



# Utilities

## 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.

## HIGHLIGHTS

The County owns, operates, and/or maintains 426 facilities totaling 9,912,251 square feet. The Department of General Services manages the payment for 743 separately metered utility accounts for these facilities. The Utilities non-departmental account (NDA) budget funds 488 of these accounts, in addition to 64,700 streetlights, and 833 traffic-controlled signalized intersections.

In FY16, department staff negotiated lower rates for the contracted purchase of electricity. This results in an overall decrease in contract costs of nearly \$570,000 in FY17, which will partially offset changes in consumption.

## Budget Overview

The FY17 Recommended Budget for the tax-supported Utilities NDA is \$25,930,493, an increase of \$808,602 or 3.2 percent above the FY16 Approved Budget of \$25,121,891. Allocation of these utilities expenditures is approximately: electricity, 84.5 percent; natural gas, 7.4 percent; water and sewer, 7.0 percent; fuel oil, 0.8 percent, and propane, 0.2 percent.

The FY17 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 not supported by taxes, but through user fees or charges for services.

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 \$74,281,760 which includes the entire bi-county area of WSSC.

The FY17 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$25,930,493) and the other tax supported funds (\$3,836,445), is \$29,766,938, an increase of \$935,618 or approximately 3.2 percent above the FY16 Approved utilities budget. The FY17 Recommended Budget for non-tax supported utilities expenditures is \$5,268,645, an increase of \$21 from the FY16 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, 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 Interagency Committee on Energy and Utilities Management (ICEUM) also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY17 Budget.

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

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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 non-departmental account.

### **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 citizen centers.

### **Urban Districts**

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services Centers.

## **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 not appropriated directly but in the budgets of other departments.

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 funds 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-owned and contractor-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.

## Linkage to County Result Areas

While this program area supports all eight of the County Result Areas, the following are emphasized:

 **An Effective and Efficient Transportation Network**

 **Safe Streets and Secure Neighborhoods**

## Program Contacts

Contact Angela Dizelos of the Utilities at 240.777.6028 or Jed Millard of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

## Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
<b>County General Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
Operating Expenses	24,534,314	25,121,891	25,121,891	25,930,493	3.2 %
<b>County General Fund Expenditures</b>	<b>24,534,314</b>	<b>25,121,891</b>	<b>25,121,891</b>	<b>25,930,493</b>	<b>3.2 %</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	0.00	0.00	0.00	0.00	---

## FY17 Recommended Changes

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY16 ORIGINAL APPROPRIATION</b>	<b>25,121,891</b>	<b>0.00</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Unit costs and consumption changes	966,402	0.00
Increase Cost: New Buildings Opening in FY17	519,728	0.00
Decrease Cost: ESCO Utility Savings	(4,972)	0.00
Decrease Cost: Clean Energy Purchase (Bill 9-14, Environmental Sustainability - Renewable Energy - County Purchase)	(102,803)	0.00
Decrease Cost: Savings from Contract Negotiations	(569,753)	0.00
<b>FY17 RECOMMENDED</b>	<b>25,930,493</b>	<b>0.00</b>

## Future Fiscal Impacts

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY17 Recommended</b>	<b>25,930</b>	<b>25,930</b>	<b>25,930</b>	<b>25,930</b>	<b>25,930</b>	<b>25,930</b>
No inflation or compensation change is included in outyear projections.						
<b>ESCO Utility Savings</b>	<b>0</b>	<b>(5)</b>	<b>(10)</b>	<b>(16)</b>	<b>(21)</b>	<b>(21)</b>
ESCO Utility Savings						
<b>Subtotal Expenditures</b>	<b>25,930</b>	<b>25,925</b>	<b>25,920</b>	<b>25,914</b>	<b>25,909</b>	<b>25,909</b>

**COUNTY UTILITIES EXPENDITURES**

**EXPENDITURES BY DEPARTMENT/AGENCY**

	<b>ACTUAL FY13</b>	<b>ACTUAL FY14</b>	<b>ACTUAL FY15</b>	<b>APPROVED FY16</b>	<b>RECOMMENDED FY17</b>	<b>CHANGE BUD/APPR</b>	<b>% CHANGE REC/APPR</b>
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>							
<b>NON-DEPARTMENTAL ACCOUNT</b>							
Facilities	13,487,035	15,372,911	15,740,149	16,128,223	16,936,825	808,602	5.0%
Traffic Signals and Streetlighting	9,193,413	9,126,957	8,741,684	8,993,668	8,993,668	0	0.0%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>22,680,448</b>	<b>24,499,868</b>	<b>24,481,833</b>	<b>25,121,891</b>	<b>25,930,493</b>	<b>808,602</b>	<b>3.2%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>							
Transit Services	73,694	291,007	180,519	276,200	276,200	0	0.0%
Recreation	2,755,137	3,116,581	3,229,581	3,433,229	3,560,245	127,016	3.7%
SUBTOTAL	2,828,831	3,407,588	3,410,100	3,709,429	3,836,445	127,016	3.4%
<b>TOTAL TAX SUPPORTED</b>	<b>25,509,279</b>	<b>27,907,456</b>	<b>27,891,933</b>	<b>28,831,320</b>	<b>29,766,938</b>	<b>935,618</b>	<b>3.2%</b>
<b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>							
Fleet Management Services	1,069,366	1,350,157	628,198	1,630,392	1,630,392	0	0.0%
Parking Districts	2,183,187	2,290,158	2,304,797	2,598,489	2,598,489	0	0.0%
Liquor Control	852,105	899,856	748,158	865,810	865,810	0	0.0%
Solid Waste Services	132,380	156,874	150,030	173,933	173,954	21	0.0%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,237,038</b>	<b>4,697,045</b>	<b>3,831,183</b>	<b>5,268,624</b>	<b>5,268,645</b>	<b>21</b>	<b>0.0%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>							
TOTAL TAX SUPPORTED	25,509,279	27,907,456	27,891,933	28,831,320	29,766,938	935,618	3.2%
TOTAL NON-TAX SUPPORTED	4,237,038	4,697,045	3,831,183	5,268,624	5,268,645	21	0.0%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>29,746,317</b>	<b>32,604,501</b>	<b>31,723,116</b>	<b>34,099,944</b>	<b>35,035,583</b>	<b>935,639</b>	<b>2.7%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>							
Montgomery County Public Schools	35,779,753	39,444,381	36,492,289	37,706,974	38,716,618	1,009,644	2.7%
Montgomery College	7,096,728	6,992,988	7,500,177	7,840,755	8,053,295	212,540	2.7%
Washington Suburban Sanitary Commission	23,062,585	24,934,389	23,246,536	23,783,400	23,992,400	209,000	0.9%
M-NCPPC	2,819,826	2,915,931	3,191,795	3,634,166	3,519,447	(114,719)	-3.2%
<b>TOTAL OTHER AGENCIES EXPENDITURES</b>	<b>68,758,892</b>	<b>74,287,689</b>	<b>70,430,797</b>	<b>72,965,295</b>	<b>74,281,760</b>	<b>1,316,465</b>	<b>1.8%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>98,505,209</b>	<b>106,892,190</b>	<b>102,153,913</b>	<b>107,065,239</b>	<b>109,317,343</b>	<b>2,252,104</b>	<b>2.1%</b>

**COUNTY UTILITIES EXPENDITURES**

**EXPENDITURES BY ENERGY SOURCE**

	ACTUAL FY13	ACTUAL FY14	ACTUAL FY15	APPROVED FY16	RECOMMENDED FY17	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>							
<b>NON-DEPARTMENTAL ACCOUNT</b>							
Electricity	19,560,557	20,756,510	20,546,268	21,446,120	21,915,452	469,332	2.2%
Water & Sewer	1,528,193	1,630,635	1,778,860	1,650,938	1,815,096	164,158	9.9%
Fuel Oil	83,127	132,406	183,403	205,905	205,905	0	0.0%
Natural Gas	1,478,902	1,928,192	1,921,777	1,760,098	1,930,638	170,540	9.7%
Propane	29,669	52,125	51,525	58,830	63,402	4,572	7.8%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>22,680,448</b>	<b>24,499,868</b>	<b>24,481,833</b>	<b>25,121,891</b>	<b>25,930,493</b>	<b>808,602</b>	<b>3.2%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>							
Electricity	1,805,671	2,126,218	2,213,695	2,436,881	2,563,897	127,016	5.2%
Water & Sewer	472,923	539,650	561,637	525,138	525,138	0	0.0%
Fuel Oil	81,133	78,790	9,177	9,6521	9,6521	0	0.0%
Natural Gas	437,411	590,644	559,755	591,314	591,314	0	0.0%
Propane	31,693	72,286	65,836	59,575	59,575	0	0.0%
<b>SUBTOTAL</b>	<b>2,828,831</b>	<b>3,407,588</b>	<b>3,410,100</b>	<b>3,709,429</b>	<b>3,836,445</b>	<b>127,016</b>	<b>3.4%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>25,509,279</b>	<b>27,907,456</b>	<b>27,891,933</b>	<b>28,831,320</b>	<b>29,766,938</b>	<b>935,618</b>	<b>3.2%</b>
<b>NON-TAX SUPPORTED OPERATIONS</b>							
Electricity	3,762,544	4,179,447	3,391,727	4,603,914	4,603,935	21	0.0%
Water & Sewer	99,596	107,825	104,179	211,590	211,590	0	0.0%
Fuel Oil	0	2,918	161	4,000	4,000	0	0.0%
Natural Gas	374,898	406,855	335,116	448,080	448,080	0	0.0%
Propane	0	0	0	1,040	1,040	0	0.0%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>4,237,038</b>	<b>4,697,045</b>	<b>3,831,183</b>	<b>5,268,624</b>	<b>5,268,645</b>	<b>21</b>	<b>0.0%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>							
Electricity	25,128,772	27,062,175	26,151,690	28,486,915	29,083,284	596,369	2.1%
Water & Sewer	2,100,712	2,278,110	2,444,676	2,387,666	2,551,824	164,158	6.9%
Fuel Oil	164,260	214,114	192,741	306,426	306,426	0	0.0%
Natural Gas	2,291,211	2,925,691	2,816,648	2,799,492	2,970,032	170,540	6.1%
Propane	61,362	124,411	117,361	119,445	124,017	4,572	3.8%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>29,746,317</b>	<b>32,604,501</b>	<b>31,723,116</b>	<b>34,099,944</b>	<b>35,035,583</b>	<b>935,639</b>	<b>2.7%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>							
Electricity	56,244,835	62,598,187	57,271,461	58,448,742	59,778,256	1,329,514	2.3%
Water & Sewer	4,496,191	3,567,374	4,745,064	5,335,165	5,834,237	499,072	9.4%
Fuel Oil	289,160	231,536	256,028	262,734	115,142	(147,592)	-56.2%
Natural Gas	7,540,076	7,674,647	7,900,336	8,670,368	8,286,049	(384,319)	-4.4%
Propane	188,630	215,945	257,908	248,286	268,076	19,790	8.0%
<b>SUBTOTAL</b>	<b>68,758,892</b>	<b>74,287,689</b>	<b>70,430,797</b>	<b>72,965,295</b>	<b>74,281,760</b>	<b>1,316,465</b>	<b>1.8%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>							
Electricity	81,373,607	89,660,362	83,423,151	86,935,657	88,861,540	1,925,883	2.2%
Water & Sewer	6,596,903	5,845,484	7,189,740	7,722,831	8,386,061	663,230	8.6%
Fuel Oil	453,420	445,650	448,769	569,160	421,568	(147,592)	-25.9%
Natural Gas	9,831,287	10,600,338	10,716,984	11,469,860	11,256,081	(213,779)	-1.9%
Propane	249,992	340,356	375,269	367,731	392,093	24,362	6.6%
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>98,505,209</b>	<b>106,892,190</b>	<b>102,153,913</b>	<b>107,065,239</b>	<b>109,317,343</b>	<b>2,252,104</b>	<b>2.1%</b>

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