Congressional Research Service
Informing the legislative debate since 1914

Bureau of Reclamation Support for Water Storage Projects

Updated February 6, 2026

Congressional Research Service
https://crsreports.congress.gov
R47987

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

SUMMARY

R47987

February 6, 2026

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 2016 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. Pursuant to the act, since January 2021, only projects that were recommended for construction prior to the end of 2020 have been eligible for ongoing Administration construction funding allocations under Section 4007.

Overall, Congress has provided Reclamation more than $3.0 billion in funding for large water storage projects since FY2018, including more than $1.0 billion in funding for Section 4007 projects in annual discretionary appropriations through FY2026. Congress also has provided funding for these projects in supplemental appropriations. In the Infrastructure Investment and Jobs Act (IIJA, also referred to as the Bipartisan Infrastructure Law; P.L. 117-58), Congress provided Reclamation with $1.05 billion in funding for Section 4007 and other projects. In the 119th Congress, the FY2025 budget reconciliation law (P.L. 119-21, sometimes called the One Big Beautiful Bill Act) provided Reclamation with $1.0 billion for projects that enhance capacity at existing Reclamation surface water storage facilities. Unlike prior funds, this funding would not require reimbursement or cost sharing.

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, and Reclamation has awarded IIJA funding under this authority. Reclamation also may 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.

In the 119th Congress, several bills (e.g., H.R. 6641, H.R. 338) would address Reclamation's water storage authorities. Issues for Congress include whether to extend and/or amend expiring authorities, such as those enacted under the WIIN Act. Congress also may 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 addition, Congress may be interested in oversight of project allocations and planning for future surface water storage projects.

Contents

Figures

Tables

Contacts

Introduction

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.[1]

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) and the FY2025 budget reconciliation law (P.L. 119-21, sometimes called the One Big Beautiful Bill Act), Congress expanded Reclamation's authorities and provided it 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

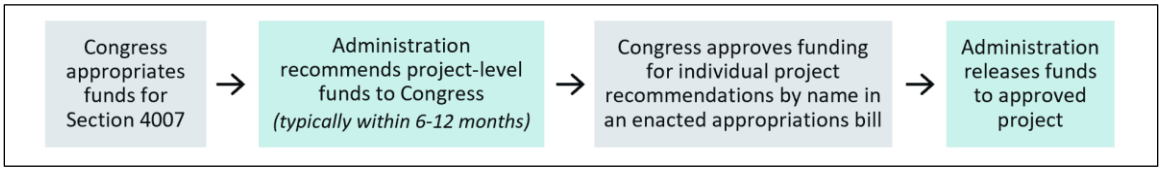
In 2016, Congress enacted the WIIN Act. Section 4007 of the act created a new authority for Reclamation to support surface and groundwater storage projects, and authorized a total of $335 million in discretionary appropriations for this purpose. Under Section 4007, funding for water storage projects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

[1] 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 approves 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 have found them feasible by January 1, 2021.[2] 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 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.

[2] 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 for the project;
- Congress approved construction funding under Section 4007 of the WIIN Act;[3] 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 $1.051 billion for Section 4007 projects in annual Energy and Water Development appropriations acts from FY2017 to FY2026.[4] 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

[3] 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).

[4] CRS analysis of FY2017 to FY2026 Reclamation appropriations.

IIJA.[5] Reclamation released its project allocations for water storage studies and construction projects funded under the IIJA from FY2022-2025 (**Table 2**).[6] 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.[7]

[5] 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.

[6] Reclamation has released total funding allocations for FY2024 and FY2025 but to date has not released project-specific allocation addendums for these amounts.

[7] The project was authorized in P.L. 87-590, as amended by P.L. 111-11.

Table 1. Bureau of Reclamation Section 4007 Water Storage Project Allocations, 2018-2025

($ in millions)

Project (State)	Administration Allocation Recommendations, as Approved by Congress in Discretionary Appropriations Bill Text									Total
	Jan. 2018	Feb. 2019	June 2020	Dec. 2020	Feb. 2021	Nov. 2022	July 2023	May 2024	Dec 2025	
B.F. Sisk Dam Raise and Reservoir Expansion (CA)	—	—	—	—	$60.00	—	—	—	$31.80	$90.80
Boise River Basin Feasibility Study (ID)	$0.75	$1.75	$2.88	$10.00	—	—	—	—	—	$15.38
Delta Mendota Canal Subsidence Correction (CA)	—	—	$3.00	—	—	—	—	—	—	$3.00
Del Puerto Water District Feasibility Study (CA)	—	$1.50	$1.50	—	$15.00	—	—	—	—	$18.00
Friant-Kern Canal Subsidence Project (CA)	$2.20	$2.35	$71.00	$135.00	—	—	—	—	—	$210.55
Los Vaqueros Reservoir Phase 2 Expansion (CA)[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
Shasta Dam and Reservoir Enlargement Project (CA)	$20.00	—	—	—	—	—	—	—	—	$20.00
Sites Reservoir Storage Project (CA)	$4.35	$6.00	$4.00	$9.70	$80.00	$80.0	$205.60	$134.00	$18.20	$541.85
Upper San Joaquin River Basin Storage Investigation (CA)	$1.50	—	—	—	—	—	—	—	—	$1.50
Upper Yakima System Storage Feasibility Study (WA)	$2.50	—	—	—	—	—	—	—	—	$2.50
Cle Elum Pool Raise (WA)	$2.00	$4.00	$1.00	$2.00	—	—	—	—	—	$9.00
Total	$33.30	$17.76	$93.80	$160.80	$205.00	$98.00	$205.60	$134.00	$50.00	$998.26

Sources: Bureau of Reclamation Reports to Congress in January 2018, February 2019, June 2020, December 2020, July 2021, July 2023, May 2024, and December 2025; 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 feasibility study 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)

Project (State)	Bureau of Reclamation Spend Plan Allocations				Total Funding
	Oct. 2022	July 2023	Aug 2024	Jan 2025	
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	$235.00
Dry Redwater Regional Water System Feasibility Study (MT)	$3.00	—	—	—	$3.00
Los Vaqueros Reservoir Phase 2 Expansion (CA)[a]	$3.00	—	—	—	$3.00
Sites Reservoir Storage Project (CA)	$30.00	$30.00	$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)	$5.00	—	$8.50	—	$13.50
Yakima River Basin Water Enhancement Project, Cle Elum Pool Raise (WA)	$5.00	$1.00	$1.00	$3.00	$10.00
Total	$130.0	$142.00	$242.00	$514.00	$1,029.00

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/bil/2022-spendplan.html.

a. $89 million of the $92 million initially allocated for the Los Vaqueros Phase 2 Project in FY2022 ($82 million) and FY2023 ($10 million) was reallocated toward the BF Sisk Dam raise allocation for FY2025.

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.[8] 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.[9]

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.[10] 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.[11] Reclamation previously announced plans to allocate $26 million and $17 million in FY2025 and FY2026, respectively, but had not released project allocations as of early 2026.[12]

[8] P.L. 117-58, §40903(c).

[9] 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.

[10] 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.

[11] 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.

[12] Bureau of Reclamation, *Infrastructure Investment and Jobs Act, Annual Spend Plan, FY2026*. Infrastructure Investment and Jobs Act (IIJA) Annual Spend Plan 2026, https://www.usbr.gov/bil/docs/spendplan-2026/FY-2026-Reclamation-BIL-Spend-Plan.pdf.

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.[13] Under this authority, Reclamation 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).[14] 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 projects in the U.S. Virgin Islands, Puerto Rico, and Guam, as well as nonprofit conservation groups who partner with an otherwise eligible entity in an authorized area. 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.[15]

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.[16] Reclamation has other project-specific authorities that it is also using to construct water storage and conveyance projects, such as those

[13] 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 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.

[14] 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, and the remaining 5% 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.

[15] 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.

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

pertaining to individual Indian water rights settlements.[17] Detailed discussion of these other authorities is beyond the scope of this report.

Issues for Congress

Authorization Proposals

In the past, Congress typically has engaged with the Administration's recommendations for Section 4007 water storage construction projects in appropriations action, where projects must be approved by name in enacted legislation. While Congress has approved most prior WIIN Act project allocation recommendations, the 116th Congress did not approve several recommended allocations for one project (the Shasta Dam and Reservoir Enlargement Project) during the first Trump Administration. 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. The most recent WIIN Act construction allocations were approved in P.L. 119-74.

In recent Congresses, Members have proposed reauthorization and/or amendment of Section 4007, as well as other water storage-related authorities and processes for Reclamation. In the 119th Congress, H.R. 6641, the Central Valley Water Solution Act, would, among other things, authorize Reclamation to provide financial and technical assistance for 22 individual surface and groundwater storage and conveyance projects throughout California, at a total cost of approximately $4.4 billion.

Apart from Section 4007 authority for larger storage projects, Congress may also consider the status of the temporary (FY2022-FY2026) authority and funding for the Small Water Storage Project grant program that was authorized in the IIJA, including whether to extend and/or amend this authority. It also may consider the status and mechanism for supporting drought resiliency projects (authorized under the Bureau's WaterSMART authorities[18]) 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 drivers for future legislative interest in these programs. In the 119th Congress, H.R. 338, the Every Drop Counts Act, would amend the bureau's Small Water Storage Project Program authority to increase the cap for groundwater projects to 150,000 acre-foot in annual capacity and would extend the program's authorization through November 2031.

Oversight of Administration funding allocations for ongoing projects also may be of interest to Congress. In 2025, Congress enacted P.L. 119-21, which provided Reclamation with an additional $1.0 billion in funding for projects that increase the capacity of existing Reclamation surface water storage facilities. This funding may be allocated to support ongoing reservoir expansion projects that have received funding in the past (e.g., projects such as the B.F. Sisk Reservoir Expansion Project and the Shasta Reservoir Enhancement Project in California). Similar to previous supplemental funding allocations, these funds are not subject to existing WIIN Act Section 4007 project allocation recommendation requirements. However, in contrast to prior authorities, the legislation stipulated that these funds would not be subject to reimbursement or cost sharing (which is typically required for reclamation projects).

[17] For more information, see CRS Report R44148, *Indian Water Rights Settlements*, by Charles V. Stern.

[18] 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.

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 are allocated and 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

Disclaimer