



*Addressing water needs and strategies for a sustainable future.*

# WESTERN STATES WATER

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## **CONGRESS/WATER RESOURCES**

### **House/Water Resources Development Act**

On June 26, the House Committee on Transportation and Infrastructure released text for the Water Resources Development Act of 2026<sup>1</sup>. The bill proposes several nationwide structural and programmatic adjustments designed to enhance water supply, storage capabilities, and drought resiliency. Section 101 establishes a dedicated Office of Water Supply, Water Conservation, and Drought Resiliency. Section 109 would create a Continuing Authority Program (CAP) to execute physical, local “studies and projects for drought resiliency” in direct partnership with non-federal interests, capping individual project costs at \$10M with a \$35M annual budget. Section 124 would create a pilot program to permit states to clear reservoir sediment using available funds. Lastly, Sections 205 and 206 mandate reports on commercial water use impacts and a comprehensive U.S. inland waterways reliability study.

Section 128 would expand the geographic footprint of the Harmful Algal Bloom Demonstration Program and establish an annual operational status report to Congress. Complementing this ecological focus, Section 127 would formally incorporate shoreline and emergency streambank protection into standard feasibility study guidelines for riverine infrastructure. Section 109(d) would increase the master authorization cap for the underlying emergency streambank and shoreline protection program from \$50M to \$62.5M. Finally, Section 129 would add four new locations for riverine protection and flood hazard reduction projects, including Rio Grande bordering counties in Texas.

Section 104 would establish an eleven-member Levee Owners Board to advise the Corps and Congress regarding national levee system reliability and spending priorities. Section 113 would mandate a rulemaking to establish levee risk assessment methodologies combining deterministic and probabilistic approaches. Sections 309 and 501, would expand technical

assistance for integrated state floodplain management programs and reauthorize FEMA's High Hazard Potential Dam Program through 203, excluding low-head dams from the program's calculation formulas. Section 109 introduces an additional Continuing Authority Program (CAP) for flood risk management project modifications, setting a per-project federal cap of \$15M and authorizing an appropriation of \$50M for each fiscal year.

### ***State Impacts and Projects***

Section 120 directly prohibits the diversion or export of water from the Missouri River or its tributaries to any state outside the watershed unless the transfer receives unanimous, formal approval from the governors of all ten designated Missouri River states, which include Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming. Section 211 addresses water scarcity by directing the Engineer Research and Development Center to conduct research on natural infrastructure technologies—such as rock check dams, weirs, and beaver dam analogs—designed to restore dryland ecosystems and enhance flood risk reduction, water supply, and drought resiliency efforts in arid and semi-arid zones.

Section 123 would require the Corps to develop comprehensive wildfire risk assessments and mitigation plans at the request of non-Federal sponsors to protect water storage infrastructure. Section 308 would increase the utilization of forecast-informed reservoir operations (FIRO) to optimize water supply retention and flood controls at New Hogan Dam and Lake (CA), Shasta Dam Lake (CA), and within the Pend Oreille River Basin (ID, WA). Targeted regional aquifer and river basin studies would also be authorized or expanded across the West: (1) a dedicated water supply and drought resiliency study for the Arbuckle-Timbered Hills Aquifer region (OK); (2) a comprehensive sedimentation study for the Upper Missouri River Basin (\$25M cap); (3) a water supply storage reallocation study for Aquilla

Lake (TX) ; (4) an implementation update on the ongoing dam and reservoir resiliency study for the Upper Rio Grande Basin (NM); and (5) a disposition and fish passage cost allocation study for the Willamette Valley hydropower project (OR). Finally, Section 316 would reauthorize the Rio Grande Environmental Management Program in Colorado, New Mexico, and Texas (\$20M per year through 2030), while Section 323 would authorize the construction of feasible flood risk management infrastructure under the Lower Missouri Flood Risk and Resiliency System Plan (\$60M cap for projects in Missouri).

Section 236 would authorize land disposition studies along the Columbia River in Washington to facilitate property transfers to local entities and into federal trust for recognized tribes. Section 340 would mandate an ecosystem assessment of the Lower Columbia River Basin to support salmon and steelhead restoration by identifying habitat improvements and cold water refugia.

The House bill would deauthorize the legacy Truckee River flood protection project in California and Nevada. New directives include: (1) evaluating potential atomic contamination at Cochiti Lake (NM); (2) expediting authorized property conveyances in the Tri-Cities area (WA); (3) mandating permanent mitigation recommendations for Mendenhall Glacier outburst flooding (AK); (4) coordinating municipal recreation planning for the Hansen Dam water control update (CA); (5) permitting fee-simple property acquisitions for the Pajaro River flood project (CA); and (6) prioritizing federal funding to expedite the Buffalo Bayou resiliency study (TX).

### **Senate/Farm Bill FY2027**

On June 23, Senate Agriculture Committee Chairman John Boozman (R-AR) released the draft text of the Agricultural Act of 2026<sup>2</sup>, colloquially termed “Farm Bill 2.0,” ahead of conference negotiations with the House which passed its version of the Farm Bill in April. The Committee is expected to mark up the legislation when the Senate returns from recess in mid-July, though the bill's path to final passage remains uncertain due to outstanding policy differences over nutrition spending cuts, the reallocation of conservation funds, year-round E15 biofuel authorizations, lawsuit protections for pesticide companies, and the omission of dedicated financial assistance for struggling farmers.

#### ***Title I: Commodities***

The Senate bill shares the House’s strategy to

absorb program expansions directly into the mandatory baseline of the Commodity Credit Corporation (CCC) rather than relying on ad-hoc disaster packages. Section 1301 would expand the Noninsured Crop Disaster Assistance Program (NAP) to cover growers experiencing crop losses from natural disasters that destroy community ditches and acequias. The Senate draft completely omits a House provision mandating a cross-agency USDA report and emergency funding strategy to compensate South Texas producers for losses driven by Mexico’s failure to deliver treaty-obligated water.

Both bills would update the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), adding adverse weather and drought as permanent qualifying loss causes, and permanently codifying USDA’s authority to provide water-hauling assistance during severe droughts.

#### ***Title II: Conservation***

Similar to the House version, the Senate draft would expand the drought-response authorities of every major conservation program and create two new voluntary conservation programs. However, the Senate bill goes a step further by substantially reforming watershed infrastructure cost limits. Both bills reauthorize the Conservation Reserve Program (CRP) at a 27-million-acre cap through 2031, but the Senate uniquely caps Grasslands CRP at 12 million acres. While both codify the State Acres for Wildlife Enhancement (SAFE) program and expand emergency haying/grazing, the Senate raises individual caps from \$50,000 to \$125,000 and guarantees a 50% cost-share for required mid-contract management practices. Both bills adjust compensation to favor marginal land over prime acreage, but the House would establish a tiered rental rate structure based on soil classification. The Senate more broadly directs the Secretary to recalculate and reform soil rental rate formulations to prioritize incentives for marginal and sensitive acreage and depress baseline compensation for prime farmland.

Both chambers fully reauthorize the overarching Conservation Reserve Program (CRP) through 2031 and cooperatively raise the baseline individual payment limit to \$125,000. Absorbing the bipartisan CREP Improvement Act (S. 1389), the Senate draft establishes “Drought and Water Conservation Agreements” with distinct payment tracks. Producers permanently retiring water rights receive full irrigated rates, while those transitioning to dryland farming receive the exact delta between irrigated and dryland benchmarks.

The Senate provision uniquely allows producers to update their existing CREP contracts to utilize these localized drought rates without forcing a complete renegotiation of their underlying agreements.

Both frameworks reauthorize Environmental Quality Incentives Program (EQIP) through 2031, allow producers to layer EQIP and Conservation Loan Program financing for the same practices, and, significantly, reallocate nearly \$1B in previously provided funding to other conservation priorities. However, the Senate uniquely increases the Water Conservation and Irrigation Efficiency cap from \$900,000 to \$2M while holding organic production projects flat at the current \$140,000 cap. The House leaves the water conservation ceiling at baseline levels, opting instead to raise the organic cap to \$200,000 and shifting its primary technical focus to covering up to 90% of precision agriculture adoption costs. The Senate draft uniquely introduces administrative flexibilities, allowing state-level technical committees to waive irrigation history requirements if the waiver protects regional aquifers, and prohibiting the USDA from requiring whole-farm assessments or unnecessary soil testing as a condition for payment.

Both bills reauthorize Conservation Innovation Grants (CIG) to integrate emerging technologies into conservation standards. Both chambers eliminate easement payment caps and adjusted gross income limits. The House sets cost-shares at 65% generally, 90% for socially disadvantaged landowners, and 25% for easements without federal enforcement rights. The Senate sets a 60% general cost-share, rising to 80% for grasslands of special significance. The Senate uniquely requires regular monitoring alongside technical and financial maintenance aid for Wetland Reserve Easements.

Both frameworks authorize \$450M for the Regional Conservation Partnership Program (RCPP) annually and add flooding, drought, and flood resiliency to the list of “eligible natural resource concerns.” The Senate text would also add the protection of drinking water and groundwater sources. The Senate text also distinctly caps administrative expenses at 15% and technical assistance at 30%, and places a \$15M cap on federal project shares.

Both drafts replace the Healthy Forests Reserve Program with the new Forest Conservation Easement Program to protect private forests from development. Both frameworks set a 50% cost-share to purchase

these development rights, rising to 75% for high-priority ecosystems or socially disadvantaged landowners. The Senate uniquely provides mandatory funding, scaling up to \$65M annually by 2031.

The Senate bill doubles the federal project cap for the Watershed Protection and Flood Prevention Act to \$50M and waives the statutory 250,000-acre limit for regional drought initiatives to allow for large-scale Western water projects. Conversely, the House maintains funding at current levels but boosts the federal cost-share for dam rehabilitation from 65% to 90%.

Both bills update the Emergency Conservation Program to permit advanced technologies like virtual fencing and grant the USDA authority to restore floodplain hydrological functions beyond immediate impairment areas. However, the Senate uniquely authorizes advance payments of up to 75% for emergency practices and extends program eligibility to producers holding public land grazing permits.

The House proposes \$100M annually for state and Tribal soil health initiatives, while the Senate establishes a new State Conservation Assistance Program. Funded at \$50M annually with individual grants capped at \$5M, the Senate program would provide a 50% federal cost-share for state initiatives and a 75% cost-share for Tribal programs.

#### ***Title VI: Rural Development***

The Senate bill doubles the Water, Waste Disposal, and Wastewater Facility Grants authorization to \$30M annually through 2031, lifting individual grant caps to \$500,000 and covering 100% of application costs for high-need areas. The Senate increases Rural Water Circuit Rider funding to \$30M and adds government shutdown protections to prevent service lapses, whereas the House maintains baseline funding. The Senate establishes a new Cybersecurity Circuit Rider Program at \$10M annually through 2031 with shutdown protections. The House would add cybersecurity to the existing circuit rider framework and maintain level funding.

The new Emergency Preparedness and Response Technical Assistance Program would be created to provide grants to qualified nonprofits assisting rural water systems with natural or manmade disaster readiness and response. Authorized at \$20M annually through 2031, the program allows essential emergency activities to continue during funding lapses.

The Senate would create a new Emergency Preparedness and Response Technical Assistance Program authorized at \$20M annually to provide grants to qualified nonprofits assisting rural water systems with disaster readiness and response.

To help distressed communities meet public health water regulations, the Senate expands the USDA Water and Waste Disposal program's "Additional Assistance" authority, allowing low-interest loans, loan forgiveness, and up to 75% grant funding. Additionally, the Senate establishes a new mechanism funding high-functioning utility associations to operationally support struggling neighboring systems.

The Senate would expand the Rural Decentralized Water Systems Program, increasing individual maximum subgrants or loans from \$15,000 to \$25,000, covering performance warranties, and allowing nonprofits or Tribes to use up to 10% of grant funding for technical assistance. Conversely, the House proposed a cap increase to \$20,000 and omitted the extra administrative flexibility for Tribal and non-profit operators.

#### ***Title VII: Research, Extension, and Related Matters***

Both bills would reauthorize the Agriculture Advanced Research and Development Authority (AgARDA) at \$50M annually through 2031, but the Senate uniquely expands its goals to include water conservation and soil health. On research infrastructure, the House would permit only one general Center of Excellence to focus on water resilience, whereas the Senate expands the 1,890 Institutions Centers to at least six locations, broadening their scope to climate resiliency and bumping funding to \$20M annually.

#### ***Title VIII: Forestry***

Both bills would reauthorize the Water Source Protection Program at \$30M annually through 2031, expanding its footprint to adjacent non-federal lands and adding acequias and stormwater entities as eligible users. Both frameworks would amend the Collaborative Forest Landscape and Joint Chiefs partnerships to explicitly prioritize forest projects that protect critical headwaters and municipal drinking water sources.

#### ***Title XI: Crop Insurance***

While both the House and Senate bills

establish a four-year, \$200,000 Texas pilot program beginning in 2027 to evaluate if late-planting crop insurance penalties reduce irrigation drawdowns from the Ogallala Aquifer, the Senate draft uniquely includes a provision requiring the Federal Crop Insurance Corporation to exclude years where a producer's yields were adversely impacted by federal water resource project restrictions.

#### ***Title XII: Miscellaneous Provisions***

Both bills would extend the U.S. Drought Monitor's authorization at a level \$5M annually through 2031. The senate would establish the Promoting Precision Agriculture Initiative to set voluntary data and connectivity standards for water-saving farm equipment.

### **WEBINARS**

#### **Western Landowners Alliance/BLM and USFS Grazing Reforms**

On June 24, the Western Landowner Alliance hosted a virtual discussion with Brenda Younkin, Bureau of Land Management (BLM) Deputy Assistant Secretary, and Gilbert Jackson, U.S. Forest Service (USFS) Rangeland Management Program Manager, and a panel of ranching and land conservation stakeholders, to talk about policy development and motivations for recent public lands grazing reform<sup>3</sup>.

In March 2026, the USFS and BLM signed a Memorandum of Understanding to streamline administrative processes and ensure consistency in grazing management policies, especially where jurisdictions border each other. The MOU includes 14 specific actions tied to a five-point plan: (1) elevating rural Americans; (2) maximizing flexibility; (3) expanding access; (4) eliminating delays; and (5) improving interagency coordination. The agencies are working to harmonize monitoring protocols and share data to reduce costs. They are also utilizing new tools such as a vacant allotment and forage reserve map to assist permittees displaced by events like wildfires or drought.

Additionally, BLM proposed grazing reforms in a May 2026 rulemaking (see WSW #2698), and a similar rulemaking is expected from the USFS later this year. The agencies are proposing updates to increase flexibility for permittees, allowing them to better adapt to changing conditions. Several panel members emphasized and supported the need to update policies that have remained largely unchanged since 1995 to

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better address modern challenges like drought, wildfire, invasive species, and shifting forage availability. This includes the use of new technologies like virtual fencing and remote sensing to assist with data collection and management. Panelists viewed the proposed changes as a positive step toward reducing red tape and improving landscape health.

In her overview of BLM's proposed grazing rule, Younkin explained that the agency intends to clarify language around water rights, ensuring they are administered according to state law. This provision is intended to address instances where some BLM offices have attempted to become co-holders of water rights, which often does not align with state law.

Ranchers and conservationists on the panel broadly support the shift toward science-based, flexible management that allows for quicker responses to ecological conditions. Panelists questioned how the agencies will determine the "causal effect" of land health issues (e.g., distinguishing between grazing impacts and recreation impacts) and raised concerns about the legal durability of the new production-oriented definition.

Several panelists expressed deep concern regarding the severe understaffing of federal land management agencies. Panelists noted that while they have great relationships with local agency staff, those employees are stretched too thin to address all the administrative burdens, monitoring needs, and collaborative projects required to manage these vast landscapes effectively. Liz Mund, The Nature Conservancy, noted that there are approximately 600 BLM staff in Nevada right now, including Wildland Fire Service staff that aren't technically part of BLM anymore. For the 48 million acres of BLM land in Nevada, the ratio works out to one person for every 80,000 acres. "It's just impossible for people to be successful when they have that much ground to cover." She said that the biggest barrier to achieving reforms may not be the regulations. "Properly staffing these agencies is essential.... We've got great people working, and when they have the time and focus to collaborate and come up with creative solutions...we can get there."

## **PEOPLE**

**Anna Pakenham** Stevenson has resigned from the Montana Department of Natural Resources and Conservation. **Trevor Watson**, Acting Division Administrator, Water Division, will fill her position on the Council for the foreseeable future.

## **REFERENCES**

<sup>1</sup> House Transportation and Infrastructure Committee "Committee Leaders Release Bipartisan Water Resources Development Act." 2026. <https://transportation.house.gov/news/documentsingle.aspx?DocumentID=410104>.

<sup>2</sup> United States Senate Committee on Agriculture, Nutrition & Forestry "Chairman Boozman Releases Farm Bill 2.0 Text" Senate.gov. June 23, 2026. <https://www.agriculture.senate.gov/newsroom/rep/press/release/chairman-boozman-releases-farm-bill-20-text>.

<sup>3</sup> WyoFile. "Western Stockgrowers Cheer Loosened Grazing Regs on Public Land as Feds Slash Rangeland Staff." Koshmrl, Mike. June 25, 2026. <https://wyofile.com/western-stockgrowers-cheer-loosened-grazing-regs-on-public-land/>.

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