



St. Mary's County Metropolitan Commission

Public Hearing April 9, 2018

FY 2019 Operating Budget
FY 2019 Capital Improvement Budget
FY 2020 - FY 2024 Capital Improvement Plan
FY 2019 Rate Changes

PUBLIC HEARING NOTICE

ST. MARY'S COUNTY METROPOLITAN COMMISSION (MetCom)

In accordance with Chapter 113-27D of the Public Laws of St. Mary's County, Maryland, being part of Article 19 of the Code of Public Local Laws of the State of Maryland, notice is hereby given that a Public Hearing will be held on Monday, April 9, 2018 at 6:00 p.m. at the MetCom Administration Building, 23121 Camden Way, California, Maryland. The Hearing will be held to discuss the proposed Fiscal Year 2019 Capital Improvement Budget, the proposed Fiscal Years 2020-2024 Capital Improvement Plan and the proposed Fiscal Year 2019 Operating Budget and proposed rate changes relating to each budget, to become effective July 1, 2018.

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. Our staff takes great pride in providing outstanding customer service while maintaining very high standards of environmental compliance and resource management.

Mission Statement

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

SEWER DEPARTMENT

- Sewage Treatment Plant Owned & Operated by MetCom: 5 State Permitted Facilities
 - Marlay-Taylor is one of 64 facilities in the State required to be ENR compliant
- Private Sewage Treatment Plants Operated by MetCom But Owned by Others: 2
- Sewage Pumping Stations: 64
- Gravity Sewer Lines and Force Mains: over 230 miles
- Number of Sewer Customers: 13,499
- Over 1.5 billion gallons of wastewater conveyed and treated in FY17



SEWER DEPARTMENT

- MetCom expects to receive an Enhanced Nutrient Removal (ENR) grant of \$180K in FY19 for Marlay-Taylor Wastewater Treatment Plant
- Grant helps offset expenses that have increased due to the State mandated implementation of ENR:
 - ✓ Maintenance
 - ✓ Power
 - ✓ Chemicals
 - ✓ Sludge Hauling
- Budget puts an emphasis on maintenance to keep systems operating efficiently and avoid infrastructure failures such as sewer line breaks and sanitary sewer overflows





ST. MARY'S COUNTY METROPOLITAN COMMISSION						
FY 2019 OPERATING BUDGET - RECOMMENDED						
SEWER DIVISION						
	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET as of 2/7/18	FY18 ACTUALS as of 12/31/17	FY19 RECOMMENDED	
Operating Income						
Service Charge - Metered	\$ 6,891,075	\$ 7,120,310	\$ 7,660,134	\$ 3,747,132	\$ 7,712,562	
Service Charge - Non-Metered	1,222,203	1,243,739	1,291,573	644,162	1,329,091	
Septage Haulers	150,753	156,389	167,300	68,382	127,777	
ENR Grant	-	75,000	180,000	-	180,000	
Other Revenue	41,368	83,399	50,100	37,704	75,406	
From Reserves	-	-	-	-	-	
Total Operating Income	\$ 8,305,399	\$ 8,678,837	\$ 9,349,107	\$ 4,497,380	\$ 9,424,836	
Operating Expenses						
Salaries	\$ 2,326,080	\$ 2,432,440	\$ 2,624,864	\$ 1,179,888	\$ 2,655,523	
Contractual Labor	21,721	14,169	14,976	8,461	14,040	
Maintenance	618,400	528,714	634,935	282,952	596,000	
Leonardtown Plant	202,721	259,880	180,000	50,392	180,000	
Power	584,177	701,848	611,800	311,945	703,800	
Telephone/Dialers	48,504	53,347	52,900	26,148	23,500	
Fuel (Diesel & Oil)	47,206	76,112	78,229	26,185	78,000	
Lab & Soils Testing	11,399	12,431	13,600	5,180	13,000	
Chemicals	216,500	368,641	399,000	219,820	397,000	
Employee Related Expense	41,713	37,528	76,100	18,610	76,100	
Materials & Supplies	125,658	119,117	140,544	57,038	138,000	
Building Utilities	20,527	26,183	25,870	12,536	25,870	
Miscellaneous	2,982	3,907	3,550	1,810	3,550	
Misc Consultants	2,309	1,810	2,885	-	-	
Vehicles	69,257	70,624	81,927	29,624	75,000	
Sludge Removal Expense	146,057	199,862	253,000	120,625	192,000	
Depreciation	250,756	226,850	282,000	104,414	255,000	
SSO's & Penalties	32,500	-	20,000	-	13,000	
Contingencies	-	-	-	-	-	
Recv'ry of Cost	(3,204)	-	(4,983)	(4,983)	-	
Allocation of OH	3,039,087	3,181,477	3,570,262	1,560,454	3,484,123	
Allocation of Engineering	413,096	449,590	598,412	274,961	730,566	
Total Operating Expenses	\$ 8,217,446	\$ 8,764,530	\$ 9,659,871	\$ 4,286,060	\$ 9,654,072	
Net Direct Sewer Operating Income	\$ 87,953	\$ (85,693)	\$ (310,764)	\$ 211,320	\$ (229,236)	

FY19 Sewer Division Operating Budget is \$5,799 less than the Approved FY18 Operating Budget

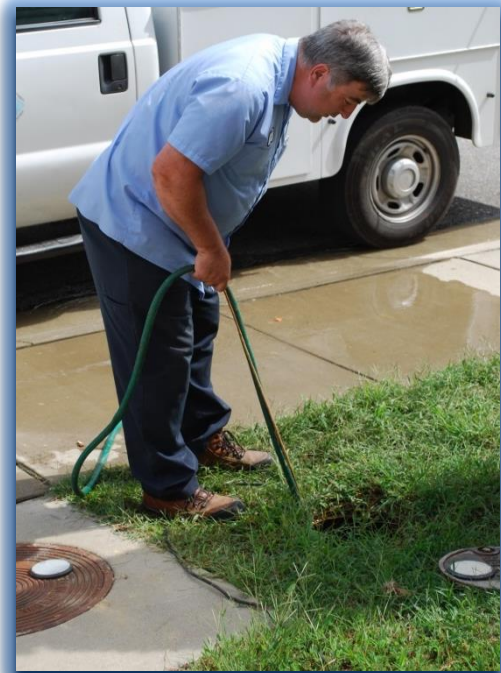
WATER DEPARTMENT

- Water Systems: 28
- Number of Well sites: 57
- Elevated Water Storage Tanks/Towers: 18
- Water Lines Maintained: over 320 miles
- Number of Water Meters: 15,276
- Number of Water Customers: 15,750



WATER DEPARTMENT

- MetCom continues to provide high quality water. In 2017 MetCom collected approximately 1,200 water samples
- All of these water samples met or exceeded EPA drinking water standards
- Nearly 1.4 billion gallons of water supplied in 2017
- Proposed cost of 1,000 Gallons of Water is \$1.66 compared to the cost of a bottle of water



ST. MARY'S COUNTY METROPOLITAN COMMISSION						
FY 2019 OPERATING BUDGET - RECOMMENDED						
WATER DIVISION						
	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET as of 2/7/18	FY18 ACTUALS as of 12/31/17	FY19 RECOMMENDED	
Operating Income						
Service Charge - Metered	\$ 4,246,745	\$ 4,501,417	\$ 4,644,580	\$ 2,309,794	\$ 4,765,443	
Service Charge - Non-Metered	168,581	164,576	169,177	86,185	174,599	
Water Tower Rental	163,914	141,151	150,019	69,663	150,412	
Other Revenue - mostly turn on/c	50,790	53,020	41,500	22,216	41,500	
Total Operating Income	\$ 4,630,030	\$ 4,860,164	\$ 5,005,276	\$ 2,487,858	\$ 5,131,954	
Operating Expenses						
Salaries	\$ 1,055,319	\$ 1,062,264	\$ 1,158,384	\$ 496,260	\$ 1,155,400	
Meter Reading Expense	7,966	-	-	-	-	
Maintenance	465,979	319,617	471,967	154,569	450,000	
Meter Installation (net)	(30,913)	32,179	23,000	8,890	28,000	
Fire Hydrant ISO Inspection (50%)	38,968	44,998	45,000	20,153	45,000	
Power	501,288	515,076	529,800	242,728	529,800	
Telephone/Dialers	10,644	9,048	9,200	4,520	10,200	
Fuel (Diesel & Oil)	1,031	2,172	3,600	1,165	3,600	
Water Testing	21,979	19,846	23,628	12,968	24,000	
Chemicals	104,413	112,546	119,500	51,947	119,500	
Employee Related Expense	11,811	8,170	16,564	7,372	20,800	
Materials & Supplies	70,864	72,040	74,203	39,019	75,000	
Building Utilities	14,873	17,118	14,456	7,290	14,500	
Miscellaneous	-	-	3,000	-	3,000	
Vehicles	30,982	33,581	31,732	12,397	32,000	
Depreciation	218,655	204,915	264,000	85,982	220,000	
Contingencies	-	-	-	-	-	
Rec'ry of Cost	(8,756)	(5,063)	-	(763)	-	
Allocation of OH	1,581,515	1,704,932	1,812,722	793,060	1,748,736	
Allocation of Engineering	275,397	299,726	398,942	183,307	487,044	
Total Operating Expenses	\$ 4,372,015	\$ 4,453,165	\$ 4,999,698	\$ 2,120,864	\$ 4,966,580	
Net Direct Water Operating Inc	\$ 258,015	\$ 406,999	\$ 5,578	\$ 366,994	\$ 165,374	



FY19 Water Division Operating Budget is \$33,118 less than the Approved FY18 Operating Budget

ENGINEERING DEPARTMENT



- Plat & Plan Reviews: 140 CY 2017
- Connection Permits Issued: 265 CY 2017
- Developer & Construction Projects Inspected: 50-60 per year
- Number of CO & Grinder Pump Inspections: 546 CY 2017
- Capital Projects Managed: over \$112 M



Lynn Drive Waste Water Pump Station Project:
New Wet Well Storage Vault in Place

ENGINEERING DEPARTMENT

- Review Fees and Inspection Fees are not proposed to change in FY 2019
- Eliminate full-time Construction/Inspector Field Data Coordinator Position
- Convert Field Services Administrative Assistant from part-time 50% to full time position
- Engineering expenses not covered by development review fees and inspection revenues are allocated as follows:
 - ✓ 60% to Sewer Department
 - ✓ 40% to Water Department
- Operating Budget also includes monies for developer cost share agreements



ST. MARY'S COUNTY METROPOLITAN COMMISSION							
FY 2019 OPERATING BUDGET - RECOMMENDED							
ENGINEERING DEPARTMENT							
			FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET as of 2/7/18	FY18 ACTUALS as of 12/31/17	FY19 RECOMMENDED
Engineering Income							
Review Fees			\$ 59,020	\$ 52,422	\$ 59,100	\$ 45,620	\$ 59,100
Inspection Fees			142,383	102,963	143,300	40,947	143,300
Admin & Other Fees			28,112	63,525	42,700	12,705	42,700
Total Engineering Income			\$ 229,515	\$ 218,910	\$ 245,100	\$ 99,272	\$ 245,100
Engineering Expenses							
Salaries			\$ 550,281	\$ 477,210	\$ 584,340	\$ 232,549	\$ 694,231
Salaries- Locates			104,591	93,893	110,969	44,863	81,794
sub-total			\$ 654,872	\$ 571,103	\$ 695,309	\$ 277,412	\$ 776,025
Contractual Labor			\$ 9,426	\$ 1,323	\$ 10,800	\$ 4,124	\$ 10,800
Contractual Locates			3,517	-	-	-	-
Casual Labor			-	-	27,500	25,436	-
Professional Service			22,491	11,772	30,000	11,765	30,000
Vehicle Operation & Maintenance			460	5,608	12,400	1,101	12,400
Office Supplies & Expense			8,978	5,496	9,750	3,053	9,750
Building Utilities (power,cable,trash,fuel,cleaning)			8,263	9,866	9,400	4,393	9,400
Phone			4,846	4,854	4,900	2,526	4,900
Mileage			-	-	200	-	200
Employee Related Expense(training,pagers,physica			10,895	4,733	12,832	2,580	11,900
Depreciation			32,606	27,701	35,000	4,512	35,000
Miss Utility Expense			7,226	7,677	8,500	3,371	8,500
Miscellaneous Expense			60	296	500	-	500
Recvry of Cost			(290,075)	(215,854)	(258,141)	(51,098)	(174,181)
Allocation of OH			337,125	424,905	489,533	213,023	571,111
Allocation to Inspections			(77,780)	(82,322)	(130,530)	(41,942)	(137,176)
Inspection Salaries			94,303	95,645	134,971	47,377	140,405
Contractual Inspections			108	-	-	-	-
Inspection Vehicle Charges(Fuel/Mileage)			12,038	12,747	15,000	7,705	15,000
Inspection - Supplies			870	355	4,000	260	1,000
Inspection Overhead			77,779	82,321	130,530	41,942	137,176
Inspection Total			\$ 185,098	\$ 191,068	\$ 284,501	\$ 97,284	\$ 293,581
Total EngineeringExpenses			\$ 918,008	\$ 968,226	\$ 1,242,454	\$ 557,540	\$ 1,462,710
Allocation to Sewer (60%)			(413,096)	(449,590)	(598,412)	(274,961)	(730,566)
Allocation to Water (40%)			(275,397)	(299,726)	(398,942)	(183,307)	(487,044)
Income From Engineering			\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL & ADMINISTRATIVE DEPARTMENT

- Continue to eliminate Funding, but not position authorization for the Assistant Director and Database Administrator
- Include Salary Adjustment which can be utilized for a COLA, Step increase and/or to address other salary needs
- Provide full annual contribution to Other Post Employment Benefit (OPEB) of \$395K
- Grants/Loans Administration: 25 loans & 1 grants in process
- Purchase Orders issued in FY17: 694

GENERAL & ADMINISTRATIVE DEPARTMENT

- General & Administrative expenses include all MetCom employee benefits, administrative salaries, insurance, IT and legal services, bank fees, etc.
- General & Administrative Expenses are allocated as follows:
 - to Sewer 60.03% (\$3,484,123)
 - to Water 30.13% or (\$1,748,736)
 - to Engineering 9.84% or (\$571,111)

ST. MARY'S COUNTY METROPOLITAN COMMISSION							
FY 2019 OPERATING BUDGET - RECOMMENDED							
General & Administrative Expenses							
			FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET as of 2/7/18	FY18 ACTUALS as of 12/31/17	FY19 RECOMMENDED
Administrative Salaries			\$ 1,397,033	\$ 1,383,475	\$ 1,431,078	\$ 637,913	\$ 1,460,029
Contractual Labor			99,674	49,442	52,481	20,701	20,020
Commissioner Stipend			12,500	14,500	14,500	7,250	14,500
Casual Labor			4,809	-	5,000	5,000	5,000
Payroll Taxes			430,360	424,548	480,363	215,238	471,779
Hospitalization			1,178,715	1,370,476	1,628,006	677,596	1,647,541
OPEB			379,604	374,909	412,000	206,000	395,000
Maryland State Pension Plan			430,859	469,786	497,204	223,596	521,807
Pension Loan			113,090	113,092	113,092	56,546	113,092
Long Term Disability& Life Insurance			23,311	24,339	25,824	11,107	24,800
Tuition Reimbursement/Beneficial Suggestions			1,924	(1,500)	6,000	1,549	15,000
Vehicle Operation			771	1,458	1,241	353	1,100
Office Supplies & Printing			83,412	79,803	87,437	34,282	80,000
Postage Expense			95,747	98,735	97,567	32,707	96,600
Insurance			241,622	286,174	315,087	123,698	286,500
Accounting & Audit			16,920	17,360	17,900	17,810	18,400
Computer & IT Services			96,662	100,795	131,834	50,645	117,300
Legal Services			-	124,788	154,000	96,440	155,000
Misc.Consultants			23,478	62,182	16,900	16,563	11,500
Building Utilities(power,cable,trash,fuel,cleaning)			31,770	38,810	35,923	17,003	35,900
Phone & FAX			52,308	53,484	55,300	25,273	55,300
Employee Related Expense(training,physicals, uniforms)			27,553	22,141	44,815	3,348	33,493
Advertising for Staff/Recruiting			2,442	4,289	6,000	959	6,000
Advertising - Other			11,729	6,732	9,175	1,133	9,000
Admin. Bond Expense			775	1,370	2,750	-	-
Public Relations			3,600	3,150	14,500	1,050	-
Bank Fees/On-Line Bill Payment Fees			82,108	95,816	101,000	45,883	109,758
Miscellaneous Expense			4,404	4,123	7,500	3,309	5,000
Dues & Subscriptions			10,149	8,648	13,953	5,335	12,135
Depreciation			109,394	88,711	105,000	31,471	100,000
Recv'ry of Cost (Grants & Projects)			(8,996)	(10,322)	(10,913)	(3,221)	(17,584)
Total G & A Expenses			\$ 4,957,727	\$ 5,311,314	\$ 5,872,517	\$ 2,566,537	\$ 5,803,970
To Sewer	60.03%		\$ 3,039,087	\$ 3,181,477	\$ 3,570,262	\$ 1,560,454	\$ 3,484,123
To Water	30.13%		1,581,515	1,704,932	1,812,722	793,060	1,748,736
To Engineering	9.84%		337,125	424,905	489,533	213,023	571,111
			\$ 4,957,727	\$ 5,311,314	\$ 5,872,517	\$ 2,566,537	\$ 5,803,970

FY19 General & Administrative Operating Budget is \$68,547 less than Approved
FY18 Operating Budget

ST. MARY'S COUNTY METROPOLITAN COMMISSION

FY 2019 OPERATING BUDGET - RECOMMENDED

OTHER INCOME & EXPENSES

			FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET as of 2/7/18	FY18 ACTUALS as of 12/31/17	FY19 RECOMMENDED
OTHER INCOME AND EXPENSE :							
Interest Income			\$ 24,869	\$ 106,255	\$ 172,000	\$ 134,275	\$ 206,550
Late Charge Income			131,961	121,185	132,000	44,412	88,824
Miscellaneous			9,535	19,313	10,000	14,287	10,000
Total Other Income and Expense			\$ 166,365	\$ 246,753	\$ 314,000	\$ 192,974	\$ 305,374
NET INCOME FROM SERVICE CHARGES			\$ 512,333	\$ 568,059	\$ 8,814	\$ 771,288	\$ 241,512
Total Revenue			\$ 13,331,309	\$ 14,004,664	\$ 14,913,483	\$ 7,277,484	\$ 15,107,264
Total Expenses			\$ 12,818,976	\$ 13,436,605	\$ 14,904,669	\$ 6,506,196	\$ 14,865,752
Net Income From Service Charges			\$ 512,333	\$ 568,059	\$ 8,814	\$ 771,288	\$ 241,512

ST. MARY'S COUNTY METROPOLITAN COMMISSION

CAPITAL EQUIPMENT & EXPENDITURES

FY 2019 OPERATING BUDGET - RECOMMENDED

FY 2019

Project Description	FY18 Budget	FY19 Recommended	FY20 - Draft
<u>All Departments</u>			
Safety & Security Upgrades Recommended by Sheriff's Office		\$ 30,000	
Sub-total All Departments	\$ -	\$ 30,000	\$ -
<u>Water</u>			
Replacement Generator for Cedar Cove #2 WPS		\$ 50,000	
Mobile Data Collector MRX920		17,000	
Replacement for Truck 576			\$ 40,000
Replacement for Truck 573			40,000
Replacement for Truck 592			40,000
Sub-total Water	\$ 85,500	\$ 67,000	\$ 120,000
<u>Wastewater</u>			
Replace Truck 574		\$ 50,000	
Replace Generator Patuxent Park West WWPS		45,000	
Replace Generator Breton Bay		45,000	
Odor Control for Piney Point Landings		21,000	
Removal of Generator's Asbestos Covered Muffler St Mary's City WWPS		15,000	
Door Replacement at Various WWPS		15,000	
Replace Generator Black Duck WWPS			\$ 45,000
Softstarter for Peninsula			27,500
Replacement Roof at Piney Point WWPS			17,500
Sub-total Wastewater Collections	\$ 163,000	\$ 191,000	\$ 90,000

ST. MARY'S COUNTY METROPOLITAN COMMISSION

CAPITAL EQUIPMENT & EXPENDITURES

FY 2019 OPERATING BUDGET - RECOMMENDED

FY 2019

Project Description	FY18 Budget	FY19 Recommended	FY20 - Draft
<u>Maintenance</u>			
One Person Personnel Basket to be used with Existing Crane Truck		\$ 12,500	
Sub-total Maintenance	\$ 58,000	\$ 12,500	\$ -
<u>SCADA</u>			
TCU Spares and AMMOO2		\$ 9,500	
Sub-total SCADA	\$ -	\$ 9,500	\$ -
<u>Marlay-Taylor</u>			
Pumps and Piping for Airedale Road (equipment from '90s)		\$ 32,000	
Hot Water Pipes from New Control Building to Old for Digest Heat		30,000	
Building Doors		15,000	
Upgrade to Fourniere Rotary Press		8,000	
Garage Doors Replacements (2) for Dewatering Building (1984)			\$ 10,000
Replace Pipes & Hoses for Godwin Portable Pumps			5,000
Sub-total Marlay-Taylor	\$ 9,000	\$ 85,000	\$ 15,000

ST. MARY'S COUNTY METROPOLITAN COMMISSION

CAPITAL EQUIPMENT & EXPENDITURES

FY 2019 OPERATING BUDGET - RECOMMENDED

FY 2019

Project Description	FY18 Budget	FY19 Recommended	FY20 - Draft
<u>Other Treatment Plants</u>			
Discharge Pump #2 Replacement SCS (1983)		\$ 10,000	
Generator Replacement Wicomico Shores WWTP			\$ 50,000
Upgrade to Wells (5 of 8 wells out of service)			15,000
Sub-total Other Treatment Plants	\$ -	\$ 10,000	\$ 65,000
<u>Fiscal & Administration</u>			
Replace Fire and Burglar Alarm Systems		\$ 25,000	
Folder/Stuffer Machine		12,000	
Copier		10,000	
Replace Carpet at Camden Way Building			\$ 30,000
Furniture for Training Room			5,000
Sub-total Fiscal & Administration	\$ 70,950	\$ 47,000	\$ 35,000
<u>IT</u>			
Microsoft Office 2016 Licenses (100)		\$ 27,000	
Dell Monitors 24" (65 units)		8,645	
T30 Units to Replace WatchGuard Firewall/Routers (4 units)		6,000	
AC Unit for Petty Building Server Room - replacement		6,000	
Dell Optiplex 5050 Workstations with BROBO B810N Drive with		5,000	
Sub-total IT	\$ 99,036	\$ 52,645	\$ -

ST. MARY'S COUNTY METROPOLITAN COMMISSION			
CAPITAL EQUIPMENT & EXPENDITURES			
FY 2019 OPERATING BUDGET - RECOMMENDED			
FY 2019			
Project Description	FY18 Budget	FY19 Recommended	FY20 - Draft
<u>Engineering</u>			
Hollywood Commercial Developer Cost Share 4" to 6" 6,800LF Sewer Line		\$ 45,000	
Smithfield Park Developer Cost Share 8" to 12" Water Line		30,474	
Barrister's Landing Developer Cost Share 8" to 12" Water Line		14,600	
Permitting Self-Service (to enable Inspectors to use app)		8,000	
Remodel and Furniture for Front Engineering Area - Camden Way		6,000	
Sub-total Engineering	\$ 45,074	\$ 104,074	\$ -
TOTAL	\$ 561,460	\$ 608,719	\$ 325,000

RATE STRUCTURE

- New rate structure was implemented 7/1/2015
- Established monthly Ready-To-Serve charge based on meter size
- Removed minimum monthly billed usage amount – bill based on actual consumption
- Established an inclining block water usage rate structure with tiers based on meter size
- Sewer usage based on metered water volume
- Residential 5/8" meter sewer usage capped at a maximum of 10,000 gallons per month was implemented 7/1/2016

Rate Structure Impact

- Encourages conservation but impacts revenues
- Proposed Water Service rate increase: 3%
- Proposed Sewer Service rate increase: 3.75%
- Even with proposed rate increases, revenues are only projected to be 1.3% more than FY2018
- Reductions in FY2019 operating expenditures are proposed to offset reduced revenue projections

Water Service Rates

	Current FY 18	Proposed FY19
Non-Metered Rate Per EDU	\$16.93	\$17.44

	Current FY 18	Proposed FY19
Metered Ready-To-Serve Charge		
Meter Size		
5/8"	\$8.92	\$9.19
1"	\$22.30	\$22.97
1.5"	\$44.59	\$45.93
2"	\$71.35	\$73.49
3"	\$142.70	\$146.98
4"	\$222.96	\$229.65
6"	\$445.94	\$459.32
8"	\$713.49	\$734.89
10"	\$1,025.65	\$1,056.42
Note: No Ready-To-Serve Charge for 5/8" residential irrigation deduct meters.		

Usage Charges (per 1,000 Gal.)			
Regular Meters			
Meter Size	Tier 1	Tier 2	Tier 3
5/8"	0-5,000	5,001-20,000	20,000+
1"	0-12,500	12,501-50,000	50,000+
1.5"	0-25,000	25,001-100,000	100,000+
2"	0-40,000	40,001-160,000	160,000+
3"	0-80,000	80,001-320,000	320,000+
4"	0-125,000	125,001-500,000	500,000+
6"	0-250,000	250,001-1,000,000	1,000,000+
8"	0-400,000	400,001-1,600,000	1,600,000+
10"	0-575,000	575,001-2,300,000	2,300,000+
FY18 Rate	\$1.61	\$3.20	\$6.42
Proposed FY 19	\$1.66	\$3.30	\$6.61

Irrigation		
Meter Size	Tier 1	Tier 2
5/8"	0-15,000	15,000+
1"	0-37,500	37,500+
1.5"	0-75,000	75,000+
2"	0-120,000	120,000+
3"	0-240,000	240,000+
4"	0-375,000	375,000+
6"	0-750,000	750,000+
8"	0-1,200,000	1,200,000+
10"	0-1,725,000	1,725,000+
FY18 Rate	\$3.20	\$6.42
Proposed FY 19 Rate	\$3.30	\$6.61

Hydrant Rate	Current FY 18	Proposed FY19
(per 1,000 Gallons)	\$3.20	\$3.30

Proposed Water Service rate increase: 3% per 2015 Water and Sewer Rate Study (Burton & Associates)

Sewer Service Rates

	Current FY 18	Proposed FY19
Non-Metered Rate Per EDU	\$39.07	\$40.54

Metered Ready-To-Serve Charge		Current FY 18	Proposed FY19
Meter Size			
5/8"	Proposed Sewer Service rate increase: 3.75% per 2015 Water and Sewer Rate Study (Burton & Associates)	\$16.57	\$17.19
1"		\$41.42	\$42.97
1.5"		\$82.83	\$85.94
2"		\$132.53	\$137.50
3"		\$265.05	\$274.99
4"		\$414.15	\$429.68
6"		\$828.32	\$859.38
8"		\$1,325.27	\$1,374.97
10"		\$1,905.08	\$1,976.52

	Current FY 18	Proposed FY19
Usage Charge - per 1,000 Gallons	\$4.50	\$4.67

	Current FY 18	Proposed FY19
Navy - per 1,000 Gallons	\$3.50	\$3.50

CAPITAL IMPROVEMENT BUDGET/PLAN

FY 2019- FY 2024

CAPITAL IMPROVEMENT BUDGET

- MetCom Capital Projects serve two purposes:
 - ✓ Upgrade and rehabilitate existing MetCom facilities
 - ✓ Provide additional capacity/lines for new customers
- Projects are funded by revenue raised from collection of Capital Contribution Charges and System Improvement Charges
- The FY 2019 Capital Budget is less than the FY 2018 Approved Plan for FY 2019 by \$2,632,038 for water projects and \$2,131,485 for sewer projects

[illegible]

Capital Improvements Budget
FY 2019 - 2024 Sewer

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
Pump Stations										
Wildewood #2 WWPS	1	8171SS	\$55,000	\$307,500 ^A						\$307,500
Evergreen Park WWPS	1			\$10,763	\$284,176					\$294,939
Moorings WWPS	1			\$10,763	\$381,303					\$392,066
Esperanza Shopping Center WWPS	1					\$39,449 ^B	\$323,503 ^B			\$362,952
Bradley Boulevard WWPS	1					\$38,439 ^D	\$315,217 ^D			\$353,656
Greenbrier WWPS	1						\$42,278 ^C	\$346,493 ^C		\$388,771
Wicomico Shores #1 WWPS Replacement	1						\$46,506 ^C	\$381,142 ^C		\$427,648
Hunting Quarters WWPS	1							\$40,725 ^D	\$334,151 ^D	\$374,876
FY2019 CIB (FY19-FY24) Pump Stations Subtotal =			\$55,000	\$329,026	\$665,479	\$77,888	\$727,504	\$768,360	\$334,151	\$2,902,408
Approved FY2018 CIB (FY18 - FY23)				\$872,730	\$633,186	\$650,871	\$723,776	\$324,069	\$0	\$3,204,632
Change to Program Difference from FY2018 CIB				-\$543,704	\$32,293	-\$572,983	\$3,728	\$444,291	\$334,151	-\$302,224

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

A) Reduced Construction from \$536,312 based on updated estimate	
B) Project(s) Design remains, Move Construction to - FY2022	
C) Project(s) Design remains, Moved Construction to - FY2023	
D) Project Design remains, Moved Construction to - FY2024	

St. Mary's County Metropolitan Commission

Capital Improvements Budget

FY 2019 - 2024 Sewer

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
System Upgrades / Expansion										
St. Clements Shores WWTP Expansion Phase B	2	2151SF	\$570,000	\$648,162 ^A	\$2,619,772 ^A					\$3,267,934
Energy Audit / Energy Efficiency Upgrades	1		\$115,000	\$58,938	\$60,433					\$119,371
Grinder Pump Replacements	4	SM1909		\$850,000		\$850,000		\$850,000		\$2,550,000
VacTor Sewer Cleaning Vehicle Replacement				\$307,500 ^B						\$307,500
FY2019 CIB (FY19-FY24) Systems Upgrades/Expansion Subtotal =			\$685,000	\$1,864,600	\$2,680,205	\$850,000	\$0	\$850,000	\$0	\$6,244,805
Approved FY2018 CIB (FY18 - FY23)				\$4,032,500	\$57,500	\$850,000	\$0	\$850,000	\$0	\$5,790,000
Change to Program Difference from FY2018 CIB				-\$2,167,900	\$2,622,705	\$0	\$0	\$0	\$0	\$454,805
Totals										
Replacement			\$593,704	\$1,407,289	\$1,734,461	\$339,255	\$1,234,926	\$356,265	\$3,493,835	\$8,566,071
Pump Stations			\$55,000	\$329,026	\$665,479	\$77,888	\$727,504	\$768,360	\$334,151	\$2,902,408
Upgrades/Expansion			\$685,000	\$1,864,600	\$2,680,205	\$850,000	\$0	\$850,000	\$0	\$6,244,805
Subtotal			\$1,333,704	\$3,600,915	\$5,080,145	\$1,267,143	\$1,962,430	\$1,974,625	\$3,827,986	\$17,713,284
Capital Reserves		6.20%	\$83,000	\$223,000	\$315,000	\$79,000	\$122,000	\$122,000	\$237,000	\$1,098,000
FY2019 CIB (FY19-FY24) Total =			\$1,416,704	\$3,823,915	\$5,395,145	\$1,346,143	\$2,084,430	\$2,096,625	\$4,064,986	\$18,811,244
Approved FY2018 CIB (FY18 - FY23)				\$5,955,400	\$2,431,782	\$2,818,323	\$1,150,086	\$3,442,121	\$0	\$15,797,712
Change to Program Difference from FY2018 CIB				-\$2,131,485	\$2,963,363	-\$1,472,180	\$934,344	-\$1,345,496	\$4,064,986	\$3,013,532
Status:										
1 Planning Phase		A) Revised timing for estimated Phase B construction								
2 Design Phase		B) Project added; replacement VacTor needed - FY2019								
3 Contract Phase										
4 Construction Phase										
5 Close-out Phase										
Property Acquisition (to be initiated after Planning)										

St. Mary's County Metropolitan Commission

Capital Improvements Budget
FY 2019 - 2024 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
Water Lines										
Shangri-La Dr. & S. Essex Dr. Water Main Replacement	2	8171WR	\$185,000			\$1,159,442 ^A	\$1,188,509 ^A			\$2,347,951
FDR Boulevard Water Main Phase 3 (MD237 to Pegg Road)	1	8173WM	\$176,400 ^I	\$384,375 ^I	\$520,245 ^I					\$904,620
Southampton Water System Rehabilitation	1				\$280,617 ^B		\$1,798,642 ^B		\$1,635,301 ^B	\$3,714,560
St. Clements Shores Water System Replacement	3	2101WR	\$3,602,859 ^C		\$3,687,434					\$3,687,434
Breton Bay Water System Replacement	1				\$315,300 ^D		\$3,572,158		\$3,753,354	\$7,640,812
Town Creek Water System Phase 1 - 3	2	8081WR	\$3,344,500			\$2,842,742 ^E		\$463,795 ^E		\$3,306,537
Hollywood Water Systems Connector & Ph 2 Replacement	1	8141WM				\$152,820 ^F		\$1,899,144 ^F		\$2,051,964
MD247 Loveville Road Water Main Replacement									\$116,000 ^G	\$116,000
Woodland Acres Water Line Relocation				\$123,000 ^H						\$123,000
FY2019 CIB (FY19-FY24) Water Lines Subtotal =			\$7,308,759	\$507,375	\$4,803,596	\$4,155,004	\$6,559,309	\$2,362,939	\$5,504,655	\$23,892,878
Approved FY2018 CIB (FY18 - FY23)				\$2,322,736	\$5,212,580	\$6,421,801	\$3,377,544	\$2,395,367	\$0	\$19,730,028
Change to Program Difference from FY2018 CIB				-\$1,815,361	-\$408,984	-\$2,266,797	\$3,181,765	-\$32,428	\$5,504,655	\$4,162,850

Status:

1 Planning Phase	A) Split evenly into 2 Phases and moved out one year
2 Design Phase	B) Moved out 1 year per DPWT 1-3-18
3 Contract Phase	C) Reduced loan amount from \$5,498,000 to \$3,602,859
4 Construction Phase	D) Moved from FY2019 to FY2020
5 Close-out Phase	E) FY2023: Phase 3 Design. Moved Phase 2 construction from FY2020 to FY2021
Property Acquisition (to be initiated after Planning)	F) Shifted entire project forward one 1 year
	G) Project design added to FY2024
	H) Added Woodland Acres to FY19 per SHA MOU
	I) Updated reduced estimate due to final scope

St. Mary's County Metropolitan Commission

Capital Improvements Budget FY 2019 - 2024 Water

With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
Wells										
Bay Ridge Well Replacement and Upgrade	1	8091WL	\$175,160			\$2,017,966				\$2,017,966
Hunting Quarter Well #1 Replacement				\$389,500 ^A						\$389,500
FY2019 CIB (FY19-FY24) Well Subtotal =			\$175,160	\$389,500	\$0	\$2,017,966	\$0	\$0	\$0	\$2,407,466
Approved FY2018 CIB (FY18 - FY23)				\$0	\$0	\$1,873,692	\$0	\$0	\$0	\$1,873,692
Change to Program Difference from FY2018 CIB				\$389,500	\$0	\$144,274	\$0	\$0	\$0	\$533,774
Water Storage Tanks (WST)										
Greenbrier WST	1	8161WT	\$200,000		\$582,499 ^B					\$582,499
St. Clements Shores WST (timed with water system)	1			\$249,075 ^C		\$2,233,698 ^C				\$2,482,773
Water Tank Inspections, Painting, Replacement/Upgrades	4	WO1817	\$623,700	\$75,000 ^D	\$655,509	\$80,775 ^D	\$688,565	\$84,825 ^D	\$723,492	\$2,308,166
FY2019 CIB (FY19-FY24) Water Storage Tanks (WST) Subtotal =			\$823,700	\$324,075	\$1,238,008	\$2,314,473	\$688,565	\$84,825	\$723,492	\$5,373,438
Approved FY2018 CIB (FY18 - FY23)				\$779,233	\$623,700	\$1,954,000	\$623,700	\$0	\$0	\$3,980,633
Change to Program Difference from FY2018 CIB				-\$455,158	\$614,308	\$360,473	\$64,865	\$84,825	\$723,492	\$1,392,805
Status:										
1 Planning Phase										
2 Design Phase										
3 Contract Phase										
4 Construction Phase										
5 Close-out Phase										
Property Acquisition (to be initiated after Planning)										

A) Project added based on failure of existing well in 2017.

B) Moved from FY2019 to FY2020 based on design / land acquisition

C) Waterline extension added to WST project; land acquisition FY2020

D) Hydropneumatic Tank upgrades (Piney Point Landings, Villages at Leonardtown and Wild Goose Crest) added to FY19, 21, 23.

St. Mary's County Metropolitan Commission

Capital Improvements Budget	
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FY 2019 - 2024 Water	
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With Escalation i=2.5%

Project Name	Status	Project ID	Prior Approved	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2019 - 2024 TOTAL
Miscellaneous										
King Kennedy Well & Ground Storage Tank Improvements	2	3-1-W	\$757,310	\$999,570						\$999,570
Piney Point Water Station Upgrades (With Sewer Station)	1		\$286,433	\$403,876						\$403,876
Industrial Park Water Station Upgrades	1				\$248,299 ^A					\$248,299
FY2019 CIB (FY19-FY24) Miscellaneous Subtotal =			\$1,043,743	\$1,403,446	\$248,299	\$0	\$0	\$0	\$0	\$1,651,745
Approved FY2018 CIB (FY18 - FY23)				\$1,605,465	\$0	\$0	\$0	\$0	\$0	\$1,605,465
Change to Program Difference from FY2018 CIB				-\$202,019	\$248,299	\$0	\$0	\$0	\$0	\$46,280
Totals										
Water Lines			\$7,308,759	\$507,375	\$4,803,596	\$4,155,004	\$6,559,309	\$2,362,939	\$5,504,655	\$23,892,878
Wells			\$175,160	\$389,500	\$0	\$2,017,966	\$0	\$0	\$0	\$2,407,466
Water Storage Tanks (WST)			\$823,700	\$324,075	\$1,238,008	\$2,314,473	\$688,565	\$84,825	\$723,492	\$5,373,438
Miscellaneous			\$1,043,743	\$1,403,446	\$248,299	\$0	\$0	\$0	\$0	\$1,651,745
Subtotal			\$9,351,362	\$2,624,396	\$6,289,903	\$8,487,443	\$7,247,874	\$2,447,764	\$6,228,147	\$33,325,527
Capital Reserves		7.5%	\$701,000	\$74,000 ^B	\$472,000	\$637,000	\$544,000	\$184,000	\$467,000	\$2,378,000
FY2019 CIB (FY19-FY24) Total=			\$10,052,362	\$2,698,396	\$6,761,903	\$9,124,443	\$7,791,874	\$2,631,764	\$6,695,147	\$35,703,527
Approved FY2018 CIB (FY18 - FY23)				\$5,060,434	\$6,274,280	\$11,018,493	\$4,301,244	\$2,575,367	\$0	\$29,229,818
Change to Program Difference from FY2018 CIB				-\$2,362,038	\$487,623	-\$1,894,050	\$3,490,630	\$56,397	\$6,695,147	\$6,473,709

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2 Design Phase	B) FY19 Cap. Reserve would be \$217,000 at 7.5% but the Woodland Acres Waterline project is proposed to use \$123,000 of the reserve		
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2 Design Phase	B) FY19 Cap. Reserve would be \$217,000 at 7.5% but the Woodland Acres Waterline project is proposed to use \$123,000 of the reserve		
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Property Acquisition (to be initiated after Planning)																	
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Property Acquisition (to be initiated after Planning)														
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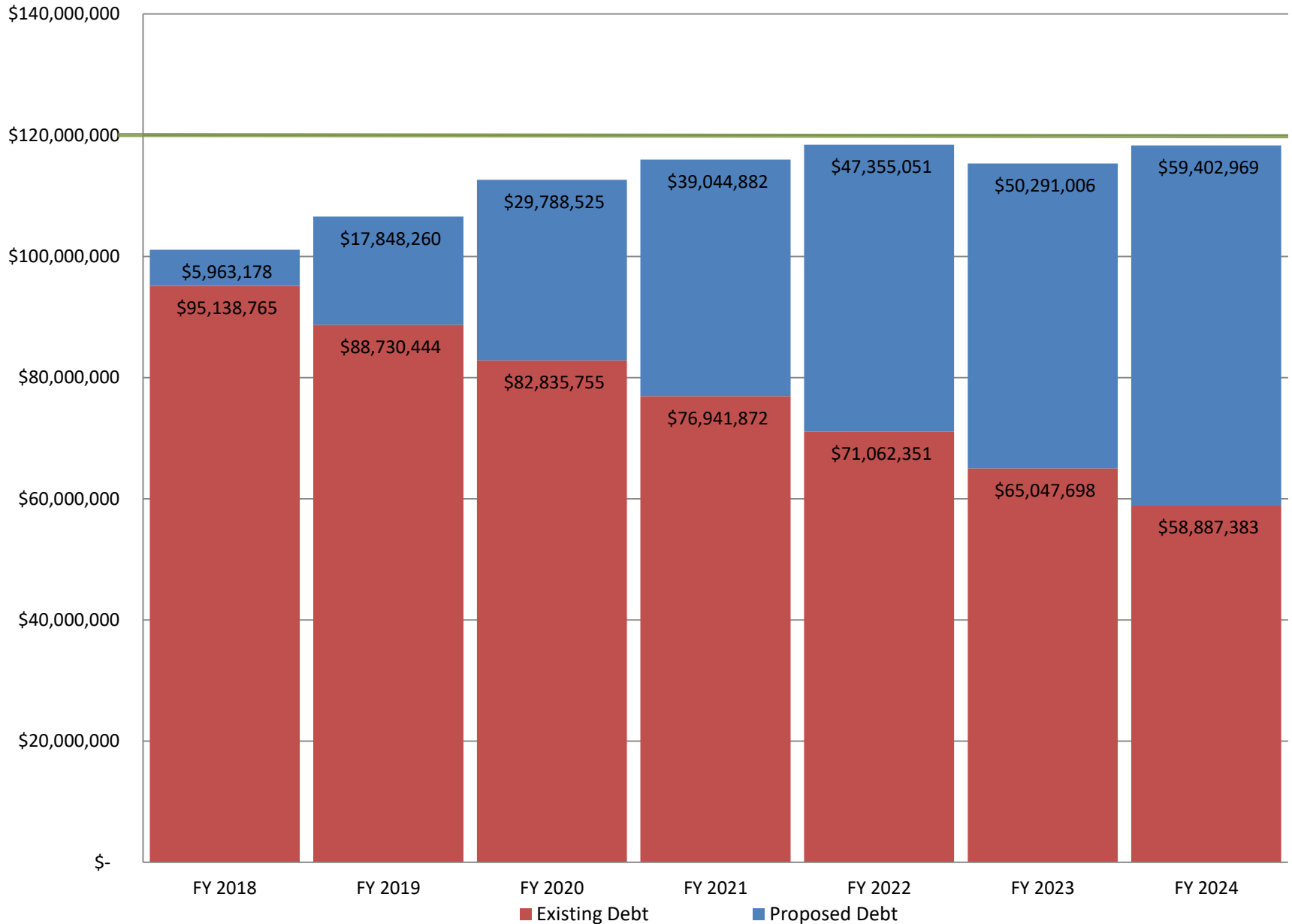
St. Mary's County Metropolitan Commission

Draft CIB 1/25/18

Debt Ceiling Limit Analysis

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Debt Outstanding - Beginning of Year (1)	\$ 95,306,932	\$ 95,138,765	\$ 88,730,444	\$ 82,835,755	\$ 76,941,872	\$ 71,062,351	\$ 65,047,698
MDE - Piney Point Water System - issued 11/20/17	2,491,768						
MDE - St. Clements Shores Water System - issued 11/20/17	3,368,474						
Principal Payments - Existing Debt	(6,028,408)	(6,408,321)	(5,894,689)	(5,893,882)	(5,879,522)	(6,014,653)	(6,160,315)
Existing Debt	\$ 95,138,765	\$ 88,730,444	\$ 82,835,755	\$ 76,941,872	\$ 71,062,351	\$ 65,047,698	\$ 58,887,383
Proposed Debt:							
Beginning Balance	\$ -	\$ 5,963,178	\$ 17,848,260	\$ 29,788,525	\$ 39,044,882	\$ 47,355,051	\$ 50,291,006
MDE - Pax Park Water Mains PH 4 - Prior approved \$2,231,500		2,231,500					
MDE - Town Creek Water Ph 1 - Prior approved \$595,000		3,344,500					
Capital Reserves Water (Contingencies) **		418,340					
MDE - Pax Park Sewer Mains PH 4 - Prior approved \$2,242,375		2,242,375					
MDE - Great Mills WWPS - Prior approved \$7,691,370	6,175,000						
Capital Reserves Sewer (Contingencies) **	382,850	139,027					
Sewer Debt to be issued	-	3,503,540	4,980,310	1,164,828	1,857,550	1,867,180	3,827,986
Capital Reserves Sewer (Contingencies) **		223,000	315,000	79,000	122,000	122,000	237,000
Estimated New Debt Prior Year's Sewer Projects			605,340				
Water Debt to be issued	-	408,755	6,289,903	8,406,668	7,247,874	2,362,939	6,228,147
Capital Reserves Water (Contingencies) **		74,000	472,000	637,000	544,000	184,000	467,000
Estimated New Debt Prior Year's Water Projects			251,964	188,297			
Principal Payments -Proposed Debt	(594,672)	(699,956)	(974,252)	(1,219,436)	(1,461,255)	(1,600,165)	(1,648,170)
Proposed Debt	\$ 5,963,178	\$ 17,848,260	\$ 29,788,525	\$ 39,044,882	\$ 47,355,051	\$ 50,291,006	\$ 59,402,969
Ending Debt Balance	\$101,101,944	\$106,578,704	\$112,624,280	\$115,986,754	\$118,417,402	\$115,338,703	\$118,290,352
Assessed Value with 1% Growth - Based on 2013 Rolled Forward	\$12,242,868,400	\$12,365,297,084	\$12,488,950,055	\$12,613,839,556	\$12,739,977,952	\$12,867,377,732	\$12,996,051,509
Debt as a Percentage of Assessed Value CIB FY19-FY24	0.83%	0.86%	0.90%	0.92%	0.93%	0.90%	0.91%
Allowable Debt Limit	25%	25%	25%	25%	25%	25%	25%
Debt as a Percentage of Assessed Value CIB FY18-FY23	0.92%	0.94%	0.95%	0.99%	0.97%	0.95%	

MetCom Debt Outstanding & Proposed



CAPITAL IMPROVEMENT BUDGET

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

- Capital Contribution Charges (one time charge per EDU at time of connection)
- System Improvement Charges (monthly charge per EDU)

CAPITAL COST CATEGORIES

- Capital Contribution Charges cover cost of projects for extensions of water and sewer lines, wastewater pumping stations and new facilities undertaken for the primary purpose of serving new customers.
- System Improvement Charges cover the cost of projects for the upgrade and replacement of existing facilities and systems.

St. Mary's County Metropolitan Commission

CIB Draft 1/25/18

Capital Improvement Rates Per EDU - Actual & Projected

FY 2019-2024 Water & Sewer

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
System Improvement Charges - per EDU/month												
Draft 1/25/18												
Water - Residential	\$5.91	\$8.28	\$8.81	\$9.76	\$10.37	\$11.33	\$11.71	\$12.15	\$13.40	\$14.38	\$14.66	\$16.07
Water - Commercial	\$7.09	\$9.94	\$10.57	\$11.71	\$12.44	\$13.60	\$14.05	\$14.58	\$16.08	\$17.26	\$17.59	\$19.28
CIB 18-23 - Prior Approved												
Water - Residential				\$9.76	\$10.37	\$11.33	\$12.37	\$12.54	\$13.93	\$14.39	\$14.70	
Water - Commercial				\$11.71	\$12.44	\$13.60	\$14.84	\$15.05	\$16.72	\$17.27	\$17.64	
System Improvement Charges - per EDU/month												
Draft 1/25/18												
Sewer - Residential	\$10.80	\$13.61	\$14.46	\$15.05	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09
Sewer - Commercial	\$12.96	\$16.33	\$17.35	\$18.06	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11
CIB 18-23 - Prior Approved												
Sewer - Residential	\$10.80	\$13.61	\$14.46	\$15.05	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.09	\$15.45	
Sewer - Commercial	\$12.96	\$16.33	\$17.35	\$18.06	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.11	\$18.54	
Capital Contribution Charge - per EDU												
Draft 1/25/18												
Water - Residential	\$2,459.33	\$4,111.83	\$6,540.59	\$7,708.50	\$8,892.67	\$10,666.91	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87	\$10,955.87
Water - Commercial	\$2,951.20	\$4,934.20	\$7,848.71	\$9,250.20	\$10,671.20	\$12,800.29	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04	\$13,147.04
CIB 18-23 - Prior Approved												
Water - Residential				\$7,708.50	\$8,892.67	\$10,666.91	\$11,023.55	\$11,023.55	\$11,023.55	\$11,023.55	\$11,023.55	
Water - Commercial				\$9,250.20	\$10,671.20	\$12,800.29	\$13,228.26	\$13,228.26	\$13,228.26	\$13,228.26	\$13,228.26	
Capital Contribution Charge - per EDU												
Draft 1/25/18												
Sewer - Residential	\$3,712.81	\$3,712.81	\$4,951.14	\$6,348.98	\$6,348.98	\$6,533.89	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21	\$6,941.21
Sewer - Commercial	\$4,455.37	\$4,455.37	\$5,941.37	\$7,618.77	\$7,618.77	\$7,840.66	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44	\$8,329.44
CIB 18-23 - Prior Approved												
Sewer - Residential				\$6,348.98	\$6,348.98	\$6,533.89	\$7,303.65	\$6,679.46	\$6,592.47	\$6,499.93	\$6,461.00	
Sewer - Commercial				\$7,618.77	\$7,618.77	\$7,840.66	\$8,764.37	\$8,015.35	\$7,910.95	\$7,799.91	\$7,753.19	
Assumption:					less than prior years projections			more than prior years projections				
New debt based on 30 year term (actual debt may be shorter term depending on the projected life of the asset.)												

SYSTEM IMPROVEMENT CHARGES

(MONTHLY FEE PER EDU: Covers the cost of projects for the upgrade and replacement of existing facilities and systems)

	<u>Current</u> FY18	<u>Proposed</u> FY19
Residential		
<i>Sewer</i>	\$15.09	\$15.09*
<i>Water</i>	\$11.33	\$11.71**
Commercial		
<i>Sewer</i>	\$18.11	\$18.11*
<i>Water</i>	\$13.60	\$14.05**

* Utilizing non-accumulating Sewer Debt Service Reserves as a rate stabilization fund. No increases anticipated until after FY2024.

** FY2019 System Improvement Charges are lower than projected in FY2018.

CAPITAL CONTRIBUTION CHARGES

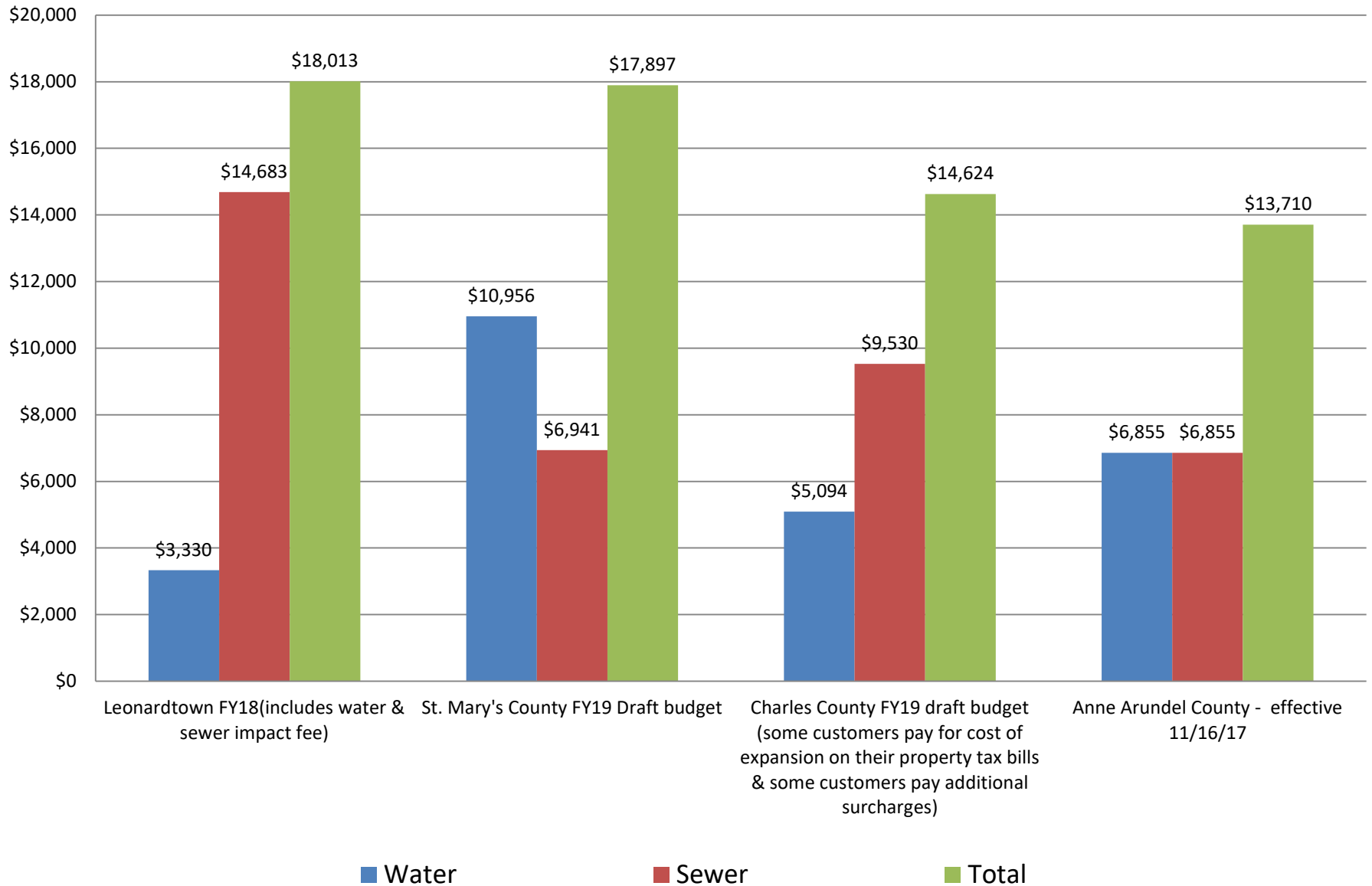
(PAID PER EDU AT TIME OF CONNECTION: Covers cost of projects for extensions of water and sewer lines, wastewater pumping stations and new facilities undertaken for the primary purpose of serving new customers)

	<u>Current</u> FY 18	<u>Proposed</u> FY 19
Residential		
<i>Sewer</i>	\$6,533.89	\$6,941.21*
<i>Water</i>	\$10,666.91	\$10,955.87**
Commercial		
<i>Sewer</i>	\$7,840.66	\$8,329.44*
<i>Water</i>	\$12,800.29	\$13,147.04**

* FY2019 rates lower than projected in FY2018-FY2013 CIB

** Projected rates lower through FY2023 than projected in FY2018-FY2023 CIB

Single Family Residential Capital Contribution Charges



Residential Customer With Both Water & Sewer Service					
CIB Draft 1/25/18					
		FY19 Proposed		FY19 Proposed	
		5,000 Gallons/Month		7,500 Gallons/Month	
Water					
Ready-To-Serve Charge		\$ 9.19		\$ 9.19	
Water Usage		8.30		16.55	
System Improvement Charge		11.71		11.71	
Water - Proposed Monthly Service Charge		\$ 29.20		\$ 37.45	
Sewer					
Ready-To-Serve Charge		\$ 17.19		\$ 17.19	
Sewer Usage		23.35		35.03	
System Improvement Charge		15.09		15.09	
Sewer - Proposed Monthly Service Charge		\$ 55.63		\$ 67.31	
Bay Restoration Fee		\$ 5.00		\$ 5.00	
Total Proposed Monthly Service Charge		\$ 89.83		\$ 109.76	
<i>Bill at Current Rates (Approved FY18 Rates)</i>		<i>\$ 84.59</i>		<i>\$ 103.22</i>	
St. Mary's County Median Household Income (In 2015 dollars), 2011-2015 US Census Bureau		\$ 86,987		\$ 86,987	
MetCom Annual Bill % of Annual MHI		1.24%		1.51%	
Target Annual Bill % of Annual MHI		1.50%		1.50%	
Lexington Park Median Household Income (In 2015 dollars), 2011-2015 US Census Bureau		\$ 65,613		\$ 65,613	
MetCom Annual Bill % of Annual MHI in Lexington Park		1.55%		1.89%	
Annual Combined Bill % of MHI: National Median, All Credits (1)*		1.60%		1.60%	
	* National 'A' Median	2.60%			
	National 'AA' Median	1.60%			
	National 'AAA' Median	1.30%			
(1) Source: Davenport & Company 2015 Debt Policy Study, page35					

St. Mary's County Metropolitan Commission

CIB Draft 1/25/18

5,000 Gallon Usage (Tier 1: 0-5,000 Gallons)

		Rate Increase	FY18 Actual	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	
Water										
Ready-To-Serve Charge		3.0%	\$ 8.92	\$ 9.19	\$ 9.47	\$ 9.75	\$ 10.04	\$ 10.34	\$ 10.65	
Usage		3.0%	8.05	8.30	8.55	8.80	9.05	9.30	9.60	
System Improvement Charge			11.33	11.71	12.15	13.40	14.38	14.66	16.07	
Water - Monthly Service Charge			\$ 28.30	\$ 29.20	\$ 30.17	\$ 31.95	\$ 33.47	\$ 34.30	\$ 36.32	
Sewer										
Ready-To-Serve Charge		3.75%	\$ 16.57	\$ 17.19	\$ 17.83	\$ 18.50	\$ 19.19	\$ 19.91	\$ 20.66	
Usage		3.75%	22.50	23.35	24.25	25.15	26.10	27.10	28.10	
System Improvement Charge			15.09	15.09	15.09	15.09	15.09	15.09	15.09	
Sewer - Monthly Service Charge			\$ 54.16	\$ 55.63	\$ 57.17	\$ 58.74	\$ 60.38	\$ 62.10	\$ 63.85	
Bay Restoration Fee			\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
Estimated Monthly Service Charge			\$ 87.46	\$ 89.83	\$ 92.34	\$ 95.69	\$ 98.85	\$ 101.40	\$ 105.17	
Increase Over Prior Year			\$ 2.87	\$ 2.37	\$ 2.51	\$ 3.35	\$ 3.16	\$ 2.55	\$ 3.77	
% Increase (Target 6 Year Average 3% Max)			3.393%	2.710%	2.794%	3.628%	3.302%	2.580%	3.718%	
less than prior years projections (below)			Average Increase (6 years) = 3.122%							
FY18-23 Estimated Montly Service Charge			\$ 87.46	\$ 90.49	\$ 92.73	\$ 96.22	\$ 98.86	\$ 101.80		
CIB 18-23 - Prior Approved			3.393%	3.464%	2.475%	3.764%	2.744%	2.974%		
			Average Increase (6 years) = 3.136%							

Septage Hauler Rates

	Current Fee	Proposed Fee
Holding Tank Waste per 1,000 gallons	\$0.00	\$15.37

New rate proposed for Holding Tank Waste, to reflect that the cost to treat this waste is basically the same as treating sewage.

Projected Reserves

	Recommended Reserve Balance	Balance 6/30/17	Committed Thru FY18	Projected Income FY18	Projected Reserves FY18	Proposed CIB	Projected Reserves FY19
Restricted Reserves							
Reserves that can be used for capital projects							
Sewer Capital Project Fund - Upgrade/Replacements	\$ 2,500,000	\$ 5,496,595	\$(3,496,691)	\$ 486,506	\$ 2,486,410	\$ -	\$ 2,486,410
Sewer Capital Project Fund - Expansion - New Customers	750,000	2,047,797	(631,300)	-	1,416,497		1,416,497
Water Capital Project Fund - Upgrade/Replacements	1,000,000	3,414,090	(1,126,703)	-	2,287,387	(1,092,544)	1,194,844
Water Capital Project Fund - Expansion - New Customers	750,000	126,339	-	-	126,339	(24,908)	101,432
Total Reserves that can be used for capital projects	\$ 5,000,000	\$11,084,821	\$(5,254,694)	\$ 486,506	\$ 6,316,633	\$ (1,117,451)	\$ 5,199,182
Marlay-Taylor Sinking Fund <i>Reserves charged to customers with a marlay-taylor allocation to upgrade the capacity of Marlay-Taylor.</i>		\$ 707,104			\$ 707,104		\$ 707,104
Forrest Farms Replacemnt <i>Reserves charged to Forrest Farms sewer customers to upgrade/replace the Forrest Farms sewer system.</i>		126,004			126,004		126,004
Davnor Equity <i>Reserves charged to Davnor customers to upgrade/replace the Davnor water system.</i>		4,890			4,890		4,890
Restricted Reserves	\$ 5,000,000	\$11,922,819	\$(5,254,694)	\$ 486,506	\$ 7,154,631	\$ (1,117,451)	\$ 6,037,180

Projected Reserves

Unrestricted Reserves							
General Fund	\$ 10,821,512	\$ 5,404,898		\$ 8,814	\$ 5,413,712		\$ 5,413,712
Debt Service Reserves (Benefit Assessments) - Sewer <i>These reserves are a result of benefit assessment charges paid by customers that exceeded debt service. Can be used for sewer debt service payments.</i>		3,071,453	(400,000)		\$ 2,671,453	(190,000)	\$ 2,481,453
					\$ -		\$ -
					\$ -		\$ -
Debt Service Reserves (Benefit Assessments) - Water <i>These reserves are a result of benefit assessment charges paid by customers that exceeded debt service. Can be used for sewer debt service payments.</i>		137,803	(110,000)		\$ 27,803		\$ 27,803
					\$ -		\$ -
					\$ -		\$ -
Water Supply & Storage <i>Charged to customers prior to 10/1/07 for water supply & storage capacity. Used to offset water capital contribution fees.</i>		53,927	(9,772)		\$ 44,155		\$ 44,155
					\$ -		\$ -
					\$ -		\$ -
Unrestricted Reserves	\$ 10,625,376	\$ 8,668,081	\$ (519,772)		\$ 8,157,123	\$ (190,000)	\$ 7,967,123
Total Reserves	\$ 15,625,376	\$ 20,590,900	\$ (5,774,466)		\$ 15,311,754	\$ (1,307,451)	\$ 14,004,303
	3,500,000						
50% of FY19 Budget Less Depreciation	7,125,376						
	10,625,376						



The public record for this public hearing will remain open until close of business 4/23/18.

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

**23121 Camden Way
California, MD 20619**

**or email to:
budget2019@metcom.org**

PUBLIC HEARING NOTICE
ST. MARY'S COUNTY METROPOLITAN COMMISSION
(MetCom)

In accordance with Chapter 113-27D of the Public Laws of St. Mary's County, Maryland, being part of Article 19 of the Code of Public Local Laws of the State of Maryland, notice is hereby given that a Public Hearing will be held on Monday, April 9, 2018 at 6:00 p.m. at the MetCom Administration Building, 23121 Camden Way, California, Maryland. The Hearing will be held to discuss the conveyance of the existing Charlotte Hall Sewer Facility and the proposed rate changes to those served by the acquired system, to become effective July 1, 2018.



**The public record for this
public hearing will remain
open until close of business
4/23/18.**

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

**23121 Camden Way
California, MD 20619**

**or email to:
budget2019@metcom.org**