

2025: Jul 1 - Sep 30

Q1 REPORT FY26

LOS ALAMOS
Department of Public Utilities



ABOUT DPU

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

Serving a population of 19,444 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.

WHO

INSIDE

About DPU	01
A Word from the Utilities Manager	03
Mission, Vision, Values	05
Strategic Focus Areas	07
Board of Public Utilities	09
Safety Culture	11
Electric Distribution	13
SAIDI	15
Distributed Generation	17
Carbon Neutrality	18
Electric Resources	19
Electric Production	21
Gas, Water & Sewer	25
Engineering	31
Capital Improvement	35
Conservation & Public Relations	45
Calculating Natural Gas Rates	49
Finance & Administration	51
Financial Operations	53
Consumption Detail	63
Staffing News	67
The Good Stuff	69
Abbreviations	75



PHILO SHELTON / UTILITIES MANAGER

June 2019 through present

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

#HIGHLIGHTS

PFAS is a forever issue

Per- and poly-fluoroalkyl substances (PFAS) are synthetic chemicals found in products such as cleaning supplies, water-resistant fabrics, nonstick cookware, personal care products, and stain-resistant coatings. Even though the County's drinking water contains only trace amounts, everyday use of these products introduces additional PFAS into wastewater systems.

New federal regulations are expected to affect the drinking water, wastewater and composting operations of the Department of Public Utilities (DPU). Stricter monitoring, discharge and testing requirements will significantly increase expenses to the utility. Unfortunately, PFAS is a forever chemical—like PCBs were identified in the past—and its continued use will only further accumulate in the environment.

Litigation

In response to the damages to public drinking water and wastewater systems caused by PFAS, Los Alamos County is joining a nationwide lawsuit on the matter. County Council approved an agreement with the law firm Stag Liuzza LLC for legal services to help the County pursue recovery of costs. While Los Alamos County's drinking water remains safe with PFAS levels well below federal standards, this legal representation is intended to secure potential settlement funds at no additional costs to the utility.

The litigation provides more than \$12 billion for public water suppliers to recover damages and remediate PFAS contamination. Based on population and current estimates by Stag Liuzza LLC, the County may be eligible for approximately \$1.9 million in Phase 2 recovery. These Phase 2 recovery settlement funds are from manufacturers who marketed,

distributed, and/or sold aqueous film-forming foam containing PFAS.

The next step is to complete the application for settlement proceeds, which is due on Jan. 1, 2026. DPU is in the process of sampling each of our 12 operating water production wells to obtain individual results for PFAS as part of this application.

NM legislative actions

In addition, the 2025 New Mexico Legislative Session passed and Gov. Michelle Lujan Grisham signed two key bills, House Bill 212 and House Bill 140, that will help New Mexico tackle PFAS contamination for

generations to come.

House Bill 212, or the PFAS Protection Act, phases out consumer products with intentionally-added PFAS, ensuring forever chemicals don't find their way into New Mexicans' homes.

House Bill 140 amends the state's Hazardous Waste Act by explicitly classifying discarded firefighting foams containing PFAS—commonly known as aqueous film-forming foams (AFFF)—as hazardous waste, even if they are not federally listed. This empowers the New Mexico Environment Department (NMED) to enforce cleanup and regulatory measures for these persistent forever

chemicals, shifting the financial burden from taxpayers to polluters.

Finally, please find assurance in the DPU's 2024 Drinking Water Quality Report, which reports the Environmental Protection Agency has set enforceable Maximum Contaminant Levels at 4.0 parts per trillion (ppt) for PFOA and PFOS, two common PFAS compounds. Local testing in 2021 found levels ranging from 0.350 to 0.775 ppt, well below the EPA standard. More information about PFAS is available at epa.gov/pfas and <https://www.env.nm.gov/pfas/>.



#MISSION



To provide safe, reliable,
economical, and
environmentally
responsible utility services

#VISION



Continually earn
community trust through
exceptional utility services

#ETHICS

Our Customers place their trust in the Department to fulfill our Mission. To promote and maintain the highest ethical standards of personal and professional conduct, we are committed to our Values.

#VALUES



WE VALUE

community, employees, partners and the environment through:



Safety



Trust



Professionalism



Customer
Service



Fiscal
Responsibility



Ethical
Behavior



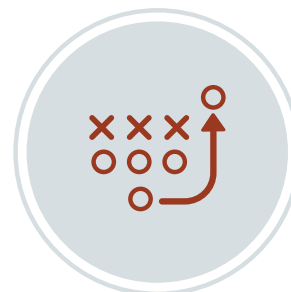
Communication



Collaboration



Innovation



Fairness

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 that replaces aging assets, meets the needs of all-electric buildings and electric vehicles, and maximizes benefits 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

- Control costs and maintain adequate revenue to provide a high level of service, now and into the future, 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 customer feedback to improve utility plans and 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 aligned with LADPU's Mission, Vision and Values
- Promote workforce retention by investing in employee training and professional development

E ENVIRONMENTAL SUSTAINABILITY

GOAL: Continuously, conscientiously, work toward environmental sustainability

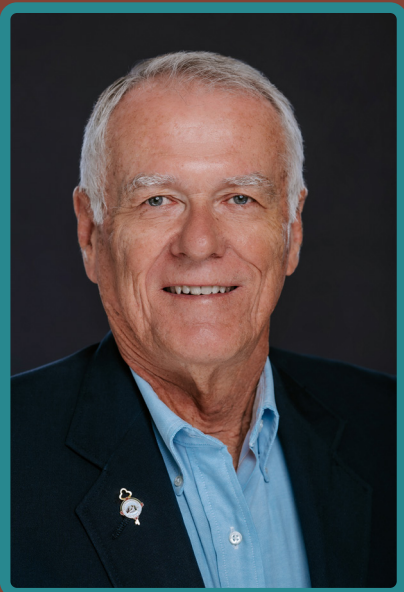
- Promote utility efficiency through targeted conservation programs
- Be a net carbon neutral electric provider by 2040
- Support phase-out of natural gas service by 2070 with at least a 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016-2020 average
- 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 of County sustainability goals including the Climate Action Plan
- Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso Pueblo, DPU and Public Works, especially for communications infrastructure
- Pursue timely renewal of Energy Coordination Agreement (ECA)

BOARD OF PUBLIC UTILITIES



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

2nd Term: July '25 - June '30

Vice Chair: 2024, 2025



CHARLES NAKHLEH
Member

Appointed: July 2022

1st Term: July '22 - June '27

Consisting of five voting members and appointed by the Los Alamos County Council, the Board of Public Utilities is the governing body for the DPU. Members reside in Los Alamos and are customers of the department. For calendars, policies and procedures, agendas, minutes and videos of meetings, visit LADPU.com/BPU.



MATT HEAVNER
Member

Appointed: January 2024

1st Term: Feb '24 - June '26



JENNIFER HOLLINGSWORTH
Member

Appointed: July 2024

1st Term: July '24 - June '29

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

OUR BOARD

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.

SAFETY EMPLOYEE OF THE QUARTER

Q1 / FY26



VICTOR TANUZ

Water Systems Supervisor
Water Production

Victor takes safety seriously regardless of who is watching. While helping to develop the water systems public tours, he made sure that the other tour planners had proper hearing protection at sites where loud well motors were running. He also included participant safety in event planning. During the public tours, well motors were turned off so participants could hear, but Victor still pointed out several in-place safety considerations. He spoke about potential hazards facing crews during routine checks, the reason eye wash stations are in certain facilities and not others, safety protocols for the chlorine injection stations, safety related to crane inspections, and the rigor and importance of the log books.

Q4 / FY25

DIEGO MIRAMONTES
Water Sys Apprentice 1
Water Production



Q3 / FY25

JOSH RODRIGUEZ
Journeyman Lineman
Electric Distribution



Q2 / FY25

GARY TRUJILLO
Water Systems Elec Tech
Electric Production



Q1 / FY25

TRACEY ALARID
Management Analyst
Finance & Administration



ED



**DENNIS ASTLEY / ACTING
DEPUTY UTILITY MANAGER**

Registered Professional
Engineer

Bachelor of Science, Electrical
Engineering

#HIGHLIGHTS

PROJECTS

The loss of the T1 Transformer in White Rock was unplanned and unfortunate, however DPU was fortunate to get an agreement for a replacement of the size identified in the Electrification Study as what is necessary to meet the anticipated growth needs of White Rock. The substation design is being finalized and the replacement transformer is almost ready for delivery. We've requested that the equipment to monitor the gases in the oil be installed by the manufacturer so that we can conduct oil tests to identify potential problems more often than once per year. The dissolved gas tests are the measurement of the transformer health. The foundation design for the replacement transformer is pending. This is a critical upgrade for a transformer that is more than twice the weight of the original one. This transformer replacement project is expected to be completed at the end of 2025.

An emergency tie-line between White Rock and LANL has been agreed upon by both utilities. The Los Alamos County portion is under construction and the LANL portion is currently pending construction. This emergency tie will support the community of White Rock in the event of a

total substation failure on an emergency basis only.

ED is preparing to order conductor to install in the conduit on Camp May Road as part of the Jemez Mountain Fire Protection Project. We will also order transformers to serve the pumping stations along the road as well as transformers for the Pajarito Mountain ski area expansion. Finally, we will order replacements for the transformers being used for car and bus chargers.

Completed Projects

- Camp May water tank power relocation
- Sioux and Big Rock Loop switch replacement
- Line upgrade to The Hills apartment complex

Projects in Construction

- Trinity Drive electric replacement (delayed until spring)
- Substation breaker testing
- Municipal building EV chargers
- El Mirador subdivision ph 3
- Line reclosers
- Line sensors
- LANL asset transfer project
- Totavi Gas Station cell tower
- Lift stations
- Finch Street primary line extension
- Arkansas Place Apartments
- Los Alamos Switch Station
- LASS feeder installations
- Electric Distribution system

- SCADA- T&D Contract
- Jemez Mountain Fire Protection Project
- East Gate primary upgrade
- Removal of old T1 transformer in White Rock Substation

Projects with Design Complete Awaiting Construction

- Crestview housing project
- Electric bus chargers
- Airport hangar
- EV charging station at Mesa Public Library
- Century Bank
- East Gate primary upgrade
- Sherwood Longs Condominiums
- Buena Caza commercial/residential
- EA4 power line replacement design (pending grant application acceptance)
- Piedra Loop underground replacement
- Tie line with LANL at S. Monte Ray Dr.

Projects in Design

- Bandelier upper campground
- Arbolada subdivision
- Los Alamos Center
- Los Pueblos subdivision

- Foundation for the T1 transformer at White Rock Substation

OPERATIONS

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

Line crews are working on system maintenance and overhead line replacements. They will expand underground assessments to include single phase transformers as well as padmount switches and 3-phase transformers.

A lineworker-specific trainer will conduct safety meetings with the Electrical Distribution Division starting on December 8. Lineworkers face job hazards unlike other workers and training on job safety for those hazards is important to the welfare of the worker. A lineworker safety meeting will include reviews of injuries by lineworkers in other organizations to learn how and

why the injury occurred. We will also certify the proficiency of our lineworkers at pole-top rescue and bucket truck rescue following the meeting.

Staff is reviewing and updating our mapping of underground facilities. Differences between what is shown on maps and what is really installed have been identified for correction. Our goal is for the maps to accurately reflect what is existing underground.

OTHER NEWS

Among other efforts to reduce outages, DPU's tree trimming contractor, Southwest Fire Defense and Tree Service, continued to remove hazard branches and trees. DPU's staff actively inspects the overhead line sections throughout the county on an ongoing basis to ensure the tree trimming contract is as successful and efficient as possible. This task is continually demanding as intense drought conditions cause trees to die in large numbers. During high wind events, even trees that are still very green will fall.



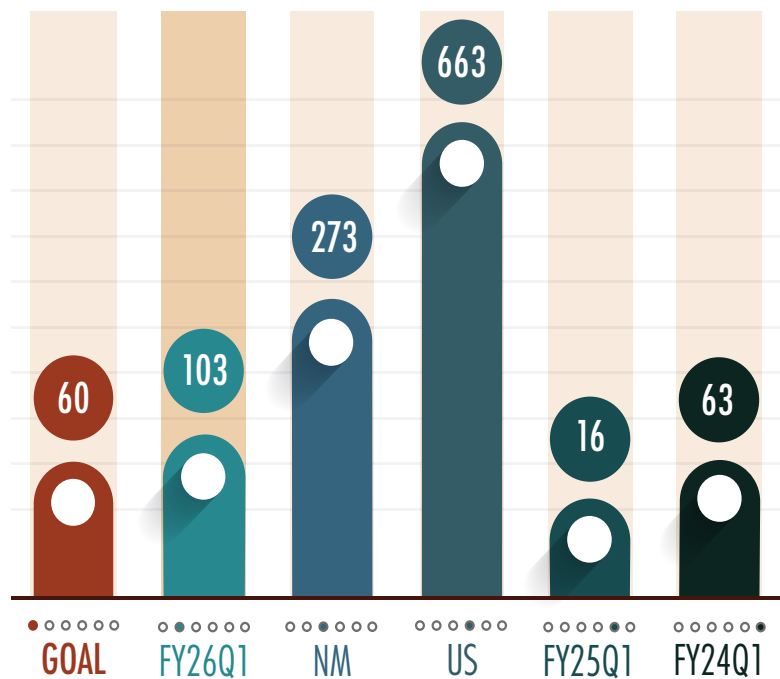
The Electric Distribution crew straightened a pole that was loosened when a truck snagged its wire.

#SAIDI

SAIDI BASICS

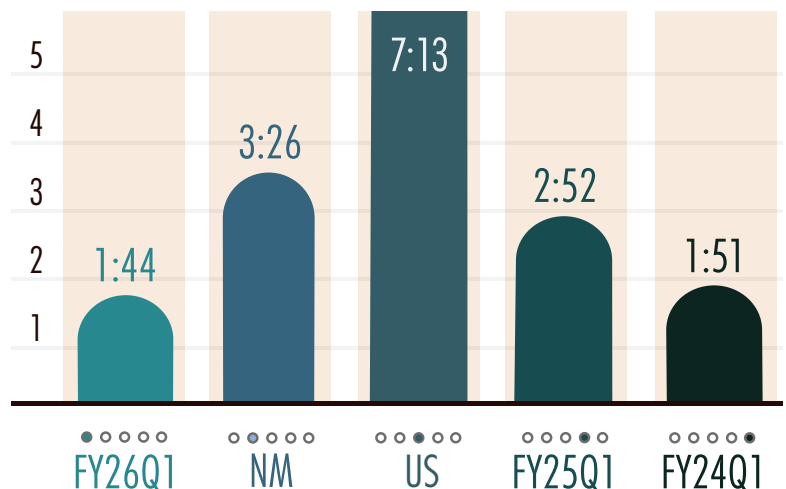
DPU measures its System Average Interruption Duration Index (SAIDI) as a reliability indicator. This is a measure of the average time that any of DPU's customers could expect to be without power per year. According to the Energy Information Administration (EIA), the mean SAIDI in 2024 was 132 minutes without major events and 663 minutes with major events for utilities across the nation (excluding U.S. territories). DPU set a goal in 2008 to keep its SAIDI below 60 minutes (including major events). At the end of quarter 1 of FY2026, DPU's SAIDI was 103 minutes*, including major events, primarily due to an outage caused by the failure of a transformer at the White Rock Substation. It is, however, well below the 2024 national SAIDI of 663 minutes and New Mexico's 2024 SAIDI of 273 minutes.

**DPU's SAIDI does not include outages caused by failures with power supply transmission lines.*



CAIDI

An additional measure that gives insight into the impact of power interruptions from the customer's perspective is the CAIDI, or Customer Average Interruption Duration Index. This data point demonstrates the average amount of time, in hours and minutes, interruptions lasted for impacted customers. The rolling annual average for Q1 was 1 hours and 44 minutes for Los Alamos customers who experienced outages.



RESULTS / COMPARISONS

As of Sept. 30, DPU's rolling 12-month SAIDI for Q1 was 103 minutes in FY2026; 16 minutes in FY2025; and 63 minutes in FY2024.

Reliability reports issued by the Energy Information Administration* demonstrate that DPU's current SAIDI is below the average of combined New Mexico utilities (includes New Mexico cooperatives, investor- and municipal-owned utilities) and lower than the average of combined U.S. utilities through Sept. 2025.

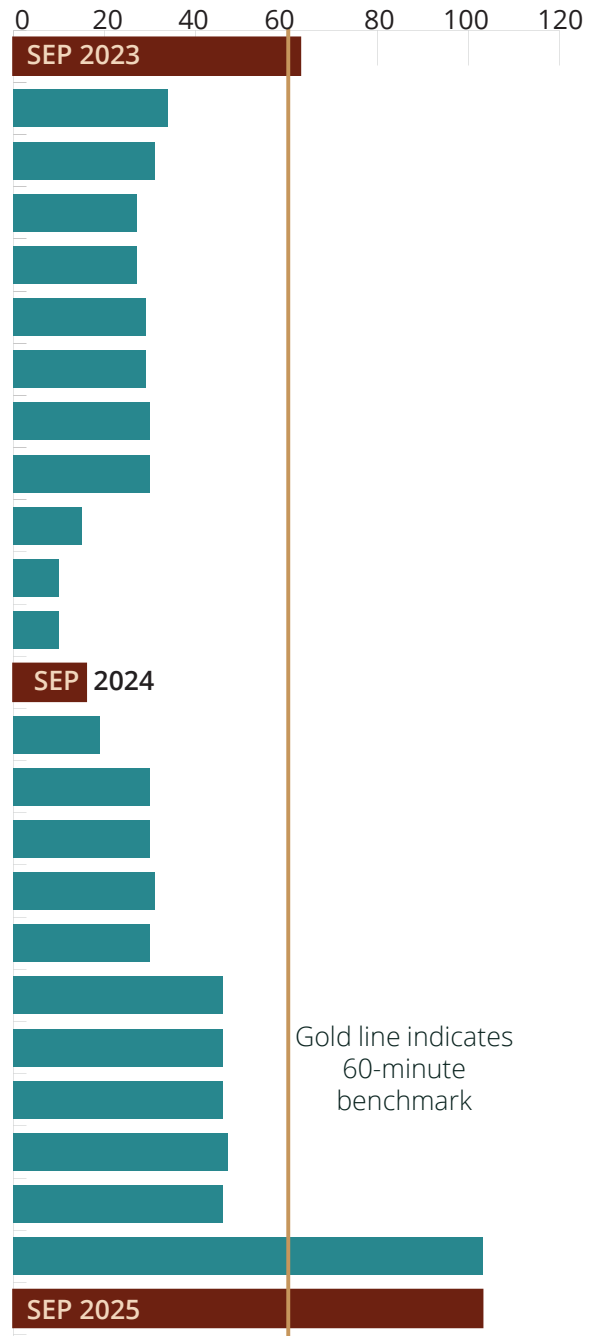
Note that the EIA will release calendar 2025 SAIDI data in Oct. 2026.

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

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

SYSTEM AVERAGE INTERRUPTION DURATION INDEX

SAIDI 2-YEAR HISTORY



PRIOR Q
 JUN²⁵
 47

SEPT²⁵
 103

#SOLAR

DISTRIBUTED GENERATION

Unlike conventional power generating stations that are centralized and require transmission lines, distributed generation resources are decentralized and close to the load, such as rooftop solar systems. Los Alamos has many commercial and residential customers who have opted to install small solar distributed generation systems. As of the end of September, 533 are connected to the grid.

Total Distributed Generation

As of the end of Q1, distributed generation resources totaled 3,650 kW connected to the distribution grid.

- Residential systems = 2,936 kW
- Commercial systems = 714 kW

New Distributed Generation

A total of 50 kW of distributed generation were added to DPU's electric distribution grid during Q1.

Pending Distributed Generation

Currently 47 customers are in the process of adding another 339 kW of distributed generation to DPU's electric distribution.

4.0 MW
Total DG

3.7 MW
Metered DG

2.9 MW
Residential

0.7 MW
Commercial

339 kW
Pending DG



CARBON-NEUTRAL ELECTRICAL ENERGY PROVIDER

In recognition of the need to move away from CO₂-producing electrical energy sources, the Board of Public Utilities adopted a strategic goal in September 2013 that DPU will be a carbon-neutral electric provider by 2040.

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

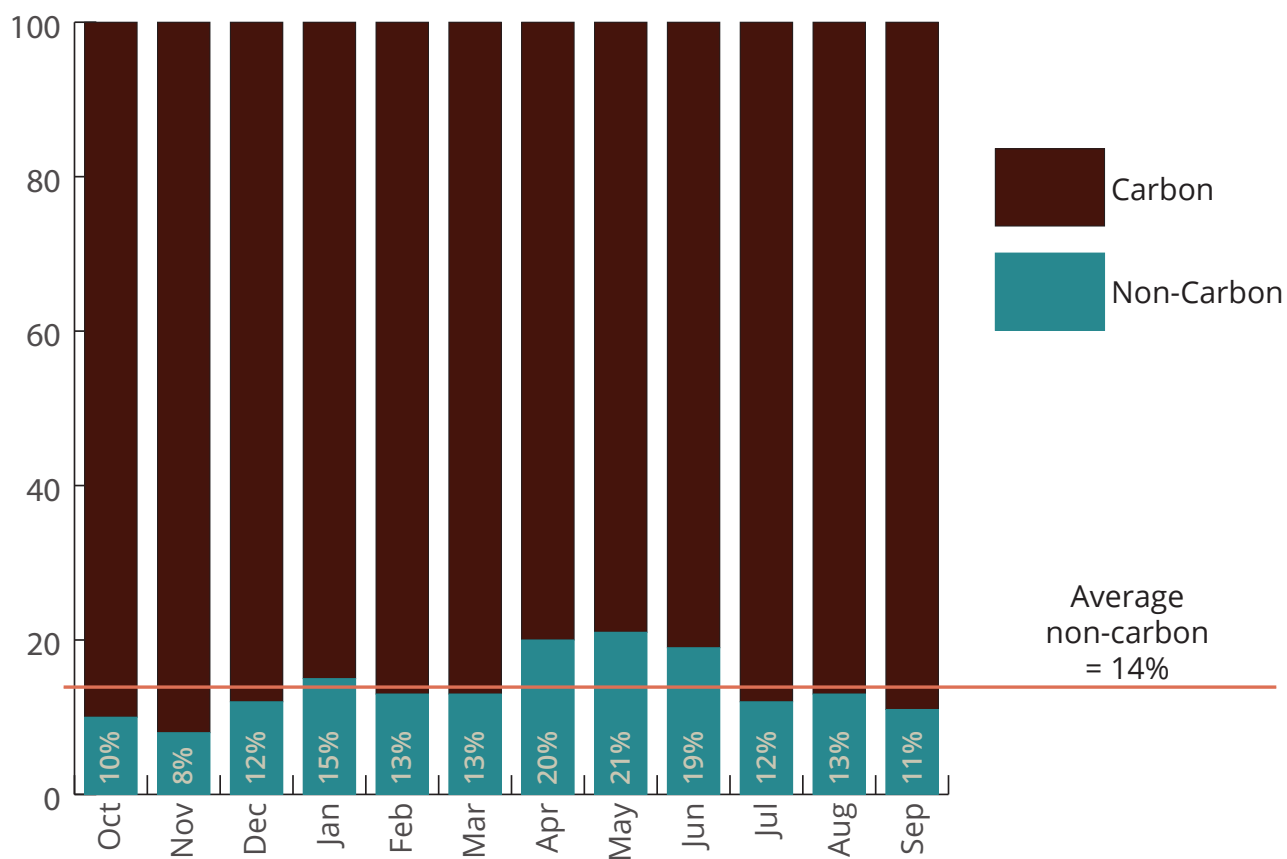
1. "Los Alamos County customers" means those customers scheduled in the Los Alamos County Code of Ordinances Section 40-121; this does not include DOE/LANL.
2. "No net release of carbon dioxide" means that purchases or generation of carbon-based electrical energy, necessary when carbon-free supplies are not practically available to supply Los Alamos County consumers, will be fully offset from previous sales of surplus carbon-free electricity to other entities.

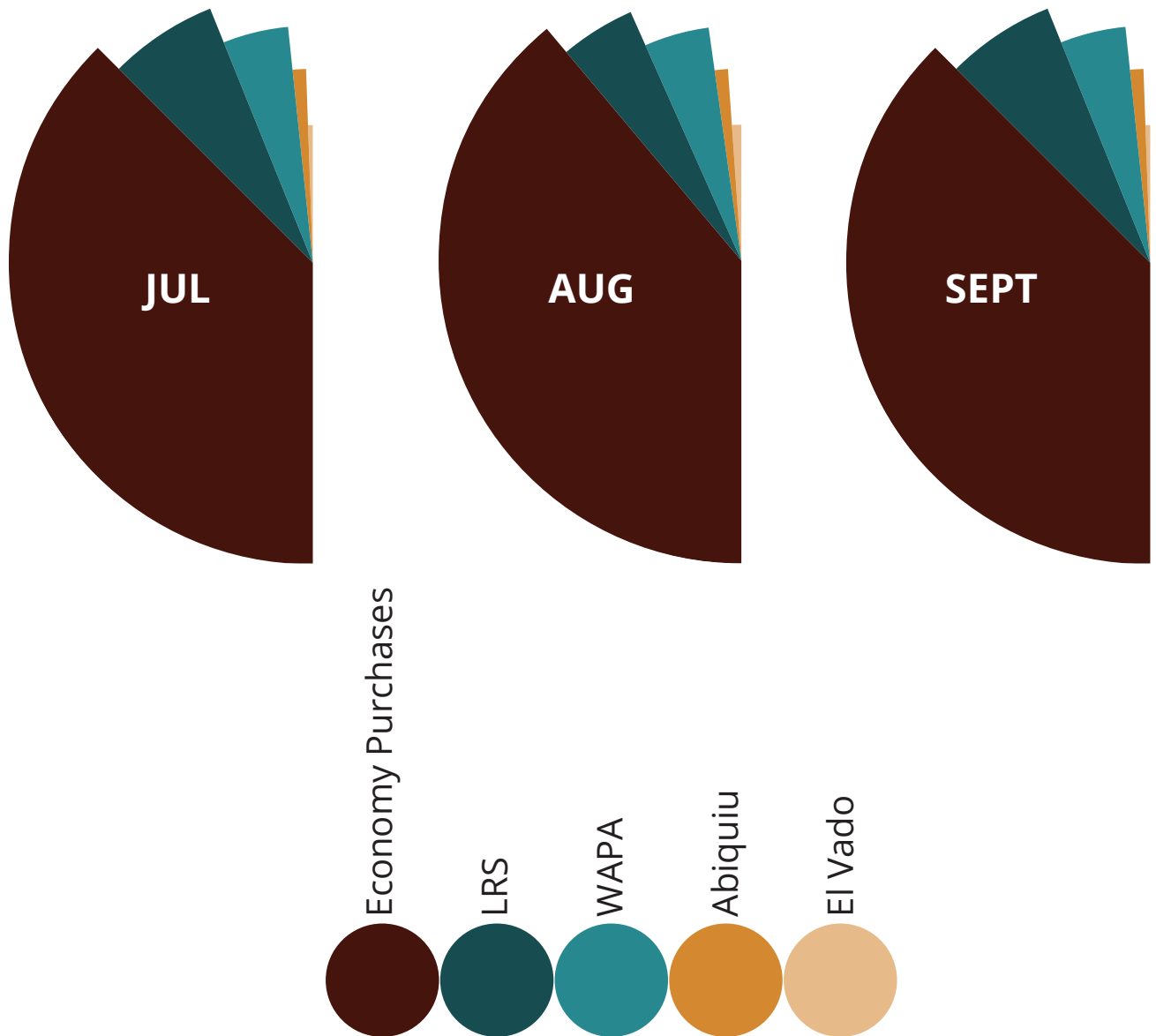


NET CARBON NEUTRAL INITIATIVE

DPU plans to meet the carbon-neutral goal through the addition of non-carbon emitting generation resources such as solar, wind, geothermal and nuclear energy, and energy storage systems. Some energy from carbon-emitting sources will be needed to meet the County's load while new resources are developed, and to manage intermittency of wind and solar resources as well as planned or unplanned electric generation outages.

Total Load: Carbon vs. Non-Carbon Resources





Carbon-Emitting Resources

LRS: Laramie River Station

Econ Purchases: Mercuria contract & open market purchases

Non-Carbon-Emitting Resources

Mercuria: Non-carbon economy purchases

WAPA: Western Area Power Assn.

Abiquiu: Hydroelectric Plant

El Vado: Hydroelectric Plant

GENERATION SUPPLIED

RESOURCE	JUL	AUG	SEPT
Econ Purchases	36,265	38,959	32,704
LRS	4,320	4,638	5,691
Mercuria	0	0	15
WAPA	4,454	4,664	3,819
Abiquiu	837	922	718
El Vado	286	750	359
NON-CARBON % of load	12%	13%	11%

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

EP



BEN OLBRICH /
DEPUTY UTILITY MANAGER

Bachelor of Science, Electrical
Engineering

#HIGHLIGHTS

PROJECTS

Foxtail Flats Solar and Storage

The Foxtail Flats photovoltaic power purchase agreement and energy storage agreement are major parts of the Electric Production team's path to providing a carbon-neutral electricity supply before 2040.

The project received its FONSI (Finding of No Significant Impact) in July, a required environmental review step and project milestone.

This timing represents a delay of approximately eight months on the critical path. In response to the FONSI delay, the project developer has both delayed and compressed the project development schedule, which can change the project risks. EP is in discussions with the developer regarding potential risks and the revised milestone schedule.

Abiquiu Maintenance

Andritz Hydro started work to replace the low flow unit 3 draft tube elbow with a new air admission piping system and is on schedule to install the replacement next spring.

The Abiquiu Hydroelectric Plant Firewall and Office Project with GME General Building is nearly complete with final payment pending completion of punch list tasks.

The Abiquiu facility generated consistently across the fourth quarter with no outages, producing 837 MWh in July, 922 MWh in August, and 718 MWh in September, totaling 2,477 MWh for the quarter compared to 6,715 MWh for previous quarter. This is much lower and less variable than each of the past two years as shown in the table to the right, due to drought conditions. Note that the low generation in July and August of 2023 (FY2024) was due to the Abiquiu arc flash event taking the facility offline for part of the quarter.

SCADA communications equipment upgrade work at Abiquiu continued this quarter. Installation of communication cables is largely complete, most of the equipment is on hand, and implementation planning and building of the equipment configuration files is underway. This project remains on schedule for completion in the spring of 2026 before river flows increase from snow melt.

El Vado Maintenance

EP's hydroelectric facility team, Don Wichers, Matt Duggan and Austin Craig put in many 10-hour days in July to complete the turbine shaft seal replacement and return the unit to service. As expected, low river flows

during weekdays only allowed for power generation during the higher weekend flows.

Following completion of the turbine shaft seal replacement, the El Vado facility generated consistently across the first quarter with no outages, producing 286 MWh in July, 750 MWh in August, and 359 MWh in September, totaling 1,395 MWh for the quarter. While this amount of generation is very low, it is all that can be expected given the very low-flow releases during weekdays that were insufficient to generate power. Nonetheless, it is a modest improvement over the same quarters in 2023 and 2024 when dam face repair work prevented any generation.

SCADA communications equipment upgrade work at El Vado continued this quarter. Installation of communication cables is largely complete, most of the equipment is on

Q1 ABIQUIU GENERATION IN MWH BY YEAR			
Month	FY2024	FY2025	FY2026
July	0	1,762	837
August	114	3,524	922
September	8,718	1,563	718
TOTAL MWH	8,832	14,387	2,477

hand, and implementation planning and building of the equipment configuration files is underway. This project remains on schedule for completion in the spring of 2026 before river flows increase from snow melt.

Facility Tours

Three tours of the hydroelectric facilities were held this quarter. Two tours were arranged by the Pajarito Environmental Education Center (PEEC), DPU's contractor for water and energy conservation

education, and a third tour included LANL utilities staff.

OPERATIONS

Electric Coordination Agreement

Electric Production continued operations under the ECA extension that runs through December 31. On September 29, DOE and DPU staff completed the final review and revisions to the Performance Work Statement section which is the DOE's term for the Statement of Work. This was approximately one month later than scheduled, and the review package did not include the Terms and Conditions or Operating Procedure sections. The federal government shutdown on October 1, paused further work on the 2026 ECA until government operations resumed.

Power Operations

Los Alamos National Laboratory's renovation of the

Q1 EL VADO GENERATION IN MWH BY YEAR			
Month	FY2024	FY2025	FY2026
July	0	0	286
August	0	0	750
September	0	0	359
TOTAL MWH	0	0	1,395

EP

CONTINUED...



El Vado's operators completed the turbine shaft seal replacement.

power operations center started last February and was sufficiently completed in September to begin planning for a return of EP power operations staff to the primary operations center in October.

Turnover & Recruitment

The significant staffing turnover of Senior Power Systems Operators that began in the past fiscal year continued in the first quarter of FY2026 with Brent Talley announcing his planned retirement. Brent’s retirement means that four of EP’s five Senior Power Systems Operators have left the County in the past 12 months. EP Power Systems Supervisor Nick Nelson is managing staffing turnover, new work schedules and recruitment.

EV Charging Stations

At the Municipal Building’s fast charger, 267 charging sessions occurred in the first quarter,

delivering 7,919 kWh of energy. In White Rock, 108 charging sessions occurred, delivering 3,206 kWh of energy.

Wholesale Natural Gas Supply Management

EP buys most of the County’s wholesale natural gas supply through a prepaid gas supply agreement administered by the New Mexico Municipal Energy Acquisition Authority (NMMEAA). The NMMEAA agreement enables a discount on the monthly natural gas monthly market price that EP pays to buy wholesale natural gas. During the 3rd quarter of fiscal year 2025, NMMEAA established a new discount to replace the existing one that was much larger. The 4th quarter of FY2025 was the first quarter with this new and improved discount. The following table shows the monthly total wholesale cost of gas without the discounts and the gas discount for the previous and current reporting quarters.

Natural Gas Wholesale Cost of Gas FY25Q4 - FY26Q1						
	APR	MAY	JUN	JUL	AUG	SEP
Total Cost of Gas (pre-discount)	\$ 118,000	\$ 68,000	\$ 54,000	\$ 56,000	\$ 47,000	\$ 50,000
NMMEAA Discount	28,000	14,000	9,000	9,000	10,000	11,000
Discount % of Cost	24%	21%	16%	16%	21%	21%

GWS

#HIGHLIGHTS

PROJECTS

Elk Ridge gas system replacement

The much-anticipated gas distribution system replacement began in late June, with actual construction activity commencing in July. Once contractor Dub-L-EE began, progress was quick. A big piece of the puzzle involved coordinating the point of delivery (POD) with LANL since the gas system at Elk Ridge connects to the LANL gas distribution system. Gas is measured at a master meter and then each resident is subsequently metered by DPU so that a payment transaction can be accounted for. We will operate the system at 60 psig to match the distribution pressure of LANL's system. This eliminates the need for a pressure regulating station at the master meter and simplifies the point of delivery. During the construction process, DPU crews inspected the construction and the welding, and oversaw the welding certifications of Dub-L-EE's crews. DPU's gas crew also responded to emergency callouts when the gas system was damaged during the construction.

Utility installations at The Hills

The final phases of construction at The Hills

Apartments, located where the old Atomic Energy Commission site office used to be, occurred during the first quarter. DPU crews installed gas meter manifolds and prepared gas regulators and meters. Occupancy was expected to start in September. Crews also prepared water and sewer utilities as they installed water meters and commissioned a new lift station. By early October, the first residents had begun moving in and utility services were live.

Bathtub Row/Downtown waterline replacements

This project wrapped up in September. We replaced a large section of 14" transmission line that was aligned precariously near businesses and historical buildings. Additionally, a large area of old water distribution mains was replaced and reconfigured with valves that 1) work properly, and 2) make more sense in terms of operation. Many of the old lines were installed when the system was operated entirely differently in terms of buildings and service areas. These lines were subjected to ad hoc reconfigurations over the years in what were likely intended to be temporary fixes. They stayed in operation for a long time due to the complexity of the situation and



**CLAY MOSELEY/
DEPUTY UTILITY MANAGER**

Bachelor of Science, Applied Mathematics

Master of Science, Engineering Construction Management

Certifications:

NM Water Treatment Operator 3

NM Wastewater Operator 3

the daunting nature of replacement. This project required a great deal of water crew time for trial operations, shut down and startup operations, utility locating, inspection, and weekly project meetings.

Western Area sewer mainline reroute

Last year, we embarked on a project to reroute a major section of sewer main in Western Area. Our crews performed extensive inspection services to coordinate the configuration of the sewer main reroute, and more specifically, the reconnection plans for residential services. Once the new mainline and services were finally completed, an inspection of the new system was required to assess the quality of the work and accept the new infrastructure.

Pressure reducing valve (PRV) rehabilitation

Two more water PRVs were rehabilitated on Barranca Mesa while we were still working under contract with Curb Services, LLC. Each PRV station contains two different PRVs: a smaller one (2" to 4") for low flows, and a larger one (6" to 10") for higher fire flows. Assessments indicated the low flow PRVs were malfunctioning due to inconsistencies with service pressures in the area. These PRVs are located at the intersections of Barranca Road and Navajo Road, and Barranca Road and Los Pueblos Street. While only the smaller, low-flow PRVs were rehabilitated, the larger, fire-flow PRVs will be scheduled for rehabilitation in FY2027.

Booster station pump & motor rehabilitation

In a continuing project, Water Production has been working with PumpTech (previously Alpha Southwest) to pull and inspect booster station pumps and repair or rebuild those that are past their expected lifespan. Pump bowls that are excessively worn are being replaced. Motors that have many hours, show excessive heat signatures, and indicate high current draw are being taken to PumpTech's electrical shop for rewinding, dipping and baking, bearing replacement and reassembly. When the new pumps and motors are reinstalled, the results are immediately noticeable. The motors are

running cooler, more smoothly, and with noticeably lower noise levels.

LA WWTP equipment upgrades

The first in a series of upgrade projects for several pieces of process equipment are starting up at the Los Alamos Wastewater Treatment Plant. The need for these projects relates to age and years of service. To kick things off, the replacement of the solids dewatering belt press started in October. The contractor, Meridian Engineering and Contracting, came out from



GWS Pipefitter Victor Martinez pauses to smile for the camera

GWS

#CONTINUED...

Mesa, Arizona, to take measurements and coordinate with the WWT operators prior to the project's October start. WWT staff prepared the site, plumbing, and electrical service connection. A temporary dewatering belt press was mounted on a mobile truck and plumbed into the plant's piping to keep treatment operations going while the new screw press dewatering units are installed.

Guaje Well and boosters stations HVAC

Our goal is to complete the in-house project to replace the HVAC systems at Guaje Well and booster stations by mid-November. Electrical infrastructure upgrades are necessary so that the low-voltage service panels can accommodate the additional electric loads of the mini-split units. The station facilities in Guaje Canyon have been served by propane heating since they were built. The new HVAC systems will be all-electric, thereby eliminating the need to purchase and use propane each year. Additionally, the chlorination unit in Guaje Booster #2 will work more efficiently when the station is cooled in the summer. It gets too warm during hot spells and loses efficiency due to too much resistance in the electrolysis cells.

OPERATIONS

GWS and WWT staff continued to work on a 4/10 schedule during Q1 of 2026. The consensus is that it is preferable to the standard 5/8 schedule for a variety of reasons. It is most beneficial to crew members who commute from beyond Los Alamos County as it eliminates one day of travel each week, and it schedules shift employees outside of prime commuting hours. Financially, DPU is paying employees for fewer overtime and premium pay hours as there are more hours in the workday to respond to work

that would have otherwise begun outside of work hours.

Throughout the quarter, GWS staff utilized some of the extra shift time each day to work on and complete requirements for gas distribution system operator qualifications. These qualifications comprise 98 procedures for working on gas systems. This federal requirement is a time-consuming process with both online and practical components to the qualification training. Once achieved, maintaining crew qualifications can also be tedious and time-consuming so the extra two hours in each workday were helpful in that regard.

GWS sewer crews performed more collection line flushing and root cutting over the summer with a focused process. Though the sewer collection system still experiences some blockages due to grease and non-compliant fiber-material wipes, the public information outreach and improved flushing process seem to be making a difference. Several segments were identified as "problem pipes" and will be slated for replacement or rehabilitation during the next CIP cycle.

WP crews repaired two large pipes on the LANL-side transmission lines. The lines are showing their age and condition and are slated for replacement in next year's CIP projects. When LANL suffers unplanned electrical outages, the pumps shut down abruptly, the large volume of moving water suddenly loses upward momentum, and water hammers occur along the line, often resulting in ruptures. When this happens, WP crews can shut the system down efficiently and with minimal water loss in responding to the repair job.

The WWT operations staff continues to learn



GWS monitored the replacement of a large water transmission line on 15th Street near Central Park Square during the Public Works Department's portion of the Bathtub Row Reconstruction Project.



Water Production team members Tony Mateo and Joel Martinez prove that great minds dress alike.

GWS

#CONTINUED...

and appropriately adjust operations at the new WRRF in White Rock. The processes in the plant differ somewhat from what they're familiar with at the Los Alamos WWTP. It has taken some consultations as well as trial and error to optimize the entire treatment process. Even with process tweaks, the treatment benchmarks have always exceeded expectations, but finding new ways to optimize for the best possible results is in the nature of the plant operators. The outcome of the treatment process is amazing and we're very pleased. The WWT operations staff has also done a great job at the older Los Alamos plant. They are looking forward to the next round of CIP projects there to replace process equipment that is reaching its life expectancy.

STAFF DEVELOPMENT

One of the best parts of the job is reporting on staff successes with certifications and advancement. This quarter, GWS crew member Myron Cordova passed his gasfitter

certifications and was promoted to the level of Pipefitter. This is one of the biggest promotions that is achievable in the GWS division.

In Water Production and Wastewater Treatment, several crew members are preparing to take the next level of certification exams to move from Apprentice (level 2) to Operator (level 3), and two members are working to advance from Operator (level 3) to Senior Operator (level 4) and was promoted to the level of Pipefitter. This is one of the biggest promotions that is achievable in the GWS division.

In Water Production and Wastewater Treatment, several crew members are preparing to take the next level of certification exams to move from Apprentice (level 2) to Operator (level 3), and two members are working to advance from Operator (level 3) to Senior Operator (level 4).

Water Systems Supervisor Victor Tanuz explains the ins and outs of the Los Alamos County wells, water tanks, booster stations and more to participants in the first of three water system tours hosted by DPU.



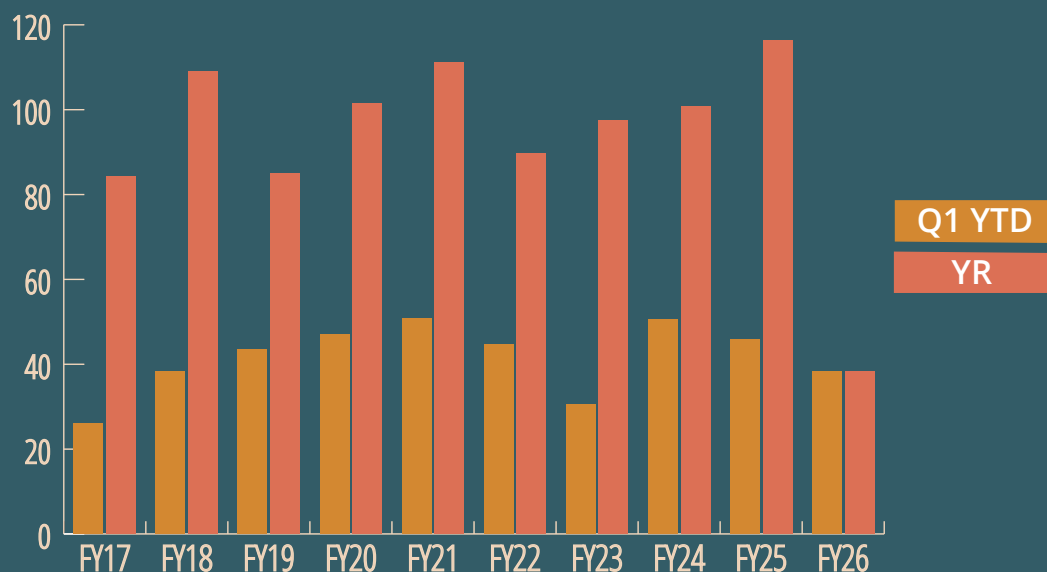
RECLAIMED WATER

Reclaimed water is a blend of treated effluent from the wastewater plants and collected stormwater from the Los Alamos County Reservoir and the Pajarito Mountain stormwater collection system. This water is used for irrigation on parks, ballfields and the Los Alamos County Golf Course, as well as for snow making and fire protection at the Pajarito Mountain Ski Area. This water is a great substitute for groundwater to meet the County's demand to irrigate public spaces. It is also an integral part of the DPU Water & Energy Conservation Plan.

The total reclaimed wastewater used in the first quarter of FY2026 was 38.3 Mgal, while the average for Q1 in the past decade is 41.6 Mgal. Stormwater is only metered and used during stormwater production season, which is typically in the 3rd and 4th quarters. When available, it's particularly beneficial to use stormwater at the golf course before reclaimed wastewater because it goes through gravity-fed tanks and avoids the expense of pumping. Regardless of type, golf course irrigation is the largest use of reclaimed water in the county.

DPU treated effluent meets the class 1A standard—the highest standard possible. This achievement was made possible through installation of a filtration system at the Los Alamos plant and the replacement of the White Rock wastewater plant with the Water Resource Recovery Facility (WRRF). Both projects were completed in FY2025.

Reclaimed Water Used for Irrigation, Snowmaking, & Fire Protection (Mgal)



ENG

#HIGHLIGHTS



JAMES ALARID /
DEPUTY UTILITY MANAGER

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

Memberships:

American Society of Civil Engineers
American Water Works Association

PROJECTS

Water Production SCADA system replacement

The existing water production Supervisory Controls and Data Acquisition System (SCADA) is 30 years old and many features are no longer supported. Its replacement will be completed by a combination of contractors and in-house personnel. The existing system is a proprietary system which communicates through a microwave system. The new system will be built on an open architecture format which will allow staff to program and maintain the system internally. Communications will be transmitted through new fiber optic lines. To date, five dedicated wells have been transitioned to the new SCADA system. Fifteen new SCADA programmable logic controllers (PLCs) have been received and are scheduled to be installed over the next quarter. The work to complete this replacement project will take place over the next 15 months.

Abiquiu Hydroelectric Plant draft tube repairs

The existing draft tube on generator #3 in Abiquiu has been degrading due to cavitation in the structure.

The air injection system is the cause of cavitation, and it will be re-designed to prevent further cavitation. Andritz Hydro, the turbine manufacturer, has been hired to replace a section of the draft tube and aeration system. The work is scheduled to be completed by April 2026.

WWTP belt press replacement

The belt press at the Los Alamos Wastewater Treatment Plant has been in service for 20 years and is nearing the end of its service life. This project will replace the existing belt press with a modern and more efficient sludge dewatering system. The temporary dewatering system has been placed in operation, and the old belt press is currently being removed to make way for the new equipment. The work is scheduled to be completed by February 2026.

Bayo non-potable booster station rehabilitation

The existing Bayo Non-Potable Water Booster Station adjacent to the composting facility has been in service since 1995. This project will replace the electric components, valves, controls and the chlorination system. The facility will be shut down for the winter on November 1 and the contractor will

begin demolition of the old equipment. Construction is scheduled to be completed by March 2026, in time for the spring irrigation season.

Jemez Mountain Regional Fire Protection Project

- Phase I of the project began in spring 2025. Phase I includes approximately half of the waterline, fiber optic duct bank and electric duct bank up the mountain
- (over 2 miles). Phase II was incorporated into the Phase I contract this quarter. By incorporating the Phase II scope into the ongoing construction contract, the DPU saved over \$1.2 million from avoided cost of installing temporary paving through the winter. We also recognized savings from holding the pipe and conduit costs to 2024 prices, and from
- bidding mobilization and traffic costs if the work were bid later. The Phase I project will now complete the remaining waterline, fiber optic and electric underground conduits for the entire project.
- Under Phase III, we will construct four water booster stations and equip the new underground electric distribution system. The design is nearing

The new water tank built under the Jemez Mountain Fire Protection Project took shape in the fall.



ENG

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completion and bidding the project for construction is pending notification from FEMA regarding grant funding for the electric distribution improvements in the project. The notification from FEMA is delayed due to the federal government shutdown.

- Phase IV of the project is nearing completion. This phase includes the new 500,000-gallon water tank at the base of the mountain along West Jemez Road.

When complete, the project will extend water service to the Pajarito Ski Area for domestic use, fire protection and snow making. The project will be under construction through 2025 with an anticipated completion in fall 2026.

Water Production wells electric and mechanical upgrades

The project will upgrade electrical and mechanical equipment in 8 existing wells. Electric upgrades have been completed in all but one well. The mechanical upgrades, including new valves, meters, vaults and instrumentation, were delayed due to the long lead time on the large valves and fittings. Work will begin on the mechanical upgrades in November and is scheduled to be completed by March 2026.

Wastewater lift station upgrades

Two of the oldest lift stations in the system will be upgraded with new pumps, valves, electric equipment and controls. Rehabilitation of the North Road Lift station is complete. The Los Arboles lift station is scheduled for completion in December.

Trinity Drive utility upgrades

The Public Works Department will conduct mill-and-overlay work on Trinity Drive from Knecht Street to Oppenheimer Drive in the

spring of 2026. As part of the project DPU will replace water lines and gas lines, and construct some electric improvements. The utility improvements are currently being designed in preparation for bidding the project for construction in January.

San Ildefonso Road waterline replacement project

The existing waterline along San Ildefonso Road will be replaced from Los Alamos Middle School to North Mesa Road. The existing cast iron waterline experiences regular leaks due to corrosion of the line. The line is located on the edge of the paved road and salts used for de-icing the roads find their way into the pipe trench causing the pipe to corrode. The replacement waterline will be upsized to add capacity to support two proposed housing developments that could add up to 500 new homes on North Mesa. The project design is complete, and the project will be bid for construction in March 2026 after the Water Trust Board loan/grant agreement is executed. Construction will take place in the summer of 2026.

NM-502 14" water transmission line replacement project

The existing 14" steel waterline located along NM-502 south of the airport was constructed in 1949. The waterline has begun to fail on a regular basis due to corrosion of the steel. The pipeline is a critical transmission line that conveys water to the community of Los Alamos from a high yield water supply well. The project design is complete, and the project will be bid for construction in March of 2026 after the Water Trust Board loan/grant agreement is executed. Construction will take place in the summer of 2026.

Denver Steels waterline replacement Ph II

The project is a joint effort with the Public Works Department who will be paving the roads. The waterlines will be replaced prior to paving due to their deteriorating condition. The lines are cast iron with steel service lines that were installed in the early 1950s. The project was awarded this quarter and construction will take place from April to October 2026.

Quemazon and East Gate lift station refurbishment

The existing Quemazon lift station has been in service for 26 years and is operating with the original equipment and controls. The East Gate lift station has also been in service for almost 30 years. Both lift stations will be refurbished by replacing the pumps, valves, controls and instrumentation. These refurbishments will provide an additional 20 years of reliable operation. The project will be constructed in the winter through spring 2026.

Guaje Canyon fiber optic extension

As part of the ongoing water production SCADA replacement project, a new fiber optic line will be constructed in Rendija and Guaje canyons to provide SCADA communication to eight water production facilities. The new fiber optic line will replace the existing microwave communication system. The project was advertised for bid this quarter and no bids were received. It will be readvertised and is scheduled to be awarded in December 2025.

OPERATIONS

The New Mexico Environment Department Construction Programs Bureau will be highlighting the new White Rock Water Resource Reclamation Facility (WRRF) in a national publication to represent the success of the project and the Clean Water State Revolving Loan program in New Mexico.

DPU applied to the Water Trust Board for two water projects totaling \$2.59 million in the 2026 funding cycle. Our applications have been scored and will be recommended for funding in the 2026 legislative session.

STAFF DEVELOPMENT

Sam Herceg passed the Professional Engineering exam in October. Congratulations to Sam on this outstanding achievement.

Jennifer Baca, Casey Aumack and Sam Herceg continue their college coursework in pursuit of their respective degrees.

James Martinez was invited to present at the New Mexico Infrastructure Finance Conference in Albuquerque. He highlighted DPU's financial journey to making the new White Rock WRRF a reality.



Project Manager Casey Aumack describes the waterline installation under the Bathtub Row Reconstruction Project for a Los Alamos County Facebook Reel.

PLANNING/DESIGN		CONSTRUCTION		QTR 1			QTR 2			QTR 3			QTR 4		
	BUDGETED	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE		
ELECTRIC PRODUCTION		\$780,000													
Abiquiu Wicket Gate Hydraulic Servo Motor Replacement	400,000														
Abiquiu PRV Chamber Gates	200,000														
Abiquiu 36" Air Relief Valve Replacement	180,000	COMPLETE													
ELECTRIC DISTRIBUTION		\$2,075,000													
GWS/ED Facilities at WR WRRF	75,000	DEFERRED													
Underground Res'l Replacements	1,550,000														
Los Alamos: Los Pueblos															
White Rock: Piedra Loop															
Overhead System Replacements	450,000														
Townsite: Ski Hill & West Jemez Road															
White Rock: Rover & Beryl															
GAS DISTRIBUTION		\$825,000													
Pipeline Repair & Replacement/Equipment	75,000														
Elk Ridge Gas System Replacement & Service Cutovers	400,000	REPLACEMENT COMPLETE / CUTOVERS IN PROGRESS													
Trinity Drive Gas Line Replacement	350,000														
WATER DISTRIBUTION		\$4,900,000													
Denver Steels Phase III	1,500,000														
San Ildefonso Road 8" Waterline Replacement	2,300,000														
Trinity Drive Waterline Replacement	1,100,000														
WATER PRODUCTION		\$4,458,500													
Townsite 14" Pipeline Replacement	2,883,500														
Booster Station Building Renovations	500,000														
Water Production SCADA Fiber Optics Project	530,000														
White Rock Irrigation Pond Cover	40,000														
Long Range Water Supply Plan Update	75,000														
Design of New Water Well at Overlook Park	230,000														
USFS Land Transfers	200,000														

	BUDGETED	PLANNING/DESIGN			CONSTRUCTION			QTR 1			QTR 2			QTR 3			QTR 4		
		JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE						
WASTEWATER COLLECTION	\$635,000																		
N. Community Backyard Sewer Mains/Services R&R PH I	285,000																		
East Gate Lift Station Rehabilitation	200,000																		
Denver Steels Phase III	150,000																		
WASTEWATER TREATMENT	\$2,060,000																		
Monitoring Well Replacement at Composting Site	60,000																		
LA WWTP Improvements	2,000,000																		



Improvements at the Los Alamos Wastewater Treatment Plant should eliminate the need to keep large fans running to cool the temperature in the blower building.

FY2026

CAPITAL

UTILITY

IMPROVEMENT

PROJECTS

ABIQUIU AIR RELIEF VALVE REPLACEMENT

The Abiquiu Hydroelectric Dam has been in operation for nearly 40 years. The 36" air relief valve, which acts as both an air release valve and air inlet/vacuum relief valve for the penstock, is located above ground in a small room that is exposed to the elements. This valve is leaking and must be replaced. A blind flange was installed in lieu of a new valve.

Budget: \$180,000
Actual: \$ 13,000
Schedule: Complete

**ABIQUIU WICKET GATE HYDRAULIC SERVO MOTOR REPLACEMENT**

The hydroelectric plant in Abiquiu has two turbine/generators that were installed in 1987 and have two servos per turbine that operate the wicket gates. All four servos were rehabilitated about 10 years ago. They are now leaking hydraulic oil again and will be replaced or refurbished.

Budget: \$400,000
Schedule: Winter 2025 - Spring 2026

**ABIQUIU PRV CHAMBER GATES**

The chamber housing two 54" by-pass valves at the Abiquiu hydroelectric plant must be de-watered periodically to perform inspections and maintenance as well as to replace equipment. The old bulkhead gates that are used to isolate the chambers are worn and misaligned, allowing excessive seepage during de-watering operations. Two new bulkhead gates will be fabricated to replace the old gates.

Budget: \$200,000
Schedule: Spring 2026



OVERHEAD ELECTRIC SYSTEM REPLACEMENTS

Many components of the utilities' overhead infrastructure operate near or past their useful life, which is 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). Areas to be included are: Ski Hill, West Jemez Road, and Rover Boulevard and Beryl Street.

Budget: \$450,000
Schedule: Year-round



UNDERGROUND RESIDENTIAL ELECTRIC DISTRIBUTION REPLACEMENTS

The underground system contains 1970s infrastructure which was direct-buried in contact with the earth. When portions or segments of the system which have experienced 3 or more failures, they are targeted for replacement because they will fail again. In FY2026, the primary area of focus will be on Los Pueblos in Los Alamos and on Piedra Loop in White Rock.

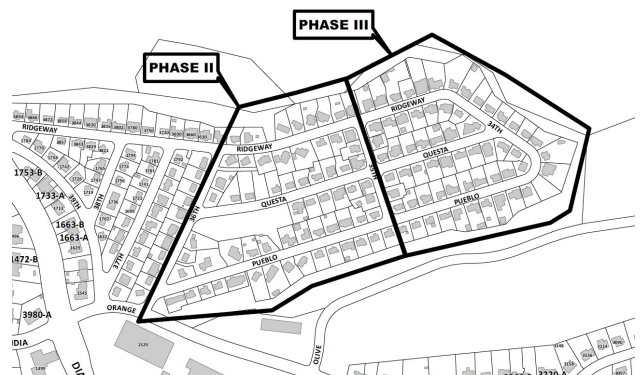
Budget: \$1,550,000
Schedule: Year-round



DENVER STEELS PHASE III

This is a joint project between DPU and the Public Works Dept. to repave the roadway and replace utility infrastructure beneath it. Sections of water lines from the 1950s will be replaced. The water distribution portion of the project will be funded by Drinking Water State Revolving Loans (DWSRL).

Budget:
DW (DWSRL) \$1,500,000
WWC \$ 150,000
Schedule: Summer 2027



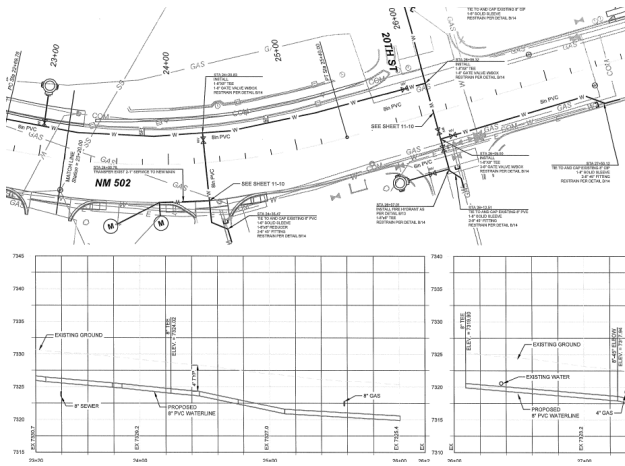
TRINITY DR ROADWAY/UTILITY UPGRADES

The aged waterline in Trinity Drive will be replaced from Oppenheimer to 20th Street. Gas valves will be replaced at six locations outside of the roadway. Electric conduits will be installed across Trinity Drive at two locations for future use. The project design is complete and final certification/permitting from the NMDOT will be complete in December 2025.

Budget:

DW \$1,100,000
Gas \$ 350,000

Schedule: May-Oct 2026



GAS PIPE LINE REPAIR & REPLACEMENT

Miscellaneous improvements will be made to the natural gas system throughout the year. The nature of work includes leak repairs, pressure regulating station improvements, valve replacements and other unforeseen issues which may occur throughout the year and require contractor support.

Budget: \$75,000
Schedule: Year-round



SAN ILDEFONSO RD 8" WATERLINE REPLACEMENT

DPU will manage replacement of approximately 4,600 linear feet of 8" cast iron pipe with new 12" PVC pipeline along San Ildefonso Road. The existing 8" pipe, which is aged and deteriorated, regularly requires repairs. The new 12" pipeline will increase the water supply to the North Mesa, improve reliability and fire protection, and add additional capacity to serve two proposed large housing developments.

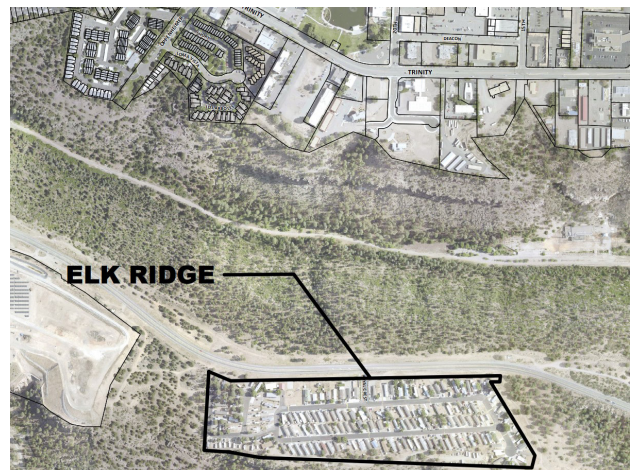
Budget: \$2,000,000 Water Trust Board
\$ 300,000 CIP
Schedule: Summer 2026



ELK RIDGE GAS SYSTEM EVALUATION

The Elk Ridge Mobile Home Park owners are designing and installing a new gas distribution system, compliant with DPU standards, that will be conveyed to DPU for operation and maintenance when it is complete. Budgeted funds are intended to cover costs that may arise in conveyance of the system.

Budget: \$400,000
Schedule: Fall 2025 - Spring 2026



BOOSTER STATION BUILDING RENOVATIONS

Several buildings housing wells and booster stations in our Water Production system need roof, floor, HVAC and structural repairs. Through this project, we will identify the most urgent needs and address them. Most of the facilities in the system were constructed in the 1950s and 1960s.

Budget: \$500,000
Schedule: 2025/2026



TOWNSITE 14" PIPELINE REPLACEMENT PH I

DPU will oversee replacement of approximately 6,700 linear feet of 14" steel pipe installed in 1949 with a new 14" ductile iron pipe along NM-502. The existing 14" steel pipe is aged and deteriorated and experiences regular leaks. This line is a critical transmission line that conveys water from Otowi Well #4 to the Townsite area of Los Alamos.

Budget: \$2,500,000 Water Trust Board
\$ 383,500 CIP
Schedule: Summer 2026



WHITE ROCK IRRIGATION POND COVER

The effluent non-potable water from the White Rock Water Resource Reclamation Facility (WRRF) fills the Overlook Irrigation Booster Pond. This water is used to irrigate the Overlook Park ballfields. In the summer, algae growth and sediment/debris accumulate in the pond and then plug the ballfield sprinkler heads. The pond cover will minimize algae growth and sediment.

Budget: \$40,000
Schedule: Spring 2026



WATER PRODUCTION SCADA FIBER OPTICS PROJECT

The existing SCADA system was installed in the early 1990s and will be replaced because it is proprietary and at the end of its service life. Many of the components are no longer supported and cannot be repaired or replaced. The new system will be developed with open-architecture software which does not require a proprietary service provider. The communication system will be replaced with a fiber optic network and over 40 remote sites will be equipped with new programmable logic controllers (PLCs) and/or telemetry. Budgeted project funds will be used to extend fiber optic lines to various facilities.

Budget: \$530,000
Schedule: 2025/2026



DESIGN OF NEW WATER WELL AT OVERLOOK PARK

Due to the loss of water supply from Pajarito Well No. 3, which was taken offline due to groundwater contamination, and the need to plan for projected increases in water use by Los Alamos National Laboratory and Los Alamos County, preparation to permit and construct a new water supply well is necessary. Budgeted funds will cover the engineering and hydrologist services to design a new exploratory well and perform the analysis necessary to harvest the County's San Juan Chama water right from a water supply well located at Overlook Park in White Rock. In 2012, the DPU commissioned an engineering study to evaluate the alternatives to develop the San Juan Chama water allocation of 1,200 acre-feet annually. This is a surface water right and must be drawn from the Rio Grande. The recommended alternative was to drill conventional water wells close to the Rio Grande to harvest the surface water from the river.

Budget: \$230,000
Schedule: 2026



EAST GATE LIFT STATION REHABILITATION

The East Gate Lift Station in the Bayo Canyon receives wastewater from the Camino Entrada/ Pajarito Cliffs area. It has been experiencing an increased number of failures, resulting in overflows. The station's pumps and control panel will be replaced. The lift station will also be upgraded with SCADA to notify operators of overflow risk with high-level alarms.

Budget: \$200,000
Schedule: Design - Fall 2025
 Construction - Spring 2026



NORTH COMMUNITY BACKYARD SEWER MAINS/SERVICE R&R, PHASE I

DPU will repair or replace segments of the sewer lines in North Community that have proven to be recurring problems and threaten to overflow. This will be the first of multiple phases over the next three fiscal years.

Budget: \$285,000
Schedule: Design - Fall 2025
 Construction - Spring 2026



LONG-RANGE WATER SUPPLY PLAN UPDATE

The Long-Range Water Supply Plan, which was last updated in January 2018, is typically updated every 10-15 years or when there are significant changes in water demand. The plan is a requirement of the Office of the State Engineer for DPU to be eligible for state-funded grants and to protect unused water rights. Since the last update, we have shut down our highest producing water well due to groundwater contamination. Additionally, Los Alamos National Laboratory recently released its Site Wide Environmental Impact Statement (SWEIS) which projects a significant increase in water use. An update to the plan is needed now to evaluate the available water supply and water rights based on changed.

Budget: \$75,000
Schedule: 2025/2026

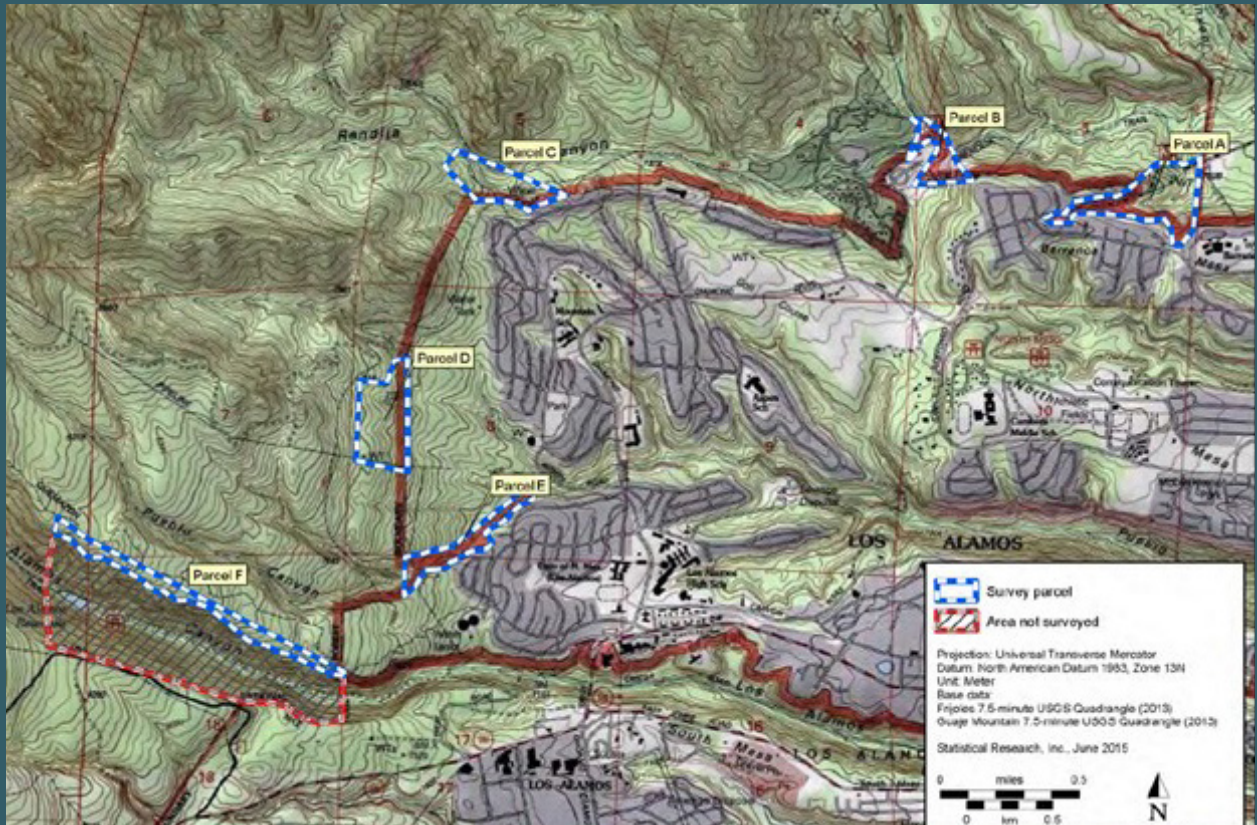


USFS LAND TRANSFERS

Los Alamos County has a collection agreement with the U.S. Forest Service to convey six parcels of land containing 365.3 acres that are owned by the U.S. Forest Service. DPU is finalizing the environmental work required prior to the conveyance. The cost of the parcels will be split 50% by the general county and 50% by the DPU. The DPU owns multiple water production facilities on these parcels. Access for maintenance and improvements to these facilities will be greatly simplified when the land is owned by the County.

Budget: \$200,000 DPU
\$200,000 County General Fund

Schedule: 2026



MONITORING WELL REPLACEMENT AT COMPOSTING SITE

When the Bayo Wastewater Treatment Plant was abandoned in 2005, the New Mexico Environment Department required that DPU install a monitoring well downstream of the abandoned sludge drying beds. The monitoring well is used to sample for nitrogen in the groundwater. The well installed in 2005 dried up in 2023. This project covered installation of a new monitoring well to a deeper depth to enable continued sampling.

Budget: \$60,000
Actual: \$37,000
Schedule: Complete, October 2025



LOS ALAMOS WASTEWATER TREATMENT PLANT IMPROVEMENTS

The Los Alamos Wastewater Treatment Plant was commissioned in 2004 and has been in operation for 20 years. The equipment at the plant has maintenance issues and is nearing its life expectancy. With several items needing to be addressed, DPU will apply for a \$2,000,000 Rural Infrastructure Program (RIP) loan to fund these projects together.

Budget:	Aeration Basin Crack Repair	\$800,000
	Motor Controls Centers – Miscellaneous	\$200,000
	Fine Screen	\$500,000
	Blower Building HVAC	\$200,000
	UV Disinfection Replacement	\$300,000
Schedule:	Construction - 2026	



An update from
Water & Energy
Conservation Coordinator
Abbey Hayward
&
Public Relations Manager
Cathy D'Anna

#HIGHLIGHTS

STAFFING

Abbey is pursuing a Building Performance Institute (BPI) Building Analyst Professional certification through Santa Fe Community College. The program began in September and will finish in early November. This certification is on the same track as an energy auditor and will enhance Abbey's credentials and expertise when educating customers on utility efficiency options and developing outreach materials.

Audrey Collins has been a welcome addition to our little team! She has been learning how to find, retrieve and organize the information that our customers are so often looking for, and she's given Cathy more time to focus on larger initiatives by keeping DPU's web pages up to date and being ready to post on social media in a pinch.

While our team is small, so many other DPU employees help us feel mighty! One of the most exciting partnerships for us during the quarter involved working with the Water Production team on the new tours of the Los Alamos County Water System. The public repeatedly asked for this tour and we felt compelled to make it happen. Working out the details was a

Victor Tanuz lead three monthly water system tours for the public, BPU members and County Councilors in the first quarter.



challenge but was *well* worth it. (See what we did there?) We had to find sites that were not on restricted property, that could be reached by County buses, and that included enough visible infrastructure to be worth the effort. Three free tours were offered with a total of 35 people attending. Big thanks to Water Systems Supervisor Victor Tanuz for guiding attendees and enthusiastically sharing his vast expertise of the complex water system, and to Atomic City Transit for providing transportation.



Steven Peters, senior WWTP operator, once again took the lead for the final WRRF Tour of the year in September. When it comes to being a tour guide, Steven is a natural! He easily guides people along the wastewater transformation in a way that simplifies the complex and keeps the attention of a wide variety of people. We are still

receiving requests for more tours so look for those in the spring!

Audrey took the lead in an initiative developed by Cathy and Joann Gentry to assist with notifications for the Bonfire pole inspections that were conducted in preparation for the County's Community Broadband Project. She delivered on a plan to provide residents with notifications by phone, text or email if poles in their yards were to be inspected. Though Bonfire's subcontractor left door hangers to alert residents, small reminders can go a long way in fostering community goodwill. The project is outside of DPU's responsibility, however the poles are under DPU's purview and we wanted to ensure no community members were blindsided by the inspections.



Bear Festival: DPU's Bear vs. Lineman game

OPERATIONS AND EVENTS

Pan scrapers were branded with Droppy and Duke to encourage less water use at the kitchen sink—and to ensure free-flowing pipes—by scraping dishes rather than rinsing them before they go into the dishwasher. Around 300 scrapers were handed out at most events where DPU had a presence this summer and they were a hit! Did you miss out? Pick one up in the Municipal Building at our sticker wall by Customer Care.

The admin building at the WRRF was not equipped with kitchen fixtures and staff was limited to nothing more than a microwave for lunch prep. We partnered with the wastewater crew to provide a portable induction cooktop to boost lunch morale and keep that hungry team fed.

After much development with the Los Alamos Master Gardeners, the Garden on a Postcard collection finally debuted at a Farmer's Market in July. Each Garden on a Postcard offers quick landscaping options featuring mostly native plants. There are cards for sun-tolerant, xeric-tolerant, or shade-tolerant gardens. Cards can be picked up at the Municipal Building.

The PR and conservation team tried out a lot of new events this quarter. Here's a quick list:

- We were invited to participate in the 10th anniversary celebration of the White Rock

#CONTINUED...

Branch Library. Actually, the GWS crew with their sewer demo was invited, but we couldn't let them have all the fun. This was the first time the sewer demo made its way to the White Rock community with about 150 people learning what it looks like when "flushable" wipes can't get past tree roots and other previously flushed wipes.

- We also had an enjoyable time at PEEC's BearFest. We took a step back and created a purely play-based water game called "Bear vs. Lineman: Who Climbs Faster?" Participants assumed the roles of bears and linemen, aimed water squirters at cups tethered to cords, and then raced the cups to end of the cord. The lineman just "bearly" eked out a win at day's end!
- The end of August brought about the library's annual Atomicon. In her first big DPU creative initiative, Audrey designed trading cards featuring our emoji mascots with DPU fast facts on the back. She even included a limited edition "Electro" card. All 180 packets were collected before noon! This was another fun chance to let the community know that we're more than a monthly bill.
- The Office of Emergency Management hosted an evening of emergency preparedness in September and invited DPU to participate.

This presented an opportune moment to develop a

Shade Garden 6+ hours			
Common Name	Botanical Name	Water Needs	Average
Coral Bells	Heuchera spp.	Water	12 in.
Periwinkle	Vinca minor	Water	< 6 in.
Sun Garden 6+ hours			
Common Name	Botanical Name	Water	Average
Yucca	Yucca spp.	Water	12 in.
Xeric Garden 6+ hours			
Common Name	Botanical Name	Water	Average
Yucca	Yucca spp.	Water	12 in.
Chamaebatiaria millefolium	Chamaebatiaria millefolium	Water	5'-6'
Artemisia filifolia	Artemisia filifolia	Water	3'-4'
Abronia fragrans	Abronia fragrans	Water	1'-3'



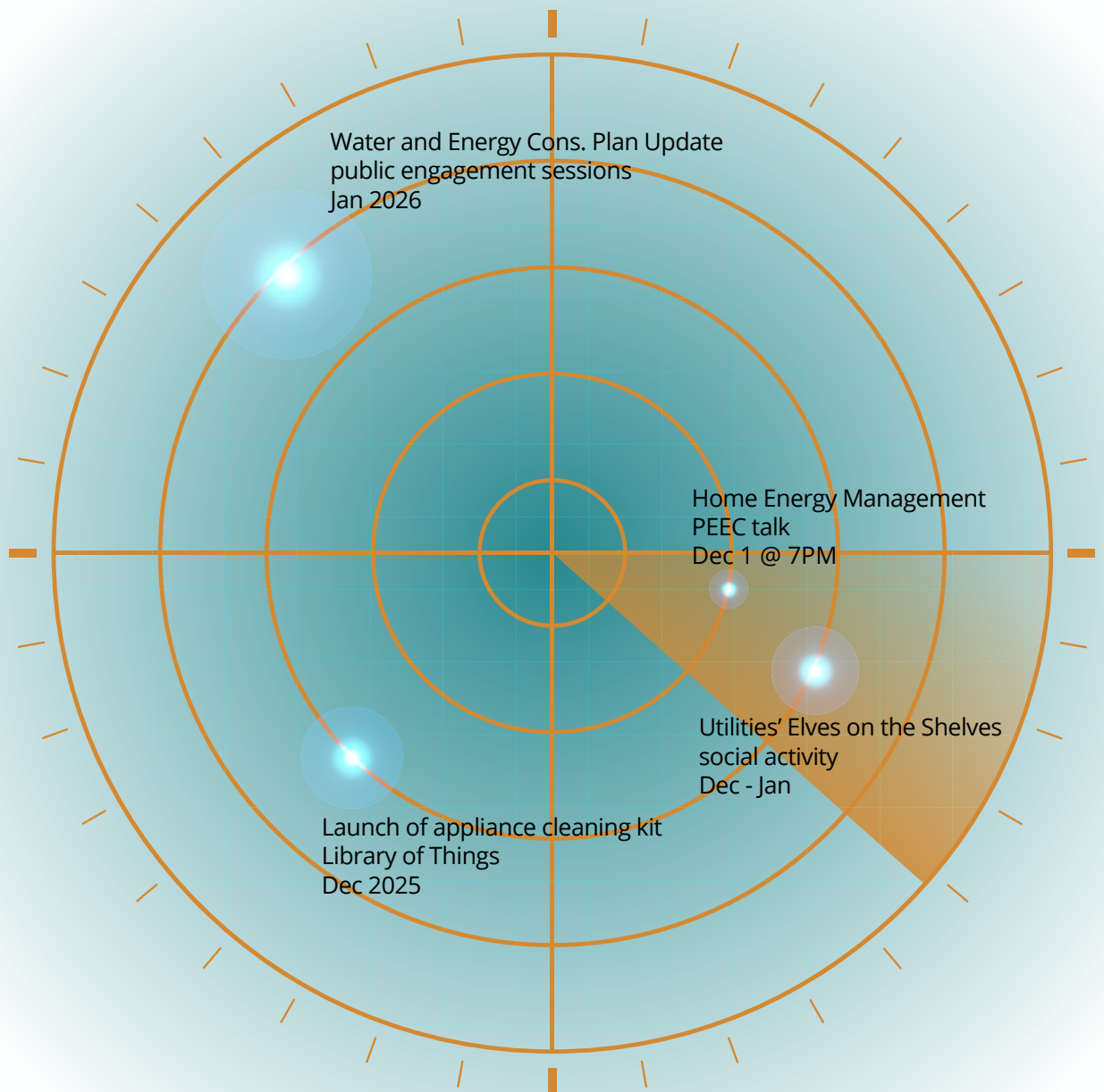
DPU's emoji trading cards were a hit at Atomicon! Patrons collected all 180 packs of three cards each, paving the way for some good old-fashioned card swapping.

Utilities Emergency Guide that covers the power outage process, public safety power shutoffs, communications, medical alerts, and more. Audrey and Cathy handed the guides out while challenging attendees with a utility trivia game, proving once again that gaining utility knowledge can be fun! We repeated this game at the annual Customer Service Fair hosted by the Customer Care Center during the first week of October.

- By the end of the quarter, we had hosted the Toilet, Disposal, or Trash It Out Game at enough events to ensure that about 400 people—mostly kids—understood what should not go down the drain or the toilet. After each event, we assessed where the tokens landed: toilet, sink/disposal or trash. When all was said and done, only 11 oil tokens ended up in the sink and 12 flushable wipes ended up in the toilet. Between this game, the clogged sewer demonstration, neighborhood door hangers, pan scraper giveaways, and social media posts like the "House of Horrors" series, the Summer of Sewer campaign seemed to make a difference. GWS crews reportedly saw some slowdowns in the rate of sewer calls.

Coming soon: The Garden on a Postcard collection will expand in quarter 2!

on the radar



#BASICS

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

To mitigate some of the fluctuations, DPU joined the New Mexico Municipal Energy Acquisition Authority (NMMEAA). Created by local

governments in 2008 through a Joint Powers Agreement, the purpose of NMMEAA is to obtain reliable, long-term gas supply under favorable terms, conditions and price. NMMEAA benefits government-owned utilities like DPU and through this membership, DPU is able to pass its savings directly to customers.

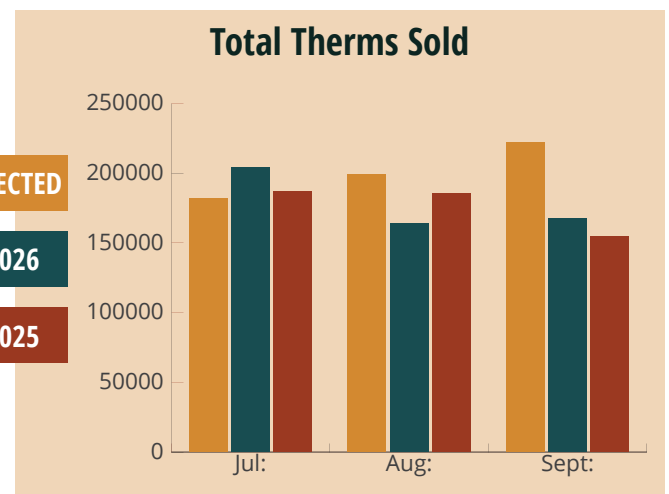
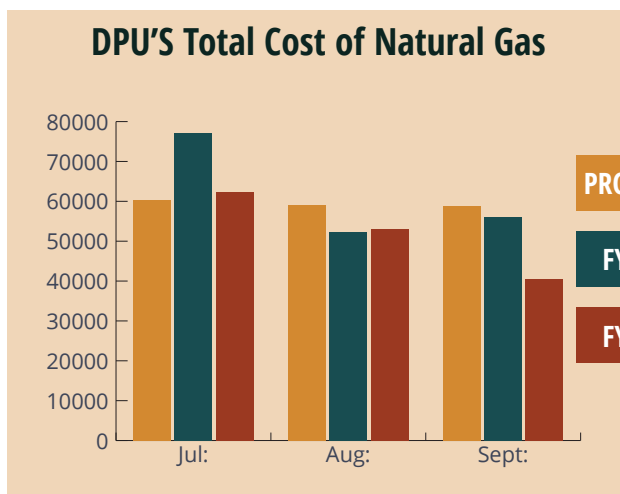
PASS-THROUGH MODEL

Since 2013, DPU has included a “pass-through” cost of natural gas in its rate. In addition to a monthly service fee, the gas

consumption charge comprises a fixed cost fee per therm to cover DPU’s gas maintenance and operations expenses and a cost-of-gas pass-through rate per therm. This allows DPU’s true cost to purchase the natural gas commodity to be passed directly to the customer.

This price is calculated each month based on the San Juan Index and then adjusted based on the actual cost from the prior month. Historically, customers benefited from this approach as the DPU did not need to maintain a

San Juan Index/MMBTU			Total Cost of Gas for Q1			Total Therms Sold for Q1		
	FY26	FY25		FY26	FY25		FY26	FY25
Sept:	2.24	1.36	Sept:	56,149	40,529	Sept:	167,489	154,842
Aug:	2.50	2.03	Aug:	52,357	52,984	Aug:	163,929	185,237
Jul:	2.79	1.10	Jul:	77,079	62,347	Jul:	204,219	186,817
			Total:	\$185,585	\$155,860	Total:	535,637	526,896



substantial rate stabilization fund to absorb the volatile, fluctuating gas prices. However, 2022 brought unprecedented high costs that weren't captured under DPU's \$0.99 variable rate cap.

At the end of March 2023, BPU recommended, and Los Alamos

County Council adopted, a new ordinance that raised that cap to \$4/therm. Additionally, a temporary recovery rate mechanism began in the 4th quarter of FY2023 to recover recent costs not collected with the lower cap in place. These

costs reached full recovery in February 2024 and the rate was discontinued the next month.

Each month DPU posts the new variable cost of gas rate on the website at: ladpu.com/GasRateNow.

TOTAL GAS CHARGE COMPRISES FOUR COMPONENTS:

$$\begin{aligned}
 & \text{1 Monthly Service Fee} \\
 & + [(\text{2 Fixed Component} + \text{3 Variable Cost of Gas}) \times \text{4 Total Therms}] \\
 & = \text{TOTAL CHARGE}
 \end{aligned}$$



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

RESIDENTIAL EXAMPLE:
7A Customer used 18 therms in September 2025

$\$13.00 + [(\$0.32 + \$0.28) \times 18] =$

\$31.60



COMMERCIAL EXAMPLE:
7E Customer used 135 therms in September 2025

$\$13.00 + [(\$0.32 + \$0.28) \times 135] =$

\$94.00

1. MONTHLY SERVICE FEE		
Schedule	Meter Rated	Charge
ALL	≤ 250 CFH	\$13.00
ALL	> 250 CFH	\$39.00
2. FIXED COST RECOVER FEE/THERM		
Schedule	Fee/Therm	
7A & 7E	\$0.32	
7L & 7N	\$0.28	
3. VARIABLE COST OF GAS/THERM (Pass-Through Cost of Gas)		
Calculated each month based on the San Juan index and then adjusted based on the actual cost from the prior month. It is capped at \$4/therm.		

Date	Projected Variable Cost of Gas		Adjust Prior Month Estimate	Variable Pass-Through Cost of Gas/Therm
Jul 2025	\$0.33	+	\$0.02	\$0.35
Aug 2025	\$0.11	+	\$0.00	\$0.11
Sep 2025	\$0.26	+	\$0.02	\$0.28

F&A

#HIGHLIGHTS



JOANN GENTRY /
DEPUTY UTILITY MANAGER

Bachelor of Business
Administration - Finance

Master of Business Administration

Membership:
Government Finance Officers
Assn.

OVERVIEW

Electric and sewer rate increases went into effect on July 1. Current rates can be found on the County's website at <http://ladpu.com/rates>.

As of September 30, the balance in the UAP fund was \$29,247. Thank you to all the generous donors who provide this critical assistance. If you want to donate to the UAP fund, call the Customer Care Center at 505-662-8333. More information is also available on DPU's page on the County's website at <http://ladpu.com/assist>. This page includes forms for regular monthly contributions to the fund as well as requests for assistance.

Los Alamos County customers can pay their utility bills with Automated Clearing House (ACH) by signing up for autopay with DPU. This free service automatically drafts the amount due from your bank account monthly. ACH simplifies your life by offering a convenient, automated, and secure way

to pay your utility bill.

OVERALL OPERATIONS

Through September 30—Q1 for FY2026—the Joint Utilities Fund operating revenues were \$20.3 million. Operating Expenditures were \$14.2 million. The net operating income gain was \$6.1 million. Capital Expenditures were \$5.5 million. The total net income gain was \$601,785.

Electric Operations

Electric revenues were \$9.8 million for wholesale, \$4.6 million for retail, and \$458,000 in other revenues, for a total of \$15 million in Q1. Operating expenditures were \$10.2 million. The net operating income gain was \$4.8 million. Capital expenditures were \$806,239. The total net income gain was \$4 million.

Gas Operations

Gas revenues were just over \$660,000 for retail, and \$7,400 in other revenues, for a total just shy of \$667,500 in Q1. Operating expenditures were \$370,000 and the Cost of Gas was \$470,000. The

net operating income loss was \$(173,000). Capital expenditures were \$4,200. The total net income loss was \$(177,000).

Water Operations

Water revenues were \$318,000 for wholesale, \$2.4 million for retail, and \$138,000 in other revenues, for a total of \$2.8 million in Q1. Operating expenditures were \$1.9 million. The operating net income gain was nearly \$966,000. Capital expenditures were \$4.6 million. The total net income loss was \$(3.7 million) due to capital expenditures.

Wastewater Operations

Wastewater retail revenues were \$1.7 million in Q1. Operating expenditures were \$1.2 million. The total net operating income gain was more than \$518,000. Capital expenditures were \$32,000. The total net income gain was over \$486,000

In late September, the Los Alamos County Council proclaimed the first week of October as Customer Service Week



F FINANCIAL PERFORMANCE



GOAL: Achieve and maintain excellence in financial performance

- Control costs and maintain adequate revenue to provide a high level of service, now and into the future, 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



FOLLOWING PAGES:

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



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



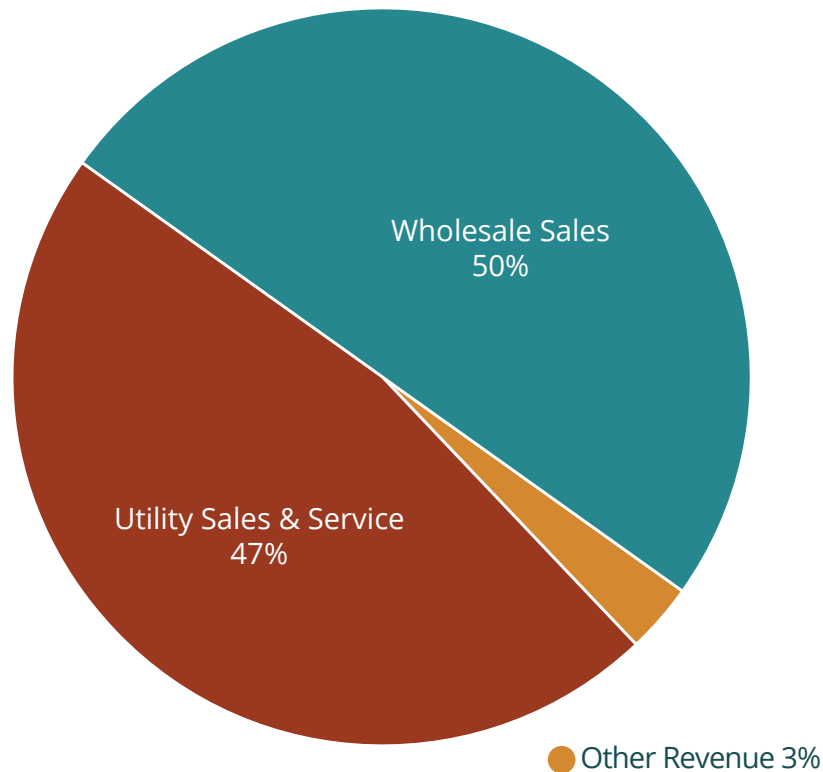
CURRENT DEBT PROFILE: Q1

Net System Revenue of the Joint Utility System

Year	Total Senior Debt Service	Total Subordinate Debt Service	Total Super Subordinate Debt Service	Total Debt Service	Total Operating Net Revenue	Total Debt Service Coverage Ratio
2026	\$1,210,048	\$969,922	\$1,227,193	\$3,407,163	\$8,461,607	2.48
2027	\$1,189,720	\$1,172,027	\$2,541,666	\$4,903,414	\$7,831,411	1.60
2028	\$1,177,264	\$1,174,928	\$2,541,903	\$4,894,095	\$8,760,210	1.79
2029	\$1,152,072	\$1,172,108	\$2,541,900	\$4,866,080	\$10,580,855	2.17
2030	\$1,129,752	\$1,173,747	\$2,541,897	\$4,845,396	\$10,893,363	2.25
2031	\$0	\$1,169,669	\$2,541,895	\$3,711,563	\$12,451,425	3.35
2032	\$0	\$1,168,685	\$2,510,216	\$3,678,900	\$13,652,625	3.71
2033	\$0	\$1,171,932	\$2,503,030	\$3,674,962	\$14,623,417	3.98
2034	\$0	\$1,169,218	\$2,503,031	\$3,672,248	\$14,981,906	4.08
2035	\$0	\$535,733	\$2,503,031	\$3,038,764	\$13,425,742	4.42

FY2026 based on FY2024 Annual Comprehensive Financial Report (ACFR)
FY2027 based on FY2025 projected actuals
FY2028-FY2035 based on 10-year financial projection

REVENUES



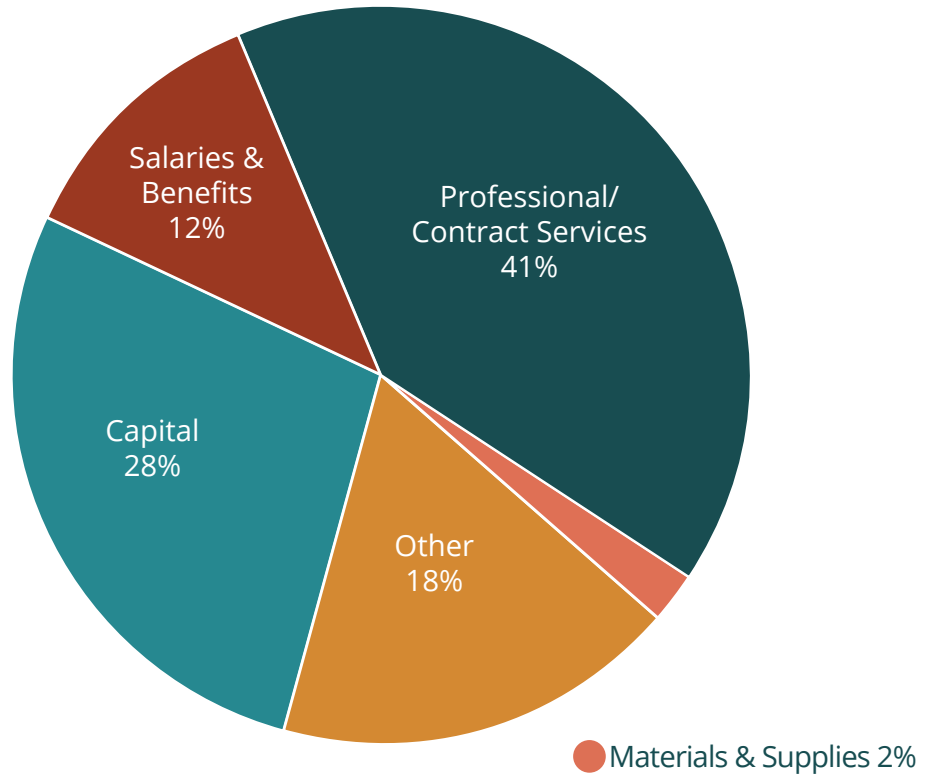
* "Other" revenues include interest income, federal bond subsidy, revenue on recoverable work and miscellaneous revenue.

OVERALL PERFORMANCE:
Q1 YTD

FY2026 Financial Status - Unaudited

		Adopted Budget	Revised Budget
OPERATING REVENUES	Utility Sales & Service	\$42,515,988	\$42,515,988
	Wholesale Sales	53,008,007	53,008,007
	Other Revenue	3,422,900	3,422,900
	Total Operating Revenue	\$98,946,895	\$98,946,895
OPERATING EXPENSES	Employee Salaries & Benefits	\$11,402,096	\$11,402,096
	Prof'l & Contract Services	58,374,050	58,800,482
	Materials and Supplies	2,058,914	2,083,917
	Other *	21,171,275	21,310,951
	Net Operating Expenditures	\$93,006,335	\$93,597,446
NET OPERATING INCOME (LOSS)		\$5,940,560	\$5,349,449
	Capital Expenditures	15,733,500	44,695,668
	Other Financing Uses	6,879,916	13,751,351
NET INCOME (LOSS)		\$(2,913,024)	\$(25,594,868)

EXPENSES



* "Other" expenses are interfund charges, capital outlay and fiscal charges.

Electric	Gas	Water	Wastewater	Total Q1 YTD	% Left
\$4,689,920	\$660,076	\$2,411,351	\$1,775,612	\$9,536,958	78%
9,887,251	-	317,697	-	10,204,948	81%
457,966	7,415	138,072	-	603,453	82%
\$15,035,137	\$667,490	\$2,867,120	\$1,775,612	\$20,345,359	79%
\$1,112,430	\$260,127	\$541,705	\$505,665	\$2,419,928	79%
7,634,052	42,603	251,019	72,369	8,000,043	86%
130,834	67,363	84,141	60,683	343,022	84%
1,345,823	470,124	1,024,696	618,375	3,459,018	84%
\$10,223,139	\$840,217	\$1,901,561	\$1,257,092	\$14,222,010	85%
\$4,811,998	\$(172,727)	\$965,559	\$518,519	\$6,123,349	
806,239	4,203	4,679,070	32,051	5,521,564	88%
-	-	-	-	-	100%
\$4,005,758	\$(176,930)	\$(3,713,511)	\$486,468	\$601,785	

ELECTRIC PRODUCTION

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
MWh Sales to LANL	485,207	485,207	108,527	78%
MWh Sales to ED	123,455	123,455	31,645	74%
Total MWh Sales	608,662	608,662	140,172	77%
DOE Revenues	\$43,668,618	\$43,668,618	\$8,759,862	80%
Economy Sales	7,500,000	7,500,000	1,127,389	85%
Sales to ED	11,110,992	11,110,992	2,848,831	74%
Other Revenue	2,024,080	2,024,080	281,832	86%
Total Revenue	\$64,303,690	\$64,303,690	\$13,017,914	80%
OPERATING EXPENSES				
Salaries	\$1,781,619	\$1,781,619	\$381,330	79%
Benefits	707,228	707,228	147,428	79%
Prof'l/Contract Services	54,389,646	54,390,955	7,496,304	86%
Materials/Supplies	225,952	225,952	17,894	92%
Interfund Charges	2,484,063	2,484,063	323,790	87%
Capital Outlay	64,361	64,361	-	100%
Fiscal Charges	577,462	577,462	105,441	82%
Total Operating Expense	\$60,230,331	\$60,231,640	\$8,472,187	86%
Operating Income (Loss)	\$4,073,359	\$4,072,050	\$4,545,727	
Capital Expenditures	\$780,000	\$2,029,904	\$702,538	65%
Other Financing				
Transfer to ED	\$(2,000,000)	\$(2,000,000)	-	100%
NET INCOME (LOSS)	\$1,293,359	\$42,146	\$3,843,189	

ELECTRIC DISTRIBUTION

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
KWh Sales	123,455,462	123,455,462	31,327,300	75%
Sales Revenue	\$19,288,456	\$19,288,456	\$4,689,920	76%
Other Revenue	561,653	561,653	176,134	69%
Total Revenue	\$19,850,109	\$19,850,109	\$4,866,054	75%
OPERATING EXPENSES				
Salaries	\$1,913,867	\$1,913,867	\$424,051	78%
Benefits	836,414	836,414	159,622	81%
Prof/I/Contract Services	1,004,568	1,043,881	137,748	87%
Materials/Supplies	582,886	594,020	112,940	81%
Interfund Charges	2,920,034	2,960,034	623,990	79%
Capital Outlay	242,900	315,298	456	100%
Fiscal Charges	1,178,311	1,178,311	292,146	75%
Cost of Power	11,110,992	11,110,992	2,848,831	74%
Total Operating Expense	\$19,789,972	\$19,952,818	\$4,599,783	77%
Operating Income (Loss)	\$60,137	\$(102,709)	\$266,270	
Capital Expenditures	\$2,075,000	\$5,141,918	\$103,701	98%
Other Financing				
Transfer from EP	2,000,000	2,000,000	-	100%
Revenue (Profit) Transfer	(829,404)	(829,404)	-	100%
NET INCOME (LOSS)	\$(844,267)	\$(4,074,031)	\$162,569	

WATERWATERWATERWATERWATERWATERWATER PRODUCTION

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
Potable KGal prod.	1,150,000	1,150,000	341,012	70%
Non-potable KGal prod.	136,500	136,500	33,935	75%
Potable Sales to DW	\$4,200,000	\$4,200,000	\$1,478,023	65%
Potable Wholesale Sales	1,839,389	1,839,389	317,697	83%
Other Revenue	509,342	509,342	122,878	76%
Total Revenue	\$6,548,731	\$6,548,731	\$1,918,599	71%
OPERATING EXPENSES				
Salaries	\$1,136,438	\$1,136,438	\$246,452	78%
Benefits	474,938	474,938	92,915	80%
Prof/Contract Services	974,439	1,133,147	173,730	85%
Materials/Supplies	186,790	190,657	44,130	77%
Interfund Charges	2,045,825	2,045,825	620,225	70%
Capital Outlay	34,535	34,535	3,169	91%
Fiscal Charges	888,118	888,118	156,638	82%
Total Operating Expense	\$5,741,083	\$5,903,658	\$1,337,259	77%
Operating Income (Loss)	\$807,648	\$645,073	\$581,339	
Capital Expenditures	\$4,458,500	\$24,573,663	\$4,347,644	82%
Other Financing				
Grants/Loan Proceeds	\$2,500,000	\$6,451,535	-	100%
County/Ext Reimb	-	2,919,900	-	100%
Transfer: Gen Fund/ Econ Dev	100,000	100,000	-	100%
NET INCOME (LOSS)	\$(1,050,852)	\$(14,457,155)	\$(3,766,305)	

WATER DISTRIBUTION

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
KGal Sales	800,000	800,000	269,249	66%
Sales Revenue	\$7,611,636	\$7,611,636	\$2,411,351	68%
Other Revenue	85,000	85,000	15,194	82%
Total Revenue	\$7,696,636	\$7,696,636	\$2,426,545	68%
OPERATING EXPENSES				
Salaries	\$790,528	\$790,528	\$145,208	82%
Benefits	320,606	320,606	57,130	82%
Prof'l/Contract Services	574,447	782,604	77,289	90%
Materials/Supplies	368,743	378,745	40,011	89%
Interfund Charges	1,385,409	1,385,409	244,663	82%
Cost of Water	4,200,000	4,200,000	1,478,023	65%
Total Operating Expense	\$7,639,733	\$7,857,892	\$2,042,326	74%
Operating Income (Loss)	\$56,903	\$(161,256)	\$384,220	
Capital Expenditures	\$4,900,000	\$5,967,860	\$331,426	94%
Other Financing				
Grants/Loan Proceeds	\$3,500,000	\$3,500,000	-	100%
NET INCOME (LOSS)	\$(1,343,097)	\$(2,629,116)	\$52,793	

NATURAL GAS DISTRIBUTION

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
Therm Sales	8,400,000	8,400,000	535,637	94%
Sales Revenue	\$8,365,728	\$8,365,728	\$660,076	92%
Other Revenue	57,825	57,825	7,415	87%
Total Revenue	\$8,423,553	\$8,423,553	\$667,490	92%
OPERATING EXPENSES				
Salaries	\$918,856	\$918,856	\$194,743	79%
Benefits	377,184	377,184	65,384	83%
ProfI/Contract Services	562,633	562,747	42,603	92%
Materials/Supplies	198,357	198,357	67,363	66%
Interfund Charges	1,412,684	1,412,684	326,500	77%
Capital Outlay	-	-	456	0%
Cost of Gas	3,444,000	3,471,278	143,168	96%
Total Operating Expense	\$6,913,714	\$6,941,105	\$840,217	88%
Operating Income (Loss)	\$1,509,839	\$1,482,448	\$(172,727)	
Capital Expenditures	\$825,000	\$1,025,000	\$4,203	100%
Other Financing				
Revenue (Profit) Transfer	(390,680)	(390,680)	-	100%
NET INCOME (LOSS)	\$294,159	\$66,768	\$(176,930)	

WASTEWATER COLLECTION & TREATMENT

	FY2026 BUDGET		ACTUALS	% Left
Through Sep 30, 2025	Adopted	Revised		
REVENUE				
KGals Processed	400,000	400,000	89,952	78%
Sales Revenue	\$7,250,168	\$7,250,168	\$1,775,612	76%
Other Revenue	185,000	185,000	0	100%
TOTAL REVENUE	\$7,435,168	\$7,435,168	\$1,775,612	76%
OPERATING EXPENSES				
Salaries	\$1,526,820	\$1,526,820	\$366,439	76%
Benefits	617,598	617,598	139,226	77%
Prof/I/Contract Services	868,317	887,149	72,369	92%
Materials/Supplies	496,186	496,186	60,683	88%
Interfund Charges	2,088,931	2,088,931	424,792	80%
Capital Outlay	280,000	280,000	456	100%
Fiscal Charges	2,124,642	2,124,642	193,127	91%
Total Operating Expense	\$8,002,494	\$8,021,326	\$1,257,092	84%
Operating Income (Loss)	\$(567,326)	\$(586,158)	\$518,519	
Capital Expenditures	\$2,695,000	\$5,957,323	\$32,051	99%
Other Financing				
Grant/Loan Proceeds	2,000,000.00	2,000,000	-	100%
NET INCOME (LOSS)	\$(1,262,326)	\$(4,543,481)	\$486,468	

UTILITY UTILITY UTILITY UTILITY UTILITY SERVICE: ELECTRIC

	Q1	Q2	Q3	Q4	YTD
SALES (KWh)					
Residential	16,651,955				16,651,955
Private Area Lights	9,354				9,354
Commercial	9,852,397				9,852,397
Municipal	2,470,317				2,470,317
Water Production	2,318,449				2,318,449
Educational	1,031,121				1,031,121
DG received by DPU*	(1,006,293)				(1,006,293)
Total	31,327,300				31,327,300
BILLED LOCATIONS (average)					
Residential	9,034				9,034
Commercial	723				723
Municipal	215				215
Educational	66				66
Total	10,038				10,038
REVENUE/KWH (average)					
Residential	\$0.1544				\$0.1544
Private Area Lights	0.4628				0.4628
Commercial	0.1456				0.1456
Municipal	0.1494				0.1494
Water Production	0.1068				0.1068
Educational	0.1504				0.1504
Cost for DG received**	(0.0922)				(0.0922)
Average	\$0.1497				\$0.1497
LOSS CALCULATION					
Power Rec'd, KWh	31,170,369				31,170,369
PV Power Rec'd, KWh	-				-
Qtrly Losses <gains>, KWh	(156,931)				(156,931)
% Qtrly Losses <gains>	-0.50%				-0.50%
Cumulative Losses <gains>	-0.50%				-0.50%

* DG received by DPU: Total distributed generation added to the electric grid by solar customers. These customers also received 1,199,301 kWh from the grid during Quarter 1.

** Cost for DG received: Solar customers are credited for the distributed generation added to the electric grid at the current wholesale equivalent cost.

UTILITY SERVICE: NATURAL GAS

	Q1	Q2	Q3	Q4	YTD
SALES (Therms)					
Residential	331,167				331,167
Commercial	132,355				132,355
Municipal	31,749				31,749
Water Production	33,935				33,935
Educational	6,431				6,431
Total	535,637				535,637
BILLED LOCATIONS (average)					
Residential	7,636				7,636
Commercial	417				417
Municipal	45				45
Educational	25				25
Total	8,123				8,123
REVENUE/THERM (average)					
Residential	\$1.5376				\$1.5376
Commercial	0.8573				0.8573
Municipal	0.7325				0.7325
Water Production	0.2566				0.2566
Educational	0.8492				0.8492
Average	1.2323				1.2323
LOSS CALCULATION					
Gas Rec'd, therms	576,420				576,420
Qtrly Losses <gains>, therms	40,783				40,783
% Qtrly Losses <gains>	7.08%				7.08%
Cumulative Losses <gains>	7.08%				7.08%

LITYUTILITYUTILITYUTILITYUTILITYUTILITYUTILITY SERVICE: WATER

	Q1	Q2	Q3	Q4	YTD
SALES (KGAL)					
Residential	195,434				195,434
Commercial	25,295				25,295
Municipal	39,356				39,356
Educational	9,165				9,165
Total	269,249				269,249
BILLED LOCATIONS (average)					
Residential	7,173				7,173
Commercial	327				327
Municipal	93				93
Educational	31				31
Total	7,624				7,624
REVENUE/KGAL (average)					
Residential	\$9.2769				9.2769
Commercial	\$8.7451				8.7451
Municipal	\$7.5679				7.5679
Educational	\$8.6519				8.6519
Average	\$8.9558				8.9558
LOSS CALCULATION					
Water Rec'd, Kgal	277,824				277,824
Qtrly Losses <gains>, Kgal	8,575				8,575
% Qtrly Losses <gains>	3.09%				3.09%
Cumulative Losses <gains>	3.09%				3.09%

UTILITY SERVICE: WASTEWATER

	Q1	Q2	Q3	Q4	YTD
SEWER TREATED (KGAL)					
Los Alamos	65,304				65,304
White Rock	24,648				24,648
Total Treated	89,952				89,952
BILLED LOCATIONS (average)					
Residential	6,977				6,977
Commercial	236				236
Municipal	35				35
Educational	21				21
TOTAL	7,269				7,269
REV PER KGAL TREATED*	\$19.74				\$19.74

* Effluent revenue is reported on the financial statements under Water Production

DPU

#WORKFORCE

NEW HIRES/TRANSFERS

- **Jacki Archuleta** joined the Customer Care Center as a Billing & Service Specialist.
- **Victor Line** transferred from the Public Works Traffic & Streets Division to DPU's Water Production Division, where he is a Water Systems Electrical Technician.



PROMOTIONS

- In the Gas, Water & Sewer Division, **Ricardo Lambert** was promoted to Sr. GWS Pipefitter.
- **Steven Martinez** and **Erwin Lopez**, in Gas, Water & Sewer, were both promoted to GWS Apprentice I.
- **Agustine Campos**, in Gas, Water & Sewer, was promoted to GWS Apprentice 2.
- Also in the Gas, Water & Sewer Division, **Myron Cordova** was promoted to GWS Pipefitter.
- In Water Production, **Vincent Corona** was promoted to Senior Water Operator.

ANNIVERSARIES

25 Years:

Clay Moseley, Deputy Utility Manager of Gas, Water & Sewer

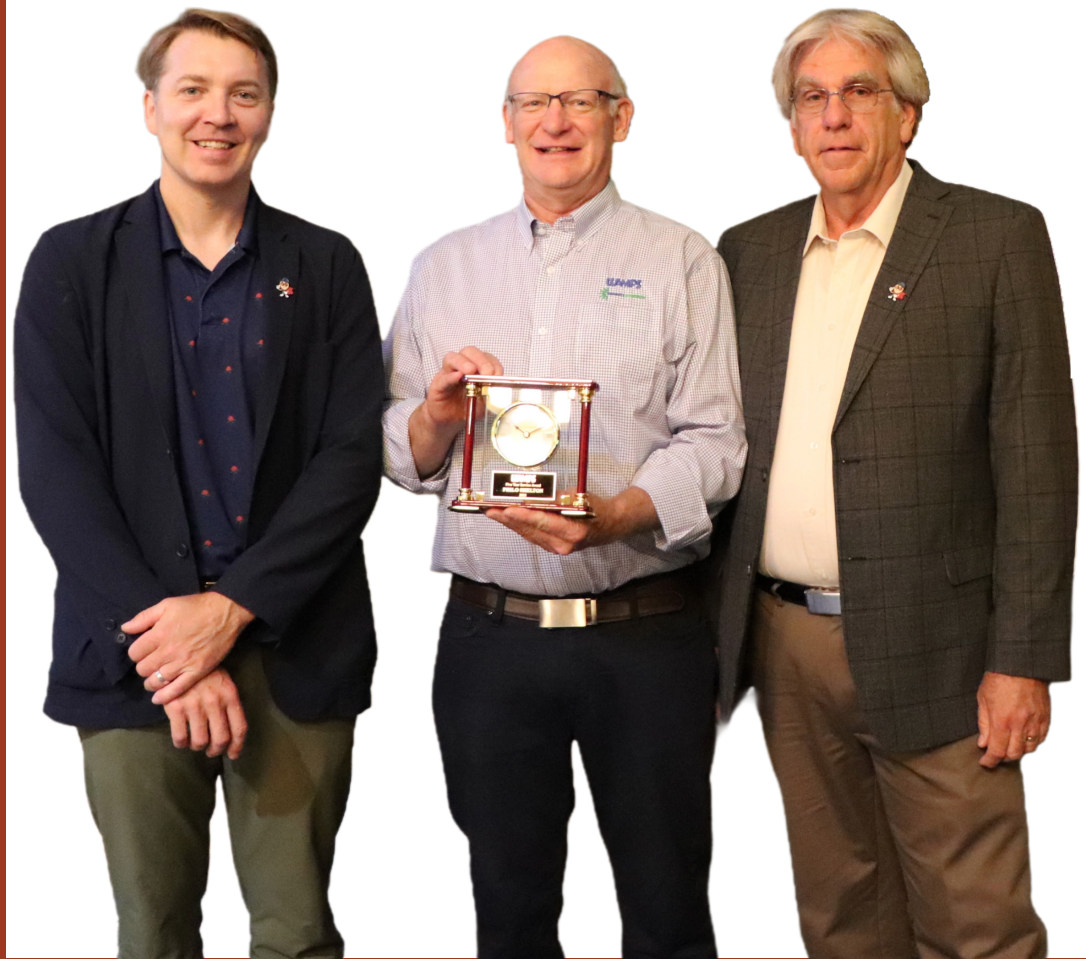
RETIREMENTS

- **Stephen Marez**, Deputy Utility Manager, Electric Distribution
- **Brent Talley**, Electric Dispatcher, Electric Production

ACHIEVEMENTS

Utilities Manager **Philo Shelton**, received an award from UAMPS for 5 years of service on the UAMPS Board of Directors





Page 67: Jacki Archuleta, Victor Line, Ricardo Lambert, Steven Martinez, Erwin Lopez

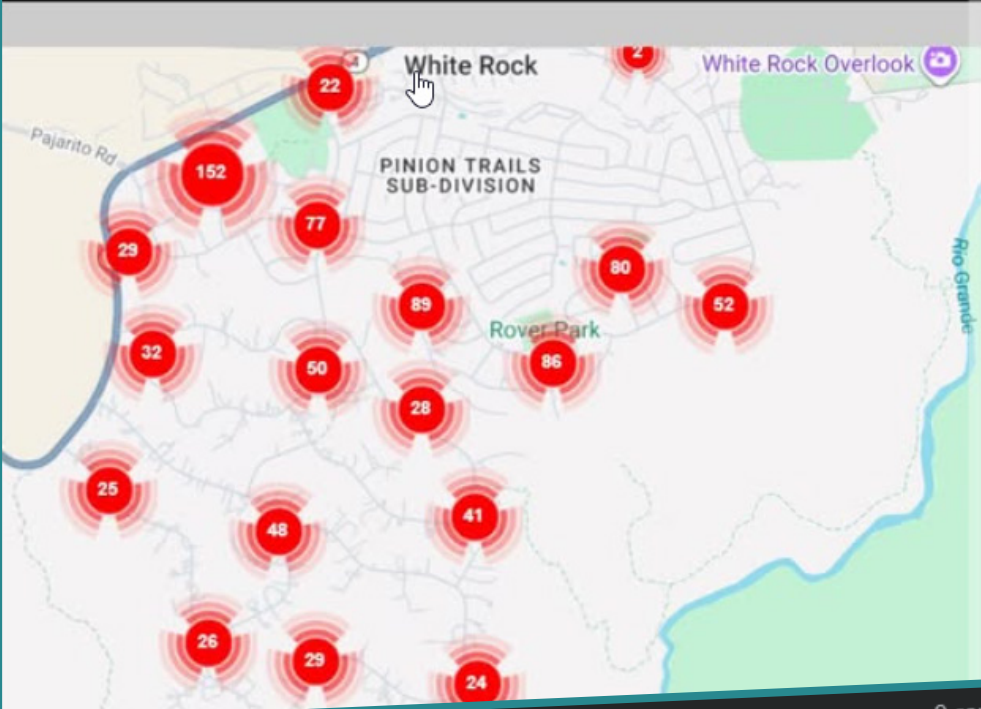
Page 68: Agustine Campos, Myron Cordova, Vincent Corona, Clay Moseley, Stephen Marez

Above: Philo Shelton accepts the 5-year service award from UAMPS CEO and General Manager Mason Baker and UAMPS Board of Directors Chairman Rick Hansen

#POSITIVEFEEDBACK

Los Alamos Dept. of Public Utilities
Published by Ayrshare · 13h · 📍

[UPDATE, 8:20 pm] Power has been restored. The White Rock 2 breaker opened up due to a lightning strike. DPU's linemen responded and closed the breaker. Multiple lightning strikes have been causing flickers in the electric grid.
[Original post, 8:07 pm] Most of White Rock is experiencing a power outage at this time. Electric linemen from the Department of Public Utilities are investigating and will restore power as soon as they can.



9 comments 3 shares

Julia Reedy
Thank you to the lineman and co

Zuzu Petals (Top fan)
Thank you for your service.

Lettie Birn
Thank you so much for your quick

Anne Gallimore
Thank you for your response DPU

Jason Halladay (Top fan)
Thanks Los Alamos Dept. of Public Utilities
We appreciate the updates.

Janet Lovato
Thanks for your prompt response

Boyd Waters
Hell of a busy day for DPU!
Thank you!

Steven Wilson
Thank you all for your work through this outage!
diligence!

Suzy Straight Miller
Thanks for getting us back up n r

Paula Hewitt
Thanks for this info

Los Alamos Dept. of Public Utilities (Author)
This outage has been resolved.

Gilles Bussod
Los Alamos Dept. of Public Utilities - thank you!

Jacob Schelebo
Hopefully everyone is okay. Silly mistakes happen. Grateful for these folks doing this job and helping build up our schools better, safer for our kids. Accidents happen and hopefully the driver is alright. Thanks for the information!

Mohini R-s (Top fan)
Thank you for keeping us up to date!

From: Michael Dolejsi <[REDACTED]>
Sent: Wednesday, July 23, 2025 5:14 PM
To: Customer Care <CustomerCare@lacnm.us>
Subject: Yesterday's power outage - Thank you!

Hello,

Please pass on my gratitude to all the linemen who were out working to restore power during that amazing lightning storm we had. I hope they are all safe and am thankful for their effort. I was impressed at how quickly power was restored.

Appreciations,
 Michael Dolejsi

From: Sargent, Brenda <brenda.bartlett-sargent@lacnm.us>
Sent: Thursday, October 2, 2025 2:04 PM
To: Nelson, Nicholas <nicholas.nelson@losalamosnm.gov>
Subject: Thank you so much!!!!

Thanks for getting everyone together to make my day EXTRA special !!!!
 ALL of you are a wonderful FAMILY that I get to work with. 😊

-----Original Message-----

From: GARY MCMATH <[REDACTED]>
Sent: Monday, July 28, 2025 10:47 AM
To: Customer Care <CustomerCare@lacnm.us>
Cc: Nancy Home <[REDACTED]>
Subject: Service for our house

Dear County,

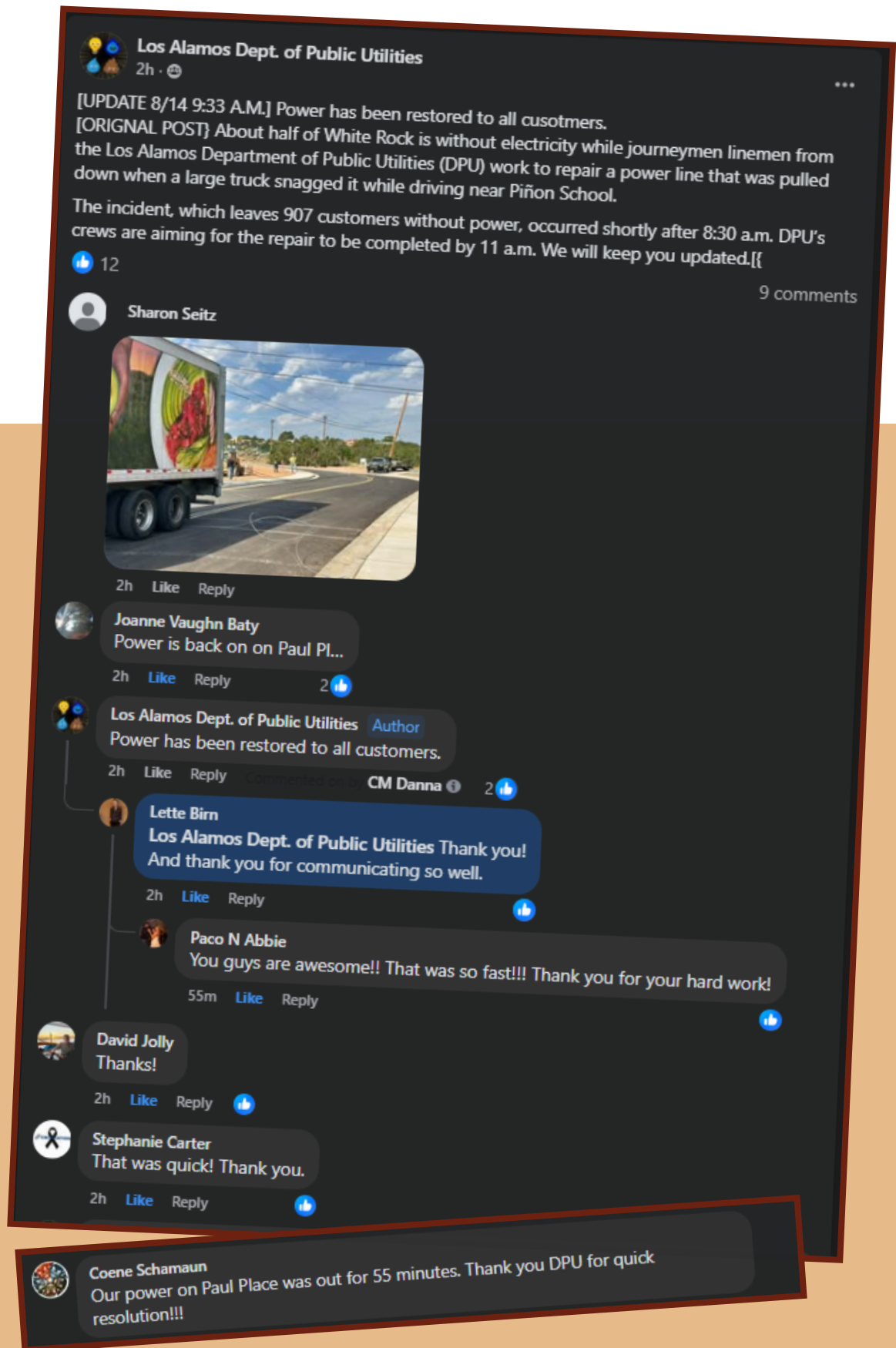
I wanted to thank the following folks for their help in getting us ready for our new driveway. Casey was the engineer who came out and proposed a solution. Then the field crew of Darren, Jared, and Steven came out and took field measurements and went back to the shop and built the pieces needed to install our new run over plate for our water meter. Today, they came out and put it all together. It looks great!

They were all great to work with and I want the higher ups at the county to know what great job they did. Thank you all.

Gary and Nancy McMath
 [REDACTED] in White Rock.
 Sent from my iPhone



Kudos



From: Ashley Connel
Sent: Saturday, July 12, 2025 11:00 AM
To: Customer Care <CustomerCare@lacnm.us>
Subject: Customer comment

I just wanted to send a quick note of appreciation for your wonderful county linemen. We had an issue with our power line coming into our house and we were without power on a Saturday. Randy and Timote came out promptly after we called and identified and fixed our issue. They were so kind and respectful and we really appreciate their skills, hard work, and service today. They were very friendly, professional, and communicative. We are so happy to have such great people working for our county.

From: Thank you again!
Sent: The Connell Family
To: [Redacted] White Rock
Subject: [Redacted]@lacnm.us>

Hi, Peggy. I clicked on the survey you mentioned but was a little sad that they didn't give any chance to say what actually happened! If you are comfortable with it, Please share this with your superiors...

"Hello, I am Jackie Beebe, long time Los Alamos resident. I received a PHONE CALL from Peggy Martinez about one of our renters who was wanting to give a date for their vacating one of our rentals. I was really happy that Peggy phoned me instead of an email or other non personal method. She explained the change in DPU rules for renter vacating and therefore, Landlord resuming the utility bill. Peggy was really friendly and very easy to understand the changes and even offered to email me the new required paperwork. I was really pleased to have her guide me through this process. (I am not comfortable with computer stuff!) Therefore, I decided I would take the DPU survey, which was disappointing since there were no comment boxes in which I could give my highest appreciation to Peggy. So here is my grateful appreciation to Peggy, her friendly and helpful Information and was actually Pleased with her reply after I sent the paperwork. YAY PEGGY MARTINEZ!! Jackie Beebe"

Thanks again, Peggy! I owe you a big hug, Jackie

From: Jacobson, Eva <eva.jacobson@lacnm.us>
Sent: Sunday, August 31, 2025 9:34 AM
To: Hayward, Abbey <abbey.hayward@lacnm.us>; D'Anna, Catherine <catherine.danna@lacnm.us>
Cc: Doiron, Aimee <aimee.doiron@lacnm.us>
Subject: Re: Atomicon item from DPU

Abbey and Cathy,
 Just a quick report while everything is fresh in mind. Your trading cards could not have been any more successful. They were gone from all locations before noon! Folks were thrilled!! And Aimee and I were really touched by your support.
 Thank you!!
 Eva



Los Alamos Dept. of Public Utilities
Published by Ayrshare · August 29 ·

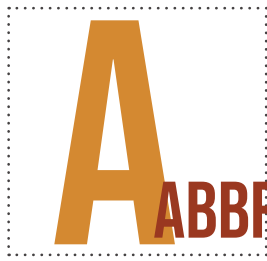
With about 100 employees working on four different utilities, we get a lot of work done around here. When Labor Day rolls around, we're ready for a break! And we suspect you are too. Whatever you may be doing this Labor Day weekend, do it safely and happily. You've earned it! Please note, our doors will be closed on Monday but we always have crews ready to respond to urgent utility matters 24/7. Should you need to reach them while we're closed, please call (505) 662-8222.



0:28 / 0:43

48

-  Bernadette Lauritzen
Hope you all have a quiet weekend.
-  Anne Gallimore
Thank you all!
-  Top fan
Zuzu Petals
Thank you for your service!
-  Liz Aicher
Thank you for all you do! Every day!



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
CAISO	California Independent System Operator
CAP	Climate Action Plan
CGTG	Combustion Gas Turbine Generator
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
FTF	Foxtail Flats Solar and Storage Power Project
FY	Fiscal Year
GPCD	Gallons Per Capita Daily
GWS	Gas, Water, & Sewer Division*
HVAC	Heating, Ventilation and Cooling
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
LASS	Los Alamos Switch Station
LARES	Los Alamos Resiliency, Energy & Sustainability Task Force
LRS	Laramie River Station

#ABBR

MCC	Motor Control Center
MCM	Thousands of Circular Mills (wire gauge measurement)
MGAL	Millions of Gallons
MWH	Megawatt Hours
NMED	New Mexico Environment Department
NMGC	New Mexico Gas Company
NMMEA	New Mexico Municipal Energy Acquisition Authority
NNSA	National Nuclear Security Administration
NP	Non-Potable
NPV	Net Present Value
NPDES	National Pollutant Discharge Elimination System
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
SCADA	Supervisory Control and Data Acquisition
SLS	Sewer Lift Station
TOU	Time of Use
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
WP	Water Production
WR	White Rock
WRRF	Water Resource Reclamation Facility
WWT	Wastewater Treatment
WWTP	Wastewater Treatment Plant

*Sewer = Wastewater Collection

2025: Jul 1 - Sep 30

Q1 REPORT FY26

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