

# FACT SHEET: MONTANA'S FEDERAL WATER FUNDING

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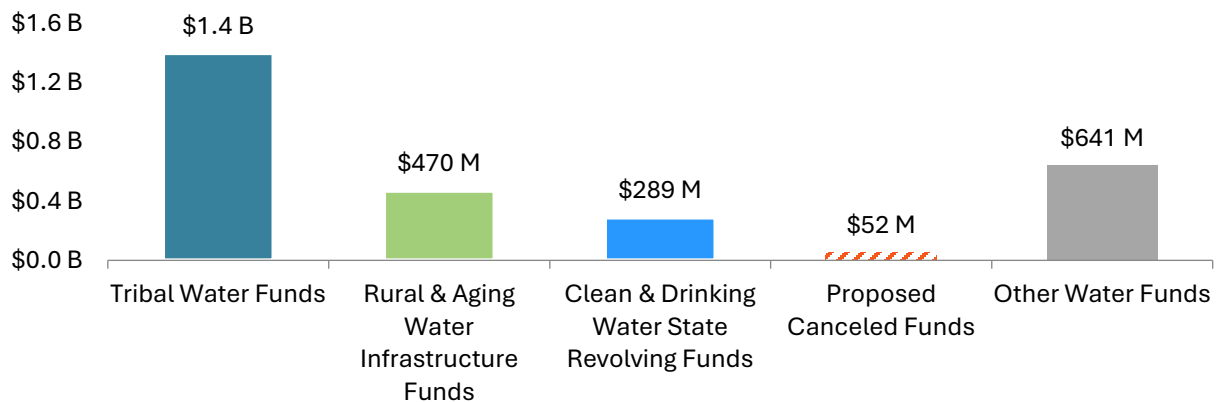
May 2026



## Montana Awarded \$2.8B in Water Funding to Date

Through December 2025, Montana has received over \$2.8 billion from the Infrastructure Investment & Jobs Act (IIJA) and Inflation Reduction Act (IRA) for water-related projects (see Figure 1).<sup>1</sup> Much of this funding has gone toward supporting tribal communities, addressing rural and aging water infrastructure, and helping expand access and quality of clean drinking water. Notably, about \$52 million is at risk due to cancellations by the federal government.

Figure 1. Breakdown of major IIJA & IRA water funding in Montana



Funding allocations shown here came from multiple programs. Funding breakouts are listed in the sections below.

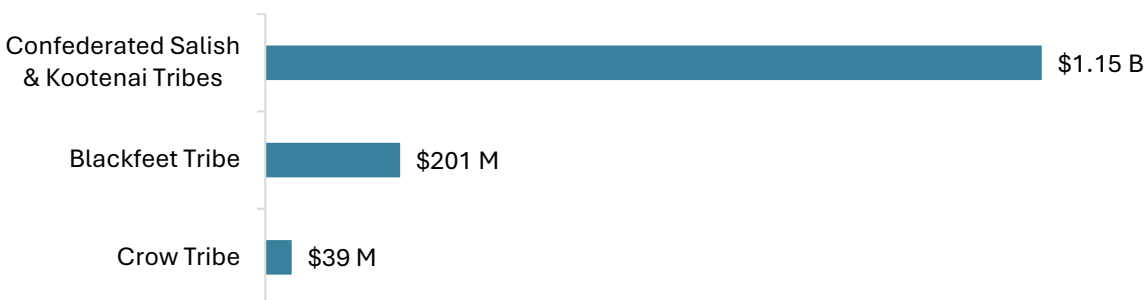
Source: [Water Program Portal](#) Outcomes Dashboard as of December 31, 2025

<sup>1</sup> Unless otherwise stated, all funding amounts are sourced from the Water Program Portal [Outcomes Dashboard](#) and tracks only IIJA and IRA program funding and therefore does not include other sources of funding. The data in this fact sheet is through December 2025.

## Tribes in Montana Secured and Restored Water Infrastructure

Tribal nations in Montana have [long fought](#) for water access rights. In September 2021, the Department of the Interior enacted the [Confederated Salish and Kootenai Tribes \(CSKT\) Water Compact](#), a Tribal-State-Federal agreement to fulfill the Salish, Kalispell, and Kootenai water rights, a key step in resolving long-standing disputes over water rights, access, and infrastructure development. IJA, enacted just a few months later, provided [\\$2.5 billion](#) for the Indian Water Rights Settlement Completion Fund to help fulfill negotiated settlements, including the CSKT Water Compact. Tribal communities in Montana have been awarded nearly \$1.4 billion from the Fund, including \$1.15 billion for the Confederated Salish and Kootenai Tribes (CSKT), the most of any tribe in the United States (Figure 2).<sup>2</sup> This funding satisfies a portion of the overall [\\$1.9 billion settlement](#), which covers multiple river basins and the Flathead Indian Irrigation Project, a large irrigation project past due for restoration.

Figure 2. Distribution of Tribal Water Rights Settlement to Tribal Nations in Montana



Funding for each tribal nation is determined by recipient and funding was identified by awarded projects' names, recipients, and locations.

Source: [Water Program Portal](#) Outcomes Dashboard as of December 31, 2025

## Rural & Aging Water Infrastructure a Major Focus for Montana

After investments in tribal communities, the next largest water award in the state was for Rural Water Projects and Aging Infrastructure. Montana's population is one of the most rural in the country, as almost half of all Montanans [live in rural areas](#). In many rural communities, access to safe and affordable water is [challenging](#), as rising water costs, aging infrastructure, depleted water resources, regulatory failures, and climate change compound. In Montana, many rural

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<sup>2</sup> CSKT received two tranches of IJA funds through the Indian Water Rights Settlement: one for about \$998 million and another for about \$157 million.

communities [struggle](#) to afford upgrades to critical water infrastructure without additional support. Over \$470 million in funding from the U.S. Department of the Interior was awarded to Montana to help address this need.<sup>3</sup>

Funding from the Aging Infrastructure Account supported removal and replacement of dams and siphons, as well as repairing and maintaining a variety of water-related infrastructure across the state. The largest individual award from the Account that was granted to a project in Montana—\$88 million—funded the replacement of the 110-year-old [St. Mary Diversion Dam](#). Construction began in July 2024, and the 2024 and 2025 construction seasons [made progress](#) developing and excavating the site. Once the project is [completed](#) in fall 2028, it will provide reliable irrigation and municipal water to rural Montanans along the Milk River. A further \$10 million [was awarded](#) in 2025 to help support the ongoing project.

Funding from the Rural Water Projects was awarded to three efforts in Montana including \$170 million for the [Rocky Boys/North Central Montana Water System](#) to complete a water treatment plant and other critical infrastructure. Work on the water treatment plant began [in 2017](#) and was expected to become operational by the [end of 2025](#) thanks to the additional IJA funding. \$70.5 million funded water quality and distribution improvements in the Musselshell-Judith Rural Water System. The remaining \$31.8 million funded water treatment and associated infrastructure in the [Dry Prairie Rural Water System](#).<sup>4</sup>

## Water Quality Receives a Major Funding Boost

In addition to baseline funding, the Clean Water and Drinking Water State Revolving Funds (SRFs) received a boost of over \$289 million from IJA for Montana.<sup>5</sup> Projects funded by the SRFs are improving water quality across much of Montana by building, replacing, and repairing key drinking and wastewater infrastructure.

Projects from the Drinking Water SRF received the majority of SRF funding in Montana, with over \$234 million in IJA funding to replace lead pipes, reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) contaminants, and help communities install or replace municipal drinking water infrastructure. The Clean Water SRF allocated over \$55 million in supplemental IJA funding, on top of the program's base allotments. This funding is supporting a range of wastewater projects including the installation of critical water infrastructure like lift stations, trenched piping, and water treatment plants.

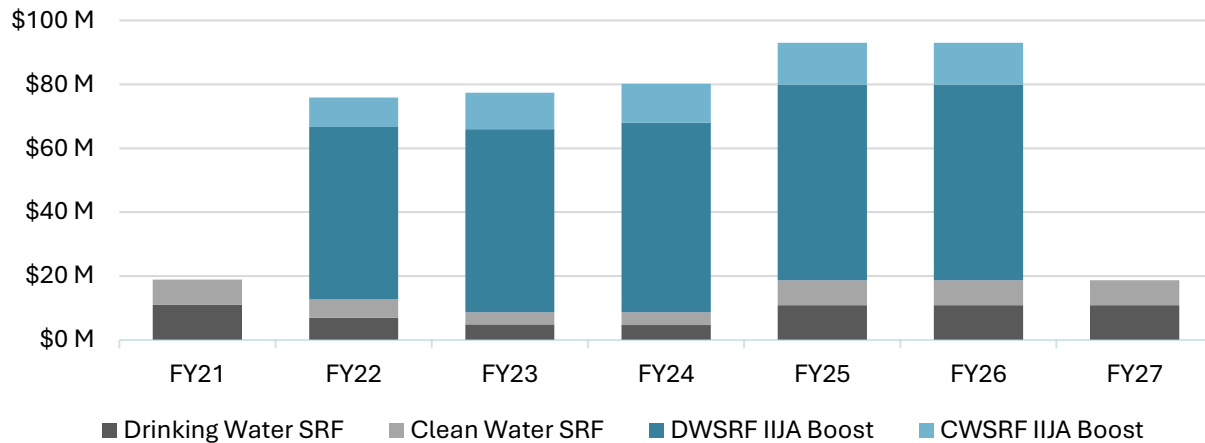
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<sup>3</sup> This funding included awarded projects from the Aging Infrastructure Account and Rural Water Projects.

<sup>4</sup> Department of Interior funding for each of these efforts has been awarded in a series of three to four grants each, as detailed in the Active Projects section of the Outcomes Dashboard.

<sup>5</sup> Boosts to the SRFs went to the IJA DWSRF and CWSRF General Supplemental Funding, DWSRF Lead Service Line Funding, and DWSRF and CWSRF Emerging Contaminants Funding.

Figure 3. Federal support for the SRFs in Montana has increased since 2022



An additional \$43 billion was appropriated for the SRFs by IIJA and is being distributed nationally each year through FY26. The funds for FY26 in the chart reflect projected allocations from IIJA funding. FY26 and FY27 base funding for the Drinking Water and Clean Water State Revolving Funds (DWSRF and CWSRF) are unconfirmed but we assume the same funding level as FY25.

Source: Water Program Portal’s Outcomes Dashboard, the Water Program Portal Montana SRF Factsheet, and EPA’s State DWSRF and CWSRF Allotments (2022-2025)

When the funding boost provided by IIJA expires in fiscal year (FY) 2027, Montana’s SRF could return to pre-IIJA levels (Figure 3). Advocates will push for [maintaining this level of funding](#) when Congress votes on the Transportation Infrastructure Reauthorization.

## Community Protection Projects at Risk

Agencies have attempted to cancel nearly \$52 million of IRA funding from programs like Building Resilient Infrastructure and Communities (BRIC), Investing in Coastal Communities and Climate Resilience, the Regional Conservation Partnership Program (RCPP), and the Environmental Climate Justice (ECJ) Grant Program. As of March 2026, FEMA has announced plans to [resume](#) BRIC and maintain existing grant agreements. Many of these projects aim to protect endangered ecosystems at risk of drought and development of community resilience. The largest grant at risk of cancellation is a [\\$25 million award](#) from RCPP to conserve 100,000 acres of priority grasslands in Montana. Other cancelations include a \$1 million ECJ award to revitalize the Cooperative Cultural Center for Health, Justice, and Inclusion in the Town of Bluff.