

# Comprehensive **ANNUAL FINANCIAL REPORT**



Portland  
Water  
District

*For the year ended December 31, 2017*

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

# **Comprehensive Annual Financial Report**



**Portland Water District  
Portland, Maine  
For The Year Ended December 31, 2017**

**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**

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# INTRODUCTION







# TRANSMITTAL LETTER

June 30, 2018

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, 2017.

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 2017 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.

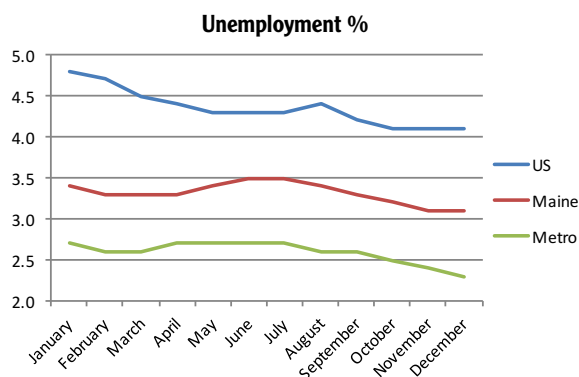
We hope you find this report informative. If you have questions, please contact us at (207)761-8310 or [customerservice@pwd.org](mailto:customerservice@pwd.org).

# FACTORS AFFECTING FINANCIAL CONDITION

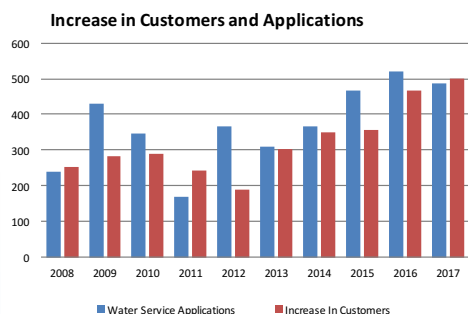
## LOCAL ECONOMY

Both the national and state economies appear to have had a good year in 2017.

**Employment:** Local unemployment remained low throughout the year and well below national and state levels, ending at a 2.3% unemployment rate in the Portland/South Portland metro market. Labor market conditions in Maine are very tight. According to the Maine Economic Commission, December's unemployment rate was historically low, at or below 4.0% for the 27th consecutive month, the second longest such stretch on record.



**Housing Market:** According to the Maine Association of Realtors, despite tight inventory of single-family homes for sale at the beginning of 2017, statewide sales volume for the year ended with a 0.72% increase. As a result, 2017 had the most single-family residential sales over the last twenty years of tracking data, and home values reached an historical high. As the state's largest real estate market, nearly a quarter of sales take place in Cumberland County.



New construction increased 9% statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 4,358 statewide building permit units in 2017, over half were within the Portland/South Portland Metropolitan region.

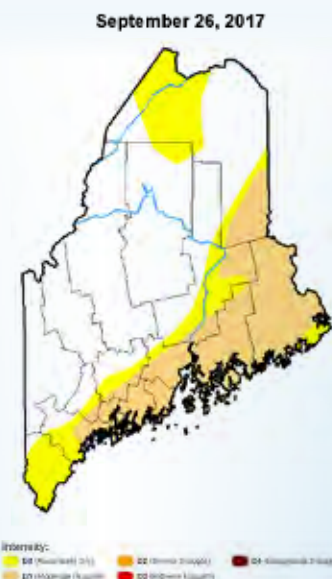
Locally, the Portland Water District continues to experience steady growth in both applications for water service and new customers.

**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 15% which is consistent within the water utility sector nationwide.

Dry conditions continued as the summer of 2017 was abnormally dry and parts of Maine were considered to be experiencing drought conditions according to the U.S. Drought Monitor. The National Weather Service reports 6.66 inches of precipitation fell in Portland during June, July, and August of 2017 which is considerably less than normal levels of 10.54 inches.

## ECONOMIC OUTLOOK

The economy continues to nudge ahead slowly and is expected to continue. Maine typically lags national growth; however Greater Portland mirrors the national economy more closely. General consensus among economists calls for tepid growth in 2018 with the aging population and tight labor market as key concerns.





# 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 (GASB) Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 61, 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 178 employees provide services to over 55,000 customers. PWD manages \$329 million in assets operating over approximately 140 square miles and an annual budget of \$42.0 million. Additionally, PWD manages a \$18.7 million capital improvement plan.*

## OUR MISSION

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

## OUR VISION

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

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

## OUR VALUES

### *Customer Focus*

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

### *Reliable, Valued Products & Services*

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

### *Reasonable Rates*

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

### *Continuous Improvement*

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

### *Safety*

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

### *The Environment*

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

### *Expertise*

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

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

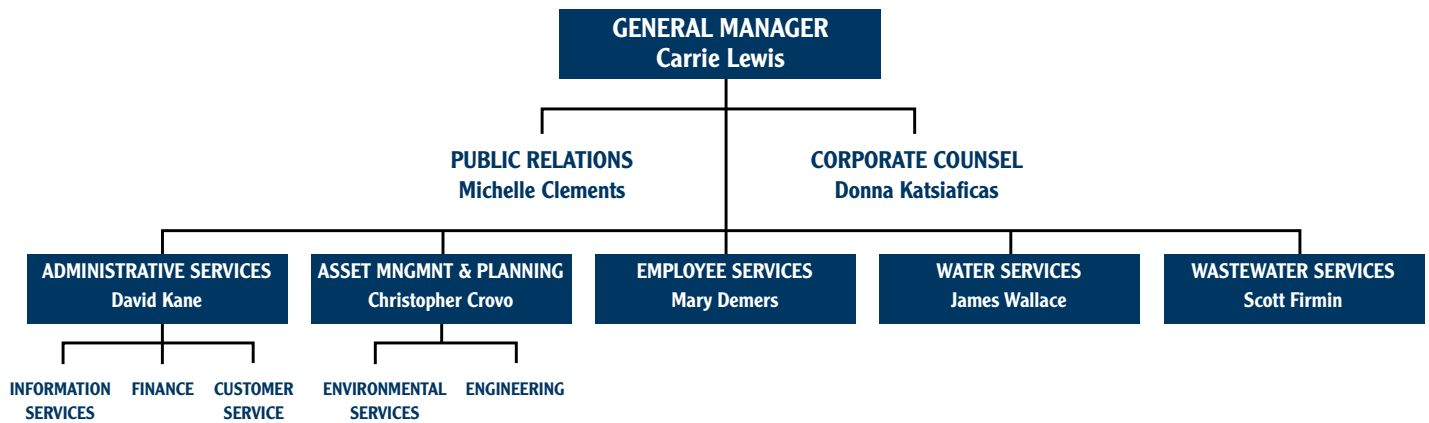
We promote an atmosphere that values openness, respect, and fair treatment.

### *Quality of Life*

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



## CORPORATE MANAGEMENT (AS OF 5/01/17)



## CORPORATE OFFICERS AND SENIOR MANAGEMENT



## BOARD OF TRUSTEES







# CORPORATE HISTORY

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

- 1869** — The first water flowed from Sebago Lake to Portland, and the first water service was turned on in Portland on Thanksgiving Day.
- 1908** — The Portland Water District was formed.
- 1914** — The public water supply was first treated with chlorine.
- 1978** — The Portland Water District began providing wastewater services to the community with the construction of its first wastewater treatment plant.
- 1994** — The Sebago Lake Water Treatment Facility was constructed and ozone disinfection added.
- 2008** — The Portland Water District celebrated its centennial, a hundred years of providing water services to customers.
- 2014** — Ultraviolet light disinfection was added at the Sebago Lake Water Treatment Facility.
- 2015** — Portland Water District was the first water utility in Maine to apply for exemptions from certain PUC rules and regulation and the first to receive approval.

# 2017 IN REVIEW

## ADMINISTRATION



**NEW LEADERSHIP:** In March, the Board of Trustees appointed Ms. Carrie Lewis from Milwaukee Water Works as the General Manager of the Portland Water District, making her the first female to lead the organization. She replaced Ronald Miller, who retired after 20 years as General Manager, the longest tenured leader in PWD history. Ms. Lewis is a well known and nationally-respected leader in the water sector with a background in water quality.

**WATER RATE INCREASE:** Water rates increased 1.67% in 2017. The increase added about \$0.32 to the average household water bill.

**ABC PROJECT:** PWD continued planning towards a significant project to replace the Asset Management, Billing, and Customer Relations Software Systems. The process to identify needs and select a vendor to implement the next system was completed. Implementation is scheduled for late 2019.

**STANDISH BEACH:** After years of discussions, negotiations, and planning, the Rich Memorial Beach opened to the residents of Standish in 2017. Situated on land owned by the Portland Water District, leased to the Town of Standish, residents now have access to Sebago Lake through the beach. The facility and its management plan feature key components to ensure water quality is not compromised, such as monitoring activities and a maximum visitor limit.



## WATER



**CORROSION CONTROL:** The Portland Water District is required to test the drinking water for lead and copper every 3 years to ensure the continued success of our corrosion control program. The latest round of Lead and Copper monitoring in 2017 proved once again lead concentrations are well below the level established by the USEPA.

**PWD LABS SCORE 100% ON PROFICIENCY CERTIFICATION TESTS:** Portland Water District laboratories are certified by the Department of Health and Human Services. Demonstrating certification is a requirement that allows our two laboratories to analyze samples to report to the state and federal agencies and for compliance purposes. To maintain certification, laboratories must participate in proficiency testing every year. For the second year in a row, PWD achieved a perfect score, identifying 100% of the compounds analyzed.

**407 ZONE:** Water system improvement projects to increase capacity, water pressure, and fire protection capabilities in Gorham and Windham continue. Design of a new pump station on Wards Hill Road was completed and construction began in 2017. The pump station is expected to go online in 2018.

## WATER MAIN

### REPLACEMENT PROGRAM:

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



COMMUNITY	STREET	FEET
PORTLAND	India Street, Fore Street	700
	India Street, Newbury Street	600
	Woodford Street, Forest to Melose	1,300
	Purchase Street, Orono Street and Hall School	500
	State Street, Park Street	2,000
	Woodsford Center	2,400
SOUTH PORTLAND	Main Street, 295 connector to Scarborough	2,400
	Highland, Desser, Hillcrest, Edwin, Winterberry	3,000
	Richards, Clifford Street	1,250
CUMBERLAND	Middle Road	200
	Tuttle Road	4,400
	Hill Way	1,000
CAPE ELIZABETH	Middle Road	950
FALMOUTH	Mitchell Street	500
WESTBROOK		
<b>TOTAL</b>		<b>21,200</b>

## WASTEWATER

### EAST END WASTEWATER TREATMENT FACILITY UPGRADE:

Construction of a \$11 million dollar project to upgrade the East End Wastewater Treatment Facility's aeration system was complete in 2017. The project replaced old surface aerators with turbine style blowers and fine bubble diffusers installed on the tank floor. By replacing the 36-year old aeration system, the plant was able to increase operational performance and efficiencies, particularly during wet weather events, continue compliance with permit conditions, and reduce odors associated with the process.

**ODOR CONTROL MEASURES:** Advanced odor control systems were installed at the headworks at the Peaks Island Wastewater Treatment Facility and the Northeast Pump Station in Portland.

### WASTEWATER DISCHARGE PERMITS:

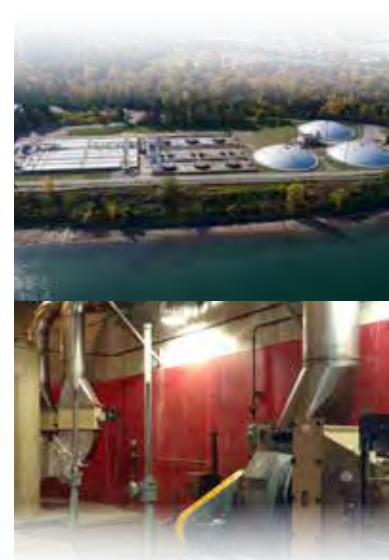
**East End Wastewater Treatment Facility:** After nearly a year of joint discussions among Casco Bay stakeholders, the Maine Department of Environmental Protection (DEP) issued a new wastewater discharge permit that outlines basic requirements for operation and effluent limitations along with new expectations that total nitrogen will decrease between 20-40% during the five-year term of the permit. In addition, the Portland Water District is proactively planning a comprehensive water quality monitoring program to regularly test nitrogen levels during the summer, when nitrogen is of greatest concern to the Bay.

**Westbrook/Gorham Regional Wastewater Facility:** The discharge permit was revised and includes a provision to monitor phosphorus.

**Cape Elizabeth Wastewater Treatment Facility:** The discharge permit was revised in 2016 and nitrogen monitoring began in 2017.

**Peaks Island Wastewater Treatment Facility:** The discharge permit was revised and included a provision to monitor for nitrogen. Nitrogen monitoring will continue annually.

**ULTRAVIOLET LIGHT TREATMENT (UV):** The chemical disinfection system at the Peaks Island plant was replaced with a UV treatment process. The new system significantly reduces the use of chemicals at the plant, eliminates the need to dechlorinate, and is safer to operate.







# 2018 BUDGET GOALS SUMMARY

## GOAL 1 *Public Health*

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

- Improve communications of emergency water system incidents.
- Conduct water system flushing program to cover 33% of system.
- Meet 100% of all Secondary Surface Water Treatment Rule standards.
- Begin collecting real-time lake water quality data with a smart buoy.

## GOAL 2 *Public Safety*

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

- Continue to provide flow testing to fire departments.
- Conduct annual fire hydrant inspections.

## GOAL 3 *Environment*

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

- Adopt nutrient optimization approach at the East End, Cape Elizabeth, and Peaks Island plants.
- Expand IPT program to incorporate the City of Portland program.
- Work closely with municipal partners to plan and execute long term control plans to manage wet weather flows.

## GOAL 4 *Reliability*

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

- Continue to conduct condition assessment of transmission mains.
- Extend right-of-way maintenance program to developed areas.
- Replace 1-2 transmission main valves.
- Allocate \$7 million in water main replacement.
- Renovate multiple wastewater pump stations.

## GOAL 5 *Affordability*

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

- Meet water revenue and wastewater municipal assessment targets.
- Continue to review and reduce premium time needs.
- Implement water rate increase equal to or less than inflation.

## 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.
- Respond to employee satisfaction survey/suggestions.
- Meet the expectations of the loss control program as defined by our insurance carrier.



# RECOGNITION AND ACKNOWLEDGEMENTS



## 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, 2016**

*Christopher P. Morrill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence to the Portland Water District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2016.

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

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

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

**Distinguished Budget  
Presentation Award**  
*GFOA*

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

**Certificate of Achievement Award**  
*Department of Environmental  
Protection*



## INDEPENDENT AUDIT

PWD's Charter requires an annual audit of the accounts. The independent accounting firm of Macpage LLC was selected by PWD Trustees to conduct the audit for 2017. Macpage LLC's report is included in the financial section of this report.

Sincerely,

Carrie Lewis  
General Manager

David M. Kane  
Executive Director of Administration

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

# FINANCIAL



**Independent Auditors' 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, 2017, 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.

***Auditors' 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. 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 auditors' 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, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





To the Board of Trustees  
Portland Water District

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13-27 and Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining and Non-Bargaining Unit Pension Plan, Schedule of Investment Returns, Schedule of District's Contributions, and Schedule of Investment Returns Annual Money-Weighted Rate of Return, Net of Investment Expense on pages 70-72 and Schedules of Funding Progress for the Other Postemployment Benefit Plan (OPEB) on page 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Portland Water District's financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. 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.

Macpage LLC

Augusta, Maine  
April 26, 2018

# Introduction of the Financial Statements

## ***Overview of Financial Report***

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

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

The District's basic financial statements include the:

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

## ***Financial Highlights***

The District's financial condition remained strong in 2017. Among the items of note:

Change in Net Position before Contributions – This item was \$1.70 million in 2017, just 1.1% less than 2016.

Operating Revenues – These revenues increased \$0.75 million (1.8%) in 2017. Wastewater Assessments were up 5.1% (\$0.89 million) due to increases in Cape Elizabeth, Cumberland, Falmouth, Portland and Windham chiefly to cover the costs related to capital improvements. Metered Water revenue (\$20.85 million) was down 0.4% following a strong year in 2016.

Operating Expense – These expenses rose 2.1% (\$0.79 million) in 2017. Increases in Salaries & Wages (3.1% or \$0.31 million), Depreciation (4.6% or \$0.42 million) and Biosolids Disposal (22.6% or \$0.34 million) were partially offset by decreases in Employee Benefits (1.4% or \$0.08 million), Contracted Services (2.5% or \$0.11 million) and Materials & Supplies (12.9% or \$0.24 million).

Net Capital Assets (\$283.2 million) had a net increase of 3.4% (\$9.29 million) in 2017. New capital asset additions included typical water infrastructure such as water mains (\$8.14 million) and additions in wastewater with the completion of the aeration project at Portland's East End Wastewater Treatment Facility and Falmouth's Mill Creek Wastewater Pump Station and related force mains.

The District's bonded debt increased from \$83.74 million in 2016 to \$86.00 million at the end of 2017. New debt in Water (\$5.60 million), Cape Elizabeth Wastewater (\$0.39 million), Falmouth Wastewater (\$0.88 million) and Portland Wastewater (\$1.90 million) were offset by retirements of debt of \$6.50 million.

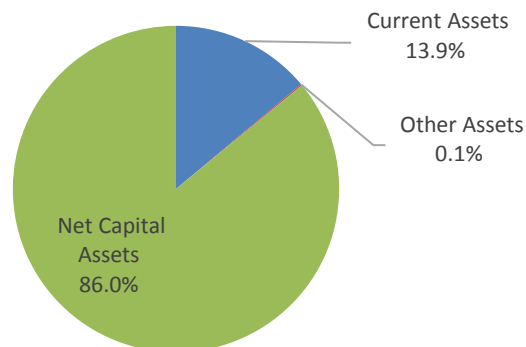
The District's financial ratios remain strong with an overall current ratio of 2.89 and debt coverage ratio of 1.58.

# Comparison of Financial Statements for Current and Prior Years

## Statement of Net Position (Condensed)

	2017	2016	Diff	Diff %
Current Assets	\$ 45,809,639	\$ 44,578,266	\$ 1,231,373	2.8%
Net Capital Assets	283,217,823	273,925,842	9,291,981	3.4%
Other Assets	448,674	560,773	(112,099)	(20.0)%
Non-Current Assets	283,666,497	274,486,615	9,179,882	3.3%
<b>Total Assets</b>	<b>329,476,136</b>	<b>319,064,881</b>	<b>10,411,255</b>	<b>3.3%</b>
<b>Deferred Outflows</b>	<b>1,618,467</b>	<b>1,097,004</b>	<b>521,463</b>	<b>47.5%</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 331,094,603</b>	<b>\$ 320,161,885</b>	<b>\$ 10,932,718</b>	<b>3.4%</b>
Current Liabilities	\$ 15,857,775	\$ 12,731,409	\$ 3,126,366	24.6%
Long-Term Debt/Payables	79,243,095	77,511,224	1,731,871	2.2%
Other Non-Current Liabilities	9,181,359	10,176,912	(995,553)	(9.8)%
Non Current Liabilities	88,424,454	87,688,136	736,318	0.8%
<b>Total Liabilities</b>	<b>104,282,229</b>	<b>100,419,545</b>	<b>3,862,684</b>	<b>3.8%</b>
<b>Deferred Inflows</b>	<b>3,149,282</b>	<b>971,924</b>	<b>2,177,358</b>	<b>224.0%</b>
Net Position:				
Net Invested in Capital Assets	197,712,038	191,714,552	5,997,486	3.1%
Unrestricted	25,951,054	27,055,864	(1,104,810)	(4.1)%
<b>Total Net Position</b>	<b>223,663,092</b>	<b>218,770,416</b>	<b>4,892,676</b>	<b>2.2%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 331,094,603</b>	<b>\$ 320,161,885</b>	<b>\$ 10,932,718</b>	<b>3.4%</b>

## District Assets



## Current Assets

Current Assets increased \$1.23 million (2.8%) in 2017. This growth is primarily the result of increased cash and investments due to positive operating results during 2017.

## Net Capital Assets

Net Capital Assets increased \$9.29 million (3.4%) during 2017:

	Additions	Reductions	Net Change
Utility Property	\$ 25,666,020	\$ (529,521)	\$ 25,136,499
Construction Work in Progress	2,874,153	(8,864,906)	(5,990,753)
Allowance for Depreciation	(10,224,232)	370,467	(9,853,765)
	<u>\$ 18,315,941</u>	<u>\$ (9,023,960)</u>	<u>\$ 9,291,981</u>

The major additions to Utility Property for 2017 were:

- \$8.14 million, water distribution mains in various communities
- \$6.94 million, wastewater treatment equipment primarily in Portland Wastewater
- \$2.23 million, wastewater interceptor structures primarily in Falmouth Wastewater
- \$2.22 million, wastewater pumping station structures primarily in Falmouth Wastewater
- \$1.92 million, wastewater pumping station equipment primarily in Falmouth Wastewater

Construction Work in Progress (CWIP) decreased by \$5.99 million in 2017. This reduction occurred as two major projects, the aeration upgrade at the Portland East End Wastewater Treatment Facility and the Falmouth Mill Creek Wastewater Pump Station (and related force mains), were completed during the year.

The Allowance for Depreciation grew 4.8% (\$9.85 million) in 2017. The change was in line with prior years.

For more detail, please refer to the Notes to the Financial Statements.

## Other Assets

Other Assets, which decreased \$112,099 in 2017, consist of the long-term portion of notes receivable as well as the costs of studies the District amortizes over a number of years. The decrease was primarily due to costs associated with studies relating to wastewater assets being moved to CWIP or being written off to operating expense.

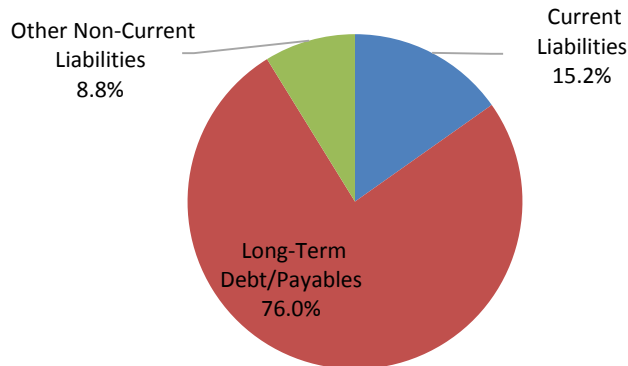
## Deferred Outflows

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 2017 financials, the 47.5% (\$521,463) increase in Deferred Outflow represents the increase in the portion relating to the pension, due the significant increase in the market value of pension investments, somewhat offset by the first full year amortization from the 2016 bond refunding.

Details on both of these items can be found in the Notes to the Financial Statements.



## District Liabilities



## Current Liabilities

Description	2017	2016	Diff	Diff %
Accounts Payable & Accrued Payroll	\$ 7,234,565	\$ 4,499,989	\$ 2,734,576	60.8%
Customer Deposits	348,521	275,786	72,735	26.4%
Construction Retainage	278,616	520,507	(241,891)	46.5%
Current Portion - Long-Term Debt	6,896,888	6,378,828	518,060	8.1%
All Other Current Liabilities	1,099,185	1,056,299	42,886	4.1%
	<u>\$ 15,857,775</u>	<u>\$ 12,731,409</u>	<u>\$ 3,126,366</u>	<u>24.6%</u>

Current Liabilities increased 24.6% (\$3.13 million) between 2016 and 2017.

Accounts Payable & Accrued Payroll rose 60.8% (\$2.73 million) in 2017 due to the need to accrue \$3.10 million for completed water capital projects for which vendors had not yet been billed the District as of year-end. The Current Portion of Long-Term Debt increased 8.1% (\$0.52 million) as new debt issued in 2017 outpaced the retirement of existing debt. These items were somewhat offset by a reduction in Construction Retainage (\$0.24 million or 46.5%) due to the completion of some large construction projects.

## Long-Term Debt/Bond Rating

In 2017, the District issued bonds for the Water Fund. Moody's and Standard & Poors (S&P), respectively assigned ratings of Aa3 and AA.

## Long-Term Debt/Payables

<b>Bonded Debt:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Water	\$ 46,141,170	\$ 5,600,000		\$ (3,328,850)	\$ 48,412,320
Wastewater:					
Cape Elizabeth	2,235,500	387,000		(146,250)	2,476,250
Cumberland	62,500			(6,250)	56,250
Falmouth	4,000,000	880,000	(120,000)	(200,000)	4,560,000
Gorham	3,436,677			(303,069)	3,133,608
Portland	22,612,852	1,900,000		(1,972,354)	22,540,498
Westbrook	4,042,743			(326,170)	3,716,573
Windham	1,212,970			(100,886)	1,112,084
Total Bonded Debt	83,744,412	8,767,000	(120,000)	(6,383,829)	86,007,583
(Less: current portion)	(6,378,828)				(6,896,888)
Non-Current	<u>\$ 77,365,584</u>				<u>\$ 79,110,695</u>
<b>Notes Payable:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Wastewater:					
Windham	<u>\$ 158,880</u>			<u>\$ (13,240)</u>	<u>\$ 145,640</u>
Total Notes Payable	158,880			(13,240)	145,640
(Less: current portion)	<u>(13,240)</u>				<u>(13,240)</u>
Non-Current	<u>145,640</u>				<u>132,400</u>
Non-Current LT Debt	<u>\$ 77,511,224</u>				<u>\$ 79,243,095</u>

This category consists of general revenue bonds and notes payable. During 2017, the balance of Long-Term Debt/Payables increased 2.2% or \$1.73 million. Issuances of \$8.65 million were offset by retirements of \$6.38 million. 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

	<b>2017</b>	<b>2016</b>	<b>Diff</b>	<b>Diff %</b>
Customer Advances & Other Liabilities	\$ 2,210,699	\$ 2,074,829	\$ 135,870	6.5%
Compensated Absences - Non Current	829,216	817,350	11,866	1.5%
Net Pension Liability	6,141,444	7,284,733	(1,143,289)	(15.7)%
	<u>\$ 9,181,359</u>	<u>\$ 10,176,912</u>	<u>\$ (995,553)</u>	<u>(9.8)%</u>

The net pension liability decreased 15.7% (\$1.14 million) due to the significant increase in the market value of pension investments; please refer to the Notes to the Financial Statements for more information. This increase is somewhat offset by the increase in Customer Advances & Other Liabilities which grew primarily because of a growth in unamortized bond premiums on bonds issued in 2017.

## Deferred Inflows

Deferred Inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's Deferred Inflows, which increased \$2.18 million, relate to the pension plan and are determined annually by an outside actuary. Details on this item can be found in the Notes to the Financial Statements.

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

	2017	2016	Diff	Diff %
Operating Revenue	\$ 42,056,624	\$ 41,304,624	\$ 752,000	1.8%
Non-Operating Revenue	532,903	402,492	130,411	32.4%
Total Revenues	42,589,527	41,707,116	882,411	2.1%
Operating Expense	38,702,741	37,915,424	787,317	2.1%
Non-Operating Expense	2,217,079	2,103,937	113,142	5.4%
Total Expenses	40,919,820	40,019,361	900,459	2.3%
Change in Net Position before Capital Contributions	1,669,707	1,687,755	(18,048)	(1.1)%
Capital Contributions	3,222,969	2,488,658	734,311	29.5%
Change in Net Position	4,892,676	4,176,413	716,263	17.2%
Beginning Net Position	218,770,416	214,594,003	4,176,413	1.9%
Ending Net Position	\$ 223,663,092	\$ 218,770,416	\$ 4,892,676	2.2%

## Operating Revenue

	2017	2016	Diff	Diff %
Metered Water Revenue	\$ 20,845,675	\$ 20,937,121	\$ (91,446)	(0.4%)
Wastewater Assessments	18,418,704	17,529,312	889,392	5.1%
Public & Private Fire Protection	2,340,570	2,283,539	57,031	2.5%
Other Operating Revenue	451,675	554,652	(102,977)	(18.6%)
Total Operating Revenue	\$ 42,056,624	\$ 41,304,624	\$ 752,000	1.8%

Metered Water Revenue (\$20.85 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. Starting in 2016, water rates were solely set by the District's Board of Trustees; approval from the State of Maine's Public Utilities Commission was no longer needed. In May 2017, metered rates increased an average of 1.0% over the previous year. Consumption in 2017 was 8.49 million HCF, a decrease of 3.7% from the previous year's 8.82 million HCF. While 2017 usage was above average, 2016 was considered a drought year.

Wastewater Assessments (\$18.42 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 five (5) of the seven (7) wastewater funds mostly due to capital projects in those areas.

Public and Private Fire Protection (\$2.34 million) - This revenue includes charges to local municipalities for water capacity available for public firefighting needs as well as for private sprinkler systems. The District's Board of Trustees sets these rates; in May 2017, the rates increased an average of 1.0%. In addition, there was also a small increase in the number of Private Fire customers.

## Operating Revenue - Continued

Other Operating Revenue (\$0.45 million) – Revenue in this category includes interest charges and late fees on Water Fund receivable balances as well as income charged to septage haulers for dumping at wastewater treatment facilities. Revenue was down 18.6% (\$103k) due to small decreases in fees in the Water fund and septage hauler revenue in the Wastewater funds.

## Operating Revenue by Fund

	2017	2016	Diff	Diff %
Water	\$ 23,380,552	\$ 23,507,826	\$ (127,274)	(0.5)%
Wastewater:				
Cape Elizabeth	1,468,692	1,443,408	25,284	1.8%
Cumberland	844,584	750,072	94,512	12.6%
Falmouth	263,604	36,012	227,592	632.0%
Gorham	1,117,093	1,123,708	(6,615)	(0.6)%
Portland	11,983,597	11,410,550	573,047	5.0%
Westbrook	2,635,785	2,677,780	(41,995)	(1.6)%
Windham	362,717	355,268	7,449	2.1%
	<u>\$ 42,056,624</u>	<u>\$ 41,304,624</u>	<u>\$ 752,000</u>	<u>1.8%</u>

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales decreased \$91k (0.4%) due to lower metered usage in 2017. Fire Protection revenue was up \$57k (2.5%) due to the 2017 rate increase and a small increase in customers. Other Operating Revenue declined \$103k (18.6%) as miscellaneous fees declined.

In the Wastewater (WW) Funds, the largest component of Operating Revenue is the wastewater assessments. The Cumberland and Falmouth funds had large increases related to costs involving the recently completed Mill Creek Wastewater Pump Station. Assessments also increased in Cape Elizabeth (1.8%), Portland (4.7%) and Windham (2.5%) to cover increased debt service and/or operating costs.

Additionally, some WW Funds receive income from septage haulers dumping loads at the treatment plants. Dumping volumes were up at Portland's East End Plant but down at the Westbrook Plant that splits the revenue between the Gorham, Westbrook and Windham Funds.

## Non-Operating Revenue

	2017	2016	Diff	Diff %
Interest Income	\$ 275,377	\$ 163,062	\$ 112,315	68.9%
Miscellaneous Income	257,526	239,430	18,096	7.6%
	<u>\$ 532,903</u>	<u>\$ 402,492</u>	<u>\$ 130,411</u>	<u>32.4%</u>

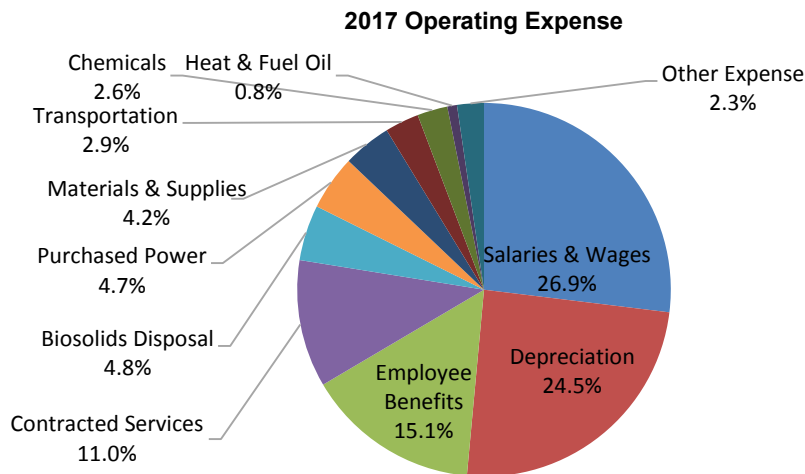
Interest Income increased \$112,315 (68.9%) in 2017. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. The income gain in 2017 can be attributed to both higher rates of return as interest rates rise and higher on hand cash balances due to positive operating results.

Miscellaneous Income includes non-operational items such as grants and reimbursements for expenses offset by the cost to retire capital assets. In 2017, the District recognized \$37.9k in reimbursements from the Federal Emergency Management Agency (FEMA) for costs incurred in response to a wind storm in late October. In addition, the cost to retire capital assets declined \$28.7k in 2017. These items were partly offset by a decrease in revenue related to renting space on a District water tower to cell phone providers and income related to timber harvested from the District's tree growth land around Sebago Lake.



## Operating Expense

	2017	2016	Diff	Diff %
Salaries & Wages	\$ 10,423,555	\$ 10,114,266	\$ 309,289	3.1%
Depreciation	9,494,234	9,075,357	418,877	4.6%
Employee Benefits	5,825,409	5,907,182	(81,773)	(1.4)%
Contracted Services	4,268,301	4,376,286	(107,985)	(2.5)%
Biosolids Disposal	1,862,526	1,518,719	343,807	22.6%
Purchased Power	1,836,535	1,728,375	108,160	6.3%
Materials & Supplies	1,616,529	1,855,522	(238,993)	(12.9)%
Transportation	1,140,010	1,101,984	38,026	3.5%
Chemicals	1,016,025	1,029,538	(13,513)	(1.3)%
Heat & Fuel Oil	323,431	345,010	(21,579)	(6.3)%
Other Expense	896,186	863,185	33,001	3.8%
	<u>\$ 38,702,741</u>	<u>\$ 37,915,424</u>	<u>\$ 787,317</u>	<u>2.1%</u>



## Operating Expense Category Explanations

**Salaries/Wages** – Salaries and Wages expense increased 3.1% (\$309,289). One major factor was the 2.5% average pay rate increase. The Salaries and Wages increase was also affected by higher overtime hours and an increase in the liability for sick time due to employees upon retirement (as calculated by the District's actuary).

**Depreciation Expense** – This expense went from \$9.08 million in 2016 to \$9.49 million in 2017, an increase of 4.6%. The Water, Falmouth and Portland funds saw increases in expense related to asset additions in those funds. Those additions included water mains and related infrastructure, the Falmouth Mill Creek pump station and related force mains and the aeration project at the Portland East End Wastewater Treatment facility. The other wastewater divisions experienced small reductions in expense as they had few (if any) asset additions and older assets became fully depreciated.

**Employee Benefits** – Benefits expense was down \$81,773 (1.4%) in 2017. The District's pension expense, which the District's actuary calculates annually, was down \$500,400 from the previous year due in great part to a rise in the market value of the plan's investments.

## Operating Expense Category Explanations - Continued

**Contracted Services** - This category, which is comprised of services provided to the District by outside vendors, decreased 2.5% (\$107,985) in 2017. The decreases look significant compared to last years because maintenance services and contractor construction had one-time large projects that were not present in 2017. One such project was the restoration of the Shore Acres tank for use as a cell phone tower and also contractor construction associated with a 30” main break in Gorham in 2016.

**Purchased Power** – Overall power costs increased 6.3% (\$108,160) in 2017. The East End Wastewater Treatment Facility (EEWTF) experienced lower prices overall that helped to offset the \$60,448 additional cost for capacity charges. The Westbrook Wastewater Treatment Facility had increased usage in 2017 resulting in an increase of \$37,220. The India Street Pump Station (ISPS) also had an increase in capacity costs. Along with medium and small wastewater accounts, higher demand prices brought overall pump station costs to \$40,820 more than 2016.

**Materials/Supplies** - 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. One factor impacting last year's expense was the \$136,000 disposal of obsolete on-hand inventory that was not recurring this year. In 2017, this expense category was down 12.9% (\$238,993).

**Biosolids Disposal** - The District contracts with an outside vendor to remove and dispose of biosolids from its wastewater treatment facilities. Biosolids disposal expenses were higher in 2017 by 22.6% (\$343,807) primarily due to operational issues at the Portland East End wastewater treatment facility that produced a sludge with a higher water content that increased the weight (and thus volume) disposed.

**Transportation** - Transportation costs are based on vehicle usage and a predefined hourly rate for each class of vehicle. The sum of these charges equals the cost of operating the vehicle fleet as well as depreciation. In 2017, costs increased by 3.5% (\$38,026) due primarily to higher maintenance costs.

**Chemicals** - Overall, chemical costs decreased 1.3% (\$13,513) in 2017 as most chemical per unit prices were the same or lower in 2016.

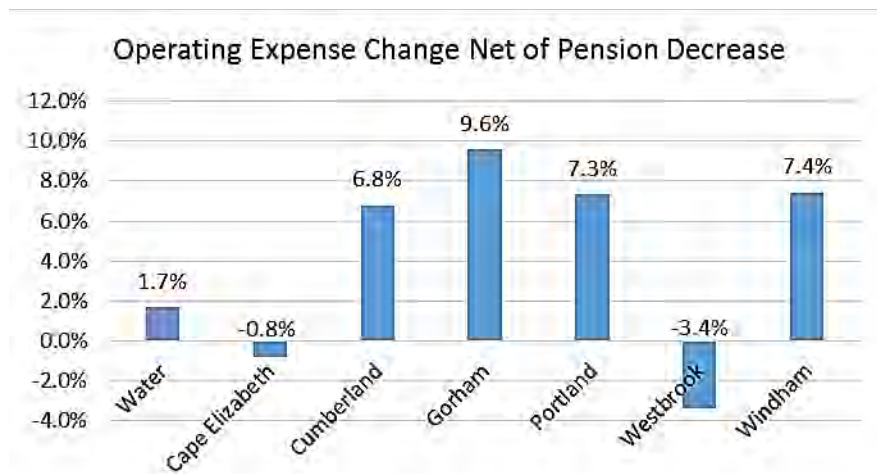
**Heating & Fuel Oil** – These costs decreased 6.3% (\$21,579). The price of heating oil was lower in 2017 than the previous year.

**Other Expense** –This category includes items such as other utilities (water, wastewater, telephone), preliminary surveys, insurance and regulatory expenses. This category was down 3.8% (\$33,001) in 2017. A large contributor to the decrease is a drop in the other advertising by \$18,352 and lower expenses for training.

## Operating Expense by Fund

	2017	2016	Diff	Diff %
Water	\$ 20,703,978	\$ 20,664,451	\$ 39,527	0.2%
Wastewater:				
Cape Elizabeth	1,701,100	1,731,601	(30,501)	(1.8)%
Cumberland	931,854	879,871	51,983	5.9%
Falmouth	87,735	11,633	76,102	654.2%
Gorham	1,114,592	1,028,060	86,532	8.4%
Portland	11,634,916	10,975,900	659,016	6.0%
Westbrook	2,270,534	2,380,421	(109,887)	(4.6)%
Windham	258,032	243,487	14,545	6.0%
	<u>\$ 38,702,741</u>	<u>\$ 37,915,424</u>	<u>\$ 787,317</u>	<u>2.1%</u>

Pension expenses (which are included above) were \$500,400 lower in 2017 than the previous year. The Operating Expense by Fund without the pension decrease was:



Water Fund – Expenses were flat as higher labor/benefit expenses in 2017 were offset as 2016 expenses for water tank maintenance and the write-off of obsolete materials inventory did not recur.

Cape Elizabeth – There were fewer maintenance issues here in 2017; in addition depreciation expense declined \$13.6k.

Cumberland & Falmouth – Cumberland's expense rose due to costs related to the Mill Creek wastewater pump station while Falmouth (who owns the asset and charges Cumberland a percentage of its costs) saw depreciation expense rise \$70.0k as construction was completed.

Gorham – This area saw a rise in maintenance issues in the area's wastewater pump stations as well as costs related to raising manholes due to municipal street paving.

Portland – Biosolids disposal costs rose \$363.6k due to operation issues which increased the percentage of water in the material resulting in higher weight, (the cost basis). In addition, the completion of the aeration upgrade helped drive the \$243.6k increase in depreciation expense.

Westbrook – Expenses were lower in labor/benefits due to a labor realignment after a staff retirement as well as lower biosolids disposal and depreciation expenses.

Windham – Costs were higher in 2017 mostly due to higher than normal maintenance issues at the area's wastewater pump stations.

## Non-Operating Expense

Due to rising levels of debt, Interest/Amortization expense increased 5.6%. The Loss on Sale/Retirement recognizes the retirement of long-term assets that had not yet been fully depreciated. The 2017 results are typical given the long useful life of some District assets and increased only 2.0% over the previous year.

	<b>2017</b>	<b>2016</b>	<b>Diff</b>	<b>Diff %</b>
Interest/Amortization Expense	\$ 2,084,740	\$ 1,974,226	\$ 110,514	5.6%
Loss on Sale/Retirement	132,339	129,711	2,628	2.0%
	<u>\$ 2,217,079</u>	<u>\$ 2,103,937</u>	<u>\$ 113,142</u>	<u>5.4%</u>

## Contributions

Contributions are non-exchange transactions in which the District takes ownership of fixed assets constructed and/or paid for by outside parties. Water contributions for mains, services, meters and hydrants occur as developers install water infrastructure each year. The other Water contribution in 2017 was a grant received for a water quality monitoring buoy. The contributions in Wastewater were related to the Mill Creek pump station (\$953k) and East End aeration projects (\$203k).

	<b>2017</b>	<b>2016</b>	<b>Diff</b>	<b>Diff %</b>
Water Distribution Mains	\$ 1,392,413	\$ 1,993,427	\$ (601,014)	(30.1)%
Water Services	305,329	226,657	78,672	34.7%
Water Meters	257,259	150,904	106,355	70.5%
Hydrants	90,204	117,670	(27,466)	(23.3)%
Other Water Assets	21,000	-	21,000	n/a
Wastewater - Falmouth	1,156,764	-	1,156,764	n/a
	<u>\$ 3,222,969</u>	<u>\$ 2,488,658</u>	<u>\$ 734,311</u>	<u>29.5%</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 (Current Assets divided by Current Liabilities) measures an organization's ability to meet short-term obligation.

	<u>2017</u>	<u>2016</u>
Water	2.70	3.68
Wastewater:		
Cape Elizabeth	2.53	2.07
Cumberland	5.19	5.50
Falmouth	0.45	2.78
Gorham	4.01	4.26
Portland	2.72	2.50
Westbrook	9.19	9.48
Windham	3.84	3.84
All Funds Combined	2.89	3.50

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 which they do through the next year's assessment.

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

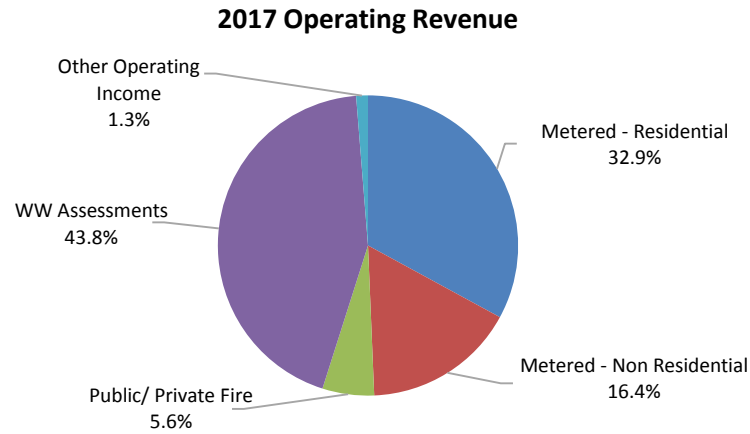
The Debt Coverage Ratio (Net Operating Income/Total Debt Service) shows an organizations ability to meet debt service payments and should generally be above 1.0.

	<u>2017</u>	<u>2016</u>
Water	1.73	1.87
Wastewater:		
Cape Elizabeth	1.50	1.24
Cumberland	7.33	5.17
Falmouth	0.98	0.88
Gorham	1.12	1.35
Portland	1.34	1.55
Westbrook	1.97	1.83
Windham	1.39	1.45
All Funds Combined	1.58	1.73



## Revenue Stability

Most of the District's Operating Revenue (98.9% in 2017 and 2016), came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges.



Metered Water Revenue (49.6%) – 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 approximately 52,620 metered customers at the end of 2017; the largest ten customers only represented 8.6% of water operating revenue.

Wastewater Assessments (43.8%) - 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 (5.6%) – Public Fire charges are paid by the eleven municipalities served by the District, Private Fire has 2,319 customers.

## Significant Changes to Individual Funds

### Pension Trust Funds

#### Statement of Net Position

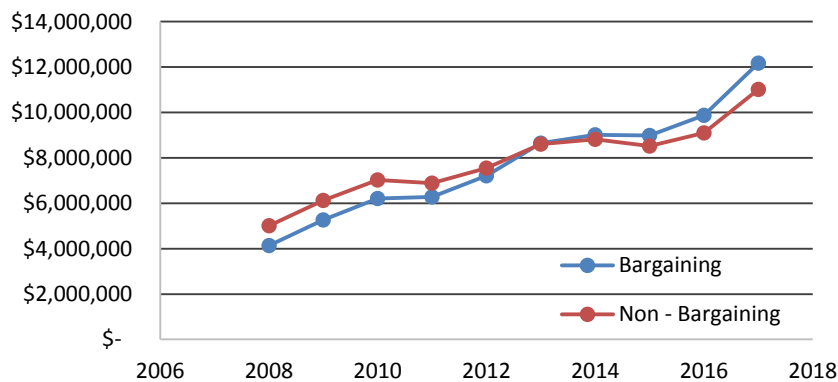
	2017	2016	Diff	Diff %
<b>Bargaining Unit:</b>				
Cash and Cash Equivalents	\$ 274,324	\$ 145,813	\$ 128,511	88.1%
Investments				
Fixed Income	2,419,869	2,004,037	415,832	20.7%
Domestic & International Equities	9,481,212	7,718,872	1,762,340	22.8%
	<u>11,901,081</u>	<u>9,722,909</u>	<u>2,178,172</u>	<u>22.4%</u>
Interest Receivable	<u>992</u>	<u>837</u>	<u>155</u>	<u>18.5%</u>
Total Assets	<u><b>\$ 12,176,397</b></u>	<u><b>\$ 9,869,559</b></u>	<u><b>\$ 2,306,838</b></u>	<u><b>23.4%</b></u>
<b>Non-Bargaining Unit:</b>				
Cash and Cash Equivalents	\$ 235,552	\$ 134,994	\$ 100,558	74.5%
Investments				
Fixed Income	2,346,152	1,849,316	496,836	26.9%
Domestic & International Equities	8,435,764	7,111,103	1,324,661	18.6%
	<u>10,781,916</u>	<u>8,960,419</u>	<u>1,821,497</u>	<u>20.3%</u>
Interest Receivable	<u>908</u>	<u>775</u>	<u>133</u>	<u>17.2%</u>
Total Assets	<u><b>\$ 11,018,376</b></u>	<u><b>\$ 9,096,188</b></u>	<u><b>\$ 1,922,188</b></u>	<u><b>21.1%</b></u>

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

	2017	2016	Diff	Diff %
<b>Bargaining Unit:</b>				
Employer Contributions	\$ 870,877	\$ 684,363	\$ 186,514	27.3%
Net Investment Income	2,067,151	781,667	1,285,484	164.5%
Total Additions	2,938,028	1,466,030	1,471,998	100.4%
Benefit Payments	631,191	584,988	46,203	7.9%
Net Increase in Position	2,306,837	881,042	1,425,795	161.8%
Beginning Year	9,869,559	8,988,517	881,042	9.8%
Ending Year	<u><b>\$ 12,176,396</b></u>	<u><b>\$ 9,869,559</b></u>	<u><b>\$ 2,306,837</b></u>	<u><b>23.4%</b></u>
<b>Non-Bargaining Unit:</b>				
Employer Contributions	\$ 712,137	\$ 515,637	\$ 196,500	38.1%
Net Investment Income	1,867,678	687,358	1,180,320	171.7%
Total Additions	2,579,815	1,202,995	1,376,820	114.4%
Benefit Payments	657,627	621,009	36,618	5.9%
Net Increase in Position	1,922,188	581,986	1,340,202	230.3%
Beginning Year	9,096,188	8,514,202	581,986	6.8%
Ending Year	<u><b>\$ 11,018,376</b></u>	<u><b>\$ 9,096,188</b></u>	<u><b>\$ 1,922,188</b></u>	<u><b>21.1%</b></u>

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

	<b>Bargaining</b>	<b>Diff</b>	<b>Diff %</b>	<b>Non-Bargaining</b>	<b>Diff</b>	<b>Diff %</b>
2008	\$ 4,141,067	\$ (1,150,563)	(21.7)%	\$ 5,011,900	\$ (1,629,860)	(24.5)%
2009	5,266,825	1,125,758	27.2%	6,118,202	1,106,302	22.1%
2010	6,208,480	941,655	17.9%	7,020,744	902,542	14.8%
2011	6,272,588	64,108	1.0%	6,890,757	(129,987)	(1.9)%
2012	7,214,219	941,631	15.0%	7,554,655	663,898	9.6%
2013	8,645,546	1,431,327	19.8%	8,611,262	1,056,607	14.0%
2014	9,017,043	371,497	4.3%	8,823,096	211,834	2.5%
2015	8,988,517	(28,526)	(0.3)%	8,514,202	(308,894)	(3.6)%
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%



The combined employer contribution of \$1.58 million was \$0.38 million higher than 2016. Investment income went from \$1.47 million 2016 to \$3.93 million in 2017. Benefit payments rose modestly going from \$1.21 million in 2016 to \$1.29 million in 2017.

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 the 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, Portland, ME 04104.

## Statement of Net Position - Proprietary Funds

December 31, 2017

### ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 3,444,580	\$ 161,347	\$ 110,363
Investments	19,731,618	986,168	674,557
Accounts receivable, net allowance for doubtful accounts of \$208,050 for water systems	3,479,664	15,485	8,298
Notes receivable, current	-	-	-
Inventories	1,436,138	-	-
Prepaid expenses	448,824	5,933	-
Trustee held funds	9,929	-	-
<b>Total Current Assets</b>	<u>28,550,753</u>	<u>1,168,933</u>	<u>793,218</u>
<b>Non-Current Assets</b>			
<b>Capital Assets:</b>			
Operating property	313,230,287	16,291,142	7,787,781
Accumulated depreciation	(111,860,042)	(11,134,382)	(5,133,524)
Net operating property	<u>201,370,245</u>	<u>5,156,760</u>	<u>2,654,257</u>
Construction in progress	1,604,161	189,951	58,791
<b>Net Capital Assets</b>	<u>202,974,406</u>	<u>5,346,711</u>	<u>2,713,048</u>
<b>Charges and Other Assets:</b>			
Notes receivable	198,853	-	-
Maintenance and other costs	-	-	-
Preliminary surveys	-	-	-
<b>Total Charges &amp; Other Assets</b>	<u>198,853</u>	<u>-</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>203,173,259</u>	<u>5,346,711</u>	<u>2,713,048</u>
<b>Total Assets</b>	<u>231,724,012</u>	<u>6,515,644</u>	<u>3,506,266</u>
<b>Deferred Outflows:</b>			
Deferred outflows of pension resources	892,361	49,961	20,154
Deferred outflows on bond refunding	180,000	-	-
	<u>1,072,361</u>	<u>49,961</u>	<u>20,154</u>
<b>Total Assets and Deferred Outflows</b>	<u>\$ 232,796,373</u>	<u>\$ 6,565,605</u>	<u>\$ 3,526,420</u>

See independent auditors' report.

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

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**Wastewater Funds**

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<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 4,916	\$ 178,959	\$ 1,174,890	\$ 643,721	\$ 66,980	\$ 5,785,756
30,046	1,093,812	7,181,063	3,608,996	409,393	33,715,653
-	2,470	40,459	5,580	-	3,551,956
-	-	-	13,240	-	13,240
-	-	-	-	-	1,436,138
-	-	44,037	9,675	-	508,469
150,989	-	637,509	-	-	798,427
<u>185,951</u>	<u>1,275,241</u>	<u>9,077,958</u>	<u>4,281,212</u>	<u>476,373</u>	<u>45,809,639</u>
5,713,427	17,636,645	112,024,954	21,459,094	3,007,348	497,150,678
(75,668)	(8,601,510)	(65,124,532)	(14,084,199)	(1,123,871)	(217,137,728)
<u>5,637,759</u>	<u>9,035,135</u>	<u>46,900,422</u>	<u>7,374,895</u>	<u>1,883,477</u>	<u>280,012,950</u>
-	199,295	621,099	487,109	44,467	3,204,873
<u>5,637,759</u>	<u>9,234,430</u>	<u>47,521,521</u>	<u>7,862,004</u>	<u>1,927,944</u>	<u>283,217,823</u>
-	-	-	132,400	-	331,253
-	-	-	24,498	-	24,498
-	-	92,923	-	-	92,923
<u>-</u>	<u>-</u>	<u>92,923</u>	<u>156,898</u>	<u>-</u>	<u>448,674</u>
<u>5,637,759</u>	<u>9,234,430</u>	<u>47,614,444</u>	<u>8,018,902</u>	<u>1,927,944</u>	<u>283,666,497</u>
<u>5,823,710</u>	<u>10,509,671</u>	<u>56,692,402</u>	<u>12,300,114</u>	<u>2,404,317</u>	<u>329,476,136</u>
-	30,130	354,541	83,763	7,557	1,438,467
-	-	-	-	-	180,000
<u>-</u>	<u>30,130</u>	<u>354,541</u>	<u>83,763</u>	<u>7,557</u>	<u>1,618,467</u>
<u>\$ 5,823,710</u>	<u>\$ 10,539,801</u>	<u>\$ 57,046,943</u>	<u>\$ 12,383,877</u>	<u>\$ 2,411,874</u>	<u>\$ 331,094,603</u>

## Statement of Net Position - Proprietary Funds - Continued

December 31, 2017

### LIABILITIES AND NET POSITION

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Liabilities</b>			
Accounts payable and accrued payroll	\$ 5,320,758	\$ 290,472	\$ 136,489
Accrued interest	242,138	6,723	67
Customer deposits	338,521	-	10,000
Construction retainage	197,346	-	-
Current portion - compensated absences	730,929	-	-
Current portion - notes payable	-	-	-
Current portion - bonds	3,759,669	165,600	6,250
<b>Total Current Liabilities</b>	<u>10,589,361</u>	<u>462,795</u>	<u>152,806</u>
<b>Non-Current Liabilities:</b>			
Customer advances and other liabilities	2,073,240	-	-
Compensated absences - non-current	829,216	-	-
Net pension liability	3,795,319	226,858	79,440
Total other non-current liabilities	<u>6,697,775</u>	<u>226,858</u>	<u>79,440</u>
Long-term debt - notes payable	-	-	-
Long-term debt - bonds	44,652,651	2,310,650	50,000
Total long-term debt - notes and bonds	<u>44,652,651</u>	<u>2,310,650</u>	<u>50,000</u>
<b>Total Non-Current Liabilities</b>	<u>51,350,426</u>	<u>2,537,508</u>	<u>129,440</u>
<b>Total Liabilities</b>	<u>61,939,787</u>	<u>3,000,303</u>	<u>282,246</u>
<b>Deferred Inflows</b>			
Deferred inflows of pension resources	<u>1,976,437</u>	<u>113,643</u>	<u>42,449</u>
<b>Net Position</b>			
Invested in Capital Assets	154,572,015	2,870,461	2,656,798
Unrestricted	14,308,134	581,198	544,927
<b>Total Net Position</b>	<u>168,880,149</u>	<u>3,451,659</u>	<u>3,201,725</u>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<u>\$ 232,796,373</u>	<u>\$ 6,565,605</u>	<u>\$ 3,526,420</u>

See independent auditors' report.

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



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**Wastewater Funds**

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<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 166,500	\$ 16,620	\$ 1,181,429	\$ 121,646	\$ 651	\$ 7,234,565
7,600	12,781	58,602	17,831	9,274	355,016
-	-	-	-	-	348,521
-	-	81,270	-	-	278,616
-	-	-	-	-	730,929
-	-	-	-	13,240	13,240
238,000	288,469	2,011,845	326,170	100,885	6,896,888
<u>412,100</u>	<u>317,870</u>	<u>3,333,146</u>	<u>465,647</u>	<u>124,050</u>	<u>15,857,775</u>
-	-	77,400	60,059	-	2,210,699
-	-	-	-	-	829,216
-	132,598	1,508,251	368,250	30,728	6,141,444
-	132,598	1,585,651	428,309	30,728	9,181,359
-	-	-	-	132,400	132,400
4,322,000	2,845,139	20,528,653	3,390,403	1,011,199	79,110,695
4,322,000	2,845,139	20,528,653	3,390,403	1,143,599	79,243,095
4,322,000	2,977,737	22,114,304	3,818,712	1,174,327	88,424,454
4,734,100	3,295,607	25,447,450	4,284,359	1,298,377	104,282,229
-	61,628	765,126	172,343	17,656	3,149,282
1,077,759	6,100,822	25,618,532	4,145,431	670,220	197,712,038
11,851	1,081,744	5,215,835	3,781,744	425,621	25,951,054
1,089,610	7,182,566	30,834,367	7,927,175	1,095,841	223,663,092
<u>\$ 5,823,710</u>	<u>\$ 10,539,801</u>	<u>\$ 57,046,943</u>	<u>\$ 12,383,877</u>	<u>\$ 2,411,874</u>	<u>\$ 331,094,603</u>

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

Year Ended December 31, 2017

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Operating Revenues</b>			
Water revenues	\$ 23,186,245	\$ -	\$ -
Wastewater assessments	-	1,468,692	844,584
Other operating revenues	194,307	-	-
Total Operating Revenues	<u>23,380,552</u>	<u>1,468,692</u>	<u>844,584</u>
<b>Operating Expenses</b>			
Operations	5,970,881	724,386	479,786
Maintenance	6,158,399	109,943	157,469
Customer accounting and collections	943,648	30,491	15,161
Administrative and general	2,600,101	335,850	120,199
Taxes on operating property	50,283	-	-
Depreciation not allocated elsewhere	4,980,666	500,430	159,239
Total Operating Expenses	<u>20,703,978</u>	<u>1,701,100</u>	<u>931,854</u>
<b>Operating Income (Loss)</b>	2,676,574	(232,408)	(87,270)
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	149,771	6,887	5,632
Miscellaneous income	227,697	9,548	8,298
Gain on sale/disposal of operating property	(130,955)	(1,384)	-
Interest and amortization expense	(1,309,656)	(44,000)	(5,476)
Net Non-Operating Revenues (Expenses)	<u>(1,063,143)</u>	<u>(28,949)</u>	<u>8,454</u>
<b>Change in Net Position Before Contributions</b>	1,613,431	(261,357)	(78,816)
<b>Capital Contributions</b>	<u>2,066,205</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	3,679,636	(261,357)	(78,816)
<b>Net Position, Beginning of Year</b>	<u>165,200,513</u>	<u>3,713,016</u>	<u>3,280,541</u>
<b>Net Position, End of Year</b>	<u>\$ 168,880,149</u>	<u>\$ 3,451,659</u>	<u>\$ 3,201,725</u>

See independent auditors' report.

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

<b>Wastewater Funds</b>					
<b><u>Falmouth</u></b>	<b><u>Gorham</u></b>	<b><u>Portland</u></b>	<b><u>Westbrook</u></b>	<b><u>Windham</u></b>	<b><u>TOTAL</u></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,186,245
263,604	1,106,148	11,841,972	2,533,176	360,528	18,418,704
-	10,945	141,625	102,609	2,189	451,675
<u>263,604</u>	<u>1,117,093</u>	<u>11,983,597</u>	<u>2,635,785</u>	<u>362,717</u>	<u>42,056,624</u>
-	374,695	5,751,070	1,110,279	96,594	14,507,691
-	69,172	257,422	65,743	20,371	6,838,519
12,067	23,413	199,807	55,068	1,140	1,280,795
-	235,481	2,610,660	567,438	61,492	6,531,221
-	-	-	-	-	50,283
75,668	411,831	2,815,957	472,006	78,435	9,494,232
<u>87,735</u>	<u>1,114,592</u>	<u>11,634,916</u>	<u>2,270,534</u>	<u>258,032</u>	<u>38,702,741</u>
175,869	2,501	348,681	365,251	104,685	3,353,883
1,874	11,449	59,492	36,547	3,725	275,377
-	2,470	9,089	424	-	257,526
-	-	-	-	-	(132,339)
<u>(58,054)</u>	<u>(78,349)</u>	<u>(438,430)</u>	<u>(117,486)</u>	<u>(33,289)</u>	<u>(2,084,740)</u>
<u>(56,180)</u>	<u>(64,430)</u>	<u>(369,849)</u>	<u>(80,515)</u>	<u>(29,564)</u>	<u>(1,684,176)</u>
119,689	(61,929)	(21,168)	284,736	75,121	1,669,707
953,427	-	203,337	-	-	3,222,969
1,073,116	(61,929)	182,169	284,736	75,121	4,892,676
16,494	7,244,495	30,652,198	7,642,439	1,020,720	218,770,416
<u>\$ 1,089,610</u>	<u>\$ 7,182,566</u>	<u>\$ 30,834,367</u>	<u>\$ 7,927,175</u>	<u>\$ 1,095,841</u>	<u>\$ 223,663,092</u>

## Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2017

	<b>Water Systems</b>	<b>Cape Elizabeth</b>	<b>Cumberland</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 23,228,013	\$ 1,453,207	\$ 836,286
Payments to suppliers	(4,906,760)	(800,922)	(627,309)
Payments to employees	(6,318,997)	(354,119)	(117,681)
<b>Net cash flows from operating activities</b>	<b>12,002,256</b>	<b>298,166</b>	<b>91,296</b>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from bonds	5,600,000	387,000	-
Bond principal forgiven	-	-	-
Principal payments bonds	(3,328,850)	(146,250)	(6,250)
Notes payable payments	-	-	-
Transfer from trustee funds	152,894	-	-
New trustee funds	-	-	-
Interest paid	(1,288,644)	(42,485)	(5,483)
Acquisitions and construction of operating property	(11,342,821)	(219,013)	(69,628)
Proceeds from sale of operating property	9,716	-	-
Payments for preliminary plant survey	-	-	-
<b>Net cash flows from capital and related financing activities</b>	<b>(10,197,705)</b>	<b>(20,748)</b>	<b>(81,361)</b>
<b>Cash flows from investing activities</b>			
Investments - transfer to water	(13,105,729)	733,963	654,159
Investments - purchases	(19,306,667)	-	-
Investments - sales	16,733,766	-	-
Investments - transfer from water	13,984,035	(986,168)	(674,557)
Interest income received	149,771	6,887	5,632
Payments on notes receivable	5,768	-	-
<b>Net cash flows from investing activities</b>	<b>(1,539,056)</b>	<b>(245,318)</b>	<b>(14,766)</b>
<b>Net change in cash</b>	<b>265,495</b>	<b>32,100</b>	<b>(4,831)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>3,179,085</b>	<b>129,247</b>	<b>115,194</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 3,444,580</b>	<b>\$ 161,347</b>	<b>\$ 110,363</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Operating income (loss)	\$ 2,676,574	\$ (232,408)	\$ (87,270)
Depreciation and amortization	5,710,666	500,430	159,239
Amortization	17,000	-	-
Miscellaneous income	227,697	9,548	8,298
Changes in assets and liabilities:			
Accounts receivable	(152,539)	(15,485)	(8,298)
Inventories	58,026	-	-
Prepays	(3,234)	(5,100)	-
Accounts payable and accrued payroll	2,880,463	23,985	3,047
Compensated absences	45,425	-	-
Customer deposits	62,735	-	10,000
Net pension liability and deferred inflows (outflows)	295,786	17,196	6,280
Bond refunding deferred outflow	44,700	-	-
Customer advances and other liabilities	138,957	-	-
<b>Net cash flows from operating activities</b>	<b>\$ 12,002,256</b>	<b>\$ 298,166</b>	<b>\$ 91,296</b>
<b>Noncash investing, capital and financing activities</b>			
Capital contributions	\$ 2,066,205	\$ -	\$ -

See independent auditors' report.

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

**Wastewater Funds**

<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 279,806	\$ 1,114,623	\$ 11,964,074	\$ 2,647,867	\$ 362,717	\$ 41,886,593
(242,390)	(457,998)	(6,077,657)	(1,228,806)	(118,357)	\$ (14,460,199)
(5,297)	(228,816)	(2,554,987)	(495,882)	(58,243)	(10,134,022)
<u>32,119</u>	<u>427,809</u>	<u>3,331,430</u>	<u>923,179</u>	<u>186,117</u>	<u>17,292,372</u>
880,000	-	1,900,000	-	-	8,767,000
(120,000)	-	-	-	-	(120,000)
(200,000)	(303,069)	(1,972,354)	(326,170)	(100,885)	(6,383,828)
-	-	-	-	(13,240)	(13,240)
2,383,892	-	1,978,789	-	-	4,515,575
(880,000)	-	(1,900,000)	-	-	(2,780,000)
(57,121)	(79,606)	(448,885)	(119,039)	(34,150)	(2,075,413)
(2,026,630)	(187,903)	(2,331,727)	(404,739)	(42,979)	(16,625,440)
-	-	-	-	-	9,716
-	-	(86,009)	27,200	-	(58,809)
<u>(19,859)</u>	<u>(570,578)</u>	<u>(2,860,186)</u>	<u>(822,748)</u>	<u>(191,254)</u>	<u>(14,764,439)</u>
17,710	1,193,859	6,653,564	3,446,227	406,247	-
-	-	-	-	-	(19,306,667)
-	-	-	-	-	16,733,766
(30,046)	(1,093,812)	(7,181,063)	(3,608,996)	(409,393)	-
1,874	11,449	59,492	36,547	3,725	275,377
-	-	-	13,240	-	19,008
<u>(10,462)</u>	<u>111,496</u>	<u>(468,007)</u>	<u>(112,982)</u>	<u>579</u>	<u>(2,278,516)</u>
1,798	(31,273)	3,237	(12,551)	(4,558)	249,417
3,118	210,232	1,171,653	656,272	71,538	5,536,339
<u>\$ 4,916</u>	<u>\$ 178,959</u>	<u>\$ 1,174,890</u>	<u>\$ 643,721</u>	<u>\$ 66,980</u>	<u>\$ 5,785,756</u>
\$ 175,869	\$ 2,501	\$ 348,681	\$ 365,251	\$ 104,685	\$ 3,353,883
75,668	411,831	2,815,957	472,006	78,435	10,224,232
-	-	68,750	14,400	-	100,150
-	2,470	9,089	424	-	257,526
16,202	(2,470)	(19,523)	12,082	-	(170,031)
-	-	-	-	-	58,026
-	77	(21,516)	(2,853)	-	(32,626)
(235,620)	4,311	27,691	30,279	420	2,734,576
-	-	-	-	-	45,425
-	-	-	-	-	72,735
-	9,089	112,823	24,785	2,577	468,536
-	-	-	-	-	44,700
-	-	(10,522)	6,805	-	135,240
<u>\$ 32,119</u>	<u>\$ 427,809</u>	<u>\$ 3,331,430</u>	<u>\$ 923,179</u>	<u>\$ 186,117</u>	<u>\$ 17,292,372</u>
\$ 953,427	\$ -	\$ 203,337	\$ -	\$ -	\$ 3,222,969

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

**December 31, 2017**

**ASSETS**

Cash and cash equivalents	<u>\$ 509,876</u>
Investments	
Equity mutual funds	13,488,753
Common stock	4,149,657
Fixed income - mutual funds	4,766,020
Commodity - mutual funds	<u>278,567</u>
	<u>22,682,997</u>
Interest receivable	<u>1,900</u>
<b>Total Assets</b>	<u><u>\$ 23,194,773</u></u>
Restricted for pension benefits	<u>23,194,773</u>
<b>Total Net Position</b>	<u><u>\$ 23,194,773</u></u>

See independent auditors' 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, 2017**

**Additions:**

<b>Employer Contributions</b>	<u>\$ 1,583,014</u>
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**Investment Income**

Interest and dividends	668,888
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Net gain on sale of assets	842,906
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Net depreciation of investments	<u>2,423,036</u>
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<b>Net Investment Income</b>	<u>3,934,830</u>
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<b>Total Additions</b>	5,517,844
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**Deductions:**

Benefits	<u>(1,288,818)</u>
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<b>Change in Position</b>	4,229,026
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<b>Net Position - Beginning of Year</b>	<u>18,965,747</u>
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<b>Net Position - End of Year</b>	<u><u>\$ 23,194,773</u></u>
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## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

### 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 FASB and AICPA 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 seven 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, 2017

### 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.

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 funds are invested in a money market mutual fund which is made up of U.S. government and agency instruments. The District's U.S. agency instruments are held by the District's bank in the District's name.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### 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.

#### **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, 2017:

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

There were no changes to the allocation policy during 2017. As of December 31, 2017, the investment portfolio does not hold any investment in any one organization greater than 5% of either of the plan's fiduciary net position.

##### *Rate of Return:*

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 19.98% and 19.85% 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, 2017

### 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, 2017, 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. Treasury and Agency Securities:* In general, U.S. government and agency securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

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

#### **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, 2017 was \$208,050. The District has the ability to place a lien on property with past due balances.

#### **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 estimated fair 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.



## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### 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. Amortization costs for 2017 were \$14,400.

#### **Compensated Absences**

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

#### **Deferred Outflows & Inflows**

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

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

#### **Use of Estimates**

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

#### **Recent Accounting Pronouncements**

##### *Postemployment Benefits Other Than Pensions*

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The new statement is effective for periods beginning after June 15, 2017. The District has determined the impact of this accounting pronouncement will be insignificant to its financial statements.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### 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.

### NOTE 3 - DETAILED NOTES ON ALL FUNDS

#### Cash & Investments

The carrying amount of the District's deposits with financial institutions was \$5,535,475 at December 31, 2017 and the bank balance was \$6,621,830. The District held certificates of deposit carried at \$11,872,169. The total deposits were categorized as follows:

	<b>Bank Balances</b>	<b>Certificates of Deposit</b>	<b>Total Deposits</b>
Amount Insured	\$ 6,224,536	\$ 11,869,181	\$ 18,093,717
Amount Uninsured	397,294	2,988	400,282
	<u>\$ 6,621,830</u>	<u>\$ 11,872,169</u>	<u>\$ 18,493,999</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	248,982
Carrying Value of Deposits	5,535,474
Certificates of Deposit	11,872,169
U.S. Agency Securities	500,000
U.S. Treasury Securities	21,343,484
	<u>\$ 39,501,409</u>

Fair value of assets measured on a recurring basis at December 31, 2017 are as follows:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Certificates of Deposit	\$ 11,872,169	\$ 11,619,181	\$ 252,988	
U.S. Agency Securities	500,000	-	500,000	
U.S Treasury Securities	21,343,484	-	21,343,484	
	<u>\$ 33,715,653</u>	<u>\$ 11,619,181</u>	<u>\$ 22,096,472</u>	

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

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

#### Investment Ratings – Pension Trust Funds

The 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.

#### Notes Receivable

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

The Water Fund Note is due from the Town of Gorham. The Note has no interest and the terms require the Town to make annual payments to the District equal to the amount collected as part of a special impact fee. The Town will continue making these payments until the full amount due is paid. If the full amount has not been paid by June 2019, the Town will pay the remaining balance to the District.

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

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>	<u>Current</u>	<u>Non-Current</u>
<b>Water Fund:</b>						
Town of Gorham	\$ 204,621	\$ -	\$ (5,768)	\$ 198,853	\$ -	\$ 198,853
<b>Westbrook Wastewater Fund:</b>						
Windham Wastewater Fund	<u>158,880</u>	<u>-</u>	<u>(13,240)</u>	<u>145,640</u>	<u>13,240</u>	<u>132,400</u>
<b>Total of all Notes</b>	<u>\$ 363,501</u>	<u>\$ -</u>	<u>\$ (19,008)</u>	<u>\$ 344,493</u>	<u>\$ 13,240</u>	<u>\$ 331,253</u>

**NOTES TO FINANCIAL STATEMENTS****December 31, 2017****NOTE 3 - DETAILED NOTES ON ALL FUNDS – CONTINUED****Capital Assets**

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>
<b>Water Fund:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 3,264,440	\$ 427,410	\$ -	\$ 3,691,850
Land Rights	1,628,782	-	-	1,628,782
Plant Acquisition Adjustment	155,189	-	(17,000)	138,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	16,318	-	-	16,318
Property Held for Future Use	7,425	-	-	7,425
	<u>5,375,722</u>	<u>427,410</u>	<u>(17,000)</u>	<u>5,786,132</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	160,916,714	8,139,373	(55,579)	169,000,508
Services	32,880,759	1,744,049	-	34,624,808
Structures & Improvements	28,902,440	88,018	-	28,990,458
Water Treatment Equipment	14,314,760	43,893	-	14,358,653
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	11,768,295	460,229	(100,154)	12,128,370
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	10,360,244	557,634	(91,390)	10,826,488
Vehicles	3,241,138	384,797	(244,322)	3,381,613
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,266,485	-	-	1,266,485
Pumping Equipment	1,574,291	11,982	-	1,586,273
Wells & Springs	989,248	-	-	989,248
Computer Equipment	804,187	132,787	-	936,974
Power Equipment	832,009	-	-	832,009
Office Furniture & Equipment	603,059	14,345	-	617,404
Shop Equipment	288,562	-	-	288,562
Garage Equipment	232,652	-	-	232,652
Radio Equipment	184,313	141,877	-	326,190
Laboratory Equipment	113,415	-	-	113,415
Stores Equipment	59,161	-	-	59,161
	<u>296,216,616</u>	<u>11,718,984</u>	<u>(491,445)</u>	<u>307,444,155</u>
<b>Total Operating Property</b>	<u>\$ 301,592,338</u>	<u>\$ 12,146,394</u>	<u>\$ (508,445)</u>	<u>\$ 313,230,287</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>
<b>Water Fund (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 43,806,358	\$ 2,340,938	\$ (23,238)	\$ 46,124,058
Services	17,523,736	745,364	-	18,269,100
Structures & Improvements	13,357,966	612,307	-	13,970,273
Transmission Mains	6,926,666	153,441	-	7,080,107
Reservoirs & Standpipes	4,695,340	199,273	-	4,894,613
Water Treatment Equipment	3,679,495	427,697	-	4,107,192
Hydrants	3,641,678	212,260	(48,686)	3,805,252
Meters	4,108,716	479,936	(40,634)	4,548,018
Vehicles	2,126,736	258,951	(238,216)	2,147,471
Intakes Suction Mains	1,800,226	24,813	-	1,825,039
Pumping Equipment	1,431,558	19,352	-	1,450,910
Communication Equipment	1,075,350	40,957	-	1,116,307
Power Equipment	684,827	30,997	-	715,824
Office Equipment	529,660	60,835	-	590,495
Shop Equipment	261,691	1,738	-	263,429
Computer Equipment	184,740	56,045	-	240,785
Garage Equipment	231,339	7,576	-	238,915
Wells & Springs	166,588	19,643	-	186,231
Radio Equipment	139,042	14,118	-	153,160
Laboratory Equipment	87,692	3,430	-	91,122
Stores Equipment	40,746	995	-	41,741
	<u>106,500,150</u>	<u>5,710,666</u>	<u>(350,774)</u>	<u>111,860,042</u>
Construction Work in Progress	<u>417,140</u>	<u>1,446,066</u>	<u>(259,045)</u>	<u>1,604,161</u>
Net Capital Assets	<u>\$195,509,328</u>	<u>\$ 7,881,794</u>	<u>\$ (416,716)</u>	<u>\$ 202,974,406</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	-	-	6,304,273
Treatment Plant Equipment	3,083,973	-	(2,386)	3,081,587
Pumping Station Equipment	2,689,982	35,843	(3,822)	2,722,003
Treatment Plant Structures	2,527,271	11,650	-	2,538,921
Pumping Station Structures	1,237,034	-	-	1,237,034
General Equipment	170,795	40	-	170,835
Interceptor Equipment	11,330	-	-	11,330
Solids Handling Equipment	-	-	-	-
	<u>16,024,658</u>	<u>47,533</u>	<u>(6,208)</u>	<u>16,065,983</u>
<b>Total Operating Property</b>	<u>16,249,817</u>	<u>47,533</u>	<u>(6,208)</u>	<u>16,291,142</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,868,856	126,166	-	3,995,022
Treatment Plant Equipment	2,214,117	172,740	(1,193)	2,385,664
Pumping Station Equipment	1,850,250	114,557	(3,631)	1,961,176
Treatment Plant Structures	1,747,479	50,592	-	1,798,071
Pumping Station Structures	884,004	21,369	-	905,373
General Equipment	72,964	14,859	-	87,823
Interceptor Equipment	1,106	147	-	1,253
Solids Handling Equipment	-	-	-	-
	<u>10,638,776</u>	<u>500,430</u>	<u>(4,824)</u>	<u>11,134,382</u>
<b>Construction Work in Progress</b>	<u>18,471</u>	<u>184,292</u>	<u>(12,812)</u>	<u>189,951</u>
<b>Net Capital Assets</b>	<u>\$ 5,629,512</u>	<u>\$ (268,605)</u>	<u>\$ (14,196)</u>	<u>\$ 5,346,711</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	5,589,695	-	-	5,589,695
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	942,593	35,765	-	978,358
Treatment Plant Equipment	47,416	-	-	47,416
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>7,663,011</u>	<u>35,765</u>	<u>-</u>	<u>7,698,776</u>
<b>Total Operating Property</b>	<u>7,752,016</u>	<u>35,765</u>	<u>-</u>	<u>7,787,781</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,388,554	111,794	-	3,500,348
Pumping Station Structures	739,364	14,450	-	753,814
Pumping Station Equipment	763,741	31,600	-	795,341
Treatment Plant Equipment	41,427	798	-	42,225
General Equipment	40,986	597	-	41,583
Interceptor Equipment	213	-	-	213
Solids Handling Structures	-	-	-	-
	<u>4,974,285</u>	<u>159,239</u>	<u>-</u>	<u>5,133,524</u>
<b>Construction Work in Progress</b>	<u>24,928</u>	<u>58,791</u>	<u>(24,928)</u>	<u>58,791</u>
<b>Net Capital Assets</b>	<u>\$ 2,802,659</u>	<u>\$ (64,683)</u>	<u>\$ (24,928)</u>	<u>\$ 2,713,048</u>



**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2017**

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

**Capital Assets – Continued**

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	-	2,233,900	-	2,233,900
	<u>-</u>	<u>5,702,900</u>	<u>-</u>	<u>5,702,900</u>
<b>Total Operating Property</b>	<u>-</u>	<u>5,713,427</u>	<u>-</u>	<u>5,713,427</u>
<b>Less, accumulated depreciation for:</b>				
Pumping Station Structures	-	22,264	-	22,264
Pumping Station Equipment	-	31,065	-	31,065
Interceptor Structures	-	22,339	-	22,339
	<u>-</u>	<u>75,668</u>	<u>-</u>	<u>75,668</u>
<b>Construction Work in Progress</b>	<u>2,733,370</u>	<u>-</u>	<u>(2,733,370)</u>	<u>-</u>
<b>Net Capital Assets</b>	<u>\$ -</u>	<u>\$ 5,637,759</u>	<u>\$ -</u>	<u>\$ 5,637,759</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	-	-	11,495,137
Pumping Station Structures	1,966,330	-	-	1,966,330
Pumping Station Equipment	1,792,733	23,672	(6,110)	1,810,295
Treatment Plant Structures	1,014,980	-	-	1,014,980
Treatment Plant Equipment	954,163	3,995	-	958,158
General Equipment	42,992	-	-	42,992
Solids Handling Equipment	5,517	-	-	5,517
	<u>17,271,852</u>	<u>27,667</u>	<u>(6,110)</u>	<u>17,293,409</u>
<b>Total Operating Property</b>	<u>17,615,088</u>	<u>27,667</u>	<u>(6,110)</u>	<u>17,636,645</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,876,203	229,904	-	5,106,107
Pumping Station Equipment	1,190,570	86,077	(6,110)	1,270,537
Treatment Plant Structures	726,845	19,014	-	745,859
Pumping Station Structures	748,552	44,716	-	793,268
Treatment Plant Equipment	616,565	30,372	-	646,937
General Equipment	31,628	1,658	-	33,286
Solids Handling Equipment	5,426	90	-	5,516
	<u>8,195,789</u>	<u>411,831</u>	<u>(6,110)</u>	<u>8,601,510</u>
<b>Construction Work in Progress</b>	<u>39,059</u>	<u>183,703</u>	<u>(23,467)</u>	<u>199,295</u>
<b>Net Capital Assets</b>	<u>\$ 9,458,358</u>	<u>\$ (200,461)</u>	<u>\$ (23,467)</u>	<u>\$ 9,234,430</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2017**

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

**Capital Assets – Continued**

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	36,627,333	19,910	-	36,647,243
Interceptor Structures	28,115,458	-	-	28,115,458
Treatment Plant Equipment	19,339,252	6,926,106	-	26,265,358
Pumping Station Structures	9,579,721	-	-	9,579,721
Pumping Station Equipment	8,353,374	581,777	(8,758)	8,926,393
Communications Equip.- Collectors	655,872	98,001	-	753,873
Storm Drains	587,610	-	-	587,610
Solids Handling Equipment	348,479	49,316	-	397,795
General Equipment	255,855	-	-	255,855
Interceptor Equipment	63,080	-	-	63,080
	<u>103,926,034</u>	<u>7,675,110</u>	<u>(8,758)</u>	<u>111,592,386</u>
<b>Total Operating Property</b>	<u>104,358,602</u>	<u>7,675,110</u>	<u>(8,758)</u>	<u>112,024,954</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Structures	22,313,105	743,159	-	23,056,264
Interceptor Structures	17,469,175	559,609	-	18,028,784
Treatment Plant Equipment	11,228,195	867,141	-	12,095,336
Pumping Station Structures	5,387,335	206,977	-	5,594,312
Pumping Station Equipment	4,740,512	366,221	(8,759)	5,097,974
Communications Equip.- Collectors	431,985	47,301	-	479,286
Solids Handling Equipment	262,622	5,874	-	268,496
General Equipment	234,543	7,923	-	242,466
Storm Drains	186,782	11,752	-	198,534
Interceptor Equipment	63,080	-	-	63,080
	<u>62,317,334</u>	<u>2,815,957</u>	<u>(8,759)</u>	<u>65,124,532</u>
<b>Construction Work in Progress</b>	<u>5,858,674</u>	<u>504,756</u>	<u>(5,742,331)</u>	<u>621,099</u>
<b>Net Capital Assets</b>	<u>\$ 47,899,942</u>	<u>\$5,363,909</u>	<u>\$(5,742,330)</u>	<u>\$47,521,521</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	4,822,888	8,639	-	4,831,527
Pumping Station Structures	4,272,896	-	-	4,272,896
Treatment Plant Structures	4,247,807	-	-	4,247,807
Interceptor Structures	3,774,830	-	-	3,774,830
Pumping Station Equipment	2,744,173	-	-	2,744,173
General Equipment	1,162,405	-	-	1,162,405
Communications Equip - Collectors	92,831	10,400	-	103,231
Storm Drains	-	748	-	748
Solids Handling Equipment	20,070	-	-	20,070
	<u>21,137,900</u>	<u>19,787</u>	<u>-</u>	<u>21,157,687</u>
<b>Total Operating Property</b>	<u>21,439,307</u>	<u>19,787</u>	<u>-</u>	<u>21,459,094</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Equipment	3,852,566	91,160	-	3,943,726
Treatment Plant Structures	3,050,523	83,817	-	3,134,340
Interceptor Structures	2,699,237	75,051	-	2,774,288
Pumping Station Structures	2,044,225	98,749	-	2,142,974
Pumping Station Equipment	1,721,187	92,926	-	1,814,113
General Equipment	158,874	22,629	-	181,503
Storm Drains	-	5	-	5
Solids Handling Equipment	19,742	328	-	20,070
Communications Equip - Collectors	65,839	7,341	-	73,180
	<u>13,612,193</u>	<u>472,006</u>	<u>-</u>	<u>14,084,199</u>
<b>Construction Work in Progress</b>	<u>102,158</u>	<u>453,394</u>	<u>(68,443)</u>	<u>487,109</u>
<b>Net Capital Assets</b>	<u>\$ 7,929,272</u>	<u>\$ 1,175</u>	<u>\$ (68,443)</u>	<u>\$ 7,862,004</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</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	1,723,016	-	-	1,723,016
Pumping Station Structures	459,745	-	-	459,745
Pumping Station Equipment	374,668	-	-	374,668
Treatment Plant Equipment	152,151	337	-	152,488
Treatment Plant Structures	140,485	-	-	140,485
General Equipment	13,311	-	-	13,311
Solids Handling Equipment	683	-	-	683
	<u>2,864,059</u>	<u>337</u>	<u>-</u>	<u>2,864,396</u>
<b>Total Operating Property</b>	<u>3,007,011</u>	<u>337</u>	<u>-</u>	<u>3,007,348</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	411,904	34,460	-	446,364
Pumping Station Equipment	276,541	26,732	-	303,273
Pumping Station Structures	129,674	10,819	-	140,493
Treatment Plant Equipment	118,929	3,099	-	122,028
Treatment Plant Structures	100,833	2,745	-	103,578
General Equipment	6,883	569	-	7,452
Solids Handling Equipment	672	11	-	683
	<u>1,045,436</u>	<u>78,435</u>	<u>-</u>	<u>1,123,871</u>
<b>Construction Work in Progress</b>	<u>1,826</u>	<u>43,151</u>	<u>(510)</u>	<u>44,467</u>
<b>Net Capital Assets</b>	<u>\$ 1,963,401</u>	<u>\$ (34,947)</u>	<u>\$ (510)</u>	<u>\$ 1,927,944</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Capital Assets – Continued

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>
<b>All Funds Combined:</b>				
<b>Operating Property, not being depreciated</b>				
Land (Water)	\$ 3,264,440	\$ 427,410	\$ -	\$ 3,691,850
Land Rights (Water)	1,628,782	-	-	1,628,782
Land (Wastewater)	895,993	10,527	-	906,520
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment	155,189	-	(17,000)	138,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	16,318	-	-	16,318
Property Held for Future Use	7,425	-	-	7,425
	<u>6,910,049</u>	<u>437,937</u>	<u>(17,000)</u>	<u>7,330,986</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	160,916,714	8,139,373	(55,579)	169,000,508
Interceptor Structures	57,002,409	2,233,900	-	59,236,309
Treatment Plant Structures	44,557,876	31,560	-	44,589,436
Services	32,880,759	1,744,049	-	34,624,808
Structures & Improvements	28,902,440	88,018	-	28,990,458
Treatment Plant Equipment	28,399,843	6,939,077	(2,386)	35,336,534
Pumping Station Structures	18,556,939	2,226,400	-	20,783,339
Pumping Station Equipment	16,897,523	1,919,657	(18,690)	18,798,490
Water Treatment Equipment	14,314,760	43,893	-	14,358,653
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	11,768,295	460,229	(100,154)	12,128,370
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	10,360,244	557,634	(91,390)	10,826,488
Vehicles	3,241,138	384,797	(244,322)	3,381,613
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,266,485	-	-	1,266,485
Pumping Equipment	1,574,291	11,982	-	1,586,273
General Equipment	1,687,239	40	-	1,687,279
Wells & Springs	989,248	-	-	989,248
Computer Equipment	804,187	132,787	-	936,974
Power Equipment	832,009	-	-	832,009
Communications Equip.- Collectors	748,703	108,401	-	857,104
Office Furniture & Equipment	603,059	14,345	-	617,404
Storm Drains	587,610	748	-	588,358
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	374,749	49,316	-	424,065
Garage Equipment	232,652	-	-	232,652
Radio Equipment	184,313	141,877	-	326,190
Laboratory Equipment	113,415	-	-	113,415
Interceptor Equipment	74,623	-	-	74,623
Stores Equipment	59,161	-	-	59,161
	<u>465,104,130</u>	<u>25,228,083</u>	<u>(512,521)</u>	<u>489,819,692</u>
<b>Total Operating Property</b>	<u>\$ 472,014,179</u>	<u>\$ 25,666,020</u>	<u>\$ (529,521)</u>	<u>\$ 497,150,678</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2017**

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

**Capital Assets – Continued**

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>
<b>All Funds Combined (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 43,806,358	\$ 2,340,938	\$ (23,238)	\$ 46,124,058
Interceptor Structures	32,713,929	1,159,323	-	33,873,252
Treatment Plant Structures	27,938,785	899,327	-	28,838,112
Treatment Plant Equipment	18,071,799	1,165,310	(1,193)	19,235,916
Services	17,523,736	745,364	-	18,269,100
Structures & Improvements	13,357,966	612,307	-	13,970,273
Pumping Station Equipment	10,542,801	749,178	(18,500)	11,273,479
Pumping Station Structures	9,933,154	419,344	-	10,352,498
Transmission Mains	6,926,666	153,441	-	7,080,107
Reservoirs & Standpipes	4,695,340	199,273	-	4,894,613
Water Treatment Equipment	3,679,495	427,697	-	4,107,192
Hydrants	3,641,678	212,260	(48,686)	3,805,252
Meters & Meter Installations	4,108,716	479,936	(40,634)	4,548,018
Vehicles	2,126,736	258,951	(238,216)	2,147,471
Lake, River & Other Intakes	1,800,226	24,813	-	1,825,039
Pumping Equipment	1,431,558	19,352	-	1,450,910
Communication Equipment	1,075,350	40,957	-	1,116,307
Power Equipment	684,827	30,997	-	715,824
Office Furniture & Equipment	529,660	60,835	-	590,495
General Equipment	545,878	48,235	-	594,113
Communications Equip.- Collectors	497,824	54,642	-	552,466
Solids Handling Equipment	288,462	6,303	-	294,765
Shop Equipment	261,691	1,738	-	263,429
Computer Equipment	184,740	56,045	-	240,785
Garage Equipment	231,339	7,576	-	238,915
Wells & Springs	166,588	19,643	-	186,231
Radio Equipment	139,042	14,118	-	153,160
Laboratory Equipment	87,692	3,430	-	91,122
Storm Drains	186,782	11,757	-	198,539
Stores Equipment	40,746	995	-	41,741
Interceptor Equipment	64,399	147	-	64,546
Solids Handling Structures	-	-	-	-
	<u>207,283,963</u>	<u>10,224,232</u>	<u>(370,467)</u>	<u>217,137,728</u>
<b>Construction Work in Progress</b>	<u>9,195,626</u>	<u>2,874,153</u>	<u>(8,864,906)</u>	<u>3,204,873</u>
<b>Net Capital Assets</b>	<u>\$ 273,925,842</u>	<u>\$ 18,315,941</u>	<u>\$ (9,023,960)</u>	<u>\$ 283,217,823</u>



## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

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

#### Capital Assets – Continued

Depreciation expense was charged to the District's functions/funds as noted below. Please note that \$730,000 in the Water Fund was allocated as part of operating expense.

	<u>Charged</u>	<u>Allocated</u>	<u>Net</u>
Water	\$ 5,710,666	\$ (730,000)	\$ 4,980,666
Wastewater Funds:			
Cape Elizabeth	500,430	-	500,430
Cumberland	159,239	-	159,239
Falmouth	75,668	-	75,668
Gorham	411,831	-	411,831
Portland	2,815,957	-	2,815,957
Westbrook	472,006	-	472,006
Windham	78,435	-	78,435
Total	<u>\$ 10,224,232</u>	<u>\$ (730,000)</u>	<u>\$ 9,494,232</u>

#### Long-Term Debt

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

General Revenue bonds:

<b>Dec 31, 2016</b>	<b>Increases</b>	<b>Decreases</b>	<b>Dec 31, 2017</b>	<b>Current</b>	<b>Non-Current</b>
<u>\$ 83,744,412</u>	<u>\$ 8,767,000</u>	<u>\$ (6,503,829)</u>	<u>\$ 86,007,583</u>	<u>\$ 6,896,888</u>	<u>\$ 79,110,695</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Long-Term Debt – Continued

Long-term debt outstanding as of December 31, 2017, consisted of the following general revenue bonds:

**Water Fund:**

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Oct-05	\$ 900,000	2025	3.00% to 5.00%	\$ 360,000		
Oct-06	1,500,000	2026	3.00% to 6.00%	675,000		
Oct-08	1,500,000	2028	2.075% to 5.575%	825,000		
Apr-09	1,598,500	2028	1.050%	879,175		
May-09	4,700,000	2029	2.080% to 5.580%	2,820,000		
Aug-09	2,991,066	2029	0%	1,794,640		
Aug-09	163,953	2029	0%	98,372		
May-10	400,000	2030	2.060% to 5.746%	325,000		
Nov-10	902,500	2030	1.00%	586,625		
Oct-11	2,300,000	2031	0.5% to 5.5%	1,610,000		
May-12	1,130,000	2032	1.00%	847,500		
Oct-12	2,000,000	2032	1.480% to 3.706%	1,500,000		
May-13	2,850,000	2032	1.00%	2,250,000		
May-13	1,428,000	2033	.600% to 3.700%	1,142,400		
Nov-13	8,000,000	2034	2.00% to 4.25%	6,800,000		
Nov-13	1,072,000	2033	1.07%	857,600		
Jun-14	2,541,000	2034	2.70%	2,150,000		
Jun-14	2,000,000	2024	2.70%	1,400,000		
May-15	459,000	2034	0.15%	391,024		
Jun-15	2,000,000	2025	3.00%	1,600,000		
Jun-15	3,730,000	2035	3.00%	3,350,000		
Dec-15	270,000	2035	1.00%	243,000		
Jun-16	385,000	2036	3.0 to 4.0%	365,000		
Jun-16	1,830,000	2026	3.0 to 4.0%	1,645,000		
Jun-16	1,830,000	2036	3.0 to 4.0%	1,735,000		
Jun-16	4,955,000	2036	3.0 to 4.0%	4,915,000		
Sep-16	1,158,979	2036	1.00%	1,106,344		
Sep-16	566,362	2036	1.00%	540,640		
Jul-17	3,725,000	2037	3.0 to 5.0%	3,725,000		
Jul-17	1,875,000	2027	3.0 to 5.0%	1,875,000		
				<u>\$48,412,320</u>	<u>\$3,759,669</u>	<u>\$44,652,651</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

## Long-Term Debt – Continued

Cape Elizabeth Wastewater Fund:

Issue <u>Date</u>	Original <u>Amount</u>	Maturities <u>Through</u>	Interest Rate <u>Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Oct-08	\$ 95,000	2028	2.075% to 5.575%	\$ 52,250		
Dec-11	2,430,000	2031	1.00%	1,701,000		
Oct-12	160,000	2032	1.480% to 3.706%	120,000		
May-15	240,000	2035	0.35 to 3.89%	216,000		
May-17	315,000	2037	1.3 to 3.9%	315,000		
Nov-17	72,000	2037	1.4 to 4.1%	72,000		
				<u>\$ 2,476,250</u>	<u>\$ 165,600</u>	<u>\$ 2,310,650</u>

Cumberland Wastewater Fund:

Issue <u>Date</u>	Original <u>Amount</u>	Maturities <u>Through</u>	Interest Rate <u>Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Dec-06	\$ 125,000	2026	1.42%	\$ 56,250	\$ 6,250	\$ 50,000

Falmouth Wastewater Fund:

Issue <u>Date</u>	Original <u>Amount</u>	Maturities <u>Through</u>	Interest Rate <u>Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
May-16	\$ 4,000,000	2036	1.00%	\$ 3,800,000		
Mar-17	\$760,000	2037	1.00%	760,000		
				<u>\$ 4,560,000</u>	<u>\$ 238,000</u>	<u>\$ 4,322,000</u>

Gorham Wastewater Fund:

Issue <u>Date</u>	Original <u>Amount</u>	Maturities <u>Through</u>	Interest Rate <u>Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Apr-03	\$ 78,120	2022	1.80%	\$ 18,994		
Nov-03	73,185	2023	2.10%	21,802		
Dec-05	252,000	2025	1.63%	100,800		
May-08	50,400	2028	2.00% to 5.50%	27,720		
Oct-08	474,672	2029	2.075% to 5.575%	284,803		
Jan-09	4,258,208	2028	1.44%	2,365,671		
Feb-09	253,475	2028	1.00%	139,411		
May-09	233,954	2029	2.080% to 5.580%	140,373		
Nov-10	52,360	2030	1.00%	34,034		
				<u>\$ 3,133,608</u>	<u>\$ 288,469</u>	<u>\$ 2,845,139</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

#### Long-Term Debt – Continued

##### Portland Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Oct-01	\$ 2,785,000	2021	2.10%	\$ 557,000		
Nov-01	1,250,000	2021	2.10%	250,000		
Apr-03	1,615,500	2020	1.66%	264,511		
Apr-03	5,200,000	2022	1.80%	1,264,301		
Nov-03	1,230,000	2023	2.11%	360,850		
Nov-03	2,000,000	2023	2.11%	598,722		
Dec-04	2,115,000	2024	1.33%	740,250		
Dec-05	1,900,000	2025	1.63%	760,000		
Apr-09	5,700,000	2028	1.470%	3,090,934		
Nov-10	752,200	2030	1.00%	488,930		
Nov-11	400,000	2031	0.5% to 5.5%	280,000		
Nov-13	3,000,000	2033	3.00% to 4.00%	2,400,000		
Dec-15	2,000,000	2035	1.00%	1,800,000		
Jun-16	7,000,000	2036	1.00%	6,650,000		
Jun-16	1,200,000	2036	1.00%	1,140,000		
May-17	1,900,000	2037	1.00%	1,895,000		
				<u>\$ 22,540,498</u>	<u>\$ 2,011,845</u>	<u>\$ 20,528,653</u>

##### Westbrook Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$ 284,208	2022	1.80%	\$ 69,101		
Nov-03	266,254	2023	2.10%	79,317		
Dec-05	1,316,800	2025	1.63%	526,720		
May-08	183,360	2028	2.00% to 5.50%	100,848		
Oct-08	2,384,641	2029	2.075% to 5.575%	1,430,785		
Feb-09	974,925	2028	1.00%	536,209		
Nov-10	113,220	2030	1.00%	73,593		
Dec-15	1,000,000	2035	1.00%	900,000		
				<u>\$ 3,716,573</u>	<u>\$ 326,170</u>	<u>\$ 3,390,403</u>

##### Windham Wastewater Fund:

Issue Date	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
Apr-03	\$9,672	2022	1.80%	\$2,352		
Nov-03	9,061	2023	2.10%	2,699		
Dec-05	31,200	2025	1.63%	12,480		
May-08	6,240	2028	2.00% to 5.50%	3,432		
Oct-08	40,687	2029	2.075% to 5.575%	24,412		
Jan-09	1,681,792	2028	1.44%	934,329		
Feb-09	21,600	2028	1.00%	11,880		
May-09	196,046	2029	2.080% to 5.580%	117,627		
Nov-10	4,420	2030	1.00% to 1.5789%	2,873		
				<u>\$ 1,112,084</u>	<u>\$ 100,885</u>	<u>\$ 1,011,199</u>

Total Long-Term Debt

\$ 86,007,583

Less Current Portion

6,896,888

Total Long-Term Portion of Debt

\$ 79,110,695

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

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

#### Long-Term Debt – 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 also backed by the good faith and credit of each of the municipalities.

#### Deferred Outflow – Bond Refunding

During 2016, the District refunded \$5,160,000 in bonds in the Water Fund and incurred a \$247,093 loss on the refunding. The loss was recorded as a 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>
2017	\$ 224,700	\$ (44,700)	\$ 180,000
2018	180,000	(39,600)	140,400
2019	140,400	(34,700)	105,700
2020	105,700	(29,800)	75,900
2021	75,900	(24,800)	51,100
2022	51,100	(20,000)	31,100
2023	31,100	(15,100)	16,000
2024	16,000	(10,100)	5,900
2025	5,900	(5,400)	500
2026	500	(500)	-
		<u>\$ (224,700)</u>	

# NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

### Long-Term Debt – Continued

#### Principal Payments Due:

-----WASTEWATER SYSTEMS-----									
	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2018	\$ 3,759,669	\$ 165,600	\$ 6,250	\$ 238,000	\$ 288,469	\$ 2,011,845	\$ 326,170	\$ 100,885	\$ 6,896,888
2019	3,725,494	165,600	6,250	238,000	288,458	2,009,226	326,128	100,884	6,860,040
2020	3,736,327	165,600	6,250	238,000	288,366	2,000,757	325,795	100,873	6,861,968
2021	3,752,167	165,600	6,250	238,000	288,255	1,908,008	325,389	100,859	6,784,528
2022	3,718,020	165,600	6,250	238,000	288,189	1,703,050	325,151	100,851	6,545,111
2023-2027	16,758,125	828,000	25,000	1,190,000	1,382,899	6,146,155	1,374,579	497,066	28,201,824
2028-2032	9,422,429	687,500	-	1,190,000	308,972	4,272,509	563,361	110,666	16,555,437
2033-2037	3,540,089	132,750	-	990,000	-	2,488,948	150,000	-	7,301,787
	<u>\$ 48,412,320</u>	<u>\$ 2,476,250</u>	<u>\$ 56,250</u>	<u>\$ 4,560,000</u>	<u>\$ 3,133,608</u>	<u>\$ 22,540,498</u>	<u>\$ 3,716,573</u>	<u>\$ 1,112,084</u>	<u>\$ 86,007,583</u>

#### Interest Due:

-----WASTEWATER SYSTEMS-----									
	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2018	\$ 1,428,162	\$ 40,155	\$ 799	\$ 45,410	\$ 58,601	\$ 334,133	\$ 98,489	\$ 20,045	\$ 2,025,794
2019	1,314,801	38,283	710	43,030	53,635	300,254	92,494	18,151	1,861,358
2020	1,094,430	36,289	621	40,650	44,073	270,803	84,561	12,707	1,584,134
2021	997,004	34,108	533	38,270	38,906	241,854	75,479	11,070	1,437,224
2022	960,373	31,845	444	35,890	37,281	214,293	65,975	12,478	1,358,579
2023-2027	3,232,032	122,942	887	143,750	104,907	761,584	189,517	35,285	4,590,904
2028-2032	1,314,390	58,929	-	84,250	4,986	341,795	23,837	1,386	1,829,573
2033-2037	245,480	14,076	-	24,750	-	62,973	3,000	-	350,279
	<u>\$ 10,586,672</u>	<u>\$ 376,627</u>	<u>\$ 3,994</u>	<u>\$ 456,000</u>	<u>\$ 342,389</u>	<u>\$ 2,527,689</u>	<u>\$ 633,352</u>	<u>\$ 111,122</u>	<u>\$ 15,037,845</u>

#### Total Debt Service Due:

-----WASTEWATER SYSTEMS-----									
	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2018	\$ 5,187,831	\$ 205,755	\$ 7,049	\$ 283,410	\$ 347,070	\$ 2,345,978	\$ 424,659	\$ 120,930	\$ 8,922,682
2019	5,040,295	203,883	6,960	281,030	342,093	2,309,480	418,622	119,035	8,721,398
2020	4,830,757	201,889	6,871	278,650	332,439	2,271,560	410,356	113,580	8,446,102
2021	4,749,171	199,708	6,783	276,270	327,161	2,149,862	400,868	111,929	8,221,752
2022	4,678,393	197,445	6,694	273,890	325,470	1,917,343	391,126	113,329	7,903,690
2023-2027	19,990,157	950,942	25,887	1,333,750	1,487,806	6,907,739	1,564,096	532,351	32,792,728
2028-2032	10,736,819	746,429	-	1,274,250	313,958	4,614,304	587,198	112,052	18,385,010
2033-2037	3,785,569	146,826	-	1,014,750	-	2,551,921	153,000	-	7,652,066
	<u>\$ 58,998,992</u>	<u>\$ 2,852,877</u>	<u>\$ 60,244</u>	<u>\$ 5,016,000</u>	<u>\$ 3,475,997</u>	<u>\$ 25,068,187</u>	<u>\$ 4,349,925</u>	<u>\$ 1,223,206</u>	<u>\$ 101,045,428</u>

**NOTES TO FINANCIAL STATEMENTS****December 31, 2017****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, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>	<u>Current</u>	<u>Non-Current</u>
<b>Windham Wastewater Fund:</b>						
2008 Note	\$ 158,880	\$ -	\$ (13,240)	<b>\$ 145,640</b>	\$ 13,240	\$ 132,400
	<u>\$ 158,880</u>	<u>\$ -</u>	<u>\$ (13,240)</u>	<u><b>\$ 145,640</b></u>	<u>\$ 13,240</u>	<u>\$ 132,400</u>

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

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 13,240	\$ 6,401	\$ 19,641
2019	13,240	5,819	19,059
2020	13,240	5,237	18,477
2021	13,240	4,655	17,895
2022	13,240	4,073	17,313
2023-2027	66,200	11,638	77,838
2028-2032	13,240	582	13,822
	<u>\$ 145,640</u>	<u>\$ 38,405</u>	<u>\$ 184,045</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.

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

	<u>Dec 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2017</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 848,287	\$ 125,270	\$ (69,972)	<b>\$ 903,585</b>	\$ 236,402	\$ 667,183
Vacation	666,433	714,421	(724,294)	<b>656,560</b>	494,527	162,033
	<u>\$ 1,514,720</u>	<u>\$ 839,691</u>	<u>\$ (794,266)</u>	<u><b>\$ 1,560,145</b></u>	<u>\$ 730,929</u>	<u>\$ 829,216</u>



## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### 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.

#### **Commitments and Contingencies**

At December 31, 2017, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$2,880,986, which is broken down by funds as follows:

Water Fund	\$2,630,375
Portland Wastewater	\$60,477
Westbrook Wastewater	\$190,134

#### **Water Fund - Commitments and Contingencies:**

In April 2017 the District's Board of Trustees authorized the issuance of bonds for up to \$2.0 million for the construction of the Wards Hill water pump station. Subsequently, a 20-year bond for \$2.0 million was issued on March 5, 2018. The total debt service on that bond will be \$2,207,220.

#### **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, 2017, the total remaining debt payments to be paid by the Cumberland fund were \$1,271,611.

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, 2017, the total remaining debt payments for the Cumberland fund through 2037 were \$2,301,592.

#### **Portland Wastewater - Commitments and Contingencies:**

In September 2017 the District's Board of Trustees authorized the issuance of up to \$500,000 in bonds for upgrades to the Northeast wastewater pump station. The bond is estimated to be issued at the end of May 2018; the total debt service on the bond will be \$691,342.

#### **Westbrook, Gorham & Windham Wastewater – Commitments and Contingencies:**

In July 2017 the District's Board of Trustees authorized the issuance of bonds for up to \$1.0 million for upgrade of the sludge dewatering system and related infrastructure at the Westbrook Regional Wastewater Treatment facility. This facility services parts of Westbrook, Gorham and Windham. Subsequently, a 20-year bond for \$1.0 million was issued on March 5, 2018. The total debt service on that bond will be \$1,167,221.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### **Commitments and Contingencies - Continued**

##### Wastewater Funds - Commitments and Contingencies:

The Department of Environmental Protection and Environmental Protection Agency, local municipalities, and the District have entered into agreements to abate combined sewer overflows and wet weather overflows in the respective Cities of Portland and Westbrook and the Town of Cape Elizabeth and the City of South Portland. 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. As to each municipality:

- 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. These plans are updated every year and the City of Portland is expected to submit an updated Long Term Control Plan in December 2018.
- 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 calls for District capital costs of \$5.7 million from 2015 to 2019. The City of Westbrook is a co-permittee on the District's permit and is now directly responsible for their projects, which are identified in the permit.
- 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 five-year plan is 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.

In 2006, the District entered into a biosolids management agreement with New England Organics (now Casella Organics). Casella agreed to provide for the transportation and processing of wastewater treatment plant residual called biosolids for a period of five years from the contract date and was extended for five more years in 2010. In April 2015, the District and Casella agreed to an addition five year extension for service until the end of 2020. In addition, there are two additional five-year mutual extension options. It is estimated that payments of approximately \$1,504,698 will be made to Casella in 2018.

##### All Funds - Commitments and Contingencies:

The District has contracts with Constellation NewEnergy to provide electricity. Contracts are in place through the end of 2019 for Water and Portland Wastewater Treatment plants and India Street Pump station accounts. Rates vary based on the season and time of day with a range between 2.4 and 9.1 cents per kilowatt. Contracts for all other accounts are fixed through November 2018 with price of 7.79 cents per kilowatt in 2018. The estimated cost of electricity in 2018 is \$982,415.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Trustee Held Funds

The District participates in the State of Maine's revolving loan fund program. The program administrators retained the bond proceeds until the District expended the funds and requested reimbursement. During 2017, the District issued permanent financing in the Falmouth and Portland Wastewater funds. Overall, Trustee Held Funds declined due to funds received relating to both the 2016 and 2017 debt issues.

	<u>Dec. 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2017</u>
Water Fund	\$ 162,823	\$ -	\$ (152,894)	\$ 9,929
Falmouth Wastewater	1,654,881	880,000	(2,383,892)	150,989
Portland Wastewater	716,298	1,900,000	(1,978,789)	637,509
Total	<u>\$ 2,534,002</u>	<u>\$ 2,780,000</u>	<u>\$ (4,515,575)</u>	<u>\$ 798,427</u>

#### Pension Plans

Plan Descriptions: 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 July 1, 2016</u>		<u>As of May 1, 2017</u>	
	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Bargaining</u>	<u>Non-Bargaining</u>
	<u>Unit</u>	<u>Unit</u>	<u>Unit</u>	<u>Unit</u>
Active employees included in plan	82	32	75	28
Retired employees and beneficiaries	75	42	82	44
Terminated employees with vested rights	<u>33</u>	<u>13</u>	<u>46</u>	<u>14</u>
	<u>190</u>	<u>87</u>	<u>203</u>	<u>86</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 assets of each plan are legally restricted for the payment of benefits for only members of their respective plan.

As of December 31, 2010 and December 31, 2011, the Trustees of the District elected to freeze eligibility for newly hired bargaining unit and non-bargaining unit participants, respectively. Those individuals will now receive a contribution to the deferred compensation plan (see Deferred Compensation Plan). Employees hired previously to those dates who transfer 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, 2017

## 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 7, 2016, the monthly pension benefit is computed based on a \$36.75 rate for pay grades A through E and a \$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 \$1,653.75 for employees in pay grades A through E and \$1,698.75 for employees in pay grades F through L.

Both plans allow early retirement at a reduced rate for those participants who have not reached the age of sixty-two and have not fulfilled thirty years of service. The full retirement benefit may be received at age sixty-two with thirty or more years of continuous service. Survivor benefits are available with restrictions.

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 Board of Trustees of the District. 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 \$114,397 for the year ended December 31, 2017.

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, 2017, a total contribution of \$1,583,014 was made with a contribution of \$870,877 and \$712,137 to the bargaining and non-bargaining units, respectively. The contributions represented 22.8% and 31.8% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2017 is based an actuarial valuation as of May 1, 2017 that was updated through December 31, 2017. Balances as of December 31, 2017 are as follows:

	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>	<b>Total</b>
Pension Liabilities	\$ 15,100,057	\$ 12,525,345	\$ 27,625,402
Net Fiduciary Position (Pension Assets)	12,176,397	11,018,376	23,194,773
Subtotal	2,923,660	1,506,969	4,430,629
Deferred Outflows of resources related to Pension	(814,204)	(624,263)	(1,438,467)
Deferred Inflows of resources related to Pension	1,528,911	1,620,370	3,149,281
Net Pension Liability	\$ 3,638,367	\$ 2,503,076	\$ 6,141,443
Pension Expense	\$ (55,016)	\$ 523,551	\$ 468,535

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Pension Plans - Continued

Changes in the Net Pension Liability: The changes is each of the pension plans for the year ending December 31, 2017 are listed below:

##### Bargaining Unit

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 12/31/2016</b>	<u>\$ 13,813,294</u>	<u>\$ 9,869,559</u>	<u>\$ 3,943,735</u>
Service cost	168,310		168,310
Interest	955,116		955,116
Changes in benefit terms	13,576		13,576
Difference between expected and actual experience	136,114		136,114
Changes in assumptions	644,838		644,838
Benefit payments	(631,191)		(631,191)
Contribution - employer		870,877	(870,877)
Net investment income		2,067,152	(2,067,152)
Benefit payments		(631,191)	631,191
Net Change	<u>1,286,763</u>	<u>2,306,838</u>	<u>(1,020,075)</u>
<b>Balance at 12/31/2017</b>	<u><b>\$ 15,100,057</b></u>	<u><b>\$ 12,176,397</b></u>	<u><b>\$ 2,923,660</b></u>

Plan fiduciary net position as a percentage of total pension liability

81%

##### Non-Bargaining Unit

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 12/31/2016</b>	<u>\$ 12,337,566</u>	<u>\$ 9,096,188</u>	<u>\$ 3,241,378</u>
Service cost	196,096		196,096
Interest	852,297		852,297
Changes in benefit terms	10,063		10,063
Difference between expected and actual experience	(746,340)		(746,340)
Changes in assumptions	533,290		533,290
Benefit payments	(657,627)		(657,627)
Contribution - employer		712,137	(712,137)
Net investment income		1,867,678	(1,867,678)
Benefit payments		(657,627)	657,627
Net Change	<u>187,779</u>	<u>1,922,188</u>	<u>(1,734,409)</u>
<b>Balance at 12/31/2017</b>	<u><b>\$ 12,525,345</b></u>	<u><b>\$ 11,018,376</b></u>	<u><b>\$ 1,506,969</b></u>

Plan fiduciary net position as a percentage of total pension liability

88%

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans - Continued

Additional information from the May 1, 2017 actuarial valuation is listed below. The valuation was updated and rolled forward to the December 31, 2017 measurement date.

	<b><u>Bargaining Unit</u></b>	<b><u>Non-Bargaining Unit</u></b>
Valuation date	May 1, 2017	May 1, 2017
Measurement date	December 31, 2017	December 31, 2017
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	6.5%	6.5%
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-2017	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2017

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, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Annual Return Estimate 7 &amp; 20 Year Horizon</u></b>
U.S. Equities Large	25%	5.0%/8.9%
U.S. Equities Small	15%	6.1%/10.0%
International Developed Market Equities	15%	6.2%/7.5%
International Emerging Market Equities	10%	7.5%/10.6%
Core Bonds	20%	3.0%/4.9%
High Yield Bonds	5%	3.5%/6.9%
REIT's	5%	5.0%/7.5%
Natural Resources	5%	3.0%/5.3%

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans - Continued

Discount Rate: The discount rate used to measure the total pension liability was 6.5%. 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 6.5%, 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 (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.5%)</u>	<u>Current Discount Rate</u> <u>(6.5%)</u>	<u>1% Increase</u> <u>(7.5%)</u>
Bargaining Unit net pension liability	\$4,602,693	\$2,923,660	\$1,499,411
Non-Bargaining Unit net pension liability	\$2,875,265	\$1,506,969	\$345,115

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources related to Pensions: For the year ended December 31, 2017, the District recognized pension expense for the bargaining and non-bargaining unit of \$(55,016) and \$523,551, respectively. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
Difference between Expected and Actual Expense	\$ 91,426	\$ 15,645	\$ 107,071	\$ 117,833	\$ 488,407	\$ 606,240
Difference between Expected and Actual Returns	289,647	267,242	556,889	1,149,818	1,014,902	2,164,720
Impact of Assumption Changes	433,131	341,376	774,507	261,260	117,061	378,321
	<u>\$ 814,204</u>	<u>\$ 624,263</u>	<u>\$ 1,438,467</u>	<u>\$ 1,528,911</u>	<u>\$ 1,620,370</u>	<u>\$ 3,149,281</u>

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

Year Ending December 31:	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
2017	\$ (105,631)	\$ (697,745)
2018	5,886	(100,025)
2019	(267,426)	43,323
2020	(241,660)	(241,660)
2021	(105,876)	-
	<u>\$ (714,707)</u>	<u>\$ (996,107)</u>

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### 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 while the District matches those contributions at a rate of 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.

#### **Other Postemployment Benefits (OPEB) - Healthcare Benefits**

**Plan Description:** The District offers medical benefits to retirees and dependents through a single-employer plan. Retirees are covered under the plan and are required to contribute 100% of the premium charged by the current insurance provider for active employees. This premium does not represent the full cost of retiree coverage, and thus creates a liability under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. All employees are eligible upon retirement.

As of the last valuation date, May 1, 2017, three (3) current retirees were participating in the plan and 159 current employees are eligible to participate in the plan if they chose to retire.

**Funding Policy:** Retirees pay 100% of the premium charged by a private insurance company for active employees. The District's portion of premium is paid on a pay-as-you-go basis. Postemployment expenditures are made from the operating fund. No funds are set aside to pay benefits or administration costs. These expenditures are paid as they come due.



## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Other Postemployment Benefits (OPEB) - Healthcare Benefits - Continued

**Annual OPEB Costs and Net OPEB Obligation:** The District's OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 30,092
Interest on net OPEB obligation	4,441
Adjustment to annual required contribution	<u>(13,105)</u>
Annual OPEB cost (expense)	21,428
Contributions made	<u>(8,975)</u>
Increase in net OPEB obligation	12,453
Net OPEB obligation – beginning of year	<u>148,033</u>
Net OPEB obligation – end of year	<u><u>\$ 160,486</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous years was as follows:

Percentage of Annual Year Ended December 31,	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 24,017	0.00%	\$ 132,997
2016	\$ 15,036	0.00%	\$ 148,033
2017	\$ 12,453	72.07%	\$ 160,486

The net OPEB obligation is included in customer advances and other liabilities in the accompanying financial statements.

**Funded Status and Funding Progress:** As of May 1, 2017, the most recent actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability (UAAL) was \$201,992.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2017**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### **Other Postemployment Benefits (OPEB) - Healthcare Benefits - Continued**

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility, in actuarial accrued liabilities and the actuarial value of assets that are consistent with the long-term perspective of the calculations.

In the May 1, 2017, actuarial valuation, the Entry Age Actuarial Cost method was used. The significant assumptions include the following items:

Inflation rate:	3.44% per year
Investment return:	3.44% per year
Healthcare cost trend:	2017 7.0%, 2018 6.5%, 2019 6.0%, 2020 5.5%, 2021 (and beyond) 5.0%
Amortization period:	15 years
Incidence of retirement:	16.5% at 62, 10.0% at 63 & 64, 100.0% at 65 and beyond

#### **Subsequent Events**

On February 26, 2018, the District's Board of Trustees approved the issuance of the following:

- \$6.0 million in bonds to finance the installation and renewal of water mains and related infrastructure. The plan is for a 20-year \$4.0 million bond and a 10-year \$2.0 million bond.
- \$0.28 million in 20-year bonds to finance the upgrade heating, ventilation and air conditioning systems at the Cape Elizabeth Wastewater Treatment facility.
- \$0.43 million in 20-year bonds to finance the upgrade heating, ventilation and air conditioning systems at Portland's East End Wastewater Treatment facility.
- \$2.2 million in 20-year bonds to finance the upgrade of the Dana Court wastewater pump station in Westbrook.
- \$4.6 million in 10-year bonds to finance the installation of a new asset management system, billing and customer-relation computer system.

On March 5, 2018, the District issued a 20-year bond for \$2.0 million for the construction of the Wards Hill water pump station. The total debt service on that bond will be \$2,207,220. On the same date, the District also issued a 20-year bond for \$1.0 million for the upgrade of the sludge dewatering system and related infrastructure at the Westbrook Regional Wastewater Treatment facility. This facility services parts of Westbrook, Gorham and Windham. The total debt service on that bond will be \$1,167,221.

On March 26, 2018, the District's Board of Trustees approved a 3.7% rate increase that would generate additional revenue of \$844,749. The effective date of the rate change will be May 1, 2018.

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

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

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

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

#### Schedule of Investment Returns

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment return	4.27%	(0.97%)	8.38%	19.98%

## REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

December 31, 2017

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

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

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

#### Schedule of Investment Returns

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment return	4.29%	(0.95%)	7.92%	19.85%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED****December 31, 2017****Schedule of District's Contributions**

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%
<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%

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, 2017 actuarial valuation report.

Additional information from the May 1, 2017 actuarial valuation follows:

	<b><u>Bargaining Unit</u></b>	<b><u>Non-Bargaining Unit</u></b>
Valuation date	May 1, 2017	May 1, 2017
Measurement date	December 31, 2017	December 31, 2017
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	6.5%	6.5%
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-2017	RP-2014 Adjusted to 2006 White Collar Mortality with Scale MP-2017

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

	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>
2017	19.98%	19.85%
2016	8.38%	7.92%
2015	(0.97)%	(0.95)%
2014	4.27%	4.29%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2017**

**Schedules of Funding Progress for the OPEB Plan**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll [c]</b>	<b>UAAL as Percentage of Covered ((b-a)/c)</b>
July 1, 2007	\$0	\$366,339	\$366,339	0%	n/a	n/a
July 1, 2011	\$0	\$351,110	\$351,110	0%	n/a	n/a
July 1, 2013	\$0	\$308,042	\$308,042	0%	n/a	n/a
July 1, 2015	\$0	\$196,148	\$196,148	0%	n/a	n/a
May 1, 2017	\$0	\$201,992	\$201,992	0%	n/a	n/a

The required supplementary information is intended to show information for ten years, and that additional years' information will be displayed as it becomes available.

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# STATISTICS





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

## Financial Trends - Pages 75 to 77

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

### NET POSITION BY COMPONENT

*Last Ten Fiscal Years*

Fiscal Year	Invested in capital assets	Unrestricted	TOTAL NET POSITION
2008	\$183,839,125	\$11,539,149	\$195,378,274
2009	\$181,936,912	\$17,133,597	\$199,070,509
2010	\$185,767,265	\$19,019,546	\$204,786,811
2011	\$186,673,502	\$21,088,636	\$207,762,138
2012	\$188,919,054	\$23,526,229	\$212,445,283
2013	\$189,149,330	\$26,344,637	\$215,493,967
2014	\$190,834,740	\$25,737,197	\$216,571,937
2015	\$189,204,269	\$25,370,021	\$214,574,290
2016	\$191,714,552	\$27,055,864	\$218,770,416
2017	\$197,712,038	\$25,951,054	\$223,663,092

### 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
2008	\$33,697,678	\$32,334,970	\$1,362,708	(\$1,885,760)	(\$523,052)	\$2,346,290	\$1,823,238
2009	\$35,029,261	\$32,881,044	\$2,148,217	(\$1,919,818)	\$228,399	\$3,463,836	\$3,692,235
2010	\$36,846,240	\$32,866,955	\$3,979,285	(\$1,466,023)	\$2,513,262	\$3,203,040	\$5,716,302
2011	\$36,724,183	\$33,465,791	\$3,258,392	(\$1,552,159)	\$1,706,233	\$1,269,094	\$2,975,327
2012	\$37,306,198	\$33,731,246	\$3,574,952	(\$1,397,281)	\$2,177,671	\$2,505,474	\$4,683,145
2013	\$37,147,486	\$34,301,284	\$2,846,202	(\$1,934,940)	\$911,262	\$2,298,022	\$3,209,284
2014	\$38,191,819	\$34,884,395	\$3,307,424	(\$4,256,936)	(\$949,512)	\$2,069,800	\$1,120,288
2015	\$39,396,921	\$35,169,923	\$4,226,998	(\$1,596,533)	\$2,630,465	\$2,721,429	\$5,351,894
2016	\$41,304,624	\$37,915,424	\$3,389,200	(\$1,701,445)	\$1,687,755	\$2,488,658	\$4,176,413
2017	\$42,056,624	\$38,702,741	\$3,353,883	(\$1,684,176)	\$1,669,707	\$3,222,969	\$4,892,676

## 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
2008	\$11,102,986	\$5,336,185	\$1,091,964	\$728,885	\$14,719,748	\$717,910	\$33,697,678
2009	\$11,380,762	\$5,469,604	\$1,124,781	\$767,447	\$15,440,535	\$846,131	\$35,029,261
2010	\$12,162,204	\$5,966,501	\$1,151,027	\$789,395	\$16,215,680	\$561,433	\$36,846,240
2011	\$12,170,613	\$5,955,791	\$1,178,853	\$820,766	\$16,100,680	\$497,480	\$36,724,183
2012	\$12,163,820	\$6,036,646	\$1,187,433	\$832,535	\$16,530,792	\$554,972	\$37,306,198
2013	\$12,190,427	\$5,960,214	\$1,198,678	\$843,912	\$16,388,476	\$565,779	\$37,147,486
2014	\$12,385,913	\$6,149,574	\$1,227,986	\$876,736	\$16,972,320	\$579,290	\$38,191,819
2015	\$13,106,427	\$6,401,387	\$1,270,959	\$915,884	\$17,116,284	\$585,980	\$39,396,921
2016	\$13,955,172	\$6,981,949	\$1,318,921	\$964,618	\$17,529,312	\$554,652	\$41,304,624
2017	\$13,966,491	\$6,879,184	\$1,344,507	\$996,063	\$18,418,704	\$451,675	\$42,056,624

\*\* 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	Materials/ Supplies	Biosolids Disposal	Chemicals	Other Expenses*	TOTAL
2008	\$9,226,435	\$7,781,136	\$3,632,785	\$2,780,897	\$2,195,133	\$1,689,997	\$1,367,086	\$982,172	\$2,679,329	\$32,334,970
2009	\$9,365,350	\$8,013,190	\$3,442,520	\$2,847,314	\$2,227,075	\$1,512,834	\$1,456,767	\$1,170,158	\$2,845,836	\$32,881,044
2010	\$9,066,705	\$8,234,571	\$3,924,408	\$2,883,778	\$2,330,548	\$1,320,100	\$1,244,405	\$904,444	\$2,660,996	\$32,569,955
2011	\$9,268,982	\$8,286,124	\$4,293,696	\$3,089,153	\$2,348,734	\$1,389,315	\$1,237,173	\$817,722	\$2,734,892	\$33,465,791
2012	\$9,476,819	\$8,236,258	\$4,390,669	\$3,511,719	\$1,871,944	\$1,508,787	\$1,174,262	\$980,640	\$2,580,148	\$33,731,246
2013	\$9,580,869	\$8,400,409	\$4,625,209	\$3,425,181	\$1,879,630	\$1,587,846	\$1,351,703	\$967,730	\$2,482,707	\$34,301,284
2014	\$9,699,724	\$8,713,697	\$4,662,451	\$3,491,349	\$1,699,980	\$1,599,296	\$1,462,622	\$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	\$1,607,479	\$1,518,633	\$991,814	\$2,726,087	\$35,169,923
2016	\$10,114,266	\$9,075,357	\$5,907,182	\$4,376,286	\$1,728,375	\$1,855,522	\$1,518,719	\$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	\$1,616,529	\$1,862,526	\$1,016,025	\$2,359,627	\$38,702,741

\* 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
2008	\$458,176	\$207,243	(\$678,762)	(\$1,872,417)	(\$1,885,760)
2009	\$237,394	\$201,551	(\$280,429)	(\$2,078,334)	(\$1,919,818)
2010	\$139,706	\$437,917	(\$220,607)	(\$1,823,039)	(\$1,466,023)
2011	\$95,787	\$101,642	(\$98,559)	(\$1,651,029)	(\$1,552,159)
2012	\$83,934	\$17,195	\$63,690	(\$1,562,100)	(\$1,397,281)
2013	\$73,027	\$24,810	(\$409,482)	(\$1,623,325)	(\$1,934,970)
2014	\$86,684	\$62,509	(\$2,535,831)	(\$1,870,298)	(\$4,256,936)
2015	\$118,826	\$152,728	\$3,320	(\$1,871,407)	(\$1,596,533)
2016	\$163,062	\$239,430	(\$129,711)	(\$1,974,226)	(\$1,701,445)
2017	\$275,377	\$257,526	(\$132,339)	(\$2,084,740)	(\$1,684,176)

\* Miscellaneous Income includes jobbing revenue and grant monies.

## ANNUAL CONTRIBUTIONS BY SOURCE

*Last Ten Fiscal Years*

Fiscal Year	Water Distribution Mains	Water Services	Hydrants	Water Meters	Other Water	Wastewater Equipment	TOTAL
2008	\$1,493,781	\$152,947	\$133,762	\$60,380	\$256,421	\$248,999	\$2,346,290
2009	\$2,690,847	\$281,103	\$146,501	\$48,968	\$104,016	\$192,400	\$3,463,836
2010	\$2,036,773	\$289,986	\$135,836	\$123,564	\$11,400	\$605,480	\$3,203,039
2011	\$639,195	\$102,497	\$47,289	\$75,113	\$0	\$405,000	\$1,269,094
2012	\$1,735,559	\$199,772	\$92,940	\$92,750	\$46,334	\$284,965	\$2,452,320
2013	\$1,160,992	\$181,880	\$121,193	\$58,418	\$0	\$775,538	\$2,298,022
2014	\$1,358,398	\$205,879	\$70,983	\$134,540	\$300,000	\$0	\$2,069,800
2015	\$2,104,408	\$291,423	\$171,710	\$116,476	\$37,412	\$0	\$2,721,429
2016	\$1,993,427	\$226,657	\$117,670	\$150,904	\$0	\$0	\$2,488,658
2017	\$1,392,413	\$305,329	\$90,204	\$257,259	\$21,000	\$1,156,764	\$3,222,969

## 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
2008	7,961,955	6,442,186	1,519,769	19.1%	8.7%
2009	7,430,388	6,338,800	1,091,588	14.7%	10.7%
2010	8,022,997	6,777,344	1,245,653	15.5%	11.1%
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%

Note: Gallons are presented in thousands.

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

## Debt Capacity - Page 77

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

## OUTSTANDING DEBT (By Type)

*Last Ten Fiscal Years*

Fiscal Year	General Revenue Bonds	Notes Payable	Total Outstanding Debt	Debt Per Capita	Debt % of Personal Income
2008	\$46,619,504	\$10,602,465	\$57,221,969	\$292	0.8%
2009	\$63,307,079	\$261,160	\$63,568,239	\$319	0.9%
2010	\$58,916,584	\$238,320	\$59,154,904	\$292	0.8%
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	n/a	n/a

# Revenue Capacity - Pages 78 - 82

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

## TEN LARGEST WATER CUSTOMERS

Current Year (2017) & Ten Years Ago (2008)			
Ten Years Ago (2008):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	793,676	\$578,716
Texas Instruments (National Semiconductor) [1]	So. Portland	348,538	\$270,737
ON (Fairchild) Semiconductor [2]	So. Portland	168,983	\$130,144
Yarmouth Water District	Yarmouth	158,191	\$137,766
B&G Foods	Portland	133,400	\$103,504
Sappi Fine Paper	Westbrook	125,310	\$138,871
Ecomaine	Portland	106,502	\$81,777
Maine Medical Center	Portland	86,955	\$149,449
Portland Housing Authority	Portland	70,164	\$151,061
Barber Foods	Portland	67,184	\$62,905
		2,058,903	\$1,804,930
TOTAL SALES		8,612,548	\$18,260,019
PERCENT OF TOTAL SALES		23.9%	9.9%
Current Year (2017):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	447,139	\$433,165
Sappi Fine Paper	Westbrook	306,252	\$365,189
Texas Instruments	So. Portland	176,645	\$295,221
ON Semiconductor	So. Portland	139,671	\$155,188
Yarmouth Water District	Yarmouth	137,074	\$162,703
Ecomaine	Portland	120,922	\$123,383
Maine Medical Center	Portland	108,177	\$190,914
B&G Foods	Portland	75,885	\$81,514
Portland Housing Authority	Portland	57,738	\$129,521
Oakhurst Dairy	Portland	44,192	\$62,329
		1,613,695	\$1,999,127
TOTAL SALES		8,487,249	\$23,186,245
PERCENT OF TOTAL SALES		19.0%	8.6%

\* = Hundreds of Cubic Feet

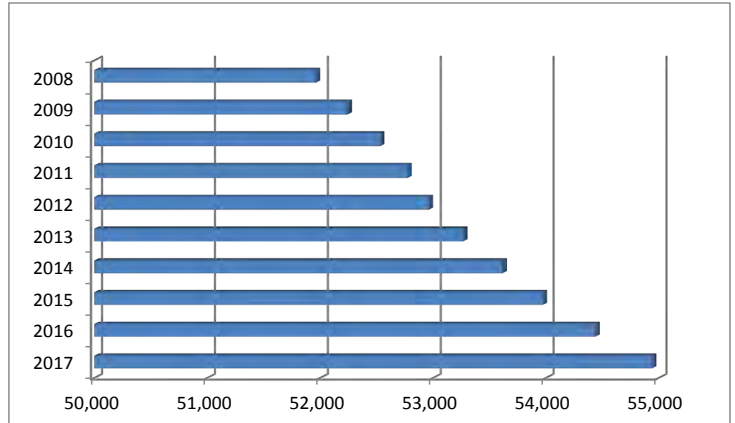
[1] = Texas Instruments acquired National Semiconductor in 2011

[2] = ON Semiconductor acquired Fairchild Semiconductor in 2016

## NET GROWTH IN CUSTOMERS

*Last Ten Fiscal Years*

<b>Metered &amp; Private Fire Customers</b>				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Pecent Increase
2008	51,707	51,961	254	0.5%
2009	51,961	52,243	282	0.5%
2010	52,243	52,531	288	0.6%
2011	52,531	52,773	242	0.5%
2012	52,773	52,962	189	0.4%
2013	52,962	53,266	304	0.7%
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%



## NUMBER OF WATER CUSTOMERS BY TYPE

*Last Ten Fiscal Years*

<b>Metered Customers</b>							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2008	45,898	3,450	86	481	49,915	2,046	51,961
2009	46,101	3,499	87	492	50,179	2,064	52,243
2010	46,327	3,522	86	502	50,437	2,094	52,531
2011	46,525	3,543	93	507	50,668	2,105	52,773
2012	46,680	3,553	94	508	50,835	2,127	52,962
2013	46,925	3,572	95	509	51,101	2,165	53,266
2014	47,241	3,573	95	513	51,422	2,193	53,615
2015	47,566	3,580	94	506	51,746	2,225	53,971
2016	47,912	3,653	98	507	52,170	2,268	54,438
2017	48,257	3,750	100	513	52,620	2,319	54,939

## WATER RATES

The District has two rate groups:

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

Non-Members: Standish and Yarmouth

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

- |                        |                        |
|------------------------|------------------------|
| - 01/01/08 to 12/31/08 | - 05/01/14 to 04/30/15 |
| - 01/01/09 to 04/30/10 | - 05/01/15 to 04/30/16 |
| - 05/01/10 to 04/30/11 | - 05/01/16 to 04/30/17 |
| - 05/01/11 to 04/30/13 | - 05/01/17 to 12/31/17 |
| - 05/01/13 to 04/30/14 |                        |

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 01/01/08 to 12/31/08		Effective 01/01/09 to 04/30/10		Effective 05/01/10 to 04/30/11	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	35.01	40.26	36.06	41.47	37.32	42.92
3	78.30	90.04	80.65	92.74	83.47	95.99
4	139.81	160.78	144.00	165.60	149.04	171.40
6	333.95	384.04	343.97	395.56	356.01	409.40
8	559.24	643.12	576.02	662.41	596.18	685.59
10	873.87	1,004.96	900.09	1,035.11	931.59	1,071.34
12	1,258.30	1,447.04	1,296.05	1,490.45	1,341.41	1,542.62
16	2,236.96	2,572.51	2,304.07	2,649.69	2,384.71	2,742.43
General Water						
Minimum Monthly Charges						
5/8	7.37	8.48	7.75	8.91	8.01	9.21
3/4	8.70	10.01	9.13	10.49	9.44	10.85
1	11.41	13.12	11.87	13.65	12.27	14.11
1 1/2	17.56	20.19	18.74	21.55	19.49	22.41
2	25.20	28.98	26.99	31.03	28.07	32.27
3	43.01	49.46	48.97	56.31	50.93	58.56
4	64.89	74.62	73.70	84.75	76.65	88.14
6	123.79	142.36	142.39	163.75	148.09	170.30
8	194.02	223.12	224.83	258.55	233.82	268.89
10	278.64	320.44	325.53	374.36	338.55	389.33
12	398.97	458.79	430.91	495.55	448.15	515.37
Low Income	1.85	2.13	1.95	2.24	2.02	2.32
Seasonal Water *1						
Minimum Seasonal Charges						
5/8	172.28	196.49	191.77	220.53	198.48	228.25
3/4	226.11	258.40	244.33	280.97	252.88	290.80
1	284.55	325.60	296.89	341.42	307.28	353.37
1 1/2	466.03	534.30	472.09	542.90	488.61	561.90
2	683.51	784.41	682.33	784.68	706.21	812.14
3	1,201.69	1,380.31	1,242.98	1,429.43	1,286.48	1,479.46
4	1,801.37	2,069.94	1,873.71	2,154.77	1,939.29	2,230.19
6	3,350.28	3,851.19	3,625.74	4,169.60	3,752.64	4,315.54
8	5,206.34	5,985.66	5,728.18	6,587.41	5,928.67	6,817.97
10	9,803.77	11,272.71	11,334.68	13,034.88	11,731.74	13,491.10
12	15,069.18	17,327.93	17,641.98	20,288.28	18,259.45	20,998.37
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	1.85	2.13	1.95	2.24	2.02	2.32
Next 7,000 Cf	1.42	1.63	1.53	1.76	1.59	1.83
Next 40,000 Cf	1.18	1.36	1.34	1.55	1.39	1.61
Over 50,000 Cf	0.72	0.83	0.77	0.89	0.80	0.92
Seasonal						
Over Min to 90,000 Cf	1.85	2.13	1.95	2.24	2.02	2.32
Over 90,000 Cf	1.18	1.36	1.34	1.55	1.39	1.60
Seasonal Surcharge *1						
Surface Main Surcharge	31.91	35.21	34.00	39.10	35.19	40.47

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

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

## WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 05/01/15 to 04/30/16		Effective 05/01/16 to 04/30/17		Effective 05/01/17 to 12/31/17	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	41.40	47.52	42.84	49.20	43.32	49.68
3	92.40	106.20	95.88	110.16	96.84	111.36
4	164.88	189.72	171.12	196.80	172.80	198.72
6	394.20	453.24	408.96	470.16	413.04	474.84
8	660.00	758.88	684.36	787.08	691.56	795.00
10	1,031.16	1,186.44	1,069.56	1,230.72	1,080.24	1,242.96
12	1,484.76	1,707.60	1,540.20	1,771.32	1,555.56	1,788.96
16	2,639.52	3,035.52	2,738.04	3,148.80	2,765.40	3,180.24
<b>General Water</b>						
<b>Minimum Monthly Charges</b>						
5/8	8.74	10.05	9.03	10.38	9.11	10.47
3/4	10.30	11.83	10.64	12.22	10.74	12.33
1	13.36	15.39	13.80	15.90	13.92	16.04
1 1/2	22.19	25.51	23.29	26.77	23.60	27.13
2	31.96	36.73	33.54	38.55	33.99	39.07
3	57.98	66.66	60.85	69.96	61.67	70.90
4	87.27	100.36	91.59	105.33	92.83	106.75
6	168.62	193.90	176.97	203.50	179.36	206.25
8	266.23	306.17	279.41	321.33	283.18	325.67
10	385.48	443.31	404.56	465.25	410.02	471.53
12	510.28	586.81	535.54	615.86	542.77	624.17
Low Income	2.19	2.53	2.26	2.61	2.28	2.63
<b>Seasonal Water</b>						
<b>Minimum Seasonal Charges</b>						
5/8	219.69	252.65	227.88	262.07	216.90	249.44
3/4	279.91	321.88	290.35	333.89	293.25	337.33
1	340.12	391.15	352.81	405.74	356.34	409.80
1 1/2	540.84	621.96	561.01	645.16	566.62	651.61
2	781.68	898.94	810.84	932.47	818.95	941.79
3	1,423.98	1,637.59	1,477.09	1,698.67	1,491.86	1,715.66
4	2,146.56	2,468.55	2,226.63	2,560.63	2,248.90	2,586.24
6	4,153.72	4,776.79	4,308.65	4,954.96	4,351.74	5,004.51
8	6,562.33	7,546.68	6,807.10	7,828.17	6,875.17	7,906.45
10	12,985.26	14,933.03	13,469.61	15,490.03	13,604.31	15,644.93
12	20,249.98	23,287.49	21,005.30	24,156.11	21,215.35	24,397.67
<b>Volume Charges</b>						
<b>Four Blocks (Step 5)</b>						
<b>Monthly</b>						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.19	2.53	2.26	2.61	2.28	2.63
Next 7,000 Cf	1.81	2.08	1.90	2.18	1.93	2.21
Next 40,000 Cf	1.60	1.84	1.68	1.93	1.70	1.96
Over 50,000 Cf	0.90	1.05	0.94	1.10	0.95	1.11
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.19	2.45	2.26	2.61	2.28	2.63
Over 90,000 Cf	1.58	1.75	1.64	1.89	1.66	1.91
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	38.95	44.80	40.40	46.47	40.80	46.93

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



## Operating Information - Page 83 to 84

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

### OPERATING AND CAPITAL INDICATORS

*Last Ten Fiscal Years\**

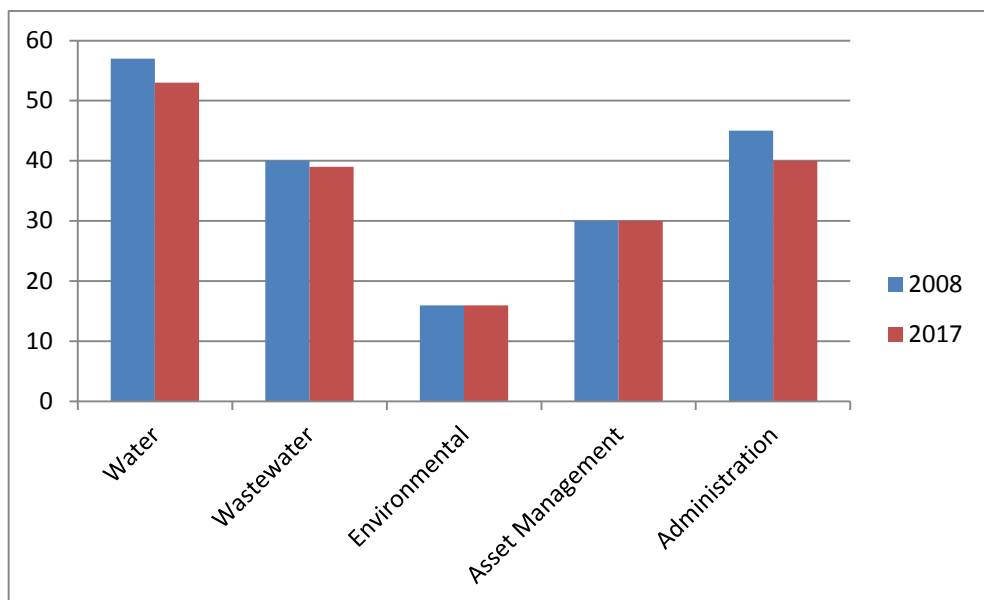
Water Assets										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Services	55,883	55,942	56,089	56,256	56,389	56,252	53,643	54,022	54,370	54,912
Meters	49,860	50,125	50,381	50,614	51,818	52,275	53,071	53,958	53,132	53,589
Hydrants	4,833	4,870	4,896	4,912	4,954	4,985	5,003	5,048	5,079	5,085
Gate Valves	10,520	10,614	11,140	11,187	11,270	11,294	11,458	11,542	11,671	11,448
Distribution Mains (miles)	949.9	954.9	957.9	958.6	961.7	945.3	947.2	949.6	952.5	958.7
Transmission Mains (miles)	40.5	41.4	41.4	41.4	41.4	41.4	40.7	40.7	41.1	41.1
Wastewater Assets										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interceptors (miles)	46.7	46.9	46.9	46.9	46.9	48.1	48.1	45.3	45.3	45.3
Foremains (miles)	21.4	21.4	21.8	21.9	21.9	22.3	22.5	25.6	25.6	25.6
Collectors (miles)	24.9	24.9	25.3	25.3	25.7	25.7	26.1	34.4	34.4	34.4
Storm Drains (miles)	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.9	1.9	1.9
Manholes	2,353	2,384	2,342	2,348	2,387	2,436	2,442	2,523	2,523	2,609
Combined Sewer Overflows	28	28	28	28	28	28	28	28	28	28
Wastewater Flow Treated*										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
East End (Portland)	19.05	17.30	18.15	18.04	18.00	17.22	18.92	16.38	16.41	17.55
Westbrook/Gorham	3.92	3.74	3.29	3.52	3.13	3.01	3.25	2.54	2.47	3.04
Cape Elizabeth	0.34	0.33	0.28	0.30	0.28	0.26	0.30	0.23	0.24	0.27
Little Falls (Windham) ***	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	0.13	0.11	0.09	0.10	0.09	0.09	0.10	0.09	0.09	0.10
* Daily average in millions of gallons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										
Wastewater Biosolids Disposal**										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
East End (Portland)	50.75	51.33	45.20	43.54	38.66	45.17	48.18	50.28	47.37	63.20
Westbrook/Gorham	12.24	11.61	10.67	11.80	12.38	12.96	13.96	14.23	15.99	14.39
Cape Elizabeth	0.43	0.65	0.57	0.59	0.48	0.60	0.59	0.66	0.71	1.30
Little Falls (Windham) ***	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	0.07	0.03	0.07	0.12	0.12	0.12	0.12	0.13	0.15	0.19
** Daily average in wet tons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										

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

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Water Operations:</b>										
Water Distribution	27	25	25	25	24	24	23	22	22	22
Water Utility Services	16	15	13	13	13	13	14	15	15	15
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	3	4	4	4	5	5	5	5	5	5
	57	55	53	53	53	53	53	53	53	53
<b>Wastewater Operations:</b>										
Wastewater Treatment	26	26	26	26	25	24	25	25	24	25
Water/Wastewater Systems	11	12	12	12	12	13	13	13	13	13
Administrative/Other	3	1	1	1	2	2	1	1	1	1
	40	39	39	39	39	39	39	39	38	39
<b>Environmental Services:</b>										
Environmental Services	8	8	8	8	8	8	8	8	9	9
Laboratory	8	8	8	7	7	7	7	7	7	7
	16	16	16	15	15	15	15	15	16	16
<b>Asset Management &amp; Planning:</b>										
Planning & Design	14	15	16	17	17	17	17	17	17	16
Facilities Services	12	12	11	10	10	10	10	10	10	10
Instrumentation	4	3	3	3	3	3	3	3	3	4
	30	30	30	30	30	30	30	30	30	30
<b>Administration:</b>										
Customer Service	16	14	14	14	14	14	14	14	14	13
Executive Office	10	7	8	9	9	8	8	8	9	9
Financial Services	9	9	8	8	8	9	9	9	8	8
Information Services	7	7	7	7	7	7	7	7	7	7
Employee Services	3	3	3	3	3	3	3	3	3	3
	45	40	40	41	41	41	41	41	41	40
	188	180	178	178	178	178	178	178	178	178

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



# Demographic and Economic Information - Page 85

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

## DEMOGRAPHIC AND ECONOMIC STATISTICS

*Last Ten Fiscal Years*

Fiscal Year	(1) Population	(2) Personal Income thousands	(2) Per Capita Personal Income	(2) Unemployment Rate
2008	195,846	\$7,151,816	\$25,674	5.2%
2009	199,279	\$6,950,974	\$24,815	6.5%
2010	202,712	\$7,049,674	\$25,028	6.0%
2011	202,751	\$7,275,763	\$25,626	5.3%
2012	202,930	\$7,469,552	\$26,309	5.5%
2013	203,338	\$7,673,493	\$26,882	4.6%
2014	207,103	\$7,966,091	\$27,680	3.8%
2015	208,449	\$8,346,665	\$28,784	2.8%
2016	210,072	\$8,730,810	\$29,896	2.6%
2017	n/a	n/a	n/a	1.9%

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

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

(1) Source: U.S. Census Bureau

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

n/a = data not available

## PRINCIPAL EMPLOYERS

*Current Year*

Ten Largest Employers*		
Employer Name	Employees	Business Description
Maine Health	8,001 to 8,500	General Medical & Surgical Hospitals
L.L. Bean, Inc.	4,001 to 4,500	Mail-Order Houses
Unum Provident	3,001 to 3,500	Direct Life Insurance Carriers
Hannaford Bros Co	2,501 to 3,000	Supermarkets & Other Grocery Stores
Bowdoin College	1,001 to 1,500	Colleges & Universities
Idexx Laboratories	1,001 to 1,500	Pharmaceutical Preparation Manufacturing
Mercy Hospital	1,001 to 1,500	General Medical & Surgical Hospitals
Mid Coast Hospital	1,001 to 1,500	General Medical & Surgical Hospitals
TD Bank NA	1,001 to 1,500	Commercial Banking
Wal Mart/Sam's Club	1,001 to 1,500	Discount Department Stores

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

Note: Prior data was not available

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

## Other Information - Pages 86 to 100

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

### PROPRIETARY FUND OPERATING REVENUES

*Last 10 Fiscal Years*

#### WATER REVENUES

YEAR	Residential	Commercial	Industrial	Public Authorities	Public Fire Protection	Private Fire Protection	Resale	Other Revenue	TOTAL
2008 (a)	\$11,102,986	\$3,082,247	\$1,406,459	\$709,712	\$1,091,964	\$728,885	\$137,766	\$60,509	\$18,320,529
2009 (b)	\$11,380,763	\$3,186,785	\$1,439,469	\$720,772	\$1,124,781	\$767,447	\$122,578	\$98,551	\$18,841,146
2010 (c)	\$12,162,204	\$3,435,999	\$1,646,460	\$745,569	\$1,151,027	\$789,395	\$138,473	\$104,687	\$20,173,814
2011 (d)	\$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 (e)	\$12,190,428	\$3,466,827	\$1,668,340	\$657,014	\$1,198,678	\$843,912	\$168,032	\$108,416	\$20,301,647
2014 (f)	\$12,385,913	\$3,552,801	\$1,690,206	\$740,640	\$1,227,986	\$876,736	\$165,927	\$98,749	\$20,738,958
2015 (g)	\$13,106,427	\$3,824,946	\$1,630,601	\$750,107	\$1,270,959	\$915,884	\$195,733	\$94,201	\$21,788,858
2016 (h)	\$13,955,172	\$4,221,468	\$1,749,763	\$834,010	\$1,318,921	\$964,617	\$176,709	\$81,227	\$23,301,887
2017 (i)	\$13,886,799	\$4,292,372	\$1,583,041	\$841,069	\$1,344,507	\$996,063	\$162,703	\$79,691	\$23,186,245

(a) - Effective January 2008 metered water rates increased an average of 3.8% and public fire protection rates were unchanged.

(b) - Effective January 2009 metered water rates increased an average of 7.0% and public and private fire protection increased 3.0%.

(c) - Effective May 2010 metered water rates increased an average of 3.6% and public and private fire protection increased 3.5%.

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

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

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

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

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

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

#### WASTEWATER ASSESSMENTS (AMOUNTS EXPRESSED IN THOUSANDS OF DOLLARS)

YEAR	Cape Elizabeth	Cumberland	Falmouth (a)	Gorham	Portland	Westbrook	Windham	TOTAL
2008	\$1,049,052	\$764,236	\$14,508	\$924,732	\$9,951,852	\$1,800,540	\$214,320	\$14,719,240
2009	\$1,049,052	\$564,232	\$15,016	\$1,021,008	\$10,250,412	\$2,208,971	\$331,848	\$15,440,539
2010	\$1,089,984	\$702,264	\$15,012	\$1,068,444	\$10,455,044	\$2,533,176	\$351,756	\$16,215,680
2011	\$1,089,984	\$702,264	\$15,012	\$1,068,444	\$10,340,044	\$2,533,176	\$351,756	\$16,100,680
2012	\$1,293,540	\$712,800	\$15,012	\$1,084,464	\$10,540,044	\$2,533,176	\$351,756	\$16,530,792
2013	\$1,365,084	\$713,940	\$15,012	\$1,084,464	\$10,540,044	\$2,318,176	\$351,756	\$16,388,476
2014	\$1,377,252	\$731,784	n/a	\$1,106,148	\$10,872,204	\$2,533,176	\$351,756	\$16,972,320
2015	\$1,412,112	\$731,784	n/a	\$1,106,148	\$10,981,308	\$2,533,176	\$351,756	\$17,116,284
2016	\$1,443,408	\$750,072	\$36,012	\$1,106,148	\$11,308,740	\$2,533,176	\$351,756	\$17,529,312
2017	\$1,468,692	\$844,584	\$263,604	\$1,106,148	\$11,841,972	\$2,533,176	\$360,528	\$18,418,704

(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

## 2017 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

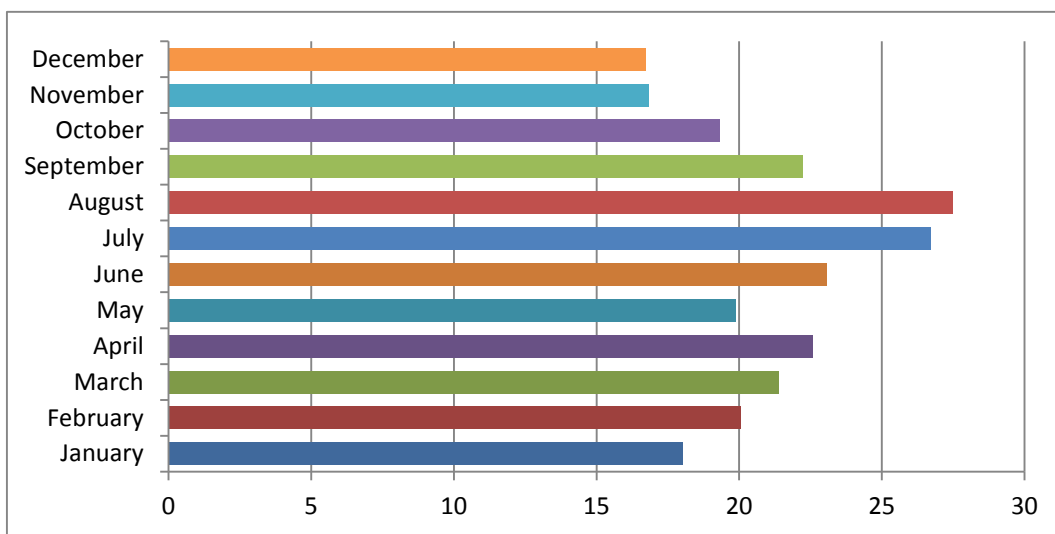
MONTH	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Rd. Boosted
January	18.416	0.038	18.031	0.414	0.492	0.628	0.109	0.364
February	20.476	0.037	20.054	0.414	0.475	0.617	0.104	0.348
March	21.830	0.044	21.401	0.419	0.482	0.589	0.107	0.364
April	23.057	0.046	22.574	0.416	0.534	0.579	0.108	0.358
May	20.328	0.029	19.880	0.462	0.595	0.622	0.125	0.466
June	23.549	0.040	23.064	0.576	0.669	0.737	0.143	0.634
July	27.191	0.041	26.723	0.737	0.757	0.785	0.163	0.823
August	27.925	0.041	27.498	0.728	0.840	0.712	0.163	0.842
September	22.604	0.037	22.233	0.633	0.829	0.576	0.120	0.682
October	19.797	0.037	19.333	0.632	0.704	0.507	0.099	0.541
November	17.284	0.035	16.850	0.530	0.581	0.490	0.092	0.374
December	17.165	0.035	16.730	0.477	0.561	0.588	0.098	0.371
Averages	21.635	0.038	21.198	0.537	0.627	0.619	0.119	0.514

## 2017 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
	7,900,346	13,983	7,914,329	196.195	228.731	226.072	43.323	188.107

## 2017 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		Cumberland Wells	N. Windham Wells	Steep Falls Wells	TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish	West Falmouth	Total Boosted	Percentage Boosted to Total
	Greater Portland System	Sebago Lake Standish System													
1960	17.775	0.040	0.000	0.110	0.012	17.937			0.175		0.008			0.183	1.02%
1961	19.092	0.041	0.000	0.121	0.017	19.271			0.146		0.020			0.166	0.86%
1962	17.901	0.052	0.000	0.117	0.011	18.081			0.149		0.017			0.166	0.92%
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	14.71%
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	3.537	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	21.968	18.382	3.586	0.462	0.475	0.664	0.180	0.559	2.343	10.67%
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%

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

### 2017 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,652	3,675	325	751	71.3
Cumberland	1,907	1,891	274	437	50.7
Falmouth	3,445	3,296	395	755	82.7
Gorham	2,908	2,799	320	732	61.6
Portland	18,779	18,273	1456	3,817	249.8
Raymond	43	42	25	17	2.7
Scarborough	5,377	5,338	660	1,164	114.0
South Portland	8,616	8,243	572	1,618	123.1
Standish	774	755	147	211	26.8
Westbrook	6,001	5,757	568	1,189	89.3
Windham	3,410	3,488	343	757	86.6
<b>TOTAL</b>	<b>54,912</b>	<b>53,589</b>	<b>5,085</b>	<b>11,448</b>	<b>958.7</b>

### 2017 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	123	1	3,380	104	6	22	16	3,652
Cumberland	23	5	1,767	57	1	48	6	1,907
Falmouth	68	2	3,203	67	3	87	15	3,445
Gorham	29	0	2,663	91	4	108	13	2,908
Portland	1,389	8	15,953	345	24	713	347	18,779
Raymond	0	0	38	0	0	5	0	43
Scarborough	180	0	4,655	267	4	258	13	5,377
South Portland	378	1	7,592	196	16	309	124	8,616
Standish	21	0	723	17	0	8	5	774
Westbrook	225	0	5,383	132	1	242	18	6,001
Windham	53	0	2,993	272	0	83	9	3,410
<b>TOTAL</b>	<b>2,489</b>	<b>17</b>	<b>48,350</b>	<b>1,548</b>	<b>59</b>	<b>1,883</b>	<b>566</b>	<b>54,912</b>

## WATER QUALITY ANALYSIS

(AS TESTED ON APRIL 10, 2017, UNLESS OTHERWISE NOTED)

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> f/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

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



## WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

COMPOUND	MCL <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.

## 2017 ACTIVE FIRE SERVICES

DIVISION	1"	1.5"	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	0	0	2	3	8	8	0	0	0	21	0.9%
Cumberland	0	0	1	0	20	9	0	0	0	30	1.3%
Falmouth	0	1	79	6	53	12	1	4	0	156	6.7%
Gorham	0	0	24	8	58	32	0	0	0	122	5.3%
Portland	0	17	103	106	618	185	11	5	1	1,046	45.1%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	27	29	136	69	2	1	0	267	11.5%
South Portland	0	0	16	15	177	109	14	6	0	337	14.5%
Standish	0	0	0	5	9	0	1	0	0	15	0.6%
Westbrook	1	0	20	21	120	73	5	2	1	243	10.5%
Windham	0	0	9	6	46	14	1	2	0	78	3.4%
<b>TOTAL</b>	<b>2</b>	<b>20</b>	<b>281</b>	<b>199</b>	<b>1,247</b>	<b>513</b>	<b>35</b>	<b>20</b>	<b>2</b>	<b>2,319</b>	<b>100.0%</b>

## 2017 METERS IN SERVICE

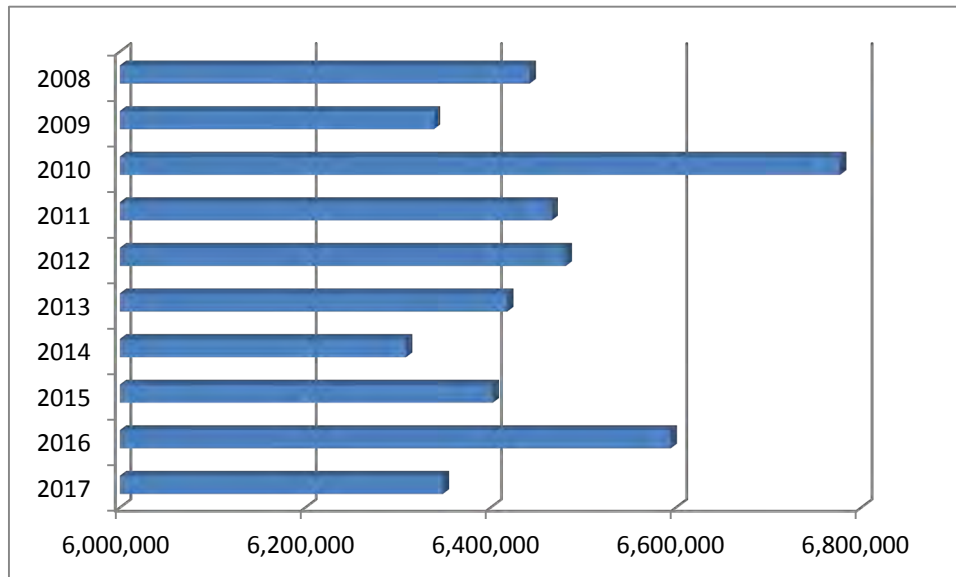
DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,461	84	71	22	28	5	2	1	1	0	3,675	6.9%
Cumberland	1,712	69	62	28	11	5	2	0	1	1	1,891	3.5%
Falmouth	2,876	132	168	45	56	10	0	6	3	0	3,296	6.2%
Gorham	2,606	54	52	30	42	12	2	0	1	0	2,799	5.2%
Portland	15,878	679	667	398	477	102	36	30	6	0	18,273	34.1%
Raymond	26	1	5	4	6	0	0	0	0	0	42	0.1%
Scarborough	4,863	87	168	92	88	18	6	13	3	0	5,338	10.0%
South Portland	7,571	101	166	143	189	34	12	22	4	1	8,243	15.4%
Standish	705	12	27	2	5	0	2	2	0	0	755	1.4%
Westbrook	5,260	117	152	83	94	27	8	9	3	4	5,757	10.7%
Windham	3,242	69	74	48	40	6	3	6	0	0	3,488	6.5%
Yarmouth	31	1	0	0	0	0	0	0	0	0	32	0.1%
<b>TOTAL</b>	<b>48,231</b>	<b>1,406</b>	<b>1,612</b>	<b>895</b>	<b>1,036</b>	<b>219</b>	<b>73</b>	<b>89</b>	<b>22</b>	<b>6</b>	<b>53,589</b>	<b>100.0%</b>

### METERED WATER (IN THOUSANDS OF GALLONS)

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2008	3,254,121	1,418,794	1,268,587	382,357	118,327	6,442,186
2009	3,216,991	1,410,177	1,247,882	367,354	96,396	6,338,800
2010	3,397,429	1,502,978	1,421,402	349,222	106,312	6,777,343
2011	3,290,807	1,430,439	1,328,681	305,690	110,197	6,465,814
2012	3,271,898	1,430,679	1,374,942	274,003	129,613	6,481,135
2013	3,231,822	1,409,044	1,372,881	279,507	124,669	6,417,923
2014	3,197,526	1,387,342	1,316,962	287,820	119,099	6,308,749
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

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 748, for example the 2017 volume of 6,348,462 TOG equals 8,487,249 HCF

### METERED WATER (IN THOUSANDS OF GALLONS)



# Wastewater Statistics

## EAST END WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)		Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals	
YEAR	Primary Treatment Only	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS
2008	1.090	17.955	3,457	865	50.75	Wet Tons	92	92
2009	1.211	16.102	4,354	4,918	51.33	Wet Tons	93	93
2010	1.268	16.877	2,780	303	45.20	Wet Tons	93	92
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	2,230	485	50.28	Wet Tons	93	94
2016	0.488	15.923	2,393	123	48.36	Wet Tons	92	92
2017	0.376	17.172	3,354	44	63.20	Wet Tons	97	97

## WESTBROOK/GORHAM/WINDHAM REGIONAL WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)	Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals		% Flow		
YEAR	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS	Westbrook	Gorham	Windham
2008 *1	3.924	4,392	2,210	12.24	Wet Tons	95	95	89.890	8.795	1.315
2009 *2	3.742	1,384	515	11.61	Wet Tons	95	96	88.863	8.732	2.405
2010 *3	3.291	2,077	263	10.67	Wet Tons	96	97	88.033	9.727	2.240
2011 *4	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

\*1 - Windham flow started being processed at the Westbrook Regional facilities effective 4/1/08.

\*2 - Trucked in waste deliveries to the Westbrook Regional Treatment Plant were suspended 6/1/09 - 10/31/09 for odor control purposes.

\*3 - Trucked in waste deliveries to the Westbrook Regional Treatment Plant were suspended 7/24/10 - 10/31/10 for odor control purposes.

\*4 - Trucked in waste deliveries to the Westbrook Regional Treatment Plant resumed year-round deliveries in 2011.

### CAPE ELIZABETH WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
YEAR	Secondary Treatment	TOTAL	Units	BOD	TSS
2008	0.338	0.43	Wet Tons	89	92
2009	0.326	0.65	Wet Tons	93	97
2010	0.275	0.57	Wet Tons	95	96
2011	0.297	0.59	Wet Tons	97	98
2012	0.280	0.48	Wet Tons	95	95
2013	0.255	0.6	Wet Tons	93	96
2014	0.295	0.59	Wet Tons	92	96
2015	0.226	0.66	Wet Tons	94	97
2016	0.242	0.60	Wet Tons	95	96
2017	0.266	1.30	Wet Tons	93	94

### PEAKS ISLAND WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
YEAR	Secondary Treatment	TOTAL	Units	BOD	TSS
2008	0.129	0.07	Wet Tons	92	91
2009	0.114	0.03	Wet Tons	90	91
2010	0.093	0.07	Wet Tons	92	92
2011	0.102	0.12	Wet Tons	93	91
2012	0.093	0.12	Wet Tons	96	95
2013	0.088	0.12	Wet Tons	94	96
2014	0.104	0.12	Wet Tons	94	97
2015	0.087	0.13	Wet Tons	93	94
2016	0.094	0.16	Wet Tons	94	95
2017	0.095	0.19	Wet Tons	90	90

## EAST END WASTEWATER TREATMENT FACILITY

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

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2017	January	2.6	180	16	26	12	440	0.3
	February	3.8	180	19	30	12	460	0.3
	March	2.7	170	16	24	11	430	0.2
	April	3.0	180	18	31	13	390	0.3
	May	2.6	199	17	28	12	445	0.4
	June	2.4	203	15	31	11	481	0.3
	July	2.4	272	14	26	11	719	0.3
	August	2.3	237	10	22	9	412	0.3
	September	2.7	288	17	33	14	690	0.9
	October	2.1	246	14	20	11	525	0.4
	November	2.6	243	14	26	11	472	0.3
	December	2.0	212	7	16	9	204	0.3
	Annual Average	2.6	218	15	26	11	472	0.4

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

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2008	1.2	239	19	54	14	600	0.4
2009	1.4	248	18	47	15	633	0.4
2010	0.5	260	16	42	13	541	0.5
2011	1.3	205	17	47	15	484	0.5
2012	1.3	254	16	43	14	536	0.5
2013	1.2	243	16	43	13	518	0.3
2014	2.1	240	16	37	12	509	0.4
2015	2.2	237	15	36	11	488	0.5
2016	2.3	217	17	38	12	474	0.4
2017	2.6	218	15	26	11	472	0.4

### 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
2017	January	2.2	300	45	19	34	550	0.2
	April	2.5	270	26	23	36	630	0.1
	July	2.1	392	56	18	55	919	0.7
	October	2.7	386	28	13	26	705	0.3
	Annual Average	2.4	337	39	18	38	701	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
2008	1.4	578	84	36	49	1,225	0.5
2009	1.3	469	43	35	25	1,032	0.4
2010	0.5	410	39	32	20	879	0.5
2011	0.9	467	42	32	65	931	0.8
2012	1.5	545	35	31	52	1,015	0.6
2013	1.4	512	41	29	71	999	0.5
2014	1.9	387	71	29	62	753	0.2
2015	2.3	403	57	23	65	740	0.5
2016	2.5	348	41	26	44	678	0.4
2017	2.4	337	39	18	38	701	0.3

### 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

<b>Portland System: *1</b>					
Mainland	Estimated population served	60,000			
	Treatment plant design flow:				
	average / peak wet weather	19.8 mgd average / 80 mgd peak			
	Pump stations	10			
	Interceptors	72,161 feet			
	Force Mains	17,392 feet			
	Estimated population served	500			
	Treatment plant design flow:				
	average / peak wet weather	0.2 mgd average / .61 mgd peak			
	Pump stations	4			
Peaks Island	Collectors	23,775 feet			
	Interceptors	4,220 feet			
	Force Mains	5,437 feet			
	Storm Drains	10,160 feet			
<b>Westbrook *2</b>					
	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 (76.4%)	3.47 mgd average / 11.99 mgd peak			
			Joint Use	Westbrook Only	Gorham Only Windham Only
	Pump stations	3	1	2	
	Interceptors	26,707 feet	9,764	16,943	
	Force Mains	16,750 feet	4,589	12,161	
	Percentage Flow			83.71%	13.38% 2.91%
<b>Cape Elizabeth System *3</b>					
Cape - North	Estimated population served	4,000			
	Treatment contracted to South Portland				
	System design flow	0.72 mgd			
	Pump stations	13			
	Interceptors	feet			
	Force Mains	feet			
	Estimated population served	3,100			38,612 Force main (both)
	Treatment plant design flow:				51,693 Interceptor (both)
	average / peak wet weather	0.52 mgd average / 2.75 mgd peak			
	Pump stations	10			
Cape - South	Interceptors	feet			
	Force Mains	feet			
<b>Cumberland</b>					
	Estimated population served	2,200			
	Treatment contracted to Falmouth				
	System Design Flow	0.47 mgd			
	Pump stations	13			
	Interceptors	41,032 feet			
	Collectors	82,172 feet			
	Force Mains	34,980 feet			
<b>Gorham Village</b>					
	Estimated population served	6,000			
	Treatment conveyed to Westbrook				
	System design flow	1.4 mgd			
	Gorham allocated average treatment plant flow (21%)	0.95 mgd average / 3.30 mgd peak			
	Pump stations	11			
	Interceptors	27,550 feet			
	Collectors	89,977 feet			
	Force Mains	23,445 feet			
<b>Little Falls System *4</b>					
	Estimated population served	1,000			
	Windham allocated average treatment plant flow (2.6%)	0.12 mgd average / .41 mgd peak			
			Joint Use	Gorham Only	Windham Only
	Pump stations	6	3	1	2
	Interceptors/Collectors	24,606 feet	14,215	7,008	3,383
	Force Mains	16,364 feet	12,291	3,578	495
	Percentage Flow			21.15%	78.85%



## 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 plant for final dewatering and sludge disposal.

\*2 – Historically, the Westbrook System had one treatment plant which processed wastewater for the city of Westbrook and Gorham Village. Trucked in waste and thickened sludge from the Little Falls Treatment Facility was also processed here. The Gorham Village wastewater is pumped to Westbrook for processing. Gorham reimburses Westbrook for all joint use costs incurred in transporting and processing the wastewater. Effective 4/1/08, Windham flow was transferred to the Westbrook Regional Treatment Facility through the new Little Falls Conveyance System. Effective 5/1/08, Gorham Little Falls flow was also diverted to the Westbrook Regional Treatment Facility, resulting in the retirement of the Little Falls Treatment Facility. Windham and Gorham Little Falls also 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 which is then transported to the Portland 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 processes wastewater from an area which is located within two separate communities. Residents in the towns of Windham and Gorham share in the Little Falls System costs incurred in transporting and processing the wastewater at the Little Falls Treatment Facility. A thickened sludge product was then transported to the Westbrook Treatment Facility for final dewatering and sludge disposal. The Little Falls Treatment Facility was in full operations through 3/31/08. Effective 4/1/08, Windham flow was transferred to the Westbrook Regional Treatment Facility and effective 5/1/08, the Gorham flow was also diverted there. This resulted in the retirement of the Little Falls Treatment Facility as of 5/1/08.

### 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	6.6	15.6	0.0	30.0	629	0
Gorham	6.0	7.4	20.6	0.0	34.0	699	0
Windham	0.0	0.1	0.4	0.0	0.5	15	0
Portland	14.5	4.3	4.5	1.9	25.2	833	22
Westbrook	5.0	4.9	0.0	0.0	9.9	128	5
<b>TOTAL</b>	<b>43.1</b>	<b>30.6</b>	<b>41.1</b>	<b>1.9</b>	<b>116.7</b>	<b>2,609</b>	<b>28</b>

## WATER AND WASTEWATER SERVICE AREA MAP

