

# Bureau of Reclamation Support for Water Storage Projects

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**Charles V. Stern**  
Specialist in Natural  
Resources Policy

## Bureau of Reclamation Support for Water Storage Projects

The Bureau of Reclamation (Reclamation, part of the Department of the Interior) has for more than a century been involved in the construction and operations of water storage projects in the 17 arid and semiarid western states. In the past, Congress generally provided full, up-front funding for the construction of these projects through discretionary and supplemental appropriations to Reclamation, and project beneficiaries (e.g., irrigators, municipal water suppliers, and hydropower contractors) generally repaid their portion of project costs over a 40- to 50-year term.

Since the 1970s, Reclamation has built few new projects under its traditional authorities, but in recent years, Congress has added new authorities for Reclamation to support water storage construction at various scales. In Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322), Congress enacted a new authority for Reclamation to fund the study and/or construction of new surface and groundwater storage projects. Under Section 4007, funding for water storage projects may be used for two primary project types:

- *Federally owned storage projects* are surface water or groundwater storage projects to which the United States holds title and that were authorized for construction pursuant to reclamation law and regulations. The federal government may fund up to 50% of the cost for these projects.
- *State-led storage projects* are surface water or groundwater storage projects to be constructed, operated, and maintained by states or political subdivisions. The federal government may fund up to 25% of the costs of these projects.

To receive study or construction funding under this authority, the Secretary of the Interior first, among other requirements, recommends specific projects and funding levels to Congress, and Congress in turn decides whether to designate those projects by name in an enacted appropriations act. From 2018 to 2020, 13 projects received funding under the WIIN Act. Since January 2021, only projects that were recommended for construction prior to that date have been eligible for ongoing Administration construction funding allocations under Section 4007. In the Infrastructure Investment and Jobs Act (IIJA, also referred to as the Bipartisan Infrastructure Law; P.L. 117-58), Congress expanded these authorities and provided Reclamation with \$1.05 billion in additional funding for these projects.

Congress also enacted new authorities in the IIJA for Reclamation to provide grants that support the construction of “small” (i.e., less than 30,000 acre-feet), nonfederally owned surface and groundwater storage projects. Reclamation may also support small water storage and conveyance projects that increase drought resiliency using grant authorities enacted in 2010 under P.L. 111-11. These drought resiliency projects are funded through Reclamation’s Drought Response Program. While the two programs target similar project types, their eligible recipients, maximum project costs, and federal cost share requirements differ.

Issues for Congress related to Reclamation water storage projects may include whether to extend and/or amend expiring authorities, such as those enacted under the WIIN Act, and whether to increase regular and/or supplemental funding for these projects. Congress may also consider what levels of funding, if any, are adequate for these projects and what financing mechanisms to employ (e.g., appropriate cost shares, repayment). In the 119<sup>th</sup> Congress, H.R. 1, as passed by the House, would provide Reclamation with an additional \$2.0 billion for projects that enhance capacity at existing Reclamation surface water storage facilities and \$500 million for projects that restore or increase the capacity of Reclamation water conveyance projects. This funding would not require reimbursement or cost sharing.

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## Introduction<sup>1</sup>

Traditionally, the role of the Bureau of Reclamation (Reclamation, part of the Department of the Interior) in water project development has been limited to geographically specific projects authorized in federal statutes that comprise *reclamation law* (i.e., federal law that applies to reclamation projects generally). For such projects, Congress generally provided full, up-front funding for the construction costs of these projects through discretionary appropriations to Reclamation. Project beneficiaries (e.g., irrigators, municipal water suppliers, and hydropower contractors) generally then repaid their portion of reimbursable project construction or development costs over a term of 40 to 50 years.

A number of events precipitated the gradual slowdown of Reclamation's construction program beginning in the 1970s, and the bureau has constructed few new Reclamation projects (most of them smaller in scale) since then. Instead, Congress has authorized other forms of support for water resources development, including rural water projects, grants to nonfederal entities for water efficiency and conservation efforts, and projects associated with authorized Indian water rights settlements.<sup>2</sup>

In recent years, Congress has added to the available authorities for Reclamation to construct or support the construction of both large and small surface and groundwater storage projects. Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) created a new authority for Reclamation to build new and/or augmented surface and groundwater storage projects. The authority was subsequently funded in congressional appropriations. In the Infrastructure Investment and Jobs Act (IIJA, also referred to as the Bipartisan Infrastructure Law [BIL]; P.L. 117-58), Congress expanded these authorities and provided Reclamation with additional funding for these projects. Congress has also enacted several grant authorities for Reclamation that support the construction of small, nonfederal surface and groundwater storage projects. These are funded through the bureau's Small Water Storage Project grant program, and drought resiliency projects are funded within the bureau's Drought Response Program.

## Section 4007 of the WIIN Act

In 2016, Congress enacted the WIIN Act. Section 4007 of the act created a new authority for Reclamation to support surface and groundwater storage projects, and authorized a total of \$335 million in discretionary appropriations for this purpose. Under Section 4007, funding for water storage projects is available for two primary project types:

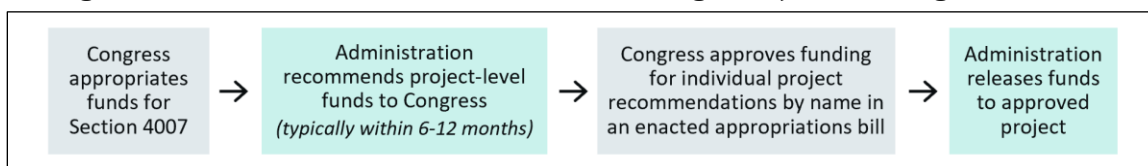
- *Federally owned storage projects* are projects involving surface water or groundwater to which the United States holds title and that were authorized for construction pursuant to reclamation law and regulations. The federal government may fund up to 50% of the cost for these projects.
- *State-led storage projects* are projects involving surface water or groundwater to be constructed, operated, and maintained by states or political subdivisions. The federal government may fund up to 25% of the costs of these projects.

<sup>1</sup> This report is an expanded version of archived CRS In Focus IF10626, *Reclamation Water Storage Projects: Section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act*, by Charles V. Stern.

<sup>2</sup> For more background on the Bureau of Reclamation's history and authorities, see CRS Report R46303, *Bureau of Reclamation: History, Authorities, and Issues for Congress*, by Charles V. Stern and Anna E. Normand.

Funding allocated under the WIIN Act may be used for studies and construction. Before projects can begin construction under Section 4007, several milestones must be met. To recommend a project for construction, the Secretary of the Interior must find that the project is feasible (either by authorizing a federal feasibility study or by approving a nonfederal study) and provides benefits proportionate to the federal government's cost share. In addition, project sponsors must agree to pay their portion of project costs up front. Appropriations under Section 4007 are available only after the Secretary transmits a list of recommended projects and funding levels to Congress and Congress designates those projects by name in an enacted appropriations act (Figure 1).

**Figure 1. Process for Section 4007 Water Storage Project Funding Allocations**



**Source:** Congressional Research Service.

In the WIIN Act, Congress stipulated that in order for projects to move forward with construction, the Secretary must find them feasible by January 1, 2021.<sup>3</sup> As a result, only a subset of studies that were initially funded under this authority are currently eligible for construction funding. Altogether, 8 of the 13 projects that received feasibility study funding between 2018 and 2020 under the WIIN Act's authority were found feasible prior to the act's January 1, 2021, deadline. These projects continue to be eligible for ongoing construction funding. (These projects are shown in boldface in **Table 2**.)

Section 4007 is notable for its contrast with traditional Reclamation financing. Instead of full, up-front federal financing for new federal projects as has traditionally been provided, Section 4007 provides for 50% funding for federal-led projects and 25% funding for state-led projects. Additionally, prior to enacting the WIIN Act, Congress had not authorized Reclamation to fund state-led water storage projects.

The WIIN Act's changes were also significant insofar as they allow water resources projects to move forward with construction without direct involvement of relevant congressional authorizing committees (i.e., the House Natural Resources Committee and the Senate Energy and Natural Resources Committee). Although there is no statutory requirement for explicit approval of Reclamation construction projects by these committees, in practice, these projects previously have received approval from the authorizing committees for construction before obtaining appropriations for this purpose. Section 4007 moved the onus of project approval to the appropriators and increased the number of requirements that must be met during the appropriations process. Although Section 4007 decreased traditional congressional involvement in new project approval, Congress, through the appropriations committees, still has to approve new projects before they can move forward. Additionally, although Section 4007 represents a new authority for construction projects, only a limited pool of projects are eligible for this support (i.e., projects approved before 2021), and Reclamation project authorization and finance continues to be an option for construction of new projects.

<sup>3</sup> P.L. 114-322, §4007(i).

## IIJA Authorities and Funding for Water Storage Projects

In the IIJA (also referred to as the BIL; P.L. 117-58), Congress expanded the water storage authority of the WIIN Act. In Section 40901 of the IIJA, Congress authorized a total of \$1.05 billion for water storage projects through FY2026. In Section 40902(a)(1)(A) of the IIJA, Congress provided that three kinds of feasibility studies are eligible for funding authorized under Section 40901:

- feasibility studies authorized by Congress by the date of the IIJA's enactment,
- feasibility studies with funding approved under Section 4007 of the WIIN Act, and
- the Verde Reservoirs Sediment Mitigation Project (AZ) and the Tualatin River Basin Project (OR).

Similarly to the IIJA's approach for feasibility studies, in Section 40902(a)(2) of the act, Congress provided that one or more criteria must be met for a project to be eligible for construction funding authorized under Section 40901. Specifically, a project will be eligible for IIJA construction funding if any of the following has occurred as of the date of the IIJA's enactment:

- an act of Congress authorized construction funding;
- Congress approved construction funding under Section 4007 of the WIIN Act;<sup>4</sup> or
- Congress approved feasibility study funding for a project, as detailed above, provided that the Secretary of the Interior finds that the project is technically and financially feasible, that sufficient nonfederal funding is available for the nonfederal cost share, and that the project is in the public interest and recommended by the Secretary of the Interior for construction.

Thus, Reclamation in effect possesses two construction authorities: a permanent authority to construct (or support the construction of) the eight facilities that met the WIIN Act's feasibility deadline of January 1, 2021, and a time-limited authority to fund certain studies and construction projects through FY2026 under the IIJA (of which WIIN Act projects are a subset).

## Funding and Recent Project Allocations

Congress appropriated a total of \$988 million for Section 4007 projects in annual Energy and Water Development appropriations acts from FY2017 to FY2024.<sup>5</sup> For its part, Reclamation has transmitted eight rounds of project recommendations for these funds that, after congressional approval, released \$948 million in prior-year appropriations to 13 projects: 10 in California, 2 in Washington, and 1 in Idaho (**Table 2**).

Apart from regular appropriations under the WIIN Act, Congress appropriated \$1.05 billion over five years (FY2022-FY2026) for water storage and conveyance projects in Division J of the

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<sup>4</sup> The projects with approved construction funding under Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN) Act include B.F. Sisk Dam Raise and Reservoir Expansion (CA); Boise River Basin Feasibility Study (ID); Del Puerto Water District Feasibility Study (CA); Friant-Kern Canal Subsidence Challenges Project (CA); Los Vaqueros Reservoir Phase 2 Expansion (CA); Shasta Dam and Reservoir Enlargement Project (CA); Sites Reservoir Storage Project (CA); and Yakima River Basin Water Enhancement Project, Cle Elum Pool Raise (WA).

<sup>5</sup> In the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4), Congress did not include a specific appropriation level for Section 4007 projects similar to what was included in prior years.

IIJA.<sup>6</sup> Reclamation released its project allocations for water storage studies and construction projects funded under the IIJA from FY2022-2025 (**Table 2**).<sup>7</sup> These allocations have included funding for some of the same WIIN Act Section 4007 projects that were funded in annual discretionary appropriations during this time (e.g., Sites Reservoir Storage Project), as well as funding for Section 4007 studies that did not meet the 2021 feasibility deadline under the WIIN Act (e.g., Upper Yakima System Storage Feasibility Study, Verde Reservoir Sediment Mitigation Study). At the same time, IIJA funding was also allocated for the construction of other, previously authorized water storage and conveyance projects, such as the Arkansas Valley Conduit in Colorado.<sup>8</sup>

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<sup>6</sup> As noted above, unlike regular appropriations recommendations under the WIIN Act, Infrastructure Investment and Jobs Act (IIJA) appropriations for storage are eligible for allocation and award without further action by Congress.

<sup>7</sup> Reclamation has released total funding allocations for FY2024 and FY2025 but to date has not released project-specific allocation addendums for these amounts.

<sup>8</sup> The project was authorized in P.L. 87-590, as amended by P.L. 111-11.

**Table I. Bureau of Reclamation Section 4007 Water Storage Project Allocations, 2018-2025**

(\$ in millions)

**Administration Allocation Recommendations, as Approved by Congress in Discretionary Appropriations Bill Text**

<b>Project (State)</b>	<b>Jan. 2018</b>	<b>Feb. 2019</b>	<b>June 2020</b>	<b>Dec. 2020</b>	<b>Feb. 2021</b>	<b>Nov. 2022</b>	<b>July 2023</b>	<b>May 2024</b>	<b>Total</b>
<b>B.F. Sisk Dam Raise and Reservoir Expansion (CA)</b>	—	—	—	—	\$60.00	—	—	—	\$60.00
<b>Boise River Basin Feasibility Study (ID)</b>	\$0.75	\$1.75	\$2.88	\$10.00	—	—	—	—	\$15.38
Delta Mendota Canal Subsidence Correction (CA)	—	—	\$3.00	—	—	—	—	—	\$3.00
<b>Del Puerto Water District Feasibility Study (CA)</b>	—	\$1.50	\$1.50	—	\$15.00	—	—	—	\$18.00
<b>Friant-Kern Canal Subsidence Challenges Project (CA)</b>	\$2.20	\$2.35	\$71.00	\$135.00	—	—	—	—	\$210.55
<b>Los Vaqueros Reservoir Phase 2 Expansion (CA)<sup>b</sup></b>	—	\$2.16	\$7.85	\$4.10	\$50.00	\$18.00	—	—	\$82.11
Sacramento Regional Water Bank (CA)	—	—	\$0.87	—	—	—	—	—	\$0.87
San Luis Low Point Improvement Project (CA)	—	—	\$1.70	—	—	—	—	—	\$1.70
<b>Shasta Dam and Reservoir Enlargement Project (CA)</b>	\$20.00	—	—	—	—	—	—	—	\$20.00
<b>Sites Reservoir Storage Project (CA)</b>	\$4.35	\$6.00	\$4.00	\$9.70	\$80.00	\$80.0	\$205.60	\$134.00	\$523.65
Upper San Joaquin River Basin Storage Investigation (CA)	\$1.50	—	—	—	—	—	—	—	\$1.50
Upper Yakima System Storage Feasibility Study (WA)	\$2.50	—	—	—	—	—	—	—	\$2.50
<b>Yakima River Basin Water Enhancement Project, Cle Elum Pool Raise (WA)</b>	\$2.00	\$4.00	\$1.00	\$2.00	—	—	—	—	\$9.00
<b>Total</b>	<b>\$33.30</b>	<b>\$17.76</b>	<b>\$93.80</b>	<b>\$160.80</b>	<b>\$205.00</b>	<b>\$98.00</b>	<b>\$205.60</b>	<b>\$134.00</b>	<b>\$948.26</b>

**Sources:** Bureau of Reclamation Reports to Congress in January 2018, February 2019, June 2020, December 2020, July 2021, July 2023, and May 2024; enacted appropriations legislation for FY2018 (P.L. 115-141); FY2020 (P.L. 116-94); FY2021 (P.L. 116-260); FY2022 (P.L. 117-43).

**Notes:** Table is as of June 5, 2025. Projects in **bold** were recommended for construction under Section 4007 of the Water Infrastructure Improvements for the Nation Act (P.L. 114-322) prior to the legislation's construction eligibility deadline of January 1, 2021, and are thus available for ongoing construction funding. Reclamation proposed \$172 million in allocations for the Shasta Dam and Reservoir Enlargement Project in 2019 and 2020. Congress did not agree to these recommendations.

**Table 2. Infrastructure Investment and Jobs Act: Water Storage and Conveyance Project Allocations**

(\$ in millions)

**IJA Executive Branch Allocations**

<b>Project (State)</b>	<b>Oct. 2022</b>	<b>July 2023</b>	<b>Aug 2024</b>	<b>Jan 2025</b>	<b>Total Funding</b>
Arkansas Valley Conduit (CO)	\$60.00	\$100.00	\$90.00	\$250.00	\$500.00
Anderson Ranch Dam Raise Project (ID)	—	—	—	\$7.00	\$7.00
B.F. Sisk Dam Raise and Reservoir Expansion (CA)	\$25.00	\$10.00	\$75.00	\$125.00	\$245.00
Dry Redwater Regional Water System Feasibility Study (MT)	\$3.0	—	—	—	\$3.0
Los Vaqueros Reservoir Phase 2 Expansion (CA)	[\$82.00]	[\$10.00]	—	—	\$9.755
Sites Reservoir Storage Project (CA)	\$30.00	\$30.0	\$67.50	\$129.00	\$256.50
Upper Yakima System Storage Feasibility Study (WA)	—	\$1.00	—		\$1.00
Verde Reservoirs Sediment Mitigation Project Feasibility Study (AZ)	\$5.0	—	\$8.50		\$13.50
Yakima River Basin Water Enhancement Project, Cle Elum Pool Raise (WA)	\$5.00	\$1.00	\$1.00	\$3.0	\$10.0
<b>Total</b>	<b>\$142.00</b>	<b>\$152.00</b>	<b>\$242.00</b>	<b>\$514.00</b>	<b>\$1,050</b>

**Sources:** FY2022-FY2025 Reclamation work plan addendums for the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), available at <https://www.usbr.gov/bil2022-spendplan.html>.

**Notes:** Of the \$174.1 million that was originally allocated to the Los Vaqueros project, \$9.755 million was spent and \$89 million was reallocated to the Sites project in January 2025.

## Other Water Storage Project Authorities

Congress has also authorized Reclamation to fund smaller, nonfederally owned water storage projects of a more limited scale. Some of these authorities are discussed below.

### Small Water Storage Project Grants

In Section 40903 of the IIJA, Congress directed the Secretary of the Interior to establish a new competitive grant program for small water storage projects, which are allocated \$100 million of the total water storage funding authorized under Section 40901 (see previous section, “IIJA Authorities and Funding for Water Storage Projects”). Congress appropriated this funding over five years (FY2022-FY2026) in Division J of the act.

Congress defined eligible projects under this authority as those in the 17 western reclamation states, Hawaii, and Alaska (1) with water storage capacity of 200-30,000 acre-feet (AF) or (2) that convey water directly or indirectly from surface or groundwater storage. Federal costs under this section are to be either (1) no more than the lesser of 25% of the project’s total costs or (2) \$30 million.<sup>9</sup> There is no maximum project cost under this authority. Eligible applicants for the authority include nonfederal entities such as state, regional, or local authorities; Indian tribes or tribal organizations; and entities such as a water district or water association with water delivery authority. To qualify for funding, the project sponsor’s feasibility study must be approved by Reclamation.<sup>10</sup>

Reclamation allocated IIJA appropriations to a newly created program (the Small Surface Water Storage and Groundwater Storage Program) under this authority in FY2023 and FY2024. Reclamation awarded \$20 million for the first round of funding (FY2023) for the program to four projects with storage capacities ranging from 1,485 to 28,000 AF.<sup>11</sup> For the second round of funding in FY2024, Reclamation awarded \$35 million funding to six projects with storage capacities ranging from 1,035 to 5,000 AF.<sup>12</sup>

### Drought Resiliency Projects

Reclamation’s Drought Response Program, a component of the Bureau’s WaterSMART Program, has also been used to support construction of water storage projects of a limited scale, including nonfederal water storage projects and groundwater recharge and recovery projects that increase drought resiliency in drought-prone areas. These drought resiliency projects are authorized under the same authority as Reclamation’s WaterSMART grant program.<sup>13</sup> Drought resiliency projects

<sup>9</sup> P.L. 117-58, §40903(c).

<sup>10</sup> For more information, see Bureau of Reclamation, *Reclamation Manual: Small Surface Water and Groundwater Storage Projects Feasibility Study*, CMP TRMR-127, January 13, 2022, [https://www.usbr.gov/recman/temporary\\_releases/cmptmr-127.pdf](https://www.usbr.gov/recman/temporary_releases/cmptmr-127.pdf).

<sup>11</sup> Bureau of Reclamation, *Implementation of the Bipartisan Infrastructure Law*, Addendum, May 2, 2023, <https://www.usbr.gov/bil/docs/spendplan-2023/Reclamation-BIL-Spend-Plan-Addendum-05-02-2023.pdf>.

<sup>12</sup> Bureau of Reclamation, *Implementation of the Bipartisan Infrastructure Law*, Addendum (January-April 2024), May 16, 2024, <https://www.usbr.gov/bil/docs/spendplan-2024/Reclamation-BIL-Spend-Plan-Addendum-05-16-2024.pdf>.

<sup>13</sup> Drought Response Program (DRP) grants are generally authorized under two separate authorities. Congress authorized emergency response and planning in the Reclamation States Drought Relief Act of 1991 (P.L. 102-250). In Section 9504 of P.L. 111-11, as amended (42 U.S.C. §10364), Congress enacted authority for the WaterSMART program, which included the authority to fund projects to “plan for or address the impacts of drought.” Reclamation uses the latter authority to fund drought resiliency projects, which are solicited along with other such drought projects (continued...)

may fund up to 50% of a project's costs, with maximum federal funding of \$5 million per project and maximum total project costs of \$10 million. However, the federal cost share for these projects can be up to 95%-100% for certain disadvantaged communities if funding is provided through the Inflation Reduction Act (IRA; P.L. 117-169).<sup>14</sup> There are no other requirements pertaining to project size and scope under this authority.

Eligible recipients of drought resiliency project funding are similar to those eligible for funding under the Small Water Storage Program but also include the U.S. Virgin Islands, Puerto Rico, and Guam, as well as nonprofit conservation groups who partner with an otherwise eligible entity. Previously, Reclamation has funded drought resiliency projects using both annual discretionary appropriations provided to the Drought Response Program, as well as by using a portion of WaterSMART grant funding appropriated under the IIJA.<sup>15</sup>

## Geographically Specific Authorities

Reclamation has other authorities that it has used to support water storage and related works. For instance, Congress has enacted targeted authorities for Reclamation to construct some geographically specific projects, such as the Arkansas Valley Conduit in Colorado (see previous section, "IIJA Authorities and Funding for Water Storage Projects"). Similarly, Congress has also authorized Reclamation to construct individual rural water projects, which are typically municipal projects to supply water to rural and/or tribal areas.<sup>16</sup> Reclamation has other project-specific authorities that it is also using to construct water storage and conveyance projects, such as those pertaining to individual Indian water rights settlements.<sup>17</sup> Detailed discussion of these other authorities is beyond the scope of this report.

## Issues for Congress

### Reauthorization and Funding

Congress has typically engaged with the Administration's recommendations for Section 4007 water storage construction projects in appropriations action. As previously noted, appropriations under the authority of Section 4007 of the WIIN Act may not be allocated to individual projects until they are approved by name in enacted legislation. While Congress has approved most prior WIIN Act project allocation recommendations, the 116<sup>th</sup> Congress did not approve several

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and are defined by Reclamation as on-the-ground projects that improve water management flexibility during periods of drought. For more information, see Bureau of Reclamation, "Drought Response Program," <https://www.usbr.gov/drought/index.html>.

<sup>14</sup> Specifically, domestic water supply projects for tribes or disadvantaged communities that apply for funding under the Inflation Reduction Act may receive a 95% federal cost share, which may itself be waived (resulting in a 100% federal cost share). See Bureau of Reclamation, *WaterSMART Planning and Project Design Grants, & Drought Resiliency Projects*, Webinar, August 24, 2023, p. 26, [https://www.usbr.gov/drought/docs/2024/FY24\\_Planning\\_DRP\\_Webinar.pdf](https://www.usbr.gov/drought/docs/2024/FY24_Planning_DRP_Webinar.pdf).

<sup>15</sup> For example, in FY2023, Reclamation announced that \$84.9 million in IIJA WaterSMART grant funding would be used for 36 drought resiliency projects across 10 western states. See Bureau of Reclamation, *Implementation of the Bipartisan Infrastructure Law Addendum-ESA & WaterSMART to FY2023 Initial Spend Plan, and to FY2022 and FY2023 Spend Plans*, December 2022, <https://www.usbr.gov/bil/docs/spendplan-2023/Reclamation-BIL-Spend-Plan-Addendum-ESA%20WaterSMART12-27-2022.pdf>. Unlike for WaterSMART, Congress did not appropriate IIJA funding for the DRP.

<sup>16</sup> For more information on Reclamation's rural water projects, see CRS Report R46308, *Bureau of Reclamation Rural Water Projects*, by Anna E. Normand.

<sup>17</sup> For more information, see CRS Report R44148, *Indian Water Rights Settlements*, by Charles V. Stern.

recommended allocations for one project (the Shasta Dam and Reservoir Enlargement Project) during the first Trump Administration; this effectively blocked its construction. Since 2021, Reclamation has continued to recommend funding allocations for construction projects that met the WIIN Act's feasibility determination deadline of January 1, 2021.

Some Members of Congress have proposed reauthorization and/or amendment of the Section 4007 authority. In the 118<sup>th</sup> Congress, several bills would have reauthorized and/or made changes to Reclamation's Section 4007 authority, including H.R. 215 and S. 2162. The 119<sup>th</sup> Congress may continue to weigh in on recommended storage projects under the Section 4007 authority through authorization and appropriations processes.

Apart from Section 4007 authorities for larger projects, Congress may also consider the status of the temporary (FY2022-FY2026) authority and funding for the Small Water Storage Project grant program authorized in the IIJA and whether to extend this authority beyond the time horizon currently authorized. It may also consider the status and mechanism for supporting drought resiliency projects (technically authorized under the Bureau's WaterSMART authorities)<sup>18</sup> and the status of temporary cost share authorities under the IRA. Demand for both programs, and reconciling differences between the authorities (e.g., eligible entities, potential for cost share waivers, project caps), could be a driver for future legislative interest in one or both programs.

In the 119<sup>th</sup> Congress, H.R. 1, as passed by the House, would provide Reclamation with an additional \$2.0 billion in funding for surface water storage projects that increase the capacity of existing Reclamation surface water storage facilities. It would further provide an additional \$500 million for water conveyance projects that restore or increase the capacity of existing Reclamation facilities. This funding appears to include reservoir expansion projects, such as the B.F. Sisk Reservoir Expansion Project and the Shasta Reservoir Enhancement Project, and several ongoing federal canal improvement projects, among others. Similar to previous IIJA funding allocations, it would not be subject to existing WIIN Act project recommendation requirements. The legislation stipulates that this funding would not be subject to reimbursement or cost sharing.

## **Funding and Implementation**

Funding for Reclamation to study and construct water storage projects has increased significantly over the past decade. As construction on surface and groundwater storage projects continues across the West and recent influxes of supplemental funding (i.e., IIJA funding) are expended, stakeholders may ask Congress to enact new funding to complete these projects and start others. How and whether to make this funding available, and what (if any) changes and other requirements should accompany this funding, are likely to be of interest to Congress.

## **Author Information**

Charles V. Stern  
Specialist in Natural Resources Policy

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<sup>18</sup> For more information, see Bureau of Reclamation, *Reclamation Manual: Small Surface Water and Groundwater Storage Projects Feasibility Study*, CMP TRMR-127, January 13, 2022, [https://www.usbr.gov/recman/temporary\\_releases/cmptrmr-127.pdf](https://www.usbr.gov/recman/temporary_releases/cmptrmr-127.pdf).

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