

## **Report to the House and Senate Committees on Appropriations**

### **Distribution of Additional FY 2026 Funding for Water and Related Resources, Bureau of Reclamation and Discussion of Criteria**

The Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 (P.L. 119-74) provided the Bureau of Reclamation with a total of \$1,465,630,000 for its Water & Related Resources account. The accompanying Explanatory Statement includes language regarding \$207,859,000 in funding provided for “Additional Funding for Ongoing Work” in three categories within the Water and Related Resources account: Rural Water (\$75 million); Water Conservation and Delivery (\$127.859 million); and Environmental Restoration or Compliance (\$5 million). The Explanatory Statement requested that “Not later than 45 days after enactment of this Act, Reclamation shall provide to the Committees a report delineating how the additional funds in this account are to be distributed...”

Consistent with the Explanatory Statement, the Bureau of Reclamation has allocated additional FY 2026 funding to projects “...to advance and complete ongoing work, including preconstruction activities and where environmental compliance has been completed; improve water supply reliability; improve water deliveries; enhance national, regional, or local economic development; promote job growth; advance tribal and nontribal water settlement studies and activities; or address critical backlog maintenance and rehabilitation activities.” This information is provided in the FY 2026 Distribution of Additional Funds for Ongoing Work list.

Reclamation based its decisions on a thorough review at the regional, program and national levels to ensure a balanced approach that considered projects and programs consistent with the Joint Explanatory Statement, while adhering to existing authorizations and mission priorities. In many cases, the additional funding allows Reclamation to accelerate the selected projects to meet priority needs sooner than would otherwise be the case. Reclamation’s distribution of funding applied the following general criteria and considerations:

- Consideration of Administration priorities
- Consideration of Reclamation’s ability to complete or accelerate projects or discrete segments of projects that could produce probable cost reductions and an earlier realization of project benefits.
- Support for priority programs and activities, and program requirements. Consideration of positive economic impacts to communities, and support for programs that through cost sharing or partnerships could leverage these Federal dollars (see Rural Water section below).

In addition, Reclamation applied the following specific background information and criteria when making allocations:

#### Rural Water Construction (\$75 million)

To allocate the additional \$75 million of funding in this category, Reclamation utilized the previously developed criteria for allocating rural water construction funds, which provide greater transparency in the allocation of these funds. Reclamation’s prioritization criteria incorporate factors such as time and financial resources committed, urgent and compelling need, affected rural communities, economic impacts, and water use efficiency. The availability and allocation of other funding sources, such as

funding provided by the Infrastructure Investments and Jobs Act (P.L. 117-58), was also considered in these project allocations. As specified in the Explanatory Statement, Reclamation did not use the existence of voluntary funding in excess of legally required cost shares as a criterion for allocating the additional funding.

#### Water Conservation and Delivery (\$127.859 million)

The Explanatory Statement specifies that of the \$127.859 million in additional funding provided under the heading Water Conservation and Delivery:

- Not less than \$62.5 million shall be for water storage projects as authorized in section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act (Public Law 114 -322).
- Not less than \$20 million shall be to create or conserve recurring Colorado River water that contributes supplies in Lake Mead and other Colorado River water reservoirs in the Lower Colorado River Basin or projects to promote the long-term efficiency of operations in the Lower Colorado River Basin. Consistent with the Explanatory Statement, no funding has been allocated for the operation of the Yuma Desalting Plant.
- Not less than \$20 million shall be for Indian Water Rights Settlements.
- \$20.3 million shall be for the construction of the WEB Water expansion to the Town of Aberdeen, a regional water supply project that is part of the Water Investment in the Northern South Dakota project.

The remaining portion of the funding in the Water Conservation and Delivery category, \$5.059 million, has been allocated among specific projects in accordance with the above-stated general criteria.

#### Environmental Restoration or Compliance (\$5 million)

The Explanatory Statement also states that of the additional funding provided under the heading, funding is available for enhancing threatened or endangered fish species affected by the operation of Reclamation's water projects.