

**ST. MARY'S COUNTY  
METROPOLITAN COMMISSION  
CAPITAL IMPROVEMENT BUDGET & PLAN  
FY 2019-FY 2024**

## FY 2019 – FY 2024 CAPITAL IMPROVEMENT BUDGET MESSAGE

MetCom continues to make changes to the Capital Improvement Budget (CIB) in an effort to further reduce MetCom's outstanding / proposed future debt, maintain reasonable charges to its customers and reflect the current priorities in water and sewer infrastructure needs. We will continue to construct, operate and maintain public water supply and public wastewater conveyance and treatment systems in a manner that is sustainable, reliable, economical and safe for the Commission's employees, the environment, and the citizens of St. Mary's County.

Our FY 2019 capital improvement budget: incorporates several unplanned CIB projects (*ie. Marlay-Taylor Clarifier, Hunting Quarter Well Replacement, Vector Truck replacement, Woodland Acres MOU, etc.*); shifts the Southampton Rehabilitation project out one year to coincide with the County's programmatic change; incorporates a 2.5% escalation factor to the entire CIB; utilizes a portion of our restricted reserves to help stabilize rates, re-establishes reasonable Equivalent Dwelling Unit (EDU) projections; maintains a six year target impact to customer bills within the 3% target range; lowers debt even further below our informal self-imposed debt cap of \$120M; and establishes Capital Contribution and System Improvement Charges for FY 2019 at levels equal to or lower than was projected for FY 19 in the prior approved FY 2018 - FY 2023 CIB.

The proposed FY 2019 CIB is less than the prior FY 2018 projection by \$2,362,038 for Water Projects and \$2,131,485 for Sewer Projects as approved by both the Commissioners of St. Mary's County and the Metropolitan Commission Board.

A Debt Policy Study was completed in 2017 and demonstrates that MetCom is in strong overall financial condition, as evidenced by comparative, national medians and industry best practices. In addition, MetCom is able to carry out the planned five (5) year Capital Improvement Budget/Plan within the legislated (HB 1055 / SB 737) combined County and MetCom's debt limit of at 2.15% of assessed value passed in 2017.

We are striving to become stronger leaders in the protection of the environment and to ensure that safety is built into our daily operations, and executed in the development of new programs. We will strive to become a more responsive, efficient organization by exploring, identifying and implementing best practices and processes and be "open" to next century technologies as they are developed.

In accordance with Chapter 113-27D and 30A of the Public Laws of St. Mary's County, Maryland being part of Article 19 of the Code of Public Laws of the State of Maryland a Public Hearing was held on April 9, 2019 to discuss the recommended FY 19 Capital Improvement Budget, the FY 2020-2024 Plan and proposed charges. The hearing was advertised in The Enterprise on March 28, March 30, April 4 and April 6, 2018.



Rebecca B. Shick, Chief Financial Officer

Approved by the  
St. Mary's County Metropolitan Commission



John J. Carey, Chairperson

5/22/2018

Date Approved

## St. Mary's County Metropolitan Commission

Capital Improvements Budget  
FY 2019 - 2024 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>Water Lines</b>										
Shangri-La Dr. & S. Essex Dr. Water Main Replacement	2	8171WR	\$185,000							\$2,347,951
FDR Boulevard Water Main Phase 3 (MD237 to Pegg Road)	1	8173WM	\$176,400 <sup>I</sup>	\$384,375 <sup>I</sup>	\$520,245 <sup>I</sup>					\$904,620
Southampton Water System Rehabilitation	1				\$280,617 <sup>B</sup>		\$1,798,642 <sup>B</sup>		\$1,635,301 <sup>B</sup>	\$3,714,560
St. Clements Shores Water System Replacement	3	2101WR	\$3,602,859 <sup>C</sup>		\$3,687,434					\$3,687,434
Breton Bay Water System Replacement	1				\$315,300 <sup>D</sup>		\$3,572,158		\$3,753,354	\$7,640,812
Town Creek Water System Phase 1 - 3	2	8081WR	\$3,344,500			\$2,842,742 <sup>E</sup>		\$463,795 <sup>E</sup>		\$3,306,537
Hollywood Water Systems Connector & Ph 2 Replacement	1	8141WM				\$152,820 <sup>F</sup>		\$1,899,144 <sup>F</sup>		\$2,051,964
MD247 Loveville Road Water Main Replacement									\$116,000 <sup>G</sup>	\$116,000
Woodland Acres Water Line Relocation				\$123,000 <sup>H</sup>						\$123,000
<b>FY2019 CIB (FY19-FY24) Water Lines Subtotal =</b>			<b>\$7,308,759</b>	<b>\$507,375</b>	<b>\$4,803,596</b>	<b>\$4,155,004</b>	<b>\$6,559,309</b>	<b>\$2,362,939</b>	<b>\$5,504,655</b>	<b>\$23,892,878</b>
Approved FY2018 CIB (FY18 - FY23)				\$2,322,736	\$5,212,580	\$6,421,801	\$3,377,544	\$2,395,367	\$0	\$19,730,028
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$1,815,361</b>	<b>-\$408,984</b>	<b>-\$2,266,797</b>	<b>\$3,181,765</b>	<b>-\$32,428</b>	<b>\$5,504,655</b>	<b>\$4,162,850</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

**Property Acquisition (to be initiated after Planning)**

- A) Split evenly into 2 Phases and moved out one year
- B) Moved out 1 year per DPWT 1-3-18
- C) Reduced loan amount from \$5,498,000 to \$3,602,859
- D) Moved from FY2019 to FY2020
- E) FY2023: Phase 3 Design. Moved Phase 2 construction from FY2020 to FY2021
- F) Shifted entire project forward one 1 year
- G) Project design added to FY2024
- H) Added Woodland Acres to FY19 per SHA MOU
- I) Updated reduced estimate due to final scope

### St. Mary's County Metropolitan Commission

Capital Improvements Budget  
FY 2019 - 2024 Water

**With Escalation i=2.5%**

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>Wells</b>										
Bay Ridge Well Replacement and Upgrade	1	8091WL	\$175,160			\$2,017,966				\$2,017,966
Hunting Quarter Well #1 Replacement				\$389,500 <sup>A</sup>						\$389,500
<b>FY2019 CIB (FY19-FY24) Well Subtotal =</b>			<b>\$175,160</b>	<b>\$389,500</b>	<b>\$0</b>	<b>\$2,017,966</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,407,466</b>
Approved FY2018 CIB (FY18 - FY23)				\$0	\$0	\$1,873,692	\$0	\$0	\$0	\$1,873,692
<b>Change to Program Difference from FY2018 CIB</b>				<b>\$389,500</b>	<b>\$0</b>	<b>\$144,274</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$533,774</b>

<b>Water Storage Tanks (WST)</b>										
Greenbrier WST	1	8161WT	\$200,000		\$582,499 <sup>B</sup>					\$582,499
St. Clements Shores WST (timed with water system)	1			\$249,075 <sup>C</sup>		\$2,233,698 <sup>C</sup>				\$2,482,773
Water Tank Inspections, Painting, Replacement/Upgrades	4	WO1817	\$623,700	\$75,000 <sup>D</sup>	\$655,509	\$80,775 <sup>D</sup>	\$688,565	\$84,825 <sup>D</sup>	\$723,492	\$2,308,166
<b>FY2019 CIB (FY19-FY24) Water Storage Tanks (WST) Subtotal =</b>			<b>\$823,700</b>	<b>\$324,075</b>	<b>\$1,238,008</b>	<b>\$2,314,473</b>	<b>\$688,565</b>	<b>\$84,825</b>	<b>\$723,492</b>	<b>\$5,373,438</b>
Approved FY2018 CIB (FY18 - FY23)				\$779,233	\$623,700	\$1,954,000	\$623,700	\$0	\$0	\$3,980,633
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$455,158</b>	<b>\$614,308</b>	<b>\$360,473</b>	<b>\$64,865</b>	<b>\$84,825</b>	<b>\$723,492</b>	<b>\$1,392,805</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

- A) Project added based on failure of existing well in 2017.
- B) Moved from FY2019 to FY2020 based on design / land acquisition
- C) Waterline extension added to WST project; land acquisition FY2020
- D) Hydropneumatic Tank upgrades (Piney Point Landings, Villages at Leonardtown and Wild Goose Crest) added to FY19, 21, 23.

**Property Acquisition (to be initiated after Planning)**

## St. Mary's County Metropolitan Commission

Capital Improvements Budget  
FY 2019 - 2024 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>Miscellaneous</b>										
King Kennedy Well & Ground Storage Tank Improvements	2	3-1-W	\$757,310	\$999,570						\$999,570
Piney Point Water Station Upgrades (With Sewer Station)	1		\$286,433	\$403,876						\$403,876
Industrial Park Water Station Upgrades	1				\$248,299 <sup>A</sup>					\$248,299
<b>FY2019 CIB (FY19-FY24) Miscellaneous Subtotal =</b>			<b>\$1,043,743</b>	<b>\$1,403,446</b>	<b>\$248,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,651,745</b>
Approved FY2018 CIB (FY18 - FY23)				\$1,605,465	\$0	\$0	\$0	\$0	\$0	\$1,605,465
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$202,019</b>	<b>\$248,299</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,280</b>

<b>Totals</b>										
Water Lines			\$7,308,759	\$507,375	\$4,803,596	\$4,155,004	\$6,559,309	\$2,362,939	\$5,504,655	\$23,892,878
Wells			\$175,160	\$389,500	\$0	\$2,017,966	\$0	\$0	\$0	\$2,407,466
Water Storage Tanks (WST)			\$823,700	\$324,075	\$1,238,008	\$2,314,473	\$688,565	\$84,825	\$723,492	\$5,373,438
Miscellaneous			\$1,043,743	\$1,403,446	\$248,299	\$0	\$0	\$0	\$0	\$1,651,745
Subtotal			\$9,351,362	\$2,624,396	\$6,289,903	\$8,487,443	\$7,247,874	\$2,447,764	\$6,228,147	\$33,325,527
Capital Reserves		7.5%	\$701,000	\$74,000 <sup>B</sup>	\$472,000	\$637,000	\$544,000	\$184,000	\$467,000	\$2,378,000
<b>FY2019 CIB (FY19-FY24) Total=</b>			<b>\$10,052,362</b>	<b>\$2,698,396</b>	<b>\$6,761,903</b>	<b>\$9,124,443</b>	<b>\$7,791,874</b>	<b>\$2,631,764</b>	<b>\$6,695,147</b>	<b>\$35,703,527</b>
Approved FY2018 CIB (FY18 - FY23)				\$5,060,434	\$6,274,280	\$11,018,493	\$4,301,244	\$2,575,367	\$0	\$29,229,818
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$2,362,038</b>	<b>\$487,623</b>	<b>-\$1,894,050</b>	<b>\$3,490,630</b>	<b>\$56,397</b>	<b>\$6,695,147</b>	<b>\$6,473,709</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

**Property Acquisition (to be initiated after Planning)**

A) Moved from FY2019 to FY2020

B) FY19 Cap. Reserve would be \$217,000 at 7.5% but the Woodland Acres Waterline project is proposed to use \$123,000 of the reserve

**St. Mary's County Metropolitan Commission**  
 Capital Improvements Budget  
 FY 2019 - 2024 Sewer

**With Escalation i=2.5%**

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>Replacement</b>										
Piney Point Road Sewer Line Analysis and Force Main Replacement	1	5171MS	\$190,000	\$315,664					\$1,160,000 <sup>A</sup>	\$1,475,664
Interceptor Rehabilitation, Shangri-La Drive to Colony Square	2	8131SR	\$88,704		\$1,329,826					\$1,329,826
Southampton Sewer System Rehabilitation	1				\$73,570 <sup>B</sup>		\$887,166 <sup>B</sup>		\$1,968,435 <sup>B</sup>	\$2,929,171
Manhole Rehabilitation	4	SM1805	\$95,000	\$97,375	\$99,845	\$102,315	\$104,880	\$107,445	\$110,200 <sup>C</sup>	\$622,060
Inflow & Infiltration Sewer Replacement, Rehabilitation and Upgrade	4	SM1806	\$220,000	\$225,500	\$231,220	\$236,940	\$242,880	\$248,820	\$255,200 <sup>C</sup>	\$1,440,600
Marlay Taylor Clarifier Rehabilitation				\$768,750 <sup>D</sup>						\$768,750
<b>FY2019 CIB (FY19-FY24) Replacement Subtotal =</b>			<b>\$593,704</b>	<b>\$1,407,289</b>	<b>\$1,734,461</b>	<b>\$339,255</b>	<b>\$1,234,926</b>	<b>\$356,265</b>	<b>\$3,493,835</b>	<b>\$8,566,071</b>
Approved FY2018 CIB (FY18 - FY23)				\$702,170	\$1,599,096	\$1,152,452	\$359,310	\$2,067,052	\$0	\$5,880,080
<b>Change to Program Difference from FY2018 CIB</b>				<b>\$705,119</b>	<b>\$135,365</b>	<b>-\$813,197</b>	<b>\$875,616</b>	<b>-\$1,710,787</b>	<b>\$3,493,835</b>	<b>\$2,685,991</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

- A) Project added; aging force main needs replacement
- B) Moved out per DPWT 1-3-18
- C) Funding added to FY2024
- D) New project added - FY 2019

**Property Acquisition (to be initiated after Planning)**

**St. Mary's County Metropolitan Commission**  
 Capital Improvements Budget  
 FY 2019 - 2024 Sewer

**With Escalation i=2.5%**

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>Pump Stations</b>										
Wildewood #2 WWPS	1	8171SS	\$55,000	\$307,500 <sup>A</sup>						\$307,500
Evergreen Park WWPS	1			\$10,763	\$284,176					\$294,939
Moorings WWPS	1			\$10,763	\$381,303					\$392,066
Esperanza Shopping Center WWPS	1					\$39,449 <sup>B</sup>	\$323,503 <sup>B</sup>			\$362,952
Bradley Boulevard WWPS	1					\$38,439 <sup>D</sup>	\$315,217 <sup>D</sup>			\$353,656
Greenbrier WWPS	1						\$42,278 <sup>C</sup>	\$346,493 <sup>C</sup>		\$388,771
Wicomico Shores #1 WWPS Replacement	1						\$46,506 <sup>C</sup>	\$381,142 <sup>C</sup>		\$427,648
Hunting Quarters WWPS	1							\$40,725 <sup>D</sup>	\$334,151 <sup>D</sup>	\$374,876
<b>FY2019 CIB (FY19-FY24) Pump Stations Subtotal =</b>			<b>\$55,000</b>	<b>\$329,026</b>	<b>\$665,479</b>	<b>\$77,888</b>	<b>\$727,504</b>	<b>\$768,360</b>	<b>\$334,151</b>	<b>\$2,902,408</b>
Approved FY2018 CIB (FY18 - FY23)				\$872,730	\$633,186	\$650,871	\$723,776	\$324,069	\$0	\$3,204,632
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$543,704</b>	<b>\$32,293</b>	<b>-\$572,983</b>	<b>\$3,728</b>	<b>\$444,291</b>	<b>\$334,151</b>	<b>-\$302,224</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

- A) Reduced Construction from \$536,312 based on updated estimate
- B) Project(s) Design remains, Move Construction to - FY2022
- C) Project(s) Design remains, Moved Construction to - FY2023
- D) Project Design remains, Moved Construction to - FY2024

**Property Acquisition (to be initiated after Planning)**

**St. Mary's County Metropolitan Commission**  
 Capital Improvements Budget  
 FY 2019 - 2024 Sewer

**With Escalation i=2.5%**

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
<b>System Upgrades / Expansion</b>										
St. Clements Shores WWTP Expansion Phase B	2	2151SF	\$570,000	\$648,162 <sup>A</sup>	\$2,619,772 <sup>A</sup>					\$3,267,934
Energy Audit / Energy Efficiency Upgrades	1		\$115,000	\$58,938	\$60,433					\$119,371
Grinder Pump Replacements	4	SM1909		\$850,000		\$850,000		\$850,000		\$2,550,000
VacTor Sewer Cleaning Vehicle Replacement				\$307,500 <sup>B</sup>						\$307,500
<b>FY2019 CIB (FY19-FY24) Systems Upgrades/Expansion Subtotal =</b>			<b>\$685,000</b>	<b>\$1,864,600</b>	<b>\$2,680,205</b>	<b>\$850,000</b>	<b>\$0</b>	<b>\$850,000</b>	<b>\$0</b>	<b>\$6,244,805</b>
Approved FY2018 CIB (FY18 - FY23)				\$4,032,500	\$57,500	\$850,000	\$0	\$850,000	\$0	\$5,790,000
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$2,167,900</b>	<b>\$2,622,705</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$454,805</b>

Totals										
Replacement			\$593,704	\$1,407,289	\$1,734,461	\$339,255	\$1,234,926	\$356,265	\$3,493,835	\$8,566,071
Pump Stations			\$55,000	\$329,026	\$665,479	\$77,888	\$727,504	\$768,360	\$334,151	\$2,902,408
Upgrades/Expansion			\$685,000	\$1,864,600	\$2,680,205	\$850,000	\$0	\$850,000	\$0	\$6,244,805
Subtotal			\$1,333,704	\$3,600,915	\$5,080,145	\$1,267,143	\$1,962,430	\$1,974,625	\$3,827,986	\$17,713,284
Capital Reserves		6.20%	\$83,000	\$223,000	\$315,000	\$79,000	\$122,000	\$122,000	\$237,000	\$1,098,000
<b>FY2019 CIB (FY19-FY24) Total =</b>			<b>\$1,416,704</b>	<b>\$3,823,915</b>	<b>\$5,395,145</b>	<b>\$1,346,143</b>	<b>\$2,084,430</b>	<b>\$2,096,625</b>	<b>\$4,064,986</b>	<b>\$18,811,244</b>
Approved FY2018 CIB (FY18 - FY23)				\$5,955,400	\$2,431,782	\$2,818,323	\$1,150,086	\$3,442,121	\$0	\$15,797,712
<b>Change to Program Difference from FY2018 CIB</b>				<b>-\$2,131,485</b>	<b>\$2,963,363</b>	<b>-\$1,472,180</b>	<b>\$934,344</b>	<b>-\$1,345,496</b>	<b>\$4,064,986</b>	<b>\$3,013,532</b>

**Status:**

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

- A) Revised timing for estimated Phase B construction
- B) Project added; replacement VacTor needed - FY2019

*Property Acquisition (to be initiated after Planning)*



**St. Mary's County Metropolitan Commission**  
**Capital Improvement Budget/Plan 4/26/18**  
**Capital Improvement Rates Per EDU - Actual & Projected**  
**FY 2019-2024 Water & Sewer**

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
System Improvement Charges - per EDU/month												
Draft 1/25/18												
Water - Residential	\$5.91	\$8.28	\$8.81	\$9.76	\$10.37	\$11.33	\$11.71	\$12.15	\$13.40	\$14.38	\$14.66	\$16.07
Water - Commercial	\$7.09	\$9.94	\$10.57	\$11.71	\$12.44	\$13.60	\$14.05	\$14.58	\$16.08	\$17.26	\$17.59	\$19.28
<i>CIB 18-23 - Prior Approved</i>												
Water - Residential				\$9.76	\$10.37	\$11.33	\$12.37	\$12.54	\$13.93	\$14.39	\$14.70	
Water - Commercial				\$11.71	\$12.44	\$13.60	\$14.84	\$15.05	\$16.72	\$17.27	\$17.64	
System Improvement Charges - per EDU/month												
Draft 1/25/18												
Sewer - Residential	\$10.80	\$13.61	\$14.46	\$15.05	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09
Sewer - Commercial	\$12.96	\$16.33	\$17.35	\$18.06	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11
<i>CIB 18-23 - Prior Approved</i>												
Sewer - Residential	\$10.80	\$13.61	\$14.46	\$15.05	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.45
Sewer - Commercial	\$12.96	\$16.33	\$17.35	\$18.06	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.54
Capital Contribution Charge - per EDU												
Draft 1/25/18												
Water - Residential	\$2,459.33	\$4,111.83	\$6,540.59	\$7,708.50	\$8,892.67	\$10,666.91	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87
Water - Commercial	\$2,951.20	\$4,934.20	\$7,848.71	\$9,250.20	\$10,671.20	\$12,800.29	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04
<i>CIB 18-23 - Prior Approved</i>												
Water - Residential				\$7,708.50	\$8,892.67	\$10,666.91	\$11,023.55	\$11,023.55	\$11,023.55	\$11,023.55	\$11,023.55	\$11,023.55
Water - Commercial				\$9,250.20	\$10,671.20	\$12,800.29	\$13,228.26	\$13,228.26	\$13,228.26	\$13,228.26	\$13,228.26	\$13,228.26
Capital Contribution Charge - per EDU												
Draft 1/25/18												
Sewer - Residential	\$3,712.81	\$3,712.81	\$4,951.14	\$6,348.98	\$6,348.98	\$6,533.89	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21
Sewer - Commercial	\$4,455.37	\$4,455.37	\$5,941.37	\$7,618.77	\$7,618.77	\$7,840.66	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44
<i>CIB 18-23 - Prior Approved</i>												
Sewer - Residential				\$6,348.98	\$6,348.98	\$6,533.89	\$7,303.65	\$6,679.46	\$6,592.47	\$6,499.93	\$6,461.00	
Sewer - Commercial				\$7,618.77	\$7,618.77	\$7,840.66	\$8,764.37	\$8,015.35	\$7,910.95	\$7,799.91	\$7,753.19	

Assumption:

New debt based on 30 year term (actual debt may be shorter term depending on the projected life of the asset.)

**System Improvement Charges** are designed to cover debt service for loans for the upgrade and replacement of existing systems and direct pay of smaller projects. Paid by all customers with an EDU allocation on the system.

**Capital Contribution Charges** are designed to cover the debt service for loans to build new water supply and storage and sewer collection and treatment systems and to expand capacity to provide service to new customers. This fee is due and payable at the time the owner makes application or otherwise is required to connect to a water main or sewer.

**St. Mary's County Metropolitan Commission**  
**Capital Improvement Budget/Plan 4/26/18**  
**System Improvement Costs Recovered Through Uniform EDU-Based**  
**Assessment on all Customers**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>WATER</b>								
Amortized Cost of:								
Existing System Improvements (C1)	\$ 2,293,330	\$ 2,596,386	\$ 3,071,990	\$ 2,859,897	\$ 2,788,408	\$ 2,695,241	\$ 2,695,666	\$ 2,694,153
New System Improvements (C2)	816,169	948,168	477,661	839,884	1,311,144	1,728,534	1,864,611	2,297,330
System Improvement Costs	\$ 3,109,499	\$ 3,544,554	\$ 3,549,651	\$ 3,699,781	\$ 4,099,552	\$ 4,423,775	\$ 4,560,277	\$ 4,991,483
Water Debt Service Reserves Applied		(110,000)	\$ -				\$ (27,803)	
Net System Improvement Costs	\$ 3,109,499	\$ 3,434,554	\$ 3,549,651	\$ 3,699,781	\$ 4,099,552	\$ 4,423,775	\$ 4,532,474	\$ 4,991,483
Projected EDUs (incl. unserved)	24,994	25,252	25,251	25,377	25,504	25,632	25,760	25,889
Calculated Residential Assessment (\$/mo/EDU)	\$ 10.37	\$ 11.33	\$ 11.71	\$ 12.15	\$ 13.40	\$ 14.38	\$ 14.66	\$ 16.07
Residential Actual/Proposed Rate	\$ 10.37	\$ 11.33	\$ 11.71	\$ 12.15	\$ 13.40	\$ 14.38	\$ 14.66	\$ 16.07
Commercial Actual/Proposed Rate	\$ 12.44	\$ 13.60	\$ 14.05	\$ 14.58	\$ 16.08	\$ 17.26	\$ 17.59	\$ 19.28
Residential Increase	\$ 0.61	\$ 0.96	\$ 0.38	\$ 0.44	\$ 1.25	\$ 0.98	\$ 0.28	\$ 1.41
Increase %	6%	9%	3%	4%	10%	7%	2%	10%
Commercial Increase	\$ 0.73	\$ 1.16	\$ 0.45	\$ 0.53	\$ 1.50	\$ 1.18	\$ 0.33	\$ 1.69
Water Capital Project Upgrade Reserves								
Beginning Balance	2,595,385	3,414,090	2,287,387	1,194,844	1,194,844	1,114,069	1,114,069	1,029,244
Committed Prior	(37,070)	(1,126,703)						
Proposed Projects *	(190,000)		(1,092,544)	-	(80,775)	-	(84,825)	-
Projected Ending Balance	<u>2,368,315</u>	<u>2,287,387</u>	<u>1,194,844</u>	<u>1,194,844</u>	<u>1,114,069</u>	<u>1,114,069</u>	<u>1,029,244</u>	<u>1,029,244</u>
Recommended Reserve - MetCom Policy	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<i>CIB 18-23</i>	<i>2,368,315</i>	<i>1,505,115</i>	<i>1,268,865</i>	<i>1,268,865</i>	<i>1,268,865</i>	<i>1,268,865</i>	<i>1,268,865</i>	

\* Proposed Projects FY18: Asset Management, Facilities Condition Assessment, Misc Water Lines & Saddle Upgrades, AMR Upgrades, SCADA System Upgrade, Piney Point Water Station Upgrade & Financial Software

Proposed Projects FY19: Hunting Quarter Well #1, Tank Rehab WO1917, St Clements Shores WST Design and Piney Point Water Station Upgrade

Proposed Projects FY21: Tank Rehab WO 2117.

Proposed Projects FY23: Tank Rehab WO 2317.

**St. Mary's County Metropolitan Commission**  
**Capital Improvement Budget/Plan 4/26/18**  
**System Improvement Costs Recovered Through Uniform EDU-Based**  
**Assessment on all Customers**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>SEWER</b>								
Amortized Cost of:								
Existing System Improvements (C1)	\$ 4,787,775	\$ 4,458,979	\$ 4,504,336	\$ 4,341,002	\$ 4,295,531	\$ 4,250,332	\$ 4,240,567	\$ 4,239,227
New System Improvements (C2)	675,010	481,997	635,279	820,249	886,517	992,196	1,098,423	1,228,869
Direct Pay			97,375	99,845	102,315	104,880	107,445	-
System Improvement Costs	\$ 5,462,785	\$ 4,940,976	\$ 5,236,990	\$ 5,261,095	\$ 5,284,363	\$ 5,347,408	\$ 5,446,436	\$ 5,468,096
Other Metcom Funds								
Sewer Debt Services Reserves - Projected	\$ 3,071,453	\$ 3,071,453	\$ 2,684,637	\$ 2,508,060	\$ 2,330,600	\$ 2,152,253	\$ 1,930,014	\$ 1,630,664
Interest income	15,357	13,184	13,423	12,540	11,653	10,761	9,650	8,153
Applied to System Improvement Cost	450,000	400,000	190,000	190,000	190,000	233,000	309,000	308,000
Navy Payment thru 5/30/28	80,049	80,049	80,049	80,049	80,049	80,049	80,049	80,049
Navy Payment - ENR loan thru 6/1/34	497,615	497,615	497,615	497,615	497,615	497,615	497,615	497,615
Net System Improvement Cost	\$ 4,435,121	\$ 3,963,312	\$ 4,469,326	\$ 4,493,431	\$ 4,516,699	\$ 4,536,744	\$ 4,559,772	\$ 4,582,432
Projected EDUs (incl. unserved)	24,494	24,571	24,689	24,812	24,936	25,061	25,186	25,312
Calculated Residential Assessment (\$/mo/EDU)	\$ 15.09	\$ 13.44	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09
Residential Actual/Proposed Rate	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09	\$ 15.09
Commercial Actual/Proposed Rate	\$ 18.11	\$ 18.11	\$ 18.11	\$ 18.11	\$ 18.11	\$ 18.11	\$ 18.11	\$ 18.11
Residential Increase	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase %	0%	0%	0%	0%	0%	0%	0%	0%
Commercial Increase	\$ 0.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Capital Project Upgrade Reserves								
Beginning Balance	6,001,786	5,496,595	2,486,410	2,486,410	2,486,410	2,486,410	2,486,410	2,486,410
Committed FY18 & Prior	(1,313,496)	(3,496,691)						
Estimated Gain/Loss		486,506	-	-	-	-	-	-
Proposed Projects *	(2,436,270)							
Projected Ending Balance	<u>2,252,020</u>	<u>2,486,410</u>	<u>2,486,410</u>	<u>2,486,410</u>	<u>2,486,410</u>	<u>2,486,410</u>	<u>2,486,410</u>	<u>2,486,410</u>
Recommended Reserve - MetCom Policy	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<i>CIB 18-23</i>	<i>2,252,020</i>	<i>1,530,026</i>	<i>1,620,577</i>	<i>1,930,293</i>	<i>2,136,804</i>	<i>2,238,638</i>	<i>2,238,638</i>	

\* Proposed Projects FY18: Asset Management, Energy Efficient Upgrades, Facilities Condition Assessment, Financial Software, Forest Run WWPS, Glebe Run WWPS, I&I Sewer SM1806, Leonardtown ENR, Manhole Rehab SM1805, MT Expansion, MT Piston Pumps, Piney Point Rd Sewer Line Analysis, Right of Way Clearing SM1825, SCADA Upgrade, Spring Valley WWPS, St Clements Shores WWTP Expansion \$906,500, Wildewood #1 WWPS, and Wildewood #2 WWPS

**St. Mary's County Metropolitan Commission  
Capital Improvement Budget/Plan 4/26/18**

**Capital Contribution to Recover Cost of Capacity Expansion and Service Area Expansion  
Paid By New Customers**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>WATER</b>								
Debt Service for:								
Service Area Expansion (A1) Debt Outstanding	\$ 308,190	\$ 263,613	\$ 195,288	\$ 133,990	\$ 133,947	\$ 134,173	\$ 134,077	\$ 134,008
New Service Area Expansion (A2)	8,308	1,875	-	-	-	-	-	-
Existing non-allocated Capacity (B1)	976,782	827,594	692,138	602,689	595,044	585,048	585,820	585,351
New Capacity Expansion (B2)	191,796	36,715	-	-	12,863	12,863	12,863	26,145
Total Amortized Cost	\$ 1,485,076	\$ 1,129,797	\$ 887,426	\$ 736,679	\$ 741,854	\$ 732,085	\$ 732,761	\$ 745,505
Other MetCom Funds								
Water Supply & Storage Fees	\$ -	\$ 53,927	\$ 44,425	\$ 44,647	\$ 44,870	\$ 45,094	\$ 45,319	\$ 45,546
Interest Income	-	270	222	223	224	225	227	228
Applied to Capital Contribution Charge		9,772						
Net Capital Contribution Costs	\$ 1,485,076	\$ 1,120,025	\$ 887,426	\$ 736,679	\$ 741,854	\$ 732,085	\$ 732,761	\$ 745,505
Projected New EDUs (2% Growth)	167	105	81	83	85	87	89	91
Actual EDU's (Thru 12/31/17*)	103	21*						
Calculated Residential Assessment (\$/EDU)	\$ 8,892.67	\$ 10,666.91	\$ 10,955.87	\$ 8,875.65	\$ 8,727.70	\$ 8,414.77	\$ 8,233.27	\$ 8,192.37
Residential Actual/Proposed Rate	\$ 8,892.67	\$ 10,666.91	\$ 10,955.87	\$ 10,955.87	\$ 10,955.87	\$ 10,955.87	\$ 10,955.87	\$ 10,955.87
Commercial Actual/Proposed Rate	\$ 10,671.20	\$ 12,800.29	\$ 13,147.04	\$ 13,147.04	\$ 13,147.04	\$ 13,147.04	\$ 13,147.04	\$ 13,147.04
Residential Increase	\$ 1,184.17	\$ 1,774.24	\$ 288.96	\$ -	\$ -	\$ -	\$ -	\$ -
Increase %	15%	20%	3%	0%	0%	0%	0%	0%
Commercial Increase	\$ 1,421.00	\$ 2,129.09	\$ 346.75	\$ -	\$ -	\$ -	\$ -	\$ -
Water Capital Project Expansion Reserves								
Beginning Balance	52,526	126,339	126,339	101,432	274,090	463,484	684,560	926,871
Projected Gain/Loss	(484,603)		-	172,658	189,394	221,076	242,311	251,479
From General Funds	432,077							
Proposed Projects	-		(24,908)	-	-	-	-	-
Projected Ending Balance **	-	126,339	101,432	274,090	463,484	684,560	926,871	1,178,350
Recommended Reserve - MetCom Policy	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
CIB 18-23	-	-	-	143,922	261,083	397,582	526,971	

\*\* Plan to use reserves over the recommended policy for Bay Ridge Water Storage Tank, a Tier 1 (FY 2025-FY2027) & Tier 2 (FY 2028-FY2032) project.

Note: Any change in projected new EDU's may have a significant impact on rates.

**St. Mary's County Metropolitan Commission**  
**Capital Improvement Budget/Plan 4/26/18**  
**Capital Contribution to Recover Cost of Capacity Expansion and Service Area Expansion**  
**Paid By New Customers**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>SEWER</b>								
Debt Service for:								
Service Area Expansion (A1) After Issue 21	\$ 212,000	\$ 213,741	\$ 209,954	\$ 178,662	\$ 178,565	\$ 178,523	\$ 178,564	\$ 178,548
New Service Area Expansion (A2)	37,663	13,942	26,267	75,451	75,451	75,451	75,451	75,451
Existing non-allocated Capacity (B1)	601,472	482,914	489,443	430,254	424,310	417,447	418,050	417,822
New Capacity Expansion (B2)	275,056	223,750	211,399	260,583	260,583	260,583	260,583	260,583
Total Amortized Cost	\$ 1,126,191	\$ 934,347	\$ 937,063	\$ 944,951	\$ 938,910	\$ 932,005	\$ 932,649	\$ 932,405
Marlay-Taylor Sinking Fund	\$ 707,104	\$ 707,104	\$ 707,104	\$ 707,104	\$ 707,104	\$ 707,104	\$ 707,104	\$ 707,104
Marlay-Taylor Sinking Fund Applied	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Debt Service	\$ 1,126,191	\$ 934,347	\$ 937,063	\$ 944,951	\$ 938,910	\$ 932,005	\$ 932,649	\$ 932,405
Projected New EDUs (2% Growth)	200	143	135	138	141	144	147	150
Actual EDUs (Thru 12/31/17*)	155	47*						
Calculated Residential Assessment (\$/EDU)	\$ 5,630.96	\$ 6,533.89	\$ 6,941.21	\$ 6,847.47	\$ 6,658.94	\$ 6,472.26	\$ 6,344.55	\$ 6,216.03
Residential Actual/Proposed Rate	\$ 6,348.98	\$ 6,533.89	\$ 6,941.21	\$ 6,941.21	\$ 6,941.21	\$ 6,941.21	\$ 6,941.21	\$ 6,941.21
Commercial Actual/Proposed Rate	\$ 7,618.77	\$ 7,840.66	\$ 8,329.44	\$ 8,329.44	\$ 8,329.44	\$ 8,329.44	\$ 8,329.44	\$ 8,329.44
Residential Increase	\$ -	\$ 184.91	\$ 407.32	\$ -	\$ -	\$ -	\$ -	\$ -
Increase %	0%	3%	6%	0%	0%	0%	0%	0%
Commercial Increase	\$ -	\$ 221.89	\$ 488.78	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Capital Project Expansion Reserves								
Beginning Balance	1,814,839	2,047,797	1,416,497	1,416,497	1,429,434	1,469,234	1,536,763	1,624,472
Projected Gain			-	12,937	39,800	67,529	87,709	108,776
Committed Prior	(631,300)	(631,300)						
Proposed Projects	-							
Projected Ending Balance **	<u>1,183,539</u>	<u>1,416,497</u>	<u>1,416,497</u>	<u>1,429,434</u>	<u>1,469,234</u>	<u>1,536,763</u>	<u>1,624,472</u>	<u>1,733,248</u>
Recommended Reserve - MetCom Policy	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
CIB 18-23	1,186,539	992,268	992,268	992,268	992,268	992,268	992,268	

\*\* Plan to use reserves over the recommended policy for design and land acquisition for the expansion of the Marlay-Taylor WWRF.