



St. Mary's County Metropolitan Commission

Public Hearing April 5, 2021

FY 2022 Operating Budget
FY 2022 Capital Improvement Budget
FY 2023 - FY 2027 Capital Improvement Plan
FY 2022 Rate Changes



PUBLIC HEARING NOTICE ST. MARY'S COUNTY METROPOLITAN COMMISSION (MetCom)

In accordance with Chapter 113-27D of the Public Laws of St. Mary's County, Maryland, being part of Article 19 of the Code of Public Local Laws of the State of Maryland, notice is hereby given that a Public Hearing will be held on Monday, April 5, 2021 at 6:00 p.m. at the MetCom Administration Building, 23121 Camden Way, California, Maryland.

The Hearing will be held to discuss the proposed Fiscal Year 2022 Capital Improvement Budget, the proposed Fiscal Years 2023-2027 Capital Improvement Plan and the proposed Fiscal Year 2022 Operating Budget and proposed rate changes relating to each budget, to become effective July 1, 2021.

All interested persons are invited to observe the Public Hearing via the live stream link found at www.metcom.org. A public comment phone line will be opened immediately following the presentation. Call 301.298.1561 ext 454043.



ST. MARY'S COUNTY METROPOLITAN COMMISSION

History

The St. Mary's County Metropolitan Commission (MetCom) was created by the State Legislature in 1957 as a quasi-governmental, non-profit body, to supply water and sewer service to St. Mary's County and has been providing those services since 1964. MetCom is committed to providing quality, reliable services to St. Mary's County. Our staff takes great pride in providing outstanding customer service while maintaining very high standards of environmental compliance and resource management.

Mission Statement

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; and to ensure that construction is timely and in accordance with the St. Mary's County Comprehensive (Land Use) Plan.



SEWER DIVISION

- Sewage Treatment Plants Owned & Operated by MetCom: **5 State Permitted Facilities**
Marlay-Taylor is one of 64 facilities in the State required to be ENR compliant
- Private Sewage Treatment Plants Operated by MetCom, but owned by others: **2**
- Gravity Sewer Lines and Force Mains: **over 287**
- Sewage Pumping Stations: **65**
- Number of Sewer Customers: **15,431**
- Number of Manholes: **3,820**
- Number of residential grinder pumps: **1,801**
- Over **1.6 billion** gallons of wastewater conveyed and treated in FY20





SEWER DIVISION

- MetCom is eligible to receive an Enhanced Nutrient Removal (ENR) grant of \$180K in FY22 for Marlay-Taylor Wastewater Treatment Plant / Water Reclamation Facility
- Grant helps offset expenses that have increased due to the State mandated implementation of ENR:
 - ✓ Maintenance
 - ✓ Power
 - ✓ Chemicals
 - ✓ Sludge Hauling
- Budget puts an emphasis on maintenance to keep systems operating efficiently and avoid infrastructure failures such as sewer line breaks and sanitary sewer overflows
- No New FTE's proposed in FY 2022





SEWER DIVISION

PROPOSED OPERATING BUDGET

ST. MARY'S COUNTY METROPOLITAN COMMISSION
FY 2022 RECOMMENDED OPERATING BUDGET
SEWER DEPARTMENT

Division	FY 2022 Recommended	FY 2021 Budget	FY 2020 Budget	FY 2020 Actual	FY 2019 Actual
Wastewater Construction Totals:	148,421	142,588	117,419	80,365	147,711
Wastewater Maintenance Totals:	896,778	853,617	800,807	779,706	773,174
Wastewater SCADA Totals:	68,243	56,993	41,871	35,769	37,821
Wastewater Collection Operations Totals:	1,554,791	1,473,982	1,380,075	1,293,886	1,316,461
Grinder Pump Totals:	199,230	176,771	201,494	176,303	167,982
<u>Wastewater Treatment Marlay-Taylor Totals:</u>	<u>2,419,447</u>	<u>2,433,244</u>	<u>2,539,491</u>	<u>2,484,196</u>	<u>2,434,938</u>
Wastewater Treatment Other Facilities Totals:	768,988	724,181	692,673	669,011	665,550
Wastewater Treatment Airdale Rd Totals:	11,450	11,450	15,837	7,370	10,606
Wastewater Safety Totals:	14,550	9,550	10,412	5,609	14,030
Wastewater Marlay-Taylor Safety Totals:	0	2,550	4,012	2,080	4,284
Wastewater Lab Totals:	7,000	5,500	6,374	4,489	3,141
Wastewater Marlay-Taylor Lab Totals:	<u>25,947</u>	<u>24,447</u>	<u>24,241</u>	<u>16,967</u>	<u>24,854</u>
Sub-Total Sewer:	6,116,120	5,914,873	5,834,706	5,556,620	5,600,550
Allocation of Overhead:	3,729,793	3,750,331	3,686,539	3,122,820	2,991,534
Allocation of Engineering:	<u>986,716</u>	<u>836,407</u>	<u>645,027</u>	<u>650,130</u>	<u>592,983</u>
TOTAL OPERATING EXPENSES SEWER:	10,832,629	10,501,611	10,166,273	9,329,570	9,185,067

NOTE: The FY 2022 Sewer Budget is \$331,018 more than the approved FY 2021 operating budget



WATER DIVISION

- Water Systems: **28**
- Number of Well sites: **67**
- Number of Water Storage Tanks/Towers: **39/18**
- Water Lines Maintained: **over 257 miles**
- Number of Water Meters: **15,925**
- Number of Water Customers: **16,056**
- Number of Fire Hydrants: **2,656**





WATER DIVISION

- MetCom continues to provide high quality water. In 2020, MetCom collected approximately 1,400 water samples
- MetCom now operates a State Certified Water Quality Laboratory
- All of these water samples met or exceeded EPA drinking water standards
- Proposed cost of 1,000 Gallons of water is \$1.78 compared to the cost of a bottle of water
- Nearly 1.43 billion gallons of water supplied in FY 20
- No New FTE's proposed in FY 2022





WATER DIVISION

PROPOSED OPERATING BUDGET

ST. MARY'S COUNTY METROPOLITAN COMMISSION FY 2022 RECOMMENDED OPERATING BUDGET WATER DEPARTMENT

Division	FY 2022 Recommended	FY 2021 Budget	FY 2020 Budget	FY 2020 Actual	FY 2019 Actual
Water Safety Totals:	8,050	8,050	7,099	5,847	5,404
Water Construction Totals:	482,947	454,205	463,695	366,209	324,788
Water SCADA Totals:	61,965	56,715	38,550	35,234	35,047
<u>Water Supply Operations Totals:</u>	<u>2,176,891</u>	2,147,694	2,183,458	2,186,810	2,078,864
Water Lab Totals:	<u>10,998</u>	<u>10,998</u>	<u>10,798</u>	<u>3,639</u>	<u>13,025</u>
Sub-Total Water:	2,740,851	2,677,662	2,703,600	2,597,740	2,457,129
Allocation of Overhead:	1,671,892	1,697,589	1,668,713	1,401,265	1,499,257
Allocation of Engineering:	<u>657,811</u>	<u>557,604</u>	<u>430,018</u>	<u>433,420</u>	<u>395,322</u>
TOTAL OPERATING EXPENSES WATER:	5,070,554	4,932,855	4,802,331	4,432,425	4,351,708

NOTE: The FY 2022 Water Budget is \$137,699 more than the approved FY 2021 operating budget



ENGINEERING DEPARTMENT

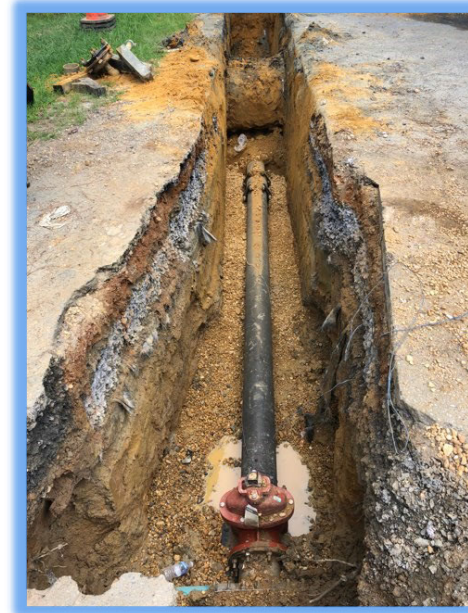


- Plat & Plan Reviews: **335 CY 2020**
- Connection Permits Issued: **224 CY 2020**
- Developer & Construction Projects Inspected: **50-60 per year**
- Miss Utility Locates: **7,443 CY 2020**
- Capital Projects Managed: **Over \$110 M**
- Connection Incentive Programs: **Available effective 7-1-2019**
- Capital Project Funding: **DHCD and MDE low interest loans**



ENGINEERING DEPARTMENT

- Review Fees are not proposed to change in FY 2022
- Engineering expenses not covered by development review fees and inspection revenues are allocated as follows:
 - ✓ 60% to Sewer Department
 - ✓ 40% to Water Department
- Operating Budget also includes monies for developer cost share agreements
- New Miss Utility initiative proposed





ENGINEERING DIVISION

PROPOSED OPERATING BUDGET

ST. MARY'S COUNTY METROPOLITAN COMMISSION FY 2022 RECOMMENDED OPERATING BUDGET ENGINEERING DEPARTMENT

Division	FY 2022 Recommended	FY 2021 Budget	FY 2020 Budget	FY 2020 Actual	FY 2019 Actual
Engineering Miss Utility Totals:	64,871	93,877	98,670	98,669	89,789
Engineering Plan Review Totals:	0	0	27,886	27,885	16,191
Engineering Plat Review Totals:	0	0	7,000	6,280	4,696
Engineering Inspections Totals:	74,750	139,408	222,140	123,246	119,814
Engineering Inspections for Overhead Totals:	0	18,197	10,625	9,645	10,314
Engineering Support Totals:	1,034,268	714,647	490,282	579,475	481,472
Engineering TEC Review Totals:	0	250	2,000	1,222	1,541
Sub-Total Engineering:	1,173,889	966,379	858,603	846,422	723,817
Allocation of Overhead:	715,738	612,732	602,310	480,434	495,099
TOTAL OPERATING EXPENSES ENGINEERING:	1,889,627	1,579,111	1,460,913	1,326,856	1,218,916

NOTE: The FY 2022 Engineering Budget is \$310,516 more than the approved FY 2021 operating budget



CAPITAL EQUIPMENT & EXPENDITURES

ST. MARY'S COUNTY METROPOLITAN COMMISSION CAPITAL EQUIPMENT & EXPENDITURES FY 2022 OPERATING BUDGET 2-11-2021			
Project Description	FY 22 Budget Request	FY23 Draft	FY24 Draft
<u>Water (555)</u>			
Replacement for Truck 586 (4wd w/ snow plow)	45,000		
Replacement for Truck 598 (4wd w/ snow plow)		45,000	
GPS Installed on Various Vehicles		10,000	
Sub-total Water	45,000	55,000	0
<u>Wastewater (504)</u>			
Replacement for Truck 581 (4wd w/ utility body)	48,000		
Replacement for Trucks 583 / 603 (4wd w/ util body)		35,000	35,000
GPS Installed on Various Vehicles		10,000	
Sewer Line Assessment Tool		25,000	
Replacement for Truck 611 (4wd w/ utility body)			35,000
Sub-total Wastewater Collections	48,000	70,000	70,000
<u>Maintenance (502)</u>			
New Crane Work Truck		150,000	
GPS Installed on Various Vehicles			10,000
Replacement for Crane Work Truck 596			150,000
Sub-total Maintenance	0	150,000	160,000
<u>Marlay-Taylor (516)</u>			
Replacement for Utility Body Truck 579	40,000		
Dual Basket Strainer in Effluent Building		15,000	
Sub-total Marlay-Taylor	40,000	15,000	0
<u>Other Treatment Plants (517)(518)</u>			
SCShores Lagoon Berm Repairs	30,000		
SCS Replacement for Truck 589 (4wd w/ snow plow)		45,000	
SCS New 4wd utility body w/ snow plow)			65,000
SCS Replacement fKubota ZD1500 mower		18,000	
Wicomico Shores Control Bldg Roof Replacement		30,000	
Sub-total Other Treatment Plants	30,000	93,000	65,000

ST. MARY'S COUNTY METROPOLITAN COMMISSION CAPITAL EQUIPMENT & EXPENDITURES FY 2022 OPERATING BUDGET 2-11-2021			
Project Description	FY 22 Budget Request	FY23 Draft	FY24 Draft
<u>Laboratory</u>			
Discrete Nutrient Analyzer #2	65,000		
Sub-total Laboratory	65,000	0	0
<u>Construction (501)(551)</u>			
Trailer Replacement	23,000		
Sub-total Construction	23,000	0	0
<u>Engineering (578)</u>			
Replacement for Box Truck 600	75,000		
Developer Cost Share Agreements	50,000	50,000	
Implementation of Energy Audit ECM's Tasks 1 & 2	30,000		
Replacement for Tool Body, Utility Truck 567			115,000
Sub-total Engineering	155,000	50,000	115,000
<u>SCADA (phased upgrades for wastewater)</u>			
TCU w/ RTU radio upgrades x75 (polling times)	42,000	50,000	46,000
RTU radio replacemnts x 17	25,000		
Sub-total SCADA	67,000	50,000	46,000
<u>Fiscal, Administration & IT Camden Bldg (567)(568)</u>			
Replace Carpet at Camden Way Building			30,000
Sub-total Fiscal & Administration	0	0	30,000
DRAFT TOTAL	473,000	483,000	486,000
Prior Approved: FY18-\$561,460 FY19-\$608,719 FY20-\$434,074 FY21-\$478,300*			
Depreciation*			
Sewer Depreciation	183,000		
Water Depreciation	45,000		
Engineering Depreciation	178,000		
Admin Depreciation	67,000		
*Note: FY2021 Established target budget limit of 15-20% of depreciation expended annually			



GENERAL & ADMINISTRATIVE DEPARTMENT

- Continue to maintain position authorization for the Assistant Director and Database Administrator, but not funding
- Includes Merit Step stipend equivalent to 2.7% increase for all employees
- Provides 2.7% equivalent increase as a one-year add-pay for employees at top of grade
- Includes a 2% Cost of Living Adjustment (COLA) which is approximately \$144,000
- Provides full annual contribution to Other Post Employment Benefit (OPEB) of \$246,000
- Includes funding for Miss Utility pilot program initiative
- Incorporates a 3% Vacancy Adjustment Factor
- Lowers the Rate of Increase in user charges by 10-11% for the 3rd consecutive year
- Grants / Loans Administration: 29 loans & 1 grant in process
- No new FTEs programmed in the FY 2022 operating budget



GENERAL & ADMINISTRATIVE DEPARTMENT

- General & Administrative expenses include all MetCom employee benefits, administrative salaries, insurance, IT and legal services, bank fees, etc.
- General & Administrative Expenses are allocated as follows:

60.97% to Sewer @ \$3,729,793
 27.33% to Water @ \$1,671,892
11.70% to Engineering @ \$ 715,738
 100.00%

ST. MARY'S COUNTY METROPOLITAN COMMISSION FY 2022 RECOMMENDED OPERATING BUDGET ADMINISTRATION DEPARTMENT

Division	FY 2022 Recommended	FY 2021 Budget	FY 2020 Budget	FY 2020 Actual	FY 2019 Actual
Executive Director Admin Totals:	3,000	3,550	3,550	135	1,807
Administration Totals:	5,686,487	5,740,251	5,287,595	4,729,688	4,729,016
Information Technology Totals:	327,936	305,351	286,917	272,087	282,631
Human Resources Totals:	<u>100,000</u>	<u>11,500</u>	<u>11,500</u>	<u>2,609</u>	<u>3,337</u>
TOTAL OPERATING EXPENSES ADMINISTRATION:	6,117,423	6,060,652	5,589,562	5,004,520	5,016,791

NOTE: The FY 2022 Administrative Budget is \$56,771 more than the approved FY 2021 operating budget



ST. MARY'S COUNTY METROPOLITAN COMMISSION

FY 2022 OPERATING BUDGET

SUMMARY

		FY 18 BUDGET	FY 18 ACTUALS	FY 19 BUDGET	FY 19 ACTUALS	FY 20 BUDGET	FY 20 ACTUALS	FY 21 APPROVED BUDGET	FY 22 RECOMMENDED BUDGET
Sewer Income		\$ 8,999,524	\$ 8,999,524	\$ 9,424,836	\$ 9,338,542	\$ 9,771,496	\$ 9,880,045	\$ 9,771,496	\$ 9,966,926
Sewer Expenses		(9,310,288)	\$ (8,996,658)	(9,775,375)	(9,334,649)	(9,882,733)	(9,329,570)	(10,501,611)	(10,832,629)
Water Income		\$4,824,732	\$4,824,732	\$5,131,954	\$5,186,057	\$5,405,388	\$5,380,159	\$5,405,388	\$5,526,998
Water Expenses		(4,819,173)	(4,577,130)	(5,022,962)	(4,227,065)	(4,858,638)	(4,432,425)	(4,932,855)	(5,070,554)
Engineering Income		\$193,686	\$193,686	\$245,100	\$171,985	\$245,100	\$187,100	\$245,100	\$245,100
Engineering Expense		(193,686)	(193,686)	(245,100)	(171,985)	(245,100)	(187,100)	(245,100)	(245,100)
Other Income/Misc Revenue		\$ 367,805	\$ 53,805	\$ 305,374	\$ 581,812	\$ 430,000	\$ 695,919	\$ 430,000	\$ 430,000
Total Income		\$ 14,385,747	\$ 14,071,747	\$ 15,107,264	\$ 15,278,396	\$ 15,851,984	\$ 16,143,223	\$ 15,851,984	\$ 16,169,024
Total Expense		(14,323,147)	(13,767,474)	(15,043,437)	(13,733,699)	(14,986,471)	(13,949,095)	(15,679,566)	(16,148,283)
One-Time Use of General Fund Reserves to establish Connection Incentive Revolving Loan Fund						(250,000)			
Net Income From Service Charges		\$62,600	\$304,273	\$63,827	\$1,544,697	\$615,513	\$2,194,127	\$172,418	\$20,741

NOTE: The FY 2022 Budget includes a \$250,000 carry-over from FY 2021 for Connection Incentive Loan Programs

FY 2022 Recommended Operating Budget Summary

FY21 Approved Budget Expenses		\$ 15,619,566	
FY22 Baseline Request <i>(Reflects -\$70,551 in benefits / pension / insurance and \$50,000 for interns)</i>	2% Target Assumption	\$ 15,654,748	0.23%
One-Time Expenditures	\$ 106,000	\$ 15,760,748	0.90%
Impact of 2.7% Merit	\$ 193,903	\$ 15,954,651	2.14%
Impact of 2% Cost of Living Adjust	\$ 143,632	\$16,098,283	3.05%
New Initiative(s): Miss Utility Pilot <i>(Possible full program costs, primarily funded through identified internal efficiencies)</i>	\$ 50,000 \$ 190,000	\$16,148,283	3.38% <i>3-3.3% Stantec trend</i>
FY 22 Draft Budget Expenses		\$16,148,283	3.38%
FY 22 Draft Budget Revenues	2% increase over FY 2021 approved budget: \$15,851,984	\$16,169,024	
Public Hearing Reserve <i>(To balance the budget, allow for unbudgeted emergencies, new regulations (UCMR 5), or other fiscal adjustments after the public hearing)</i>	<i>The reserve should be no more than 1-2% of the budgeted expenses</i>	\$20,741	



RATE STRUCTURE

- Implemented a new rate structure on 7/1/2015
- Established monthly Ready-To-Serve charge based on meter size
- Removed minimum monthly billed usage amount – bill based on actual consumption
- Included an inclining block water usage rate structure with three (3) tiers based on meter size
- Based sewer usage on metered water volume
- Capped residential 5/8" meter sewer usage at a maximum of 10,000 gallons per month was implemented 7/1/2016



RATE STRUCTURE IMPACTS

- Encourages conservation but impacts revenues
- The rate of increase in Service Rates is being lowered for the third consecutive year
 - Proposed Water Service rate increase: 2.1%
 - 10% less than prior year rate increase (2.4%)
 - Proposed Sewer Service rate increase: 2.7%
 - 10% less than prior year rate increase (3.05%)
- Proposed FY 2022 operating budget expenditures have increased 3.38% above the FY 2021 budget
- The proposed COLA and Merit would increase the operating budget by an additional 2.10% above the FY 2021 budget



WATER SERVICE RATES

Water Service Rates						
					<u>FY 21 Rates</u>	<u>FY 22 Rates</u>
	Water					
	Non-Metered per EDU/Month				\$ 18.34	\$ 18.73
	Metered Rate 5/8"				\$ 9.67	\$ 9.87
	Metered Rate 1"				\$ 24.16	\$ 24.67
	Metered Rate 1-1/2"				\$ 48.30	\$ 49.32
	Metered Rate 2"				\$ 77.28	\$ 78.90
	Metered Rate 3"				\$ 154.57	\$ 157.82
	Metered Rate 4"				\$ 241.51	\$ 246.58
	Metered Rate 6"				\$ 483.04	\$ 493.18
	Metered Rate 8"				\$ 772.84	\$ 789.07
	Metered Rate 10"				\$ 1,110.98	\$ 1,134.31
	Water Usage Rate per 1,000 Gallons				Tiered	Tiered
	Water Usage Rate - Tier 1				\$ 1.74	\$ 1.78
	Water Usage Rate - Tier 2				\$ 3.47	\$ 3.54
	Water Usage Rate - Tier 3				\$ 6.95	\$ 7.10
	Irrigation Usage Rate per 1,000 Gallons				Tiered	Tiered
	Water Usage Rate - Tier 1				\$ 3.47	\$ 3.54
	Water Usage Rate - Tier 2				\$ 6.95	\$ 7.10
	Hydrant Meter Rate per 1,000 Gallons				\$ 3.47	\$ 3.54
	*FY 21 Rates 2.4% over FY 20 Rates					

NOTE: Proposed Water Service rate increase has been lowered for a 3rd consecutive year: from 3.0% in FY 2019 to 2.1% in FY 2022. Five year target: 1.5%.



SEWER SERVICE RATES

<u>Sewer Service Rates</u>							
					<u>FY 21 Rates</u>		<u>FY 22 Rates</u>
Sewer							
Non-metered per EDU per Month					\$ 43.20		\$ 44.37
Metered Rate 5/8"					\$ 18.32		\$ 18.81
Metered Rate 1"					\$ 45.79		\$ 47.03
Metered Rate 1-1/2"					\$ 91.57		\$ 94.04
Metered Rate 2"					\$ 146.52		\$ 150.48
Metered Rate 3"					\$ 293.01		\$ 300.92
Metered Rate 4"					\$ 457.84		\$ 470.20
Metered Rate 6"					\$ 915.70		\$ 940.42
Metered Rate 8"					\$ 1,465.08		\$ 1,504.64
Metered Rate 10"					\$ 2,107.17		\$ 2,164.06
Usage Rate per 1,000 Gallons					\$ 4.98	*	\$ 5.11
* 5/8" Meter Residential Use Capped at 10,000 Gallons/Month							
Navy (per 1,000 gallons)					\$ 3.63		\$ 3.73
<u>Septage Hauler Rates per 1,000 Gallons</u>							
Holding Tank Waste					\$ 16.37		\$ 16.81
Septic Tank Waste					\$ 69.91		\$ 71.80
Portable Toilet Waste					\$ 88.11		\$ 90.49
Grease Trap Waste					\$ 138.52		\$ 142.26
*FY 21 Rates 3.05% over FY 20 Rates							

NOTE: Proposed Sewer Service rate increase has been lowered for a 3rd consecutive year: from 3.75% in FY 2019 to 2.7% in FY 2022. Five year target: 2.0%.



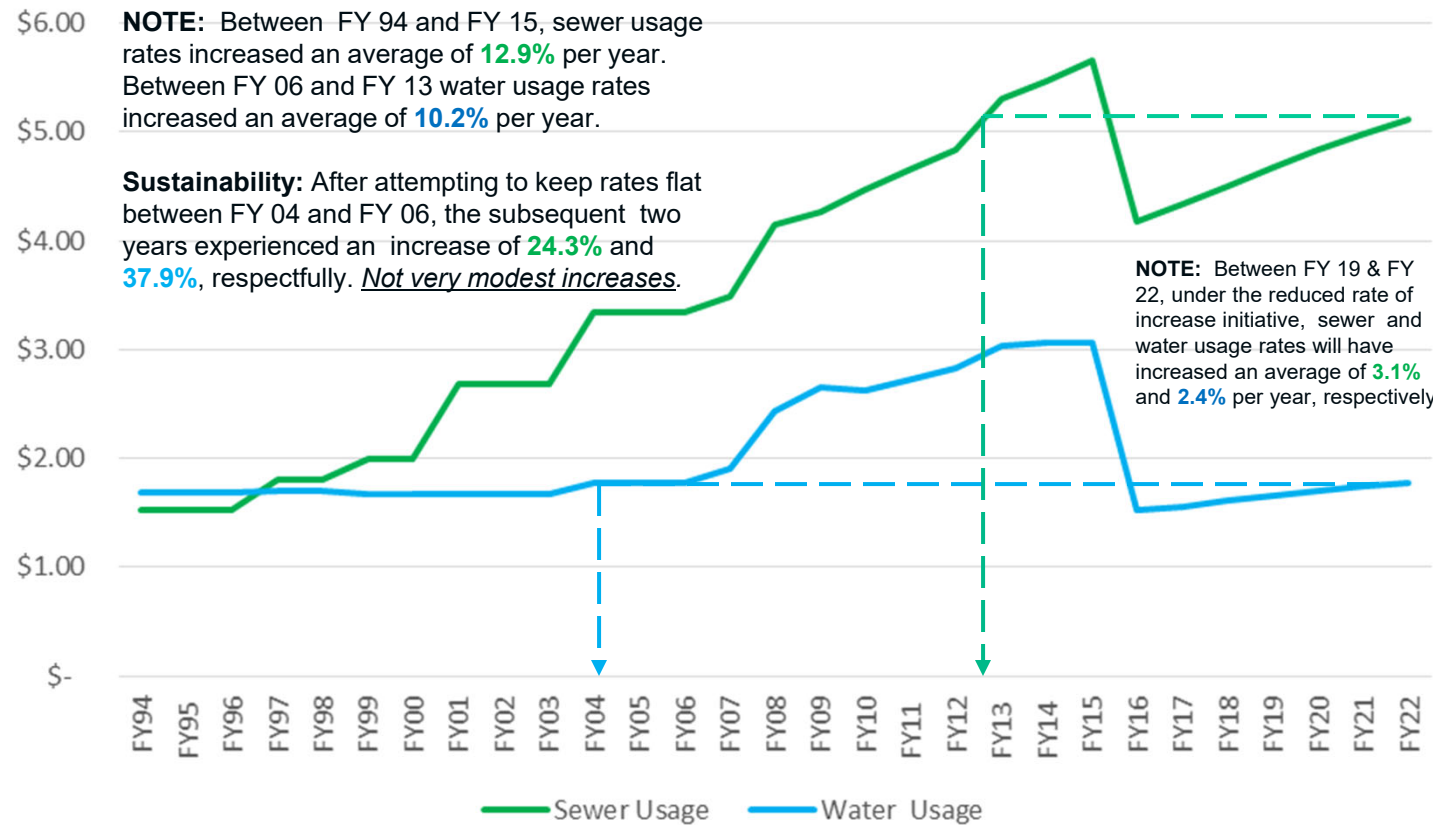
RATE HISTORY

Fiscal Year	Sewer Usage	Water Usage
FY94	\$ 1.53	\$ 1.68
FY95	\$ 1.53	\$ 1.68
FY96	\$ 1.53	\$ 1.68
FY97	\$ 1.81	\$ 1.70
FY98	\$ 1.81	\$ 1.70
FY99	\$ 2.00	\$ 1.67
FY00	\$ 2.00	\$ 1.67
FY01	\$ 2.68	\$ 1.67
FY02	\$ 2.68	\$ 1.67
FY03	\$ 2.68	\$ 1.67
FY04	\$ 3.34	\$ 1.77
FY05	\$ 3.34	\$ 1.77
FY06	\$ 3.34	\$ 1.77
FY07	\$ 3.49	\$ 1.90
FY08	\$ 4.15	\$ 2.44
FY09	\$ 4.27	\$ 2.65
FY10	\$ 4.47	\$ 2.62
FY11	\$ 4.66	\$ 2.73
FY12	\$ 4.83	\$ 2.83
FY13	\$ 5.30	\$ 3.03
FY14	\$ 5.46	\$ 3.07
FY15	\$ 5.66	\$ 3.07
FY16	\$ 4.18	\$ 1.53
FY17	\$ 4.34	\$ 1.56
FY18	\$ 4.50	\$ 1.61
FY19	\$ 4.67	\$ 1.66
FY20	\$ 4.83	\$ 1.70
FY21	\$ 4.98	\$ 1.74
FY22	\$ 5.11	\$ 1.78

NOTE: Between FY 94 and FY 15, sewer usage rates increased an average of **12.9%** per year. Between FY 06 and FY 13 water usage rates increased an average of **10.2%** per year.

Sustainability: After attempting to keep rates flat between FY 04 and FY 06, the subsequent two years experienced an increase of **24.3%** and **37.9%**, respectfully. *Not very modest increases.*

NOTE: Between FY 19 & FY 22, under the reduced rate of increase initiative, sewer and water usage rates will have increased an average of **3.1%** and **2.4%** per year, respectively.



NOTE: A new tiered rate structure was implemented on 7-1-2015 resulting in an overall loss in revenues of \$1.034M between FY 2015 and FY 2016.

CAPITAL IMPROVEMENT BUDGET/PLAN



FY 2022- FY 2027



CAPITAL IMPROVEMENT BUDGET

- MetCom Capital Projects serve two purposes:
 - ✓ Upgrade and rehabilitate existing MetCom facilities
 - ✓ Provide additional capacity/lines for new customers
- Projects are funded by revenue raised from collection of Capital Contribution Charges and System Improvement Charges
- Changes to the FY 22 Plan reflect no net increase from FY 21 projected
- Outstanding debt incurred from project borrowing remains below 1% of MetCom's assessable base (*well under the 25% legislative limit*)
- Reserves are being utilized to stabilize sewer system improvement charges, but may not be sustainable long term
- The Navy contributes to sewer system improvement charges for the Marlay Taylor Wastewater Treatment Plant upgrades on an annual basis, and the ENR project thru 6-1-2034



SEWER PROJECT SUMMARY SHEETS

St. Mary's County Metropolitan Commission
Capital Improvements Budget
FY 2022 - 2027 Sewer

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
Rehabilitation / Replacement										
Various Rehabilitation at MTWRF	1	SM2212	\$918,000	\$345,937	\$120,822			\$29,699		\$496,458
Piney Point Road Sewer Line Analysis and Force Main Replacement	2	5171MS	\$505,664		\$0 ^B	\$1,159,693 ^B	\$4,446,041 ^C			\$5,605,734
S-MD 5 From MD 246 to MD 471 (SHA Bridge Project)	1	8203SR		\$500,000 ^A						\$500,000
Southampton Sewer System Rehabilitation	2	8201SR	\$77,699	\$0 ^B	\$909,192 ^B	\$0 ^B	\$2,017,112 ^B			\$2,926,304
Inflow & Infiltration Sewer Replacement, Rehabilitation and Upgrade	4	SM2206	\$236,940	\$242,880	\$248,820	\$255,200	\$261,580	\$267,960	\$274,750	\$1,551,190
Manhole Rehabilitation	4	SM2205	\$102,315	\$104,880	\$107,445	\$110,200	\$112,955	\$115,748	\$118,642	\$669,870
Various Wastewater System Rehabilitation	4	SM2210	\$87,125	\$89,335	\$191,545 ^D	\$93,840	\$196,135 ^D	\$98,574	\$219,907 ^D	\$889,336
Glenn Forest to NAS Interceptor	1							\$0 ^B	\$829,282 ^{B/E}	\$829,282
FY2022 CIB (FY22-FY27) Replacement Subtotal =			\$1,927,743	\$1,283,032	\$1,577,824	\$1,618,933	\$7,033,823	\$511,981	\$1,442,581	\$13,468,173
Approved FY21 CIB (FY21 - FY26)				\$1,670,198	\$1,700,040	\$2,427,675	\$470,670	\$1,436,907		\$7,705,490
Change to Program from FY2021 CIB				-\$387,166	-\$122,217	-\$808,742	\$6,563,153	-\$924,926		\$4,320,103

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 - New Project.

B - Moved out from previous FY

C - Replacement cost based on force main analysis.

D - Added \$100K for electrical/pump upgrades.

E - Reduced design estimate.

Red text denotes CIB sheets that need to be updated.

Yellow highlights denote changes from the approved FY20 CIB.



SEWER PROJECT SUMMARY SHEETS

FY2022-DRAFT

St. Mary's County Metropolitan Commission Capital Improvements Budget FY 2022 - 2027 Sewer

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
Pump Stations										
Bradley Boulevard WWPS	2	8211SS	\$38,439	\$0 ^B			\$339,397 ^B			\$339,397
Esperanza Shopping Center WWPS	2	8212SS	\$39,449	\$323,503						\$323,503
Forest Run WWPS	2	8131SS		\$326,291 ^A	\$1,631,455 ^A	\$1,672,241 ^A				\$3,629,987
Charlotte Hall WWPS Replacement	2			\$141,834						\$141,834
Greenbrier WWPS	1			\$0 ^B	\$0 ^B		\$45,521 ^B	\$373,270 ^B		\$418,791
Wicomico Shores #2 WWPS Replacement	1				\$30,750 ^A	\$360,000 ^A				\$390,750
Wicomico Shores #1 WWPS Replacement	1			\$46,498	\$0 ^B	\$390,812 ^B				\$437,310
Hunting Quarters WWPS	1				\$0 ^B	\$41,758 ^B	\$342,414 ^B			\$384,172
Broad Creek WWPS	1								\$113,141 ^A	\$113,141
FY2022 CIB (FY22-FY27) Pump Stations Subtotal =			\$77,888	\$838,126	\$1,662,205	\$2,464,811	\$727,332	\$373,270	\$113,141	\$6,178,885
Approved FY2021 CIB (FY21 - FY26)				\$869,338	\$768,360	\$334,151	\$0	\$0		\$1,971,849
Change to Program from FY2021 CIB				-\$31,212	\$893,845	\$2,130,659	\$727,332	\$373,270		\$4,093,895

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 - New Projects.

B - Moved out from previous FY

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SEWER PROJECT SUMMARY SHEETS

FY2022-DRAFT

St. Mary's County Metropolitan Commission

Capital Improvements Budget
FY 2022 - 2027 Sewer

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
System Upgrades / Expansion										
St. Clements Shores WWTP Expansion Phase B	2	2151SF	\$3,902,743	\$6,042,257 ^C						\$6,042,257
Methane Co-Generator Upgrade at Marlay-Taylor WWTP	2	8171SF	\$446,379	\$0 ^B	\$91,644 ^B			\$0 ^B	\$101,158 ^B	\$192,802
Sewer Vacuum Truck	1					\$581,521				\$581,521
Grinder Pump Replacements	4	SM2209	\$850,000		\$850,000		\$850,000		\$850,000	\$2,550,000
Marlay-Taylor Expansion	1								\$565,704 ^A	\$565,704
FY2022 CIB (FY22-FY27) Systems Upgrades/Expansion Subtotal =			\$5,199,122	\$6,042,257	\$941,644	\$581,521	\$850,000	\$0	\$1,516,862	\$9,366,580
Approved FY2021 CIB (FY21 - FY26)				\$89,409	\$850,000	\$581,521	\$850,000	\$98,691		\$7,011,702
Change to Program from FY2021 CIB				\$5,952,848	\$91,644	\$0	\$0	-\$98,691		\$5,945,801
Totals										
Rehabilitation / Replacement			\$1,927,743	\$1,283,032	\$1,577,824	\$1,618,933	\$7,033,823	\$511,981	\$1,442,581	\$13,468,173
Pump Stations			\$77,888	\$838,126	\$1,662,205	\$2,464,811	\$727,332	\$373,270	\$113,141	\$6,178,885
System Upgrades / Expansion			\$5,199,122	\$6,042,257	\$941,644	\$581,521	\$850,000	\$0	\$1,516,862	\$9,932,284
Subtotal			\$7,204,753	\$8,163,415	\$4,181,673	\$4,665,265	\$8,611,155	\$885,251	\$3,072,584	\$29,579,342
Capital Reserves		6.20%	\$447,000	\$506,000	\$259,000	\$289,000	\$534,000	\$55,000	\$191,000	\$1,834,000
FY2022 CIB (FY22-FY27) Total =			\$7,651,753	\$8,669,415	\$4,440,673	\$4,954,265	\$9,145,155	\$940,251	\$3,263,584	\$31,413,342
Approved FY2021 CIB (FY21 - FY26)				\$2,791,944	\$3,524,400	\$3,550,347	\$1,402,670	\$1,630,598		\$12,899,960
Change to Program from FY2021 CIB				\$5,877,470	\$916,272	\$1,403,917	\$7,742,485	-\$690,347		\$15,249,798

Status:

- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase

5 Close-out Phase

A - New Project.

B - Moved out from previous FY

C - Balance of cost to go to ENR. Assumes a minimum \$3.5 million in grant funding.

Red text denotes

CIB sheets that need to be updated. denote changes from the approved FY20 CIB.

Yellow highlights denote changes from the approved FY20 CIB.



WATER PROJECT SUMMARY SHEETS

St. Mary's County Metropolitan Commission

Capital Improvements Budget

FY 2022 - 2027 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
Water Lines										
Shangri-La Drive & S. Essex Drive Water Main Replacement	2	8171WR 8202WL	\$1,344,442	\$1,188,509						\$1,188,509
W-MD 5 From MD 246 to MD 471 (SHA Bridge Project)	1	8203WL		\$500,000 ^A						\$500,000
Various Water and Service Line Rehabilitation	1	WO2202	\$162,560		\$67,860		\$71,321		\$74,932	\$214,113
MD 235 Water Main-Southampton to Hermanville Rd	1	8210WL	\$92,973		\$1,220,998					\$1,220,998
Southampton Water System Rehabilitation	2	8201WL	\$280,617	\$0 ^B	\$1,877,421 ^B	\$0 ^B	\$1,679,001 ^B			\$3,556,422
Hollywood Water Systems Connector & Phase 2 Replacement	2	8141WM		\$156,624		\$1,947,325				\$2,103,949
MD247 Loveville Road Water Main Replacement	1				\$113,141	\$1,043,724				\$1,156,865
Breton Bay Water System Replacement	2	2201WL	\$410,858	\$0 ^B	\$4,703,417 ^B	\$0 ^B	\$208,431 ^B	\$0 ^B	\$2,737,289 ^B	\$7,649,137
Town Creek Water System Phase 1 - 4	4	8081WR 8161WL	\$6,187,242		\$0 ^B	\$475,561 ^B	\$0 ^B	\$3,155,572 ^B		\$3,631,133
FY2022 CIB (FY22-FY27) Water Lines Subtotal =			\$8,478,692	\$1,845,132	\$7,982,837	\$3,466,610	\$1,958,753	\$3,155,572	\$2,812,221	\$21,221,125

Approved FY2021 CIB (FY21 - FY26)	\$7,762,636	\$1,865,794	\$4,832,440	\$5,756,133	\$0		\$20,217,003
Change to Program from FY2021 CIB	-\$5,917,504	\$6,117,043	-\$1,365,830	-\$3,797,380	\$3,155,572		-\$1,808,099

Status:

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

A - New Project.

B - Moved out from previous FY

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WATER PROJECT SUMMARY SHEETS

FY2022-DRAFT

St. Mary's County Metropolitan Commission

Capital Improvements Budget
FY 2022 - 2027 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
Wells										
Charlotte Hall Well #1	1			\$0 ^B	\$851,006 ^B					\$851,006
Grand View Haven Well	1			\$553,500 ^C	\$0 ^C					\$553,500
Well Rehabilitation, Replacement, Installation and Inspections	1	WO2201	\$172,060	\$55,000 ^D	\$283,669	\$59,229 ^D	\$298,029	\$62,227 ^D	\$313,117	\$1,071,271
FY2022 CIB (FY22-FY27) Well Subtotal =			\$172,060	\$608,500	\$1,134,675	\$59,229	\$298,029	\$62,227	\$313,117	\$2,475,777

Approved FY2021 CIB (FY21 - FY26)	\$830,250	\$851,007	\$0	\$298,029	\$0		\$1,979,286
Change to Program from FY2021 CIB	-\$221,750	\$283,668	\$59,229	\$0	\$62,227		\$183,374

Water Storage Tanks (WST)										
St. Clements Shores Water Storage Tank	1	2191WT	\$249,075					\$2,526,968		\$2,526,968
Water Tank Inspections, Painting and Replacement/Upgrades	4	WO2217	\$189,112	\$689,315	\$101,766	\$724,212	\$106,918	\$760,875	\$112,331	\$2,495,417
FY2022 CIB (FY22-FY27) Water Storage Tanks (WST) Subtotal =			\$438,187	\$689,315	\$101,766	\$724,212	\$106,918	\$3,287,843	\$112,331	\$5,022,385

Approved FY2021 CIB (FY21 - FY26)	\$689,315	\$101,766	\$724,212	\$106,918	\$3,287,843		\$4,910,054
Change to Program from FY2021 CIB	\$0	\$0	\$0	\$0	\$0		\$0

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 - New Project.

B - Moved out from previous FY

C - Moved in from later FY

D - Added \$55K Soft Start Controls

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WATER PROJECT SUMMARY SHEETS

FY2022-DRAFT

St. Mary's County Metropolitan Commission

Capital Improvements Budget

FY 2022 - 2027 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY2022 - 2027 TOTAL
Wells										
Charlotte Hall Well #1	1			\$0 ^B	\$851,006 ^B					\$851,006
Grand View Haven Well	1			\$553,500 ^C	\$0 ^C					\$553,500
Well Rehabilitation, Replacement, Installation and Inspections	1	WO2201	\$172,060	\$55,000 ^D	\$283,669	\$59,229 ^D	\$298,029	\$62,227 ^D	\$313,117	\$1,071,271
Miscellaneous										
FY2022 CIB (FY22-FY27) Miscellaneous Subtotal =			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Approved FY2021 CIB (FY21 - FY26)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change to Program from FY2021 CIB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Totals										
Water Lines			\$8,478,692	\$1,845,132	\$7,982,837	\$3,466,610	\$1,958,753	\$3,155,572	\$2,812,221	\$21,221,125
Wells			\$172,060	\$608,500	\$1,134,675	\$59,229	\$298,029	\$62,227	\$313,117	\$2,475,777
Water Storage Tanks (WST)			\$438,187	\$689,315	\$101,766	\$724,212	\$106,918	\$3,287,843	\$112,331	\$5,022,385
Miscellaneous			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal			\$9,088,939	\$3,142,947	\$9,219,278	\$4,250,051	\$2,363,700	\$6,505,642	\$3,237,669	\$28,719,287
Capital Reserves		7.5%	\$682,000	\$236,000	\$691,000	\$319,000	\$177,000	\$488,000	\$243,000	\$2,154,000
FY2022 CIB (FY22-FY27) Total =			\$9,770,939	\$3,378,947	\$9,910,278	\$4,569,051	\$2,540,700	\$6,993,642	\$3,480,669	\$30,873,287

Approved FY2021 CIB (FY21 - FY26)	\$9,978,201	\$3,029,567	\$5,973,652	\$6,623,080	\$3,534,843					\$29,139,343
Change to Program from FY2021 CIB	-\$6,599,254	\$6,880,711	-\$1,404,601	-\$4,082,380	\$3,458,799					-\$1,746,725

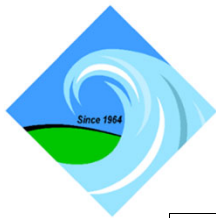
Status:

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

Property Acquisition (to be initiated after Planning)

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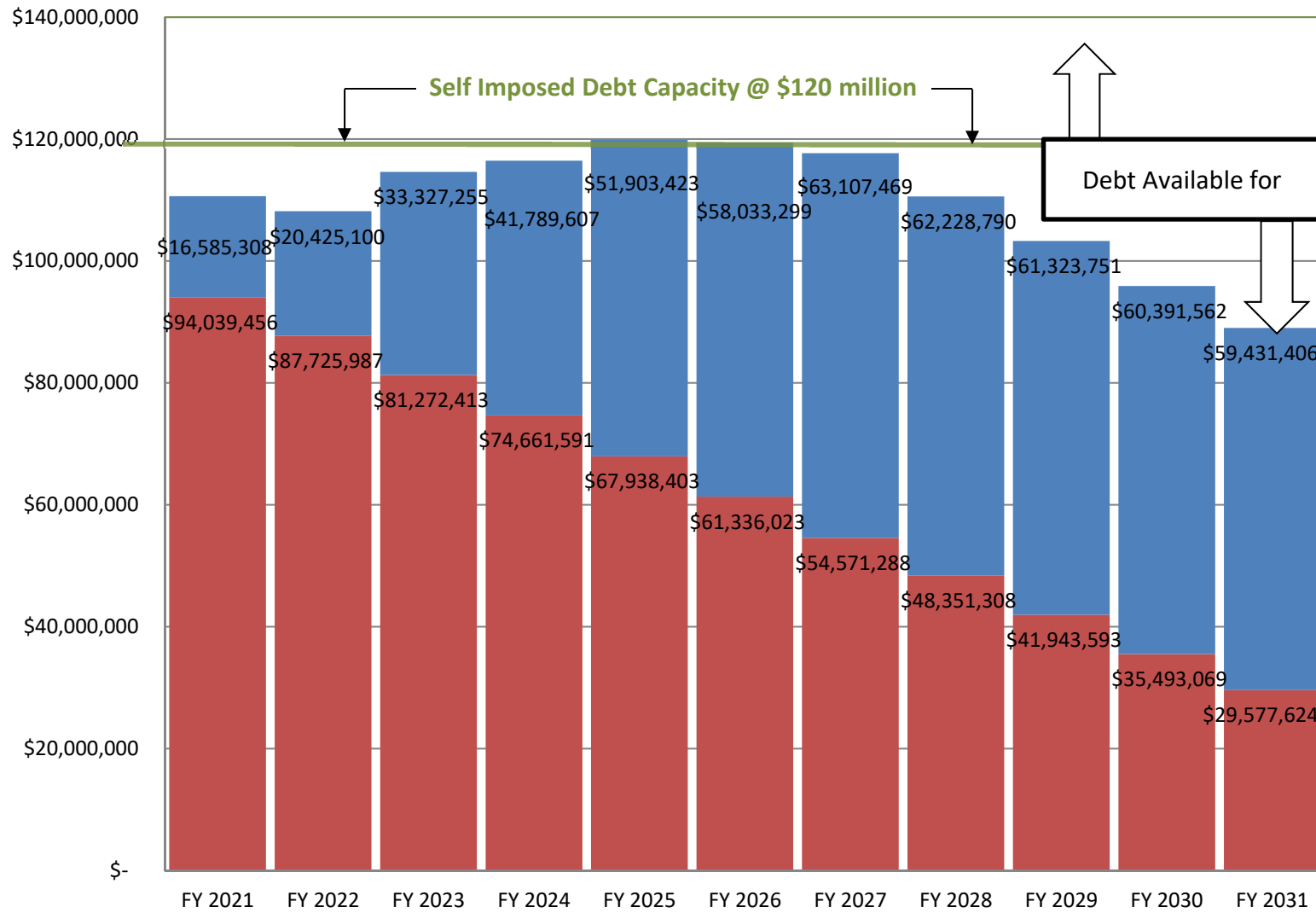


St. Mary's County Metropolitan Commission

Debt Ceiling Limit Analysis

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Debt Outstanding - Beginning of Year (1)	\$ 96,507,899	\$ 94,039,456	\$ 87,725,987	\$ 81,272,413	\$ 74,661,591	\$ 67,938,403	\$ 61,336,023
St. Clements Shores Water Phase 2	\$ 3,687,434						
Principal Payments - Existing Debt	(6,155,877)	(6,313,469)	(6,453,574)	(6,610,822)	(6,723,188)	(6,602,380)	(6,764,736)
Existing Debt	\$ 94,039,456	\$ 87,725,987	\$ 81,272,413	\$ 74,661,591	\$ 67,938,403	\$ 61,336,023	\$ 54,571,288
Proposed Debt (2):							
Beginning Balance	\$ -	\$ 16,585,308	\$ 20,425,100	\$ 33,327,255	\$ 41,789,607	\$ 51,903,423	\$ 58,033,299
Sewer Debt to be issued	8,542,639	1,426,943	3,990,128	4,461,225	8,369,499	29,699	2,734,035
Capital Reserves Sewer **	530,000	88,000	247,000	277,000	519,000	2,000	170,000
Estimated New Debt Prior Year's Sewer Projects							
Water Debt to be issued	7,319,757	2,587,948	8,765,983	4,190,822	1,887,432	6,443,415	2,812,221
Capital Reserves Water **	549,000	194,000	657,000	314,000	142,000	483,000	211,000
Estimated New Debt Prior Year's Water Projects							
Principal Payments -Proposed Debt	(356,088)	(457,100)	(757,956)	(780,694)	(804,115)	(828,239)	(853,086)
Proposed Debt	\$ 16,585,308	\$ 20,425,100	\$ 33,327,255	\$ 41,789,607	\$ 51,903,423	\$ 58,033,299	\$ 63,107,469
Ending Debt Balance	\$110,624,764	\$108,151,086	\$114,599,668	\$116,451,198	\$119,841,826	\$119,369,322	\$117,678,756
Assessed Value with 1% Growth (3)	\$12,140,797,700	\$12,262,205,677	\$12,384,827,734	\$12,508,676,011	\$12,633,762,771	\$12,760,100,399	\$12,887,701,403
Debt as a Percentage of Assessed Value CIB FY22-FY27	0.91%	0.88%	0.93%	0.93%	0.95%	0.94%	0.91%
Allowable Debt Limit (Legislation pending at 2%)	25%	25%	25%	25%	25%	25%	25%
Debt as a Percentage of Assessed Value CIB FY21-FY26	0.93%	0.95%	0.93%	0.93%	0.92%	0.89%	
For purposes of combined debt, the County uses the information below.							
** Capital Reserves Water / Sewer that would have to be borrowed, but cannot be spent on new projects without CSMC Approval.							
Excluding Capital Reserves Water / Sewer							
Beginning Balance	\$ 96,507,899	\$ 109,545,764	\$ 106,790,086	\$ 112,334,668	\$ 113,595,198	\$ 116,324,826	\$ 115,367,322
New Debt	19,549,830	4,014,891	12,756,111	8,652,047	10,256,931	6,473,114	5,546,256
Principal Payments - Proposed Debt	(6,511,965)	(6,770,569)	(7,211,530)	(7,391,516)	(7,527,303)	(7,430,619)	(7,617,821)
Ending Debt Balance Excluding Capital Reserves	\$ 109,545,764	\$ 106,790,086	\$ 112,334,668	\$ 113,595,198	\$ 116,324,826	\$ 115,367,322	\$ 113,295,756
Assessed Value with 1% Growth (3)	\$12,140,797,799	\$12,262,205,777	\$12,384,827,835	\$12,508,676,113	\$12,633,762,874	\$12,760,100,503	\$12,887,701,508
Debt as a Percentage of Assessed Value CIB FY22-FY27	0.90%	0.87%	0.91%	0.91%	0.92%	0.90%	0.88%
Debt as a Percentage of Assessed Value CIB FY21-FY26	0.88%	0.91%	0.89%	0.89%	0.87%	0.84%	
NOTE (1) Debt Outstanding Beginning of Year updated for the current year from the Prior Year Audit. This is the cumulative total of Outstanding Debt, plus Undrawn.							
NOTE (2) MetCom new debt calculation includes contingencies.		NOTE (3) FY2020 based on FY2013 rolled forward at 1%. FY2021 Update utilizes MD Dept of Planning 2018 data: Reduced by Sanitary Districts 7 and 9 (no facilities), and reduced by all public property (County/State/Federal). If FY2020 was rolled forward to FY2021 without update, FY2021 assessed value would have been higher by \$473k at \$12,613,839,556 and calculating the debt as a percentage at .87% vs. the new calculation of .90%					

MetCom Debt Outstanding & Proposed



Note: Includes new projects thru FY27 CIB 1/14/21, no new

■ Outstanding Debt ■ Proposed Debt

NOTE: FY 2022 debt is almost \$12M lower than the self imposed cap.



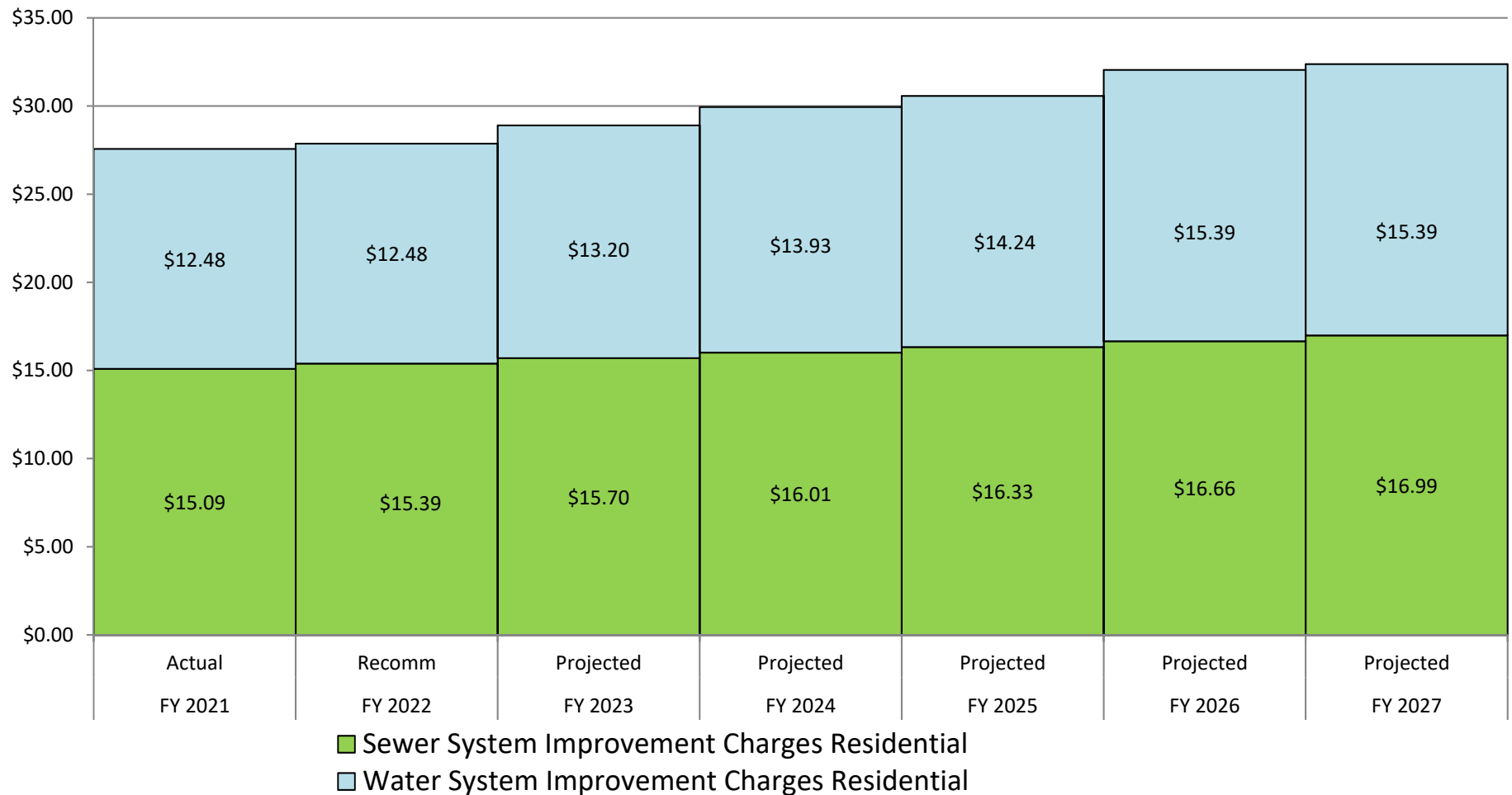
CAPITAL IMPROVEMENT BUDGET

MetCom projects are funded by revenue raised from collection of Capital Contribution Charges and System Improvement Charges.

- System Improvement Charges (monthly charge per EDU)
- System Improvement Charges remained flat for water and only slightly higher for sewer, but lower than prior FY 21 projections
- Capital Contribution Charges (one time charge per EDU at time of connection)
- No changes in Capital Contribution Charges proposed in FY 2022

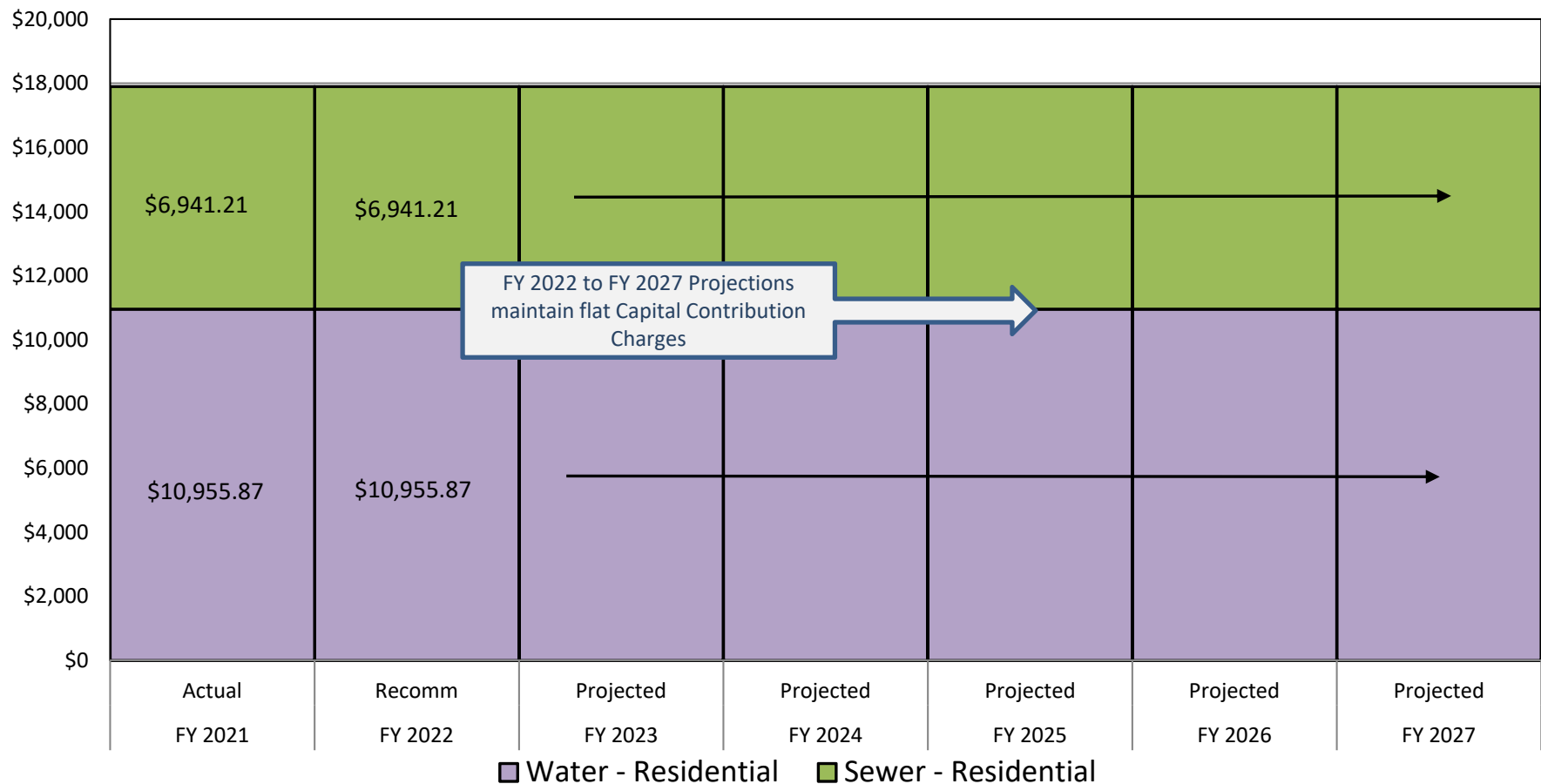
CAPITAL COST CATEGORIES

System Improvement Charges cover the cost of projects for the upgrade and replacement of existing facilities and systems.



CAPITAL COST CATEGORIES

Capital Contribution Charges cover cost of projects for extensions of water and sewer lines, wastewater pumping stations and new facilities undertaken for the primary purpose





SYSTEM IMPROVEMENT CHARGES

Monthly fee per EDU: Covers the cost of projects for the upgrade and replacement of existing facilities and systems

	<u>Current FY21</u>	<u>Proposed FY22</u>
Residential Charges		
<i>Sewer</i>	\$15.09	\$15.39*
<i>Water</i>	\$11.71	\$12.48**
Commercial Charges		
<i>Sewer</i>	\$18.11	\$18.47*
<i>Water</i>	\$14.05	\$14.98**

* Utilizing non-accumulating Sewer Debt Service Reserves as a rate stabilization fund.

** FY 2022 System Improvement Charges are lower than projected in FY 2021.



CAPITAL CONTRIBUTION CHARGES

Paid per EDU at time of connection: Covers cost of projects for extensions of water and sewer lines, wastewater pumping stations and new facilities undertaken for the primary purpose of serving new customers

	<u>Current</u> <u>FY21</u>	<u>Proposed</u> <u>FY22</u>
Residential Charges		
<i>Sewer</i>	\$ 6,941.21	\$ 6,941.21*
<i>Water</i>	\$10,955.87	\$ 10,955.87*
Commercial Charges		
<i>Sewer</i>	\$ 8,329.44	\$ 8,329.44*
<i>Water</i>	\$13,147.04	\$ 13,147.04*

* FY2022 rates are equal to those projected in FY2021-FY2026 CIB



PERFORMANCE MEASURES

St. Mary's County Metropolitan Commission Sufficient Operational Reserves

Days Cash on Hand = Undesignated Cash Reserves / Total O&M Costs	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Estimated
Unrestricted Reserves					
General Fund Reserves					
Capital Liquidity Reserves	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Remaining Operational Reserves	2,275,575	2,160,652	5,157,385	2,825,583	5,157,385
Total General Fund Reserves	\$ 5,775,575	\$ 5,660,652	\$ 8,657,385	\$ 6,325,583	\$ 8,657,385
Other Unrestricted Reserves	3,307,387	3,133,235	2,998,409	2,756,708	2,572,690
Total Unrestricted Reserves	\$ 9,082,962	\$ 8,793,887	\$ 11,655,794	\$ 9,082,291	\$ 11,230,075
Restricted Reserves	\$13,059,219	\$15,372,482	\$ 17,233,877	\$ 9,053,813	\$ 9,626,712
Total Reserves	\$22,142,181	\$24,166,369	\$ 28,889,671	\$ 18,136,104	\$ 20,856,787
Total Operating Expenses	13,069,452	13,338,269	14,111,836	15,619,566	16,076,467
Operating Expenses Per Day	35,807	36,543	38,663	42,793	44,045
Days Cash on Hand					
General Fund Capital Liquidity	98	96	91	82	79
General Fund Remaining Operational	64	59	133	66	117
Other Unrestricted	92	86	78	64	58
Total Unrestricted Reserves	254	241	301	212	255
Target Unrestricted Reserves - Days Cash On Hand *		90-180	90-180	90-180	90-180
AWWA Benchmark Performance Indicator		152-271	152-271	152-271	152-271
* Our flexibility to pay near term obligations. Quantifies the number of days of available cash reserves as a measure of financial liquidity.					
2017 Debt Study Update by Davenport & Company					
National Median:	700 days		Moody's 2017:	Aaa	>250 days
	448 days			Aa	250-150 days
	276 days			A	150-35 days

ACHIEVED





PERFORMANCE MEASURES

St. Mary's County Metropolitan Commission Debt Service Coverage Ratio

Debt Service Coverage Ratio = (Total Revenue - Total O&M) / Total Debt Service	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Estimated
Operating Revenues*						
Service Charges	\$ 13,395,427	\$ 13,762,799	\$ 14,436,077	\$ 15,138,629	\$ 14,954,160	\$ 15,301,057
Debt Service Charges	10,129,405	10,396,956	11,691,390	11,997,669	13,510,672	10,240,781
Miscellaneous	362,484	255,092	260,449	308,674	467,824	437,967
Total Operating Revenues	\$ 23,887,316	\$ 24,414,847	\$ 26,387,916	\$ 27,444,972	\$ 28,932,656	\$ 25,979,805
Operating Expenses**						
Direct Operating Expenses	\$ 7,663,348	\$ 8,042,250	\$ 8,343,753	8,805,522	9,089,397	9,291,936
Administrative Expenses	5,542,092	5,027,202	4,994,516	5,306,314	5,682,277	5,565,910
Total Operating Expenses	\$ 13,205,440	\$ 13,069,452	\$ 13,338,269	\$ 14,111,836	\$ 14,771,674	\$ 14,857,846
Net Revenues	\$ 10,681,876	\$ 11,345,395	\$ 13,049,647	\$ 13,333,136	\$ 14,160,982	\$ 11,121,959
Debt Service						
Principal	\$ 6,231,799	\$ 6,028,408	\$ 6,545,072	\$ 6,244,298	\$ 6,420,332	\$ 6,313,469
Interest	2,366,572	2,814,809	2,989,985	2,943,733	3,014,686	2,789,562
Total Debt Service	\$ 8,598,371	\$ 8,843,217	\$ 9,535,057	\$ 9,188,031	\$ 9,435,018	\$ 9,103,031
Debt Service Coverage Ratio	1.24 X	1.28 X	1.37 X	1.45 X	1.50 X	1.22 X
Adopted Target Debt Service Coverage Ratio *		1.25-1.50 X	1.25-1.50 X	1.25-1.50 X	1.25-1.50 X	1.25-1.50 X
AWWA Benchmark Performance Indicator (median)		1.30 X	1.30 X	1.30 X	1.30 X	1.30 X

* Measures our ability to meet our annual debt service (interest, principal and sinking fund) after all operational expenses are paid. Ratio of less than 1 indicate a negative cash flow, meaning there is not enough income to pay debt obligations after all operational expenses.

2017 Debt Study Update by Davenport & Company

National Median:	1.6x	Fitch 2017:	Weaker	<1.25 X
	2.3x		Mid-Range	+/-1.5 X
	2.6x		Stronger	>2.0 X

*NOTE: Debt Service Coverage Ratio excludes "Other Operating Revenue"

**NOTE: Operating Expenses exclude Depreciation, Pension Loan, & Retiree OPEB Benefits (paygo). The Audited Financial Statements reflect Depreciation in "Changes in Net Position", OPEB Benefit in "Note 7", and the Pension Loan in "Note 8".

ACHIEVED





PERFORMANCE MEASURES

St. Mary's County Metropolitan Commission Outstanding Debt vs Operating & Debt Service Revenues

	FY18 Audit	FY19 Audit	FY20 Audit	FY21 Budget	FY22 Estimated
Total Debt:					
Total Debt All DHCD & Drawn MDE	\$ 92,021,460	\$ 92,297,614	\$ 96,709,875	\$ 111,352,405	\$ 108,151,086
Total Debt Undrawn MDE	8,386,751	2,510,369	201,976		
Total Debt Drawn & Undrawn	\$ 100,408,211	\$ 94,807,983	\$ 96,911,851	\$ 111,352,405	\$ 108,151,086
Operating & Debt Service Revenue:					
Service Charges	\$ 13,762,799	\$ 14,436,077	\$ 15,138,629	\$ 14,954,160	\$ 15,301,057
Debt Service Charges	10,396,956	11,691,390	11,997,669	13,510,672	10,240,781
Miscellaneous	255,092	260,449	308,674	467,824	437,967
Total Operating & Debt Service Revenues	\$ 24,414,847	\$ 26,387,916	\$ 27,444,972	\$ 28,932,656	\$ 25,979,805
Outstanding Debt (Drawn & Undrawn) to Operating & Debt Service Revenues *	4.11 X	3.59 X	3.53 X	3.85 X	4.16 X
Target - 5X or Below	5X or Below	5X or Below	5X or Below	5X or Below	5X or Below

* Measure of the outstanding debt compared to the ability to pay it. The lower the number, the better able to pay the debt.

2017 Debt Study Update by Davenport & Company

National Median:	AAA	Moody's 2017:	Aaa	<2 X
	AA		Aa	2-4 X
	A		A	4-7 X

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PERFORMANCE MEASURES

St. Mary's County Metropolitan Commission

Service Affordability Rate Comparison To Median Household Income

NOTE: Service Affordability provides a measure of the affordability of water and sewer service as a % of MHI. Approximately 66% of our customers use 0-5,000 gallons per month. Range: 1.27 (top quartile) - 1.59 (median)

	FY19 Approved 5,000 Gallons/Month	FY20 Approved 5,000 Gallons/Month	FY21 Approved 5,000 Gallons/Month	FY22 Budget 5,000 Gallons/Month
Water				
Ready-To-Serve Charge	\$ 9.19	\$ 9.44	\$ 9.67	\$ 9.87
Water Usage	8.30	8.50	8.70	8.90
System Improvement Charge	11.71	11.71	12.48	12.48
Water - Estimated Monthly Service Charge	\$ 29.20	\$ 29.65	\$ 30.85	\$ 31.25
Sewer				
Ready-To-Serve Charge	\$ 17.19	\$ 17.77	\$ 18.31	\$ 18.81
Sewer Usage	23.35	24.15	24.90	25.55
System Improvement Charge	15.09	15.09	15.09	15.39
Sewer - Estimated Monthly Service Charge	\$ 55.63	\$ 57.01	\$ 58.30	\$ 59.75
Bay Restoration Fee	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Total Estimated Monthly Service Charge	\$ 89.83	\$ 91.66	\$ 94.15	\$ 96.00
<i>Bill at Prior Approved Fiscal Year Rates</i>	<i>\$ 84.59</i>	<i>\$ 89.83</i>	<i>\$ 91.66</i>	<i>\$ 94.15</i>
St. Mary's County Median Household Income				
2011-2015 US Census Bureau	\$ 86,987			
2015-2019 US Census Bureau (American Community Survey)		\$ 86,508	\$ 86,508	\$ 89,845
MetCom Annual Bill % of Annual MHI	1.24%	1.27%	1.31%	1.28%
Adopted Target Annual Bill % of Annual MHI	1.50%	1.50%	1.50%	1.50%
AWWA Benchmark Performance Indicator (median)	1.59%	1.59%	1.59%	1.59%
Lexington Park Median Household Income				
2011-2015 US Census Bureau	\$ 65,613			
2015-2019 US Census Bureau (American Community Survey)		\$ 69,845	\$ 67,097	\$ 74,598
MetCom Annual Bill % of Annual MHI in Lexington Park	1.64%	1.57%	1.68%	1.54%
Annual Combined Bill % of MHI: National Median, All Credits (1)*	1.60%	1.90%	1.90%	1.90% (2)*
National 'A' Median	2.60%	2.90%	2.90%	2.90%
National 'AA' Median	1.60%	2.00%	2.00%	2.00%
National 'AAA' Median	1.30%	1.40%	1.40%	1.40%
(1) Source: 2015 Debt Study, page 35, Davenport & Company				
(2) Source: Fitch 2019 Median Report, Davenport & Company				

ACHIEVED



ACHIEVED





FY 22-27 PROJECTED CUSTOMER IMPACT

St. Mary's County Metropolitan Commission

5,000 Gallon Usage (Tier 1: 0-5,000 Gallons)

Option 3: Water and Sewer Rate Study Addendum (Year 3)

Five Year Rate of Increase Reduction Plan

	1		2		3		4		5							
	FY20		FY21		FY22		FY23		FY24		FY25		FY26		FY27	
	Actual		Actual		Projected		Projected		Projected		Projected		Projected		Projected	
Water																
Ready-To-Serve Charge	\$ 9.44	2.70%	\$ 9.67	2.40%	\$ 9.87	2.10%	\$ 10.08	1.80%	\$ 10.26	1.50%	\$ 10.41	1.50%	\$ 10.57	1.50%	\$ 10.73	1.50%
Usage	8.50	2.70%	8.70	2.40%	8.90	2.10%	9.10	1.80%	9.25	1.50%	9.40	1.50%	9.55	1.50%	9.70	1.50%
System Improvement Charge	11.71		12.48		12.48		13.20		13.93		14.24		15.39		15.39	
Water - Monthly Service Charge	\$ 29.65		\$ 30.85		\$ 31.25		\$ 32.38		\$ 33.44		\$ 34.05		\$ 35.51		\$ 35.82	
Sewer																
Ready-To-Serve Charge	\$ 17.77	3.40%	\$ 18.31	3.05%	\$ 18.81	2.70%	\$ 19.32	2.35%	\$ 19.77	2.00%	\$ 20.17	2.00%	\$ 20.57	2.00%	\$ 20.98	2.00%
Usage	24.15	3.40%	24.90	3.05%	25.55	2.70%	26.25	2.35%	26.85	2.00%	27.40	2.00%	27.95	2.00%	28.50	2.00%
System Improvement Charge	15.09		15.09		15.39		15.70		16.01		16.33		16.66		16.99	
Sewer - Monthly Service Charge	\$ 57.01		\$ 58.30		\$ 59.75		\$ 61.27		\$ 62.63		\$ 63.90		\$ 65.18		\$ 66.47	
Bay Restoration Fee	\$ 5.00		\$ 5.00		\$ 5.00		\$ 5.00		\$ 5.00		\$ 5.00		\$ 5.00		\$ 5.00	
FY 22 - 27 Estimated Monthly Service Charge	\$ 91.66		\$ 94.15		\$ 96.00		\$ 98.65		\$ 101.07		\$ 102.95		\$ 105.69		\$ 107.29	
<i>(Maintain Option 3 Scheduled Increase)</i>																
Increase Over Prior Year	\$ 1.83		\$ 2.49		\$ 1.85		\$ 2.65		\$ 2.42		\$ 1.88		\$ 2.74		\$ 1.60	
Increase Over Prior Year (%)	2.037%		2.717%		1.965%		2.760%		2.453%		1.860%		2.661%		1.514%	
Target 6 Year Average (3%Max)							Average Increase (6 years) =		2.202%		(Lower than the prior six year average)					
FY21-26 Estimated Monthly Svc Charge	\$ 91.66		\$ 94.15		\$ 96.65		\$ 98.87		\$ 101.04		\$ 103.31		\$ 105.12			
CIB 21-26 - Prior Approved	2.037%		2.717%		2.655%		2.297%		2.195%		2.247%		1.752%			
							Average Increase (6 years) = 2.311%									





PROJECTED RESERVES - *Unrestricted*

	FY 21 Recommended Reserve Balance	Committed Thru FY 21	Projected Income FY 21	Projected Reserves FY 21	Projected Income FY 22	Proposed Uses CIB	Projected Reserves FY 22
Unrestricted Reserves	Policy						
General Fund (\$3.5M + 1/2 operating excluding dep.)	\$ 11,070,633			\$ 8,657,385			\$ 8,657,385
Debt Service Reserves (Benefit Assessments) - Sewer <i>These reserves are a result of benefit assessment charges paid by customers that exceeded debt service. Can be used for sewer debt service payments.</i>		(195,000)	14,496	\$ 2,718,790	13,594	(122,000)	\$ 2,610,384
Use of System Improvement Reserves to stablize rate at \$15.39 Res. and \$18.47 Comm. + other direct fund projects							
Debt Service Reserves (Benefit Assessments) - Water <i>These reserves are a result of benefit assessment charges paid by customers that exceeded debt service. Can be used for sewer debt service payments.</i>		-		\$ -		(137,803)	\$ (137,803)
Water Supply & Storage <i>Charged to customers prior to 10/1/07 for water supply & storage capacity. Used to offset water capital contribution fees.</i>			496	\$ 99,611	498		\$ 100,109
Unrestricted Reserves	\$ 11,070,633	\$ (195,000)	\$ 14,992	\$11,475,786	\$ 14,092	\$ (259,803)	\$11,230,075



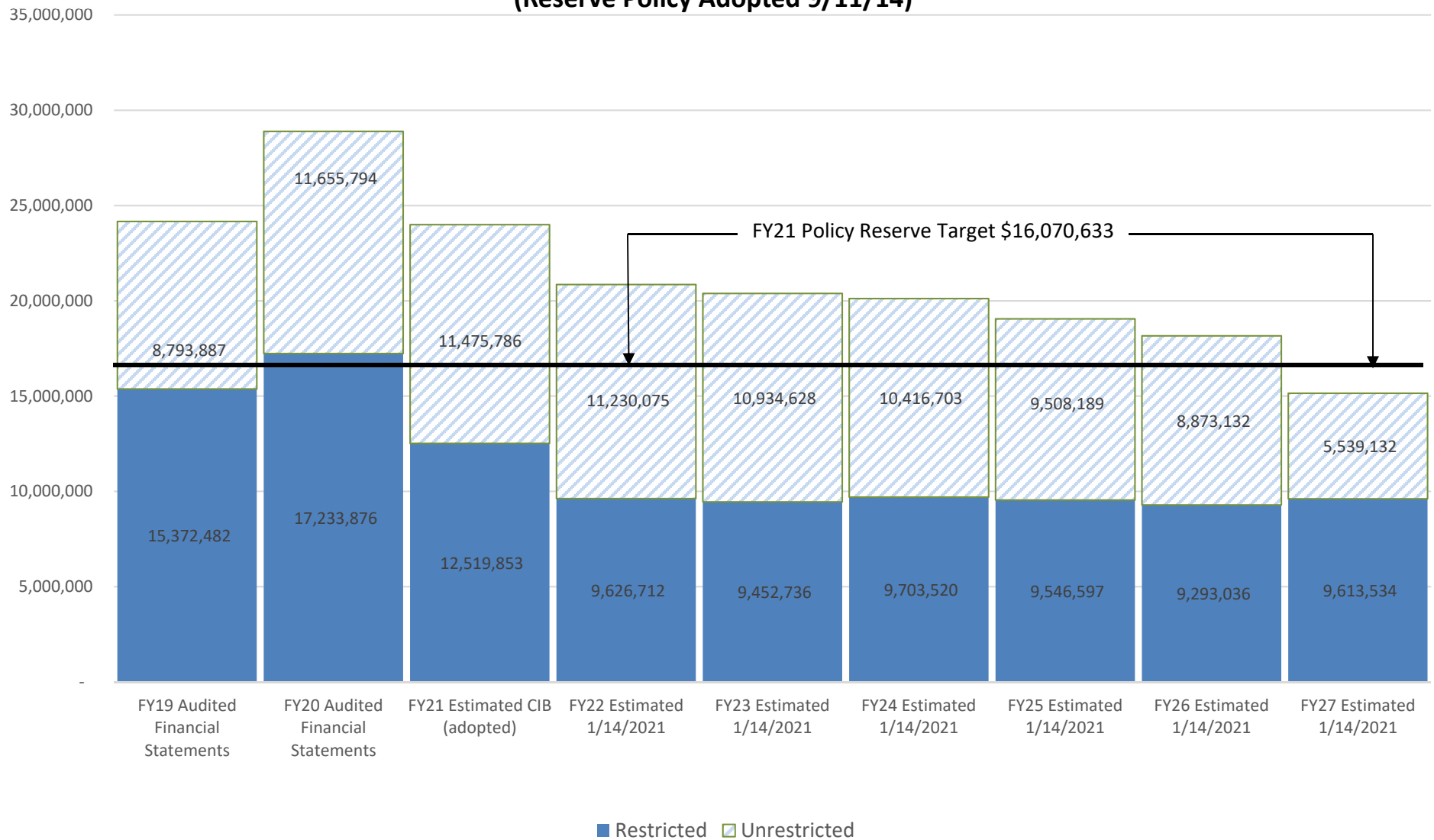
PROJECTED RESERVES - *Restricted*

	FY 21 Recommended Reserve Balance	Committed Thru FY 21	Projected Income FY 21	Projected Reserves FY 21	Projected Income FY 22	Proposed Uses CIB	Projected Reserves FY 22
<u>Restricted Reserves</u>	Policy						
Reserves that can be used for capital projects							
Sewer Capital Project Fund (SIC) - Upgrade/Replacements	\$ 2,500,000	\$(2,633,271)	\$ -	\$ 2,642,809	\$ -	\$(1,538,182)	\$ 1,104,627
Sewer Capital Project Fund (CCC) - Expansion - New Customers	750,000	(1,400,000)	125,200	2,999,973	143,899	(1,638,290)	1,505,582
Water Capital Project Fund (SIC) - Upgrade/Replacements	1,000,000	(2,365,991)	435,024	2,359,217	409,390	(555,000)	2,213,607
Water Capital Project Fund (CCC) - Expansion - New Customers	750,000	-	287,017	2,841,858	285,042	-	3,126,900
Total Reserves that can be used for capital projects	\$ 5,000,000	\$(6,399,262)	\$ 847,241	\$10,843,857	\$838,331	\$(3,731,472)	\$ 7,950,716
Marlay-Taylor Sinking Fund <i>Reserves charged to customers with a marlay-taylor allocation to upgrade the capacity of Marlay-Taylor.</i>				\$ 1,414,208			\$ 1,414,208
Forrest Farms Replacemnt <i>Reserves charged to Forrest Farms sewer customers to upgrade/replace the Forrest Farms sewer system.</i>				252,008			252,008
Davnor Equity <i>Reserves charged to Davnor customers to upgrade/replace the Davnor water system.</i>				9,780			9,780
Restricted Reserves	\$ 5,000,000	\$(6,399,262)	\$ 847,241	\$12,519,853	\$838,331	\$(3,731,472)	\$ 9,626,712



MetCom Reserves FY End Balance Audited and Projected

(Reserve Policy Adopted 9/11/14)





NEXT STEPS


- ✓ 4/5/21 - Public Comment Period begins
- ✓ 4/8/21 – MetCom Board to discuss topical issues
- ✓ 4/19/21 – Public Hearing closes at 4:30 pm
- ✓ 5/25/21 - MetCom Board to Approve FY 2022 Operating Budget
- ✓ 5/25/21 - County Commissioners to Approve the FY 2022 Capital Improvement Budget



Public Comment Period Begins Now

Due to COVID-19, physical access to this Public Hearing by the public is restricted, but the opportunity to provide comment at this time is available via a dedicated phone line.

**Please call us at 301.298.1561 ext 454043
to record your comment(s) during the next ten (10)
minutes.**



**The public record for this
public hearing will remain
open until close of business
4/19/2021**

**Written comments may be
submitted to MetCom's
Administrative Office at:**

**23121 Camden Way
California, MD 20619**

**or email to:
budget2022@metcom.org**