

CALIFORNIA DEPARTMENT OF WATER RESOURCES
Division of Safety of Dams

Proposed Annual fee Regulation

February 20, 2019



Sharon K. Tapia, Chief

Annual Fee Regulation – Agenda

- Dam Safety Program
- Regulation Schedule
- Annual Fee Overview
- Key Comments & Responses
- Final Regulations for Approval

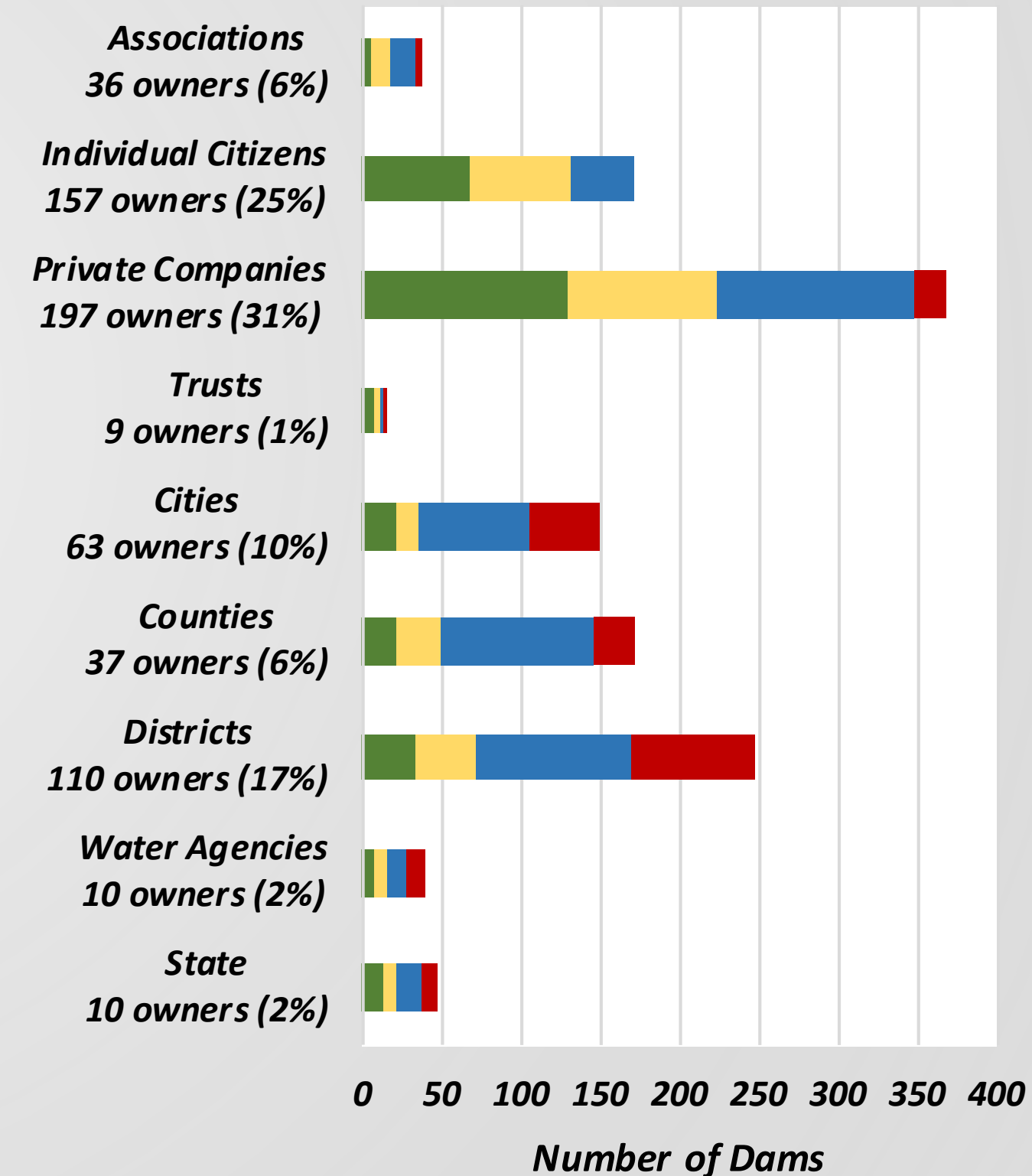


Jurisdictional Inventory – 1,246 Dams



Owner Types and No. of Dams

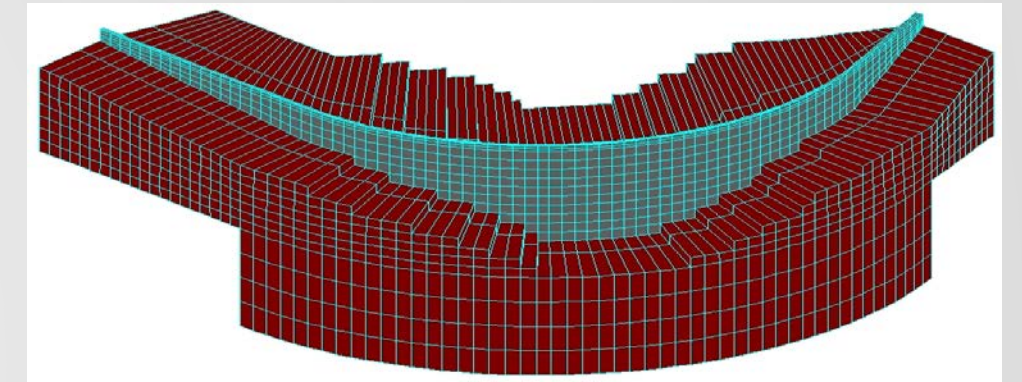
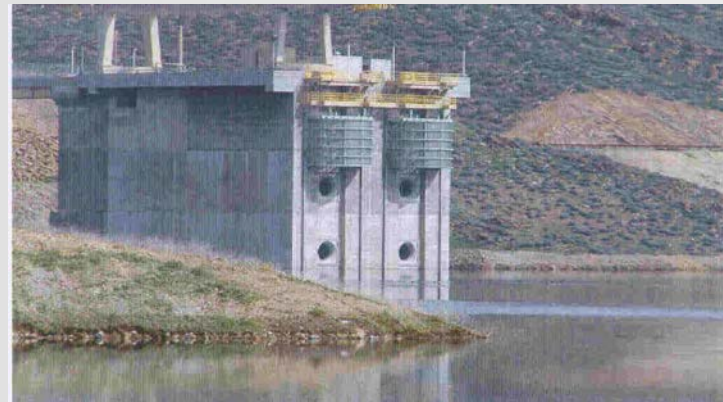
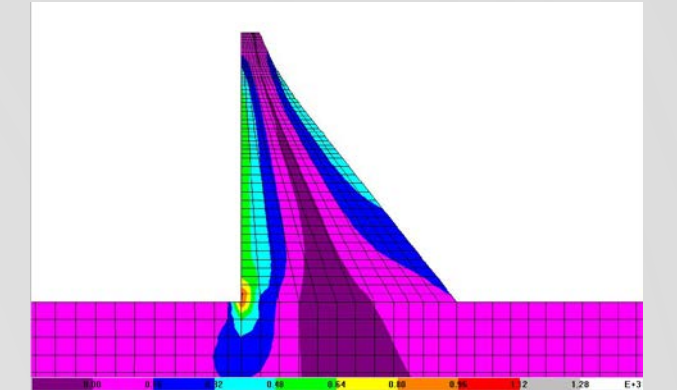
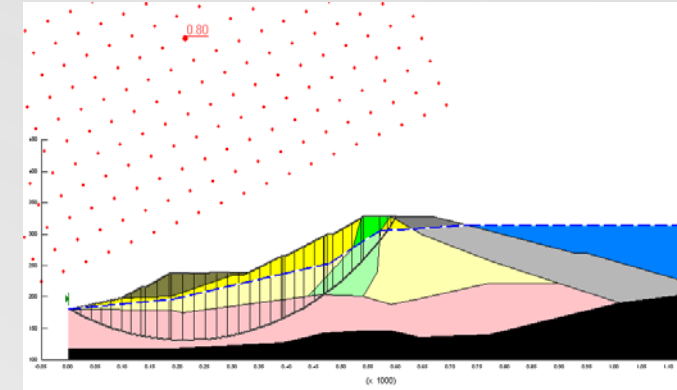
■ Low
 ■ Significant
 ■ High
 ■ Extremely High



Height Groups (ft)	No. of Dams	Reservoir Capacity (Acre-Feet)	% Extremely High Hazard	% High Hazard
Over 300	19	3,800-3.5 Million	95%	5%
100-300	201	18-1.3 Million	54%	36%
50-100	276	17-74,000	10%	53%
Under 50	750	17-315,000	5%	33%



Diversity of Dams and Geologic Conditions



CALIFORNIA DEPARTMENT OF WATER RESOURCES
DIVISION OF SAFETY OF DAMS

214 Dams w/ Critical Appurtenant Structures

EXTREMELY HIGH

103 of 193 DAMS

HIGH

84 of 454 DAMS

SIGNIFICANT

27 of 279 DAMS

- Height \geq 25 feet
- Storage \geq 5,000 acre-feet
- Potential to inundate life or property



Note: Low Hazard dams generally do not have CAS or their impact on the program is considered negligible; thus, these dams are excluded from the CAS Fee.



Summary of Dam Owners with CAS

<i>Dam Owner Type</i>	<i>#Owners</i>	<i>#Dams</i>
<i>Associations</i>	3	3
<i>City, city agency, or city district</i>	14	35
<i>County, county agency, or county district</i>	13	24
<i>Individual owner</i>	6	6
<i>Park, sanitation, utility, or water district</i>	39	72
<i>Private company, corporation, LLC, partnership</i>	19	45
<i>Private trusts and estates</i>	2	2
<i>State agency</i>	4	13
<i>Water agency or authority</i>	7	14
TOTAL	107	214

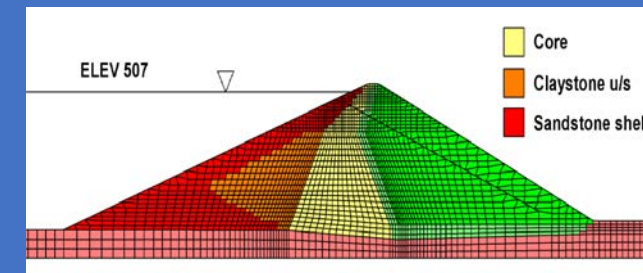


Bolstered Dam Safety Program

Design Review & Construction Supervision

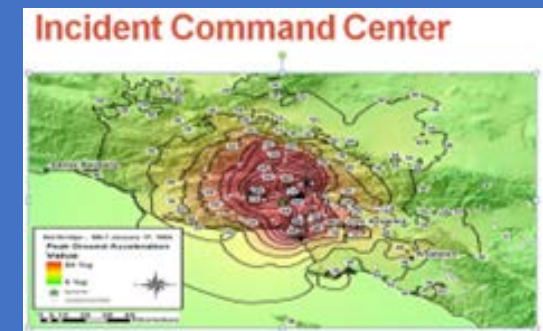


Re-evaluations

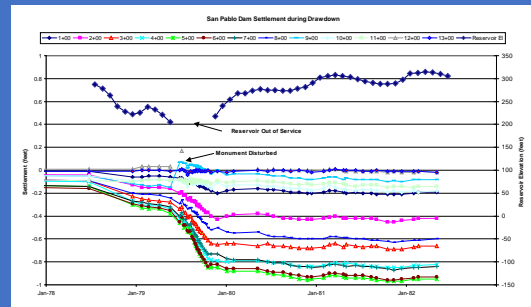


Bolstered

Emergency Response



Surveillance Monitoring

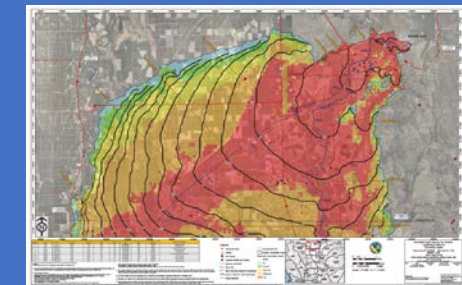


Maintenance Inspections



Bolstered

Inundation Maps

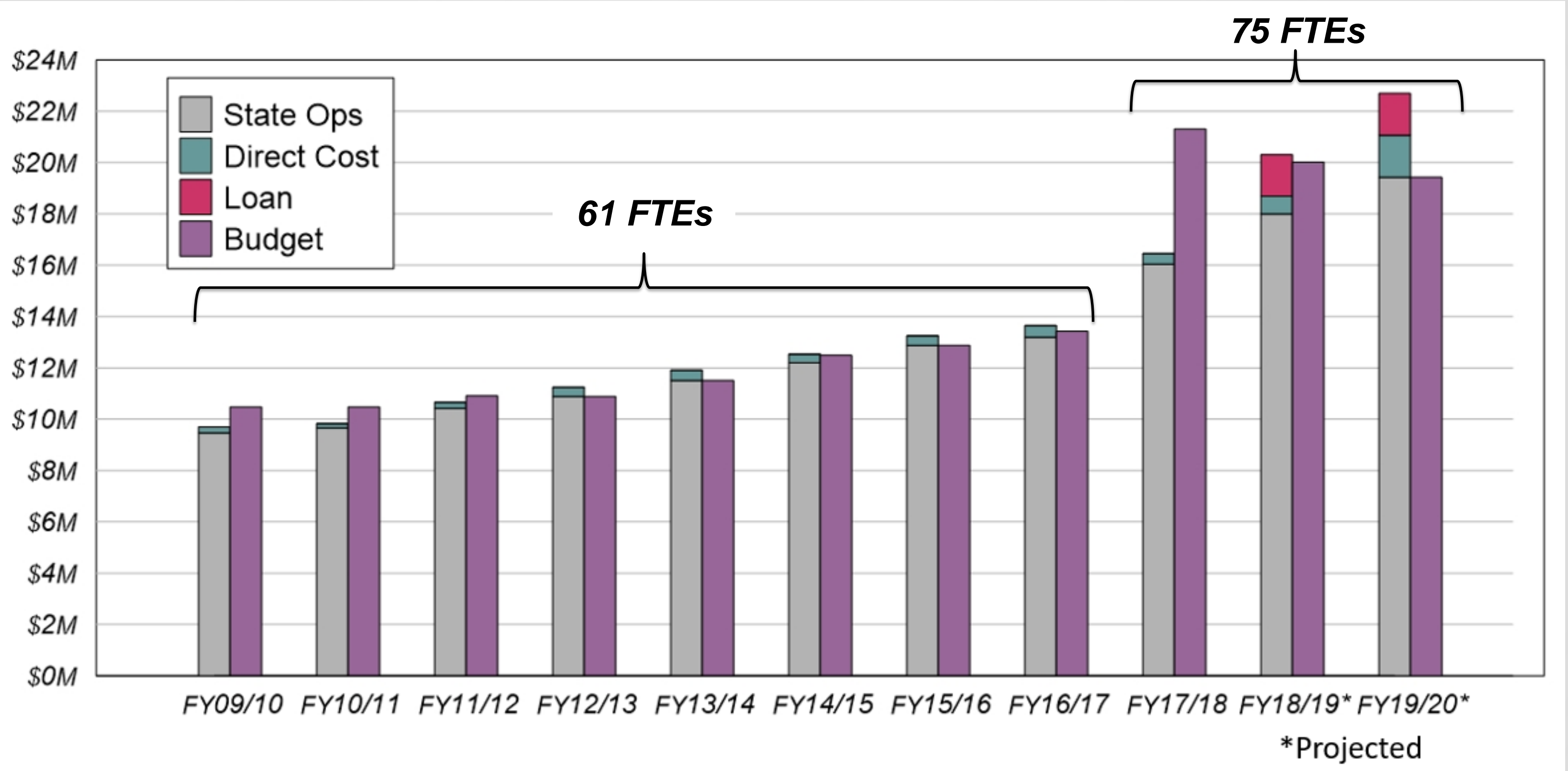


NEW

Dam Safety



Budget and Expenditures - Overview



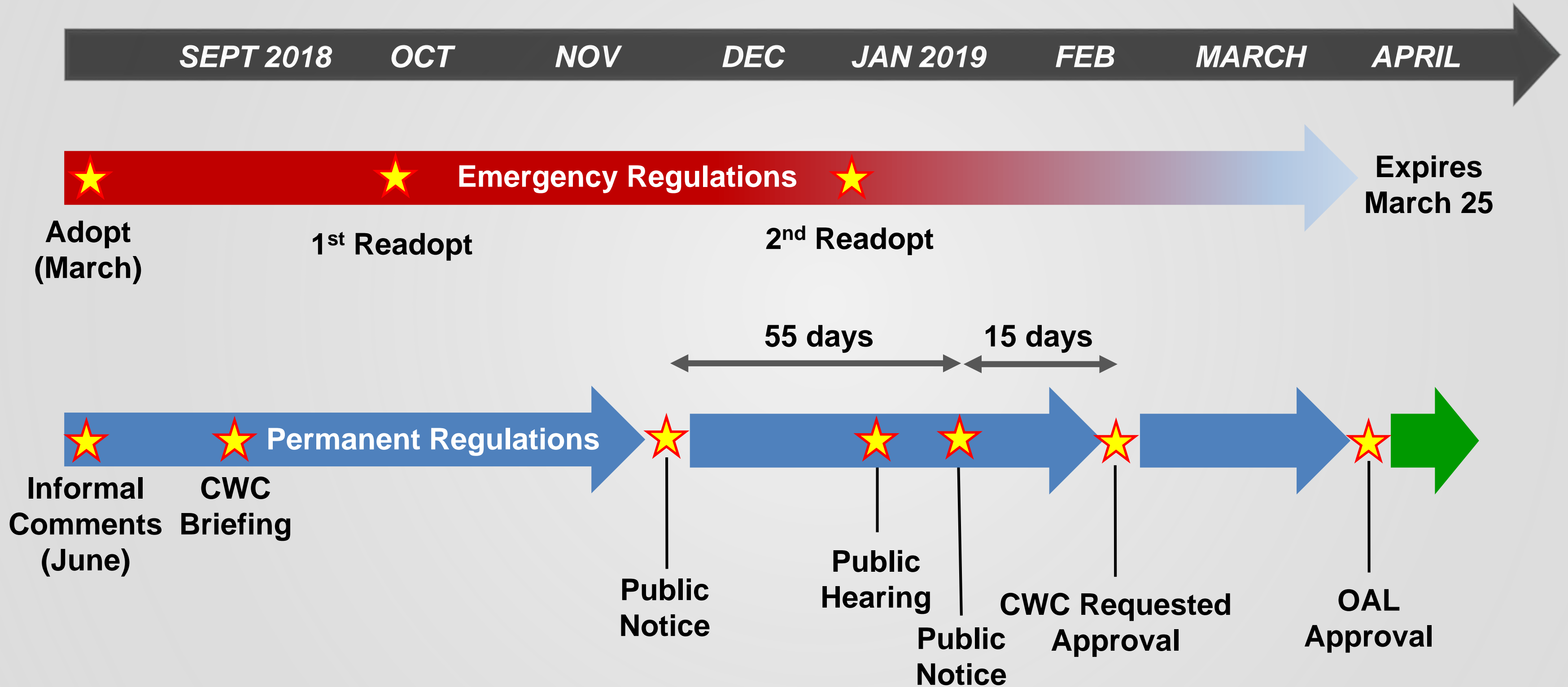
Annual Fee Regulation – SB 92

Senate Bill 92 – Effective June 27, 2017

Water Code §6307 *“The department shall adopt, by regulation, a schedule of fees to cover the department’s reasonable regulatory costs in carrying out the supervision of dam safety, which may include, but is not limited to, the costs of reviewing an inundation map, the amounts necessary to repay budgetary loans, and a prudent reserve.”*



Annual Fee Regulations - Schedule

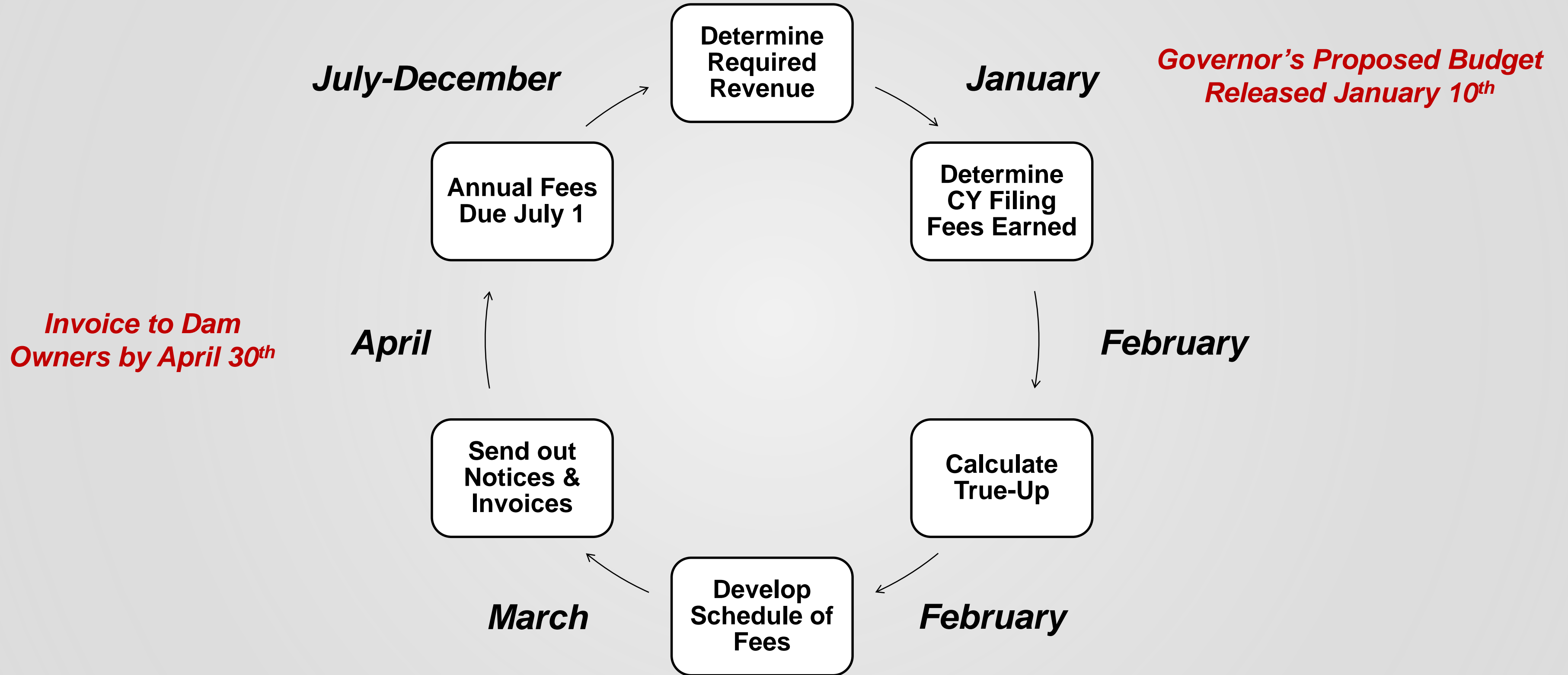


Annual Fees – Overview

- | | |
|-------------------------|---------------------------|
| <i>1. Timing :</i> | <i>Billing Cycle</i> |
| <i>2. Amount:</i> | <i>Annual Fee Revenue</i> |
| <i>2. Formula:</i> | <i>Schedule of Fees</i> |
| <i>3. Distribution:</i> | <i>Rate Structures</i> |



Timing: Billing Cycle



Amount: Annual Fee Revenue

Annual Fee Revenue (AFR) = Required Revenue (RR)
– Filing Fee Revenue (FFR)
+ True-up

AFR (FY19/20) = \$20.9M – \$2.5M + \$0.5M = \$18.9M

RR = \$ Needed to Fund Dam Safety Program

FFR = \$ Collected/Earned from Applications

True-up = \$ Over/under from Past Year



Formula: Schedule of Fee

Fiscal Year 2019/2020 (Existing)

Annual Fee = Administrative Fee + Dam Fee

(5% of Revenue) (95% Revenue)

(Flat Fee) (Dam Rate X Dam Height)

Fiscal Year 2020/2021 and Ongoing (New)

Annual Fee = Administrative Fee + Dam Fee + CAS Fee*

(5% of Revenue) (80% of Revenue) (15% of Revenue)

(Flat Fee) (Dam Rate X Dam Height) (Surcharge on Dam Fee)

* CAS fee – Assessed to dams with spillways or saddle dams meeting § 6002.5 definition of a critical appurtenant structures (CAS). The CAS fee does not apply to dams with a “Low Hazard” classification.



Distribution: Rate Structures

General – Full Rate

Dams that do not qualify for a modified rate

Reduced – 20% of General Rate

Dams storing < 100 acre-feet that are privately owned or ranch/farm dams defined in §6307 of the Water Code

Limited – Administrative Fee of either General or Reduced Rate

Dams determined to be inoperable per §316 or used for special school studies as defined in §6307 of the Water Code



Annual Fee Regulations – Overview

- Annual Fee §315
 - Determination of the Amount
 - Annual Schedule of Fees FY 2019/20
 - Annual Schedule of Fees beginning FY 2020/21 (new)
 - Rate Structures
 - Penalty for Delinquent Payment of Annual Fee
 - Assessment of Fees for Completed New Dams or Enlargements
 - Supplemental Billings
- Inoperative Dams §316

CCR Title 23. Waters. §315 and §316

Comments

55-day public comment period – initial draft

- November 26, 2018 – January 18, 2019
 - Three (3) oral comments at public hearing
 - Seventeen (17) letters or emails received

15-day public comment period – revised draft

- January 24, 2019 – February 8, 2019
 - Eleven (11) letters or emails received



Key Comments Summarized

Comments incorporated into the regulation:

- Concerns regarding supplemental billing (Clarified Text)
- Include a factor other than height in the annual fee (CAS Fee)
- Provide advanced notice of fees and increases (Phased Schedule)

Enhanced owner outreach - addressed outside of regulation:

- Provide advanced notice of fee increases
- Provide information regarding revenue estimates



Key Comments Summarized

Comments considered but no resulting changes:

- Consider other fee parameters: storage, crest length, hazard class, etc.
- Include a dam's outlet works as a CAS based on complexity
- Increase the max number of CAS at a dam from 2 to 3
- Consider a different CAS rate and fee formula (fee per CAS)
- Temporary fee structure allowing for further study



Key Comments Summarized

Comments considered but no resulting changes (cont'd):

- Ability to pay
- Fiscal year budget constraints for July 1 due date for annual fees
- Provide up to a year advanced notice of fees and fee increases
- Public input regarding annual fee process



Modified Regulations – Summary

Modified Formula

- Use current formula for FY 2019/20 (same as Emergency Reg.)
- Use new formula with CAS Fee beginning FY 2020/21

Clarified the following:

- Activities funded by annual fees
- Supplemental billing language
- Inoperative dam language for Limited Rate
- Ambiguous language or terms



Annual Fee Regulation – Overview

Estimated Results of Modification to Annual Fee Formula

<i>Dam Comparisons</i>	<i>General Rate</i>	<i>Reduced Rate</i>
<i>Annual Fee Increase</i>	200	14
<i>No Change</i>	12	2
<i>Annual Fee Reduction</i>	658	360

1,018 of the 1,246 dams will see a reduction in annual fees

<i>Owner Portfolio Comparisons</i>	<i>General Rate</i>	<i>Reduced Rate</i>
<i>Annual Fee Increase</i>	65	16
<i>No Change in Annual Fee</i>	9	2
<i>Annual Fee Reduction</i>	244	293

537 of the 629 dam owners will see a reduction in annual fees

Note: These numbers may change as DSOD works to verify applicable CAS at each dam.



Annual Fee Regulation: Next steps

- CWC approval – February
- OAL approval – April

Marcelino Alcantar

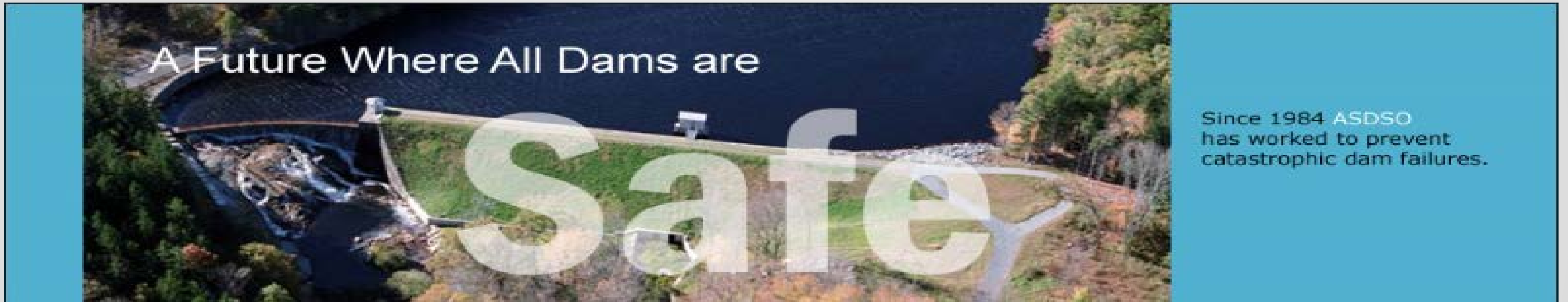
(916) 227-4640

Marcelino.Alcantar@water.ca.gov

DamSafety.water.ca.gov



Thank You



Source: Association of State Dam Safety Officials (ASDSO)

