



Utilities

RECOMMENDED FY24 BUDGET

\$33,887,015

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 FY24 Recommended Budget for the tax-supported Utilities NDA is \$33,887,015 an increase of \$11,150,678 or 49.0 percent from the FY23 Approved Budget of \$22,736,337. Allocation of these utilities expenditures is approximately: electricity, 75.2 percent; natural gas, 6.9 percent; water and sewer, 6.4 percent. Renewable energy and other expenses total 11.5 percent.

The FY24 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, WSSC Water, and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total budget request for these outside agencies is \$83,661,976, which includes the entire bi-county area of WSSC Water.

The FY24 Recommended tax supported budget for Utilities Management, including both the General Fund NDA (\$33,887,015) and the other tax supported funds (\$4,604,165), is \$38,491,180, an increase of \$11,150,678 or 40.8 percent above the FY23 Approved utilities budget. The FY24 Recommended Budget for non-tax supported utilities expenditures is \$4,006,114, a decrease of \$399,997 below the FY23 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, facilities reopening after COVID closures, 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. 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.

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 FY22	Budget FY23	Estimate FY23	Recommended FY24	%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	26,190,844	22,736,337	31,023,009	33,887,015	49.0 %
County General Fund Expenditures	26,190,844	22,736,337	31,023,009	33,887,015	49.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
FTEs	0.00	0.00	0.00	0.00	—

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY23 ORIGINAL APPROPRIATION	22,736,337	0.00
<u>Changes (with service impacts)</u>		
Enhance: Brookville Bus Depot Microgrid Payment [Utilities]	1,539,866	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Utility Commodities Prices [Utilities]	9,610,812	0.00
FY24 RECOMMENDED	33,887,015	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
COUNTY GENERAL FUND						
EXPENDITURES						
FY24 Recommended	33,887	33,887	33,887	33,887	33,887	33,887
No inflation or compensation change is included in outyear projections.						
Brookville Microgrid Payments	0	776	966	636	298	298
These payments fund the solar microgrid installation at the Brookville Bus Depot in Silver Spring. In the future, a portion of these costs will be charged to the Transit budget where there will also be offsetting fuel cost savings. The exact cost allocations will vary based on the pace and scope of bus fleet electrification.						
Subtotal Expenditures	33,887	34,663	34,853	34,523	34,185	34,185

EXPENDITURES BY DEPARTMENT/AGENCY						
	ACTUAL FY21	ACTUAL FY22	APPROVED FY23	RECOMMENDED FY24	CHANGE BUD/REC	% CHANGE BUD/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	15,270,604	17,421,249	16,845,640	27,996,318	11,150,678	66.2%
Traffic Signals and Streetlighting	7,232,053	8,200,127	5,890,697	5,890,697	0	0.0%
GENERAL FUND NDA EXPENDITURES	22,502,657	25,621,376	22,736,337	33,887,015	11,150,678	49.04%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	371,501	348,776	201,200	201,200	0	0.0%
Recreation	2,877,105	3,476,877	4,402,965	4,402,965	0	0.0%
<i>SUBTOTAL</i>	<i>3,248,606</i>	<i>3,825,654</i>	<i>4,604,165</i>	<i>4,604,165</i>	<i>0</i>	<i>0.0%</i>
TOTAL TAX SUPPORTED	25,751,263	29,447,030	27,340,502	38,491,180	11,150,678	40.78%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	827,696	1,056,813	1,630,392	1,230,392	(400,000)	-24.5%
Parking Districts	1,319,048	1,692,968	1,863,700	1,863,700	0	0.0%
Alcohol Beverage Services	514,972	599,589	725,810	725,810	0	0.0%
Environmental Protection (Recycling and Resource Management)	194,018	229,435	186,209	186,212	3	0.0%
TOTAL NON-TAX SUPPORTED	2,855,734	3,578,805	4,406,111	4,006,114	-399,997	-9.08%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	25,751,263	29,447,030	27,340,502	38,491,180	11,150,678	40.8%
TOTAL NON-TAX SUPPORTED	2,855,734	3,578,805	4,406,111	4,006,114	(399,997)	-9.1%
TOTAL COUNTY GOVERNMENT	28,606,997	33,025,834	31,746,613	42,497,294	10,750,681	33.86%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	32,558,896	40,373,425	39,744,415	44,257,146	4,512,731	11.4%
Montgomery College	5,292,575	6,813,343	8,073,607	10,031,715	1,958,108	24.3%
Washington Suburban Sanitary Commission	18,435,744	21,306,181	18,715,722	25,229,784	6,514,062	34.8%
M-NCPPC	3,102,025	4,016,865	4,041,837	4,143,331	101,494	2.5%
TOTAL OTHER AGENCIES EXPENDITURES	59,389,240	72,509,814	70,575,581	83,661,976	13,086,395	18.64%
TOTAL UTILITIES EXPENDITURES	87,996,237	105,535,648	102,322,194	126,159,270	23,837,076	23.30%

EXPENDITURES BY ENERGY SOURCE						
	ACTUAL	ACTUAL	APPROVED	RECOMMENDED	CHANGE	% CHANGE
	FY21	FY22	FY23	FY24	BUDGET/REC	BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	17,091,175	20,241,364	16,813,451	25,475,674	8,662,223	51.5%
Water & Sewer	2,110,017	2,359,672	2,171,093	2,171,093	0	0.0%
Fuel Oil	33,466	26,267	33,833	33,833	0	0.0%
Natural Gas	2,519,352	2,971,518	2,347,045	2,347,045	0	0.0%
Propane	23,504	18,671	16,872	16,872	0	0.0%
Renewable Energy	220,607	0	228,158	228,158	0	0.0%
Other	504,536	562,972	1,125,885	3,614,340	2,488,455	221.0%
GENERAL FUND NDA EXPENDITURES	22,502,657	26,180,465	22,736,337	33,887,015	11,150,678	49.04%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	1,989,849	2,378,602	2,707,598	2,707,598	0	0.0%
Water & Sewer	586,619	596,597	674,957	674,957	0	0.0%
Fuel Oil	0	0	9,628	9,628	0	0.0%
Natural Gas	595,840	749,640	616,679	616,679	0	0.0%
Propane	32,906	55,967	57,910	57,910	0	0.0%
Renewable Energy	0	0	0	0	0	0.0%
Other	43,393	44,847	537,393	537,393	0	0.0%
SUBTOTAL	3,248,606	3,825,654	4,604,165	4,604,165	0	0.0%
TOTAL TAX SUPPORTED	25,751,263	30,006,119	27,340,502	38,491,180	11,150,678	40.78%
NON-TAX SUPPORTED OPERATIONS						
Electricity	2,210,435	2,847,815	3,768,687	3,368,689	(399,998)	-10.6%
Water & Sewer	295,765	244,415	224,341	224,341	0	0.0%
Fuel Oil	3,702	1,090	4,289	4,289	0	0.0%
Natural Gas	284,078	398,335	358,727	358,727	0	0.0%
Propane	0	0	1,040	1,040	0	0.0%
Renewable Energy	0	0	0	0	0	0.0%
Other	61,754	87,150	49,027	49,028	1	0.0%
TOTAL NON-TAX SUPPORTED	2,855,734	3,578,805	4,406,111	4,006,114	-399,997	-9.08%
SUMMARY - COUNTY GOVERNMENT						
Electricity	21,291,459	25,467,781	23,289,736	31,551,961	8,262,225	35.5%
Water & Sewer	2,992,401	3,200,684	3,070,391	3,070,391	0	0.0%
Fuel Oil	37,168	27,357	47,750	47,750	0	0.0%
Natural Gas	3,399,270	4,119,494	3,322,451	3,322,451	0	0.0%
Propane	56,410	74,638	75,822	75,822	0	0.0%
Renewable Energy	220,607	0	228,158	228,158	0	0.0%
Other	609,683	694,969	1,712,305	4,200,761	2,488,456	145.3%
TOTAL COUNTY GOVERNMENT	28,606,997	33,584,923	31,746,613	42,497,294	10,750,681	33.86%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	47,282,473	55,939,642	53,622,657	63,580,371	9,957,714	18.6%
Water & Sewer	4,880,570	7,075,353	8,718,333	8,720,818	2,485	0.0%
Fuel Oil	84,993	131,120	167,775	185,650	17,875	10.7%
Natural Gas	6,671,850	8,699,075	7,313,616	10,345,325	3,031,709	41.5%
Propane	190,674	240,718	252,497	318,959	66,462	26.3%
Renewable Energy	98,346	175,440	223,165	233,315	10,150	4.5%
Other	180,334	248,466	277,538	277,538	0	0.0%
SUBTOTAL	59,389,240	72,509,814	70,575,581	83,661,976	13,086,395	18.54%
TOTAL UTILITIES EXPENDITURES						
Electricity	68,573,932	81,407,423	76,912,393	95,132,332	18,219,939	23.7%
Water & Sewer	7,872,971	10,276,037	11,788,724	11,791,209	2,485	0.0%
Fuel Oil	122,161	158,477	215,525	233,400	17,875	8.3%
Natural Gas	10,071,120	12,818,569	10,636,067	13,667,776	3,031,709	28.5%
Propane	247,084	315,356	328,319	394,781	66,462	20.2%
Renewable Energy	318,953	175,440	451,323	461,473	10,150	2.2%
Other	790,017	943,435	1,989,843	4,478,299	2,488,456	125.1%
TOTAL UTILITIES EXPENDITURES	87,996,237	106,094,737	102,322,194	126,159,270	23,837,076	23.30%