

Dam Safety Annual Fees

OWRD is the state agency charged with overseeing the safety of more than 950 dams across the state that are authorized to store water for agriculture, cities, industry, recreation, fisheries, and other purposes. While dams provide benefits, the consequences of failure of a dam can be significant, potentially resulting in loss of life and/or damage to property and infrastructure.

Housed in the Department’s Technical Services Division, the Dam Safety program is the section responsible for carrying out: Dam safety inspections, dam safety engineering analyses, design review and approval for new dams, and modification to existing dams, applying for and administering federal grant funds, emergency planning and response.

In 2009, the Oregon Legislature enacted Senate Bill 788, which authorized the Department to charge an annual fee for dam/reservoir safety support. Dam Safety fees are paid by non-federally regulated dam owners on an annual basis. These dam owners have the responsibility to maintain their structures, so they are not hazardous to life and property. Each dam is evaluated based on the hazard rating of the dam (Table 1).

If the Department does not address this shortfall there will not be adequate resources to support 0.25-0.5 FTE and will need to administratively manage the budget by leaving some positions open as they are vacated, or in some circumstances, cut positions.

Table 1. Dam Safety Fee general characteristics

Fee by Hazard	General Services	Fee Supported Staff	Last Two Increases	Statutory Authority
\$120 (Low)	Dam Safety Program Support	0.95 FTE / 2 positions	2018, 2022	536.050(2)(a)
\$230 (Significant)				
\$790 (High)				

In 2009, the legislature restructured many of the Department’s water right fees and since then the Department has brought forward modifications to the water right transactions and dam safety fee schedule every four years. Currently, the Dam Safety annual fee covers about 25% percent of the entire dam safety budget, including a portion of the salaries of both the State Engineer and Dam Safety Engineer. The fee has also been used to support seismic analysis and hydraulic analysis of dams that were potentially at risk of failure.

In addition to general funds, the program also receives a National Dam Safety Program grant from the Federal Emergency Management Administration (FEMA) to support state dam safety programs and ensure implementation of Dam Safety best practices. On average, the Department receives \$180,000/biennium from FEMA. In addition, the 2021 Infrastructure Investments and Jobs Act added more available funds for the National Dam Safety Program grant; the Department could potentially receive \$365,000/year.

Fees are based on the hazard rating of each dam and are assessed each year. Hazard ratings are established by assessing the extent to which people and property downstream would be affected by a catastrophic failure of the dam. The amount of the fee for each dam is based on the hazard rating as follows:

- \$120 for a Low hazard – if the dam were to fail, loss of life would be unlikely and damage to property would not be extensive

- \$230 for a Significant hazard – if the dam were to fail, loss of life would be unlikely but damage to property would be extensive
- \$790 for a High hazard – if the dam were to fail, loss of human life would be expected

Dam Safety fees support the costs associated with operating the Dam Safety Program each year employing personnel to work with dam owners to protect people, property, and infrastructure below dams. As of the 2023 LAB, Dam Safety fees fund 0.95 Full-Time Equivalents (FTE). In addition to funding the State Engineer, Dam Safety Engineer, and engineering contracts, a portion of the fee goes towards travel related expenses for inspections (Table 2). The Department projects a \$78,000 - \$250,000 shortfall for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.25-0.5 FTE and will need to administratively manage the budget by leaving some positions open as they are vacated, or in some circumstances, cut positions (Table 3).

Table 2. Dam Safety fee supported positions.

Services Division	Permanent Full-Time/Part-Time	Employee Work Title	FTE	% Dam Safety*
Technical	PF	State Engineer, Dam Safety Program Manager	1	45
Technical	PF	Dam Safety Engineer	1	50

*Percentage of position covered by fees is what appears in the Department’s budget. This number shifts depending on other funding sources, including general fund and federal funds.

Table 3. Projected shortfalls and anticipated fee increases needed to cover funding gaps with fees only. Low estimations assume no EFB. Target ending fund balance is 9 months of program expenses.

2025-2029 Projected Shortfall (No EFB – EFB Included)	Projected Position Shortfall	Last Fee Increase	Increase to fill shortfalls with fees only
\$78,000 - \$250,000	0.25 – 0.5 FTE	17.39% (2022)	11%- 36%