LOS ALAMOS
Department of Public Utilities
Electric, Gas, Water, and Wastewater Services

Board of Public Utilities
Strategic Planning Workshop
August 26, 2026
5:30 p.m.

AGENDA

1. **Welcome and Strategic Plan Overview** — **Philo Shelton**

2. **Workshop Objectives**
   - Review the 2026 Management Team SWOT Analysis
   - Identify FY2028 Strategic Plan Measurable Objectives and Performance Measures

3. **2026 Management Team SWOT Analysis**

4. **FY 2028 Strategic Plan Objectives and Measures**
   - Small-Group Exercise: Identify Performance Measures for Measurable Objectives
   - Small-Group Presentations: Present Measurable Objectives and Measures to the Large Group
   - Large-Group Discussion: Reach a Consensus on Measurable Objectives and Measures

5. **Public Comment**

6. **Workshop Feedback and Evaluation**

7. **Closing Comments** — **Philo Shelton**

Los Alamos Department of Public Utilities

2026 Management Team SWOT Survey Results
8 Participants

Affinity Diagrams
July 2026

Q1 - Strengths (5)

Theme	Related Comments
Experienced, Qualified & Knowledgeable Workforce	• Experienced DPU workforce • Qualified staff • The ED line crew is very talented and knowledgeable of the system, and this combination makes them very efficient • Resources for training
Leadership, Culture & Ethics	• Competent leadership/governance • Positive culture • Ethical behavior • A strong culture • A good place to work • Staff willingness to consider new ways of doing the utility's business and accommodate change
Providing Good, Quality Service	• Reliable 24-hour utility services that maintain power and support emergency response • Excellent service to residents • General community rapport • Updated equipment • Advanced technology • Strong transparency and communication with the public
Competent Financial Management	• Enterprise fund structure provides clear oversight of utility rates, revenues, and budgeted expenditures • Effective financial management • Strong financial strength to take on projects across utility sectors • Ability to obtain project financing to slow needed rate increases • Low levels of customer-related account collections
Partnerships	• Coordinating across DPU divisions, County Departments, and outside partners to find and implement efficient projects

Q2 - Weaknesses (6)

Theme	Related Comments
Revenue Shortfalls	• Rate increases needed to cover operating costs face significant public and political scrutiny • Seasonal fluctuations in water and gas services create volatility in projected revenues • Cash reserve targets and reserve requirements are difficult to meet • Prior-year budget projections were overestimated, resulting in current-year budget shortfalls
Project & Workload Demands	• CIP project carryovers from prior years when projects were not completed as budgeted • Lengthy procurement processes may contribute to delays in CIP completion • Difficult to complete projects with current customer demands • Staff are spread thin across many issues and challenges, with multitasking contributing to an inability to focus fully and creating work/life imbalance
Workforce Culture & Recruitment	• Field crew culture of bullying and intimidation of new and inexperienced personnel • Difficulty finding qualified candidates for some positions • Difficult-to-fill electrical engineering and utility locator positions • Engagement with the workforce to communicate new policies • Recent retirements have resulted in a loss of institutional knowledge
IT & Tech Challenges	• Document control challenges between the attorney's office and DPU affect workflow efficiency • Lack of a centralized document-sharing space between divisions • Software updates, especially with billing
Collaboration	• Communication to the public is mired in double checks or out-of-office delays • Teams operate as separate entities rather than a cohesive unit, with a noticeable reluctance to share information • Analysis paralysis at the BPU
Aging Infrastructure & Electrification Readiness	• A large percentage of the underground system is very old and beginning to fail • Underground cable failures are difficult to locate and repair, leading to lengthy consumer outages • Long secondary service wires will not support an all-electric initiative without significant design changes

Q3 - Opportunities (4)

Theme	Related Comments
Rates, Reserves & Capital Funding	• Approved rate increases help generate additional revenue to support operations and rebuild reserves • Time-of-Use (TOU) rates can influence customer behavior and reduce peak demand on the electric system • Future cost-of-service rate analyses will strengthen rate ordinance development and improve accuracy in future budget planning • Favorable loan and grant opportunities can help offset the impact of necessary rate increases and support capital needs • The New Mexico Water Trust Board is expanding its eligibility to wastewater projects, which will help fund much-needed wastewater collection projects
Partnerships & Government Affairs	• Continue developing the political influence that helps get grant awards • Partnerships with LANL, the School District, and San Ildefonso Pueblo can bring new technologies and resources to the utility
Technology & Reliability	• Stay on top of fast-moving developments in technology without delay • Use new technologies to support the County's electrification and carbon-free goals • With the installation of LASS, divide the townsite community into smaller circuits that will provide better consumer reliability
Operational Enhancement	• Continue being prepared with projects to apply for and receive funding opportunities to upgrade infrastructure • Enhance O&M capabilities to take on a few more in-house projects and cover more ground with O&M goals • Streamline policies and procedures from the APWA process • Expand to strengthen divisions outside of APWA • Provide opportunities for junior employees to have roles and speak up in projects with senior employees • Improve the customer service experience by responding quickly

Q4 - Threats (6)

Theme	Related Comments
Financial Perception	• Declining gas usage has reduced winter revenues, creating financial pressure • Lack of rate increases in prior years has led to larger required increases now • Continued inability to meet cash reserve requirements poses financial stability risks • Lack of timely rate adjustments can shift costs from today's customers to future customers and set DPU up for poor future financial performance • Not all rate increase requests are supported • Costs/rates may drown out everything else and may dominate the public conversation • The public may not appreciate the cost of upgrades needed to support all-electric initiatives • Larger required rate increases are contributing to public dissatisfaction
Electrification Costs & Incentives	• The concept of electrification is generally supported, but people do not want to pay for it when natural gas is relatively inexpensive • The anti-donation law makes it difficult to offer incentives to electrify • There is a lack of incentives/programs to achieve customer-end goals • Upgrades needed to support all-electric initiatives will be expensive to complete
Funding Competition	• More communities will be competing for the same pool of state funding, it may be harder to win Water Trust Board grant funding. If funding is not received, planned drinking-water projects may be delayed
Procurement Constraints	• Procurement constraints are creating significant pinch points • It takes substantial work and time to procure the items needed to maintain operations • Managing procurement demands could be a separate full-time job
Public Communication	• Delays in communication allow other stories - whether accurate or not - to rise above DPU's message
Environmental Risk	• The chromium plume may affect the supply of clean water

Q5 - Strategic Issues - *Looking ahead three to five years, what is the single most important strategic issue our organization must address to remain successful?*

Theme	Related Comments
Cash Reserves & Rates	• Meeting cash reserves • Implementing timely rate adjustments to maintain positive cash flow and strong reserves • Justifying rates, whether through a new type of rate or a new rate structure
Streamline Operations	• Stay focused on finding new and cost-effective business practices that minimize cost while maintaining or improving the quality of service
Asset Management	• Change how we fund our biggest projects - Relying only on state grants is too risky now that competition is so high • We must constantly look at our project list, figure out what needs to be fixed first, and find opportunities to fund projects • Balance the needs and the wants
Electrification & Environmental Sustainability	• How to advance the metric faster to electrify to meet the environmental sustainability focus area
Future-Ready Workforce	• Recruit and maintain a competent, high-performing, and engaged workforce

Summary:

Strengths	Weaknesses	Opportunities	Threats
Experienced, Qualified & Knowledgeable Workforce	Revenue Shortfalls	Rates, Reserves & Capital Funding	Financial Perception
Leadership, Culture & Ethics	Project & Workload Demands	Partnerships & Government Affairs	Electrification Costs & Incentives
Providing Good, Quality Service	Workforce Culture & Recruitment	Technology & Reliability	Funding Competition
Competent Financial Management	IT & Tech Challenges	Operational Enhancement	Procurement Constraints
Partnerships	Collaboration		Public Communication
	Aging Infrastructure & Electrification Readiness		Environmental Risk

Los Alamos Department of Public Utilities
FY2028 Strategic Focus Areas, Goals & Objectives
Board of Public Utilities
August 26, 2026

Mission

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

Vision

- Continually earn community trust through exceptional utility services.

Values

- We value Community, Employees, Partners and the Environment through:
  - Safety
  - Trust
  - Professionalism
  - Customer Service
  - Fiscal Responsibility
  - Ethical Behavior
  - Communication
  - Collaboration
  - Innovation
  - Fairness

***(Note:** Objectives listed below are not ranked by importance.)*

FOCUS AREA - Operations & Performance

GOAL - 1.0 Provide utility services safely, reliably, and efficiently:

Ongoing Objectives:	Measurable Objectives:
1.1 Objective - Efficiently implement and maintain secure and reliable business systems.	**1.3 Objective –** 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.
1.2 Objective - Ensure utility control and mapping systems and processes are accurate, safe, and secure.	
1.4 Objective - Develop a culture of continuous improvement.	
1.5 Objective - Be flexible and adaptable in delivering all utility operations.	

FOCUS AREA - Financial Performance

GOAL - 2.0 Achieve and maintain excellence in financial performance.

Ongoing Objectives:	Measurable Objectives:
2.2 Objective – Take advantage of favorable loan/grant opportunities.	**2.1 Objective** - 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. Conduct cost of service studies for each utility at least every 5 years, adjusting rates as needed.
2.4 Objective - Conduct cost of service studies for each utility at least every 5 years, adjusting rates as needed.	**2.3 Objective** - Meet financial reserve targets within our 10-year financial policy, with a debt coverage ratio of 1.3 or greater every fiscal year.

FOCUS AREA – Customers and Community

GOAL - 3.0 Be a customer service-oriented organization that is approachable, communicative, efficient, and transparent.

Ongoing Objectives:
3.1 Objective - Customer service processes and systems are efficient, secure, and user-friendly.
3.3 Objective - Utilize customer feedback to improve utility plans and operations.

Measurable Objectives:
3.2 Objective – Inform customers about Utilities operations and plans affecting the community and create opportunities for constituents to engage.
3.4 Objective - Educate Board Members on markets, contracts, and production options for all aspects of the utility systems.
(As measured by the Voice of the Customer survey.)

FOCUS AREA - Workforce

GOAL - 4.0 Recruit and Sustain a capable, satisfied, engaged, ethical and safe workforce focused on customer service.

Ongoing Objectives:
4.1 Objective - Sustain an environment where employees are empowered, engaged, satisfied, and fairly compensated.
4.2 Objective - Promote a culture aligned with LADPU's Mission, Vision and Values.

Measurable Objectives:
4.3 Objective - Promote workforce retention by investing in employee training and professional development.

FOCUS AREA - Environmental Sustainability

GOAL - 5.0 Continuously, conscientiously, work toward environmental sustainability.

Ongoing:
5.1 Objective - Promote utility efficiency through targeted conservation programs. (Combine with 5.6)
5.6 Objective - Support customer electrification and other sustainability efforts with education and technical support. (Program like 5.1)

Action Items:
5.2 Objective - ELECTRIC Be a net carbon neutral electric provider by 2040.
5.3 Objective – GAS - 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.
5.4 Objective - WATER – Reduce potable water use by 12% from 143 gallons per capita per day (2020 calendar baseline) to 126 gallons per capita per day by 2030.
5.5 Objective - SEWER – Expand use of Class 1A effluent water.

FOCUS AREA - Partnerships

GOAL - 6.0 Develop and strengthen partnerships.

Ongoing:
6.1 Objective - 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.

Action Items:
6.2 Objective - Collaborate with other Los Alamos County Departments on implementation of County Sustainability Goals including Climate Action Plan.
6.3 Objective - Continue to coordinate infrastructure construction projects as early as possible between DOE, San Ildefonso Pueblo, DPU and Public Works, especially for communications infrastructure.
6.4 Objective - Pursue timely renewal of Energy Coordination Agreement (ECA).