

April 8, 2009

H 1246. WELL GROUTING INSPECTION/BOND REQUIREMENT. Filed 4/8/09. *TO ALLOW WATER WELL CONTRACTORS TO GROUT WATER WELLS WITHOUT A PRIOR INSPECTION BY THE LOCAL HEALTH DEPARTMENT AND TO REQUIRE WATER WELL CONTRACTORS TO OBTAIN A BOND OR OTHER SECURITY PAYABLE FOR LOSSES DUE TO DEFECTIVE WELL CONSTRUCTION OR WELL REPAIR.*

Amends GS 87-97 to allow a water well contractor to grout a private drinking water well without a prior inspection by the local health department and, upon completing the grouting, provide a written certification within 10 days of completion to the health department that the well has been grouted in compliance with the rules and regulations under Article 7 of GS Chapter 87. Provides that the certification is accepted as evidence of compliance with this Article for the purposes of issuing a certificate of completion. Makes a conforming change to GS 87-97(g). Effective for the construction or repair of wells that occurs on or after October 1, 2009.

Enacts a new GS 87-97.3 to prohibit a water well contractor from obtaining or renewing a construction permit or repair permit under GS 87-97, unless the contractor files and maintains in force a \$25,000 continuous bond in favor of the state, executed by a surety approved by the Commissioner of Insurance. Cancellation of the bond by the surety is effectuated only upon 60 days' written notice to the Department of Environment and Natural Resources (DENR) and to the water well contractor. Allows the contractor to file with DENR a separate bond for each permit or file a blanket bond covering all well construction and repairs requiring a permit. Provides that the bond is payable for losses due to defective well construction or well repair by the contractor or the contractor's agents operating within the course and scope of that agency. Allows the contractor to file with DENR a cash deposit, an irrevocable letter of credit, a guaranty payment from an acceptable bank, an assignment of a savings account, or other acceptable security in lieu of the surety bond. Provides for replacement of a suspended or revoked surety. Authorizes the Environment Management Commission, after a hearing, to initiate claims, limited to actual damages, on the bond or other security for the cost of remediation or abatement of losses. Also allows the property owner to initiate a civil action in the county in which the well is located to recover against the bond. Applies to water well contractors that apply for a construction permit or a repair permit or for the renewal of such a permit on or after October 1, 2009.

Intro. by Haire.

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