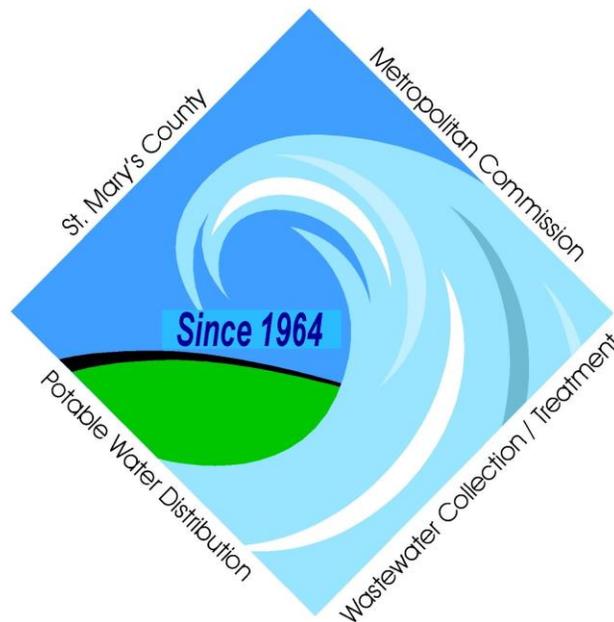


ST. MARY'S COUNTY METROPOLITAN COMMISSION



FISCAL YEAR 2014 ANNUAL REPORT

Reporting Period July 1, 2013 to June 30, 2014

ST MARY'S COUNTY METROPOLITAN COMMISSION

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

The Enhanced Nutrient Removal upgrades to the Marlay-Taylor Water Reclamation Facility were under construction for the entirety of Fiscal Year 2014. As the largest capital improvement project in MetCom's history, the Upgrade project, scheduled for completion in 2016, will further reduce the nitrogen and phosphorus discharges into the Chesapeake Bay to the lowest concentrations possible, utilizing a new, emerging technology. The \$39M project is funded in part with a grant from the Maryland Department (MDE) of the Environment through the Bay Restoration fund.

Another notable capital improvement effort which occurred during FY 2014 was Phase I of the Automated Water Meter Project, which installed automated water meters on 12,000 properties throughout the County. This \$8.3M project, also completed in part with grant funding from MDE, will encourage water conservation through incentivized billing practices and improved leak detection capability.

Other non-capital accomplishments in FY 2014 included implementation of Click2Gov, which is the electronic bill presentation and payment software which enables our customers to view and pay their bills on-line. We also completed the design and implementation of a new website, conducted a rate study in preparation for a new, more equitable Service Charge rate structure, and launched a public relations initiative to better inform our customers of the regulations, policies and procedures which govern the services we provide.

We look forward to a productive FY 2015, and continuing to meet the needs of our customers as effectively and efficiently as possible.



Daniel F. Ichniowski, Director



The Operations, Inspections, Construction and Maintenance Departments of the Commission are located at 43990 Commerce Avenue, Hollywood, Maryland 20636. Office hours are 7:30 a.m. to 4:30 p.m. Monday through Friday. (301) 373-4733.



The Administrative Offices of the Commission, including Fiscal and Engineering Departments, is located in the First Colony Commercial Center at 23121 Camden Way, California, Maryland 20619. Office hours are 7:30 a.m. to 4:30 p.m. Monday through Friday. (301) 737-7400.

METROPOLITAN COMMISSION 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 for FY 2014, ending June 30, 2014, were:

<u>Commissioner</u>	<u>District(s) Represented</u>
Steven P. Willing, Chairman	8 th Election District
David DeMauro, Vice Chairman	6 th Election District
Alice Gaskin	1 st Election District
Richard Mueller	4 th & 5 th Election Districts
Michael Mummaugh	3 rd Election District
Charles Pessagno	2 nd & 9 th Election Districts
Robert Russell	7 th Election District
Captain Ben Shevchuk	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:

- Daniel F. Ichniowski, P.E., Director
- Rebecca B. Shick, Chief Financial Officer
- David J. Elberti, P.E., Chief Engineer
- Michael W. Sullivan, Chief of Facilities and Operations
- Anne Mary B. Cullins, P.H.R., 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.

FACILITIES

WASTEWATER FACILITIES

Marlay-Taylor Water Reclamation Facility

The Marlay-Taylor Water Reclamation Facility (MTWRF) is the largest treatment plant operated by MetCom and serves the Lexington Park, Hollywood and Piney Point areas of St. Mary's County. The plant is currently designed to treat 6.0 million gallons of sewage per day. The average daily flow to the plant is currently 4.2 million gallons; so a little less than one-third of the plant's capacity remains available to meet the needs of growth in the community, keeping in mind that some such capacity is currently allocated for approved projects which are not yet constructed and generating wastewater flows.

In addition to the Marlay-Taylor facility, MetCom owns and operates four additional wastewater treatment facilities as follows:

Wicomico Shores Wastewater Treatment Facility

St. Clements Shores Wastewater Treatment Facility

Forrest Farm Wastewater Treatment Facility

Airedele Road Wastewater Treatment Facility

Combined, these sewage treatment facilities treat over 274,000 gallons per day of waste, on average.

MetCom also operates two private sewage treatment facilities under contract with the owners of the facilities. Those facilities are the Chopticon High School treatment plant and the Charlotte Hall treatment plant. The plant owners remain responsible for meeting all Maryland Department of the Environment permit requirements and the owners reimburse MetCom for all costs incurred.

WATER DISTRIBUTION FACILITIES

MetCom operates 28 water supply and distribution systems throughout the County. The largest of the 28 water systems is the Lexington Park water system, which serves 41,000 citizens of St. Mary's County, and consists of 18 wells and approximately 4 million gallons of water storage capacity in aboveground storage tanks. The current daily demand is 2.6 million gallons per day, with the ability to supply over 5.0 million gallons of water per day. The remaining 27 water systems are located throughout the County, and provide an average of 1.2 million gallons of water per day to over 6,000 homes or approximately 16,500 citizens. These remaining systems provide a total of 1.5 million gallons of storage capacity throughout the County.



Aerial view of the Marlay-Taylor Facility located at 48020 Pine Hill Run Road, Lexington Park, Maryland



Freddie Swann and Eric Pool Operating VacTor at Glebb Run Pump Station

USER CHARGES AND FINANCIAL INFORMATION

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 are; Service Charges; System Improvement Charges; and Capital Contribution Charges, as discussed below.

Service Charges cover the daily operation and maintenance costs of MetCom facilities. These charges are billed monthly, on a per EDU basis, to all MetCom customers who are either connected to, or required to be connected to, a MetCom water and/or sewer system. The rates for Fiscal Year 2014 (July 1, 2013 through June 30, 2014) were as follows:

<i>Water Service Charge:</i>	FY 2014
Non-metered / EDU / month	\$23.03
Metered / EDU / month – up to 18,000 g/qtr	\$18.42
Overage Rate / 1,000 gal.	\$ 3.07

<i>Sewer Service Charge:</i>	
Non-metered / EDU / month	\$34.56
Metered / EDU / month – up to 16,200 g/qtr	\$29.48
Overage Rate / 1,000 gal.	\$ 5.46

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 plant 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. These rates for Fiscal Year 2014 were:

<i>Water:</i>	FY 2014
Residential / EDU / month	\$ 8.28
Commercial / EDU / month	\$ 9.94

<i>Sewer:</i>	
Residential / EDU / month	\$13.61
Commercial / EDU / month	\$16.33

Capital Contribution Charges cover 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 charge is paid at the time any new residential or commercial EDU is connected to a public water and/or sewage system. This is a one-time charge. These rates for Fiscal Year 2014 were:

<i>Water:</i>	FY 2014
Residential / EDU / Connection	\$4,111.83
Commercial / EDU / Connection	\$4,934.20
 <i>Sewer:</i>	
Residential / EDU / Connection	\$3,712.81
Commercial / EDU / Connection	\$4,455.37

In addition to the above-referenced charges, **Bay Restoration Fees** are also collected monthly per EDU, as mandated by the State of Maryland. For FY 2014 the monthly Bay Restoration Fee was \$5.00.

NOTE: An EDU is an Equivalent Dwelling Unit and represents the amount of water usage by a residential home, typically 250 gallons per day. Commercial uses may be assigned more than one (1) EDU depending upon the nature of the specific commercial use.

FINANCIAL OVERVIEW

BUDGETED INCOME

Sewer Service Charges	\$ 8,350,122
Water Service Charges	4,762,134
Engineering Fees	410,000
Other Income	66,000
Sewer System Improvement Charges	3,826,270
Water System Improvement Charges	2,348,317
Sewer Capital Contribution Charges	739,911
Water Capital Contribution Charges	657,893
Reserves	<u>1,506,000</u>
TOTAL BUDGETED INCOME	\$22,666,647

BUDGETED EXPENSES:

Sewer Operations	\$ 8,319,459
Water Operations	4,644,245
Engineering Services	410,000
Debt Service Sewer	4,975,613
Debt Service Water	3,381,210
Pay-Go Sewer	592,568
Pay-Go Water	<u>129,000</u>
TOTAL BUDGETED EXPENSES	\$22,452,095
INCOME ALLOCATED TO RESERVES	\$ 214,552

HUMAN RESOURCES

Human Resources is responsible for Employment, Recruiting, Compensation Administration, Benefits, Wellness, Training and Development, Employee Relations and Regulatory Compliance of all Metropolitan Commission staff.

STAFFING

As of June 30, 2014, MetCom employed a total of 90 employees, as follows:

	Male	Female
Full Time	59	24
Part Time	0	1
Intern	1	1
Contract	4	0
TOTAL	64	26

RECRUITMENT

The Human Resource Department assists applicants and employees with all aspects of the employment process. We manage recruitment, interviewing, testing, background checks, reference checks, physicals, pre-employment drug testing, selection and evaluation of permanent, contract and intern employees. During Fiscal Year 2014:

- Human Resources received and processed 1100 applications for 10 positions
- 6 employees were promoted
- 1 new position was created

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 and limit our liability. The mandatory classes offered are designed to meet these requirements.

MetCom encourages employees who wish to improve their performance in their present position or prepare themselves for advancement by providing an Employee Tuition Assistance Policy. There are, at present, four (4) employees who have completed degrees through the Tuition Assistance Program and advanced their careers at MetCom.

This year we have conducted Sexual Harassment, Building a Culture of Respect, and Ethics Training.

RISK MANAGEMENT

Risk Management is a collaborative effort between the Human Resources Department and the Operations Department. Human Resources and the Safety Officer work together to promote safety and to protect the employees and property of MetCom. Several programs are in place to help us with that objective, including a worker's compensation program; drug and alcohol testing program, fully insured liability program and a risk management program.

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

Both the Human Resources Director and the Safety Officer are Certified Breath Alcohol Technicians which enables them to do in-house random, post-accident, return to duty and follow up testing. This saves MetCom a considerable amount of time as well as money.

In Fiscal Year 2014, there were 8 worker's compensation claims for a total paid out of \$14,617.25. As compared to Fiscal Year 2013 in which there were 3 worker's compensation claims for a total paid out of \$821.08.



MetCom Employees attending a CPR/AED and First Aid class

FISCAL YEAR 2014 ACCOMPLISHMENTS

ADMINISTRATIVE

In FY 2014, MetCom increased administrative efficiencies by completing the design and implementation of a new website, which will allow better communications and public interface with our customers. In addition, we conducted a rate study in preparation for the initiation of a new, more equitable Service Charge rate structure. We also launched a public relations initiative to better inform our customers of the regulations, policies and procedures which govern the services we provide.

INFORMATION TECHNOLOGY

The Information Technology Department plays a significant role in all of the system upgrades which occur at MetCom, which included in FY14 the online bill presentment and payment system, and of course, the new website. The new website has an updated look, better user interfaces and far greater expandability for future growth.

In addition, the Fiscal computer, an IBM i5 series was retired and replaced by an IBM i7 model with more storage, faster processors and advanced technology. This system will integrate with the new on-line bill presentment and customer access portal and provide faster and more modern functionality to both staff and customers.

Another IT accomplishment in FY14 was the installation of high speed fiber optic connections to our St Clements Shores treatment plant. Metcom's high speed wide area data network now encompasses four facilities including both treatment plants, our field services and the administration offices. This allows sharing of data and resources between facilities and "real time" monitoring of processes and operations.

FISCAL

Click-2-Gov, which is bill presentment and bill payment software, was implemented in FY2014. Our customers are now able to view monthly statements and account information on-line. Available information includes monthly statements, payment history, and consumption history. Customers may also make payments on-line, either one-time, on-demand payments or automatic monthly payments via credit card or bank account transfers.

HUMAN RESOURCES

Human Resources completed several major projects this year that have been in the works for a long while. The first project is the Employee Handbook. This has been a long and arduous, albeit much needed project. This book brings all policies up to date relating to Human Resource into one book and is a much needed reference point. The Employee Handbook was distributed to every employee during an informative meeting. It is also available on the company's intranet.

The second project that was completed this year is the HR website. This is a valuable tool to employees which contains a wealth of information. Employees can

refer to this site to obtain information regarding what is going on in the workplace, employee benefits, news about fellow employees, employee relations workplace rules, links to helpful information outside of MetCom. There are personnel forms such as beneficiary forms, leave slips, tuition reimbursement forms, etc.

SYSTEM CAPITAL IMPROVEMENTS

- Sanitary sewer gravity interceptor replacement project was completed which is located on the Naval Air Station Patuxent River. This project replaced approximately 1,300 feet of 18-inch pipe with a larger 24-inch and added several manholes in an effort to eliminate manhole surcharging that occurred upstream on this section of pipe in the Lexington Park area during peak flows.
- A wastewater renewal and expansion project was completed along the recently constructed FDR Boulevard alignment from the intersection of Great Mills Road to a location on Shangri-La Drive just south of the Library. This project replaced a section of deteriorating 30-inch pipe with a new 36-inch pipe that serves the Lexington Park sanitary sewer service area.



New Sanitary Sewer Pipe Installed along FDR Blvd near Lexington Park Library

- An additional wastewater renewal project located in Lexington Park was completed which rehabilitated older sewer pipes using a relining method through existing manholes versus a more costly and disruptive excavation and replacement construction. This relining project of the sewage collection system built by the U.S. Navy in the 1940's is located along Shangri-La Drive and South Essex Drive.



Minimal Disturbance Excavation of New Sanitary Sewer Clean-Out Riser

- A water main installation project was completed in FY 2014 that now links the existing Meadow Lake and Greenview Knolls subdivisions water systems. This new water service connects these adjacent water systems built at different times and improves service capacity and reliability.
- A MetCom capital project currently under construction is the replacement of a sanitary sewer interceptor built in the late 1960's mainly located on the NAS Patuxent River base which exits at Gate No. 3 continuing down to the Marlay-Taylor Water Reclamation Facility. This existing pipe varying in size from 27" to 33", which collects sewage from the majority of Lexington Park as well as the Piney Point system, is in the process of being replaced with a 42" pipe to increase capacity. No disruption in service will occur as a result of this upgrade project scheduled to be completed in the beginning months of calendar year 2015.



New Sanitary Sewer Manhole Located Just Outside NAS Patuxent River Gate 3

- MetCom is currently in the process of completing Phase 1 of the AMR Radio Read Water Meter project which at the end of Fiscal 2014 (June 30, 2014) had completed approximately 80% of the residential and commercial meter installations. Phase 1 will upgrade approximately 10,700 meters located in over 100 residential subdivisions. The meters will be 'Radio Read' meters which can download data to a properly equipped MetCom vehicle passing by the newly installed AMR Meters. Phase 1 is currently scheduled to be completed by November 15, 2015.



Remote Manual Read Water Meter - Before



**AMR Radio Read Water Meter - After
(w/backflow prevention)**

- Construction upgrades to the Marlay-Taylor Water Reclamation Facility (MTWRF) started in FY 2014 and was approximately 20% complete by June 30, 2014. These improvements are upgrading the plant's treatment abilities to Enhanced Nutrient Removal (ENR) standards.



Construction Crane at MTWRF ENR Construction Site

- ENR technologies allow the sewage treatment plant to provide a highly advanced level of nutrient removal, achieving a minimum of 4 mg/l total nitrogen and 0.3 mg/l total phosphorous. Other upgrades and modernization of the facility are also planned. Construction is scheduled to be completed in the Fall of 2015.

OPERATION & MAINTENANCE

Several small upgrade projects occurred in Fiscal Year 2014 in the water treatment and distribution systems, including:

- Rehabilitating and re-piping of the Rolling Acres Water Station, including the removal of the aged and non-functioning water storage tank.
- Replacing aged booster pumps at the Birch Manor and Fenwick Manor water stations to improve reliability and efficiency.
- Replacing an aged well pump at the Breton Bay Water Station with a variable speed pump, which improves efficiency and decreases pipe damage due to water hammer.
- Rehabilitation and repainting the interior and exterior of one elevated water tower and six ground-based water storage tanks.



New Water Booster Pumps at the Fenwick Manor Water Station

Likewise, several upgrade projects occurred in Fiscal Year 2014 in the wastewater collections and treatment systems, including:

- Installation of an automated bar screen at the St. Clement's Shores Wastewater Treatment Facility to remove foreign debris, such as leaves and disposable wipes from the activated sludge treatment system.
- Rehabilitating 51 sanitary sewer manholes and 2 wastewater pumping station wet wells.
- Clearing the sewer main rights of way in the California Run, Greenbrier, Lynn Drive and Wicomico Shores communities.

During Fiscal Year 2014, MetCom staff received and responded to 593 water related calls for service and 1,214 wastewater related calls for service.



Automated Bar Screen at the St. Clement's Shores WWTP



Wastewater Treatment Operator, Glenn Pulliam, checking a sanitary sewer manhole.



Water Tower Painting



Francis Russell and Happy Wathen making repairs at Marlay-Taylor

FISCAL YEAR 2015 PLANS & OBJECTIVES

OPERATIONAL

Operational improvements to the public water system planned for FY 2015 include the construction of three (3) new wells in the Charlotte Hall, Hickory Hills and Hollywood areas of the County, and three (3) new water towers to serve the Charlotte Hall Hickory Hills and Hollywood areas of the County.

The Cedar Cove Water Pumping Station #1, which serves approximately 1000 homes, will be rehabilitated to improve the efficiency of the water system

In addition, the water tank and tower inspection and painting program will continue its sixth year, under which the following tanks and towers will be inspected and/or painted: Cedar Cove Water Tower, Country Lakes Water Tower, Laurel Ridge Water Tower, Fenwick Manor Ground Storage Tank, Hearts Desire Hydro-pneumatic Water Tank and the St. Clement's Shores Ground Storage Tank.

The Marlay-Taylor Treatment Facility Enhanced Nutrient Removal (ENR) Upgrade project will continue, scheduled for completion in calendar year 2016. This project is mandated by the State of Maryland and will reduce the nitrogen and phosphorous discharges into the Chesapeake Bay.

Sewer Manhole and Wet Well Rehabilitation projects will continue, to ensure the safe and efficient operation and maintenance of the public sewer system.

Likewise, the sewage grinder pump replacement project will continue in the St. George Island and Tall Timbers areas, to replace the 20+ year old grinder pumps in these areas.

Rehabilitation projects will also continue on the sewer mains and lateral lines in the Essex South, Bay Interceptor and Three Notch Interceptor systems and also on several wastewater pumping stations including Piney Point, Piney Point Landings, Hilton Run, St. Clement's Shores and Spring Valley, to maintain sewer system safety and efficiency.

CAPITAL

Construction bids for the installation of three major wells and elevated water storage tower projects will be requested in early FY 2015. These projects are located at the Hickory Hill development, the Charlotte Hall area of the County, and in the Hollywood area at the Broad Creek Subdivision. Construction should begin in mid FY 2015 and continue for approximately eighteen to twenty four months depending on the project.

In FY 2015 MetCom will continue the implementation of the CityWorks software Asset Management System. This program and associated software will inventory

existing infrastructure, its age, condition, and past repair history in order to develop a planned replacement system and preventative maintenance program.

Phase 2 of the AMR Radio Read Water Meter project is budgeted and will begin in FY 2015. This second and final phase installs approximately 2,000 meters located in about 25 residential subdivisions along with over 100 new non-residential meters made up of commercial, churches, schools and irrigation installations. The duration of this final phase of the AMR meter project is approximately one year from the contractors notice to proceed.

Preliminary planning to determine design and land-based discharge options for the capacity expansion of the Marlay-Taylor Water Reclamation Facility (MTWRF) will begin in FY 2015. This treatment plant upgrade is targeted to meet predicted capacity requirements in the year 2020. Estimated flow rates are anticipated to increase from the current 6.0 MGD to 7.5 MGD.

ADMINISTRATIVE

An extensive re-write of Section 113 of the Code of St. Mary's County, which governs all MetCom operations, occurred during the end of FY14. This effort is expected to be submitted for adoption during the 2016 Legislative Session. These revisions will modernize the statute which was drafted in 1957, and has had very few legislative amendments and updates since that time.

FISCAL

MetCom is currently working with a consultant on a new rate structure for service charges. This process includes a comprehensive analysis of the rates for water and sewer operations to ensure sustainable and equitable rates which promote conservation, fund the costs of regulatory compliance and meet MetCom's operational costs. The new structure will allow customers to be billed only for actual water consumed in addition to a fixed ready-to-serve fee. It is expected that the study will be completed in FY15 and implemented in FY2016.

In addition, MetCom intends to implement a new time tracking system, ExecuTime, which will enable payroll efficiencies and automation.

HUMAN RESOURCES

We plan to hire a full-time Safety and Training Coordinator which is a new position, responsible for ensuring compliance with all safety regulations and training requirements.

Also on the horizon is a new Wellness Program that will encourage employees to identify and pursue health improvement goals and explore fun ways to improve their individual level of physical fitness. The wellness program will encourage healthy lifestyles that will lead to energized, more productive employees and less insurance claims which will lead to less insurance premiums.

SUMMARY OF STATISTICS AND DATA

Sewage Treatment Plants	5
Population Served	51,076
Sewage Pumping Stations	62
Residential Grinder Pumps	1,450
Miles of Gravity Sewer Line	128
Miles of Sewer Force Main	103
Sewer Customers	11,779
Water Systems	28
Population Served	55,066
Well Sites	52
Water Towers	16
Miles of Water Line	323
Water Meters	12,951
Water Customers	14,029
MDE Permits	
Water	43
Sewer	5
Full Time Employees	74
Contract and Part time employees	13
Plans Reviewed	54
Connection Permits Issued	350

