



Association of State Dam Safety Officials

**OPTIONS TO IMPROVE
REPRESENTATION OF
NON-STATE VOTING MEMBERS**

AUGUST 2005

ASDSO Committee Report

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Introduction

This is the final report of the Association of State Dam Safety Officials (ASDSO) Committee on “Options to Improve Representation of Non-State Voting Members.”

This project has been more commonly referred to as the ASDSO “Organization Study” but was formally renamed to be consistent with the project tasks outlined in the ASDSO 2002 Strategic Plan. The project was officially initiated in January 2002 by a vote of the ASDSO Board of Directors.

The roots of this project extend at least as far back as the 1999 ASDSO Annual Conference in St. Louis, Missouri. At that conference the state voting representatives were asked to amend the Constitution and By-laws to give a voting seat on the Board of Directors to the Affiliate Member Advisory Committee (AMAC). That amendment was defeated. The issue of a non-state representative vote surfaced again in the fall of 2001 in the draft of the ASDSO 2002 Strategic Plan. The draft plan contained the action step of establishing two non-state representative seats on the Board of Directors. That action step was replaced by the Board of Directors with the following: “Action step 1.6.2, evaluate and develop options to improve representation for members who are non-state voting members. This will be accomplished through the formation of a committee which shall include members from all membership categories”.

Past Board meeting discussions over whether non-state voting representatives should be given organizational voting privileges have been contentious, and divisive. Those discussions have also occupied a significant amount of the Board of Directors’ time, perhaps disproportionately so. The intent of this project is to dispassionately daylight the issues connected to improving representation of non-state representatives, voting rights among those issues, and to provide a series of recommendations from which the Board may select to request a vote by the 50 state voting representatives to amend the Constitution and By-laws to improve representation of the non-state voting representatives. Past constitutional amendment proposals have focused on extending voting seats on the Board of Directors to AMAC. This project had a broader scope in that it considered measures in addition to voting rights to improve representation of all non-voting members, not just members of AMAC.

For background, and to link this report to previous constitutional amendment and organizational change proposals, the following list of concerns, have been voiced for giving voting rights to non-state representatives is provided. *The reader should understand that many of the arguments may lack basis in fact.*

For:

1. More involvement of the entire membership.
2. Release existing organizational stress through reorganization.
3. Follow natural organizational evolution by maintaining alignment of the membership and the mission in these changing times.
4. Add new energy, thoughts and perspectives to ASDSO leadership by expanding the executive candidate pool.
5. Maintain non-profit organization intent by engaging full membership.
6. Acknowledge contributions of all members.
7. Improve lobbying effectiveness.
8. Address potential unearned business income tax concerns.

Against:

1. Potential conflicts of interest will result from giving voting rights to non-state representatives.
2. Loss of state perspective (voice) in dam safety engineering and issues.
3. Prevent erosion of State regulatory authority.
4. Organizational purity is desired for federal and political business relationships.
5. Avoid relaxation of technical standards.
6. ASDSO is "The State" organization.
7. Assumption that a change could compromise tax-exempt status.

The committee is making a recommendation to the Board of Directors as outlined in the Executive Summary and Chapter IX, Findings and Recommendations. The Board can adopt the recommendation of the committee, select from the other alternatives listed in Chapter VIII, Alternatives for ASDSO, or fashion its own alternative if any for modifying the organizational structure and/or improving membership representation. After deciding on which action to take the Board will take its proposal to the state representatives for a vote if required. Not all membership representation improvement measures will require Constitution and By-Law amendments and a state representative vote.

Finally, it is the hope of this committee that once action is taken on this report and this issue, the issue will not be revisited for another 5 to 10 years. During the past many years deliberations over who should vote and who should not vote have siphoned valuable energy away from more pressing dam safety issues. It is our hope that once decisions are made, the membership will accept and support the outcome and then collectively move on.

Executive Summary

This section is a brief synopsis of the work performed by the committee and the recommendation of the committee to the Board of Directors. If the Board wishes to consider actions alternative to the committee recommendation reference can be made to Chapter VIII for the full list of alternatives considered by the committee. The Board may of course consider an alternative of its own design.

The work of the committee consisted of two major components. One was to conduct a membership survey of approximately 100 members from all membership categories for the primary purpose of engaging the membership in a dialogue in order to take a pulse with regard to their view of ASDSO and whether representation changes would add to or detract from ASDSO. The respondent sampling was not scientifically selected and the survey results were not rigorously analyzed. The intent of the survey was to allow the committee members an opportunity to develop an intuition of the memberships' understanding, perception and satisfaction of the existing organization and desire for the future of ASDSO.

The second effort of the committee was to research issues connected to membership representation. Among those issues were: mission and membership compatibility, ASDSO impacts on state dam safety programs, comparisons with similar organizations, and non-profit tax-exempt issue. The results of that research are written up in this report and weighed heavily in the committee's recommendations.

As stated in the final chapter of this report almost all of our work concluded that some change in the Non-state Voting Member representation is warranted. The committee found that almost all aspects of the organization have changed, many of those changes being dependant on and coming as a result of the work of Non-state Voting Members. Our recommendation is that the composition of the Board of Directors be changed by replacing one State-representative in each region with one Non-state Representative. No change is suggested for the 50 member State-representative group.

The rationale for this recommendation is contained in the body of this report and summarized in the Findings and Recommendations chapter.

ASDSO Mission With Respect To Membership

Introduction

The stated mission, goals and objectives of ASDSO have evolved over the last twenty years from a focus on state dam safety regulatory programs to a broader focus on dam safety.

Chartering Objectives – 1984

The original constitution of the association, approved in July 1984, listed the following objectives:

1. To provide a forum for the exchange of ideas and experiences in State Dam Safety Programs and Issues.
2. To foster interstate cooperation.
3. To provide information and assistance to State Dam Safety Programs.
4. To provide representation of state interests before Congress and federal agencies responsible for Dam Safety.
5. To improve efficiency and effectiveness of State Dam Safety Programs.

These objectives were clearly focused on state programs and building and fostering the capability and effectiveness of state programs.

Stated Purpose in 1991 Articles of Incorporation

In 1991, the association was incorporated and the articles of incorporation listed the following as purposes of the corporation:

1. To further the advancement of dam safety engineering, in order to enhance the health and safety of the public through research, education, action, and services.
2. To provide information, education and support to the public through public and private agencies and organizations regarding dam safety and dam safety engineering.
3. To promote and improve educational standards for dam safety engineers and other professionals and non-professionals working in the field of dam safety and dam safety engineering through scholarships, seminars, workshops, conferences, and other education-related activities.

4. To improve the quality of work performed by dam safety engineers and others working in the field of dam safety and dam safety engineering through education, seminars, workshops, conferences and other education-related activities.
5. To lend support to those working in the field of dam safety and dam safety engineering.
6. To promote cooperation between the various different types of professionals and non-professionals who work in the field of dam safety and dam safety engineering and related fields.
7. To promote policies on a local, state, and federal level that will insure increased quality standards for dams, and dam safety regulations.

These purposes show a clear shift away from a singular focus on state regulatory programs to a broader focus on dam safety in general. The purposes are very clear in including reference to a broad definition of those working in the dam safety field. They no longer explicitly referred to state dam safety programs.

Strategic Business Plan – 2001

The current mission and vision of the association approved in 2001 continues the progression from a state program focus to the broader safety-of-dams focus that is inclusive of the entire dam safety community. The association is now looking at the currently approved vision and mission to examine whether the organization has continued to evolve.

Vision:

To lead the U.S. dam safety community with a strong unified voice and effective programs and policies toward the furtherance of dam safety.

Mission:

The failure of dams can cause great destruction and loss of life. It is ASDSO's mission to advance and improve the safety of dams by supporting the dam safety community through the following:

- Goal 1: Improving the efficiency and effectiveness of state dam safety programs.
- Goal 2: Bringing dam safety to a higher level of awareness among the general public, state and federal legislatures, specific organizations and other stakeholders.
- Goal 3: Providing leadership through facilitation of inter-organizational, intergovernmental and interstate cooperation.

- Goal 4: Strengthening the dam safety community and providing a forum for the exchange of information.
- Goal 5: Providing representation of dam safety interests before state legislatures and before Congress.
- Goal 6: Providing quality outreach programs for dam owners/operators, members and non-members, about the need to maintain safe dams.
- Goal 7: Managing the association effectively through internal policies and procedures.

Comparison of Past and Present Mission

The mission and vision of the association has grown beyond the original purpose. When it began, ASDSO was concerned with concentrating the voice of the states on dam safety matters and making state programs as strong as possible. The original objectives of the association all dealt specifically with state dam safety programs. The association best served those original objectives with exclusive control with the states. Since then, the leaders of ASDSO have recognized that other members of the dam safety community play a vital role in assuring the safety of dams and the current vision and mission reflect that knowledge. As described below, the current mission cannot be accomplished without the support of the entire dam safety community.

- Goal 2 relies on affiliates to raise awareness among state and federal legislators, and on all membership categories to raise awareness with the general public.
- Goal 3 requires a strong commitment and involvement in the organization from associate members in the federal government and from associate and affiliate members involved in related organizations.
- Goal 4 specifically calls for the involvement of all members of the dam safety community – all membership categories.
- Goal 5 relies heavily on affiliate members to contact state and federal representatives.
- Goal 6 specifically reaches out to all members of the dam safety community and cannot be accomplished without the strong commitment and involvement of all membership categories.

In addition, there are many specific examples of involvement and reliance on associate and affiliate members in the objectives of the association's strategic plan. Because of the association's heavy reliance on all membership categories to achieve the mission, the current organizational structure is outdated and must be reevaluated.

The membership of the association has grown tremendously among the associate and affiliate categories, yet these members do not have a direct or representative voice in the leadership of the association. The following chart depicts the current membership categories and numbers.

Member Type	Total Members
Voting	48
Associate	898
Affiliate Companies	194
Affiliate Company Employees	505
Affiliate Individuals	422
Students	8
Honorary	10
Senior	58
Sustaining	21
Total	2164

As these numbers show, the large majority of the members are in the nonvoting categories.

Finding and Recommendation

All of the organizational responsibility within ASDSO lies with the fixed number of voting members. Under the existing organizational structure, the number of members in this category cannot grow. The mission of the association has broadened and grown and it has stretched beyond the ability of this fixed block of members as evidenced by the expanded role for associate and affiliate members in the current mission, goals and strategic plan. If ASDSO hopes to continue to grow and achieve its expanded mission it will have to utilize the associate and affiliate members even further in the future. The organizational structure should be changed to permit this expanded role and recognize the already vital contribution of these members.

ASDSO Impacts on State Programs

Introduction

One of the original objectives for establishing ASDSO was to strengthen state dam safety programs as documented in Chapter 3. Over time the organization's vision, mission and goals have maintained that objective but also grown to encompass a much broader spectrum of dam safety goals and objectives. Concerns have been expressed that alteration of the organizational structure could negatively impact state dam safety programs. This chapter will examine the benefits that the current organization provides to state dam safety programs and will offer an opinion as to whether organizational changes could impact those benefits.

Background

ASDSO's current mission is to advance and improve the safety of dams by supporting the dam safety community. The organization works to achieve this mission through the following goals:

- Goal 1: Improving the efficiency and effectiveness of state dam safety programs.
- Goal 2: Bringing dam safety to a higher level of awareness among the general public, state and federal legislatures, specific organizations and other stakeholders.
- Goal 3: Providing leadership through facilitation of inter-organizational, intergovernmental and interstate cooperation.
- Goal 4: Strengthening the dam safety community and providing a forum for the exchange of information.
- Goal 5: Providing representation of dam safety interests before state legislatures and before Congress.
- Goal 6: Providing quality outreach programs for dam owners/operators, members and non-members, about the need to maintain safe dams.
- Goal 7: Managing the association effectively through internal policies and procedures.

The efforts associated with attaining these goals, and in particular Goal 1, have direct positive benefits to the state programs. Discussion with several current and past state representatives resulted in consistent responses that the most positive impacts of ASDSO are networking opportunities, sharing of common experiences, education and training, legislative support, and funding.

Networking Opportunities

ASDSO provides numerous ways for state personnel, as well as all members, to network and share common experiences including the following:

Public Awareness

ASDSO tracks media interests in dams and dam safety and maintains a database and clip files of pertinent news stories. The On-Line Bibliography references news reports relevant to dam safety. Free for use by members is the ASDSO Public Awareness PowerPoint presentation entitled, *Dam Safety: A National Concern*.

The Electronic Newsletter

Members receive a monthly electronic newsletter from ASDSO. These newsletters are archived and available to members at the Members Only, Online Resources section.

The Journal of Dam Safety

The quarterly *Journal of Dam Safety* highlights technical issues of note and summarized news items for those who do not receive the electronic newsletter. Members receive this journal as part of their membership.

The Website

The ASDSO website continues to expand and educate people around the world. The new Forum section has continued to gain use and acceptance within the dam safety community. The searchable bibliography and training calendar are a valuable piece of ASDSO's Resource Center. The on-line meetings registration feature allows individuals to register for ASDSO conferences and technical seminars on the web then receive instant confirmation of their registration via email.

On-Line Discussion Forums

Anyone can join a discussion forum to keep up with issues of concern or even ask a question to hear what others in the dam safety community have to say.

Outreach

ASDSO continues its development of grass-roots communication with the dam safety community by partnering with state organizations and cultivating sub-groups within the four ASDSO Regions. Currently two groups work closely with ASDSO in the Northeast region and Ohio.

Education and Training

ASDSO hosts a series of conferences and technical training meetings & workshops throughout the year that provide valuable educational and professional development opportunities for ASDSO members and all professionals interested in dam safety.

ASDSO Annual Conference

A 4-day national conference and exhibit show with over 70 presentations on all aspects of dam safety engineering. The conference attracts hundreds of participants from all US states and several foreign countries.

ASDSO Regional Conferences

Three of the four ASDSO Regions hold conferences of their own, either annually or biennially. Topics focus on regional issues of importance to dam safety officials and other professionals in the region.

ASDSO Regional Technical Seminars

The newly renovated Regional Technical Seminar Program offers participants in-depth study in specific topics. The ASDSO Program of Study guides what topics are chosen and presented in each of the four ASDSO Regions.

ASDSO Dam Owner Education Program

ASDSO offers a one-day workshop geared specifically to dam owner education. Experienced dam safety professionals conduct the workshops.

ASDSO's Training Program is part of and receives funding from FEMA's National Dam Safety Program. Under this program there is a three-tiered approach: 1) National Training, which includes seminars of interest on a national level including FEMA's training at its Emmetsburg, Maryland facility, 2) Regional Training, through ASDSO's Technical Seminar Program, which focuses on regional issues and needs, and 3) local training focusing specifically on the needs of the state dam safety programs and operating through ASDSO's State Training Grant Program.

Legislative Support

ASDSO supports state programs through a variety of legislative activities. These activities are directed toward both state and federal governments. ASDSO's 2005 Priority Legislative Issues include:

- Supporting state programs when requested.
- Obtaining full appropriations for the National Dam Safety Program at FEMA.
- Obtaining full appropriations to continue the success of the USDA Small Watershed Dam Rehabilitation Program.
- Obtaining full appropriations for updating and maintaining the Army Corps of Engineers' National Inventory of Dams Program.
- Passage of a Dam Rehabilitation Funding bill.
- Reauthorization of the National Dam Safety Program, which expires in 2006.
- Creation of a state dam safety regulatory program in Alabama (the one state remaining with no dam safety legislation on the books).

Funding

Through FEMA's National Dam Safety Program Assistance Grants, states have received approximately \$15 million over the five years that the program has been in existence. State Dam Safety Programs receive these grants directly from FEMA and are able to supplement state budgets to hire personnel, buy needed equipment for dam inspections and office use, perform needed analyses, such as dam failure flood inundation mapping and many other enhancements to the regulatory programs. Following is a partial list of accomplishments achieved with State Assistance Funds:

- Dam safety-related training for state personnel and training in the field for dam owners to conduct annual maintenance reviews.
- Purchase of equipment, including state-of-the-art computer systems and software; new equipment to aid in engineering analysis; video inspection cameras to inspect conduits through dams; laptop computers for use in the field to complete inspection reports and other correspondence; surveying equipment; a four-wheel drive vehicle on which to mount a survey unit; and a TV-VCR to review conduit inspection videos.
- Revision of state maintenance and operation guidelines.

- Increase in the number of dam inspections.
- Increase in the submittal of EAP's.
- Increase in the turnaround time on the review and issuance of permits.
- Improved coordination with state emergency preparedness officials.
- The testing of EAP procedures through actual simulations of dam failures.
- Construction of a maintenance base yard.
- Use of helicopters to reach some remote dams for inspections, and to reduce travel time to other dams for inspections.
- Improvements to dam inventory databases.
- Improved telecommunications.
- Identification of dams to be repaired or removed.
- Dam safety awareness workshops.
- Creation of dam safety videos and outreach materials.
- Development of a public relations plan and a dam safety newsletter.

Peer Review Program

To improve dam safety programs and to elevate the level of dam safety practice, the ASDSO created the Peer Review Program. Since 1990, ASDSO has completed more than 20 state and organization peer reviews. Two states have gone through this beneficial process twice.

The ASDSO Peer Review Program committee members evaluate the agency / organization mission, objectives, policies and procedures. Next, the team examines the compliance with those policies and procedures. The program is reviewed in relation to the standards of dam safety. When the review is complete, the ASDSO Peer Review Program team provides a confidential report of the findings to the agency engineer or director. The process can both validate agency/organization decisions and point the way to improvements.

Here are some comments:

"I recommend every state have a peer review. It is worth the preparation time. The reviews were excellent."

"The entire visit was a tremendous help, not only in rethinking how our unit operates, but it gave an excellent opportunity to express our concerns for dam safety to management."

"This was like a 'booster shot' in the arm of dam safety with added weight coming from ASDSO peer review."

"It enabled agency management to make changes and become 'energized' to dam safety."

"It resulted in a greater commitment from the agency director."

Conclusions and Recommendations

The initiatives described above all result in benefits to the state programs. They also provide benefit to all the members of ASDSO. In the context of this report, would a change in the organizational structure of ASDSO adversely affect these initiatives and the benefits derived by the state programs?

The various networking, education and training opportunities are administered by the capable staff in Lexington and are not currently affected by the organizational structure, therefore would not be affected by a change in structure. There is a perception that the ability to provide legislative support may be compromised if the structure changes. However, affiliate and associate members perform much of the legislative activity already. This perception seems unfounded. The funding through FEMA's National Dam Safety Program Assistance Grants is sent directly to each state. It is not administered by ASDSO and is not affected by the organizational structure. A change in structure would not affect the funding program. The Peer Review program is performed by affiliate, associate and state members and is considered a great success and value to those programs that have been reviewed. Once again, a change in structure would not affect the Peer Review program.

In summary, the many programs and initiatives sponsored by ASDSO in support of the stated mission and goals provide tremendous benefits to the state dam safety programs as well as all members. ASDSO as an organization has had a positive impact and directly strengthened most if not all, state programs. ASDSO has achieved this through funding, communication, education, and raising awareness and stature of dam safety. There is no evidence that a change in organizational structure will result in a change to these initiatives, or adversely affect state dam safety programs.

Comparison with Other Organizations

Introduction:

The purpose of this Chapter is to provide comparisons with other non-profit organizations to determine how their members participate in planning, organizing and voting.

The evaluation focused on organizations engaged in activities that primarily serve the greater public need but also serve the needs of their members and provide a forum for their professional development, education and shared expertise in their respective endeavors.

Four organizations were chosen; Association of State Flood Plain Managers, Lake and Reservoir Management Association, American Water Works Association and the National Hydropower Association. These non profit organizations have similar organizational structures, membership types and dues structures but they provide insightful differences worth considering when evaluating ASDSO's potential options in membership structure and dues. All of these organizations have been successful for many years.

Association of State Flood Plain Managers (ASFPM)

Membership: < 700

Organizational Purpose:

"...Promote the common interest of flood damage abatement, enhance cooperation among various local, state and federal agencies, to encourage and ensure new and innovative approaches to managing the nation's floodplains..."

Types of Membership and Voting Rights:

- Individual member who either pays voting membership dues or is elected as an honorary member by the Board of Directors.
- To be considered a "state member" the person must be employed at least 50% of the time in an agency of the state, territory or the District of Columbia. Only state members may serve as constitutional delegates or officers of the Association.
- State members from each state shall elect one state member to serve as the constitutional delegate for that state. The Constitution may only be amended by a vote of the constitutional delegates.

All members shall have the right to vote on all matters of the Association, including the election of officers and directors, except for those matters reserved by the constitutional delegates.

Officers and Board of Directors:

- Chair, Vice Chair, Secretary, and Treasurer elected annually from state members for no more than two consecutive years.
- Board of Directors includes Officers, 5 to 10 regional directors and 1 to 10 chapter directors --- any individual voting member may serve as a director.

Lake and Reservoir Management Association (LRMA)

Membership: < 1500

Organizational Purpose:

“...Promote understanding and comprehensive management of the lakes, reservoirs and their watersheds...”

Types of Membership and Voting Rights:

All members have equal voting privileges

- Individual.
- Organizations – not for profit groups, organizations, or public agencies such as lake homeowners associations, municipalities, conservation organizations etc.
- Student – full-time high school or university students.
- Contributor – individuals, organizations or corporations which contribute more dues than required under the appropriate membership category.

Payment of dues entitles all categories of membership one vote on all association matters. An organization is entitled to only one vote.

Officers and Board of Directors:

President, President-Elect, Past President, Treasurer, Secretary and 5 Directors --- any individual voting member in good standing may serve as a director and are elected by individual memberships of the Association.

American Water Works Association (AWWA)

Membership: > 4,000

Organizational Purpose:

“...Non profit organization that promotes the water industry to maintain and improve water quality and the delivery of water to the public...”

Types of Membership and Voting Rights:

Two Categories – Corporate and Association Members

Corporate: Generally a non-profit Corporation

Association Members: Individual Members

- Active member such as a water utility employee.
- Student members – enrolled in one or more accredited classes.
- Life members – a member who has been one for 30 years or more.
- Honorary members – individual whose knowledge and accomplishments in the field of water supply entitle him/her to special recognition.
- Operations/Administrative member – individual employed as an operator or administrator.
- Several other minor categories.

Only Association Members are qualified to vote. General voting is done only at the local chapter level and at each level of the hierarchy above. Voting above the local level is usually done with concurrence with majority of individual members at that level.

Officers and Board of Directors:

President, President-Elect, Past President, Treasurer, and Chair of each Council – the selection is by bylaws of each section. There are numerous committees and councils with varying levels of power in this area.

Note: The organization is layered by several management levels which are expected with a very large member organization.

National Hydropower Association (NHA)

Membership: < 175

Organizational Purpose:

“...Promote hydro electric generation of power ...” Organizations primary focus is lobbying congress, support of members in the federal licensing process, education and general promotion of hydropower as a clean renewable energy source.

Types of Membership and Voting Rights:

- Individual.
- Independent power producers - private (voting privilege).
- Municipal or other non profits power producers - (voting privilege).
- Student - primarily university students.
- Consultant/Vendor – individuals, organizations or corporations which normally are active in the industry of producing power.

There are no direct individual voting privileges except at the Board level. Board candidates are selected by current and past Board Members. Once a slate is developed, primary members (designees of NHA member companies) vote on the individuals.

Officers and Board of Directors:

President, President-Elect, All Past Presidents, Treasurer, Secretary and 8 other Board Members – Board members are asked to serve by the standing Board Members. By-laws establish that there should be mix of Board members from the two types of power producers. Other types of members are asked to be on the Advisory (non-voting) Board Members.

Comparison of these Organizations with ASDSO

Each of these organizations is unique but do have some similarities such as:

- Are non profit formed to develop and improve their particular agenda.
- Allow some participation from all levels of their membership.
- Have directors, boards and officers which provide guidance to the organization.

- These organizations are all successful in providing a public venue for their goals.

There are differences in the organizations such as:

The Lake and Reservoir Management and Association of State Flood Plain Managers allow voting by all of its members in good standing while National Hydropower Association and American Water Works Association allow only limited voting by its general members.

Vendors Consultants and Contributors are allowed to vote in only the Lake Reservoir Management Association. The others organizations seem to disallow this participation.

AWWA does allow vendors and consultants to vote on technical committee matters, however, the committee membership is controlled by the owner members.

Conclusions

The two organizations that appear to be most similar to the ASDSO organization are Lake and Reservoir Management Association and Association of State Flood Managers. A direct comparison with ASDSO yields the following conclusions:

1. They are similar in size. It seems that organizations greater than 4000 and less than 200 have similar needs and subsequently similarly structured.
2. Each of these organizations has state by state representation similar to ASDSO. The most significant difference between ASDSO and these two organizations is that they allow voting by virtually all of its membership except the “student category”. There are limitations, generally through by-laws, placed on selective memberships to limit their “power”.
3. These organizations are being guided by mostly state and local officials that are committed to common goals and requirements driven by public regulation and law.

While in summary it appears that these organizations provide broader voting representation to the entirety of their membership, there is no finding that leads to the conclusion that ASDSO should necessarily change its voting structure.

Non-Profit Tax Exempt Status

Incorporation and Confirmation of Tax-Exempt Status

Over the course of the past several years the preservation and protection of ASDSO's tax exempt status has been a peripheral point of discussion in the overall issue of membership representation. In researching the implications that membership representation might have on ASDSO's tax exempt status, the following seem to be the most obvious concerns: organization representation for associate members, Board of Director's composition, and income from associate member dues and maintaining an associate membership for the primary purpose of generating revenue. A brief history of the establishment of ASDSO's tax exempt status and the relationship of the above stated concerns to that status will be addressed in this section of the report.

On August 10, 1992, ASDSO was granted 501(c)(3) status as a charitable, educational organization by the IRS.

In addition to the original determination of ASDSO qualifying as a tax exempt non-profit organization, the determination was reaffirmed by an IRS 2002 audit.

The Association of State Dam Safety Officials filed articles of incorporation to form a nonstock, nonprofit corporation in the State of Kentucky under the laws of the Commonwealth of Kentucky, KRS 273.161 – 273.400, on November 15, 1991. The organization purposes were stated in the articles as follows:

1. To further the advancement of dam safety engineering, in order to enhance the health and safety of the public through research, education, action and services.
2. To provide information, education and support to the public through public and private agencies and organizations regarding dam safety and dam safety engineering.
3. To promote and improve educational standards for dam safety engineers and other professionals and non-professionals working in the field of dam safety and dam safety engineering through scholarships, seminars, workshops, conferences, and other education-related activities.
4. To improve the quality of work performed by dam safety engineers and others working in the field of dam safety and dam safety engineering through education, seminars, workshops, conferences, and other education-related activities.
5. To lend support to those working in the field of dam safety and dam safety engineering.

6. To promote cooperation between the various different types of professionals and non-professionals who work in the field of dam safety and dam safety engineering and related fields.
7. To promote policies on a local, State, and federal level that will insure increased quality standards for dams and dam safety regulations.
8. This corporation is organized exclusively for charitable, religious, educational, and scientific purposes as interpreted under Section 501(c)(3) of the Internal Revenue Code, and any purpose set out hereinabove deemed inconsistent with Section 501(c)(3) shall be declared void.

The articles were recorded on November 25, 1991 by Donald W. Blevins, Fayette County Clerk, Kentucky. The ASDSO non-profit tax exempt status was confirmed in an August 10, 1992 letter in which the IRS informed ASDSO that they found ASDSO exempt according to Section 501(c)(3) of the IRS Code.

Definitions

The following definitions ¹, will be useful for understanding the rest of the material in this section.

Section 11. Members

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“A corporation may have one or more classes of members. If the corporation has one or more classes of members, the designation of such class or classes, the manner of election or appointment and the qualifications and rights of the members of each class shall be set forth in the articles of incorporation or the bylaws.”

Section 15. Voting

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“The right of members, or any class or classes of members, to vote may be limited, enlarged or denied to the extent specified in the articles of incorporation or the by-laws.”

Section 17. Board of Directors

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“The affairs of a corporation shall be managed by a board of directors. Directors need not be residents of this State or members of the corporation unless the articles of incorporation or the by-laws so require. The articles of incorporation or the by-laws may prescript other qualifications for directors.”

¹ Committee on Corporate Laws of the American Bar Association, “Model Nonprofit Corporation Act”, American Law Institute-American Bar Association, 1964.

“The number of directors of a corporation shall not be less than three. Subject to such limitation, the number of directors shall be fixed by the by-laws, except as to the number of the first board of directors which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the by-laws, unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment of the articles of incorporation. No decrease in number shall have the effect of shortening the term of any incumbent director. In the absence of a by-law fixing the number of directors, the number shall be the same as that stated in the articles of incorporation.

The directors constituting the first board of directors shall be named in the articles of incorporation and shall hold office until the first annual election of directors or for such other period as may be specified in the articles of incorporation or the bylaws. Thereafter, directors shall be elected or appointed in the manner and for the terms provided in the articles of incorporation or the by-laws. In the absence of a provision fixing the term of office, the term of office of a director shall be one year.

Directors may be divided into classes and the terms of office of the several classes need not be uniform. Each director shall hold office for the term which he is elected or appointed and until his successor shall have been elected or appointed and qualified.

Membership Representation and Voting Privileges

The composition of the Board of Directors does not appear to be an issue that in and of itself would be heavily considered by the IRS in its determination of ASDSO's tax exempt status. Membership representation is an issue more closely related to the business income raised by all classes of members in the organization and will be discussed in the subsequent section, but voting representation on the Board of Directors does not appear to be of fundamental concern. The following excerpt² briefly discusses the issues of members, voting, and Board of Directors for non-profit organizations.

“Representation on the Board of Directors or as a general voting member is not required to achieve tax-exempt status and could only threaten that status if it could be judged that associate membership exists for the primary purpose of producing unrelated business income or to provide benefits to associate members at very favorable rates.”

²Committee on Corporate Laws of the American Bar Association, “Model Nonprofit Corporation Act”, American Law Institute-American Bar Association, 1964.

Neither condition has been judged to currently exist in ASDSO. If the structure of ASDSO remains unchanged the following advice³ for protecting tax-exempt status should be considered by the voting members: “Associations wishing to minimize their potential tax liability in this area (membership dues) should consider taking steps, and documenting such steps, to demonstrate how the associate member category has been formed or availed of for the principal purpose of furthering the organization’s tax-exempt purposes.”

³ Tenenbaum, Jeffrey S., “Association Tax Compliance Guide”, American Society of Association Executives, 2002.

Unrelated Business Income and Membership Benefits

The most important consideration in evaluating Associate Membership representation and the threat that non-representation poses to ASDSO's tax-exempt status centers around the concern that the associate membership is maintained for the primary purpose of raising funds, through associate membership dues, for the organization.

If it were ever determined that the associate membership is maintained for revenue generation purposes, then associate dues would be taxable. In 1995 the IRS issued the following guidance: "If an associate member category (defined as members who are accorded less than full or no voting privileges in voting for the directors of the organization) has been formed or availed for the principal purpose of producing unrelated business income then dues from associate members will be taxed." (Ref 2). A first step in examining this question is to compare the revenue from membership dues to the ASDSO budget.

The current operating budget and dues breakdowns are as follows:

Approximate Annual Budget

Operating Budget	870,000
Pass-throughs	<u>550,000</u>
Total	1,420,000

Dues

48	State Voting Members	18,800
898	Associates	32,585
194	Companies	56,610
505	Company Employees	19,430
422	Individuals	30,690
8	Students	160
58	Seniors	1,710
21	Sustaining	<u>57,300</u>
		217,285

The above numbers demonstrate that the total membership dues constitute a substantial part but much less than a majority of the ASDSO budget. It can be concluded that no portion of the membership has therefore been formed or availed for the principal purpose of producing unrelated business income.

If, however, at some point in the future circumstances change and membership dues constitute a more significant portion of the ASDSO budget and the primary purpose for having an associate membership is for their financial contribution from dues

then those dues would be subject to income tax. That taxable amount would at present be as much as \$139,000. If the dues structure were increased to more fully support the association then the taxable dues total would be significantly increased.

Another point of concern related to associate member representation and the potential threat to tax-exempt status is the possibility that the primary motivation for associate members to belong to the organization is to receive organizational benefits at a less than competitive rate. If that were the case then the organization would be judged to exist for other than the primary purpose for which it was given tax-exempt status under section 503(c)(3). Since ASDSO offers no benefits at reduced rates, such as life insurance policies, it can be safely concluded that no member, associate, or otherwise belongs for the purpose of receiving cheap benefits.

Red Flags and Tips to Reduce Tax Risk

The following two subsections are excerpted from Reference 2:

Red Flags:

If an association has any of the following red flags, its risk of being taxed on its associate member dues income may be increased. However, these red flags are by no means determinative; the presence of one or more of them by no means guarantees the taxation of associate member dues. But if an association's concern about such taxation outweighs the benefits that flow from having these factors present, it may want to consider their elimination.

- Associate members are treated in a materially different manner from regular members.
- The association provides "identifiable economic benefits" to associate members that do not relate to the association's tax-exempt purposes.
- Associate members do not have "full participation" in the association or right to participate in its "organizational direction," evidenced by the fact that they do not have "meaningful, substantial" voting rights and/or may not hold significant office(s) in the association's elected bodies.
- Associate member solicitation materials predominantly tout access and exposure to potential clients/customers (i.e., the association's "regular" members) or valuable services such as an insurance program.
- There exists a lack of "significant, documented" participation by associate members in the tax-exempt functions of the association (e.g., educational programs, conventions, etc.).

- A high percentage of associate members choose to take advantage of unrelated benefits, or membership survey results exist which point out unrelated benefits as a major motivation for associate members in joining the association.
- Associate member dues are proportionately tied to one or more unrelated benefits (e.g., dues tied to advertising space in association publications).
- Unrelated benefits provided to associate members (e.g., insurance programs) are competitively priced in comparison to market rates for that product or service.
- Associate members pay higher dues than regular members yet receive fewer rights in and benefits from the association.

Tips to Reduce Tax Risk:

As noted above, none of these red flags, in and of themselves, should result in the taxation of associate member dues. However, associations wishing to minimize their potential tax liability in this area should consider taking steps, and documenting such steps, to demonstrate how the associate member category has been “formed or availed of for the principal purpose of furthering the organization’s tax-exempt purposes.”

Regarding specifically what types of factors would reflect the requisite level of associate member involvement in an association’s tax-exempt activities, common examples would include:

- Involvement by associate members in the association’s lobbying activities;
- Meaningful voting rights and board representation;
- Meaningful participation in the committee process or other governance and policy-making structures; and
- Consistent attendance at and participation in educational conferences, seminars, and other activities that support the association’s tax-exempt purposes.

Again, contemporaneous documentation (a paper trail) of such participation will be essential to satisfying the IRS.

Associations wishing to minimize their potential tax liability in this area also should take two other important steps:

- Review and, if necessary, revise the solicitation materials used to attract associate members to ensure that they reflect a role for associate members in helping to further the organization’s tax-exempt purposes, rather than simply touting associate members’ access to unrelated benefits (e.g., access and

exposure to the association's regular members, various affinity products such as credit cards, hotel, and car rental discounts, and low-rate long-distance telephone service); and

- Examine and, if necessary, broaden the association's stated tax-exempt purposes—as reflected in articles of incorporation, bylaws, and IRS filings—to ensure that they encompass a role for associate members in significantly furthering one or more of those purposes.

Any IRS examination will scrutinize all of these documents.

In summary, the more associate members look like regular members in terms of rights, benefits, and obligations in the association, the more likely the IRS would find that the principal purpose of having associate members is to further the organization's tax-exempt purposes, thereby ensuring continued tax-free treatment of associate member dues income.

Conclusions and Recommendations

1. At this point in time it can be concluded that no changes with respect to the associate membership are required to maintain ASDSO's tax-exempt status. Recommendations 2 through 4 will be of assistance as the organization plans and moves into the future:
2. If the dues structure of ASDSO is altered such that it can be determined that the primary purpose for maintaining associate members is for financial support, then the voting structure of ASDSO should be changed to include associate members. The risk of not doing so is having to pay income tax on revenue from associate member dues.
3. ASDSO should take steps and maintain documentation to demonstrate that associate members exist for the principal purpose of furthering the organization's tax exempt purposes. Inclusion in governance and policy-making structures, participation in committees, participation in conferences and seminars, and involvement in lobbying activities are a few examples of such steps.
4. Associate members should be treated in a materially similar manner to regular members.

References

1. Committee on Corporate Laws of the American Bar Association, "Model Nonprofit Corporation Act", American Law Institute-American Bar Association, 1964.

2. Tenenbaum, Jeffrey S., "Association Tax Compliance Guide", American Society of Association Executives, 2002.

Survey Results

In performing the work for this project the committee thought it important that a survey of the members be conducted, primarily because while there is an abundance of work by the committee, it was always considered a possibility that the work performed by the committee could represent a minority view of the ASDSO membership. To assist us in centering our findings we thought it would be helpful to obtain input from members that were not party to the committee discussions and would thus be free of any group direction that might have resulted from that interaction.

The survey was not scientifically designed, conducted or evaluated. It consisted of a series of questions focused on the five broad areas of organizational: function, composition, effectiveness, representation preference, and respondents perception of the composition and direction of the organization. The form used to conduct the survey is included in the appendix of this report.

A short summary of the survey is that the leading issues in the minds of respondents are federal funding, general dam safety, training and networking and funding for dam rehabilitation. Almost all respondents thought ASDSO did a good job of recognizing and addressing the above issues and suggested that additional training, federal funding and continued lobbying are future key issues.

Almost all considered ASDSO a technical and politically influential organization that is beneficial to dam safety and state dam safety programs. The response became more evenly divided as respondents expressed their perceptions of the organization. About 65 percent perceived ASDSO as a State Officials organization and 70 percent of those thought it was an important perception, this implies that 45 percent of respondents think it is important to maintain ASDSO as a State Officials organization. On the other end of the question of perception, 58 percent thought the organization would be positively affected by having more non-state representation.

With regard to organizational composition and voting representation for non-state representatives the responses remained nearly evenly split. Half of the respondents thought that non-state representative members should have a vote and half did not. The most popular suggestion was that non-state representatives be given voting representation at the Board of Directors level, while 75 percent thought that no change should be made to the 50 member State-Representative body.

The concluding general comments spanned the range of issues that have been in-play over the course of the organizational change discussions. The survey substantiated that the membership is nearly evenly split over whether anyone other than State-Representatives should have a vote.

Conclusion

The survey results indicate that the respondents were split nearly evenly over giving a vote to non-state representative members. The preference was strongly expressed that if a vote is given to non-state representatives it should be at the Board of Directors level and that the 50 member State Representatively structure, one-vote for one-state, should not be altered.

Alternatives Representation Schemes

Introduction

With over 2000 members and a voting body of only 50 State Representatives, a Board of Directors of 12 and an Executive Committee of 5, the hierarchal structure of ASDSO is a classical pyramid, or more specifically, an exaggerated parabolic pyramid, wide at the bottom, thin at the top. Even with the Lexington staff providing unyielding support, the work load, responsibility and power is concentrated at the top. This simple, authoritarian, structure has served the organization well in its formative and growing years when simplicity and stability were paramount. As the size, scale and scope of the organization has expanded, the work load of the chosen few leaders has become sizable, if not unmanageable. With a limited pool of potential leaders and workers, ASDSO risks stagnation, fragmentation, and perhaps burnout.

Efforts have been made to bring an Affiliate representative to the Board and/or have an Associate Member at large sit on the Board, but these efforts to broaden the hierarchy were struck down for fear of dilution of power, purpose and political position. Our tax exempt status was questioned as was our ability to distribute FEMA funds or lobby federal and state representatives with members from the private sector on our Board. The dilution of our name and the original intent of the founding fathers to focus on State Dam Safety Officials was questioned, especially from the fiercely independent southern and western states. The paradigm shift was postponed.

This Organizational Committee was therefore formed; 1) to review the original purpose and intent of ASDSO, 2) to investigate other similar organizational features of similar organizations, 3) to survey the members as to what their future vision of ASDSO is and 4) to study the possible repercussions and make recommendations on the potential for change. One option considered is an equally distributed structure of responsibility similar to the three legged stool or a triangular truss with equal legs represented by; the current voting State Representatives, the Associates branch and the Affiliate branch. This structure provides balance and strength and offsets the stress and strains put on the organization or on each leg. The structure also provides the checks and balances that the three legs of our government supply through the Executive, Legislative and Judicial branches. No, single leg can wield all the power or shoulder all the load. Not every leg would necessarily have voting or veto power but would have full participation in all activities and functions. The number of representative Affiliates and Associates is debatable, from a token seat on the Board of Directors or Executive Board to an equal number of partners as the current voting members. This might prove unwieldy but a uneven legged stool is more stable than the single leg we now stand on.

Another structure considered was a flatter structure, similar to the United Nations, with full participation or representation of all members in different groups like

the General Assembly, with a smaller, powerful voting board, similar to the Security Council having the final veto power for any decisions or referendums. This would encourage full participation and representation of all members and still leave the power in the hands of the Representative State Dam Safety Officials or a heterogeneous board. Other structures considered involved a further flattening of the organization with different representative boards for Affiliates and State Associates as well as representatives from Dam Owners, Academia, and Federal employee members reporting to the main umbrella board, possibly comprised only of voting State representatives. This would give the most members a participative 'buy in' to the organization.

Different versions of this Republic structure were considered such as a Senate, with one-state-one-vote representation and a House with representatives from states apportioned according to population, number of members or number of dams. Regional representation was considered by empowering the Regions with officers and representatives on the Board. Full democracy was also suggested with one vote per member and this idea was extrapolated to its natural limits with a consideration of an electronic democracy with voting, on some issues, over the Internet by all members.

The structure could also be simplified greatly by combining the Executive Board and the Board of Directors with only a few elected, perhaps compensated, representatives from each of the one, two or three branches. There could be limited or token representation from the Affiliates and Associates, enough to give them a 'seat at the table'. They would then be able to communicate their needs and feel as they were a part of the organization without having enough voting power to override the controlling majority of State representatives.

There could be too many redundant layers of authority in the existing structure that could be made more efficient through consolidation. Also an important consideration is how the paid director fits into the organization. The director can contribute as a lateral support for the Executives and Board, or in a more assertive and equivalent position on the Executive Committee. Every current Board member has a full time job and life away from ASDSO that they must balance with the needs and interests of this organization. Most do so willingly and generously at this point but we wonder about how much can be expected in the future as this organization grows more involved and complicated.

Of course we can work opportunistically within our existing structure and more fully recognize the individual needs and abilities of the different components of the organization. With ASDSO at the helm, for example, the Affiliates could be responsible for running the National Annual Convention and Regional Seminars. Associates, especially our Federal partners, could be in charge of Training and Research. Dam owners could be involved in our lobbying efforts to fund actual dam repairs. This is somewhat how the system works now but it should be formalized and emphasized.

Infinite variations on these themes exist but will not be expounded upon here. The modern management trend, and typical democratic temptation, is to flatten the ruling hierarchy and empower the members, giving everyone more say in decisions and involvement in the organization. If the organization wants to be the leader in Dam Safety in the United States, it must broaden the scope of its leadership to give all aspects 'buy in' to the organization and to keep them from fracturing into separate splinter groups. The risk in this is losing the original intent of the organization by diluting the influence of the State Representatives. It has been surmised that if ASDSO evolved too much away from its original intent, it would be reinvented again in its old form out of necessity. If ASDSO did not exist in its current form, we would be compelled to create it.

Issues

It is evident that ASDSO was originally created by the States and for the States. Due to the ambition and competence of the entire organization the scope expanded, attracting a very sizable and diverse membership from the entire dam safety community. Affiliate members, attracted by the success and influence of the organization, now number well over 1000 and make up more than half of the membership. Associate members from State and other governmental agencies also number slightly over 1000 and make up more than 45% of the organization. Voting State members number approximately 50 and comprise less than only 3% of the organization.

As the membership grew, its needs and desires redefined the Mission Statement of the organization. The official Mission evolved from a strictly State orientation to a desire to become the national leader in dam safety. The natural metamorphosis of the Mission Statement is symptomatic of the true direction desired by the Board, Membership and Staff. Unfortunately the structure of the organization has not kept pace with the evolution of the Mission. The danger is that if the organizational structure does not complement the Mission and the composition of the membership, the organization could stagnate, lose members to more relevant and germane organizations, consolidate, and possibly implode. The inability to overcome our natural, inertial resistance to change could prove fatal.

The Dam Safety industry has been defined more by our failures than by our successes. Legislation, funding and attention has come typically after significant dam failures such as the St Francis and Baldwin Hills dams in California, Kelly Barnes in Georgia, Buffalo Creek in West Virginia and the Teton Dam failure in Idaho. Our State and national programs were largely created and funded during the "15 minutes of fame" following a dam failure disaster. The cycle of reactive regulation begins after these failures with strong regulation and proper funding. As problems are solved and the public attention wanes, funding and regulation become lax, until the next disaster. As much as we try to pro-actively maintain our collective regulatory momentum, by aligning with trendy programs targeted at Mitigation, Infrastructure or Security, we inevitably fall behind in the cycle.

Federal funding, initially through the Army Corps of Engineers and more recently through FEMA has been very important to State Dam Safety Programs and has helped us more pro-actively start, fix and maintain our State programs. This federal money has also been very important to ASDSO in the funding of its many programs involved with training, research, inventory and dam performance. ASDSO has also provided a valuable service by acting as a conduit for Federal money to flow to State programs. This money has undoubtedly had an influence on both the State programs and the ASDSO organization and has affected the direction and abilities of both. It is almost universally agreed that we should maintain our tax exempt status and keep the Federal support strong. Future ambition to obtain Federal money to help repair and retrofit deficient State regulated dams will continue to foster the symbiotic partnership between all parties. We are all working to insure that it does not take another dam disaster to spur us to this next level.

ASDSO is in the unique position to affect both the regulatory cycles and funding scenarios for the future of State Programs. Not only can they continue to help fix State programs, they can potentially help fix State regulated dams. Interest and influence, like water, flows towards money. The ASDSO membership will likewise be affected by the flow of money in and around the organization and will continue to grow and diversify. The question is whether the current structure can accommodate that change or will it be a hindrance to it.

Alternatives

The Alternatives considered by The Organizational Committee can be broken down into five basic categories;

1. Status Quo or Do Nothing Option

This would keep the current organization structure and operation but would subject ASDSO to the repercussions of having an organization and structure out of balance with the composition of its membership and Mission Statement. At the very least the Mission Statement should be realigned to complement the desires of the governing Boards to remain strictly and simply a State Dam Safety Organization and not focus on being the leading Dam Safety Organization in the nation.

2. Change in Structure and Voting Method

This would attempt to either consolidate the decisionmaking to a chosen few or, more likely, spread the influence out to the membership, allowing other entities besides the State Voting members a seat at the table, either as a voice or a vote. Survey results, research and numerous discussions bare out the facts that almost all members want involvement, if not influence in the organization. Opening up Board positions to Affiliates and Associates would be the best way to accomplish this while keeping the 50 seat State Representative intact.

3. Non Voting Participatory Encouragement

This would establish and encourage more participation by members in Committees, Work Groups, Technical subdivisions and spur organizations that would tap the talent and enegeries of all members. This option is almost universally accepted by the Board, members and staff as a necessary way of spreading out the work load. Leadership positions on these groups should be open to all who participate and accountability to the Board should be required. This appears to be the 'win - win' solution, the low hanging fruit, with easy implementation and instant results.

4. Regional Redefinition

This would affect membership participation and representation at the Regional level with a combination of technical and organizational chores stemming from a represented Regional hierarchy. The Regions currently function as geographical subdivisions with no formal voice or leadership role. Stronger regional representation to the Board could provide more accountability and communication.

5. Increased Delegation to Lexington Staff

This would encourage and focus more interaction from the Lexington Staff with all members through more distributed responsibilities, assignments and communication using polls, voting, newsletters, web pages, e-mail. More involvement by all members could redistribute the work load of the staff from networking and membership to policy, politics and partnering.

Recommendations

The research, survey and numerous discussions by the Organizational Committee lead us to recommend the following:

1. Restructure the Regions from an amorphous geographical classification with redundant duties into a representative body with elected leadership, representation and participation by Affiliates and Associates alike. Regional representation is also recommended to the Board for improved communication and accountability.
2. Institute discussion and legislation to provide at least one Board position for the Affiliates and Associates each and perhaps from each of the Regions.
3. Continue to open up committees, work groups and technical branches to all members for participation and leadership roles. Encourage leadership and participation at every level. Provide travel funds and other incentives for participation.

Findings and Recommendations

This report has examined the existing ASDSO organizational structure and voting representation with respect to the ASDSO missions: past and present, the ASDSO impacts on state dam safety programs, similar professional organizations, and compliance with tax-exempt status. We conducted a limited survey to obtain member input on the effectiveness and benefits of the organization and to sample their preferences for organizational composition and finally, contemplated potential alternative organization and voting structures, compared to the existing. This work was done as stated in the introduction to examine: Options to Improve Representation of Non-State Voting Members”.

The findings from the issues considered are compiled as follows:

A. ASDSO Mission with respect to Membership

All of the organizational responsibility within ASDSO lies with the fixed number of voting members. Under the existing organizational structure, the number of members in this category cannot grow. The mission of the association has broadened and grown and it has stretched beyond the ability of this fixed block of members as evidenced by the expanded role for associate and affiliate members in the current mission, goals and strategic plan. If ASDSO hopes to continue to grow and achieve its expanded mission it will have to utilize the associate and affiliate members even further in the future. The organizational structure must be changed to permit this expanded role and recognize the already vital contribution of the members.

B. ASDSO Impacts on State Programs

The many programs and initiatives sponsored by ASDSO in support of the stated mission and goals provide tremendous benefits to the state dam safety programs as well as all members. ASDSO as an organization has had a positive impact and directly strengthened most if not all, state programs. ASDSO has achieved this through funding, communication, education, and raising awareness and stature of dam safety. There is no evidence that a change in organizational structure will result in a change to these initiatives, or adversely affect state dam safety programs.

C. Comparison with other Organizations

The ASDSO voting structure was compared to those of the Association of State Flood Plain Managers, the Lake and Reservoir Management Association, the American Water Works Association, and the National Hydropower Association.

Two of these organizations; the Lake and Reservoir Management Association and the Association of State Floodplain Managers, were most similar to ASDSO. While these organizations typically provided broader membership voting representation, no comparison resulted in the conclusion that ASDSO should necessarily change its voting structure. The following conclusions were made:

1. They are similar in size. It seems that organizations greater than 4000 and less than 200 have similar needs and subsequently similarly structured.
2. Each of these organizations has state by state representation similar to ASDSO. The most significant difference between ASDSO and these two organizations is that they allow voting by virtually all of its membership except the “student category”. There are limitations, generally through by-laws, placed on selective memberships to limit their “power”.
3. These organizations are being guided by mostly state and local officials that are committed to common goals and requirements driven by public regulation and law.

D. Tax-Exemption Status and Unearned Business Income Tax Implications

1. At this point in time it can be concluded that no changes with respect to the associate membership are required to maintain ASDSO’s tax-exempt status.
2. If the dues structure of ASDSO is altered such that it can be determined that the primary purpose for maintaining associate members is for financial support, then the voting structure of ASDSO should be changed to include associate members. The risk of not doing so is having to pay income tax on revenue from associate member dues.
3. ASDSO should take steps and maintain documentation to demonstrate that associate members exist for the principal purpose of furthering the organization’s tax-exempt purposes. Inclusion in governance and policy – making structures, participation in committees, participation in conferences and seminars, and involvement in lobbying activities are a few examples of such steps.
4. Associate members should be treated in a materially similar manner to regular members.

E. Survey Results

The survey results indicate that the respondents were split nearly evenly over giving a vote to non-state representative members. The preference was strongly

expressed that if a vote is given to non-state representatives it should be at the Board of Directors level and the 50 member State Representative structure, one-vote for one-state should not be altered.

F. Alternative Representation Schemes

This section was based less on data, more on contemplation than the others, thus requires some preface to a list of the findings. Within the section keeping status quo was considered as were extreme wholesale changes. In the end a set of recommendations were made, but even those recommended actions spanned a range of possibilities. It is the desire of this committee to be as clear as possible in communicating the results of this work to the Board so the following recommendations have been distilled from the range presented in the section.

1. Restructure the Regions from an amorphous geographical classification with redundant duties into a representative body with elected leadership, representation and participation by Affiliates and Associates alike. Regional representation is also recommended to the Board for improved communication and accountability.
2. Institute discussion and legislation to provide at least a Board position for the Affiliates and Associates each and perhaps from each of the Regions.
3. Open up committees, work groups and technical branches to all members for participation at every level. Provide travel funds and other incentives for participation.

Analysis of Findings

Almost every aspect of this project led to the conclusion that some change in Non-state Voting Member representation is warranted. The exception was that of the results of the member survey where it appeared there was a nearly even split between those that favor change and those that do not. The reasons for supporting change are that the mission of the organization has changed and is now supported by a large and diverse membership, State Dam Safety Programs have been strengthened under the support of the same membership, the organizations concerns for its tax-exempt status and for paying unearned business income tax would be addressed through a more even representation of the entire membership, and the future health of the organization likely depends on a restructuring that will keep the entire membership enthusiastically engaged.

Most of the opposition seems to come from the point of view "if it ain't broke, don't fix it" and that a dilution of the present State-representative only voting structure will diminish the organizations purity of mission in the eyes of federal partners and

legislators at all levels. Yet, there is an equal and opposite opinion that more diverse representation will demonstrate a much stronger advocacy and lobby to those same stakeholders. Neither of these positions can be proven.

Concluding Recommendation

The notion that comes the closest to characterizing the collective opinion of the committee is that ASDSO has experienced change over the past 25 years and that in keeping with that change representation of non-state voting members should also be modified. In terms of voting representation the non-state voting members currently have no vote. The recommendation of this committee is to include one non-state representative in each of the four regions that serve on the Board of Directors. It is recommended that the total number of Board members not be enlarged to accommodate this change. This change will provide more diversity to the Board, expand the pool from which Board members may be selected and perhaps most importantly open up roles of leadership to many of our most productive members who in the past have been ineligible for those positions. This change should invigorate and strengthen our Board of Directors.

No change is suggested to the current 50 state-representative voting membership. The control of the constitution and by-laws will thus remain solely with State Dam Safety Officials.

Appendix A

Survey Information

ASDSO Organizational Survey Form

General

Yes No No Opinion

1. What are your most important dam safety Issues?
2. How effectively is ASDSO a) recognizing, and b) taking action on those issues?
3. What recommendations do you have for ASDSO to Better address your issues?

Function

1. Do you consider ASDSO a technical organization?
2. Do you consider ASDSO a politically influential organization?
3. Do you think ASDSO has been beneficial to State dam safety programs? How?
4. Do you think ASDSO has improved the quality of dams and Dam safety nationwide? How?
5. Do you support ASDSO making political contacts at the state and federal level?

6. ASDSO coordinates work with the federal government (FEMA, FERC, USACE, USBR, etc.). Do you think this is important work? Yes No No Opinion
7. What do you consider to be the most important function of ASDSO?

Perception

1. Do you think ASDSO is generally perceived As an organization composed f and for state Dam safety officials?
2. Do you think this perception is important? Why?
3. Do you think the organization would be affected positively if non-state representatives were given more representation?
4. In what form could this representation be achieved?

Composition

1. Are you familiar with ASDSO and the composition of the Membership?
2. Do you think it is important that only state Representatives hold voting positions in ASDSO? Why?
3. Do you think the non-voting membership is as influential as The voting membership?

- | | | |
|----|---|--|
| 4. | Do you think non-state representatives should be given voting Positions, either on the Board, or in the general membership? | <u>Yes</u> <u>No</u> <u>No Opinion</u> |
| 5. | Do you support having affiliate and associate members in Non-voting leadership roles? | |

Effectiveness

1. Have you ever been involved in ASDSO Activities?
2. Was the contact by the public or private sector?
3. Were you positively impressed by the contact?
4. Are you aware of any work or projects done by ASDSO?
Were the projects completed by state representatives,
Affiliate members, others?
5. Were you positively impressed with the quality of the work?

Preference

1. Would you like to see a change in the organizational voting Structure of ASDSO?
2. What number of non-state representatives should be added To the Board of Directors?

3. What number of non-state representatives should be added to the 50 member state voting representatives?

Yes No No Opinion

4. Would you like to allow associate members that work in State dam safety programs to be eligible to serve as voting Members (Board of Directors or State Reps)?

5. Are there non-voting related organization changes that you would suggest for ASDSO?

ASDSO Organizational Survey Results

After performing 25+14 +17+11=67 telephone surveys from a scripted format, of a wide cross section of the ASDSO membership, these are the results;

GENERAL

The most pressing dam safety issues listed were

Federal Funding 7+3=10
General Dam Safety 7+2+1=10
Training/Networking 4+3+2+6=11
State Forum 2
Standards 3
Security 2+1=3
Seismic 2
Owners Workshops
Failure Mode 1 +1=2
Global risk 1+1=2
Hydro
Peer review
Program Staffing 3
Aging Concrete
O&M 5
Funding Rehab 5+5=10
Construction Inspections
Public Awareness 3
Tight Budgets 4
Unified National Policy/Consistency
Improving the Quality of Data 2
Compliance and Enforcement 2
Distribution of Workload

Almost all thought ASDSO did a good job recognizing and addressing these issues and submitted these suggestions;

More Training 7+4=11
Federal Funding 3+3+2=8
Broader Scope 3+1=4
Standards 3
Owner input 2+1=3
Proactive Change 1+2=3
Technical working groups 1+1=2
Scope is too broad

Peer Reviews 1+3=4
 Owner workshops 1+2=3
 Failure Mode
 More O&M Pubs.
 Update 1994 Cost Study
 Focus on Small Owner/Dam Issues
 Continue Lobbying on the Federal Level 4+2=6
 Push the small dam funding report
 Provide a database with information on other state's activities
 Assistance with grant funds – uses, notification, deadlines, etc.
 Stop trying to be all things to all people
 Work with the COE on improving NID 2

FUNCTION

Almost all response considered ASDSO a technical (96%) and politically influential (94%) organization and (80%) think it has been beneficial to dam safety and state programs, improving dams nationwide (98%). Almost 100% supported political contacts and coordination with federal agencies. Almost half the response considers training and networking of state officials 12+ (+10) (+4) +7=33 to be the most important function of ASDSO followed by;

Lead state programs 4+1+1+2=8
 Federal Funding 4+1+1+3=9
 Lobbying 1+1+1=3
 New Ideas 1+1+3=5
 General Dam Safety leadership 1+3+1=5
 Resource Clearing House
 Unification of the states/speaking with one voice 2
 Peer Reviews
 Sharing of information among states 2
 Technical Support/Training

PERCEPTION

63%, said ASDSO is perceived as an organization for State Officials and 70% of those thought this was an important perception. 58% thought the organization would be affected positively with more non-state representation with this representation achieved by empowering;

Affiliates/Feds 10
 Associates 3
 All members 2 +2=4
 Chairmanships 3 +1=4

Development of Regulations
Local Chapters
Vote on Board 2 +2+4=8
Committees 1
Non-voting 1

COMPOSITION

All but five responses were familiar with the composition of the ASDSO membership and 47% did not think it important that only state representatives could vote but 52% thought voting members were more influential. Almost 50% of those surveyed supported at least a token voting representation from the other aspects of the organization, mostly at the Board level. Almost all of the respondents favored Affiliates and Associates in non voting leadership roles and found this the best way to get more people involved in the organization.

EFFECTIVENESS

Almost everyone has been involved with ASDSO in some capacity with public contacts outnumbering private contacts 3 to 1. Everyone is positively impressed with the organization, its membership and staff and sees it as the lead dam safety organization in the country.

PREFERENCE

43% respondents would like to see a change in the organizational voting structure of ASDSO with 1-2 positions added to the Board of Directors but with 75% favoring no change to the fifty member State Representative body. Most favor giving a Board seat to a representative from the Affiliates and one to the Feds or the Associates with emphasis on Associate involvement since it is our largest member category. Responses were split whether this should be a voting seat or just a seat at the table for discussion. Most responses favored keeping the state focus and leadership of the organization with more non-voting worker involvement in the organization and at least a token vote from the other members on important issues with involvement by all members on committees.

GENERAL COMMENTS

Response opinions ranged from a consolidation of power and responsibility on the Board, to full voting powers for all members. Comments heard most involved fostering cooperation and participation with our federal brethren, other Associates, Affiliates and with the dam owners while keeping the original 'one state - one vote' focus to the

organization. The idea of technical work groups (“don’t call them committees”) was popular to encourage involvement as was the owner’s workshops and peer reviews. Many respondents enjoyed the training and networking opportunities and wanted more. Everyone expressed the importance of federal funding to the organization and a desire to continue our good relations with FEMA and all our brother organizations. Are we over extending ourselves? Should we get back to basics (helping state programs)? Affiliates want to be more active, even without voting representation. There should be a distinction between governing and contributing.

- Try to phase in any organizational changes to avoid weakening the organization.
- The original founding members were concerned with having control and it was personality driven.
- Open up the committee chair/membership.
- Reach out to affected people downstream of dams.
- Involve multi-discipline – attorneys, politicians, owners, and geologists.
- Have a smaller board with only one member from each region.
- The educational component needs to reach the owners. Maybe ASDSO could create a shell of a newsletter (twice per year) and states could add in an article or two and send it out to owners.

Most suggestions for Board expansion involved enlarging the Board 10 – 25% with other voting members