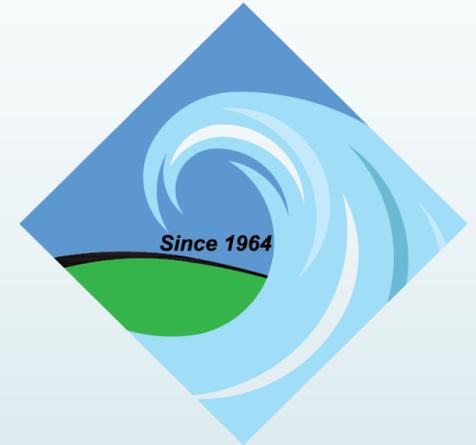


St. Mary's County Metropolitan Commission

Public Hearing
April 19, 2022



FY 2023 Operating Budget
FY 2023 Capital Improvement Budget
FY 2024 - FY 2028 Capital Improvement Plan
FY 2023 Rate Changes

PUBLIC HEARING NOTICE

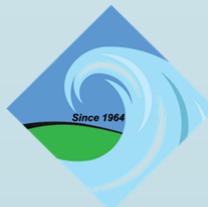
ST. MARY'S COUNTY

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 April 19, 2022 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 2023 Capital Improvement Budget, the proposed Fiscal Years 2024-2028 Capital Improvement Plan and the proposed Fiscal Year 2023 Operating Budget and proposed rate changes relating to each budget, to become effective July 1, 2022.

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

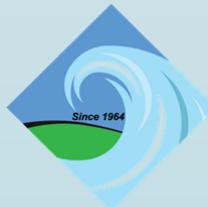
History

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

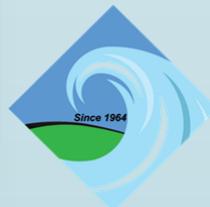
To construct, operate and maintain public water supply and public wastewater conveyance and treatment systems in a manner that is sustainable, reliable, economical and safe for the Commission's employees, the environment, and the citizens of St. Mary's County; and to ensure that construction is timely and in accordance with the St. Mary's County Comprehensive (Land Use) Plan.



SEWER DIVISION

4

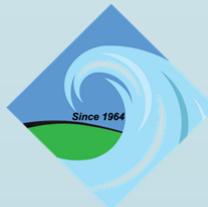
- Sewage Treatment Plants Owned & Operated by MetCom: **5 State Permitted Facilities**. Marlay-Taylor is one of 64 facilities in the State required to be ENR compliant.
- Private Sewage Treatment Plants Operated by MetCom, but owned by others: **2**
- Wastewater Samples Analyzed: **28,128**
- Gravity Sewer Lines and Force Mains: **291 miles**
- Sewage Pumping Stations: **65**
- Sewer Customers: **16,456**
- # Manholes: **3,692**
- Residential grinder pumps: **1,799**
- Over **1.6 billion** gallons of wastewater treated in FY2021



SEWER DIVISION

5

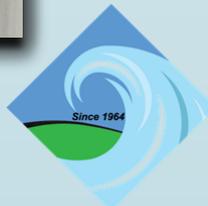
- MetCom is eligible to receive an Enhanced Nutrient Removal (ENR) grant of \$180K in FY23 for Marlay-Taylor Wastewater Treatment Plant / Water Reclamation Facility
- Grants helps offset expenses that have increased due to the State mandated implementation of ENR:
 - ✓ Maintenance
 - ✓ Power
 - ✓ Chemicals
 - ✓ Sludge Hauling
- Budget puts an emphasis on prevention of inflow & infiltration and 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 2023



WATER DIVISION

6

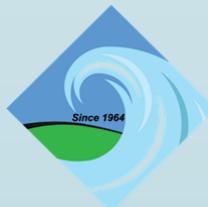
- Water Lines Maintained: **255 miles**
- Water Meters: **15,925**
- Water Storage Tanks: **39**
- Water Storage Towers: **18**
- Water Customers: **16,056**
- Fire Hydrants Maintained: **2,729**
- Pumping Stations: **55**
- Water Supply Systems: **28**
- Well sites: **67**
- Water Samples Analyzed: **5,900**
- 3rd Party Water Analyses: **1,350**



WATER DIVISION

7

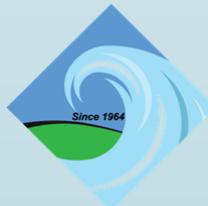
- MetCom continues to provide high quality water.
- MetCom operates a State Certified Water Quality Laboratory
- Consumer Confidence (Water Quality) Reports are published @ <https://www.metcom.org/operations>
- All of the water samples met or exceeded EPA drinking water standards
- Proposed cost of 1,000 Gallons of water is \$1.82 compared to the cost of a bottle of water
- Nearly 1.34 billion gallons of water supplied in FY 21
- No New FTE's proposed in FY 2023



ENGINEERING DEPARTMENT



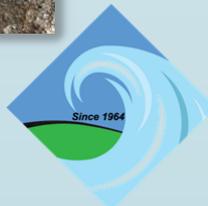
- Plat & Plan Reviews: **376**
- Connection Permits Issued: **178**
- Developer & Construction Projects Inspected: **50-60 per year**
- Miss Utility Locates: **9,812**
- Capital Projects Managed: **Over \$110 M w/ \$14M planned in FY 2023**
- Connection Incentive Programs: **Available for water and sewer connections**
- Capital Project Funding: **DHCD and MDE low interest loans and State grants**



ENGINEERING DEPARTMENT

9

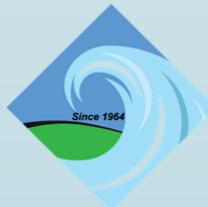
- Review Fees are not proposed to change in FY 2023
- Engineering expenses not covered by development review fees and inspection revenues are allocated as follows:
 - ✓ **60%** to Sewer Department
 - ✓ **40%** to Water Department
- Operating Budget also includes monies for developer cost share agreements
- Miss Utility locates now privatized
- Customer Growth: **2.7%**



GENERAL & ADMINISTRATIVE DEPARTMENT

10

- Includes a 3.8% Public Hearing Reserve to ensure ability to make adjustments following the formal hearing
- Includes a proposed salary and compensation study market adjustment
- Includes one-step merit 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
- User charges proposed to increase to **3.4%** for sewer and **2.7%** for water
- Provides full annual contribution to Other Post Employment Benefit (OPEB)
- General & Administrative expenses include all MetCom employee benefits, administrative salaries, insurance, IT and legal services, bank fees, etc. and are allocated at: **62.2%** to sewer, **28.3%** to water and **9.5%** to engineering
- Incorporates a 3% Vacancy Adjustment Factor
- Accounts for liability of annual and sick leave accruals
- No new FTEs programmed in the FY 2023 operating budget

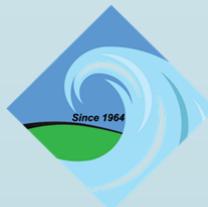
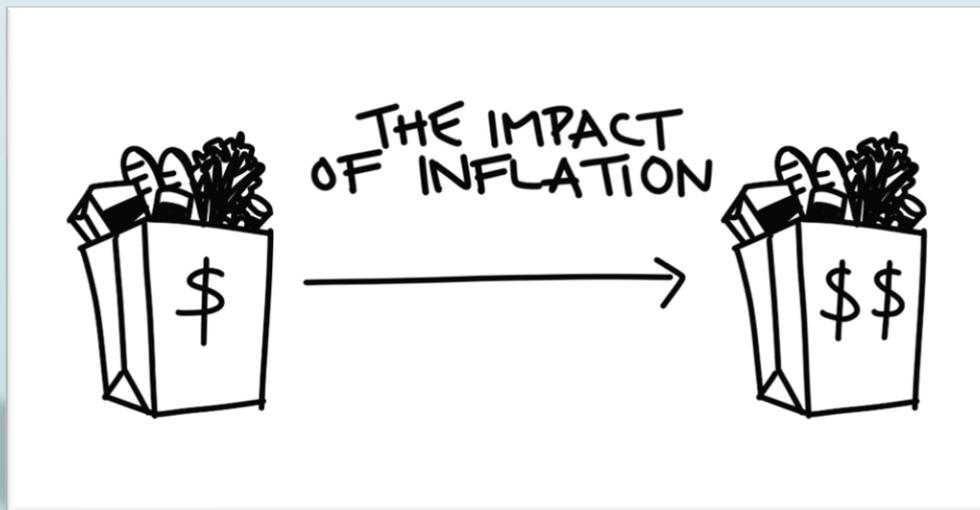


IMPACT OF ESCALATION & INFLATION



According to new data released by the Bureau of Labor Statistics, price inflation in February 2022 rose to the highest level recorded in more than forty years.

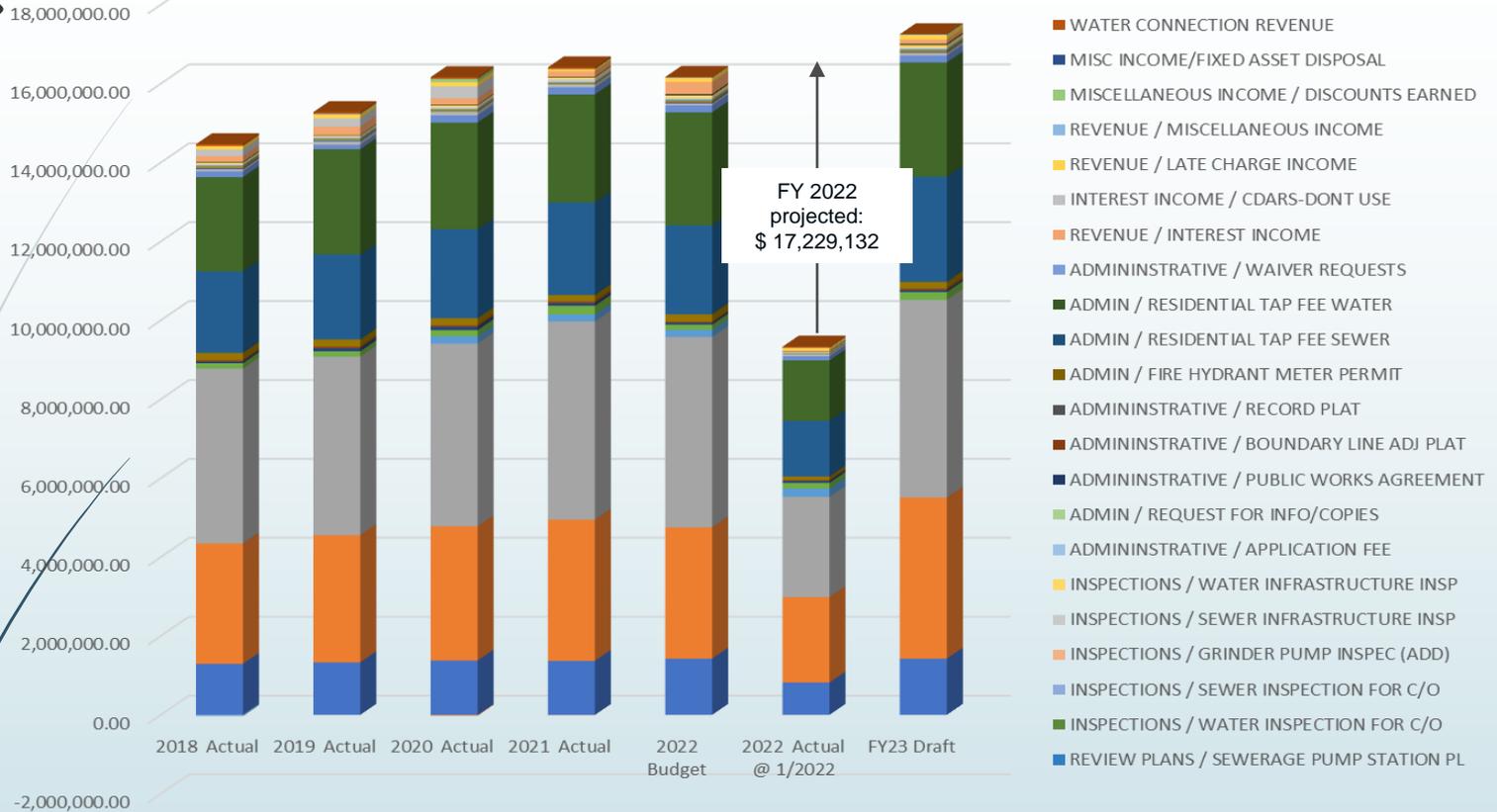
Escalation and inflation impacts include but are not limited to: chemical costs (\$300K); gasoline / diesel fuel (\$133K); electricity (\$300K); fuel oil / propane (\$114.5K); and contracted services (\$175K).



FY 2023 Recommended Operating Budget Summary

FY22 Approved Budget Expenses		\$ 16,169,024	
Essential Cost Changes (ECC)	\$ 425,000	\$ 16,594,024	2.63%
Impact of chemical cost increases	\$ 300,000	\$ 16,894,024	4.48%
Pension & Hospitalization increases	\$ 225,000	\$ 17,119,024	5.88%
New DOL reqmts for CDL & PFAS Testing	\$ 34,000	\$ 17,153,024	6.09%
New Initiatives: Outsourcing Phone Stand-By	(\$ 30,000)	\$ 17,123,024	
Realignment: Server replacement in FY 22	(\$ 25,000)	\$ 17,098,024	
Hospitalization Negotiated to 2.5%	(\$ 60,000)	\$ 17,038,024	
Eliminate the Paid Internship Program	(\$ 50,000)	\$ 16,988,024	
Compensation Study One-time Cost	(\$ 85,000)	\$ 16,903,024	4.54%
Other Incremental Increases including overtime	\$ 215,920	\$ 17,118,944	5.87%
Working Subtotal w/SMECO / fuel oil increases	\$ 414,500	\$ 17,533,444	8.44%
Fuel (gasoline and diesel) increases	\$ 133,000	\$ 17,666,444	9.26%
Compensation & Classification Study	\$ 365,000	\$ 18,031,444	11.52%
Merit Increase on new scale	\$ 204,000	\$ 18,235,444	12.78%
FY 23 Draft Expenses	\$ 685,967 = 3.8%	\$ 18,235,444	
FY 23 Draft Revenues	Public Hearing Reserve	\$ 18,921,411	17.02%
Revenues meet expenses and are sufficient to program a public hearing reserve & budget surplus (emergency reserve)			Adjust expenses accordingly

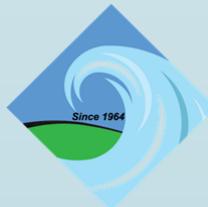
REVENUE ACCOUNT BREAKDOWN



In FY 2021, actual revenues associated with water and sewer connections accounted for \$15,499,323 (94%) of the \$16,410,751 total revenues

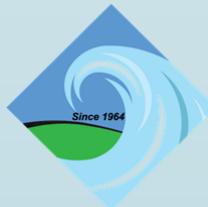
Of the 24 revenue sources, the majority of operating revenue is generated from water / sewer metered service and usage charges

Sewer metered service and usage is approximately 70% greater than water metered service and usage



RATE STRUCTURE

- Implemented a new rate structure on 7/1/2015 to bill based on actual consumption
- Included an inclining block water usage rate structure with three (3) tiers based on meter size which encourages water conservation and based sewer usage on metered water volume
- On 7/1/2016, capped residential 5/8" meter sewer usage at a maximum of 10,000 gallons per month
- Proposed FY 2023 operating budget expenditures have incorporated cost escalations and inflationary impacts on goods & services
- Proposed Water Service Rate increase: **2.7%**
 - prior year rate increase: 2.1%
 - was 3% in FY 2019
- Proposed Sewer Service Rate increase: **3.4%**
 - prior year rate increase: 2.7%
 - was 3.75% in FY 2019

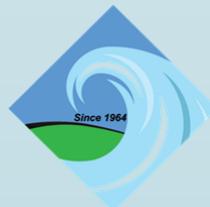


RATE HISTORY

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%**, respectively. *Not very modest increases.*



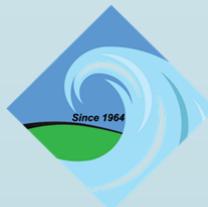
NOTE: A new tiered rate structure was implemented on 7-1-2015 resulting in an overall loss in revenues of \$1.034M between FY 2015 and FY 2016.



WATER SERVICE RATES

Water Service Rates	FY22 Rates	FY23 Rates
Non-Metered per EDU/Month	\$18.73	\$19.23
Metered Rate 5/8"	\$9.87	\$10.14
Metered Rate 1"	\$24.67	\$25.33
Metered Rate 1-1/2"	\$49.32	\$50.65
Metered Rate 2"	\$78.90	\$81.03
Metered Rate 3"	\$157.82	\$162.08
Metered Rate 4"	\$246.58	\$253.24
Metered Rate 6"	\$493.18	\$506.50
Metered Rate 8"	\$789.07	\$810.37
Metered Rate 10"	\$1,134.31	\$1,164.94
Water Usage Rate per 1,000 Gallons	Tiered	
Water Usage Rate - Tier 1	\$1.78	\$1.82
Water Usage Rate - Tier 2	\$3.54	\$3.64
Water Usage Rate - Tier 3	\$7.10	\$7.29
Irrigation Usage Rate per 1,000 Gallons	Tiered	
Water Usage Rate - Tier 1	\$3.54	\$3.64
Water Usage Rate - Tier 2	\$7.10	\$7.29
Hydrant Meter Rate per 1,000 Gallons	\$3.54	\$3.64

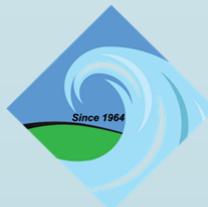
NOTE: Proposed water service rate is proposed to be increased from 2.1% in FY 2022 to 2.7% in FY 2023.



SEWER SERVICE RATES

<u>Sewer Service Rates</u>	<u>FY22 Rates</u>	<u>FY23 Rates</u>
Non-metered per EDU per Month	\$44.37	\$45.88
Metered Rate 5/8"	\$18.81	\$19.45
Metered Rate 1"	\$47.03	\$48.63
Metered Rate 1-1/2"	\$94.04	\$97.24
Metered Rate 2"	\$150.48	\$155.60
Metered Rate 3"	\$300.92	\$311.15
Metered Rate 4"	\$470.20	\$486.19
Metered Rate 6"	\$940.42	\$972.39
Metered Rate 8"	\$1,504.64	\$1,555.80
Metered Rate 10"	\$2,164.06	\$2,237.64
Usage Rate per 1,000 Gallons	\$5.11 *	\$5.29
* 5/8" Meter Residential Use Capped at 10,000 Gallons/Month		
Navy (per 1,000 gallons)	3.728	3.85
Septage Hauler Rates per 1,000 Gallons		
Holding Tank Waste	\$16.81	\$17.38
Septic Tank Waste	\$71.80	\$74.24
Portable Toilet Waste	\$90.49	\$93.56
Grease Trap Waste	\$142.26	\$147.09

NOTE: Proposed sewer service rate is proposed to be increased from 2.7% in FY 2022 to 3.4% in FY 2023.

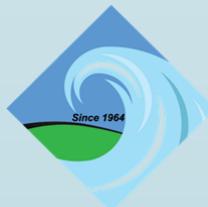


PROPOSED FY 2023 OPERATING BUDGET

18

SEWER DEPARTMENT	FY 23 RECOMMENDED BUDGET
Operating Income	
Service Charge - Metered	\$9,924,082
Service Charge - Non-Metered	1,582,100
Septage Haulers	277,656
ENR Grant	180,000
Other Revenue	133,000
From Reserves	
Total Operating Income	\$ 12,096,838
Operating Expenses	
Salaries	\$ 3,316,837
Contractual Labor	1,008,361
Maintenance	1,818
Leonardtown Plant	150,275
Power	868,585
Telephone/Dialers	13,350
Fuel (Diesel & Oil)	185,196
Lab & Soils Testing	31,000
Chemicals	812,200
Employee Related Expense	76,709
Materials & Supplies	147,869
Building Utilities	56,740
Miscellaneous	5,475
Misc Consultants	
Vehicles	156,808
Sludge Removal Expense	301,716
Depreciation	197,000
SSO's & Penalties	20,000
Contingencies	-
Recv'ry of Cost	-
Allocation of OH	3,984,697
Allocation of Engineering	894,765
Total Operating Expenses	\$ 12,229,401
Net Direct Sewer Operating Income	\$ (132,563)

WATER DEPARTMENT	FY 23 RECOMMENDED BUDGET
Operating Income	
Service Charge - Metered	\$5,947,341
Service Charge - Non-Metered	\$167,583
Water Tower Rental	\$175,000
Other Revenue - mostly turn on/off's	\$69,550
Total Operating Income	\$ 6,359,474
Operating Expenses	
Salaries	\$ 1,339,003
Maintenance	636,036
Meter Installation (net)	60,000
Fire Hydrant ISO Inspection (50%)	62,000
Power	614,801
Telephone/Dialers	-
Fuel (Diesel & Oil)	7,593
Water Testing	35,000
Chemicals	150,000
Employee Related Expense	34,405
Materials & Supplies	136,810
Building Utilities	39,625
Miscellaneous	3,375
Vehicles	77,363
Depreciation	153,000
Contingencies	
Recv'ry of Cost	-
Allocation of OH	1,815,422
Allocation of Engineering	596,510
Total Operating Expenses	\$ 5,760,943
Net Direct Water Operating Income	\$ 598,531

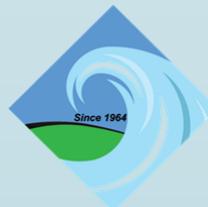


PROPOSED FY 2023 OPERATING BUDGET

19

ENGINEERING DEPARTMENT	FY 23 RECOMMENDED BUDGET
Engineering Income	
Review Fees	\$ 59,100
Inspection Fees	143,300
Admin & Other Fees	42,700
Total Engineering Income	\$ 245,100
Engineering Expenses	
Salaries	\$ 1,148,598
Salaries- Locates	52,706
sub-total	\$ 1,201,304
Contractual Labor	\$ -
Contractual Locates	
Casual Labor	
Professional Service	5,000
Vehicle Operation & Maintenance	13,546
Office Supplies & Expense	8,400
Building Utilities (power,cable,trash,fuel,cleaing)	16,562
Phone	5,500
Mileage	
Employee Related Expense(training,pagers,physicals)	12,565
Depreciation	45,000
Miss Utility Expense	150,000
Miscellaneous Expense	750
Recv'ry of Cost	(410,000)
Allocation of OH	610,269
Allocation to Inspections	
Inspection Salaries	
Contractual Inspections	
Inspection Vehicle Charges(Fuel/Mileage)	15,479
Inspection - Supplies	2,000
Inspection Overhead	60,000
Inspection Total	\$ 77,479
Total Engineering Expenses	\$ 1,736,375
Allocation to Sewer (60%)	(894,765)
Allocation to Water (40%)	(596,510)
Income From Engineering	\$ -

ADMINISTRATIVE DIVISION	FY 23 RECOMMENDED BUDGET	
Administrative Salaries	\$ 1,659,720	
Contractual Labor		
Commissioner Stipend	14,500	
Casual Labor	5,000	
Payroll Taxes	475,000	
Hospitalization	1,917,454	
OPEB	263,000	
Maryland State Pension Plan	678,000	
Pension Loan	113,092	
Long Term Disability& Life Insurance	25,100	
Tuition Reimbursement/Beneficial Suggestions	6,700	
Vehicle Operation	5,122	
Office Supplies & Printing	98,975	
Postage Expense	95,000	
Insurance	328,500	
Accounting & Audit	18,299	
Computer & IT Services	140,000	
Legal Services	143,200	
Misc.Consultants	9,000	
Building Utilities(power,cable,trash,fuel,cleaing)	42,176	
Phone & FAX	67,000	
Employee Related Expense(training,physicals, uniforms)	53,800	
Advertising for Staff/Recruiting	10,000	
Advertising - Other	3,000	
Admin. Bond Expense	3,000	
Public Relations		
Bank Fees/On-Line Bill Payment Fees	175,000	
Miscellaneous Expense	10,750	
Dues & Subscriptions	13,000	
Depreciation	55,000	
Recv'ry of Cost (Grants & Projects)	(18,000)	
Total G & A Expenses	\$ 6,410,388	
FY 2023 Allocation		
To Sewer	62.16%	\$ 3,984,697
To Water	28.32%	1,815,422
To Engineering	9.52%	610,269
		\$ 6,410,388



CAPITAL EQUIPMENT & EXPENDITURES

20

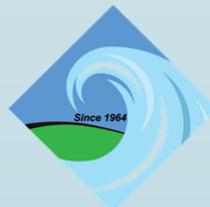
Tracking ID#	Project Description	FY 22 Budget Approved	FY23 Recommended	FY24 Draft	FY25 Draft
	<u>Water (555)</u>				
22-01	Replacement for Truck 586 (4wd w/ snow plow)	45,000			
	Replacement for Truck 598 (4wd w/ snow plow)		45,000		
	GPS Installed on Various Vehicles				5,000
	Programmable Sign Board (solar)		25,000		
	Replacement for Truck 573 (4wd w/ snow plow)			50,000	
	Replacement for Truck 605 (4wd w/ snow plow)				50,000
	Sub-total Water	45,000	70,000	50,000	55,000
	<u>Wastewater (504)</u>				
22-02	Replacement for Truck 603 (4wd w/ utility body)	48,000	50,000		
	Replacement for Truck 604 (4wd w/ utility body)				50,000
	Replacement for Truck 581 (4wd w/ utility body)		50,000		
	Replacement for Trucks 583 (4wd w/ utility body)			50,000	
	GPS Installed on Various Vehicles				10,000
	Replacement for Truck 611 (4wd w/ utility body)				50,000
	Zero Turn Lawn Mower		15,000		
	Sub-total Wastewater Collections	48,000	115,000	50,000	110,000
	<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	
	Replacement for Truck 602 (4wd w/ utility body)		50,000		
	Replacement for Truck 608 (4wd w/ utility body)		50,000		
	Sub-total Maintenance	0	100,000	150,000	160,000
	<u>Marlay-Taylor (516)</u>				
22-03	Replacement for Utility Body Truck 579	40,000			
	Cylinder scales for cl2 and so2				10,000
	Complete Airedale Road fencing			20,000	
	Sub-total Marlay-Taylor	40,000	0	20,000	10,000



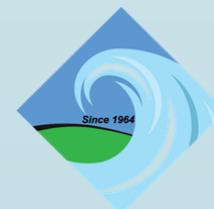
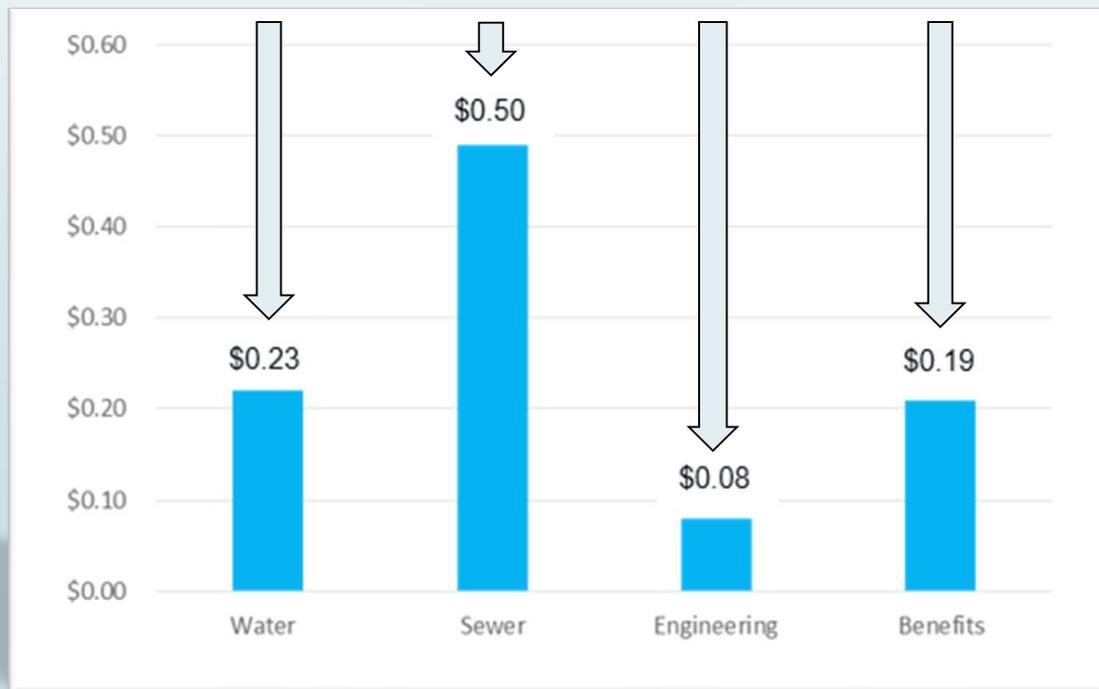
CAPITAL EQUIPMENT & EXPENDITURES

21

	Other Treatment Plants (517)(518)				
22-04	SCShores Lagoon Berm Repairs	30,000			
	SCS Replacement for Truck 589 (4wd w/ snow pl		40,000	65,000	
	SCS New 4wd utility body w/ snow plow)				
	SCS Scag Zero Turn mower (replace Kubota above)		18,000		
	Wicomico Shores Control Bldg Roof Replacement		35,000		
	Sub-total Other Treatment Plants	30,000	93,000	65,000	0
	Laboratory				
22-05	Various lab equipment replacement (Waste Discrete Nutrient Analyzer #2	65,000	10,000	10,000	
	Sub-total Laboratory	65,000	10,000	10,000	0
	Construction (501)(551)				
22-06	Trailer Replacement (large)	23,000			
	Trailer Replacement (small)		20,000		
	Trailer mounted vacuum excavator		65,000		
	Sub-total Construction	0	85,000	0	0
	Engineering (578)				
22-07	Replacement for Box Truck 600	75,000			
22-08	Developer Cost Share Agreements	50,000	50,000		
22-09	Implementation of Energy Audit ECM's Tasks 1-2	30,000			
	Replacement for Tool Body, Utility Truck 567			115,000	0
	Sub-total Engineering	155,000	50,000	115,000	0
	SCADA (phased upgrades for wastewater)				
22-10	TCU w/ RTU radio upgrades x75 (polling times) 3-year implementation	42,000	50,000	46,000	0
22-11	RTU radio replacements x 17	25,000			
	Sub-total SCADA	67,000	50,000	46,000	0
	Fiscal, Administration & IT Camden Bldg (567)(568)				
	Sub-total Fiscal & Administration	0	0	0	0
	DRAFT TOTAL	450,000	573,000	506,000	335,000



HOW EACH DOLLAR IS ALLOCATED

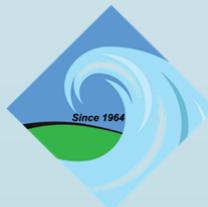


FY 2023 OPERATING BUDGET SUMMARY

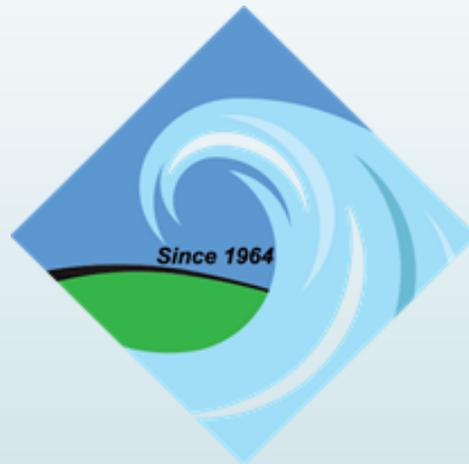
23

	FY 19 BUDGET	FY 19 ACTUALS	FY 20 BUDGET	FY 20 ACTUALS	FY 21 BUDGET	FY 21 ACTUALS	FY 22 BUDGET	FY 23 APPROVED BUDGET
Sewer Income	\$ 9,424,836	\$ 9,338,542	\$ 9,771,496	\$ 9,880,045	\$ 9,771,496	\$ 10,488,221	\$ 9,966,926	\$ 12,096,838
Sewer Expenses	(9,775,375)	(9,334,649)	(9,878,324)	(9,329,570)	(10,429,611)	(10,568,854)	(10,835,887)	(12,229,401)
Water Income	\$5,131,954	\$5,186,057	\$5,405,388	\$5,380,159	\$5,405,388	\$5,478,849	\$5,526,998	\$6,359,473
Water Expenses	(5,022,962)	(4,227,065)	(4,863,047)	(4,432,425)	(4,884,855)	(4,819,321)	(5,088,036)	(5,760,943)
Engineering Income	\$245,100	\$171,985	\$245,100	\$187,100	\$245,100	\$207,528	\$245,100	\$245,100
Engineering Expense	(245,100)	(171,985)	(245,100)	(187,100)	(245,100)	(245,100)	(245,100)	(245,100)
Other Income/Misc Revenue	\$ 305,374	\$ 581,812	\$ 430,000	\$ 695,919	\$ 430,000	\$ 236,154	\$ 430,000	\$ 220,000
Total Income	\$ 15,107,264	\$ 15,278,396	\$ 15,851,984	\$ 16,143,223	\$ 15,851,984	\$ 16,410,751	\$ 16,169,024	\$ 18,921,411
Total Expense	(15,043,437)	(13,733,699)	(14,986,471)	(13,949,095)	(15,559,566)	(15,633,275)	(16,169,024)	(18,235,444)
One-Time Use of General Fund Reserves to establish Connection Incenti			(250,000)					
Net Income From Service Charges	\$63,827	\$1,544,697	\$615,513	\$2,194,127	\$292,418	\$777,476	\$(0)	\$685,967

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



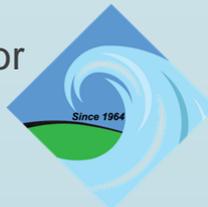
CAPITAL IMPROVEMENT BUDGET/PLAN



FY 2023- FY 2028

CAPITAL IMPROVEMENT BUDGET

- ▶ MetCom Capital Projects serve two primary 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 23 Plan reflects **\$2.3M increase** from FY 22 projected
- ▶ Outstanding debt incurred from project borrowing remains **below 1%** of MetCom's assessable base (*well under the new legislative limit*)
- ▶ Reserves are **no longer** being utilized to stabilize sewer system improvement charges
- ▶ 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

26

Project Name	Status	Project ID	Prior Approved	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023 - 2028 TOTAL
Rehabilitation / Replacement										
Various Rehabilitation at MTWRF	2	SM2312	\$1,263,937	\$120,822	\$123,842 ^B		\$29,699			\$274,363
Piney Point Road Sewer Line Analysis and Force Main Replacement	2	5171MS	\$505,664		\$1,159,693	\$4,446,041				\$5,605,734
Southampton Sewer System Rehabilitation	2	8201SR	\$73,570	\$909,192		\$2,017,112				\$2,926,304
Inflow & Infiltration Sewer Replacement, Rehabilitation and Upgrade	4	SM2306	\$242,880	\$348,520 ^C	\$355,200 ^C	\$381,580 ^C	\$367,960 ^C	\$399,636 ^C	\$409,627	\$2,242,823
Manhole Rehabilitation	4	SM2305	\$104,880	\$107,445	\$110,200	\$112,955	\$115,748	\$118,642	\$121,608	\$686,598
Various Wastewater System Rehabilitation	4	SM2310	\$89,335	\$191,545	\$93,840	\$196,135	\$98,574	\$219,907	\$103,564	\$903,565
Glenn Forest to NAS Interceptor	1							\$829,282		\$829,282
Generator Replacement-Sewer	A	1	SM2303	\$120,000 ^A	\$120,000	\$720,000				
FY 2023 CIB (FY23-FY28) Rehabilitation / Replacement =			\$2,280,266	\$1,797,824	\$1,962,775	\$7,253,823	\$731,981	\$1,687,467	\$754,799	\$14,188,669
Approved FY 2022 CIB (FY22-FY27)				\$1,577,824	\$1,618,933	\$7,033,823	\$511,981	\$1,442,581		\$12,185,142
Change to Program from FY2022 CIB				\$220,000	\$343,842	\$220,000	\$220,000	\$244,886		\$1,248,728

Status:

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

Property Acquisition (to be initiated after Planning)

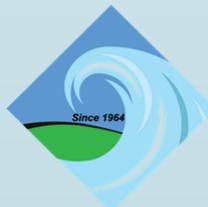
A - New Project

B - Added Low DO treatment feasibility study to FY23 (no change), moved Sludge Study from FY23 to FY24.

C - Added \$100K annually for Contract Services to provide a more proactive program.

Red text denotes CIB sheets that need to be updated.

Yellow highlights denote changes from the approved 2022 CIB.



SEWER PROJECT SUMMARY SHEETS

28

Project Name	Status	Project ID	Prior Approved	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023 - 2028 TOTAL
System Upgrades / Expansion										
St. Clements Shores WWTP Expansion Phase B	2	2151SF	\$12,548,000	\$250,000 ^A						\$250,000
Methane Co-Generator Upgrade at Marlay-Taylor WWTP	2	8171SF	\$446,379		\$93,935 ^B			\$0 ^C	\$582,374 ^C	\$676,309
Sewer Vacuum Truck	1				\$581,521					\$581,521
Grinder Pump Replacements	4	SM2309		\$782,000 ^D	\$782,000	\$4,692,000				
Marlay-Taylor Expansion	1							\$315,000 ^E	\$2,730,000 ^F	\$3,045,000
FY 2023 CIB (FY23-FY28) System Upgrades / Expansion =			\$12,994,379	\$1,032,000	\$1,457,456	\$782,000	\$782,000	\$1,097,000	\$4,094,374	\$9,244,830
Approved FY 2022 CIB (FY22-FY27)				\$941,644	\$581,521	\$850,000	\$0	\$1,516,862		\$7,011,702
Change to Program from FY2022 CIB				\$90,356	\$875,935	-\$68,000	\$782,000	-\$419,862		\$1,260,429
Totals										
Rehabilitation / Replacement			\$2,280,266	\$1,797,824	\$1,962,775	\$7,253,823	\$731,981	\$1,687,467	\$754,799	\$14,188,669
Pump Stations			\$411,228	\$0	\$1,570,300	\$2,076,336	\$1,712,127	\$113,141	\$0	\$5,471,904
System Upgrades / Expansion			\$12,994,379	\$1,032,000	\$1,457,456	\$782,000	\$782,000	\$1,097,000	\$4,094,374	\$9,244,830
Subtotal			\$15,685,873	\$2,829,824	\$4,990,531	\$10,112,159	\$3,226,108	\$2,897,608	\$4,849,173	\$28,905,402
Capital Reserves		6.20%	\$973,000	\$175,000	\$309,000	\$627,000	\$200,000	\$180,000	\$301,000	\$1,792,000
FY 2023 CIB (FY23-FY28) Totals =			\$16,658,873	\$3,004,824	\$5,299,531	\$10,739,159	\$3,426,108	\$3,077,608	\$5,150,173	\$30,697,402
Approved FY 2022 CIB (FY22-FY27)				\$4,440,673	\$4,954,265	\$9,145,155	\$940,251	\$3,263,584		\$22,743,927
Change to Program from FY2022 CIB				-\$1,435,849	\$345,266	\$1,594,004	\$2,485,857	-\$185,976		\$2,803,320

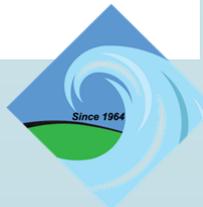
Status:

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

Property Acquisition (to be initiated after Planning)

- A - Added \$250K ARPA funds
- B - Moved out from FY23 to FY24
- C - Engine #2 rebuild changed to replacement and moved out to FY28
- D - Changed from every other year to annual
- E - Updated cost estimate
- F - Moved design \$ into FY28 from out years

Red text denotes CIB sheets that need to be updated.
 Yellow highlights denote changes from the approved 2022 CIB.



WATER PROJECT SUMMARY SHEETS

Project Name	Status	Project ID	Prior Approved	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023 - 2028 TOTAL
Water Lines										
Various Water and Service Line Rehabilitation	1	WO2302		\$937,860 ^A		\$95,204 ^B		\$100,024 ^B		\$1,133,088
MD 235 Water Main-Southampton to Hermanville Rd	2	8210WL	\$92,973	\$1,220,998						\$1,220,998
Southampton Water System Rehabilitation	2	8201WL	\$280,617	\$1,877,421		\$1,679,001				\$3,556,422
Hollywood Water Systems Connector & Phase 2 Replacement	1	8141WM	\$156,624		\$1,450,097 ^C					\$1,450,097
MD247 Loveville Road Water Main Replacement	1			\$113,141	\$1,043,724					\$1,156,865
Breton Bay Water System Replacement	2	2201WL	\$408,527	\$4,703,417		\$208,431		\$2,737,289		\$7,649,137
Town Creek Water System Phase 1 - 5	2	8081WR 8161WL	\$6,187,242		\$260,931 ^D		\$2,543,744 ^D		\$3,471,880 ^E	\$6,278,555
FY 2023 CIB (FY23-FY28) Water Lines =			\$7,125,983	\$8,852,837	\$2,754,752	\$1,982,636	\$2,543,744	\$2,837,313	\$3,471,880	\$22,443,162
Approved FY 2022 CIB (FY22-FY27)				\$7,982,837	\$3,466,610	\$1,958,753	\$3,155,572	\$2,812,221		\$19,375,993
Change to Program from FY2022 CIB				\$870,000	-\$711,858	\$23,883	-\$611,828	\$25,092		-\$404,711

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 - Added ARPA & Metcom funds (\$720K total) for Mechanicsville & Wiocomico Shores saddles

B - Added \$25K for miscellaneous paving

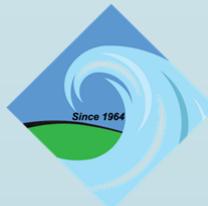
C - Reduced scope due to developer construction

D - Changed construction phasing to 1-2-5-4-3 and moved funds accordingly

E - Moved Construction phase 4 and design phase 3 into FY28 from out years

Red text denotes CIB sheets that need to be updated.

Yellow highlights denote changes from the approved 2022 CIB.



WATER PROJECT SUMMARY SHEETS

30

Project Name	Status	Project ID	Prior Approved	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023 - 2028 TOTAL
Wells										
Charlotte Hall Well #1	1			\$851,006						\$851,006
Well Rehabilitation, Replacement, Installation and Inspections	1	WO2301	\$55,000	\$283,669	\$59,229	\$298,029	\$62,227	\$313,117	\$65,378	\$1,081,649
	1									
FY 2023 CIB (FY23-FY28) Wells =			\$55,000	\$1,134,675	\$59,229	\$298,029	\$62,227	\$313,117	\$65,378	\$1,932,655

Approved FY 2022 CIB (FY22-FY27)	\$1,134,675	\$59,229	\$298,029	\$62,227	\$313,117		\$1,867,277
Change to Program from FY2022 CIB	\$0	\$0	\$0	\$0	\$0		\$0

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	WO2317	\$689,315	\$164,766 ^A	\$724,212	\$106,918	\$760,875	\$112,331	\$799,394	\$2,668,496
Greenbrier Water Storage Tank	2	8161WT	\$200,551	\$868,655 ^B						\$868,655
FY 2023 CIB (FY23-FY28) Water Storage Tanks (WST) =			\$1,138,941	\$1,033,421	\$724,212	\$106,918	\$3,287,843	\$112,331	\$799,394	\$6,064,119

Approved FY 2022 CIB (FY22-FY27)	\$101,766	\$724,212	\$106,918	\$3,287,843	\$112,331		\$4,333,070
Change to Program from FY2022 CIB	\$931,655	\$0	\$0	\$0	\$0		\$931,655

Status:

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

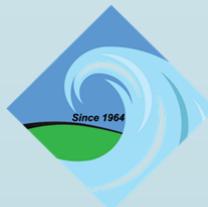
Property Acquisition (to be initiated after Planning)

A - Added \$60K in ARPA funds for Water Quality Monitoring Devices

B - FY23 Funding moved out from FY20, funds transferred to Clarifier Replacement, and increased by \$286K

Red text denotes CIB sheets that need to be updated.

Yellow highlights denote changes from the approved 2022 CIB.



WATER PROJECT SUMMARY SHEETS

31

Project Name	Status	Project ID	Prior Approved	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2023 - 2028 TOTAL
Miscellaneous										
Generator Replacement-Water	A	WO2303		\$120,000 ^A	\$120,000	\$720,000				
FY 2023 CIB (FY23-FY28) Miscellaneous =			\$0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$720,000

Approved FY 2022 CIB (FY22-FY27)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change to Program from FY2022 CIB	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$720,000

Totals										
Water Lines			\$7,125,983	\$8,852,837	\$2,754,752	\$1,982,636	\$2,543,744	\$2,837,313	\$3,471,880	\$22,443,162
Wells			\$55,000	\$1,134,675	\$59,229	\$298,029	\$62,227	\$313,117	\$65,378	\$1,932,655
Water Storage Tanks (WST)			\$1,138,941	\$1,033,421	\$724,212	\$106,918	\$3,287,843	\$112,331	\$799,394	\$6,064,119
Miscellaneous			\$0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$720,000
Subtotal			\$8,319,924	\$11,140,933	\$3,658,193	\$2,507,583	\$6,013,814	\$3,382,761	\$4,456,652	\$31,159,936
Capital Reserves		7.5%	\$624,000	\$836,000	\$274,000	\$188,000	\$451,000	\$254,000	\$334,000	\$2,337,000
FY 2023 CIB (FY23-FY28) Totals =			\$8,943,924	\$11,976,933	\$3,932,193	\$2,695,583	\$6,464,814	\$3,636,761	\$4,790,652	\$33,496,936

Approved FY 2022 CIB (FY22-FY27)	\$9,910,278	\$4,569,051	\$2,540,700	\$6,993,642	\$3,480,669					\$27,494,340
Change to Program from FY2022 CIB	\$2,066,655	-\$636,858	\$154,883	-\$528,828	\$156,092					\$1,211,944

Status:

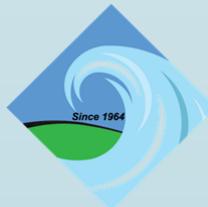
- 1 Planning Phase
- 2 Design Phase
- 3 Contract Phase
- 4 Construction Phase
- 5 Close-out Phase

Property Acquisition (to be initiated after Planning)

A - New Project.

Red text denotes CIB sheets that need to be updated.

Yellow highlights denote changes from the approved 2022 CIB.



DEBT CEILING LIMIT ANALYSIS

32

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Debt Outstanding - Beginning of Year (1)	\$ 89,772,923	\$ 92,968,462	\$ 86,196,274	\$ 79,406,724	\$ 72,529,303	\$ 65,791,871	\$ 58,913,488
Various Water & Sewer Projects (DHCD)	\$ 9,636,430						
Principal Payments - Existing Debt	(6,440,890)	(6,772,187)	(6,789,551)	(6,877,420)	(6,737,432)	(6,878,383)	(6,295,031)
Existing Debt	\$ 92,968,462	\$ 86,196,274	\$ 79,406,724	\$ 72,529,303	\$ 65,791,871	\$ 58,913,488	\$ 52,618,457
Proposed Debt (2):							
Beginning Balance	\$ -	\$ 8,057,560	\$ 18,902,529	\$ 27,081,710	\$ 38,949,696	\$ 47,061,235	\$ 52,172,411
Sewer Debt to be issued	2,704,728	1,691,192	4,542,649	9,637,548	2,120,857	2,439,059	4,094,374
Capital Reserves Sewer **	168,000	105,000	282,000	598,000	131,000	151,000	254,000
Estimated New Debt Prior Year's Sewer Projects							
Water Debt to be issued	4,822,832	8,765,983	3,478,964	1,887,432	5,831,587	2,737,289	4,271,274
Capital Reserves Water **	362,000	657,000	261,000	142,000	437,000	205,000	320,000
Estimated New Debt Prior Year's Water Projects							
Principal Payments -Proposed Debt		(374,206)	(385,432)	(396,995)	(408,905)	(421,172)	(433,807)
Proposed Debt	\$ 8,057,560	\$ 18,902,529	\$ 27,081,710	\$ 38,949,696	\$ 47,061,235	\$ 52,172,411	\$ 60,678,252
Ending Debt Balance	\$101,026,022	\$105,098,804	\$106,488,434	\$111,478,999	\$112,853,106	\$111,085,899	\$113,296,709
Debt Calculation Per Chapter 113 @ 2%							
Assessed Value Sanitary Districts with 1% Growth (3)	\$12,262,205,677	\$13,465,296,300	\$13,599,949,263	\$13,735,948,756	\$13,873,308,244	\$14,012,041,326	\$14,152,161,739
Legal Debt Limit (Chapter 113 at 2%)	\$245,244,114	\$269,305,926	\$271,998,985	\$274,718,975	\$277,466,165	\$280,240,827	\$283,043,235
Debt as a Percentage of Assessed Value CIB FY23-FY28	0.82%	0.78%	0.78%	0.81%	0.81%	0.79%	0.80%
Debt Margin on 2%	\$144,218,092	\$164,207,122	\$165,510,551	\$163,239,976	\$164,613,059	\$169,154,927	\$169,746,525
Debt Calculation Per HB862 Ch.510 @ 40% - 2021 Legislation @ 1.26%							
Assessed Value Real Property Base per County w/3.3% growth	\$13,297,426,699	\$13,831,782,594	\$14,288,231,420	\$14,759,743,056	\$15,246,814,577	\$15,749,959,458	\$16,269,708,120
Legal Debt Limit (Chapter 510 @ 40% - 2021 Legislation @ 1.26%)	\$167,547,576	\$174,280,461	\$180,031,716	\$185,972,763	\$192,109,864	\$198,449,489	\$204,998,322
Debt as a Percentage of Assessed Value CIB FY23-FY28	0.76%	0.76%	0.75%	0.76%	0.74%	0.71%	0.70%
Debt Margin on 40%, 1.26% Rate equivalent	\$66,521,555	\$69,181,657	\$73,543,282	\$74,493,764	\$79,256,758	\$87,363,590	\$91,701,613
Debt as a Percentage of Assessed Value CIB FY22-FY27	0.88%	0.93%	0.93%	0.95%	0.94%	0.91%	

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.

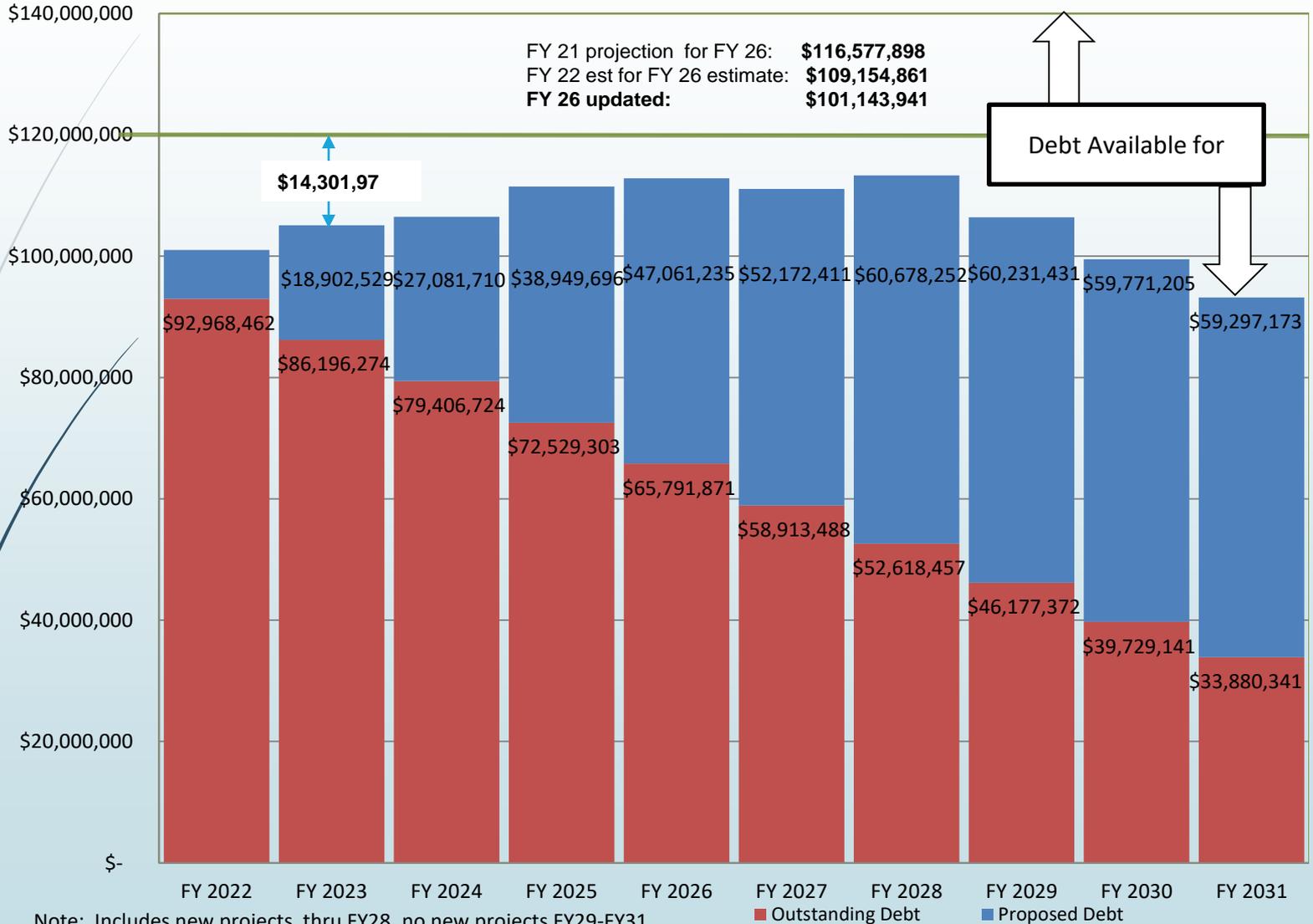
NOTE (2) MetCom new debt calculation includes contingencies.

NOTE (3) FY2022 based on FY2019 rolled forward at 1%. FY2023 Update utilizes MD Dept of Planning 2022 data: Reduced by Sanitary Districts 7 and 9 (no facilities), and reduced by all public property (County/State/Federal). If FY2022 was rolled forward to FY2023 without update, FY2023 assessed value would have been higher by \$123M at \$12,384,827,734 and calculating the debt as a percentage at .77% vs. the new calculation of .71%



DEBT: OUTSTANDING & PROPOSED

NOTE: FY 2023 debt is \$14.3M lower than the self-imposed \$120M cap and \$49M lower than the HB 862 legislated cap.



MOODY'S CREDIT RATING

MetCom Moody's Investor Service. Moody's assigns initial A1 Issuer Rating to St. Mary's County Metropolitan Commission.

The A1 issuer rating remains active and refers to an opinion regarding the creditworthiness of an entity.

It reflects the Commission's satisfactory financial operations, including adequate liquidity and healthy debt service coverage.

"The rating is really a reflection of what MetCom's credit quality would be if you issued revenue bonds, instead of your debt being issued as a General Obligation of the County."

Moody's rating scale



Moody's ratings

- American firm
- Date of foundation : 1900
- Turnover: 4.2 billion USD
- Net income : 1 billion USD
- Total staff: 12 300 staff members worldwide
- Presence in 42 countries
- Market share: 40%



Moody's rating scale

Moody's rating scale, which ranges from a maximum Aaa to a minimum C, consists of 21 notches and two categories:

- Investment category for the financially sound companies.
- Speculative category for the companies with a higher risk of defaulting.

Categories	Rating symbols	Rating notches	Comments
Investment	Aaa		Highest quality, subject to the lowest level of credit risk
		Aa1	
		Aa2	
	Aa	Aa3	High quality, subject to very low credit risk
		A1	
		A2	
	A	A3	Upper-medium grade, subject to low credit risk
		Baa1	
		Baa2	
Baa	Baa3	Medium-grade, subject to moderate credit risk and may possess certain speculative characteristics	



FUNDING THE CAPITAL BUDGET

35

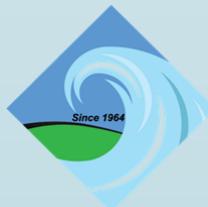
MetCom projects are funded by revenue raised from collection of System Improvement Charges and Capital Contribution Charges

➤ **System Improvement Charges** (monthly charge per EDU)

System Improvement Charges remained flat for sewer and only slightly higher for water, but lower than prior FY 2022 projections

➤ **Capital Contribution Charges** (one time charge per EDU at time of connection)

No changes in Capital Contribution Charges proposed in FY 2023 for water or sewer

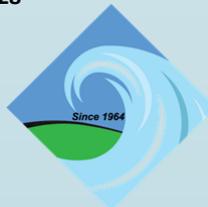
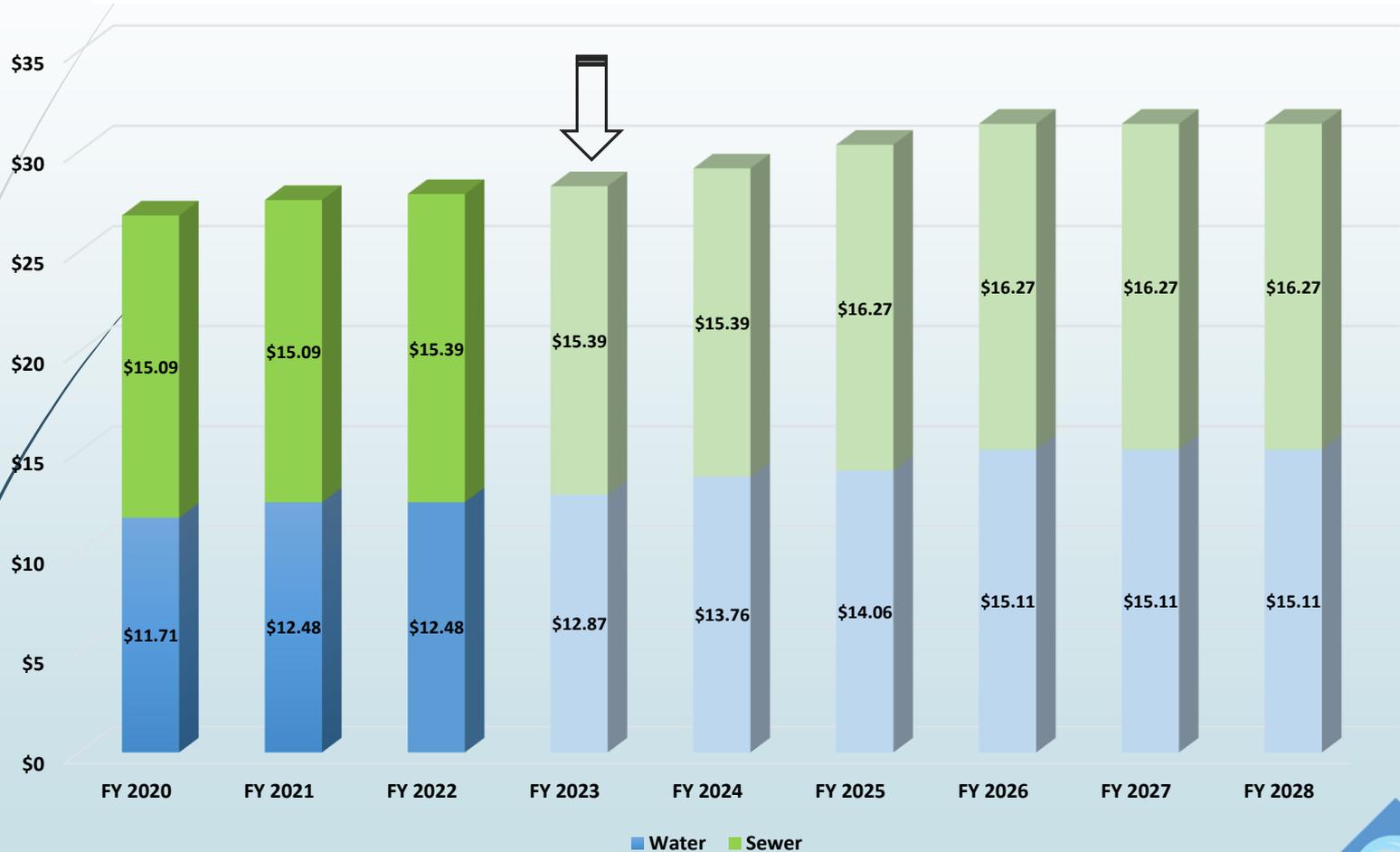


CAPITAL COST RECOVERY

36

System Improvement Charges are monthly charges to cover the cost of projects for the upgrade, replacement and repair of existing facilities and systems (*residential rates shown below*).

FY 23: Draft requires NO subsidies to maintain rates sewer SIC rates



SYSTEM IMPROVEMENT CHARGES

36

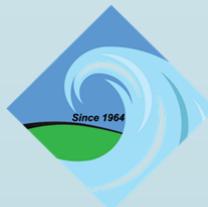
Monthly fee per EDU: Covers the cost of projects that require the upgrade and replacement of existing facilities and systems.

	<u>Current</u> <u>FY22</u>	<u>Proposed</u> <u>FY23</u>
Residential Charges		
Sewer	\$15.39	\$15.39*
Water	\$12.48	\$12.87**
Commercial Charges		
Sewer	\$18.47	\$18.47*
Water	\$14.98	\$15.44**

NOTES:

* As of FY 23, no longer utilizing non-accumulating Sewer Debt Service Reserves as a rate stabilization fund.

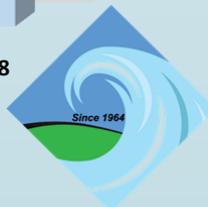
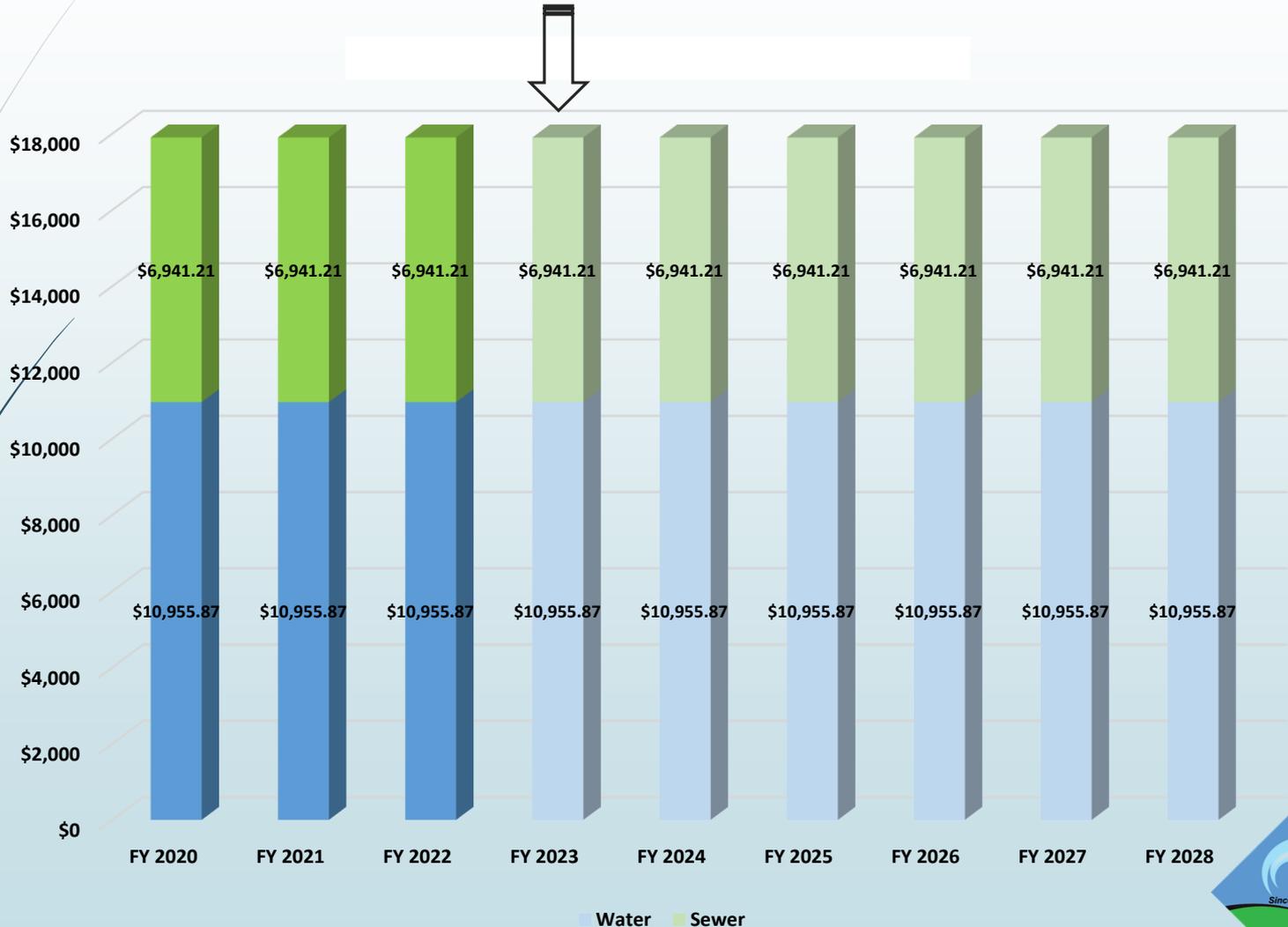
** FY 2023 System Improvement Charges are lower than projected in FY 2022.



CAPITAL COST RECOVERY

38

Capital Contribution Charges are one-time charges to cover cost of projects for extensions of water and sewer lines, wastewater pumping stations and new facilities undertaken for the primary purpose (*residential rates shown below*).



CAPITAL CONTRIBUTION CHARGES

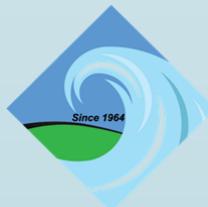
38

Paid per EDU at the time of connection: Covers the cost of projects that require 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>FY22</u>	<u>Proposed</u> <u>FY23</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*

NOTES:

* Rates have been maintained at this level since FY2019



PERFORMANCE MEASURES

40

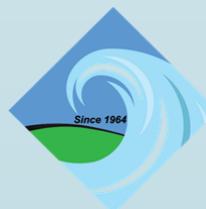
Debt Service Coverage Ratio = (Total Revenue - Total O&M) / Total Debt Service	FY21 Actual	
Operating Revenues*		
Service Charges	\$ 15,860,880	
Debt Service Charges	11,983,148	
Miscellaneous	313,717	
Total Operating Revenues	\$ 28,157,745	
Operating Expenses**		
Direct Operating Expenses	9,259,713	
Administrative Expenses	6,170,193	
Total Operating Expenses	\$ 15,429,906	
Net Revenues	\$ 12,727,839	
Debt Service		
Principal	\$ 6,155,877	
Interest	2,898,921	
Total Debt Service	\$ 9,054,798	
Debt Service Coverage Ratio	1.41	X
Adopted Target Debt Service Coverage Ratio *	1.25-1.50	X
AWWA Benchmark Performance Indicator (median)	1.30	X

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 1.25 – 1.50.

This means MetCom can fund its debt service requirement 1.41 times after all operational expenses.



PERFORMANCE MEASURES

41

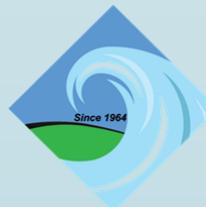
	FY21 Audit	
Total Debt:		
Total Debt All DHCD & Drawn MDE	\$ 89,770,649	
Total Debt Undrawn MDE		
Total Debt Drawn & Undrawn	\$ 89,770,649	
Operating & Debt Service Revenue:		
Service Charges	\$ 15,860,880	
Debt Service Charges	11,983,148	
Miscellaneous	(438,896)	
Total Operating & Debt Service Revenues	\$ 27,405,132	
Outstanding Debt (Drawn & Undrawn) to Operating & Debt Service Revenues *	3.28 X	
Target - 5X or Below	5X or Below	

Outstanding Debt vs. Operating & Debt Service Revenues

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 2021 has proven to be even less than the prior three fiscal years.



PERFORMANCE MEASURES

42

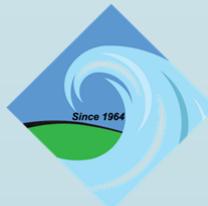
Days Cash on Hand = Undesignated Cash Reserves / Total O&M Costs	FY21 Actual
Unrestricted Reserves	
General Fund Reserves	
Capital Liquidity Reserves	\$ 3,500,000
Remaining Operational Reserves	5,585,795
Total General Fund Reserves	\$ 9,085,795
Other Unrestricted Reserves	2,803,905
Total Unrestricted Reserves	\$ 11,889,700
Restricted Reserves	\$ 16,813,388
Total Reserves	\$ 28,703,088
Total Operating Expenses	\$15,429,906
Operating Expenses Per Day	\$42,274
Days Cash on Hand	
General Fund Capital Liquidity	83
General Fund Remaining Operational	132
Other Unrestricted	66
Total Unrestricted Reserves	281
Target Unrestricted Reserves - Days Cash On Hand *	90-180
AWWA Benchmark Performance Indicator	152-271

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 2021 measured at 281 days. Exceeding the target, allows for operational leeway in future budgeting.



PERFORMANCE MEASURES

43



NOTE: Approximately 66% of our customers use 0-5,000 gallons per month.		FY20 Approved	FY21 Approved	FY22 Approved	FY23 Recomm Budget	FY23 Recomm Budget
		5,000 Gallons/Month	5,000 Gallons/Month	5,000 Gallons/Month	5,000 Gallons/Month	7,500 Gallons/Month
Water						
Ready-To-Serve Charge		\$ 9.44	\$ 9.67	\$ 9.87	\$ 10.14	\$ 10.14
Water Usage		8.50	8.70	8.90	9.10	18.20
System Improvement Charge		11.71	12.48	12.48	12.87	12.87
Water - Estimated Monthly Service Charge		\$ 29.65	\$ 30.85	\$ 31.25	\$ 32.11	\$ 41.21
Sewer						
Ready-To-Serve Charge		\$ 17.77	\$ 18.31	\$ 18.81	\$ 19.45	\$ 19.45
Sewer Usage		24.15	24.90	25.55	26.45	39.68
System Improvement Charge		15.09	15.09	15.39	15.39	15.39
Sewer - Estimated Monthly Service Charge		\$ 57.01	\$ 58.30	\$ 59.75	\$ 61.29	\$ 74.52
Bay Restoration Fee		\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Total Estimated Monthly Service Charge		\$ 91.66	\$ 94.15	\$ 96.00	\$ 98.40	\$ 120.73
<i>Bill at Prior Approved Fiscal Year Rates</i>		<i>\$ 89.83</i>	<i>\$ 91.66</i>	<i>\$ 94.15</i>	<i>\$ 96.00</i>	<i>\$ 112.21</i>
St. Mary's County Median Household Income						
2015-2019 US Census Bureau (American Community Survey)		\$ 86,508	\$ 86,508	\$ 89,845	\$ 95,864	\$ 95,864
MetCom Annual Bill % of Annual MHI		1.27%	1.31%	1.28%	1.23%	1.51%
Adopted Target Annual Bill % of Annual MHI		1.50%	1.50%	1.50%	1.50%	1.50%
AWWA Benchmark Performance Indicator (median)		1.59%	1.59%	1.59%	1.59%	1.59%
Lexington Park Median Household Income						
2015-2019 US Census Bureau (American Community Survey)		\$ 69,845	\$ 67,097	\$ 74,598	\$ 74,598	\$ 74,598
MetCom Annual Bill % of Annual MHI in Lexington Park		1.57%	1.68%	1.54%	1.58%	1.94%
Annual Combined Bill % of MHI: National Median, All Credits (1)*						
National 'A' Median		1.90%	1.90%	1.90%	1.90%	1.90%
National 'AA' Median		2.90%	2.90%	2.90%	2.90%	2.90%
National 'AAA' Median		2.00%	2.00%	2.00%	2.00%	2.00%
National 'AAA' Median		1.40%	1.40%	1.40%	1.40%	1.40%

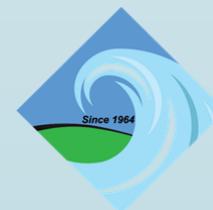
(1) Source: 2015 Debt Study, page 35, Davenport & Company
 (2) Source: Fitch 2019 Median Report, Davenport & Company

Service Affordability Rate. Comparison To Median Household Income (MHI)

This ratio indicates the annual burden for cost of service vs affordability for customers.

It is a measure of the affordability of water and sewer service as a % of MHI. Range: 1.27 (top quartile) - 1.59 (median)

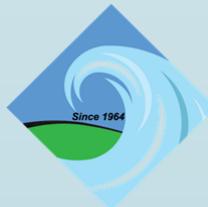
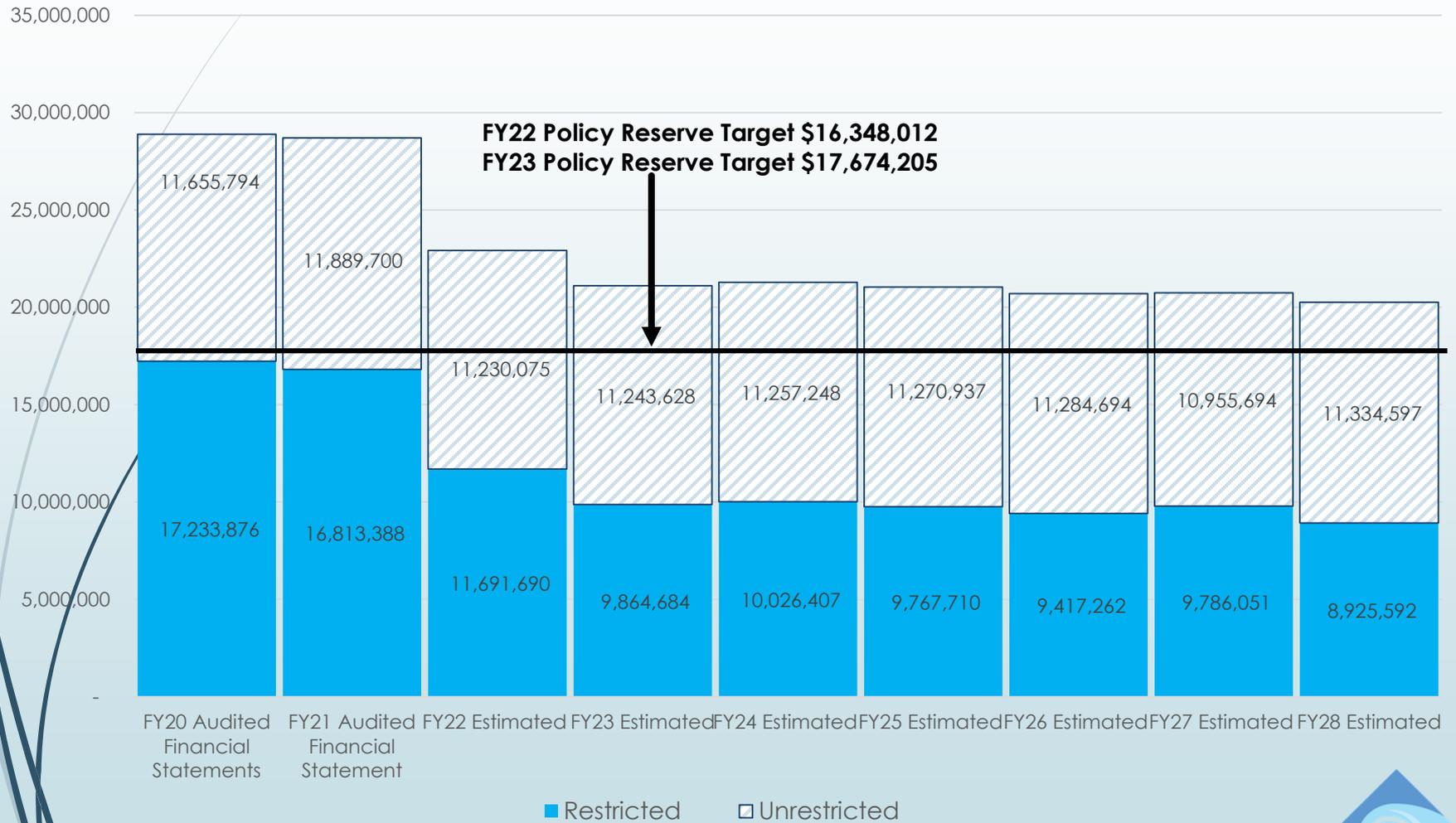
Average Increase between FY 20 and FY 23 is 2.34%. Target: **3% max**



METCOM RESERVES – AUDITED AND PROJECTED

44

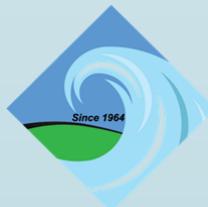
(Reserve Policy was adopted 9/11/2014)



NEXT STEPS

44

- ✓ 4/19/22 - Public Comment Period begins
- ✓ 4/26/22 - County Commissioners to review Capital Improvement Budget & Plan
- ✓ 4/28/22 – MetCom Board to discuss topical issues
- ✓ 5/3/22 – Public Hearing closes at 4:30 pm
- ✓ 5/24/22 - County Commissioners to Approve the FY 2023 Capital Improvement Budget & Plan
- ✓ 5/26/22 - MetCom Board to Approve FY 2023 Operating Budget and Capital Improvement Budget & Plan



PUBLIC COMMENT PERIOD BEGINS NOW

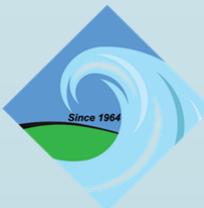
45

All persons are invited to attend the Public Hearing, but physical access is limited based on COVID capacity limits that remain in place. The hearing may be viewed by [live stream @ www.metcom.org](https://www.metcom.org) .

The opportunity to provide comment at this time is also available via a dedicated phone line.

Please [call us at 301.298.1561](tel:3012981561) extension 454043 to record your comment(s) during the next ten (10) minutes.

Written comments may also be submitted in person or via email @ budget2023@metcom.org



**The public record for this
public hearing will remain
open until close of business
5/3/2022**

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

**23121 Camden Way
California, MD 20619**

**or email to:
budget2023@metcom.org**

