

2026: Jan 1 - Mar 31

Q3 REPORT FY26

LOS ALAMOS
Department of Public Utilities



WE 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 \$108 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.

*updated to adopted budget in April 2025

WHO



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PHILO SHELTON / UTILITIES MANAGER

June 2019 through present

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

#HIGHLIGHTS

Budgets

This quarter, DPU completed a two-year budget proposal that BPU recommended on March 18, 2026 be forwarded to Council for consideration and approval. County Council approved this budget on April 28, 2026, with no changes. Now we have the great task to implement this budget. This 2027-28 fiscal year budget proposed both gas and water rate increases by BPU. Staff have prepared the required rate ordinances in the fourth quarter of FY 2026 so that the revised rates will be in place on July 1, 2026, for the start of Los Alamos County fiscal year 2027.

Rates, the Art and Science

As a community owned utility, DPU does not make a profit and shall operate on a compensatory basis, as outline in County Charter. Rate setting is a blend of science and art: science in the cost-of-service studies and art in projecting customer usage in the future. External factors like inflation, commodity costs and climate change are also all contributing factors in rate setting. For example, we experienced an unseasonably warm winter season and this last quarter DPU sold nearly 30% less natural gas than the year before. As a result, the department did not collect sufficient revenues to cover the yearly operation and maintenance costs, and this resulted in using gas fund reserves.

In using the cost-of-service approach for rate setting, DPU breaks rates into a monthly service charge and then a charge for the commodity consumed. DPU is working toward the monthly service charges to cover administration and interdepartmental charges regardless of how much of the commodity is consumed. This will be accomplished over the next two years for gas and water, while electric was implemented in the last

round of rate setting. For the commodity charge, DPU looks at past revenues and sales to help estimate how much DPU will sell. The department used a five-year average of commodity usage and did not account for any growth in customer numbers to be conservative. The commodity charge also includes expenses to operate and maintain the utility, debt service, 10-year capital renewal costs, and building up required cash reserves. For gas, these factors are included in the

fixed consumption charge per therm sold. The purchase of the natural gas commodity is calculated separately each month based on the actual cost of purchasing gas and then this cost is passed onto the customer at actual costs. This component is called the variable cost of gas per therm.

Increasing UAP

Why do we need rate increases now? When inflation was relatively calm at around 2%, DPU had proposed planned rate

increases over a three-to-four-year period. However, given today's inflation uncertainties, it is difficult to project rates for more than two years. Once BPU and Council finally approve the rate changes for gas and water, staff will return with a recommendation to increase the utility assistance program (UAP) to help offset the differences for the customers in need.

Checking out the new screw press installed at the Los Alamos Wastewater Treatment Plant.



#MISSION



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

#VISION



Continually earn community trust through exceptional utility services

#ETHICS

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

#VALUES



WE VALUE

community, employees, partners and the environment through:



Safety



Trust



Professionalism



Customer Service



Fiscal Responsibility



Ethical Behavior



Communication



Collaboration



Innovation



Fairness

STRATEGIC FOCUS AREAS

O OPERATIONS & PERFORMANCE

GOAL: Provide utility services safely, reliably and efficiently

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

F FINANCIAL PERFORMANCE

GOAL: Achieve and maintain excellence in financial performance

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

C CUSTOMERS & COMMUNITY

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

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

#GOALS

W WORKFORCE

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

- Sustain an environment where employees are empowered, engaged, satisfied and fairly compensated
- Promote a culture aligned with 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

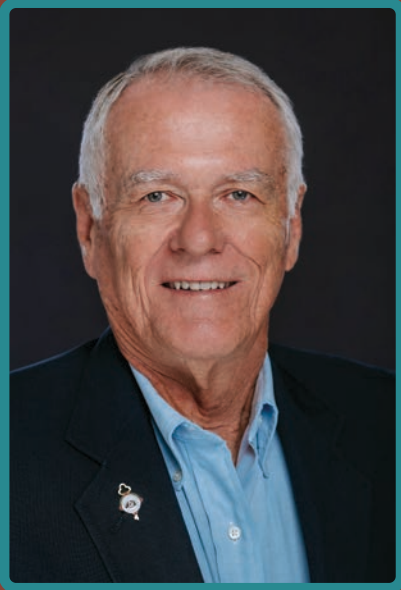
- Promote utility efficiency through targeted conservation programs
- Be a net carbon neutral electric provider by 2040
- Support phase-out of natural gas service by 2070 with at least a 10% reduction in usage by 2030 as measured by annual therms per heating degree day compared to a 2016-2020 average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



MATT HEAVNER
Vice Chair

Appointed: January 2024

1st Term: Feb '24 - June '26

Vice Chair: 2026



CHARLES NAKHLEH
Member

Appointed: July 2022

1st Term: July '22 - June '27

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



ERIC STROMBERG
Member

Appointed: July 2020

1st Term: July '20 - June '25

2nd Term: July '25 - June '30

Vice Chair: 2024, 2025



JENNIFER HOLLINGSWORTH
Member

Appointed: July 2024

1st Term: July '24 - June '29

The BPU normally holds work sessions on the first Wednesday and regular sessions on the third Wednesday of each month. Meetings begin at 5:30 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](https://www.ladpu.com/BPUliveproceedings). The BPU calendar is available online at [LADPU.com/BPU](https://www.ladpu.com/BPU).

BOARD

OUR

SAFETY



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
- 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.

SAFETY EMPLOYEE OF THE QUARTER

Q3 / FY26

MICHAEL SALAZAR

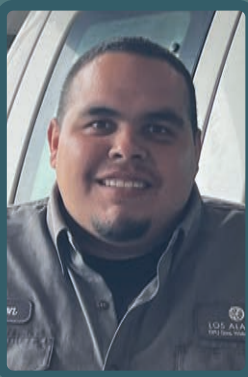
GWS Apprentice 1
Gas, Water & Sewer



The GWS team is prepared to handle a lot in their line of work. This quarter's nominee probably didn't expect rescue to be high on that list, however. Michael, and his standby partner Myron Cordoca, jumped into action after they witnessed a car accident. This duo 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. Michael and Myron grabbed tools, broke out the windshield and safely helped two children and their father out of the car. They untapped these heroic actions and then went back to competing standby duties like true GWS professionals!

Q2 / FY26

MYRON CORDOVA
GWS Pipefitter
Gas, Water & Sewer



Q1 / FY6

VICTOR TANUZ
Water Sys Supervisor
Water Production



Q4 / FY25

DIEGO MIRAMONTES
Water Sys Apprentice 1
Water Production



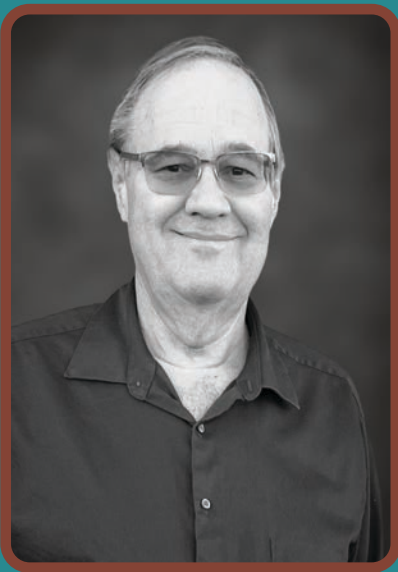
Q3 / FY25

JOSH RODRIGUEZ
Journeyman Lineman
Electric Distribution



ED

#HIGHLIGHTS



**DENNIS ASTLEY /
DEPUTY UTILITY MANAGER**

Registered Professional
Engineer

Bachelor of Science, Electrical
Engineering

PROJECTS

The loss of the T1 Transformer in White Rock last year was unplanned; however, DPU secured an agreement for a replacement sized to meet anticipated growth identified in the Electrification Study. Substation design has taken longer than expected but is nearing completion.

An emergency tie-line between White Rock and LANL has been completed and will provide backup power in the event of a total substation failure.

Electric Distribution (ED) has begun upgrades to overhead power lines in support of the Community Broadband Network project. A consultant evaluated existing structures and identified necessary improvements prior to fiber installation. Crews are now implementing these upgrades, including pole replacements for clearance issues. ED is also coordinating with Procurement to establish an on-call line contractor for additional support if needed.

Construction on the first phase of electric infrastructure upgrades along Piedra Loop will begin this summer, replacing the section from Piedra Drive to Mariposa

Court and connecting it to the existing system. Future plans will extend improvements along Piedra Loop to enhance reliability and place new conductor in conduit for easier maintenance.

Work continues on connecting the new LASS switching station near the LANL gate. A vault has been installed on East Jemez Road and connected to conduits crossing Los Alamos Canyon. Crews plan to prepare the conduits this spring for conductor installation and to energize the switching station. The design includes five circuits across the canyon from LASS, with capacity for a sixth in the duct bank.

The Electric Distribution department has a project to replace some bad cable between Oppenheimer and Timber Ridge Apartments. Included will be cable across Trinity to the Ponderosa Pines Apartments. The total project length is about 2,500 feet of new cable. This project was bid and awarded last year and we have been working with the New Mexico Department of Transportation to get the permit to start construction. This project will be completed this summer.

OPERATIONS

Staff continue working with customers to properly size residential solar systems and with County departments to design electrical service for fleet and public EV charging. The new municipal building chargers are operational and widely used, and a new fast charger is planned at the library with design complete.

ED and Engineering are pursuing grant funding for system upgrades and are

close to securing the first award.

This quarter, power was delivered to two new Verizon towers, with another small tower planned for the quarter.

Engineering staff are also supporting several new housing developments by coordinating electrical service design to ensure safe, reliable power for future residents.

STAFFING

Sam Martinez was promoted

from Lineman Supervisor to the new Line Superintendent role, which is critical for field coordination, resource management, and collaboration with LANL. The transition has already improved workflow and coordination.

The Lineman Supervisor position has been filled by Timo Martinez, previously a Journeyman Lineman. The Journeyman position remains vacant.



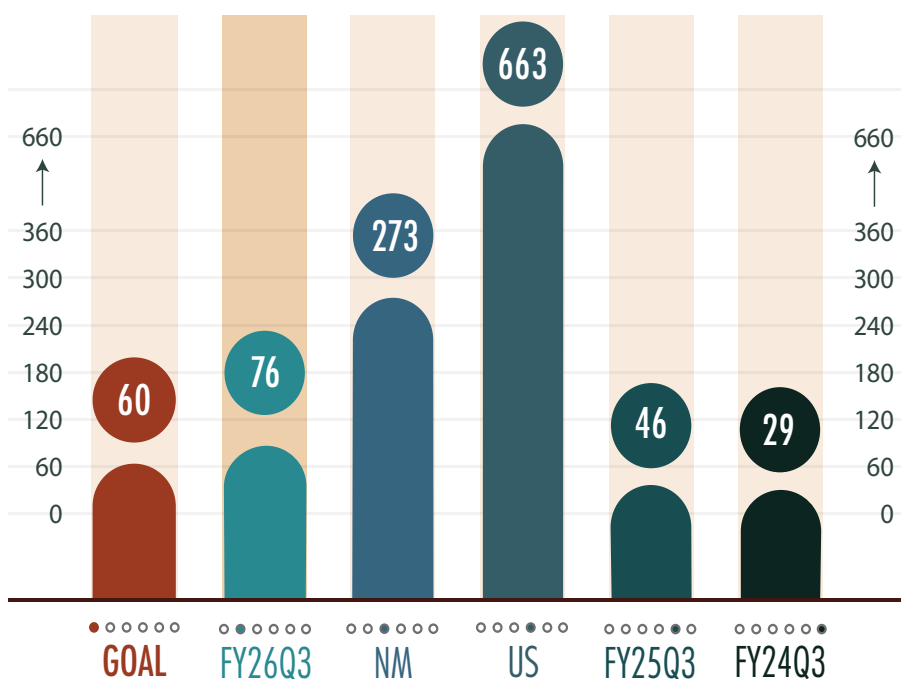
Electric Distribution staff from the DPU worked with LANL crews when a new transformer was delivered. This transformer is part of the tie line constructed between LAC and LANL in case backup power to White Rock is necessary.

#SAIDI

SAIDI BASICS

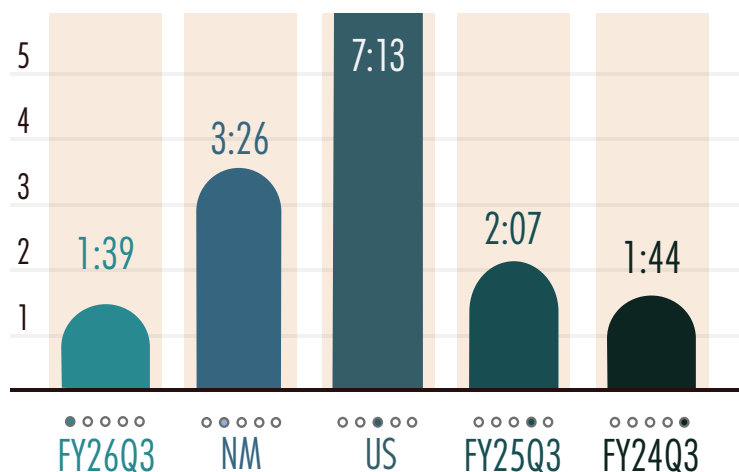
The DPU measures its System Average Interruption Duration Index (SAIDI) as a reliability indicator. This is a measure of the average time that any of the DPU's customers could expect to be without power per year. According to the Energy Information Administration (EIA), the mean SAIDI in 2024 was 132 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 3 of FY2026, the DPU's SAIDI was 76 minutes* including major events, which is well below the 2024 national SAIDI of 663 minutes and New Mexico's 2024 SAIDI of 273 minutes.

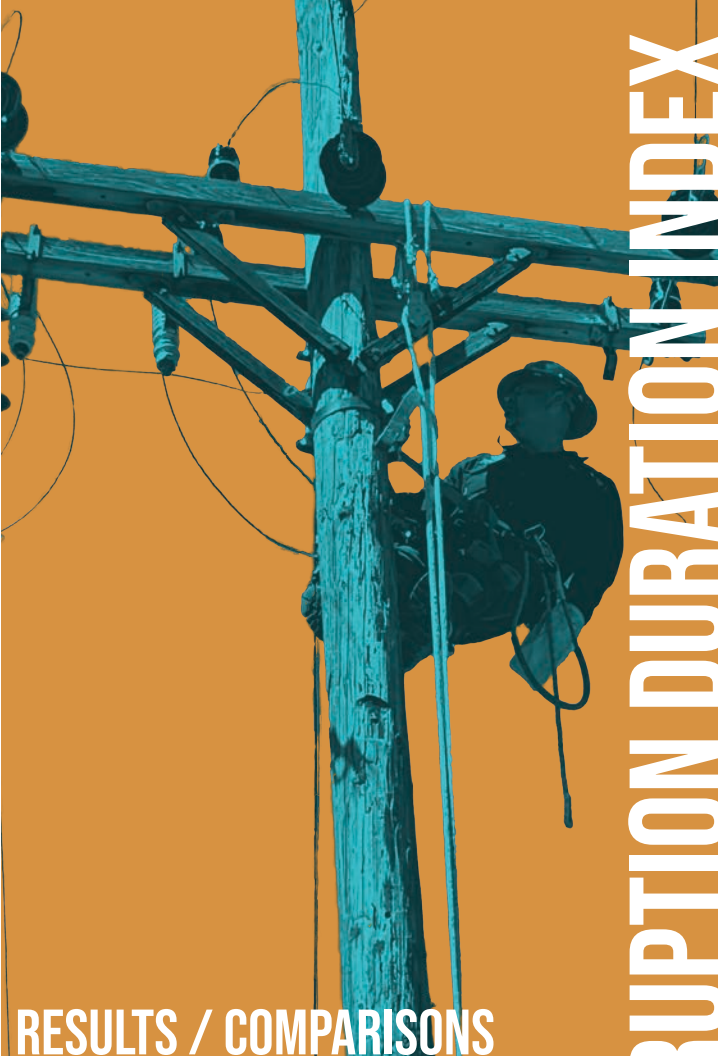
**The DPU's SAIDI does not include outages caused by failures with power supply transmission lines.*



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 Q3 was 1 hour and 39 minutes for Los Alamos County customers who experienced outages.





SYSTEM AVERAGE INTERRUPTION DURATION INDEX

RESULTS / COMPARISONS

As of Mar. 31, the DPU’s rolling 12-month SAIDI for Q3 was 76 minutes in FY2026; 46 minutes in FY2025; and 29 minutes in FY2024.

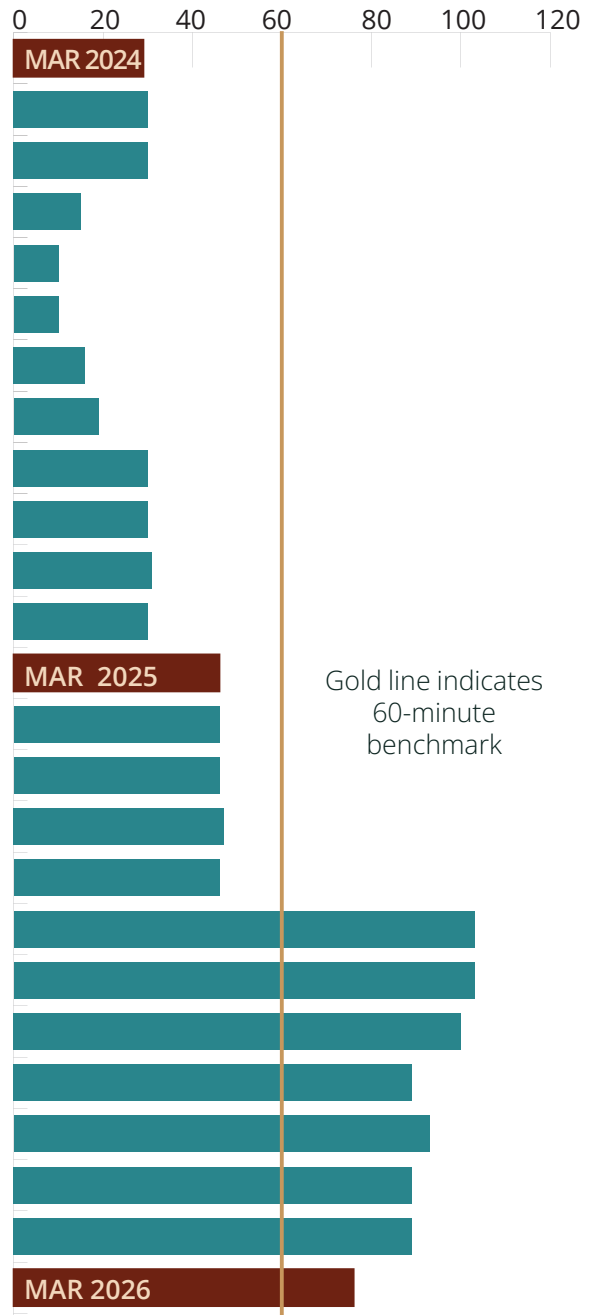
Reliability reports issued by the Energy Information Administration* demonstrate that the DPU’s current SAIDI is below the average of combined New Mexico utilities (includes New Mexico cooperatives, investor- and municipal-owned utilities) and lower than the average of combined U.S. utilities through March 2026.

*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
 DEC 25
 93

MAR 26
 76

#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. The end of Q3 brings 562 customers connected to the grid.

Total Distributed Generation

At the end of Q3, distributed generation resources totaled 3,793 kW connected to the distribution grid.

- Residential systems = 3,079 kW
- Commercial systems = 714 kW

New Distributed Generation

A total of 84 kW of distributed generation were added to the DPU's electric distribution grid during Q3.

Pending Distributed Generation

Currently 32 customers are in the process of adding another 266 kW of distributed generation to the DPU's electric distribution.

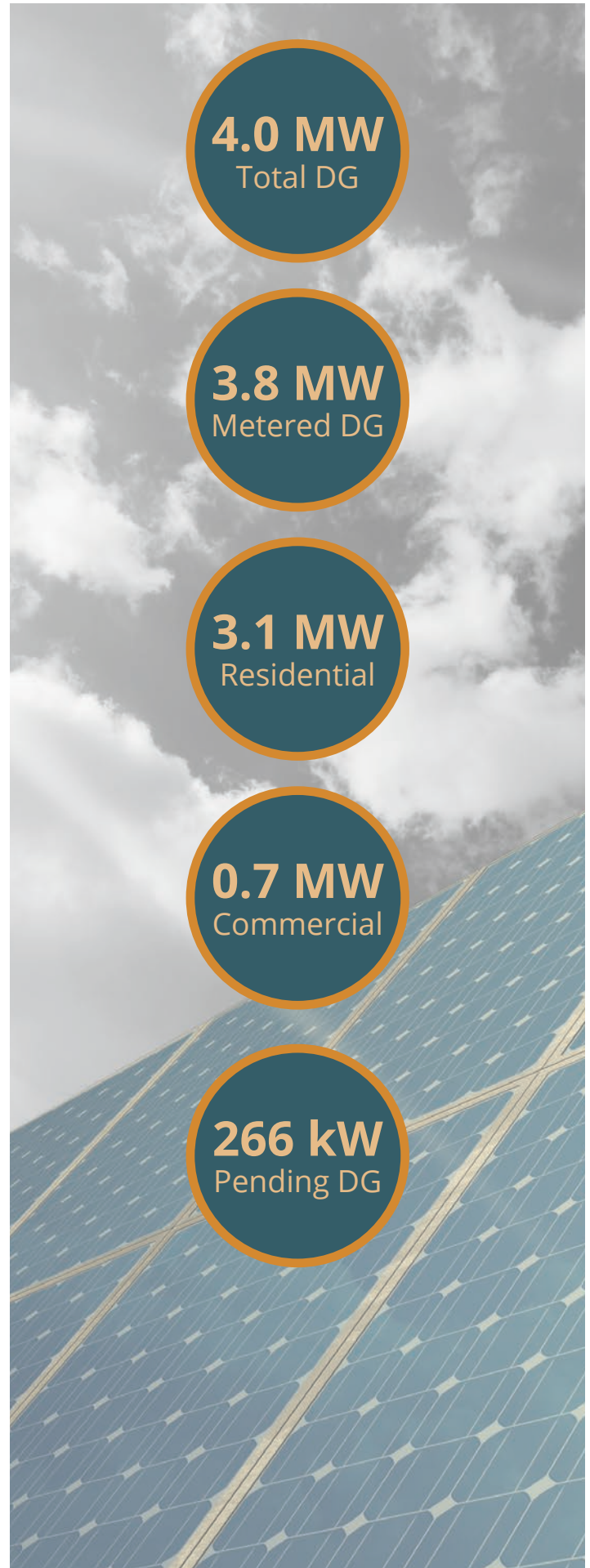
4.0 MW
Total DG

3.8 MW
Metered DG

3.1 MW
Residential

0.7 MW
Commercial

266 kW
Pending DG



CARBON-NEUTRAL ELECTRICAL ENERGY PROVIDER

In recognition of the need to move away from CO₂-producing electrical energy sources, the Board of Public Utilities adopted a strategic goal in September 2013 that 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."

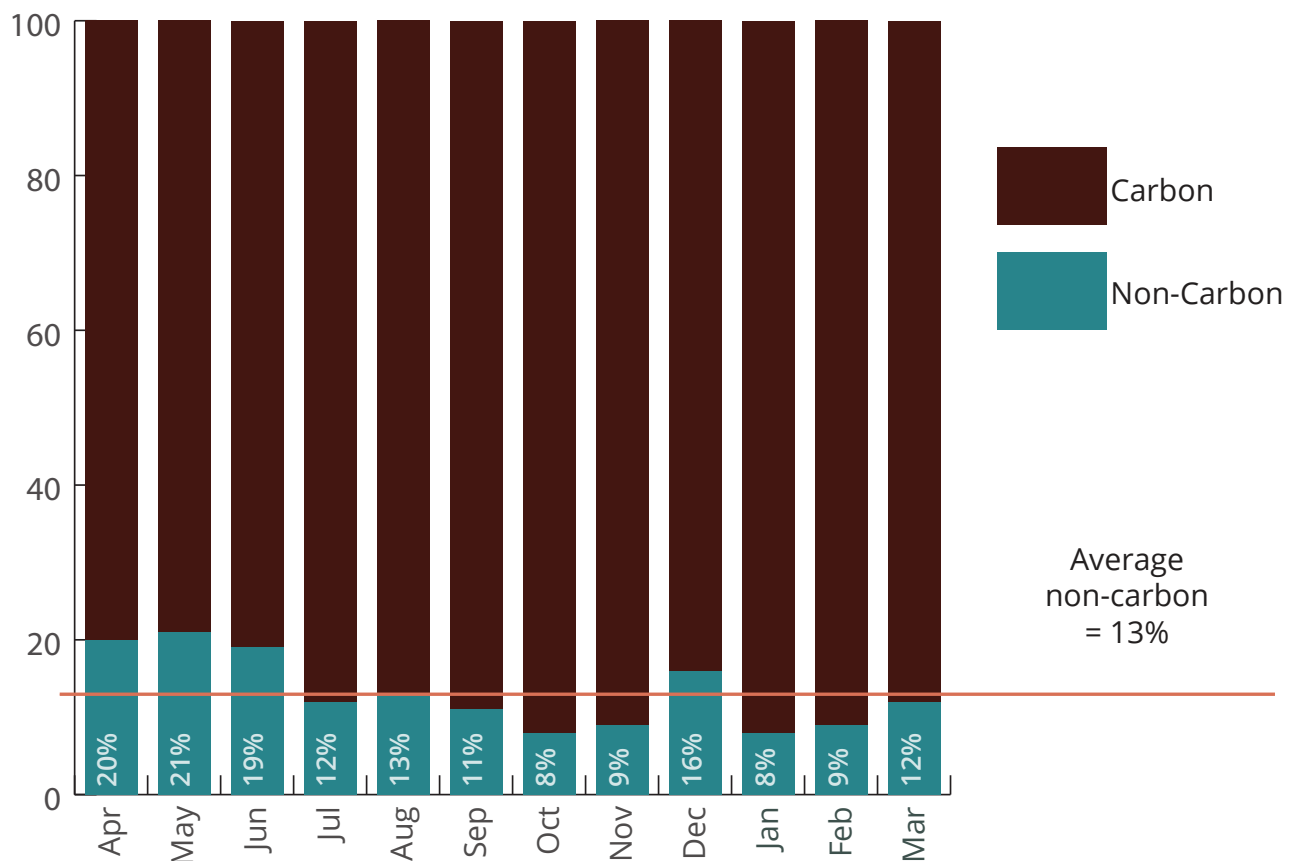
1. "Los Alamos County customers" means those customers scheduled in the Los Alamos County Code of Ordinances Section 40-121; this does not include DOE/LANL.
2. "No net release of carbon dioxide" means that purchases or generation of carbon-based electrical energy, necessary when carbon-free supplies 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.

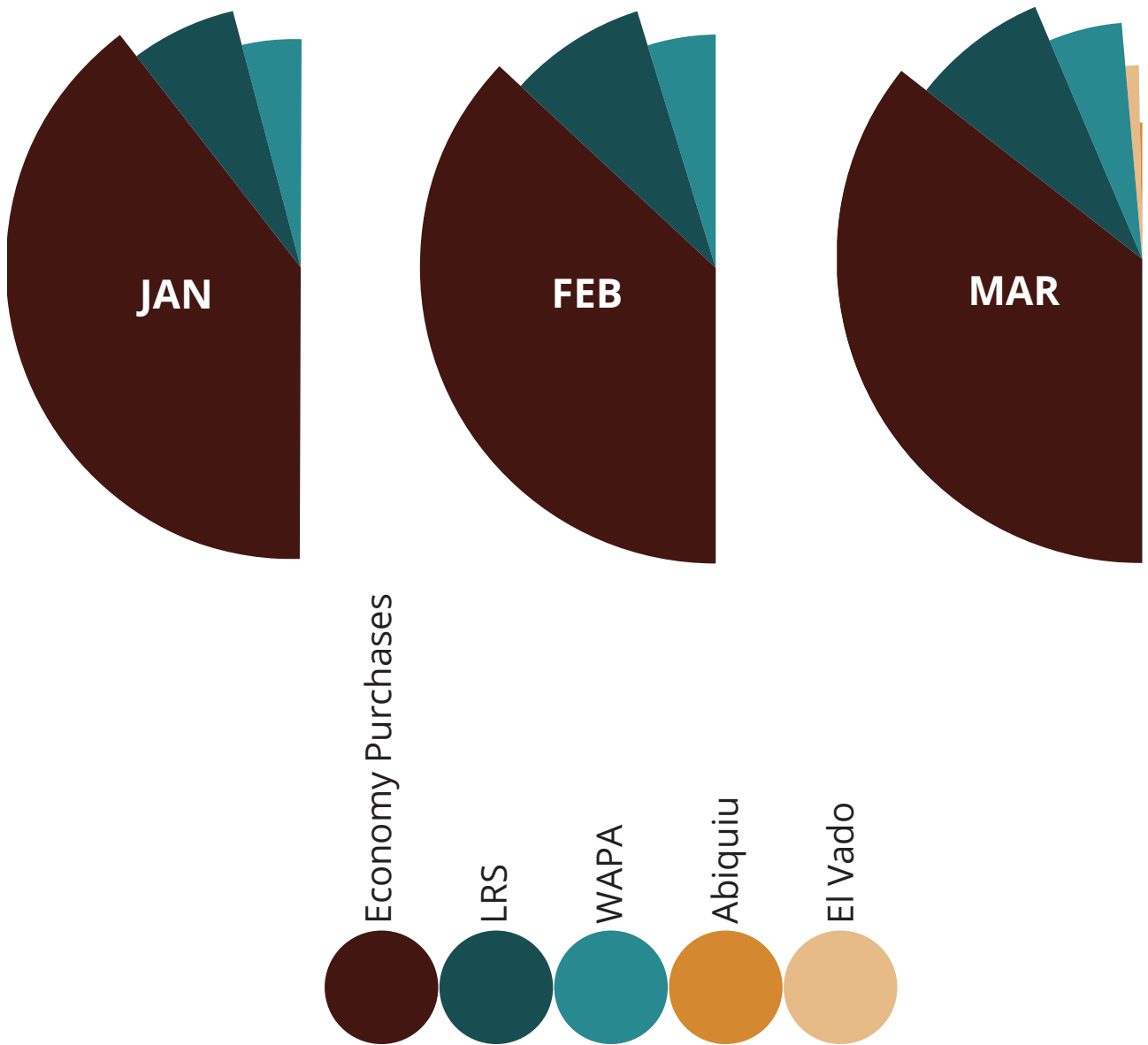


NET CARBON NEUTRAL INITIATIVE

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





		GENERATION SUPPLIED			
Carbon-Emitting Resources		RESOURCE	JAN	FEB	MAR
LRS: Laramie River Station		Econ Purchases	33,566	28,066	25,194
Econ Purchases: Mercuria and Tenaska contracts & open market purchases		LRS	5,408	6,509	5,569
Non-Carbon-Emitting Resources		WAPA	3,463	3,410	3,405
Mercuria: Non-carbon economy purchases		Abiquiu	-	-	353
WAPA: Western Area Power Assn.		El Vado	-	-	712
Abiquiu: Hydroelectric Plant		NON-CARBON % of load	8%	9%	12%
El Vado: Hydroelectric Plant					

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

EP



**BEN OLBRICH /
DEPUTY UTILITY MANAGER**

Bachelor of Science, Electrical Engineering

#HIGHLIGHTS

PROJECTS

Foxtail Flats Solar and Storage

The Foxtail Flats photovoltaic power purchase agreement and energy storage agreement are major parts of the Electric Production (EP) team's path to becoming a carbon-neutral electricity supplier before 2040. The current project development schedule has 85 MW (megawatts) of PV (photovoltaic) capacity being delivered April 2027 and the full contracted 170 MW PV capacity and 80 MW / 320 MWh (megawatt hours) of BESS (Battery Energy Storage System) capacity being delivered in June 2027.

As of May 5:

- Construction activities have started, specifically focused right now on civil components, including staking, site grading and roads
- All cultural protection measures are complete and will be monitored throughout construction
- All major equipment has been procured: inverters, racking, piles, battery energy storage system, photovoltaic panels, main power transformers

- All pre-construction studies and designs are complete.

HYDROS

Abiquiu Operations & Maintenance

Andritz Hydro's work to replace the low flow unit 3 draft tube elbow was completed on April 27. The coincidental failure of an obsolete control system component is preventing the operation of unit 3; staff are working to identify a replacement for the obsolete component.

Unit 1 has been generating when flows allow. Flows were too low to generate in January and February. 372 megawatt hours (MWh) were generated in March and 2,821 MWh were generated in April.

The Short-Circuit, Protective Device Coordination, & Arc Flash Incident Energy Analysis, a study conducted by Eaton, evaluated electrical equipment at both hydroelectric plants in accordance with National Fire Protection Association Rules. The resulting Abiquiu arc flash study report was received by staff on May 1. Staff are evaluating the report to plan follow-up work.

El Vado Operations & Maintenance

- Flows were too low to generate in January and February. 750 MWh were generated in March and 1,197 MWh were generated in April.
- As with the Abiquiu report, the El Vado arc flash study report was received by staff on May 1. Staff are evaluating the report to plan follow-up work.
- The replacement of the oil head seals by Voith is being scheduled for completion by the end of the fiscal year.

POWER OPERATIONS

2026 Electric Coordination Agreement

EDPU and the Department of Energy/ National Nuclear Security Agency (DOE/NNSA) executed modification 26 to the Electric Coordination Agreement (ECA) to extend the term through July 31. Staff, Board of Public Utilities members and legal counsel have made significant necessary revisions



to the draft agreement. Staff are focused on finalizing the revisions for delivery to the DOE/NNSA contracting officer.

Turnover & Recruitment

The significant staffing turnover of Senior Power Systems Operators that began in fiscal year 2025 is mostly behind us now. All four staff recruitments are complete. The operations team now consists of one senior power system operator, three acting power system 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 Group Leader (UI-EST) to update and improve the County and LANL power system operators’ roles, responsibilities and training.

EV Charging Stations

This was the first full quarter with the new ChargePoint level 2 EV chargers following their installation at the Municipal Building parking lot in December. The Muni L2 #1 charger is consistently the most utilized. The Muni L2 #6 charger is consistently the least utilized, likely because it is the only Americans with Disabilities Act accessible charger and drivers are respecting the signage to use this charger last.

Wholesale Natural Gas Supply Management

EP buys most of the County’s wholesale natural gas supply through a prepaid gas supply agreement administered by the New Mexico Municipal Energy Acquisition Authority (NMMEAA). This quarter ends an extraordinarily warm winter for Los Alamos. In the third quarter, 2,659,900 therms were metered into the County, which is just 68% of the average 3,118,750 therms metered across these same months over the past three years. This low consumption of natural gas is causing gas revenues to fall far below projections and necessitating a gas rate adjustment.

A replacement elbow for the draft tube in Abiquiu’s low flow unit 3 was recently installed.

GWS

#HIGHLIGHTS



**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

PROJECTS

Elk Ridge gas system replacement

During Q3 2026, gas crews focused on switching residents over to the new gas system from the old system, which will be shut off and abandoned in May. This project has weathered many challenges.

- Scheduling residential gas system inspections for manufactured homes is difficult because there is a lack of inspectors in New Mexico.
- Old, non-compliant appliances and non-compliant installations within homes added hurdles to completing the system replacement.
- Every home is different. Many homes required the attention of professional plumbers before systems could be replaced, particularly when it came to appliance connections and heating systems.
- Achieving switchovers required coordination among residents, CID inspectors, the plumbing/mechanical contractor, and the County.

At the end of March, only 10 homes remained to be switched over. We expect to

complete those remaining conversions by early May.

Bayo Booster Station rehabilitation

The long-awaited rehabilitation of the non-potable water booster station kicked off in late fall 2025. This station receives treated effluent from the Los Alamos Wastewater Treatment Plant and pumps it up into town for irrigation use on public spaces. After our dry, warm winter, we're seeing an unprecedented early demand for irrigation water. On top of that, we're experiencing delays in equipment availability and delivery dates. Nonetheless, the project has been managed well and is scheduled for completion in May. Even with some short-term issues, the benefits will be seen immediately. The old station was in continuous service since 1992 and was experiencing many operational problems, including a severe loss of efficiency and pumping capacity. The upgraded system should provide a more stable supply of non-potable water within a more efficient pumping range, saving operational costs in the long run.

Water Production well & booster station electrical & mechanical upgrades

After more than a year of work on this project, some of the wells are finally back online with vastly upgraded electrical motor controls, motor protection systems, electrical wiring, and mechanical device upgrades (such as pump control valves.). Like so many of our projects, the progress on this one comes after many years of planning, design work, material/equipment procurement, and orchestrating. Prior to this project, many of the wells and booster stations had equipment that had been in continuous operation since the 1980s and were severely in need of replacement or rehabilitation. Through this project, WP conducted motor health evaluations that prompted the decision to rebuild motors while the facility was offline. WP's extra efforts on this project should result in more stability and longer life expectancies for the wells and boosters in the system. While many of the primary facilities were the focus during this initial phase, some of the secondary booster stations demonstrated why this long-term project was so necessary

as we've seen failures requiring immediate attention in those facilities on top of the proactive work that was already planned. It is a bit of a blessing in disguise because we have many processes and procurement already in place to handle these additional issues.

Water Distribution pressure reducing valve replacement

Three PRVs in White Rock were replaced last year as described in the previous quarterly report. After getting them into service, we requested another inspection by Bill Curb (Armystick LLC) to ensure they are all set and functioning properly. Because he did not perform the startup process after the installations were complete, it was important that he come back to ensure the settings were proper. He found a few things needing attention. Working with GWS, the settings were synchronized to ensure proper pressure management in a large pressure zone serving the northern area of White Rock, and two PRVs were reconfigured with the proper settings. He also inspected two other PRVs that will be put on a rehabilitation plan in Q4.



The new belt press at the Los Alamos WWTP is operational after a large replacement project.

GWS

#CONTINUED...

LA WWTP solids belt press replacement project

The LA WWTP saw the completion of the replacement of the solids dewatering belt press. This complicated project required bypassing the process with a temporary unit, while the new dewatering screw press was installed. This process involved replumbing work under and through the dewatering building, along with reconfiguration of the 480V electrical supply. The project was successfully completed in February and is a welcome change to the treatment process. Operators can now “waste” (remove solids from the upper process train) continuously rather than in batches as was necessary previously with the belt press. This installation

gives us the means to manage the concentration of the right types of bacteria much more precisely, resulting in an improved process and better treatment results.

NMED Sanitary Survey - findings mitigation

During the fall of 2025, the NMED Drinking Water Quality Bureau conducted a thorough survey of all water production facilities and operations. They documented 36 findings and set forth a deadline for mitigation. Out of the 36 findings, 18 were items that could be mitigated through in-house work, and the other 18 required specialty water tank maintenance contractor work. Water Production laid out a plan and schedule to meet the deadline in March, while the Engineering Division assigned a project



Pipefitters, always a motley crew!

manager to oversee the contract work with the help of WP operators. WP staff worked tirelessly to successfully accomplish work tasks: repairing security fences, replacing bug-proof protective screens over tank vents, repairing access hatches and installing seals, excavating tank footings that had slowly been covered by encroaching soil and rocks, cleaning out vegetation from around tank facilities, repairing access roads, and working with the contractors on the other work items.

Contract tank maintenance specialists were hired to perform “live” tank cleaning operations, removing sediment and debris that accumulates from pumping over a long period of time. They also performed tank inspections which are required by the NMED, which revealed that two of the booster tanks on the Guaje Canyon production line will require new coating work very soon.

OPERATIONS

Winter weather in Q3 typically gives crews time to catch up on training and operator qualification requirements. The high-impact work--gas regulator station component replacements, hydrant replacements, valve rehabilitations and replacements, sewer line repairs--slows down. These types of operations require processes such as shut-downs, significant excavations, traffic control and other disruptions that are not as manageable in the winter due to shorter days, frozen ground, and critical gas system use. We pivot our focus to lower impact items like water meter replacements, inspections, atmospheric corrosion prevention and coatings, lift station cleaning, in-street sewer main flushing, and of course, training.

GWS supervisors evaluated multiple options for the replacement of the old vactor unit, one of two maintained and operated by GWS, that has become inoperable and is headed toward retirement and auction. Quotes were submitted from two regional vendors. We have evaluated the proposed prices and amenities, and the next step is to encumber budgeted funds and compile purchase agreements in May.

GWS sewer crews received an integrity award under the leadership of Steven Martinez, who received a commendation from his

supervisors for exemplary work. Steven Martinez led the crews to perform some of the most difficult flushing and repair projects in hard-to-access areas of town, which was a major accomplishment with great results.

WP staff were challenged with an irrigation conundrum when the winter weather was so warm and dry that LAC Parks and LAC Golf Course staff wanted to start watering in February. All irrigation supply systems are normally emptied and shut down during the winter when there is typically no need to water the golf course or the North Mesa Ball Fields. On top of that, the Bayo Booster Station was out of service. Fortunately, WP had performed repairs to the LA Reservoir supply system earlier in the fall, so it was ready and available, and it completely served the irrigation needs without supplementary water for about a month. During March, the heat became intense enough to require longer irrigation periods, so the water from the reservoir was then supplemented with potable water through a fire hydrant on North Mesa. This system will remain in place until the Bayo Booster station is complete in May.

All pump motor and mechanical work in the Guaje booster stations, except for one remaining motor in booster #3, was completed by WP staff. The remaining motor coincidentally failed just prior to taking it offline for inspection. It is set to be back in service in May.

The WWT operations were quick to get up to speed with the operation of the new screw press dewatering equipment at the LA WWTP that was described in the projects section. They had worked closely with the installation contractor to ensure it was exactly what they needed, and even made some containment baffles themselves to keep all solids material within the limits of the discharge belt that carries it up a conveyor and into the hauling truck. The dewatering area remains very clean and tidy and is easier to maintain for the operators. Also, they no longer must wait for a “batch” to build up to send it to the dewatering equipment but rather keep a steady flow when they are ready to waste – this results in a cleaner treatment process and provides more control for the digestion bacteria.

STAFF DEVELOPMENT

Michael Salazar, with GWS, passed his Wastewater Level 1 certification and was promoted to Apprentice 1 as a result.

Estevan Trujillo, with waste water treatment, passed his Wastewater Level 3.



Workers from contractor File Construction and D&R Tank weld a flange to the steel core of a large water pipe.

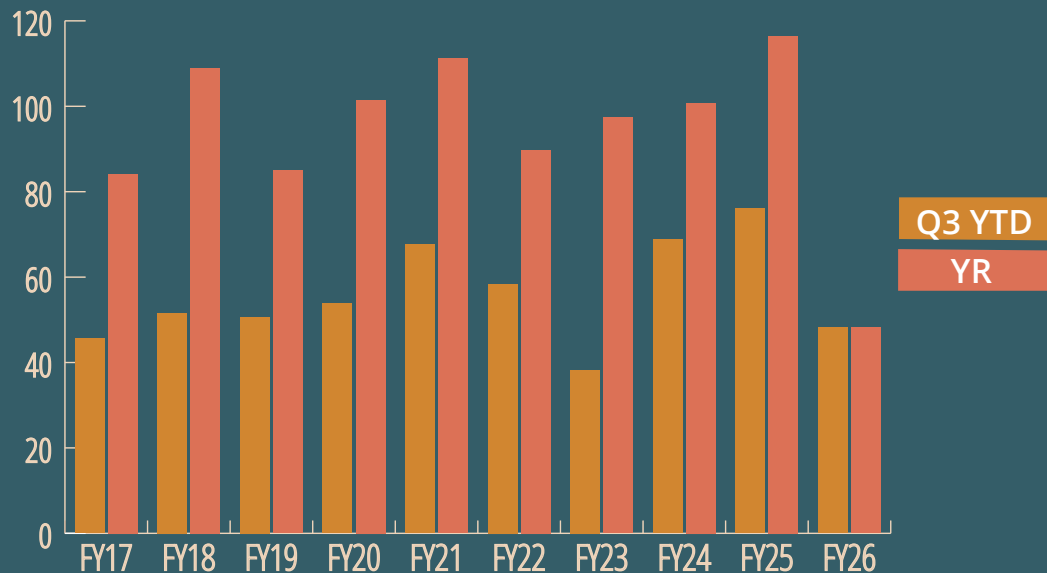
RECLAIMED WATER

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 third quarter of FY2026 was 48.2 Mgal and 7.5 Mgal of stormwater was also used. 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)



ENG

#HIGHLIGHTS



**JAMES MARTINEZ/
DEPUTY UTILITY MANAGER**

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

Memberships:

American Society of Civil
Engineers
NMSU Civic, Agricultural, and
Geological Engineering Academy

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 is being 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, 11 wells have been transitioned to the new SCADA system, with eight already fully operational. New SCADA programmable logic controllers (PLCs) have been installed at all the Guaje and Pajarito wells. The work is set to be completed in early May.

Abiquiu Hydroelectric Plant draft tube repairs

The existing draft tube on generator #3 in Abiquiu has been degrading due to cavitation in the structure. The air injection system is the cause of cavitation, and it will be re-designed to prevent further cavitation.

Andritz Hydro, the turbine manufacturer, has been hired to replace a section of the draft tube and aeration system. The new draft tube has been engineered with the new air injection ring that is on the outside perimeter of the tube rather than an injection pipe across the circular cross section, the new design will eliminate the areas of turbulence that were causing cavitation. The draft tube arrived in mid-April and has been assembled. A test run will be completed by the end of April, and the system will be ready to go back online.

Los Alamos WWTP belt press replacement

The belt press at the Los Alamos Wastewater Treatment Plant had been in service for 20 years and was at the end of its service life. Under this project, we replaced the existing belt press with a modern and more efficient sludge dewatering screw press system. The new screw press is fully operational, and the project is working on closeout documents. A time lapse video of the project is online at ladpu.com/sludge.

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 been completed. Though work is progressing, there have been a couple of issues. The contractor had to remove the new electrical equipment after a gasket failure caused water damage in the building. One of the motor starters had to be returned to check

the electrical equipment to ensure the County keeps the warranty on the equipment. The contractor was also informed by the electrical equipment supplier that the second electric motor starter equipment was delayed and would be shipped in mid-May. This delay pushes the substantial completion to the end of June.

Jemez Mountain Regional Fire Protection Project

This project to build a connection between Los Alamos County's water supply system and the water storage tank at Pajarito is necessary for fire protection to enable the delivery of water to the 10-million-gallon storage

reservoir on top of Pajarito Mountain. This full reservoir of water will benefit not only Pajarito but also surrounding lands.

- Phase I of the project began in spring 2025 and included approximately half of the waterline, fiber optic duct bank and electric duct bank up the mountain along a stretch that extended over 2 miles.
- Phase II was incorporated into the Phase I contract in Q2, saving the DPU more than \$1.2 million from the avoided cost of installing temporary paving through the winter. These savings came from holding the pipe and

National Engineer's Week is the last week of February. Below is a collection – but not all! – of DPU's engineer-focused employees.



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 remobilized this spring for the installation of the electric and fiber optic vaults, pull boxes and conduit. All paving and cleanup will be completed by early May.

- Under Phase III, DPU will construct four water booster stations and equip the new underground electric distribution system. Bidding opened in late April and a contractor will be selected for the construction based on the lowest bid. We are awaiting notification from FEMA regarding a portion of project funding, \$3.5 million to be exact, for the electric distribution improvements.
- Phase IV of the project is complete. During this phase, we constructed the new 500,000-gallon water tank at the base of the mountain along West Jemez Road.

When all phases are complete, the project will extend water service to the Pajarito Ski Area for domestic use, fire protection and snow making. The project's anticipated targeted completion is mid-December 2026.

Water Production wells electric and mechanical upgrades

Under this project, DPU is upgrading the electrical and mechanical equipment in eight existing wells. The electric upgrades have been completed. The mechanical upgrades include new valves, meters, vaults and instrumentation, but were delayed due to the long lead time on the large valves and fittings. Mechanical upgrade work is complete and will be closed out by early May.

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 early May pending minor electrical permit approval from the Construction Inspection Division (CID).

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. As part of the project, DPU will replace water lines and gas lines and construct some electric improvements. The project has been bid and will be awarded for construction in mid-May with completion expected by winter.

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 because it is located on the edge of the paved road and salts used for de-icing 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 in the North Mesa community. The project will be bid and awarded. Construction is anticipated to start in July.

NM-502 14" water transmission line replacement project

Constructed in 1949, the existing 14" steel waterline is located along NM-502 south of the airport. It 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 has been bid and awarded. We expect construction to start in June.

Denver Steels waterline replacement phase II

The project is a joint effort with the Public Works Department who will be repaving the roads. The waterlines have been replaced prior to paving due to their deteriorating condition. The existing lines were cast iron with galvanized steel service lines that were installed in the early 1950s. The project is ongoing with all new 9" C900 main distribution pipe installed. The contractor is currently working on service line tie-ins, and we are looking to replace service lines between old meter cans and new meter cans. We discovered that many of the galvanized service

lines are extremely brittle and need to be replaced. Project completion is anticipated in August.

Denver Steels waterline replacement phase III

This will be a continuation from Phase II. It is a joint effort with the Public Works Department who will be repaving the roads. Design is underway and construction is expected to begin in spring 2027.

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 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 has been awarded, and construction is anticipated to start in late April.

Guaje Canyon fiber optic extension

As part of the ongoing Water Production SCADA replacement project, a new fiber optic line is being 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 contractor has set the new poles with guy wires and installed splice vaults. They anticipate stringing the new fiber and being finished by July.

Tank piping upgrades – phase II

This second phase of work will upgrade the tank piping at the Twin Tank site. This project will replace pipeline segments, valves, rehabilitate vaults and phase out an unused pipe gallery which is leaking. Transmission lines serving the Pajarito Tanks 4 & 4A will be reconfigured in preparation for painting Pajarito Tank 4A in 2027. The project is currently out to bid and will be awarded in June. Construction is anticipated to be completed by November.

Hydro crane and PRV gate

The hydro crane at the Abiquiu Hydroelectric Plant was found to be undersized during an inspection triggered when a new load block needed replacement. The inspection found



Contractor Dub-L-EE continued work on the Jemez Mountain Fire Protection Project before shutting down for the winter in mid-January.

that the existing 4-ton crane was undersized. A structural engineering consultant was contracted to analyze the vertical and horizontal beams to verify that the existing structural system can handle a larger size crane to match the proper loading of the gates. Furthermore, the chamber housing two 54" by-pass valves at the plant must be de-watered periodically for inspections, maintenance and replacements. The old bulkhead gates that 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. The structural engineer is assisting with the design of the new bulkhead gates and a storage/locking mechanism.

Fairway

This project will be a joint project between DPU and the Public Works Department to repave the Fairway roadway in Western Area after replacing utility infrastructure beneath it. 1950's vintage sections of waterlines and sewer will be replaced or relocated before roads are paved. Design is under way and we expect this project to be bid in July.

Sanitary Survey Tank Inspection

Last fall, the DPU had a site visit with NMED to look at and inspect the potable water tanks. The county had not had a site visit from NMED since before COVID. Needless to say, NMED found some issues requiring corrective action. Initially the County addressed 18 of the 36 items identified. Los Alamos County consulted with our contracted engineering consultant for tank maintenance and inspections. The remaining 18 items were tasked to the consultant and subcontractor who completed the work entirely. The

consultant is now assisting with updating tank inspection reports to meet the 5-year inspection requirements.

Los Alamos Wastewater Plant improvements

- The aeration basins at the Los Alamos Wastewater Treatment Plant have developed cracks that are beginning to show signs that water is seeping through. The services of an on-call structural engineer have been secured to prepare specifications and drawings for the repairs. It is scheduled to go out to bid in May. Construction is expected to start this summer.
- Replacement parts will be purchased for the Lakeside Fine Screen equipment. This equipment has several key parts the need to be replaced. It has been in operation since the plant was commissioned in 2004. The fine screen is in the entrance works building and removes rags and debris from the influent before it enters the aeration basins. New parts will be installed by WWTP staff.
- Replacement equipment for the Trojan UV system has been procured. WWTP staff and DPU's electricians will work together to install the new UV unit when it arrives this summer.
- Blower room improvements are needed in the hot summer months to prevent the Aerzen blowers from overheating and tripping. We will consult with the Aerzen technicians regarding the installation of intercoolers. Other improvements may include the upgrade of fans and installation of heat insulation blankets on the piping to reduce the heat in the room.

These four projects are being funded with \$2 million from the Rural Infrastructure Program (RIP).

Long Range Water Plan

The Long-Range Water Supply Plan was last updated in January 2018. The plan is typically updated every 10-15 years or when there are significant changes in water demand. The plan is mandated by the Office of the State Engineer to ensure eligibility 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 and 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 circumstances, renewed projected water demands and

environmental conditions. A request for proposal went out in April and will advertise for a month. A consultant will be selected to assist with the updates needed.

STAFF DEVELOPMENT

Project Manager Casey Aumack and Engineering Associate Sam Herceg continue their college coursework in pursuit of their respective degrees. Engineering Associate Jennifer Baca is set to walk for her bachelor's degree in environmental science in late April. She will finish course work and obtain her diploma in May.

In February, the DPU and Bohannon Huston were awarded the Project of the Year award for the White Rock WRRF. It was presented at the E Week Conference hosted by the National Society of Professional Engineers (NM chapter) in Albuquerque.



Shortly before his retirement, Deputy Utility Manager James Alarid accepted the Project of the Year award from the National Society of Professional Engineers, NM Chapter, on behalf of the DPU. In recognition of the White Rock WRRF project, the award was jointly presented to contractor Bohannon Huston, represented by the company's engineering staff standing alongside James.

FY2026 CAPITAL IMPROVEMENT PLAN

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

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

The new water tank constructed as part of the Jemez Mountain Fire Protection Project was completed during the third quarter.



FY2026

CAPITAL

UTILITY

IMPROVEMENT

PROJECTS

ABIQUIU AIR RELIEF VALVE REPLACEMENT

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

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



ABIQUIU WICKET GATE HYDRAULIC SERVO MOTOR REPLACEMENT

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

Budget: \$400,000
Schedule: Fall 2026



ABIQUIU PRV CHAMBER GATES

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

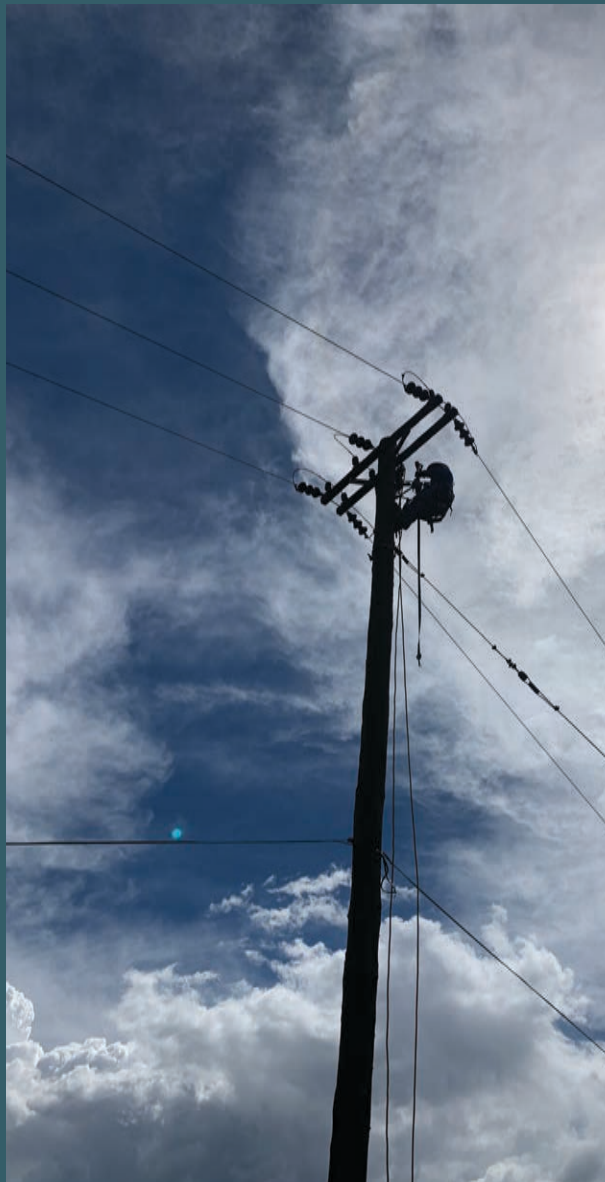
Budget: \$200,000
Schedule: Spring 2026



OVERHEAD ELECTRIC SYSTEM REPLACEMENTS

Many components of the utilities' overhead infrastructure operate near or past their useful life, which is greater than 50 years. The department's Asset Management Program (AMP) prioritizes O&M projects on (a) root cause analysis after power outages, (b) quarterly line patrols, and (c) year-end assessments. The O&M program includes replacement of power poles, cross-arms, and revamps (wire & transformer upgrades). Areas to be included are: Ski Hill, West Jemez Road, and Rover Boulevard and Beryl Street.

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



UNDERGROUND RESIDENTIAL ELECTRIC DISTRIBUTION REPLACEMENTS

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

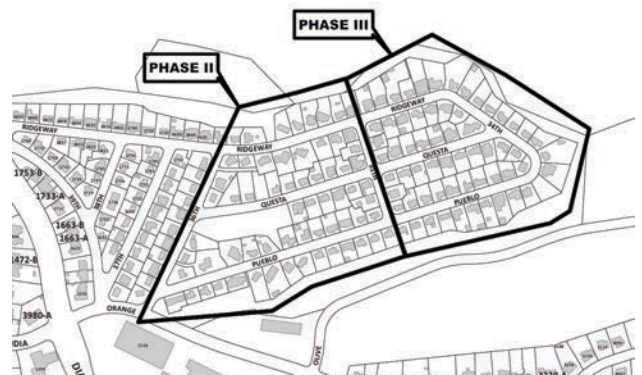
Budget: \$1,550,000
 Schedule: Year-round



DENVER STEELS PHASE III

This is a joint project between 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).

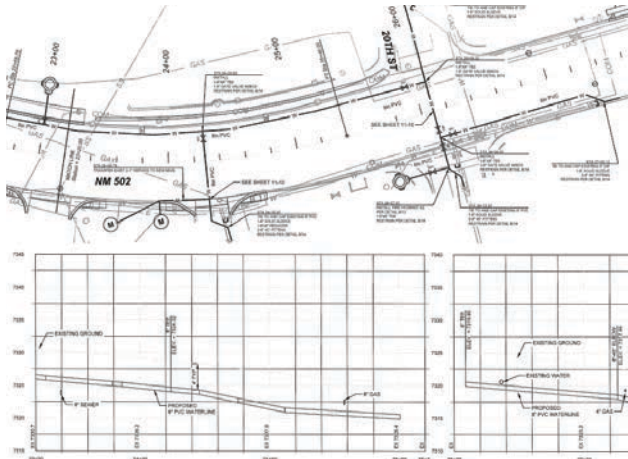
Budget:
 DW (DWSRL) \$1,500,000
 WWC \$ 150,000
 Schedule: Summer 2027



TRINITY DR ROADWAY/UTILITY UPGRADES

The aged waterline in Trinity Drive will be replaced from Oppenheimer to 20th Street. Gas valves will be replaced at six locations outside of the roadway. Electric conduits will be installed across Trinity Drive at two locations for future use. The project design is complete and final certification/permitting from the NMDOT will be complete in Spring 2026.

Budget:
DW \$1,100,000
Gas \$ 350,000
Schedule: May-Oct 2026



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/Fall 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.

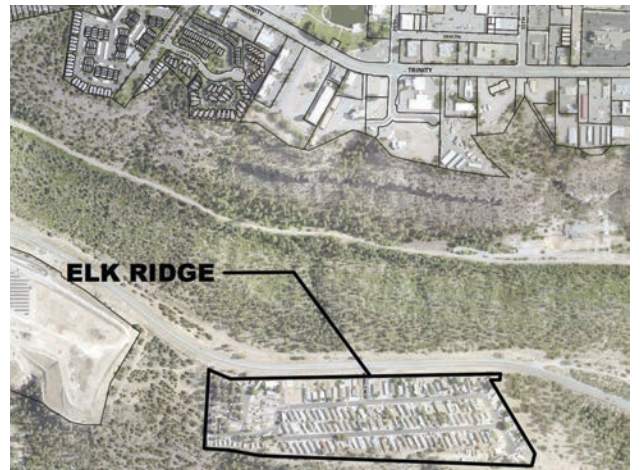
Budget: \$75,000
Schedule: Year-round



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



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 (WRRF) fills the Overlook Irrigation Booster Pond. This water is used to irrigate the Overlook Park ballfields. In the summer, algae growth and sediment/debris accumulate in the pond and then plug the ballfield sprinkler heads. The pond cover will minimize algae growth and sediment.

Budget: \$40,000
 Schedule: Deferred



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: 2026-2027



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



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

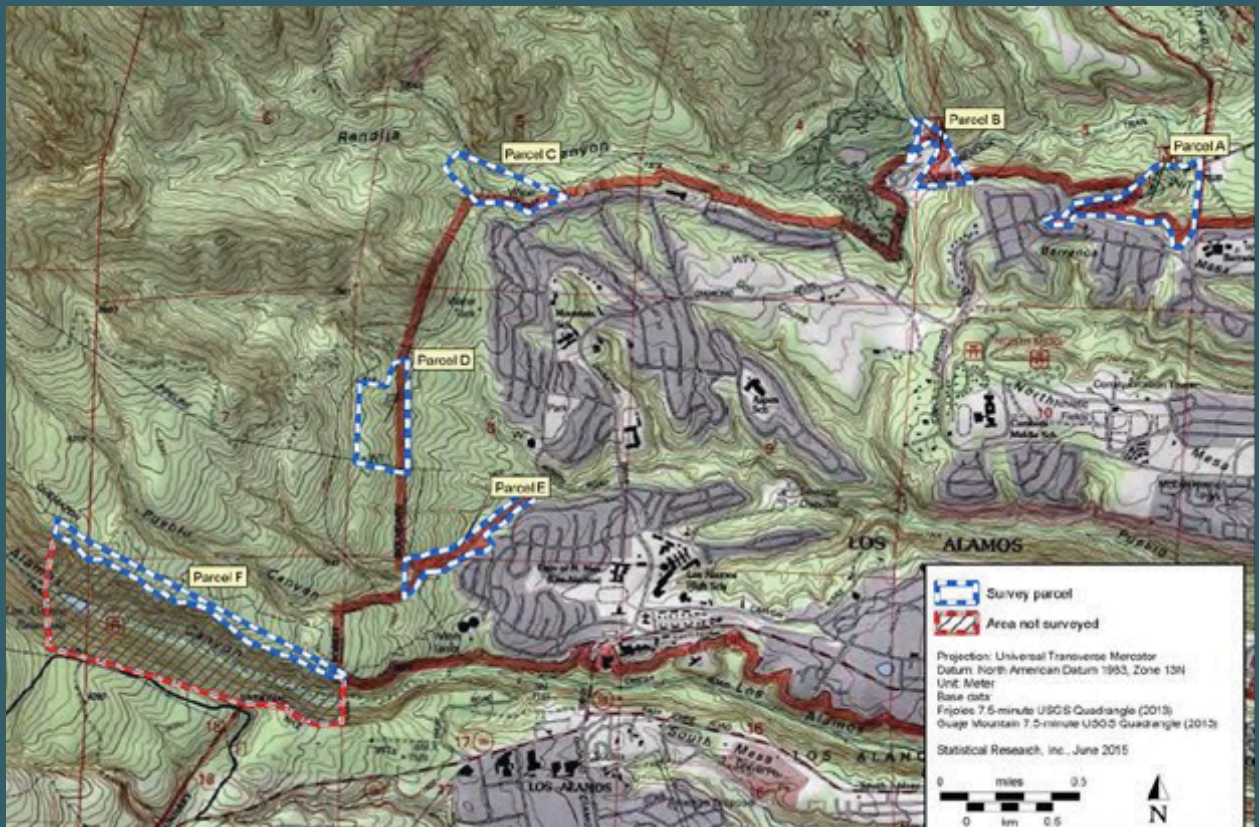


USFS LAND TRANSFERS

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



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	



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

#HIGHLIGHTS

STAFFING

The third quarter is generally slower for the PR and Conservation Team. This time of year is used to recharge from a year of outreach events, complete reports, and begin to prep for the next year of events.

Our education and outreach partner, PEEC, is busy in the schools and doing community outreach.

Abbey has been working closely with Angelica Gurule, the County sustainability manager, and consultant Firebrand on marketing and engagement strategies for the Climate Action Plan. A community-voted tagline for the campaign—Give a Shift—was released in tandem with Earth Day activities shortly after the quarter ended.

Abbey continued education opportunities by taking a half-day heat pump water heater course and a full-day air-sourced heat pump workshop through Santa Fe Community College.

Cathy gave notice of her intent to retire from Los Alamos County and Abbey was recently promoted into the public relations manager position. We hope we'll be able to announce a new water and energy conservation coordinator in the Q4 report!

OPERATIONS

The Rep'd chatbot and video messaging tool that the BPU and Council approved last fall has been up and running for over half a year now. This tool sits on the Los Alamos County website as an "Ask the County" button on every web page. AI-generated answers are provided after a quick internal scrub of the site. Short videos feature answers to community questions and are highlighted by the chatbot when the video topic aligns with the question.

The public utilization of the tool has been impressive, with 8,800 engagements from the early October launch through March, and reports from the Rep'd team that Los Alamos

Rep'd Performance Report		
	Oct through Mar (implementation to date)	Jan through Mar (Q3)
Resident engagement	8.8k	3.2k
Engagement rate	262%	301%
Query volume	3.7k	1.1k
Staff hours saved*	305	91
Video completed watch rate	50.7%	54%
Video average watch time	1:17	1:16

**Staff hours saved is calculated as total queries x 5 minutes. Rep'd is the software company behind the "Ask the County" chat button on the County's website. The program was soft-launched in October 2025.*

County is outperforming peer agencies across every key metric, generating nearly 6 times more resident engagements than comparable communities. Rep'd defines engagements as a measure of how many meaningful actions a user takes per visit to the site. The Rep'd team reports that Los Alamos has consistently shown the highest video retention rates of all their clients. Los Alamos residents are using Ask the County as a front door for everyday services and inquiries, especially those related to Public Works, utilities, permits, meetings, and parks. The strongest themes are practical, task-based questions regarding trash/ recycling, water restrictions, utility billing, Council meeting details, permit applications, facility hours, and public safety guidance.

After over a decade, we've finally run out of efficiency kits, the little welcome-type kit handed out to new residents. With such a long shelf life, ordering new kits was no small task! With great debate about what

would be most useful, we ordered kits with some new tools picked to showcase the cost of operating appliances within a spectrum of extremes. The giant order arrived in late January. Many thanks to the GWS crew for helping to sort out the delivery driver and unload the cargo.

EVENTS

PEEC hosted a workshop to demonstrate these new efficiency kits. The PEEC educators wanted to make sure that users understood how all the tools worked, and how they should be a benefit to a more efficient home life.

DPU sponsored the "Common Ground" movie at PEEC in early February. Nearly 50 people turned out to watch the documentary on regenerative farming, which is crucial for water conservation.

To support development of the next iteration of the Water and Energy Conservation Plan, community speed engagement sessions

#CONTINUED...

were held in Los Alamos, White Rock, and on several bus routes in early March. We know our community members are super busy so these sessions were designed to model speed dating sessions. Unfortunately, attendance was low.

We decided to kick off 2026 with another effort to boost the DPU's Utilities Assistance Program (UAP). Because new pennies are longer being produced and that little copper warrior has begun its long, slow trek into obscurity, we decided to see if a penny drive might bring in some extra funds for UAP. Between a competitive challenge organized for County employees and a public penny drive, we raised \$240 for the program.

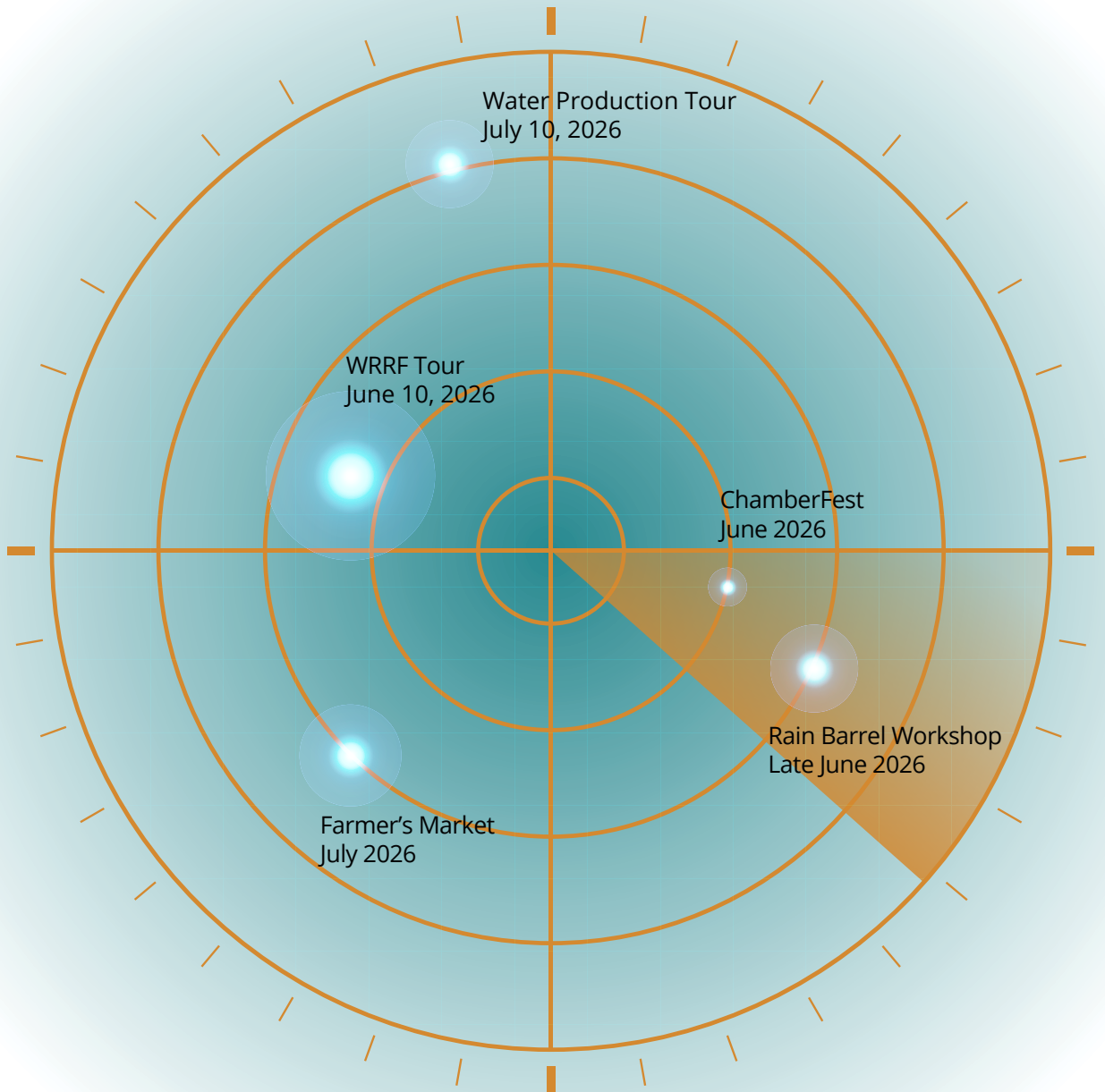


ABOVE: A winter penny drive to benefit the Utilities Assistance Program raised more than \$200 for the voluntarily funded program.

BELOW: Community members were encouraged to stop in to provide speedy feedback regarding updates to the Water and Energy Conservation Plan.



on the radar



#BASICS

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

To mitigate some of the fluctuations, 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.

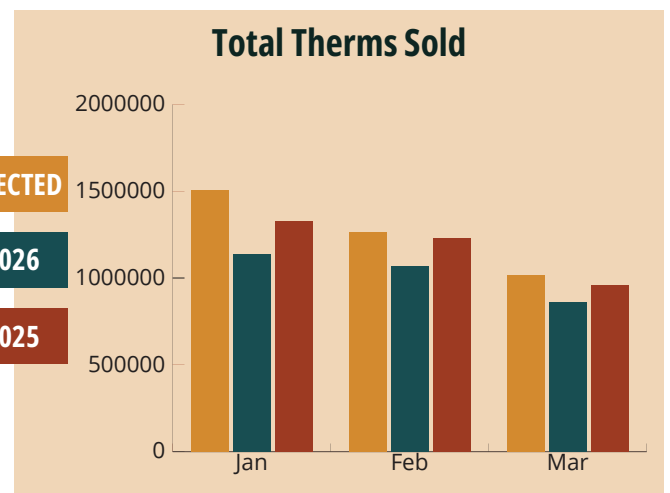
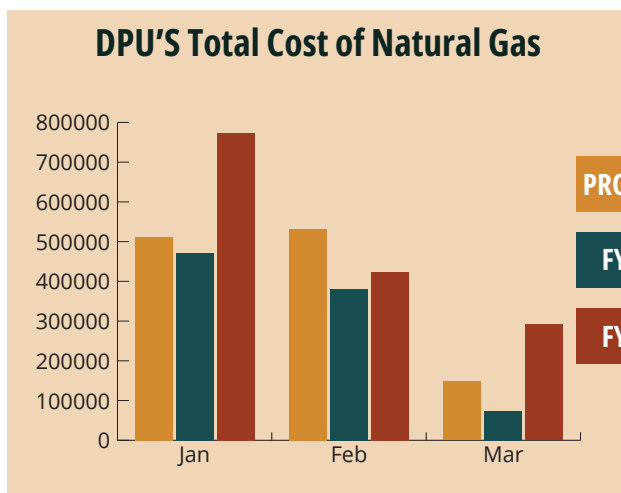
PASS-THROUGH MODEL

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 Q3			Total Therms Sold for Q3		
	FY26	FY25		FY26	FY25		FY26	FY25
Mar	1.44	3.17	Mar	73,095	291,572	Mar	863,221	957,395
Feb	4.14	3.62	Feb	380,974	423,711	Feb	1,065,935	1,231,700
Jan	3.36	4.12	Jan	471,866	772,876	Jan	1,139,930	1,329,864
			Total	\$925,935	\$1,488,159	Total	3,069,086	3,518,959



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

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

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

TOTAL GAS CHARGE COMPRISES FOUR COMPONENTS:

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

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



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.

RESIDENTIAL EXAMPLE:
 7A Customer used 18 therms in March 2026
 $\$14.25 + [(\$0.34 + \$0.18) \times 150] =$

\$92.25

COMMERCIAL EXAMPLE:
 7E Customer used 135 therms in March 2026
 $\$14.25 + [(\$0.34 + \$0.18) \times 500] =$

\$274.25

Date	Projected Variable Cost of Gas		Adjust Prior Month Estimate	Variable Pass-Through Cost of Gas/Therm
Jan 2026	\$0.34	+	\$0.05	\$0.39
Feb 2026	\$0.42	+	(\$0.01)	\$0.41
Mar 2026	\$0.15	+	\$0.03	\$0.18

F&A

#HIGHLIGHTS



**JOANN GENTRY /
DEPUTY UTILITY MANAGER**

Bachelor of Business
Administration - Finance

Master of Business Administration

Membership:
Government Finance Officers
Assn.

OVERVIEW

The BPU approved the FY2027 proposed budget and the FY2028 projected budget on March 18 and further recommended County Council approval. The annual budget hearings are scheduled for April 27-29. You can find the Citizen's guide and the complete FY2027 budget book on the County's web site at lacnm.com/budget.

As of March 31, the balance in the Utilities Assistance Program fund was \$26,853. Thank you to all the generous donors who provide this critical assistance. If you want to donate to the UAP fund, call the Customer Care Center at 505-662-8333 or visit ladpu.com/assist on the web. One-time and regular monthly donations are essential in keeping this important program running.

Los Alamos County customers can pay their utility bills through Automated Clearing House (ACH) by signing up through DPU's online form at ladpu.com/pay or by visiting the Customer Care Center. This free service automatically

drafts the amount due from your bank account every month. ACH simplifies your life by offering a convenient, automated, and secure way to pay your utility bill.

OVERALL OPERATIONS

Through March 31, the Joint Utilities Fund operating revenues were \$58.6 million. Operating expenditures were \$54.2 million. The net operating income gain was \$4.5 million. Capital expenditures were \$18.6 million. Other financing uses were \$11.8 million. The total net income loss was \$2.4 million.

Electric Operations

Electric revenues were \$27.0 million for wholesale, \$13.8 million for retail, and \$1.2 million in other revenues, for a total of \$41.9 million through Q3. Operating expenditures were \$39.8 million. The net operating income gain was \$2.1 million. Capital expenditures were \$1.2 million. The total net income gain was more than \$890,000.

Gas Operations

Gas revenues were \$4.7 million for retail, and \$14,600 in other revenues, for a total of \$4.7 million through Q3. Operating expenditures were \$2.5 million and the cost of gas was \$1.9 million. The net operating income gain was over \$350,000. Capital expenditures were almost \$67,000. The total net income gain was \$284,000.

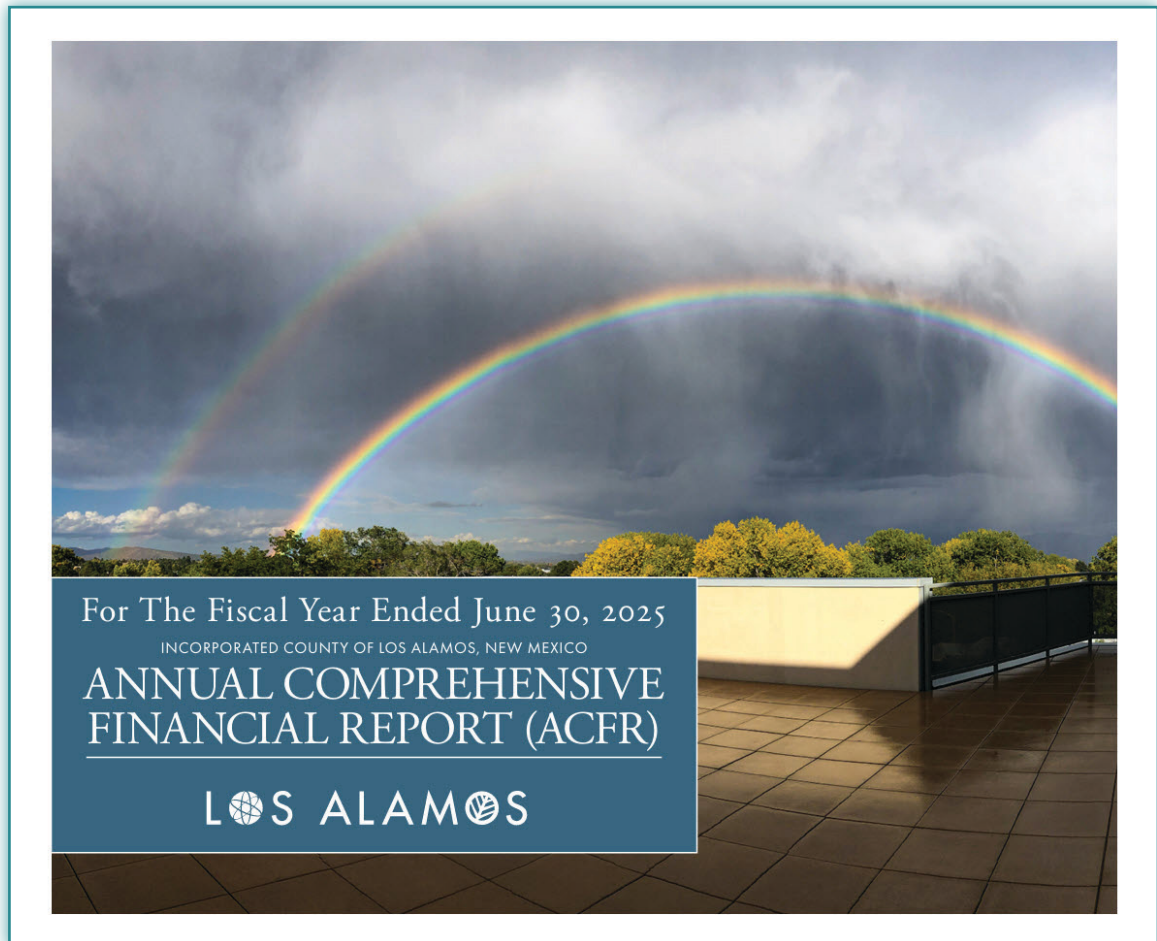
Water Operations

Water revenues were \$1.2 million for wholesale, \$5.3 million for retail, and \$232,000 in other revenues, for a total of \$6.7 million through Q3. Operating expenditures were \$5.8 million. The operating net income gain was \$890,000. Capital expenditures were \$14.6 million. Other financing uses were \$10.5 million. The total net income loss was \$3.2 million due to capital expenditures.

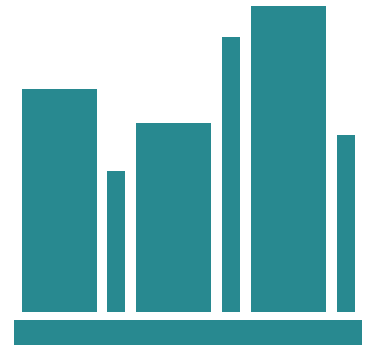
Wastewater Operations

Wastewater retail revenues were \$5.3 million with \$500 in other revenues through Q3. Operating expenditures were \$4.2 million. The total net operating income gain was \$1.1 million. Capital expenditures were \$2.7 million. Other financing uses were \$1.3 million. The total net income loss was \$341,723 due to capital expenditures.

The FY2025 ACFR was accepted by the Los Alamos County Council on January 27.



F FINANCIAL PERFORMANCE



GOAL: Achieve and maintain excellence in financial performance

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



FOLLOWING PAGES:

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



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



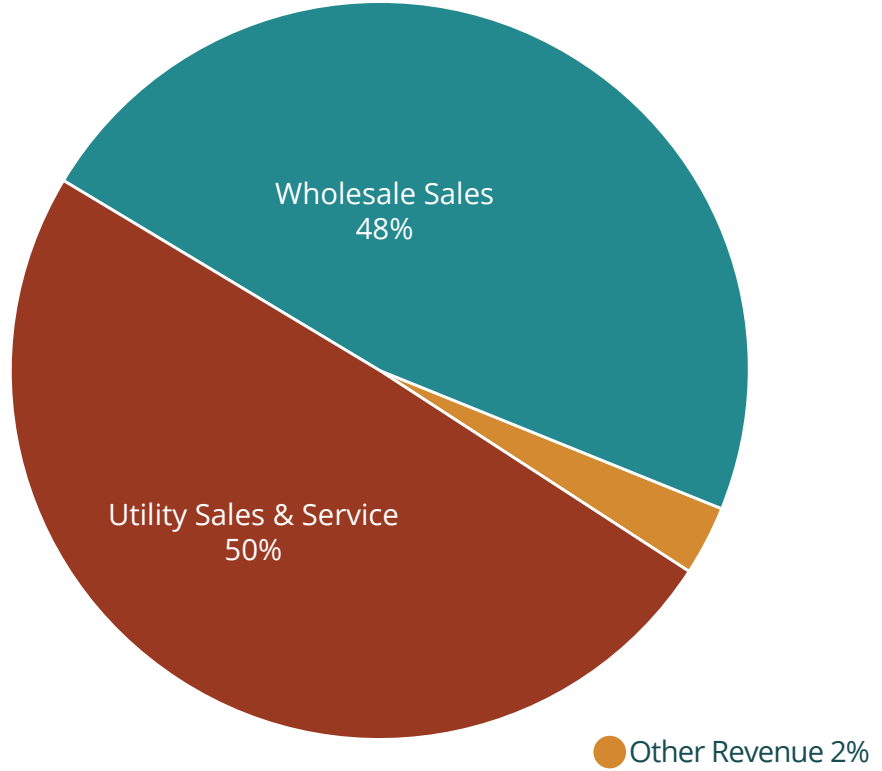
CURRENT DEBT PROFILE: Q3

Net System Revenue of the Joint Utility System

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

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

REVENUES



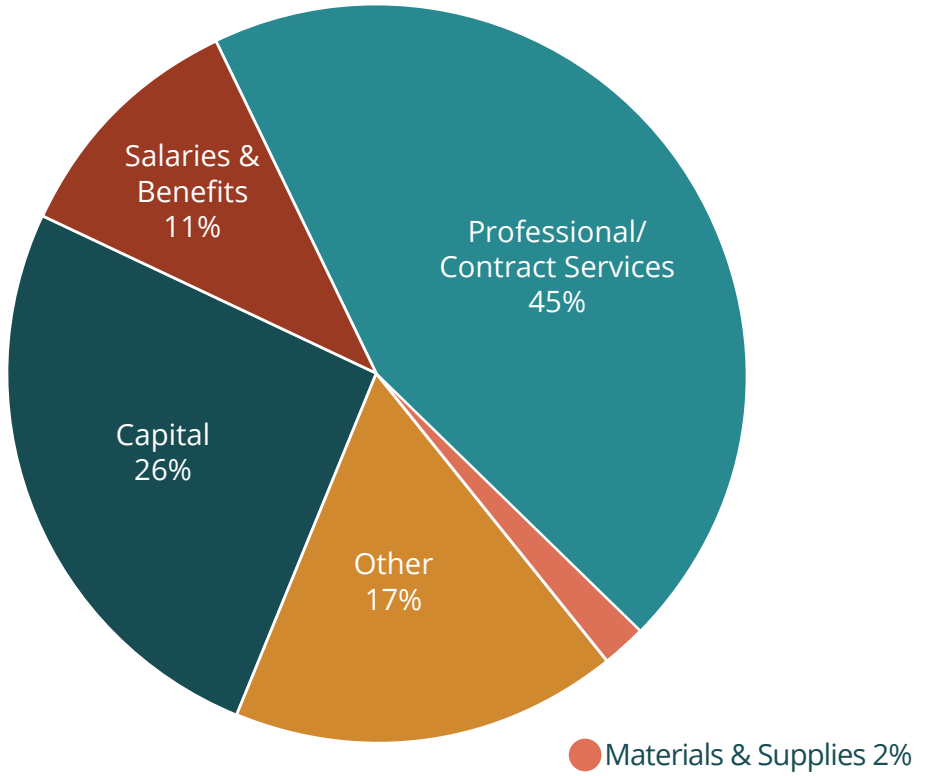
* "Other" revenues include interest income, federal bond subsidy, revenue on recoverable work and miscellaneous revenue.

OVERALL PERFORMANCE:
Q3 YTD FY2026 Financial Status - Unaudited

	Adopted Budget	Revised Budget	
OPERATING REVENUES	Utility Sales & Service	\$42,515,988	\$42,515,988
	Wholesale Sales	53,008,007	53,008,007
	Other Revenue	3,422,900	3,422,900
	Total Operating Revenue**	\$98,946,895	\$98,946,895
OPERATING EXPENSES	Employee Salaries & Benefits	\$11,402,096	\$11,402,096
	Prof'l & Contract Services	58,374,050	59,056,356
	Materials and Supplies	2,058,914	2,083,917
	Other *	21,171,275	21,310,951
	Net Operating Expenditures	\$93,006,335	\$98,853,320
NET OPERATING INCOME (LOSS)	\$5,940,560	\$5,093,575	
Capital Expenditures	15,733,500	46,211,145	
Other Financing Uses	6,879,916	14,041,958	
NET INCOME (LOSS)	\$(2,913,024)	\$(27,075,612)	

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

EXPENSES



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

Electric	Gas	Water	Wastewater	Total Q3 YTD	% Left
\$13,751,776	\$4,676,674	\$5,297,438	\$5,308,269	\$29,034,157	32%
26,954,387	-	1,178,556	-	28,132,943	47%
1,221,242	14,662	231,765	500	1,468,169	57%
\$41,927,404	\$4,691,336	\$6,707,760	\$5,308,769	\$58,635,269	41%
\$3,664,695	\$1,035,631	\$1,809,859	\$1,663,726	\$8,173,912	28%
31,384,081	271,055	594,661	225,148	32,474,946	45%
470,873	137,402	394,534	206,675	1,209,485	42%
4,303,186	2,896,677	3,018,743	2,103,620	12,322,226	42%
\$39,822,835	\$4,340,766	\$5,817,798	\$4,199,169	\$54,180,568	42%
\$2,104,569	\$350,570	\$889,962	\$1,109,599	\$4,454,701	
1,214,390	66,568	14,627,152	2,736,459	18,644,569	60%
-	-	10,512,179	1,285,137	11,797,315	16%
\$890,179	\$284,002	\$(3,225,011)	\$(341,723)	\$(2,392,553)	

ELECTRIC PRODUCTION

Through Mar. 31, 2026	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
MWh Sales to LANL	485,207	485,207	297,494	39%
MWh Sales to ED	123,455	123,455	93,065	25%
Total MWh Sales	608,662	608,662	390,559	36%
DOE Revenues	\$43,668,618	\$43,668,618	\$23,407,986	46%
Economy Sales	7,500,000	7,500,000	3,546,401	53%
Sales to ED	11,110,992	11,110,992	9,369,068	16%
Other Revenue	2,024,080	2,024,080	722,580	64%
Total Revenue	\$64,303,690	\$64,303,690	\$37,046,035	42%
OPERATING EXPENSES				
Salaries	\$1,781,619	\$1,781,619	\$1,239,414	30%
Benefits	707,228	707,228	478,555	32%
Prof'l/Contract Services	54,389,646	54,390,955	30,861,747	43%
Materials/Supplies	225,952	225,952	79,484	65%
Interfund Charges	2,484,063	2,484,063	1,032,359	58%
Capital Outlay	64,361	64,361	-	100%
Fiscal Charges	577,462	577,462	316,323	45%
Total Operating Expense	\$60,230,331	\$60,231,640	\$34,007,882	44%
Operating Income (Loss)	\$4,073,359	\$4,072,050	\$3,038,153	25%
Capital Expenditures	\$780,000	\$2,029,904	\$861,392	58%
Other Financing				
Transfer to ED	\$(2,000,000)	\$(2,000,000)	-	100%
NET INCOME (LOSS)	\$1,293,359	\$42,146	\$2,176,761	

ELECTRIC DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION

<i>Through Mar. 31, 2026</i>	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
KWh Sales	123,455,462	123,455,462	91,375,780	26%
Sales Revenue	\$19,288,456	\$19,288,456	\$13,751,776	29%
Other Revenue	561,653	561,653	484,069	14%
Total Revenue	\$19,850,109	\$19,850,109	\$14,235,844	28%
OPERATING EXPENSES				
Salaries	\$1,913,867	\$1,913,867	\$1,410,618	26%
Benefits	836,414	836,414	536,108	36%
Prof'l/Contract Services	1,004,568	1,043,881	522,335	50%
Materials/Supplies	582,886	594,020	391,389	34%
Interfund Charges	2,920,034	2,960,034	2,006,296	32%
Capital Outlay	242,900	315,298	71,770	77%
Fiscal Charges	1,178,311	1,178,311	876,437	26%
Cost of Power	11,110,992	11,110,992	9,354,475	16%
Total Operating Expense	\$19,789,972	\$19,952,818	\$15,169,428	24%
Operating Income (Loss)	\$60,137	\$(102,709)	\$(933,584)	
Capital Expenditures	\$2,075,000	\$6,269,918	\$352,998	94%
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 PRODUCTION

Through Mar. 31, 2026	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
Potable KGal prod.	1,150,000	1,150,000	799,491	30%
Non-potable KGal prod.	136,500	136,500	50,872	63%
Total kgal Production	1,286,500	1,286,500	850,364	34%
Potable Sales to DW	\$4,200,000	\$4,200,000	\$3,170,752	25%
Potable Wholesale Sales	1,839,389	1,839,389	1,178,556	36%
Other Revenue	509,342	509,342	192,425	62%
Total Revenue	\$6,548,731	\$6,548,731	\$4,541,734	31%
OPERATING EXPENSES				
Salaries	\$1,136,438	\$1,136,438	\$797,152	30%
Benefits	474,938	474,938	296,222	38%
Prof/Contract Services	974,439	1,389,021	414,145	70%
Materials/Supplies	186,790	190,657	207,971	-9%
Interfund Charges	2,045,825	2,045,825	1,714,587	16%
Capital Outlay	34,535	34,535	17,891	48%
Fiscal Charges	888,118	888,118	469,916	47%
Total Operating Expense	\$5,741,083	\$6,159,532	\$3,917,884	36%
Operating Income (Loss)	\$807,648	\$389,199	\$623,850	
Capital Expenditures	\$4,458,500	\$24,961,140	\$13,572,120	46%
Other Financing				
Grants/Loan Proceeds	\$2,500,000	\$6,742,142	\$8,512,179	-26%
County/Ext Reimb	-	2,919,900	2,000,000	32%
Transfer: Gen Fund/ Econ Dev	100,000	100,000	-	100%
NET INCOME (LOSS)	\$(1,050,852)	\$(14,809,899)	\$(2,436,091)	

WATER DISTRIBUTION DISTRIBUTION DISTRIBUTION DISTRIBUTION

<i>Through Mar. 31, 2026</i>	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
KGal Sales	800,000	800,000	540,159	32%
Sales Revenue	\$7,611,636	\$7,611,636	\$5,297,438	30%
Other Revenue	85,000	85,000	53,934	37%
Total Revenue	\$7,696,636	\$7,696,636	\$5,351,372	30%
OPERATING EXPENSES				
Salaries	\$790,528	\$790,528	\$521,061	34%
Benefits	320,606	320,606	195,424	39%
Prof/Contract Services	574,447	782,604	180,516	77%
Materials/Supplies	368,743	378,745	186,564	51%
Interfund Charges	1,385,409	1,385,409	816,350	41%
Cost of Water	4,200,000	4,200,000	3,185,345	24%
Total Operating Expense	\$7,639,733	\$7,857,892	\$5,085,260	35%
Operating Income (Loss)	\$56,903	\$(161,256)	\$266,112	
Capital Expenditures	\$4,900,000	\$5,967,860	\$1,055,032	82%
Other Financing				
Grants/Loan Proceeds	\$3,500,000	\$3,500,000	-	100%
NET INCOME (LOSS)	\$(1,343,097)	\$(2,629,116)	\$(788,920)	

NATURAL GAS DISTRIBUTION

<i>Through Mar. 31, 2026</i>	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
Therm Sales	8,400,000	8,400,000	5,380,595	36%
Sales Revenue	\$8,365,728	\$8,365,728	\$4,676,674	44%
Other Revenue	57,825	57,825	14,662	75%
Total Revenue	\$8,423,553	\$8,423,553	\$4,691,336	44%
OPERATING EXPENSES				
Salaries	\$918,856	\$918,856	\$760,886	17%
Benefits	377,184	377,184	274,745	27%
Prof'l/Contract Services	562,633	562,747	271,055	52%
Materials/Supplies	198,357	198,357	137,402	31%
Interfund Charges	1,412,684	1,412,684	1,028,671	27%
Capital Outlay	-	-	1,368	
Cost of Gas	3,444,000	3,471,278	1,866,638	46%
Total Operating Expense	\$6,913,714	\$6,941,105	\$4,340,766	37%
Operating Income (Loss)	\$1,509,839	\$1,482,448	\$350,570	
Capital Expenditures	\$825,000	\$1,025,000	\$66,568	94%
Other Financing Revenue (Profit) Transfer	(390,680)	(390,680)	-	100%
NET INCOME (LOSS)	\$294,159	\$66,768	\$284,002	

WASTEWATER COLLECTION & TREATMENT TREATMENT TREAT

<i>Through Mar. 31, 2026</i>	FY2026 BUDGET		ACTUALS	% Left
	Adopted	Revised		
REVENUE				
KGals Processed	400,000	400,000	265,813	34%
Sales Revenue	\$7,250,168	\$7,250,168	\$5,308,269	27%
Other Revenue	185,000	185,000	500	100%
TOTAL REVENUE	\$7,435,168	\$7,435,168	\$5,308,769	29%
OPERATING EXPENSES				
Salaries	\$1,526,820	\$1,526,820	\$1,209,427	21%
Benefits	617,598	617,598	454,299	26%
Prof/Contract Services	868,317	887,149	225,148	75%
Materials/Supplies	496,186	496,186	206,675	58%
Interfund Charges	2,088,931	2,088,931	1,516,471	27%
Capital Outlay	280,000	280,000	7,768	97%
Fiscal Charges	2,124,642	2,124,642	579,381	73%
Total Operating Expense	\$8,002,494	\$8,021,326	\$4,199,169	48%
Operating Income (Loss)	\$(567,326)	\$(586,158)	\$1,109,599	
Capital Expenditures	\$2,695,000	\$5,957,323	\$2,736,459	54%
Other Financing				
Grant/Loan Proceeds	2,000,000	2,000,000	1,285,137	36%
NET INCOME (LOSS)	\$(1,262,326)	\$(4,543,481)	\$(341,723)	

UTILITY UTILITY UTILITY UTILITY UTILITY SERVICE: ELECTRIC

	Q1	Q2	Q3	Q4	YTD
SALES (KWh)					
Residential	16,651,955	15,053,404	16,853,759		48,559,118
Private Area Lights	9,354	9,354	9,354		28,062
Commercial	9,852,397	8,838,415	9,129,011		27,819,823
Municipal	2,470,317	2,284,439	3,554,125		8,308,881
Water Production	2,318,449	1,316,089	2,015,852		5,650,390
Educational	1,031,121	1,254,835	1,136,550		3,422,506
DG received by DPU*	(1,006,293)	(764,402)	(642,305)		(2,413,000)
Total	31,327,300	27,992,134	32,056,346		91,375,780
BILLED LOCATIONS (average)					
Residential	9,034	8,940	9,086		9,020
Commercial	723	715	718		719
Municipal	215	211	219		215
Educational	66	64	64		65
Total	10,038	9,930	10,087		10,018
REVENUE/KWH (average)					
Residential	\$0.1544	\$0.1623	\$0.1519		0.1562
Private Area Lights	0.4628	0.4939	0.4271		0.4613
Commercial	0.1456	0.1491	0.1445		0.1464
Municipal	0.1494	0.1531	0.1383		0.1469
Water Production	0.1068	0.1144	0.1078		0.1097
Educational	0.1504	0.1464	0.1308		0.1425
Cost for DG received**	(0.0922)	(0.0914)	(0.0911)		(0.0916)
Average	\$0.1497	\$0.1564	\$0.1461		0.1507
LOSS CALCULATION					
Power Rec'd, KWh	31,170,369	32,069,314	28,429,473		91,669,156
PV Power Rec'd, KWh	-	-	-		-
Qtrly Losses <gains>, KWh	(156,931)	4,077,180	(3,626,873)		293,376
% Qtrly Losses <gains>	-0.50%	12.71%	-12.76%		0.32%
Cumulative Losses <gains>	-0.50%	6.20%	0.32%		6.20%

* DG received by the DPU: Total distributed generation added to the electric grid by solar customers. These customers also received 1,048,169 kWh from the grid during Quarter 2.

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

UTILITY SERVICE: NATURAL GAS

	Q1	Q2	Q3	Q4	YTD
SALES (Therms)					
Residential	331,167	1,284,691	2,334,997		3,950,855
Commercial	132,355	336,744	535,113		1,004,212
Municipal	31,749	69,929	114,455		216,133
Water Production	55,759	7,853	1,940		65,552
Educational	6,431	54,831	82,581		143,843
Total	557,461	1,754,048	3,069,086		5,380,595
BILLED LOCATIONS (average)					
Residential	7,636	7,560	7,758		7,651
Commercial	417	408	409		411
Municipal	45	43	45		44
Educational	25	26	26		26
Total	8,123	8,037	8,237		8,132
REVENUE/THERM (average)					
Residential	\$1.5376	\$0.9150	\$0.8298		1.0941
Commercial	0.8573	0.7490	0.7919		0.7994
Municipal	0.7325	0.6704	0.7312		0.7114
Water Production	0.2406	0.2853	0.3670		0.2976
Educational	0.8492	0.6651	0.6408		0.7184
Average	1.2323	0.8627	0.8141		0.9697
LOSS CALCULATION					
Gas Rec'd, therms	607,190	2,313,130	2,680,830		5,601,150
Qtrly Losses <gains>, therms	40,783	559,082	(388,256)		220,555
% Qtrly Losses <gains>	7.08%	24.17%	-14.48%		3.94%
Cumulative Losses <gains>	7.08%	20.85%	3.94%		3.94%

LITYUTILITYUTILITYUTILITYUTILITYUTILITYUTILITY **UTILITY SERVICE: WATER**

	Q1	Q2	Q3	Q4	YTD
SALES (KGAL)					
Residential	195,434	124,643	87,858		407,935
Commercial	25,295	17,034	15,611		57,940
Municipal	39,356	18,681	3,576		61,613
Educational	9,165	2,696	810		12,671
Total	269,249	163,054	107,856		540,159
BILLED LOCATIONS (average)					
Residential	7,173	7,056	7,180		7,136
Commercial	327	328	324		326
Municipal	93	89	93		92
Educational	31	30	30		30
Total	7,624	7,503	7,627		7,585
REVENUE/KGAL (average)					
Residential	\$9.2769	\$10.6562	\$11.0888		\$10.3406
Commercial	8.7451	9.9206	10.2291		9.6316
Municipal	7.5679	8.4743	12.0144		9.3522
Educational	8.6519	13.2029	22.3153		14.7234
Average	\$8.9558	\$10.3715	\$11.0794		\$10.1356
LOSS CALCULATION					
Water Rec'd, Kgal	277,824	156,070	149,355		583,248
Qtrly Losses <gains>, Kgal	8,575	(6,984)	41,499		43,090
% Qtrly Losses <gains>	3.09%	-4.47%	27.79%		7.39%
Cumulative Losses <gains>	3.09%	0.37%	7.39%		7.39%

UTILITY SERVICE: WASTEWATER

	Q1	Q2	Q3	Q4	YTD
SEWER TREATED (KGAL)					
Los Alamos	65,304	64,497	62,211		192,012
White Rock	24,648	24,773	24,380		73,801
Total Treated	89,952	89,270	86,591		265,813
BILLED LOCATIONS (average)					
Residential	6,977	6,856	6,979		6,937
Commercial	236	233	234		234
Municipal	35	33	35		35
Educational	21	21	21		21
TOTAL	7,269	7,143	7,269		7,227
REV PER KGAL TREATED*	\$19.74	\$20.69	\$19.47		\$19.97

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



DPU

#WORKFORCE

NEW HIRES/TRANSFERS

- **Consuelo Quintana** transferred from Community Services to Customer Care where she is a Billing & Services Specialist.
- Joining the WP team are **Justin Martinez**, as a Water Systems Operator and **Miguel Martinez**, as Water System Electrical Technician.

PROMOTIONS

- In the Gas, Water & Sewer Division, **Michael Salazar** was promoted to GWS Apprentice 1.
- **Paula Nelson**, in Finance & Administration, was promoted to Senior Management Analyst.

- **Norman Salazar** was promoted to WWTP Operator.
- **James Martinez** was promoted to Deputy Utility Manager of Engineering.
- **Edgar Castillo** was promoted to AMI-MSDS Supervisor in GWS.
- In PR and Conservation, **Abbey Hayward** was promoted to Public Relations Manager.
- **Dennis Astley** was promoted to Deputy Utilities Manager of Electric Distribution.

ANNIVERSARIES

20 Years:

Cathy D'Anna, PR Manager, Admin

10 Years:

Tyler Randolph, WWTP Operator, Waste Water

5 Years:

- **Myron Cordova**, GWS Pipefitter, Gas, Water, and Sewer

RETIREMENTS

- **James Alarid**, Deputy Utility Manager of Engineering, 23 years



Below: James Alarid, James Martinez, Paula Nelson, Norman Salazar, Michael Salazar

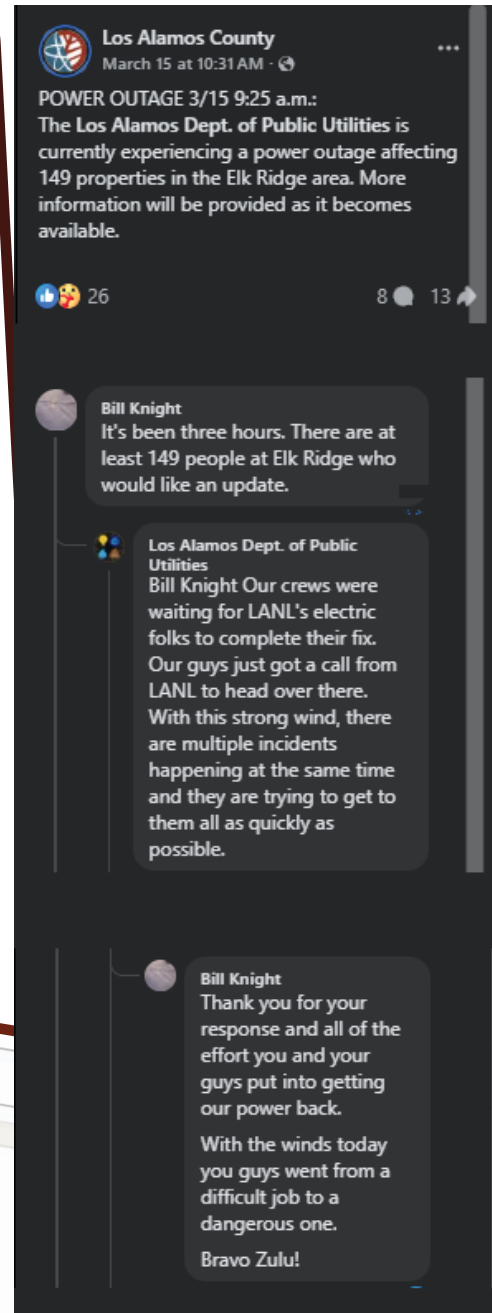
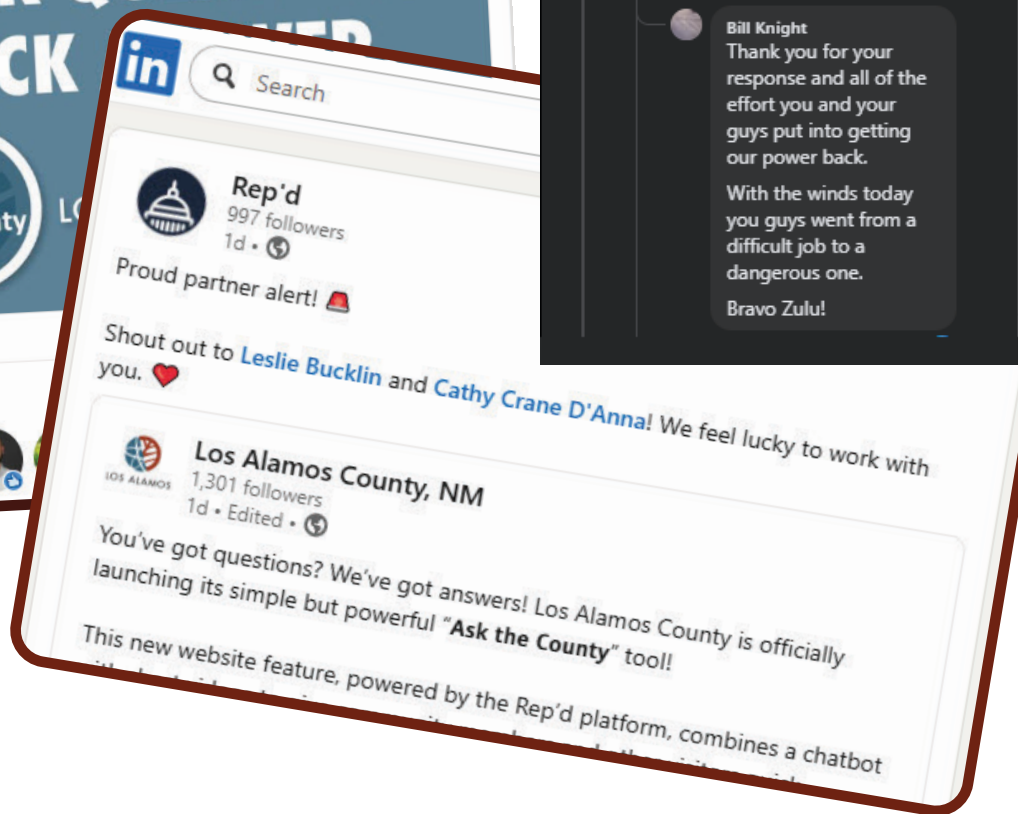


Right: County Intergovernmental Affairs Manager Danielle Duran, Utility Manager Philo Shelton, and County Councilor Randall Ryti visited Capitol Hill during the spring legislative session.

Below: Cathy D'Anna, Miguel Martinez, Myron Cordova, Tyler Randolph, Abbey Hayward, Justin Martinez, Consuelo Quintana, Edgar Castillo, Dennis Astley



#POSITIVEFEEDBACK



From: Matteson, Linda <linda.matteson@losalamosnm.gov>
Sent: Tuesday, January 20, 2026 1:27 PM
To: D'Anna, Catherine <catherine.danna@losalamosnm.gov>
Cc: Moseley, Clay <clay.moseley@losalamosnm.gov>
Subject: RE: VIDEO: What is causing the recent water breaks in White Rock?

Cathy and Clay,
 Great video—very helpful at explaining the issue. As a White Rock resident, I was very curious about what I saw over the weekend so it is good to know what happened.

Appreciate all of DPU's hard work over the weekend.
 Linda

From: D'Anna, Catherine <catherine.danna@losalamosnm.gov>
Sent: Tuesday, January 20, 2026 1:00 PM
Subject: VIDEO: What is causing the recent water breaks in White Rock?

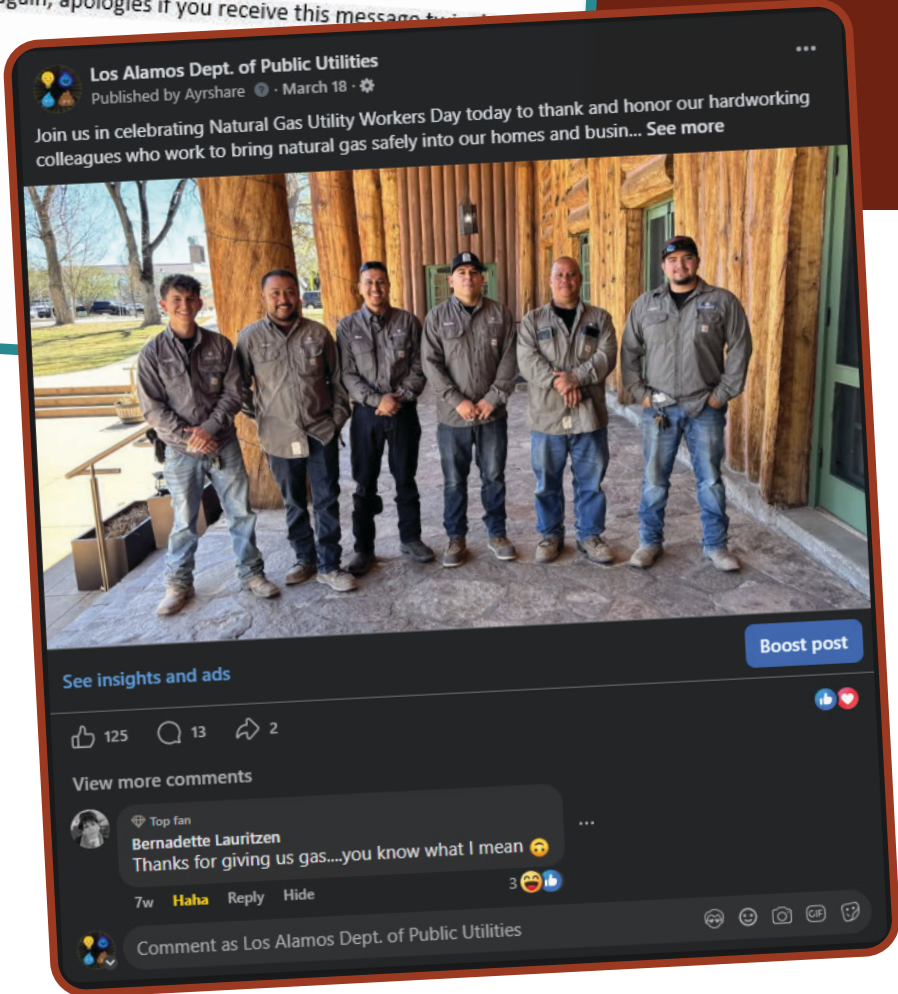
I tried to send this via our Rep'd dashboard but I don't think it has gone out yet. In the interest of time, I'm sending straight from Outlook as well. Apologies if you get it twice!

Clay Moseley recorded a video this morning addressing the water line breaks that have been happening in White Rock. The video can be found in a few spots.

- It is on the County website: <https://www.losalamosnm.us/Home>. Click on the "Ask the County" icon in the lower left corner and it will be the first video after you click.
- It can be found under the News page on the County website: <https://www.losalamosnm.us/News-articles>
- It can be found on YouTube: <https://youtube.com/shorts/-E9ktyL5nPc?feature=share>

Please let me know if you have any questions and again, apologies if you receive this message twice.

Cathy Crane-D'Anna
 Public Relations Manager
 Department of Public Utilities
 O: (505) 662-8002 C: (505) 709-8646
Ladpu.com/links



Los Alamos Dept. of Public Utilities's Post

Los Alamos Dept. of Public Utilities
Published by Ayrshare · March 6 ·

Drumroll...
Can we have a round of applause for the women of DPU? Sunday will be International Women's Day and we would like to celebrate the women whose dedication and talent strengthen our organization. As Rihanna once said, "there's something so special about a woman who dominates in a man's world. It takes a certain grace, strength, intelligence, fearlessness and the nerve to never take no for an answer."
(Not pictured: 4 additional incredible DPU women)
#WomenOfDPU #InternationalWomensDay #WomenInAMansWorld #15PercentOfDPU



See insights and ads Boost post

👍 127 💬 7 ➦ 5

All comments ▾

Ronald Mayhill
Jennifer, Congratulations! ...
9w Like Reply Hide

Clay Moseley
You guys... er, uh, LADIES... are awesome. We know who really gets the work done, but just won't admit it. 😊 ...
9w Like Reply Hide

3 🗨️ 🤔

KUDOS

Los Alamos Dept. of Public Utilities
Published by Ayrshare · March 19 · 🌐

Hey, Los Alamos High School sophomores and juniors, listen up! We've helped carve the way to scholarships and a youth leadership camp in Idaho for LAHS students every y... See more

This is who earned a sponsorship to the Youth Rally in 2025

Boost post

See insights and ads

👍 15 🗨️ 🔄 1

Comment as Los Alamos Dept. of Public Utilities

Los Alamos Dept. of Public Utilities's Post
Published by Ayrshare · January 2 · 🌐

It's a new year and time to catch up on the miscellaneous odds and ends that have been nagging us. This swim mask is at the top of our list. Does this baby look familiar? We would love to know how it made it through the wastewater system to arrive at the White Rock Water Resource Reclamation Facility in such great shape. More importantly, why? Remember, if it's not pee, poop, or toilet paper, it shouldn't be flushed! And to those who have been deaf to our PSAs about so-called "flushable" wipes, stop clogging up community pipes!

DPU Lost & Found

- Swim mask
- Found in wastewater plant influent tank

To claim, reply in comments. Questions will be asked.

See insights and ads

👍 40 🗨️ 5 🔄

Boost post

Paula Hewitt
Good Grief Charlie Brown!! ...

18w Haha Reply Hide 1 🤔

Carol Anne Byrnes
As a former sailboat sailor, I like the sign often found posted above marine toilets: "Do not put anything into the head unless you have eaten it first." ...

18w Haha Reply Hide 3 🤔

Author
Los Alamos Dept. of Public Utilities
Carol Anne Byrnes that's wise guidance!

18w Like Reply

Cyndi Wells
Oh, my! I hope a person was not attached. 🤔 ...

18w Haha Reply Hide 1 🤔

Top fan
Bernadette Lauritzen
PREACH!!

18w Like Reply Hide 1 🤔

Comment as Los Alamos Dept. of Public Utilities

Los Alamos Dept. of Public Utilities
 Published by Ayrshare · January 13 · 🌐

Who loves stickers? We love stickers! It's National Sticker Day and we're all about it! Today and every weekday be sure to grab a sticker when you walk by the Customer Care Center windows in the Los Alamos County Municipal Building.
 #StickerMeUp #NationalStickerDay See less



Los Alamos Dept. of Public Utilities's Post

Los Alamos Dept. of Public Utilities
 Published by Ayrshare · January 9 · 🌐

Hey, it's cold again! On days like this, a hot shower can feel so nice. Time slips away and that quick-shower intention becomes a 20...30...40...minute ordeal.

Low-flow shower heads have come a long way from their trickling past. Some work so well it seems like you could wash an elephant! The pressure feels great at 1.5 gallons per minute (gpm). And at that pressure, you can enjoy that 20-minute shower and still use less water than a standard bath (40 gallons).



See insights and ads Boost post

👍 11 💬 7 ➦ 1

Most relevant ▾

- Jon Teague**
If you are taking a 40 minute shower please seek help. ...
17w Like Reply Hide 5 🗨️
- Snow Panther**
Jon Teague From who, exactly? And what do I say to them? 🤔 ...
17w Like Reply Hide
- Jon Teague**
Snow Panther lol. Some sort of professional? Maybe a life coach? I mean who has time for a 40 min shower. 🤔 ...
17w Like Reply Hide 2 🗨️
- Snow Panther**
Jon Teague You think a life coach would stop me from self care? 🤔 I mean, I got the time just not the water heater for it. 🤔 ...
17w Like Reply Hide
- Jon Teague**
Snow Panther a tankless would do it. 🤔 ...
17w Like Reply Hide
- Debbie DeSimone**
Jon Teague problem solved! She can get a tankless water heater and continue 40 minute showers!! ...
17w Like Reply Hide

See insights and ads

👍 13 💬 2 ➦ 1

- Meredith Horner** (Top fan)
This is awesome!! ...
16w Love Reply Hide 1 🗨️
- Los Alamos Dept. of Public Utilities** (Author)
Meredith Horner much appreciated! ...
16w Like Reply 1 🗨️





Los Alamos County

Utilities PR Cathy D'Anna · 17 Apr

To our DPU linemen: thank you for climbing high, working in all conditions, and keeping our community's lights on and homes powered safely. Your hard work and sacrifices are seen and appreciated today and every day.

[#NationalLinemanAppreciationDay2026](#) [#PublicPower](#)
[#CommunityOwned](#) [#NationalLinemanAppreciationDay](#)



Posted to **Subscribers of Los Alamos County**



22



1

· 2,049 Impressions



Wendy H. 3w · Yosemite

Yes! They're the best.



Like



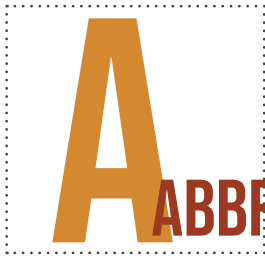
Reply



Share



Add a comment...



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 Mils (wire gauge measurement)
MGAL	Millions of Gallons
MW	Megawatts
MWH	Megawatt Hours
NMED	New Mexico Environment Department
NMGC	New Mexico Gas Company
NMMEA	New Mexico Municipal Energy Acquisition Authority
NNSA	National Nuclear Security Administration
NP	Non-Potable
NPV	Net Present Value
NPDES	National Pollutant Discharge Elimination System
O&M	Operations & Maintenance
PEEC	Pajarito Environmental Education Center
PHMSA	Pipeline & Hazardous Materials Safety Administration
PPA	Power Purchase Agreement
PRV	Pressure Regulating Valve
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

2026: Jan 1 - Mar 31

Q3 REPORT FY26



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ladpu.com/links

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