



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

March 27, 2018

The Honorable Chris Christensen
Chairman, House Resources, Recreation and Development Committee
Legislative Office Building, Room 305
Concord, NH 03301

RE: SB 528-FN-LOCAL, An Act relative to dam registration fees and relative to permitting fees for constructing or reconstructing a dam

Dear Chairman Christensen and Members of the Committee:

Thank you for the opportunity to testify on SB 528. This bill would amend RSA 482 to increase the annual dam registration fees and filing fees to cover the cost of inspecting and permitting the construction and reconstruction of dams in New Hampshire. NHDES supports this bill, or in lieu of this bill, an increased budget appropriation.

The major flood events that have occurred in the state over the last several years have highlighted the significance of New Hampshire's dams and the need to ensure their structural and operational integrity to protect public safety and property. The proposed fee increases provide resources to achieve this goal by increasing the annual dam registration fees and permit application fees to cover most of the costs of dam safety inspections and permitting and providing the resources necessary to improve compliance with state dam safety regulations for all dams in the state. Without the proposed fee increases, NHDES will have to seek general funds in the next biennial budget to maintain the inspection schedule for hazardous dams established in the rule.

New Hampshire's Dam Safety Program is responsible for ensuring that all 2,622 regulated dams in the state are constructed, operated and maintained in accordance with dam safety regulations. As part of that responsibility, the NHDES Dam Bureau:

- reviews and approves the plans and specifications for the construction and reconstruction of all dams in the state through its permitting program;
- inspects, on a schedule based on hazard classification, the 838 dams that could cause loss of life or property damage if they were to fail;
- institutes enforcement actions to correct deficiencies identified in the inspections; and
- inspects the downstream areas of the remaining 1,784 non-menace dams to ensure that their hazard classification have not changed because of downstream development.

www.des.nh.gov

29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
(603) 271-3503 • Fax: 271-2867 TDD Access: Relay NH 1-800-735-2964

This work is funded primarily through dam registration and permitting fees with the remainder provided through the general fund. The fees were first introduced in 1990 to reduce the portion of the program funded by the general fund. They were later increased through legislation in 1997 to fund modest program improvements to the dam safety program after the fatal failure of the Meadow Pond Dam in 1996, and were increased to their current levels ten years ago to, again, reduce the portion of the program funded by the general fund.

The fee increases proposed in SB 528 are provided in the tables below:

Table 1 - Annual Dam Registrations Fees

Dam Classification	Current	Proposed
High Hazard	\$1,500	\$2,000
Significant Hazard	\$750	\$1,000
Low Hazard	\$400	\$500
Non-Menace	\$0	\$0

Table 2 -Fees for Permits to Construct/Reconstruct a Dam

Dam Classification	Current	Proposed
High Hazard	\$4,000	\$6,000
Significant Hazard	\$4,000	\$5,000
Low Hazard	\$3,000	\$3,500
Non-Menace	\$2,000	\$2,500

The proposed fee increases are based on the current costs of performing inspections of existing hazardous dams and reviewing and approving plans and specifications for the construction or reconstruction of dams in the state. Table 3 provides the basis for the proposed schedule for the Annual Dam Registration Fees to cover the costs of periodic dam inspections. As shown in Table 3, the costs for a dam inspection range from over \$3,300 to over \$4,300, based on hazard classification. Also, as shown on the table, the annual cost of inspecting DES's requirement of 169 dams each year is over \$681,000, and the current Annual Dam Registration Fees cover only approximately 73% of the costs.

As indicated in Table 3, Low Hazard dams are currently inspected once every six years; thus, an Annual Dam Registration Fee of approximately \$500 for Low Hazard Dams is needed to cover most of the costs of this activity. Similarly, Significant Hazard dams are currently inspected once every four years, and an Annual Dam Registration Fee of approximately \$1,000 is needed to cover the costs of inspection. High Hazard dams are currently inspected

The Honorable Chris Christensen
Chairman, House Resources, Recreation and Development Committee
March 27, 2018
Page 3

once every two years, which justifies an Annual Dam Registration Fee of \$2,000 to cover most of these costs.

Table 4 provides the basis for the proposed schedule of fees to cover the costs of permitting the construction or reconstruction of a dam. As shown on the table, the estimated costs for permitting range from over \$2,500 for Non-Menace dams to over \$9,000 for High Hazard dams. The proposed permit fees would cover approximately 71% of these overall costs.

NHDES recommends that the proposed fee increases come into effect in mid-2019 so that dam owners, including the state, municipalities, village districts and private owners, can budget in advance for them. In lieu of a fee increase, a budget increase to the General Fund would be required.

Thank you again for the opportunity to testify on SB 528. Should you have further questions or need additional information, please feel free to contact either Jim Gallagher, Dam Bureau Administrator, (James.Gallagher@des.nh.gov, 271-1961) or me (Robert.Scott@des.nh.gov, 271-2958).

Sincerely,



Robert R. Scott
Commissioner

cc: Sponsors of SB 528: Sentors Bradley and Feltes; Representatives Danielson, Rosenwald and Spang

TABLE 3 - EFFECT OF FEE SCHEDULE IN FUNDING COSTS OF DAM INSPECTIONS

Hazard Classification	Low	Significant	High	TOTAL
Total Inspection Cost Per Dam (See Table 1A)	\$3,515	\$4,408	\$4,535	
Current Inspection Interval (years)	6	4	2	
Inspection Cost (per year per dam)	\$586	\$1,102	\$2,268	
Number of Annual Inspections (per year)	79	35	55	169
Estimated Total Annual Costs of Inspections	\$277,685	\$154,263	\$249,425	\$681,373
Existing Annual Dam Registration Fee	\$400	\$750	\$1,500	
Number of Dams on Which Fees are Assessed	512	156	117	785
Total Annual Revenue Under Existing Fee Schedule	\$204,800	\$117,000	\$175,500	\$497,300
Balance Under Existing Fee Schedule	(\$72,885)	(\$37,263)	(\$73,925)	(\$184,073)
Proposed Annual Dam Registration Fee	\$500	\$1,000	\$2,000	
Number of Dams on Which Fees are Assessed	512	156	117	785
Total Annual Revenue Under Proposed Fee Schedule	\$256,000	\$156,000	\$234,000	\$646,000
Balance Under Proposed Fee Schedule	(\$21,685)	\$1,738	(\$15,425)	(\$35,373)

TABLE 3A - ESTIMATED COSTS FOR DAM INSPECTIONS

Task	Person-Days for Each Task by Hazard Class		
	Low	Significant	High
Pre-inspection file review	0.50	0.50	0.50
Field inspection	1.00	1.00	1.00
Hydrology & Hydraulics Review	1.00	1.50	1.50
Dam Failure Evaluation	1.00	1.50	1.50
Emergency Action Plan Review	N/A	0.50	0.50
Report Preparation	1.00	1.00	1.00
Supervisory Review	0.50	0.75	1.00
Clerical/administrative processing	0.50	0.50	0.50
Follow-up Inspection	1.00	1.00	1.00
Total person-days spent per hazard classification	6.5	8.25	8.5
Cost (based on \$510/day)	\$3,315	\$4,208	\$4,335
Estimated expenses	\$200	\$200	\$200
Total Inspection Cost per Dam	\$3,515	\$4,408	\$4,535

TABLE 4 - EFFECT OF FEE SCHEDULE IN FUNDING COSTS OF PERMITTING DAMS

Hazard Classification	Non-Menace	Low	Significant	High	TOTAL
Total Permitting Cost Per Dam (See Table 2A)	\$2,750	\$4,790	\$7,468	\$9,253	
Estimated Number of Permit Applications per Year	3	5	2	3	13
Estimated Total Annual Costs of Permitting	\$8,250	\$23,950	\$14,935	\$27,758	\$74,893
Existing Permit Fee	\$2,000	\$3,000	\$4,000	\$4,000	
Total Annual Revenue Under Existing Fee Schedule	\$6,000	\$15,000	\$8,000	\$12,000	\$41,000
Balance Under Existing Fee Schedule	(\$2,250)	(\$8,950)	(\$6,935)	(\$15,758)	(\$33,893)
Proposed Permit Fee Schedule	\$2,500	\$3,500	\$5,000	\$6,000	
Total Annual Revenue Under Proposed Fee Schedule	\$7,500	\$17,500	\$10,000	\$18,000	\$53,000
Balance Under Proposed Fee Schedule	(\$750)	(\$6,450)	(\$4,935)	(\$9,758)	(\$21,893)

**TABLE 4A - ESTIMATED COSTS TO PROCESS APPLICATIONS FOR PERMITS
FOR CONSTRUCTION AND RECONSTRUCTION PROJECTS**

Task	Person-days for Each Task by Hazard Class			
	Non-Menace	Low	Significant	High
Initial review of application package	0.5	0.5	0.5	0.5
Initial engineering review/assessment	0.5	0.75	1	1.5
Site inspection	1	1	1	1
Review of hydrology & hydraulics	0.5	1	1	1
Dam failure analysis	0.5	1	1.5	1.5
Detailed review and consultations with owner engineer	1	1.5	3	4
Final technical review and reporting	0.5	1	1.5	2
Emergency Action Plan review	N/A	N/A	0.5	0.5
Supervisory review	0.25	0.5	1	1.5
Clerical/administrative processing	0.25	0.25	0.25	0.25
Constructions inspections	N/A	1	2	3
Final inspection	N/A	0.5	1	1
Total person-days spent per hazard classification	5	9	14.25	17.75
Cost (based on \$510/day)	\$2,550	\$4,590	\$7,268	\$9,053
Estimated expenses	\$200	\$200	\$200	\$200
Total Permitting Cost Per Dam	\$2,750	\$4,790	\$7,468	\$9,253