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August 4, 2026

DECISION MEMORANDUM

TO: Council members

FROM: Sandra Hirotsu
Administrative Division Director

SUBJECT: Decision to approve Fiscal Year 2027 Revised and Fiscal Year 2028 Projected budget.

PROPOSED ACTION: Staff recommend the Council approve the Fiscal Year 2027 Revised budget and Fiscal Year 2028 Projected budget as proposed in this memo. Staff also recommend the Council authorize reprogramming of available Fiscal Year 2026 funds for unanticipated Fiscal Year 2026 costs.

SIGNIFICANCE: The funding necessary for the Council to carry out its activities and responsibilities under the Northwest Power Act is provided by the Bonneville Power Administration based on the Council's adopted budget. Following a public comment period and consideration of comments received on the draft budget, the Council adopts a final budget in July or August of each fiscal year and forwards the final budget to Bonneville for inclusion in its budget transmittal to Congress.

BUDGETARY/ECONOMIC IMPACTS

In June 2026, the Council released a draft budget document for a 47-day public comment period including an opportunity to provide oral comment at the Council's July meeting. The draft budget proposed a Fiscal Year 2027 revised budget of \$13,137,939 and a Fiscal Year 2028 projected budget of \$13,593,626.

The Council did not receive any comments on its draft budget.

BACKGROUND

The Council has operated over the last 45 years under a statutory funding provision that is tied directly to Bonneville's forecast kwh of firm power sales. The statute was amended in February of this year to require that funding threshold be adjusted for inflation.

Over the last twenty years, the Council's budget has grown on average at or less than the rate of inflation. The Council has also been conservative in its spending and has consistently underspent its budget.

The Fiscal Year 2027 revised budget exceeds the statutory limit on funding Bonneville can provide the Council and the Fiscal Year 2028 projected budget is likely to exceed the statutory funding limit. This is so even with the new statutory inflation adjustment. That adjustment makes the gap less, but a gap remains. The Council will use savings from spending below its budget in previous fiscal years to cover necessary expenditures above Bonneville's funding threshold.

STAFF RECOMMENDATION

1. Staff recommend adopting the Fiscal Year 2027 revised budget of \$13,137,939—a decrease of approximately \$200,000 from the budget adopted last year for Fiscal Year 2027.

The Council will utilize savings from previous fiscal years to cover any expenditure in Fiscal Year 2027 above Bonneville's funding limit as set forth in the Northwest Power Act.

2. Staff recommend adopting the Fiscal Year 2028 projected budget of \$13,593,626—a decrease of approximately \$57,000 from last year's projected budget for Fiscal Year 2028.

The Council will utilize budget savings from previous fiscal years to cover any expenditure in Fiscal Year 2028 above Bonneville's funding limit as set forth in the Northwest Power Act.

3. Staff recommend the Council authorize reprogramming of available Fiscal Year 2026 funds for unanticipated Fiscal Year 2026 costs.