

Central Valley Flood Protection Board  
Proposed Regulation for  
Regulatory Program Fee Updates

**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 is 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 February 27, 2026 hearing, the following comments were received:

- Central Valley Flood Protection Board (Board) member Keely Bosler acknowledged some flood system improvement projects are funded through bonds and asked whether the fees are going to be subject to administrative funding caps, or are they considered a project cost. Executive Officer Chris Lief answered that the fees are considered a project cost and not subject to caps on administrative costs for a bond-funded project.
- Tom Engler, representing California Central Valley Flood Control Association (Association), expressed appreciation for the support and taking the Association's early comments on the fees into consideration, and stated continued objection to charging fees for work that benefits the flood control system (through Flood System Improvement Project fees). The Board noted the comment, and no changes were generated as a result.

The Board members approved the package as presented for submittal to Department of Finance and the Office of Administrative Law (OAL).

A transcript of the February 27, 2026 hearing discussions is submitted to OAL as part of the final rulemaking package required by the Administrative Procedures Act.

**REQUIRED DETERMINATIONS, FINDINGS, AND ANALYSES**

**Alternatives to the Regulation**

Although there are several fee approaches that Board considered, the Board determined that there are no reasonable alternatives to the new regulations which:

- *Would be more effective in carrying out the purpose for which the action is proposed,*
  - The proposed alternative of fees for the Board's regulatory actions recovers a portion of the costs incurred to provide those services.
- *Would be as effective and less burdensome to affected private persons than the proposed action,*
  - The Board considered an alternative to the proposed fee schedule allowing it to recover 100% of the costs associated with providing the services listed above by

billing applicants based upon actual staff time expended. This would require a final accounting of staff time and billing applicants after the service is provided, likely requiring an additional staff member to fulfill this function, and would be an unnecessary burden on applicants who need to construct their projects soon after a permit is issued. Therefore, the proposed fees are less burdensome than full cost recovery.

- *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 the Board is required to develop funding mechanisms to sustain these critical services for flood risk reduction. The proposed fees are within Board's authority under California Water Code Section 8535 to collect reasonable fees for these services.

### **Mandates on Local Agencies or School Districts**

The regulations do not impose mandates on local agencies or school districts. Fees are assessed based on the work being performed. Local agencies are subject to fees just like every other applicant. In the historical permitting data reviewed, there have been no school districts that have applied for a permit and incurred fees.

### **Water Code Section 8535 Consideration**

The Board's authority for setting and charging fees is found in California Water Code Section 8535, which states:

"Consistent with Section 3 of Article XIII A of the California Constitution, the board, after holding at least one public hearing, may set and charge fees sufficient to cover the reasonable cost for the services it provides in carrying out its duties set forth in Section 8502 and 8534, including, but not limited to, the issuance of and modifications to encroachment permits, inspections and enforcement of encroachments, and management and control of Sacramento and San Joaquin Drainage District property."

Based on the dataset and analysis used as a basis for setting the fees in this regulation, the amount charged for the regulatory services do not recover 100% of the costs of those activities. Because each activity can vary in staff time (and hence cost), the Board considered it reasonable to set fees below the costs estimated by the staff time spent on the subject tasks, with the intent to update fees when the Board deems appropriate based upon the State's Budget Letter, additional data, and approval by the Board.

### **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