

St. Mary's County Metropolitan Commission

Public Hearings 8/28, 8/29 & 8/30/07
Regarding Proposed Rates
Effective October 1, 2007

Why Is The Rate Structure Changing?

- 1. An inequity exists in the current rate structure that has some customers paying very high benefit assessment charges while some pay very little to no charges at all.**
- 2. There is no funding source specifically identified to replace failed or aging system components.**
- 3. The cost of new projects is increasing due to lack of Federal Grant programs that used to pay for all or a large portion of the projects and the increasing cost of materials, equipment and construction.**
- 4. HB 969 was approved in the 2007 Legislative session allowing this change**

Basis of New Rates

- Both Capital Contribution Charges and the System Improvement Charges are based on the Capital Improvement Plan.
- The current Capital Improvement Plan was approved July 26, 2007.
- Costs also based on assumptions in the growth of the customer base.

Capital Cost Categories

- **Service Area Expansion:** Extensions of water and sewer lines and other local facilities, undertaken for the primary purpose of serving new customers
- **Central Facility Expansion:** Projects which increase the volumetric capacity of water production, wastewater treatment, & other central facilities. These projects have the dual purpose of providing capacity for new customers and increasing service reliability for existing customers.
- **Upgrading/Replacement:** Projects which increase the level of treatment, improve system efficiency, or replace deteriorated or outmoded facilities.

St. Mary's County Metropolitan Commission

Approved 7/26/08

Capital Improvements Budget Revised
FY 2008-2012 Sewer

11/2007 11:16

Project Name	Project ID	Estimated FY						Totals
		2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	
Repair / Replacement								
Wentworth Run Rd Realignment	8-47-SW	\$ 2,563	\$ 50,000					\$ 52,563
Wentworth Park	8-47-S	\$ 5,469	\$ 214,531					\$ 220,000
Wentworth Mills Rd Street Scape (Coral Dr. to St. Mary's Sq.)	8-48-SW	\$ 2,600	\$ 38,961					\$ 41,561
Wentworth Sewer Replacement & Upgrade (10yr)		\$ 8,448	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 508,448
Wentworth WRF Reactor Replacement (Schreiber) Need to be determined by Facility Plan	8-50-S				\$ 650,000			\$ 650,000
Wentworth WRF Repair Tricking Filters					\$ 500,000			\$ 500,000
Wentworth WRF Solids Handling	8-26AS	\$ 6,749,256						\$ 6,749,256
Wentworth WRF Reverse Siphon replacement			\$ 50,000	\$ 200,000				\$ 250,000
Wentworth Essex Park Sewer Replace-Ph 1 (Counties 2A)	8-33-S	\$ 60,786	\$ 428,214					\$ 489,000
Wentworth Essex Park Sewer Replace Essex Drive	8081SR		\$ 230,019					\$ 230,019
Wentworth Essex Park Sewer Replace-Ph 3, (Counties 2B)				\$ 1,000,000				\$ 1,000,000
Wentworth Essex Park Sewer Replace-Ph 1					\$ 1,000,000			\$ 1,000,000
Wentworth Key Point Sewer Rehab	5-8-S	\$ 4,649	\$ 95,351	\$ 900,000				\$ 1,000,000
Wentworth George's Island Line Repairs				\$ 200,000				\$ 200,000
Wentworth Georges Park Sewer Sys Improvements	5-9-S	\$ 5,738	\$ 18,262					\$ 24,000
Wentworth Manhole Rehabilitation			\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 400,000
Wentworth No Dry Pit Sub Pumps & Var Drive Con Forest Run WWLS			\$ 65,000					\$ 65,000
Wentworth Generator for California Run WWLS			\$ 60,000					\$ 60,000
Wentworth No Chopper Pumps for MT Digesters	Needs Proj #		\$ 75,000					\$ 75,000
Wentworth TWRF Digester Repairs			\$ 100,000					\$ 100,000
Wentworth Contingencies			\$ 306,503	\$ 742,715	\$ 1,429,675	\$ 985,444	\$ 217,310	\$ 3,681,647
Subtotal		\$ 6,839,509	\$ 1,911,841	\$ 3,222,715	\$ 3,759,675	\$ 1,165,444	\$ 397,310	\$ 17,296,444
Wastewater Treatment Plant Stations								
Wentworth Great Mills P/S Upgrade	8081SS		\$ 120,000	\$ 285,000	\$ 570,000			\$ 975,000
Wentworth Jarboesville Run & P/S				\$ 100,000	\$ 2,745,000			\$ 2,845,000
Wentworth Piney Point P/S Expansion			\$ 150,000	\$ 350,000				\$ 500,000
Wentworth Essex Park WWPS Replacement	8-30-S	\$ 140,269	\$ 928,515					\$ 1,068,784

St. Mary's County Metropolitan Commission

Approved 7/26/07

Capital Improvements Budget Revised
FY 2008-2012 Sewer

/2007 11:17

Project Name	Project ID	Estimated FY						Totals
		2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	
System Upgrades / Expansion								
Andover Estates Sewer	5-7-S	\$ 45,819	\$ 624,312					\$ 670,131
Andover Rd/Rte 249 Sewer	5-6-S	\$ 331,406	\$ 215,169					\$ 546,575
5th & 8th Dist. Facilities Plan	8-45-W	\$ 50,725	\$ 201,585					\$ 252,310
Holly Gaf (Phase III)				\$ 1,000,000				\$ 1,000,000
Hollywood (Phase II)	8-35-S			\$ 1,600,000				\$ 1,600,000
MetCom Maint Facility			\$ 500,000	\$ 200,000				\$ 700,000
MTWRF - Expansion 6 MGD to 12 MGD ENR for Expanded Capacity & Lab	8-38-S			\$ 2,000,000	\$ 6,000,000	\$ 15,000,000		\$ 23,000,000
MTWRF - ENR Upgrade of 6 MGD	8-38-S				\$ 8,000,000			\$ 8,000,000
MTWRF - Class A Sludge Treatment						\$ 100,000		\$ 100,000
Navy Re-Use				\$ 100,000	\$ 2,800,000			\$ 2,900,000
Navy System Upgrade				\$ 1,555,000				\$ 1,555,000
New Market/Charlotte Hall Sewer Ext.							\$ 3,325,000	\$ 3,325,000
Oliver Drive			\$ 244,000					\$ 244,000
Parmerville Forcemain			\$ 50,000	\$ 614,267	\$ 614,267	\$ 614,266		\$ 1,892,800
SCS Plant & System Expansion	2-11-S	\$ 13,400	\$ 166,600	\$ 1,620,000				\$ 1,800,000
Twin Pond/Broad Creek (Phase I)		\$ 31,034	\$ 15,644					\$ 46,678
SCADA System			\$ 75,000	\$ 75,000				\$ 150,000
Engineering Specifications	808SWS		\$ 47,440					\$ 47,440

Subtotal	\$	472,384	\$	2,139,750	\$	8,764,267	\$	17,414,267	\$	15,714,266	\$	3,325,000	\$	47,829,934
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Total	\$	7,452,162	\$	5,250,106	\$	12,721,982	\$	24,488,942	\$	16,879,710	\$	3,722,310	\$	70,515,212
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St. Mary's County Metropolitan Commission

Approved 7/26/07

Capital Improvements Budget Revised

FY 2008-2012 Water

Estimated FY

Project Name		2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	TOTAL
<u>Water Lines</u>								
Chancellor's Run Rd Line Re	8-47SW	\$ 3,356	\$ 883,601	\$ 2,209,002	\$ 1,325,401			\$ 4,421,360
Great Mills Rd Streetscape	8-48-W	\$ 2,383	\$ 38,744					\$ 41,127
Great Mills Rd Water Line - P	8-34BW	\$ 67,835	\$ 323,165					\$ 391,000
Meadowlake Ln				\$ 100,000				\$ 100,000
Hollywood Systems				\$ 450,000				\$ 450,000
Pax Park Water Main Rep Ph	8-33AW	\$ 10,562	\$ 386,438					\$ 397,000
Pax Park Water Main Rep (Counties 2B)				\$ 1,000,000				\$ 1,000,000
Pax Park Water Main Rep. Ph 1					\$ 1,000,000			\$ 1,000,000
Town Creek Upgrades			\$ 75,000		\$ 712,000			\$ 787,000
Subtotal		\$ 84,136	\$ 1,706,948	\$ 3,759,002	\$ 3,037,401	\$ -	\$ -	\$ 8,587,487

Wells

Charlotte Hall Well additional (300-500 GPM)				\$ 500,000				\$ 500,000
Great Mills - south end of Great Mills Road				\$ 275,000				\$ 275,000
Hickory Hills Well 600 GPM			\$ 600,000					\$ 600,000
Holland Forrest Well - arsenic remediation			\$ 220,000					\$ 220,000
Hollywood Well			\$ 200,000					\$ 200,000
Fenwick Manor Well			\$ 215,000	\$ 215,000				\$ 430,000
Piney Point - Back-up Well			\$ 250,000					\$ 250,000
St. Clement Shores - Back-up Wells			\$ 150,000					\$ 150,000
Subtotal		\$ -	\$ 1,635,000	\$ 990,000	\$ -	\$ -	\$ -	\$ 2,625,000

Capital Improvements Budget Revised

FY 2008-2012 Water

Project Name	Estimated FY							TOTAL
	2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012		
Water Storage Tanks (WST)								
Bay Ridge WST		\$ 850,000						\$ 850,000
Hollywood Tank			\$ 200,000					\$ 200,000
Charlotte Hall WST			\$ 750,000					\$ 750,000
Great Mills Tank Ext			\$ 150,000	\$ 200,000				\$ 350,000
Greenbrier			\$ 275,000	\$ 275,000				\$ 550,000
Hickory Hills Raising & Painting		\$ 600,000						\$ 600,000
King & Kennedy Sys Imp			\$ 935,000					\$ 935,000
Willows Road			\$ 100,000	\$ 1,200,000				\$ 1,300,000
Piney Point		\$ 50,000	\$ 450,000	\$ 300,000				\$ 800,000
Victory Housing WST			\$ 500,000					\$ 500,000
Subtotal	\$	-	\$ 1,500,000	\$ 3,360,000	\$ 1,975,000	\$	-	\$ 6,835,000
Water Storage Tank Boosters								
Great Mills WST Booster				\$ 150,000				\$ 150,000
SC								
5th & 8th Dist. Facility Plan	8-45-W	\$ 50,725	\$ 201,585					\$ 252,310
Arsenic Removal	8-46-W	\$ 681,189	\$ 160,811					\$ 842,000
Co wide Water Meter Replac	8-40-W	\$ 132,472	\$ 13,505					\$ 145,977
Co wide Water Meter Replacement				\$ 1,028,000				\$ 1,028,000
MetCom Maint. Fac.			\$ 500,000	\$ 200,000				\$ 700,000
SCADA System			\$ 75,000	\$ 75,000				\$ 150,000
Standby Generator WPS			\$ 50,100	\$ 50,100	\$ 50,100	\$ 50,100	\$ 50,100	\$ 250,500
Engineering Specifications	808SWS		\$ 47,440					\$ 47,440
Navy System Upgrade				\$ 1,320,000				\$ 1,320,000
Contingencies			\$ 441,779	\$ 731,558	\$ 468,038	\$ 3,758	\$ 3,758	\$ 1,648,833
Subtotal	\$	864,386	\$ 1,490,220	\$ 2,376,658	\$ 1,546,138	\$ 53,858	\$ 53,858	\$ 6,385,113

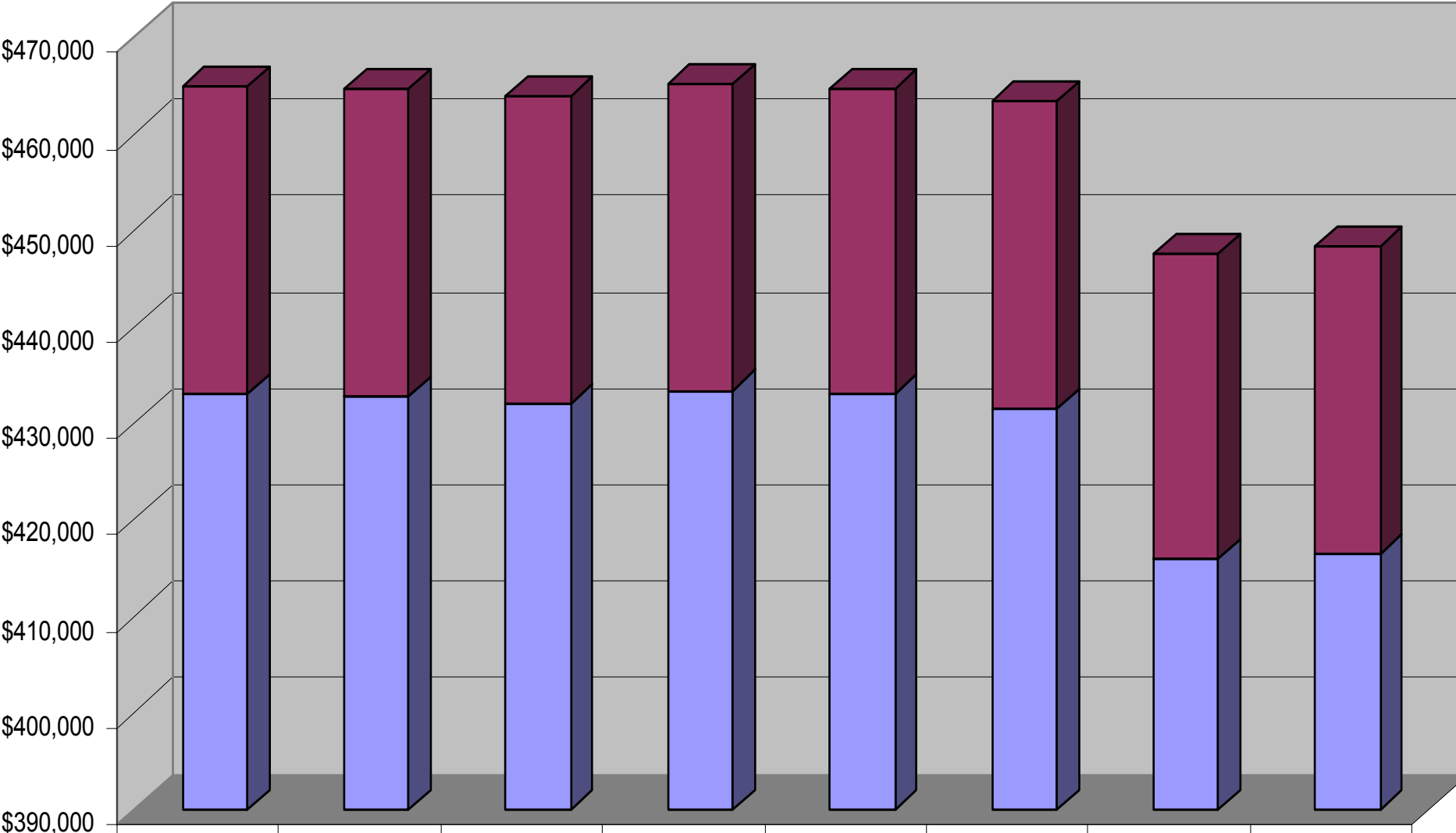
Capital Contribution Charges

- Includes debt service on existing debt that built systems that have capacity available to serve new customers
- Debt service on new projects that expand the service area
- Debt service on new projects that provide capacity for new customers
- Total debt service divided by the projected number of new customers, annualized over a five year period
- NOT charged to stand alone shared systems, whether water or sewer

System Improvement Charges

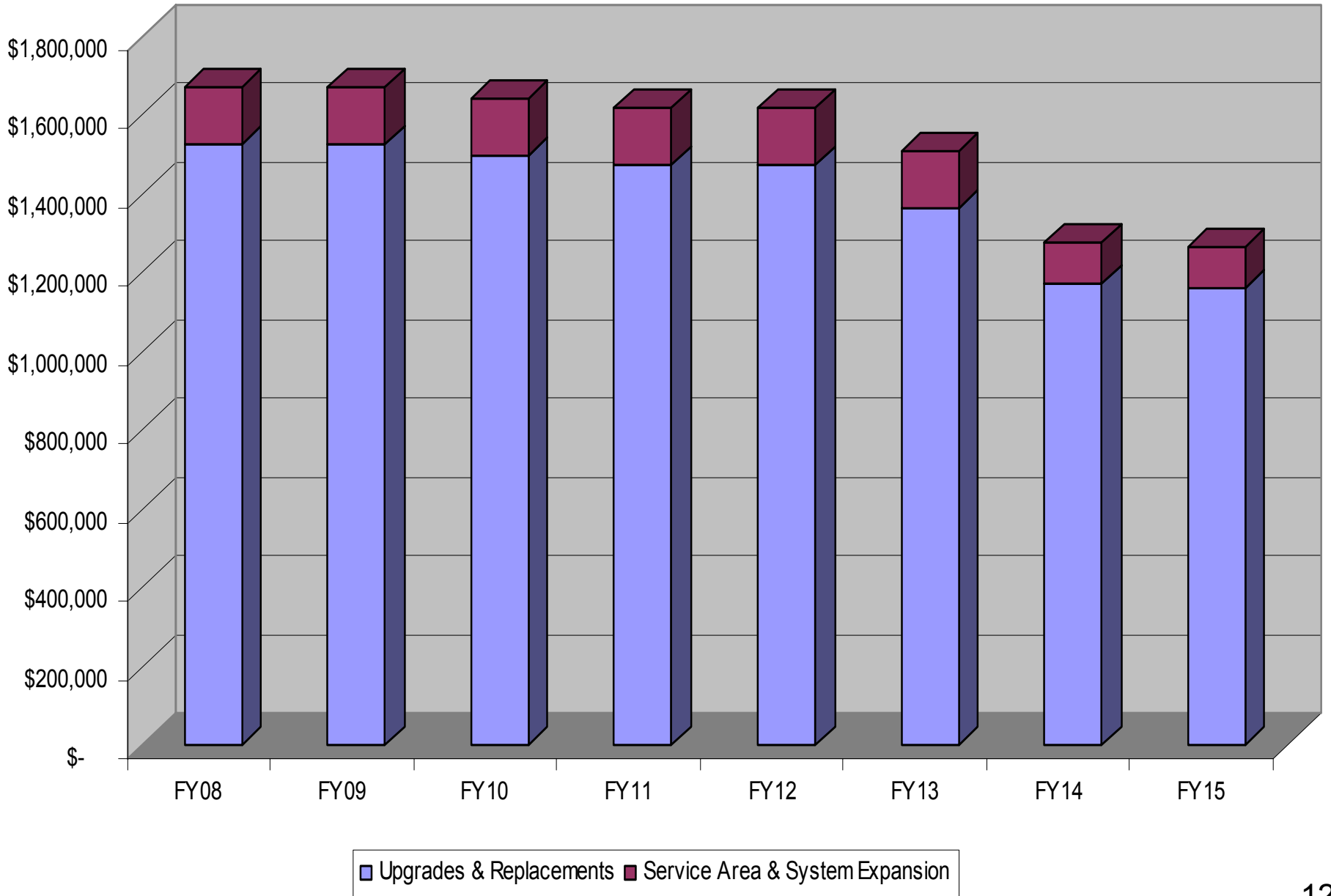
- Existing debt service for all upgrades/replacements and service area and capacity expansion to the extent the expansion is being used by existing customers
- Debt service for upgrade/replacement projects
- Reserves may be used to pay debt service
- Total debt service divided by the projected number of customers and annualized over 5 years

Existing Debt Service - Water

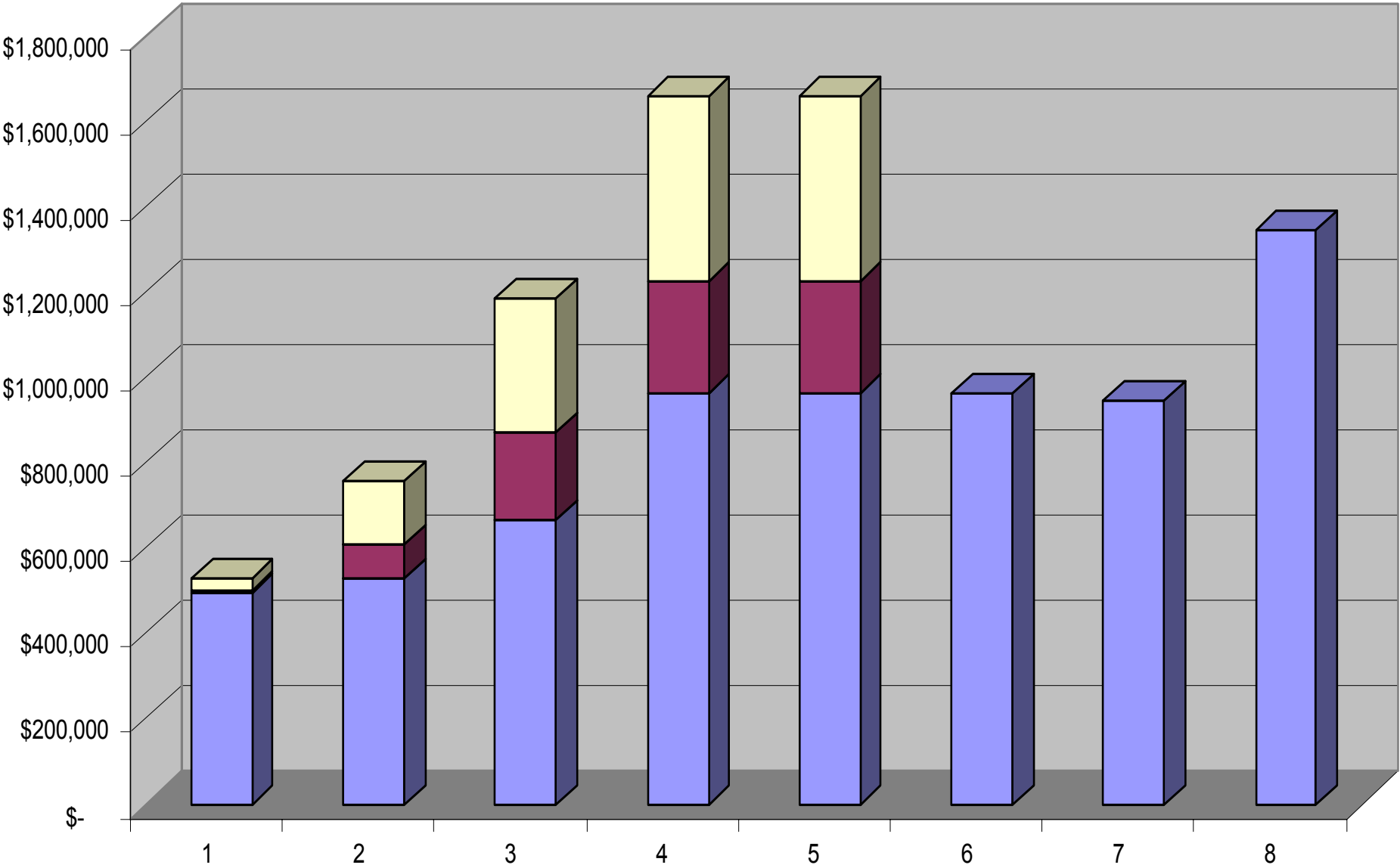


■ Service Area/System Expansion-New Customers
■ Upgrade & Replacements

Existing Debt Service Sewer

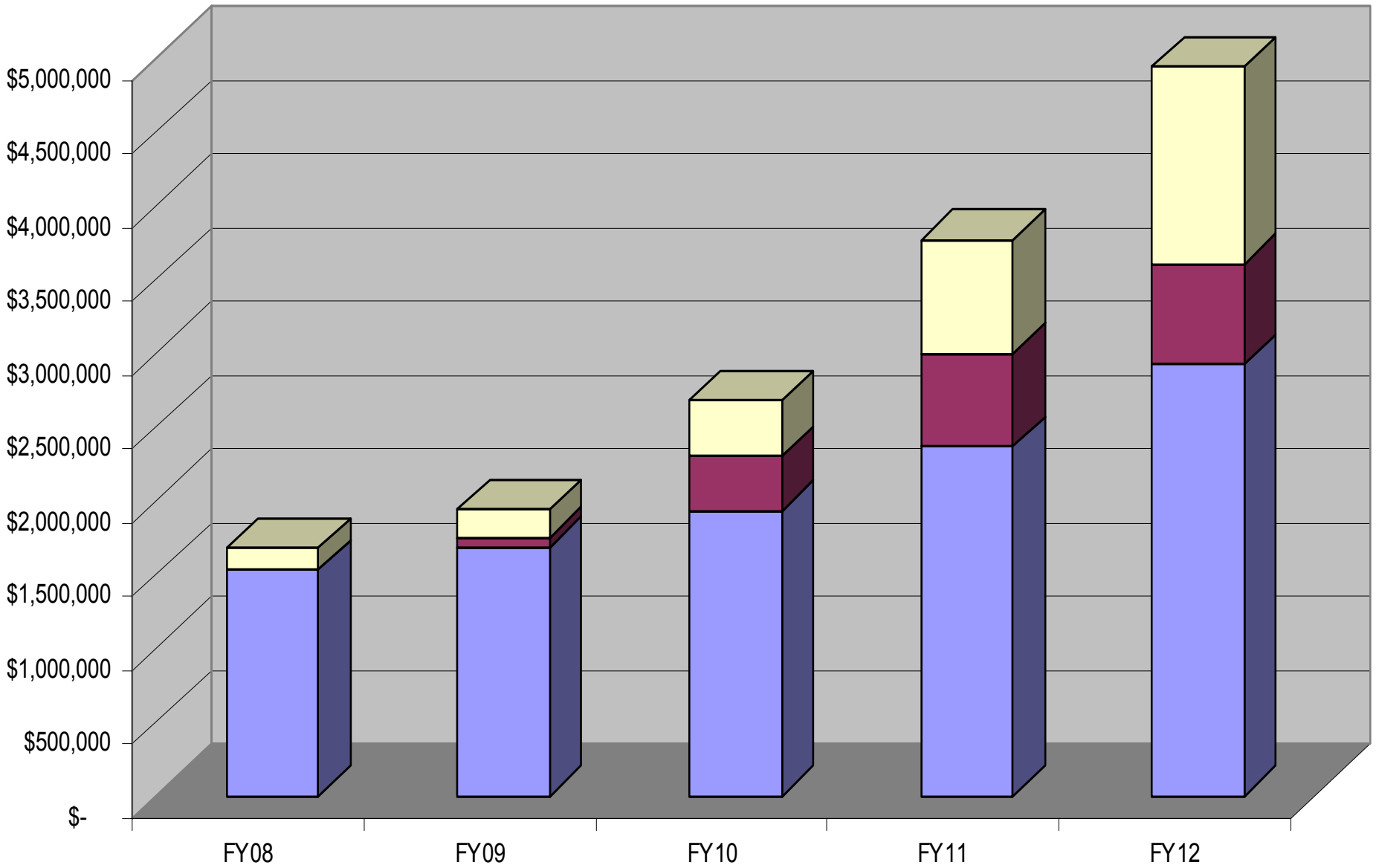


New & Existing Debt Service Water



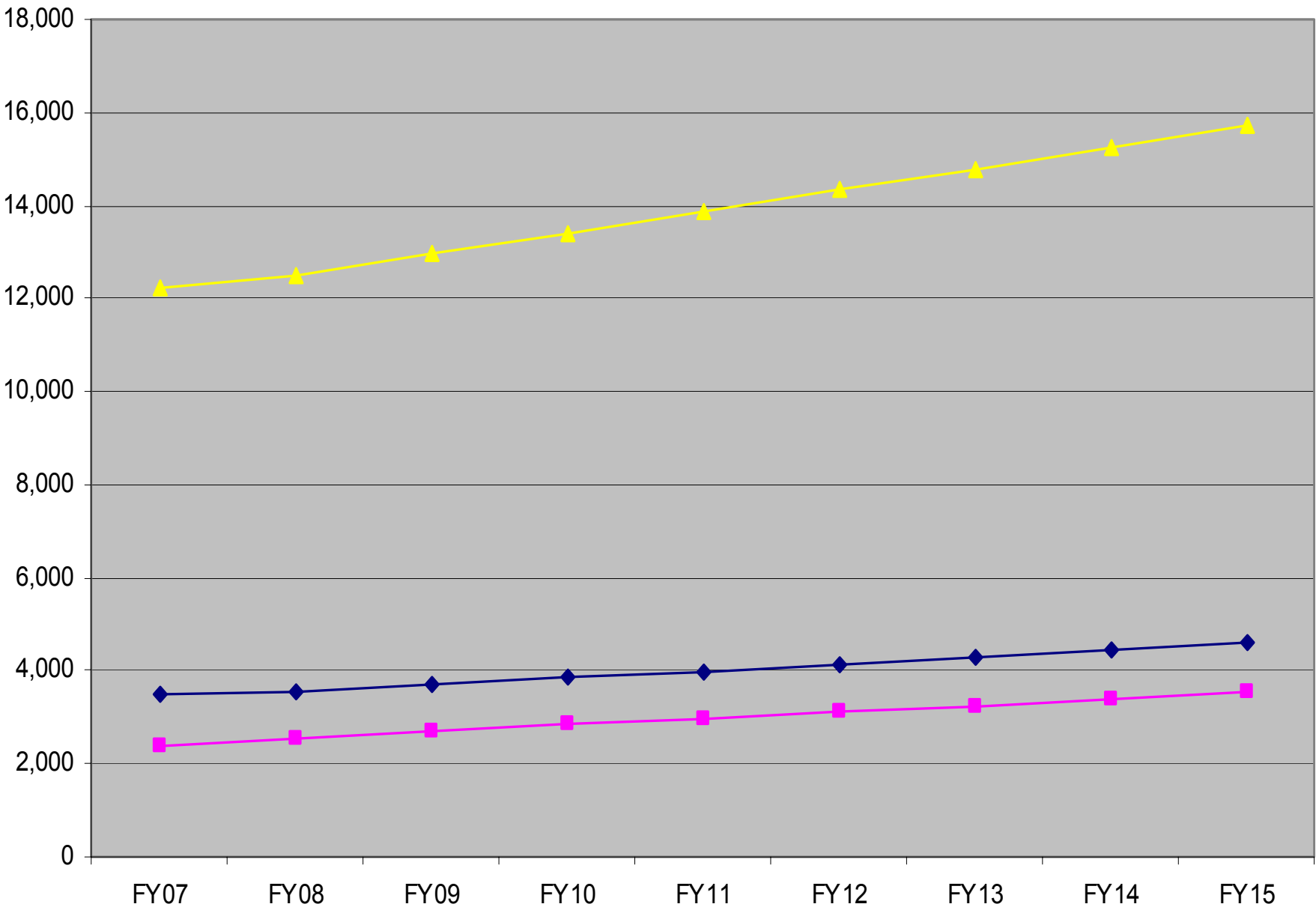
■ Upgrades & Replacements ■ Service Area Expansion □ New Capacity Expansion

New & Existing Debt Service Sewer



■ Upgrades & Replacements ■ Service Area Expansion □ New Capacity Expansion

Customer Growth



◆ Water Only ■ Sewer Only ▲ Water & Sewer

Proposed Rates

- Service charges are unchanged (recover O&M costs)
- All customers pay uniform EDU-based assessment to recover System Improvement Charges
 - Residential Water Assessment: \$2.80/EDU/month
 - Residential Sewer Assessment: \$8.75/EDU/month
 - Commercial Water Assessment: \$3.36/EDU/month
 - Commercial Sewer Assessment: \$10.50/EDU/month

System Improvement Charges Water

	FY08	FY09	FY10	FY11
WATER				
Amortized Cost of Debt Service for:				
Existing Service Area Expansions	283,541	283,943	283,623	283,193
Existing System Improvements	149,570	148,965	148,355	150,239
New System Improvements	60,882	294,620	631,944	929,366
System Improvement Costs	493,993	727,528	1,063,922	1,362,798
Other Metcom Funds				
Applied to System Improvement Cost	0	200,000	400,000	400,000
Net System Improvement Cost	\$ 493,993	\$ 527,528	\$ 663,922	\$ 962,798
Projected EDUs (incl. unserved)				
Water only	4,599	4,746	4,893	5,040
Water & Sewer	15,182	15,640	16,098	16,556
Total EDUs	19,781	20,386	20,991	21,595
Calculated amounts				
Assessment (\$/mo/EDU)	2.08	2.16	2.64	3.72
Levelized assessment (\$/mo/EDU)	2.80	3.09	3.36	3.76

System Improvement Charges Sewer

	FY08	FY09	FY10	FY11
SEWER				
Amortized Cost of Debt Service for:				
Existing Service Area Expansions	1,054,657	1,054,502	1,057,811	1,051,561
Existing System Improvements	472,648	473,009	442,542	424,648
New System Improvements	9,170	157,997	432,885	892,717
System Improvement Costs	1,536,476	1,685,508	1,933,238	2,368,925
Projected EDUs (incl. unserved)				
Sewer only	3,121	3,258	3,395	3,532
Water & Sewer	15,182	15,640	16,098	16,556
Total EDUs	18,303	18,898	19,493	20,088
Calculated amounts				
Assessment (\$/mo/EDU)	7.00	7.43	8.26	9.83
Levelized assessment (\$/mo/EDU)	8.75	9.57	10.14	10.18

Proposed Capital Contribution Charges

All new customers pay a Capital Contribution/EDU charge at time of connection to recover Service Area & Capacity Expansion costs

	Residential	Commercial
Water	\$702.61	\$843.13
Sewer	\$1,491.51	\$1,789.81

Capital Contribution Charges

	FY08	FY09	FY10	FY11	FY12
WATER					
Debt Service for:					
New Service Area Expansion (A2)	3,448	79,570	204,786	265,120	265,120
Existing non-allocated Capacity (B1)	31,825	31,838	31,857	31,849	31,806
New Capacity Expansion (B2)	1,790	119,448	287,310	399,218	399,218
Total Amortized Cost	37,063	230,857	523,953	696,187	696,144
Projected New EDUs (incl. unserved)					
Water only	71	147	147	147	147
Water/Sewer	284	458	458	458	458
Total Water EDUs	355	605	605	605	605
Calculated amounts					
Capital Contribution (\$/EDU)	104.40	381.58	866.04	1,150.72	1,150.65
Levelized Capital Contribution (\$/EDU)	702.61				
SEWER					
Debt Service for:					
New Service Area Expansion (A2)	709	66,052	375,175	630,052	676,092
Existing non-allocated Capacity (B1)	144,313	143,913	144,610	142,965	144,492
New Capacity Expansion (B2)	3,244	50,180	228,379	628,905	1,191,047
Total Amortized Cost	148,266	260,146	748,165	1,401,922	2,011,632
Projected New EDUs (incl. unserved)					
Sewer only	83	137	137	137	137
Water/Sewer	284	458	458	458	457.80
Total Sewer EDUs	367	595	595	595	595
Calculated amounts					
Capital Contribution (\$/EDU)	404.44	437.37	1,257.84	2,356.96	3,382.03
Levelized Capital Contribution (\$/EDU)	1,491.51				20

WICOMICO SHORES WATER AND SEWER

St. Mary's County Metropolitan Commission
43990 Commerce Ave. Hollywood, MD 20636

301-373-4733, 800-285-3394
301-373-8164 (Fax)
www.metcom.org

CUSTOMER NO.	DATE
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PAST READING	CURRENT READING
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PREVIOUS BALANCE

CODE LEGEND	BASIS FOR CHARGE	CHARGE	NEW SYSTEM
41	1	26.39	26.39
62	18	14.64	14.64
37	1	36.90	0
54	1	24.60	0
73	1	2.50	2.50
20	1		8.75
50	1		2.80
TOTAL \$105.03			TOTAL \$55.08

AMOUNT DUE >	
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COUNTRY LAKES WATER ONLY

St. Mary's County Metropolitan Commission
43990 Commerce Ave. Hollywood, MD 20636

301-373-4733, 800-285-3394
301-373-8164 (Fax)
www.metcom.org

CUSTOMER NO.	DATE
PAST READING	CURRENT READING

PREVIOUS BALANCE			
CODE LEGEND	BASIS FOR CHARGE	CHARGE	NEW SYSTEM
62	18	14.64	14.64
83	1	2.50	2.50
50	1		2.80
		TOTAL \$17.14	TOTAL \$19.94

AMOUNT DUE >	
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PINEY POINT SEWER ONLY

St. Mary's County Metropolitan Commission 43990 Commerce Ave. Hollywood, MD 20636	301-373-4733, 800-285-3394 301-373-8164 (Fax) www.metcom.org
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CUSTOMER NO.	DATE
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PAST READING	CURRENT READING
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PREVIOUS BALANCE

CODE LEGEND	BASIS FOR CHARGE	CHARGE	NEW SYSTEM
41	1	26.39	26.39
36	1	3.20	0
43	1	4.00	0
49	1	2.32	0
73	1	2.50	2.50
20	1		8.75
TOTAL \$38.41			TOTAL \$37.64

AMOUNT DUE >	23
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FOREST FARMS WATER AND SEWER

St. Mary's County Metropolitan Commission

301-373-4733, 800-285-3394

43990 Commerce Ave. Hollywood, MD 20636

301-373-8164 (Fax)

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CUSTOMER NO.	DATE
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PAST READING	CURRENT READING
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PREVIOUS BALANCE	
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CODE LEGEND	BASIS FOR CHARGE	CHARGE	NEW SYSTEM
41	1	26.39	26.39
62	18	14.64	14.64
43	1	31.74	0
73	1	2.50	2.50
76	1	16.32	16.32
20	1		8.75
50	1		2.80
	TOTAL	\$91.59	TOTAL \$71.40

AMOUNT DUE >	
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Retain this part for your records.

DUE UPON RECEIPT

PATUXENT PARK WATER AND SEWER

St. Mary's County Metropolitan Commission
43990 Commerce Ave. Hollywood, MD 20636

301-373-4733, 800-285-3394
301-373-8164 (Fax)
www.metcom.org

CUSTOMER NO.	DATE
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PAST READING	CURRENT READING
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PREVIOUS BALANCE

CODE LEGEND	BASIS FOR CHARGE	CHARGE	NEW SYSTEM
41	1	26.39	26.39
62	18	14.64	14.64
73	1	2.50	2.50
20	1		8.75
50	1		2.80
	TOTAL	\$43.53	TOTAL \$55.08

AMOUNT DUE >	
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Retain this part for your records.

DUE UPON RECEIPT

Implementation Schedule of New Rates

- **The Effective Date for the new financing system is October 1, 2007.**
- **All (1) front-foot and EDU benefit assessment charges assessed prior to the Effective Date, (2) Water Supply and Storage Fees, and (3) Sewer Treatment Capacity Charges will terminate as of the Effective Date, with the exception of the Tin Top Hill Capacity Charge, which will continue as MetCom is simply acting as a collection agent for the County and Leonardtown**
- **After the Effective Date, all existing and new debt service will be financed by a new system of capital charges.**

COMMENTS

QUESTIONS

