

HB 2145 STAFF MEASURE SUMMARY

House Committee On Water

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/18, 3/23, 4/1

WHAT THE MEASURE DOES:

Prohibits Water Resources Commission (Commission) from enforcing general or special standards related to construction, alteration, repair, abandonment, or conversion of a well against licensed well constructor later than the following: three years after date that well constructor files well log with Water Resources Department (Department), if Department observed placement of the seal, reviews log, and records determination that work was properly completed; 10 years after date that well constructor submits well log to WRC, if Department reviews log and records determination that work was properly completed; except as otherwise provided, 15 years after date that well constructor files log with Department. Authorizes Commission to enforce general or special standards if well log is found to contain material misrepresentation or misstatement of fact, or if constructor is found to have engaged in negligent or fraudulent behavior on the date the work was completed. Provisions become operative July 1, 2024 and apply to standards related to construction, alteration, repair, abandonment, or conversion of wells for which well log submitted by well constructor is received by Department on or after operative date.

Establishes **Water Well Abandonment, Repair, and Replacement Fund** (fund), consisting of interest earned by the fund and any other designated deposits to the fund. Establishes that well “repair” includes well deepening. Continuously appropriates moneys in fund to Department to carry out program provisions including, but not limited to, providing financial assistance to persons for the abandonment, repair, or replacement of a well; to nonprofit, governmental, or other institution meeting qualifications to permanently abandon, repair, or replace well; as cost-sharing with federal or private programs to permanently abandon, repair, or replace well; or to pay the cost of direct services by licensed well constructor to abandon, repair, or replace well. Requires institution, if receiving funding from the Department, to use accounting, auditing, and fiscal procedures that conform with government accounting standards; give preference to persons of lower or moderate income and to small businesses that do not qualify for other financing; demonstrate past success in offering and managing loans or grants to persons of lower income or persons representing a wide range of qualifications for credit; and have plan for engaging stakeholders in outreach and marketing efforts for loan or grant program.

Prohibits **financial assistance** from exceeding 75 percent of cost to permanently abandon a well; 50 percent of cost to repair or replace a well used for household purposes; or 50 percent of cost to develop program to permanently abandon, repair, or replace a well when paid to an institution. Limits **fund expenditures** to the following: abandonment, repair, or replacement of wells in which deficiencies in well construction might result in water waste or groundwater decline, serve as a conduit for contamination, or otherwise be detrimental to public health or safety; repair or replacement of wells used for household purposes by persons of lower or moderate income; replacement of wells used for household purposes in areas of declining groundwater where other water sources are not feasible; abandonment, repair, or replacement of wells consistent with water resources management practices approved by the Commission.

Adds requirement that, prior to receiving **well constructor license**, person provides evidence of welding skill sufficient to perform water well constructor work unless, as of July 1, 2023, person holds license and continues to maintain license in good standing. Allows licensee to renew license only if licensee places annular seals on two or

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more wells in the presence of the Department during the two years prior to license expiration date. Authorizes Department to establish alternate schedule based on Department well inspection resources or licensee's demonstrated ability to maintain license in good standing. Authorizes Department, if welding deficiency is observed, to require licensee to provide evidence of welding skill sufficient to perform water well constructor work or to receive welding training. Provisions apply to license issuance, requalification, or renewal for which application is received by Department on or after July 1, 2023.

Defines "**start card**" as a form containing all information required by the Department as notification that well constructor will commence work on a well. Specifies requirement to submit start card to Department not earlier than 60 days and not later than 72 hours before beginning work on well; establishes that start card expires if time requirements are not met. Adds requirement that start card include latitude and longitude of well as established by global positioning system location, as well as proposed time frame for beginning and ending construction, alteration, abandonment, or conversion. Authorizes Commission to adopt rules establishing requirements. Directs Department, having not already done so, to assign **identification number** to a well not more than 10 days after receiving application for identification number. Directs licensed person filing a log to include in the log the identification number provided by the Department and affix the identification number to the well not more than 30 days following well completion. Provisions become operative July 1, 2023 and apply to information submitted to Commission on or after operative date, relating to proposed construction, alteration, abandonment, or conversion of a well.

Adds to **Well Constructors Continuing Education Committee** one person with expertise in ground water quality, public health, or employee safety. Directs Water Resources Director, upon the first committee vacancy after the effective date of this Act, to appoint a replacement. Makes technical specifications.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

- Start card fee and process
- Landowner liability of well inspection
- Ability of well constructors to conduct self-inspection
- Application of funds to existing wells in need of repair
- Staff capacity for statewide well log reviews

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Water Resources Department (Department), Oregon currently has over 250,000 known wells, and several thousand new wells are built each year. Well uses range from providing drinking water and water for irrigation and industry to informing ground water levels throughout the state. To monitor ground water, the Department has a network of approximately 1,100 observation wells that provide information on current ground water availability and long-term trends.

The Water Resources Commission is responsible for adopting and enforcing general rules and standards relating to the construction and maintenance of wells. A start card submitted to the Department serves as notice of intent to construct a well. A well log is a document that contains information about the well and the ground surrounding it, including a history of pump installation, ground water level and quality, and general maintenance. Well contractors file logs with the state upon completion of a new well and when maintenance or alterations to a well have occurred.

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House Bill 2145 would limit the time for Water Resources Commission to enforce standards related to wells against a well constructor; establish the Water Well Abandonment, Repair, and Replacement Fund and continuously appropriate moneys in the fund to Water Resources Department to provide financial assistance for well abandonment, repair, or replacement; create additional qualification required for receipt of well constructor's license and create condition for license renewal; and change the composition of the Well Constructors Continuing Education Committee.