

## AUDIT PROPOSAL

### Evaluating Groundwater Management Districts' Efforts to Conserve Water

#### SOURCE

This audit proposal was requested by Representative Ron Highland and Representative Lindsay Vaughn.

#### BACKGROUND

Groundwater management districts (GMDs) were created in 1972 by the Groundwater Management District Act (K.S.A. 82a-1020 et seq). GMDs are supposed to help local groundwater conservation efforts. GMDs are required to maintain management programs, which are written reports that explain how the GMD will manage its groundwater resources. The Division of Water Resources within the Department of Agriculture oversees the creation of GMDs. The division also reviews GMDs' management programs for compatibility with other state laws.

There are 5 GMDs in Kansas. They were created between 1973 and 1976. They cover more than 20,000 square miles (about 13 million acres) in parts of central and western Kansas. GMDs fund themselves by assessing annual water use or land ownership charges on water users and landowners in the districts.

Groundwater resources in western Kansas, such as those in the Ogallala aquifer, may be depleted the next 10 to 20 years due to issues like overuse. Inadequate access to groundwater resources threatens Kansas towns' access to drinking water and the Kansas agricultural economy. According to some sources, further action is needed to ensure Kansas's long-term access to groundwater resources.

Legislators have expressed concern GMDs aren't effectively addressing the state's need to conserve groundwater resources.

#### AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

*The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.*

**Objective 1: What programs do Groundwater Management Districts (GMDs) administer and are those programs appropriate?** Our tentative methodology would include the following:

- Review state law and regulations to understand what things GMDs are required or allowed to do, especially as they relate to water conservation. This also would include developing an understanding of how their responsibilities interact with or compare to the responsibilities of the Kansas Department of Agriculture.

- Talk to GMDs to understand how they view their roles and purposes, and how they determine what programs to provide.
- Review GMDs' written management programs since they were created to understand the stated goals and objectives and how they have changed over time. Determine if the management programs are appropriate by comparing them to the purposes outlined in state law and reviewing if they're updated, complete, and useful.
- Talk to GMDs and review other available documentation to identify the major programs and activities they provided in the most recent year. To determine if those programs and activities are appropriate, evaluate whether they align with the activities envisioned in state laws and regulations and if they're duplicative of duties performed by the Kansas Department of Agriculture.
- Talk to a small selection of other states that have local groundwater districts to understand the kinds of programs and activities they do. Compare to Kansas GMDs' programs and activities to identify potential improvements to Kansas's system.
- Interview GMDs and the Kansas Department of Agriculture as needed about any management programs and activities that appear to be inappropriate because they don't align with state law or are incomplete, outdated, or duplicative. Also talk to them about potential improvements based on our review of other states.

**Objective 2: Have GMD's identified areas of concern within their districts and do their programs effectively address those concerns?** Our tentative methodology would include the following:

- Talk to GMDs to determine if they have identified and defined areas of concern within their districts regarding the declining quantity and quality of groundwater. Also talk to them to understand which of their major programs are intended to address those areas of concern and how. Work with them to understand what they do to ensure those programs and activities are effective.
- Review GMDs' controls and analyze associated data for the last five years to determine if those programs are effectively addressing the areas of concern the GMDs identified.
- Interview GMDs to get their explanations for any issues we identify.

**Objective 3: How much did GMDs spend in the most recent year and what percentage was for directly addressing their districts' identified areas of concern?** Our tentative methodology would include the following:

- Work with GMDs to understand how they're funded and how they make spending decisions.

- Analyze GMDs' expenditures in the most recent year to determine what they've spent money on and what portion of that spending was for purposes that address their identified areas of concern. This would include reviewing supporting documentation for their largest expenditures to determine if the expenses resulted in a quality product and meaningful action from the GMD. For example, review whether the expenditures led to revisions to management programs, planned activities, or future plans.

### **ESTIMATED RESOURCES**

We estimate this audit would require a team of **4 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).