



**MOORS & CABOT**  
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*Banking & Advisory Group*

NEW ISSUE

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In the opinion of Pierce Atwood LLP of Portland, Maine, Bond Counsel ("Bond Counsel"), and assuming continuing compliance with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") and with certain tax covenants, under existing statutes, regulations and court decisions, interest on the 2024 Water System Revenue Bonds (Water Bonds) (the "Bonds", as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest on the Bonds is not a specific preference item for purposes of calculating the alternative minimum tax under Section 55 of the Code; provided, however, that such interest will be taken into account in determining the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that the interest paid on the Bonds is exempt from Maine income taxation pursuant to Section 9 of the District's Charter. **The District will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** See "THE BONDS—TAX MATTERS" and "APPENDIX B" herein.

**PORTLAND WATER DISTRICT, MAINE**  
**\$6,960,000<sup>(\*)</sup>**  
**2024 WATER SYSTEM REVENUE BONDS (WATER BONDS)**  
**(GREEN BONDS)**

<b>Dated: Date of Delivery</b>				<b>Due: November 1, as shown below</b>			
<u>Year of Maturity</u>	<u>Amount<sup>(*)</sup></u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year of Maturity</u>	<u>Amount<sup>(*)</sup></u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2025	\$350,000			2035	\$350,000		
2026	350,000			2036	350,000		
2027	350,000			2037	345,000		
2028	350,000			2038	345,000		
2029	350,000			2039	345,000		
2030	350,000			2040	345,000		
2031	350,000			2041	345,000		
2032	350,000			2042	345,000		
2033	350,000			2043	345,000		
2034	350,000			2044	345,000		

The Bonds will be issued in fully-registered form without coupons and, when issued, will be registered in the name of Cede and Co., as bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. See "THE BONDS—BOOK-ENTRY-ONLY SYSTEM" herein. Principal and interest on the Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on May 1, 2025 and semi-annually on each November 1 and May 1 thereafter until maturity, or redemption prior to maturity.

The Portland Water District (the "District") does not have the power of taxation, but the District's Charter, Chapter 84 of the Private and Special Laws of Maine (1975), as amended and supplemented, provides that the District's rates for water services shall be so established by its Trustees as to provide revenue for the Water System, *inter alia*, to pay current expenses of the District for operating and maintaining the District's operations and to provide for payment of principal of and interest on the indebtedness created by the District for water services, including the Bonds. See "THE BONDS—SOURCE OF PAYMENT AND SECURITY FOR THE BONDS" herein.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid and binding water system revenue obligations of the District, payable as to both principal and interest from water revenues, including but not limited to water rates and other lawful charges payable to the District in respect to the provision of water services pursuant to Section 11 of its Charter. The opinion will indicate that the obligations of the District, including the Bonds, are subject to bankruptcy, insolvency, reorganization, moratorium or other laws the rights and remedies of creditors generally and are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law) and are subject to the exercise of judicial discretion in appropriate cases. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Based upon the intended use of the proceeds of the Bonds to finance environmentally beneficial projects the Bonds have been designated as "Green Bonds" by the Trustees of the District. See "THE BONDS—AUTHORIZATION AND PURPOSE - Designation as Green Bonds" herein.

Bonds maturing on or before November 1, 2034 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the District, on and after November 1, 2034 as more fully set forth herein. See "THE BONDS—OPTIONAL REDEMPTION PRIOR TO MATURITY" herein.

The Bonds are offered when, as and if issued, subject to the approval of legality by Pierce Atwood LLP of Portland, Maine, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to The Depository Trust Company, on or about August 1, 2024.

<sup>(\*)</sup>Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment. The District will make available its final Official Statement with respect to the Securities. This Preliminary Official Statement is for information purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized by the District or the original purchaser to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the District. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the District since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP<sup>®</sup> numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. Neither the District nor the Underwriter makes any representation with respect to the accuracy of such CUSIP<sup>®</sup> numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP<sup>®</sup> numbers or their accuracy now or at any time in the future. The District is not responsible for the selection or uses of the CUSIP<sup>®</sup> numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP<sup>®</sup> number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE  
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Portland Water District, Maine with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the records of the District and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by the District's Municipal Advisor or by Pierce Atwood LLP, Bond Counsel and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the District or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer, this Official Statement does not contain any untrue statement of material fact and does not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form "deemed final" by the issuer for purposes of Securities and Exchange Commission's Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

David M. Kane  
Treasurer  
Portland Water District, Maine

# OFFICIAL STATEMENT

## PORTLAND WATER DISTRICT, MAINE \$6,960,000<sup>(\*)</sup> 2024 WATER SYSTEM REVENUE BONDS (WATER BONDS) (GREEN BONDS)

### INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by the Portland Water District, Maine (the “District” or “PWD”) of its \$6,960,000<sup>(\*)</sup> 2024 Water System Revenue Bonds (Water Bonds) (the “Bonds”). The Bonds will be issued pursuant to Section 9 of the District Charter, Chapter 84 of the Private and Special Laws of Maine (1975), as amended and supplemented (the “Charter”); and are authorized by Resolution 24-002 adopted by the Board of Trustees of the District (the “Trustees”) on January 22, 2024 and subsequently amended by Resolution 24-005 adopted by the Trustees on April 22, 2024.

Pursuant to a Decision and Order of the Maine Public Utilities Commission (“MPUC”) (Docket No. 2015-00159) dated November 13, 2015 and effective January 1, 2016 (the “MPUC Exemption Order”), the District is exempt from certain provisions of Title 35-A, chapters 3, 7, 9 & 61 of the Maine Revised Statutes, as amended (collectively, the “Act”), including, *inter alia*, the requirements of Section 301(4) of the Act (requiring MPUC approval of the District’s water rates), and Section 902 of the Act (requiring MPUC approval of the District’s water bonds). In addition, under Public Law 2023, c. 325, §2, amending Section 901 of the Act, Section 902 does not apply to consumer-owned water utilities. Thus, the Bonds do not need MPUC approval (see “DISTRICT FINANCES - REGULATION AND RATE SETTING - Section 6114 Process” herein).

The Bonds are valid and binding water revenue obligations of the District, payable as to both principal and interest from water revenues, including but not limited to water rates and other lawful charges payable to the District in respect to the provision of water services pursuant to Section 11 of its Charter. Section 11 of the Charter also requires that the District establish water rates sufficient, *inter alia*, to pay the current expenses of the District to operate the Water System (as defined below) and to provide for the payment of the interest on the indebtedness created or assumed by the District for water purposes, including the Bonds.

NOTE: <sup>(\*)</sup> Preliminary, subject to change.

### Member Municipalities and Non-Member Municipalities

The District's territory consists of the cities of Portland, South Portland and Westbrook and the towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Raymond, Scarborough and Windham (collectively, the “Member Municipalities”). See “THE DISTRICT” herein. The District is authorized to supply water to the inhabitants of the Member Municipalities. In addition, the District is authorized to supply water to the inhabitants of the Town of Standish and to sell water to the Yarmouth Water District. The Town of Standish and the Yarmouth Water District are referred to as the “Non-Member Municipalities”.



## The Water System and Water System Debt

The District owns, operates and maintains water supply facilities (the “Water System”) in order to provide water to the inhabitants of the Member Municipalities and Non-Member Municipalities. The debt of the District with respect to the Water System (“Water System Debt”) is not the debt or obligation of the Member Municipalities or the Non-Member Municipalities. However, pursuant to Section 6103 of the Act (previously codified at Title 35, Section 3211 of the Maine Revised Statutes, as amended), in the event of default by the District in the payment of the principal of, or interest on, its Water System Debt, the Trustees have the authority to issue a warrant to the assessors of each Member Municipality for payment of the amount necessary to cure the default. Such assessment would be allocated, pro-rata, to each Member Municipality based upon 100% of its respective equalized State valuation. Thus, Water System Debt is a pro-rata contingent obligation of the respective Member Municipality. The Bonds are Water System Debt. See “THE BONDS - SOURCE OF PAYMENT AND SECURITY FOR THE BONDS - Additional Security for Water System Debt Pursuant to Section 6103” herein.

## THE BONDS

### DESCRIPTION OF THE BONDS

The Bonds will be issued only in fully-registered form, without coupons, with one certificate per maturity and, when issued, will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company (“DTC” as hereinafter defined; or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated August 1, 2024 and will bear interest (accrued on the basis of a 360 day year with twelve 30-day months), payable on May 1, 2025 and semi-annually thereafter on November 1 and May 1 of each year until maturity, or redemption prior to maturity, as indicated below. The Bonds will mature as follows:

<u>Amount</u> <sup>(*)</sup>	<u>November 1,</u>	<u>CUSIP</u> <sup>®</sup>	<u>Amount</u> <sup>(*)</sup>	<u>November 1,</u>	<u>CUSIP</u> <sup>®</sup>
\$350,000	2025	736606GL2	\$350,000	2035	736606GW8
350,000	2026	736606GM0	350,000	2036	736606GX6
350,000	2027	736606GN8	345,000	2037	736606GY4
350,000	2028	736606GP3	345,000	2038	736606GZ1
350,000	2029	736606GQ1	345,000	2039	736606HA5
350,000	2030	736606GR9	345,000	2040	736606HB3
350,000	2031	736606GS7	345,000	2041	736606HC1
350,000	2032	736606GT5	345,000	2042	736606HD9
350,000	2033	736606GU2	345,000	2043	736606HE7
350,000	2034	736606GV0	345,000	2044	736606HF4

NOTE: <sup>(\*)</sup> Preliminary, subject to change.

It is expected that the Bonds will be available for delivery on or about August 1, 2024.

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The District will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

## **OPTIONAL REDEMPTION PRIOR TO MATURITY**

Bonds maturing on or before November 1, 2034 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the District, on and after November 1, 2034, as a whole or in part in at any time, in such order of maturity as the District, in its discretion, may determine, at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

## **GENERAL PROVISIONS REGARDING REDEMPTION**

### **Notice of Redemption**

In the case of every redemption of the Bonds, the District shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the bondholder actually receives notice. The failure of the District to give notice to a bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed. The District shall notify the Securities Depository in the same manner as the bondholders, with a request that the Securities Depository notify its Participants who in turn notify the Beneficial Owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the District, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

### **Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue**

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

### **Cancellation**

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the District or returned to the District at its request.

## Partial Redemption of Bonds

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository by the District by lot or in such other manner as the District in its discretion may deem appropriate.

## RECORD DATE; PAYMENT

The principal of the Bonds is payable upon surrender thereof at the principal corporate trust office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15<sup>th</sup> day of the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding that is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person’s address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

## AUTHORIZATION AND PURPOSE

On January 22, 2024, the Trustees adopted Resolution 24-002 subsequently amended on April 22, 2024 by Resolution 24-005 authorizing the issuance of up to \$16,010,000 water bonds to provide funds, *inter alia*, to finance the installation and renewal of water main improvements and the Sebago Lake Treatment Facility Roof Repair (collectively, the “Projects”). A portion of this authorization is being financed with a portion of the proceeds of the Bonds, as follows:

<u>Project</u>	<u>Trustees Meeting</u>	<u>Resolution<sup>(1)</sup></u>	<u>Authorized<sup>(2)</sup></u>	<u>(MMBB DWSRF)<sup>(3)</sup></u>	<u>Sell 2025<sup>(4)</sup></u>	<u>The Bonds<sup>(5)</sup></u>
Water Mains	1/22/2024	24-002	\$6,000,000			\$6,000,000
Sebago Lake Treatment Plant Roof	1/22/2024	24-002	960,000			960,000
Windham Water Pump Station	1/22/2024	24-002	850,000		850,000	
Galvanized Water Lines	1/22/2024	24-002	7,200,000	7,200,000		
GPS of Service Lines	1/22/2024	24-002	1,000,000	1,000,000		
<b>Total Authorization</b>			<b>\$16,010,000</b>	<b>\$8,200,000</b>	<b>\$850,000</b>	<b>\$6,960,000</b>

NOTE: <sup>(1)</sup> As amended on April 22, 2024 by Resolution 24-005.

<sup>(2)</sup> Authorized amount, not to exceed.

<sup>(3)</sup> As defined herein (see footnote in “INDEBTEDNESS – DEBT SUMMARY”).

<sup>(4)</sup> The project will be constructed in 2025 and will be financed accordingly.

<sup>(5)</sup> Reflects the par amount of Bonds, plus allocable net Original Issue Premium in the amount of \$ \_\_\_\_\_.

## Designation as Green Bonds

The Bonds will finance the Water Main Projects, comprised of installation and renewal of water main improvements, the treatment plant repair loop and other related infrastructure upgrades and improvements, and the Sebago Lake Treatment Plant Roof. The Trustees have determined that these Projects are environmentally beneficial projects designed to ensure safe drinking water for the public in the Member Municipalities and the Non-Member Municipalities in accordance with State, federal and local standards. Therefore, the Trustees Resolution 24-005, designating the Bonds as “Green Bonds”. This is an internal designation and is not a third party evaluation.

The purpose of labeling the Bonds as Green Bonds is to allow purchasers of the Bonds to invest directly in bonds that finance such environmentally beneficial improvements. The holders of the Bonds do not assume any specific project risk or economic benefit related to any of the funded projects as a result of the Green Bonds designation.

### **Post-issuance Reporting of Projects Financed with Green Bonds**

The District will report on the expenditure of the proceeds of the Bonds in its Annual Report until all Bond proceeds have been spent for the purposes financed by the Bonds. The Annual Report will be available at *www.pwd.org*. Once all Bond proceeds have been spent, no further reports will be provided. In the event that any proceeds of the Bonds remain unspent upon completion of the Projects or the District abandons a Water Main Project or Projects, the District reserves the right to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the Trustees, or to apply unspent proceeds to the payment of debt service on the Bonds.

### **AMORTIZATION OF THE BONDS**

<u>Due</u>	<u>Water Mains</u>	<u>Sebago Lake Treatment Plant</u>	<u>Total Bonds</u>
11/1/2025	\$300,000	\$50,000	\$350,000
11/1/2026	300,000	50,000	350,000
11/1/2027	300,000	50,000	350,000
11/1/2028	300,000	50,000	350,000
11/1/2029	300,000	50,000	350,000
11/1/2030	300,000	50,000	350,000
11/1/2031	300,000	50,000	350,000
11/1/2032	300,000	50,000	350,000
11/1/2033	300,000	50,000	350,000
11/1/2034	300,000	50,000	350,000
11/1/2035	300,000	50,000	350,000
11/1/2036	300,000	50,000	350,000
11/1/2037	300,000	45,000	345,000
11/1/2038	300,000	45,000	345,000
11/1/2039	300,000	45,000	345,000
11/1/2040	300,000	45,000	345,000
11/1/2041	300,000	45,000	345,000
11/1/2042	300,000	45,000	345,000
11/1/2043	300,000	45,000	345,000
11/1/2044	300,000	45,000	345,000
<b>Total</b>	<b>\$6,000,000</b>	<b>\$960,000</b>	<b>\$6,960,000</b>

### **SOURCE OF PAYMENT AND SECURITY FOR THE BONDS**

Under Section 11 of the District’s Charter, the Trustees are required to establish water rates sufficient to provide revenues for the Water System (A) to pay the current expenses of the District; (B) to provide for payment of interest on the indebtedness created or assumed by the District for water purposes (including the Bonds); and (C) to provide each year for a deposit to a sinking fund in each year a sum equal to not less than 1% of the entire indebtedness created or assumed by the District other than indebtedness which matures serially or which has mandatory sinking fund payments, for the Water System. That sum must be turned into a sinking fund and there kept to provide for the extinguishment of the indebtedness, or, if serial bonds, notes or term bonds with mandatory sinking fund payments are issued for water purposes, to pay the

principal of the bonds, notes or term bonds payable in that year. The money set aside for the sinking fund must be devoted to the retirement of the obligations of the District or invested in such securities as savings banks are allowed to hold.

The District is a public municipal corporation and a quasi-municipal corporation within the meaning of Title 30-A, Section 2351 of the Maine Revised Statutes, as amended. Title 30-A, Section 5701 of the Maine Revised Statutes, as amended, states that “the personal property of the residents and the real estate within the boundaries of a municipality, village corporation or other quasi-municipal corporation may be taken to pay any debt due from the body corporate ....” There has been no judicial determination as to whether this statutory remedy of taking property to satisfy debts or judgments is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon. The Bonds are not a debt of, nor are the Bonds guaranteed by, any Member Municipality or Non-Member Municipality, the State of Maine or any municipality therein or political subdivision thereof, except for the District.

### **The Bonds**

The Bonds are valid and binding water revenue obligations of the District, payable as to both principal and interest from water revenues, including but not limited to water rates and other lawful charges payable to the District in respect to the provision of water services pursuant to Section 11 of its Charter.

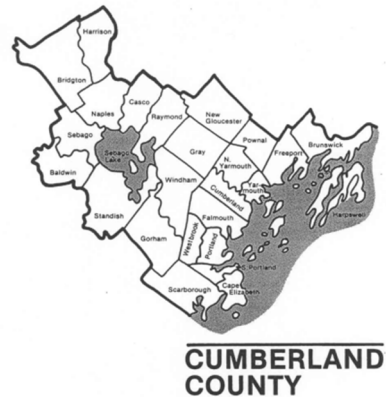
### **Additional Security for Water System Debt Pursuant to Section 6103**

Title 35-A, Section 6103 of the Maine Revised Statutes, as amended (“Section 6103”) states that “If there is a default in the payment of the principal of, or interest on, a note, bond or other evidence of indebtedness issued by a water district created by special Act of the Legislature, the trustees, directors or managing board of the district shall, unless the default is cured, issue their warrant immediately to those portions of the municipality or municipalities which constitute the district. The form of the warrant shall be reasonably similar to the warrant used by the Treasurer of State for real estate taxes. In the warrant for payment of the sum, the assessors in each municipality shall assess the sum allocated to the municipality or portion of the municipality upon the taxable estates within the municipality or portion of the municipality and shall commit their assessment to the constable or collector of the municipality, who shall have all authority, powers and duty to collect the taxes as is vested by law to collect state, county and municipal taxes. If the district is composed of more than one municipality or portion of a municipality, the trustees shall make the allocation on a basis resulting in a uniform rate applied to 100% of the state valuation on all taxable property within the water district. Within 30 days after the date fixed by the municipalities on which their taxes are due, the treasurer of the municipality shall pay the tax assessed to the treasurer of the district. The appropriate municipal official shall declare the action of the legislative body, file a certificate of it with the Secretary of State and with the clerk of the district”.

Each Member Municipality has approved the application of Section 6103 to such Member Municipality. Therefore, the District possesses authority to issue its warrant to assess taxes on each Member Municipality in the event of default in the payment of Water System Debt in the amount necessary to cure the default. Such assessment is allocated, pro-rata, to each Member Municipality based upon 100% of its respective equalized State valuation. The District’s Water System Debt is a wholly-separate, pro-rata contingent obligation of the respective Member Municipality.

The District’s Member Municipality respective 2024 equalized State valuation and respective share of Water System Debt are:

<b>Member Municipality</b>	<b>2024 Eq State Val</b>	<b>% Share</b>
Portland	\$16,487,050,000	31.80%
South Portland	6,697,050,000	12.92%
Scarborough	6,548,950,000	12.63%
Falmouth	4,032,000,000	7.78%
Cape Elizabeth	3,841,750,000	7.41%
Windham	3,648,900,000	7.04%
Westbrook	3,532,450,000	6.81%
Gorham	2,832,300,000	5.46%
Cumberland	2,337,300,000	4.51%
Raymond	<u>1,889,350,000</u>	<u>3.64%</u>
Total	\$51,847,100,000	100.00%



## TAX MATTERS

### The Bonds

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for purposes of federal income taxation pursuant to section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the District to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such non-compliance occurs or is ascertained.

In its arbitrage and use of proceeds certificate delivered concurrently with the delivery of the Bonds, the District will make certain representations with respect to the use, expenditure and investment of the proceeds of the Bonds and the use of the Projects and will (i) covenant to comply with requirements of the Code applicable to the Bonds to assure that the interest paid on the Bonds is and remains excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, and (ii) covenant not to take any action or permit any action that would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to Section 103 of the Code.

In the opinion of Bond Counsel and in reliance on the representations of the District and assuming compliance with the District’s compliance with the arbitrage and use of proceeds certificate and the Code, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation pursuant to Section 103 of the Code. In addition, such interest is not a specific preference item for purposes of calculating the alternative minimum tax under the Code; provided, however, such interest will be taken into account in determining the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

## **Exemption of Interest on the Bonds from Taxation Within the State of Maine**

In the opinion of Bond Counsel, interest payable on the Bonds is exempt from Maine income taxation pursuant to Section 9 of the District's Charter. See "Proposed Form of Legal Opinion" in APPENDIX B herein.

## **Bonds Not Designated as Qualified Tax-Exempt Obligations**

The District will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

## **Original Issue Discount**

Certain maturities of the Bonds may be sold at an issue price that is less than the stated redemption price of such Bonds at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Discount Bonds"). The difference between the issue price at which each of the Discount Bonds is sold and the stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) of each of the Discount Bonds constitutes original issue discount ("OID"). Pursuant to Section 1288 of the Code, OID on the Discount Bonds accrues on the basis of economic accrual under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on the Discount Bonds, as applicable. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued OID for purposes of determining gain or loss on the sale, exchange, or other disposition of such Bond. Bond Counsel is of the opinion that the appropriate portion of the OID properly allocable to the original and each subsequent owner of the Discount Bonds will be treated as interest excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code to the same extent as stated interest on the Discount Bonds.

Prospective purchasers of the Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the OID properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

## **Original Issue Premium**

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of the Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

### **Changes in Federal Tax Law**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax exempt status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

### **Opinion of Bond Counsel**

The legal opinion of the firm of Pierce Atwood LLP, of Portland, Maine, Bond Counsel (see APPENDIX B) will be furnished to the original purchaser of the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds.

### **Extent of Opinion**

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, (b) interest on the Bonds not constituting an item of a specific preference item for purposes of calculating the alternative minimum tax under the Code; provided, however, such interest will be taken into account in determining the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Section 9 of the District’s Charter. The opinion of Bond Counsel represents Pierce Atwood’s judgment regarding the proper treatment of the interest paid on the Bonds for purposes of federal income taxation and is not binding on the IRS or the courts, and is not a guarantee of results. Furthermore, Bond Counsel cannot give and has

not given any opinion or assurance about the future activities of the District or about the effect of changes to the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

### **BOOK-ENTRY-ONLY SYSTEM**

The Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company (“DTC”). So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Bonds and, except as otherwise provided herein with respect to Beneficial Owners of beneficial ownership interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds.

**The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. None of the Issuer, the Paying Agent or the Original Purchasers makes any representations, warranties or guarantees with respect to its accuracy or completeness.**

DTC will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities

deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

## **RATINGS**

The Bonds are rated “\_\_\_” by Moody’s Ratings (“Moody’s”) and “\_\_\_” by Standard & Poor’s, Global Ratings (“S&P”) (collectively, with Moody’s, the “Rating Agencies” ; and, individually, each a “Rating Agency”). The District has furnished the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. Generally, a Rating Agency bases any rating established by it on such information and materials and also on such investigations, studies and assumptions as it may undertake or establish independently. Each rating reflects only the view of the Rating Agency which published it and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Each Rating Agency should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently.

Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under “THE BONDS – CONTINUING DISCLOSURE” herein, the District has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist the underwriter in complying with the Securities Exchange Commission’s Rule 15c2-12 (the “Rule”), the District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each District fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material. The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the District, and incorporated by reference in the Bonds. Except as discussed below, in the last five years the District has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.

Since 2014 the District has annually issued publically sold water bonds. The Official Statement for each such series of water bonds included certain operating data that was not included in the District’s Annual Report. Prior to its continuing disclosure filing for its 2022 fiscal year, the District considered the annual filing of these Official Statements with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access System (“EMMA”) to be part of its annual continuing disclosure filing. Beginning with its continuing disclosure filing for its 2023 fiscal year, the District has included such operating data in its Annual Report.

The following list summarizes the District’s annual financial and operating data filings for its water bonds to EMMA for the past five years:

<b>Financial Statements and Operating Data<sup>(1)</sup> for FY ended,</b>	<b><u>Financial Filing to EMMA</u></b>		<b><u>Operating Data Filing to EMMA</u></b>	
	<b><u>Filing Date</u></b>	<b><u>Days after Fiscal Year end</u></b>	<b><u>Filing Date</u></b>	<b><u>Days after Fiscal Year end</u></b>
December 31, 2023	June 3, 2024 <sup>(2)</sup>	155	June 3, 2024 <sup>(2)</sup>	155
December 31, 2022	June 9, 2023	161	June 9, 2023	161
December 31, 2021	June 15, 2022	166	July 14, 2022	195
December 31, 2020	June 4, 2021	155	July 19, 2021	200
December 31, 2019	June 17, 2020	169	July 17, 2020	199

NOTE: <sup>(1)</sup> Since 2014 the District has annually issued publically sold water bonds. The Official Statement for each such series of water bonds included certain Operating Data not included in the District’s Annual Report. The annual filing of such Official Statements with EMMA are considered by the District as part of its annual continuing disclosure filing. Starting with publication of the District’s 2023 ACFR, the District includes in its Annual Reports such additional Operating Data, which it had not previously included in its Annual Report.

<sup>(2)</sup> Replaced by an amended report filed on June 7, 2024.

*Failure to File* – The District entered into wastewater loans through the State’s CWSRF Program (as defined herein, see INDEBTEDNESS – DEBT SUMMARY – CWSRF” footnote) on December 10, 2020, in the amount of \$3,150,000, and on February 18, 2021, in the amount of \$850,000. Pursuant to Section 2(b)(7) of the Agreement, the District was obligated to disclose the loans (as an “Incurrence of a Financial Obligation”) to EMMA on a timely basis. The loans are not Water System Debt but are wastewater debt (Sewer Bonds) (see “THE DISTRICT - SEPARATE OPERATIONS” herein). The District posted the event filings, on March 15, 2021 to EMMA for CUSIP®s 736605 (Sewer Bonds) and 736606 (Water Bonds). On March 15, 2021 the District also filed an *Event Filing – Late Filing for the Incurrence of a Financial Obligation* for the loans. The District has since established procedures to disclose loans entered into that are subject to Section 2(b)(7) of the Agreement in a timely manner.

### **Assurances of Future Compliance**

On July 1, 2012, the District adopted a Post-Issuance Compliance policy that, among other things, provides for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings. In addition, the District has registered with the EMMA reminder system to receive e-mail reminders to help ensure timely annual filing of required financial and operating data. Finally, the District uses EMMA’s “group filings” instead of CUSIP®s for its current and future postings.

### **CUSIP® IDENTIFICATION NUMBERS**

It is anticipated that CUSIP® (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP® numbers on the Bonds will be paid for by the District provided, however, that the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

### **MUNICIPAL ADVISOR**

Moors & Cabot, Inc. is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the District with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

## **STATUTORY REFERENCES**

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

## **CONDITIONS PRECEDENT TO DELIVERY**

### **No Litigation Certificate**

Upon delivery of the Bonds, the District shall deliver or cause to be delivered a certificate of the Treasurer and attested to by certain Trustees, dated the date of delivery, to the effect that there is no litigation pending or, to the knowledge of such officers, threatened, affecting the validity of the Bonds or the proceedings and authority under which they are issued, and that neither the corporate existence nor boundaries of the District, nor the title of any of said officers to their respective offices, is being contested.

### **Certificate With Respect to Official Statement**

At the time of the original delivery of and payment for the Bonds, the District will deliver a certificate of the Treasurer, to the effect that he has examined this Official Statement and the financial and other data contained therein and that, to the best of his knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe that such information is materially inaccurate or misleading.

### **Approval of Legality**

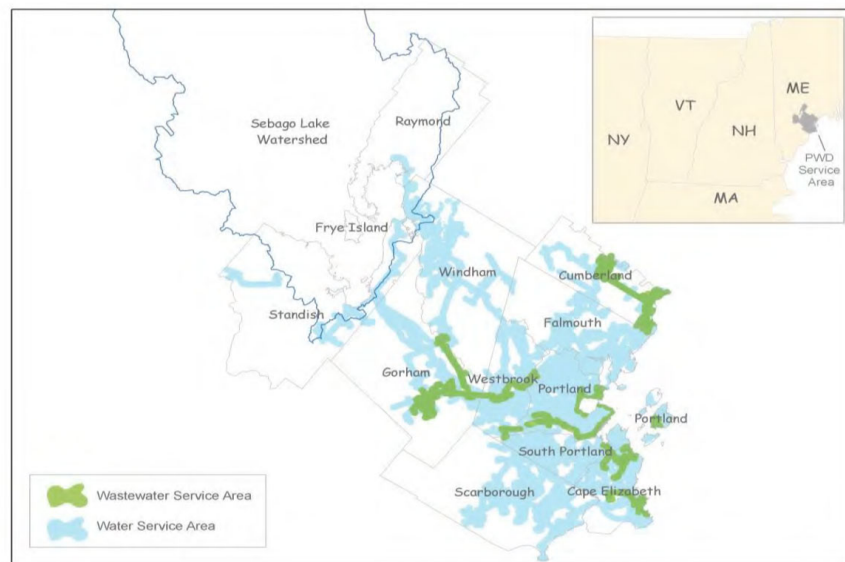
The legality of the Bonds will be approved by Pierce Atwood LLP of Portland, Maine, Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representation that they have independently verified the same. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B.

## THE DISTRICT

### FORMATION OF THE DISTRICT

The Portland Water District was originally formed under Chapter 433 of the Private and Special Laws of Maine (1907), as subsequently amended and supplemented. The District currently operates under Chapter 84 of the Private and Special Laws of Maine (1975), *An Act to Codify the Charter of the Portland Water District*, as amended and supplemented. The District is established as a public municipal corporation and a quasi-municipal corporation within the meaning of Title 30-A, Section 5701 of the Maine Revised Statutes, as amended, as a body politic and corporate, whose territory includes the cities of Portland, South Portland, and Westbrook and the towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Raymond, Scarborough and Windham, Maine and is authorized to provide water services to those cities and towns as well as to the Town of Standish and the Yarmouth Water District. The following displays the District's Service Area.



### PURPOSE OF THE DISTRICT

#### Water System

The District has been established for the purposes of supplying the inhabitants of its Member Municipalities with pure water for domestic, sanitary and municipal purposes. The District is further authorized to supply water to the inhabitants of the Town of Standish and sell water to the Yarmouth Water District (see also “DISTRICT FINANCES – WATER SYSTEM – Rate Schedules” herein).

#### Wastewater System

The District has also been established to acquire, construct, maintain, control, operate, manage and provide facilities (the “Wastewater System”) for the handling on a regional basis of wastewater and sewage consisting of domestic, commercial, municipal and industrial wastes; and for the handling of storm or surface waters entering a combined municipal sewer system, all as collected by the cities of Portland and Westbrook and the towns of Cape Elizabeth, Cumberland, Gorham and Windham, Maine (the “District Wastewater Municipalities”<sup>(1)</sup>). While the District does not currently provide the handling of wastewater and sewage for the towns of Falmouth, Raymond and Standish it is authorized to do so.

## SEPARATE OPERATIONS

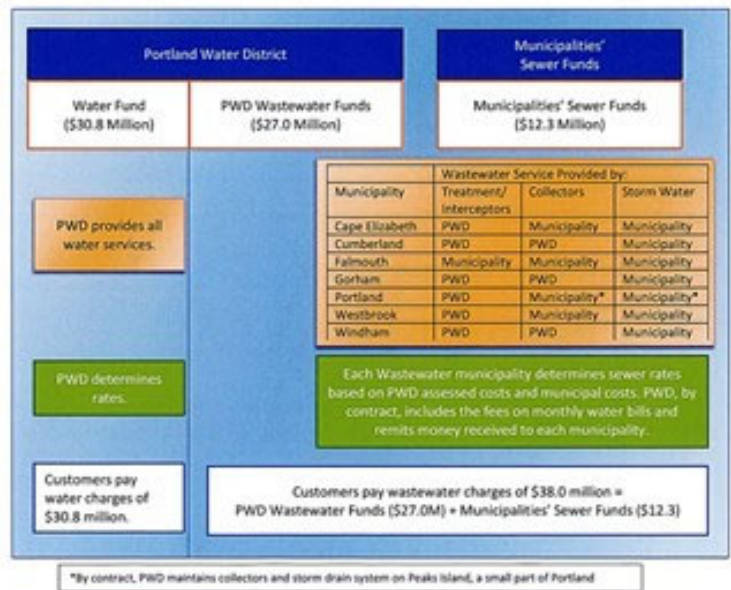
Section 15 of the District’s Charter requires that the District maintain records and accounts “... in such a manner that all costs and charges are clearly defined as between water system and the wastewater and sewage systems ....” This notwithstanding, Section 9 of the District’s Debt Management Policy allows for inter-fund loans between the Water System and the Wastewater System subject to approval by the Trustees.

## RELATIONSHIP BETWEEN WATER SYSTEM AND WASTEWATER SYSTEM FUNDS

The District maintains eight enterprise funds to report on the financial position and the results of its operations as separate accounting entities, with self-balancing sets of accounts. The funds include a “water fund” and seven separate “wastewater funds” for the “District Wastewater Municipalities and Falmouth. Information herein for the Water System and the District’s water bonds is from the “water fund” and information herein for a Wastewater System and respective bonds of the District issued for the Wastewater System are from the respective separate “wastewater funds”.

The District provides water service directly to ratepayers. The cost of water service is recorded in a separate enterprise fund. Ratepayers’ individual monthly charges are billed to customer by the District.

The District provides certain wastewater service to the District Wastewater Municipalities. The District bills each District Wastewater Municipality separately for provided wastewater services. Each District Wastewater Municipality determines its own sewer rates to pay the District’s wastewater services bill and its internal costs and contracts with the District to include these monthly fees on District water billed mailed to ratepayers.



SOURCE: 2024 Proposed Comprehensive Annual Budget Report, adopted by the trustees on November 27, 2023, page 43.

## ORGANIZATIONAL STRUCTURE

Section 18 of the District’s Charter provides that the affairs of the District are managed by an 11-member Board of Trustees, each of them serving for five-year terms as follows:

<u>Elected by Voters of:</u>	<u>Number of Trustees</u>
City of Portland	4
City of South Portland and Town of Cape Elizabeth	2
City of Westbrook	1
Town of Gorham	1
Town of Raymond and Town of Windham	1
Town of Scarborough	1
Town of Falmouth and Town of Cumberland	1

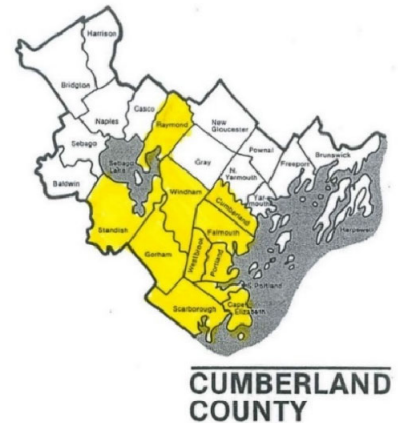
The day-to-day administration, operation and maintenance of the Water System and Wastewater System are conducted by the District's 195.14 full-time equivalent ("FTE") employees (as of December 31, 2023) under the direction of its General Manager.

## LABOR RELATIONS

The District employs approximately 195.14 FTE employees, 124 of which are represented by the International Brotherhood of Teamsters Local Union No 340. A current three-year contract is effective from November 8, 2021 to November 4, 2024 and is currently under renegotiation. All other employees are not represented by unions.

## THE COMMUNITIES ENCOMPASSED BY THE DISTRICT

The Member Municipalities and Non-Member Municipalities served by the District are all located in Cumberland County in the Greater Portland Area, the hub of Maine's southern region. Convenient access to the area is provided by Exits 42 through 53 of U.S. Interstate Route 95 (the Maine Turnpike) which bisects the area's plain in a northeast-southwest direction and the U.S. Interstate Route 295 spur follows the coast along with U.S. Route 1 which also follows the coastal plain, in a north-south direction. The Portland International Jetport, located in Portland, provides air traffic for the region.



The area embracing Portland was first settled in 1632 and called "Machigonne", the Micmac name meaning "shaped like a great knee". The area was then referred to as Casco, but subsequently became incorporated as Old Falmouth in 1718, formed of the area now encompassing the cities of Portland, South Portland, and Westbrook and the towns of Cape Elizabeth and Falmouth. Due to the inconvenience of crossing the Fore River, Cape Elizabeth (then including South Portland) became established as the Second Parish of Falmouth in 1733, and on November 1, 1765 separated from Falmouth, being incorporated as the Town of Cape Elizabeth. Portland separated from Old Falmouth incorporating as a town and taking its present name on July 4, 1786, was chartered as a city on March 26, 1832. On March 15, 1895 South Portland divided and set off the northern portion of Cape Elizabeth to become a town. A city charter was granted on March 22, 1898 and adopted on December 5, 1898 as the City of South Portland. Stroudwater, which included the present limits of Westbrook and the former village of Deering, was incorporated as a town on February 14, 1814, but changed its name to the Town of Westbrook on June 9, 1814. In 1871 Deering set off as a city, from Westbrook, but was annexed by Portland on February 6, 1899. A city charter was granted to Westbrook on March 1, 1889 and was adopted by the City on February 24, 1891. The Town of Scarborough was incorporated as the 6th town in the Province of Maine on July 14, 1658 named for Old Scarborough, England. The area embraced by Windham was first established in 1734 when a township of 25,600 acres, consisting of 63 lots, was laid out on the eastern bank of the Presumpscot River and granted to various people from Marblehead, Massachusetts as "New Marblehead". The area was first settled in 1737 and the Town was incorporated as Windham on June 12, 1762. The Town of North Yarmouth, chartered on September 22, 1680, originally encompassed the present towns of Cumberland, Freeport, Harpswell, North Yarmouth, Pownal and Yarmouth. The "North" in the name was intended to differentiate it from the Town of Yarmouth, Massachusetts in Cape Cod. The Town of Harpswell set off and incorporated in 1750; the Town of Freeport set off in 1789; the Town of Pownal, then part of Freeport, set off in 1808; and Cumberland set off and incorporated on April 2, 1821, with its present boundaries. *Gorham* was first settled in 1736 as Narragansett, No. 7, and then Gorhamtown, incorporated as Gorham in 1764. Settled in 1771, *Raymond* incorporated on June 21, 1803, and was named for Captain William Raymond whose descendants had a 1767 grant for the area.

## ECONOMIC CHARACTERISTICS

Population	<u>% Change from Previous Census</u>			
	<u>Cumberland County</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
1980	215,789	12.1	13.4	11.4
1990	243,135	12.7	9.2	9.8
2000	254,247	4.6	3.8	13.2
2010	281,674	10.8	4.2	8.9
2020	305,231	8.4	6.0	7.6

SOURCE: Respective Years' Census, U.S. Department of Commerce, Bureau of the Census.

Population Characteristics	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	42.1	44.8	38.6
% under 5 years	4.7%	4.7%	6.0%
% under 18 years	18.3%	18.5%	22.3%
% 65 and over	19.0%	21.2%	16.5%
Persons/household	2.32	2.29	2.60

Income	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median household income	\$76,014	\$59,489	\$64,994
% Below poverty level	8.6%	10.6%	11.4%
Per capita income	\$41,822	\$33,774	\$35,384

Housing	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
% Owner occupied	70.0%	72.9%	64.4%
Owner occupied med. value	\$288,800	\$198,000	\$229,800
Median gross rent	\$1,193	\$873	\$1,096
Occupied housing units	151,443	745,334	-

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
2023	2.4%	2.9%	3.6%
2022	2.4	3.0	3.6
2021	4.0	4.6	5.3
2020	4.9	5.0	8.1
2019	2.2	2.8	3.7
2018	2.5	3.1	3.9
2017	2.6	3.4	4.4
2016	2.9	3.8	4.9
2015	3.4	4.4	5.3
2014	4.4	5.7	6.2

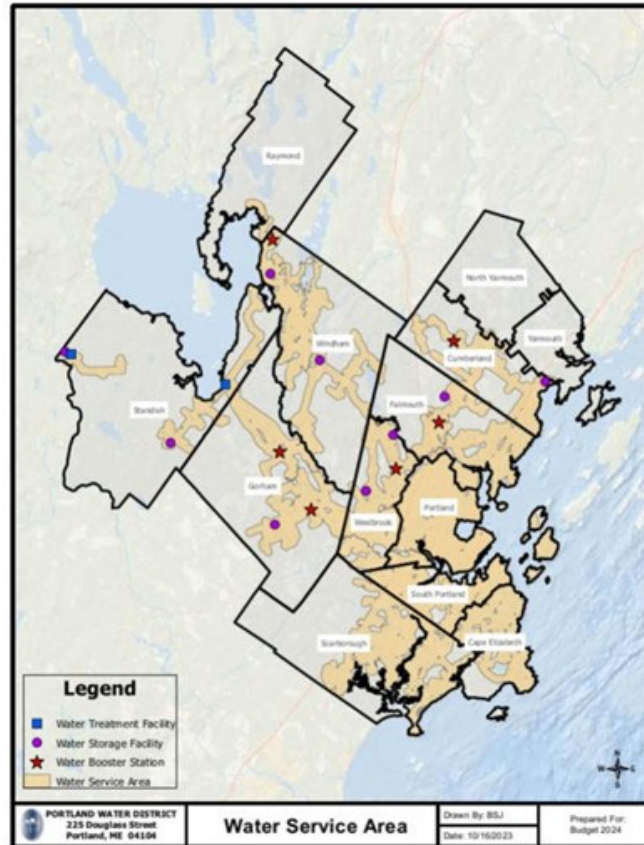
SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research.

## THE WATER SYSTEM

### District Operations

The District’s Water System serves over 54,800 metered and over 2,600 non-metered customers in a territory with consolidated populations of approximately 219,000 inhabitants (2020 Census, U.S. Department of Commerce, Bureau of the Census) and serves over 16% of the State’s population. The District’s current water sources are Sebago Lake (over 99%) and a well in the Town of Standish’s Steep Falls area. Due to the active watershed protection program and the quality of Sebago Lake water PWD holds a waiver from the filtration requirements of the Safe Drinking Water Act.

The source of water for the Sebago Lake Water Treatment Plant is the 436 square mile Sebago Lake that has storage capacity of approximately 998 billion gallons with an estimated safe yield of 432 thousand gallons per day (“MGD”). The Steep Falls well field is a 44-foot shallow well with a safe yield of approximately 180 MGD. In 2023, the District’s water production was 7.299 MGY, or approximately 20.443 MGD, which represents approximately 5% of the Water Systems’ water supply on a daily average basis (with a resulting 95% excess capacity for this period). The District’s 2023 average of 20.443 MGD water production is 40.89% of its 50 MGD capacity to treat water. The 2023 maximum day demand was 30.759 MGD (on September 7, 2023). The Water System includes ten water storage facilities comprised of five reservoirs, four standpipes and an elevated tank with combined capacity of 30.305 MG (or approximately 67.46% of average days of demand).



**Portland Water District Service Area (Water System)**

### Distribution Reservoirs, Standpipes and Tanks

<u>Location (Name)</u>	<u>Classification</u>	<u>Capacity (000 Gal)</u>
Westbrook (Rocky Hill)	Reservoir	9,000
Westbrook (Rocky Hill - 2)	Reservoir	9,000
Cumberland Foreside	Reservoir	5,000
West Falmouth	Reservoir	3,000
North Windham (Freeman Hill)	Reservoir	2,000
Gorham	Standpipe	724
Westbrook (Boosted)	Standpipe	564
Standish	Standpipe	500
Standish (Steep Falls)	Standpipe	317
Windham Center	Elevated tank	200

**407 Zones**

The 407 Zone is the area served by a tank that has a height of 407 feet. The District has established a multi-year plan to address various issues with the facilities in the 407 Zone. These include replacement of obsolete Pumping Stations, elimination of pressure limitations where applicable, fire flow improvements, where applicable, and replacement of undersized water tanks.

The locations of 407 Zone water tanks, approximate project schedule dates and approximate amounts of each project are displayed on the map to the right.

**Portland Water District - Technology Initiatives and Cyber Security**

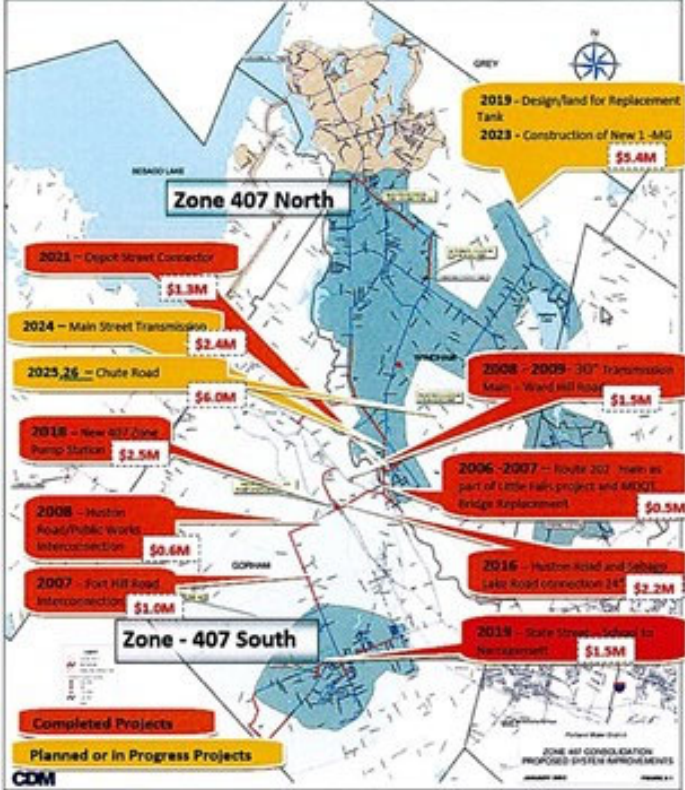
The District’s computer system consists of 137 servers and 195 desktops which operate 60 applications, including customer service, SCADA, asset management, phone and security systems. A private fiber optic backbone (“WAN”) connects to seven of the

District’s facilities to transfer and share data to all employees. An eight person Information Services staff supports the operation of the computer system (the “IT Department”).

The District’s emphasis on the security of the system is demonstrated by regular external audits, including a review by the U.S. Department of Homeland Security. Areas to be addressed that are identified in such audits have been and will be incorporated into the IT Department’s work plan. The District has strong preventive and detective measures in place to secure its computer system, including firewall wall/network monitoring, virus/spam protection, regular software updates, remote data backup process, cyber awareness/training programs, separation of administrative and SCADA networks, and has cyber insurance coverage. The District has established monthly security meetings to review issues/vulnerabilities, installed a more robust network monitoring/alert software, and implemented multi-authentication for all external access and privilege accounts.

**Water Transmission and Distribution System**

As of December 31, 2023 the District’s water transmission and distribution system was comprised of approximately 221,374 feet (or 41.93 miles) of transmission mains and approximately 5,159,289 feet (or 977.14 miles) of distribution mains. The District provides service to 5,285 public fire hydrants in its territory. The following displays information for the years ended December 31, 2019 through December 31, 2023 (the most recent information available):



SOURCE: 2023 Proposed Comprehensive Annual Budget Report, adopted by the trustees on November 27, 2023, page 305.

<b>Number of Water System Customers</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential	48,913	49,219	49,542	50,054	50,341
Commercial	3,841	3,867	3,926	3,927	3,945
Industrial	93	93	92	92	89
Public Authorities	500	493	498	475	477
Fire Protection	2,447	2,506	2,560	2,618	2,666
Other Distributors	0	0	0	1	0
<b>Total</b>	<b>55,794</b>	<b>56,178</b>	<b>56,618</b>	<b>57,167</b>	<b>57,518</b>
Metered	53,347	53,072	54,058	54,549	54,852
Unmetered	2,447	2,506	2,560	2,618	2,666

<b>Water Sales (1,000 gallons)</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential	3,161,640	3,731,382	3,459,232	3,538,827	3,209,521
Commercial	1,491,001	1,399,150	1,420,034	1,539,517	1,434,012
Industrial	991,518	912,729	1,066,513	1,093,474	1,027,873
Public Authorities	380,137	283,428	228,620	314,147	272,488
For Resale	<u>96,740</u>	<u>89,114</u>	<u>83,408</u>	<u>120,714</u>	<u>86,834</u>
<b>Total Water Sales</b>	<b>6,121,036</b>	<b>6,415,803</b>	<b>6,257,807</b>	<b>6,606,679</b>	<b>6,030,728</b>

<b>% of Water Sales (Use)</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential	51.65%	58.16%	55.28%	53.56%	53.22%
Commercial	24.36	21.81	22.69	23.3	23.78
Industrial	16.20	14.23	17.04	16.55	17.04
Public Authorities	6.21	4.42	3.65	4.75	4.52
For Resale	<u>1.85</u>	<u>1.58</u>	<u>1.33</u>	<u>1.83</u>	<u>1.44</u>
<b>Total Water Sales</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Water Sales (Revenue)</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential	\$14,580,331	\$16,591,771	\$16,223,526	\$16,667,315	\$16,706,497
Commercial	4,643,531	4,386,721	4,669,578	5,056,708	5,209,729
Industrial	1,604,559	1,534,935	1,823,253	1,892,715	1,898,640
Public Authorities	858,722	833,502	795,196	983,304	958,159
Public Fire Protection	1,438,674	1,463,871	1,511,988	1,555,148	1,641,304
Private Fire Protection	1,116,887	1,159,717	1,215,749	1,274,493	1,369,621
For Resale/Other	<u>324,273</u>	<u>192,867</u>	<u>216,705</u>	<u>226,364</u>	<u>307,481</u>
<b>Total Water Sales</b>	<b>\$24,566,977</b>	<b>\$26,163,382</b>	<b>\$26,455,997</b>	<b>\$27,656,047</b>	<b>\$28,091,431</b>

<b>% of Water Sales (Revenue)</b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Residential	59.35%	63.42%	61.32%	60.27%	59.47%
Commercial	18.90	16.77	17.65	18.28	18.55
Industrial	6.53	5.87	6.89	6.84	6.76
Public Authorities	3.50	3.19	3.01	3.56	3.41
Public Fire Protection	5.86	5.60	5.72	5.62	5.84
Private Fire Protection	4.55	4.43	4.60	4.61	4.88
For Resale/Other	<u>1.32%</u>	<u>0.74%</u>	<u>0.78%</u>	<u>0.82</u>	<u>1.09</u>
<b>Total Water Sales</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Average Annual Water Sales per Customer</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential	\$298.09	\$337.10	\$327.47	\$332.99	\$331.87
Commercial	1,208.94	1,134.40	1,189.40	1,287.68	1,320.59
Industrial	17,253.32	16,504.68	19,817.97	10,688.09	21,333.03
Public Authorities	1,717.44	1,690.67	1,596.78	2,683.14	2,008.72

<b>Average Monthly Water Sales per Customer</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residential	\$24.84	\$28.09	\$27.29	\$27.75	\$27.66
Commercial	100.74	94.53	99.12	107.31	110.05
Industrial	1,437.78	1,375.39	1,651.50	1,714.42	1,777.75
Public Authorities	143.12	140.89	133.06	164.54	167.39

### Largest Water Customers

<b>Largest Water Customers (by Consumption)</b>		<b>As of December 31, 2023</b>			
		<b>Consumption<sup>(1)</sup></b>		<b>Charges</b>	
<b>Name</b>	<b>Location</b>	<b>HCF</b>	<b>% Total</b>	<b>\$</b>	<b>% Total</b>
Calpine	Westbrook	642,150	7.96%	\$806,696	2.87%
Texas Instruments	So. Portland	292,229	3.62	374,640	1.33
On Semiconductor	So. Portland	129,797	1.61	171,565	0.61
Sappi Fine Paper	Westbrook	127,723	1.58	212,637	0.76
ecomaine	Portland	123,932	1.54	161,683	0.58
Maine Medical Center	Portland	116,416	1.44	232,039	0.83
Yarmouth Water District <sup>(2)</sup>	Yarmouth	116,088	1.44	180,220	0.64
Portland Housing Authority	Portland	44,294	0.55	130,495	0.46
Oakhurst Dairy	Portland	38,584	0.48	67,631	0.24
Port Property Management	Portland	<u>38,579</u>	<u>0.48</u>	<u>111,863</u>	<u>0.40</u>
<b>Top Ten Water Customers</b>		<b>1,669,792</b>	<b>20.71%</b>	<b>\$2,449,469</b>	<b>8.72%</b>
<b>Total Sales</b>		<b>8,062,472</b>	<b>100.00%</b>	<b>\$28,091,431</b>	<b>100.00%</b>

NOTE: <sup>(1)</sup> Consumption measured in Hundreds of Cubic Feet (“HCF”). A HCF = 748 gallons.

<sup>(2)</sup> The District provides water service to Yarmouth Water District (“YWD”) under a 10-year contract that will expire in 2028.

## DISTRICT FINANCES

### REGULATION AND RATE SETTING

The District’s current water rates have been in effect since March 1, 2022 (see “DISTRICT OPERATIONS – REGULATION AND RATE SETTING – Rate Schedules” herein). The prior rates for all schedules were effective from December 1, 2020. The District’s Water System users are billed monthly. Water utilities in Maine (a “Water Utility”) currently generally seek water rate increases pursuant to Section 310, Section 6104 and Section 6104-A of the Act. However, pursuant to the MPUC Exemption Order, the District’s water rates are no longer regulated by the MPUC. Rather, the Trustees sets water rates without regulatory oversight, provided that the rates must still be “just and reasonable” as required by Section 301 of the Act.

## **Section 6114 Exemption**

Under Section 6114 of the Act, at the request of a municipally-owned water utility, the MPUC may exempt the utility from portions of the Act. In order to grant an exemption, the MPUC makes specific findings that an exemption is in the public interest, will not result in unjust or unreasonable rates and will not have a negative impact on the provision of safe, adequate and reliable service and that the municipally-owned water utility has adequate technical, financial and administrative capacity to perform the waived function or requirement. The District's submitted an application for exemption under Section 6114 that was approved by the MPUC on November 13, 2015, effective January 1, 2016 (the "MPUC Exemption Order").

Pursuant to the MPUC Exemption Order, the District is exempt from the sections of the Act which includes, *inter alia*, the requirements of Section 301(4) of the Act (requiring MPUC approval of the District's water rates), and Section 902 of the Act (requiring MPUC approval of the District's water bonds). In addition, under Public Law 2023, c. 325, §2, amending Section 901 of the Act, Section 902 does not apply to consumer-owned water utilities. Thus, the Bonds do not need MPUC approval.

## **The District's Current Rate Setting Procedures**

The Trustees' current policy is to set a base rate increase at the composite index of several cost and price indexes published by the *American City & County* magazine plus unfunded federal mandates, if any (the "Base Rate Increase") to provide funds for general Water System operations, including associated debt service. In addition, to provide additional funds for capital improvement, the policy was amended, effective in 2014, to add an additional 1.0% increase each year to the Base Rate Increase for the next 10 years for general Water System operations.

On November 23, 2015, following issuance of the MPUC Exemption Order (see "DISTRICT FINANCES - REGULATION AND RATE SETTING – Section 6114 Exemption" herein), the District adopted a procedure for setting its retail water rates without a formal MPUC filing (Resolution 15-034). Under this procedure, when the District desires to change its retail water rates, the District will hold a public hearing including a public comment period, notice of which is to be published and delivered to each ratepayer at least 14 days prior to the hearing. At least 30 days prior to the public hearing, the District makes its proposed rate increase and materials available to customers for examination at the District's offices.

After the public hearing, the District files a copy of the minutes of the hearing and its new water rates with the MPUC. The effective date for the new rates is determined by the District, but must be not less than one month nor more than nine months after the date of the public hearing.

## **Application of Revenue (Water System)**

Section 11 of the District's Charter, provides that water rates shall be established to provide revenue for the Water System for the following purposes:

- A. Current expenses: To pay the current expenses of the District.
- B. Interest Payments: To provide for the payment of interest on the indebtedness created or assumed by the District for water purposes.
- C. Principal Payments: In certain circumstances, to provide each year a sum equal to not less than 1% of the entire indebtedness created or assumed by the District other than indebtedness which matures serially or which has mandatory payments, for the Water System. That sum must be turned into a and there kept to provide for the extinguishment of the indebtedness, or, if serial bonds, notes or term bonds with mandatory payments are issued for water purposes, to pay the principal of the bonds, notes or term bonds payable in that year. The money set aside for the must be devoted to the retirement of the obligations of the District or invested in such securities as savings banks are allowed to hold.

**Rate Schedules (Water System)**

The District has four rate schedules for the provision of water services: Member Rate for water service to metered customers located in a Member Municipality; Non-Member Rate for water service to metered customers located in a Non-Member Municipality; Municipal Fire Service rates; and Private Fire Service rates. An increase was effective January 1, 2024. The current, and most recent prior, rates are:

**Schedules 1 & 2: Rates for Water to Metered Customers**

**Monthly Minimum Charges**

<b>Size of Meter (inches)</b>	<b>Allowance (cu. ft.)</b>	<b>Member Rates</b>		<b>Non-Member Rates</b>	
		<b>Charge as of</b>		<b>Charge as of</b>	
		<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>
5/8	100	\$10.87	\$11.49	\$12.51	\$13.22
3/4	100	12.81	13.54	14.72	15.56
1	100	16.63	17.57	19.14	20.23
1 1/2	100	29.54	31.22	3.96	35.89
2	100	44.23	52.90	50.85	60.81
3	100	80.26	95.99	92.27	110.35
4	100	120.81	144.48	138.92	116.14
6	100	233.42	279.16	268.42	321.02
8	100	368.53	440.75	423.82	506.87
10	100	533.61	538.18	613.66	733.91
12	100	706.37	844.79	812.3	971.48
Low income	100	2.72	2.87	3.14	3.32

NOTE: Schedule 1 relates to Member rates; Schedule 2 relates to Non-Member rates.

**Seasonal Minimum Charges (Surface Mains)**

<b>Size of Meter (inches)</b>	<b>Allowance (cu. ft.)</b>	<b>Member Rates</b>		<b>Non-Member Rates</b>	
		<b>Charge as of</b>		<b>Charge as of</b>	
		<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>
5/8	3,000	\$313.77	\$331.59	\$360.85	\$381.35
3/4	6,300	406.76	429.86	467.75	494.32
1	9,000	483.56	51.03	556.11	587.70
1 1/2	18,000	739.61	781.62	850.55	898.86
2	28,800	1,046.84	1,106.30	1,203.87	1,272.25
3	57,600	1,866.18	1,972.18	2,146.15	2,268.05
4	90,000	2,787.96	2,946.32	3,206.16	3,388.27
6	180,000	5,348.40	5,652.19	6,150.67	6,500.03
8	288,000	8,420.96	8,899.27	9,684.11	10,234.17
10	576,000	16,614.40	17,558.10	19,106.55	20,191.80
12	900,000	25,881.68	27,351.76	29,763.96	31,454.55

**Seasonal Minimum Charges (Deep Mains)**

<b>Size of Meter (inches)</b>	<b>Allowance (cu. ft.)</b>	<b>Member Rates</b>		<b>Non-Member Rates</b>	
		<b>Charge as of</b>		<b>Charge as of</b>	
		<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>
5/8	3,000	\$264.10	\$279.10	\$303.71	4320.96
3/4	6,300	357.07	377.35	410.61	433.93
1	9,000	433.88	458.52	498.98	527.32
1 1/2	18,000	689.92	729.11	793.42	838.49
2	28,800	997.16	1,053.80	1,146.74	1,211.87
3	57,600	1,816.50	1,919.68	2,089.01	2,207.67
4	90,000	2,738.27	2,893.80	3,149.02	3,327.88
6	180,000	5,298.72	5,599.69	6,093.54	6,439.65
8	288,000	8,371.27	8,846.76	9,626.97	10,173.78
10	576,000	16,564.73	17,505.61	19,049.40	20,131.41
12	900,000	25,832.00	27,299.26	29,706.82	31,394.17

NOTE: Minimum of 3,600 HCF in 2016 was reduced to 3,000 HCF in 2017. Thus, the Charge as of's are lower.

**Monthly Metered Rates**

<b>Cubic Feet per Month</b>	<b>Member Rates</b>		<b>Non-Member Rates</b>	
	<b>Charge as of</b>		<b>Charge as of</b>	
	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>
First: 100	Minimum	Minimum	Minimum	Minimum
Next: 2,900	+ 2.72/100 ft <sup>3</sup>	+ 2.87/100 ft <sup>3</sup>	+ 3.14/100 ft <sup>3</sup>	+ 3.32/100 ft <sup>3</sup>
Next: 7,000	+ 2.51/100 ft <sup>3</sup>	+ 2.65/100 ft <sup>3</sup>	+ 2.90/100 ft <sup>3</sup>	+ 3.06/100 ft <sup>3</sup>
Next: 40,000	+ 2.21/100 ft <sup>3</sup>	+ 2.34/100 ft <sup>3</sup>	+ 2.53/100 ft <sup>3</sup>	+ 2.67/100 ft <sup>3</sup>
Over: 50,000	+ 1.24/100 ft <sup>3</sup>	+ 1.35/100 ft <sup>3</sup>	+ 1.44/100 ft <sup>3</sup>	+ 1.56/100 ft <sup>3</sup>

**Seasonal Metered Rates**

<b>Cubic Feet per Season</b>	<b>Member Rates</b>		<b>Non-Member Rates</b>	
	<b>Charge as of</b>		<b>Charge as of</b>	
	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>	<b>Jan. 1, 2023</b>	<b>Jan. 1, 2024</b>
First: Allowance	Minimum	Minimum	Minimum	Minimum
Next: 90,000	+ 2.72/100 ft <sup>3</sup>	+ 2.87/100 ft <sup>3</sup>	+ 3.14/100 ft <sup>3</sup>	+ 3.32/100 ft <sup>3</sup>
Over: 90,000	+ 2.21/100 ft <sup>3</sup>	+ 2.34/100 ft <sup>3</sup>	+ 2.53/100 ft <sup>3</sup>	+ 2.67/100 ft <sup>3</sup>

**Schedule 3. Municipal Fire Service Rates (effective January 1, 2024)**

<u>Municipality</u>	<u>Annual</u>	<u>Monthly</u>
Cape Elizabeth	\$114,660	\$9,555
Cumberland	93,792	7,816
Falmouth	152,484	12,707
Gorham	105,708	8,809
Portland	470,412	39,201
Raymond	7,944	662
Scarborough	213,000	17,750
South Portland	213,300	17,775
Standish	63,732	5,311
Westbrook	174,324	14,527
Windham	<u>128,832</u>	<u>10,736</u>
<b>Totals</b>	<b>\$1,738,188</b>	<b>\$144,849</b>

**Schedule 4. Private Fire Service Rates (effective January 1, 2024)**

Charges per year for fire service connections to the District’s mains are charged as follows:

<u>Size (Inches)</u>	<u>Member Rates</u>	<u>Non-Member Rates</u>
2	\$4.65	\$5.34
3	10.40	11.93
4	18.54	21.32
6	44.30	50.92
8	74.16	85.24
10	115.84	133.29
12	166.79	191.83
16	296.53	341.03

**Commitments & Contingencies**

In the event of a default on its Water System Debt, the District has the power to assess its Section 6103 Members to provide funds to cure the default. Such assessment would be allocated, pro-rata, to each Section 6103 Member based upon 100% of its respective equalized State Valuation. Thus, Water System Debt is a contingent obligation of the Section 6103 Members. The Bonds are Water System Debt. See “THE BONDS - SOURCE OF PAYMENT AND SECURITY FOR THE BONDS - Additional Security for Water System Debt Pursuant to Section 6103” herein.

**CAPITAL IMPROVEMENT PROGRAM (WATER SYSTEM)**

As part of the District’s annual budget process it creates a five-year Capital Improvement Program (“CIP”) that includes a Capital Budget for the budget year and the next four years. A capital improvement is defined as a capital expenditure that is more than \$10,000 and that has a useful life of three years or more. The District’s current CIP improvements are allocated between the Water System and Wastewater System. The following is the current Water System CIP:

**Water System Capital Improvement Program**  
**Project by Program and Subprogram/Project Summary**

	2024	2025	2026	2027	2028
<b>Comprehensive Planning</b>		<b>\$600,000</b>			
262/3069/SLWTF-Emerg. Storage/Trans-Design		600,000			
<b>SCADA &amp; Technology</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$100,000</b>
110/3058/Miscellaneous Control Proj. Upgrades	50,000	50,000	50,000	50,000	50,000
110/3061/SLWTF SCADA PC Replac. Proj.		25,000			50,000
<b>Water Distribution System</b>	<b>\$10,875,000</b>	<b>\$14,775,000</b>	<b>\$15,775,000</b>	<b>\$24,075,000</b>	<b>\$13,075,000</b>
262/3070/SLWTF-Emerg. Storage/Trans-Constr.				12,000,000	
307/3068/407 Zone Reliability Improv.		3,000,000	3,000,000		
408/3092/Water System Redundancy Upsizing	50,000	50,000	50,000	50,000	50,000
43/3121/WMR- Various Main Replac.	7,000,000	8,000,000	9,000,000	11,000,000	12,000,000
43/3296/WMR- Lead Copper Galv. Replac.	2,400,000	2,400,000	2,400,000		
53/3087/Water Valve Replac.	200,000	200,000	200,000	200,000	200,000
56/3077/Water Main Replac.-Seasonal Mains	25,000	25,000	25,000	25,000	25,000
61/3082/Water Services-Renew Domestic and Fire	600,000	600,000	600,000	600,000	600,000
61/3282/LCRR Compliance-Phase 1 Inventory (GPS services)	400,000	300,000	300,000		
65/3072/Water Hydrant Replac.	200,000	200,000	200,000	200,000	200,000
<b>Water Facilities Program</b>	<b>\$2,410,000</b>	<b>\$6,630,000</b>	<b>\$2,640,000</b>	<b>\$200,000</b>	<b>\$2,400,000</b>
122/3032/Water Facilities R&R	250,000	150,000	150,000	150,000	150,000
122/3210/Chemical Storage Facilities Upgrades Phase 1		1,550,000	1,800,000		2,200,000
122/3211/Windham Pump Upgrades	850,000				
122/3240/SLWTF Raw Water Pump #4 Rebuild		180,000			
122/3245/Throttling Valve Rehabilitation	350,000				
122/3252/Fuel Storage Tank Upgrade		300,000			
122/3287/SLWTF-Roof Replac. Phase 1	660,000				
122/3288/SLWTF-Roof Replac. Phase 2			640,000		
18/3007/SLWTF Intake Screening Phase 1	250,000	3,750,000			
203/3102/Water Storage Facility Maintenance & Upgrade	50,000	50,000	50,000	50,000	50,000
203/3104/Water Tank Maintenance- Gorham Tank Rehab		650,000			
<b>Water Supply</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>
46/3097/Water System Security Improv.	25,000	25,000	25,000	25,000	25,000
<b>Grand Total</b>	<b>\$13,360,000</b>	<b>\$22,105,000</b>	<b>\$18,490,000</b>	<b>\$24,350,000</b>	<b>\$15,600,000</b>
<b>Source of Funding</b>	<b>\$13,360,000</b>	<b>\$22,105,000</b>	<b>\$18,490,000</b>	<b>\$24,350,000</b>	<b>\$15,600,000</b>
Bond	7,760,000	16,550,000	13,040,000	21,400,000	12,075,000
Grant	1,550,000	1,620,000	1,750,000		
Renewal and Replac.	1,800,000	1,855,000	1,350,000	1,350,000	1,400,000
Capital Reserve	1,000,000	1,000,000	1,400,000	1,600,000	2,125,000
Bond SRF	1,250,000	1,080,000	950,000		

NOTE: "SLWTF" indicates Sebago Lake Water Treatment Facility.

"SCADA" indicates Supervisory Control and Data Acquisition, a control system architecture.

"WMR" indicates Water Main Renewal.

SOURCE: PWD 2024 *Proposed Comprehensive Budget Report*, adopted by the trustees on November 27, 2023, page 301.

## BUDGETARY PROCESS

Section 11 of the District’s Charter provides that rates shall be established to provide for expenses for the on-going operation of the District’s Water System. The budget year for the District begins on January 1 and ends on December 31. Water service is billed and collected in the name of the Treasurer of the District and payable at the office of the District. Payments of current expenses of the District are approved by the appropriate supervisor, with the General Manager’s approval for items in excess of \$25,000 and all capital expenditures, and reviewed by the Treasurer. A listing of all expenditures is reviewed by the Trustees once a year. The following table displays the 2023 prior year’s actual operations, the prior and current years’ Water System budgets and a forecast for the next four fiscal years.

### Portland Water District (Water System) Operating Budgets (Fiscal Year Ending December 31,)

	2023 Budget	2023 Actual	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
<b>Revenues:</b>							
Water Sales	\$29,043,602	\$28,097,013	\$30,779,641	\$32,947,948	\$34,816,264	\$37,506,758	\$39,402,500
Interest Income	203,824	1,008,077	665,921	665,921	665,921	665,921	665,921
Other Income	452,119	587,229	558,559	558,559	558,559	558,559	558,559
<b>Total Revenues</b>	<b>29,699,545</b>	<b>29,692,319</b>	<b>32,004,121</b>	<b>34,172,428</b>	<b>36,040,744</b>	<b>38,731,238</b>	<b>40,626,980</b>
<b>Operating Expenses:</b>							
Salaries & Wages	5,908,765	5,454,967	5,838,503	6,130,428	6,344,993	6,567,068	6,796,915
Employee Benefits	2,544,171	2,424,995	2,578,634	2,733,352	2,897,353	3,071,194	3,255,466
Chemicals	718,471	887,419	999,911	1,039,907	1,071,104	1,103,237	1,136,334
Contracted Services	2,036,284	2,430,857	2,150,248	2,236,258	2,303,346	2,372,446	2,443,619
Deferred Cost	0	9,200	0	0	0	0	0
Facilities	105,381	101,218	121,167	126,014	129,794	133,688	137,699
Heat/Fuel Oil	188,724	152,671	144,012	149,772	154,265	158,893	163,660
Insurance	37,012	41,650	42,593	44,297	45,626	46,995	48,405
Materials & Supplies	773,569	963,332	775,035	806,036	830,217	855,124	880,778
Other Expense	149,266	(46,750)	82,701	86,009	88,589	91,247	93,984
Purchased Power	421,433	460,300	608,376	638,795	664,347	684,277	704,805
Regulatory/Taxes	280,276	285,687	288,566	300,109	309,112	318,385	327,937
Tele/Other Utilities	96,220	105,308	103,584	107,727	110,959	114,288	117,717
Transportation	903,528	899,410	890,839	926,473	954,267	982,895	1,012,382
SS - Administration	4,300,768	4,091,366	4,383,619	4,602,800	4,786,912	4,978,388	5,177,524
SS - Engineering Services	1,068,302	1,476,356	1,247,074	1,308,804	1,360,829	1,414,922	1,471,165
SS - Environmental Ser.	193,695	259,214	195,479	205,253	213,463	222,002	230,882
SS - Water Services	113,145	210,721	144,736	151,973	158,052	164,374	170,949
<b>Total Operating Expenses</b>	<b>19,839,010</b>	<b>20,207,921</b>	<b>20,595,077</b>	<b>21,594,007</b>	<b>22,423,228</b>	<b>23,279,423</b>	<b>24,170,221</b>
Debt Service & Lease	7,402,275	7,699,147	8,263,627	8,774,614	9,023,746	10,228,076	10,838,036
R&R - Indirect	664,935	665,453	697,092	661,780	661,780	661,780	661,780
R&R - Direct	1,250,000	1,250,000	1,905,000	1,900,000	2,250,000	2,400,000	2,400,000
<b>Capital Finance Expense</b>	<b>9,317,210</b>	<b>9,614,600</b>	<b>10,865,719</b>	<b>11,336,394</b>	<b>11,935,526</b>	<b>13,289,856</b>	<b>13,899,816</b>
<b>Total Expense</b>	<b>29,156,220</b>	<b>29,822,521</b>	<b>31,460,796</b>	<b>32,930,401</b>	<b>34,358,754</b>	<b>36,569,279</b>	<b>38,070,037</b>
<b>Current Year Surplus(Deficit)</b>	<b>543,325</b>	<b>(130,202)</b>	<b>543,325</b>	<b>1,242,027</b>	<b>1,681,990</b>	<b>2,161,959</b>	<b>2,556,943</b>
Transfer to Capital Reserve	(543,325)	(355,656)	(543,325)	(1,242,027)	(1,681,990)	(2,161,959)	(2,556,943)
Prior Year Surplus	7,816,988	7,289,055	6,622,149	6,622,149	6,622,149	6,622,149	6,622,149
<b>Accumulated Surplus</b>	<b>\$7,816,988</b>	<b>\$6,803,197</b>	<b>\$6,622,149</b>	<b>\$6,622,149</b>	<b>\$6,622,149</b>	<b>\$6,622,149</b>	<b>\$6,622,149</b>

## FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article IX of the District's Bylaws, require annual audits of the District's accounts and establishes procedures for such audits. The District, in conformance with the statute, currently engages the services of BerryDunn, Certified Public Accountants, to provide the District's annual review.

The audited financial statements for the fiscal year ended December 31, 2023 are presented in APPENDIX A to this Official Statement – 2023 Annual Comprehensive Financial Report (“ACFR”). The consent of BerryDunn for the incorporation of the financial statements included in APPENDIX A has not been requested by the District, nor has it been received.

The Government Finance Officers Association (the “GFOA”) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the District for its ACFR for the fiscal year ended December 31, 2022. This is the 25<sup>th</sup> year that the District has received this prestigious award. In order to be awarded the certificate, the District published an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles (“GAAP”) and applicable legal requirements.

In addition, the GFOA awarded a *Distinguished Budget Presentation Award* for the fiscal year beginning January 1, 2023 to the District. In order to receive this award the government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Accounting Method** - The financial statements are prepared on an accrual basis, consistent with the requirements of the Maine Public Utilities Commission and Generally Accepted Accounting Principles as applicable to Governmental Proprietary Funds which utilize the accrual basis of accounting.

**Cash and Equivalents** - The District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Inventory**- Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method and consist of chemicals, hydrants, piping and other repair parts and supplies.

**Overhead and Transportation Credits** - The District allocates certain fringe benefits and transportation costs to all operating departments and construction projects. Such amounts are computed in accordance with the District's costing system and are reported as a credit to operating expenses.

**Utility Plant** - The utility plant is stated at the cost to acquire or construct the assets and depreciated on the straight-line method based over their estimated useful lives of the assets ranging from five to 67 years and in accordance with Chapter 608 of the Maine Public Utilities Commission regulations.

**Capitalization Policy** - Expenditures which materially increase values, change capacities, or extend useful lives are capitalized.

**PORTLAND WATER DISTRICT, MAINE**  
**STATEMENT OF NET POSITION (WATER SYSTEM)**

(As of December 31.)

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>					
Cash and equivalents	\$5,201,286	\$1,656,590	\$6,677,377	\$5,399,201	\$4,564,428
Investments	16,561,967	22,125,199	15,802,276	18,623,410	18,542,902
Accounts receivable	3,708,975	2,991,326	3,464,100	3,780,346	3,687,165
Interfund receivable	5,371,427	742,563	151,150	-	-
Leases receivable (current)	64,176	60,522	44,882	45,684	-
Inventories	3,985,350	2,531,628	1,909,323	1,597,494	1,514,852
Prepaid expenses	557,582	900,772	657,155	313,357	214,553
Trustee held funds	0	150,007	2,600,000	2,777	10,943
<b>Total Current Assets</b>	<b>35,450,763</b>	<b>31,158,607</b>	<b>31,306,263</b>	<b>29,762,269</b>	<b>28,534,843</b>
<b>Non-Current Assets</b>					
<b>Capital Assets:</b>					
Operating property	390,086,945	378,094,646	369,856,357	352,449,154	340,154,520
(less depreciation)	(148,540,814)	(141,649,093)	(134,941,106)	(128,507,015)	(122,489,334)
Net operating property	241,546,131	236,445,553	234,915,251	223,942,139	217,665,186
Net lease assets	49,318	59,206	69,093	-	-
Net SBITA Assets	126,809	-	-	-	-
Construction in progress	3,348,877	884,561	533,731	3,305,579	3,017,777
<b>Net Capital Assets</b>	<b>245,071,135</b>	<b>237,389,320</b>	<b>235,518,075</b>	<b>227,247,718</b>	<b>220,682,963</b>
<b>Charges and Other Assets:</b>					
Notes receivable	0	0	0	0	0
Leases receivable	1,386,644	1,450,819	1,426,056	1,449,542	0
<b>Total Charges and Other</b>	<b>1,386,644</b>	<b>1,450,819</b>	<b>1,426,056</b>	<b>1,449,542</b>	<b>0</b>
<b>Total Non-Current Assets</b>	<b>246,457,779</b>	<b>238,840,139</b>	<b>236,944,131</b>	<b>228,709,196</b>	<b>220,682,963</b>
<b>TOTAL ASSETS</b>	<b>281,908,542</b>	<b>269,998,746</b>	<b>268,250,394</b>	<b>258,471,465</b>	<b>249,217,806</b>
<b>Deferred outflows:</b>					
Pension resources	1,017,042	3,717,787	535,787	1,025,882	1,564,342
Bond refunding	16,000	31,100	51,100	75,900	0
<b>Total Deferred outflows:</b>	<b>1,033,042</b>	<b>3,748,887</b>	<b>586,887</b>	<b>1,101,782</b>	<b>1,564,342</b>
<b>TOTAL ASSETS &amp; DEFERRED</b>	<b>282,941,584</b>	<b>273,747,633</b>	<b>268,837,281</b>	<b>259,573,247</b>	<b>250,782,148</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	5,323,419	3,332,900	5,284,287	5,420,936	3,985,880
Accrued interest	378,596	334,743	320,694	284,286	290,805
Customer deposits	461,844	472,163	436,374	353,640	270,849
Construction retainage	270,453	162,512	384,577	79,558	162,889
Lease liability (current)	8,676	9,387	9,283	3,141	0
SBITA liability	63,391	-	-	-	-
Comp. absences (current)	1,154,061	1,015,858	934,631	964,800	816,546
Bonds (current)	6,658,480	5,958,112	5,587,257	5,082,403	4,756,063
<b>Total current liabilities</b>	<b>14,318,920</b>	<b>11,285,675</b>	<b>12,957,103</b>	<b>12,188,764</b>	<b>10,283,032</b>
<b>Non-current liabilities:</b>					
Customer advances	5,209,493	4,095,745	3,884,506	3,332,918	2,913,903
Compensated absences	604,817	696,052	881,234	838,099	875,226
Lease liability	42,367	51,044	60,431	8,830	0
SBITA liability	65,051	-	-	-	-
Net pension liability	578,344	1,463,344	1,356,917	2,126,179	3,241,689
<b>Total non-current liabilities:</b>	<b>6,500,072</b>	<b>6,306,185</b>	<b>6,183,088</b>	<b>6,306,026</b>	<b>7,030,818</b>
Long-term debt (Bonds)	58,195,606	52,759,086	53,217,198	49,849,455	50,871,358
<b>Total non-current liabilities</b>	<b>64,695,678</b>	<b>59,065,271</b>	<b>59,400,286</b>	<b>56,155,481</b>	<b>57,902,176</b>
<b>TOTAL LIABILITIES</b>	<b>79,014,598</b>	<b>70,350,946</b>	<b>72,357,389</b>	<b>68,344,245</b>	<b>68,185,208</b>
<b>Deferred Inflows:</b>					
Leases	1,323,202	1,413,164	1,403,077	1,461,228	-
Pension	-	1,825,533	1,829,569	2,671,213	2,313,174
<b>Total Deferred Inflows:</b>	<b>1,323,202</b>	<b>3,238,697</b>	<b>3,232,646</b>	<b>4,132,441</b>	<b>2,313,174</b>
<b>NET POSITION</b>					
Invested in capital assets	182,908,903	180,685,724	180,567,889	173,228,947	166,500,950
Unrestricted	19,694,881	19,472,266	12,679,357	13,867,614	13,781,816
<b>TOTAL NET POSITION</b>	<b>202,603,784</b>	<b>200,157,990</b>	<b>193,247,246</b>	<b>187,096,561</b>	<b>180,282,766</b>
<b>TOTAL LIABILITIES &amp; NET</b>	<b>\$282,941,584</b>	<b>\$273,747,633</b>	<b>\$268,837,281</b>	<b>\$259,573,247</b>	<b>\$250,781,148</b>

Prepared from Audited Financial Statements.

**PORTLAND WATER DISTRICT, MAINE**  
**COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**(WATER SYSTEM)**

	<b>(For Year Ended December 31,)</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Operating revenues:</b>					
Water revenues	\$28,091,431	\$27,780,678	\$26,455,997	\$26,163,382	\$24,566,977
Other operating	190,712	1,119,113	2,019,696	149,977	222,344
Total operating revenues	<u>28,282,143</u>	<u>28,899,791</u>	<u>28,475,693</u>	<u>26,313,359</u>	<u>24,789,321</u>
<b>Operating expenses:</b>					
Operations and maintenance	15,950,973	11,165,415	11,904,669	12,327,701	12,749,150
Customer accounting	1,029,819	937,548	1,064,491	1,200,363	1,066,506
Administrative	3,299,080	3,741,058	4,650,681	3,020,602	2,952,266
Taxes	61,894	60,967	60,425	60,806	58,769
Depreciation	6,385,668	6,196,339	5,878,768	5,454,118	5,321,338
Total operating expenses	<u>26,727,434</u>	<u>22,101,327</u>	<u>23,559,034</u>	<u>22,063,590</u>	<u>22,148,029</u>
<b>Operating income</b>	<u>1,554,709</u>	<u>6,798,464</u>	<u>4,916,659</u>	<u>4,249,769</u>	<u>2,641,292</u>
<b>Non-operating revenues:</b>					
Interest income	907,755	217,458	106,977	326,408	593,213
Investments-unrealized gains/(loss)	413,885	(324,281)	(120,388)		
Miscellaneous	396,871	250,197	231,924	262,881	233,435
Pass-through grant revenue	3,754,293				
Pass-through grant expense	(3,754,293)				
Sale of operating property	(382,913)	(122,700)	(40,437)	(124,632)	(127,689)
Interest expense	(1,933,528)	(1,554,866)	(1,454,083)	(1,424,395)	(1,450,476)
Total non-operating revenues	<u>(597,930)</u>	<u>(1,534,192)</u>	<u>(1,276,007)</u>	<u>(959,738)</u>	<u>(751,517)</u>
Change in net position	956,779	5,264,272	3,640,652	3,290,031	1,889,775
Capital contributions	1,489,015	1,646,472	2,510,033	3,523,764	2,881,632
<b>Change in net assets</b>	<u>2,445,794</u>	<u>6,910,744</u>	<u>6,150,685</u>	<u>6,813,795</u>	<u>4,771,407</u>
<b>Net position, beginning</b>	<u>200,157,990</u>	<u>193,247,246</u>	<u>187,096,561</u>	<u>180,282,766</u>	<u>175,511,359</u>
<b>Net position, end</b>	<u>\$202,603,784</u>	<u>\$200,157,990</u>	<u>\$193,247,246</u>	<u>\$187,096,561</u>	<u>\$180,282,766</u>

Prepared from Audited Financial Statements.

**INDEBTEDNESS**

**DEBT MANAGEMENT POLICY**

The District instituted, and follows, a formal Debt Management Policy, ratified by the Trustees on June 13, 2007. In summary, the policy advises that the District consistently provide the credit markets with timely and full disclosure of the District's financial condition; that proposed debt financing be preceded by impact analyses; and that, if in the best interest of the District, debt be sold on a bid basis. The policy further advises that "benefits received" be a major consideration in the funding to maintain ratepayer equity; that long-term financing only be used to provide funds to finance capital projects; that preceding proposed debt financings, analysis of the District's then current debt, financial and economic characteristics be reviewed; that debt planning be part of the District's CIP and that a project appear in at least two CIPs preceding the year of its sale; that the average maturity of all debt be at or below ten years; that a debt service coverage of at least 1.25x be maintained; and that inter-fund loans are permissible after approval by the Trustees.

## DEBT SUMMARY

<u>Series</u>	<u>Original Amount</u>	<u>Principal Forgiven</u>	<u>Program</u>	<u>Final Maturity</u>	<u>As of December 31,</u>	
					<u>2023</u>	<u>2024</u>
2005	\$900,000		<i>Gen'l Res</i>	11/1/2025	\$90,000	\$45,000
2006	1,500,000		<i>Gen'l Res</i>	11/1/2026	225,000	150,000
2008	1,500,000		<i>Gen'l Res</i>	11/1/2028	375,000	300,000
2009A	1,598,500		<i>DWSRF</i>	11/1/2028	399,625	319,700
2009B	4,700,000		<i>Gen'l Res</i>	11/1/2029	1,410,000	1,175,000
2009C	4,254,094	(1,263,028)	<i>ARRA</i>	11/1/2029	897,320	747,767
2009D	253,075	(89,123)	<i>DWSRF</i>	11/1/2029	49,186	40,988
2010A	500,000		<i>BABs</i>	11/1/2030	175,000	150,000
2010B	950,000	(47,500)	<i>DWSRF</i>	11/1/2030	315,875	270,750
2011	2,300,000		<i>Gen'l Res</i>	11/1/2031	920,000	805,000
2012A	1,130,000		<i>DWSRF</i>	5/1/2032	508,500	452,000
2012B	2,000,000		<i>Gen'l Res</i>	11/1/2032	900,000	800,000
2013A	3,000,000	(150,000)	<i>DWSRF</i>	11/1/2032	1,350,000	1,200,000
2013B	1,428,000		<i>Gen'l Res</i>	11/1/2033	714,000	642,600
2013D	1,072,000		<i>DWSRF</i>	11/1/2033	536,000	482,400
2014	4,541,000		<i>Pub Sale</i>	11/1/2034	1,575,000	1,250,000
2015A	459,000		<i>DWSRF</i>	9/1/2034	254,152	231,185
2015B	5,730,000		<i>Pub Sale</i>	11/1/2035	2,620,000	2,235,000
2015C	270,000		<i>DWSRF</i>	10/1/2035	162,000	148,500
2016A	9,000,000		<i>Ref'd'g</i>	11/1/2036	3,620,000	2,780,000
2016B	1,219,978	(60,999)	<i>DWSRF</i>	8/1/2036	779,290	722,299
2016C	566,362	(29,809)	<i>DWSRF</i>	6/1/2036	380,819	352,969
2017	5,600,000		<i>Pub Sale</i>	11/1/2037	3,350,000	2,975,000
2018A	2,000,000	(100,000)	<i>DWSRF</i>	11/1/2037	1,396,318	1,296,581
2018B	3,900,000		<i>Pub Sale</i>	11/1/2038	2,175,000	1,830,000
2018C	3,000,000		<i>DWSRF</i>	11/1/2038	2,250,000	2,100,000
2019	6,500,000		<i>Pub Sale</i>	11/1/2039	4,800,000	4,375,000
2020A	345,000	(50,000)	<i>DWSRF</i>	12/1/2029	177,000	147,500
2020B	3,575,000		<i>Pub Sale</i>	11/1/2040	2,765,000	2,495,000
2020C	220,000		<i>DWSRF</i>	5/1/2040	187,000	176,000
2021A	6,375,000		<i>Pub Sale</i>	11/1/2041	5,555,000	5,145,000
2021B	2,100,000		<i>DWSRF</i>	11/1/2041	1,890,000	1,785,000
2021C	500,000	(20,000)	<i>DWSRF</i>	11/1/2041	432,000	408,000
2022	5,500,000		<i>Pub Sale</i>	11/1/2042	5,125,000	4,750,000
2023	16,345,000		<i>Pub Sale</i>	11/1/2043	16,345,000	15,230,000
2023	210,000	(20,000)	<i>DWSRF</i>	10/1/2043	<u>190,000</u>	<u>171,000</u>
		<b>Sub-Totals</b>			<b>64,894,085</b>	<b>58,185,239</b>
2024	334,000	(165,000)	<i>DWSRF</i>	10/1/2043	0	160,550
2024	313,950	(20,000)	<i>DWSRF</i>	10/1/2043	0	279,253
2024	685,000	(376,750)	<i>DWSRF</i>	10/1/2033	0	277,425
2024	6,960,000(*)		<i>Pub Sale</i>	11/2/2044	<u>0</u>	<u>6,960,000(*)</u>
		<b>Totals</b>			<b>\$64,894,085</b>	<b>\$65,862,467</b>

NOTE: "Series" the letter designation in any series is included in the above and following tables only to distinguish same year bond issues, and do not reflect the actual bond name designation.

"Gen'l Res" indicates District bonds purchased by the Maine Municipal Bond Bank (the "MMBB") with proceeds of MMBB's publicly offered bonds issued pursuant to its 1973 general bond resolution.

"Pub Sale" indicates the District's publicly offered bonds.

"DWSRF" indicates District bonds purchased by the MMBB with funds from the Drinking Water State Revolving Loan Fund Program, administered jointly by the MMBB and the State, acting by and through its Department of Health and Human Services ("DHHS").

"CWSRF" indicates District bonds purchased by the MMBB with funds from the Clean Water State Revolving Loan Fund Program, administered jointly by the MMBB and the State, acting by and through its Department of Environmental Protection ("DEP").

"ARRA" indicates a District bond bearing interest at 0% and purchased by MMBB with funds provided to it pursuant to the American Recovery and Reinvestment Act of 2009 (the "2009 ARRA"). A portion of principal of such bond has been forgiven.

"BABs" indicates Build America Bonds issued by the District, bearing interest at a taxable rate and benefitting from a federal subsidy provided pursuant to the 2009 ARRA.

"Ref'd'g" indicates a refunding of prior bonds.

(\*) Preliminary, subject to change.

**Portland Water District, Maine  
(Water System Bonds)  
Projected Principal Payments by Issue  
(\$/000)**

	December 31,	2005	2006	2008	2009A	2009B	2009C	2009D	2010A	2010B	2011	2012A	2012B	2013A	2013B	2013D	2014	2015A	2015B	2015C	2016A	2016B&C	2017	2018A	2018B	2018C	2019	2020A	2020B	2020C	2021A	2021B	2022C	2022	2023	2023	2024 DWSRF	2024	Total
2024	45	75	75	79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	325	22.9	385	13.5	840	84.0	375	99.7	345	150	425	29.5	270	11	410	105	24	375	1,075	9.5	54.0	6,712		
2025	45	75	75	79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.0	385	13.5	815	84.8	375	99.7	345	150	425	29.5	270	11	410	105	24	375	1,075	9.5	54.0	6,488		
2026		75	75	79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.0	185	13.5	825	85.7	375	99.7	345	150	425	29.5	270	11	410	105	24	375	1,070	9.5	54.0	6,249		
2027			75	79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.0	185	13.5	165	86.6	375	99.7	345	150	425	29.5	270	11	405	105	24	375	1,075	9.5	54.0	5,515		
2028			75	79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.1	185	13.5	110	87.4	185	99.7	345	150	425	29.5	270	11	405	105	24	375	1,075	9.5	54.0	5,271		
2029				79.9	235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.1	185	13.5	110	88.3	185	99.7	45	150	425	29.5	270	11	405	105	24	375	1,080	9.5	54.0	4,822		
2030					235	149.6	8.2	25	45.1	115	56.5	100	150	71.4	53.6	125	23.1	185	13.5	110	89.2	185	99.7	45	150	225		270	11	405	105	24	375	1,075	9.5	54.0	4,196		
2031								25	45.1	115	56.5	100	150	71.4	53.6	125	23.2	185	13.5	110	90.1	185	99.7	45	150	225		90	11	405	105	24	375	1,075	9.5	54.0	3,946		
2032											56.5	100	150	71.4	53.6	125	23.2	185	13.5	110	91.0	185	99.7	45	150	225		90	11	230	105	24	375	1,075	9.5	54.0	3,657		
2033														71.4	53.6	125	23.2	185	13.5	110	91.9	185	99.7	45	150	225		90	11	230	105	24	175	1,070	9.5	54.0	3,147		
2034																125	23.3	185	13.5	105	92.8	185	99.7	45	150	225		90	11	230	105	24	175	895	9.5	23.1	2,812		
2035																		185	13.5	105	93.7	185	99.7	45	150	225		90	11	230	105	24	175	525	9.5	23.1	2,295		
2036																				105	94.7	185	99.7	45	150	225		85	11	230	105	24	175	525	9.5	23.1	2,092		
2037																						185	99.7	45	150	225		85	11	230	105	24	175	520	9.5	23.1	1,887		
2038																								45	150	225		85	11	230	105	24	175	520	9.5	23.1	1,603		
2039																										225		85	11	230	105	24	175	515	9.5	23.1	1,403		
2040																												85	11	230	105	24	175	515	9.5	23.1	1,178		
2041																														230	105	24	175	515	9.5	23.1	1,082		
2042																																	175	515	9.5	23.1	723		
2043																																			515	9.5	23.1	548	
2044																																							
12/1/2023	90	225	375	400	1,410	897	49	175	316	920	509	900	1,350	714	536	1,575	254	2,620	162	3,620	1,160	3,350	1,396	2,175	2,250	4,800	177	2,765	187	5,555	1,890	432	5,125	16,305	190	936	65,790		
pd 2024	(45)	(75)	(75)	(80)	(235)	(150)	(8)	(25)	(45)	(115)	(57)	(100)	(150)	(71)	(54)	(325)	(23)	(385)	(14)	(840)	(84)	(375)	(100)	(345)	(150)	(425)	(30)	(270)	(11)	(410)	(105)	(24)	(375)	(1,075)	(10)	(54)	(6,712)		
12/1/2024	45	150	300	320	1,175	748	41	150	271	805	452	800	1,200	643	482	1,250	231	2,235	149	2,780	1,076	2,975	1,297	1,830	2,100	4,375	148	2,495	176	5,145	1,785	408	4,750	15,230	181	882	59,078		

**PROJECTED DEBT SERVICE REQUIREMENTS**

Fiscal Year	Prior Debt (as of December 31, 2023)			Projected Debt (The Bonds)	Projected Total Debt
	Principal	Interest <sup>(1)</sup>	Total	Pro Forma	
2024	\$6,658,480	\$2,316,900	\$8,975,380		
2025	6,434,352	2,073,776	8,508,128		
2026	6,195,238	1,841,047	8,036,285		
2027	5,461,128	1,616,230	7,077,358		
2028	5,217,028	1,408,396	6,625,424		
2029	4,768,011	1,222,639	5,990,650		
2030	4,141,679	1,050,133	5,191,812		
2031	3,892,480	893,325	4,785,805		
2032	3,603,416	766,898	4,370,314		
2033	3,092,860	636,042	3,728,902		
2034	2,788,813	529,189	3,318,002		
2035	2,271,464	435,925	2,707,389		
2036	2,068,901	366,053	2,434,953		
2037	1,864,237	298,322	2,162,559		
2038	1,579,500	235,618	1,815,118		
2039	1,379,500	177,461	1,556,961		
2040	1,154,500	130,091	1,284,591		
2041	1,058,500	88,979	1,147,479		
2042	699,500	48,875	748,375		
2043	524,500	21,175	545,675		
2044	0	0	0		
<b>Totals</b>	<b>\$64,854,086</b>	<b>\$16,157,072</b>	<b>\$81,011,159</b>		

NOTE: <sup>(1)</sup> Includes MMBB and DHHS fees.

**DEBT SERVICE COVERAGE**

The following is a summary of the District’s most recent annual debt service coverage ratio calculations with respect to the District’s Water System Debt:

**Debt Service Coverage Ratio Calculation**

	Audited				
	2019	2020	2021	2022	2023
Operating Income	\$24,789,321	\$26,313,359	\$28,475,693	\$28,899,791	\$28,282,143
Operating Expenses	<u>(22,148,029)</u>	<u>(22,063,590)</u>	<u>(23,559,034)</u>	<u>(22,101,327)</u>	<u>(26,727,434)</u>
Net Operating Income	2,641,292	4,249,769	4,916,659	6,798,464	1,554,709
Non-operating Income	826,648	589,289	338,901	467,655	1,304,709
Plus Depreciation	<u>5,321,338</u>	<u>5,454,118</u>	<u>5,878,769</u>	<u>6,196,339</u>	<u>6,385,626</u>
Net Rev Avail for Debt Service	\$8,789,278	\$10,293,176	\$11,134,329	\$13,462,458	\$9,245,003
Current Year Debt Service	\$5,757,162	6,216,477	6,500,078	7,266,119	1,887,787
<b>Debt Service Coverage Ratio</b>	<b>1.52x</b>	<b>1.66x</b>	<b>1.71x</b>	<b>1.89x</b>	<b>1.17x</b>

In the above Debt Service Coverage Ratio Calculation, the Depreciation amount excludes the amount of depreciation on assets used jointly by the water and wastewater funds. If the District included the water portion of depreciation on those assets, the ratio would be higher (see page 25 of the 2021 AFCR in APPENDIX A herein). The following is the effect of adjusting depreciation to include the water portion of depreciation assets

**Adjusted Debt Service Coverage Ratio Calculation**

	<b>Audited (with Depreciation Adjustment)</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating Income	\$24,789,321	\$26,313,359	\$28,475,693	\$28,899,791	\$28,282,143
Operating Expenses	<u>(22,148,029)</u>	<u>(22,063,590)</u>	<u>(23,559,034)</u>	<u>22,101,327</u>	<u>(26,727,434)</u>
Net Operating Income	2,641,292	4,249,769	4,916,659	6,798,464	1,554,709
Non-operating Income	826,648	589,289	338,901	467,655	1,304,626
Plus Depreciation	5,321,338	5,454,118	5,878,769	6,196,339	6,385,668
Depreciation Adjustment	<u>767,607</u>	<u>893,940</u>	<u>894,804</u>	<u>943,114</u>	<u>953,053</u>
Net Rev Avail for Debt Service	\$9,556,885	\$11,187,116	\$12,029,133	\$14,405,572	\$10,198,056
Current Year Debt Service	\$5,757,162	\$6,216,477	\$6,500,078	\$7,266,119	\$7,887,787
<b>Debt Service Coverage Ratio</b>	<b>1.66x</b>	<b>1.80x</b>	<b>1.85x</b>	<b>2.02x</b>	<b>1.29x</b>

**OVERLAPPING DEBT**

The District does not have any obligations for which it is responsible on an overlapping basis. However, municipalities served for treatment of wastewater are responsible for the debt service the District’s debt with respect to the Wastewater System required to finance the District’s treatment plants and interceptor systems (or portions thereof) serving that District Wastewater Municipality. The District’s debt with respect to the Wastewater System is an overlapping debt obligation of such District Wastewater Municipality.

**FUTURE FINANCING**

The District develops an annual Capital Improvement Program which is submitted to the Trustees that includes an inventory of possible capital projects, some of which may ultimately be included in its Capital Improvement Plan, and is an indication of future projects that may be financed through the issuance of the District’s indebtedness. The issuance of debt, however, is subject to the prior review and approval of the Trustees. See “DISTRICT FINANCES - WATER SYSTEM - Capital Improvement Program (Water System)” herein.

**Capital Improvement Plan**

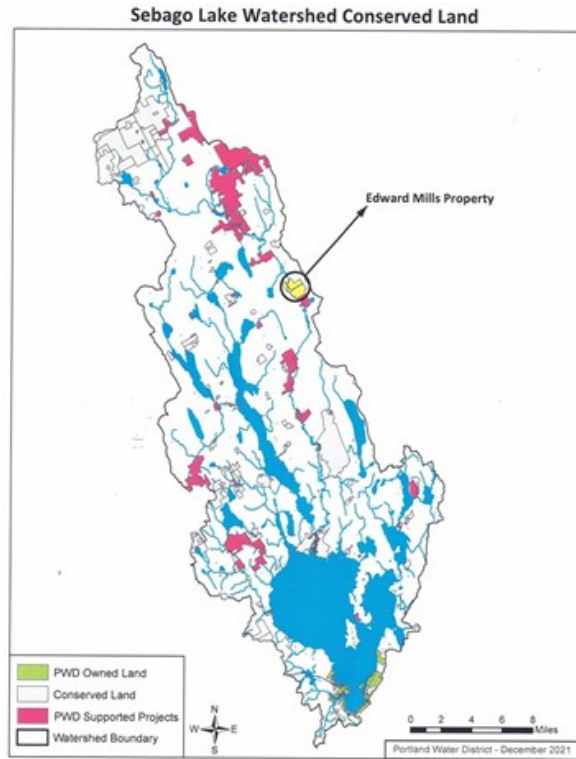
In addition to the Bonds of this financing issued to finance the Projects, Resolution 24-002 as amended by Resolution 24-005, authorizing \$9,050,000 of additional water bonds to finance an upgrade to the Windham Water Pump Station and obtaining Service Lines’ GPS data points. The District expect to finance these projects in three financing tranches to be issued in 2024 - 2026.

<u>Project</u>	<u>Trustees Meeting</u>	<u>Resolution</u>	<u>Authorized</u>	<u>(MMBB DWSRF)</u>	<u>Sell 2025</u>
Windham Water Pump Station	1/22/2024	24-002	\$850,000		\$850,000
Galvanized Water Lines	1/22/2024	24-002	7,200,000	\$7,200,000	
GPS of Service Lines	1/22/2024	24-002	1,000,000	1,000,000	
Total Authorized but Unissued			<u>\$9,050,000</u>	<u>\$8,200,000</u>	<u>\$850,000</u>

## Watershed Protection

The District has approximately \$1,500,000 of reserves to be used to protect its watershed. The District has done this by purchasing conservation easements and contributing to organization supporting such efforts (the “Watershed Projects”). In addition, the Trustees approved Resolution 21-006 on May 24, 2021, authorizing \$1,400,000 of water bonds to provide funds to finance Watershed Projects through the Maine Municipal Bond Bank’s DWSRF Land Acquisition Loan program. Loans through the DWSRF Land Acquisition Loan program are qualified to receive a portion of principal forgiveness.

On December 22, 2021, the District borrowed \$500,000. As of December 31, 2023 a remaining balance of \$900,000 of authorized but unissued debt remained. The District is a summary including made commitments made to fund the following acquisitions:



<u>Acquisition</u>	<u>Amount from Authorization</u>	<u>(less Forgiveness<sup>(1)</sup>)</u>
Authorized	\$1,400,000	
Crooked River	<u>(500,000)</u>	480,000
Balance forward	\$900,000	
Sebago Cove	(313,950)	293,950
Edward Mills	<u>(210,000)</u>	190,000
Remaining Watershed Project Authorization	\$376,050	

NOTE: <sup>(1)</sup> Loans through the DWSRF Land Acquisition Loan program are qualified to receive 20% principal forgiveness on the first \$100,000 (i.e., \$20,000).

## AMR System

In 2009, the District completed a three-year project that changed out nearly all of its 50,000 plus meters with a drive-by radio read Automated Meter Reading (“AMR”) system that improved customer levels of service, as well as providing the ability to recover lost revenue due to declining registration accuracy with respect to consumption. The AMR included both a meter and an attached battery powered endpoint receiver transmitter (“ERT”) that is expected to function for 20 years, and are approaching the end of useful life.

The District intends to begin a meter and meter reading replacement project starting in late 2025 with a 2028 completion date. The project is expected to cost approximately \$30 million that will be financed in three tranches in 2025, 2026 and 2027. The District expects to allocate 68% of the associated debt service to the water system and 32% to the wastewater system.

## RETIREMENT

### DEFINED BENEFIT PENSION PLANS

#### Plan Descriptions

The District contributes to its non-bargaining unit employees’ pension plan and the its bargaining unit employees’ pension plan. No employee contributions are required by the plans. Both plans are single-employer defined benefit pension plans. Membership in the respective plans is:

	<u>As of January 1, 2023</u>		<u>As of January 1, 2024</u>	
	<u>Bargaining</u> <u>Unit</u>	<u>Non-Bargaining</u> <u>Unit</u>	<u>Bargaining</u> <u>Unit</u>	<u>Non-Bargaining</u> <u>Unit</u>
Active employees included in plan	37	20		18
Retired employees and beneficiaries	108	47	114	48
Terminated employees with vested rights	<u>26</u>	<u>10</u>	<u>25</u>	<u>9</u>
	171	77	170	75

#### Eligibility

Eligibility for each plan requires the participants to be 18 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. Participation in the plan was closed to Bargaining Unit employees hired after December 31, 2010 and Non-Bargaining Unit employees hired after December 31, 2011, respectively.

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 65 with ten or more years of credited service are entitled to an annual retirement benefit payable monthly for life as follows:

***Non-Bargaining Unit Participants:*** The annual benefit is equal to 1% of the average of the employees’ three highest annual earnings times the number of total years of service up to 45 years, plus up to 0.6% of average annual earnings in excess of covered compensation, times credited service up to 35 years.

***Bargaining Unit Participants:*** Effective November 7, 2019, the monthly pension benefit is computed based on a \$41.50 (previously \$40.75) rate for all pay grades. Those dollars are multiplied by the number of creditable years of continuous service with the District, to a maximum of 45 years. The maximum monthly benefit is \$1,867.50 (previously \$1,833.75).

Both plans allow early retirement for employees’ age 55 or older at a reduced rate for those participants who retire before age 65 unless the employee is age 62 with 30 or more years of continuous service.

Benefits payable may be increased annually, at the discretion of the Trustees, up to 50% of the consumer price index or 5%, whichever is lower. The authority to establish and amend benefit provisions for both plans rests with the Trustees. A standalone report is not issued for either of the plans. The assets in the plans’ pension funds are presented as fiduciary funds on the District’s financial statements. The District reports on the benefits provided and the contributions for these plans, as well as the actuarial methodology and assumptions in its AFCR. Please see APPENDIX A – PORTLAND WATER DISTRICT, MAINE 2023 AFCR, pages 71 *et seq.*

## **DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan in accordance with Section 457(k) of the Code. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The District matches employee contributions at the rate of a dollar-for-dollar match to a limit of \$1,500 per participant per year for Bargaining Unit employees hired before December 31, 2010 and Non-Bargaining Unit employees hired before December 31, 2011.

For Bargaining Unit employees hired as of December 31, 2010, and Non-Bargaining Unit employees hired as of December 31, 2011, respectively, the plan and their level of contribution is optional. The plan is mandatory for Bargaining Unit employees hired after December 31, 2010 and Non-Bargaining Unit employees hired after December 31, 2011. Employees are required to contribute 3.0% of their regular wages to the plan with the District matching those contributions at a rate of 150%. Employees can also elect to receive a 150% match on an additional 1.5% or regular wages beyond the mandatory 3.0%. The District reports on the benefits provided and the contributions for these plans and in its AFCR. Please see APPENDIX A – PORTLAND WATER DISTRICT, MAINE 2023 AFCR, page 78.

## **OTHER POST-EMPLOYMENT BENEFITS**

In a change to accounting policy, the District decided the liability for the implicit rate subsidy for Other Postemployment Benefits (“OPEB”) involving health care benefits under GASB Statement 75 was not material and is, therefore, not reported.

## **ENVIRONMENTAL MATTERS**

Securities and Exchange Commission Regulation 229.103 (the “Regulation”) requires that issuers subject to the disclosure requirements of the Securities Exchange Act of 1934 disclose, among other things, any material pending legal proceedings, including without limitation, legal proceedings involving environmental issues. That Regulation states that no information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 percent of the current assets of the issuer, and, if a governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the issuer reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000. Although the Portland Water District, as an issuer of municipal securities, is not subject to the provisions of the Regulation or the Securities Exchange Act of 1934, the District is voluntarily making the disclosure required by the Regulation with respect to environmental liabilities:

The Officials of the Portland Water District are not aware of any legal proceedings either pending or threatened involving environmental matters that would require disclosure under the Regulation were the District subject to its provisions.

### **Southern Maine Regional Water Council**

The Southern Maine Regional Water Council, made up of the seven major water utilities of Cumberland and York County, completed a master plan in October of 2008, which was updated in 2016. The plan provides the southern Maine region with a planning tool for regional solutions to sustainable water resources and infrastructure for the near future.

This study attained the following goals:

- Identified existing and potential sources of supply in the region and established the present and projected water needs in the region. Also, identified the limitations and risks of the existing and future supplies.
- Explored the logistics, benefits and impediments of creating an integrated, regional water supply system.
- Detailed the hydraulic considerations and infrastructure required to supply water over a large geographical area and evaluated potential water quality issues associated with blending various supplies and considered existing and future interconnections between systems.
- Developed short-term strategies for mutual-aid and sharing of resources between member utilities and developed an action plan to protect identified resources for future generations.
- Developed an integrated water supply plan for the entire region.
- Considered potential governance models for a regional supply organization.

The Council has continued to collaborate on regional utility planning and purchasing efforts. In 2016, the Council completed an update to the 2008 Regional Plan. The updated plan created a regional hydraulic model, explored in detail individual interconnections between all the utilities, identified and reviewed the following:

- Existing capabilities for each system;
- Hydraulic limitations;
- Available water from neighboring systems; and
- Water quality compatibility issues.



SOURCE: 2023 *Proposed Comprehensive Annual Budget Report*, adopted by the trustees on November 27, 2023, page 298.

## LITIGATION

In the opinion of the District officials, there is no litigation pending against the Portland Water District that, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the District's financial position or its ability to meet its debt service obligations.

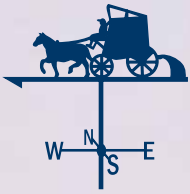
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**APPENDIX A**

**PORTLAND WATER DISTRICT, MAINE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
DECEMBER 31, 2023**

**(With Accountant's Report Thereon)**

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Portland  
Water  
District

# Annual Comprehensive Financial Report



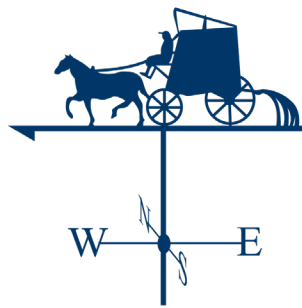
*For the year ended December 31, 2023*

225 Douglass Street, PO Box 3553  
Portland, Maine 04104 | 207.761.8310 | [www.pwd.org](http://www.pwd.org)



# Introduction

# Annual Comprehensive Financial Report



**Portland  
Water  
District**

*From Sebago Lake to Casco Bay*

For The Year Ended December 31, 2023

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

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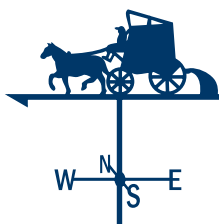
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# Portland Water District

June 1, 2024

## **Board of Trustees and Customers:**

Portland Water District is pleased to submit its Annual Comprehensive Financial Report for the fiscal year which ended December 31, 2023.

This report provides detailed information concerning the financial condition and activities of Portland Water District (PWD). Responsibility for the accuracy of the information contained herein, and the completeness and fairness of its 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 represent 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** - Transmittal letter, company profile, economic outlook, and major initiatives
2. **Financial** - Management's discussion and analysis of 2023 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 the budget document on the PWD website at [pwd.org](http://pwd.org)
3. **Statistical** - Selected operational, demographic, and financial information, generally presented on a historical or regional basis

PWD's Financial Services Department is responsible for the internal control system designed to ensure that assets are protected from loss, theft or misuse, and ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes the following:

- The cost of a control should not exceed the benefits likely to be derived; and
- The valuation of costs and benefits requires estimates and judgments by management.

**Seth W. Garrison**  
*General Manager*

**David M. Kane**  
*Executive Director of Administration and Treasurer*



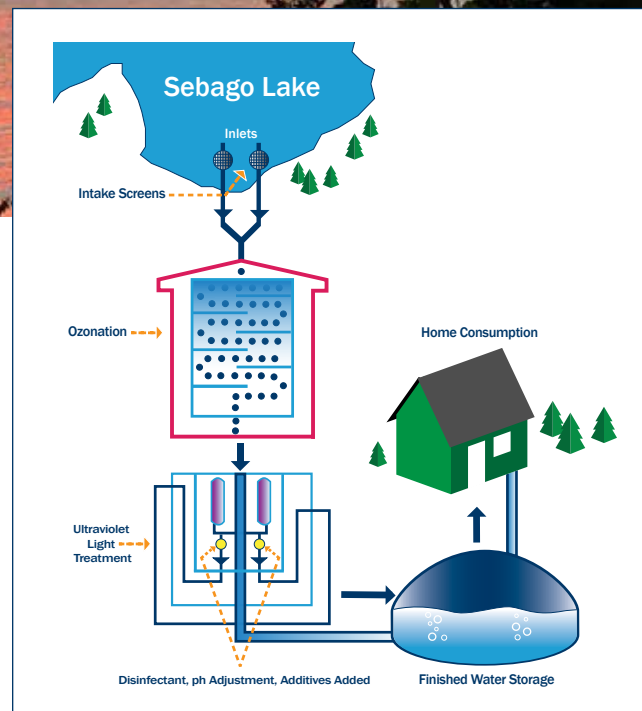
## PWD Overview

Portland Water District (PWD) is an independent, quasi-municipal entity that provides water, wastewater, and related environmental services to 11 communities in Cumberland County, Maine. Governed by a publicly elected Board of Trustees, PWD maintains eight enterprise funds and two pension trust funds.

Approximately 188 employees provide services to over 57,500 customer accounts, representing a service population of over 200,000 people. PWD manages \$403 million in assets (book value) with a replacement value of several billion dollars, operating over approximately 140 square miles, and an annual combined operations budget of \$55.5 million, including \$29.2 million for water and \$26.3 million in sewer services. Additionally, PWD manages a \$23.1 million capital improvement plan, which allocates \$11.2 million for water projects and \$11.9 million for wastewater projects.

The Water System Fund accounts for drinking water operations and related activities. The Wastewater Funds account for the collection and processing of wastewater for each of the seven communities served by PWD with wastewater services. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," PWD is classified as a "primary government."

Sebago Lake is the water source for over 99 percent of customers; a well system in Standish (Steep Falls) supplies the remaining customers. A strong watershed protection program, effective water treatment, rigorous laboratory initiatives, and an aggressive approach to maintaining the water distribution system ensure that responsibility is met. Due to the active watershed protection program and the quality of Sebago Lake water,



PWD holds a waiver from the filtration requirements of the Safe Drinking Water Act.

Water from Sebago Lake is treated with ozone, ultraviolet light (UV), and other chemicals at the Sebago Lake Water Treatment Facility. State accredited water quality professionals perform nearly 15,000 analyses each year to confirm the quality of the treated drinking water. In addition, PWD renews many 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 predominantly delivered through a partnership between local municipalities and PWD. In most service communities, the municipality operates the wastewater collection and associated pumping systems, and PWD manages certain interceptor pipeline and associated pumping systems and provides treatment services. PWD operates four wastewater treatment facilities and is currently building another one to serve North Windham. Through one of the largest Industrial Pretreatment Programs in the state, it also oversees the industrial waste released into its wastewater system.

# PWD Milestones

PWD is rich in history and experience. Construction began on a water system for Greater Portland after the devastating fire of 1866, which laid waste to large portions of the city. Originally organized as a private company, Portland Water Company, the system grew and expanded rapidly through the 1800s. In 1908, the Maine Legislature chartered the Portland Water District to acquire the private company and further expand the system. PWD continued to grow and prosper through the 1900s. In the 1970s, PWD began providing wastewater treatment services to comply with Clean Water Act requirements.



New Water Transmission Main being constructed in 1912



Construction of the East End Wastewater Treatment Facility which opened in 1979.



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

**1908** – PWD was formed.

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

**1978** – PWD 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 with ozone water treatment.

**2008** – PWD celebrated its centennial, a hundred years of providing water services to customers.

**2014** – Ultraviolet light treatment was added at the Sebago Lake Water Treatment Facility.

**2015** – PWD was the first water utility in Maine to have local control over certain financial regulation by being exempted from selected PUC rules and regulations.

# Corporate Structure

(As of 12/31/2023)

## Portland Water District Trustees



## Board of Trustees



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



**Joseph Siviski**  
Vice President -  
South Portland &  
Cape Elizabeth



**Matthew Beck**  
South Portland &  
Cape Elizabeth



**Guy Cote**  
Westbrook



**Leroy Crockett**  
Scarborough



**Louise Douglas**  
Windham & Raymond



**Kenneth Levinsky**  
Portland



**Gary Libby**  
Portland



**Fredrick McCann**  
Portland



**Charles Shattuck-Heidorn**  
Portland



**Daniel Willett**  
Gorham

# MISSION

Protect public health, safety, and the environment by providing customers with high-quality, reliable, and affordable water services.

---

# VISION

With our customers' best interests as a guide, we will use innovative approaches to become a trusted provider of industry-leading water services.

---

# VALUES

## Customer-Focused

We engage, listen, and respond to customers by providing high-value services that our customers want.

## Reliable & Sustainable Services

We provide reliable services through sustainable means because we understand our customers and the environment depend on us.

## High-Value Services

We provide high-value services at a reasonable cost without compromising quality.

## Protect Health, Safety and the Environment

We work safely and provide services to our customers that safeguard public health and safety, while protecting the environment.

## Continuous Improvement

We continuously review and improve our activities to enhance the customer experience and provide high value.

## Workplace Quality of Life

We promote a safe work environment that values diversity and inclusiveness, collaboration, openness, respect, and fair treatment, while embracing continuous improvement and efficiency. The environment nurtures a diverse, caring, and flexible workforce with job satisfaction and employee engagement.

## Skilled and Efficient Workforce

We seek to maintain a skilled workforce that delivers high-quality services reliably and efficiently. We do this by encouraging people to expand their skills, embrace lifelong learning, and continuously improve.



# GOALS

## Goal 1: Public Health & Safety

Protect public health and safety by providing services that meet or exceed federal, state, and local health and safety standards.

## Goal 2: Environmental Stewardship

Ensure the sustainability of natural resources by protecting the environment within our shared watersheds and service area.

## Goal 3: Reliable & Sustainable Service

Provide services in a manner that is reliable and sustainable, so customers can depend on them.

## Goal 4: High Value

Provide high-value services, which requires engaging and understanding customer needs and priorities; balancing competing goals with the cost of services and customers' ability to pay.

## Goal 5: High-Performance & Supportive Work Environment

Maintain a safe work environment that values diversity and inclusiveness, collaboration, engagement, and respect, while embracing continuous improvement and efficiency.

# Factors Affecting Financial Condition

Maine had steady economic and population growth in 2023. According to the Maine Department of Administrative and Financial Services Office and the State Economist's Economic Year in Review 2023, Maine saw continued real GDP growth, a strong labor market, and lower energy prices, especially for heating oil. These positive trends were tempered by persistent inflation, below-average consumer and small business sentiment, and high housing costs.

Inflation concerns and economic uncertainty resulted in volatile and relatively low consumer sentiment in 2023, but sentiment did improve during the second half of the year and was above 2022 levels.

Maine's population grew by 0.5 percent in 2023. The unemployment rate averaged 2.9 percent and labor force participation was 59.2 percent, little changed from the prior year. The average unemployment rate was 2.4 percent for Cumberland County.

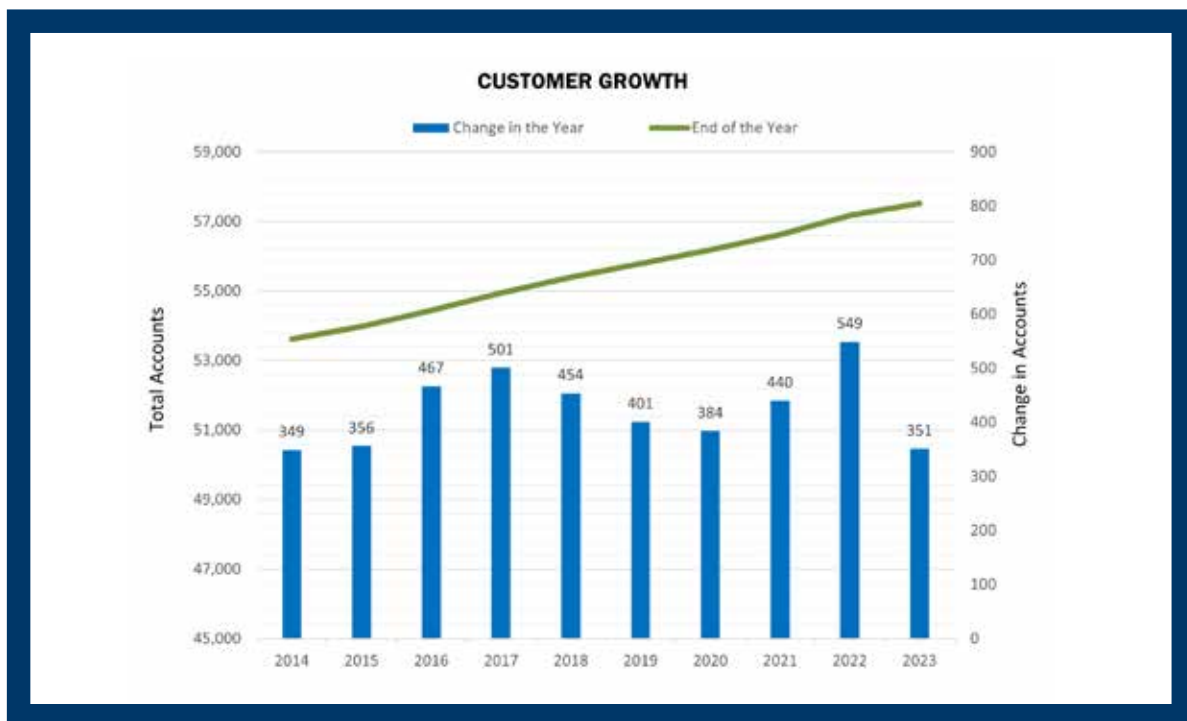
Real Gross Domestic Product (GDP) increased by 1.9 percent in 2023, ranking 34th for growth and second in New England. Total personal income grew 4.9 percent, 26th in the country.

National economic issues significantly impact PWD's costs. Approximately 10 percent of PWD's expenses are related to chemical, metal, and fuel markets. Rising interest rates have an impact on borrowing costs and investment returns.

## Housing Market

The real estate market in Maine remains robust, though a lack of inventory, increasing prices, and high mortgage rates are creating challenges in the market. The 2023 sales year ended with 13,622 residential transactions, down 19.07 percent, and a median sales price of \$360,000, up 7.46 percent from a year ago, according to the Maine Association of Realtors. As the state's largest real estate market, about one-fifth of sales took place in Cumberland County. The median sale price in Cumberland County was also up, 8.01 percent, and the number of units sold decreased by 16.91 percent.

New construction decreased by 12.8 percent statewide, as indicated by building permit data collected by the U.S. Census Bureau. Of the 6,183 statewide building permit units in 2023, a quarter of them (1,547) were within Cumberland County which experienced a 22.3 percent decrease.

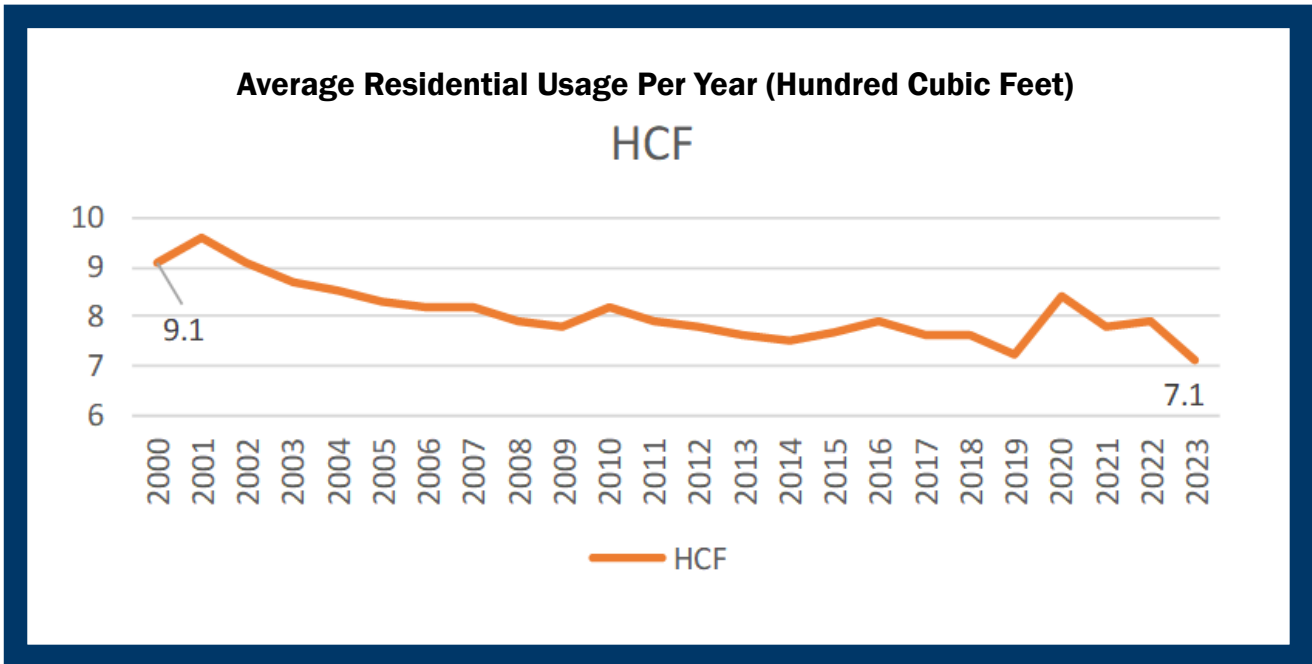


Locally, PWD experienced steady growth in new customers but saw below-normal new applications for water service.

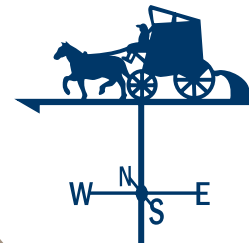
## Water Consumption

Though PWD has experienced steady growth in the number of water customers, consumers have reduced their per capita water consumption steadily over the last several decades. The average residential household usage (HCF) has declined by more than 22% since

2000. Some of the reasons for the long-term decline include conservation measures, the adoption of water-efficient household appliances, and decreased average household size. An uptick in recent years most likely relates to the COVID-19 pandemic and more people working from home.



The National Weather Service reports a whopping 17.23 inches of precipitation fell in Portland during June, July, and August of 2023 which is higher than the normal level of 11.15 inches. In total, the year saw 8.45 inches more precipitation than usual. This undoubtedly contributed to an overall decrease in water consumption in 2023.



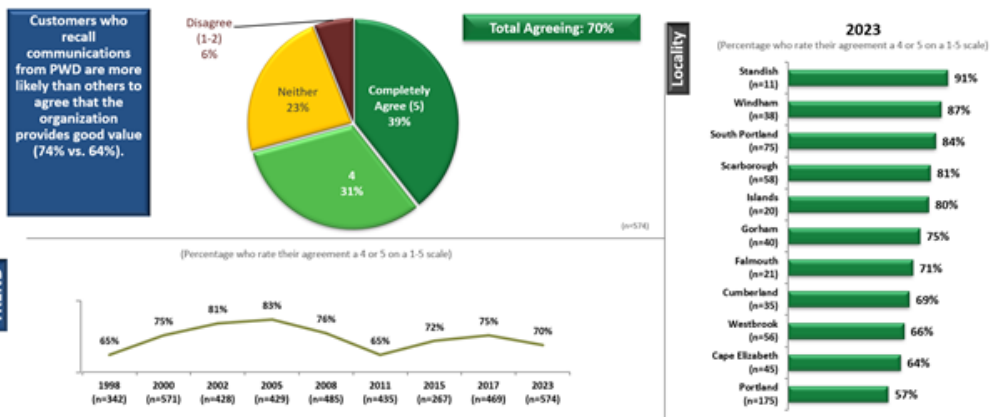
# 2023 Highlights

**Customer Satisfaction:** PWD fielded a customer satisfaction survey in the summer of 2023. The survey measured customer expectations and how PWD is meeting them as well as customer perceptions, values, and interest in various services. In a time where post-pandemic impacts can still be felt, customers appreciated PWD's exceptional efforts to provide quality and reliable service. Nearly 96% of customers are satisfied with PWD, its services, and water quality, and six out of 10 say they are very satisfied. This is an all-time high and is extremely impressive. The survey also found perceptions of the quality of

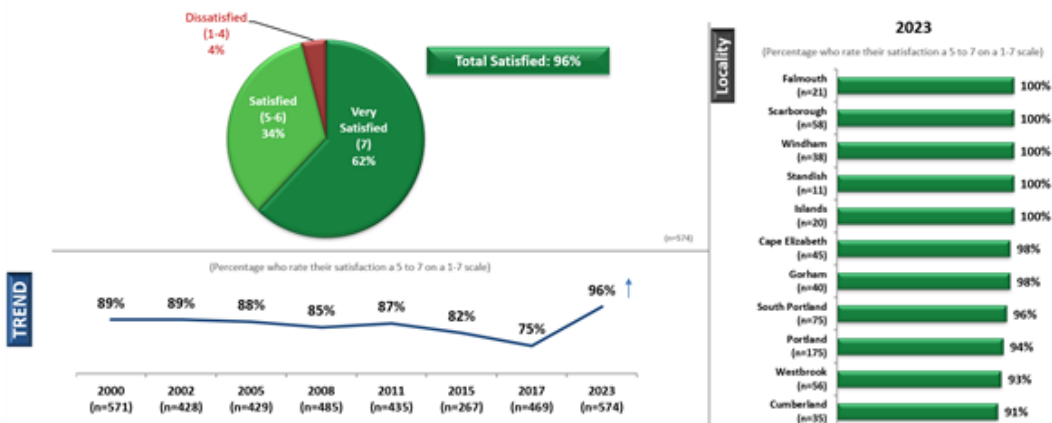
customer service, satisfaction with price, and perceptions of value are strongly related to overall satisfaction with PWD, and those that recalled recent communication were more likely to have a more positive perception of various aspects of service, value, and of PWD in general.



## Agreement That PWD Provides Good Value for the Money



## Overall Satisfaction With PWD



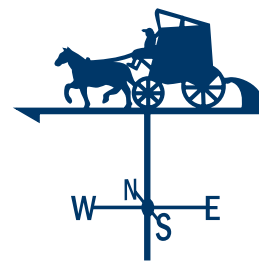
**Federal Funding:** PWD partnered with three communities in Cumberland County to obtain \$3.2 million in federal funding for water and wastewater projects. Those projects included a vulnerability Assessment of the Presumpscot River Corridor (\$996,000), a Feasibility Study for Water and Wastewater Systems in Gorham (\$240,000), and the Windham Wastewater Treatment Facility (\$2,000,000).

PWD also received roughly \$1 million in federal funding for Lead Service Line Projects, and expects to receive up to another \$8 million. Most projects related to the Lead Service Line Replacement Funds are eligible for 55 percent principal forgiveness and zero percent interest.

**Water Assistance Program:** A total of 242 customers received nearly \$290,000 in benefits through the Maine Water Assistance Program, also known as the Low-Income Household Water Assistance Program (LIHWAP). PWD marketed the federally funded program designed to help

income-eligible households maintain vital drinking water and wastewater services. It targeted customers with unpaid bill balances, property liens for water utility non-payment, and those facing disconnection notices. The program, administered by Maine Housing, allotted \$4.7 million in Maine specifically to help people maintain water utility services.

**North Windham Wastewater Facility:** PWD is partnering with the Town of Windham on a state-of-the-art Membrane Bio-Reactor (MBR) wastewater treatment facility with innovative drip dispersal. This is the first project with drip dispersal of this scale in the state of Maine. The MBR system was selected for its reliability, flexibility, and cost effectiveness. The facility is being designed to clean and filter community wastewater that is currently being discharged untreated into septic systems. Funding for the \$48 million project is coming from a mix of federal, state, and local sources. An open house was held and construction began in 2023 with an expected completion in 2026.



**Biosolids Management:** Environmental and public health concerns over per- and polyfluoroalkyl (PFAS) contamination resulted in abrupt legislation prohibiting biosolids from being applied to fields or composted as was the practice for many decades. This policy has created landfill capacity issues and challenges including finding bulky waste to mix with the biosolids to stabilize it for landfilling. Amidst mounting challenges and disposal limitations of biosolids management, PWD is leading efforts to find innovative and cost-effective solutions. PWD held two technology summits and commissioned a report to explore various processes and technologies to safely and economically reduce or eliminate PFAS from biosolids.

**Investment in Treatment Facilities:** In 2023, the Westbrook/Gorham/Windham Regional Treatment Plant's aeration system and secondary clarifiers were upgraded. These vital processes were original to the 1978 plant and have been fully upgraded to provide for efficient treatment for the next 20 years. Additionally, work began in 2023 to replace the secondary clarifier mechanisms at the East End Treatment Plant in Portland. This project will enhance the performance of the facility and be completed in 2025.

**Water Rate Adjustment:** PWD implemented an average 5.6% increase in revenue, effective January 1, 2023. The impact on a typical residential customer was \$1.28 per month.



**Vehicle and Fleet Purchase:**

**Hydro-excavation:** In 2023 a hydro-excavation truck was purchased. Hydro-excavation uses high-pressure water to loosen the material and a high-powered vacuum to excavate. With less equipment on site, there is less impact on traffic flow. Crews can make repairs topside without the need for a trench box. This saves time and money and allows for a safer and often more expedient option when working around crowded underground utilities and requires a much smaller footprint.



**Electric Meter Reading Vehicle:** As part of its environmental stewardship and continuous efforts to become more sustainable, PWD purchased a new battery-powered meter reading vehicle. The vehicle has a range of 211 miles a day and is rated by the U.S. Environmental Protection Agency as attaining 100 miles per gallon in city driving. Combining premier gas mileage and reduced maintenance, PWD expects to save \$1,000 annually. The meter reader and vehicle travel 1,600 miles monthly. As technology improves, PWD will consider replacing fleet vehicles with electric options.

**Brand Refresh:** PWD refreshed its brand and launched it to the public in November of 2023. The goal was to revitalize and modernize branding to reflect current culture and corporate values. The branding was modernized with brighter colors, simple, clean fonts, and a two-color wave, while still maintaining a nod to its heritage with the traditional water wagon image. The updated branding solidifies the look, feel, and integrity of the PWD brand to represent a professional organization that is committed to delivering high-quality services. A Style Brand Guide was also created to provide guidance and consistency.



**Delegation Visit:** PWD hosted four senior engineers and scientists from the Metropolitan Waterworks and Sewage Regulatory Office (MWSS RO) of the Philippines. While in the area for training, they toured the wastewater treatment facility and met with staff to talk about treatment techniques, water chemistry and microbiological analyses, and water source protection.



**Lead and Copper Rule Update:** The EPA released its proposed Lead and Copper Rule Improvements (LCRI). The new rule stipulates 100% lead service line replacement in 10 years, details sampling changes, and reduces the action level to 10 ppb, from 15 ppb, among other things. In addition, the new rule requires Public Water Systems to update their water service line inventory to document pipe material on both the utility-side and customer-side of the service. PWD is pleased to report a

thorough review of records indicates that Portland Water District’s water system has no lead pipe on the publicly-owned mains and services. A review and inspection of customer-side services will be complete by the deadline of October 2024.



**Water Main Replacement Program:** Approximately \$8 million was allocated to water main replacement in 2023. The following pipe replacement projects occurred in 2023:

Street	City/Town	Feet Replaced
High Street, Depot to Holly Street	Westbrook	1,000
Forest Ave, Marginal way to Park Ave	Portland	1,200
Highland Ave Ext, Old Oak Lane, and Douglas St	Gorham	780
Cragmere	South Portland	750
Sebago Lake Road	Gorham	1,250
City Service Road	South Portland	1,000
Mt Vernon, Ocean Ave to DE	South Portland	300
Piper Shores Road	Scarborough	500
South Mariner, Cobb	South Portland	200

# Recognition and Acknowledgements

**Sustainable Water Utility Management:** Portland Water District was honored with the Association of Metropolitan Water Agencies' (AMWA) Sustainable Water Utility Management Award. The Award recognizes member utilities that have made a commitment to sustainable management. This award views sustainability through a triple bottom-line lens; winners must achieve a balance of innovative and successful efforts in areas of economic, social, and environmental endeavors, such as responsible management of resources, protection of public health, meeting responsibilities to the community, and providing cost-effective services to ratepayers.

***PWD has now won all the major AMWA awards for performance, which include the Sustainability Award, Gold Award for Exceptional Utility Performance, and the Platinum Award for Utility Excellence. Together, the awards recognize unrelenting efforts to provide exceptional utility performance.***

**Peak Performance:** Portland Water District was recognized by the National Association of Clean Water Agencies (NACWA) with its 2022 Peak Performance Award for the Cape Elizabeth Wastewater Treatment Facility and the Westbrook/Gorham Regional Wastewater Treatment Facility. The Peak Performance Award recognizes Member Agency facilities for excellence in wastewater treatment as measured by compliance with their NPDES permit.

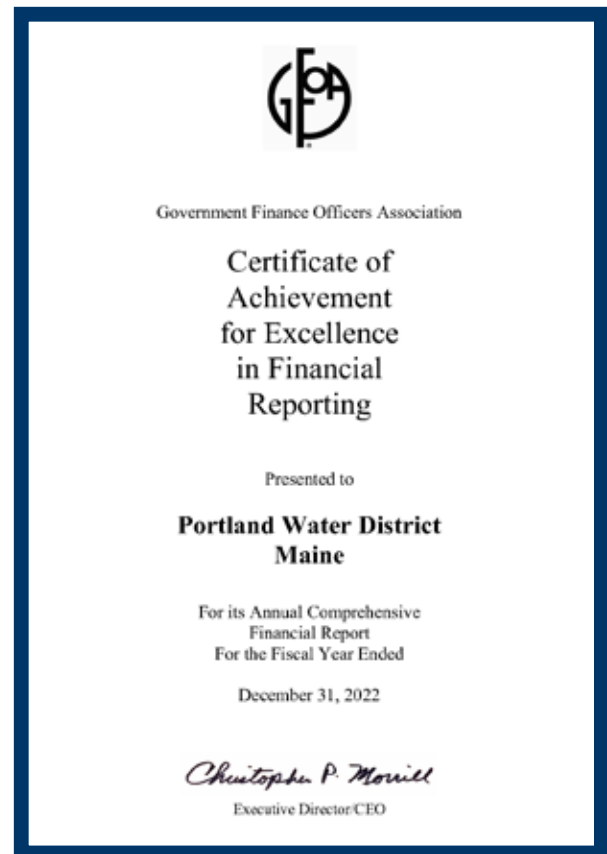
**Certificate of Achievement for Excellence:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence to Portland Water District for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2022.

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.

## Independent Audit

PWD's Charter requires an annual audit of the accounts. The independent accounting firm of Berry, Dunn, McNeil & Parker, LLC (BerryDunn) was selected by PWD Trustees to conduct the audit for 2023. BerryDunn's report is included in the financial section of this report.

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



In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report that conforms to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**Distinguished Budget Presentation:** In addition, GFOA has also awarded the Portland Water District the Distinguished Budget Presentation Award.



Financial

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Portland Water District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of each major fund of Portland Water District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Portland Water District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2023, and the respective changes in its net position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

U.S. generally accepted accounting principles require that the Management Discussion and Analysis on pages 4 through 18, Schedules of Changes in the District's Net Pension Liability and Related Ratios - Bargaining Unit Pension Plan and Schedule of Investment Returns on pages 63-64, Schedules of Changes in the District's Net Pension Liability and Related Ratios - Non-Bargaining Unit Pension Plan and Schedule of Investment Returns on pages 65-66, Schedule of District's Contributions on page 67 and Schedule of Investment Returns on page 68 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

**Other Reporting Requirements by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
May 2, 2024

# Introduction of the Financial Statements

## *Overview of Financial Report*

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

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

The District's basic financial statements include the:

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

## *Financial Highlights*

The District's financial condition remained strong in 2023.

Change in Net Position before Contributions – This item was a gain of \$2.56 million in 2023.

Operating Revenues – Operating revenues were up \$3.69 million (7.3%). Most of the increase (\$3.37 million) was from higher Wastewater Assessments. Metered Water Sales were only up 0.5% (\$129.5k) due to lower usage and Public & Private Fire protection was up \$181.3k (6.4%) due to the annual rate increase.

Operating Expense – Operating expense increased \$9.47 million (22.5%). Over half of the increase (\$5.63 million) was Pension expense which, due to investment value fluctuations, had a large negative expense in 2022 that offset this year's positive expense. Net of Pension Expense, Operating Expense was up \$3.84 million (8.3%). These increases included Contracted Services (\$990k), Salaries & Wages (\$822k), Biosolids Disposal (\$693k) and Chemicals (\$650k).

Net Capital Assets (\$350.1 million) had an increase of 5.3% (\$17.8 million). Additions to Operating Property were \$18.63 million, while Construction Work in Progress (CWIP) increased \$10.96 million. These were partially offset by the \$11.92 increase to the Allowance for Depreciation.

The District's bonded debt of \$110.4 million was up \$2.9 million as the District issued \$17.3 million in new debt and retired \$14.4 million. The District's financial ratios overall were a Current Ratio of 1.66 and debt coverage ratio of 1.39.

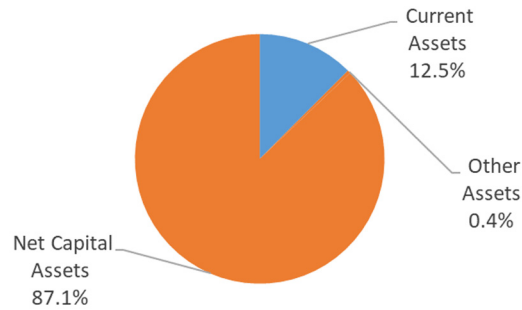
In 2021, the District was awarded a five (5) year, \$8.0 million watershed grant from the federal Natural Resources Conservation Service. During 2023, the District had non-operating revenue and expense from the grant of \$347k and related in-kind services revenue and expense of \$3.34 million

## Comparison of Financial Statements for Current and Prior Year

### Statements of Net Position (Condensed)

	<b>2023</b>	<b>2022</b>	<b>Diff</b>	<b>Diff %</b>
Current Assets	\$ 50,214,786	\$ 49,893,752	\$ 321,034	0.6%
Net Capital Assets	350,115,096	332,335,347	17,779,749	5.3%
Other Assets	1,439,604	1,517,020	(77,416)	-5.1%
Non-Current Assets	351,554,700	333,852,367	17,702,333	5.3%
<b>Total Assets</b>	<b>401,769,486</b>	<b>383,746,119</b>	<b>18,023,367</b>	<b>4.7%</b>
<b>Deferred Outflows</b>	<b>1,650,066</b>	<b>5,903,454</b>	<b>(4,253,388)</b>	<b>-72.0%</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 403,419,552</b>	<b>\$ 389,649,573</b>	<b>\$ 13,769,979</b>	<b>3.5%</b>
Current Liabilities	\$ 30,221,440	\$ 19,493,843	\$ 10,727,597	55.0%
Long-Term Debt/Payables	99,957,947	97,681,908	2,276,039	2.3%
Other Non-Current Liabilities	7,149,288	7,458,848	(309,560)	-4.2%
Non Current Liabilities	107,107,235	105,140,756	1,966,479	1.9%
<b>Total Liabilities</b>	<b>137,328,675</b>	<b>124,634,599</b>	<b>12,694,076</b>	<b>10.2%</b>
<b>Deferred Inflows</b>	<b>1,323,202</b>	<b>4,296,651</b>	<b>(2,973,449)</b>	<b>-69.2%</b>
Net Position				
Net Invested in Capital Assets	231,418,986	229,716,520	1,702,466	0.7%
Unrestricted	33,348,689	31,001,803	2,346,886	7.6%
<b>Total Net Position</b>	<b>264,767,675</b>	<b>260,718,323</b>	<b>4,049,352</b>	<b>1.6%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 403,419,552</b>	<b>\$ 389,649,573</b>	<b>\$ 13,769,979</b>	<b>3.5%</b>

## District Assets



## Current Assets

Current Assets increased \$321k (0.6%) in 2023. Cash related items (including the Interfund Payable and Trustee Held Funds) decreased \$1.63 million while Inventory rose \$1.45 million due to the addition of pipe for future capital projects and general commodity price increases.

## Net Capital Assets

Net Capital Assets increased \$17.8 million (5.3%):

	Additions	Reductions	Net Change
Operating Property	\$ 19,673,981	\$ (1,047,027)	\$ 18,626,954
Construction Work in Progress	16,664,906	(5,705,438)	10,959,468
Right to use Lease Assets (Net)	113,417	-	113,417
Allowance for Depreciation	(12,562,834)	642,744	(11,920,090)
	<u>\$ 23,889,470</u>	<u>\$ (6,109,721)</u>	<u>\$ 17,779,749</u>

The major additions to Utility Property for 2023 included:

- \$10.67 million in water infrastructure (mains, services, hydrants & meters).
- \$5.42 million in wastewater treatment plant structures and equipment.
- \$1.26 million in wastewater pump station structures and equipment.

Construction Work in Progress increased by \$10.96 million in 2023. There were large increases for North Windham Wastewater Treatment (WWTF) (\$6.13 million) as well as the East End WWTF Clarifier (\$2.53), Westbrook Regional WWTF aeration (\$1.67 million), and Windham Water Tank (\$1.48 million). These were somewhat offset by the completion of work on the East End WWTF power project (\$4.19 million)

The Allowance for Depreciation grew 4.5% (\$11.92 million) in 2023. That change was in line with prior years.

For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Capital Assets.

## Other Assets

The District's Other Assets, which decreased 5.1% (\$77.4k) in 2023, involves Lease and Notes Receivable. There were no new leases or notes in 2023. The decrease was due to the amortization of Lease Receivables and the paydown of Notes Receivables balance. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Leases and Notes Receivable.

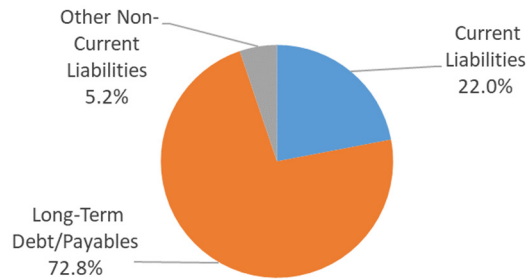
## Deferred Outflows

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

In 2023, Deferred Outflows decreased \$4.25 million (72.0%). Almost all of the decline was from the portion of the Deferred Outflows relating to the pension. This was primarily due to a sharp rise in the fair value of plan assets that reduced the District's net pension liability by 51.6%. The portion of the Deferred Outflows related to bond refunding decreased \$15.1k due to the annual amortization.

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

## District Liabilities



## Current Liabilities

Description	2023	2022	Diff	Diff %
Accounts Payable & Accrued Payroll	\$ 9,220,846	\$ 5,935,336	\$ 3,285,510	55.4%
Accrued Interest	519,709	457,550	62,159	13.6%
Customer Deposits	461,844	472,163	(10,319)	-2.2%
Construction Retainage	888,663	891,559	(2,896)	-0.3%
Interfund Payable	5,371,427	742,563	4,628,864	623.4%
Notes Payable	2,010,380	-	2,010,380	n/a
Current Portion - Long-Term Debt	10,515,721	9,954,846	560,875	5.6%
All Other Current Liabilities	1,232,850	1,039,826	193,024	18.6%
	<u>\$ 30,221,440</u>	<u>\$ 19,493,843</u>	<u>\$ 10,727,597</u>	55.0%

Current Liabilities increased 55.0%. The increase (\$4.63 million) in the Interfund Payable in the Windham Wastewater was due to internal funding used to pay for project costs. The bulk of this funding will be replaced by external sources during 2024. The rise in Accounts Payable & Accrued Payroll represented capital expenditures from 2023 expenses billed by vendors in 2024.

## Long-Term Debt/Bond Rating

In 2023, the District issued bonds directly to the market for Water. Moody's assigned a rating of Aa3 while Standard & Poor's (S&P) rated the debt AA.

## Long-Term Debt/Payables

<b>Bonded Debt:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Water	\$ 58,717,198	\$ 16,555,000	\$ (20,000)	\$ (10,398,112)	\$ 64,854,086
Wastewater:					
Cape Elizabeth	4,253,600	-	-	(306,500)	3,947,100
Cumberland	25,000	-	-	(6,250)	18,750
Falmouth	3,370,000	-	-	(238,000)	3,132,000
Gorham	4,362,956	-	-	(427,498)	3,935,458
Portland	25,796,712	710,000	-	(2,149,941)	24,356,771
Westbrook	9,627,342	-	-	(725,316)	8,902,026
Windham	1,417,745	-	-	(143,228)	1,274,517
Total Bonded Debt	107,570,553	17,265,000	(20,000)	(14,394,845)	110,420,708
(Less: current portion)	(9,954,846)				(10,515,721)
Non-Current	<u>\$ 97,615,707</u>				<u>\$ 99,904,987</u>
<b>Notes Payable:</b>	<b>Beginning</b>	<b>Issued</b>	<b>Forgiven</b>	<b>Retired</b>	<b>Ending</b>
Wastewater:					
Windham	\$ 79,440	\$ 1,997,140	\$ -	\$ (13,240)	\$ 2,063,340
Total Notes Payable	79,440			(13,240)	2,063,340
(Less: current portion)	(13,240)				(2,010,380)
Non-Current	<u>66,200</u>				<u>52,960</u>
Non-Current LT Debt	<u>\$ 97,681,907</u>				<u>\$ 99,957,947</u>

This category consists of general revenue bonds and notes payable. The "Issued" and "Retired" totals for the Water Fund above include \$4.4 million for a refunding bond that was issued and paid off older debt. For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Long-Term Debt.

## Other Non-Current Liabilities

	<b>2023</b>	<b>2022</b>	<b>Diff</b>	<b>Diff %</b>
Customer Advances & Other Liabilities	\$ 5,395,441	\$ 4,281,239	\$ 1,114,202	26.0%
Compensated Absences - Non Current	604,817	696,052	(91,235)	-13.1%
Lease Liability - Non-Current	160,119	170,162	(10,043)	-5.9%
SBITA Liability - Non-Current	65,051	-	65,051	n/a
Net Pension Liability	929,216	2,311,395	(1,382,179)	-59.8%
	<u>\$ 7,154,644</u>	<u>\$ 7,458,848</u>	<u>\$ (304,204)</u>	-4.1%

Other Non-Current Liabilities were down \$304k (4.1%). Customer Advances and Other Liabilities increased 26.0% (\$1.11 million) due to increases in both unamortized bond premiums generated by new bond issues. The Net Pension Liability decreased \$1.38 million (59.8%) primarily due to the rise in the value of plan assets. For detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Pension Plans.

## Deferred Inflows

Deferred Inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In 2022, Deferred Inflows relating to pension were \$2.88 million, in 2023 they were zero. As with the pension Deferred Outflows, this change was due to the 51.6% decline in the District's net pension liability. The Deferred inflows related to leases declined 6.4% (\$90.0k). For more detailed information, please refer to the Notes to the Financial Statements – Note 3 – Detailed Notes on All Funds – Pension Plans and – Note 3 – Detailed Notes on All Funds – Leases – District as Lessor.

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

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Operating Revenue	\$ 54,060,783	\$ 50,373,981	\$ 3,686,802	7.3%
Non-Operating Revenue	7,032,136	1,870,591	5,161,545	275.9%
Total Revenues	61,092,919	52,244,572	8,848,347	16.9%
Operating Expense	51,468,322	41,998,321	9,470,001	22.5%
Non-Operating Expense	7,064,260	3,930,438	3,133,822	79.7%
Total Expenses	58,532,582	45,928,759	12,603,823	27.4%
Change in Net Position before Capital				
Contribution	2,560,337	6,315,813	(3,755,476)	-59.5%
Capital Contributions	1,489,015	2,330,472	(841,457)	-36.1%
Change in Net Position	4,049,352	8,646,285	(4,596,933)	-53.2%
Beginning Net Position	260,718,323	252,072,038	8,646,285	3.4%
Ending Net Position	<u>\$ 264,767,675</u>	<u>\$ 260,718,323</u>	<u>\$ 4,049,352</u>	1.6%

Note: In 2023 the District started reporting pass-through grant revenue and expense as non-operating, in 2022 it had been in operating revenue and expense. The 2022 totals have been updated from what had been previously reported to make the totals comparable.

## Operating Revenue

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Metered Water Revenue	\$ 25,080,506	\$ 24,951,037	\$ 129,469	0.5%
Wastewater Assessments	25,403,484	22,036,993	3,366,491	15.3%
Public & Private Fire Protection	3,010,925	2,829,641	181,284	6.4%
Other Operating Revenue	565,868	556,310	9,558	1.7%
Total Operating Revenue	<u>\$ 54,060,783</u>	<u>\$ 50,373,981</u>	<u>\$ 3,686,802</u>	7.3%

Metered Water Revenue (\$25.08 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 were increased an average of 5.6% in January 2023. Consumption in 2023 was 8.06 million HCF, a decrease of 8.7% from the previous year. The lower consumption primarily due to cool, wet summer weather dampened consumption.

## Operating Revenue - Continued

Wastewater Assessments (\$25.40 million) – These assessments were paid by the local municipalities to the District for providing wastewater services, such as interception, collection, treatment, and contracted billing and system maintenance services. The District’s Board of Trustees sets assessments annually. Assessments were increased in five (5) of the seven (7) wastewater funds mostly due to capital projects.

Public and Private Fire Protection (\$3.01 million) – This revenue includes charges to local municipalities for water capacity available for public firefighting needs, as well as for private sprinkler systems. The District’s Board of Trustees sets these rates. A 5% rate increase was put in place in January 2023, this was primarily the reason for the 6.4% increase in 2023.

Other Operating Revenue (\$0.56 million) – Revenue in this category includes charges to septage haulers for dumping at wastewater treatment facilities (\$320k), fees in the Water Fund for new customers (\$74k) and activations for customers whose service had been turned off due to delinquent bills (\$72k).

## Operating Revenue by Fund

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 28,282,143	\$ 27,933,406	\$ 348,737	1.2%
Wastewater:				
Cape Elizabeth	2,300,004	2,061,612	238,392	11.6%
Cumberland	1,184,904	1,005,600	179,304	17.8%
Falmouth	314,112	314,112	-	0.0%
Gorham	1,566,816	1,313,133	253,683	19.3%
Portland	16,118,464	13,998,312	2,120,152	15.1%
Westbrook	3,778,532	3,229,386	549,146	17.0%
Windham	515,808	518,420	(2,612)	-0.5%
	<u>\$ 54,060,783</u>	<u>\$ 50,373,981</u>	<u>\$ 3,686,802</u>	7.3%

For the Water Fund, Operating Revenue primarily consists of metered water and fire protection services. Metered Water sales grew \$129,469 (0.5%) due to higher rates but lower metered consumption due to a rainy year and fire protection revenue was up \$181,285 (6.4%).

In the Wastewater (WW) Funds, the largest component of Operating Revenue are the wastewater assessments. Assessment increases in 2023 were: Cape Elizabeth 11.6%, Cumberland 17.8%, Gorham 19.3%, Portland 15.7%, and Westbrook 17.3%. Windham had a slight decrease in assessment. Portland also receives revenue from septage haulers. In 2023, septage revenue was \$319,720, down \$27,560 (7.9%) from the previous year.

## Non-Operating Revenue

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Interest Income	\$ 1,496,136	\$ 323,942	\$ 1,172,194	361.9%
Investments unrealized gain	722,516	-	722,516	n/a
Miscellaneous Income	1,059,191	580,264	478,927	82.5%
Pass-through grant revenue	3,754,293	966,385	2,787,908	288.5%
	<u>\$ 7,032,136</u>	<u>\$ 1,870,591</u>	<u>\$ 5,161,545</u>	275.9%

## Non-Operating Revenue - Continued

Interest Income increased \$1.17mil (362%) in 2023. The increase in 2023 can be attributed to higher rates of return. The principal objective of the District's investment policy is safety while attaining an appropriate rate of return.

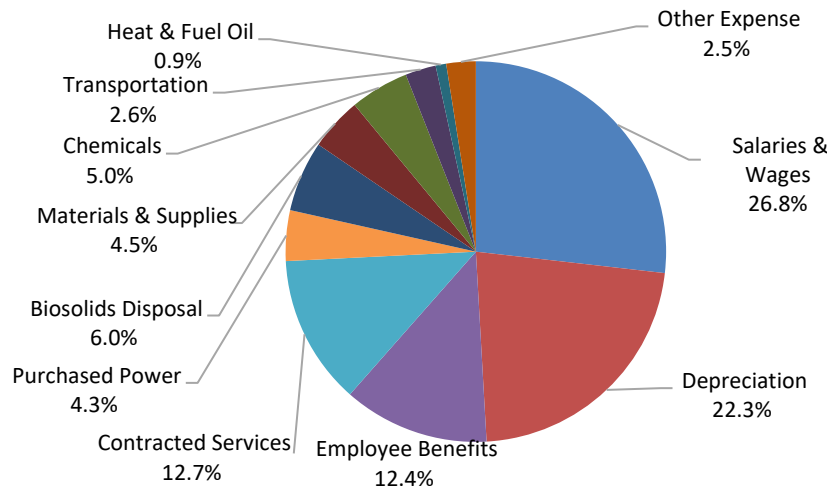
Due to the market, the fair value of investments held by PWD increased resulting in an unrealized gain of \$722,516 in 2023 compared to an unrealized loss of \$460,016 in 2022. The District's intention is to hold these investments to maturity and not realize a loss.

Miscellaneous Income includes non-operational items: payments for easements (\$275,000), lease related income (\$121,662) and income related to net energy billing credits (\$499,832). The increase in 2023 was mostly related to the growth in energy billing credits and easement income.

Pass-through grant revenue, which has an equal non-operating expense line below and has no effect on the bottom line, was up \$2.79 million from last year.

## Operating Expense

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Salaries & Wages	\$ 13,803,170	\$ 12,981,196	\$ 821,974	6.3%
Depreciation	11,487,834	11,188,872	298,962	2.7%
Employee Benefits (Pension)	1,497,431	(4,134,192)	5,631,623	-136.2%
Employee Benefits	4,909,422	4,716,899	192,523	4.1%
Contracted Services	6,552,602	5,562,538	990,064	17.8%
Purchased Power	2,222,802	2,000,182	222,620	11.1%
Biosolids Disposal	3,104,922	2,411,502	693,420	28.8%
Materials & Supplies	2,291,628	2,274,136	17,493	0.8%
Chemicals	2,556,126	1,906,577	649,549	34.1%
Transportation	1,329,518	1,284,254	45,264	3.5%
Heat & Fuel Oil	440,682	429,977	10,705	2.5%
Other Expense	1,272,185	1,376,380	(104,195)	-7.6%
	<u>\$ 51,468,322</u>	<u>\$ 41,998,321</u>	<u>\$ 9,470,001</u>	<u>22.5%</u>



## Operating Expense Category Explanations

Salaries & Wages - Salaries and Wages expense increased by \$821,974 or 6.3%. Wage rates were increased an average of 5% and overtime hours were higher by 10%.

Depreciation Expense - This expense increased \$298,962 or 2.7%. Most of the increase comes from additions to the Water fund, such as new and renewed water mains and services.

Employee Benefits (Pension) - Pension expense is equal to the change in the net pension liability and the associated deferred outflows and inflows as calculated by the annual actuary study. The change between 2022 and 2023 was an increase of \$5.63 million.

Employee Benefits - This expense increased \$192,523 or 4.1%. Health insurance costs were relatively flat, FICA taxes were \$74,664 higher along with higher matching 457 retirement plan contributions by \$111,050.

Contracted Services - This category which is comprised of services provided to the District by outside vendors, has increased by \$990,064 or 17.8%. During 2023, there was a 20% rise the per unit cost of paving. In addition, there was an increase in the volume of repair and maintenance costs on District infrastructure.

Purchased Power - Power costs increased \$222,620 or 11.1% in 2023. Small and medium accounts had both increased T&D rates and usage. Renewable energy costs increased \$113,246 however, renewable energy revenue increased \$283,630 netting \$170,384.

Biosolids Disposal - The District contracts with an outside vendor to remove and dispose of biosolids from its wastewater treatment facilities. In total, biosolids expense was higher by \$693,420 or 28.8% which is due to a price per unit increase of 28%, combined with a relatively flat change in units hauled.

Materials & Supplies - Materials and supplies have increased by \$17,492 or 0.8%. Expenses in this group include parts and supplies purchased directly from outside vendors or items drawn out of the District's inventory stockroom. This expense is made up of thousands of individual purchases and stock issuances: the annual expense varies depending on the volume and types of repairs/maintenance being performed.

Transportation - Transportation costs, which were up \$45,264 or 3.5% 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. Vehicle maintenance, fuel and associated supplies were higher in 2023.

Heating & Fuel Oil - The expense in this area was up \$10,705 or 2.5%. The cost of fuels relating to heating facilities rose 4.3% while fuel for vehicles went down 20%.

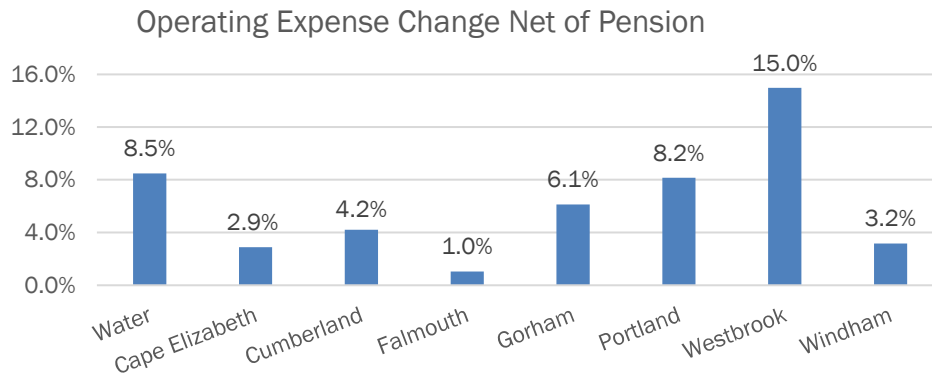
Chemicals - In total, chemicals have increased by \$649,549 or 34.1%. All but one chemical has been impacted by inflationary factors, including transportation costs. Sodium hypochlorite (used to disinfect) had a price increase of 60% and sodium bisulfite (used to dechlorinate) had a price increase of 30% and usage increase of 87%.

Other Expense - This category has decreased by \$104,195 or 7.6%. Our allowance for bad debt was lowered \$150,000 as the higher past due issues from the pandemic have ceased.

## Operating Expense by Fund

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Water	\$ 26,727,434	\$ 21,134,942	\$ 5,592,492	26.5%
Wastewater:				
Cape Elizabeth	2,109,503	1,837,144	272,359	14.8%
Cumberland	1,388,533	1,253,851	134,682	10.7%
Falmouth	176,706	174,878	1,828	1.0%
Gorham	1,405,338	1,210,953	194,385	16.1%
Portland	15,730,723	13,255,480	2,475,243	18.7%
Westbrook	3,617,452	2,870,847	746,605	26.0%
Windham	312,633	260,226	52,407	20.1%
	<u>\$ 51,468,322</u>	<u>\$ 41,998,321</u>	<u>\$ 9,470,001</u>	22.5%

Pension expenses (which are included above) were \$5.63 million higher in 2023 than the previous year. The Operating Expense by Fund without the pension decrease was:



Water Fund (8.5% or \$2.01 million) – Higher allocated costs (mostly labor & benefits) of \$237,590, direct labor & benefits (\$1,110,815), chemicals (\$235,972) and contracted services (\$562,712) contributed to the increase in this fund.

Cape Elizabeth (2.9% or \$57,445) – Cape Elizabeth had higher allocated costs (mostly labor & benefits) of \$52,253, mostly general wastewater costs and higher purchased power of \$16,581.

Cumberland (4.2% or \$55,123) – A portion of the 2023 increase was related to the \$19,877 increase in the assessment by the Town of Falmouth to support improvements at their facility that provides wastewater treatment services to Cumberland. Contracted services (\$14,999) and materials & supplies (\$10,226) were also higher.

Falmouth (1.0% or \$1,828) – Falmouth’s increase in expenses was mostly due to the higher labor costs the District experienced during 2023.

Gorham (6.1% or \$79,183) – Costs related to wastewater treatment were up \$76,992 in 2023 due to higher costs of chemicals, biosolids disposal, maintenance and labor. Costs allocated to the fund (primarily labor) increased \$41,959.

## Operating Expense by Fund - Continued

Portland (8.2% or \$1.16 million) – The fund’s wastewater treatment expenses increased in chemicals (\$291,623), maintenance/repairs (\$434,044) and biosolids disposal (\$533,038).

Westbrook (15.0% or \$460,235) – Higher expenses in 2023 included treatment chemicals (\$101,440), biosolids disposal (\$166,288) and maintenance costs (\$126,901).

Windham (3.2% or \$9,191) – This fund had a quiet year with very few mechanical breakdowns for maintenance needs.

## Non-Operating Expense

Interest/Amortization Expense increased 24% due to higher interest rates and an increase in bonds outstanding of \$2.85 million. The Loss on Sale/Retirement recognizes the retirement of long-term assets that had not yet been fully depreciated, in 2023 the expense was \$239,669 higher than previous year.

Investments had an unrealized gain and has been moved to non-operating revenue.

Pass-through grant expense has an equal grant revenue above with zero effect on the bottom line. This year increased \$2.79 million from 2022.

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Interest/Amortization Expense	\$ 2,927,054	\$ 2,360,793	\$ 566,261	24.0%
Investments unrealized loss	-	460,016	(460,016)	-100.0%
Pass-through grant expense	3,754,293	966,385	2,787,908	288.5%
Loss on Sale/Retirement	382,913	143,244	239,669	167.3%
	<u>\$ 7,064,260</u>	<u>\$ 3,930,438</u>	<u>\$ 3,133,822</u>	79.7%

## Contributions

Contributions are non-exchange transactions in which the District takes ownership of fixed assets constructed and/or paid for by outside parties. Water contributions for mains, services, meters and hydrants occur as developers install water infrastructure each year. The 2022 Gorham Wastewater contribution was for sewer interceptors and collectors. The 2022 contribution in Portland Wastewater was for the replacement of a force main on Baxter Blvd.

	<u>2023</u>	<u>2022</u>	<u>Diff</u>	<u>Diff %</u>
Water Distribution Mains	\$ 963,464	\$ 1,134,336	\$ (170,872)	-15.1%
Water Services	218,717	225,714	(6,997)	-3.1%
Water Meters	218,834	134,080	84,754	63.2%
Hydrants	68,000	152,342	(84,342)	-55.4%
Other Water Assets	20,000	-	20,000	n/a
Wastewater - Gorham	-	284,000	(284,000)	-100.0%
Wastewater - Portland	-	400,000	(400,000)	n/a
	<u>\$ 1,489,015</u>	<u>\$ 2,330,472</u>	<u>\$ (841,457)</u>	-36.1%

# Overall Financial Position

To determine the change in the District's financial position in the past year, we have focused on two elements: Financial Ratios and Revenue Stability.

## Financial Ratios

### Current Ratio by Fund

The Current Ratio measures an organization's ability to meet short-term obligations.

	<u>2023</u>	<u>2022</u>
Water	2.47	2.76
Wastewater:		
Cape Elizabeth	2.44	2.11
Cumberland	1.67	1.89
Falmouth	0.20	0.15
Gorham	0.38	1.36
Portland	2.26	2.92
Westbrook	1.98	3.17
Windham	0.00	0.00
All Funds Combined	1.66	2.56

The Gorham, Westbrook and Windham Wastewater funds had large Construction Work in Progress (CWIP) balances at the end of 2023 related the Westbrook Region Wastewater Treatment Facility (WWTF) as the aeration project neared completion. In addition, Windham has a large CWIP balance relating to the North Windham WWTF. The Falmouth fund is almost entirely made up of the Mill Creek pump station and the related debt. The next year's bond principal payment is the majority of the current liability. The Town of Falmouth is legally obligated to fund the payment of the debt payments that they do through the next year's assessment.

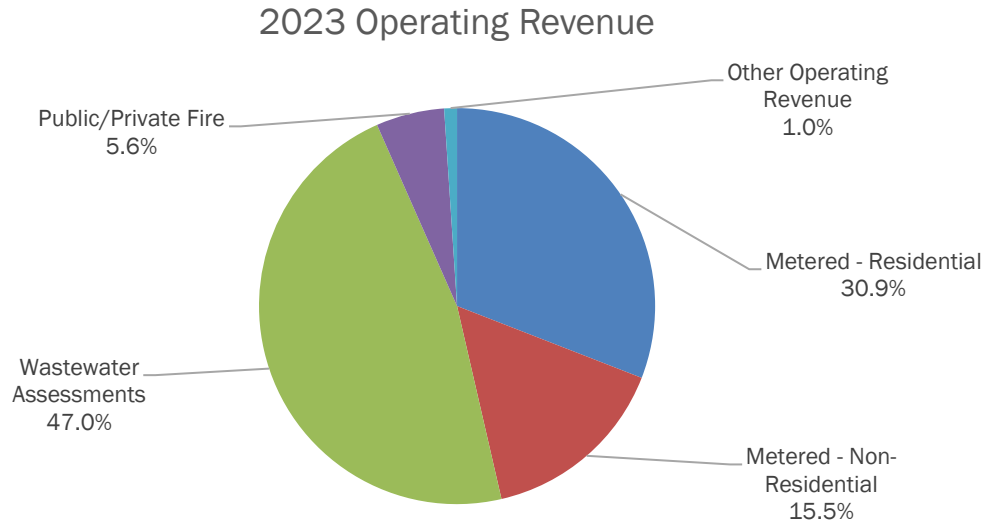
### Debt Coverage Ratio by Fund

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

	<u>2023</u>	<u>2022</u>
Water	1.29	2.02
Wastewater:		
Cape Elizabeth	1.70	1.86
Cumberland	1.15	0.90
Falmouth	1.04	1.03
Gorham	1.30	1.11
Portland	1.84	1.88
Westbrook	1.12	1.69
Windham	1.10	2.56
All Funds Combined	1.39	1.88

## Revenue Stability

Most of the District's Operating Revenue (99.0% in 2023), not including the revenue related to the watershed grant, came from three sources: Metered Water Revenue, Wastewater Assessments, and Public/Private Fire Protection charges.



Metered Water Revenue (46.4%) – Metered water rates are set by the District's Board of Trustees. These rate changes allow the District to maintain operations and pay debt service. The District had 54,852 metered customers at the end of 2023; historically, and the largest ten customers represent less than 10% of total water revenues.

Wastewater Assessments (47%) – These assessments are paid by the local municipalities served by the District and are funded by sewer user charges. Legally, the District is obligated to set the assessments at an amount needed to operate the wastewater facilities and pay the related debt service.

Public/Private Fire Projection (5.6%) – Public Fire charges are paid by the eleven municipalities served by the District; Private Fire has 2,666 customers.

## Significant Changes to Individual Funds

### Pension Trust Funds

#### Statements of Net Position

	2023	2022	Diff
<b>Bargaining Unit:</b>			
Cash and cash equivalents	\$ 231,730	\$ 323,149	\$ (91,419)
Investments			
Equity Mutual Funds	13,875,882	8,829,220	5,046,662
Common Stock	1,404,685	3,820,640	(2,415,955)
Fixed Income Mutual Funds	0	561,029	(561,029)
	<u>15,280,567</u>	<u>13,210,889</u>	<u>2,069,678</u>
Interest Receivable	187	(32,583)	32,770
Total Assets	<u><u>\$ 15,512,484</u></u>	<u><u>\$ 13,501,455</u></u>	<u><u>\$ 2,011,029</u></u>
<b>Non-Bargaining Unit:</b>			
Cash and cash equivalents	\$ 221,286	\$ 279,996	\$ (58,710)
Investments			
Equity Mutual Funds	12,119,333	7,582,742	4,536,591
Common Stock	1,225,923	3,517,714	(2,291,791)
Fixed Income Mutual Funds	0	468,074	(468,074)
	<u>13,345,256</u>	<u>11,568,530</u>	<u>1,776,726</u>
Interest Receivable	189	(31,250)	31,439
Total Assets	<u><u>\$ 13,566,731</u></u>	<u><u>\$ 11,817,276</u></u>	<u><u>\$ 1,749,455</u></u>

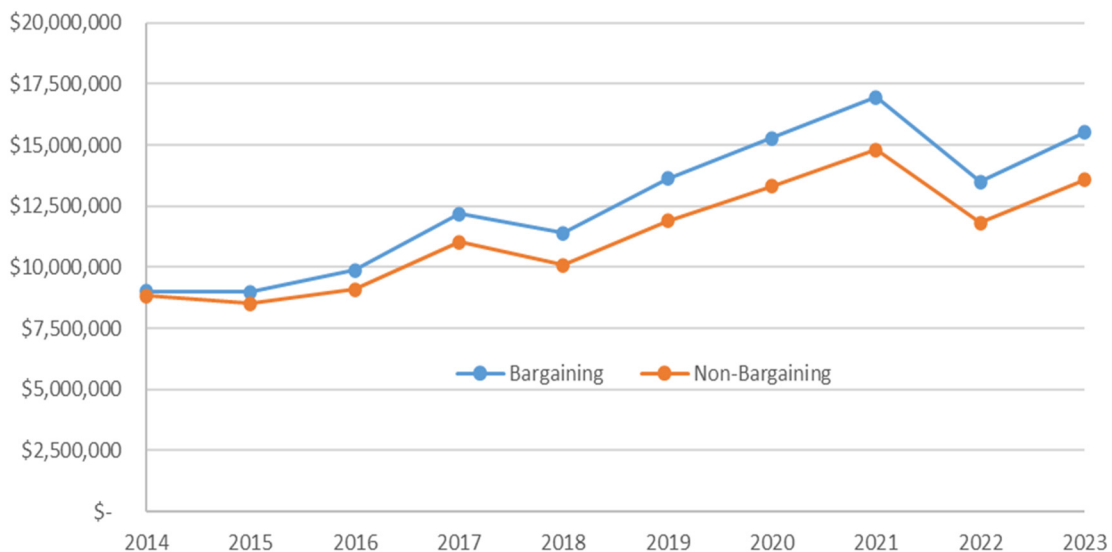
#### Statements of Revenues, Expenses & Changes in Net Position

	2023	2022	Diff
<b>Bargaining Unit:</b>			
Employer Contributions	\$ 858,468	\$ 368,518	\$ 489,950
Net Investment Income (Loss)	2,300,444	(2,880,589)	5,181,033
Total Additions (Subtraction)	<u>3,158,912</u>	<u>(2,512,071)</u>	<u>5,670,983</u>
Benefit Payments & Fees	1,147,883	960,370	187,513
Net Increase (Decrease) in Position	2,011,029	(3,472,441)	5,483,470
Beginning Year	13,501,455	16,973,896	(3,472,441)
Ending Year	<u><u>\$ 15,512,484</u></u>	<u><u>\$ 13,501,455</u></u>	<u><u>\$ 2,011,029</u></u>
<b>Non-Bargaining Unit:</b>			
Employer Contributions	\$ 666,341	\$ 330,113	\$ 336,228
Net Investment Income (Loss)	2,011,269	(2,528,718)	4,539,987
Total Additions (Subtraction)	<u>2,677,610</u>	<u>(2,198,605)</u>	<u>4,876,215</u>
Benefit Payments & Fees	928,155	788,536	139,619
Net Increase (Decrease) in Position	1,749,455	(2,987,141)	4,736,596
Beginning Year	11,817,276	14,804,417	(2,987,141)
Ending Year	<u><u>\$ 13,566,731</u></u>	<u><u>\$ 11,817,276</u></u>	<u><u>\$ 1,749,455</u></u>

## Statements of Revenues, Expenses & Changes in Net Position - Continued

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

	<u>Bargaining</u>	<u>Diff</u>	<u>Diff %</u>	<u>Non-Bargaining</u>	<u>Diff</u>	<u>Diff %</u>
2014	\$ 9,017,043	\$ 371,497	4.3%	\$ 8,823,096	\$ 211,834	2.5%
2015	8,988,517	(28,526)	-0.3%	8,514,202	(308,894)	-3.5%
2016	9,869,559	881,042	9.8%	9,096,188	581,986	6.8%
2017	12,176,397	2,306,838	23.4%	11,018,376	1,922,188	21.1%
2018	11,404,562	(771,835)	-6.3%	10,099,126	(919,250)	-8.3%
2019	13,616,153	1,439,756	11.8%	11,890,461	872,085	7.9%
2020	15,274,494	1,658,341	12.2%	13,318,435	1,427,974	12.0%
2021	16,973,895	1,699,401	11.1%	14,804,417	1,485,982	11.2%
2022	13,501,455	(3,472,440)	-20.5%	11,817,276	(2,987,141)	-20.2%
2023	15,512,484	2,011,029	14.9%	13,566,731	1,749,455	14.8%



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

### Request for Information

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

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## Statement of Net Position - Proprietary Funds

December 31, 2023

## ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Assets</b>			
Cash and cash equivalents	\$ 5,201,286	\$ 428,157	\$ 162,971
Investments	16,561,967	1,363,680	519,062
Accounts receivable, net allowance for doubtful accounts of \$181,249 for water systems	3,708,975	-	-
Notes receivable, current	-	-	-
Interfund receivable	5,371,427	-	-
Lease receivable	64,176	-	-
Inventories	3,985,350	-	-
Prepaid expenses	557,582	7,932	-
Trustee held funds	-	-	-
<b>Total Current Assets</b>	<b>35,450,763</b>	<b>1,799,769</b>	<b>682,033</b>
<b>Non-Current Assets</b>			
<b>Capital Assets</b>			
Operating property	390,086,945	19,150,925	9,480,036
Assets-Utility Property-Allowance for Depreciation	(148,540,814)	(13,542,504)	(6,130,378)
Net operating property	241,546,131	5,608,421	3,349,658
Right to Use Lease Assets	82,163	126,123	-
Accumulated Amortization - Lease Assets	(32,845)	(14,014)	-
	49,318	112,109	-
Right to Use SBITA Assets	190,213	-	-
Accumulated Amortization - SBITA Assets	(63,404)	-	-
	126,809	-	-
Construction in progress	3,348,877	75,536	23,800
<b>Net Capital Assets</b>	<b>245,071,135</b>	<b>5,796,066</b>	<b>3,373,458</b>
<b>Charges and Other Assets</b>			
Notes receivable	-	-	-
Lease receivable	1,386,644	-	-
<b>Total Charges &amp; Other Assets</b>	<b>1,386,644</b>	<b>-</b>	<b>-</b>
<b>Total Non-Current Assets</b>	<b>246,457,779</b>	<b>5,796,066</b>	<b>3,373,458</b>
<b>Total Assets</b>	<b>281,908,542</b>	<b>7,595,835</b>	<b>4,055,491</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of pension resources	1,017,042	66,180	26,308
Deferred outflows on bond refunding	16,000	-	-
	1,033,042	66,180	26,308
<b>Total Assets and Deferred Outflows</b>	<b>\$ 282,941,584</b>	<b>\$ 7,662,015</b>	<b>\$ 4,081,799</b>

See Independent Auditor's Report. The accompanying

**Wastewater Funds**

	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$	12,812	\$ 54,116	\$ 2,139,625	\$ 646,662	\$ -	\$ 8,645,629
	40,803	172,359	6,814,713	1,727,086	-	27,199,670
	-	-	50,460	2,182	-	3,761,617
	-	-	-	13,240	-	13,240
	-	-	-	-	-	5,371,427
	-	-	-	-	-	64,176
	-	-	-	-	-	3,985,350
	-	5,356	141,396	30,843	739	743,848
	-	-	429,829	-	-	429,829
	53,615	231,831	9,576,023	2,420,013	739	50,214,786
	5,743,834	18,869,875	126,128,378	23,374,626	3,921,316	596,755,935
	(995,008)	(10,814,978)	(78,790,152)	(15,554,631)	(1,510,468)	(275,878,933)
	4,748,826	8,054,897	47,338,226	7,819,995	2,410,848	320,877,002
	-	-	-	-	-	208,286
	-	-	-	-	-	(46,859)
	-	-	-	-	-	161,427
	-	-	-	-	-	190,213
	-	-	-	-	-	(63,404)
	-	-	-	-	-	126,809
	-	3,698,505	4,400,160	8,266,573	9,136,407	28,949,858
	4,748,826	11,753,402	51,738,386	16,086,568	11,547,255	350,115,096
	-	-	-	52,960	-	52,960
	-	-	-	-	-	1,386,644
	-	-	-	52,960	-	1,439,604
	4,748,826	11,753,402	51,738,386	16,139,528	11,547,255	351,554,700
	4,802,441	11,985,233	61,314,409	18,559,541	11,547,994	401,769,486
	-	37,583	379,103	92,816	15,034	1,634,066
	-	-	-	-	-	16,000
	-	37,583	379,103	92,816	15,034	1,650,066
\$	4,802,441	\$ 12,022,816	\$ 61,693,512	\$ 18,652,357	\$ 11,563,028	\$ 403,419,552

notes are an integral part of these financial statements.

**Statement of Net Position - Proprietary Funds - Continued**

**December 31, 2023**

**LIABILITIES, DEFERRED INFLOWS, AND NET POSITION**

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Current Liabilities</b>			
Accounts payable and accrued payroll	\$ 5,323,419	\$ 417,397	\$ 403,314
Accrued interest	378,596	11,617	22
Customer deposits	461,844	-	-
Construction retainage	270,453	-	-
Interfund payable	-	-	-
Lease liabilities	8,676	1,366	-
SBITA liability	63,391	-	-
Compensated absences	1,154,061	-	-
Notes payable	-	-	-
Bonds	6,658,480	306,500	6,250
<b>Total Current Liabilities</b>	<b>14,318,920</b>	<b>736,880</b>	<b>409,586</b>
<b>Non-Current Liabilities</b>			
Customer advances and other liabilities	5,209,493	-	-
Compensated absences	604,817	-	-
Lease liabilities	42,367	117,752	-
SBITA liability	65,051	-	-
Net pension liability	578,344	37,634	14,960
Total other non-current liabilities	6,500,072	155,386	14,960
Long-term debt - notes payable	-	-	-
Long-term debt - bonds	58,195,606	3,640,600	12,500
Total long-term debt - notes and bonds	58,195,606	3,640,600	12,500
<b>Total Non-Current Liabilities</b>	<b>64,695,678</b>	<b>3,795,986</b>	<b>27,460</b>
<b>Total Liabilities</b>	<b>79,014,598</b>	<b>4,532,866</b>	<b>437,046</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of leases	1,323,202	-	-
	1,323,202	-	-
<b>Net Position</b>			
Invested in capital assets	182,908,903	1,724,848	3,334,708
Unrestricted	19,694,881	1,404,301	310,045
<b>Total Net Position</b>	<b>202,603,784</b>	<b>3,129,149</b>	<b>3,644,753</b>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b>\$ 282,941,584</b>	<b>\$ 7,662,015</b>	<b>\$ 4,081,799</b>

See Independent Auditor's Report. The accompanying notes are an integral part of these financial statements.

**Wastewater Funds**

<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ 24,633	\$ 117,060	\$ 1,991,749	\$ 359,408	\$ 583,866	\$ 9,220,846
5,220	10,201	58,185	21,342	34,526	519,709
-	-	-	-	-	461,844
-	59,558	163,016	128,785	266,851	888,663
-	-	-	-	5,371,427	5,371,427
-	-	-	-	-	10,042
-	-	-	-	-	63,391
-	-	-	-	-	1,154,061
-	-	-	-	2,010,380	2,010,380
238,000	423,919	2,027,491	712,295	142,786	10,515,721
267,853	610,738	4,240,441	1,221,830	8,409,836	30,216,084
-	-	69,799	116,149	-	5,395,441
-	-	-	-	-	604,817
-	-	-	-	-	160,119
-	-	-	-	-	65,051
-	21,372	215,578	52,779	8,549	929,216
-	21,372	285,377	168,928	8,549	7,154,644
-	-	-	-	52,960	52,960
2,894,000	3,511,539	22,329,280	8,189,731	1,131,731	99,904,987
2,894,000	3,511,539	22,329,280	8,189,731	1,184,691	99,957,947
2,894,000	3,532,911	22,614,657	8,358,659	1,193,240	107,112,591
3,161,853	4,143,649	26,855,098	9,580,489	9,603,076	137,328,675
-	-	-	-	-	1,323,202
-	-	-	-	-	1,323,202
1,616,826	7,552,016	26,872,541	6,620,870	788,274	231,418,986
23,762	327,151	7,965,873	2,450,998	1,171,678	33,348,689
1,640,588	7,879,167	34,838,414	9,071,868	1,959,952	264,767,675
\$ 4,802,441	\$ 12,022,816	\$ 61,693,512	\$ 18,652,357	\$ 11,563,028	\$ 403,419,552

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

Year Ended December 31, 2023

	<b>Water Systems</b>	<b>Cape Elizabeth</b>	<b>Cumberland</b>
<b>Operating Revenues</b>			
Water revenues	\$ 28,091,431	\$ -	\$ -
Wastewater assessments	-	2,300,004	1,184,904
Other operating revenues	190,712	-	-
Total Operating Revenues	<u>28,282,143</u>	<u>2,300,004</u>	<u>1,184,904</u>
<b>Operating Expenses</b>			
Operations & Maintenance	15,950,973	1,162,572	963,542
Customer accounting and collections	1,029,819	35,571	18,013
Administrative and general	3,299,080	539,738	211,713
Taxes on operating property	61,894	-	-
Depreciation not allocated elsewhere	6,385,668	371,622	195,265
Total Operating Expenses	<u>26,727,434</u>	<u>2,109,503</u>	<u>1,388,533</u>
<b>Operating Income (Loss)</b>	1,554,709	190,501	(203,629)
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	907,755	56,166	23,558
Investments unrealized gain/loss	413,885	30,297	13,437
Miscellaneous	396,871	25,841	8,397
Pass-through grant revenue	3,754,293	-	-
Pass-through grant expense	(3,754,293)	-	-
Loss on sale/disposal of operating property	(382,913)	-	-
Interest and amortization expense	(1,933,528)	(98,309)	(2,158)
Net Non-Operating Revenues (Expenses)	<u>(597,930)</u>	<u>13,995</u>	<u>43,234</u>
<b>Change in Net Position Before Capital Contributions</b>	956,779	204,496	(160,395)
<b>Capital Contributions</b>	<u>1,489,015</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	2,445,794	204,496	(160,395)
<b>Net Position, Beginning of Year</b>	<u>200,157,990</u>	<u>2,924,653</u>	<u>3,805,148</u>
<b>Net Position, End of Year</b>	<u>\$ 202,603,784</u>	<u>\$ 3,129,149</u>	<u>\$ 3,644,753</u>

See Independent Auditor's Report. The accompanying notes are an integral part of these financial statements.

**Wastewater Funds**

<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,091,431
314,112	1,566,816	15,798,744	3,723,096	515,808	25,403,484
-	-	319,720	55,436	-	565,868
314,112	1,566,816	16,118,464	3,778,532	515,808	54,060,783
4,563	604,178	8,774,455	2,071,082	129,040	29,660,405
12,299	29,125	252,634	71,936	803	1,450,200
3,713	343,476	3,430,022	886,797	93,450	8,807,989
-	-	-	-	-	61,894
156,131	428,559	3,273,612	587,637	89,340	11,487,834
176,706	1,405,338	15,730,723	3,617,452	312,633	51,468,322
137,406	161,478	387,741	161,080	203,175	2,592,461
3,963	22,044	342,219	120,902	19,529	1,496,136
843	15,151	185,408	72,737	(9,242)	722,516
-	15,745	540,811	67,727	3,799	1,059,191
-	-	-	-	-	3,754,293
-	-	-	-	-	(3,754,293)
-	-	-	-	-	(382,913)
(46,689)	(81,310)	(456,954)	(168,837)	(139,269)	(2,927,054)
(41,883)	(28,370)	611,484	92,529	(125,183)	(32,124)
95,523	133,108	999,225	253,609	77,992	2,560,337
-	-	-	-	-	1,489,015
95,523	133,108	999,225	253,609	77,992	4,049,352
1,545,065	7,746,059	33,839,189	8,818,259	1,881,960	260,718,323
\$ 1,640,588	\$ 7,879,167	\$ 34,838,414	\$ 9,071,868	\$ 1,959,952	\$ 264,767,675

## Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2023

	<u>Water Systems</u>	<u>Cape Elizabeth</u>	<u>Cumberland</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 27,564,494	\$ 2,300,004	\$ 1,184,904
Payments to suppliers	(9,045,070)	(1,155,480)	(868,842)
Payments to employees	(9,023,371)	(568,434)	(224,381)
<b>Net cash flows from operating activities</b>	<u>9,496,053</u>	<u>576,090</u>	<u>91,681</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from bonds	12,155,000	-	-
Bond principal forgiven	(20,000)	-	-
Principal payments bonds	(5,998,112)	(306,500)	(6,250)
Proceeds from notes payable	-	-	-
Notes payable payments	-	-	-
Impact of Interfund Payable/Receivable	(4,628,864)	-	-
Transfer from trustee funds	360,007	7,871	-
New trustee funds	(210,000)	-	-
Interest paid	(1,889,675)	(100,365)	(2,166)
Acquisitions and construction of operating property	(12,682,247)	(28,295)	-
Amortization of Leased Assets	9,888	3,504	-
Amortization of SBITA Assets	63,404	-	-
Proceeds from sale of operating property	4,370	-	-
<b>Net cash flows from capital and related financing activities:</b>	<u>(12,836,229)</u>	<u>(423,785)</u>	<u>(8,416)</u>
<b>Cash flows from investing activities</b>			
Investments - transfer to water	(15,662,945)	1,444,964	522,669
Investments - purchases	(26,276,510)	-	-
Investments - sales	37,577,208	-	-
Investments - market value change	(712,224)	-	-
Investments - transfer from water	10,637,703	(1,363,680)	(519,062)
Interest income received	907,755	56,166	23,558
Investments unrealized loss	413,885	30,297	13,437
Payments on notes receivable	-	-	-
<b>Net cash flows from investing activities</b>	<u>6,884,872</u>	<u>167,747</u>	<u>40,602</u>
Net change in cash (above)	3,544,696	320,052	123,867
Cash & Cash Equivalents - Beg of Year	1,656,590	108,105	39,104
Cash & Cash Equivalents - End of Year	<u>\$ 5,201,286</u>	<u>\$ 428,157</u>	<u>\$ 162,971</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>			
Operating income (loss)	\$ 1,554,709	\$ 190,501	\$ (203,629)
Depreciation not allocated elsewhere	6,385,668	371,622	195,265
Depreciation allocated	1,075,000	-	-
Amortization	17,000	-	-
Miscellaneous income (loss)	396,871	25,841	8,397
Changes in assets and liabilities:			
Accounts receivable	(717,649)	-	-
Inventories	(1,453,722)	-	-
Prepays	343,190	(583)	-
Lease receivable	60,521	-	-
Accounts payable and accrued payroll	649,668	(7,692)	92,835
Interfund payable	-	-	-
Compensated absences	46,968	-	-
Customer deposits	(10,319)	-	-
Net pension liability and deferred inflows/outflows	(9,792)	(2,262)	(1,187)
Bond refunding deferred outflow	15,100	-	-
Lease liability	(9,388)	(1,337)	-
SBITA liability	128,442	-	-
Lease deferred inflows	(89,962)	-	-
Customer advances and other liabilities	1,113,748	-	-
<b>Net cash flows from operating activities</b>	<u>\$ 9,496,053</u>	<u>\$ 576,090</u>	<u>\$ 91,681</u>
<b>Noncash, capital and related financing activities</b>			
Proceeds from bonds - Refinancing	4,400,000	-	-
Principal payments bonds - Refinancing	(4,400,000)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Noncash investing, capital and financing activities</b>			
Capital contributions	\$ 1,489,015	\$ -	\$ -
Non-Cash AP -PPE	\$ 1,340,854	\$ 5,000	\$ 20,000

See Independent Auditor's Report. The accompanying notes are an integral part of these financial statements.

Wastewater Funds							
Falmouth	Gorham	Portland	Westbrook	Windham	TOTAL		
\$ 314,112	\$ 1,313,133	\$ 16,099,999	\$ 3,778,969	\$ 515,808	\$ 53,071,423		
(16,379)	(690,915)	(8,968,215)	(2,473,989)	(1,995,592)	(25,214,482)		
(4,246)	(328,556)	(3,131,472)	(785,593)	(79,519)	(14,145,572)		
293,487	293,662	4,000,312	519,387	(1,559,303)	13,711,369		
-	-	710,000	-	-	12,865,000		
-	-	-	-	-	(20,000)		
(238,000)	(427,498)	(2,149,941)	(725,316)	(143,228)	(9,994,845)		
-	-	-	-	1,997,140	1,997,140		
-	-	-	-	(13,240)	(13,240)		
-	-	-	-	5,178,596	549,732		
-	-	1,241,105	-	-	1,608,983		
-	-	-	-	-	(210,000)		
(47,087)	(82,736)	(459,694)	(171,095)	(112,079)	(2,864,897)		
-	(486,745)	(4,499,686)	(1,751,632)	(5,358,173)	(24,806,778)		
-	-	-	-	-	13,392		
-	-	-	-	-	63,404		
-	-	-	-	-	4,370		
(285,087)	(996,979)	(5,158,216)	(2,648,043)	1,549,016	(20,807,739)		
37,597	830,466	8,917,457	3,909,792	-	-		
-	-	-	-	-	(26,276,510)		
-	-	-	-	-	37,577,208		
-	-	-	-	-	(712,224)		
(40,803)	(172,359)	(6,814,713)	(1,727,086)	-	-		
3,963	22,044	342,219	120,902	19,529	1,496,136		
843	15,151	185,408	72,737	(9,242)	722,516		
-	-	-	13,240	-	13,240		
1,600	695,302	2,630,371	2,389,585	10,287	12,820,366		
10,000	(8,015)	1,472,467	260,929	-	5,723,996		
2,812	62,131	667,158	385,733	-	2,921,633		
\$ 12,812	\$ 54,116	\$ 2,139,625	\$ 646,662	\$ -	\$ 8,645,629		
\$ 137,406	\$ 161,478	\$ 387,741	\$ 161,080	\$ 203,175	\$ 2,592,461		
156,131	428,559	3,273,612	587,637	89,340	11,487,834		
-	-	-	-	-	1,075,000		
-	-	-	-	-	17,000		
-	15,745	540,811	67,727	3,799	1,059,191		
-	-	(18,465)	438	-	(735,676)		
-	-	-	-	-	(1,453,722)		
-	(1,082)	(99,905)	(4,409)	211	237,422		
-	-	-	-	-	60,521		
(50)	(308,917)	(64,280)	(302,125)	(1,304,693)	(1,245,254)		
-	-	-	-	(549,732)	(549,732)		
-	-	-	-	-	46,968		
-	-	-	-	-	(10,319)		
-	-	(7,503)	(3,114)	(1,403)	(25,261)		
-	(2,121)	-	-	-	12,979		
-	-	-	-	-	(10,725)		
-	-	-	-	-	128,442		
-	-	-	-	-	(89,962)		
-	-	(11,699)	12,153	-	1,114,202		
\$ 293,487	\$ 293,662	\$ 4,000,312	\$ 519,387	\$ (1,559,303)	\$ 13,711,369		
-	-	-	-	-	4,400,000		
-	-	-	-	-	(4,400,000)		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,489,015		
\$ -	\$ 206,370	\$ 706,088	\$ 434,887	\$ 1,817,563	\$ 4,530,762		

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

**December 31, 2023**

	<u><b>Total</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 453,016
Investments	
Equity mutual funds	\$ 25,995,215
Common stock	2,630,608
	<u>28,625,823</u>
Interest receivable	<u>376</u>
<b>Total Assets</b>	<u><u>\$ 29,079,215</u></u>
Restricted for pension benefits	<u>\$ 29,079,215</u>
<b>Total Fiduciary Net Position</b>	<u><u>\$ 29,079,215</u></u>

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

**Year Ended December 31, 2023**

	<u><b>Total</b></u>
<b>Additions:</b>	
Employer Contributions	\$ 1,524,809
Investment Income	
Interest and dividends	658,087
Net gain on sale of assets	1,185,362
Net appreciation of investments	2,468,264
Net Investment Income	<u>4,311,713</u>
<b>Total Additions</b>	5,836,522
<b>Deductions:</b>	
Benefits	1,972,304
Fees/Other Expenses	<u>103,734</u>
<b>Total Deductions</b>	<u>2,076,038</u>
<b>Change in Fiduciary Net Position</b>	3,760,484
<b>Fiduciary Net Position - Beginning of Year</b>	<u>25,318,731</u>
<b>Fiduciary Net Position - End of Year</b>	<u><u>\$ 29,079,215</u></u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### 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, and Windham. The District also sells water wholesale to the Yarmouth Water District. Wastewater services are provided to the Cities of Portland and Westbrook and the Towns of Cape Elizabeth, Cumberland, Falmouth, Gorham and Windham. An 11-member publicly elected Board of Trustees oversees and directs the District's operation. The water service is partially regulated by the Maine Public Utilities Commission (PUC).

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. Management applied criteria as set forth in accounting principles generally accepted in the United States of America (GAAP) to determine if other component units should be included in defining the reporting entity. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the District's ability to exercise financial accountability. Application of this criterion and determination of the type of presentation involves considering whether the activity benefits the District and is generally available to its customers. It is the District's judgment, based on all pertinent facts derived from the analysis of this criterion, that there are no other component units that should be included as part of the reporting entity.

#### Measurement Focus, Basis of Accounting and Basis of Presentation

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts. The District has the following fund types:

**Proprietary funds** are accounted for on the flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District complies with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board and American Institute of Certified Public Accountants Pronouncements*. Proprietary funds used by the District include enterprise funds as described below.

**Enterprise funds** are used to account for operations that are financed and operated in a manner similar to private business. The District maintains eight enterprise funds – Wastewater Funds for Cape Elizabeth, Cumberland, Falmouth, Gorham, Portland, Westbrook and Windham and a Water Fund.

**Fiduciary funds** account for assets held by the District in a trustee capacity. Trust funds account for the assets held by the District under terms of a formal trust agreement. The District maintains two pension fiduciary funds. The District's non-bargaining unit employees' pension trust and the District's bargaining unit employees' pension trust financial statements are prepared using the accrual basis of accounting. Employer costs are equal to the change in the net pension liability and are recognized in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

#### Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary funds distinguish operating revenues and expenses from non-operating activity. Operating revenues arise from providing goods or services to outside parties for a fee. The intent of the governing body is that the operating costs, including administration and depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses that are not derived directly from operations are reported as non-operating revenues and expenses.

#### Recently Adopted Accounting Pronouncements

During the year ended December 31, 2023, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of the statements and related guidance during the year ended December 31, 2023 did not have a material impact of the financial statements of District.

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

The District considers all highly liquid debt instruments purchased with an initial maturity of two years or less to be cash and cash equivalents. In addition, money market mutual funds held in an overnight cash sweep arrangement are considered to be cash and cash equivalents.

State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, obligations of financial institutions, mutual funds and repurchase agreements.

Investments are reported at fair value, except for those 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 fair 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, 2023**

**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 sweep funds are invested in a money market mutual fund which is made up of U.S. government and agency instruments, held by the District's Bank in the Bank's name. Overnight repurchase agreement funds are invested in U.S. government backed obligations of U.S. government agencies and corporations, held by the District's Bank in the District's name.

*Method used to Value Investments:*

Investments are reported at fair value, except those 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, 2023:

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

There were no changes to the allocation policy during 2023. As of December 31, 2023, the investment portfolio does not hold any investment in any one organization greater than 5% of either of the plan's fiduciary net positions.

*Rate of Return:*

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension expense, was 15.86 % and 15.85 % for the Bargaining and Non-Bargaining Units Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Custodial Credit Risk:*

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

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

#### Investments - Pension Trust Funds - Continued

##### *Interest Rate Risk:*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value on an investment. The investment policy for the pension fund does not directly address interest rate risk.

##### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the District uses various methods, including market, income and cost approaches. Based on these approaches, the District often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The District utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the District is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the District performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the year ended December 31, 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

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

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

##### **Accounts Receivable**

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to trade accounts receivable. Allowance for doubtful accounts as of December 31, 2023 was \$181,249. The District has the ability to place a lien on property with past due balances.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

#### Inventories

The District's inventories are comprised of fuel, materials and supplies used in the daily operations of the District. Inventory used in various projects that increase the water or wastewater system's life is capitalized and depreciated in capital assets over the appropriate useful life. Inventory used in system repairs is expensed in the period in which the repair occurs. Inventory is stated at weighted average cost.

#### Capital Assets

Donated operating and non-operating property, recorded as capital assets, are recorded at their acquisition value at the date of donation. Capitalized operating and non-operating property are recorded at cost, including direct and a portion of indirect overhead. The District's policy has been to set the capitalization threshold for reporting capital assets at \$25,000 and a life exceeding one year for the Water and Portland Wastewater funds and \$10,000 and exceeding one year for all other funds.

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
- 66 to 80 years - Intakes
- 77 years - Transmission Mains and Distribution Mains (six inches and larger)

##### *Wastewater Capital Assets:*

- 8 to 10 years - General Equipment
- 20 years - Treatment Equipment
- 33 years - Structural Appurtenances
- 50 years - Structures, Force Mains and Interceptors

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

#### Leases

The District complies with the requirements of GASB Statement No. 87 – *Leases*. The threshold for inclusion were leases where the present value of the payments at the beginning of the lease term were over \$25,000. The discount rates used were the District's average borrowing costs at the date of execution.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

#### Subscription Based Information Technology Arrangements (SBITA's)

The District complies with the requirements of GASB Statement No. 96 – *SBITA's*. The threshold for inclusion were SBITA's where the present value of the payments at the beginning of the SBITA term were over \$25,000. The discount rates used were the District's average borrowing costs at the date of execution.

#### Preliminary Surveys for Plant Expansion or Modification

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

#### Maintenance and Other Costs

Certain maintenance and other costs are capitalized and amortized on a straight-line basis over periods as approved by the Maine PUC which approximate methods and periods under GAAP. There were no amortization costs in 2023.

#### 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. 101, *Compensated Absences*.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

These deferred outflows of resources and deferred inflows of resources are related to the recognition of the net pension liability, lease transactions and a 2016 bond refunding. In the case of the pension, these items can include differences between expected and actual expense, change in assumptions, the net difference between projected and actual returns on pension plan investments and also District pension contributions made prior to the measurement date. For leases the initial value of the deferred inflows of resources is the present value of the lease payments the District expects to receive and is amortized over the life of the lease on a straight-line basis. For the bond refunding, the deferred outflows of resources is utilized to amortize the loss on the refund over the remaining life of the original bond.

#### Use of Estimates

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

An annual budget is prepared by management and approved by the elected Board of Trustees for each of the proprietary funds. The budget is prepared on a departmental basis. The budget is prepared according to GAAP, except that:

- The funding for capital acquisitions and debt principal payments are considered expenses in all funds.
- Depreciation is not considered an expense.
- Contributions are not considered revenue.
- The funding of the pension is considered an expense.
- Gain/loss on disposal of capital assets are not recognized.

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

**Cash & Investments**

The carrying amount of the District's deposits with financial institutions was (\$1,687,228) at December 31, 2023 and the bank balance was \$504,152. The District held certificates of deposit carried at \$2,779,779. Total deposits were categorized, as follows:

	<b>Bank Balances</b>	<b>Certificates of Deposit</b>	<b>Total Deposits</b>
Amount Insured	260,033	2,779,779	\$ 3,039,812
Amount Uninsured	244,119	-	\$ 244,119
	<u>\$ 504,152</u>	<u>\$ 2,779,779</u>	<u>\$ 3,283,931</u>

A reconciliation of cash, cash equivalents and investments as shown on the Statement of Net Position is, as follows:

Cash on Hand	\$ 1,300
Investment Account Cash	124,466
Carrying Value of Deposits	(1,687,228)
Money Market Mutual Funds	10,207,091
Total Cash and Cash equivalents	<u>\$ 8,645,629</u>
Certificates of Deposit	\$ 2,779,779
U.S. Treasury Securities	16,242,912
U.S. Agency Securities	8,176,979
Total Investments	<u>\$ 27,199,670</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

## Cash &amp; Investments - Continued

Shares in the overnight money market mutual funds sweep arrangement are held in the Bank's name and not in the name of the District. These funds are secured by the underlying securities of the mutual funds. Fair value of assets measured on a recurring basis at December 31, 2023 are, as follows:

## Proprietary Funds

	Total	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 10,207,091	\$ 10,207,091	\$ -	\$ -
Certificates of Deposit	2,779,779	2,779,779	-	-
U.S. Treasury Securities	16,242,912	-	16,242,912	-
U.S. Agency Securities	8,176,979	-	8,176,979	-
	<u>\$ 37,406,761</u>	<u>\$ 12,986,870</u>	<u>\$ 24,419,891</u>	<u>\$ -</u>

## Pension Trust Funds

	Total	Level 1	Level 2	Level 3
Equity mutual funds	\$ 25,995,215	\$ 25,995,215	\$-	\$-
Common stock	2,630,608	2,630,608	-	-
	<u>\$ 28,342,268</u>	<u>\$ 28,342,268</u>	<u>\$-</u>	<u>\$-</u>

## Investment Ratings

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

## Investment Ratings - Pension Trust Funds

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

## Notes Receivable

During the year, the District had one note receivable in Westbrook Wastewater Fund.

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

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>	<u>Current</u>	<u>Non-Current</u>
<b>Westbrook WW Fund:</b>						
Windham WW Fund	\$ 79,440	\$ -	\$ (13,240)	\$ 66,200	\$ 13,240	\$ 52,960
<b>Total of all Notes</b>	<u>\$ 79,440</u>	<u>\$ -</u>	<u>\$ (13,240)</u>	<u>\$ 66,200</u>	<u>\$ 13,240</u>	<u>\$ 52,960</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

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

**Capital Assets**

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Water Fund:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 4,554,848	\$ -	\$ -	\$ 4,554,848
Land Rights	2,477,130	575,950	-	3,053,080
Plant Acquisition Adjustment	53,189	-	(17,000)	36,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Property Held for Future Use	7,425	-	-	7,425
	<u>7,396,160</u>	<u>575,950</u>	<u>(17,000)</u>	<u>7,955,110</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	213,581,175	8,237,818	(551,588)	221,267,405
Services	41,560,018	1,410,343	-	42,970,361
Structures & Improvements	31,126,503	482,655	-	31,609,158
Water Treatment Equipment	14,424,461	-	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	13,577,303	523,962	(264,695)	13,836,570
Reservoirs & Standpipes	11,186,539	-	-	11,186,539
Hydrants	13,205,410	500,433	(41,515)	13,664,328
Vehicles	3,837,756	972,493	(98,431)	4,711,818
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,485,020	-	-	1,485,020
Pumping Equipment	2,950,240	-	-	2,950,240
Wells & Springs	989,248	-	-	989,248
Computer Equipment	4,635,901	237,750	-	4,873,651
Power Equipment	525,619	19,356	-	544,975
Office Furniture & Equipment	807,152	4,770	-	811,922
Shop Equipment	288,562	-	-	288,562
Garage Equipment	232,652	-	-	232,652
Radio Equipment	318,006	-	-	318,006
Laboratory Equipment	113,415	-	-	113,415
Stores Equipment	59,161	-	-	59,161
	<u>370,698,484</u>	<u>12,389,580</u>	<u>(956,229)</u>	<u>382,131,835</u>
<b>Total Operating Property</b>	<b>\$ 378,094,644</b>	<b>\$ 12,965,530</b>	<b>\$ (973,229)</b>	<b>\$ 390,086,945</b>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

## Capital Assets – Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Water Fund (continued):</b>				
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 59,052,817	\$ 3,054,999	\$ (304,808)	\$ 61,803,008
Services	22,641,097	967,263	-	23,608,360
Structures & Improvements	17,166,394	669,303	-	17,835,697
Transmission Mains	7,804,537	132,308	-	7,936,845
Reservoirs & Standpipes	5,884,881	198,800	-	6,083,681
Water Treatment Equipment	6,228,153	417,746	-	6,645,899
Hydrants	4,846,736	265,685	(17,281)	5,095,140
Meters & Meter Installations	6,826,991	553,678	(156,851)	7,223,818
Vehicles	2,197,354	462,741	(90,006)	2,570,089
Intakes Suction Mains	1,949,104	24,813	-	1,973,917
Pumping Equipment	1,806,733	76,444	-	1,883,177
Communication Equipment	1,422,241	48,830	-	1,471,071
Power Equipment	477,783	6,353	-	484,136
Office Furniture & Equipment	899,575	56,708	-	956,283
Shop Equipment	337,029	-	-	337,029
Computer Equipment	1,175,183	483,423	-	1,658,606
Garage Equipment	261,820	4,137	-	265,957
Wells & Springs	284,446	19,643	-	304,089
Radio Equipment	231,230	13,369	-	244,599
Laboratory Equipment	108,272	3,430	-	111,702
Stores Equipment	46,716	995	-	47,711
	<u>141,649,092</u>	<u>7,460,668</u>	<u>(568,946)</u>	<u>148,540,814</u>
<b>Net Operating Property</b>	<u>236,445,552</u>	<u>5,504,862</u>	<u>(404,283)</u>	<u>241,546,131</u>
<b>Right to Use Assets:</b>				
Lease	82,163			82,163
SBITA	-	190,213		190,213
	<u>82,163</u>	<u>190,213</u>	<u>-</u>	<u>272,376</u>
<b>Less, accumulated amortization for right to use assets:</b>				
Lease	22,957	9,888	-	32,845
SBITA	-	63,404		63,404
	<u>22,957</u>	<u>73,292</u>	<u>-</u>	<u>96,249</u>
<b>Net Right to Use Assets</b>	<u>59,206</u>	<u>116,921</u>	<u>-</u>	<u>176,127</u>
<b>Construction Work in Progress</b>	<u>884,560</u>	<u>2,538,297</u>	<u>(73,980)</u>	<u>3,348,877</u>
<b>Net Capital Assets</b>	<u>\$ 237,389,318</u>	<u>\$ 8,160,080</u>	<u>\$ (478,263)</u>	<u>\$ 245,071,135</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

## Capital Assets – Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Cape Elizabeth Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 130,048	\$ -	\$ -	\$ 130,048
Land Rights	95,111	-	-	95,111
	<u>225,159</u>	<u>-</u>	<u>-</u>	<u>225,159</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	6,315,961	-	-	6,315,961
Treatment Plant Equipment	3,364,473	-	-	3,364,473
Pumping Station Equipment	3,057,929	22,695	-	3,080,624
Treatment Plant Structures	3,599,968	-	-	3,599,968
Pumping Station Structures	2,280,230	-	-	2,280,230
General Equipment	197,933	-	-	197,933
Computer Equipment	75,247	-	-	75,247
Interceptor Equipment	11,330	-	-	11,330
	<u>18,903,071</u>	<u>22,695</u>	<u>-</u>	<u>18,925,766</u>
<b>Total Operating Property</b>	<u>19,128,230</u>	<u>22,695</u>	<u>-</u>	<u>19,150,925</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,626,433	126,399	-	4,752,832
Treatment Plant Equipment	3,071,061	20,998	-	3,092,059
Pumping Station Equipment	2,256,292	77,344	-	2,333,636
Treatment Plant Structures	2,077,344	75,631	-	2,152,975
Pumping Station Structures	963,454	52,950	-	1,016,404
General Equipment	160,263	8,747	-	169,010
Computer Equipment	14,044	9,406	-	23,450
Interceptor Equipment	1,991	147	-	2,138
	<u>13,170,882</u>	<u>371,622</u>	<u>-</u>	<u>13,542,504</u>
<b>Net Operating Property</b>	<u>5,957,348</u>	<u>(348,927)</u>	<u>-</u>	<u>5,608,421</u>
<b>Right to Use Lease Assets:</b>				
Right to Use - Land	126,123	-	-	126,123
<b>Less, accumulated amortization for right to use lease assets:</b>				
Right to Use - Land	10,510	3,504	-	14,014
<b>Net Right to Use Lease Assets</b>	<u>115,613</u>	<u>(3,504)</u>	<u>-</u>	<u>112,109</u>
<b>Construction Work in Progress</b>	<u>64,936</u>	<u>10,600</u>	<u>-</u>	<u>75,536</u>
<b>Net Capital Assets</b>	<u>\$ 6,137,897</u>	<u>\$ (341,831)</u>	<u>\$ -</u>	<u>\$ 5,796,066</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

## Capital Assets - Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Cumberland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 89,005	\$ -	\$ -	\$ 89,005
<b>Operating Property, being depreciated</b>				
Interceptor Structures	7,108,317	-	-	7,108,317
Pumping Station Structures	1,041,213	-	-	1,041,213
Pumping Station Equipment	1,115,075	-	-	1,115,075
Treatment Plant Equipment	47,416	-	-	47,416
General Equipment	41,881	-	-	41,881
Computer Equipment	36,916	-	-	36,916
Interceptor Equipment	213	-	-	213
	<u>9,391,031</u>	<u>-</u>	<u>-</u>	<u>9,391,031</u>
<b>Total Operating Property</b>	<u>9,480,036</u>	<u>-</u>	<u>-</u>	<u>9,480,036</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	4,152,569	142,166	-	4,294,735
Pumping Station Structures	822,127	13,483	-	835,610
Pumping Station Equipment	865,213	34,202	-	899,415
Treatment Plant Equipment	46,220	799	-	47,019
General Equipment	41,881	-	-	41,881
Computer Equipment	6,890	4,615	-	11,505
Interceptor Equipment	213	-	-	213
	<u>5,935,113</u>	<u>195,265</u>	<u>-</u>	<u>6,130,378</u>
<b>Construction Work in Progress</b>	<u>3,800</u>	<u>20,000</u>	<u>-</u>	<u>23,800</u>
<b>Net Capital Assets</b>	<u>\$ 3,548,723</u>	<u>\$(175,265)</u>	<u>\$ -</u>	<u>\$ 3,373,458</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Falmouth Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 10,527	\$ -	\$ -	\$ 10,527
<b>Operating Property, being depreciated</b>				
Pumping Station Structures	2,226,400	-	-	2,226,400
Pumping Station Equipment	1,242,600	-	-	1,242,600
Interceptor Structures	2,224,436	-	-	2,224,436
Computer Equipment	39,871	-	-	39,871
	<u>5,733,307</u>	<u>-</u>	<u>-</u>	<u>5,733,307</u>
<b>Total Operating Property</b>	<u>5,743,834</u>	<u>-</u>	<u>-</u>	<u>5,743,834</u>
<b>Less, accumulated depreciation for:</b>				
Pumping Station Structures	244,903	44,528	-	289,431
Pumping Station Equipment	341,715	62,130	-	403,845
Interceptor Structures	244,783	44,489	-	289,272
Computer Equipment	7,476	4,984	-	12,460
	<u>838,877</u>	<u>156,131</u>	<u>-</u>	<u>995,008</u>
<b>Net Capital Assets</b>	<u>\$ 4,904,957</u>	<u>\$(156,131)</u>	<u>\$ -</u>	<u>\$4,748,826</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Gorham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 185,466	\$ -	\$ -	\$ 185,466
Land Rights	157,770	-	-	157,770
	<u>343,236</u>	<u>-</u>	<u>-</u>	<u>343,236</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	12,122,352	19,689	-	12,142,041
Pumping Station Structures	1,938,943	-	-	1,938,943
Pumping Station Equipment	1,958,639	22,429	-	1,981,068
Treatment Plant Structures	1,073,993	-	-	1,073,993
Treatment Plant Equipment	1,248,474	16,635	-	1,265,109
Computer Equipment	66,996	-	-	66,996
General Equipment	52,972	-	-	52,972
Solids Handling Equipment	5,517	-	-	5,517
	<u>18,467,886</u>	<u>58,753</u>	<u>-</u>	<u>18,526,639</u>
<b>Total Operating Property</b>	<u>18,811,122</u>	<u>58,753</u>	<u>-</u>	<u>18,869,875</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	6,275,387	242,644	-	6,518,031
Pumping Station Equipment	1,485,089	65,348	-	1,550,437
Treatment Plant Structures	846,319	20,086	-	866,405
Pumping Station Structures	982,708	43,203	-	1,025,911
Treatment Plant Equipment	736,604	46,861	-	783,465
General Equipment	42,306	2,042	-	44,348
Computer Equipment	12,490	8,375	-	20,865
Solids Handling Equipment	5,516	-	-	5,516
	<u>10,386,419</u>	<u>428,559</u>	<u>-</u>	<u>10,814,978</u>
<b>Construction Work in Progress</b>	<u>3,004,584</u>	<u>720,289</u>	<u>(26,368)</u>	<u>3,698,505</u>
<b>Net Capital Assets</b>	<u>\$ 11,429,287</u>	<u>\$ 350,483</u>	<u>\$ (26,368)</u>	<u>\$ 11,753,402</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Portland Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 199,555	\$ -	\$ -	\$ 199,555
Land Rights	233,013	-	-	233,013
	<u>432,568</u>	<u>-</u>	<u>-</u>	<u>432,568</u>
<b>Operating Property, being depreciated</b>				
Treatment Plant Structures	36,256,966	1,590,948	-	37,847,914
Interceptor Structures	28,732,959	-	-	28,732,959
Treatment Plant Equipment	27,380,616	3,775,236	(12,852)	31,143,000
Pumping Station Structures	13,823,519	822,850	-	14,646,369
Pumping Station Equipment	10,502,503	120,061	(60,946)	10,561,618
Communications Equip.- Collectors	753,873	-	-	753,873
Computer Equipment	526,446	-	-	526,446
Storm Drains	617,610	-	-	617,610
Solids Handling Equipment	422,284	-	-	422,284
General Equipment	380,657	-	-	380,657
Interceptor Equipment	63,080	-	-	63,080
	<u>119,460,513</u>	<u>6,309,095</u>	<u>(73,798)</u>	<u>125,695,810</u>
<b>Total Operating Property</b>	<u>119,893,081</u>	<u>6,309,095</u>	<u>(73,798)</u>	<u>126,128,378</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Structures	24,896,921	787,936	-	25,684,857
Interceptor Structures	20,729,422	567,899	-	21,297,321
Treatment Plant Equipment	15,300,250	1,039,920	(12,852)	16,327,318
Pumping Station Structures	6,572,740	356,154	-	6,928,894
Pumping Station Equipment	6,293,829	395,429	(60,946)	6,628,312
Communications Equip.- Collectors	679,408	17,590	-	696,998
Solids Handling Equipment	309,278	9,798	-	319,076
General Equipment	327,880	20,728	-	348,608
Storm Drains	324,311	12,352	-	336,663
Interceptor Equipment	58,002	-	-	58,002
Computer Equipment	98,297	65,806	-	164,103
	<u>75,590,338</u>	<u>3,273,612</u>	<u>(73,798)</u>	<u>78,790,152</u>
<b>Construction Work in Progress</b>	<u>5,664,347</u>	<u>4,178,079</u>	<u>(5,442,266)</u>	<u>4,400,160</u>
<b>Net Capital Assets</b>	<u>\$ 49,967,090</u>	<u>\$ 7,213,562</u>	<u>\$ (5,442,266)</u>	<u>\$51,738,386</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

## Capital Assets – Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Westbrook Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 162,263	\$ -	\$ -	\$ 162,263
Land Rights	139,144	-	-	139,144
	<u>301,407</u>	<u>-</u>	<u>-</u>	<u>301,407</u>
<b>Operating Property, being depreciated</b>				
Treatment Plant Equipment	4,139,810	35,970	-	4,175,780
Pumping Station Structures	5,367,086	105,285	-	5,472,371
Treatment Plant Structures	4,374,984	-	-	4,374,984
Interceptor Structures	3,809,153	-	-	3,809,153
Pumping Station Equipment	3,648,642	157,765	-	3,806,407
General Equipment	1,180,597	-	-	1,180,597
Computer Equipment	129,878	-	-	129,878
Communications Equip. - Collectors	103,231	-	-	103,231
Storm Drains	748	-	-	748
Solids Handling Equipment	20,070	-	-	20,070
	<u>22,774,199</u>	<u>299,020</u>	<u>-</u>	<u>23,073,219</u>
<b>Total Operating Property</b>	<u>23,075,606</u>	<u>299,020</u>	<u>-</u>	<u>23,374,626</u>
<b>Less, accumulated depreciation for:</b>				
Treatment Plant Equipment	2,904,114	114,239	-	3,018,353
Treatment Plant Structures	3,550,384	76,646	-	3,627,030
Interceptor Structures	3,152,135	75,738	-	3,227,873
Pumping Station Structures	2,662,736	137,393	-	2,800,129
Pumping Station Equipment	2,256,546	141,699	-	2,398,245
General Equipment	298,139	24,637	-	322,776
Computer Equipment	24,265	16,235	-	40,500
Storm Drains	55	10	-	65
Solids Handling Equipment	20,070	-	-	20,070
Communications Equip. - Collectors	98,550	1,040	-	99,590
	<u>14,966,994</u>	<u>587,637</u>	<u>-</u>	<u>15,554,631</u>
<b>Construction Work in Progress</b>	<u>6,644,011</u>	<u>1,776,215</u>	<u>(153,653)</u>	<u>8,266,573</u>
<b>Net Capital Assets</b>	<u>\$14,752,623</u>	<u>\$1,487,598</u>	<u>\$ (153,653)</u>	<u>\$16,086,568</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Capital Assets - Continued

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>
<b>Windham Wastewater:</b>				
<b>Operating Property, not being depreciated</b>				
Land	\$ 142,556	\$ -	\$ -	\$ 142,556
Land Rights	13,296	-	-	13,296
	<u>155,852</u>	<u>-</u>	<u>-</u>	<u>155,852</u>
<b>Operating Property, being depreciated</b>				
Interceptor Structures	2,015,463	8,846	-	2,024,309
Pumping Station Structures	778,240	-	-	778,240
Pumping Station Equipment	598,032	8,638	-	606,670
Treatment Plant Equipment	141,773	1,404	-	143,177
Treatment Plant Structures	145,456	-	-	145,456
Storm Drains	46,423	-	-	46,423
General Equipment	14,153	-	-	14,153
Computer Equipment	6,353	-	-	6,353
Solids Handling Equipment	683	-	-	683
	<u>3,746,576</u>	<u>18,888</u>	<u>-</u>	<u>3,765,464</u>
<b>Total Operating Property</b>	<u>3,902,428</u>	<u>18,888</u>	<u>-</u>	<u>3,921,316</u>
<b>Less, accumulated depreciation for:</b>				
Interceptor Structures	628,743	40,398	-	669,141
Pumping Station Equipment	358,848	19,876	-	378,724
Pumping Station Structures	207,061	20,095	-	227,156
Treatment Plant Equipment	95,988	4,173	-	100,161
Treatment Plant Structures	117,365	2,582	-	119,947
General Equipment	9,875	494	-	10,369
Computer Equipment	1,179	794	-	1,973
Storm Drains	1,386	928	-	2,314
Solids Handling Equipment	683	-	-	683
	<u>1,421,128</u>	<u>89,340</u>	<u>-</u>	<u>1,510,468</u>
Construction Work in Progress	<u>1,724,152</u>	<u>7,421,426</u>	<u>(9,171)</u>	<u>9,136,407</u>
<b>Net Capital Assets</b>	<u>\$ 4,205,452</u>	<u>\$ 7,350,974</u>	<u>\$ (9,171)</u>	<u>\$ 11,547,255</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

## Capital Assets – Continued

All Funds Combined:	Dec 31, 2022	Increases	Decreases	Dec 31, 2023
<b>Operating Property, not being depreciated</b>				
Land (Water)	\$ 4,554,848	\$ -	\$ -	\$ 4,554,848
Land Rights (Water)	2,477,130	575,950	-	3,053,080
Land (Wastewater)	919,420	-	-	919,420
Land Rights (Wastewater)	638,334	-	-	638,334
Plant Acquisition Adjustment	53,189	-	(17,000)	36,189
Organization	173,472	-	-	173,472
Non-Utility Property	103,935	-	-	103,935
Franchises	26,161	-	-	26,161
Property Held for Future Use	7,425	-	-	7,425
	<u>8,953,914</u>	<u>575,950</u>	<u>(17,000)</u>	<u>9,512,864</u>
<b>Operating Property, being depreciated</b>				
Distribution Mains	213,581,175	8,237,818	(551,588)	221,267,405
Interceptor Structures	62,328,641	28,535	-	62,357,176
Treatment Plant Structures	45,451,367	1,590,948	-	47,042,315
Services	41,560,018	1,410,343	-	42,970,361
Structures & Improvements	31,126,503	482,655	-	31,609,158
Treatment Plant Equipment	36,322,562	3,829,245	(12,852)	40,138,955
Pumping Station Structures	27,455,631	928,135	-	28,383,766
Pumping Station Equipment	22,123,420	331,588	(60,946)	22,394,062
Water Treatment Equipment	14,424,461	-	-	14,424,461
Transmission Mains	13,430,883	-	-	13,430,883
Meters & Meter Installations	13,577,303	523,962	(264,695)	13,836,570
Reservoirs & Standpipes	11,186,539	-	-	11,186,539
Hydrants	13,205,410	500,433	(41,515)	13,664,328
Vehicles	3,837,756	972,493	(98,431)	4,711,818
Lake, River & Other Intakes	2,363,460	-	-	2,363,460
Communication Equipment	1,485,020	-	-	1,485,020
Pumping Equipment	2,950,240	-	-	2,950,240
General Equipment	1,868,193	-	-	1,868,193
Wells & Springs	989,248	-	-	989,248
Computer Equipment	5,517,608	237,750	-	5,755,358
Power Equipment	525,619	19,356	-	544,975
Communications Equipment - Collectors	857,104	-	-	857,104
Office Furniture & Equipment	807,152	4,770	-	811,922
Storm Drains	664,781	-	-	664,781
Shop Equipment	288,562	-	-	288,562
Solids Handling Equipment	448,554	-	-	448,554
Garage Equipment	232,652	-	-	232,652
Radio Equipment	318,006	-	-	318,006
Laboratory Equipment	113,415	-	-	113,415
Interceptor Equipment	74,623	-	-	74,623
Stores Equipment	59,161	-	-	59,161
	<u>569,175,067</u>	<u>19,098,031</u>	<u>(1,030,027)</u>	<u>587,243,071</u>
<b>Total Operating Property</b>	<b>\$ 578,128,981</b>	<b>\$ 19,673,981</b>	<b>\$ (1,047,027)</b>	<b>\$ 596,755,935</b>

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

## Capital Assets – Continued

All Funds Combined (continued):	Dec 31, 2022	Increases	Decreases	Dec 31, 2023
<b>Less, accumulated depreciation for:</b>				
Distribution Mains	\$ 59,052,816	\$ 3,054,999.00	\$ (304,808)	\$ 61,803,007
Interceptor Structures	39,809,473	1,239,734	-	41,049,207
Treatment Plant Structures	31,433,671	962,882	-	32,396,553
Treatment Plant Equipment	22,209,219	1,226,990	(12,852)	23,423,357
Services	22,641,095	967,261	-	23,608,356
Structures & Improvements	17,166,396	669,303	-	17,835,699
Pumping Station Equipment	13,857,213	796,028	(60,946)	14,592,295
Pumping Station Structures	12,455,731	667,806	-	13,123,537
Transmission Mains	7,804,537	132,308	-	7,936,845
Reservoirs & Standpipes	5,884,881	198,800	-	6,083,681
Water Treatment Equipment	6,228,152	417,746	-	6,645,898
Hydrants	4,846,736	265,685	(17,281)	5,095,140
Meters & Meter Installations	6,826,990	553,678	(156,851)	7,223,817
Vehicles	2,197,354	462,741	(90,006)	2,570,089
Lake, River & Other Intakes	1,949,104	24,813	-	1,973,917
Pumping Equipment	1,806,733	76,444	-	1,883,177
Communication Equipment	1,422,241	48,830	-	1,471,071
Power Equipment	477,783	6,353	-	484,136
Office Furniture & Equipment	899,575	56,708	-	956,283
General Equipment	880,344	56,648	-	936,992
Communications Equip.- Collectors	777,958	18,630	-	796,588
Solids Handling Equipment	335,547	9,798	-	345,345
Shop Equipment	337,029	-	-	337,029
Computer Equipment	1,339,824	593,638	-	1,933,462
Garage Equipment	261,820	4,137	-	265,957
Wells & Springs	284,446	19,643	-	304,089
Radio Equipment	231,230	13,369	-	244,599
Laboratory Equipment	108,272	3,430	-	111,702
Storm Drains	325,752	13,290	-	339,042
Stores Equipment	46,716	995	-	47,711
Interceptor Equipment	60,205	147	-	60,352
	<u>263,958,843</u>	<u>12,562,834</u>	<u>(642,744)</u>	<u>275,878,933</u>
<b>Net Operating Property</b>	<u>314,170,138</u>	<u>7,111,147</u>	<u>(404,283)</u>	<u>320,877,002</u>
<b>Right to Use Lease Assets:</b>				
Lease	208,286	-	-	208,286
SBITA	-	190,213	-	190,213
	<u>208,286</u>	<u>190,213</u>	<u>-</u>	<u>398,499</u>
<b>Less, accumulated amortization for right to use assets:</b>				
Lease	33,467	13,392	-	46,859
SBITA	-	63,404	-	63,404
	<u>33,467</u>	<u>76,796</u>	<u>-</u>	<u>110,263</u>
<b>Net Right to Use Assets</b>	<u>174,819</u>	<u>113,417</u>	<u>-</u>	<u>288,236</u>
<b>Construction Work in Progress</b>	<u>17,990,390</u>	<u>16,664,906</u>	<u>(5,705,438)</u>	<u>28,949,858</u>
<b>Net Capital Assets</b>	<u>\$ 332,335,347</u>	<u>\$ 23,889,470</u>	<u>\$ (6,109,721)</u>	<u>\$ 350,115,096</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

**Capital Assets - Continued**

Depreciation expense for each of the funds is noted below. Please note that \$1,075,000 in the Water Fund was allocated as part of operating expense. Depreciation related to vehicles (\$400,000) and the main office (\$400,000) was allocated to operating expenses based on vehicles' hours and office space occupied. Depreciation related to technology (\$275,000) was allocated to the funds based on their percentage of total expenditures.

	<b>Gross Depreciation</b>	<b>Allocated</b>	<b>Depreciation not allocated elsewhere</b>
Water	\$ 7,460,668	\$ (1,075,000)	\$ 6,385,668
Wastewater Funds:			
Cape Elizabeth	371,622	-	371,622
Cumberland	195,265	-	195,265
Falmouth	156,131	-	156,131
Gorham	428,559	-	428,559
Portland	3,273,612	-	3,273,612
Westbrook	587,637	-	587,637
Windham	89,340	-	89,340
<b>Total</b>	<b>\$ 12,562,834</b>	<b>\$ (1,075,000)</b>	<b>\$ 11,487,834</b>

**Leases – District as Lessee**

As of December 31, 2023, the District was leasing assets for the Water Fund (2) and Cape Elizabeth WW (1):

**Peaks Island Storage:** The District leases warehouse space on Peaks Island (Portland) from Central Maine Power to support the Water Operations group. The lease began in November 2011 for two (2) five (5) year terms. The lease was amended in 2021 adding two (2) additional five (5) year terms through October of 2031. The cost for 2023 was \$6,776. The cost is \$6,776/year for the initial term and \$7,454/year for the second with payment due the first day of each year's lease term.

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

<b>Water Fund</b>	<b>Intangible Asset</b>	<b>Accumulated Amortization</b>	<b>Net Lease Asset</b>	<b>Lease Liability</b>
Peaks Island Storage	\$67,045	(\$20,114)	\$46,931	\$48,607
Finance Mail Machine	15,118	(12,731)	2,387	2,436
	<b>\$82,163</b>	<b>(\$32,845)</b>	<b>\$49,318</b>	<b>\$51,043</b>

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

Years Ending, December 31,	Principal	Interest	Total
2024	\$8,676	\$551	\$9,227
2025	6,308	468	6,776
2026	7,055	399	7,454
2027	7,133	321	7,454
2028	7,211	243	7,454
2029-2030	14,661	246	14,907
	<b>\$51,043</b>	<b>\$2,228</b>	<b>\$53,271</b>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

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

**Leases – District as Lessee - Continued**

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

<u>Cape Elizabeth Wastewater</u>	<u>Intangible Asset</u>	<u>Accumulated Amortization</u>	<u>Net Lease Asset</u>	<u>Lease Liability</u>
Cape Elizabeth WWTF Land	\$126,123	(\$14,014)	\$112,109	\$119,118

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

Years Ending, December 31,	Principal	Interest	Total
2024	\$1,366	2,634	\$4,000
2025	1,397	2,603	4,000
2026	1,507	2,573	4,080
2027	1,623	2,539	4,162
2028	1,742	2,503	4,245
2029-2033	10,651	11,883	22,534
2034-2038	14,336	10,549	24,885
2039-2043	18,708	8,777	27,485
2044-2048	23,858	6,488	30,346
2049-2053	29,912	3,592	33,504
2054-2055	14,019	339	14,358
	<u>\$ 119,118</u>	<u>\$ 54,481</u>	<u>\$ 173,599</u>

**Leases – District as Lessor**

As of December 31, 2023, the District leased five (5) Water fund assets:

**Shore Acres Tank – AT&T:** The cell phone provider leases space on the District’s water tank located in Cape Elizabeth for their equipment. The lease commenced in November 2014 with an initial five (5) year term. The lease contains an additional four extensions which if executed would extend the lease until the end of October 2039. The District expects these extensions will take place. Payments are made monthly and as of the end of 2023 were \$3,262/month. The contract includes an automatic increase of 3.0% each year in November.

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

**Broadway South Portland – AIM:** The District leases the land on top of a transmission water main to AIM Broadway LLC which constructed a parking lot. The original lease started in 1998 and was later extended until the end of 2038. The current annual rent is \$2,416 and have 10.0% increases in 2028 and 2033.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

**Leases – District as Lessor - Continued**

**Broadway South Portland – Pape Subaru:** The District leases the land on top of a transmission water main to FWP Realty Company (Pape Subaru) which constructed a driveway and utility crossing. The lease was initiated in 2022 with a 10-year term expiring in 2032. The current annual rent is \$11,000 for the first five years with an increase of 10% in 2027.

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

<u>Water Fund</u>	<u>Lease Revenue</u>	<u>Interest Income</u>	<u>Total Income</u>	<u>Lease Receivable</u>	<u>Deferred Inflow</u>
Shore Acres Tank - AT&T	\$ 37,690	\$ 13,939	\$ 51,629	\$ 660,099	\$ 598,326
Shore Acres Tank - Verizon	37,690	13,939	51,629	660,099	598,326
Broadway So Portland - AIM	2,198	681	2,879	32,299	29,862
Broadway So Portland - Pape	10,005	2,863	12,868	81,178	80,038
Main St. Gorham - Madison VWB	2,379	279	2,658	17,145	16,650
	<u>\$ 89,962</u>	<u>\$ 31,701</u>	<u>\$ 121,663</u>	<u>\$ 1,450,820</u>	<u>\$ 1,323,202</u>

**Subscription-Based Informational Technology Arrangement (SBITA's)**

The District has SBITA's with four (4) different vendors for cyber security, GIS mapping and team meeting and collaboration. These are monthly or annual arrangements with no specific end dates. The District assumed three (3) year terms starting in 2023 using its current funding rates. During the year ended December 31, 2023, the District incurred \$63,404 in SBITA amortization expense.

<u>Water Fund</u>	<u>Intangible Asset</u>	<u>Accumulated Amortization</u>	<u>Net SBITA Asset</u>	<u>SBITA Liability</u>
SBITA's	<u>\$190,213</u>	<u>(\$63,404)</u>	<u>\$126,809</u>	<u>\$128,442</u>

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

<u>Years Ending, December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$63,391	\$2,577	\$65,968
2025	65,051	916	65,967
	<u>\$128,442</u>	<u>\$3,493</u>	<u>\$131,935</u>

**Long-Term Debt - Bonds**

The following is a summary of changes in bonds, including current portions reported in the Statement of Net Position: General Revenue bonds:

<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>	<u>Current</u>	<u>Non-Current</u>
<u>\$ 107,570,554</u>	<u>\$ 17,265,000</u>	<u>\$ (14,414,846)</u>	<u>\$ 110,420,708</u>	<u>\$ 10,515,721</u>	<u>\$ 99,904,987</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS – CONTINUED

Long-Term Debt - Bonds

Long-term debt outstanding as of December 31, 2023, consisted of the following general revenue bonds:

Issue Date	PWD Code	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
<b>Water Fund:</b>							
10/27/05	WTR05-02	\$ 900,000	2025	3.0% to 5.0%	\$ 90,000		
10/26/06	WTR06-01	\$ 1,500,000	2026	3.0% to 5.0%	\$ 225,000		
10/30/08	WTR08-01	\$ 1,500,000	2028	2.1% to 5.6%	\$ 375,000		
04/01/09	WTR09-01	\$ 1,598,500	2028	1.050%	\$ 399,625		
05/28/09	WTR09-02	\$ 4,519,800	2029	2.1% to 5.6%	\$ 1,355,940		
05/28/09	WTR09-03	\$ 180,200	2029	2.1% to 5.6%	\$ 54,060		
08/28/09	WTR09-04	\$ 2,991,066	2029	0.0%	\$ 897,320		
08/28/09	WTR09-05	\$ 163,953	2029	0.0%	\$ 49,186		
05/27/10	WTR10-02	\$ 400,000	2030	3.36% to 5.75%	\$ 175,000		
11/01/10	WTR10-03	\$ 902,500	2030	1.0%	\$ 315,875		
10/27/11	WTR11-01	\$ 2,300,000	2031	0.5% to 5.5%	\$ 920,000		
05/01/12	WTR12-03	\$ 1,130,000	2032	1.0%	\$ 508,500		
10/25/12	WTR12-01	\$ 2,000,000	2032	1.5% to 3.7%	\$ 900,000		
05/01/13	WTR13-01	\$ 2,850,000	2032	1.0%	\$ 1,350,000		
05/23/13	WTR13-04	\$ 1,428,000	2033	0.6% to 3.7%	\$ 714,000		
11/15/13	WTR13-05	\$ 1,072,000	2033	1.1%	\$ 536,000		
06/30/14	WTR14-01	\$ 2,541,000	2034	3.0% to 3.5%	\$ 1,375,000		
06/30/14	WTR14-02	\$ 2,000,000	2024	3.00%	\$ 200,000		
05/14/15	WTR15-01	\$ 459,000	2034	0.2%	\$ 254,152		
06/25/15	WTR15-03	\$ 2,000,000	2025	3.0%	\$ 400,000		
06/25/15	WTR15-04	\$ 3,230,000	2035	3.0% to 3.25%	\$ 1,920,000		
06/25/15	WTR15-05	\$ 500,000	2035	3.0% to 3.25%	\$ 300,000		
12/04/15	WTR15-06	\$ 270,000	2035	1.0%	\$ 162,000		
06/20/16	WT16-04	\$ 385,000	2036	3.0% to 4.0%	\$ 245,000		
06/20/16	WT16-05	\$ 1,830,000	2026	3.0% to 4.0%	\$ 540,000		
06/20/16	WT16-06	\$ 1,830,000	2036	3.0% to 4.0%	\$ 1,170,000		
06/20/16	WTR16-07	\$ 1,734,250	2027	3.0% to 4.0%	\$ 582,750		
06/20/16	WTR16-08	\$ 185,813	2027	3.0% to 4.0%	\$ 62,438		
06/20/16	WTR16-09	\$ 3,034,938	2027	3.0% to 4.0%	\$ 1,019,813		
09/28/16	WTR16-10	\$ 1,158,979	2036	1.0%	\$ 779,290		
09/28/16	WTR16-11	\$ 566,362	2036	1.0%	\$ 380,819		
07/18/17	WTR17-05	\$ 3,725,000	2037	3.0% to 5.0%	\$ 2,600,000		
07/18/17	WTR17-06	\$ 1,875,000	2027	3.0% to 5.0%	\$ 750,000		
03/02/18	WTR18-01	\$ 1,900,000	2037	1.0%	\$ 1,396,318		
08/01/18	WTR18-04	\$ 1,000,000	2028	5.00%	\$ 500,000		
08/01/18	WTR18-05	\$ 900,000	2038	3.0% to 5.0%	\$ 675,000		
08/01/18	WTR18-06	\$ 2,000,000	2028	5.00%	\$ 1,000,000		
11/30/18	WTR18-08	\$ 3,000,000	2038	1.0%	\$ 2,250,000		
08/01/19	WTR19-02	\$ 4,500,000	2039	3% to 5%	\$ 3,600,000		
08/01/19	WTR19-03	\$ 2,000,000	2029	2% to 5%	\$ 1,200,000		
01/31/20	WTR20-01	\$ 295,000	2029	1.0%	\$ 177,000		
07/30/20	WTR20-03	\$ 1,745,000	2040	2% to 5%	\$ 1,484,000		
07/30/20	WTR20-04	\$ 1,830,000	2030	5.00%	\$ 1,281,000		
11/01/20	WTR20-07	\$ 220,000	2040	1.0%	\$ 187,000		
07/29/21	WTR21-04	\$ 3,479,157	2041	2% to 5%	\$ 3,130,221		
07/29/21	WTR21-05	\$ 1,743,308	2031	5.00%	\$ 1,394,372		
07/29/21	WTR21-06	\$ 1,152,535	2041	2% to 5%	\$ 1,030,407		
12/22/21	WTR21-09	\$ 2,100,000	2041	1.0%	\$ 1,890,000		
12/22/21	WTR21-10	\$ 480,000	2041	1.0%	\$ 432,000		
08/01/22	WTR22-04	\$ 3,500,000	2042	4% to 5%	\$ 3,325,000		
08/01/22	WTR22-05	\$ 2,000,000	2032	5.00%	\$ 1,800,000		

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

<u>Issue Date</u>	<u>PWD Code</u>	<u>Original Amount</u>	<u>Maturities Through</u>	<u>Interest Rate Range</u>	<u>Amount</u>	<u>Current</u>	<u>Non-Current</u>
<b>Water Fund - Continued:</b>							
08/15/23	WTR23-01	\$ 3,665,000	2043	4.0% to 5.0%	\$ 3,665,000		
08/15/23	WTR23-02	\$ 1,840,000	2033	4.0% to 5.0%	\$ 1,840,000		
08/15/23	WTR23-03	\$ 4,055,000	2034	4.0% to 5.0%	\$ 4,015,000		
08/15/23	WTR23-04	\$ 4,675,000	2043	4.0% to 5.0%	\$ 4,675,000		
08/15/23	WTR23-05	\$ 2,110,000	2043	4.0% to 5.0%	\$ 2,110,000		
12/20/23	WTR23-07	\$ 190,000	2043	1.00%	\$ 190,000		
					<u>\$ 64,854,086</u>	<u>\$ 6,658,480</u>	<u>\$ 58,195,606</u>
<b>Cape Elizabeth Wastewater Fund:</b>							
10/30/08	WW08-03	\$ 95,000	2028	2.1% to 5.6%	\$ 23,750		
12/16/11	WW11-01	\$ 2,430,000	2031	1.0%	\$ 972,000		
10/25/12	WW12-03	\$ 160,000	2032	1.48% to 3.7%	\$ 72,000		
05/28/15	WW15-02	\$ 240,000	2035	0.4% to 3.9%	\$ 144,000		
05/25/17	WW17-03	\$ 315,000	2037	1.3% to 3.9%	\$ 220,500		
11/02/17	WW17-07	\$ 72,000	2037	1.4% to 4.1%	\$ 50,400		
06/03/19	WW19-01	\$ 875,000	2039	1.0%	\$ 700,000		
05/08/20	WW20-02	\$ 130,000	2039	1.0%	\$ 104,000		
02/18/21	WW21-01	\$ 850,000	2041	1.0%	\$ 765,000		
07/01/21	WW21-02	\$ 388,000	2041	1.0%	\$ 349,200		
11/03/22	WW22-08	\$ 575,000	2042	3.5% to 4.9%	\$ 546,250		
					<u>\$ 3,947,100</u>	<u>\$ 306,500</u>	<u>\$ 3,640,600</u>
<b>Cumberland Wastewater Fund:</b>							
12/22/06	WW06-01	\$ 125,000	2026	1.4%	\$ 18,750	\$ 6,250	\$ 12,500
<b>Falmouth Wastewater Fund:</b>							
05/01/16	WW16-03	\$ 4,000,000	2036	1.0%	\$ 2,600,000		
03/21/17	WW17-02	\$ 760,000	2037	1.0%	\$ 532,000		
					<u>\$ 3,132,000</u>	<u>\$ 238,000</u>	<u>\$ 2,894,000</u>
<b>Gorham Wastewater Fund:</b>							
12/01/05	WW05-02	\$ 252,000	2025	1.6%	\$ 25,200		
05/15/08	WW08-01	\$ 50,400	2028	2.0% to 5.5%	\$ 12,600		
10/30/08	WW08-02	\$ 474,672	2029	2.1% to 5.6%	\$ 142,402		
01/15/09	WW09-01	\$ 4,258,208	2028	1.4%	\$ 1,075,305		
02/27/09	WW09-02	\$ 253,475	2028	1.0%	\$ 63,369		
05/28/09	WW09-04	\$ 233,954	2029	2.1% to 5.6%	\$ 70,186		
11/01/10	WW10-04	\$ 52,360	2030	1.0%	\$ 18,326		
03/02/18	WW18-02	\$ 308,000	2038	1.00%	\$ 231,000		
11/04/21	WW21-08	\$ 53,900	2041	0.61% to 2.95%	\$ 48,510		
05/19/22	WW22-03	\$ 2,498,400	2041	1.00%	\$ 2,248,560		
					<u>\$ 3,935,458</u>	<u>\$ 423,919</u>	<u>\$ 3,511,539</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt - Bonds - Continued

Issue Date	PWD Code	Original Amount	Maturities Through	Interest Rate Range	Amount	Current	Non-Current
<b>Portland Wastewater Fund:</b>							
12/03/04	WW04-01	\$ 375,000	2024	1.3%	\$ 18,750		
12/03/04	WW04-02	\$ 1,740,000	2024	1.3%	\$ 87,000		
12/01/05	WW05-01	\$ 1,900,000	2025	1.6%	\$ 190,000		
04/01/09	WW09-03	\$ 5,700,000	2028	1.5%	\$ 1,404,970		
11/01/10	WW10-03	\$ 752,200	2030	1.0%	\$ 263,270		
10/27/11	WW11-02	\$ 400,000	2031	0.5% to 5.5%	\$ 160,000		
11/04/13	WW13-02	\$ 3,000,000	2033	3.0% to 4.0%	\$ 1,500,000		
12/04/15	WW15-07	\$ 2,000,000	2035	1.0%	\$ 1,200,000		
07/08/16	WW16-01	\$ 7,000,000	2036	1.0%	\$ 4,550,000		
07/08/16	WW16-02	\$ 1,200,000	2036	1.0%	\$ 780,000		
05/01/17	WW17-01	\$ 1,900,000	2036	1.0%	\$ 1,296,581		
05/24/18	WW18-03	\$ 500,000	2038	1.92% to 4.042%	\$ 375,000		
07/30/20	WW20-05	\$ 940,000	2040	2.00%	\$ 793,000		
07/30/20	WW20-06	\$ 410,000	2040	2.00%	\$ 347,000		
12/10/20	WW20-08	\$ 3,150,000	2040	1.00%	\$ 2,677,500		
07/01/21	WW21-03	\$ 422,000	2041	1.00%	\$ 379,800		
03/09/22	WW22-01	\$ 476,000	2041	1.00%	\$ 428,400		
05/04/22	WW22-02	\$ 290,000	2031	1.00%	\$ 232,000		
09/23/22	WW22-06	\$ 2,130,000	2042	1.00%	\$ 2,023,500		
09/23/22	WW22-07	\$ 5,200,000	2042	1.00%	\$ 4,940,000		
11/02/23	WW23-06	\$ 710,000	2043	3.74% to 4.93%	\$ 710,000		
					<u>\$ 24,356,771</u>	<u>\$ 2,027,491</u>	<u>\$ 22,329,280</u>
<b>Westbrook Wastewater Fund:</b>							
12/01/05	WW05-02	\$ 1,316,800	2025	1.6%	\$ 131,680		
05/15/08	WW08-01	\$ 183,360	2028	2.0% to 5.5%	\$ 45,840		
10/30/08	WW08-02	\$ 2,384,641	2029	2.1% to 5.6%	\$ 715,392		
02/27/09	WW09-02	\$ 974,925	2028	1.0%	\$ 243,732		
11/01/10	WW10-04	\$ 113,220	2030	1.0%	\$ 39,627		
12/04/15	WW15-08	\$ 1,000,000	2035	1.0%	\$ 600,000		
03/02/18	WW18-02	\$ 666,000	2038	1.00%	\$ 499,500		
09/01/18	WW18-07	\$ 2,200,000	2039	1.00%	\$ 1,760,000		
11/04/21	WW21-08	\$ 116,550	2041	0.61% to 2.95%	\$ 104,895		
05/19/22	WW22-03	\$ 5,290,400	2041	1.00%	\$ 4,761,360		
					<u>\$ 8,902,026</u>	<u>\$ 712,295</u>	<u>\$ 8,189,731</u>
<b>Windham Wastewater Fund:</b>							
12/01/05	WW05-02	\$ 31,200	2025	1.6%	\$ 3,120		
05/15/08	WW08-01	\$ 6,240	2028	2.0% to 5.5%	\$ 1,560		
10/30/08	WW08-02	\$ 40,687	2029	2.1% to 5.6%	\$ 12,206		
01/15/09	WW09-01	\$ 1,681,792	2029	1.4%	\$ 424,695		
02/27/09	WW09-02	\$ 21,600	2028	1.0%	\$ 5,400		
05/28/09	WW09-04	\$ 196,046	2029	2.1% to 5.6%	\$ 58,814		
11/01/10	WW10-04	\$ 4,420	2030	1.0%	\$ 1,547		
03/02/18	WW18-02	\$ 26,000	2038	1.0%	\$ 19,500		
11/04/21	WW21-07	\$ 615,000	2041	0.61% to 2.95%	\$ 553,500		
11/04/21	WW21-08	\$ 4,550	2041	0.61% to 2.95%	\$ 4,095		
05/19/22	WW22-03	\$ 211,200	2041	1.0%	\$ 190,080		
					<u>\$ 1,274,517</u>	<u>\$ 142,786</u>	<u>\$ 1,131,731</u>
<b>Total Long-Term Debt</b>					<u><b>\$ 110,420,708</b></u>	<u><b>\$ 10,515,721</b></u>	<u><b>\$ 99,904,987</b></u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

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

The municipalities comprising the District have ratified a resolution to levy taxes in the event of default by the District on either principal or interest payments of its water system debt.

The municipalities that have wastewater systems pay for the debt service through assessments made on them by the District. The debt of the wastewater system is backed by the good faith and credit of each of the municipalities.

**Green Bonds**

In 2021, 2022 and 2023 the District’s Board of Trustees authorized the issuance of “Green Bonds” for the purpose of improvements to water mains and other related infrastructure. Water main projects are environmentally beneficial because they are designed to ensure safe drinking water for the public in accordance with State, Federal and local standards. By taking this action, purchasers of the Bonds can invest directly in environmentally beneficial projects. The holders of the bonds do not assume any specific project risk or economic benefit related to any of the funded projects as the result of the Green Bonds designation.

	<u>Dec 31,2022</u>	<u>Proceeds</u>	<u>Interest</u>	<u>Drawdowns</u>	<u>Dec 31,2023</u>
2021 Green Bonds	\$ 19,971	\$ -	\$ 171	\$ (20,142)	\$ -
2022 Green Bonds	2,994,748	-	46,819	(3,041,567)	-
2023 Green Bonds	-	13,723,016	211,738	(4,988,113)	8,946,641
	<u>\$ 3,014,719</u>	<u>\$ 13,723,016</u>	<u>\$ 258,728</u>	<u>\$ (8,049,822)</u>	<u>\$ 8,946,641</u>

**Notes Payable – North Windham Wastewater**

In January 2023 the District received a Sewer Bond Anticipation Note of \$11.0 million from the Maine State Revolving Fund (SRF). The Note had a term of one (1) year and had an annual interest rate of 1.85%. During 2023, the District had two (2) drawdowns on the Note totaling \$1,997,140. The accrued interest at December 31, 2023 was \$28,107.

In addition, in September 2023, the District received an additional Sewer Bond Anticipation Note of \$10.0 million from the Maine SRF. The Note has a term of one (1) year and annual interest rate of 2.18%, no drawdowns were taken during 2023.

**Deferred Outflows of Resources - Bond Refunding**

During 2016, the District refunded \$5,160,000 in bonds in the Water Fund and incurred a \$247,093 loss. The loss was recorded as deferred outflows of resources and as of December 31, 2023 had a balance of \$16,000. The remaining balance will be amortized for the remaining life of the original bonds:

<b>Years Ending, December 31,</b>	<b>Beginning Balance</b>	<b>Reduction</b>	<b>Ending Balance</b>
2024	\$ 16,000	\$ (10,100)	\$ 5,900
2025	5,900	(5,400)	500
2026	500	(500)	-
		<u>\$ (16,000)</u>	

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

Long-Term Debt

**Principal Payments Due:** -----WASTEWATER SYSTEMS-----

	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2024	\$ 6,658,480	\$ 306,500	\$ 6,250	\$ 238,000	\$ 423,919	\$ 2,027,491	\$ 712,295	\$ 142,786	\$ 10,515,721
2025	6,434,352	306,500	6,250	238,000	423,919	1,921,741	712,295	142,786	10,185,843
2026	6,195,238	306,500	6,250	238,000	411,319	1,826,741	646,455	141,226	9,771,729
2027	5,461,128	306,500	0	238,000	411,319	1,826,741	646,455	141,226	9,031,369
2028	5,217,028	306,500	0	238,000	411,319	1,826,741	646,455	141,226	8,787,269
2029-2033	19,498,445	1,257,750	0	1,190,000	755,743	7,502,905	2,448,786	226,463	32,880,092
2034-2038	10,572,915	805,900	0	752,000	715,075	5,201,211	2,168,240	214,190	20,429,531
2039-2043	4,816,500	350,950	0	0	382,845	2,223,200	921,045	124,614	8,819,154
	\$ 64,854,086	\$ 3,947,100	\$ 18,750	\$ 3,132,000	\$ 3,935,458	\$ 24,356,771	\$ 8,902,026	\$ 1,274,517	\$ 110,420,708

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

	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2024	\$ 2,253,290	\$ 69,491	\$ 266	\$ 31,130	\$ 52,157	\$ 342,877	\$ 119,089	\$ 22,255	\$ 2,890,555
2025	2,010,138	64,865	178	28,750	45,390	313,869	105,792	20,129	2,589,111
2026	1,778,829	60,182	89	26,370	38,394	286,170	92,408	17,790	2,300,232
2027	1,545,967	55,418	0	23,990	31,450	260,035	80,318	15,249	2,012,427
2028	1,337,989	50,569	0	21,610	24,945	233,188	68,373	12,987	1,749,661
2029-2033	4,346,168	182,127	0	72,350	78,648	803,434	229,023	48,751	5,760,501
2034-2038	1,750,045	85,454	0	15,040	42,013	328,811	112,667	28,963	2,362,993
2039-2043	443,285	17,736	0	0	7,967	72,508	17,258	6,061	564,815
	\$ 15,465,711	\$ 585,842	\$ 533	\$ 219,240	\$ 320,964	\$ 2,640,892	\$ 824,928	\$ 172,185	\$ 20,230,295

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

	Cape								
	<u>Water</u>	<u>Elizabeth</u>	<u>Cumberland</u>	<u>Falmouth</u>	<u>Gorham</u>	<u>Portland</u>	<u>Westbrook</u>	<u>Windham</u>	<u>Total</u>
2024	\$ 8,911,770	\$ 375,991	\$ 6,516	\$ 269,130	\$ 476,076	\$ 2,370,368	\$ 831,384	\$ 165,041	\$ 13,406,276
2025	8,444,490	371,365	6,428	266,750	469,309	2,235,610	818,087	162,915	12,774,954
2026	7,974,067	366,682	6,339	264,370	449,713	2,112,911	738,863	159,016	12,071,961
2027	7,007,095	361,918	-	261,990	442,769	2,086,776	726,773	156,475	11,043,796
2028	6,555,017	357,069	-	259,610	436,264	2,059,929	714,828	154,213	10,536,930
2029-2033	23,844,613	1,439,877	-	1,262,350	834,391	8,306,339	2,677,809	275,214	38,640,593
2034-2038	12,322,960	891,354	-	767,040	757,088	5,530,022	2,280,907	243,153	22,792,524
2039-2043	5,259,785	368,686	-	-	390,812	2,295,708	938,303	130,675	9,383,969
	\$ 80,319,797	\$ 4,532,942	\$ 19,283	\$ 3,351,240	\$ 4,256,422	\$ 26,997,663	\$ 9,726,954	\$ 1,446,702	\$ 130,651,003

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

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

**Notes Payable**

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

	<u>Dec 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec 31, 2023</u>	<u>Current</u>	<u>Non-Current</u>
<b>Windham WW Fund:</b>						
2008 Note	\$ 79,440	\$ -	\$ (13,240)	\$ 66,200	\$ 13,240	\$ 52,960

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

Years Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	13,240	2,909	16,149
2025	13,240	2,328	15,568
2026	13,240	1,746	14,986
2027	13,240	1,164	14,404
2028	13,240	582	13,822
	<u>\$ 66,200</u>	<u>\$ 8,729</u>	<u>\$ 74,929</u>

**Compensated Absences**

Sick Time: District employees can be paid out up to 400 hours of sick time upon retirement. The District calculated the value of those potential payments using current pay rates and, using historic data, considered the likelihood of each employee retiring from the District. In addition, we looked at historic use of sick time and calculated the average hours taken in excess of the 96 hours of annual sick time given to each employee and multiplied that by the average employee pay rate for the current year. The District complied early with GASB Statement No. 101, *Compensated Absences*. The impact of this statement did not have a material impact of the financial statements of the District.

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

	<u>Dec 31, 2022</u>	<u>Net Change</u>	<u>Dec 31, 2023</u>	<u>Current</u>	<u>Non-Current</u>
Sick	\$ 820,696	\$ 87,312	\$ 908,008	\$ 499,064	\$ 408,944
Vacation	891,214	(40,344)	850,870	654,997	195,873
	<u>\$ 1,711,910</u>	<u>\$ 46,968</u>	<u>\$ 1,758,878</u>	<u>\$ 1,154,061</u>	<u>\$ 604,817</u>

**NOTE 4 - OTHER INFORMATION**

**Risk Management**

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

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Commitments and Contingencies**

At December 31, 2023, the District was committed on signed, but incomplete, construction and other contracts with a remaining balance of \$18,436,904, which is broken down by funds, as follows:

Water Fund	\$6,183,110
Cape Elizabeth Wastewater	361,127
Gorham Wastewater	56,553
Portland Wastewater	8,025,809
Westbrook Wastewater	171,171
Windham Wastewater	3,639,134

**Bond Commitments:**

As of December 31, 2023, the District’s Board of Trustees approved resolutions for the issuance of the following bonds that have yet to be issued as of the date of this report:

<u>Resolution</u>	<u>Fund</u>	<u>Project</u>	<u>Principal</u>	<u>Full Debt Service</u>
19-009/21-001	Gorham WW	Aeration - WRWWTF	1,232,000	1,540,390
19-009/21-001	Westbrook WW	Aeration - WRWWTF	2,664,000	3,330,844
19-009/21-001	Windham WW	Aeration - WRWWTF	104,000	130,033
			<u>4,000,000</u>	<u>5,001,267</u>
21-006	Water Fund	Watershed Protection Easement	900,000	1,412,011
21-013/23-009	Windham WW	North Windham Treatment	38,900,000	53,937,997
23-007	Portland WW	East End WWTF	16,750,000	25,930,667
23-043	Water Fund	Vac Truck	700,000	315,000
			<u>\$ 61,250,000</u>	<u>\$ 86,596,942</u>

**Bond Commitments – Subsequent Events:**

Since December 31, 2023 and through the date of this report, the following bonds were issued: Aeration – Westbrook Regional Wastewater Treatment Facility (WRWWTF), principal of \$3,835,000, full debt service of \$4,680,342.; Watershed Projection Easements, principal of \$313,950, \$20,000 principal forgiven, full debt service of \$342,709; Vac Truck, principal of \$685,000, \$376,750 principal forgiven, full debt service of \$326,745. In addition, during January 2024 a bond anticipation note of \$3,950,000 (12 months, 1.77% annual interest rate) was issued for the East End WWTF, there have been no drawdowns as of the date of this report.

**Cumberland Wastewater - Commitments and Contingencies:**

The Town of Falmouth provides wastewater treatment services to the Cumberland Wastewater fund. In 2007, the Town issued a 20-year bond to finance an upgrade at their treatment plant. The District agreed the Cumberland fund would pay 30% of the debt service payments. As of December 31, 2023, the total remaining debt payments to be paid by the Cumberland fund were \$402,018.

The Falmouth Wastewater fund has issued two bonds, \$4.0 million in 2016 and \$0.76 million in 2017, for the replacement/upgrade of the Mill Creek wastewater pump station and force main. The Cumberland Wastewater fund agreed to pay 43.7% of the debt service payments. As of December 31, 2023, the total remaining debt payments for the Cumberland fund through 2037 were \$1,537,716.

## NOTES TO FINANCIAL STATEMENTS

**December 31, 2021**

### NOTE 4 - OTHER INFORMATION - CONTINUED

#### Commitments and Contingencies - Continued

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

The Department of Environmental Protection and Environmental Protection Agency, local municipalities, and the District have entered into agreements to abate combined sewer overflows (CSO) and wet weather overflows in the respective Cities of Portland and Westbrook and the Town of Cape Elizabeth. Since the District operates the interception and treatment facilities and the municipalities operate the collection systems, the municipality and the District have responsibility to complete certain projects under the agreements. Periodically, the plans are reviewed and updated based on the impact of completion of prior projects. The current status of the agreements is outlined below:

The City of Portland submitted an updated plan in 2011. This 15-year plan was estimated to cost \$167 million, including approximately \$45 million of projects to be completed by the District towards the end of the plan. The City of Portland completed an update to the Long-Term Control Plan in 2020 as part of the Integrated Planning process. The City and MEDEP continue to negotiate on the final plan based on the work submitted.

The City of Westbrook and the District submitted an updated plan in December 2014 for the next 5 years. The City of Westbrook has completed its projects and is on schedule to meet the requirements of the current plan. In December 2023, an updated draft was submitted to Maine DEP. Once approved, the plan will guide abatement projects for the next 5 years.

The Town of Cape Elizabeth, the City of South Portland and the District submitted a draft plan for the Ottawa Road CSO in 2011. Because the combined sewer overflow is impacted by flow from the City of South Portland, the City of South Portland is also a party to the agreement. Extraneous flow was abated by the City and Town and PWD will complete an upgrade to the Ottawa Road Pump Station in 2024. The outfall will be monitored to determine if CSO flows have been abated.

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. All biosolids are landfilled by Casella. In December 2020 the parties signed an amendment for additional five-year period through the end of 2025. It is estimated that payments of approximately \$3,201,668 will be made to Casella in 2024.

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

The District purchases its electricity from Constellation Energy through an energy aggregation group – Maine Power Option. Energy contracts for small and medium accounts run through the end of 2025, the large are accounts are all have been signed through the end of 2024, some extend as late as 2026 & 2027. The estimated cost of electricity in 2024 is \$1,384,312.

On January 30, 2020, the District's Board of Trustees authorized entering into a 20-year contract to purchase net energy billing credits and renewable energy certificates (REC) generated from solar and hydro power electricity producers. The District signed contracts obligating it to annually pay \$511,700 to electricity producers for 4,941,649 kilowatts. The payment is offset by energy billing credits on the District's electricity bills and sale of the REC. Given the current billing credit rates and estimated REC value (\$166,410), the District would generate \$959,366 in net energy credits, resulting in a net savings of \$447,666. The billing credit rates are established annually by the Maine Public Utilities.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Trustee Held Funds**

The District participates in the State of Maine's revolving loan fund program. The program administrator retains the bond proceeds until the District expends the funds and requests reimbursement. During 2023, the District issued a bond through this program in the Water fund and received reimbursements for projects in the Water fund as well as the Cape Elizabeth and Portland Wastewater funds.

	<u>Dec. 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2023</u>
Water Fund	\$ 150,007	\$ 210,000	\$ (360,007)	\$ -
Cape Elizabeth Wastewater	7,871	-	(7,871)	-
Portland Wastewater	1,670,934	-	(1,241,105)	<b>429,829</b>
Total	<u>\$ 1,828,812</u>	<u>\$ 210,000</u>	<u>\$ (1,608,983)</u>	<u>\$ 429,829</u>

**Net Position**

Net position invested in capital assets in each fund is net of related debt plus unspent bond proceeds of \$8,946,641. All of these proceeds were related to the Water Fund.

**Pension Plans**

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

	<u>As of January 1, 2023</u>		<u>As of January 1, 2024</u>	
	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Active employees included in plan	37	20	31	18
Retired employees and beneficiaries	108	47	114	48
Terminated employees with vested rights	<u>26</u>	<u>10</u>	<u>25</u>	<u>9</u>
	<u>171</u>	<u>77</u>	<u>170</u>	<u>75</u>

The pension plan does not issue a stand-alone financial report.

Eligibility for each plan requires the participants to be eighteen years of age and to have fulfilled five years of continuous service. Union members and nonunion members are respectively eligible for the bargaining unit employees' pension plan or the non-bargaining unit plan.

The Trustees of the District elected to freeze eligibility for newly hired bargaining unit and non-bargaining unit employees as of December 31, 2010 and December 31, 2011, respectively. Those employees receive a contribution to the deferred compensation plan (see Deferred Compensation Plan). Employees hired before those dates and transferred between units are required to participate in the deferred compensation plan unless they make a one-time irrevocable decision to continue participation in the defined benefit plan.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

## NOTE 4 - OTHER INFORMATION - CONTINUED

## Pension Plans - Continued

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

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

Bargaining Unit Participants: Effective November 7, 2023, the monthly pension benefit is computed based on a \$41.50 for all pay grades, previously the rate was \$40.75. 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 \$1,867.50, the previous maximum was \$1,833.75.

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

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

Administrative Expenses: All administrative expenses are paid by the District and allocated to the individual funds. Such expenses were \$129,510 for the year ended December 31, 2023.

Funding Policy: The District's policy is to contribute at least the actuarially determined contribution to the plans or \$1,000,000, whichever is higher. No employee contributions are required by the plans. The District's Board authorizes the specific contribution annually. For the year ended December 31, 2023, a total contribution of \$1,524,809 was made with a contribution of \$858,468 and \$666,341 to the bargaining and non-bargaining units, respectively. The contributions represented 40.2% and 31.5% of the respective plan's covered compensation.

Net Pension Liability: The liability as of December 31, 2023 is based an actuarial valuation as of January 1, 2024 that was adjusted back to December 31, 2023. Balances as of December 31, 2023 are, as follows:

	<u>Bargaining Unit</u>	<u>Non- Bargaining Unit</u>	<u>Total</u>
Pension Liabilities	\$ 16,652,078	\$ 14,990,419	\$ 31,642,497
Net Fiduciary Position (Pension Assets)	15,512,484	13,566,731	29,079,215
Net Pension Liability	1,139,594	1,423,688	2,563,282
Deferred Outflows of resources related to Pension	(843,849)	(790,217)	(1,634,066)
Deferred Inflows of resources related to Pension	-	-	-
Net Carrying Amount on Statement of Net Position	<u>\$ 295,745</u>	<u>\$ 633,471</u>	<u>\$ 929,216</u>
Pension Expense	<u>\$ 726,420</u>	<u>\$ 771,011</u>	<u>\$ 1,497,431</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans - Continued

Changes in the Net Pension Liability: The changes in each of the pension plans for the year ended December 31, 2023 are listed below:

Bargaining Unit	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at December 31, 2022</b>	<u>\$ 16,258,053</u>	<u>\$ 13,501,455</u>	<u>\$ 2,756,598</u>
Service cost	82,933		82,933
Interest	1,026,865		1,026,865
Difference between expected and actual experience	376,584		376,584
Change in assumptions	-		-
Benefit payments	(1,092,357)		(1,092,357)
Contribution - employer		858,468	(858,468)
Net investment income		2,300,444	(2,300,444)
Fees/Other Expenses		(55,526)	55,526
Benefit payments		(1,092,357)	1,092,357
Net Change	<u>394,025</u>	<u>2,011,029</u>	<u>(1,617,004)</u>
<b>Balance at December 31, 2023</b>	<u><b>\$ 16,652,078</b></u>	<u><b>\$ 15,512,484</b></u>	<u><b>\$ 1,139,594</b></u>

Plan fiduciary net position as a percentage of total pension liability 93%

Non-Bargaining Unit	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balance at December 31, 2022</b>	<u>\$ 14,360,944</u>	<u>\$ 11,817,276</u>	<u>\$ 2,543,668</u>
Service cost	159,373		159,373
Interest	913,717		913,717
Difference between expected and actual experience	436,332		436,332
Change in assumptions	-		-
Benefit payments	(879,947)		(879,947)
Contribution - employer		666,341	(666,341)
Net investment income		2,011,269	(2,011,269)
Fees/Other Expenses		(48,208)	48,208
Benefit payments		(879,947)	879,947
Net Change	<u>629,475</u>	<u>1,749,455</u>	<u>(1,119,980)</u>
<b>Balance at December 31, 2023</b>	<u><b>\$ 14,990,419</b></u>	<u><b>\$ 13,566,731</b></u>	<u><b>\$ 1,423,688</b></u>

Plan fiduciary net position as a percentage of total pension liability 91%

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

Additional information from the January 1, 2024 actuarial valuation is listed below. The valuation was updated and rolled back to the December 31, 2023 measurement date.

	<u>Bargaining Unit</u>	<u>Non-Bargaining Unit</u>
Valuation date	January 1, 2024	January 1, 2024
Measurement date	December 31, 2023	December 31, 2023
Actuarial cost method	Entry Age	Entry Age
Amortization method- investment	5-Year Period	5-Year Period
Amortization method- liability	Expected Future Service	Expected Future Service
Amortization method-assumption	Expected Future Service	Expected Future Service
Amortization method-benefit change	3 Year Period	3 Year Period
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	6.5%	6.5%
Projected salary increases	3.0%	3.0%
Inflation rate	3.0%	3.0%
COLA (post-retirement)	1.5%	1.5%
Retirement age	Graded by age based on past experience	Graded by age based on past experience
Mortality	Pri-2012 Blue Collar Dataset Employee Amount - Weighted Mortality with Scale MP-2021	RP-2012 Total Dataset Employee Amount - Weighted Mortality with Scale MP-2021

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Return Estimate 7- &amp; 20-Year Horizon</u>
U.S. Equities Large	25%	4.85%/8.25%
U.S. Equities Small	15%	6.05%/7.80%
International Developed Market Equities	15%	5.20%/7.20%
International Emerging Market Equities	10%	7.80%/8.40%
Core Bonds	20%	4.80%/3.80%
High Yield Bonds	5%	7.10%/5.40%
REIT's	5%	4.00%/6.40%
Natural Resources	5%	5.50%/6.10%

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

Discount Rate: The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed the District contributions will be made at the rate equal to the actuarially determined contribution or \$1,000,000, whichever is higher. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, calculated using the discount rate of 6.5%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	<b>1% Decrease (5.5%)</b>	<b>Current Discount Rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
Bargaining Unit Net Pension Liability	\$2,785,546	\$1,139,594	\$(268,185)
Non-Bargaining Unit Net Pension Liability	\$2,891,436	\$1,423,686	\$161,460

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2023, the District recognized pension expense for the bargaining and non-bargaining unit of \$726,420 and \$771,011, respectively. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>			<b>Deferred Inflows of Resources</b>		
	<b>Bargaining</b>	<b>Non- Bargaining</b>	<b>Total</b>	<b>Bargaining</b>	<b>Non- Bargaining</b>	<b>Total</b>
Difference between Expected and Actual Expense	\$ 115,065	\$ 178,143	\$ 293,208	\$ -	\$ -	\$ -
Difference between Projected and Actual Returns	728,784	612,074	1,340,858	-	-	-
	<u>\$ 843,849</u>	<u>\$ 790,217</u>	<u>\$ 1,634,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<b>Bargaining Unit</b>	<b>Non- Bargaining Unit</b>
Year Ending December 31:		
2024	\$ 262,707	\$ 299,060
2025	338,892	290,421
2026	509,886	440,853
2027	(267,636)	(240,117)
	<u>\$ 843,849</u>	<u>\$ 790,217</u>

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2021**

**NOTE 4 - OTHER INFORMATION - CONTINUED**

**Pension Plans - Continued**

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

**December 31, 2023**

	<u><b>Bargaining</b></u>	<u><b>Non-Bargaining</b></u>	<u><b>Total</b></u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 382,196	\$ 354,375	\$ 736,571
Investments			
Equity mutual funds	\$ 9,483,288	\$ 8,303,289	\$ 17,786,577
Common stock	4,222,875	3,656,874	7,879,749
Fixed income - mutual funds	1,423,938	1,252,004	2,675,942
	<u>15,130,101</u>	<u>13,212,167</u>	<u>28,342,268</u>
Interest receivable	<u>187</u>	<u>189</u>	<u>376</u>
<b>Total Assets</b>	<u>\$ 15,512,484</u>	<u>\$ 13,566,731</u>	<u>\$ 29,079,215</u>
Restricted for pension benefits	<u>\$ 15,512,484</u>	<u>\$ 13,566,731</u>	<u>\$ 29,079,215</u>
<b>Total Fiduciary Net Position</b>	<u>\$ 15,512,484</u>	<u>\$ 13,566,731</u>	<u>\$ 29,079,215</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 4 - OTHER INFORMATION - CONTINUED

Pension Plans – Continued

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

Year Ended December 31, 2023

	<u>Bargaining</u>	<u>Non-Bargaining</u>	<u>Total</u>
<b>Additions:</b>			
Employer Contributions	\$ 858,468	\$ 666,341	\$ 1,524,809
Investment Income			
Interest and dividends	351,617	306,470	658,087
Net gain on sale of assets	582,217	603,145	1,185,362
Net appreciation of investments	1,366,610	1,101,654	2,468,264
Net Investment Income	<u>2,300,444</u>	<u>2,011,269</u>	<u>4,311,713</u>
<b>Total Additions</b>	3,158,912	2,677,610	5,836,522
<b>Deductions:</b>			
Benefits	(1,092,357)	(879,947)	(1,972,304)
Fees/Other Expenses	<u>(55,526)</u>	<u>(48,208)</u>	<u>(103,734)</u>
<b>Total Deductions</b>	<u>(1,147,883)</u>	<u>(928,155)</u>	<u>(2,076,038)</u>
<b>Change in Fiduciary Net Position</b>	2,011,029	1,749,455	3,760,484
<b>Fiduciary Net Position - Beginning of Year</b>	<u>13,501,455</u>	<u>11,817,276</u>	<u>25,318,731</u>
<b>Fiduciary Net Position - End of Year</b>	<u>\$ 15,512,484</u>	<u>\$ 13,566,731</u>	<u>\$ 29,079,215</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**December 31, 2021**

### **NOTE 4 - OTHER INFORMATION - CONTINUED**

#### **Pension Plans - Continued**

##### **Deferred Compensation Plan**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

For Bargaining Unit employees hired as of December 31, 2010, and Non-Bargaining Unit employees hired as of December 31, 2011, the plan and their level of contribution is optional. Starting in 2022, the District has matched employee contributions at the rate of a dollar-for-dollar match to a limit of \$1,500 per year for Bargaining Unit employees and Non-Bargaining Unit employees.

For Bargaining Unit employees hired after December 31, 2010, and Non-Bargaining Unit employees hired after December 31, 2011, the plan is mandatory. Employees are required to contribute 3.0% of their regular wages to the plan with a District match 150%. Employees can also elect to receive a 150% match on an additional 1.5% of regular wages beyond the mandatory 3.0%.

The District has no liability for losses under the plan but does have the usual fiduciary responsibilities of a plan sponsor. The assets and liabilities of the plan are not reflected in the financial statements of the District.

##### **Subsequent Events**

On January 1, 2024, the District implemented at average 6.4% water rate adjustment. The increase is projected to increase water revenue by an additional \$1.85 million.

On January 11, 2024, the \$11.00 million Sewer Bond Anticipation Note related to the design and construction of a new wastewater treatment facility in North Windham was renewed for another 12 months with the original interest rate of 1.85%. Later in January, the District took an additional \$4.30 million draw on the note.

On January 22, 2024, the District's Board of Trustees (BOT) approved resolutions for the issuance of up to \$15.71 million in water bonds to finance the installation and renewal of water mains, the replacement of the Sebago Lake Water Treatment Facility's Roof, upgrade of the Windham Water Pump Station, and obtaining Service Lines' GPS data points and related infrastructure. On April 22, 2024 the BOT authorized the issuance of an additional \$300k to a total of \$16.01 million. Of the total, \$8.20 million will be financed through a State Revolving Bond Fund which will have 55% principal forgiveness and a 0.00% interest rate.

On January 22, 2024, the BOT approved resolutions for the issuance of up to \$11.50 million in Portland wastewater bonds to finance the upgrade of the dewatering system at Portland's East End Wastewater Treatment Facility and related infrastructure.

On April 22, 2024, the BOT approved contracts totaling \$26.5 million relating to the construction of the North Windham WWTF.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

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

	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>					
Service cost	\$ 153,079	\$ 143,565	\$ 128,489	\$ 107,762	\$ 82,933
Interest	984,696	976,184	913,919	1,005,684	1,026,865
Change in benefit terms	124,915	-	-	-	-
Difference between expected and actual experience	(273,426)	(954,383)	118,140	(279,695)	376,584
Changes in assumptions	275,750	290,329	1,378,752	(793,502)	-
Benefit payments	(745,100)	(818,174)	(908,368)	(960,370)	(1,092,357)
Net change in total pension liability	519,914	(362,479)	1,630,932	(920,121)	394,025
Net pension liability - beginning	15,389,802	15,909,716	15,547,237	17,178,174	16,258,053
Total pension liability - ending (a)	\$ 15,909,716	\$ 15,547,237	\$ 17,178,172	\$ 16,258,053	\$ 16,652,078
<b>Plan fiduciary net position</b>					
Contribution - employer	\$ 657,022	\$ 632,344	\$ 816,192	\$ 368,518	\$ 858,468
Net investment income	2,299,668	1,844,172	1,791,576	(2,880,591)	2,244,918
Benefit payments	(745,100)	(818,174)	(908,368)	(960,370)	(1,092,357)
Net change in plan fiduciary net position	2,211,590	1,658,342	1,699,400	(3,472,443)	2,011,029
Plan fiduciary of net position - beginning	11,404,562	13,616,152	15,274,498	16,973,898	13,501,455
Plan fiduciary of net position - ending (b)	\$ 13,616,152	\$ 15,274,494	\$ 16,973,898	\$ 13,501,455	\$ 15,512,484
Net pension liability - ending (a)-(b)	\$ 2,293,564	\$ 272,743	\$ 204,274	\$ 2,756,598	\$ 1,139,594
Plan fiduciary net position as a percentage of total pension liability	86%	98%	99%	83%	93%
Covered payroll	\$ 3,365,672	\$ 2,968,576	\$ 2,514,595	\$ 2,514,595	\$ 2,133,555
District's net pension liability as a percentage of covered payroll	68%	9%	8%	110%	53%
<b>Schedule of Investment Returns</b>					
Annual money-weighted rate of return, net of investment return (expenses)	2019	2020	2021	2022	2023
	19.98%	12.81%	12.42%	-16.84%	15.86%

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

	2014	2015	2016	2017	2018
<b>Total Pension Liability</b>					
Service cost	\$ 168,163	\$ 195,241	\$ 169,601	\$ 168,310	\$ 160,841
Interest	784,769	918,080	958,787	955,116	966,881
Change in benefit terms	-	-	94,108	13,576	-
Difference between expected and actual experience	1,635,699	(115,154)	(154,202)	136,114	(138,333)
Changes in assumptions	-	-	(504,440)	644,838	-
Benefit payments	(507,918)	(564,678)	(584,988)	(631,191)	(699,644)
Net change in total pension liability	2,080,713	433,489	(21,134)	1,286,763	289,745
Net pension liability - beginning	11,320,226	13,400,939	13,834,428	13,813,294	15,100,057
Total pension liability - ending (a)	\$ 13,400,939	\$ 13,834,428	\$ 13,813,294	\$ 15,100,057	\$ 15,389,802
<b>Plan fiduciary net position</b>					
Contribution - employer	\$ 502,000	\$ 609,851	\$ 684,363	\$ 870,877	\$ 817,528
Net investment income	377,415	(73,698)	781,667	2,067,152	(889,719)
Benefit payments	(507,918)	(564,679)	(584,988)	(631,191)	(699,644)
Net change in plan fiduciary net position	371,497	(28,526)	881,042	2,306,838	(771,835)
Plan fiduciary of net position - beginning	8,645,546	9,017,043	8,988,517	9,869,559	12,176,397
Plan fiduciary of net position - ending (b)	\$ 9,017,043	\$ 8,988,517	\$ 9,869,559	\$ 12,176,397	\$ 11,404,562
Net pension liability - ending (a)-(b)	\$ 4,383,896	\$ 4,845,911	\$ 3,943,735	\$ 2,923,660	\$ 3,985,240
Plan fiduciary net position as a percentage of total pension liability	67%	65%	71%	81%	74%
Covered payroll	\$ 4,198,147	\$ 4,048,574	\$ 4,026,235	\$ 3,825,166	\$ 3,367,434
District's net pension liability as a percentage of covered payroll	104%	120%	98%	76%	118%
<b>Schedule of Investment Returns</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual money-weighted rate of return, net of investment return (expenses)	4.27%	(0.97%)	8.38%	19.98%	(7.16%)

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED****December 31, 2023****Schedules of Changes in the District's Net Pension Liability and Related Ratios – Non-Bargaining Unit Pension Plan**

	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>					
Service cost	\$ 190,869	\$ 198,332	\$ 212,607	\$ 214,702	\$ 159,373
Interest	824,557	821,796	818,185	870,282	913,717
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	185,820	(76,959)	315,451	93,885	436,332
Changes in assumptions	-	207,627	230,871	(728,506)	-
Benefit payments	(713,961)	(685,000)	(685,250)	(788,536)	(879,947)
Net change in total pension liability	487,285	465,796	891,864	(338,173)	629,475
Net pension liability - beginning	12,854,166	13,341,455	13,807,255	14,699,117	14,360,944
Total pension liability - ending (a)	\$ 13,341,451	\$ 13,807,251	\$ 14,699,117	\$ 14,360,944	\$ 14,990,419
<b>Plan fiduciary net position</b>					
Contribution - employer	\$ 455,752	\$ 488,318	\$ 608,121	\$ 330,113	\$ 666,341
Net investment income	2,049,544	1,624,656	1,563,111	(2,528,716)	1,963,061
Benefit payments	(713,961)	(685,000)	(685,250)	(788,536)	(879,947)
Net change in plan fiduciary net position	1,791,335	1,427,974	1,485,982	(2,987,139)	1,749,455
Plan fiduciary of net position - beginning	10,099,126	11,890,461	13,318,435	14,804,415	11,817,276
Plan fiduciary of net position - ending (b)	\$ 11,890,461	\$ 13,318,435	\$ 14,804,415	\$ 11,817,276	\$ 13,566,731
Net pension liability - ending (a)-(b)	\$ 1,450,990	\$ 488,816	\$ (105,298)	\$ 2,543,668	\$ 1,423,688
Plan fiduciary net position as a percentage of total pension liability	89%	96%	101%	82%	91%
Covered payroll	\$ 2,165,844	\$ 2,268,241	\$ 2,427,926	\$ 2,213,682	\$ 2,116,317
District's net pension liability as a percentage of covered payroll	67%	22%	-4%	115%	67%
<b>Schedule of Investment Returns</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual money-weighted rate of return, of investment return (expenses)	20.37%	13.64%	12.43%	-16.91%	15.85%

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

	2014	2015	2016	2017	2018
<b>Total Pension Liability</b>					
Service cost	\$ 205,440	\$ 229,085	\$ 214,157	\$ 196,096	\$ 192,284
Interest	672,086	802,879	849,544	852,297	803,360
Change in benefit terms	-	-	-	10,063	-
Difference between expected and actual experience	1,809,303	79,616	(29,531)	(746,340)	43,588
Changes in assumptions	-	-	(324,599)	533,290	-
Benefit payments	(587,753)	(651,317)	(621,009)	(657,627)	(710,413)
Net change in total pension liability	2,099,076	460,263	88,562	187,779	328,819
Net pension liability - beginning	9,689,665	11,788,741	12,249,004	12,337,566	12,525,345
Total pension liability - ending (a)	\$ 11,788,741	\$ 12,249,004	\$ 12,337,566	\$ 12,525,345	\$ 12,854,164
<b>Plan fiduciary net position</b>					
Contribution - employer	\$ 424,000	\$ 390,149	\$ 515,637	\$ 712,137	\$ 596,920
Net investment income	375,587	(47,726)	687,358	1,867,678	(805,757)
Benefit payments	(587,753)	(651,317)	(621,009)	(657,627)	(710,413)
Net change in plan fiduciary net position	211,834	(308,894)	581,986	1,922,188	(919,250)
Plan fiduciary of net position - beginning	8,611,262	8,823,096	8,514,202	9,096,188	11,018,376
Plan fiduciary of net position - ending (b)	\$ 8,823,096	\$ 8,514,202	\$ 9,096,188	\$ 11,018,376	\$ 10,099,126
Net pension liability - ending (a)-(b)	\$ 2,965,645	\$ 3,734,802	\$ 3,241,378	\$ 1,506,969	\$ 2,755,038
Plan fiduciary net position as a percentage of total pension liability	75%	70%	74%	88%	79%
Covered payroll	\$ 2,855,590	\$ 2,753,837	\$ 2,584,837	\$ 2,238,080	\$ 2,094,659
District's net pension liability as a percentage of covered payroll	104%	136%	125%	67%	132%
<b>Schedule of Investment Returns</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual money-weighted rate of return, of investment return (expenses)	4.29%	-0.95%	7.92%	19.85%	-7.26%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED****December 31, 2023****Schedule of District's Contributions**

The required supplementary information is intended to show information for ten years, and that additional years' information will be displayed as it becomes available. The actuarial determined rate was determined using the January 1, 2024 actuarial valuation report.

Additional information from the January 1, 2024 actuarial valuation follows:

Fiscal year ended	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
<b>Bargaining Unit</b>					
2014	\$ 451,021	\$ 502,000	\$ (50,979)	\$ 4,198,147	12.0%
2015	\$ 560,263	\$ 609,581	\$ (49,318)	\$ 4,048,574	15.1%
2016	\$ 672,450	\$ 684,363	\$ (11,913)	\$ 4,026,235	17.0%
2017	\$ 870,877	\$ 870,877	\$ -	\$ 3,825,166	22.8%
2018	\$ 817,528	\$ 817,528	\$ -	\$ 3,367,434	24.3%
2019	\$ 657,022	\$ 657,022	\$ -	\$ 3,365,672	19.5%
2020	\$ 632,344	\$ 632,344	\$ -	\$ 2,968,576	21.3%
2021	\$ 816,192	\$ 816,192	\$ -	\$ 2,514,595	32.5%
2022	\$ 368,518	\$ 368,518	\$ -	\$ 2,375,595	15.5%
2023	\$ 858,468	\$ 858,468	\$ -	\$ 2,133,555	40.2%
<b>Non-Bargaining Unit</b>					
2014	\$ 405,542	\$ 424,000	\$ (18,458)	\$ 2,855,590	14.8%
2015	\$ 358,425	\$ 390,149	\$ (31,724)	\$ 2,753,837	14.2%
2016	\$ 503,724	\$ 515,637	\$ (11,913)	\$ 2,584,837	19.9%
2017	\$ 712,137	\$ 712,137	\$ -	\$ 2,238,080	31.8%
2018	\$ 596,920	\$ 596,920	\$ -	\$ 2,094,659	28.5%
2019	\$ 455,752	\$ 455,752	\$ -	\$ 2,165,844	21.0%
2020	\$ 488,318	\$ 488,318	\$ -	\$ 2,268,241	21.5%
2021	\$ 608,121	\$ 608,121	\$ -	\$ 2,427,926	25.0%
2022	\$ 330,113	\$ 330,113	\$ -	\$ 1,985,002	16.6%
2023	\$ 666,341	\$ 666,341	\$ -	\$ 2,116,317	31.5%

**REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED**

**December 31, 2021**

**Assumptions**

	<u><b>Bargaining Unit</b></u>	<u><b>Non-Bargaining Unit</b></u>
Valuation date	January 1, 2024	January 1, 2024
Measurement date	December 31, 2023	December 31, 2023
Actuarial cost method	Entry Age	Entry Age
Amortization method - investment	5-Year Period	5-Year Period
Amortization method - liability	Expected Future Service	Expected Future Service
Amortization method - assumption	Expected Future Service	Expected Future Service
Amortization method - benefit change	3-Year Period	3-Year Period
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	6.5%	6.5%
Projected salary increases	3.0%	3.0%
Inflation rate	3.0%	3.0%
COLA (post-retirement)	1.5%	1.5%
Retirement age	Graded by age based on past experience	Graded by age based on past experience
Mortality	Pri-2012 Blue Collar Dataset Employee Amount - Weighted Mortality with Scale MP-2021	RP-2012 Total Dataset Employee Amount - Weighted Mortality with Scale MP-2021

**Schedule of Investment Returns**

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

<b>Year</b>	<b>Bargaining Unit</b>	<b>Non-Bargaining Unit</b>
2014	4.27%	4.29%
2015	-0.97%	-0.95%
2016	8.38%	7.92%
2017	19.98%	19.85%
2018	-7.16%	-7.26%
2019	19.98%	20.37%
2020	12.81%	13.64%
2021	12.42%	12.43%
2022	-16.84%	-16.91%
2023	15.86%	15.85%

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# Statistics

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

## Financial Trends - Pages 85 to 87

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

### NET POSITION BY COMPONENT

*Last Ten Fiscal Years*

Fiscal Year	Invested in capital		TOTAL NET POSITION
	assets	Unrestricted	
2013	\$189,149,330	\$26,344,637	\$215,493,967
2014	\$190,834,740	\$25,737,197	\$216,571,937
2015	\$189,204,269	\$25,370,021	\$214,574,290
2016	\$191,714,552	\$27,055,864	\$218,770,416
2017	\$197,712,038	\$25,951,054	\$223,663,092
2018	\$201,842,304	\$29,647,052	\$231,489,356
2019	\$211,071,653	\$26,149,340	\$237,220,993
2020	\$218,114,336	\$26,736,528	\$244,850,864
2021	\$232,901,919	\$19,170,119	\$252,072,038
2022	\$227,255,439	\$33,462,884	\$260,718,323
2023	\$231,418,986	\$33,348,689	\$264,767,675

### 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
2013	\$37,147,486	\$34,301,284	\$2,846,202	(\$1,934,940)	\$911,262	\$2,298,022	\$3,209,284
2014	\$38,191,819	\$34,884,395	\$3,307,424	(\$4,256,936)	(\$949,512)	\$2,069,800	\$1,120,288
2015	\$39,396,921	\$35,169,923	\$4,226,998	(\$1,596,533)	\$2,630,465	\$2,721,429	\$5,351,894
2016	\$41,304,624	\$37,915,424	\$3,389,200	(\$1,701,445)	\$1,687,755	\$2,488,658	\$4,176,413
2017	\$42,056,624	\$38,702,741	\$3,353,883	(\$1,684,176)	\$1,669,707	\$3,222,969	\$4,892,676
2018	\$43,548,737	\$36,398,460	\$7,150,277	(\$1,418,009)	\$5,732,268	\$1,933,510	\$7,665,778
2019	\$44,545,576	\$41,725,703	\$2,819,873	(\$912,468)	\$1,907,405	\$3,824,232	\$5,731,637
2020	\$46,239,468	\$41,331,292	\$4,908,176	(\$1,479,569)	\$3,428,607	\$4,201,264	\$7,629,871
2021	\$50,031,055	\$43,778,873	\$6,252,182	(\$1,815,641)	\$4,436,541	\$2,784,633	\$7,221,174
2022	\$50,373,981	\$41,998,321	\$8,375,660	(\$2,059,847)	\$6,315,813	\$2,330,472	\$8,646,285
2023	\$54,060,783	\$51,468,322	\$2,592,461	(\$32,124)	\$2,560,337	\$1,489,015	\$4,049,352

## 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
2014	\$12,385,913	\$6,149,574	\$1,227,986	\$876,736	\$16,972,320	\$579,290	\$38,191,819
2015	\$13,106,427	\$6,401,387	\$1,270,959	\$915,884	\$17,116,284	\$585,980	\$39,396,921
2016	\$13,955,172	\$6,981,949	\$1,318,921	\$964,618	\$17,529,312	\$554,652	\$41,304,624
2017	\$13,966,491	\$6,879,184	\$1,344,507	\$996,063	\$18,418,704	\$451,675	\$42,056,624
2018	\$14,353,230	\$7,271,544	\$1,381,691	\$1,050,242	\$19,003,536	\$488,494	\$43,548,737
2019	\$14,580,331	\$7,271,378	\$1,438,674	\$1,116,887	\$19,448,472	\$689,834	\$44,545,576
2020	\$16,591,770	\$6,948,024	\$1,463,871	\$1,159,717	\$19,604,461	\$471,625	\$46,239,468
2021	\$16,223,526	\$7,504,734	\$1,511,988	\$1,215,749	\$21,083,736	\$630,622	\$48,170,355
2022	\$16,667,315	\$8,283,722	\$1,555,148	\$1,274,493	\$22,036,993	\$556,310	\$50,373,981
2023	\$16,706,497	\$8,374,009	\$1,641,304	\$1,369,621	\$25,403,484	\$565,868	\$54,060,783

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

## OPERATING EXPENSES

Last Ten Fiscal Years

Fiscal Year	Salaries/Wages	Depreciation	Employee Benefits	Contracted Services	Purchased Power	Biosolids Disposal	Materials/Supplies	Chemicals	Other Expenses*	TOTAL
2014	\$9,699,724	\$8,713,697	\$4,662,451	\$3,491,349	\$1,699,980	\$1,462,622	\$1,599,296	\$1,086,724	\$2,468,552	\$34,884,395
2015	\$9,832,283	\$8,845,225	\$3,819,319	\$4,078,652	\$1,750,431	\$1,518,633	\$1,607,479	\$991,814	\$2,726,087	\$35,169,923
2016	\$10,114,266	\$9,075,357	\$5,907,182	\$4,376,286	\$1,728,375	\$1,518,719	\$1,855,522	\$1,029,538	\$2,310,179	\$37,915,424
2017	\$10,423,555	\$9,494,234	\$5,825,409	\$4,268,301	\$1,836,535	\$1,862,526	\$1,616,529	\$1,016,025	\$2,359,627	\$38,702,741
2018	\$10,785,763	\$9,735,663	\$1,892,052	\$4,464,667	\$1,950,747	\$1,790,923	\$1,708,254	\$1,012,613	\$3,057,778	\$36,398,460
2019	\$11,287,519	\$10,129,483	\$7,282,566	\$4,205,578	\$1,800,127	\$1,809,983	\$1,485,948	\$1,173,157	\$2,551,342	\$41,725,703
2020	\$11,857,086	\$10,304,624	\$4,736,987	\$4,862,161	\$1,859,039	\$1,704,001	\$1,508,430	\$1,239,730	\$3,259,234	\$41,331,292
2021	\$12,368,700	\$10,886,036	\$3,979,251	\$4,869,919	\$1,978,899	\$2,275,184	\$1,715,342	\$1,238,597	\$2,606,245	\$41,918,173
2022	\$12,981,196	\$11,188,872	\$582,707	\$5,562,538	\$2,000,182	\$2,411,502	\$2,274,136	\$1,906,577	\$3,090,611	\$41,998,321
2023	\$13,803,170	\$11,487,834	\$6,406,853	\$6,552,602	\$2,222,802	\$3,104,922	\$2,291,628	\$2,556,126	\$3,042,385	\$51,468,322

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

## NON-OPERATING REVENUES (EXPENSES)

Last Ten Fiscal Years

Fiscal Year	Interest Income	Investment Unrealized Gain (Loss)	Miscellaneous Income*	Gain on Sale of Operating Property	Interest & Amortization Expense	TOTAL
2014	\$86,684	**	\$62,509	(\$2,535,831)	(\$1,870,298)	(\$4,256,936)
2015	\$118,826	**	\$152,728	\$3,320	(\$1,871,407)	(\$1,596,533)
2016	\$163,062	**	\$239,430	(\$129,711)	(\$1,974,226)	(\$1,701,445)
2017	\$275,377	**	\$257,526	(\$132,339)	(\$2,084,740)	(\$1,684,176)
2018	\$635,638	**	\$278,197	(\$206,947)	(\$2,124,897)	(\$1,418,009)
2019	\$1,090,244	**	\$302,289	(\$131,065)	(\$2,173,936)	(\$912,468)
2020	\$573,123	\$12,614	\$382,075	(\$300,154)	(\$2,147,227)	(\$1,479,569)
2021	\$197,403	(\$214,829)	\$444,965	(\$75,207)	(\$2,167,973)	(\$1,815,641)
2022	\$323,942	(\$460,016)	\$580,264	(\$143,244)	(\$2,360,793)	(\$2,059,847)
2023	\$1,496,136	\$722,516	\$1,059,191	(\$382,913)	(\$2,927,054)	(\$32,124)

\* Miscellaneous Income includes jobbing revenue and grant monies.

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

**ANNUAL CONTRIBUTIONS BY SOURCE**

*Last Ten Fiscal Years*

Fiscal Year	Water						TOTAL
	Distribution Mains	Water Services	Hydrants	Water Meters	Other Water	Wastewater Equipment	
2013	\$1,160,992	\$181,880	\$121,193	\$58,418	\$0	\$775,538	\$2,298,022
2014	\$1,358,398	\$205,879	\$70,983	\$134,540	\$300,000	\$0	\$2,069,800
2015	\$2,104,408	\$291,423	\$171,710	\$116,476	\$37,412	\$0	\$2,721,429
2016	\$1,993,427	\$226,657	\$117,670	\$150,904	\$0	\$0	\$2,488,658
2017	\$1,392,413	\$305,329	\$90,204	\$257,259	\$21,000	\$1,156,764	\$3,222,969
2018	\$1,207,854	\$176,992	\$121,873	\$214,998	\$221,257	(\$9,464)	\$1,933,510
2019	\$2,149,640	\$385,517	\$228,880	\$117,595	\$0	\$942,600	\$3,824,232
2020	\$3,009,540	\$207,108	\$163,159	\$93,957	\$50,000	\$677,500	\$4,201,264
2021	\$1,891,638	\$288,003	\$107,840	\$202,552	\$20,000	\$274,600	\$2,784,633
2022	\$1,134,336	\$225,714	\$152,342	\$134,080	\$0	\$684,000	\$2,330,472
2023	\$963,464	\$218,717	\$68,000	\$218,834	\$20,000	\$0	\$1,489,015

**WATER PRODUCED AND CONSUMED**

*Last Ten Fiscal Years*

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled*	Average Percent Unbilled	Unaccounted for Water
2014	7,890,697	6,308,749	1,581,948	20.0%	14.2%
2015	7,698,285	6,402,335	1,295,950	16.8%	14.8%
2016	8,044,650	6,594,427	1,450,223	18.0%	14.2%
2017	7,914,329	6,348,462	1,565,867	19.8%	15.0%
2018	7,539,164	6,361,346	1,177,818	15.6%	13.6%
2019	7,240,123	6,121,036	1,119,087	15.5%	13.5%
2020	7,631,358	6,415,803	1,215,555	15.9%	14.2%
2021	7,521,708	6,257,807	1,263,901	16.8%	12.3%
2022	7,686,532	6,606,679	1,079,853	14.0%	11.8%
2023	7,298,936	6,030,728	1,268,208	17.4%	15.6%

Note: Gallons are presented in thousands.

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

# Revenue Capacity - Pages 88 - 92

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

## TEN LARGEST WATER CUSTOMERS

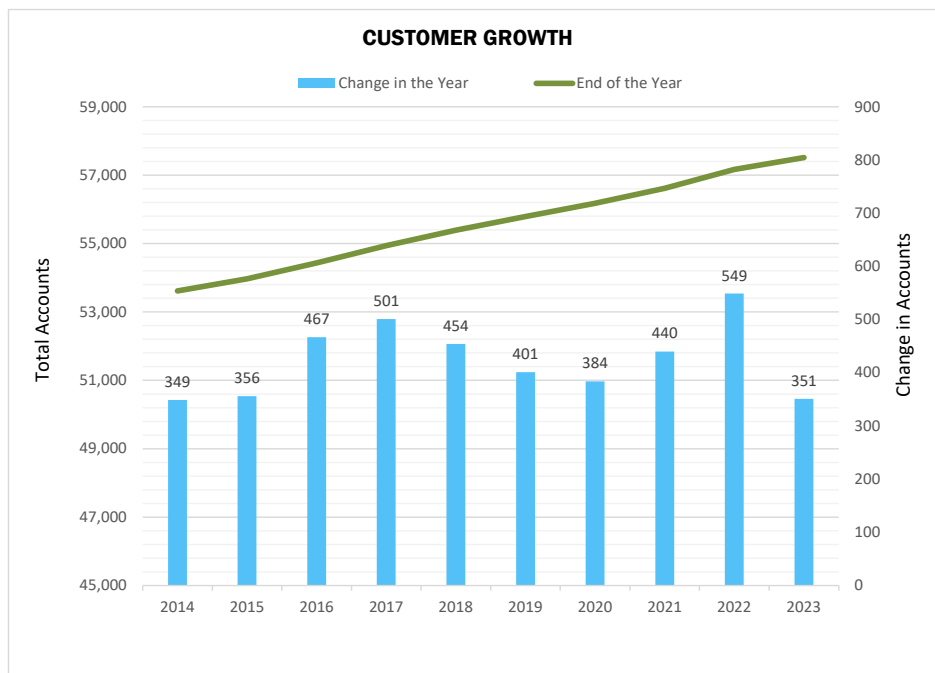
Current Year (2023) & Ten Years Ago (2014)				
Ten Years Ago (2014):				
Customer Name	Customer Location	Consumption HCF*	Water Revenue	
Calpine	Westbrook	574,609	\$498,246	
Sappi Fine Paper	Westbrook	441,948	\$431,037	
National Semiconductor (Texas Instruments)	So. Portland	351,272	\$312,502	
Yarmouth Water District	Yarmouth	161,182	\$165,926	
Fairchild Semiconductor (ON Semi)	So. Portland	145,190	\$137,674	
Ecomaine	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	
Shipyards Beverage	Portland	<u>43,494</u>	<u>\$48,851</u>	
		2,074,249	\$2,065,678	
<b>TOTAL SALES</b>		<b>8,434,156</b>	<b>\$20,640,209</b>	
<b>PERCENT OF TOTAL SALES</b>		<b>24.6%</b>	<b>10.0%</b>	
Current Year (2023):				
Customer Name	Customer Location	Consumption HCF*	Water Revenue	
Calpine	Westbrook	642,150	\$806,696	
Texas Instruments	So. Portland	292,229	\$374,640	
ON Semiconductor	So. Portland	129,797	\$171,565	
Sappi Fine Paper	Westbrook	127,723	\$212,637	
Ecomaine	Portland	123,932	\$161,683	
Maine Medical Center	Portland	116,416	\$232,039	
Yarmouth Water District	Yarmouth	116,088	\$180,220	
Portland Housing Authority	Portland	44,294	\$130,495	
Oakhurst Dairy	Portland	38,584	\$67,631	
Port Property Management	Portland	<u>38,579</u>	<u>\$111,863</u>	
		1,669,792	\$2,449,469	
<b>TOTAL SALES</b>		<b>8,062,472</b>	<b>\$28,091,431</b>	
<b>PERCENT OF TOTAL SALES</b>		<b>20.7%</b>	<b>8.7%</b>	

\* = Hundreds of Cubic Feet (1 HCF = 748 Gallons)

## NET GROWTH IN CUSTOMERS

Last Ten Fiscal Years

Metered & Private Fire Customers				
Fiscal Year	Beginning Number	Ending Number	Net Increase	Percent Increase
2014	53,266	53,615	349	0.7%
2015	53,615	53,971	356	0.7%
2016	53,971	54,438	467	0.9%
2017	54,438	54,939	501	0.9%
2018	54,939	55,393	454	0.8%
2019	55,393	55,794	401	0.7%
2020	55,794	56,178	384	0.7%
2021	56,178	56,618	440	0.8%
2022	56,618	57,167	549	1.0%
2023	57,167	57,518	351	0.6%



## NUMBER OF WATER CUSTOMERS BY TYPE

Last Ten Fiscal Years

Metered Customers							
Fiscal Year	Residential	Commerical	Industrial	Public Authorities	Total Metered	Private Fire	TOTAL
2014	47,241	3,573	95	513	51,422	2,193	53,615
2015	47,566	3,580	94	506	51,746	2,225	53,971
2016	47,912	3,653	98	507	52,170	2,268	54,438
2017	48,257	3,750	100	513	52,620	2,319	54,939
2018	48,602	3,800	95	505	53,002	2,391	55,393
2019	48,913	3,841	93	500	53,347	2,447	55,794
2020	49,219	3,867	93	493	53,672	2,506	56,178
2021	49,542	3,926	92	498	54,058	2,560	56,618
2022	50,054	3,927	92	476	54,549	2,618	57,167
2023	50,341	3,945	89	477	54,852	2,666	57,518

# WATER RATE SCHEDULE

Last Ten Fiscal Years

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

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

# WATER RATE SCHEDULE

Last Ten Fiscal Years

	Effective 05/01/16 to 04/30/17		Effective 05/01/17 to 04/30/18		Effective 05/01/18 to 04/30/19	
	Member Rate	Non-member Rate	Member Rate	Non-member Rate	Member Rate	Non-member Rate
<b>Private Fire</b>						
2	42.84	49.20	43.32	49.68	45.00	51.60
3	95.88	110.16	96.84	111.36	100.44	115.44
4	171.12	196.80	172.80	198.72	179.28	206.16
6	408.96	470.16	413.04	474.84	428.52	492.72
8	684.36	787.08	691.56	795.00	717.48	824.76
10	1,069.56	1,230.72	1,080.24	1,242.96	1,120.80	1,289.64
12	1,540.20	1,771.32	1,555.56	1,788.96	1,613.88	1,856.04
16	2,738.04	3,148.80	2,765.40	3,180.24	2,869.08	3,299.52
<b>General Water Minimum Monthly Charges</b>						
5/8	9.03	10.38	9.11	10.47	9.40	10.81
3/4	10.64	12.22	10.74	12.33	11.08	12.72
1	13.80	15.90	13.92	16.04	14.37	16.55
1 1/2	23.29	26.77	23.60	27.13	24.73	28.43
2	33.54	38.55	33.99	39.07	35.62	40.95
3	60.85	69.96	61.67	70.90	64.63	74.30
4	91.59	105.33	92.83	106.75	97.29	111.87
6	176.97	203.50	179.36	206.25	187.97	216.15
8	279.41	321.33	283.18	325.67	296.77	341.30
10	404.56	465.25	410.02	471.53	429.70	494.16
12	535.54	615.86	542.77	624.17	568.82	654.13
Low Income	2.26	2.61	2.28	2.63	2.36	2.77
<b>Seasonal Water Minimum Seasonal Charges</b>						
5/8	227.88	262.07	216.90	249.44	225.03	258.79
3/4	290.35	333.89	293.25	337.33	304.25	349.88
1	352.81	405.74	356.34	409.80	369.70	425.17
1 1/2	561.01	645.16	566.62	651.61	587.87	676.05
2	810.84	932.47	818.95	941.79	849.66	977.11
3	1,477.09	1,698.67	1,491.86	1,715.66	1,547.80	1,780.00
4	2,226.63	2,560.63	2,248.90	2,586.24	2,333.23	2,683.22
6	4,308.65	4,954.96	4,351.74	5,004.51	4,514.93	5,192.18
8	6,807.10	7,828.17	6,875.17	7,906.45	7,132.99	8,202.94
10	13,469.61	15,490.03	13,604.31	15,644.93	14,114.47	16,231.61
12	21,005.30	24,156.11	21,215.35	24,397.67	22,010.92	25,312.58
<b>Volume Charges Four Blocks (Step 5) Monthly</b>						
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.26	2.61	2.28	2.63	2.35	2.71
Next 7,000 Cf	1.90	2.18	1.93	2.21	2.02	2.33
Next 40,000 Cf	1.68	1.93	1.70	1.96	1.78	2.04
Over 50,000 Cf	0.94	1.10	0.95	1.11	1.00	1.15
<b>Seasonal</b>						
Over Min to 90,000 Cf	2.26	2.61	2.28	2.63	2.35	2.71
Over 90,000 Cf	1.64	1.89	1.66	1.91	1.78	2.04
<b>Seasonal Surcharge *1</b>						
Surface Main Surcharge	40.40	46.47	40.80	46.93	42.33	48.69

\*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 05/01/19 to 11/30/20		Effective 12/01/20 to 02/28/22		Effective 03/01/22 to 12/31/22		Effective 01/01/23 to 12/31/23	
	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	46.92	53.88	48.48	55.68	50.28	57.72	52.80	60.60
3	104.88	120.48	108.48	124.68	112.44	129.00	118.08	135.48
4	187.08	215.16	193.44	222.48	200.40	230.52	210.48	242.04
6	447.24	514.20	462.36	531.60	479.04	550.68	503.04	578.16
8	748.80	860.76	774.12	889.80	801.96	921.84	842.04	967.92
10	1,169.64	1,345.92	1,209.12	1,391.40	1,252.68	1,441.44	1,315.32	1,513.56
12	1,684.20	1,936.92	1,741.08	2,000.04	1,803.72	2,074.56	1,893.96	2,178.24
16	2,994.12	3,443.40	3,095.28	3,559.80	3,206.76	3,687.96	3,367.08	3,872.40
<b>General Water Minimum Monthly Charges</b>								
5/8	9.75	11.21	10.04	11.55	10.37	11.93	10.87	12.51
3/4	11.49	13.19	11.83	13.59	12.22	14.04	12.81	14.72
1	14.90	17.16	15.35	17.67	15.86	18.25	16.63	19.14
1 1/2	26.10	30.01	27.27	31.36	28.17	32.39	29.54	33.96
2	37.60	43.22	39.29	45.16	41.23	47.40	44.23	50.85
3	68.22	78.42	71.29	81.95	74.82	86.01	80.26	92.27
4	102.69	118.08	107.31	123.39	112.62	129.50	120.81	138.92
6	198.40	228.15	207.33	238.42	217.59	250.22	233.42	268.42
8	313.24	360.24	327.34	376.45	343.54	395.08	368.53	423.82
10	453.55	521.59	473.96	545.06	497.42	572.04	533.61	613.66
12	600.39	690.43	627.41	721.50	658.47	757.51	706.37	812.30
Low Income	2.44	2.81	2.51	2.89	2.59	2.99	2.72	3.14
<b>Seasonal Water Minimum Seasonal Charges</b>								
5/8	234.84	270.07	242.78	279.20	251.52	289.25	264.10	303.71
3/4	317.52	365.13	328.25	377.47	340.07	391.06	357.07	410.61
1	385.82	443.71	398.86	458.71	413.22	475.22	433.88	498.98
1 1/2	613.50	705.53	634.24	729.38	657.07	755.64	689.92	793.42
2	886.71	1,019.71	916.68	1,054.18	949.68	1,092.13	997.16	1,146.74
3	1,615.28	1,857.61	1,669.88	1,920.40	1,730.00	1,989.53	1,816.50	2,089.01
4	2,434.96	2,800.21	2,517.26	2,894.86	2,607.88	2,999.07	2,738.27	3,149.02
6	4,711.78	5,418.56	4,871.04	5,601.71	5,046.40	5,803.37	5,298.72	6,093.54
8	7,443.99	8,560.59	7,695.60	8,849.94	7,972.64	9,168.54	8,371.27	9,626.97
10	14,729.86	16,939.31	15,227.73	17,511.86	15,775.93	18,142.29	16,564.72	19,049.40
12	22,970.60	26,416.21	23,747.01	27,309.08	24,601.90	28,292.21	25,832.00	29,706.82
<b>Volume Charges Four Blocks (Step 5) Monthly</b>								
First 100 Cf	minimum	minimum	minimum	minimum	minimum	minimum	minimum	minimum
Next 2,900 Cf	2.44	2.81	2.51	2.89	2.59	2.99	2.72	3.14
Next 7,000 Cf	2.13	2.47	2.23	2.57	2.34	2.70	2.51	2.90
Next 40,000 Cf	1.88	2.14	1.96	2.25	2.06	2.36	2.21	2.53
Over 50,000 Cf	1.06	1.20	1.11	1.28	1.16	1.34	1.24	1.44
<b>Seasonal</b>								
Over Min to 90,000 Cf	2.44	2.81	2.51	2.89	2.59	2.99	2.72	3.14
Over 90,000 Cf	1.88	2.14	1.96	2.25	2.06	2.36	2.21	2.53
<b>Seasonal Surcharge *1</b>								
Surface Main Surcharge	44.18	50.81	45.67	52.53	47.79	54.96	49.67	57.14

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

**WATER RATES**

The District has two rate groups:

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

Non-Members: Standish and Yarmouth

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

05/01/13 to 04/30/14	05/01/16 to 04/30/17	12/01/20 to 02/28/22
05/01/14 to 04/30/15	05/01/17 to 04/30/18	03/01/22 to 12/31/22
05/01/15 to 04/30/16	05/01/18 to 04/30/19	01/01/23 to 12/31/23
	05/01/19 to 11/30/20	

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

## Debt Capacity - Page 93

This schedule presents information to help the reader assess the affordability of PWD'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	Notes Payable	Lease/SBITA Liability	Total	Debt	Debt % of Personal Income
	Revenue Bonds			Outstanding Debt	Per Capita	
2013	\$67,132,695	\$198,600	\$0	\$67,331,295	\$331	0.9%
2014	\$66,616,415	\$185,360	\$0	\$66,801,775	\$323	0.8%
2015	\$71,439,509	\$172,120	\$0	\$71,611,629	\$344	0.9%
2016	\$83,744,412	\$158,880	\$0	\$83,903,292	\$399	1.0%
2017	\$86,007,583	\$145,640	\$0	\$86,153,223	\$409	0.9%
2018	\$91,605,693	\$132,400	\$0	\$91,738,093	\$433	1.0%
2019	\$91,450,918	\$119,160	\$0	\$91,570,078	\$430	0.9%
2020	\$92,024,465	\$105,920	\$135,013	\$92,265,398	\$420	0.9%
2021	\$94,851,951	\$92,680	\$191,477	\$95,136,108	\$430	0.8%
2022	\$107,570,554	\$79,440	\$180,886	\$107,830,880	\$484	0.9%
2023	\$110,420,708	\$2,063,340	\$298,603	\$112,782,651	n/a	n/a

# Operating Information - Page 94 to 95

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										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Services	53,643	54,022	54,370	54,912	55,245	55,686	56,114	57,460	57,489	57,467
Meters	53,071	53,958	53,132	53,589	53,859	54,259	53,222	54,027	54,064	54,108
Hydrants	5,003	5,048	5,079	5,085	5,123	5,169	5,197	5,212	5,250	5,285
Gate Valves	11,458	11,542	11,671	11,821	11,971	12,062	12,033	12,203	12,274	12,349
Distribution Mains (miles)	947.2	949.6	952.5	958.7	961.3	965.5	969.4	973.6	977.9	982.6
Transmission Mains (miles)	40.7	40.7	41.1	41.1	41.1	41.2	41.9	42.0	42.0	42.0
Wastewater Assets										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interceptors (miles)	48.1	45.3	45.3	43.1	43.1	43.1	43.1	43.1	43.1	43.1
Foremains (miles)	22.5	25.6	25.6	30.6	30.6	31.6	31.7	32.1	31.6	31.8
Collectors (miles)	26.1	34.4	34.4	41.1	41.3	41.6	42.4	43.3	43.3	43.3
Storm Drains (miles)	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Manholes	2,442	2,523	2,523	2,609	2,616	2,631	2,652	2,631	2,660	2,664
Combined Sewer Overflows	28	28	28	28	28	28	25	26	30	29
Wastewater Flow Treated*										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
East End (Portland)	18.92	16.38	16.41	17.55	17.55	15.58	15.12	14.19	13.71	16.28
Westbrook/Gorham	3.25	2.54	2.47	3.04	3.31	3.15	3.03	2.95	3.08	3.56
Cape Elizabeth	0.30	0.23	0.24	0.27	0.28	0.25	0.24	0.23	0.23	0.29
Peaks Island (Portland)	0.10	0.09	0.09	0.10	0.11	0.10	0.10	0.10	0.09	0.11
* Daily average in millions of gallons										
Wastewater Biosolids Disposal**										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
East End (Portland)	48.18	50.28	47.37	63.20	58.25	58.94	52.87	56.04	47.67	47.46
Westbrook/Gorham	13.96	14.23	15.99	14.39	15.09	13.12	12.17	11.39	11.13	11.45
Cape Elizabeth	0.59	0.66	0.71	1.30	0.75	0.56	0.70	0.55	0.62	0.36
Peaks Island (Portland)	0.12	0.13	0.15	0.19	0.14	0.16	0.09	0.12	0.10	0.08
** Daily average in wet tons										

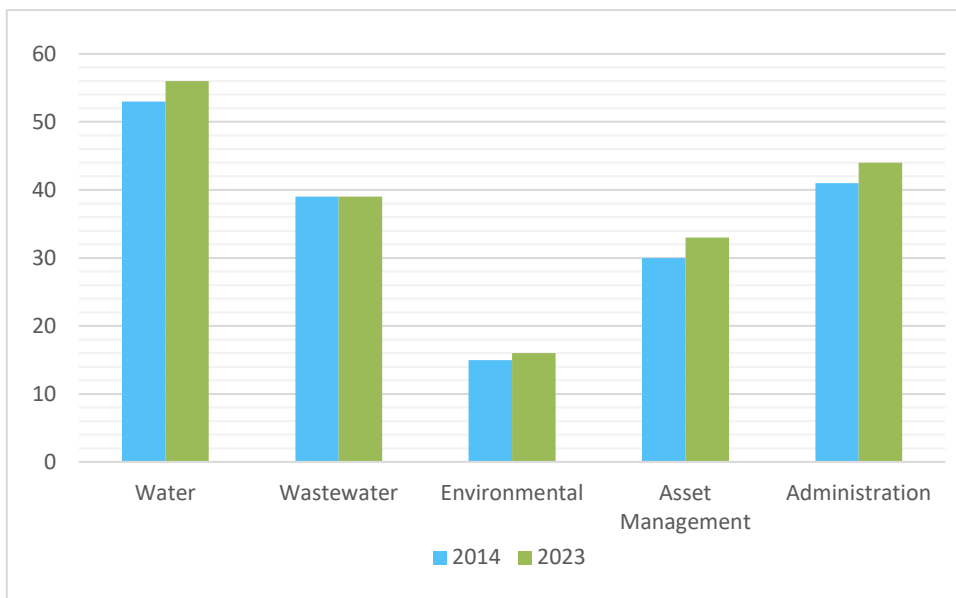
**NUMBER OF EMPLOYEES BY ACTIVITY - Actual Approved Full Time Headcount**

*Last Ten Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Water Operations:</b>										
Water Distribution	23	22	22	22	22	22	24	24	24	23
Water Utility Services	14	15	15	15	16	16	16	16	16	16
Water Treatment	11	11	11	11	11	11	11	11	11	11
Administrative/Other	5	5	5	5	5	5	5	5	5	6
	53	53	53	53	54	54	56	56	56	56
<b>Wastewater Operations:</b>										
Wastewater Treatment	25	25	24	25	23	23	23	23	23	23
Water/Wastewater Systems	13	13	13	13	13	13	13	13	13	13
Administrative/Other	1	1	1	1	2	3	3	3	3	3
	39	39	38	39	38	39	39	39	39	39
<b>Environmental Services:</b>										
Environmental Services	8	8	9	9	9	9	9	9	9	8
Laboratory	7	7	7	7	8	7	7	7	7	8
	15	15	16	16	17	16	16	16	16	16
<b>Asset Management &amp; Planning:</b>										
Planning & Design	17	17	17	16	18	18	18	18	18	19
Facilities Services	10	10	10	10	10	10	10	10	10	10
Instrumentation	3	3	3	4	3	3	3	3	4	4
	30	30	30	30	31	31	31	31	32	33
<b>Administration:</b>										
Customer Service	14	14	14	13	14	14	14	14	14	13
Executive Office	8	8	9	9	10	10	10	10	10	10
Financial Services	9	9	8	8	8	8	8	8	8	9
Information Services	7	7	7	7	7	7	8	8	8	8
Employee Services	3	3	3	3	3	3	4	4	4	4
	41	41	41	40	42	42	44	44	44	44
	178	178	178	178	182	182	186	186	187	188

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

**NUMBER OF EMPLOYEES**



# Demographic and Economic Information - Page 96

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

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2)	(2)	(2)
		Personal Income thousands	Per Capita Personal Income	Unemployment Rate
2014	207,103	\$7,966,090,650	\$27,680	3.8%
2015	208,449	\$8,346,665,460	\$28,784	2.8%
2016	210,072	\$8,730,810,106	\$29,896	2.6%
2017	210,811	\$9,175,965,847	\$31,371	1.9%
2018	212,038	\$9,608,756,565	\$32,732	2.5%
2019	212,754	\$10,155,680,814	\$34,426	2.2%
2020	219,443	\$10,525,827,198	\$34,731	4.2%
2021	221,091	\$11,529,003,235	\$37,771	2.9%
2022	222,640	\$12,337,811,226	\$39,949	2.1%
2023	n/a	n/a	n/a	2.9%

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

## PRINCIPAL EMPLOYERS

Current Year

### Ten Largest Employers\*

Employer Name	Employees	Business Description
Maine Health	8,501 to 9,000	General Medical & Surgical Hospitals
Unum Group	2,001 to 2,500	Direct Life Insurance Carriers
Iddex Laboratories	2,001 to 2,500	Pharmaceutical Preparation Manufacturing
WEX LLC	1,001 to 1,500	Financial Transaction Processing
Northern Light Mercy Hospital	501 to 1,000	General Medical & Surgical Hospitals
TD Bank NA	501 to 1,000	Commercial Banking
Tyler Technologies	501 to 1000	Computer Systems Design Services
University of New England	501 to 1000	College/University
Texas Instruments	1 to 500	Semiconductor & Related
Martins Point Health Care	1 to 500	Outpatient Care Centers

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

Note: Prior data was not available

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

## Other Information - Pages 97 to 110

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

### PROPRIETARY FUND OPERATING REVENUES

Last 10 Fiscal Years

#### WATER REVENUES

YEAR	Residential	Commercial	Industrial	Public Authorities	Public Fire Protection	Private Fire Protection	Resale	Other Revenue	TOTAL
2014 (d)	\$12,385,913	\$3,552,801	\$1,690,206	\$740,640	\$1,227,986	\$876,736	\$165,927	\$98,749	\$20,738,958
2015 (e)	\$13,106,427	\$3,824,946	\$1,630,601	\$750,107	\$1,270,959	\$915,884	\$195,733	\$94,201	\$21,788,858
2016 (f)	\$13,955,172	\$4,221,468	\$1,749,763	\$834,010	\$1,318,921	\$964,617	\$176,709	\$81,227	\$23,301,887
2017 (g)	\$13,886,799	\$4,292,372	\$1,583,041	\$841,069	\$1,344,507	\$996,063	\$162,703	\$79,691	\$23,186,245
2018 (h)	\$14,353,230	\$4,427,787	\$1,679,774	\$837,927	\$1,381,691	\$1,050,242	\$189,139	\$136,917	\$23,186,245
2019 (i)	\$14,580,331	\$4,643,531	\$1,604,559	\$858,722	\$1,438,674	\$1,116,887	\$164,566	\$159,707	\$24,566,977
2020 (j)	\$16,591,771	\$4,386,721	\$1,534,935	\$833,501	\$1,463,871	\$1,159,717	\$155,409	\$37,457	\$26,163,382
2021	\$16,223,526	\$4,669,578	\$1,823,254	\$795,197	\$1,511,988	\$1,215,749	\$155,555	\$61,150	\$26,455,997
2022 (k)	\$16,667,315	\$5,056,707	\$1,892,715	\$983,304	\$1,555,148	\$1,274,493	\$226,364	\$124,631	\$27,780,677
2023 (l)	\$16,706,497	\$5,209,729	\$1,898,640	\$958,159	\$1,641,304	\$1,369,621	\$180,220	\$127,261	\$28,091,431

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

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

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

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

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

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

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

(k) - Effective March 2022 metered water rates increased an average of 3.7%, public and private fire rates increased an average of 3.6%.

(l) - Effective January 2023 metered water rates increased an average of 5.6%, public and private fire rates increased an average of 5.0%.

#### WASTEWATER ASSESSMENTS

YEAR	Cape Elizabeth	Cumberland	Falmouth (a)	Gorham	Portland	Westbrook	Windham	TOTAL
2014	\$1,377,252	\$731,784	n/a	\$1,106,148	\$10,872,204	\$2,533,176	\$351,756	\$16,972,320
2015	\$1,412,112	\$731,784	n/a	\$1,106,148	\$10,981,308	\$2,533,176	\$351,756	\$17,116,284
2016	\$1,443,408	\$750,072	\$36,012	\$1,106,148	\$11,308,740	\$2,533,176	\$351,756	\$17,529,312
2017	\$1,468,692	\$844,584	\$263,604	\$1,106,148	\$11,841,972	\$2,533,176	\$360,528	\$18,418,704
2018	\$1,539,840	\$905,364	\$310,056	\$1,106,148	\$12,248,424	\$2,533,176	\$360,528	\$19,003,536
2019	\$1,572,912	\$905,364	\$314,112	\$1,133,436	\$12,616,080	\$2,539,800	\$366,768	\$19,448,472
2020	\$1,705,380	\$965,292	\$314,112	\$1,160,676	\$12,367,494	\$2,702,503	\$389,004	\$19,604,461
2021	\$1,835,412	\$989,268	\$314,112	\$1,188,840	\$13,441,944	\$2,903,244	\$410,916	\$21,083,736
2022	\$2,061,612	\$1,005,600	\$314,112	\$1,313,100	\$13,651,033	\$3,173,124	\$518,412	\$22,036,993
2023	\$2,300,004	\$1,184,904	\$314,112	\$1,566,816	\$15,798,744	\$3,723,096	\$515,808	\$25,403,484

(a) = Falmouth assessment increase in 2017 due to support of debt service relating to the upgrade of the Mill Creek Wastewater Pump Station.

**WATER FUND - DEBT SERVICE COVERAGE RATIO**

*Last Ten Fiscal Years*

Fiscal Year	Net Operating Income (a)	Non-Operating Income (b)	Available for Debt Service (c) = (a) + ((b)	Depreciation not Allocated Elsewhere (d)	Net Revenue Available for Debt Service (e) = (c) + (d)	Debt Service Coverage Ratio (f) = (e) / (j)	Net Allocated Depreciation (g)	Adjusted Net Revenue Available for Debt Service (h) = (e) + (g)	Adjusted Debt Service Coverage Ratio (i) = (h) / (j)	Annual Debt Service (j)
2013	\$2,610,637	\$54,105	\$2,664,742	\$4,294,772	\$6,959,514	2.11	\$677,414	\$7,636,928	2.31	\$3,301,245
2014	\$2,512,021	\$102,378	\$2,614,399	\$4,610,453	\$7,224,852	1.83	\$676,044	\$7,900,896	2.00	\$3,943,827
2015	\$3,013,768	\$208,654	\$3,222,422	\$4,676,316	\$7,898,738	2.07	\$677,863	\$8,576,601	2.25	\$3,811,653
2016	\$2,843,375	\$328,818	\$3,172,193	\$4,821,696	\$7,993,889	1.87	\$744,611	\$8,738,500	2.04	\$4,274,820
2017	\$2,676,574	\$246,513	\$2,923,087	\$4,980,666	\$7,903,753	1.69	\$640,326	\$8,544,079	1.83	\$4,671,494
2018	\$5,542,131	\$436,452	\$5,978,583	\$4,993,230	\$10,971,813	2.14	\$766,283	\$11,738,096	2.29	\$5,119,850
2019	\$2,641,292	\$826,648	\$3,467,940	\$5,321,338	\$8,789,278	1.53	\$767,607	\$9,556,885	1.66	\$5,757,162
2020	\$4,249,769	\$589,289	\$4,839,058	\$5,454,118	\$10,293,176	1.66	\$893,940	\$11,187,116	1.80	\$6,216,477
2021	\$4,916,659	\$338,901	\$5,255,560	\$5,878,769	\$11,134,329	1.71	\$894,804	\$12,029,133	1.85	\$6,500,078
2022	\$6,798,464	\$467,655	\$7,266,119	\$6,196,339	\$13,462,458	1.89	\$943,114	\$14,405,572	2.02	\$7,128,074
2023	\$1,554,709	\$1,304,626	\$2,859,335	\$6,385,668	\$9,245,003	1.17	\$953,053	\$10,198,056	1.29	\$7,887,787

(a) = Operating Income from the Statement of Revenues, Expenses & Changes in Net Position - Proprietary Funds

(b) = Interest Income and Miscellaneous Income from the Statement of Revenues, Expenses & Changes in Net Position - Proprietary Funds

(d) = Depreciation not Allocated Elsewhere from the Statement of Revenues, Expenses & Changes in Net Position - Proprietary Funds

(g) = The portion of the Depreciation on assets jointly used by all funds that was included in the Water Fund's operating expense

(j) = Principal Payments on Bonds + Interest Paid on Bonds from the Statement of Cash Flows - Proprietary Funds

# Water Statistics

## 2023 WATER SERVICES SUMMARY

COMMUNITY	# of Services	# of Meters	# of Hydrants	# of Gate Valves	Distribution Mains (miles)
Cape Elizabeth	3,761	3,691	333	781	72.6
Cumberland	2,005	1,950	290	477	52.6
Falmouth	3,627	3,489	408	803	84.7
Gorham	3,068	2,984	332	817	64.6
Portland	19,534	17,855	1500	4,105	252.9
Raymond	47	44	27	22	3.1
Scarborough	5,896	5,440	723	1,300	120.1
South Portland	8,722	8,262	590	1,709	122.9
Standish	839	841	152	232	27.7
Westbrook	6,202	5,946	578	1,288	91.7
Windham	3,722	3,563	352	812	89.5
Yarmouth	44	43	0	3	0.2
<b>TOTAL</b>	<b>57,467</b>	<b>54,108</b>	<b>5,285</b>	<b>12,349</b>	<b>982.6</b>

## 2023 NUMBER OF WATER SERVICES BY TYPE

COMMUNITY	Surface	Brass	Copper	Plastic	Galvanized	Ductile Iron	Cement Lined	TOTAL
Cape Elizabeth	74	1	3,537	109	7	27	6	3,761
Cumberland	19	5	1,858	62	1	55	5	2,005
Falmouth	57	2	3,389	66	3	95	15	3,627
Gorham	28	0	2,812	89	3	125	12	3,069
Portland	924	9	17,007	411	21	891	271	19,534
Raymond	1	0	41	0	0	5	0	47
Scarborough	153	0	5,099	297	4	333	10	5,896
South Portland	260	1	7,804	208	15	348	86	8,722
Standish	14	0	766	17	0	12	30	839
Westbrook	102	0	5,667	141	1	279	12	6,202
Windham	120	4	3,217	272	0	97	12	3,722
Yarmouth	0	0	41	0	0	2	0	43
<b>TOTAL</b>	<b>1,752</b>	<b>22</b>	<b>51,238</b>	<b>1,672</b>	<b>55</b>	<b>2,269</b>	<b>459</b>	<b>57,467</b>

## 2023 WATER PRODUCTION (AVERAGE MILLION GALLONS PER DAY)

MONTH	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Rd. Boosted	Wards Hill Boosted
January	17.337	0.036	17.373	0.001	0.460	0.508	0.100	0.394	0.490
February	17.487	0.040	17.527	0.001	0.550	0.516	0.101	0.392	0.502
March	17.433	0.036	17.469	0.001	0.469	0.580	0.109	0.425	0.481
April	17.592	0.037	17.629	0.001	0.520	0.564	0.102	0.440	0.489
May	22.955	0.042	22.997	0.001	0.662	0.712	0.146	0.750	0.650
June	23.105	0.042	23.147	0.002	0.652	0.659	0.140	0.640	0.654
July	24.268	0.040	24.308	0.000	0.695	0.699	0.151	0.662	0.645
August	23.461	0.045	23.506	0.002	0.676	0.738	0.143	0.620	0.625
September	23.220	0.048	23.268	0.000	0.651	0.788	0.221	0.705	0.644
October	20.293	0.050	20.343	0.006	0.606	0.722	0.136	0.499	0.538
November	19.313	0.052	19.365	0.001	0.543	0.650	0.131	0.413	0.502
December	18.621	0.053	18.674	0.000	0.460	0.675	0.118	0.787	0.481
Averages	20.424	0.043	20.467	0.001	0.579	0.651	0.133	0.561	0.558

## 2023 WATER PRODUCTION (MILLION GALLONS PER YEAR)

	Sebago Lake Surface Water	Steep Falls Wells	TOTAL SYSTEM	Gorham Boosted	N. Windham Boosted	Prides Corner Boosted	Standish Boosted	Winn Road Boosted	Wards Hill Boosted
	7,461.97	15.88	7,477.85	0.44	211.18	237.92	48.62	205.17	203.92

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

YEAR	Source Water							Boosted Water						Percentage		
	Sebago Lake		Cumberland Wells	N. Windham Wells	Steep Falls Wells	TOTAL	Metered	Difference	Gorham Village	North Windham	Prides Corner	Standish Falmouth	West Falmouth	Wards Hill	Total Boosted	Booster to Total
	Greater Portland System	Sebago Lake Standish System														
1963	19.936	0.043	0.000	0.168	0.013	20.160			0.168		0.021				0.189	0.94%
1964	19.402	0.039	0.000	0.144	0.013	19.598			0.188		0.032				0.220	1.12%
1965	20.214	0.047	0.076	0.196	0.011	20.544			0.183		0.025				0.208	1.01%
1966	20.189	0.048	0.161	0.166	0.013	20.577			0.187		0.032				0.219	1.06%
1967	18.785	0.060	0.152	0.142	0.012	19.151			0.195		0.028				0.223	1.16%
1968	20.576	0.159	0.191	0.156	0.014	21.096			0.213		0.031				0.244	1.16%
1969	21.849	0.167	0.192	0.179	0.019	22.406			0.210		0.036				0.246	1.10%
1970	21.875	0.137	0.205	0.186	0.020	22.423	17.180	5.243	0.228		0.043				0.271	1.21%
1971	22.511	0.185	0.275	0.230	0.022	23.223	17.070	6.153	0.246		0.045				0.291	1.25%
1972	21.232	0.221	0.225	0.263	0.022	21.963	16.380	5.583	0.257		0.063				0.320	1.46%
1973	21.846	0.220	0.228	0.288	0.021	22.603	16.290	6.313	0.228		0.113				0.341	1.51%
1974	21.810	0.202	0.221	0.334	0.017	22.584	16.410	6.174	0.242		0.114				0.356	1.58%
1975	21.635	0.215	0.266	0.363	0.021	22.500	15.960	6.540	0.258		0.167				0.425	1.89%
1976	21.589	0.258	0.274	0.345	0.022	22.488	16.020	6.468	0.266		0.194				0.460	2.05%
1977	21.060	0.246	0.310	0.408	0.039	22.063	16.840	5.223	0.273		0.193				0.466	2.11%
1978	21.566	0.247	0.296	0.351	0.037	22.497	17.300	5.197	0.255		0.325				0.580	2.58%
1979	19.306	0.261	0.161	0.490	0.046	20.264	17.470	2.794	0.250		0.160				0.410	2.02%
1980	19.104	0.250	0.177	0.419	0.043	19.993	16.550	3.443	0.266		0.306				0.572	2.86%
1981	19.720	0.274	0.204	0.433	0.039	20.670	16.880	3.790	0.245		0.190				0.435	2.10%
1982	21.462	0.252	0.209	0.433	0.036	22.392	17.840	4.552	0.231		0.214				0.445	1.99%
1983	20.459	0.293	0.186	0.433	0.032	21.403	18.160	3.243	0.213		0.259				0.472	2.21%
1984	21.466	0.273	0.155	0.342	0.044	22.280	18.990	3.290	0.245		0.448				0.693	3.11%
1985	21.322	0.247	0.185	0.357	0.042	22.153	19.270	2.883	0.268		0.428				0.696	3.14%
1986	21.425	0.270	0.201	0.405	0.030	22.331	19.700	2.631	0.289		0.365				0.654	2.93%
1987	22.528	0.255	0.238	0.463	0.044	23.528	19.190	4.338	0.276		0.354				0.630	2.68%
1988	23.141	0.287	0.243	0.426	0.065	24.162	19.460	4.702	0.295		0.465				0.760	3.15%
1989	22.728	0.285	0.209	0.421	0.057	23.700	19.270	4.430	0.324		0.461				0.785	3.31%
1990	22.916	0.182	0.198	0.461	0.053	23.810	18.630	5.180	0.366		0.427				0.793	3.33%
1991	19.293	0.146	0.202	0.432	0.033	20.106	19.670	0.436	0.384		0.485				0.869	4.32%
1992	20.360	0.142	0.263	0.471	0.038	21.274	17.950	3.324	0.394		0.496				0.890	4.18%
1993	23.092	0.160	0.269	0.493	0.046	24.060	17.920	6.140	0.332		0.509		0.146		0.987	4.10%
1994	22.415	0.023	0.194	0.525	0.038	23.195	18.318	4.877	0.357		0.461	N.A.	0.149		0.967	4.17%
1995	21.880	0.000	0.216	0.583	0.027	22.706	18.564	4.142	0.350		0.459	N.A.	0.159		0.968	4.26%
1996	22.619	0.000	0.242	0.699	0.026	23.586	18.402	5.184	0.355		0.452	N.A.	0.135		0.942	3.99%
1997	23.538	0.000	0.252	0.673	0.024	24.487	19.634	4.853	0.357		0.515	0.159	0.325		1.356	5.54%
1998	22.866	0.000	0.000	0.588	0.025	23.479	19.252	4.227	0.341		0.502	0.158	0.379		1.380	5.88%
1999	23.874	0.000	0.000	0.533	0.022	24.429	19.598	4.831	0.380	0.594	0.551	0.181	0.418		2.124	8.69%
2000	23.077	0.000	0.000	0.000	0.028	23.105	18.484	4.621	0.370	0.451	0.578	0.183	0.391		1.973	8.54%
2001	25.424	0.000	0.000	0.000	0.039	25.463	20.389	5.074	0.396	0.620	0.646	0.197	0.464		2.323	9.12%
2002	24.846	0.000	0.000	0.000	0.031	24.877	19.996	4.881	0.395	0.605	0.565	0.172	0.473		2.210	8.88%
2003	24.198	0.000	0.000	0.000	0.036	24.234	19.167	5.067	0.396	0.540	0.602	0.177	0.449		2.164	8.93%
2004	23.774	0.000	0.000	0.000	0.037	23.811	18.789	5.022	0.371	0.645	0.600	0.213	0.504		2.333	9.80%
2005	23.376	0.000	0.000	0.000	0.028	23.404	18.803	4.601	0.392	0.769	0.636	0.222	0.479		2.498	10.67%
2006	22.371	0.000	0.000	0.000	0.024	22.395	18.352	4.043	0.399	0.675	0.703	0.185	0.495		2.457	10.97%
2007	22.441	0.000	0.000	0.000	0.027	22.468	18.266	4.202	0.459	0.885	0.705	0.188	0.604		2.841	12.64%
2008	21.726	0.000	0.000	0.000	0.028	21.754	17.602	4.152	0.452	0.851	0.693	0.140	0.562		2.698	12.40%
2009	20.319	0.000	0.000	0.000	0.027	20.346	17.367	2.979	0.447	0.778	0.698	0.128	0.530		2.581	12.69%
2010	21.957	0.000	0.000	0.000	0.034	21.991	18.568	3.423	0.442	0.663	0.793	0.137	0.957		2.992	13.61%
2011	20.980	0.000	0.000	0.000	0.030	21.010	17.715	3.295	0.426	0.944	0.669	0.154	0.894		3.086	14.69%
2012	21.688	0.000	0.000	0.000	0.021	21.709	17.708	4.001	0.419	0.859	0.684	0.137	0.852		2.950	13.59%
2013	21.187	0.000	0.000	0.000	0.035	21.222	17.049	0.173	0.357	0.664	0.601	0.088	0.379		2.089	9.84%
2014	21.569	0.000	0.000	0.000	0.037	21.606	17.284	4.321	0.431	0.702	0.654	0.124	0.574		2.484	11.50%
2015	21.036	0.000	0.000	0.000	0.042	21.078	17.541	3.538	0.421	0.604	0.640	0.123	0.580		2.368	11.23%
2016	21.929	0.000	0.000	0.000	0.038	21.967	18.382	3.585	0.462	0.475	0.664	0.180	0.559		2.340	10.65%
2017	21.635	0.000	0.000	0.000	0.038	21.673	17.393	4.280	0.537	0.627	0.619	0.119	0.514		2.416	11.15%
2018	20.589	0.000	0.000	0.000	0.042	20.631	17.428	3.203	0.373	0.519	0.694	0.117	0.498	0.564	2.765	13.40%
2019	20.188	0.000	0.000	0.000	0.036	20.224	16.770	3.454	0.002	0.526	0.753	0.148	0.412	0.562	2.402	11.88%
2020	21.191	0.000	0.000	0.000	0.046	21.237	17.578	3.659	0.002	0.594	0.812	0.122	0.551	0.589	2.670	12.57%
2021	21.039	0.000	0.000	0.000	0.052	21.091	17.145	3.946	0.000	0.572	0.705	0.114	0.565	0.557	2.513	11.92%
2022	21.550	0.000	0.000	0.000	0.044	21.594	18.100	3.494	0.000	0.399	0.639	0.146	0.596	0.589	2.369	10.97%
2023	20.424	0.000	0.000	0.000	0.043	20.467	16.523	3.945	0.000	0.579	0.651	0.133	0.561	0.558	2.482	12.13%

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

**2023 ACTIVE FIRE SERVICES**

DIVISION	1"	1.5"	2"	4"	6"	8"	10"	12"	16"	TOTAL	Percent
Cape Elizabeth	0	0	2	2	9	8	0	0	0	21	0.8%
Cumberland	0	0	1	0	23	10	0	0	0	34	1.3%
Falmouth	0	1	79	6	52	14	1	4	0	157	6.1%
Gorham	0	0	29	8	65	36	0	0	0	138	5.3%
Portland	1	18	135	140	583	220	9	6	0	1,112	43.1%
Raymond	0	0	0	0	2	2	0	0	0	4	0.2%
Scarborough	1	2	30	34	172	98	2	1	0	340	13.2%
South Portland	0	0	18	20	190	130	14	7	0	379	14.7%
Standish	0	0	0	6	10	1	1	0	0	18	0.7%
Westbrook	1	0	33	28	132	84	5	2	1	286	11.1%
Windham	0	0	10	9	48	20	1	2	0	90	3.5%
Yarmouth	0	0	0	0	2	0	0	0	0	2	0.1%
<b>TOTAL</b>	<b>3</b>	<b>21</b>	<b>337</b>	<b>253</b>	<b>1,288</b>	<b>623</b>	<b>33</b>	<b>22</b>	<b>1</b>	<b>2,581</b>	<b>100.0%</b>

**2023 METERS IN SERVICE**

DIVISION	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	TOTAL	Percent
Cape Elizabeth	3,443	110	86	23	23	4	2	0	0	0	3,691	6.8%
Cumberland	1,709	80	119	22	11	5	2	0	1	1	1,950	3.6%
Falmouth	3,035	161	180	42	54	13	2	2	0	0	3,489	6.4%
Gorham	2,665	56	175	37	38	11	1	0	1	0	2,984	5.5%
Portland	15,330	651	826	413	473	121	32	8	1	0	17,855	33.0%
Raymond	28	1	7	2	6	0	0	0	0	0	44	0.1%
Scarborough	4,937	104	164	115	83	27	5	2	3	0	5,440	10.1%
South Portland	7,595	101	172	146	177	47	15	8	0	1	8,262	15.3%
Standish	769	12	50	3	4	1	2	0	0	0	841	1.6%
Westbrook	5,403	129	169	100	100	27	9	5	1	3	5,946	11.0%
Windham	3,298	80	82	43	43	13	3	0	1	0	3,563	6.6%
Yarmouth	42	1	0	0	0	0	0	0	0	0	43	0.1%
<b>TOTAL</b>	<b>48,254</b>	<b>1,486</b>	<b>2,030</b>	<b>946</b>	<b>1,012</b>	<b>269</b>	<b>73</b>	<b>25</b>	<b>8</b>	<b>5</b>	<b>54,108</b>	<b>100.0%</b>

**WATER QUALITY ANALYSIS**  
(AS TESTED ON APRIL 26, 2022, UNLESS OTHERWISE NOTED)

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

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

**WATER QUALITY ANALYSIS - SUPPLEMENTAL INFORMATION**

COMPOUND	MCL <sup>4</sup> (MG/L)	GREATER PORTLAND	STEEP FALLS
<b>VOLATILE ORGANICS (EPA 524.2) Collected in June 2021 (Greater Portland) June 2020 (Steep Falls)</b>			
BENZENE	0.005	<0.0005	<0.0005
CARBON TETRACHLORIDE	0.005	<0.0005	<0.0005
p-DICHLOROBENZENE	0.075	<0.0005	<0.0005
1,2-DICHLOROETHANE	0.005	<0.0005	<0.0005
1,1-DICHLOROETHENE	0.007	<0.0005	<0.0005
1,1,1-TRICHLOROETHANE	0.2	<0.0005	<0.0005
TRICHLOROETHENE	0.005	<0.0005	<0.0005
VINYL CHLORIDE	0.002	<0.0005	<0.0005
METHYL TERT-BUTYL ETHER (State req.)	0.035	<0.0005	<0.0005
o-DICHLOROBENZENE	0.6	<0.0005	<0.0005
cis-1,2-DICHLOROETHENE	0.07	<0.0005	<0.0005
trans-1,2-DICHLOROETHENE	0.1	<0.0005	<0.0005
1,2-DICHLOROPROPANE	0.005	<0.0005	<0.0005
ETHYLBENZENE	0.7	<0.0005	<0.0005
CHLOROENZENE	0.1	<0.0005	<0.0005
STYRENE	0.1	<0.0005	<0.0005
TETRACHLOROETHENE	0.005	<0.0005	<0.0005
TOLUENE	1	<0.0005	<0.0005
XYLENES	10	<0.0005	<0.0005
DICHLOROMETHANE	0.005	<0.0005	<0.0005
1,2,4-TRICHLOROBENZENE	0.07	<0.0005	<0.0005
1,1,2-TRICHLOROETHANE	0.005	<0.0005	<0.0005
1,2-DIBROMO-3-CHLOROPROPANE	STWV <sup>9</sup>	STWV <sup>9</sup>	STWV <sup>9</sup>
ETHYLENE DIBROMIDE	STWV <sup>9</sup>	STWV <sup>9</sup>	STWV <sup>9</sup>
<b>SYNTHETIC ORGANIC-PESTICIDES (EPA 525.2)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls).			
ATRAZINE	0.003	<0.001	<0.001
ALACHLOR (LASSO)	0.002	<0.001	<0.001
BENZO(A)PYRENE	0.0002	<0.0001	<0.0002
BHC GAMMA (LINDANE)	0.0002	<0.0001	<0.0002
BIS (2-ETHYLHEXYL) ADIPATE	0.4	<0.001	<0.001
BIS (2-ETHYLHEXYL) PHTHALATE	0.006	<0.001	<0.001
ENDRIN	0.002	<0.001	<0.001
HEPTACHLOR	0.0004	<0.0001	<0.0004
HEPTACHLOR EPOXIDE	0.0002	<0.0001	<0.0002
HEXACHLOROBENZENE	0.001	<0.0001	<0.001
HEXACHLOROCYCLOPENTADIENE	0.05	<0.0001	<0.001
METHOXYCHLOR	0.04	<0.0001	<0.001
SIMAZINE	0.004	<0.0001	<0.001
<b>PESTICIDES/PCB'S (EPA 508.1)</b>			
CHLORDANE	0.002	<0.0004	<0.0005
POLYCHLORINATED BIPHENYLS, TOTAL	0.0002	<0.0002	<0.0005
TOXAPHENE	0.002	<0.002	<0.002
<b>CARBAMATES (EPA 531.1)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls)			
ALDICARB	NO MCL	<0.001	<0.0005
ALDICARB SULFONE	NO MCL	<0.001	<0.0005
ALDICARB SULFOXIDE	NO MCL	<0.001	<0.0005
CARBOFURAN	0.04	<0.001	<0.0005
OXAMYL	0.2	<0.001	<0.0005
<b>SYNTHETIC ORGANICS - HERBICIDES (EPA 515.3)</b>			
Collected in June 2020 (Greater Portland) and September 2017 (Steep Falls)			
2,4-D	0.07	<0.001	<0.005
2,4,5 TP (SILVEX)	0.05	<0.00025	<0.005
DALAPON	0.2	<0.001	<0.001
DINoseb	0.007	<0.001	<0.005
PENTACHLOROPHENOL	0.001	<0.0001	<0.001
PICLORAM	0.5	<0.002	<0.005

**FOOTNOTES and DEFINITIONS:**

- <sup>1</sup> Distribution Sample collected at 26 Bittersweet Rd., Windham.
- <sup>2</sup> MCL= Maximum Contaminant Level. The highest level of a contaminant that is allowed or recommended in drinking water.
- <sup>3</sup> Chlorine and pH vary throughout the distribution system so values at your tap may differ from these locations.
- <sup>4</sup> Steep Falls treated collected in June 2020, Greater Portland treated sampled in June 2021.
- <sup>5</sup> Copper, iron and lead can be affected by the condition of distribution system pipes and interior plumbing.
- <sup>6</sup> Pesticide/herbicide analyzed in June and September 2020 (Greater Portland) and September 2017 (Steep Falls).
- <sup>7</sup> Asbestos analyzed in November 2020 in Cumberland area.
- <sup>8</sup> Gross alpha sampled in June 2015 for both Greater Portland and Steep Falls.
- <sup>9</sup> STWV-State waiver, no testing required.
- \*\* - MCL does not exist for these constituents
- NA – Not analyzed
- ND – None detected
- SU – Standard Unit
- mg/l: milligrams per liter, or parts per million, ppm
- µg/l: micrograms per liter, or parts per billion, ppb
- pCi/l: picocuries per liter (a measure of radioactivity)
- < = less than. The number following the less than sign is the lowest amount that can be reliably measured.
- Turbidity: The measurement of cloudiness or suspended colloidal matter (silt). Excessive turbidity levels can cause problems with water disinfection.

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

YEAR	Residential	Commercial	Industrial	Public Authorities	For Resale	TOTAL
2014	3,197,526	1,387,342	1,316,962	287,820	119,099	6,417,923
2015	3,288,896	1,484,304	1,209,994	293,177	125,964	6,402,335
2016	3,394,347	1,533,185	1,241,991	309,958	114,946	6,594,427
2017	3,304,462	1,528,336	1,112,456	300,677	102,531	6,348,462
2018	3,316,570	1,513,182	1,123,108	290,945	117,541	6,361,346
2019	3,161,640	1,491,001	991,518	283,398	96,740	6,024,297
2020	3,731,382	1,399,150	912,729	283,428	89,114	6,415,803
2021	3,459,232	1,420,034	1,066,513	228,620	83,408	6,257,807
2022	3,538,827	1,539,517	1,093,474	314,147	120,714	6,606,679
2023	3,209,521	1,434,012	1,027,873	272,488	86,834	6,030,728

To convert "Thousand of Gallons (TOG)" to "Hundred Cubic Feet (HCF)" divide TOG by 0.748, for example the 2023 volume of 6,030,728 TOG equals 8,062,471 HCF

# Wastewater Statistics

## EAST END WASTEWATER TREATMENT FACILITY

YEAR	Flow Treated (average million gallons/day)		Trucked in Waste (average gallons/day)		Biosolids Disposal (average/day)		% Removals	
	Primary Treatment Only	Secondary Treatment	Septage Treated	Holding Tank Waste Treated	TOTAL	Units	BOD	TSS
2014	0.906	18.036	2,230	485	48.18	Wet Tons	93	95
2015	0.452	15.923	3,225	165	50.28	Wet Tons	93	94
2016	0.488	15.885	2,393	123	48.36	Wet Tons	92	92
2017	0.376	17.172	3,354	44	63.20	Wet Tons	97	97
2018	0.696	16.850	4,985	229	58.25	Wet Tons	96	95
2019	0.676	14.904	5,841	413	58.94	Wet Tons	97	97
2020	0.683	14.438	5,907	1,191	52.87	Wet Tons	97	96
2021	0.510	13.676	6,586	8,011	56.04	Wet Tons	97	96
2022	0.528	13.184	5,494	5,742	47.67	Wet Tons	97	96
2023	0.739	15.540	5,674	1,900	47.46	Wet Tons	94	93

## 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
2014	3.251	2,864	672	13.96	Wet Tons	94	96	78.377	18.713	2.910
2015	2.540	2,490	721	14.23	Wet Tons	96	96	80.930	15.850	3.220
2016	2.466	2,638	729	16.03	Wet Tons	97	97	80.920	15.830	3.250
2017	3.035	1,533	657	14.39	Wet Tons	95	93	83.710	13.380	2.910
2018 *1	3.313	75	491	15.09	Wet Tons	94	94	84.180	12.760	3.050
2019	3.151	0	16	13.12	Wet Tons	95	93	82.679	13.794	3.526
2020	3.033	0	194	12.17	Wet Tons	94	92	82.835	14.146	3.020
2021	2.950	0	109	11.39	Wet Tons	91	90	83.356	14.587	2.057
2022	3.080	0	7	11.13	Wet Tons	91	92	83.550	14.480	1.970
2023	3.560	-	-	11.45	Wet Tons	91	88	84.670	13.500	1.830

\*1 - By July 2018 the Westbrook Regional Treatment Plant had discontinued its septage receiving program.

**CAPE ELIZABETH WASTEWATER TREATMENT FACILITY**

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
2014	0.295	0.59	Wet Tons	92	96
2015	0.226	0.66	Wet Tons	94	97
2016	0.242	0.60	Wet Tons	95	96
2017	0.266	1.30	Wet Tons	93	94
2018	0.277	0.75	Wet Tons	94	95
2019	0.247	0.56	Wet Tons	93	96
2020	0.236	0.70	Wet Tons	94	95
2021	0.229	0.55	Wet Tons	95	96
2022	0.228	0.62	Wet Tons	95	96
2023	0.290	0.36	Wet Tons	91	91

**PEAKS ISLAND WASTEWATER TREATMENT FACILITY**

YEAR	Flow Treated (average million gallons/day)	Biosolids Disposal (average/day)		% Removals	
	Secondary Treatment	TOTAL	Units	BOD	TSS
2014	0.104	0.12	Wet Tons	94	97
2015	0.087	0.13	Wet Tons	93	94
2016	0.094	0.16	Wet Tons	94	95
2017	0.095	0.19	Wet Tons	90	90
2018	0.105	0.14	Wet Tons	90	91
2019	0.101	0.16	Wet Tons	92	93
2020	0.101	0.09	Wet Tons	95	96
2021	0.098	0.12	Wet Tons	94	95
2022	0.092	0.10	Wet Tons	91	93
2023	0.106	0.08	Wet Tons	93	95

## EAST END WASTEWATER TREATMENT FACILITY

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

YEAR	MONTH	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2023	January	.7	230	23	33	11	580	1.0
	February	2.5	190	19	27	12	410	.3
	March	2.6	200	22	33	13	500	.2
	April	.9	210	19	31	10	430	.7
	May	1.7	410	56	80	32	1100	.3
	June	2.3	240	20	33	13	600	.5
	July	2.5	210	17	31	12	500	.3
	August	2.2	260	21	43	14	650	.2
	September	2.2	240	19	36	13	550	.2
	October	2.2	250	15	21	10	680	.7
	November	2.3	240	16	20	9	570	.3
	December	2.6	260	17	28	10	450	.3
Annual Average		2.1	245	22	34.7	13.3	585	0.4

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

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2014	2.1	240	16	37	12	509	0.4
2015	2.2	237	15	36	11	488	0.5
2016	2.3	217	17	38	12	474	0.4
2017	2.6	218	15	26	11	472	0.4
2018	2.5	220	15	32	12	419	0.4
2019	2.7	223	16	30	12	460	0.3
2020	2.3	242	18	34	13	500	0.4
2021	6.0	242	15	29	11	461	0.7
2022	3.4	243	17	32	13	454	0.5
2023	2.1	242	22	34	13	578	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
2023	January	0.4	260.00	34.00	10.00	58.00	630.00	0.2
	April	1.2	180.00	21.00	9.00	60.00	390.00	0.2
	July	2.1	250.00	20.00	14.00	51.00	880.00	0.3
	October	2.9	280.00	27.00	19.00	25.00	1000.00	0.2
Annual Average		1.7	242.5	25.5	13	48.5	725	0.2

\* Based on regulations and the quantity of biosolids produced at the plant, quarterly testing is required for the Westbrook Facility.

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

YEAR	Cadmium	Copper	Chromium	Lead	Nickel	Zinc	Mercury
2014	1.9	387	71	29	62	753	0.2
2015	2.3	403	57	23	65	740	0.5
2016	2.5	348	41	26	44	678	0.4
2017	2.4	337	39	18	38	701	0.3
2018	2.0	296	43	19	54	638	0.4
2019	2.3	340	43	23	83	693	0.3
2020	2.0	264	43	23	62	715	0.3
2021	4.9	303	33	20	134	675	0.3
2022	3.8	306	59	17	106	716	0.5
2023	1.7	244	24	13	49	756	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

Portland System: *1					
Mainland	Estimated population served	67,500			
	Treatment plant design flow:				
	average / peak wet weather		19.8 mgd average / 80 mgd peak		
	Pump stations		10 owned		
	Interceptors	72,161 feet			
	Force Mains	17,392 feet			
Peaks Island	Estimated population served	550			
	Treatment plant design flow:				
	average / peak wet weather		0.2 mgd average / .61 mgd peak		
	Pump stations		4 owned		
	Collectors	23,775 feet			
	Interceptors	4,220 feet			
	Force Mains	5,437 feet			
	Storm Drains	10,160 feet			
Westbrook *2					
	Estimated population served	11,000			
	Treatment plant design flow:				
	average / peak wet weather		4.54 mgd average / 15.7 mgd peak		
	Westbrook allocated average treatment plant flow (66.6%)		3.02 mgd average / 10.46 mgd peak		
	Pump stations	3 owned	1	2	
	Interceptors	26,707 feet	9,764	16,943	
	Force Mains	16,750 feet	4,589	12,161	
	Percentage Flow			83.5%	14.5%
					2%
Cape Elizabeth System *3					
Cape - North	Estimated population served	4,000			
	Treatment contracted to South Portland				
	System design flow	0.72 mgd			
Cape - South	Pump stations	9 owned			38,612 Force main (both)
	Estimated population served	3,100			51,693 Interceptor (both)
	Treatment plant design flow:				
	average / peak wet weather		0.52 mgd average / 2.75 mgd peak		
	Pump stations	16 owned			
Cumberland					
	Estimated population served	2,500			
	Treatment contracted to Falmouth				
	System Design Flow	0.47 mgd			
	Pump stations	13 owned			
	Interceptors	41,032 feet			
	Collectors	87,024 feet			
	Force Mains	40,729 feet			
Gorham Village					
	Estimated population served	6,000			
	Gorham allocated average treatment plant flow (30.8%)		1.4 mgd average / 4.84 mgd peak		
	Pump stations	11 owned			
	Interceptors	27,550 feet			
	Collectors	92,614 feet			
	Force Mains	23,445 feet			
Little Falls System *4					
	Estimated population served	1,000			
	Windham allocated average treatment plant flow (2.6%)		0.12 mgd average / .41 mgd peak		
	Pump stations	7 owned	2	2	3
	Interceptors/Collectors	25,423 feet	14,215	7,008	4,200
	Force Mains	17,295 feet	12,836	3,578	881
	Percentage Flow			40.0%	60.0%

**FOOTNOTES:**

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

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

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

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

**WASTEWATER PIPELINE LENGTH (MILES)**

COMMUNITY	Interceptors	Force mains	Collectors	Storm Drains	TOTAL	# of Manholes	# of CSOs
Cape Elizabeth	2.4	7.3	7.3	0.0	17.0	305	1
Cumberland	7.8	7.9	17.0	0.0	32.7	661	0
Gorham	6.0	7.5	21.7	0.0	35.2	736	0
Portland	14.5	4.3	4.5	1.9	25.2	877	16
Westbrook	5.0	4.4	0.0	0.0	9.4	134	5
Windham	0.0	0.2	0.4	0.0	0.6	20	0
<b>TOTAL</b>	<b>35.7</b>	<b>31.6</b>	<b>50.9</b>	<b>1.9</b>	<b>120.1</b>	<b>2733</b>	<b>22</b>

**APPENDIX B**

**PROPOSED FORM  
OF  
LEGAL OPINION**

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Merrill's Wharf  
 254 Commercial Street  
 Portland, ME 04101-1110

207-791-1100 voice  
 207-791-1350 fax  
 info@pierceatwood.com  
 pierceatwood.com

**Upon issuance and delivery of the Bonds described herein, Pierce Atwood, LLP, Portland, Maine, Bond Counsel, proposes to issue its opinion in substantially the following form:**

[Dated date of delivery]

Portland Water District  
 Portland, Maine

Re: Portland Water District, \$6,960,000\* 2024 Water System Revenue Bonds (Water Bonds) (Green Bonds) dated August 1, 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Portland Water District (the "District") of \$6,960,000\* aggregate principal amount of its above-described 2024 Water System Revenue Bonds (Water Bonds) (Green Bonds) (the "Bonds"). In such capacity, we have examined the law, including the provisions of Chapter 84 of the Private and Special Laws of Maine of 1975, as amended, constituting the Charter of the District, the following resolutions adopted by the Board of Trustees of the District:

<u>Meeting Date</u>	<u>Resolution #</u>
January 22, 2024	24-002
April 22, 2024	24-005

and all other authority thereto enabling (the "Bond Authorizations"), authorizing issuance of the Bonds.

We understand the Bonds are dated as of August 1, 2024 and have been issued in the following denominations, bearing interest payable on May 1, 2025, and semi-annually on each November 1 and May 1 thereafter until maturity, or redemption prior to maturity, and maturing on November 1 of each year as follows:

<u>Maturity Date</u> <u>Nov. 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u> <u>Nov. 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>
2025	\$350,000	___%	2035	\$350,000	___%
2026	\$350,000	___%	2036	\$350,000	___%
2027	\$350,000	___%	2037	\$345,000	___%
2028	\$350,000	___%	2038	\$345,000	___%
2029	\$350,000	___%	2039	\$345,000	___%
2030	\$350,000	___%	2040	\$345,000	___%

\*Preliminary, subject to change.

2031	\$350,000	___%	2041	\$345,000	___%
2032	\$350,000	___%	2042	\$345,000	___%
2033	\$350,000	___%	2043	\$345,000	___%
2034	\$350,000	___%	2044	\$345,000	___%

Bonds maturing on or before November 1, 2034 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2035 are subject to redemption prior to their stated dates of maturity, at the option of the District, on and after November 1, 2034, as a whole or in part in at any time, in such order of maturity as the District, in its discretion, may determine, at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

The Bonds should be signed by the Treasurer and President of the District and attested by its Clerk, sealed with the seal of the District, and should bear the signed certificate of the certifying agent identified thereon.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials of the District without undertaking to verify such facts by independent investigations. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies.

In expressing the opinion in paragraph 3 hereinbelow, we have examined and relied upon the Arbitrage and Use of Proceeds Certificate and the General Certificate of the Treasurer (collectively, the "Tax Certificates"), each delivered concurrently with the Bonds, which contain representations, provisions, covenants and certifications regarding compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code").

The District, in executing such Tax Certificates, (a) has set forth facts, estimates, circumstances and reasonable expectations of the District as of the date hereof as to future events regarding the amount, use and investment of the proceeds of the Bonds and the use of the improvements financed with the proceeds of the Bonds that are material for purposes of Section 141 and Section 148 of the Code, and (b) has certified that the information therein is true and accurate and that the District will comply with the representations, provisions, covenants and certifications set forth therein and the requirements of the Code, and do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds is excludable from the gross income of the owners thereof, for federal income tax purposes. In rendering the opinions set forth in paragraph 3 below, we have relied upon the representations, provisions, covenants and certifications of the District set forth in such Tax Certificates, and we have assumed that the District will comply with such representations, provisions, covenants and certifications as set forth in such Tax Certificates and with the requirements of the Code.

We note that the Code establishes certain requirements regarding the use, expenditure, and investment of the proceeds of the Bonds, the use of the improvement financed with the proceeds of the Bonds, and timely payment of certain investment earnings to the U.S. Treasury that must be met on a continuing basis subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The District's failure to comply with such requirements may cause interest on the Bonds to be included in the gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

We also note that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

With reference to the Bonds, based upon the record of proceedings, materials and information discussed above and assuming no material change thereto, we are of the opinion that under existing law:

1. Under the Constitution and laws of the State of Maine, the District has been duly created and validly exists as a water district under the name of the Portland Water District with lawful power and authority to adopt the Bond Authorizations and to issue the Bonds.
2. The Bonds are in proper form, have been duly authorized and executed by the District, and, subject to due authentication, are valid and binding water system revenue obligations of the District, enforceable in accordance with their terms, payable from water rates and other lawful charges payable to the District in respect to the provision of water services pursuant to Section 11 of its Charter.
3. In reliance on and assuming compliance by the District with the Tax Certificates and the requirements of the Code, under existing law, interest payable on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. In addition, such interest is not a specific preference item under the Code for purposes of computing the alternative minimum tax; provided, however, that such interest will be taken into account in determining the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.
4. Interest payable on the Bonds is exempt from Maine income taxation pursuant to Section 9 of the District's Charter.

The foregoing opinions are qualified, to the extent that the enforceability of the obligations of the District, including the Bonds, is subject to or may be limited by bankruptcy, insolvency, moratorium, and other laws and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) affecting the rights and remedies of creditors generally, and that the availability of equitable relief may be subject to the discretion of the Court before which it is requested.

We have not examined and assume no responsibility for the financial condition of the District and nothing set forth herein shall be construed as assurance as to the District's financial condition or ability to make required debt service payments on the Bonds.

We have not examined any documents or information relating to the District, and are not passing upon and do not assume any responsibilities for the completeness, accuracy or adequacy of any statements made in any Preliminary Official Statement or Official Statement, other offering material or information prepared or provided by the District with respect to the Bonds, and we express no opinion, advice or representation to any person with respect to any

Portland Water District  
[Dated date of delivery]  
Page 4

such Preliminary Official Statement or Official Statement, other offering material or information, or the adequacy thereof.

The opinions rendered herein are given and speak as of the date hereof. We have addressed only the laws of the United States and of the State of Maine referenced herein and the opinions stated herein are limited solely to the matters expressly set forth above. We assume no obligation to update, revise or supplement opinions rendered herein to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. No assurance can be given that future legislation or common law will not contain provisions or create precedent which could directly or indirectly affect the matters set forth herein.

Very truly yours,

**APPENDIX C**

**PROPOSED FORM  
OF  
CONTINUING DISCLOSURE AGREEMENT**

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**PORTLAND WATER DISTRICT, MAINE  
PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Portland Water District, Maine (the “Issuer”) of its \$ \_\_\_\_\_,000 2024 Water System Revenue Bonds (Water Bonds)(**Green Bonds**), dated as of \_\_\_\_\_ (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (this “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under this Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer reserves the right to incorporate by reference its Official Statement dated \_\_\_\_\_, 2024 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “DISTRICT FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited

financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;
- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the Issuer, or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of this Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to this Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.
6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.
7. The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: David M. Kane, Treasurer, Portland Water District, 225 Douglass Street, P.O. Box 3553, Portland, ME 04104-3553, Telephone: (207) 774-5961, Facsimile: (207) 761-8329, *dkane@pwd.org*.

PORTLAND WATER DISTRICT, MAINE

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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