



Utilities

RECOMMENDED FY20 BUDGET

\$25,977,301

FULL TIME EQUIVALENTS

0.00

 DAVID DISE, DIRECTOR

MISSION STATEMENT

The goals of the County Government relating to utility consumption are to:

- achieve energy savings by the elimination of wasteful or inefficient operation of building systems;
- continue improvements in energy efficiency in all County operations; and
- obtain required energy fuels at the most favorable cost to the County.

The Department of General Services manages the payment for over 1,500 separately metered utility accounts for these County facilities, streetlights, and traffic control signalized intersections.

ACCOMPLISHMENTS

- The County has installed 7.6 megawatts of solar and other clean energy technologies on County facilities. To date, the program has produced enough clean energy to power more than 800 homes and lowering greenhouse gas emissions as much as planting 192,000 trees.
- Installed microgrids at the Public Safety Headquarters and the Montgomery County Correctional Facility that now produce clean energy and low-carbon energy to meet the energy needs of these crucial facilities, and enable them to operate independent of the energy grid during normal operations and prolonged power outages.

BUDGET OVERVIEW

The FY20 Recommended Budget for the tax-supported Utilities NDA is \$25,997,301, a decrease of \$258,445 or one percent from the FY19 Approved Budget of \$26,235,746. Allocation of these utilities expenditures is approximately: electricity, 79.8 percent; natural gas, 7.4 percent; water and sewer, 12.1 percent; fuel oil, 0.3 percent; and propane, 0.2 percent.

The FY20 Recommended Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax-supported utilities expenditures related to the General Fund departments are budgeted in the Utilities NDA, while utilities expenditures related to special fund departments are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Transportation, are tax supported. Other special funds, such as Solid Waste, are supported through user fees or charges for services, instead of through taxes.

Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these outside agencies is \$71,157,286 which includes the entire bi-county area of WSSC.

The FY20 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$25,977,301) and the other tax supported funds (\$3,883,272), is \$29,860,573, a decrease of \$133,618 or approximately 0.4 percent below the FY19 Approved utilities budget. The FY20 Recommended Budget for non-tax supported utilities expenditures is \$4,906,775, a decrease of \$236,758 or approximately 4.6 percent below the FY19 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, increased rates, and in some cases a more precise alignment of budgeted costs with actual prior year expenditures by utility type. Energy conservation and cost-saving measures (e.g., new building design, lighting technology, energy, and HVAC management systems) help offset increased utility consumption or unit costs.

Unleaded gasoline, diesel, and compressed natural gas fuels are purchased from various providers, and are budgeted in the Department of General Services, Division of Fleet Management Services; not the General Fund Utilities NDA.

The following is a description of utility service requirements for departments which receive tax or non-tax supported appropriations for utilities expenditures. The utilities expenditures for the non-tax supported operations are appropriated within their respective operating funds but are described in the combined utilities presentation for reader convenience.

TAX SUPPORTED

Department of General Services

The Department of General Services is responsible for managing all utilities for general County operations including all County office buildings, police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, and warehouses.

Department of Transportation

The Department of Transportation manages all County streetlights, traffic signals, traffic count stations, and flashing school signs. The utilities expenditures for these devices are budgeted here as this Department designs, installs, controls, and maintains them. In addition, minimal utility costs for the Operations Center and Highway Maintenance Depots are budgeted in the Traffic Engineering component of the General Fund NDA.

Division of Transit Services - Mass Transit

The Department of Transportation Mass Transit Facilities Fund supports all utilities associated with the Ride On transit centers and Park and Ride Lots.

Department of Recreation

The Department of Recreation funds all utility costs for its recreational facilities located throughout the County, such as swimming pools, community recreation centers, and senior centers.

Urban Districts

Urban District utilities are supported by Urban District Funds.

NON-TAX SUPPORTED

Fleet Management Services

The Department of General Services - Fleet Management Services utility expenditures are displayed in the Special Fund Agencies - Non-Tax Supported section, to reflect that Fleet Management Services expenditures are appropriated in the budgets of other departments, and are not appropriated in Fleet Services.

The Department of General Services - Fleet Management Services Motor Pool Internal Service Fund supports all utilities associated with the vehicle maintenance garages in Rockville, Silver Spring, and Gaithersburg. Fuel for the County's fleet is also budgeted in that special fund, but these costs are not included in the utilities expenditures displayed in this section.

Parking Districts

The Parking Districts fund utility expenditures associated with the operation of all County-owned parking garages and parking lots.

Liquor Control

The Department of Liquor Control funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County operated retail liquor stores.

Department of Environmental Protection, Solid Waste Services

Solid Waste Services funds utility expenditures associated with the operation of the County's Solid Waste Management System. Utilities expenditures associated with the operation of the Oaks Sanitary Landfill maintenance building, the County's Recycling Center, the Resource Recovery Facility, and most of the Solid Waste Transfer Station are currently the responsibility of the operators. Only the site office and maintenance depot costs continue to be budgeted as an identifiable utilities expenditure in the Solid Waste Disposal Fund.

Other Agencies

Utilities for MCPS, Montgomery College, WSSC (bi-county), and M-NCPPC are displayed in the charts on the following pages. These are the amounts requested in the budgets of those agencies.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

 **Easier Commutes**

 **Safe Neighborhoods**

PROGRAM CONTACTS

Contact Angela Dizelos of the Department of General Services/Utilities Management at 240.777.6028 or Bruce Meier of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	24,662,067	26,235,746	25,780,746	25,977,301	-1.0 %
County General Fund Expenditures	24,662,067	26,235,746	25,780,746	25,977,301	-1.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY19 ORIGINAL APPROPRIATION	26,235,746	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: New facilities: Wheaton Library/Recreation Center, Kensington Fire Station addition, and Glen Echo Park [Utilities]	356,555	0.00
Decrease Cost: Energy Efficiency Savings [Utilities]	(615,000)	0.00
FY20 RECOMMENDED	25,977,301	0.00

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
COUNTY GENERAL FUND						
EXPENDITURES						
FY20 Recommended	25,977	25,977	25,977	25,977	25,977	25,977
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	25,977	25,977	25,977	25,977	25,977	25,977

	B	J	K	M	N	O	P	Q
3	COUNTY UTILITIES EXPENDITURES							
4	EXPENDITURES BY DEPARTMENT/AGENCY							
5	ACTUAL	ACTUAL	ACTUAL	ACTUAL	APPROVED	RECOMMENDED	CHANGE	% CHANGE
6	FY16	FY17	FY18	FY19	FY20	BUD/REC	BUD/REC	BUD/REC
7								
8	COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS							
9								
10	NON-DEPARTMENTAL ACCOUNT							
11	Facilities	16,370,971	16,610,750	16,038,874	17,518,550	17,260,105	(258,445)	-1.5%
12	Traffic Signals and Streetlighting	8,264,104	8,992,294	8,480,641	8,717,196	8,717,196	0	0.0%
13	GENERAL FUND NDA EXPENDITURES	24,635,075	25,603,044	24,519,514	26,235,746	25,977,301	(258,445)	-1.0%
14								
15	OTHER TAX SUPPORTED OPERATIONS							
16	Transit Services	87,135	147,363	145,044	176,200	128,700	(47,500)	-27.0%
17	Recreation	3,473,928	3,675,506	3,661,407	3,582,245	3,754,572	172,327	4.8%
18	SUBTOTAL	3,561,063	3,822,869	3,806,451	3,758,445	3,883,272	124,827	3.3%
19	TOTAL TAX SUPPORTED	28,196,138	29,425,913	28,325,965	29,994,191	29,860,573	(133,618)	-0.4%
20								
21	COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS							
22	Fleet Management Services	1,089,543	997,885	1,034,918	1,630,392	1,630,392	0	0.0%
23	Parking Districts	2,457,322	2,441,011	2,486,172	2,609,921	2,369,921	(240,000)	-9.2%
24	Liquor Control	737,033	713,674	715,910	725,810	725,810	0	0.0%
25	Solid Waste Services	154,690	160,147	122,019	177,410	180,652	3,242	1.8%
26	TOTAL NON-TAX SUPPORTED	4,438,588	4,312,717	4,359,019	5,143,533	4,906,775	(236,758)	-4.6%
27								
28	SUMMARY - COUNTY GOVERNMENT							
29	TOTAL TAX SUPPORTED	28,196,138	29,425,913	28,325,965	29,994,191	29,860,573	(133,618)	-0.4%
30	TOTAL NON-TAX SUPPORTED	4,438,588	4,312,717	4,359,019	5,143,533	4,906,775	(236,758)	-4.6%
31	TOTAL COUNTY GOVERNMENT	32,634,726	33,738,630	32,684,984	35,137,724	34,767,348	(370,376)	-1.1%
32								
33	OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS							
34	Montgomery County Public Schools	35,805,654	37,634,363	38,544,627	38,957,476	40,062,130	1,104,654	2.8%
35	Montgomery College	7,727,604	7,540,902	7,533,147	8,714,025	7,830,311	(883,714)	-10.1%
36	Washington Suburban Sanitary Commission	22,482,138	22,510,591	20,302,204	20,576,949	19,784,417	(792,532)	-3.9%
37	MNCPPC	3,165,699	3,182,797	3,223,435	3,576,706	3,480,428	(96,278)	-2.7%
38	TOTAL OTHER AGENCIES EXPENDITURES	69,181,095	70,868,653	69,603,413	71,825,156	71,157,286	(667,870)	-0.9%
39	TOTAL UTILITIES EXPENDITURES	101,815,821	104,607,283	102,288,397	106,962,880	105,924,634	(1,038,246)	-1.0%

COUNTY UTILITIES EXPENDITURES							
EXPENDITURES BY ENERGY SOURCE							
	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	APPROVED FY19	RECOMMENDED FY20	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS							
NON-DEPARTMENTAL ACCOUNT							
Electricity	21,238,018	21,301,895	20,408,033	20,996,761	20,738,316	(258,445)	-1.2%
Water & Sewer	1,818,926	2,470,869	2,122,577	3,153,116	3,153,116	0	0.0%
Fuel Oil	40,889	51,196	6,091	91,829	91,829	0	0.0%
Natural Gas	1,514,689	1,747,702	1,962,939	1,930,638	1,930,638	0	0.0%
Propane	22,553	31,382	19,874	63,402	63,402	0	0.0%
GENERAL FUND NDA EXPENDITURES	24,635,075	25,603,044	24,519,514	26,235,746	25,977,301	(258,445)	-1.0%
OTHER TAX SUPPORTED OPERATIONS							
Electricity	2,421,671	2,655,166	2,438,611	2,540,406	2,725,233	184,827	7.3%
Water & Sewer	661,955	670,521	797,245	533,822	533,822	0	0.0%
Fuel Oil	3,051	4,791	11,135	9,628	9,628	0	0.0%
Natural Gas	423,994	449,634	496,852	616,679	556,679	(60,000)	-9.7%
Propane	50,392	42,757	62,608	57,910	57,910	0	0.0%
SUBTOTAL	3,561,063	3,822,869	3,806,451	3,758,445	3,883,272	124,827	3.3%
TOTAL TAX SUPPORTED	28,196,138	29,425,913	28,325,965	29,994,191	29,860,573	(133,618)	-0.4%
NON-TAX SUPPORTED OPERATIONS							
Electricity	4,036,045	3,831,897	3,832,139	4,561,911	4,324,086	(237,825)	-5.2%
Water & Sewer	142,969	179,439	204,921	222,009	222,760	751	0.3%
Fuel Oil	1279	1,592	3,617	4,078	4,162	84	2.1%
Natural Gas	258,265	299,544	318,342	354,495	354,727	232	0.1%
Propane	30	0	0	1,040	1,040	0	0.0%
TOTAL NON-TAX SUPPORTED	4,438,588	4,312,472	4,359,019	5,143,533	4,906,775	(236,758)	-4.6%
SUMMARY - COUNTY GOVERNMENT							
Electricity	27,695,734	27,788,958	26,678,783	28,099,078	27,787,635	(311,443)	-1.1%
Water & Sewer	2,623,850	3,320,829	3,124,743	3,908,947	3,909,698	751	0.0%
Fuel Oil	45,219	57,579	20,843	105,535	105,619	84	0.1%
Natural Gas	2,196,948	2,496,880	2,778,133	2,901,812	2,842,044	(59,768)	-2.1%
Propane	72,975	74,139	82,482	122,352	122,352	0	0.0%
TOTAL COUNTY GOVERNMENT	32,634,726	33,738,385	32,684,984	35,137,724	34,767,348	(370,376)	-1.1%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS							
Electricity	57,131,969	57,578,814	55,090,789	56,855,018	56,087,554	(767,464)	-1.3%
Water & Sewer	5,088,182	6,484,799	6,344,748	6,877,899	7,238,591	360,692	5.2%
Fuel Oil	34,198	57,738	312,692	131,042	126,492	(4,550)	-3.5%
Natural Gas	6,749,514	6,504,738	7,552,826	7,734,291	7,397,292	(336,999)	-4.4%
Propane	177,232	242,564	302,358	226,906	307,357	80,451	35.5%
SUBTOTAL	69,181,095	70,868,653	69,603,413	71,825,156	71,157,286	(667,870)	-0.9%
TOTAL UTILITIES EXPENDITURES							
Electricity	84,827,703	85,367,772	81,769,572	84,954,096	83,875,189	(1,078,907)	-1.3%
Water & Sewer	7,712,032	9,805,628	9,469,491	10,786,846	11,148,289	361,443	3.4%
Fuel Oil	79,417	115,317	333,535	236,577	232,111	(4,466)	-1.9%
Natural Gas	8,946,462	9,001,618	10,330,969	10,636,103	10,239,336	(396,767)	-3.7%
Propane	250,207	316,703	384,840	349,258	429,709	80,451	23.0%
TOTAL UTILITIES EXPENDITURES	101,815,821	104,607,038	102,288,397	106,962,880	105,924,634	(1,038,246)	-1.0%