



Pend Oreille County Public Utility District

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Court of Appeals Affirms Land Purchase and Sale

Decision affirms dismissal of legal challenge to PUD's business judgment

Newport, WA – This morning, the Washington State Court of Appeals, Division Three, issued a decision affirming the dismissal of the lawsuit brought by Citizens Against Newport Silicon Smelter and Responsible Growth * NE Washington against Public Utility District No. 1 of Pend Oreille County (PUD) and others. The decision affirmed the PUD's purchase of a parcel of land from Pend Oreille County to acquire a utility easement, and the ultimate sale of that and other PUD-owned parcels to HiTest Sand, Inc. for more than the appraised value in the summer of 2017.

The court's decision concluded that the PUD's actions were within its authority. Regarding the purchase of the County parcel, the court noted in its decision: "Construing the public utility district's powers liberally, the PUD held power to purchase a larger tract of land if such purchase would conveniently effectuate the reservation of the easement from a portion of the tract of land." Regarding the sale of property to HiTest, the court stated: "The undisputed facts show [the County parcel] to be useless to Pend Oreille County PUD once it retained an easement across the west side of the tract. The PUD confirmed the land's uselessness by a retroactive resolution."

"We are very pleased that both the trial court and the court of appeals properly interpreted the broad authority of public utility districts in the exercise of their business judgment on behalf of PUD ratepayers, including the purchase and sale of real property," said Tyler Whitney, General Counsel and Assistant General Manager for the PUD. "Pend Oreille PUD is looking forward to closing the book on this case and continuing its mission of providing quality service at low cost through electric load growth."

The Court of Appeals case number is 36736-3-III, and can be found at: http://www.courts.wa.gov/opinions/pdf/367363_unp.pdf

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>.

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