

Vermont Department of Environmental Conservation*Agency of Natural Resources*

Commissioner's Office

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To: Senator Tim Ashe, Chair, Senate Finance Committee

From: David Mears, Commissioner, Department of Environmental Conservation

Date: April 15, 2015

Re: Department of Environmental Conservation SFY16 Fee Proposal – *Dam Safety Fees*

The Department of Environmental Conservation proposed the following fee increase and new fee as part of the Administration's FY16 Executive Fee Bill proposal. As the proposal moved through House Ways and Means Committee earlier in the session, the fees related to our Dam Safety Program were removed from the FY16 Executive Fee Bill and included in H.37 - *An act relating to the safety and regulation of dams*. Although H.37 continues to move through the House, it is not likely to be taken up by the Senate this session. We are requesting our dam safety fees be moved back into the FY16 Executive Fee Bill. Revenue generated by these fees is critical to supporting our existing program and maintaining the current level of service. In FY15 the Dam Safety Program was supported 74% by General Funds. In FY16 it is estimated that the Program costs will be covered 48% by General Funds. See attached Dam Safety Program funding chart for a more detailed breakdown of funding for the Dam Safety Program.

Program Description

There are 440 dams in the state of Vermont subject to regulation by the Department's Dam Safety Program. These dams are designed to hold more than 500,000 cubic feet of water.

Application for Authorization to Construct or Alter a Dam Fees (Rows 1-2)**Fee Description and Explanation**

Authorization to construct or alter a dam is required for construction, enlarging, raising, lowering, remodeling, and reconstruction.

The current application fee is 0.525 percent of construction cost with a minimum fee of \$200. The proposal is to raise the fee to 1.0 percent of construction cost with a minimum fee of \$1,000 to help defray the cost of application notice, review, and order issuance. It is estimated that approximately six projects per year fall into this category. Dam owners would pay this fee.

Administrative and technical reviews are intensive and time consuming. The proposed project must conform to technical dam safety standards as well as current environmental standards to provide for public safety and environmental protection.

Dam Annual Registration/Operating Fee (Rows 3-5)**Fee Description and Explanation**

The Dam Safety Program conducts inspections to assess the condition of dams. All dams structures designed to hold more than 500,000 cubic feet of water are inspected on a regular basis.

The proposal includes new annual registration fees for dam owners as follows:

Hazard Class:	Proposed Fee:	Target Inspection Frequency:
Low Hazard Dam:	\$200/year	At least once every 5 years
Significant Hazard Dam:	\$350/year	At least once every 3 years
High Hazard Dam:	\$1000/year	Every year

This new registration (year 1)/operating (annually after year 1) fee is intended to generate revenue to ensure we have sufficient resources to maintain the current level of inspections.

Inspections are crucial to determining the condition of dams and identifying the extent, if any, they pose a potential or actual threat to life and property. Dam owners are provided a copy of the inspection report which identifies deficiencies and makes recommendations for improvements. The owner can then make the appropriate repairs, or if necessary, the State can pursue unsafe dam proceedings. Continuing the inspection program is essential for the protection of public safety.