



# Utilities

## RECOMMENDED FY25 BUDGET

\$27,175,650

## 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 Recommended budget for the tax-supported Utilities NDA is \$27,175,650, an increase of \$2,899,447 or 11.9 percent from the FY24 Approved budget of \$24,276,203. Allocation of these utilities expenditures is approximately: electricity, 59.2 percent; natural gas, 8.6 percent; and water and sewer, 8.0 percent. Renewable energy and other expenses total 24.2 percent.

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

The FY25 Recommended tax supported budget for utilities, including both the General Fund NDA (\$27,175,650) and the other tax supported funds (\$4,604,165), is \$31,779,815, an increase of \$2,899,447 or 10.0 percent above the FY24 Approved utilities budget. The FY25 Recommended Budget for non-tax supported utilities expenditures is \$4,010,152, an increase of \$4,038 over the FY24

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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.

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## **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	Recommended FY25	%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	31,317,837	24,276,203	37,193,248	27,175,650	11.9 %
<b>County General Fund Expenditures</b>	<b>31,317,837</b>	<b>24,276,203</b>	<b>37,193,248</b>	<b>27,175,650</b>	<b>11.9 %</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	—

### FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY24 ORIGINAL APPROPRIATION</b>	<b>24,276,203</b>	<b>0.00</b>
<b><u>Changes (with service impacts)</u></b>		
Enhance: Resiliency Hub Projects [Utilities]	2,769,825	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Solid Waste Charge [Utilities]	129,622	0.00
<b>FY25 RECOMMENDED</b>	<b>27,175,650</b>	<b>0.00</b>

### FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY25 Recommended</b>	<b>27,176</b>	<b>27,176</b>	<b>27,176</b>	<b>27,176</b>	<b>27,176</b>	<b>27,176</b>
No inflation or compensation change is included in outyear projections.						
<b>Resiliency Hub and Microgrid Payments</b>	<b>0</b>	<b>5,902</b>	<b>5,877</b>	<b>5,755</b>	<b>6,023</b>	<b>6,302</b>
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.						
<b>Subtotal Expenditures</b>	<b>27,176</b>	<b>33,078</b>	<b>33,053</b>	<b>32,931</b>	<b>33,199</b>	<b>33,478</b>

EXPENDITURES BY DEPARTMENT/AGENCY						
	ACTUAL FY22	ACTUAL FY23	APPROVED FY24	RECOMMENDED FY25	CHANGE BUD/REC	% CHANGE BUD/REC
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>						
<b>NON-DEPARTMENTAL ACCOUNT</b>						
Facilities	17,421,249	22,540,470	18,385,506	21,284,953	2,899,447	15.8%
Traffic Signals and Streetlighting	8,200,127	8,837,958	5,890,697	5,890,697	0	0.0%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>25,621,376</b>	<b>31,378,428</b>	<b>24,276,203</b>	<b>27,175,650</b>	<b>2,899,447</b>	<b>11.94%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>						
Transit Services	348,776	394,588	201,200	201,200	0	0.0%
Recreation	3,476,877	4,025,538	4,402,965	4,402,965	0	0.0%
<b>SUBTOTAL</b>	<b>3,825,654</b>	<b>4,420,126</b>	<b>4,604,165</b>	<b>4,604,165</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>29,447,030</b>	<b>35,798,554</b>	<b>28,880,368</b>	<b>31,779,815</b>	<b>2,899,447</b>	<b>10.04%</b>
<b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>						
Fleet Management Services	1,056,813	1,034,901	1,230,392	1,230,392	0	0.0%
Parking Districts	1,692,968	1,938,135	1,863,700	1,863,700	0	0.0%
Alcohol Beverage Services	599,589	655,074	725,810	725,810	0	0.0%
Environmental Protection (Recycling and Resource Management)	229,435	251,929	186,212	190,250	4,038	2.2%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>3,578,805</b>	<b>3,880,040</b>	<b>4,006,114</b>	<b>4,010,152</b>	<b>4,038</b>	<b>0.10%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>						
TOTAL TAX SUPPORTED	29,447,030	35,798,554	28,880,368	31,779,815	2,899,447	10.0%
TOTAL NON-TAX SUPPORTED	3,578,805	3,880,040	4,006,114	4,010,152	4,038	0.1%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>33,025,834</b>	<b>39,678,593</b>	<b>32,886,482</b>	<b>35,789,967</b>	<b>2,903,485</b>	<b>8.83%</b>
<b>OUT SIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>						
Montgomery County Public Schools	40,373,425	45,144,284	44,240,672	49,222,447	4,981,775	11.3%
Montgomery College	6,813,343	7,615,499	10,031,715	9,562,387	(469,328)	-4.7%
Washington Suburban Sanitary Commission	21,306,181	22,126,073	27,629,784	27,593,091	(36,693)	-0.1%
M-NCPPC	4,016,865	4,099,560	4,140,555	4,376,201	235,646	5.7%
<b>TOTAL OTHER AGENCIES EXPENDITURES</b>	<b>72,509,814</b>	<b>78,985,416</b>	<b>86,042,726</b>	<b>90,754,126</b>	<b>4,711,400</b>	<b>5.48%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>105,535,648</b>	<b>118,664,009</b>	<b>118,929,208</b>	<b>126,544,093</b>	<b>7,614,885</b>	<b>6.40%</b>

EXPENDITURES BY ENERGY SOURCE						
	ACTUAL FY22	ACTUAL FY23	APPROVED FY24	RECOMMENDED FY25	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
<b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>						
<b>NON-DEPARTMENTAL ACCOUNT</b>						
Electricity	20,241,364	22,465,444	15,864,862	16,093,020	228,158	1.4%
Water & Sewer	2,359,672	2,603,797	2,171,092	2,171,092	0	0.0%
Fuel Oil	26,267	68,000	33,833	33,833	0	0.0%
Natural Gas	2,971,518	3,210,112	2,347,045	2,347,045	0	0.0%
Propane	18,671	24,424	16,872	16,872	0	0.0%
Renewable Energy	0	1,182,702	228,158	0	(228,158)	-100.0%
Other	562,972	1,823,949	3,614,341	6,513,788	2,899,447	80.2%
<b>GENERAL FUND NDA EXPENDITURES</b>	<b>26,180,465</b>	<b>31,378,428</b>	<b>24,276,203</b>	<b>27,175,650</b>	<b>2,899,447</b>	<b>11.94%</b>
<b>OTHER TAX SUPPORTED OPERATIONS</b>						
Electricity	2,378,602	2,799,866	2,707,598	2,707,598	0	0.0%
Water & Sewer	596,597	799,446	674,957	674,957	0	0.0%
Fuel Oil	0	0	9,628	9,628	0	0.0%
Natural Gas	749,640	740,269	616,679	616,679	0	0.0%
Propane	55,967	36,679	57,910	57,910	0	0.0%
Renewable Energy	0	0	0	0	0	0.0%
Other	44,847	43,864	537,393	537,393	0	0.0%
<b>SUBTOTAL</b>	<b>3,825,654</b>	<b>4,420,126</b>	<b>4,604,165</b>	<b>4,604,165</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>30,006,119</b>	<b>35,798,554</b>	<b>28,880,368</b>	<b>31,779,815</b>	<b>2,899,447</b>	<b>10.04%</b>
<b>NON-TAX SUPPORTED OPERATIONS</b>						
Electricity	2,847,815	3,122,763	3,368,689	3,370,486	1,797	0.1%
Water & Sewer	244,415	297,809	224,341	225,171	830	0.4%
Fuel Oil	1,090	1,008	4,289	4,382	93	2.2%
Natural Gas	398,335	389,485	358,727	358,977	250	0.1%
Propane	0	0	1,040	1,040	0	0.0%
Renewable Energy	0	0	0	0	0	0.0%
Other	87,150	68,974	49,028	50,096	1,068	2.2%
<b>TOTAL NON-TAX SUPPORTED</b>	<b>3,578,805</b>	<b>3,880,040</b>	<b>4,006,114</b>	<b>4,010,152</b>	<b>4,038</b>	<b>0.10%</b>
<b>SUMMARY - COUNTY GOVERNMENT</b>						
Electricity	25,467,781	28,388,074	21,941,149	22,171,104	229,955	1.0%
Water & Sewer	3,200,684	3,701,053	3,070,390	3,071,220	830	0.0%
Fuel Oil	27,357	69,008	47,750	47,843	93	0.2%
Natural Gas	4,119,494	4,339,867	3,322,451	3,322,701	250	0.0%
Propane	74,638	61,103	75,822	75,822	0	0.0%
Renewable Energy	0	1,182,702	228,158	0	(228,158)	-100.0%
Other	694,969	1,936,788	4,200,762	7,101,277	2,900,515	69.0%
<b>TOTAL COUNTY GOVERNMENT</b>	<b>33,584,923</b>	<b>39,678,593</b>	<b>32,886,482</b>	<b>35,789,967</b>	<b>2,903,485</b>	<b>8.83%</b>
<b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b>						
Electricity	55,939,642	60,723,795	63,363,897	66,208,909	2,845,012	4.5%
Water & Sewer	7,075,353	8,804,997	8,718,318	9,354,566	636,248	7.3%
Fuel Oil	131,120	58,415	185,650	88,150	(97,500)	-52.5%
Natural Gas	8,699,075	8,748,495	12,745,325	14,281,723	1,536,398	12.1%
Propane	240,718	193,734	318,283	323,356	5,073	1.6%
Renewable Energy	175,440	196,711	233,715	219,884	(13,831)	-5.9%
Other	248,466	259,269	477,538	277,538	(200,000)	0.0%
<b>SUBTOTAL</b>	<b>72,509,814</b>	<b>78,985,416</b>	<b>86,042,726</b>	<b>90,754,126</b>	<b>4,711,400</b>	<b>5.48%</b>
<b>TOTAL UTILITIES EXPENDITURES</b>						
Electricity	81,407,423	89,111,869	85,305,046	88,380,013	3,074,967	3.6%
Water & Sewer	10,276,037	12,506,050	11,788,708	12,425,786	637,078	5.4%
Fuel Oil	158,477	127,423	233,400	135,993	(97,407)	-41.7%
Natural Gas	12,818,569	13,088,362	16,067,776	17,604,424	1,536,648	9.6%
Propane	315,356	254,837	394,105	399,178	5,073	1.3%
Renewable Energy	175,440	1,379,413	461,873	219,884	(241,989)	-52.4%
Other	943,435	2,196,057	4,678,300	7,378,815	2,700,515	57.7%
<b>TOTAL UTILITIES EXPENDITURES</b>	<b>106,094,737</b>	<b>118,664,009</b>	<b>118,929,208</b>	<b>126,544,093</b>	<b>7,614,885</b>	<b>6.40%</b>