



Utilities

RECOMMENDED FY22 BUDGET

\$23,716,495

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.

BUDGET OVERVIEW

The FY22 Recommended Budget for the tax-supported Utilities NDA is \$23,716,495, a decrease of \$1,529,224 or 6.1 percent from the FY20 Approved Budget of \$25,245,719. Allocation of these utilities expenditures is approximately: electricity, 75.4 percent; natural gas, 10.5 percent; water and sewer, 10.2 percent; fuel oil, 0.1 percent; and propane, 0.1 percent. Renewable energy and other expenses total 3.7 percent.

The FY22 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 \$69,080,766, which includes the entire bi-county area of WSSC.

The FY22 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$23,716,495) and the other tax supported funds (\$3,600,772), is \$27,317,267, a decrease of \$1,884,224 or approximately 6.5 percent below the FY21

Approved utilities budget. The FY22 Recommended Budget for non-tax supported utilities expenditures is \$4,576,590, a decrease of \$330,502 below the FY21 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 and higher unit costs. Reductions in energy consumption at County facilities due to telework also contribute to reduced utility expenditures. Renewable energy includes the purchase of credits to offset fossil fuel purchases.

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 and not the General Fund Utilities NDA. The General Fund Utilities NDA also includes expenses (under the "Other" category) for consultant support and energy accounting software.

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.

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.

Alcohol Beverage Services

Alcohol Beverage Services funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County operated retail liquor stores.

Department of Environmental Protection, Recycling and Resource Management

Recycling and Resource Management 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:

-  **A Greener County**
-  **Easier Commutes**

PROGRAM CONTACTS

Contact Angela Dizelos of the Department of General Services/Utilities Management at 240.777.6028 or Gary Nalven of the Office of Management and Budget at 240.777.2779 for more information regarding this department's operating budget.

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	23,938,495	25,245,719	23,345,719	23,716,495	-6.1 %
County General Fund Expenditures	23,938,495	25,245,719	23,345,719	23,716,495	-6.1 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY21 ORIGINAL APPROPRIATION	25,245,719	0.00
<u>Changes (with service impacts)</u>		
Add: Bus Depot Microgrid [Utilities]	382,546	0.00
<u>Other Adjustments (with no service impacts)</u>		
Decrease Cost: Utilities Savings at County Facilities [Utilities]	(597,513)	0.00
Decrease Cost: Street Light Efficiency Improvement [Utilities]	(1,314,257)	0.00
FY22 RECOMMENDED	23,716,495	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
COUNTY GENERAL FUND						
EXPENDITURES						
FY22 Recommended	23,716	23,716	23,716	23,716	23,716	23,716
No inflation or compensation change is included in outyear projections.						
Restoration of Costs to Pre-COVID-19 Levels	0	598	598	598	598	598
Subtotal Expenditures	23,716	24,314	24,314	24,314	24,314	24,314

EXPENDITURES BY DEPARTMENT/AGENCY							
	ACTUAL FY18	ACTUAL FY19	ACTUAL FY20	APPROVED FY21	RECOMMENDED FY22	CHANGE BUD/REC	% CHANGE BUD/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS							
NON-DEPARTMENTAL ACCOUNT							
Facilities	16,038,873	16,082,064	15,684,882	17,505,914	17,290,948	(214,966)	-1.2%
Traffic Signals and Streetlighting	8,480,641	8,480,641	8,350,406	7,739,805	6,425,547	(1,314,258)	-17.0%
GENERAL FUND NDA EXPENDITURES	24,519,514	24,562,705	24,035,288	25,245,719	23,716,495	(1,529,224)	-6.1%
OTHER TAX SUPPORTED OPERATIONS							
Transit Services	145,044	136,218	301,264	201,200	201,200	0	0.0%
Recreation	3,661,407	3,618,163	3,062,654	3,754,572	3,399,572	(355,000)	-9.5%
SUBTOTAL	3,806,451	3,754,381	3,363,918	3,955,772	3,600,772	(355,000)	-9.0%
TOTAL TAX SUPPORTED	28,325,965	28,317,086	27,399,207	29,201,491	27,317,267	(1,884,224)	-6.5%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS							
Fleet Management Services	1,034,918	1,048,072	902,966	1,630,392	1,630,392	0	0.0%
Parking Districts	2,486,172	2,175,297	1,666,666	2,369,922	2,038,670	(331,252)	-14.0%
Alcohol Beverage Services	715,910	700,605	467,333	725,810	725,810	0	0.0%
Environmental Protection (Recycling and Resource Management)	122,019	122,020	150,693	180,968	181,718	750	0.4%
TOTAL NON-TAX SUPPORTED	4,359,019	4,045,994	3,187,657	4,907,092	4,576,590	(330,502)	-6.7%
SUMMARY - COUNTY GOVERNMENT							
TOTAL TAX SUPPORTED	28,325,965	28,317,086	27,399,207	29,201,491	27,317,267	(1,884,224)	-6.5%
TOTAL NON-TAX SUPPORTED	4,359,019	4,045,994	3,187,657	4,907,092	4,576,590	(330,502)	-6.7%
TOTAL COUNTY GOVERNMENT	32,684,984	32,363,080	30,586,864	34,108,583	31,893,857	(2,214,726)	-6.5%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS							
Montgomery County Public Schools	38,544,627	37,955,846	33,493,460	39,779,040	39,175,590	(603,450)	-1.5%
Montgomery College	7,533,147	7,461,385	6,287,782	7,467,066	7,155,720	(311,346)	-4.2%
Washington Suburban Sanitary Commission	20,302,204	19,897,561	15,755,410	20,708,411	18,722,358	(1,986,053)	-9.6%
M-NCPPC	3,223,435	3,421,877	2,872,503	4,154,642	4,027,098	(127,544)	-3.1%
TOTAL OTHER AGENCIES EXPENDITURES	69,603,413	68,736,669	58,409,155	72,109,159	69,080,766	(3,028,393)	-4.2%
TOTAL UTILITIES EXPENDITURES	102,288,397	101,099,749	88,996,019	106,217,742	100,974,623	(5,243,119)	-4.9%

EXPENDITURES BY ENERGY SOURCE							
	ACTUAL FY18	ACTUAL FY19	ACTUAL FY20	APPROVED FY21	RECOMMENDED FY22	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS							
NON-DEPARTMENTAL ACCOUNT							
Electricity	20,408,033	19,915,118	18,857,369	19,326,929	17,890,500	(1,436,429)	-7.4%
Water & Sewer	2,122,577	2,122,577	2,145,924	2,455,120	2,412,325	(42,795)	-1.7%
Fuel Oil	6,091	6,091	50,313	33,833	33,833	0	0.0%
Natural Gas	1,962,939	1,962,939	2,259,007	2,491,468	2,491,468	0	0.0%
Propane	19,874	19,874	18,047	16,872	16,872	0	0.0%
Renewable Energy	0	129,936	228,158	228,158	228,158	0	0.0%
Other	0	406,170	476,471	693,339	643,339	(50,000)	-7.2%
GENERAL FUND NDA EXPENDITURES	24,519,514	24,562,705	24,035,288	25,245,719	23,716,495	(1,529,224)	-6.1%
OTHER TAX SUPPORTED OPERATIONS							
Electricity	2,438,611	2,365,068	2,059,053	2,694,340	2,339,340	(355,000)	-13.2%
Water & Sewer	797,245	797,796	511,618	537,079	537,079	0	0.0%
Fuel Oil	11,135	11,135	3,066	9,628	9,628	0	0.0%
Natural Gas	496,852	496,078	12,965	79,600	79,600	0	0.0%
Propane	62,608	62,608	39,819	57,910	57,910	0	0.0%
Renewable Energy	0	0	694,004	533,822	533,822	0	0.0%
Other	0	21,697	43,393	43,393	43,393	0	0.0%
SUBTOTAL	3,806,451	3,754,381	3,363,918	3,955,772	3,600,772	(355,000)	-9.0%
TOTAL TAX SUPPORTED	28,325,965	28,317,086	27,399,207	29,201,491	27,317,267	(1,884,224)	-6.5%
NON-TAX SUPPORTED OPERATIONS							
Electricity	3,832,139	3,515,665	2,637,457	4,233,050	3,897,324	(335,726)	-7.9%
Water & Sewer	204,921	164,938	144,988	185,757	186,231	474	0.3%
Fuel Oil	3,617	3,888	2,904	4,162	4,162	0	0.0%
Natural Gas	318,342	323,037	289,893	354,727	358,727	4,000	1.1%
Propane	0	0	61,577	82,567	82,565	(2)	0.0%
Renewable Energy	0	0	0	0	0	0	0.0%
Other	0	38,467	50,840	46,829	47,581	752	1.6%
TOTAL NON-TAX SUPPORTED	4,359,019	4,045,994	3,187,657	4,907,092	4,576,590	(330,502)	-6.7%
SUMMARY - COUNTY GOVERNMENT							
Electricity	26,678,783	25,795,850	23,553,879	26,254,319	24,127,164	(2,127,155)	-8.1%
Water & Sewer	3,124,743	3,085,311	2,802,530	3,177,956	3,135,635	(42,321)	-1.3%
Fuel Oil	20,843	21,113	56,283	47,623	47,623	0	0.0%
Natural Gas	2,778,133	2,782,055	2,561,864	2,925,795	2,929,795	4,000	0.1%
Propane	82,482	82,482	119,442	157,349	157,347	(2)	0.0%
Renewable Energy	0	129,936	922,162	761,980	761,980	0	0.0%
Other	0	466,333	570,704	783,561	734,313	(49,248)	-6.3%
TOTAL COUNTY GOVERNMENT	32,684,984	32,363,080	30,586,864	34,108,583	31,893,857	(2,214,726)	-6.5%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS							
Electricity	55,090,789	54,934,996	45,442,336	56,229,955	53,344,160	(2,885,795)	-5.1%
Water & Sewer	6,344,748	6,888,725	5,909,604	8,262,648	8,237,446	(25,202)	-0.3%
Fuel Oil	312,692	218,622	81,994	154,028	178,028	24,000	15.6%
Natural Gas	7,552,826	6,392,977	6,684,781	7,042,359	6,930,431	(111,928)	-1.6%
Propane	302,358	246,965	192,095	322,030	293,965	(28,065)	-8.7%
Renewable Energy	0	54,384	98,345	98,139	96,736	(1,403)	-1.4%
Other	0	0	0	0	0	0	0.0%
SUBTOTAL	69,603,413	68,736,669	58,409,155	72,109,159	69,080,766	(3,028,393)	-4.2%
TOTAL UTILITIES EXPENDITURES							
Electricity	81,769,572	80,730,846	68,996,215	82,484,274	77,471,324	(5,012,950)	-6.1%
Water & Sewer	9,469,491	9,974,036	8,712,134	11,440,604	11,373,081	(67,523)	-0.6%
Fuel Oil	333,535	239,735	138,277	201,651	225,651	24,000	11.9%
Natural Gas	10,330,959	9,175,032	9,246,645	9,968,154	9,860,226	(107,928)	-1.1%
Propane	384,840	329,447	311,537	479,379	451,312	(28,067)	-5.9%
Renewable Energy	0	184,320	1,020,507	860,119	858,716	(1,403)	-0.2%
Other	0	466,333	570,704	783,561	734,313	(49,248)	-6.3%
TOTAL UTILITIES EXPENDITURES	102,288,397	101,099,749	88,996,019	106,217,742	100,974,623	(5,243,119)	-4.9%