

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



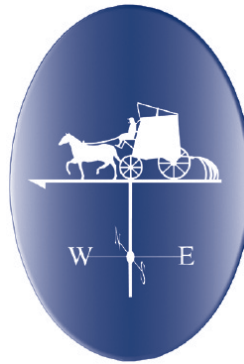
Portland  
Water  
District

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*For the year ended December 31, 2014*

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

# Comprehensive Annual Financial Report



Portland Water District

Portland, Maine

For The Year Ended December 31, 2014

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, 2015

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, 2014.

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 2014 financial activities, the financial statements, and the auditor's report on the financial statements and schedules. Information on long-term financial planning can be found in our budget document on our website.
- 3 STATISTICAL SECTION**, which includes selected operational, demographic, and financial information, generally presented on a historical or regional basis.

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

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

# Factors Affecting Financial Condition

## Local Economy

The local economy continues to make a slow and steady recovery from recession. Generally, PWD's service area (Cumberland County) 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 3.8% unemployment rate in Cumberland County.

**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 7.9% in 2014. As the state's largest real estate market, more than one in four sales take place in Cumberland County. Cumberland County saw a 6.47% increase in 2014 sales.

New construction remained stable statewide, as indicated through building permit data collected by the U.S. Census Bureau. Of the 3,242 state-wide building permit units in 2014, 28% were within Cumberland County.

Locally, the Portland Water District continues to experience modest 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.

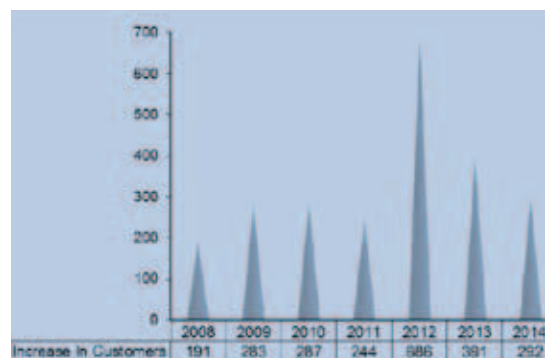
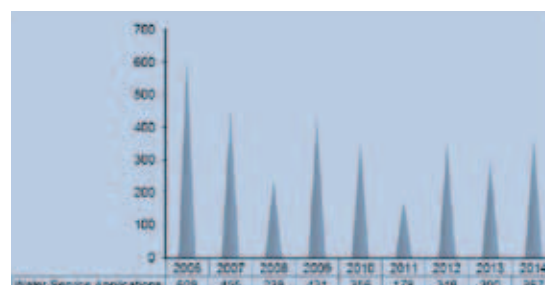
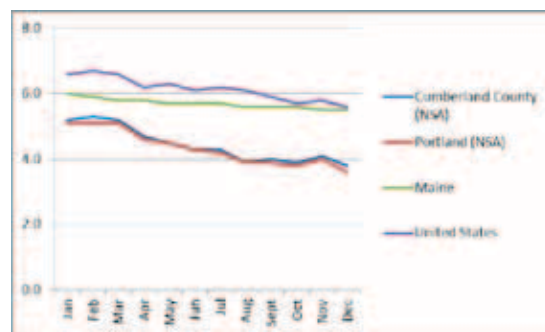


Since 2000 the average residential household usage has declined by more than 15% which is consistent within the water utility sector nationwide. A locally conducted survey indicated that over half of Portland Water District's residential customers made a conscious effort to reduce outside water usage in the last year. In addition, water consumption by the top ten users declined 2%.

The summer of 2014 was very wet and rainy which may have contributed to a decrease in revenue from outside water usage. The National Weather Service reports 18.98 inches of precipitation fell in Portland during June, July, and August of 2014 which is well above normal levels of 10.54 inches and the 12.42 inches that fell in 2013.

## 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, 2015 may be the best for employment growth since before 2007. Urban growth in Portland and other metropolitan areas is expected to continue to outpace the rest of the state, which reflects a national trend.





## Our Mission

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

## Our Vision

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

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

## Our Values

### *Customer Focus*

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

### *Reliable, Valued Products & Services*

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

### *Reasonable Rates*

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

### *Continuous Improvement*

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

### *Safety*

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

### *The Environment*

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

### *Expertise*

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

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

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

### *Quality of Life*

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

# Company Profile

The Portland Water District is an independent, quasi-municipal organization that provides water, wastewater, and related environmental services to 11 Greater Portland communities. Governed by a publicly elected Board of Trustees, PWD maintains eight enterprise funds and two pension trust funds. The Water System Fund accounts for the distribution of water to Greater Portland communities. The Wastewater Funds account for the collection and processing of wastewater for the seven communities served. In accordance with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," PWD is classified as a "primary government."

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

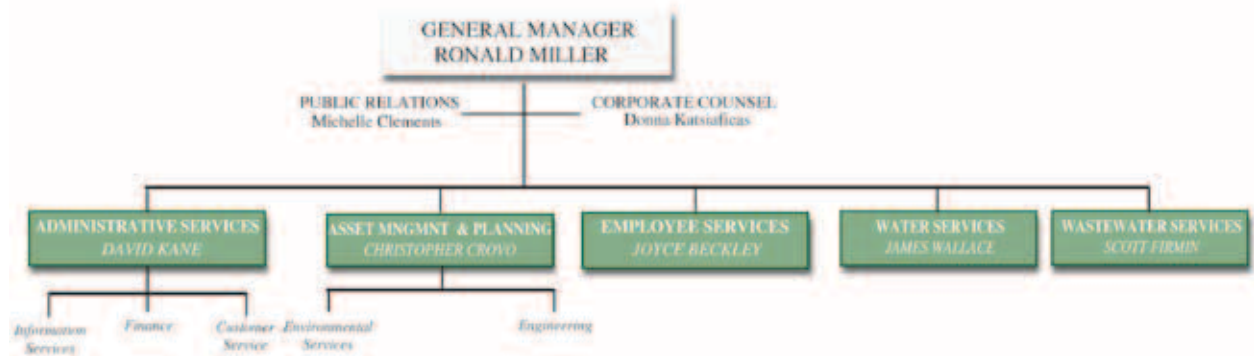
Due to the active watershed protection program and the quality of Sebago Lake water, PWD holds a state issued waiver from filtration requirements. However, the water is treated with ozone and UV at the Sebago Lake Water Treatment Facility. Furthermore, water quality experts perform nearly 15,000 analyses 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 \$291.74 million in assets operating over approximately 140 square miles and an annual budget of \$39.02 million. Additionally, PWD manages a \$25.05 million capital improvement plan.



## Corporate Management (As of 5/01/15)



## Corporate Officers and Senior Management



**Ronald Miller**  
*General Manager*



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



**Joyce Beckley**  
*Executive  
Director of  
Employee Services*



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



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

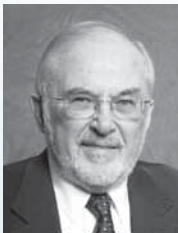


**Donna M. Katsiaficas**  
*Clerk & Corporate  
Counsel*



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

## Board of Trustees



**John Brady**  
*South Portland  
& Cape Elizabeth*



**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*



**Nisha Swinton**  
*Portland*





## Corporate History

Over a century old, the Portland Water District is a company rich in history and experience. That tradition forms a solid foundation for delivering quality water, wastewater, and environmental services and products.

The Portland Water District was formed in response to public outcry for municipal management of the public water system. In 1908, the Portland Water District took over the assets of the privately owned, Portland Water Company.

**1869** — The first water flowed from Sebago Lake to Portland, and the first water service was turned on in Portland on Thanksgiving Day.

**1908** — The Portland Water District was formed.

**1914** — The public water supply was first treated with chlorine.

**1978** — The Portland Water District began providing wastewater services to the community with the construction of its first wastewater treatment plant.

**1994** — The Sebago Lake Water Treatment Facility was constructed and ozone 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.

# 2014 Major Initiatives

## Water Rates

Water rates were increased 2.9% in 2014. The increase added about \$0.51 to the average household water bill.

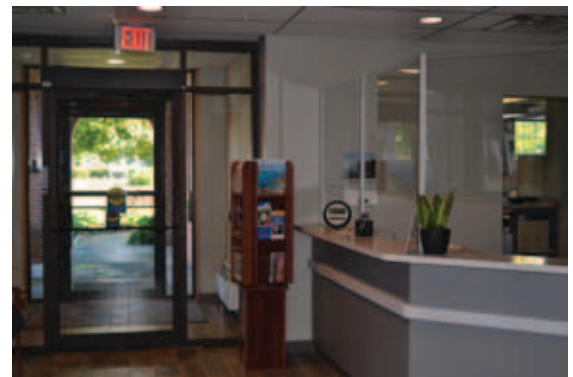
## Regulation Reform

In 2014, the Maine Legislature passed a law, L.D. 1784 An Act To Reform Regulation of Consumer-owned Water Utilities, revising the PUC rules allowing consumer-owned water districts to opt out of PUC oversight over certain administrative and economic regulations.

The Portland Water District will request exemptions from some administrative PUC requirements to maximize efficiencies and speed local response.

## Customer Service Lobby

In order to serve customers better, the customer service lobby was renovated. Facility improvements offer a more comfortable waiting area, a private meeting room, and pleasant atmosphere.



## Water Bottle Filling Fountain Grant Program

During the first year of the program, twenty-six applications for grants were received, and the Board of Trustees awarded four water bottle filling stations to: Saint Joseph's College (Standish), YMCA (Portland), Portland Transit Authority (Portland), and Greely High School (Cumberland). Saint Joseph's College was the first recipient to install the station in 2014.

## Protecting the Source

The Portland Water District Board of Trustees unanimously approved a contribution of \$268,899 to support the conservation of 791 acres of land in the Sebago Lake watershed. The pledge marked the biggest grant made under PWD's Watershed Land Conservation Policy which was revised in 2013 to allow for larger contributions.



## Water Treatment And Distribution

After nearly five years of source water monitoring, a pilot program, and construction, the \$12 million dollar UV treatment facility was fully operational by EPA's compliance deadline of April 1, 2014. The project included installation of a new ultraviolet light disinfection process and also replaced a 20-year old energy-intensive ozone treatment system with updated technologies. Ozone and UV water treatment together provide multiple barriers of protection from possible harmful pathogens, ensuring Greater Portland clean, safe, tap water.



## Water Main Replacement Improves Water Quality and Reliability

Last year, over five miles of water mains were replaced, some dating back to the late 1800s. Because of investments in main replacement, reported leaks have been reduced from over 180 in 1985 to 89 in 2014. Over the last 5 years, the Portland Water District has invested \$22 million in water main replacements while striving to keep water rates affordable. In 2015, \$6.5 million is budgeted to replace our buried infrastructure.



### 2014 Water Main Replacement Projects

Community	Street	Feet
Cape Elizabeth	Scott Dyer Rd., Spurwink Ave.	3,000
Portland	Munjoy Hill	5,300
	Exchange St. (Congress to Middle)	260
	Capisic St. (Capisic Brook to Lucas St.)	1,700
Scarborough	Pleasant Hill Ave. (Phase 1)	3,900
	US Route One (Connection to Lucky Lane)	130
S. Portland	Thornton Heights (Phase 1)	5,800
Windham	Windham Center Rd.	225
Westbrook	County Rd.	750
	Cumberland St. (Park to Pierce) Longfellow Dr., Longfellow St.	6,400
Replacement Totals		27,465



## Wastewater

### *Pilot Education Campaign: Save your pipes, don't flush baby wipes!*

The Portland Water District partnered with the Maine Wastewater Control Association and INDA (the Association of the Nonwoven Fabrics Industry) to address the growing problem of consumers flushing baby wipes. The pilot campaign featured television commercials depicting a game show titled, "What the Flush!?" and a partnership with Hannaford to provide shelf talkers and receipt messages. The Don't Flush Baby Wipes Campaign was recognized with two prestigious awards, the US EPA Environmental Merit Award and the Governor's Award for Environmental Excellence.



## Plants

*East End Wastewater Treatment Facility:* A process to upgrade the aeration system began with the selection of a design firm. The first phase of design efforts included an evaluation of alternatives. Final design will continue into 2015 with the start of construction in the fall.

*Westbrook Regional Wastewater Treatment Facility:* The flow splitting project and aeration controls upgrade significantly automated the operation of the facility during high flows. The upgrade enhances plant performance and minimizes the need for off-hours response by staff to manage high flow events. An evaluation of future options for the aeration system upgrade has begun. This study will develop a project scope and budget for the upgrade of the aging aeration system and will review likely upgrades required if new phosphorus limits are imposed by the State.



*Peaks Island Wastewater Treatment Facility:* Design of the plant's disinfection system has been completed and the system will be upgraded with the installation of an ultraviolet light (UV) disinfection system. The UV system will minimize the amount of chemicals that will be transported to the island for use in disinfection.

## Interception and Pump Stations

The upgrade to the Garden Circle Pump Station in Cape Elizabeth was completed. The station had reached the end of its useful life and experienced flooding during extreme high tides.



# 2015 BUDGET GOALS SUMMARY



## Goal 1 *Public Health*

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
- Begin 2-year crypto monitoring per Long-Term 2 Enhanced Surface Water Treatment Rule regulations



## Goal 2 *Public Safety*

Design and maintain the water system to meet modern firefighting needs.

- Review Public Hydrant Inspection Program and update as necessary
- Perform Annual Hydrant Inspections on 100% of public hydrants
- Continue fire department outreach, including supporting quarterly meetings with metropolitan fire chiefs



## Goal 3 *Environment*

Promote sustainability of natural resources in Casco Bay watershed.

- Begin design and construction of the EEWTF aeration upgrade
- Continue to reduce effluent permit violations, with a goal of zero by 2016
- Support municipalities in their management of combined sewer and wet weather flows



## Goal 4 *Reliability*

Provide products and services that meet all reasonable customer expectations.

- Continue investment in main replacement by increasing investment to \$6.5 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
- Improve vertical asset definitions in Asset Information Management System (AIM)



## Goal 5 *Affordability*

Balance delivery of products and services with customers' ability to pay.

- 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

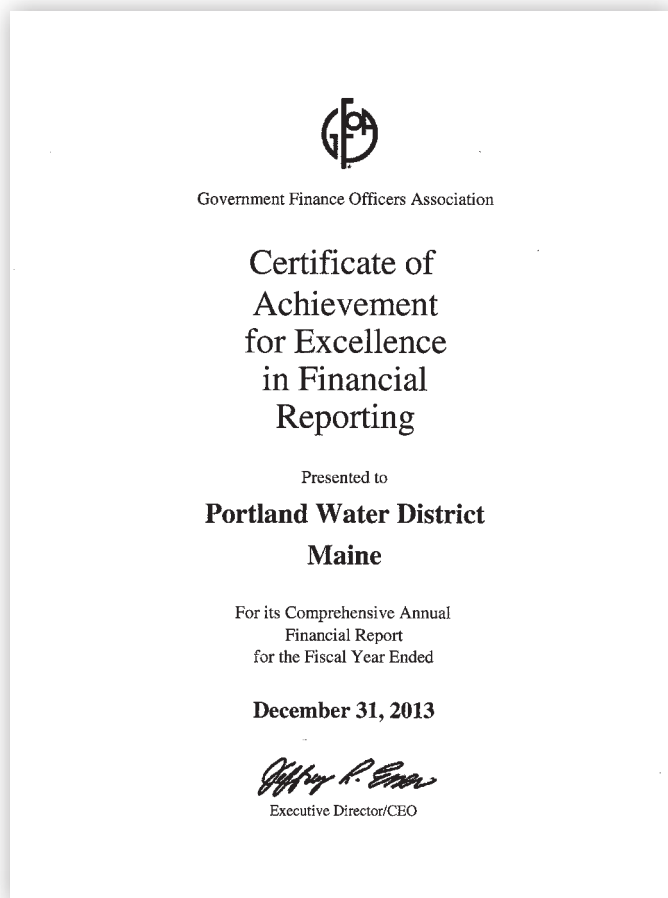


## Goal 6 *Employees and Work Environment*

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 November 2015
- Conduct employee satisfaction survey
- 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, 2013. 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*

## 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 2014. Macpage LLC's report is included in the financial section of this report.

Sincerely,

*Ronald Miller*      *David Kane*

Ronald Miller  
General Manager

David M. Kane  
Executive Director of Administration

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



## Independent Auditors' Report

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the contents page.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Portland Water District, as of December 31, 2014, 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.

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## Macpage LLC

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One Market Square, Augusta, ME 04330-4637 | 207-622-4766 | 207-622-6545 fax  
One Union Street, Suite 505, Portland, ME 04101 | 207-774-4030 | 866-927-0288 fax

[macpage.com](http://macpage.com)





To the Board of Trustees  
Portland Water District

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 - 26 and Schedules of Funding Progress for the Pension Plan on page 63, Schedules of Employer Contributions on page 63, Schedules of Changes in the District's Net Pension Liability and Related Ratios – Bargaining Unit Pension Plan and Schedule of Investment Returns on page 64, Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan and Schedule of Investment Returns on page 65 and Schedule of Funding Progress for the Other Postemployment Benefit Plan (OPEB) on page 66 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 the Portland Water District's financial statements as a whole. The introductory section and statistical tables are presented for the purposes of additional analysis and are not a required part of the financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Macpage LLC*

South Portland, Maine  
May 1, 2015

# 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 which are financed and operated in a manner similar to private businesses and two pension trust funds. The District's Water Fund serves eleven towns and cities in the greater Portland, Maine area. The District's 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 Fund Net Position
- Statement of Cash Flows
- Statement of Fiduciary Net Position/Changes in Fiduciary Net Position
- Notes of the Financial Statements

## ***Financial Highlights***

Sebago Lake Water Treatment Facility (SLWTF) Upgrade – In 2014, the District completed a multi-year project to upgrade its primary water treatment plant. The project, which cost approximately \$12.0 million, added an additional disinfection process, ultraviolet light, and updated the equipment for the already existing ozone process. The completion of the project impacted the 2014 financials in many ways including costs related to the disposal of the older equipment, capitalization of design cost and depreciation expense on the new equipment.

Net Position before Contributions – This item decreased \$0.95 million in 2014; last year had a \$0.91 million increase. This shift was primarily due to the large Loss on Sale (Disposal) of Operating Property of \$2.54 million. Most of that loss was due to the retirement of equipment during the upgrade at the SLWTF.

Operating Revenues – These revenues increased \$1.04 million (2.8%) in 2014. Metered Water revenue was up 2.1% (\$384,846) due to higher average rates (2.9%) offset somewhat by lower consumption. Wastewater Assessments were up 3.6% (\$583,844) due to increases in several communities and there were no returns of prior surpluses like the \$215,000 returned in 2013. Fire Protection and Other Operating Revenues were also higher.

Non-Depreciation Operating Expense – These expenses rose 1.0% (\$269,823) in 2014. Labor and benefit costs, which make up more than half of this item, had relatively modest increases of 0.6% and 0.8%. Open positions during 2014 reduced the impact of labor and benefit rate increases. The increase of all other costs was 1.5%.

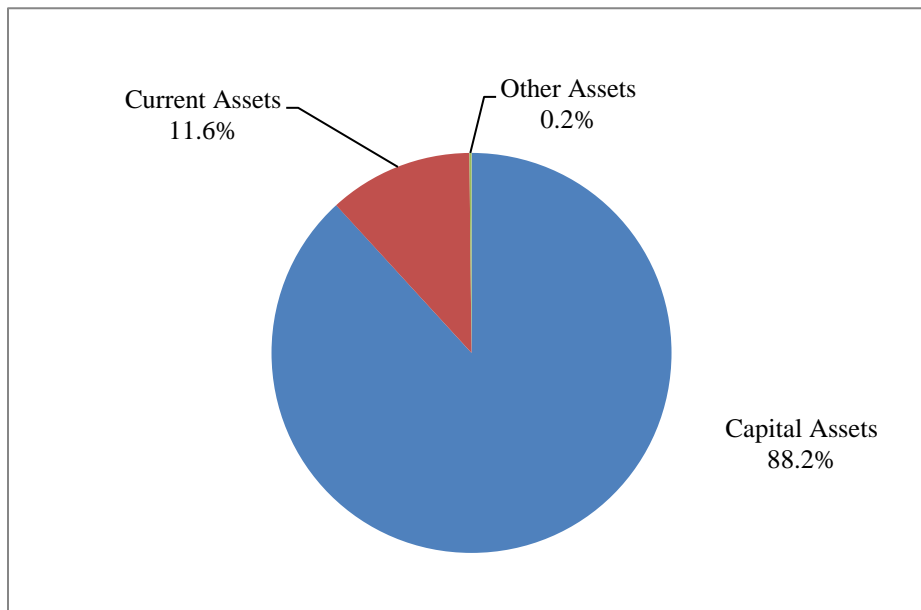
Capital Assets (\$257.3 million) increased 0.7% (\$1.89 million) in 2014. Most of the costs associated with the completion of the upgrade at the SLWTF were already in Capital Assets in 2013 as part of Construction Work in Progress. However, \$1.24 million in design costs that was part of Other Assets last year became Capital Assets in 2014 at the completion of the SLWTF upgrade.

## Comparison of Financial Statements for Current and Prior Years

### Statement of Net Position (Condensed)

	2014	2013	Diff	Diff %
Current Assets	\$ 33,937,738	\$ 33,726,733	\$ 211,005	0.6%
Capital Assets	\$257,300,392	\$255,408,625	\$ 1,891,767	0.7%
Other Assets	<u>505,826</u>	<u>1,771,791</u>	<u>(1,265,965)</u>	<u>-71.5%</u>
Non-Current Assets	\$257,806,218	\$257,180,416	\$ 625,802	0.2%
<b>Total Assets</b>	<b>\$291,743,956</b>	<b>\$290,907,149</b>	<b>\$ 836,807</b>	<b>0.3%</b>
Current Liabilities	\$ 11,441,968	\$ 11,495,187	\$ (53,219)	-0.5%
Long-Term Debt/Payables	\$ 61,935,256	\$ 62,260,776	\$ (325,520)	-0.5%
Other Non-Current Liabilities	<u>1,794,795</u>	<u>1,657,218</u>	<u>137,577</u>	<u>8.3%</u>
Non-Current Liabilities	\$ 63,730,051	\$ 63,917,994	\$ (187,943)	-0.3%
<b>Total Liabilities</b>	<b>\$ 75,172,019</b>	<b>\$ 75,413,181</b>	<b>\$ (241,162)</b>	<b>-0.3%</b>
Net Position:				
Invested in capital assets, net of related debt	\$190,834,740	\$189,149,330	\$ 1,685,410	0.9%
Unrestricted	<u>25,737,197</u>	<u>26,344,638</u>	<u>(607,441)</u>	<u>-2.3%</u>
<b>Total Net Position:</b>	<b>\$216,571,937</b>	<b>\$215,493,968</b>	<b>\$ 1,077,969</b>	<b>0.5%</b>

### District Assets



## Current Assets

Current Assets increased \$0.21 million (0.6%) in 2014. Cash & Cash Equivalents increased \$1.02 million mostly due to the receipt of \$0.74 million transfer from Trustee Held funds. The remaining Current Assets (Accounts and Notes Receivable, Inventories and Prepaid Expenses) declined \$77,852 or 1.7%.

## Capital Assets

Capital Assets increased \$1.89 million between 2013 and 2014 (0.7%). The majority of the \$16.73 million increase in Utility Property was related to the completion of the work at the Sebago Lake Water Treatment Facility (SLWTF). At year end 2013 that project was still in Construction Work in Progress.

	<b>Additions</b>	<b>Reductions</b>	<b>Net Change</b>
Utility Property	\$24,438,530	\$ (7,708,914)	\$ 16,729,616
Construction Work in Progress	1,512,274	(11,869,900)	(10,357,626)
Allowance for Depreciation	<u>(9,461,296)</u>	<u>4,981,075</u>	<u>(4,480,221)</u>
	<u>\$16,489,508</u>	<u>\$(14,597,739)</u>	<u>\$ 1,891,759</u>

The major additions to Utility Property for 2014 were:

- \$9.27 million, water treatment equipment
- \$6.38 million, water distribution mains
- \$2.74 million, structures and improvements
- \$1.65 million, water services
- \$1.11 million, interceptor structures

The reductions to Utility Property (\$7.71 million) were also mostly related to equipment retired as part of the SLWTF upgrade.

Construction Work in Progress decreased by \$10.36 million in 2014. The majority of that decrease was the completion of the work at the SLWTF.

The Allowance for Depreciation grew 2.4% (\$4.48 million) in 2014. The additions were in line with prior years but reductions were significantly higher due to the retirement of older equipment at the SLWTF.

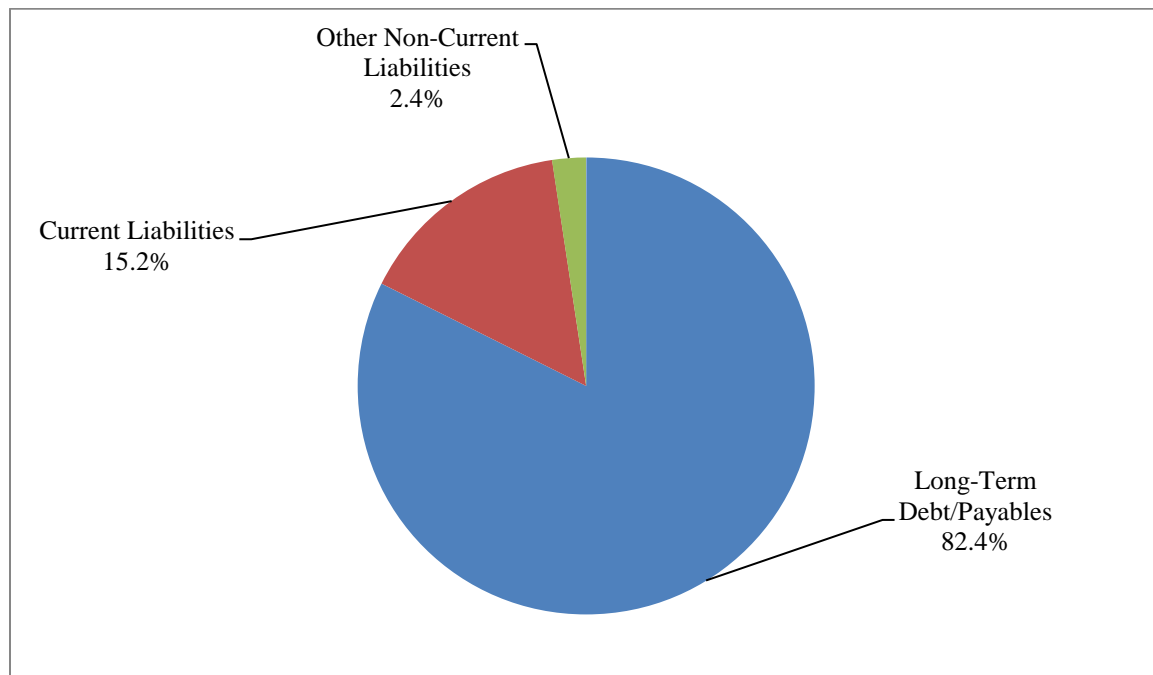
For more detail please refer to the Notes to the Financial Statements.

## Other Assets

Other Assets decreased by 71.5% (\$1.27 million) in 2014. The vast majority of this change was due to the capitalization of design costs for the SLWTF upgrade that had been in Other Assets at the end of 2013.



## ***District Liabilities***



## **Current Liabilities**

<u>Description</u>	<u>2014</u>	<u>2013</u>	<u>Diff \$</u>	<u>Dif %</u>
Accounts Payable & Accrued Payroll	\$ 4,980,928	\$ 4,625,733	\$ 355,195	7.7%
Construction Retainage	479,306	718,818	(239,512)	-33.3%
Current Portion – Long-Term Debt	4,853,279	5,057,279	(204,000)	-4.0%
All Other Current Liabilities	<u>1,128,455</u>	<u>1,093,357</u>	<u>35,098</u>	<u>3.2%</u>
	\$11,441,968	\$11,495,187	\$ (53,219)	-0.5%

Current Liabilities were relatively flat between 2013 and 2014 decreasing only 0.5%. Accounts Payable & Accrued Payroll increased \$0.36 million (7.7%) due to capital expenditures incurred in 2014 but not paid until after year end. Offsetting that was the decrease in Construction Retainage of \$0.24 million that was related to the completion of large capital projects including the Sebago Lake Water Treatment Facility upgrade and the Peaks Island sewer project. The reduction of the current portion of long-term debt reflects the net reduction in bond indebtedness.

## Long-Term Debt/Payables

This category consists of general revenue bonds and notes payable:

<b>Bonded Debt:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Retired</b>	<b>Ending</b>
Water	\$37,838,515	\$4,541,000	\$(2,734,301)	\$39,645,214
Wastewater:				
Cape Elizabeth	2,410,250	-	(134,250)	2,276,000
Cumberland	81,250	-	(6,250)	75,000
Gorham	4,345,885	-	(303,069)	4,042,816
Portland	17,019,915	-	(1,502,354)	15,517,561
Westbrook	3,921,254	-	(276,170)	3,645,084
Windham	<u>1,515,625</u>	<u>-</u>	<u>(100,885)</u>	<u>1,414,740</u>
Total Bonded Debt	\$67,132,694	\$4,541,000	\$(5,057,279)	\$66,616,415
(less current portion)	<u>(5,057,279)</u>			<u>(4,853,279)</u>
Non-Current	<u>\$62,075,415</u>			<u>\$61,763,136</u>
<b>Notes Payable:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Retired</b>	<b>Ending</b>
Wastewater:				
Windham	\$ 198,600		\$(13,240)	\$ 185,360
Total Notes Payable	<u>198,600</u>		<u>(13,240)</u>	<u>185,360</u>
(less current portion)	<u>(13,240)</u>			<u>(13,240)</u>
Non-Current	<u>\$ 185,360</u>			<u>\$ 172,120</u>
Non-Current LT Debt	<u>\$62,260,775</u>			<u>\$61,935,256</u>

During 2014, the balance of Long-Term Debt/Payables decreased 0.5% or \$0.33 million. Issues of \$4.54 million were offset by retirements of \$5.06 million.

For more detailed information please refer to the Notes to the Financial Statements.

## Bond Rating

In 2014, the District issued a bond for the Water Fund. Ratings of A1 and A+ were assigned by Moody's and Standard & Poors (S&P), respectively. Those are the same ratings the 2013 Water Fund bond received.

## Other Non-Current Liabilities

Other Non-Current Liabilities increased \$0.14 million (8.3%). This category includes Customer Advances, Unamortized Bond Premiums and the Non-Current Portion of Compensated Absences. The increase was primarily due to \$0.15 million in new bond premiums related to debt issued during 2014.

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

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Operating Revenue	\$38,191,819	\$37,147,486	\$1,044,333	2.8%
<u>Non-Operating Revenue</u>	<u>149,193</u>	<u>97,867</u>	<u>51,326</u>	<u>52.4%</u>
Total Revenues	\$38,341,012	\$37,245,353	\$1,095,659	2.9%
Depreciation Expense	\$8,713,697	\$8,400,408	\$313,289	3.7%
<u>Non-Depreciation Operating Expense</u>	<u>26,170,698</u>	<u>25,900,875</u>	<u>269,823</u>	<u>1.0%</u>
Operating Expense	\$34,884,395	\$34,301,283	\$583,112	1.7%
<u>Non-Operating Expense</u>	<u>4,406,129</u>	<u>2,032,807</u>	<u>2,373,322</u>	<u>116.8%</u>
Total Expenses	\$39,290,524	\$36,334,090	\$2,956,434	8.1%
Net Position before Contributions	(\$949,512)	\$911,263	(\$1,860,775)	-204.2%
<u>Contributions</u>	<u>2,069,800</u>	<u>2,298,022</u>	<u>(228,222)</u>	<u>-9.9%</u>
Change in Net Position	\$1,120,288	\$3,209,285	(\$2,088,997)	-65.1%
<u>Beginning Net Position</u>	<u>215,451,649</u>	<u>212,284,683</u>	<u>3,166,966</u>	<u>1.5%</u>
Ending Net Position	\$216,571,937	\$215,493,968	\$1,077,969	0.5%

### **Operating Revenue**

	<u>2014</u>	<u>2013</u>	<u>Diff \$</u>	<u>Diff %</u>
Metered Water Revenue	\$18,535,487	\$18,150,641	\$ 384,846	2.1%
Wastewater Assessments	16,972,320	16,388,476	583,844	3.6%
Public & Private Fire Protection	2,104,722	2,042,590	62,132	3.0%
<u>Other Operating Revenue</u>	<u>579,290</u>	<u>565,779</u>	<u>13,511</u>	<u>2.4%</u>
Total Operating Revenue	<u>\$38,191,819</u>	<u>\$37,147,486</u>	<u>\$1,044,333</u>	<u>2.8%</u>

Metered Water Revenue (\$18.54 million) - The District's metered customers are billed monthly. The billing includes a minimum charge (based on the size of the meter) for the first hundred cubic feet (HCF) of water and a charge for each additional HCF of water used. Metered water rates are regulated by the State of Maine's Public Utilities Commission. In May 2014, metered rates increased an average of 2.9% over the rates that had been in place the previous year. Consumption in 2014 was 8.43 million HCF, a decline of 1.75% from the previous year's 8.58 million HCF.

Wastewater Assessments (\$16.97 million) - These assessments are 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 ranging from 0.9% to 3.2%. In addition, the return of operating surplus to Westbrook for \$215,000 done in 2013 was not repeated in 2014.

Public and Private Fire Protection (\$2.10 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 3.0% in May 2014.

Other Operating Revenue (\$0.58 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 \$13,511 (2.4%) in 2014.

## Operating Revenue by Fund

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$20,938,150	\$20,498,083	\$440,067	2.1%
Wastewater:				
Cape Elizabeth	1,377,252	1,365,084	12,168	0.9%
Cumberland	731,784	713,940	17,844	2.5%
Falmouth	-	15,012	(15,012)	-100.0%
Gorham	1,125,104	1,102,050	23,054	2.1%
Portland	10,984,175	10,636,994	347,181	3.3%
Westbrook	2,680,408	2,461,477	218,931	8.9%
Windham	354,946	354,846	100	0.0%
	<u>\$38,191,819</u>	<u>\$37,147,486</u>	<u>\$1,044,333</u>	<u>2.8%</u>

For the Water Fund, Operating Revenue primarily consists of metered water consumption and fire protection services. Metered Water sales increased \$384,846 (2.1%), the 2.9% average rate increase was somewhat offset by the decline in usage. Fire Protection revenue was up \$62,132 (3.0%) due to the 2014 rate increase and Other Revenue was down \$6,911 (2.3%).

In the Wastewater (WW) Funds, the largest component of Operating Revenue is the wastewater assessments. Assessments were increased in Cape Elizabeth (0.9%), Cumberland (2.5%), Gorham (2.0%) and Portland (3.2%) to cover increased debt service and/or operating costs. Westbrook's assessment income was higher in 2014 because of the return of \$215,000 of surplus done in 2013.

Additionally, some WW Funds receive income from septage haulers dumping loads at the treatment plants. Income was up at both District facilities that accept septage positively impacting the Gorham, Portland, Westbrook and Windham Funds.

In 2013 the District disposed of the Falmouth Fund's Utility Property. As of 2014, it is no longer considered a major fund.

## Non-Operating Revenue

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Interest Income	\$ 86,684	\$ 73,027	\$ 13,657	15.8%
Miscellaneous Income	62,509	24,840	37,669	60.3%
	<u>\$ 149,193</u>	<u>\$ 97,867</u>	<u>\$ 51,326</u>	<u>34.4%</u>

Interest Income increased \$13,657 (15.8%) in 2014. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return. The rate of return of 0.26% was unchanged. The increase was due to higher average cash balances during 2014.

Miscellaneous Income includes non-operational items such as grants and reimbursements for expenses offset by the cost to retire capital assets. The increase of \$37,669 was primarily due to lower costs to retire assets in 2014.

## Depreciation Expense

Depreciation Expense went from \$8.40 million in 2013 to \$8.71 million in 2014, an increase of 3.7%. 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.

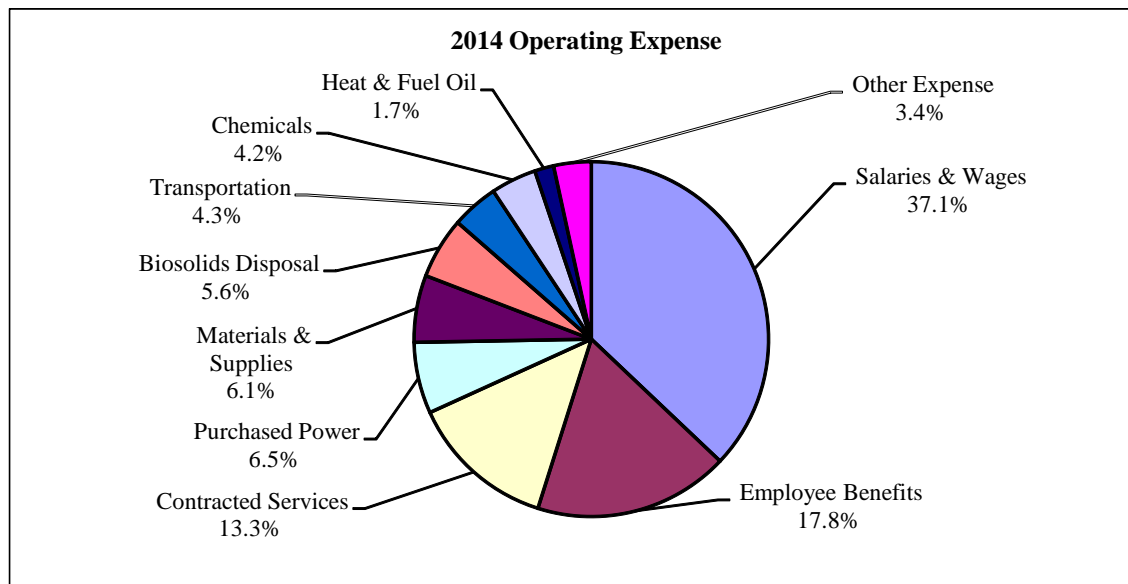
The four largest asset groups accounted for over half the expense for the year:

- Water Distribution Mains (\$2.03 million)
- Wastewater Interceptor Structures (\$1.13 million)
- Wastewater Treatment Plant Structures (\$0.93 million)
- Wastewater Treatment Plant Equipment (\$0.87 million)

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

## Non-Depreciation Operating Expense

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Salaries & Wages	\$9,699,724	\$9,645,521	\$54,203	0.6%
Employee Benefits	4,662,451	4,625,209	37,242	0.8%
Contracted Services	3,491,349	3,360,529	130,820	3.9%
Purchased Power	1,699,980	1,879,630	(179,650)	-9.6%
Materials & Supplies	1,599,296	1,587,846	11,450	0.7%
Biosolids Disposal	1,462,622	1,351,703	110,919	8.2%
Transportation	1,118,928	1,130,940	(12,012)	-1.1%
Chemicals	1,086,724	967,730	118,994	12.3%
Heat & Fuel Oil	454,458	456,842	(2,384)	-0.5%
Other Expense	895,166	894,925	241	0.0%
	<u>\$26,170,698</u>	<u>\$25,900,875</u>	<u>\$269,823</u>	<u>1.0%</u>





## Non-Deprecation Operating Expense Category Explanations

**Salaries/Wages** – Salaries and Wages expense increased 0.6% (\$54,203). Regular wages were flat between 2013 and 2014 with the average pay rate increase of 2.0% being offset by open positions. Higher overtime/doubletime hours caused an increase in those dollars of \$55,167 (12.4%).

**Employee Benefits** – The cost of employee benefits increased 0.8% (\$37,242) in 2014. The District's pension expense rose due to higher defined benefit plan contributions and deferred compensation plan matches. This was partially offset by a small decrease in the gross premiums paid for health insurance and an increase in the employee contributions to that expense.

**Contracted Services** - This category, which is comprised of services provided to the District by outside vendors, increased 3.9% (\$130,820) in 2014. A total of \$75,000 was spent on the Route 35 relocation study and there was a \$66,000 increase in wastewater treatment costs paid to other communities.

**Purchased Power** - Power costs decreased 9.6% (\$179,650) due largely to a drop in the energy rates for the District's three largest accounts. The energy rate at the Sebago Lake Water Treatment Facility (SLWTF) decreased about 20% in 2014 while both the East End Treatment Facility's and India Street Pump Station's rates decreased about 11%. In addition, power use on those three accounts decreased about 5%.

**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 2014, this expense category was up 0.7% (\$11,450). Some items purchased included trench boxes by Water Operations and vehicle replacement parts.

**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 2014 by 8.2% (\$110,919). Wet tons increased by 6.6% while the percent solids decreased slightly at the Westbrook Wastewater Treatment Facility and stayed constant at the East End Wastewater Treatment Facility.

**Transportation** - Transportation costs, including those charged to operating and capital projects, 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 decreased due to fewer vendor purchased supplies and less diesel fuel purchased.

**Chemicals** - Overall chemical costs were up \$118,994 (12.3%) in 2014. This increase was the result of the addition of liquid oxygen to the treatment process at the SLWTF and increased use of polymer and sodium bisulfite at the wastewater treatment plants to improve facility performance.

**Heating & Fuel Oil** – These costs decreased 0.5% (\$2,384). The cost of heating oil remained flat while natural gas costs decreased slightly.

**Other Expense** - This category includes items such as other utilities (water, wastewater, telephone), preliminary surveys, insurance and regulatory expense. This category remained flat between the two years.

## Operating Expense by Fund

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$18,426,129	\$17,887,447	\$538,682	3.0%
Wastewater:				
Cape Elizabeth	1,605,198	1,553,724	51,474	3.3%
Cumberland	881,199	814,679	66,520	8.2%
Falmouth	-	11,395	(11,395)	-100.0%
Gorham	1,013,200	992,486	20,714	2.1%
Portland	10,426,700	10,550,624	(123,924)	-1.2%
Westbrook	2,312,246	2,268,361	43,885	1.9%
Windham	<u>219,723</u>	<u>222,568</u>	<u>(2,845)</u>	<u>-1.3%</u>
	\$34,884,395	\$34,301,284	\$583,111	1.7%

Overall, operating expenses were up 1.7%. Water fund expenses were higher primarily due to depreciation related to capital additions. The increase in Cape Elizabeth (\$51,474 or 3.3%) was due to costs associated with a combined sewer overflow (CSO) study. Cumberland expenses were up (8.2%) due to higher labor because of maintenance and other issues and treatment services expenses paid to the Town of Falmouth.

## Non-Operating Expense

This item is primarily made up of Interest & Amortization Expense and the Loss (Gain) on the Sale/Retirement of Operating Property. The increase in Interest/Amortization expense of 3.9% was due to the net increase in debt issued on account of large capital projects undertaken in 2013. 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>2014</u>	<u>2013</u>	<u>Diff \$</u>	<u>Diff %</u>
Interest/Amortization Expense	\$1,870,298	\$1,623,325	\$ 246,973	15.2%
Loss on Sale/Retirement	<u>2,535,831</u>	<u>409,482</u>	<u>2,126,349</u>	<u>519.3%</u>
	<u>\$4,406,129</u>	<u>\$2,032,807</u>	<u>\$2,373,322</u>	<u>116.8%</u>

## Contributions

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

	<u>2014</u>	<u>2013</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$1,358,398	\$1,160,993	\$197,405	17.0%
Water Services	205,879	181,880	23,999	13.2%
Water Meters	134,540	58,418	76,122	130.3%
Hydrants	70,983	121,193	(50,210)	-41.4%
Energy Efficiency Grant	300,000	-	300,000	n/a
Wastewater Pump Stations	<u>-</u>	<u>775,538</u>	<u>(775,538)</u>	<u>-100.0%</u>
	\$2,069,800	\$2,298,022	(\$228,222)	-9.9%

## 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/Total Debt Service) shows an organizations ability to meet debt service payments.

#### **Current Ratio**

	<u>2014</u>	<u>2013</u>
Current Assets	\$33,937,738	\$33,726,733
Current Liabilities	11,441,968	11,495,187
Current Ratio	2.97	2.93

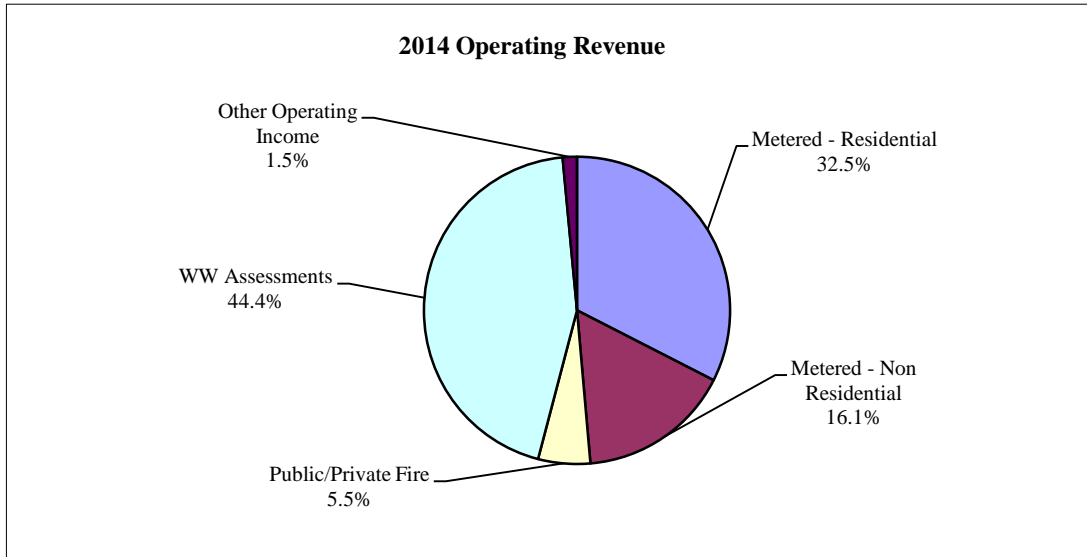
#### **Debt Coverage Ratio**

	<u>2014</u>	<u>2013</u>
Operating Income	\$ 3,307,424	\$ 2,846,203
Depreciation and Amortization Expense	<u>8,713,697</u>	<u>8,400,408</u>
Net Available – Debt Service	\$12,021,121	\$11,246,611
Principal Payments	\$ 5,057,280	\$ 4,687,279
Interest and Amortization Expense	<u>1,870,298</u>	<u>1,623,325</u>
	\$ 6,927,578	\$ 6,310,604
Coverage Ratio	1.74	1.78

The ratio of 1.74 for 2014 and 1.78 for 2013 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 2014), 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 (48.6%) – 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 52,020 metered customers at the end of 2014; the largest ten customers only represented 10.0% of water operating revenue.

Wastewater Assessments (44.4%) - 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 (5.5%) – Public Fire charges are paid by the eleven municipalities served by the District, Private Fire has 2,061 customers.

## Significant Changes to Individual Funds

### *Pension Trust Funds*

#### Statement of Net Position

<b>Bargaining Unit:</b>	<b>2014</b>	<b>2013</b>	<b>Diff \$</b>	<b>Diff %</b>
Cash & Cash Equivalents	\$ 334,393	\$ 188,482	\$145,911	77.4%
Investments				
Fixed Income	1,824,479	1,579,658	244,821	15.5%
Domestic & International Equities	<u>6,858,008</u>	<u>6,876,528</u>	<u>(18,520)</u>	<u>-0.3%</u>
	8,682,487	8,456,186	226,301	2.7%
Interest Receivable	<u>163</u>	<u>878</u>	<u>(715)</u>	<u>-81.4%</u>
<b>Total Assets</b>	<b><u>\$9,017,043</u></b>	<b><u>\$8,645,546</u></b>	<b><u>\$371,497</u></b>	<b><u>4.3%</u></b>
 <b>Non-Bargaining Unit:</b>	 <b>2014</b>	 <b>2013</b>	 <b>Diff \$</b>	 <b>Diff %</b>
Cash & Cash Equivalents	\$ 371,009	\$ 189,985	\$181,024	95.3%
Investments				
Fixed Income	1,837,514	1,589,273	248,241	15.6%
Domestic & International Equities	<u>6,614,269</u>	<u>6,831,058</u>	<u>(216,789)</u>	<u>-3.2%</u>
	8,451,783	8,420,331	31,452	0.4%
Interest Receivable	<u>304</u>	<u>946</u>	<u>(642)</u>	<u>-68.0%</u>
<b>Total Assets</b>	<b><u>\$8,823,096</u></b>	<b><u>\$8,611,262</u></b>	<b><u>\$211,834</u></b>	<b><u>2.5%</u></b>

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

<b>Bargaining Unit:</b>	<b>2014</b>	<b>2013</b>	<b>Diff \$</b>	<b>Diff %</b>
Employer Contributions	\$ 502,000	\$ 546,833	\$ (44,833)	-8.2%
Net Investment Income	<u>377,502</u>	<u>1,334,058</u>	<u>(956,556)</u>	<u>-71.7%</u>
Total Additions	879,502	1,880,891	(1,001,389)	-53.2%
Benefit Payments	<u>508,004</u>	<u>449,564</u>	<u>58,440</u>	<u>13.0%</u>
Net Increase in Position	371,498	1,431,327	(1,059,829)	-74.0%
Beginning of the Year	<u>8,645,545</u>	<u>7,214,219</u>	<u>1,431,326</u>	<u>19.8%</u>
End of the Year	<b><u>\$9,017,043</u></b>	<b><u>\$8,645,546</u></b>	<b><u>\$ 371,497</u></b>	<b><u>4.3%</u></b>
 <b>Non-Bargaining Unit:</b>	 <b>2014</b>	 <b>2013</b>	 <b>Diff \$</b>	 <b>Diff %</b>
Employer Contributions	\$ 424,000	\$ 314,055	\$ 109,945	35.0%
Net Investment Income	<u>375,587</u>	<u>1,305,982</u>	<u>(930,395)</u>	<u>-71.2%</u>
Total Additions	799,587	1,620,037	(820,450)	-50.6%
Benefit Payments	<u>587,753</u>	<u>563,430</u>	<u>24,323</u>	<u>4.3%</u>
Net Increase in Position	211,834	1,056,607	(844,773)	-80.0%
Beginning of the Year	<u>8,611,262</u>	<u>7,554,655</u>	<u>1,056,607</u>	<u>14.0%</u>
End of the Year	<b><u>\$8,823,096</u></b>	<b><u>\$8,611,262</u></b>	<b><u>\$ 211,834</u></b>	<b><u>2.5%</u></b>



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

	Bargaining	Diff \$	Diff %	Non-Bargaining	Diff \$	Diff %
2005	\$4,278,184	n/a	n/a	\$5,785,998	n/a	n/a
2006	4,818,469	\$ 540,285	12.6%	6,283,923	\$ 497,925	8.6%
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%



The combined employer contribution of \$926,000 was 7.6% higher than 2013. Benefit payouts to retirees increased 8.2% over the previous year due to the net growth in the number of retirees drawing benefits. The retirees received a 0.72% cost of living increase in 2014.

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

## REQUEST FOR INFORMATION

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

# Statement of Net Position - Proprietary Funds

December 31, 2014

## ASSETS

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 14,687,607	\$ 807,239	\$ 861,938
Accounts receivable, net allowance for doubtful accounts of \$253,425 for water systems	2,715,020	-	720
Notes receivable, current	-	-	-
Inventories	1,387,495	-	-
Prepaid expenses	273,504	833	-
Trustee held funds	336,123	-	-
<b>Total Current Assets</b>	<u>19,399,749</u>	<u>808,072</u>	<u>862,658</u>
<b>Non-Current Assets</b>			
<b>Capital Assets:</b>			
Operating property	283,372,979	15,650,699	7,752,016
Accumulated depreciation	(97,039,799)	(9,650,842)	(4,642,725)
Net operating property	186,333,180	5,999,857	3,109,291
Construction in progress	366,625	207,128	-
	<u>186,699,805</u>	<u>6,206,985</u>	<u>3,109,291</u>
<b>Deferred Charges and Other Assets:</b>			
Notes receivable	212,574	-	-
Maintenance and other costs	22,037	-	-
Preliminary surveys	-	-	-
	<u>234,611</u>	<u>-</u>	<u>-</u>
<b>Total Non-Current Assets</b>	<u>186,934,416</u>	<u>6,206,985</u>	<u>3,109,291</u>
<b>Total Assets</b>	<u>\$ 206,334,165</u>	<u>\$ 7,015,057</u>	<u>\$ 3,971,949</u>

See independent auditors' report.

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

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**Wastewater Funds**

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<u><b>Gorham</b></u>	<u><b>Portland</b></u>	<u><b>Westbrook</b></u>	<u><b>Windham</b></u>	<u><b>TOTAL</b></u>
\$ 1,131,208	\$ 7,857,789	\$ 3,352,032	\$ 425,486	\$ 29,123,299
-	12,253	24,755	-	2,752,748
-	-	13,240	-	13,240
-	-	-	-	1,387,495
230	44,838	5,428	-	324,833
-	-	-	-	336,123
<u>1,131,438</u>	<u>7,914,880</u>	<u>3,395,455</u>	<u>425,486</u>	<u>33,937,738</u>
17,541,955	99,648,125	20,193,476	2,964,077	447,123,327
<u>(7,355,888)</u>	<u>(59,293,199)</u>	<u>(12,576,949)</u>	<u>(887,627)</u>	<u>(191,447,029)</u>
10,186,067	40,354,926	7,616,527	2,076,450	255,676,298
53,632	828,474	161,448	6,787	1,624,094
<u>10,239,699</u>	<u>41,183,400</u>	<u>7,777,975</u>	<u>2,083,237</u>	<u>257,300,392</u>
-	-	172,120	-	384,694
107	1,875	73,114	-	97,133
-	23,999	-	-	23,999
<u>107</u>	<u>25,874</u>	<u>245,234</u>	<u>-</u>	<u>505,826</u>
<u>10,239,806</u>	<u>41,209,274</u>	<u>8,023,209</u>	<u>2,083,237</u>	<u>257,806,218</u>
<u>\$ 11,371,244</u>	<u>\$ 49,124,154</u>	<u>\$ 11,418,664</u>	<u>\$ 2,508,723</u>	<u>\$ 291,743,956</u>

Statement of Net Position - Proprietary Funds - Continued

December 31, 2014

LIABILITIES AND NET POSITION

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Liabilities</b>			
Accounts payable and accrued payroll	\$ 2,697,415	\$ 291,057	\$ 287,902
Accrued interest	197,448	4,659	89
Customer deposits	155,186	-	-
Construction retainage	470,348	6,129	-
Current portion - compensated absences	657,147	-	-
Current portion - notes payable	-	-	-
Current portion - long term debt - bonds	2,530,301	134,250	6,250
<b>Total Current Liabilities</b>	<u>6,707,845</u>	<u>436,095</u>	<u>294,241</u>
<b>Non-Current Liabilities</b>			
Customer advances and other liabilities	870,631	-	-
Compensated absences - non-current	767,868	-	-
Total other non-current liabilities	<u>1,638,499</u>		
Long term debt - notes payable	-	-	-
Long term debt - bonds	37,114,913	2,141,750	68,750
Total long term debt - notes and bonds	<u>37,114,913</u>	<u>2,141,750</u>	<u>68,750</u>
<b>Total Non-Current Liabilities</b>	<u>38,753,412</u>	<u>2,141,750</u>	<u>68,750</u>
<b>Total Liabilities</b>	<u>45,461,257</u>	<u>2,577,845</u>	<u>362,991</u>
<b>Net Position</b>			
Net investment in capital assets	147,390,714	3,930,985	3,034,291
Unrestricted	13,482,194	506,227	574,667
<b>Total Net Position</b>	<u>160,872,908</u>	<u>4,437,212</u>	<u>3,608,958</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 206,334,165</u>	<u>\$ 7,015,057</u>	<u>\$ 3,971,949</u>

See independent auditors' report.

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

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**Wastewater Funds**

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<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 32,322	\$ 1,519,183	\$ 151,508	\$ 1,541	\$ 4,980,928
16,424	52,627	19,892	11,743	302,882
-	-	-	-	155,186
-	-	2,829	-	479,306
-	-	-	-	657,147
-	-	-	13,240	13,240
303,069	1,502,354	276,170	100,885	4,853,279
<u>351,815</u>	<u>3,074,164</u>	<u>450,399</u>	<u>127,409</u>	<u>11,441,968</u>
-	112,085	44,211	-	1,026,927
-	-	-	-	767,868
	<u>112,085</u>	<u>44,211</u>		<u>1,794,795</u>
-	-	-	172,120	172,120
3,739,747	14,015,207	3,368,914	1,313,855	61,763,136
<u>3,739,747</u>	<u>14,015,207</u>	<u>3,368,914</u>	<u>1,485,975</u>	<u>61,935,256</u>
3,739,747	14,127,292	3,413,125	1,485,975	63,730,051
<u>4,091,562</u>	<u>17,201,456</u>	<u>3,863,524</u>	<u>1,613,384</u>	<u>75,172,019</u>
6,196,883	25,665,839	4,132,891	483,137	190,834,740
1,082,799	6,256,859	3,422,249	412,202	25,737,197
<u>7,279,682</u>	<u>31,922,698</u>	<u>7,555,140</u>	<u>895,339</u>	<u>216,571,937</u>
<u>\$ 11,371,244</u>	<u>\$ 49,124,154</u>	<u>\$ 11,418,664</u>	<u>\$ 2,508,723</u>	<u>\$ 291,743,956</u>

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

**Year Ended December 31, 2014**

	<b><u>Water Systems</u></b>	<b><u>Cape Elizabeth</u></b>	<b><u>Cumberland</u></b>
<b>Operating Revenues</b>			
Water revenues	\$ 20,640,209	\$ -	\$ -
Wastewater assessments	-	1,377,252	731,784
Other operating revenues	297,941	-	-
Total Operating Revenues	<u>20,938,150</u>	<u>1,377,252</u>	<u>731,784</u>
<b>Operating Expenses</b>			
Operations	5,599,219	661,573	496,809
Maintenance	4,901,443	109,176	80,249
Customer accounting and collections	1,000,971	30,143	13,821
Administrative and general	2,257,734	298,223	117,237
Taxes on operating property	56,309	-	-
Depreciation not allocated elsewhere	4,610,453	506,083	173,083
Total Operating Expenses	<u>18,426,129</u>	<u>1,605,198</u>	<u>881,199</u>
<b>Operating Income (Loss)</b>	<u>2,512,021</u>	<u>(227,946)</u>	<u>(149,415)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	39,869	2,148	2,194
Miscellaneous income	62,509	-	-
Gain (loss) on sale/disposal of operating property	(2,527,407)	227	-
Interest and amortization expense	(1,216,850)	(36,504)	(1,517)
	<u>(3,641,879)</u>	<u>(34,129)</u>	<u>677</u>
<b>Change in Net Position Before Contributions</b>	(1,129,858)	(262,075)	(148,738)
<b>Capital Contributions</b>	<u>2,069,800</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	939,942	(262,075)	(148,738)
<b>Net Position, Beginning of Year, as Restated</b>	<u>159,932,966</u>	<u>4,699,287</u>	<u>3,757,696</u>
<b>Net Position, End of Year</b>	<u>\$ 160,872,908</u>	<u>\$ 4,437,212</u>	<u>\$ 3,608,958</u>

See independent auditors' report.

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



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**Wastewater Funds**

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<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 20,640,209
1,106,148	10,872,204	2,533,176	351,756	16,972,320
18,956	111,971	147,232	3,190	579,290
<u>1,125,104</u>	<u>10,984,175</u>	<u>2,680,408</u>	<u>354,946</u>	<u>38,191,819</u>
320,079	5,170,398	1,114,589	75,248	13,437,915
39,726	248,972	64,693	11,720	5,455,979
20,488	246,595	51,621	1,079	1,364,718
208,992	2,352,837	566,424	54,330	5,855,777
-	-	-	-	56,309
<u>423,915</u>	<u>2,407,898</u>	<u>514,919</u>	<u>77,346</u>	<u>8,713,697</u>
<u>1,013,200</u>	<u>10,426,700</u>	<u>2,312,246</u>	<u>219,723</u>	<u>34,884,395</u>
111,904	557,475	368,162	135,223	3,307,424
3,278	20,945	17,129	1,121	86,684
-	-	-	-	62,509
-	(8,743)	92	-	(2,535,831)
<u>(95,309)</u>	<u>(346,449)</u>	<u>(133,554)</u>	<u>(40,115)</u>	<u>(1,870,298)</u>
<u>(92,031)</u>	<u>(334,247)</u>	<u>(116,333)</u>	<u>(38,994)</u>	<u>(4,256,936)</u>
19,873	223,228	251,829	96,229	(949,512)
-	-	-	-	2,069,800
19,873	223,228	251,829	96,229	1,120,288
<u>7,259,809</u>	<u>31,699,470</u>	<u>7,303,311</u>	<u>799,110</u>	<u>215,451,649</u>
<u>\$ 7,279,682</u>	<u>\$ 31,922,698</u>	<u>\$ 7,555,140</u>	<u>\$ 895,339</u>	<u>\$ 216,571,937</u>

## Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2014

	Water Systems	Cape Elizabeth	Cumberland
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 20,838,708	\$ 1,377,252	\$ 731,064
Payments to suppliers	(7,186,921)	(741,613)	(442,082)
Payments to employees	(5,794,329)	(319,634)	(130,811)
<b>Net cash flows from operating activities</b>	<b>7,857,458</b>	<b>316,005</b>	<b>158,171</b>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from bonds	4,541,000	-	-
Principal payments bonds	(2,734,301)	(134,250)	(6,250)
Notes payable payments	-	-	-
Transfer from trustee funds	735,877	-	-
Interest paid	(1,209,526)	(36,780)	(1,524)
Acquisitions and construction of operating property	(8,987,814)	(177,647)	-
Proceeds from sale of operating property	53,877	77,705	-
Payments for preliminary plant survey	(92,808)	-	-
<b>Net cash flows from capital and related financing activities</b>	<b>(7,693,695)</b>	<b>(270,972)</b>	<b>(7,774)</b>
<b>Cash flows from investing activities</b>			
Interest income received	39,869	2,148	2,194
Payments on notes receivable	1,076	-	-
<b>Net cash flows from investing activities</b>	<b>40,945</b>	<b>2,148</b>	<b>2,194</b>
<b>Net change in cash</b>	<b>204,708</b>	<b>47,181</b>	<b>152,591</b>
<b>Cash &amp; cash equivalents - beginning of year</b>	<b>14,482,899</b>	<b>760,058</b>	<b>709,347</b>
<b>Cash &amp; cash equivalents - end of year</b>	<b>\$ 14,687,607</b>	<b>\$ 807,239</b>	<b>\$ 861,938</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Operating income (loss)	\$ 2,512,021	\$ (227,946)	\$ (149,415)
Depreciation and amortization	5,506,426	510,161	173,082
Miscellaneous income (expense)	62,509	-	-
Changes in assets and liabilities:			
Account receivable	(99,442)	-	(720)
Inventories	(8,268)	-	-
Prepaid expenses	203,386	-	-
Accounts payables and accrued payroll	(517,894)	33,790	135,224
Compensated absences	2,657	-	-
Customer deposits	39,672	-	-
Customer advances and other liabilities	156,391	-	-
<b>Net cash flows from operating activities</b>	<b>\$ 7,857,458</b>	<b>\$ 316,005</b>	<b>\$ 158,171</b>
<b>Noncash investing, capital and financing activities</b>			
Capital contributions	\$ 2,069,800	\$ -	\$ -

See independent auditors' report.

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

<b>Wastewater Funds</b>				
<b><u>Gorham</u></b>	<b><u>Portland</u></b>	<b><u>Westbrook</u></b>	<b><u>Windham</u></b>	<b><u>TOTAL</u></b>
\$ 1,125,104	\$ 10,980,883	\$ 2,674,770	\$ 354,946	\$ 38,082,727
(397,100)	(5,032,189)	(1,147,027)	(93,403)	(15,040,335)
(194,271)	(2,353,117)	(554,744)	(47,824)	(9,394,730)
<u>533,733</u>	<u>3,595,577</u>	<u>972,999</u>	<u>213,719</u>	<u>13,647,662</u>
-	-	-	-	4,541,000
(303,069)	(1,502,354)	(276,170)	(100,885)	(5,057,279)
-	-	-	(13,240)	(13,240)
-	-	-	-	735,877
(96,382)	(364,613)	(134,395)	(40,908)	(1,884,128)
(118,441)	(1,491,150)	(218,420)	(15,191)	(11,008,663)
-	1,985	92	-	133,659
24,643	(23,998)	(18,888)	-	(111,051)
<u>(493,249)</u>	<u>(3,380,130)</u>	<u>(647,781)</u>	<u>(170,224)</u>	<u>(12,663,825)</u>
3,278	20,945	17,129	1,121	86,684
-	-	13,240	-	14,316
<u>3,278</u>	<u>20,945</u>	<u>30,369</u>	<u>1,121</u>	<u>101,000</u>
43,762	236,392	355,587	44,616	1,084,837
<u>1,087,446</u>	<u>7,621,397</u>	<u>2,996,445</u>	<u>380,870</u>	<u>28,038,462</u>
<u>\$ 1,131,208</u>	<u>\$ 7,857,789</u>	<u>\$ 3,352,032</u>	<u>\$ 425,486</u>	<u>\$ 29,123,299</u>
\$ 111,904	\$ 557,475	\$ 368,162	\$ 135,223	\$ 3,307,424
424,335	2,420,345	528,671	77,373	9,640,393
-	-	-	-	62,509
-	(3,292)	(5,638)	-	(109,092)
-	-	-	-	(8,268)
77	(13,801)	5,550	-	195,212
(2,583)	650,697	72,622	1,123	372,979
-	-	-	-	2,657
-	-	-	-	39,672
-	(15,847)	3,632	-	144,176
<u>\$ 533,733</u>	<u>\$ 3,595,577</u>	<u>\$ 972,999</u>	<u>\$ 213,719</u>	<u>\$ 13,647,662</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,069,800</u>

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

**December 31, 2014**

**Bargaining Unit**

**ASSETS**

Cash and cash equivalents	\$ 334,393
Investments	
Equity mutual funds	5,492,192
Common stock	1,365,816
Fixed income - mutual funds	1,824,479
	<u>8,682,487</u>
Interest receivable	<u>163</u>
<b>Total Assets</b>	<u><u>\$ 9,017,043</u></u>
Restricted for Pension Benefits	<u>\$ 9,017,043</u>
<b>Total Net Position</b>	<u><u>\$ 9,017,043</u></u>

**Non -Bargaining Unit**

**ASSETS**

Cash and cash equivalents	\$ 371,009
Investments	
Equity mutual funds	5,248,298
Common stock	1,365,971
Fixed income - mutual funds	1,837,514
	<u>8,451,783</u>
Interest receivable	<u>304</u>
<b>Total Assets</b>	<u><u>\$ 8,823,096</u></u>
Restricted for Pension Benefits	<u>\$ 8,823,096</u>
<b>Total Net Position</b>	<u><u>\$ 8,823,096</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, 2014

## Bargaining Unit

### Additions:

Employer Contributions	\$ 502,000
Investment Income	
Interest and dividends	254,679
Net gain on sale of assets	180,446
Net depreciation of investments	(57,623)
Net Investment Income	377,502
Total Additions	879,502
Deductions:	
Benefits	(508,004)
Change in Net Position	371,498
Net Position - Beginning of Year	8,645,545
Net Position - End of Year	\$ 9,017,043

## Non-Bargaining Unit

### Additions:

Employer Contributions	\$ 424,000
Investment Income	
Interest and dividends	428,272
Net gain on sale of assets	185,595
Net depreciation of investments	(238,280)
Net Investment Income	375,587
Total Additions	799,587
Deductions:	
Benefits	(587,753)
Change in Net Position	211,834
Net Position - Beginning of Year	8,611,262
Net Position - End of Year	\$ 8,823,096

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

### 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 Government Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. 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 contributions to each plan and are recognized in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.



## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### 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 and all highly liquid debt instruments that have no early withdrawal penalties or no stated terms effectively restricting withdrawals 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 time of purchase of one year or less are reported at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rates.

#### *Credit Risk:*

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

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

#### *Concentration Credit Risk:*

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

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### 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 on an investment.

The investment policy calls for investment in securities with varying maturities and investing a portion of the portfolio in money market funds or other overnight investments to ensure appropriate liquidity. The maturity of investments is limited to two years or less. Reserve funds may be invested in assets with maturities of over two years, however, no single investment can exceed three years and the weighted average maturity of the entire reserve fund should not exceed two and one-half years.

#### Investments - Pension Trust Funds

##### *Method used to value investments:*

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

##### *Credit Risk/Concentration Credit Risk:*

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the District's Board of Trustees. It is the policy of the District's Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2014:

Asset Class	Minimum	Target	Maximum
US 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 2014.

As of December 31, 2014, the investment portfolio does not hold any investment in any one organization greater than 5% of either of the plan's fiduciary net position.

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014**

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

#### **Investments - Pension Trust Funds - Continued**

##### *Rate of Return:*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 4.27 percent and 4.29 percent for the Bargaining and No-Bargaining Units Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

##### *Custodial Credit Risk:*

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

##### *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, 2014 was \$253,425. 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, 2014**

### 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 2014 were \$121,750.

#### **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, 2014**

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

#### 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. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. This statement improves accounting and financial reporting by state and local governments for pension plans. The new statement is effective for periods beginning after June 15, 2013. The changes outlined by this statement are incorporated in the Pension section of these Notes.

#### Recent 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. The estimated net pension liability as of January 1, 2015 is \$4,383,896 for the Bargaining Unit plan and \$2,965,645 for the Non-Bargaining Unit plan. These amounts will be reflected in the December 31, 2015 financial statements as a reduction in net position.

### 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.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### NOTE 3 - DETAILED NOTES ON ALL FUNDS

#### Cash & Cash Equivalents

The carrying amount of the District's deposits with financial institutions was \$10,682,598 at December 31, 2014 and the bank balance was \$11,403,858. The District held certificates of deposits carried at \$18,437,066. The total deposits were categorized as follows:

	<b>Bank Balances</b>	<b>Certificates of Deposits</b>	<b>Total Deposits</b>
Amount Insured	\$11,228,554	\$18,435,764	\$29,664,318
Amount Uninsured	<u>175,304</u>	<u>1,302</u>	<u>176,606</u>
	<u>\$11,403,858</u>	<u>\$18,437,066</u>	<u>\$29,840,924</u>

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	2,334
Carrying Value of Deposits	10,682,598
Certificates of Deposit	<u>18,437,067</u>
	<u>\$29,123,299</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 2013, 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.

	<b><u>Dec. 31, 2013</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Dec. 31, 2014</u></b>	<b><u>Current</u></b>	<b><u>Non-Current</u></b>
<b>Water Fund:</b>						
Town of Gorham	\$213,650	\$ -	\$ (1,076)	<b>\$212,574</b>	\$ -	\$212,574
<b>Westbrook Wastewater Fund:</b>						
Windham Wastewater Fund	<u>\$198,600</u>	<u>\$ -</u>	<u>\$(13,240)</u>	<b><u>\$185,360</u></b>	<u>\$13,240</u>	<u>\$172,120</u>
<b>Total of all Notes</b>	<u>\$412,250</u>	<u>\$ -</u>	<u>\$(14,316)</u>	<b><u>\$397,934</u></b>	<u>\$13,240</u>	<u>\$384,694</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Water Fund:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 3,241,752	\$ -	\$ (1,000)	\$ 3,240,752
Land Rights	1,628,782	1,000	-	1,629,782
Plant Acquisition Adjustment	206,189	-	(17,000)	189,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Forestation of Land	16,318	-	-	16,318
Property Held for Future Use	7,425	-	-	7,425
	<u>\$ 5,404,034</u>	<u>\$ 1,000</u>	<u>\$ (18,000)</u>	<u>\$ 5,387,034</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	\$140,936,074	\$ 6,378,121	\$ (131,902)	\$147,182,293
Services	29,113,951	1,646,775	-	30,760,726
Structures & Improvements	26,009,085	2,735,816	(129,599)	28,615,302
Transmission Mains	13,430,883	-	-	13,430,883
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Meters & Meter Installations	10,839,200	400,929	(51,980)	11,188,149
Water Treatment Equipment	10,723,653	9,274,417	(6,275,543)	13,722,527
Hydrants	8,988,978	629,107	(78,862)	9,539,223
Vehicles	2,980,438	306,860	(251,283)	3,036,015
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Pumping Equipment	1,574,291	-	-	1,574,291
Communication Equipment	1,495,488	4,693	(9,929)	1,490,252
Wells & Springs	989,249	-	-	989,249
Power Equipment	829,954	30,363	(28,308)	832,009
Office Furniture & Equipment	646,400	111,816	(177,320)	580,896
Shop Equipment	263,429	25,133	-	288,562
Garage Equipment	232,652	-	-	232,652
Laboratory Equipment	130,504	34,297	(51,386)	113,415
Computer Equipment	541,921	322,976	(132,964)	731,933
Radio Equipment	160,564	23,750	-	184,314
Stores Equipment	39,253	-	-	39,253
	<u>263,379,968</u>	<u>21,925,053</u>	<u>(7,319,076)</u>	<u>277,985,945</u>
<b>Total Operating Property</b>	<u>\$268,784,002</u>	<u>\$21,926,053</u>	<u>\$ (7,337,076)</u>	<u>\$283,372,979</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 37,718,486	\$ 2,030,812	\$ (68,462)	\$ 39,680,836
Services	15,517,914	629,745	-	16,147,659
Structures & Improvements	11,859,396	561,535	(98,066)	12,322,865
Transmission Mains	6,466,345	153,441	-	6,619,786
Water Treatment Equipment	6,168,826	560,755	(3,877,345)	2,852,236
Reservoirs & Standpipes	4,097,519	199,273	-	4,296,792
Hydrants	3,146,583	186,071	(36,732)	3,295,922
Vehicles	1,989,022	295,582	(251,283)	2,033,321
Meters & Meter Installations	2,837,832	441,587	(11,346)	3,268,073
Lake, River & Other Intakes	1,725,769	24,831	-	1,750,600
Pumping Equipment	1,370,681	22,772	-	1,393,453
Communication Equipment	1,264,592	50,147	(8,125)	1,306,614
Power Equipment	594,459	43,880	(27,596)	610,743
Office Furniture & Equipment	535,792	45,474	(172,678)	408,588
Laboratory Equipment	84,070	7,906	(12,846)	79,130
Shop Equipment	250,940	3,691	-	254,631
Computer Equipment	301,125	46,869	(132,964)	215,030
Garage Equipment	212,261	5,786	-	218,047
Radio Equipment	107,588	11,331	-	118,919
Wells & Springs	107,657	19,644	-	127,301
Stores Equipment	39,253	-	-	39,253
	<u>96,396,110</u>	<u>5,341,132</u>	<u>(4,697,443)</u>	<u>97,039,799</u>
<b>Construction in Progress</b>	<u>10,241,578</u>	<u>359,672</u>	<u>(10,234,625)</u>	<u>366,625</u>
<b>Net Capital Assets</b>	<u>\$182,629,470</u>	<u>\$16,944,593</u>	<u>\$ (12,874,258)</u>	<u>\$186,699,805</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Cape Elizabeth Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
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>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	6,030,048	-	-	6,030,048
Treatment Plant Structures	2,527,271	-	-	2,527,271
Pumping Station Equipment	2,434,816	7,105	(4,000)	2,437,921
Treatment Plant Equipment	3,052,887	14,099	-	3,066,986
Pumping Station Structures	1,243,573	-	(3,106)	1,240,467
General Equipment	192,354	719	(81,556)	111,517
Interceptor Equipment	11,330	-	-	11,330
Solids Handling Equipment	<u>2,800</u>	<u>-</u>	<u>(2,800)</u>	<u>-</u>
	<u>15,495,079</u>	<u>21,923</u>	<u>(91,462)</u>	<u>15,425,540</u>
<b>Total Operating Property</b>	<u>15,720,238</u>	<u>21,923</u>	<u>(91,462)</u>	<u>15,650,699</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,504,071	120,681	-	3,624,752
Treatment Plant Equipment	1,689,482	174,311	-	1,863,793
Pumping Station Equipment	1,528,579	111,170	(4,000)	1,635,749
Treatment Plant Structures	1,555,803	64,140	-	1,619,943
Pumping Station Structures	834,619	22,696	(3,106)	854,209
General Equipment	38,648	17,015	(4,078)	51,585
Interceptor Equipment	663	148	-	811
Solids Handling Equipment	<u>2,800</u>	<u>-</u>	<u>(2,800)</u>	<u>-</u>
	<u>9,154,665</u>	<u>510,161</u>	<u>(13,984)</u>	<u>9,650,842</u>
<b>Construction in Progress</b>	<u>45,275</u>	<u>163,062</u>	<u>(1,209)</u>	<u>207,128</u>
<b>Net Capital Assets</b>	<u>\$ 6,610,848</u>	<u>\$ (325,176)</u>	<u>\$ (78,687)</u>	<u>\$ 6,206,985</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Cumberland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ <u>89,005</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>89,005</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	5,589,696	-	-	5,589,696
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	909,077	33,515	-	942,592
General Equipment	41,881	-	-	41,881
Treatment Plant Equipment	39,431	7,985	-	47,416
Interceptor Equipment	<u>213</u>	<u>-</u>	<u>-</u>	<u>213</u>
	<u>7,621,511</u>	<u>41,500</u>	<u>-</u>	<u>7,663,011</u>
<b>Total Operating Property</b>	<u>7,710,516</u>	<u>41,500</u>	<u>-</u>	<u>7,752,016</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	3,052,477	111,794	-	3,164,271
Pumping Station Structures	689,506	20,956	-	710,462
Pumping Station Equipment	648,744	39,336	-	688,080
Treatment Plant Equipment	39,431	399	-	39,830
General Equipment	39,195	597	-	39,792
Interceptor Equipment	<u>290</u>	<u>-</u>	<u>-</u>	<u>290</u>
	<u>4,469,643</u>	<u>173,082</u>	<u>-</u>	<u>4,642,725</u>
<b>Construction in Progress</b>	<u>41,500</u>	<u>-</u>	<u>(41,500)</u>	<u>-</u>
<b>Net Capital Assets</b>	<u>\$3,282,373</u>	<u>\$ (131,582)</u>	<u>\$ (41,500)</u>	<u>\$3,109,291</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Gorham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 185,466	\$ -	\$ -	\$ 185,466
Land Rights	<u>157,771</u>	<u>-</u>	<u>-</u>	<u>157,771</u>
	<u>343,237</u>	<u>-</u>	<u>-</u>	<u>343,237</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	11,495,137	-	-	11,495,137
Pumping Station Structures	1,966,330	-	-	1,966,330
Pumping Station Equipment	1,762,271	33,632	(3,169)	1,792,734
Treatment Plant Structures	1,014,979	-	-	1,014,979
Treatment Plant Equipment	860,296	31,177	-	891,473
General Equipment	32,549	-	-	32,549
Solids Handling Equipment	<u>17,080</u>	<u>-</u>	<u>(11,564)</u>	<u>5,516</u>
	<u>17,148,642</u>	<u>64,809</u>	<u>(14,733)</u>	<u>17,198,718</u>
<b>Total Operating Property</b>	<u>17,491,879</u>	<u>64,809</u>	<u>(14,733)</u>	<u>17,541,955</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,186,491	229,904	-	4,416,395
Treatment Plant Structures	604,274	44,862	-	649,136
Pumping Station Equipment	912,201	101,896	(3,169)	1,010,928
Pumping Station Structures	669,664	19,152	-	688,816
Treatment Plant Equipment	527,410	27,659	-	555,069
General Equipment	29,787	614	-	30,401
Solids Handling Equipment	<u>16,566</u>	<u>141</u>	<u>(11,564)</u>	<u>5,143</u>
	<u>6,946,393</u>	<u>424,228</u>	<u>(14,733)</u>	<u>7,355,888</u>
<b>Construction in Progress</b>	<u>-</u>	<u>53,632</u>	<u>-</u>	<u>53,632</u>
<b>Net Capital Assets</b>	<u>\$10,545,486</u>	<u>\$ (305,787)</u>	<u>\$ -</u>	<u>\$10,239,699</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Portland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
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>
<b>Operating Property, being depreciated</b>				
Treatment Plant Structures	35,990,090	618,489	(42,911)	36,565,668
Interceptor Structures	27,005,926	1,109,532	-	28,115,458
Treatment Plant Equipment	15,752,504	62,240	-	15,814,744
Pumping Station Structures	9,308,365	152,150	-	9,460,515
Pumping Station Equipment	7,319,545	349,580	(61,701)	7,607,424
Storm Drains	577,971	15,240	-	593,211
Communications Equip. - Collectors	559,538	-	-	559,538
Solids Handling Equipment	325,860	-	(70,199)	255,661
General Equipment	197,347	-	(18,939)	178,408
Interceptor Equipment	<u>64,930</u>	<u>-</u>	<u>-</u>	<u>64,930</u>
	<u>97,102,076</u>	<u>2,307,231</u>	<u>(193,750)</u>	<u>99,215,557</u>
<b>Total Operating Property</b>	<u>97,534,644</u>	<u>2,307,231</u>	<u>(193,750)</u>	<u>99,648,125</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Structures	20,128,781	732,721	(32,183)	20,829,319
Interceptor Structures	15,792,449	557,509	-	16,349,958
Treatment Plant Equipment	10,943,696	580,335	-	11,524,031
Pumping Station Equipment	4,311,875	299,774	(61,701)	4,549,948
Pumping Station Structures	4,784,636	202,636	-	4,987,272
Solids Handling Equipment	325,860	-	(70,199)	255,661
General Equipment	252,760	543	(18,939)	234,364
Communications Equip. - Collectors	296,475	42,761	-	339,236
Storm Drains	161,368	2,190	-	163,558
Interceptor Equipment	<u>59,852</u>	<u>-</u>	<u>-</u>	<u>59,852</u>
	<u>57,057,752</u>	<u>2,418,469</u>	<u>(183,022)</u>	<u>59,293,199</u>
<b>Construction in Progress</b>	<u>1,644,556</u>	<u>776,484</u>	<u>(1,592,566)</u>	<u>828,474</u>
<b>Net Capital Assets</b>	<u>\$42,121,448</u>	<u>\$ 665,246</u>	<u>\$ (1,603,294)</u>	<u>\$41,183,400</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Westbrook Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 162,263	\$ -	\$ -	\$ 162,263
Land Rights	<u>139,144</u>	<u>-</u>	<u>-</u>	<u>139,144</u>
	<u>301,407</u>	<u>-</u>	<u>-</u>	<u>301,407</u>
<b>Operating Property, being depreciated</b>				
Treatment Plant Equipment	4,594,937	68,612	-	4,663,549
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	-	-	128,768
Solids Handling Equipment	86,706	-	(66,636)	20,070
Communications Equip. - Collectors	<u>92,831</u>	<u>-</u>	<u>-</u>	<u>92,831</u>
	<u>19,890,093</u>	<u>68,612</u>	<u>(66,636)</u>	<u>19,892,069</u>
<b>Total Operating Property</b>	<u>20,191,500</u>	<u>68,612</u>	<u>(66,636)</u>	<u>20,193,476</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Equipment	3,579,791	88,708	-	3,668,499
Treatment Plant Structures	2,798,396	84,438	-	2,882,834
Interceptor Structures	2,477,255	73,994	-	2,551,249
Pumping Station Structures	1,747,980	98,749	-	1,846,729
Pumping Station Equipment	1,271,161	161,016	-	1,432,177
General Equipment	128,093	150	-	128,243
Solids Handling Equipment	84,836	514	(66,636)	18,714
Communications Equip. - Collectors	<u>39,221</u>	<u>9,283</u>	<u>-</u>	<u>48,504</u>
	<u>12,126,733</u>	<u>516,852</u>	<u>(66,636)</u>	<u>12,576,949</u>
<b>Construction in Progress</b>	<u>8,811</u>	<u>152,637</u>	<u>-</u>	<u>161,448</u>
<b>Net Capital Assets</b>	<u>\$ 8,073,578</u>	<u>\$(295,603)</u>	<u>\$ -</u>	<u>\$ 7,777,975</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Windham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
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>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	1,723,016	-	-	1,723,016
Pumping Station Structures	459,745	-	-	459,745
Pumping Station Equipment	335,308	5,770	(3,169)	337,909
Treatment Plant Structures	140,485	-	-	140,485
Treatment Plant Equipment	144,227	2,632	-	146,859
General Equipment	12,429	-	-	12,429
Solids Handling Equipment	<u>2,770</u>	<u>-</u>	<u>(2,088)</u>	<u>682</u>
	<u>2,817,980</u>	<u>8,402</u>	<u>(5,257)</u>	<u>2,821,125</u>
<b>Total Operating Property</b>	<u>2,960,932</u>	<u>8,402</u>	<u>(5,257)</u>	<u>2,964,077</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	308,523	34,460	-	342,983
Treatment Plant Structures	92,577	2,765	-	95,342
Treatment Plant Equipment	109,531	3,008	-	112,539
Pumping Station Equipment	199,593	25,796	(3,169)	222,220
Pumping Station Structures	97,139	10,845	-	107,984
General Equipment	5,442	480	-	5,922
Solids Handling Equipment	<u>2,707</u>	<u>18</u>	<u>(2,088)</u>	<u>637</u>
	<u>815,512</u>	<u>77,372</u>	<u>(5,257)</u>	<u>887,627</u>
<b>Construction in Progress</b>	<u>-</u>	<u>6,787</u>	<u>-</u>	<u>6,787</u>
<b>Net Capital Assets</b>	<u>\$2,145,420</u>	<u>\$(62,183)</u>	<u>\$ -</u>	<u>\$2,083,237</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>All Funds Combined:</b>				
<b>Operating Property, not being depreciated</b>				
Land (Water)	\$ 3,241,752	\$ -	\$ (1,000)	\$ 3,240,752
Land Rights (Water)	1,628,782	1,000	-	1,629,782
Land (Wastewater)	895,993	-	-	895,993
Land Rights (Wastewater)	638,335	-	-	638,335
Plant Acquisition Adjustment	206,189	-	(17,000)	189,189
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>6,938,362</u>	<u>1,000</u>	<u>(18,000)</u>	<u>6,921,362</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	140,936,074	6,378,121	(131,902)	147,182,293
Interceptor Structures	55,565,798	1,109,532	-	56,675,330
Treatment Plant Structures	43,920,632	618,489	(42,911)	44,496,210
Services	29,113,951	1,646,775	-	30,760,726
Structures & Improvements	26,009,085	2,735,816	(129,599)	28,615,302
Treatment Plant Equipment	24,444,282	186,745	-	24,631,027
Pumping Station Structures	18,292,122	152,150	(3,106)	18,441,166
Pumping Station Equipment	15,505,190	429,602	(72,039)	15,862,753
Transmission Mains	13,430,883	-	-	13,430,883
Reservoirs & Standpipes	11,090,541	-	-	11,090,541
Meters & Meter Installations	10,839,200	400,929	(51,980)	11,188,149
Water Treatment Equipment	10,723,653	9,274,417	(6,275,543)	13,722,527
Hydrants	8,988,978	629,107	(78,862)	9,539,223
Vehicles	2,980,438	306,860	(251,283)	3,036,015
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Pumping Equipment	1,574,291	-	-	1,574,291
Communication Equipment	1,495,488	4,693	(9,929)	1,490,252
Wells & Springs	989,249	-	-	989,249
Power Equipment	829,954	30,363	(28,308)	832,009
Communications Equip. - Collectors	652,369	-	-	652,369
Office Furniture & Equipment	646,400	111,816	(177,320)	580,896
General Equipment	605,328	719	(100,495)	505,552
Storm Drains	577,971	15,240	-	593,211
Computer Equipment	541,921	322,976	(132,964)	731,933
Solids Handling Equipment	435,216	-	(153,287)	281,929
Shop Equipment	263,429	25,133	-	288,562
Garage Equipment	232,652	-	-	232,652
Radio Equipment	160,564	23,750	-	184,314
Laboratory Equipment	130,504	34,297	(51,386)	113,415
Interceptor Equipment	76,473	-	-	76,473
Stores Equipment	39,253	-	-	39,253
	<u>423,455,349</u>	<u>24,437,530</u>	<u>(7,690,914)</u>	<u>440,201,965</u>
<b>Total Operating Property</b>	<b>\$430,393,711</b>	<b>\$24,438,530</b>	<b>\$(7,708,914)</b>	<b>\$447,123,327</b>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

## Capital Assets - Continued

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 37,718,486	\$ 2,030,812	\$ (68,462)	\$ 39,680,836
Interceptor Structures	29,321,266	1,128,342	-	30,449,608
Treatment Plant Structures	25,179,831	928,926	(32,183)	26,076,574
Treatment Plant Equipment	16,889,341	874,420	-	17,763,761
Services	15,517,914	629,745	-	16,147,659
Structures & Improvements	11,859,396	561,535	(98,066)	12,322,865
Pumping Station Structures	8,823,544	375,034	(3,106)	9,195,472
Pumping Station Equipment	8,872,153	738,988	(72,039)	9,539,102
Transmission Mains	6,466,345	153,441	-	6,619,786
Water Treatment Equipment	6,168,826	560,755	(3,877,345)	2,852,236
Reservoirs & Standpipes	4,097,519	199,273	-	4,296,792
Hydrants	3,146,583	186,071	(36,732)	3,295,922
Vehicles	1,989,022	295,582	(251,283)	2,033,321
Meters & Meter Installations	2,837,832	441,587	(11,346)	3,268,073
Lake, River & Other Intakes	1,725,769	24,831	-	1,750,600
Pumping Equipment	1,370,681	22,772	-	1,393,453
Communication Equipment	1,264,592	50,147	(8,125)	1,306,614
Power Equipment	594,459	43,880	(27,596)	610,743
Office Furniture & Equipment	535,792	45,474	(172,678)	408,588
General Equipment	493,925	19,399	(23,017)	490,307
Solids Handling Equipment	432,769	673	(153,287)	280,155
Communications Equip. - Collectors	335,696	52,044	-	387,740
Computer Equipment	301,125	46,869	(132,964)	215,030
Shop Equipment	250,940	3,691	-	254,631
Garage Equipment	212,261	5,786	-	218,047
Wells & Springs	107,657	19,644	-	127,301
Radio Equipment	107,588	11,331	-	118,919
Storm Drains	161,368	2,190	-	163,558
Laboratory Equipment	84,070	7,906	(12,846)	79,130
Interceptor Equipment	60,805	148	-	60,953
Stores Equipment	39,253	-	-	39,253
	<u>186,966,808</u>	<u>9,461,296</u>	<u>(4,981,075)</u>	<u>191,447,029</u>
<b>Construction in Progress</b>	<u>11,981,720</u>	<u>1,512,274</u>	<u>(11,869,900)</u>	<u>1,624,094</u>
<b>Net Capital Assets</b>	<u>\$255,408,623</u>	<u>\$16,489,508</u>	<u>\$(14,597,739)</u>	<u>\$257,300,392</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	\$5,340,453	\$(730,000)	\$4,610,453
Wastewater Funds:			
Cape Elizabeth	506,083	-	506,083
Cumberland	173,083	-	173,083
Gorham	423,915	-	423,915
Portland	2,407,898	-	2,407,898
Westbrook	514,919	-	514,919
Windham	77,346	-	77,346
Total	<u>\$9,443,697</u>	<u>\$(730,000)</u>	<u>\$8,713,697</u>

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### 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:

<b>Dec 31, 2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Dec 31, 2014</b>	<b>Current</b>	<b>Non-Current</b>
<u>\$67,132,695</u>	<u>\$4,541,000</u>	<u>\$(5,057,280)</u>	<u><b>\$66,616,415</b></u>	<u>\$4,853,279</u>	<u>\$61,763,136</u>

Long-term debt outstanding as of December 31, 2014, 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%	\$ 495,000		
Oct-06	1,500,000	2026	3.00% to 6.00%	900,000		
Sep-07	10,000,000	2027	4.25%	6,680,000		
Oct-08	1,500,000	2028	2.075% to 5.575%	1,050,000		
Apr-09	1,598,500	2028	1.050%	1,118,950		
May-09	4,700,000	2029	2.080% to 5.580%	3,525,000		
Aug-09	4,254,094	2029	0%	2,243,300		
Aug-09	253,075	2029	0%	122,964		
May-10	500,000	2030	2.060% to 5.746%	400,000		
Nov-10	950,000	2030	1.00%	722,000		
Nov-11	2,300,000	2031	0.5% to 5.5%	1,955,000		
May-12	1,130,000	2032	1.00%	1,017,000		
Oct-12	2,000,000	2032	1.480% to 3.706%	1,800,000		
May-13	3,000,000	2032	1.00%	2,700,000		
May-13	1,428,000	2033	.600% to 3.700%	1,356,600		
Nov-13	8,000,000	2034	2.00% to 4.25%	8,000,000		
Nov-13	1,072,000	2033	1.07%	1,018,400		
Jun-14	2,541,000	2034	2.70%	2,541,000		
Jun-14	2,000,000	2034	2.70%	<u>2,000,000</u>		
				<u>\$39,645,214</u>	<u>\$2,530,301</u>	<u>\$37,114,913</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%	\$ 66,500		
Dec-11	2,700,000	2031	1.00%	2,065,500		
Oct-12	160,000	2032	1.480% to 3.706%	<u>144,000</u>		
				<u>\$2,276,000</u>	<u>\$134,250</u>	<u>\$2,141,750</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014**

**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>\$75,000</u>	<u>\$6,250</u>	<u>\$68,750</u>

**Gorham Wastewater Fund:**

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>		
Apr-03	\$ 78,120	2022	1.80%	\$ 30,712		
Nov-03	73,185	2023	2.10%	32,779		
Dec-05	252,000	2025	1.63%	138,600		
Jul-07	146,000	2017	1.00%	43,800		
May-08	50,400	2028	2.00% to 5.50%	35,280		
Oct-08	474,672	2029	2.075% to 5.575%	356,004		
Jan-09	4,258,200	2028	1.44%	3,010,854		
Feb-09	253,481	2028	1.00%	177,433		
May-09	233,954	2029	2.080% to 5.580%	175,466		
Nov-10	52,360	2030	1.00%	<u>41,888</u>		
				<u>\$4,042,816</u>	<u>\$303,069</u>	<u>\$3,739,747</u>

**Portland Wastewater Fund:**

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>		
May-96	\$ 900,000	2016	5.901%	\$ 90,000		
Oct-97	1,100,000	2017	5.38%	165,000		
Oct-01	2,785,000	2021	2.10%	974,750		
Nov-01	1,250,000	2021	2.10%	437,500		
Apr-03	1,615,500	2020	1.66%	533,761		
Apr-03	5,200,000	2022	1.80%	2,044,302		
Nov-03	1,230,000	2023	2.11%	545,350		
Nov-03	2,000,000	2023	2.11%	898,721		
Dec-04	2,115,000	2024	1.33%	1,057,500		
Dec-05	1,900,000	2025	1.63%	1,045,000		
Apr-09	5,700,000	2028	1.470%	3,933,917		
Nov-10	752,200	2030	1.00%	601,760		
Nov-11	400,000	2031	0.5% to 5.5%	340,000		
Nov-13	3,000,000	2033	3.00% to 4.00%	<u>2,850,000</u>		
				<u>\$15,517,561</u>	<u>\$1,502,354</u>	<u>\$14,015,207</u>

**NOTES TO FINANCIAL STATEMENTS****December 31, 2014****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>		
Apr-03	\$ 284,208	2022	1.80%	\$ 111,732		
Nov-03	266,254	2023	2.10%	119,255		
Dec-05	1,316,800	2025	1.63%	724,240		
May-08	183,360	2028	2.00% to 5.50%	128,352		
Oct-08	2,384,641	2029	2.075% to 5.575%	1,788,481		
Feb-09	974,927	2028	1.00%	682,448		
Nov-10	113,220	2030	1.00%	90,576		
				<u>\$3,645,084</u>	<u>\$276,170</u>	<u>\$3,368,914</u>

**Windham Wastewater Fund:**

<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>		
Apr-03	\$ 9,672	2022	1.80%	\$ 3,802		
Nov-03	9,061	2023	2.10%	4,058		
Dec-05	31,200	2025	1.63%	17,160		
May-08	6,240	2028	2.00% to 5.50%	4,368		
Oct-08	40,687	2029	2.075% to 5.575%	30,515		
Jan-09	1,681,800	2028	1.44%	1,189,147		
Feb-09	21,592	2028	1.00%	15,120		
May-09	196,045	2029	2.080% to 5.580%	147,034		
Nov-10	4,420	2030	1.00% to 1.5789%	3,536		
				<u>\$1,414,740</u>	<u>\$100,885</u>	<u>\$1,313,855</u>

<b>Total Long Term Debt</b>	<b>\$66,616,415</b>
<b>Less Current Portion</b>	<b><u>4,853,279</u></b>
<b>Total Long Term Portion of Debt</b>	<b><u>\$61,763,136</u></b>

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, 2014

## 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
2015	\$ 2,530,301	\$ 134,250	\$ 6,250	\$ 303,069	\$ 1,502,355	\$ 276,170	\$ 100,885	\$ 4,853,280
2016	2,509,301	134,250	6,250	303,069	1,502,355	276,170	100,885	4,832,280
2017	2,524,301	134,250	6,250	303,069	1,457,355	276,170	100,885	4,802,280
2018	2,539,301	134,250	6,250	288,469	1,402,109	276,170	100,885	4,747,434
2019	2,509,301	134,250	6,250	288,458	1,399,489	276,128	100,884	4,714,760
2020 - 2024	12,641,505	671,250	31,250	1,430,199	5,319,262	1,336,653	502,923	21,933,042
2025 - 2029	10,046,580	666,500	12,500	1,123,865	2,257,026	921,962	407,172	15,435,605
2030 - 2034	<u>4,344,624</u>	<u>267,000</u>	<u>-</u>	<u>2,618</u>	<u>677,610</u>	<u>5,661</u>	<u>221</u>	<u>5,297,734</u>
	<u>\$39,645,214</u>	<u>\$2,276,000</u>	<u>\$75,000</u>	<u>\$4,042,816</u>	<u>\$15,517,561</u>	<u>\$3,645,084</u>	<u>\$1,414,740</u>	<u>\$66,616,415</u>

#### Interest Due:

-----WASTEWATER SYSTEMS-----								
	WATER	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM	TOTAL
2015	\$ 1,180,942	\$ 27,957	\$ 1,065	\$ 76,063	\$ 305,928	\$ 121,218	\$ 25,281	\$ 1,738,454
2016	1,111,931	26,294	976	70,725	275,870	112,335	23,681	1,621,812
2017	1,044,534	24,623	888	65,361	246,901	103,375	22,077	1,507,759
2018	967,913	23,004	799	59,609	219,283	94,475	20,134	1,385,217
2019	889,845	21,572	710	54,731	191,500	89,277	18,245	1,265,880
2020 - 2024	3,297,488	83,772	2,219	192,486	636,718	322,254	63,303	4,598,240
2025 - 2029	1,532,842	41,190	266	58,553	279,011	109,484	18,393	2,039,739
2030 - 2034	<u>394,351</u>	<u>5,370</u>	<u>-</u>	<u>-</u>	<u>61,676</u>	<u>57</u>	<u>2</u>	<u>461,456</u>
	<u>\$10,419,846</u>	<u>\$ 253,782</u>	<u>\$ 6,923</u>	<u>\$ 577,528</u>	<u>\$ 2,216,887</u>	<u>\$ 952,475</u>	<u>\$ 191,116</u>	<u>\$14,618,557</u>

#### Total Debt Service Due:

-----WASTEWATER SYSTEMS-----								
	WATER	CAPE ELIZABETH	CUMBERLAND	GORHAM	PORTLAND	WESTBROOK	WINDHAM	TOTAL
2015	\$ 3,711,243	\$ 162,207	\$ 7,315	\$ 379,132	\$ 1,808,283	\$ 397,388	\$ 126,166	\$ 6,591,734
2016	3,621,232	160,544	7,226	373,794	1,778,225	388,505	124,566	6,454,092
2017	3,568,835	158,873	7,138	368,430	1,704,256	379,545	122,962	6,310,039
2018	3,507,214	157,254	7,049	348,078	1,621,392	370,645	121,019	6,132,651
2019	3,399,146	155,822	6,960	343,189	1,590,989	365,405	119,129	5,980,640
2020 - 2024	15,938,993	755,022	33,469	1,622,685	5,955,980	1,658,907	566,226	26,531,282
2025 - 2029	11,579,422	707,690	12,766	1,182,418	2,536,037	1,031,446	425,565	17,475,344
2030 - 2034	<u>4,738,975</u>	<u>272,370</u>	<u>-</u>	<u>2,618</u>	<u>739,286</u>	<u>5,718</u>	<u>223</u>	<u>5,759,190</u>
	<u>\$50,065,060</u>	<u>\$2,529,782</u>	<u>\$81,923</u>	<u>\$4,620,344</u>	<u>\$17,734,448</u>	<u>\$4,597,559</u>	<u>\$1,605,856</u>	<u>\$81,234,972</u>



## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

## 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, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>	<u>Current</u>	<u>Non-Current</u>
2008 Note	\$ 198,600	\$ -	\$ (13,240)	\$ 185,360	\$ 13,240	\$ 172,120
	<u>\$ 198,600</u>	<u>\$ -</u>	<u>\$ (13,240)</u>	<u>\$ 185,360</u>	<u>\$ 13,240</u>	<u>\$ 172,120</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015				\$ 13,240	\$ 8,147	\$ 21,387
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 - 2024				66,200	20,366	86,566
2025 - 2028				<u>52,960</u>	<u>5,819</u>	<u>58,779</u>
				<u>\$185,360</u>	<u>\$61,100</u>	<u>\$246,460</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, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
Sick	\$ 812,850	\$ 76,275	\$ (78,485)	\$ 810,640
Vacation	<u>609,508</u>	<u>644,631</u>	<u>(639,764)</u>	<u>614,375</u>
	<u>\$1,422,358</u>	<u>\$720,906</u>	<u>\$(718,249)</u>	<u>\$1,425,015</u>
		<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Sick		\$193,650	\$ 616,990	\$ 810,640
Vacation		<u>463,497</u>	<u>150,878</u>	<u>614,375</u>
		<u>\$657,147</u>	<u>\$ 767,868</u>	<u>\$1,425,015</u>

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### 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, 2014, the District was committed on signed but incomplete construction and other contracts with a remaining balance of \$1,875,512.

During 2014, the District's Board of Trustees approved several donations from the Water Fund to assist outside parties with the preservation of land within the District's watershed. As of the end of the year, three of these commitments totaling \$312,843 have not been paid out.

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, 2014, the total remaining debt payments that will be made by the Cumberland Wastewater fund was \$1,739,186.

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 price percent of Water Treatment plant charges fixed for the following periods are as follows: 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 2015 is \$1,171,444.

**NOTES TO FINANCIAL STATEMENTS****December 31, 2014****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. At the end of 2010, the District exercised its sole option to extend the agreement for an additional five years through the end of 2015. 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 \$1,387,398 will be made to Casella in 2015.

**Trustee Held Funds**

During 2013, the District issued permanent financing in the Water Fund. The majority of the dollars for these issues were received during 2014; however, as of December 31, 2014, one of the projects to be funded had not been completed and the funds were still being held by the issuer.

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
Water	\$1,072,000	\$ -	\$(735,877)	\$ 336,123
Total	\$1,072,000	\$ -	\$(735,877)	\$ 336,123

**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, 2013</u>		<u>As of July 1, 2014</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	89	38	90	39
Retired employees and beneficiaries	64	37	72	40
Terminated employees with vested rights	53	20	42	18
	<u>206</u>	<u>95</u>	<u>204</u>	<u>97</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).

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:

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Pension Plans - Continued

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

**Administrative Expenses:** All administrative expenses are paid by the District and allocated to the individual funds. Such expenses were \$110,644 for the year ended December 31, 2014.

**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 actuarial rate was determined using the July 1, 2013 actuarial valuation in compliance with Governmental Accounting Board Standard 25.

Additional information from the July 1, 2013 actuarial valuation follows:

	<b><u>Bargaining Unit</u></b>	<b><u>Non-Bargaining Unit</u></b>
Valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Entry age	Entry age
Amortization method	30 years, level dollar, closed	30 years, level dollar, closed
Remaining amortization period	23 years	23 years
Asset valuation method	Average of book value and market value on valuation date plus any accrued but unpaid contributions attributable to prior plan year adjusted to within 20% of market value.	Average of book value and market value on valuation date plus any accrued but unpaid contributions attributable to prior plan year adjusted to within 20% of market value.
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	4.5%	4.5%
Inflation rate	4.5%	4.5%

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Pension Plans - Continued

Annual Pension Cost and Net Pension Obligation: The annual pension cost and the net pension obligation for the plans for the current year are as follows:

	Bargaining Unit	Non-Bargaining Unit
Annual required contribution	\$ 451,021	\$ 405,542
Annual pension cost	451,021	405,542
Contributions made	(502,000)	(424,000)
Change in net pension obligation	(50,979)	(18,458)
Net pension obligation (prepayment) January 01, 2014	(185,666)	-
Net pension obligation (prepayment) December 31, 2014	\$ (236,645)	\$ (18,458)

The annual required contribution for the current year was determined as part of the July 1, 2013 actuarial valuation. The District chose to make a contribution in excess of the requirement. The District also chose not to show this excess on the Statement of Net Position as the amount is not material to the financial statements. Additional information related to actuarial methods and assumptions and employer contributions can be found in schedules of employer contributions.

#### Three-Year Trend Information:

	Bargaining Unit:			None-Bargaining Unit:		
	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
December 31, 2014	\$451,021	111%	0	\$405,542	105%	0
December 31, 2013	\$454,000	120%	0	\$314,055	100%	0
December 31, 2012	\$454,000	120%	0	\$314,055	100%	0

The net pension liability was determined as part of the July 1, 2014 actuarial valuation which was done in compliance with Government Accounting Board Standard 67.

Net Pension Liability of the District: The components of the net pension liability of the District at December 31, 2014 were as follows:

	Bargaining Unit	Non-Bargaining Unit
Total pension liability	\$ 13,400,939	\$ 11,788,741
Plan fiduciary net position	9,017,043	8,823,096
District's net pension liability	\$ 4,383,896	\$ 2,965,645
Plan fiduciary net position as a percentage of total pension liability	67%	75%

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Pension Plans - Continued

Additional information from the July 1, 2014 actuarial valuation follows:

	<b><u>Bargaining Unit</u></b>	<b><u>Non-Bargaining Unit</u></b>
Valuation date	July 1, 2014	July 1, 2014
Actuarial cost method	Entry age	Entry age
Amortization method	Average Expected Future Service	Average Expected Future Service
Remaining amortization period	11 years	11 years
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	3.0%	3.0%
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

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, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Rate of Return</u></b>
US Equities Large	6.90%
US Equities Small	8.40%
International Developed Market Equities	6.70%
International Emerging Market Equities	6.90%
Core Bonds	1.30%
High Yield Bonds	4.80%
REIT's	6.30%
Natural Resources	3.00%
Cash	0.00%

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### 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 the net pension liability to changes in the discount rate. The following presents the net pension liability of the District, calculated using the discount rate of 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	\$6,011,124	\$4,383,896	\$3,011,892
Non-Bargaining Unit net pension liability	4,317,925	2,965,645	1,822,598

#### 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, 2013, nine current retirees were participating in the plan and 178 current employees are eligible to participate in the plan if they chose to retire early.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

## NOTE 4 - OTHER INFORMATION - CONTINUED

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

**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	3,009
Adjustment to annual required contribution	<u>(7,506)</u>
Annual OPEB cost (expense)	23,411
Contributions made	<u>(14,730)</u>
Increase in net OPEB obligation	8,681
Net OPEB obligation – beginning of year	<u>100,299</u>
Net OPEB obligation – end of year	<u>\$108,980</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the previous three years was 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>
2012	\$32,172	51.64%	\$ 77,748
2013	\$33,028	31.72%	\$100,299
2014	\$23,411	62.92%	\$108,980

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, 2013, the most recent actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability (UAAL) was \$308,042.

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



## NOTES TO FINANCIAL STATEMENTS

**December 31, 2014**

### NOTE 4 - OTHER INFORMATION - CONTINUED

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

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

In the July 1, 2013, 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:	Society of Actuaries Getzen Model, an average of 6.2% annually through 2070
Amortization period:	Closed Amortization ending in 2030
Incidence of retirement:	16.5% at 62, 10.0% at 63 & 64, 100.0% at 65

#### **Restatement of Net Position**

Effective January 1, 2014, the District no longer considers Falmouth Wastewater Fund to be a major fund. The effect of this change in net position for December 31, 2013 was a decrease of \$42,319 from \$215,493,968 to \$215,451,649.

#### **Subsequent Events**

On February 10, 2015, the District made an application with the Maine Public Utilities Commission for an average 3.8% water rate increase that would generate additional revenue of \$800,873. As of the date of this report, this request has been granted and the new rates will go into effect on May 1, 2015.

On February 24, 2015, the District's Board of Trustees authorized the issuance of up to \$8.00 million in bonds for the Water fund to finance the installation and renewal of water mains and related infrastructure and other projects. The total estimated cost over the 20 year life of these bonds is \$10.19 million.

On February 24, 2015, the District's Board of Trustees authorized an amendment to the Falmouth Sewerage Service Contract which allows for the treatment from the Cumberland Wastewater Fund. The amendment authorized the Town of Falmouth to replace the Mill Creek Pump Station and agreed that Cumberland would be responsible for approximately \$2.6 million of the cost resulting in annual debt service of \$208,000 starting as early as 2016.

On March 23, 2015, the District's Board of Trustees authorized the issuance of up to \$13.40 million in bonds for the Portland Wastewater fund and \$1.0 million for the Westbrook Wastewater fund for upgrade and/or construction of wastewater treatment facilities pump stations and interceptors. The total estimated cost over the 20 year life of these bonds is \$15.55 million for Portland and \$1.16 million for Westbrook.

## REQUIRED SUPPLEMENTARY INFORMATION

**December 31, 2014**

These schedules are required and are prepared in compliance with Government Accounting Board Standards 25 & 27.

### Schedules of Funding Progress for the Pension Plan (Unaudited)

Actuarial Valuation Date	Value of Assets (a)	(AAL) – Entry Age (b)	AAL (UUAL) or Funding Excess (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
<b>Bargaining Unit</b>						
July 1, 2005	4,216,602	6,888,782	2,672,180	61.2%	3,437,976	77.7%
July 1, 2007	4,964,909	7,609,962	2,645,053	65.2%	3,388,359	78.1%
July 1, 2009	4,846,624	8,693,028	3,846,404	55.8%	3,682,582	104.4%
July 1, 2011	6,365,311	9,674,611	3,309,300	65.8%	3,834,342	86.3%
July 1, 2013	7,400,453	10,928,212	3,527,759	67.7%	4,027,691	87.6%
<b>Non-bargaining Unit</b>						
July 1, 2005	5,665,157	6,212,560	547,403	91.2%	2,100,499	26.0%
July 1, 2007	6,223,176	6,955,659	732,483	89.5%	2,688,545	41.6%
July 1, 2009	5,630,550	7,758,852	2,128,302	72.6%	2,715,239	78.4%
July 1, 2011	7,015,793	8,125,868	1,110,075	86.3%	2,643,171	42.0%
July 1, 2013	7,439,882	9,415,267	1,975,385	79.0%	2,830,116	69.8%

### Schedules of Employer Contributions (Unaudited)

Year Ended December 31,	Bargaining Unit		Non-Bargaining Unit	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2005	\$150,017	100%	\$241,002	100%
2006	\$197,862	100%	\$357,993	100%
2007	\$197,862	100%	\$357,993	100%
2008	\$255,322	100%	\$373,960	100%
2009	\$255,322	100%	\$373,960	100%
2010	\$492,559	100%	\$418,329	100%
2011	\$492,559	100%	\$418,329	100%
2012	\$454,000	120%	\$314,055	100%
2013	\$454,000	120%	\$314,055	100%
2014	\$451,021	111%	\$405,542	105%

## REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

**December 31, 2014**

These schedules are required and are prepared in compliance with Government Accounting Board Standard 67.

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

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 168,163
Interest	784,769
Changes in benefit terms	-
Difference between expected and actual experience	1,635,699
Changes in assumptions	-
Benefit payments	(507,918)
<b>Net change in total pension liability</b>	<b>\$ 2,080,713</b>
<b>Net pension liability – beginning</b>	<u><b>11,320,226</b></u>
<b>Total pension liability – ending (a)</b>	<u><b>\$13,400,939</b></u>
<b>Plan fiduciary net position</b>	
Contribution - employer	\$ 502,000
Net investment income	377,415
Benefit payments	(507,918)
Administrative expenses	-
Other	-
<b>Net change in plan fiduciary net position</b>	<u><b>371,497</b></u>
<b>Plan fiduciary of net position – beginning</b>	<u><b>8,645,546</b></u>
<b>Plan fiduciary of net position – ending (b)</b>	<u><b>\$ 9,017,043</b></u>
<b>Net Pension Liability – ending (a)-(b)</b>	<u><b>\$ 4,383,896</b></u>
<b>Plan fiduciary net position as a percent of the total pension liability</b>	<b>67%</b>
<b>Covered-employee payroll</b>	<b>\$ 4,676,290</b>
<b>District's net pension liability as a percentage of covered-employees payroll</b>	<b>94%</b>
<b>Schedule of Investment Returns</b>	
<b>Annual money-weighted rate of return, net of investment return</b>	<b>2014 4.27%</b>

## REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED

**December 31, 2014**

These schedules are required and are prepared in compliance with Government Accounting Board Standard 67.

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

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 205,440
Interest	672,086
Changes in benefit terms	-
Difference between expected and actual experience	1,809,303
Changes in assumptions	-
Benefit payments	<u>(587,753)</u>
<b>Net change in total pension liability</b>	<b>\$ 2,099,076</b>
<b>Net pension liability – beginning</b>	<u>9,689,665</u>
<b>Total pension liability – ending (a)</b>	<u><b>\$ 11,788,741</b></u>
<b>Plan fiduciary net position</b>	
Contribution - employer	\$ 424,000
Net investment income	
Benefit payments	375,587
Administrative expenses	(587,753)
Other	<u>-</u>
<b>Net change in plan fiduciary net position</b>	<b>211,834</b>
<b>Plan fiduciary of net position – beginning</b>	<u>8,611,262</u>
<b>Plan fiduciary of net position – ending (b)</b>	<u><b>\$ 8,823,096</b></u>
<b>Net Pension Liability – ending (a)-(b)</b>	<u><b>\$ 2,965,645</b></u>
<b>Plan fiduciary net position as a percent of the total pension liability</b>	<b>75%</b>
<b>Covered-employee payroll</b>	<b>\$ 2,773,868</b>
<b>District's net pension liability as a percentage of covered-employees payroll</b>	<b>107%</b>
<b>Schedule of Investment Returns</b>	
	<b>2014</b>
<b>Annual money-weighted rate of return, net of investment return</b>	<b>4.29%</b>

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2014**

**Schedules of Funding Progress for the OPEB Plan (Unaudited)**

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



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 67 to 69

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
2005	\$168,636,202	\$19,407,259	\$188,043,461
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

### 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
2005	\$31,005,647	\$28,433,303	\$2,572,344	(\$650,240)	\$1,922,104	\$3,695,786	\$5,617,890
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

## 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
2005	\$10,532,223	\$4,899,338	\$978,070	\$673,456	\$13,229,675	\$692,885	\$31,005,647
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

\*\* 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

\* 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)

\* 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
2005	\$2,809,976	\$385,646	\$221,770	\$169,715	\$0	\$108,679	\$3,695,786
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

## 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
2005	8,542,551	6,863,209	1,679,342	19.7%
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%

Note: Gallons are presented in thousands.

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

## Debt Capacity - Page 69

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
2005	\$46,078,358	\$336,370	\$46,414,728	\$238	0.7%
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	n/a	n/a

## Revenue Capacity - Pages 70 - 73

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

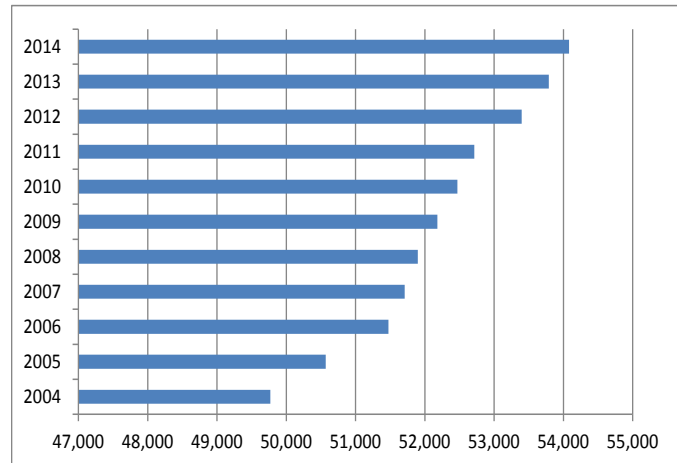
Current Year (2014) & Ten Years Ago (2005)			
Ten Years Ago (2005):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	1,035,814	\$678,112
National Semiconductor (Texas Instruments) [2]	So. Portland	347,480	\$247,169
Yarmouth Water District	Yarmouth	204,748	\$156,964
Sappi Fine Paper	Westbrook	189,137	\$174,988
Fairchild Semiconductor	So. Portland	161,003	\$113,648
Regional Waste Systems (Ecomaine) [1]	Portland	117,890	\$81,627
B&G Foods	Portland	112,770	\$80,238
Portland Housing Authority	Portland	69,633	\$137,750
Barber Foods	Portland	67,690	\$61,414
Maine Medical Center	Portland	56,714	\$125,532
		2,362,879	\$1,857,442
TOTAL SALES		9,175,413	\$17,083,087
PERCENT OF TOTAL SALES		25.8%	10.9%
Current Year (2014):			
Customer Name	Customer Location	Consumption HCF*	Water Revenue
Calpine	Wesbrook	574,609	\$498,246
Sappi Fine Paper	Westbrook	441,948	\$431,037
Texas Instruments (National Semiconductor) [2]	So. Portland	351,272	\$312,502
Yarmouth Water District	Yarmouth	161,182	\$165,926
Fairchild Semiconductor	So. Portland	145,190	\$137,674
Ecomaine (Regional Waste Systems) [1]	Portland	114,362	\$105,067
Maine Medical Center	Portland	100,422	\$163,568
B&G Foods	Portland	85,709	\$82,952
Portland Housing Authority	Portland	56,061	\$119,855
Shipyard Beverage	Portland	43,494	\$48,851
		2,074,249	\$2,065,678
TOTAL SALES		8,434,156	\$20,640,209
PERCENT OF TOTAL SALES		24.6%	10.0%
* = Hundreds of Cubic Feet			
[1] = Ecomaine previously did business as Regional Waste Systems			
[2] = Texas Instruments purchased plant previously operated by National Semiconductor			

## NET GROWTH IN CUSTOMERS

*Last Ten Fiscal Years*

Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Pecent Increase
2004	48,988	49,768	780	1.6%
2005	49,768	50,570	802	1.6%
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%

## Growth In Customers



## NUMBER OF WATER CUSTOMERS BY TYPE

*Last Ten Fiscal Years*

Metered Customers							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2005	44,775	3,473	95	439	48,782	1,788	50,570
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

## 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
- 01/01/07 to 12/31/07
- 01/01/08 to 12/31/08
- 01/01/09 to 04/30/10
- 05/01/10 to 04/30/11
- 05/01/11 to 04/30/13
- 05/01/13 to 04/30/14
- 05/01/14 to 12/31/14

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

## WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 06/01/00 to 12/31/06		Effective 01/01/07 to 12/31/07		Effective 01/01/08 to 12/31/08		Effective 01/01/09 to 04/30/10	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>								
2	35.01	40.26	35.01	40.26	35.01	40.26	36.06	41.47
3	78.30	90.04	78.30	90.04	78.30	90.04	80.65	92.74
4	139.81	160.78	139.81	160.78	139.81	160.78	144.00	165.60
6	333.95	384.04	333.95	384.04	333.95	384.04	343.97	395.56
8	559.24	643.12	559.24	643.12	559.24	643.12	576.02	662.41
10	873.87	1,004.96	873.87	1,004.96	873.87	1,004.96	900.09	1,035.11
12	1,258.30	1,447.04	1,258.30	1,447.04	1,258.30	1,447.04	1,296.05	1,490.45
16	2,236.96	2,572.51	2,236.96	2,572.51	2,236.96	2,572.51	2,304.07	2,649.69
<b>General Water</b>								
<b>Minimum Monthly Charges</b>								
5/8	7.00	8.05	7.19	8.26	7.37	8.48	7.75	8.91
3/4	8.30	9.55	8.50	9.78	8.70	10.01	9.13	10.49
1	11.07	12.73	11.24	12.93	11.41	13.12	11.87	13.65
1 1/2	16.09	18.51	16.82	19.35	17.56	20.19	18.74	21.55
2	22.94	26.38	24.07	27.68	25.20	28.98	26.99	31.03
3	33.46	38.48	38.23	43.97	43.01	49.46	48.97	56.31
4	50.84	58.47	57.86	66.55	64.89	74.62	73.70	84.75
6	93.50	107.52	108.65	124.94	123.79	142.36	142.39	163.75
8	143.29	164.79	168.65	193.96	194.02	223.12	224.83	258.55
10	200.63	230.72	239.64	275.58	278.64	320.44	325.53	374.36
12	355.87	409.26	377.41	434.02	398.97	458.79	430.91	495.55
Low Income	n/a	n/a	1.81	2.08	1.85	2.13	1.95	2.24
<b>Seasonal Water *1</b>								
<b>Minimum Seasonal Charges</b>								
5/8	143.11	159.68	157.70	178.08	172.28	196.49	191.77	220.53
3/4	202.00	227.41	214.06	242.90	226.11	258.40	244.33	280.97
1	274.72	311.02	279.63	318.31	284.55	325.60	296.89	341.42
1 1/2	477.17	543.85	471.61	539.08	466.03	534.30	472.09	542.90
2	718.92	822.20	701.37	803.30	683.51	784.41	682.33	784.68
3	1,179.36	1,351.36	1,190.53	1,365.84	1,201.69	1,380.31	1,242.98	1,429.43
4	1,747.18	2,004.35	1,774.27	2,037.14	1,801.37	2,069.94	1,873.71	2,154.77
6	2,973.92	3,415.11	3,162.10	3,633.15	3,350.28	3,851.19	3,625.74	4,169.60
8	4,438.11	5,098.92	4,822.23	5,542.29	5,206.34	5,985.66	5,728.18	6,587.41
10	7,286.40	8,374.46	8,545.09	9,823.58	9,803.77	11,272.71	11,334.68	13,034.88
12	10,770.88	12,381.32	12,919.90	14,854.62	15,069.18	17,327.93	17,641.98	20,288.28
<b>Volume Charges</b>								
<b>Four Blocks (Step 5)</b>								
<b>Monthly</b>								
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	1.76	2.02	1.81	2.08	1.85	2.13	1.95	2.24
Next 7,000 Cf	1.27	1.47	1.34	1.55	1.42	1.63	1.53	1.76
Next 40,000 Cf	0.94	1.08	1.06	1.22	1.18	1.36	1.34	1.55
Over 50,000 Cf	0.65	0.74	0.69	0.78	0.72	0.83	0.77	0.89
<b>Seasonal</b>								
Over Min to 90,000 Cf	1.76	2.02	1.81	2.08	1.85	2.13	1.95	2.24
Over 90,000 Cf	0.94	1.08	1.06	1.22	1.18	1.36	1.34	1.55
<b>Seasonal Surcharge *1</b>								
Surface Main Surcharge	29.59	29.59	30.75	32.41	31.91	35.21	34.00	39.10

\*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 05/01/10 to 04/30/11		Effective 05/01/11 to 04/30/13		Effective 05/01/13 to 04/30/14		Effective 05/01/14 to 12/31/14	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>								
2	37.32	42.92	38.07	43.78	38.64	44.40	39.84	45.72
3	83.47	95.99	85.14	97.91	86.40	99.36	89.40	102.36
4	149.04	171.40	152.02	174.83	154.32	177.48	158.88	182.76
6	356.01	409.40	363.13	417.59	368.64	423.84	379.80	436.68
8	596.18	685.59	608.10	699.30	617.28	709.80	635.88	731.04
10	931.59	1,071.34	950.22	1,092.77	964.44	1,109.16	993.36	1,143.00
12	1,341.41	1,542.62	1,368.24	1,573.47	1,388.76	1,597.08	1,430.40	1,645.08
16	2,384.71	2,742.43	2,432.40	2,797.28	2,468.88	2,839.20	2,542.92	2,924.40
<b>General Water</b>								
<b>Minimum Monthly Charges</b>								
5/8	8.01	9.21	8.15	9.37	8.25	9.48	8.46	9.73
3/4	9.44	10.85	9.60	11.03	9.72	11.16	9.97	11.45
1	12.27	14.11	12.48	14.35	12.63	14.52	12.93	14.90
1 1/2	19.49	22.41	19.99	22.98	20.35	23.40	21.14	24.31
2	28.07	32.27	28.79	33.09	29.31	33.69	30.45	35.00
3	50.93	58.56	52.23	60.05	53.18	61.14	55.25	63.52
4	76.65	88.14	78.60	90.39	80.03	92.04	83.15	95.63
6	148.09	170.30	151.87	174.64	154.64	177.82	160.67	184.75
8	233.82	268.89	239.78	275.75	244.15	280.78	253.67	291.73
10	338.55	389.33	347.18	399.26	353.51	406.54	367.30	422.40
12	448.15	515.37	459.58	528.51	467.96	538.14	486.21	559.13
Low Income	2.02	2.32	2.05	2.36	2.07	2.39	2.12	2.45
<b>Seasonal Water</b>								
<b>Minimum Seasonal Charges</b>								
5/8	198.48	228.25	202.45	232.82	205.49	236.31	211.65	243.40
3/4	252.88	290.80	257.94	296.62	261.81	301.07	269.66	310.10
1	307.28	353.37	313.43	360.44	318.13	365.85	327.67	376.83
1 1/2	488.61	561.90	498.38	573.14	505.86	581.74	521.04	599.19
2	706.21	812.14	720.33	828.38	731.13	840.81	753.06	866.03
3	1,286.48	1,479.46	1,312.21	1,509.05	1,331.89	1,531.69	1,371.85	1,577.64
4	1,939.29	2,230.19	1,978.08	2,274.79	2,007.75	2,308.91	2,067.98	2,378.18
6	3,752.64	4,315.54	3,827.69	4,401.85	3,885.11	4,467.88	4,001.66	4,601.92
8	5,928.67	6,817.97	6,047.24	6,954.33	6,137.95	7,058.64	6,322.09	7,270.40
10	11,731.74	13,491.10	11,966.02	13,760.92	12,145.51	13,967.33	12,509.88	14,386.35
12	18,259.45	20,998.37	18,624.64	21,418.34	18,904.01	21,739.62	19,508.65	22,434.96
<b>Volume Charges</b>								
<b>Four Blocks (Step 5)</b>								
<b>Monthly</b>								
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.02	2.32	2.05	2.36	2.07	2.39	2.12	2.45
Next 7,000 Cf	1.59	1.83	1.63	1.88	1.66	1.91	1.72	1.98
Next 40,000 Cf	1.39	1.61	1.43	1.65	1.46	1.68	1.52	1.75
Over 50,000 Cf	0.80	0.92	0.82	0.94	0.83	0.96	0.86	1.00
<b>Seasonal</b>								
Over Min to 90,000 Cf	2.02	2.32	2.06	2.37	2.07	2.39	2.12	2.45
Over 90,000 Cf	1.39	1.60	1.42	1.63	1.46	1.68	1.52	1.75
<b>Seasonal Surcharge *1</b>								
Surface Main Surcharge	35.19	40.47	35.89	41.28	36.43	41.90	37.52	43.16

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

# Operating Information - Page 74 to 75

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\*

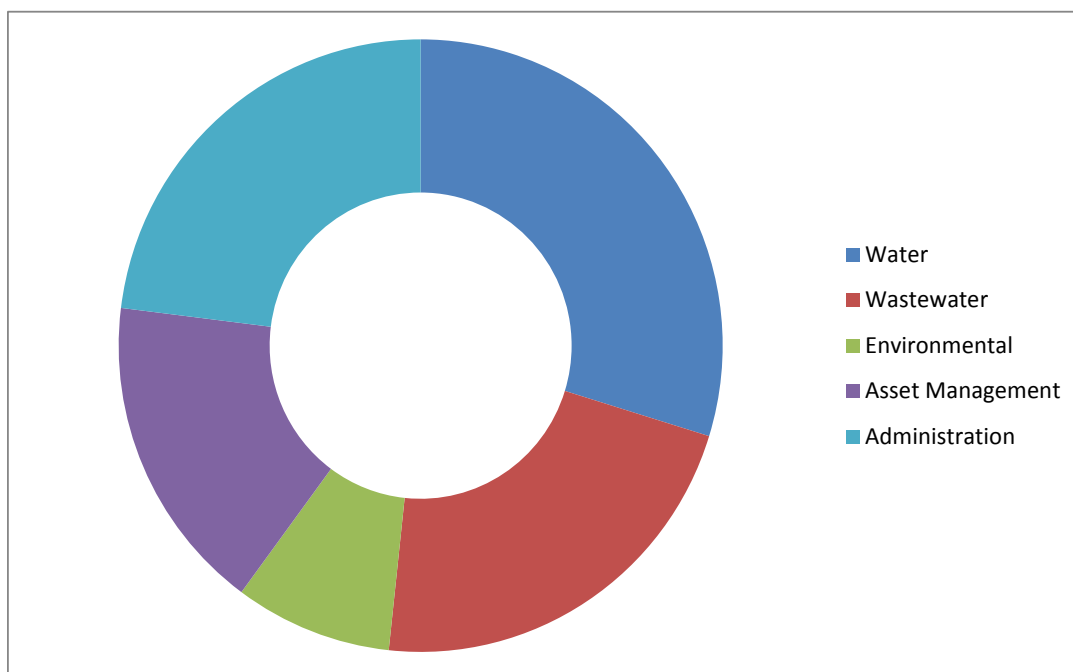
Water Assets										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Services	54,778	55,121	55,536	55,883	55,942	56,089	56,256	56,389	56,252	57,246
Meters	48,782	49,575	49,704	49,860	50,125	50,381	50,614	51,818	52,275	53,071
Hydrants	4,673	4,773	4,790	4,833	4,870	4,896	4,912	4,954	4,985	5,003
Gate Valves	10,301	10,369	10,471	10,520	10,614	11,140	11,187	11,270	11,294	13,027
Distribution Mains (miles)	930.8	940.0	945.4	949.9	954.9	957.9	958.6	961.7	946.1	947.4 [1]
Transmission Mains (miles)	40.5	40.5	40.5	40.5	41.4	41.4	41.4	41.4	40.6	40.6 [1]
Wastewater Assets										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Interceptors (miles)	44.3	44.3	44.3	46.7	46.9	46.9	46.9	46.9	48.1	48.1
Foremains (miles)	18.4	18.4	18.4	21.4	21.4	21.8	21.9	21.9	22.3	22.3
Collectors (miles)	25.1	25.1	25.1	24.9	24.9	25.3	25.3	25.7	25.7	25.7
Storm Drains (miles)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Manholes	1,894	2,045	2,191	2,353	2,384	2,342	2,348	2,377	2,418	2,418
Combined Sewer Overflows	34	28	28	28	28	28	28	28	28	28
Wastewater Flow Treated*										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
East End (Portland)	21.11	18.67	16.54	19.05	17.30	18.15	18.04	18.00	17.22	18.92
Westbrook/Gorham	3.35	3.23	3.04	3.92	3.74	3.29	3.52	3.13	3.01	3.25
Cape Elizabeth	0.43	0.36	0.26	0.34	0.33	0.28	0.30	0.28	0.26	0.30
Little Falls (Windham) ***	0.03	0.03	0.02	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	0.09	1.08	0.08	0.13	0.11	0.09	0.10	0.09	0.09	0.10
* Daily average in millions of gallons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										
Wastewater Biosolids Disposal**										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
East End (Portland)	46.29	48.63	45.59	50.75	51.33	45.20	43.54	38.66	45.17	48.18
Westbrook/Gorham	10.37	11.27	11.72	12.24	11.61	10.67	11.80	12.38	12.96	13.96
Cape Elizabeth	0.63	0.46	0.43	0.43	0.65	0.57	0.59	0.48	0.60	0.59
Little Falls (Windham) ***	0.15	0.12	0.14	0.17	0.00	0.00	0.00	0.00	0.00	0.00
Peaks Island (Portland)	0.08	0.06	0.09	0.07	0.03	0.07	0.12	0.12	0.12	0.12
** Daily average in wet tons *** Little Falls Treatment Plant closed in 2009, flow treated at Westbrook / Gorham Plant.										
[1] = Changes to historic totals made based on updates done in District's Asset Information Management (AIM) system starting in 2013.										

## NUMBER OF EMPLOYEES BY ACTIVITY

*Last Ten Fiscal Years*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Water Operations:</b>										
Water Distribution	29	27	27	27	25	25	25	24	24	23
Water Utility Services	15	16	16	16	15	13	13	13	13	14
Water Treatment	12	11	11	11	11	11	11	11	11	11
Administrative/Other	4	4	3	3	4	4	4	5	5	5
	60	58	57	57	55	53	53	53	53	53
<b>Wastewater Operations:</b>										
Wastewater Treatment	27	27	26	26	26	26	26	25	24	25
Water/Wastewater Systems	11	11	11	11	12	12	12	12	13	13
Administrative/Other	3	3	3	3	1	1	1	2	2	1
	41	41	40	40	39	39	39	39	39	39
<b>Environmental Services:</b>										
Environmental Services	6	8	8	8	8	8	8	8	8	8
Laboratory	6	6	8	8	8	8	7	7	7	7
	12	14	16	16	16	16	15	15	15	15
<b>Asset Management &amp; Planning:</b>										
Planning & Design	15	14	14	14	15	16	17	17	17	17
Facilities Services	13	12	12	12	12	11	10	10	10	10
Instrumentation	4	4	4	4	3	3	3	3	3	3
	32	30	30	30	30	30	30	30	30	30
<b>Administration:</b>										
Customer Service	22	21	20	16	14	14	14	14	14	14
Executive Office	4	8	8	10	7	8	9	9	8	8
Financial Services	9	9	9	9	9	8	8	8	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
	45	48	47	45	40	40	41	41	41	41
	190	191	190	188	180	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 76

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
2005	195,282	\$6,328,175	\$23,045	3.6%
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	n/a	n/a	n/a	3.8%

(1) Source: U.S. Census Bureau

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

n/a = data not available

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

The income and unemployment figures are that of Cumberland County. The unemployment rate is as of December of each year and is not seasonally adjusted.

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

## PRINCIPAL EMPLOYERS

*Current Year*

### Ten Largest Employers\*

Employer Name	Employees	Business Description
Maine Medical Center	6,501 to 7,000	General medical and surgical hospitals
L.L.Bean, Inc.	3,501 to 4,000	Mail-order houses
Unum Provident	3,001 to 3,500	Direct life insurance carriers
Hannaford Bros Co	2,501 to 3,000	Supermarkets and other grocery stores
Mercy Hospital	1,501 to 2,000	General medical and surgical hospitals
Wal Mart/Sam's Club	1,001 to 1,500	Discount department stores
Bowdoin College	1,001 to 1,500	Colleges and universities
T D Bank N A	1,001 to 1,500	Commercial banking
Mid Coast Hospital	1,001 to 1,500	General medical and surgical hospitals
Idexx Laboratories Inc	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. The data above 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, three (3) of the employers shown (L.L. Bean, Bowdoin College & Mid-Coast Hospital have the most (if not all) of their operations outside of the District.



## Other Information - Pages 77 to 90

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
2003	\$10,667,487	\$2,788,261	\$1,556,307	\$565,485	\$978,070	\$619,727	\$137,105	\$17,312,442
2004	\$10,597,429	\$2,773,017	\$1,415,312	\$586,934	\$978,035	\$622,838	\$110,922	\$17,084,487
2005	\$10,532,223	\$2,737,371	\$1,415,702	\$589,301	\$978,070	\$673,456	\$156,964	\$17,083,087
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

(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%.

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

YEAR	Cape Elizabeth	Cumberland	Gorham	Portland	Westbrook	Windham	TOTAL
2005	\$1,013,052	\$559,092	\$544,320	\$9,437,664	\$1,617,200	\$54,720	\$13,226,048
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

# Water Statistics

## 2014 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

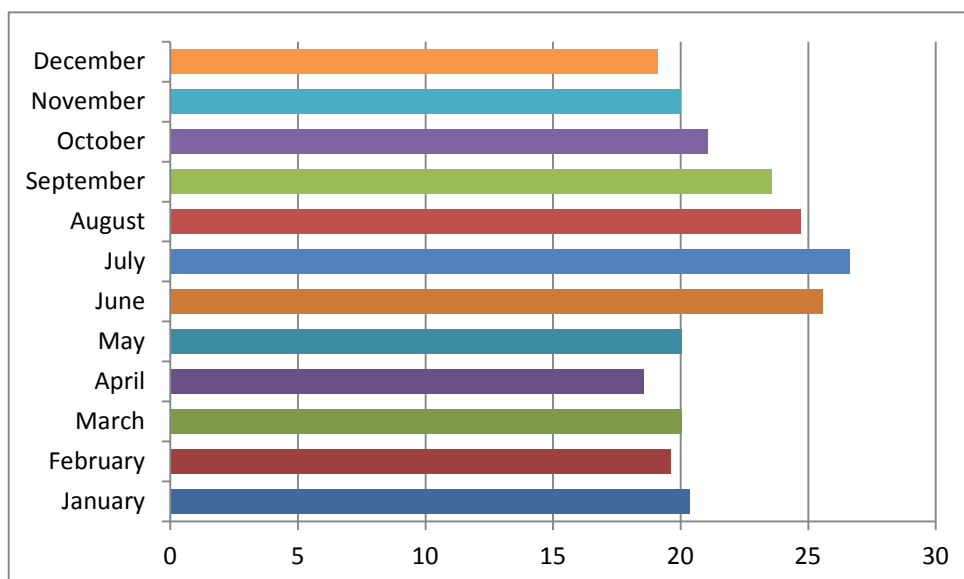
MONTH	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Rd. Boosted
January	20.332	0.036	20.368	0.384	0.765	0.632	0.093	0.481
February	19.584	0.035	19.619	0.381	0.759	0.606	0.087	0.474
March	19.991	0.037	20.028	0.410	0.776	0.627	0.097	0.484
April	18.535	0.034	18.569	0.399	0.584	0.616	0.105	0.434
May	20.004	0.036	20.040	0.411	0.653	0.673	0.122	0.503
June	25.542	0.045	25.587	0.536	0.772	0.826	0.164	0.768
July	26.581	0.043	26.624	0.528	0.819	0.731	0.158	0.726
August	24.663	0.041	24.704	0.488	0.785	0.701	0.154	0.778
September	23.526	0.037	23.563	0.519	0.722	0.676	0.153	0.710
October	21.021	0.034	21.055	0.384	0.603	0.616	0.136	0.569
November	19.954	0.033	19.987	0.363	0.569	0.575	0.115	0.488
December	19.090	0.032	19.122	0.372	0.611	0.564	0.102	0.476
Averages	21.569	0.037	21.606	0.431	0.702	0.654	0.124	0.574

## 2014 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
2013	7,872,533	13,789	7,886,322	157,392	256,098	238,557	45,203	209,614

## 2014 WATER PRODUCTION BY MONTH

(MILLIONS OF GALLONS PER DAY, MGD)



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

YEAR	Source Water								Boosted Water						
	Sebago Lake		Cumberland Wells	N. Windham Wells	Steep Falls Wells	TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish	West Falmouth	Total Boosted	Percentage Boosted to Total
	Greater Portland System	Sebago Lake Standish System													
1960	17.775	0.040	0.000	0.110	0.012	17.937			0.175		0.008			0.183	1.02%
1961	19.092	0.041	0.000	0.121	0.017	19.271			0.146		0.020			0.166	0.86%
1962	17.901	0.052	0.000	0.117	0.011	18.081			0.149		0.017			0.166	0.92%
1963	19.936	0.043	0.000	0.168	0.013	20.160			0.168		0.021			0.189	0.94%
1964	19.402	0.039	0.000	0.144	0.013	19.598			0.188		0.032			0.220	1.12%
1965	20.214	0.047	0.076	0.196	0.011	20.544			0.183		0.025			0.208	1.01%
1966	20.189	0.048	0.161	0.166	0.013	20.577			0.187		0.032			0.219	1.06%
1967	18.785	0.060	0.152	0.142	0.012	19.151			0.195		0.028			0.223	1.16%
1968	20.576	0.159	0.191	0.156	0.014	21.096			0.213		0.031			0.244	1.16%
1969	21.849	0.167	0.192	0.179	0.019	22.406			0.210		0.036			0.246	1.10%
1970	21.875	0.137	0.205	0.186	0.020	22.423	17.180	5.243	0.228		0.043			0.271	1.21%
1971	22.511	0.185	0.275	0.230	0.022	23.223	17.070	6.153	0.246		0.045			0.291	1.25%
1972	21.232	0.221	0.225	0.263	0.022	21.963	16.380	5.583	0.257		0.063			0.320	1.46%
1973	21.846	0.220	0.228	0.288	0.021	22.603	16.290	6.313	0.228		0.113			0.341	1.51%
1974	21.810	0.202	0.221	0.334	0.017	22.584	16.410	6.174	0.242		0.114			0.356	1.58%
1975	21.635	0.215	0.266	0.363	0.021	22.500	15.960	6.540	0.258		0.167			0.425	1.89%
1976	21.589	0.258	0.274	0.345	0.022	22.488	16.020	6.468	0.266		0.194			0.460	2.05%
1977	21.060	0.246	0.310	0.408	0.039	22.063	16.840	5.223	0.273		0.193			0.466	2.11%
1978	21.566	0.247	0.296	0.351	0.037	22.497	17.300	5.197	0.255		0.325			0.580	2.58%
1979	19.306	0.261	0.161	0.490	0.046	20.264	17.470	2.794	0.250		0.160			0.410	2.02%
1980	19.104	0.250	0.177	0.419	0.043	19.993	16.550	3.443	0.266		0.306			0.572	2.86%
1981	19.720	0.274	0.204	0.433	0.039	20.670	16.880	3.790	0.245		0.190			0.435	2.10%
1982	21.462	0.252	0.209	0.433	0.036	22.392	17.840	4.552	0.231		0.214			0.445	1.99%
1983	20.459	0.293	0.186	0.433	0.032	21.403	18.160	3.243	0.213		0.259			0.472	2.21%
1984	21.466	0.273	0.155	0.342	0.044	22.280	18.990	3.290	0.245		0.448			0.693	3.11%
1985	21.322	0.247	0.185	0.357	0.042	22.153	19.270	2.883	0.268		0.428			0.696	3.14%
1986	21.425	0.270	0.201	0.405	0.030	22.331	19.700	2.631	0.289		0.365			0.654	2.93%
1987	22.528	0.255	0.238	0.463	0.044	23.528	19.190	4.338	0.276		0.354			0.630	2.68%
1988	23.141	0.287	0.243	0.426	0.065	24.162	19.460	4.702	0.295		0.465			0.760	3.15%
1989	22.728	0.285	0.209	0.421	0.057	23.700	19.270	4.430	0.324		0.461			0.785	3.31%
1990	22.916	0.182	0.198	0.461	0.053	23.810	18.630	5.180	0.366		0.427			0.793	3.33%
1991	19.293	0.146	0.202	0.432	0.033	20.106	19.670	0.436	0.384		0.485			0.869	4.32%
1992	20.360	0.142	0.263	0.471	0.038	21.274	17.950	3.324	0.394		0.496			0.890	4.18%
1993	23.092	0.160	0.269	0.493	0.046	24.060	17.920	6.140	0.332		0.509		0.146	0.987	4.10%
1994	22.415	0.023	0.194	0.525	0.038	23.195	18.318	4.877	0.357		0.461	N.A.	0.149	0.967	4.17%
1995	21.880	0.000	0.216	0.583	0.027	22.706	18.564	4.142	0.350		0.459	N.A.	0.159	0.968	4.26%
1996	22.619	0.000	0.242	0.699	0.026	23.586	18.402	5.184	0.355		0.452	N.A.	0.135	0.942	3.99%
1997	23.538	0.000	0.252	0.673	0.024	24.487	19.634	4.853	0.357		0.515	0.159	0.325	1.356	5.54%
1998	22.866	0.000	0.000	0.588	0.025	23.479	19.252	4.227	0.341		0.502	0.158	0.379	1.380	5.88%
1999	23.874	0.000	0.000	0.533	0.022	24.429	19.598	4.831	0.380	0.594	0.551	0.181	0.418	2.124	8.69%
2000	23.077	0.000	0.000	0.000	0.028	23.105	18.484	4.621	0.370	0.451	0.578	0.183	0.391	1.973	8.54%
2001	25.424	0.000	0.000	0.000	0.039	25.463	20.389	5.074	0.396	0.620	0.646	0.197	0.464	2.323	9.12%
2002	24.846	0.000	0.000	0.000	0.031	24.877	19.996	4.881	0.395	0.605	0.565	0.172	0.473	2.210	8.88%
2003	24.198	0.000	0.000	0.000	0.036	24.234	19.167	5.067	0.396	0.540	0.602	0.177	0.449	2.164	8.93%
2004	23.774	0.000	0.000	0.000	0.037	23.811	18.789	5.022	0.371	0.645	0.600	0.213	0.504	2.333	9.80%
2005	23.376	0.000	0.000	0.000	0.028	23.404	18.803	4.601	0.392	0.769	0.636	0.222	0.479	2.498	10.67%
2006	22.371	0.000	0.000	0.000	0.024	22.395	18.352	4.043	0.399	0.675	0.703	0.185	0.495	2.457	10.97%
2007	22.441	0.000	0.000	0.000	0.027	22.468	18.266	4.202	0.459	0.885	0.705	0.188	0.604	2.841	12.64%
2008	21.726	0.000	0.000	0.000	0.028	21.754	17.602	4.152	0.452	0.851	0.693	0.140	0.562	2.698	12.40%
2009	20.319	0.000	0.000	0.000	0.027	20.346	17.367	2.979	0.447	0.778	0.698	0.128	0.530	2.581	12.69%
2010	21.957	0.000	0.000	0.000	0.034	21.991	18.568	3.423	0.442	0.663	0.793	0.137	0.957	2.992	13.61%
2011	20.980	0.000	0.000	0.000	0.030	21.010	17.715	3.295	0.426	0.944	0.669	0.154	0.894	3.086	14.71%
2012	21.688	0.000	0.000	0.000	0.021	21.709	17.708	4.001	0.419	0.859	0.684	0.137	0.852	2.950	13.59%
2013	21.187	0.000	0.000	0.000	0.035	21.222	21.581	-0.359	0.357	0.664	0.601	0.088	0.476	2.186	10.30%
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%

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

## 2014 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,587	3,652	323	737	71.0
Cumberland	1,806	1,803	261	414	48.2
Falmouth	3,361	3,237	395	751	83.0
Gorham	2,704	2,622	308	715	58.4
Portland	18,620	18,380	1458	4,400	250.6
Raymond	41	37	24	17	2.7
Scarborough	5,157	5,290	643	1,480	112.4
South Portland	8,539	8,221	564	1,971	122.6
Standish	730	709	145	263	26.1
Westbrook	5,785	5,603	550	1,359	87.5
Windham	3,313	3,517	332	920	84.9
<b>TOTAL</b>	<b>53,643</b>	<b>53,071</b>	<b>5,003</b>	<b>13,027</b>	<b>947.4</b>

## 2014 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	124	0	3,312	103	8	21	19	3,587
Cumberland	36	5	1,669	54	1	35	6	1,806
Falmouth	94	2	3,095	67	5	80	18	3,361
Gorham	28	0	2,476	90	4	93	13	2,704
Portland	1,420	8	15,839	352	31	612	358	18,620
Raymond	0	0	36	0	0	5	0	41
Scarborough	190	0	4,440	268	5	242	12	5,157
South Portland	407	1	7,485	197	20	288	141	8,539
Standish	55	0	643	18	1	8	5	730
Westbrook	239	0	5,174	134	1	216	21	5,785
Windham	82	0	2,876	274	0	72	9	3,313
<b>TOTAL</b>	<b>2,675</b>	<b>16</b>	<b>47,045</b>	<b>1,557</b>	<b>76</b>	<b>1,672</b>	<b>602</b>	<b>53,643</b>

## 2014 ACTIVE FIRE SERVICES

DIVISION	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	2	3	7	8	0	0	0	20	1.0%
Cumberland	1	0	14	8	0	0	0	23	1.1%
Falmouth	78	7	48	12	1	4	0	150	7.4%
Gorham	23	6	51	29	0	0	0	109	5.3%
Portland	88	85	496	174	11	5	1	860	42.2%
Raymond	0	0	2	2	0	0	0	4	0.2%
Scarborough	26	24	135	65	2	1	0	253	12.4%
South Portland	10	11	173	106	13	8	0	321	15.7%
Standish	0	0	9	0	0	0	0	9	0.4%
Westbrook	15	15	113	68	5	2	1	219	10.7%
Windham	9	5	43	13	1	1	0	72	3.5%
<b>TOTAL</b>	<b>252</b>	<b>156</b>	<b>1,091</b>	<b>485</b>	<b>33</b>	<b>21</b>	<b>2</b>	<b>2,040</b>	<b>100.0%</b>

## 2014 METERS IN SERVICE

DIVISON	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,440	80	69	22	30	7	2	1	1	0	3,652	6.9%
Cumberland	1,646	64	53	16	15	5	2	0	1	1	1,803	3.4%
Falmouth	2,872	126	114	49	56	11	2	4	3	0	3,237	6.1%
Gorham	2,449	51	41	25	41	12	2	0	1	0	2,622	4.9%
Islands	565	3	11	5	3	0	0	1	0	0	588	1.1%
Portland	15,536	672	570	372	476	98	36	27	5	0	17,792	33.5%
Raymond	22	1	4	4	6	0	0	0	0	0	37	0.1%
Scarborough	4,809	89	167	91	94	18	6	13	3	0	5,290	10.0%
South Portland	7,562	101	164	125	196	32	11	25	4	1	8,221	15.5%
Standish	671	11	16	2	5	0	2	2	0	0	709	1.3%
Westbrook	5,123	117	158	60	92	27	8	10	4	4	5,603	10.6%
Windham	3,275	67	75	47	39	5	3	6	0	0	3,517	6.6%
<b>TOTAL</b>	<b>47,970</b>	<b>1,382</b>	<b>1,442</b>	<b>818</b>	<b>1,053</b>	<b>215</b>	<b>74</b>	<b>89</b>	<b>22</b>	<b>6</b>	<b>53,071</b>	<b>100.0%</b>

## METERED WATER (IN THOUSANDS OF GALLONS)

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2005	3,354,639	1,508,781	1,488,483	358,154	153,152	6,863,209
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

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

## WATER QUALITY ANALYSIS

(AS TESTED ON FEBRUARY 26, 2014, UNLESS OTHERWISE NOTED)

Constituent	Units	Greater Portland Untreated	Greater Portland Treated	Windham Town Office (Distribution)	Steep Falls Untreated	Steep Falls Treated	MCL (for comparison only) <sup>4</sup>
<b>Physical</b>							
Color	SU	5	<5	<5	<5	5	15
Conductivity <sup>1</sup>	µS	47	63	NA	193	183	**
Total Residue	mg/L	77	53	84	126	97	500
Turbidity <sup>2</sup>	NTU	0.20	0.25	0.25	0.1	0.1	1
<b>Inorganic Non-metals</b>							
Residual chlorine <sup>3</sup>	mg/L	NA	2.4	1.8	NA	1.12	4
Alkalinity(as CaCO <sub>3</sub> )	mg/L	5.6	8.6	9.9	17.4	23.4	**
Carbon dioxide	mg/L	2.1	0.35	0.98	20.4	2.4	**
Ammonia – N	mg/L	<0.01	0.62	0.49	<0.01	<0.01	**
Nitrite – N	mg/L	0.005	<0.005	0.005	<0.005	0.006	1
Nitrate – N	mg/L	<0.23	<0.23	0.26	1.26	1.27	10
Chloride	mg/L	7	8	9	37	28	250
Dissolved Oxygen	mg/L	12.5	13.7	13.3	6	11.4	**
Fluoride	mg/L	0.05	0.69	0.71	0.09	0.78	4
Hardness (asCaCO <sub>3</sub> )	mg/L	9.8	9.3	9.8	14.8	15.1	150
pH <sup>3</sup>	SU	6.4	8.4	6.7	6.1	7.3	8.5
Silica	mg/L	3.3	3.6	3.5	11.5	10.6	**
Phosphorus	mg/L	0.02	0.35	0.32	0.04	0.04	**
Sulfate <sup>6</sup>	mg/L	NA	3	NA	NA	5	250
<b>Inorganic Metals</b>							
Arsenic	mg/L	<0.0044	<0.0044	<0.0044	<0.0044	<0.0044	0.05
Barium	mg/L	0.0041	0.0048	0.0038	0.0055	0.0053	2
Cadmium	mg/L	<0.00036	<0.00036	<0.00036	<0.00036	<0.00036	0.005
Calcium	mg/L	3.0	2.8	3.0	3.3	3.4	**
Chromium	mg/L	<0.0012	<0.0012	<0.0012	<0.0012	<0.0012	0.05
Copper <sup>5</sup>	mg/L	<0.0034	<0.0034	0.052	0.16	0.021	1.3
Iron <sup>5</sup>	mg/L	0.015	0.023	0.038	0.059	0.16	0.3
Lead <sup>5</sup>	mg/L	<0.0023	<0.0023	<0.0023	<0.0023	<0.0023	0.015
Magnesium	mg/L	0.57	0.56	0.56	1.6	1.6	**
Manganese	mg/L	<0.005	<0.005	<0.005	<0.005	0.14	0.05
Mercury <sup>7</sup>	mg/L	NA	<0.0002	NA	NA	<0.00005	0.002
Nickel	mg/L	<0.0033	<0.0033	<0.0033	0.0034	<0.0033	0.1
Potassium	mg/L	0.49	0.49	0.51	1.8	1.5	**
Selenium	mg/L	<0.005	<0.005	<0.005	<0.005	<0.005	0.05
Silver	mg/L	<0.00036	<0.00036	<0.00036	<0.00036	<0.00036	0.05
Sodium	mg/L	4.7	8.4	8.6	12	13	100
Zinc	mg/L	0.003	0.102	0.099	0.048	0.009	5
<b>Aggregate Organic</b>							
Carbon, total organic	mg/L	1.8	2.0	1.9	<1.0	<1.0	**
<b>Pesticide/Herbicide<sup>8</sup></b>							
	µg/L	NA	ND	NA	NA	ND	
<b>Asbestos<sup>9</sup></b>							
(million fibers/L)	10 <sup>6</sup> f/L	NA	<0.12	NA	NA	NA	7
<b>Radionuclides<sup>10</sup></b>							
Gross alpha	pCi/L	NA	0.12	NA	NA	7.6	15

FOOTNOTES: 1 Conductivity analyzed in 2012. 2 Steep Falls Treated turbidity measured on 2/24/14. 3 Chlorine and pH vary throughout the distribution system so values at your tap may differ from this locale. 4 MCL= Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water. 5 Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing. 6 Sulfate – analyzed in June 2008. 7 Mercury analyzed in June 2013 (Greater Portland) and June 2011 (Steep Falls). 8 Pesticide/herbicide analyzed in September and December 2011(Gr. Portland) and August 2008 (Steep Falls). 9 Asbestos analyzed in July 2011 in Cumberland area. 10 Gross alpha analyzed in May 2006 (Greater Portland) and June 2012 (Steep Falls).

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

## WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION

CONTAMINANT	MCL <sup>1</sup> (MG/L)	GREATER PORTLAND	STEEP FALLS
<b>ORGANIC VOLATILE ORGANICS (EPA 524.2) Collected in June 2014</b>			
BENZENE	0.005	<0.0005	<0.0005
CARBON TETRACHLORIDE	0.005	<0.0005	<0.0005
p-DICHLOROBENZENE	0.075	<0.0005	<0.0005
1,2-DICHLOROETHANE	0.005	<0.0005	<0.0005
1,1-DICHLOROETHENE	0.007	<0.0005	<0.0005
1,1,1-TRICHLOROETHANE	0.2	<0.0005	<0.0005
TRICHLOROETHENE	0.005	<0.0005	<0.0005
VINYL CHLORIDE	0.002	<0.001	<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	<0.001	<0.001
ETHYLBENZENE	0.7	<0.0005	<0.0005
CHLOROENZENE	0.1	<0.0005	<0.0005
STYRENE	0.1	<0.001	<0.001
TETRACHLOROETHENE	0.005	<0.0005	<0.0005
TOLUENE	0.1	<0.001	<0.001
XYLENES	10	<0.001	<0.001
DICHLOROMETHANE	0.005	<0.0005	<0.0005
1,2,4-TRICHLOROBENZENE	0.07	<0.0005	<0.0005
1,1,2-TRICHLOROETHANE	0.005	<0.0005	<0.0005
1,2-DIBROMO-3-CHLOROPROPANE	STWV <sup>2</sup>	STWV <sup>2</sup>	STWV <sup>2</sup>
ETHYLENE DIBROMIDE	STWV <sup>2</sup>	STWV <sup>2</sup>	STWV <sup>2</sup>
<b>SYNTHETIC ORGANIC-PESTICIDES (EPA 525.2) Collected in September 2014</b>			
ATRAZINE	0.003	<0.0002	STWV <sup>2</sup>
ALACHLOR (LASSO)	0.002	<0.00025	STWV <sup>2</sup>
BENZO(A)PYRENE	0.0002	<0.0002	STWV <sup>2</sup>
BHC GAMMA (LINDANE)	0.0002	<0.0002	STWV <sup>2</sup>
BIS (2-ETHYLHEXYL) ADIPATE	0.4	<0.001	STWV <sup>2</sup>
BIS (2-ETHYLHEXYL) PHTHALATE	0.001	<0.001	STWV <sup>2</sup>
ENDRIN	0.002	<0.0002	STWV <sup>2</sup>
HEPTACHLOR	0.0004	<0.0001	STWV <sup>2</sup>
HEPTACHLOR EPOXIDE	0.0002	<0.0002	STWV <sup>2</sup>
HEXACHLOROBENZENE	0.001	<0.0002	STWV <sup>2</sup>
HEXACHLOROCYCLOPENTADIENE	0.05	<0.0002	STWV <sup>2</sup>
METHOXYCHLOR	0.04	<0.0002	STWV <sup>2</sup>
SIMAZINE	0.004	<0.0002	STWV <sup>2</sup>
<b>PESTICIDES/PCB'S (EPA 508.1) Collected in September 2014</b>			
CHLORDANE	0.002	<0.00052	STWV <sup>2</sup>
POLYCHLORINATED BIPHENYLS, TOTAL	0.0005	<0.0001	STWV <sup>2</sup>
TOXAPHENE	0.003	<0.00052	STWV <sup>2</sup>
<b>CARBAMATES (EPA 531.1) Collected in September 2014</b>			
ALDICARB	NO MCL	<0.002	STWV <sup>2</sup>
ALDICARB SULFONE	NO MCL	<0.002	STWV <sup>2</sup>
ALDICARB SULFOXIDE	NO MCL	<0.002	STWV <sup>2</sup>
CARBOFURAN	0.04	<0.002	STWV <sup>2</sup>
OXAMYL	0.2	<0.002	STWV <sup>2</sup>
<b>SYNTHETIC ORGANICS - HERBICIDES (EPA 515.3) Collected in September 2014</b>			
2,4-D	0.07	<0.0001	STWV <sup>2</sup>
2,4,5 TP (SILVEX)	0.05	<0.0004	STWV <sup>2</sup>
DALAPON	0.2	<0.001	STWV <sup>2</sup>
DINOSEB	0.007	<0.0005	STWV <sup>2</sup>
PENTACHLOROPHENOL	0.001	<0.0001	STWV <sup>2</sup>
PICLORAM	0.5	<0.00075	STWV <sup>2</sup>

### FOOTNOTES:

1 MCL- Maximum Contaminant Level, The highest level of contaminant allowed or recommended in drinking water.  
2 STWV-State waiver, no testing required in Steep Falls water system.

### DEFINITIONS:

\*\* MCL does not exist for these constituents  
N/A – 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.

# 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
2005	0.720	20.390	4,727	1,009	46.29	Wet Tons	95	94
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

## 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
2005	3.350	4,634	2,148	10.37	Wet Tons	93	94	88.300	11.700	-
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

\*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
2005	0.430	0.63	Wet Tons	92	96
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

### PEAKS ISLAND WASTEWATER TREATMENT FACILITY

	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
YEAR	Secondary Treatment	TOTAL	Units	BOD	TSS
2005	0.085	0.08	Wet Tons	92	94
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

## EAST END WASTEWATER TREATMENT FACILITY

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

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2014	January	1.0	199	16	34	14	393	0.3
	February	1.1	202	16	25	11	380	0.2
	March	2.4	200	19	34	14	410	0.2
	April	3.0	210	16	40	13	412	0.6
	May	2.0	250	14	44	11	430	0.3
	June	2.1	260	15	36	14	640	0.4
	July	2.2	300	16	45	12	760	0.4
	August	2.2	280	17	36	11	660	0.3
	September	1.9	270	12	30	10	580	0.3
	October	2.2	270	15	44	12	570	0.3
	November	2.4	240	14	38	11	460	0.6
	December	2.8	200	17	40	13	410	0.7
	Annual Average	2.1	240	16	37	12	509	0.4

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

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2005	1.2	230	18	57	14	565	0.5
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

### 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
2014	January	1.0	381	94	21	42	786	0.2
	April	2.8	387	108	35	63	664	0.2
	July	1.0	290	30	24	23	660	0.3
	October	2.8	490	50	35	120	900	0.2
Annual Average		1.9	387	71	29	62	753	0.2

\* 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
2005	1.5	553	37	41	25	1,141	1.2
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

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

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

## WASTEWATER SUMMARY BY DIVISION

<b>Portland System: *1</b>					
Mainland	Estimated population served	60,000			
	Treatment plant design flow:				
	average / peak wet weather	19.8 mgd average / 80 mgd peak			
	Pump stations	10			
	Interceptors	73,926 feet			
	Force Mains	15,880 feet			
	Estimated population served	500			
	Treatment plant design flow:				
	average / peak wet weather	0.2 mgd average / .61 mgd peak			
	Pump stations	4			
Peaks Island	Collectors	24,905 feet			
	Interceptors	3,592 feet			
	Force Mains	3,889 feet			
	Storm Drains	9,165 feet			
<b>Westbrook *2</b>					
	Estimated population served	11,000			
	Treatment plant design flow:				
	average / peak wet weather	4.54 mgd average / 15.7 mgd peak			
	Westbrook allocated average treatment plant flow (76.4%)	3.47 mgd average / 11.99 mgd peak			
			<u>Joint Use</u>	<u>Westbrook Only</u>	<u>Gorham Only</u> <u>Windham Only</u>
	Pump stations	3	1	2	
	Interceptors	24,965 feet	9,200	15,765	
	Force Mains	17,500 feet	4,500	13,000	
	Percentage Flow			78.377%	18.713%    2.910%
<b>Cape Elizabeth System *3</b>					
Cape - North	Estimated population served	4,000			
	Treatment contracted to South Portland				
	System design flow	0.72 mgd			
	Pump stations	13			
	Interceptors	28,700 feet			
	Force Mains	4,100 feet			
	Estimated population served	3,100			
	Treatment plant design flow:				
	average / peak wet weather	0.52 mgd average / 2.75 mgd peak			
	Pump stations	10			
Cape - South	Interceptors	19,985 feet			
	Force Mains	18,610 feet			
<b>Cumberland</b>					
	Estimated population served	2,200			
	Treatment contracted to Falmouth				
	System Design Flow	0.47 mgd			
	Pump stations	12			
	Interceptors	43,727 feet			
	Collectors	61,275 feet			
	Force Mains	26,879 feet			
<b>Gorham Village</b>					
	Estimated population served	6,000			
	Treatment conveyed to Westbrook				
	System design flow	1.4 mgd			
	Gorham allocated average treatment plant flow (21%)	0.95 mgd average / 3.30 mgd peak			
	Pump stations	8			
	Interceptors	36,286 feet			
	Collectors	49,537 feet			
	Force Mains	14,197 feet			
<b>Little Falls System *4</b>					
	Estimated population served	1,000			
	Windham allocated average treatment plant flow (2.6%)	0.12 mgd average / .41 mgd peak			
			<u>Joint Use</u>	<u>Gorham Only</u>	<u>Windham Only</u>
	Pump stations	5	2	1	2
	Interceptors/Collectors	22,674 feet	12,579	7,008	3,087
	Force Mains	17,014 feet	11,280	3,245	2,489
	Percentage Flow			21.149%	78.851%

# FOOTNOTES:

\*1 - The Portland System contains two separate treatment facilities. The East End Wastewater Treatment 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 East End Wastewater Treatment Facility for final dewatering and sludge disposal.

\*2 – Historically, the Westbrook System had one treatment plant which processes wastewater for the city of Westbrook and Gorham Village. Trucked in waste and thickened sludge from the Little Falls Wastewater 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 Wastewater Treatment Facility through the new Little Falls Conveyance System. Effective 5/1/08, Gorham Little Falls flow was also diverted to the Westbrook Regional Wastewater Treatment Facility, resulting in the retirement of the Little Falls 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 plant for final dewatering and sludge disposal. The Cape South Wastewater 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 Wastewater Treatment Facility. A thickened sludge product was then transported to the Westbrook facility for final dewatering and sludge disposal. The Little Falls Treatment Facility was in full operation through 3/31/08. Effective 4/1/08, Windham flow was transferred to the Westbrook Regional Wastewater Treatment Facility and effective 5/1/08, the Gorham flow was also diverted there. This resulted in the retirement of the Little Falls Wastewater Treatment Facility as of 5/1/08.

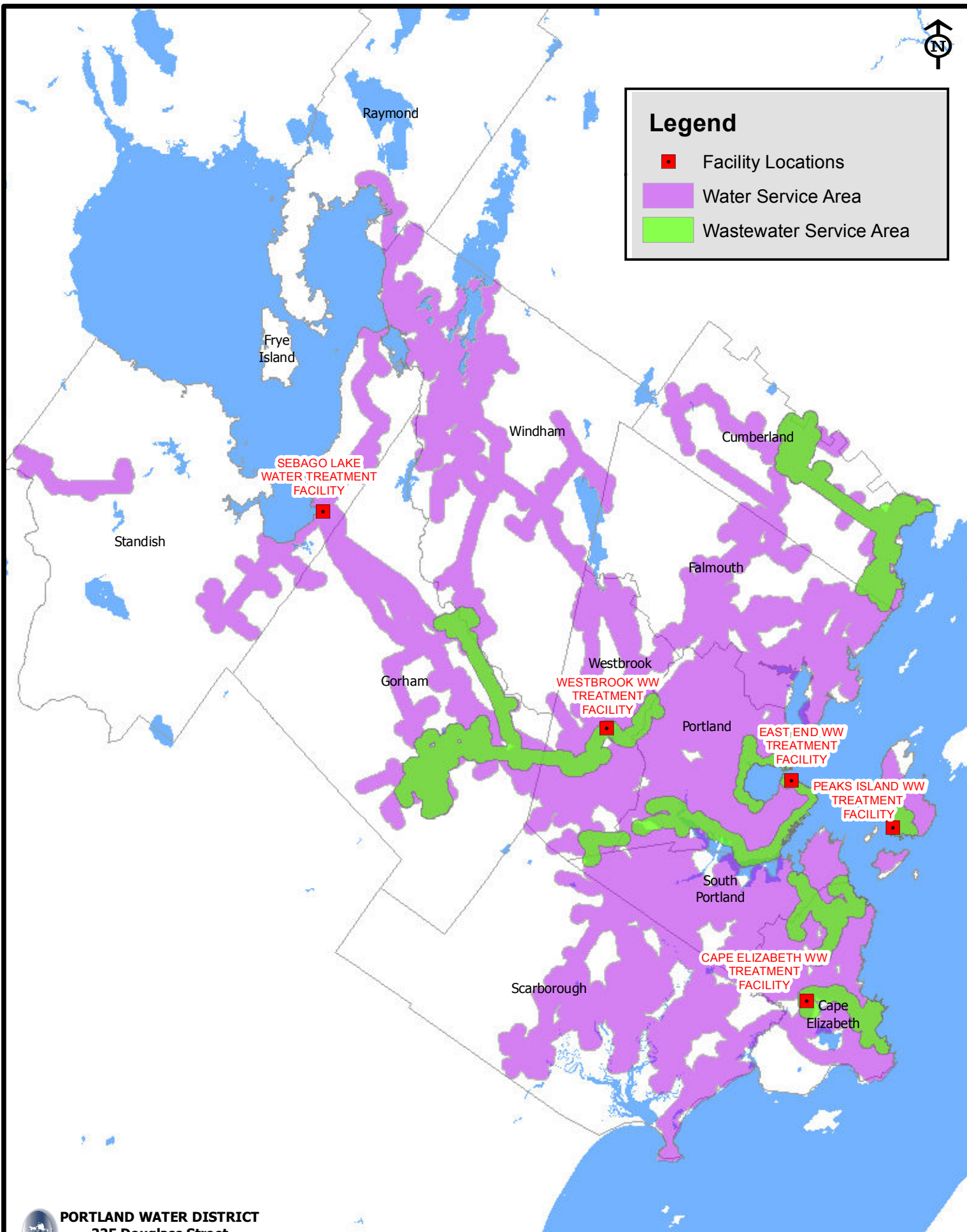
## **WASTEWATER PIPELINE LENGTH (MILES)**

COMMUNITY	Interceptors	Force mains	Collectors	Storm Drains	TOTAL	# of Manholes	# of CSOs
Cape Elizabeth	9.2	4.3	0.0	0.0	13.5	275	1
Cumberland	8.3	5.1	11.6	0.0	25.0	579	0
Gorham	10.6	5.4	9.4	0.0	25.4	623	0
Windham	0.6	0.5	0.0	0.0	1.1	13	0
Portland	14.7	3.7	4.7	1.7	24.8	811	22
Westbrook	4.7	3.3	0.0	0.0	8.0	117	5
<b>TOTAL</b>	<b>48.1</b>	<b>22.3</b>	<b>25.7</b>	<b>1.7</b>	<b>97.8</b>	<b>2,418</b>	<b>28</b>



## Legend

-  Facility Locations
-  Water Service Area
-  Wastewater Service Area



**PORTLAND WATER DISTRICT**  
225 Douglass Street  
Portland, ME 04104