

ST. MARY'S COUNTY METROPOLITAN COMMISSION



FISCAL YEAR 2020 ANNUAL REPORT

**Reporting Period:
July 1, 2019 to June 30, 2020**

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ST. MARY'S COUNTY METROPOLITAN COMMISSION

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. While fulfilling our mission, we strive to:

- *Conserve and protect our reliable, high quality water supply for present and future generations;*
- *Meet or surpass public health standards, environmental standards, and support fire protection;*
- *Operate, maintain, improve, and manage our water and wastewater infrastructure in a cost-effective manner;*
- *Manage finances to support Commission needs and maintain reasonable water and wastewater rates;*
- *Maintain and adequate, safe and professional workforce; and*
- *Understand and respond to customers' expectations for service.*

As we look back upon the events of the last year, there was progress on several noteworthy capital improvement projects: construction of the Great Mills Wastewater Pumping Station upgrades; construction of the Hickory Hills Elevated Water Storage Tower and Well; planning for the St. Clements Shores Wastewater Treatment Plant upgrade to ENR treatment standards, completion of a Facilities Energy Audit; award of a Risk And Resiliency Assessment; and continuing the joint design and construction efforts with the County's Department of Public Works and Transportation on the Patuxent Park Neighborhood Revitalization project. You will read about these and other efforts throughout the following pages of this Report.

Other non-capital accomplishments in FY 2020 included: continuing our successful student internship and scholarship programs; lowering the rate of increase in usage charges by almost 11% for the second year in a row; adopting a Debt Management Policy and successfully achieving our performance measures; receiving the highest rating on the audit of our financial statements; obtaining legislative approval of several connection incentive programs; developing new joint agreements with fellow stakeholders; creating an internet accessible MetBoard portal to enhance our Commission meetings; revamping our monthly MetCom Connection employee newsletter: enhancing community outreach and educational programs; developing new social media outlets (*i.e. Facebook*); and most importantly, maintaining our rigorous operations, maintenance, testing, risk management, training, and development review programs.

With the onset of the COVID-19 global pandemic, we will be challenged over the next year, but the MetCom management team has taken proactive steps to ensure the health of its employees and the community in which we serve.

Our staff takes great pride in providing outstanding customer service, while maintaining very high standards of environmental compliance and resource management. We are an accountable and transparent organization and fully comply with the St. Mary's County Open Meetings Act. As the Metropolitan Commission looks forward to another year serving you, we will strive to find ways continue to better meet the needs of our customers as effectively as possible. ***"MetCom is people -- hard working public servants...they do it day in and day out—and I'm proud to be working with them!"***

George A. Erichsen

George A. Erichsen, P.E.,
Executive Director



The Operations, Maintenance, Permits, Construction and Inspection Departments of the Commission are located at 43990 Commerce Avenue, Hollywood, Maryland 20636. Office hours are 7:30 a.m. to 4:30 p.m. Monday through Friday. Telephone: (301) 737-7400 / Website: www.metcom.org.



The Administrative Office of the Commission, which includes the Billing, Fiscal, Human Resources and Engineering Departments, is located in the First Colony Commercial Center at 23121 Camden Way, California, Maryland 20619. Office hours are 7:30 a.m. to 4:30 p.m. Monday through Friday. Telephone: (301) 737-7400 / Website: www.metcom.org.

GENERAL OVERVIEW

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.

BOARD MEMBERS

MetCom is governed by a Board of Commissioners consisting of seven voting members, and one non-voting member. Voting members represent the Election Districts of St. Mary's County and are appointed by the St. Mary's Board of County Commissioners to serve three year staggered terms. The eighth and non-voting member of the Commission is the Commanding Officer of the Naval Air Station Patuxent River, or his designated representative.

The Board Members during FY 2020, ending June 30, 2020, were:

Commissioners

Alice A.M. Gaskin
1st Election District

Roy H. Alvey
2nd & 9th Election Districts

Joseph I. Russell, Chairman
3rd Election District

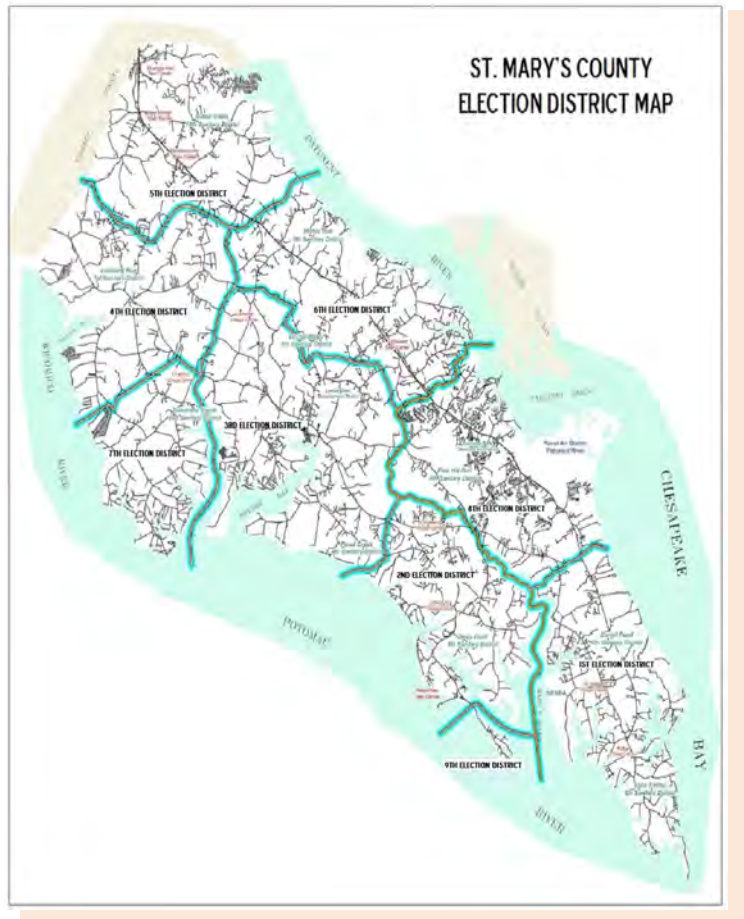
Bryan M. Barthelme
4th & 5th Election Districts

George M. Thompson
6th Election District

Robert A. Russell
7th Election District

Rudolph K. Fairfax, Vice-Chairman
8th Election District

Captain Christopher Cox
Patuxent River Naval Air Station



KEY STAFF

The administrative leadership of the Commission is comprised of an Executive Director and five (5) Department Heads, as follows:

George A. Erichsen, P.E., Executive Director

Patricia Stiegman, Chief Financial Officer

M. Christy Hollander, P.E., Chief Engineer

Edward Hogan, Chief of Facilities and Operations

Anne Mary B. Cullins, P.H.R., SHRM-CP, Director of Human Resources

Robert J. Fehn, Sr., Director of Information Technology

Additional information about MetCom and its staff can be obtained at www.metcom.org.



Pictured above (*front row*) M. Christy Hollander, P.E., Anne Mary B. Cullins and Patricia Stiegman; (*back row*) George A. Erichsen, P.E., Robert J. Fehn Sr. and Edward Hogan

FACILITIES OVERVIEW

WASTEWATER FACILITIES

Marlay-Taylor Water Reclamation Facility

The Marlay-Taylor Water Reclamation Facility (MTWRF) is the largest treatment facility operated by the Metropolitan Commission and serves the Lexington Park, Hollywood and Piney Point areas of St. Mary's County. The facility is currently designed to treat 6.0 million gallons of wastewater per day. The average daily flow to the Marlay-Taylor facility for Fiscal Year 2020 was 4.1 million gallons, with a total of 1.5 billion gallons being treated during the year. At present, a little less than one-third of the facility's design capacity remains available to meet the needs of growth in the community, keeping in mind that some capacity has been allocated for approved projects, which have not yet been constructed.

A \$39 million, 3-year Enhanced Nutrient Removal (ENR) upgrade to the facility was completed in Fiscal Year 2017. As mandated by the USEPA's Chesapeake Bay Agreement, this upgrade significantly reduces the amount of nitrogen and phosphorus discharged from the facility into the Chesapeake Bay. We are also proud to announce that because of the performance of the facility, our Operations and Maintenance Division is eligible for \$180,000 in grant funding from the State Bay Restoration Fund each year when available from The Maryland Department of Environment.



In addition to the Marlay-Taylor facility, MetCom owns and/or operates an additional six (6) wastewater treatment facilities as follows:

- Airedale Road
- Charlotte Hall
- St. Clements Shores
- Chopticon High School¹
- Forrest Farm
- Wicomico Shores

The photograph (above) captures repair work on the sludge heating system at the Marlay-Taylor facility in November 2019.

¹ The Chopticon High School Treatment Facility is a private wastewater treatment facility that MetCom operates under an agreement with the St. Mary's County Board of Education (BoE). The BoE is responsible for meeting all Maryland Department of the Environment permit requirements and the owner reimburses MetCom for all costs incurred as a part of providing the technical assistance and expertise.

WASTEWATER TREATMENT

Over a billion gallons were conveyed to our treatment facilities last year. With our various treatment processes, we have been able to remove over 479,064 pounds of harmful nitrogen and 58,804 pounds of phosphorus that could cause harmful algal blooms in our surrounding waterways. We remain committed to the responsible stewardship of our environment and to ongoing improvements that will enable future generations to enjoy everything that we cherish for this area.

During Fiscal Year 2020, a total of approximately 1.6 billion gallons of wastewater was conveyed to these wastewater treatment facilities, which treated a combined average of over 4,300,000 gallons of wastewater per day.

At the Marlay-Taylor facility, the Metropolitan Commission operates a dedicated full service, state-of-the-art wastewater analytical lab. This lab serves the seven (7) wastewater treatment facilities that require daily sampling to ensure compliance with state and federal permitting compliance. Over the course of the fiscal year, the lab analyzes over 28,000 tests for both process control guidance and permit compliance.

WATER DISTRIBUTION FACILITIES

MetCom operates 28 water supply and distribution systems throughout the County. The largest of the 28 water systems is the Lexington Park water system, which serves approximately 45,000 citizens of St. Mary's County, and consists of 18 wells and approximately 4.5 million gallons of water storage capacity in above ground storage tanks. The average daily demand for the Lexington Park water system in Fiscal Year 2020 was approximately 2.6 million gallons of water per day, with the ability to supply over 5.0 million gallons of water per day. The remaining 27 water systems consist of 67 wells located throughout the County which provided approximately 1.9 million gallons of storage capacity and delivered an average of 1.1 million gallons of water per day to over 6,200 homes (an estimated 17,000 customers), for a total of approximately 1.3 billion gallons of water supplied during the fiscal year.

The Federal Safe Drinking Water Act (SDWA) requires community water systems to deliver a Consumer Confidence Report (CCR), also known as an annual drinking water quality report. This report is required to be published and available to customers. The SDWA requirements specify what information is required in these reports, as well as how the reports are made available to customers. Prior to 2016, a majority of these reports were mailed to customers and made available at the local libraries and the Commission offices. Presently, the Commission's CCR's (Water Quality Reports) are published on our website at www.metcom.org.

Each Water Quality Report contains useful information such as conservation tips, potential contaminants, as well as information regarding the source of the water, water quality results and important contact information. As usual, there are no exceedances of the Maximum Contaminant Level (MCL) on the substances tested.

The Division owns and operates a water laboratory that enables personnel to test for bacteria, such as *E. coli*, in drinking water samples. The lab facility was recently re-approved by the Maryland Department of the Environment's Water Supply Program as a Certified Water Quality Laboratory.

EVER WONDER WHAT IS IN YOUR WATER?

EPA requires MetCom to deliver a Consumer Confidence Report (CCR), also known as an annual drinking water quality report, to their customers. These reports provide our customers information about their drinking water quality. You can find your neighborhoods' water quality report at www.metcom.org/operations

OPERATIONS AND MAINTENANCE

The operations and maintenance staff are available 24 hours a day, 7 days a week, to respond to and repair water / sewer service issues. In Fiscal Year 2020, we responded to 1,700 water-related service calls and 2,900 sewer-related service calls². In addition to emergency response, dedicated staff also perform maintenance activities and / or upgrades to 287 miles of sewer, 257 miles of water lines/mains, 65 wastewater pump stations and 54 water pump stations.



Maintenance work is hard, but it can be fun too. Work on our water towers and communication equipment is ongoing and constant.



Clearing and cleaning sanitary sewer lines is ongoing, even in the midst of a pandemic.

Although MetCom's water and sewer infrastructure is aging (see graphs on Page 8), due to sound facility planning and capital programming, almost 92% of sewer and 90% of water infrastructure is less than 50 years. The Commission utilizes asset management programs to clean, map and evaluate the condition of its assets, in conjunction with Geographic Information System (GIS) capabilities that is shared with St. Mary's County Government.

Over the last fiscal year, the maintenance department has completed a wide variety of maintenance tasks. This includes preventative, predictive and corrective maintenance on all of our facilities.

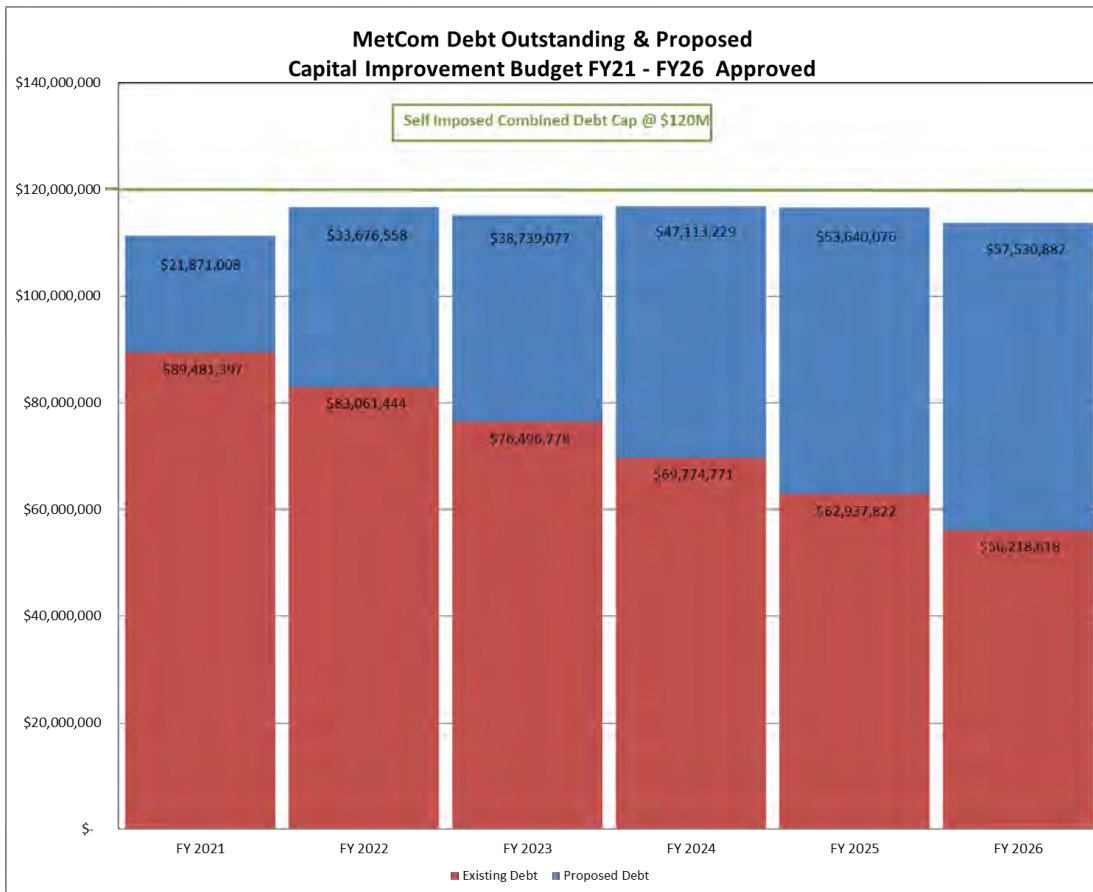
Some examples of our normal preventative maintenance includes work on sewer collection systems, such as jet rodding, cleaning of wastewater wet wells and a variety of mechanical work at our pumping stations. All of this work is done to maintain system functionality and continued operations with limited failures.

² Fiscal Year 2020 Water and Sewer Service Requests and Work Orders

FINANCIAL OVERVIEW AND USER CHARGES

FINANCIAL OVERVIEW

MetCom is retiring its debt at between \$6.5M to \$6.9M per year. During the FY 2018 budget cycle and continuing forward, the Commission made a conscious decision to take advantage of the retiring of existing debt and the rate at which new debt was incurred by establishing an informal combined debt ceiling of \$120M. MetCom was able to reduce its projected outstanding debt as a percentage of assessable base over the next six years to below 1% for the period of Fiscal Years 2019 - 2026, well below the legal limit of 25%. In addition, legislation was passed under House Bill 1055 / Senate Bill 737, which included the Metropolitan Commission's debt with the debt of the Commissioners of St. Mary's County and capped the combined debt at 2.15%.



FY 2019 AUDIT

Executive Summary

Each year, the Metropolitan Commission is audited by an independent auditor. In FY 2019, it was the opinion of SB & Company, LLC, that the MetCom financial statements were

presented fairly in accordance with accounting principles generally accepted in the U.S. of America. The financial highlights from the Report are shown below:

- ✓ MetCom’s total net position increased by \$8.1 million and \$4.7 million, or 7.3% and 4.4%, as a result of operations in FY 2019 and 2018, respectively.
- ✓ During the current year, MetCom’s revenue from operations was \$14.7 million, representing an increase of 4.8% over the prior year. The current year increase is mostly due to an increase in rates.
- ✓ MetCom’s operating expenses excluding depreciation were \$13.3 million during FY 2019 and \$13.1 million in FY 2018.
- ✓ Depreciation Expense totaled \$6.5 million, an increase of \$184,000 from FY 2018.
- ✓ MetCom’s non-operating revenue was \$10.6 million during the current year and \$8.5 million in FY 2018, representing an increase of 25% in the current year and an increase of 5.9% in the prior year. The increase in the current year was mainly attributable to the increase in debt service charges, and a decrease in interest expense.
- ✓ In FY 2008, MetCom established a trust fund for the management of assets and accounting for financial transactions associated with the provision of retiree health insurance coverage. In FY 2015, MetCom joined in the Maryland Association of Counties (MACO) Pooled Other Post Employment Benefit Plan (OPEB) Trust. The balance in trust was \$6.3 million as of 6/30/19 and \$5.4 million as of 6/30/18. In FY 2019, MetCom contributed \$545 thousand, to fully fund the annual required contribution.

To review audited Financial Statements from FY 2012-FY 2020 please visit the Financial Report section of our website at <http://metcom.org/node/77>.

FY 2020 BUDGET

<u>Income</u>	<u>FY20 Original Budget</u>	<u>FY20 Actual Expenses</u>
Sewer Income	\$9,771,496	\$9,880,044
Water Income	5,405,388	5,380,159
Engineering Income	245,100	187,100
Other Income	430,000	695,919
Sewer System Improvement Charges	5,043,206	5,144,260
Water System Improvement Charges	3,532,433	3,556,019
Sewer Capital Contribution Charges	773,317	1,595,881
Water Capital Contribution Charges	736,429	1,855,511
Total Budget Income	\$25,937,369	\$28,294,893

Expenses

Sewer Expenses	\$9,764,297	\$9,614,566
Water Expenses	4,977,074	4,497,270
Engineering Expense	245,100	187,100
Debt Service Sewer	5,816,523	5,283,836
Debt Service Water	4,268,862	3,798,261
Total Budget Expenses	<u>\$25,071,856</u>	<u>\$23,381,033</u>
Income Allocated To Reserves	\$ 865,513	\$ 4,913,860

USER CHARGES

The St. Mary's County Metropolitan Commission does not receive funding from St. Mary's County Government, or any other tax revenue. MetCom's operating and capital budgets are funded from the revenues collected from user service charges and debt service charges. The three primary charges authorized by Chapter 113 of the St. Mary's County Code are; Service Charges; System Improvement Charges; and Capital Contribution Charges, as described below.

Service Charges cover the daily operation and maintenance costs of MetCom facilities. These charges are billed monthly, on a per meter or EDU basis, to all MetCom customers who are either connected to, or required to be connected to, a MetCom water and/or sewer system. On July 1 2015, MetCom implemented a new rate structure and customers began being billed on their actual consumption for both water and sewer. The water usage fees are calculated based on meter size and actual usage, in accordance with a tiered structure. On July 1, 2016, two additional changes were made, which included the billing for sewer usage at a maximum cap of 10,000 gallons per month for residential customers with a 5/8" meter. The new rate structure was implemented to help encourage water conservation, which was one of the desired goals, but has also resulted in less revenues than anticipated during the subsequent fiscal year(s).

The approved Water Service Rates for Fiscal Year 2020 were:

Water Service Rates

FY20 Water Rates

Non-Metered per EDU/Month	\$ 17.91	
Metered Rate 5/8" *	\$ 9.44	**
Metered Rate 1"	\$ 23.59	**
Metered Rate 1-1/2"	\$ 47.17	**
Metered Rate 2"	\$ 75.47	**
Metered Rate 3"	\$ 150.95	**
Metered Rate 4"	\$ 235.85	**
Metered Rate 6"	\$ 471.92	**
Metered Rate 8"	\$ 754.73	**
Metered Rate 10"	\$1,084.94	**

Water Usage Rate per 1,000 Gallons	Tiered
Water Usage Rate - Tier 1	\$ 1.70
Water Usage Rate - Tier 2	\$ 3.39
Water Usage Rate - Tier 3	\$ 6.79
Irrigation Usage Rate per 1,000 Gallons	Tiered
Water Usage Rate - Tier 1	\$ 3.39
Water Usage Rate - Tier 2	\$ 6.79
Hydrant Meter Rate per 1,000 Gallons	\$ 3.39

* Standard Residential Meter is 5/8"

** Tiered rate will depend upon meter size and usage

*** Residential 5/8" Sewer Service Capped at a Max of 10,000 Gallons per Month

The approved Sewer Service Rates for Fiscal Year 2020 were:

<u>Sewer Service Rates</u>	<u>FY20 Sewer Rates</u>
Non-Metered per EDU/Month	\$ 41.92
Metered Rate 5/8" *	\$ 17.78
Metered Rate 1"	\$ 44.43
Metered Rate 1-1/2"	\$ 88.86
Metered Rate 2"	\$ 142.18
Metered Rate 3"	\$ 284.34
Metered Rate 4"	\$ 444.29
Metered Rate 6"	\$ 888.60
Metered Rate 8"	\$1,421.72
Metered Rate 10"	\$2,043.72
Usage Rate per 1,000 Gallons	\$ 4.83 ***

* Standard Residential Meter is 5/8"

*** Residential 5/8" Sewer Service Capped at a Max of 10,000 Gallons per Month

System Improvement Charges cover the debt service costs associated with upgrading and replacing existing water and sewer systems and the costs associated with upgrading wastewater treatment plants to serve current customers. Each class of customers pays the same System Improvement Charge per Equivalent Dwelling Unit (EDU). All properties that abut a public water line and/or sewer line, and that have been allocated capacity on any such line, are required to pay this charge, even if a property is not yet connected to a public water or sewer system. This charge can be revised annually and replaces the former Benefit Assessment charges. Reserves have been designated to partially subsidize our rates in order to help maintain reasonable levels for our customers.

The approved System Improvement Charges for FY 2020 were:

STABILIZING RATES

<u>Water:</u>	<u>FY 2020</u>
Residential / EDU / month	\$ 11.71
Commercial / EDU / month	\$ 14.05
<u>Sewer:</u>	
Residential / EDU / month	\$ 15.09
Commercial / EDU / month	\$ 18.11

Due to sound capital project management and fiscal practices, charges were able to be maintained at the prior approved FY 2019 levels. Reserves were utilized to help sustain these charges at their current levels.

Capital Contribution Charges fund the debt service costs associated with the expansion of existing facilities to serve new customers and the addition of new facilities to accommodate growth. This one-time charge is required to be paid at the time a property owner makes application or otherwise is required to connect to a public water or sewer system. Capital Contribution Charges are calculated on a per EDU basis.

The approved Capital Contribution Charges for FY 2020 were:

NEW DEVELOPMENT

<u>Water:</u>	<u>FY 2020</u>
Residential / EDU / Connection	\$ 10,955.87
Commercial / EDU / Connection	\$ 13,147.04
<u>Sewer:</u>	
Residential / EDU / Connection	\$ 6,941.21
Commercial / EDU / Connection	\$ 8,329.44

Charges were able to be maintained at the prior approved FY 2019 levels, which provides affordability and predictability. Customers may now defer 50% of this charge for new sewer connections.

In addition to the above-referenced charges, **Bay Restoration Fees** are also collected at a rate of \$5.00 per month per EDU, as mandated by the State of Maryland. MetCom remits these payments directly to the State.

ENGINEERING OVERVIEW

The Commission’s Engineering Department manages an array of tasks that include construction inspection, capital improvement budget development, permit issuance, construction plan review, plat and easement review, capital project design and construction, and maintenance of MetCom’s GIS databases with the input of new and existing infrastructure. Many of the GIS layers are also available through the County’s GIS mapping tool that is available to the public this data is updated bi-yearly.

The Department evaluates new and redevelopment projects submitted for connection to the water and sewer systems as part of the County’s development review process. In order to protect the integrity of the water and sewer systems, projects must comply with all applicable rules, regulations and standards. This year, approximately 335 development plans and plats were reviewed, ranging from large-scale capital projects to small, single family homes. Commission staff also performed several designs in-house and inspected the water and sewer services for several commercial and industrial sites, which are described in the Fiscal Year 2020 Accomplishments section of this Report. Additionally, developer projects are routinely monitored and inspected by staff. Approximately \$2.96M in surety bonds remained in place during FY 2020 to ensure contract completion in the event of contractor default.

Additionally the Engineering Department manages MetCom Capital projects. This includes budgeting, planning, scheduling, cost estimating, design, permitting, land acquisition, construction, inspection services, and technical assistance on administering grants and loans. The approved FY 2020 capital improvement budget included funding for seven (7) water and eight (8) sewer projects budgeted at \$6,761,930 and \$5,346,195, respectively along with several prior approved projects.

HUMAN RESOURCES OVERVIEW

Human Resources is responsible for Employment, Recruiting, Compensation Administration, Benefits, Wellness, Training and Development, Safety and Risk Management, Employee Relations and Regulatory Compliance of all Metropolitan Commission Staff. During FY 2020, the Human Resources Department:

- Received and processed 335 applications;
- Posted 102 employment notices;
- Filled 23 vacant positions; and

STAFFING

As of June 30, 2020, MetCom employed 100 employees, as follows:

	<u>Male</u>	<u>Female</u>
Full Time	71	26
Part Time	0	0
Intern	1	1
<u>Contract</u>	<u>0</u>	<u>1</u>
TOTAL	72	28

INTERNAL PROMOTIONS

MetCom has a long history of attracting and retaining a talented and diverse workforce. We are proud of our team and their dedication to both the Commission and our customers. Last year, we were able to promote ten (10) employees from within the organization.

As of June 30, 2020, MetCom’s employees, classified by years of service, was as follows:

<u>Service Years</u>	<u># Employees</u>
30 + years	5
25-29 years	4
20-24 years	8
15-19 years	9
10-14 years	12
5-9 years	13
<5 years	47



Service award recipients are recognized by the Commissioners and their co-workers at our Board meetings.

BENEFITS MANAGEMENT

The Human Resources staff attended several seminars, classes and training events throughout the year to keep abreast of the ever-changing compliance issues with regard to employee benefits and to stay current with benefit strategies.

The following tabulation highlights several benefits-related activities that Human Resources has facilitated this year:

Activity	Statistics
<ul style="list-style-type: none"> • Nationwide Retirement Solutions Retirement Counseling Sessions • 1 Retirements • 4 Worker’s Compensation Claims • 3 Family Medical Leave Applications • Open Enrollment Information Session • Flu Shots • Biometric Screenings 	<ul style="list-style-type: none"> • 82% of employees participate in MetCom’s medical insurance • 86% of employees participate in MetCom’s dental insurance • 60% of employees participate in the 457B Retirement Plan • 56% of employees are enrolled in the Short Term Disability • 40% of employees have additional life insurance • 17% of employees have ancillary insurance (AFLAC) • 4 employee participates the Tuition Reimbursement Program • 42% of employees participate in the Flexible Spending Account (FSA) • 100% employees participate in the State Retirement System (mandatory)

TRAINING & DEVELOPMENT

MetCom works diligently to meet all legal requirements for training as well as provide training that will enhance levels of service to our customers, limit our liability, and improve their respective skill sets. Human Resources (HR) helps facilitate and track all required classes for water / wastewater operator and Superintendent Licenses. HR further tracks all Commercial Driver's Licenses (CDL's) and physicals associated with such licenses. We currently have 21 employees who hold a CDL license.



We currently have 41 licensed employees, with 69 individual licenses and certifications, including competent climber / rescue.

As of June 30, 2020, MetCom had three (3) Professional Engineers on staff, one (1) Professional Human Resources and Society for Human Resource Management (SHRM) – Certified Professional, and a Certified Professional Public Buyer. In Fiscal Year 2020, employees participated in a total of 160 safety classes and received 2,087 hours of training.

INTERNSHIP PROGRAM

The Metropolitan Commission (MetCom) maintains a paid internship program to assist college students. These programs help students gain industry knowledge they may not learn elsewhere; provides students with real, meaningful work that can be captured on their resumes; brings fresh, new ideas and perspectives; helps the staffing needs of the organization; and could lead to their hiring as a full-time employee with the organization.



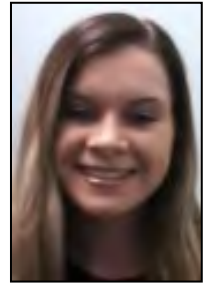
Quotes from our recent interns:

- ❖ *“Working as an intern in fiscal year 2020 was a positive experience, as MetCom was very accommodating with my schedule, allowing me to work while also attending college. Having the responsibility of working while also maintaining my coursework allowed me to improve upon my time management skills and further learn the importance of organization and planning. I was an intern at the onset of COVID and when it began to affect our area and thankfully, MetCom was supportive and I was able to come in when needed and was kept updated by department*



personnel. At the end of the fiscal year, I was given the opportunity to become a full-time employee and accepted the position.”

- ❖ “My internship led to many opportunities at MetCom. When I transferred to a full-time position, it was easy for me to adapt to my new schedule, the increased workload, and longer workdays. As an intern, I received training in basic customer service skills required for the position, which included answering phones and taking payments. I now have an increased workload and it came very easy to me, as I was introduced to the work in incremental steps. I am very glad that I accepted the internship at MetCom and later made the decision to become a full-time MetCom employee.



To learn more about the MetCom internship program, please visit our website at www.metcom.org and select the Human Resources tab.

RISK MANAGEMENT

Risk Management is a collaborative effort between the HR Department and the Operations Department. HR and the Chief of Facilities and Operations work together to promote safety and protect the employees and property of MetCom. Several programs are in place to help us with that objective, including a workers’ compensation program; drug and alcohol testing program, fully insured liability program and a risk management program. In FY 2020, there were only four (4) work related injuries reported with workers’ compensation claims totaling only \$1,589.34 and ten (10) lost work days.



The HR Director and the Safety Officer also coordinate MetCom’s Drug and Alcohol Testing Program, which includes pre-employment, random, reasonable suspicion, post-accident, return-to-duty and follow-up testing. The

program involves coordination with Deer Oaks, MetCom’s Employee Assistance Program provider, for substance abuse counseling when needed.

FISCAL YEAR 2020 ACCOMPLISHMENTS

CAPITAL IMPROVEMENTS

- **Patuxent Park Revitalization Project**

continues with MetCom's coordinated efforts with the County's DPW&T to complete the rehabilitation and replacement of existing water and sewer infrastructure that includes water mains, service lines, and laterals. MetCom has completed Phases 1, 2, 3 and 4 with only a small section of sewer remaining along Franklin Drive to be complete with the County's Phase 5 (see *Phasing Plan at right*). This project utilized a combination of relining and direct replacement to bring the water and sewer systems built in the 1940's to current MetCom standards and reduce infiltration. DPW&T improvements include storm drain upgrades and replacements along with roadway and sidewalk revitalization.

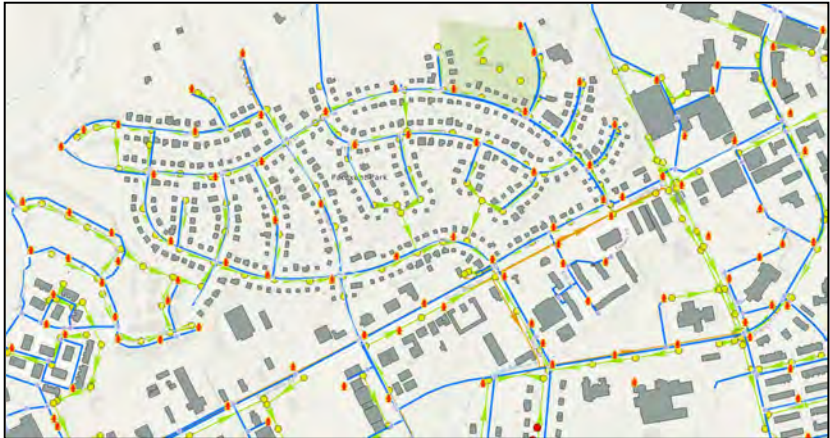


- **St. Clements Shores Wastewater Treatment Plant (WWTP).** With the completion of Phase A, a joint panning effort between MetCom, the Department of Land Use and Growth Management (LUGM), MDE, and the St. Mary's County Department of Environmental Health MetCom has begun to establish a new service area for a plant expansion as a part of the Phase B expansion. This phase includes the expansion of this plant to serve additional properties in the St. Clements Shores/Compton/Breton Bay area and an upgrade to Enhanced Nutrient Removal (ENR) treatment levels. A draft Service Area has been established and the required amendments to the County's Comprehensive plan and the Comprehensive Water and Sewerage Plan is underway. Once complete MetCom can move forward with the design and construction of the Phase B expansion.
- **Facilities Energy Audit.** The planned audit was awarded to help establish a priority list of efficiency retrofits that could be implemented to reduce both energy consumption and the associated expenses. Tasking includes completion of a progressive three level ASHRAE (American Society of Heating, Refrigeration, and Air-Conditioning Engineers) audit with a comprehensive review of utility records, facility performance, benchmarking, implementation costs, and energy conservation measures. This analysis was complete this fiscal year and notes that MetCom and staff are doing a good job at conserving energy and taking proactive measures to save on energy costs. From this analysis a few smaller project have been added to operating budget and information will be used on any new systems upgrades to make sure any new equipment will use less energy and save our customers operational money.

- **Hunting Quarter Well #1** and the **King Kennedy Well** replacements were both completed this year. Both wells were initially built in the 1970's. The Hunting Quarter well failed unexpectedly in July 2017 and a second well (*into the Aquia aquifer*) was needed as backup and for overall system reliability. The King Kennedy well was drilled into the Patapsco aquifer, which replaced Well #2, which was previously abandoned. Both wells are scheduled to be completed in the winter of 2019/2020.
- **Hickory Hills Elevated Water Storage Tank.** The new 2 million gallon facility was awarded and will become the largest elevated storage tank in MetCom's inventory. The budget for the new storage tank is \$6.297M and will replace the existing 500,000-gallon facility that was built in 1992. An additional \$0.997M was also allocated for a new 700 gpm well, which will replace the old well built in 1982. This project will help stabilize water system pressures throughout Lexington Park improve water storage deficiencies to meet the current water demands of the community. Visit <https://www.metcom.org/hickoryhillsprogress>.

GEOGRAPHIC INFORMATION SYSTEM (GIS)

The Engineering Department maintains MetCom's GIS database. This database includes the existing locations of the existing water and sewer facilities. In FY20, staff focused on correcting meter locations that were found to be incorrectly reading. This effort was able to correct approximately 2,000 meters throughout the system, which increased



accuracy of the system-wide metering along with billing accuracy. The GIS layers are also shared with the County and are available to the public.

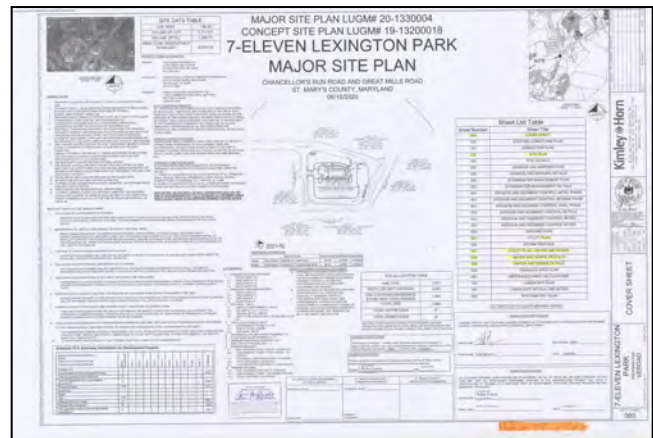
GIS is a powerful tool, which can be used to help develop service areas and target potential new customers that are in close proximity to existing water and sewer facilities. Additionally, the GIS is used as a tool to allow staff to easily view MetCom's existing facilities to help with shutdowns needed for repairs and maintenance.

DEVELOPMENT REVIEW

As discussed in the Engineering Overview, in addition to MetCom funded or Capital Improvement projects, MetCom's Engineering Department also reviews developer-funded projects as a part of the County's formal permitting process. These projects range from single and multi-family residential developments to commercial developments including retail, industrial, and restaurant uses. This allows for a safe and maintainable

countywide water & sewer system and is achieved through design review and construction inspection performed by MetCom staff. The number of new connections approved each year are critical to the overall funding of the Commission. Some notable projects include:

- The **Oak Crest Center** is a multi-phased commercial development located on the northbound side of Three Notch Road just across from the Wildewood Shopping Center on approximately 134 acres. The center is currently the home of the RC Theater and plans are underway for additional buildings on this site including flex space and office buildings. This project will be served by both public water and sewer facilities and includes a gravity sewer system and water / sewer connections to each building with hydrants throughout the development for fire flow protection and a sewer pumping station.
- The **Lexington Park 7-11** is a 4,050 square foot convenience store and fuel station located off Three Notch Road on the lot previously occupied by the Golden Corral. This new building will be connected to existing public water and sewer facilities in the area and will utilize the existing duplex grinder pump and water service line.
- The new **St. Mary's County Animal Shelter** began the development review process this year and will construct a 14,000 square foot shelter off FDR Blvd. that will serve the County. This project will connect into the existing public water line running along FDR Blvd.
- **The Callaway Dollar General** located on the southbound side of Point Lookout Road near the intersection of Piney Point Road consists of a 9,014 square foot retail store. This development includes a new water service line, a new duplex grinder pump, and a sewer force main connecting to the existing forcemain running along Point Lookout Road. Construction should begin next fiscal year.



OPERATIONS & MAINTENANCE

Adopt-a-Hydrant and Beat the Heat Programs



We are happy to announce two new programs this year; “Adopt-a-Hydrant” and “Beat the Heat”. Both programs allow for more community engagement and assistance from the very customers that we serve. The Metropolitan Commission and the local volunteer fire departments are asking the community to partner with us in our “Adopt-A-Hydrant” program. Adopting a fire hydrant close to your home or business will assist fire fighters by keeping hydrants cleared of snow in the winter and free of overgrown vegetation and debris in the summer.

In the event of a fire, the volunteer fire departments quick access to water allows them to quickly fight and extinguish a fire. Hydrant accessibility can also help to prevent loss of property and/or life. You can help in this quest by adopting a hydrant and making sure that it is readily accessible throughout the year. Find out more about the “Adopt-a-Hydrant” program at www.metcom.org/operations.

As a part of a community outreach and education initiative, we also partnered with Community Oriented Policing (COPs) Unit program of the St. Mary’s County Sherriff’s Department to establish an ongoing partnership through a public summer water (“Beat the Heat”) spray program from fire hydrants. Enjoying a fire hydrant sprinkler during the hottest days of the summer is an old tradition. Now, these sprinklers can be safer and more sustainable with a hydrant cover called a spray cap. In June of 2019, a pilot event was held in Colony Square, located in Lexington Park. We are very proud of the success and happiness that we bring to these neighborhoods in the middle of our hot summers. A comment received on the program: *“As a longtime resident of St. Mary’s, I want to thank you for partnering with the Sheriff’s Office in bringing some clean summertime fun to the children in Lexington Park. Their smiles and laughter made a difference. Hopefully, being able to regularly see the officers in their neighborhoods in a friendly capacity will make a difference in how they view law enforcement.”*



A Beat the Heat Event, which shows that cool, clean water can make any hot summer day enjoyable.

Consumer Confidence Reports

Water Quality Reporting. The Federal Safe Drinking Water Act (SDWA) requires community water systems to deliver a Consumer Confidence Report (CCR), also known as an annual drinking water quality report. We are required to publish the report and make it available to our customers. The SDWA requirements specify what information is required in these reports, as well as how the reports are made available to customers. Prior to 2016, a majority of the reports were mailed to customers and were made available at the local libraries, as well as the Commission offices. At present, the Commission’s Water Quality Reports (CCRs) are published on MetCom’s website at <https://www.metcom.org/operations>.

The SDWA requires that Water Quality Reports for each water system be made available by July 1st for the preceding calendar year. The 2019 Water Quality Reports for each of MetCom’s 28 water systems have been published on MetCom’s website under the



Staff continually works on facilities to keep everything operational. Here a mechanic rewires a faulty control panel.

Operations draw down menu. The information is also available on the Environmental Protection Agency's website through a searchable database. The prior 2018 Reports will remain on the website for reference / archival purposes. Our goal is to maintain three (3) years of published data.

Each Water Quality Report contains useful information, such as conservation tips, potential contaminants, as well as information regarding the source of the water, water quality results and important contact information. We are pleased to report that our compliance with all State and Federal drinking water laws remains exemplary and there are no exceedances of the Maximum Contaminant Level (MCL) on the substances tested. As in the past, we are committed to delivering the best quality water. To that end, we remain vigilant in meeting the challenges of source water protection, water conservation, and community education while continuing to serve the needs of all of our water users.

Cross Connection and Backflow Prevention Program

Following many backflow incidents that resulted in serious illnesses and deaths, the Environmental Protection Agency (EPA) and the Maryland Department of the Environment (MDE) instituted regulations (via the Safe Drinking Water Act) that require water systems to develop and implement cross connection control programs. These programs are designed to eliminate and reduce the threat of a backflow of contaminants into public water systems.

In July 2009, following state and federal mandates, MetCom adopted a cross connection program; requirements of the program follow guidelines primarily from the American Water Works Association (AWWA) and the American Society of Sanitary Engineers (ASSE). The Cross Connection Control program addresses and controls the prevention of backflow from various water service connections. In order to effectively manage this program, staff developed a scope of work and contract documents for contracting firms to perform site surveys and program reporting.



Newly installed hydro pneumatic water tank at the Wild Goose Crest water station.

As of June 30, 2020, there are 763 commercial water accounts that are tracked by the Commission within the county's public water systems. Of these, 128 are identified as high-hazard accounts and 635 are identified as low-hazard accounts. MetCom has received and processed 1,796 backflow test reports since June 2011.

- Accounts. There are 763 account/sites that are tracked by HydroCorp.
- Inspections: 1,394 on-site inspections were completed between June 27, 2011 and June 30, 2020. On-site visits include initial inspections, re-inspections and compliance reviews.
- Re-Inspection Frequency. All inspected facilities have been placed on a re-inspection frequency based on the degree of hazard associated with the facility. Water customers deemed high hazard are re-inspected every 12 months. All low

hazard water customers are re-inspected once every 2-10 years. Re-inspection frequencies are based upon guidance and recommended practices set forth by EPA and MDE.

- Backflow Prevention Assemblies. There are currently 534 testable backflow prevention assemblies that require testing, per the Cross Connection Control program. MetCom sends testing notifications to customers and manages all associated data as required to maintain program compliance.
- Notices. There have been 4176 program notifications sent out since June 27, 2011. In addition to these notices, some notices were sent out more than once at the request of the customer, surveyor or a MetCom representative.
- Customer Service. All phone calls pertaining to the Cross Connection Control program are received and handled by the Commission's contractor, HydroCorp. The contractors' administrative team are equipped and trained to answer questions regarding backflow prevention, cross connection control and backflow assembly testing.

Lead and Copper Sampling

EPA required lead and copper drinking water samples were completed this year, staff is now working on notifying customers of the results. Lead and copper enter drinking water primarily through plumbing materials. Exposure to lead and copper may cause health problems ranging from stomach distress to brain damage. In 1991, EPA published a regulation to control lead and copper in drinking water. This regulation is known as the Lead and Copper Rule, also referred to as the LCR.

The treatment technique for the rule requires systems to monitor drinking water at customer taps. If lead concentrations exceed an action level of 15 ppb or copper concentrations exceed an action level of 1.3 ppm in more than 10% of customer taps sampled, we must undertake a number of additional actions to control corrosion.

If the action level for lead is exceeded, the Metropolitan Commission must also inform the public about steps they should take to protect their health and may have to replace lead service lines under their control.

New Facilities, Old Station Rehabilitation Projects and Infrastructure Upgrades

The Commission prides itself on the condition of our facilities. Water storage towers, wastewater pump stations or treatment facilities, they all reflect our commitment to the delivering the best and most affordable service to our customers.

As systems, buildings and infrastructure age, they will inevitably need to be replaced, repaired or rehabilitated. The Commission has a number of these projects occurring at any given point in time, but these are some of the highlights over the last year.

Wildewood #2 wastewater pump station needed upgrades including re-paving the driveway, a new concrete wet well lid, new wastewater pumps and new piping. The control building housing the electrical equipment was also replaced.



Removing the old control building at the Wildewood #1 wastewater pump station.

Wildewood #1 wastewater pump station also was rehabbed this year. This work included having its driveway paved, other work included regrading around the station and the old existing building has been removed and replaced with a new one.

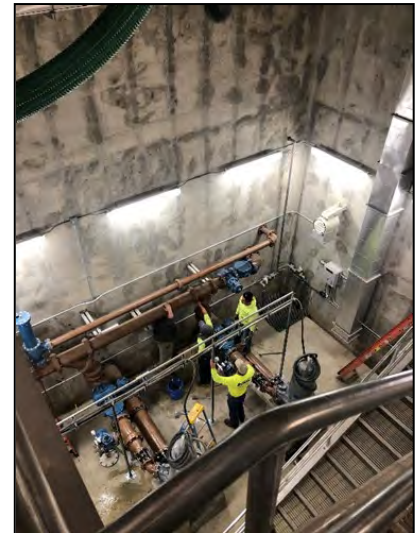
The new Great Mills wastewater pump station is now on-line. The existing station was originally commissioned in the early 1980's and was over-capacity, in need of major upgrades, subjected to flooding from the adjacent St. Mary's River, and was in conflict with the planned State Highway Administration widening project near the intersection of MD 246 and MD 5. The proposed new state of the art station is more than double the capacity and is capable of pumping an estimated 1,000 gallons per minute.

The majority of the facility is underground (*i.e. wet well pump room and the dry well pump room*) with only the control room, electrical room, emergency generator and pumps visible on the surface.

In mid-November of last year, the sludge digester heating lines at the Marlay-Taylor Water Reclamation Facility had begun to leak. This line feeds and returns hot water to the anaerobic digester, which must be kept at a certain temperature range in order for the properly digest the sludge. An attempt at a repair found that the line is severely corroded and needed replacement.

The Marlay-Taylor Water Reclamation Facility currently utilizes a mesophilic digestion process to break down sludge and meet federal regulation regarding sludge. These regulations, 40 CFR Part 503 require that sludge is digested for a minimum detention time of 15 days at 35°C (95°F) to 55°C (131°F) to meet its standards for "Processes to Significantly Reduce Pathogens". The digester is heated using a hot water service and return line that was installed around 1983. The line was supposed to be replaced last fiscal year, but the estimate was more than what was budgeted. The replacement was pushed back to FY21 and the allocated funds increased to cover the repair.

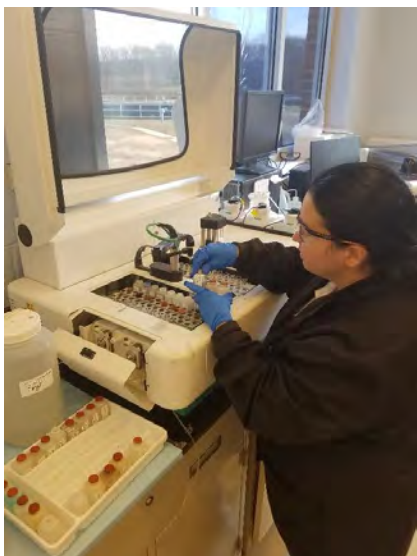
The line was recently found to be leaking and when uncovered, the line was corroded to an extent that a repair could not be implemented. Therefore, in order to maintain the temperature in the digester and meet federal regulations, an emergency repair and replacement of hot water heating lines was required. Recently, digester heating lines were replaced and the digester is slowly coming back up to the optimal operating temperature for proper digestion and disposal of treated sludge.



The interior of the new Great Mills wastewater pump station.

LABORATORY: WATER QUALITY TESTING & ANALYSIS

- **State Certified Water Quality Laboratory.** On November 17, 2020, the Commission received a renewal for the formal State Certified Water Quality Laboratory designation from MDE's Water Supply Program. This designation allows Commission personnel to perform total coliform and *E.Coli* bacteriological tests at our laboratory facility located at the Larry K. Petty Building. As a result, staff will have the capability to analyze nearly 90 total coliform and E.coli test samples in house, which will save the Commission approximately \$700 - \$800 each month.
- **Drinking Water Sampling.** In fiscal year 2020, approximately 2,800 drinking water samples were collected by MetCom staff to determine compliance with the federal Safe Drinking Water Act. Some of these samples were tested in-house, others were tested by a third party laboratory for parameters such as bacteria (*coliform*), lead / copper (*triennially*), arsenic, fluoride, nitrates, metals and disinfection byproducts. pH levels are also monitored monthly (*624 samples*) and chlorine concentrations are analyzed twice per week (*5,408 samples*) by in-house operations staff at each of our 28 water systems for submission to the MDE. Turbidity is also analyzed only when the operators suspect the water to be cloudy or there are customer complaints regarding cloudy water.
- **Full Service Wastewater Laboratory.** At the Marlay-Taylor Water Reclamation Facility, the Commission owns and operates a state-of-the art full service wastewater laboratory. This lab meets and exceeds all Maryland Department of the Environment (MDE) and U.S. Environmental Protection Agency (USEPA) requirements for wastewater laboratory testing, including accuracy testing on Discharge Monitoring Report Quality Assurance (DMRQA) and Standard Methods in the Examination of Water and Wastewater.
- **Wastewater Sampling.** In addition to drinking water sampling, over 28,000 wastewater analyses were conducted in FY 2020 at each of our seven (7) wastewater treatment plants. These analyses were conducted to determine compliance with the federal Clean Water Act (see *photo at left*). Water quality tests are performed on water entering and leaving each treatment process at the plants and throughout the Commission's distribution system. These analyses consisted of parameters such as bacteria (*coliform*), bio-chemical oxygen demand, nitrogen, phosphorus, suspended solids, pH, dissolved oxygen, acids, alkalinity and chlorine concentrations. The state and federal testing and analyses requirements under the National Pollutant Discharge Elimination System (NPDES) permits helps ensure the quality of the effluent being released into receiving surface waters.



INFORMATION TECHNOLOGY (IT)

Over the past year, the IT Department has upgraded servers, computing equipment, systems and software in order to improve the work environment for MetCom personnel and enhance information interchange, access and customer experience. We have added more data storage, replaced older computing equipment and generally overhauled many systems that no longer meet our computing standards. Some examples of these efforts include:

- **MetBoard Portal.** In keeping with our mission to modernize many of the functions of MetCom, we created a new internet-accessible “portal” hosted locally on our web server. Using a more accessible design, the new streamlined website includes additional features such as in-page viewing, simplified navigation, and Google’s Search Console allows the Commissioners to access the meeting content in “real time” and a much more efficient and user-friendly manner during televised Board meetings.
- **Cell Tower Leasing.** In addition to using water towers for SCADA antennas, the Commission also leases tower tops to various cellular phone companies as Cell Sites. There are currently six (6) active leases in place with various cellular carriers, which provides revenues from rental fees. MetCom realized \$113,643 in FY 2019 and is anticipating over \$128,000 from cell carriers in FY 2020.
- **Cityworks Integration.** The Cityworks system software controls work orders, maps the water and wastewater systems, centralizes GIS mapping and tracts inventory along with other essential functions. The vendor, Azteca System, LLC, worked with us to script a database connection between our new ERP financial software and Cityworks. This allows meter work order information to transfer over to Cityworks where a history can be kept of work performed on the meters. We also maintain a complete inventory of meter locations produced from in field location with GPS equipment though this software.
- **Bluetooth Technology.** Purchased new “hands free” Bluetooth technology for operations work vehicles as a part of a safety initiative. Self-contained transceivers fit over visors and require no contact from the driver to receive and send calls.
- **Internet Access.** Utilizing our redundant fiber optic cable, we were able to seamlessly attach to the County’s NetMD Internet connection. This new connection is drastically faster and much more reliable than our cable modem, which will now be used as a backup only connection. The fiber connection is capable of over 500MBs, in and out, and allows customers, vendors and employees to significantly reduce the time lost in waiting for large amounts of data to be transferred. This connection was provided by the County through their “networkMaryland™” fiber feed that connects government agencies throughout the State to the existing high-speed Internet backbone, statewide.



- **SCADA System.** The systems have also been getting attention this past year after the previous year’s upgrade to high-speed data. Some of these changes and improvements are as follows:
 - ✓ Added repeaters on sites to enhance and extend range of signals without having to build new towers and sites.
 - ✓ Added logic to operate and monitor new high efficiency “Godwin” pumps at select facilities.
 - ✓ Added logic and custom screens to the system to give operators easier access and more control for “auto-controlled” stations in seven water systems.
 - ✓ Switched over to new “HT4” operating system for all workstations greatly enhancing the security of the SCADA systems (see screenshot at right).



FISCAL

Rate Stabilization for our Customers

As a part of the FY 2020 budget process, the Commission adopted a new rate model structure recommended by staff and presented by a rate study consultant, Stantec. Since 2015, water rates had been increasing by 3% per year and sewer rates at 3.75% per year. In FY 2020, The Commission agreed to implement a five-year plan that would reduce the rate of increase by 10-11% per year. As such, in FY 2020, the rate of increase was reduced to 2.7% and 3.4% for water and sewer, respectively. At the end of five years, the transition to a modest annual increase of 1.5% for water and 2% for sewer should be completed. In conjunction with this plan, the annual impact to the average residential customer bill is anticipated to remain below 3%.

Responsible Debt Management

One of the keys to sound financial management is the development and adoption of a debt policy. A debt policy establishes the parameters for issuing debt and managing the debt portfolio and provides guidance to decision makers. It provides guidance to MetCom regarding purposes for which debt may be issued, types and amounts of permissible debt and in management of debt. The Commission adopted a Policy, effective July 1, 2019, that provides performance measures that demonstrate our commitment to long-term financial planning and measures the financial health of the Commission. It will be used annually in conjunction with the Capital Improvement Budget/Plan (CIB/P). The Debt Policy includes four (4) specific performance measures that were established based on a prior Debt Policy Study prepared by Davenport & Company.

The following represents our performance in FY 2020:

- Annual combined Customer Bill vs. Median Household Income**

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This ratio indicates the annual burden for cost of service and bill affordability for ratepayers. This indicator was used in the development of the rates for FY 2020. The measurement is made on an average usage of 5,000 gallons of water per month and again on 7,500 gallons of water per month. The average bill is measuring less, at 1.24% for 5,000 gallons and just over the 1.5% at 1.51% for 7,500 gallons.

Residential Customer With Both Water & Sewer Service					
FY 2020 OPERATING BUDGET					
		FY19 Approved 5,000 Gallons/Month	FY19 Approved 7,500 Gallons/Month	FY20 Approved 5,000 Gallons/Month	FY20 Approved 7,500 Gallons/Month
Water					
Ready-To-Serve Charge		\$ 9.19	\$ 9.19	\$ 9.44	\$ 9.44
Water Usage		8.30	16.55	8.50	16.98
System Improvement Charge		11.71	11.71	11.71	11.71
Water - Proposed Monthly Service Charge		\$ 29.20	\$ 37.45	\$ 29.65	\$ 38.13
Sewer					
Ready-To-Serve Charge		\$ 17.19	\$ 17.19	\$ 17.77	\$ 17.77
Sewer Usage		23.35	35.03	24.15	36.23
System Improvement Charge		15.09	15.09	15.09	15.09
Sewer - Proposed Monthly Service Charge		\$ 55.63	\$ 67.31	\$ 57.01	\$ 69.09
Bay Restoration Fee		\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Total Proposed Monthly Service Charge		\$ 89.83	\$ 109.76	\$ 91.66	\$ 112.21
<i>Bill at Prior Approved Fiscal Year Rates</i>		<i>\$ 84.59</i>	<i>\$ 103.22</i>	<i>\$ 89.83</i>	<i>\$ 109.76</i>
St. Mary's County Median Household Income					
2011-2015 US Census Bureau		\$ 86,987	\$ 86,987		
2012-2016 US Census Bureau				\$ 86,508	\$ 86,508
MetCom Annual Bill % of Annual MHI		1.24%	1.51%	1.27%	1.56%
Target Annual Bill % of Annual MHI		1.50%	1.50%	1.50%	1.50%
Lexington Park Median Household Income					
2011-2015 US Census Bureau		\$ 65,613	\$ 65,613		
2012-2016 US Census Bureau				\$ 69,845	\$ 69,845
MetCom Annual Bill % of Annual MHI in Lexington Park		1.64%	2.01%	1.57%	1.93%
Target Annual Bill % of Annual MHI		1.50%	1.50%	1.50%	1.50%
Annual Combined Bill % of MHI: National Median, All Credits (1)*		1.60% (1)*	1.60%	1.90% (2)*	1.90%
National 'A' Median		2.60%		2.90%	
National 'AA' Median		1.60%		2.00%	
National 'AAA' Median		1.30%		1.40%	
	(1) Source: 2015 Debt Study, page 35, Davenport & Company				
	(2) Source: Fitch 2019 Median Report, Davenport & Company				

- Debt Service Coverage**

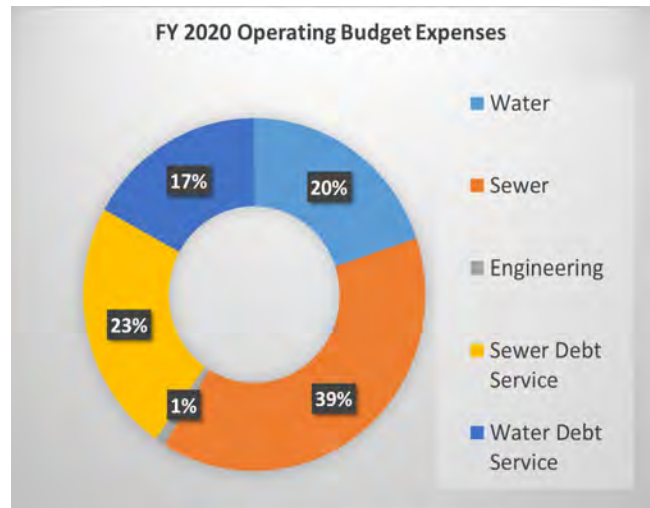
This ratio measures MetCom’s ability to meet its annual debt service requirements after all operational expenses. MetCom is within the target range of between 1.26 – 1.60. This means MetCom can fund its debt service requirement 1.45 times after all operational expenses.



St. Mary's County Metropolitan Commission Debt Service Coverage Ratio					
	FY17	FY18	FY19	FY20	FY21
	Actual	Actual	Actual	Actual	Estimated
Operating Revenues*					
Service Charges	\$ 13,395,427	\$13,762,799	\$ 14,436,077	\$ 15,138,629	\$ 14,954,160
Debt Service Charges	10,129,405	10,396,956	11,691,390	11,997,669	13,510,672
Miscellaneous	362,484	255,092	260,449	308,674	467,824
Total Operating Revenues	\$ 23,887,316	\$24,414,847	\$ 26,387,916	\$ 27,444,972	\$ 28,932,656
Operating Expenses**					
Direct Operating Expenses	\$ 7,663,348	\$ 8,042,250	\$ 8,343,753	8,805,522	9,089,397
Administrative Expenses	5,542,092	5,027,202	4,994,516	5,306,314	5,682,277
Total Operating Expenses	\$ 13,205,440	\$13,069,452	\$ 13,338,269	\$ 14,111,836	\$ 14,771,674
Net Revenues	\$ 10,681,876	\$11,345,395	\$ 13,049,647	\$ 13,333,136	\$ 14,160,982
Debt Service					
Principal	\$ 6,231,799	\$ 6,028,408	\$ 6,545,072	\$ 6,244,298	\$ 6,420,332
Interest	2,366,572	2,814,809	2,989,985	2,943,733	3,014,686
Total Debt Service	\$ 8,598,371	\$ 8,843,217	\$ 9,535,057	\$ 9,188,031	\$ 9,435,018
Debt Service Coverage Ratio	1.24	1.28	1.37	1.45	1.50
Target Debt Service Coverage Ratio *		1.25-1.50	1.25-1.50	1.25-1.50	1.25-1.50

NOTE: The debt incurred by the Commission to fund its water and sewer infrastructure improvement projects is derived primarily from financial assistance in the form of low interest loans secured from two sources: the Department of Housing and Community Development (DHCD) and the Maryland Water Quality Financing Administration (WQFA).

Part of our sound fiscal policies and practices is to maintain a cap on outstanding debt and to make every effort to pay off debt faster than accruing new debt.



MetCom's Sufficient Operational Reserves

This ratio is a measurement of liquidity that gauges flexibility to pay near term obligations. Operational reserves should be maintained between 90 and 180 days. FY 2020 measured at 247 days. Exceeding the target, allows for operational leeway in future budgeting.

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St. Mary's County Metropolitan Commission Sufficient Operational Reserves					
Days Cash on Hand = Undesignated Cash Reserves / Total O&M Costs	FY17	FY18	FY19	FY20	FY21
	Actual	Actual	Actual	Actual	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	1,904,898	2,275,575	2,160,652	5,157,385	2,825,583
Total General Fund Reserves	\$ 5,404,898	\$ 5,775,575	\$ 5,660,652	\$ 8,657,385	\$ 6,325,583
Other Unrestricted Reserves	3,263,183	3,307,387	3,133,235	2,998,409	2,756,708
Total Unrestricted Reserves	\$ 8,668,081	\$ 9,082,962	\$ 8,793,887	\$ 11,655,794	\$ 9,082,291
Restricted Reserves	\$ 11,922,819	\$ 13,059,219	\$ 15,372,482	\$ 17,233,877	\$ 9,053,813
Total Reserves	\$ 20,590,900	\$ 22,142,181	\$ 24,166,369	\$ 28,889,671	\$ 18,136,104
Total Operating Expenses	13,205,440	13,069,452	13,338,269	14,111,836	15,619,566
Operating Expenses Per Day	36,179	35,807	36,543	38,663	42,793
Days Cash on Hand					
General Fund Capital Liquidity	97	98	96	91	82
General Fund Remaining Operational	53	64	59	133	66
Other Unrestricted	90	92	86	78	64
Total Unrestricted Reserves	240	254	241	301	212
Target Unrestricted Reserves - Days Cash On Hand *			90-180	90-180	90-180

AUDITORS REPORT – SUMMARY OF RESULTS

- Plan to issue an unmodified opinion on the financial statements
- We did not discover any instances of fraud
- Discovered no material weaknesses in internal controls
- Received full cooperation from management
- No Audit journal entries noted

SB & Company, LLC

Outstanding Debt vs. Operating & Debt Service Revenues

ACHIEVED



This ratio provides an indication of a system's overall leverage and fixed costs. MetCom's target is to not exceed 5 times the operating and debt service revenues in any given year. FY 2020 has proven to be even less than the prior two fiscal year.

St. Mary's County Metropolitan Commission Outstanding Debt vs Operating & Debt Service Revenues						
	FY17	FY18	FY19	FY20	FY21	
	Audit	Audit	Audit	Audit	Estimated	
Total Debt:						
Total Debt All DHCD & Drawn MDE	\$94,701,401	\$ 92,021,460	\$ 92,297,614	\$ 96,709,875	\$ 111,352,405	
Total Debt Undrawn MDE	605,531	8,386,751	2,510,369	201,976		
Total Debt Drawn & Undrawn	\$95,306,932	\$100,408,211	\$ 94,807,983	\$ 96,911,851	\$ 111,352,405	
Operating & Debt Service Revenue:						
Service Charges	\$13,395,427	\$ 13,762,799	\$ 14,436,077	\$ 15,138,629	\$ 14,954,160	
Debt Service Charges	10,129,405	10,396,956	11,691,390	11,997,669	13,510,672	
Miscellaneous	362,484	255,092	260,449	308,674	467,824	
Total Operating & Debt Service Revenues	\$23,887,316	\$ 24,414,847	\$ 26,387,916	\$ 27,444,972	\$ 28,932,656	
Outstanding Debt (Drawn & Undrawn) to Operating & Debt Service Revenues *	3.99 X	4.11 X	3.59 X	3.53 X	3.85 X	
Target - 5X or Below		5X or Below	5X or Below	5X or Below	5X or Below	

The Study further points out that we have recently implemented many best practices that have, better aligned project timing with future borrowing, and limited the amount of new debt to help reduce rate pressure on customers. Our internal threshold has a total debt limit of \$120 Million. This threshold is reviewed annually as part of the Capital Improvement Budget.

Policy & Procedure Adoption and Updates

- FIN-13-01: Tenant/Landlord Account Transfers & Billing Errors
Temporary hold on account transfers into a tenant's name. Due to COVID-19 and Governor Hogan's Order disallowing disconnection of service due to non-payment, MetCom has no recourse to collect payment from a tenant, thus the property owner is responsible for non-payment.
- FIN-13-02: Procurement Policy
Establishes the authority, roles and responsibilities of all parties involved in the procurement process; Facilitates an orderly progression of authority and obligation of MetCom funds; Implements appropriate internal controls.

2020 Tax Sale

Per The Code of St. Mary's County, Maryland, Chapter 113-12(D), MetCom service charges, system improvement charges, capital contribution charges and late charges and penalties are a first lien against the property against which it is assessed until paid.

Such properties may be sold at the same time and in the same manner as properties are sold for County taxes. The table below reflects the 2020 Tax Sale data.

Total Accounts At Tax Sale 3/6/2020	Accumulated Past Due Plus Deposit & Fee's through June, 2020	Bank Owned or in Foreclosure	Total Accounts Sold at Tax Sale	Total Amount Paid at Auction
13 Residential	\$ 27,157.27	0 Residential	12 Residential	\$ 2,395,000
2 Commercial	\$ 17,579.35	0 Commercial	2 Commercial	\$ 555,000
15 Total	\$ 44,736.62	0 Total	14 Total	\$ 2,950,000

Other Post-retirement Benefits Liability (OPEB)

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020. The audited OPEB liability is \$2,782,575.

Infrastructure Financing Bonds

On November 21, 2019, the Commission issued \$7,152,371 of Infrastructure Financing Bonds, 2019, Series BII, in conjunction with the Maryland Community Development Administration (CDA). The bonds mature on April 1, 2049, in 30 annual installments, beginning in 2020 and ending in 2049. The average interest yield on these bonds is 3.39%.

On November 21, 2019, the Commission issued \$279,594 of Infrastructure Financing Bonds, 2019, Series BI, in conjunction with the Maryland Community Development Administration (CDA). The bonds mature on April 1, 2029, in 10 annual installments, beginning in 2020 and ending in 2029. The average interest yield on these bonds is 1.82%.

HUMAN RESOURCES

- Employee Manual Update.** During Fiscal year 2020, annual revisions and updates to the comprehensive Employee Manual were completed by the Human Resources Department. Over the years, the Commission has adopted new policies or revised existing policies, which had never been formally added to the Employee Manual. Also, over the past several years, federal and state laws have changed. For example, Maryland has mandated *Sick and Safe Leave* containing several provisions relating to how an organization must provide leave to its employees. These new laws have rendered some of the content of the old manual outdated and out of legal compliance. Legislative changes and recent workplace incidents led to the need for revisions and additions to the existing manual. This comprehensive process, which is completed each year, seeks input from managers and supervisors and is discussed amongst department heads prior to presentation to the Board of Commissioners. Following Board approval, the newly updated Employee Manual becomes effective immediately.

- Scholarship Program.** A Scholarship for the Children and Grandchildren of MetCom Employees was established in 2018. This Scholarship program is funded by the generous donations of a Mr. Keith Fairfax, a Metropolitan Commission Board Member, and is independently administered through the Business, Education and Community Alliance (BECA). No customer/rate payer's monies are being utilized to establish or supplement the Scholarship. Employees also have the opportunity to personally contribute to the Scholarship fund through payroll deduction. The Scholarship consists of a total award of \$2,500, shared among up to five applicants, not less than \$500 per applicant with a maximum of \$1,000 awarded per applicant. Eligible applicants include high school seniors, high school graduates or current college students who have earned a minimum 2.5 cumulative high school or college Grade Point Average and plan to enroll full time in an accredited college or in an accredited vocational training program. A Scholarship Committee, which is comprised of 4-5 MetCom employees, was established to ensure that implementation is carried out in a fair and consistent manner, to facilitate communication with the donor, and to act as a liaison between the Commission and BECA. As there were no Scholarship applications received in FY 2020, Commissioner Fairfax has agreed to roll the funding into the FY 2021 Scholarship, which will allow for the award of more scholarships.



- Christmas in April.** The Employees of MetCom participate in the Christmas in April event each year and team up with several other volunteers for the effort. However, due to COVID-19 restrictions this year, Christmas in April was unable to conduct the "Neighbors helping Neighbors" repair day. MetCom is looking forward to teaming up for their next event to continue the tradition of volunteering to help others within our community. To learn more, or to volunteer with Christmas in April St. Mary's, visit their website at www.christmasinaprilsmc.org.

- Children's National Medical Center of Washington.** Each year, MetCom employees



conduct a Toy Drive for Children's National Medical Center of Washington. The toys are delivered to the Medical Center on Christmas Eve by MetCom employees, George Warring and Mike Stroud, who organize and facilitate the drive. Despite COVID-19 and although many of MetCom's employees were not physically in the office on a regular schedule this year, they generously donated toys for this great cause. For




more information on becoming involved in programs like this visit <https://childrensnational.org/giving/get-involved>.

- **Christmas Charity.** Each year, MetCom employees choose a local charity to contribute to during the Christmas Season. Fundraising efforts and events are conducted throughout the year and culminate at the annual holiday potluck luncheon. Regrettably, due to COVID-19 restrictions, we were not able to be together this year, nor were we able to host our annual potluck luncheon. We are hopeful that 2021 will allow us to resume our fundraising efforts in support of a local charity.
- **Training.** Based upon OSHA's new Crane Rule, any crane operator must be certified when performing any work that is considered "construction" work, even when using mobile or carry deck cranes. MetCom sent three employees to Crane Operator training/certification and all three became certified and MetCom is in compliance with OSHA standards.
- **Safety & Security Enhancements.** In addition to Blue tooth devices, back-up cameras were purchased and are being installed in all MetCom vehicles to help avert injury-causing and potentially fatal back over accidents by expanding the field of vision. They will also increase the driver's ability to see beyond the width of a mirror's image, help eliminate blind spots and assist the driver in parking more quickly and safely. A Birds Eye View Camera was purchased for the newly purchased Sewer Vacuum Truck (see *photo at right*) to further protect pedestrians, bicyclists, and avoid property damage. We are also transitioning to High Visibility Jackets for all Field personnel in an effort to increase the safety of our staff by making them readily visible to both drivers and operators of machinery. High Visibility Jackets utilize fluorescent colors that improve other's ability to see them in any situation.
- **Smoke Free Campuses.** Effective January 1, 2020, smoking and the use of tobacco related products became prohibited in all MetCom, buildings, facilities, and vehicles. Any MetCom employee who is interested in quitting smoking is urged to contact the Department of Human Resources for information on Smoking Cessation Programs.
- **Infra-red Thermography.** As a part of a proactive risk management initiative, infra-red thermography was conducted randomly at several of our facilities to identify electrical hot spots that could pose a potential fire hazard. Implementation of an ongoing Preventive Maintenance (PM) Program using this technology is underway to identify any potential issues, which should help mitigate losses due to faulty systems.



ADMINISTRATIVE

- **Life Saver's Award.** During the Local Government Insurance Trust's (LGIT) annual meeting on October 31, 2019 at the Navy-Marine Corps Memorial Stadium in Annapolis, the Life Saver's Award was presented to Ms. Amanda Hill and Mr. Charlie Bogie. The LGIT Risk Management Committee evaluates award nominees based on clear evidence to demonstrate that imminent danger existed and that a human life would have been lost if action had not taken place. We here at MetCom are extremely proud of both Amanda and Charlie for their quick thinking and exceptional performance in saving the life of a fellow employee.A photograph showing three individuals standing together indoors. On the left, a man in a red polo shirt holds a dark award plaque. In the center, a man in a suit and tie stands with his hands behind his back. On the right, a woman in a dark patterned dress holds another dark award plaque. They are all smiling at the camera.
- **Pandemic Response.** The Governor issued a catastrophic health emergency on March 5, 2020 to control and prevent the spread of COVID-19 within the State. The Executive Order and subsequent amendments included prohibitions on social gatherings and travel, a stay at home directive, building occupancy loading, a moratorium on water turn-offs, and the closure of nonessential businesses. The Commission approved a Delegation of Authority Resolution to amend the Chairman's authority and expand the Director's authority in order to help address the emergency condition. The MetCom management team decisively implemented proactive response plans which included; customer payment policy relaxation, enhanced telework capabilities, virtual Board meetings, face coverings, vehicle occupancy restrictions, premium pay for essential workers, wastewater surveillance monitoring, facility deep cleaning, upgraded HVAC filtering capability, alternative / flexible work schedules, and re-entry screening protocols for the foreseeable future.
- **Science Fair.** The Metropolitan Commission began a new annual partnership with the St. Mary's County Board of Education and provided several staff members as volunteer judges during the St. Mary's County Science and Engineering Fair held at Great Mills High School on January 25, 2020. It was with great pleasure that we presented two students with the St. Mary's Metropolitan Commission **2020 Environmental Excellence Award** in recognition of their outstanding work and academic excellence in water resources and / or wastewater treatment as it relates to the environment.
- **Risk and Resilience Assessment.** In 2020, MetCom commissioned Jacobs Engineering Group Inc. (Jacobs) to conduct a Risk and Resilience Assessment (RRA). The RRA will evaluate and identify risks for the MetCom system, enable MetCom to be compliant with Section 2013 of the America's Water Infrastructure Act, employ an all-hazards approach to include evaluation of natural hazards, dependency, and proximity threats in addition to malevolent threats, and develop cost-effective security and other risk-reduction recommendations to address the risks identified in accordance with industry best practices.

- **Customer Assistance Programs.**

Two new programs became effective on 10-1-2019. Special Benefit Assessment Programs for the repayment of costs associated with extensions, expansions, and upgrades of water or sewerage systems to areas not already served. In short, individual residential property owners or communities may voluntarily petition the MetCom to extend service to their property through a Capital Financing program. In addition, legislative authority to offer Connection Incentive Programs and other financing mechanisms to assist owners of existing residential properties currently served by septic and/or well systems, with all or a portion of the costs of connecting to available public sewer and water systems in accordance with the St. Mary's County Comprehensive Water & Sewerage Plan.

Limited funding will be available on a first come first served basis through an operating revolving loan fund. For more information, visit our website at <https://www.metcom.org/connection-incentive-programs>.

LEGISLATION

The St. Mary's County's Metropolitan Commission and Commissioners of St. Mary's County requested and were granted the legislative authority by the Maryland General Assembly, in Chapter 113-9 of the St. Mary's County Code, to create customer assistance programs.

- **Water Interruption Memorandum of Understanding (MOU).** In conjunction with the County Health Officer, it was agreed that the Health Department would support Code Red Reverse 911 requests to the County Emergency Management Agency during COVID-19. Public Notification Response Protocols for Interruption of Public Water Supply were formalized by an executed Memorandum of Understanding in order to provide residences / businesses customers with enhanced and rapid notification of emergency and planned water outages.

- **Warrantee Program for Emergency Repairs.** MetCom continues to stress to its customers how important it is to protect their homes from the unexpected expense and inconvenience of emergency repairs. The Commission has selected Service Line Warranties of America (SLWA) - premier provider of home emergency repair programs to homeowners nationwide - to offer Exterior Water Service Line Coverage and Exterior Sewer/Septic. As of June 30, 2020 there were 2,561 policies in place and 11 external water line claims, 21 external sewer line claims (\$43,987) and 6 interior plumbing and drainage claims completed, saving residents \$57,134 in repair / replacement costs.

- **Marketing & Branding.** In addition to public relations initiatives undertaken last fiscal year, the Commission has assembled a mobile display for exhibition at conferences, trade shows, career fairs, and other events. This display includes handouts, a large banner and items, which help promote MetCom and its role within the community. The Commission also adopted an easily recognizable mascot that we hope will help add personality and appeal to as we continue to engage with our customers and the general public.



Aqua the Raindrop

SUMMARY OF FY 2020 STATISTICS AND DATA

<u>Description</u>	<u>Number</u>
Replacement Value of Facilities (<i>i.e. plants and stations</i>)	\$121.3M
Sewage Treatment Plants (<i>owned & operated</i>)	7
Sewage Pumping Stations	65
Residential Grinder Pumps	1,801
Miles of Gravity Sewer Line	164
Miles of Sewer Force Main	123
Age of Sewer Lines / Mains < 25, 25-50, > 50 years	43%/49%/8%
Sewer Customers (<i>connected & unconnected</i>)	15,142/289
New Sewer EDUs	211
Gallons Wastewater Conveyed / Treated	1.07 / 1.62 Billion
Water Systems	28
Well Sites / Water Pumping Stations	67/55
Water Towers (<i>elevated / ground storage</i>)	18/39
Miles of Water Line / Main	88/169
Manholes	3,820
Age of Water Line / Main < 25, 25-50, > 50 years	52%/38%/10%
Water Meters	15,925
Water Customers (<i>connected & unconnected</i>)	15,834/222
New Water EDUs	152
Gallons Water Supplied	1.43 Billion
Emergency Generators	92
Fire Hydrants	2,656
MDE Permits	
Water / Sewer	43/7
Full Time Employees (<i>funded</i>)	100
Plans Reviewed	
Capital Project Review	60
Development Review	251
Plat Review	24
Connection Permits Issued (<i>water & sewer</i>)	224
Miss Utility Locate Tickets	7443

The Metropolitan Commission

WE ARE.....

M*otivated*

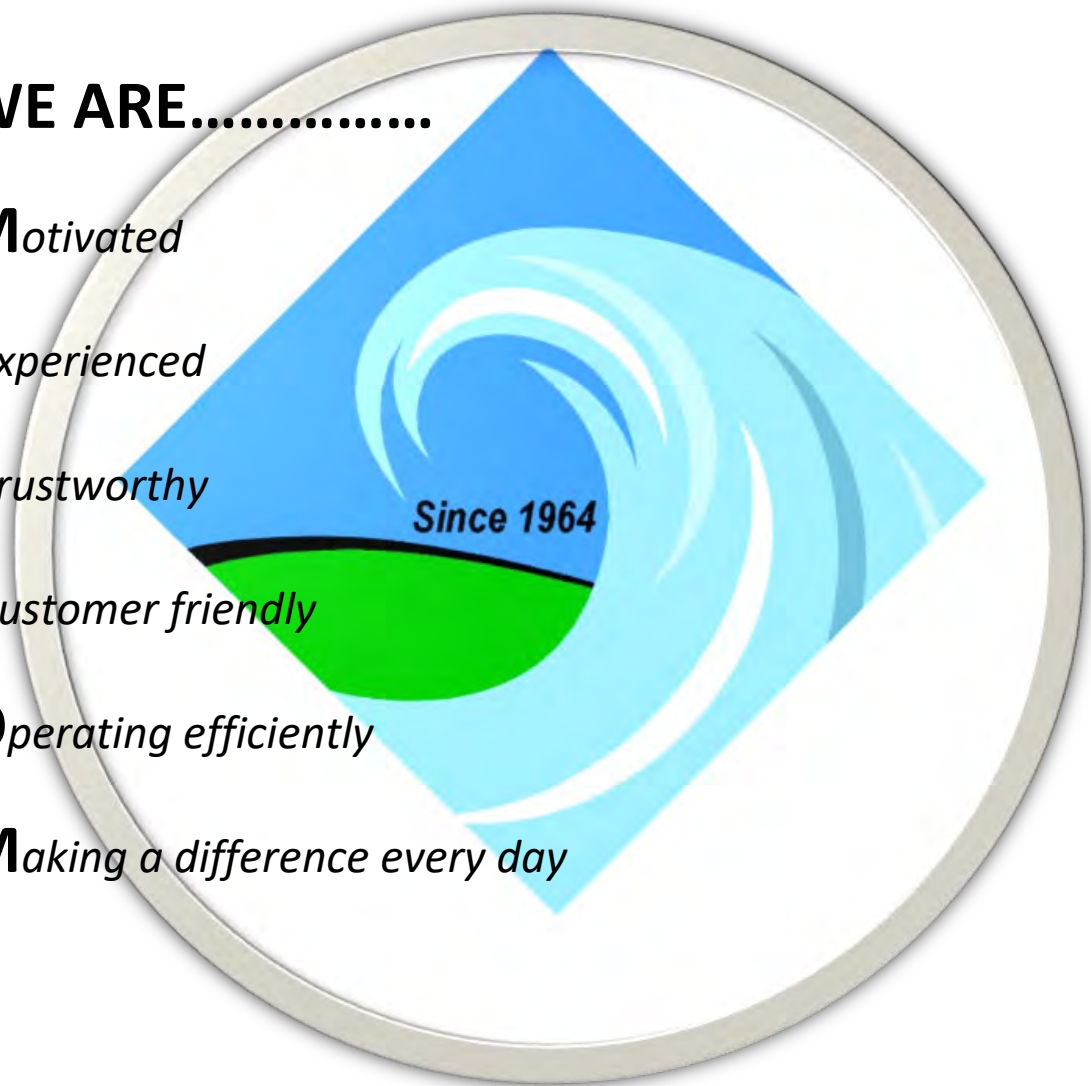
E*xperienced*

T*rustworthy*

C*ustomer friendly*

O*perating efficiently*

M*aking a difference every day*



“Community First”