



February 20, 2026

The Honorable John Hoeven
Chair
Senate Energy & Natural Resources Committee
Water and Power Subcommittee

The Honorable Ron Wyden
Ranking Member
Senate Energy & Natural Resources Committee
Water and Power Subcommittee

RE: Support for S. 1242, the “Watershed Results Act”

Dear Chairman Hoeven and Ranking Member Wyden,

Thank you for the opportunity to submit testimony on the Watershed Results Act (WRA). The Freshwater Trust (TFT) offers our strong support for the WRA.

With 40+ years of on-the-ground experience, and the latest in analytics and market solutions, TFT has helped secure over \$1 billion in new funding for innovative on-the-ground water solutions for farmers, utilities, districts, and communities that otherwise wouldn't have happened. We are relentless in our pursuit of efficiency, scale, and quantifiable impact, but we're hampered by an outdated, inefficient conservation funding system that doesn't deliver nearly enough value to America's taxpayers.

Why the WRA Is Important:

The WRA is a direct response to these frustrations: in the context of water, it modernizes government operations; holds agencies accountable for results; improves efficiencies; catalyzes the private sector to deliver bigger, faster, cheaper water solutions; and helps restore the public's trust in government.

It comes at the right time. We've got big and growing water problems that are compromising our food security and our drinking water, and expose us to bigger risks from floods, fire, and drought. Every year, we spend billions on conservation but don't solve these problems or know how much progress we've made. What's the finish line? What's the price tag? Are we getting a good return on investment?

We can't effectively answer these questions because of the system's design flaws. Right now, conservation funding is fragmented across hundreds of technical, slow-moving programs, each focused on a sliver of the problem. Funds go to those who are best able to navigate the bureaucracy, rather than deliver the highest impact, most cost-efficient project outcomes. Farmers, local governments, and nonprofits are asked to front costs they can't carry. Banks view projects as too small, risky, and costly to finance. It takes way too long to get projects through complicated eligibility, design, environmental and cultural resource compliance, and verification steps. No one is responsible for organizing all these pieces to actually solve regional problems. The result: a fragmented, small-scale, slow system that spends a lot on “random acts of conservation” but that largely fails to deliver critical water security for Americans.

Instead of continuing to try the same thing, hoping for different results, the WRA has been designed to address the key limitations facing practitioners on the ground. This approach isn't hypothetical. The

WRA leverages “advance watershed analytics” (section #2 of this letter) to identify specific combinations of projects that will most cost effectively solve regional water problems. This analytical insight creates a price tag and a finish line, and it sends real market signals to the supply chain to drive project recruitment. The WRA also fills a major gap in responsibilities. By empowering a “watershed outcomes partner” to build the analytics, integrate fragmented funding, queue up more qualified projects, and pay for quantifiable outcomes via simplified contracts, the WRA finally assembles the operational pieces necessary to get work done at speed and scale on the ground.

The WRA is set up to solve problems, maximize return on investment, get more funding to the ground at private-sector speed without compromising quality, and create more options for farmers and water managers while buffering them from the complexity of an outdated conservation financing system.

In a world short on winning bipartisan solutions, the WRA offers a unique, replicable pathway forward.

The WRA will also lead to significant benefits for Bureau of Reclamation projects and programs. As Reclamation increasingly manages through severe drought, having a stronger, more integrated portfolio of watershed projects implemented across the landscape will add resiliency to the overall water system. The tools and approach offered by the WRA provide Reclamation more options without losing control, and ensure that the agricultural, environmental and community stakeholders who rely on these projects can better navigate drought without as many zero-sum conflicts.

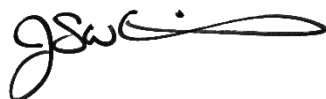
We know that the approach embodied by the WRA works because we’ve been delivering efficient, large-scale, private-sector-driven solutions in WRA-like efforts in watersheds like the Snake River across the West (section #3 of this letter). But we have been doing this with one hand tied behind our backs. We need the WRA to make this approach easier, more replicable, and more efficient.

To assist the subcommittee in its review of the WRA, TFT has provided the following documentation:

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TFT commends Senator Wyden for introducing this game-changing bill and urges the Committee to move the bill to markup. Thank you again for the opportunity to submit this testimony.

Sincerely,



Joe S. Whitworth
President & CEO
The Freshwater Trust

SECTION-BY-SECTION SUMMARY OF THE WRA

We need a better system for securing water resilience in the West. That will require a different way of doing business. The WRA offers a pilot program for demonstrating that new way forward. The bill has been designed to work within the macro constraints of the system but still deliver much faster, better, more affordable outcomes. The bill is built on three pillars: (1) a coordinated approach that integrates and leverages currently siloed conservation funding sources; (2) use of advance watershed analytics to quickly identify the best combination of projects to invest in; and (3) a streamlined purchasing system that rapidly delivers funds to the ground with much less friction. The WRA connects all three of these components into an efficient, scalable watershed solution framework that can immediately start paying dividends. Following is a section-by-section summary of the key elements in the bill:

Section 1: Short Title. The Act authorizes watershed outcomes pilot projects.

Section 2: Definitions. Key terms used in the Act:

- **Watershed Outcomes Project:** The watershed pilot project managed by a watershed partner.
- **Watershed Partner:** An eligible entity managing a watershed outcomes project.
- **Eligible Entity:** Includes states, Indian Tribes, water districts, other organizations with water delivery authority, and non-governmental entities.
- **Qualifying Activity:** Potential conservation projects identified through advance watershed analytics as likely to cost-effectively achieve at least one outcome.
- **Advance Watershed Analytics:** Technical analysis conducted by a watershed partner to assess the costs and outcomes of potential qualifying activities, and how different groups of activities can efficiently maximize outcomes for the least cost. [Water quality, quantity, and habit improvement outcomes are defined in Section 3(f)].
- **Pay-for-Performance Contract:** Partners help the Secretary set outcome prices and then pay producers for results. Funds are paid for activities via contracts at negotiated prices.
- **Secretary:** The Secretary of the Interior, acting through the Commissioner of Reclamation.
- **Appropriate Committees of Congress:** Refers to specific Senate and House committees overseeing energy, natural resources, and water.

Section 3: Watershed Outcomes Projects

- **(a) Proposals and Selection:**
 - The Secretary will solicit proposals from eligible entities in Reclamation States within one year of the Act's enactment. Projects should use analytics to cost-effectively carry out activities to achieve meaningful watershed scale outcomes.
 - Selected partners would complete analytics, design/recruit priority activities identified by analytics, contract with landowners, verify activity outcomes, secure additional leveraged funds, monitor activities, and track/report on results.

- **(b) Guidelines and Criteria for Proposals:**
 - Criteria used to evaluate proposals shall include project scope, goals, stakeholder support, cost estimates, partner capabilities, and plans for monitoring progress.
- **(c) Partnership Agreements:**
 - Agreements with watershed partners to design and implement a watershed outcomes project can last up to five years, with renewals or extensions allowed.
 - Partners receive technical and financial assistance to carry out pilots, including funds for partners to make performance payments and project development costs.
- **(d) Duties of Watershed Partners:**
 - Duties include completing analytics, funding strategies, stakeholder engagement, developing pay-for-performance contracts, and verifying/monitoring outcomes.
- **(e) Duties of the Secretary:**
 - Responsibilities include verifying analytics, setting outcomes prices, providing partners with financial support, and coordinating with other federal agencies.
- **(f) Required Outcomes for Qualifying Activities:**
 - To receive a performance payment (simplified, fast transaction v. standard reimbursement approach), a qualified activity must achieve quantifiable and verifiable “outcomes” such as increased water quantity, habitat improvements, or water quality enhancements.
- **(g) Financial Assistance:**
 - Federal funding can cover up to 75% of watershed outcomes project costs. Contributions from non-federal sources can be accepted for eligible projects.
 - Performance payments are made after verifying qualified activity outcomes and confirming activities were implemented consistently with performance standards.
- **(h) Project Limitations:**
 - A maximum of five watershed outcomes projects may be undertaken.
- **(i) Data Restrictions:**
 - Data collected is restricted to project-related uses and is classified as confidential commercial information under FOIA (restrictions apply to watershed partners).
- **(j) Water Rights:**
 - The Act does not alter federal or state water rights.

Section 4: Briefing and Reports

- **Annual Briefing/Report:**
 - The Secretary will update Congress annually on project progress and performance payments made.
- **Five-Year Report:**
 - A comprehensive report summarizing project results, funding, and recommendations for the program’s future will be submitted in the fifth fiscal year.

Section 5: Authorization of Appropriations

- Appropriations are authorized at \$17 million annually from fiscal years 2025 to 2030 for the Secretary to implement the Act.

ADVANCE WATERSHED ANALYTICS: SUMMARY & EXAMPLES

Summary: The WRA calls for “advance watershed analytics.” The “advance” describes the need for insight prior to action. The second part, “watershed analytics,” offers an effective and targeted tool for maximizing every taxpayer dollar invested, while providing a simple way to track progress against a target. Within a watershed, advance watershed analytics can evaluate project benefits and costs in uniform units, enabling comparison and prioritization. Analytics also provide the common language to coordinate multi-funder investment across watersheds by allowing for a simple, objective unit for decision-making, payments and tracking.

Analytics use existing technology and publicly available data sets and models to identify the highest impact projects, develop a specific roadmap for local stakeholders to use and improve, and then identify superior funding strategies. Developing and then using analytics follows three basic steps:

1. Integrate established government models and data with satellite imagery and other public data sets, as well as machine-learning technology, to remotely survey a watershed and identify specific conservation practices that could be implemented at the field level.
2. From the group of feasible practices, identify the costs and multiple benefits of projects.
3. Run scenarios to identify the most efficient combination of projects to achieve watershed-level targets (importantly, analytics can be used to solve for multiple objectives).

TFT’s Use of Advance Watershed Analytics: TFT uses cutting-edge analytics grounded in deep technical and scientific expertise to identify and fund the most impactful projects. TFT employs a suite of tools to assess watersheds, prioritize conservation actions, and monitor benefits over time. Components include:

- **BasinScout® Analytics:** Automated diagnostics that assess large landscapes and watersheds to estimate environmental benefit and prioritize feasible conservation actions at targeted sites.
- **StreamBank® Administrative Toolkit:** A program management tool that automates workflows, centralizes the secure storage of documents, tracks project and program progress, and automates reporting for large-scale watershed programs.
- **StreamBank Monitoring Application:** A field data collection app that provides assurance that actions continue to provide claimed outcomes and meet program requirements.

TFT integrates its analytics into customized **Decision-Support Tools (DSTs)** that help watershed stakeholders identify strategies to maximize water conservation and environmental benefits, while minimizing costs and adverse impacts to the regional economy. DSTs show how a coordinated, systems-based approach driven by precision analytics can help communities adapt to changing water conditions and direct funding to the most impactful actions.

Examples: The following examples showcase how TFT has used advance watershed analytics to help utilities, water districts, and funders evaluate options and maximize desired outcomes:

- Decades ago, cities on Colorado’s Front Range purchased large swaths of water rights. The cities leased the water back to farmers but are now calling in the water as their populations grow. If

left to market forces alone, these calls will indiscriminately dry up fields regardless of how productive they are or how it impacts rural communities. TFT has worked closely with partners to develop [analytics](#) that illustrate how strategic approaches can get the cities the water they need without compromising the area's farm productivity or economies and, in some cases, even increase economic output. This approach will likely be required across the western U.S.

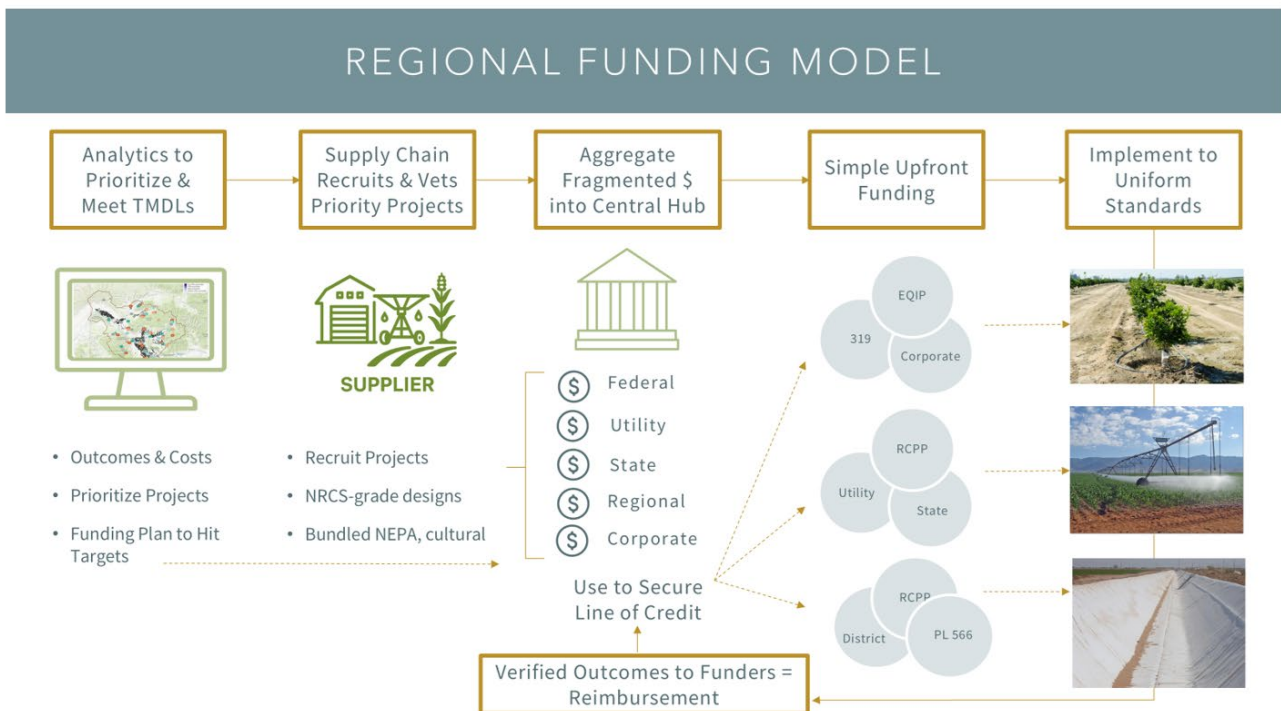
- In 2016, TFT began working with the Sacramento Area Sewer District to secure \$300M in funding that would allow it to pump 50,000 acre-feet of recycled wastewater to a stressed groundwater basin directly south of Sacramento. Farmers will use the recycled water to irrigate up to 16,000 acres instead of pumping groundwater. The \$600M+ [Harvest Water program](#) will restore groundwater to local aquifers, increase regional drought resilience, and benefit irrigators, at-risk drinking water supplies, and fish and wildlife species. To receive a high grant score from California, TFT designed a complementary basin-scale conservation program that will secure, protect, and enhance 5,000+ acres of important groundwater-dependent habitat in the southern Sacramento Valley over the next 80 years. To date, Harvest Water is the first and only program to have received funding under the 2014 Prop 1-funded Water Storage Investment Program (WSIP). This is because Harvest Water was able to use advance watershed analytics to quantifiably demonstrate that benefits exceed costs (the critical threshold for receiving WSIP funding).
- After multiple failed attempts, Idaho Power Company (IPC) was finally able to secure a joint Clean Water Act section 401 certification from Idaho and Oregon in 2019. Key in securing this approval was that IPC proposed to implement a \$350M watershed restoration program: the [Snake River Stewardship Program](#). Using TFT's analytics, the program was designed to rehabilitate hundreds of miles of targeted riparian vegetation on tributaries and improve flow in the Snake River through instream island and channel modifications that reduce surface area for solar loading. The analytics help target the most cost-effective projects.
- In 2011, rather than invest in chillers or a cooling pond to address a temperature compliance issue, the City of Medford, Oregon, [partnered with TFT](#) to plant native trees and shrubs in strategic places along the Rogue River and its tributaries. This new vegetation blocks solar load. Using BasinScout Analytics, TFT quantifies the benefits of the vegetation in the same units as technology solutions and then recruits the projects that produce the most benefits for the least cost. This approach allows the City to use the projects for permit compliance, while also improving water quality and [supporting dozens of local contractors and jobs](#). This initial contract set the table for other entities such as the U.S. Bureau of Reclamation, the [City of Ashland](#) (the nation's first Clean Water State Revolving Fund loan-financed trading program), and the [U.S. Forest Service](#) to partner with TFT on aligned, analytics-driven conservation programs in the basin. Over a decade, with the use of advance watershed analytics, TFT catalyzed nearly \$25M of new investment into the Rogue basin, supporting dozens of jobs and bolstering economic activity in the region.

WRA-LIKE EXAMPLE IN THE SNAKE RIVER (IDAHO & OREGON)

In The Freshwater Trust’s Snake River program, we pay producers to convert their agricultural fields from furrow irrigation to precision pivots or drip. Conversions eliminate runoff into the river. In the Snake, this runoff leads to harmful algal blooms and produces toxic methylmercury. This results in expensive permit obligations on utilities, creates public health and recreation impacts, and precludes Tribes from harvesting and eating fish.

A watershed problem this big required a WRA-like approach. After years of development, in 2025 TFT launched and is now successfully operating an integrated funding and implementation model that overcomes these prioritization, funding, technical assistance, compliance, supply chain, and delivery challenges, and makes it easy for agricultural partners to opt into critical upgrades, while insulating them from the complexity of the funding system so that they can focus on their farms. In just our first 10 months, we will complete 23 NRCS-quality irrigation upgrades, and we already have more than 115 proactively targeted projects queued for 2026.

Below is a diagram of how TFT—acting in the capacity of a “watershed outcomes partner”—has integrated the pieces to catalyze a large-scale, efficient, technology-driven, market-based solution:



1. Advance watershed analytics map out the price tag and finish line to achieve regional water targets. Using our [BasinScout® Analytics tool](#), TFT assessed 36,000 irrigated fields (~300,000 acres) across the region. This analysis determined that removing 445,000 pounds of phosphorus runoff should achieve the regional water quality target. TFT then used these analytics to determine that just

2,000 of the highest priority projects could achieve the target for the lowest price tag: \$210 million. This approach saves hundreds of millions of dollars.

2. Fast, scalable recruitment and design driven by the for-profit supply chain. To drive projects at speed and scale, we have partnered with local irrigation equipment suppliers. These suppliers hold trusted relationships with producers. TFT provides its analytical insight to suppliers and pays them incentives to secure high-efficiency irrigation projects. We also set a clear “price per pound” subsidy, so suppliers know how much funding we can provide as they design projects with their customers.

3. Fragmented funding organized into a central hub. Because no one is currently responsible for securing, leveraging, and deploying multiple sources of funding at the watershed scale, TFT formed [Irrigation Incentives, LLC](#) to aggregate efforts. To successfully secure enough high-impact projects over time, we need \$150-175 million in incentive funds. \$5.6M in EPA seed funding in 2023 helped jumpstart the effort, and Idaho Power Company made a \$100-million commitment in 2024. Additionally, [Oregon NRCS is paying TFT](#) to help recruit, vet, and deliver a queue of funding-ready projects. TFT works with NRCS, the local EPA 319 grant program, and the Idaho Water Quality Program for Agriculture to co-fund projects.

4. Simple, on-time funding enabled by private financing. In addition to leveraging the private sector to drive project volume and speed, we added private finance to bridge cashflow gaps. Most incentive programs reimburse after a project has been installed. This requires producers and suppliers to carry expenses for months. To solve this challenge, we secured a \$5-million line of credit from Columbia Bank (guaranteed by the M.J. Murdock Charitable Trust). We then advance 50% of the incentive payment upfront. These advances enable suppliers to order equipment on time and avoid price increases from delays. After equipment installation is verified, TFT is reimbursed by our funders.

5. Streamlined funding delivery to uniform standards. To integrate conservation funding cycles that were out of sync with growing seasons, TFT worked closely with each funder to develop a single set of project design, eligibility, implementation, and verification requirements. This allows multiple sources of funding to support a single project without having to complete multiple parallel program requirements. TFT has added technical capacity to quickly meet design, environmental, and cultural resource compliance standards in a way that works for all the funding programs. This unglamorous innovation has significantly reduced the time needed to complete each step in the funding process.