First Regular Session - 2013

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 144

BY RESOURCES AND CONSERVATION COMMITTEE

1	AN ACT
2	RELATING TO IRRIGATION AND DRAINAGE; AMENDING SECTION 42-202B, IDAHO CODE,
3	TO DEFINE A TERM; AND AMENDING SECTION 42-238, IDAHO CODE, TO PROVIDE
4	ADDITIONAL REQUIREMENTS RELATING TO WELL CONSTRUCTION STANDARDS, TO
5	PROVIDE CERTAIN NOTICE REQUIREMENTS AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 42-202B, Idaho Code, be, and the same is hereby amended to read as follows:

42-202B. DEFINITIONS. Whenever used in this title, the term:

- (1) "Artesian water" means any water that is confined in an aquifer under pressure so that the water will rise in the well casing or drilled hole above the elevation of the surrounding static water table, and includes water of nonflowing wells.
- (2) "Consumptive use" means that portion of the annual volume of water diverted under a water right that is transpired by growing vegetation, evaporated from soils, converted to nonrecoverable water vapor, incorporated into products, or otherwise does not return to the waters of the state. Consumptive use is not an element of a water right. Consumptive use does not include any water that falls as precipitation directly on the place of use. Precipitation shall not be considered to reduce the consumptive use of a water right. "Authorized consumptive use" means the maximum consumptive use that may be made of a water right. If the use of a water right is for irrigation, for example, the authorized consumptive use reflects irrigation of the most consumptive vegetation that may be grown at the place of use. Changes in consumptive use do not require a transfer pursuant to section 42-222, Idaho Code.
- (23) "Digital boundary" means the boundary encompassing and defining an area consisting of or incorporating the place of use or permissible place of use for a water right prepared and maintained by the department of water resources using a geographic information system in conformance with the national standard for spatial data accuracy or succeeding standard.
- (34) "Local public interest" is defined as the interests that the people in the area directly affected by a proposed water use have in the effects of such use on the public water resource.
- (45) "Municipality" means a city incorporated under section 50-102, Idaho Code, a county, or the state of Idaho acting through a department or institution.
 - (56) "Municipal provider" means:
 - (a) A municipality that provides water for municipal purposes to its residents and other users within its service area;
 - (b) Any corporation or association holding a franchise to supply water for municipal purposes, or a political subdivision of the state of Idaho

 authorized to supply water for municipal purposes, and which does supply water, for municipal purposes to users within its service area; or

- (c) A corporation or association which supplies water for municipal purposes through a water system regulated by the state of Idaho as a "public water supply" as described in section 39-103(12), Idaho Code.
- (67) "Municipal purposes" refers to water for residential, commercial, industrial, irrigation of parks and open space, and related purposes, excluding use of water from geothermal sources for heating, which a municipal provider is entitled or obligated to supply to all those users within a service area, including those located outside the boundaries of a municipality served by a municipal provider.
- $(7\underline{8})$ "Planning horizon" refers to the length of time that the department determines is reasonable for a municipal provider to hold water rights to meet reasonably anticipated future needs. The length of the planning horizon may vary according to the needs of the particular municipal provider.
- (89) "Reasonably anticipated future needs" refers to future uses of water by a municipal provider for municipal purposes within a service area which, on the basis of population and other planning data, are reasonably expected to be required within the planning horizon of each municipality within the service area not inconsistent with comprehensive land use plans approved by each municipality. Reasonably anticipated future needs shall not include uses of water within areas overlapped by conflicting comprehensive land use plans.
- $(9\underline{10})$ "Service area" means that area within which a municipal provider is or becomes entitled or obligated to provide water for municipal purposes. For a municipality, the service area shall correspond to its corporate limits, or other recognized boundaries, including changes therein after the permit or license is issued. The service area for a municipality may also include areas outside its corporate limits, or other recognized boundaries, that are within the municipality's established planning area if the constructed delivery system for the area shares a common water distribution system with lands located within the corporate limits. For a municipal provider that is not a municipality, the service area shall correspond to the area that it is authorized or obligated to serve, including changes therein after the permit or license is issued.
- SECTION 2. That Section 42-238, Idaho Code, be, and the same is hereby amended to read as follows:
- 42-238. WELL DRILLERS' LICENSES AND OPERATOR PERMITS. (1) The director of the department of water resources is hereby vested with the duties relating to the licensing of well drillers and operators of well drilling equipment as provided for in this act so as to protect the ground water resources against waste and contamination. Qualifications for well drillers and operators of well drilling equipment shall be adopted by rule of the water resource board.
- (2) It shall be unlawful for any person to drill a well in Idaho, including wells excepted under sections 42-227 and 42-228, Idaho Code, without first complying with the provisions of this chapter. It shall be unlawful for any person to abandon a well in Idaho without first obtaining a driller's

license or receiving a waiver of the license requirement from the director of the department of water resources. Authorization is required from the director prior to the abandonment and the person abandoning the well shall submit to the director a report describing the abandonment.

- (3) For the purpose of this act, a "person" shall be defined as any individual who drills or abandons any well for himself or another in this state; it shall also be defined as any firm, copartnership, corporation or association which drills or abandons, or contracts to drill or abandon any well for hire or otherwise in this state.
- (4) A driller's license shall be obtained by filing with the director an application in writing on a form provided by the director accompanied by a two hundred dollar (\$200) application fee.
- (5) The director shall require that an applicant for a driller's license successfully pass a written or oral examination, and be required to submit references and other detailed information describing past drilling experience to allow the director to determine if the applicant is qualified to drill wells in the state.
- (6) The water resource board shall adopt rules for licensing and renewal of licenses of well drillers in compliance with chapter 52, title 67, Idaho Code. The board is authorized to adopt rules on professional responsibility and continuing education requirements, not to exceed twenty (20) hours during each licensing period. Notwithstanding other provisions of this chapter, the director may refuse to issue or renew a driller's license permanently or for a designated period of time if the driller has previously constructed wells improperly or constructed a well without a valid driller's license. The rules may also allow for the director to issue a license with limitations on the type, size or depth of wells the applicant is authorized to construct. A copy of the proposed rules for licensing of well drillers shall be furnished to each well driller holding a current license at the time such proposed rules are promulgated or modified. The rules shall provide for the consideration of such factors as the applicant's:
 - (a) Knowledge of Idaho water laws and the rules of the water resource board in connection with the drilling of wells including proper well construction standards and procedures;
 - (b) Knowledge of the various types of drilling tools and their use;
 - (c) General knowledge of underground geology and ground water hydrology and their relation to well construction;
 - (d) Ownership or access to equipment capable of adequately constructing a well;
 - (e) Knowledge of types of well casing and their use;
 - (f) Knowledge of special well drilling problems and their solution, including additional requirements for licensing for drillers who construct wells in areas of drilling concern or for the production of low temperature geothermal resources as defined in section 42-233, Idaho Code, and for the production of geothermal resources as provided in chapter 40, title 42, Idaho Code;
 - (g) Previous drilling experience; and
 - (h) History of compliance with well drilling laws and rules.
- (7) If it is determined that the applicant for a driller's license is not qualified, the director shall deny the application. If it is determined

that the applicant is qualified, a license shall be issued upon the filing with the director of a surety bond or cash bond in the penal sum of not less than five thousand dollars (\$5,000), or more than twenty thousand dollars (\$20,000) as determined by the director based on the applicant's history of compliance with well drilling laws and rules, the size and depth of the wells the applicant proposes to drill, the complexity of the wells, the resource to be recovered, the area of operation of the applicant, and other relevant factors the director determines are in the public interest. The surety or cash bond shall be conditioned upon the proper compliance with the provisions of this chapter, chapter 40, title 42, Idaho Code, and rules promulgated pursuant thereto. Such bond shall be made payable to the director.

- (8) Employees of drilling firms, copartnerships, corporations or associations are authorized to operate drilling equipment for the driller after obtaining an operator's permit from the director. Such employees shall be designated as operators.
 - (a) A driller is responsible for adequate supervision of the operators during the construction of each well. A driller shall be responsible for the work of the operators employed by the driller.
 - (b) An operator shall only operate drilling equipment for the driller listed on the operator's permit.
 - (c) An operator's permit shall be obtained by filing with the director an application in writing on a form provided by the director accompanied by a twenty-five dollar (\$25.00) application fee.
 - (d) The applicant for an operator's permit shall successfully complete a written or oral examination.
 - (e) The water resource board shall adopt rules for the issuance, revocation and renewal of an operator's permit in accordance with chapter 52, title 67, Idaho Code. The board is also authorized to adopt rules on professional responsibility and continuing education requirements not to exceed twenty (20) hours during each permitting period. The rules shall consider such factors as:
 - (i) Knowledge of Idaho water laws and the rules of the water resource board in connection with the drilling of wells;
 - (ii) Demonstrated previous compliance with well drilling laws and rules including well construction standards; and
 - (iii) General understanding of well drilling equipment, well construction techniques, basic geology and map reading.
- (9) Driller's licenses and operator's permits issued under this section shall expire on March 31 in the second year after issuance or upon revocation of the license by the director as provided for in this act. The driller's license can be renewed effective April 1 of every other year upon written application on forms provided by the director and the filing of a one hundred dollar (\$100) renewal fee plus a fifteen dollar (\$15.00) renewal fee for each operator employed by the licensed driller. Drillers renewing licenses in 1997 shall be assessed a licensing fee prorated monthly based upon the annual fee schedule. Thereafter, driller licenses and operator permits will be renewed upon expiration for a two (2) year period. Documents demonstrating compliance with the continuing education requirements of the rules shall be submitted to the director along with other license and permit renewal documents. The renewal request must be accompanied by a new bond or

evidence that the previous bond is still in effect. The renewal may then be granted by the director if he determines that the driller or operator has complied with the rules promulgated pursuant to this act. The fees collected for the licensing of well drillers and permitting of operators are nonrefundable and shall be deposited in the water administration fund with the state treasurer with other fees collected by the director.

- (10) The licensed driller and permitted operators shall have a card on hand, provided by the director, to indicate that the driller or operator is presently licensed or permitted at all times when he is operating the drilling equipment. The director may also require other identification to be posted on the drilling equipment as he deems helpful in the administration of this act.
- (11) Well driller's report. In order to enable a comprehensive survey of the extent and occurrence of the state's ground water resource, every well driller is hereby required to keep available for inspection at the well site a daily well log and pertinent data concerning each well, and its construction or abandonment, that is constructed or abandoned under the driller's direction in Idaho, including wells excepted under sections 42-227 and 42-228, Idaho Code, and complete a report on forms furnished by the director. These reports shall be properly prepared and signed by the driller and deposited with the director within thirty (30) days following the completion of the well. When the driller signs the report, the driller shall attest that all information on the report is accurate to the best of the driller's knowledge and that the driller has met all minimum well construction standards, low temperature geothermal resource well construction standards, geothermal resource well construction standards and area of drilling concern standards as adopted by the water resource board. The reports shall become a permanent record in the office of the director for hydrologic and geologic analysis and research, and shall be available for public use. The report shall include such data as the director deems necessary to provide the information that will be valuable for future reference and study.
- (12) Well construction standards. The water resource board shall adopt minimum standards for new well construction, modification and abandonment of existing wells, low temperature geothermal resource well construction and geothermal well construction in this state under the provisions of chapter 52, title 67, Idaho Code. Every licensed well driller will be furnished a copy of the adopted standards by the director and will be required to construct or abandon each well in compliance with the adopted standards. Such standards shall require each well to be so constructed as to protect the ground water of the state from waste and contamination and may include additional requirements for wells drilled in "areas of drilling concern" as designated in accordance with subsection (15) of this section. Every licensed well driller will be furnished a copy of the adopted standards by the director, and will be required to construct or abandon each well in compliance with the adopted standards Such standards shall be consistent with all of the following:
 - (a) Use of approved sealing materials and required annular space. Well casings shall be sealed in the required annular space with approved material to prevent the possible downward movement of contaminated surface waters or other fluids in any annular space around the well casing.

Proper sealing is also required to prevent the movement of groundwater either upward or downward from zones of different pressure, temperature or quality within the well or outside the casing. Well drillers shall not be required to notify, by phone or otherwise, the Idaho department of water resources or any office thereof in advance of placing any annular seal. All casing to be sealed shall be adequately centralized to ensure uniform seal thickness around the well casing. Surface seals shall extend to not less than eighteen (18) feet.

- (b) Sealing of wells. Sealing requirements described in this paragraph are minimum standards that apply to all wells. The director may establish alternate minimum sealing requirements in specific areas when it can be determined through detailed studies of the local hydrogeology that a specific alternate minimum will provide protection of the ground water from waste and contamination. Before the director may establish such alternate minimum standards, he shall provide written notification to interested persons in the affected area by certified mail and shall allow for and accept input from such persons. Such notice shall also be published in two (2) consecutive weekly issues of a newspaper of general circulation in the affected area.
 - (i) Consolidated formations. When a water well is drilled into and acquires water from an aquifer that consists of consolidated formations that are above the water table, casing shall be installed so that it extends and is sealed to a depth not less than eighteen (18) feet.
 - (ii) Unconsolidated formations without confining layers of clay. When a water well is drilled into and acquires water from an unconfined aquifer that is overlain with unconsolidated formations, such as sand and gravel without confining layers of clay, well casing shall extend to at least five (5) feet below the water table and be sealed to a depth not less than eighteen (18) feet.
- (c) Sealing artesian wells.

- (i) Unconsolidated formations. When artesian water is encountered in unconsolidated formations, the production zone or open interval shall be limited to zones of like pressure, temperature and quality. Well casing shall extend from land surface into the lowermost confining layer above the final production zone and shall be sealed in between aquifers:
 - 1. From land surface to a depth of at least eighteen (18) feet; and
 - 2. Through all confining layers; and
 - (A) A minimum of five (5) feet of seal material shall be placed into or through the lowermost confining layer above the production zone; or
 - (B) Five (5) feet into or through the lowermost confining layer above the production zone.
 - 3. If the well depth is less than thirty-eight (38) feet, the well shall be cased and sealed from land surface to the confining layer in direct contact with the production zone or to a depth of eighteen (18) feet, whichever is greater.

(ii) Consolidated formations. When artesian water is encountered in a consolidated formation, well casing shall be installed and sealed from land surface to a depth of at least eighteen (18) feet and if the consolidated formation is overlain by a permeable formation and water will rise above the consolidated formation, well casing shall extend and be sealed at least five (5) feet into the confining portion of the consolidated formation.

(iii) Control device. Pursuant to section 42-1603, Idaho Code, if the well flows at land surface, it shall be equipped with a control device approved by the director so that the flow can be completely stopped. If leaks occur around the well casing or adjacent to the well, the well shall be completed with seals, casing or cement grout to eliminate the leakage.

- 1. Flowing artesian wells shall be equipped with an approved pressure gage fitting that will allow for measurement of shut-in pressure of a flowing well. All pressure gage fittings shall include control valves such that the pressure gage can be removed without resulting in artesian flow from the well.
- 2. The well driller shall not move his well drilling rig from the site until all requirements have been satisfied. Some mixing of water may be allowed to develop an adequate water well; however, the mixing shall be restricted to water zones of similar pressure, temperature and quality. The driller shall take precautions to case and seal out zones that may lead to waste or contamination.
- (13) Penalties for violation. Drilling of a well without first obtaining a license as required in this section shall be a criminal misdemeanor, and the employees of the department of water resources are hereby empowered to issue Idaho uniform citations, as provided by the rules of the court for magistrate's division of the district court, to any person who drills a well without first obtaining the required license. When the director of the department of water resources determines that any person is in substantial violation of any provision of this section or any rule, permit, condition of approval or order issued or promulgated pursuant to this section, the director may commence an administrative enforcement action by issuing a written notice of violation in accordance with the provisions of section 42-1701B, Idaho Code. Failure of the driller to comply with the provisions of section 42-238(11), Idaho Code, will allow the director to proceed to collect the necessary data on the well or wells in any manner available to him, and the cost of this data collection may be charged against the driller's bond in the amount of the expenses incurred up to the total amount of the bond.
 - (a) Failure of the driller to comply with the provisions of section 42-238(11), Idaho Code, is also cause for the director to revoke an active license, or refuse to renew a license, until such time as the well driller's report or reports are properly completed and on file in the office of the director. If it is found that a driller has intentionally submitted inaccurate or false information in the signed well driller's report as provided in subsection (11) of this section, or has failed to file a report within the time frame required, the driller shall be

liable for a civil penalty as provided in section 42-1701B, Idaho Code. In addition, this shall be cause for the director to suspend an active license for a period not in excess of one (1) year or to not renew a license.

- (b) Failure of the driller to comply with the provisions of section 42-238(12), Idaho Code, will allow the director to proceed to repair, reconstruct or abandon a well so that it complies with the adopted minimum standards of well construction and abandonment, and the costs of this work may be charged against the driller's bond in the amount of the expenses incurred up to the total amount of the bond.
- (c) Failure of the driller to comply with the provisions of section $42-238\,(12)$, Idaho Code, is also cause for the director to revoke an active license or refuse to renew a license until such time as the well driller has repaired or reconstructed the well or wells so that they meet the adopted minimum standards. Any driller, well owner or well pump installer causing a well to be altered or modified so as to not meet the construction standards provided for under this section, shall be deemed to have violated the provisions of this section and shall be subject to the enforcement provisions of section 42-1701B, Idaho Code. The director may also require that the well driller present evidence to show that he and his equipment are now capable of constructing a well in a proper manner, before the license is renewed.
- (14) Appeals. Refusal to issue, refusal to renew, or revocation of a well driller's license or operator's permit by the director shall be cause for the well driller to seek a public hearing before the water resource board. No formal petition shall be required from the affected driller or operator, but a simple statement, in writing, requesting a hearing shall be sufficient. The board shall notify the driller or operator, and the director, of the date set for the hearing, which shall be at least fifteen (15) days after the notice is sent by certified mail to the well driller or operator at his address of record with the department. A certified transcript of the proceedings and the evidence received at such hearing shall be maintained by the board. The board shall affirm, modify or reject the director's $decision_{T}$ and make its decision in the form of an order to the director. The hearing shall be conducted in accordance with chapter 52, title 67, Idaho Code, and rules of practice and procedure adopted by the water resource board. Any party to the hearing may seek judicial review of any final order of the water resource board pursuant to chapter 52, title 67, Idaho Code.
- (15) Drilling in a designated "area of drilling concern." The director of the department of water resources may designate as he determines necessary, "areas of drilling concern" on an aquifer by aquifer basis within which drillers must comply with the additional requirements of this section. The director shall designate "areas of drilling concern" to protect public health and to prevent waste or contamination of ground or surface water because of factors such as aquifer pressure, vertical depth of the aquifer, warm or hot ground water, or contaminated ground or surface waters. It is unlawful for any person not meeting the requirements of this subsection to drill a well for any purpose in a designated "area of drilling concern." Any person drilling a new well or deepening or modifying an existing well for any

purpose in an "area of drilling concern" as designated by the director as herein provided shall comply with the following additional requirements:

- (a) Additional bonding requirements, as determined by the director, to <u>insure ensure</u> that the well is constructed or abandoned in compliance with the adopted standards for well construction.
- (b) Additional experience and knowledge in drilling wells encountering warm water or pressurized aquifers as required by rules adopted by the water resource board.
- (c) Document that specialized equipment needed to drill wells in "areas of drilling concern," as determined by the director, is or will be available to the driller.
- (d) Provide a notice of intent to drill, deepen or modify a well, submit plans and specifications for the well and a description of the drilling methods that will be used, as required by the director, and receive the written approval of the director before commencing to drill, deepen, or modify any well in a designated "area of drilling concern."

Prior to designating an "area of drilling concern," the director shall conduct a public hearing in or near the area to determine the public interest concerning the designation. The director shall provide written nNotice of the hearing to interested persons in the area by certified mail and such notice shall be published in two (2) consecutive weekly issues of a newspaper of general circulation in the area prior to the date set for hearing.

In the event an area has been designated as an "area of drilling concern" and the director of the department of water resources desires to remove such designation or modify the boundaries thereof, he shall likewise conduct a public hearing following similar publication of notice prior to taking such action.