

**Western States Water Council
Policy Position**

(Note: language from policy positionsⁱ in black text with staff suggestions in red, and yellow highlights may be updated with the new President's Budget shortly)

SUPPORT FOR CRITICAL INFRASTRUCTURE PROGRAMS & PROJECTS

Who We Are

The Western States Water Council (WSWC) is a government entity representing western states,¹ with members appointed by their respective governors. The WSWC's mission is to ensure that the West has an adequate, secure, and sustainable supply of water of suitable quality to meet its diverse economic and environmental needs now and in the future.

What We Need Congress and the Administration to Do

1. Fully appropriate the Reclamation Fund's annual receipts for their congressionally intended purposes, and consider converting the Fund to a true revolving trust fund.
2. Expedite the funding and construction of authorized water supply projects.
3. Provide reliable funding streams for the maintenance, repair, and rehabilitation (MR&R) of federal water infrastructure
4. Reform congressional budget scoring to account for the long-term economic and public health benefits of water infrastructure investments.
5. Support legislation and policies that:
 - a. establish water infrastructure improvements as a public policy priority
 - b. prioritize cooperative federalism and intergovernmental collaboration in all water infrastructure decisions
 - c. ensure small, rural, and tribal communities have the financial and technical resources to meet their water infrastructure and water rights settlement needs and federal mandates
 - d. address the Nation's water infrastructure needs
 - e. streamline permitting and coordinate regulatory reviews to ensure timely project completion or relicensing, while protecting environmental resources
 - f. standardize federal processes for evaluating and reporting on water infrastructure safety risks
 - g. require careful, state-involved evaluation of all federal water and power asset transfers.

Priority Water Infrastructure Needs in the West

- A. Existing federal, state, and local programs to publicly finance new water infrastructure projects are crucial, but insufficient to meet water quality and water resources management challenges related to future growth, including municipal, industrial, agricultural, environmental, and energy needs.
- B. The West depends on an intricate and aging system of federal, state, tribal, and local water infrastructure, necessary for storing and delivering water for domestic, industrial, and environmental uses. Maintaining this aging infrastructure for public safety and continued operations requires substantial and sustained investments at all levels of government. The federal government has a significant role to play given federal economic and environmental objectives, federal tribal trust and treaty obligations, other past commitments, and federal regulatory mandates.

¹ AZ, CA, CO, ID, KS, MT, NE, NV, NM, ND, OK, OR, SD, TX, UT, WA, WY

- C. Across the West, many small, rural, and tribal communities experience water shortages due to drought, declining streamflows and groundwater supplies, and inadequate infrastructure, with some communities hauling water over substantial distances to meet potable water needs. Congress has authorized a number of Rural Water Supply Projects, Indian Water Rights Settlements, and programs to provide financial and technical assistance, which require ongoing appropriations to fulfill.

Why It Matters

In the West, water is indeed our “life blood,” a vital and scarce resource which availability circumscribes economic prosperity, environmental health, and quality of life both now and into the future. The wise conservation and management of sufficient water supplies of suitable quality are critical to sustaining human life, health, welfare, property, and the natural resources upon which all growth and development depend.

Much of the West is characterized by aridity and persistent drought, making water availability an ever-present constraint—a challenge felt most acutely by small, rural, and tribal communities struggling to meet current and future water supply needs while also achieving compliance with federal regulatory mandates.

To meet those water supply needs, the West depends on an intricate network of water infrastructure—weirs, diversions, dams, reservoirs, pipelines, aqueducts, pumps, canals, laterals, drains, levees, wells, stormwater channels, treatment facilities, and hydroelectric power plants—that delivers essential, multi-sector benefits to the nation: water and power for millions of people and industries, irrigation for food and fiber, flood control, recreation, and fish and wildlife habitat. This infrastructure is also integral to state water management and the fulfillment of interstate compacts, tribal settlements, and international treaty obligations.

Water infrastructure in the West is financed and maintained under a complex network of state, tribal, local, private, and federal ownership, benefitting a broad segment of water users and other stakeholders. This infrastructure is aging significantly and in many cases has exceeded its useful lifespan, raising serious public health and safety concerns. Even combined with non-federal contributions, current federal funding is not sufficient to address all MR&R and dam safety needs in the coming decades.

Safe operation and maintenance of water infrastructure is critical to preventing dam failure, which can result in loss of life, mass evacuations, extensive property damage, destruction of public infrastructure, widespread dispersal of contaminants, and exacerbation of water scarcity and supply issues. Water infrastructure requires substantial, sustained investment—accounting for full life-cycle costs and planned replacement—to ensure our continued ability to manage and protect water resources to prevent critical infrastructure failure.

More Information

Reclamation Fund

- The Bureau of Reclamation’s dams and reservoirs are the primary source of water for numerous regions and communities throughout the West. Its mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. In fulfillment of that mission, Reclamation operates hundreds of dams, reservoirs, and related facilities making it the largest wholesaler of water and second-largest producer of hydroelectric power in the United States.²

² Bureau of Reclamation, "About Us - Fact Sheet," last updated December 10, 2025, <https://www.usbr.gov/main/about/fact.html>

- Recognizing the critical importance of water in the development of the West, Congress passed the Reclamation Act on June 17, 1902, and provided monies “reserved, set aside, and appropriated as a special fund in the Treasury to be known as the ‘reclamation fund,’ to be used in the examination and survey for and the construction and maintenance of irrigation works for the storage, diversion, and development of water for the reclamation of arid and semiarid land...” in seventeen western states.
- **Congress** envisioned the Reclamation Fund as the principle means to finance federal western water and power projects with revenues from western resources—authorizing and directing the Secretary of the Interior to “locate and construct” water resource projects to help people settle and prosper in the arid West. Reclamation Fund receipts, derived from water and power sales, project repayments, certain receipts from public land sales, leases and rentals, and oil and mineral royalties in the 17 western states, **were intended** to be continually invested and reinvested **in the** conservation, development, and wise use of western water resources.
- With growing receipts—**driven** in part **by** energy development across the West—**these funds** are only available for expenditure through annual appropriation acts, and are routinely used for other federal purposes, contrary to Congress’ original intent. With higher receipts than expenditures for authorized Reclamation purposes, the unobligated figure continues to grow and is soon expected to exceed **\$25.2 billion**.

Funding, Financing, and Barriers

- **Water infrastructure projects generate substantial returns at exceptional value:** project sponsors have and continue to repay the costs of these facilities, which produce power receipts that annually return around \$1 billion in gross power revenues to the federal government, prevent millions in damages due to floods each year, and supports **over \$45 billion** in economic returns and over **344,000 jobs**.
- Current federal budget scoring guidelines assess the full cost of infrastructure investments up front while disproportionately discounting long-term economic, public health and safety, and environmental benefits—making **sound** water project investments **more difficult to authorize**.
- Opportunities exist to leverage federal and non-federal funding through grants, loans, credit enhancements, federal loan guarantees, and other financial instruments to help water districts access private financing. Non-federal partners operate two-thirds of Reclamation’s infrastructure under contract, **and** USACE dam safety projects are cost shared with local sponsors. Local investments, private capital markets, and performance-based contracting can help close federal funding, delivery, and maintenance gaps.
- **Federal agencies** often lack authority to dedicate sustained revenue streams for non-federal investors—sometimes requiring approval through an act of Congress to proceed—creating uncertainty that discourages private partners who would help close funding gaps.
- Inconsistent, inadequate, and untimely funding has prevented many authorized federal water infrastructure projects from being started or completed for decades, increasing project construction and financing costs, and delaying risk mitigation.
- Water districts and individual water users depend on federal and non-federal infrastructure for their livelihood, and the risk of default is minimal.
- There is no one-size-fits-all program, but federal financial and technical assistance programs, grants, loans, cost-share programs, and federal-state-local or public-private partnerships have proven **effective** at all scales.

Dam and Levee Safety

- The 2004 FEMA hazard potential classification system, **followed by** many state³ and federal agencies including Reclamation, defines 'high hazard' as probably causing a loss of human life,

³ [Association of State Dam Safety Officials, Summary of State Laws and Regulations on Dam Safety. 2020.](#)

and “significant hazard” as no probable loss of human life but resulting in substantial economic loss, environmental damage, disruption of lifeline facilities, or other considerable impacts.⁴

- The 2023 National Inventory of Dams (NID) identified 16,000 high hazard potential (HHP) dams, requiring an estimated \$34.1 billion to repair and rehabilitate.⁵
- Floods are among the Nation’s most frequent and costliest natural hazards, costing taxpayers billions of dollars in **rising annual damages**. All 50 states confront levee safety issues.
- America’s dam infrastructure is deteriorating
 - 90 percent of Reclamation dams predate modern design and construction practices, half were built before 1950; 361 high and significant hazard dams⁶ require modification to address safety or performance issues; projected MR&R needs are total \$24.7 billion over the next 30 years⁷.
 - NRCS’ 2,243 dams average age is 50 years; most require MR&R estimated at \$11.1 billion; by 2026 nearly 6,800 NRCS watershed dams will have exceeded their design life.
 - 97 percent of USACE-operated **dams nationwide** are more than 30 years old; 70 percent have exceeded their 50-year design life; estimated repair costs approach \$20 billion.⁸
 - The average age of the nation’s dams exceeds 60 years, with 7 in 10 dams expected to reach 50 years by 2025.⁹
- **Under the authority of** the Reclamation Safety of Dams Act of 1978, **Reclamation must** preserve and maintain the structural safety of its. Congress provided an additional \$1.1 billion in additional budget authority in FY2016¹⁰—but continued failure to appropriate necessary sums as are will increase the risk of dam failures and hinder critical rehabilitation and modernization efforts.
- State dam safety programs are integral to protecting non-federal dams and related infrastructure, but these programs chronically underfunded. **Several key federal programs provide essential support:**
 - **FEMA National Dam Safety Program**—provides state financial assistance for training, inspections, permit reviews, emergency action plan testing, and awareness.
 - **FEMA Rehabilitation of HHPD Grant Program**—provides technical, planning, design, and construction assistance to non-federal entities to rehabilitate eligible, non-federal HHPDs.
 - **USACE Corps Water Infrastructure Financing Program (CWIFP)**—provides low-cost, long-term, flexible federal loans for non-federal dam safety and, more recently, levee projects.
 - **NRCS Watershed Rehabilitation Program**—helps local sponsors rehabilitate dams under the Watershed Protection and Flood Prevention Act.
 - **FEMA Hazard Mitigation Assistance Grants** (including the Flood Mitigation Assistance, Pre-Disaster Mitigation, and Hazard Mitigation Assistance Grant Programs)—provides funding to state, local, tribal, and territorial governments to implement long-term measures that reduce or eliminate future disaster risks.
- **Currently**, USACE dam safety projects with the highest life-safety risk receive 100% of what can be efficiently expended in the program year.

Dam and Levee Safety Standardization

⁴ Federal Emergency Management Agency. *Federal Guidelines for Dam Safety: Hazard Potential Classification System for Dams*. FEMA Publication 333. FEMA, 2004.

⁵ The Cost of Rehabilitating Dams in the U.S.: A Methodology and Estimate, ASDSO April 2023

⁶ Association of State Dam Safety Officials, *Summary of State Laws*.

⁷ Bureau of Reclamation. *2025 Asset Management Report*, U.S. Department of the Interior, www.usbr.gov.

⁸ U.S. Army Corps of Engineers, “Dam Safety Facts and Figures,” Fact Sheet, March 3, 2021. <https://www.usace.army.mil/Media/Fact-Sheets/Fact-Sheets-View/Article/2523036/dam-safety-facts-and-figures/>

⁹ American Society of Civil Engineers. “ASCE’s 2025 American Infrastructure Report Card | GPA: C.” March, 2026. <https://infrastructurereportcard.org/>

¹⁰ P.L. 114-113, Section 204; 43 U.S.C. 509

- Since directed by Congress in 2019 (P.L. 116-9), Reclamation has made progress developing MR&R needs assessments and establishing standard asset management criteria. However, information regarding Reclamation's MR&R needs for infrastructure under contract remains inconsistent and difficult to obtain.
- State water managers, Congress, and the Administration need consistent, accurate, and accessible MR&R and safety information—both to support investments grounded in long-term capital planning and to carry out water planning and administration.
- Further improvements are needed in:
 - **Levee safety standards**—Improve the national program of safety standards for levees, flood walls, and flood water conveyance canals.
 - **National Levee Safety Program**—Provide adequate resources to meet statutory requirements under the National Levee Safety Act of 2007, WRRDA 2014, and the Aging Water Infrastructure and Maintenance Act, including uniform national safety standards, periodic inventory and inspections, and national tolerable risk guidelines.
 - **Dam Hazard Classification—Standardize** processes to assess and report on dam hazard classifications using standard asset management criteria.
 - **MR&R needs reporting—Standardize** evaluation of MR&R needs for facilities under contract, ensuring up-to-date, consistent, and accurate information—including estimated costs and relative priority—is actively exchanged with non-federal partners and made readily accessible to Congress, state policymakers, and the public.

Rural and Tribal Water Needs

- Over 90% of public water systems in the United States serve 10,000 or fewer people. Across the West, many small, rural, and tribal communities face serious water shortages from drought, declining streamflow and groundwater, and inadequate infrastructure—often requiring them to haul water over long distances. Existing supplies are often contaminated by arsenic, copper, lead, and carcinogens, threatening public health and complicating compliance with increasingly stringent federal water quality mandates.
- These communities face unique compounding challenges, including geographic isolation, gaps in technical expertise, limited access to alternative water supplies—while simultaneously managing state water law and compact compliance, and nationwide aging infrastructure and financial constraints. Many small, rural and tribal communities in the West suffer from significant levels of unemployment and lack the financial capacity and expertise to plan, finance and construct needed drinking water and wastewater system improvements.
- The federal government has a trust responsibility to complete authorized rural water projects—particularly those intended to compensate States and Tribes for resources lost due to federal actions and project construction.
- There are seven authorized and active rural water projects in Montana, New Mexico, North Dakota, and South Dakota, of which six have yet to be completed at an estimated federal cost of around \$358 million. Costs continue to increase due to delays, inflation and the rising costs of materials and labor; at current funding levels, completion of some project could be delayed by decades.
- The cost to complete currently authorized projects under construction rose from \$2 billion to well over \$2.4 billion; At historical funding rates, these priority projects will not likely be completed until well after 2065 at a cost of more than \$5.8 billion. Congress took a significant step toward addressing this backlog by authorizing \$1 billion for Reclamation's rural water projects (FY2022-FY2026) through the Infrastructure Investment and Jobs Act (IIJA).
- States continue to play a critical role in the conduct of appraisal investigations and feasibility studies, preparation of feasibility reports, and identifying other funding sources.
- USDA's Rural Development is a leader in assisting communities with populations of 10,000 or less, including tribal communities and colonias. Its Water and Environmental Programs (WEP) invest billions to provide technical assistance and financing for safe drinking water, wastewater, and sanitary waste disposal systems.

- Because many WEP recipients cannot access reasonable private commercial credit or other federal financial assistance such as State Revolving Funds (SRFs), these programs and other USDA programs are critical to small, financially distressed communities.

Collaboration and Cooperative Federalism

- States hold primary responsibility for water resource development, administration, and protection. The federal government has a complementary role — financing, cost-sharing, upholding tribal trust and treaty obligations, fulfilling commitments to project sponsors and water users, and setting baseline safety standards. This distinct role functions most effectively when designed in partnership with states, rather than in place of them.
- In every action, the federal government must recognize and defer to the primacy of state regulatory authority, ensure consistency with state water law, and work with the States to meet the water-related challenges and needs of the future. This work requires collaboration and leadership across federal, state, tribal, local, and private sectors.
- States have regulatory authority over 69% of the 90,000 dams listing in the National Inventory of Dams (NID). Only 3% are owned by federal agencies while the remainder are owned by private entities, nonfederal governments, and public utilities.
- Upgrading and replacing inadequate rural water systems may require finding new water supplies, which will entail acquiring necessary state water rights. Federal and state water and wastewater programs must be coordinated to facilitate the most efficient and effective solutions for non-federal project sponsors.
- While P.L. 116-9 provided Reclamation with authority to transfer title to eligible facilities without separate acts of Congress—and the Secretary of the Interior has acted to expedite such transfers—many projects serve multiple purposes, were built under longstanding agreements with water and power users whose capital costs are still being repaid, and involve complex public, third-party, state, and local interests. Present and future benefits could be lost without careful, project-by-project analysis, and given states' primary responsibility for water resource development and protection, all transfers should proceed only with strong state involvement and protections for state water laws and water rights.

ⁱ For the purposes of drafting a consolidated policy position on water data, language from the following policy positions was incorporated:

- Position #528 – Supporting Rural Water Infrastructure Needs & Projects (April 25, 2025)
- Position #518 – Supporting Rural Water Supply Project/Infrastructure Needs (July 26, 2024)
- Position #511 – Supporting Water Infrastructure Funding (March 14, 2024)
- Position #501 – Regarding the Reclamation Fund (May 24, 2023)
- Position #498 – Supporting National Dam Safety Programs (May 24, 2023)
- Position #497 – Regarding Rural Water and Wastewater Project/Infrastructure Needs and USDA Programs (May 24, 2023)
- Position #495 – Regarding the National Levee Safety Act of 2007 and Levee and Canal Structures (May 24, 2023)
- Position #494 – Regarding the Transfer of Federal Water and Power Projects and Related Facilities (May 24, 2023)
- Position #493 – Regarding the Reclamation Safety of Dams Act of 1978 (May 24, 2023)
- Position #492 – Regarding Bureau of Reclamation Maintenance, Repair and Rehabilitation Needs (May 24, 2023)