



**MEMORANDUM**

---

---

**TO:** SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DIRECTORS  
**FROM:** SAMANTHA BARNCastle, EXECUTIVE DIRECTOR  
**SUBJECT:** UPDATE REPORT  
**DATE:** FEBRUARY 3, 2026

---

---

This memo is intended to keep you apprised as to what is happening regarding policy issues the Family Farm Alliance (Alliance) is engaged in. This month's report covers many of the issues I've tracked over the last month, the Alliance engagement in those matters, and upcoming deadlines and other things to keep an eye on. There was a lot in the month of January, so let's dive in:

**GOVERNMENT SHUTDOWN – AGAIN?**

Senate Majority Leader John Thune (R-S.D.) announced on Friday afternoon that the Senate would vote on a package of the remaining Fiscal Year (FY) 2026 appropriations bills to fund the remainder of the federal government through September 30, 2026. The Consolidated Appropriations Act, 2026 ([H.R. 7148](#)) includes the final versions of the FY26 Defense, Financial Services-General Government, Labor-HHS-Education, National Security-State, and Transportation-HUD spending bills which the House passed earlier this month, in addition to a two-week stopgap continuing resolution ([CR](#)) to temporarily fund the Department of Homeland Security (DHS) through Friday, February 13. The two-week CR for DHS will allow Congress more time to negotiate policy and/or funding changes to the bill in light of recent events regarding Immigration and Customs Enforcement (ICE).

The package includes five full-year appropriations bills plus a two-week stopgap extension for the Department of Homeland Security (DHS) to allow more time for immigration negotiations. It provides major funding for disaster relief through FEMA, reauthorizes the National Flood Insurance Program (NFIP), and supports a range of energy and environmental priorities such as pipeline safety, PFAS cleanup, critical mineral supply chains, and home energy assistance. The legislation also shifts some unused infrastructure funds away from EV charging and emissions reduction programs while adding boosts for defense research and environmental restoration. Funding for water related programs was previously enacted in January and was not affected by the weekend shutdown.

After [rejecting](#) six amendments, the Senate passed the package on Friday evening by a vote of [71-29](#), several hours ahead of the 11:59pm ET shutdown deadline. However, Congress will not be able to avoid a short, partial government shutdown over the weekend and into Tuesday (today) since the amended package still needs to be passed by the House before being signed into law. The House will vote on the legislation today, though partisan divisions and limited Democratic support could complicate passage.

## **RECONCILIATION – AGAIN?**

Meanwhile, the House Republican Study Committee (RSC) unveiled a framework for a second budget reconciliation bill focused heavily on energy and environmental policies. This includes proposals to streamline permitting for energy projects, roll back energy efficiency standards, overhaul regulatory processes, and impose fees on lawsuits challenging federal environmental actions. Among the proposed measures are efforts to codify President Trump’s deregulatory orders, limit states’ authority on vehicle emissions waivers, and encourage fossil fuel development through permit certainty programs and reduced Bureau of Land Management (BLM) permitting requirements. The plan also suggests refilling the Strategic Petroleum Reserve with Venezuelan oil. While the framework aims for significant deficit reduction, it faces skepticism within the broader Republican leadership and challenges related to Senate procedural rules, which disallowed many of these proposals in the first budget reconciliation process.

Congressional Republicans are debating whether to pursue a second major budget reconciliation bill before the midterm elections. While some GOP leaders see reconciliation as the only viable path to address priorities like affordability, health care, and welfare fraud, others, including Senate Majority Leader John Thune (R-SC), remain cautious, arguing the process requires a clear, unifying objective. As House and Senate Republicans explore options ranging from housing and health care changes to deregulation and energy policy, leaders are holding ongoing discussions to gauge support. With narrow majorities and election pressures mounting, the party faces a strategic choice between attempting another partisan “megabill” or advancing narrower, potentially bipartisan legislation such as an affordable housing package.

Lawmakers are also turning to a potential late-February markup of a scaled-down (bipartisan) “Farm Bill 2.0” focused on unresolved priorities like E15 expansion, farmer aid, and rural development, though cost concerns and recent leadership changes could slow momentum. Both chambers say the next few weeks will be pivotal, with House Republicans aiming for a pre-Easter floor vote and possible shifts ahead in Senate Agriculture Committee leadership.

For more on funding for the remaining portions of government, please see below for details.

## **TRUMP 47 ADMINISTRATION**

### **1. Reclamation issues Draft EIS re CO River**

The Colorado River Basin is under severe stress due to prolonged drought, climate-driven aridity, and an ongoing imbalance between water supply and demand. Since 2000, reservoir levels at Lake Powell and Lake Mead have declined to historic lows, threatening municipal, agricultural, tribal,

environmental, and hydropower resources across the Basin. Existing management agreements, including the 2007 Interim Guidelines and the 2019 Drought Contingency Plans, expire in 2026 and have proven insufficient to halt reservoir decline. In direct response to the Basin States' failure to reach an amicable agreement, The Secretary of the Interior, through the Bureau of Reclamation, has released a draft environmental impact statement (DEIS) under NEPA for interim post-2026 guidelines for coordinated operation of Lake Powell and Lake Mead. The DEIS proposes new coordinated management strategies for Glen Canyon Dam and Hoover Dam which would be implemented consistent with the Law of the River and used to inform Annual Operating Plans (AOP). The DEIS envisions an interim duration of roughly 20 years, though shorter or phased approaches remain possible.

The overarching goals of the DEIS are to update reservoir operating rules, enhance predictability, expand conservation and storage mechanisms, improve opportunities for Basin Tribes, and build long-term resilience for Basin water users. The DEIS underscores that, while multiple operational paths could balance water deliveries and reservoir protection if hydrologic conditions improve, under severely dry future conditions even unprecedented reductions may not fully stabilize the system. The document is intended to inform a near-term, adaptive framework for post-2026 operations while continuing efforts toward a longer-term, consensus-based solution for the Colorado River Basin.

As we all continue to review the DEIS on CO River issues, please know there is one more webinar, offered by Reclamation, which will be held Feb. 10, 2026. For more information and to sign up to attend, please go here: <https://www.usbr.gov/ColoradoRiverBasin/post2026/draft-eis/Public-Review-Comment-Process.html>. More on the CO River below.

## **2. Administration's Expedited Permitting Agenda Moves Forward**

### **a. CEQ – pilot program to encourage use of CEs**

The White House Council on Environmental Quality is launching “CE Works,” a new digital tool to streamline and expand the use of NEPA categorical exclusions, aiming to speed permitting for energy and infrastructure projects as part of the Trump administration's broader push to reduce regulatory delays. The initiative follows recent NEPA rollbacks, including the repeal of CEQ's government-wide regulations, with supporters saying it will cut red tape and standardize decisions while critics warn of legal uncertainty and weaker oversight. At the same time, the Bureau of Land Management has rolled out a redesigned NEPA Register to improve public access, transparency, and engagement in environmental reviews for land-use and development projects.

### **b. WOTUS**

Comments on the proposed WOTUS rule were submitted in early January, but debate has continued as opponents warn the draft would weaken protections for western waters and lead to increased pollution. Sixteen Democratic senators, led by Sen. Adam Schiff, urged EPA Administrator Lee Zeldin and Army Corps officials to abandon the rule, arguing it would exempt millions of acres of streams and wetlands from Clean Water Act protections and allow more harmful chemicals into waterways, while Democratic attorneys general from 17 states,

Washington, D.C., and New York City are preparing legal challenges, saying the proposal unlawfully narrows federal jurisdiction and misapplies the Supreme Court’s 2023 Sackett decision. Republicans counter that the rule is needed to clarify jurisdiction and ease permitting after Sackett limited protections to relatively permanent waters and wetlands with continuous surface connections, but critics say new definitions and exclusions would create legal and scientific uncertainty and undermine downstream water quality. With litigation likely once the rule is finalized, states are already responding at the local level—New Mexico, for example, has moved to protect ephemeral waters as the federal pendulum swings in the opposite direction, and other states are expected to follow.

c. Corps re-ups all nationwide permitting

The Trump Administration has renewed the Army Corps of Engineers’ (Corps) nationwide permit program for the next five years, continuing a streamlined Clean Water Act (CWA) approval process used for thousands of infrastructure projects each year, including pipelines, highways, and utility lines. The updated program expands eligibility to data centers and artificial intelligence facilities and, for the first time, explicitly includes pharmaceutical manufacturing, while also creating a new permit category for environmental projects that improve fish passage at dams. Industry groups welcomed the move as a way to speed permitting for projects deemed to have minimal impacts on wetlands and streams, while environmental advocates warned it could weaken water protections especially as the Administration moves to narrow the scope of the CWA. The Corps reissued nearly all existing nationwide permits with limited changes, declining broader industry requests for sweeping reforms, and emphasized that projects must still comply with other environmental laws such as the Endangered Species Act (ESA) and NEPA.

d. More on 401 permitting

On January 13, 2026, EPA proposed a rule that would sharply narrow state and tribal authority under Clean Water Act Section 401 by limiting water quality certifications to whether point-source discharges meet applicable standards, rather than allowing review of the broader impacts of an entire federally permitted project. The Trump administration says the proposal replaces a 2023 Biden-era rule and restores the statute’s “core purpose” by increasing predictability, standardizing reviews nationwide, enforcing the one-year decision deadline, preventing states from extending timelines through withdrawal-and-resubmission tactics, and establishing a uniform list of application requirements that triggers the review clock. Supporters, including industry groups and congressional Republicans, argue the changes will reduce delays for pipelines, hydropower, and dredge-and-fill projects, while opponents warn the rule would significantly weaken state and tribal oversight, invite new legal challenges, and curtail tribal authority—particularly by restricting the ability of tribes with TAS status to impose conditions to protect treaty rights and local water resources, a shift critics say undermines tribal sovereignty and local control.

Public comments on EPA’s proposed Section 401 Clean Water Act rule are open for 30-days after the rule’s Federal Register publication, with the comment period closing on February 17, 2026. Comments can be submitted at [Regulations.gov](https://www.regulations.gov) under Docket ID EPA-HQ-OW-2025-2929.

### **3. DOI Secretarial Order**

As reported last month, DOI Secretary Doug Burgum has issued Secretarial Order 3446 (SO), a policy shift giving local irrigation districts and other Reclamation contractors greater authority in managing aspects of federally funded water and power projects. On December 19, 2025, the Bureau of Reclamation held a Webinar in which it discussed its implementation approach, screening processes for allowing stakeholders to take on further aspects of projects, input processes (reciprocal and iterative feedback between the public and Reclamation), scope parts of the remainder of the SO and outline timelines for moving forward. The focus of this webinar was on sections 5, 6, and 9 of the SO, and they introduced a new webpage [www.usbr.gov/SO3446](http://www.usbr.gov/SO3446) as well as a new email address where questions can be emailed going forward [SO3446@usbr.gov](mailto:SO3446@usbr.gov). An additional webinar was held on January 29, 2026, where the Reclamation team reviewed a variety of projects that would fit the requirements of the SO for purposes of turning over workload to the local district. We will review those case studies, develop a set of criteria we believe they are intending to convey, and begin discussions with our members to provide feedback to Reclamation.

### **4. Flagging this again - NRCS has a new program!**

I reported on this last month, but it's worth repeating: USDA's Natural Resources Conservation Service (NRCS) has launched a new Regenerative Pilot Program to help lower farmers' production costs and promote whole-farm conservation planning under the *Make America Healthy Again* (MAHA) agenda. The pilot combines \$700 million in funding—\$400 million through EQIP and \$300 million through CSP—to support voluntary regenerative practices that improve soil health, water management, and overall land stewardship in a streamlined, outcomes-based framework that allows producers to bundle practices into a single application. The program is open to farmers and ranchers of all experience levels, and NRCS will also establish a Chief's Regenerative Agriculture Advisory Council to ensure producer-led, practical implementation. Producers interested in participating should contact their local NRCS Service Center to apply, using the new single application process for both EQIP and CSP regenerative projects, and submit by their state's ranking dates for FY2026 funding; a January 15 national batching deadline has been announced for major NRCS programs including this pilot. For more details and to start the process, farmers can visit their local NRCS office or the NRCS regenerative pilot page here: <https://www.nrcs.usda.gov/programs-initiatives/regenerative-agriculture-pilot-program>.

Please begin to reach out to your local NRCS offices, as I'm already hearing that environmental groups are working on shaping this program – the sooner we get in the mix the better. The Alliance is working on collecting information regarding engagement and will provide that to our members as soon as we are able. One thing we know for sure is that it's our boots on the ground membership the administration is wanting to hear from, so please reach out to start those discussions and please contact me to share any information you may come up with in that process.

## **DEVELOPMENTS IN THE 119<sup>TH</sup> CONGRESS**

### **5. Trump vetoes Finish the Arkansas Valley Conduit Act (H.R. 131 Boebert)**

Last month, President Trump issued the first veto of his second term, rejecting the bipartisan Finish the Arkansas Valley Conduit Act, which would have eased federal financing for a long-planned

Bureau of Reclamation pipeline to deliver clean drinking water to about 50,000 residents in 39 rural southeastern Colorado communities. Trump cited concerns about federal taxpayer exposure and project costs, while Colorado lawmakers from both parties criticized the veto as harmful to rural water access and warned it sets a troubling precedent for federally approved local projects with bipartisan support. Although construction continues on already funded segments, the veto complicates future financing and may delay completion; an attempted congressional override failed, sending shock waves through the water community and signaling that advocacy strategies for federal water project funding may need to adapt to a changing political landscape.



## **6. Three Bill Spending Package for Reclamation and Other Interior Agencies**

The House passed a bipartisan three-bill spending “minibus” by a 397–28 vote to fund Energy and Water, Interior-Environment, and Commerce-Justice-Science agencies ahead of the January 30 CR deadline, advancing roughly \$180 billion in full-year funding for agencies including DOE, the Army Corps, Bureau of Reclamation, EPA, and Interior. The compromise avoids deeper cuts sought by some House Republicans and the Trump Administration while still reducing overall spending—cutting EPA by nearly 4% and trimming some renewable energy and efficiency programs, but boosting oil, gas, minerals, and nuclear priorities; Democrats largely supported the package because it preserves core water, energy, climate, and public lands programs and excludes controversial riders. Under the bill, Reclamation would receive \$1.6 billion (down \$286 million from FY25 but about \$400 million above the Administration request) and the Army Corps \$10.4 billion (up \$1.8 billion from FY25 and \$3.8 billion above the request); the Senate subsequently passed the minibus (H.R. 6938), which President Trump signed into law. More details on the bill:

### **a. Bureau of Reclamation**

**Total:** \$1.6 billion, a decrease of over \$286 million from fiscal 2025 levels; increase of ~\$400 million over President’s Budget.

**Water and Related Resources:** \$1,465,630,000

**Aquatic Ecosystem Restoration:** \$500,000 (reduction of \$6 million from FY25)

**WaterSMART Grants:** \$15 million (reduction of \$39 million from FY25)

**Cooperative Watershed Management:** \$6 million (reduction of \$2 million from FY25)

**Drought Response and Drought Plans:** \$5 million (reduction of \$25 million from FY25)

**Title XVI Water Recycling:** \$12.5 million (reduction of \$17.5 million)

**Water Conservation and Development:** \$127,859,000 (decrease of \$99 million from FY25) that will be allocated by Reclamation. Report language directs:

**\$62.5 million** for WIIN Water Storage Projects

**\$20 million** for canal conveyance capacity corrections

**\$20 million** “to create or conserve recurring Colorado River water that contributes to supplies in Lake Mead and other Colorado River water reservoirs in the Lower Colorado River Basin or projects to improve the long-term efficiency of operations in the Lower Colorado River Basin.”

**\$20 million** for Indian Water Rights Settlements

**Environmental Restoration or Compliance:** \$5 million (reduction of \$23 million from FY25)

**b. EPA**

**Total:** \$8.8 billion, \$300M reduction from FY25 and \$4.7 billion increase to President’s request.

**Clean Water SRF:** \$1.64 billion

**Drinking Water SRF:** \$1.13 billion

**c. Interior (except Reclamation)**

**Total:** 14.5B, a \$300 million reduction from FY25 and \$1.4B increase from President’s request.

**BIA:** \$2.5 billion, relatively flat

**NPS:** \$3.3 billion, relatively flat

**USFWS:** \$1.7 billion, relatively flat

**BLM:** \$1.3 billion, relatively flat

**d. U.S. Forest Service**

**Total:** \$6.1 billion, level from FY25 and increase of \$3.8 billion from President’s request.

**Wildfire suppression:** \$4.9 billion, a \$90 million increase from FY25

**Non-Fire Accounts:** \$3.71 billion, a \$300 million reduction from FY25

**e. Army Corps of Engineers**

**Total:** \$10.4 billion, an increase of \$1.8 billion relative to the fiscal 2025 levels; \$3.8 billion over President’s Budget.

**Construction:** \$3.17 billion, nearly double the President’s budget request.

**Environmental Infrastructure:** \$14.13 million

**Investigations:** \$150.384 million, \$20.3 million above President’s budget request - “Of the additional funding provided no less than \$3,000,000 shall be for studies that were new starts in fiscal year 2024.”

**Planning Assistance to States:** \$5 million

**Floodplain Management Services:** \$15 million

**7. Congress on permitting reform discussions more generally**

Top Senate Democrats say bipartisan permitting reform talks have stalled because of Trump Administration actions they argue target renewable energy, particularly Interior Department orders halting offshore wind projects, which they describe as illegal, biased, and a driver of higher energy costs. Sens. Sheldon Whitehouse (D-RI) and Martin Heinrich (D-NM) said Senate negotiations had been making bipartisan progress—unlike mostly party-line House bills such as the SPEED, PERMIT, and ePermit Acts—but broke down after what Democrats view as executive interference

with clean energy projects. At a recent Senate Environment and Public Works Committee hearing, lawmakers from both parties agreed permitting reform is urgently needed to meet rising electricity demand and speed infrastructure development, and witnesses from business, labor, fossil fuel, and renewable sectors stressed the need for permitting certainty and warned against politically motivated project shutdowns after approval. While Republicans remain eager to restart talks, Democrats say negotiations will stay paused until the Administration commits to a technology-neutral approach and demonstrates it will implement permitting laws in good faith, though senators expressed cautious optimism that bipartisan progress is still possible.

## **8. Senate ENR to Markup Land, Water, Wildfire Bills**

A Senate Homeland Security panel marked the one-year anniversary of California's Palisades Fire—which destroyed more than 15,000 structures, burned 45,000 acres, and killed 12 people after reigniting from a deliberately set blaze—by hearing from fire and emergency management experts on forest management, community preparedness, and the risks of fires starting on federal lands spreading into populated areas. The International Association of Emergency Managers warned against cuts to disaster science and preparedness programs. The fire, while not a traditional forest fire, has intensified congressional focus on wildfire policy; the hearing took place in the final week of January.

Meanwhile, the Senate Energy and Natural Resources Committee will mark up nearly two dozen bills on February 4 covering mineral withdrawals, wildfire preparedness, public lands, historic sites, and water issues, including Chair Mike Lee's (R-UT) bill blocking Utah travel plans that would close dirt roads on federal lands and Ranking Member Martin Heinrich's (D-NM) proposal to bar new mineral development in New Mexico's Pecos watershed. The committee will also consider bipartisan wildfire response legislation, along with several water bills, such as Sen. Alex Padilla's (D-CA) measure to bolster the Lower Colorado River Multi-Species Conservation Program (S. 291), a Padilla-Hoeven bill to fund the San Joaquin River Restoration Settlement Act (S. 1413), and legislation addressing Bolts Ditch maintenance in CO (S. 365).

## **9. A slate of new water legislation to consider**

Several new bills will be heard in the Senate Committee on Energy and Natural Resources soon, all of which the Alliance are tracking closely. We will weigh in as appropriate through formal, written testimony for the hearing. The bills include (list is incomplete):

S.1242 – Watershed Results Act – A bill to authorize the Secretary of the Interior to carry out watershed pilots, and for other purposes (Wyden)

S.2437 – Snow Water Supply Forecasting Program Reauthorization Act – This bill reauthorizes through FY2031 and modifies the Snow Water Supply Forecasting Program of the Bureau of Reclamation. Under the existing program, Reclamation implements activities to improve snowpack measurements used for water supply forecasts in certain western states. The bill directs Reclamation to incorporate, to the greatest extent practicable, information from technologies that provide complete integration of accurate, timely, and spatially complete

snowpack measurements and models when determining water supply forecasts or allocations to federal water contractors. (Hickenlooper/Curtis)

S.2753 – Urban Canal Modernization Act – A bill to amend the Omnibus Public Land Management Act of 2009 to authorize certain extraordinary operation and maintenance work for urban canals of concern (Risch/Merkley)

S.3518 – A bill to amend the Federal Power Act to address certain alterations in, and the maintenance and repair of, project works, to provide for the licensing of micro hydrokinetic energy projects, and for other purposes. (Murkowski/King)

TBD – Large Scale Water Recycling Reauthorization – A bill to extend the federal Large-Scale Water Recycling Project Grant Program through 2032, allowing continued federal support for recycling and reuse infrastructure that stretches limited water supplies and enhances drought resilience. The program, originally funded under the 2021 Infrastructure Investment and Jobs Act, has already provided hundreds of millions for water reuse projects, and supporters say its extension would help communities and agricultural regions in the West secure reliable alternative water sources as scarcity intensifies. (Cortez Masto)

TBD – More Water Act – A bill that would establish a programmatic authorization for Reclamation assistance to Federal and non-Federal conveyance projects where individual projects do not need to get Congressional authorization as long as they fit within the parameters of the program. This conveyance program has multiple benefit features. (Padilla)

TBD – Grow Smart Act – A bill to amend the Reclamation States Emergency Drought Relief Act of 1991 to provide financial and technical assistance to eligible entities for the conduct of innovative approaches to water partnership agreements among multiple water users and projects conducted by individual agricultural entities, and for other purposes. (Padilla)

## IN THE COURTS

### **10. More ESA litigation**

Environmental groups have filed lawsuits against the U.S. Fish and Wildlife Service over alleged failures to meet Endangered Species Act obligations, adding to growing pressure on the agency amid budget cuts and heightened scrutiny of species protections. One suit challenges FWS for missing a statutory deadline to designate critical habitat for the threatened wolverine—now reduced to only a few hundred individuals in the Lower 48—arguing the delay violates the ESA and risks further imperilment as the agency also approaches a deadline on a grizzly bear management rule in the Greater Yellowstone region. A separate lawsuit contests FWS’s refusal to list the Rio Grande cooter, a freshwater turtle native to the Pecos, Rio Grande, and Río Bravo basins, alleging the agency ignored scientific evidence showing population declines driven by habitat degradation, reduced flows, climate stress, and river fragmentation.

## **11. Federal Court in Oregon sets aside Forest Service use of Categorical Exclusion**

A federal district court in Oregon struck down the U.S. Forest Service’s long-standing NEPA categorical exclusion known as CE-6, ruling it unlawful under both NEPA and the Administrative Procedure Act despite recent Supreme Court decisions favoring agency deference, including *Seven County* and *Corner Post*. Judge Michael McShane held that environmental groups’ challenge was timely because the Forest Service only began applying CE-6 to large-scale commercial logging projects in recent years, and found the agency failed to adequately justify its claim that such projects would have insignificant environmental impacts. Advocates say the ruling closes a loophole that allowed industrial-scale logging to proceed without meaningful environmental review of impacts to wildlife, water, and nearby communities.

The decision lands amid a broader push by the Trump administration to expand timber production and streamline forest management through shared stewardship agreements and leadership changes at USDA. The administration has signed cooperative agreements with Utah and Wyoming to accelerate timber harvesting, forest thinning, and fuels reduction on millions of acres of national forest lands, framing them as collaborative wildfire-risk reduction efforts, while critics argue they sidestep public input and weaken NEPA safeguards. At the same time, Michael Boren, an Idaho rancher and property-rights advocate, has taken over as USDA undersecretary for natural resources and environment, overseeing the Forest Service as it prioritizes active forest management, timber production, and multiple-use policies—setting the stage for continued legal and policy battles over NEPA compliance and categorical exclusions.

## **ALLIANCE INITIATIVES**

### **12. Endangered species consultation**

Federal water and wildlife agencies are reopening and rewriting the endangered species and water-sharing rules that govern the Klamath River Basin’s ESA protections and operational criteria for flows and water use, a move aimed at reshaping how salmon, suckerfish, and other listed species are managed alongside irrigation and hydro operations. This effort reflects broader Interior Department priorities to reconsider ESA implementation, including listing decisions and critical habitat designations, in ways that weigh both conservation and economic impacts; in the Klamath specifically, the rewrite is intended to update decades-old guidance and address long-running conflicts between agriculture, tribes, and fisheries interests over scarce water supplies. Tribal leaders, irrigators, and conservation groups are closely watching the process, because any new rule framework could affect water allocations during drought conditions and influence how future operational decisions balance species recovery with irrigated agriculture and basin economics.

The federal decision to revisit endangered species rules in the Klamath Basin fits within a larger, West-wide reassessment of how the Endangered Species Act intersects with water management during prolonged drought and climate stress, as agencies confront the limits of rigid, basin-specific biological opinions written under very different hydrologic conditions. Across the West — from the Klamath to the Sacramento-San Joaquin Delta, the Columbia, and the Colorado River — states, tribes, irrigators, and federal managers are pressing for updated ESA frameworks that better integrate real-time hydrology, infrastructure constraints, and multi-benefit management, rather

than crisis-driven curtailments that pit farmers against fish. While conservation groups caution against weakening protections, water users argue that modernized rules are necessary to preserve both working landscapes and species recovery in an era of reduced snowpack and more volatile runoff. How the Klamath rewrite proceeds may therefore serve as a signal case for whether ESA implementation in the West evolves toward adaptive, basin-scale collaboration — or continues to rely on litigation and emergency measures during dry years.

On this topic, the Klamath area water users have a piece of draft legislation, which would require open consultation with the affected irrigation districts when issues like the one in the Klamath area arise – this is already the norm in some areas of the West, and is already viewed as the law, but it is worth clarifying given what has happened to some of our members in the past. Look for more on that in the coming weeks! The Alliance looks forward to supporting this initiative.

### **13. Agriculture Hit Pieces from the past month – they keep coming...!**

#### **a. Circle of Blue – farmers are the ‘worst and most dangerous’ polluters**

A recent *Circle of Blue* article sharply characterizes farmers — particularly large livestock operations — as the primary drivers of nutrient pollution, portraying agricultural manure runoff as one of the “worst” and most persistent threats to water quality in Michigan and the Great Lakes region. It highlights new state rules tightening manure management for large farms, including bans on winter spreading, expanded storage requirements, groundwater monitoring, and greater regulatory discretion, framing these measures as necessary to rein in what the article describes as chronic, agriculture-driven contamination of rivers, streams, and drinking water supplies. While the piece emphasizes environmental and public-health concerns, it gives comparatively less attention to on-farm realities, existing conservation efforts, or the operational and economic impacts of these mandates on family farmers, reinforcing a broader narrative that places primary responsibility for water quality challenges squarely on the agricultural sector. What this articles does do effectively is remind us that we have to stay diligent about not only Federal regulatory measures, but also what is happening within our home states on the same subjects.

#### **b. Five underreported factors influencing the aridification of the American West**

A recent *Coyote Gulch* analysis, above entitled, highlights “institutional and legacy-infrastructure lock-in” as a major but under-reported driver of aridification in the American West — meaning that long-established water laws, reservoir systems, and delivery infrastructure built for a historically wetter climate now resist adaptation and inadvertently deepen dry conditions by favoring large, evaporative storage and rigid allocation patterns that are inefficient under a hotter, drier regime. These entrenched frameworks make it harder to reallocate or conserve water in response to rising evaporative demand, groundwater depletion, and reduced surface flows, thereby reinforcing scarcity even where physical supplies remain. This perspective underscores that policy and infrastructure inertia, not just climate trends, are shaping how Western water systems perform under ongoing aridification pressures.

c. ProPublica – nothing new here

A recent *ProPublica* ‘investigation’ into federal public-lands grazing highlights how livestock grazing continues across about 240 million acres of Bureau of Land Management and U.S. Forest Service lands, with perennial low fees and automatic permit renewals reducing environmental scrutiny of grazing impacts. The reporting found that a 2014 congressional change allows many permits to be renewed without full environmental review, contributing to cattle grazing in sensitive riparian areas, grazing beyond permitted numbers or seasons, and degraded habitat — concerns raised by conservation groups and some land managers. The investigation also noted that a relatively small number of ranchers hold a large share of permits, effectively subsidizing private operations on public lands with minimal oversight, and that political influence can limit enforcement of existing range-management rules, while ranchers argue they need updated permits and consistent management certainty. This analysis underscores ongoing tensions between sustaining working lands, managing environmental impacts, and ensuring accountable stewardship of the West’s rangeland resources.

Meanwhile, *ProPublica* also failed to recognize, among a host of other things, a new global study that showed that while overgrazing has long been a concern, livestock numbers are actually declining (destocking) across large portions of the world, including Europe, North America, and Australia, with populations dropping as much as 37% in some regions over the past 25 years. Destocking presents new ecological challenges, such as increased wildfire risk and uneven impacts on biodiversity, and is largely driven by economic and technological factors rather than climate change. In contrast, livestock numbers are rising in parts of Africa, Central Asia, and South America, highlighting diverging global trends that require region-specific management strategies.

**14. Cloud seeding or chem trails?**

State water managers in Nevada and Utah are increasingly turning to cloud seeding to try to stretch limited water supplies by enhancing precipitation during winter storms, using ground-based generators that release silver iodide into suitable clouds to encourage ice crystal formation and snowfall. Nevada’s Desert Research Institute reports that its program has added billions of gallons of water to local systems, backed by state funding, while Utah now operates what it calls the nation’s largest remote-controlled cloud seeding effort and is experimenting with laser and drone technologies to improve effectiveness. Long-term program evaluations suggest modest gains — roughly 6–12 % increases in precipitation in seeded conditions — which can translate into meaningful increases in snowpack over time, though its overall impact varies with meteorological conditions and is only one tool among many for addressing Western drought and water scarcity.

Rainmaker Technology, a cloud-seeding startup using drones, AI forecasting, and silver iodide to boost snowfall and rain, is mounting a Washington outreach campaign as it faces conspiracy theories and a growing political backlash against weather modification. After being falsely blamed online for deadly Texas flooding in 2025, the company responded with a full-court press of media appearances, lobbying, and even \$100,000 worth of Metro ads near Capitol Hill declaring, “We build rain.” Founded in 2023 by Thiel Fellow Augustus Doricko, Rainmaker argues modern technology can make decades-old cloud-seeding practices more effective and measurable, and it has already secured contracts with Western states and water agencies while raising more than \$50

million from investors. The company is now working to head off proposed state and federal bans on atmospheric modification, distinguish cloud seeding from controversial geoengineering, and position itself as a bipartisan “water resilience” tool for agriculture and ecosystems—betting that in today’s political climate, being controversial but understood is better than being invisible.

## **15. AI in the West**

There is a proposal in Congress that would transfer about 150 acres of Mount Hood National Forest to the city of The Dalles, Oregon so it could gain direct control over water resources that originate in the mountain’s watershed, prompting concern from environmental groups about loss of federal oversight and long-term stewardship. Critics fear the measure could weaken protections for streams and ecosystems, particularly as an outsized industrial water user (Google’s data centers consume roughly one-third of the city’s supply) continues to shape local water demand, while supporters argue local control is necessary to meet future municipal needs. Opponents warn the legislation could set a precedent for prioritizing municipal or corporate interests over environmental safeguards and sustainable watershed management.

The House’s Republican Study Committee, a 190-member group advancing conservative policy priorities, hosted Zeldin, a former House member, for a conversation that focused on energy demand and deregulation, according to four people who attended the meeting. Also in attendance was Ruth Porat, president of Alphabet, the parent company of Google. The company is investing billions of dollars on data center needs and lobbying Congress on overhauling the federal permitting process as it expands its artificial intelligence products. More stories from small towns like Quincy, Washington to large cities like San Diego California and everything in between were also out this past month on data centers, AI, and water and/or land use issues. It’s also worth noting that data centers are now included in the nationwide permits recently reissued by the Army Corps of Engineers to streamline permitting.

Activity at the state level worth watching: Arizona lawmakers held the inaugural meeting of the House Committee on Artificial Intelligence and Innovation, becoming the third state to create a committee directly aimed at rapidly developing technology, which expressed support for AI saying they will remain ‘innovation friendly’ when regulating. Oregon Gov. Kotek announced a new Data Center Advisory Committee last month, which will provide policy recommendations to her and the Legislature no later than October 2026. There is proposed legislation in New Mexico to require more transparency in permitting for these facilities. AI will stay in the news as officials continue to grapple more openly with challenges associated with data centers and technology facilities.

## **16. California’s Sites Reservoir – new federal action**

The U.S. Department of the Interior has issued a Record of Decision approving the Sites Reservoir Project, a major 1.5 million-acre-foot off-stream storage facility in Northern California designed to capture and store water during wet periods for use in dry years, strengthening water reliability for communities, agriculture, and the environment across the state. This action — framed as advancing the priorities of Executive Order 14181, which directs federal focus on expanding water supply and system resilience — authorizes the Bureau of Reclamation to fund up to 25 % of project costs and follows nearly a year of operational gains that have delivered more than

200,000 acre-feet of additional water to the Central Valley Project by leveraging flexibility in storm capture and operations. The decision reflects years of technical analysis, public engagement, and coordination with state, local, and tribal partners, and moves the long-studied reservoir project a step closer to construction and eventual operation to help mitigate future dry-year shortfalls.

## **WESTERN WATER “HOT SPOTS”**

“At least one ground-based monitoring station in every major western watershed recorded the lowest [amount of water stored in the snowpack in at least 20 years on January 26,” according to a [statement](#) from the NASA Earth Observatory.

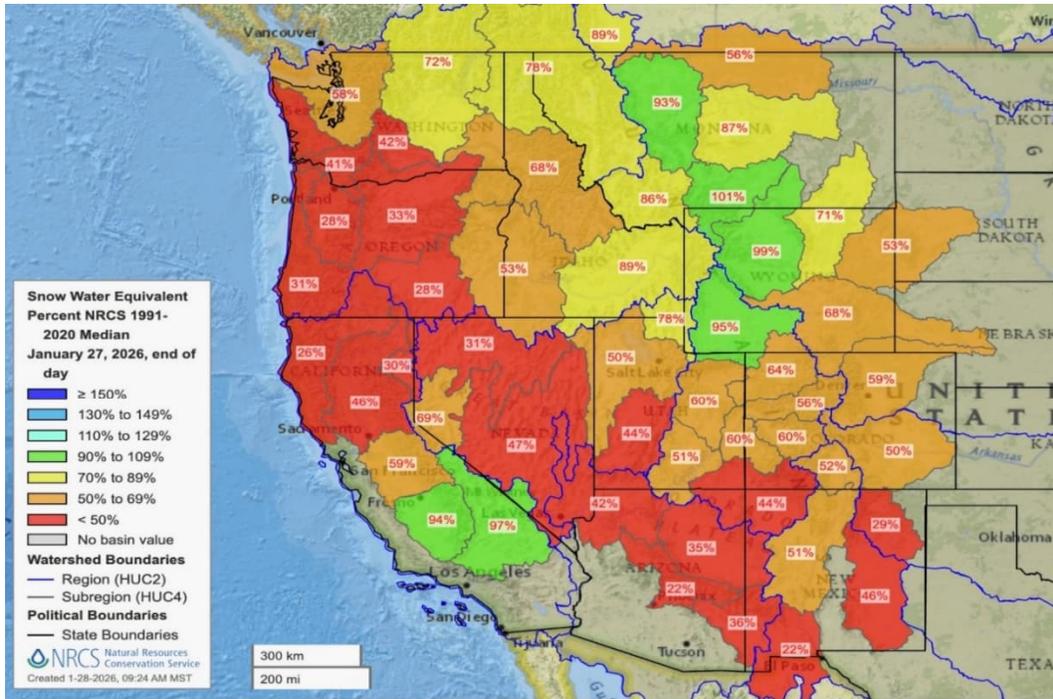
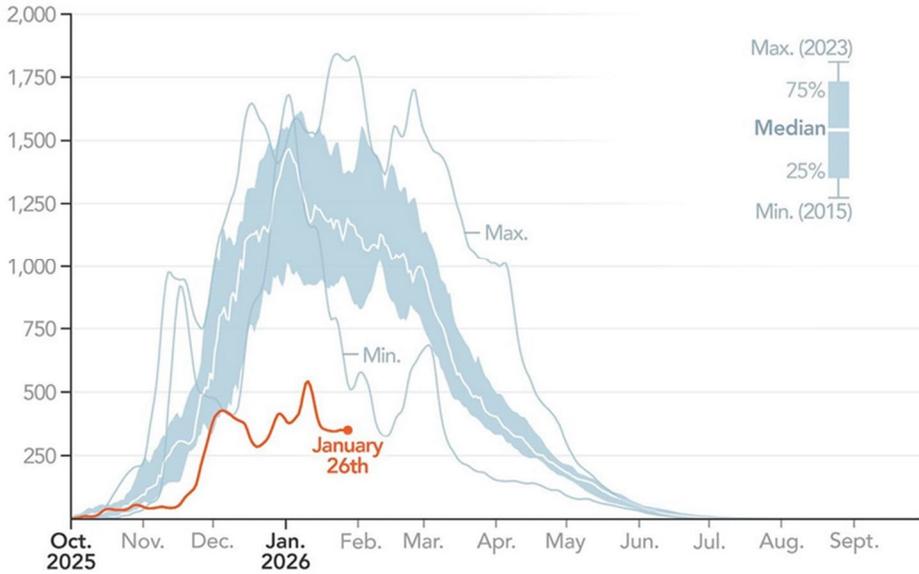
### **17. Drought – especially when it comes to mountain snowpack**

Across the western U.S., the 2026 water year is unfolding under a pervasive “snow drought” and widespread dry conditions, challenging traditional seasonal hydrologic storage. Snowpack — the natural reservoir that supplies rivers, aquifers, irrigation districts, and urban systems — remains well below historical normals across much of the West, with many SNOTEL sites reporting snow water equivalent (SWE) in the lowest percentiles on record for this time of year. Recent analysis shows snow cover on January 4 was the lowest January extent in the satellite record, with especially severe deficits in the Intermountain West, Great Basin, and parts of the Pacific Northwest and Rockies. Record-warm conditions and precipitation falling as rain rather than snow have contributed to these conditions, meaning less water is being stored at high elevations for spring and summer runoff.

The U.S. Drought Monitor continues to depict widespread drought (D1–D4) across the West, including central and northern Rockies, much of Utah, Colorado, New Mexico, and parts of Oregon and Washington, reflecting below-normal precipitation, soil moisture deficits, and low reservoir inflows — even as exceptional dryness has eased slightly in isolated areas after recent storms. Drought covers more than 40% of the lower 48 states overall, with the West remaining a hotspot of long-term dry conditions. The combination of low snowpack, early melt risk from warm soils, and sustained drought raises significant concerns for streamflow, reservoir storage, groundwater recharge, irrigation supply, and wildfire risk as the season progresses, underscoring the need for vigilant monitoring and proactive water management. I suppose the good news is that Punxsutawney Phil saw his shadow yesterday, predicting we will have six more weeks of winter!

**Western U.S. Snow Cover Area** (thousands of km<sup>2</sup>)

January 2026 marked the region's lowest January snow cover in the MODIS record.



**Snowpack vs. Median | Jan 27, 2026**

## **18. California has zero areas of dryness for first time in 25 years**

California’s water supply picture entering 2026 is unusual and somewhat mixed. After a series of strong atmospheric river storms in late 2025, nearly all of the state’s major reservoirs are at or above historical averages for this time of year, including Lake Shasta rising significantly and others such as Oroville, San Luis, and Diamond Valley Lake also showing robust levels — a situation that has helped erode formal drought designation statewide for the first time in about 25 years according to the U.S. Drought Monitor. However, this wet pattern has come with warmer temperatures, and much of the precipitation has fallen as rain rather than snow, leading to a snowpack that remains well below normal (around ~59 % of average) in key Sierra Nevada basins that are critical for spring and summer runoff.

The combination of strong, rain-fed reservoir gains and low mountain snowpack presents a paradox for California’s water outlook: stored surface water is plentiful now, but with less snow accumulating in the high country, the natural “frozen reservoir” that typically sustains flows into late spring and summer is diminished. This dynamic — part of a broader Western snow drought pattern — means water managers remain cautious, emphasizing that continued storms through February and March will be essential to bolster spring runoff and groundwater recharge. While the drought-free designation reflects short-term hydrologic relief, long-term supply robustness still hinges on snowpack growth, timing of melt, and overall seasonal precipitation, and managers are balancing optimism with preparedness for variability. Let me know if you’d like visuals or maps included in your board packet.

The title of this section was the lead title of a January 8 ABC7 news story that ran in both Los Angeles, San Francisco, Fresno announced the ‘incredible news’ that California’s water supply entering the new year looks to be promising, with not a single square mile of California being categorized as dry for the first time in 25 years. Another article, titled “As California’s Drought Ends, Pasadena Weighs Future of Its Underground Water Reserve” and others with similar titles floated around throughout the month. The articles seem to indicate a willingness to fall into the mindset that California should have plenty of water this year, something I am skeptical of. Even if true, now is the time to prepare for future dry conditions, while the flexibility of current wet conditions allows. Some hydrologists are attributing negative effects of the atmospheric rivers, which account for California’s wetter status, on snowpack in the West.

## **19. California Delta operations and Newsom’s voluntary plan**

In December 2025, the California State Water Resources Control Board advanced its Sacramento/Delta Updates to the Bay-Delta Plan by releasing a revised draft for limited recirculation, along with key supporting documents, including a new Bay-Delta Monitoring and Evaluation Program, updated Voluntary Agreement accounting protocols for both flows and habitat, and a new Chapter 13 of the draft Staff Report. The Board opened a short public engagement window, with oral testimony scheduled for January 28–30, 2026, and written comments due February 2, 2026, and declined requests to extend the comment period or delay hearings. In parallel, the Board is continuing work on Voluntary Agreements, including a proposed agreement on the Tuolumne River, supported by a draft scientific basis supplement, modeling tools, and accounting methodologies. Collectively, these actions signal continued momentum

toward revising Bay-Delta flow and habitat standards and integrating voluntary agreements into regulatory implementation, with significant implications for water supply reliability, agricultural operations, and long-term Delta management.

## **20. Colorado River Basin (AZ/CA/CO/NE/NM/UT/WY)**

### **a. New deadline looming to agree on operating conditions or risk federal intervention**

The Colorado River continues to dominate Western water headlines as negotiations over post-2026 operating rules. Negotiations remain deeply deadlocked amid historic drought and declining reservoir levels and the seven basin states have struggled to reconcile divergent priorities even as a Feb. 14 federal deadline looms and the threat of federal intervention grows. Interior Secretary Doug Burgum convened most governors and state negotiators in Washington, D.C., in late January in what officials called an unprecedented and “historic” session, though no final agreement was reached — California’s governor did not attend in person, underscoring the political tensions. Lower Basin leaders, particularly Arizona Governor’s Office, urged fair accounting of long-standing conservation contributions and equitable cut shares, while Upper Basin states continue to resist mandatory reductions without voluntary frameworks. Meanwhile, my favorite headline following the historic event was “Colorado ‘is not going to be a sucker’ around Colorado River issues, says Attorney General Weiser” as if CO was somehow being viewed as weak – Oh, to be a fly on the wall in that meeting! From experience litigating against the State of CO, I can tell you one thing is for certain, they are anything but weak or capable of being simply ‘pushed over’ in a courtroom. Hopefully the tone of the meeting was more subdued than the headlines!

### **b. Colorado River’s hydrology concerns going into 2026:**

As we move into the heart of the 2026 water year, the hydrologic picture for the Colorado River Basin remains challenging and uncertain, driven by low mountain snowpack, warm winter temperatures, and deeply entrenched regional drought conditions. Colorado’s mountains saw a brief snowstorm in early January, but it did little to reverse an ongoing dry trend and historically low snowpack statewide, with basin snow water equivalent well below normal and forecasts showing another extended dry spell through much of the month. Even with occasional light snowfall, snowpack in key mountain watersheds remained at or near record-low levels for this time of year, raising concerns among water managers about spring runoff, reservoir inflows, and overall water supply reliability across the upper Colorado River Basin. Low snow accumulation amid warm, dry conditions has become part of a broader “snow drought” affecting the West, underscoring the vulnerability of mountain snowpack — a critical source for agriculture and municipal water — to climate variability and extended dry periods.

Federal and state monitoring shows that much of the West is experiencing “snow drought” — where snow water equivalent (SWE) at many SNOTEL sites is well below historical median levels because precipitation is falling as rain rather than snow, and warmer conditions are limiting accumulation in key headwater basins that feed the Colorado River System. Across the Upper Basin, snowpack is significantly below normal, with Colorado statewide SWE around roughly 56 % of median and many sites at record lows for this time of year, and similar deficits reported in Utah, Arizona, and New Mexico. The ongoing snow deficit is feeding into broader concerns about

spring runoff and reservoir inflows. Lower than normal snowpack coupled with warm soils that soak up early melt means even if conditions improve later this winter, streamflow forecasts for the 2026 runoff season are mostly below normal across major tributaries. In the Lower Basin, recent above-average rainfall in parts of California has helped soften immediate reservoir drawdowns and lifted Lake Mead slightly above earlier projections, but that remains insufficient to offset the broader deficit in mountain snowpacks that ultimately drive spring and summer runoff.

c. Colorado and Wyoming infrastructure needs

A new report finds that Colorado faces a roughly \$50 million annual funding shortfall for water projects, as current revenue from severance taxes and other sources falls well short of the cash needed to maintain and expand infrastructure for storage, delivery, and supply reliability. A state task force is now evaluating options to fill the gap, including potential new taxes or a long-term water funding trust, but there is broad recognition that existing mechanisms aren't sufficient to meet future water challenges. Wyoming faces an estimated \$700 million backlog in statewide water infrastructure needs, with hundreds of projects — including aging treatment facilities, supply pipelines, and storage improvements — requiring major investment to ensure safe and reliable water delivery for communities and industry. State leaders warn that current funding mechanisms are inadequate to meet these needs and are exploring new financing options, including potential increases in state support and grant programs, to avoid deferred maintenance and future public health risks.

### MISCELLANEOUS

- Washington Republican Rep. Dan Newhouse, the former chair of the Congressional Western Caucus, is retiring from the House. Newhouse led the Congressional Western Caucus from 2021 until 2025. The caucus is active on natural resources issues like public land, forestry, endangered species and water rights.
- Representative Doug LaMalfa of California's 1st District has died at age 65 (Jan. 6, 2025), as confirmed by GOP leadership, further narrowing the Republican majority in the U.S. House to 218–213. LaMalfa, a fourth-generation rice farmer who had served since 2013 and was known for his advocacy on agriculture, water, forestry, and rural issues, was widely praised by colleagues as a staunch voice for rural America; his passing triggers a special election and marks a notable shift in the House's narrow balance of power. La Malfa was a partner and friend to the Alliance, having worked with us throughout the years on a number of initiatives, and we are grateful for his service.
- Congresswoman Celeste Maloy (Utah) has assumed the position of Chair of the Congressional Western Caucus following the passing of Representative Doug LaMalfa. Congresswoman Maloy's office has already reached out to me to begin collaboration.
- Jason Phillips has retired from his role at Friant Water Authority (FWA) as CEO, where he served for a decade, and has gone to HDR to join their new Water Supply Management Business Class Lead for Irrigation. Johnny Amaral was named as the new CEO at FWA.

*This is a quick summary of just a few of the issues the Alliance has been engaged in, some of which has come directly from other authors, such as Alliance Contractors. Please do not hesitate to contact me at 575-202-2705 or [samantha@familyfarmalliance.org](mailto:samantha@familyfarmalliance.org) if you have specific questions.*