

Central Valley Flood Protection Board  
Proposed Regulation for  
Permit and Inspection Fees

**FINAL STATEMENT OF REASONS**

**UPDATE TO THE INITIAL STATEMENT OF REASONS**

There are no additional updates to the Initial Statement of Reasons. As such, there is no material which was relied upon that was not available for public review prior to the close of the public comment period. Information not explicitly required in the Final Statement of Reasons are not included in this document.

**Summary and Response to Comments**

No written comments were received during the comment period, therefore no responses are included in the rulemaking package.

At the November 16, 2018 hearing, Executive Officer Gallagher and Mr. Jit Dua, Board General Counsel, offered additional perspectives and Board Members deliberated and subsequently voted to approve its adoption. Mr. Scott Shapiro, California Central Valley Flood Control Agency General Counsel, expressed the Association's approval for adoption. A transcript of these discussions are included in the rulemaking package.

**REQUIRED DETERMINATIONS, FINDINGS, AND ANALYSES**

**Alternatives to the Regulation**

Although there are several alternatives that CVFPB initially considered to implement the regulation, CVFPB determined that there are no reasonable alternatives considered or brought to our attention which:

- *Would be more effective in carrying out the purpose for which the action is proposed,*
  - The proposed alternative of a flat fee basis for encroachments is the most efficient and reasonable choice for implementing fees for permit and inspection services.
- *Would be as effective and less burdensome to affected private persons than the proposed action,*
  - CVFPB considered an alternative to recover 100% of the costs associated with providing permitting and inspection services. This would require a final accounting of staff time and a billing to applicants after the service is provided. This would be a burden on applicants who need to construct their projects soon after a permit is issued. Applicants would not be able to effectively plan for the anticipated costs as no two projects are exactly alike.
- *Would be more cost-effective to affected private persons and equally effective in implementing the proposed regulation.*
  - A more cost-effective alternative for private persons would be to not implement a permit and inspection fee regulation, however CVFPB is required to develop funding mechanisms to sustain these critical services for flood risk reduction. The proposed fees are within CVFPB's authority under Water Code Section 8535 to collect reasonable fees for these services.

**Mandates on Local Agencies or School Districts**

The regulation does not impose mandates on local agencies or school districts. Fees are assessed on the project type, not the type of applicant.

**Water Code Section 8535 Consideration**

Based on the dataset used as a basis for setting the initial fees in this regulation, the amount charged for permitting, project authorizations, and inspection services do not recover 100% of the costs of those activities. Because each activity can vary in staff time (and hence cost), CVFPB considered it reasonable to set fees at approximately 75% of the costs found in the dataset, with the intent to update fees as additional data warrants it appropriate to do so. CVFPB considers this to be in conformance with Water Code Section 8535.

**Availability of Statements & Documentation**

CVFPB has made available the following documents which can be accessed online at <http://cvfpb.ca.gov/>

- Express Terms
- Initial Statement of Reasons
- Other information upon which the proposed rulemaking is based
- Full text of the regulation subject to substantial changes to the original proposal for at least 15 days prior to agency adoption/repeal/amendment of the resulting regulation.
- Final Statement of Reasons