

# KENNEBEC SANITARY TREATMENT DISTRICT



## ANNUAL REPORT

*51<sup>st</sup> Edition*

**2 0 2 4**

Proudly serving Waterville, Winslow, Fairfield, and Benton



# TABLE OF CONTENTS

---

INTRODUCTION.....	3
ACKNOWLEDGEMENTS.....	5
2023/24 BOARD OF TRUSTEES .....	5
2023/24 KSTD EMPLOYEES .....	6
FORMER TRUSTEES .....	7
FORMER SUPERINTENDENTS.....	9
REPORT OF THE TRUSTEES.....	10
REPORT OF THE TREASURER.....	11
REPORT OF THE SUPERINTENDENT .....	12
REPORT OF THE CHIEF OPERATOR.....	16
REPORT OF THE PROCESS CONTROL COORDINATOR.....	19
2024 FINANCIAL STATEMENTS .....	23

# INTRODUCTION

Kennebec Sanitary Treatment District (KSTD) is a quasi-municipal corporation under the laws of the State of Maine, incorporated via Charter in 1971, serving the City of Waterville, and the Towns of Winslow, Fairfield, and Benton. KSTD also serves a significant industrial user, Huhtamaki Inc. (formerly Keyes Fiber) and two (2) non-chartered communities that executed inter-local agreements with chartered communities; those being the Town of Oakland in 2013 via WSD and the Town of Vassalboro via the Town of Winslow in 2017.

In 1971 an act, creating the Kennebec Sanitary Treatment District occurred by the people of the State of Maine and approved by the Governor as follows: the inhabitants of the Municipalities of Waterville, Winslow, Fairfield, and Benton have created a body corporate and politic under the name of Kennebec Sanitary Treatment District (KSTD) for the purpose of providing systems of public sewage disposal, constructed, maintained, and operated for the public health and welfare of said residents. KSTD was organized to receive sewage collected by the municipalities and dwellings, public buildings, commercial or industrial establishments.

As of March 2017, the original 1971 District Charter contained 9 separate amendments. Listed below are the year of amendment followed by the chapter of which it can be found:

- No. 1 – 1971, Chapter 45
- No. 2 – 1972, Chapter 169
- No. 3 – 1973, Chapter 81
- No. 4 – 1976, Chapter 128
- No. 5 – 1981, Chapter 26
- No. 6 – 1983, Chapter 18
- No. 7 – 1991, Chapter 7
- No. 8 – 1992, Chapter 83
- No. 9 – 2017, Chapter 12

Reference to the rules and regulations, SEC 10, 1, (sometimes called; “Sewer Use Ordinance”), is KSTD “Industrial Pretreatment Program Rules, 6<sup>th</sup> revision, March 15, 2011”.

For more updated information, please check out our website at [www.kstd.com](http://www.kstd.com)!

# ACKNOWLEDGEMENTS

## 2023/24 BOARD OF TRUSTEES

Office Held	Trustee	Term	Representing
<b>Chairperson</b>	Kevin Gorman	2020- 27	Waterville
<b>Vice-Chair</b>	Thomas W. Shattuck	2005- 26	Waterville
<b>Treasurer</b>	Matthew Zetterman	2020- 25	Waterville
<b>Clerk</b>	Bruce Williams	2022- 26	Fairfield
	Paul F. Jacques	2013- 25	Waterville
	Randy Raymond	2023- 25	Benton
	Bill Boucher	2023- 25	Winslow
	Scott McAdoo	2022- 27	Waterville
	Jack Stanley, Jr.	1996- 25	Fairfield
	Tyler J. Mitchell	2021- 25	Winslow
<b>Asst. Treasurer/ Asst. Clerk</b>	Nicholas M. Champagne	Superintendent	
<b>Financial Auditor</b>	Nicholson, Michaud & Company	Certified Public Accountants	



## 2023/24 KSTD EMPLOYEES

Name	Position	# of Years
<b><u>ADMINISTRATION</u></b>		
Nicholas M. Champagne	Superintendent	5
Lynn C. Woodard	Chief Operator	44
Roxanne Whitcomb	Finance Manager	3
Nancy K. Gray	A/P & Payroll Clerk	27
Jane Carroll	Project Manager (Part-Time)	2
<b><u>LABORATORY</u></b>		
Ronald G. White	Process Control Coordinator	40
Derek M. Vigue	Lab Assistant	22
<b><u>OPERATIONS</u></b>		
Carl L. Leathers	Operator	44
David J. Stevens	Asst. Operator	11
<b><u>MAINTENANCE</u></b>		
Wayne D. Schofield	Maintenance Foreman	11
Richard L. Vigue	Electrician	48
Timothy G. Mercer	Skilled Laborer	37
Anthony A. Larrabee	Skilled Laborer	5

## FORMER TRUSTEES

TRUSTEE	TERM SERVED	REPRESENTING
AARON LEVINE	1971-1972	Waterville
ARTHUR O'HALLORAN	1971-1972	Waterville
WHITCOMB M. RUMMELL	1971-1974	Waterville
WILMER W. HUSSEY	1973-1974	Vassalboro
DUDLEY E. FOLEY	1974-1976	Vassalboro
LLOYD ROWE	1976	Vassalboro
OSBORNE N. ELLIS	1971-1977	Benton
SHERMAN K. SMITH	1971-1977	Waterville
CLIFFORD J. SOUCY	1971-1977	Winslow
ANN B. PETERS	1972-1978	Waterville
LAURIER E. LOUBIER	1971-1978	Winslow
ROLAND J. MICHAUD	1978-1979	Winslow
LEROY L. GOODINE	1971-1979	Fairfield
LIONEL J. POIRIER	1971-1979	Waterville
JOSEPH A.G. PELLETIER	1977-1979	Waterville
DAVID C. DONAHUE	1979-1980	Fairfield
IRVING I. GOODOF	1974-1980	Waterville
PAUL J. MITCHELL	1979-1981	Waterville
GORDON G. LYFORD	1978-1982	Waterville
THOMAS J. NALE	1980-1982	Waterville
CECIL L. NUTTING	1980-1982	Fairfield
EDWARD B. MORRISON	1977-1983	Winslow
JOSEPH N. L'HEUREUX	1981-1984	Waterville
ROBERT VIOLETTE	1982-1984	Fairfield
ROBERT E. PERRY	1977-1985	Benton
GILBERT H. PETERS	1982-1985	Waterville
HELEN F. CAREY	1983-1986	Waterville
LOUIS P. HUARD, JR.	1983-1986	Winslow
CARL L. WEYMOUTH	1985-1986	Benton
DEANE M. NASON	1979-1987	Winslow
PETER J. GORMAN	1986-1987	Waterville
LEONARD J. PLOURDE	1972-1988	Waterville
ANN NATASHA MATHIEU	1984-1988	Waterville

<b>TRUSTEE</b>	<b>TERM SERVED</b>	<b>REPRESENTING</b>
LAWRENCE W. FORTIN	1986-1989	Winslow
THOMAS W. SHATTUCK	1986-1991	Waterville
WILLIAM J. HAGERTY	1984-1991	Fairfield
DARRELL WEBBER	1991	Fairfield
ROBERT F. COSGROVE	1979-1992	Waterville
G. ANTHONY JONES	1987-1992	Waterville
DAVID H. BLAIR	1987-1993	Winslow
DAVID B. BAIRD	1989-1993	Winslow
WAYNE L. SMITH	1988-1993	Waterville
JEFFREY ALLEN	1992-1994	Waterville
DENNIS LANG	1993-1994	Waterville
RUEL J. BLACKWELL	1971-1995	Fairfield
BARBARA F. OLSON	1988-1996	Waterville
JEFFREY MITCHELL	1994-1997	Waterville
WM THOMAS HYDE	1994-1999	Waterville
DAVID V. DOSTIE	1991-1999	Fairfield
DANIEL J. MALLETT	1993-1999	Winslow
THOMAS W. SHATTUCK	1992-2000	Waterville
WALTER W. SIMPSON	1993-2001	Winslow
JAMES BANKS	1999-2001	Fairfield
BARBARA F. OLSON	2000-2001	Waterville
PETER WARD	2001-2002	Winslow
CHARLES THEOBALD	1999-2002	Winslow
C. DONALD HUBERT	1996-2002	Waterville
PAUL E. ROY	2002-2003	Winslow
JAMES FITTON	2002-2003	Winslow
DAVID R. VASHON	1993-2003	Waterville
JOHN G. TRINWARD	1997-2003	Waterville
DAVID V. DOSTIE	1999-2004	Waterville
RAYMOND W. WITHAM	2001-2004	Fairfield
THOMAS W. SHATTUCK	2001-2004	Waterville
ARTHUR O'HALLORAN	2003-2004	Waterville
JOHN W. LIBBY	2004	Waterville
G. ANTHONY JONES	2002-2005	Waterville
JOHN W. LIBBY	2005-2006	Waterville
G. ANTHONY JONES	2006-2007	Waterville

<b>TRUSTEE</b>	<b>TERM SERVED</b>	<b>REPRESENTING</b>
DANIEL A. PETERS	2003-2007	Winslow
DAVID C. DOSTIE	2005-2010	Waterville
DONALD C. ASHTON, Jr.	2013	Waterville
PETER W. OGDEN	2013	Waterville
DAVID A. COSGROVE	2004-2013	Waterville
NICHOLAS M. CHAMPAGNE	2014-2016	Waterville
JOHN F. HAMELIN	2004-2018	Waterville
PERCY C. SMITH	2007-2018	Waterville
MICHAEL E. WILLIAMS, SR.	2017-2018	Waterville
PERCY C. SMITH	2019	Waterville
NICHOLAS M. CHAMPAGNE	2019	Waterville
JULIAN A. PAYNE	2020	Waterville
TYLER J. MITCHELL	2019-2020	Waterville
GARY L DIXON	1986-2021	Benton
PETER C. DEANE	2007-2021	Winslow
LUKE BROOKS-SHESLER	2021	Waterville
ALBERT E. HODSDON III	2004-2022	Fairfield
ROBERT J. NADEAU	2003-2023	Winslow
DWIGHT LANNING	2021-2023	Benton

## **FORMER SUPERINTENDENTS**

<b>SUPERINTENDENT</b>	<b>TENURE</b>
WILLIAM J. CULLEN	1972-1988
RICHARD P. BENTZEL	1988-2002
TIMOTHY J. LEVASSEUR	2002-2019

# REPORT OF THE TRUSTEES

The Board of Trustees of Kennebec Sanitary Treatment District held twelve regular meetings and four committee workshops in 2024.

Re-appointments to the Board of Trustees for terms as follows:

<b>Term</b>	<b>Trustee</b>	<b>Representing</b>
2024-2027	Kevin Gorman	Waterville
2024-2027	Scott McAdoo	Waterville

The annual meeting was held on July 11, 2024. The elected officers are as follows:

<b>Position</b>	<b>Name</b>	<b>Representing</b>
Chairperson	Kevin Gorman	Waterville
Vice-Chair	Thomas W. Shattuck	Waterville
Treasurer	Matthew Zetterman	Waterville
Clerk	Bruce Williams	Fairfield
Asst. Treasurer Asst. Clerk	Nicholas Champagne	Superintendent

The 2024 annual budget was approved for \$4,542,307.99 (including \$200,000 for contingency and \$250,000 for capital reserve) with a 8.95% increase from 2023. A surplus of \$984,633 was returned to District members, as outlined in the Report of the Treasurer.

The Board of Trustees invites the public to attend any monthly board meeting held every second Thursday at 7:30 a.m. in the cafeteria at KSTD on 401 Water St, Waterville, Maine. For more information, please visit our new website at [www.kstd.com](http://www.kstd.com).

The Board would like to thank the Superintendent and staff for another outstanding year.

Respectfully submitted,

*Kevin Gorman*

Kevin Gorman  
Chairperson

# REPORT OF THE TREASURER

As Treasurer of Kennebec Sanitary Treatment District, I hereby submit the following Report of Finance for the fiscal year ending December 31, 2024.

The firm of Nicholson, Michaud & Company was retained as the District's auditor. The detailed statements of financial condition are contained in the complete Auditor's Report. Highlights of the District's overall operation for the year 2024 are as follows:

2023	<i>Surplus allocated to Members</i>	\$808,072
<b>2024 INCOME*</b>		
2024	Revenue from Allocation**	\$4,542,308
2024	Revenue from Septage/Leachate	\$106,345
2024	Revenue from Maintenance Contracts	\$22,319
2024	Misc. Revenue	\$4,058
2024	Revenue from Interest Earned	\$17,699
2024	Gain on sale of capital assets	\$17,763
<b>Total Income</b>		<b>\$4,710,492</b>
<b>2024 EXPENDITURES*</b>		
	Treatment Plant	\$2,558,392
	Pump Stations	\$256,511
	Other	\$593
	Administration	\$507,121
	Interest Expense	\$29,574
	Adjust. to compute distributable earnings*	\$373,668
<b>Total Expenses</b>		<b>\$3,725,859</b>
	2024 Surplus to Members**	<b>\$984,633</b>
* See 2024 Financial Audit, ** includes \$200,000 contingency		

Respectfully submitted,

*Matthew B. Zetterman*

Matthew B. Zetterman  
Treasurer

# REPORT OF THE SUPERINTENDENT

2024 brought no shortage of challenges for the District, as we continued to tackle issues faced by wastewater treatment facilities throughout Maine. From shifts in legislation to problems tied to outdated infrastructure, KSTD remained hard at work.



**Nick Champagne**  
**Superintendent**

Our team demonstrated incredible perseverance and adaptability over the past year. Even as new administrative challenges arose, the staff worked with determination to uphold compliance with our Discharge permit. These accomplishments should not be taken for granted, and I thank our crew for their dedication and success.

The following are some key developments from the past year:

- Advancing KSTD: Facility Modernization
- Strategic Planning for Major Upgrades

## **Advancing KSTD: Facility Modernization**

As with any aging facility, one of your main goals is to update processes and systems to fit with an ever-changing world of new technologies. We have made a push over the past couple of years to modernize the way we do things here at KSTD. I would like to highlight 3 major efforts that we have been working on, including digitizing paper documents, a computerized work order system, and integrating smart phones into our daily work and communications.

### **Digitizing Archived Files**

Nearly 50 legal size boxes of files have been scanned and digitized to the KSTD network. Digitizing archived documents enhances operational efficiency by enabling quick and easy access to critical information. It reduces the risk of data loss from physical damage, ensuring long-term preservation of essential records. Digital archives support compliance with regulatory requirements by streamlining audits and reporting processes. Additionally, they

promote better decision-making through improved data organization and retrieval. We are excited to see how the new digitization process will aid our plant into the future, by having this historical information ready to search.

### CMMS Software

The Beehive CMMS software has significantly improved our maintenance planning by centralizing work order management and asset tracking. It enables real-time scheduling, prioritization, and monitoring of maintenance tasks, leading to increased efficiency and reduced downtime. The system provides valuable data analytics that support proactive maintenance decisions and resource allocation. With improved documentation and accountability, staff can respond more quickly to issues and ensure regulatory compliance. Overall, Beehive enhances our ability to maintain critical infrastructure reliably and cost-effectively.

### Flip phones to Smart phones

While a couple of years already in the making, I wanted to point out the effect that smartphones have had on our workforce. Transitioning from flip phones to smartphones has greatly enhanced communication and efficiency for our operators. Smartphones allow instant access to digital tools such as email, our aforementioned Beehive CMMS app, and real-time alerts, improving response times to operational issues. Operators can now document fieldwork with photos and access reference materials or SOPs directly from their devices. This upgrade supports better coordination across teams and ensures quicker, more informed decision-making. Overall, smartphones have modernized our field operations and contributed to a more connected and agile workforce.

### Planning for a Major Upgrade

Major upgrade planning for a treatment plant such as ours is a daunting task, but essential to ensure continuity of our treatment processes for the next 50 years. This year, efforts from the Comprehensive Plant Evaluation focused on evaluating aging infrastructure, identifying capacity limitations, and assessing emerging treatment technologies. The report, which commenced in 2023, was completed in 2024 by Wright-Pierce consulting engineers of Topsham.

Out of that report arose a series of recommendations and prioritized upgrade projects. Keep in mind that this list is entirely preliminary and subject to change based on a multitude of factors, including but not limited to funding opportunities available. That said, administration and trustees will be working together over the next several months / years to be creative on a phased approach to completing projects. As much as possible, we will attempt to partially or fully fund projects out of the Capital Reserve Account that is funded by the members and rate payers. Other funding opportunities to be explored include those offered by CWSRF, Rural Development, CDBG, FEMA, Maine Municipal Bond Bank, Congressional earmarks, and any other sources not yet identified.

*Table 1 – Preliminary Capital Improvement Plan & Estimated Costs*

Phase	Scope	Estimated Total Design and Construction Duration, years	Estimated Total Project Cost
1	Front End Electrical Upgrade	2025-2027	\$ 5,951,000
1	WWTF Flood Resiliency Study	2025	\$ 30,000
1	Raise Weir at Main Pump Station	2025	\$ 30,000
1	Fairfield Pump Station Force Main Replacement	2025-2027	\$ 1,900,000
2	Aeration/Secondary Treatment	2027-2032	\$ 17,882,000
2	Primary Treatment and Site Improvements	2027-2032	\$ 21,968,000
2	CCT, Effluent Pumping, and Disinfection System Improvements	2027-2032	\$ 9,198,000
2	Flood Resiliency Project	2027-2032	\$ 1,000,000
3	Main Pump Station Improvements	2032-2035	\$ 4,465,000
3	Fairfield Pump Station Improvements	2032-2035	\$ 4,639,000
4	Septage Receiving Improvements	2035-2040	\$ 1,802,000
4	Dewatering System Improvements	2035-2040	\$ 23,282,000
5	Sewer Interceptor Improvements (Phase 1)	2040-2045	\$ 11,340,000
5	Sewer Interceptor Improvements (Phase 2)	2045-2050	\$ 11,800,000

## Looking Ahead

The District remains committed to identifying strategic funding opportunities to support essential upgrades and long-term infrastructure investments. Our focus on modernization will continue to drive improvements in efficiency, reliability, and environmental performance across the wastewater treatment plant. We will be reaching out to key stakeholders to present our plans and to collaborate on how to effectively complete these projects while attempting to reduce significant impact on the rate payer.

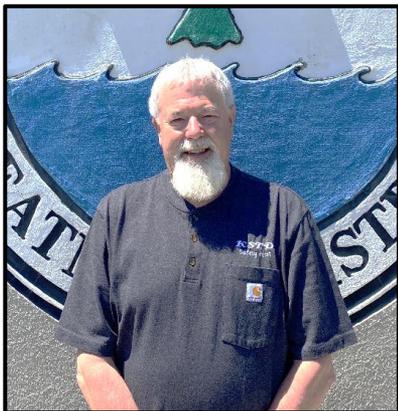
Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Nick Champagne". The signature is fluid and cursive, with the first name "Nick" and the last name "Champagne" clearly distinguishable.

Nicholas M. Champagne, P.E.

Superintendent

# REPORT OF THE CHIEF OPERATOR



**Lynn Woodard**  
**Chief Operator**

2024 brought the staff of KSTD many new challenges. As always, many of them were unplanned as well as some pre-planned projects. We managed through all of them and maintained an excellent quality effluent to help protect the great Kennebec River! Below is a list of some major projects that upgraded the administration and assts of KSTD.

- **CMMS (Computerized maintenance Management System)**

We purchased and implemented a new CMMS here at KSTD. This is actually a somewhat groundbreaking upgrade for us. Maybe not on the same scale as when we implemented the SCADA system but a major step forward into the world of electronic work order management.

After a public bidding process, Beehive Industries LLC was the selected software provider, and that left the daunting task of data uploading before us. Much credit goes to our Project Manager, Jane Carroll, who spent many hours tirelessly uploading, customizing and communicating through emails, phone calls and zoom meetings to make this a friendly and useful tool for the current and future staff to utilize.

One significant component to this software is an electronic work order generation and filing system that moves us away from paper documents into the electronic age. Now, instead of a single paper workorder, that had to be chased down by anybody that needed to view it, we can see this document from any electronic device available in the network. This will allow us to be much more efficient in tracking the maintenance projects needed and organizing our asset management.

- **Main Building Roof Upgrade**

Another major project accomplished in 2024 was the replacement of the roof insulation, waterproofing membrane and ballast on the main operational building at KSTD. This upgrade was badly needed due to a totally soaked insulating system along with several leaks into the operation, laboratory and administrative areas of the plant. Some critical electrical and monitoring equipment, as well as ceiling lights were in the target zone of some of these leaks.

After issuing an RFQ to several contractors, Triumph Roofing of Baldwinville Massachusetts was selected for the project. The roofing system was provided by The Garland Company Inc., and the entire project was completed under the watchful, detailed eye of Tim Ingraham from Garland.

- **Safety Equipment Upgrades and Safety Policies**

Along with our annually required safety trainings and policy reviews and editing, we accomplished some notable steps toward an improving the culture of health and safety at KSTD.

Taking advantage of the Maine Municipal Association Annual Risk Reduction Grant, we were able to purchase a new, portable generator that will be primarily used as an emergency backup power system for one of the smaller pump stations that KSTD manages for the town of Benton. With this new generator we now have two portable generators that can be left in place while needed at the two smaller stations that we manage. This will end the past procedure of having to continuously jockey one generator back and forth between the two stations, most often in total darkness and with hazardous weather conditions to endure.

KSTD successfully passed two safety inspections in 2024. The first inspection was a very detailed inspection with the MDOL SafetyWorks division. This was a cooperative consultation inspection with Michele King, a safety specialist with the department. A few safety compliance issues were discovered, and all were mitigated within the allotted time allowed, and most

within a few short days. Michele also met with our Safety Committee and gave us some very useful tips that we have implemented, giving the committee more of an employee lead group with less administration influence. This was critical for giving the members more buy-in to the health and safety programs at the District.

The second inspection was by our Risk Management officer with the MMA Risk Management Chapter. KSTD passed this inspection with no issues found and thus, maintaining our status in the MMA WCSIP program at tier 3, giving us a substantial reduction in our workers comp insurance premium charge.

I wish to gratefully acknowledge the staff, administrators and trustees of the District for the attention and dedication to the environmental mission of KSTD in public health protection. I look forward to 2025 and the accomplishments that this very talented group of people can bring to fruition!

Respectfully submitted,

*Lynn Woodard*

Lynn C. Woodard

Chief Operator / Assistant Superintendent

# REPORT OF THE PROCESS CONTROL COORDINATOR

## Process Assessment:

During the calendar year of 2024, the District achieved consistently exceptional treatment standards with few process upsets or problems. The percentage of removal for the Total Suspended Solids (TSS) continues to be around 98 %, with the removal of the Biochemical Oxygen Demand [BOD] typically averaging around 95 % removal.



**Ronald White**  
**Process**  
**Control Coordinator**

The laboratory and operations staff continue to strive for a goal of producing an effluent quality as “pristine” (my word) as possible. After all, the water that enters the plant has many various pollutants, and if we do our job well, and with the responsibilities done with diligence, determination, and professionalism, close to ALL of the pollutants will be removed from the waters that will be discharged to the Kennebec River. In essence, that’s why – all of us at this facility – were hired.

The above words haven’t changed much in the last few years. I hope this to be true for years to come. The reason is rather simple: Success at our facility produces clean water being discharged into the Kennebec River. Nothing matters more than that for us.

## Discharge Violations:

Each year the goal of the District is to not have any discharge violations. Once again in 2024, the District was successful in achieving that goal.

## Process Control Changes & Updates:

**PROCESS MANAGEMENT:** “Steady as she goes” would be my theme for the calendar year of 2024. The reason I make that statement is the consistency of many factors: The Influent loadings, the total inventory, the treatment process and, most importantly, the quality of the effluent going to the Kennebec River. As I spoke of earlier, TSS and BOD are two tests that the laboratory performs each week. These tests are required through our permit. The TSS results for the 2024 was consistently under 5 mg/l, while the BOD results were “ever so slightly” higher than that. However, the final BOD was almost exclusively under 10 mg/l. A high standard of deep work ethic is the goal toward the operations and lab responsibilities. With continuing and, yes, “steady” results being reported to the MDEP, it appears that the high standards are being working well within the plant.

**DISCHARGE PERMIT:** As of this writing, the Maine Department of Environmental Protection (MDEP) is in the final stages of issuing a new Discharge Permit to the District. The District has been operating off an expired permit since October 2020. The MDEP proposed two changes to the draft permit.

The District has looked at those proposals and completely agrees with them. First, our two CSO’s (at Main Pump Station and Fairfield Pump Station) have been eliminated from the state’s CSO program. Those locations have been reclassified as “Emergency Overflows.” This is a major success for the District. The second proposal to the permit is our Disinfection/Dechlor “season.” Previously, we were required on these two processes from May 15-September 30. The change is for the “season” to be from April 15-October 30. The District should have the new permit soon.

**LOCAL LIMITS:** Local Limits are an integral part of all discharge permits. Local Limits are established individually and are unique for each treatment facility. The limits are intended to protect the receiving water, the treatment process and worker health. Local

limits also establish industrial discharge limits as part of the Industrial Pretreatment Program. The District will complete the local limit review after the new permit is issued.

The District continues to monitor the PFAS situation – local, and at the State level – in a variety of ways. The District will look at various roads, through testing and other research, that makes the most sense to proceed. Whatever direction the District might take, on this sensitive subject, the focus will be on the safety of our local community.

Here is another update on this subject: MDEP has had two separate “extensive testing protocols.” Both projects were funded through them (MDEP) as well. It is allowing everyone involved to develop a better understanding of this vital subject.

The above paragraphs are a repeat of last year. The importance of the entire subject will require considerable research and dedication to finding some answers to many complicated questions.

**EPA INDUSTRIAL PRETREATMENT PROGRAM:** Kennebec Sanitary Treatment District has a federally [EPA] approved Industrial Pretreatment Program [IPP]. The IPP program identifies 10 Industrial Users [IU], determines which IUs require permits, and performs inspections and monitoring of 3 Significant Industrial Users [SIU].

The District currently permits SIUs: Huhtamaki Inc. of Waterville, Elanco / Lohmann Animal Health International of Winslow, and Hawk Ridge Compost Facility of Unity Plantation.

The Industrial Permit compliance continues to be strong through the calendar year of 2024. Each required aspect of the program was performed in an effective and timely manner. All other permittees submitted complete thorough reports on time, in good order and are currently in full permit compliance.

**Acknowledgement:**

I wish to acknowledge the plant staff for all their hard work during the past year. As the old saying goes “There is no I in team” and that’s simply the best way to operate. I appreciate the continued professionalism, insight, and commitment as we all work at being Environmental Stewards for our community.

Respectfully Submitted,

*Ronald White*

Ronald White  
Process Control Coordinator



**KENNEBEC SANITARY  
TREATMENT DISTRICT**

**FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**KENNEBEC SANITARY TREATMENT DISTRICT**

**TABLE OF CONTENTS**

**December 31, 2024 and 2023**

	<b>Page No.</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Management's Discussion and Analysis</b>	<b>3</b>
<b>Financial Statements</b>	
Statements of Net Position	<b>7</b>
Statements of Revenues, Expenses, and Changes in Net Position	<b>8</b>
Statements of Cash Flow	<b>9</b>
Notes to Financial Statements	<b>10</b>
<b>Required Supplementary Information</b>	
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios	<b>18</b>
Schedule of Employer Contributions	<b>19</b>
<b>Independent Auditor's Report on Additional Information</b>	<b>20</b>
Schedule of Amount Available to District Members	<b>21</b>
Schedules of Administrative Expenses	<b>22</b>
Schedule of Capital Reserve and Bond Funds	<b>23</b>
Reconciliations of Change in Net Position to Distributable Earnings	<b>24</b>



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Kennebec Sanitary Treatment District  
Waterville, Maine

### **Opinion**

We have audited the accompanying financial statements of the business-type activities of Kennebec Sanitary Treatment District (District) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the 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 business-type activities of Kennebec Sanitary Treatment District as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Kennebec Sanitary Treatment 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Kennebec Sanitary Treatment 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 opinions. 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 generally accepted 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.

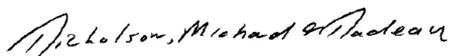
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Kennebec Sanitary Treatment 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 Kennebec Sanitary Treatment 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability and related ratios, and the schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Waterville, Maine  
March 16, 2025

## **Kennebec Sanitary Treatment District**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of Kennebec Sanitary Treatment District's financial condition and performance.

#### **Financial Highlights**

Management's opinion is that the District's financial condition is sound. The District is well within the financial policies and guidelines set by the Board of Trustees. The following are key financial highlights:

- The District's total operating revenues and expenses in the Statement of Revenues, Expenses and Changes in Net Position were \$4,675,030 and \$3,849,906, respectively, resulting in net operating income for the year ended December 31, 2024 of \$825,124.
- The District is required to return to its members amounts which exceed the change in net position, adjusted for depreciation, long-term debt reduction (if applicable), amounts added to the capital reserve fund, amounts needed to fund materials and supplies inventory and prepaid expenses, employer pension contributions, adjustments to interest expense, equipment purchases and current working capital needs which may not exceed \$100,000.
- The amount returned to members as adjustments to current charges in 2024 was \$808,071, an increase of \$291,083 over the 2023 amount.
- The District's net position as of December 31, 2024 was \$7,426,498, an increase of \$61,659 from the prior year. Net position consists of those invested in capital assets of \$5,818,384, restricted net position of \$644,618, and unrestricted net position of \$963,496.
- The District's designated surplus account balance was \$100,000 at the end of 2024 and 2023.
- Member assessments provided the District with approximately 97% and 95% of its operating revenue in 2024 and 2023, respectively.
- Septage and leachate revenue was \$106,345 during 2024, a decrease of \$111,808 from 2023.
- The District acquired capital assets totaling \$854,712 and \$701,289 during 2024 and 2023, respectively.
- The District has established a capital reserve fund for the purpose of maintaining, rehabilitating, upgrading and replacing aging infrastructure. The capital reserve fund balance was \$600,825 as of December 31, 2024, a decrease of \$483,239 from 2023.
- The District entered into a long-term bond payable arrangement with the Maine Municipal Bond Bank during 2022 in the amount of \$1,000,000. A portion of the proceeds were used to repay a bond anticipation note agreement issued in 2021 to temporarily fund pump station upgrades to the wastewater treatment facility. Remaining unspent bond proceeds totaling \$333,959 were added to a restricted bond fund during 2022 to be used to fund future pump station upgrades. The restricted bond fund balance was \$43,793 as of December 31, 2024, a decrease of \$66,035 from 2023.
- Distributable income of \$984,633 for 2024 will be returned by the District to members as adjustments to current charges in 2025.

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

Under Governmental Accounting Standards Board Statement No. 34, the District presents only its government wide financial statements as all governmental activities are accounted for within a single proprietary (enterprise) fund.

## **Kennebec Sanitary Treatment District**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **Overview of Annual Financial Report – Continued**

The financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include the Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and Notes to the Financial Statements.

The Statements of Financial Position present the financial position of the District on a full accrual basis of accounting with the capital assets recorded at historical cost. The statements include information on all of the District's assets and liabilities, with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the District is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the Statements of Revenues, Expenses and Changes in Net Position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statements of Cash Flows presents changes in cash and cash equivalents, resulting from operational, investing, capital and related financing activities. These statements present cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the financial statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Supplementary information detailing administrative expenses and a reconciliation of change in net position to distributable earnings is also presented.

#### **Summary of Organization and Business**

The District is organized by Chapter 45 Private and Special Laws of 1971; amended by Chapter 169 Private and Special Laws of 1972; amended by Chapter 81 Private and Special Laws of 1973; amended by Chapter 128 Private and Special Laws of 1976; amended by Chapter 26 Private and Special Laws of 1981; amended by Chapter 18 Private and Special Laws of 1983; amended by Chapter 7 Private and Special Laws of 1991; amended by Chapter 83 Private and Special Laws of 1992; amended by Chapter 12 Private and Special Laws of 2016.

Chapter 45 Private and Special laws of 1971, under which the District was incorporated, provided that the District be created for the purpose of providing the territory and inhabitants of the City of Waterville, and the Towns of Winslow, Fairfield and Benton with a system of public sewage disposal. The District constructed, maintains and operates the system for the public health and welfare of the residents within the limits of the same.

At present, the District is serving the City of Waterville, the Towns of Winslow, Fairfield and Benton, and the Waterville Sewerage District. Additionally, the District enters into an agreement with Huhtamaki, Inc. to receive its wastewater.

The District is governed by a Board of ten Trustees. Municipal officers residing in the City of Waterville and the Towns of Winslow, Fairfield and Benton appoint five, two, two and one Trustees, respectively. None of said Trustees shall be a City or Town official, except that the 5 trustees from the City of Waterville may include members of the Board of Commissioners of the Waterville Sewerage District. District Trustees are appointed for a three-year term.

The District has no taxing power. Operational and maintenance costs are funded from District member assessments and charges. The acquisition and construction of capital assets are funded by capital contributions from District member assessments, bonds payable, and other customer revenues.

**Kennebec Sanitary Treatment District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis**

The following comparative condensed financial statements serve as the key financial data and indicators for management's monitoring and planning. Comments regarding significant year-to-year variances are included in each section under the applicable statement.

**CONDENSED STATEMENTS OF NET POSITION  
DECEMBER 31,**

	<u>2024</u>	<u>2023</u>	<b>Change</b>	
			<b>Dollars</b>	<b>%</b>
<b>ASSETS</b>				
Current assets	<b>\$ 2,062,497</b>	\$ 2,590,520	\$(528,023)	-20.4%
Capital assets, net	<b>6,685,051</b>	6,336,391	348,660	5.5%
<b>TOTAL ASSETS</b>	<b><u>8,747,548</u></b>	<u>8,926,911</u>	<u>(179,363)</u>	-2.0%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>127,110</u></b>	<u>82,690</u>	<u>44,420</u>	53.7%
<b>LIABILITIES</b>				
Current liabilities	<b>301,708</b>	466,919	(165,211)	-35.4%
Long-term liabilities	<b>1,100,745</b>	1,122,823	(22,078)	-2.0%
<b>TOTAL LIABILITIES</b>	<b><u>1,402,453</u></b>	<u>1,589,742</u>	<u>(187,289)</u>	-11.8%
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b><u>45,708</u></b>	<u>55,020</u>	<u>(9,312)</u>	-16.9%
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	<b>5,818,384</b>	5,403,058	415,326	7.7%
Restricted - capital reserve fund	<b>600,825</b>	1,084,064	(483,239)	-44.6%
Restricted - MPS bond fund	<b>43,793</b>	109,828	(66,035)	-60.1%
Unrestricted	<b>963,495</b>	767,889	195,606	25.5%
<b>TOTAL NET POSITION</b>	<b><u>\$ 7,426,497</u></b>	<u>\$ 7,364,839</u>	<u>\$ 61,658</u>	0.8%

Current assets decreased by \$528,023 due to decrease in cash and cash equivalents due primarily to cutoff of accounts payable at the end of 2024 compared to 2023 and increase in capital asset acquisitions and amounts returned to members in 2024 compared to 2023.

Capital assets increased by \$348,660. This increase was primarily the net result of purchases of capital assets of \$854,712 and the recognition of depreciation expense of \$497,715 during 2024.

Deferred outflows of resources increased by \$44,420 as a result of current year adjustments related to the District's pension plan (see Note 5 in the audited financial statements).

Current liabilities decreased by \$165,211 due to cutoff of the District's accounts payable at the end of 2024 compared to 2023.

Long-term liabilities decreased by \$22,078. This was the net result of normal amortization of the District's bond payable offset by an increase in the District's net pension liability in 2024 (see Note 5 in the audited financial statements).

Deferred inflows of resources decreased by \$9,312 as a result of current year adjustments related to the District's pension plan (see Note 5 in the audited financial statements).

**Kennebec Sanitary Treatment District**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis – Continued**

**CONDENSED STATEMENTS OF REVENUES, EXPENSES, and CHANGES IN NET POSITION**

**YEARS ENDING DECEMBER 31,**

	2024	2023	Change	
			<u>Dollars</u>	<u>%</u>
<b>Operating Revenues</b>	<b>\$ 4,675,030</b>	\$ 4,409,985	\$ 265,045	6.0%
<b>Operating Expenses</b>	<b>(3,849,906)</b>	(3,966,826)	116,920	-2.9%
<b>Operating Income</b>	<b><u>825,124</u></b>	<u>443,159</u>	<u>381,965</u>	86.2%
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	17,699	20,479	(2,780)	-13.6%
Gain on sale of capital assets	17,763	-	17,763	>100%
Amount returned to members as adjustments to current charges	<b>(808,072)</b>	(516,988)	(291,084)	56.3%
Pension expense adjustment	<b>9,144</b>	(20,649)	29,793	>100%
<b>Loss from Non-operating</b>	<b><u>(763,466)</u></b>	<u>(517,158)</u>	<u>(246,308)</u>	47.6%
<b>Change in Net Position</b>	<b>61,658</b>	(73,999)	135,657	>100%
<b>Net Position at Beginning of Year</b>	<b><u>7,364,839</u></b>	<u>7,438,838</u>	<u>(73,999)</u>	-1.0%
<b>Net Position at End of Year</b>	<b><u>\$ 7,426,497</u></b>	<u>\$ 7,364,839</u>	<u>\$ 61,658</u>	0.8%

The District's total operating revenues increased \$265,045 during 2024. The District's total operating expenses decreased \$116,920 during 2024 and contributed to the District's overall increase in operating income during 2024.

The District's loss from non-operating activities totaled \$763,466 during 2024, which was an increase of \$246,308 compared to the year ending 2023, due to an increase in the amount returned to members offset by net change in the pension expense adjustment.

**Other Financial Information**

As of the date of this report we are not aware of any facts, conditions, or planned decisions that will have a significant impact on the financial position and results of operations in the upcoming reporting period. This financial report is intended to provide readers with a general overview of the District's finances and show accountability for expenditures related to its business-type activity. If you have questions regarding this report or need additional information, please contact the Superintendent or the Office Manager of the District.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**STATEMENTS OF NET POSITION**

**December 31,**

	<b>2024</b>	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,991,504	\$ 2,497,730
Accounts receivable	24,649	47,417
Materials and supplies inventory	23,027	33,272
Prepaid expenses	23,317	12,101
<b>Total Current Assets</b>	<u>2,062,497</u>	<u>2,590,520</u>
<b>Noncurrent Assets</b>		
Capital assets, net	6,685,051	6,336,391
<b>Total Noncurrent Assets</b>	<u>6,685,051</u>	<u>6,336,391</u>
<b>TOTAL ASSETS</b>	<u>8,747,548</u>	<u>8,926,911</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	127,110	82,690
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>127,110</u>	<u>82,690</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	157,888	310,287
Accrued expenses	67,691	79,910
Accrued interest	9,462	10,055
Bond payable - current	66,667	66,667
<b>Total Current Liabilities</b>	<u>301,708</u>	<u>466,919</u>
<b>Non-current liabilities</b>		
Bond payable	800,000	866,666
Net pension liability	300,745	256,157
<b>Total Non-current Liabilities</b>	<u>1,100,745</u>	<u>1,122,823</u>
<b>TOTAL LIABILITIES</b>	<u>1,402,453</u>	<u>1,589,742</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	45,708	55,020
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>45,708</u>	<u>55,020</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	5,818,384	5,403,058
Restricted - capital reserve fund	600,825	1,084,064
Restricted - MPS bond fund	43,793	109,828
Unrestricted - designated surplus account	100,000	100,000
Unrestricted - undesignated	863,495	667,889
<b>TOTAL NET POSITION</b>	<u>\$ 7,426,497</u>	<u>\$ 7,364,839</u>

See independent auditor's report.

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

**KENNEBEC SANITARY TREATMENT DISTRICT**

**STATEMENTS OF REVENUES, EXPENSES, and CHANGES IN NET POSITION**

**Years Ended December 31,**

	2024	2023
<b>Operating Revenues</b>		
Member assessments:		
Administration	\$ 451,915	\$ 462,582
Treatment plant	3,262,193	2,971,228
Pump station	378,200	285,363
Contingency	200,000	200,000
Capital reserve	250,000	250,000
Septage/leachate revenue	106,345	218,153
Maintenance contract revenue	22,319	20,840
Miscellaneous revenue	4,058	1,819
<b>Total Operating Revenues</b>	<u>4,675,030</u>	<u>4,409,985</u>
<b>Operating Expenses</b>		
Administrative	507,121	407,685
Treatment plant	2,558,392	2,597,813
Pump stations	286,678	246,145
Depreciation	497,715	715,183
<b>Total Operating Expenses</b>	<u>3,849,906</u>	<u>3,966,826</u>
<b>Operating Income</b>	<u>825,124</u>	<u>443,159</u>
<b>Non-Operating Revenues (Expenses)</b>		
Interest income	17,699	20,479
Gain on sale of capital assets	17,763	-
Amount returned to members as adjustments to current charges	(808,072)	(516,988)
Pension expense adjustment	9,144	(20,649)
<b>Change in Net Position from Non-Operating Activities</b>	<u>(763,466)</u>	<u>(517,158)</u>
<b>Total Change in Net Position</b>	61,658	(73,999)
<b>Net Position at Beginning of Year</b>	<u>7,364,839</u>	<u>7,438,838</u>
<b>Net Position at End of Year</b>	<u>\$ 7,426,497</u>	<u>\$ 7,364,839</u>

See independent auditor's report.  
The accompanying notes are an integral part of these financial statements.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**STATEMENTS OF CASH FLOWS**

**Years Ended December 31,**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Received from customers and users	\$ 4,697,798	\$ 4,388,265
Payments to employees and suppliers	<u>(3,518,373)</u>	<u>(3,014,693)</u>
<b>Net cash flows from operating activities</b>	<u><b>1,179,425</b></u>	<u><b>1,373,572</b></u>
<b>Cash flows from investing activities:</b>		
Interest received from customers and users	<u>17,699</u>	<u>20,479</u>
<b>Net cash flows from investing activities</b>	<u><b>17,699</b></u>	<u><b>20,479</b></u>
<b>Cash flows from capital and related financing activities:</b>		
Amounts returned to members of the District	<u>(808,072)</u>	<u>(516,988)</u>
Purchase of capital assets	<u>(854,712)</u>	<u>(701,289)</u>
Principal payments on bond payable	<u>(66,666)</u>	<u>(66,667)</u>
Proceeds from sale of capital assets	<u>26,100</u>	<u>-</u>
<b>Net cash flows from capital and related financing activities</b>	<u><b>(1,703,350)</b></u>	<u><b>(1,284,944)</b></u>
<b>Net change in cash and cash equivalents</b>	<u><b>(506,226)</b></u>	<u><b>109,107</b></u>
<b>Cash and cash equivalents at beginning of year</b>	<u><b>2,497,730</b></u>	<u><b>2,388,623</b></u>
<b>Cash and cash equivalents at end of year</b>	<u><b>\$ 1,991,504</b></u>	<u><b>\$ 2,497,730</b></u>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>		
Operating income	\$ 825,124	\$ 443,159
Adjustments to reconcile change in net position - before nonoperating activities to net cash flows from operating activities:		
Depreciation	497,715	715,183
(Increase) decrease in operating assets:		
Accounts receivable	22,768	(21,720)
Materials and supplies inventory	10,245	7,635
Prepaid expenses	(11,216)	(802)
Increase (decrease) in operating liabilities:		
Accounts payable	(152,399)	231,141
Accrued expenses	(12,219)	(474)
Accrued interest	(593)	(550)
<b>Net cash flows from operating activities</b>	<u><b>\$ 1,179,425</b></u>	<u><b>\$ 1,373,572</b></u>

See independent auditor's report.  
The accompanying notes are an integral part of these financial statements.

## **KENNEBEC SANITARY TREATMENT DISTRICT**

### **NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of the Business**

Kennebec Sanitary Treatment District (District) is a quasi-municipal corporation located in Waterville, Maine, established in 1971 to operate a treatment plant, interceptors, and pump stations necessary for sewage treatment services. The primary District members are the Towns of Benton, Fairfield, Winslow and the Waterville Sewerage District.

##### **Reporting Entity**

The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The District applies Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) opinions issued on or before November 20, 1989, unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails. The District has the option but has elected not to follow subsequent private-sector guidance. The following is a summary of such significant policies.

The accounting policies of the District conform to U.S. generally accepted accounting principles. The operations of the District are accounted for as an enterprise-type proprietary fund which is similar to a business enterprise.

The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity is set forth by the Governmental Accounting Standards Board. Based on the criteria, the District has no component units.

##### **Measurement Focus, Basis of Accounting**

The District's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

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 or 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

##### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

##### **Net Position**

Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components: invested in capital assets; restricted for capital activity; and unrestricted. Invested in capital assets consists of all capital assets net of accumulated depreciation, less any related liabilities. Restricted for capital reserve and bond funds consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

The District's restricted net position as of December 31, 2024 and 2023 was \$644,618 and \$1,193,892, respectively. Unrestricted consists of all other net assets not included in the above categories. Refer to Notes 8 and 9 for additional disclosures related to the District's capital reserve fund and designated surplus account.

**Capital Assets and Depreciation**

Depreciation of all exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives range from 3 to 50 years.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that the realization of losses on outstanding balances at year end will be immaterial.

**Inventory**

Materials and supplies inventory is recorded at cost utilizing the first-in, first-out (FIFO) method of valuation.

**Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows of resources reported in the statements of net position relate to the net pension liability, which include the District's pension plan contributions made subsequent to the measurement date, which are recognized as a reduction of the net pension liability in the subsequent year. They also include differences between expected and actual experience, changes in assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions. See Note 5 for additional disclosures related to the District's pension plan.

**Vacation and Compensated Time**

Under terms of personnel policies, vacations and compensated time are granted in varying amounts according to length of service. In some cases, employees are entitled to payment for unused vacation and compensated time. Accumulated vacation cost accrued was \$70,163 and \$62,479 at December 31, 2024 and 2023, respectively, and has been included in accrued expenses in the statements of net position.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the statements of net position relate to the net pension liability and include differences between expected and actual experience, changes in proportion and differences between employer contributions and proportionate share of contributions and differences between projected and actual investment earnings on pension plan investments. See Note 5 for additional disclosures related to the District's pension plan.

**Income Taxes**

The District is a quasi-government unit and, therefore, is not required to pay federal or state income taxes.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Maine Public Employees Retirement System PLD Consolidated Plan (PLD plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. See Note 5 for additional disclosures related to pension plans.

**Subsequent Events**

Management has made an evaluation of subsequent events to and including March 16, 2025, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

For purposes of the statements of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less, which includes certificates of deposit and money market accounts, to be cash equivalents.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a custodial credit risk policy that requires all deposits to be covered by FDIC insurance or to have collateral assigned to cover amounts in excess of insurance. As of December 31, 2024 and 2023, all of the District's deposits were covered by FDIC insurance or by collateral assigned to the District by the financial institution.

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of the changes in capital assets from December 31, 2024 and 2023:

	Balance 12/31/2023	Increases	Decreases	Balance 12/31/2024
Capital assets not being depreciated:				
Land and rights of way	\$ 331,602			\$ 331,602
Site development	2,212,717			2,212,717
Total capital assets not being depreciated	<u>2,544,319</u>			<u>2,544,319</u>
Capital assets being depreciated:				
Structures	15,731,412	\$ 599,490		16,330,902
Pipelines	8,509,996			8,509,996
Equipment and vehicles	7,800,437	255,222	\$ (10,874)	8,044,785
Industrial pretreatment	42,698			42,698
CSO Master Plan	286,562			286,562
Total capital assets being depreciated	<u>32,371,105</u>	<u>854,712</u>	<u>(10,874)</u>	<u>33,214,943</u>
Less accumulated depreciation	<u>28,579,033</u>	<u>497,715</u>	<u>(2,537)</u>	<u>29,074,211</u>
Total Capital Assets	<u>\$ 6,336,391</u>	<u>\$ 356,997</u>	<u>\$ (8,337)</u>	<u>\$ 6,685,051</u>

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**NOTE 4 – BOND PAYABLE**

The following is a summary of bond payable at December 31:

	Amount originally issued	<b>2024</b>	2023
Series 2022A Bond with Maine Municipal Bond Bank due in annual principal and semi-annual interest installments through November 2037, interest variable at 2.42% - 3.89%.	<b>\$1,000,000</b>	<b>\$866,667</b>	\$933,333

The annual requirements to amortize the Maine Municipal Bond Bank long-term debt outstanding as of December 31 are as follows:

<u>Year Ending December</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 66,667	\$ 28,386	\$ 95,053
2026	66,667	26,554	93,221
2027	66,667	24,700	91,367
2028	66,667	22,800	89,467
2029	66,667	20,826	87,493
Thereafter	533,332	87,864	621,196
	<u>\$ 866,667</u>	<u>\$ 211,130</u>	<u>\$ 1,077,797</u>

As of December 31, 2024, remaining unspent bond proceeds totaling \$43,793 are being carried in a restricted bond fund and will be used to fund future pump station upgrades.

**NOTE 5 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MPERS)**

**PLD Consolidated Plan**

Description of the Plan – The District participates in and contributes to the Maine Public Employees Retirement System PLD Consolidated Plan (PLD Plan), a cost-sharing, multiple-employer retirement system established by the Maine State Legislature. The MPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Maine State Legislature establishes and amends benefit provisions. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained at [www.maineper.org](http://www.maineper.org).

Funding Policy – As of December 31, 2024, plan members are required to contribute 7.50% and 6.75% of their annual covered salary (for the age 60 plan and the age 65 plan, respectively) and the District is required to contribute an actuarially determined rate of 9.9% of annual covered payroll. Plan member and District required contribution rates as of December 31, 2023 were 7.70%/6.95% and 10.2%, respectively.

The contribution rates of plan members and the District are established and may be amended by the Maine State Legislature. During 2024 and 2023, contributions to the PLD Plan by the District were \$76,459 and \$72,847, respectively.

**Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

In accordance with GASB Statement No. 68 as amended by GASB Statements No. 71, No. 73 and No. 82, employers who participate in defined benefit pension plans are required to recognize a net pension asset/liability on their financial statements. The net pension asset/liability is defined as the total pension liability minus the pension plan's fiduciary net position. Cost-sharing employers are required to report their proportionate share of the net pension asset/liability for the plan as a whole.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

At December 31, 2024, the District reported a liability for its proportionate share of the net pension liability of \$300,745. At December 31, 2023, the District reported a liability for its proportionate share of the net pension liability of \$256,157.

The net pension liability as of December 31, 2024 and 2023 was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The proportionate share of the net pension liability recognized in the financial statements was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, as determined by an actuarial valuation. At December 31, 2024 and 2023, the District's proportion was 0.075139% and 0.080275% respectively.

For the years ended December 31, 2024 and 2023, the District recognized pension (benefit)/expense of \$(9,144) and \$20,649, respectively, presented as follows in the statements of revenues, expenses and changes in net position:

	2024	2023
Deferred outflow adjustment	\$ (37,850)	\$ (35,134)
Pension (benefit) / expense	<u>28,706</u>	<u>55,783</u>
Total net pension (benefit) / expense adjustment	<u>\$ (9,144)</u>	<u>\$ 20,649</u>

At December 31, 2024 and 2023, the District reported deferred outflows of resources related to the pension plan in the statements of net position from the following sources:

	2024	2023
Difference between expected and actual experience	\$ 89,260	\$ 47,556
Contributions subsequent to the measurement date	<u>37,850</u>	<u>35,134</u>
Total	<u>\$ 127,110</u>	<u>\$ 82,690</u>

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* requires that if an employer makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, the government must recognize its contribution as a deferred outflow of resources. Contributions made subsequent to the measurement date during 2024 and 2023 were \$37,850 and \$35,134, respectively.

At December 31, 2024 and 2023, the District reported deferred inflows of resources related to the pension plan in the statements of net position from the following sources:

	2024	2023
Difference between projected and actual investment earnings on pension plan investments	\$ 31,269	\$ 43,468
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>14,439</u>	<u>11,552</u>
Total	<u>\$ 45,708</u>	<u>\$ 55,020</u>

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows during the years ended December 31:

2025	\$ (13,778)
2026	67,557
2027	(4,168)
2028	(6,059)

**Actuarial Assumptions**

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Salary increases	2.75%-11.48% per year, including inflation
Investment return	6.50% per annum, compounded annually
COLA increases	1.91% per annum

**Mortality rates**

Mortality rates – based on the 2010 public plan general benefits – weighted health retiree mortality table, for males and females, projected generationally using the RPEC\_2020 model.

The long-term expected rate of return on pension plan assets 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 class of assets. 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 by 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, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Public Equities	5.6%
US Government	2.2
Private Equity	7.2
Real Assets:	
Real Estate	5.8
Infrastructure	5.3
Natural Resources	5.1
Traditional Credit	2.7
Alternative Credit	6.4
Diversifiers	4.8

The discount used to measure the collective total pension liability for the PLD Plan as of June 30, 2024 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to 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 net pension liability.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

The following table shows how the District's proportionate share of net pension liability as of December 31, 2024 and 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the actual rates used.

	1% Decrease	Current Discount Rate	1% Increase
December 31, 2024			
District's proportionate share of the net pension liability	<b>\$(751,453)</b>	<b>\$ (300,745)</b>	<b>\$ 70,587</b>

	1% Decrease	Current Discount Rate	1% Increase
December 31, 2023			
District's proportionate share of the net pension liability	\$ (701,888)	\$ (256,157)	\$ 111,535

**Changes in et Pension Asset/Liability**

Changes in net pension asset/liability are recognized in pension expense with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience about economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2024 and 2023, this was three years the PLD Consolidated Plan.

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

**Additional Financial and Actuarial Information**

Additional financial and actuarial information with respect to the PLD Plan can be found in the MPERS' 2019 Comprehensive Annual Financial Report available online at [www.maineper.org](http://www.maineper.org) or by contacting the System at (207) 512-3100.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**NOTES to FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**NOTE 6 – NET POSITION**

The District is required to return to the users amounts which exceed the change in net position, adjusted for depreciation, long-term debt reduction (if applicable), amounts added to the capital reserve fund, amounts needed to fund materials and supplies inventory and prepaid expenses, employer pension contributions, adjustments to interest expense, equipment purchases and current working capital needs which may not exceed \$100,000. Excess income of \$984,633 for 2024 will be returned in 2025; and excess income of \$808,072 for 2023 was returned in 2024.

**NOTE 7 – ECONOMIC DEPENDENCE AND CONCENTRATION OF CREDIT RISK**

The District generates the majority of its revenue from providing sewage treatment services to four Maine municipalities and a private industry user. Revenues from these customers comprised approximately 97% and 95% of the total operating revenues for both 2024 and 2023, respectively.

**NOTE 8 – CAPITAL RESERVE FUND**

The District has established a capital reserve fund by appropriating funds or by authorizing the transfer of unencumbered surplus funds at the end of any fiscal year for the purposes of maintaining, rehabilitating, upgrading or replacing aging infrastructure. The annual appropriation for the purposes of the capital reserve fund may not exceed \$500,000. The maximum amount that may be kept in the capital reserve fund is \$2,000,000. When the District determines that a project relates to maintaining, rehabilitating, upgrading or replacing aging infrastructure, it may order the withdrawal and expenditure of the necessary amount from the capital reserve fund to cover the expenditure of the project. If funds are committed to cover an expenditure that will run beyond a given fiscal year, those funds will not be included in the \$2,000,000 cap established under the capital reserve fund District charter amendment. At December 31, 2024 and 2023, the capital reserve fund balance was \$600,825 and \$1,084,064, respectively.

**NOTE 9 – DESIGNATED SURPLUS**

The District assesses to its members an amount equal to the budget for expenses adjusted for the prior year surplus or deficit.

The District does not assess the members for depreciation expense of treatment plants and pumping stations, but does assess the members for debt service (if applicable), employer pension contributions and other working capital needs. If a surplus of earnings exists at the end of a calendar year, it may be transferred to a surplus account which shall not exceed \$100,000. The balance in the surplus account may not be increased by more than \$25,000 in any fiscal year. Any excess over this limitation must be credited on an equitable basis against amounts otherwise to be apportioned to the District's members, except that payments to the capital reserve fund (see Note 8) may be made before any excess is added to the surplus account or remainder is credited against amounts apportioned. In 2024 and 2023, this surplus account balance was \$100,000.

**NOTE 10 – OTHER POST EMPLOYMENT BENEFITS**

The District sponsors a post-retirement benefit plan providing group term life insurance to retiring employees through the Maine Public Employees Retirement System PLD Consolidated Plan – Retiree Group Life Insurance Plan (GTL Plan). The District also sponsors a post-retirement benefit plan providing health insurance to retiring employees through the Maine Municipal Employees Health Trust (MMEHT Plan). GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB) establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for OPEB as well as required supplementary information and footnote disclosures. Based on actuarial valuations performed on the GTL and MMEHT plans, the District's combined estimated net OPEB liability related to the plans was approximately \$214,000 and \$203,000 as of December 31, 2024 and 2023, respectively. Management has determined that this amount is not qualitatively material the District's financial statements and therefore elected not to record the net OPEB liability as of December 31, 2024 and 2023. The District will review its estimated net OPEB liability on an annual basis to determine the potential impact to its financial statements.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIO**

**December 31, 2024 (Unaudited)**

Year Ended	Plan	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Asset/(Liability)	Covered Member Payroll	Actual Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>12/31/2024</b>	<b>PLD Plan</b>	<b>0.075139%</b>	<b>(\$300,745)</b>	<b>\$760,846</b>	<b>39.53%</b>	<b>91.06%</b>
12/31/2023	PLD Plan	0.080275%	-256,157	714,190	35.87%	92.34%
12/31/2022	PLD Plan	0.084310%	-224,126	706,657	31.72%	93.26%
12/31/2021	PLD Plan	0.088801%	28,537	661,013	4.75%	100.80%
12/31/2020	PLD Plan	0.092749%	-368,504	621,649	59.28%	88.35%
12/31/2019	PLD Plan	0.091784%	-280,550	581,791	48.22%	90.62%
12/31/2018	PLD Plan	0.099129%	(271,294)	570,670	47.54%	91.14%
12/31/2017	PLD Plan	0.102795%	(420,877)	566,173	74.34%	86.43%
12/31/2016	PLD Plan	0.105441%	(336,463)	553,177	60.81%	88.27%
12/31/2015	PLD Plan	0.090295%	(138,947)	547,219	25.39%	94.10%
12/31/2014	PLD Plan	0.090295%	(138,947)	517,878	26.83%	94.10%

Notes:

The data provided in the schedule is based on as of the measurement date of the Maine Public Employees Retirement System PLD Consolidated Plan's (PLD Plan) net pension asset/(liability), which is as of June 30, 2024.

There were no changes of benefit terms during the year ended December 31, 2024.

The following are changes in actuarial assumptions used in the most recent valuation:

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Discount rate	6.50%	6.50%	6.50%	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.5%
Salary increases	2.75% to 11.48%	2.75% to 11.48%	2.75% to 11.48%	2.75% to 11.48%	2.75%	2.75% to 9.0%	2.75% to 9.0%	2.75% to 9.0%	3.5% to 9.5%
Cost of living increase	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	2.00%	2.55%
Long term expected real rate of return on assets:									
Public Equities	5.60%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	5.2%
US Government	2.00%	2.60%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	3.7%
Private Equity	7.20%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	4.0%
US equities									
Real estate	5.8%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	4.8%
Infrastructure	5.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	6.7%
Natural Resources	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Hard assets									
Fixed income									
Traditional Credit	2.7%	3.2%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	
Alternative Credit	6.4%	7.4%	7.4%	7.3%	7.2%	4.2%	4.2%	4.2%	
Derivatives	4.8%	5.0%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	

**KENNEBEC SANITARY TREATMENT DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**December 31, 2024 (Unaudited)**

Year Ending	Plan	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
<b>12/31/2024</b>	<b>PLD Plan</b>	<b>\$76,459</b>	<b>\$76,459</b>	<b>\$ -</b>	<b>\$ 760,846</b>	<b>10.05%</b>
12/31/2023	PLD Plan	\$72,847	72,847	-	714,190	10.20%
12/31/2022	PLD Plan	\$72,431	72,431	-	706,657	10.25%
12/31/2021	PLD Plan	\$60,075	60,075	-	601,013	10.00%
12/31/2020	PLD Plan	\$58,610	58,610	-	621,649	9.43%
12/31/2019	PLD Plan	\$58,179	58,179	-	581,791	10.00%
12/31/2018	PLD Plan	\$55,919	55,919	-	570,670	9.80%
12/31/2017	PLD Plan	54,073	54,073	-	566,173	9.55%
12/31/2016	PLD Plan	50,886	50,886	-	553,177	9.20%
12/31/2015	PLD Plan	44,880	44,880	-	547,219	8.20%
12/31/2014	PLD Plan	36,427	36,427	-	517,878	7.03%



**INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

To the Board of Trustees  
Kennebec Sanitary Treatment District  
Waterville, Maine

We have audited the financial statements of Kennebec Sanitary Treatment District as of and for the year ended December 31, 2024, and our report thereon dated March 16, 2025, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules on pages 21 through 24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Nicholson, Michaud & Nadeau*

Waterville, Maine  
March 16, 2025

**KENNEBEC SANITARY TREATMENT DISTRICT**  
**SCHEDULE OF AMOUNT AVAILABLE TO DISTRICT MEMBERS**  
Year Ended December 31, 2024  
(with comparative totals for 2023)

	Administration	Treatment Plant	Pump Stations	Capital Reserve	Contingency	2024	2023
<b>District Revenues</b>							
Current year allocation	\$ 451,915	\$ 3,262,193	\$ 378,200	\$ 250,000	\$ 200,000	\$ 4,542,308	\$ 4,169,173
Septage/fees/late revenues	-	106,345	-	-	-	106,345	218,153
Maintenance contracts	-	22,319	-	-	-	22,319	20,840
Miscellaneous income	-	4,058	-	-	-	4,058	1,819
Interest income	6,167	-	-	11,532	-	17,699	20,479
Gain on sale of capital assets	-	-	-	17,763	-	17,763	-
<b>Total District Revenues</b>	<b>458,082</b>	<b>3,394,915</b>	<b>378,200</b>	<b>279,295</b>	<b>200,000</b>	<b>4,710,492</b>	<b>4,430,464</b>
<b>District Expenses</b>							
<b>Operations</b>							
Plant	-	2,558,392	-	-	-	2,558,392	2,977,813
Main pump station	-	-	136,807	-	-	136,807	138,271
Fairfield pump station	-	-	81,983	-	-	81,983	63,740
Benton pump station	-	-	14,004	-	-	14,004	7,982
Winslow pump station	-	-	20,464	-	-	20,464	-
Savage meter pit	-	-	986	-	-	986	878
Fairfield meter pit	-	-	2,267	-	-	2,267	4,011
Other	-	-	593	-	-	593	-
Administrative	507,121	-	-	-	-	507,121	407,685
Interest expense	-	-	29,574	-	-	29,574	31,263
<b>Total District Expenses Before Depreciation</b>	<b>507,121</b>	<b>2,558,392</b>	<b>236,578</b>	<b>-</b>	<b>-</b>	<b>3,352,191</b>	<b>3,251,643</b>
<b>Adjustments to Compute Distributable Earnings</b>							
Amount utilized from capital reserve fund	-	-	-	(483,239)	-	(483,239)	(166,793)
Amount utilized from MFS bond fund	-	-	(66,035)	-	-	(66,035)	(224,131)
Change in accrued interest	-	-	593	-	-	593	350
Bond principal payments	-	-	66,666	-	-	66,666	66,667
Amount needed to fund certain asset accounts	-	-	-	-	-	-	-
Change in inventory	-	(10,245)	-	-	-	(10,245)	(7,635)
Change in prepaid expenses	-	11,216	-	-	-	11,216	802
Purchase of capital assets	-	26,145	66,035	762,534	-	854,715	701,289
<b>Total Adjustments to Compute Distributable Earnings</b>	<b>-</b>	<b>27,114</b>	<b>67,259</b>	<b>279,295</b>	<b>-</b>	<b>373,668</b>	<b>370,749</b>
<b>Total District Expenses Before Depreciation and Adjustments to Compute Distributable Earnings</b>	<b>507,121</b>	<b>2,585,506</b>	<b>353,937</b>	<b>279,295</b>	<b>-</b>	<b>3,725,859</b>	<b>3,622,392</b>
<b>Available to District Members</b>	<b>\$ (49,039)</b>	<b>\$ 809,409</b>	<b>\$ 24,263</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 984,633</b>	<b>\$ 808,072</b>

Note: Depreciation expense and amount returned to members as adjustments to current charges are not included in above expenses.  
This schedule is developed for use in the District Member allocation process.

**KENNEBEC SANITARY TREATMENT DISTRICT**

**SCHEDULES OF ADMINISTRATIVE EXPENSES**

**Years Ended December 31,**

	<b>2024</b>	2023
<b>Administrative Expenses</b>		
Office employees' salaries	<b>\$ 233,339</b>	\$ 227,853
Employees' payroll taxes and benefits	<b>104,773</b>	94,270
Office supplies and expenses	<b>23,184</b>	30,622
DEP fees	<b>41,031</b>	27,472
Miscellaneous	<b>906</b>	13,449
Legal and accounting	<b>98,980</b>	9,025
Trustees' salaries	<b>2,740</b>	2,775
Insurance	<b>2,168</b>	2,219
<b>Total Administrative Expenses</b>	<b><u>\$ 507,121</u></b>	<b><u>\$ 407,685</u></b>

**See independent auditor's report on additional information.**

**KENNEBEC SANITARY TREATMENT DISTRICT**  
**SCHEDULE OF CAPITAL RESERVE AND BOND FUNDS**

**Year Ended December 31, 2024**

**Capital Reserve Fund**

<b>Beginning Balance</b>	<b>\$ 1,084,064</b>
Member allocations	<b>250,000</b>
Purchase of capital assets	<b>(762,534)</b>
Interest income	<b>11,532</b>
Gain on sale of capital assets	<b>17,763</b>
<b>Ending Balance</b>	<b><u>\$ 600,825</u></b>

**MPS Bond Fund**

<b>Beginning Balance</b>	<b>\$ 109,828</b>
Purchase of capital assets	<b>(66,035)</b>
<b>Ending Balance</b>	<b><u>\$ 43,793</u></b>

**See independent auditor's report on additional information.**

**KENNEBEC SANITARY TREATMENT DISTRICT**

**RECONCILIATIONS OF CHANGE IN NET POSITION TO DISTRIBUTABLE EARNINGS**

**Years Ended December 31,**

	<b>2024</b>	2023
<b>Change in Net Position</b>	<b>\$ 61,658</b>	\$ (73,999)
Adjustments to reconcile amount available to members:		
Depreciation expense	<b>497,715</b>	715,183
(Increase) decrease in material and supplies inventory	<b>10,245</b>	7,635
(Increase) decrease in prepaid expenses	<b>(11,216)</b>	(802)
Equipment purchases	<b>(854,712)</b>	(701,289)
Difference between pension expense and employer pension contributions	<b>(9,144)</b>	20,649
Amount utilized from capital reserve fund	<b>483,239</b>	166,793
Amount utilized from MPS bond fund	<b>66,035</b>	224,131
Increase in accrued interest	<b>(593)</b>	(550)
Bond principal payments	<b>(66,666)</b>	(66,667)
Amount returned to members as adjustments to current charges	<b>808,072</b>	516,988
<b>Total Distributable Earnings</b>	<b><u>\$ 984,633</u></b>	<b><u>\$ 808,072</u></b>

See independent auditor's report on additional information.



