



# Western States Water

## Addressing Water Needs and Strategies for a Sustainable Future

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### **CONGRESS**

#### **FY25 Appropriations/SRFs**

On July 9, a bipartisan group of lawmakers led by Rep. Brittany Pettersen (D-CO), Sen. Michael Bennet (D-CO), Sen. Kevin Cramer (R-ND) and Rep. Kelly Armstrong (R-ND) sent a letter to top members of the House and Senate Appropriations Committees, urging them to increase funding for water infrastructure projects, warning that if current state allocations for Clean Water and Drinking Water State Revolving Funds (SRFs) continue to be diverted to Community Project Funding and Congressionally Directed Spending (CPF/CDS), “states will experience significant shortfalls in funding water infrastructure projects.” They called for increased funding for SRFs to account for CPF/CDS and to provide a more sustainable funding source for critical water projects through the CPF/CDS process, without siphoning funds from projects reliant on SRFs financing.

The letter reads: “The SRFs have been the principal water financing programs for more than three decades, supporting water infrastructure projects such as drinking water, wastewater, and stormwater projects through low-cost loans and limited grants to underserved communities to cities and towns across our nation. These funds have been critical to expand access to clean water, modernize aging water infrastructure, and safeguard our public health. After Congress resumed the CPF/CDS process in the 117th Congress, annual Appropriations Acts reduced funding for state SRFs by more than \$3.7 billion in FY22, FY23, and FY24 to fund CPF/CDS.... We are grateful for the.... commitment to fund our nation’s clean water and drinking water infrastructure through the annual Appropriations process, but we are increasingly concerned about SRFs’ solvency in years to come. Through the FY25 Interior, Environment, and Related Agencies Appropriations bill, we urge the Committee to ensure the longevity of SRFs by fully funding the programs and to provide a more sustainable funding source for CPF/CDS.”

#### **Senate/FY2025 Appropriations**

On July 25, the Senate Appropriations Committee approved several FY25 appropriations bills, including: (1) S. 4795 Commerce, Justice, and Science (CJS) by a

26-3 vote; (2) S. 4802 Interior and Environment, 28-1; and (3) S. 4797 State and Foreign Operations (SFO), 24-5. The bills would support climate research at the National Oceanic and Atmospheric Administration (NOAA), resist cuts to the National Aeronautics and Space Administration (NASA), increase support for wildland firefighting, fund staffing at the Department of the Interior (DOI), and provide slight funding increases across all Environmental Protection Agency (EPA) programs. On July 24, the House passed H.R. 8998 its FY2025 Interior, Environment, and Related Agencies Appropriations Act by a vote of 210-205 (WSW #2618).

The CJS bill provides \$73.7B, \$5.2B more than FY2024. The Department of Commerce would receive \$11.5B including \$1.9B for construction and maintenance of both current and next-generation weather satellites. NASA would be funded at \$25.4B (\$559M more than FY2024), including \$7.6B for Science, \$4.4B for Space Operations, and \$1.2B for Space Technology.

The Interior and Environment bill provides a total of \$44.6B, including \$15.8B for the DOI. The bill includes language to establish a permanent pay fix for wildland firefighters, and provides \$4.1B for wildfire suppression. It provides \$1.5B for the U.S. Geological Survey (USGS) with \$306.7M for the Ecosystems Mission Area, including \$33.1M for Environmental Health Programs, \$82.8M for the Climate Adaptation Science Center and Land Change Science Program, and \$63.1M for National and Regional Climate Adaptation Science Centers. The bill provides \$294.2M for the Water Resources Mission Area, including \$66.6M for the Water Availability and Use Science Program and \$29.5M for the National Groundwater and Streamflow Information Program. The Core Science Systems Mission Area would be funded at \$286.7M, including \$121.9M for the National Land Imaging Program (of which \$101.6M is for satellite operations) and maintaining enacted levels for the National Geospatial 3DEP program. The bill provides \$164.2M for the Abandoned Mine Reclamation Fund and \$45.9M for the Indian Land and Water Claim Settlements account (an increase of \$44.9M and equal to the budget request.)

S. 4802 provides \$9.3B for EPA, including \$783.7M for Science and Technology, \$3.2B for Environmental

Programs and Management, \$4.4B for State and Tribal Assistance Grants (STAG), and \$72.3M for the Water Infrastructure Finance and Innovation Program (WIFIA). STAG funding would include \$2.8B for SRFs, with \$1.6B for Clean Water SRFs and \$1.1B for Drinking Water SRFs. It recommends \$362.5M from Clean Water SRFs and \$242.3M from Drinking Water SRFs be allocated for Congressionally Directed Spending. The bill provides funding for the Safe and Sustainable Water Resources Program (\$112.89M), including up to \$5M for grants under the Innovative Water Technology Program.

The SFO bill would fully fund the International Boundary and Water Commission with \$159.5M for urgent water management and water quality improvement programs, and \$500,000 for the International Joint Commission to address gaps in transboundary governance between British Columbia and bordering U.S. States.

On August 1, the Senate Appropriations Committee unanimously approved the Energy and Water Development and Related Agencies (EWD) bill, which would fund the U.S. Army Corps of Engineers (USACE) at \$10.3B, the U.S. Bureau of Reclamation (USBR) at \$2.04B, and provide over \$150M for rural water projects.

#### **Water Data Improvement Act/House**

On July 8, the House passed the Water Monitoring and Tracking Essential Resources (WATER) Data Improvement Act (H.R.5770), introduced by Reps. Joe Neguse (D-CO) and Juan Ciscomani (R-AZ). The bill would reauthorize through FY2028 the USGS: (1) Federal Priority Streamgage Network; (2) the National Groundwater Monitoring Network; and (3) grants for water estimation, measurement, and monitoring technologies and methodologies.

Neguse said: "In Colorado, we know how important it is to preserve, protect, and strengthen our critical water resources – and how important data is to that effort. Our bill reauthorizes programs that are used to make informed decisions on the sustainable management of our water resources. As we continue to experience drought conditions throughout the Colorado River Basin and the West, we must ensure that our State, Federal, Tribal, and local partners have the resources to prepare for and mitigate against those impacts. It's critical that these efforts be supported and authorized, which is why I'm proud to sponsor this important bipartisan legislation, and I look forward to getting it across the finish line with the help of our partners in the Senate."

#### **Water Recycling/Bureau of Reclamation**

On July 12, Sen. Alex Padilla (D-CA) and Rep. Grace Napolitano (D-CA) wrote a letter to USBR

Commissioner Camille Touton, urging Reclamation to increase the per-project cap on federal funding for water recycling from \$30M to \$40M to account for inflation.

The letter read: "As the West continues to recover from the impacts of long-term drought while also preparing for inevitable future droughts, it is imperative that the federal government continues to invest in local water supplies to meet the demands of recycled water in the West. Increasing the per-project funding cap by adjusting for inflation would ensure that the BOR is bringing every tool and resource to bear to stretch limited water supplies and bolster drought resilience.... As Western water agencies undertake efforts to adapt to climate change, the federal government must do all it can to encourage these water purveyors to bolster the resiliency of their systems and reduce dependency on imported water supplies. Water recycling is a critical component of achieving these objectives. By using your authority to increase the WIIN Title XVI grant program's per-project funding cap to \$40 million, the Bureau of Reclamation can offer water providers in the West the opportunity to more affordably invest in the necessary infrastructure to prepare for the next inevitable drought."

#### **LITIGATION/WATER RESOURCES**

##### ***California/Golden State Water Company v. CPUC***

On July 8, the California Supreme Court set aside a California Public Utilities Commission (CPUC) order that eliminated a conservation-focused water rate decoupling mechanism. In *Golden State Water Company v. CPUC*, No. S269099 (Cal.2024), investor-owned water utilities' interests argued that the CPUC had failed to provide notice that elimination of the mechanism was within the scope of the 2020 proceeding. The CPUC argued enactment of SB1469 (which requires the CPUC to consider decoupling mechanisms upon a utility's application) rendered the case moot.

The court said: "To reduce that financial incentive to sell more water to more consumers, and thus to encourage water conservation, the [CPUC] in 2008 allowed certain water companies to structure their rates in a way that 'decouples' revenue from the amount of water sold. More than a decade later, in a proceeding ostensibly focused on improving the accuracy of water sales forecasts necessary for use of this decoupling mechanism, the [CPUC] ordered that the mechanism be eliminated altogether. The issue before us does not concern the merits of this decision, but the process that led up to it. The question is whether the [CPUC] gave adequate notice that the elimination of the decoupling mechanism was one of the issues to be considered in the proceeding. We conclude that the answer is no. We further conclude that [CPUC's] failure to give adequate notice requires us to set the order aside."

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