

Testimony of Jerry Schmidt
HB 2296
Government Relations
Oregon Ground Water Association
Before the House Committee on
Energy and Environment
February 13, 2016

Background

Chair Ken Helm and committee members, for the record, my name is Jerry Schmidt. My company, Oregon Water Consultants LLC currently is under contract with the Oregon Ground Water Association to represent their interests in matters before the 2017 Legislative Assembly. The Oregon Ground Water Association membership includes; consultants, hydrogeologists, engineers, water well constructors, geotechnical drillers, pump installers, water treatment installers, and manufacturers and equipment suppliers of ground water equipment. The association has been active in the development of state licensing requirements, education, and related subjects affecting and protecting the state's ground water.

The reported purpose of HB-2296 is to add increased funding to the Water Resources Department for their expenditures in the well construction and inspection programs. The history of the well inspection program dates back to 1989 when the Legislature established a dedicated fee to fund a state wide well inspection program. In 1993 the Oregon Ground Water Industry introduced HB 3456 to authorize the one-time use of the surplus generated from the dedicated well inspection fund (\$689,000) for the development of a computerized well log data base. The project was designed to move the Water Resources Department's records from a paper based inventory into a digital format. The desired result was to provide the public and technical experts direct access to a digital version of the Department's groundwater information. Specific information related to well construction was previously stored in paper documents known as "well logs," and as a result of this legislation the information was scanned into a digital format that would allow its use by the public from any location. The industry has continued to work with the Department to allow better access to ground water data and to provide for

development and management opportunities that would increase resource protection. The fee to support the well inspection program (commonly called a start card) was set at \$75 in 1989, increased to \$125 in 2003 and changed again in to 2009 to \$225. This fund (ORS 537.763) was created to establish a dedicated source of funding to support the well inspection program and was given side-boards to identify proper expenditures and limit administrative costs.

Purpose

There are 3 elements identified in the legislation proposed as HB-2296 that is before you today. The 1st deals with establishment of a new fee when the Department issues a special standard (\$100 for a single well, \$200 for multiple wells). These special standards have been issued in the past as part of the duties of the well construction, inspection, and enforcement program. The Department has indicated that they would like to establish this new fee to free up more funds to become available for well inspectors.

The Oregon Ground Water Association has the following comments on this approach;

1. We are concerned with the establishment of additional fees for an existing program that is presently being done by staff.
2. The proposal to adopt a new fee may have a detrimental effect on the voluntary cooperation between the industry and the Department.
3. Since the purpose is to seek expansion of the funding for the well inspection program then that is the issue that needs to be addressed.
4. The fees since 1989 to support the well inspection program have come from the applicant with no General Funds involved. Additional funding to support the program should come from the General Funds, **not an additional new fee.** The Department has been directed to attempt to establish a fee structure which will cover 50% of its costs from the applicant with the remainder from their budget. We concur that public must share in the expense since all waters are deemed owned by the state and everyone benefits from protected ground water.

The second element deals with increasing the licensed well constructors bond requirements from \$10,000 to \$20,000. While this avenue for enforcement is seldom used by the Department the industry has no opposition to this approach.

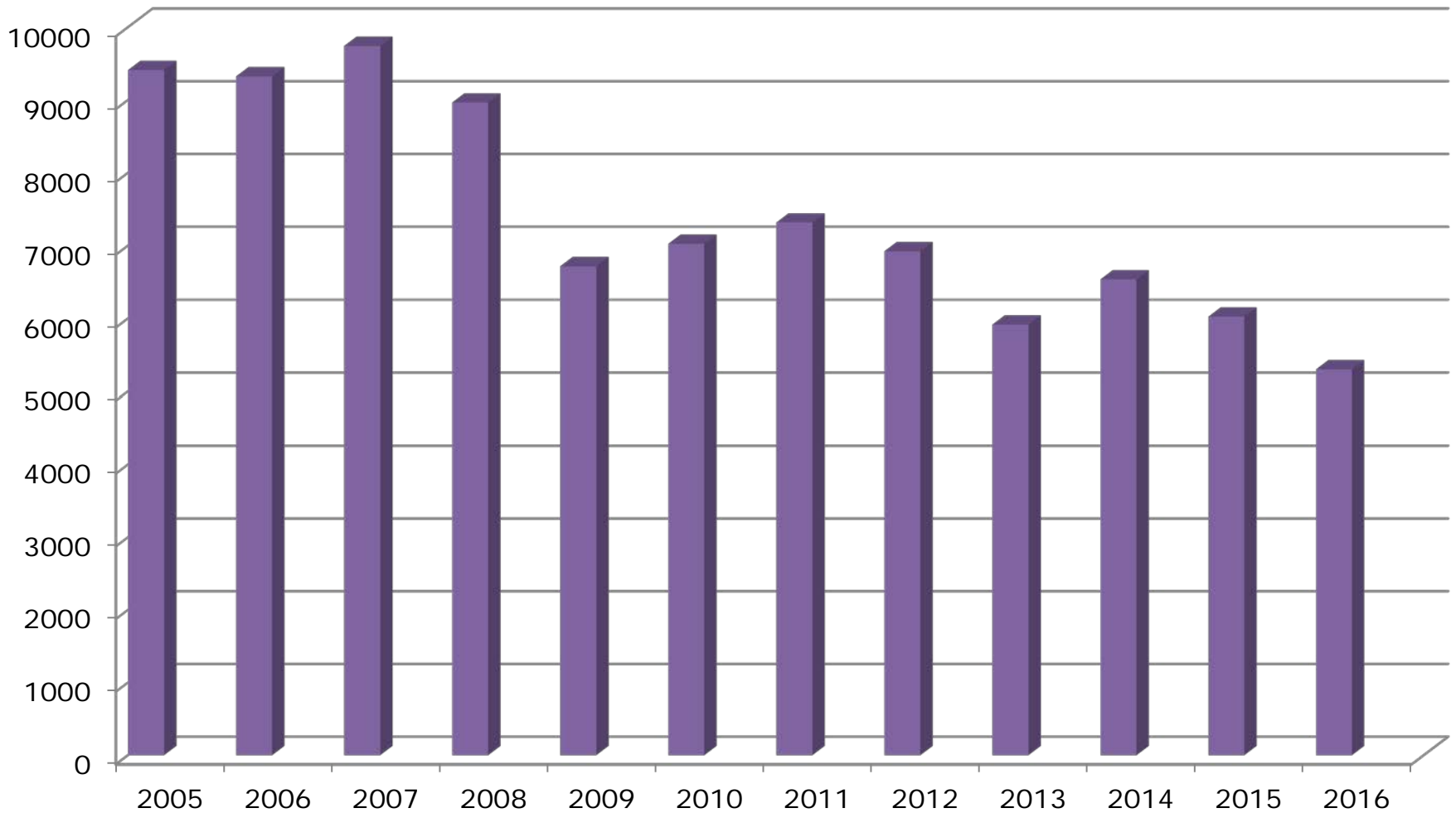
The third element deals with increasing the landowners permit application fee and bond requirements. The proposal in the legislation is to raise the existing landowner permit application fee from \$25 to \$500. The Department has indicated that their current costs to cover a landowner permit averages about \$1500. In keeping with the process that the Department has established to recover 50% from the applicant then the landowner application fee should be raised to \$750 with the remainder funded from the WRD budget. We would support the landowners bond increase to \$10,000 and we hope that would cover the costs to make the necessary repairs should a problem occur.

Conclusion

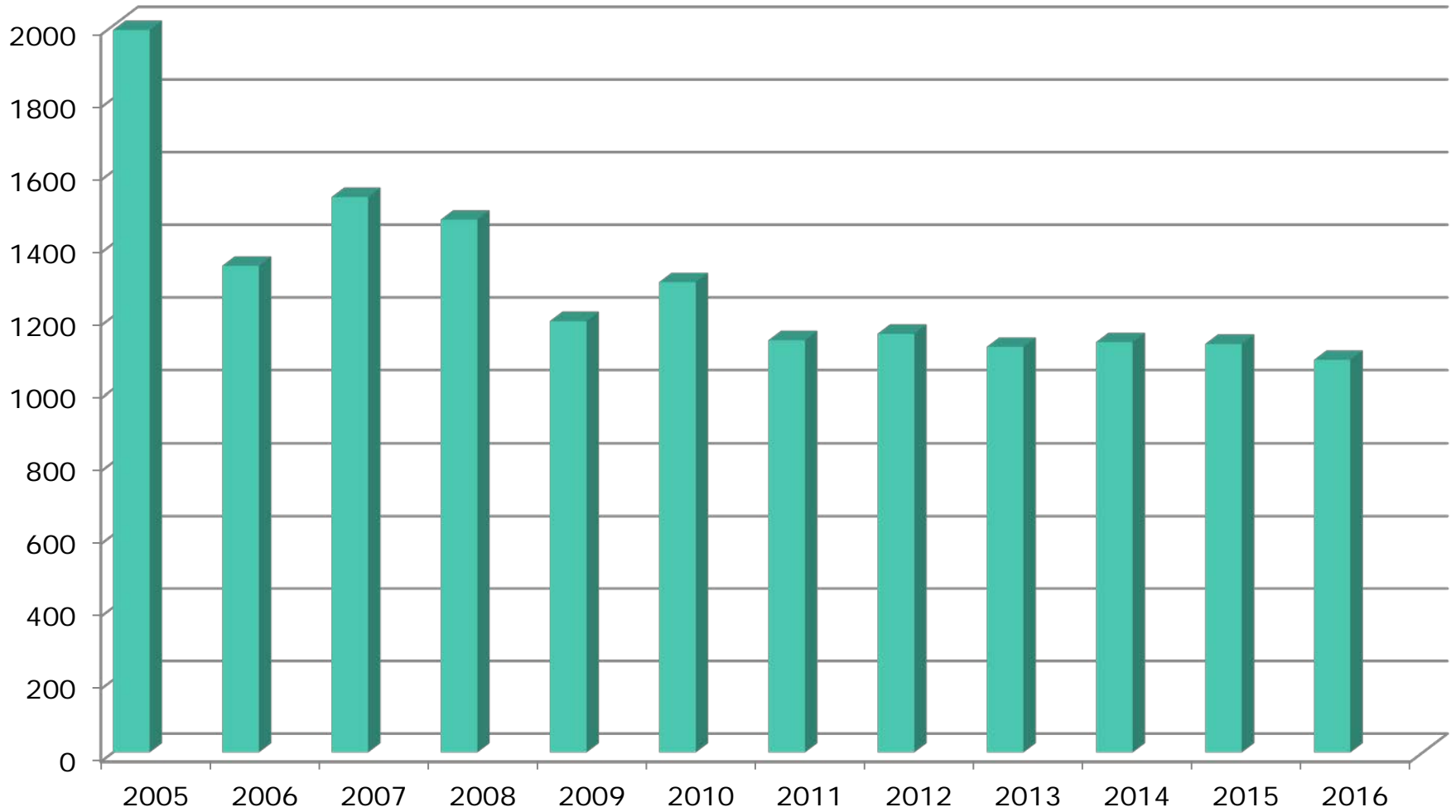
We agree with the intent of the Legislation and hope our concerns can be met either in this committee or in its subsequent referral to Ways and Means. We would support an increase in funding targeted to the well inspection program from General Funds since the funding for the well inspection program needs to be shared by all benefited parties.

Included with this testimony is 3 exhibits which summarize the activity in the ground water industry from 2005 until 2016. This information was taken and compiled from the Oregon Water Resources Department's website.

Completed Geotechnical Hole Reports



Completed Monitoring Well Reports



Completed Water Well Reports

