



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

Robert Gibson, Chair; Matt Heavner, Vice Chair
Eric Stromberg,, Charles Nakhleh and Jennifer Hollingsworth,
Members
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Ryn Herrmann, Council Liaison

Wednesday, August 26, 2026

5:30 PM

Municipal Building, B&C Rm #110

SPECIAL WORK SESSION

Public participation - in person & <https://us06web.zoom.us/j/88576634269>

Members of the public may also participate remotely and provide public comment via Zoom

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PUBLIC COMMENT:

Oral comments are accepted during the periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Public comments are limited to three minutes per person. For those participating over Zoom, please use the raise hand function. If you are participating by phone enter *9 to raise your hand. Please submit written comments to the board at bpu@lacnm.us.

1. CALL TO ORDER

2. PUBLIC COMMENT**3. APPROVAL OF AGENDA****4. STRATEGIC PLANNING**

[22088-26](#) Annual Strategic Planning for the Department of Public Utilities

Presenters: Board of Public Utilities

Attachments: [A - Strategic Planning Meeting Packet](#)

5. PUBLIC COMMENT**6. ADJOURNMENT**

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County of Los Alamos

Staff Report

August 26, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:

Index (Council Goals):

Presenters: Board of Public Utilities

Legislative File: 22088-26

Title

Annual Strategic Planning for the Department of Public Utilities

Recommended Action

Review DPU's Mission, Vision, Values, and current FY2027 Strategic Plan and provide direction to staff for preparing the FY2028 Strategic Plan BPU will consider this FY2028 plan at the regular meeting on September 16,2026.

Body

The Utilities Manager is expected to annually develop strategic objectives and long-term goals and present them to the Board for approval. The Utilities Manager and senior staff will soon begin strategic planning for fiscal year 2028. Staff plans to return to the Board at the next regular meeting to present and request approval of any proposed revisions to the Mission, Vision, Values, strategic objectives, and long-term goals. Prior to that, staff would like Board input to incorporate into planning efforts to ensure alignment of focus areas, strategic objectives and goals with Board and County priorities.

These sessions will be facilitated by Kathy Darwin a professional in Executive Coaching & Business Strategy. (www.kathydarwin.com)

Attachments

A - Strategic Planning Meeting Packet



**Board of Public Utilities
Strategic Planning Workshop
August 26, 2026
5:30 p.m.**

AGENDA

- 1. Welcome and Strategic Plan Overview** **Philo Shelton**
- 2. Workshop Objectives**
 - Review the 2026 Management Team SWOT Analysis
 - Identify FY2028 Strategic Plan Measurable Objectives and Performance Measures
- 3. 2026 Management Team SWOT Analysis**
- 4. FY 2028 Strategic Plan Objectives and Measures**
 - Small-Group Exercise: Identify Performance Measures for Measurable Objectives
 - Small-Group Presentations: Present Measurable Objectives and Measures to the Large Group
 - Large-Group Discussion: Reach a Consensus on Measurable Objectives and Measures
- 5. Public Comment**
- 6. Workshop Feedback and Evaluation**
- 7. Closing Comments** **Philo Shelton**

Los Alamos Department of Public Utilities

2026 Management Team SWOT Survey Results

8 Participants

Affinity Diagrams

July 2026

Q1 - Strengths (5)

Theme	Related Comments
Experienced, Qualified & Knowledgeable Workforce	• Experienced DPU workforce • Qualified staff • The ED line crew is very talented and knowledgeable of the system, and this combination makes them very efficient • Resources for training
Leadership, Culture & Ethics	• Competent leadership/governance • Positive culture • Ethical behavior • A strong culture • A good place to work • Staff willingness to consider new ways of doing the utility's business and accommodate change
Providing Good, Quality Service	• Reliable 24-hour utility services that maintain power and support emergency response • Excellent service to residents • General community rapport • Updated equipment • Advanced technology • Strong transparency and communication with the public
Competent Financial Management	• Enterprise fund structure provides clear oversight of utility rates, revenues, and budgeted expenditures • Effective financial management • Strong financial strength to take on projects across utility sectors • Ability to obtain project financing to slow needed rate increases • Low levels of customer-related account collections
Partnerships	• Coordinating across DPU divisions, County Departments, and outside partners to find and implement efficient projects

Q2 - Weaknesses (6)

Theme	Related Comments
Revenue Shortfalls	• Rate increases needed to cover operating costs face significant public and political scrutiny • Seasonal fluctuations in water and gas services create volatility in projected revenues • Cash reserve targets and reserve requirements are difficult to meet • Prior-year budget projections were overestimated, resulting in current-year budget shortfalls
Project & Workload Demands	• CIP project carryovers from prior years when projects were not completed as budgeted • Lengthy procurement processes may contribute to delays in CIP completion • Difficult to complete projects with current customer demands • Staff are spread thin across many issues and challenges, with multitasking contributing to an inability to focus fully and creating work/life imbalance
Workforce Culture & Recruitment	• Field crew culture of bullying and intimidation of new and inexperienced personnel • Difficulty finding qualified candidates for some positions • Difficult-to-fill electrical engineering and utility locator positions • Engagement with the workforce to communicate new policies • Recent retirements have resulted in a loss of institutional knowledge
IT & Tech Challenges	• Document control challenges between the attorney's office and DPU affect workflow efficiency • Lack of a centralized document-sharing space between divisions • Software updates, especially with billing
Collaboration	• Communication to the public is mired in double checks or out-of-office delays • Teams operate as separate entities rather than a cohesive unit, with a noticeable reluctance to share information • Analysis paralysis at the BPU
Aging Infrastructure & Electrification Readiness	• A large percentage of the underground system is very old and beginning to fail • Underground cable failures are difficult to locate and repair, leading to lengthy consumer outages • Long secondary service wires will not support an all-electric initiative without significant design changes

Q3 - Opportunities (4)

Theme	Related Comments
Rates, Reserves & Capital Funding	• Approved rate increases help generate additional revenue to support operations and rebuild reserves • Time-of-Use (TOU) rates can influence customer behavior and reduce peak demand on the electric system • Future cost-of-service rate analyses will strengthen rate ordinance development and improve accuracy in future budget planning • Favorable loan and grant opportunities can help offset the impact of necessary rate increases and support capital needs • The New Mexico Water Trust Board is expanding its eligibility to wastewater projects, which will help fund much-needed wastewater collection projects
Partnerships & Government Affairs	• Continue developing the political influence that helps get grant awards • Partnerships with LANL, the School District, and San Ildefonso Pueblo can bring new technologies and resources to the utility
Technology & Reliability	• Stay on top of fast-moving developments in technology without delay • Use new technologies to support the County's electrification and carbon-free goals • With the installation of LASS, divide the townsite community into smaller circuits that will provide better consumer reliability
Operational Enhancement	• Continue being prepared with projects to apply for and receive funding opportunities to upgrade infrastructure • Enhance O&M capabilities to take on a few more in-house projects and cover more ground with O&M goals • Streamline policies and procedures from the APWA process • Expand to strengthen divisions outside of APWA • Provide opportunities for junior employees to have roles and speak up in projects with senior employees • Improve the customer service experience by responding quickly

Q4 - Threats (6)

Theme	Related Comments
Financial Perception	- Declining gas usage has reduced winter revenues, creating financial pressure - Lack of rate increases in prior years has led to larger required increases now - Continued inability to meet cash reserve requirements poses financial stability risks - Lack of timely rate adjustments can shift costs from today's customers to future customers and set DPU up for poor future financial performance - Not all rate increase requests are supported - Costs/rates may drown out everything else and may dominate the public conversation - The public may not appreciate the cost of upgrades needed to support all-electric initiatives - Larger required rate increases are contributing to public dissatisfaction
Electrification Costs & Incentives	- The concept of electrification is generally supported, but people do not want to pay for it when natural gas is relatively inexpensive - The anti-donation law makes it difficult to offer incentives to electrify - There is a lack of incentives/programs to achieve customer-end goals - Upgrades needed to support all-electric initiatives will be expensive to complete
Funding Competition	More communities will be competing for the same pool of state funding, it may be harder to win Water Trust Board grant funding. If funding is not received, planned drinking-water projects may be delayed
Procurement Constraints	- Procurement constraints are creating significant pinch points - It takes substantial work and time to procure the items needed to maintain operations - Managing procurement demands could be a separate full-time job
Public Communication	Delays in communication allow other stories - whether accurate or not - to rise above DPU's message
Environmental Risk	The chromium plume may affect the supply of clean water

Q5 - Strategic Issues - Looking ahead three to five years, what is the single most important strategic issue our organization must address to remain successful?

Theme	Related Comments
Cash Reserves & Rates	- Meeting cash reserves - Implementing timely rate adjustments to maintain positive cash flow and strong reserves - Justifying rates, whether through a new type of rate or a new rate structure
Streamline Operations	Stay focused on finding new and cost-effective business practices that minimize cost while maintaining or improving the quality of service
Asset Management	- Change how we fund our biggest projects - Relying only on state grants is too risky now that competition is so high - We must constantly look at our project list, figure out what needs to be fixed first, and find opportunities to fund projects - Balance the needs and the wants
Electrification & Environmental Sustainability	How to advance the metric faster to electrify to meet the environmental sustainability focus area
Future-Ready Workforce	Recruit and maintain a competent, high-performing, and engaged workforce

Summary:

Strengths	Weaknesses	Opportunities	Threats
Experienced, Qualified & Knowledgeable Workforce	Revenue Shortfalls	Rates, Reserves & Capital Funding	Financial Perception
Leadership, Culture & Ethics	Project & Workload Demands	Partnerships & Government Affairs	Electrification Costs & Incentives
Providing Good, Quality Service	Workforce Culture & Recruitment	Technology & Reliability	Funding Competition
Competent Financial Management	IT & Tech Challenges	Operational Enhancement	Procurement Constraints
Partnerships	Collaboration		Public Communication
	Aging Infrastructure & Electrification Readiness		Environmental Risk

**Los Alamos Department of Public Utilities
FY2028 Strategic Focus Areas, Goals & Objectives
Board of Public Utilities
August 26, 2026**

Mission

- To provide safe, reliable, economical, and environmentally responsible utility services.

Vision

- Continually earn community trust through exceptional utility services.

Values

- We value Community, Employees, Partners and the Environment through:
 - Safety
 - Trust
 - Professionalism
 - Customer Service
 - Fiscal Responsibility
 - Ethical Behavior
 - Communication
 - Collaboration
 - Innovation
 - Fairness

(Note: Objectives listed below are not ranked by importance.)

FOCUS AREA - Operations & Performance

GOAL - 1.0 Provide utility services safely, reliably, and efficiently:

Ongoing Objectives:	Measurable Objectives:
1.1 Objective - Efficiently implement and maintain secure and reliable business systems.	1.3 Objective – Establish a plan to upgrade electric supply and distribution systems that replaces aging assets, meets the needs of all-electric buildings and electric vehicles and maximizes benefits of distributed energy resources.
1.2 Objective - Ensure utility control and mapping systems and processes are accurate, safe, and secure.	
1.4 Objective - Develop a culture of continuous improvement.	
1.5 Objective - Be flexible and adaptable in delivering all utility operations.	

FOCUS AREA - Financial Performance

GOAL - 2.0 Achieve and maintain excellence in financial performance.

Ongoing Objectives:	Measurable Objectives:
2.2 Objective – Take advantage of favorable loan/grant opportunities.	2.1 Objective - Control costs and maintain adequate revenue to provide a high level of service, now and into the future, while keeping rates competitive with similar utilities. Conduct cost of service studies for each utility at least every 5 years, adjusting rates as needed .
2.4 Objective - Conduct cost of service studies for each utility at least every 5 years, adjusting rates as needed .	2.3 Objective - Meet financial reserve targets within our 10-year financial policy, with a debt coverage ratio of 1.3 or greater every fiscal year.

FOCUS AREA – Customers and Community

GOAL - 3.0 Be a customer service-oriented organization that is approachable, communicative, efficient, and transparent.

Ongoing Objectives:
3.1 Objective - Customer service processes and systems are efficient, secure, and user-friendly.
3.3 Objective - Utilize customer feedback to improve utility plans and operations.

Measurable Objectives:
3.2 Objective – Inform customers about Utilities operations and plans affecting the community and create opportunities for constituents to engage.
3.4 Objective - Educate Board Members on markets, contracts, and production options for all aspects of the utility systems.
(As measured by the Voice of the Customer survey.)

FOCUS AREA - Workforce

GOAL - 4.0 **Recruit and Sustain a capable, satisfied, engaged, ethical and safe workforce focused on customer service.**

Ongoing Objectives:
4.1 Objective - Sustain an environment where employees are empowered, engaged, satisfied, and fairly compensated.
4.2 Objective - Promote a culture aligned with LADPU's Mission, Vision and Values.

Measurable Objectives:
4.3 Objective - Promote workforce retention by investing in employee training and professional development.

FOCUS AREA - Environmental Sustainability

GOAL - 5.0 Continuously, conscientiously, work toward environmental sustainability.

Ongoing:
5.1 Objective - Promote utility efficiency through targeted conservation programs. (Combine with 5.6)
5.6 Objective - Support customer electrification and other sustainability efforts with education and technical support. (Program like 5.1)

Action Items:
5.2 Objective - ELECTRIC Be a net carbon neutral electric provider by 2040.
5.3 Objective – GAS - Support phase out of natural gas service by 2070 with at least a 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016 – 2020 average.
5.4 Objective - WATER – Reduce potable water use by 12% from 143 gallons per capita per day (2020 calendar baseline) to 126 gallons per capita per day by 2030.
5.5 Objective - SEWER – Expand use of Class 1A effluent water.

FOCUS AREA - Partnerships

GOAL - 6.0 Develop and strengthen partnerships.

Ongoing:
6.1 Objective - Strengthen existing partnerships, (e.g., Community Members, LANL, DOE, Pueblos, NM and Federal Government, Neighboring Municipalities, LAC Schools, County Council) and identify new potential partnering opportunities.

Action Items:
6.2 Objective - Collaborate with other Los Alamos County Departments on implementation of County Sustainability Goals including Climate Action Plan.
6.3 Objective - Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso Pueblo, DPU and Public Works, especially for communications infrastructure.
6.4 Objective - Pursue timely renewal of Energy Coordination Agreement (ECA).