2024: Jan 1 - Mar 31

Q3 REPORT FY24

LOS ALAMOS
Department of Public Utilities

WE ARE WHO

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 19,187 citizens with an authorized budget of approximately $157 million, DPU operates and maintains assets totaling $216 million with about 100 employees.

Los Alamos is situated at the foot of the Jemez Mountains on the Pajarito Plateau with an elevation ranging from 6,200 to 9,200 feet. Because of this unique topography, DPU's assets are incredibly complex for the population served. For example, Santa Fe serves its 88,000 citizens with four lift stations. Here in Los Alamos, our population is a fifth of that size but 26 lift stations are required to properly serve our citizens with wastewater services.

P. #2

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INSIDE

A WORD FROM THE UTILITIES MANAGER

PHILO SHELTON / UTILITIES MANAGER

June 2019 through present

Professional Engineer
Master of Science, Civil Engineering
Bachelor of Science, Civil Engineering
Master of Public Administration
Certified Public Manager

#HIGHLIGHTS

When we think of forever chemicals, DDT and PCBs often come to mind, however there is now an additional, recently identified forever chemical called PFAS (per- and polyfluoroalkyl substance). PFAS are found in cleaning products; water-resistant fabrics that are used in items such as rain jackets, umbrellas and tents; grease-resistant paper; nonstick cookware; personal care products like shampoo, dental floss, nail polish and eye makeup; and stain-resistant coatings used on carpets, upholstery and other fabrics.

According to the EPA, reducing exposure to PFAS will save thousands of lives by preventing tens of thousands of serious illnesses--including cancers, liver disease, heart attacks and strokes--and reduce immune and developmental impacts to pregnant women, and children.

DPU has been following this PFAS contaminant since 2019. A year ago, EPA's health advisory level was going to be set at 70 parts per trillion (ppt) for PFAS. At the end of this quarter, EPA is instead setting the enforceable Maximum Contaminant Levels (MCLs) at 4.0 ppt for PFOA and PFOS, individually. Collectively, PFOA and PFOS are what we refer to as PFAS. These standards are intended to reduce exposure from PFAS in drinking water to the lowest levels that are feasible for effective implementation.

In Los Alamos County's 2022 Consumer Confidence Report (CCR), total PFAS were reported between 0.350 to 0.775 ppt which is well below EPA's MCL for PFAS. As stated in the report, PFAS were a growing concern nationwide in 2019. While PFAS were not regulated by the EPA or New Mexico when the report was compiled, we began initial testing for this constituent in 2021 and detected minimal amounts of PFAS in Los Alamos

drinking water supply wells.

Going forward, the implementation of the new standards will require public water systems to conduct monitoring for PFAS from 2024 to 2027 and include monitoring results in Consumer Confidence Reports starting in 2027. Starting in 2029, water providers that exceed MCLs must have PFAS-reducing solutions in place to bring levels down to new MCL standards. Public notification for MCL violations will be an ongoing requirement beginning in 2027.

While DPU's test results are below these proposed MCLs for PFAS, DPU still needs to pay close attention to PFAS sources and contamination. For example, because PFAS is in household products through normal bathing and typical household cleaning efforts, these PFAS chemicals are ending up in wastewater systems and ultimately in one's drinking water where downstream water diversion points enter drinking water treatment plants. Fortunately, Los Alamos County obtains its drinking water from a deep groundwater aquifer that is not under the influence of potentially contaminated surface water sources.

Now that EPA has begun to regulate PFAS in drinking water, which is an immediate health and safety risk, I am anticipating that wastewater discharges may soon be regulated as well. The treatment technologies are expensive for drinking water and will be more expensive if required for wastewater. The best approach is to eliminate the sources of these risks. In anticipation of this potential development, I signed up with the National League of Cities (NLC) to monitor regulations on PFAS and reduce its sources. The NLC is advocating for comprehensive federal action to prevent further pollution, contamination, and exposure to PFAS, including through source reduction as a key mechanism for keeping PFAS out of water systems, landfills, and the environment. Next, through NLC, I wrote an email to Senator Heinrich's office regarding the issues around PFAS. His office responded that he is closely tracking this issue and seeking funding for communities already directly impacted by PFAS, like Cannon Air Force Base near Clovis. In closing, this quote from Senator Heinrich wraps up this issue: "Everyone deserves to live in a safe, habitable environment free from contamination. I will continue working with my colleagues in the Senate to protect our food, water, and public health from harmful contaminants like PFAS."

More information about PFAS is available at https://www.epa.gov/pfas.

#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

#VALUES

We value **CUSTOMERS** by being service oriented and fiscally responsible

We value **EMPLOYEES & PARTNERSHIPS** by being a safe, ethical and professional organization that encourages continuous learning

We value **ENVIRONMENTAL & NATURAL RESOURCES** through innovative solutions

We value **COMMUNITY** by being communicative, organized and transparent


LOS ALAMOS
DPU Electric Distribution

STRATEGIC FOCUS AREAS

O 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

F 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 work plans 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

C 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

#GOALS

W 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

E 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 a 10% reduction in usage by 2030 as measured by 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 (GPCPD, 2020 calendar baseline) to 126 GPCPD by 2030
- Provide class 1A effluent water in Los Alamos County

P 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 Public Works, especially for communications infrastructure

BOARD OF PUBLIC UTILITIES

ROBERT GIBSON
Chair

Appointed: July 2023

1st Term: July ‘23 - June ‘28

Chair: 2024

Council liaison to BPU: 2008

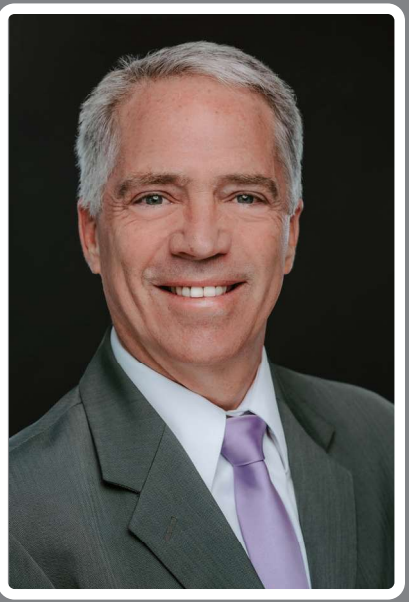
Previous term: 2001-2006
- Chair: 2 years
- Vice Chair: 2 years

ERIC STROMBERG
Vice Chair

Appointed: July 2020

1st Term: July ‘20 - June ‘25

Vice Chair: 2024



STEVE TOBIN
Member

Appointed: July 2019

1st Term: July ‘19 - June ‘24

Chair: 2023

Vice Chair: 2022

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.

OUR BOARD

CHARLES NAKHLEH
Member

Appointed: July 2022

1st Term: July ‘22 - June ‘27

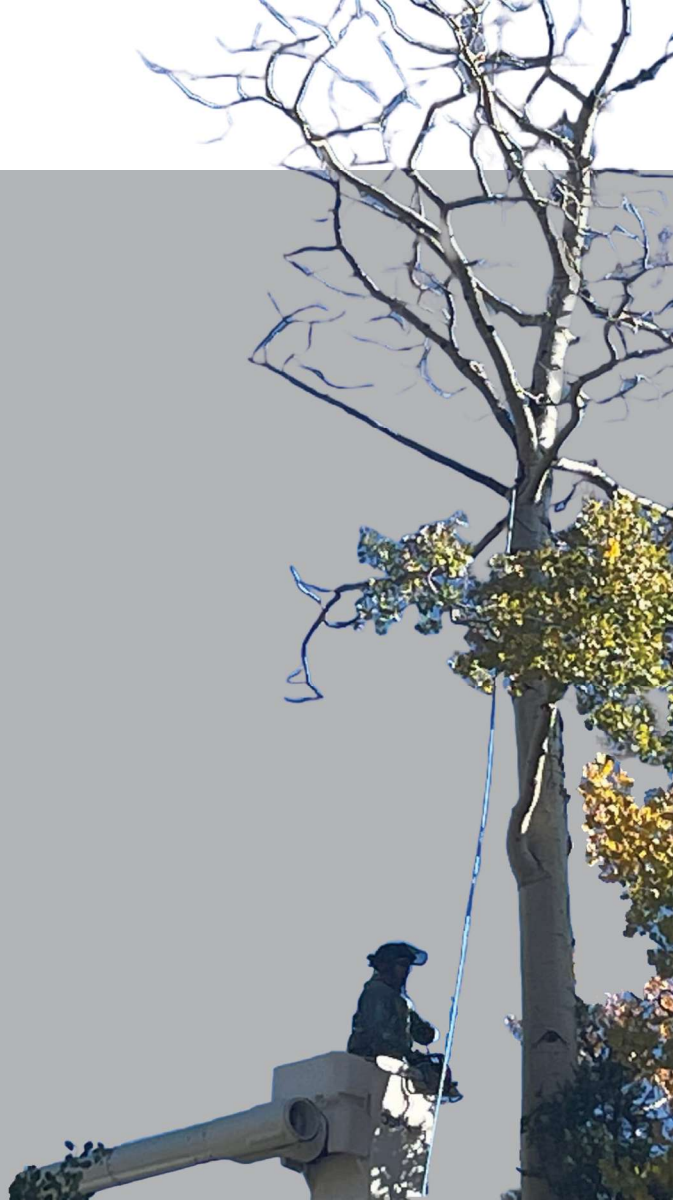
MATT HEAVNER
Member

Appointed: January 2024

1st Term: Feb ‘24 - June ‘26

The BPU normally holds work sessions on the first Wednesday and regular sessions on the third Wednesday of each month. Meetings begin at 5:30 pm in Council Chambers. Agendas are published at least 72 hours prior to each meeting. Members of the public are encouraged to attend and can participate either in person or via Zoom. Proceedings are also streamed online at LADPU.com/BPUliveproceedings. The BPU calendar is available online at LADPU.com/BPU.

SAFETY



SAFETY CULTURE

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 and 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

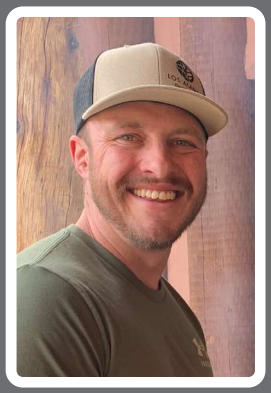
Q3 / FY24

ISAIAH MARTINEZ

GWS Trainee
Gas, Water, & Sewer

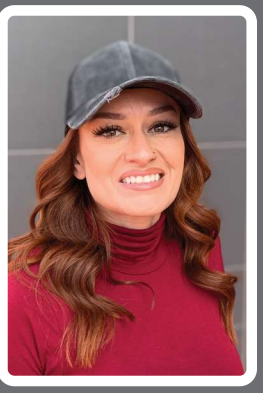
Isaiah was nominated for his leadership and consistent safety mindset, as well as for his dedication to following construction standards. Recently on a job site, he took the initiative to pause operations when he noticed a rigging issue while the crew was loading a heavy piece of equipment onto a dump truck. He pointed out the issue, made sure everyone understood what was going on, and resumed operations only after it was resolved.

Q2 / FY24



MARK MARTINEZ
GWS Pipefitter
Gas, Water, & Sewer

Q1 / FY24



MICHELLE MARTINEZ
Engineering Associate
Engineering Division

Q4 / FY23

JACOB LEYBA
Pipefitter
Gas, Water, & Sewer

Q3 / FY23

JERRY MARTINEZ
Water Sys Apprentice II
Water Production

ED

STEPHEN MAREZ / DEPUTY UTILITY MANAGER

Registered Professional Engineer

Bachelor of Science, Electrical Engineering

Master of Information Systems

Certified Project Mgmt. Professional

Memberships:

Institute for Electronic & Electrical Engineers

National Society of Professional Engineers

#HIGHLIGHTS

PROJECTS

The following projects are in construction for the Electric Distribution Division.

- El Mirador Subdivision Phase 3
- Barranca Tank
- Lift stations
- The Hills Apartments
- Arbolada Subdivision
- Piñon Elementary School
- Arkansas Place Apartments
- Los Alamos Switch Station (LASS)
- 3400 Arizona Communications Tower (completed in Q3)
- EV Car Charging Stations at Municipal Bldg and WR Visitors Center

Engineering staff continue to work on designs and specifications for all current and upcoming projects within the county. Operations crews continue to work on housing projects, maintenance and priority replacement projects.

The following projects are in design.

- Oppenheimer Primary Replacement
- Camp May Water Line
- DP Road Phase 2
- Buena Caza Commercial/ Residential
- White Rock Visitors Center Bathrooms
- Los Alamos Center
- Arbolada Subdivision
- Sherwood Rounds
- Century Bank
- East Gate Primary Upgrade

OPERATIONS

Line crews completed system inspections on electric equipment. The inspections are part of the asset management program. System assessments will be used to complete the reliability report with budget recommendations.

STAFF UPDATE

The division is interviewing for the position of Engineering Associate.

DISTRIBUTED GENERATION

Los Alamos County now has 4445 KW of total DG.

Now connected to DPU's distribution system are 483 customers with 4302 KW. Another 23 customers are pending with systems totaling 142 KW.

Twelve customers were connected in the third quarter.

More distributed generation details are on page 17.

OTHER NEWS

Among other efforts to reduce outages, DPU's tree trimming contractor, Southwest Fire Defense and Tree Service, continued to remove hazard branches and trees. DPU's staff actively inspects the overhead line sections throughout the

county on an ongoing basis to ensure the tree trimming contract is as successful and efficient as possible. This task is continually demanding as intense drought conditions cause trees to die in large numbers. During high wind events, even trees that are still very green will fall.

Q3 SAIDI finished at 29 minutes, which is well below the 60-minute benchmark.

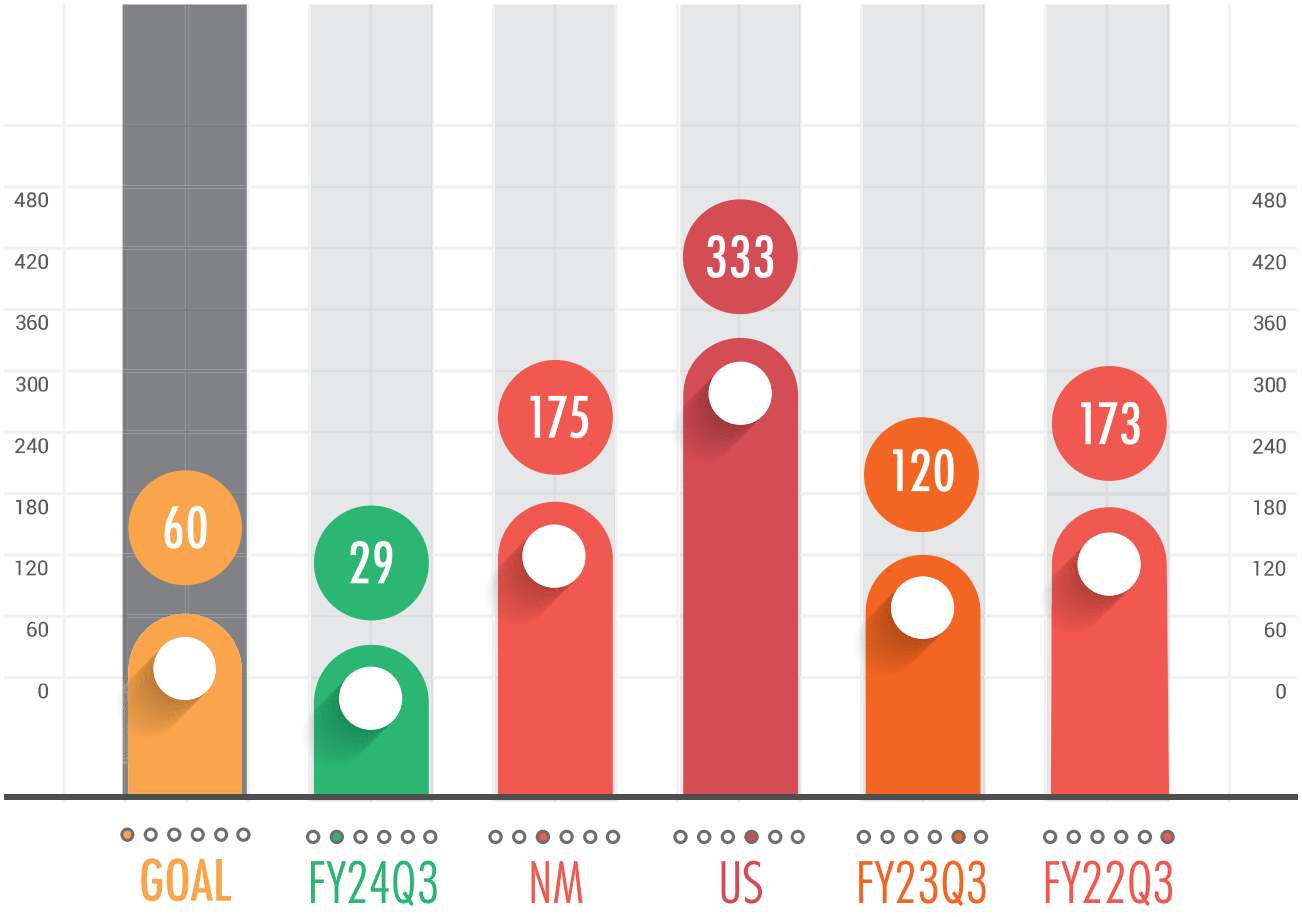
Three trees fell and took out power lines at the ski hill during a wind storm in Februrary. DPU's Electric Distribution team had electric service restored to ski hill customers within the day.

#SAIDI

SAIDI BASICS

DPU measures its System Average Interruption Duration Index (SAIDI) as a reliability indicator. This is a formula to determine the average time that a DPU customer could expect to be without power per year. According to the Energy Information Administration (EIA), the mean SAIDI in 2022 was 131 minutes without major events and 333 minutes with major events for utilities across the nation (excluding U.S. territories). This information is available on the EIA website. DPU set a goal in 2008 to reduce its SAIDI to below 60 minutes (including major events). At the end of quarter 3 of FY2024, DPU's SAIDI rose slightly from 27 in Q2 to 29 minutes*, including major events, which is well within DPU's goal to remain under 60 minutes. It is also comfortably below the 2022 national SAIDI of 333 minutes and New Mexico's 2022 SAIDI of 175 minutes.

** DPU's SAIDI does not include outages caused by LANL substation failures.*



SYSTEM AVERAGE INTERRUPTION DURATION INDEX

RESULTS / COMPARISONS

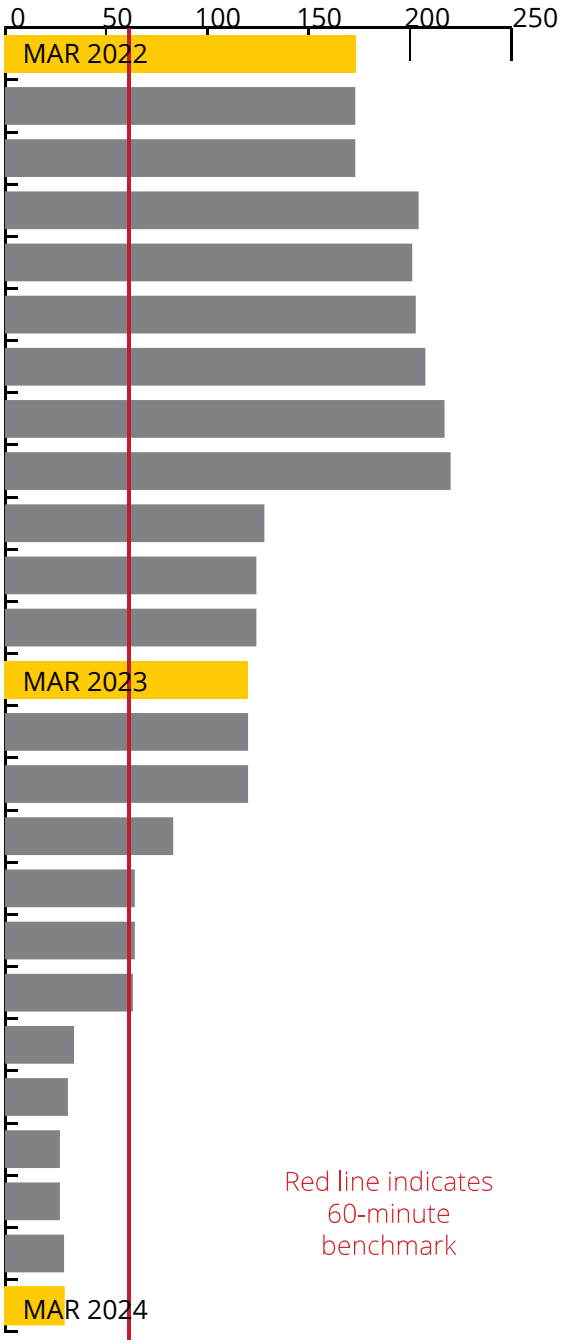
As of March 31, DPU's rolling 12-month SAIDI for Q3 was 29 minutes in FY2024; 120 minutes in FY2023; and 173 minutes in FY2022.

Reliability reports issued by the Energy Information Administration* demonstrate that DPU's current SAIDI is below the average of combined New Mexico utilities (includes New Mexico cooperatives, investor- and municipal-owned utilities) and considerably lower than the average of combined U.S. utilities through December 2022. Note that the EIA will release calendar 2023 SAIDI data in Oct. 2024.

EIA website
www.eia.gov/electricity/annual/

EIA SAIDI annual results
www.eia.gov/electricity/annual/html/epa_11_01.html

SAIDI 2-YEAR HISTORY



Red line indicates 60-minute benchmark

PRIOR Q
DEC23
27

MAR24
29

#SOLAR

DISTRIBUTED GENERATION

Unlike conventional power generating stations that are centralized and require transmission lines, distributed generation resources are decentralized and close to the load, such as rooftop solar systems. In addition to the utility-scale solar array on the landfill, Los Alamos has many commercial and residential customers—483 at the end of Q3—who have opted to install small solar distributed generation systems.

Total Distributed Generation

As of the end of Q3, distributed generation resources totaled 4,303 kW connected to the distribution grid.

- Residential systems = 2,598 kW
- Commercial systems = 1,714 kW

New Distributed Generation

A total of 95 kw of distributed generation were added to DPU's electric distribution grid during Q3.

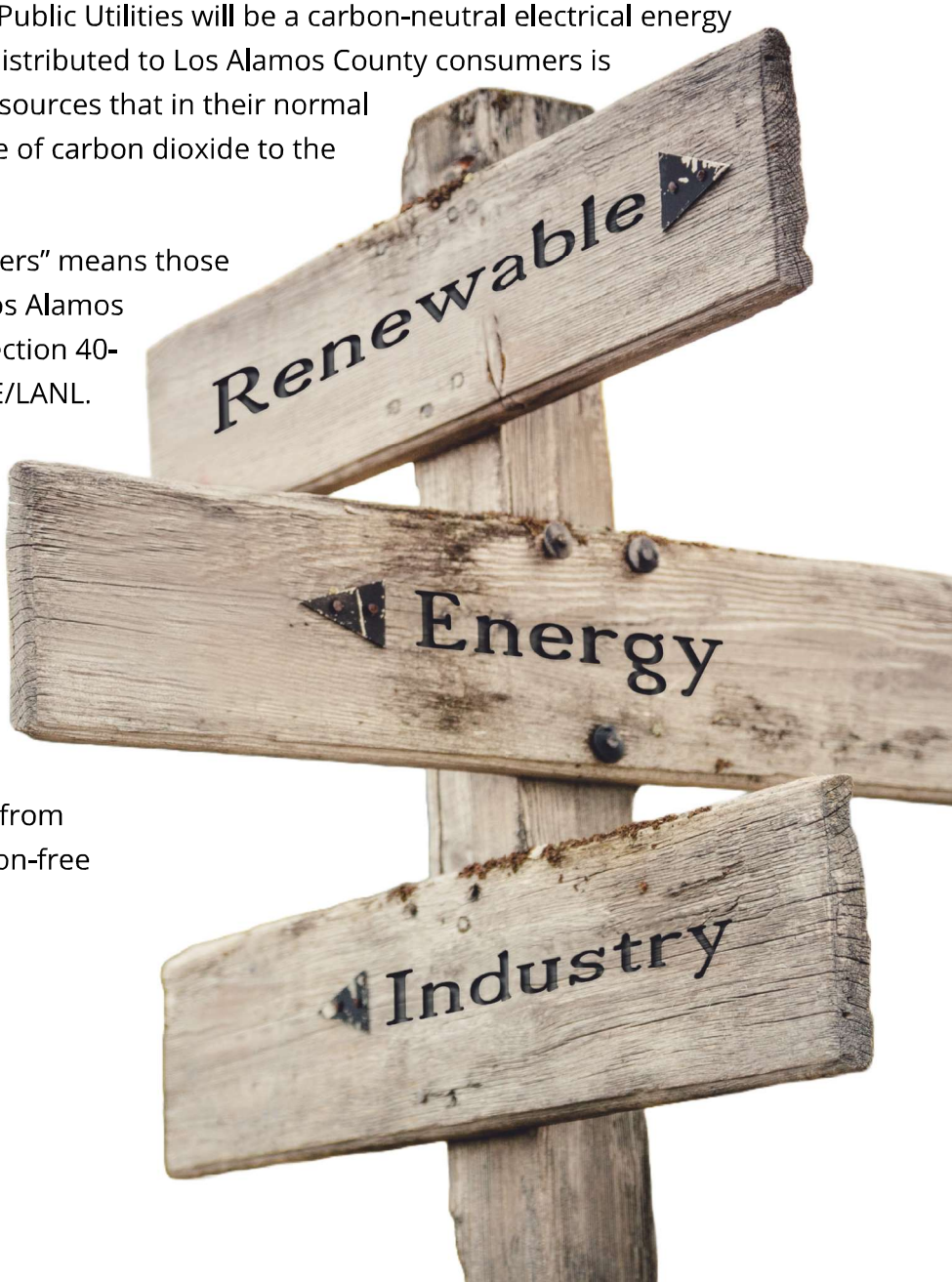
Pending Distributed Generation

Currently 23 customers are in the process of adding another 185 kw of distributed generation to DPU's electric distribution.

CARBON-NEUTRAL ELECTRICAL ENERGY PROVIDER

In recognition of the need to move away from CO_2-producing electrical energy sources, the Board of Public Utilities adopted a strategic goal in September 2013 that DPU will be a carbon-neutral electric provider by 2040.

In January 2016, BPU adopted the following definition for carbon-neutral electrical energy provider: "The Department of Public Utilities will be a carbon-neutral electrical energy provider when the electricity distributed to Los Alamos County consumers is generated or purchased from sources that in their normal operation cause no net release of carbon dioxide to the atmosphere."

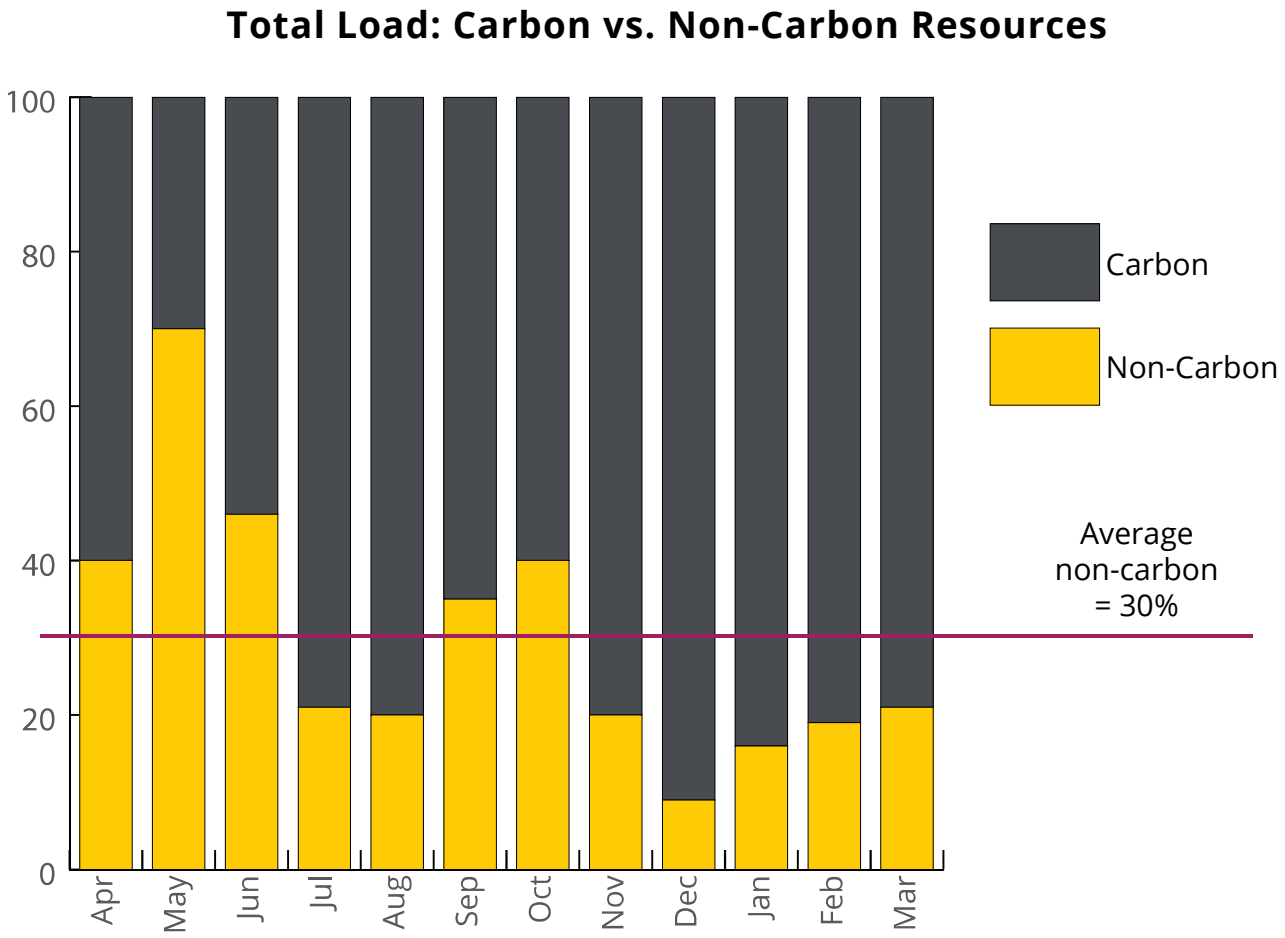


1. "Los Alamos County customers" means those customers scheduled in the Los Alamos County Code of Ordinances Section 40-121; this does not include DOE/LANL.

2. "No net release of carbon dioxide" means that purchases or generation of carbon-based electrical energy, necessary when carbon-free supplies are not practically available to supply Los Alamos County consumers, will be fully offset from previous sales of surplus carbon-free electricity to other entities.

NET CARBON NEUTRAL INITIATIVE

DPU plans to meet the carbon-neutral goal through the addition of non-carbon emitting generation resources such as solar, wind, geothermal and nuclear energy, and energy storage systems. Some energy from carbon-emitting sources will be needed to meet the County's load while new resources are developed, and to manage intermittency of wind and solar resources as well as generation outages. Being a net carbon-neutral electrical energy provider means that by 2040 all electrical energy from carbon-emitting sources will be offset by sales of surplus carbon-free electrical energy to other entities.



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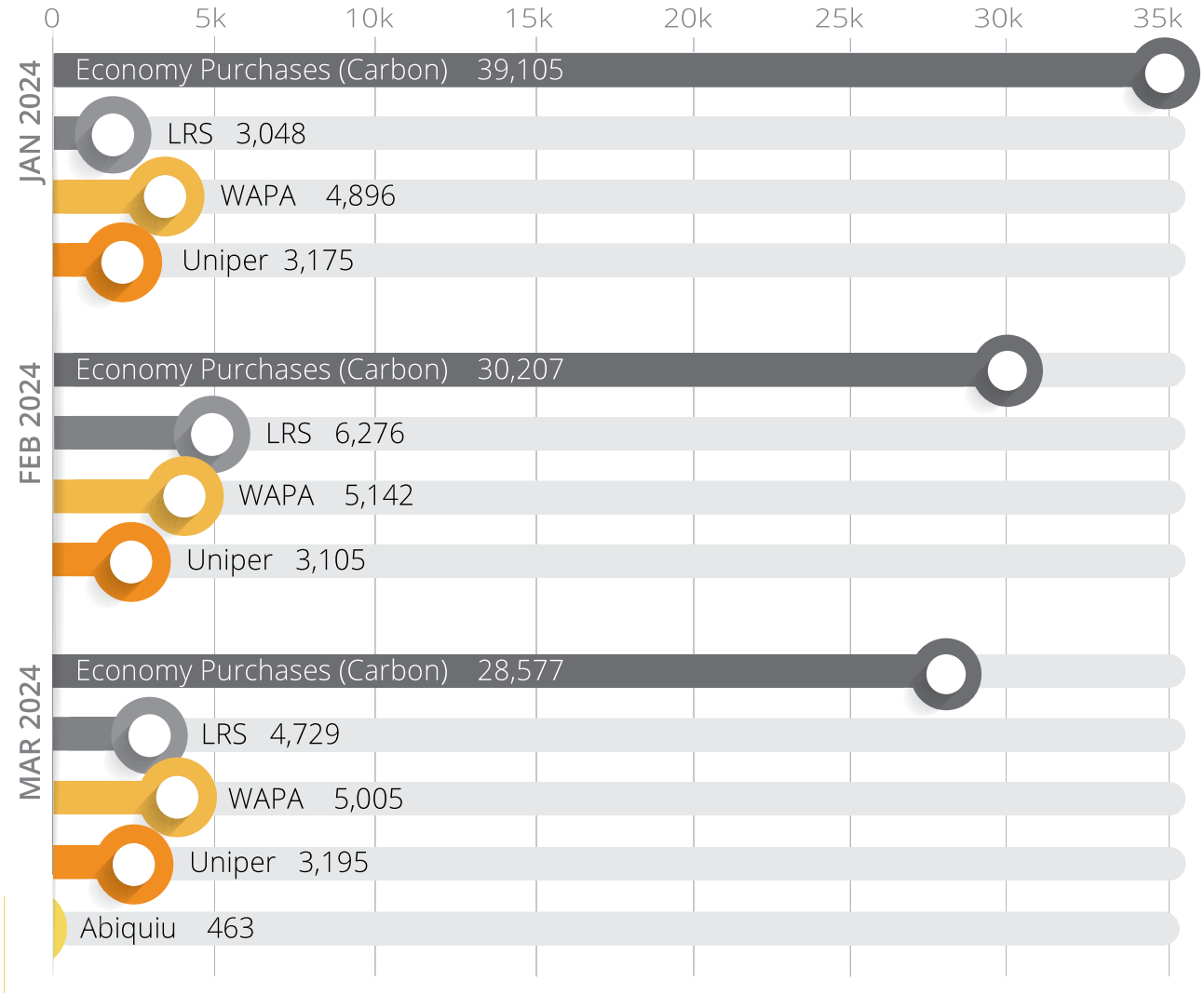
Total Carbon vs Non-Carbon Energy Resources by MWH



GENERATION SUPPLIED

Carbon-Emitting Resources

LRS: Laramie River Station

Econ Purchases: balance of Uniper contract & open market purchases

Non-Carbon-Emitting Resources

Uniper: Non-carbon economy purchases

WAPA: Western Area Power Assn.

Abiquiu: Hydroelectric Plant

El Vado: Hydroelectric Plant

RESOURCE	JAN	FEB	MAR
Econ Purchases	39,105	30,207	28,577
LRS	3,048	6,276	4,729
Uniper	3,175	3,105	3,195
WAPA	4,896	5,142	5,005
Abiquiu	0	0	463
El Vado	0	0	0
NON-CARBON % of load	16%	19%	21%

DPU calculates non-carbon percentages based on load rather than supply. Non-carbon resources are considered distributed first.

EP

BEN OLBRICH /
DEPUTY UTILITY MANAGER

Bachelor of Science, Electrical Engineering

#HIGHLIGHTS

PROJECTS

Electric Vehicle Charging Stations

The White Rock Visitor Center and Municipal Building charging stations are installed and awaiting final inspections and commissioning by ChargePoint, the equipment supplier and operator. The planned operational date is May 29, 2024.

El Vado Dam Restoration

The facility continued in the forced outage put in place by the US Bureau of Reclamation. The outage is for a repair and reconstruction project (phase I) on the lake side of the dam face. This 4-year-long effort is expected to be completed in late 2025. Hydro staff continue to perform any necessary maintenance and projects as required. EP is planning on zero electricity generation from El Vado because the lake elevation is expected to be below the minimum level needed to generate power.

OPERATIONS

Power Operations

As temperatures have increased and accumulated snow in the watershed melts, increasing water flows through the County's hydroelectric facilities started in the middle of April. The amount of water projected to flow through the hydroelectric facilities is 45% of last year's volume, or 150,000 acre-feet in 2024 compared to 330,000 acre-feet in 2023. The high-flow runoff season is predicted to last through most of May, with river levels dropping back to normal by June.

Hydroelectric Facilities

The federal owner of the Abiquiu Dam, the US Army Corps of Engineers (USACE), completed critical maintenance tasks at the end of February. River flow control was then transferred back to LAC and the low-flow turbine began generating power on February 28. The hydroelectric facility staff will bring the other two turbine generator units at Abiquiu online as water flow increases. They expect to achieve the maximum power generation of 17 megawatts in May.

STAFF DEVELOPMENT

On April 25, Nick Nelson, the Power System Supervisor for Power Supply, completed the Los Alamos County Academy leadership program. EP staff are proud of Nick's accomplishment. We're already seeing the benefit of this outstanding County training program as Nick applies the skills he learned

to improve EP's operational practices.

INTEGRATED RESOURCE PLAN (IRP)

DPU is pursuing three future generation resources for the Los Alamos Power Pool.

1) 170 MW Foxtail Flats Solar + Battery Energy Storage System (BESS) Project - Agreements were signed and recorded on March 8, following unanimous approval of the agreements by County Council on February 27. The agreements have 20-year terms for 170 MW of solar energy delivered to the San Juan 345kV point on PNM's transmission system, and 80 MW/320 MWh of BESS capacity. The energy from the project is planned to supply around 40% of the combined County and Los Alamos National Laboratory annual energy load with carbon-free energy starting in March 2026. EP will continue to monitor project developments.

The Foxtail Flats agreements are the result of almost a year of effort by DPU staff with invaluable support from many people within the County, DOE/NNSA and LANL, as well as legal counsel. The signing of these agreements is a testament to DPU's commitments to implementing the IRP's preferred generation portfolio and becoming a carbon-neutral electrical energy provider by 2040.

2) Geothermal Proposal - The Power Pool continued its participation for 4 MW of capacity in the UAMPS geothermal project. There are no changes to report this quarter while transmission interconnection agreements are being investigated.

3) Natural Gas Turbine - The Power Pool has requested 10 MW in the UAMPS Gas Generation and Feasibility Study. Two sites were selected for further investigation based on the availability of transmission capacity and natural gas supply lines. One site is in southern Idaho and the other is in south central Utah.

4) Carbon Free Power Project - On November 8, 2023, CFPP LLC and NuScale announced a mutual decision to end the project was the most prudent decision for both parties, as it was apparent that the necessary subscription would not be achieved. CFPP wind-down activities are on-going. To avoid additional financing expenses, DPU plans to pay the County's estimated share of the closeout costs of $325,000 before the end of the fiscal year and perform a true-up in fiscal year 2025.

5) Uniper Power Purchase Agreements - On March 20, the Termination and Settlement Agreement and Release of Claims was signed and recorded by LAC and Uniper Global Commodities North America LLC (UGCNA), thus ending the two agreements under which UGCNA had been delivering 40 MW of power around-the-clock to LAC. The last power through the Uniper agreements was delivered on March 31. Under the settlement agreement, UGCNA made a $58 million termination payment to LAC.

6) Mercuria Power Purchase Agreement - The termination of the Uniper PPAs eliminated 40 MW of generation resources from DPU's portfolio. To replace this power, DPU signed an agreement with Mercuria Energy America , LLC, for 40 MW firm, around-the-clock, with a term from April 1,2024 through February 28, 2026. This agreement will provide the power needed to supply the County and LANL until the scheduled start of Foxtail Flats power delivery. Power delivery started successfully on April 1 and has continued without issue.

GWS

CLAY MOSELEY/ DEPUTY UTILITY MANAGER

Bachelor of Science, Applied Mathematics

Master of Science, Engineering Construction Management

Certifications:

NM Water Treatment Operator 2

NM Wastewater Operator 2

#HIGHLIGHTS

PROJECTS

GWS & ED Standby Quarters Renovations

The County standby quarters renovation project got off the ground after being awarded to one of the County's on-call construction contractors. The project architect and the County's project manager have put together a good plan with a schedule that targets project completion by late April. In the meantime, County standby crews are housed in the County's "smart house" facility.

Water Distribution – Residential Water Meter Replacement

There are still residential water meters in certain areas of town that have not been replaced with AMI meters. These are difficult to replace due to the antiquated existing meter setters and type of installation. The GWS water distribution crews have been going through the difficult task of moving the meter installations from near the homes' foundations to the County's standard installation location at the property with a modern meter setter and AMI meter in accordance with current construction standards. This work is impressive considering crews were working through difficult winter conditions.

Gas – NMPRC Audit Checklist Items

The NMPRC gas system audit was conducted last September. While LAC-DPU's gas system is in good condition, there were some action items that require a full-time effort to remain in compliance with federal and NMPRC regulations. The GWS gas crew has been focusing on full-time corrosion control projects and documentation of line surveillance. Additionally, crews replaced two PRV regulators during Q3, which is a large system appurtenance that regulates distribution gas pressure.

Wastewater Collections – Lift Station Resiliency

The wastewater collection system in Los Alamos includes 26 lift stations. As previously described, lift stations are a constant maintenance challenge, with electrical components having to operate in difficult service conditions. The main point of failure is at liquid level sensing and pump control, customarily requiring a lot of crew overtime to manually pump out the wet wells as well as paying a third-party O&M provider to come on site to repair the problem and provide components and service. The GWS team is undergoing some changes

in approach to the type of infrastructure that is in operation in these facilities. Older panel and relay logic is being replaced with newer "smart" technology that can be programmed and utilized for implementing alarm callouts before overflows or failures occur.

Wastewater Collections – SCADA Equipment Implementation

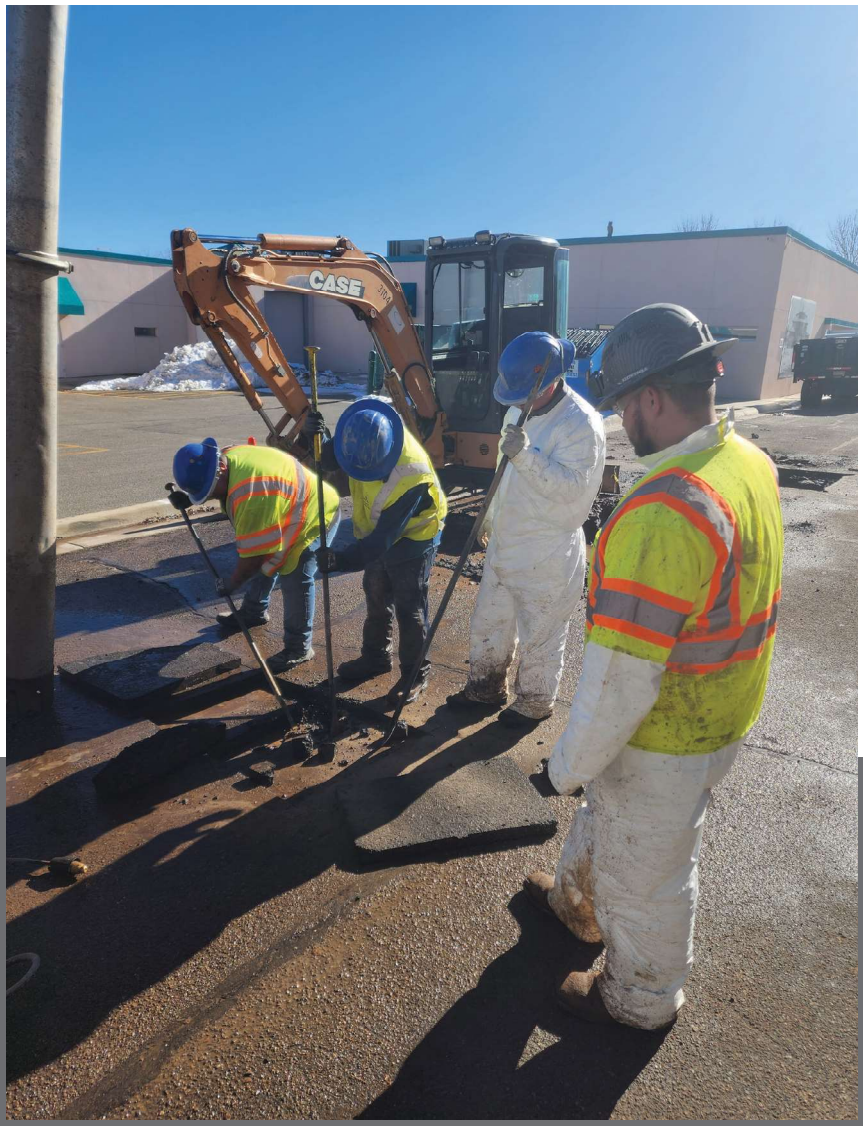
As a result of the Range Road lift station electrical problem that caused a reportable overflow event, a project to implement remote sensing of liquid levels and pump status has been started. A new "SCADA pack" has been installed and programmed to make emergency phone calls if and when the liquid level is beyond normal, or when pumps are not operating normally. A phased project to implement this technology will continue this year and next. The first phase of the project will target the most critical lift stations based primarily on flow and proximity to the public.

Water Production – Barranca Mesa Tank #2 Upgrades/Painting

The WP team has been busy working with the contractor to accommodate their work in completing checklist items. Water from the tank is removed (by distribution to the system) and replaced while the contractor performs different tasks.

Water Production – Pump Control Valve Replacement at the Bayo Booster Station

Last winter, the WP team had to take the Bayo Booster station offline to perform repairs to both the pumps and the pump control valves due to hard service conditions along with near-constant use during the irrigation season. The system had been in service since its construction in 1992. The condition of the pump control valves was concerning, but there was not enough time to procure new ones as they are a long lead-time item. The team was able to get the existing ones serviced and upgraded enough to make it through another pumping season, but they needed to be replaced. This winter, the new valves arrived and were installed and configured to work with the Bayo Booster pumping system pressures. The station is slated to be completely overhauled, but the upgrades of the pumps, motors, and pump control valves are already completed.



GWS crews repaired a broken water pipe behind Central Park Square in January.

GWS #CONTINUED...

Los Alamos WWTP Belt Press and Fine Screen Replacement Projects

The Los Alamos WWTP staff anticipates the end-of-life condition of both the belt-press sludge dewatering equipment and the headworks screen. Operators have been performing a lot of O&M on the equipment in operation for some time, and it was put on a replacement list and time frame with the Engineering Division through the asset management team process. Working with Engineering and the contracted consultants has been an ongoing process for the WWTP team. Additionally, while these processes are being considered for replacement, the WT team has decided that a full assessment and upgrade of the motor control center should also be conducted. There have been some component failures that are becoming more common, requiring frequent calls to the electricians and disruptions to process operations.

Los Alamos Canyon Watershed Stabilization – Keystone Restorative Ecology

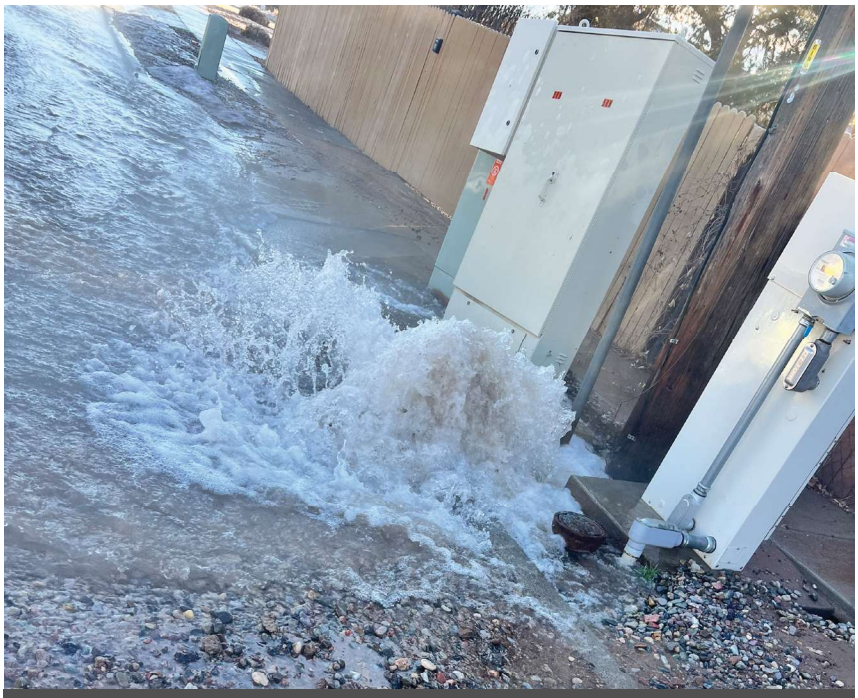
Permitting through the SFNF and LANL/DOE was a slow and arduous progress, but as the new year rang in, staff in both agencies dedicated time and effort to finish reviews and develop their respective determinations of no significant impact (FONSI). Once complete, the FONSI reports are turned over to the US Army Corps of Engineers and the NMED Surface Water Quality Bureau for permitting (for approved construction activities in the delineated riparian/stream boundaries). The Corps of Engineers and NMED will review the applications and are expected to approve the scope of work which is scheduled to begin in late April. This is an exciting and long-anticipated development, and the project will benefit the area in terms of protection of natural resources for both infrastructure and recreation purposes.

OPERATIONS

GWS staff have been working on residential meter changeouts in those difficult-to-change areas. The goal is to be as close to completion as possible by the end of 2024, but the remaining installations are the most difficult to upgrade.

The winter season becomes a busy time for GWS gas crews due to the volume of trouble calls from residents and businesses who are having issues with boilers and water heaters. While these appliances are not on the County-side of responsibility, it must be recognized that the DPU maintains qualified gas fitters who are able to inspect and evaluate problems residents and businesses are having with their appliances. The volume of calls is very significant and keeps the standby crews very busy on a 24-hour basis. Each winter, the number of gas-related trouble calls amounts to a significant number of crew hours, both during and after regular hours.

There were three wastewater overflow events that required a report submittal to the NMED. The events were all considered minor, being less than 1,000 gallons each. Two of the events were related to an electrical issue on the control panel at the Range Road lift station, as mentioned above. The other reportable event was due to a blockage



GWS crews responded to a water break on Rover Blvd. in White Rock and replaced about 8 feet of pipe due to a 4-to-5 foot crack ran along a 10" cast iron main.

in a main line at the lower end of Walnut Canyon. The blockage was determined to be a combination of grease and "flushable" wipes that stalled in the line and obstructed flow. The blockage was a curious event because of the large quantity of wipes that were in the pipe.

The WT operations team has worked very hard to improve conditions at the White Rock WWTP so that the ammonia and total nitrogen values stay close to but below the upper limits allowed by our NPDES permit. The good news is that this is the first winter season in some time that Los Alamos has not violated the permit on nitrogen being discharged through the effluent. The WT team deserves a lot of kudos for this accomplishment!

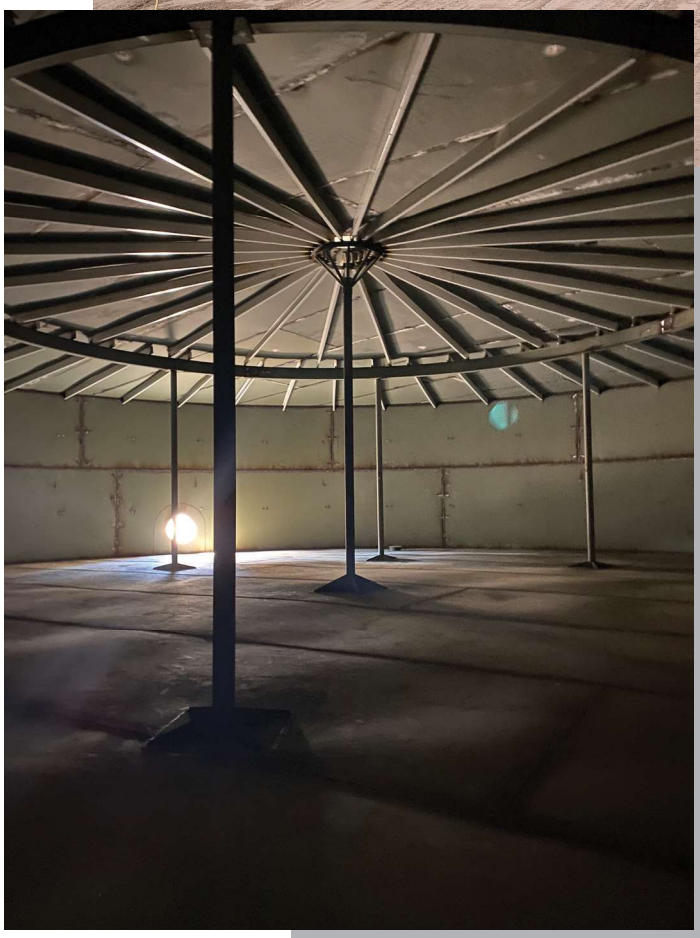
Water Production uses the winter season to perform O&M inside the booster and well stations, such as repairing and replacing worn components in the bearing lubrication systems, valves and other components. The WP electricians were able to coordinate with a local contractor to replace all station lighting from old mercury-ballast bulbs to energy efficient (and brighter) LED lights. They also configured the portion of the LA WWTP (i.e. the aeration basin blowers) that was not connected to the emergency back-up generator panel to be fed separately using the DPU's large 750kW portable generator. This is a big improvement for power outage events. The health of the aeration basin biological processes is able to be maintained.

STAFF DEVELOPMENT

Staff continue to study for their NMED Certified Operator licenses. There have been more "in-house" training sessions to help prepare for the exams. Additionally, two of the GWS crews have taken their Journeyman gasfitter licensing exams, with one of them passing, bringing the crew up to six qualified gasfitters, with the three additional licenses being held by the supervisors and the superintendent. This is important because it is required to have a licensed gasfitter on standby 24/7.

Several of the staff members in all three divisions (GWS, WP, and WT) are close to becoming eligible to test for their NMED Water Operator or Wastewater Certified Operator exams, as they have the required training and experience hours since being hired here at the County.

Finally, the requirements for obtaining a CDL for all the remaining staff/crew members are very close to being completed. Those remaining without CDLs have been scheduled to attend training and take their tests.



Photos on this page show progress on the Bayo non-potable storage tank from Q1 through Q3. With this tank, DPU has dedicated space for more than a million gallons of reclaimed wastewater.

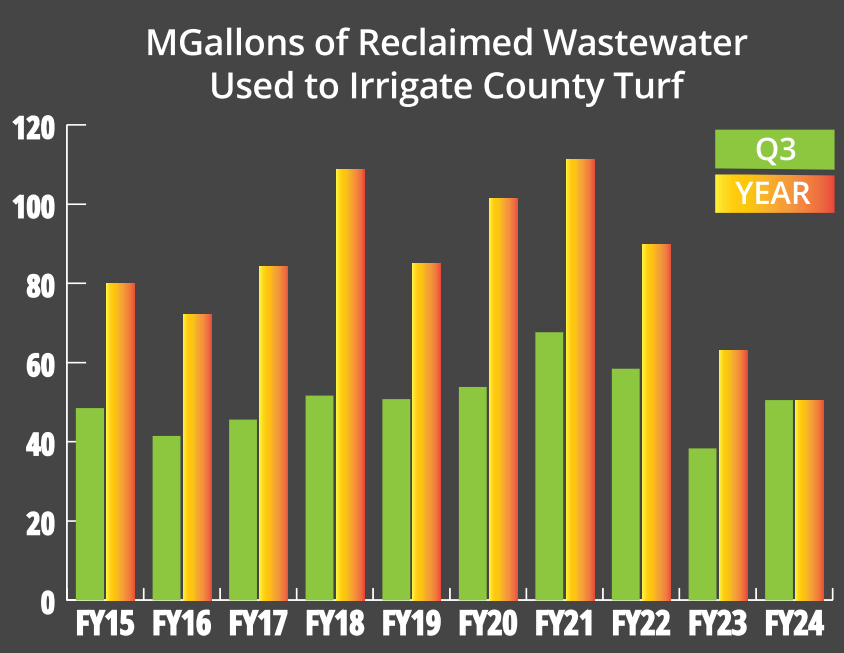
RECLAIMED WASTEWATER

The total reclaimed wastewater used in quarter 3 of FY2024, at 51 million gallons, is equivalent to the 10-year average of 51 million gallons.

Quarters 1 and 4 are typically the time of year when the largest quantities of reclaimed wastewater are utilized, coinciding with the peak irrigation seasons of spring and summer. Treated wastewater from the wastewater treatment plants in both Los Alamos and White Rock is a great substitute for ground water to meet the County's demand to irrigate parks, ballfields and the golf course. It is also an integral part of the DPU conservation plan.

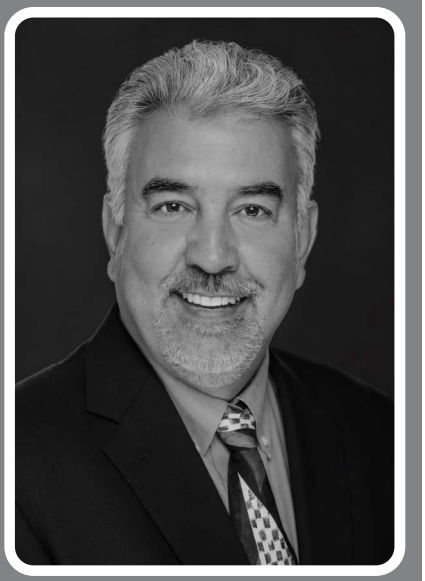
DPU is in the process of improving the quality of its effluent to a class 1A standard—the highest standard possible—through two large projects. The installation of a filtration system at the Los Alamos plant is scheduled for completion by the end of June. The new White Rock Water Resource Recovery Facility (WRRF), which will replace the White Rock wasetwater plant, expected to become operational in August.

Only a few small details are outstanding for the Bayo Booster Station Tank project. This tank will increase storage capacity of reclaimed wastewater by an additional 833 kgals, which will enable the expansion of the non-potable irrigation system across other turf areas in the community.



ENG

#HIGHLIGHTS



JAMES ALARID /
DEPUTY UTILITY MANAGER

Registered Professional Engineer
Bachelor of Science, Civil Engineering
Master of Science, Civil Engineering

Memberships:
American Society of Engineers
American Water Works Association

PROJECTS

White Rock Water Reclamation Facility

All the major concrete basins and operations buildings have been constructed. Refurbishment of the existing administration building has begun and the preparation to remove the sludge from old digesters has begun. Sewage will be cut over to the new plant in mid-May, officially placing the plant in operation. The project is scheduled to be complete in October 2024.

Los Alamos Wastewater Treatment Plant Filtration Project

The project is nearing completion. The building and process equipment are complete. The remaining work is to complete some interior electric work and complete the site restoration which includes replacing the asphalt and revegetation of the site. The project is scheduled to be complete by the end of June 2024. Once the new filtration process is online, the effluent from the Los Alamos Wastewater Treatment Plant will achieve Class A water quality, the highest water quality designation achievable by the New Mexico Environment Department.

Bayo Booster Tank Project - Phase II

This quarter the new tank was completed and painted. The new perimeter fence has been installed and the asphalt millings have been placed around the tank and in the driveway. The tank is now in service, the roof on the old concrete tank is under construction and a small punch list of items remain for final completion. The new tank will increase the storage of effluent water available to pump into Los Alamos from 290,000 gallons to 1,100,000 gallons.

Bayo Lift Station Elimination Project

Construction began on the project this quarter. The new access road has been completed and construction of the new gravity sewer line is ongoing. Construction will progress through the summer and completion is scheduled for fall 2024.

El Vado Diesel Storage Tank Replacement Project

The existing 1000-gallon underground diesel storage tank, which serves the back-up generator, no longer meets current regulations. The new tank was installed in November, then work

was placed on hold through the winter. The final work is ongoing to install the final piping, monitoring system and site features. The project will be complete by the end of May.

Jemez Mountain Regional Fire Protection Project

Design of Phase I, Phase II and Phase III has been ongoing this quarter. Phase I design is 95% complete and has been submitted to the New Mexico Environment Department for review and approval, a condition of the grant funding for this phase of the project. Phase I includes the new 500,000-gallon tank and the common trench which includes the waterline, electric conduits and fiber optic conduits from the new tank site and two miles over to the west along Camp May Road. Phase I is scheduled to bid for construction on June 2 and be complete October 2025.

Phase II design is scheduled to be complete by the end of May 2024 and bid for construction as early as July. Phase II of the project will complete the second half of the common trench along Camp May Road to the vicinity of the Pajarito Ski Lodge. DPU has applied for a $7 million grant from FEMA for the cost to replace the existing overhead powerline underground. The timing of bidding Phase II is dependent on our success in securing funds from FEMA. If we are awarded funds from FEMA, we will defer bidding of Phase II of the project to align with the administrative requirements of the FEMA grant.

Phase III of the project includes the four water booster stations. The design is scheduled to be complete in June. We plan to bid Phase III of the project in July, dependent on available funds, the cost of Phase I and the amount of FEMA grant awarded.

This quarter we are aggressively moving all three phases of the project forward to complete the project as early as possible.

Composting Facility Expansion Project

The existing composting site will be expanded by one acre to accommodate the increase in sludge produced by the new White Rock Water Reclamation Facility. This quarter the expansion area has been completed and the LAC composting operations have shifted to the newly

ENG #CONTINUED...

expanded area to allow the rehabilitation of the existing site. The project is scheduled to be complete by mid-May.

Barranca Tank Repainting Project

The project reached substantial completion in late October when the tank was placed back into service. The final electric work is ongoing and replacement of damaged grass in the surrounding park will be completed by the end of May.

Water Production Wells Electric and Mechanical Upgrades

The project will upgrade electrical and mechanical equipment in eight existing wells. The project was awarded for construction this quarter. A pre-construction meeting is scheduled in May. Procurement of the electrical equipment is expected to take 26-30 weeks and lead time on piping/valves/fittings is 90–120 days. Some mechanical work will begin in the late summer and fall, but the majority of the work will take place over the winter of 2024/2025 when water demands are low.

Rose Street Utility Upgrade project

The project is a joint roadway project and will upgrade waterlines and gas lines in Rose Street and adjacent connecting roads. Construction of the new utilities has been progressing well this quarter. All the waterlines are scheduled to be placed in service by mid-May and the new gas line will be complete by the end of May. Completion of the project, including the roadway improvements, is scheduled by the end of June.

El Vado Fiber Optic Line

The project will construct 12 miles of fiber optic line on an existing County-owned transmission line between the El Vado Hydroelectric Plant and Spills Substation. The new fiber optic line will replace an antiquated microwave system which is nearing the end of its useful life. The project will establish a no-maintenance long term communication path to the plant. The contractor has been procuring the materials for the project this quarter. Construction is scheduled to be complete by the end of summer 2024.

Wastewater Lift Station Upgrades

Four of the oldest lift stations in the system will be upgraded with new pumps, valves, electric equipment and controls. The major long lead equipment for all four lift stations has been ordered. Upgrades to Paseo Penasco and El Gancho lift stations is ongoing. The electric improvements have been completed and the new pumps, valves and piping will be complete by the end of May. The design of North Road and Los Arboles lift stations rehabilitation is ongoing and the project will be bid for construction by the end of May.

OPERATIONS

In the third quarter the engineering team participated in the preparation of the fiscal year 2025 budget. The majority of the tasks performed are in support of the 10-year capital improvement plan. As the beginning of a new construction season approaches the team has multiple projects in the design phase. We are working with engineering consultants to design some upcoming process improvements and equipment replacement projects at the Los Alamos Wastewater Treatment Plant and Hydroelectric facilities.

STAFF DEVELOPMENT

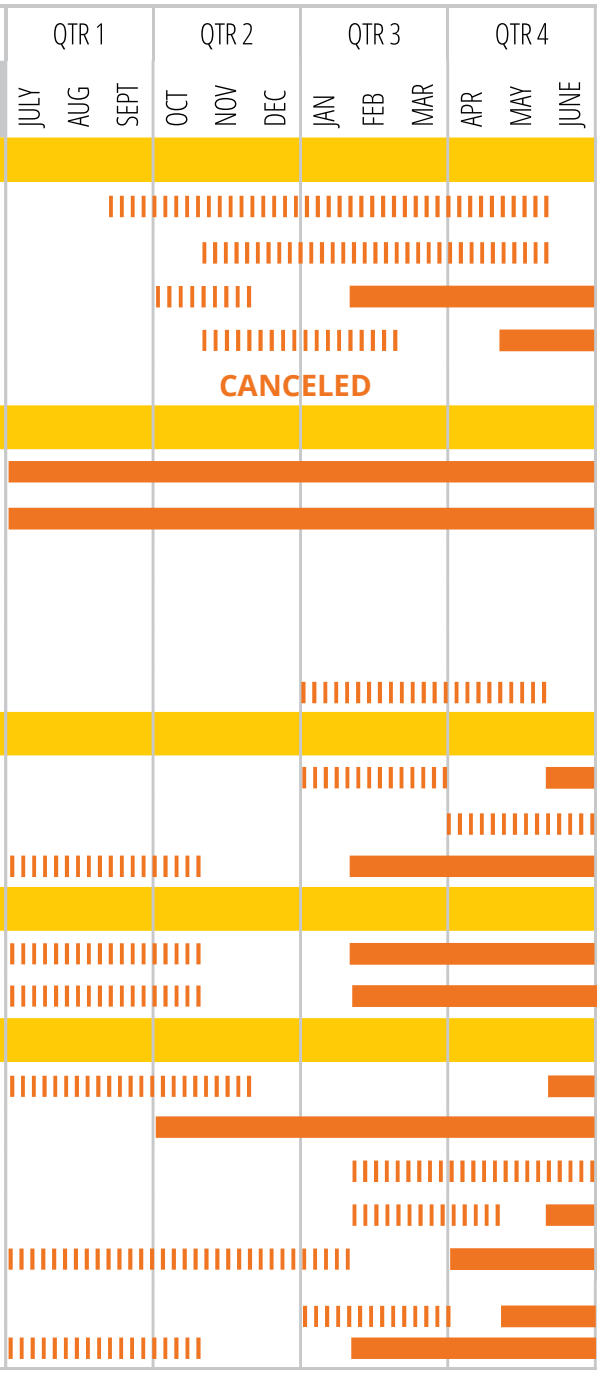
Jennifer Baca, Casey Aumack and Sam Herceg spent the quarter hard at work in their pursuit of college degrees.

The Los Alamos Wastewater Treatment Plant Filtration Project is scheduled to be complete by the end of the fiscal year. This equipment is inside the new tertiary filtration building.

Engineering Division staff James Martinez, James Naranjo and James Alarid.

FY2024 CAPITAL IMPROVEMENT PLAN

	BUDGETED
ELECTRIC PRODUCTION	**$1,755,000**
Abiquiu New Office Addition	350,000
Abiquiu Unit #3 Draft Tube Design	40,000
El Vado Fiber Optic Line	925,000
Schweitzer RTU/Switches/Fiber Conversion	300,000
Windstream Fiber Optic to Coyote & Spills Substations	140,000
ELECTRIC DISTRIBUTION	**$1,650,000**
LA URD Replacement: Oppenheimer/Trinity 3-phs	1,200,000
Overhead Replacements (polex, X-arms, transformers)	200,000
Townsite Circuit: Fairway, Trinity	
White Rock: Pajarito Acres	
Recloser Replacements: Golf Course, Pajarito Acres	
EA-4 Power Line Replacement Design	250,000
GAS DISTRIBUTION	**$491,000**
SCADA Pressure Sensing Stations	200,000
Elk Ridge Gas System Evaluation	100,000
Rose Street	191,000
WATER DISTRIBUTION	**$676,816**
Rose Street	421,816
Fuller Lodge Valves	255,000
WATER PRODUCTION	**$14,061,980**
NM-4 Transmission Line Construction	6,000,000
LA Canyon Restoration NP Yr 2 ($250k DPU/$250k LAC)	500,000
Bayo NP Booster Station Refurbishment (DWSRL)	1,000,000
Booster Station Mechanical & Elec Upgrades (DWSRL)	2,000,000
SCADA System Transition	150,000
Jemez Mountain Fire Line	4,000,000
Rose Street	411,980



Right: The replacement of the White Rock wastewater treatment plant with the Water Resource Reclamation Facility is nearly complete.

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PLANNING/DESIGN ▮▮▮▮▮▮▮▮▮▮ CONSTRUCTION ▬▬	BUDGETED	QTR 1 JULY	QTR 1 AUG	QTR 1 SEPT	QTR 2 OCT	QTR 2 NOV	QTR 2 DEC	QTR 3 JAN	QTR 3 FEB	QTR 3 MAR	QTR 4 APR	QTR 4 MAY	QTR 4 JUNE
WASTEWATER COLLECTION	**$1,200,000**												
Old Pueblo Sewer Canyon Drop Replacement	850,000				DEFERRED								
Misc Lift Station Pumps/Valves/Controls Replacement	350,000								▬▬	▬▬	▬▬	▬▬	▬▬
WASTEWATER TREATMENT	**$829,000**												
Equipment Replacement (Belt Press)	729,000										▮▮▮▮	▮▮▮▮	▮▮▮▮
Misc Valve Replacement	50,000									▬▬	▬▬	▬▬	
LA WWTP Elec Sys & Controls Cond Assess/Scope/Design	50,000									▮▮▮▮			▬▬

FY2024 CAPITAL UTILITY IMPROVEMENT PROJECTS

ABIQUIU NEW OFFICE ADDITION

An insurance inspection of the Abiquiu Hydroelectric plant found that the existing office location with respect to the plant transformer creates a hazard to personnel. The transformer is directly opposite the exterior wall of the office. The hazard is the risk of explosion if the transformer fails.

Budget: $350,000
Schedule: Spring/Fall 2024

ABIQUIU UNIT #3 DRAFT TUBE DESIGN

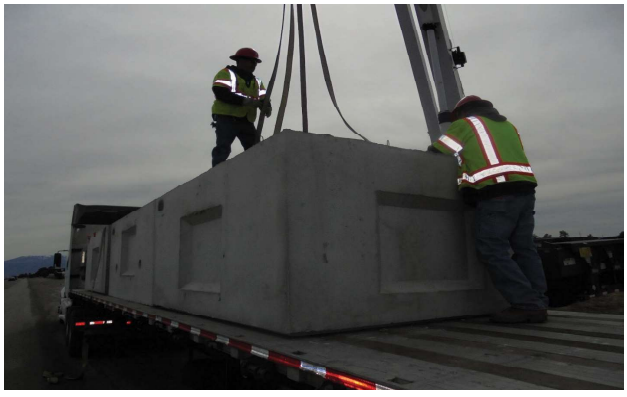
The existing draft tube on unit #3 in Abiquiu is wearing from cavitation created by the dissolved oxygen injection system. This system forces air into the discharge water to enhance the oxygen content of the plant discharge to sustain aquatic life. The injection piping obstructs the discharge flow and creates cavitation that has worn through steel draft tube. These funds will cover a design solution to the cavitation problem. The repair will be budgeted and schedule in an upcoming year.

Budget: $40,000
Schedule: Spring 2024

REPLACE UNDERGROUND ELECTRICAL DISTRIBUTION

The underground system contains 1970s infra-structure that was direct-buried and in direct contact with the earth. Sections of the UG system which have experienced 3+ failures are targeted for replacement as they will fail again. Areas to be included are: Oppenheimer/Trinity 3-phase, and Piedra Loop.

Budget: $1,200,000
Schedule: Year-round design/construction



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EL VADO FIBER OPTIC LINE & COMMUNICATION EQUIPMENT UPGRADE

Currently the El Vado hydroelectric plant communicates to the receiving substation through a microwave system which consists of three radio sites and five repeaters. One radio site is located in a remote location which is inaccessible in the winter. The microwave radio system is antiquated and in need of replacement. This project will replace the microwave radio system with a fiber optic line between the El Vado plant and substation 12 miles away. The microwave communication paths from the substations to Los Alamos, associated with each respective hydroelectric plant, will be replaced by a commercial fiber optic link. The conversion will require equipment upgrades at both hydroelectric plants and both substations.

Budget:

El Vado Fiber Optic line	$925,000
Comm Equip Upgrade	$300,000
Fiber Optic Service	$140,000

Schedule: Summer 2024

(On capital project timeline, this project shows as El Vado Fiber Optic Line, Schweitzer RTU/Switches/ Fiber Conversion, and Windstream Fiber Optic to Coyote & Spills Substation.)

REPLACE OVERHEAD ELECTRICAL DISTRIBUTION

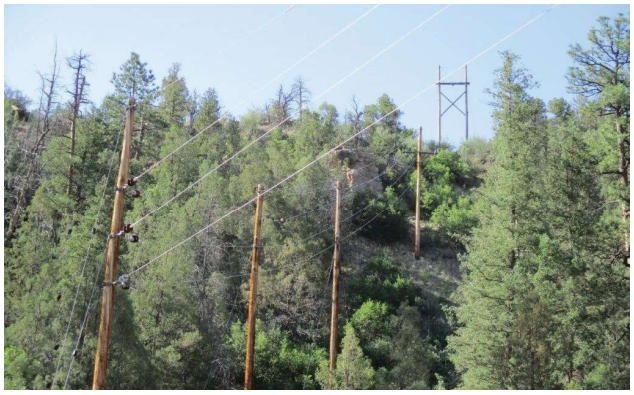
Many overhead components of DPU's electric infrastructure operate near or past their useful life. Some are 50+ years old. The Asset Management Program prioritizes these projects systematically. The O&M program includes replacement of power poles, cross-arms, and revamps (wire & transformer upgrades). Priorities for FY2024 include: Fairway, Trinity, Pajarito Acres, Golf Course, and recloser replacements.

Budget: $200,000
Schedule: Year-round design/construction

EA-4 POWER LINE REPLACEMENT DESIGN

The EA-4 line is a separate feeder supplied by LANL to the County. The line enters the service area at NM502 Entrance and crosses five canyons to feed the LA WWTP, East Gate business area, townsite water wells in Rendija Canyon, and the Totavi gas station. There is no access to the line over much of its length. It was constructed in the 1960's.

Budget: $250,000
Schedule: FY2024



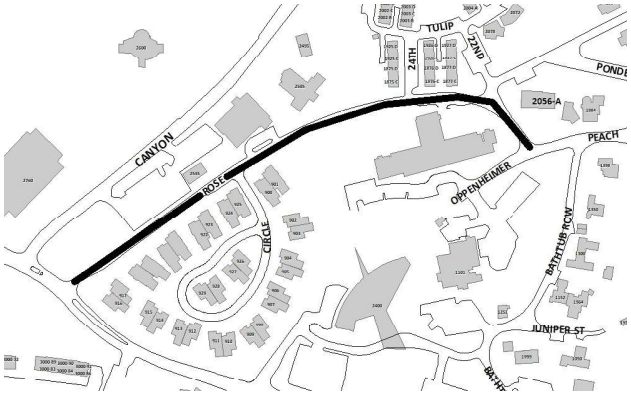
GA/DW/WP ROSE STREET UTILITY UPGRADES

This is a joint project between DPU and PW to repave the roadway from Central Ave. to Peach St. and replace utility infrastructure including 1950s sections of waterlines, undersized gas pipelines and Fuller Lodge water valves. Utility portion to be funded by profit transfer monies allocated by Council.

Budget:

Gas Distribution	$191,000
Water Distribution	$421,816
Water Production	$411,980

Schedule: Summer 2024



SCADA PRESSURE MONITORING STATIONS

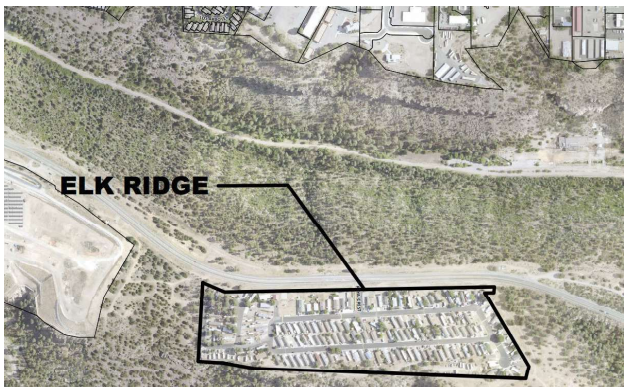
A new Supervisory Controls and Data Acquisition System (SCADA) has been launched for the gas distribution system. These funds will be used to install various pressure monitoring stations throughout White Rock and Los Alamos to allow remote monitoring of the system pressures, provide trends of the system performance and provide alarms if there are any pressure drops.

Budget: $200,000
Schedule: Throughout 2023 & 2024

ELK RIDGE GAS SYSTEM EVALUATION

DPU is working with the Elk Ridge Mobile Home Park owners to take over the ownership and operation of the gas distribution system as directed by a 1978 Council ordinance that was recently discovered. These funds will be applied to investigate the system, assess the condition, map the system and construct isolated safety improvements.

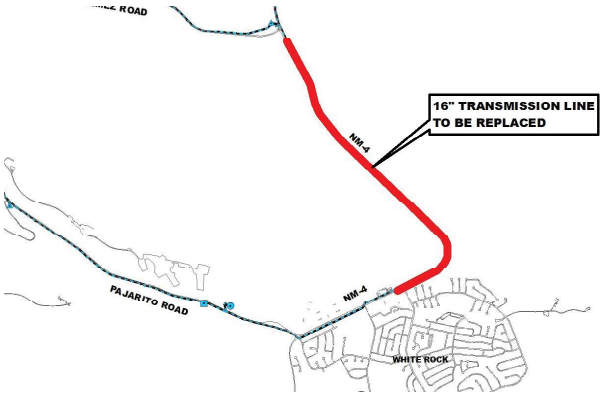
Budget: $100,000
Schedule: Deferred



NM-4 TRANSMISSION LINE REPLACEMENT

An NMDOT reconstruction of NM-4 between NM-502 and White Rock, scheduled for 2027, is prompting the need for a new 16" water transmission line to be constructed and placed outside of the planned expanded roadway. The existing transmission line has experienced multiple breaks and would be below the planned paving.

Budget: $6,000,000 (NM special appropriations $400k, WTB $5M)
Schedule: Construction 2024 - 2025



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LA RESERVOIR ROAD STABILIZATION

A River Stewardship Program (RSP) grant, sponsored by the New Mexico Environment Department (NMED), was secured in 2021 to fund a project to restore the LA Canyon watershed both upstream and downstream of the LA reservoir. Stabilizing the watershed, using bio-engineering techniques, will enable the County to successfully stabilize the road and protect the pipeline & electric conduit between the Ice Rink Road and the reservoir. The project consists of environmental clearance, planning and permitting in FY2023 and construction in FY2024. Clearance, planning and permitting involves coordination between multiple agencies (NMED, US Forest Service, Army Corps of Engineers, DOE & LANL). Construction will include work to re-stabilize and restore the watershed, re-construct the watershed flow regime, dredge the reservoir, re-construct and protect the roadway and pipeline corridor and provide for some limited new amenities such as off-street parking and recreational facilities at the reservoir. Bio-engineering is a "softer" approach to watershed stabilization using natural materials and processes to help the watershed heal itself. The DPU and County are also providing some cost sharing funds to enable the success of this project.

Budget:

NMRSP	$300,000 (FY2023)
County	$250,000 (FY2024)
DPU	$250,000 (FY2024)

Schedule: Construction in FY2024.

JEMEZ MOUNTAIN REGIONAL FIRE PROTECTION PROJECT

The project includes construction of a new water tank, four booster stations and more than 4 miles of waterline along Camp May Road. The new water system will supply domestic water, fire protection and snow making water for the ski lodge and Camp May campground.

Budget: $14,000,000
Schedule: Winter 2023; Construction 2024 & 2025

SCADA SYSTEM TRANSITION (WP)

The WP SCADA system will be replaced. The existing system is an antiquated and proprietary system that requires significant upgrades. A new non-proprietary system will be installed with a more reliable communication system. The SCADA system allows water operators to monitor and control wells, booster stations and tank levels from the Water Production offices.

Budget:
$150,000 (FY2024)
$1,500,000 (carryover from FY2023)
Schedule: Spring FY2024

BAYO NP WATER BOOSTER STATION REFURBISHMENT

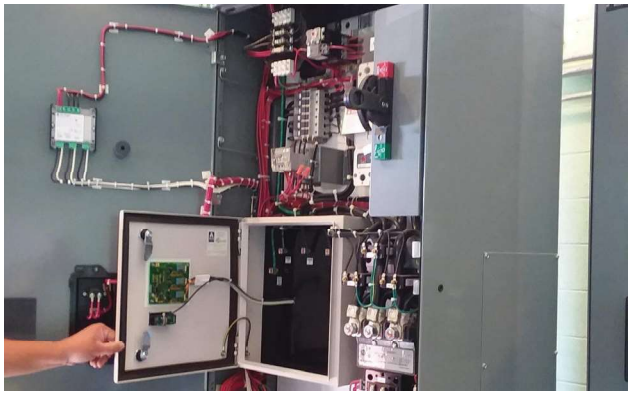
The existing Bayo Booster Station, located adjacent to the composting facility, pumps treated effluent from the Los Alamos Wastewater Treatment Plant to a tank at the Los Alamos Middle School. The booster station has been in service for 31 years. The pumps, motors, disinfection system, electric gear and miscellaneous mechanical features will be replaced as part of this project. The electric gear and disinfection system are aged and are at the end of their service life. The DPU is negotiating with DOE/NNSA to sell effluent water to the Los Alamos National Laboratory for cooling super computers. When this happens the Bayo Booster Station will increase its operation from 7 months per year to 12 months per year. The Bayo Booster Station is the single means to pump effluent into Los Alamos and this rehabilitation effort will prepare the facility for many years of reliable operation.

Budget: $1,000,000 (DWSRL)
Schedule: Design Spring 2024, Construction Winter 2024

WP BOOSTER STATIONS ELECTRICAL & MECHANICAL UPGRADES

The WP system has 27 wells and booster stations which are as old as 70 years. An increasing number of failures related to the motor control centers (MCC), electric service feeds and miscellaneous electric components have occurred in recent years. Necessary improvements were identified in an engineering evaluation and necessary improvements have been prioritized.

Budget: $2,000,000 (DWSRL)
Schedule: Construction Winter 2024/2025



LOS ALAMOS WWTP BELT PRESS REPLACEMENT

The belt press at the LA WWTP was installed in 2006. It is comprised of a multi-layer serpentine conveyor system with hundreds of intricate moving parts subjected to one of the harshest environments in the plant. It is requiring more and more repairs. The equipment will be replaced with a different, more efficient, thickening process similar to what is being installed at the WR WRRF.

Budget: $729,000
Schedule: Design Winter 2023, Construction 2024

OLD PUEBLO PLANT SEWER DROP REPLACEMENT

The above ground 12" steel sewer line drops 100 feet in elevation into Pueblo Canyon attached to the rock face walls of the canyon. The steel line has required multiple repairs to replace sections which have rusted through the pipe walls, continues to degrade and is largely inaccessible. DPU will replace the compromised pipe with a new polyethylene pipe installed by horizontal directional drilling.

Budget: $850,000
Schedule: Deferred

MISC VALVE REPLACEMENT (WT)

A number of underground valves associated with basin drains are inoperable at the LA WWTP. The valves are necessary to drain the basins for maintenance each year. The valves must be excavated approximately 8-10 feet deep, trenches shored due to limited space, and replaced with new gate valves. The work will be performed by on-call contractors.

Budget: $50,000 (Construction)
Schedule: Spring 2024

MISC SEWER LIFT STATION REFURBISHMENTS

New pumps, check valves and isolation valves will be installed in three lift stations (North Rd., Paseo de Penasco and El Gancho) which are dry-well installations older than 55 years. The original equipment was rebuilt to the extent possible and is now antiquated. Control panel replacement is included. Also, the East Gate and Fairway Lift Stations will be rehabilitated with work performed on failing equipment.

Budget: $350,000 (Construction)
Schedule: Spring 2024

ELECTRIC EQUIPMENT & CONTROLS CONDITION ASSESSMENT

Process equipment control panels at the LA WWTP were installed in 2005 and have begun to fail and decrease in reliability. Manufacturer support is limited, if any, and most of the equipment is obsolete making replacement parts unavailable. DPU will hire a consultant to evaluate the equipment condition and risk of failure, and to provide a prioritized schedule of projects, associated costs and solutions.

Budget: $50,000 (Assessment)
Schedule: Spring 2024

#HIGHLIGHTS

STAFFING

We're a tiny staff so when Abbey Hayward was out on leave during the third quarter, the PR & Conservation team was down to 50% staff. Fortunately, Abbey left us in good shape by planning fully and thoughtfully in advance of her leave.

With the approval of the GWS supervisors, we coordinated a method to officially utilize the video skills of Ricardo Lambert, GWS Apprentice II, for video work for our DPU YouTube and social media channels. Video creation is a side hobby of Ricardo's already and it made more sense to enlist the talents of someone from within the department than to schedule video work through the County's video contract. As such, Ricardo attended the Los Alamos County branding training in January.

As our social media presence has grown, Cathy and Abbey have recruited the following people to help with Facebook, X (formerly Twitter), Instagram and NextDoor: Kathy Casados, Monica Rivera, Richard Valerio, Jennifer Baca and Ricardo Lambert. Their assistance in keeping DPU's channels alive has been invaluable.

OPERATIONS

At the end of the quarter, an application was submitted to the DOE Industrial Assessment Center grant program. It was triggered by a January 2023 industrial energy assessment that was performed at the Los Alamos Wastewater Treatment Plant through the University of Arizona's Industrial Assessment Center program. This audit determined a more robust ventilation and cooling system was needed in the blower room to increase efficiency and decrease wasted energy. If successful, the application to the DOE Industrial Assessment Center grant will provide funding for 50% of the cost of improvement.

The lack of energy auditors in Los Alamos is a hole we've tried to fill but we haven't been successful yet. In the third quarter, Cathy D'Anna met with LAC Environmental Sustainability Manager Angelica Gurule, LAC Attorney Thomas Wyman, and LAC Procurement Manager Annalisa Miranda to brainstorm solutions for the gap. We aren't ready to give on this endeavor so we will continue to search for solutions that would provide local energy audit resources for residents and businesses. In the meantime, DIY kits using thermal cameras are available from the Library of Things. See the "Education" section below for more information.

EVENTS

NASA declared 2024 "Helio Big Year" to celebrate the two eclipses in October 2023 and April 2024. This encouraged the conservation team to share out solar-themed options for power, water heating, and even cooking! Did you know New Mexico is ranked second in the nation for potential solar-generated power?

DPU and Public Works staff practice sky gazing during a playful photo shoot prior to the solar eclilpse.

Good news for the State of New Mexico and those who want to make efficiency improvements but are income restricted... The New Mexico Energy Conservation and Management Division has submitted its applications—the first state to do so—for the Home Efficiency Rebates funding and the Home Electrification and Appliance Rebates. The Home Efficiency Rebates will discount the price of energy-saving retrofits in single-family and multi-family buildings. The Home Electrification and Appliance Rebates will provide rebates for high-efficiency electricity upgrades in homes.

These rebate programs are the other half of the efficiency monies and credits available through the Inflation Reduction Act. The first half are the efficiency tax credits made available at the beginning of 2023. The state-run rebate programs are anticipated to be running by the fall of 2024. The DPU Conserve and Reduce web page will compile all information and procedures as they become available to help customers take advantage of the programs.

Fix-A-Leak Week was March 18-24. Leak detection kits with the 10-Minute Leak Challenge were, and still are, available to customers to pick up at the Customer Care Center. A little leak can make for a big bill and a quick check of fixtures goes a long way.

CONSERVATION EDUCATION

DPU's partnership with the Los Alamos Public Library System's Library of Things rolled out thermal cameras in November of 2023. These cameras—there are five between the two library branches—are in high-demand. To date, 67 patrons have checked out the cameras with 18 holds currently requested. Speaking of requests, ideas for conservation and efficiency tools continue to be evaluated for incorporation into the Library of Things.

Bill inserts for the third quarter focused on a Home Efficiency Series, covering one room or area of the home each month. January was all about the heart of the home, the kitchen. February was a great month to focus on the drafts getting through the outer envelope. March honored Fix-A-Leak Week and the throne room, a.k.a. the bathroom.

DPU Social Media Metrics: FY2024 through Q3

	FY2024 YTD	FY2023	FY2024 YTD v FY2023
Facebook Page Reach	337,427	57,040	492%
Facebook Page Visits	18,307	27,158	-33%
Facebook Page New Likes	202	257	-21%
Facebook Paid Reach	73,498	37,896	94%
Facebook Paid Impressions	259,215	77,317	235%
Instagram Reach	15,992	8,776	82%
Instagram Profile Visits	477	525	-9%

DPU maintains a presence on the following platforms: Facebook, X (formerly Twitter), Instagram, and YouTube. DPU also contributes to the Los Alamos County NextDoor public agency profile. Metric standards aren't consistent across platforms and the Meta platforms result in the most engagement for DPU, so those are the platforms featured here.

#BASICS

Natural gas prices are mainly a function of market supply and demand, which causes fluctuations. Multiple factors affect the price of gas, one being weather. Cold temperatures, for example, increase demand for heating while hot weather increases demand for cooling, both of which increase natural gas demand by electric power plants.

To mitigate some of the fluctuations, DPU joined the New Mexico Municipal Energy Acquisition Authority (NMMEAA). Created by local governments in 2008 through a Joint Powers Agreement, the purpose of NMMEAA is to obtain reliable, long-term gas supply under favorable terms, conditions and price. NMMEAA benefits government-owned utilities like DPU and through this membership, DPU is able to pass its savings directly to customers.

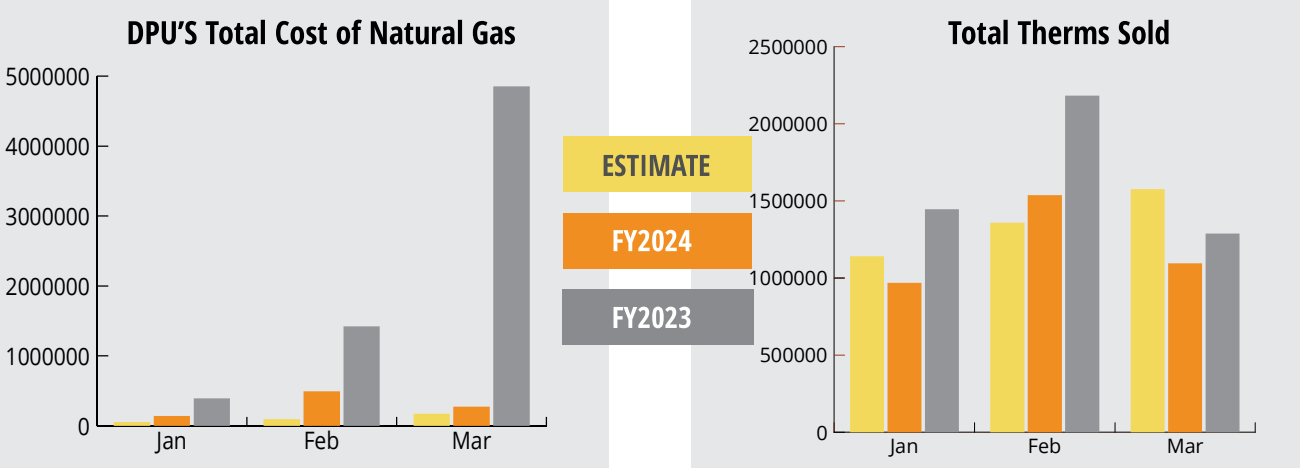
Pass-Through Cost of Gas/Therm**				
	Residential		Non-Residential	
Mo/Year	DPU	NMGC*	DPU	NMGC*
Mar 2024	$0.38	$0.31	$0.38	$0.31
Feb 2024	$1.12	$0.46	$1.12	$0.46
Jan 2024	$1.12	$0.45	$1.12	$0.45
Avg price	$0.87	$0.41	$0.87	$0.41

New Mexico Gas Co. source: nmgco.com/en/cost_of_gas
***DPU rate includes Fixed Component & Sunset Recovery*

When comparing the variable cost of gas (also known as the pass-through rate) with the rates of New Mexico Gas Company, DPU's rates are typically lower, though not always, and not so far in this fiscal year. While the impact of the volatility of the natural gas market a year ago is still apparent in the third quarter's rate comparisons, the sunset recovery rate of $0.44/therm was discontinued in March.

CALCULATING NATURAL GAS RATES

San Juan Index/MMBTU			Total Cost of Gas for Q3			Total Therms Sold for Q3		
	FY24	FY23		FY24	FY23		FY24	FY23
Mar:	1.40	3.06	Mar:	139,693	389,715	Mar:	967,882	1,444,867
Feb:	4.15	11.49	Feb:	489,898	1,421,966	Feb:	1,535,275	2,181,483
Jan:	3.17	32.97	Jan:	273,554	4,850,445	Jan:	1,094,200	1,286,478
			Total:	$905,169	$6,664,149	Total:	3,599,381	4,912,828



PASS-THROUGH MODEL

Since 2013, DPU has included a "pass-through" cost of natural gas in its rate. In addition to a monthly service fee, the gas consumption charge comprises a fixed cost fee per therm to cover DPU's gas maintenance and operations expenses and a cost-of-gas pass-through rate per therm. This allows DPU's true cost to purchase the natural gas commodity to be passed directly to the customer. This price is calculated each month based on the San Juan Index and then adjusted based on the actual cost from the prior month. Historically, customers benefited from this approach as the DPU did not need to maintain a substantial rate stabilization fund to absorb the volatile, fluctuating gas prices. However, 2022 brought unprecedented high costs that weren't captured under DPU's $0.99 variable rate cap. At the end of March 2023, BPU recommended and Los Alamos County Council adopted a new ordinance that raised that cap to $4/therm. Additionally, a temporary recovery rate mechanism began in the 4th quarter of FY2023 to recover recent costs not collected with the lower cap in place. These costs reached full recovery in February and the rate was discontinued in March. Each month DPU posts the new variable cost of gas rate on the website at: https://ladpu.com/GasRateNow.

TOTAL GAS CHARGE COMPRISES FIVE COMPONENTS:

(1) Monthly Service Fee

+ [((2) Fixed Component + (3) Variable Cost of Gas + (4) Sunset Recovery Rate) x (5) Total Therms]

= TOTAL CHARGE

SCHEDULE OF CUSTOMERS
7A: Residential
7E: Commercial
7L: County
7N: Schools

RESIDENTIAL EXAMPLE:
7A Customer used 150 therms in March 2024
$11.08 + [($0.27 + $0.11) x 150) =
$68.08 (5)

COMMERCIAL EXAMPLE:
7E Customer used 500 therms in March 2024
$11.08 + [($0.27 + $0.11) x 500) =
$201.08 (5)

1. MONTHLY SERVICE FEE (1)

Schedule	Meter Rated	Charge
ALL	≤ 250 CFH	$ 11.08
ALL	> 250 CFH	$33.24

2. FIXED COST RECOVER FEE/THERM

Schedule	Fee/Therm
7A & 7E	$0.27 (2)
7L & 7N	$0.24

3. VARIABLE COST OF GAS/THERM (Pass-Through Cost of Gas) Calculated each month based on the San Juan index and then adjusted based on the actual cost from the prior month. It is capped at $4/therm.

Month & Year	Projected Variable Cost of Gas		Adjust Prior Month Estimate	Variable Pass-Through Cost of Gas/Therm (3)	Sunset Recovery (4/8/2023-2/29/2024) (4)
Jan 2024	$0.34	+	$0.07	$0.41	$0.44
Feb 2024	$0.45	+	($0.04)	$0.41	$0.44
Mar 2024	$0.11	+	$0.00	$0.11	$0.00

F&A

KAREN KENDALL / DEPUTY UTILITY MANAGER

Bachelor of Business Administration - Accountancy

Memberships:

Government Finance Officers Assn.

Awards:

Assn. of Government Accountants (NM Chapter) 2006 Financial Manager of the Year

#HIGHLIGHTS

OVERVIEW

On March 8, DPU celebrated International Women's Day. Eleven of the 18 women employed by DPU work in the Finance and Administration Division. We are proud of our service-oriented team. Our customers are the reason we are here.

We were very happy to see the response to our outreach for the Utility Assistance Program (UAP). Through voluntary support from our generous community and customers, we are able to offer financial assistance to those who qualify through the UAP. The monthly recurring donations increased to $1,515 per month or $18,180 annually as of March 31. The UAP fund assists more than 55 households a year. If you are interested in donating to the UAP fund, you can call the Customer Care Center at 505-662-8333. More information is also available on DPU's page on the county website (ladpu.com/DPU). A new online form gives UAP donors the opportunity to set up regular monthly donations on their utility bills.

OVERALL OPERATIONS

Through March 31 (3rd quarter), the Joint Utilities Fund revenues were $60.3 million (excluding settlements) which is 10% below the first nine months of FY2023.

DPU received a $58 million settlement from Uniper for the canceled power purchase agreement. The $58 million settlement funds and associated interest income will be used to: 1) bring Electric Distribution and Electric Production reserves up to their required balances per DPU Financial Policies and the County Charter Section 509 and Section 40-63; 2) cover increased cost of power to minimize rate increases beyond those already anticipated in long-term plans; and 3) upgrade electric production and distribution systems to meet expected increased electrification demands over the next 3-to-10 years.

Overall expenditures of $59.8 million were 28.6% below the prior year for the first nine months of the fiscal year. This is primarily due to the high cost of power and gas in fiscal year 2023.

Electric Operations

Electric revenues were $26.8 million for wholesale, $11.2 million for retail and a total of $85 million for all electric revenue for Q3 year-to-date including the Uniper settlement. Operating expenditures were $35 million and capital expenditures were just shy of $850k for a total $35.8 million. The cost of power was $5.5 million. The

net operating income was $2.8 million and total net income for the first nine months of the fiscal year was $2.6 million. Retail electric sales were 2.1% above the first nine months of FY2023.

Gas Operations

Gas revenues were $6.9 million for Q3 year-to-date. Operating expenditures were $2 million, Cost of Gas was $2.2 million and capital expenditures were $49k. The net operating income was $2.6 million and net income after capital expenditures was $2.5 million. Total sales in therms were 24% below the first nine months of the prior year.

Gas prices in December 2022 through February 2023 greatly exceeded the variable cap set on the cost of gas rates. Ordinance 02-340 was passed to address the ensuing shortfall and a recovery mechanism was approved. The sunset recovery rate of $0.44 ended on February 29.

Water Operations

Retail water sales were 18% above the prior year's third quarter year-to-date. Operating expenditures were $5.2 million, the cost of water was $3 million and $4.5 million in capital expenditures. The operating net income was $1.5 million and net income was $269,894.

Wastewater Operations

Wastewater revenues were $4.8 million for the first nine months of the fiscal year. Operating expenditures were $4 million and capital expenditures were $5.7 million for a total of $9.7 million in total expenditures. Net operating income was $797k. Net loss for the third quarter, year-to-date, was $4.9 million due to $5.7 million in capital expenditures. The White Rock Water Resource Reclamation Facility is being funded by a state loan on a reimbursement basis as the project progresses.

OVERALL PERFORMANCE: Q3 YTD

FY2024 Financial Status - Unaudited

		Electric	Gas	Water	Wastewater	Total
OPERATING REVENUES	Utility sales and service	$38,035,751	$6,849,052	$6,358,599	$4,812,910	$56,056,312
	Miscellaneous Revenue	694,029	32,309	406,371	18,685	1,151,395
	Total Operating Revenue	**$38,729,779**	**$6,881,362**	**$6,764,970**	**$4,831,595**	**57,207,706**
OPERATING EXPENSES	Employee salaries & benefits	$3,322,451	$805,948	$1,727,321	$1,047,986	$6,903,706
	Prof'l & Contract services	28,425,030	2,558,593	4,886,235	5,952,456	41,822,314
	Materials and supplies	522,595	181,688	396,533	256,509	1,357,325
	Other	3,674,183	812,088	2,777,113	2,487,504	9,750,888
	Net Operating Expenditures	**$35,944,260**	**$4,358,317**	**$9,787,202**	**$9,744,455**	**$59,834,233**
NET OPERATING INCOME (LOSS)		**$2,785,520**	**$2,523,045**	**$(3,022,232)**	**$(4,912,860)**	**$(2,626,527)**

F&A

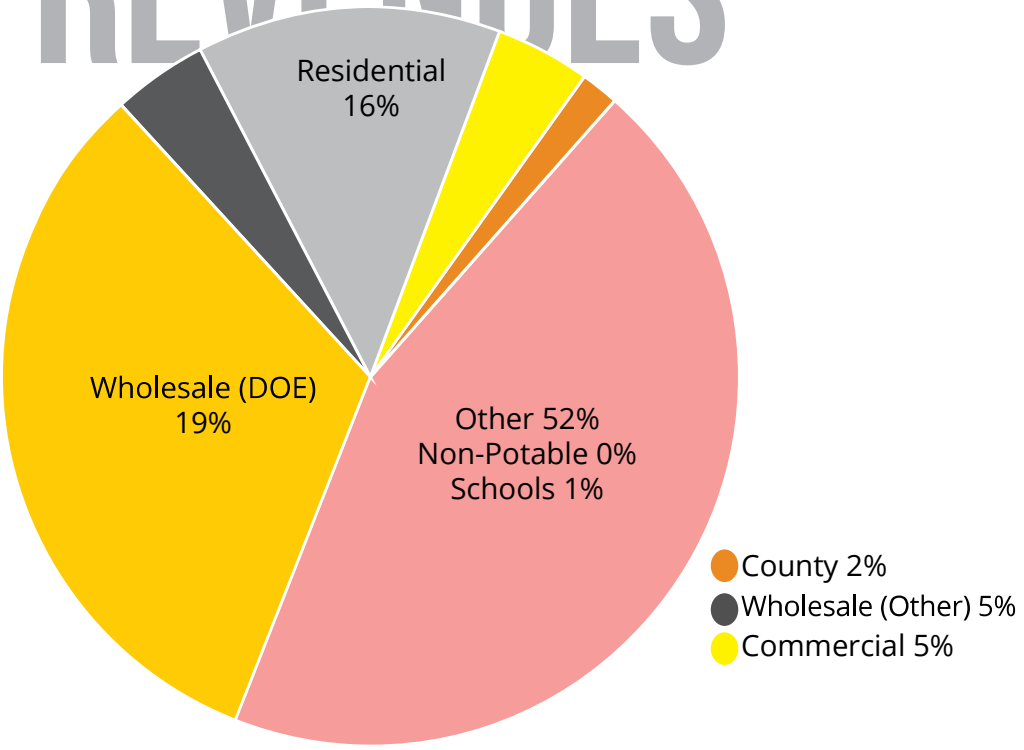
DPU REVENUE BY SOURCE: Q3 YTD

SOURCE	Q3 FY24	Q3 FY23	Q3 FY22
Wholesale (DOE)	$22,317,610	$25,722,405	$19,458,806
Wholesale (Other)	6,259,023	11,092,141	5,594,447
Residential	19,473,162	19,749,025	17,190,855
Commercial	5,785,337	5,959,413	4,989,883
Educational Sales	761,011	811,245	574,254
Municipal	1,864,065	2,082,305	1,765,966
Non-potable	210,969	118,910	168,067
Other	61,693,054	1,526,134	876,604
TOTAL	$118,364,232	$67,061,577	$50,618,882

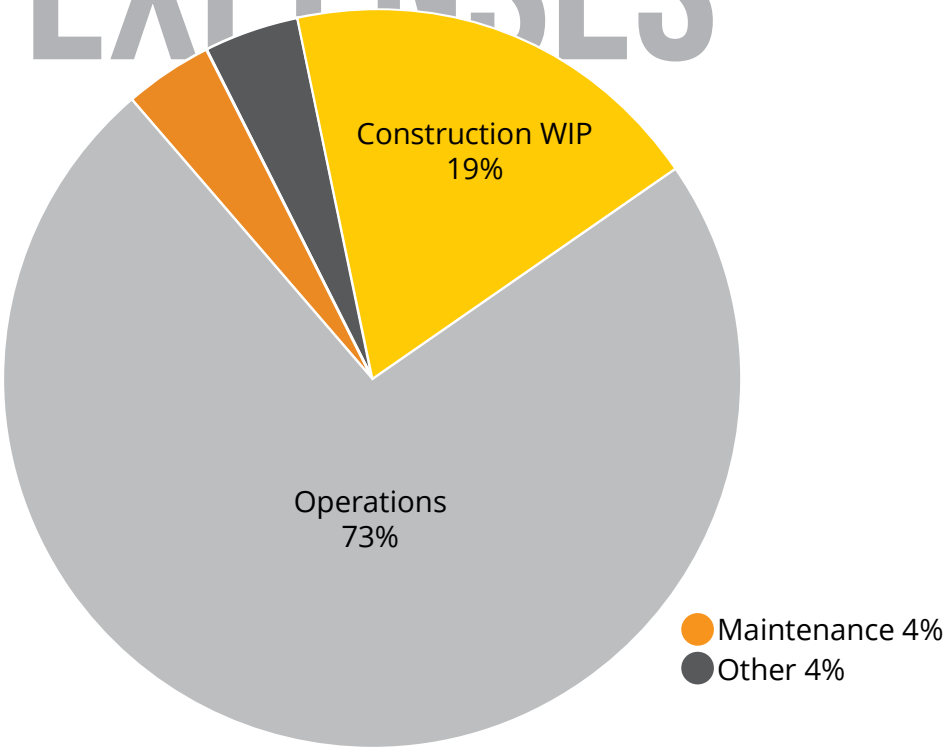
DPU EXPENSE BY TYPE: Q3 YTD

	Q3 FY24		Q3 FY23		Q3 FY22	
	FY Budget	Spent YTD	FY Budget	Spent YTD	FY Budget	Spent YTD
Electric	$71,083,136	$35,944,260	58,884,233	47,959,895	54,834,147	30,827,624
Gas	17,281,464	4,358,317	20,194,161	12,000,514	8,706,462	5,376,752
Water	47,460,630	9,787,202	30,649,264	9,970,082	23,048,335	8,309,510
Wastewater	24,021,602	9,744,455	37,489,136	13,972,642	10,096,107	3,161,014
TOTAL	**$159,846,832**	**$59,834,233**	**$147,216,794**	**$83,903,134**	**96,685,051**	**$47,674,900**

REVENUES



EXPENSES



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 work plans 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

FOLLOWING PAGES:

- Debt Profile
- Financial Statements by Utility
- Consumption Detail by Utility

Unaudited quarterly reports may include changes to prior quarters' data. Financial data is not final until audited following the close of the fiscal year.

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CURRENT DEBT PROFILE: Q3

Net System Revenue of the Joint Utility System

Year	Total Senior Debt Service	Total Subordinate Debt Service	Total Super Subordinate Debt Service	Total Debt Service	Total Revenue	Total Debt Service Coverage Ratio
2024	$1,239,579	$1,060,891	$1,063,953	$3,364,423	$5,620,584	1.67
2025	$1,223,138	$969,626	$1,063,951	$3,256,715	$5,620,584	1.73
2026	$1,210,048	$970,677	$2,315,261	$4,495,986	$5,620,584	1.25
2027	$1,189,720	$966,261	$2,315,260	$4,471,240	$5,620,584	1.26
2028	$1,177,264	$969,161	$2,311,915	$4,458,340	$5,620,584	1.26
2029	$1,152,072	$966,341	$2,307,723	$4,426,137	$5,620,584	1.27
2030	$1,129,752	$967,981	$2,307,722	$4,405,455	$5,620,584	1.28
2031		$963,901	$2,297,581	$3,261,483	$5,620,584	1.72
2032		$962,919	$2,281,795	$3,244,714	$5,620,584	1.73
2033		$966,166	$2,242,932	$3,209,097	$5,620,584	1.75

** FY2023 audited revenue used for FY2024-2033 projected revenues*

ELECTRIC PRODUCTION

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
MWh Sales to LANL	460,764	460,764	297,345	35%
MWh Sales to ED	120,333	120,333	94,050	22%
Total MWh Sales	581,097	581,097	391,395	33%
DOE Revenues	$33,883,745	$33,883,745	$21,135,151	38%
Economy Sales	14,943,416	14,943,416	5,689,366	62%
Other Revenue	160,867	160,867	243,248	-51%
Total Revenue	**$48,988,028**	**$48,988,028**	**$27,067,765**	**45%**
OPERATING EXPENSES				
Salaries	$1,746,853	$1,746,853	$1,208,298	31%
Benefits	696,556	696,556	458,533	34%
Prof'l/Contract Services	53,490,591	53,599,726	27,404,954	49%
Materials/Supplies	468,750	468,750	80,623	83%
Interfund Charges	1,309,404	1,309,404	998,433	24%
Capital Outlay	10,000	10,000	13,285	-33%
Fiscal Charges	442,768	442,768	448,039	-1%
Total Operating Expense	**$58,164,922**	**$58,274,057**	**$30,612,164**	**47%**
Operating Income (Loss)	**$(9,176,894)**	**$(9,286,029)**	**$(3,544,400)**	
Capital Expenditures	$1,755,000	$1,929,814	$255,066	87%
Other Financing				
Transfer from ED	$9,516,802	$9,516,802	$3,603,970	62%
Judgments/Settlements	-	-	$58,000,000	
NET INCOME (LOSS)	**$(1,415,092)**	**$(1,114,041)**	**$59,738,500**	

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ELECTRIC DISTRIBUTION

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
kWh Sales	120,333,185	120,333,185	91,074,636	24%
Sales Revenue	$14,971,374	$14,971,374	$11,211,234	25%
Other Revenue	324,146	324,146	450,781	-39%
Total Revenue	**$15,295,520**	**$15,295,520**	**$11,662,015**	**24%**
OPERATING EXPENSES				
Salaries	$1,836,532	$1,836,532	$1,210,316	34%
Benefits	689,479	689,479	445,304	35%
Prof'l/Contract Services	11,169	1,019,341	170,140	83%
Materials/Supplies	1,525,400	526,390	441,972	16%
Interfund Charges	2,342,836	2,342,836	1,468,546	37%
Capital Outlay	68,000	68,000	14,399	79%
Fiscal Charges	918,731	918,731	731,482	20%
Cost of Power	9,516,802	10,101,802	5,537,965	45%
Total Operating Expense	**$16,908,949**	**$17,503,111**	**$10,020,124**	**43%**
Operating Income (Loss)	**$(1,613,429)**	**$(2,207,591)**	**$1,641,891**	
Capital Expenditures	$1,650,000	$3,477,956	$594,871	83%
Other Financing				
Grants/Loan Proceeds	-	-	(135,600)	
Transfer to Fleet	-	(48,066)	-	
Profit Transfer	(643,769)	(643,769)	-	
NET INCOME (LOSS)	**$(3,907,198)**	**$(6,377,382)**	**$911,420**	

WATER PRODUCTION

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
Potable KGal prod.	1,150,000	1,150,000	919,134	20%
Non-potable KGal prod.	136,500	136,500	60,291	56%
Potable Sales to DW	$3,929,250	$3,929,250	$3,097,943	21%
Potable Wholesale Sales	1,901,250	1,901,250	1,260,969	34%
Inter-utility Loan Pymts	187,569	187,569	70,338	63%
Other Revenue	453,508	453,508	236,853	48%
Total Revenue	**$6,471,577**	**$6,471,577**	**$4,666,103**	**28%**
OPERATING EXPENSES				
Salaries	$985,304	$985,304	$719,913	27%
Benefits	419,716	419,716	273,941	35%
Prof'l/Contract Services	134,245	482,908	204,027	58%
Materials/Supplies	228,300	166,229	183,557	-10%
Interfund Charges	2,345,363	2,345,363	1,649,912	30%
Capital Outlay	428,980	464,962	50,849	89%
Fiscal Charges	936,863	936,863	385,651	59%
Total Operating Expense	**$5,478,771**	**$5,801,345**	**$3,467,850**	**40%**
Operating Income (Loss)	**$992,806**	**$670,232**	**$1,198,253**	
Capital Expenditures	$14,061,980	$37,616,974	$4,533,271	88%
Other Financing				
Grants/Loan Proceeds	$10,650,000	$21,150,000	$2,800,978	87%
County/Ext. Reimb.	-	3,500,000	491,147	100%
NET INCOME (LOSS)	**$(2,419,174)**	**$(12,296,742)**	**$(42,893)**	

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WATER DISTRIBUTION

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
KGal Sales	775,000	775,000	607,957	22%
Sales Revenue	$7,220,311	$7,220,311	$5,097,629	29%
Other Revenue	31,840	31,840	99,181	-211%
Total Revenue	**$7,252,151**	**$7,252,151**	**$5,196,810**	**28%**
OPERATING EXPENSES				
Salaries	$701,857	$701,857	$548,921	22%
Benefits	277,214	277,214	184,545	33%
Prof'l/Contract Services	210,000	511,216	148,937	71%
Materials/Supplies	344,700	374,239	212,976	43%
Interfund Charges	1,500,969	1,500,969	685,738	54%
Cost of Water	3,929,250	3,929,250	3,097,943	21%
Total Operating Expense	**$6,963,990**	**$7,294,744**	**$4,879,060**	33%
Operating Income (Loss)	**$288,161**	**$(42,593)**	**$317,749**	
Capital Expenditures	$676,816	$676,816	$4,963	99%
NET INCOME (LOSS)	**$(388,655)**	**$(719,409)**	**$312,786**	

NATURAL GAS DISTRIBUTION

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
Therm Sales	8,000,000	8,000,000	5,917,575	26%
Sales Revenue	$19,876,727	$19,876,727	$6,849,052	66%
Other Revenue	21,227	21,227	32,309	-52%
Total Revenue	**$19,897,954**	**$19,897,954**	**$6,881,362**	**65%**
OPERATING EXPENSES				
Salaries	$647,513	$647,513	$591,707	9%
Benefits	257,291	257,291	214,240	17%
Prof'l/Contract Services	119,000	451,813	272,044	40%
Materials/Supplies	689,130	200,500	181,688	9%
Interfund Charges	1,733,126	1,733,126	796,096	54%
Capital Outlay	191,000	201,500	15,992	92%
Cost of Gas	13,000,000	13,000,000	2,237,610	83%
Total Operating Expense	**$16,637,060**	**$16,491,743**	**$4,309,378**	**74%**
Operating Income (Loss)	**$3,260,894**	**$3,406,211**	**$2,571,984**	
Capital Expenditures	$491,000	$789,721	$48,939	94%
Other Financing Profit Transfer	(928,243)	(928,243)	-	100%
NET INCOME (LOSS)	**$2,032,651**	**$1,688,247**	**$2,523,045**	

WASTEWATER COLLECTION & TREATMENT

Through Mar. 31, 2024	FY2024 BUDGET Adopted	FY2024 BUDGET Revised	ACTUALS	% Left
REVENUE				
KGals Processed	430,000	430,000	279,857	35%
Sales Revenue	$6,644,515	$6,644,515	$4,812,910	28%
Other Revenue	165,449	165,449	18,685	89%
TOTAL REVENUE	**$6,809,964**	**$6,809,964**	**$4,831,595**	**29%**
OPERATING EXPENSES				
Salaries	$1,723,056	$1,723,056	$760,859	56%
Benefits	672,824	672,824	287,127	57%
Prof'l/Contract Services	306,000	581,956	242,783	58%
Materials/Supplies	349,600	349,600	256,509	27%
Interfund Charges	2,128,055	2,128,055	1,510,736	29%
Capital Outlay	-	-	318,047	
Fiscal Charges	765,034	765,034	658,721	14%
Total Operating Expense	**$5,944,569**	**$6,220,525**	**$4,034,782**	**35%**
Operating Income (Loss)	**$865,395**	**$589,439**	**$796,813**	
Capital Expenditures	$2,029,000	$17,801,077	$5,709,673	68%
Other Financing Grant/Loan Proceeds	-	1,500,000	-	100%
NET INCOME (LOSS)	**$(1,163,605)**	**$(15,711,638)**	**$(4,912,860)**	

UTILITY SERVICE: ELECTRIC

	Q1	Q2	Q3	Q4	YTD
SALES (KWh)					
Residential	16,603,867	13,908,799	17,423,557		47,936,223
Private Area Lights	9,354	9,354	9,354		28,062
Commercial	9,618,834	7,942,279	8,314,987		25,876,100
Municipal	2,530,846	2,263,971	2,469,352		7,264,169
Water Production	2,583,821	2,187,247	1,408,233		6,179,301
Educational	1,107,140	1,254,706	1,428,935		3,790,781
Total	**32,453,862**	**27,566,356**	**31,054,418**		**91,074,636**
BILLED LOCATIONS (average)					
Residential	7,745	8,098	7,506		7,783
Commercial	613	635	611		620
Municipal	159	169	158		162
Educational	56	59	49		55
Total	**8,574**	**8,962**	**8,324**		**8,620**
REVENUE/KWH (average)					
Residential	$0.1185	$0.1331	$0.1337		$0.1185
Private Area Lights	0.3379	0.1391	0.3868		0.3379
Commercial	0.1180	0.1338	0.1310		0.1180
Municipal	0.0915	0.1503	0.1280		0.1127
Water Production	0.0682	0.0748	0.1151		0.0682
Educational	0.1129	0.1183	0.1132		0.1129
Average	$0.1121	$0.1294	$0.1308		$0.1137
LOSS CALCULATION					
Power Rec'd, KWh	32,070,752	29,549,886	31,019,052		92,639,689
PV Power Rec'd, KWh	-	-	-		-
Qtrly Losses <gains>, KWh	(383,110)	1,983,530	(35,367)		1,565,054
% Qtrly Losses <gains>	-1.19%	6.71%	-0.11%		1.69%
Cumulative Losses <gains>	**-1.19%**	**2.60%**	**1.69%**		**1.69%**

P. #58

UTILITY SERVICE: NATURAL GAS

	Q1	Q2	Q3	Q4	YTD
SALES (Therms)					
Residential	329,177	1,375,815	2,825,181		4,530,173
Commercial	130,812	295,299	516,194		942,305
TA-3 Sales	-	-	-		-
Municipal	11749	53,664	144,692		210,105
Water Production	51,716	13,839	2,930		68,485
Educational	5,217	52,930	108,360		166,507
Total	**528,671**	**1,791,547**	**3,597,357**		**5,917,575**
BILLED LOCATIONS (average)					
Residential	7,132	7,405	6,866		7,134
Commercial	361	371	360		364
Municipal	43	44	41		43
Educational	21	23	20		21
Total	**7,556**	**7,842**	**7,286**		**7,562**
REVENUE/THERM (average)					
Residential	$1.7372	$1.1605	$1.0674		$1.7372
Commercial	1.5311	1.3749	1.2663		1.5311
TA-3	-	-	-		-
Municipal	1.3455	1.0992	0.9926		1.3455
Water Production	0.3519	0.1952	0.3411		0.3519
Educational	1.3359	1.0425	0.9477		1.3359
Average	**$1.5380**	**$1.1830**	**$1.0887**		**$1.5380**
LOSS CALCULATION					
Gas Rec'd, therms	578,452	2,525,111	3,516,320		6,619,883
Qtrly Losses <gains>, therms	49,781	733,564	(81,037)		702,308
% Qtrly Losses <gains>	8.61%	29.05%	-2.30%		10.61%
Cumulative Losses <gains>	**8.61%**	**25.24%**	**10.61%**		**10.61%**

UTILITY SERVICE: WATER

	Q1	Q2	Q3	Q4	YTD
SALES (KGAL)					
Residential	239,071	128,641	83,108		450,820
Commercial	29,951	37,246	16,866		84,063
Municipal	29,228	14,136	5,749		49,113
Educational	19,518	3,414	1,031		23,962
Total	**317,768**	**183,436**	**106,754**		**607,957**
BILLED LOCATIONS (average)					
Residential	6,643	6,924	6,377		6,648
Commercial	294	297	296		296
Municipal	86	90	84		87
Educational	23	25	22		23
Total	**7,046**	**7,336**	**6,778**		**7,053**
REVENUE/KGAL (average)					
Residential	$8.0379	$9.1532	$10.5146		$8.0379
Commercial	6.3573	7.5681	7.3265		6.3573
Municipal	7.0464	7.7297	9.1346		7.0464
Educational	5.6714	9.6682	16.8859		5.6714
Average	$7.6429	$8.7312	$9.9981		$7.6429
LOSS CALCULATION					
Water Rec'd, Kgal	355,653	187,821	130,652		674,126
Qtrly Losses <gains>, Kgal	37,885	4,386	23,899		66,170
% Qtrly Losses <gains>	10.65%	2.33%	18.29%		9.82%
Cumulative Losses <gains>	**10.65%**	**7.78%**	**9.82%**		**9.82%**

Right: Darren Martinez and Justin Lujan prep a gas riser and valve for a new gas service line at the Los Alamos Wastewater Treatment Plant.

UTILITY SERVICE: WASTEWATER

	Q1	Q2	Q3	Q4	YTD
SEWER TREATED (KGAL)					
Los Alamos	63,940	65,263	64,641		193,844
White Rock	26,489	31,183	28,341		86,013
Total Treated	**90,429**	**96,446**	**92,982**		**279,857**
REV PER KGAL TREATED	**$18.76**	**$17.47**	**$17.54**		**$18.94**

DPU

#WORKFORCE

NEW HIRES

- DPU welcomed Hydroelecric Maintenance Technician Apprentice **Austin Craig** to the Electric Production Division.

PROMOTIONS

- **Jacob Leyba** was promoted to Senior Pipefitter in the Gas, Water & Sewer Division.
- **Mark Martinez**, who has been with DPU since 2019, was promoted to Pipefitter in the Gas, Water & Sewer Division.
- **Estevan Garcia** was promoted to Pipefitter in the Gas, Water & Sewer Division. Estevan joined GWS in 2006.

ANNIVERSARIES

5 Years:

- **Ricardo Lambert**, Apprentice II, GWS
- **Steven Martinez**, Trainee, GWS
- **Mark Martinez**, Pipefitter, GWS

10 Years:

- **Marcos Ocanas**, WWTP Supervisor, WT

15 Years:

- **Isaac Montoya,** Sr. Power System Operator, EP

ACHIEVEMENTS

- Water & Energy Conservation Coordinator **Abbey Hayward** was chosen by DOE for a 2-year federal appointment to the Northern New Mexico Citizens Advisory Board.
- Four DPU employees completed the LAC Leadership Academy. They are: **Richard Valerio** (Finance); **Marcos Ocanas** (WT); **Casey Aumack** (Eng.); and **Nick Nelson** (EP).
- The following DPU employees completed the County's Leadership Skills class: **Yvonne Quintana** (EP); **Joann Gentry** (Admin.); **Josh Silva** (WT); and **James Martinez** (Eng.).

CONTINUED...

- **Estevan Garcia** (GWS) completed all certification requirements to obtain a Journeyman Gasfitter license.
- **Ricardo Lambert** (GWS) passed the Water Supply Operator Level 2 exam.

Pictured below:
Austin Craig
Jacob Leyba
Estevan Garcia
Steven Martinez
Isaac Montoya





Left: LAC Academy graduates (Nick Nelson 2nd from left; Richard Valeria 4th from left; Casey Aumack 9th from right; Marcos Ocanas 2nd from right)

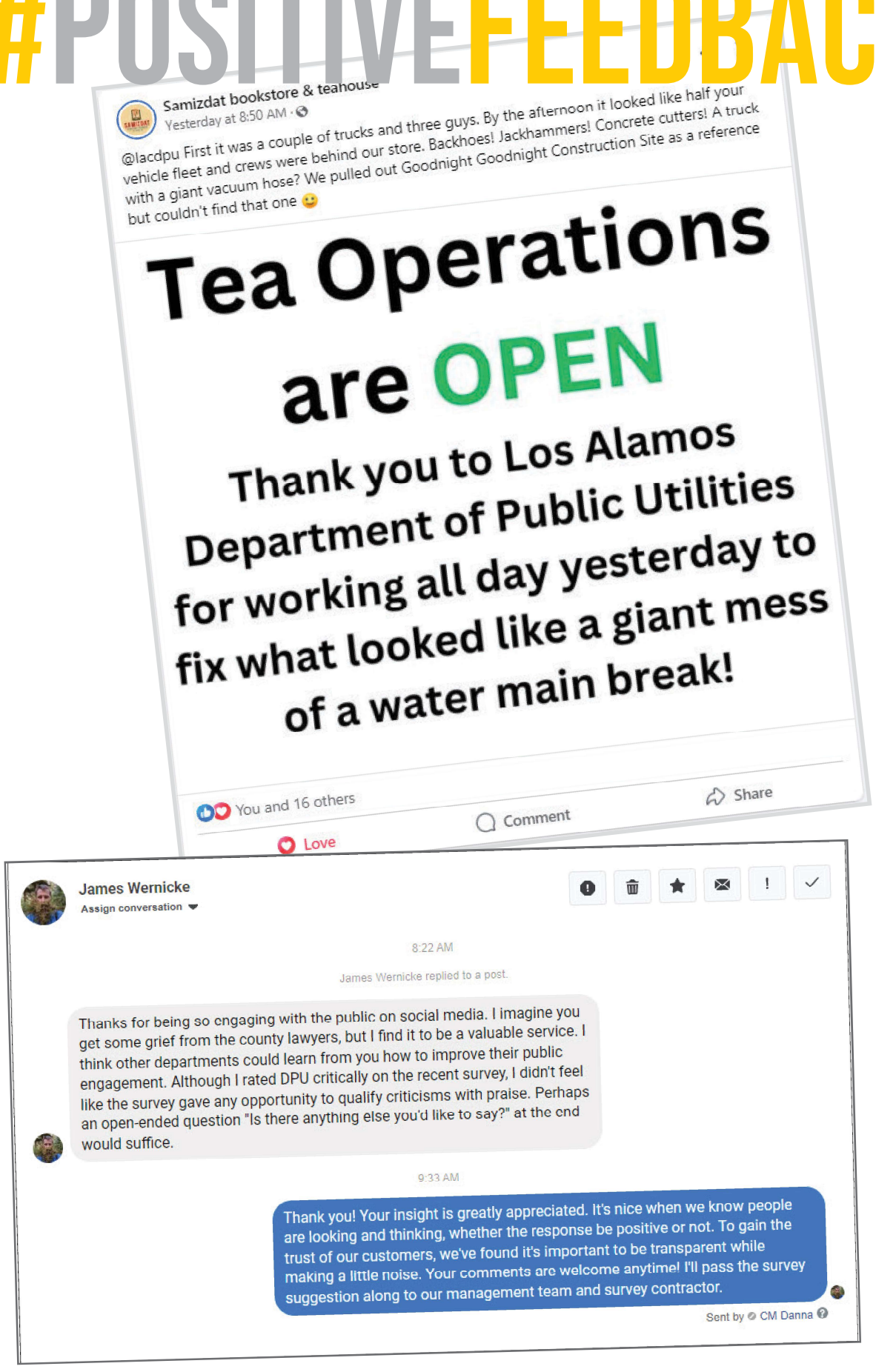
Below: Leadership Skills class graduates (Josh Silva 2nd from left; Yvonne Quintana 4th from left; Joann Gentry 5th from left; James Martinez far right)

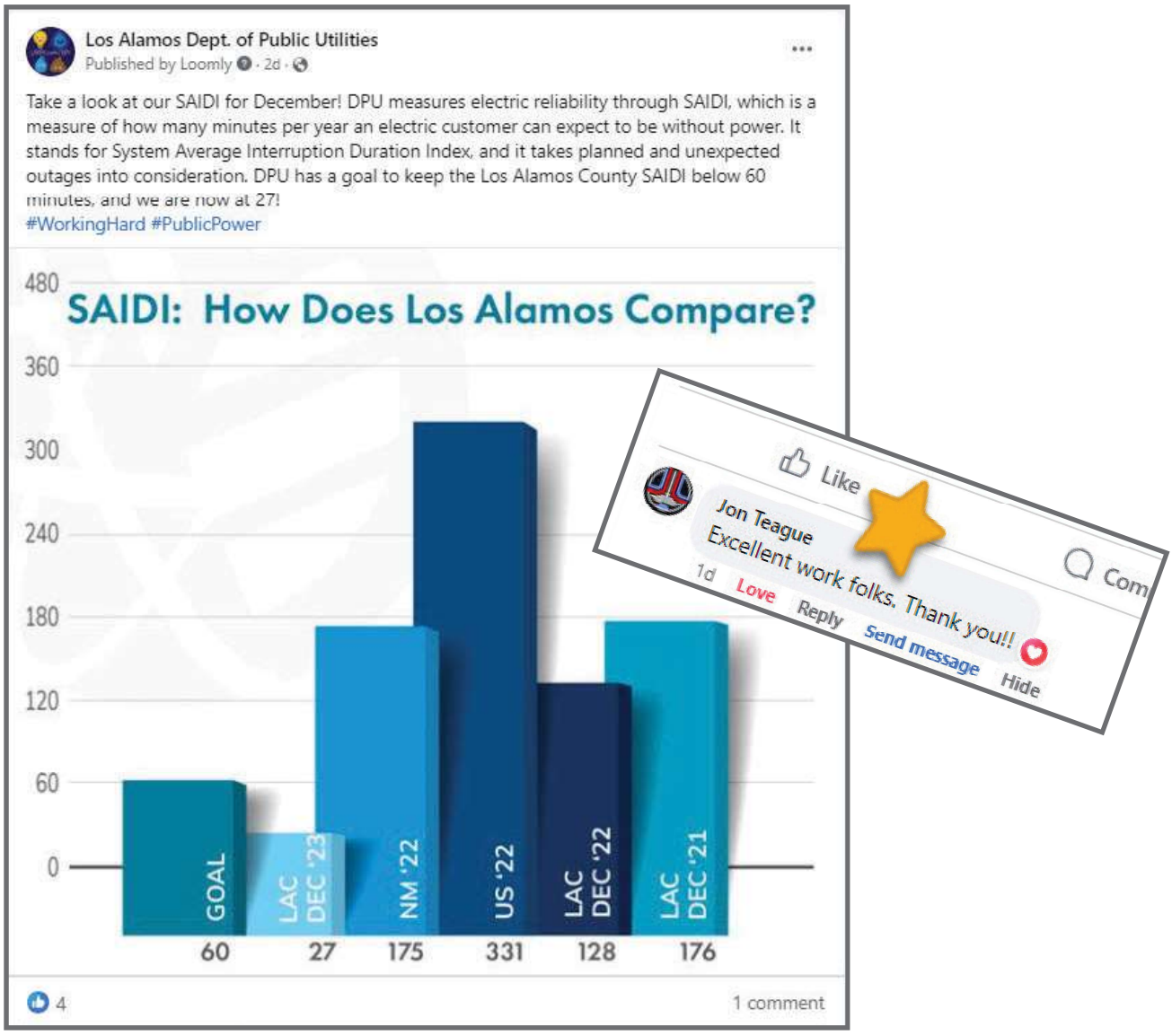
MOMENTS IN TIME

1. DPU participated in Los Alamos Day at the New Mexico Legislature by handing out tubes of hot chocolate mix with natural gas emoji Toasty. 2. GWS Supervisor Stephen Abeyta recorded a message for crews for Natural Gas Workers Appreciation Day. 3. DPU's staff in the Los Alamos County Municipal Building vacated the building for a fire alarm in January. Thankfully, it turned out to be a false alarm. 4. Billing and Customer Service Specialist Peggy Martinez adopted a puppy rescued by Customer Care staff.

1. In support of DPU, Brenda Sargent from Public works sports her DPU gear! 2. The women of DPU gathered for a photo on International Women's Day. 3. GWS workers join pipes using electrofusion in the installation of new gas service at the Los Alamos Wastewater Treatment Plant.

#POSITIVEFEEDBACK





From: Michelle Austin [redacted]
Sent: Friday, January 5, 2024 7:40 AM
To: Customer Care <CustomerCare@lacnm.us>
Subject: [EXTERNAL]DPU Scoop Dec 2023 - Thank you

Thank you for the Dec issue of the Scoop and your update on the IRA. I replaced my furnace in 2023 and was wondering if the IRA was active yet and what IRS form to use for potential tax credits. You provided both!

Sincerely,
Michelle Austin
Los Alamos, NM

KUDOS

Los Alamos Dept. of Public Utilities
Published by Loomly · February 16 at 10:01 AM ·

Congratulations to our Water Production team for receiving the 2023 Good Housekeeping Award from the New Mexico Water and Wastewater Association! Does it surprise us? No. Does it make us super proud? YES!
#PublicUtilities #CommunityOwned

100 10 comments 1 share

Like Comment Share

Oldest

Top fan
Karen Salazar
These gentlemen work really hard and are extremely awesome at what they do! Well Deserved!!!
3w Like Reply Hide 3

Top fan
Bernadette Lauritzen
Bring on the Water Works DPU!! Keep up the good work!
3w Like Reply Hide

Top fan
Zuzu Petals
So deserving! Thank you for your hard work!
3w Like Reply Hide

Julie AlderseBaes
Congratulations, well done
3w Like Reply Hide

Angel
Go **Joel Timothy Martinez** !! Good job
3w Like Reply Hide

Esther Marquez
Congratulations. Well deserved.
3w Like Reply Hide

Jacki Lopez
Good work **Diego Miramontes** & **Joel Timothy Martinez**!.
2w Like Reply Hide

Top fan
Karen Kendall
Congratulations!
2w Like Reply Hide

Francine Gutierrez
Good job Joel and Diego!
2w Like Reply Hide

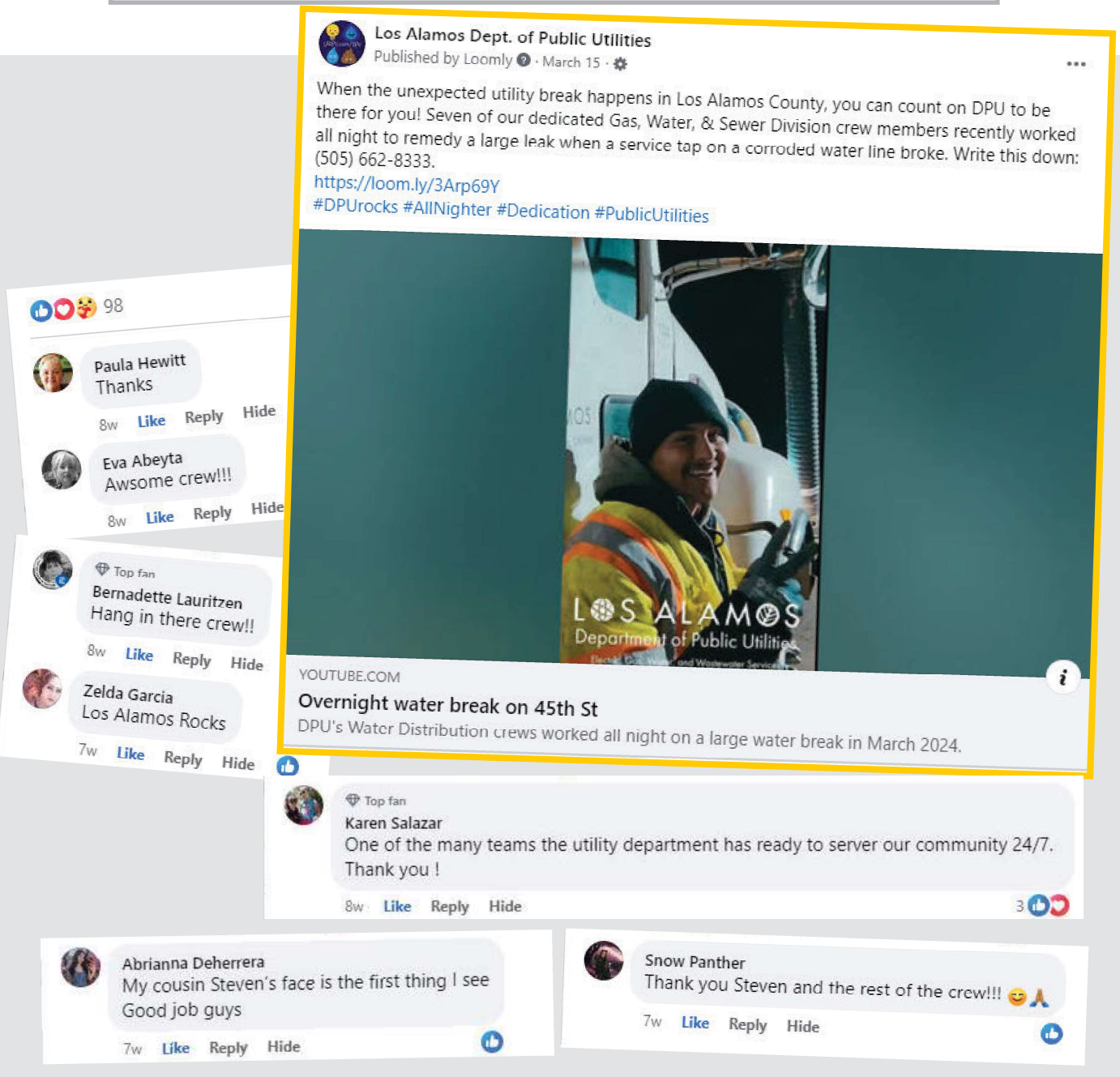
From: Martinez, Darby
To: D"Anna, Catherine
Subject: RE: PREL: Gas Recovery Rate Ends
Date: Friday, March 8, 2024 7:06:59 AM

Wow, I wish all other utility companies were like this! They keep the rates high regardless.

Same for shipping companies, their response to higher shipping costs is the cost of fuel, but when the fuel costs go down, they don't adjust their prices, they keep charging the higher rates.

This is almost unheard of anywhere else....

Darby Martinez
Senior Office Specialist
Traffic and Streets Division
County of Los Alamos



RE: [EXTERNAL]PRV Previous read 3/21/24 and current read today 4/1/24

SP

Shelton, Philo
To Gomez, David; Moseley, Clay
Cc Tanuz, Victor; D'Anna, Catherine

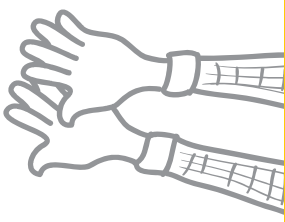
Great job taking advantage of this water resource.

From: Gomez, David <david.gomez@lacnm.us>
Sent: Monday, April 1, 2024 3:57 PM
To: Moseley, Clay <clay.moseley@lacnm.us>
Cc: Shelton, Philo <philo.shelton@lacnm.us>; Tanuz, Victor <victor.tanuz@lacnm.us>
Subject: FW: [EXTERNAL]PRV Previous read 3/21/24 and current read today 4/1/24

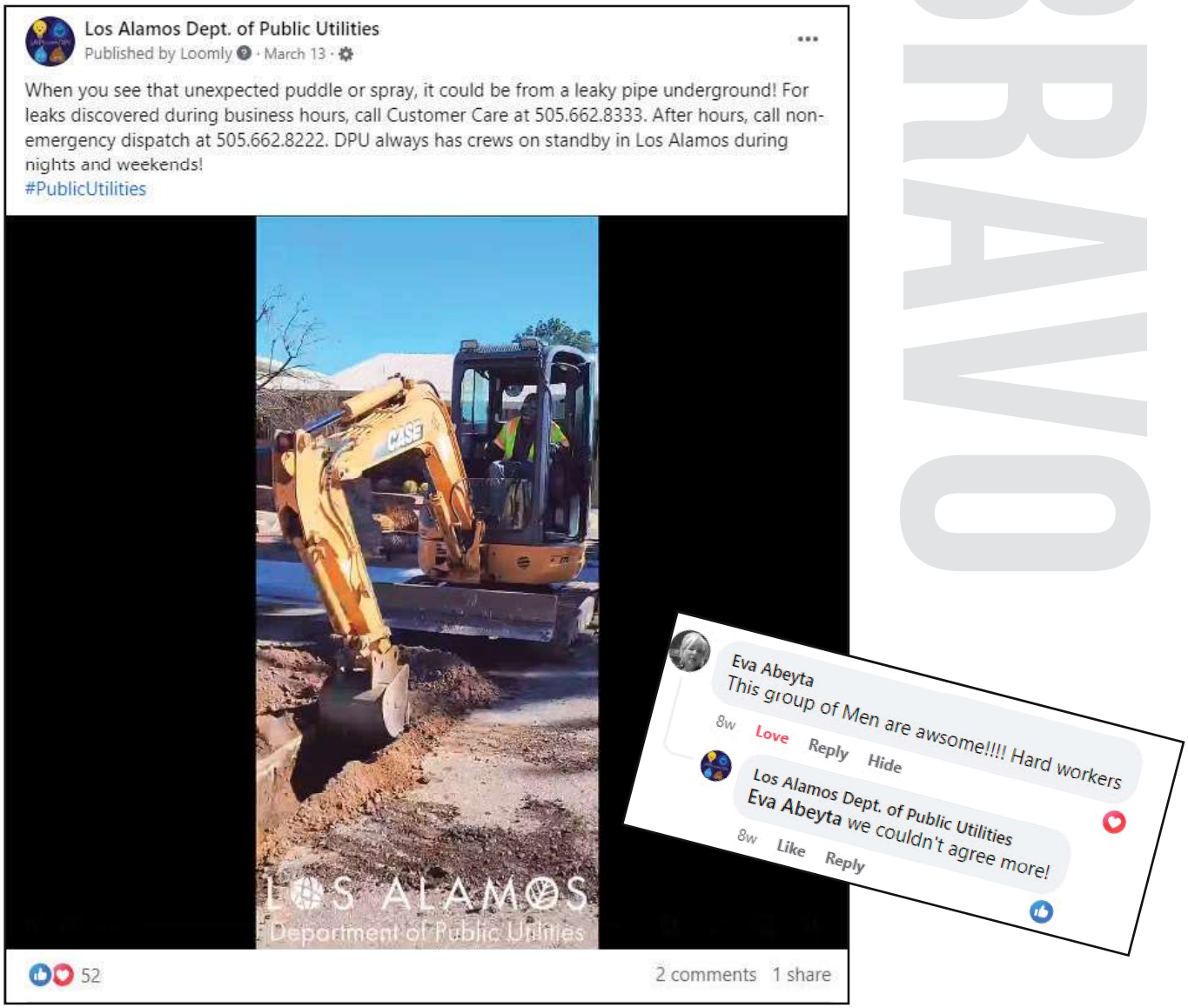
Already over a million gallons of water from the reservoir to the golf course for irrigation. See below.

From: Martinez, Lucas <lucas.martinez@lacnm.us>
Sent: Monday, April 1, 2024 3:36 PM
To: Tanuz, Victor <victor.tanuz@lacnm.us>; Gomez, David <david.gomez@lacnm.us>
Subject: FW: [EXTERNAL]PRV Previous read 3/21/24 and current read today 4/1/24

Previous read 3/21/24 read (003974)and current read today 4/1/24 read (005043)For PRV near Fairway reservoir water.



BRAVO



From: Jody Benson
Sent: Thursday, February 8, 2024 4:13 PM
To: Board of Public Utilities; ~County Council; Customer Care
Subject: [EXTERNAL]Please support Foxtail Flats

Dear Council and BPU,

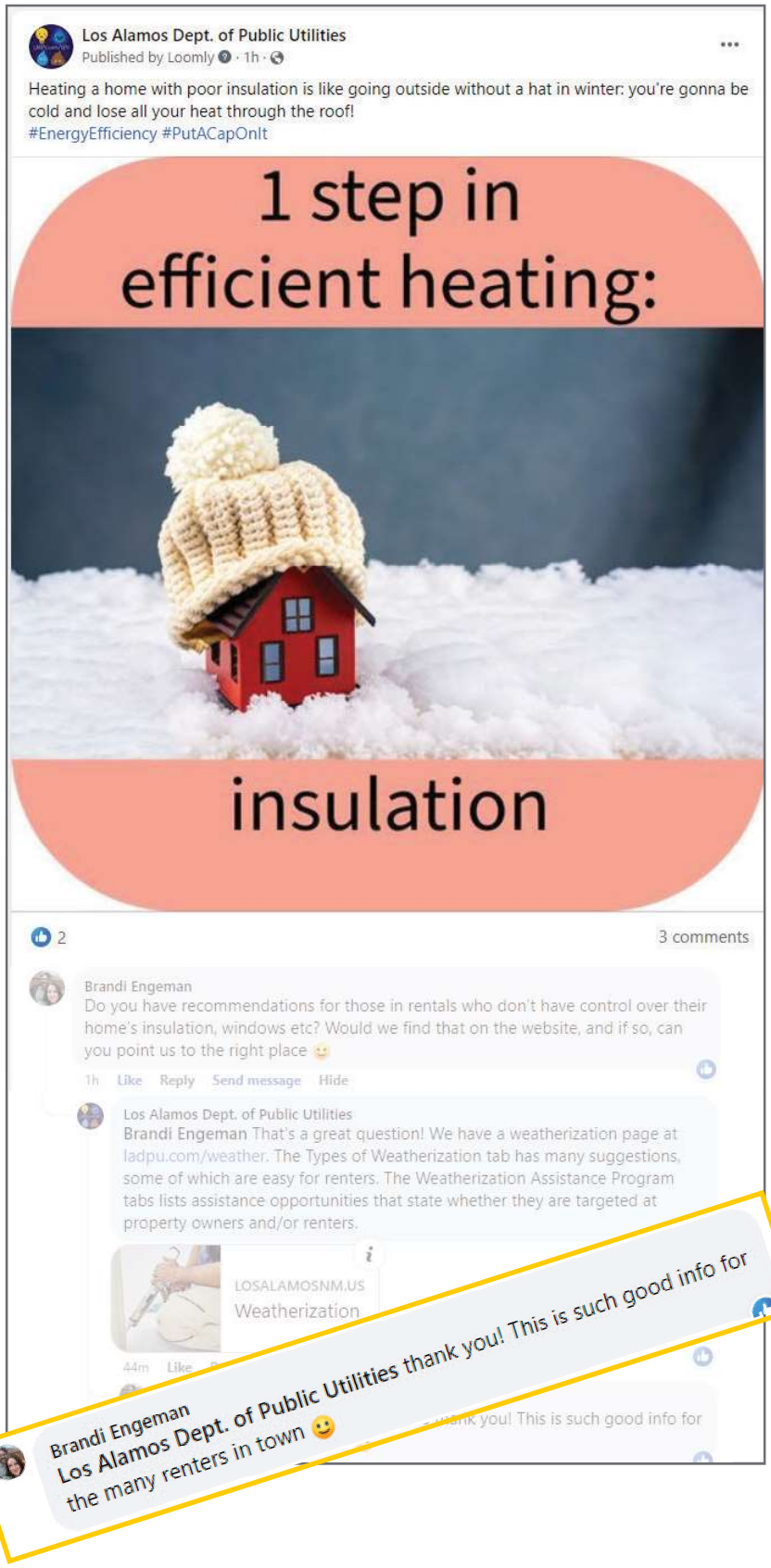
After Zooming into the BPU meeting last night to listen to the presentation on Los Alamos' investment potential in solar electricity generated at FoxTail Flats LLC, I ask the county to support the investment.

Thank you, DPU, for your concise (and seemingly complete) discussion on batteries, solar load, finances, and many of the legal issues that the County could encounter with the FoxTail Flats addition to our utility portfolio.

Thank you, BPU, for your excellent questions covering complicated issues that only people committed to making well-researched decisions could ask.

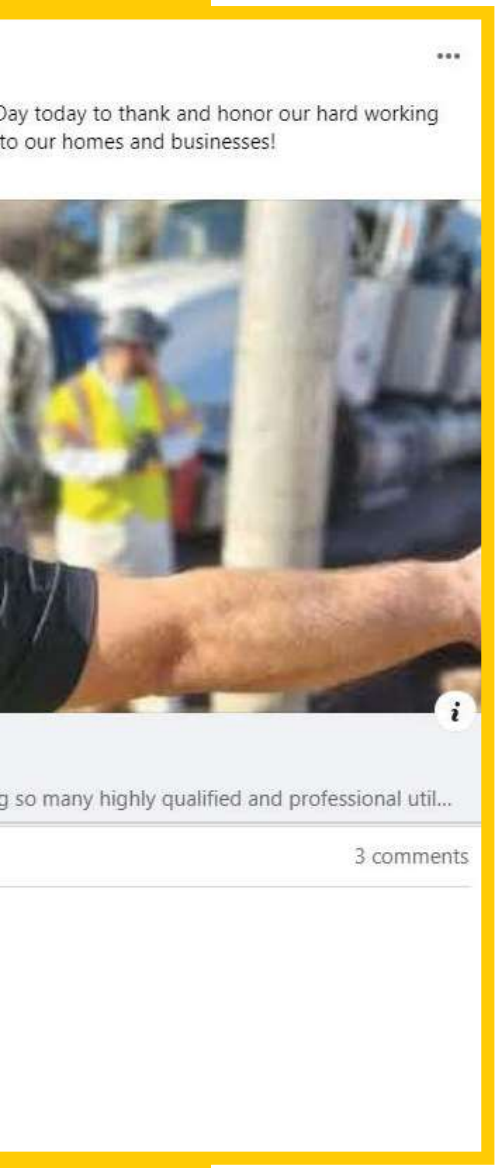
I appreciate that Los Alamos is committed to making government work.

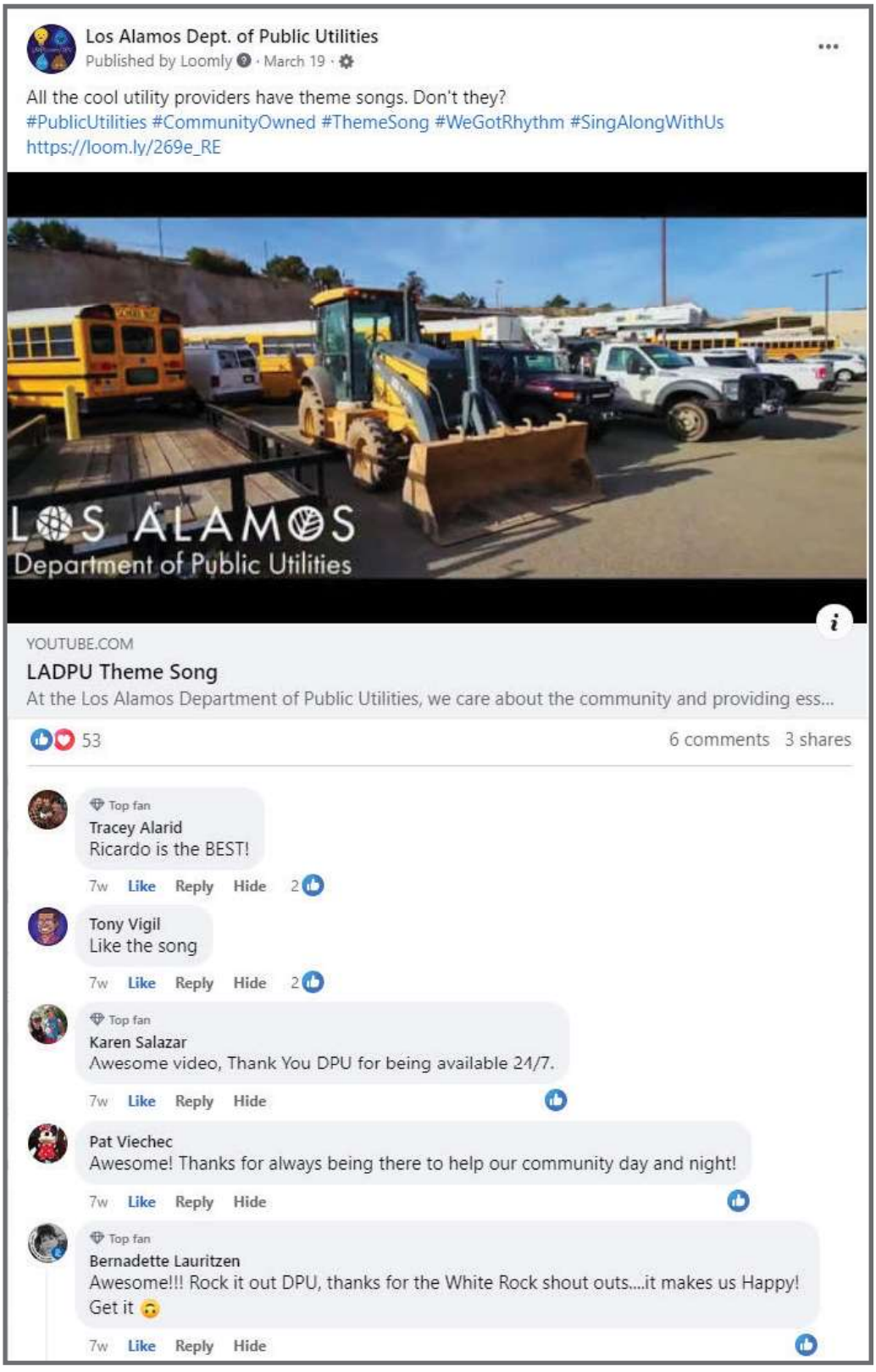
Jody Benson
Los Alamos 87544


Los Alamos Dept. of Public Utilities
Published by Loomly · 1h ·
Heating a home with poor insulation is like going outside without a hat in winter: you're gonna be cold and lose all your heat through the roof!
#EnergyEfficiency #PutACapOnIt
1 step in efficient heating:
insulation
2
3 comments
Brandi Engeman
Do you have recommendations for those in rentals who don't have control over their home's insulation, windows etc? Would we find that on the website, and if so, can you point us to the right place
1h Like Reply Send message Hide
Los Alamos Dept. of Public Utilities
Brandi Engeman That's a great question! We have a weatherization page at ladpu.com/weather. The Types of Weatherization tab has many suggestions, some of which are easy for renters. The Weatherization Assistance Program tabs lists assistance opportunities that state whether they are targeted at property owners and/or renters.
LOSALAMOSNM.US
Weatherization
44m Like
Brandi Engeman
Los Alamos Dept. of Public Utilities thank you! This is such good info for the many renters in town


Los Alamos Dept. of Public Utilities
Published by Loomly · March 18 ·
Join us in celebrating Natural Gas Utility Workers D
colleagues who work to bring natural gas safely in
#GasWorkersDay #NGUWDay #naturalgas
YOUTUBE.COM
National Gas Utility Workers Day 2024
At DPU, we are extremely fortunate to work amon
13
Linda Gutgsell
Thank you
7w Like Reply Hide
Top fan
Bernadette Lauritzen
Have a wonderful day crew!!
7w Like Reply Hide 2

#GOOD


Day today to thank and honor our hard working
to our homes and businesses!
g so many highly qualified and professional util...
3 comments


Los Alamos Dept. of Public Utilities
Published by Loomly · March 19 ·
All the cool utility providers have theme songs. Don't they?
#PublicUtilities #CommunityOwned #ThemeSong #WeGotRhythm #SingAlongWithUs
https://loom.ly/269e_RE
LOS ALAMOS
Department of Public Utilities
YOUTUBE.COM
LADPU Theme Song
At the Los Alamos Department of Public Utilities, we care about the community and providing ess...
53
6 comments 3 shares
Top fan
Tracey Alarid
Ricardo is the BEST!
7w Like Reply Hide 2
Tony Vigil
Like the song
7w Like Reply Hide 2
Top fan
Karen Salazar
Awesome video, Thank You DPU for being available 24/7.
7w Like Reply Hide
Pat Viechec
Awesome! Thanks for always being there to help our community day and night!
7w Like Reply Hide
Top fan
Bernadette Lauritzen
Awesome!!! Rock it out DPU, thanks for the White Rock shout outs....it makes us Happy!
Get it
7w Like Reply Hide

VIBES


Los Alamos Dept. of Public Utilities
Published by Loomly · January 30 at 9:06 AM ·
Winter is no time to take a break from projects! Down by the Los Alamos Wastewater Treatment Plant in Bayo Canyon, the new non-potable water tank took shape in December. When the weather warms up, the rust will be ground off the welds and the green primer will be covered with protective paint.
#PublicUtilities #CommunityOwned
17
4 comments
Top fan
Zuzu Petals
Thank you for your public service! We depend on you!
2
2d Like Reply Send message Hide
James Wernicke
These progression pics are great. Good work!
1h Like Reply Send message Hide

P. #74

From: Katie Myers
To: Board of Public Utilities; steve.lynne@lacnm.us; Laurent, Anne; Shelton, Philo; Gurule, Angelica; Olbrich, Ben
Subject: [EXTERNAL]Foxtail Flats Power Project
Date: Wednesday, February 7, 2024 8:40:21 PM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

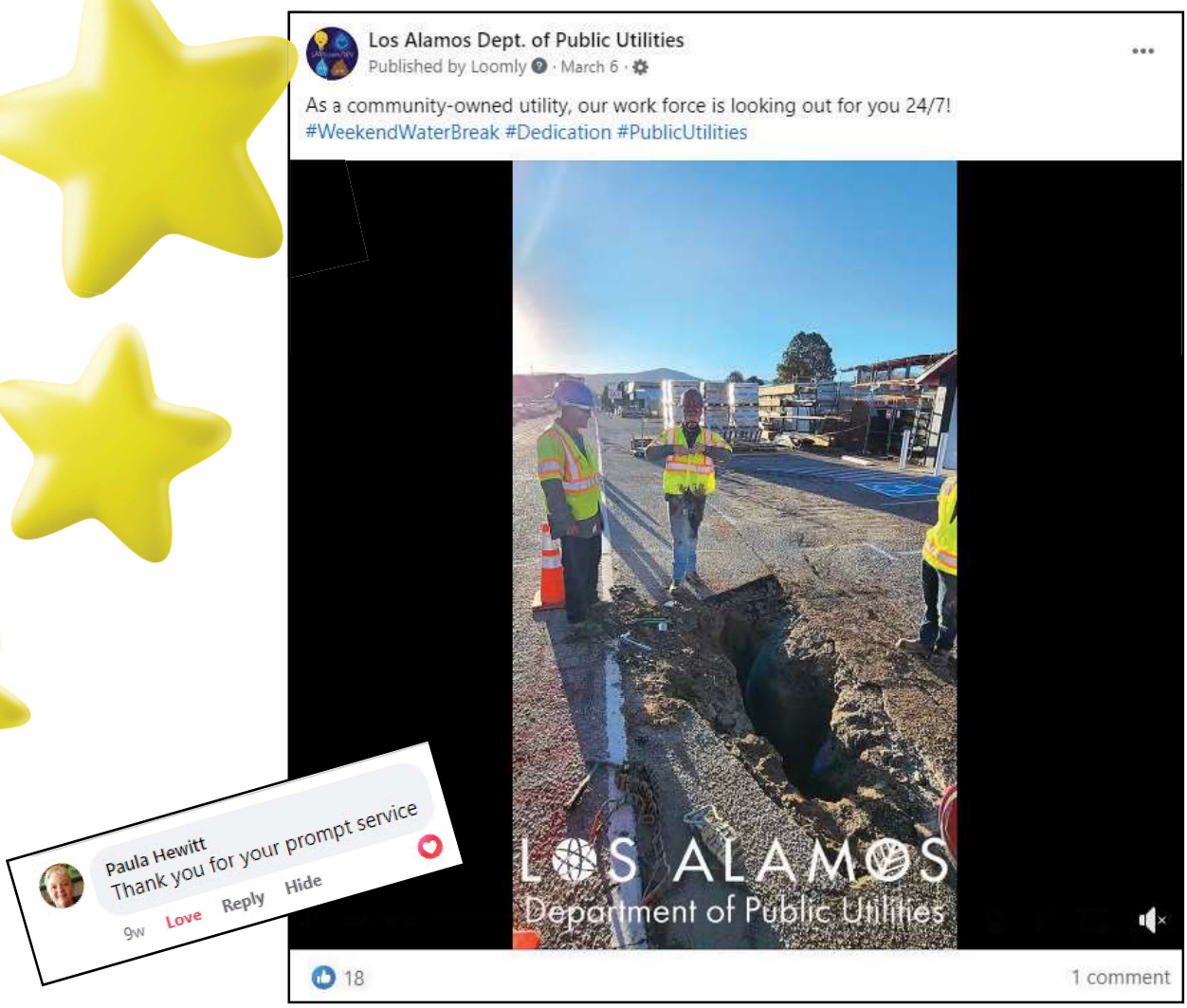
Dear Chair Gibson and Board of Public Utilities Members, Mr. Shelton, Mr. Lovrich, Mr. Lynne, Ms. Laurent, and Ms. Gurule,

I enjoyed the presentation about the Foxtail Flats Power Project at tonight's BPU meeting. Thank you for your work on this. I am writing to express my support and excitement that Los Alamos County is moving forward with increasing our renewable energy portfolio.

Also, thank you to the BPU for allowing comment at the beginning of the meeting about any topic. Had I read the agenda more thoroughly, I would have expressed my views at the start of the meeting. I'll know for next time.

Sincerely,
Katie Leonard
[redacted]
Los Alamos

Sent remotely.



ABBREVIATIONS USED IN DPU REPORTS

ACFR	Annual Comprehensive Financial Report
AMI	Automated Metering Infrastructure
APPA	American Public Power 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
DWSRL	Drinking Water State Revolving Loan
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*
IRP	Integrated Resource Plan
KGAL	Thousands of Gallons
KWH	Kilowatt Hours
LAC	Los Alamos County
LANL	Los Alamos National Laboratory
LAPP	Los Alamos Power Pool
LARES	Los Alamos Resiliency, Energy & Sustainability Task Force

#ABBR

MCC	Motor Control Center
MCM	Thousands of Circular Mils (wire gauge measurement)
MGAL	Millions of Gallons
MWH	Megawatt Hours
NMED	New Mexico Environment Department
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
WR	White Rock
WRRF	Water Resource Reclamation Facility
WT	Wastewater Treatment
WWTP	Wastewater Treatment Plant

*Sewer = Wastewater Collection

2024: Jan 1 - Mar 31

Q3 REPORT FY24

Find us on social media!

LOS ALAMOS
Department of Public Utilities

1000 Central Ave., Suite 130
Los Alamos, NM 87544
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