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**Joint Ways and Means Subcommittee on Natural Resources  
Representative Brad Witt and Senator Lew Frederick, Co-Chairs**

**Testimony on House Bill 2296A  
Presented by Racquel Rancier, Senior Policy Coordinator**

Thank you for the opportunity to provide testimony on House Bill 2296A, a bill that helps the Water Resources Department to protect groundwater resources from contamination and waste through proper well construction by increasing and expanding the applicability of the Landowner Permit Application Fee, and increasing the bonding requirements for landowners and well drillers.

#### *Introduction*

Poorly constructed and improperly maintained and decommissioned wells can lead to local groundwater contamination and the inadvertent draining of Oregon's groundwater aquifers. To ensure wells are properly constructed, maintained, and decommissioned, and to protect existing groundwater for drinking, domestic, agricultural, and other needs, the Department is responsible for developing and enforcing well construction standards, licensing well drillers, approving landowner permits, and inspecting wells.

#### *What the Bill Does*

House Bill 2296A protects Oregon's groundwater aquifers by supporting well construction and inspection programs to prevent contamination and waste. House Bill 2296A: (1) increases the Landowner Permit Application Fee from \$25 to \$500 to reflect the minimum cost to the Department to process these requests and expands applicability; and (2) increases the well construction bond requirement to \$10,000 for a landowner and \$20,000 for a driller to better reflect the costs of repairing or decommissioning a well that is improperly constructed. More information on each of these proposals is provided below. This bill was developed in consultation with the well-drilling industry and other stakeholder groups.

#### Landowner Permit Application Fee

Licensed well-drillers are responsible for most of the work on wells in Oregon. However, Oregon law does allow landowners to construct their own well without the expertise of a licensed driller, with about 15-40 per year being constructed, altered, decommissioned or converted (herein referred to as "constructed") by the landowner without a licensed driller. Landowners that do this work on their own with a drilling machine are required to obtain a permit and file a \$25 Landowner Permit Application Fee so the Department can ensure the well is constructed in a manner that prevents contamination and waste of water in the aquifer. This requires extra staff time to review the application, research ownership, evaluate the well construction design plan, perform site visits, supervise seal placement, conduct a final well inspection, and assist with the required well report. The cost to the Department in staff time for this work ranges from approximately \$500 to more than \$3,000. The existing fee of \$25 was set in 1981 and does little to recuperate the costs. This bill proposes to increase the Landowner Permit Application Fee to \$500 to recover the minimum cost associated with processing these permits.

In addition, landowners that do not use a well-drilling machine, but construct a well using other means (e.g., shovels, buckets, post-hole diggers, and other hand-driven tools) are not required to notify the Department. This bill proposes to extend the requirement to submit a Landowner Permit Application to individuals constructing their own well, regardless of whether a well-drilling machine is used.

#### Well Construction Bond Requirements

Landowners (that work on their own well) and licensed well drillers are required to submit a bond, which can be called upon by the Department or anyone that is injured by the improper construction of the well. The Department holds the bond paperwork, while the bond itself resides with a private sector bonding company. Landowner and well constructor bonds cover the potential cost of repairs for three years from the date the Department receives the well report, if construction, alteration, conversion, or abandonment of a well is done improperly. Any action on the bond may not exceed the cost of the bond.

The current bond requirements – \$5,000 per landowner permit application and \$10,000 per driller (covering all wells drilled) – are currently insufficient to repair, replace, or decommission even one mis-constructed well. This bill proposes to increase the bonding requirements to \$10,000 per landowner permit application and \$20,000 per driller. Since, the yearly cost of the bond is \$10 dollars for every \$1,000 dollars of bond, with a minimum of \$100 dollars per year; the proposed bond increase does not increase the cost to landowners, and increases the annual cost for drillers by \$100. The Department has spoken with the Oregon Ground Water Association and agreed to require the increased bond requirement for drillers at the time of license renewal.

#### *Conclusion*

House Bill 2296A helps protect Oregon's groundwater resources and water users that rely on those resources by: supporting efforts to ensure that landowners that construct their own wells protect the resource and other users, and increasing the bonding requirements to facilitate repairs of wells that are improperly constructed.