



Western States Water

Addressing Water Needs and Strategies for a Sustainable Future

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CONGRESS

FY2025 Appropriations/Continuing Resolution

On March 14 the Senate voted 54-46 to pass the Full-Year Continuing Appropriations and Extensions Act of 2025 (H.R. 1968), averting a government shutdown. The House passed the continuing resolution (CR), with funding through September, on March 11 by a vote of 217-213. The CR largely extends FY 2024 spending levels and, as estimated by the Congressional Budget Office (CBO), would allow for \$1.6T in discretionary spending in FY2025, with \$893B (an increase of \$6B) for defense and \$708B for nondefense spending. The CR reduced nondefense spending by \$13B overall, largely due to the removal of all congressionally directed spending (CDS) or “earmarks.”

Appropriations for Energy and Water Development and Related Agencies were reduced, including the removal of \$84M from the Department of Energy previously allocated for FY2024 projects, and \$40.1M from the Bureau of Reclamation Water and Related Resources account. The Agriculture, Rural Development, Food and Drug Administration and Related Agencies increased by \$400M. Commerce, Justice, Science and Related Agencies received an increase of \$1.3B, but funding for research at the National Institute of Standards and Technology (NIST) was reduced by \$143M. The Federal Emergency Management Agency (FEMA) received \$22.5B for the FEMA Disaster Relief Fund under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. FEMA also received \$3.2B for the Federal Assistance account, \$115M of which was repurposed from FEMA funding under the Infrastructure Investment and Jobs Act (IIJA).

The CR increased the Interior and Environment title from \$38.6B to \$40.9B, slightly reducing funding for the Bureau of Land Management (BLM) Resource and Land Management Operations, the U.S. Geological Survey (USGS), and U.S. Fish and Wildlife Service (FWS) Resource Management. The National Park Service (NPS) received an additional \$6M and increased funding for a variety of wildfire management programs. The bill increased the Environmental Protection Agency's (EPA) Environmental Programs and Management account by

\$17M, and reduced the Science and Technology account by \$2M. The bill funded Clean Water and Drinking Water State Revolving Funds (SRFs) at 2024 levels (\$1.6B for CWSRFs and \$1.1B for DWSRFs), and eliminated \$38.7M in carryover CDS funding from FY2023. Federal wildfire response and management efforts received an increase with \$2.4B for the U.S. Forest Service and \$1.1B for Interior-wide fire management efforts. The CR boosted topline funding for the Department of State and Foreign Operations title by \$1B but reduced the U.S. and Mexico International Boundary and Water Commission construction account by half (\$78M).

Senator Patty Murray (D-WA), Senate Appropriations Committee Vice Chair, spoke against the bill on the Senate floor and pointed out the flexibility the bill creates for the Trump Administration saying, “it fails to include the typical detailed spending directives, the basic guardrails, that Congress provides each year.” She argued that the bill would grant the President “near absolute discretion” over how infrastructure and conservation funds are directed. She noted the risk to Army Corps, transit, military, land conservation, and water conservation projects which she said “make up massive percentages of many of our States’ budgets.” Murray stated, “This is not a clean CR. A clean CR would not slash funding for Army Corps construction by 44 percent. That means halting progress on major hydropower projects.... And let's not ignore the massive shortfall in funding for new NOAA satellites or the serious risk of setting back weather predictions that every part of our economy hinges on.”

CONGRESS/WATER RESOURCES

FY2026 Appropriations/Infrastructure/Data

On March 11, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment held a hearing on water infrastructure financing for FY2026 appropriations. Subcommittee Chairman Mike Collins (R-GA) emphasized the importance of water infrastructure and acknowledged the scale and cost of infrastructure needs. He noted the success of the CWSRF and Water Infrastructure Finance and Information Act (WIFIA) programs, but criticized the Corps Water Infrastructure Financing

Program (CWIFP) for its slow progress. “I also want to note that for the [CWSRF] and WIFIA programs to reach their full potential in assisting communities, we must also cut burdensome red tape and provide regulatory flexibility to get projects done faster.”

Jeff Walker, retired Executive Administrator of the Texas Water Development Board, was invited to testify on behalf of the Council of Infrastructure Financing Authorities (CIFA). He urged Congress to fully fund and reauthorize CWSRFs at increasing levels through 2036, stop diverting SRF funds for earmarks, reduce the regulatory burden on borrowers, and reconsider congressional mandates. Walker said: “Under the SRF framework, federal, state and local governments share responsibility for ensuring our citizens have adequate wastewater systems and our streams, rivers and water bodies remain pollution free. Because states are closest to the borrowers and rate payers, they are best positioned to determine how to spend the money to efficiently and effectively meet the unique needs of their communities and constituents. Increasing federal funding for the [CWSRFs] may show up in EPA’s budget but appropriations simply pass through the agency before being sent to states. However, cutting federal funding for the [CWSRFs] directly impacts the ability of states and local communities to deliver affordable financing for essential wastewater and stormwater services to their constituents.”

The Western Governors’ Association (WGA) Executive Director, Jack Waldorf, provided written testimony outlining its priorities and requests for funding. He emphasized the importance of strong state-federal collaboration in managing western natural resources. Waldorf urged the committee to prioritize funding for the U.S. Geological Survey’s (USGS) Groundwater and Streamflow Information Program, the EPA’s Clean Water and Drinking Water SRFs, the Abandoned Hardrock Mine Reclamation program, the National Park Service maintenance efforts, and department-wide wildfire mitigation and risk reduction efforts. Waldorf stressed that groundwater management should remain under state authority and urged Congress to protect state primacy in any water-related legislation. WGA also transmitted policy resolutions 2024-07, Water Resource Management in the West, and 2024-09, Water Quality in the West.

On February 27, the Interstate Council on Water Policy (ICWP) led a coalition of 105 water management and stakeholder organizations in a letter to House and Senate leadership, supporting funding for USGS streamgages. The coalition emphasized that USGS streamgages provide critical data for public safety, extreme weather response, water supply management, and infrastructure planning. They noted that years of flat

funding and rising operational costs have led to the loss of 35 streamgages in the past four years, with 17 closures in 2024 alone. The letter requested \$33 million for the Federal Priority Streamgage network (a \$7.3M increase from FY2024) and \$33 million for Cooperative Matching Funds (a \$2.5M increase from FY2024) to prevent further losses and ensure continued operation. It warned that without this funding, infrastructure failures, increased disaster risks, and gaps in water resource management will occur as state and local agencies struggle to fill the financial gap.

WATER RESOURCES/ENERGY **Artificial Intelligence/Data Centers**

On March 17, WestWater Research released a Water Market Insider report titled Estimating Data Center Power Demand. The analysis predicted a 170% increase in data center water use by 2030 amid the expansion of artificial intelligence (AI). The report anticipated an increased need for expertise in acquiring local water resources for new data centers, especially in water-scarce regions.

The report provided an overview of data centers in the United States, based on a sample of 30 hyperscale data centers (exceeding 10,000 square feet) that use water-cooling systems. The report estimated the average hyperscale data center to be 1.09 million square-feet, with an average consumption of 0.88 terawatt-hours (TWh) and 378 acre-feet (AF) of water each year. Each additional TWh of power consumption is associated with a 1,100 AF increase in water consumption. There are over 1,000 hyperscale data centers in the U.S, with an additional 120-130 new centers expected each year. <https://waterexchange.com/wp-content/uploads/2025/03/2025-Q2-Water-Market-Insider-Data-Centers.pdf>

Goldman Sachs Research estimated that AI will drive an increase in data center power consumption equivalent to approximately 200 TWh per year between 2025 and 2030. “The ongoing development of hyperscale data centers by major tech companies such as Google, Meta, and Microsoft in regions like California, Arizona, and Texas is expected to significantly impact local water markets. These data centers primarily source their water through lease agreements with municipal or regional water utility companies.... Although data centers typically use less water than agriculture or municipal sectors, they can still represent a significant demand in localized areas, especially when multiple large-scale centers are developed concurrently, as seen in hubs like Arizona’s Elliot Road Tech Corridor in Mesa and Silicon Valley’s Santa Clara.” The report also highlighted an interactive map which estimated the number of data centers in each state. See www.datacentermap.com/usa/.

The WESTERN STATES WATER COUNCIL is a government entity of representatives appointed by the Governors of Alaska, Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.