



2026 Preliminary Budget  
October 20, 2025

# 2026 Preliminary Budget

- Highlights

- Methodology-Zero-based budgeting

- Historical analysis of sources (revenues) and uses (expenses)

- Approximately \$12,063,00 Total Budget Proposed

- This is a decrease of \$2.430 Mil from the 2025 Approved Budget

- Sources - Revenues

- In 2025, a \$5,000,000 grant was awarded for energy improvements to increase the resiliency of the Straussburg substation and provide power to unserved residents within our service territory. A portion of those funds will be utilized in 2026 to continue that ongoing project.
- This budget assumes an increase in retail rates for all District rate schedules. There has not been a change in rates since 2017, but rising costs can no longer be absorbed and services maintained without this.

# 2026 Preliminary Budget

- Highlights

- Uses – Maintenance and Operations Expenditures

- Cost of Purchased Power is anticipated to rise in 2026. Bonneville Power has announced an approximate increase of 10.8% to power rates and an average increase of 24% in transmission rates.

- Uses – Capital Expenditures

- Capital Budget includes usual expenditures to maintain services and provide new construction along with continued purchases of equipment and materials needed for the grant project's substation upgrade and distribution construction.

# 2026 Preliminary Budget

- Sources – Significant Changes
  - Sales Revenues
    - Electric sales revenues for 2025 are currently meeting expected levels.
  - Rate Increase
    - Though contemplated for 2025, no rate increase was proposed, so the overall sales revenues are not at sufficient levels to cover anticipated costs during 2026. This will need to be discussed and presented to consumers but will likely need to include an increase to monthly basis charges and increases to kWh charges. Monies from the sale of CCA no-cost allowances from prior years may be used to assist in rate stabilization and reduce a portion of additional revenues needed.
  - CETA Low-Income Assistance
    - A program was developed and implemented by the District to provide assistance to consumers with Excess Energy Burdens as required by CETA. Monies from the sale of CCA no-cost allowances in prior years will also be utilized for this purpose.
  - Capital Sources
    - It is anticipated that about 1.34 million dollars in grant funding will be sourced to procure additional equipment, materials, and professional services needed to continue the substation upgrade and distribution construction.

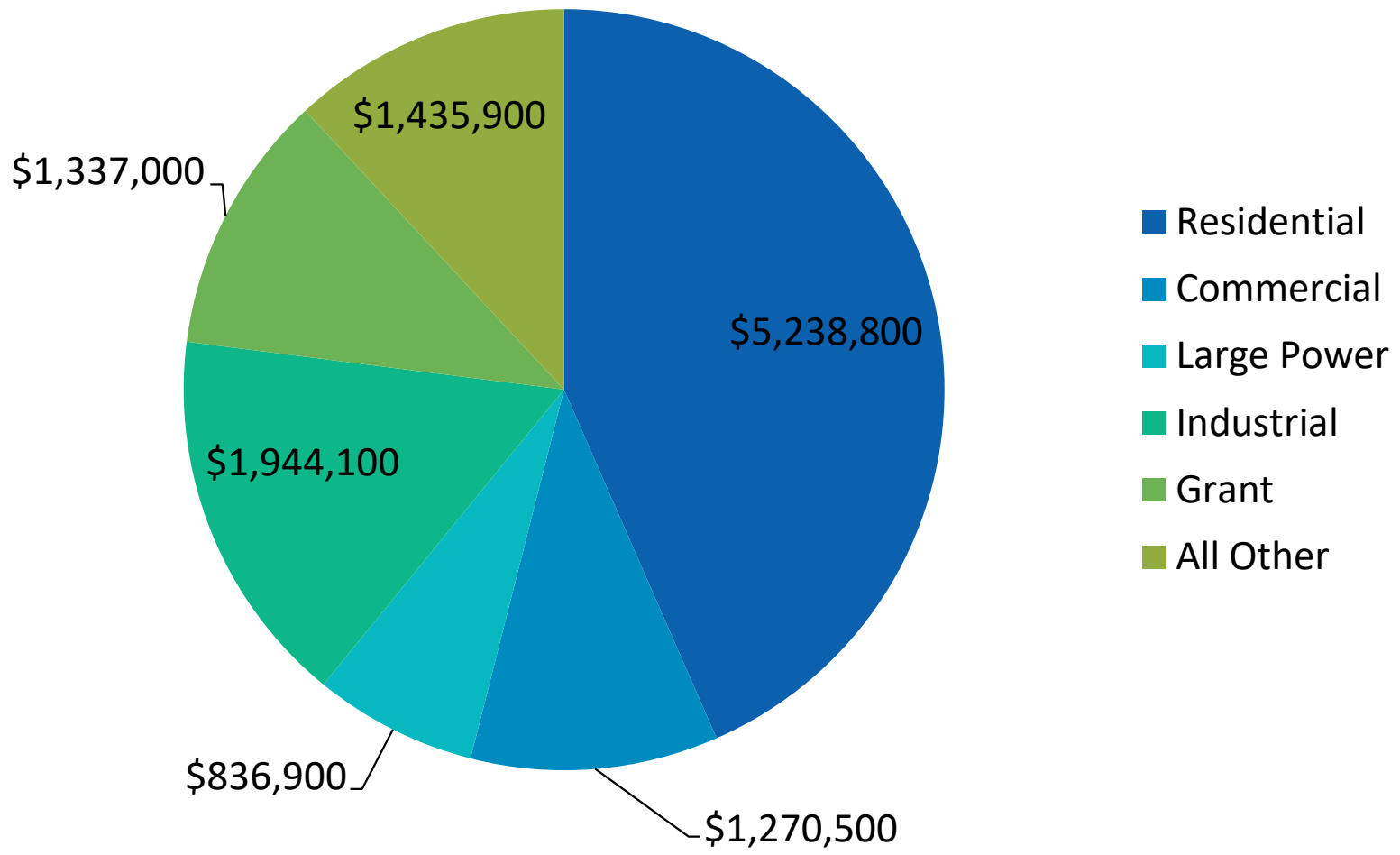
# 2026 Preliminary Budget

- Uses - Anticipated Changes
  - Cost of Purchased Power
    - 2026 Begins a new rate period for the BPA. Higher Energy costs will be seen for both Purchased Power and the Transmission of such. Estimated costs are between \$750K and \$1 Million over 2025 Actual Cost of Purchased Power.
  - Labor and Benefit Costs
    - Increasing market-based wages are continuing to impact costs which in turn increase percentage-based benefits as well. While rising medical costs also contribute to rising costs in this area.
    - The District has a need to reinstate an engineering position that existed prior to 2024. An additional accounting position is also being contemplated to ease the transition of a retiring employee and assisting with ever increasing duties regarding financial reporting requirements. The goal for both positions is to provide continuation of duties as current staff is closer to retirement age.
  - Maintenance and Operating Costs
    - Current economic conditions are continuing to cause higher costs for supplies and services. These increased costs are reflected in the M&O section of the budget.
  - Capital Expenditures
    - The budget has been returned to normal levels needed for maintenance and new line extensions with the upgrade of the remaining AMI meters in 2025.

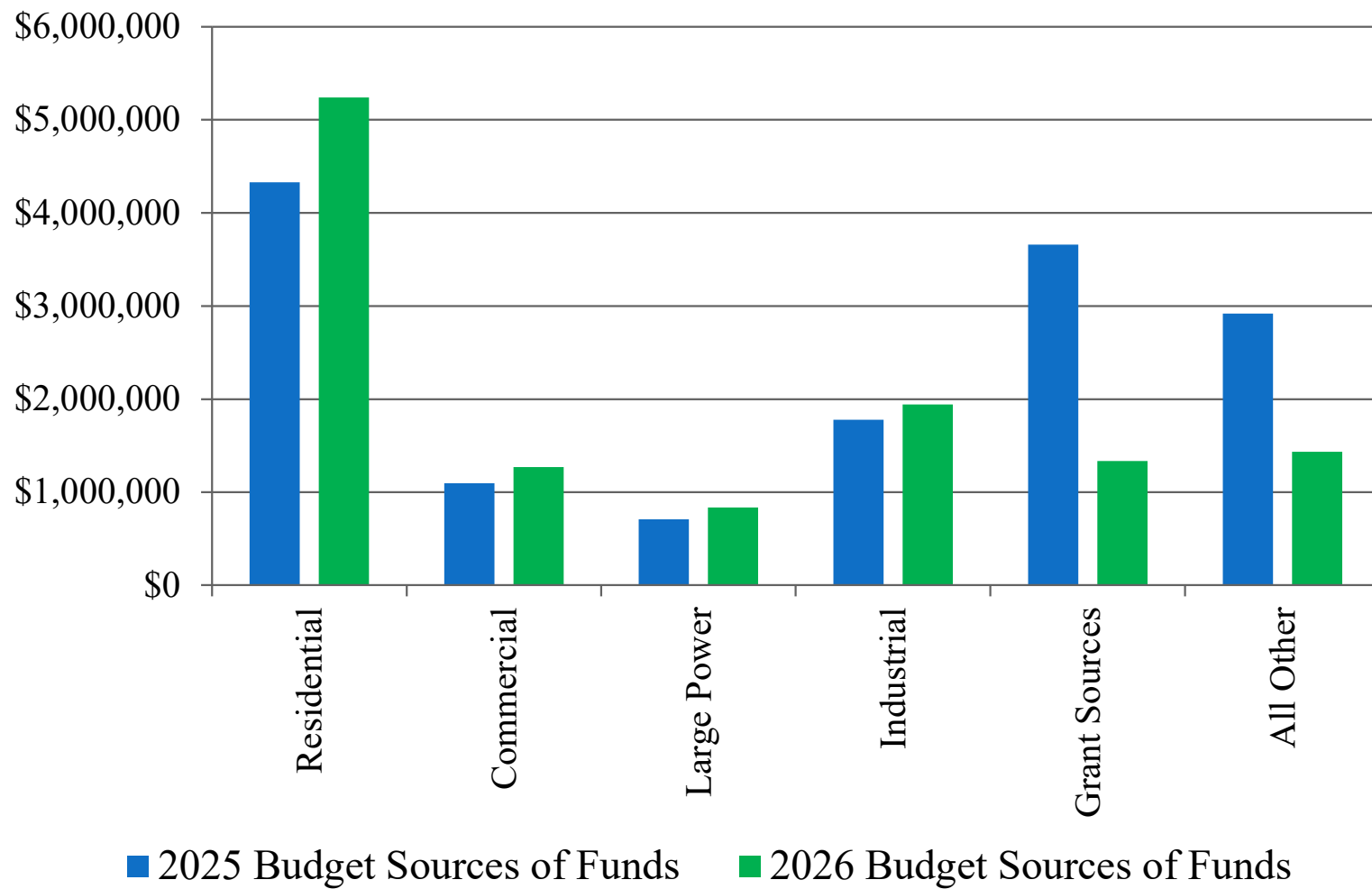
# 2026 Preliminary Budget Revenues

Residential Sales Revenues	5,238,800
Commercial Sales Revenues	1,270,500
Large Power Sales Revenues	836,900
Industrial Sales Revenues	1,944,100
Grant Sources	1,337,000
All Other Sources	1,435,900
Total	12,063,200

# 2026 Budget Sources of Funds



## Comparative Sources of Funds

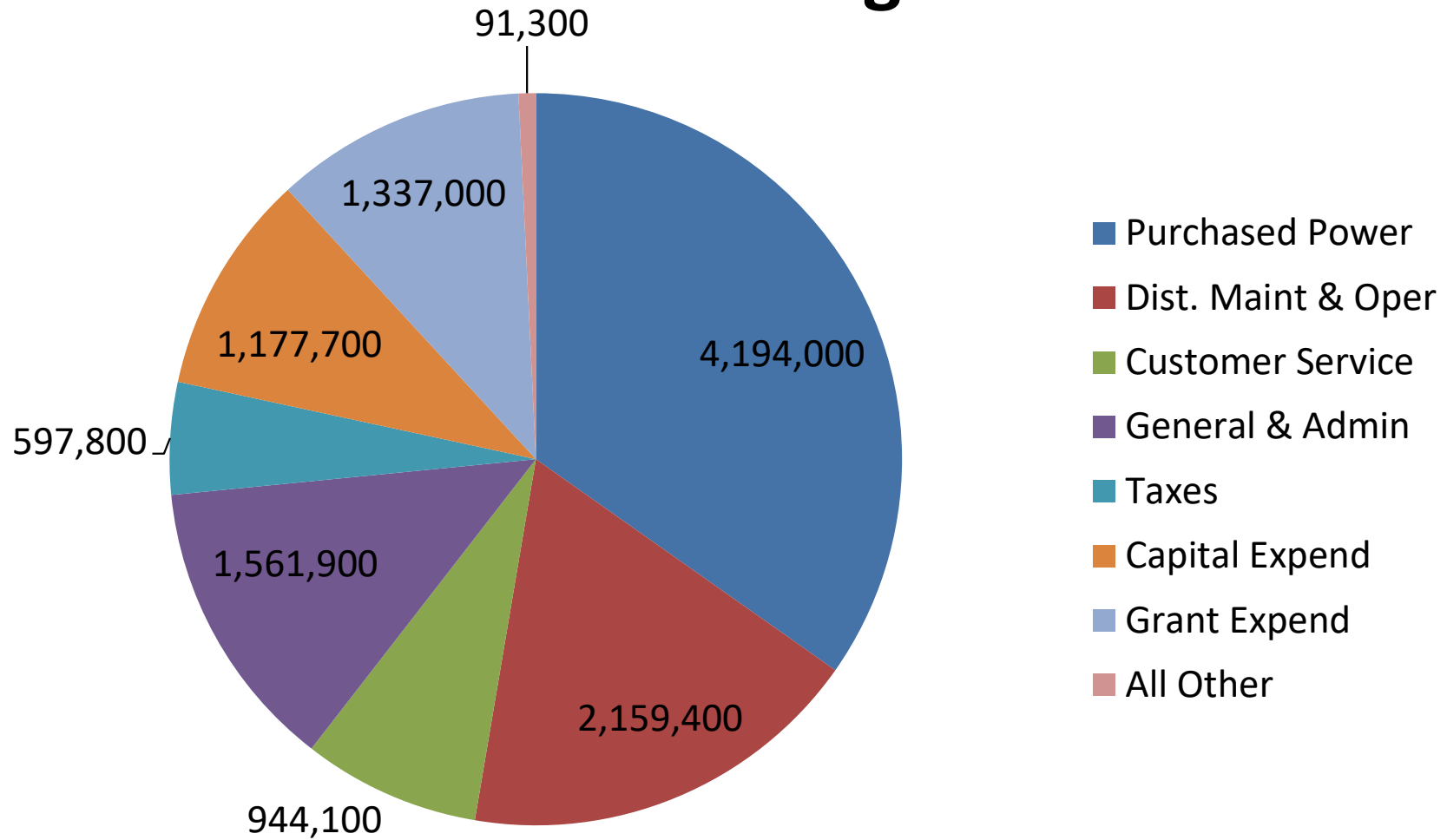




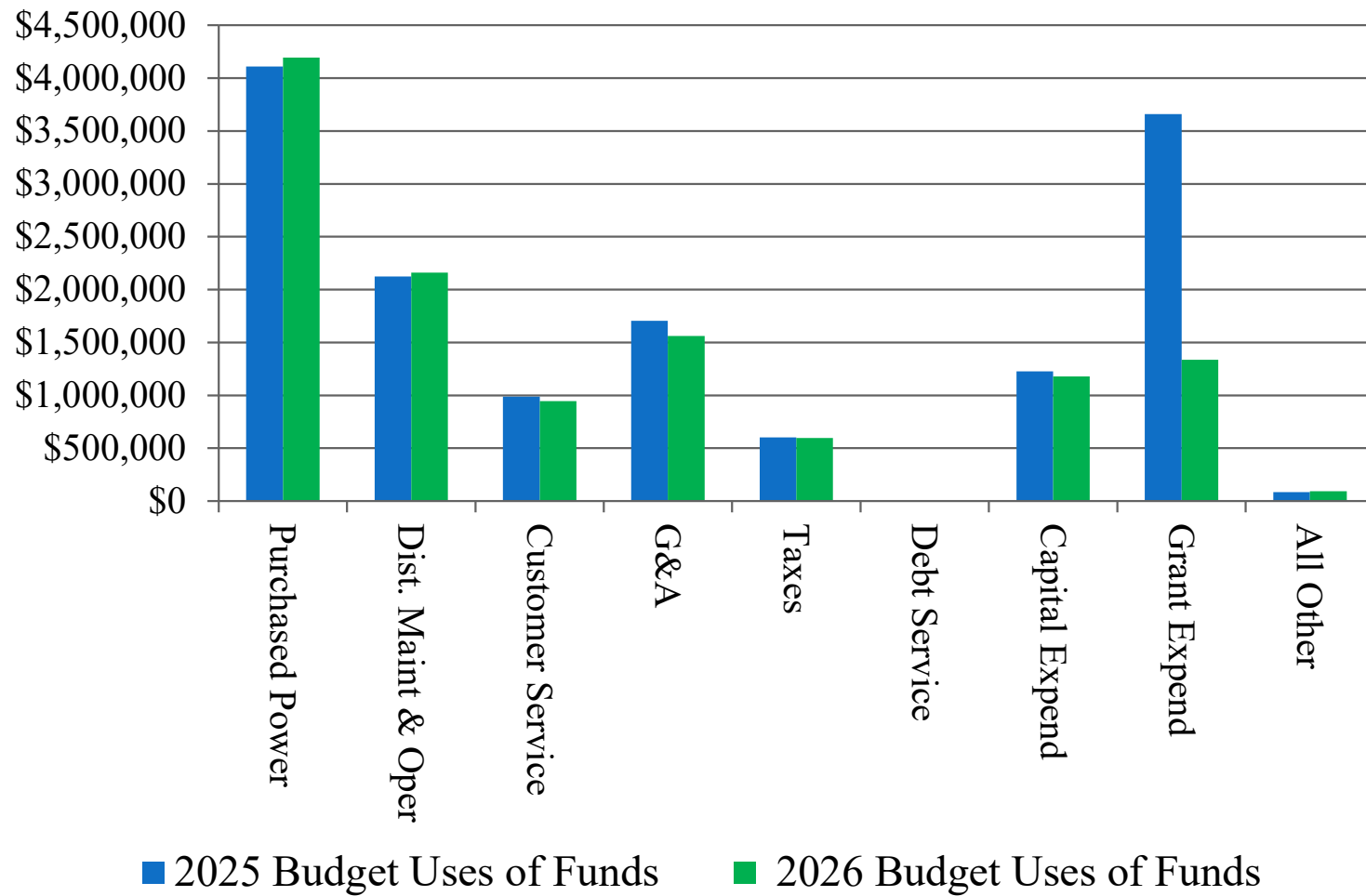
# 2026 Preliminary Budget Expenditures

Cost of Purchased Power	4,194,000
Distribution Maintenance & Operation	2,159,400
Customer Service Expenses	944,100
General & Administration Expenses	1,561,900
Taxes	597,800
Capital Expenditures	1,177,700
Grant Expenditures	1,337,000
All Other Expenditures	91,300
TOTAL	12,063,200

# 2026 Budget Uses of Funds



## Comparative Uses of Funds





# TimeLine

Schedule Budget Hearing Date	September 15 <sup>th</sup>
Publish Notice of Hearing	October 1 <sup>st</sup>
Budget Hearing/Board Discussion	October 20 <sup>th</sup>
Board Discussion	November 17 <sup>th</sup>
Board Discussion/Approval	December 15 <sup>th</sup>