



Pend Oreille County Public Utility District

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Pend Oreille PUD Holds Public Hearings on 2026 Budget and Utility Resource Plan

NEWPORT, Wash. - Public Utility District No. 1 of Pend Oreille County (PUD) held two public hearings Tuesday, November 18 to take public comment and present information on the PUD's proposed 2026 Budget and ongoing Utility Resource Plan process.

2026 Budget Hearing

During the budget hearing, staff outlined the proposed \$89.9 million spending plan for 2026. Most of the PUD's expenses next year are related to power costs, which total \$32 million. Those costs include power purchases from Seattle City Light's Boundary Dam, and market energy purchases needed to meet customer demand.

Other major costs for 2026 include:

- \$11 million in debt service
- \$3.6 million in taxes
- \$5.5 million in required Protection, Mitigation and Enhancement measures required under the Box Canyon FERC license

Together, these items make up nearly 60% of the PUD's total projected expenses.

Staff also reported on operational needs across the Electric, Production, Community Network and Water systems. The draft budget includes funds for continued design and long-lead equipment for the Bare Mountain Substation; wildfire-mitigation work such as vegetation management and new protective equipment, and capital improvements across all systems totaling \$11.2 million.

Administrative and general costs remain at the 2025 budget level. Staff noted that ongoing inflation continues to affect the cost of materials, insurance, equipment and services. Based on long-term financial projections, the PUD may potentially need small annual rate adjustments in the future to keep pace with inflation, but no proposals or decisions have been made.

Financial projections discussed during the hearing show the PUD maintaining more than 250 days cash on hand and a debt-service coverage ratio above 2.0 under the proposed plan.

"The hearing gave the Board an overview of what is needed to keep our systems operating in the coming year and how we can manage costs while continuing to focus on safe, reliable and affordable service." said Chris Jones, General Manager of the PUD.

Commissioners will continue reviewing the budget before considering it for adoption at the December 2, 2025 Board meeting.

Utility Resource Plan Hearing

Commissioners also held a public hearing on the PUD's ongoing Utility Resource Plan (URP). The URP is a long-term planning process used to evaluate future energy needs, available power-supply options, and requirements related to the PUD's hydroelectric resources and contracts.

Staff outlined the general planning framework, including load forecasting, resource availability, clean-energy requirements and long-term contract considerations such as the purchase of Boundary power from Seattle City Light and the Box Canyon power contract with Clark Public Utilities that begins in 2026.

"Resource planning is a tool that helps us look ahead and understand what our resource needs may be over time," Jones said. "As we continue this work, the Board will receive updates so we can plan around changing requirements and customer demand."

Commissioners will continue considering adoption of the URP along with the PUD's Clean Energy Implementation Plan at the December 2, 2025, Board meeting.

The proposed 2026 Budget and Utility Resource Plan materials are available on the PUD's website. Customers may email information@popud.org with any questions or feedback.

About Pend Oreille County Public Utility District

Pend Oreille PUD was established in 1936 and began operations in 1948. The PUD is governed by three locally elected Commissioners. A General Manager and staff operate the utility within policies set by the Board of Commissioners. The PUD has four operating systems: The electric system distributes electricity to the county, the production system produces power from the Box Canyon Hydroelectric Project, the water system consists of nine individual water distribution subdivisions, and the community network system provides wholesale broadband communication services. For more information visit: <http://popud.org>.