

**Los Alamos County Utilities Department
Fiscal Year 2019/20 Budget
Board Presentation 02-21-2018**

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Los Alamos County Utilities Department
 Fiscal Year 2019 and 2020 Budgets
 Summary of Expenditure Budget

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
Electric Production	34,021,176	17,888,826	40,600,226	38,754,542	37,773,881
Electric Distribution	14,006,298	8,700,068	14,881,688	14,094,551	13,783,176
Less Interdivision Electric Sales	(5,581,935)	(5,823,259)	(6,980,612)	(7,248,574)	(6,947,734)
Total Electric Fund	42,445,539	20,765,635	48,501,302	45,600,519	44,609,323
Gas	5,520,240	1,859,001	5,462,942	4,512,178	5,029,556
Water Production	4,416,072	1,934,828	11,200,314	6,609,455	4,632,545
Water Distribution	6,241,623	2,286,814	5,039,246	5,144,212	5,361,967
Less Interdivision Water Sales	(2,767,536)	(1,482,380)	(2,650,500)	(2,829,409)	(2,985,026)
Total Water Fund	7,890,159	2,739,262	13,589,060	8,924,258	7,009,485
Wastewater	4,707,137	2,277,088	4,822,576	5,971,397	18,335,447
Total Expenditure Budget	60,563,074	27,640,987	72,375,880	65,008,351	74,983,811

Los Alamos County Department of Public Utilities
Fiscal Year 2019 and 2020
Budget Summary by Categories

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
Expenditures by Fund:					
Electric	42,445,539	20,765,635	48,501,302	45,600,519	44,609,323
Gas	5,520,240	1,859,001	5,462,942	4,512,178	5,029,556
Water	7,890,159	2,739,262	13,589,060	8,924,258	7,009,485
Wastewater	4,707,137	2,277,088	4,822,576	5,971,397	18,335,447
	60,563,074	27,640,987	72,375,880	65,008,351	74,983,811

Expenditures by Type:					
Salaries	5,623,365	2,764,774	6,925,364	7,008,203	7,008,203
Benefits	3,682,377	1,812,155	2,652,404	2,694,862	2,829,013
Contractual Services	30,654,399	16,050,700	38,501,502	36,696,177	36,110,808
Other Services	1,609,615	726,145	1,796,371	1,759,329	1,749,468
Materials/Supplies	1,166,838	422,671	1,673,104	1,650,200	1,648,900
Interfund Charges	4,069,085	2,109,048	5,684,386	5,243,044	5,256,352
IDCs	2,593,038	1,680,688	2,768,398	2,769,118	2,754,098
Capital Outlay	6,555	102,628	367,140	318,700	323,000
Bank Charges	2,683	-	-	-	-
Misc. Other Charges	227,410	113,700	-	-	-
Profit Transfer	821,156	-	913,140	864,860	889,868
Debt Service	5,130,940	2,564,287	5,182,753	5,251,698	5,255,477
Capital	8,643,866	1,114,821	10,621,000	5,110,000	15,510,314
Admin. & Gen. Allocation	(3,668,253)	(1,820,630)	(4,709,682)	(4,357,840)	(4,351,691)
	60,563,074	27,640,987	72,375,880	65,008,351	74,983,811

FTE Summary:					
Regular (full & part time)	93.00	93.00	93.00	93.00	93.00
Casual, student & temp.	5.34	5.34	5.34	4.60	4.60
	98.34	98.34	98.34	97.60	97.60

FTE by Division:					
Electric Production	12.00	12.00	12.00	13.00	13.00
Electric Distribution	13.00	13.00	13.00	13.00	13.00
Gas	29.07	29.07	29.07	28.30	28.30
Water	9.25	9.25	9.25	9.50	9.50
Wastewater	9.00	9.00	9.00	9.50	9.50
Administrative & General	26.02	26.02	26.02	24.30	24.30
	98.34	98.34	98.34	97.60	97.60

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget -- **ELECTRIC PRODUCTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
Mwh Sales - LANL	456,460	266,188	542,688	510,377	519,916
Mwh Sales - LAC Distribution	115,799	57,412	125,530	121,969	123,371
Total Mwh Sales	572,260	323,600	668,218	632,346	643,287
Revenue per Mwh	\$ 50.45	\$ 55.21	\$ 54.07	\$ 56.09	\$ 53.64
DOE Revenues	\$ 23,290,633	\$ 12,041,733	\$ 29,152,767	\$ 28,221,178	\$ 27,560,161
Economy Sales	3,287,149	2,017,056	4,248,065	3,154,615	3,143,147
Interest on Reserves	40,591	34,041	130,000	96,191	88,855
Bond Federal Subsidy	31,639	16,992	33,984	33,984	33,984
TOTAL REVENUE	\$ 26,650,012	\$ 14,109,822	\$ 33,564,816	\$ 31,505,968	\$ 30,826,147
OPERATING EXPENSES					
El Vado Generation	\$ 447,163	\$ 148,116	\$ 620,427	\$ 476,807	\$ 458,082
Abiquiu Generation	294,949	112,757	403,881	483,551	399,174
Contract Administration	37,334	26,901	20,048	17,997	18,204
Load Control	1,576,674	671,599	1,822,030	1,601,620	1,336,365
Transmission - PNM	1,688,546	845,361	1,405,000	2,899,531	3,044,007
Transmission - Other	2,040,072	1,009,916	2,285,008	1,983,778	2,027,784
Purchased Power	11,698,497	6,595,665	14,614,373	12,331,458	12,900,634
Photovoltaic Array	157,163	22,042	117,000	30,000	30,000
Debt Service	2,498,743	1,253,984	2,536,071	2,774,417	2,776,773
Property Taxes	432,065	208,971	458,055	449,087	443,108
Insurance	114,844	83,750	120,000	120,000	120,000
San Juan Operations	8,123,247	4,221,292	11,213,148	11,066,525	10,381,834
Laramie River Operations	2,782,648	1,865,954	2,854,600	2,865,754	2,373,418
SMR Project	80,651	31,984	450,000	275,595	275,893
Non-Pool Expenses	207,987	33,191	-	-	-
Interdepartmental Charges	415,689	214,445	447,280	444,881	444,861
Administrative Allocation	609,177	343,470	558,305	628,541	608,745
TOTAL OPERATING EXPENSES	\$ 33,205,449	\$ 17,689,399	\$ 39,925,226	\$ 38,449,542	\$ 37,638,881
OPERATING INCOME (LOSS)	\$ (6,555,437)	\$ (3,579,577)	\$ (6,360,410)	\$ (6,943,574)	\$ (6,812,734)
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 815,727	\$ 199,427	\$ 675,000	\$ 305,000	\$ 135,000
OTHER FINANCING Forecast					
Transfer from Distribution Fund	\$ 5,581,935	\$ 5,823,259	\$ 6,980,612	\$ 7,248,574	\$ 6,947,734
NET INCOME (LOSS)	\$ (1,789,229)	\$ 2,044,255	\$ (54,798)	\$ 0	\$ (0)
Cash & Investments					
Working Capital	592,011		(5,911,893)		
Resource Pool Checking			3,441,779		
Operations Reserve	4,399,143		4,338,880	5,341,127	5,177,978
Contingency Reserve			4,000,000	-	-
Total Unrestricted Cash & Investments	\$ 4,991,153		\$ 5,868,766	\$ 5,357,972	\$ 5,130,572
Restricted					
Bond Reserve & Debt Service	1,877,533		\$ 1,829,075	\$ 1,877,533	\$ 1,877,533
San Juan Decommissioning	4,911,606		\$ 4,871,014	\$ 5,288,406	\$ 5,476,806
San Juan Mine Reclamation	3,822,578		\$ 4,428,776	\$ 4,428,776	\$ 4,428,776
Laramie River Decommissioning	740,275		\$ 744,928	\$ 818,275	\$ 857,275
Bond Construction Fund	1,482,614		\$ 1,495,623		
Total Restricted	\$ 12,834,606		\$ 13,369,416	\$ 12,412,990	\$ 12,640,390
Total Cash & Investments	\$ 17,825,759		\$ 19,238,182	\$ 17,770,962	\$ 17,770,962

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget -- **ELECTRIC DISTRIBUTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
kWh Sales	115,799,390	57,430,990	125,496,000	121,939,000	123,371,000
Revenue per kWh	\$ 0.1188	\$ 0.1188	\$ 0.1221	\$ 0.1165	\$ 0.1151
Sales Revenue	\$ 13,757,854	\$ 6,822,906	\$ 15,319,172	\$ 14,203,145	\$ 14,203,145
Interest on Utility Reserves	131,438	57,944	(183,000)	0	0
Bond Federal Subsidy	63,254	33,971	67,942	67,942	67,942
Pole Rentals	22,262	22,262		53,601	53,601
Misc. Service Revenues	52,097	18,072		50,000	50,000
Revenue on Recoverable Work	243,091	54,671	150,000	150,000	150,000
TOTAL REVENUE	\$ 14,269,996	\$ 7,009,826	\$ 15,354,114	\$ 14,524,688	\$ 14,524,688
OPERATING EXPENSES					
Supervision, Misc Direct Admin	688,765	294,245	710,342	660,479	668,115
Substation Maintenance	24,838	5,286	36,663	36,237	36,614
Switching Station Maintenance	18,652	10,688	29,115	31,520	31,787
Overhead Maintenance	321,509	164,173	488,883	499,014	503,062
Underground Maintenance	310,381	174,005	375,882	391,173	394,662
Meter Maintenance	194,739	59,356	126,101	82,331	83,143
Interdepartmental Charges	428,969	226,232	583,503	638,550	638,550
Eng. Cust Svc. MR and Admin	595,067	324,532	852,774	753,554	737,817
In Lieu Taxes	548,895	233,361	558,229	529,609	526,476
Debt Service	1,248,750	618,388	1,255,148	1,271,957	1,253,438
Cost of Power	5,581,935	5,823,259	6,980,612	7,248,574	6,947,734
TOTAL OPERATING EXPENSES	\$ 9,962,501	\$ 7,933,525	\$ 11,997,252	\$ 12,142,999	\$ 11,821,399
OPERATING INCOME (LOSS)	\$ 4,307,495	\$ (923,699)	\$ 3,356,862	\$ 2,381,689	\$ 2,703,289
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 3,449,116	\$ 766,543	\$ 2,233,371	\$ 1,340,817	\$ 1,351,042
OTHER FINANCING					
Bond/Grant proceeds	\$ -				
Profit Transfer to General Fund	(594,681)		(651,065)	(610,735)	(610,735)
Sale of Scrap/Obsolete Inventory	1,947				
BUDGETED NET INCOME (LOSS)	\$ 265,645	\$ (1,690,242)	\$ 472,426	\$ 430,137	\$ 741,512
Cash & Investments					
Working Capital	(5,365,102)		(12,367,016)	19,932	118,177
Capital Replacement	-		-	-	-
Operations Reserve	-		1,804,075	739,161	1,382,429
Contingency Reserve	-		1,200,000	-	-
Rate Stabilization Reserve	-		7,000,000	-	-
Total Unrestricted Cash & Investments	\$ (5,365,102)		\$ (2,362,941)	\$ 759,093	\$ 1,500,606
Restricted					
Bond Reserve & Debt Service	1,446,546		1,419,944	1,446,546	1,446,546
Bond Construction Fund	5,221,633		1,392,970		
Total Restricted	\$ 6,668,179		\$ 2,812,914	\$ 1,446,546	\$ 1,446,546
Total Cash & Investments	\$ 1,303,077		\$ 449,973	\$ 2,205,640	\$ 2,947,152

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget -- **GAS DISTRIBUTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
Therm Sales	7,649,471	2,539,586	8,455,275	7,650,000	7,650,000
Revenue per Therm	\$ 0.5848	\$ 0.7165	\$ 0.6199	\$ 0.7113	\$ 0.7813
Sales Revenue	\$ 4,473,084	\$ 1,819,620	\$ 5,241,503	\$ 5,441,654	\$ 5,977,154
Interest on Utility Reserves	203,885	103,042	82,000	30,496	54,995
Revenue on Recoverable Work	19,787	14,762	20,000	20,000	20,000
TOTAL REVENUE	\$ 4,696,756	\$ 1,937,424	\$ 5,343,503	\$ 5,492,150	\$ 6,052,149
OPERATING EXPENSES					
Supervision, Misc Direct Admin	238,774	147,724	256,975	265,698	269,356
Customer Service	121,902	62,944	63,910	63,015	63,843
Gas Distribution	148,537	140,049	222,566	270,143	274,792
Gas Meters	141,146	75,016	132,003	133,686	135,940
Gas Capital Project Inspection & Support	-	-	-	6,074	6,237
Interdepartmental Charges	285,035	134,225	366,631	349,581	349,581
Eng. Cust Svc. MR and Admin	604,255	315,527	718,310	620,187	633,703
In Lieu Taxes	205,362	81,760	202,705	216,418	227,970
Cost of Gas	2,296,116	883,333	2,537,766	2,333,250	2,754,000
TOTAL OPERATING EXPENSES	\$4,041,128	\$ 1,840,578	\$ 4,500,867	\$ 4,258,053	\$ 4,715,423
OPERATING INCOME (LOSS)	\$ 655,628	\$ 96,846	\$ 842,636	\$ 1,234,097	\$ 1,336,727
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 1,252,637	\$ 18,423	\$ 700,000	\$ -	\$ 35,000
OTHER FINANCING					
Profit Transfer to General Fund	(226,475)		(262,075)	(254,125)	(279,133)
Transfer to WW (FY18 budget revision)		(2,500,000)			
BUDGETED NET INCOME (LOSS)	\$ (823,484)	\$ (2,421,577)	\$ (119,439)	\$ 979,972	\$ 1,022,594
Cash & Investments					
Capital Replacement	583,648		1,050,000	796,295	985,266
Operations Reserve	994,334		823,197	962,402	980,711
Contingency Reserve	50,000		50,000	253,750	257,556
Rate Stabilization Reserve	4,049,400		4,544,692		
Working Capital	0		(73,643)	2,025,468	2,836,975
Total Cash & Investments	\$ 5,677,382		\$ 6,394,246	\$ 4,037,915	\$ 5,060,509

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget -- **WATER DISTRIBUTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
Sales in Thousand of Gallons	755,656	430,900	775,000	775,000	775,000
Revenue per thousand gallons	\$ 5.7345	\$ 6.0663	\$ 6.3300	\$ 6.6588	\$ 6.9878
Sales Revenue	\$ 4,333,338	\$ 2,613,984	\$ 4,905,750	\$ 5,160,579	\$ 5,415,543
Interest on Utility Reserves	472	1,816	9,161	-	-
Revenue on Recoverable Work	22,389	5,824	30,450	15,000	15,000
Misc Service Revenues	26,404	5,171		15,000	15,000
TOTAL REVENUE	\$ 4,382,603	\$ 2,626,795	\$ 4,945,361	\$ 5,190,579	\$ 5,445,543
OPERATING EXPENSES					
Supervision, Misc Direct Admin	\$ 185,613	\$ 112,278	\$ 184,778	\$ 227,392	\$ 230,443
Hydrants	-	-	-	-	-
Water Distribution	303,360	192,933	439,830	416,904	423,176
Water Meters	531,314	132,130	627,708	693,060	704,816
Capital Project Inspections & Support	-	-	-	6,074	6,237
Interdepartmental Charges	251,649	143,304	330,744	338,477	338,477
Eng. Cust Svc. MR and Admin	416,010	216,288	805,686	632,896	673,791
Cost of Water	2,767,536	1,482,380	2,650,500	2,829,409	2,985,026
TOTAL OPERATING EXPENSES	\$ 4,455,481	\$ 2,279,312	\$ 5,039,246	\$ 5,144,212	\$ 5,361,967
OPERATING INCOME (LOSS)	\$ (72,878)	\$ 347,483	\$ (93,885)	\$ 46,367	\$ 83,576
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 1,786,142	\$ 7,502	\$ -	\$ -	\$ -
OTHER FINANCING					
Sale of Scrap and Obsolete Inventory	9,006	6,058			
BUDGETED NET INCOME (LOSS)	\$ (1,850,014)	\$ 346,039	\$ (93,885)	\$ 46,367	\$ 83,576
Cash & Investments					
Capital Replacement	-		(554,077)	-	-
Operations Reserve	-		2,278,345	-	-
Contingency Reserve	-		40,000	-	-
Working Capital	(1,283,827)		(1,333,491)	(1,331,345)	(1,247,769)
Total Cash & Investments	\$ (1,283,827)		\$ 430,776	(1,331,345)	\$ (1,247,769)

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget -- **WATER PRODUCTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
Potable 1000-gallon production	1,035,301	583,968	1,150,000	1,150,000	1,150,000
Non-potable 1000-gallon production	63,702	47,430	86,400	90,400	90,400
Revenue per 1000 gallons	\$ 3.4572	\$ 3.5079	\$ 3.6500	\$ 3.3840	\$ 3.3840
Potable Sales Revenue	\$ 3,579,231	\$ 2,048,522	\$ 4,197,500	\$ 4,197,500	\$ 4,197,500
Repayment of InterUtility Loan	187,569	93,784	187,569	187,569	187,569
Interest on Utility Reserves	332,598	186,555	109,233	79,426	71,364
Bond Federal Subsidy	25,673	13,788	27,576	27,576	27,576
Non Potable Revenue	47,043	47,412	216,000	175,663	175,663
TOTAL REVENUE	\$ 4,172,114	\$ 2,390,061	\$ 4,737,878	\$ 4,667,734	\$ 4,659,672
OPERATING EXPENSES					
Supervision, Misc Direct Admin	\$ 729,505	\$ 518,795	\$ 805,445	\$ 676,041	\$ 676,063
Pumping Power	560,399	251,608	800,000	810,500	821,157
Wells	155,664	125,645	135,631	129,025	131,661
Booster Pump Stations	79,395	41,584	123,587	128,025	130,261
Treatment	29,474	21,279	104,271	152,354	155,151
Storage Tanks	7,378	927	19,385	41,512	42,131
Transmission Lines	105,016	60,360	223,066	208,432	212,480
Capital Project Inspection & Support	-	-	-	13,671	14,010
Non Potable System	458,883	127,986	326,132	290,169	270,899
Ski Hill	14,935	876	66,885	67,253	68,558
Interdepartmental Charges	263,893	138,962	341,062	319,997	319,997
Eng. Cust Svc. MR and Admin	539,018	305,281	678,114	684,044	671,804
State Water Tax	35,173	18,621	45,000	45,000	45,000
Debt Service	232,053	116,284	235,735	238,433	258,373
TOTAL OPERATING EXPENSES	\$ 3,210,786	\$ 1,728,206	\$ 3,904,314	\$ 3,804,455	\$ 3,817,545
OPERATING INCOME (LOSS)	\$ 961,329	\$ 661,855	\$ 833,564	\$ 863,278	\$ 842,127
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 1,205,286	\$ 206,622	\$ 7,296,000	\$ 2,805,000	\$ 815,000
OTHER FINANCING					
Grants/Loan Proceeds	\$ 415,506	\$ 58,847	\$ 1,271,000		\$ 468,000
County/External Reimbursement	-		2,000,000		
Sale of scrap					
BUDGETED NET INCOME (LOSS)	\$ 171,549	\$ 514,080	\$ (3,191,436)	\$ (1,941,722)	\$ 495,127
Cash & Investments					
Working Capital	\$ 3,988,376		\$ (3,964,741)	\$ 1,054,745	\$ 1,561,204
Operations Reserve	\$ 1,842,562		\$ 1,817,322	\$ 1,751,671	\$ 1,747,616
Contingency Reserve	\$ 750,000		\$ 125,000	\$ 64,566	\$ 375,875
Retirement/Reclamation Reserve			\$ 200,000	\$ -	\$ -
Capital Replacement	\$4,000,000		\$ 8,000,000	2,563,880	2,219,168
Total Unrestricted Cash & Investments	\$ 10,580,938		\$ 6,177,582	\$ 5,434,862	\$ 5,903,864
Restricted					
Bond Debt Service & Reserve Fund	\$ 206,176		\$ 192,838	\$ 219,094	\$ 245,220
Total Restricted	\$ 206,176		\$ 192,838	\$ 219,094	\$ 245,220
Total Cash & Investments	\$ 10,787,114		\$ 6,370,420	5,653,957	\$ 6,149,084

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget-- **WASTE WATER TREATMENT COLLECTION**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
REVENUE					
Thousand of Gallons Processed	426,899	226,383	430,000	430,000	430,000
Sales Revenue	\$ 4,913,866	\$ 2,604,303	\$ 5,269,745	\$ 5,582,581	\$ 5,875,734
Interest on Utility Reserves	41,799	29,775	13,516	35,667	26,838
Revenue on Recoverable Work	410	166	-	-	-
TOTAL REVENUE	\$ 4,956,075	\$ 2,634,244	\$ 5,283,261	\$ 5,618,248	\$ 5,902,572
OPERATING EXPENSES					
Supervision, Misc Direct Admin	\$ 265,879	\$ 233,727	\$ 230,375	\$ 282,862	\$ 286,534
Wastewater Collection	289,332	275,913	367,602	341,104	346,674
Lift Stations	220,637	72,870	275,214	139,160	140,618
Collection Capital Proj Inspection & Support	-	-	-	4,074	4,137
Wastewater Treatment	1,206,636	672,725	1,318,100	1,866,805	1,712,881
Interdepartmental Charges	411,402	208,291	590,289	593,177	593,177
Eng. Cust Svc. MR and Admin	499,694	236,882	835,197	777,322	764,534
Debt Service	1,151,394	575,631	1,155,799	966,892	966,893
TOTAL OPERATING EXPENSES	\$ 4,044,975	\$ 2,276,039	\$ 4,772,576	\$ 4,971,397	\$ 4,815,447
OPERATING INCOME (LOSS)	\$ 911,100	\$ 358,205	\$ 510,685	\$ 646,851	\$ 1,087,125
CAPITAL EXPENDITURES					
Capital Expenditures	\$ 662,162	\$ 1,049	\$ 50,000	\$ 1,000,000	\$ 13,520,000
OTHER FINANCING					
Grant/Loan Proceeds					\$ 14,000,000
Transfer from Gas Dist (FY18 budget revision)		2,500,000			
BUDGETED NET INCOME (LOSS)	\$ 248,938	\$ 2,857,156	\$ 460,685	\$ (353,149)	\$ 1,567,125
Cash & Investments					
Capital Replacement	-		\$ (2,063,571)	\$ 305,668	\$ -
Operations Reserve			\$ 1,625,142	\$ 1,765,076	\$ -
Contingency Reserve			\$ 75,000	\$ -	\$ -
Working Capital	\$ (611,144)		\$ (567,590)	\$ (74,352)	\$ 3,563,517
Loan from Gas Division			\$ 1,450,000		
Total Unrestricted Cash & Investments	<u>\$ (611,144)</u>		<u>\$ 518,980</u>	<u>\$ 1,996,392</u>	<u>\$ 3,563,517</u>
Restricted Loan Reserves	\$ 1,682,644		\$ 1,362,985	\$ 1,682,644	\$ 1,682,644
Total Cash & Investments	<u>\$ 1,071,500</u>		<u>1,881,965</u>	<u>3,679,036</u>	<u>5,246,161</u>

Los Alamos County Utilities Department
Fiscal Year 2019 and 2020 Budgets
Summary of Expenditure Budget - **ADMIN**

	Actual FY2017	Jul-Dec Actual FY2018	Adopted Budget FY2018	Proposed Budget FY2019	Projected Budget FY2020
Meter Reading	354,787	196,453	352,536	339,248	343,900
Customer Service	552,714	279,269	840,167	605,756	613,108
Engineering	1,489,100	678,467	1,530,874	1,479,069	1,474,116
Electric Production	170,724	73,948	148,643	167,788	154,691
All Except EP	309,517	146,037	229,305	213,550	216,213
All Divisions	526,997	281,675	200,238	174,928	177,235
Electric Distribution	42,806	20,635	75,267	88,331	89,045
Gas Distribution	74,379	17,221	181,422	187,916	189,795
Water Distribution	38,290	14,601	270,909	206,810	208,641
Wastewater Collection & Treatment	141,861	32,724	186,616	191,903	194,138
Water Production	184,526	91,626	238,473	247,843	244,358
Administration	458,407	230,706	752,285	678,443	681,991
Electric Production	25,496	18,216	84,121	60,709	61,014
All Except EP	10,162	-	10,000	-	-
All Divisions	420,403	212,490	508,164	467,734	470,978
Electric Distribution	2,346	-	-	-	-
Water Production	-	-	150,000	150,000	150,000
Finance	606,656	328,123	974,152	985,812	992,470
Electric Production	54,985	14,559	77,469	107,436	108,130
All Except EP	2,700	-	58,000	58,000	58,000
All Divisions	548,971	313,564	738,683	770,376	776,339
Electric Distribution	-	-	50,000	-	-
Gas Distribution	-	-	-	-	-
Water Distribution	-	-	50,000	-	50,000
Wastewater Collection & Treatment	-	-	-	-	-
Management Audit	-	-	-	50,000	-
Public Information	206,589	107,612	259,668	269,512	246,106
Electric Production	-	563	-	-	-
All Except EP	179,361	82,922	173,157	201,803	179,347
All Divisions	-	4,093	-	-	-
Electric Distribution	499	4,132	51,850	26,184	18,484
Gas Distribution	13,075	13,488	17,906	15,200	30,300
Water Distribution	13,203	1,537	13,155	21,825	14,575
Wastewater Collection & Treatment	450	502	1,800	2,800	1,700
Water Production	-	376	1,800	1,700	1,700
Total Administrative Division	3,668,253	1,820,630	4,709,682	4,357,840	4,351,691

**LOS ALAMOS DEPARTMENT OF PUBLIC UTILITIES
CASH & INVESTMENT BUDGET**

	FY2017 ACTUAL	FY2019 PROPOSED BUDGET	FY2020 PROJECTED BUDGET
EP Cash & Investments - UNRESTRICTED	\$ 4,991,153	\$ 5,357,972	\$ 5,130,572
EP Cash & Investments - RESTRICTED	\$ 12,834,606	\$ 12,412,990	\$ 12,640,390
EP Cash & Investments - TOTAL	<u>\$ 17,825,759</u>	<u>\$ 17,770,962</u>	<u>\$ 17,770,962</u>
ED Cash & Investments - UNRESTRICTED	\$ (5,365,102)	\$ 759,093	\$ 1,500,606
ED Cash & Investments - RESTRICTED	\$ 6,668,179	\$ 1,446,546	\$ 1,446,546
ED Cash & Investments - TOTAL	<u>\$ 1,303,077</u>	<u>\$ 2,205,639</u>	<u>\$ 2,947,152</u>
GAS Cash & Investments - UNRESTRICTED	\$ 5,677,382	\$ 4,037,915	\$ 5,060,509
GAS Cash & Investments - RESTRICTED	\$ -	\$ -	\$ -
GAS Cash & Investments - TOTAL	<u>\$ 5,677,382</u>	<u>\$ 4,037,915</u>	<u>\$ 5,060,509</u>
DW Cash & Investments - UNRESTRICTED	\$ (1,283,827)	\$ (1,331,345)	\$ (1,247,769)
DW Cash & Investments - RESTRICTED	\$ -	\$ -	\$ -
DW Cash & Investments - TOTAL	<u>\$ (1,283,827)</u>	<u>\$ (1,331,345)</u>	<u>\$ (1,247,769)</u>
WP Cash & Investments - UNRESTRICTED	\$ 10,580,938	\$ 5,434,862	\$ 5,903,864
WP Cash & Investments - RESTRICTED	\$ 206,176	\$ 219,094	\$ 245,220
WP Cash & Investments - TOTAL	<u>\$ 10,787,114</u>	<u>\$ 5,653,957</u>	<u>\$ 6,149,084</u>
WW Cash & Investments - UNRESTRICTED	\$ (611,144)	\$ 1,996,392	\$ 3,563,517
WW Cash & Investments - RESTRICTED	\$ 1,682,644	\$ 1,682,644	\$ 1,682,644
WW Cash & Investments - TOTAL	<u>\$ 1,071,500</u>	<u>\$ 3,679,036</u>	<u>\$ 5,246,161</u>
DPU TOTAL Cash & Investments - UNRESTRICTED	13,989,400	16,254,889	19,911,298
ED Cash & Investments - RESTRICTED	21,391,605	15,761,274	16,014,800
ED Cash & Investments - TOTAL	<u>35,381,006</u>	<u>32,016,163</u>	<u>35,926,098</u>

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY19 (1 July 2018 - 30 June 2019)	Budget
ELECTRIC PRODUCTION	305,000
Electric SCADA Server Consolidation	120,000
Electric SCADA Operating System Back-up	50,000
Back-up Power Operation Center HVAC Upgrades	60,000
Abiquiu & El Vado Transformer Oil and Bushings	75,000
ELECTRIC DISTRIBUTION	1,340,817
Los Alamos URD Replacement (cables, jboxes, pedestals)	300,000
White Rock URD Replacement (cables, jboxes, pedestals)	300,000
Overhead System Replacement (polex, xarms, transformers)	400,000
County Labor and Benefits	340,817
GAS DISTRIBUTION	0
WATER DISTRIBUTION	0
WATER PRODUCTION	2,805,000
LA Reservoir Road Stabilization (\$1,222,500 FEMA / \$407,500 LAC Match)	1,630,000
OW2 Construction - Well House & Equipment	800,000
PW5 MCC Replacement - Construction	275,000
Auto Valves 10 & 11 R&R	100,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	1,000,000
SEWER COLLECTION	0
WASTEWATER TREATMENT	1,000,000
WR WWTP Replacement Project - Design	1,000,000

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY20 (1 July 2019 - 30 June 2020)	Budget
ELECTRIC PRODUCTION	135,000
Update Energy & Water Conservation Plan	35,000
Electric SCADA Upgrades (Modems,Switches & RTUS)	100,000
ELECTRIC DISTRIBUTION	1,351,042
Los Alamos URD Replacement (cables, jboxes, pedestals)	300,000
White Rock URD Replacement (cables, jboxes, pedestals)	300,000
Overhead System Replacement (polex, xarms, transformers)	400,000
Townsite Circuit 15, 3 PHASE	
White Rock Circuit1, 3PHASE	
County Labor and Benefits	351,042
GAS DISTRIBUTION	35,000
Update Energy & Water Conservation Plan	35,000
WATER DISTRIBUTION	0
WATER PRODUCTION	815,000
Update Energy & Water Conservation Plan	35,000
Design Project (G12 Tank, BS's, etc.) (NP - WTB)	530,000
Minor Diamond Drive Connections (NP - WTB)	250,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	13,520,000
SEWER COLLECTION	0
WASTEWATER TREATMENT	13,520,000
WR WWTP Replacement Project - Construction	13,000,000
WR WWTP Replacement Project - Construction Admin/Project Mgt	520,000

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY21 (1 July 2020 - 30 June 2021)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,050,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	300,000
White Rock URD Replacement (cables, jboxes, pedestals)	300,000
White Rock GWS & ED Facility	50,000
Overhead System Replacement (polex, xarms, transformers)	400,000
Townsite Circuit 13, 3 PHASE	
White Rock Circuit2, 3 PHASE	
GAS DISTRIBUTION	50,000
GWS/GA Facilities at WR WWTP	50,000
WATER DISTRIBUTION	50,000
GWS/DW Facilities at WR WWTP	50,000
WATER PRODUCTION	750,000
2nd Group 12 Tank (NP - WTB)	750,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	50,000
SEWER COLLECTION	50,000
GWS/WC Facilities at WR WWTP	50,000
WASTEWATER TREATMENT	0

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY22 (1 July 2021 - 30 June 2022)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, xarms, transformers)	400,000
Townsite Circuit 16, 3 PHASE	
White Rock Circuit1, 1 PHASE	
GAS DISTRIBUTION	281,000
White Rock Key Steel Valve Project Phase 1	281,000
WATER DISTRIBUTION	1,075,000
North Mesa Distribution Upgrades	400,000
Barranca Tank 2 Repaint	675,000
WATER PRODUCTION	0
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	844,000
SEWER COLLECTION	844,000
Laguna Sewer Canyon Drop Replacement	844,000
WASTEWATER TREATMENT	0

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY23 (1 July 2022 - 30 June 2023)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, arms, transformers) Townsite Ski Hill Circuit, 3 PHASE White Rock Circuit2, 1 PHASE	400,000
GAS DISTRIBUTION	290,000
White Rock Key Steel Valve Project Phase 2	290,000
WATER DISTRIBUTION	870,000
Aspen School Area Pipeline Phase 1	870,000
WATER PRODUCTION	825,000
Guaje Pines, North Mesa, Diamond Connections (NP - WTB)	825,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	4,528,000
SEWER COLLECTION	348,000
Aspen School Area Sewerline R&R - Phase 1	174,000
Loma Vista Sewer Lift Station Rehabilitation	174,000
WASTEWATER TREATMENT	4,180,000
LA WWTP 13-Year Upgrade - Construction	3,500,000
LA WWTP 13-Year Upgrade - Construction Admin/Project Mgt	100,000
LA WWTP Non-Potable Pressure Line	580,000

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY24 (1 July 2023 - 30 June 2024)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (polex, xarms, transformers)	400,000
Townsite Circuit 15, 1 PHASE	
White Rock Circuit 1, Wire 3 PHASE	
GAS DISTRIBUTION	299,000
White Rock Key Steel Valve Project Phase 2	299,000
WATER DISTRIBUTION	896,000
Aspen School Area Pipeline Phase 2	896,000
WATER PRODUCTION	2,494,000
Townsite 14" Pipeline R&R - Phase 1	1,194,000
Bayo BS & Tank Upgrades (NP - WTB)	1,300,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	537,000
SEWER COLLECTION	537,000
Aspen School Area Sewerline R&R - Phase 2	179,000
Paseo Penasco Sewer Lift Station Rehabilitation	179,000
Arkansas Area Backyard Sewer Mains & Services R&R	179,000
WASTEWATER TREATMENT	0

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY25 (1 July 2024 - 30 June 2025)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, xarms, transformers)	400,000
Townsite Circuit 13, 1 PHASE	
White Rock Circuit2, Wire 3 PHASE	
GAS DISTRIBUTION	307,000
Pipeline Repair & Replacement / Equipment	307,000
WATER DISTRIBUTION	922,000
Aspen School Area Pipeline Phase 3	922,000
WATER PRODUCTION	2,152,000
Townsite 14" Pipeline R&R - Phase 2	1,230,000
Rover & Pinon Park NP Pipeline Connections (NP - WTB)	922,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	678,000
SEWER COLLECTION	678,000
Aspen School Area Sewerline R&R - Phase 3	185,000
El Gancho Sewer Lift Station Rehabilitation	185,000
North Community Backyard Sewer Mains & Services R&R - Phase 2	308,000
WASTEWATER TREATMENT	0

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY26 (1 July 2025 - 30 June 2026)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, xarms, transformers)	400,000
Townsite Circuit 16, 1 PHASE	
White Rock Circuit1, Wire 1 PHASE	
GAS DISTRIBUTION	317,000
Pipeline Repair & Replacement / Equipment	317,000
WATER DISTRIBUTION	823,000
Fairway 47th to West Area Pipeline	633,000
PRV Replacements - 2 Each	190,000
WATER PRODUCTION	1,900,000
Townsite 14" Pipeline R&R - Phase 3	1,267,000
Barranca Mesa NP Pipeline Connections (NP - WTB)	633,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	988,000
SEWER COLLECTION	671,000
Old Pueblo Sewer Canyon Drop Replacement	380,000
41st/45th/46th/47th Sewerline R&R {PW-WA 7}	101,000
Ridge Park Sewer Lift Station Rehabilitation	190,000
WASTEWATER TREATMENT	317,000
Equipment / Vehicle	317,000

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY27 (1 July 2026 - 30 June 2027)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, arms, transformers) Townsite Circuit 16, 1 PHASE White Rock Circuit1, Wire 1 PHASE	400,000
GAS DISTRIBUTION	326,000
Pipeline Repair & Replacement / Equipment	326,000
WATER DISTRIBUTION	1,174,000
Denver Steel Area East Portion Pipeline	1,174,000
WATER PRODUCTION	2,512,000
West Pajarito Road Pipeline R&R - Phase 1	1,305,000
Bayo BS Winter Storage Facility (NP - WTB)	1,207,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	854,000
SEWER COLLECTION	854,000
Denver Steel Area East Portion Sewerline R&R {PW-WA 5}	104,000
Airport Canyon Sewer Canyon Drop Replacement	750,000
WASTEWATER TREATMENT	0

Los Alamos County Department of Public Utilities
 Fiscal Years 2019-2028
 10-Year Capital Plan

FY28 (1 July 2027 - 30 June 2028)	Budget
ELECTRIC PRODUCTION	0
ELECTRIC DISTRIBUTION	1,200,000
Los Alamos URD Replacement (cables, jboxes, pedestals)	400,000
White Rock URD Replacement (cables, jboxes, pedestals)	400,000
Overhead System Replacement (poles, xarms, transformers) Townsite Circuit 16, 1 PHASE White Rock Circuit1, Wire 1 PHASE	400,000
GAS DISTRIBUTION	250,000
Pipeline Repair & Replacement / Equipment	250,000
WATER DISTRIBUTION	1,041,000
Denver Steel Area West Portion Pipeline	739,000
PRV Replacement - 3 Each	302,000
WATER PRODUCTION	1,680,000
West Pajarito Road Pipeline R&R - Phase 2	1,344,000
SCADA Upgrades (NP - WTB)	336,000
WASTEWATER TREATMENT AND SEWER COLLECTION TOTAL	512,000
SEWER COLLECTION	512,000
Denver Steel Area West Portion Sewerline R&R	108,000
Ponderosa Sewer Lift Station Rehabilitation	202,000
Potrillo Sewer Lift Station Rehabilitation	202,000
WASTEWATER TREATMENT	0

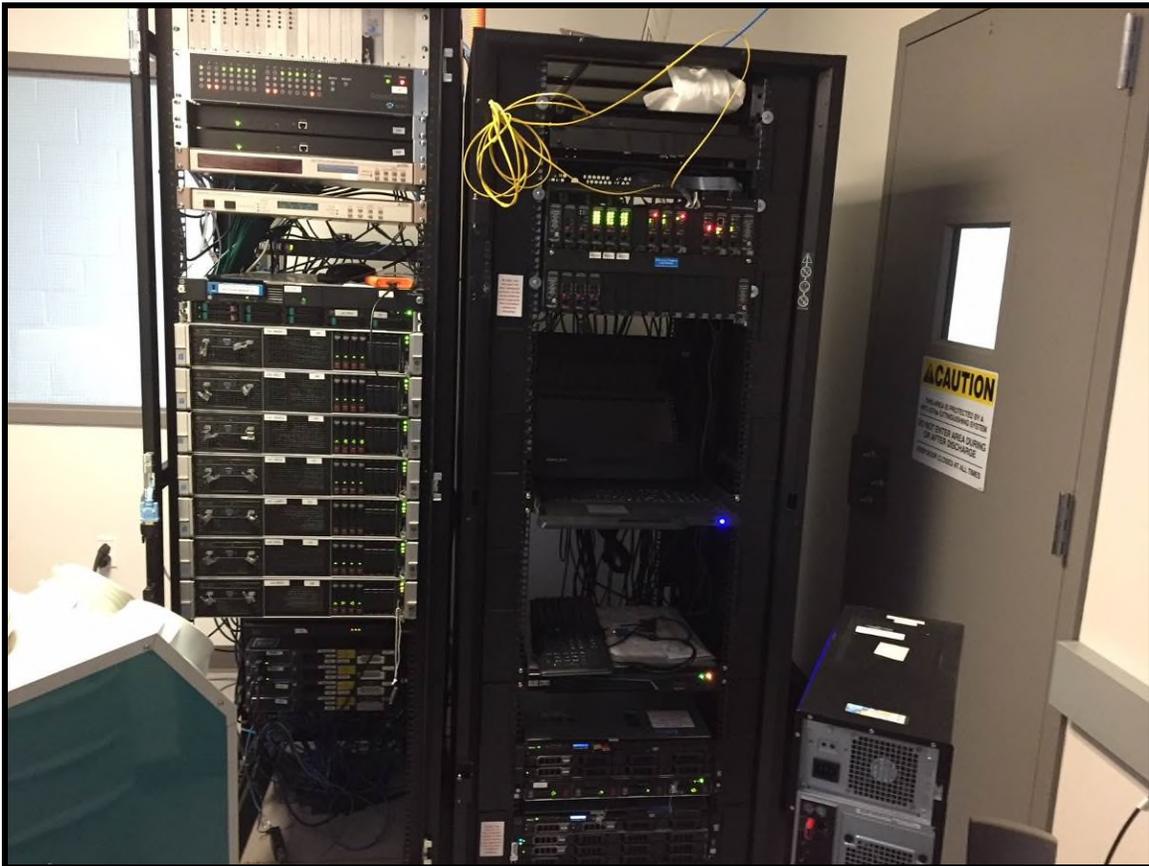
ELECTRIC PRODUCTION

FY19 & FY20: Electric SCADA

Project Scope: A number of components on the electric SCADA system are at the end of their useful life and replacement parts are becoming difficult to acquire. Over the next two years a number of upgrades to the systems are planned to maintain a reliable operation.

Budget:	FY19 Operating System Back-up	\$ 50,000
	FY19 Server Consolidation	\$120,000
	FY20 Modems, Switches & RTUs	\$100,000

Schedule: Spring 2019 through spring 2020



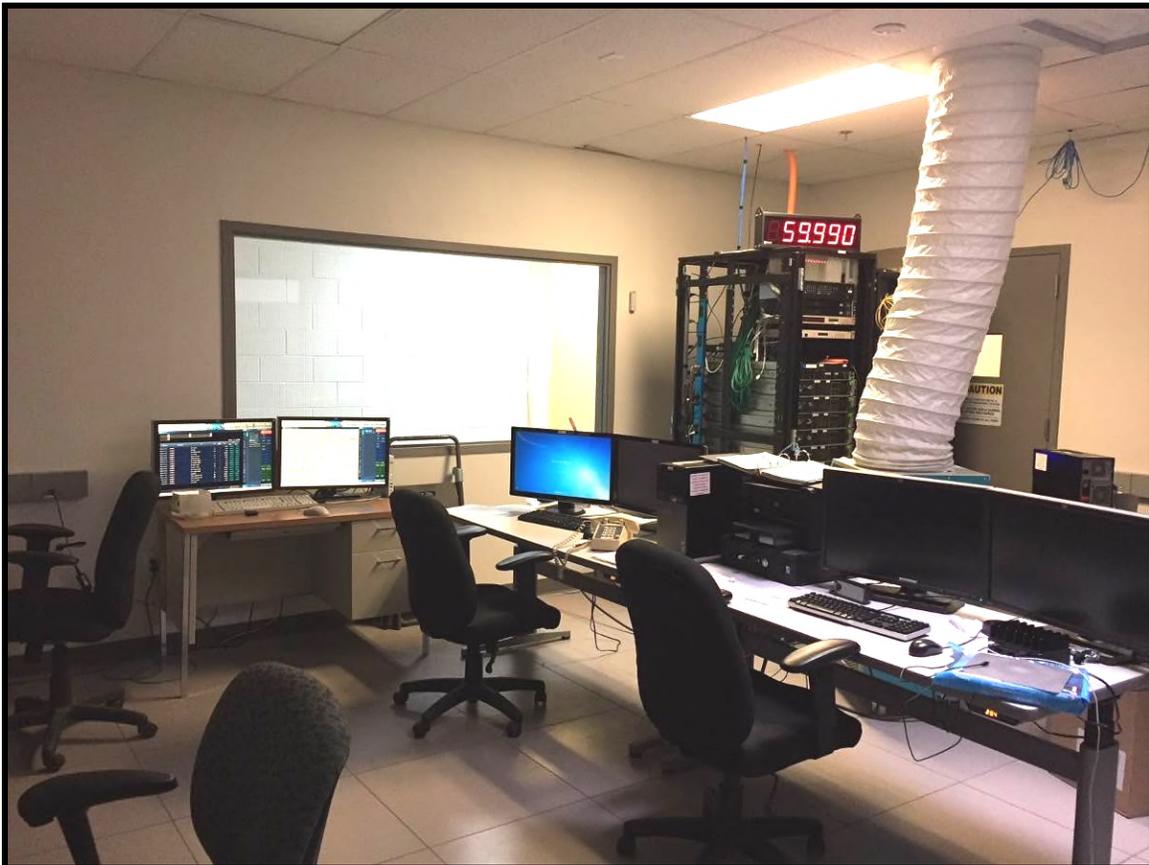
ELECTRIC PRODUCTION

FY19: Back-up Operations Center HVAC

Project Scope: Recent cyber security regulations require the water and electric SCADA master stations to be in separate rooms. The electric SCADA system has been relocated into a room which is not capable of cooling the room with the large amount of heat generated by the SCADA servers and electronics. An independent HVAC system will be installed in the electric SCADA server room.

Budget: \$ 60,000

Schedule: Summer 2018



ELECTRIC PRODUCTION

FY19: Abiquiu and El Vado Transformer Oil & Bushings

Project Scope: Bushings on the main transformer in El Vado and Abiquiu show evidence of oil leakage around the bushing level gauge. The condition of the bushings will be further investigated. The transformer insulation in El Vado is in question due to test results of the transformer insulating oil. Replacement of bushings and the insulating oil and filter will prolong reliable operation of the transformer.

Budget: \$ 75,000

Schedule: Winter 2018



ELECTRIC DISTRIBUTION

FY19: Overhead System Replacement

Project Scope: Many components of the utilities' overhead infrastructure operate near or past their useful plant life; greater than 50 years. The department's Asset Management Program (AMP) prioritizes O&M projects on (a) root cause analysis after power outages, (b) quarterly line patrols, and (c) year-end assessments. The O&M program includes: replacement of power poles, cross-arms, and revamps (wire & transformer upgrades). Priority is placed on the three phase backbone and areas affecting the highest number of consumers.

- | | |
|----------------------------|------------|
| 1. White Rock service area | \$200,000. |
| 2. Los Alamos service area | \$200,000. |

Budget: \$ 400,000
Schedule: Year round design and construction



ELECTRIC DISTRIBUTION

FY19: URD (UG residential distribution) Replacements

Project Scope: The underground system contains 1970s infrastructure which was direct-buried and in direct contact with the earth. Portions or segments of the underground system which have experienced 3 or more failures are targeted for replacement because they will fail again. Old and obsolete live-front transformers are routinely replaced due to safety and arc-flash concerns. New loop segments are designed for radial power lines which serve large amounts of customers.

1. Los Alamos town site area after three failure replacements \$300,000.
2. White Rock area after three failure replacements \$300,000.

Budget: \$ 600,000
Schedule: Year round design and construction



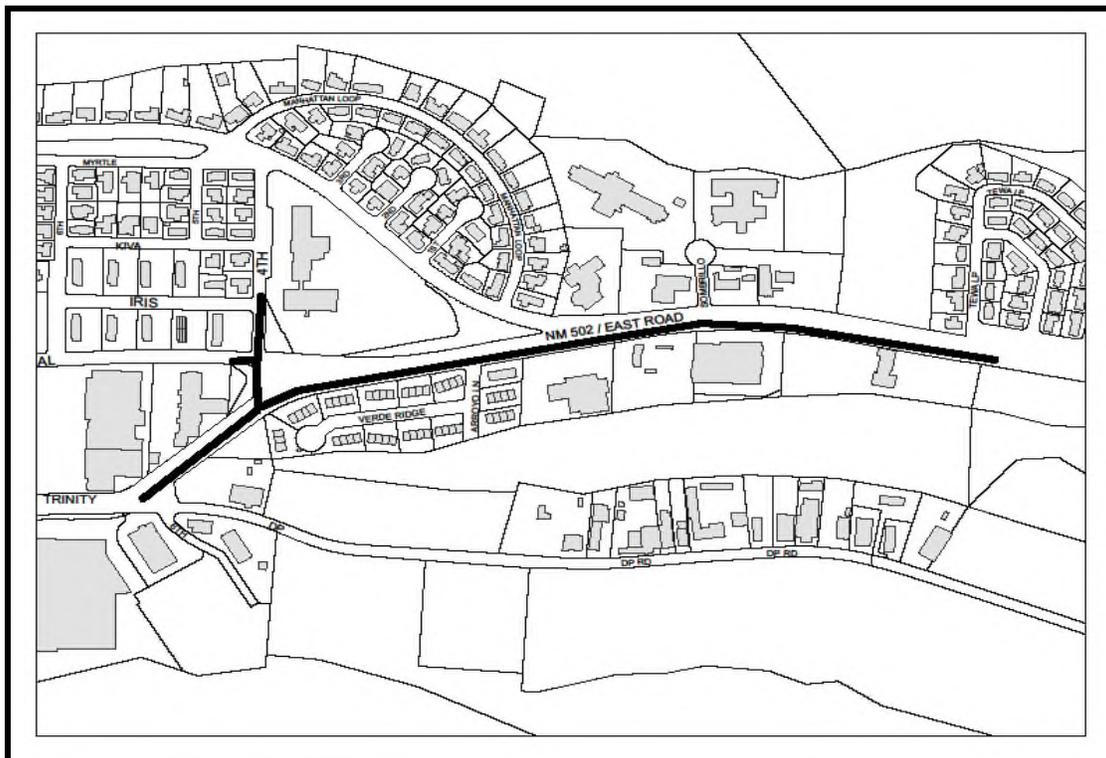
NMDOT NM 502 RECONSTRUCTION

FY19 & FY20: Gas, Water, Sewer, Fiber Optic and Electric

Project Scope: The road and utility reconstruction project, administered by the New Mexico Department of Transportation, was scheduled to begin in 2017. The project was bid three times in 2017. The first two bid attempts resulted in only one bid received and the road component of the project was much higher than expected. As a result of the high bids the project was not awarded. In the third attempt no bids were received. The project is scheduled to be bid in October of 2018. The Department of Public Utilities funded the project in FY 2017 and the funds remain dedicated to the project.

Budget:	Gas Distribution	\$ 417,012.08
	Water Production	\$ 450,291.15
	Water Distribution	\$ 914,826.23
	Wastewater	\$ 101,830.12
	Electric Distribution	\$ 552,784.66
	Fiber Optic	\$ 160,435.68
	Total	\$2,597,179.92

Schedule: Construct 2019



WATER PRODUCTION

FY19: Los Alamos Reservoir Road Stabilization

Project Scope: FEMA awarded Los Alamos County a grant for the stabilization of the Los Alamos Reservoir road and to clear debris from the channel and route the channel to its original path. Phase I of the grant for design and environmental documents is ongoing. This budget item is for Phase II of the project for construction of the improvements. The FEMA grant will cover 75% of the cost while the remaining 25% will be the responsibility of Los Alamos County.

Budget:	FEMA	\$ 1,222,500
	DPU	\$ 203,750
	General Fund	\$ 203,750
	Total Construction	\$ 1,630,000

Schedule: Design and environmental documents are currently in progress. Construction is scheduled for spring 2019.



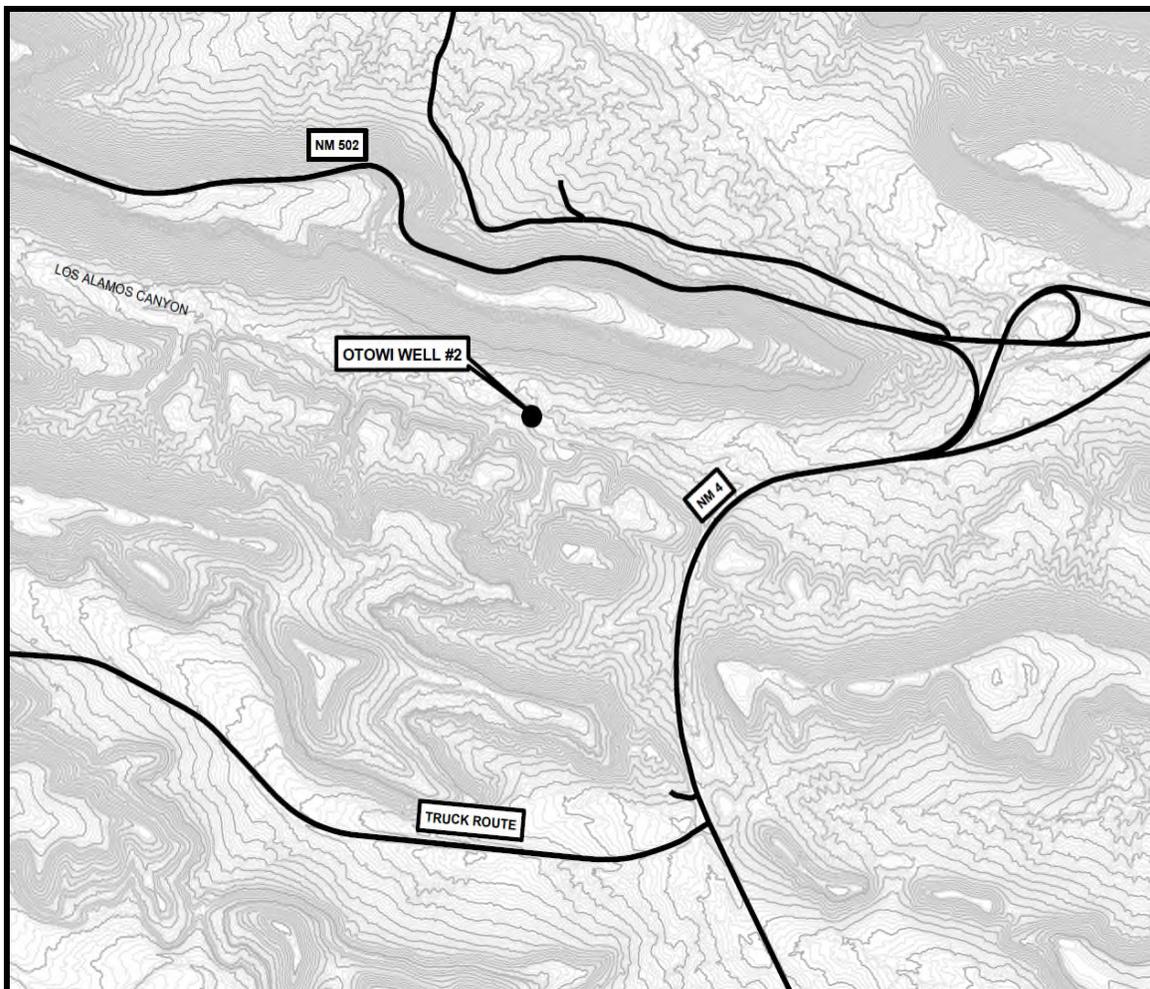
WATER PRODUCTION

FY19: Otowi Well No. 2 Well House and Equipment

Project Scope: The project will be executed in two phases. The first phase of the project for the design, drilling and development of the well is ongoing and scheduled for completion in the summer of 2018. This budget item is for the second phase of the project for design and construction of the well house, electric gear and equipping the well with pumps. The well is scheduled to be online by spring of 2019.

Budget: \$800,000

Schedule: Well to be drilled and developed by summer 2018. Equipping the well is scheduled to be complete by the spring of 2019.



WATER PRODUCTION

FY19: Pajarito Well No. 5 Motor Control Center Replacement

Project Scope: The MCC equipment on the Pajarito Well No. 5 is becoming obsolete. Parts are no longer available on the open market. The DPU has maintained this equipment using parts from spare units. New equipment is required to avoid system breakdowns and to keep the system functioning properly. This project is part of a system wide effort to update all motor control centers and control equipment so they meet current codes and maintain reliable service.

Budget: \$275,000

Schedule: Construction is scheduled for winter 2018/2019.



WATER PRODUCTION

FY19: Automatic Well Replacement: Valves 10 & 11.

Project Scope: These automatic valves are needed to open and close pipelines to transfer water efficiently from one section of the potable water system to other sections whenever there is a need due to a booster station or well pump failure. The mechanical and electrical portions of these valves do not function properly. Further, the equipment was manufactured overseas and it is extremely difficult to order and receive parts.

Budget: \$100,000

Schedule: Spring 2019.



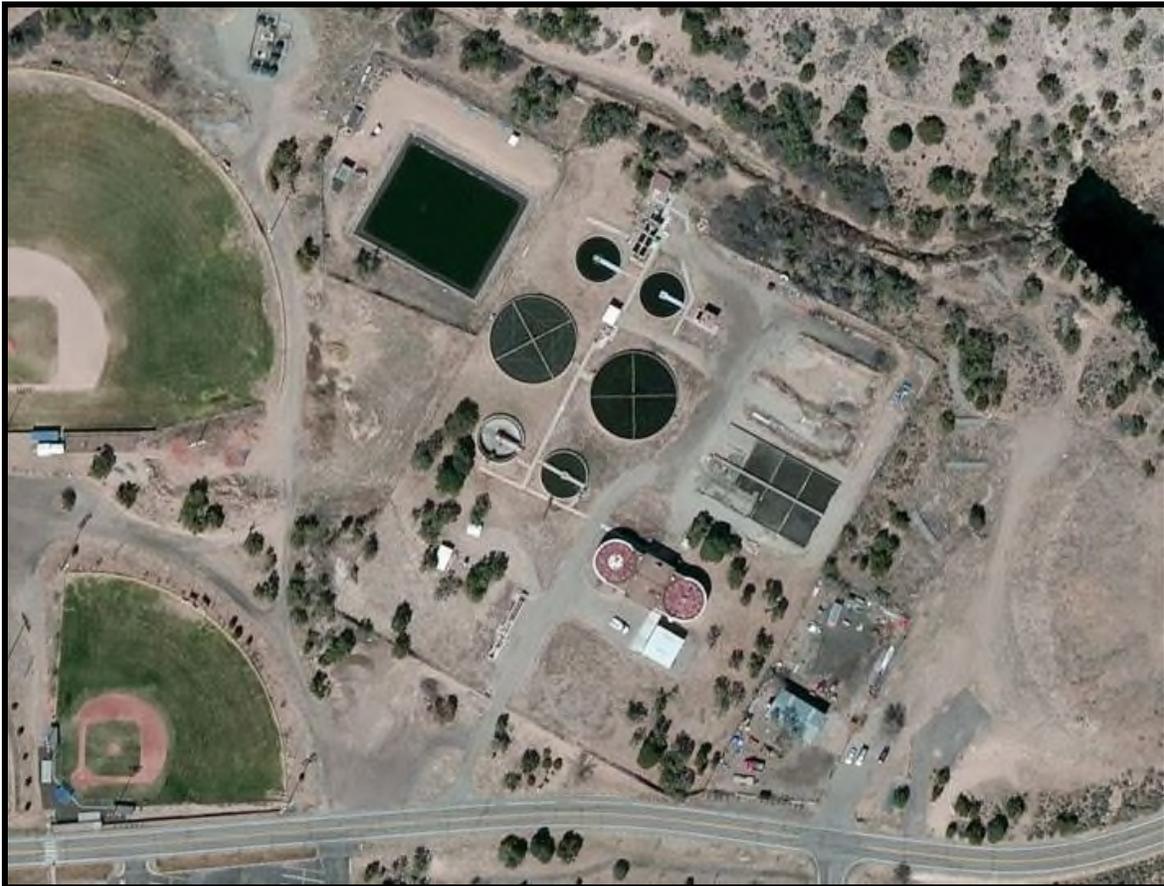
WASTEWATER TREATMENT

FY19 & 20: New Wastewater Treatment Plant in White Rock Design & Construction

Project Scope: Perform the engineering design required to completely replace the existing 50-year old trickling filter plant, with a modern facility that will produce high quality irrigation water for public spaces. The design will follow the selection and recommendations made under the Preliminary Engineering Report approved by the County in summer 2016.

Budget:	Design	\$ 1,000,000
	Construction	\$ 13,000,000
	Construction Admin./Inspection	\$ 520,000

Schedule: Retain engineering services fall 2018. Bid for Construction summer 2019

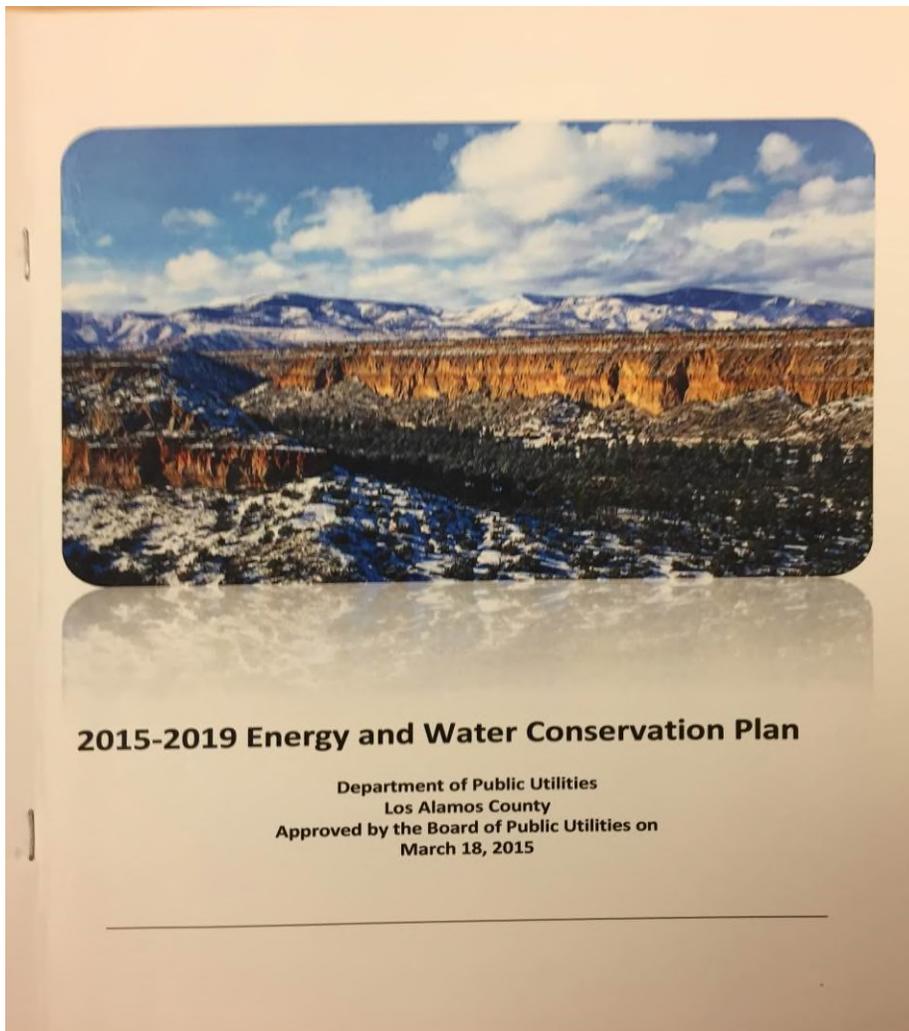


FY20: UPDATE WATER AND ENERGY CONSERVATION PLAN

Project Scope: Complete a five-year update of the Department of Public Utilities energy and water conservation plan. A conservation plan is required by the multiple regulatory agencies.

Budget:	Gas Distribution	\$ 35,000
	Water Production	\$ 35,000
	<u>Electric Production</u>	<u>\$ 35,000</u>
	Total	\$ 105,000

Schedule: Spring 2020



ELECTRIC DISTRIBUTION

FY20: Overhead System Replacement

Project Scope: Many components of the utilities' overhead infrastructure operate near or past their useful plant life; greater than 50 years. The department's Asset Management Program (AMP) prioritizes O&M projects on (a) root cause analysis after power outages, (b) quarterly line patrols, and (c) year-end assessments. The O&M program includes: replacement of power poles, cross-arms, and revamps (wire & transformer upgrades). Priority is placed on the three phase backbone and areas affecting the highest number of consumers.

- 3. White Rock service area \$200,000.
- 4. Los Alamos service area \$200,000.

Budget: \$ 400,000
Schedule: Year round design and construction



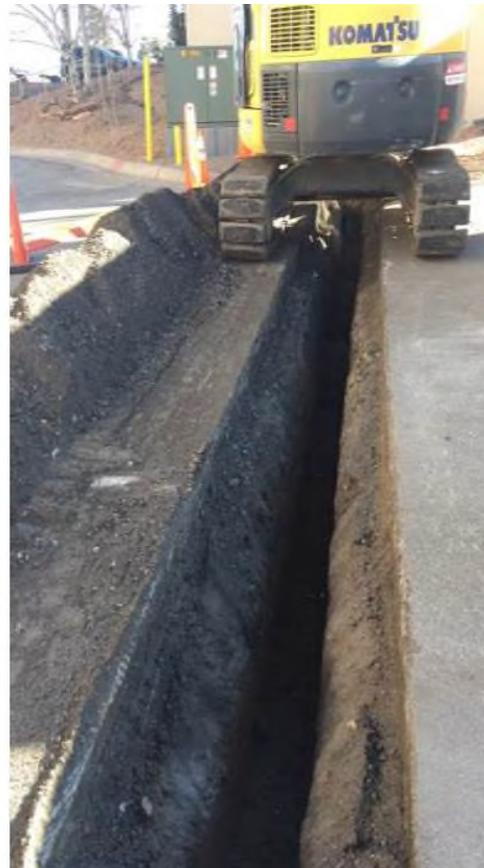
ELECTRIC DISTRIBUTION

FY20: URD (UG residential distribution) Replacements

Project Scope: The underground system contains 1970s infrastructure which was direct-buried and in direct contact with the earth. Portions or segments of the underground system which have experienced 3 or more failures are targeted for replacement because they will fail again. Old and obsolete live-front transformers are routinely replaced due to safety and arc-flash concerns. New loop segments are designed for radial power lines which serve large amounts of customers.

- 3. Los Alamos town site area after three failure replacements \$300,000.
- 4. White Rock area after three failure replacements \$300,000.

Budget: \$ 600,000
Schedule: Year round design and construction



WATER PRODUCTION

FY20: Design of New Tank & Booster Stations & Diamond Drive Service Connections

Project Scope: These two projects are for expansion of the non-potable water system. Application for funding to the Water Trust Board will be made in 2019 for funding. The projects will not go forward if grant funding is not secured. One project is to design the replacement/refurbishment of existing booster stations in Bayo Canyon and at Overlook Park and design of a second tank adjacent to the existing Group 12 tank. The second project is for construction of non-potable water service connections along the Diamond Drive corridor.

Budget:	Design Tank and boosters	\$530,000
	Diamond Service Connections	\$250,000

Schedule: Spring 2020



Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Electric Production

	FORECAST 2019	FORECAST 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Expenditure Forecast										
Total Cash Outflow	38,754,542	37,773,881	41,621,311	41,520,050	41,488,097	42,230,255	44,878,979	50,613,307	52,921,981	52,228,059
	1.50%									
		1.01%								
Revenue Forecast										
Mwh Sales - LANL	510,377	519,916	583,553	603,387	614,684	626,491	650,045	769,065	794,157	794,157
Mwh Sales - LAC Distribution	121,969	123,371	124,788	126,219	127,664	129,123	130,597	132,086	133,590	135,108
Total Mwh Sales	632,346	643,288	708,341	729,606	742,347	755,614	780,642	901,151	927,747	929,265
Revenue per Mwh	\$56.09	\$53.64	\$53.91	\$51.97	\$50.79	\$50.56	\$52.25	\$51.51	\$52.32	\$51.24
DOE Revenues	28,221,178	27,560,161	31,266,164	31,183,097	31,110,920	31,578,030	33,872,341	39,529,405	41,466,077	40,616,561
Economy Sales	3,154,615	3,143,147	3,271,954	3,441,796	3,623,876	3,869,152	3,935,095	4,044,614	4,236,771	4,467,232
Interest on Reserves	96,191	88,855	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Bond Federal Subsidy	33,984	33,984	33,984	33,984	33,984	30,867	27,669	24,080	19,561	19,561
Transfer from Distribution Fund	7,248,574	6,947,734	6,919,210	6,731,174	6,589,318	6,622,207	6,913,874	6,885,208	7,069,573	6,994,705
Total Cash Inflow	38,754,542	37,773,881	41,621,311	41,520,050	41,488,097	42,230,255	44,878,979	50,613,307	52,921,981	52,228,059
Net Cash Flow	(0)	0	-	-	-	-	-	-	-	-
Cumulative Net Cash Flow	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash Balance	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376	17,172,376
Recommended Cash Balance	17,684,506	17,773,371	17,951,105	18,130,616	18,311,922	18,495,041	18,679,992	18,866,792	19,055,460	19,246,014
Reserves										
Retirement/Reclamation Reserve	10,204,395	10,293,261	10,421,375	10,426,053	9,808,674	9,239,130	8,708,141	8,130,692	8,149,336	8,320,837
Identified items on site	304,500	309,068	313,704	318,409	323,185	328,033	332,953	337,948	343,017	348,162
San Juan Decommissioning	4,898,220	5,086,620	5,275,020	5,463,420	5,651,820	5,840,220	6,028,620	6,217,020	6,405,420	6,593,820
Laramie River Decommissioning	760,980	799,980	838,980	877,980	916,980	955,980	994,980	1,033,980	1,072,980	1,111,980
San Juan Mine Reclamation	4,240,695	4,097,593	3,993,671	3,766,244	2,916,689	2,114,897	1,351,588	541,744	327,919	266,875

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Electric Distribution

	BUDGET	BUDGET	FORECAST	FORECAST	FORECAST							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
Expenditure Forecast												
Supervision, Misc Direct Admin	660,479	668,115	678,137	688,309	698,634	709,113	719,750	730,546	741,504	752,627		
Substation Maintenance	36,237	36,614	37,164	37,721	38,287	38,861	39,444	40,036	40,636	41,246		
Switching Station Maintenance	31,520	31,787	32,264	32,747	33,239	33,737	34,243	34,757	35,278	35,807		
Overhead Maintenance	499,014	503,062	510,608	518,267	526,041	533,932	541,941	550,070	558,321	566,696		
Underground Maintenance	391,173	394,662	400,582	406,591	412,690	418,880	425,163	431,541	438,014	444,584		
Meter Maintenance	82,331	83,143	84,390	85,656	86,941	88,245	89,569	90,912	92,276	93,660		
Interdepartmental Charges	638,550	638,550	648,128	657,850	667,718	677,734	687,900	698,218	708,691	719,322		
Administrative Division Allocation	753,554	737,817	748,884	760,118	771,519	783,092	794,839	806,761	818,863	831,146		
In Lieu Taxes	529,609	526,476	419,207	422,250	425,322	428,425	431,560	434,725	437,922	441,152		
Debt Service	1,271,957	1,253,438	1,253,443	1,133,909	982,377	984,776	1,015,816	1,178,311	1,178,311	1,178,311		
Profit Transfer	610,735	610,735	654,046	660,587	667,192	673,864	680,603	687,409	694,283	701,226		
Cost of Power	7,248,574	6,947,734	6,919,210	6,731,174	6,589,318	6,622,207	6,913,874	6,885,208	7,069,573	6,994,705		
Total Operations Expenses	12,753,734	12,432,134	12,386,064	12,135,178	11,899,278	11,992,867	12,374,701	12,568,494	12,813,673	12,800,481		
Capital	1,340,817	1,351,042	1,071,105	1,236,361	1,248,725	1,261,212	1,273,824	1,286,562	1,299,428	1,312,422		
Total Cash Outflow	14,094,551	13,783,176	13,457,169	13,371,540	13,148,002	13,254,080	13,648,525	13,855,057	14,113,101	14,112,903		
Revenue Forecast												
KWh Sales	121,939,000	123,371,000	124,604,710	125,850,757	127,109,265	128,380,357	129,664,161	130,960,802	132,270,411	133,593,115		
Revenue per KWh	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221	\$0.1221		
Rate Increase Percentage												
Total Sales Revenue	14,203,145	14,203,145	15,210,373	15,362,477	15,516,102	15,671,263	15,827,975	15,986,255	16,146,118	16,307,579		
Bond Federal Subsidy	67,942	67,942	67,942	67,942	67,942	66,045	64,099	58,759	47,731	47,731		
Interest on Utility Reserves	-	-	-	38,233	97,001	166,667	239,254	307,664	376,445	444,215		
Pole Rentals	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601	53,601		
Misc. Service Revenues	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
Revenue on Recoverable Work	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000		
Total Cash Inflow	14,524,688	14,524,688	15,531,916	15,722,253	15,934,645	16,157,575	16,384,930	16,606,279	16,823,894	17,053,125		
R&R and Cash Flows												
Net Cash Flow	430,137	741,512	2,074,747	2,350,713	2,786,643	2,903,496	2,736,405	2,751,222	2,710,793	2,940,222		
Cumulative Net Cash Flow	430,137	1,171,649	3,246,396	5,597,109	8,383,752	11,287,248	14,023,652	16,774,875	19,485,668	22,425,890		
Cash Balance	(1,286,948)	(545,436)	1,529,311	3,880,024	6,666,667	9,570,163	12,306,568	15,057,790	17,768,583	20,708,805		
Recommended Cash Balance	11,879,242	11,848,916	11,337,139	11,258,663	11,173,421	11,501,382	11,538,150	11,919,913	11,880,464	11,441,056		

Los Alamos County Utilities Department
 10-Year Financial Forecast - FY2019 through FY2028
 Electric Fund Cash Reserve Analysis

	FORECAST 2019	FORECAST 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
ELECTRIC DIST & PROD CASH RESERVES										
Combined Cash Balance ED & EP	15,885,428	16,626,940	18,701,687	21,052,400	23,839,043	26,742,539	29,478,943	32,230,166	34,940,959	37,881,181
Recommended Cash Balance (ED)	11,879,242	11,848,916	11,337,139	11,258,663	11,173,421	11,501,382	11,538,150	11,919,913	11,880,464	11,441,056
Recommended Cash Balance (EP)	17,684,506	17,773,371	17,951,105	18,130,616	18,311,922	18,495,041	18,679,992	18,866,792	19,055,460	19,246,014
Recommended Cash Balance	29,563,748	29,622,287	29,288,244	29,389,279	29,485,344	29,996,424	30,218,142	30,786,705	30,935,924	30,687,070
TARGET RESERVE BALANCES										
Debt Service Reserve	4,046,374	4,030,211	4,016,054	2,058,835	1,430,597	1,429,568	1,449,954	1,602,373	1,596,699	1,594,293
Retirement/Reclamation Reserve	10,204,395	10,293,261	10,421,375	10,426,053	9,808,674	9,239,130	8,708,141	8,130,692	8,149,336	8,320,837
Identified items on site	304,500	309,068	313,704	318,409	323,185	328,033	332,953	337,948	343,017	348,162
San Juan Decommissioning	4,898,220	5,086,620	5,275,020	5,463,420	5,651,820	5,840,220	6,028,620	6,217,020	6,405,420	6,593,820
Laramie River Decommissioning	760,980	799,980	838,980	877,980	916,980	955,980	994,980	1,033,980	1,072,980	1,111,980
San Juan Mine Reclamation	4,240,695	4,097,593	3,993,671	3,766,244	2,916,689	2,114,897	1,351,588	541,744	327,919	266,875
Operations Reserve	6,516,928	6,413,224	6,926,444	7,076,988	7,226,888	7,389,861	7,617,447	7,729,988	7,845,346	1,963,120
Capital Expenditures Reserve	1,486,042	1,050,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	2,000,000
Contingency Reserve	507,500	515,113	522,839	530,682	538,642	546,722	554,922	563,246	571,695	580,270
Rate Stabilization Reserve	6,947,734	6,919,210	6,731,174	6,589,318	6,622,207	6,913,874	6,885,208	7,069,573	7,175,616	7,283,251
	29,708,972	29,221,018	29,817,885	27,881,876	26,827,009	26,719,155	26,415,673	26,295,872	26,538,693	21,741,771
RESERVE BALANCE FORECAST										
Debt Service Reserve	4,046,374	4,030,211	4,016,054	2,058,835	1,430,597	1,429,568	1,449,954	1,602,373	1,596,699	1,594,293
Retirement/Reclamation Reserve	10,204,395	10,293,261	10,421,375	10,426,053	9,808,674	9,239,130	8,708,141	8,130,692	8,149,336	8,320,837
Operations Reserve	1,634,659	2,303,469	4,264,258	7,076,988	7,226,888	7,389,861	7,617,447	7,729,988	7,845,346	1,963,120
Capital Expenditures Reserve	-	-	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	2,000,000
Contingency Reserve	-	-	-	290,523	538,642	546,722	554,922	563,246	571,695	580,270
Rate Stabilization Reserve	-	-	-	-	3,634,241	6,913,874	6,885,208	7,069,573	7,175,616	7,283,251
Total Cash Remaining	-	-	-	-	-	23,384	3,063,270	5,934,294	8,402,267	16,139,410

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Gas Distribution

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
1.50%										
Expenditure Forecast										
Supervision, Misc Direct Admin	265,698	269,356	273,397	277,497	281,660	285,885	290,173	294,526	298,944	303,428
Customer Service	63,015	63,843	64,801	65,773	66,760	67,761	68,777	69,809	70,856	71,919
Gas Distribution	270,143	274,792	278,914	283,098	287,344	291,654	296,029	300,470	304,977	309,551
Gas Meters	133,686	135,940	137,979	140,048	142,149	144,281	146,446	148,642	150,872	153,135
Capital Support & Inspection	6,074	6,237	6,331	6,426	6,522	6,620	6,719	6,820	6,922	7,026
Interdepartmental Charges	349,581	349,581	354,825	360,147	365,549	371,033	376,598	382,247	387,981	393,800
Administrative Division Allocation	620,187	633,703	643,209	652,857	662,650	672,589	682,678	692,918	703,312	713,862
In Lieu Taxes	216,418	227,970	227,970	227,970	227,970	227,970	227,970	227,970	227,970	227,970
Profit Transfer	254,125	279,133	262,692	264,836	275,553	283,413	286,985	290,915	290,915	292,344
Cost of Gas	2,333,250	2,754,000	2,960,550	3,006,450	3,235,950	3,404,250	3,480,750	3,564,900	3,564,900	3,595,500
TOTAL Operations Expenses	4,512,178	4,994,556	5,210,667	5,285,102	5,552,107	5,755,456	5,863,126	5,979,217	6,007,649	6,068,536
Capital	-	35,000	51,005	289,515	301,775	314,252	325,887	339,867	353,011	273,421
TOTAL Cash Outflow	4,512,178	5,029,556	5,261,672	5,574,617	5,853,882	6,069,708	6,189,013	6,319,084	6,360,660	6,341,957
<i>Total outflow less COG</i>	<i>2,178,928</i>	<i>2,275,556</i>	<i>2,301,122</i>	<i>2,568,167</i>	<i>2,617,932</i>	<i>2,665,458</i>	<i>2,708,263</i>	<i>2,754,184</i>	<i>2,795,760</i>	<i>2,746,457</i>
Revenue Forecast										
Therm Sales	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000	7,650,000
Revenue per Therm	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230	\$ 0.230
Rate Increase Percentage										
Cost of Gas Sales Revenue	2,333,250	2,754,000	2,960,550	3,006,450	3,235,950	3,404,250	3,480,750	3,564,900	3,564,900	3,595,500
Sales Rev from Fixed/Svc Chg	3,108,404	3,223,154	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546	2,664,546
Total Sales Revenue	5,441,654	5,977,154	5,625,096	5,670,996	5,900,496	6,068,796	6,145,296	6,229,446	6,229,446	6,260,046
Interest on Utility Reserves	30,496	54,995	48,336	54,817	57,394	59,268	60,462	61,036	60,935	60,214
Revenue on Recoverable Work	20,000	20,000	20,300	20,605	20,914	21,227	21,546	21,869	22,197	22,530
TOTAL Cash Inflow	5,492,150	6,052,149	5,693,732	5,746,418	5,978,804	6,149,291	6,227,303	6,312,351	6,312,578	6,342,790
R&R and Cash Flows										
Net Cash Flow	979,972	1,022,594	432,061	171,801	124,921	79,583	38,290	(6,733)	(48,082)	832
Cummulative net cash flow	979,972	2,002,566	2,434,626	2,606,427	2,731,348	2,810,931	2,849,222	2,842,488	2,794,406	2,795,238
Cash Balance	2,199,819	3,222,413	3,654,473	3,826,274	3,951,196	4,030,778	4,069,069	4,062,335	4,014,253	4,015,086
Recommended Cash Balance	1,251,152	1,288,268	1,536,132	1,562,249	1,588,623	1,614,258	1,642,157	1,669,324	1,611,764	1,630,481

Los Alamos County Utilities Department
 10-Year Financial Forecast - FY2019 through FY2028
 Gas Cash Reserve Analysis

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
GAS UTILITY CASH RESERVES										
Cash Balance	2,199,819	3,222,413	3,654,473	3,826,274	3,951,196	4,030,778	4,069,069	4,062,335	4,014,253	4,015,086
Recommended Cash Balance	1,251,152	1,288,268	1,536,132	1,562,249	1,588,623	1,614,258	1,642,157	1,669,324	1,611,764	1,630,481
TARGET RESERVE BALANCES										
Operations Reserve	962,402	980,711	993,712	1,006,908	1,020,302	1,033,897	1,047,695	1,061,701	1,075,917	1,090,346
Capital Expenditures Reserve	35,000	50,000	281,000	290,000	299,000	307,000	317,000	326,000	250,000	250,000
Contingency Reserve	253,750	257,556	261,420	265,341	269,321	273,361	277,461	281,623	285,847	290,135
Rate Stabilization Reserve*	-	-	-	-	-	-	-	-	-	-
	1,251,152	1,288,268	1,536,132	1,562,249	1,588,623	1,614,258	1,642,157	1,669,324	1,611,764	1,630,481
RESERVE BALANCE FORECAST										
Operations Reserve	962,402	980,711	993,712	1,006,908	1,020,302	1,033,897	1,047,695	1,061,701	1,075,917	1,090,346
Capital Expenditures Reserve	35,000	50,000	281,000	290,000	299,000	307,000	317,000	326,000	250,000	250,000
Contingency Reserve	253,750	257,556	261,420	265,341	269,321	273,361	277,461	281,623	285,847	290,135
Rate Stabilization Reserve*	-	-	-	-	-	-	-	-	-	-
Total Cash Remaining	948,668	1,934,145	2,118,341	2,264,025	2,362,573	2,416,521	2,426,912	2,393,011	2,402,489	2,384,604

* Assumes pass-through cost of gas rate remains in place.

**Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution**

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Expenditure Forecast										
Supervision, Misc Direct Admin	227,392	230,443	233,900	237,408	240,969	244,584	248,253	251,977	255,756	259,593
Hydrants	-	-	-	-	-	-	-	-	-	-
Water Distribution	416,904	423,176	429,523	435,966	442,506	449,143	455,880	462,719	469,659	476,704
Water Meters	693,060	704,816	404,816	410,889	417,052	423,308	429,657	436,102	442,644	449,283
Capital Project Inspections & Support	6,074	6,237	6,331	6,426	6,522	6,620	6,719	6,820	6,922	7,026
Interdepartmental Charges	338,477	338,477	343,554	348,707	353,938	359,247	364,636	370,105	375,657	381,292
Administrative Division Allocation	632,896	673,791	683,898	694,156	704,569	715,137	725,864	736,752	747,804	759,021
Cost of Water	2,829,409	2,985,026	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750	2,828,750
Capital	-	-	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Operation Expenses	5,144,212	5,361,967	4,930,772	4,962,303	4,994,306	5,026,789	5,059,760	5,093,225	5,127,192	5,161,669
Total Capital Expenditures	0	0	51,005	1,075,000	870,000	896,000	922,000	823,000	1,174,000	1,041,000
Total Expenditures	5,144,212	5,361,967	4,981,777	6,037,303	5,864,306	5,922,789	5,981,760	5,916,225	6,301,192	6,202,669
Revenue Forecast										
kgal Sales	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Revenue per kgal	\$ 6.66	\$ 6.99	\$ 7.28	\$ 7.54	\$ 7.73	\$ 7.88	\$ 8.02	\$ 8.14	\$ 8.26	\$ 8.39
Rate Increase Percentage	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%	1.50%
Total Sales Revenue	5,160,579	5,415,543	5,645,704	5,843,303	5,989,386	6,109,173	6,216,084	6,309,325	6,403,965	6,500,025
Interest on Utility Reserves	-	-	-	-	-	-	-	-	-	-
Revenue on Recoverable Work	15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Misc Service Revenues	15,000	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897
Total Cash Inflow from Operations	5,190,579	5,445,543	5,676,154	5,874,210	6,020,756	6,141,014	6,248,403	6,342,129	6,437,261	6,533,819
R&R and Cash Flows										
Net Cash Flow	46,367	83,576	694,376	(163,093)	156,450	218,225	266,643	425,903	136,068	331,151
Cumulative Net Cash Flow	46,367	129,944	824,320	661,227	817,677	1,035,902	1,302,545	1,728,448	1,864,517	2,195,667
Cash Balance	(2,807,339)	(2,723,763)	(2,029,387)	(2,192,479)	(2,036,029)	(1,817,804)	(1,551,162)	(1,125,258)	(989,190)	(658,039)
Recommended Cash Balance	1,204,364	2,260,352	1,917,846	1,959,563	2,001,517	1,918,710	2,286,145	2,169,827	1,945,760	1,162,946

**Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Distribution**

Rates										
Commodity rate per kgal										
Residential Tier 1 - < 9,000 gals	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Residential Tier 2 - 9 to 15,000 gals	5.62	5.90	6.15	6.37	6.53	6.66	6.78	6.88	6.98	7.08
Residential Tier 3 - > 15,000 gals	6.71	7.05	7.35	7.61	7.80	7.96	8.10	8.22	8.34	8.47
Multi-Family Tier 1 - < 9,000 gals	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Multi-Family Tier 2 - 9 to 15,000 gals	5.55	5.83	6.08	6.29	6.45	6.58	6.70	6.80	6.90	7.00
Multi-Family Tier 3 - > 15,000 gals	5.68	5.96	6.21	6.43	6.59	6.72	6.84	6.94	7.04	7.15
Commercial All Tiers	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
County & Schools All Tiers	5.29	5.55	5.79	5.99	6.14	6.26	6.37	6.47	6.57	6.67
Customer Charge per Meter Size										
= Or < 1.25"	10.01	10.51	10.96	11.34	11.62	11.85	12.06	12.24	12.42	12.61
1.5"	31.71	33.30	34.72	35.94	36.84	37.58	38.24	38.81	39.39	39.98
2"	47.33	49.70	51.81	53.62	54.96	56.06	57.04	57.90	58.77	59.65
2.5" to 3"	93.41	98.08	102.25	105.83	108.48	110.65	112.59	114.28	115.99	117.73
4"	159.04	166.99	174.09	180.18	184.68	188.37	191.67	194.55	197.47	200.43
6"	335.76	352.55	367.53	380.39	389.90	397.70	404.66	410.73	416.89	423.14
8"	554.76	582.50	607.26	628.51	644.22	657.10	668.60	678.63	688.81	699.14

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Water Production

	BUDGET	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
Expenditure Forecast												
Supervision and Operations	676,041	676,063	686,203	696,497	706,944	717,548	728,311	739,236	750,325	761,579		
Pumping Power	810,500	821,157	833,474	845,976	858,666	871,546	884,619	897,889	911,357	925,027		
Wells	129,025	131,661	133,636	135,640	137,675	139,740	141,836	143,964	146,123	148,315		
Booster Pump Stations	128,025	130,261	132,215	134,198	136,211	138,254	140,328	142,433	144,570	146,738		
Treatment	152,354	155,151	157,478	159,840	162,238	164,671	167,142	169,649	172,193	174,776		
Storage Tanks	41,512	42,131	42,762	43,404	44,055	44,716	45,387	46,067	46,758	47,460		
Transmission Lines	208,432	212,480	215,667	218,902	222,185	225,518	228,901	232,335	235,820	239,357		
Capital Project Inspection & Support	13,671	14,010	14,220	14,434	14,650	14,870	15,093	15,319	15,549	15,782		
Non Potable System	290,169	270,899	274,963	279,087	283,273	287,523	291,835	296,213	300,656	305,166		
Ski Hill	67,253	68,558	69,586	70,630	71,689	72,765	73,856	74,964	76,088	77,230		
Interdepartmental Charges	319,997	319,997	324,797	329,669	334,614	339,633	344,728	349,899	355,147	360,474		
Administrative Division Allocation	684,044	671,804	681,882	692,110	702,491	713,029	723,724	734,580	745,599	756,783		
State Water Tax	45,000	45,000	45,675	46,360	47,056	47,761	48,478	49,205	49,943	50,692		
Debt Service	238,433	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686		
Capital	1,378,750	35,000	-	-	-	1,194,000	1,230,000	1,267,000	1,305,000	1,344,000		
Capital Paid with Debt/Grants/Reimb	1,426,250	780,000	750,000	-	825,000	1,300,000	922,000	633,000	1,207,000	336,000		
Capital Paid with Cash												
Total Operations Expenses	3,804,455	3,817,545	3,919,472	4,022,886	4,367,060	4,469,491	4,458,566	4,392,510	4,497,289	4,596,066		
Total Capital Expenditures	2,805,000	815,000	750,000	0	825,000	2,494,000	2,152,000	1,900,000	2,512,000	1,680,000		
Less Capital Paid by WTB/Other	(1,426,250)	(780,000)	(750,000)	-	(825,000)	(1,300,000)	(922,000)	(633,000)	(1,207,000)	(336,000)		
Total Cash Outflow	5,183,205	3,852,545	3,919,472	4,022,886	4,367,060	5,663,491	5,688,566	5,659,510	5,802,289	5,940,066		

Revenue Forecast												
Non-potable												
Non-potable production in kgal	90,400	90,400	94,500	94,500	108,600	136,500	136,500	136,500	136,500	136,500		
Revenue per kgal	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70	\$	\$
Non-potable rate per 1000 gallons	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$	\$
Rate Increase Percentage												
Non-potable sales revenue	\$ 153,680	\$ 153,680	\$ 160,650	\$ 160,650	\$ 184,620	\$ 232,050	\$ 232,050	\$ 232,050	\$ 232,050	\$ 232,050	\$	\$

Los Alamos County Utilities Department
 10-Year Financial Forecast - FY2019 through FY2028
 Water Fund Cash Reserve Analysis

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
WATER DIST & PROD CASH RESERVES										
Combined Cash Balance DW & WP	1,950,243	3,286,964	5,475,323	5,975,210	7,309,380	7,942,752	8,127,511	8,112,093	8,229,478	7,532,888
Recommended Cash Balance (DW)	1,204,364	2,260,352	1,917,846	1,959,563	2,001,517	1,918,710	2,286,145	2,169,827	1,945,760	1,162,946
Recommended Cash Balance (WP)	2,742,232	2,769,344	2,855,549	4,137,004	4,500,979	4,623,969	4,634,356	4,590,362	4,333,949	3,415,276
Recommended Cash Balance	3,946,596	5,029,695	4,773,394	6,096,567	6,502,496	6,542,678	6,920,501	6,760,190	6,279,709	4,578,222
TARGET RESERVE BALANCES										
Debt Service Reserve	238,433	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686
Operations Reserve	2,940,413	2,968,056	2,857,291	2,900,150	2,943,652	2,987,807	3,032,624	3,078,113	3,124,285	3,171,149
Capital Expenditures Reserve	35,000	50,000	1,075,000	870,000	2,090,000	2,152,000	2,090,000	2,479,000	2,385,000	1,800,000
Contingency Reserve	761,250	772,669	784,259	796,023	807,963	820,082	832,384	844,869	857,542	870,406
	3,975,095	4,049,098	5,023,463	4,922,312	6,486,927	6,651,806	6,579,335	6,902,741	6,913,989	6,428,241
RESERVE BALANCE FORECAST										
Debt Service Reserve	238,433	258,373	306,914	356,139	645,312	691,916	624,327	500,759	547,161	586,686
Operations Reserve	1,711,810	2,968,056	2,857,291	2,900,150	2,943,652	2,987,807	3,032,624	3,078,113	3,124,285	3,171,149
Capital Expenditures Reserve	-	50,000	1,075,000	870,000	2,090,000	2,152,000	2,090,000	2,479,000	2,385,000	1,800,000
Contingency Reserve	-	10,534	784,259	796,023	807,963	820,082	832,384	844,869	857,542	870,406
Total Cash Remaining	-	-	451,860	1,052,898	822,453	1,290,946	1,548,176	1,209,351	1,315,489	1,104,647

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2019-FY2028
Wastewater Division

1.50%

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
EXPENSE FORECAST										
WASTEWATER COLLECTION										
Supervision, Misc Direct Admin	282,862	286,534	290,832	295,194	299,622	304,116	308,678	313,308	318,008	322,778
Wastewater Collection Operations	341,104	346,674	351,874	357,152	362,509	367,947	373,466	379,068	384,754	390,525
Sewer Lift Stations	139,160	140,618	142,727	144,868	147,041	149,247	151,485	153,758	156,064	158,405
Capital Project Inspection & Support	4,074	4,137	4,199	4,262	4,326	4,391	4,457	4,524	4,592	4,661
Total WWC Operations Expenses	767,201	777,962	789,632	801,476	813,498	825,701	838,086	850,658	863,418	876,369
WASTEWATER TREATMENT										
LA WWTP Operations & Maintenance	-	-	-	-	-	-	-	-	-	-
WR WWTP Operations & Maintenance	1,866,805	1,712,881	1,738,574	1,764,653	1,791,123	1,817,990	1,845,259	1,872,938	1,901,032	1,929,548
Total WWT Operations Expenses	1,866,805	1,712,881	1,738,574	1,764,653	1,791,123	1,817,990	1,845,259	1,872,938	1,901,032	1,929,548
Interdepartmental Charges	593,177	593,177	602,075	611,106	620,272	629,576	639,020	648,605	658,334	668,209
Administrative Division Allocation	777,322	764,534	776,002	787,642	799,456	811,448	823,620	835,974	848,514	861,242
Operations encumbrances rolled forward										
Debt Service (WWWT)	966,892	966,893	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213
Capital	1,000,000	13,520,000	50,000	844,000	4,528,000	537,000	678,000	988,000	854,000	854,000
Total Operations Expenses	4,971,397	4,815,447	5,531,406	5,590,000	5,649,473	5,709,839	5,677,325	5,645,730	5,708,853	5,769,581
Total Capital Expenditures	1,000,000	13,520,000	50,000	844,000	4,528,000	537,000	678,000	988,000	854,000	854,000
Total Cash Outflow	5,971,397	18,335,447	5,581,406	6,434,000	10,177,473	6,246,839	6,355,325	6,633,730	6,562,853	6,623,581
REVENUE FORECAST										
Mgal Processed	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000
Res'l Single-Family Flat Rate Customers	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629
Res'l Single Family Flat Rate	40.15	42.66	44.79	46.69	48.32	49.53	50.52	51.40	52.17	52.95
Res'l Single-Family Service Charge	11.09	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62
Rate Increase Percentage	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%
Total Revenue from Res'ISF Flat Rate	4,035,279	4,287,287	4,501,494	4,692,863	4,856,668	4,977,947	5,077,175	5,165,378	5,242,555	5,321,308

Los Alamos County Utilities Department
 10-Year Financial Forecast - FY2019-FY2028
 Wastewater Division

1.50%

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
Res'l Multi-Family Flat Rate Customers	75	75	75	75	75	75	75	75	75	75
Res'l Multi-Family Service Charge	11.09	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62
No. of Res'l Multi-Family Dwelling Units	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Res'l Multi-Family Flat Rate	33.45	35.54	37.32	38.91	40.27	41.28	42.11	42.85	43.49	44.14
Rate Increase Percentage	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%
Total Revenue from Res'l MF Flat Rate	607,428	645,378	677,702	706,578	731,273	749,610	764,678	778,111	789,731	801,539
Non-Residential Customers	291	291	291	291	291	291	291	291	291	291
Non-Residential Service Charge	11.09	11.78	12.37	12.90	13.35	13.68	13.95	14.19	14.40	14.62
Non-Residential Sales in Kgal	45,572	45,572	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848
Adjustment Factor	8.00%	1.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Non-Residential Sales in Kgal	49,218	46,370	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848
Non-Res'l Commodity Charge per Kgal	18.90	20.08	21.08	21.98	22.75	23.32	23.79	24.21	24.57	24.94
Rate Increase Percentage	8.00%	6.25%	5.00%	4.25%	3.50%	2.50%	2.00%	1.75%	1.50%	1.50%
Total Revenue from Non-Residential	939,874	943,068	971,875	1,011,435	1,044,858	1,068,972	1,088,411	1,105,486	1,119,775	1,134,474
Total Sales Revenue	5,582,581	5,875,734	6,151,070	6,410,875	6,632,799	6,796,529	6,930,264	7,048,975	7,152,061	7,257,320
Interest on Utility Reserves	35,667	26,838	66,016	81,908	83,378	-	10,588	25,226	36,237	51,874
Bond Issue Proceeds	-	14,000,000	-	-	-	-	-	-	-	-
Revenue on Recoverable Work	-	-	-	-	-	-	-	-	-	-
Total Cash Inflow	5,618,248	19,902,572	6,217,087	6,492,784	6,716,177	6,796,529	6,940,851	7,074,201	7,188,299	7,309,194
Net Cash Flow	(353,149)	1,567,125	635,680	58,783	(3,461,296)	549,690	585,526	440,470	625,446	685,613
Cumulative Net Cash Flow	(353,149)	1,213,976	1,849,656	1,908,439	(1,552,857)	(1,003,167)	(417,641)	22,829	648,275	1,333,888
Cash Balance	1,073,521	2,640,646	3,276,326	3,335,109	(126,187)	423,503	1,009,029	1,449,499	2,074,945	2,760,558
Recommended Cash Balance	3,374,394	4,095,749	8,472,252	4,516,039	4,692,348	5,038,187	4,846,778	4,447,915	4,723,390	4,008,086

Los Alamos County Utilities Department
 10-Year Financial Forecast - FY2019 through FY2028
 Wastewater Fund Cash Reserve Analysis

	BUDGET 2019	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028
WASTEWATER UTILITY CASH RESERVES										
Cash Balance *	1,073,521	2,640,646	3,276,326	3,335,109	(126,187)	423,503	1,009,029	1,449,499	2,074,945	2,760,558
Recommended Cash Balance	3,374,394	4,095,749	8,472,252	4,516,039	4,692,348	5,038,187	4,846,778	4,447,915	4,723,390	4,008,086
TARGET RESERVE BALANCES										
Debt Service Reserve	966,892	966,893	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213
Operations Reserve	2,002,252	1,924,277	1,953,141	1,982,438	2,012,175	2,042,358	2,072,993	2,104,088	2,135,649	2,167,684
Capital Expenditures Reserve	13,520,000	50,000	844,000	4,528,000	537,000	678,000	988,000	854,000	512,000	750,000
Contingency Reserve	355,250	360,579	365,987	371,477	377,049	382,705	388,446	394,272	400,186	406,189
	16,844,394	3,301,749	4,788,252	8,507,039	4,551,348	4,728,187	4,980,778	4,789,915	4,485,390	4,758,086
RESERVE BALANCE FORECAST										
Debt Service Reserve	966,892	966,893	1,625,124	1,625,123	-	423,503	1,009,029	1,437,555	1,437,554	1,434,213
Operations Reserve	106,629	1,673,753	1,651,202	1,709,986	-	-	-	11,944	637,391	1,326,345
Capital Expenditures Reserve	-	-	-	-	-	-	-	-	-	-
Contingency Reserve	-	-	-	-	-	-	-	-	-	-
Total Cash Remaining	-	-	-	-	(126,187)	-	-	-	-	-

* Cash balance doesn't include bond funding or bond funded projects

Los Alamos County Department of Public Utilities
 10-Year Financial Forecast - FY2019 - FY1028
 Customer Impact

Projected Average Bill for Residential

	ELECTRIC 500 kwh	GAS 75 therms (assumes \$0.30 variable)	WATER 6,000 gal	SEWER	Total (excludes refuse)	Total % annual Increase	Total cumulative % Increase
FY2018	\$69.60	\$49.25	\$39.30	\$47.45	\$205.60		
FY2019	\$69.60	\$49.25	\$41.76	\$51.25	\$211.85	3.04%	3%
FY2020	\$69.60	\$49.25	\$43.84	\$54.45	\$217.14	2.50%	6%
FY2021	\$69.60	\$49.25	\$45.71	\$57.17	\$221.73	2.11%	8%
FY2022	\$69.60	\$49.25	\$47.31	\$59.60	\$225.76	1.82%	10%
FY2023	\$69.60	\$49.25	\$48.49	\$61.69	\$229.03	1.45%	11%
FY2024	\$69.60	\$49.25	\$49.46	\$63.23	\$231.54	1.10%	13%
FY2025	\$69.60	\$49.25	\$50.33	\$64.49	\$233.67	0.92%	14%
FY2026	\$69.60	\$49.25	\$51.08	\$65.62	\$235.55	0.81%	15%
FY2027	\$69.60	\$49.25	\$51.85	\$66.61	\$237.30	0.74%	15%
FY2028	\$69.60	\$49.25	\$52.62	\$67.61	\$239.08	0.75%	16%

Utility Expense as a Percentage of Income

	Total Bill for Average Household	Los Alamos Median Household Income	Assumed Annual Income Increase	Percentage Needed to Pay Utility Bill
FY2018	\$205.60	\$107,031	2.5%	2.31%
FY2019	\$211.85	\$109,707	2.5%	2.32%
FY2020	\$217.14	\$112,449	2.5%	2.32%
FY2021	\$221.73	\$115,261	2.5%	2.31%
FY2022	\$225.76	\$118,142	2.5%	2.29%
FY2023	\$229.03	\$121,096	2.5%	2.27%
FY2024	\$231.54	\$124,123	2.5%	2.24%
FY2025	\$233.67	\$127,226	2.5%	2.20%
FY2026	\$235.55	\$130,407	2.5%	2.17%
FY2027	\$237.30	\$133,667	2.5%	2.13%
FY2028	\$239.08	\$137,009	2.5%	2.09%