



OFFICE OF THE STATE AUDITOR



FOR IMMEDIATE RELEASE

Contact: Stelios Pavlou (303) 869-2833
stelios.pavlou@state.co.us

DIANNE E. RAY, CPA
STATE AUDITOR

June 11, 2019

FLAWED WATER WELL INSPECTION PROGRAM COULD PUT COLORADANS' HEALTH AT RISK

DENVER—the Colorado Office of the State Auditor has released its performance audit of the Department of Natural Resources' Water Well Inspection Program (Program) and has found serious deficiencies that call into question whether the Program is fundamentally designed and operating to accomplish its purpose of protecting Colorado's water resources and the public health and safety.

Created in 2003, the Program receives about \$300,000 in funding each year and is supposed to ensure the health and safety of all new wells constructed across the state. About 4,000 new wells were constructed in Fiscal Year 2018 alone and just two full-time inspectors completed inspections of 310 of them.

When auditors looked closer at the Program, they found that the Program does not effectively use a risk based approach to target the use of its inspectors, does not focus well inspectors' time on observing key phases of well construction, does not routinely use reports on completed wells to help verify compliance with construction requirements, and does not ensure that monies in its cash fund are used only for Program operations.

For example, the Program inspected only 15 of 206 high-risk wells (7 percent) in Fiscal Year 2018, yet inspected 295 low-risk wells. 209 wells (67 percent)

OFFICE OF THE STATE AUDITOR
1525 SHERMAN STREET
7TH FLOOR
DENVER, 80203
COLORADO

303.869.2800

were never inspected for any key phase of construction, despite some wells being inspected multiple times. One well was inspected 23 times that year without inspectors observing any key phase of well construction. Inspection of key phases is intended to help ensure that the well's casing and grout have been properly placed to protect the well from contaminants, that it has been disinfected to prevent contamination prior to use, and that it has accessed the correct aquifer.

Additionally, auditors found that the Division of Water Resources, which oversees the Program, does not monitor or enforce the submission of work reports contractors are required to submit when well construction is complete, and does not use these reports to monitor adherence to construction requirements. For example, there is no verification that the depth of a constructed well matches the permitted depth on the work report.

The audit makes 4 recommendations.

The full report is available @ www.colorado.gov/auditor.

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.