

Jul 1, 2023 - Jun 30, 2024

# ANNUAL REPORT FY24

 **LOS ALAMOS**   
Department of Public Utilities



WE ARE WHO

## DPU IN A NUTSHELL

The Department of Public Utilities is county-owned. It provides Los Alamos County with electric, natural gas, water and wastewater services. Established under Article 5 of the 1968 Charter for the Incorporated County of Los Alamos, the DPU falls under the jurisdiction of the Board of Public Utilities.

Serving a population of 19,444 citizens with an authorized budget of approximately \$162 million, DPU operates and maintains assets totaling \$296 million with about 100 employees.

Los Alamos is situated at the foot of the Jemez Mountains on the Pajarito Plateau with an elevation ranging from 6,200 to 9,200 feet. Because of this unique topography, DPU's assets are incredibly complex for the population served. For example, Santa Fe serves its 88,000 citizens with four lift stations. Here in Los Alamos, our population is a fifth of that size but 25 lift stations are required to properly serve our citizens with wastewater services.

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**PHILO SHELTON /  
UTILITIES MANAGER**

June 2019 through present

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

**#RETROSPECT**

On January 28, County Council accepted the Annual Comprehensive Financial Report (ACFR) for fiscal year 2024 ending on June 30, 2024. According to the County Charter, no later than forty-five (45) days after receipt of the ACFR, the Department of Public Utilities shall furnish the Board of Public Utilities and the County Council with its annual report which shall include balance sheets, prepared according to generally accepted accounting principles, showing the financial condition as of the end of the previous fiscal year, of each utility in the Department. I am pleased to present DPU's Annual Report FY24 on February 19 at BPU's regular meeting.

This annual report not only includes all the financial tables reflecting the financial condition of all four utilities, it reports on several accomplishments under the six major goals and objectives embodied within the Department's Strategic Plan (pp.15-16), lists safety employees of the quarter (p.18) , and key annual performance metrics (pp. 19-28) with a highlight narrative on how DPU compares with our peers or with national comparators.

As our nation experienced in FY24, DPU continues to experience higher costs due to inflation in all areas of its operations. These not only include commodity costs, but also rising wages, materials, equipment and construction bid cost increases. All these additional costs necessitate rate increases in all four utilities to keep up. Last fiscal year, FY23, pooled cash was impacted by additional operating expenses primarily related to gas commodity costs. As a result, DPU established a special sunset recovery rate in April 2023 of \$0.44/therm for up to two years until approximately \$3 million of this operational deficit was repaid. The good news was that by April 2024 the sunset recovery rate

accomplished repayment of this gas fund deficit. For FY24, while DPU received a \$58 million settlement for cancellation of the UNIPER agreement, the Electric Distribution fund lost \$1 million in pooled cash. Also, between calendar years 2023 and 2024 the average cost of power went from \$69/MWh to \$84/MWh respectively. These facts support the need to continue to recommend an electric rate increase for

fiscal year 2026.

Since the San Juan Generating Station retired in September 2023, DPU has been exploring several replacement resources and in March of 2024, BPU and Council approved 20-year, fixed-price, power purchase agreements with Foxtail Flats for 170 MW of solar and 320 MWh of battery energy storage system (BESS). Once the Foxtail Flats

Project comes online between FY26 and FY27, these fixed price contracts will help stabilize the cost of power.

For the water and

wastewater utilities, DPU continues the strategy of pursuing grants and favorable loan rates of 0.01% plus a 0.25% administrative fee for most of its major capital improvement projects. This helps to lessen the amount necessary for rate increases and fairly allocates costs to rate payers who will benefit from the capital improvement over the loan term for the next 20 to 25 years.

In conclusion, the primary purpose of this Annual Report is to report on the DPU's financial performance for fiscal year 2024 and understand the variances presented for each utility fund. DPU is using this information in preparing the budget for FY26, and this information will be the baseline in preparing the department's 10-year budget projections. Finally, as a community-owned utility, DPU looks forward to serving the community with its mission to "Provide safe and reliable utility services in an economically and environmentally sustainable fashion." Thank you.





SERVICE AREA	
Population	19,444
Footprint	109 sq mi

EMPLOYEES	
Full Time	98
Part Time	5.65

TOTAL REVISED BUDGET
\$162,009,754

AVG CUSTOMER COUNT	
Electric	8,667
Natural Gas	7,578
Water	7,080
Wastewater	7,292

TOTAL VALUE OF ASSETS	
Electric	124,147,040
Natural Gas	14,637,751
Water	88,588,855
Wastewater	69,120,116
Joint Utility Assets	\$296,493,762

STATS

OUR

## ELECTRIC

### PRODUCTION (renewable)

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

### PRODUCTION (non-renewable)

Laramie River Station entitlement (10 MW)  
Mercuria contract (40 MW)  
Market purchases (variable)

### DISTRIBUTION

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

## NATURAL GAS

3 entry border stations  
20 pressure regulating stations  
142 miles of distribution lines  
89 miles of delivery lines  
8,246 meters

## WATER

### PRODUCTION

12 production wells  
25 tanks  
17 booster stations  
37 MGal of storage  
4 disinfection facilities  
4 pressure regulating stations  
50 miles of transmission lines

### DISTRIBUTION

121 miles of distribution lines  
62 pressure regulating valves  
7,775 meters

### NON POTABLE

Los Alamos Canyon Dam  
Ski Hill Catchments  
6 tanks/reservoirs/ponds  
4 pressure regulating stations  
14 miles of transmission lines  
8 meters  
4 booster pumping stations

## WASTEWATER

### COLLECTION

120 miles of collection mains  
44 miles of delivery lines  
25 lift stations  
2,705 manholes

### TREATMENT

LA treatment facility  
WR treatment facility  
Biosolids composting facility

# DPU SENIOR MANAGEMENT TEAM



**PHILO SHELTON**  
**Utilities Manager**



**JAMES ALARID**  
**Deputy UM:  
Engineering**



**KAREN KENDALL**  
**Deputy UM:  
Finance/Administration**



**CATHY D'ANNA**  
**Public Relations Manager**

With their diverse depth of knowledge in multi-service utilities, power systems and public works organizations, DPU's management team brings a results-driven leadership style to our staff of 100 employees in power production, electric distribution, water production, gas and water distribution, wastewater collection and treatment services, engineering, administration, finance, public relations, conservation and customer service.





**STEPHEN MAREZ**

**Deputy UM:  
Electric Distribution**



**CLAY MOSELEY**

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



**BEN OLBRICH**

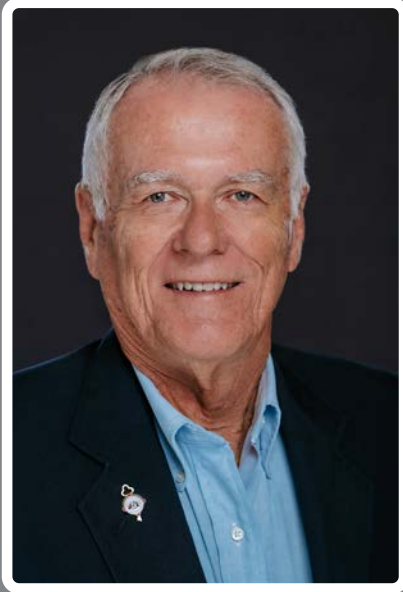
**Deputy UM:  
Electric Production**



**KATHY CASADOS**

**Executive Assistant**

# BOARD OF PUBLIC UTILITIES FY2024



**ROBERT GIBSON**  
**Chair**

Appointed: July 2023  
1st Term: July '23 - June '28  
Chair: 2024, 2025  
Council liaison to BPU: 2008  
Previous term: 2001-2006  
Chair: 2 years  
Vice Chair: 2 years



**ERIC STROMBERG**  
**Vice Chair**

Appointed: July 2020  
1st Term: July '20 - June '25  
Vice Chair: 2024, 2025



**STEVE TOBIN**  
**Member**

Appointed: July 2019  
1st Term: July '19 - June '24  
Chair: 2023  
Vice Chair: 2022



**CHARLES NAKHLEH**  
**Member**

Appointed: July 2022

1st Term: July '22 - June '27



**MATT HEAVNER**  
**Member**

Appointed: January 2024

1st Term: Feb '24 - June '26

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

OUR BOARD

## #MISSION

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



## #VISION

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



## #VALUES

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

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

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

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





## STRATEGIC FOCUS AREAS

### **O** OPERATIONS & PERFORMANCE

**GOAL:** Provide utility services safely, reliably and efficiently

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

### **F** FINANCIAL PERFORMANCE

**GOAL:** Achieve and maintain excellence in financial performance

- Utilize revenues to provide a high level of service while keeping rates competitive with similar utilities
- Take advantage of favorable loan/grant opportunities
- Meet financial reserve targets within our 10-year financial policy, with a debt coverage ratio of 1.3 or greater every fiscal year
- Conduct cost of service studies for each utility at least every 5 years

### **C** CUSTOMERS & COMMUNITY

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

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

# #GOALS

## W WORKFORCE

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

- Sustain an environment where employees are empowered, engaged, satisfied and fairly compensated
- Promote a culture of safe, ethical and customer-focused behavior
- Invest in employee training and professional development

## E ENVIRONMENTAL SUSTAINABILITY

**GOAL:** Continuously, conscientiously, work toward environmental sustainability

- Promote utility efficiency through targeted conservation programs
- Be a net carbon neutral electric provider by 2040
- Support phase-out of natural gas service by 2070 with at least a 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016-2020 average
- Reduce potable water use by 12% from 143 gallons per capita per day (GPCPD, 2020 calendar baseline) to 126 GPCPD by 2030
- Expand use of Class 1A effluent water
- Support customer electrification and other sustainability efforts with education and technical support

## P PARTNERSHIPS

**GOAL:** Develop and strengthen partnerships

- Strengthen existing partnerships (e.g. community members, LANL, DOE, pueblos, NM and federal government, neighboring municipalities, LAC schools, County Council) and identify new potential partnering opportunities
- Collaborate with other Los Alamos County departments on implementation County sustainability goals
- Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso Pueblo, DPU and Public Works, especially for communications infrastructure

# ACCOMPLISHMENTS 2024

by Strategic Focus Area

## OPERATIONS & PERFORMANCE

- The White Rock Water Resource Reclamation Facility (WRRF) was commissioned, replacing the original White Rock wastewater plant that was built in 1966.
- The System Average Interruption Duration Index (SAIDI) dropped from 64 minutes down to 15 minutes over the fiscal year, staying below the 60-minute-maximum goal for nine of those months.
- Built in 1962, the Barranca Tank #2 got a new coat of paint! The epoxy coated paint will extend the tank's life by another 50+ years. The finished tank was featured in the 2025 Tnemec Tank of the Year calendar!
- The TA-55 waterline on Los Alamos National Laboratory property was relocated into Pajarito Road.
- Phase II of the Bayo Booster Tank Project was completed, giving the County storage space for an additional 810,000 gallons of non-potable water.



## FINANCIAL PERFORMANCE

- When community need began outweighing supporting donations for the Utilities Assistance Program (UAP), DPU revitalized the program, increased the number of sustaining donors, and supported 62 households during the fiscal year.
- Caused by a spike in natural gas commodity prices in the middle of FY2023, the sunset recovery rate for gas was retired by March 2024, more than a year ahead of its anticipated end date.
- All reserves required for the electric fund were funded through the \$58 million UNIPER settlement.
- A revenue transfer of \$1.3 million from County Council allowed DPU to complete capital utility improvements, in coordination with road improvements by Public Works, in the Rose Street neighborhood.



## CUSTOMERS & COMMUNITY

- DPU established an online shop at [ladpu.com/shop](https://ladpu.com/shop) featuring products with DPU's emoji mascots. All profits benefit the Utilities Assistance Program (UAP).
- During FY2024, DPU sent 21,989 emails to bulk groups of customers, and 66% of emails were opened. Messages included bill insert information for ebilling customers, notifications for planned utility work, solar rate information, and a survey sent in collaboration with the University of New Mexico. The open rate was 25% higher than in the previous fiscal year.
- DPU adopted the Communitree and used it as a fund raising drive for the UAP. This brought an additional \$4,000 in one-time donations and six additional sustaining donors giving a collective \$2,820/year.





## WORKFORCE

- A jobs website for DPU openings was created at [ladpu.com/jobs](https://ladpu.com/jobs) to attract and inform potential applicants before routing them to the County job application.
- DPU staff adopted a family for the holidays in December 2023, providing gifts and grocery funds that the family otherwise wouldn't have had.
- The department's standby quarters were completely renovated for our crews. They were finished up with new furniture and energy efficient appliances.
- The department utilized budgeted double-fill positions to hire staff in advance of planned retirements, allowing time to transfer institutional knowledge from long-term employees to new staff.
- DPU staff took the initiative to start transitioning to heat pumps for heating/cooling in the Water Production facilities, moving away from propane and high-draw resistive heaters.



## ENVIRONMENTAL SUSTAINABILITY

- The County entered a contract with Foxtail Flats to purchase 170 MW of solar and 80 MW of 4-hour battery storage to go online in 2026.
- The County's first two DC fast chargers for electric vehicles were installed under the direction of Electric Production and in cooperation with Electric Distribution.
- DPU partnered with Keystone Restorative Ecology and Natural Channel Designs to repair and restore stream channel and floodplain characteristics above and below the Los Alamos Canyon Reservoir. This reduces sediment flow, retains groundwater, and reduces risks of catastrophic flooding in the canyon. The project was funded jointly by a River Stewardship Grant from the NMED, and by DPU.
- Demolition of the San Juan Generating Station and mine reclamation activities began in earnest.
- A 7-week Sustainable Landscape Design program was spearheaded by DPU with expert guidance from the Los Alamos Master Gardeners.



## PARTNERSHIPS

- A collaboration among DPU, Los Alamos Public Libraries and the Los Alamos Little Theatre established a public ghost hunt event prior to Halloween where attendees were introduced to thermal cameras—a key tool in DIY energy audits—in a fun environment. DPU provided the cameras for the Library of Things.
- DPU partnered with the San Ildefonso Pueblo to design a conduit system to coincide with the State Road 4 Waterline Replacement Project, a step toward meeting the County's need for middle mile fiber.
- More than 700 people attended the Electric Vehicle Show, hosted by PEEC under contract with DPU, which featured a Ford Lightning from the National Park Service.
- DPU spearheaded an initiative to provide community "Cooling Stations" in the summer. Participating locations include the public libraries and other Los Alamos County buildings, Los Alamos Cooperative Market, Bathtub Row Brewing, and the local post of the American Legion.



# SAFETY



## Safety Culture Vision

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

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

## Safety Committee

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

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

## Safety Employee

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

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

# FY2024 SAFETY EMPLOYEES OF THE QUARTER

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

**Ricardo Lambert** has a reputation as one of the safest employees in the GWS shop. He continually models DPU's safety culture vision by always wearing proper PPE and keeping spare hardhats, vests, safety glasses and ear plugs in his truck.

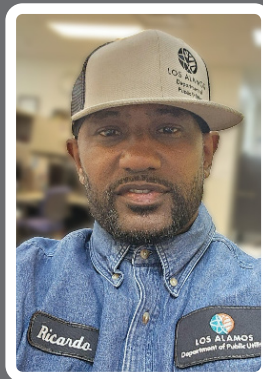
**Isaiah Martinez** was nominated for Safety Employee of the Quarter not only because of his leadership and consistent safety mindset, but also because of his demonstrated dedication to following construction standards.

**Mark Martinez** is a natural leader among his co-workers. He was nominated after taking the lead on the chop saw—a piece of equipment that many are unwilling to use or be trained on due to its potential risk. Mark has the skills, knowledge and training to safely use the saw and his willingness to do so has saved the GWS crew many hours on repairs.

**Michelle Martinez** began enforcing DPU's safety standards from day one and was named Safety Employee of the Quarter while still a relatively new employee. She not only models DPU's safety culture consistently, but she also holds DPU's contractors to the same standards!

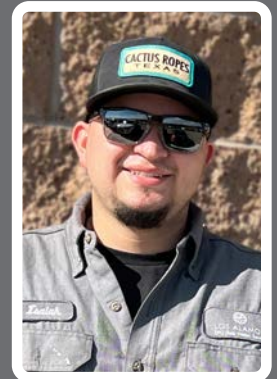
Q4 / FY24

**RICARDO LAMBERT**  
Pipefitter  
Gas, Water, & Sewer



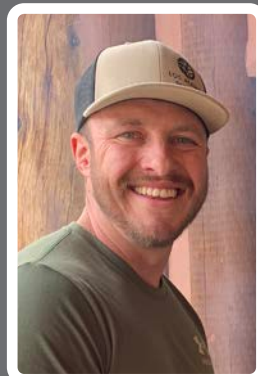
Q3 / FY24

**ISAIAH MARTINEZ**  
GWS Apprentice 2  
Gas, Water, & Sewer



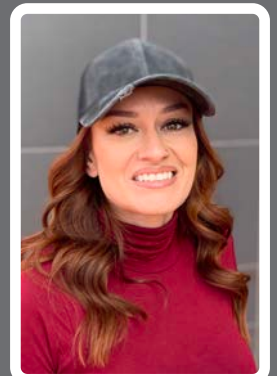
Q2 / FY24

**MARK MARTINEZ**  
GWS Sr. Pipefitter  
Gas, Water, & Sewer



Q1 / FY24

**MICHELLE MARTINEZ**  
Engineering Associate  
Engineering Division





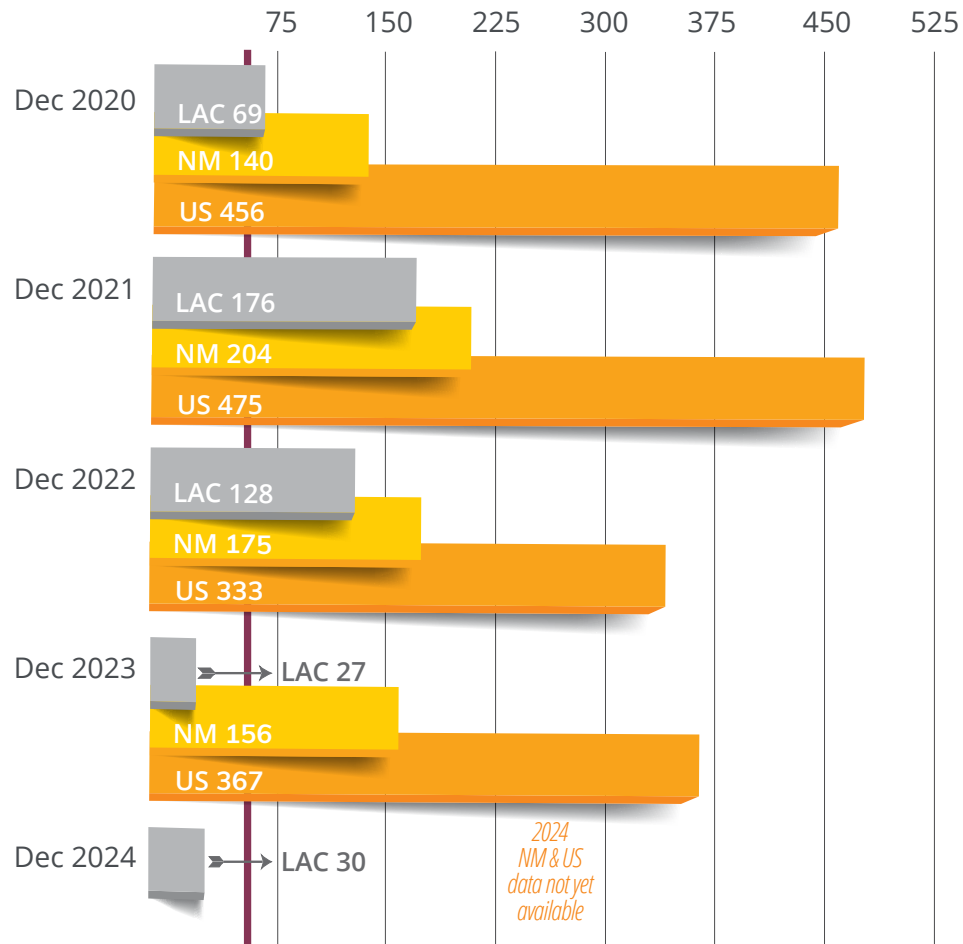
# DATA ANALYSIS



# #ELECTRIC

## System Average Interruption Duration Index

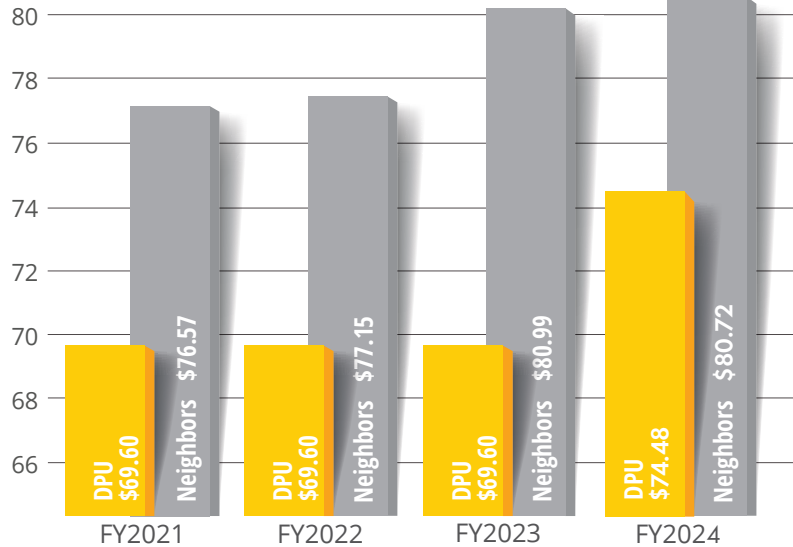
Red line indicates DPU's SAIDI goal of 60 minutes



Overall reliability performance is measured using the System Average Interruption Duration Index (SAIDI). This measure represents the average outage duration for each customer served in a year with fewer minutes being more desirable. DPU's goal for the measure is to be under 60 minutes. Just one outage can cause the SAIDI to rise quickly if it affects a large number of customers and isn't resolved quickly. As a rolling average, any outage impacts the SAIDI for an entire year before it can roll away. After a series of large outages in FY2022, DPU's SAIDI began trending downward, dropping below 60 in the fall of 2023. It has stayed at or below 30 minutes for more than a year. This success can be attributed to aggressive tree trimming and system maintenance efforts. DPU's SAIDI is also well below the average for New Mexico utilities and utilities across the U.S. These comparables include not only municipally-owned utilities, but also cooperatives and investor-owned operations.

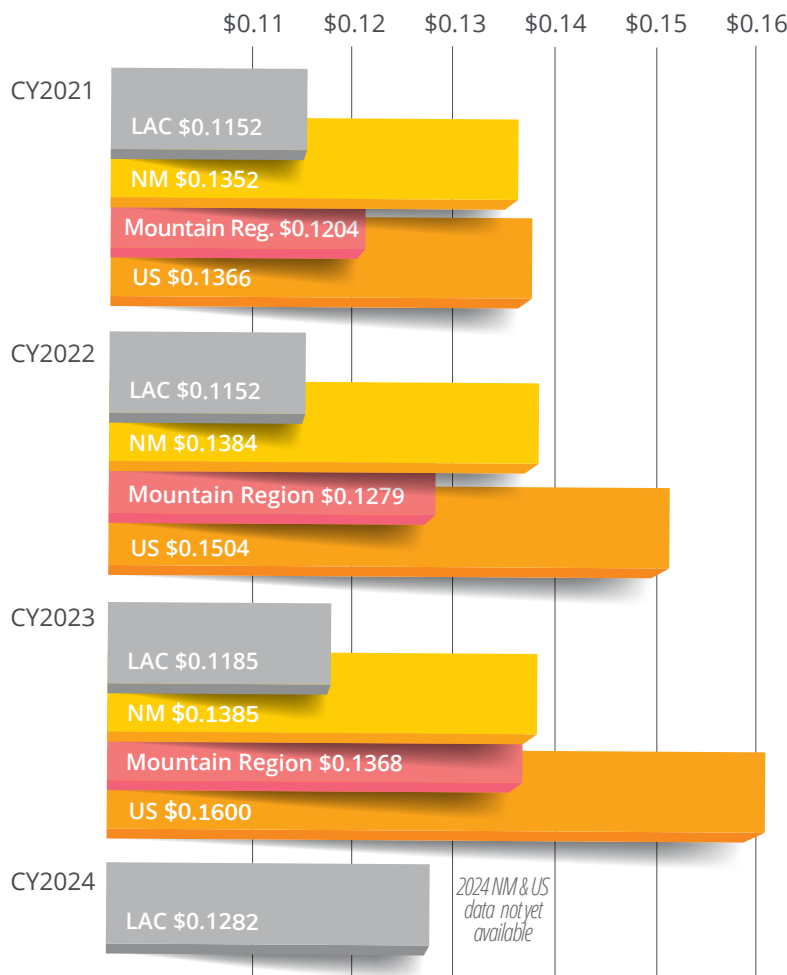
*Note that SAIDI information from New Mexico and U.S. utilities comes from the U.S. Energy Information Administration website: <https://www.eia.gov/electricity>. Calendar year 2024 data for NM and US will be updated in fall 2025.*

### Typical Residential Bill for 500 kWh Electricity



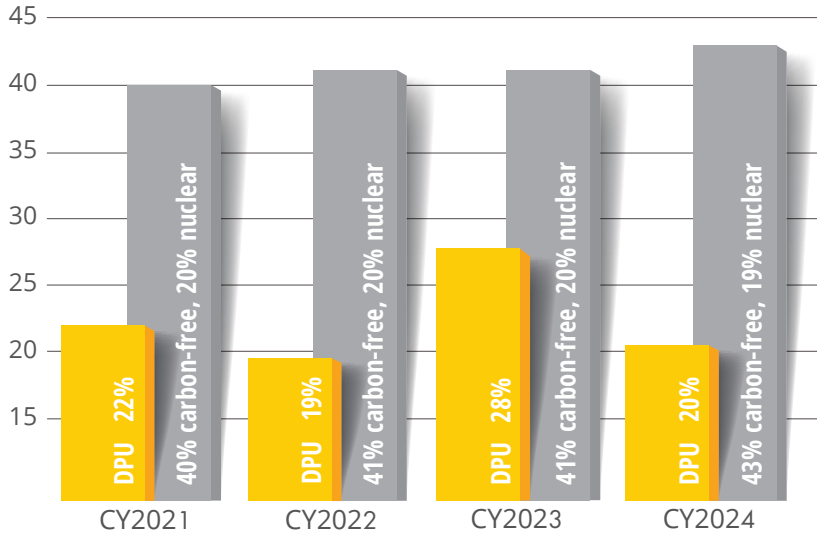
DPU measures its marketplace performance by assessing the typical monthly residential bill for 500 kWh with its neighbors: PNM, Kit Carson Electric and Jemez Mountain Electric Cooperatives. The graph to the left demonstrates DPU's commitment to providing a high-level of customer service while keeping rates competitive with similar comparable utilities. At the end of FY24, DPU's typical monthly electric bill for 500 kWh was \$74.48, about \$6 less than the average of our neighbors.

### Average Price of Residential Electricity per KWH



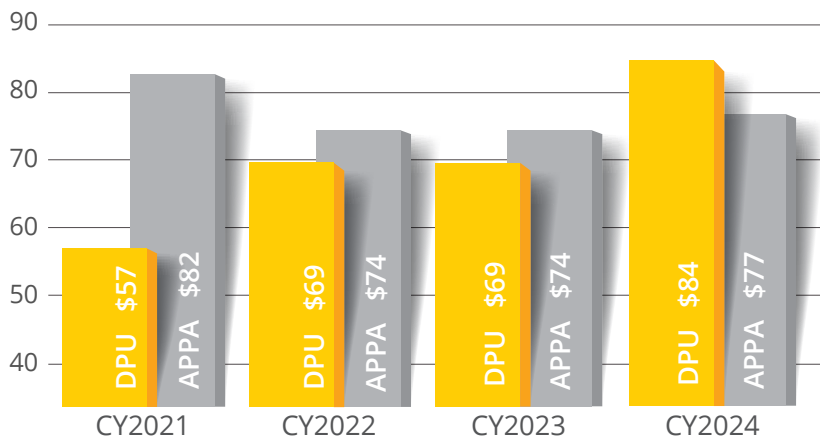
Another way that DPU assesses the fairness of its electric rates is by comparing against other utilities as listed by the U.S. Energy Information Administration (EIA). After rate increases in October 2023 and July 2024, DPU's average price per kWh moved closer to the averages for the state of New Mexico, the Mountain Region, and the whole country. The 2024 data from EIA will be updated in fall 2025.

### Percent of Energy Generated by Renewable Energy Resources



The national average for carbon-free electrical energy is about 43%, with just under half coming from nuclear power facilities. In CY2024, 20% of DPU's energy was generated from renewable energy. DPU's renewable energy generation came from two county-owned hydroelectric plants, federal hydroelectric entitlement, and a solar array on the capped landfill. An additional resource, a power purchase agreement with Uniper Global for 15 MW of New Mexico wind and solar, was terminated in March 2024. DPU's goal is to have 100% carbon-free power by 2040.

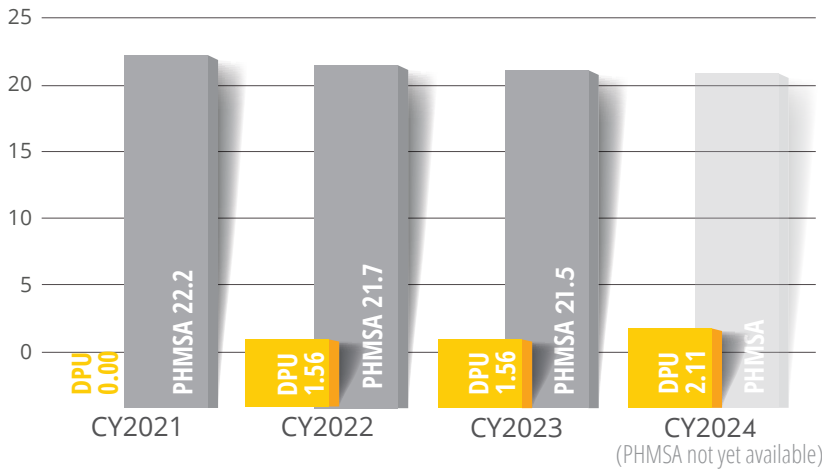
### Total Energy Supply Expense per MWh Sold



DPU strives to efficiently supply energy to customers to meet energy demands. We compare our total energy supply expense per MWh sold (which includes generation and purchased energy associated with the sale of each megawatt hour) to the APPA as an industry standard. In 2024, DPU exceeded the APPA's third quartile value for total energy supply costs. Our CY2023 total energy supply expense per MWh sold was \$83.87. DPU's increase in cost is a consequence of the termination of the Uniper contract.

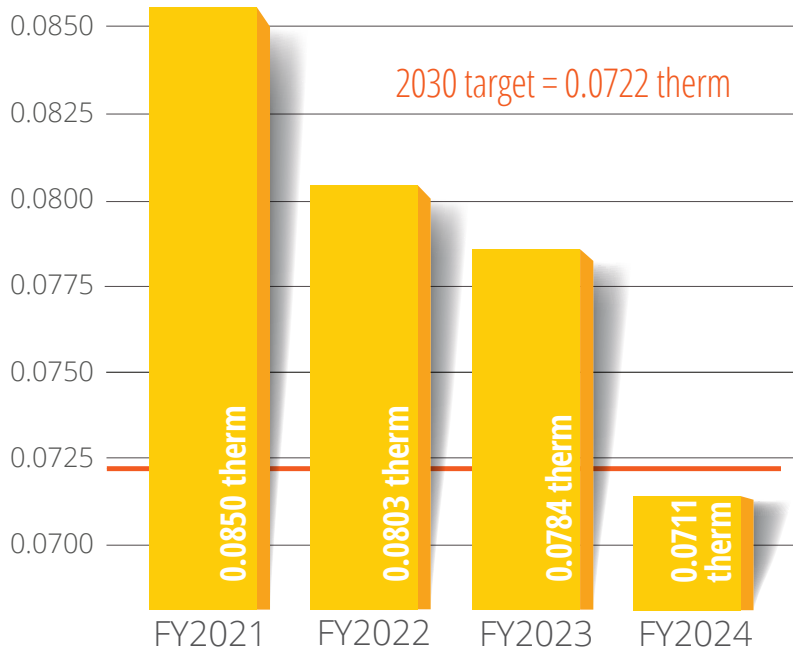
# #NATURALGAS

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



Pipeline and Hazardous Materials Safety Administration (PHMSA) is a U.S. Department of Transportation agency, responsible for developing and enforcing regulations for the safe, reliable, and environmentally sound operation of natural gas. Comparing the leak total to the average number of PHMSA reportable gas leaks is a useful measure of DPU's overall quality and reliability of the gas distribution system. PHMSA factors in reported data for all natural gas pipeline operators. Fewer gas leaks are desirable and speak to the overall operation and maintenance of the distribution system. DPU aims to stay below the PHMSA measure reported for the previous calendar year.

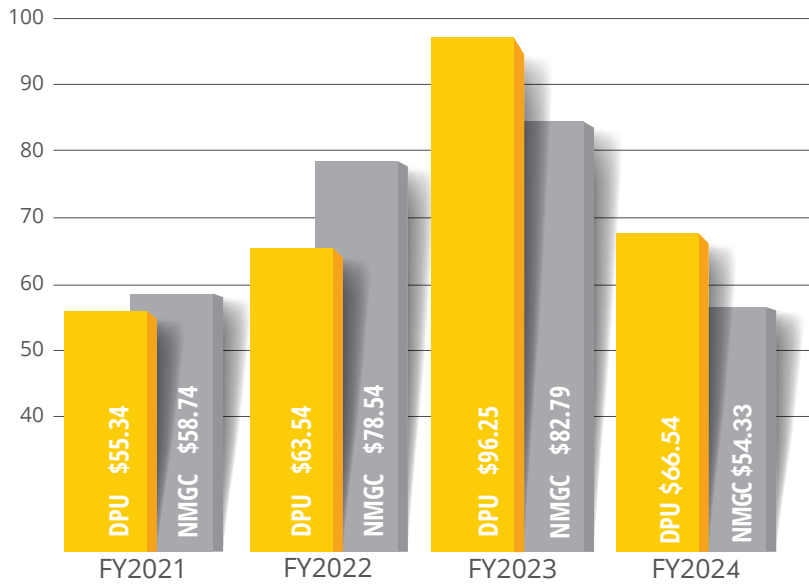
**Therms per Capita**  
per Heating Degree Day



DPU has a goal to phase out natural gas service by 2070 with a reduction in usage of at least 10% by 2030. This reduction is measured by annual therms per heating degree day compared to a 2016-2020 baseline per capita average of 0.0802 therm, which gives us a per capita goal of 0.0722 therm. In FY2024, DPU fell below that target for the first time.



### Average Monthly Residential Gas Bill

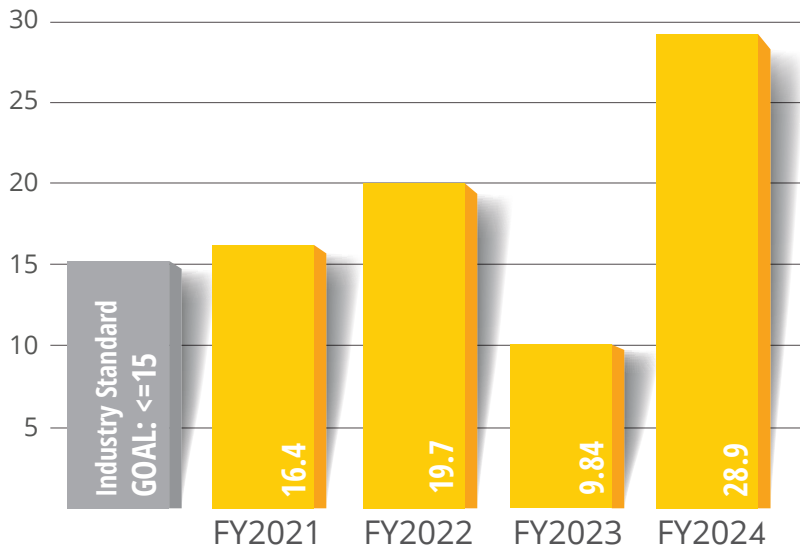


DPU measures its marketplace performance by assessing the Average Monthly Residential Gas Bill with its neighbor: New Mexico Gas Company (NMGC). The graph to the left demonstrates DPU's commitment to providing a high-level of customer service while keeping rates competitive with comparable utilities. When unprecedented cost-of-gas increases occurred in FY2023, a temporary recovery charge of \$0.44 per therm was added to the rate. This charge enabled DPU to recover costs that weren't previously captured under the pass-through rate, and was discontinued by April 2024.



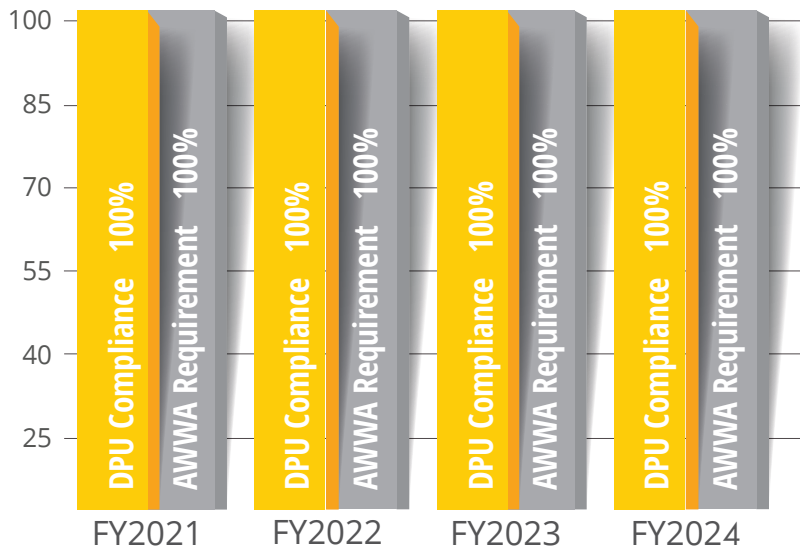
# #WATER

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



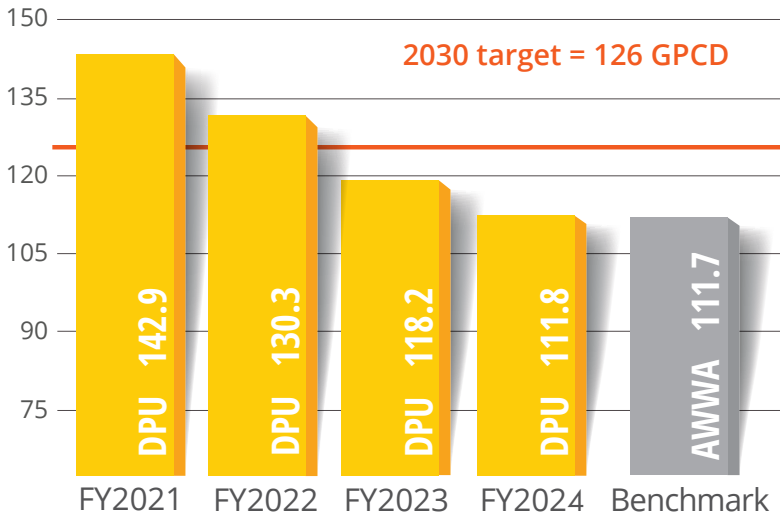
DPU evaluates annual trends when it comes to water main leaks and breaks. Additionally, a goal of no more than 15 leaks/breaks per 100 miles of main pipeline has been established by the AWWA Partnership for Safe Water Distribution System Optimization Program. This industry standard is a useful way to assess the overall quality and reliability of the water distribution system. In FY2024, DPU learned that a specific type and brand of water valves were prone to failure when they caused cascading breaks. An immediate plan to replace these valves was put in place to prevent the same type of situation in future years.

**Drinking Water Compliance**  
(Water Production Division)



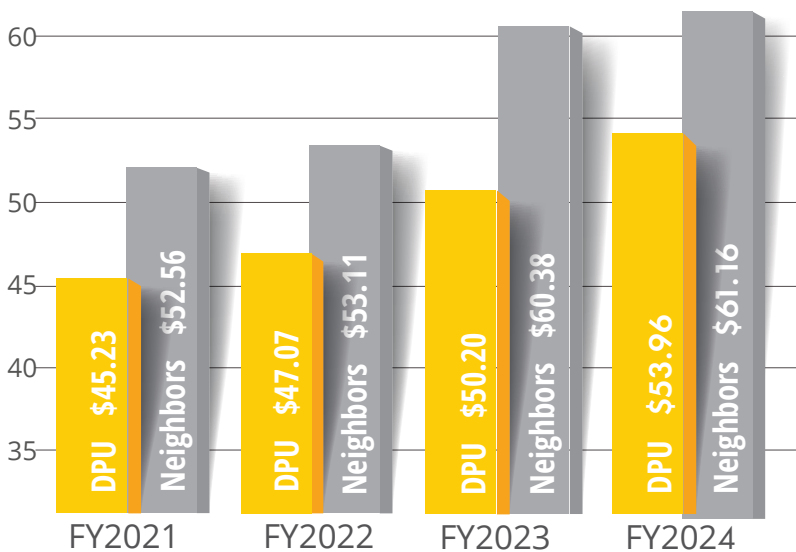
Results for meeting our legal and regulatory requirements in water treatment are included in the graph to the left. Drinking Water Compliance is measured by the number of days in full regulatory compliance as a percent of all days for the potable water system. DPU has historically performed very well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

### Gallons per Capita Daily (Water Consumption)



The Board of Public Utilities previously adopted an environmental goal to reduce the gallons per capita per day by 12 percent using 2006 fiscal year data as the baseline. After considerable progress toward the goal, the original target of 143 GPCD annually was updated to include an additional 12% reduction in consumption by 2030 using 2020 calendar year data as a baseline. The updated goal is equivalent to consumption of no more 126 GPCD annually. In FY2024, DPU exceeded the goal and matched the AWWA median daily per capita consumption as reported in its 2023 benchmarking performance report.

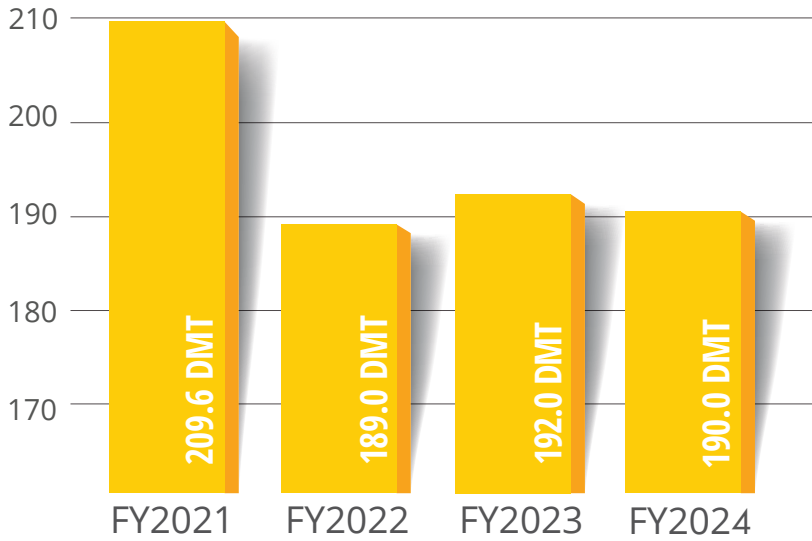
### Average Residential Water Bill Based on 6,000 Gallons Per Month



DPU measures its marketplace performance by assessing the typical residential bill for 6,000 gallons per month with its neighbors: Española and Santa Fe. The graph to the left demonstrates DPU's commitment to providing a high-level of customer service while keeping rates competitive with similar comparable utilities. In FY24, the average monthly DPU residential water bill based on 6,000 gallons of consumption was \$53.96. While DPU has raised water rates annually for several years, the cost to customers still remains below neighboring rates.

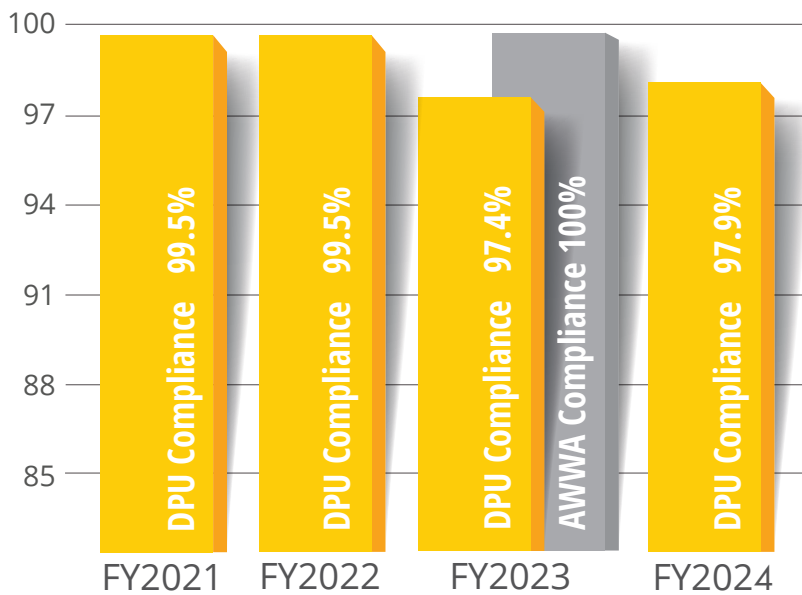
# #WASTEWATER

**Sludge to Compost:**  
Dry Metric Tons Treated



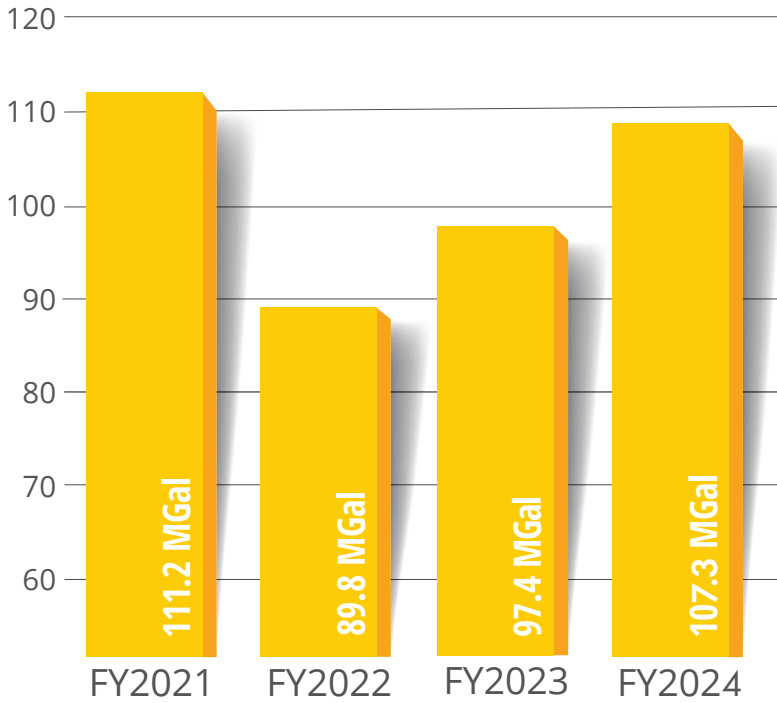
At the Los Alamos Wastewater Treatment Plant, sludge is dewatered and treated so that the resulting biosolids may be used as a component in the composting operation. The treatment stabilizes these biosolids so that they are safe to use as soil amendments or mulch in landscaping, horticulture, and agriculture.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

**Wastewater Treatment Compliance**



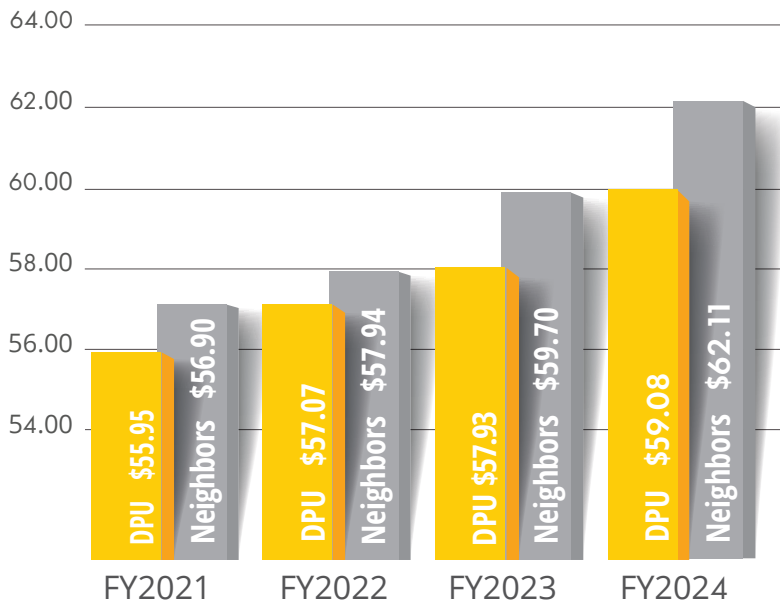
Tracking wastewater treatment compliance results ensures that DPU protects our surrounding environs and natural resources. The measure is defined as the number of permit parameter test results found in compliance as a percentage of all permit parameter tests required. Because DPU aims to stay at or above the AWWA median compliance rate, we set our target at the previous year's AWWA result. In Los Alamos, there are 50 to 55 permit parameter tests required each month at both plants. An example of a permit parameter test is the requirement that the daily pH is between 6.6 and 9.0. In FY24, DPU's wastewater treatment compliance was 97.9%. This number dropped in recent years as the White Rock plant aged. The new WRRF started up at the end of FY24 and we expect to see improvement in compliance going forward.

## Reclaimed Wastewater in Millions of Gallons



The department tracks the use of reclaimed wastewater, which is treated wastewater used to irrigate public green spaces, such as the golf course, ball fields and Overlook Park. Using reclaimed wastewater for irrigation helps conserve the county's drinking water and save money for the County Parks Division as this non-potable water is offered at a reduced rate. In FY24, DPU provided 107 million gallons of reclaimed wastewater for irrigation.

## Typical Residential Bill for Wastewater Based on 4,000 Gallons of Water/Month



DPU measures its marketplace performance by assessing the average residential bill to collect and treat wastewater (based on 4 kgal of water per month) with its neighbors and similar communities: Santa Fe, Angel Fire, Silver City, Ruidoso and Aztec. DPU charges customers a flat rate while neighboring communities each charge their customers a variable rate per kgal based on drinking water consumed during the winter. Customers of our neighboring utility providers whose winter water use averages exceeded 4 kgal saw a higher monthly sewer bill in FY24 than represented in the chart to the left, while water users in Los Alamos all paid a flat \$57.93 for sewer.

# #RATES

## ELECTRIC

	FY2024	FY2023	% CHANGE
<b>SALES IN KILOWATT HOURS</b>	<b>500,801,496</b>	<b>488,607,791</b>	<b>2.5%</b>
<b># OF CUSTOMERS</b>			
Residential	7,829	7,841	
Commercial	623	616	
Municipal	160	155	
Educational	55	55	
<b>TOTAL</b>	<b>8,667</b>	<b>8,667</b>	<b>0.0%</b>

RATE STRUCTURE			
Residential rate per kilowatt hour	\$0.1282	\$0.1152	
Residential monthly flat service fee	\$12.00	\$12.00	
Commercial rate per kilowatt hour	\$0.0899-0.1229	\$0.0821-\$0.1111	
Commercial monthly flat service fee	\$22.00 - 65.00	\$22.00 - \$65.00	
Commercial demand rate	\$11.50 - 12.05	\$10.50 - \$11.00	

## NATURAL GAS

	FY2024	FY2023	% CHANGE
SALES IN THERMS	7,533,515	9,431,652	-20.1%
# OF CUSTOMERS			
Residential	7,148	7,157	
Commercial	366	360	
Municipal	42	42	
Educational	21	22	
<b>TOTAL</b>	<b>7,578</b>	<b>7,581</b>	<b>-0.1%</b>
RATE STRUCTURE			
Residential rate per therm	\$0.27- \$4.00	\$0.62 - \$1.24	
Residential monthly flat service fee	\$11.08	\$10.26	
Commercial rate per therm	\$0.27- \$4.00	\$0.25- \$4.00	
Commercial monthly flat service fee	\$11.08-\$33.24	\$10.26-\$30.78	

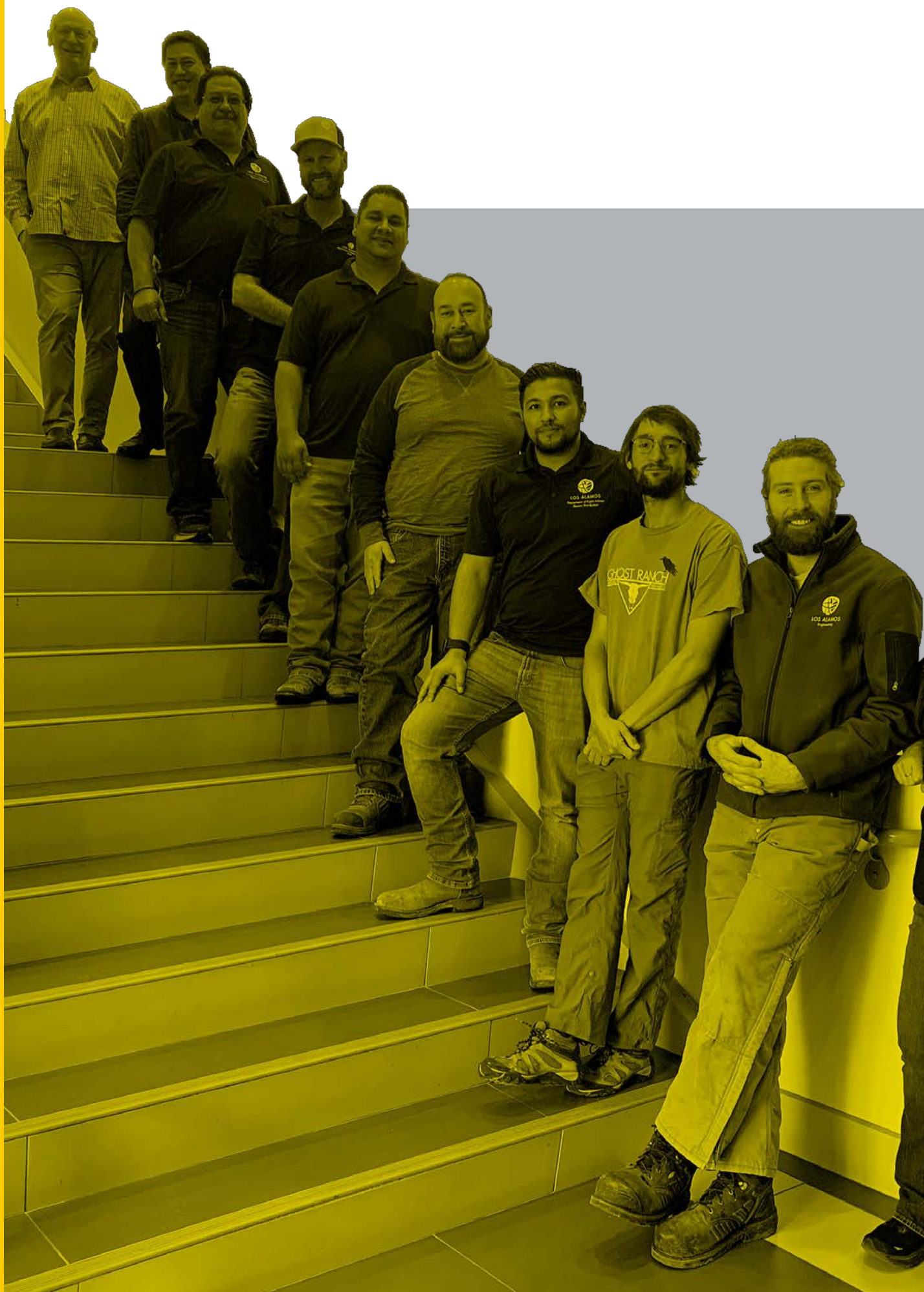
# WATER

	FY2024	FY2023	% CHANGE
SALES IN KGALLONS	1,092,326	1,015,895	7.52%
# OF CUSTOMERS			
Residential	6,670	6,677	
Commercial	300	290	
Municipal	87	86	
Educational	23	23	
TOTAL	7,080	7,076	0.1%
RATE STRUCTURE			
Residential rate per kgallon	\$6.83-\$8.26	\$6.50 - \$7.87	
Residential monthly flat service fee	\$13.79	\$12.54	
Commercial rate per kgallon	\$6.83	\$6.50	
Commercial monthly flat service fee	\$13.79-\$764.16	\$12.54 - \$694.69	



## WASTEWATER

	FY2024	FY2023	% CHANGE
<b># OF CUSTOMERS</b>			
Residential	7,004	6,930	
Commercial	233	227	
Municipal	35	33	
Educational	21	20	
<b>TOTAL</b>	<b>7,292</b>	<b>7,210</b>	<b>1.2%</b>
<b>RATE STRUCTURE</b>			
Residential rate per kgallon	\$0	\$0	
Residential monthly flat service fee	\$51.61-\$59.37	\$50.60-\$58.21	
Commercial rate per kgallon	\$21.89	\$21.46	
Commercial monthly flat service fee	\$12.85	\$12.60	



# #FINANCIALS

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



The following financial statements are taken from the Incorporated County of Los Alamos, New Mexico Annual Comprehensive Financial Report (ACFR) "Enterprise Funds" section. Please refer to the complete reports, including the notes to the financial statements for the complete financial picture. Copies of the ACFRs are available at [ladpu.com/LAC-ACFRs](http://ladpu.com/LAC-ACFRs).



**KAREN KENDALL /  
DEPUTY UTILITY MANAGER**

Bachelor of Business Administration -  
Accountancy

**Memberships:**

Government Finance Officers Assn.

**Awards:**

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

## #HIGHLIGHTS

### OVERVIEW OF FINANCIAL STATEMENTS

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

Financial reports included are for the fiscal year periods of July 1, 2022, through June 30, 2023 (FY2023) and July 1, 2023, through June 30, 2024 (FY2024).

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

in time.

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

The *Credit Analysis of Net System Revenues of the Joint Utility* reports on the Debt Coverage Ratio of the joint utility system. The debt coverage ratio is a measure of the cash available to pay current debt obligations. This is calculated by taking the net operating income divided by the current year debt service amount. A ratio of 1 or above indicates that the utility is generating enough income to sufficiently cover annual debt and interest payments. In the FY2024 DPU strategic planning session, the Board of Public Utilities set a goal of a 1.3 or better debt coverage ratio. As of June 30, 2024, the debt coverage ratio for the Joint Utilities Fund is 28.31.

### FINANCIAL HIGHLIGHTS

Management of Los Alamos County and the DPU are pleased that the FY 2024 Los Alamos County ACFR once again received an unmodified or "clean" audit opinion. The

audit this year was conducted by the auditors of Hinkle + Landers, P.C. The following is a brief discussion of some of the DPU's fiscal year 2024 financial results.

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

In FY2024, DPU received a \$58 million settlement from Uniper for the cancelled power purchase agreement. The \$58 million settlement funds and associated interest income:

1) bring Electric Distribution and Electric Production reserves up to their required

balances per DPU Financial Policies and the County Charter Section 509 and Section 40-63;

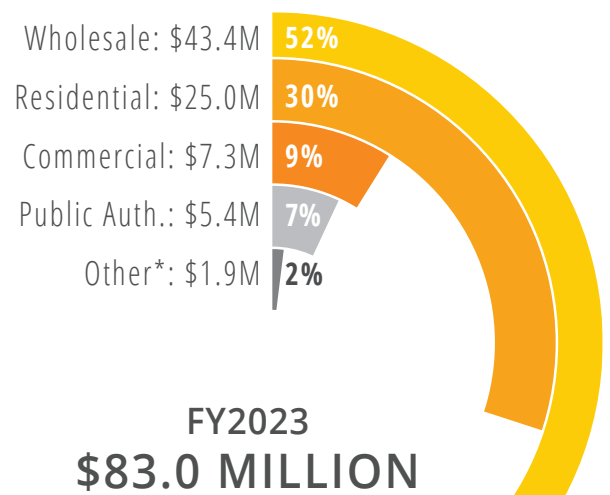
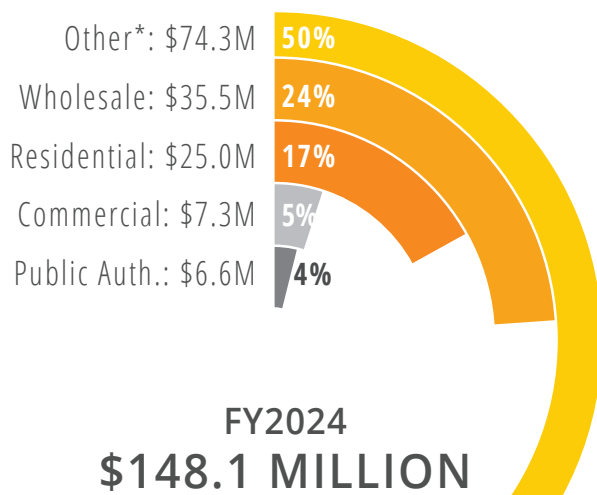
2) cover increased cost of power to minimize rate increases beyond those already anticipated in long term plans; and

3) upgrade electric production and distribution systems to meet expected increased electrification demands over the next 3-to-10 years.

The Joint Utilities Fund in FY2024 generated net revenue of \$73.2 million on operating revenues of approximately \$148.1 million, compared to

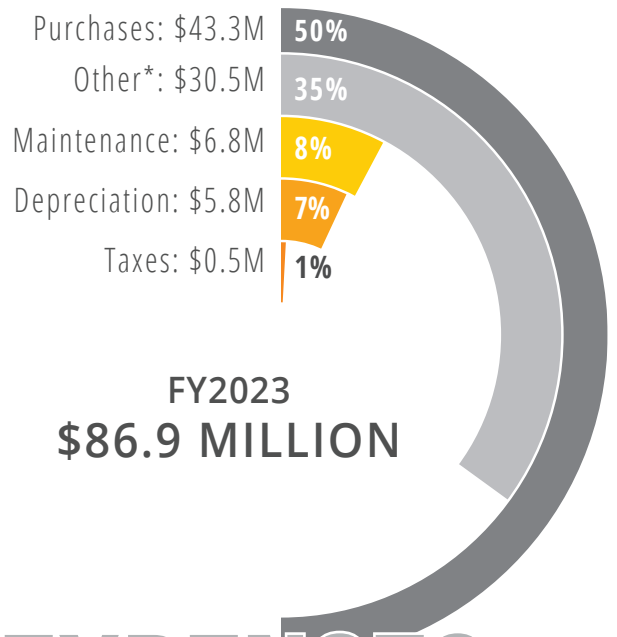
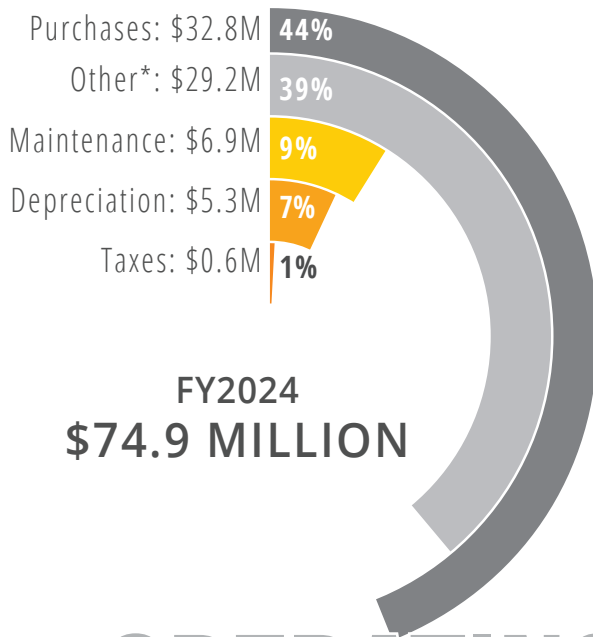
a net loss of approximately \$3.9 million on revenues of approximately \$82.9 million in the previous year. Revenues (excluding the \$58 million settlement) were \$65.2 million and operating expenses were \$22.4 million, due primarily to a \$10.5 million decrease in electric and gas purchased commodities.

The Joint Utilities Fund equity in pooled cash & investment as of June 30, 2024, decreased by \$1 million over the prior year due primarily to losses in Electric Distribution. Investments in the Joint Utilities Fund increased by \$57.4 million.



# OPERATING REVENUES

\*Other typically includes revenues from street lighting, miscellaneous charges, pole rentals and federal subsidies. In FY2024, it also included grant/loan proceeds of \$13.1 million and other judgments/settlements of \$58 million.



# OPERATING EXPENSES

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

## Electric Operations

Electric revenues were \$35.5 million for wholesale, \$14.7 million for retail and \$58.9 million for the Uniper Settlement for a total of \$109.1 million for the fiscal year 2024. Operating expenditures were \$23.1 million and the cost of purchased power was \$30.3 million. Excluding the settlement, net operating loss was \$3.2 million compared to the prior year loss of \$3.4 million. Wholesale sales revenue was lower, but retail sales revenue was higher in FY2024 compared to FY2023. This, combined with a reduction in purchased power costs, contributed to the net operating loss.

## Gas Operations

Gas revenues were \$7.9 million for FY2024. Operating expenditures were \$3.8 million

and the cost of gas was \$2.5 million. The net operating gain was \$1.5 million. Sales in therms were 20% below the prior year and there was a corresponding decrease in the cost of gas.

DPU has included a “pass-through” cost of natural gas in its rate structure since the end of 2013. This model includes a monthly service fee and a commodity (or consumption) rate that is made up of two components: 1) a fixed cost recovery charge and 2) a variable cost of gas charge. The commodity rate is charged per therm consumed.

DPU’s actual cost to purchase the natural gas commodity is passed directly to the customer in the variable portion of the commodity rate. This cost is calculated each month based on the San Juan Index and then adjusted based on the actual

cost from the prior month. The benefit of this approach for customers is that DPU does not need to maintain a substantial rate stabilization fund to absorb volatile, fluctuating gas prices. Each month DPU posts the new variable cost of gas portion of the commodity rate online at [ladpu.com/rates](http://ladpu.com/rates).

Gas prices in December 2022 through February 2023 greatly exceeded the variable cap set on the cost of gas rates. Ordinance 02-340 was passed to address the ensuing shortfall and a recovery mechanism was approved. As of June 30, 2024, DPU collected all of the \$2.2 million which needed to be recovered.

## Water Operations

Water operating revenues were \$14.2 million, which is \$5.3 million above the prior

year. This increase was based on several factors including approximately \$3.1 million in grant/loan proceeds, \$1.2 million reimbursement from LANL for the TA-50 waterline improvement project and just over \$1 million in increased water sales. Operating expenditures were \$9.3 million for operating net revenues of \$4.9 million..

**Wastewater Operations**

Wastewater operating revenues were relatively flat year over year. Operating expenditures were \$5.7 million compared to \$5 million in the prior year. Net operating income was \$665,260. The White Rock Water Resource

Reclamation Facility is being funded by a state loan which is on a reimbursement basis once the plant is operational. The amount received in FY24 for this facility was \$10.5 million.

**Utilities Assistance Program**

In FY2024, one of our big focuses was shoring up the Utilities Assistance Program (UAP). The response to our outreach was positive and helped to increase UAP funds. Through voluntary support from our generous community and customers, we offer financial assistance to those who qualify through the UAP. During FY2024, the UAP fund received \$28,262 in donations

and provided \$23,272 in assistance to 62 households.

As of June 30, 2024, the balance in the UAP fund is \$19,671. Thank you to all the generous donors who provide this critical assistance. If you are interested in donating to the UAP fund, you can call the Customer Care Center at 505-662-8333. More information is also available on the county website by typing ladpu.com/assist into the browser search bar. A new online form gives UAP donors the opportunity to set up regular monthly donations on their utility bills.

**COMBINING SCHEDULE OF REVENUES & EXPENSES**

	fy24	fy23	% Change
<b>OPERATING REVENUES</b>			
Wholesale	\$35,489,128	\$43,391,580	-18.2%
Residential	24,495,408	25,032,013	-2.1%
Commerical and Industrial	7,305,861	7,288,184	0.2%
Sales to Public Authorities	6,557,064	5,435,455	20.6%
Street Lighting	103,235	89,523	15.3%
Other Operating Revenues	74,189,559	1,735,095	4,175.8%
<b>TOTAL OPERATING REVENUES</b>	<b>148,140,255</b>	<b>82,971,850</b>	<b>78.5%</b>
<b>OPERATING EXPENSES</b>			
Purchased Commodity	32,843,420	43,311,237	-24.2%
Maintenance Expenses	6,905,066	6,775,535	1.9%
Depreciation Expense	5,338,669	5,776,726	-7.6%
Taxes	558,695	524,798	6.5%
Other operating expenses	29,243,822	30,487,011	-4.1%
<b>TOTAL OPERATING EXPENSES</b>	<b>74,889,672</b>	<b>86,875,307</b>	<b>-13.8%</b>
<b>ALL UTILITIES OPERATING INCOME</b>	<b>\$73,250,583</b>	<b>(\$3,903,457)</b>	<b>-1,976.6%</b>

## ELECTRIC REVENUES & EXPENSES

	fy24	fy23	% Change
<b>OPERATING REVENUES</b>			
Wholesale	\$35,489,128	\$43,391,580	-18.2%
Residential	7,897,646	7,260,761	8.8%
Commerical and Industrial	4,408,527	4,003,232	10.1%
Sales to Public Authorities	2,349,114	2,136,055	10.0%
Street Lighting	103,235	89,523	15.3%
Other Operating Revenues	58,895,336	404,356	14,465.2%
<b>TOTAL OPERATING REVENUES</b>	<b>109,142,986</b>	<b>57,285,507</b>	<b>90.5%</b>
<b>OPERATING EXPENSES</b>			
Purchased Commodity	30,293,536	33,414,984	-9.3%
Maintenance Expenses	3,187,169	3,712,580	-14.2%
Depreciation Expense	1,677,430	2,430,630	-31.0%
Taxes	558,695	524,798	6.5%
Other operating expenses	17,721,559	20,610,864	-14.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>53,438,389</b>	<b>60,693,856</b>	<b>-12.0%</b>
<b>ELECTRIC OPERATING INCOME</b>	<b>\$55,704,597</b>	<b>(\$3,408,349)</b>	<b>-1,734.4%</b>

## NATURAL GAS REVENUES & EXPENSES

	fy24	fy23	% Change
<b>OPERATING REVENUES</b>			
Wholesale	-	-	
Residential	\$5,860,232	\$7,895,861	-25.8%
Commerical and Industrial	1,396,048	1,916,377	-27.2%
Sales to Public Authorities	460,133	745,679	-38.3%
Other Operating Revenues	197,623	45,815	331.3%
<b>TOTAL OPERATING REVENUES</b>	<b>7,914,036</b>	<b>10,603,732</b>	<b>-25.4%</b>
<b>OPERATING EXPENSES</b>			
Purchased Commodity	2,549,884	9,896,253	-74.2%
Maintenance Expenses	550,894	358,657	53.6%
Depreciation Expense	482,160	398,337	21.0%
Taxes	-	-	
Other operating expenses	2,790,570	2,431,853	14.8%
<b>TOTAL OPERATING EXPENSES</b>	<b>6,373,508</b>	<b>13,085,100</b>	<b>-51.3%</b>
<b>NATURAL GAS OPERATING INCOME</b>	<b>\$1,540,528</b>	<b>(\$2,481,368)</b>	<b>-162.1%</b>



## WATER REVENUES & EXPENSES

	fy24	fy23	% Change
<b>OPERATING REVENUES</b>			
Wholesale	-	-	
Residential	\$5,156,944	\$4,452,007	15.8%
Commerical and Industrial	660,575	607,079	8.8%
Sales to Public Authorities	3,747,817	2,553,721	46.8%
Other Operating Revenues	4,621,090	1,284,064	259.9%
<b>TOTAL OPERATING REVENUES</b>	<b>14,186,426</b>	<b>8,896,871</b>	<b>59.5%</b>
<b>OPERATING EXPENSES</b>			
Purchased Commodity	-	-	
Maintenance Expenses	1,312,293	811,338	61.7%
Depreciation Expense	2,299,616	2,093,752	9.8%
Taxes	-	-	
Other operating expenses	5,709,829	5,100,783	11.9%
<b>TOTAL OPERATING EXPENSES</b>	<b>9,321,738</b>	<b>8,005,873</b>	<b>16.4%</b>
<b>WATER OPERATING INCOME</b>	<b>4,864,688</b>	<b>\$890,998</b>	<b>446.0%</b>

## WASTEWATER REVENUES & EXPENSES

	fy24	fy23	% Change
<b>OPERATING REVENUES</b>			
Wholesale	-	-	
Residential	\$5,580,586	\$5,423,384	2.9%
Commerical and Industrial	840,711	761,496	
Sales to Public Authorities	-	-	
Other Operating Revenues	10,475,510	860	1,217,982.6%
<b>TOTAL OPERATING REVENUES</b>	<b>16,896,807</b>	<b>6,185,740</b>	<b>173.2%</b>
<b>OPERATING EXPENSES</b>			
Purchased Commodity	-	-	
Maintenance Expenses	1,854,710	1,892,960	-2.0%
Depreciation Expense	879,463	854,007	3.0%
Taxes	-	-	
Other operating expenses	3,021,864	2,343,511	28.9%
<b>TOTAL OPERATING EXPENSES</b>	<b>5,756,037</b>	<b>5,090,478</b>	<b>13.1%</b>
<b>WASTEWATER OPERATING INCOME</b>	<b>11,140,770</b>	<b>\$1,095,262</b>	<b>917.2%</b>

## #CREDITANALYSIS

## NET SYSTEM REVENUES OF THE JOINT UTILITY

	ELECTRIC		GAS	
	fy24	fy23	fy24	fy23
<b>OPERATING REVENUES</b>				
Utility sales and service	\$50,247,650	\$57,135,072	\$7,716,413	\$10,603,730
Miscellaneous Revenue	58,895,336	111,586	197,623	34,724
Total Operating Revenue	109,142,986	57,246,658	7,914,036	10,638,454
<b>OPERATING EXPENSES</b>				
Employee salaries and benefits	9,009,034	7,613,143	991,787	818,363
Contractual services	40,485,749	46,782,442	4,218,656	11,430,717
Materials and supplies	371,884	433,907	197,036	112,148
Other	24,225	23,488	-	-
Net Operating Expenditures	49,890,892	54,852,980	5,407,479	12,361,228
NET REVENUE AVAILABLE FOR DEBT SERVICE	59,252,094	2,393,678	2,506,557	(1,722,774)
Total Debt Service	\$1,416,686	\$1,580,760	-	-
<b>TOTAL DEBT SERVICE COVERAGE</b>	<b>41.82</b>	<b>1.51</b>		

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

Notes: The Utility has a number of debt issuances outstanding that are collateralized by the pledging of utility revenues. The amount per subfund and FY presented in the table above is indicated as total debt service. The purpose of the debt issuances was for the financing of various Utility capital improvement projects. For June 30, 2024, and 2023, debt service payments as a percentage of the pledged gross revenue, net of certain expenses where so required by the debt agreement, are indicated in the table above. The debt service coverage ratios also approximate the relationship of the debt service to pledged revenue for the remainder of the term of the commitment. Operating revenues include revenues for utility services, interest, and other operating revenues.

WATER		WASTEWATER		TOTAL JOINT UTILITY SYSTEM	
fy24	fy23	fy24	fy23	fy24	fy23
\$9,565,336	\$8,802,913	\$6,421,297	\$6,184,880	\$73,950,696	\$82,726,595
4,621,090	66,382	10,475,510	860	74,189,559	213,552
14,186,426	8,869,295	16,896,807	6,185,740	148,140,255	82,940,147
2,540,885	1,644,551	1,779,731	1,537,994	14,321,437	11,614,051
3,855,669	4,001,088	2,438,790	2,306,094	50,998,864	64,520,341
554,957	225,269	336,329	251,121	1,460,206	1,022,445
28,003	12,388	8,596	126,850	60,824	162,726
6,979,514	5,883,296	4,563,446	4,222,059	66,841,331	77,319,563
7,206,912	2,985,999	12,333,361	1,963,681	81,298,924	5,620,584
\$584,617	\$521,965	\$870,820	\$840,784	\$2,872,123	\$2,943,509
<b>12.33</b>	<b>5.72</b>	<b>14.16</b>	<b>2.34</b>	<b>28.31</b>	<b>1.91</b>



## COMBINING SCHEDULE OF NET POSITION

<b>ASSETS</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT ASSETS</b>		
Equity (deficit) in pooled cash & investments	\$13,653,944	\$13,852,295
Investments	45,216,425	-
Receivables, net of allowance for uncollectibles		
Accounts	8,093,338	7,223,154
Interest	585,687	-
Unbilled	1,517,022	1,797,630
Leases	191,110	-
Due from other governments	591,574	151,319
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	2,705,660	2,243,694
Power plant inventories	83,700	-
Prepayments	663,446	663,446
<b>TOTAL CURRENT ASSETS</b>	<b>\$73,301,906</b>	<b>\$25,931,538</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		
Debt reserve and debt service	2,059,434	3,273,344
Operations & maintenance	12,834,667	12,469,347
Investments		
Operations & maintenance	12,138,000	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$27,032,101</b>	<b>\$15,742,691</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	2,959,328	2,959,328
Utility plant in service	316,386,226	296,489,229
Machinery & equipment	3,381,868	3,667,875
Less accumulated depreciation	(156,484,073)	(152,231,970)
Construction in progress	28,291,816	24,335,498
Right-To-Use Assets		
Subscription based IT arrangements, net of amortization	1,624,590	102,068
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$196,159,755</b>	<b>\$175,322,028</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Advances to other subfunds (not included in total column)	-	-
<b>TOTAL ASSETS</b>	<b>\$296,493,762</b>	<b>\$216,996,257</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from refunding of debt (debits)	180,340	198,081
Deferred other post employment benefits	831,384	1,042,223
Deferred pensions	3,212,111	2,062,226
Deferred decommissioning costs	1,856,168	2,474,890
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$6,080,003</b>	<b>\$5,777,420</b>

# TOTAL JOINT UTILITY

<b>LIABILITIES</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$5,385,540	\$5,413,404
Accrued salaries including benefits payable	207,935	172,240
Accrued compensated absences	917,619	802,591
Customer deposits payable	661,748	569,010
Due to other governments	134,095	126,080
Subscription based IT arrangements	-	7,614
Unearned Revenue	-	317,313
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$7,306,937</b>	<b>\$7,408,252</b>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Current portion of revenue bonds payable	1,325,000	1,360,000
Contracts and intergovernmental debt payable	1,026,150	845,539
Current portion of subscription-based IT arrangements	144,843	369
Interest payable on debt	77,211	64,120
<b>TOTAL LIABILITIES FROM RESTRICTED ASSETS</b>	<b>\$2,573,204</b>	<b>\$2,270,028</b>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable	9,963,816	11,311,361
Special closure costs	10,777,612	11,397,852
Accrued compensated absences	413,205	435,583
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	36,732,414	26,243,540
Subscription-based IT arrangements	1,485,727	-
Net other post employment benefits	2,187,498	2,810,518
Net pension liability	14,669,670	12,464,936
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>76,229,942</b>	<b>64,663,790</b>
<b>TOTAL LIABILITIES</b>	<b>\$86,110,083</b>	<b>\$74,342,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred other post employment benefits	2,449,638	2,726,810
Deferred pensions	49,010	142,020
Deferred leases	183,233	207,133
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$2,681,881</b>	<b>\$3,075,963</b>
<b>NET POSITION</b>		
Net investment in capital assets	145,662,145	135,695,894
Restricted assets for, net of related liabilities:		
Debt Service	16,177,278	4,280,719
Unrestricted	\$51,942,378	\$5,322,870
<b>TOTAL NET POSITION</b>	<b>\$213,781,801</b>	<b>\$145,299,483</b>

## COMBINING SCHEDULE OF NET POSITION

P. #45

BALANCE SHEETS

<b>ASSETS</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT ASSETS</b>		
Equity (deficit) in pooled cash & investments	(\$2,761,829)	\$1,116,334
Investments	45,216,425	-
Receivables, net of allowance for uncollectibles		
Accounts	6,123,142	4,146,602
Interest	468,213	-
Unbilled	747,417	659,605
Leases	-	-
Due from other governments	135,600	135,600
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments	-	-
Inventories	2,215,850	1,829,937
Power plant inventories	83,700	-
Prepayments	663,446	663,446
<b>TOTAL CURRENT ASSETS</b>	<b>\$52,891,964</b>	<b>\$8,551,524</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		
Debt reserve and debt service	1,904,873	3,082,361
Operations & maintenance	10,777,612	11,412,292
Investments		
Debt reserve and debt service	12,138,000	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$24,820,485</b>	<b>\$14,494,653</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	-	-
Utility plant in service	132,802,889	130,661,896
Machinery & equipment	1,870,324	2,290,768
Less accumulated depreciation	(92,191,904)	(91,277,602)
Construction in progress	2,357,142	1,506,038
Right-To-Use Assets		
Subscription based IT arrangements, net of amortization	1,596,140	102,068
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$46,434,591</b>	<b>\$43,283,168</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Advances to other subfunds (not included in total column)	-	-
<b>TOTAL ASSETS</b>	<b>\$124,147,040</b>	<b>\$66,329,345</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from refunding of debt (debits)	180,340	198,081
Deferred other post employment benefits	542,150	684,404
Deferred pensions	2,091,413	1,329,865
Deferred decommissioning costs	1,856,168	2,474,890
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$4,670,071</b>	<b>\$4,687,240</b>

<b>LIABILITIES</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$2,490,088	\$2,960,191
Accrued salaries including benefits payable	130,268	113,080
Accrued compensated absences	633,347	592,212
Customer deposits payable	250,587	217,239
Due to other governments	63,040	51,762
Due to other subfunds (not included in total column)	-	-
Subscription based IT arrangements	-	7,614
<b>TOTAL CURRENT LIABILITIES</b>		
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Current portion of revenue bonds payable		
Contracts and intergovernmental debt payable	1,100,704	1,027,378
Current portion of subscription-based IT arrangements	-	-
Interest payable on debt	133,078	369
<b>TOTAL LIABILITIES FROM RESTRICTED ASSETS</b>	<b>60,646</b>	<b>46,388</b>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable		
Special closure costs	9,581,655	10,705,003
Accrued compensated absences	10,777,612	11,397,852
Advances from other subfunds (not included in total column)	248,075	276,176
Contracts and intergovernmental debt payable	-	-
Subscription based IT arrangements	1,473,539	56,161
Net other post employment benefits	1,302,732	1,723,085
Net pension liability	9,642,954	8,157,831
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>33,026,567</b>	<b>32,316,108</b>
<b>TOTAL LIABILITIES</b>	<b>\$37,888,325</b>	<b>\$37,332,341</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred other post employment benefits	1,568,374	1,755,383
Deferred pensions	26,292	101,966
Deferred leases	-	207,133
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$1,594,666</b>	<b>\$2,064,482</b>
<b>NET POSITION</b>		
Net investment in capital assets	34,325,955	31,685,093
Restricted assets for, net of related liabilities:		
Debt Service	13,982,227	3,050,413
Unrestricted	\$41,025,938	(\$3,115,744)
<b>TOTAL NET POSITION</b>	<b>\$89,334,120</b>	<b>\$31,619,762</b>

## COMBINING SCHEDULE OF NET POSITION

<b>ASSETS</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT ASSETS</b>		
Equity (deficit) in pooled cash & investments	\$512,995	(\$882,306)
Receivables, net of allowance for uncollectibles		
Accounts	208,289	358,300
Interest	-	-
Unbilled	85,417	151,313
Leases	-	-
Due from other governments	-	-
Inventories and prepayments		
Inventories	137,278	97,643
Power plant inventories	-	-
Prepayments	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$943,979</b>	<b>(\$275,050)</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		
Debt reserve and debt service	-	-
Operations & maintenance	1,000,000	-
Investments		
Debt reserve and debt service	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$1,000,000</b>	<b>\$0</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	-	-
Utility plant in service	19,981,951	18,974,668
Machinery & equipment	194,879	172,620
Less accumulated depreciation	(7,515,403)	(7,105,175)
Construction in progress	32,345	31,983
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$12,693,772</b>	<b>\$12,074,096</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Advances to other subfunds (not included in total column)	-	-
<b>TOTAL ASSETS</b>	<b>\$14,637,751</b>	<b>\$11,799,046</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from refunding of debt (debits)	-	-
Deferred other post employment benefits	90,258	105,368
Deferred pensions	578,146	495,019
Deferred decommissioning costs	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$668,404</b>	<b>\$600,387</b>



# NATURAL GAS

<b>LIABILITIES</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$210,507	\$87,160
Accrued salaries including benefits payable	13,454	9,219
Accrued compensated absences	106,061	57,925
Customer deposits payable	202,134	178,595
Due to other governments	12,864	21,204
Due to other subfunds (not included in total column)	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$545,020</b>	<b>\$354,103</b>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Current portion of revenue bonds payable	-	-
Contracts and intergovernmental debt payable	-	-
Current portion on subscription based IT arrangements	-	-
Interest payable on debt	-	-
<b>TOTAL LIABILITIES FROM RESTRICTED ASSETS</b>	<b>\$0</b>	<b>\$0</b>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable	-	-
Special closure costs	-	-
Accrued compensated absences	79,291	69,223
Contracts and intergovernmental debt payable	-	-
Net other post employment benefits	903,680	948,330
Net pension liability	2,283,763	2,121,653
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,266,734</b>	<b>3,139,206</b>
<b>TOTAL LIABILITIES</b>	<b>\$3,811,754</b>	<b>\$3,493,309</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred other post employment benefits	364,835	-
Deferred pensions	22,718	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$387,553</b>	<b>\$0</b>
<b>NET POSITION</b>		
Net investment in capital assets	12,693,772	12,074,096
Restricted assets for, net of related liabilities:		
Debt Service	1,000,000	-
Unrestricted	-\$2,586,924	-\$3,583,650
<b>TOTAL NET POSITION</b>	<b>\$11,106,848</b>	<b>\$8,490,446</b>

## COMBINING SCHEDULE OF NET POSITION

<b>ASSETS</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT ASSETS</b>		
Equity (deficit) in pooled cash & investments	\$11,782,119	\$9,750,937
Receivables, net of allowance for uncollectibles		
Accounts	1,337,798	2,501,184
Interest	117,474	-
Unbilled	398,740	480,854
Leases	191,110	-
Due from other governments	455,974	15,719
Due from other subfunds (not included in total column)	-	91,053
Inventories and prepayments		
Inventories	341,743	305,516
Power plant inventories	-	-
Prepayments	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$14,624,958</b>	<b>\$13,145,263</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		
Debt reserve and debt service	154,561	190,983
Operations & maintenance	-	-
Investments		
Debt reserve and debt service	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$154,561</b>	<b>\$190,983</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	-	-
Utility plant in service	111,705,067	102,970,270
Machinery & equipment	837,093	723,345
Less accumulated depreciation	(39,080,110)	(36,989,092)
Construction in progress	347,286	1,625,845
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$73,809,336</b>	<b>\$68,330,368</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Advances to other subfunds (not included in total column)	-	-
<b>TOTAL ASSETS</b>	<b>\$88,588,855</b>	<b>\$81,666,614</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from refunding of debt (debits)		
Deferred other post employment benefits	106,904	137,296
Deferred pensions	281,549	113,333
Deferred decommissioning costs	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$388,453</b>	<b>\$250,629</b>

# WATER

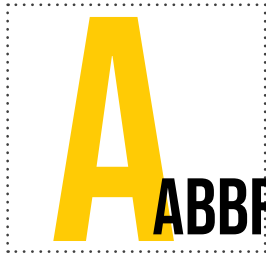
<b>LIABILITIES</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$393,275	\$997,385
Accrued salaries including benefits payable	37,684	29,843
Accrued compensated absences	99,180	97,399
Customer deposits payable	209,027	173,176
Due to other governments	35,129	29,335
Due to other subfunds (not included in total column)	-	-
Unearned revenue	-	317,313
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$774,295</b>	<b>\$1,644,451</b>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Current portion of revenue bonds payable	224,296	332,622
Contracts and intergovernmental debt payable	300,986	121,180
Current portion of subscription-based IT arrangements	-	-
Interest payable on debt	4,417	5,810
<b>TOTAL LIABILITIES FROM RESTRICTED ASSETS</b>	<b>\$529,699</b>	<b>\$459,612</b>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable	382,161	606,358
Special closure costs	-	-
Accrued compensated absences	66,423	71,601
Contracts and intergovernmental debt payable	7,277,507	6,509,389
Subscription-based IT arrangements	-	-
Net other post employment benefits	(45,965)	43,842
Net pension liability	1,491,723	1,177,232
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>9,171,849</b>	<b>8,408,422</b>
<b>TOTAL LIABILITIES</b>	<b>\$10,475,843</b>	<b>\$10,512,485</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred other post employment benefits	284,143	324,097
Deferred pensions	-	9,075
Deferred leases	183,233	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$284,143</b>	<b>\$333,172</b>
<b>NET POSITION</b>		
Net investment in capital assets	65,624,386	60,760,819
Restricted assets for, net of related liabilities:		
Debt Service	150,144	185,173
Unrestricted	\$12,259,559	\$10,125,594
<b>TOTAL NET POSITION</b>	<b>\$78,034,089</b>	<b>\$71,071,586</b>

## COMBINING SCHEDULE OF NET POSITION

<b>ASSETS</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT ASSETS</b>		
Equity (deficit) in pooled cash & investments	\$4,120,659	\$3,867,330
Receivables, net of allowance for uncollectibles		
Accounts	424,109	427,616
Interest	-	-
Unbilled	285,448	295,310
Leases	-	-
Due from other governments	-	-
Due from other subfunds (not included in total column)	-	-
Inventories and prepayments		
Inventories	10,789	10,598
Power plant inventories	-	-
Prepayments	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,841,005</b>	<b>\$4,600,854</b>
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents		
Debt reserve and debt service	-	-
Operations & maintenance	1,057,055	1,057,055
Investments		
Debt reserve and debt service	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$1,057,055</b>	<b>\$1,057,055</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	2,959,328	2,959,328
Utility plant in service	51,896,319	43,882,395
Machinery & equipment	479,572	481,142
Less accumulated depreciation	(17,696,656)	(16,860,101)
Construction in progress	25,555,043	21,171,632
Right-to-use assets		
Subscription based IT arrangements, net of amortization	28,450	-
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$63,222,056</b>	<b>\$51,634,396</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>		
Advances to other subfunds (not included in total column)	-	-
<b>TOTAL ASSETS</b>	<b>\$69,120,116</b>	<b>\$57,292,305</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts from refunding of debt (debits)	-	-
Deferred other post employment benefits	92,072	115,155
Deferred pensions	261,003	124,009
Deferred decommissioning costs	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$353,075</b>	<b>\$239,164</b>

# WASTEWATER

<b>LIABILITIES</b>	<b>FY24</b>	<b>FY23</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$2,291,670	\$1,368,668
Accrued salaries including benefits payable	26,529	20,098
Accrued compensated absences	79,031	55,055
Customer deposits payable	-	-
Due to other governments	23,062	23,779
Due to other subfunds (not included in total column)	-	91,053
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$2,420,292</b>	<b>\$1,558,653</b>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Current portion of revenue bonds payable	-	-
Contracts and intergovernmental debt payable	725,164	724,359
Current portion of subscription-based IT arrangements	11,765	-
Interest payable on debt	12,148	11,922
<b>TOTAL LIABILITIES FROM RESTRICTED ASSETS</b>	<b>\$749,077</b>	<b>\$736,281</b>
<b>NON-CURRENT LIABILITIES</b>		
Revenue bonds payable	-	-
Special closure costs	-	-
Accrued compensated absences	19,416	18,583
Advances from other subfunds (not included in total column)	-	-
Contracts and intergovernmental debt payable	29,454,907	19,734,151
Subscription-based IT arrangements	12,188	-
Net other post employment benefits	27,051	95,261
Net pension liability	1,251,230	1,008,220
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>30,764,792</b>	<b>20,856,215</b>
<b>TOTAL LIABILITIES</b>	<b>\$33,934,161</b>	<b>\$23,151,149</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred other post employment benefits	232,286	262,631
Deferred pensions	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$232,286</b>	<b>\$262,631</b>
<b>NET POSITION</b>		
Net investment in capital assets	33,018,032	31,175,886
Restricted assets for, net of related liabilities:		
Debt Service	1,044,907	1,045,133
Unrestricted	\$1,243,805	\$1,896,670
<b>TOTAL NET POSITION</b>	<b>\$35,306,744</b>	<b>\$34,117,689</b>



## ABBREVIATIONS USED IN DPU REPORTS

ACFR	Annual Comprehensive Financial Report
AMI	Automated Metering Infrastructure
APPA	American Public Power Association
ATC	Around the Clock
BGAL	Billions of Gallons
BPU	Board of Public Utilities
CAP	Climate Action Plan
DG	Distributed Generation
DOE	Department of Energy
DOT	Department of Transportation
DPU	Department of Public Utilities
DW	Water Distribution
DWSRL	Drinking Water State Revolving Loan
ECA	Electric Coordination Agreement
ED	Electric Distribution
EIA	Energy Information Administration
EP	Electric Production
EV	Electric Vehicle
FERC	Federal Energy Regulatory Commission
FER	Future Energy Resources Committee
FY	Fiscal Year
GA	Gas Distribution
GPCD	Gallons Per Capita Daily
GWS	Gas, Water, & Sewer Division
IRP	Integrated Resource Plan
KGAL	Thousands of Gallons
KWH	Kilowatt Hours
LAC	Los Alamos County
LANL	Los Alamos National Laboratory
LAPP	Los Alamos Power Pool
LARES	Los Alamos Resiliency, Energy & Sustainability Task Force
MCC	Motor Control Center
MCM	Thousands of Circular Mils (wire gauge measurement)

## #ABBR

MGAL	Millions of Gallons
MWH	Megawatt Hours
NMED	New Mexico Environment Department
NMGC	New Mexico Gas Company
NMMEAA	New Mexico Municipal Energy Acquisition Authority
NNSA	National Nuclear Security Administration
NP	Non-Potable
NPV	Net Present Value
O&M	Operations & Maintenance
PEEC	Pajarito Environmental Education Center
PHMSA	Pipeline & Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PRV	Pressure Regulating Valve
PV	Photovoltaic
RFP	Request for Proposals
RTS	Rooftop Solar
SCADA	Supervisory Control and Data Acquisition
SLS	Sewer Lift Station
UAP	Utility Assistance Program
UAMPS	Utah Associated Municipal Power Systems
UM	Utilities Manager
USBR	United States Bureau of Reclamation
USFS	United States Forest Service
WAPA	Western Area Power Administration
WWC	Wastewater Collection (Sewer)
WP	Water Production
WR	White Rock
WRRF	Water Resource Reclamation Facility
WWT	Wastewater Treatment
WWTP	Wastewater Treatment Plant

# ANNUAL REPORT FY24

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