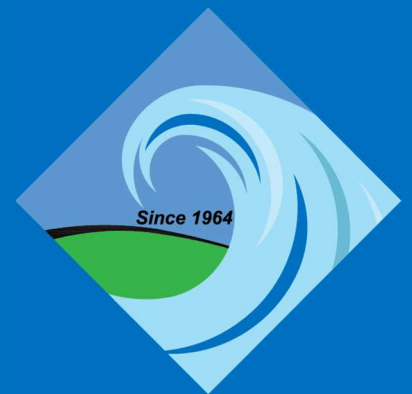




ST. MARY'S COUNTY
METROPOLITAN
COMMISSION

ANNUAL REPORT



FISCAL
YEAR 2023

REPORTING PERIOD:

JULY 1, 2022 TO
JUNE 30, 2023

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ST. MARY'S COUNTY METROPOLITAN COMMISSION

The St. Mary's County Metropolitan Commission (MetCom) was created by the State Legislature in 1957 as a quasi-governmental, non-profit body, to supply water and sewer service to St. Mary's County and has been providing those services since 1964. MetCom is committed to providing quality, reliable services to St. Mary's County. While fulfilling our mission, we strive to:

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

Headed into FY 2023, the Commission was faced with looming inflationary and supply chain issues that resulted in water and sewer chemical treatment cost increases of up to 25%, increased contractor costs for preventive and emergency repairs, increases in property and liability insurance coverage, utility rate increases, the inability to secure replacement fleet vehicles and supply / material escalations across all aspects of the Commission. Contract costs could not be honored, re-negotiated unit pricing could not be maintained for extended periods of time, and additional regulatory testing requirements were being proposed by the State and Federal governments.

The Commission and its management team tactfully prepared an operating budget that addressed the commodity inflation issues and recommended a 5% emergency reserve to help ensure the expected levels of service to the community could be sustained. The Commission considered no new positions, reduced the internship program funding and reverted the planned reduction to the rate of increase in customer service charges back to FY 2021 levels.

Despite these challenges, there was progress on several noteworthy capital improvement projects last year to include: substantial completion of the Hickory Hills Elevated Water Storage Tower; final design for the St. Clements Shores Wastewater Treatment Plant upgrades; construction awards for the Great Mills Road Sewer Relining, King Kennedy and Greenbrier Water Storage Tanks and Town Creek Water System Phase 2; design awards for the Piney Point Forcemain, Forest Run and Piney Point Wastewater Pump Stations and the Piney Point Water station; securing space needs for our future growth; and continued joint projects with the County Commissioners. You will read about these and other efforts throughout this Report.

Other non-capital accomplishments in FY 2023 included: enhanced bill paying assistance provided for low income customers; Facilities Plan completion to guide infrastructure rehabilitation and renewal efforts through 2045; Debt Policy performance measures were achieved; no additional borrowing sought through bond financing; highest rating received on the audit of our financial statements; completion of a cybersecurity assessment; implementation of safety and security enhancements; continuation of our scholarship program; and numerous in-house promotions made.

Our staff takes great pride in providing outstanding customer service, while maintaining extremely 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 to 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, P.E.,
Executive Director



The Operations Office, which includes the Operations and Maintenance 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.



The Administrative Office of the Commission, which includes the Billing, Fiscal, Procurement, Information Technology and Human Resources Departments, is located in the First Colony Commercial Center at 23121 Camden Way, California, Maryland 20619. Office hours: 8:00 a.m. to 4:00 p.m., Monday through Friday.



The Engineering Office of the Commission, which includes the Engineering, Construction and Permits Departments of the Commission are located at 23123 Camden Way, California, Maryland 20619. Office hours: 7:30 a.m. to 4:30 p.m., Monday through Friday.

Telephone: (301) 737-7400 / Website: <https://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. Learn more about us at <https://www.metcom.org/about-us>.

The Board Members during FY 2023, ending June 30, 2023, were:

Commissioners

Gerald Meyerman, Vice-Chairman
1st Election District

Roy H. Alvey
2nd & 9th Election Districts

Joseph I. Russell
3rd Election District

Dale Antosh
4th & 5th Election Districts

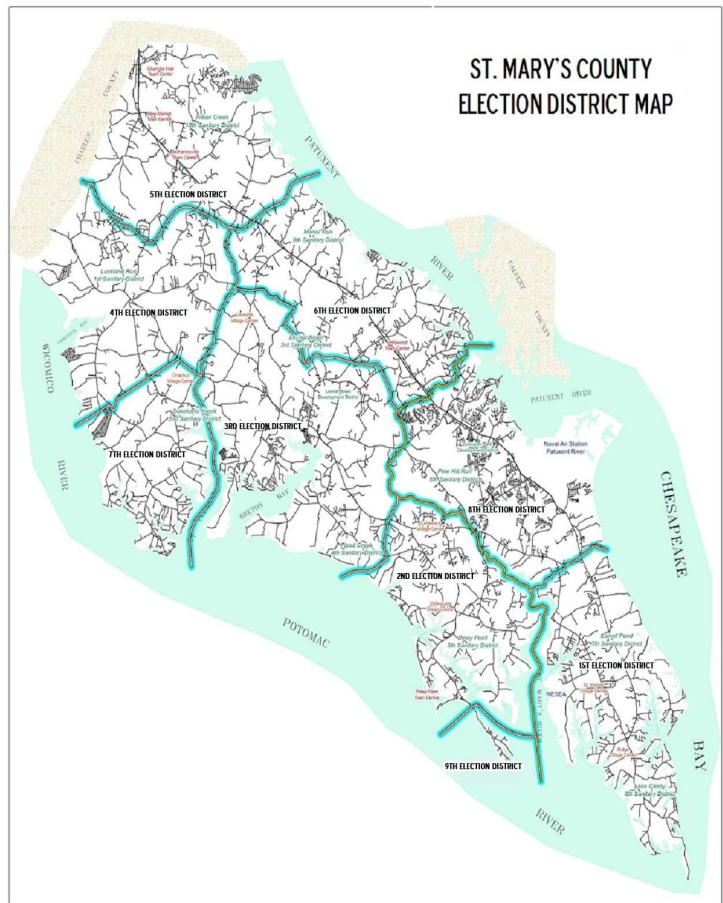
Keith Dugan
6th Election District

Robert A. Russell* /
Joseph R. Mattingly, III
7th Election District

Rudolph K. Fairfax, Chairman
8th Election District

Captain Derrick Kinglsey
Patuxent River Naval Air Station

*Term expired 12/31/2022



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
James “Rick” Harding, Director of Information Technology

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



Pictured above (*front row*) Patricia Stiegman, George A. Erichsen, P.E. and Anne Mary B. Cullins, *P.H.R., SHRM-CP*; (*back row*) M. Christy Hollander, P.E, Edward Hogan and James “Rick” Harding

While fulfilling our corporate vision, we strive to:

- Be responsible and accountable to the County's citizens;
- Provide high quality, cost effective and efficient services;
- Preserve the County's environment, heritage, and rural character; and
- Foster opportunities for present and future generations.

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 advanced wastewater treatment facility is the Marlay-Taylor Water Reclamation facility, which was first constructed 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. The Marlay-Taylor Water Reclamation Facility serves a majority of MetCom's wastewater customers. Other treatment facilities 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 are operated by licensed Operators.



Pictured above are maintenance and collections staff responding to a reported sewer back up. Maintenance and Collections personnel are on call and available 24 hours a day, 7 days a week, 365 days a year.

WATER DISTRIBUTION FACILITIES

The Commission 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*) and over 15,000 water meters. Each water system had state issued Appropriations Permits.

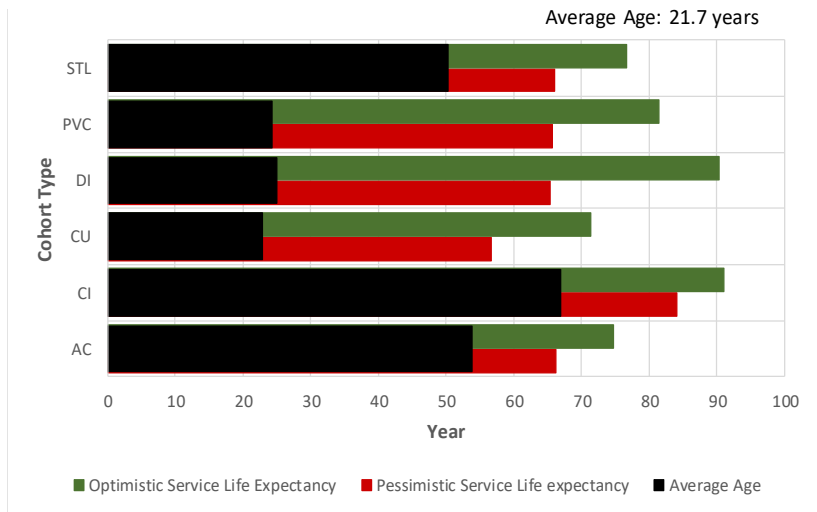


Pictured above are Maintenance staff preparing to remove and repair a pump.

These Permits are effective for a ten-year period and have withdrawal allocations granted that limits the amount of water that is withdrawn from each well. The allocations are limited in two ways; a daily average (*based on a yearly average*) and daily maximum average (*based on the month of maximum use*). The water systems include 52 well sites, 55 water pumping stations and 18 water towers. All public water systems that the Commission operate draw water from wells of various sizes (6" to 12") and depths (350' to 1,020'). Source water is pulled from the Aquia and Upper Patapsco aquifers. Our laboratory performs over 25,000 analytical tests a year. These range from nutrient testing to fecal coliform sampling.

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 and 70 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. The average age for all the pipes in the sewer force main's service system is 27.7 years and 31.3 years in the sewer gravity main system. The average age for all the pipes in the water service system is 21.7 years (*see figure below*). 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.



LABORATORIES

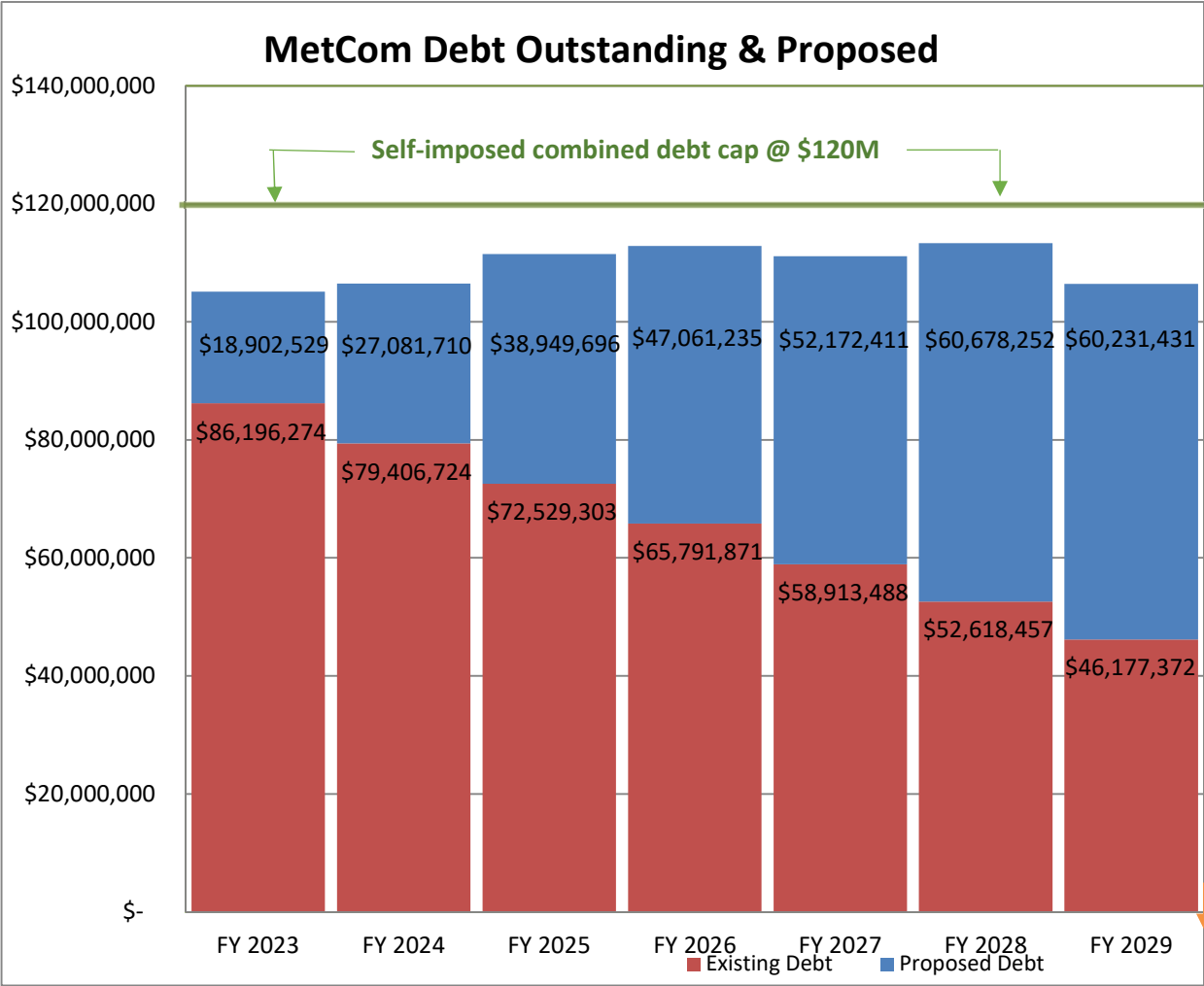
Drinking water samples are collected and analyzed for compliance with the federal Safe Drinking Water Act. MetCom maintains a Maryland Department of the Environment state certified drinking water laboratory where over 1,000 samples per year are analyzed for bacteria (*coliform*) levels by in-house operations staff. A third-party laboratory also collects over 300 samples per year and tests water quality parameters such as; arsenic, lead / copper (*triennially*), pH, fluoride, nitrates, metals and disinfection byproducts.

In addition to drinking water sampling, over 25,500 wastewater analyses are conducted in our state-of-the-art wastewater laboratory for each of the seven (7) wastewater treatment plants that MetCom either owns or operates to determine compliance with the federal Clean Water Act. Water quality tests are performed on water entering and leaving each treatment process at the plants and throughout the Commission's distribution system. These analyses consisted of parameters such as bacteria (*coliform*), biochemical oxygen demand, nitrogen, phosphorus, suspended solids, pH, dissolved oxygen, acids, alkalinity and chlorine concentrations. The state and federal testing and analyses requirements under the National Pollutant Discharge Elimination System (NPDES) permits help ensure the quality of the effluent being released into receiving surface waters.

FINANCIAL OVERVIEW AND USER CHARGES

DEBT SERVICE

MetCom is retiring its debt at between \$6.5M to \$6.9M per year. Since the FY 2018 budget cycle, the Commission has made a conscious decision to take advantage of the retiring of existing debt at 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 2023 - 2028, below the legislated legal debt limit of 2%.

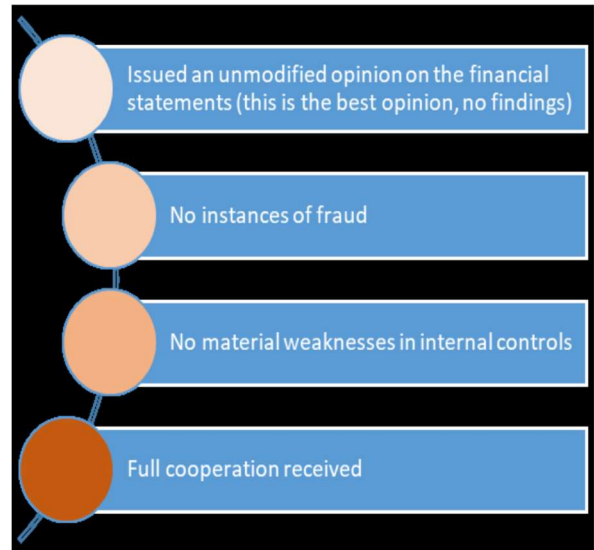


NOTE: The debt incurred by the Commission to fund its water and sewer infrastructure improvement projects is derived primarily from financial assistance in the form of low interest loans secured from two sources: The Department of Housing and Community Development (DHCD) and the Maryland Water Infrastructure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

FY 2023 AUDIT

Each year, the Metropolitan Commission is audited by an independent third party. In FY 2023, 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 United States of America. MetCom received an unmodified opinion, which is the highest rating attainable. The financial highlights from the Report are shown below:

- ✓ MetCom's total net position increased by \$4.7 million and \$6.0 million, or 3.4% and 4.6%, as a result of operations in FY 2023 and 2022, respectively.
- ✓ During the current year, MetCom's revenue from operations was \$17.1 million, representing an increase of 4.3% over the prior year. The current year's increase is mostly due to an increase in rates, increase in usage, and new customers.
- ✓ MetCom's operating expenses excluding depreciation were \$16.7 million during FY 2023 and \$15.1 million in FY 2022.
- ✓ Depreciation Expense totaled \$7.0 million and \$6.5 million for the years ending June 30, 2023, and 2022.
- ✓ MetCom's non-operating revenue was \$9.7 and \$8.7 million for the years ending June 30, 2023, and 2022, respectively. The increase of 11% was a result of a decrease in debt service charges, and a decrease in interest expenses.



To review audited Financial Statements from FY 2012-FY 2023 please visit the Financial Report section of our website at <https://www.metcom.org/financial-reports>.

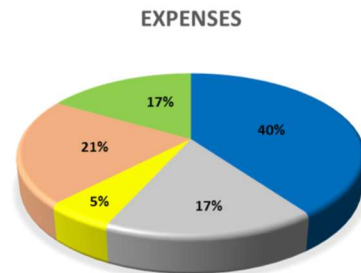
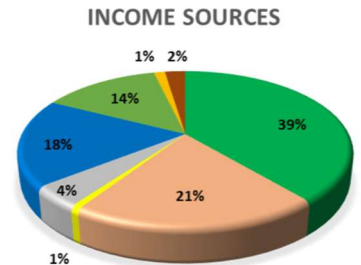
CUSTOMER BILL PAYMENT ASSISTANCE



The Commission entered into a partnership with the Department of Human Services to help residents offset the costs of their public water and wastewater bills. The federally-funded Low-Income Household Water Assistance Program (LIHWAP) offers eligible households up to \$2,000 in assistance, focusing on those households whose drinking water and wastewater bills are 30 days or more past due. At the end of FY 2023, 228 MetCom customers received a total of \$70,612 in assistance through this program.

FY 2023 BUDGET

FY23 Income & Expenses	FY 23 Audited Actuals
Sewer Income	\$11,039,871
Water Income	5,802,629
Engineering Income	216,514
Other Income	1,248,041
Sewer System Improvement Charges	5,161,318
Water System Improvement Charges	3,921,275
Sewer Capital Contribution Charges	365,991
Water Capital Contribution Charges	679,264
Total Budget Income	\$28,434,903
Sewer Expenses	\$10,749,603
Water Expenses	4,486,377
Engineering Expense	1,467,763
Debt Service Sewer	5,677,037
Debt Service Water	4,460,529
Total Budget Expenses	\$26,841,309
Income Allocated To Reserves	\$ 1,593,594



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 2023 were:

Sewer Service Rates		FY 23 Rates
Sewer		
Non-metered per EDU per Month		\$ 45.41
Metered Rate 5/8"		\$ 19.25
Metered Rate 1"		\$ 48.14
Metered Rate 1-1/2"		\$ 96.25
Metered Rate 2"		\$ 154.02
Metered Rate 3"		\$ 307.99
Metered Rate 4"		\$ 481.25
Metered Rate 6"		\$ 962.52
Metered Rate 8"		\$ 1,540.00
Metered Rate 10"		\$ 2,214.92
Usage Rate per 1,000 Gallons	*	\$ 5.23 *
* 5/8" Meter Residential Use Capped at 10,000 Gallons/Month		
Navy (per 1,000 gallons)		\$ 3.81
Septage Hauler Rates per 1,000 Gallons		
Holding Tank Waste		\$ 17.20
Septic Tank Waste		\$ 73.49
Portable Toilet Waste		\$ 92.61
Grease Trap Waste		\$ 145.58
*FY 22 Rates 2.70% over FY 21 Rates		
Water Service Rates		FY 23 Rates
Water		
Non-Metered per EDU/Month		\$ 19.06
Metered Rate 5/8"		\$ 10.05
Metered Rate 1"		\$ 25.11
Metered Rate 1-1/2"		\$ 50.19
Metered Rate 2"		\$ 80.31
Metered Rate 3"		\$ 160.62
Metered Rate 4"		\$ 250.96
Metered Rate 6"		\$ 502.00
Metered Rate 8"		\$ 803.18
Metered Rate 10"		\$ 1,154.53
Water Usage Rate per 1,000 Gallons		
Water Usage Rate - Tier 1		\$ 1.81
Water Usage Rate - Tier 2		\$ 3.61
Water Usage Rate - Tier 3		\$ 7.22
Irrigation Usage Rate per 1,000 Gallons		
Water Usage Rate - Tier 1		\$ 3.61
Water Usage Rate - Tier 2		\$ 7.22
Hydrant Meter Rate per 1,000 Gallons		\$ 3.61

The tiered rate structure provides affordability for low/average users and promotes water conservation

- ▶ *First tier: Essential domestic requirements for typical residence (lowest rate)*
- ▶ *Second tier: Reasonable amount of irrigation for typical residence (higher rate)*
- ▶ *Third tier: All remaining usage (highest rate)*

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 2023 were:

<u>Water:</u>	<u>FY 2023</u>
Residential / EDU / month	\$ 12.87
Commercial / EDU / month	\$ 15.44
 <u>Sewer:</u>	
Residential / EDU / month	\$ 15.39
Commercial / EDU / month	\$ 18.47

STABILIZING RATES

Due to sound capital project management and fiscal practices, sewer charges were able to be maintained at the FY 2020 levels, and water charges saw a minimal 3% increase.

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 an 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 2023 were:

<u>Water:</u>	<u>FY 2023</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, construction management, emergency facility repairs, maintenance of the Commission's Design Manual and Specifications and the management of MetCom's GIS infrastructure database. General GIS information is available through the County's GIS mapping tool, which is available to the public at www.stmarysmd.com/it/gis/. In addition, this powerful tool is used for infrastructure analysis, miss utility locating and information for field staff to help identify locations of the Commission's infrastructure.



The Department evaluates new and redevelopment projects submitted for connection to the public water and sewer systems as part of the County's Technical Evaluation Committee review and permitting processes. In order to protect the integrity of the water and sewer systems, projects must comply with all applicable rules, regulations and standards including the Commission's Design Manual.

Engineering staff review all new developer driven projects for the Commission. This year, approximately 272 development plans and plats were reviewed, ranging from large-scale subdivisions to site plans for single family homes. Additionally, these projects are routinely monitored and inspected by staff to confirm adherence to MetCom standards and quality of workmanship. Approximately \$4.6M in surety bonds remained in place during FY 2023 to ensure

contract completion in the event of contractor default for developer funded projects.

The Engineering Department also manages the Commission's capital improvement projects funded as a part of the multi-year Capital Improvement Budget and Plan. This includes budget formulation, estimating, planning, scheduling, design management, permitting, land acquisition, construction management, inspection services, and technical assistance on grants and loans. The approved FY 2023 capital improvement budget included funding for ten (10) water and eight (8) sewer projects budgeted at \$11,152,325 and \$2,829,824, respectively. They are all designed to better serve our

customers with reliable public water and sewer systems. The capital improvement projects are divided into water and sewer categories for purposes of funding and calculating annual rates and charges as follows:

WATER - water line replacement and rehabilitation, wells, water storage tanks and towers,

SEWER - sewer main rehabilitation, Inflow /Infiltration abatement, wastewater pump stations, wastewater treatment plant upgrades and expansions.

In addition, the Construction Division performs cost-effective maintenance work and emergency repairs by engaging in-house staff. The department also manages the Emergency Repair and Scheduled Maintenance contract which was approved for greater utilization by increasing the eligibility for scheduled work up to \$250,000 which includes any calls requesting emergency repairs. The Construction Division is a vital part of the Engineering Department and is comprised of a staff of five (5).



Pictured above is one of our Construction staff responding to an emergency waterline repair.

The Engineering Department, which includes Development Review services and Construction & Inspections, was dedicated in the name of Rear Admiral Thurston Booth Clark. RADM Clark's military career includes an extensive list of distinguished honors and accomplishments.



The Commission held a dedication ceremony for the newly renovated Engineering Office Building on June 22, 2023.

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 2023, the Human Resources Department:

- Received and processed 178 applications;
- Posted 79 employment notices; and
- Filled 19 vacant positions.

STAFFING

As of June 30, 2023, MetCom employed 96 employees, as follows:

	<u>Male</u>	<u>Female</u>
Full Time	65	28
Part Time	0	0
Intern	2	1
<u>Contract</u>	<u>0</u>	<u>0</u>
TOTAL	67	29

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 eleven (11) employees from within the organization.

As of June 30, 2023, MetCom’s full time employees, classified by years of service, were as follows, with 61% serving nine (9) years or less with the Commission. Length of Service awards celebrate the length of time an employee has been with us. A milestone celebration like this is a wonderful way to show appreciation for your most loyal team members and really honor those who have remained committed to MetCom for a significant time.

<u>Service Years</u>	<u># Employees</u>
40 years	1
30-39 years	5
25-29 years	3
20-24 years	9
15-19 years	6
10-14 years	12
5-9 years	15
<5 years	42



Length of Service Award recipients are recognized by the Commissioners and 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 • 1 Retirements • 3 Worker’s Compensation Claims • 13 Family Medical Leave Applications • Open Enrollment Information Session 	<ul style="list-style-type: none"> • 82% of employees participate in MetCom’s medical insurance. • 84% of employees participate in MetCom’s dental insurance. • 82% of employees participate in MetCom’s vision insurance. • 46% of employees participate in the 457B Retirement Plan. • 49% of employees are enrolled in the Short Term Disability. • 43% of employees have additional life insurance. • 16% of employees have ancillary insurance (AFLAC). • 1 employee participant in the Tuition Reimbursement Program. • 39% of employees participate in the Flexible Spending Account (FSA). • 100% of employees participate in the State Retirement System (mandatory).

TRAINING & DEVELOPMENT

MetCom’s training program has returned to preCovid-19 status with an aggressive training program that includes in-house, virtual and external in-person training. 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 and physicals associated with such licenses. We currently have 23 employees who hold a Commercial Driver’s License.

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



MetCom currently has 39 licensed employees, with 66 individual licenses and certifications, including competent climber/rescue.



Employees participating in CPR training.

As of June 30, 2023, MetCom had three (3) Professional Engineers on staff, one (1) Professional Human Resources and two (2) Society for Human Resource Management (SHRM) – Certified Professionals, and two (2) Certified Professional Public Buyers.

In Fiscal Year 2023, employees participated in 75 safety classes and received 3,188 hours of training.



Employees participating in confined space 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.

Here is what one of our interns had to say: *“Working as an intern with MetCom was an excellent experience that helped me navigate my transition between college and the ‘real world.’ I was able to learn more about public water utilities than I ever would have imagined, met great coworkers, and the professional setting was beneficial in preparing me for my next career step.”*

This fiscal year, our internship program welcomed three (3) new students interested in learning about Information Technology, Engineering, and Fiscal operations. This program is beneficial to both the students and the Metropolitan Commission. Over the years we have hired ten (10) interns into full-time employment. 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 the 2023 Quality on Tap Award to the Thomas E. Somerville, Jr., Senior Wastewater Collections Operator, in appreciation and recognition of his outstanding service, dedication to duty, and level of commitment to the organization. Thomas Somerville has set a standard of excellence that is a direct reflection of his professionalism and is in keeping with the highest traditions of MetCom.



RISK MANAGEMENT

Risk Management is a collaborative effort between the Human Resources (HR) Department and the Operations Department. HR staff and the Chief of Facilities and Operations work together to promote safety and protect MetCom employees and its property. 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 2023, there were four (4) work related injuries reported with workers' compensation claims totaling \$338.51 and eleven (3) lost workdays.



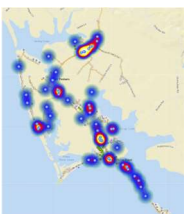
The Chief Human Resources Officer and the Safety Officer also coordinate MetCom's Drug and Alcohol Testing Program, which includes pre-employment, random, reasonable suspicion, post-accident, return-to-duty and follow-up testing. The program involves coordination with Deer Oaks, MetCom's Employee Assistance Program provider, for substance abuse counseling when needed.

INFORMATION TECHNOLOGY OVERVIEW

The Information Technology (IT) Department manages, maintains, and supports the Commission's technology-related assets and systems. IT provides a secure, highly reliable technological system through governance, infrastructure, and functionality.

IT maintains an interconnected, county-wide network comprised of five (5) main sites. The department is responsible for the Commission's technological systems, infrastructure maintenance, technical support, and overall functionality of the systems. IT supports all major systems at MetCom including Supervisory Control And Data Acquisition (SCADA), Enterprise Resource Planning (ERP), public asset management, Geographical Information System (GIS), meter data collection, network infrastructure and security, data storage, backup / recovery, cybersecurity, website development, document retention / archiving, and collaboration.

IT routinely replaces aging servers (*e.g., three domain controllers and two file servers replaced five aging servers in FY2023*) to provide the Commission with improved speeds, increased storage, and better security. IT also implements Integrated Data Protection Appliances which offer a complete backup, replication, recovery, and deduplication solution. Backups which used to take a whole week to finish can now be performed in a few hours - including a complete verification of the data. The new appliances also allow us to replicate critical data to separate locations, increasing our disaster recovery posture.



Heat maps are now being utilized to assist operations and maintenance staff. These maps are integrated with our work order management system and provide staff with an improved capability to make data driven decisions regarding infrastructure priority needs. Heat maps provide a visual representation that makes them easy to understand and interpret, even if you have limited data analysis experience.

FISCAL YEAR 2023 ACCOMPLISHMENTS

CAPITAL IMPROVEMENTS

- **Hickory Hills Water Tower and Well.** The construction of the new 2,000,000-gallon composite water tower to replace the existing 500,000-gallon tower continued this year. This tower and well will balance the demands on the Lexington Park distribution system. The tower construction was completed followed by the demolition and dismantling of the old tower (*see below*). It is expected that the well will be complete next fiscal year and the project will be operationally accepted by the winter of 2024.



Photos show the progression of the demolition and dismantling of old water tower

- **St. Clements Shores Wastewater Treatment Plant Expansion.** The primary purpose of this project is to provide sewer capacity and treatment for the existing 140 developed lots with failing onsite sewage disposal systems. These private septic systems cannot be replaced when they fail due to high water table, poor spoils and small lots. The facility upgrades to both the treatment and disposal systems will also provide future service capability to 100 undeveloped lots initially with a future expansion capability to an estimated 280 - 320 EDU's. MetCom staff has worked collaboratively with the St. Mary's County Health Department (HD), the Department of Land Use and Growth Management (LUGM), and the Maryland Department of the Environment (MDE) to designate and approve a Service Area for this project. Planning phases are complete, and design is currently underway with construction anticipated soon after the bidding process is completed in the summer of 2024.

- **New Engineering Office Building.** The Engineering Department, which includes development review, capital projects, permitting and inspections, relocated to 23123 Camden Way, which is across the parking lot from MetCom's Camden Way administrative offices. This project included fit out and furnishing of the new space. Staff moved into the space in May 2023.



MetCom's New Engineering Office Building.

- **Marlay-Taylor Secondary Clarifier #1 Replacement.**



Photo shows construction work on Secondary Clarifier #1 at the Marlay-Taylor Water Reclamation Facility.

One(1) of the four (4) existing clarifier tanks at the Marlay-Taylor Water Reclamation Facility became non-operational and was taken out of service. The tank became vertically displaced and rose out of the ground approximately 18”-24” on one side and up to 6” on the other. Fortunately, the secondary clarifiers were able to be rotated and a shutdown of the facility has not been necessary.

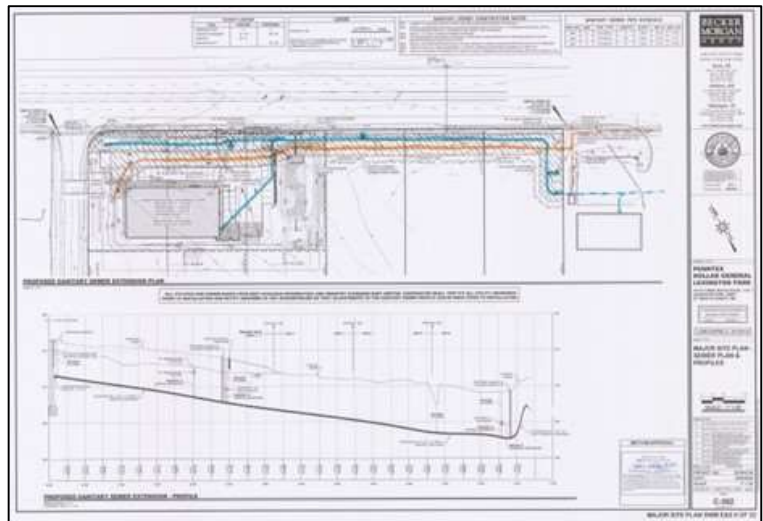
The rotation and use of all the clarifiers is especially important operationally, as it facilitates the handling of larger than normal inflows resulting from major weather events by helping maintain permitted suspended solids (SS), biochemical oxygen demand (BOD) and nitrogen (N) levels. Work began on the replacement in the last fiscal year and the existing tank was demolished. The site was prepared, and the construction of the new clarifier was awarded. Construction is expected to be completed by the Spring of 2024.

DEVELOPMENT REVIEW

- **Royal Farms.** This large convenience store chain is looking to move into the area. Plans for two new locations in Charlotte Hall and Lexington Park made their way through the review process. The Charlotte Hall Royal Farms will be located on the site that was once the home of Wentworth Nursery at the corner of Three Notch Road and Oaks Road. This site will include both gas and diesel pumps along with a 5,380 square foot store which equates to 8 EDUs. A future phase will include additional pad sites. The work includes a connection to the Charlotte Hall water system and will extend an 8-inch water line along the frontage of the site along Three Notch increasing water coverage in the area. Plans should be approved next year followed by construction. The Lexington Park Royal Farms will be located at the corner of Three Notch Road and Great Mills Road on Tulagi Place. This site will also include fuel pumps and a 4,349 square foot store equating to 7 EDUs. This site will connect a possible future car wash. Plans are expected to be approved later this year with demolition of the existing site soon thereafter.



- **Avid Hotel.** The Avid Hotel project, located in California and adjacent to the VFW Post, was approved in November of 2021 and construction is scheduled to begin next year. This project will bring water and gravity sewer to the site from across MD Route 235. This is slated to be a 4-story hotel with 95 rooms. The project will connect 24 additional EDUs to the Lexington Park water and sewer systems.
- **Regional Agricultural Center.** Plans were approved this year for the Regional Agricultural Center, a public / private partnership which provides a set of complimentary services with the capability of adding value and profitability to products from the region. This facility will be located in Charlotte Hall off New Market Turner Road near its intersection with Three Notch Road. This complex will include a butcher shop, commercial and instructional kitchen and product storage. This site will be served by the public water system and connect an additional 6 EDUs to the Charlotte Hall water system. Construction has not begun for this project and is anticipated to begin towards the end of next fiscal year.
- **Dollar General Lexington Park.** A new 9,100 square foot Dollar General building was approved last year, and construction began early in fiscal year 2023. The site is located south of Patuxent River along Three Notch Road on the corner of Wheeler Drive. The plan includes the construction of new public water and sewer lines that extend westward along Three Notch Road (MD 235) to the Hermanville Road intersection. Construction was complete in January of 2023.



Site plan for the new Lexington Park Dollar General

OPERATIONS & MAINTENANCE

National Night Out. The Commission staff participated with the Westbury Community Association, the Country Lakes Homeowners Association and the Office of the Sheriff in the 38th Annual National Night Out event held on August 2, 2022. We appreciated the support from our community partners in helping make the evening a huge success. We were able to share information regarding public water and sewer services, water conservation, leak detection, the Adopt-A-Hydrant program, some fun facts about water and were able to display some of our equipment.



Wastewater Treatment. The Commission operates seven wastewater treatment facilities throughout the County treating a total of 1.60 billion gallons of wastewater.



Public outreach is an essential part of our job. Time spent educating the public on what we do and the challenges we face, such as increasing regulations and emerging contaminants, are important and beneficial.

The Marlay-Taylor Water Reclamation Facility is our largest advanced nutrient removal (ENR) facility. The facility, located in Lexington Park, is rated for a daily flow of 6 million gallons of wastewater a day (MGD). The current average daily flow is about 3.5 MGD. Secondary treatment is provided by two 4-Stage Bardenpho reactors with BioMag system for process intensification and wet-weather management. The facility uses ferric chloride for phosphorus removal and BioCarb DN as supplemental carbon source to enhance denitrification in the post anoxic zone.

The facility also utilizes anaerobic digestion as part of the treatment process. The use of anaerobic digestion at wastewater treatment facilities in the United States dates back to the early 1900's. Anaerobic digestion is both a biological process and an engineered system that requires expertise in both disciplines for successful solids treatment. The objectives for anaerobic digestion at the facility are to stabilize primary and secondary solids, to reduce pathogens, reduce the mass of material, as well as to produce usable methane. The facility uses two 440,000-gallon capacity concrete and steel digesters.

At our Northern wastewater treatment facilities, which include St. Clements Shores, Wicomico Shores, Chopticon High School, Charlotte Hall and Forrest Farms, staff operate treatment plants that utilize an activated sludge process to remove nutrients to meet all permit parameters. Staff operate the facilities every day, seven days a week, year-round. After hours, all of the facilities are monitored for any equipment failures or processing problems and are dispatched immediately.

Response Protocol for Sanitary Sewer Overflows. In conjunction with the County Health Officer and the Department of Emergency Services, the Commission updated the public notification procedures in accordance with the Code of Maryland Regulations (COMAR). Public notifications are intended to advise the public of any potential health hazards associated with sewer overflows within 24 hours of being made aware of an incident. Notifications include; Code Red Reverse 911, Facebook posts, website notices, site postings, County public information releases, door-to-door communication door tags, media releases or other media social platforms.



Water Treatment and Distribution. The Lexington Park water system audit has been completed. A water audit is conducted to determine the amount of water lost from a distribution system due to leakage, storage overflow, meter malfunctions, and theft. Audits are also used to estimate the cost associated with these losses to the water system by balancing the amount of water produced with the amounts billed.

Comprehensive audits can provide the water system with a detailed profile of the distribution system and water users, allowing for more effective management of resources and improved reliability. Water auditing serves as an important step towards improved water conservation and linked with the implementation of a water loss reduction plan, can save the water system a significant amount of money and time.

Benefits of an audit include improved knowledge and documentation of the distribution system including the identification of problem or risk areas. By providing a better understanding of what happens to the water after it leaves the treatment plant, an audit can be a valuable tool to manage resources. According to the American Water Works Association, water audit programs ultimately lead to reduced water losses, financial improvement, increased knowledge of the distribution system, more efficient use of existing supplies, increased safety for public health and property, improved public relations, reduced legal liability, and reduced disruption to customers.



Water lines break at all hours of the day and night. MetCom's staff has to respond quickly to maintain service to our customers.

The Lexington Park water system audit showed a net loss of 4.6%. This loss is contributable to loss due to leakage or unmetered accounts. The audit was completed for the 2022 calendar year. Maryland Department of the Environment (MDE) Water Appropriation and Use Permits typically require that a loss reduction plan be submitted when an annual audit for a system serving more than 10,000 indicates unaccounted for or unmeasured water loss of greater than 10 percent.

Excessive Water Use. In order to conserve, protect, and use water resources within the State, it is necessary to control the appropriation or use of surface and underground waters. The Maryland Department of the Environment issues Water Appropriations Permits for the withdrawal of ground water. The Commission has Appropriations Permits for every water system that it operates. In October 2023, the Commission updated the *Water Conservation Policy – Excessive Usage and Water Restrictions Policy*. This Policy seeks to establish notification and enforcement procedures to limit excessive water use during droughts, natural disasters, planned or unplanned potable water shortages or when deemed a waste of water. These procedures are intended to help protect the public water supply and the Commission reserves the right to implement further mandatory rules and regulations to reduce the amount of water used in the County.



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. Repair and rehabilitation work is ongoing across all the sanitary sewer collections systems that the Commission operates.

Finding and fixing sources of I&I is an ongoing effort of the Collections and Maintenance staff. Attention has been given to all areas of the system, such as manholes and gravity sewer lines. Rehabilitating and repairing sanitary sewer manholes and gravity sewer lines can significantly reduce in the collections system. By restoring and rehabilitating these structures to like new condition, we extend the life of the asset while reducing any extraneous water from entering our system, thereby reducing costs to our customers. Other I&I abatement efforts include smoke testing and visually inspecting these fixtures out in the field.

Our maintenance staff is committed to working to keep our system reliable and efficient throughout the year. There has been a tremendous amount of work completed throughout the system including an ongoing grinder pump replacement project, installing new pumps at various wastewater stations and upgrading controls and SCADA at other stations.



Pictured above are new stainless bolts installed on existing valves that have become corroded, increasing the likelihood of a failure.

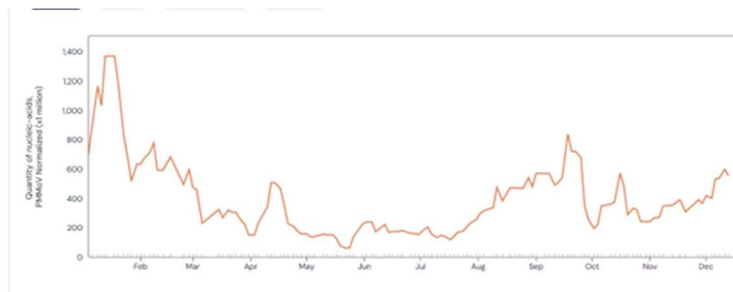
Warranty Program for Emergency Repairs. Again, this year, MetCom continues to stress to its customers how important it is to protect their homes from the unexpected expense and inconvenience of emergency repairs. The Commission selected Service Line Warranties of America (SLWA), a premier provider of home emergency repair programs to homeowners nationwide, to offer Exterior Water Service Line and Exterior Sewer/Septic Coverage. As of July 1, 2023, there had been 174 claims completed for St. Mary's. There were 78 completed external water line claims (\$184,026), 57 completed external sewer line claims (\$149,368), and 39 completed interior plumbing and drainage claims (\$30,082), saving residents \$363,746 in repair/replacement costs.

LABORATORY: WATER QUALITY TESTING & ANALYSIS

Viral Outbreak Testing. The Commission, in an ongoing effort to stay on top of and at the forefront of any emerging health threats, will be participating in WastewaterSCAN. WastewaterSCAN is a national effort to spread a leading approach for monitoring diseases through municipal wastewater systems to inform public health responses locally and nationally. Scientists at Stanford University and Emory University, the life sciences company Verily, and local wastewater and public health officials partner to produce actionable data about COVID-19 and other pathogens.

WastewaterSCAN's long-term goal is to seed a national sentinel system using wastewater that informs public health measures for COVID-19, flu, respiratory syncytial virus (RSV), and monkeypox, as well as establish durable infrastructure to help prepare us for future pandemics.

The data will be shared to the National Wastewater Surveillance System (NWSS) database established by the Centers for Disease Control and Prevention (CDC). Wastewater samples continued to be collected as part of a collaborative initiative by the St. Mary's County Metropolitan Commission and the St. Mary's County Health Department. we will soon begin testing wastewater for various illicit drugs.



Concentration of SARS-CoV-2 in wastewater at the Marlay-Taylor Wastewater Treatment Facility. More data is available at www.data.wastewaterscan.org

We are also partnering with the Health Department in a new National Institute on Drug Abuse (NIDA) Wastewater Surveillance Program, a groundbreaking initiative aimed at evaluating drug usage on a national level. The program will monitor the following substances and their metabolites, such as Methamphetamines, Cocaine, Fentanyl, Xylazine, and Naloxone.

The NIDA Wastewater Surveillance Program is a vital step forward in our collective efforts to address substance abuse and its impact on public health and safety. By participating in this program, St. Mary's County Metropolitan Commission will play a crucial role in providing valuable data that can inform proactive and effective public health interventions.

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 2022 Consumer Confidence 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.

Water Quality (Consumer Confidence) Reports

MetCom is proud to present the following Water Quality Reports, to keep you informed about the safety and quality of the drinking water we provide. Our Water Quality Reports, which are also known as our Consumer Confidence Reports (CCRs), are published every year in accordance with the U.S. Environmental Protection Agency's July 1 deadline. The Consumer Confidence Reports (CCRs) provide consumers information about the quality of drinking water in an easy to read format. This report is also known as an annual water quality report or drinking water quality report. The CCR includes information about the water system, water sources, definitions, levels of detected contaminants, water quality compliance/violations, and some educational information.

- [2022](#)
- [2021](#)
- [2020](#)
- [MDE PFAS Testing](#)

All Water Quality Reports are posted on our MetCom website at <https://www.metcom.org/operations> or scan the QR code below



INFORMATION TECHNOLOGY (IT)

The new year began with a literal bang for the IT Department. A lightning strike during summer storms impacted our Administration building, despite safeguards like uninterruptible power supplies, generators, and surge protection. Fire alarm, phone, door access, and network devices were all affected, but IT swiftly restored critical services to keep operations running.

The IT Department maintains MetCom’s information systems by performing routine maintenance, equipment upgrades, software patching, and new system installations. Here are some key FY2023 accomplishments:

Cybersecurity

MetCom participated in the Cybersecurity Assessment and Technical Assistance project offered by the U.S. Environmental Protection Agency (EPA). This free, confidential assessment aims to help water and wastewater utilities improve cyber incident preparation, response, and recovery. The Technical Assistance Provider (TAP) worked with MetCom’s IT staff to assess our current cybersecurity practices and to identify vulnerabilities in our capability to prepare for, respond to, and recover from a cyber incident. MetCom’s cybersecurity posture was strong compared to other water/wastewater utilities. The cyber action plan shows that over 65% of best practices are either already in place or not applicable. Using the guidelines from the cyber action plan, the IT department has implemented measures to improve our cyber incident preparation, response, and recovery. Some notable measures taken include:



Enabling *encryption-at-rest* on all domain controllers and file servers;



Migrating VPN (Virtual Private Network) users to secure IKEv2 connections, joining the Multi-State Information Sharing and Analysis Center (MS-ISAC) to improve MetCom’s overall cybersecurity posture;



Enrolling in the malicious domain blocking and reporting (MDBR) service – a web security solution that provides an additional layer of security by blocking harmful web domains; and



Upgrading the existing anti-virus solution to a more robust Endpoint Detection and Response system to improve protection of workstations, servers, and data stores from malware and ransomware.

Facility Expansion

The IT Department was tasked with expanding our existing network to the new Thurston Booth Clark Engineering Building. This involved the acquisition of new hardware, collaborating with contractors to extend the access control system, and implementing telephone and network infrastructure installations. Part of this project involved installing a new point-to-point wireless bridge to extend our local area network quickly and securely to the new facility. This high-speed connection allowed IT to have the new facility operational in a short time while a more permanent fiber-optic connection was planned.

Office 365 Migration

MetCom made the switch to Microsoft's cloud services this year. This allowed the IT Department to migrate all on-premises email and calendar services to the cloud. Moving to Office 365 came just in time – as our old email solution was being discontinued and unsupported in the upcoming year.



Additional benefits of the migration include:

- Increased productivity through Teams and SharePoint.
- Expanded teleworking capabilities.
- Reduced costs by eliminating collaboration subscriptions.

SCADA

The Commission's supervisory control and data acquisition (SCADA) systems are supported by the IT Department. Continued work on the wastewater telemetry control units (TCUs) upgrade project was highly successful. This three-year plan to upgrade all wastewater TCUs to newer high-speed capabilities received a boost this year with funds being allocated to finish the project a year early. With increased efforts by the IT staff, all wastewater TCUs were upgraded in FY2023. Upgrading these units will increase the monitoring capabilities of MetCom's wastewater systems but more importantly, reduce our overall polling times by several minutes. Reducing polling times increases our ability to react to outages and Sanitary Sewage Overflows (SSOs).

This year the team also replaced several remote terminal units (RTUs) at various water stations with more capable TCUs and remote input/output (RIO) devices. The upgraded devices allow the SCADA Team to monitor and control booster and well pumps remotely through the SCADA system.

Overall, the IT Department had a successful FY2023, ensuring MetCom's information systems remain secure, reliable, and efficient.

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 2023, the rate of increase was reduced to 2.7% and 3.4% for water and sewer, respectively.

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 2023:

- Debt Service Coverage**

This ratio measures MetCom’s ability to meet its annual debt service requirements after all operational expenses.

This means MetCom can fund its debt service requirement 1.17 times after all operational expenses.

The Commission did not issue any new debt in General Obligation Bonds or Water Infrastructure Financing Loans. MetCom reduced its debt service by \$6.7 million in FY 2023.

Debt Service Coverage Ratio = (Total Revenue - Total O&M / Total Debt Service)	FY 23 Audit
Total Operating Revenues	\$ 27,196,580
Total Operating Expenses	\$ 16,703,743
Net Revenues	\$ 10,492,837
Total Debt Service	\$ 8,940,090
Debt Service Coverage Ratio	1.17
Target Debt Service Coverage Ratio *	1.25-1.50
AWWA Benchmark Performance Indicator (median)	1.30

- 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 five (5) times the operating and debt service revenues in any given year.



A Measure of the outstanding debt compared to the ability to pay it	FY23 AUDIT	
Total Debt Drawn & Undrawn	\$	90,806,660
Total Operating & Debt Service Revenues	\$	27,196,580
Outstanding Debt (Drawn & Undrawn) to Operating & Debt Service Revenues *		3.34 X
Target - 5X or Below		5X or Below

- MetCom's Sufficient Operational Reserves**

This ratio is a measurement of liquidity, which gauges flexibility to pay near term obligations.

Operational reserves should be maintained between 90 and 180 days.

FY 2023 measured at 289 days. Exceeding the target allows for operational leeway in future budgeting.



Days Cash on Hand = Undesignated Cash Reserves / Total O&M Costs	FY 23 AUDIT	
Unrestricted Reserves		
General Fund Reserves	\$	10,937,338
Unrestricted Reserves	\$	12,181,781
Total Unrestricted Reserves	\$	23,119,119
Restricted Reserves	\$	16,657,860
Total Reserves	\$	39,776,979
Total Operating Expenses	\$	16,703,743
Operating Expenses Per Day (\$)		45,764
Days Cash on Hand		
General Fund Capital Liquidity		76
General Fund Remaining Operational		163
Other Unrestricted		50
Total Unrestricted Reserves		289
Target Unrestricted Reserves - Days Cash On Hand *		90-180
AWWA Benchmark Performance indicator		152-271

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

Performance Range Target = 1.27 (top quartile) - 1.59 (median)		FY23 Approved
		5,000 Gallons/Month
Water		
Ready-To-Serve Charge		\$ 10.14
Water Usage		9.10
System Improvement Charge		12.87
Water - Estimated Monthly Service Charge		\$ 32.11
Sewer		
Ready-To-Serve Charge		\$ 19.45
Sewer Usage		26.45
System Improvement Charge		15.39
Sewer - Estimated Monthly Service Charge		\$ 61.29
Bay Restoration Fee		\$ 5.00
Total Estimated Monthly Service Charge		\$ 98.40
<i>Bill at Prior Approved Fiscal Year Rates</i>		\$96.00
St. Mary's County Median Household Income 2015-2019 US Census Bureau (American Community Survey)		\$ 113,717
MetCom Annual Bill % of Annual MHI		1.04%
Adopted Target Annual Bill % of Annual MHI		
AWWA Benchmark Performance Indicator (median)		1.59%
Lexington Park Median Household Income 2015-2019 US Census Bureau <i>Updated by 2022 American Community Survey</i>		\$ 86,944
MetCom Annual Bill % of Annual MHI in Lexington Park		1.36%
Annual Combined Bill % of MHI: National Median, All Credits		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.

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 1.04% for 5,000 gallons, which is below the 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.

Policy & Procedure Adoption and Updates

In FY 2023, staff focused on reviewing and updating Departmental Policy & Procedures. Several of the updates (*described below*) have incorporated modern trends, best practices, enhanced internal controls and are customer focused.

- Capital Contribution Charge Payment Plans Policy. Added an appeal process for financial hardship cases.
- Customer Payment/Service Termination Policy. MetCom now has the capability to verify electronic payments. This allowed the Billing Office to extend hours to accept payments and restore services during week of disconnections.
- Water Use Billing Adjustment Policy. Residential customers with physical or mental impairment and customers who experience fire or vandalism may now be authorized for adjustments.
- Signature Authority. This is a new policy which establishes primary and secondary positions to have signature authority to maintain Continuity of Operations and supports fiscal auditory requirements.

2023 Tax Sale

Per The Code of St. Mary's County, Maryland, Chapter 113-12(D), MetCom service charges, system improvement charges, capital contribution charges and late charges and penalties are a first lien against the property against which it is assessed until paid. Such properties may be sold at the same time and in the same manner as properties are sold for County taxes. The table below reflects the 2023 Tax Sale data.

Total Accounts At Tax Sale 3/3/2023	Accumulated Past Due Plus Deposit & Fee's through June, 2023	Bank Owned or in Foreclosure	Total Accounts Sold at Tax Sale	Total Amount Paid at Auction
8 Residential	\$ 17,346.44	0 Residential	8 Residential	\$ 1,339,870
0 Commercial	\$.00	0 Commercial	0 Commercial	\$ 0
8 Total	\$ 17,346.44	0 Total	8 Total	\$ 1,339,870

Other Post-retirement Benefits Liability (OPEB)

MetCom provides health, prescription, dental and vision care insurance benefits to eligible retirees, eligible retirees' family members and the family members of deceased employees. MetCom pays a percentage of premiums based on the date of hire and number of years of service. These benefits are referred to as Other Post-Employment Benefits (OPEB). The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The audited OPEB liability is \$1,583,299.

HUMAN RESOURCES

- **Scholarship Program.** Our Scholarship program is funded through the generous donations of Commissioner 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 conducted in a fair and consistent manner and to serve as a liaison between the Commission and BECA. Commissioner Fairfax contributed more funds to the FY 2023 Scholarship, which allowed for the award of more scholarships. We were able to award four students \$1,375 each. The winners were Nicole Gray, daughter of employee Renee Young-Gray, Robert Miller, son of employee Kevin Miller, Kaiah Warring, daughter of employee George Warring, and Lynn Alvey, daughter of employee Jennifer Alvey. Nicole Gray, Robert Miller, and Kaiah Warring are repeat winners. To learn more about the MetCom scholarship program, please visit our website at www.metcom.org and select the Human Resources tab.



- **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. MetCom employees are extremely generous each year with 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, the past few years we were not able to be together, and our fundraising efforts were minimal. Therefore, it was agreed that we would combine funds from both years and donate the two-year total to the St. Mary's Caring Soup Kitchen, which is the charity chosen for FY 2024.

- **Safety & Security Enhancements.** MetCom implemented a Visitor Badging System, which requires all visitors to register and obtain a badge at the front desk. This allows



for us to know who is in the building at all times. The system also requires the visitor to note who he/she is visiting and the purpose of the visit. MetCom has also completed the planned reinforcement and hardening of public entrance lobbies and reception areas at the Operations, Administration, and Engineering buildings, along with bullet resistant glass at the front desk to enhance the safety of the employees.

- **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, held on January 28, 2023. It was with great pleasure that the St. Mary's County Metropolitan Commission presented Evan Walsh and Aarav Sharma, both from Great Mills High School, with the **2023 Environmental Excellence Awards** in recognition of their outstanding projects. Each project was selected for its ability to demonstrate outstanding academic excellence and its applicability to water resources and/or wastewater treatment as it relates to the environment.

Our judges were impressed by the quality of their work, their understanding of the subject matter, and the level of effort put forth. Along with the Environmental Excellence Award plaque, both Evan and Aarav received a \$250 Visa cash award card. We hope these students will consider pursuing similar related research as a part of their future studies and possibly expand that experience into a career with the Commission.



- **Salary Study Implementation.** On July 1, 2022, the results of the FY 2022 Salary Study were implemented. The salary study was conducted by the Commission to assess how well our current pay practices align with comparable jobs in the region. The consultant recommended the reclassification of several positions and a 5.2% Salary / Cost of Living Adjustment to the entire salary scale. The HR and Fiscal Departments, along with the Executive Director, concurred with the consultant's recommendations and following approval by the Board, successfully implemented all changes at the onset of FY 2023.

- **Affirmative Action Plan Training.** Under Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, federal contractors with 50 or more employees must develop an Affirmative Action Program (AAP). Annually, the HR department compiles data that describes the steps taken to ensure the right of all persons to advance on the basis of merit and ability without regard to race, color, religion, sex, national origin, age, disability, genetic information, veteran's status or other factors which cannot lawfully be the basis of employment actions. On December 6, 2022 supervisors completed a mandatory sixty-minute training to satisfy the annual AAP requirements. Each year supervisors are reminded of the rules and expectations surrounding interviewing, hiring, promoting, terminating, and general legal ramifications for discrimination.



- **Onboarding Software.** In February 2023, the Human Resources Department purchased the “Onboard” module of NEOGOV. The new software allows employees to complete all of their new hire paperwork in one place. It is completely paperless, drastically shortens orientation time on their first day, eliminates handwritten errors, and provides them access to a personalized self-service portal. NEOGOV has already proven to better prepare employees for their first day, as they will have already reviewed various brochures, such as the Maryland State Retirement and Pension System, health insurance coverage and enrollment information, and life insurance options, just to name a few.



- **Continuity of Operations.** To help ensure Continuity of Operations in the event that an employee is absent for an extended period of time, or a position is vacant, the Human Resources department created a Standard Operating Procedure (SOP) to authorize other members of the department to backfill the void with as little disruption as possible.
- **Citizens Academy.** On November 7, 2023, Metropolitan Commission staff participated in its' second 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 2023 STATISTICS AND DATA

<u>Description</u>	<u>Number</u>
Replacement Value of Facilities (<i>i.e., plants and stations</i>)	\$181M
Sewage Treatment Plants (<i>owned or operated</i>)	8
Sewage Pumping Stations	71
Residential Grinder Pumps	1,819
Sewer Manholes	4,030
Miles of Gravity Sewer Line	180
Miles of Sewer Force Main	127.5
Age of Gravity Sewer Lines / Mains <22, 22-47, > 47 yrs	64%, 23%, 13%
Age of Force Sewer Lines / Mains < 22, 22-47, > 47 yrs	28%, 70%, 2%
Sewer Customers (connected & Unconnected)	17,888 / 362
New Sewer EDUs	60
Gallons Wastewater Conveyed / Treated	1.110 / 1.343 Billion
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Water Systems	28
Well Sites / Water Pumping Stations	62 / 55
Water Towers (<i>elevated / ground storage</i>)	18/39
Miles of Water Lines (< 2" diameter) / Mains (≥ 2" diam)	57 / 269
Water Meters	16,566
Age of Water Mains < 22, 22-47, > 47 years	50% ,37%, 13%
Water Customers (<i>connected / unconnected</i>)	18,004 / 205
New Water EDUs	58
Gallons Water Supplied	1.312 Billion
Emergency Generators	93
Fire Hydrants	2,781
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MDE Permits	
Water / Sewer	41 / 7
Full Time Employees (<i>funded</i>)	98
Plans Reviewed	
Capital Project Review	12
Development Review	224
Plat Review	36
Connection Permits Issued (water & sewer)	118
Miss Utility Locate Tickets	8,464

The Metropolitan Commission

WE ARE.....

M*otivated*

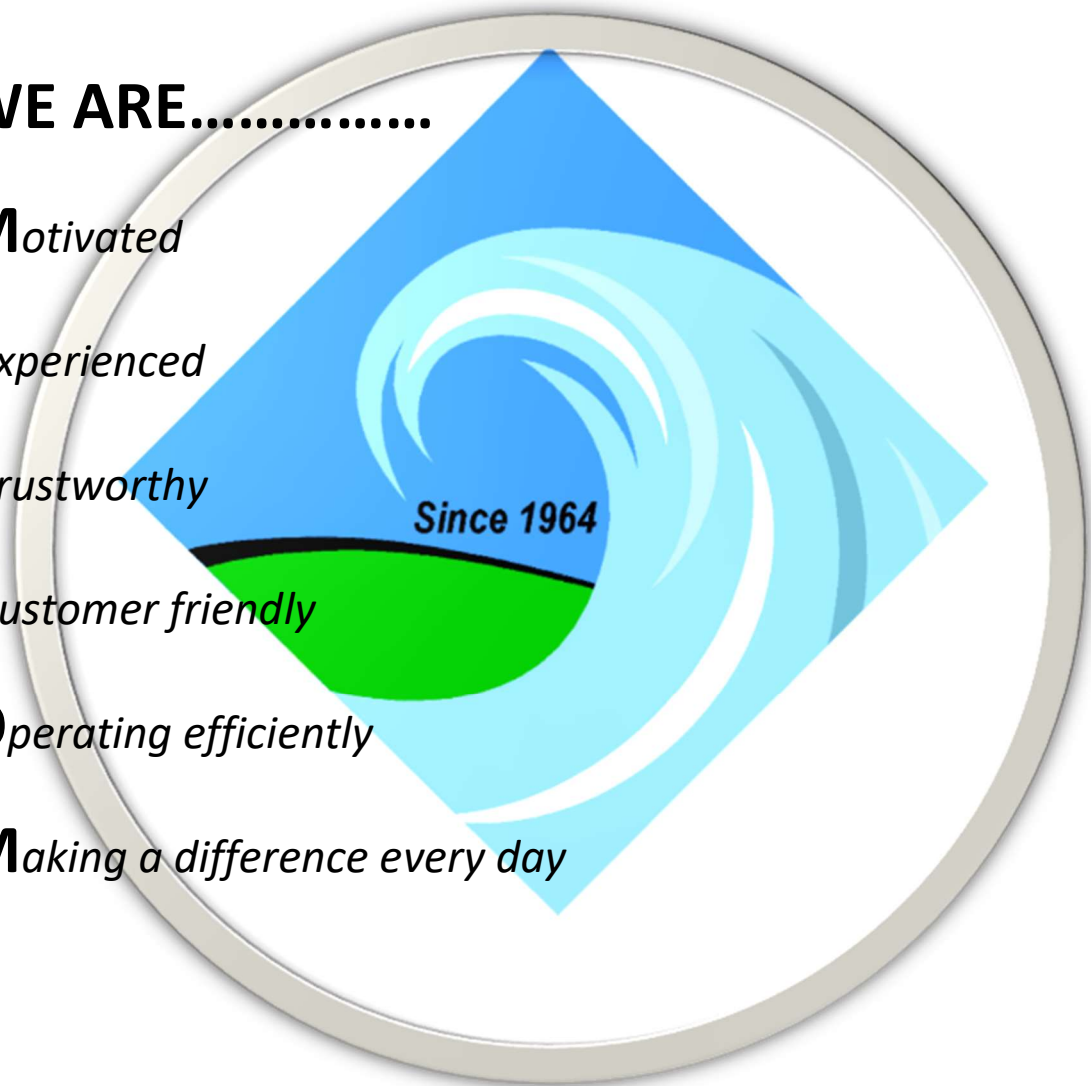
E*xperienced*

T*rustworthy*

C*ustomer friendly*

O*perating efficiently*

M*aking a difference every day*



“Community First”

