

FY2023 ANNUAL REPORT

JUL1 / 2022 thru JUN30 / 2023

Issued Feb22 / 2024

ON THE COVER: The DPU's administrative office
and Customer Care Center are located in the Los
Alamos County Municipal Building

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A Word from the Utility Manager



PHILO SHELTON

UTILITIES MANAGER

June 2019 through present

Professional Engineer

Master of Science in Civil Engineering

Bachelor of Science in Civil Engineering

Master of Public Administration

Certified Public Manager

In a nutshell...

For fiscal year 2023, while operating revenues for the joint utility fund were up \$12.8 million over last year to \$83 million, operating expenses came in at \$86.9 million that resulted in a loss of \$3.9 million. These additional operating expenses were primarily due to gas and electric commodity costs. The cost for natural gas was extremely high from December 2022 through February 2023 and at its peak, the San Juan Index rose to \$3.30 per therm. That exceeded the utility's gas rate cap of \$0.99 per therm by over three times the amount that DPU could charge set by its rate ordinance. By January 2023 the cumulative cost of gas reached a deficit of nearly \$4 million in the gas fund.

In April 2023 a new rate was put in place changing the collection of variable cost of gas by increasing the commodity cap from \$0.99 to \$4 per therm and establishing a recovery rate of \$0.44/therm for up to two years or until this operational deficit is repaid. Finally, since a large portion of open market purchases for electricity is generated by natural gas, this too elevated the cost to purchase power.

DPU continues to experience higher costs due to inflation in all areas of its operations. These not only include commodity costs, but it also includes rising wages, materials, equipment, and construction bid cost increases. All these cost increases have necessitated rate increases in all four of its utilities. For the water and wastewater utilities, DPU has been able to take advantage very favorable loan rates of 0.01% plus a 0.25% administrative fee for most of its major capital improvement projects. These low loan rates help to lessen the utility rate increases that DPU must pass along to its customers.

Also, the 2023 State Legislative Session awarded DPU a total of \$9.6 million. The Jemez Mountain Fire Protection Project/Camp May Waterline was awarded \$7 million, and State Road 4 was awarded a \$2.6 million grant plus

a \$2.4 million low interest loan. Going forward, DPU will continue to seek grants and low interest loans as a strategy to minimize rate increases to its customers.

Finally, DPU staff and Los Alamos County Social Services have enhanced their partnership and coordination on services to better help our customers in need.

This annual report lists many of DPU's operational performance metrics and accomplishments. However, the primary purpose of this Annual Report is to report on the DPU's financial performance for fiscal year 2023, including the variances presented for each utility fund. DPU uses this information in preparing fiscal years 25 and 26 budgets, and this information will be the baseline in preparing the 10-year budget projections.

While this 2023 fiscal year has seen some major budget challenges, DPU, in coordination with the Board of Public Utilities, updates its strategic plan annually to adapt to our ever-changing business environment. This strategic plan has six major focus areas: 1) Operational Performance, 2) Financial Performance, 3) Customers, Stakeholders & Community, 4) Workforce, 5) Environmental Sustainability, and 6) Partnerships. We're pleased to list our accomplishments with respect to these six focus areas on pages 13 and 14.

Most recently, the BPU updated the department's goals and objectives, which are linked to its strategic plan focus areas, in multiple areas. They include goals related to: energy transition as our community moves toward carbon free energy; how to educate and inform our customers; and partnerships by adding definition and clarity. The updates are as follows:

1.6 Objective – Establish a plan to upgrade electric supply and distribution systems to meet needs of all-electric building and electric vehicles and maximize benefit of distributed energy resources.

3.3 Objective – Inform stakeholders about Utilities operations affecting the community and create opportunities for stakeholders to engage.

5.3.a Gas Objective – Support phase out of natural gas service by 2070 with at least 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016-2020 average.

5.3.b Gas Objective – Work with other County departments to minimize investments in new gas

consuming equipment.

6.1 Objective – Communicate with stakeholders, (e.g., customers, LANL, DOE, pueblos, NM and federal government, neighboring municipalities, LAC schools, County Council) to strengthen existing partnerships and identify new potential mutually beneficial partnering opportunities.

6.2 Objective – Partner with other Los Alamos County departments on implementation of BPU approved LARES goals.

6.3 Objective – Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso, DPU and PW, especially for communications infrastructure.

In conclusion, DPU looks forward to serving the community with its mission to “provide safe and reliable utility services in an economically and environmentally sustainable fashion.”



Construction of Otowi Well #2 was completed in FY2023. The total depth of the well is 2,310 feet, pumping from an elevation of 6,430 feet. The pumped water has a temperature of 84.4 degrees Fahrenheit.

About DPU



The Department of Public Utilities is county-owned. It provides Los Alamos County with electric, natural gas, water and wastewater services.

Established under Article 5 of the 1968 Charter for the Incorporated County of Los Alamos, the DPU falls under the jurisdiction of the Board of Public Utilities.

Serving a population of 19,419 citizens with an authorized budget of approximately \$154 million, DPU operates and maintains assets totaling \$216 million with about 100 employees.

LEFT: The Electric Distribution Division participates in overhead system safety training.

SERVICE AREA

Population	19,419
Area	109 sq mi

OF EMPLOYEES

Full Time	97
Limited/Part-time	5.65

AVG # OF CUSTOMERS

Electric	8,666
Natural Gas	7,581
Water	7,076
Wastewater	6,760

RECORD PEAK DEMAND

Electric	93 MW (2018)
Natural Gas	9,688 DTH (1998)
Water	1.7 BGal (1998)

TOTAL REVISED BUDGET

\$154,303,110

TOTAL VALUE OF ASSETS

Electric	66,329,345
Natural Gas	11,799,046
Water*	81,666,614
Wastewater	57,292,305
Joint Utility Assets*	\$216,996,257

ELECTRIC

ELECTRIC PRODUCTION (renewable)

- El Vado hydroelectric plant (8.9 MW)
- Abiquiu hydroelectric plant (17 MW)
- WAPA federal hydroelectric entitlement (1 MW)
- Utility-scale photovoltaic array, landfill (1 MW)
- Uniper contract (15 MW)

ELECTRIC PRODUCTION (non-renewable)

- Laramie River Station entitlement (10 MW)
- Uniper contract (25 MW)
- Market purchases (variable)

ELECTRIC DISTRIBUTION

- 3 substations
- 236 miles of distribution lines (66% underground, 34% overhead)
- 2,387 utility poles
- 2,010 transformers
- 9,000+ meters

WATER

WATER PRODUCTION

- 13 production wells
- 25 tanks
- 17 booster stations
- 37 MGal of storage
- 4 disinfection facilities
- 4 pressure regulating stations
- 47 miles of transmission lines

WATER DISTRIBUTION

- 122 miles of distribution lines
- 63 pressure regulating valves
- 7,000+ meters

NON POTABLE

- Los Alamos Canyon Dam
- Ski hill catchments
- 6 tanks/reservoirs/ponds
- 4 pressure regulating stations
- 14 miles of transmission lines
- 6 meters
- 4 booster pumping stations

NATURAL GAS

- 3 entry border stations
- 17 pressure regulating stations
- 128 miles of distribution lines
- 83 miles of delivery lines
- 7,000+ meters

WASTEWATER

COLLECTION

- 118 miles of collection mains
- 45 miles of delivery lines
- 26 lift stations
- 2,674 manholes

TREATMENT

- LA treatment facility
- WR treatment facility
- 1 biosolids composting facility

* As reported in the FY2023 ACFR, joint utility assets do not include \$91,503 "due from other subfunds," which is included in the value of water assets.

DPU Senior Management Team



Philo Shelton

Utilities Manager



James Alarid

**Deputy UM:
Engineering**



Karen Kendall

**Deputy UM:
Finance/Administration**



Cathy D'Anna

Public Relations Manager

With their diverse depth of knowledge in multi-service utilities, power systems and public works organizations, DPU's management team brings a results-driven leadership style to our staff of 100 employees in power



Stephen Marez

**Deputy UM:
Electric Distribution**



Clay Moseley

**Deputy UM:
Gas, Water, & Sewer**



Ben Olbrich

**Deputy UM:
Electric Production**

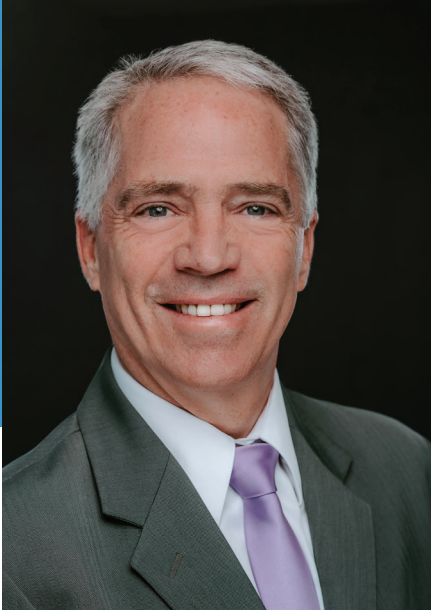
production, electric distribution,
water production, gas and water
distribution, wastewater collection
and treatment services, engineering,
administration, finance, public
relations and customer service.



Kathy Casados

Executive Assistant

FY2023 Board of Public Utilities



Steve Tobin

2023 Chair

Appointed: July 2019

1st Term: July 2019 - June 2024

Chair: 2023

Vice Chair: 2022



Cornell Wright

2023 Vice Chair

Appointed: July 2020 (partial term)

1st Term: July 2021 - June 2026

Chair: 2021, 2022

Vice Chair: 2023



Stephen McLin

Member

Appointed: July 2014 (partial term)

2nd Term: July 2018 - June 2023

Vice Chair: 2015, 2020, 2021



Eric Stromberg

Member

Appointed: July 2020

1st Term: July 2020 - June 2025



Charles Nakhleh

Member

Appointed: July 2022

1st Term: July 2022 - June 2027

Consisting of five voting members and appointed by the Los Alamos County Council, the Board of Public Utilities is the governing body for the DPU. Members reside in Los Alamos and are customers of the department.

For calendars, policies and procedures, agendas, minutes and videos of meetings, visit LADPU.com/BPU.

The BPU meets on the first Wednesday of each month via Zoom and on the third Wednesday of each month via Zoom and in Council Chambers, 1000 Central Ave., Los Alamos, NM.

Meetings are at 5:30 p.m. and streamed online. To view them, visit: LADPU.com/BPUliveproceedings.

Members of the public are welcome to attend.

M.V.V.



Mission

Provide safe and reliable utility services in an economically and environmentally sustainable fashion



Vision

Be a high-performing, community-centric utility contributing to its future with innovative and diversified utility solutions



We Value

- CUSTOMERS by being service oriented and fiscally responsible
- EMPLOYEES & PARTNERSHIPS by being a safe, ethical and professional organization that encourages continuous learning
- ENVIRONMENT & NATURAL RESOURCES through innovative solutions
- COMMUNITY by being communicative, organized and transparent

STRATEGIC FOCUS AREAS

OPERATIONS & PERFORMANCE

GOAL: Provide safe and reliable utility services

- All utilities services are delivered safely, reliably and efficiently
- Efficiently implement and maintain secure and reliable business systems
- Utility control and mapping systems and processes are accurate, safe and secure
- Develop a culture of continuous improvement
- Be flexible and adaptable in delivering all utility operations
- Establish a plan to upgrade electric supply and distribution systems to meet needs of all-electric buildings and electric vehicles, and maximize benefit of distributed energy resources.

FINANCIAL PERFORMANCE

GOAL: Achieve and maintain excellence in financial performance

- Utilize revenues to provide a high level of service while keeping rates competitive with similar utilities
- Achieve workplans while operating within budget
- Meet financial reserve targets within our 10-year financial policy, with a debt coverage ratio of 1.6 or greater every fiscal year
- Conduct cost of service studies for each utility at least every 5 years

CUSTOMERS, STAKEHOLDERS & COMMUNITY

GOAL: Be a customer service-oriented organization that is communicative, efficient and transparent

- Customer service processes and systems are efficient, secure and user-friendly
- Educate Board Members on markets, contracts and production options for all electric production resources
- Inform stakeholders about Utilities operations affecting the community and create opportunities for stakeholders to engage
- Utilize Voice of the Customer survey results to improve utility operations

WORKFORCE

GOAL: Sustain a capable, satisfied, engaged, ethical and safe workforce focused on customer service

- Employees are engaged, satisfied and fairly compensated
- Employees promote a culture of safe, ethical and customer-focused behavior
- Leaders invest in employee training and professional development

ENVIRONMENTAL SUSTAINABILITY

GOAL: Continuously, conscientiously, work toward environmental sustainability

- Promote utility efficiency through targeted conservation programs
- Be a net carbon neutral electric provider by 2040
- Support phase out of natural gas service by 2070 with at least at 10% reduction in usage by 2030 as measured in annual therms per heating degree day compared to a 2016-2020 average
- Work with other County departments to minimize investments in new gas consuming equipment
- 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
- Provide class 1A effluent water in Los Alamos County

PARTNERSHIPS

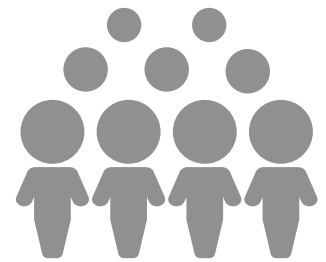
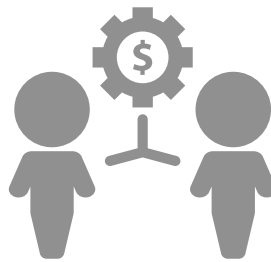
GOAL: Develop and strengthen partnerships with stakeholders

- Communicate with stakeholders (e.g. customers, LANL, DOE, Pueblos, NM and federal government, neighboring municipalities, LAC schools, County Council), to strengthen existing partnerships and identify new potential mutually beneficial partnering opportunities
- Partner with other Los Alamos County departments on implementation of BPU approved LARES goals
- Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso Pueblo, DPU and PW, especially for communications infrastructure



FY2023 Accomplishments

by Strategic Focus Area



FOCUS AREA

operations & performance

- Otowi Well #2 was completed after more than five years of work. Drilling began Dec. 13, 2017, and the well's first official day online was July 12, 2023. This well has a life expectancy of 50 years.
- DPU coordinated with NMGC to uprate gas pressure when new gas border stations and metering were installed. These upgrades will help to better regulate and track gas pressure and consumption.
- DPU eliminated the Ridgemark lift station, reducing DPU's maintenance and utility costs.
- Voice of the Customer survey results showed an increase of more than 11% for residents' satisfaction with reliability of electric service.

FOCUS AREA

financial performance

- \$7 million in State funding was awarded to the Jemez Mountain Fire Protection/Camp May Waterline Project. This important initiative is a collaborative effort among DPU, Los Alamos County, United States Forest Service, DOE/LANL, and Pajarito Ski Area.
- The Los Alamos County Council approved the annual profit transfer being directed back to DPU for utility infrastructure improvements, in coordination with Public Works projects.
- DPU refinanced a loan for the White Rock WRRF, saving \$1.5 million over the previous loan terms.

FOCUS AREA

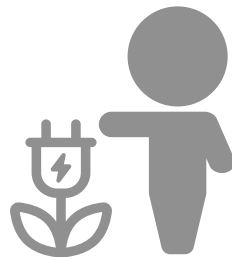
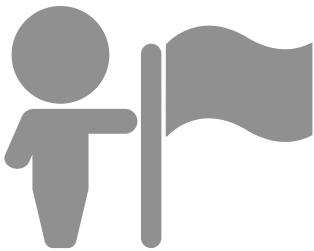
customers, stakeholders, community

- DPU launched Los Alamos Now, an app that enables users to submit concerns to DPU and other County departments via their cell phones.
- To ensure cohesive, safe response to gas emergencies, DPU launched Natural Gas Training for First Responders, an annual online training offered on the Litmos platform for County employees.
- DPU began a monthly email to ebilling customers to provide them with the insert materials that are provided with paper bills.
- DPU held several educational Water Taste Test events to promote local water quality and affordability, and to expand DPU's community engagement.

ents

THE 3 C'S

Contribution, cooperation and collaboration all played roles in DPU's FY2023 accomplishments. With well-defined guidance under the focus areas identified in DPU's strategic plan, we have great reason to be proud of all that was achieved in FY2023. A sampling of those accomplishments is included below.



FOCUS AREA **workforce**

- Successful negotiations with unions led to improved employee retention and recruitment.
- The Water & Energy Conservation Coordinator was accepted to a C2C EV Charging Cohort, a DOE Clean Energy to Communities program.
- DPU exceeded APPA benchmarks in Voice of the Customer survey results for overall organizational characteristics, satisfaction with Customer Care staff, and issues being taken care of on the first contact.
- DPU budgeted for double-fill positions to prevent institutional knowledge from walking out the door with retiring staff members.

FOCUS AREA **environmental sustainability**

- DPU partnered with the Los Alamos Public Libraries to launch the Library of Things. DPU's induction cooktops and Kill-a-Watt power meters were among the first "things" available for checkout through the public library system.
- An energy audit of the Los Alamos WWTP was conducted by Arizona State University's Industrial Assessment Team. They identified several potential areas of improvement for energy efficiency.
- The Induction Cooktop Loaner Program was an immediate success with a continual waiting list and 120 participants in a year. The program aimed to educate customers on an efficient electric alternative to gas stoves.

FOCUS AREA **partnerships**

- DPU entered into a partnership with San Ildefonso Pueblo leadership to explore options for potentially connecting solar energy produced on the pueblo with the electric distribution system in Los Alamos.
- Electric Distribution staff worked with LANL Utility staff to avoid a potential large, multi-day electric outage for the townsites when a tie circuit on a LANL transformer failed.
- Through its membership in UAMPS, DPU sent a local high school student to a leadership camp in Idaho.

Safety

Safety Culture Vision

DPU seeks to create a safety culture where employees practice safety every hour on the job, while no one is watching, because they want to and not because they have to. To create this safety culture, DPU employees believe in:

- Putting safety first
- Leading by example
- Establishing & enforcing a high standard of work performance
- Briefing or tailgating before every job
- Making work and safety suggestions

Safety Committee

DPU employees representing each utility division comprise the 13-person Safety Committee. They hold a committee meeting quarterly to review and share best practices. They also analyze accidents, incidents and near misses, and discuss and implement appropriate prevention measures.

Each member of the Safety Committee is responsible for moving that discussion forward to the rest of the staff at the next weekly group meeting and sharing agreed-upon prevention measures.

Safety Employee

The Safety Employee of the Quarter program was developed by the Safety Committee with an intent to reward those who most clearly and effectively demonstrate DPU's safety culture vision.

DPU employees may nominate fellow employees who exemplify the safety culture vision at any time. Safety Committee members review the nominations each quarter and select one person to recognize and reward with an extra day of administrative leave.



SAFETY EMPLOYEE OF THE QUARTER

The most fundamental reason to focus on a safe work environment is simple. We must protect our most valuable resource: people. We care about the safety of employees, contractors and customers. Furthermore a focus on safety is proven to improve productivity, quality of product, and even the financial position.

Jacob Leyba sets exemplary standards for safety in the field while conducting tailgate meetings before every job. He makes it clear that it's important for everyone be on the same page regarding all aspects of the job, and especially when it comes to safety considerations. He models safety expectations, follows construction standards to a T, and always makes sure everyone is wearing proper PPE at jobsites.

Jerry Martinez makes sure that DPU's contractors are held to the same high safety standards as DPU staff. He stands firm in his insistence that contractors and their subconsultants follow safe practices, particularly while excavating and laying pipe. As a result, the projects in which he is involved are accident-free zones.

Karen Salazar demonstrates leadership and initiative in advocating for the health and safety of DPU's field crews. In FY2023, she took the lead in procuring new uniforms for all crews and made sure proper safety features were included. She also jump started a much-needed project to improve the living conditions of standby rooms.

Joel Martinez reacted quickly and appropriately to avoid a critical incident. During a discussion of electrical equipment at wells, Joel stepped in to prevent an employee who moved dangerously close to an open electrical panel from actually reaching it. He backed the employee up and shut down power to the unit.

JACOB LEYBA

Pipefitter
Gas, Water & Sewer



Q4 / FY23

JERRY MARTINEZ

Water Systems Apprentice II
Water Production



Q3 / FY23

KAREN SALAZAR

Senior Office Specialist
Finance & Administration



Q2 / FY23

JOEL MARTINEZ

Water Systems Electric Tech
Water Production



Q1 / FY23

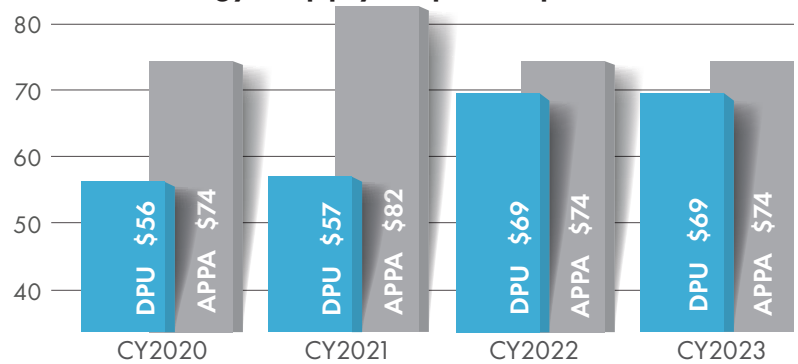
Performance by Utility



Electric

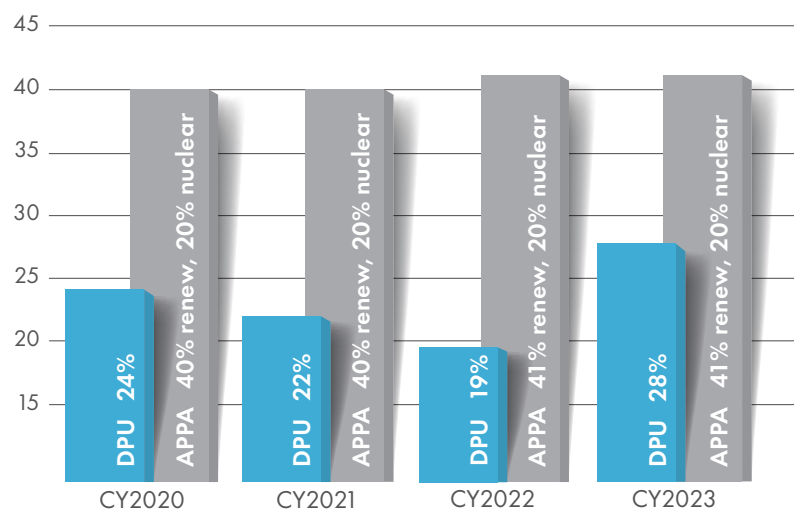
DPU strives to efficiently supply energy to customers to meet energy demands. We compare our total energy supply expense per MWh sold (which includes generation and purchased energy associated with the sale of each megawatt hour) to the APPA as an industry standard. DPU continues to meet its target to be below the APPA mean of total energy supply costs. DPU also continually outperforms APPA's third quartile. Our CY2023 total energy supply expense per MWh sold was \$68.79.

Total Energy Supply Expense per MWh Sold



The national average for carbon-free electrical energy is about 41%, half of which comes from nuclear power facilities. In FY2023, 28% of DPU's energy was generated from renewable energy. DPU's renewable energy generation comes from two county-owned hydroelectric plants, federal hydroelectric entitlement, a solar array on the capped landfill and a power purchase agreement with Uniper Global for 15 MW of New Mexico wind and solar. DPU's goal is to have 100% carbon-free power by 2040.

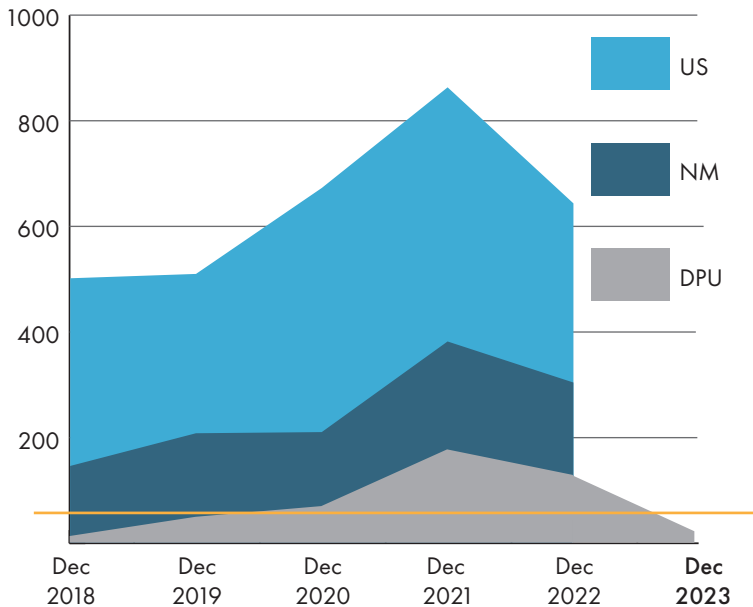
Percent of Energy Generated by Renewable Energy Resources



Electric (cont'd)

System Average Interruption Duration Index

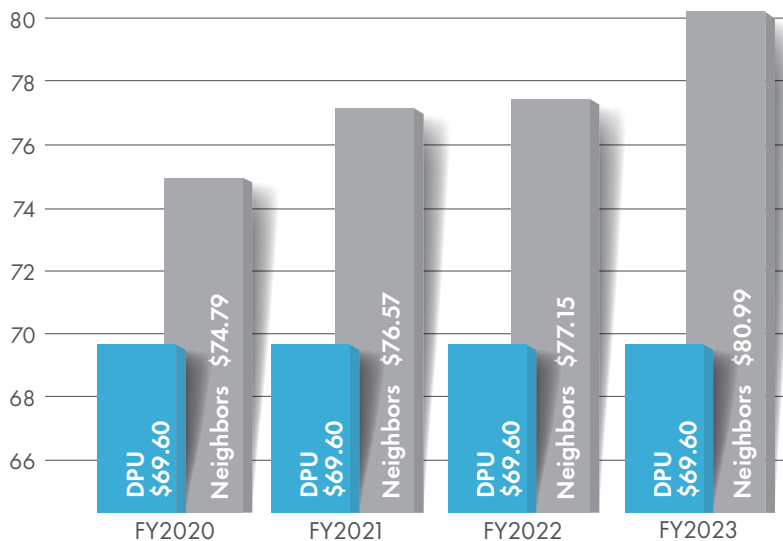
Orange line indicates DPU's SAIDI goal of 60 minutes



Overall reliability performance is measured using the System Average Interruption Duration Index (SAIDI). SAIDI is the average outage duration for each customer served with less minutes being desirable. DPU's goal is to be under 60 minutes. Just one outage can cause this measure to rise quickly if it affects a large number of customers and isn't resolved in a short period of time. The SAIDI is a rolling average so any spike takes a year to remedy. DPU's SAIDI stayed above 60 for a couple years but was still well below the average SAIDI for New Mexico utilities and utilities across the U.S. (investor-owned, cooperatives, and municipally owned). It dropped below 60 in the fall of 2023.

Note that SAIDI information from New Mexico and U.S. utilities comes from the U.S. Energy Information Administration website: <https://www.eia.gov/electricity>. Calendar year 2023 data for NM and US will be updated in fall 2024.

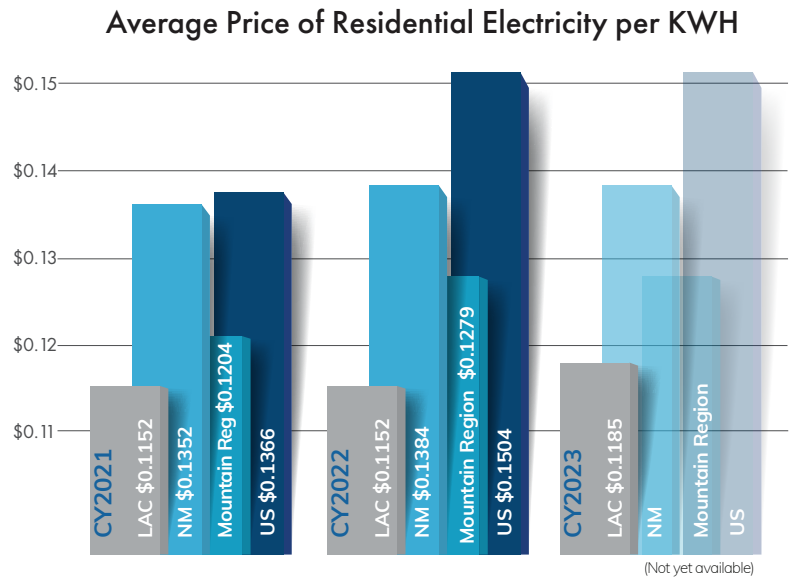
Typical Residential Bill for 500 kWh Electricity



DPU measures its marketplace performance by assessing the typical monthly residential bill for 500 kWh with its neighbors: PNM, Kit Carson Electric and Jemez Mountain Electric Cooperatives. The graph to the left demonstrates DPU's commitment to providing a high-level of customer service while keeping rates competitive with similar comparable utilities. At the end of FY23, DPU's typical monthly electric bill for 500 kWh was \$69.60.

Electric (cont'd)

Another way that DPU assesses the fairness of its electric rates is by comparing against other utilities as listed by the EIA. In calendar year 2023, DPU increased electric rates for the first time in many years, effective in October. This rate change brought DPU's average price per KWH closer to the averages for the state of New Mexico, the Mountain Region, and the whole country. DPU's rate is set to increase again in July 2024. The 2023 data from EIA will be updated in fall 2024.

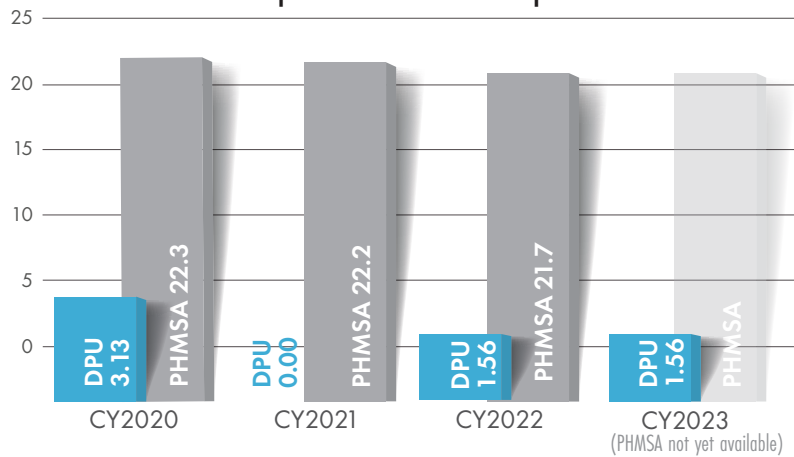


DPU's journeymen linemen, in the red hardhats, were among the responders when a tree on Barranca Mesa was struck by lightning and caught fire.



Natural Gas

**PHMSA Reportable Main Pipeline Leaks
per 100 Miles of Pipeline**



Pipeline and Hazardous Materials Safety Administration (PHMSA) is a U.S. Department of Transportation agency, responsible for developing and enforcing regulations for the safe, reliable, and environmentally sound operation of natural gas. Comparing the department to the average number of PHMSA Reportable Gas Leaks per 100 Miles of Main Pipeline is a useful measure to DPU's overall quality and reliability of the gas distribution system. Fewer gas leaks are desirable and speak to the overall operation and maintenance of the distribution system. PHMSA's data, which includes all natural gas pipeline operators, is not yet available for calendar year 2023.



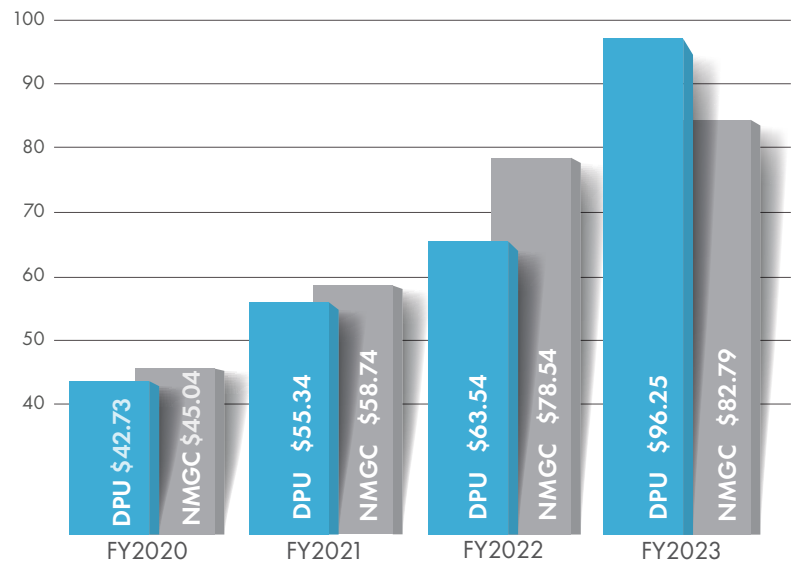
Natural Gas (cont'd)

DPU measures its marketplace performance by assessing the Average Monthly Residential Gas Bill with its neighbor: New Mexico Gas Company (NMGC). The graph to the right demonstrates DPU's commitment to providing a high-level of customer service while keeping rates competitive with comparable utilities. In FY23, the cost of gas experienced unprecedented increases. DPU's rate structure capped the pass-through cost to customers at \$0.99 per therm and DPU was unable to recover costs during the winter months and before the rate was adjusted to increase the maximum pass-through cost to \$4 per therm. A temporary recovery charge of \$0.44 per therm was added to the rate beginning in April 2023. It will sunset in two years or when the unpaid costs are recovered, whichever is sooner. This FY2023 cost-of-gas situation is likely to unfavorably impact DPU's rate comparison with NMGC while the recovery mechanism is in place.

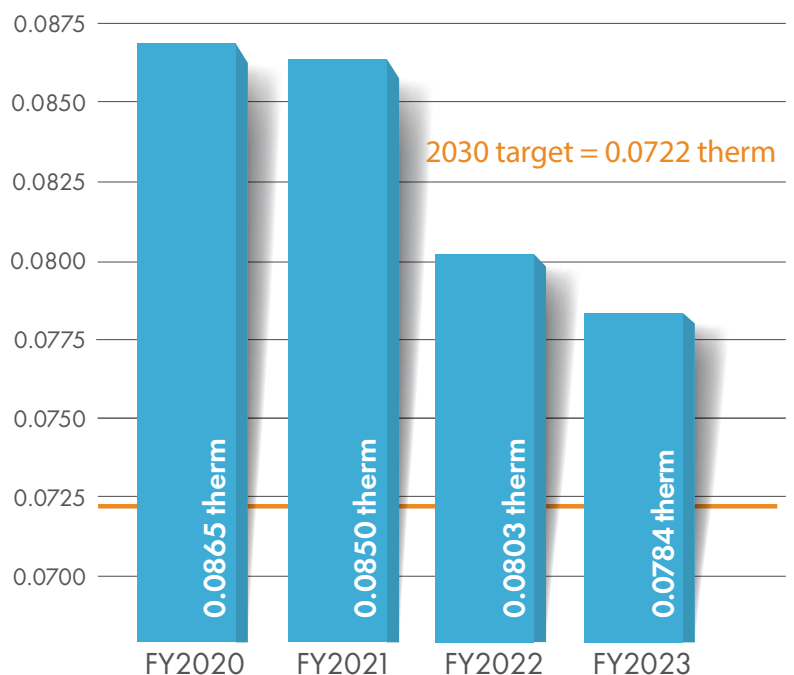
DPU has a goal to phase out natural gas service by 2070 with a reduction in usage of at least 10% by 2030. This reduction is measured by annual therms per heating degree day compared to a 2016-2020 baseline average of 0.0802, which gives us a goal of 0.0722. In FY2023, DPU fell below that baseline for the first time since the goal was updated when the measure totaled 0.0784.

Left: DPU- crews take part in confined space training. The person laying on the ground is actually a training dummy.

Average Monthly Residential Gas Bill

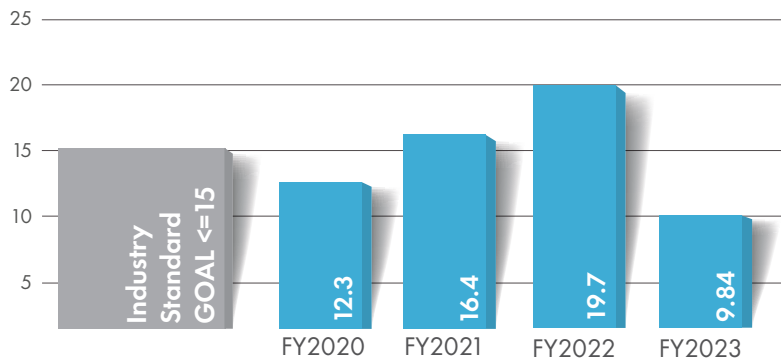


Therms per Capita per Heating Degree Day



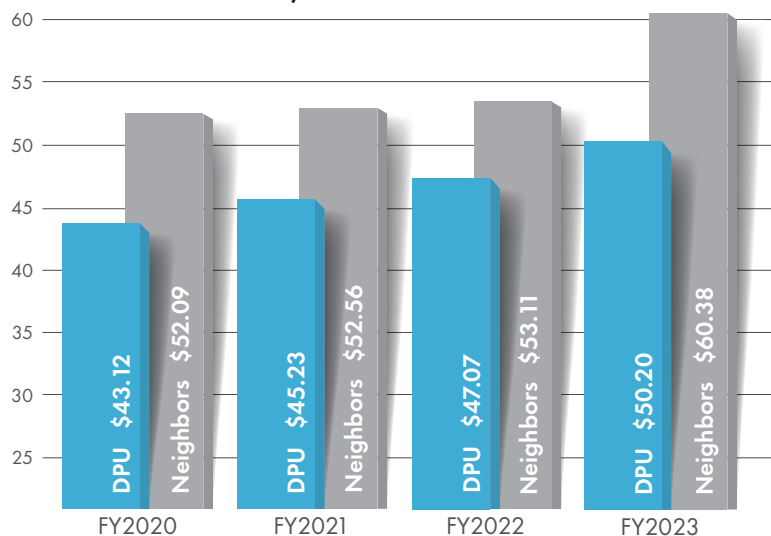
Water

**Water Main Leaks & Breaks
per 100 Miles of Main Pipeline
(Water Distribution Division)**



DPU evaluates annual trends when it comes to water main leaks and breaks. Additionally, a goal of no more than 15 leaks/breaks per 100 miles of main pipeline has been established by the AWWA Partnership for Safe Water Distribution System Optimization Program. This industry standard is a useful way to assess the overall quality and reliability of the water distribution system. In FY2023, DPU worked with the fire department to minimize hydrant testing without DPU personnel present, and that effort contributed to the drop in leaks/breaks for the year.

**Average Residential Water Bill
Based on 6,000 Gallons Per Month**

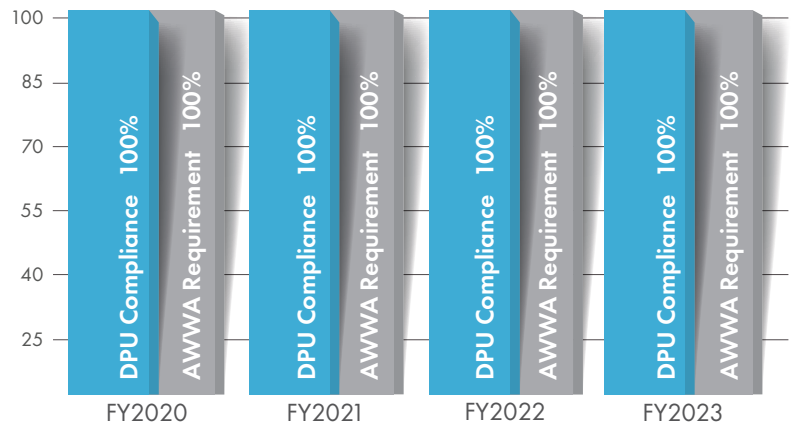


DPU measures its marketplace performance by assessing the typical residential bill for 6,000 gallons per month with its neighbors: Española and Santa Fe. The graph to the left demonstrates DPU's commitment to provide a high-level of customer service while keeping rates competitive with similar comparable utilities. In FY23, the average monthly DPU residential water bill based on 6,000 gallons of consumption was \$50.20. DPU raised water rates in fall 2022 and fall 2023.

Water (cont'd)

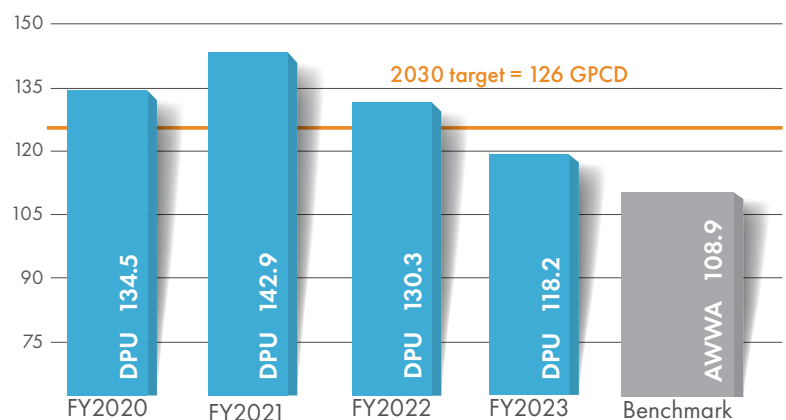
Results for meeting our legal and regulatory requirements in water treatment are included in the graph to the right. Drinking Water Compliance is measured by the number of days in full regulatory compliance as a percent of all days for the potable water system. DPU has historically performed very well in this area with 100% compliance with regulatory requirements, demonstrating a strong commitment to safety.

Drinking Water Compliance
(Water Production Division)



The Board of Public Utilities previously adopted an environmental goal to reduce the gallons per capita per day by 12 percent using 2006 fiscal year data as the baseline. After considerable progress toward the goal, the original target of 143 GPCD annually was updated to include an additional 12% reduction in consumption by 2030 using 2020 calendar year data as a baseline. The updated goal is equivalent to consumption of no more 126 GPCD annually. In FY2023, DPU's measure exceeded this goal. The AWWA median daily per capital consumption was 108.9 in its 2020 benchmarking performance report.

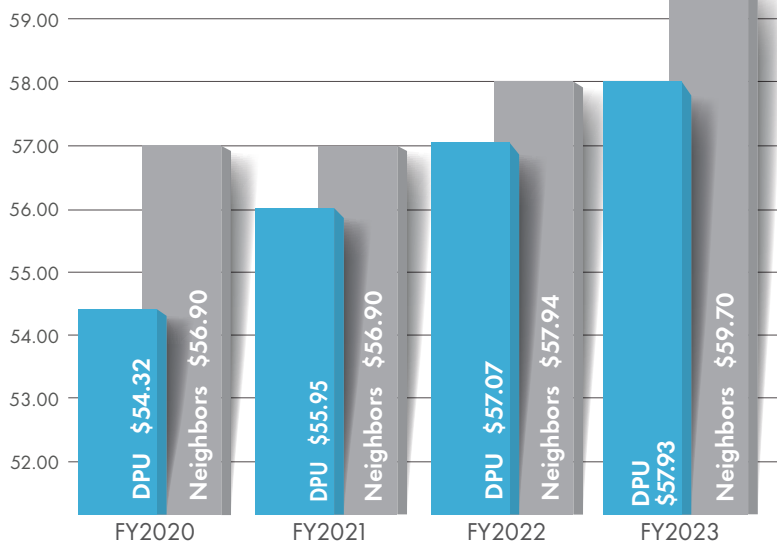
Gallons per Capita Daily
(Water Consumption)



Wastewater

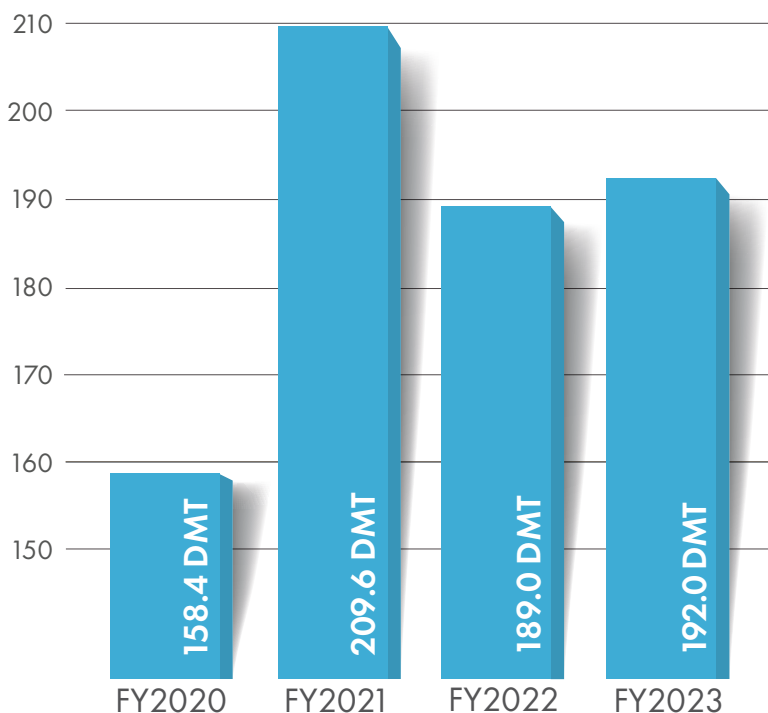
Typical Residential Bill to Collect & Treat Wastewater

Based on 4,000 Gallons of Water/Month



DPU measures its marketplace performance by assessing the average residential bill to collect and treat wastewater (based on 4 kgals of water per month) with its neighbors and similar communities: Santa Fe, Angel Fire, Silver City, Ruidoso, and Aztec. DPU charges customers a flat rate while neighboring communities each charge their customers a variable rate per kgal consumed of drinking water, based on winter averages. Customers of our neighboring utility providers whose winter water use averages exceeded 4 kgals saw a higher monthly sewer bill in FY23 than represented in the chart to the left, while comparable water users in Los Alamos all paid a flat \$57.93 for sewer.

Sludge to Compost: Dry Metric Tons Treated



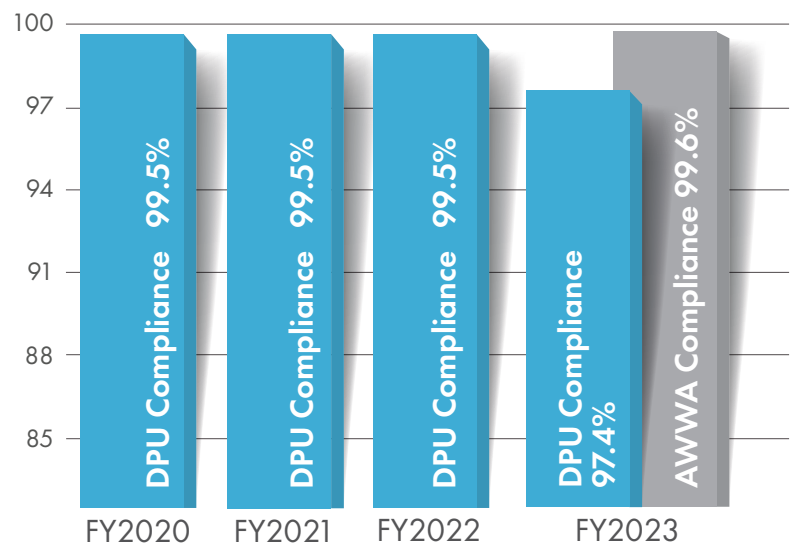
At the Los Alamos Wastewater Treatment Plant, sludge is dewatered and treated so that the resulting biosolids may be used as a component in the composting operation. The treatment stabilizes these biosolids so that they are safe to use as soil amendments or mulch in landscaping, horticulture, and agriculture. These biosolids are measured in dry metric tons, and must meet the Environmental Protection Agency's (EPA) pollutant and pathogen requirements for land application and surface disposal. DPU is required to report dry metric tons treated to EPA and the New Mexico Environment Department (NMED).

Wastewater (cont'd)

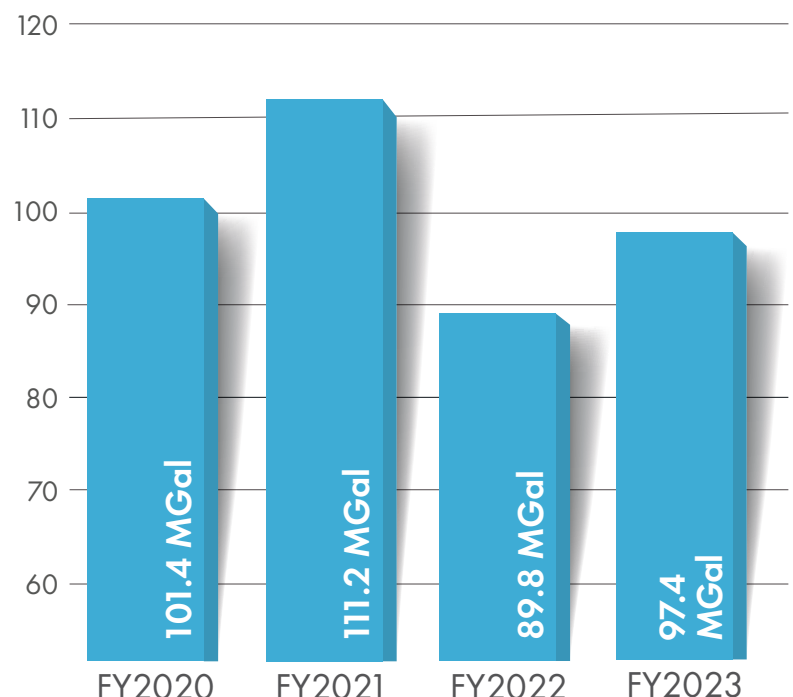
Tracking wastewater treatment compliance results ensures that the department protects our surrounding environs and natural resources. The measure is defined as the number of permit parameter test results found in compliance as a percentage of all permit parameter tests required. DPU aims to stay in line with or better than the AWWA compliance rate for similar sized utilities, so therefore compares against the AWWA result for the previous year. In Los Alamos, there are between 50 and 55 permit parameter tests required each month at both plants. An example of a permit parameter test is the requirement that the daily pH is between 6.6 and 9.0. In FY23, DPU's wastewater treatment compliance was 97.3%. This number is dropping as the White Rock plant continues to become more outdated. When the new WRRF goes into operation, we expect to see improvement in compliance.

The department tracks the use of reclaimed wastewater, which is treated wastewater used to irrigate public green spaces, such as the golf course, ball fields and Overlook Park. Using reclaimed wastewater for irrigation helps conserve the county's drinking water and save money for the County Parks Division as this non-potable water is offered at a reduced rate. In FY23, DPU provided 97 million gallons of reclaimed wastewater for irrigation. In the past, the terms "reclaimed wastewater" and "effluent" were used interchangeably. For clarification, however, the two are not identical. While effluent water and reclaimed wastewater have gone through the same treatment processes at the wastewater plant, effluent water is not used for irrigation purposes. Furthermore, reclaimed wastewater goes through additional treatment processes before it is used to irrigate landscaping.

Wastewater Treatment Compliance



Reclaimed Wastewater in Millions of Gallons



Utility Rates



ELECTRIC RATES

	FY2023	FY2022	% CHANGE
SALES IN KILOWATT HOURS	470,597,351	465,324,603	1.13%
# OF CUSTOMERS			
Residential	7,841	8,009	
Commercial	616	617	
Municipal	155	158	
Educational	55	57	
TOTAL	8,666	8,841	-1.9%
RATE STRUCTURE			
Residential rate per kilowatt hour	\$0.1152	\$0.1152	
Residential monthly flat service fee	\$12.00	\$12.00	
Commercial rate per kilowatt hour	\$0.0821-\$0.1111	\$0.0821-\$0.1111	
Commercial monthly flat service fee	\$22.00 - \$65.00	\$22.00 - \$65.00	
Commercial demand rate	\$10.50 - \$11.00	\$10.50 - \$11.00	

NATURAL GAS RATES

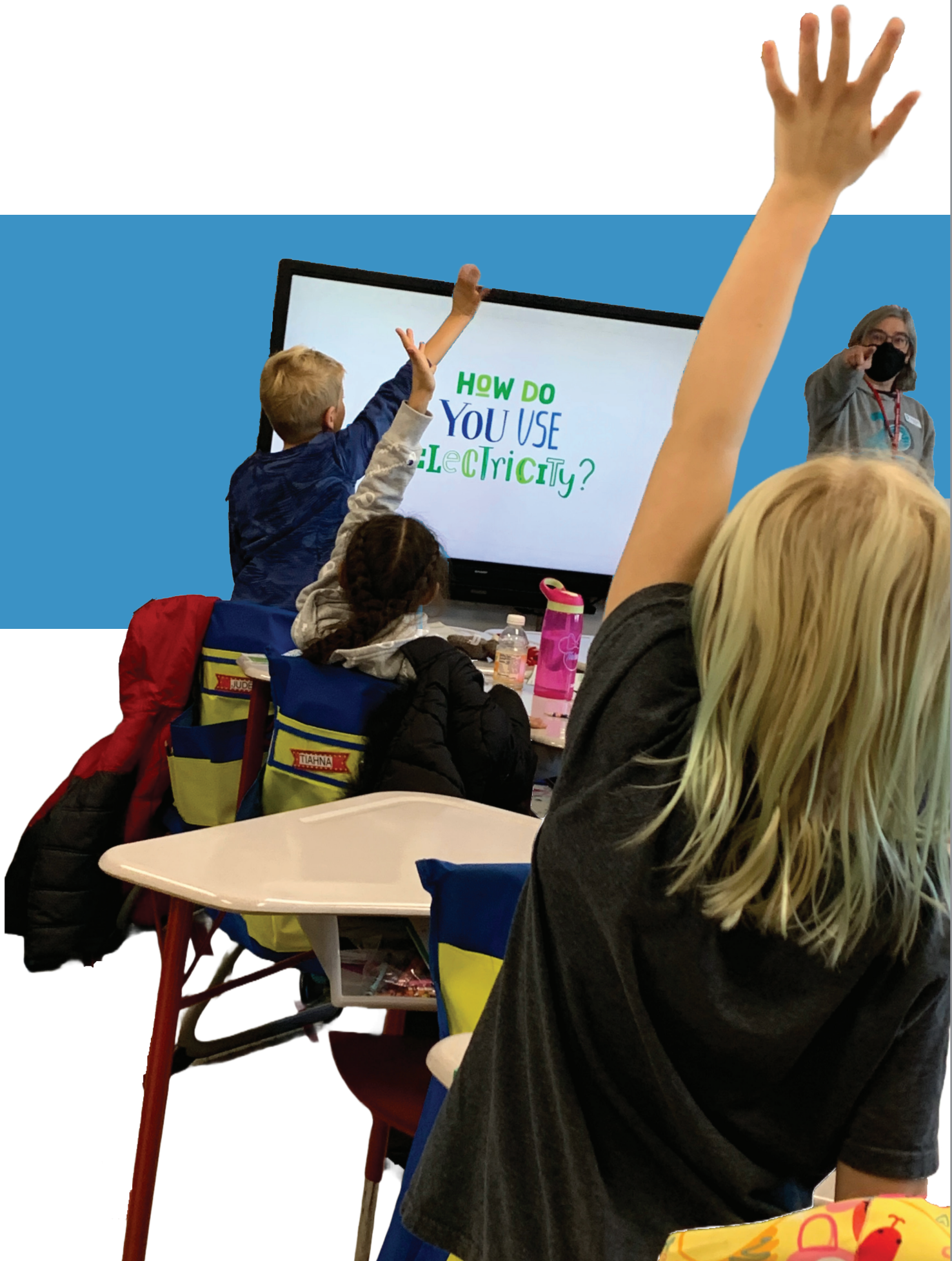
	FY2023	FY2022	% CHANGE
SALES IN THERMS	9,428,668	8,026,356	17.4%
# OF CUSTOMERS			
Residential	7,157	7,285	
Commercial	360	365	
Municipal	42	43	
Educational	22	22	
TOTAL	7,581	7,715	-1.7%
RATE STRUCTURE			
Residential rate per therm	\$0.62 - \$1.24	\$0.23 - \$0.99	
Residential monthly flat service fee	\$10.26	\$9.50	
Commercial rate per therm	\$0.59 - \$1.21	\$0.23 - \$0.99	
Commercial monthly flat service fee	\$10.26 - \$30.78	\$9.50 - \$28.50	

WATER RATES

	FY2023	FY2022	% CHANGE
SALES IN KGALLONS	1,046,172	1,088,045	-3.9%
# OF CUSTOMERS			
Residential	6,677	6,813	
Commercial	290	279	
Municipal	86	88	
Educational	23	24	
TOTAL	7,076	7,204	-1.8%
RATE STRUCTURE			
Residential rate per kgal	\$6.50 - \$7.87	\$6.02 - \$7.65	
Residential monthly flat service fee	\$12.54	\$11.40	
Commercial rate per kgal	\$6.50	\$6.02	
Commercial monthly flat service fee	\$12.54 - \$694.69	\$11.40 - \$631.54	

WASTEWATER RATES

	FY2023	FY2022	% CHANGE
# OF CUSTOMERS			
Residential	6,478	6611	
Commercial	229	221	
Municipal	33	34	
Educational	20	20	
TOTAL	6,760	6,886	-1.8%
RATE STRUCTURE			
Residential rate per kgal	\$0	\$0	
Residential monthly flat service fee	\$50.60-\$58.21	\$49.60- \$57.07	
Commercial rate per kgal	\$21.46	\$21.04	
Commercial monthly flat service fee	\$12.60	\$12.35	



Financials

Per Article V, Section 505, of the Charter for the Incorporated County of Los Alamos, "The Department of Public Utilities shall, not later than forty-five (45) days or other time set by ordinance after receipt of the report of the annual audit required by this Charter, furnish the Board of Public Utilities and the Council its annual report which shall include balance sheets, prepared according to generally accepted accounting principals, showing the financial condition, as of the end of the previous fiscal year of each utility in the Department and of the Department as a whole."

The following financial statements are taken from the Incorporated County of Los Alamos, New Mexico Annual Comprehensive Financial Report (ACFR), for fiscal years ended June 30, 2022 and 2023, "Enterprise Funds" section. Please refer to the complete reports, including the notes to the financial statements for the complete financial picture. Copies of the ACFRs are available at ladpu.com/LAC-ACFRs.

Through its contract with Pajarito Environmental Education Center for water and energy conservation education, DPU brought the Monster Detective Collective to every fourth grade classroom in the county. This program was created by the American Public Power Association and focuses on teaching children about many aspects of power generation, distribution and consumption.

Mgmt Discussion & Analysis



KAREN KENDALL

DEPUTY UTILITY MANAGER

Bachelor of Business Administration -
Accountancy

Memberships:
Government Finance Officers Association

Awards:
Association of Government Accountants
(NM Chapter) 2006 Financial Manager of
the Year

In a nutshell...

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to the Los Alamos County Department of Public Utilities (DPU) financial statements. The DPU's financial activities are recorded in separate enterprise funds, which are government funds that support operations through revenues generated through the sale of goods and/or services to the public. The financial statements in this report include only the activities for the DPU and provide comparative information from the previous fiscal year. Information on county-wide financials can be found in the Los Alamos County Annual Comprehensive Financial Report (ACFR).

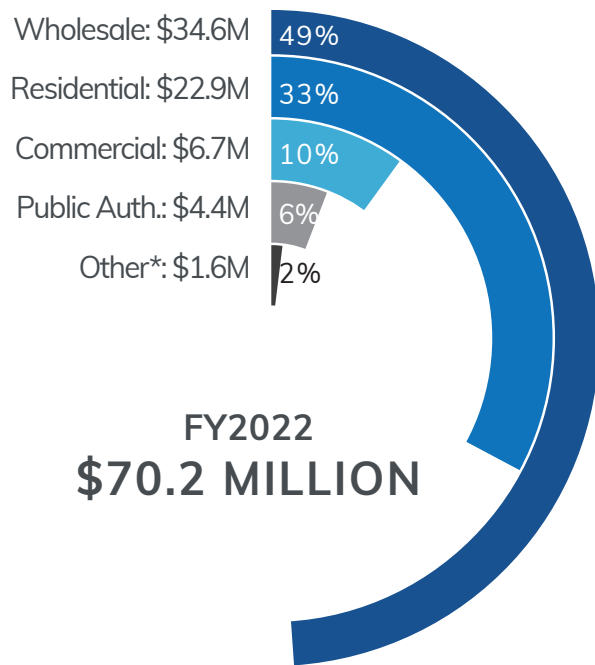
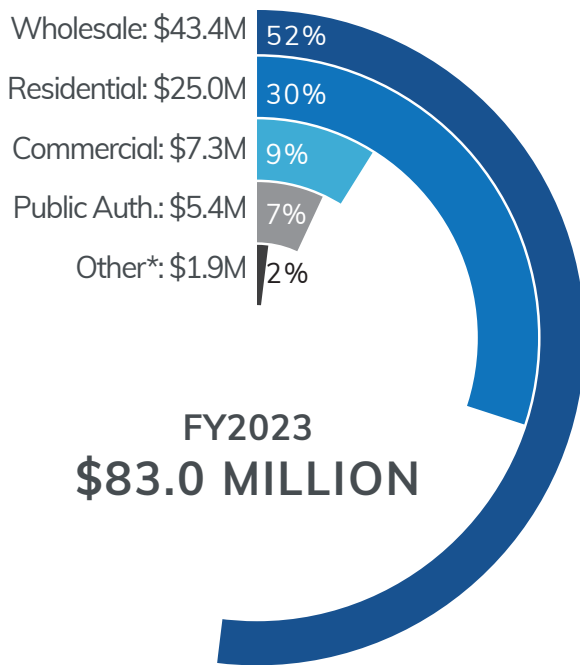
Financial reports included are for the fiscal year periods of July 1, 2021, through June 30, 2022 (FY2022), and July 1, 2022, through June 30, 2023 (FY2023).

The Combining Schedule of Net Position presents information on all four utilities' assets, liabilities, deferred inflows and outflows of resources and net position. The Statement of Net Position provides information about the nature and amounts of DPU's resources and obligations at a specific point in time.

The Combining Schedule of Revenues and Expenses reports all the revenues and expenses for the two fiscal years. This report is in an industry format, breaking out expenses into operating activities and maintenance activities. This format also shows revenues broken out by customer type.

The Combining Schedule of Cash Flows reports the cash provided and used by operating activities, as well as other cash sources, such as investment income and debt financing. They also report other cash uses such as payments for bond principal and capital additions and

OPERATING REVENUES



improvements.

The Credit Analysis of Net System Revenues of the Joint Utility reports on the Debt Coverage Ratio of the joint utility system. The debt coverage ratio is a measure of the cash available to pay current debt obligations. This is calculated by taking the net operating income divided by the current year debt service amount. A ratio of 1 or above indicates that the utility is generating enough income to sufficiently cover annual debt and interest payments. In the FY2023 DPU strategic planning session, the Board of Public Utilities set a goal of a 1.6 or better debt coverage ratio. As of June 30 2023, the debt coverage ratio for the Joint Utilities Fund is 1.9.

Financial Highlights

Los Alamos County and the DPU are pleased that the FY 2023 Los Alamos County Comprehensive Annual Financial Report once again received an unmodified or “clean” audit opinion. The audit this year was conducted by the auditors of Hinkle + Landers, P.C. The following is a brief discussion of some of the utility department’s fiscal year 2023 financial results.

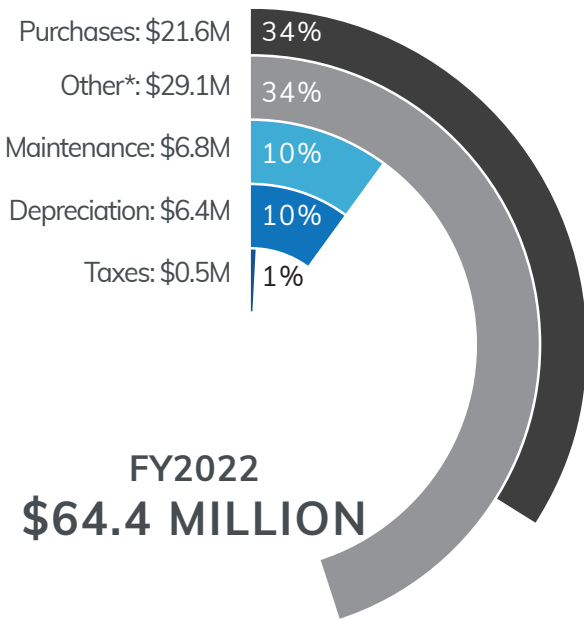
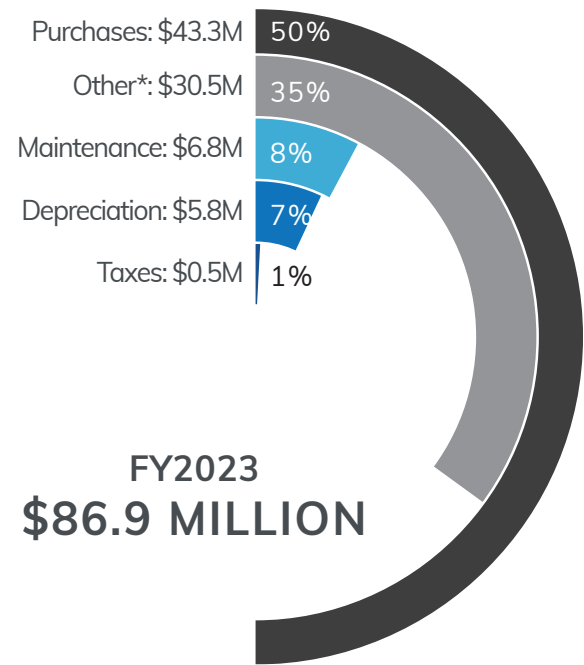
Note throughout the discussion negative numbers or losses are indicated with brackets.

In FY2023, the Joint Utilities Fund generated a net loss of \$3.9 million on operating revenues of approximately \$83 million, compared to net revenue of

approximately \$5.7 million on revenues of approximately \$70.2 million in the previous year. Revenues were \$12.8 million higher overall and operating expenses were \$22.4 million, due primarily to a \$21.6 million increase in electric and gas purchased commodities.

The Joint Utilities Fund operating income was a loss of \$3.9 million for FY23. This is due primarily to high purchased power and the cost of gas. Purchased power was \$16.4 million higher than the prior fiscal year. The cost of gas was \$5.2 million higher than the prior fiscal year. Electric rates were not increased during FY23. Gas prices from December 2022 through February 2023 greatly exceeded the variable cap set on the cost of

OPERATING EXPENSES



**Other includes expenses under distribution, admin and general, customer accounts, steam power generation, transmission, hydraulic power generation and other production expenses.*

gas rates. Ordinance 02-340 was passed to address the ensuing shortfall and a recovery mechanism was approved shortly before the end of the fiscal year.

The net operating expenditures for the Joint Utility Fund saw a loss of \$23 million. In addition to the commodity costs discussed above, there was a one-time, non-operating loss on the disposition of the San Juan Generating Station assets of \$21.4 million due to the closure of the plant and mine.

Electric Operations

Electric revenues were \$43.4 million for wholesale, \$14.2 million for retail for a total of \$48.8 million for the fiscal year 2023. Operating expenditures were \$27.2 million and the cost of purchased power

was \$43.3 million. The net operating income was a loss of \$3.9 million compared to the prior year gain of \$3 million. Wholesale sales revenue was higher, but retail sales revenue was lower in FY2023 compared to FY2022. This, combined with purchased power costs which doubled, contributed to the net operating loss.

Gas Operations

Gas revenues were \$10.6 million for FY2023. Operating expenditures were \$3.1 million and the Cost of Gas was \$9.9 million. The net operating loss was \$2.5 million. Sales in therms were 17% above the prior year. However, the gas purchases of \$9.9 million were more than double the cost in FY2022 and three times the cost in

FY2021.

As stated above, when gas prices from December 2022 through February 2023 greatly exceeded the variable cap set on the cost of gas rates, an ordinance was passed to address the ensuing shortfall and a recovery mechanism was approved. As of June 30, 2023, DPU collected approximately \$360,000 of the \$2.2 million to be recovered.

Water Operations

Water operating revenues were \$8.9 million which is 10.83% above FY2022. Operating expenditures were \$8 million for operating net revenues of \$891,000.

Residential water sales were

3.9% below the prior year which appears to primarily be due to a wet early summer resulting in approximately \$444,000 in lower revenue. This is offset by higher wholesale sales to LANL which was 34% higher than the prior year resulting in nearly \$613,000 higher revenue.

Wastewater Operations

Wastewater revenues were relatively flat year over year. Operating expenditures were \$5

million compared to 4.9 million in the prior year. Net operating income was \$1.1 million. The White Rock Water Reclamation and Resource Facility is being funded by a state loan which is on a reimbursement basis once the plant is operational.

Utility Assistance Program

The Utility Assistance Program (UAP) saw a significant rise in requests for assistance after the end of the winter moratorium in mid-March. The fund balance of

the program at June 30, 2023, was \$14,680. Anyone interested in donating to the UAP fund can call the Customer Care Center at 505-662-8333 or they can find more information on DPU's page of the county website. A new online form, at ladpu.com/assist, gives UAP donors the opportunity to set up regular monthly donations on their utility bills.

SELECTED FINANCIALS - ALL UTILITIES

	fy23	fy22	% Change
OPERATING REVENUES			
Wholesale	\$43,391,580	\$34,577,658	25.49%
Residential	25,032,013	22,864,135	9.48%
Commerical and Industrial	7,288,184	6,691,867	8.91%
Sales to Public Authorities	5,435,455	4,414,486	23.13%
Street Lighting	89,523	99,093	-9.66%
Other Operating Revenues	1,735,095	1,554,983	11.58%
TOTAL OPERATING REVENUES	82,971,850	70,202,222	18.19%
OPERATING EXPENSES			
Purchased Commodity	43,311,237	21,685,752	99.72%
Maintenance Expenses	6,775,535	6,765,425	0.15%
Depreciation Expense	5,776,726	6,450,045	-10.44%
Taxes	524,798	525,602	-0.15%
Other operating expenses	30,487,011	29,027,947	5.03%
TOTAL OPERATING EXPENSES	86,875,307	64,454,771	34.78%
ALL UTILITIES OPERATING INCOME	(\$3,903,457)	\$5,747,451	-167.92%

SELECTED FINANCIALS - ELECTRIC

	fy23	fy22	% Change
OPERATING REVENUES			
Wholesale	\$43,391,580	\$34,577,658	25.49%
Residential	7,260,761	7,364,074	-1.40%
Commerical and Industrial	4,003,232	4,114,966	-2.72%
Sales to Public Authorities	2,136,055	1,989,127	7.39%
Street Lighting	89,523	99,093	-9.66%
Other Operating Revenues	404,356	707,280	-42.83%
TOTAL OPERATING REVENUES	57,285,507	48,852,198	17.26%
OPERATING EXPENSES			
Purchased Commodity	33,414,984	17,039,150	96.11%
Maintenance Expenses	3,712,580	3,814,821	-2.68%
Depreciation Expense	2,430,630	3,193,646	-23.89%
Taxes	524,798	525,602	-0.15%
Other operating expenses	20,610,864	21,233,876	-2.93%
TOTAL OPERATING EXPENSES	60,693,856	45,807,095	32.50%
ELECTRIC OPERATING INCOME	(\$3,408,349)	\$3,045,103	-211.93%

SELECTED FINANCIALS - NATURAL GAS

	fy23	fy22	% Change
OPERATING REVENUES			
Wholesale	-	-	
Residential	\$7,895,861	\$5,210,517	51.54%
Commerical and Industrial	1,916,377	1,287,149	48.89%
Sales to Public Authorities	745,679	484,714	53.84%
Other Operating Revenues	45,815	181,834	-74.80%
TOTAL OPERATING REVENUES	10,603,732	7,164,214	48.01%
OPERATING EXPENSES			
Purchased Commodity	9,896,253	4,646,602	112.98%
Maintenance Expenses	358,657	409,924	-12.51%
Depreciation Expense	398,337	398,369	-0.01%
Taxes	-	-	
Other operating expenses	2,431,853	2,141,765	13.54%
TOTAL OPERATING EXPENSES	13,085,100	7,596,660	72.25%
NATURAL GAS OPERATING INCOME	(\$2,481,368)	(\$432,446)	473.80%

SELECTED FINANCIALS - WATER

	fy23	fy22	% Change
OPERATING REVENUES			
Wholesale	-	-	
Residential	\$4,452,007	\$4,896,045	-9.07%
Commerical and Industrial	607,079	547,763	10.83%
Sales to Public Authorities	2,553,721	1,940,645	31.59%
Other Operating Revenues	1,284,064	642,991	99.70%
TOTAL OPERATING REVENUES	8,896,871	8,027,444	10.83%
OPERATING EXPENSES			
Purchased Commodity	-	-	
Maintenance Expenses	811,338	763,715	6.24%
Depreciation Expense	2,093,752	2,004,830	4.44%
Taxes	-	-	
Other operating expenses	5,100,783	3,392,225	50.37%
TOTAL OPERATING EXPENSES	8,005,873	6,160,770	29.95%
WATER OPERATING INCOME	\$890,998	\$1,866,674	-52.27%

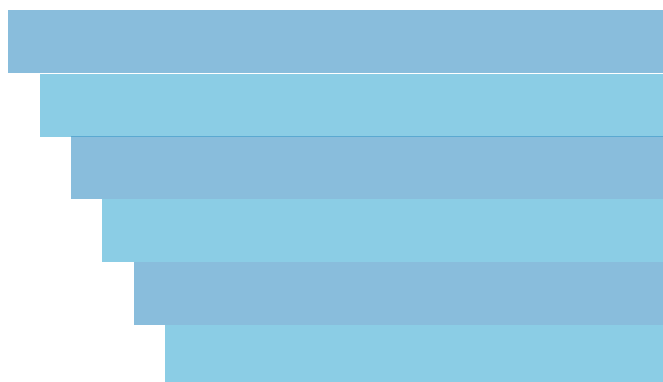
SELECTED FINANCIALS - WASTEWATER

	fy23	fy22	% Change
OPERATING REVENUES			
Wholesale	-	-	
Residential	\$5,423,384	\$5,393,499	0.55%
Commerical and Industrial	761,496	741,989	2.63%
Sales to Public Authorities	-	-	
Other Operating Revenues	860	22,878	-96.24%
TOTAL OPERATING REVENUES	6,185,740	6,158,366	0.44%
OPERATING EXPENSES			
Purchased Commodity	-	-	
Maintenance Expenses	1,892,960	1,776,965	6.53%
Depreciation Expense	854,007	853,200	0.09%
Taxes	-	-	
Other operating expenses	2,343,511	2,260,081	3.69%
TOTAL OPERATING EXPENSES	5,090,478	4,890,246	4.09%
WASTEWATER OPERATING INCOME	\$1,095,262	\$1,268,120	-13.63%

CREDIT ANALYSIS: NET SYSTEM REVENUES OF THE JOINT UTILITY

	ELECTRIC		GAS*	
	fy23	fy22	fy23	fy22
OPERATING REVENUES				
Utility sales and service	\$57,135,072	\$48,547,321	\$10,603,730	\$7,164,213
Rentals	13,942	179,905	-	-
Miscellaneous Revenue	97,644	24,570	34,724	-
Total Operating Revenue	57,246,658	48,751,796	10,638,454	7,164,213
OPERATING EXPENSES				
Employee salaries and benefits	7,613,143	6,574,562	818,363	616,052
Contractual services	46,782,442	34,382,647	11,430,717	6,152,660
Materials and supplies	433,907	408,145	112,148	158,580
Other	23,488	27,786	-	6,377
Net Operating Expenditures	54,852,980	41,393,140	12,361,228	6,933,669
NET REVENUE AVAILABLE FOR DEBT SERVICE	2,393,678	7,358,656	(1,722,774)	230,544
Total Debt Service	\$1,600,505	\$1,835,352	-	-
TOTAL DEBT SERVICE COVERAGE	1.50	4.01		

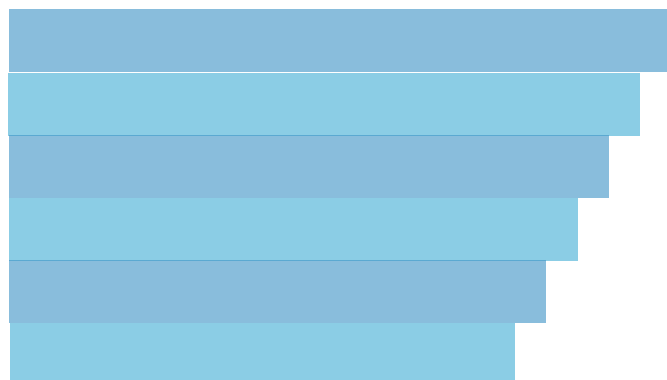
* The natural gas fund currently has no outstanding debt service.



Notes: The Utility has a number of debt issuances outstanding that are collateralized by the pledging of utility revenues. The amount per subfund and FY presented in the table above is indicated as total debt service. The purpose of the debt issuances was for the financing of various Utility capital improvement projects. For June 30, 2023 and 2022, debt service payments as a percentage

WATER		WASTEWATER		TOTAL JOINT UTILITY SYSTEM	
fy23	fy22	fy23	fy22	fy23	fy22
\$8,802,913	\$7,448,666	\$6,184,880	\$6,135,488	\$82,726,595	\$69,295,688
-	-	-	-	13,942	179,905
66,382	62,860	860	22,878	199,610	110,308
8,869,295	7,511,526	6,185,740	6,158,366	82,940,147	69,585,901
1,644,551	1,529,619	1,537,994	1,488,098	11,614,051	10,208,331
4,001,088	1,685,467	2,306,094	2,141,240	64,520,341	44,362,014
225,269	613,494	251,121	281,004	1,022,445	1,461,223
12,388	3,269	126,850	126,702	162,726	164,134
5,883,296	3,831,849	4,222,059	4,037,044	77,319,563	56,195,702
2,985,999	3,679,677	1,963,681	2,121,322	5,620,584	13,390,199
\$521,965	\$240,185	\$840,784	\$750,881	\$2,963,254	\$2,826,418
5.72	15.32	2.34	2.83	1.90	4.74

of the pledged gross revenue, net of certain expenses where so required by the debt agreement, are indicated in the table above. The debt service coverage ratios also approximate the relationship of the debt service to pledged revenue for the remainder of the term of the commitment. Operating revenues include revenues for utility services, interest, and other operating revenues.



BALANCE SHEET

Combining Schedule of Net Position

ASSETS	FY23	FY22
CURRENT ASSETS		
Equity (deficit) in pooled cash & investments	\$13,852,295	\$9,385,761
Receivables, net of allowance for uncollectibles		
Accounts	7223154	7,281,996
Unbilled	1,797,630	1,799,998
Due from other governments	151,319	20,675
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	2,243,694	1,291,730
Power plant inventories	-	-
Prepayments	663,446	717,352
TOTAL CURRENT ASSETS	\$25,931,538	\$20,497,512
RESTRICTED ASSETS		
Cash and cash equivalents		
Debt reserve and debt service	3,273,344	3,245,039
Operations & maintenance	12,469,347	25,167,183
Investments	-	-
Debt reserve and debt service	-	-
TOTAL RESTRICTED ASSETS	\$15,742,691	\$28,412,222
PROPERTY, PLANT & EQUIPMENT		
Land	2,959,328	2,959,328
Utility plant in service	296,489,229	335,188,545
Machinery & equipment	3,667,875	4,191,392
Less accumulated depreciation	(152,231,970)	(181,260,605)
Construction in progress	24,335,498	17,329,175
Right-To-Use Assets		
Subscription based IT arrangements, net of amortization	102,068	-
TOTAL PROPERTY, PLANT & EQUIPMENT	\$175,322,028	\$178,407,835
DEFERRED CHARGES AND OTHER ASSETS		
Advances to other subfunds (not included in total column)	-	-
TOTAL ASSETS	\$216,996,257	\$227,317,569
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from refunding of debt (debits)	198,081	214,789
Deferred other post employment benefits	1,042,223	1,235,168
Deferred pensions	2,062,226	1,202,530
Deferred decommissioning Costs	2,474,890	3,093,613
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$5,777,420	\$5,746,100

.....TOTAL JOINT UTILITY.....

LIABILITIES	FY23	FY22
CURRENT LIABILITIES		
Accounts Payable	5,413,404	4,473,759
Accrued salaries including benefits payable	172,240	118,932
Accrued compensated absences	802,591	791,262
Customer deposits payable	569,010	494,794
Due to other governments	126,080	136,825
Due to other subfunds (not included in total column)	-	-
Subscription based IT arrangements liability	7,614	-
Interest payable on subscription based IT arrangements liability	369	-
Unearned Revenue	317,313	-
TOTAL CURRENT LIABILITIES	\$7,408,621	\$6,015,572
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of revenue bonds payable	1,360,000	1,300,001
Contracts and intergovernmental debt payable	845,539	528,165
Interest payable on debt	64,120	70,985
TOTAL LIABILITIES FROM RESTRICTED ASSETS	\$2,269,659	\$1,899,151
NON-CURRENT LIABILITIES		
Revenue bonds payable	11,311,361	12,692,429
Special closure costs	11,397,852	11,299,458
Accrued compensated absences	435,583	434,481
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	26,243,540	12,620,427
Net other post employment benefits liability	2,810,518	3,783,326
Net pension liability	12,464,936	8,811,440
TOTAL NON-CURRENT LIABILITIES	64,663,790	49,641,561
TOTAL LIABILITIES	\$74,342,070	\$57,556,284
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	2,726,810	2,564,636
Deferred pensions	142,020	2,828,552
Deferred leases	207,133	-
TOTAL DEFERRED INFLOWS OF RESOURCES	\$3,075,963	\$5,393,188
NET POSITION		
Net investment in capital assets	135,695,894	151,481,602
Restricted assets for, net of related liabilities:		
Debt Service	4,280,719	17,041,779
Unrestricted	\$5,322,870	\$1,590,816
TOTAL NET POSITION	\$145,299,483	\$170,114,197

BALANCE SHEET

Combining Schedule of Net Position

ASSETS	FY23	FY22
CURRENT ASSETS		
Equity (deficit) in pooled cash & investments	\$1,116,334	\$3,340,016
Receivables, net of allowance for uncollectibles		
Accounts	4,146,602	454,243
Unbilled	659,605	346,993
Due from other governments	135,600	-
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	1,829,937	10,341
Power plant inventories	-	-
Prepayments	663,446	-
TOTAL CURRENT ASSETS	\$8,551,524	\$4,151,593
RESTRICTED ASSETS		
Cash and cash equivalents		
Debt reserve and debt service	3,082,361	-
Operations & maintenance	11,412,292	5,067,043
Investments		-
Debt reserve and debt service		-
TOTAL RESTRICTED ASSETS	\$14,494,653	\$5,067,043
PROPERTY, PLANT & EQUIPMENT		
Land	-	2,959,328
Utility plant in service	130,661,896	43,133,064
Machinery & equipment	2,290,768	452,697
Less accumulated depreciation	(91,277,602)	(16,007,026)
Construction in progress	1,506,038	5,752,089
Right-To-Use Assets		
Subscription based IT arrangements, net of amortization	102,068	-
TOTAL PROPERTY, PLANT & EQUIPMENT	\$43,283,168	\$36,290,152
DEFERRED CHARGES AND OTHER ASSETS		
Advances to other subfunds (not included in total column)	-	-
TOTAL ASSETS	\$66,329,345	\$45,508,788
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from refunding of debt (debits)	198,081	-
Deferred other post employment benefits	684,404	\$138,507
Deferred pensions	1,329,865	15,185
Deferred decommissioning Costs	2,474,890	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$4,687,240	\$153,692

ELECTRIC

LIABILITIES	FY23	FY22
CURRENT LIABILITIES		
Accounts Payable	2,960,191	3,288,527
Accrued salaries including benefits payable	113,080	79,842
Accrued compensated absences	592,212	556,860
Customer deposits payable	217,239	185,641
Due to other governments	51,762	54,490
Due to other subfunds (not included in total column)	-	-
Subscription based IT arrangements liability	7,614	-
Interest payable on subscription based IT arrangements liability	369	-
TOTAL CURRENT LIABILITIES	\$3,942,467	\$4,165,360
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of revenue bonds payable	1,027,378	975,694
Contracts and intergovernmental debt payable	-	-
Interest payable on debt	46,388	50,697
TOTAL LIABILITIES FROM RESTRICTED ASSETS	\$1,073,766	\$1,026,391
NON-CURRENT LIABILITIES		
Revenue bonds payable	10,705,003	11,753,549
Special closure costs	11,397,852	11,299,458
Accrued compensated absences	276,176	248,782
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	-	-
Subscription based IT arrangements liability	56,161	-
Net other post employment benefits liability	1,723,085	2,369,787
Net pension liability	8,157,831	5,732,775
TOTAL NON-CURRENT LIABILITIES	32,316,108	31,404,351
TOTAL LIABILITIES	\$37,332,341	\$36,596,102
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	1,755,383	1,647,574
Deferred pensions	101,966	1,888,557
Deferred leases	207,133	-
TOTAL DEFERRED INFLOWS OF RESOURCES	\$2,064,482	\$3,536,131
NET POSITION		
Net investment in capital assets	31,685,093	51,607,375
Restricted assets for, net of related liabilities:		
Debt Service	3,050,413	3,004,751
Unrestricted	(\$3,115,744)	\$599,917
TOTAL NET POSITION	\$31,619,762	\$55,212,043

BALANCE SHEET

Combining Schedule of Net Position

ASSETS	FY23	FY22
CURRENT ASSETS		
Equity (deficit) in pooled cash & investments	(\$882,306)	\$236,176
Receivables, net of allowance for uncollectibles		
Accounts	358,300	516,840
Unbilled	151,313	115,652
Due from other governments	-	-
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	97,643	84,250
Power plant inventories	-	-
Prepayments	-	-
TOTAL CURRENT ASSETS	(\$275,050)	\$952,918
RESTRICTED ASSETS		
Cash and cash equivalents		
Debt reserve and debt service	-	-
Operations & maintenance	-	2,259,583
Investments	-	-
Debt reserve and debt service	-	-
TOTAL RESTRICTED ASSETS	-	\$2,259,583
PROPERTY, PLANT & EQUIPMENT		
Land	-	-
Utility plant in service	18,974,668	16,317,161
Machinery & equipment	172,620	172,620
Less accumulated depreciation	(7,105,175)	(6,756,323)
Construction in progress	31,983	1,858,312
TOTAL PROPERTY, PLANT & EQUIPMENT	\$12,074,096	\$11,591,770
DEFERRED CHARGES AND OTHER ASSETS		
Advances to other subfunds (not included in total column)	-	-
TOTAL ASSETS	\$11,799,046	\$14,804,271
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from refunding of debt (debits)	-	-
Deferred other post employment benefits	105,368	117,680
Deferred pensions	495,019	440,319
Deferred decommissioning Costs	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$600,387	\$557,999

.....NATURAL GAS.....

LIABILITIES	FY23	FY22
CURRENT LIABILITIES		
Accounts Payable	87,160	340,301
Accrued salaries including benefits payable	9,219	2,915
Accrued compensated absences	57,925	105,265
Customer deposits payable	178,595	149,315
Due to other governments	21,204	20,768
Due to other subfunds (not included in total column)	-	-
TOTAL CURRENT LIABILITIES	\$354,103	\$618,564
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of revenue bonds payable	-	-
Contracts and intergovernmental debt payable	-	-
Interest payable on debt	-	-
TOTAL LIABILITIES FROM RESTRICTED ASSETS	-	-
NON-CURRENT LIABILITIES		
Revenue bonds payable	-	-
Special closure costs	-	-
Accrued compensated absences	69,223	83,508
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	-	-
Net other post employment benefits liability	948,330	1,010,408
Net pension liability	2,121,653	1,887,812
TOTAL NON-CURRENT LIABILITIES	3,139,206	2,981,728
TOTAL LIABILITIES	\$3,493,309	\$3,600,292
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	-	374,350
Deferred pensions	-	203,254
TOTAL DEFERRED INFLOWS OF RESOURCES	-	\$577,604
NET POSITION		
Net investment in capital assets	12,074,096	11,591,770
Restricted assets for, net of related liabilities:		
Debt Service	-	2,259,583
Unrestricted	(\$3,583,650)	(\$2,666,979)
TOTAL NET POSITION	\$8,490,446	\$11,184,374

BALANCE SHEET

Combining Schedule of Net Position

ASSETS	FY23	FY22
CURRENT ASSETS		
Equity (deficit) in pooled cash & investments	\$9,750,937	\$2,036,003
Receivables, net of allowance for uncollectibles		
Accounts	2,501,184	682,438
Unbilled	480,854	471,468
Due from other governments	15,719	20,675
Due from other subfunds (not included in total column)	91,053	179,454
Inventories and prepayments		-
Inventories	305,516	195,437
Power plant inventories		-
Prepayments		3,111
TOTAL CURRENT ASSETS	\$13,145,263	\$3,588,586
RESTRICTED ASSETS		
Cash and cash equivalents		
Debt reserve and debt service	190,983	189,591
Operations & maintenance	-	6,541,099
Investments	-	-
Debt reserve and debt service	-	-
TOTAL RESTRICTED ASSETS	\$190,983	\$6,730,690
PROPERTY, PLANT & EQUIPMENT		
Land	-	-
Utility plant in service	102,970,270	97,815,738
Machinery & equipment	723,345	723,345
Less accumulated depreciation	(36,989,092)	(36,853,183)
Construction in progress	1,625,845	4,718,184
TOTAL PROPERTY, PLANT & EQUIPMENT	\$68,330,368	\$66,404,084
DEFERRED CHARGES AND OTHER ASSETS		
Advances to other subfunds (not included in total column)		91,053
TOTAL ASSETS	\$81,666,614	\$76,814,413
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from refunding of debt (debits)		-
Deferred other post employment benefits	137,296	166,311
Deferred pensions	113,333	(15,574)
Deferred decommissioning Costs		-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$250,629	\$150,737

..... WATER.....

LIABILITIES	FY23	FY22
CURRENT LIABILITIES		
Accounts Payable	997,385	180,971
Accrued salaries including benefits payable	29,843	20,147
Accrued compensated absences	97,399	70,132
Customer deposits payable	173,176	159,838
Due to other governments	29,335	38,493
Due to other subfunds (not included in total column)	-	-
Unearned revenue	317,313	-
TOTAL CURRENT LIABILITIES	\$1,644,451	\$469,581
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of revenue bonds payable	332,622	324,307
Contracts and intergovernmental debt payable	121,180	120,545
Interest payable on debt	5,810	7,435
TOTAL LIABILITIES FROM RESTRICTED ASSETS	\$459,612	\$452,287
NON-CURRENT LIABILITIES		
Revenue bonds payable	606,358	938,880
Special closure costs	-	-
Accrued compensated absences	71,601	72,800
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	6,509,389	2,740,910
Net other post employment benefits liability	43,842	190,133
Net pension liability	1,177,232	626,154
TOTAL NON-CURRENT LIABILITIES	8,408,422	4,568,877
TOTAL LIABILITIES	\$10,512,485	\$5,490,745
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	324,097	299,709
Deferred pensions	9,075	415,066
TOTAL DEFERRED INFLOWS OF RESOURCES	\$333,172	\$714,775
NET POSITION		
Net investment in capital assets	60,760,819	62,279,442
Restricted assets for, net of related liabilities:		
Debt Service	185,173	6,723,255
Unrestricted	\$10,125,594	\$1,756,933
TOTAL NET POSITION	\$71,071,586	\$70,759,630

BALANCE SHEET

Combining Schedule of Net Position

ASSETS	FY23	FY22
CURRENT ASSETS		
Equity (deficit) in pooled cash & investments	\$3,867,330	\$3,340,016
Receivables, net of allowance for uncollectibles		
Accounts	427,616	454,243
Unbilled	295,310	346,993
Due from other governments	-	-
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	10,598	10,341
Power plant inventories	-	-
Prepayments	-	-
TOTAL CURRENT ASSETS	\$4,600,854	\$4,151,593
RESTRICTED ASSETS		
Cash and cash equivalents		
Debt reserve and debt service	-	-
Operations & maintenance	1,057,055	5,067,043
Investments	-	-
Debt reserve and debt service	-	-
TOTAL RESTRICTED ASSETS	\$1,057,055	\$5,067,043
PROPERTY, PLANT & EQUIPMENT		
Land	2,959,328	2,959,328
Utility plant in service	43,882,395	43,133,064
Machinery & equipment	481,142	452,697
Less accumulated depreciation	(16,860,101)	(16,007,026)
Construction in progress	21,171,632	5,752,089
TOTAL PROPERTY, PLANT & EQUIPMENT	\$51,634,396	\$36,290,152
DEFERRED CHARGES AND OTHER ASSETS		
Advances to other subfunds (not included in total column)	-	-
TOTAL ASSETS	\$57,292,305	\$45,508,788
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from refunding of debt (debits)	-	-
Deferred other post employment benefits	115,155	138,507
Deferred pensions	124,009	15,185
Deferred decommissioning Costs	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$239,164	\$153,692

.....WASTEWATER.....

LIABILITIES	FY23	FY22
CURRENT LIABILITIES		
Accounts Payable	1,368,668	663,960
Accrued salaries including benefits payable	20,098	16,028
Accrued compensated absences	55,055	59,005
Customer deposits payable	-	-
Due to other governments	23,779	23,074
Due to other subfunds (not included in total column)	91,053	179,454
TOTAL CURRENT LIABILITIES	\$1,558,653	\$941,521
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of revenue bonds payable	-	-
Contracts and intergovernmental debt payable	724,359	407,620
Interest payable on debt	11,922	12,853
TOTAL LIABILITIES FROM RESTRICTED ASSETS	\$736,281	\$420,473
NON-CURRENT LIABILITIES		
Revenue bonds payable	-	-
Special closure costs	-	-
Accrued compensated absences	18,583	29,391
Advances from other subfunds (not included in total column)	-	91,053
Contracts and intergovernmental debt payable	19,734,151	9,879,517
Net other post employment benefits liability	95,261	212,998
Net pension liability	1,008,220	564,699
TOTAL NON-CURRENT LIABILITIES	20,856,215	10,777,658
TOTAL LIABILITIES	\$23,151,149	\$12,139,652
DEFERRED INFLOWS OF RESOURCES		
Deferred other post employment benefits	262,631	243,003
Deferred pensions	-	321,675
TOTAL DEFERRED INFLOWS OF RESOURCES	\$262,631	\$564,678
NET POSITION		
Net investment in capital assets	31,175,886	26,003,015
Restricted assets for, net of related liabilities:		
Debt Service	1,045,133	5,054,190
Unrestricted	\$1,896,670	\$1,900,945
TOTAL NET POSITION	\$34,117,689	\$32,958,150

Abbreviations Used in DPU Reports

ACFR	Annual Comprehensive Financial Report
AMI	Automated Metering Infrastructure
APPA	American Public Power Association
AWWA	American Water Works Association
ATC	Around the Clock
BGAL	Billions of Gallons
BPU	Board of Public Utilities
CFPP	Carbon Free Power Project
CGTG	Combustion Gas Turbine Generator
COLA	Combined Operating License Application
DG	Distributed Generation
DOE	Department of Energy
DOT	Department of Transportation
DPU	Department of Public Utilities
DW	Water Distribution
ECA	Electric Coordination Agreement
ED	Electric Distribution
EIA	Energy Information Administration
EP	Electric Production
EV	Electric Vehicle
FERC	Federal Energy Regulatory Commission
FER	Future Energy Resources Committee
FY	Fiscal Year
GA	Gas Distribution
GPCD	Gallons Per Capita Daily
GWS	Gas, Water, & Sewer Division*
IA	Interagency Agreement
KGAL	Thousands of Gallons
KWH	Kilowatt Hours
LAC	Los Alamos County
LAFD	Los Alamos Fire Department
LANL	Los Alamos National Laboratory
LAPP	Los Alamos Power Pool

LARES	Los Alamos Resiliency, Energy & Sustainability Task Force
MCC	Motor Control Center
MGAL	Millions of Gallons
MWH	Megawatt Hours
NMED	New Mexico Environment Depart
NMGC	New Mexico Gas Company
NMMEAA	New Mexico Municipal Energy Acquisition Authority
NNSA	National Nuclear Security Administration
NP	Non-Potable
NPV	Net Present Value
O&M	Operations & Maintenance
OW	Otowi Well
PEEC	Pajarito Environmental Education Center
PHMSA	Pipeline & Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PRV	Pressure Regulating Valve
PV	Photovoltaic
RFP	Request for Proposals
SCADA	Supervisory Control and Data Acquisition
SLS	Sewer Lift Station
UAP	Utility Assistance Program
UAMPS	Utah Associated Municipal Power Systems
UM	Utility Manager
USBR	United States Bureau of Reclamation
USFS	United States Forest Service
WAPA	Western Area Power Administration
WC	Wastewater Collection
WP	Water Production
WRRF	Water Resource Reclamation Facility
WT	Wastewater Treatment
WWTP	Wastewater Treatment Plant

*Sewer = Wastewater Collection

FY2023 ANNUAL REPORT

JUL1 / 2022 thru JUN30 / 2023

Issued Feb22 / 2023

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