

# Water Rights Adjudication Performance Audit

Water Policy Interim Committee

September 21, 2009

## Audit Scope

The scope of the performance audit will include management, administrative and procedural elements of the adjudication process. Three different agencies are involved in the process; the Department of Natural Resources and Conservation, the Montana Water Court, and the Reserved Water Rights Compact Commission. The proposed scope of this performance audit addresses management and administrative functions, as opposed to the individual claimed water rights that collectively constitute the adjudication process. This specifically excludes from audit scope judicial consideration of individual cases brought before the Court or the judicial authority and discretion of Water Judges.

## Audit Objectives and Methodology

The following briefly summarizes audit objectives and the proposed methodological approach:

1. **Do the different governmental units involved in water rights adjudication coordinate their activities in a manner that promotes timely completion of the process?**
  - Review of workload planning process and prioritization of basin examination/decreed issuance
  - Analysis of progress to date and identification of significant delays/impediments to completion
  - Assessment of the effectiveness of the coordination/cooperation between the three agencies
2. **Is progress toward completion of water rights adjudication being proactively managed to meet statutory deadlines and other performance standards?**
  - Analysis of attributes of basins being examined by DNRC and Water Court caseload/objections
  - Assessment of compliance with statutory benchmarks and deadlines for DNRC and the Water Court
  - Statistical modeling of adjudication timelines, including estimation of a final completion date
3. **Are differences between verified and examined water rights claims and the status of DNRC issue remarks significant enough to affect completion of adjudication?**
  - Analysis of differences between verified and examined claims and impacts on the adjudication process
  - Assessment of processes used to address and resolve DNRC issue remarks
4. **Will the current organizational structures and processes for water rights adjudication meet future demands and priorities for management of decreed water rights?**
  - Review of state administrative/organizational structures and current resources for adjudication
  - Assessment of preparations for the transition to post-decreed management of water rights
  - Identify any areas of overlap/duplication between agencies and potential future needs