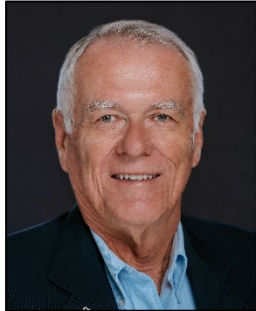




Annual Presentation to County Council

Robert Gibson, Chair
July 14, 2026

Board Members



Member

Position

Term Ends

Robert Gibson

Chair

2028

Matt Heavner

Vice Chair

2031

Jennifer
Hollingsworth

Member

2029

Charlie Nakhleh

Member

2027

Eric Stromberg

Member

2030

Senior Management



Philo S. Shelton, III
-
Utilities Manager

Deputy Utility Managers



James
Martinez
-
Engineering
Division



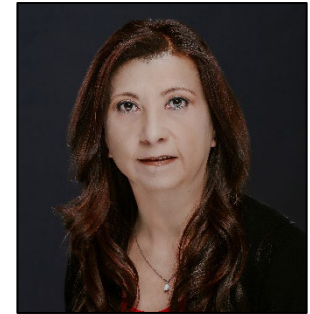
Ben
Olbrich
-
Electric
Production



Dennis
Astley
-
Electric
Distribution



Clay
Moseley
-
Gas, Water
and Sewer
Services



Joann
Gentry
-
Finance and
Administration

DPU from 100,000 ft.

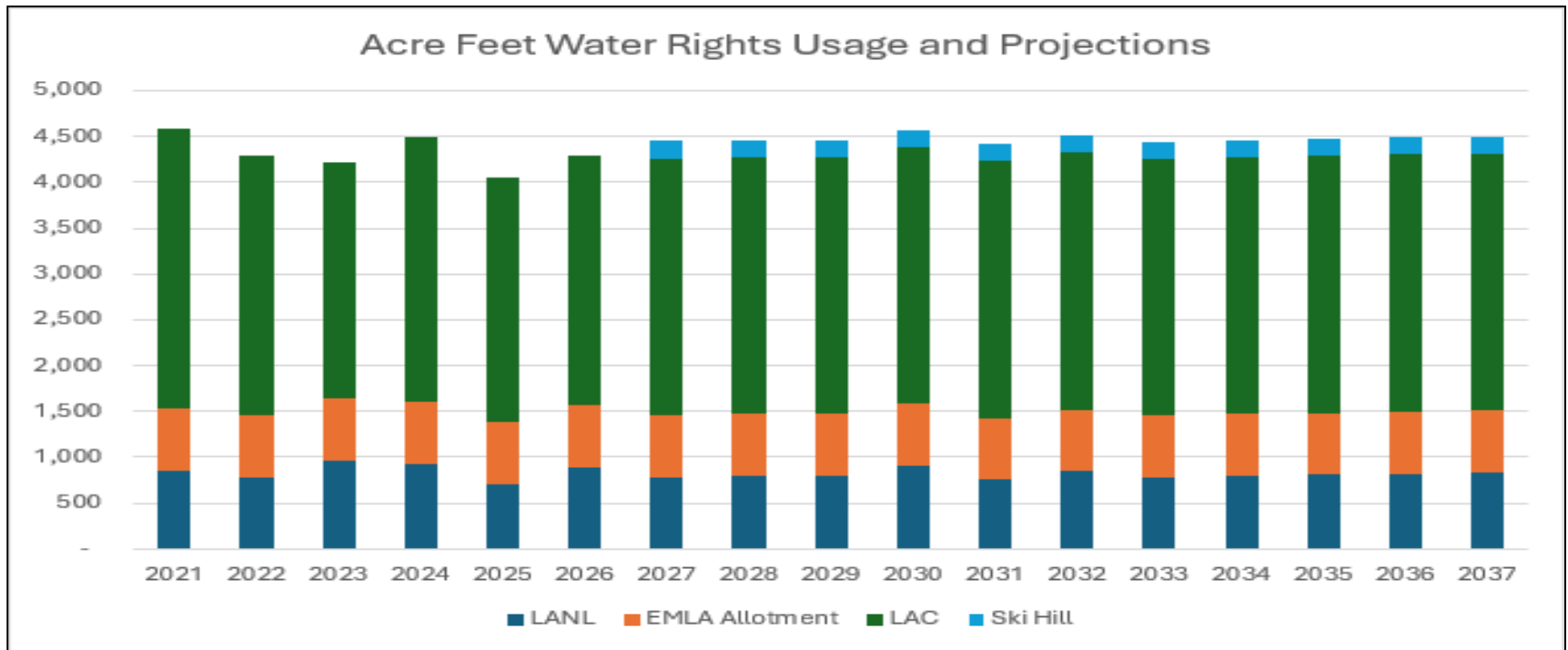
- Department scope:
 - provide electricity, natural gas, water, and wastewater services
 - 107.65 employees; \$95M FY27 budget
- Basic responsibility: keep the lights on and all fluids flowing when and where they should
- Routine operations and maintenance are by far the largest part of DPU's job.
- This report focuses on current and future major challenges

Wastewater

- No major issues; routine repairs and replacements are on-going
- Blockages and back-ups
- More uses for non-potable effluent water could require more pipelines
- PFAS litigation

Water

- Distribution system in good condition
- Jemez Mountain Fire Protection Project progressing
- PFAS Litigation
- Water rights and usage, LAC and LANL (past, present, and projected)
- PM-3 out of service / Cr Plume
- Potential PM-3 replacement well into San Juan / Chama water
 - Federal funding needed
 - Agreement w/DOE needed

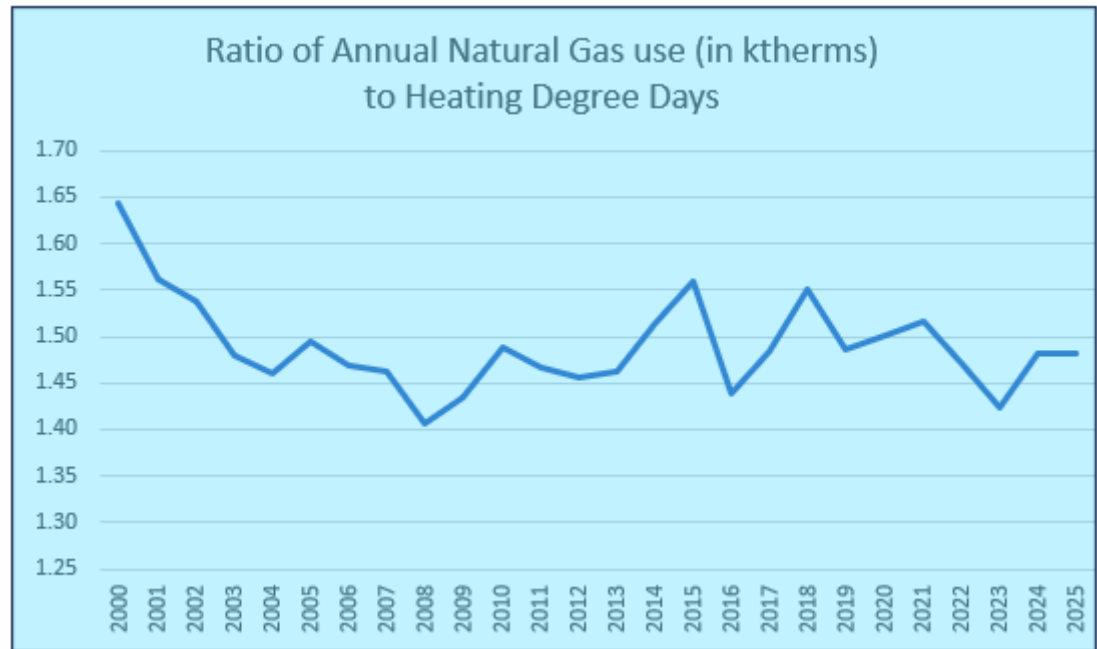


Note: DPU administers 5441.3 AF of which 1662.4 AF are owned by LANL

Attachment A

Natural Gas

- System in good condition
- Elk Ridge neighborhood addition
 - Physically complete; new system operational
 - Transfer pending
- Goal: phase out natural gas by 2070
 - Milestone: 10% reduction by 2030
 - Little progress →
 - Focus on new construction
 - Continue education for existing properties



Electric - Supply

- Electric Coordination Agreement (ECA) Follow-on
- Demand projections (LARES and B&M): 2-3 times current use
- Goal: Carbon-neutral electrical provider by 2040
- Foxtail Flats
 - Solar: 170 MW solar @ \$37.88 / MWh
 - Storage: 320 MWh @ \$110.96 / MWh
 - Construction started
 - 70 MW PV – April 2027
 - Complete – June 2027
 - Business Plan development to follow ECA approval
- Other potential carbon-free sources and storage
- El Vado Dam rehabilitation
- Integrated Resources Plan (IRP) with dynamic updating
- Extended Day Ahead Market (EDAM) – Fall 2027

{ 20 yr. fixed cost (no escalator)
Present avg. cost ~\$75/MWh

Electric - Transmission

- National and New Mexico problem
- LANL Electrical Power Capacity Upgrade (EPCU) Project
“third transmission line”
 - Any two of three lines can fully supply LAC and LANL
 - Construction to start this fall
 - Approximately a two-year project

Electric - Distribution

- Current system reliable, but aging
- White Rock – LANL tie-line complete
- “Plug-In Solar” policy to be developed
- Renewal over next 20-30 years
 - Goals: extend lifetime, increase reliability, increase capacity
 - Current projects: Los Alamos Switch Station, White Rock Substation
 - Near-term projects: improve system models, EA-4 feeder line rebuild
 - Long-term projects: increase conductor and transformer capacity
 - Additional underground?

Organizational Challenges

- Financial
 - Rate hike drivers: inflation (>CPI), compliance, catching up
 - Scrub costs
 - Review reserve policies
- Hiring
 - Seven (7) current vacancies
 - Acute in Electric Distribution
 - Adds stress to current staff

Questions?

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www.ladpu.com/FY26Q3