REGULAR SESSION
August 4, 2026

The Commissioners of Public Utility District No. 1 of Douglas County met in regular session this 4th day of August, 2026 at 1:30 p.m. in the East Wenatchee Office. Present were Commissioners Molly Simpson, Ronald E. Skagen, and Aaron J. Viebrock, General Manager Gary Ivory, Legal Counsel Evan McCauley, Chief Financial Officer Zach Gormley, DCCN Coordinator Ben Carter, Broadband Network Administrator G.B. Overton, Broadband Operations Specialist Shannon Raider, Public Information Officer Meaghan Vibbert, and Executive Assistant Maria Cendejas. Rick Rocha, Carl Patterson and Jenny Rickel of Native Networks, Tracey Yedinak and Jenny Walker of LocalTel, and Nathan Cox of 509Fiber were also in attendance.

Motion was made by Commissioner Viebrock, seconded by Commissioner Skagen and carried by the affirmative vote of the board to approve the following consent agenda items:

1. Minutes from the regular meeting held on July 21, 2026.
2. Vouchers: Blanket Board dated July 21, 2026 through August 3, 2026.

Distribution Revenue Fund Nos. 2946-2951, 56636-56687	Total: $	5,653,142.99
Wells Revenue Fund Nos. 50521-50570	Total: $	406,289.94
Wells Plan Species Account Nos. 311, 312	Total: $	1,403.05

3. Resolution No. 26-055. A resolution authorizing approval of Land Use Permit 679-04 (661), Sergio Estudillo.
4. Resolution No. 26-056. A resolution authorizing the purchase of easement for the 115kV transmission line between the Lone Pine Substation and the O'Malley Substation.

5. Resolution No. 26-057. A resolution authorizing the surplus and salvage of distribution transformers and associated equipment.

DCCN Coordinator Ben Carter introduced new employee, Shannon Raider. Shannon is the District's new Broadband Operations Specialist. The Board welcomed him to the District.

Time was allowed for public comment, and the following is a brief summary of the in-person comments received. Written comments received at the meeting are included separately from these minutes.

Jenny Rickel, Chief Operating Officer of Native Networks, was in attendance to express her concerns regarding the District's rollout of the $35 retail internet service. She expressed disappointment with the lack of communication throughout the process. Ms. Rickel also stated that she had concerns with the wholesale pricing, indicating that it created an uneven playing field. She requested that the District pause the rollout and provide an opportunity to discuss its plans moving forward.

Jenny Walker, Senior Operations Manager for LocalTel, also requested that the District pause the rollout and questioned the delay in communication.

Nathan Cox of 509Fiber expressed similar concerns and elaborated that he was concerned about the District's plan to enter the fiber internet market as a service provider, stating that internet service providers cannot effectively compete with their own wholesale provider (written comment handout attached to these minutes).

President Molly Simpson thanked the speakers for their comments and attendance. General Manager Gary Ivory Ivory recommended the District continue moving forward with the retail rollout, stating that it is in the best interest of the citizens of Douglas County. He acknowledged the need to maintain open dialogue with the services providers and apologized for the lack of communication. Mr. Ivory further stated that the District wants its retail service providers to be successful and believes the rollout provides an opportunity for providers to enhance the services they offer their customers.

Public Information Officer Meaghan Vibbert shared a fiber connection compliment received from customer Lynn Wright. Mr. Wright was appreciative of the fiber installers and said they were a pleasure to work with. They did one heck of a job. Bedside manners were great and they went above and beyond what is to be expected.

Pursuant to notice, and as required by statute, a hearing was held to accept input on the 2026 Cover Sheet to the Integrated Resource Plan. Ample time and opportunity were provided for public comment, and no person

appeared or submitted written protest regarding the 2026 Cover Sheet to the Integrated Resource Plan, the hearing was closed at 1:56 p.m.

A resolution was introduced authorizing Change Order No. 116 to Contract 06-41-W, Generator Rebuild and Unit Refurbishment for the Wells Hydroelectric Project. General Manager Gary Ivory explained this resolution. After discussion and upon the written recommendation of Contract Coordinator Natalie Thresher, motion was made by Commissioner Viebrock, seconded by Commissioner Skagen and carried by the affirmative vote of the Board that Resolution No. 26-058 be adopted. A copy of the resolution follows:

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A resolution was introduced authorizing Change Order No. 3 to Contract 25-12-D-BID, Hydrogen and Fuel Cell Generator with Storage PBD Project. General Manager Gary Ivory explained this resolution. After discussion and upon the written recommendation of Project Manager Todd Vibbert, motion was made by Commissioner Skagen, seconded by Commissioner Viebrock and carried by the affirmative vote of the Board that Resolution No. 26-059 be adopted. A copy of the resolution follows:

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A resolution was introduced authorizing the approval of the 2026 Integrated Resource Plan Cover Sheet. General Manager Gary Ivory explained this resolution. After discussion and upon the written recommendation of Power Planning Coordinator Cait O'Reilly, motion was made by Commissioner Viebrock, seconded by Commissioner Skagen and carried by the affirmative vote of the Board that Resolution No. 26-060 be adopted. A copy of the resolution follows:

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A resolution was introduced authorizing the redemption prior to maturity of the outstanding Wells Hydroelectric revenue bonds, series 2010A (taxable); and approving other matters related thereto. Chief Financial Officer Zach Gormley explained this resolution. After discussion and upon the written recommendation of Controller Juan Esparza, motion was made by Commissioner Skagen, seconded by Commissioner Viebrock and carried by the affirmative vote of the Board that Resolution No. 26-061 be adopted. A copy of the resolution follows:

—

General Manager Gary Ivory provided an update on Unit 1 and reported that the shear pins on Unit 1 broke on July 27, staff repaired the unit and it is now back on-line.

General Manager Gary Ivory discussed recent tariff-related issues and a discussion followed. Staff will try to work with legal and vendors to reach mutually beneficial outcomes.

Chief Financial Officer Zach Gormley provided an update on the District's rates and reserve funds.

General Manager Gary Ivory shared his thoughts following public comment. He acknowledged that the District could have communicated its plans for retail service more effectively, accepted responsibility for the lack of communication and noted that the District sometimes forgets that members of the public are not always aware of its activities.

Public Information Officer Meaghan Vibbert reported on the National Night Out event held at Eastmont Park on August 30, 2026.

Motion was made by Commissioner Viebrock, seconded by Commissioner Skagen and carried by the affirmative vote of the Board that trips for the period of August 4, 2026 through August 17, 2026 be approved.

President Molly Simpson stated an executive session would be held from 3:05 p.m. to 4:00 p.m. to discuss with legal counsel agency enforcement actions, current or potential litigation and/or legal risks as authorized by RCW 42.30.110(1)(i). At 4:00 p.m., Commissioner Simpson extended the session by 15 minutes. The Board concluded executive session at 4:10 p.m.

With no further business appearing and no public present, the meeting was adjourned at 4:10 p.m.

Molly Simpson, President

Ronald E. Skagen, Vice President

ATTEST:

Aaron J. Viebrock, Secretary

District Retail Internet Service: Request for Commission Review

Submitted by 509Fiber | Public comment | 4 August 2026

Who We Are

509Fiber is one of eleven retail service providers on the district's open-access fiber-optic network. We buy our upstream internet from DCCN, serve Douglas, Chelan, and Grant counties, and are the second largest retail provider in Douglas County. Over the past six years we have invested hundreds of thousands of dollars supporting and promoting the work of DCCN.

Why We're Here

The district plans to enter the fiber-internet market as a retail provider, in direct competition with the service providers it has partnered with to date. We understand the reason to be the low uptake of fiber in Douglas County and its price relative to coax, satellite, and fixed wireless. We share the concern about uptake, but we do not believe district retail service is the remedy—nor is it clear that state law permits it here—and we see several drawbacks to its entry for the ratepayer.

The Legal Question

RCW 54.16.330(9)(a) permits a public utility district to provide retail telecommunications service to end users *in unserved areas*. Subsection (9)(h)(ii) defines unserved as lacking access to broadband of at least 100 Mbps download and 20 Mbps upload. This is a location-by-location standard.

RCW 54.16.415(1)(c) requires a district, before providing retail service, to report to its governing body and the state broadband office with evidence relating to the unserved nature of the community to be served.

RCW 54.16.330(9)(e) and (9)(h)(i) require a district providing retail service to operate an open access network, defined as one where providers receive rates, terms, and conditions that are not discriminatory or preferential *among providers*. The district's own planned retail operation would be a provider on that network, assuming legality. Subsection (4) further requires services rendered to the district for its own needs to be charged at true and full value.

What the District's Filed Documents Show

- Resolution 24-133 (adopted December 17, 2024) revises Schedule 6 of the Customer Service Policies to include retail telecommunication services and directs reporting to the state broadband office. It cites RCW 54.16 and RCW 54.16.415. It contains no finding that any area of Douglas County is unserved, and does not cite RCW 54.16.330(9)(a), the section that grants retail authority. It also does not include the cited attachment (Schedule 6).
- The coverage map filed with the state (Douglas Co. P.U.D. Broadband Availability, dated 12/12/2024) has two categories, "Wired" and "Wireless." It identifies no area as unserved.
- The Retail Broadband Plan (December 2024) describes the project area as "All areas of Douglas County located in Washington State," while stating that all incorporated cities and towns in the county already have broadband service. It states that the minimum service level on the district's fiber network is 100 Mbps symmetrical.

The consequence: by the district's own filing, anywhere DCCN's fiber reaches, the area is served under the statutory definition, and retail authority does not extend there. Nothing in the record identifies an area of Douglas County that is unserved.

Why Three Changes Would Address Uptake

The barriers to fiber uptake are all within the district's control, and two of the three are already planned for next month:

- raise the base speed tier to 1 gigabit per second;
- lower the wholesale rate on fiber, published and uniformly available to all eleven providers on identical terms;
- install the connection all the way to the residence, as PUDs in other counties do, rather than placing that cost and coordination on the homeowner.

That two are already scheduled suggests the district shares our diagnosis. Removing these barriers would bring more private investment into the county, not less, while retail entry by the district would do the opposite.

The Dangers of the PUD as a Retail Provider

The risks here fall on the district and on its ratepayers, not only on the providers it would be competing with.

- **Every network decision becomes a conflicted one**. The district would set the wholesale rate its competitors pay, control provisioning priority and repair response, and decide the network's roadmap while holding a stake in the outcome. That is a position the district does not currently have to defend.
- **Good-faith decisions will be read as self-dealing**. Once the district competes, an ordinary delay, outage, or rate change invites a complaint that it was not ordinary. The district would lose the presumption of neutrality it has earned over twenty-five years, and cannot recover it by intending well.
- **The district takes on obligations it has not staffed**. Retail service means support calls, in-home Wi-Fi questions, billing disputes, truck rolls, and bad debt, on nights and weekends.
- **Retail costs move onto ratepayers**. Support, billing, collections, and churn are costs that exist either way. Today they sit on private balance sheets. Under district retail they sit on the ratepayer base, alongside the risk that comes with them.
- **Ratepayers lose the competitive check**. Having fewer providers (or, in time, only one) means less innovation, thinner service, and pricing with nothing to hold it down. Those effects arrive late, once the district is the only option, and they are difficult to reverse.
- **Legal and regulatory exposure follows the structure, not the intent**. RCW 54.16.330 requires non-discriminatory treatment among providers, separate accounting under State Auditor standards, and internal charges at true and full value. Competing on your own network puts each of those obligations permanently in play, and the cost of defending them falls on ratepayers.
- **Fiber in Douglas County gets judged by the result**. As the quality of service declines after competition disappears, the reputational cost attaches to the district's name and to fiber itself, contradicting the goal of solving the uptake problem.

The district's current structure, owning the plant while eleven companies compete to fill it, carries none of these risks. Retail entry introduces all of them at once, and unwinding it later would be considerably harder than not beginning.

Why We Cannot Compete with our Own Wholesale Supplier

The district can reach every household in the county through the electric service it already provides them. Offering internet service during account signup and in routine utility communications is a distribution channel no retail provider can match at any price, and it requires no marketing spend. It rests on a customer list that exists because of the electric service, not because of competition in broadband.

Our Request

We hope that the district will scuttle these plans altogether. To that end, we ask that district retail-internet service be paused and the topic be placed on the agenda of this commission's next meeting as an item of discussion, so that the unserved-area basis, the wholesale rate structure, and the open-access obligations under RCW 54.16.330 can be considered on the record.

Nate Cox, CTO at 509Fiber | 8823 E Leavenworth Rd, Leavenworth, WA 98826 | 509-434-1883

Sources: district filings at commerce.wa.gov/wsbo/public-retail-broadband; Resolution 24-133.