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# Utilities

## 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.

## HIGHLIGHTS

This budget funds the utility costs for 236 (General Fund) facilities with approximately 5,592,578 total square feet, and over 67,359 streetlights and 822 traffic controlled signalized intersections.

## BUDGET OVERVIEW

The FY14 Recommended Budget for the tax-supported Utilities non-departmental account (NDA) is \$26,944,512, an increase of \$784,652 or 3.2 percent from the FY13 Approved Budget of \$26,109,860. Allocation of these utilities expenditures is approximately: electricity, 85.8 percent; natural gas, 5.5 percent; water and sewer, 6.8 percent; fuel oil, 0.8 percent, and propane, .2 percent.

The FY14 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 not supported by taxes, but through user fees or charges for services.

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 \$72,663,438 which includes the entire bi-county area of WSSC.

The FY14 Recommended tax-supported budget for Utilities Management, including both the General Fund NDA (\$26,944,512) and the other tax supported funds (\$2,831,872), is \$29,776,384, an increase of \$785,602 or approximately 2.7 percent from the FY13 Approved utilities budget. The FY14 Recommended budget for non-tax supported utilities expenditures is \$4,813,658, an increase of \$139,458 or 2.98 percent from the FY13 Approved Budget.

In both the tax and non-tax supported funds, increased utilities expenditures result primarily from greater consumption due to new facilities or services; and in some cases, a more precise alignment of budgeted costs with actual prior-year expenditures by utility type; decreases in utility expenditures result primarily from reductions in consumption. Energy conservation and cost-saving measures (e.g., new building design, lighting technology, energy, and HVAC management systems) help offset increased utility consumption or 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; not the General Fund Utilities NDA. ICEUM also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to final Council approval of the FY14 Budget.

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.

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## **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 non-departmental account.

### **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 citizen centers.

### **Urban Districts**

Urban District utilities are supported by Urban District Funds, which are included in the operating budget for Regional Services 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 not appropriated directly but in the budgets of other departments.

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 funds utility expenditures associated with the operation of all County-owned parking garages and parking lots.

### **Liquor Control**

The Department of Liquor Control funds utility expenditures associated with the operation of the liquor warehouse, administrative offices, and the County-owned and contractor-operated retail liquor stores.

### **Department of Environmental Protection, Solid Waste Services**

Solid Waste Services 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.

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## **Other Agencies**

Utilities for MCPS, Montgomery College, (bi-county) WSSC, and M-NCPPC are displayed in the charts on the following pages. These are the amounts requested in the budgets of those agencies.

## **LINKAGE TO COUNTY RESULT AREAS**

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***An Effective and Efficient Transportation Network***
- ❖ ***Safe Streets and Secure Neighborhoods***

## **PROGRAM CONTACTS**

Contact Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

## **PROGRAM DESCRIPTIONS**

### ***Utilities (for All General Fund Departments)***

The Utilities non-departmental account provides the General Fund utilities operating expense appropriations for the facilities maintained by the Department of General Services and the Department of Transportation. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

## BUDGET SUMMARY

|  | Actual<br>FY12    | Budget<br>FY13    | Estimated<br>FY13 | Recommended<br>FY14 | % Chg<br>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                         | 26,715,407        | 26,109,860        | 26,109,860        | 26,944,512          | 3.2%             |
| Capital Outlay                             | 0                 | 0                 | 0                 | 0                   | —                |
| <b>County General Fund Expenditures</b>    | <b>26,715,407</b> | <b>26,109,860</b> | <b>26,109,860</b> | <b>26,944,512</b>   | <b>3.2%</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                | —                |
| <b>GRANT FUND MCG</b>                      |                   |                   |                   |                     |                  |
| <b>EXPENDITURES</b>                        |                   |                   |                   |                     |                  |
| Salaries and Wages                         | 0                 | 0                 | 0                 | 0                   | —                |
| Employee Benefits                          | 0                 | 0                 | 0                 | 0                   | —                |
| <b>Grant Fund MCG Personnel Costs</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</b>         |
| Operating Expenses                         | 121,618           | 0                 | 0                 | 0                   | —                |
| Capital Outlay                             | 0                 | 0                 | 0                 | 0                   | —                |
| <b>Grant Fund MCG Expenditures</b>         | <b>121,618</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</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                | —                |
| <b>REVENUES</b>                            |                   |                   |                   |                     |                  |
| Federal Grants                             | 121,618           | 0                 | 0                 | 0                   | —                |
| <b>Grant Fund MCG Revenues</b>             | <b>121,618</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</b>         |
| <b>DEPARTMENT TOTALS</b>                   |                   |                   |                   |                     |                  |
| <b>Total Expenditures</b>                  | <b>26,837,025</b> | <b>26,109,860</b> | <b>26,109,860</b> | <b>26,944,512</b>   | <b>3.2%</b>      |
| <b>Total Full-Time Positions</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</b>         |
| <b>Total Part-Time Positions</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</b>         |
| <b>Total FTEs</b>                          | <b>0.00</b>       | <b>0.00</b>       | <b>0.00</b>       | <b>0.00</b>         | <b>—</b>         |
| <b>Total Revenues</b>                      | <b>121,618</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>            | <b>—</b>         |

## FY14 RECOMMENDED CHANGES

|   | Expenditures      | FTEs        |
|---|-------------------|-------------|
| <b>COUNTY GENERAL FUND</b>  |                   |             |
| <b>FY13 ORIGINAL APPROPRIATION</b>  | <b>26,109,860</b> | <b>0.00</b> |
| <b>Other Adjustments (with no service impacts)</b>  |                   |             |
| Increase Cost: Traffic Engineering Streetlight Utilities  | 1,526,523         | 0.00        |
| Increase Cost: Utility costs for new and renovated buildings in FY14                                  | 725,511           | 0.00        |
| Shift: Shift to County Attorney (bring in Public Service Commission attorney representation in-house) | -100,000          | 0.00        |
| Decrease Cost: Due to estimated consumption and unit costs  | -1,317,382        | 0.00        |
| <b>FY14 RECOMMENDED:</b>  | <b>26,944,512</b> | <b>0.00</b> |

# FUTURE FISCAL IMPACTS

| Title   | CE REC.       |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | FY14          | FY15          | FY16          | (\$000's)     |               |               |
|   | FY17          | FY18          | FY19          |               |               |               |
| This table is intended to present significant future fiscal impacts of the department's programs. |               |               |               |               |               |               |
| <b>COUNTY GENERAL FUND</b>  |               |               |               |               |               |               |
| <b>Expenditures</b>   |               |               |               |               |               |               |
| FY14 Recommended  | 26,945        | 26,945        | 26,945        | 26,945        | 26,945        | 26,945        |
| No inflation or compensation change is included in outyear projections.                           |               |               |               |               |               |               |
| <b>Subtotal Expenditures</b>  | <b>26,945</b> | <b>26,945</b> | <b>26,945</b> | <b>26,945</b> | <b>26,945</b> | <b>26,945</b> |

**COUNTY UTILITIES EXPENDITURES**

**EXPENDITURES BY ENERGY SOURCE**

|  | <b>ACTUAL<br/>FY11</b> | <b>ACTUAL<br/>FY12</b> | <b>APPROVED<br/>FY13</b> | <b>RECOMMENDED<br/>FY14</b> | <b>CHANGE<br/>BUDGET/REC</b> | <b>% CHANGE<br/>BUDGET/REC</b> |
|--|------------------------|------------------------|--------------------------|-----------------------------|------------------------------|--------------------------------|
| <b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>            |                        |                        |                          |                             |                              |                                |
| <b>NON-DEPARTMENTAL ACCOUNT</b>                              |                        |                        |                          |                             |                              |                                |
| Electricity  | 24,441,500             | 23,761,843             | 22,630,630               | 23,375,947                  | 745,317                      | 3.3%                           |
| Water & Sewer  | 1,881,230              | 1,520,404              | 2,090,500                | 1,825,663                   | -264,837                     | -12.7%                         |
| Fuel Oil   | 106,000                | 109,726                | 210,000                  | 210,000                     | 0                            | 0.0%                           |
| Natural Gas  | 2,199,260              | 1,303,010              | 1,168,730                | 1,472,902                   | 304,172                      | 26.0%                          |
| Propane  | 2,450                  | 20,424                 | 60,000                   | 60,000                      | 0                            | 0.0%                           |
| <b>GENERAL FUND NDA EXPENDITURES</b>                         | <b>28,630,440</b>      | <b>26,715,407</b>      | <b>26,159,860</b>        | <b>26,944,512</b>           | <b>784,652</b>               | <b>3.0%</b>                    |
| <b>OTHER TAX SUPPORTED OPERATIONS</b>                        |                        |                        |                          |                             |                              |                                |
| Electricity  | 2,661,046              | 2,462,135              | 1,831,222                | 1,832,172                   | 950                          | 0.1%                           |
| Water & Sewer  | 384,417                | 519,967                | 360,090                  | 360,090                     | 0                            | 0.0%                           |
| Fuel Oil   | 29,622                 | 12,007                 | 0                        | 0                           | 0                            | N/A                            |
| Natural Gas  | 513,201                | 450,172                | 639,610                  | 639,610                     | 0                            | 0.0%                           |
| Propane  | 48,398                 | 28,333                 | 0                        | 0                           | 0                            | N/A                            |
| <b>SUBTOTAL</b>  | <b>3,636,684</b>       | <b>3,472,614</b>       | <b>2,830,922</b>         | <b>2,831,872</b>            | <b>950</b>                   | <b>0.0%</b>                    |
| <b>TOTAL TAX SUPPORTED</b>                                   | <b>32,267,124</b>      | <b>30,188,021</b>      | <b>28,990,782</b>        | <b>29,776,384</b>           | <b>785,602</b>               | <b>2.7%</b>                    |
| <b>NON-TAX SUPPORTED OPERATIONS</b>                          |                        |                        |                          |                             |                              |                                |
| Electricity  | 5,156,063              | 5,447,371              | 4,009,122                | 5,394,025                   | 1,384,903                    | 34.5%                          |
| Water & Sewer  | 110,704                | 103,449                | 212,274                  | 223,212                     | 10,938                       | 5.2%                           |
| Fuel Oil   | 3,122                  | 2,670                  | 0                        | 0                           | 0                            | N/A                            |
| Natural Gas  | 450,054                | 328,486                | 451,764                  | 452,189                     | 425                          | 0.1%                           |
| Propane  | 0                      | 0                      | 1,040                    | 1,040                       | 0                            | 0.0%                           |
| <b>TOTAL NON-TAX SUPPORTED</b>                               | <b>5,719,943</b>       | <b>5,881,976</b>       | <b>4,674,200</b>         | <b>6,070,466</b>            | <b>1,396,266</b>             | <b>29.9%</b>                   |
| <b>SUMMARY - COUNTY GOVERNMENT</b>                           |                        |                        |                          |                             |                              |                                |
| Electricity  | 32,258,609             | 31,671,349             | 28,470,974               | 30,602,144                  | 2,131,170                    | 7.5%                           |
| Water & Sewer  | 2,376,351              | 2,143,820              | 2,662,864                | 2,408,965                   | -253,899                     | -9.5%                          |
| Fuel Oil   | 138,744                | 124,403                | 210,000                  | 210,000                     | 0                            | 0.0%                           |
| Natural Gas  | 3,162,515              | 2,081,668              | 2,260,104                | 2,564,701                   | 304,597                      | 13.5%                          |
| Propane  | 50,848                 | 48,757                 | 61,040                   | 61,040                      | 0                            | 0.0%                           |
| <b>TOTAL COUNTY GOVERNMENT</b>                               | <b>37,987,067</b>      | <b>36,069,997</b>      | <b>33,664,982</b>        | <b>35,846,850</b>           | <b>2,181,868</b>             | <b>6.5%</b>                    |
| <b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b> |                        |                        |                          |                             |                              |                                |
| Electricity  | 65,754,128             | 63,249,890             | 58,565,480               | 58,587,502                  | 22,022                       | 0.0%                           |
| Water & Sewer  | 3,382,270              | 4,790,030              | 4,934,907                | 4,600,336                   | -334,571                     | -6.8%                          |
| Fuel Oil   | 192,498                | 413,500                | 864,780                  | 1,813,151                   | 948,371                      | 109.7%                         |
| Natural Gas  | 11,432,376             | 11,086,670             | 9,221,505                | 7,900,546                   | -1,320,959                   | -14.3%                         |
| Propane  | 240,316                | 276,900                | 257,370                  | 285,496                     | 28,126                       | 10.9%                          |
| <b>SUBTOTAL</b>  | <b>81,001,588</b>      | <b>79,816,990</b>      | <b>73,844,042</b>        | <b>73,187,031</b>           | <b>-657,011</b>              | <b>-0.9%</b>                   |
| <b>TOTAL UTILITIES EXPENDITURES</b>                          |                        |                        |                          |                             |                              |                                |
| Electricity  | 98,012,737             | 94,921,239             | 87,036,454               | 89,189,646                  | 2,153,192                    | 2.5%                           |
| Water & Sewer  | 5,758,621              | 6,933,850              | 7,597,771                | 7,009,301                   | -588,470                     | -7.7%                          |
| Fuel Oil   | 331,242                | 537,903                | 1,074,780                | 2,023,151                   | 948,371                      | 88.2%                          |
| Natural Gas  | 14,594,891             | 13,168,338             | 11,481,609               | 10,465,247                  | -1,016,362                   | -8.9%                          |
| Propane  | 291,164                | 325,657                | 318,410                  | 346,536                     | 28,126                       | 8.8%                           |
| <b>TOTAL UTILITIES EXPENDITURES</b>                          | <b>118,988,655</b>     | <b>115,886,987</b>     | <b>107,509,024</b>       | <b>109,033,881</b>          | <b>1,524,857</b>             | <b>1.4%</b>                    |

**COUNTY UTILITIES EXPENDITURES**

**EXPENDITURES BY DEPARTMENT/AGENCY**

|  | <b>ACTUAL<br/>FY11</b> | <b>ACTUAL<br/>FY12</b> | <b>APPROVED<br/>FY13</b> | <b>RECOMMENDED<br/>FY14</b> | <b>CHANGE<br/>BUD/APPR</b> | <b>% CHANGE<br/>REC/APPR</b> |
|--|------------------------|------------------------|--------------------------|-----------------------------|----------------------------|------------------------------|
| <b>COUNTY GOVERNMENT TAX SUPPORTED OPERATIONS</b>            |                        |                        |                          |                             |                            |                              |
| <b>NON-DEPARTMENTAL ACCOUNT</b>                              |                        |                        |                          |                             |                            |                              |
| Facilities   | 18,539,080             | 17,102,414             | 17,126,420               | 16,384,548                  | (741,872)                  | -4.3%                        |
| Traffic Signals and Streetlighting                           | 10,091,360             | 9,612,993              | 9,033,440                | 10,559,964                  | 1,526,524                  | 16.9%                        |
| <b>GENERAL FUND NDA EXPENDITURES</b>                         | <b>28,630,440</b>      | <b>26,715,407</b>      | <b>26,159,860</b>        | <b>26,944,512</b>           | <b>784,652</b>             | <b>3.0%</b>                  |
| <b>OTHER TAX SUPPORTED OPERATIONS</b>                        |                        |                        |                          |                             |                            |                              |
| Transit Services   | 89,089                 | 90,394                 | 91,730                   | 91,730                      | 0                          | 0.0%                         |
| Recreation   | 3,547,595              | 3,382,220              | 2,739,192                | 2,740,142                   | 950                        | 0.0%                         |
| SUBTOTAL   | 3,636,684              | 3,472,614              | 2,830,922                | 2,831,872                   | 950                        | 0.0%                         |
| <b>TOTAL TAX SUPPORTED</b>                                   | <b>32,267,124</b>      | <b>30,188,021</b>      | <b>28,990,782</b>        | <b>29,776,384</b>           | <b>785,602</b>             | <b>2.7%</b>                  |
| <b>COUNTY GOVERNMENT NON-TAX SUPPORTED OPERATIONS</b>        |                        |                        |                          |                             |                            |                              |
| Fleet Management Services                                    | 899,648                | 1,288,141              | 916,010                  | 1,630,392                   | 714,382                    | 78.0%                        |
| Parking Districts  | 3,730,870              | 3,513,100              | 2,860,708                | 3,120,058                   | 259,350                    | 9.1%                         |
| Liquor Control   | 945,997                | 950,804                | 765,810                  | 1,093,810                   | 328,000                    | 42.8%                        |
| Solid Waste Services   | 143,428                | 129,931                | 131,672                  | 226,206                     | 94,534                     | 71.8%                        |
| <b>TOTAL NON-TAX SUPPORTED</b>                               | <b>5,719,943</b>       | <b>5,881,976</b>       | <b>4,674,200</b>         | <b>6,070,466</b>            | <b>1,396,266</b>           | <b>29.9%</b>                 |
| <b>SUMMARY - COUNTY GOVERNMENT</b>                           |                        |                        |                          |                             |                            |                              |
| TOTAL TAX SUPPORTED  | 32,267,124             | 30,188,021             | 28,990,782               | 29,776,384                  | 785,602                    | 2.7%                         |
| TOTAL NON-TAX SUPPORTED                                      | 5,719,943              | 5,881,976              | 4,674,200                | 6,070,466                   | 1,396,266                  | 29.9%                        |
| <b>TOTAL COUNTY GOVERNMENT</b>                               | <b>37,987,067</b>      | <b>36,069,997</b>      | <b>33,664,982</b>        | <b>35,846,850</b>           | <b>2,181,868</b>           | <b>6.5%</b>                  |
| <b>OUTSIDE AGENCIES TAX AND NON-TAX SUPPORTED OPERATIONS</b> |                        |                        |                          |                             |                            |                              |
| Montgomery County Public Schools                             | 41,329,506             | 41,687,370             | 38,315,819               | 36,792,003                  | (1,523,816)                | -4.0%                        |
| Montgomery College   | 7,711,568              | 8,467,370              | 6,560,471                | 7,096,728                   | 536,257                    | 8.2%                         |
| Washington Suburban Sanitary Commission                      | 28,527,669             | 25,644,000             | 24,582,052               | 23,910,000                  | (672,052)                  | -2.7%                        |
| M-NCPPC  | 3,432,845              | 4,018,250              | 3,830,300                | 5,388,300                   | 1,558,000                  | 40.7%                        |
| <b>TOTAL OTHER AGENCIES EXPENDITURES</b>                     | <b>81,001,588</b>      | <b>79,816,990</b>      | <b>73,288,642</b>        | <b>73,187,031</b>           | <b>(101,611)</b>           | <b>-0.1%</b>                 |
| <b>TOTAL UTILITIES EXPENDITURES</b>                          | <b>118,988,655</b>     | <b>115,886,987</b>     | <b>106,953,624</b>       | <b>109,033,881</b>          | <b>(8,933,363)</b>         | <b>1.9%</b>                  |