

2025: Oct 1 - Dec 31

Q2 REPORT FY26

LOS ALAMOS
Department of Public Utilities

P.#1



TEAM ARE

ABOUT THE 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 19,675 citizens with an authorized budget of approximately \$173 million, the DPU operates and maintains assets totaling \$332 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, the 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

ABOUT THE DPU



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A WORD FROM THE UTILITIES MANAGER



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

Adjusting to the weather

We have reached the halfway point of Fiscal Year 2026. Typically, construction projects shut down by the middle of November as the winter season sets in. However, this winter we had consistently unseasonably warm weather, averaging 10 degrees above the norm, and we were able to continue working through the winter season. This allowed for the completion of the conduit and water line installations up to Pajarito Mountain under the Jemez Mountain Fire Protection Project; an early start to waterline replacements in the Denver Steels neighborhood; and continued installations of replacement gas regulators and meters at Elk Ridge. The progress made on these projects over the winter months makes room for new projects to be implemented this next construction season.

This fiscal year, we are wrapping up a multi-year project to improve the 25 lift stations throughout the County and we continue to replace waterlines throughout the County where these projects are all financed through loans with favorable rates and through grants. On the other hand, the unseasonably warm winter has negatively impacted gas sales revenues, especially for the fixed consumption charge component that covers the department's operation and maintenance activities. This revenue shortfall will need to be addressed in next year's budget as part of gas rate setting.

Progress on the ECA

On December 19, the DPU received a draft-final Energy Coordination Agreement (ECA) from the DOE just before the holidays. BPU formed a working group to review the ECA and held a couple of meetings over the holiday period. The ECA is the agreement that guides Los Alamos Power Pool cost

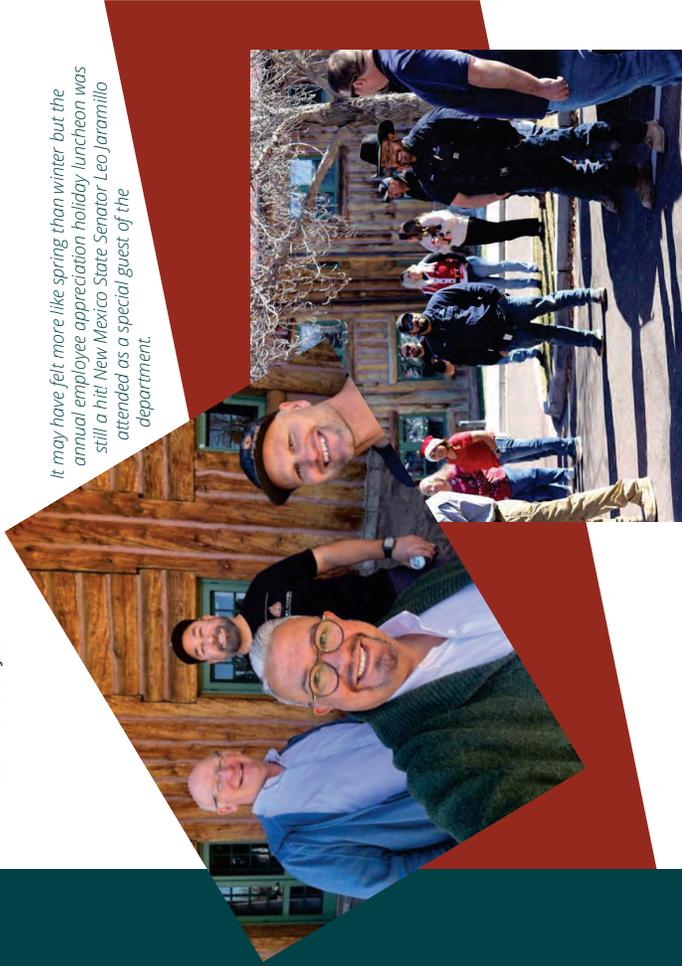
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share arrangements. The original ECA was written in 1985, and its continuation requires updated terms and conditions under the new ECA. This is proving to be a larger task than simply renewing the old agreement. The DPU has retained Kutak Rock to assist the County in review of the new terms and conditions, ensuring fair allocation of costs and risks that the County is taking in this partnership. Also, staff are working with the DOE staff and its consultant on the 10-year contract value since this was underestimated. There will need to be another four-month extension (July 31, 2026) as we finalize the new ECA this fiscal year.

Chromium plume impacts

Regarding the chromium plume, the NIMED filed a lawsuit against the DOE after it was discovered the chromium plume now extends into the Pueblo de San Ildefonso. As such, working group meetings have been suspended. These meetings are part of the Adaptive Site Management efforts to work toward a final remedy for the pumping, treating and containment of this plume. It is now clear that the final remedy is many years away. Due to the undetermined nature and extent of the plume, and considering that Pajarito Well #3 has been

shut off since 2022, the DPU needs to explore options to build a replacement water supply well. The next steps are for the DPU to update its 40-year Water Supply Plan that includes the expanded mission of LANL's Stewardship Environmental Assessment and the County's growth plans. This plan will consider how DPU can use the San Juan Chama surface water right in conjunction with building a new water production well near Overlook Park. Finally, staff is seeking federal funding to begin the hydrological studies required to develop a new well.



It may have felt more like spring than winter, but the annual employee appreciation holiday luncheon was still a hit! New Mexico State Senator Leo Jaramillo attended as a special guest of the department.

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MISSION, VISION, VALUES.

#MISSION

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

#VISION

Continually earn community trust through exceptional utility services

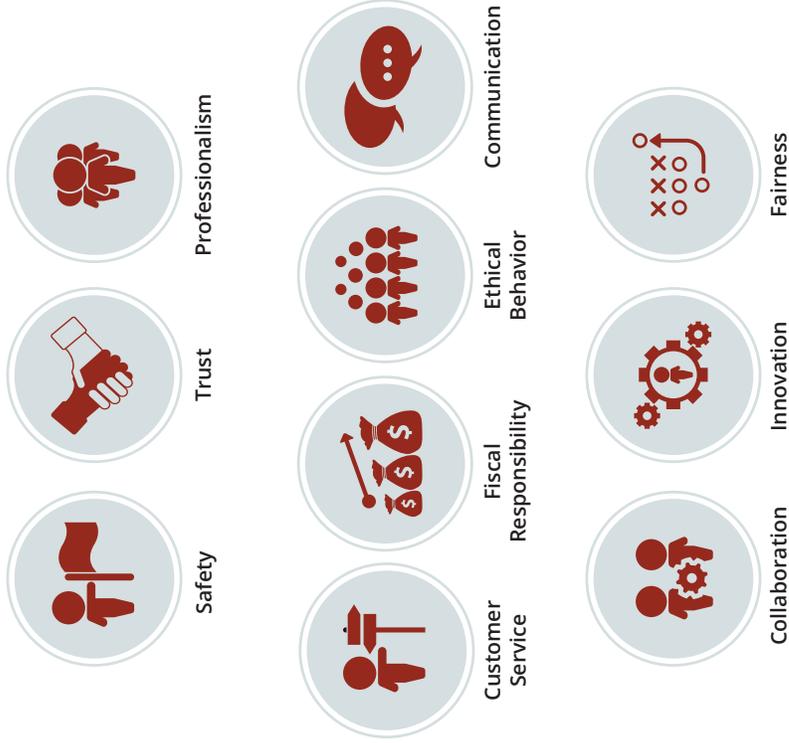
#ETHICS

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:



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 utility 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 the DPU'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

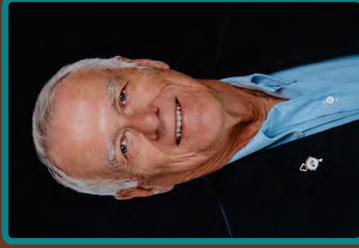
- Promote utility efficiency through targeted conservation programs
- Be a net carbon neutral electric provider by 2040
- Support phase-out of natural gas service by 2070 with at least a 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016-2020 average
- 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, 2026

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

BOARD OF PUBLIC UTILITIES

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

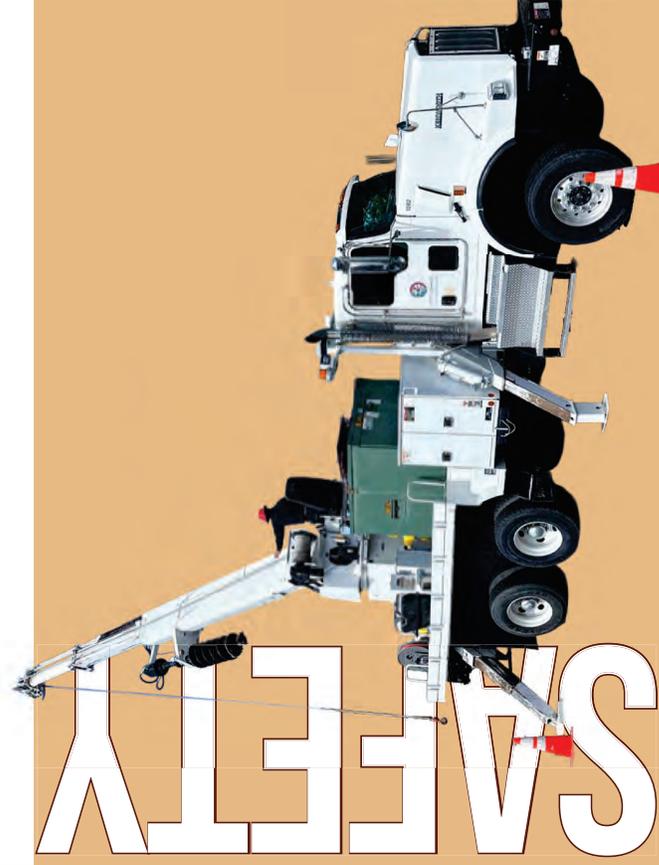
Vice Chair: 2026



JENNIFER HOLLINGSWORTH
Member

Appointed: July 2024

1st Term: July '24 - June '29



Safety Culture Vision

The 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 and implement appropriate prevention measures.
- 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 the 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.

OUR

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 p.m. 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.

SAFETY EMPLOYEE OF THE QUARTER

Q2 / FY26

MYRON CORDOVA

GWS Pipefitter
Gas, Water & Sewer



In his safety employee nomination, Myron was cited as someone who has been moving up the ladder without any accidents or near misses. More impactfully though, he and his standby partner in mid-December, Michael Salazar, witnessed a car accident and jumped into action. They saw a car flip on the road in front of them and when they moved in to help, they could see that the occupants were trying to get out of the car but were trapped. Myron and Michael grabbed tools, broke out the windshield and safely helped two children and their father out of the car. Their heroic actions were truly above and beyond, and we look forward to seeing a nomination for Michael in the next quarter!

Q1 / FY26



VICTOR TANUZ
Water Sys Supervisor
Water Production

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

ELECTRIC DISTRIBUTION

ED



DENNIS ASTLEY /
DEPUTY UTILITY MANAGER

Registered Professional
Engineer
Bachelor of Science, Electrical
Engineering

distribution crew is starting to make the required upgrades to the structures. In conjunction with this project, the electric distribution team will work toward some system improvements needed on the overhead electric system while working on the lines for the broadband needs.

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 has taken longer than expected but is moving toward completion.

An emergency tie-line between White Rock and LANL has been agreed upon by both DPU and LANL Utilities and is close to completion. 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 now upgrading the overhead power lines to assist with the Los Alamos County Community Broadband Network project. In designing the fiber network, a project consultant reviewed existing structures to determine if and where improvements are required prior to installing the fiber cable. The improvements needed are being delivered to the DPU and the electric

We are preparing the first of two phases of upgrades to Piedra Loop for the bid process in anticipation of construction this summer. The section from Piedra Drive to Mariposa Court will be replaced and connected to the other section of line. Also, we expect to extend the work along Piedra Loop to improve reliability and place the new conductor in conduit to simplify future repairs and improvements.

Progress continues on the work connecting the new LASS switching station near the LANL gate. A vault for cable connections on East Jemez Road was set and connected to conduits that cross Los Alamos Canyon to a site near Los Alamos Medical Center. We are hoping to clean and prepare the conduits to pull new conductor this spring and

energize the switching station. Our staff continues to work with the public to properly size residential solar systems to individual homes. Our staff also continues to work with other County departments to design electrical service to County fleet and public

electric vehicle chargers. The new public chargers at the municipal building are powered and quite popular with the public. A plan for a new fast charger at the library is in the works and the design for the electric service is complete.

There are several new substantial housing developments planned in the county and electrical engineering staff are working with the design teams for these developments to plan electrical power service that is safe and reliable.



Above: The Electric Distribution crew responded to a call behind the Los Alamos County Ice Rink when a tree fell on a powerline.
 Left: The new bank of public EV chargers at the Los Alamos County Municipal Building parking lot were connected and energized by mid-December.

ELECTRIC RELIABILITY

#SAIDI

SAIDI BASICS

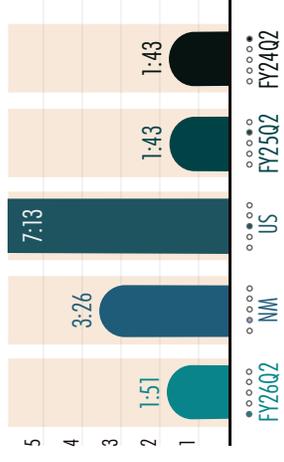
The DPU measures its System Average Interruption Duration Index (SAIDI) as a reliability indicator. This is a measure of the average time that any of the DPU's customers could expect to be without power per year. According to the Energy Information Administration (EIA), the mean SAIDI in 2024 was 132 minutes without major events and 663 minutes with major events for utilities across the nation (excluding U.S. territories). The DPU set a goal in 2008 to keep its SAIDI below 60 minutes (including major events). At the end of quarter 2 of FY2026, the DPU's SAIDI was 93 minutes* (including major events). A spike due to an outage caused by the failure of a transformer at the White Rock Substation sent it upward in Q1 and it will take a full year to recover. Nonetheless, it is well below the 2024 national SAIDI of 663 minutes and New Mexico's 2024 SAIDI of 273 minutes.

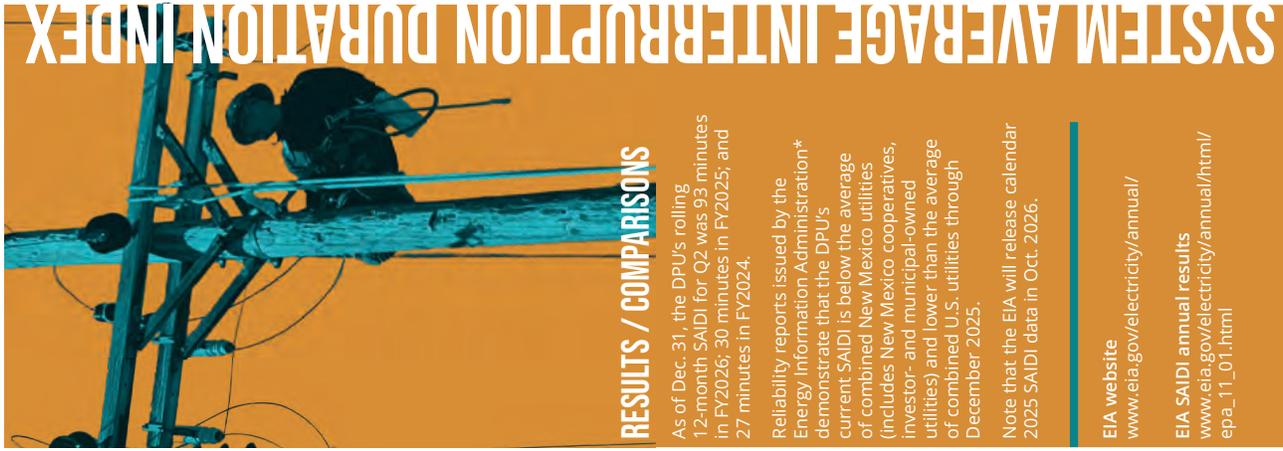
*The DPU's SAIDI does not include outages caused by failures with power supply transmission lines.



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 Q2 was 1 hour and 51 minutes for Los Alamos County and 51 minutes for Los Alamos County customers who experienced outages.





SYSTEM AVERAGE INTERRUPTION DURATION INDEX

RESULTS / COMPARISONS

As of Dec. 31, the DPU's rolling 12-month SAIDI for Q2 was 93 minutes in FY2026; 30 minutes in FY2025; and 27 minutes in FY2024.

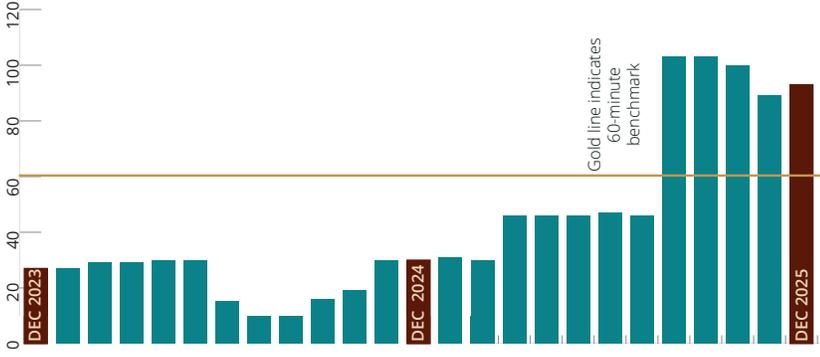
Reliability reports issued by the Energy Information Administration* demonstrate that the DPU's current SAIDI is below the average of combined New Mexico utilities (includes New Mexico cooperatives, investor- and municipal-owned utilities) and lower than the average of combined U.S. utilities through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

SAIDI 2-YEAR HISTORY



PRIOR Q
 SEP25
 103

DEC25
 93

DISTRIBUTED GENERATION

#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 December, 545 are connected to the grid.

Total Distributed Generation

At the end of Q2, distributed generation resources totaled 3,708 kW connected to the distribution grid.

- Residential systems = 2,995 kW
- Commercial systems = 714 kW

New Distributed Generation

A total of 59 kW of distributed generation were added to the DPU's electric distribution grid during Q2.

Pending Distributed Generation

Currently 45 customers are in the process of adding another 297 kW of distributed generation to the DPU's electric distribution.



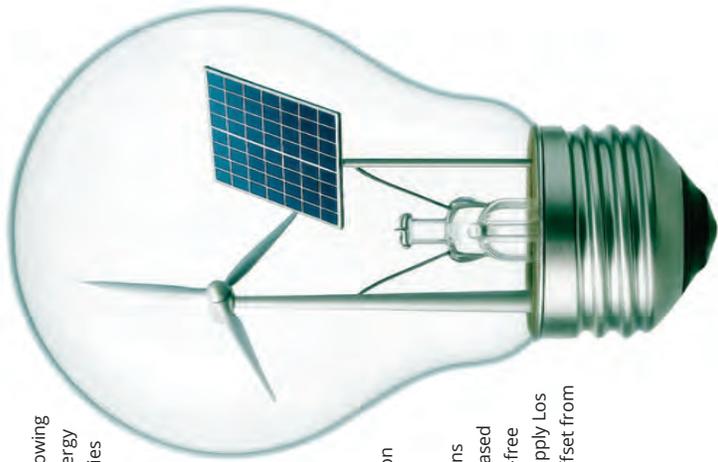
CARBON-NEUTRAL ELECTRICAL ENERGY PROVIDER

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 the DPU will be a carbon-neutral electric provider by 2040.

In January 2016, the 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.

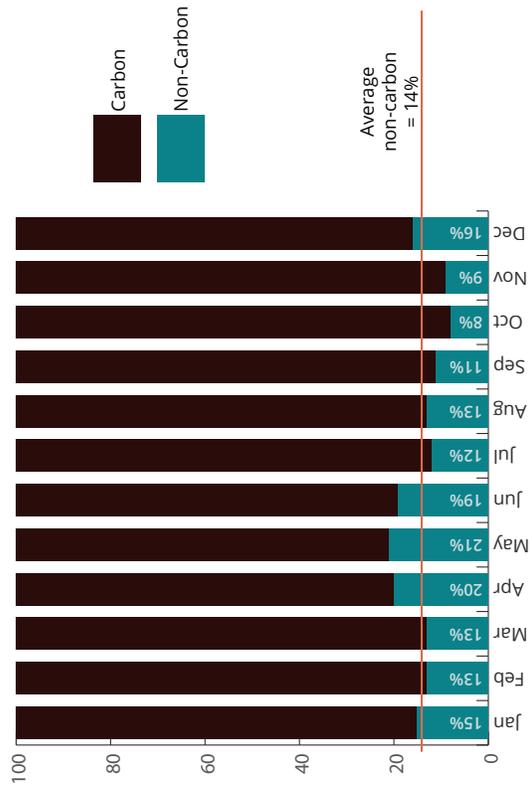
2. "No net release of carbon dioxide" means that purchases or generation of carbon-based electrical energy, necessary when carbon-free supplies are not practically available to supply Los Alamos County consumers, will be fully offset from previous sales of surplus carbon-free electricity to other entities.

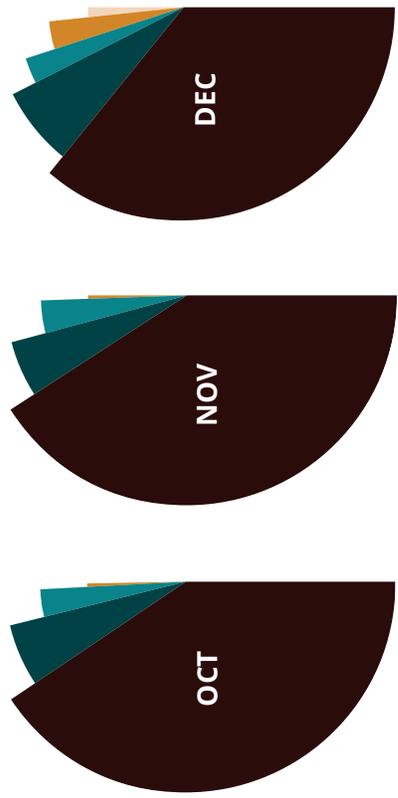


NET CARBON NEUTRAL INITIATIVE

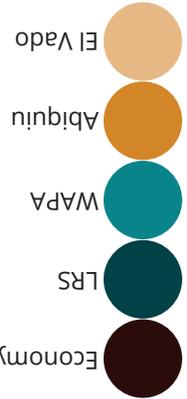
The DPU plans to meet the carbon-neutral goal through the addition of non-carbon emitting generation resources such as solar, wind, geothermal and nuclear energy, and energy storage systems. Some energy from carbon-emitting sources will be needed to meet the County's load while new resources are developed,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





Economy Purchases



GENERATION SUPPLIED

RESOURCE	OCT	NOV	DEC
Econ Purchases	38,503	35,227	34,924
LRS	5,275	4,338	6,446
WAPA	3,015	3,037	2,657
Abiquiu	504	452	3,560
El Vado	118	-	1,244
NON-CARBON % of load	8%	9%	16%

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

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

ELECTRIC PRODUCTION

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 (EP) team's path to providing a carbon-neutral electricity supply before 2040. The current project development schedule has 85 MW of photovoltaic (PV) capacity being delivered April 2027 and the full contracted 170 MW PV capacity and 80 MW / 320 MWh of Battery Energy Storage System (BESS) capacity being delivered just before July 2027. Staff will use these schedule dates for resource and budget planning for the 2027 and 2028 fiscal years.

Abiquiu draft tube

Andritz Hydro's work to replace the low flow unit 3 draft tube elbow continued this quarter and remains on schedule. In December, the elbow flanges were unbolted and then the elbow was craned outside of the plant to measure specific dimensions needed to fabricate the new elbow and ensure that it fits and aligns correctly. Installation of the new elbow

is planned for the end of March.

HYDROS

Abiquiu Operations & Maintenance

While the removal of the elbow took the low-flow unit offline, an expected increase in flow for two weeks in December allowed operation of one of the larger turbine generator units producing as much as 11 MW. Subsequent flows were too low for generation, which means that the facility will generate no more power until the spring.

The Abiquiu Firewall and Office project with GME General Building was completed this quarter on budget. Planning for future projects included on-site visits by several vendors to prepare for upcoming work.

SCADA communications equipment upgrade work at Abiquiu continued this quarter and remains on schedule for completion in the spring.

El Vado Operations & Maintenance

Increases in river flows for two weeks at the start of December allowed generation at 4 MW. Subsequent flows were too

low for generation. The unit is available to generate whenever flows are sufficient. The following tasks were performed during the quarter:

- The SCADA communications equipment upgrade work at El Vado continued this quarter and remains on schedule for completion in the spring of 2026.
- A failed pressure reducing valve was replaced with a new valve.
- Staff began the procurement process for a facility condition assessment; the results of this assessment will guide capital project planning.
- Several vendors made on-site visits to prepare for possible upcoming maintenance work.

POWER OPERATIONS

2026 Electric Coordination Agreement

Electric Production continued operations under the ECA extension that runs through March 31. Staff, Board of Public Utilities members and counsel are evaluating the new full agreement document set. Current negotiations are focusing on changes that will continue the current ECA's spirit of partnership and equitability. Due to the complexity of these negotiations, it is expected that a further 3-month extension of the current ECA will be necessary to maintain continuity of operations by EP and DOE.

Turnover & Recruitment

The significant staffing turnover of senior power systems operators that began in

fiscal year 2025 is mostly behind us now. All three staff retirements are complete. The operations team now consists of one senior power operator, three acting power operators, and one apprentice power operator. EP's two resource coordinators continue to provide shift coverage as needed to staff the operations desk 24/7. EP's Power System Supervisor is working closely with LANL's Electric, Steam, and Turbine Operations (UI-EST) group leader to update and improve the County and LANL power system operator roles, responsibilities and training.

EV Charging Stations

The County Manager's Office completed the installation of six new ChargePoint level 2 EV chargers on December 30. These new EV chargers are being managed by DPU and will be included in this report going forward. Charging sessions at the Municipal Building DC fast charger during this quarter totaled 32, delivering 791 kWh of energy. The number of charging sessions was much lower than average because the unit was shut off from October 20 through the end of the year. In White Rock, 119 charging sessions occurred at the White Rock Visitor Center during Q3, delivering 3,046 kWh of energy. This sum was similar to the prior quarter's values of 108 sessions and 3,176 kWh.

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 (NMMEEA). The total gas discount for the quarter was \$129,237, which is a 14% reduction to the total wholesale gas cost of \$931,360. Wholesale gas quantity for the quarter was 225,143 Dth (dekatherms). This is only 82% of the average quantity for the same quarter over the prior three years. This winter is unusually warm so far.

The draft tube elbow from Abiquiu's low flow unit 3 was removed in preparation for the installation of its replacement in the spring. For a sense of scale, the diameter of the flange on the left is 1600mm.



GWS



**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

#HIGHLIGHTS

PROJECTS

Elk Ridge gas system replacement

During Q2, the primary contractor, Dub-L-EE, completed the municipal gas system that will be transferred to LAC-DPU once all the conditions for acceptance are complete. It was put into service and about 12 customers were transferred onto the new system prior to the December holidays.

The process of getting a residential gas system inspection on all the manufactured homes in Elk Ridge proved to be difficult due to the lack of availability of inspectors in New Mexico. A request was made to the state's CID manufactured home division to ensure an inspection is conducted each week. There was a short pause during the holidays before inspections resumed in January. The other difficult task to coordinate is getting the residential plumbing contractor to coordinate with the homeowner to perform the switch-over once the state inspection has passed. More coordination is the focus in Q3 with the goal of having all units transferred onto the new system by spring and abandoning the old gas system.

Utility installations at The Hill

DPU crews have been connecting meters and initiating service to new residents at the Hill Apartments. There have been a few minor issues with the initial utility construction requiring the DPU to respond and mitigate. As of December 2025, all systems are live and functioning well.

Gas regulator stations

Gas crews have been steadily working through the townsite distribution system's pressure regulator stations to replace old regulators with a more modern, robust design that provides more consistent pressure control. There are 20 stations in the townsite gas system that reduce pressure from the 100 PSIG transmission system to the 20 PSIG distribution system. All but 6 regulators have been replaced throughout the system. This has been a long-running project that requires isolating uninterrupted gas flow from one direction into a different path. Once the system is redirected, the regulators are isolated, taken out of service and replaced. Then, normal gas flow is restored.

Pressure reducing valve (PRV) rehabilitation

During the initial full-scale PRV inspection in 2023, we found that several PRVs in White Rock were beyond rehabilitation. A replacement plan and task order were developed with Parker Construction and Armystick/Curb Services to fully replace these PRV installations. It was a large undertaking to isolate the PRVs from the distribution system as the valves inside the vaults were also badly degraded. The valves under the streets were also degraded, so the replacement list grew to include internal isolation valves and the valves under the streets in the Grand Canyon corridor. The project pivoted several times as old infrastructure was opened and assessed for functionality. This past fall, the project finally wrapped up. The new PRVs are providing stable water pressures and great reaction times when fire hydrants are opened.

Booster station pump & motor rehabilitation

This is the third time this project has made it into a quarterly report, and it is now nearing completion. Reconnecting the new booster pumps was challenging, especially when it came to reusing original conductors and configuring the terminations on the motors. Our challenges included having several possible wiring configurations, limited space, and questionable condition of conductors. Two of our rebuilt/rehabilitated motors failed soon after being reinstalled and it required close investigation to find the cause. After meeting with the team and our electrical technicians, we decided to replace old conductors from the MCCs and to use different termination components.

LA WWTP equipment upgrades

The LA WWTP is preparing for the first in a series of upgrade projects related to its age and the years-of-service on several pieces of process equipment. The first project, replacement of the solids dewatering belt press, kicked off in late September. The contractor, Meridian Engineering and Contracting out of Mesa, Arizona, integrated

Elier Rojo looks on as Aaron Ortiz assembles a manifold for setting meters at Elk Ridge.

a temporary belt press while the new screw press dewatering units are being installed. The temporary equipment is mounted on a mobile truck and plumbed into the plant's piping. WWTP staff have worked on this temporary system, which is outside of the dewatering building, to prevent it from freezing while in operation. Even with the warm weather in December, its small polymer-mix lines can easily freeze in the morning hours. Despite the challenges, the project was completed in January. It is a huge improvement to the plant.

Guaje Well and boosters stations HVAC

We expected to pause this in-house project in December as cold weather moved in, but since it stayed so warm, new WP Electrician Victor Line decided to keep charging forward with tackling Guaje Booster #3, the last booster station still being heated with propane. This building is larger than the other booster stations because it also houses the booster system for Barranca Tank #2. Thus, it required more mini-split heat pumps than the others and that, in turn, required an upgrade to the electrical panel.

This was no small task as we had to drill through block walls, mount support structures, and run conduit and



GWS

#CONTINUED...

wiring. The benefits of this project were already realized in the fall when we did not have to refill propane tanks. All of the buildings now have evenly distributed heat inside, rather than warmth concentrated in high corners from single gas-fired heaters that leave other areas cold. The heating costs of the buildings will be reduced, and they will also have the benefit of cooling in the summer, which is good for both electrical equipment and chlorination units.

Two Mile Canyon transmission line

In October, an 18" reinforced concrete water transmission line at the bottom of Two

Mile Canyon suffered a rupture due to upstream flow of water-laden soil material. After the Cerro

Grande and Las Conchas fires, stormwater runoff from the damaged watersheds above NM-501 has increased in every canyon running east. The 18" transmission line is installed through the steep canyon and it crosses the bottom. A large concrete cap was poured over it but it shifted and broke on top of the line, causing downward pressure that resulted in a break. To maintain tank levels, Water Production operators kept the pumps running which resulted in a large loss of water over about 12 hours. Staff were able to isolate the broken portion of the line and divert flow into an older and smaller steel line that is serving the system temporarily.

The situation was assessed on the ground and a plan is being formulated to "slip-line" the original pipe as well as to repair and protect the upstream conditions so that the line isn't subject to shifting conditions caused by stormwater flows. The project is planned for April.

OPERATIONS

GWS and WWTP staff returned to a regular 5/8 schedule in November when the time changed back to standard time. The staff consensus still favors staying on a 4/10 schedule



A temporary belt press was put to work at the Los Alamos WWTP.

if given the opportunity. The number of commutes for out-of-county staff is reduced as is wear and tear on cars, and the schedule gives employees a little bit of time back for their lives outside of work. Most crew members report being more productive in a longer day due to the daily "mobilization" time to get work organized and out to job sites. The financial comparison/analysis between a standard 5/8 schedule and a 4/10 schedule would be helpful to assess the cost impact.

GWS supervisors are working on analyzing workflows to increase both safety and efficiency. New equipment is being evaluated to replace old, end-of-life equipment, as well as to improve overall workflow. An example of this is the pump/motor hoist/crane-truck combination. GWS has a small truck crane that fits on a standard crew truck, but it is limited in its pump/motor lifting duties, and it is often at or beyond its lifting capacity. The GWS supervisor team has been working to specify and procure a more robust truck-mounted crane that meets all the required lifting needs safely.

The team is researching a replacement for another large and extremely important piece of equipment—the GWS vector unit. One of the division's two units has reached its end of functional life and has become unreliable. The vector trucks are probably used more than any other piece of equipment in GWS, WP and WWT operations, so they serve a fully encumbered and hard-use life. This upcoming replacement is included in the next budget cycle.

GWS sewer crews continue to make progress with the collection system flushing program. Several sections of the system that are difficult to access were put in the schedule for full maintenance. It takes a long time to set up equipment and establish access for these sections. They often have deposits of settled grit and other debris that are burdensome and time consuming to clear. The crews finish the process with video inspections of the lines to ensure they are flowing freely.

WP staff completed a potable water line from

Always a crowd pleaser, Ricardo Lambert and Clay Moseley brought the GWS sewer pipe demo to the annual Customer Service Fair in October.

the connection point at Overlook Road, down to the Overlook non-potable booster station for sanitary cleaning operations. The work was done completely in-house, which is somewhat of a deviation from their normal workflow, but they have the skills and knowledge to perform some projects that would typically be completed by contractors or GWS crews. The benefits were immediately evident as the process of cleaning out the non-potable water pond and the station's intake manifold is greatly improved.

WP staff have also continued working with PumpTech to inspect and rehabilitate booster station pumps and motors that been in continuous service for a long time and need an overhaul. This process is wrapping up in the third quarter.

The WWT operations staff have been altering their operations to run the temporary dewatering equipment that was installed outside. Because of this setup, the NMED Groundwater Bureau is requiring a greater number of samples and lab tests. This change has put a higher demand on both staff time



GWS

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and lab materials, including lab chemical purchases.

STAFF DEVELOPMENT

Two WWT staff, Andrew Lopez and Patrick Moore, achieved

their Level 3 Wastewater Treatment Operator certifications. Victor Trujillo,

GWS Apprentice 2, achieved his journeyman gasfitter license and will be spending more

time working on gas system procedures. This expanded experience will help him meet the qualifications for promotion to GWS Pipefitter.

NATURAL GAS, WATER, SEWER



Equipped with full safety gear, Sr. Water Systems Operator Stephen Soto stands atop Community Tank during a tank inspection.

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 through the second quarter of FY2026 was 47.2 Mgal and 1.0 Mgal of stormwater was also used. The average reclaimed water usage for July through December in the past decade is 52.6 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 using 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.

The DPU's 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)



ENGINEERING DIVISION

ENG



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

#HIGHLIGHTS

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. The project 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. The communications will be through new fiber optic lines. To date, 5 wells have been transitioned to the new SCADA system. 15 new SCADA programmable logic controllers (PLCs) have been received and are scheduled to be installed in the spring of 2026. The work to complete the new water production SCADA system will take place over the next 12 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 of the aeration system. The work is scheduled to be completed by April.

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. The project will replace the existing belt press with a modern and more efficient sludge dewatering system. The temporary dewatering system has been operating for most of the quarter. The new belt press was commissioned in January.

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 was shut down for the winter on November 1 and demolition of the old equipment has

begun. Work is progressing well and the project is scheduled for completion by the spring irrigation season in March.

Jemez Mountain Regional Fire Protection Project

Phase I of the project began in spring 2025. Phase I includes approximately half

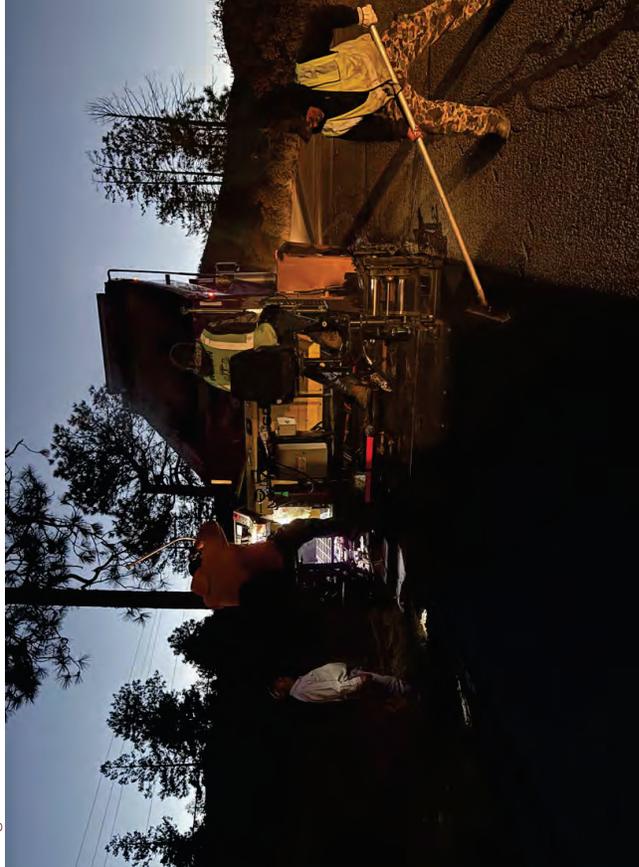
of the waterline, fiber optic duct bank and electric duct bank up the mountain, a stretch that extends over 2 miles.

Phase II was incorporated into the Phase I contract in Q2, saving the DPU more than \$1.2 million from avoided cost of installing temporary paving through

the winter. These savings came from holding the pipe and conduit costs to 2024 prices and from mobilization and traffic control associated with bidding the work later.

All waterline, electric conduit and fiber optic conduit was installed by the end of January. The contractor demobilized for the winter

Dub-L-EE, DPU's contractor for the Jemez Mountain Fire Protection Project, crammed as many hours as they could into their work days through December to progress on the project in case winter weather might hit.



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and will resume in the spring with the installation of the electric and fiber optic vaults.

Under Phase III, we will construct four water booster stations and equip the new underground electric distribution system. The design is nearing completion and bidding the construction portion of the project is pending notification from FEMA regarding funding for the electric distribution improvements in the project. All indications are that the FEMA funding will not be granted and we expect to bid this phase for construction in February.

Phase IV of the project is substantially complete. This phase includes the new

500,000-gallon water tank at the base of the mountain along West Jemez Road. The tank has been placed into service, and the only remaining work is final cleanup of the site.

When complete, the project will extend water service to the Pajarito Ski Area for domestic use, fire protection and snow making. The project's anticipated completion is targeted for fall.

Water Production wells electric and mechanical upgrades

The project will upgrade electrical and mechanical equipment in 8 existing wells. The electric upgrades have been completed. The mechanical upgrades include new valves, meters, vaults and instrumentation were delayed due to the long lead time on the large valves and fittings. Mechanical upgrade work progressed in the second quarter and all work and is scheduled to be completed by March.

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 February.

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 summer of 2026. As part of the project DPU will replace water lines and gas lines, and construct some electric improvements. The project will be bid for construction in February with completion expected by November.

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 will be bid for construction in February after the Water Trust Board loan/grant agreement is executed. Construction will take place in the summer.

NM-502 14" water transmission line replacement project

The existing 14" steel waterline is located along NM-502, south of the airport, and 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 February of 2026 after the Water Trust Board loan/grant agreement is executed. Construction will take place in the summer.

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 and construction will take place from April to October.

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 spring.

Guaje Canyon fiber optic extension

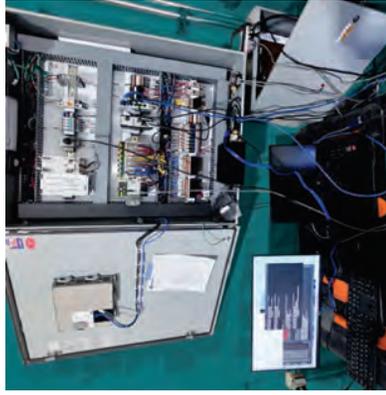
As part of the ongoing water production SCADA replacement project, a new fiber optic line will be constructed in Rendija and Guaje canyons to provide SCADA communication to eight water production facilities. The new fiber optic line will replace the existing microwave communication system. The project was awarded in January and construction will take place in the spring and summer.

STAFF DEVELOPMENT

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

Senior Engineer James Martinez presented at the November New Mexico Infrastructure Finance Conference in Albuquerque. He highlighted DPU's financial journey to making the new White Rock Water Reclamation Facility a reality.

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.



Code for WP SCADA is carefully programmed and uploaded to logic controllers. These systems are the brains for monitoring pumps and well equipment.

FY2026 CAPITAL IMPROVEMENT PLAN

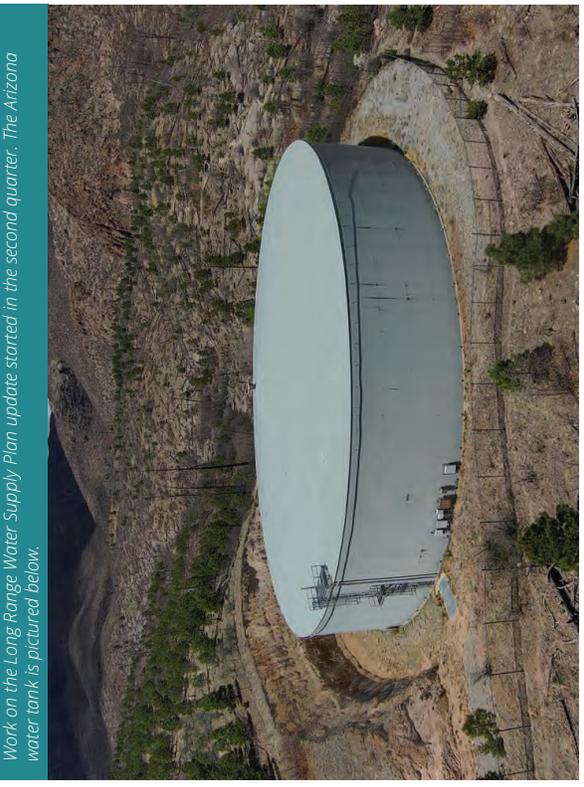
PLANNING/DESIGN	CONSTRUCTION	BUDGETED	JULY	AUG	SEPT	QTR 1	OCT	NOV	DEC	QTR 2	JAN	FEB	MAR	QTR 3	APR	MAY	JUNE	QTR 4
ELECTRIC PRODUCTION		\$780,000																
	Abiquiu Wicket Gate Hydraulic Servo Motor Replacement	400,000																
	Abiquiu PRV Chamber Gates	200,000																
	Abiquiu 36" Air Relief Valve Replacement	180,000	COMPLETE															
ELECTRIC DISTRIBUTION		\$2,075,000																
	GWS/ED Facilities at WR WRRF	75,000	DEFERRED															
	Underground Resil 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																
	Trinity Drive Gas Line Replacement	350,000																
REPLACEMENT COMPLETE / CUTOVERS IN PROGRESS																		
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																

FY2026 CAPITAL UTILITY IMPROVEMENT PROJECTS

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

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



Work on the Long Range Water Supply Plan update started in the second quarter. The Arizona water tank is pictured below.

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: Summer 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.

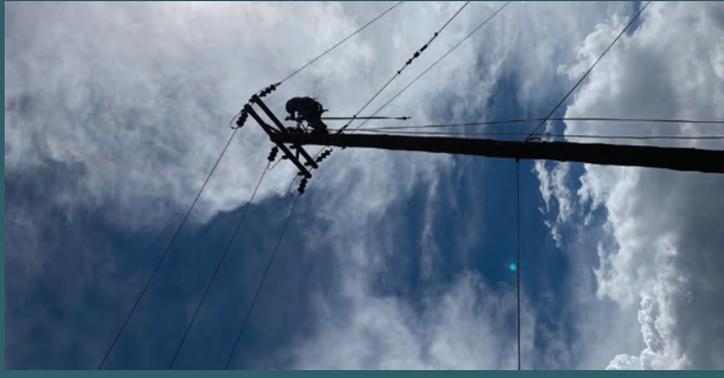
Budget: \$200,000
Schedule: Spring 2026



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 rewamps (wire & transformer upgrades). Areas to be included are: Ski Hill, West Jemez Road, and Rover Boulevard and Beryl Street.

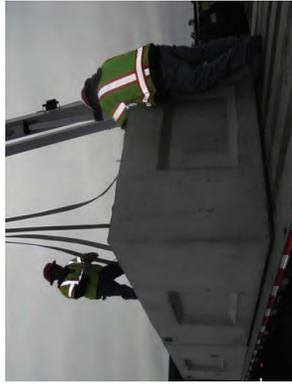
Budget: \$450,000
Schedule: Year-round



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 the 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).

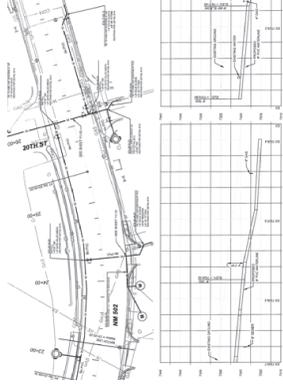
Budget: \$1,500,000
 DW (DWSRL)
 WWC \$ 150,000
Schedule: Summer 2027



TRINITY DR ROADWAY/UTILITY UPGRADES

The aged waterline in Trinity Drive will be replaced on 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: \$1,100,000
 DW \$ 350,000
 Gas
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

The 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.

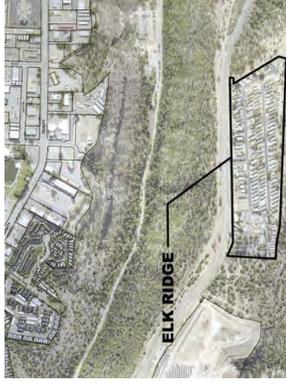
Budget: \$2,000,000 Water Trust Board
 \$ 300,000 CIP
Schedule: Summer 2026



ELK RIDGE GAS SYSTEM

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 the 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



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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

The 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 (WRRRF) 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



CAPITAL IMPROVEMENT

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P.#40

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

The 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 - Spring 2026
 Construction - Fall 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. The 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



P.#41

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 the 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



CAPITAL IMPROVEMENT

MONITORING WELL REPLACEMENT AT COMPOSTING SITE

When the Bayo Wastewater Treatment Plant was abandoned in 2005, the New Mexico Environment Department required that the 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, the 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	



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CONSERVATION & PUBLIC RELATIONS

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

In its ongoing quest to educate the community on what NOT to flush, the DPU participated in the annual downtown scarecrow contest with its Wipey McFlush entry. The headstone said: "Here lies Wipey McFlush, victim of flushable folly. Clogged the sewer in grand fashion. Died of embarrassment in a swirl of shame. He will be severely missed."



Audrey Collins survived her first six months

SUSTAINABILITY

#HIGHLIGHTS

STAFFING

DPU now has an officially licensed Building Analyst Professional (BA-P)! Abbey graduated with this certification via Santa Fe Community College in mid-November. A certification of the Building Performance Institute (BPI), the BA-P will help Abbey align programming and outreach to current BPI standards and state EMNRD program requirements.

Abbey attended the Energy Efficiency as a Resource Conference in Denver in November. It primarily focused on energy efficiency programs that customers can enroll in to receive services or rebates in return. This type of programming is still a challenge for us due to the State of New Mexico's anti-donation clause but we continue to explore our options and haven't given up on finding some sort of reward for customers that fits into our required parameters. For now, our energy efficiency programs are all voluntary and primarily behavior-based. Abbey will look into the sister conference, the Behavior, Energy & Climate Change Conference, next year.

as a DPU Data Analyst and is now a full-fledged, non-probationary employee! She is doing quite a bit of data dumping and spreadsheeting these days and has taken the lead on our website updates and the DPU Scoop e-newsletter. We are fortunate that the Finance and Admin Division allows us to share her expertise!

OPERATIONS

We were invited to share our DIY energy assessment and thermal camera borrowing program with Leadership Los Alamos during their environmental session on October 3. The federal shutdown prevented the group from meeting at the Valles Caldera, but a quick turnaround allowed the group to convene at the Los Luceros Historic Site instead. Abbey demonstrated how to use the thermal cameras and where to look for inefficiencies, then let the small groups walk around some of the structures at Los Luceros.

DPU provides new residents a free energy efficiency kit, which can be picked up from either PEEC or Los Alamos DPU administration offices. The stock of kits ordered way back in 2014 is finally about gone. Abbey worked with PEEC on the new efficiency kits. Feedback from the previous kits and the trend for in-home efficiency improvements encouraged some changes. A workshop was held at the Nature Center in January to highlight the new kit's features and how to use each piece.

The Sustainability Office has a contract to implement marketing and outreach for the Climate Action Plan (CAP). Abbey is assisting with this as many components of the CAP overlap with DPU efforts. We can provide guidance on what has worked (or not worked) so far and also improve some of our current marketing efforts with the help of the professional consultant.

HARC, a consultant that is working under funding from the Department of Energy, stepped into our world. HARC is conducting evaluations for on-site energy generation potential for plants, such as our wastewater treatment plants. As such, Abbey has been working with Deputy Utility Manager Clay Moseley and WWTP Superintendent Josh Silva to submit our information to see what the potential is for onsite generation at our plants. The plan will provide options for onsite generation, sizing and cost estimates. This is a free service that provides just the general outline of what would be needed. Further planning and budgeting would be needed to act on any recommendations should DPU

December's social media channels featured the Gnomes in the Home, as played by DPU emoji mascots, Toasty, Duke, Draggly and Blinky. The series of posts featured mascots in a variety of spots around the house promoting conservation tips and safety around utility sources.



#CONTINUED...

decide to pursue onsite energy generation. To keep the DPU's social media pages fresh, we created a couple new series of posts. Abbey turned our emoji mascots into full-size plushies so that we could run a "Gnome in the Home" series with utility conservation tips in December. It's a spin-off of Elf on the Shelf and was well received by the public. Another holiday series was the zodiac sign gift guide, which recommended gifts that can help a person reduce their utility consumption, from more obvious choices like programmable thermostats to more stealthy options like cozy electric throw blankets. In October, we ran our House of Horrors campaign again as it was a great way to remind community members about the horrors in the wastewater world that are caused by bad choices at home.

EVENTS

The Ghost Hunt was held at a new location this year because the Los Alamos Performing Arts Center, operated by the Little Theatre, was undergoing renovations. The conservation

team and library staff had a fun time brainstorming new places to explore. The Betty Ehart Senior Center was the final decision, based on its proximity to the Pumpkin Glow. While the Performing Arts Center always offers up dark corners and

creaky spaces, participants enjoyed exploring a different building. This quarter's talk at the Nature Center, coordinated by PEEC, was on Home Energy Management. Los Alamos Airport Manager Gary Goddard discussed his own energy management system and other options for monitoring energy use, keeping in mind the upcoming time-of-use and residential demand rate structure. The recording of the talk is available on both the PEEC and DPU YouTube channels.

Green Los Alamos, a sustainable business certification program, received the support of the Board of Public Utilities, the Environmental Sustainability Board, and County Council in November and December. This program, a partner effort among the DPU, the Sustainability Office, and the Community Development Department, is designed to recognize businesses for efforts within five areas: water management, energy management, waste management, transportation, and operational sustainability.

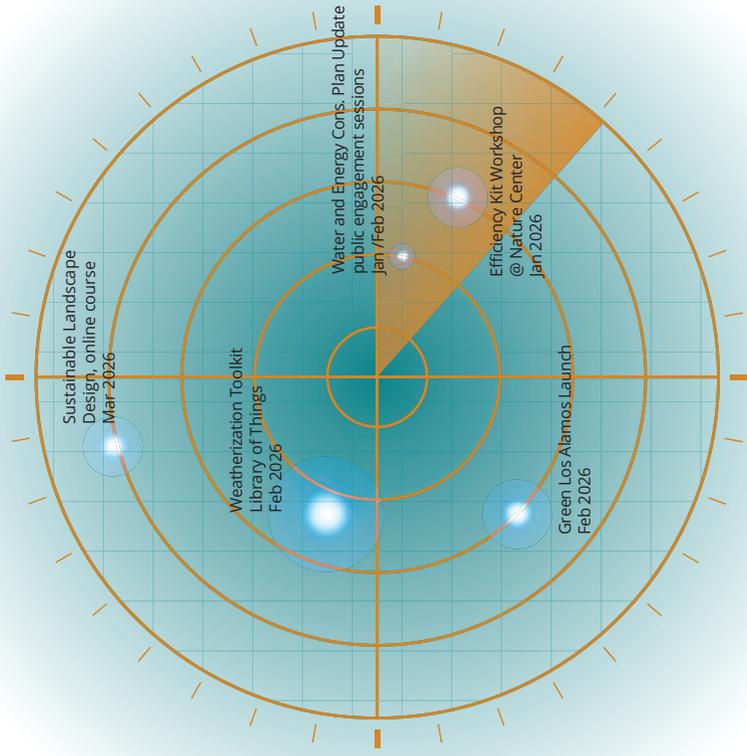
Businesses can pick and choose which initiatives apply to their operations and self-certify at three tiers. This program will be launched early in 2026.



Leadership Los Alamos classmates had a ball with the thermal cameras in the DPU's energy assessment kits available through the Library of Things.

PLANNING IN PROGRESS

on the radar



CALCULATING NATURAL GAS RATES

#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, the 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 the DPU and through this membership, The DPU is able to pass its savings directly to customers.

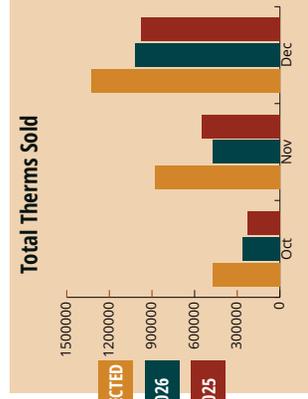
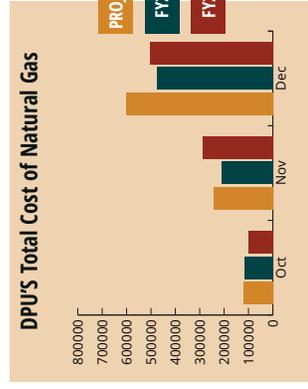
PASS-THROUGH MODEL

Since 2013, the 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 the DPU’s gas maintenance and operations expenses and a cost-of-gas pass-through rate per therm. This allows the 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

San Juan Index/MMBTU		Total Cost of Gas for Q1			Total Therms Sold for Q1		
FY26	FY25	FY26	FY25	FY26	FY25	FY26	FY25
Dec	4.46	3.65	475206	505184	Dec	1020951	977549
Nov	2.70	2.51	212218	285931	Nov	472160	549200
Oct	2.36	2.00	114699	98328	Oct	260936	227018
			\$802,123	\$889,443	Total	1,754,047	1,753,767



F&A

P. #49

#HIGHLIGHTS

OVERVIEW

Customer Care hosted the annual Customer Service Fair on October 8 with the theme, "Mission: Possible." In 1992, the U.S. Congress proclaimed Customer Service Week be celebrated nationally during the first full week of October. It is an international celebration which highlights the importance of customer service as a critical component of business success. For almost 20 years, the Customer Care Center representatives have engaged with community members, often as the first point of contact for the County because of their easy-to-access phone line, e-mail address, and walk-in services located in the lobby of the Municipal Building.

Through December 31, 2025, the Joint Utilities Fund operating revenues were \$40.1 million. Operating expenditures were \$34.8 million. The net operating income gain was \$5.2 million. Capital expenditures were \$12.2 million and other financing uses totaled \$4 million. The bottom line resulted in a total net income loss of \$2.9 million.

Los Alamos County customers can pay their utility bills with Automated Clearing House (ACH) by signing up with the Department of Public Utilities. 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 December 31, 2025, the Joint Utilities Fund operating revenues were \$40.1 million. Operating expenditures were \$34.8 million. The net operating income gain was \$5.2 million. Capital expenditures were \$12.2 million and other financing uses totaled \$4 million. The bottom line resulted in a total net income loss of \$2.9 million.

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

As of December 31, 2025, the balance in the Utilities Assistance Program (UAP) fund was \$28,593. Thank you to all the generous donors who provide this critical assistance. If you want to donate to the UAP fund, call



JOANN GENTRY /
DEPUTY UTILITY MANAGER

Bachelor of Business Administration - Finance
Master of Business Administration

Membership:
Government Finance Officers Assn.

FINANCE & ADMINISTRATION

the lower cap in place. These costs reached full recovery in February 2024 and the rate was discontinued the next month. Each month the DPU posts the new variable cost of gas rate on the website at: ladpu.com/GasRateNow.

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

need to maintain a substantial rate stabilization fund to absorb the volatile, fluctuating gas prices. However, 2022 brought unprecedented high costs that weren't captured under the DPU's \$0.99 variable rate cap. At the end of March 2023, the

TOTAL GAS CHARGE COMPRISES FOUR COMPONENTS:

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

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

RESIDENTIAL EXAMPLE:
7A Customer used 18 therms in December 2025
 $\$14.25 + [(\$0.34 + \$0.47) \times 1000] =$ **\$95.25**

COMMERCIAL EXAMPLE:
7E Customer used 135 therms in December 2025
 $\$14.25 + [(\$0.34 + \$0.47) \times 4200] =$ **\$354.45**

1. MONTHLY SERVICE FEE

Schedule	Meter Rated	Charge
ALL	≤ 250 CFH	\$14.25
ALL	> 250 CFH	\$41.25

2. FIXED COST RECOVER FEE/THERM

Schedule	Fee/Therm
7A & 7E	\$0.34
7L & 7N	\$0.30

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
Oct 2025	\$0.25	\$0.07	\$0.32
Nov 2025	\$0.28	\$0.01	\$0.29
Dec 2025	\$0.45	\$0.02	\$0.47

Electric Operations

Electric revenues were \$19.3 million for wholesale, \$9 million for retail, and \$826k in other revenues, for a total of \$29.2 million in Q2. Operating expenditures were \$25.9 million. The net operating income gain was \$3.2 million. Capital expenditures reached \$941k. The total net income gain was \$2.3 million.

Gas Operations

Gas revenues were \$2.1 million for retail, and almost \$13k in other revenues, for a total of \$2.2 million in Q2. Operating expenditures were \$1.6 million and the cost of gas was over \$529k. A net operating income loss of nearly \$21k was recorded. Capital expenditures totaled \$33k and the total net income loss was \$54k.

Water Operations

Water revenues were \$0.8 million for wholesale, \$4.1 million for retail, and \$0.2 million in other revenues, for a total of \$5 million in Q2. Operating expenditures were \$3.9 million. The operating net income gain was \$1.1 million. Capital expenditures were \$9.8 million. Other financing uses were \$4 million. The total net income loss of \$4.7 million was due to capital expenditures.

Wastewater Operations

Wastewater retail revenues were \$3.6 million in Q2. Operating expenditures were \$2.7 million. The total net operating income gain was \$895k. Capital expenditures were \$1.4 million. Other financing uses were \$33k and the total net income loss was just shy of \$499k.

The Customer Care Center crew, joined by two employees from Facilities (right), stole the show at the annual Halloween LAC employee appreciation luncheon when they dressed as Spice Girls.



FISCAL YEAR 2026 - QUARTER 1 (JUL 1 - SEP 30)

FINANCIAL OPERATIONS



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.

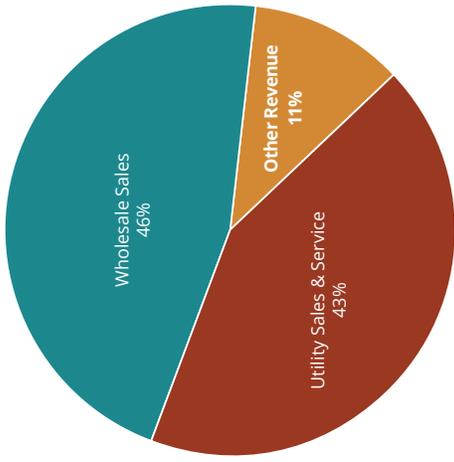
CURRENT DEBT PROFILE: Q1

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



OVERALL PERFORMANCE: Q2 YTD
 FY2026 Financial Status - Unaudited

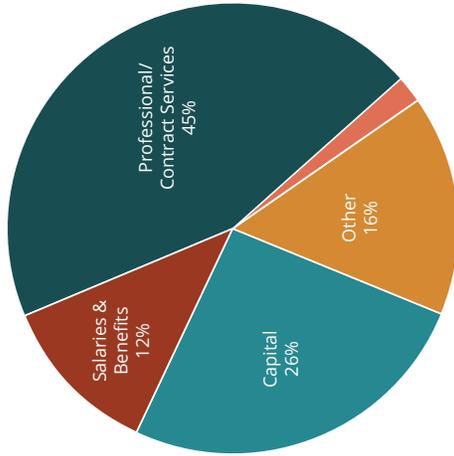
	Adopted Budget	Revised Budget
OPERATING REVENUES		
Utility Sales & Service	\$42,515,988	\$42,515,988
Wholesale Sales	53,008,007	53,008,007
Other Revenue	3,422,900	3,422,900
Total Operating Revenue**	\$98,946,895	\$98,946,895
OPERATING EXPENSES		
Employee Salaries & Benefits	\$11,402,096	\$11,402,096
Profit & 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	46,211,145
Other Financing Uses	6,879,916	13,751,351
NET INCOME (LOSS)	\$(2,913,024)	\$(27,110,345)

**Operating revenue does not include Cost of Power or Cost of Water.

FINANCIAL OPERATIONS

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

EXPENSES



● Materials & Supplies 2%

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

	Electric	Gas	Water	Wastewater	Total Q1 YTD	% Left
	\$9,069,009	\$2,178,071	\$4,102,461	\$3,622,674	\$18,972,215	55%
	19,345,496	-	781,046	-	21,126,542	60%
	826,515	12,962	176,612	-	1,016,088	70%
	\$29,241,019	\$2,191,032	\$5,060,118	\$3,622,674	\$40,114,844	58%
	\$2,510,611	\$680,037	\$1,120,549	\$1,121,406	\$5,532,604	51%
	20,297,497	189,247	428,635	163,424	21,078,802	64%
	266,588	113,675	283,069	124,310	787,641	62%
	2,871,662	1,228,768	2,017,947	1,318,194	7,436,571	65%
	\$25,946,359	\$2,211,727	\$3,950,200	\$2,727,333	\$34,835,618	63%
	\$3,294,661	\$(20,695)	\$1,109,919	\$895,341	\$5,279,226	
	941,430	33,037	9,842,458	1,427,005	12,243,929	74%
	-	-	4,004,478	33,074	4,037,552	71%
	\$2,353,231	\$(53,732)	\$(4,728,061)	\$(498,589)	\$(2,927,151)	

FINANCIAL STATEMENTS

ELECTRICITY/ELECTRIC PRODUCTION

Through Dec. 31, 2025

	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
MWh Sales to LANL	485,207	485,207	208,877	57%
MWh Sales to ED	123,455	123,455	64,203	48%
Total MWh Sales	608,662	608,662	273,080	55%
DOE Revenues	\$43,668,618	\$43,668,618	\$16,904,805	61%
Economy Sales	7,500,000	7,500,000	2,440,691	67%
Sales to ED	11,110,992	11,110,992	6,574,266	41%
Other Revenue	2,024,080	2,024,080	535,564	74%
Total Revenue	\$64,303,690	\$64,303,690	\$26,455,326	59%
OPERATING EXPENSES				
Salaries	\$1,781,619	\$1,781,619	\$848,456	52%
Benefits	707,228	707,228	330,517	53%
Prof/Contract Services	54,389,646	54,390,955	19,910,808	63%
Materials/Supplies	225,952	225,952	48,357	79%
Interfund Charges	2,484,063	2,484,063	682,579	73%
Capital Outlay	64,361	64,361	-	100%
Fiscal Charges	577,462	577,462	210,882	63%
Total Operating Expense	\$60,230,331	\$60,231,640	\$22,031,599	63%
Operating Income (Loss)	\$4,073,359	\$4,072,050	\$4,423,727	
Capital Expenditures	\$780,000	\$2,029,904	\$733,001	64%
Other Financing				
Transfer to ED	\$(2,000,000)	\$(2,000,000)	-	100%
NET INCOME (LOSS)	\$1,293,359	\$42,146	\$3,690,726	

ELECTRIC DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION

Through Dec. 31, 2025

	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
Kwh Sales	123,455,462	123,455,462	58,104,725	53%
Sales Revenue	\$19,288,456	\$19,288,456	\$9,069,009	53%
Other Revenue	561,653	561,653	276,358	51%
Total Revenue	\$19,850,109	\$19,850,109	\$9,345,367	53%
OPERATING EXPENSES				
Salaries	\$1,913,867	\$1,913,867	\$969,623	49%
Benefits	836,414	836,414	362,015	57%
Prof'l/Contract Services	1,004,568	1,043,881	386,690	63%
Materials/Supplies	582,886	594,020	218,231	55%
Interfund Charges	2,920,034	2,960,034	1,338,998	83%
Capital Outlay	242,900	315,298	54,912	50%
Fiscal Charges	1,178,311	1,178,311	584,291	41%
Cost of Power	11,110,992	11,110,992	6,559,673	48%
Total Operating Expense	\$19,789,972	\$19,952,818	\$10,474,433	
Operating Income (Loss)	\$60,137	\$(102,709)	\$(1,129,066)	
Capital Expenditures	\$2,075,000	\$6,269,918	\$208,429	97%
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)	\$(5,202,031)	\$(1,337,495)	

WATER WATER WATER WATER WATER WATER WATER PRODUCTION

Through Dec. 31, 2025

	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
Potable KGal prod.	1,150,000	1,150,000	575,743	50%
Non-potable KGal prod.	136,500	136,500	44,260	68%
Total kgal Production	1,286,500	1,286,500	620,003	52%
Potable Sales to DW	\$4,200,000	\$4,200,000	\$2,335,860	44%
Potable Wholesale Sales	1,839,389	1,839,389	781,046	58%
Other Revenue	509,342	509,342	164,461	68%
Total Revenue	\$6,548,731	\$6,548,731	\$3,281,367	35%
OPERATING EXPENSES				
Salaries	\$1,136,438	\$1,136,438	\$543,393	52%
Benefits	474,938	474,938	198,033	58%
Prof'l/Contract Services	974,439	1,133,147	274,967	76%
Materials/Supplies	186,790	190,657	174,961	8%
Interfund Charges	2,045,825	2,045,825	1,160,394	43%
Capital Outlay	34,535	34,535	6,338	82%
Fiscal Charges	888,118	888,118	313,277	65%
Total Operating Expense	\$5,741,083	\$5,903,658	\$2,671,362	55%
Operating Income (Loss)	\$807,648	\$645,073	\$610,004	
Capital Expenditures	\$4,458,500	\$24,961,140	\$9,477,034	62%
Other Financing				
County/Loan Proceeds	\$2,500,000	\$6,451,535	\$3,004,478	53%
County/Ext Reimb	-	2,919,900	1,000,000	66%
Transfer: Gen Fund/ Econ Dev	100,000	100,000	-	100%
NET INCOME (LOSS)	\$(1,050,852)	\$(14,844,632)	\$(4,862,552)	

UTILITY SERVICE: NATURAL GAS

SALES (Therms)	Q1	Q2	Q3	Q4	YTD
Residential	331,167	1,284,691			1,615,858
Commercial	132,355	336,744			469,099
Municipal	31,749	69,929			101,678
Water Production	55,759	7,853			63,612
Educational	6,431	54,831			61,262
Total	557,461	1,754,048			2,311,509
BILLED LOCATIONS (average)					
Residential	7,636	7,560			7,598
Commercial	417	408			412
Municipal	45	43			44
Educational	25	26			26
Total	8,123	8,037			8,080
REVENUE/THERM (average)					
Residential	\$1.5376	\$0.9150			1.2263
Commercial	0.8573	0.7490			0.8031
Municipal	0.7325	0.6704			0.7014
Water Production	0.2406	0.2853			0.2630
Educational	0.8492	0.6651			0.7572
Average	1.2323	0.8627			1.0475
LOSS CALCULATION					
Gas Rec'd, therms	607,190	2,313,130			2,920,320
Qtrly Losses <gains> therms	40,783	559,082			608,811
% Qtrly Losses <gains>	7.08%	24.17%			20.85%
Cumulative Losses <gains>	7.08%	20.85%			20.85%

UTILITY SERVICE: WATER

SALES (KGAL)	Q1	Q2	Q3	Q4	YTD
Residential	195,434	124,643			320,077
Commercial	25,295	17,034			42,329
Municipal	39,356	18,681			58,037
Educational	9,165	2,696			11,861
Total	269,249	163,054			432,303
BILLED LOCATIONS (average)					
Residential	7,173	7,056			7,115
Commercial	327	328			328
Municipal	93	89			91
Educational	31	30			30
Total	7,624	7,503			7,564
REVENUE/KGAL (average)					
Residential	\$9.2769	\$10.6562			\$9.9665
Commercial	8.7451	9.9206			9.3328
Municipal	7.5679	8.4743			8.0211
Educational	8.6519	13.2029			10.9274
Average	\$8.9558	\$10.3715			\$9.6637
LOSS CALCULATION					
Water Rec'd, Kgal	277,824	156,070			433,894
Qtrly Losses <gains> Kgal	8,575	(6,984)			1,591
% Qtrly Losses <gains>	3.09%	-4.47%			0.37%
Cumulative Losses <gains>	3.09%	0.37%			0.37%

CONSUMPTION DETAIL

UTILITY SERVICE: WASTEWATER WASTEWATERWATERWA

	Q1	Q2	Q3	Q4	YTD
SEWER TREATED (KGAL)					
Los Alamos	65,304	64,497			129,801
White Rock	24,648	24,773			49,421
Total Treated	89,952	89,270			179,222
BILLED LOCATIONS (average)					
Residential	6,977	6,856			6,916
Commercial	236	233			235
Municipal	35	33			34
Educational	21	21			21
TOTAL	7,269	7,143			7,206
REV PER KGAL TREATED*	\$19.74	\$20.69			\$20.22

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



The women of DPU gathered for a lunchtime holiday painting party led by Engineering Associate Michelle Martinez.

STAFFING NEWS

DPU

#WORKFORCE

NEW HIRES/TRANSFERS

- Isaiah Harrison transferred from Facilities to Electric Production where he is a Power System Operator Apprentice.

PROMOTIONS

- In the Wastewater Treatment Division, Patrick Moore and Andrew Lopez were both promoted to WWTP Operator.
- Erwin Lopez, in Gas, Water & Sewer, was promoted to GWS Apprentice 2.
- Sam Martinez was promoted to the new Electrical Distribution Superintendent position.
- Timo Martinez was promoted to Lineman Supervisor in Electric Distribution.

ANNIVERSARIES

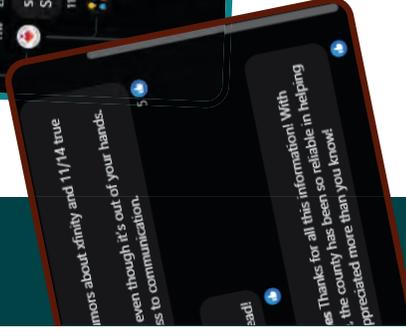
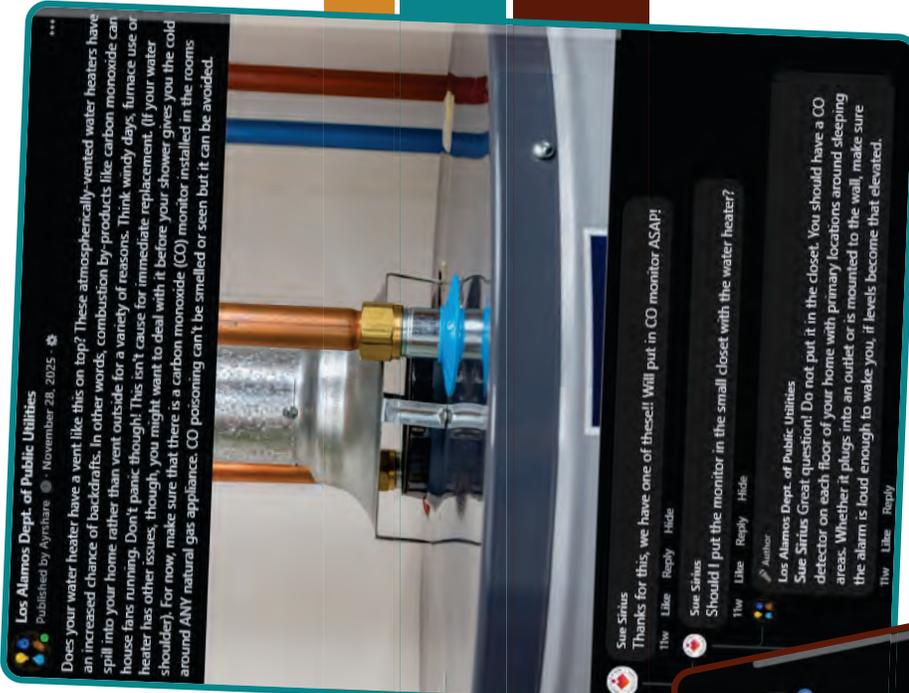
- 20 Years:** Jennifer Baca, Engineering Associate, Engineering
- 15 Years:** Joel Martinez, SCADA System Technician, Water Production
- 5 Years:**
 - Agustine Campos, GWS Apprentice 2, Gas, Water, and Sewer
 - Roland Rodriguez, Journeyman Lineman, Electric Distribution



Below: Isaiah Harrison, Patrick Moore, Andrew Lopez, Erwin Lopez, Sam Martinez, Timo Martinez, Jennifer Baca, Joel Martinez, Agustine Campos, Roland Rodriguez



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KUDOS

GOOD STUFF

Los Alamos Dept. of Public Utilities
 Published by Ayrshare · October 23, 2025

We're looking forward to ski season! County contractor DUB-4-EE has been working hard on Camp May Road to trench, lay pipeline, backfill, and now pave as part of the Jemez Mountain Fire Protection Project.

To make sure the road can fully reopen before the project pauses for winter (December 19-April 1), Camp May Road and Camp Way remain closed Monday through Friday at 3 p.m. until further notice. We appreciate your patience and understanding while crews finish paving work so you can enjoy smooth access to the slopes this winter!



Jeri Sullivan Graham
 We are lucky to have a county that keeps up with maintenance!
 16w Like Reply Hide

Los Alamos Dept. of Public Utilities
 Published by Ayrshare · December 18, 2025

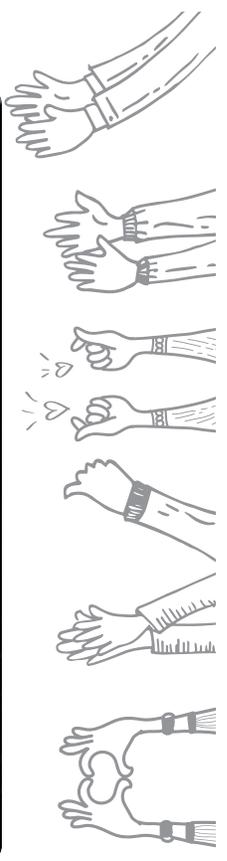
All that wind yesterday and through the night only caused one outage (whew!). A dead tree fell on lines in the area of the ice rink early this morning. Our amazing electric distribution crew had to ground the line and remove the tree before repairing the two wires that burned in half. Thankfully there were no issues with fire and only the ice rink and the ski hill lost power until 10AM.



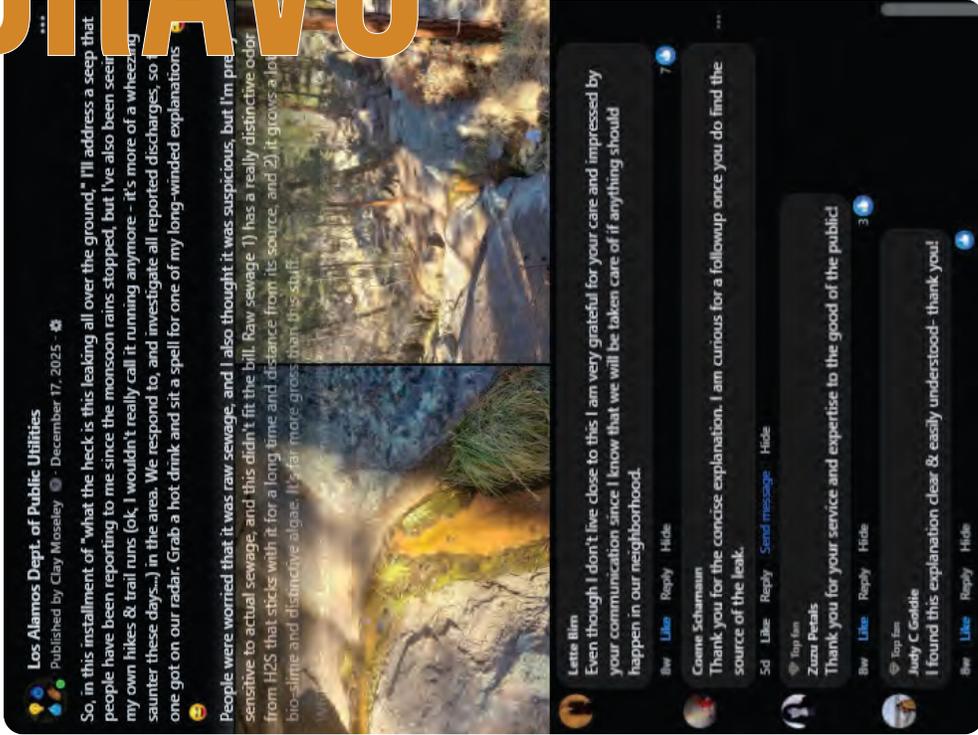
Temp 5am
 Zuzu Petals
 Thought about fire last night. Thank you for your service!
 8w Love Reply Hide

Paula Hewitt
 You are amazing!
 Thank you!
 8w Like Reply Hide

Una Smith
 The majority of standing dead trees near that power line were removed before they could fall. But trees keep dying, so the work is never ending.
 8w Like Reply Hide



BRAVO



GUIDE TO ABBREVIATIONS

A ABBREVIATIONS USED IN DPU REPORTS

- ACFR Annual Comprehensive Financial Report
- AMI Automated Metering Infrastructure
- APPA American Public Power Association
- AWWA American Water Works 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
- EMNRD Energy, Minerals and Natural Resources Department
- EP Electric Production
- EPA Environmental Protection Agency
- 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
MW	Megawatts
MWH	Megawatt Hours
NMED	New Mexico Environment Department
NMGC	New Mexico Gas Company
NMMEAA	New Mexico Municipal Energy Acquisition Authority
NNSA	National Nuclear Security Administration
NP	Non-Potable
NPV	Net Present Value
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
PSIG	Pounds per Square Inch Gauge
PV	Photovoltaic
RFP	Request for Proposals
SAIDI	System Average Interruption Duration Index
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: Oct 1 - Dec 31

Q2 REPORT FY26



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Department of Public Utilities

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