

Government Affairs and Community
Outreach Committee Meeting and Special
Meeting of the Board of Directors

Wednesday, February 04, 2026
4:30 P.M.

Committee Members:

Anthony R. Fellow, Chair
Edward Chavez, Vice-Chair

*The Government Affairs and Community Outreach Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Government Affairs and Community Outreach Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Government Affairs and Community Outreach Committee will not vote on matters before the Committee.

Communications

1. Call to Order
2. Public Comment

Discussion/Action

3. Legislative Update
 - a. Washington D.C.
 - b. Sacramento
4. Federal Bill Summaries and Positions (*Staff memorandum enclosed*)
5. WELL Sponsorship (*Staff memorandum enclosed*)

Oral Reports

6. Year End Review and Look Ahead for Outreach

Other Matters

- 7.

Adjournment

Next Meeting: Wednesday, March 04, 2026 at 4:30 p.m.

American Disabilities Act Compliance (Government Code Section 54954.2(a))

To request special assistance to participate in this meeting, please contact the District office at (626) 443-2297.





Upper San Gabriel Valley Municipal Water District

January 28, 2026

Ana Schwab, Lowry Crook, Michael Brain, Madeline Voitier, Chris Keosian, and Alex Dunn

Congress



Following its holiday recess, Congress returned to the Capitol for the Second Session of the 119th Congress facing an extensive legislative agenda. Congress enters 2026 much as it began 2025—confronting a looming government funding deadline, sharp partisan divisions, and razor-thin majorities in both chambers of Congress.

Prior to the recess, Congress enacted only three full-year appropriations bills, meaning that both chambers must continue negotiating the remaining Fiscal Year 2026 (FY 26) funding bills, or a short-term Continuing Resolution (CR), before government funding expires on January 30, 2026.

On the first day back in session, House and Senate Appropriators unveiled a three bill “minibus” funding package covering the Commerce, Justice & Science, Energy & Water, and Interior & Environment Appropriations bills. This move reflects significant bicameral and bipartisan efforts to avert another major funding dispute at the end of January. The U.S. House of Representatives passed the three-bill spending package on January 8, 2026, by an overwhelming bipartisan vote of 397–28. The U.S. Senate subsequently passed the measure on January 15, 2026, by an 82-15 vote. President Trump then signed the minibus into law on January 23, 2026.

Building on this momentum, Appropriators released a second bipartisan compromise funding package covering the Financial Services & General Government (FSGG) and State-Foreign Operations (SFOPS) Appropriations bills on January 11, 2026. The House quickly passed this second minibus on January 14, 2026 by a bipartisan vote of 341-79, and the package now awaits consideration in the Senate.

Subsequently, on January 20, 2026, Congress released a bipartisan minibus funding package covering the four remaining appropriations bills—Department of Homeland Security, Department of Defense, Departments of Transportation and Housing & Urban Development, and Departments of Labor, Health and Human Services, and Education. The



House passed the final funding bills on January 22, 2026, splitting the vote into two measures. The more controversial bill funding the Department of Homeland Security (DHS), which houses the United States Immigration and Customs Enforcement (ICE), passed by a vote of 220-207. The package containing the remaining three bills passed by an overwhelmingly bipartisan vote of 341-88. The bills will next be considered by the Senate.

Passage of standalone appropriations legislation via regular order is a major victory for the House, which has not passed all 12 appropriations bills individually in decades. The last time Congress passed all 12 individual appropriations bills before the October 1 Fiscal Year (FY) deadline was in September 1996.

Notwithstanding this procedural milestone in the House, the potential of a partial government shutdown has increased as Senate passage of the DHS funding bill is in question following the ongoing ICE controversy in Minneapolis. Senate Democrats are signaling unified opposition to the six-bill FY 26 funding package unless the DHS portion is removed and renegotiated to include additional oversight and restrictions. With current funding set to expire on January 30, 2026, the Senate faces a narrow window to resolve the impasse and avert a partial government shutdown.

Beyond near-term funding challenges, Congress faces a demanding legislative calendar in the months ahead as it must promptly begin work on FY 27 appropriations—due by September 30, 2026—following resolution of FY 26 funding and submission of the President’s FY 27 budget to Congress. Congress is also set to consider a renewed authorization of the Water Resources Development Act (WRDA) and Farm Bill this year, as well as a Surface Transportation Reauthorization Bill, and the annual National Defense Authorization Act (NDAA). The Administration is also set to conduct a joint review of the United States-Mexico-Canada Agreement, which governs free trade in North America.

These developments unfold as attention increasingly turns to the November midterm elections, which will determine control of the House and Senate for the remainder of President Trump’s term, as well as numerous governorships and state legislatures nationwide. As a result, the midterms are expected to factor into many congressional and administration policy decisions this year.

House Natural Resources Committee Advances ESA Reform Legislation

The House Natural Resources Committee marked up and favorably reported H.R. 1897, the *ESA Amendments Act of 2025*, by a vote of 25-16 on December 17, 2025. The legislation, sponsored by Committee Chair Bruce Westerman (R-AR-04), proposes a series of targeted



amendments to the Endangered Species Act (ESA) aimed at revising species listing, recovery, and consultation processes. Reps. Adam Gray (D-CA-13) and Jared Golden (D-ME-02) were the only Democrats to join Republicans in supporting the bill's advancement out of Committee.

The bill would establish a national work plan to prioritize species listings, require economic impact analyses for new listings, and increase transparency through public disclosure of litigation costs and underlying scientific data. It encourages voluntary conservation agreements with private landowners, clarifies recovery goals and statutory definitions, streamlines permitting processes, and expands opportunities for State and Tribal participation in species conservation and management. The legislation authorizes approximately \$405 million annually for ESA-related activities.

Substantively, the bill would revise the ESA's focus by renaming it the *Endangered Species Recovery Act*. It would limit the designation of critical habitat to areas within a species' current or historic range and narrow the interpretation of "foreseeable future" used in listing determinations. States would be permitted to assume management authority for listed species under certain conditions. The bill also requires tailored protection plans for threatened species and eliminates the current policy that threatened species without a 4(d) rule automatically receive the same protections as endangered species. Amendments adopted during markup added requirements for coordination with local governments.

The Committee rejected several Democratic amendments, including proposals to establish a bipartisan commission to recommend ESA reforms, enhance Tribal consultation requirements, delay implementation until agencies meet staffing thresholds, and modify other procedural provisions. Supporters characterize the bill as a modernization effort intended to improve efficiency, transparency, and recovery outcomes, while opponents raised concerns about potential impacts on species protections, legal certainty, and long-term conservation effectiveness.

The legislation now awaits further consideration by the full House.

House T&I Water Subcommittee Holds Hearing on WRDA 2026 Priorities

On December 17, 2025, the House Transportation and Infrastructure Committee's Subcommittee on Water Resources and Environment held a hearing to examine stakeholder priorities in the early development of the Water Resources Development Act (WRDA) of 2026. Witnesses included representatives from the Midwest Flood Control Association, the Port of Long Beach, HNTB Corporation, and the National Waterways Conference.



The hearing focused on priorities for WRDA 2026, the biennial bill that authorizes Army Corps of Engineers water resources projects and sets related policies. Subcommittee Chair Collins (R-GA-10), Ranking Member Frederica Wilson (D-FL-24), and Full Committee Ranking Member Rick Larsen (D-WA-02) emphasized the importance of maintaining a predictable, bipartisan WRDA cycle to support navigation, ports, flood control, ecosystem restoration, and community resilience.

Rep. Robert Garcia (D-CA-42) highlighted the resumption of a federal navigation project at the Port of Long Beach, California, which had been paused during the government shutdown and faced potential cancellation by the White House Office of Management and Budget (OMB) Director Russ Vought. Witness Noel Hacegaba, the port's Chief Operating Officer, emphasized that the project is critical to allowing the nation's second-largest port to handle larger cargo ships efficiently—noting that local and federal coordination has been essential to keeping the project on track. Members and witnesses underscored the broader need for coordination among Congress, the Army Corps, and non-federal sponsors to ensure WRDA projects proceed efficiently and maintain the tradition of bipartisan support.

Several members expressed concern that recent Department of Defense communication procedures could impede information sharing between the Army Corps and Congress during WRDA development and project oversight. Under the new policy, Corps officials must obtain approval from the Department of Defense's legislative affairs office before communicating with Congress. This includes discussing projects with members of Congress, their staff, or state and local officials. Witnesses emphasized that timely, clear communication is critical for feasibility studies, project delivery, cost management, and coordination with non-federal sponsors.

Members and witnesses also stressed the importance of maintaining continuity for previously authorized projects while pursuing new WRDA 2026 authorizations, and highlighted opportunities to improve efficiency, reduce delays, and manage costs as the Committee begins drafting the bill.

President Trump Issues First Veto of Second Term to Water Infrastructure Bill

On December 30, 2025, President Trump issued a veto of H.R. 131, the *Finish the Arkansas Valley Conduit Act*, derailing a plan to accelerate a long-delayed drinking-water pipeline in Colorado. The bill passed Congress unanimously and would have benefited communities in the district of its Republican sponsor, Rep. Lauren Boebert (R-CO-04).

The legislation aimed to reduce the amount that Arkansas River Valley communities owe the U.S. Bureau of Reclamation for construction of the Arkansas Valley Conduit, by



eliminating interest charges and extending the repayment schedule to 100 years. The measure did not authorize new federal spending.

The veto came amid a broader political dispute between President Trump and Colorado Governor Jared Polis (D) related to the state-level prosecution of former Mesa County Clerk Tina Peters for 2020 election interference. This move injected political tension into what had previously been an uncontroversial rural-water infrastructure bill.

After the veto, Congress entered a relatively rare veto override process. Overriding a Presidential veto requires a two-thirds vote in both chambers. On January 8, 2026, the House voted 248–177 to override—37 votes short of the 285-vote supermajority needed—immediately ending the effort and preventing consideration in the U.S. Senate. Thirty-five Republicans joined all 213 Democrats in supporting the override.

With the veto override attempt unsuccessful, the future of the Arkansas Valley Conduit remains uncertain. Construction continues utilizing existing appropriations, but financial uncertainty remains and local providers will face higher costs and less flexible loan terms, which will make the project less affordable for small communities.

Bipartisan and Bicameral Legislation Introduced to Support Water Quality and Reliability

A wave of bipartisan Congressional activity took place in late December and early January intended to improve drinking water access, strengthen water system resilience, and address contamination from PFAS chemicals.

Senators Lisa Blunt Rochester (D-DE) and Roger Wicker (R-MS) introduced S. 3465, the *UPGRADE Act of 2025* to extend EPA's Small, Underserved, and Disadvantaged Communities grant program through 2031. The bill would also make unincorporated communities eligible for federal assistance—an important change for rural areas that often lack the administrative capacity to secure federal loans or grants.

Complementing this effort, Sen. Blunt Rochester and Sen. John Curtis (R-UT) introduced the *Water Infrastructure and Sustainability Act of 2026*. This legislation aims to reauthorize the EPA's Midsize and Large Drinking Water System Infrastructure Resilience Program, Drinking Water System Infrastructure Resilience and Sustainability Program, and Clean Water Infrastructure Resilience and Sustainability Program through Fiscal Year 2031.

These programs provide federal funding to help water and wastewater utilities strengthen their systems against both natural disasters and cyber threats. Larger drinking-water systems can receive support for projects that protect critical infrastructure and improve



their ability to withstand events like floods, storms, and wildfires. Smaller drinking-water systems can access funding for upgrades that boost efficiency, conserve water, and enhance overall resilience. Wastewater utilities of any size can also receive assistance to modernize their infrastructure and address cybersecurity risks, ensuring they can continue operating safely during disruptive events.

Meanwhile in the House, Rep. Chris Pappas (D-NH-01) introduced a three-bill “Clean Water Agenda” focused on PFAS contamination—a major concern in his home state of New Hampshire. In his announcement, Rep. Pappas emphasized that communities should not bear the financial or public-health burden of PFAS pollution, and that industries responsible for contamination must be held accountable.

Pappas’ package includes H.R. 6667, the *PFAS Research and Development Reauthorization Act*, a bill to restore EPA’s PFAS research authority that expired at the end of fiscal year 2024; H.R. 6669, the *No Taxation on PFAS Remediation Act*, a measure to prevent federal taxation of PFAS remediation rebates; and H.R.6668, the *Clean Water Standards for PFAS Act of 2025*, which would require EPA to set deadlines for PFAS discharge limits for eight industrial sectors—including landfills.

Taken together, this flurry of activity reflects the bipartisan sentiment among some in Congress to ensure access to safe, clean, and plentiful water supplies.

House Natural Resources Subcommittee Examines Western Water, Power, and Wildfire

On January 8, 2026, the House Natural Resources Subcommittee on Water, Wildlife, and Fisheries held a hearing to examine the relationship between forest management, wildfire risk, and the reliability of water and power systems in the West. Subcommittee Chair Harriet Hageman (R-WY, At Large) noted that decades of fire suppression and federal policy have left national forests overstocked, unhealthy, and fire-prone—destabilizing water supplies and power reliability. She cited the Elk Fire in Wyoming as an example of catastrophic wildfire fueled by dense forests and highlighted Chair Bruce Westerman’s (R-AR-04) H.R. 471, the *Fix Our Forests Act*, as a tool for active forest management.

Ranking Member Val Hoyle (D-OR-04) emphasized the importance of healthy forests in filtering water and reducing flooding, and advocated for science-driven, collaborative approaches and sustained investment in programs that balance conservation and restoration to reduce wildfire severity. Full Committee leaders, including Chair Westerman and Ranking Member Jared Huffman (D-CA-02), reinforced these points, noting forests’ roles in supporting agriculture, hydropower, community resilience, and long-term watershed health.



Witnesses highlighted the tangible impacts of unhealthy forests on water and power infrastructure. Representatives from the Family Farm Alliance, Colorado Springs Utilities, Denver Water, and Northern California Power Agency/American Public Power Association described how wildfire and post-fire conditions degrade water quality, increase sedimentation, damage infrastructure, and raise operational costs. Many emphasized that a substantial portion of western water supplies originates on federal lands, making upstream forest management critical for downstream communities. Witnesses consistently argued that proactive forest management—including mechanical thinning, prescribed burns, and collaborative, landscape-scale restoration—is more cost-effective than reactive approaches focused solely on fire suppression and recovery.

Members and witnesses discussed practical challenges to implementing these solutions, including funding uncertainty, workforce capacity, permitting delays, and the need for streamlined authorities such as categorical exclusions to allow high-risk forest treatments to proceed quickly. Representatives highlighted cross-jurisdictional challenges, liability concerns, and impacts on utilities and ratepayers—stressing that improved coordination among federal agencies, states, Tribes, and local stakeholders is essential for effective forest and watershed management. Several members, including Rep. Cliff Bentz (R-OR-02), emphasized the urgency of passing the *Fix Our Forests* Act to reduce wildfire risk, improve utility reliability, and lower associated costs for communities.

The House version of the *Fix Our Forests* Act passed in January 2025 and has been with the Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Conservation, Forestry, Natural Resources, and Biotechnology since March 6, 2025. A Senate companion bill, S.1462, led by Sen. John Curtis (R-UT), was introduced and passed out of the Senate Committee on Agriculture, Nutrition, and Forestry in October 2025. The two bills will need to go to a House-Senate conference before a final version can be considered by either chamber.



Federal Budget/Appropriations



President Signs FY 26 Interior & Environment and Energy & Water Appropriations Into Law

Below is a detailed summary which was produced by BBK for Upper Water's Staff regarding the current state of Fiscal Year 2026 federal appropriations impacting water infrastructure:

On January 5, 2026, the House and Senate Appropriations Committees released their jointly agreed-upon Fiscal Year 2026 (FY 26) Energy and Water Development; Interior, Environment, and Related Agencies; and Commerce, Justice, and Science (CJS) appropriations bills and accompanying reports. This memorandum focuses on the Energy and Water and Interior and Environment bills as those are the two appropriations bills of highest priority for Upper Water.

The Energy and Water and Interior and Environment bills fund the Department of Energy (DOE), the Army Corps of Engineers (Corps), the Bureau of Reclamation (Reclamation), the Department of the Interior (DOI), the Environmental Protection Agency (EPA), and the U.S. Forest Service (USFS), respectively. The jointly agreed-upon bills reject severe cuts to most programs, and reassert Congressional control over spending decisions by including full-year funding and detailed spending directives.

The House of Representatives passed the “minibus” appropriations package on January 8, 2026, in a bipartisan 397–28 vote. The Senate followed on January 15, 2026, passing the bill by an 82–15 vote. President Trump signed the minibus into law on January 23, 2026.

FY 26 Energy and Water Bill

The FY 26 Energy and Water bill provides \$63.3 billion overall, representing an increase of \$2.4 billion above the FY 25 enacted level and \$8.8 billion above the President’s FY 26 budget request.

The bill includes \$1.08 billion in Community Project Funding and Congressionally Directed Spending for 102 Corps and Reclamation projects. This funding consists of \$19.8 million for Corps project studies, \$754.7 million for Corps construction, \$131.5 million for construction in the Mississippi River and Tributaries account, \$143.4 million for operation and maintenance of existing Corps projects, and \$23.9 million for Reclamation projects.



Within the \$63.3 billion total of the bill, the Corps would receive \$10.44 billion for civil works, strengthening the nation's water resources development portfolio and prioritizing the advancement of high-priority, ongoing projects, an increase of nearly \$2 billion from FY 25 funding levels. Appropriators cited a desire to make up for the absence of Community Project Funding and Congressionally Directed Spending in FY 25, which delayed funding for flood control, ecosystem restoration, and water infrastructure projects—some of which directly affect California communities. Additional highlights of the Corps funding includes:

- \$150 million for the investigations account
 - \$19 million above FY 25 funding levels and \$20 million above the President's FY 26 budget request
- \$3.2 billion for the construction account
 - \$1.3 billion above FY 25 funding levels and \$1.6 billion above the President's FY 26 budget request
 - Including \$521 million for the Whittier Narrows Dam Safety project in California
- \$7 million for the Corps' WIFIA program
 - Equal to FY 25 funding levels and \$7 million above the President's FY 26 budget request
- \$3 million for the Corps' Scheduling of Reservoir Operations efforts in California
 - Equal to the President's FY 26 budget request

Reclamation's Water and Related Resources account would be funded at \$1.47 billion, an increase of \$353 million above the FY 26 budget request, but a cut of \$245 million from FY 25 funding levels. Highlights include:

- FY 25 WIIN Act Storage funding made available to the Sites Reservoir Project and the B.F. Sisk Dam Raise and Reservoir Expansion Project;
- Up to \$20 million for certain critical Reclamation canals experiencing subsidence;
- Up to \$5 million for certain WIIN Act projects, or Federal-State plans, to enhance threatened and endangered fish species affected by the operation of Reclamation's water projects (Delta, CVP, Klamath would be eligible, for example).
- Directs Reclamation to complete ongoing regional assessments to implement Forecast Informed Reservoir Operations (FIRO) at Reclamation reservoirs.



Below are specific funding amounts for accounts and programs of note within Reclamation.

Key Programs	FY 25 Enacted	President's FY 26 Budget Request	FY 26 Energy and Water Bill
Water & Related Resources	\$1,710,806,000	\$1,112,000,000	\$1,465,630,000
Central Valley Project Restoration Fund	\$55,656,000	\$65,370,000	\$65,370,000 (estimated FY 26 Collections)
California-Bay Delta Restoration Fund	\$33,000,000	\$32,000,000	\$32,000,000
Aging Infrastructure Program	\$100,000	Final allocation of IIJA funding available for FY 26 is approximately \$735 million	N/A
Central Valley Project subtotal	\$239,341,000	\$194,303,000 with \$114,315,000 in supplemental funding	\$194,303,000
Salton Sea Research Project	\$2,002,000	\$2,002,000	\$2,002,000
WaterSMART Grants	\$33,690,000	\$15,000,000	\$15,000,000
Title XVI	\$4,006,000	\$0	\$12,500,000
Aquatic Ecosystem Restoration Program	\$500,000	\$0	\$500,000
WIIN. Section 4007	\$50,000,000	\$0	\$62,500,000
Rural Water Projects	N/A	N/A	\$75,000,000



Key Programs	FY 25 Enacted	President's FY 26 Budget Request	FY 26 Energy and Water Bill
Additional Funding			

FY 26 Interior and Environment Bill

The FY 26 Interior and Environment bill provides \$38.6 billion in funding, supporting federal land management, conservation, science, environmental protection, and wildfire response programs. This represents an \$4.97 billion decrease from the FY25 enacted level and \$12.1 billion above the President's FY 26 budget request.

The bill also provides \$14.54 billion for the Department of the Interior, prioritizing land and resource management, scientific research, and wildfire preparedness. Within the Department of the Interior highlights include:

- \$900 million for the Land and Water Conservation Fund, consistent with the permanent, mandatory spending requirement of the *Great American Outdoors Act of 2020*
- Rejects proposals to consolidate the Department of the Interior and U.S. Forest Service wildfire programs into a new wildfire bureau under the Department of the Interior, but rather directs the Agencies to hire a nonpartisan research organization to evaluate the issue

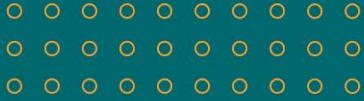
EPA would receive \$8.82 billion, approximately \$320 million (nearly 4 percent) below the FY 25 enacted level, but \$4.7 billion above the President's FY 26 budget request. The bill also provides \$2.8 billion for the Clean Water and Drinking Water State Revolving Funds, including \$1.6 billion in Community Project Funding and Congressionally Directed Spending for 1,163 drinking water, wastewater, and stormwater management projects nationwide.

The U.S. Forest Service would receive \$8.61 billion through the bill. This total includes a \$2.48 billion fire suppression cap adjustment.



Below are specific funding amounts for accounts and programs of note for the Department of Interior, the EPA, and the U.S. Forest Service.

Key Programs	FY 25 Enacted	President's FY26 Budget Request	FY 26 Interior and Environment Bill
Bureau of Land Management	\$1,411,983,000	\$936,128,000	\$1,378,383,000
U.S. Fish and Wildlife Service	\$1,677,745,000	\$1,139,279,000	\$1,650,466,000
National Park Service	\$3,337,172,000	\$2,116,470,000	\$3,267,311,000
U.S. Geological Survey	\$1,450,197,000	\$891,560,000	\$1,420,433,000
Interior Department-Wide Programs	\$1,804,994,000	\$6,785,741,000	\$1,788,027,000
Wildland Fire Management	\$1,507,171,000	\$6,552,107,000	\$2,426,111,000
U.S. Forest Service	\$8,551,845,000	\$2,136,000	\$8,614,772,000
State and Tribal Assistance Grants (STAG)	\$3,275,412,000	\$644,050,000	\$4,409,609,000
Clean Water SRF	\$1,638,861,000	\$155,000,000	\$1,638,861,000
Drinking Water SRF	\$1,126,101,000	\$150,000,000	\$1,126,101,000



Key Programs	FY 25 Enacted	President's FY26 Budget Request	FY 26 Interior and Environment Bill
Drinking Water Infrastructure Resilience and Sustainability	\$6,500,000	\$6,500,000	\$6,500,000
Sewer Overflow and Stormwater Reuse Grants	\$41,000,000	\$41,000,000	\$41,000,000
Water Sector Cybersecurity	\$0	\$10,000,000	\$0
Superfund Cleanup	\$281,245,000	\$76,632,000	\$76,632,000
Water Infrastructure Finance and Innovation Act (WIFIA)	\$72,274,000	\$8,000,000	\$72,274,000
Categorical Grants	\$1,106,333,000	\$100,794,000	\$1,109,833,000
Forest Service Operations	\$1,150,000,000	\$759,000,000	\$1,090,600,000
National Forest System	\$1,863,557,000	\$1,471,955,000	\$1,857,843,000

Administration/Agency



Army Corps Reissues Nationwide Permits, Fish Passage and Data Centers Now Eligible

On January 8, 2026, the U.S. Army Corps of Engineers (Corps) finalized its reissued Nationwide Permits (NWP) for the next five years—largely as proposed. NWPs are general permits under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899 that authorize dredge-and-fill activities deemed to have minimal adverse environmental impacts. Thousands of NWPs are issued every year.



The Corps is reissuing 56 of 57 existing NWPs and issuing one new NWP—NWP A, *Activities To Improve Fish Passage and Other Aquatic Organisms*. The Corps is also now allowing data centers to qualify for NWP 39, *Commercial and Institutional Developments*, by adding data centers as an eligible entity. The move comes amid rapid growth in the data center sector and follows a July 23, 2025 Executive Order (EO) from President Trump urging the Corps to accelerate permitting for AI data centers. The final NWP renewal is the most recent in a series of Trump Administration regulatory changes to Clean Water Act jurisdiction, including revisions to Section 401 Certification and “waters of the United States” (WOTUS) rule. Industry largely welcomes these changes, while environmental groups remain concerned over the scope and sufficiency of environmental review.

The NWPs will go into effect on March 15, 2026, and expire on March 15, 2031.

Interior Unveils 2026 Colorado River Contingency Framework

On January 9, 2026, the U.S. Department of the Interior (Interior) released a draft environmental impact statement (EIS) evaluating several operational pathways for managing the Colorado River after 2026, when the current operating guidelines expire. The seven basin states—Arizona, California, and Nevada in the Lower Basin, and Colorado, New Mexico, Utah, and Wyoming in the Upper Basin—have yet to reach consensus after more than two years of negotiations, despite worsening hydrologic conditions on the river.

In the draft EIS, the U.S. Bureau of Reclamation (USBR) presented five alternatives for post-2026 operations, including one option (“Basin Coordination”) designed to function without a negotiated interstate agreement. USBR stated that no preferred alternative has been selected at this stage and emphasized that any potential agreement could incorporate elements or variations of the five alternatives, which will be fully analyzed in the final EIS. Interior set February 14, 2026, as the deadline for the basin states to reach a unified proposal.

Since current operating guidelines expire on October 1, 2026, Reclamation included a temporary “Basic Coordination Alternative” to ensure continuity of operations if negotiations fail. The agency noted that this fallback approach may offer only limited protection for major infrastructure under current hydrologic and reservoir conditions, including Glen Canyon Dam and Hoover Dam.

Under the interim plan, the Lower Basin could face reductions of up to 1.48 million acre-feet, allocated according to existing water-use priorities. Arizona would be most affected due to its junior priority status established under the Colorado River Basin Project Act of 1968.



State negotiators reiterated their commitment to a basin-wide, consensus-driven solution that distributes risk equitably and supports long-term system stability. Some advocacy groups criticized the draft for not requiring greater reductions from Upper Basin states, arguing that all users will face curtailments under any agreement which accurately accounts for current hydrology.

The draft EIS is currently open for a 45-day public comment period, with comments due on March 2, 2026.

U.S. Forest Service Weighs Headquarters Relocation Amid USDA Staff Losses

The U.S. Department of Agriculture (USDA) is undergoing significant organizational changes, including major workforce reductions and early discussions about relocating the U.S. Forest Service's (USFS) headquarters. Deputy Agriculture Secretary Stephen Vaden recently suggested that the Forest Service's Washington, D.C.-based leadership could be moved to Salt Lake City, UT as part of a broader restructuring. The agency has not confirmed the proposal.

USDA leaders argue that strengthening the agency's presence in the West could improve responsiveness to regional needs. Supporters of decentralization view the idea as consistent with efforts to place land management agencies closer to the lands they oversee. Critics warn that relocating headquarters staff could reduce access to Congress and national policy organizations, and could trigger additional staff departures at a time when the agency's leadership ranks are already strained.

These concerns are compounded by new findings from the USDA Office of Inspector General, which reported that more than 20,000 employees left the department between January and mid-June 2025. The Forest Service experienced the largest number of departures, losing 5,860 employees. Much of the turnover stemmed from the Administration's deferred resignation program.

The staffing reductions affected every state and territory, with smaller states experiencing disproportionate impacts and California and Texas seeing the highest total losses. Additional turnover occurred in USDA's central offices due to changes in political leadership. These losses have reduced capacity in rural development and county-level service centers that provide direct support to farmers and communities.

Lawmakers representing agriculture-dependent and heavily forested regions have expressed concern about these reductions, noting that many communities are facing pressures caused by economic conditions and natural disasters. Several have urged USDA



to rebuild its field capacity in the coming year to ensure continued delivery of federal programs.

Together, the potential relocation of the Forest Service's headquarters, and the department-wide workforce losses, reflect a period of substantial transition at USDA and USFS.

FEMA Reform Discussions Continue in the U.S. Senate

On January 13, 2026, a bipartisan group senators met privately to discuss potential reforms to the Federal Emergency Management Agency (FEMA). The session was organized by Sen. Peter Welch (D-VT), who has taken a leading role on FEMA issues following major flooding in Vermont in 2023 and 2024. Lawmakers are increasingly focused on FEMA's direction amid significant workforce reductions and proposed structural changes under the Trump Administration.

Former FEMA Administrators Craig Fugate and Peter Gaynor, who served in the Obama and first Trump Administrations, respectively, joined the discussion. Participants described the meeting as collaborative, with an emphasis on identifying practical improvements to FEMA's operations and disaster-aid processes.

Senators in attendance—including Andy Kim (D-NJ), Thom Tillis (R-NC), and Tammy Baldwin (D-WI)—expressed interest in shaping FEMA's future proactively amid concerns that the agency could be weakened through policy or structural changes. Former administrators Fugate and Gaynor, both vocal advocates for preserving FEMA's core functions, underscored the need for reforms that address longstanding challenges such as delays in distributing disaster assistance.

The meeting took place amid efforts by U.S. Secretary of Homeland Security Kristi Noem to scale back federal disaster assistance, including attempts to condition FEMA funding on state cooperation with federal immigration enforcement and the cancellation of FEMA's Building Resilient Infrastructure for Communities (BRIC).

Congress is currently considering numerous FEMA-related bills. A major reform package, H.R. 4669, the *FEMA Act of 2025*, was approved by the House Transportation and Infrastructure Committee in September 2025 with strong bipartisan support. The Senate has not yet introduced a comparable measure, though Sen. Welch and others signaled plans for continued bipartisan engagement following the meeting.



Judicial/Courts



D.C. Circuit to Weigh Landmark PFAS Rules as EPA Defends CERCLA, Reconsiders SDWA

In 2026, the D.C. Circuit Court of Appeals is set to decide two key legal challenges impacting how the U.S. Environmental Protection Agency (EPA) regulates per- and polyfluoroalkyl substances (PFAS) under federal drinking water and Superfund laws. The Court will consider challenges to two landmark EPA rules—the Safe Drinking Water Act (SDWA) rule establishing stringent limits for several PFAS in drinking water, and a Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) rule designating PFOA and PFOS as hazardous substances. Both rules were finalized in 2024 under the Biden Administration, but are now being partially defended and partially reconsidered by the Trump Administration.

In the CERCLA case—*Chamber of Commerce of the United States of America, et al. v. EPA*—industry petitioners, led by the Chamber of Commerce, contend that EPA overstepped its authority and made errors in its cost-benefit analysis of the rule. Environmental groups, who are interveners in the case, argue that the rule is vital for the cleanup of PFAS in impacted communities. The Court held oral arguments on January 20, 2026, examining whether EPA violated the Administrative Procedure Act's (APA) notice-and-comment requirements by issuing a detailed cost-benefit analysis with its final rule after providing a more limited economic analysis in the proposed rule. No ruling has been issued to date.

The Biden EPA previously defended the CERCLA rule in litigation, contending that PFOA and PFOS meet the threshold for hazardous substances due to their documented health risks. The Trump Administration reviewed the rule and, on September 17, 2025, EPA Administrator Lee Zeldin announced that the agency will defend the PFAS CERCLA rule. The decision to uphold the rule follows months of uncertainty, during which EPA officials delayed litigation five times while considering their position.

Administrator Zeldin ultimately decided to keep the rule in place, citing strong public, congressional, and municipal support for stricter PFAS oversight and polluter accountability. In backing the rule, Zeldin reaffirmed the need to protect “passive receivers”—like water utilities—that did not create or use PFAS but may face liability due to CERCLA’s strict, retroactive and joint and several liability framework. Zeldin specifically



called on Congress to pass legislation providing targeted liability waiver while maintaining polluter accountability.

Separately, the Court is also working through the SDWA PFAS rule litigation—*American Water Works Association (AWWA) et al. v EPA*—that set Maximum Contaminant Levels (MCL) for six PFAS. While EPA continues to defend the PFOA and PFOS limits, it now agrees with industry challengers that it erred procedurally in setting standards for four other PFAS. On September 11, 2025, EPA filed a motion with the Court seeking to vacate four PFAS drinking water standards, citing procedural deficiencies under the SDWA. The agency argued that the prior rulemaking did not follow statutory sequencing requirements in issuing regulatory determinations and standards for PFNA, PFHxS, and HFPO-DA (individually) and the Index PFAS simultaneously.

Petitioners cited several concerns with the rule including statutory procedural issues, costs, novel use of the hazard index formula to regulate mixtures and EPA's failure to use updated occurrence data. Environmentalists who intervened in the case in support of the rule, however, contend that the rule is well-supported by the best available science and the SDWA.

On January 21, 2026, the Court denied EPA's motion to immediately vacate the four PFAS limits, requiring the case to proceed on the merits. To date, EPA has not proposed a rescission of the four drinking water limits or a separate rule to extend the compliance deadlines for the PFOA and PFOS MCLs despite earlier indications that such proposals would be issued in late 2025.



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Item 3 b.
LEGISLATIVE AND

GOVERNMENTAL REPRESENTATION

January 16, 2026

Fr: Terry McHale
RE: California's Governor Race Begins to Take Shape

It was announced over the weekend that California's Attorney General Rob Bonta will forego a 2028 bid for governor. Instead of running for governor, Bonta will continue his reelection for another term as attorney general.

The race for governor is stacked with many candidates which includes some well-known figures in California politics, but who many voters are not familiar with – resulting in no one separating themselves from the rest of the pack.

Governor Candidates

Name	Party	Background	Notes
Xavier Becerra 	Dem.	Former Health and Human Services Secretary, California's first Latino attorney general.	Dormant campaign account linked to alleged corruption scandal, not accused of wrongdoing. Impressive resume both statewide and national.
Katie Porter 	Dem.	Former Orange County Rep., law professor at UC Irvine	Polling dropped after 4-year old video of her yelling at a staff member was leaked. Resilient Candidate – Bouncing back with sound policy views and will to engage.
Tom Steyer 	Dem.	Billionaire investor, climate activist, founded San Francisco hedge fund	Heavy television ads already. They are making a difference. His numbers are trending upward.
Chad Bianco 	Rep.	Riverside County Sheriff	Leading Republican. He was an ace law enforcement officer and has a strong base following.

Eric Swalwell 	Dem.	Former prosecutor, Bay Area congressman	Led second Trump impeachment. Big money supporters. Solid reputation: Some odds makers have him as a top 2 candidate.
Antonio Villaraigosa 	Dem.	Former Los Angeles mayor, former Assembly Speaker	Ran for governor unsuccessfully in 2018. Strong leadership record. Doesn't seem to be picking up steam.
Betty Yee 	Dem.	Former state Controller, top finance office in ex-Gov. Gray Davis' administration	Sat on state Board of Equalization. Well liked and very smart. No one works harder. Would not be surprised if she shifted to another elected office.
Tony Thurmond 	Dem.	State Superintendent of Public Instruction, social worker	Steady and has excelled in previous positions. Would be an excellent governor. Not enough money or contributors to cause traction.
Ian Calderon 	Dem.	Former Assembly majority leader, first millennial member of state Assembly	Political family history. New generation of leadership. Slow on messaging.
Steve Hilton 	Rep.	Fox News contributor, adviser for British Prime Minister David Cameron	Running just behind Bianco. He splits the Republican base. Fun to listen to.

Based on the latest polling from Emerson College Polling/Inside California Politics survey finds Republican Chad Bianco (13%), Republican Steve Hilton (12%), Democrat Eric Swalwell (12%), and Democrat Katie Porter (11%) leading the June 2026 primary for California Governor, while 31% are undecided.

If things continue to play out the way it has to this point it is theoretically possible for a Republican to win the governor's office in the deep blue state of California, especially if even more Democratic hopefuls enter the ring — resembling WWE's Royal Rumble.

Bonta's decision not to run for governor will perhaps pave the way for formal Los Angeles mayoral candidate and billionaire businessman Rick Caruso join the crowded field of Democrats running for governor. He is potentially an interesting name to pay attention to as he has name recognition with voters across Southern California that others in this race are sorely lacking.

It will be interesting to monitor the governor's race as we get closer to the 2026 Primary Election. We won't have a final field set until March. As always, we will continue to provide you with updates as they come.

MEMORANDUM

Item 4.

Date: February 4, 2026
To: Government and Community Affairs Committee and Board of Directors
From: General Manager
Subject: Federal Bill Summaries and Positions

Recommendation

Approve staff recommendations for the following federal bills: H.R. 5566, S. 3590, H.R. 6783 and S. 3526 which are consistent with Upper Water's 2025-26 Legislative Policy Principles adopted by the Board in January 2026.

Federal Bill Analysis

H.R.5566 – Water Infrastructure Resilience and Sustainability Act

Introduced in the House on September 26, 2025, by Rep. Carbajal, Salud O. [D-CA-24].

Summary: The [Water Infrastructure Resilience and Sustainability Act](#) would reauthorize three critical water infrastructure funding programs housed at EPA through 2031 years (FY2027–FY2031) that are set to expire next year. These programs include the Drinking Water System Infrastructure Resilience and Sustainability Program, the Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program, and the Clean Water Infrastructure Resiliency and Sustainability Program.

Action: On December 1, 2025, the bill was referred to the House Subcommittee on Water Resources and Environment by the Committee on Transportation and Infrastructure.

STAFF RECOMMENDATION: Support

S. 3590 – Water Infrastructure Resilience and Sustainability Act

Introduced in the Senate on January 7, 2026, by Sen. Lisa Blunt Rochester [D-DE].

Summary: This is the Senate companion bill to H.R. 5566.

Action: On January 7, 2026, the bill was referred to the Senate Committee on Environment and Public Works.

STAFF RECOMMENDATION: Support

H.R. 6783 – San Gabriel Mountains, Foothills, and Rivers protection Act

Introduced in the House on December 17, 2025, by Rep. Judy Chu [D-CA-28].

Summary: The [San Gabriel Mountains, Foothills, and Rivers Protection Act](#) would designate new wilderness areas and wild and scenic rivers in California and modify the boundaries of the San Gabriel Mountains National Monument. Of concern, the legislation lacks clear definitions related to water infrastructure and water use, as well as explicit provisions to protect water rights. The bill as written would create uncertainty for the continued operation, maintenance, and long-term planning of existing water infrastructure within the San Gabriel River watershed. Similar legislation introduced during the 118th Congress included language intended to address these operational considerations.

Action: On December 17, 2025, the bill was referred to the House Committee on Natural Resources.

Congressman Gil Cisneros (D-CA-31) is a co-sponsor of the bill.

STAFF RECOMMENDATION: Oppose unless Amended

S. 3562 – PUBLIC Lands Act

Introduced in the Senate on December 17, 2025, by Sen. Alex Padilla [D-CA].

Summary: The [PUBLIC Lands Act](#) is a comprehensive public lands package that would protect and restore more than 1.7 million acres of public lands across northwest California, the Central Coast, and Los Angeles County. The package includes multiple land management and conservation provisions, including H.R.6783, the [San Gabriel Mountains, Foothills, and Rivers Protection Act](#), which raises concerns related to water infrastructure operations and water rights protections.

Action: On December 17, 2025, the bill was referred to the Senate Committee on Energy and Natural Resources. Senator Adam Schiff (D-CA) is a co-sponsor of the bill.

STAFF RECOMMENDATION: Oppose unless Amended

MEMORANDUM

Item 5.

DATE: February 4, 2026
TO: Government Affairs and Community Outreach Committee
FROM: General Manager
SUBJECT: Water Education for Latino Leaders – Associate Membership

Recommend Action

Staff is seeking direction from the Board regarding the associate membership for Water Education for Latino Leaders.

Background

Water Education for Latino Leaders (WELL) is a statewide nonprofit organization that began its mission in 2012 by Victor Griego. Over the years, WELL has trained more than 2,000 local elected officials and seeks to create a “bench” of elected officials composed of women, Latinos, and other people of color who are ready to take the helm and lead California toward sustainable water policies. WELL defines a Latino leader as any elected official representing a Latino constituency, which includes approximately 90 percent of elected officials in California.

WELL accomplishes their work through a variety of programs, including the WELL UnTapped Fellowship Program, WELL UnTapped Network (WUN), legislative water workshops, annual conferences, regional workshops, webinars, and the La Cascada Newsletter.

Upper Water has been an associate member of WELL for over 10 years. Staff was notified three years ago that WELL had adjusted their membership levels, increasing the associate level to \$15,000 annually. Due to our longstanding partnership with WELL, we were able to hold our membership payment at \$10,000 for the last three years.

WELL is seeking for the 2026 renewal that Upper Water align with the current associate member level of \$15,000. Industry/Association memberships are paid out of the district's Community Outreach Budget that has a line-item budget of \$145,000.

Staff is seeking direction from the Board on approving the membership increase for WELL to \$15,000 for FY 25-26. A summary of membership benefits is attached.

ATTACHMENT