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## City backs off PUD fee hike

*Wireless fee could be in city's future*

By Rodger Nichols  
*The Chronicle*

The Dalles City Council backed away Monday from staff suggestions to fill in a city road fund budget shortfall with increased franchise fees to Northern Wasco County PUD and Chenoweth Water PUD, after hearing lengthy opposition on the matter.

City staff had suggested several options to fill a budget shortfall in the city's road fund, which is the source of money for street repair and replacement. Road fund shortfalls have been an ongoing problem, City Manager Nolan Young explained this morning.

"It's not something that just popped up," Young said. "It's been a trend as we've been spending down our reserves a little at a time and as increases in expenditures are outpacing revenue."

Last year's road fund was \$60,000 short.

"Fortunately, the [Oregon] Legislature gave us some relief with the passage of the transportation package," Young said, "but this year it has once again caught up with us."

And part of the compromise that allowed the Legislature to pass the transportation package, House Bill 2001, included a five-year moratorium on local gas tax hikes. So the city discussed several proposals to raise road fund money.

One of those proposals — to raise the city franchise fee on Northern Wasco County PUD from 3 percent to 5 percent over several years — drew a full-court press defense from the PUD. All five members of the utility's board testified in opposition, as did General Manager Dwight Langer and Financial Officer Jim Johnson.

Several members of the public also spoke in opposition, including Randy Cole, past member of the Wasco-Sherman clean air health committee, who pointed out that increases in electric rates would likely lead more people to burn firewood, creating more haze and smoke problems during wintertime air inversions.

Another option would have levied a 3 percent franchise fee on Chenoweth Water PUD, which does not currently pay such a fee. But that utility has been going through a budget crunch of its own, and has raised water rates twice in the past four months — 25 percent in November, an additional 15 percent this month, with another potential 15 percent looming in October. PUD manager Roger Prowell noted that a significant portion of the district still lies outside city limits, and separate billing charges for the two areas would be an additional burden and create "a feeling of inequity" in district customers.

"Based on what we heard tonight," said City Manager Nolan Young, "We will hold the line this year, and try to come up with a solution next year when we have more information and hopefully the economy will be in better shape."

He did say staff would continue to investigate the possibility of a 7 percent franchise fee for wireless phone providers, which would match that charged to current wired provider CenturyLink.

"Sometime after the first of July we may bring that to the city council to discuss further," he said. No representatives from wireless companies were present at Monday night's council meeting. The Dalles City Council backed away Monday from staff suggestions to fill in a city road fund budget shortfall with increased franchise fees to Northern Wasco County PUD and Chenoweth Water PUD, after hearing lengthy opposition on the matter.

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