

# Kitsap PUD Proposition 1: What voters should know



## What Proposition 1 does

Kitsap PUD Proposition 1 authorizes Kitsap PUD to take over all of PSE's electrical infrastructure in Kitsap County, including transmission lines, substations, maintenance and operations facilities, and become the only electric provider for every household and business in the county.

It is not a vote authorizing the PUD to commission a study to estimate costs to taxpayers and customers—that could have been done without a vote, similar to what other jurisdictions have done.

## Key issues to consider

### COST TO TAXPAYERS WITH NO GUARANTEE OF CHEAPER RATES

Taking over PSE's existing electrical infrastructure—poles, wires, substations—will cost more than a billion dollars. That debt would fall on taxpayers and customers through higher rates, service fees, property taxes or some combination of all three. The PUD would need to raise property taxes to about 20 times what they are today to cover the billion-dollar cost. Taxpayers would be taking on a significant new burden to pay for a system that already exists—one that is safe and reliable—while the county has many other critical priorities.

“We believe that purchasing the PSE asset will be between \$800 million and \$1.2 billion. This would require a levy of about \$.92 on the thousand.”

– **Angela Bennink**, general manager, Kitsap Public Utility District

*July 2026 email exchange between Bennink and Stacie Amasaki, Attorney, Foster Garvey. The current property tax rate for KPUD is \$0.04444 per \$1,000 assessed value.*

### THERE'S NO PLAN

Kitsap PUD's three part-time commissioners put this measure on the ballot without providing any information about what a takeover would cost. They claim it gives them the authority to conduct a study to determine costs. But a vote is not needed for that—they could have conducted a study first, as other jurisdictions have done. Instead, they chose to rush to the ballot in less than a month with minimal public input and zero public information about what it will cost taxpayers, where power will come from, and future electric rates. This is basically like asking voters for a massive blank check.

### THERE'S NOT ANOTHER VOTE REQUIRED

Voters have no ability to stop the process because the PUD commissioners don't need a second vote to proceed with the takeover.

## Facts to consider

- In Jefferson County, proponents estimated it would cost \$47 million to purchase PSE's system. The final cost was \$109 million, more than double what voters were told. Jefferson County has about 18,000 customers. PSE serves more than 130,000 customers in Kitsap, more than eight times as many.
- Taking over PSE's system is only the beginning. There is a significant cost to operate, maintain, modernize, and reliably serve a system of PSE's size.
- Municipalization is a lengthy process with unknown costs and unclear timelines. The process can take as long as a decade and may not result in a municipal utility. In Boulder, Colorado, for example, taxpayers spent approximately \$30 million over ten years on a municipalization effort before abandoning it.

- Kitsap PUD would need to purchase or build enough power to serve customers. Because existing public utilities—like Tacoma Power or Seattle City Light—can access low-cost hydropower from the federal government, they have not had to invest nearly the same amount of money into new renewable resources as PSE has done. However, the days of cheap federal hydropower are gone and Kitsap PUD will not be able to access that like other PUDs.
- Operating an electric utility is highly complex. It requires specialized technical expertise, around-the-clock operations, and a relentless focus on safety—for the public and employees. PSE has proven expertise, with more than 70 employees in Kitsap who work on the system daily plus our locally based Potelco crews. When the power goes out, we bring in crews from across the region and the Western U.S. to restore power faster.
- KPUD has no experience or expertise running an electric utility. It would have to build all of this capability at a time when the electric system is under increasing strain from more severe weather, growth, and the need to incorporate more distributed, localized sources of energy.

## FAQ

### ***Would this mean I get to choose whether I get service from either KPUD or PSE, like choosing a cell provider?***

No. Proposition 1 authorizes KPUD to become the only electric utility provider for every household and business in the county.

### ***Wouldn't public power be cheaper?***

There's no evidence that rates would be lower. Taking over PSE's system would cost more than a billion dollars and that debt will have to be repaid through customer rates, service fees, and/or taxes.

### ***Why not vote yes and study afterward?***

Voters are being asked to authorize the process without knowing the total cost, power supply, property tax impacts, or future rates. If the measure passes, the three commissioners could proceed without another required public vote.

### ***Could property taxes be affected?***

Yes. It would cost more than a billion dollars to acquire PSE's system. The PUD would need to raise property taxes to approximately 20 times what they are today to cover that cost.

### ***Can Kitsap PUD operate the electric system?***

Kitsap PUD has no experience operating an electric utility. It would need to become approximately eight times bigger than its current size and build specialized capabilities for round-the-clock operations, safety, storms, wildfire, power supply, customer service and regulatory compliance. It does not have any of that currently; it is starting from scratch.

### ***Does PSE have a local presence?***

PSE has two local operating bases—one in Bremerton and the other in Poulsbo—with 70 employees working there daily plus more than 50 Potelco employees, including 34 line workers. Many of these employees call the area home. The key issue is whether customers will end up paying less and receive reliable service. Voters deserve answers to these questions: What would this cost taxpayers and customers? How would the system be operated? What experience does the PUD have running a utility of this size and complexity?

### ***What are we voting on and what does it mean?***

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