



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

*Robert Gibson, Chair; Eric Stromberg, Vice-chair
Matt Heavner, Charles Nakhleh and Jennifer Hollingsworth, Members
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Suzie Havemann, Council Liaison*

Wednesday, February 19, 2025

5:30 PM

Municipal Building, Council Chambers

Public Participation: in person or <https://us06web.zoom.us/j/85828927209>.

1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, February 19, 2025 at 1000 Central Avenue in Council Chambers. Board Chair Robert Gibson called the meeting to order at 5:30 pm. Members of the public were notified of the ability to participate and provide public comment in-person or over Zoom.

The following board members were in attendance:

PRESENT - 6: Members Gibson, Stromberg, Nakhleh, Heavner, Hollingsworth, and Shelton

ABSENT - 0:

REMOTE - 1: Member Laurent

Council Vice Chair Suzie Havemann (Liaison to BPU) was absent and Councilor Randall Ryti attended in her place.

2. PUBLIC COMMENT

Chair Gibson provided an opportunity for public comment on the Consent Agenda or those not otherwise included on the agenda. There was none.

No action was taken on this item.

3. APPROVAL OF AGENDA

Chair Gibson called for amendments to the agenda or a motion for approval.

Member Hollingsworth moved and member Nakhleh seconded that the agenda be approved presented.

The motion passed by the following vote:

YES - 5: Members Hollingsworth, Heavner, Nakhleh, Stromberg and Gibson

NO - 0:

4. CONSENT AGENDA

Chair Gibson called for discussion or a motion. There was no discussion. He then provided an opportunity for public comment; there was none.

Member Heavner moved and Member Hollingsworth seconded that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record. The motion passed by the following vote:

YES - 5: Members Hollingsworth, Heavner, Nakhleh, Stromberg and Gibson
NO - 0:

- 4.a. [19377-25](#) Approval of Board of Public Utilities Meeting Minutes - January 2025

I move that the Board of Public Utilities approve the minutes of the January 15, 2025 Regular Session as presented.

- 4.b. [19412-25a](#) Award of Bid No. IFB25-33 for the Purpose of Los Alamos Canyon Fiber Optic Extension for Water Production SCADA with TSI Tower Services, Inc.

I move that the Board of Public Utilities approve the Award of Bid No. IFB25-33 for the Purpose of Los Alamos Canyon Fiber Optic Extension for Water Production SCADA with TSI Tower Services, Inc. in the Amount of \$329,688.76 and a contingency in the amount of \$80,000.00, for a total of \$409,688.76, plus Applicable Gross Receipts Tax and forward to Council for approval.

- 4.c. [19706-25a](#) Approval of Budget Revision 2025-36 for Grant Revenue & Labor

I move that the Board of Public Utilities approve Budget Revision 2025-36 and forward to Council for approval.

- 4.d. [19827-25](#) Approval of Task Order No. 6, to AGR24-04c with DUB-L-EE, LLC for the Purpose of Western Area Backyard Sewer Improvements

I move that the Board of Public Utilities approve Task Order No. 6, to AGR24-04c with DUB-L-EE, LLC for the Purpose of Western Area Backyard Sewer Improvements in the Amount of \$158,486.66 and a contingency in the amount of \$20,000.00, for a total of \$178,486.66, plus Applicable Gross Receipts Tax.

- 4.e. [AGR1106-25a](#) Approval of Services Agreement No. AGR 24-81 with Eaton Corporation in the amount of \$7,000,000.00, plus Applicable Gross Receipts Tax, for the Purpose of On-Call Utility Electrical Engineering Services, Electrical System Studies, Trainings, Equipment and System Compliance and Maintenance Services

I move that the Board of Public Utilities approve Services Agreement No. AGR 24-81 with Eaton Corporation in the amount of \$7,000,000.00, plus Applicable Gross Receipts Tax, for the Purpose of On-Call Utility Electrical Engineering, Electrical System Studies, Trainings, Equipment and System Compliance and Maintenance Services, and forward to Council for approval.

5. PRESENTATIONS

- 5.a. [19376-25](#) Department of Public Utilities Annual Report - Fiscal Year 2024

Mr. Shelton reported that Ms. D'Anna works with him and all of the Deputy Utility

Managers and other staff to gather, compile, and professionally format each report. Ms. Catherine D'Anna, Public Relations Manager was absent, but he wanted to recognize her and thank her for all of her hard work. Mr. Shelton provided an overview of the published report that was included in the packet and which will be available online on February 20th, <https://ladpu.com/FY2024AR>.

Chair Gibson provided an opportunity for questions and comments from the board. The following individuals spoke:

1. Member Heavner
2. Member Hollingsworth
3. Ms. Karen Kendall
4. Member Gibson
5. Mr. Shelton

Member Gibson thanked Mr. Shelton and DPU staff for their work on the annual report.

No action was taken on this item.

5.b. [19401-25a](#) Presentation of the DPU FY2026 Budget

Chair Gibson made some opening remarks. Mr. Shelton thanked Ms. Kendall, senior managers, and staff for their work on developing the budget. Ms. Karen Kendall, Deputy Utility Manager - Finance & Administration, presented. She introduced other key members of the budget development team: Mr. Richard Valerio, DPU - Business Operations Mgr, Ms. Joann Gentry, DPU - Business Operations Manger; and Ms. Reese Chavarria-Quam, Finance - Accounting Operations Manager. Copies of Ms. Kendall's presentation slides and supporting documents were provided in the meeting packet.

Chair Gibson provided an opportunity for questions and comments from the board. The following individuals spoke:

1. Member Gibson
2. Mr. Shelton
3. Member Stromberg
4. Member Heavner
5. Member Nakhleh
6. Member Hollingsworth
7. Mr. Stephen Marez, DUM - Electric Distribution

Chair Gibson provided an opportunity for public comment; there was none. He then provided an opportunity for additional comments or questions from the board; there were none.

No action was taken on this item.

RECESS: 8:05 - 8:15 p.m.

6. PUBLIC HEARINGS (Ordinances & Resolutions)

- 6.a. [RE0632-25a](#) Affirmation of Incorporated County of Los Alamos Resolution No. 25-03; A Resolution Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition Authority, as Amended by a First Amendment and Second Amendment; Authorizing the Execution and Delivery of a Third Amendment**

to the Natural Gas Supply Agreement; Authorizing Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, as Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving, and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith

Mr. Ben Olbrich, Deputy Utility Manager - Power Supply presented. He also mentioned that Mr. George Majors of The Majors Group was participating via Zoom should the board have further questions. Copies of Mr. Olbrich's presentations slides and supporting documents were provided in the meeting packet.

Chair Gibson provided an opportunity for questions and comments from the board; there were none. Chair Gibson provided an opportunity for public comment on this item; there was none. Chair Gibson provided an opportunity for further discussion by the board; there was none. Chair Gibson then called for a motion.

Member Heavner moved and Member Nakhleh seconded that the Board of Public Utilities affirm Incorporated County of Los Alamos Resolution No. 25-03; A Resolution Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition Authority, as Amended by a First Amendment and Second Amendment; Authorizing the Execution and Delivery of a Third Amendment to the Natural Gas Supply Agreement; Authorizing Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, as Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving, and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith. He further moved that the Resolution be forwarded to Council with a recommendation for adoption. The motion passed by the following vote:

**YES - 4: Members Hollingsworth, Heavner, Nakhleh, and Gibson
NO -1: Member Stromberg**

7. DEPARTMENT BUSINESS

7.a. 19516-25 Review & Possible Approval of the Water & Energy Conservation Plan

Ms. Abbey Hayward, Water & Energy Conservation Coordinator, presented. A copy of the updated plan was included in the meeting packet.

Chair Gibson provided an opportunity for questions and comments from the board. The following individuals spoke:

- 1. Member Heavner
- 2. Mr. Clay Moseley
- 3. Member Gibson

Chair Gibson provided an opportunity for public comment on this item; there was none. Chair Gibson provided an opportunity for further discussion by the board; there was none. Chair Gibson then called for a motion.

Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities approve the 2025 update to the Water and Energy Conservation Plan as amended.

The motion passed by the following vote:

YES - 5: Members Hollingsworth, Heavner, Nakhleh, and Gibson

NO - 0:

ABSTAIN - 1: Member Stromberg

7.b. [19423-25-b](#) Annual Review of Article V of the Charter

Mr. Thomas Wyman, Assistant County Attorney presented. A copy of the relevant section of the Charter was included in the meeting packet.

Chair Gibson provided an opportunity for questions and comments from the board. The following individuals spoke:

- 1. Member Stromberg
- 2. Ms. Kendall

No action was taken on this item.

7.c. [19392-25a](#) Approval of the Calculation of Revenue Transfer from Electric & Gas Funds for Operations during Fiscal Year 2024 and Approval of Budget Revision 2025-37

Ms. Karen Kendall, Deputy Utility Manager - Finance & Administration presented. Copies of Ms. Kendall's presentation slides and supporting documents were provided in the meeting packet.

Chair Gibson provided an opportunity for questions and comments from the board. The following individuals spoke:

- 1. Member Heavner
- 2. Member Hollingsworth

Chair Gibson provided an opportunity for public comment on this item; there was none. Chair Gibson provided an opportunity for further discussion by the board; there was none. Chair Gibson then called for a motion.

Member Hollingsworth moved and Member Nakhleh seconded that the Board of Public Utilities recommend the transfer of revenues of 5% from the electric and gas funds during fiscal year 2025 to the general fund, and re-direct these amounts to be used within the joint utility system fund for purposes designated by Council in accordance with Incorporated County of Los Alamos Ordinance 02-324.

She further moved that the Board approve Budget Revision 2025-37 as summarized on Attachment D and that the attachment be made a part of the minutes of this meeting.

She further moved that these actions be forwarded to Council with a recommendation for approval.

She further moved that the Board of Public Utilities recommend Council extend the profit transfer redirection option per County Code Section 40-63(d) for an additional year to FY2030.

The motion passed by the following vote:

YES - 5: Members Hollingsworth, Heavner, Nakhleh, Stromberg and Gibson

NO - 0:

8. BOARD BUSINESS

8.a. Chair's Report

Chair Gibson reported that:

1. He attended the January 29th presentation by DOE/EM-LA regarding the Hexavalent Chromium Expert Technical Review at SALA Event Center.
2. He clarified how the Board should respond to public inquiries and stated some of his recommendations. Member Heavner posed a question regarding emails and public comment.

No action was taken on this item.

8.b. Board Member's Reports

Chair Gibson provided an opportunity for board members to report. There were no individual reports.

No action was taken on this item.

8.c. Utilities Manager's Report

Mr. Shelton reviewed his written report which is [attached](#) to the minutes. He provided summarized comments and Chair Gibson provided an opportunity for comments or questions from the board. The following individuals spoke:

1. Member Nakhleh

No action was taken on this item.

8.d. County Manager's Report

Ms. Anne Laurent reported that:

1. Staff are working diligently on the FY2026 Budget. She thanked Ms. Kendall, Mr. Shelton and DPU staff for their work.
2. The County is planning two open houses for capital projects.
3. In March, she and Chair Cull as well as other senior staff and Councilors will be in Washington, D.C.

Chair Gibson provided an opportunity for comments or questions from the board; there were none.

No action was taken on this item.

8.e. Council Liaison's Report

Vice Chair Havemann was absent and Councilor Ryti reported that:

1. He also attended the DOE/EM-LA presentation regarding the Hexavalent Chromium Expert Technical Review.
2. He reminded BPU members of the opportunity to attend the New Nuclear Forum in April.
3. On January 28th, Council passed an ordinance for low income tax credits, introduced the C-PACE ordinance, and approved consent item for JMFPP and contracts for SCADA.
4. At the February 1th Council Work Session there was a presentation by ENMLA and on Hexavalent Chromium and a discussion lead by Ms. Danielle Duran regarding relevant legislation, federal priorities.
5. Budget hearings will take place at the end of April.
6. Mentioned a Facebook comment about utility rates.
7. He attended a tour of "The Brain" in Albuquerque (a system that helps identify water leaks, HVAC settings, and has shown demonstrated savings for utility customers.)

Chair Gibson provided an opportunity for comments or questions from the board; there were none.

No action was taken on this item.

8.f. Environmental Sustainability Board Liaison's Report

Mr. Deringer was absent and no written report was submitted.

No action was taken on this item.

8.g. General Board Business

8.g.1. [19612-25](#) Appointment of Board Member to County Audit Committee for 2025

Chair Gibson stated that he served on the audit committee in calendar year 2024. He then opened the floor for nominations or volunteers. Member Heavner stated that he was interested in serving. There were no other volunteers. Chair Gibson then called for a motion.

Member Gibson moved and Member Nakhleh seconded that the Board of Public Utilities nominate Member Matt Heavner to fill the vacant position on the County's Audit Committee and appoint him for remainder of Calendar Year 2025. He further recommended that the Utilities Manager notify the Chief Financial Officer of the nominee.

The motion passed by the following vote:

**YES - 5: Members Hollingsworth, Heavner, Nakhleh, Stromberg and Gibson
NO - 0:**

8.h. Board Expenses (NONE)

No action was taken on this item.

9. STATUS REPORTS

9.a. 19378-25 Status Reports - January 2025

Chair Gibson stated that he hoped that board members had reviewed the reports which were included in the meeting packet. He then provided an opportunity for comments or questions from the board; there were none.

No action was taken on this item.

10. UPCOMING AGENDA ITEMS

10.a. 19379-25 Tickler File for February through May 2025. This includes DPU items on BPU and Council agendas.

Chair Gibson reviewed the upcoming agenda items for the March meetings. He provided an opportunity for questions or comments from the board and staff; there were none.

No action was taken on this item.

11. PUBLIC COMMENT

Chair Gibson provided any opportunity for public comment on any item.; there was none.

No action was taken on this item.

12. ADJOURNMENT

The meeting adjourned at 9:50 p.m.

APPROVAL

Robert B. Gibson

Board of Public Utilities Chair

March 19, 2025

Date Approved by the Board

Minutes transcribed by: Kathy Casados, Executive Assistant

ATTACHMENTS

- (in agenda order)
- 5.b. FY2026 Budget - Additional Attachments
- 7.c. Budget Revision 2025-37
- 8.c. Utilities Manager's Report 2/19/25



BOARD OF PUBLIC UTILITIES

ADDITIONAL MEETING DOCUMENTS

Additional or revised information or documents are often distributed to members at the meetings.
Whenever possible, this informational cover page will accompany those documents.

MEETING DATE	February 19, 2025 – Work Session
AGENDA ITEM	5.b. Presentation of the DPU FY2026 Budget
ATTACHMENTS	
NEW OR REVISED? Is this a revision that is different from what was in the agenda packet, or is it something entirely new?	REVISED
RECOMMENDED ACTION If you have a new or revised recommended motion for the Board, enter it here.	<i>N/A</i>
ADDITIONAL INFORMATION Please VERY BRIEFLY explain the purpose of this information or document.	Additional pages.

Los Alamos County Utilities
Fiscal Year 2026 Budget
Electric Production

	FY 2023 Actual	FY2024 Actual	FY2025 Original Budget	FY2025 Projected	FY26 Proposed	\$ Variance FY2026 vs FY2025	% Variance FY2026 TO FY2025
Revenue							
Mwh Sales - LANL	362,430	381,849	474,554	416,865	485,207		
Mwh Sales - LAC Distribution	108,167	122,441	121,887	119,832	123,455		
Total Mwh Sales	470,597	504,290	596,441	536,697	608,662		
Revenue per Mwh	\$ 83.17	\$ 75.15	\$ 77.00	\$ 90.00	\$ 90.00		
DOE Revenues	30,095,757	28,931,780	36,540,661	37,517,850	43,668,618	7,127,957	19.5%
Sales to Electric Distribution	9,045,095	8,966,804	9,385,265	10,784,880	11,110,992	1,725,727	18.4%
Economy Sales	13,295,823	6,557,348	11,357,401	6,700,000	7,500,000	(3,857,401)	-34.0%
Interest on Reserves	531,620	1,080,280	523,696	2,000,000	2,000,000	1,476,304	281.9%
Bond Federal Subsidy	33,984	30,866	27,669	27,669	27,669	-	0.0%
Total Revenue	\$ 53,002,279	\$ 45,567,079	\$ 57,834,692	\$ 57,030,399	\$ 64,307,279	6,472,587	11.2%
Operating Expenses							
El Vado Generation	741,292	743,736	926,281	948,044	870,812	(55,469)	-6.0%
Abiquiu Generation	568,144	758,550	2,969,170	3,022,202	3,131,147	161,977	5.5%
Contract Administration	54,163	61,901	87,141	87,141	89,755	2,614	3.0%
Load Control	1,920,984	2,037,401	2,224,445	2,224,445	2,699,178	474,733	21.3%
Transmission - PNM	3,885,633	3,444,480	3,406,903	3,406,903	3,577,249	170,346	5.0%
Transmission - Other	2,739,099	3,094,458	3,524,312	3,524,312	3,700,528	176,216	5.0%
Purchased Power	33,748,685	30,268,359	36,509,824	34,000,000	39,582,229	3,072,405	8.4%
Photovoltaic Array	32,219	20,346	1,065,000	1,381,000	1,450,050	385,050	36.2%
Debt Service	601,790	441,377	432,114	432,114	577,462	145,348	33.6%
San Juan Operations	3,290,129	-	-	-	-	-	-
Laramie River Operations	2,066,404	2,445,121	1,969,389	1,969,389	2,067,858	98,469	5.0%
SMR Project	-	321,127	-	935,092	-	-	-
Interdepartmental Charges	689,242	600,732	601,991	601,991	638,780	36,789	6.1%
Administrative Allocation	681,900	730,941	1,550,704	1,550,704	1,846,090	295,386	19.0%
Total Operating Expenses	\$ 51,019,684	\$ 44,968,529	\$ 55,267,274	54,083,337	60,231,138	4,963,864	9.0%
Operating Income (Loss)	\$ 1,982,595	\$ 598,550	\$ 2,567,418	\$ 2,947,062	\$ 4,076,141	1,508,723	58.8%
Capital Expenditures							
Capital Expenditures	1,266,430	639,450	1,045,000	1,975,531	780,000	(265,000)	-25.4%
Other Financing							
Other Judgments/Settlements	-	58,112,113	-	-	-		
Transfer to ED for Capital plan				2,000,000	2,000,000		
Net Income (Loss)	\$ 716,166	\$ 58,071,213	\$ 1,522,418	\$ (1,028,469)	\$ 1,296,141	(226,277)	-14.9%
Expenditures by Type:							
Salaries	1,635,311	1,720,337	1,729,057	1,750,057	1,781,619	52,562	3.0%
Benefits	557,302	655,986	736,134	736,134	707,228	(28,906)	-3.9%
Professional/Contractual Services	47,928,856	41,269,738	51,033,214	50,706,321	55,169,646	4,136,432	8.1%
Materials/Supplies	104,429	123,759	219,060	219,060	225,952	6,892	3.1%
Interfund Charges	1,452,953	1,331,673	2,152,695	2,152,695	2,484,870	332,175	15.4%
Capital Outlay	85	65,108	10,000	62,487	64,361	54,361	543.6%
Fiscal Charges	607,178	441,377	432,114	432,114	577,462	145,348	33.6%
Total	\$ 52,286,114	\$ 45,607,979	\$ 56,312,274	\$ 56,058,868	\$ 61,011,138	4,698,864	8.3%

TEN-YEAR FINANCIAL FORECAST
FY2026 to FY2035

GAS	PROPOSED 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035
Therm Sales	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000	8,400,000
Revenue per Therm	0.9959	1.0258	1.0566	1.0883	1.1209	1.1433	1.1662	1.1895	1.2133	1.2376
Rate Increase Percentage**	5.5%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
REVENUE/CASH INFLOW										
Sales Revenue	\$ 8,365,728	\$ 8,616,700	\$ 8,875,201	\$ 9,141,457	\$ 9,415,701	\$ 9,604,015	\$ 9,796,095	\$ 9,992,017	\$ 10,191,857	\$ 10,395,694
Interest on Cash & Reserves	37,825	58,796	74,823	94,629	114,626	133,618	155,382	175,636	191,862	206,384
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-
Revenue on Recoverable Work Transfers In	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL REV - CASH INFLOWS	8,423,553	8,695,496	8,970,024	9,256,086	9,550,326	9,757,633	9,971,477	10,187,653	10,403,719	10,622,078
EXPENSES/CASH OUTFLOWS										
Operational Expenditures	3,472,794	3,577,000	3,685,000	3,796,000	3,910,000	4,028,000	4,149,000	4,274,000	4,403,000	4,536,000
Cost of Gas	3,444,000	3,548,000	3,655,000	3,765,000	3,878,000	3,995,000	4,115,000	4,239,000	4,367,000	4,499,000
Capital	475,000	225,000	75,000	150,000	75,000	75,000	175,000	175,000	175,000	175,000
Capital Paid with Debt/Grants	-	-	-	-	-	-	-	-	-	-
Revenue Transfer	390,680	553,238	755,169	785,376	816,791	849,463	883,441	918,779	955,530	955,530
TOTAL EXP-CASH OUTFLOWS	7,782,474	7,903,238	8,170,169	8,496,376	8,679,791	8,947,463	9,322,441	9,606,779	9,900,530	10,165,530
NET CASH FLOW										
BEGIN UNRESTRICTED CASH/INV	1,351,837	1,992,916	1,785,174	2,085,029	2,844,739	3,715,274	4,325,444	4,974,480	5,555,354	5,943,543
TRANSFER TO/FROM RESERVES	(1,000,000)	(1,000,000)	(500,000)	(500,000)	(500,000)	(200,000)	(200,000)	(115,000)	(115,000)	(115,000)
END UNRESTRICTED CASH/INV	1,992,916	1,785,174	2,085,029	2,844,739	3,715,274	4,325,444	4,974,480	5,555,354	5,943,543	6,400,091
BEG RESERVE BALANCES	1,000,000	1,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,700,000	2,700,000	2,700,000	2,815,000
TRANSFER TO/FROM RESERVES	1,000,000	1,000,000	500,000	-	-	200,000	-	-	115,000	-
END RESERVE BALANCES	1,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,700,000	2,700,000	2,700,000	2,815,000	2,815,000
RESERVE TARGET	2,352,044	2,406,256	2,462,033	2,519,421	2,578,467	2,639,220	2,701,731	2,766,050	2,812,527	2,812,527

** Rate previously approved by Council was 3% for 2025 and 2% for 2026; On July 30, 2024, Council approved increase to 5.5%

Alternate Budget Proposal for Electric Distribution



Electric Distribution Financial 10-Year Snapshot

	Net Income (Loss)	Cash & Investment	Bond Debt Reserve	Other Reserves	Total Cash & Investments	FTE
FY2024	(1,395,528)	(5,122,517)	1,293,736	10,000,000	6,171,219	14.60
FY2023	(3,167,787)	(2,573,691)	1,419,425	-	(1,154,266)	13.00
FY2022	248,155	187,449	1,351,673	-	1,539,122	13.17
FY2021	189,913	764,713	1,349,044	-	2,113,757	13.17
FY2020	706,133	(551,501)	1,393,594	1,401,517	2,243,610	13.20
FY2019	(704,874)	(3,005,997)	1,348,622	2,714,623	1,057,248	13.00
FY2018	864,461	(2,327,495)	1,362,329	3,178,905	2,213,739	13.00
FY2017	265,645	(5,365,102)	1,446,546	5,221,633	1,303,077	13.00
FY2016	(510,027)	(7,887,776)	1,370,930	7,478,037	961,191	13.00
FY2015	9,532,369	(12,470,621)	1,339,279	8,460,747	(2,670,595)	13.00

In FY2015, DPU received \$11.2 million in bond proceeds

12%

	Labor & Benefits	In Lieu, Franchise	IDC to LAC	DPU Admin Alloc	Debt Service	Equip & Other Costs	Capital excluding labor	Total Expenses	Cost of Power	Profit Transfer
FY2024	2,380,727	558,695	1,198,599	940,908	975,308	483,064	1,200,345	7,737,647	8,966,804	482,784
FY2023	1,977,938	524,798	1,011,773	784,293	975,227	558,359	1,679,061	7,511,449	9,045,095	573,617
FY2022	1,741,653	525,602	920,806	686,673	1,115,039	562,744	659,414	6,211,931	7,536,886	584,290
FY2021	1,646,255	539,722	740,450	622,159	1,234,400	425,677	841,102	6,049,765	7,583,989	582,224
FY2020	1,609,416	553,361	724,308	566,537	1,232,687	536,883	1,552,765	6,775,957	6,153,928	575,620
FY2019	1,599,301	542,159	650,204	708,731	1,251,651	564,730	1,333,560	6,650,337	7,162,868	567,249
FY2018	1,551,612	304,192	637,997	615,187	1,236,776	489,387	1,741,775	6,576,926	5,865,876	574,246
FY2017	1,876,983	321,900	655,964	595,067	1,248,750	558,411	2,886,116	8,143,191	6,893,520	594,681
FY2016	1,671,001	379,538	556,264	536,000	1,254,122	747,196	938,257	6,082,378	8,652,139	524,540
FY2015	1,324,386	264,351	684,345	548,869	1,653,089	748,076	674,521	5,897,637	8,159,310	484,485
	80%	111%	75%	71%	-41%	-35%	78%	31%	10%	

2015 Linemen hourly rate \$32.28, FY2026 \$48.65 = 38% increase

Electric Distribution – as Proposed

	FY 2023 Actual	FY 2024 Actual	FY 2025 Original Budget	FY 2025 Projected	FY 26 Proposed
Revenue					
kWh Sales	108,167,479	118,952,361	121,886,557	119,832,000	123,455,462
Revenue per kWh	\$ 0.1247	\$ 0.1241	\$ 0.1376	\$ 0.1433	\$ 0.1562
Total Revenue	\$ 13,907,190	\$ 15,839,774	\$ 17,179,690	\$ 18,096,678	\$ 19,855,449
Total Operating Expenses	\$ 14,772,073	\$ 15,385,111	\$ 16,696,117	\$ 18,244,673	\$ 19,796,925
Operating Income (Loss)	\$ (864,883)	\$ 454,663	\$ 483,573	\$ (147,994)	\$ 58,524
Capital Expenditures					
Capital Expenditures	1,784,471	1,319,340	2,000,000	4,165,216	2,075,000
Net Income (Loss)	\$ (3,167,787)	\$ (1,395,528)	\$ (2,237,606)	\$ (3,051,798)	\$ (845,880)
Expenditures by Type:					
Salaries	1,459,562	1,744,103	1,787,987	1,579,149	1,913,867
Benefits	518,375	636,624	777,696	685,442	836,414
Professional/Contractual Services	1,915,186	1,077,740	2,659,410	5,124,206	3,079,568
Materials/Supplies	716,822	1,046,321	546,050	630,503	582,886
Interfund Charges	1,797,328	2,139,982	2,444,993	2,484,993	2,926,987
Capital Outlay	128,948	64,585	78,900	104,900	242,900
Fiscal Charges	975,227	1,028,292	1,015,816	1,015,816	1,178,311
Total	\$ 7,511,449	\$ 7,737,647	\$ 9,310,852	\$ 11,625,009	\$ 10,760,933

	A	B	C
1	ELECTRIC DISTRIBUTION	PROJECTED 2025	PROPOSED 2026
2			0.03
26			
27	NET CASH FLOW	(3,051,798)	(845,880)
28	BEGIN UNRESTRICTED CASH/INV	(5,122,517)	(174,315)
29	TRANSFER TO/FROM RESERVES	8,000,000	1,500,000
30	END UNRESTRICTED CASH/INV	(174,315)	479,805
31			
32	BEG RESERVE BALANCES	11,293,736	3,293,736
33	TRANSFER TO/FROM RESERVES	(8,000,000)	(1,500,000)
34	END RESERVE BALANCES	3,293,736	1,793,736
35			
36	RESERVE TARGET	9,693,253	9,491,881

Electric Distribution Cost of Power per MWh



Average FY2024 = \$77.10

Average FY24 (Jan-Jun) = \$89.56

Average 2025 (Jul-Dec) = \$91.43

FY26 Budget = \$90.00

As Proposed

ELECTRIC DISTRIBUTION	PROPOSED		FORECAST	
	2026	2027	2026	2027
KWh Sales	123,455,462	124,690,017	0.03	
Revenue per KWh	0.1562	0.1687		
Rate Increase Percentage	9.0%	8.0%		
Transfers In	2,000,000	2,000,000		
TOTAL REV - CASH INFLOWS	21,855,449	23,480,417		
TOTAL EXP-CASH OUTFLOWS	22,701,329	23,421,636		
NET CASH FLOW	(845,880)	58,781		
BEGIN UNRESTRICTED CASH/INV	(174,315)	479,805		
TRANSFER TO/FROM RESERVES	1,500,000			
END UNRESTRICTED CASH/INV	479,805	538,586		
END RESERVE BALANCES	1,793,736	1,793,736		
RESERVE TARGET	9,491,881	9,700,918		

Alternate

ELECTRIC DISTRIBUTION	PROPOSED		FORECAST	
	2026	2027	2026	2027
KWh Sales	123,455,462	124,690,017	0.03	
Revenue per KWh	0.1562	0.1672		
Rate Increase Percentage	7.0%	7.0%		
Transfers In	5,000,000	2,000,000		
TOTAL REV - CASH INFLOWS	24,855,449	23,360,603		
TOTAL EXP-CASH OUTFLOWS	22,701,329	23,413,259		
NET CASH FLOW	2,154,120	(52,656)		
BEGIN UNRESTRICTED CASH/INV	(174,315)	3,479,805		
TRANSFER TO/FROM RESERVES	1,500,000			
END UNRESTRICTED CASH/INV	3,479,805	3,427,149		
END RESERVE BALANCES	1,793,736	1,793,736		
RESERVE TARGET	9,491,881	9,700,918		

Projected Typical Bill for Residential						
	ELECTRIC 500 kwh	GAS 75 therms (assumes \$0.54 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase
FY2025	\$83.25	\$77.50	\$58.19	\$60.56	\$279.50	
FY2026	\$90.75	\$81.76	\$61.87	\$64.80	\$299.18	7.04%
FY2027	\$98.01	\$84.22	\$64.34	\$69.34	\$315.91	5.59%

As Proposed

Projected Typical Bill for Residential						
	ELECTRIC 500 kwh	GAS 75 therms (assumes \$0.54 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase
FY2025	\$83.25	\$77.50	\$58.19	\$60.56	\$279.50	
FY2026	\$89.08	\$81.76	\$61.87	\$64.80	\$297.51	6.44%
FY2027	\$95.31	\$84.22	\$64.34	\$69.34	\$313.21	5.28%

Alternate

As Proposed

ELECTRIC DISTRIBUTION	PROPOSED 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035
0.03										
KWh Sales	123,455,462	124,690,017	125,936,917	127,196,286	128,468,249	129,752,932	131,050,461	132,360,966	132,360,966	132,360,966
Revenue per KWh	0.1562	0.1687	0.1772	0.1860	0.1935	0.1993	0.2053	0.2114	0.2178	0.2243
Rate Increase Percentage	9.0%	8.0%	5.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Transfers In	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
TOTAL REV - CASH INFLOWS	21,855,449	23,480,417	34,243,425	26,150,381	27,319,372	28,311,132	29,411,033	30,583,534	29,542,294	30,492,447
TOTAL EXP-CASH OUTFLOWS	22,701,329	23,421,636	31,489,917	26,612,249	27,215,922	25,996,524	25,872,122	25,812,794	26,123,180	25,812,190
NET CASH FLOW	(845,880)	58,781	2,753,508	(461,868)	103,450	2,314,608	3,538,911	4,770,740	3,419,114	4,680,256
BEGIN UNRESTRICTED CASH/INV	(174,315)	479,805	538,586	3,292,094	2,830,227	433,677	748,285	3,287,196	5,307,936	7,477,049
TRANSFER TO/FROM RESERVES	1,500,000				(2,500,000)	(2,000,000)	(1,000,000)	(2,750,000)	(1,250,000)	
END UNRESTRICTED CASH/INV	479,805	538,586	3,292,094	2,830,227	433,677	748,285	3,287,196	5,307,936	7,477,049	12,157,306
END RESERVE BALANCES	1,793,736	1,793,736	1,793,736	1,793,736	4,293,736	6,293,736	7,293,736	10,043,736	11,293,736	11,293,736
RESERVE TARGET	9,491,881	9,700,918	9,916,103	10,137,618	10,684,296	10,634,778	10,839,405	11,049,411	11,264,947	

Alternate

ELECTRIC DISTRIBUTION	PROPOSED 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029	FORECAST 2030	FORECAST 2031	FORECAST 2032	FORECAST 2033	FORECAST 2034	FORECAST 2035
0.03										
KWh Sales	123,455,462	124,690,017	125,936,917	127,196,286	128,468,249	129,752,932	131,050,461	132,360,966	132,360,966	132,360,966
Revenue per KWh	0.1562	0.1672	0.1755	0.1843	0.1917	0.1974	0.2034	0.2095	0.2157	0.2222
Rate Increase Percentage	7.0%	7.0%	5.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Transfers In	5,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
TOTAL REV - CASH INFLOWS	24,855,449	23,360,603	34,109,039	26,000,359	27,154,792	28,133,411	29,219,477	30,377,420	29,323,532	30,260,496
TOTAL EXP-CASH OUTFLOWS	22,701,329	23,413,259	31,481,033	26,602,828	27,206,025	25,986,229	25,861,412	25,801,653	26,111,704	25,800,370
NET CASH FLOW	2,154,120	(52,656)	2,628,007	(602,468)	(51,233)	2,147,182	3,358,066	4,575,767	3,211,828	4,460,126
BEGIN UNRESTRICTED CASH/INV	(174,315)	3,479,805	3,427,149	6,055,155	5,452,687	2,901,454	3,048,635	5,406,701	7,232,468	9,194,296
TRANSFER TO/FROM RESERVES	1,500,000				(2,500,000)	(2,000,000)	(1,000,000)	(2,750,000)	(1,250,000)	
END UNRESTRICTED CASH/INV	3,479,805	3,427,149	6,055,155	5,452,687	2,901,454	3,048,635	5,406,701	7,232,468	9,194,296	13,654,421
END RESERVE BALANCES	1,793,736	1,793,736	1,793,736	1,793,736	4,293,736	6,293,736	7,293,736	10,043,736	11,293,736	11,293,736
RESERVE TARGET	9,491,881	9,700,918	9,916,103	10,137,618	10,684,296	10,634,778	10,839,405	11,049,411	11,264,947	

Budget Revision 2025 - 37

BPU Meeting Date: Feb 19, 2025

Council Meeting Date: Feb 25, 2025

	Fund & Department	Orig	Object	Revenue (decrease)	Transfers In	Transfers Out	Fund Balance (decrease)
1	General Fund	01140195	7653		\$ (527,058)		\$ -
2	General Fund	01140195	7651		\$ (721,179)		
3	Joint Utilities Fund - Gas	53185390	9601			\$ (527,058)	
4	Joint Utilities Fund - Electric Distribution	51285290	9601			\$ (721,179)	
5	Joint Utilities Fund - Gas	53185390	9654			\$ 362,814	
6	Joint Utilities Fund - Electric Distribution	51285290	9654			\$ 615,309	
7	Joint Utilities Fund - Water Distribution	54185499	7653		\$ 362,814		
8	Joint Utilities Fund - Water Distribution	54185499	7651		\$ 615,309		

Description: The purpose of this budget revision is to modify the budgeted revenue transfer for FY25 based on the FY24 ACFR to reflect Council action retaining the revenue transfer within the Joint Utilities Fund in lieu of transferring to the General Fund.

Fiscal Impact: The net fiscal impact to the Joint Utilities Fund is an increase to transfers out in the amount of \$270,144, an increase in transfers in the amount of \$978,123. The net fiscal impact to the General Fund is an increase to transfers in and fund balance in the amount of \$1,248,237.

Karen Kendall

Preparer

2/10/2025

Date

Philo Shelton

Department Director Signature

Yvette Atencio

Budget Manager/Analyst Signature

N/A

County Manager Approval if Required

Utilities Manager's Report
February 19, 2025

1. For Elk Ridge, Yes Communities engineer completed the survey base mapping on February 7, 2025. They still owe us a schedule, but they intend to begin construction around the June timeframe.
2. DPU has received retirement notices from a Power System Operator, Management Analysis and Deputy Utility Manager for Finance and Administration as well as two resignations from an Engineering Associate who went to LANL for higher compensation and a Senior Customer Care Specialist who took a promotion to be a Building Permit Technician. DPU has advertised all these vacancies.
3. For the Jemez Mountain Fire Protection, Los Alamos County has been working on the FEMA wildland fire mitigation grant for over a year now. DHSEM, may have identified a path for the project to earn a Benefit Cost Analysis (BCA) result of 1 or more to present back to FEMA. Staff provided the requested documentation to DHSEM who is doing the inputs to the BCA model.
4. NNSA has requested approval to move forward with a 6-month extension of the current ECA last week and we are hoping to get that approval by the end of this week, which happens on Thursdays.
5. Attended this month's UAMPS board meeting.

UAMPS Projects:

1. The Cove Fort 2 Study Project Transmission Service Request (TSR) is on hold subject to FERC review and approval. No timeline was given when FERC may consider this action.
 2. Rodatherm has identified an investor for the project, however, their TSR is also delayed by FERC.
 3. UAMPS financial readiness assessment is complete, and it will be presented at our next BPU work session.
6. Attended two meetings with EM-LA and NMED that included the independent technical review team and their presentation on the chromium plume recommendations. While it seems, we have a good path forward there is no timeline on when the plume will get contained through pump and treat final remedy solution. I made comments that PW-3 needs to operate soon as growth occurs and especially if the recommendations in the SWEIS are approved.
 7. Attended the SWEIS public meeting with Chair Cull last week and LANL is seeking approval for the expanded operations alternative. This alternative is looking at solar and nuclear energy production. During the poster session I asked staff if the solar sites include

battery storage, and the answer was no. Therefore, I made public comment for the solar sites to be called energy production sites to allow for battery storage in conjunction with solar and maybe a geothermal option too. Also, I asked that the SWEIS recommendation include maximizing the use of the County's reclaimed water in their expanded operations plan.

8. Electric Asset Transfer from LANL cost estimates are still being finalized.
9. Foxtail Flats LLC has indicated that the BIA's review of environmental documents is estimated to delay the site mobilization milestone date by six months to July 31, 2025. While DESRI has completed a preliminary design for the project it cannot be finalized until the BIA review and approvals are received. DESRI is exploring all the options to keep this project on track that could include preordering the solar panels and temporarily storing them. Once the BIA clearance is received and the lease is finalized, a more definitive schedule can be established.
10. Electrification Town Hall is scheduled at PEEC on March 13th.
11. The CPACE ordinance received a positive recommendation from ESB and Council with its introduction of the ordinance on January 28 and the public hearing is scheduled for February 25th.
12. Attended a legislative dinner with our New Mexico delegation. There are some utility bills proposed in the legislature that are mostly focused on Coops and IOU's that I am working with the County's Governmental Affairs Manager to monitor and there was an IPRA bill that would have protected our customer's utility usage data, however, that bill died in committee.
13. Participated in interviews for the Public Works Director and Community Development Director vacancies. It was announced that Eric Martinez is the new Public Works Director, and next week there will be on-site interviews for the Community Development Director.