000	2033	1.1%	\$ 696,800		
Jun-14	\$ 2,541,000	2034	2.7%	\$ 1,760,000		
Jun-14	\$ 2,000,000	2024	2.7%	\$ 800,000		
May-15	\$ 459,000	2035	0.2%	\$ 322,742		
Jun-15	\$ 2,000,000	2025	3.0%	\$ 1,000,000		
Jun-15	\$ 3,230,000	2035	3.0%	\$ 2,405,000		
Jun-15	\$ 500,000	2035	3.0%	\$ 375,000		
Dec-15	\$ 270,000	2035	1.0%	\$ 202,500		
Jun-16	\$ 385,000	2036	3.0% to 4.0%	\$ 305,000		
Jun-16	\$ 1,830,000	2026	3.0% to 4.0%	\$ 1,090,000		
Jun-16	\$ 1,830,000	2036	3.0% to 4.0%	\$ 1,450,000		
Jun-16	\$ 1,734,250	2036	3.0% to 4.0%	\$ 1,148,000		
Jun-16	\$ 185,813	2036	3.0% to 4.0%	\$ 123,000		
Jun-16	\$ 3,034,938	2036	3.0% to 4.0%	\$ 2,009,000		
Sep-16	\$ 1,158,979	2036	1.0%	\$ 945,258		
Sep-16	\$ 566,362	2036	1.0%	\$ 461,921		
Jul-17	\$ 3,725,000	2037	3.0% to 5.0%	\$ 3,162,500		
Jul-17	\$ 1,875,000	2027	3.0% to 5.0%	\$ 1,312,500		
Mar-18	\$ 1,900,000	2038	1.0%	\$ 1,695,528		
Aug-18	\$ 1,000,000	2038	5.00%	\$ 800,000		
Aug-18	\$ 900,000	2038	3.0% to 5.0%	\$ 810,000		
Aug-18	\$ 2,000,000	2028	5.00%	\$ 1,600,000		
Nov-18	\$ 3,000,000	2038	1.0%	\$ 2,700,000		
Aug-19	\$ 4,500,000	2039	3% to 5%	\$ 4,275,000		
Aug-19	\$ 2,000,000	2029	2% to 5%	\$ 1,800,000		
Jan-20	\$ 295,000	2030	1.0%	\$ 265,500		
Jul-20	\$ 1,745,000	2040	2% to 5%	\$ 1,745,000		
Jul-20	\$ 1,830,000	2030	5.00%	\$ 1,830,000		
Nov-20	\$ 220,000	2040	1.0%	\$ 220,000		
				<u>\$ 54,931,858</u>	<u>\$ 5,082,403</u>	<u>\$ 49,849,455</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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%	\$ 38,000		
Dec-11	\$ 2,430,000	2031	1.0%	\$ 1,336,500		
Oct-12	\$ 160,000	2032	1.48% to 3.7%	\$ 96,000		
May-15	\$ 240,000	2035	0.4% to 3.9%	\$ 180,000		
May-17	\$ 315,000	2037	1.3% to 3.9%	\$ 267,750		
Nov-17	\$ 72,000	2037	1.4% to 4.1%	\$ 61,200		
Jun-19	\$ 875,000	2039	1.0%	\$ 831,250		
May-20	\$ 130,000	2040	1.0%	\$ 123,500		
				<u>\$ 2,934,200</u>	<u>\$ 215,850</u>	<u>\$ 2,718,350</u>

**Cumberland Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Dec-06	\$ 125,000	2026	1.4%	\$ 37,500	\$ 6,250	\$ 31,250

**Falmouth Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
May-16	\$ 4,000,000	2036	1.0%	\$ 3,200,000		
Mar-17	760,000	2037	1.0%	646,000		
				<u>\$ 3,846,000</u>	<u>\$ 238,000</u>	<u>\$ 3,608,000</u>

**Gorham Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 78,120	2023	1.8%	\$ 7,389		
Nov-03	\$ 73,185	2023	2.1%	\$ 10,826		
Dec-05	\$ 252,000	2025	1.6%	\$ 63,000		
May-08	\$ 50,400	2028	2.0% to 5.5%	\$ 20,160		
Oct-08	\$ 474,672	2028	2.1% to 5.6%	\$ 213,602		
Jan-09	\$ 4,258,208	2029	1.4%	\$ 1,720,488		
Feb-09	\$ 253,475	2029	1.0%	\$ 101,390		
May-09	\$ 233,954	2029	2.1% to 5.6%	\$ 105,280		
Nov-10	\$ 52,360	2030	1.0%	\$ 26,180		
Mar-18	\$ 308,000	2038	1.00%	\$ 277,200		
				<u>\$ 2,545,515</u>	<u>\$ 303,655</u>	<u>\$ 2,241,860</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

**Portland Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Oct-01	\$ 2,785,000	2021	2.1%	\$ 139,250		
Nov-01	\$ 1,250,000	2021	2.1%	\$ 62,500		
Apr-03	\$ 1,615,500	2023	1.66%	\$ -		
Apr-03	\$ 5,200,000	2023	1.88%	\$ 491,856		
Nov-03	\$ 1,230,000	2023	2.11%	\$ 178,499		
Nov-03	\$ 2,000,000	2023	2.11%	\$ 298,721		
Dec-04	\$ 375,000	2024	1.3%	\$ 75,000		
Dec-04	\$ 1,740,000	2024	1.3%	\$ 348,000		
Dec-05	\$ 1,900,000	2025	1.6%	\$ 475,000		
Apr-09	\$ 5,700,000	2029	1.5%	\$ 2,247,952		
Nov-10	\$ 752,200	2030	1.0%	\$ 376,100		
Oct-11	\$ 400,000	2031	0.5% to 5.5%	\$ 220,000		
Nov-13	\$ 3,000,000	2033	3.0% to 4.0%	\$ 1,950,000		
Dec-15	\$ 2,000,000	2035	1.0%	\$ 1,500,000		
Jul-16	\$ 7,000,000	2036	1.0%	\$ 5,600,000		
Jul-16	\$ 1,200,000	2036	1.0%	\$ 960,000		
May-17	\$ 1,900,000	2037	1.0%	\$ 1,595,792		
May-18	\$ 500,000	2038	1.92% to 4.042%	\$ 450,000		
Jul-20	\$ 940,000	2040	2.00%	\$ 940,000		
Jul-20	\$ 410,000	2040	2.00%	\$ 410,000		
Dec-20	\$ 3,150,000	2040	1.00%	\$ 3,150,000		
				<u>\$ 21,468,670</u>	<u>\$ 2,160,508</u>	<u>\$ 19,308,162</u>

**Westbrook Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 284,208	2023	1.8%	\$ 26,883		
Nov-03	\$ 266,254	2023	2.1%	\$ 39,384		
Dec-05	\$ 1,316,800	2025	1.6%	\$ 329,200		
May-08	\$ 183,360	2028	2.0% to 5.5%	\$ 73,344		
Oct-08	\$ 2,384,641	2028	2.1% to 5.6%	\$ 1,073,088		
Feb-09	\$ 974,925	2029	1.0%	\$ 389,970		
Nov-10	\$ 113,220	2030	1.0%	\$ 56,610		
Dec-15	\$ 1,000,000	2035	1.0%	\$ 750,000		
Mar-18	\$ 666,000	2038	1.00%	\$ 599,400		
Sep-18	\$ 2,200,000	2038	1.00%	\$ 2,090,000		
				<u>\$ 5,427,879</u>	<u>\$ 468,689</u>	<u>\$ 4,959,190</u>

**Windham Wastewater Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 9,672	2023	1.8%	\$ 915		
Nov-03	\$ 9,061	2023	2.1%	\$ 1,340		
Dec-05	\$ 31,200	2025	1.6%	\$ 7,800		
May-08	\$ 6,240	2028	2.0% to 5.5%	\$ 2,496		
Oct-08	\$ 40,687	2028	2.1% to 5.6%	\$ 18,309		
Jan-09	\$ 1,681,792	2029	1.4%	\$ 679,512		
Feb-09	\$ 21,600	2029	1.0%	\$ 8,640		
May-09	\$ 196,046	2029	2.1% to 5.6%	\$ 88,221		
Nov-10	\$ 4,420	2030	1.0%	\$ 2,210		
Mar-18	\$ 26,000	2038	1.00%	\$ 23,400		
				<u>\$ 832,843</u>	<u>\$ 102,159</u>	<u>\$ 730,684</u>

**Total Long-Term Debt**

	<u>\$ 92,024,465</u>	<u>\$ 8,577,514</u>	<u>\$ 83,446,951</u>
--	----------------------	---------------------	----------------------

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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 30, 2020, the District issued bonds in the amount of \$3.575 million for the purpose of improvements to water mains and other related infrastructure. At that time the District also issued \$1.35 million in bonds for the purposes of a primary clarifier upgrade at the East End Treatment Plant in Portland and installation of tide gates near India St. in Portland. 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, 2020, the District still had \$910,311 in unspent bond proceeds from the original \$3.575 million in water bonds and \$292,484 unspent from the original \$1.35 million in sewer bonds. The \$1,434,465 in unspent proceeds from December 31, 2019, were spent during 2020.

**Deferred Outflow - Bond Refunding**

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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
2021	\$ 5,082,403	\$ 215,850	\$ 6,250	\$ 238,000	\$ 303,655	\$ 2,160,508	\$ 468,689	\$ 102,159	\$ 8,577,514
2022	5,048,257	215,850	6,250	238,000	303,589	1,955,550	468,451	102,151	8,338,098
2023	5,044,112	215,850	6,250	238,000	299,883	1,709,541	454,969	101,692	8,070,297
2024	5,059,980	215,850	6,250	238,000	296,304	1,551,591	441,947	101,249	7,911,171
2025	4,835,852	215,850	6,250	238,000	296,304	1,445,841	441,947	101,249	7,581,293
2026-2030	17,810,584	1,069,750	6,250	1,190,000	922,579	6,192,217	1,645,475	313,946	29,150,801
2031-2035	9,316,533	545,500	-	1,190,000	77,000	4,756,185	966,500	6,500	16,858,218
2036-2040	2,734,137	239,700	-	276,000	46,201	1,697,237	539,901	3,897	5,537,073
	<u>\$ 54,931,858</u>	<u>\$ 2,934,200</u>	<u>\$ 37,500</u>	<u>\$ 3,846,000</u>	<u>\$ 2,545,515</u>	<u>\$ 21,468,670</u>	<u>\$ 5,427,879</u>	<u>\$ 832,843</u>	<u>\$ 92,024,465</u>

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

	Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total
2021	\$ 1,634,871	\$ 43,656	\$ 533	\$ 38,270	\$ 41,678	\$ 317,564	\$ 102,373	\$ 11,304	\$ 2,190,249
2022	1,504,789	40,890	444	35,890	39,899	283,833	91,436	12,699	2,009,880
2023	1,347,353	38,057	355	33,510	34,514	257,470	80,457	11,082	1,802,798
2024	1,184,836	35,157	266	31,130	28,694	232,930	69,362	9,119	1,591,494
2025	1,019,653	32,182	178	28,750	23,196	209,638	58,754	7,334	1,379,685
2026-2030	3,043,730	114,919	89	108,050	38,888	733,576	152,381	10,436	4,202,069
2031-2035	1,016,546	45,212	-	48,550	4,620	297,114	55,990	390	1,468,422
2036-2040	138,172	7,304	-	2,760	924	53,340	12,265	78	214,843
	<u>\$ 10,889,950</u>	<u>\$ 357,377</u>	<u>\$ 1,865</u>	<u>\$ 326,910</u>	<u>\$ 212,413</u>	<u>\$ 2,385,465</u>	<u>\$ 623,018</u>	<u>\$ 62,442</u>	<u>\$ 14,859,440</u>

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

	Cape								
	Water	Elizabeth	Cumberland	Falmouth	Gorham	Portland	Westbrook	Windham	Total
2021	\$ 6,717,274	\$ 259,506	\$ 6,783	\$ 276,270	\$ 345,333	\$ 2,478,072	\$ 571,062	\$ 113,463	\$ 10,767,763
2022	6,553,046	256,740	6,694	273,890	343,488	2,239,383	559,887	114,850	10,347,978
2023	6,391,465	253,907	6,605	271,510	334,397	1,967,011	535,426	112,774	9,873,095
2024	6,244,816	251,007	6,516	269,130	324,998	1,784,521	511,309	110,368	9,502,665
2025	5,855,505	248,032	6,428	266,750	319,500	1,655,479	500,701	108,583	8,960,978
2026-2030	20,854,314	1,184,669	6,339	1,298,050	961,467	6,925,793	1,797,856	324,382	33,352,870
2031-2035	10,333,079	590,712	-	1,238,550	81,620	5,053,299	1,022,490	6,890	18,326,640
2036-2040	2,872,309	247,004	-	278,760	47,125	1,750,577	552,166	3,975	5,751,916
	<u>\$ 65,821,808</u>	<u>\$ 3,291,577</u>	<u>\$ 39,365</u>	<u>\$ 4,172,910</u>	<u>\$ 2,757,928</u>	<u>\$ 23,854,135</u>	<u>\$ 6,050,897</u>	<u>\$ 895,285</u>	<u>\$ 106,883,905</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>	<u>Current</u>	<u>Non-Current</u>
<b>Windham Wastewater Fund:</b>						
2008 Note	\$ 119,160	\$ -	\$ (13,240)	\$ 105,920	\$ 13,240	\$ 92,680

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>
2021	13,240	4,655	17,895
2022	13,240	4,073	17,313
2023	13,240	3,491	16,731
2024	13,240	2,909	16,149
2025	13,240	2,328	15,568
2026-2028	39,720	3,491	43,211
	<u>\$ 105,920</u>	<u>\$ 20,947</u>	<u>\$ 126,867</u>

**Compensated Absences**

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

	<u>Dec 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2020</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 962,417	\$ 102,527	\$ (143,548)	\$ 921,396	\$ 308,588	\$ 612,808
Vacation	730,355	819,211	(668,063)	881,503	656,212	225,291
	<u>\$ 1,692,772</u>	<u>\$ 921,738</u>	<u>\$ (811,611)</u>	<u>\$ 1,802,899</u>	<u>\$ 964,800</u>	<u>\$ 838,099</u>

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

**NOTE 4 - OTHER INFORMATION**

**Risk Management**

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Commitments and Contingencies**

At December 31, 2020, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$15,051,323, which is broken down by funds, as follows:

Water Fund	\$3,597,563
Cape Elizabeth Wastewater	5,010
Gorham Wastewater	3,372,281
Portland Wastewater	477,585
Westbrook Wastewater	7,249,436
Windham Wastewater	349,448

**Bond Commitments:**

As of December 31, 2020, 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:

<b>Resolution</b>	<b>Fund</b>	<b>Project</b>	<b>Principal</b>	<b>Full Debt Service</b>
18-002/20-007	Cape Elizabeth WW	Treatment Plan HVAC	\$ 393,000	\$ 483,592
18-002/20-007	Portland WW	Treatment Plan HVAC	438,000	538,964
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
20-003	Water Fund	407 Zone Water Main	1,000,000	1,230,512
20-003	Water Fund	Water Main - Mackworth	2,100,000	2,584,075
20-012	Cape Elizabeth WW	Little John Pump Station	900,000	944,515
			<u>\$23,431,000</u>	<u>\$28,059,190</u>

Subsequent to December 31, 2020, the 20-year bond approved in Cape Elizabeth was issued on February 18, 2021.

**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, 2020, the total remaining debt payments to be paid by the Cumberland fund were \$825,888.

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, 2020, the total remaining debt payments for the Cumberland fund through 2037 were \$1,914,740.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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 will negotiate a final plan and permit in 2021.
- The City of Westbrook and the District submitted an updated plan in December 2014 for the next 5 years. The plan is currently estimated to cost \$22 million and originally called for District capital costs of \$5.7 million from 2015 to 2019. The District has substantially completed an upgrade to the Dana Court Pump Station as part of its requirement under the plan. The District is also installing an underflow trash baffle in one of the major overflow locations to reduce the release of floatables. The City of Westbrook has completed its projects and is on schedule to meet the requirements of the current plan. The 5-year plan will be updated by both Westbrook and the Portland Water District in 2021.
- The Town of Cape Elizabeth, the City of South Portland and the District submitted a draft plan for the Ottawa Road CSO in 2011. Because the combined sewer overflow is impacted by flow from the City of South Portland, the City of South Portland is also a party to the agreement. The 5-year plan was expected to cost \$2,362,000, with the bulk of that cost being the responsibility of the Town of Cape Elizabeth and City of South Portland. Both the Town and City have completed projects to remove extraneous flow from the system. The flow reductions from these projects will be quantified and the District has 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 \$2,181,420 will be made to Casella in 2021.

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 2021 is \$1,030,294.

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 \$856,000 to electricity producers for 9,839,000 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 \$1,230,000, resulting in a net savings of \$563,000. The billing credit rates are established annually by the Maine Public Utilities. Most of the projects are scheduled to be completed by the end of 2021 so the full cost and benefits will not be realized until then.



## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

## 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 2020, the District issued bonds through this program in the Water, Cape Elizabeth and Portland funds.

	<u>Dec. 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2020</u>
Water Fund	\$ 10,943	\$ 565,000	\$ (573,166)	\$ 2,777
Cape Elizabeth Wastewater	279,296	130,000	(401,114)	8,182
Gorham Wastewater	-	-	-	-
Portland Wastewater	-	3,150,000	(2,989,703)	160,297
Westbrook Wastewater	175,973	-	(175,973)	-
Windham Wastewater	-	-	-	-
Total	<u>\$ 466,212</u>	<u>\$3,845,000</u>	<u>\$ (4,139,956)</u>	<u>\$ 171,256</u>

## Net Position

Net position invested in capital assets in the Water fund is net of related debt plus unspent bond proceeds of \$910,310. In the Portland Wastewater fund, unspent bond proceeds total \$292,484.

## Pension Plans

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

	<u>As of May 1, 2019</u>		<u>As of May 1, 2020</u>	
	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Active employees included in plan	62	24	50	24
Retired employees and beneficiaries	90	45	94	44
Terminated employees with vested rights	<u>43</u>	<u>13</u>	<u>39</u>	<u>12</u>
	<u>195</u>	<u>82</u>	<u>183</u>	<u>80</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, 2020

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans - Continued

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

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

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

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

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

Administrative Expenses: All administrative expenses are paid by the District and allocated to the individual funds. Such expenses were \$161,472 for the year ended December 31, 2020.

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, 2020, a total contribution of \$1,120,662 was made with a contribution of \$632,344 and \$488,318 to the bargaining and non-bargaining units, respectively. The contributions represented 21.3% and 21.5% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2020 is based an actuarial valuation as of May 1, 2020 that was updated through December 31, 2020. Balances as of December 31, 2020 are, as follows:

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Total</u>
Pension Liabilities	\$ 15,547,237	\$ 13,807,249	<b>\$ 29,354,486</b>
Net Fiduciary Position (Pension Assets)	15,274,494	13,318,435	<b>28,592,929</b>
Net Pension Liability	272,743	488,814	<b>761,557</b>
Deferred Outflows of resources related to Pension	(862,689)	(762,084)	<b>(1,624,773)</b>
Deferred Inflows of resources related to Pension	2,441,435	1,789,185	<b>4,230,620</b>
Net Carrying Amount on Statement of Net Position	<u>\$ 1,851,489</u>	<u>\$ 1,515,915</u>	<u><b>\$ 3,367,404</b></u>
 Pension Expense	 <u>\$ 192,245</u>	 <u>\$ 476,221</u>	 <u><b>\$ 668,466</b></u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

## 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, 2020 are listed below:

<b>Bargaining Unit</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 12/31/2019</b>	<u>\$ 15,909,716</u>	<u>\$ 13,616,152</u>	<u>\$ 2,293,564</u>
Service cost	143,565		143,565
Interest	976,184		976,184
Difference between expected and actual experience	(954,383)		(954,383)
Change in assumptions	290,329		290,329
Benefit payments	(818,174)		(818,174)
Contribution - employer		632,344	(632,344)
Net investment income		1,920,929	(1,920,929)
Fees/Other Expenses		(76,757)	76,757
Benefit payments		(818,174)	818,174
Net Change	<u>(362,479)</u>	<u>1,658,342</u>	<u>(2,020,821)</u>
<b>Balance at 12/31/2020</b>	<u><b>\$ 15,547,237</b></u>	<u><b>\$ 15,274,494</b></u>	<u><b>\$ 272,743</b></u>

Plan fiduciary net position as a percentage of total pension liability 98%

<b>Non-Bargaining Unit</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 12/31/2019</b>	<u>\$ 13,341,453</u>	<u>\$ 11,890,461</u>	<u>\$ 1,450,992</u>
Service cost	198,332		198,332
Interest	821,796		821,796
Difference between expected and actual experience	(76,959)		(76,959)
Change in assumptions	207,627		207,627
Benefit payments	(685,000)		(685,000)
Contribution - employer		488,318	(488,318)
Net investment income		1,691,560	(1,691,560)
Fees/Other Expenses		(66,904)	66,904
Benefit payments		(685,000)	685,000
Net Change	<u>465,796</u>	<u>1,427,974</u>	<u>(962,178)</u>
<b>Balance at 12/31/2020</b>	<u><b>\$ 13,807,249</b></u>	<u><b>\$ 13,318,435</b></u>	<u><b>\$ 488,814</b></u>

Plan fiduciary net position as a percentage of total pension liability 96%

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans - Continued

Additional information from the May 1, 2020 actuarial valuation is listed below. The valuation was updated and rolled forward to the December 31, 2020 measurement date.

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	May 1, 2020	May 1, 2020
Measurement date	December 31, 2020	December 31, 2020
Actuarial cost method	Entry Age	Entry Age
Amortization method- investment	5-Year Period	5-Year Period
Amortization method- liability	Expected Future Service	Expected Future Service
Amortization method-assumption	Expected Future Service	Expected Future Service
Amortization method-benefit change	Current Year	Current Year
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	6.0%	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	RP-2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2020	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2020

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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Return Estimate 7- &amp; 20-Year Horizon</u>
U.S. Equities Large	25%	4.90%/7.75%
U.S. Equities Small	15%	7.20%/7.30%
International Developed Market Equities	15%	7.50%/6.70%
International Emerging Market Equities	10%	7.50%/8.30%
Core Bonds	20%	1.50%/3.50%
High Yield Bonds	5%	2.80%/5.10%
REIT's	5%	7.50%/6.70%
Natural Resources	5%	5.30%/5.70%

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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	\$1,907,090	\$272,745	\$(1,118,209)
Non-Bargaining Unit Net Pension Liability	\$1,963,000	\$488,816	\$(766,560)

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2020, the District recognized pension expense for the bargaining and non-bargaining unit of \$(440,099) and \$(12,097), respectively. At December 31, 2020, 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	\$ -	\$ -	\$ -	\$ 507,074	\$ 53,716	\$ 560,790
Difference between Expected and Actual Returns	682,785	614,318	1,297,103	1,934,361	1,735,469	3,669,830
Impact of Assumption Changes	179,904	147,766	327,670	-	-	-
	<u>\$ 862,689</u>	<u>\$ 762,084</u>	<u>\$ 1,624,773</u>	<u>\$ 2,441,435</u>	<u>\$ 1,789,185</u>	<u>\$ 4,230,620</u>

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

Year Ending December 31:	<b><u>Bargaining Unit</u></b>	<b><u>Non-Bargaining Unit</u></b>
2021	\$ (745,566)	\$ (288,696)
2022	(150,268)	(127,463)
2023	(491,659)	(441,435)
2024	(191,253)	(169,507)
	<u>\$ (1,578,746)</u>	<u>\$ (1,027,101)</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**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 25, 2021 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>Full</u>	
			<u>Principal</u>	<u>Debt Service</u>
21-002	Water Fund	Water Mains & Related Infrastructure	\$ 6,000,000	\$ 7,889,119
21-003	Water Fund	Watershed Land/Land Rights	1,400,000	2,005,523
			<u>\$ 7,400,000</u>	<u>\$ 9,894,642</u>

The \$1,400,000 bond is in conjunction with the recent award to the District of an \$8 million grant to fund watershed land protection projects.

**REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2020**

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

	2017	2018	2019	2020
<b>Total Pension Liability</b>				
Service cost	\$ 168,310	\$ 160,841	\$ 153,079	\$ 143,565
Interest	955,116	966,881	984,696	976,184
Change in benefit terms	13,576	-	124,915	-
Difference between expected and actual experience	136,114	(138,333)	(273,426)	(954,383)
Changes in assumptions	644,838	-	275,750	290,329
Benefit payments	(631,191)	(699,644)	(745,100)	(818,174)
Net change in total pension liability	<u>1,286,763</u>	<u>289,745</u>	<u>519,914</u>	<u>(362,479)</u>
Net pension liability - beginning	<u>13,813,294</u>	<u>15,100,057</u>	<u>15,389,802</u>	<u>15,909,716</u>
Total pension liability - ending (a)	<u>\$ 15,100,057</u>	<u>\$ 15,389,802</u>	<u>\$ 15,909,716</u>	<u>\$ 15,547,237</u>
<b>Plan fiduciary net position</b>				
Contribution - employer	\$ 870,877	\$ 817,528	\$ 657,022	\$ 632,344
Net investment income	2,067,152	(889,719)	2,299,668	1,844,172
Benefit payments	(631,191)	(699,644)	(745,100)	(818,174)
Net change in plan fiduciary net position	<u>2,306,838</u>	<u>(771,835)</u>	<u>2,211,590</u>	<u>1,658,342</u>
Plan fiduciary of net position - beginning	<u>9,869,559</u>	<u>12,176,397</u>	<u>11,404,562</u>	<u>13,616,152</u>
Plan fiduciary of net position - ending (b)	<u>\$ 12,176,397</u>	<u>\$ 11,404,562</u>	<u>\$ 13,616,152</u>	<u>\$ 15,274,494</u>
Net pension liability - ending (a)-(b)	<u>\$ 2,923,660</u>	<u>\$ 3,985,240</u>	<u>\$ 2,293,564</u>	<u>\$ 272,743</u>
Plan fiduciary net position as a percentage of total pension liability	81%	74%	86%	98%
Covered payroll	\$ 3,825,166	\$ 3,367,434	\$ 3,365,672	\$ 2,968,576
District's net pension liability as a percentage of covered payroll	76%	118%	68%	9%
<b>Schedule of Investment Returns</b>				
Annual money-weighted rate of return, net of investment return	2017	2018	2019	2020
	19.98%	(7.16%)	19.98%	12.81%

**REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2020**

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

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

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, 2020****Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan**

	2017	2018	2019	2020
<b>Total Pension Liability</b>				
Service cost	\$ 196,096	\$ 192,284	\$ 190,869	\$ 198,332
Interest	852,297	803,360	824,557	821,796
Change in benefit terms	10,063	-	-	-
Difference between expected and actual experience	(746,340)	43,588	185,820	(76,959)
Changes in assumptions	533,290	-	-	207,627
Benefit payments	(657,627)	(710,413)	(713,961)	(685,000)
Net change in total pension liability	187,779	328,819	487,285	465,796
Net pension liability - beginning	12,337,566	12,525,345	12,854,166	13,341,453
Total pension liability - ending (a)	\$ 12,525,345	\$ 12,854,164	\$ 13,341,451	\$ 13,807,249
<b>Plan fiduciary net position</b>				
Contribution - employer	\$ 712,137	\$ 596,920	\$ 455,752	\$ 488,318
Net investment income	1,867,678	(805,757)	2,049,544	1,624,656
Benefit payments	(657,627)	(710,413)	(713,961)	(685,000)
Net change in plan fiduciary net position	1,922,188	(919,250)	1,791,335	1,427,974
Plan fiduciary of net position - beginning	9,096,188	11,018,376	10,099,126	11,890,461
Plan fiduciary of net position - ending (b)	\$ 11,018,376	\$ 10,099,126	\$ 11,890,461	\$ 13,318,435
Net pension liability - ending (a)-(b)	\$ 1,506,969	\$ 2,755,038	\$ 1,450,990	\$ 488,814
Plan fiduciary net position as a percentage of total pension liability	88%	79%	89%	96%
Covered payroll	\$ 2,238,080	\$ 2,094,659	\$ 2,165,844	\$ 2,268,241
District's net pension liability as a percentage of covered payroll	67%	132%	67%	22%
<b>Schedule of Investment Returns</b>				
	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment return	19.85%	(7.26%)	20.37%	13.64%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2020**

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

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

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, 2020**

**Schedule of District's Contributions**

The required supplementary information is intended to show information for ten years, and that additional years' information will be displayed as it becomes available. The actuarial determined rate was determined using the May 1, 2020 actuarial valuation report.

Additional information from the May 1, 2020 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%
<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%

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	May 1, 2020	May 1, 2020
Measurement date	December 31, 2020	December 31, 2020
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	RP-2014 Adjusted to 2006 Blue Collar Mortality with Scale MP-2020	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2020

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2020**

**Schedule of Investment Returns**

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

	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>
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%

**This page is intentionally left blank.**

# 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 77 to 79

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	
2011	\$186,673,502	\$21,088,636	\$207,762,138
2012	\$188,919,054	\$23,526,229	\$212,445,283
2013	\$189,149,330	\$26,344,637	\$215,493,967
2014	\$190,834,740	\$25,737,197	\$216,571,937
2015	\$189,204,269	\$25,370,021	\$214,574,290
2016	\$191,714,552	\$27,055,864	\$218,770,416
2017	\$197,712,038	\$25,951,054	\$223,663,092
2018	\$201,842,304	\$29,647,052	\$231,489,356
2019	\$211,071,653	\$26,149,340	\$237,220,993
2020	\$218,114,336	\$26,736,528	\$244,850,864

### 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
2011	\$36,724,183	\$33,465,791	\$3,258,392	(\$1,552,159)	\$1,706,233	\$1,269,094	\$2,975,327
2012	\$37,306,198	\$33,731,246	\$3,574,952	(\$1,397,281)	\$2,177,671	\$2,505,474	\$4,683,145
2013	\$37,147,486	\$34,301,284	\$2,846,202	(\$1,934,940)	\$911,262	\$2,298,022	\$3,209,284
2014	\$38,191,819	\$34,884,395	\$3,307,424	(\$4,256,936)	(\$949,512)	\$2,069,800	\$1,120,288
2015	\$39,396,921	\$35,169,923	\$4,226,998	(\$1,596,533)	\$2,630,465	\$2,721,429	\$5,351,894
2016	\$41,304,624	\$37,915,424	\$3,389,200	(\$1,701,445)	\$1,687,755	\$2,488,658	\$4,176,413
2017	\$42,056,624	\$38,702,741	\$3,353,883	(\$1,684,176)	\$1,669,707	\$3,222,969	\$4,892,676
2018	\$43,548,737	\$36,398,460	\$7,150,277	(\$1,418,009)	\$5,732,268	\$1,933,510	\$7,665,778
2019	\$44,545,576	\$41,725,703	\$2,819,873	(\$912,468)	\$1,907,405	\$3,824,232	\$5,731,637
2020	\$46,239,468	\$41,331,292	\$4,908,176	(\$1,479,569)	\$3,428,607	\$4,201,264	\$7,629,871

## 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
2011	\$12,170,613	\$5,955,791	\$1,178,853	\$820,766	\$16,100,680	\$497,480	\$36,724,183
2012	\$12,163,820	\$6,036,646	\$1,187,433	\$832,535	\$16,530,792	\$554,972	\$37,306,198
2013	\$12,190,427	\$5,960,214	\$1,198,678	\$843,912	\$16,388,476	\$565,779	\$37,147,486
2014	\$12,385,913	\$6,149,574	\$1,227,986	\$876,736	\$16,972,320	\$579,290	\$38,191,819
2015	\$13,106,427	\$6,401,387	\$1,270,959	\$915,884	\$17,116,284	\$585,980	\$39,396,921
2016	\$13,955,172	\$6,981,949	\$1,318,921	\$964,618	\$17,529,312	\$554,652	\$41,304,624
2017	\$13,966,491	\$6,879,184	\$1,344,507	\$996,063	\$18,418,704	\$451,675	\$42,056,624
2018	\$14,353,230	\$7,271,544	\$1,381,691	\$1,050,242	\$19,003,536	\$488,494	\$43,548,737
2019	\$14,580,331	\$7,271,378	\$1,438,674	\$1,116,887	\$19,448,472	\$689,834	\$44,545,576
2020	\$16,591,770	\$6,948,024	\$1,463,871	\$1,159,717	\$19,604,461	\$471,625	\$46,239,468

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

## OPERATING EXPENSES

Last Ten Fiscal Years

Fiscal Year	Salaries/Wages	Depreciation	Employee Benefits	Contracted Services	Purchased Power	Biosolids Disposal	Materials/Supplies	Chemicals	Other Expenses*	TOTAL
2011	\$9,268,982	\$8,286,124	\$4,293,696	\$3,089,153	\$2,348,734	\$1,237,173	\$1,389,315	\$817,722	\$2,734,892	\$33,465,791
2012	\$9,476,819	\$8,236,258	\$4,390,669	\$3,511,719	\$1,871,944	\$1,174,262	\$1,508,787	\$980,640	\$2,580,148	\$33,731,246
2013	\$9,580,869	\$8,400,409	\$4,625,209	\$3,425,181	\$1,879,630	\$1,351,703	\$1,587,846	\$967,730	\$2,482,707	\$34,301,284
2014	\$9,699,724	\$8,713,697	\$4,662,451	\$3,491,349	\$1,699,980	\$1,462,622	\$1,599,296	\$1,086,724	\$2,468,552	\$34,884,395
2015	\$9,832,283	\$8,845,225	\$3,819,319	\$4,078,652	\$1,750,431	\$1,518,633	\$1,607,479	\$991,814	\$2,726,087	\$35,169,923
2016	\$10,114,266	\$9,075,357	\$5,907,182	\$4,376,286	\$1,728,375	\$1,518,719	\$1,855,522	\$1,029,538	\$2,310,179	\$37,915,424
2017	\$10,423,555	\$9,494,234	\$5,825,409	\$4,268,301	\$1,836,535	\$1,862,526	\$1,616,529	\$1,016,025	\$2,359,627	\$38,702,741
2018	\$10,785,763	\$9,735,663	\$1,892,052	\$4,464,667	\$1,950,747	\$1,790,923	\$1,708,254	\$1,012,613	\$3,057,778	\$36,398,460
2019	\$11,287,519	\$10,129,483	\$7,282,566	\$4,205,578	\$1,800,127	\$1,809,983	\$1,485,948	\$1,173,157	\$2,551,342	\$41,725,703
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	\$3,259,234	\$41,331,292

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

## NON-OPERATING REVENUES (EXPENSES)

Last Ten Fiscal Years

Fiscal Year	Interest Income	Miscellaneous Income*	Gain on Sale of Operating Property	Interest & Amortization Expense	TOTAL
2011	\$95,787	\$101,642	(\$98,559)	(\$1,651,029)	(\$1,552,159)
2012	\$83,934	\$17,195	\$63,690	(\$1,562,100)	(\$1,397,281)
2013	\$73,027	\$24,810	(\$409,482)	(\$1,623,325)	(\$1,934,970)
2014	\$86,684	\$62,509	(\$2,535,831)	(\$1,870,298)	(\$4,256,936)
2015	\$118,826	\$152,728	\$3,320	(\$1,871,407)	(\$1,596,533)
2016	\$163,062	\$239,430	(\$129,711)	(\$1,974,226)	(\$1,701,445)
2017	\$275,377	\$257,526	(\$132,339)	(\$2,084,740)	(\$1,684,176)
2018	\$635,638	\$278,197	(\$206,947)	(\$2,124,897)	(\$1,418,009)
2019	\$1,090,244	\$302,289	(\$131,065)	(\$2,173,936)	(\$912,468)
2020	\$585,737	\$382,075	(\$300,154)	(\$2,147,227)	(\$1,479,569)

\* Miscellaneous Income includes jobbing revenue and grant monies.



## ANNUAL CONTRIBUTIONS BY SOURCE

*Last Ten Fiscal Years*

Fiscal Year	Water						TOTAL
	Distribution Mains	Water Services	Hydrants	Water Meters	Other Water	Wastewater Equipment	
2011	\$639,195	\$102,497	\$47,289	\$75,113	\$0	\$405,000	\$1,269,094
2012	\$1,735,559	\$199,772	\$92,940	\$92,750	\$46,334	\$284,965	\$2,452,320
2013	\$1,160,992	\$181,880	\$121,193	\$58,418	\$0	\$775,538	\$2,298,022
2014	\$1,358,398	\$205,879	\$70,983	\$134,540	\$300,000	\$0	\$2,069,800
2015	\$2,104,408	\$291,423	\$171,710	\$116,476	\$37,412	\$0	\$2,721,429
2016	\$1,993,427	\$226,657	\$117,670	\$150,904	\$0	\$0	\$2,488,658
2017	\$1,392,413	\$305,329	\$90,204	\$257,259	\$21,000	\$1,156,764	\$3,222,969
2018	\$1,207,854	\$176,992	\$121,873	\$214,998	\$221,257	(\$9,464)	\$1,933,510
2019	\$2,149,640	\$385,517	\$228,880	\$117,595	\$0	\$942,600	\$3,824,232
2020	\$3,009,540	\$207,108	\$163,159	\$93,957	\$50,000	\$677,500	\$4,201,264

## 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
2011	7,673,583	6,465,814	1,207,769	15.7%	11.0%
2012	7,950,235	6,481,135	1,469,100	18.5%	14.5%
2013	7,954,573	6,417,923	1,536,650	19.3%	10.2%
2014	7,890,697	6,308,749	1,581,948	20.0%	14.2%
2015	7,698,285	6,402,335	1,295,950	16.8%	14.8%
2016	8,044,650	6,594,427	1,450,223	18.0%	14.2%
2017	7,914,329	6,348,462	1,565,867	19.8%	15.0%
2018	7,539,164	6,361,346	1,177,818	15.6%	13.6%
2019	7,240,123	6,121,036	1,119,087	15.5%	13.5%
2020	7,631,358	6,415,803	1,215,555	15.9%	14.2%

Note: Gallons are presented in thousands.

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

## Debt Capacity - Page 79

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

## OUTSTANDING DEBT (By Type)

*Last Ten Fiscal Years*

Fiscal Year	General Revenue Bonds	Notes Payable	Total Outstanding Debt	Debt Per Capita	Debt % of Personal Income
2011	\$58,099,553	\$225,080	\$58,324,633	\$288	0.8%
2012	\$55,469,976	\$211,840	\$55,681,816	\$274	0.7%
2013	\$67,132,695	\$198,600	\$67,331,295	\$331	0.9%
2014	\$66,616,415	\$185,360	\$66,801,775	\$323	0.8%
2015	\$71,439,509	\$172,120	\$71,611,629	\$344	0.9%
2016	\$83,744,412	\$158,880	\$83,903,292	\$399	1.0%
2017	\$86,007,583	\$145,640	\$86,153,223	\$409	0.9%
2018	\$91,605,693	\$132,400	\$91,738,093	\$433	1.0%
2019	\$91,450,918	\$119,160	\$91,570,078	\$430	0.9%
2020	\$92,024,465	\$105,920	\$92,130,385	n/a	n/a

# Revenue Capacity - Pages 80 - 84

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

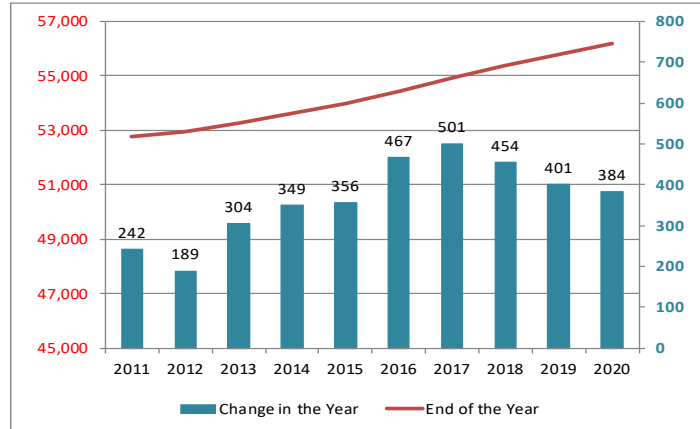
Current Year (2020) & Ten Years Ago (2011)				
Ten Years Ago (2011):				
Customer Name	Customer Location	Consumption HCF*	Water Revenue	
Calpine	Wesbrook	812,073	\$670,357	
National Semiconductor (Texas Instruments)	So. Portland	306,591	\$302,490	
Sappi Fine Paper	Westbrook	206,224	\$233,512	
Fairchild Semiconductor (ON Semi)	So. Portland	160,644	\$157,739	
Yarmouth Water District	Yarmouth	147,322	\$146,389	
Ecomaine (Regional Waste Systems)	Portland	108,471	\$103,363	
B&G Foods (Burham & Morrill)	Portland	105,292	\$95,212	
Maine Medical Center	Portland	69,599	\$162,153	
Portland Housing Authority	Portland	64,185	\$168,614	
Barber Foods	Portland	<u>51,106</u>	<u>\$62,140</u>	
		2,031,507	\$2,101,969	
TOTAL SALES		8,644,136	\$18,125,924	
PERCENT OF TOTAL SALES		23.5%	11.6%	
Current Year (2020):				
Customer Name	Customer Location	Consumption HCF*	Water Revenue	
Calpine	Wesbrook	347,944	\$381,333	
Sappi Fine Paper	Wesbrook	239,451	\$340,455	
Texas Instruments	So. Portland	291,691	\$326,155	
Maine Medical Center	Portland	115,601	\$224,150	
Yarmouth Water District	Yarmouth	119,137	\$155,409	
ON Semiconductor	So. Portland	130,962	\$150,880	
Portland Housing Authority	Portland	51,104	\$136,789	
Ecomaine	Portland	125,532	\$146,279	
B&G Foods	Portland	77,631	\$89,073	
Advance Pierre Foods	Portland	<u>56,115</u>	<u>\$79,515</u>	
		1,555,168	\$2,030,037	
TOTAL SALES		8,577,277	\$26,163,382	
PERCENT OF TOTAL SALES		18.1%	7.8%	
* = Hundreds of Cubic Feet				

## NET GROWTH IN CUSTOMERS

Last Ten Fiscal Years

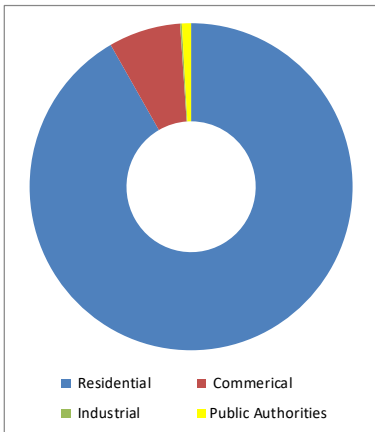
Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Percent Increase
2011	52,531	52,773	242	0.5%
2012	52,773	52,962	189	0.4%
2013	52,962	53,266	304	0.6%
2014	53,266	53,615	349	0.7%
2015	53,615	53,971	356	0.7%
2016	53,971	54,438	467	0.9%
2017	54,438	54,939	501	0.9%
2018	54,939	55,393	454	0.8%
2019	55,393	55,794	401	0.7%
2020	55,794	56,178	384	0.7%

## CUSTOMER GROWTH



## NUMBER OF WATER CUSTOMERS BY TYPE

Last Ten Fiscal Years



Metered Customers							
Fiscal Year	Residential	Commercial	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2011	46,525	3,543	93	507	50,668	2,105	52,773
2012	46,680	3,553	94	508	50,835	2,127	52,962
2013	46,925	3,572	95	509	51,101	2,165	53,266
2014	47,241	3,573	95	513	51,422	2,193	53,615
2015	47,566	3,580	94	506	51,746	2,225	53,971
2016	47,912	3,653	98	507	52,170	2,268	54,438
2017	48,257	3,750	100	513	52,620	2,319	54,939
2018	48,602	3,800	95	505	53,002	2,391	55,393
2019	48,913	3,841	93	500	53,347	2,447	55,794
2020	49,219	3,867	93	493	53,672	2,506	56,178

## 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 date:

- 01/01/11 to 04/30/11
- 05/01/11 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 12/31/20

\* 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 01/01/11 to 04/30/11		Effective 05/01/11 to 04/30/13		Effective 05/01/13 to 04/30/14	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	37.32	42.92	38.07	43.78	38.64	44.40
3	83.47	95.99	85.14	97.91	86.40	99.36
4	149.04	171.40	152.02	174.83	154.32	177.48
6	356.01	409.40	363.13	417.59	368.64	423.84
8	596.18	685.59	608.10	699.30	617.28	709.80
10	931.59	1,071.34	950.22	1,092.77	964.44	1,109.16
12	1,341.41	1,542.62	1,368.24	1,573.47	1,388.76	1,597.08
16	2,384.71	2,742.43	2,432.40	2,797.28	2,468.88	2,839.20
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	8.01	9.21	8.15	9.37	8.25	9.48
3/4	9.44	10.85	9.60	11.03	9.72	11.16
1	12.27	14.11	12.48	14.35	12.63	14.52
1 1/2	19.49	22.41	19.99	22.98	20.35	23.40
2	28.07	32.27	28.79	33.09	29.31	33.69
3	50.93	58.56	52.23	60.05	53.18	61.14
4	76.65	88.14	78.60	90.39	80.03	92.04
6	148.09	170.30	151.87	174.64	154.64	177.82
8	233.82	268.89	239.78	275.75	244.15	280.78
10	338.55	389.33	347.18	399.26	353.51	406.54
12	448.15	515.37	459.58	528.51	467.96	538.14
Low Income	2.02	2.32	2.05	2.36	2.07	2.39
<b>Seasonal Water *1</b>						
<b>Minimum Seasonal Charges</b>						
5/8	198.48	228.25	202.45	232.82	205.49	236.31
3/4	252.88	290.80	257.94	296.62	261.81	301.07
1	307.28	353.37	313.43	360.44	318.13	365.85
1 1/2	488.61	561.90	498.38	573.14	505.86	581.74
2	706.21	812.14	720.33	828.38	731.13	840.81
3	1,286.48	1,479.46	1,312.21	1,509.05	1,331.89	1,531.69
4	1,939.29	2,230.19	1,978.08	2,274.79	2,007.75	2,308.91
6	3,752.64	4,315.54	3,827.69	4,401.85	3,885.11	4,467.88
8	5,928.67	6,817.97	6,047.24	6,954.33	6,137.95	7,058.64
10	11,731.74	13,491.10	11,966.02	13,760.92	12,145.51	13,967.33
12	18,259.45	20,998.37	18,624.64	21,418.34	18,904.01	21,739.62
<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	2.02	2.32	2.05	2.36	2.07	2.39
Next 7,000 Cf	1.59	1.83	1.63	1.88	1.66	1.91
Next 40,000 Cf	1.39	1.61	1.43	1.65	1.46	1.68
Over 50,000 Cf	0.80	0.92	0.82	0.94	0.83	0.96
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.02	2.32	2.06	2.37	2.07	2.39
Over 90,000 Cf	1.39	1.60	1.42	1.63	1.46	1.68
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	35.19	40.47	35.89	41.28	36.43	41.90

\*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 05/01/14 to 04/30/15		Effective 05/01/15 to 04/30/16		Effective 05/01/16 to 04/30/17	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	39.84	45.72	41.40	47.52	42.84	49.20
3	89.40	102.36	92.40	106.20	95.88	110.16
4	158.88	182.76	164.88	189.72	171.12	196.80
6	379.80	436.68	394.20	453.24	408.96	470.16
8	635.88	731.04	660.00	758.88	684.36	787.08
10	993.36	1,143.00	1,031.16	1,186.44	1,069.56	1,230.72
12	1,430.40	1,645.08	1,484.76	1,707.60	1,540.20	1,771.32
16	2,542.92	2,924.40	2,639.52	3,035.52	2,738.04	3,148.80
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	8.46	9.73	8.74	10.05	9.03	10.38
3/4	9.97	11.45	10.30	11.83	10.64	12.22
1	12.93	14.90	13.36	15.39	13.80	15.90
1 1/2	21.14	24.31	22.19	25.51	23.29	26.77
2	30.45	35.00	31.96	36.73	33.54	38.55
3	55.25	63.52	57.98	66.66	60.85	69.96
4	83.15	95.63	87.27	100.36	91.59	105.33
6	160.67	184.75	168.62	193.90	176.97	203.50
8	253.67	291.73	266.23	306.17	279.41	321.33
10	367.30	422.40	385.48	443.31	404.56	465.25
12	486.21	559.13	510.28	586.81	535.54	615.86
Low Income	2.12	2.45	2.19	2.53	2.26	2.61
<b>Seasonal Water</b>						
<b>Minimum Seasonal Charges</b>						
5/8	211.65	243.40	219.69	252.65	227.88	262.07
3/4	269.66	310.10	279.91	321.88	290.35	333.89
1	327.67	376.83	340.12	391.15	352.81	405.74
1 1/2	521.04	599.19	540.84	621.96	561.01	645.16
2	753.06	866.03	781.68	898.94	810.84	932.47
3	1,371.85	1,577.64	1,423.98	1,637.59	1,477.09	1,698.67
4	2,067.98	2,378.18	2,146.56	2,468.55	2,226.63	2,560.63
6	4,001.66	4,601.92	4,153.72	4,776.79	4,308.65	4,954.96
8	6,322.09	7,270.40	6,562.33	7,546.68	6,807.10	7,828.17
10	12,509.88	14,386.35	12,985.26	14,933.03	13,469.61	15,490.03
12	19,508.65	22,434.96	20,249.98	23,287.49	21,005.30	24,156.11
<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	2.12	2.45	2.19	2.53	2.26	2.61
Next 7,000 Cf	1.72	1.98	1.81	2.08	1.90	2.18
Next 40,000 Cf	1.52	1.75	1.60	1.84	1.68	1.93
Over 50,000 Cf	0.86	1.00	0.90	1.05	0.94	1.10
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.12	2.45	2.19	2.45	2.26	2.61
Over 90,000 Cf	1.52	1.75	1.58	1.75	1.64	1.89
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	37.52	43.16	38.95	44.80	40.40	46.47

\*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 05/01/17 to 04/30/18		Effective 05/01/18 to 04/30/19		Effective 05/01/19 to 11/30/20		Effective 12/01/20 to 12/31/20	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>								
2	43.32	49.68	45.00	51.60	46.92	53.88	48.48	55.68
3	96.84	111.36	100.44	115.44	104.88	120.48	108.48	124.68
4	172.80	198.72	179.28	206.16	187.08	215.16	193.44	222.48
6	413.04	474.84	428.52	492.72	447.24	514.20	462.36	531.60
8	691.56	795.00	717.48	824.76	748.80	860.76	774.12	889.80
10	1,080.24	1,242.96	1,120.80	1,289.64	1,169.64	1,345.92	1,209.12	1,391.40
12	1,555.56	1,788.96	1,613.88	1,856.04	1,684.20	1,936.92	1,741.08	2,000.04
16	2,765.40	3,180.24	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	9.11	10.47	9.40	10.81	9.75	11.21	10.04	11.55
3/4	10.74	12.33	11.08	12.72	11.49	13.19	11.83	13.59
1	13.92	16.04	14.37	16.55	14.90	17.16	15.35	17.67
1 1/2	23.60	27.13	24.73	28.43	26.10	30.01	27.27	31.36
2	33.99	39.07	35.62	40.95	37.60	43.22	39.29	45.16
3	61.67	70.90	64.63	74.30	68.22	78.42	71.29	81.95
4	92.83	106.75	97.29	111.87	102.69	118.08	107.31	123.39
6	179.36	206.25	187.97	216.15	198.40	228.15	207.33	238.42
8	283.18	325.67	296.77	341.30	313.24	360.24	327.34	376.45
10	410.02	471.53	429.70	494.16	453.55	521.59	473.96	545.06
12	542.77	624.17	568.82	654.13	600.39	690.43	627.41	721.50
Low Income	2.28	2.63	2.36	2.77	2.44	2.81	2.51	2.89
<b>Seasonal Water</b>								
<b>Minimum Seasonal Charges</b>								
5/8	216.90	249.44	225.03	258.79	234.84	270.07	242.78	279.20
3/4	293.25	337.33	304.25	349.88	317.52	365.13	328.25	377.47
1	356.34	409.80	369.70	425.17	385.82	443.71	398.86	458.71
1 1/2	566.62	651.61	587.87	676.05	613.50	705.53	634.24	729.38
2	818.95	941.79	849.66	977.11	886.71	1,019.71	916.68	1,054.18
3	1,491.86	1,715.66	1,547.80	1,780.00	1,615.28	1,857.61	1,669.88	1,920.40
4	2,248.90	2,586.24	2,333.23	2,683.22	2,434.96	2,800.21	2,517.26	2,894.86
6	4,351.74	5,004.51	4,514.93	5,192.18	4,711.78	5,418.56	4,871.04	5,601.71
8	6,875.17	7,906.45	7,132.99	8,202.94	7,443.99	8,560.59	7,695.60	8,849.94
10	13,604.31	15,644.93	14,114.47	16,231.61	14,729.86	16,939.31	15,227.73	17,511.86
12	21,215.35	24,397.67	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	minimum	minimum
Next 2,900 Cf	2.28	2.63	2.35	2.71	2.44	2.81	2.51	2.89
Next 7,000 Cf	1.93	2.21	2.02	2.33	2.13	2.47	2.23	2.57
Next 40,000 Cf	1.70	1.96	1.78	2.04	1.88	2.14	1.96	2.25
Over 50,000 Cf	0.95	1.11	1.00	1.15	1.06	1.20	1.11	1.28
<b>Seasonal</b>								
Over Min to 90,000 Cf	2.28	2.63	2.35	2.71	2.44	2.81	2.51	2.89
Over 90,000 Cf	1.66	1.91	1.78	2.04	1.88	2.14	1.96	2.25
<b>Seasonal Surcharge *1</b>								
Surface Main Surcharge	40.80	46.93	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 85 to 86

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\**

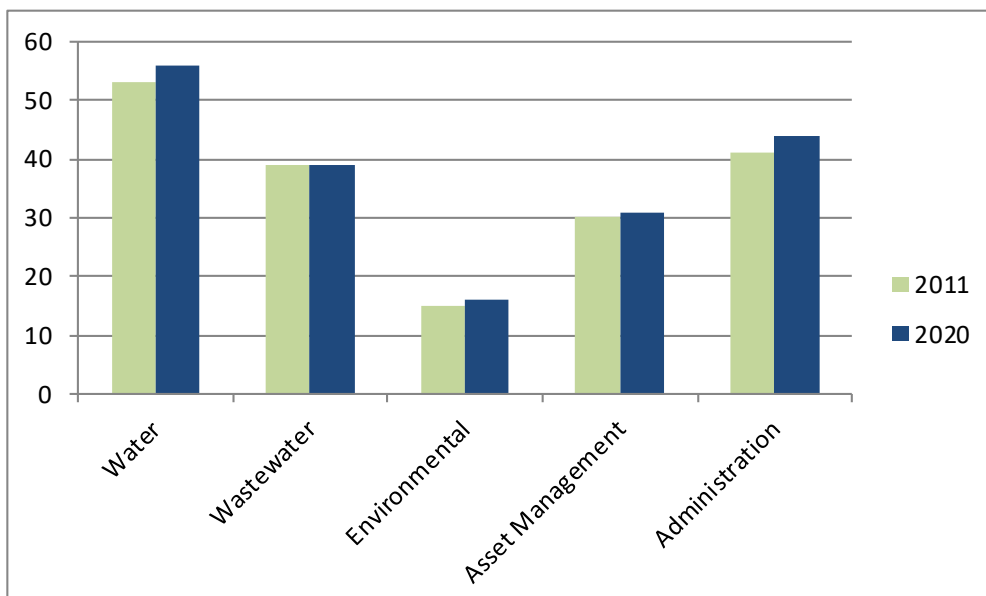
<b>Water Assets</b>											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Services	56,256	56,389	56,252	53,643	54,022	54,370	54,912	55,245	55,686	56,114	
Meters	50,614	51,818	52,275	53,071	53,958	53,132	53,589	53,859	54,259	53,222	
Hydrants	4,912	4,954	4,985	5,003	5,048	5,079	5,085	5,123	5,169	5,197	
Gate Valves	11,187	11,270	11,294	11,458	11,542	11,671	11,821	11,971	12,062	12,033	
Distribution Mains (miles)	958.6	961.7	945.3	947.2	949.6	952.5	958.7	961.3	965.5	969.4	
Transmission Mains (miles)	41.4	41.4	41.4	40.7	40.7	41.1	41.1	41.1	41.2	41.9	
<b>Wastewater Assets</b>											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Interceptors (miles)	46.9	46.9	48.1	48.1	45.3	45.3	43.1	43.1	43.1	43.1	
Foremains (miles)	21.9	21.9	22.3	22.5	25.6	25.6	30.6	30.6	31.6	31.7	
Collectors (miles)	25.3	25.7	25.7	26.1	34.4	34.4	41.1	41.3	41.6	42.4	
Storm Drains (miles)	1.7	1.7	1.7	1.8	1.9	1.9	1.9	1.9	1.9	1.9	
Manholes	2,348	2,387	2,436	2,442	2,523	2,523	2,609	2,616	2,631	2,652	
Combined Sewer Overflows	28	28	28	28	28	28	28	28	28	25	
<b>Wastewater Flow Treated*</b>											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
East End (Portland)	18.04	18.00	17.22	18.92	16.38	16.41	17.55	17.55	15.58	15.12	
Westbrook/Gorham	3.52	3.13	3.01	3.25	2.54	2.47	3.04	3.31	3.15	3.03	
Cape Elizabeth	0.30	0.28	0.26	0.30	0.23	0.24	0.27	0.28	0.25	0.24	
Peaks Island (Portland)	0.10	0.09	0.09	0.10	0.09	0.09	0.10	0.11	0.10	0.10	
* Daily average in millions of gallons											
<b>Wastewater Biosolids Disposal**</b>											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
East End (Portland)	43.54	38.66	45.17	48.18	50.28	47.37	63.20	58.25	58.94	52.87	
Westbrook/Gorham	11.80	12.38	12.96	13.96	14.23	15.99	14.39	15.09	13.12	12.17	
Cape Elizabeth	0.59	0.48	0.60	0.59	0.66	0.71	1.30	0.75	0.56	0.70	
Peaks Island (Portland)	0.12	0.12	0.12	0.12	0.13	0.15	0.19	0.14	0.16	0.09	
** Daily average in wet tons											

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

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Water Operations:</b>										
Water Distribution	25	24	24	23	22	22	22	22	22	24
Water Utility Services	13	13	13	14	15	15	15	16	16	16
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	4	5	5	5	5	5	5	5	5	5
	53	53	53	53	53	53	53	54	54	56
<b>Wastewater Operations:</b>										
Wastewater Treatment	26	25	24	25	25	24	25	23	23	23
Water/Wastewater Systems	12	12	13	13	13	13	13	13	13	13
Administrative/Other	1	2	2	1	1	1	1	2	3	3
	39	39	39	39	39	38	39	38	39	39
<b>Environmental Services:</b>										
Environmental Services	8	8	8	8	8	9	9	9	9	9
Laboratory	7	7	7	7	7	7	7	8	7	7
	15	15	15	15	15	16	16	17	16	16
<b>Asset Management &amp; Planning:</b>										
Planning & Design	17	17	17	17	17	17	16	18	18	18
Facilities Services	10	10	10	10	10	10	10	10	10	10
Instrumentation	3	3	3	3	3	3	4	3	3	3
	30	30	30	30	30	30	30	31	31	31
<b>Administration:</b>										
Customer Service	14	14	14	14	14	14	13	14	14	14
Executive Office	9	9	8	8	8	9	9	10	10	10
Financial Services	8	8	9	9	9	8	8	8	8	8
Information Services	7	7	7	7	7	7	7	7	7	8
Employee Services	3	3	3	3	3	3	3	3	3	4
	41	41	41	41	41	41	40	42	42	44
	178	178	178	178	178	178	178	182	182	186

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





# Demographic and Economic Information - Page 87

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
2011	202,751	\$7,275,762,709	\$25,626	5.3%
2012	202,930	\$7,469,552,460	\$26,309	5.5%
2013	203,338	\$7,673,493,274	\$26,882	4.6%
2014	207,103	\$7,966,090,650	\$27,680	3.8%
2015	208,449	\$8,346,665,460	\$28,784	2.8%
2016	210,072	\$8,730,810,106	\$29,896	2.6%
2017	210,811	\$9,175,965,847	\$31,371	1.9%
2018	212,038	\$9,608,756,565	\$32,732	2.5%
2019	212,754	\$10,155,680,814	\$34,426	2.2%
2020	n/a	n/a	n/a	4.2%

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

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

## PRINCIPAL EMPLOYERS

*Current Year*

### Ten Largest Employers\*

Employer Name	Employees	Business Description
Maine Health	11,001 to 11,500	General Medical & Surgical Hospitals
Unum Group	2,501 to 3,000	Direct Life Insurance Carriers
Hannaford	2,501 to 3,000	Supermarkets & Other Grocery Stores
Mercy Hospital	1,501 to 2,000	General Medical & Surgical Hospitals
WEX LLC	1,001 to 1,500	Financial Transaction Processing
Index Laboratories	1,001 to 1,500	Pharmaceutical Preparation Manufacturing
Walmart/Sam's Club	1,001 to 1,500	Discount Department Stores
TD Bank NA	1,001 to 1,500	Commercial Banking
Martins Point Health	501 to 1,000	Outpatient Care Services
Tyler Technologies	501 to 1,000	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 88 to 102

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

(b) - Effective May 2011 metered water rates, public and private fire rates were increased an average of 2.0%.

(c) - Effective May 2013 metered water rates increased an average of 1.3% and public and private fire protection increased 1.5%.

(d) - Effective May 2014 metered water rates increased an average of 2.9% and public and private fire protection increased 3.0%.

(e) - Effective May 2015 metered water rates, public and private fire rates were increased an average of 3.8%.

(f) - Effective May 2016 metered water rates, public and private fire rates were increased an average of 3.7%.

(g) - Effective May 2017 metered water rates, public and private fire rates were increased an average of 1.0%.

(h) - Effective May 2018 metered water rates increased an average of 3.8%, public and private fire rates increased an average of 3.75%.

(i) - Effective May 2019 metered water rates increased an average of 4.4%, public and private fire rates increased an average of 4.36%.

(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
2011	\$1,089,984	\$702,264	\$15,012	\$1,068,444	\$10,340,044	\$2,533,176	\$351,756	\$16,100,680
2012	\$1,293,540	\$712,800	\$15,012	\$1,084,464	\$10,540,044	\$2,533,176	\$351,756	\$16,530,792
2013	\$1,365,084	\$713,940	\$15,012	\$1,084,464	\$10,540,044	\$2,318,176	\$351,756	\$16,388,476
2014	\$1,377,252	\$731,784	n/a	\$1,106,148	\$10,872,204	\$2,533,176	\$351,756	\$16,972,320
2015	\$1,412,112	\$731,784	n/a	\$1,106,148	\$10,981,308	\$2,533,176	\$351,756	\$17,116,284
2016	\$1,443,408	\$750,072	\$36,012	\$1,106,148	\$11,308,740	\$2,533,176	\$351,756	\$17,529,312
2017	\$1,468,692	\$844,584	\$263,604	\$1,106,148	\$11,841,972	\$2,533,176	\$360,528	\$18,418,704
2018	\$1,539,840	\$905,364	\$310,056	\$1,106,148	\$12,248,424	\$2,533,176	\$360,528	\$19,003,536
2019	\$1,572,912	\$905,364	\$314,112	\$1,133,436	\$12,616,080	\$2,539,800	\$366,768	\$19,448,472
2020	\$1,705,380	\$965,292	\$314,112	\$1,160,676	\$12,367,494	\$2,702,503	\$389,004	\$19,604,461

(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

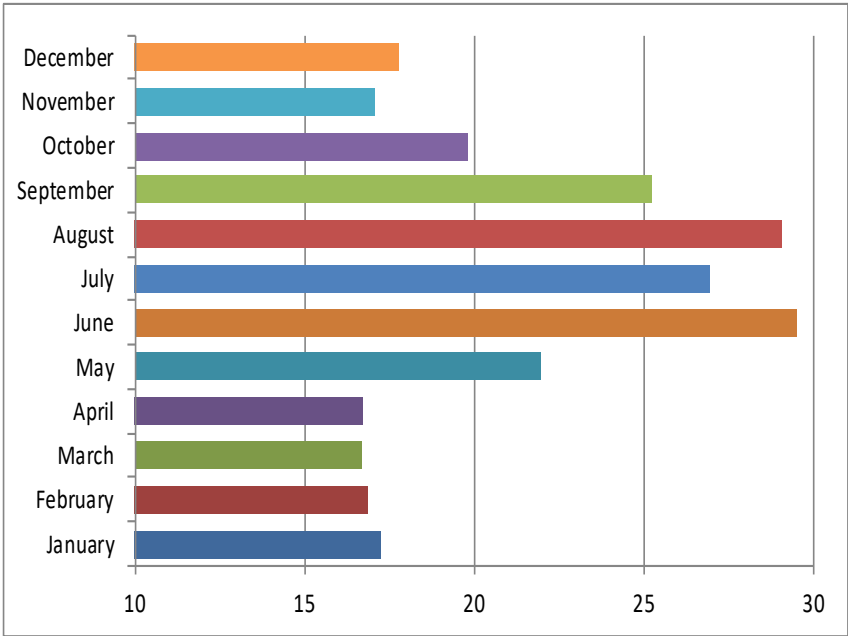
**2020 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)**

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	17.191	0.042	17.233	0.001	0.485	0.653	0.087	0.322	0.453
February	16.825	0.038	16.863	0.001	0.444	0.622	0.082	0.318	0.460
March	16.656	0.033	16.690	0.000	0.406	0.666	0.085	0.343	0.449
April	16.706	0.037	16.743	0.000	0.405	0.692	0.083	0.298	0.440
May	21.910	0.049	21.958	0.002	0.643	0.925	0.133	0.541	0.660
June	29.429	0.065	29.494	0.002	1.039	1.010	0.195	0.983	0.910
July	26.919	0.049	26.968	0.001	0.688	0.919	0.165	0.778	0.724
August	29.007	0.050	29.057	0.001	0.813	0.991	0.219	0.921	0.845
September	25.161	0.055	25.216	0.001	0.692	0.859	0.152	0.782	0.751
October	19.737	0.044	19.781	0.001	0.495	0.790	0.100	0.485	0.512
November	17.002	0.043	17.045	0.001	0.494	0.803	0.088	0.432	0.444
December	17.751	0.043	17.794	0.014	0.527	0.815	0.081	0.405	0.414
Averages	21.191	0.046	21.237	0.002	0.594	0.812	0.122	0.551	0.589

**2020 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
	7,761.182	16.713	7,777.895	0.773	217.524	297.513	44.843	201.704	215.459

**2020 WATER PRODUCTION BY MONTH**  
(MILLIONS OF GALLONS PER DAY, MGD)



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

YEAR	Source Water								Boosted Water									
	Sebago Lake Greater Portland System		Sebago Lake Standish System		Cumberland Wells	N. Windham Wells	Steep Falls Wells	TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish	West Falmouth	Wards Hill	Total Boosted	Percentage Boosted to Total
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%	

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

### 2020 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,684	3,649	330	761	71.8
Cumberland	1,972	1,927	289	473	52.6
Falmouth	3,544	3,341	401	789	83.5
Gorham	3,038	2,896	326	777	63.2
Portland	19,010	17,790	1475	4,044	250.4
Raymond	45	41	25	17	2.7
Scarborough	5,618	5,235	698	1,259	117.7
South Portland	8,678	8,222	584	1,660	122.4
Standish	831	807	147	227	27.6
Westbrook	6,143	5,832	575	1,248	90.1
Windham	3,551	3,440	347	778	87.4
<b>TOTAL</b>	<b>56,114</b>	<b>53,222</b>	<b>5,197</b>	<b>12,033</b>	<b>969.4</b>

### 2020 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	52	1	3,482	110	4	23	12	3,684
Cumberland	20	5	1,824	61	1	55	6	1,972
Falmouth	61	2	3,304	66	3	93	15	3,544
Gorham	26	0	2,783	91	4	121	13	3,038
Portland	634	8	16,774	396	16	861	321	19,010
Raymond	0	0	40	0	0	5	0	45
Scarborough	116	0	4,898	282	3	306	13	5,618
South Portland	230	1	7,773	206	15	339	114	8,678
Standish	14	0	760	17	0	10	30	831
Westbrook	105	0	5,609	140	1	270	18	6,143
Windham	22	0	3,156	265	0	98	10	3,551
<b>TOTAL</b>	<b>1,280</b>	<b>17</b>	<b>50,403</b>	<b>1,634</b>	<b>47</b>	<b>2,181</b>	<b>552</b>	<b>56,114</b>

## WATER QUALITY ANALYSIS

(AS TESTED ON APRIL 10, 2018, 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	58.6	74.0	74.8	249.2	236.7	**
Total Residue	mg/L	48	43	40	132	84	500
Turbidity	NTU	0.25	0.20	0.20 <sup>3</sup>	0.13	0.13	1
<b>Inorganic Non-metals</b>							
Residual chlorine <sup>4</sup>	mg/L	NA	2.11	1.60	NA	1.18	4
Alkalinity (as CaCO <sub>3</sub> )	mg/L	5.2	9.4	9.0	11.5	18.9	**
Carbon dioxide	mg/L	1.7	0.4	0.1	9.7	1.0	**
Ammonia – N	mg/L	<0.01	0.53	0.53	<0.01	<0.01	**
Nitrite – N	mg/L	0.004	0.004	0.004	<0.002	0.003	1
Nitrate – N	mg/L	<0.23	<0.23	<0.23	1.68	1.43	10
Chloride	mg/L	8.2	10	10	50	49	250
Dissolved Oxygen	mg/L	13	21	14	7.4	12	**
Fluoride	mg/L	0.07	0.68	0.65	0.10	0.75	4
Hardness (as CaCO <sub>3</sub> )	mg/L	8.9	10.3	9.5	25.1	24.2	150
pH <sup>4</sup>	SU	6.4	8.4	7.8	6.7	7.6	8.5
Silica	mg/L	4.0	4.1	3.5	9.6	10.6	**
Phosphorus	mg/L	0.01	0.38	0.38	0.03	0.03	**
Sulfate <sup>5</sup>	mg/L	NA	3	NA	NA	<1	250
<b>Inorganic Metals</b>							
Arsenic	mg/L	<0.0030	0.0043	<0.0030	0.0149	<0.0030	0.05
Barium	mg/L	0.0035	0.0046	0.0037	0.0070	0.0073	2
Cadmium	mg/L	<0.00065	<0.00065	<0.00065	<0.00065	<0.00065	0.005
Calcium	mg/L	2.66	3.06	2.88	7.16	6.87	**
Chromium	mg/L	<0.0032	<0.0032	<0.0032	<0.0032	<0.0032	0.1
Copper <sup>6</sup>	mg/L	<0.0047	<0.0047	0.0062	0.118	0.0104	1.3
Iron <sup>6</sup>	mg/L	<0.058	0.32	<0.058	<0.058	0.129	0.3
Lead <sup>6</sup>	mg/L	<0.0042	0.0048	0.0066	<0.0042	<0.0042	0.015
Magnesium	mg/L	0.540	0.648	0.555	1.75	1.71	**
Manganese <sup>5</sup>	mg/L	NA	<0.005	NA	NA	<0.005	0.05
Mercury <sup>5</sup>	mg/L	NA	<0.0001	NA	NA	<0.0001	0.002
Nickel	mg/L	<0.0034	0.0080	<0.0034	<0.0034	<0.0034	0.1
Potassium	mg/L	0.443	0.518	0.464	1.94	1.7	**
Selenium <sup>5</sup>	mg/L	NA	<0.001	NA	NA	<0.001	0.05
Silver	mg/L	<0.0005	<0.0005	<0.0005	<0.0005	<0.0005	0.05
Sodium	mg/L	4.87	9.38	8.73	31.4	31.5	100
Zinc	mg/L	0.0076	0.130	0.116	0.0248	0.0373	5
<b>Aggregate Organic</b>							
Carbon, total organic	mg/L	2.6	2.6	2.5	<1.0	<1.0	**
<b>Pesticide/Herbicide<sup>7</sup></b>							
	µg/L	NA	ND	NA	NA	ND	**
<b>Asbestos<sup>8</sup></b>							
(million fibers/L)	10 <sup>6</sup> /L	NA	<0.12	NA	NA	NA	7
<b>Radionuclides<sup>9</sup></b>							
Gross alpha	pCi/L	NA	2.5	NA	NA	5.0	15

## WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

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

### FOOTNOTES and DEFINITIONS:

- <sup>1</sup> Distribution Sample collected at 334 Cottage Rd., South Portland
- <sup>2</sup> MCL= Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water.
- <sup>3</sup> Greater Portland Treated Turbidity measured on 4/9/18.
- <sup>4</sup> Chlorine and pH vary throughout the distribution system so values at your tap may differ from these locations.
- <sup>5</sup> Sulfate, manganese, mercury and selenium sampled in June 2017 for both Greater Portland and Steep Falls.
- <sup>6</sup> Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing.
- <sup>7</sup> Pesticide/herbicide analyzed in June and September 2017 (Greater Portland) and September 2017 (Steep Falls).
- <sup>8</sup> Asbestos analyzed in July 2011 in Cumberland area.
- <sup>9</sup> Gross alpha sampled in June 2015 for both Greater Portland and Steep Falls.
- <sup>10</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.

**2020 ACTIVE FIRE SERVICES**

DIVISION	1"	1.5"	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	0	0	2	2	9	8	0	0	0	21	0.9%
Cumberland	0	0	1	0	23	10	0	0	0	34	1.4%
Falmouth	0	1	79	6	55	12	1	4	0	158	6.4%
Gorham	0	0	29	7	63	34	0	0	0	133	5.4%
Portland	1	18	134	137	578	199	9	5	0	1,081	44.1%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	31	33	154	81	2	1	0	305	12.4%
South Portland	0	0	17	16	181	111	14	7	0	346	14.1%
Standish	0	0	0	5	10	0	1	0	0	16	0.7%
Westbrook	1	0	33	27	126	75	4	2	0	268	10.9%
Windham	0	0	10	8	48	17	1	2	0	86	3.5%
<b>TOTAL</b>	<b>3</b>	<b>21</b>	<b>336</b>	<b>241</b>	<b>1,249</b>	<b>549</b>	<b>32</b>	<b>21</b>	<b>0</b>	<b>2,452</b>	<b>100.0%</b>

**2020 METERS IN SERVICE**

DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,422	98	78	21	22	4	2	1	1	0	3,649	6.9%
Cumberland	1,719	81	86	22	10	5	2	0	1	1	1,927	3.6%
Falmouth	2,905	152	174	39	54	9	1	4	3	0	3,341	6.3%
Gorham	2,651	57	103	32	38	12	2	0	1	0	2,896	5.4%
Portland	15,325	661	765	403	474	98	29	29	6	0	17,790	33.4%
Raymond	26	1	6	2	6	0	0	0	0	0	41	0.1%
Scarborough	4,776	92	147	94	87	19	4	11	5	0	5,235	9.8%
South Portland	7,567	96	160	147	180	33	12	23	4	0	8,222	15.4%
Standish	734	12	50	3	4	0	2	2	0	0	807	1.5%
Westbrook	5,309	128	157	94	93	26	7	9	5	4	5,832	11.0%
Windham	3,183	75	78	44	41	9	3	6	1	0	3,440	6.5%
Yarmouth	41	1	0	0	0	0	0	0	0	0	42	0.1%
<b>TOTAL</b>	<b>47,658</b>	<b>1,454</b>	<b>1,804</b>	<b>901</b>	<b>1,009</b>	<b>215</b>	<b>64</b>	<b>85</b>	<b>27</b>	<b>5</b>	<b>53,222</b>	<b>100.0%</b>

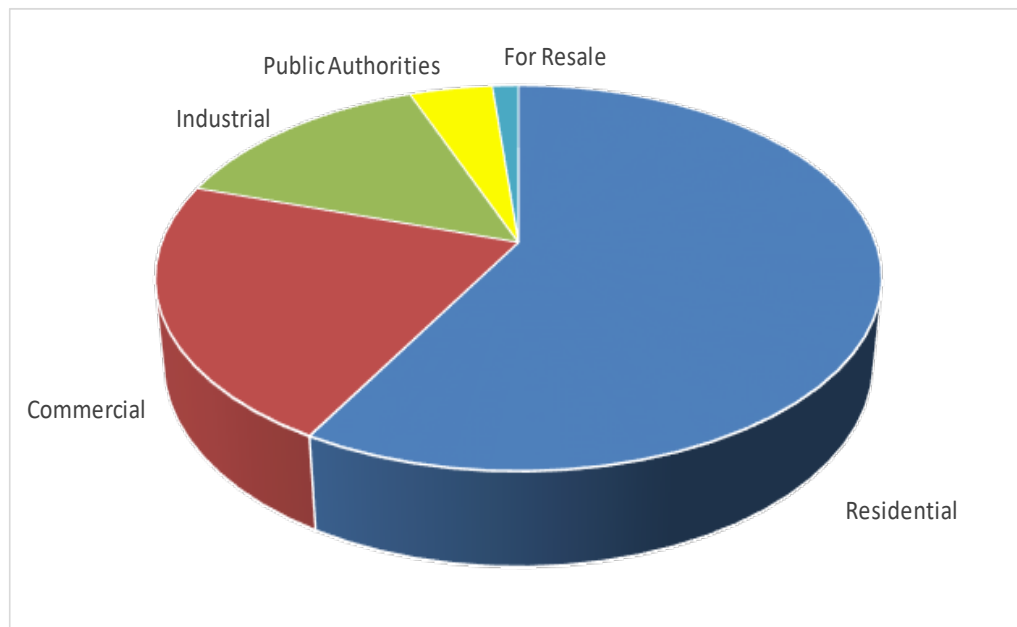


**METERED WATER (IN THOUSANDS OF GALLONS)**

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2011	3,290,807	1,430,439	1,328,681	305,690	110,197	6,465,814
2012	3,271,898	1,430,679	1,374,942	274,003	129,613	6,481,135
2013	3,231,822	1,409,044	1,372,881	279,507	124,669	6,417,923
2014	3,197,526	1,387,342	1,316,962	287,820	119,099	6,417,923
2015	3,288,896	1,484,304	1,209,994	293,177	125,964	6,402,335
2016	3,394,347	1,533,185	1,241,991	309,958	114,946	6,594,427
2017	3,304,462	1,528,336	1,112,456	300,677	102,531	6,348,462
2018	3,316,570	1,513,182	1,123,108	290,945	117,541	6,361,346
2019	3,161,640	1,491,001	991,518	380,137	96,740	6,121,036
2020	3,731,382	1,399,150	912,729	283,428	89,114	6,415,803

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 748, for example the 2020 volume of 6,415,803 TOG equals 8,577,277 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
2011	0.935	17.100	1,973	304	43.54	Wet Tons	93	92
2012	1.016	16.989	1,647	302	38.66	Wet Tons	93	93
2013	0.516	16.703	1,839	472	45.17	Wet Tons	93	94
2014	0.906	18.036	2,230	485	48.18	Wet Tons	93	95
2015	0.452	15.923	3,225	165	50.28	Wet Tons	93	94
2016	0.488	15.885	2,393	123	48.36	Wet Tons	92	92
2017	0.376	17.172	3,354	44	63.20	Wet Tons	97	97
2018	0.696	16.850	4,985	229	58.25	Wet Tons	96	95
2019	0.676	14.904	5,841	413	58.94	Wet Tons	97	97
2020	0.683	14.438	5,907	1,191	52.87	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
2011	3.523	2,489	303	11.80	Wet Tons	96	96	86.322	11.675	2.003
2012	3.131	2,996	395	12.38	Wet Tons	95	97	81.488	16.124	2.388
2013	3.007	2,944	471	12.96	Wet Tons	94	96	79.618	17.674	2.708
2014	3.251	2,864	672	13.96	Wet Tons	94	96	78.377	18.713	2.910
2015	2.540	2,490	721	14.23	Wet Tons	96	96	80.930	15.850	3.220
2016	2.466	2,638	729	16.03	Wet Tons	97	97	80.920	15.830	3.250
2017	3.035	1,533	657	14.39	Wet Tons	95	93	83.710	13.380	2.910
2018 *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

\*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
2011	0.297	0.59	Wet Tons	97	98
2012	0.280	0.48	Wet Tons	95	95
2013	0.255	0.60	Wet Tons	93	96
2014	0.295	0.59	Wet Tons	92	96
2015	0.226	0.66	Wet Tons	94	97
2016	0.242	0.60	Wet Tons	95	96
2017	0.266	1.30	Wet Tons	93	94
2018	0.277	0.75	Wet Tons	94	95
2019	0.247	0.56	Wet Tons	93	96
2020	0.236	0.70	Wet Tons	94	95

**PEAKS ISLAND WASTEWATER TREATMENT FACILITY**

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
2011	0.102	0.12	Wet Tons	93	91
2012	0.093	0.12	Wet Tons	96	95
2013	0.088	0.12	Wet Tons	94	96
2014	0.104	0.12	Wet Tons	94	97
2015	0.087	0.13	Wet Tons	93	94
2016	0.094	0.16	Wet Tons	94	95
2017	0.095	0.19	Wet Tons	90	90
2018	0.105	0.14	Wet Tons	90	91
2019	0.101	0.16	Wet Tons	92	93
2020	0.101	0.09	Wet Tons	95	96

## EAST END WASTEWATER TREATMENT FACILITY

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

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2020	January	3.4	210	18	29	14	490	0.3
	February	2.9	180	16	25	12	370	0.2
	March	1.1	184	17	30	13	375	0.2
	April	3.7	230	20	36	14	480	0.3
	May	3.7	280	18	41	14	540	0.8
	June	2.8	310	17	36	12	660	0.4
	July	1.2	268	19	55	15	607	0.3
	August	2.5	280	16	48	13	621	0.5
	September	1.4	240	17	18	10	420	0.5
	October	1.2	240	22	24	13	440	0.6
	November	1.8	250	15	29	12	510	0.5
	December	2.3	230	16	35	14	490	0.4
Annual Average		2.3	242	18	34	13	500	0.4

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

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2011	1.3	205	17	47	15	484	0.5
2012	1.3	254	16	43	14	536	0.5
2013	1.2	243	16	43	13	518	0.3
2014	2.1	240	16	37	12	509	0.4
2015	2.2	237	15	36	11	488	0.5
2016	2.3	217	17	38	12	474	0.4
2017	2.6	218	15	26	11	472	0.4
2018	2.5	220	15	32	12	419	0.4
2019	2.7	223	16	30	12	460	0.3
2020	2.3	242	18	34	13	500	0.4

### 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
2020	January	2.2	220	27	20	40	520	0.5
	April	2.6	230	47	26	65	590	0.3
	July	1.7	376	45	25	86	1,200	0.3
	October	1.3	230	53	19	58	550	0.2
Annual Average		2.0	264	43	23	62	715	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
2011	0.9	467	42	32	65	931	0.8
2012	1.5	545	35	31	52	1,015	0.6
2013	1.4	512	41	29	71	999	0.5
2014	1.9	387	71	29	62	753	0.2
2015	2.3	403	57	23	65	740	0.5
2016	2.5	348	41	26	44	678	0.4
2017	2.4	337	39	18	38	701	0.3
2018	2.0	296	43	19	54	638	0.4
2019	2.3	340	43	23	83	693	0.3
2020	2.0	264	43	23	62	715	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			
	Interceptors	72,161 feet			
	Force Mains	17,392 feet			
Peaks Island	Estimated population served	500			
	Treatment plant design flow:				
	average / peak wet weather	0.2 mgd average / .61 mgd peak			
	Pump stations	4			
	Collectors	23,775 feet			
	Interceptors	4,220 feet			
	Force Mains	5,437 feet			
	Storm Drains	10,160 feet			
Westbrook *2					
	Estimated population served	11,000			
	Treatment plant design flow:				
	average / peak wet weather	4.54 mgd average / 15.7 mgd peak			
	Westbrook allocated average treatment plant flow (66.6%)	3.02 mgd average / 10.46 mgd peak			
	Pump stations	3	Joint Use	Westbrook Only	Gorham Only
	Interceptors	26,707 feet	1	2	Windham Only
	Force Mains	16,750 feet	9,764	16,943	
	Percentage Flow		4,589	12,161	
				84%	13%
					3%
Cape Elizabeth System *3					
Cape - North	Estimated population served	4,000			
	Treatment contracted to South Portland				
	System design flow	0.72 mgd			
	Pump stations	16			38,612 Force main (both)
Cape - South	Estimated population served	3,100			51,693 Interceptor (both)
	Treatment plant design flow:				
	average / peak wet weather	0.52 mgd average / 2.75 mgd peak			
	Pump stations	10			
Cumberland					
	Estimated population served	2,200			
	Treatment contracted to Falmouth				
	System Design Flow	0.47 mgd			
	Pump stations	13			
	Interceptors	41,032 feet			
	Collectors	87,024 feet			
	Force Mains	40,330 feet			
Gorham Village					
	Estimated population served	6,000			
	Gorham allocated average treatment plant flow (30.8%)	1.4 mgd average / 4.84 mgd peak			
	Pump stations	11			
	Interceptors	27,550 feet			
	Collectors	91,007 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	Joint Use	Gorham Only	Windham Only
	Interceptors/Collectors	24,606 feet	3	1	2
	Force Mains	16,909 feet	14,215	7,008	3,383
	Percentage Flow		12,836	3,578	495
				24.5%	75.5%

**FOOTNOTES:**

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

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

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

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

**WASTEWATER PIPELINE LENGTH (MILES)**

COMMUNITY	Interceptors	Forcemains	Collectors	Storm Drains	TOTAL	# of Manholes	# of CSOs
Cape Elizabeth	9.8	7.3	0.0	0.0	17.1	305	1
Cumberland	7.8	7.6	16.5	0.0	31.9	656	0
Gorham	6.0	7.5	21.0	0.0	34.5	712	0
Portland	14.5	4.3	4.5	1.9	25.2	836	19
Westbrook	5.0	4.9	0.0	0.0	9.9	128	5
Windham	0.0	0.1	0.4	0.0	0.5	15	0
<b>TOTAL</b>	<b>43.1</b>	<b>31.7</b>	<b>42.4</b>	<b>1.9</b>	<b>119.1</b>	<b>2652</b>	<b>25</b>

