#### Federal Update 7-8-22

#### **Current Context**

The Colorado River, one of the nation's largest river basins, which supplies water to more than 40 million people and millions of acres of farmland, is at an all-time low. The Bureau of Reclamation has asked the Colorado Basin states to come up with the outlines of a plan to reduce water use between 2 million- and 4-million-acre feet by mid-August. To put that number into perspective, California, Arizona, and Nevada used a total of about 7 million acre-feet of Colorado River water last year. Bureau of Reclamation Commissioner Camille Touton told a Senate committee in June that the two major reservoirs are at just 28 percent of full capacity and are projected to continue dropping over the next two years.

If use of the river's water is not reduced and Lake Powell drops to the point that Glen Canyon Dam could no longer generate electricity, "an energy and water crisis could ensue," noted the Los Angeles Times. The dire situation also has water insiders discussing the possibility of a renegotiation of the Colorado River Compact, a 1922 agreement that determines allocations across the basin. Recent forecasts predict a worsening situation: La Niña, the climate pattern heating up the Southwest, has a 61 percent chance of returning next winter, according to the latest monthly update from the National Oceanic and Atmospheric Administration.

Last week, the <u>Supreme Court limited the EPA's ability to address climate</u> <u>change</u> without "clear congressional authorization," which raises concerns about the reach of federal agency regulation in general, including for water. While legal analysts have <u>pointed out</u> that the court could have gone further in limiting the EPA's regulatory authority, others say the ruling <u>calls into question</u> the degree to which agencies like EPA can create and implement meaningful environmental regulations without explicit approval from an often-gridlocked Congress.

#### **Federal Water Policy**

#### **Congressional Actions and Updates**

House Democrats <u>unveiled</u> a \$56.3 billion fiscal 2023 <u>Energy-Water spending bill</u>. The bill is focused on lowering energy prices by directing money to Department of Energy for its clean energy programs. For water, it bumps up spending for the Army Corps of Engineers by \$545 million from the current fiscal year, for a total of \$8.9 billion. President Biden's proposed fiscal 2023 budget included \$6.6 billion for the Corps—in addition to money from the infrastructure and disaster relief packages—with a focus on protecting coasts from sea-level rise and storms. The House plan includes \$2.5 billion for construction of river and harbor, flood, and storm damage reduction; shore protection, and restoration projects; \$5 billion for operation and maintenance, and \$213

million for work tied to "waters of the US."

### The following bills have been introduced:

- HR 7793 (Rep. Melanie Stansbury, D-NM). The Rio Grande Water Security Act
  would develop an integrated water resources management plan for the Rio
  Grande Basin, invest in Pueblo irrigation, and convene a Rio Grande Basin
  Working Group to recommend improvements to infrastructure, data, and
  monitoring, water conservation, and local collaboration.
- HR 7792 (Rep. Melanie Stansbury, D-NM). The Water Data Act would create a
  national Water Data Council, address longstanding technical challenges in water
  data and science, and establish a new grant program to invest in innovative
  technologies for water management.
- <u>S 953</u> (Sen. Ron Wyden, D-OR). The Water for Conservation and Farming Act would establish a new fund at the Bureau of Reclamation to invest in water efficiency, recycling, and dam safety and to support fish passage projects in the Pacific Northwest.
- <u>S 2807</u> (Sen. Ron Wyden, D-OR). The Watersheds Results Act would identify the acres where watershed restoration would generate the greatest environmental results at the best value. The Interior Department, Agriculture Department, and EPA would then coordinate to establish two to five coordinated watershed restoration pilot programs across the country.
- <u>S 2693</u> (Sen. Alex Padilla, D-CA). The Salton Sea Projects Improvement Act would authorize the Bureau of Reclamation to be the federal partner on projects to improve air quality, fish and wildlife habitat, recreational opportunities, and water quality in the area. It would also increase the amount Reclamation is authorized to spend at the Sea from \$10 million to \$250 million.
- <u>S 1179</u> (Sen. Dianne Feinstein, D-CA). The Canal Conveyance Capacity
  Restoration Act would authorize the Bureau of Reclamation to provide financial
  assistance for various projects in California to mitigate the sinking or settling of
  the ground (i.e., subsidence mitigation), specifically for projects related to the
  Friant-Kern Canal, the Delta-Mendota Canal, and certain parts of the San Luis
  Canal/California Aqueduct.

## The following bills recently passed the House:

- HR 6651 (Rep. Don Young, R-AK). The Alaska Salmon Research Task Force
  Act would require Commerce Secretary Gina Raimondo to establish a special
  task force of up to 19 members to explore population trends among Pacific
  salmon and develop a research plan to manage the species. A companion bill
  introduced by Alaska Senators Dan Sullivan and Lisa Murkowski is moving
  through the Senate.
- HR 5973 (Rep. Debbie Dingell, D-MI). The Great Lakes Fish and Wildlife Restoration Act calls for reauthorizing the Great Lakes Fish and Wildlife

- Restoration Act of 1990, which expired at the end of fiscal 2021, for five years through fiscal 2027. Companion legislation has been introduced in the Senate by Amy Klobuchar (D-MN), Rob Portman (R-OH), Debbie Stabenow (D-MI), and Todd Young (R-IN).
- HR 2793 (Rep. Sean Patrick Maloney (D-NY). The Highlands Conservation Reauthorization Act would boost investments for conservation efforts in the areas surrounding the mid-Atlantic Highlands of Pennsylvania, New Jersey, New York, and Connecticut.

## The following bill has become law:

• <u>S 497</u> (Sen. Dan Sullivan (R-AK). The American Fisheries Advisory Committee Act directs NOAA to establish the American Fisheries Advisory Committee to advise on an existing grant program to address the needs of fishing communities and increase opportunities to keep waterfronts viable.

Congress is also working on the 2022 Water Resources Development Act (WRDA). The House passed its version of the bill on June 9, and the Senate Committee on Environment and Public Works advanced its version of the bipartisan legislation with a 20-0 vote. The bill provides resources and a blueprint for how the US Army Corps of Engineers conducts some of the nation's largest and most ambitious flood control and ecosystem restoration initiatives. At \$25.3 billion, the House version is the largest WRDA to date. Rather than making any major policy reforms, both versions of the bill focus on advancing waterway and coastal resiliency projects, as well as Western water projects and research. The bill summary from the Senate Committee on Environment and Public Works is here. The House WRDA differs from the Senate bill in terms of scope of new feasibility studies and authorizations of new projects, structures for engaging Tribes and disadvantaged communities in the work of the Corps, and approach to next steps in the Columbia River Basin. The bill authors hope to have a final conferenced bill completed before the August recess although many observers anticipate that schedule could slip.

# Advocacy Highlights:

- Sens. Kyrsten Sinema and Mark Kelly joined Reps. Ruben Gallego, Tom O'Halleran, Greg Stanton, Ann Kirkpatrick, and Raúl Grijalva in a joint <u>letter</u> to EPA Assistant Administrator Radhika Fox, arguing that programs like the Drinking Water State Revolving Fund should consider prioritizing funding for distributed water solutions.
- Bloomberg Philanthropies, in partnership with the Kresge Foundation, Ford Foundation, and the Emerson Collective, announced a \$50 million investment in a new <u>Local Infrastructure Hub</u> to help cities and towns access federal

infrastructure funding, a program that will be delivered by the National League of Cities, Results for America, and the US Conference of Mayors.

### **Administration Actions and Updates**

The White House released a <u>technical assistance guide</u> for the bipartisan infrastructure law to help state, local, Tribal, and territorial governments navigate programs, access funding, and deploy infrastructure funding, as well as the <u>Bipartisan Infrastructure Law Tribal Playbook</u>. The Tribal Playbook identifies \$13 billion for Tribes and aims to help with the "what, when, where, and how" of applying for funds. Both build on the <u>Bipartisan Infrastructure Law Guidebook</u> and <u>Rural Playbook</u>.

The White House also <u>reported</u> that, as of May 23, more than \$29 billion in federal investments and funding opportunities had incorporated the Justice40 initiative, and <u>summarized</u> the ways in which federal agencies have addressed the recommendations of the White House Environmental Justice Advisory Committee. In addition, the administration released an update of its <u>whole-of-government approach</u> to Justice40, launched a <u>new environmental justice website</u>, and published a <u>new list</u> of the programs that will be covered by Justice40 in the Departments of Interior, Health and Human Services, and Agriculture, as well as in EPA. The Council on Environmental Quality hired <u>Jalonne White-Newsome</u> as senior director for environmental justice, the top advisor for the White House, replacing Cecilia Martinez, who departed in January after a year on the job. White-Newsome will coordinate environmental equity efforts, including Justice40.

Attorney General Merrick Garland and EPA Administrator Michael Regan <u>announced</u> <u>plans</u> to set up a new Office of Environmental Justice and released a comprehensive <u>environmental justice enforcement strategy.</u>

EPA will soon open \$6.5 billion in low-interest loans for a range of water infrastructure projects, including drinking water and wastewater treatment facilities, under the Water Infrastructure Finance and Innovation Act. The agency is also ready to begin releasing the first billion dollars from last year's infrastructure bill to reduce drinking-water contamination from PFAS or "forever chemicals." The initial \$1 billion will prioritize drinking water, to help heavily affected communities with water-quality testing, contractor training and new treatment systems, among other measures. EPA also announced new drinking water health advisories for four PFAS chemicals, and is expected to propose standards limiting those compounds in drinking water later this year. In addition, EPA will direct \$53 million of bipartisan infrastructure law funding toward the Gulf of Mexico to support wetland restoration, stormwater treatment and control, nature-based infrastructure, and resilient shorelines. Lastly, the agency announced \$21.7 million in technical assistance grants to RCAP and the National Rural Water Association to support water infrastructure in rural communities.

The Department of the Interior allocated over \$240 million from the bipartisan infrastructure law to repair aging water infrastructure. The 46 projects selected for funding cover the major river basins and regions where the Bureau of Reclamation operates, and include significant repairs on canal linings and dam spillways, as well as water pipeline replacements. Interior also announced more than \$68 million in ecosystem restoration investments in 125 projects in 20 states, including a number focused on fish passage and aquatic habitat restoration. The agency is publicly touting its ability to appropriate funds "quickly" and "efficiently," having spent more than \$4.6 billion in federal infrastructure funds over the current fiscal year, including the two programs described above, \$1.7 billion to Native American Tribes for water rights settlements, nearly \$870 million in funds to Tribal nations and states to restore abandoned mine lands, and \$42.6 million for water efficiency (details here and here). In addition, the Bureau of Reclamation opened its fiscal year 2023 WaterSmart grant applications for drought resiliency (now closed) and water efficiency (deadline July 28).

The USDA is accepting FY 2022 applications to create revolving loan funds to build and improve water and wastewater disposal systems in rural areas. The funds are available through the Water and Environmental Programs Revolving Funds Program.

The Department of Health and Human Services has released <u>guidance</u> on how to get renters into the Low Income Household Water Assistance Program (LIHWAP), even if they are not directly billed for water and wastewater service.

# Advocacy Highlights:

- The Blue Green Alliance released a <u>user guide</u> to the bipartisan infrastructure law focused on maximizing job quality and equity.
- The Emerald Cities Collaborative continued expanding its <u>Justice40 Playbook</u>, which provides guidance for developing Community Benefit Plans to help ensure that federal infrastructure and climate investments work for the communities that need them most.
- Over 70 environmental and environmental justice organizations submitted a <u>letter</u> to the White House Council on Environmental Quality with suggestions for how to improve the Climate and Economic Justice Screening Tool.
- The Environmental Policy Innovation Center (EPIC) and Internet of Water coalition partners released a <u>national map of water service area boundaries</u>.
- Clean Water for All submitted a <u>coalition letter</u> commenting on EPA's proposed <u>2022 Clean Water Act Financial Capability Assessment Guidance</u>, and urging the agency to strengthen the guidance by integrating affordability and clean water for frontline communities. The National Association of Clean Water Agencies, American Water Works Association, and the Water Environment Federation also submitted a <u>letter</u> warning that the proposed guidance would undermine equity by forcing low-income communities to pay too much for new upgrades.

# **Further Reading**

Find some notable news stories and commentary below.

**Associated Press:** Inflation taking bite out of new infrastructure projects

Circle of Blue: Many rural towns have neglected drinking water systems for decades

**Desert Sun:** Feds float drastic measures to stanch California's water crisis **Greenwire:** A water war détente? Settlement looms in battle over Rio Grande

Los Angeles Times: Did California learn anything from the last drought? 'Gambling'

with water continues

New York Times: Why water use varies so widely across California
New Yorker: The biggest potential water disaster in the United States

Politico: PFAS in fertilizer a 'significant funding issue'

Texas Tribune: <u>Texas plans To send Harvey funds to white counties Harvey didn't hit</u> Thomson Reuters Foundation: <u>As US flooding worsens</u>, <u>South Carolina redraws risk</u>

<u>maps</u>

Washington Post: EPA proposes protections for the world's biggest sockeye salmon

<u>fishery</u>

Washington Post: The Colorado River is in crisis, and it's getting worse every day