



Utilities

APPROVED FY25 BUDGET

\$37,175,650

FULL TIME EQUIVALENTS

0.00

DAVID DISE, DIRECTOR

MISSION STATEMENT

The goals of the County Government relating to utility consumption are to manage the expanding demand for energy and to develop new energy supply sources that achieve the County's Climate Action Plan goal of zero greenhouse gas emissions by 2035.

These goals can be accomplished by:

- Using energy efficiently in County facilities;
- Developing multiple sources of green energy; and
- Transitioning the County's vehicle fleet to non-carbon fuel sources.

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

BUDGET OVERVIEW

The FY25 Approved budget for the tax-supported Utilities NDA is \$37,175,650, an increase of \$12,899,447 or 53.1 percent from the FY24 Approved budget of \$24,276,203. Allocation of these utilities expenditures is approximately: electricity, 66.4 percent; natural gas, 10.0 percent; and water and sewer, 7.0 percent. Resilient energy hubs and other expenses total 16.6 percent.

The FY25 Approved 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 \$90,754,126, which includes the entire bi-county area of WSSC Water.

The FY25 Approved tax supported budget for utilities, including both the General Fund NDA (\$37,175,650) and the other tax supported funds (\$4,604,165), is \$41,779,815, an increase of \$12,899,447 or 44.7 percent above the FY24 Approved utilities budget. The FY25 Approved Budget for non-tax supported utilities expenditures is \$4,010,152, an increase of \$4,038 over the FY24

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.

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 Utilities NDA also includes expenses for consultant support, energy accounting software, utility performance management data analytics, and microgrids and resiliency hubs. Microgrids and resiliency hubs provide a lower carbon supply of electricity along with resilient facilities that can provide continual service to the community during major grid outages. Montgomery County leads the region in the implementation of these resilient, clean-energy facilities, with recent projects including solar microgrids at Scotland Recreation Center, Public Safety Headquarters, Montgomery County Correctional Facility, the Brookville Maintenance Facility "Brookville Smart Bus Depot," and the Animal Services and Adoption Center. Planning projects include a solar microgrid that will power green hydrogen production to support a zero-carbon emissions transit fleet, and additional resiliency hubs to support underserved communities and provide electric vehicle charging capabilities across the County.

Additionally, the Department of General Services implements programs that maximize the efficient use of energy at County facilities by initiating operational strategies, energy-efficient equipment replacements, and advanced software management controls that minimize the County's carbon footprint.

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 Pooja Kapoor 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 FY23	Budget FY24	Estimate FY24	Approved FY25	%Chg Bud/App
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	31,317,837	24,276,203	35,625,131	37,175,650	53.1 %
County General Fund Expenditures	31,317,837	24,276,203	35,625,131	37,175,650	53.1 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY25 APPROVED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY24 ORIGINAL APPROPRIATION	24,276,203	0.00
<u>Changes (with service impacts)</u>		
Enhance: Resiliency Hub Projects [Utilities]	2,769,825	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Adjustment for Utility Commodity Cost Escalation [Utilities]	10,000,000	0.00
Increase Cost: Solid Waste Charge [Utilities]	129,622	0.00
FY25 APPROVED	37,175,650	0.00

FUNDING PARAMETER ITEMS

CC APPROVED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
COUNTY GENERAL FUND						
EXPENDITURES						
FY25 Approved	37,176	37,176	37,176	37,176	37,176	37,176
No inflation or compensation change is included in outyear projections.						
Resiliency Hub and Microgrid Payments	0	5,902	5,877	5,755	6,023	6,302
These payments fund resiliency hub and solar microgrid projects and County facilities. In the future, a portion of these costs for bus depot microgrids will be charged to the Transit budget where there will also be offsetting fuel cost savings.						
Subtotal Expenditures	37,176	43,078	43,053	42,931	43,199	43,478