



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

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MEMORANDUM

TO: Water Resources Commission

FROM: Phillip C. Ward, Director

SUBJECT: Agenda Item H, May 5, 2006
Water Resources Commission Meeting

**Request for Amendment of OAR Chapter 690,
Divisions 200, 205, 220, 225 and 240**

I. Issue Statement

The Commission is asked to adopt amendments to OAR Chapter 690, Divisions 200, 205, 220, 225 and 240 related to water supply well constructor and monitoring well constructor licensing and bonding. The final proposed rules implement 2001 statutory changes that directed the Department to create a single well constructor's license instead of the two licenses that the Department currently issues. Other rule changes include adding and modifying various definitions and adjusting the well constructor bonding requirements. The final proposed rules are located in Attachment 1.

II. Background

In 2001, the Oregon Legislative Assembly passed Senate Bill 579 (Chapter 496, Oregon Laws 2001) which directed the Department to adopt a single Water Well Constructor's License no later than July 1, 2006. The Department currently issues two types of well constructor licenses: one for water supply wells and one for monitoring wells. The proposed rules implement SB 579 by adopting a single license and bonding program. Well drillers who currently maintain two licenses will only be required to carry a single license with endorsements that indicate what type of wells they are authorized to construct. The single license also means that licensed Water Well Constructors that currently maintain two licenses will only be required to pay one license fee instead of two and that they will only be required to have a single bond that will cover work under both license endorsements. Currently a bond is required for each license type if a well constructor chooses to be bonded. A bond is required to advertise services or enter into contracts to construct, alter, deepen, convert or abandon a well.

III. Rulemaking Process

Notice of the public rulemaking was published in the *Oregon Bulletin* and a Hearing Draft of the proposed rules was made available February 1, 2006. In addition, two public hearings were held in Salem on February 22, 2006. No oral testimony was provided.

The Department presented the hearing draft of the rules to the Ground Water Advisory Committee (GWAC) at their February 10, 2006 meeting. GWAC members were supportive of the rules but had questions about how the licensing changes will be implemented and about the loss of revenue from license and renewal fees. Well constructors with dual licenses will be issued a combined license when their license is next renewed. Licenses are issued for two year periods and expire on June 30 of the second year. SB 579 raised the license fee from \$50 for a one-year license or \$200 for a five-year license to \$150 for a two-year license. This fee change was intended to offset the loss of revenue from licensing fees when the Department converted to the single license.

IV. Discussion

Major provisions of the final proposed rules are as follows:

- Combine Water Supply Well Constructor's bond and Monitoring Well Constructor's bond into a single Water Well Constructor's bond that covers work under both licenses;
- Combine Water Supply Well Constructor's license and Monitoring Well Constructor's license into a single Water Well Constructor's license with endorsements;
- Add and modify several definitions to make the definitions similar in Divisions 200 and 240 and to clarify terminology to be used with new single license and bond;
- Modify language in Divisions 200, 205, 220, 225 and 240 to fit new terminology and to be consistent with new and modified definitions;

Minor changes made to the Hearing Draft of the rules are shown in Attachment 1 to correct typographical errors.

V. Summary

Based on legislative changes, discussions with GWAC, and internal review, the Department has developed final proposed rules to amend Divisions 200, 205, 220, 225, and 240. In addition to legislative changes, the final proposed rules add or modify several definitions related to the legislative changes.

VI. Alternatives

The Commission may consider the following alternative actions:

1. Adopt the final proposed rules in Attachment 1.
2. Adopt modified final proposed rules.
3. Not adopt the proposed rules and request that the Department further evaluate the issues.

VII. Recommendation

The Director recommends that the Commission adopt the final proposed rules in Attachment 1.

Attachment:

1. Final Proposed Rules