

ST. MARY'S COUNTY METROPOLITAN COMMISSION



FISCAL YEAR 2021 ANNUAL REPORT

**Reporting Period:
July 1, 2020 to June 30, 2021**

TABLE OF CONTENTS

Letter from the Executive Director 1

General Overview



Board Members..... 3
Organization & Key Staff..... 4
Facilities..... 5
Financial..... 6
Engineering..... 11
Human Resources..... 12

Fiscal Year 2021 Accomplishments



Capital Improvements..... 15
Operations & Maintenance..... 20
Laboratory: Testing & Analysis..... 22
Information Technology..... 23
Fiscal..... 25
Human Resources..... 30

Summary of FY 2021 Statistics..... 33

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: completion of the Hickory Hills Elevated Water Storage Tower and Pine Hill Run force main; planning approvals for the St. Clements Shores Wastewater Treatment Plant upgrade to ENR treatment standards; and continued joint projects with the County's Department of Public Works & Transportation. You will read about these and other efforts throughout the following pages of this Report.

Other non-capital accomplishments in FY 2021 included: continuing our successful scholarship program; lowering the rate of increase in usage charges by almost 11% for the third year in a row; completing the certification of a Risk & Resiliency Assessment (RRA) and Emergency Response Plan (ERP) for all public water infrastructure; implementing Energy Audit recommendations; achieving our Debt Policy performance measures; taking advantage of lower interest rates and refinancing prior loans; receiving the highest rating on the audit of our financial statements; obtaining legislative approval to decouple debt from the County government; celebrating numerous in-house promotions; securing property for support existing infrastructure; developing new joint agreements with fellow stakeholders; participating as volunteer judges in the local Science & Engineering Fair; and most importantly, maintaining our rigorous operations, maintenance, testing, risk management, training, and development review programs.

Having been faced with the on-going COVID-19 global pandemic, we continue to be challenged with ever-changing protocols, but the MetCom management team has taken the necessary 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: 7:30 a.m. to 4:30 p.m. Monday through Friday. Telephone: (301) 737-7400 / Website: www.metcom.org / Facebook: @SMCMetCoM



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: 7:30 a.m. to 4:30 p.m. Monday through Friday. Telephone: (301) 737-7400 / Website: www.metcom.org / Facebook: @SMCMetCoM

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 2021, ending June 30, 2021, were:

Commissioners

Gerald Meyerman
1st Election District

Roy H. Alvey
2nd & 9th Election Districts

Joseph I. Russell, Chairman
3rd Election District

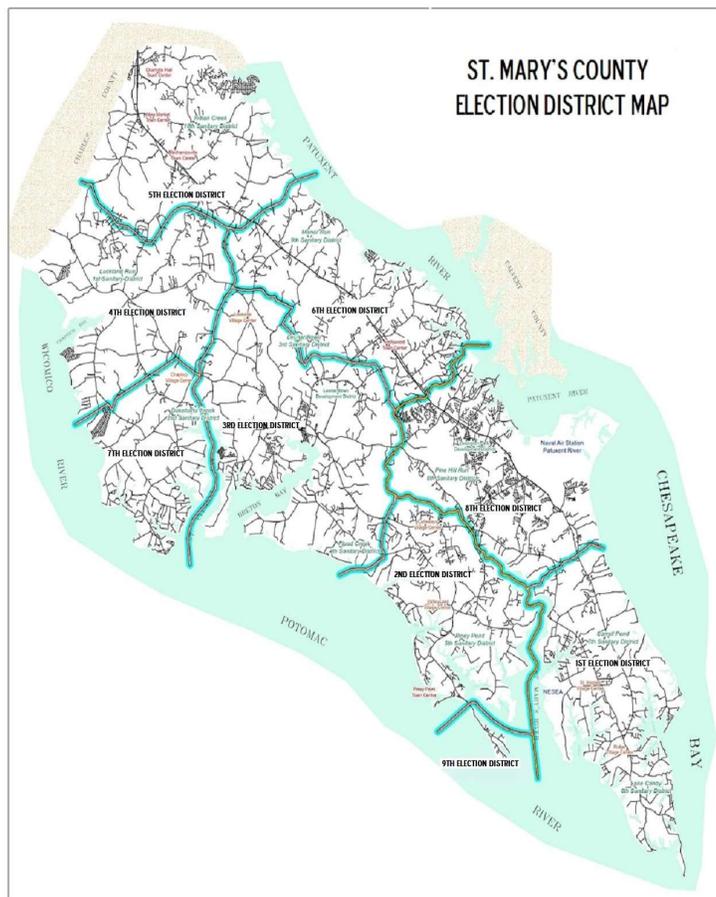
Dale Antosh
4th & 5th Election Districts

Keith Dugan
6th Election District

Robert A. Russell
7th Election District

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

Captain John Barbrazon
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

Pandemic Response. On March 11, 2021, the Commissioners for the St. Mary's County Metropolitan Commission took the opportunity to express their heartfelt thanks and appreciation to the employees of METCOM for their tireless support to our customers and to each other over the past year of the pandemic. *"For most of us, the changes to our lives and the way that we have been forced to conduct business were unprecedented. Together through the leadership of METCOM and you the employees, we had to create new processes and procedures to provide service to our customers, while remaining safe in our personal and professional lives. March marks one year since this country declared this pandemic and for many of us, it has taken a toll in the loss of lives of friends, relatives, and many of our neighbors. Although we are not at a point of celebration, we can see some glimmers of hope ahead. Please continue to stay safe and accept our thanks for a job well done"*.

FACILITIES OVERVIEW

WASTEWATER FACILITIES

The Metropolitan Commission owns or operates 7 wastewater treatment plants in the county, treating a combined flow of approximately 1.60 billion gallons a year. The largest treatment plant is the Marlay - Taylor Water Reclamation facility, which was first built in the late 1960's. By utilizing state of the art treatment technologies, the plant is able to treat an average daily wastewater flow of 3.5 million gallons a day. The Marlay - Taylor Water Reclamation Facility serves a majority of MetCom's wastewater customers. Other plants serve Wicomico Shores, St. Clements Shores, Airedale Road, the Forrest Farms neighborhood and parts of Charlotte Hall. All facilities are permitted through the Maryland Department of the Environment and utilize the latest in wastewater treatment technology.



Staff is available day and night, 24/7 to respond to customer service issues

WATER DISTRIBUTION FACILITIES

METCOM operates 28 water systems throughout the county, delivering drinking water to over 16,000 customers. The public water system is comprised of over 250 miles of water distribution lines (ranging in size from ¾ inch all the way up to 16 inches), 15,000 water meters, the Commission also owns and operates 52 water well sites, 55 water pumping stations and 18 water towers.

OPERATIONS AND MAINTENANCE

The sanitary sewer system watershed is comprised of 10 Sanitary Sewer District drainage basins. The structural integrity, reliability and overall performance of the conveyance and treatment systems has considerable ramifications to the water quality of the Chesapeake Bay water shed, the largest estuary in the world. The sanitary sewer collection and conveyance system consists of approximately 290 miles of gravity and pressure sanitary sewer lines, 66 wastewater pumping stations servicing various neighborhoods. Within the system, there are 167 miles of gravity line and 124 miles of pressure main, 3,700 manholes and 1,800 grinder pumps. There are no combined stormwater and sanitary sewers in our system. The gravity sewer mains range in size from 6 inches to 42 inches, and vary in depth from 2 feet to over 30 feet. The materials used include vitrified clay pipe, transite pipe and polyvinyl chloride (PVC) pipe. As new sewer infrastructure is being added, all information is updated within our GIS system.

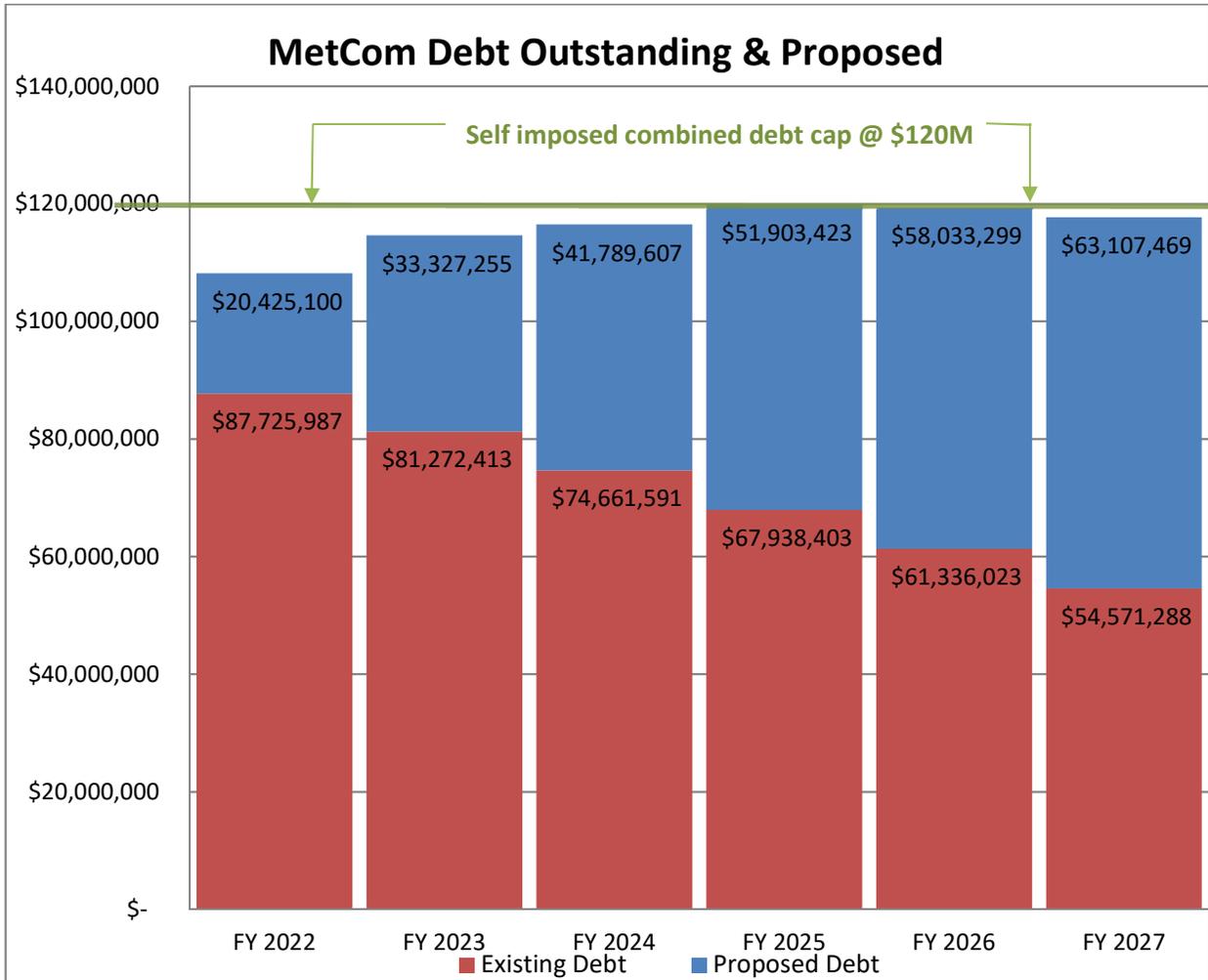


In-house installations such as this new water storage tank at the Wild Goose Crest water station results in substantial savings to our customers

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 2022 - 2027, well below the legal limit of 25%. In addition, legislation was passed under House Bill 862, which included the decoupling of Metropolitan Commission’s debt from the debt of the Commissioners of St. Mary’s County (see page 30 for more information).



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).

FY 2021 AUDIT

Executive Summary

Each year, the Metropolitan Commission is audited by an independent auditor. In FY 2021, 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 \$3.1 million and \$6.4 million, or 2.4% and 5.3%, as a result of operations in FY 2021 and 2020, respectively.
- ✓ During the current year, MetCom's revenue from operations was \$16.2 million, representing an increase of 4.7% over the prior year. The current year increase is mostly due to an increase in rates, increase in usage, and new customers.
- ✓ MetCom's operating expenses excluding depreciation were \$15.4 million during FY 2021 and \$14.1 million in FY 2020.
- ✓ Depreciation Expense totaled \$6.6 million for the years ending June 30, 2021 and 2020.
- ✓ MetCom's non-operating revenue was \$8.8 and \$10.3 million for the years ending June 30, 2021 and 2020, respectively. The decrease of 14% was a result of a decrease in interest income, and an increase in interest expenses. FY 2020 increased by 3% as a result of increases in debt service charges and interest.

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,

To review audited Financial Statements from FY 2012-FY 2021 please visit the Financial Report section of our website at <http://metcom.org/node/77>.

FY 2021 BUDGET

FY21 Audited Actuals

Income

| | |
|------------------------------------|--------------|
| Sewer Income | \$10,490,470 |
| Water Income | 5,478,849 |
| Engineering Income | 205,278 |
| Other Income | 236,154 |
| Sewer System Improvement Charges | 5,096,122 |
| Water System Improvement Charges | 3,798,253 |
| Sewer Capital Contribution Charges | 1,399,764 |
| Water Capital Contribution Charges | 1,689,009 |

Total Budget Income

\$28,393,899

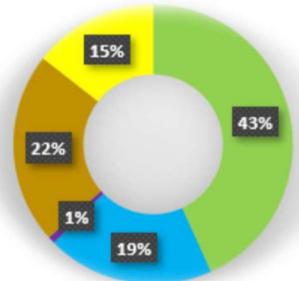
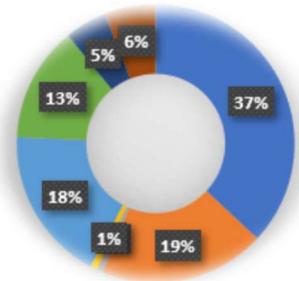
| | |
|---------------------|--------------|
| Sewer Expenses | \$10,649,959 |
| Water Expenses | 4,779,947 |
| Engineering Expense | 205,278 |
| Debt Service Sewer | 5,454,874 |
| Debt Service Water | 3,562,971 |

Total Budget Expenses

\$24,653,029

Income Allocated To Reserves

\$ 3,740,870



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 and Sewer Service Rates for Fiscal Year 2021 were:

Water Service Rates

FY21 Water Rates

| | | |
|---------------------------|------------|----|
| Non-Metered per EDU/Month | \$ 18.73 | |
| Metered Rate 5/8" * | \$ 9.87 | ** |
| Metered Rate 1" | \$ 24.67 | ** |
| Metered Rate 1-1/2" | \$ 49.32 | ** |
| Metered Rate 2" | \$ 78.90 | ** |
| Metered Rate 3" | \$ 157.82 | ** |
| Non-Metered per EDU/Month | \$ 246.58 | ** |
| Metered Rate 5/8" * | \$ 493.18 | ** |
| Metered Rate 1" | \$ 789.07 | ** |
| Metered Rate 1-1/2" | \$1,134.31 | ** |
| Metered Rate 2" | Tiered | |
| Metered Rate 3" | \$ 1.78 | |
| Non-Metered per EDU/Month | \$ 3.54 | |
| Metered Rate 5/8" * | \$ 7.10 | |
| Metered Rate 1" | Tiered | |
| Metered Rate 1-1/2" | \$ 3.54 | |
| Metered Rate 2" | \$ 7.10 | |
| Metered Rate 3" | \$ 3.54 | |

Sewer Service Rates

FY21 Sewer Rates

| | | |
|------------------------------|------------|-----|
| Non-Metered per EDU/Month | \$ 44.37 | |
| Metered Rate 5/8" * | \$ 18.81 | |
| Metered Rate 1" | \$ 47.03 | |
| Metered Rate 1-1/2" | \$ 94.04 | |
| Metered Rate 2" | \$ 150.48 | |
| Metered Rate 3" | \$ 300.92 | |
| Metered Rate 4" | \$ 470.20 | |
| Metered Rate 6" | \$ 940.42 | |
| Metered Rate 8" | \$1,504.64 | |
| Metered Rate 10" | \$2,164.06 | |
| Usage Rate per 1,000 Gallons | \$ 5.11 | *** |

* 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

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 2021 were:

| <u>Water:</u> | <u>FY 2021</u> |
|---------------------------|----------------|
| Residential / EDU / month | \$ 12.48 |
| Commercial / EDU / month | \$ 14.98 |
| | |
| <u>Sewer:</u> | |
| Residential / EDU / month | \$ 15.39 |
| Commercial / EDU / month | \$ 18.47 |

STABILIZING RATES

Due to sound capital project management and fiscal practices, charges were able to be maintained at the prior approved FY 2020 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 2021 were:

| <u>Water:</u> | <u>FY 2021</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 |

NEW DEVELOPMENT

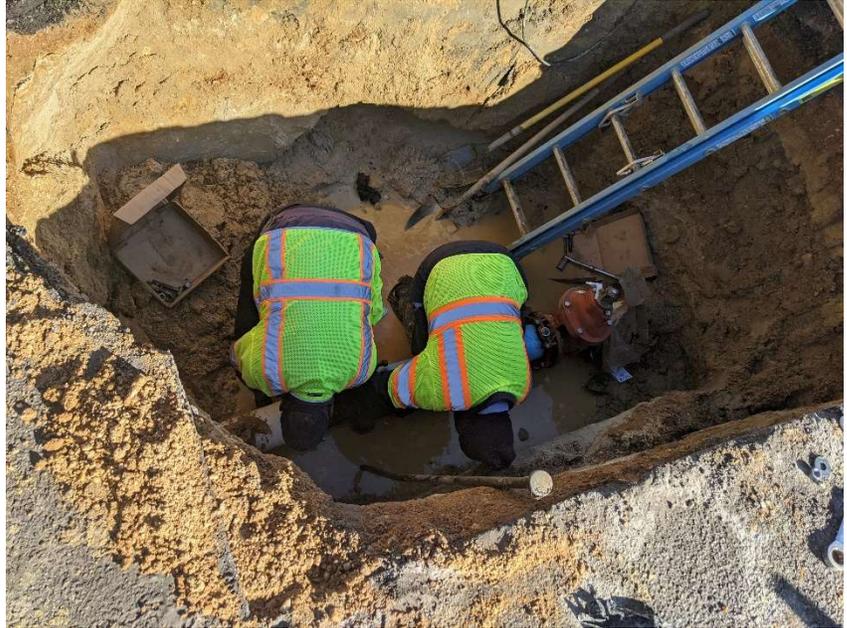
Charges were able to be maintained at the prior approved FY 2020 levels, which provides affordability and predictability. Customers may now defer 50% of this charge for new sewer connections.

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 / plat / easement reviews, capital project design and construction management, and maintenance of MetCom's GIS infrastructure databases. Many of the GIS layers are now available through the County's GIS mapping tool that is available to the public at www.stmarysmd.com/it/gis/.

The Department evaluates new and redevelopment projects submitted for connection to the water and sewer systems as part of the County's technical evaluation 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 376 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 on pages 16-18 of this Report. Additionally, developer projects are routinely monitored and inspected by staff. Approximately \$6.29M in surety bonds remained in place during FY 2021 to ensure contract completion in the event of contractor default.

The Engineering Department also manages capital improvement projects funded as a part of a multi-year Capital Improvement Budget and Plan. This includes budget formulation, planning, scheduling, design management, permitting, land / easement acquisition, construction management, inspection services, and providing technical assistance on grants and loans. The approved FY 2021 capital improvement budget included funding for nine (9) water and eight (12) sewer projects budgeted at \$7,626,732 and \$6,868,460, respectively along with several prior approved projects.

Whenever possible, the Construction Division provides assistance to the Operations Department by performing cost effective maintenance work and emergency repairs by engaging in-house staff in lieu of utilizing contractor support.

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 2021, the Human Resources Department:

- Received and processed 435 applications;
- Posted 55 employment notices;
- Filled 27 vacant positions; and

STAFFING

As of June 30, 2021, MetCom employed 95 employees, as follows:

| | <u>Male</u> | <u>Female</u> |
|-----------------|-------------|---------------|
| Full Time | 67 | 28 |
| Part Time | 0 | 0 |
| Intern | 0 | 0 |
| <u>Contract</u> | <u>0</u> | <u>0</u> |
| TOTAL | 67 | 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 fourteen (14) employees from within the organization.

As of June 30, 2021, MetCom’s employees, classified by years of service, was as follows:

| <u>Service Years</u> | <u># Employees</u> |
|----------------------|--------------------|
| 30 + years | 6 |
| 25-29 years | 3 |
| 20-24 years | 8 |
| 15-19 years | 9 |
| 10-14 years | 11 |
| 5-9 years | 13 |
| <5 years | 45 |



Length of Service Award recipients are recognized by the Commissioners and their co-workers at our Board meetings



BENEFITS MANAGEMENT

The Human Resources staff attended several virtual seminars, and online-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 • 3 Retirements • 3 Worker’s Compensation Claims • 9 Family Medical Leave Applications • Open Enrollment Information Session • Flu Shots | <ul style="list-style-type: none"> • 79% of employees participate in MetCom’s medical insurance • 83% of employees participate in MetCom’s dental insurance • 49% of employees participate in the 457B Retirement Plan • 54% of employees are enrolled in the Short Term Disability • 41% of employees have additional life insurance • 20% of employees have ancillary insurance (AFLAC) • 4 employee participates the Tuition Reimbursement Program • 50% 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 19 employees who hold a CDL license.



We currently have 36 licensed employees, with 67 individual licenses and certifications, including competent climber / rescue



OSHA Confined Space training helps remind staff to remain vigilant

MetCom participates in the new CDL clearinghouse mandated by the Federal Motor Carrier Safety Administration.

As of June 30, 2021, MetCom had three (3) Professional Engineers on staff, one (1) Professional Human Resources and Society for Human Resource Management (SHRM) – Certified Professional, and two (2) Certified Professional Public Buyers. In Fiscal Year 2021, employees participated in a total of 94 safety classes and received 1,424 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. However, due to COVID-19, MetCom made a conscientious decision not to employ any interns this fiscal year, in an effort to help keep a safe work environment. We look forward to being able to resume this program as it is beneficial to both the students and the Metropolitan Commission.

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

QUALITY ON TAP AWARD



On behalf of the Commission, the Executive Director awarded Patricia (Trish) L. Brown the 2021 Quality on Tap Award in appreciation and recognition of her outstanding service, dedication to duty, and level of commitment to the organization. Trish's efforts set a standard of excellence that is a direct reflection of her professionalism and are in keeping with the highest traditions of MetCom.



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 2021, there were only three (3) work related injuries reported with workers' compensation claims totaling \$15,613 and eleven (11) 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 2021 ACCOMPLISHMENTS

CAPITAL IMPROVEMENTS

- **Hickory Hills Water Tower and Well.** The construction of a new 2,000,000 gallon composite water tower to replace the existing 500,000 gallon tower began this fiscal year. This tower and well will balance the demands on the Lexington Park distribution system. Once completed, the existing tower will be removed. MetCom initiated the use of time lapse photography to record progress on the project (see *below*) and plans to incorporate this technology as a contract requirement on future projects. The well and tower are expected to be completed between the Fall of 2022 and Spring of 2023.



- **Interceptor Rehabilitation, Pine Hill Run Road.** This section of MetCom’s Interceptor sewer collects sewerage from the majority of the Lexington Park and Piney Point areas. The replacement of approximately 1,900 linear feet of existing 33" diameter sewer pipe with a new 42" diameter pipe provided increased capacity in the section of the interceptor sewer located on Pine Hill Run Road, from Forest Park Road / Pax River NAS Gate 3 to the Marlay-Taylor Water Reclamation Facility (MTWRF). In the Spring of 2020, the original contractor defaulted and the surety was required . The remainder of the job was re-bid, by the surity, and an agreement was tendered between MetCom and the new contractor. Work was complete in the Summer of 2021.



- **Exterior Petty Building Upgrades Phase 1.** The first phase of this project included the Construction Building Improvements at the Marlay-Taylor Water Reclamation Facility (MTWRF) site. The existing “Butler” style building, built in approximately 1982 had reached the end of its useful life. The work included providing updated / code compliant offices and restrooms(s) for staff, equipment, material storage areas, and site improvements for drainage, parking and circulation. This project was advertised as a design/build contract in the Summer of 2020 and the work was complete in the Summer of 2021.

- **Town Creek Water Replacement, Phase 1.** Construction of the first phase of a multi-phased capital project in the Town Creek Subdivision was complete this fiscal year. This first

of five phases included the replacement of 7,000 feet of water mains and the addition of 17 new fire hydrants (as *none existed prior*) to serve our existing customers, to provide

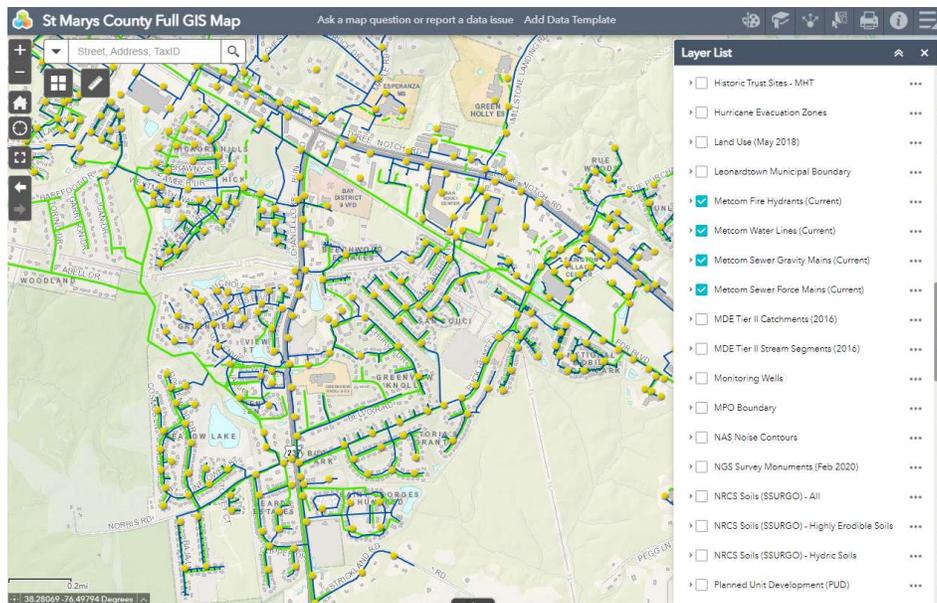


improved fire protection and to add planned capacity for future customers. Work on this phase (*above*) was completed in the Summer of 2020.

- St. Clements Shores Wastewater Treatment Plant Expansion / Upgrade.**
 In preparation for the design phase of the project which will address hundreds of failing septic systems in the Breton Bay area: Priority Funding Area Exemption, Planning Commission and Smart Growth Coordination Committee approvals, Comprehensive Land Use Plan and CWSP amendments, review by the State Departments of Planning & Environment, and a formal Sewer Service Area designation approvals were obtained. This joint project between the State, County, Health Department and MetCom culminated in the approval of Resolution No. 2021-01 on 1-5-2021. The corresponding Preliminary Engineering Report (PER) was submitted to the Maryland Department of the Environment on 6-30-2021 for a grant funding eligibility determination.

GEOGRAPHIC INFORMATION SYSTEM (GIS)

Before 2021, MetCom provided the County's GIS department a CD-ROM, twice a year, containing the GIS data for our updated water and sewer systems. In 2021, with the use of ArcGIS Online, the County's GIS department is able to include a live link to MetCom's water and sewer system GIS data on the County's GIS webpage. Now, any updates made to MetCom's GIS will automatically update on the County's GIS website.



DEVELOPMENT REVIEW

- Privatization of Services.** Effective 7-1-2021, the Commission began utilizing PRO COMM Engineering & Locating Services to perform all utility locations for existing water and sewer. The contractors will be representing the Commission and will be identified as an authorized agent for utility locating services. Call 811 before you dig and Miss Utility will notify MetCom and other affected utilities that will then send professional locators to the dig site to mark the exact location of any underground lines.



- The new **Lexington Park Ford Auto Dealership** next to the San Souci Shopping Center was constructed this fiscal year (see *photo below*). This developer project includes a new Chevrolet/Buick/GMC Auto Dealership just to the north, and a third building to the south. This development is adjacent to the planned Phase 3 of FDR Boulevard, which will be constructed next fiscal year along with the balance of this project.



- The **Avid Hotel** is a commercial development on the north side of Three Notch Road (*next to the VFW*) that was approved for construction. The 41,970 square foot / 95 room hotel is planned to be built on a 5.34 acre parcel. The project will be served by both public water and sewer facilities which will add to MetCom's customer base. The new public gravity sewer main and water main connections will be bored beneath Three Notch Road to avoid traffic control issues during construction
- The **Woods at Myrtle Point Section 6** project is a residential development of 24 townhomes located adjacent to Myrtle Point Road and is currently under construction. The proposed development is being built on a 6.05 acre site and will be served by public water and sewer. The sewer for this development will flow by gravity to the previously constructed Section 5 townhome project and will eventually be pumped by the Myrtle Point Wastewater Pump Station #5 to the Marlay-Taylor Water Reclamation Facility for treatment.
- The **Harris Teeter Fuel** project is a commercial development with frontage along MD 235 (*Three Notch Road*). The gas station will be located next to the MedExpress Urgent Care center and will consist of multiple gas pumps and a 240 square foot office for payment collection, etc. The project will also be served by public water and sewer and will utilize the existing service connections installed with the initial commercial development. The project has been permitted, approved and is awaiting the notice to proceed with construction.

- The **Hollywood Self Storage** project is a commercial development located on Mervell Dean Road behind Dean Home Supply. The project site for this proposed development is 6.79-acres and will consist of one office building and six self-storage buildings. The development will only be served by public water which will serve the office building and provide fire suppression to each storage building. To provide water service to the development, a 1,208-foot extension was required along Mervell Dean Road as well as a connection to the existing system (*north of the site*) to increase the pressure of the system.

- **ePlan Submittal Initiative.** In addition to routine plan review, MetCom is planning to update and modernize the plan review process. In 2019, MetCom began a pilot electronic construction plan submittal and review program with a local engineering firm. This pilot program allowed us to determine a process for electronic submittal and reviews and work out any issues. Fast forward to the middle of March 2020 when Covid-19 began to disrupt all the normal operations that MetCom and the development community was accustomed to over the past years, which then pushed the electronic submittal and review program to all engineers, surveyors, and developers in order to keep project reviews moving forward. This allowed the development community to continue submitting plans for review while the MetCom offices were closed to the public. To this day, we continue to accept plans, electronically, through our ePlan submittal webpage located on the MetCom website.

EPLAN SUBMITTAL

This initiative has saved the development community a significant amount of time and money. The costs of traveling to drop off plans, mailing plans, and printing multiple copies of plans has been reduced since instituting the electronic submittal process. This program has received great feedback from the development community, and we will continue the program in the future.

- **Real Property Acquisitions.** Over the course of many years, the Commission has assumed maintenance responsibilities for many water and wastewater systems and/or identified properties that it has assets upon which it either does not own or have dedicated access to. A high priority has been placed on resolving these outstanding real property issues and in 2021, deeds were recorded for the Wilderness, Fenwick Manor, Holland Forrest, and Southgate well sites as well as a deed to correct outstanding title issues regarding the Hunting Quarter site. Our Real Property Manager has prepared a prioritized inventory of other real property Issues and has identified potential new acquisitions which we will continue to systematically address. Required easements, rights of entry, appraisals, deeds, and title searches are coordinated with the Operations and Engineering Departments.

OPERATIONS & MAINTENANCE

Wastewater Treatment: The Commission operates seven wastewater treatment facilities throughout the County treating a total of 1.60 billion gallons of wastewater. At the largest facility, the Marlay-Taylor Water Reclamation Facility, problems early in the year with the compressors and dryers in the BioMag building had led to an inability to feed magnetite over a number of weeks, causing higher suspended solids and an increase in total phosphorus. Staff had done quite a bit of troubleshooting and parts replacement to keep the treatment process on track and meeting discharge permit limits. Work was also completed this year on replacing the sludge storage tank, with the project only taking a month. The panels on the glass lined tank had corroded and in some places began to fail. A timely and needed fix; great job to DuWayne Potter and his crew for fast tracking this project.



Temporary sludge holding tank in place at the Marlay-Taylor facility

At our Northern Treatment Facilities, the Webitat structure at the St. Clements Shores facility is fully operational. This new technology allows for more treatment in a smaller area. At the Wicomico Shores Treatment Facility, a new emergency standby generator was installed and a new aluminum stairs have been installed on the sludge holding tank at the facility. The wooden stairs, which were installed with the tank in the early 2000's, were in poor shape and also needed replacement. The new aluminum stairs will give us a longer life span and be more stable over that life span. The new generator will serve as a backup power source for the facility for years of uninterrupted wastewater treatment for the neighborhood.



Staff installing a new emergency generator at the Wicomico Shores Wastewater Treatment Facility

Water Interruption Memorandum of Understanding: In conjunction with the County Health Officer, a Memorandum of Understanding was signed on September 24, 2020 to support Code Red Reverse 911 requests through the County's Department of Emergency Services Agency during the ongoing COVID-19 pandemic. Public Notification Response Protocols for Interruption of Public Water Supply were formalized in order to provide residences / businesses customers with enhanced and rapid notification of emergency and planned water outages.



Water Treatment and Distribution: There are approximately 2,800 fire hydrants (publicly owned and private) throughout the county that the Commission oversees. As an ongoing effort to provide adequate fire protection, we have an ongoing fire hydrant inspection program. The inspection program includes ensuring that each hydrant is free of obstructions, is in proper working order and is adequately painted. The inspection also includes lubricating threads, replacing caps, checking for any leaky gaskets and conducting a flow test to determine both the amount of water available for fighting fires and the general condition of the distribution system. Hydrants are color coded according to industry standards to indicate the amount of available flow. Once the inspection is complete, the information is turned over to Commission staff for inclusion into our records as well as uploaded to the county's publicly available GIS database portal.

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.



There are many maintenance tasks that staff has to tackle. Here Daniel Proctor (R) and Francis Russell (L) work on an electrical generator



Demolition of an old ground water storage tank being completed at the St. Mary's Industrial Park water station

The purpose of the program is to provide initial and periodic site surveys of MetCom's commercial water accounts in order to determine the degree of backflow hazard associated based on the occupancy of the building, type of water use fixtures and hazardous substances used in the building. The surveys also identify and inventory the containment backflow devices used and, depending on the degree of hazard and backflow assemblies used, determine the testing frequency of the assemblies.

Wastewater Collections and Maintenance: Conveying and pumping wastewater is a challenging endeavor. From sanitary sewer overflows to operations and maintenance, it is a challenge to our staff to stay on top of everything. Inflow and Infiltration (I&I) continue to be a major problem. Finding and fixing sources of I&I is an ongoing effort of the Collections and Maintenance staff. Attention has been given to areas of the system, such as repairing and raising some manholes in the California Run area. These manholes are located near streams and have been inundated with flood waters over the last couple of months. By raising and repairing these sewer manholes, we'll reduce some substantial I&I that is entering our collections system and effecting Marlay- Taylor Water Reclamation Facility. Other I&I efforts include and relining sewer lines along Great Mills Road to remediate any problems with the gravity sewer lines in that area as well.

Maintenance work throughout our system never stops. There was a tremendous amount of work completed throughout the system including aerators that were installed at the Piney Point Landings and Wildewood # 1 wastewater stations. These aerators are used to reduce odor and also Hydrogen Sulfide in the wet wells. New pumps, valves and piping have been installed at Wildewood # 1 wastewater station as well.



Staff is always working to improve our system. Here, David Vallandingham is troubleshooting a pump control panel

Warranty 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 selected Service Line Warranties of America (SLWA), a premier provider of home emergency repair programs to homeowners nationwide, to offer Exterior Water Service Line and Exterior Sewer/Septic Coverage. As of June 9, 2021 there were 2,740 policies in place with 18 exterior water line claims (\$31,213), 35 external sewer line claims (\$82,150), and 9 interior plumbing claims (\$5,731) completed, saving residents \$119,094 in repair / replacement costs.

Battery Recycling: Effective February 1, 2021, the Commission began utilizing Call2Recycle, a partner of Recyclers of America, who provide battery disposal needs for small scale loads of up to 1,000 pounds. They recycle Lead Acid, Lithium Ion, UPS Lead Acid, Telecom Lead Acid, Industrial Lead Acid, Absolyte Lead Acid, Lithium Iron Phosphate, Alkaline, Button Cells, Lithium Primary, Wet & Dry Nickel Cadmium, Nickel Iron, Wet & Dry Nickel Metal Hydride, Nickel Metal Hydride, and Silver Oxide batteries.



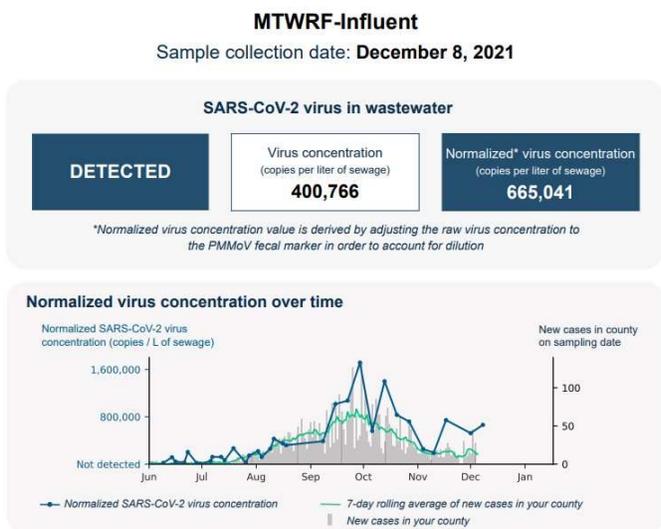
Leading the charge for recycling.™

Recycling Certificates will be provided to prove that MetCom is compliant with United States EPA regulations and demonstrate our dedication to protecting our environment.

LABORATORY: WATER QUALITY TESTING & ANALYSIS

SARS-CoVid-19 testing: Beginning in June of 2020, the Commission partnered with the St. Mary's County Department of Health, St. Mary's College of Maryland, the Town of Leonardtown and the Maryland Environmental Service to collect wastewater samples to monitor to measure and monitor the raw viral concentration (genome copies per liter of sewage) of SARS-CoV-2 virus. We have been collecting samples from various sewer sheds around the county.

Wastewater-based tests can identify hidden infection hotspots in communities, which can then focus clinical testing efforts and community outreach programs and make both more efficient and impactful. As infection rates go down, wastewater-based testing can be used to monitor community health proactively on an ongoing basis.



With the ongoing pandemic, wastewater surveillance monitoring is crucial for local and state leaders to make decisions. MetCom is proud to be part of that effort.

COLLABORATION

New studies show that SARS-CoV-2 is shed in stool, meaning it is collecting in sewer systems. Wastewater epidemiology can help to gauge the level of COVID-19 infection because a broad community or area can be tested rapidly. By identifying SARS-CoV-2 viral loads in these communities, this testing can help public health officials plan more effectively.

COVID Wastewater Dashboard: Wastewater samples continued to be collected from several private, public and municipal wastewater treatment plants throughout the County as part of a collaborative initiative by the and the St. Mary's County Metropolitan Commission, St. Mary's County Health Department, and St. Mary's College of Maryland. Testing of the viral load (*number of viral particles per liter of wastewater*) was able to demonstrate changes in amounts of SARS-CoV-2 in the sewer systems serving several locations in St. Mary's County. This was an indicator of possible increases in COVID-19 in the specific area served by a particular wastewater treatment plant. Since COVID-19 may be asymptomatic in some people, the posted results <http://smchd.org/covid-19-wastewater/> were intended to encouraged even asymptomatic residents to evaluate their exposure risk and seek COVID-19 testing if they have risk for infection.

Consumer Confidence Reports:

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. The 2020 CCR's (Water Quality Reports) for MetCom's 28 water systems are published on our MetCom website. Each Water Quality Report contains useful information such as conservation tips, a description of potential contaminants, as well as information regarding the source of the water, water quality results. As usual, there were no exceedances of the Maximum Contaminant Level (MCL) on the substances tested.

2020 Water Quality Reports

| | | |
|-----------------|------------------------|-------------------------|
| Birch Manor | Heart's Desire | Piney Point Landings |
| Breton Bay | Holland Forest | Rolling Acres |
| Cedar Cove | Hunting Quarters | Southgate |
| Charlotte Hall | King Kennedy | St. Clement Shores |
| Country Lakes | Laurel Ridge | Villages of Leonardtown |
| Ferwick Manor | Leonardtown Farms | Wicomico Shores |
| Forrest Farms | Lexington Park | Wild Goose Crest |
| Fox Meadow | Mulberry South | Wilderness Run Kingston |
| Grandview Haven | Persimmon Hill/Ben Oak | |
| Greenbrier | Piney Point | |

All Water Quality Reports are posted on our MetCom website at www.metcom.org under the operations draw down menu

INFORMATION TECHNOLOGY (IT)

The IT Department continues to maintain METCOM's information systems by performing routine equipment maintenance, upgrading/replacing aging equipment, installing/patching software, and installing new systems to improve information access, interchange, and security. The IT Department's fiscal year 2021 accomplishments include:

- **Database Server.** Purchased and installed a new database server to replace the aging hardware and outdated software on our existing server. The new hardware allows for the increased capacity needed by our ERP software, as well as, increasing overall performance of our databases.

- **Firewall Technologies.** Replaced all perimeter firewalls with newer, faster models to meet the increasing needs of our customers, vendors, and employees. The new firewall appliances include such features as: VPN access, Application Control, Botnet Detection, Gateway Antivirus, Geolocation Controls, Intrusion Prevention Services, and more. Using suggestions from our America's Water Infrastructure Act (AWIA) audit, IT added a firewall between our corporate network and our Supervisory Control and Data Acquisition (SCADA) system to isolate and protect our systems from cyber-criminals.



- **Mapping and Analysis Server.** Installed and migrated our existing ESRI ArcGIS Enterprise server to new hardware. Prior configuration shared resources with our public asset management software - Cityworks. Moving ArcGIS to a dedicated server allows METCOM to increase performance while also allowing for increased capacity of both our mapping and asset management systems.

- **Antivirus Solution.** Migrated our existing on-premise solution to a cloud-based technology. METCOM now has the ability to monitor and protect devices located on our network as well as, the many mobile devices our teleworkers use to connect to our network remotely.
- **Update Services.** Expanded our Windows Server Update Services (WSUS) to handle the increased storage needs of Windows 10 and Windows 11 workstations. WSUS enables METCOM to deploy the latest product updates in a controlled and timely manner.
- **Internet Access.** Partnering with the County enabled MetCom to connect our Hollywood facility to the *networkMaryland* high-speed data network for public sector. This new connection is drastically faster and more reliable and allows MetCom to maintain a failover connection in the event of an outage. The fiber connection is capable of over 500Mbps, uploads and downloads, and allows customers, vendors and employees to significantly reduce the time lost in waiting for large amounts of data to be transferred. The increased capacity also allows MetCom to meet our growing need for remote access by employees.
- **SCADA System.** Adjustments and modifications continue to occur to maintain quality and operation of the SCADA system. Some improvements include:
 - ✓ Replaced several Remote Terminal Units (RTU) with Telemetry Control Units (TCU). TCUs allows MetCom to acquire more data and have more control of our water system.
 - ✓ Was able to maintain an average 350-second polling loop for wastewater SCADA even while adding additional stations.
 - ✓ Started implementing TCU800s vs TCU001s for added functionality and data acquisition.
 - ✓ Implemented cellular-to-analog devices to make use of the more reliable cellular service in remote areas. These devices allow us to eliminate unreliable and expensive copper telephone lines.
 - ✓ Installed a new dipole antenna at the Persimmon Hill tower after the existing unit was damaged by a lightning strike.

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. 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 2021, the rate of increase was reduced to 2.4% and 3.05% 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.

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 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.

The following represents our performance in FY 2021:

- 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.



| 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 |

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

| Performance Range Target: | | FY21 Approved |
|--|--|------------------------|
| 1.27 (top quartile) -1.59 (median) | | 5,000 Gallons/Month |
| Water | | |
| Ready-To-Serve Charge | | \$ 9.67 |
| Water Usage | | 8.70 |
| System Improvement Charge | | 12.48 |
| Water - Estimated Monthly Service Charge | | \$ 30.85 |
| Sewer | | |
| Ready-To-Serve Charge | | \$ 18.31 |
| Sewer Usage | | 24.90 |
| System Improvement Charge | | 15.09 |
| Sewer - Estimated Monthly Service Charge | | \$ 58.30 |
| Bay Restoration Fee | | \$ 5.00 |
| Total Estimated Monthly Service Charge | | \$ 94.15 |
| <i>Bill at Prior Approved Fiscal Year Rates</i> | | <i>\$ 91.66</i> |
| St. Mary's County Median Household Income | | |
| 2011-2015 US Census Bureau | | |
| 2013-2017 US Census Bureau (no change from prior year) | | \$ 86,508 |
| MetCom Annual Bill % of Annual MHI | | 1.31% |
| Adopted Target Annual Bill % of Annual MHI | | 1.50% |
| AWWA Benchmark Performance Indicator (median) | | 1.59% |
| Lexington Park Median Household Income | | |
| 2011-2015 US Census Bureau | | |
| 2013-2017 US Census Bureau (reduction from prior year) | | \$ 67,097 |
| MetCom Annual Bill % of Annual MHI in Lexington Park | | 1.68% |
| Annual Combined Bill % of MHI: National Median, All Credits (1)* | | |
| | | 1.90% |
| National 'A' Median | | 2.90% |
| National 'AA' Median | | 2.00% |
| National 'AAA' Median | | 1.40% |

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 2021.

The measurement is made on an average usage of 5,000 gallons of water per month for a typical customer.

The average bill is measuring less, at 1.31% for 5,000 gallons, which is below the 1.5% target benchmark of 1.50%.



NOTE: Service affordability provides a measure of the affordability of water and sewer service as a percentage of Median Household Income (MHI). Approximately 66% of our customers use 0-5000 gallons per month.

- **MetCom's Sufficient Operational Reserves**

| | 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 | |

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.



- **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.



| 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 |

Policy & Procedure Adoption and Updates

- **FIN-13-01: Tenant/Landlord Account Transfers & Billing Errors**
Continuing the temporary hold on account transfers into a tenant’s name. Due to COVID-19 and American Recovery Act Plan 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.

2021 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 on the following page reflects the 2021 Tax Sale data.

| Total Accounts At Tax Sale 3/5/2021 | Accumulated Past Due Plus Deposit & Fee’s through June, 2021 | Bank Owned or in Foreclosure | Total Accounts Sold at Tax Sale | Total Amount Paid at Auction |
|-------------------------------------|--|------------------------------|---------------------------------|------------------------------|
| 15 Residential | \$ 22,504.19 | 0 Residential | 15 Residential | \$ 3,836,820.50 |
| 0 Commercial | \$ 0.00 | 0 Commercial | 0 Commercial | \$ 0.00 |
| 15 Total | \$ 22,504.19 | 0 Total | 15 Total | \$ 3,836,820.50 |

Other Post-retirement Benefits Liability (OPEB)

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. The audited OPEB liability is \$1,974,430.

Infrastructure Financing Bonds



On August 11, 2020, the Commission issued Refinancing bonds Series 2020-A1 in the principal amount of \$5,411,345, after a premium discount of \$980,662. These bonds were issued with a true interest cost of .96% to refund certain maturities of MetCom’s 2010 Series A Bonds, the Twenty-seventh Issue, issued in conjunction with the Maryland Community Development Administration (CDA), with a coupon rate ranging from 0.75% to 4.31% on the refunded bonds.

These bonds were issued to take advantage of a favorable interest rate environment, and to reduce its total debt service payments in excess of \$1,000,000.

Legislative Success – Debt Decoupling

On May 30, 2021, House Bill 862 was passed. The prior legislative language in Sections 27 of the Public Laws of St. Mary's County did not provide MetCom with assurances that any of the County's debt capacity would be available to fund public water and sewer capital improvement projects. HB 862 de-coupled MetCom debt from the Commissioners of St. Mary's County (CSMC) debt which resulted in assuring that MetCom will have a dedicated level of debt authority. The additional \$48M in authority enables the Commission to be able to responsive to a catastrophic event or to address unforeseen major capital needs.

LEGISLATION

The St. Mary's County's Metropolitan Commission and Commissioners of St. Mary's County were granted legislative approval by the Maryland General Assembly, in Chapter 113-9 of the St. Mary's County Code, to provide the Commission with dedicated debt authority.

HUMAN RESOURCES

- **Employee Manual Update.** During Fiscal year 2021, 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. Legislative changes and recent workplace incidents led to the need for revisions and additions to the existing manual. For example, due to COVID-19, the need for teleworking has developed and polices were written on how/when teleworking will be implemented. 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.** Our Scholarship program is funded thru the generous donations of Commissioner Board member Mr. Keith Fairfax, 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 deductions. 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 GPA and plan to enroll full time in an accredited college or in an accredited vocational training program. A Scholarship Committee was established to ensure that implementation is carried out in a fair and consistent manner and to serve as a liaison between the Commission and BECA. As there were no Scholarship applications received in FY 2020, Commissioner Fairfax agreed to roll the funding into the FY 2021



Scholarship, which allowed for the award of more scholarships. We were able to award four students \$1,250 each. The winners were, Nicole Gray, daughter of employee Rene Young-Gray, William Jarboe, son of employee Kelly Jarboe, Robert Miller, son of employee Kevin Miller and Colby Murphy, son of employee James Murphy.

- **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 again this year, we were unable to participate. 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.** MetCom employees choose a local charity to contribute to during the Christmas Season every year. 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 did however, host two small grab and go luncheons which enabled us to abide by the COVID-19 restrictions, keep employees safe while still providing some type of celebration of the holiday. We are hopeful that 2022 will allow us to resume our fundraising efforts in support of a local charity and get together as a group.
- **Training.** Training has been difficult again this year due to COVID-19 restrictions and social distancing requirements. We have been able to conduct online training and some in person training where social distancing was possible. We look forward to getting back to our aggressive training program.
- **Safety & Security Enhancements.** MetCom installed hand sanitizer stations throughout the buildings, instituted a mask mandate, placed maximum personnel numbers in all conference rooms. We have instituted a teleworking program to allow for better social distancing in the office and rotate teams in the event of a COVID-19 positive result. We have installed glass partitions in all offices with more than one employee. We have sent regular updates and newsletters informing and encouraging employees to receive the vaccine and boosters.

- **Employee Satisfaction Survey.** Human Resources conducted a Employee Satisfaction survey. The survey was composed by the HR Director and consisted of 58 multiple choice questions and 6 additional questions that were open for employee comments. The questions were divided into 12 categories as follows:

- | | |
|--------------------------|-------------------|
| - General Information | - Work Conditions |
| - Salary | - Work/Job |
| - Benefits | - Training |
| - Promotions/Evaluations | - Diversity |
| - Communications | - Management |
| - Supervisors | - Teleworking |



The survey was distributed to all employees for anonymous completion and employees were given approximately 3 weeks to complete. We received about a 75 percent participation rate. The survey was previously conducted in 2017 and 2018. This gives management a means to receive feedback and comments anonymously to measure the employees’ satisfaction and engagement levels, to try to predict attrition and long-term organizational growth, get data for better decision making, and to determine how employees feel about the company’s leadership general work environment, training and co-workers. This year the survey also gave us the ability to get a feel for the well-being of the employees during these incredibly difficult times. By repeating the survey, it gives management a chance to compare results and determine if we are improving.

- **Science Fair.** The Metropolitan Commission continued its 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, which was held virtually on January 23, 2021. It was with great pleasure that we presented a student in the Senior Division with our distinctive St. Mary’s Metropolitan Commission **2021 Environmental Excellence Award** in recognition of his outstanding work and academic excellence in water resources and / or wastewater treatment.

- **Citizens Academy.** On November 2, 2021, Metropolitan Commission staff participated in its first Citizens Academy along with several other community partners, including the Health Department, Libraries, Sheriff’s Office and the Department of Social Services. The St. Mary’s County Government’s Citizens Academy provides an overview of county programs and services. Participants also gain a better understanding of county government operations by learning from directors and staff from County Administration (Finance/IT/Legal/PIO), the Departments of Aging and Human Services, Economic Development, Land Use and Growth Management, Recreation and Parks, Public Works & Transportation and Emergency Services.



SUMMARY OF FY 2021 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 | 66 |
| Residential Grinder Pumps | 1,799 |
| Sewer Manholes | 3692 |
| Miles of Gravity Sewer Line | 167 |
| Miles of Sewer Force Main | 124 |
| Age of Gravity Sewer Lines / Mains <21, 21-46,> 46 yrs | 41%, 38%, 21% |
| Age of Force Sewer Lines / Mains < 21, 21-46, > 46 | 29%, 69%, 2% |
| Sewer Customers (<i>connected & unconnected</i>) | 16,456 / 1,603 |
| New Sewer EDUs | 195 |
| Gallons Wastewater Conveyed / Treated | 1.29 / 1.60 Billion |
| <hr/> | |
| Water Systems | 28 |
| Well Sites / Water Pumping Stations | 67 / 55 |
| Water Towers (<i>elevated / ground storage</i>) | 18/39 |
| Miles of Water Lines (< 2" diameter) / Mains (≥ 2" diam) | 33 / 222 |
| Water Meters | 16,117 |
| Age of Water Mains < 21, 21-46, > 46 years | 48% ,43%, 9% |
| Water Customers (<i>connected / unconnected</i>) | 17,672 / 335 |
| New Water EDUs | 142 |
| Gallons Water Supplied | 1.34 Billion |
| Emergency Generators | 92 |
| Fire Hydrants | 2,729 |
| <hr/> | |
| MDE Permits | |
| Water / Sewer | 43 / 7 |
| Full Time Employees (<i>funded</i>) | 97 |
| Plans Reviewed | |
| Capital Project Review | 45 |
| Development Review | 323 |
| Plat Review | 53 |
| Connection Permits Issued (water & sewer) | 178 |
| Miss Utility Locate Tickets | 9,812 |

The Metropolitan Commission

WE ARE.....

M*otivated*

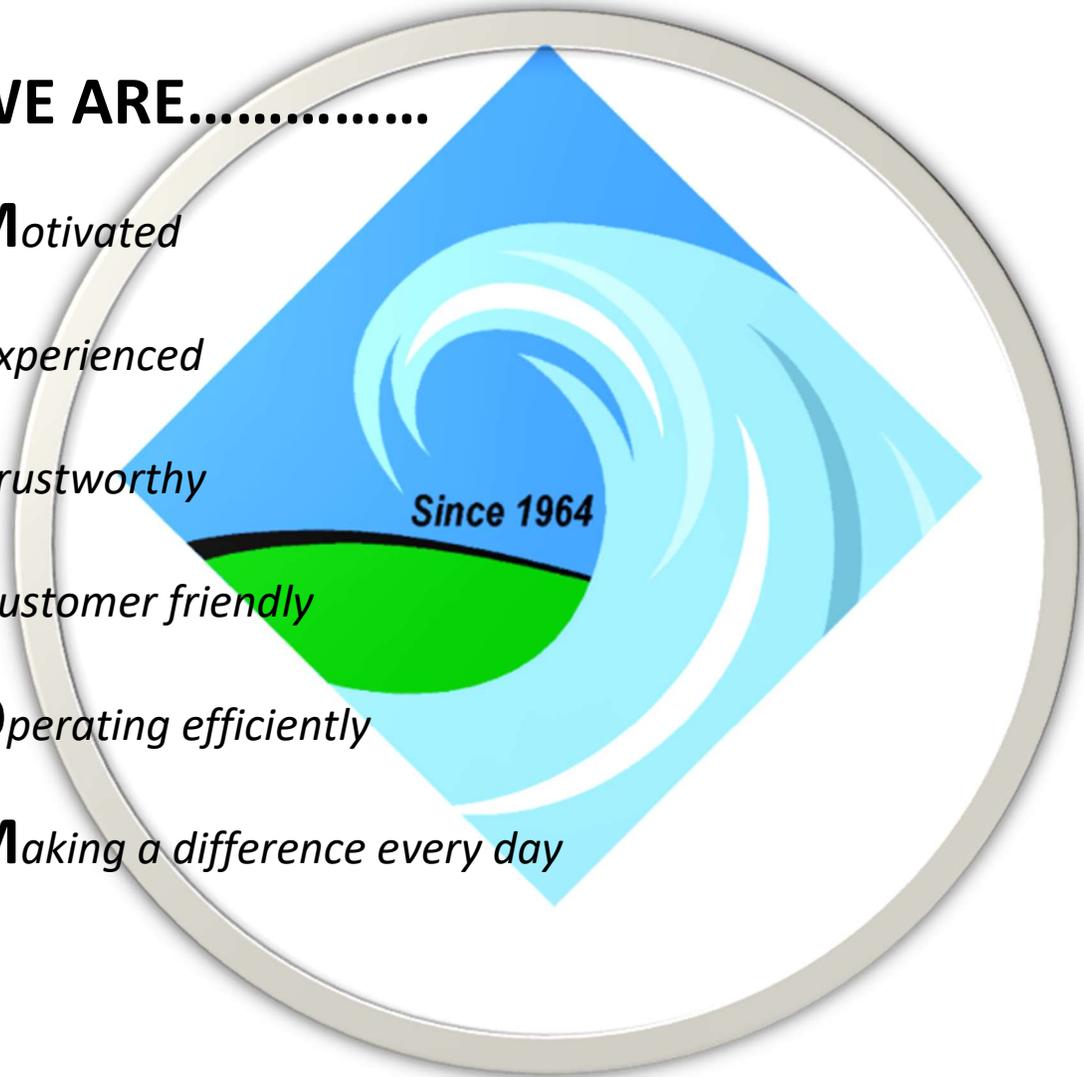
E*xperienced*

T*rustworthy*

C*ustomer friendly*

O*perating efficiently*

M*aking a difference every day*



“Community First”