

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Portland
Water
District

For the year ended December 31, 2015

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**PORTLAND WATER DISTRICT
PORTLAND, MAINE
FOR THE YEAR ENDED DECEMBER 31, 2015**

**ACKNOWLEDGEMENTS: THIS REPORT WAS PREPARED BY THE FINANCIAL SERVICES
AND PUBLIC RELATIONS DEPARTMENTS AT THE PORTLAND WATER DISTRICT.**

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INTRODUCTION





TRANSMITTAL LETTER

June 30, 2016

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, 2015.

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 2015 financial activities, the financial statements, and the auditor's report on the financial statements and schedules. Information on long-term financial planning can be found in our budget document on our website.
- 3 STATISTICAL SECTION**, which includes selected operational, demographic, and financial information, generally presented on a historical or regional basis.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

LOCAL ECONOMY

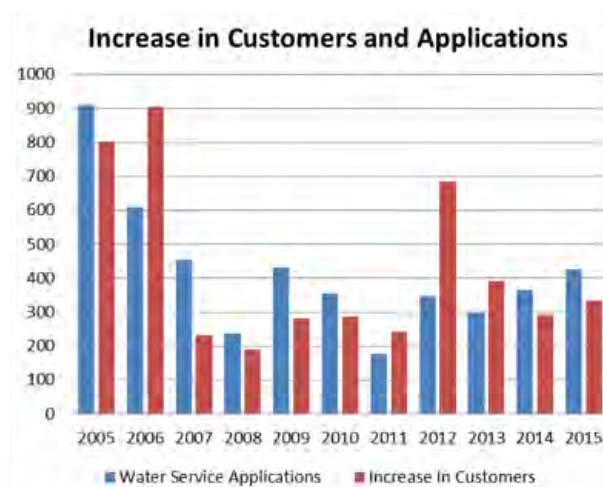
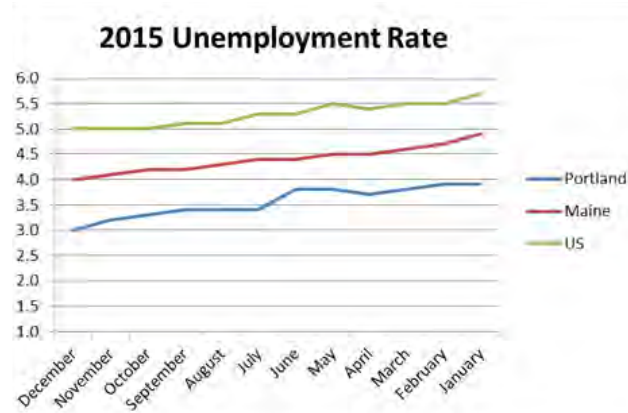
The local economy showed continued signs of gradual improvements. Generally, PWD's service area (Cumberland County/Portland Market) fares much better than the national and state economies.

Employment: Local unemployment remains well below national and state levels and continued to improve throughout the year, dwindling to a 2.9% unemployment rate in Cumberland County, which is 1% better than the previous year.

Housing Market: Statewide, the real estate market continues to show positive growth. According to the Maine Association of Realtors, annual sales of single-family homes increased 10.97% in 2015. As the state's largest real estate market, more than one in four sales take place in Cumberland County. Cumberland County saw a 13.33% jump in sales in 2015.

New construction increased 14% statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 3,699 state-wide building permit units in 2015, 30% were within Cumberland County.

Locally, the Portland Water District continues to experience steady growth in both water applications 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 18% which is consistent within the water utility sector nationwide. However, water consumption increased slightly in 2015.

The summer of 2015 saw precipitation levels consistent with normal ranges, following the previously rainy year of 2014. The National Weather Service reports 10.15 inches of precipitation fell in Portland during June, July, and August of 2015 which is slightly less than normal levels of 10.54 inches.

ECONOMIC OUTLOOK

The economy continues to grow, and according to Charles Colgan, former professor of public policy and management at USM's Muskie School of Public Service, we should be back to prerecession employment (2008) in a year's time. Low oil prices continue to put more disposable income in pockets and Maine's older population and stagnant growth continues to be a factor of consideration.



OUR MISSION

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

OUR VISION

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

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

OUR VALUES

Customer Focus

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

Reliable, Valued Products & Services

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

Reasonable Rates

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

Continuous Improvement

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

Safety

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

The Environment

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

Expertise

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

Openness, Respect, & Fair Treatment

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

Quality of Life

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

COMPANY PROFILE

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

The Wastewater Funds account for the collection and processing of wastewater for the seven communities served. In accordance with Governmental Accounting Standards Board (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, powerful 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 54,000 customers. PWD manages \$300.6 million in assets operating over approximately 140 square miles and an annual budget of \$39.0 million. Additionally, PWD manages a \$25.1 million capital improvement plan.

BOARD OF TRUSTEES



Bradford Cleaves
Portland

Louise Douglas
*Windham &
Raymond*

Duane Dreger
*Vice President
Gorham*

Guy Cote
*President
Westbrook*

Kenneth Levinsky
Portland

Gary Libby
Portland



Seth Garrison
Portland

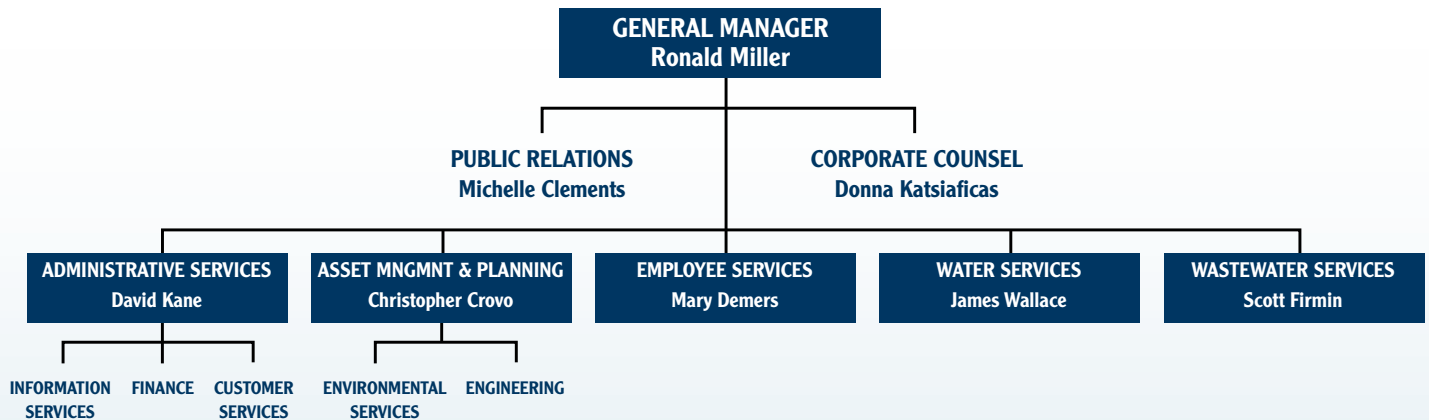
William Lunt
*Falmouth &
Cumberland*

Wayne Ross
*South Portland
& Cape Elizabeth*

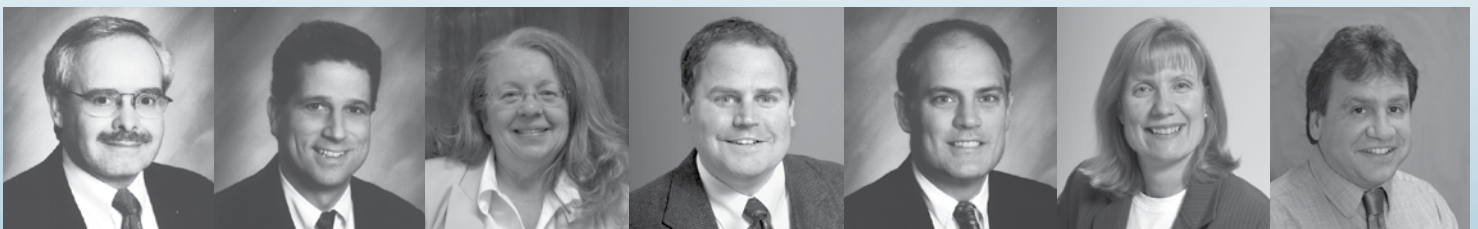
Joseph Siviski
*South Portland
& Cape Elizabeth*

Nisha Swinton
Portland

CORPORATE MANAGEMENT (AS OF 5/01/16)



CORPORATE OFFICERS AND SENIOR MANAGEMENT



Ronald Miller
General Manager

Christopher Crovo
*Executive
Director of Asset
Management
and Planning*

Mary Demers
*Executive
Director of
Employee Services*

Scott Firmin
*Executive Director
of Wastewater
Services*

David Kane
*Treasurer
& Executive
Director of
Administration*

Donna Katsiaficas
*Clerk & Corporate
Counsel*

James Wallace
*Executive
Director of
Water Services*

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 water treatment added.

2008 — The Portland Water District celebrated its centennial, a hundred years of providing water services to customers.

2014 — Ultraviolet light treatment 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.



2015 IN REVIEW

ADMINISTRATION

- Water rates increased 3.8% in 2015. The increase added about \$0.70 to the average household water bill.
- Current General Manager Ronald Miller was honored by the Board of Trustees for his achievement in being the longest serving General Manager in Portland Water District's history. He will be retiring in 2017.
- The establishment of a beach in Standish was approved by both the Town of Standish and the Board of Trustees.
- PWD was the first water utility in Maine to apply for exemptions to certain Public Utilities Commission Rules and Regulations and the first to receive approval.



- The Portland Water District updated its website to a responsive design to improve accessibility for mobile visitors.
- In 2015, PWD conducted its 8th customer satisfaction survey since 1996 in order to measure customer satisfaction. Overall satisfaction remains fairly consistent, with 82% of customers indicating they are satisfied with PWD.

- The value of water campaign, Water what's it worth?, continued for a second year. During the year, all PWD vehicles were affixed with logo decals and one van was wrapped with a more detailed design. Phase 2 of the campaign, featuring testimonials, television commercials, and a social media contest was planned for year three.



WATER

- In accordance with Long Term 2 Enhanced Surface Water Treatment Rule requirements, monitoring for *Cryptosporidium* continued through 2015. No *Cryptosporidium* was detected.
- Last year over 3 miles of water main were replaced as part of the Water Main Replacement Program.

Community	Street	Feet
Portland	Deering St. (State to High) Mellen St.	1,880
	Custom House Wharf, Brookside Dr.	1,040
	High St. (Commercial to York)	145
	Anderson St.	1,940
	Washington Ave., West Kidder St.	2,000
S. Portland	Thornton Heights (Phase 2)	3,132
Westbrook	Bridge St. Bridge	980
Falmouth	Gray Rd., Winn Rd.	1,500
Scarborough	Pleasant Hill Ave. (Phase 2)	4,000
Total Main Replacement		16,617

WASTEWATER

Construction began on an \$11.4 million dollar project to upgrade the East End Wastewater Treatment Facility's 36-year old aeration system. The project will replace old surface aerators with turbine style blowers and fine bubble diffusers installed on the tank floor, which will use much less power per unit of oxygen added than the original system.

Design was completed and construction began on a \$1.2 million project to upgrade the Fore River Pump Station in Portland. Phase 1 focuses on replacement of pumping and motor control systems that are near the end of their service life after nearly 40 years in operation.

Work continued on upgrades to the sewer interceptors in the area of the Dana Court Pump Station as described in the 2010 Westbrook Combined Sewer Overflow Master Plan Update Study. Construction includes upsizing approximately 1,100 feet of interceptor sewer.

The Portland Water District's Industrial Pretreatment Program was recognized by EPA with the 2015 Regional Industrial Pretreatment Program Excellence Award.



2016 BUDGET GOALS SUMMARY

GOAL 1 *Public Health*

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

- Work with Portland Pipe Line and watershed towns to ensure effective spill response
- Expand Cross Connection Control Program to all new residential construction
- Conclude round 2 of *Cryptosporidium* monitoring per Long-Term 2 Enhanced Surface Water Treatment Rule regulations

GOAL 2 *Public Safety*

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

- Update procedure to test for Total Coliform during every water main break with a pressure loss
- Conduct hydrant flow testing in Scarborough
- Continue fire department outreach, including supporting quarterly meetings with metropolitan fire chiefs

GOAL 3 *Environment*

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

- Begin construction of the EEWTF aeration upgrade
- Continue to reduce effluent permit violations, with a goal of zero in 2016
- Support municipalities in their management of combined sewer and wet weather flows
- Evaluate UV treatment at the Cape Elizabeth plant

GOAL 4 *Reliability*

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

- Continue investment in main replacement by increasing investment to \$7 million
- Continue right-of-way maintenance program
- Work to understand the impact of hot soils in areas where there are leaks on ductile iron mains

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
- Investigate options for periods of unattended operation at the SLWTF
- Continue to review and reduce premium time needs

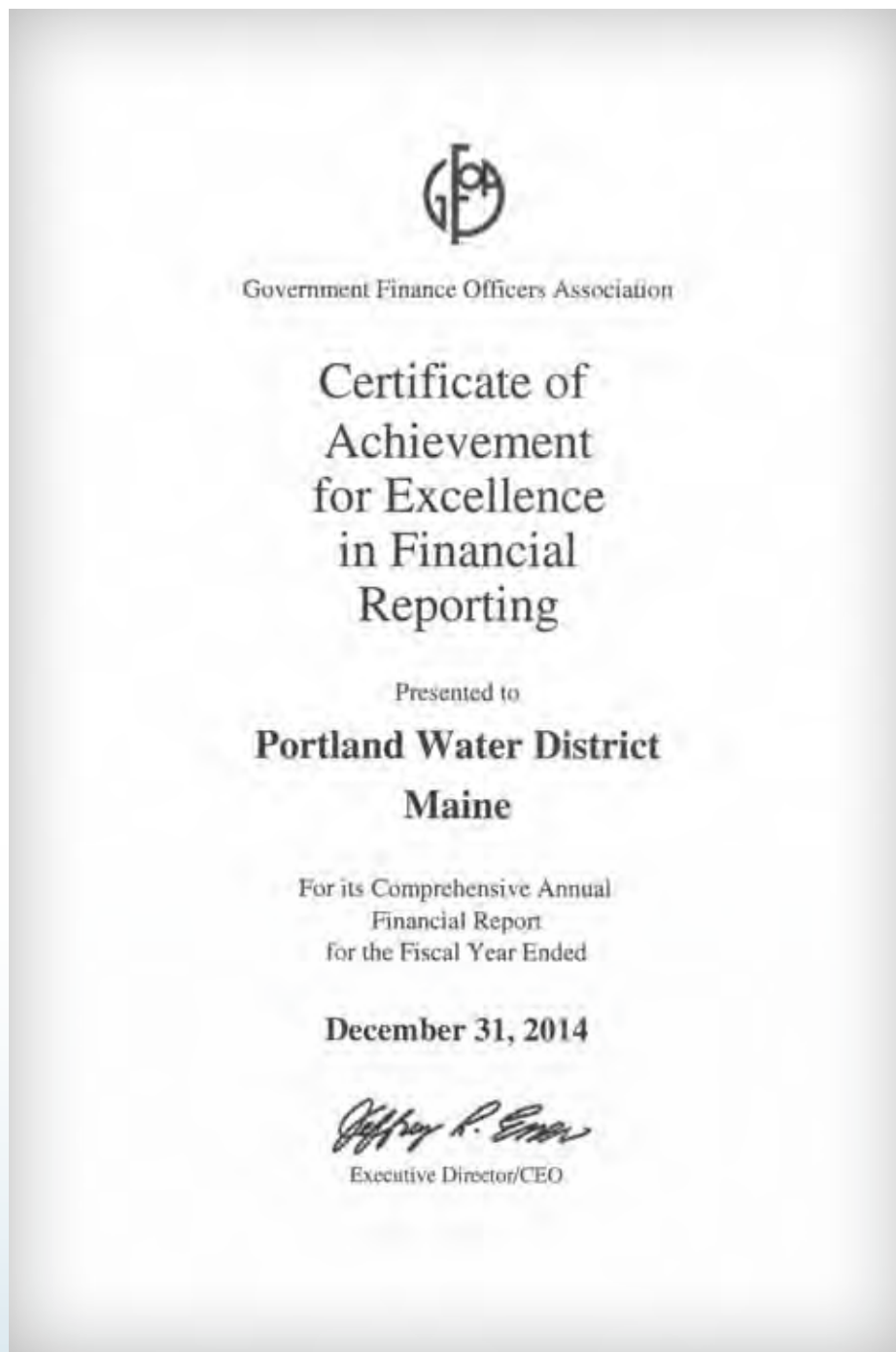
GOAL 6 *Employees and Work Environment*

Well trained and satisfied employees will work in a safe and productive work environment.

- Invest on average 80 hours of training per employee
- Execute new labor contract in 2016
- Review policies for consistency and revision
- Implement new accident/incident reporting form and process



RECOGNITION AND ACKNOWLEDGEMENTS



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, 2014.

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*

**Fluoride Proficiency
Award**
Maine Bureau of Health

**Regional Industrial
Pretreatment Program
Excellence Award**
*Environmental
Protection Agency*



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 2015. Macpage LLC's report is included in the financial section of this report.

Sincerely,

Ronald Miller

Ronald Miller
General Manager

David Kane

David M. Kane
Executive Director of Administration

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

FINANCIAL



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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, 2015, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2015, 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

Change in Accounting Principle

As discussed in Note 4 to the financial statements, Portland Water District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

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 - 26 and Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining and Non-Bargaining Unit Pension Plan (Unaudited), 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 64-66 and Schedules of Funding Progress for the Other Postemployment Benefit Plan (OPEB) on page 67 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 as a whole. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2016 on our consideration of Portland Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portland Water District's internal control over financial reporting and compliance.



Augusta, Maine
April 29, 2016

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 seven proprietary funds that are financed and operated in a manner similar to private businesses and two pension trust fund. The District's Water Fund serves eleven towns and cities in the greater Portland, Maine area. The District's six Wastewater Funds serve the following Maine municipalities: Cape Elizabeth, Cumberland, 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 on 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 of the Financial Statements

Financial Highlights

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting & Financial Reporting for Pensions*. As of the beginning of the fiscal year, the District restated Net Position to recognize a pension liability of \$7.35 million. At year-end, that liability increased slightly to \$7.50 million and the District's Statement of Net Position included pension related deferred outflows of \$1.17 million and deferred inflows of \$0.09 million.

Net Position before Contributions – This item increased \$2.63 million in 2015.

Operating Revenues – These revenues increased \$1.21 million (3.2%) in 2015. Metered Water revenue was up 5.2% (\$972,327) due to higher average rates (3.8%) and increased consumption (1.5%). Wastewater Assessments were up 0.8% (\$143,964) due to increases in Cape Elizabeth and Portland. Fire Protection (\$82,120 or 3.9%) and Other Operating Revenues (\$6,690 or 1.2%) were also higher.

Non-Depreciation Operating Expenses – These expenses rose 0.6% (\$154,000) in 2015. Increases in Contracted Services (\$587,303 or 16.8%) and salaries/wages (\$132,559 or 1.4%) due to higher paving and wage rates respectively were mostly offset the decrease in employee benefits expense. That decrease was due to a decrease in pension expense related to the deferred outflows under the new GASB 68 accounting rule.

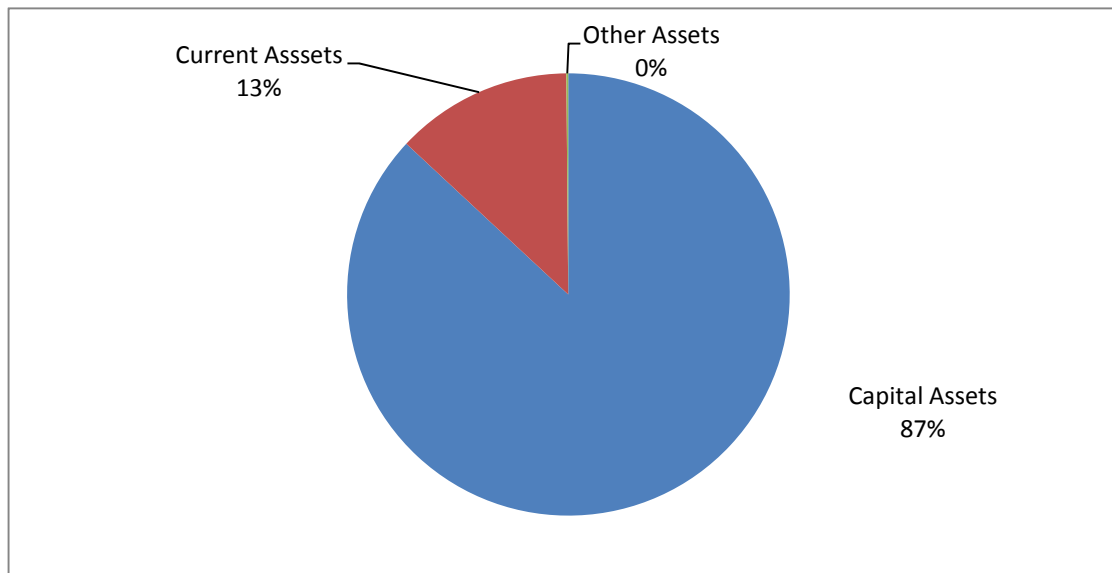
Capital Assets (\$260.24 million) increased 1.1% (\$2.94 million) in 2015. New capital asset additions included typical water infrastructure such as mains and services and included wastewater treatment equipment in Portland wastewater and interceptor structures in Westbrook wastewater.

East End Wastewater Treatment Facility (EEWWTF) Upgrade – During 2015, the District began an \$11 million upgrade of the aeration system at the facility. The project's impact on the 2015 financial statements includes the issuance of \$2.0 million in long-term debt as well as a large part of the \$1.61 million in construction work in progress in the Portland wastewater fund at year end.

Comparison of Financial Statements for Current and Prior Years Statement of Net Position (Condensed)

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Current Assets	\$ 38,725,148	\$ 33,937,738	\$4,787,410	14.1%
Capital Assets	260,237,336	257,300,392	2,936,944	1.1%
Other Assets	<u>432,906</u>	<u>505,826</u>	<u>(72,920)</u>	-14.4%
Non-Current Assets	260,670,242	257,806,218	2,864,024	1.1%
Total Assets	\$299,395,390	\$291,743,956	\$7,651,434	2.6%
Deferred Outflows	\$ <u>1,172,072</u>	\$ <u>0</u>	\$ <u>1,172,072</u>	n/a
Total Assets and Deferred Outflows	<u>\$300,567,462</u>	<u>\$291,743,956</u>	<u>\$8,823,506</u>	3.0%
Current Liabilities	\$ 10,196,528	\$ 11,441,968	\$(1,245,440)	-10.9%
Long-Term Debt/Payables	66,177,952	61,935,256	4,242,696	6.9%
Other Non-Current Liabilities	<u>9,529,268</u>	<u>9,144,336</u>	<u>384,932</u>	4.2%
Non-Current Liabilities	75,707,220	71,079,592	4,627,628	6.5%
Total Liabilities	\$ 85,903,748	\$ 82,521,560	\$ 3,382,188	4.1%
Deferred Inflows	\$ 89,424	\$ 0	\$ 89,424	n/a
Net Position:				
Invested in capital assets, net of related debt	\$189,204,269	\$190,834,740	\$(1,630,471)	-0.9%
Unrestricted	<u>25,370,021</u>	<u>18,387,656</u>	<u>6,982,365</u>	38.0%
Total Net Position:	\$214,574,290	\$209,222,396	\$ 5,351,894	2.6%
Total Liabilities, Deferred Inflows, and Net Position	<u>\$300,567,462</u>	<u>\$291,743,956</u>	<u>\$ 8,823,506</u>	3.0%

District Assets



Current Assets

Current Assets increased \$4.79 million (14.1%) in 2015. This growth is primarily the result of increased cash and investments due to positive operating results during 2015.

Capital Assets

Capital Assets increased \$2.94 million between 2014 and 2015 (1.1%).

	Additions	Reductions	Net Change
Utility Property	\$11,858,372	\$ (2,251,753)	\$ 9,606,619
Construction Work in Progress	2,297,082	(1,499,738)	797,344
Allowance for Depreciation	<u>(9,575,225)</u>	<u>2,108,202</u>	<u>(7,467,023)</u>
	<u>\$ 4,580,229</u>	<u>\$(1,643,289)</u>	<u>\$ 2,936,940</u>

The major additions to Utility Property for 2015 were:

- \$5.51 million, water distribution mains
- \$1.26 million, wastewater treatment equipment
- \$1.14 million, water services
- \$1.01 million, interceptor structures

The reductions to Utility Property (\$2.25 million) were mostly related to equipment retired as part of the East End Wastewater Treatment Facility upgrade.

Construction Work in Progress increased by \$0.80 million 2015. Most of the additions were related to water main projects or the aeration upgrade at the East End Wastewater Treatment Facility.

The Allowance for Depreciation grew 3.9% (\$7.47 million) in 2015. The additions were in line with prior years but reductions were significantly lower than 2014 due to that year having the retirement of older equipment at the Sebago Lake Water Treatment Facility.

For more detailed information, please refer to the Notes to the Financial Statements - Note 3 – Capital Assets.

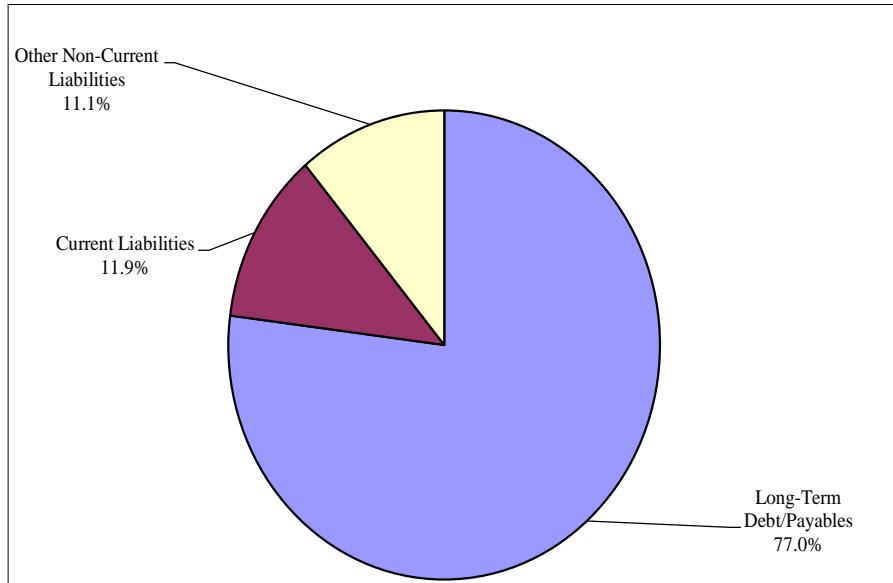
Other Assets

Other Assets, which decreased \$72,920 in 2015, consist of the long-term portion of notes receivable as well as the costs of studies being amortized over a number of years. The reduction was a combination of payments on the notes and amortization of those studies.

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. In the 2015 financials, the \$1.17 million Deferred Outflow primarily represents the net difference between projected and actual investment earnings with the District's defined pension plan.

District Liabilities



Current Liabilities

<u>Description</u>	<u>2015</u>	<u>2014</u>	<u>Diff \$</u>	<u>Dif %</u>
Accounts Payable & Accrued Payroll	\$ 3,489,767	\$ 4,980,928	\$(1,491,161)	-29.9%
Construction Retainage	159,870	479,306	(319,436)	-66.6%
Current Portion – Long-Term Debt	5,420,437	4,853,279	567,158	11.7%
All Other Current Liabilities	<u>1,126,454</u>	<u>1,128,455</u>	<u>(2,001)</u>	-0.2%
	<u>\$10,196,528</u>	<u>\$11,441,968</u>	<u>\$(1,245,440)</u>	-10.9%

Current Liabilities declined 10.9% (\$1.25 million) between 2014 and 2015.

The wrap up of the water treatment plant upgrade in early 2015 resulted in both lower accounts payable and construction retainage balances at the end of 2015. These decreases are somewhat offset by the increase in the current portion of long-term debt due to recent bond issuances outpacing retirements.

Long-Term Debt/Bond Rating

In 2015, the District issued a bond for the Water Fund. Moody's and Standard & Poors (S&P), respectively assigned ratings of A1 and A+. Those are the same ratings received on the 2014 Water bond issued.

Long-Term Debt/Payables

Bonded Debt:	Beginning	Issued	Retired	Ending
Water	\$39,645,214	\$6,459,000	\$(2,552,926)	\$43,551,288
Wastewater:				
Cape Elizabeth	2,276,000	240,000	(134,250)	2,381,750
Cumberland	75,000	-	(6,250)	68,750
Gorham	4,042,815	-	(303,069)	3,739,746
Portland	15,517,561	2,000,000	(1,502,354)	16,015,207
Westbrook	3,645,083	1,000,000	(276,170)	4,368,913
Windham	<u>1,414,740</u>	<u>-</u>	<u>(100,885)</u>	<u>1,313,855</u>
Total Bonded Debt	\$66,616,413	\$9,699,000	\$(4,875,904)	\$71,439,509
(less current portion)	<u>(4,853,279)</u>			<u>(5,420,437)</u>
Non-Current	<u>\$61,763,136</u>			<u>\$66,019,072</u>
Notes Payable:	Beginning	Issued	Retired	Ending
Wastewater:				
Windham	\$ <u>185,360</u>		\$(13,240)	\$ <u>172,120</u>
Total Notes Payable	185,360		(13,240)	172,120
(less current portion)	<u>(13,240)</u>			<u>(13,240)</u>
Non-Current	<u>\$ 172,120</u>			<u>\$ 158,880</u>
Non-Current LT Debt	<u>\$61,935,256</u>			<u>\$66,177,952</u>

This category consists of general revenue bonds and notes payable. During 2015, the balance of Long-Term Debt/Payables increased 6.75% or \$0.33 million. Issuances of \$9.7 million were offset by retirements of \$4.9 million.

For more detailed information, please refer to the Notes to the Financial Statements - Note 3 – Long Term Debt.

Other Non-Current Liabilities

<u>Description</u>	<u>2015</u>	<u>2014</u>	<u>Diff \$</u>	<u>Dif %</u>
Customer Advances & Other Liabilities	\$1,189,758	\$1,026,927	\$ 162,831	15.9%
Compensated Absences - Non-Current	841,444	767,868	73,576	9.6%
Net Pension Liability	<u>7,498,066</u>	<u>7,349,541</u>	<u>148,525</u>	2.0%
	<u>\$9,529,268</u>	<u>\$9,144,336</u>	<u>\$384,932</u>	4.2%

The net pension liability is now shown per the implementation of GASB 68. Customer Advances & Other Liabilities grew due to deposits related on future contributed property and new bond premiums.

Deferred Inflows

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The \$89,424 Deferred Inflow in 2015 represents the difference between expected and actual experience in the District's defined benefit pension plan.

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

	<u>2015</u>	<u>2014</u>	<u>Diff \$</u>	<u>Diff %</u>
Operating Revenue	\$ 39,396,921	\$ 38,191,819	\$ 1,205,102	3.2%
<u>Non-Operating Revenue</u>	<u>274,874</u>	<u>149,193</u>	<u>125,681</u>	84.2%
Total Revenues	\$ 39,671,795	\$ 38,341,012	\$ 1,330,783	3.5%
Depreciation Expense	\$ 8,845,225	\$ 8,713,697	\$ 131,528	1.5%
<u>Non-Depreciation Operating Expense</u>	<u>26,324,698</u>	<u>26,170,698</u>	<u>154,000</u>	0.6%
Operating Expense	\$ 35,169,923	\$ 34,884,395	\$ 285,528	0.8%
<u>Non-Operating Expense</u>	<u>1,871,407</u>	<u>4,406,129</u>	<u>(2,534,722)</u>	-57.5%
Total Expenses	\$ 37,041,330	\$ 39,290,524	\$ (2,249,194)	-5.7%
Net Position before Contributions	\$ 2,630,465	\$ (949,512)	\$ 3,579,977	-377.0%
<u>Contributions</u>	<u>2,721,429</u>	<u>2,069,800</u>	<u>651,629</u>	31.5%
Change in Net Position	\$ 5,351,894	\$ 1,120,288	\$ 4,231,606	377.7%
<u>Beginning Net Position</u>	<u>209,222,396</u>	<u>208,102,108</u>	<u>1,120,288</u>	0.5%
Ending Net Position	<u>\$214,574,290</u>	<u>\$209,222,396</u>	<u>\$5,351,894</u>	2.6%

Operating Revenue

	<u>2015</u>	<u>2014</u>	<u>Diff \$</u>	<u>Diff %</u>
Metered Water Revenue	\$19,507,814	\$18,535,487	\$ 972,327	5.2%
Wastewater Assessments	17,116,284	16,972,320	143,964	0.8%
Public & Private Fire Protection	2,186,843	2,104,722	82,121	3.9%
<u>Other Operating Revenue</u>	<u>585,980</u>	<u>579,290</u>	<u>6,690</u>	1.2%
Total Operating Revenue	<u>\$39,396,921</u>	<u>\$38,191,819</u>	<u>\$1,205,102</u>	3.2%

Metered Water Revenue (\$19.51 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. During 2015, metered water rates are regulated by the State of Maine's Public Utilities Commission. In May 2015, metered rates increased an average of 3.8% over the rates that had been in place the previous year. Consumption in 2015 was 8.56 million HCF, an increase of 1.54% from the previous year's 8.43 million HCF.

Wastewater Assessments (\$17.12 million) - These assessments were paid by the local municipalities to the District for providing wastewater services such as interception, treatment, and contracted services. Assessments are set annually by the District's governing board. The rise in revenue was due to assessment increases of 2.5% in Cape Elizabeth (\$35k) and 1.0% in Portland (\$109k), all other funds were unchanged between 2014 and 2015.

Public and Private Fire Protection (\$2.19 million) - This revenue includes charges to local municipalities for water capacity available for public firefighting needs as well as for private sprinkler systems. These charges are regulated by the State of Maine's Public Utilities Commission. Rates for Public Fire Protection and Private Fire Protection increased an average of 3.8% in May 2015.

Other Operating Revenue (\$0.59 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 up \$6,690 (1.2%) in 2015.

Operating Revenue by Fund

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$21,981,189	\$20,938,150	\$1,043,039	5.0%
Wastewater:				
Cape Elizabeth	1,412,112	1,377,252	34,860	2.5%
Cumberland	731,784	731,784	-	0.0%
Gorham	1,121,308	1,125,104	(3,796)	-0.3%
Portland	11,121,986	10,984,175	137,811	1.3%
Westbrook	2,674,104	2,680,408	(6,304)	-0.2%
Windham	<u>354,438</u>	<u>354,946</u>	<u>(508)</u>	<u>-0.1%</u>
	<u>\$39,396,921</u>	<u>\$38,191,819</u>	<u>\$1,205,102</u>	<u>3.2%</u>

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales increased \$972,327 (5.2%) due to both the May 2015 rate increase and higher usage. Fire Protection revenue was up \$82,121 (3.9%) due to the 2015 rate increase and Other Revenue was down \$11,409 (3.8%).

In the Wastewater (WW) Funds, the largest component of Operating Revenue is the wastewater assessments. Assessments were increased in Cape Elizabeth (2.5%) and Portland (1.0%) to cover increased debt service and/or operating costs. This line was flat for all other funds.

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 serves the Gorham, Westbrook and Windham Funds.

Non-Operating Revenue

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Interest Income	\$118,826	\$ 86,684	\$ 32,142	37.1%
Miscellaneous Income (Expense)	152,728	62,509	90,219	144.3%
Gain on Sale/Retirement	<u>3,320</u>	<u>-</u>	<u>3,320</u>	<u>100.0%</u>
	<u>\$274,874</u>	<u>\$149,193</u>	<u>\$125,681</u>	<u>84.2%</u>

Interest Income increased \$32,142 (37.1%) in 2015. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. The rate of return increased from 0.26% in 2014 to 0.38% in 2015. The increase was also due to higher average cash balances during 2015.

Miscellaneous Income includes non-operational items such as grants and reimbursements for expenses offset by the cost to retire capital assets. The increase in 2015 was primarily due to the growth in revenue from renting space on a District water tower to cell phone providers.

Depreciation Expense

Depreciation Expense went from \$8.71 million in 2014 to \$8.85 million in 2015, an increase of 1.6%. Most of this increase was in the Water fund due to the beginning of depreciation on the upgrades done at the Sebago Lake Water Treatment Facility.

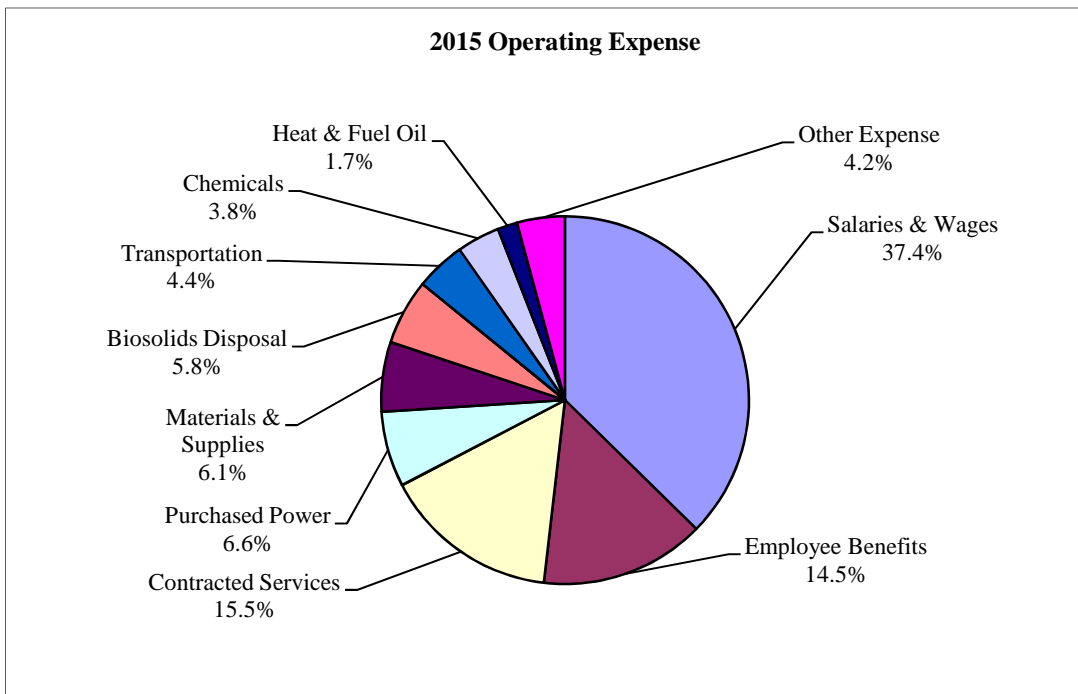
The four largest asset groups accounted for over half the expense for the year:

- Water Distribution Mains (\$2.13 million)
- Wastewater Interceptor Structures (\$1.13 million)
- Wastewater Treatment Plant Structures (\$0.94 million)
- Wastewater Treatment Plant Equipment (\$0.88 million)

Please refer to the Notes to the Financial Statement for more information.

Non-Depreciation Operating Expense

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Salaries & Wages	\$ 9,832,283	\$ 9,699,724	\$ 132,559	1.4%
Employee Benefits	3,819,319	4,662,451	(843,132)	-18.1%
Contracted Services	4,078,652	3,491,349	587,303	16.8%
Purchased Power	1,750,431	1,699,980	50,451	3.0%
Materials & Supplies	1,607,479	1,599,296	8,183	0.5%
Biosolids Disposal	1,518,633	1,462,622	56,011	3.8%
Transportation	1,157,067	1,118,928	38,139	3.4%
Chemicals	991,814	1,086,724	(94,910)	-8.7%
Heat & Fuel Oil	460,266	454,458	5,808	1.3%
Other Expense	<u>1,108,754</u>	<u>895,166</u>	<u>213,588</u>	23.9%
	<u>\$26,324,698</u>	<u>\$26,170,698</u>	<u>\$ 154,000</u>	0.6%



Non-Depreciation Operating Expense Category Explanations

Salaries/Wages – Salaries and Wages expense increased 1.4% (\$132,559). The expense increase was due to the impact of the 2.0% pay rate increase and an increase in overtime hours over 2014. These increases were partially offset by open position during the year.

Employee Benefits – The cost of employee benefits decreased 18.1% (\$843,132) in 2015. With the adoption of GASB 68, the District had a \$1.17 million deferred outflow primarily due to lower than expected pension investment returns; this resulted in a large reduction in pension expense in 2015.

Contracted Services - This category, which is comprised of services provided to the District by outside vendors increased 16.8% (\$587,303) in 2015. In 2015, approximately \$390,000 more was spent on paving costs than in 2014. A single project in the Maine Mall area cost \$150,000 alone. Labor relations costs were higher in 2015 due to union contract negotiation costs.

Purchased Power - Power costs increased 3.0% (\$50,451). Increases in transmission and delivery rates were partially offset by decreased power use in 2015. Power use at the Sebago Lake Water Treatment Facility (SLWTF), East End Wastewater Treatment Facility (EEWTF) and India Street Pump Station (ISPS) all decreased in 2015 by 8.0%, 3.7% and 1.2%, respectively. Energy rates for the EEWTF and ISPS remained the same.

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. In 2015, this expense category was up 0.5% (\$8,183).

Biosolids Disposal - The District contracts with an outside vendor to remove and dispose of biosolids from its wastewater treatment facilities. Biosolids disposal expenses increased in 2015 by 3.8% (\$56,011). The increase was due to an increase in the wet tons produced at both the Westbrook Regional Wastewater Treatment Facility and the EEWTF.

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. Costs increased by 3.4% (\$38,139) due to an increase in system maintenance needs from the prior year.

Chemicals - Overall, chemical costs were down \$94,910 (8.7%) in 2015. Most chemical prices were lower in 2015. In addition, sodium hypochlorite use at both major wastewater facilities was lower than the previous year.

Heating & Fuel Oil - These costs increased 1.3% (\$5,808). The cost of heating oil was lower in 2015 but this was offset by colder temperatures to start the year and higher natural gas prices.

Other Expense - This category includes items such as other utilities (water, wastewater, telephone), preliminary surveys, insurance and regulatory expense. This category was up 23.9% (\$213,588) due in large part to a large (\$269k) contribution to a watershed protection project.

Operating Expense by Fund

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$18,967,421	\$18,426,129	\$541,292	2.9%
Wastewater:				
Cape Elizabeth	1,507,374	1,605,198	(97,824)	-6.1%
Cumberland	839,301	881,199	(41,898)	-4.8%
Gorham	945,512	1,013,200	(67,688)	-6.7%
Portland	10,396,731	10,426,700	(29,969)	-0.3%
Westbrook	2,276,087	2,312,246	(36,159)	-1.6%
Windham	<u>237,497</u>	<u>219,723</u>	<u>17,774</u>	8.1%
	<u>\$35,169,923</u>	<u>\$34,884,395</u>	<u>\$285,528</u>	0.8%

Overall, operating expenses were up 0.8%. Water fund expenses were higher primarily due higher paving costs and to a large contribution to a watershed protection project. The net deferral of pension expense to Deferred Outflows on the Statement of Net Position significantly reduced pension expense in all funds. In addition, costs declined in Cape Elizabeth due to last year's one time combined sewer overflow (CSO) study expenses and decline in Gorham due to a shift in treatment plant expense (due to changes in flows) to Westbrook. Windham costs were higher due to with higher than maintenance cost.

Non-Operating Expense

This item is primarily Interest & Amortization Expense and the Loss (Gain) on the Sale/Retirement of Operating Property. Despite having a higher level of debt, Interest/Amortization expense was flat due to the District obtaining lower interest rates on new debt issued than the rates on debt being retired. In 2014, the District incurred a larger loss on the disposal of assets relating to the assets retired as part of the major upgrade done at the Sebago Lake Water Treatment Facility.

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Interest/Amortization Expense	\$1,871,407	\$1,870,298	\$ 1,109	0.1%
Loss on Sale/Retirement	-	<u>2,535,831</u>	<u>(2,535,831)</u>	-100%
	<u>\$1,871,407</u>	<u>\$4,406,129</u>	<u>\$(2,534,722)</u>	-57.5%

Contributions

Contributions are non-exchange transactions in which the District takes ownership of fixed assets constructed and/or paid for by outside parties.

	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$2,104,408	\$1,358,398	\$ 746,010	54.9%
Water Services	291,423	205,879	85,544	41.6%
Water Meters	116,476	134,540	(18,064)	-13.4%
Hydrants	171,710	70,983	100,727	141.9%
Other Water Assets	37,412	-	37,412	n/a
Energy Efficiently Grant	-	<u>300,000</u>	<u>(300,000)</u>	-100.0%
	<u>\$2,721,429</u>	<u>\$2,069,800</u>	<u>\$ 651,629</u>	31.5%

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

Two of the key financial ratios for analyzing the District's financial position are the Current Ratio and the Debt Coverage Ratio. The Current Ratio (Current Assets divided by Current Liabilities) measures an organization's ability to meet short-term obligations. The Debt Coverage Ratio (Net Operating Income Plus Total Depreciation Expense/Total Debt Service) shows an organizations ability to meet debt service payments.

Current Ratio

	<u>2015</u>	<u>2014</u>
Current Assets	\$38,725,148	\$33,937,738
Current Liabilities	10,196,528	11,441,968
Current Ratio	3.80	2.97

The above current ratio includes Trustee held funds to be used for construction projects. Excluding the Trustee held funds from the current ratio would be 3.50 and 2.94 for 2015 and 2014, respectively.

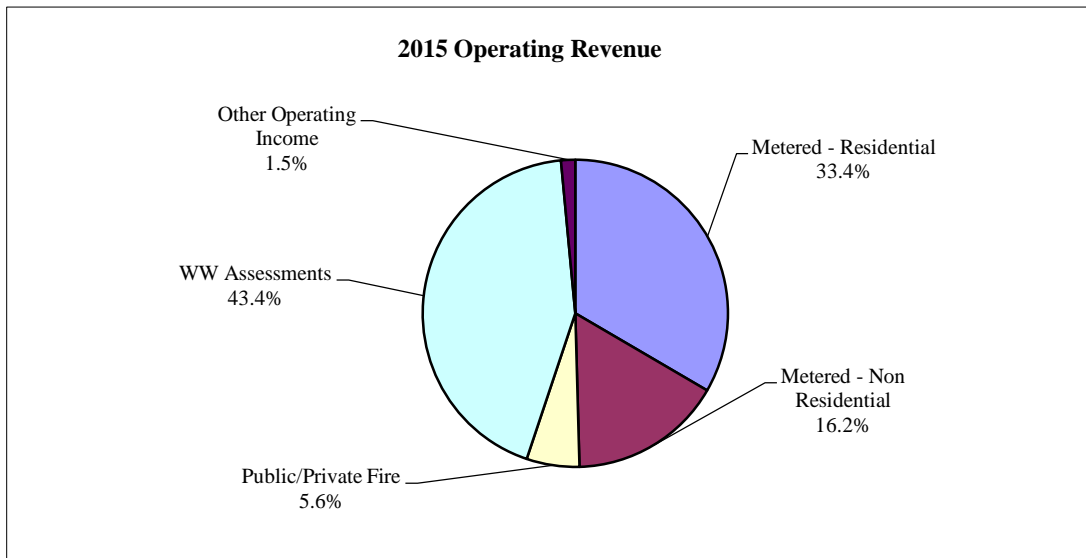
Debt Coverage Ratio

	<u>2015</u>	<u>2014</u>
Operating Income	\$ 4,226,998	\$ 3,307,424
Total Depreciation Expense	<u>8,845,225</u>	<u>8,713,697</u>
Net Avail - Debt Service	\$13,072,223	\$12,021,121
Principal Payments	\$4,875,904	\$5,057,279
Interest & Amortization Exp	<u>1,871,407</u>	<u>1,870,298</u>
	\$6,747,311	\$6,927,577
Coverage Ratio	1.94	1.74

The ratio of 1.94 for 2015 and 1.74 for 2014 shows the District is able to support payments on its long-term debt.

Revenue Stability

Most of the District's Operating Revenue (98.5% in 2015), came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges. The revenue is provided by a large/diverse group of customers (Metered Water and Private Fire) or by the municipalities in the District's service area (Wastewater Assessments or Public Fire).



Metered Water Revenue (49.6%) – Metered water rates are regulated by the State of Maine's Public Utility Commission (PUC). The PUC approves rates that allow the District to maintain operations and pay debt service. The District had 52,309 metered customers at the end of 2015; the largest ten customers only represented 9.5% of water operating revenue.

Wastewater Assessments (43.4%) - These assessments are paid by the local municipalities served by the District and are funded by sewer user charges. Legally, the District is obligated to set the assessments at an amount needed to operate the wastewater facilities and pay the related debt service.

Public/Private Fire Projection (5.6%) – Public Fire charges are paid by the eleven municipalities served by the District, Private Fire has 2,106 customers.

Significant Changes to Individual Funds

Pension Trust Funds

Statement of Net Position

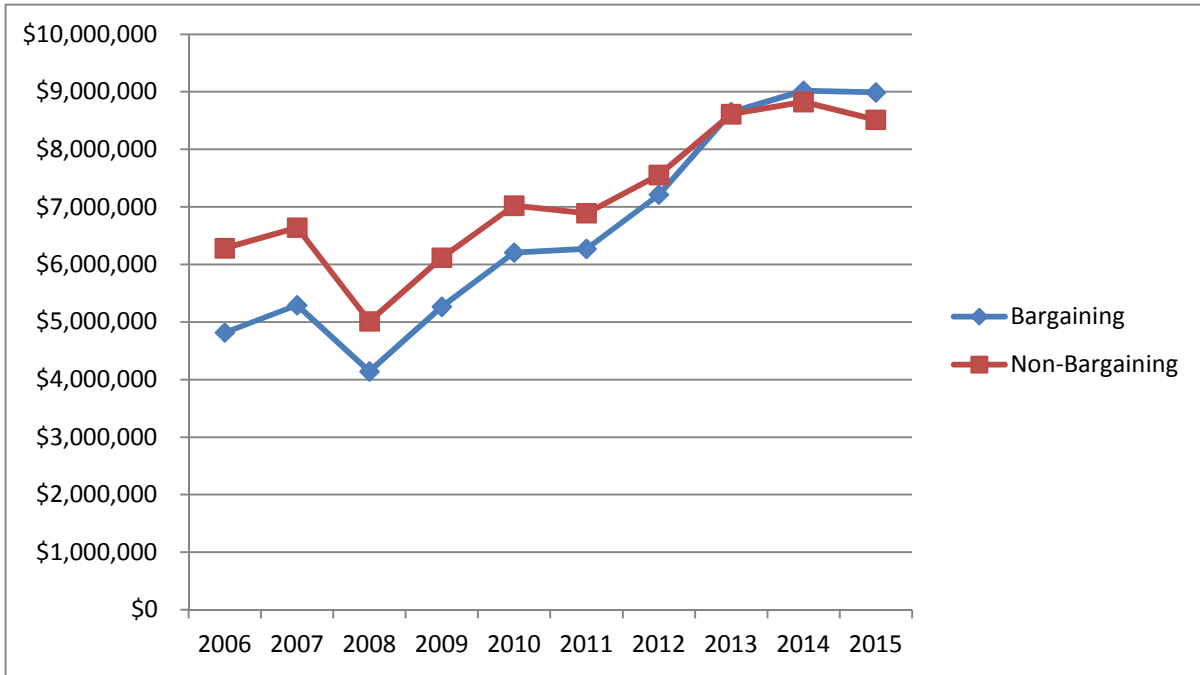
Bargaining Unit:	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Cash & Cash Equivalents	\$ 254,566	\$ 334,393	\$ (86,111)	-25.8%
Investments				
Fixed Income	1,822,865	1,824,479	(1,614)	-0.1%
Domestic & International Equities	<u>6,910,765</u>	<u>6,858,008</u>	<u>52,758</u>	<u>0.8%</u>
	8,733,630	8,682,487	51,144	0.6%
Interest Receivable	<u>321</u>	<u>163</u>	<u>6,442</u>	<u>1400.4%</u>
Total Assets	<u>\$8,988,517</u>	<u>\$9,017,043</u>	<u>\$ (28,525)</u>	<u>-0.3%</u>
 Non-Bargaining Unit:	 <u>2015</u>	 <u>2014</u>	 <u>Diff</u>	 <u>Diff %</u>
Cash & Cash Equivalents	\$ 270,250	\$ 371,009	\$(100,758)	-27.2%
Investments				
Fixed Income	1,761,430	1,837,514	(76,084)	-4.1%
Domestic & International Equities	<u>6,482,201</u>	<u>6,614,269</u>	<u>(132,070)</u>	<u>-2.0%</u>
	8,243,631	8,451,783	(208,154)	-2.5%
Interest Receivable	<u>321</u>	<u>304</u>	<u>18</u>	<u>5.9%</u>
Total Assets	<u>\$8,514,202</u>	<u>\$8,823,096</u>	<u>\$(308,894)</u>	<u>-3.5%</u>

Statement of Revenues, Expenses & Changes in Net Position

Bargaining Unit:	<u>2015</u>	<u>2014</u>	<u>Diff</u>	<u>Diff %</u>
Employer Contributions	\$ 609,851	\$ 502,000	\$ 107,851	21.5%
Net Investment Income	<u>(73,698)</u>	<u>377,502</u>	<u>(451,200)</u>	<u>-119.5%</u>
Total Additions	536,153	879,502	(343,349)	-39.0%
Benefit Payments	<u>564,679</u>	<u>508,004</u>	<u>56,674</u>	<u>11.2%</u>
Net Increase in Position	(28,526)	371,498	(400,023)	-107.7%
Beginning of the Year	<u>9,017,043</u>	<u>8,645,545</u>	<u>371,498</u>	<u>4.3%</u>
End of the Year	<u>\$8,988,517</u>	<u>\$9,017,043</u>	<u>\$ (28,525)</u>	<u>-0.3%</u>
 Non-Bargaining Unit:	 <u>2015</u>	 <u>2014</u>	 <u>Diff</u>	 <u>Diff%</u>
Employer Contributions	\$ 390,149	\$ 424,000	\$ (33,851)	-8.0%
Net Investment Income	<u>(47,727)</u>	<u>375,587</u>	<u>(423,313)</u>	<u>-112.7%</u>
Total Additions	342,422	799,587	(457,164)	-57.2%
Benefit Payments	<u>651,316</u>	<u>587,753</u>	<u>63,564</u>	<u>10.8%</u>
Net Increase in Position	(308,894)	211,834	(520,728)	-245.8%
Beginning of the Year	<u>8,823,096</u>	<u>8,611,262</u>	<u>211,834</u>	<u>2.5%</u>
End of the Year	<u>\$8,514,202</u>	<u>\$8,823,096</u>	<u>\$(308,894)</u>	<u>-3.5%</u>

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

	<u>Bargaining</u>	<u>Diff</u>	<u>Diff %</u>	<u>Non-Bargaining</u>	<u>Diff</u>	<u>Diff %</u>
2006	\$4,818,469	n/a	n/a	\$6,283,923	n/a	n/a
2007	5,291,630	473,161	9.8%	6,641,760	357,837	5.7%
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%



The combined employer contribution of \$1.0 million was 8.0% higher than 2014. Benefit payouts to retirees increased 10.8% over the previous year due to the net growth in the number of retirees drawing benefits. The retirees did not receive a cost of living increase in 2015.

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.

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Statement of Net Position - Proprietary Funds

December 31, 2015

ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
Current Assets			
Cash and cash equivalents	\$ 4,347,410	\$ 263,656	\$ 180,990
Investments	13,972,512	849,035	582,830
Accounts receivable, net allowance for doubtful accounts of \$251,000 for water systems	2,824,635	-	-
Notes receivable, current	-	-	-
Inventories	1,500,839	-	-
Prepaid expenses	453,447	833	-
Trustee held funds	-	-	-
Total Current Assets	<u>23,098,843</u>	<u>1,113,524</u>	<u>763,820</u>
Non-Current Assets			
Capital Assets:			
Operating property	291,503,871	15,908,347	7,752,016
Accumulated depreciation	(101,953,775)	(10,124,680)	(4,809,394)
Net operating property	<u>189,550,096</u>	<u>5,783,667</u>	<u>2,942,622</u>
Construction in progress	755,699	33,333	-
Net Capital Assets	<u>190,305,795</u>	<u>5,817,000</u>	<u>2,942,622</u>
Charges and Other Assets:			
Notes receivable	210,642	-	-
Maintenance and other costs	10,086	-	-
Total Charges & Other Assets	<u>220,728</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>190,526,523</u>	<u>5,817,000</u>	<u>2,942,622</u>
Total Assets	213,625,366	6,930,524	3,706,442
Deferred Outflows of Pension Resources			
Deferred outflows of pension resources	<u>720,708</u>	<u>39,615</u>	<u>16,644</u>
Total Assets and Deferred Outflows	<u>\$ 214,346,074</u>	<u>\$ 6,970,139</u>	<u>\$ 3,723,086</u>

See independent auditors' report.

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

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 308,653	\$ 1,445,071	\$ 701,121	\$ 101,911	\$ 7,348,812
993,934	4,653,471	2,115,394	328,177	23,495,353
-	20,622	29,017	-	2,874,274
-	-	13,240	-	13,240
-	-	-	-	1,500,839
153	29,021	9,176	-	492,630
-	2,000,000	1,000,000	-	3,000,000
<u>1,302,740</u>	<u>8,148,185</u>	<u>3,867,948</u>	<u>430,088</u>	<u>38,725,148</u>
17,604,645	99,614,855	21,340,088	3,006,129	456,729,951
(7,779,126)	(60,175,111)	(13,105,639)	(966,328)	(198,914,053)
<u>9,825,519</u>	<u>39,439,744</u>	<u>8,234,449</u>	<u>2,039,801</u>	<u>257,815,898</u>
2,434	1,610,505	19,262	205	2,421,438
<u>9,827,953</u>	<u>41,050,249</u>	<u>8,253,711</u>	<u>2,040,006</u>	<u>260,237,336</u>
-	-	158,880	-	369,522
-	-	53,298	-	63,384
-	-	<u>212,178</u>	-	<u>432,906</u>
<u>9,827,953</u>	<u>41,050,249</u>	<u>8,465,889</u>	<u>2,040,006</u>	<u>260,670,242</u>
11,130,693	49,198,434	12,333,837	2,470,094	299,395,390
<u>25,082</u>	<u>292,432</u>	<u>71,379</u>	<u>6,212</u>	<u>1,172,072</u>
<u>\$ 11,155,775</u>	<u>\$ 49,490,866</u>	<u>\$ 12,405,216</u>	<u>\$ 2,476,306</u>	<u>\$ 300,567,462</u>

Statement of Net Position - Proprietary Funds - Continued

December 31, 2015

LIABILITIES AND NET POSITION

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
Current Liabilities			
Accounts payable and accrued payroll	\$ 2,088,200	\$ 267,839	\$ 147,787
Accrued interest	215,642	5,501	81
Customer deposits	150,003	-	-
Construction retainage	124,348	-	-
Current portion - compensated absences	644,849	-	-
Current portion - notes payable	-	-	-
Current portion - bonds	2,935,459	146,250	6,250
Total Current Liabilities	<u>6,158,501</u>	<u>419,590</u>	<u>154,118</u>
Non-Current Liabilities			
Customer advances and other liabilities	1,040,829	-	-
Compensated absences - non-current	841,444	-	-
Net pension liability	4,649,511	276,218	97,653
Total other non-current liabilities	<u>6,531,784</u>	<u>276,218</u>	<u>97,653</u>
Long-term debt - notes payable	-	-	-
Long-term debt - bonds	40,615,829	2,235,500	62,500
Total long-term debt - notes and bonds	<u>40,615,829</u>	<u>2,235,500</u>	<u>62,500</u>
Total Non-Current Liabilities	<u>47,147,613</u>	<u>2,511,718</u>	<u>160,153</u>
Total Liabilities	<u>53,306,114</u>	<u>2,931,308</u>	<u>314,271</u>
Deferred Inflows:			
Deferred inflows of pension resources	<u>54,986</u>	<u>3,023</u>	<u>1,270</u>
Net Position			
Net investment in capital assets	145,998,808	3,401,917	2,873,872
Unrestricted	14,986,166	633,891	533,673
Total Net Position	<u>160,984,974</u>	<u>4,035,808</u>	<u>3,407,545</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 214,346,074</u>	<u>\$ 6,970,139</u>	<u>\$ 3,723,086</u>

See independent auditors' report.

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

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 17,966	\$ 895,935	\$ 70,794	\$ 1,246	\$ 3,489,767
15,234	50,868	20,097	10,939	318,362
-	-	-	-	150,003
-	32,693	2,829	-	159,870
-	-	-	-	644,849
-	-	-	13,240	13,240
303,069	1,602,354	326,170	100,885	5,420,437
<u>336,269</u>	<u>2,581,850</u>	<u>419,890</u>	<u>126,310</u>	<u>10,196,528</u>
-	99,517	49,412	-	1,189,758
-	-	-	-	841,444
158,990	1,836,225	441,198	38,271	7,498,066
<u>158,990</u>	<u>1,935,742</u>	<u>490,610</u>	<u>38,271</u>	<u>9,529,268</u>
-	-	-	158,880	158,880
3,436,677	14,412,853	4,042,743	1,212,970	66,019,072
<u>3,436,677</u>	<u>14,412,853</u>	<u>4,042,743</u>	<u>1,371,850</u>	<u>66,177,952</u>
<u>3,595,667</u>	<u>16,348,595</u>	<u>4,533,353</u>	<u>1,410,121</u>	<u>75,707,220</u>
<u>3,931,936</u>	<u>18,930,445</u>	<u>4,953,243</u>	<u>1,536,431</u>	<u>85,903,748</u>
1,914	22,311	5,446	474	89,424
6,085,773	25,424,537	4,865,536	553,826	189,204,269
1,136,152	5,113,573	2,580,991	385,575	25,370,021
<u>7,221,925</u>	<u>30,538,110</u>	<u>7,446,527</u>	<u>939,401</u>	<u>214,574,290</u>
<u>\$ 11,155,775</u>	<u>\$ 49,490,866</u>	<u>\$ 12,405,216</u>	<u>\$ 2,476,306</u>	<u>\$ 300,567,462</u>

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

Year Ended December 31, 2015

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
Operating Revenues			
Water revenues	\$ 21,694,657	\$ -	\$ -
Wastewater assessments	-	1,412,112	731,784
Other operating revenues	286,532	-	-
Total Operating Revenues	<u>21,981,189</u>	<u>1,412,112</u>	<u>731,784</u>
Operating Expenses			
Operations	5,703,056	577,892	458,705
Maintenance	5,345,537	101,353	82,906
Customer accounting and collections	922,230	30,874	15,163
Administrative and general	2,272,535	293,535	115,858
Taxes on operating property	47,747	-	-
Depreciation not allocated elsewhere	4,676,316	503,720	166,669
Total Operating Expenses	<u>18,967,421</u>	<u>1,507,374</u>	<u>839,301</u>
Operating Income (Loss)	<u>3,013,768</u>	<u>(95,262)</u>	<u>(107,517)</u>
Non-Operating Revenues (Expenses)			
Interest income	55,926	2,798	3,072
Miscellaneous income	152,728	-	-
Gain on sale/disposal of operating property	3,320	-	-
Interest and amortization expense	(1,276,921)	(37,742)	(1,424)
Net Non-Operating Revenues (Expenses)	<u>(1,064,947)</u>	<u>(34,944)</u>	<u>1,648</u>
Change in Net Position Before Contributions	1,948,821	(130,206)	(105,869)
Capital Contributions	<u>2,721,429</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,670,250	(130,206)	(105,869)
Net Position, Beginning of Year, as Restated	<u>156,314,724</u>	<u>4,166,014</u>	<u>3,513,414</u>
Net Position, End of Year	<u>\$ 160,984,974</u>	<u>\$ 4,035,808</u>	<u>\$ 3,407,545</u>

See independent auditors' report.

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

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,694,657
1,106,148	10,981,308	2,533,176	351,756	17,116,284
15,160	140,678	140,928	2,682	585,980
<u>1,121,308</u>	<u>11,121,986</u>	<u>2,674,104</u>	<u>354,438</u>	<u>39,396,921</u>
267,669	5,191,762	1,092,058	87,704	13,378,846
37,717	238,972	65,807	14,626	5,886,918
22,203	204,670	54,226	1,089	1,250,455
194,685	2,293,436	535,306	55,377	5,760,732
-	-	-	-	47,747
423,238	2,467,891	528,690	78,701	8,845,225
<u>945,512</u>	<u>10,396,731</u>	<u>2,276,087</u>	<u>237,497</u>	<u>35,169,923</u>
175,796	725,255	398,017	116,941	4,226,998
5,598	28,372	21,153	1,907	118,826
-	-	-	-	152,728
-	-	-	-	3,320
<u>(83,340)</u>	<u>(339,047)</u>	<u>(95,630)</u>	<u>(37,303)</u>	<u>(1,871,407)</u>
<u>(77,742)</u>	<u>(310,675)</u>	<u>(74,477)</u>	<u>(35,396)</u>	<u>(1,596,533)</u>
98,054	414,580	323,540	81,545	2,630,465
-	-	-	-	2,721,429
98,054	414,580	323,540	81,545	5,351,894
<u>7,123,871</u>	<u>30,123,530</u>	<u>7,122,987</u>	<u>857,856</u>	<u>209,222,396</u>
<u>\$ 7,221,925</u>	<u>\$ 30,538,110</u>	<u>\$ 7,446,527</u>	<u>\$ 939,401</u>	<u>\$ 214,574,290</u>

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2015

	Water Systems	Cape Elizabeth	Cumberland
Cash flows from operating activities			
Receipts from customers	\$ 21,871,574	\$ 1,412,112	\$ 732,504
Payments to suppliers	(8,702,929)	(736,561)	(704,064)
Payments to employees	(5,917,143)	(321,883)	(121,948)
Net cash flows from operating activities	7,251,502	353,668	(93,508)
Cash flows from capital and related financing activities			
Proceeds from bonds	6,459,000	240,000	-
Principal payments bonds	(2,552,926)	(134,250)	(6,250)
Notes payable payments	-	-	-
Transfer from trustee funds	336,123	-	-
Interest paid	(1,258,727)	(36,900)	(1,432)
Acquisitions and construction of operating property	(6,780,429)	(119,864)	-
Proceeds from sale of operating property	119,914	-	-
Net cash flows from capital and related financing activities	(3,677,045)	(51,014)	(7,682)
Cash flows from investing activities			
Investments - Transfer to Water	(9,125,062)	511,838	546,520
Investments - Purchases	(34,837,814)	-	-
Investments - Sales	29,779,522	-	-
Investments - Transfer from Water	9,522,841	(849,035)	(582,830)
Interest income received	55,926	2,798	3,072
Payments on notes receivable	1,932	-	-
Net cash flows from investing activities	(4,602,655)	(334,399)	(33,238)
Net change in cash	(1,028,198)	(31,745)	(134,428)
Cash and cash equivalents - beginning of year	5,375,608	295,401	315,418
Cash and cash equivalents - end of year	\$ 4,347,410	\$ 263,656	\$ 180,990
Reconciliation of operating income to net cash flows from operating activities			
Operating income (loss)	\$ 3,013,768	\$ (95,262)	\$ (107,517)
Depreciation and amortization	5,445,225	503,720	166,669
Miscellaneous income	152,728	-	-
Changes in assets and liabilities:			
Account receivable	(109,615)	-	720
Inventories	(113,344)	-	-
Prepaid expenses	(179,943)	-	-
Accounts payable and accrued payroll	(609,215)	(23,218)	(140,115)
Compensated absences	61,278	-	-
Customer deposits	(5,183)	-	-
Net pension liability and deferred inflows (outflows)	(574,395)	(31,572)	(13,265)
Customer advances and other liabilities	170,198	-	-
Net cash flows from operating activities	\$ 7,251,502	\$ 353,668	\$ (93,508)
Noncash investing, capital and financing activities			
Capital contributions	\$ 2,069,800	\$ -	\$ -

See independent auditors' report.

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

Wastewater Funds

<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 1,121,308	\$ 11,113,617	\$ 2,669,842	\$ 354,438	\$ 39,275,395
(376,420)	(6,461,114)	(1,331,271)	(110,816)	(18,423,175)
(180,015)	(2,318,914)	(532,459)	(53,225)	(9,445,587)
<u>564,873</u>	<u>2,333,589</u>	<u>806,112</u>	<u>190,397</u>	<u>11,406,633</u>
-	2,000,000	1,000,000	-	9,699,000
(303,069)	(1,502,354)	(276,170)	(100,885)	(4,875,904)
-	-	-	(13,240)	(13,240)
-	(2,000,000)	(1,000,000)	-	(2,663,877)
(84,530)	(340,806)	(95,425)	(38,107)	(1,855,927)
(11,493)	(2,278,047)	(1,004,427)	(35,470)	(10,229,730)
-	-	-	-	119,914
<u>(399,092)</u>	<u>(4,121,207)</u>	<u>(1,376,022)</u>	<u>(187,702)</u>	<u>(9,819,764)</u>
717,254	4,982,309	2,097,357	269,784	-
-	-	-	-	(34,837,814)
-	-	-	-	29,779,522
(993,934)	(4,653,471)	(2,115,394)	(328,177)	-
5,598	28,372	21,153	1,907	118,826
-	-	13,240	-	15,172
<u>(271,082)</u>	<u>357,210</u>	<u>16,356</u>	<u>(56,486)</u>	<u>(4,924,294)</u>
(105,301)	(1,430,408)	(553,554)	(53,791)	(3,337,425)
<u>413,954</u>	<u>2,875,479</u>	<u>1,254,675</u>	<u>155,702</u>	<u>10,686,237</u>
<u>\$ 308,653</u>	<u>\$ 1,445,071</u>	<u>\$ 701,121</u>	<u>\$ 101,911</u>	<u>\$ 7,348,812</u>
\$ 175,796	\$ 725,255	\$ 398,017	\$ 116,941	\$ 4,226,998
423,345	2,469,766	548,506	78,701	9,635,932
-	-	-	-	152,728
-	(8,369)	(4,262)	-	(121,526)
-	-	-	-	(113,344)
77	15,817	(3,748)	-	(167,797)
(14,356)	(623,248)	(80,714)	(295)	(1,491,161)
-	-	-	-	61,278
-	-	-	-	(5,183)
(19,989)	(233,064)	(56,888)	(4,950)	(934,123)
-	(12,568)	5,201	-	162,831
<u>\$ 564,873</u>	<u>\$ 2,333,589</u>	<u>\$ 806,112</u>	<u>\$ 190,397</u>	<u>\$ 11,406,633</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,069,800</u>

Statement of Fiduciary Net Position - Pension Trust Funds

December 31, 2015

ASSETS

Cash and cash equivalents	\$ 524,816
Investments	
Equity mutual funds	10,141,301
Common stock	3,251,665
Fixed income - mutual funds	3,584,295
	<u>16,977,261</u>
Interest receivable	<u>642</u>
Total Assets	<u><u>\$ 17,502,719</u></u>
Restricted for pension benefits	<u>17,502,719</u>
Total Net Position	<u><u>\$ 17,502,719</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, 2015

Additions:

Employer Contributions	<u>\$ 1,000,000</u>
Investment Income	
Interest and dividends	546,404
Net gain on sale of assets	169,766
Net depreciation of investments	<u>(837,595)</u>
Net Investment Income	<u>(121,425)</u>
Total Additions	878,575
Deductions:	
Benefits	<u>(1,215,995)</u>
Change in Net Position	(337,420)
Net Position - Beginning of Year	<u>17,840,139</u>
Net Position - End of Year	<u><u>\$ 17,502,719</u></u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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, Gorham and Windham. An 11-member publicly elected Board of Trustees oversees and directs the District's operation. The water service is 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, 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, except as noted below. 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* – an amendment of GASB Statement No. 27.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 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 the 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:

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 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 repurchase agreements held by the District are fully collateralized by U.S. government and agency instruments which are held by the Federal Reserve. The District's U.S. agency instruments are held by the District's bank in the District's name.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of 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 the 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, 2015:

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 & Equivalents	0%	0%	30%

There were no changes to the allocation policy during 2015.

As of December 31, 2015, the investment portfolio does not hold any investments in one organization greater than 5% of either of the plan's fiduciary net position.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments - Pension Trust Funds - Continued

Rate of Return:

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension expense, was -0.97% and -0.95% for the Bargaining and Non-Bargaining Unit Plans, 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.

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.

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, 2015 was \$251,000. 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 the lower of market or 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets - Continued

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

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

Preliminary Surveys for Plant Expansion or Modification

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

Maintenance and Other Costs

Certain maintenance and other costs are capitalized and amortized on a straight-line basis over periods as approved by the Maine PUC which approximate methods and periods under GAAP. Amortization costs for 2015 were \$33,750.

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*.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows and 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) that will not be recognized as an inflow of resources (revenue) until then.

These deferred outflows and inflows are related to the recognition of net pension liability. 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.

Use of Estimates

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

Recently Adopted Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014.

Recent Accounting Pronouncements

Postemployment Benefits Other Than Pension

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. 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 is currently evaluating the impact of adoption on its financial statements.

Pension

In March 2016, the GASB issued GASB Statement No. 82, *Pension Issues*. This statement improves accounting and financial reporting by state and local governments for certain issues with respect to pensions. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The new statement is effective for periods beginning after June 15, 2016. The District is currently evaluating the impact of adoption on its financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 expense.
- Contributions are not considered revenue.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Cash and Investments

The carrying amount of the District's deposits with financial institutions was \$7,347,512 at December 31, 2015 and the bank balance was \$8,235,523. The District held certificates of deposits carried at \$14,663,339. The total deposits were categorized as follows:

	Bank Balances	Certificates of Deposits	Total Deposits
Amount Insured	\$5,181,114	\$14,659,644	\$19,840,758
Amount Uninsured	<u>3,054,409</u>	<u>3,695</u>	<u>3,058,104</u>
	<u>\$8,235,523</u>	<u>\$14,663,339</u>	<u>\$22,898,862</u>

Starting in March 2016, the majority of the District's uninsured deposits were being swept nightly into a mutual fund investment account which consisted of U.S. Federal Government obligations. A reconciliation of cash and cash equivalents as shown on the Statement of Net Position is as follows:

Cash on Hand	\$ 1,300
Investment Account Cash	793
Carrying Value of Deposits	7,346,719
Certificates of Deposit	14,663,339
U.S. Agency Bonds	<u>8,832,014</u>
	<u>\$30,844,165</u>

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Notes Receivable - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>	<u>Current</u>	<u>Non-Current</u>
Water Fund:						
Town of Gorham	\$212,574	\$ -	\$ (1,932)	\$210,642	\$ -	\$210,642
Westbrook Wastewater Fund:						
Windham Wastewater Fund	<u>185,360</u>	<u>-</u>	<u>(13,240)</u>	<u>172,120</u>	<u>13,240</u>	<u>158,880</u>
Total of all Notes	<u>\$397,934</u>	<u>\$ -</u>	<u>\$(15,172)</u>	<u>\$382,762</u>	<u>\$13,240</u>	<u>\$369,522</u>

Capital Assets

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Water Fund:				
Operating Property, not being depreciated				
Land	\$ 3,241,752	\$ 26,826	\$ -	\$ 3,268,578
Land Rights	1,628,782	-	-	1,628,782
Plant Acquisition Adjustment	189,189	-	(17,000)	172,189
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	<u>7,425</u>	<u>-</u>	<u>-</u>	<u>7,425</u>
	<u>5,387,034</u>	<u>26,826</u>	<u>(17,000)</u>	<u>5,396,860</u>
Operating Property, being depreciated				
Distribution Mains	147,182,293	5,507,684	(116,585)	152,573,392
Services	30,760,726	1,140,532	-	31,901,258
Structures & Improvements	28,615,303	163,406	-	28,778,709
Water Treatment Equipment	13,722,532	500,000	-	14,222,532
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	11,188,148	401,045	(132,465)	11,456,728
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	9,539,222	444,698	(45,981)	9,937,939
Vehicles	3,036,015	310,096	(290,670)	3,055,441
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Pumping Equipment	1,574,291	-	-	1,574,291
Communication Equipment	1,490,252	127,373	(33,191)	1,584,434
Wells & Springs	989,248	-	-	989,248
Computer Equipment	731,934	108,783	-	840,717
Power Equipment	832,009	-	-	832,009
Office Furniture & Equipment	580,896	16,429	-	597,325
Shop Equipment	288,562	-	-	288,562
Garage Equipment	232,652	-	-	232,652
Radio Equipment	184,314	-	-	184,314
Laboratory Equipment	113,415	-	-	113,415
Stores Equipment	<u>39,253</u>	<u>19,908</u>	<u>-</u>	<u>59,161</u>
	<u>277,985,949</u>	<u>8,739,954</u>	<u>(618,892)</u>	<u>286,107,011</u>
Total Operating Property	<u>\$283,372,983</u>	<u>\$8,766,780</u>	<u>\$(635,892)</u>	<u>\$291,503,871</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Water Fund(continued):				
Less, accumulated depreciation for:				
Distribution Mains	\$ 39,680,836	\$2,126,528	\$(106,536)	\$ 41,700,828
Services	16,147,660	671,977	-	16,819,637
Structures & Improvements	12,322,866	604,389	-	12,927,255
Transmission Mains	6,619,784	153,441	-	6,773,225
Reservoirs & Standpipes	4,296,793	199,273	-	4,496,066
Hydrants	3,295,921	192,569	(25,940)	3,462,550
Meters & Meter Installations	3,268,072	455,547	(45,961)	3,677,658
Water Treatment Equipment	2,852,238	403,920	-	3,256,158
Vehicles	2,033,321	300,670	(290,670)	2,043,321
Lake, River & Other Intakes	1,750,600	24,813	-	1,775,413
Pumping Equipment	1,393,454	19,052	-	1,412,506
Communication Equipment	1,307,292	59,607	(23,233)	1,343,666
Power Equipment	610,742	39,781	-	650,523
Office Furniture & Equipment	408,588	59,842	-	468,430
Shop Equipment	254,630	3,584	-	258,214
Garage Equipment	218,048	6,715	-	224,763
Computer Equipment	215,030	49,332	-	264,362
Wells & Springs	127,302	19,643	-	146,945
Radio Equipment	118,241	10,653	-	128,894
Laboratory Equipment	79,128	4,482	-	83,610
Stores Equipment	39,253	498	-	39,751
	<u>97,039,799</u>	<u>5,406,316</u>	<u>(492,340)</u>	<u>101,953,775</u>
Construction in Progress	<u>366,625</u>	<u>755,699</u>	<u>(366,625)</u>	<u>755,699</u>
Net Capital Assets	<u>\$186,699,809</u>	<u>\$4,116,163</u>	<u>\$(510,177)</u>	<u>\$190,305,795</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Cape Elizabeth Wastewater:				
Operating Property, not being depreciated				
Land	\$ 130,048	\$ -	\$ -	\$ 130,048
Land Rights	<u>95,111</u>	<u>-</u>	<u>-</u>	<u>95,111</u>
	<u>225,159</u>	<u>-</u>	<u>-</u>	<u>225,159</u>
Operating Property, being depreciated				
Interceptor Structures	6,030,048	-	-	6,030,048
Treatment Plant Equipment	3,066,986	-	-	3,066,986
Treatment Plant Structures	2,527,271	-	-	2,527,271
Pumping Station Equipment	2,437,921	264,475	(13,180)	2,689,216
Pumping Station Structures	1,240,467	12,936	(16,369)	1,237,034
General Equipment	111,517	10,119	(333)	121,303
Interceptor Equipment	11,330	-	-	11,330
Solids Handling Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,425,540</u>	<u>287,530</u>	<u>(29,882)</u>	<u>15,683,188</u>
Total Operating Property	<u>15,650,699</u>	<u>287,530</u>	<u>(29,882)</u>	<u>15,908,347</u>
Less, accumulated depreciation for:				
Interceptor Structures	3,624,752	120,681	-	3,745,433
Treatment Plant Equipment	1,863,793	174,950	-	2,038,743
Pumping Station Equipment	1,635,749	111,855	(13,180)	1,734,424
Treatment Plant Structures	1,619,943	63,768	-	1,683,711
Pumping Station Structures	854,209	22,954	(16,370)	860,793
General Equipment	51,585	9,366	(333)	60,618
Interceptor Equipment	811	147	-	958
Solids Handling Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>9,650,842</u>	<u>503,721</u>	<u>(29,883)</u>	<u>10,124,680</u>
Construction in Progress	<u>207,128</u>	<u>20,521</u>	<u>(194,316)</u>	<u>33,333</u>
Net Capital Assets	<u>\$ 6,206,985</u>	<u>\$ (195,670)</u>	<u>\$ (194,315)</u>	<u>\$ 5,817,000</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Cumberland Wastewater:				
Operating Property, not being depreciated				
Land	\$ <u>89,005</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>89,005</u>
Operating Property, being depreciated				
Interceptor Structures	5,589,696	-	-	5,589,696
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	942,592	-	-	942,592
Treatment Plant Equipment	47,416	-	-	47,416
General Equipment	41,881	-	-	41,881
Interceptor Equipment	213	-	-	213
	<u>7,663,011</u>	<u>-</u>	<u>-</u>	<u>7,663,011</u>
Total Operating Property	<u>7,752,016</u>	<u>-</u>	<u>-</u>	<u>7,752,016</u>
Less, accumulated depreciation for:				
Interceptor Structures	3,164,966	111,794	-	3,276,760
Pumping Station Structures	710,463	14,450	-	724,913
Pumping Station Equipment	687,461	39,029	-	726,490
Treatment Plant Equipment	39,830	799	-	40,629
General Equipment	39,792	597	-	40,389
Interceptor Equipment	213	-	-	213
Solids Handling Equipment	-	-	-	-
	<u>4,642,725</u>	<u>166,669</u>	<u>-</u>	<u>4,809,394</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Capital Assets	<u>\$3,109,291</u>	<u>\$(166,669)</u>	<u>\$-</u>	<u>\$2,942,622</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Gorham Wastewater:				
Operating Property, not being depreciated				
Land	\$ 185,466	\$ -	\$ -	\$ 185,466
Land Rights	<u>157,770</u>	<u>-</u>	<u>-</u>	<u>157,770</u>
	<u>343,236</u>	<u>-</u>	<u>-</u>	<u>343,236</u>
Operating Property, being depreciated				
Interceptor Structures	11,495,137	-	-	11,495,137
Pumping Station Structures	1,966,330	-	-	1,966,330
Pumping Station Equipment	1,792,733	-	-	1,792,733
Treatment Plant Structures	1,014,980	-	-	1,014,980
Treatment Plant Equipment	891,473	62,690	-	954,163
General Equipment	32,549	-	-	32,549
Solids Handling Equipment	<u>5,517</u>	<u>-</u>	<u>-</u>	<u>5,517</u>
	<u>17,198,719</u>	<u>62,690</u>	<u>-</u>	<u>17,261,409</u>
Total Operating Property	<u>17,541,955</u>	<u>62,690</u>	<u>-</u>	<u>17,604,645</u>
Less, accumulated depreciation for:				
Interceptor Structures	4,416,395	229,904	-	4,646,299
Pumping Station Equipment	1,001,054	98,657	-	1,099,711
Treatment Plant Structures	688,817	19,014	-	707,831
Pumping Station Structures	659,009	44,802	-	703,811
Treatment Plant Equipment	555,069	30,106	-	585,175
General Equipment	30,400	614	-	31,014
Solids Handling Equipment	<u>5,144</u>	<u>141</u>	<u>-</u>	<u>5,285</u>
	<u>7,355,888</u>	<u>423,238</u>	<u>-</u>	<u>7,779,126</u>
Construction in Progress	<u>53,632</u>	<u>2,434</u>	<u>(53,632)</u>	<u>2,434</u>
Net Capital Assets	<u>\$10,239,699</u>	<u>\$(358,114)</u>	<u>\$(53,632)</u>	<u>\$ 9,827,953</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Portland Wastewater:				
Operating Property, not being depreciated				
Land	\$ 199,555	\$ -	\$ -	\$ 199,555
Land Rights	<u>233,013</u>	<u>-</u>	<u>-</u>	<u>233,013</u>
	<u>432,568</u>	<u>-</u>	<u>-</u>	<u>432,568</u>
Operating Property, being depreciated				
Treatment Plant Structures	36,565,669	16,200	-	36,581,869
Interceptor Structures	28,115,458	-	-	28,115,458
Treatment Plant Equipment	15,814,744	1,063,756	(1,520,841)	15,357,659
Pumping Station Structures	9,460,514	20,424	-	9,480,938
Pumping Station Equipment	7,607,425	268,777	(60,693)	7,815,509
Communications Equip. - Collectors	593,210	62,661	-	655,871
Storm Drains	559,538	28,072	-	587,610
Solids Handling Equipment	255,661	92,818	-	348,479
General Equipment	178,408	-	(2,594)	175,814
Interceptor Equipment	<u>64,931</u>	<u>-</u>	<u>(1,851)</u>	<u>63,080</u>
	<u>99,215,558</u>	<u>1,552,708</u>	<u>(1,585,979)</u>	<u>99,182,287</u>
Total Operating Property	<u>99,648,126</u>	<u>1,552,708</u>	<u>(1,585,979)</u>	<u>99,614,855</u>
Less, accumulated depreciation for:				
Treatment Plant Structures	20,829,319	741,690	-	21,571,009
Interceptor Structures	16,349,958	559,608	-	16,909,566
Treatment Plant Equipment	11,524,032	583,836	(1,520,841)	10,587,027
Pumping Station Structures	4,987,272	204,455	-	5,191,727
Pumping Station Equipment	4,549,949	314,374	(60,693)	4,803,630
Communications Equip. - Collectors	339,235	46,655	-	385,890
Solids Handling Equipment	255,661	2,320	-	257,981
General Equipment	234,362	542	(2,594)	232,310
Storm Drains	163,559	11,471	-	175,030
Interceptor Equipment	<u>59,853</u>	<u>2,939</u>	<u>(1,851)</u>	<u>60,941</u>
	<u>59,293,200</u>	<u>2,467,890</u>	<u>(1,585,979)</u>	<u>60,175,111</u>
Construction in Progress	<u>828,474</u>	<u>1,498,961</u>	<u>(716,930)</u>	<u>1,610,505</u>
Net Capital Assets	<u>\$41,183,400</u>	<u>\$ 583,779</u>	<u>\$ (716,930)</u>	<u>\$41,050,249</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Westbrook Wastewater:				
Operating Property, not being depreciated				
Land	\$ 162,263	\$ -	\$ -	\$ 162,263
Land Rights	139,144	-	-	139,144
	<u>301,407</u>	<u>-</u>	<u>-</u>	<u>301,407</u>
Operating Property, being depreciated				
Treatment Plant Equipment	4,663,549	135,556	-	4,799,105
Pumping Station Structures	4,272,896	-	-	4,272,896
Treatment Plant Structures	4,247,807	-	-	4,247,807
Interceptor Structures	3,721,975	-	-	3,721,975
Pumping Station Equipment	2,744,173	-	-	2,744,173
General Equipment	128,768	1,011,056	-	1,139,824
Communications Equip. - Collectors	92,831	-	-	92,831
Solids Handling Equipment	20,070	-	-	20,070
	<u>19,892,069</u>	<u>1,146,612</u>	<u>-</u>	<u>21,038,681</u>
Total Operating Property	<u>20,193,476</u>	<u>1,146,612</u>	<u>-</u>	<u>21,340,088</u>
Less, accumulated depreciation for:				
Treatment Plant Equipment	3,668,501	91,116	-	3,759,617
Treatment Plant Structures	2,882,834	83,870	-	2,966,704
Interceptor Structures	2,551,249	73,994	-	2,625,243
Pumping Station Structures	1,846,727	98,749	-	1,945,476
Pumping Station Equipment	1,432,177	160,903	-	1,593,080
General Equipment	128,242	10,261	-	138,503
Solids Handling Equipment	48,505	9,283	-	57,788
Communications Equip. - Collectors	18,714	514	-	19,228
	<u>12,576,949</u>	<u>528,690</u>	<u>-</u>	<u>13,105,639</u>
Construction in Progress	<u>161,448</u>	<u>19,262</u>	<u>(161,448)</u>	<u>19,262</u>
Net Capital Assets	<u>\$ 7,777,975</u>	<u>\$ 637,184</u>	<u>\$(161,448)</u>	<u>\$ 8,253,711</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Windham Wastewater:				
Operating Property, not being depreciated				
Land	\$ 129,656	\$ -	\$ -	\$ 129,656
Land Rights	<u>13,296</u>	<u>-</u>	<u>-</u>	<u>13,296</u>
	<u>142,952</u>	<u>-</u>	<u>-</u>	<u>142,952</u>
Operating Property, being depreciated				
Interceptor Structures	1,723,016	-	-	1,723,016
Pumping Station Structures	459,745	-	-	459,745
Pumping Station Equipment	337,908	36,760	-	374,668
Treatment Plant Equipment	146,859	5,292	-	152,151
Treatment Plant Structures	140,485	-	-	140,485
General Equipment	12,429	-	-	12,429
Solids Handling Equipment	<u>683</u>	<u>-</u>	<u>-</u>	<u>683</u>
	<u>2,821,125</u>	<u>42,052</u>	<u>-</u>	<u>2,863,177</u>
Total Operating Property	<u>2,964,077</u>	<u>42,052</u>	<u>-</u>	<u>3,006,129</u>
Less, accumulated depreciation for:				
Interceptor Structures	342,982	34,462	-	377,444
Pumping Station Equipment	222,220	26,998	-	249,218
Treatment Plant Equipment	112,539	3,153	-	115,692
Pumping Station Structures	107,984	10,845	-	118,829
Treatment Plant Structures	95,342	2,746	-	98,088
General Equipment	5,923	480	-	6,403
Solids Handling Equipment	<u>637</u>	<u>17</u>	<u>-</u>	<u>654</u>
	<u>887,627</u>	<u>78,701</u>	<u>-</u>	<u>966,328</u>
Construction in Progress	<u>6,787</u>	<u>205</u>	<u>(6,787)</u>	<u>205</u>
Net Capital Assets	<u>\$2,083,237</u>	<u>\$(36,444)</u>	<u>\$(6,787)</u>	<u>\$2,040,006</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
All Funds Combined:				
Operating Property, not being depreciated				
Land (Water)	\$ 3,241,752	\$ 26,826	\$ -	\$ 3,268,578
Land Rights (Water)	1,628,782	-	-	1,628,782
Land (Wastewater)	895,993	-	-	895,993
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment	189,189	-	(17,000)	172,189
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>6,921,361</u>	<u>26,826</u>	<u>(17,000)</u>	<u>6,931,187</u>
Operating Property, being depreciated				
Distribution Mains	147,182,293	5,507,684	(116,585)	152,573,392
Interceptor Structures	56,675,330	-	-	56,675,330
Treatment Plant Structures	44,496,212	16,200	-	44,512,412
Services	30,760,726	1,140,532	-	31,901,258
Structures & Improvements	28,615,303	163,406	-	28,778,709
Treatment Plant Equipment	24,631,027	1,267,294	(1,520,841)	24,377,480
Pumping Station Structures	18,441,165	33,360	(16,369)	18,458,156
Pumping Station Equipment	15,862,752	570,012	(73,873)	16,358,891
Water Treatment Equipment	13,722,532	500,000	-	14,222,532
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	11,188,148	401,045	(132,465)	11,456,728
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Hydrants	9,539,222	444,698	(45,981)	9,937,939
Vehicles	3,036,015	310,096	(290,670)	3,055,441
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Pumping Equipment	1,574,291	-	-	1,574,291
Communication Equipment	1,490,252	127,373	(33,191)	1,584,434
Wells & Springs	989,248	-	-	989,248
Power Equipment	832,009	-	-	832,009
Computer Equipment	731,934	108,783	-	840,717
Communications Equip. - Collectors	686,041	62,661	-	748,702
Office Furniture & Equipment	580,896	16,429	-	597,325
Storm Drains	559,538	28,072	-	587,610
General Equipment	505,552	1,021,175	(2,927)	1,523,800
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	281,931	92,818	-	374,749
Garage Equipment	232,652	-	-	232,652
Radio Equipment	184,314	-	-	184,314
Laboratory Equipment	113,415	-	-	113,415
Interceptor Equipment	76,474	-	(1,851)	74,623
Stores Equipment	39,253	19,908	-	59,161
Solids Handling Structures	-	-	-	-
	<u>440,201,971</u>	<u>11,831,546</u>	<u>(2,234,753)</u>	<u>449,798,764</u>
Total Operating Property	<u>\$447,123,332</u>	<u>\$11,858,372</u>	<u>\$(2,251,753)</u>	<u>\$456,729,951</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
All Funds Combined(continued):				
Less, accumulated depreciation for:				
Distribution Mains	\$ 39,680,836	\$2,126,528	\$ (106,536)	\$ 41,700,828
Interceptor Structures	30,450,302	1,130,443	-	31,580,745
Treatment Plant Structures	26,116,255	911,088	-	27,027,343
Treatment Plant Equipment	17,763,764	883,960	(1,520,841)	17,126,883
Services	16,147,660	671,977	-	16,819,637
Structures & Improvements	12,322,866	604,389	-	12,927,255
Pumping Station Equipment	9,528,610	751,816	(73,873)	10,206,553
Pumping Station Structures	9,165,664	396,255	(16,370)	9,545,549
Transmission Mains	6,619,784	153,441	-	6,773,225
Reservoirs & Standpipes	4,296,793	199,273	-	4,496,066
Hydrants	3,295,921	192,569	(25,940)	3,462,550
Meters & Meter Installations	3,268,072	455,547	(45,961)	3,677,658
Water Treatment Equipment	2,852,238	403,920	-	3,256,158
Vehicles	2,033,321	300,670	(290,670)	2,043,321
Lake, River & Other Intakes	1,750,600	24,813	-	1,775,413
Pumping Equipment	1,393,454	19,052	-	1,412,506
Communication Equipment	1,307,292	59,607	(23,233)	1,343,666
Power Equipment	610,742	39,781	-	650,523
General Equipment	490,304	21,860	(2,927)	509,237
Office Furniture & Equipment	408,588	59,842	-	468,430
Communications Equip. - Collectors	387,740	55,938	-	443,678
Solids Handling Equipment	280,156	2,992	-	283,148
Shop Equipment	254,630	3,584	-	258,214
Garage Equipment	218,048	6,715	-	224,763
Computer Equipment	215,030	49,332	-	264,362
Storm Drains	163,559	11,471	-	175,030
Wells & Springs	127,302	19,643	-	146,945
Radio Equipment	118,241	10,653	-	128,894
Laboratory Equipment	79,128	4,482	-	83,610
Interceptor Equipment	60,877	3,086	(1,851)	62,112
Stores Equipment	39,253	498	-	39,751
Solids Handling Structures	-	-	-	-
	<u>191,447,030</u>	<u>9,575,225</u>	<u>(2,108,202)</u>	<u>198,914,053</u>
Construction in Progress	<u>1,624,094</u>	<u>2,297,082</u>	<u>(1,499,738)</u>	<u>2,421,438</u>
Net Capital Assets	<u>\$257,300,396</u>	<u>\$4,580,229</u>	<u>\$(1,643,289)</u>	<u>\$260,237,336</u>

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	\$5,406,316	\$(730,000)	\$4,676,316
Wastewater Funds:			
Cape Elizabeth	503,720	-	503,720
Cumberland	166,669	-	166,669
Gorham	423,238	-	423,238
Portland	2,467,891	-	2,467,891
Westbrook	528,690	-	528,690
Windham	78,701	-	78,701
Total	<u>\$9,575,225</u>	<u>\$(730,000)</u>	<u>\$8,845,225</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

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:

Dec 31, 2014	Increases	Decreases	Dec 31, 2015	Current	Non-Current
<u>\$66,616,413</u>	<u>\$9,699,000</u>	<u>\$(4,875,904)</u>	<u>\$71,439,509</u>	<u>\$5,420,437</u>	<u>\$66,019,072</u>

Long-term debt outstanding as of December 31, 2015, consisted of the following general revenue bonds:

Water Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Oct-05	\$ 900,000	2025	3.00% to 5.00%	\$ 450,000		
Oct-06	1,500,000	2026	3.00% to 6.00%	825,000		
Sep-07	10,000,000	2027	4.25%	6,165,000		
Oct-08	1,500,000	2028	2.075% to 5.575%	975,000		
Apr-09	1,598,500	2028	1.050%	1,039,025		
May-09	4,700,000	2029	2.080% to 5.580%	3,290,000		
Aug-09	4,254,094	2029	0%	2,093,746		
Aug-09	253,075	2029	0%	114,767		
May-10	500,000	2030	2.060% to 5.746%	375,000		
Nov-10	950,000	2030	1.00%	676,875		
Nov-11	2,300,000	2031	0.5% to 5.5%	1,840,000		
May-12	1,130,000	2032	1.00%	960,500		
Oct-12	2,000,000	2032	1.480% to 3.706%	1,700,000		
May-13	3,000,000	2032	1.00%	2,550,000		
May-13	1,428,000	2033	.600% to 3.700%	1,285,200		
Nov-13	8,000,000	2034	2.00% to 4.25%	7,600,000		
Nov-13	1,072,000	2033	1.07%	964,800		
Jun-14	2,541,000	2034	2.70%	2,410,000		
Jun-14	2,000,000	2034	2.70%	1,800,000		
May-15	459,000	2034	0.15%	436,375		
June-15	3,730,000	2034	3.00%	3,730,000		
June-15	2,000,000	2025	3.00%	2,000,000		
Dec-15	270,000	2035	1.00%	270,000		
				<u>\$43,551,288</u>	<u>\$2,935,459</u>	<u>\$40,615,829</u>

Cape Elizabeth Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Oct-08	\$ 95,000	2028	2.075% to 5.575%	\$ 61,750		
Dec-11	2,700,000	2031	1.00%	1,944,000		
Oct-12	160,000	2032	1.480% to 3.706%	136,000		
May-15	240,000	2035	0.35-3.89%	240,000		
				<u>\$2,381,750</u>	<u>\$146,250</u>	<u>\$2,235,500</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Continued

Cumberland Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Dec-06	\$125,000	2026	1.42%	<u>\$68,750</u>	<u>\$6,250</u>	<u>\$62,500</u>

Gorham Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Apr-03	\$ 78,120	2022	1.80%	\$ 26,806		
Nov-03	73,185	2023	2.10%	29,120		
Dec-05	252,000	2025	1.63%	126,000		
Jul-07	146,000	2017	1.00%	29,200		
May-08	50,400	2028	2.00% to 5.50%	32,760		
Oct-08	474,672	2029	2.075% to 5.575%	332,270		
Jan-09	4,258,208	2028	1.44%	2,795,793		
Feb-09	253,475	2028	1.00%	164,759		
May-09	233,954	2029	2.080% to 5.580%	163,768		
Nov-10	52,360	2030	1.00%	<u>39,270</u>		
				<u>\$3,739,746</u>	<u>\$303,069</u>	<u>\$3,436,677</u>

Portland Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
May-96	\$ 900,000	2016	5.901%	\$ 45,000		
Oct-97	1,100,000	2017	5.38%	110,000		
Oct-01	2,785,000	2021	2.10%	835,500		
Nov-01	1,250,000	2021	2.10%	375,000		
Apr-03	1,615,500	2020	1.66%	444,012		
Apr-03	5,200,000	2022	1.80%	1,784,302		
Nov-03	1,230,000	2023	2.11%	483,850		
Nov-03	2,000,000	2023	2.11%	798,721		
Dec-04	2,115,000	2024	1.33%	951,750		
Dec-05	1,900,000	2025	1.63%	950,000		
Apr-09	5,700,000	2028	1.470%	3,652,922		
Nov-10	752,200	2030	1.00%	564,150		
Nov-11	400,000	2031	0.5% to 5.5%	320,000		
Nov-13	3,000,000	2033	3.00% to 4.00%	2,700,000		
Dec-15	2,000,000	2035	1.00%	<u>2,000,000</u>		
				<u>\$16,015,207</u>	<u>\$1,602,354</u>	<u>\$14,412,853</u>

NOTES TO FINANCIAL STATEMENTS**December 31, 2015****NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED****Long-Term Debt - Continued****Westbrook Wastewater Fund:**

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Apr-03	\$ 284,208	2022	1.80%	\$ 97,522		
Nov-03	266,254	2023	2.10%	105,943		
Dec-05	1,316,800	2025	1.63%	658,400		
May-08	183,360	2028	2.00% to 5.50%	119,184		
Oct-08	2,384,641	2029	2.075% to 5.575%	1,669,249		
Feb-09	974,927	2028	1.00%	633,700		
Nov-10	113,220	2030	1.00%	84,915		
Dec-15	1,000,000	2035	1.00%	<u>1,000,000</u>		
				<u>\$4,368,913</u>	<u>\$326,170</u>	<u>\$4,042,743</u>

Windham Wastewater Fund:

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
Apr-03	\$ 9,672	2022	1.80%	\$ 3,319		
Nov-03	9,061	2023	2.10%	3,605		
Dec-05	31,200	2025	1.63%	15,600		
May-08	6,240	2028	2.00% to 5.50%	4,056		
Oct-08	40,687	2029	2.075% to 5.575%	28,481		
Jan-09	1,681,800	2028	1.44%	1,104,207		
Feb-09	21,592	2028	1.00%	14,040		
May-09	196,045	2029	2.080% to 5.580%	137,232		
Nov-10	4,420	2030	1.00% to 1.5789%	<u>3,315</u>		
				<u>\$1,313,855</u>	<u>\$100,885</u>	<u>\$1,212,970</u>

Total Long-Term Debt**\$71,439,509****Less Current Portion****5,420,437****Total Long-Term Portion of Debt****\$66,019,072**

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Continued

Principal Payments Due:

-----WASTEWATER SYSTEMS-----								
	WATER	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM	TOTAL
2016	\$ 2,935,459	\$ 146,250	\$ 6,250	\$ 303,069	\$ 1,602,354	\$ 326,170	\$ 100,885	\$ 5,420,437
2017	2,950,494	146,250	6,250	303,069	1,557,354	326,170	100,885	5,390,472
2018	2,965,528	146,250	6,250	288,469	1,502,109	326,170	100,885	5,335,661
2019	2,935,561	146,250	6,250	288,458	1,499,489	326,128	100,884	5,303,020
2020	2,950,596	146,250	6,250	288,366	1,491,021	325,795	100,873	5,309,151
2021 - 2025	14,543,493	731,250	31,250	1,422,736	5,011,847	1,559,505	501,997	23,802,078
2026 - 2030	9,981,754	721,750	6,250	845,579	2,381,033	928,975	307,446	15,172,787
2031 - 2035	4,288,403	197,500	-	-	970,000	250,000	-	5,705,903
	<u>\$43,551,288</u>	<u>\$2,381,750</u>	<u>\$68,750</u>	<u>\$3,739,746</u>	<u>\$16,015,207</u>	<u>\$4,368,913</u>	<u>\$1,313,855</u>	<u>\$71,439,509</u>

Interest Due:

-----WASTEWATER SYSTEMS-----								
	WATER	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM	TOTAL
2016	\$ 1,286,532	\$ 32,937	\$ 976	\$ 70,334	\$ 287,020	\$118,727	\$ 23,646	\$ 1,820,172
2017	1,206,118	31,081	888	64,470	263,448	108,487	21,999	1,696,491
2018	1,117,310	29,287	799	58,601	237,283	98,489	20,045	1,561,814
2019	1,027,129	27,657	710	53,635	208,501	92,494	18,151	1,428,277
2020	928,725	25,938	621	48,265	184,148	84,561	16,220	1,288,478
2021 - 2025	3,384,526	100,732	1,775	159,502	612,309	282,242	53,717	4,594,803
2026 - 2030	1,463,576	49,948	89	31,614	265,848	68,066	10,723	1,889,864
2031 - 2035	342,659	9,032	-	-	51,100	7,500	-	410,291
	<u>\$10,756,575</u>	<u>\$306,612</u>	<u>\$5,858</u>	<u>\$486,421</u>	<u>\$2,109,657</u>	<u>\$860,566</u>	<u>\$164,501</u>	<u>\$14,690,190</u>

Total Debt Service Due:

-----WASTEWATER SYSTEMS-----								
	WATER	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM	TOTAL
2016	\$ 4,221,991	\$ 179,187	\$ 7,226	\$ 373,403	\$ 1,889,374	\$ 444,897	\$ 124,531	\$ 7,240,609
2017	4,156,612	177,331	7,138	367,539	1,820,802	434,657	122,884	7,086,963
2018	4,082,838	175,537	7,049	347,070	1,739,392	424,659	120,930	6,897,475
2019	3,962,690	173,907	6,960	342,093	1,707,990	418,622	119,035	6,731,297
2020	3,879,321	172,188	6,871	336,631	1,675,169	410,356	117,093	6,597,629
2021 - 2025	17,928,019	831,982	33,025	1,582,238	5,624,156	1,841,747	555,714	28,396,881
2026 - 2030	11,445,330	771,698	6,339	877,193	2,646,881	997,041	318,169	17,062,651
2031 - 2035	4,631,062	206,532	-	-	1,021,100	257,500	-	6,116,194
	<u>\$54,307,863</u>	<u>\$2,688,362</u>	<u>\$74,608</u>	<u>\$4,226,167</u>	<u>\$18,124,864</u>	<u>\$5,229,479</u>	<u>\$1,478,356</u>	<u>\$86,129,699</u>

NOTES TO FINANCIAL STATEMENTS**December 31, 2015****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.

Windham Wastewater Funds:

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>	<u>Current</u>	<u>Non-Current</u>
2008 Note	\$ 185,360	\$ -	\$ (13,240)	\$ <u>172,120</u>	\$ 13,240	\$ 158,880
	\$ <u>185,360</u>	\$ -	\$ (13,240)	\$ <u>172,120</u>	\$ <u>13,240</u>	\$ <u>158,880</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>
2016	\$ 13,240	\$ 7,565	\$ 20,805
2017	13,240	6,983	20,223
2018	13,240	6,401	19,641
2019	13,240	5,819	19,059
2020	13,240	5,237	18,477
2021 - 2025	66,200	17,457	83,657
2026 - 2029	<u>39,720</u>	<u>3,491</u>	<u>43,211</u>
	\$ <u>172,120</u>	\$ <u>52,953</u>	\$ <u>225,073</u>

Compensated Absences

District employees can be paid out up to 400 hours of sick time upon retirement. The value of that liability was determined by an actuary hired by the District. 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, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 810,640	\$129,103	\$ (87,667)	\$ <u>852,076</u>	\$170,385	\$681,691
Vacation	<u>614,375</u>	<u>662,036</u>	<u>(642,194)</u>	<u>634,217</u>	<u>474,464</u>	<u>159,753</u>
	\$ <u>1,425,015</u>	\$ <u>791,139</u>	\$ <u>(729,861)</u>	\$ <u>1,486,293</u>	\$ <u>644,849</u>	\$ <u>841,444</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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, 2015, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$12,277,667 which is expected to be financed with existing and additional bond proceeds as necessary. Of this amount, \$9,537,514 was related to the Aeration project at the District's East End Wastewater Treatment Facility.

The Department of Environmental Protection, the local municipality, 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 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.
- 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 Town of Cape Elizabeth, the City of South Portland and the District submitted a draft plan for the Ottawa Rd. 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.

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 that the Cumberland Wastewater Fund would pay 30% of the debt service payments. As of December 31, 2015, the total remaining debt payments that will be made by the Cumberland Wastewater Fund are \$1,580,899.

The District has contracts with Constellation NewEnergy to provide electricity. Contracts are in place through the end of 2016 for all accounts except the Water Treatment facility's account, which is through the end of 2017. Energy and related charges are fixed for the contract term for all facilities except the Water Treatment plant. The District has fixed prices and a percent of Water Treatment plant charges for the following periods: January 1, 2015 to May 20, 2015 100%, May 21, 2015 to December 19, 2016 66% and December 20, 2016 to December 17, 2017 33%. The estimated cost of electricity in 2016 is \$1,098,317.

NOTES TO FINANCIAL STATEMENTS**December 31, 2015****NOTE 4 - OTHER INFORMATION - CONTINUED****Commitments and Contingencies - Continued**

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 \$1,390,252 will be made to Casella in 2016.

Trustee Held Funds

During 2015, the District issued permanent financing in the Water and Wastewater Funds. The majority of the dollars for these issues were received during 2015; however, as of December 31, 2015, two of the projects to be funded had not been completed and the funds were still being held by the issuer.

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Water	\$336,123	\$ 729,000	\$(1,065,123)	\$ -
Wastewater	-	<u>3,000,000</u>	-	<u>3,000,000</u>
Total	<u>\$336,123</u>	<u>\$3,729,000</u>	<u>\$(1,065,123)</u>	<u>\$3,000,000</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, 2014</u>		<u>As of July 1, 2015</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	90	39	85	36
Retired employees and beneficiaries	72	40	72	40
Terminated employees with vested rights	<u>42</u>	<u>18</u>	<u>37</u>	<u>15</u>
	<u>204</u>	<u>97</u>	<u>194</u>	<u>91</u>

Eligibility for each plan requires the participants to be twenty-one 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).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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 3, 2014, the monthly pension benefit is computed based on a \$35.75 rate for pay grades A through E and a \$36.75 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 \$1,608.75 for employees in pay grades A through E and \$1,657.75 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 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 \$122,691 for the year ended December 31, 2015.

Funding Policy: The District's policy is to contribute at least the actuarially determined rate 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, 2015, a total contribution of \$1,000,000 was made with a contribution of \$609,851 and \$390,149 to the bargaining and non-bargaining units, respectively. The contributions represented 13.3% and 13.6% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2015 is based on an actuarial valuation as of July 1, 2015 that was updated through December 31, 2015. Balances as of December 31, 2015 are as follows:

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Total</u>
Pension Liabilities	\$13,834,428	\$ 12,249,004	\$26,083,432
Net Fiduciary Position (Pension Assets)	<u>8,988,517</u>	<u>8,514,201</u>	<u>17,502,718</u>
Subtotal	4,845,911	3,734,803	8,580,714
Deferred Outflows of Resources Related to Pension	<u>(579,297)</u>	<u>(592,775)</u>	<u>(1,172,072)</u>
Deferred Inflows of Resources Related to Pension	<u>89,424</u>	-	<u>89,424</u>
Net Pension Liability	<u>\$ 4,356,038</u>	<u>\$ 3,142,028</u>	<u>\$ 7,498,066</u>
Pension Expense (Credit)	<u>\$ 92,120</u>	<u>\$ (26,243)</u>	<u>\$ 65,967</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Changes in Net Pension Liability: The changes in each of the pension plans for the year ending December 31, 2015 are listed below:

Bargaining Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/14	<u>\$13,400,939</u>	<u>\$9,017,043</u>	<u>\$4,383,896</u>
Service Cost	195,241	-	195,241
Interest	918,080	-	918,080
Difference between expected and actual experience	(115,154)	-	(115,154)
Benefit payments	(564,678)	-	(564,678)
Contributions - employer	-	609,851	(609,851)
Net investment income	-	(73,698)	73,698
Benefit payments	-	(564,679)	564,679
Net change	<u>433,489</u>	<u>(28,526)</u>	<u>462,015</u>
Balance at 12/31/15	<u>\$13,834,428</u>	<u>\$8,988,517</u>	<u>\$4,845,911</u>

Plan fiduciary net position as a percentage of total pension liability 65%

Non-Bargaining Unit

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/14	<u>\$11,788,741</u>	<u>\$8,823,096</u>	<u>\$2,965,645</u>
Service Cost	229,085	-	229,085
Interest	802,879	-	802,879
Difference between expected and actual experience	79,616	-	79,616
Benefit payments	(651,317)	-	(651,317)
Contributions - employer	-	390,149	(390,149)
Net investment income	-	(47,726)	47,726
Benefit payments	-	(651,317)	651,317
Net change	<u>460,263</u>	<u>(308,894)</u>	<u>769,157</u>
Balance at 12/31/15	<u>\$12,249,004</u>	<u>\$8,514,202</u>	<u>\$3,734,802</u>

Plan fiduciary net position as a percentage of total pension liability 70%

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Additional information from the July 1, 2015 actuarial valuation is listed below. The valuation was updated and rolled forward to the December 31, 2015 measurement date.

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	July 1, 2015	July 1, 2015
Measurement date	December 31, 2015	December 31, 2015
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	7.0%	7.0%
Projected salary increases	3.0%	3.0%
Inflation rate	2.5%	2.5%
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-2000 Combined Mortality projected to 2015 scale BB	RP-2000 Combined Mortality projected to 2015 scale BB

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, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Equities Large	25%	8.7%
U.S. Equities Small	15%	9.7%
International Developed Market Equities	15%	8.8%
International Emerging Market Equities	10%	9.9%
Core Bonds	20%	4.5%
High Yield Bonds	5%	7.9%
REIT's	5%	7.7%
Natural Resources	5%	4.3%
Cash	5%	0.0%

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Discount Rate: The discount rate used to measure the total pension liability was 7%. 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 Net Pension Liability to Changes in the Discount Rate: The following presents net pension liability of the District, calculated using the discount rate of 7%, 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 (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	<u>1% Decrease (6%)</u>	<u>Current Discount Rate (7%)</u>	<u>1% Increase (8%)</u>
Bargaining Unit net pension liability	\$6,478,103	\$4,845,911	\$3,466,003
Non-Bargaining Unit net pension liability	5,112,769	3,734,802	2,566,978

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources related to Pensions: For the year ended December 31, 2015, the District recognized pension expense (credit) for the bargaining and non-bargaining unit of \$92,120 and \$(26,243), respectively. At December 31, 2015, 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>Bargaining</u>	<u>Non-Bargaining</u>
Difference between Expected and Actual Expense		\$ 58,293	\$ 89,424	
Net Difference between Projected and Actual Investment Earning	\$ 579,297	\$534,482		

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

Years ending December 31:	Bargaining Unit	Non-Bargaining Unit
2016	\$ 119,097	\$ 154,946
2017	119,097	154,944
2018	119,097	149,264
2019	<u>132,584</u>	<u>133,621</u>
	<u>\$ 489,873</u>	<u>\$ 592,775</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - 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%.

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 before Medicare eligibility through a single-employer plan. Before Medicare eligibility, early 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 early 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, July 1, 2015, nine current retirees were participating in the plan and 166 current employees are eligible to participate in the plan if they chose to retire early.

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.

Annual OPEB Costs and Net OPEB Obligation: The District's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), 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	\$ 27,908
Interest on net OPEB obligation	3,269
Adjustment to annual required contribution	<u>(7,160)</u>
Annual OPEB cost (expense)	24,017
Contributions made	<u>-</u>
Increase in net OPEB obligation	24,017
Net OPEB obligation – beginning of year	<u>108,980</u>
Net OPEB obligation – end of year	<u>\$132,997</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Other Postemployment Benefits (OPEB) - Healthcare Benefits - Continued

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

Percentage of Annual Year Ended <u>December 31,</u>	Annual <u>OPEB Cost</u>	OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
2013	\$33,028	31.72%	\$100,299
2014	\$23,411	62.92%	\$108,980
2015	\$24,017	0.0%	\$132,997

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

Funded Status and Funding Progress: As of July 1, 2015, the most recent actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability (UAAL) was \$196,148.

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.

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 includes 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 July 1, 2015 actuarial valuation, the Entry Age Actuarial Cost method was used. The significant assumptions include the following items:

Inflation rate:	3% per year
Investment return:	3% per year
Healthcare cost trend:	2016 7.5%, 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

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4 - OTHER INFORMATION - CONTINUED

Restatement of Net Position

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pension - an amendment of GASB Statement No. 27*, which the District implemented during the year ended December 31, 2015 and applied retroactively to the year ended December 31, 2014. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. The effect on the change in net position for December 31, 2014 was a decrease in net position at the beginning of the year of \$7,349,541 from \$216,571,937 to \$209,222,396.

Subsequent Events

On February 11, 2016, the District received a draft Consent Agreement form from the Maine Department of Environmental Protection (MDEP) relating to combined sewer overflow (CSO) projects not completed by the City of Westbrook. The District and the City of Westbrook had previously agreed to a Long-Term Control Plan for CSO's with MDEP. While the District is the license holder (due to ownership of the outfall locations), the City of Westbrook is responsible, through an agreement with the District, for the completion of their projects and any penalties associated with the failure to meet the schedule in the Long-Term Control Plan.

On February 22, 2016, the District's Board of Trustees authorized issuance of up to \$8,000,000 in bonds to finance the installation and renewal of water mains and Gorham/Windham 407 Zone improvements.

On March 28, 2016, the District's Board of Trustees approved a 3.7% water rate increase that would generate additional revenue of \$807,589. The effective date of the rate change will be May 1, 2016.

On March 28, 2016, the District's Board of Trustees ordered the reestablishment of the Falmouth Wastewater Fund. They also approved the issuance of up to \$6,138,000 in bonds to finance the installation and renewal of a wastewater pump station, force main and related improvements. The District will own the completed assets and the Town of Falmouth will be responsible for the operation and maintenance of those assets. The District will assess the Town annually for the costs of the debt service. Part of the capacity of the project will serve the needs of the Cumberland Wastewater Fund, the Town of Falmouth will assess them annual for their share of the debt service costs.

On March 28, 2016, the District's Board of Trustees approved the recently negotiated Union contract. Among the impacts of the new contract will be an estimated \$135,000 rise in the pension liability and an annual increase in funding of \$50,000.

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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

	2014	2015
Total Pension Liability		
Service cost	\$ 168,163	\$ 195,241
Interest	784,769	918,080
Changes in benefit terms	-	-
Difference between expected and actual expense	1,635,699	(115,154)
Changes in assumptions	-	-
Benefit payments	(507,918)	(564,678)
Net change in total pension liability	2,080,713	433,489
Net pension liability – beginning	<u>11,320,226</u>	<u>13,400,939</u>
Total pension liability – ending (a)	<u>\$13,400,939</u>	<u>\$13,834,428</u>
Plan fiduciary net position		
Contribution - employer	\$ 502,000	\$ 609,851
Net investment income	377,415	(73,698)
Benefit payments	(507,918)	(564,679)
Administrative expenses	-	-
Other	-	-
Net change in plan fiduciary net position	<u>371,497</u>	<u>(28,526)</u>
Plan fiduciary of net position – beginning	<u>8,645,546</u>	<u>9,017,043</u>
Plan fiduciary of net position – ending (b)	<u>\$ 9,017,043</u>	<u>\$ 8,988,517</u>
Net pension liability – ending (a)-(b)	<u>\$ 4,383,896</u>	<u>\$ 4,845,911</u>
Plan fiduciary net position as a percent of the total pension liability	67%	65%
Covered-employee payroll	\$ 4,676,290	\$ 4,585,713
District's net pension liability as a percentage of covered-employee payroll	94%	106%

Schedule of Investment Returns

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

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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

	2014	2015
Total Pension Liability		
Service cost	\$ 205,440	\$ 229,085
Interest	672,086	802,879
Changes in benefit terms	-	-
Difference between expected and actual expense	1,809,303	79,616
Changes in assumptions	-	-
Benefit payments	<u>(587,753)</u>	<u>(651,317)</u>
Net change in total pension liability	2,099,076	460,263
Net pension liability – beginning	<u>9,689,665</u>	<u>11,788,741</u>
Total pension liability – ending (a)	<u>\$11,788,741</u>	<u>\$12,249,004</u>
Plan fiduciary net position		
Contribution - employer	\$ 424,000	\$ 390,149
Net investment income	375,587	(47,726)
Benefit payments	(587,753)	(651,317)
Administrative expenses	-	-
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	211,834	(308,894)
Plan fiduciary of net position – beginning	<u>8,611,262</u>	<u>8,823,096</u>
Plan fiduciary of net position – ending (b)	<u>\$ 8,823,096</u>	<u>\$ 8,514,202</u>
Net pension liability – ending (a)-(b)	<u>\$ 2,965,645</u>	<u>\$ 3,734,802</u>
Plan fiduciary net position as a percent of the total pension liability	75%	70%
Covered-employee payroll	\$ 2,773,868	\$ 2,636,870
District's net pension liability as a percentage of covered-employee payroll	107%	142%

Schedule of Investment Returns

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

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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
Bargaining Unit					
2014	\$451,021	\$502,000	\$(50,979)	\$4,676,290	10.7%
2015	\$560,263	\$609,581	\$(49,588)	\$4,546,747	13.4%
Non-Bargaining Unit					
2014	\$405,542	\$424,000	\$(18,458)	\$2,773,868	15.3%
2015	\$358,425	\$390,149	\$(31,724)	\$2,636,870	14.8%

The actuarial determined rate was determined using the July 1, 2015 actuarial valuation report.

Additional information from the July 1, 2015 actuarial valuation follows:

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	July 1, 2015	July 1, 2015
Measurement date	December 31, 2015	December 31, 2015
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	7.0%	7.0%
Projected salary increases	3.0%	3.0%
Inflation rate	2.5%	2.5%
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-2000 Combined Mortality projected to 2015 scale AA	RP-2000 Combined Mortality projected to 2015 scale AA

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, net of investment expense

	Bargaining Unit	Non-Bargaining Unit
2014	4.27%	4.29%
2015	(0.97%)	(0.95%)

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

Schedules of Funding Progress for the OPEB Plan (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UALL as a Percentage of Covered ((b-a)/c)
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

STATISTICS



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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 68 to 70

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
2006	\$175,404,104	\$16,308,134	\$191,712,238
2007	\$179,262,070	\$14,292,965	\$193,555,035
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

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
2006	\$30,602,726	\$28,966,966	\$1,635,760	(\$1,145,314)	\$490,446	\$3,178,329	\$3,668,775
2007	\$32,553,341	\$30,444,264	\$2,109,077	(\$1,463,036)	\$646,041	\$1,196,757	\$1,842,798
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

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
2006	\$10,371,056	\$4,732,070	\$978,070	\$699,708	\$13,142,720	\$679,103	\$30,602,726
2007	\$10,951,171	\$5,059,683	\$1,091,964	\$709,731	\$14,050,392	\$690,401	\$32,553,342
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

** 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
2005	\$8,254,053	\$6,971,576	\$2,795,379	\$2,152,859	\$1,876,476	\$1,372,496	\$1,517,109	\$823,402	\$2,669,954	\$28,433,304
2006	\$8,486,143	\$7,190,433	\$2,977,171	\$2,397,044	\$1,888,524	\$1,474,247	\$1,233,277	\$730,126	\$2,590,001	\$28,966,966
2007	\$8,953,895	\$7,612,053	\$3,178,006	\$2,820,287	\$1,939,217	\$1,417,436	\$1,206,539	\$749,145	\$2,567,686	\$30,444,264
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

* 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
2005	\$622,890	\$94,956	\$394,030	(\$1,762,116)	(\$650,240)
2006	\$833,223	\$8,956	(\$313,823)	(\$1,673,670)	(\$1,145,314)
2007	\$846,446	\$156,201	(\$822,377)	(\$1,643,306)	(\$1,463,036)
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)

* 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
2006	\$2,484,722	\$378,428	\$141,909	\$173,270	\$0	\$0	\$3,178,329
2007	\$890,336	\$181,796	\$66,984	\$47,641	\$0	\$10,000	\$1,196,757
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

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
2006	8,174,253	6,698,341	1,475,912	18.1%
2007	8,201,140	6,667,284	1,533,856	18.7%
2008	7,961,955	6,442,186	1,519,769	19.1%
2009	7,430,388	6,338,800	1,091,588	14.7%
2010	8,022,997	6,777,344	1,245,653	15.5%
2011	7,673,583	6,465,814	1,207,769	15.7%
2012	7,950,235	6,481,135	1,469,100	18.5%
2013	7,954,573	6,417,923	1,536,650	19.3%
2014	7,890,697	6,308,749	1,581,948	20.0%
2015	7,698,285	6,402,335	1,295,950	16.8%

Note: Gallons are presented in thousands.

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

Debt Capacity - Page 70

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 Obligation Bonds	Notes Payable	Total Outstanding Debt	Debt Per Capita	Debt % of Personal Income
2006	\$42,497,440	\$269,200	\$42,766,640	\$219	0.7%
2007	\$47,441,272	\$5,553,060	\$52,994,332	\$271	0.8%
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	\$346	n/a

Revenue Capacity - Pages 71 - 75

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

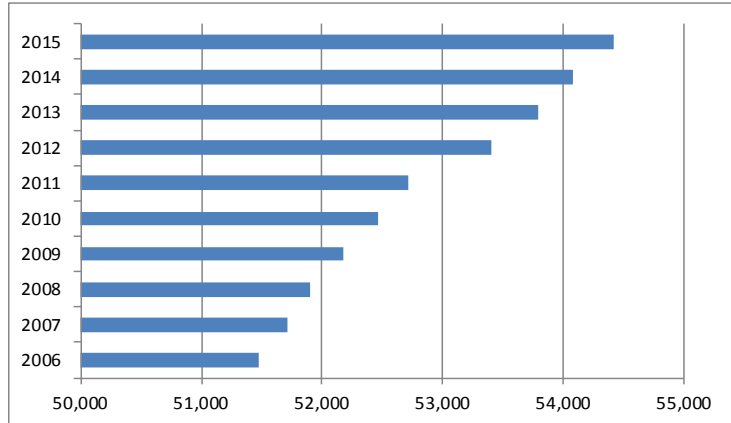
TEN LARGEST WATER CUSTOMERS

Current Year (2015) & Ten Years Ago (2006)			
Ten Years Ago (2006):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	906,059	\$594,642
Texas Instruments (National Semiconductor) [1]	So. Portland	367,535	\$261,901
Sappi Fine Paper	Westbrook	239,681	\$195,394
Portland Housing Authority	Portland	69,834	\$137,224
Maine Medical Center	Portland	58,864	\$130,681
Fairchild Semiconductor	So. Portland	173,478	\$120,524
Yarmouth Water District	Yarmouth	122,077	\$103,632
B&G Foods	Portland	119,380	\$84,783
Ecomaine	Portland	117,120	\$80,963
Barber Foods	Portland	<u>71,566</u>	<u>\$57,843</u>
		2,245,594	\$1,767,587
TOTAL SALES		8,955,002	\$16,780,903
PERCENT OF TOTAL SALES		25.1%	10.5%
Current Year (2015):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	576,613	\$520,686
Texas Instruments	So. Portland	320,811	\$322,912
Sappi Fine Paper	Westbrook	301,418	\$336,682
Yarmouth Water District	Yarmouth	168,401	\$195,733
Fairchild Semiconductor	So. Portland	145,713	\$150,413
Ecomaine	Portland	113,645	\$109,067
Maine Medical Center	Portland	105,215	\$171,389
B&G Foods	Portland	82,098	\$81,905
Portland Housing Authority	Portland	57,411	\$124,992
Shipyard Beverage	Portland	<u>46,296</u>	<u>\$53,426</u>
		1,917,621	\$2,067,205
TOTAL SALES		8,559,272	\$21,694,657
PERCENT OF TOTAL SALES		22.4%	9.5%
* = Hundreds of Cubic Feet			
[1] = Texas Instruments acquired National Semiconductor in 2011			

NET GROWTH IN CUSTOMERS

Last Ten Fiscal Years

Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Pecent Increase
2006	50,570	51,474	904	1.8%
2007	51,474	51,707	233	0.5%
2008	51,707	51,898	191	0.4%
2009	51,898	52,181	283	0.5%
2010	52,181	52,468	287	0.6%
2011	52,468	52,712	244	0.5%
2012	52,712	53,398	686	1.3%
2013	53,398	53,789	391	0.7%
2014	53,789	54,081	292	0.5%
2015	54,081	54,415	334	0.6%



NUMBER OF WATER CUSTOMERS BY TYPE

Last Ten Fiscal Years

Metered Customers							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2006	45,487	3,536	95	456	49,574	1,900	51,474
2007	45,554	3,574	104	472	49,704	2,003	51,707
2008	45,672	3,602	106	480	49,860	2,038	51,898
2009	45,874	3,653	107	491	50,125	2,056	52,181
2010	46,099	3,677	105	501	50,382	2,086	52,468
2011	46,296	3,699	114	506	50,615	2,097	52,712
2012	46,921	3,751	116	508	51,296	2,102	53,398
2013	47,392	3,738	119	507	51,756	2,033	53,789
2014	47,621	3,771	131	497	52,020	2,061	54,081
2015	47,891	3,796	135	487	52,309	2,106	54,415

WATER RATES

Starting on May 1, 1999, until present, 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:

- 06/01/00 to 12/31/06	- 05/01/11 to 04/30/13
- 01/01/07 to 12/31/07	- 05/01/13 to 04/30/14
- 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 12/31/15
- 05/01/10 to 04/30/11	

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 06/01/00 to 12/31/06		Effective 01/01/07 to 12/31/07		Effective 01/01/08 to 12/31/08	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	35.01	40.26	35.01	40.26	35.01	40.26
3	78.30	90.04	78.30	90.04	78.30	90.04
4	139.81	160.78	139.81	160.78	139.81	160.78
6	333.95	384.04	333.95	384.04	333.95	384.04
8	559.24	643.12	559.24	643.12	559.24	643.12
10	873.87	1,004.96	873.87	1,004.96	873.87	1,004.96
12	1,258.30	1,447.04	1,258.30	1,447.04	1,258.30	1,447.04
16	2,236.96	2,572.51	2,236.96	2,572.51	2,236.96	2,572.51
General Water						
Minimum Monthly Charges						
5/8	7.00	8.05	7.19	8.26	7.37	8.48
3/4	8.30	9.55	8.50	9.78	8.70	10.01
1	11.07	12.73	11.24	12.93	11.41	13.12
1 1/2	16.09	18.51	16.82	19.35	17.56	20.19
2	22.94	26.38	24.07	27.68	25.20	28.98
3	33.46	38.48	38.23	43.97	43.01	49.46
4	50.84	58.47	57.86	66.55	64.89	74.62
6	93.50	107.52	108.65	124.94	123.79	142.36
8	143.29	164.79	168.65	193.96	194.02	223.12
10	200.63	230.72	239.64	275.58	278.64	320.44
12	355.87	409.26	377.41	434.02	398.97	458.79
Low Income	n/a	n/a	1.81	2.08	1.85	2.13
Seasonal Water *1						
Minimum Seasonal Charges						
5/8	143.11	159.68	157.70	178.08	172.28	196.49
3/4	202.00	227.41	214.06	242.90	226.11	258.40
1	274.72	311.02	279.63	318.31	284.55	325.60
1 1/2	477.17	543.85	471.61	539.08	466.03	534.30
2	718.92	822.20	701.37	803.30	683.51	784.41
3	1,179.36	1,351.36	1,190.53	1,365.84	1,201.69	1,380.31
4	1,747.18	2,004.35	1,774.27	2,037.14	1,801.37	2,069.94
6	2,973.92	3,415.11	3,162.10	3,633.15	3,350.28	3,851.19
8	4,438.11	5,098.92	4,822.23	5,542.29	5,206.34	5,985.66
10	7,286.40	8,374.46	8,545.09	9,823.58	9,803.77	11,272.71
12	10,770.88	12,381.32	12,919.90	14,854.62	15,069.18	17,327.93
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	1.76	2.02	1.81	2.08	1.85	2.13
Next 7,000 Cf	1.27	1.47	1.34	1.55	1.42	1.63
Next 40,000 Cf	0.94	1.08	1.06	1.22	1.18	1.36
Over 50,000 Cf	0.65	0.74	0.69	0.78	0.72	0.83
Seasonal						
Over Min to 90,000 Cf	1.76	2.02	1.81	2.08	1.85	2.13
Over 90,000 Cf	0.94	1.08	1.06	1.22	1.18	1.36
Seasonal Surcharge *1						
Surface Main Surcharge	29.59	29.59	30.75	32.41	31.91	35.21

*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 01/01/09 to 04/30/10		Effective 05/01/10 to 04/30/11		Effective 05/01/11 to 04/30/13	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	36.06	41.47	37.32	42.92	38.07	43.78
3	80.65	92.74	83.47	95.99	85.14	97.91
4	144.00	165.60	149.04	171.40	152.02	174.83
6	343.97	395.56	356.01	409.40	363.13	417.59
8	576.02	662.41	596.18	685.59	608.10	699.30
10	900.09	1,035.11	931.59	1,071.34	950.22	1,092.77
12	1,296.05	1,490.45	1,341.41	1,542.62	1,368.24	1,573.47
16	2,304.07	2,649.69	2,384.71	2,742.43	2,432.40	2,797.28
General Water						
Minimum Monthly Charges						
5/8	7.75	8.91	8.01	9.21	8.15	9.37
3/4	9.13	10.49	9.44	10.85	9.60	11.03
1	11.87	13.65	12.27	14.11	12.48	14.35
1 1/2	18.74	21.55	19.49	22.41	19.99	22.98
2	26.99	31.03	28.07	32.27	28.79	33.09
3	48.97	56.31	50.93	58.56	52.23	60.05
4	73.70	84.75	76.65	88.14	78.60	90.39
6	142.39	163.75	148.09	170.30	151.87	174.64
8	224.83	258.55	233.82	268.89	239.78	275.75
10	325.53	374.36	338.55	389.33	347.18	399.26
12	430.91	495.55	448.15	515.37	459.58	528.51
Low Income	1.95	2.24	2.02	2.32	2.05	2.36
Seasonal Water						
Minimum Seasonal Charges						
5/8	191.77	220.53	198.48	228.25	202.45	232.82
3/4	244.33	280.97	252.88	290.80	257.94	296.62
1	296.89	341.42	307.28	353.37	313.43	360.44
1 1/2	472.09	542.90	488.61	561.90	498.38	573.14
2	682.33	784.68	706.21	812.14	720.33	828.38
3	1,242.98	1,429.43	1,286.48	1,479.46	1,312.21	1,509.05
4	1,873.71	2,154.77	1,939.29	2,230.19	1,978.08	2,274.79
6	3,625.74	4,169.60	3,752.64	4,315.54	3,827.69	4,401.85
8	5,728.18	6,587.41	5,928.67	6,817.97	6,047.24	6,954.33
10	11,334.68	13,034.88	11,731.74	13,491.10	11,966.02	13,760.92
12	17,641.98	20,288.28	18,259.45	20,998.37	18,624.64	21,418.34
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	1.95	2.24	2.02	2.32	2.05	2.36
Next 7,000 Cf	1.53	1.76	1.59	1.83	1.63	1.88
Next 40,000 Cf	1.34	1.55	1.39	1.61	1.43	1.65
Over 50,000 Cf	0.77	0.89	0.80	0.92	0.82	0.94
Seasonal						
Over Min to 90,000 Cf	1.95	2.24	2.02	2.32	2.06	2.37
Over 90,000 Cf	1.34	1.55	1.39	1.60	1.42	1.63
Seasonal Surcharge *1						
Surface Main Surcharge	34.00	39.10	35.19	40.47	35.89	41.28

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

WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 05/01/13 to 04/30/14		Effective 05/01/14 to 04/30/15		Effective 05/01/15 to 12/31/15	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
Private Fire						
2	38.64	44.40	39.84	45.72	41.40	47.52
3	86.40	99.36	89.40	102.36	92.40	106.20
4	154.32	177.48	158.88	182.76	164.88	189.72
6	368.64	423.84	379.80	436.68	394.20	453.24
8	617.28	709.80	635.88	731.04	660.00	758.88
10	964.44	1,109.16	993.36	1,143.00	1,031.16	1,186.44
12	1,388.76	1,597.08	1,430.40	1,645.08	1,484.76	1,707.60
16	2,468.88	2,839.20	2,542.92	2,924.40	2,639.52	3,035.52
General Water						
Minimum Monthly Charges						
5/8	8.25	9.48	8.46	9.73	8.74	10.05
3/4	9.72	11.16	9.97	11.45	10.30	11.83
1	12.63	14.52	12.93	14.90	13.36	15.39
1 1/2	20.35	23.40	21.14	24.31	22.19	25.51
2	29.31	33.69	30.45	35.00	31.96	36.73
3	53.18	61.14	55.25	63.52	57.98	66.66
4	80.03	92.04	83.15	95.63	87.27	100.36
6	154.64	177.82	160.67	184.75	168.62	193.90
8	244.15	280.78	253.67	291.73	266.23	306.17
10	353.51	406.54	367.30	422.40	385.48	443.31
12	467.96	538.14	486.21	559.13	510.28	586.81
Low Income	2.07	2.39	2.12	2.45	2.19	2.53
Seasonal Water						
Minimum Seasonal Charges						
5/8	205.49	236.31	211.65	243.40	219.69	252.65
3/4	261.81	301.07	269.66	310.10	279.91	321.88
1	318.13	365.85	327.67	376.83	340.12	391.15
1 1/2	505.86	581.74	521.04	599.19	540.84	621.96
2	731.13	840.81	753.06	866.03	781.68	898.94
3	1,331.89	1,531.69	1,371.85	1,577.64	1,423.98	1,637.59
4	2,007.75	2,308.91	2,067.98	2,378.18	2,146.56	2,468.55
6	3,885.11	4,467.88	4,001.66	4,601.92	4,153.72	4,776.79
8	6,137.95	7,058.64	6,322.09	7,270.40	6,562.33	7,546.68
10	12,145.51	13,967.33	12,509.88	14,386.35	12,985.26	14,933.03
12	18,904.01	21,739.62	19,508.65	22,434.96	20,249.98	23,287.49
Volume Charges						
Four Blocks (Step 5)						
Monthly						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.07	2.39	2.12	2.45	2.19	2.53
Next 7,000 Cf	1.66	1.91	1.72	1.98	1.81	2.08
Next 40,000 Cf	1.46	1.68	1.52	1.75	1.60	1.84
Over 50,000 Cf	0.83	0.96	0.86	1.00	0.90	1.05
Seasonal						
Over Min to 90,000 Cf	2.07	2.39	2.12	2.45	2.19	2.45
Over 90,000 Cf	1.46	1.68	1.52	1.75	1.58	1.75
Seasonal Surcharge *1						
Surface Main Surcharge	36.43	41.90	37.52	43.16	38.95	44.80

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

Operating Information - Page 76 to 77

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**

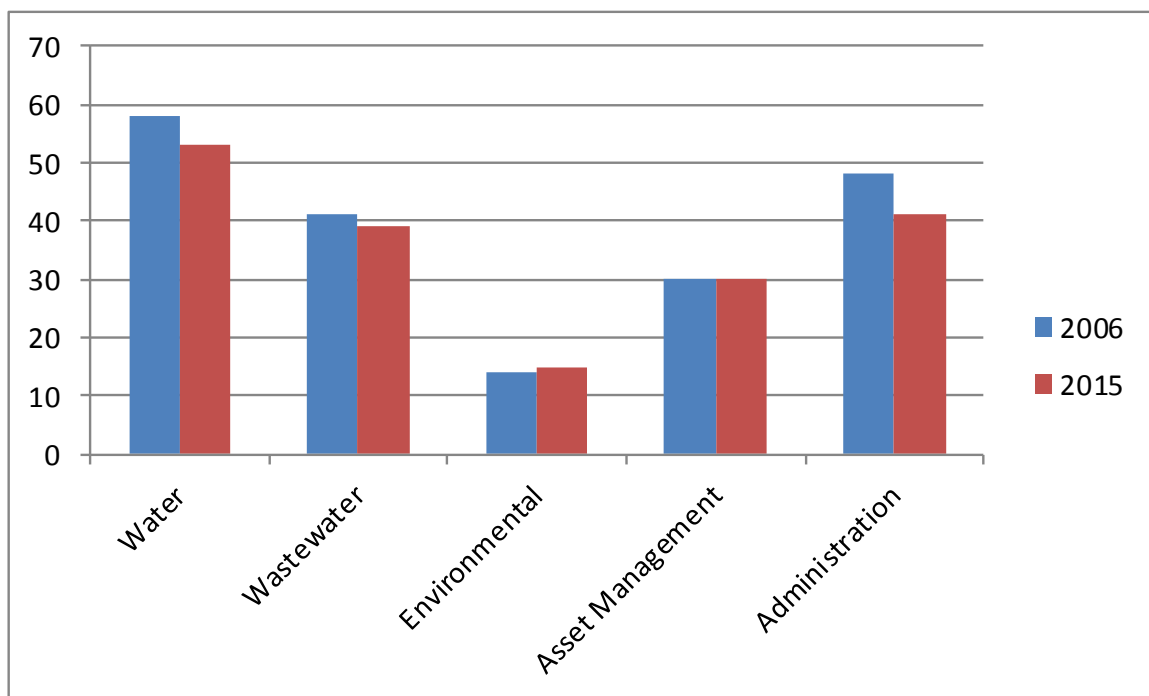
Water Assets										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Services	55,121	55,536	55,883	55,942	56,089	56,256	56,389	56,252	53,643	54,022
Meters	49,575	49,704	49,860	50,125	50,381	50,614	51,818	52,275	53,071	53,958
Hydrants	4,773	4,790	4,833	4,870	4,896	4,912	4,954	4,985	5,003	5,048
Gate Valves	10,369	10,471	10,520	10,614	11,140	11,187	11,270	11,294	11,458	11,542
Distribution Mains (miles)	940.0	945.4	949.9	954.9	957.9	958.6	961.7	945.3	947.2	949.6
Transmission Mains (miles)	40.5	40.5	40.5	41.4	41.4	41.4	41.4	41.4	40.7	40.7
Wastewater Assets										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interceptors (miles)	44.3	44.3	46.7	46.9	46.9	46.9	46.9	48.1	48.1	48.1
Foremains (miles)	18.4	18.4	21.4	21.4	21.8	21.9	21.9	22.3	22.5	22.5
Collectors (miles)	25.1	25.1	24.9	24.9	25.3	25.3	25.7	25.7	26.1	26.4
Storm Drains (miles)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.9
Manholes	2,045	2,191	2,353	2,384	2,342	2,348	2,387	2,436	2,442	2,451
Combined Sewer Overflows	28	28	28	28	28	28	28	28	28	28
Wastewater Flow Treated*										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East End (Portland)	18.67	16.54	19.05	17.30	18.15	18.04	18.00	17.22	18.92	16.38
Westbrook/Gorham	3.23	3.04	3.92	3.74	3.29	3.52	3.13	3.01	3.25	2.54
Cape Elizabeth	0.36	0.26	0.34	0.33	0.28	0.30	0.28	0.26	0.30	0.23
Little Falls (Windham) ***	0.03	0.02	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	1.08	0.08	0.13	0.11	0.09	0.10	0.09	0.09	0.10	0.09
* Daily average in millions of gallons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										
Wastewater Biosolids Disposal**										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East End (Portland)	48.63	45.59	50.75	51.33	45.20	43.54	38.66	45.17	48.18	50.28
Westbrook/Gorham	11.27	11.72	12.24	11.61	10.67	11.80	12.38	12.96	13.96	14.23
Cape Elizabeth	0.46	0.43	0.43	0.65	0.57	0.59	0.48	0.60	0.59	0.66
Little Falls (Windham) ***	0.12	0.14	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	0.06	0.09	0.07	0.03	0.07	0.12	0.12	0.12	0.12	0.13
** Daily average in wet tons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										

NUMBER OF EMPLOYEES BY ACTIVITY

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water Operations:										
Water Distribution	27	27	27	25	25	25	24	24	23	22
Water Utility Services	16	16	16	15	13	13	13	13	14	15
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	4	3	3	4	4	4	5	5	5	5
	58	57	57	55	53	53	53	53	53	53
Wastewater Operations:										
Wastewater Treatment	27	26	26	26	26	26	25	24	25	25
Water/Wastewater Systems	11	11	11	12	12	12	12	13	13	13
Administrative/Other	3	3	3	1	1	1	2	2	1	1
	41	40	40	39	39	39	39	39	39	39
Environmental Services:										
Environmental Services	8	8	8	8	8	8	8	8	8	8
Laboratory	6	8	8	8	8	7	7	7	7	7
	14	16	16	16	16	15	15	15	15	15
Asset Management & Planning:										
Planning & Design	14	14	14	15	16	17	17	17	17	17
Facilities Services	12	12	12	12	11	10	10	10	10	10
Instrumentation	4	4	4	3	3	3	3	3	3	3
	30	30	30	30	30	30	30	30	30	30
Administration:										
Customer Service	21	20	16	14	14	14	14	14	14	14
Executive Office	8	8	10	7	8	9	9	8	8	8
Financial Services	9	9	9	9	8	8	8	9	9	9
Information Services	7	7	7	7	7	7	7	7	7	7
Employee Services	3	3	3	3	3	3	3	3	3	3
	48	47	45	40	40	41	41	41	41	41
	191	190	188	180	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 78

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
2006	195,293	\$6,559,033	\$23,886	3.4%
2007	195,673	\$6,902,085	\$25,003	3.5%
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	207,103	n/a	n/a	2.8%

The population shown is equal to the population of the eleven communities served by the District. Population estimates for 2011, 2012, and 2013 were only available for Portland, South Portland and Westbrook.

The income and unemployment figures are that of Cumberland County.

All of the District's operations are within Cumberland County and the total population of the communities served by the District equals 71% of the County's total population.

PRINCIPAL EMPLOYERS

Current Year

Ten Largest Employers*

Employer Name	Employees	Business Description
Maine Health	7,001 to 7,500	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	2,001 to 2,500	Supermarkets & Other Grocery Stores
Mercy Hospital	1,501 to 2,000	General Medical & Surgical Hospitals
Mid Coast Hospital	1,001 to 1,500	General Medical & Surgical Hospitals
Wal Mart/Sam's Club	1,001 to 1,500	Discount Department Stores
Bowdoin College	1,001 to 1,500	Colleges & Universities
TD Bank NA	1,001 to 1,500	Commercial Banking
Idexx Laboratories	1,001 to 1,500	Pharmaceutical Preparation Manufacturing

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

Note: Prior data was not available

* Data on total employment limited to the District's service area was not available. This data is for all of Cumberland County, the population in the areas served by the District represent 71% of the County's total population. In addition, the majority of the employees for the largest employer shown (L.L. Bean) work outside of the District's service area.

Other Information - Pages 79 to 91

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	TOTAL
2006	\$10,371,056	\$2,694,789	\$1,380,241	\$553,408	\$978,070	\$699,708	\$103,631	\$16,780,903
2007 (a)	\$10,951,171	\$2,847,789	\$1,343,468	\$630,494	\$1,091,964	\$709,731	\$137,932	\$17,712,548
2008 (b)	\$11,102,986	\$3,082,247	\$1,406,459	\$709,712	\$1,091,964	\$728,885	\$137,766	\$18,260,020
2009 (c)	\$11,380,763	\$3,186,785	\$1,439,469	\$720,772	\$1,124,781	\$767,447	\$122,578	\$18,742,595
2010 (d)	\$12,162,204	\$3,435,999	\$1,646,460	\$745,569	\$1,151,027	\$789,395	\$138,473	\$20,069,127
2011 (e)	\$12,170,613	\$3,424,326	\$1,650,656	\$734,420	\$1,178,853	\$820,766	\$146,389	\$20,126,023
2012	\$12,163,820	\$3,470,397	\$1,736,216	\$688,760	\$1,187,433	\$832,535	\$141,273	\$20,220,434
2013 (f)	\$12,190,428	\$3,466,827	\$1,668,340	\$657,014	\$1,198,678	\$843,912	\$168,032	\$20,193,231
2014 (g)	\$12,385,913	\$3,552,801	\$1,690,206	\$740,640	\$1,227,986	\$876,736	\$165,927	\$20,640,209
2015 (h)	\$13,106,427	\$3,824,946	\$1,630,601	\$750,107	\$1,270,959	\$915,884	\$195,733	\$21,694,657

(a) - Effective January 2007 metered water rates increased an average of 3.5% and public fire protection rates were increased 11.0%.

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

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

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

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

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

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

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

WASTEWATER ASSESSMENTS (AMOUNTS EXPRESSED IN THOUSANDS OF DOLLARS)

YEAR	Cape Elizabeth	Cumberland	Gorham	Portland	Westbrook	Windham	TOTAL
2006	\$1,014,456	\$695,196	\$704,844	\$8,987,664	\$1,617,200	\$108,852	\$13,128,212
2007	\$1,014,456	\$764,236	\$763,092	\$9,699,360	\$1,685,888	\$108,852	\$14,035,884
2008	\$1,049,052	\$764,236	\$924,732	\$9,951,852	\$1,800,540	\$214,320	\$14,704,732
2009	\$1,049,052	\$564,232	\$1,021,008	\$10,250,412	\$2,208,971	\$331,848	\$15,425,523
2010	\$1,089,984	\$702,264	\$1,068,444	\$10,455,044	\$2,533,176	\$351,756	\$16,200,668
2011	\$1,089,984	\$702,264	\$1,068,444	\$10,340,044	\$2,533,176	\$351,756	\$16,085,668
2012	\$1,293,540	\$712,800	\$1,084,464	\$10,540,044	\$2,533,176	\$351,756	\$16,515,780
2013	\$1,365,084	\$713,940	\$1,084,464	\$10,540,044	\$2,318,176	\$351,756	\$16,373,464
2014	\$1,377,252	\$731,784	\$1,106,148	\$10,872,204	\$2,533,176	\$351,756	\$16,972,320
2015	\$1,412,112	\$731,784	\$1,106,148	\$10,981,308	\$2,533,176	\$351,756	\$17,116,284

Water Statistics

2015 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

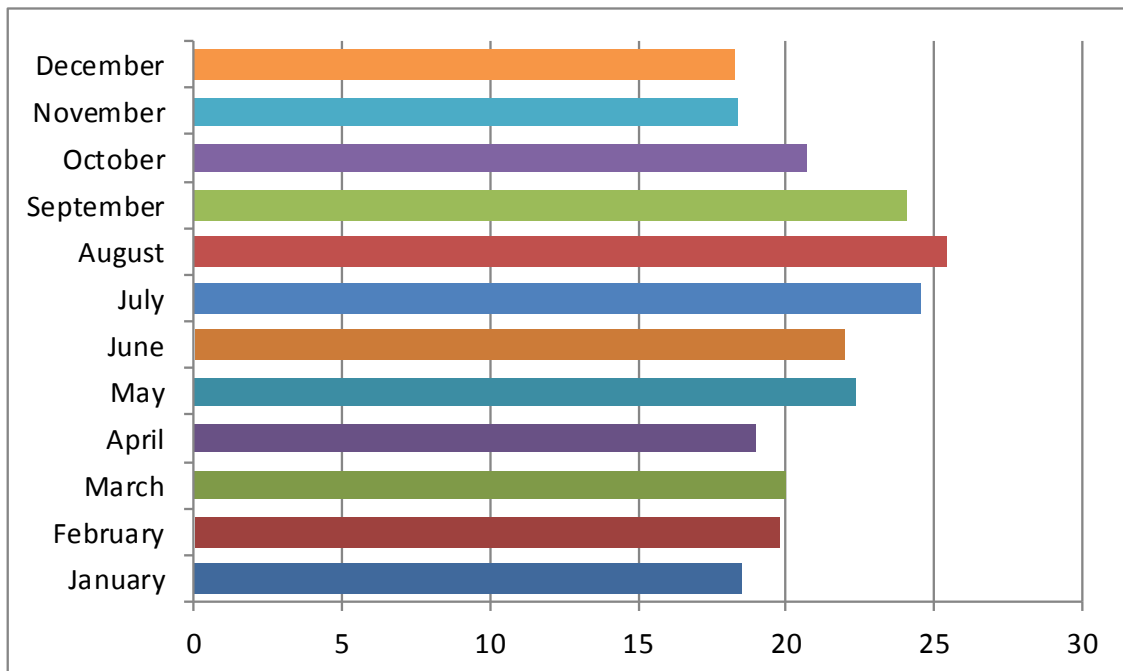
MONTH	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Rd. Boosted
January	18.503	0.035	18.537	0.377	0.622	0.581	0.097	0.435
February	19.755	0.032	19.788	0.368	0.572	0.608	0.095	0.549
March	20.004	0.034	20.037	0.370	0.558	0.657	0.102	0.522
April	18.927	0.033	18.959	0.355	0.574	0.569	0.103	0.417
May	22.309	0.043	22.351	0.496	0.655	0.739	0.135	0.784
June	21.927	0.039	21.966	0.475	0.626	0.678	0.132	0.652
July	24.460	0.049	24.509	0.517	0.721	0.768	0.150	0.853
August	25.313	0.058	25.370	0.500	0.740	0.623	0.156	0.817
September	24.047	0.058	24.104	0.503	0.732	0.681	0.147	0.715
October	20.653	0.051	20.704	0.389	0.585	0.602	0.119	0.456
November	18.278	0.044	18.322	0.362	0.432	0.588	0.111	0.379
December	18.254	0.031	18.286	0.346	0.426	0.585	0.128	0.379
Averages	21.036	0.042	21.078	0.421	0.604	0.640	0.123	0.580

2015 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
	7,682,852	15,433	7,698,285	153,803	220,308	233,556	44,845	211,630

2015 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														Percentage
	Greater Portland System	Sebago Lake Standish System	Cumberland Wells	N. Windham Wells	Steep Falls Wells	TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish	West Falmouth	Total Boosted	Boosted to Total
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%

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

2015 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,604	3,682	322	738	70.7
Cumberland	1,899	1,808	265	426	49.0
Falmouth	3,409	3,261	394	751	83.4
Gorham	2,771	2,692	314	725	59.5
Portland	18,658	18,839	1469	3,902	250.1
Raymond	42	40	24	16	2.7
Scarborough	5,205	5,411	655	1,176	113.1
South Portland	8,541	8,250	566	1,645	122.4
Standish	741	731	145	213	26.5
Westbrook	5,833	5,652	561	1,203	87.2
Windham	3,319	3,592	333	747	85.0
TOTAL	54,022	53,958	5,048	11,542	949.6

2015 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	124	0	3,329	103	8	21	19	3,604
Cumberland	24	5	1,751	74	1	38	6	1,899
Falmouth	68	2	3,166	66	3	87	17	3,409
Gorham	28	0	2,539	91	4	96	13	2,771
Portland	1,406	7	15,882	352	27	626	358	18,658
Raymond	0	0	37	0	0	5	0	42
Scarborough	187	0	4,487	267	4	248	12	5,205
South Portland	399	1	7,505	196	19	288	133	8,541
Standish	55	0	655	17	1	8	5	741
Westbrook	230	0	5,223	134	1	225	20	5,833
Windham	57	0	2,899	277	0	77	9	3,319
TOTAL	2,578	15	47,473	1,577	68	1,719	592	54,022

WATER QUALITY ANALYSIS

(AS TESTED ON FEBRUARY 2, 2016, UNLESS OTHERWISE NOTED)

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

Constituent	Units	Greater Portland Untreated	Greater Portland Treated	Westbrook Sewer District (Distribution)	Steep Falls Untreated	Steep Falls Treated	MCL (for comparison only) ¹
Physical							
Color	CU	<5	<5	<5	<5	5	15
Conductivity	µS	42	57	58	185	185	**
Total Residue	mg/L	38	34	9	108	106	500
Turbidity	NTU	0.28	0.25	0.29	0.09	0.10 ²	1
Inorganic Non-metals							
Residual chlorine ³	mg/L	0	2.3	1.8	0	1.2	4
Alkalinity(as CaCO ₃)	mg/L	4.8	7.7	8.5	13.1	22	**
Carbon dioxide	mg/L	1.8	0.6	0.5	14.2	1.8	**
Ammonia – N	mg/L	<0.01	0.52	0.49	0.05	<0.01	**
Nitrite – N	mg/L	0.003	0.003	0.004	0.002	0.004	1
Nitrate – N	mg/L	<0.23	<0.23	<0.23	1.83	1.79	10
Chloride	mg/L	7	10	10	45	42	250
Dissolved Oxygen	mg/L	12.5	21.1	19.9	6.2	11.1	**
Fluoride	mg/L	0.07	0.67	0.70	0.08	0.61	4
Hardness (as CaCO ₃)	mg/L	22.9	20.4	8.2	26.4	25.0	150
pH ³	SU	6.8	8.5	8.1	6.5	7.8	8.5
Silica	mg/L	4.3	3.6	4	10.9	11.7	**
Phosphorus	mg/L	0.02	0.35	0.36	0.03	0.04	**
Sulfate ⁴	mg/L	NA	3	NA	NA	6.4	250
Inorganic Metals							
Arsenic	mg/L	<0.0056	<0.0056	<0.0056	<0.0056	<0.0056	0.05
Barium	mg/L	0.0041	0.0039	0.0039	0.0066	0.0089	2
Cadmium	mg/L	<0.00077	<0.00077	<0.00077	<0.00077	<0.00077	0.005
Calcium	mg/L	8.2	7.2	2.9	7.6	7.2	**
Chromium	mg/L	<0.0011	<0.0011	<0.0011	<0.0011	<0.0011	0.1
Copper ⁵	mg/L	<0.0025	<0.0025	0.017	0.08	0.035	1.3
Iron ⁵	mg/L	0.032	0.03	0.054	0.032	0.247	0.3
Lead ⁵	mg/L	<0.0024	<0.0024	<0.0024	<0.0024	<0.0024	0.015
Magnesium	mg/L	0.59	0.59	0.59	1.8	1.7	**
Manganese ⁴	mg/L	NA	<0.005	NA	NA	<0.03	0.05
Mercury ⁴	mg/L	NA	<0.0001	NA	NA	<0.0004	0.002
Nickel	mg/L	<0.011	<0.011	<0.011	<0.011	<0.011	0.1
Potassium	mg/L	0.49	0.49	0.50	1.9	1.7	**
Selenium ⁴	mg/L	NA	<0.001	NA	NA	<0.001	0.05
Silver	mg/L	<0.00046	<0.00046	<0.00046	<0.00046	<0.00046	0.05
Sodium	mg/L	5	28	9	28	28	100
Zinc	mg/L	0.028	0.120	0.126	0.021	0.042	5
Aggregate Organic							
Carbon, total organic	mg/L	2.3	2.2	2.2	<0.5	<0.5	**
Pesticide/Herbicide⁶							
	µg/L	NA	ND	NA	NA	ND	
Asbestos⁷							
(million fibers/L)	10 ⁶ f/L	NA	<0.12	NA	NA	NA	7
Radionuclides⁸							
Gross alpha	pCi/L	NA	2.5	NA	NA	5	15

WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

CONTAMINANT	MCL ¹ (MG/L)		GREATER PORTLAND	STEEP FALLS
ORGANIC				
VOLATILE ORGANICS (EPA 524.2) Collected in June 2015 (Greater Portland) and June 2014 (Steep Falls)				
BENZENE	0.005		<0.0005	<0.0005
CARBON TETRACHLORIDE	0.005		<0.0005	<0.0005
p-DICHLOROBENZENE	0.075		<0.0005	<0.0005
1,2-DICHLOROETHANE	0.005		<0.0005	<0.0005
1,1-DICHLOROETHENE	0.007		<0.0005	<0.0005
1,1,1-TRICHLOROETHANE	0.2		<0.0005	<0.0005
TRICHLOROETHENE	0.005		<0.0005	<0.0005
VINYL CHLORIDE	0.002		<0.0005	<0.001
METHYL TERT-BUTYL ETHER (State req.)	0.035		<0.0005	<0.0005
o-DICHLOROBENZENE	0.6		<0.0005	<0.0005
cis-1,2-DICHLOROETHENE	0.07		<0.0005	<0.0005
trans-1,2-DICHLOROETHENE	0.1		<0.0005	<0.0005
1,2-DICHLOROPROPANE	0.005		<0.0005	<0.001
ETHYLBENZENE	0.7		<0.0005	<0.0005
CHLOROBENZENE	0.1		<0.0005	<0.0005
STYRENE	0.1		<0.0005	<0.001
TETRACHLOROETHENE	0.005		<0.0005	<0.0005
TOLUENE	0.1		<0.0005	<0.001
XYLENES	10		<0.001	<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 ²		STWV ²	STWV ²
ETHYLENE DIBROMIDE	STWV ²		STWV ²	STWV ²
SYNTHETIC ORGANIC-PESTICIDES (EPA 525.2) Collected in September 2014				
ATRAZINE	0.003		<0.0002	STWV ²
ALACHLOR (LASSO)	0.002		<0.00025	STWV ²
BENZO(A)PYRENE	0.0002		<0.0002	STWV ²
BHC GAMMA (LINDANE)	0.0002		<0.0002	STWV ²
BIS (2-ETHYLHEXYL) ADIPATE	0.4		<0.001	STWV ²
BIS (2-ETHYLHEXYL) PHTHALATE	0.001		<0.001	STWV ²
ENDRIN	0.002		<0.0002	STWV ²
HEPTACHLOR	0.0004		<0.0001	STWV ²
HEPTACHLOR EPOXIDE	0.0002		<0.0002	STWV ²
HEXACHLOROBENZENE	0.001		<0.0002	STWV ²
HEXACHLOROCYCLOPENTADIENE	0.05		<0.0002	STWV ²
METHOXYCHLOR	0.04		<0.0002	STWV ²
SIMAZINE	0.004		<0.0002	STWV ²
PESTICIDES/PCB'S (EPA 508.1) Collected in September 2014				
CHLORDANE	0.002		<0.00052	STWV ²
POLYCHLORINATED BIPHENYLS, TOTAL	0.0005		<0.0001	STWV ²
TOXAPHENE	0.003		<0.00052	STWV ²
CARBAMATES (EPA 531.1) Collected in September 2014				
ALDICARB	NO MCL		<0.002	STWV ²
ALDICARB SULFONE	NO MCL		<0.002	STWV ²
ALDICARB SULFOXIDE	NO MCL		<0.002	STWV ²
CARBOFURAN	0.04		<0.002	STWV ²
OXAMYL	0.2		<0.002	STWV ²
SYNTHETIC ORGANICS - HERBICIDES (EPA 515.3) Collected in September 2014				
2,4-D	0.07		<0.0001	STWV ²
2,4,5 TP (SILVEX)	0.05		<0.0004	STWV ²
DALAPON	0.2		<0.001	STWV ²
DINOSEB	0.007		<0.0005	STWV ²
PENTACHLOROPHENOL	0.001		<0.0001	STWV ²
PICLORAM	0.5		<0.00075	STWV ²

FOOTNOTES and DEFINITIONS:

¹MCL = Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water.

²STWV-State waiver, no testing required.

³Chlorine and pH vary throughout the distribution system so values at your tap may differ from this locale.

⁴Sulfate, manganese, mercury and selenium sampled in June 2015 for Greater Portland and June 2014 for Steep Falls.

⁵Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing.

⁶Pesticide/Herbicide sampled in June and September 2014 for Greater Portland and June 2008 for Steep Falls.

⁷Asbestos sampled in June 2011 in the Cumberland area.

⁸Gross alpha sampled in June 2015 for both Greater Portland and Steep Falls.

⁹Steep Falls Treated turbidity sampled 2/2/16.

** - 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.

2015 ACTIVE FIRE SERVICES

DIVISION	1"	1.5"	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	0	0	2	3	7	8	0	0	0	20	0.9%
Cumberland	0	0	1	0	16	9	0	0	0	26	1.2%
Falmouth	0	1	80	8	55	12	1	4	0	161	7.6%
Gorham	0	0	23	7	52	30	0	0	0	112	5.3%
Portland	0	17	90	89	505	175	11	5	1	893	42.4%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	26	27	134	66	2	1	0	259	12.3%
South Portland	0	0	11	12	175	103	13	8	0	322	15.3%
Standish	0	0	0	0	9	0	0	0	0	9	0.4%
Westbrook	1	0	16	17	116	68	5	2	1	226	10.7%
Windham	0	0	9	6	45	12	1	1	0	74	3.5%
TOTAL	2	20	258	169	1,116	485	33	21	2	2,106	100.0%

2015 METERS IN SERVICE

DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,469	78	70	22	32	7	2	1	1	0	3,682	6.8%
Cumberland	1,644	67	55	18	15	5	2	0	1	1	1,808	3.4%
Falmouth	2,878	127	130	49	57	11	1	5	3	0	3,261	6.0%
Gorham	2,515	51	42	27	42	12	2	0	1	0	2,692	5.0%
Islands	568	3	12	5	3	0	0	1	0	0	592	1.1%
Portland	15,943	682	598	376	476	99	38	29	6	0	18,247	33.8%
Raymond	24	1	4	5	6	0	0	0	0	0	40	0.1%
Scarborough	4,923	90	171	93	94	18	6	13	3	0	5,411	10.0%
South Portland	7,585	106	165	126	196	33	11	23	4	1	8,250	15.3%
Standish	693	11	16	2	5	0	2	2	0	0	731	1.4%
Westbrook	5,169	118	155	62	95	27	8	10	4	4	5,652	10.5%
Windham	3,347	68	74	49	40	5	3	6	0	0	3,592	6.7%
TOTAL	48,758	1,402	1,492	834	1,061	217	75	90	23	6	53,958	100.0%

METERED WATER (IN THOUSANDS OF GALLONS)

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2006	3,335,238	1,448,735	1,463,345	343,850	107,173	6,698,341
2007	3,368,388	1,489,936	1,326,391	356,155	126,414	6,667,284
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

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 748, for example the 2013 volume of 6,417,923 TOG equals 8,580,111 HCF

Wastewater Statistics

EAST END WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)		Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals	
	Primary Treatment Only	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS
2006	1.203	17.465	4,303	1,167	48.63	Wet Tons	96	95
2007	0.639	15.896	3,311	605	45.59	Wet Tons	93	89
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

WESTBROOK/GORHAM/WINDHAM REGIONAL WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)	Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals		% Flow		
	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS	Westbrook	Gorham	Windham
2006	3.225	4,774	1,753	11.27	Wet Tons	96	94	88.341	11.659	-
2007	3.039	4,640	3,157	11.72	Wet Tons	95	94	89.952	10.048	-
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

*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
2006	0.358	0.46	Wet Tons	91	95
2007	0.257	0.43	Wet Tons	94	95
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	0.60	Wet Tons	93	96
2014	0.295	0.59	Wet Tons	92	96
2015	0.226	0.66	Wet Tons	94	97

PEAKS ISLAND WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
YEAR	Secondary Treatment	TOTAL	Units	BOD	TSS
2006	0.108	0.06	Wet Tons	92	91
2007	0.084	0.09	Wet Tons	95	93
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

EAST END WASTEWATER TREATMENT FACILITY

SLUDGE CAKE METALS (MG/DRY KG)

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2015	January	2.2	280	13	21	11	500	1.0
	February	1.7	210	12	18	8	350	0.2
	March	2.4	180	18	34	12	400	0.2
	April	2.9	190	18	36	13	460	0.2
	May	2.4	250	16	37	11	470	0.3
	June	2.5	250	18	84	13	550	0.2
	July	2.1	250	16	36	11	540	0.4
	August	1.8	240	13	33	10	500	0.2
	September	1.8	280	14	31	13	580	0.3
	October	2.5	240	14	39	11	520	2.5
	November	1.3	240	14	22	11	500	0.2
	December	2.2	230	14	38	11	480	0.3
Annual Average		2.2	237	15	36	11	488	0.5

HISTORICAL SLUDGE CAKE METALS AVERAGES (MG/DRY KG)

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2006	0.9	242	19	60	14	599	1.6
2007	0.9	254	17	51	13	575	0.5
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

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
2015	January	1.9	350	70	25	55	630	0.6
	April	3.1	350	50	21	67	660	0.2
	July	2.6	450	46	20	47	800	
	October	1.6	460	60	27	92	870	0.8
Annual Average		2.3	403	57	23	65	740	0.5

* PWD received a minor modification of its Solid Waste License that reduced Westbrook's monitoring frequency to no less than quarterly. Based on regulations and the quantity of biosolids produced at Westbrook, this frequency is now more consistent with the regulatory requirements.

HISTORICAL SLUDGE CAKE METALS AVERAGES (MG/DRY KG)

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2006	1.2	615	80	42	63	1,359	1.2
2007	1.1	567	68	37	25	1,185	0.5
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

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

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

WASTEWATER SUMMARY BY DIVISION

Portland System: *1					
Mainland	Estimated population served	60,000			
	Treatment plant design flow:				
	average / peak wet weather	19.8 mgd average / 80 mgd peak			
	Pump stations	10			
	Interceptors	72,431 feet			
Peaks Island	Force Mains	17,401 feet			
	Estimated population served	500			
	Treatment plant design flow:				
	average / peak wet weather	0.2 mgd average / .61 mgd peak			
	Pump stations	4			
	Collectors	23,775 feet			
	Interceptors	4,220 feet			
	Force Mains	5,437 feet			
	Storm Drains	10,160 feet			
Westbrook *2					
	Estimated population served	11,000			
	Treatment plant design flow:				
	average / peak wet weather	4.54 mgd average / 15.7 mgd peak			
	Westbrook allocated average treatment plant flow (76.4%)	3.47 mgd average / 11.99 mgd peak			
			Joint Use	Westbrook Only	Gorham Only Windham Only
	Pump stations	3	1	2	
	Interceptors	26,711 feet	9,764	16,948	
	Force Mains	17,930 feet	4,589	13,341	
	Percentage Flow			78.377%	18.713% 2.910%
Cape Elizabeth System *3					
Cape - North	Estimated population served	4,000			
	Treatment contracted to South Portland				
	System design flow	0.72 mgd			
	Pump stations	13			
	Interceptors	28,700 feet			
Cape - South	Force Mains	4,100 feet			
	Estimated population served	3,100			35,052 Force main (both)
	Treatment plant design flow:				51,811 Interceptor (both)
	average / peak wet weather	0.52 mgd average / 2.75 mgd peak			
	Pump stations	10			
	Interceptors	19,985 feet			
	Force Mains	18,610 feet			
Cumberland					
	Estimated population served	2,200			
	Treatment contracted to Falmouth				
	System Design Flow	0.47 mgd			
	Pump stations	13			
	Interceptors	41,035 feet			
	Collectors	78,829 feet			
	Force Mains	29,894 feet			
Gorham Village					
	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	96,872 feet			
	Force Mains	23,445 feet			
Little Falls System *4					
	Estimated population served	1,000			
	Windham allocated average treatment plant flow (2.6%)	0.12 mgd average / .41 mgd peak			
			Joint Use	Gorham Only	Windham Only
	Pump stations	6	3	1	2
	Interceptors/Collectors	22,674 feet	12,579	7,008	3,087
	Force Mains	17,347 feet	11,280	3,578	2,489
	Percentage Flow			21.149%	78.851%

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	6.6	0.0	0.0	16.4	275	1
Cumberland	7.8	5.7	14.9	0.0	28.4	593	0
Gorham	7.6	5.1	15.0	0.0	27.7	658	0
Windham	0.6	0.5	0.0	0.0	1.1	32	0
Portland	14.5	4.3	4.5	1.9	25.3	832	22
Westbrook	5.1	3.4	0.0	0.0	8.5	133	5
TOTAL	45.3	25.6	34.4	1.9	107.3	2,523	28