

Well Program Fees

The Department protects aquifers as a public resource through programs for proper construction, maintenance, and abandonment of wells. There are approximately 260,000 water production wells in Oregon, with approximately 3,000 new water wells drilled annually. Improperly constructed wells can contribute to groundwater contamination, waste of water, declining water levels, and other adverse impacts. The Department strives to accomplish its mission through administering contractor licensing, continuing education, setting construction standards, determining special standards, reviewing well reports, and inspecting wells. The well construction programs are primarily funded through Start Card fees, but also has several other associated supporting fees and General Fund (Table 1).

The Department projects a \$210,000 - \$975,000 shortfall for staff supported by Start Card fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.5-2.25 full-time equivalent (FTE). The Department projects a \$26,000 - \$51,000 shortfall for staff supported by Well Driller Licensing and Landowner Permit fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.25 FTE. The Groundwater Use Recording Fee and the Geotechnical Hole fees do not have immediate shortfalls, but the reserves associated with those fee revenues are steadily decreasing as costs increase.

As a result of HB 2145 (2021), general funds investment in the Department's well programs increased, including funding for two additional well inspectors and one compliance coordinator.

The severity of shortfalls depends on the levels of Ending Fund Balances (EBFs) that can be maintained. EBFs are positive balances at the end of the fiscal calendar that are maintained to ensure adequate levels of funding to account for variable timing of revenue and mitigate risk of not being able to pay daily program costs incurred.

Table 1. Well Construction Program Fees

Fee Name	Amount	General Services	Supported Staff	Last Two Increases	Statutory Authority
Start Card	\$350	Well inspection and enforcement	9.87 FTE* / 15 positions	2009, 2021	ORS 537.762
Groundwater Use Recording	\$300	Groundwater science	5 FTE / 5 positions	2009 (established)	ORS 537.545(6)
Geo Technical Hole	\$25**	Geotechnical Hole Program Support	0.89 FTE / 3 positions	2009 (established)	ORS 537.890(2)
License Exam Fee	\$20	Well License Program Support	0.57 FTE / 1 position	1981 (established)	ORS 537.747 (6)(a)
License Fee / Renewal	\$150	Well License Program Support		1981, 2001	ORS 537.747 (6) (b-c)
Continuing Education	\$40/credit hour***	Well License Program Support		2007 (established)	Section 4(5), chapter 496 Oregon Laws 2001 (Amended 2007)
Landowner Permit	\$500	Well License Program Support		1981, 2017	ORS 537.753(4)

*Number of actual FTE fluctuates based on general fund availability and fee revenue

**\$10 additional fee for each additional hole drilled at the same project site within 7 days

*** Total fees per day may not exceed \$250

Start Card Fee

The Start Card fees are paid by licensed and bonded well drillers prior to starting construction and landowners who are constructing their own well. This fee covers the costs of Department personnel that inspect the wells and review well construction. The Start Card fees were established in 1989 after the Oregon Legislature passed House Bill 2172. The fees are kept in a separate fund (Water Resources Department Operating Fund) to pay OWRD personnel who inspect wells and review well construction reports, with some administrative and technical overhead ([ORS 537.762 \(6\)](#)).

The original 1989 fee was set at \$75, it was then increased to \$125 in 2003 through HB 2268, to \$225 in 2009 via HB 2231, and \$350 in 2021 via HB 2145. The Department allocates no less than 75 % of the fee to field and enforcement, no more than 20 % to technical services, and no more than 5% to administration ([ORS 537.763](#)).

As of the 2023-25 LAB, the Start Card fee funds 9.87 FTE of 15 positions (Table 2). The Department projects a \$210,000 - \$975,000 shortfall for staff supported by Start Card fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.5-2.25 FTE (Table 3). The start card fund requires an ending fund balancing of 6-month program operating costs to mitigate reduced revenue in the winter months, when drilling slows down.

Table 2. Positions supported by Start Card fees.

Type of Service	Permanent Full-Time / Part-Time	Employee Work Title	Fee Funded FTE
Administrative	PF	Human Resources Manager	0.06
Administrative	PF	Payable Specialist	0.02
Administrative	PF	Receivables Specialist	0.10
Administrative	PF	Receptionist/Mailroom	0.20
Administrative	PP	Receptionist	0.30
Field /Enf.	PF	Well Inspector	1
Field /Enf.	PF	Well Inspector	1
Field /Enf.	PF	Well Inspector	1
Field /Enf.	PF	Well Inspector	1
Field /Enf.	PF	Well Inspector	1
Field /Enf.	PF	Well Construction Program Coordinator	1
Field /Enf.	PF	Well Program Specialist	1
Field /Enf.	PF	Construction and Compliance Manager	0.19
Field /Enf.	PF	Well Construction Support Specialist	1
Technical	PF	Water Rights Data Tech 1	1

Table 3. Projected budgetary gaps for Start Card fund. Target ending fund balances are 6 months of program expenses.

2025-2029 Projected Shortfall (No EFB – EFB Included)	Projected Position Shortfall	Last Fee Increase	Increase to fill shortfalls with fees only
\$210,000 - \$975,000	0.5-2.25 FTE	2021 (\$225 to \$350)	5%- 22%

Well Constructor Licensing Fee and Landowner Permit Fees

Well Constructor License fees are paid by any person licensed to construct, alter, abandon, or convert wells. License fees are paid upon obtaining or renewing a water well constructor’s license. A person wishing to obtain a well constructor’s license must pay an initial license fee (\$150) and renew their license every two years (\$150

renewal fee; \$100 late fee). In Oregon, it is necessary to pass the Water and Monitoring Well Constructor examination to obtain a new well constructor license (\$20 exam fee; ORS 537.747(6)(a)).

If an individual who is not a licensed driller intends to construct, alter, abandon, or convert a well on their property, they must obtain a landowner permit and pay a \$500 fee to the Department before commencing the work (ORS 537.753(4)).

The well constructor licensing and landowner permit fees are paid into the Water Resources Department Water Right Operating Fund and pay the Department’s expenses related to operating the water well constructor’s licensing and renewal program, administering well constructor license examinations, supporting the well constructors continuing education committee, maintaining the well constructors continuing education database, reviewing the documentation associated with landowner permit applications, and processing and mailing the landowner permit paperwork. As of 2023-25 LAB, licensing and permit fees fund 0.57 FTE and the Department projects a \$26,000 - \$51,000 shortfall for staff supported by Well Driller Licensing and Landowner Permit fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.25 FTE (Table 4; Table 5). Target ending fund balances are 3 months of program expenses to account for variability in revenue that occurs with licensing timelines.

Table 4. Positions supported by licensing and permit fees.

Services Division	Permanent Full-Time / Part-Time	Employee Work Title	Fee Funded FTE
Technical	PF	Well Licensing Specialist	0.57

Table 5. Projected budgetary gaps for licensing and permit fees. Target ending fund balances are 3 months of program expenses.

2025-2029 Projected Shortfall (No EFB – EFB Included)	Projected Position Shortfall	Last Fee Increase	Increase to fill shortfalls with fees only
\$26,000 - \$51,000	0.25 FTE	Driller License (2001) Landowner Permit \$25 to \$500 (2017) Exam fee and continuing ed. have never been increased	12%- 23%

Workloads

The Department reviews and processes start cards, reviews well logs, inspects wells, processes geotechnical hole reports, processes landowner permits, processes special standard requests, processes well I.D. applications, and issues new and renewed well constructor licenses.

It is important to note that start card fees only apply to new wells, deepening or conversions of an existing well. Department staff must still review start cards and well reports for abandonments and alterations, which do not have an associated fee; abandonments and alterations account for between 19-26% of total start cards received (Table 6).

Table 6. Well Construction program workloads for two calendar years.

Workload	2019-2020	2021-2022	2023 to 2/29/2024
Start cards received	9399	9955	4555
Well logs reviewed	2452	4544	4728
Well Inspections	2452	3126	1747
License / Renewals Received	286	288	143
Landowner Permits Received	61	69	45

Special Standards

Well construction standards are set in rule and require approval from the Department if circumstances necessitate deviation from regulatory standards. These special standards mandate that the proposed work method submitted by the driller ensures, at a minimum, the same level of resource protection as specified in the rules. Reviewing, researching, and processing these special standards is often technically complex and time consuming. It may involve dedicating numerous hours over several days to process, conducting multiple consultations, and performing site visits to verify the accuracy of the submitted information and ensure compliance with the approved order. Special standards represent about 10% of all start cards. While the Department receives hundreds of these requests each year, there are no additional fees associated with this service (ORS 537.780(1)(b)(B)); half of special standards are for abandonments and alterations and are not subject to fees.

Future Projections and Fee Shortfalls

Start Card Shortfalls: The Department projects a \$210,000 - \$975,000 shortfall for staff supported by Start Card fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.5-2.25 FTE.

Well Construction Licensing and Permit Shortfalls: The Department projects a \$26,000 - \$51,000 shortfall for staff supported by Well Driller Licensing and Landowner Permit fees for 2025-2029. If the Department does not address this shortfall there will not be adequate resources to support 0.25 FTE.

Other Fee Surpluses: The Groundwater Recording Fee and the Geotechnical Hole fees do not have immediate shortfalls, the surpluses associated with those fee revenues are steadily decreasing. This means that while not an immediate issue now, these fee shortfalls will need to be addressed in the coming years.