



Utilities

RECOMMENDED FY27 BUDGET

\$43,000,909

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 FY27 Recommended Budget for the tax-supported Utilities NDA is \$43,000,909, an increase of \$633,638 or 1.5 percent from the FY26 Approved Budget of \$42,367,271. Allocation of these utilities expenditures is approximately: electricity, 81.0 percent; natural gas, 8.6 percent; and water and sewer, 6.0 percent. Other utilities and expenses total 4.4 percent. Approximately 32.5 percent of electricity expenditures are budgeted for solar energy generated by resiliency hubs at County facilities.

The FY27 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 \$101,713,305, which includes the entire bi-county area of WSSC Water.

The FY27 Recommended tax-supported budget for utilities, including both the General Fund NDA (\$43,000,909) and the other tax-supported funds (\$5,346,931), is \$48,347,840, an increase of \$633,638 or 1.3 percent above the FY26 Approved Utilities Budget.

The FY27 Recommended Budget for non-tax supported utilities expenditures is \$4,368,841, an increase of \$358,689 over the FY26 Approved Budget.

Increased utilities expenditures result primarily from greater consumption due to new facilities or services, increased use of facilities after pandemic 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. Electricity used for the purpose of fueling electric vehicles is also budgeted in Fleet Management Services.

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. Planned 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 that 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 social 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 FY25	Budget FY26	Estimated FY26	Recommended FY27	%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	34,048,434	42,367,271	41,432,268	43,000,909	1.5 %
County General Fund Expenditures	34,048,434	42,367,271	41,432,268	43,000,909	1.5 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

FY27 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY26 ORIGINAL APPROPRIATION	42,367,271	0.00
<u>Changes (with service impacts)</u>		
Enhance: Resiliency Hub and Microgrid Payments [Utilities]	2,072,293	0.00
Add: Utilities for School Bus Depot Lease [Utilities]	61,395	0.00
Enhance: Energy Benchmarking Services [Utilities]	9,937	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Utility Commodity Cost [Utilities]	839,738	0.00
Increase Cost: 7% Increase to Solid Waste Charges [Utilities]	49,984	0.00
Decrease Cost: Solid Waste Charges Correction [Utilities]	(236,547)	0.00
Shift: Electricity for Vehicle Charging [Utilities]	(2,163,162)	0.00
FY27 RECOMMENDED	43,000,909	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
COUNTY GENERAL FUND						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
EXPENDITURES						
FY27 Recommended	43,001	43,001	43,001	43,001	43,001	43,001
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	43,001	43,001	43,001	43,001	43,001	43,001

EXPENDITURES BY DEPARTMENT/AGENCY						
	ACTUAL FY24	ACTUAL FY25	APPROVED FY26	RECOMMENDED FY27	CHANGE BUD/REC	% CHANGE BUD/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Facilities	24,926,750	22,190,159	33,389,012	33,355,522	(33,490)	-0.1%
Traffic Signals and Streetlighting	10,512,278	9,118,636	8,978,259	9,645,387	667,128	7.4%
GENERAL FUND NDA EXPENDITURES	35,439,028	31,308,795	42,367,271	43,000,909	633,638	1.50%
OTHER TAX SUPPORTED OPERATIONS						
Transit Services	412,958	337,951	417,089	417,089	0	0.0%
Recreation	3,859,628	3,917,611	4,929,842	4,929,842	0	0.0%
<i>SUBTOTAL</i>	4,272,586	4,255,562	5,346,931	5,346,931	0	0.0%
TOTAL TAX SUPPORTED	39,711,614	35,564,357	47,714,202	48,347,840	633,638	1.33%
COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS						
Fleet Management Services	1,034,901	1,317,163	1,230,392	1,230,392	0	0.0%
Parking Districts	2,041,380	1,821,209	1,863,700	2,176,700	313,000	16.8%
Alcohol Beverage Services	632,690	586,547	725,810	771,501	45,691	6.3%
Environmental Protection (Recycling and Resource Management)	304,469	304,603	190,250	190,248	(2)	0.0%
TOTAL NON-TAX SUPPORTED	4,013,440	4,029,522	4,010,152	4,368,841	358,689	8.94%
SUMMARY - COUNTY GOVERNMENT						
TOTAL TAX SUPPORTED	39,711,614	35,564,357	47,714,202	48,347,840	633,638	1.3%
TOTAL NON-TAX SUPPORTED	4,013,440	4,029,522	4,010,152	4,368,841	358,689	8.9%
TOTAL COUNTY GOVERNMENT	43,725,054	39,593,879	51,724,354	52,716,681	992,327	1.92%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Montgomery County Public Schools	45,606,194	49,145,560	52,559,453	56,267,609	3,708,156	7.1%
Montgomery College	8,037,186	8,837,413	9,962,387	10,737,387	775,000	7.8%
WSSC Water	22,078,964	24,646,117	27,656,333	29,576,235	1,919,902	6.9%
M-NCPPC	4,308,478	2,425,620	4,857,753	5,132,074	274,321	5.6%
TOTAL OTHER AGENCIES EXPENDITURES	80,030,822	85,054,710	95,035,926	101,713,305	6,677,379	7.03%
TOTAL UTILITIES EXPENDITURES	123,765,876	124,648,589	146,760,280	154,429,986	7,669,706	5.23%

EXPENDITURES BY ENERGY SOURCE						
	ACTUAL FY24	Actual FY25	APPROVED FY26	RECOM MENDED FY27	CHANGE BUDGET/REC	% CHANGE BUDGET/REC
COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS						
NON-DEPARTMENTAL ACCOUNT						
Electricity	28,810,106	25,178,174	34,553,342	34,839,425	286,083	0.8%
Water & Sewer	3,218,451	3,075,744	2,585,064	2,585,064	0	0.0%
Fuel Oil	91,171	53,167	75,665	75,665	0	0.0%
Natural Gas	2,638,795	1,887,311	3,702,797	3,702,797	0	0.0%
Propane	32,649	38,893	23,575	23,575	0	0.0%
Renew able Energy	0	0	0	0	0	0.0%
Other	647,856	1,075,506	1,426,828	1,774,383	347,555	24.4%
GENERAL FUND NDA EXPENDITURES	35,439,028	31,308,795	42,367,271	43,000,909	633,638	1.50%
OTHER TAX SUPPORTED OPERATIONS						
Electricity	2,989,091	2,766,317	3,782,714	3,782,714	0	0.0%
Water & Sewer	610,082	747,690	700,000	700,000	0	0.0%
Fuel Oil	0	0	9,628	9,628	0	0.0%
Natural Gas	630,020	697,712	796,679	796,679	0	0.0%
Propane	0	0	57,910	57,910	0	0.0%
Renew able Energy	0	0	0	0	0	0.0%
Other	43,393	43,843	0	0	0	0.0%
SUBTOTAL	4,272,586	4,255,562	5,346,931	5,346,931	0	0.0%
TOTAL TAX SUPPORTED	39,711,614	35,564,357	47,714,202	48,347,840	633,638	1.33%
NON-TAX SUPPORTED OPERATIONS						
Electricity	3,242,445	3,148,720	3,370,486	3,650,485	279,999	8.3%
Water & Sewer	303,585	404,711	225,171	292,261	67,090	29.8%
Fuel Oil	875	1,524	4,382	5,982	1,600	36.5%
Natural Gas	357,137	347,244	358,977	368,977	10,000	2.8%
Propane	0	0	1,040	1,040	0	0.0%
Renew able Energy	0	0	0	0	0	0.0%
Other	109,398	127,323	50,096	50,096	0	0.0%
TOTAL NON-TAX SUPPORTED	4,013,440	4,029,522	4,010,152	4,368,841	358,689	8.94%
SUMMARY - COUNTY GOVERNMENT						
Electricity	35,041,642	31,093,211	41,706,542	42,272,624	566,082	1.4%
Water & Sewer	4,132,118	4,228,145	3,510,235	3,577,325	67,090	1.9%
Fuel Oil	92,046	54,691	89,675	91,275	1,600	1.8%
Natural Gas	3,625,952	2,932,267	4,858,453	4,868,453	10,000	0.2%
Propane	32,649	38,893	82,525	82,525	0	0.0%
Renew able Energy	0	0	0	0	0	0.0%
Other	800,647	1,246,672	1,476,924	1,824,479	347,555	23.5%
TOTAL COUNTY GOVERNMENT	43,725,054	39,593,879	51,724,354	52,716,681	992,327	1.92%
OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS						
Electricity	61,906,565	67,190,028	74,794,835	79,969,786	5,174,951	6.9%
Water & Sewer	9,328,643	9,168,069	9,332,091	10,899,355	1,567,264	16.8%
Fuel Oil	81,231	71,993	87,250	92,750	5,500	6.3%
Natural Gas	8,047,056	8,275,535	9,953,794	9,868,634	(85,160)	-0.9%
Propane	218,696	112,970	319,546	389,556	70,010	21.9%
Renew able Energy	230,246	215,099	488,210	433,724	(54,486)	-11.2%
Other	218,385	21,016	60,200	59,500	(700)	0.0%
SUBTOTAL	80,030,822	85,054,710	95,035,926	101,713,305	6,677,379	7.03%
TOTAL UTILITIES EXPENDITURES						
Electricity	96,948,207	98,283,239	116,501,377	122,242,410	5,741,033	4.9%
Water & Sewer	13,460,761	13,396,214	12,842,326	14,476,680	1,634,354	12.7%
Fuel Oil	173,277	126,684	176,925	184,025	7,100	4.0%
Natural Gas	11,673,008	11,207,802	14,812,247	14,737,087	(75,160)	-0.5%
Propane	251,345	151,863	402,071	472,081	70,010	17.4%
Renew able Energy	230,246	215,099	488,210	433,724	(54,486)	-11.2%
Other	1,019,032	1,267,688	1,537,124	1,883,979	346,855	22.6%
TOTAL UTILITIES EXPENDITURES	123,765,876	124,648,589	146,760,280	154,429,986	7,669,706	5.23%

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