

GAO Highlights

Highlights of [GAO-15-453T](#), a testimony before the Committee on Indian Affairs, U.S. Senate

Why GAO Did This Study

Over 100 irrigation projects and systems can be found on Indian reservations primarily across the western United States. The scarcity of water in much of the western United States makes irrigation critical to agricultural activities. In February 2006, GAO reported on 16 irrigation projects where BIA charged water users for the projects' operation and maintenance ([GAO-06-314](#)). These projects, which were generally constructed in the late 1800s and early 1900s, included water storage facilities and delivery structures for agricultural purposes.

This testimony is based on GAO's February 2006 report and updated information on BIA's fiscal year 2014 estimate of deferred maintenance and actions BIA has taken to address GAO's three recommendations. The testimony focuses on (1) BIA's estimated deferred maintenance cost for its irrigation projects, (2) shortcomings that GAO identified in BIA's management of its irrigation projects, and (3) issues GAO identified that needed to be addressed to determine the long-term direction of BIA's irrigation program.

GAO is not making any new recommendations in this testimony.

View [GAO-15-453T](#). For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

March 4, 2015

INDIAN IRRIGATION PROJECTS

Deferred Maintenance and Financial Sustainability Issues Remain Unresolved

What GAO Found

The Department of the Interior's Bureau of Indian Affairs (BIA) estimated the cost for deferred maintenance for the 16 irrigation projects covered in GAO's February 2006 report at about \$850 million for fiscal year 2005. To further refine the estimate, BIA planned to hire engineering and irrigation experts to conduct thorough condition assessments of the irrigation projects to correctly identify deferred maintenance needs and costs. While the irrigation projects included in the estimate have changed somewhat in the 9 years since GAO's report, BIA's fiscal year 2014 cost estimate for deferred maintenance for its irrigation projects is about \$570 million.

In its February 2006 report, GAO found BIA's management of some of its irrigation projects had serious shortcomings that undermined effective decision making about project operations and maintenance. First, under BIA's organizational structure, officials with the authority to oversee irrigation project managers generally lacked the technical expertise needed to do so effectively, while the staff that had the expertise lacked the necessary authority to oversee project managers' decision making. Second, BIA had not consistently provided project stakeholders, such as water users, with the necessary information or opportunities to participate in project decision making, contrary to federal regulations that required BIA to consult with project stakeholders in setting project priorities. BIA has implemented GAO's two recommendations related to these management shortcomings.

In its February 2006 report, GAO found that the long-term direction of BIA's irrigation program depended on the resolution of several larger issues.

- **Financial sustainability.** BIA did not know to what extent its irrigation projects were capable of financially sustaining themselves, hindering its ability to address long-standing concerns regarding inadequate funding.
- **Funding for deferred maintenance.** BIA did not have a plan for how to obtain funding to fix deferred maintenance items—a significant challenge in times of tight budgets and competing priorities.
- **Alternative project managers.** Given BIA's many responsibilities in support of Indian communities, it might be more appropriate for other entities, such as tribes or water users, to manage some or all of the irrigation projects.

To obtain information on the long-term financial sustainability of each of the projects, GAO recommended that BIA conduct studies to determine how much it would cost to financially sustain each project and the extent to which water users on each project have the ability to pay these costs. Subsequently, in June 2008, the Department of the Interior stated in a memorandum that it did not have sufficient funding to perform these studies—and did not expect to have such funding in the foreseeable future. Since GAO's February 2006 report, BIA irrigation projects continue to face hundreds of millions of dollars of deferred maintenance needs, and financial sustainability issues also remain unresolved.