



MEMORANDUM

TO: SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DIRECTORS
FROM: SAMANTHA BARNCastle, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: JULY 8, 2026

This executive director's report is intended to keep you apprised as to what is happening behind the scenes on policy and other issues the Alliance is engaged in or is otherwise tracking. This report is intended for your use, but I understand that you may wish to share this information with your local board members and close associates. I would ask that you be circumspect when you distribute this, however. Here is your update on activities during the last month:

GOVERNMENT FUNDING

Congress continues to struggle to advance fiscal year 2027 appropriations bills, increasing the likelihood of a continuing resolution later this year and raising concerns about delays in funding key water and natural resource agencies. While the House has begun moving spending bills, the Senate's process has largely stalled over broader disputes on overall funding levels. For the Alliance, the primary concern is ensuring stable funding for agencies critical to Western water management—including the Bureau of Reclamation, U.S. Army Corps of Engineers, USDA conservation programs, and related infrastructure and permitting efforts. Delays or prolonged funding uncertainty could slow project delivery, staffing, and investments that our members rely upon throughout the West.

TRUMP 47 ADMINISTRATION

1. Former Trump NRCS Chief Named Principal Deputy Commissioner at Reclamation

The Trump Administration's former Chief of the USDA Natural Resource Conservation Service (NRCS) Aubrey Bettencourt has been selected to serve as the Principal Deputy Commissioner for the Bureau of Reclamation in Washington DC. Her role will also be to serve as the acting Commissioner, replacing Scott Cameron who previously served in that role. The Vacancies Act in most cases limits the length of time an appointee can serve in a Senate-confirmed position to 210 days. No official word yet as to when Ms. Bettencourt will be formally nominated for the Commissioner position, which must be confirmed by the U.S. Senate. The Alliance will engage on this matter with a letter of support on behalf of Ms. Bettencourt once she is formally nominated. Fun Fact: Reclamation currently has \$7B worth of construction underway at 117 "high profile" locations across the West. A map showing the locations and a very short description of each project is attached (see end of document)!

2. WOTUS Rulemaking – to be continued

EPA and the U.S. Army Corps of Engineers have submitted a supplemental proposal to the White House as they continue work on a revised definition of "waters of the United States" (WOTUS). The additional proposal suggests the agencies are making substantive changes to the original rule released last fall but remain committed to implementing the Supreme Court's *Sackett* decision by providing a clearer, more durable definition of federal jurisdiction. Speculation has mounted that the new proposed rule will no longer contain the problematic 'wet season' approach previously proposed, and which flew like a lead balloon in the last round of comments. The Alliance will continue to engage in this rulemaking, as WOTUS remains one of the most consequential regulatory issues affecting Western agriculture. Our longstanding position is that federal jurisdiction should be consistent with the law, scientifically defensible, and provide farmers, ranchers, and irrigation districts with the regulatory certainty they need to manage water resources without unnecessary federal overreach.

3. FY2027 Interior-Environment budget

Congress continues advancing both the annual Energy and Water Appropriations bill and the biennial Water Resources Development Act (WRDA), although broader disagreements over federal spending have slowed progress. The House proposals generally prioritize investments in national security, nuclear energy, and critical infrastructure while maintaining funding for key water resources programs and directing the U.S. Army Corps of Engineers to continue advancing flood control, navigation, and water infrastructure projects. For the Alliance, these bills remain important vehicles for funding the Bureau of Reclamation, Army Corps of Engineers, and other federal water programs that support Western water infrastructure, watershed resilience, and project development. We will continue monitoring the appropriations process and advocating for robust investments in water storage, conveyance, and agricultural infrastructure as Congress works toward final funding legislation.

4. President Signs Executive Order on Regenerative Ag

President Trump signed an Executive Order directing USDA to expand its Regenerative Agriculture Pilot Program, signaling continued Administration support for voluntary, producer-led conservation practices. While details of the expansion are still emerging, the order reinforces a policy approach that emphasizes incentives over mandates and encourages farmers and ranchers to adopt practices that improve soil health, water efficiency, and long-term agricultural resilience. The Alliance will monitor USDA's implementation of the program to ensure it remains practical, science-based, and compatible with the operational realities of irrigated agriculture in the West. In the meantime, the Alliance work promoting and partnering on implementation of technology to reduce water inputs to keep agricultural production during drought cycles is a good fit here!

5. USDA reorganization and personnel issues continue

USDA continues working to rebuild staffing at local Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) offices following significant workforce reductions over the past year. While the Department plans to hire thousands of employees, agency leadership acknowledged that staffing shortages—particularly in county offices that provide direct assistance to farmers and ranchers—will likely persist in the near term. USDA's sweeping reorganization effort also continues to face legal challenges, with federal employee unions seeking to block the agency's restructuring plan, arguing it effectively functions as a large workforce reduction without congressional approval. The litigation could delay implementation of the Administration's plan to relocate offices and personnel across the country. From the Alliance's perspective, the key issue remains ensuring USDA can continue delivering timely, effective service to farmers, ranchers, irrigation districts, and rural communities throughout the transition, regardless of the lawsuit's outcome.

6. USDA – SBA MOU to protect farmers and ranchers from “Lawfare”

USDA and the Small Business Administration have signed a Memorandum of Understanding establishing a formal process for farmers, ranchers, and other small agricultural businesses to report burdensome or unfair federal regulatory and enforcement actions through USDA's Lawfare Portal. The agreement is intended to improve coordination between agencies, identify patterns of regulatory overreach, and provide producers with a clearer path for resolving disputes. The Alliance supports efforts to ensure agricultural producers have access to fair, transparent, and accountable regulatory processes and will monitor how this initiative is implemented and whether it provides meaningful relief for our members facing unnecessary regulatory burdens. Check out the portal here: <https://www.usda.gov/lawfare>

7. USDA – New grant opportunity

USDA has opened applications for a new Research Facilities Act Program (RFAP) funded at \$125 million annually to modernize agricultural research infrastructure at eligible Land-grant universities and other qualified institutions. The competitive program will support planning, renovation, expansion, and construction of research facilities through grants ranging from \$100,000 to \$30 million, with a required non-federal dollar-for-dollar match. Investments in

agricultural research directly benefit Western producers by accelerating innovation in water management, crop productivity, pest management, and other technologies that improve agricultural resilience and competitiveness. Applications are due July 17, 2026. Eligible institutions can find application materials and program guidance on the USDA National Institute of Food and Agriculture's [Research Facilities Act Program webpage](#).

8. OMB Overhaul of NEPA

The Trump Administration continues its government-wide effort to streamline environmental permitting, with the White House Office of Management and Budget completing its review of EPA's proposed revisions to the agency's National Environmental Policy Act (NEPA) procedures. The proposal is expected to be released for public comment soon and is intended to align EPA's internal review process with recent statutory reforms while reducing unnecessary delays. Although EPA's NEPA responsibilities are more limited than agencies like the Bureau of Reclamation or the U.S. Army Corps of Engineers, these changes are part of a broader administration-wide effort to accelerate infrastructure permitting. The Alliance continues to closely monitor these developments and advocate for reforms that maintain appropriate environmental protections while reducing the costly and often unnecessary delays that have hindered the construction and modernization of critical Western water infrastructure.

9. Trump's OMB Continues push to overhaul Grant Rules

The White House Office of Management and Budget (OMB) [has proposed](#) sweeping changes to federal grants management rules that could fundamentally reshape how state and local governments receive and administer the more than \$1 trillion in federal grants issued annually. The proposed revisions to 2 CFR Part 200 (the government-wide grants management bible) center on three major themes:

- Senior political appointees would be required to review discretionary grant awards before they are issued, moving decision-making authority away from career civil servants and technical reviewers. Applicants may increasingly need to show alignment with current White House priorities to compete successfully.
- Building on the Administration's January 2025 executive order targeting DEI programs, the new rules would require that federal funds support only activities explicitly authorized by Congress, potentially limiting program activities that agencies have long used to improve outcomes or expand participation.
- Federal agencies would gain new power to pause or cancel grants mid-award if a project no longer aligns with agency priorities or the "national interest," a significant departure from the historically stable funding environment grant recipients have relied on.

In large part, the proposed rules would formalize actions the Administration has already been taking, placing them on firmer legal footing through the formal notice-and-comment rulemaking process.

10. Cybersecurity comes into focus with changes to the FAR

As the Trump Administration continues its effort to streamline the federal procurement process through a comprehensive rewrite of the Federal Acquisition Regulation (FAR) the stated goal is

to simplify contracting requirements and reduce unnecessary regulatory burdens, however, one area generating concern is how cybersecurity requirements will be implemented and communicated to federal contractors. Clear, consistent standards will be essential as agencies seek to strengthen cybersecurity while making it easier for organizations to compete for federal work. Although the issue is not directly tied to water policy, it is relevant to Alliance members and partners who perform work under federal contracts, as changes to procurement and compliance requirements could affect project delivery, infrastructure development, and participation in federally funded programs.

11. Whitehouse begins review of ESA Rule changes

The White House's Office of Information and Regulatory Affairs began official review last week of proposed changes that could narrow protections under the Endangered Species Act (ESA), part of the Trump Administration's broader push to limit the law's reach. Proposed last November, the changes would affect rules governing the Fish and Wildlife Service and NOAA Fisheries. One revision would remove language barring consideration of "possible economic or other impacts" when determining species protections; species decisions would still rely solely on scientific and commercial data, but the change could open the door to cost analyses. Another would let regulators skip designating critical habitat when a species faces threats that "cannot be addressed by management actions." The rules are among several ESA-related changes moving through the Administration, including a separate proposal that would redefine the word "harm" in ways that could significantly shrink the law's protective scope. Environmental groups strongly oppose the proposed changes.

DEVELOPMENTS IN THE 119TH CONGRESS

12. Reconciliation 3.0

Congressional Republicans continue discussing a potential third budget reconciliation package ("Reconciliation 3.0"), although negotiations have slowed amid disagreements over spending priorities, offsets, and whether to include provisions from the proposed SAVE America Act. In addition to defense and election-related measures, the Administration has requested approximately \$11 billion in supplemental agricultural assistance to help producers impacted by tariffs and weather-related disasters. While the path forward remains uncertain, the Alliance will continue monitoring the package for provisions affecting agricultural assistance, water infrastructure, permitting reform, and other priorities important to Western irrigated agriculture.

13. Farm Bill (still, maybe)!!!

The Senate Agriculture Committee has released its long-awaited Farm Bill discussion draft, marking another important step toward reauthorizing the legislation for the first time since 2018. The proposal generally aligns with the House-passed bill while emphasizing conservation, rural development, forestry, research, and expanded drought authorities for USDA conservation programs. Several contentious issues—including Proposition 12, year-round E15 sales, pesticide liability protections, and SNAP cost-share changes—were intentionally omitted in an effort to build bipartisan support. Chairman John Boozman is targeting a committee markup later this month, after which negotiations with the House are expected to continue. The Alliance will remain

actively engaged to ensure the final bill strengthens agricultural water infrastructure, watershed programs, conservation, and other priorities important to Western irrigated agriculture.

14. Hydropower Licensing Affordability Act

Representative Cliff Bentz has introduced the Hydropower Licensing Affordability Act (H.R. 9337), legislation that would reform the federal relicensing process for non-federal hydropower projects by requiring mandatory license conditions to be directly tied to a project's actual impacts. Supporters argue the bill would reduce regulatory uncertainty, lower relicensing costs, and help preserve existing hydropower generation while maintaining environmental protections. With hundreds of hydropower licenses scheduled for renewal over the next decade, the outcome of this legislation could have significant implications for affordable electricity, grid reliability, and the water infrastructure that Western agriculture depends upon. The Alliance will continue monitoring this effort as part of our broader advocacy for reliable water and energy resources that support irrigated agriculture. More info here: [H.R.9337 - 119th Congress \(2025-2026\): Hydropower Licensing Affordability Act | Congress.gov | Library of Congress](#).

15. Senate ENR Markup

A surprise amendment to gut the Clinton-era roadless rule turned what might have been a routine Senate Energy and Natural Resources (ENR) Committee markup into a partisan flashpoint last Wednesday. The committee approved Sen. John Barrasso's (R-WY) wildfire prevention bill, but not before adopting an amendment to nullify the longstanding prohibition on road construction and timber harvesting across tens of millions of acres of national forest land. Democrats called the move a "poison pill" that torpedoed what had been a broadly bipartisan bill, and the amendment passed on a strict 11-9 party-line vote. The episode deepened ongoing tensions between Chair Mike Lee (R-UT) and Ranking Member Martin Heinrich (D-NM) over the committee's direction. Democrats again accused Lee of blocking conservation priorities; Lee countered that ENR has marked up bills at an unprecedented one-to-one ratio between the parties. The committee also advanced 13 other bills by voice vote, including measures on snowpack monitoring, urban canal funding, federal grant "navigators", water recycling grants, hydropower relicensing, and hardrock mineral mining on federally acquired lands.

16. House sets vote on WRDA – then postpones it

The bipartisan Water Resources Development Act of 2026 (WRDA) seemed to be moving on schedule last week, but it's now been swept into the disruption in the House. Transportation and Infrastructure (T&I) Committee Chairman Sam Graves (R-MO) announced that, due to last week's schedule changes, the committee's markup of WRDA and several other matters, originally set for July 1, was postponed until further notice. The bill would authorize four new Army Corps of Engineers projects, six project modifications, and 131 new studies, while pushing the Corps toward more multiyear contracting and reduced impacts to private property and wildlife during disaster debris removal, a response to concerns raised after Hurricane Helene. No new timeline has been set, and the Senate has yet to release its own version of WRDA.

17. New Permitting bill introduced draws on a few others already pending, but stalled

Sen. Alan Armstrong (R-OK), a former pipeline executive filling Markwayne Mullin's term, unveiled broad permitting legislation last month aimed at breaking the Senate's stalemate on energy infrastructure reform. His bill, S. 4944, draws from House-passed measures like the

PERMIT Act and SPEED Act, addressing gas pipeline coordination, Clean Water Act requirements, mining, and a NEPA overhaul. Not seeking election to a full term, Sen. Armstrong calls passing permitting reform his "sole mission" in the Senate. The bill has backing from Sens. John Barrasso (R-WY) and Lisa Murkowski (R-AK), though the ENR and EPW committee leaders who actually control permitting talks were absent from its unveiling; Armstrong's office says talks with all four offices continue. Key provisions would shift NEPA review for gas pipelines to FERC, tighten judicial review timelines, and limit state authority under Clean Water Act Section 401, a priority for Armstrong, who argues states have used 401 to block projects over issues beyond water quality. That last piece is drawing pushback. Nearly 60 environmental groups wrote EPW Chair Shelley Moore Capito (R-WV) and ranking member Sheldon Whitehouse (R-RI) this week opposing 401 changes, citing EPA data showing only 0.6 percent of relevant permits are denied and arguing Congress should instead fund state review capacity rather than curb it. Armstrong counters that low denial rates mask projects abandoned due to prolonged litigation risk. The fight reflects a broader divide: Democrats want eased transmission line approvals for clean energy, while Republicans favor fossil fuel priorities, a gap Armstrong hopes to bridge by pointing to Oklahoma's mix of wind, gas, and mining interests.

18. Permitting Reform more generally

Congressional negotiators say they're optimistic about reaching a permitting reform deal this year, but significant hurdles remain, including a skeptical White House and a new fight over historic preservation law. Sens. Shelley Moore Capito (R-WV) and Sheldon Whitehouse (D-RI) are leading Senate talks, but Democrats are wary of moving forward while the Trump Administration continues to slow-walk renewable energy approvals. A White House official speaking at an event last month showed little flexibility, putting the onus on Democrats to drop opposition to natural gas pipeline projects.

A newer sticking point is Senate Energy Chair Mike Lee's (R-UT) push to overhaul the National Historic Preservation Act (NHPA), which he argues bottlenecks energy development. Many Democrats fear the changes would limit tribal consultation rights, while some acknowledge the law does create real project delays. The dispute threatens slow progress on permitting talks before the August recess. On the House side, Energy and Commerce Chair Brett Guthrie (R-KY) stressed that any deal must preserve state and local authority over transmission siting, a priority that puts him at odds with Democrats pushing for stronger federal grid-building power. With industry groups, tribes, environmental advocates, and both parties pulling in different directions, negotiators face a narrow path to a permitting reform deal broad enough to pass.

IN THE COURTS

19. United States Supreme Court accepts Nebraska v. Colorado Original Action

The Supreme Court has agreed to hear a significant interstate water dispute between Nebraska and Colorado involving the allocation and use of the South Platte River. Nebraska alleges that Colorado is using more than its fair share of the river's flows and is interfering with Nebraska's efforts to construct the Perkins County Canal, a project intended to deliver additional South Platte River water across state lines. The Court's decision to take up the case represents an early procedural victory for Nebraska, which previously received support from the Trump

administration in seeking Supreme Court review. Colorado disputes Nebraska's claims, arguing it is fully complying with the South Platte River Compact and protecting its water rights. The Supreme Court's review is expected to begin next fall, with a decision anticipated by summer 2027. The case could have important implications for how interstate river compacts are interpreted and enforced across the West.

20. Supreme Court Did NOT Take Return Flow case

The Supreme Court declined to hear a challenge involving the Clean Water Act's "irrigation return flow" exemption, leaving in place a lower court ruling that a California agricultural drainage project does not require federal permitting. The case involved whether discharges from the San Luis Drain, which carries irrigation return flows from agricultural lands in California's Central Valley, qualified for the exemption from National Pollutant Discharge Elimination System (NPDES) permitting requirements. By denying review, the Court allowed the Ninth Circuit's decision to stand, preserving the existing interpretation that agricultural drainage systems designed to convey irrigation return flows may fall outside Clean Water Act permitting requirements when the discharges are tied to crop production activities. The decision avoids further Supreme Court review of an issue that has significant implications for irrigation districts and agricultural water managers across the West. The Alliance has tracked this case since its inception over a decade ago, and wishes to congratulate our members who were directly involved on their (final) success.

21. A new land management case threatens to upend years of common practice

A lawsuit filed in Oregon could have far-reaching implications for federal public land management across the West by challenging whether decades of Bureau of Land Management and Forest Service land-use plans were properly authorized under the Congressional Review Act. The case argues that because many federal land management plans were never submitted to Congress for review, they may be invalid — potentially placing thousands of permits, leases, and activities including grazing, timber harvests, mining, energy development, and recreation in legal uncertainty. A ruling in favor of the plaintiffs could disrupt longstanding federal land management practices and trigger broader challenges to agency decisions across millions of acres of public lands. The Alliance will keep an eye on this as it progresses through the courts.

22. ESA Litigation –

a. *Yurok Tribe v. BOR*

The Ninth Circuit issued a significant 2-1 decision in *Yurok Tribe v. Bureau of Reclamation*, holding that the Endangered Species Act applies to Reclamation's operation of the Klamath Irrigation Project and that the agency has sufficient discretion under existing water delivery contracts to reduce deliveries to Project irrigators when necessary to protect listed species. The ruling has potentially broad implications for federal water projects throughout the West by reinforcing Reclamation's ESA obligations in project operations. We anticipate the possibility of a petition for review by the U.S. Supreme Court and will closely evaluate opportunities for Alliance involvement should the case move forward. Given its potential impact on our members, this decision reinforces the importance of our ongoing advocacy to ensure ESA implementation is

grounded in sound science, respects existing water rights and contracts, and provides certainty for agricultural water users.

b. United Water Conservation District – post litigation success

Related, a different member district saw a significant win this past month on its own ESA related issues. While its litigation regarding the taking of water to serve species rather than agriculture was concluded unfavorably, a new pathway to victory emerged. The Southern California steelhead Distinct Population Segment was listed as endangered under the ESA in 1997. Critical Habitat was designated in 2005, locking down a total of 708 river miles of the available 741. On March 21, 2025, United Water Conservation District (UWCD) submitted its petition to revise the designated critical habitat providing several detailed arguments for removing a 9-mile reach of the prior designated habitat, which is composed of an approximately 3-mile segment of the Santa Clara River (from its confluence with Hopper Creek upstream to its confluence with Piru Creek) and an approximately 6-mile segment of lower Piru Creek (from its confluence with the Santa Clara River upstream to the base of Santa Felicia Dam), from the critical habitat designation. The impact to UWCD of the designation was tremendous, and, worthy of note, devoid of scientific support. NOAA proceeded to process UWCD's request and took public comment. On June 29, 2026, NOAA/NMFS submitted to the Federal Register its determination, which states: "Based on our review of the best scientific and commercial data available, we find that the petitioned action to remove this reach from the critical habitat designation is warranted. Consequently, we are proposing to remove this reach from the critical habitat designation for Southern California steelhead." The comment period for public comment runs through August 28, 2026.

ALLIANCE INITIATIVES

23. Wildfire season starts off as one of the worst recorded

The 2026 wildfire season is off to an aggressive start across much of the West following a warm, dry winter and below-average snowpack, with major fires already burning in Arizona, Colorado, New Mexico, Utah, Wyoming, and other states. At the same time, the Administration is moving forward with a major reorganization of the U.S. Forest Service intended to shift decision-making closer to the field while emphasizing more active forest management and hazardous fuels reduction. The Alliance will continue supporting science-based forest management, watershed restoration, and wildfire mitigation efforts that protect water supplies, agricultural infrastructure, grazing lands, and rural communities throughout the West.

24. AI/Datacenter "Arms Race" continues

Artificial intelligence data centers continue to emerge as a major Western water policy issue, with new controversies involving water use, energy demand, infrastructure planning, and local control surfacing across California, Utah, Colorado, Nevada, New Mexico, and elsewhere. Recent developments include litigation over Colorado River water supplies, local moratoriums on new facilities, growing public opposition, and state efforts to establish clearer regulations governing large-scale data centers. The Alliance will continue closely tracking these developments, as the competition for limited water and electricity resources between agriculture and rapidly expanding

AI infrastructure is likely to become one of the defining resource policy challenges facing the West over the next decade.

25. Dam Removal conversation looks different under Trump Administration

The Trump Administration has signaled its support for keeping California's Potter Valley Project dams in operation rather than allowing their planned decommissioning and removal to proceed. USDA is reportedly exploring options to identify a new project operator, citing the importance of preserving water supplies for rural communities and agriculture while maintaining hydropower generation. The issue highlights a broader policy shift toward evaluating existing water infrastructure through the lens of water supply reliability and agricultural resilience, rather than assuming dam removal is the preferred outcome. The Alliance will continue to monitor this evolving discussion as it may influence future federal policy regarding aging water infrastructure across the West. Also in the news – the tribe with senior water rights was left out of the meeting.

26. Rising cost of power becomes a conversation for Ag, not just the “kitchen table”

A proposed 38% electricity rate increase for Wyoming irrigators served by Rocky Mountain Power, a similar effort underway in NM for El Paso Electric customers, and many other examples of utilities across the West trying to figure out how to keep the power flowing this summer highlights a growing challenge facing Western agriculture: the rising cost of reliable electricity needed to pump, deliver, and manage irrigation water. This issue become front and center last month as farms increasingly rely on electric pumps, pressurized irrigation systems, and on-farm technologies, and Irrigation Districts rely on power for measuring and monitoring delivery of supplies, affordable and dependable power—including hydropower generated by federal reservoirs—has become just as critical as the water itself. The affordability conversation will continue to center around the cost of fuel and food, with farmers right at the heart of the crisis. The Alliance will continue to advocate for policies that protect both water and energy affordability, recognizing that grid reliability, hydropower production, and reasonable electricity rates are essential components of a resilient agricultural economy.

27. The Growing Importance of Water Rights in the West

An opinion piece published by RFD-TV's *Firm to Farm* argues that water rights are increasingly becoming one of agriculture's most valuable—and contested—property rights as growing scarcity drives conflicts over interstate compacts, groundwater management, environmental regulations, and regulatory takings. The author contends that the longstanding doctrines of prior appropriation and interstate compacts remain the best framework for managing Western water, provided they are enforced as written rather than altered through administrative action. While the article reflects the author's legal and policy views rather than those of the Family Farm Alliance, it echoes many of the concerns our members have expressed regarding the need for regulatory certainty, protection of vested water rights, and collaborative, legally durable solutions to the West's growing water challenges.

28. Adding farmland in the West

It is not every day that we are talking about *adding* irrigated farmland rather than trying to slow its loss. A recent report highlights significant untapped irrigation potential in North Dakota, suggesting that strategic investments in water infrastructure could bring additional acres into production while strengthening rural economies and long-term food security. As productive farmland continues to disappear across much of the country due to development and other pressures, opportunities to responsibly expand irrigated agriculture deserve attention. The Alliance will continue advocating for investments that not only protect existing agricultural land and water supplies but also create opportunities to increase America's agricultural production where it can be done sustainably.

29. Focus on Villainizing Agriculture sharpens as summer heats up

Two articles of interest highlighted 'the parade of horrors' that is agriculture this month (enjoy):

[Welcome to California: land of plunder and hypocrisy | California | The Guardian](#)

[The Deschutes River goes to the water-rich few during drought. Farmers are paying the price - High Country News](#)

WESTERN WATER “HOT SPOTS”

30. Water Supply Conditions Across the West

Water supply conditions across the West continue to present a mixed picture, with localized improvements in some basins offset by persistent drought and growing long-term concerns elsewhere. The biggest emerging story is NOAA's forecast for a potentially historic El Niño developing later this year, which could significantly influence precipitation patterns across the West during the coming winter. While portions of California may benefit from above-average precipitation, forecasts remain highly uncertain, and many major agricultural regions continue to grapple with declining reservoir storage, groundwater challenges, and below-average runoff. The Alliance will continue monitoring both near-term water supply conditions and longer-term climate patterns as water managers prepare for another year of difficult allocation decisions.

31. California weather and water supply

a. Water Supply update – general

California water managers are closely watching forecasts for what could become one of the strongest El Niño events on record, with current outlooks favoring above-normal winter precipitation across much of the state. At the same time, researchers continue to study how changing ocean temperatures and increasing climate variability may produce more extreme swings between drought and flooding, underscoring the need for flexible water management, additional storage, and improved flood control infrastructure. Meanwhile, unusual late-season cold weather

in the Sierra Nevada serves as another reminder that Western weather patterns are becoming increasingly unpredictable.

b. Sites Reservoir Project sees State funding boost

California Governor Gavin Newsom announced an additional \$268.9 million state investment in the Sites Reservoir Project, bringing California's total commitment to more than \$1.3 billion for what would become one of the largest new water storage projects built in the West in decades. Once completed, Sites Reservoir is expected to provide up to 1.5 million acre-feet of additional storage capacity by capturing excess Sacramento River flows during wet years for use during droughts. The announcement is another sign that Western policymakers are increasingly recognizing that conservation alone cannot address long-term water supply challenges and that new infrastructure, storage, and water supply augmentation must remain part of the solution.

c. Golden Mussels

California continues to respond aggressively to the spread of invasive golden mussels, announcing an additional \$6 million for monitoring and containment while confirming the species has now reached the Port of West Sacramento, the northernmost detection to date. The mussels pose a serious threat to water conveyance facilities, reservoirs, irrigation infrastructure, and aquatic ecosystems. The Alliance will continue monitoring the spread of this invasive species, as preventing damage to Western water infrastructure must remain a high priority.

d. Watershed planning

California water agencies continue expanding watershed-scale planning efforts that integrate water supply, flood control, ecosystem restoration, and infrastructure management. These collaborative planning initiatives reflect a growing recognition that long-term water resilience will require coordinated investments across entire watersheds rather than project-by-project solutions. The Alliance will continue encouraging similar collaborative approaches throughout the West that balance environmental stewardship with the needs of agricultural water users.

32. Columbia, Snake and Yakima River Basins (ID/OR/MT/WA)

Water supply conditions in the Pacific Northwest remain highly variable. Water outlooks have improved for irrigators in Washington's Yakima Basin, but new analyses warn that the Columbia Basin could face significant water shortages by the 2040s without additional storage, infrastructure investments, and improved water management. Meanwhile, drought conditions continue to expand across portions of Oregon and Idaho. These developments reinforce the Alliance's longstanding message that maintaining and expanding water infrastructure must remain a priority to ensure long-term agricultural resilience throughout the region.

33. Colorado River Basin (AZ/CA/CO/NV/NM/UT/WY)

a. Nevada is purchasing groundwater rights, so is NM

Nevada has awarded the first \$1.8 million through a new voluntary program that compensates water users for permanently retiring groundwater rights in some of the state's most over-appropriated basins. The initiative reflects a growing trend across the West toward market-based approaches that use financial incentives, rather than regulatory mandates, to address water balance issues. New Mexico has recently kicked off a similar program, backed by \$30 million in funding, with a goal of reducing groundwater depletions in the Lower Rio Grande by 18,200 acre-feet to comply with the terms of the settlement in TX v. NM. While these programs may provide flexibility for some water users, they also raise important long-term questions about the impacts on agricultural production, rural communities, and local economies when irrigated acreage is permanently removed from production. The Alliance will continue monitoring these efforts as states search for durable solutions to groundwater sustainability challenges.

b. Reuse and recycling becomes a target issue to watch

Communities across the Southwest are continuing to invest in water reuse projects as a way to stretch limited supplies, with Santa Fe, Phoenix, and many others now considering expanded reuse as part of its long-term water strategy. While increasing municipal water efficiency and reuse can reduce demands on freshwater supplies, it also raises important questions for agriculture that deserve close attention. In many Western river systems, irrigation districts and farmers rely on municipal return flows as part of the water available for downstream diversion. As cities become more efficient and reuse a greater percentage of their water, those return flows may decline, potentially affecting agricultural water supplies in some basins while having little impact in others. The Alliance supports innovation in water management but will continue monitoring these developments closely, recognizing that the ground-level effects of municipal conservation and reuse will vary significantly from watershed to watershed and should be carefully evaluated before broad policy conclusions are drawn.

c. Colorado River Basin general conditions

Negotiations over the post-2026 operating guidelines for the Colorado River continue to intensify as the Basin approaches what may be the most consequential water management decisions in decades. Hydrology continues to deteriorate, with record-low snowpack in the Upper Basin, declining storage in Lakes Powell and Mead, and increasing discussion of emergency operational measures to preserve hydropower generation and critical reservoir elevations. Federal officials are expected to release a proposed management framework later this summer, while the Basin States continue negotiations in hopes of avoiding a federally imposed solution. The Alliance remains actively engaged with policymakers and water users throughout the Basin, advocating for collaborative, science-based solutions that protect agricultural production while recognizing the unique legal and hydrologic realities facing both the Upper and Lower Basins.

Conditions in the Upper Basin remain particularly concerning. Colorado experienced its lowest snowpack on record this year, streamflows are projected to remain well below normal, and

continued emergency releases from Flaming Gorge Reservoir to stabilize Lake Powell have highlighted the difficult tradeoffs facing upstream communities. New Mexico also welcomed a new lead Colorado River negotiator, Tanya Trujillo (well-known to the Alliance), while Utah lawmakers established a new Colorado River Caucus to strengthen the state's engagement in future negotiations. Upper Basin states continue to emphasize that any long-term solution must recognize the limits of available water and protect existing compact obligations without imposing disproportionate burdens on upstream users.

In the Lower Basin, Arizona, California, and Nevada continue working with the Department of the Interior to avoid what Arizona officials have described as "extremely draconian" mandatory reductions in Colorado River deliveries. At the same time, discussions continue regarding billions of dollars in future investments for conservation, desalination, water recycling, conveyance improvements, and other infrastructure intended to increase long-term system resilience. As negotiations continue, the Alliance remains concerned that agricultural water users not become the default solution to the Basin's structural deficit, and will continue advocating for an "all-of-the-above" approach that combines conservation with investments in new water supplies, storage, infrastructure modernization, and innovative water augmentation technologies.

34. Rio Grande Basin (CO/NM/TX)

a. New Mexico State University was in the news this month

New Mexico State University continues to cement its position as one of the nation's premier centers for agricultural water research, highlighted by a new \$10 million USDA-funded Resilient Agricultural Water Community Systems (RAWCS) initiative focused on improving water management in both the lower and upper Rio Grande. The project brings together leading researchers from across the West to develop practical, science-based solutions that help agriculture remain productive under increasing water scarcity and a changing climate, while ensuring that research is delivered directly to producers and water managers. Before joining the Alliance, I relied extensively on many of these same NMSU researchers and professors in my work representing New Mexico irrigation districts and other Lower Rio Grande water users. Their expertise has been instrumental in defending irrigated agriculture through decades of complex water litigation, and I continue to believe this group represents some of the world's foremost experts on agricultural water resilience. Their work reinforces the Alliance's long-held position that sound science and innovation—not simply reducing agricultural production—must be at the center of Western water policy. Meanwhile, NMSU's Water Resources Research Institute is leading the review of agricultural water resilience grant proposal reviews to finalize deploying Inflation Reduction Act dollars received from DOI and Reclamation a couple of years ago – I also serve as a reviewer on that panel.

MISCELLANEOUS

- The Media has caught onto the concept that water affordability is an actual thing, but, of course, the focus is drinking water, not food supply: [The other affordability crisis: water](#)
- Advancements in virtual fencing, drones, and precision ranching technology are creating new opportunities for cattle producers to improve efficiency, reduce labor demands, and

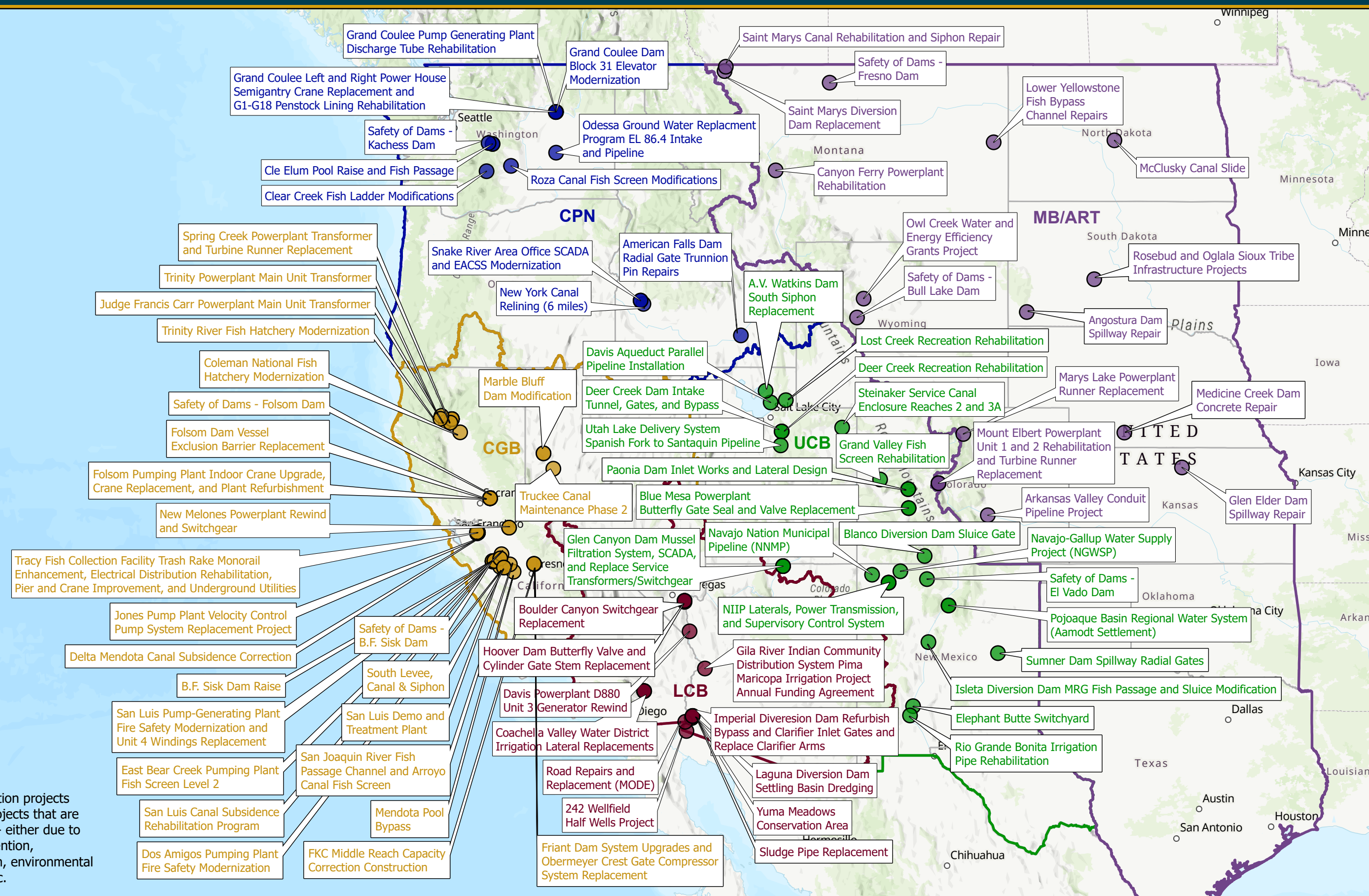
better manage grazing across large landscapes. While costs remain a barrier, these tools may provide a cost-effective alternative to traditional fencing in some situations while improving animal monitoring, forage management, and operational flexibility. The Alliance will continue highlighting innovations that help Western producers remain resilient and productive while adapting to changing operational challenges.

- The Supreme Court ruled in favor of Bayer AG and its Monsanto subsidiary, rejecting a lawsuit alleging that Roundup herbicide caused cancer. The decision reinforces federal preemption principles, limiting state-law failure-to-warn claims when pesticide labels are approved by the Environmental Protection Agency and do not require additional warnings, providing greater regulatory certainty for agricultural producers and pesticide users.

ADMINISTRATIVE

- I continue to travel for our “Boots on the Ground” campaign, and this past month I was able to visit a large portion of CO’s Southwestern region, including many of our member districts along the way. I’ll be headed to California soon!
- Please continue to send pictures of your districts, farmers, and so on to us – we can use the digital media to keep our arsenal fresh!
- **SAVE THE DATES!**
 - Farmer Lobbyist Trip – September 14-17, 2026 (Washington D.C.)
 - Annual Conference – October 28-30, 2026 (Reno, Nevada)
- Please reach out to me if I have not yet spoken to you about Reclamation realignment issues within your district – I am still collecting information about how that project is being deployed so we can improve as we go.

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 if you have specific questions or would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.



*"High-Profile" construction projects are meant to include projects that are particularly noteworthy - either due to cost (>\$5M), media attention, importance to the region, environmental challenges, litigation, etc.



MEMORANDUM

TO: SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DIRECTORS
FROM: SAMANTHA BARNCastle, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: JUNE 12, 2026

This executive director's report is intended to keep you apprised as to what is happening behind the scenes on policy and other issues the Alliance is engaged in or is otherwise tracking. This report is intended for your use, but I understand that you may wish to share this information with your local board members and close associates. I would ask that you be circumspect when you distribute this, however. Here is your update on activities during the last month:

GOVERNMENT FUNDING

Federal funding and appropriations discussions moved into high gear this month as Congress began work on FY 2027 spending bills amid ongoing debates over agency budgets, drought response, and western water infrastructure investments. While the Trump Administration proposed significant reductions to several federal water, environmental, and conservation programs, early action in the House suggests Congress may restore much of that funding, particularly for the Bureau of Reclamation and other western water priorities. With drought conditions worsening across much of the West and major Colorado River decisions looming, the Alliance continues to work to ensure appropriators from both parties recognize the importance of sustained federal investment in water storage, conservation, reuse, desalination, rural water systems, and aging infrastructure needed to support agricultural production and rural communities.

TRUMP 47 ADMINISTRATION

1. New Reclamation Commissioner – Aubrey Bettencourt

One of the most significant personnel developments this month is President Trump's expected nomination of Aubrey Bettencourt to serve as Commissioner of the Bureau of Reclamation. Bettencourt brings extensive agricultural and western water experience, having most recently served as USDA's top conservation official and previously as Deputy Assistant Secretary for Water and Science at the Department of the Interior during the first Trump Administration. A third-generation California farmer and former leader of both the Almond Alliance of California and the California Water Alliance, Bettencourt is widely regarded as having strong ties to agricultural water users and practical water management issues. Her nomination places an experienced agricultural voice at the helm of the agency responsible for managing major western water infrastructure and will be closely watched as the Administration navigates ongoing Colorado River negotiations, drought challenges, and future water supply investments across the West.

2. WaterSMART funding opportunities announced!

The Bureau of Reclamation has announced three WaterSMART funding opportunities aimed at expanding and protecting water supplies across the West. Two programs, Title XVI Water Reclamation and Reuse and Desalination Construction, support planning, design, and construction of water reuse and desalination facilities, helping communities diversify their water supplies and build drought resilience. A third program, Enhancing Water Resources Projects, funds on-the-ground conservation work such as watershed restoration, fish passage, water conservation, and infrastructure improvements. All three opportunities offer two application rounds. Deadlines for the reuse and desalination programs are August 26, 2026, and August 26, 2027, with feasibility studies due June 26, 2026. The Enhancing Water Resources program closes September 9, 2026, for the first round. Reclamation will host informational webinars on June 2 and June 16, and one-on-one consultations are available for the watershed program.

[Search Results Detail | Grants.gov](#)

Enhancing Water Resources Projects:

- **Types of Projects:** On-the-ground water resource actions, including watershed restoration and fish passage projects, water management or infrastructure improvements, and water conservation and efficiency efforts.
- **Project Benefits:** All projects must provide quantifiable benefits to watershed health and should benefit multiple water users or interest groups.
- **Link to Apply:** <https://www.grants.gov/search-results-detail/362394>.
- **Award ceiling/Cost share:** \$3,000,000. 25 percent non-Federal cost share is required at the time of award. A watershed group is eligible to apply for 50-percent cost-shared funding without a Category A (States, Tribes, irrigation districts, and water districts; State, regional, or local authorities) partner but must have a Category A partner to be eligible for 75-percent Federal funding. Watershed groups requesting 75-percent Federal funding should include a letter of support or other documentation demonstrating that they are acting in partnership with and with the agreement of the Category A entity.

- **Due Date:** first round: September 9th, 2026, second round: Aug 26, 2027
- **Applicant Types:** Multiple (see full funding announcement)
- Reclamation will host a [webinar on Tuesday June 16th, 2026 at 1:00pm MDT](#) to share more information on the WaterSMART Enhancing Water Resources Projects funding opportunity. The webinar will cover eligible applicants, project types, and the application process. Interested applicants will have the opportunity to ask questions at the end of the webinar.

Title XVI Reclamation and Reuse Projects:

- **Types of Projects:** Planning, design, and construction of water reclamation and reuse projects.
- **Project Benefits:** To maximize limited water supplies through water reuse, which provides communities with new sources of clean water and reduce reliance on other water sources that are more vulnerable during times of shortage.
- **Link to Apply:** [grants.gov by searching for opportunity number R26AS00079](#).
- **Award ceiling:** \$40,000,000
- **Due Date:** first round: Aug 26, 2026, second round: Aug 26, 2027
- **Applicant Types:** State, regional or local authorities, such as States, Tribes, municipalities, irrigation districts, and water districts, or wastewater districts. Other organizations with water or power delivery authority.
- On Tuesday, June 2, 2026, at 11:00am MT, Reclamation will host an informational webinar to discuss eligible applicants and project types, program requirements, and the evaluation criteria for the Title XVI and Desalination Construction funding opportunities. Use [this link](#) to join the webinar. A recording will be made available after June 2 on the [Water Recycling and Desalination](#) webpage.
- Applicants must submit a project feasibility study to Reclamation for review. For applications submitted under the first round, feasibility studies must be received by June 26, 2026. For applications submitted under the second round, feasibility studies must be received by January 15, 2027.

Desalination Construction

- **Types of Projects:** Planning, design, and construction or desalination facilities for seawater or brackish groundwater or surface water.
- **Project Benefits:** These projects help communities to diversify their water supply portfolio by turning currently unusable water sources into a new source of water supply that is less vulnerable to drought.
- **Link to Apply:** [grants.gov by searching for opportunity number R26AS00034](#).
- **Award ceiling:** \$120,000,000
- **Due Date:** first round: Aug 26, 2026, second round: Aug 26, 2027
- **Applicant Types:** State, regional or local authorities, such as States, Tribes, municipalities, irrigation districts, and water districts, or wastewater districts. Other organizations with water or power delivery authority.
- On Tuesday, June 2, 2026, at 11:00am MT, Reclamation will host an informational webinar to discuss eligible applicants and project types, program requirements, and the evaluation criteria for the Title XVI and Desalination Construction funding opportunities. Use [this](#)

[link](#) to join the webinar. A recording will be made available after June 2 on the [Water Recycling and Desalination](#) webpage.

- Applicants must submit a project feasibility study to Reclamation for review. For applications submitted under the first round, feasibility studies must be received by June 26, 2026. For applications submitted under the second round, feasibility studies must be received by January 15, 2027.

Finally, a new opportunity was announced this week. The Cooperative Watershed Management Program (CWMP) contributes to the WaterSMART strategy by providing funding to watershed groups to encourage diverse stakeholders to form local solutions to address their water management needs.

To apply please use this link: [Opportunity Listing - WaterSMART Cooperative Watershed Management Program](#)

For more information on this program please visit: [Cooperative Watershed Management Program | Bureau of Reclamation](#)

To see previous successful applications please use this link: [Cooperative Watershed Management Program | Bureau of Reclamation](#)

There will be multiple rounds of funding for this program. Please see the due dates below:

- October 7, 2026
- February 24, 2027
- September 1, 2027
- February 15, 2028

The maximum award for this program is \$300,000 with no non-federal cost share required.

There will be an informational webinar on July 21, 2026, at 1:00pm MT and the recording will be posted here: [Cooperative Watershed Management Program | Bureau of Reclamation](#)

3. FY2027 Interior-Environment budget

The House Appropriations Committee approved its FY 2027 Interior-Environment spending bill funding the Department of the Interior (except the Bureau of Reclamation), the Environmental Protection Agency (EPA), and other related accounts on a party-line vote, advancing Republican priorities while rejecting several Democratic amendments. Among the defeated proposals were measures to ensure equal permitting treatment for renewable energy projects, restore EPA funding, and increase oversight of data center construction. The bill would provide \$38.9 billion in discretionary spending, including a small increase for Interior and a roughly 20 percent cut to EPA funding.

4. USDA Funding, generally

the [House passed a \\$26.3 billion funding bill for the Agriculture Department and the Food and Drug Administration](#) as Congress looks to approve a slate of must-pass spending measures in the coming weeks. The bill (H.R. 8646), which passed in a 213-210 vote, would provide 1.4% less than fiscal 2026 levels. Democrats have expressed concern the cuts will negatively affect a number

of food aid programs, as well as USDA staffing. The Supplemental Nutrition Assistance Program, formerly known as food stamps, would receive \$6.2 billion less than this year.

5. USDA – New grant opportunity

The U.S. Department of Agriculture (USDA) today announced the availability of \$65 million in funding this year for new tools, approaches, practices and technologies to further natural resource conservation on private lands through the Conservation Innovation Grants (CIG) program. Notices of funding for [CIG Classic](#) and [CIG On-Farm Trials](#) are available on Grants.gov. Applications are being accepted now through July 27, 2026. View the press release and details here: [Thanks to Working Families Tax Cuts Act, USDA Invests \\$65 Million for Projects that Help Farmers Improve their Operations and Conserve Natural Resources through Science and Innovation | Natural Resources Conservation Service](#)

6. USDA funding for water contamination in Post-Wildfire setting

USDA is making additional investments to help New Mexico communities address water quality impacts associated with post-wildfire flooding, offering approximately \$1 million in assistance to counties affected by recent burn scars and subsequent flood events. The funding is intended to help local governments monitor and respond to contamination issues caused by sediment, debris, and pollutants that are often mobilized after major wildfires. The effort highlights a growing challenge across the West: as larger and more severe wildfires are followed by intense rainfall events, communities are facing increasing costs associated not only with flood damage but also with protecting drinking water supplies, reservoirs, and watershed health in the aftermath of fire.

7. OMB Overhaul

On May 29, 2026, OMB published a proposed rule ([91 FR 32198](#)) that would significantly revise the regulations governing federal grants and cooperative agreements ([2 CFR Part 200](#)). These rules touch virtually all federal financial assistance—transportation, water, housing, energy, and public safety grants among them. The proposed changes could affect grant administration, compliance obligations, and funding strategy for local governments, special districts, and utilities. TFG's memo linked below walks through the most relevant provisions and what they may mean for your agency. Members are encouraged to consider submitting public comments by **July 13, 2026**, at www.regulations.gov (docket OMB-2026-0034). Input from public agencies, with concrete data and examples, may help shape the final rule that is targeted to take effect on October 1, 2026.

8. Trump Administration Advances Permitting Reform Through State Agreements

With bipartisan congressional negotiations on permitting reform stalled, the Trump Administration is pressing ahead through administrative action. The Federal Permitting Improvement Steering Council recently signed a memorandum of understanding with Utah, its fourth such deal, following agreements with Alaska, Idaho, and Tennessee, to coordinate and expedite environmental reviews for energy and infrastructure projects under the FAST-41 program. The recently unveiled Utah agreement establishes a framework for federal-state coordination on project reviews, including

dedicated staff contacts, monthly coordination calls, and a shared federal dashboard to streamline information sharing among agencies.

The deals reflect the Administration's strategy of using existing executive authority to speed permitting while a broader bipartisan legislative package remains elusive. Senate Democrats, led by Energy Committee ranking member Martin Heinrich (D-NM), have resisted moving forward, accusing the Administration of favoring fossil fuels and slow-walking approvals for wind and solar projects. The House passed a NEPA overhaul bill in December largely along party lines, but the Senate has yet to release its own version. Utah is a significant energy producer, supplying oil, gas, coal, and critical minerals including lithium and palladium, making it a priority state for the Administration's energy and data center buildout agenda.

9. GAO: Army Corps Falls Short on Wetland Mitigation Oversight

The Army Corps of Engineers lacks consistent policies to ensure companies follow through on commitments to restore wetlands and streams after receiving permits to build over them, according to a Government Accountability Office (GAO) report released last month. Under the Clean Water Act's compensatory mitigation program, developers can obtain permits to alter protected waters if they fund restoration elsewhere to offset environmental harm. But GAO found that inconsistent guidance across the Corps' 38 district offices creates risk that mitigation projects critical for flood protection and wildlife habitat aren't achieving their intended outcomes. The watchdog examined three district offices and found improvement since its last review in 2005 but flagged ongoing inconsistencies in how performance standards are monitored, including whether restored areas are free of invasive species and newly created wetlands are thriving. The Office of the Assistant Secretary of the Army for Civil Works concurred with the findings and said it would direct the Corps to develop clearer compensatory mitigation guidance.

10. USGS National Water Data Availability Companion

The U.S. Geological Survey recently released the first nationwide water availability assessment tool, giving water managers, agricultural producers, and policymakers access to detailed supply-and-demand data across roughly 80,000 watersheds nationwide. The tool integrates decades of information on streamflows, snowpack, soil moisture, water use, and other factors to help answer a critical question: do we have enough water to meet future demands? The importance of this effort cannot be overstated for the West, where water scarcity is increasingly driven by the mismatch between available supplies and growing municipal, industrial, and environmental demands. For organizations like the Family Farm Alliance, tools such as this provide valuable data to support one of our core messages—that informed planning, investment in water infrastructure, and development of new water supplies are essential if the West is to maintain agricultural production, support growing communities, and ensure long-term food security. The assessment also reinforces that water challenges are often regional rather than national, highlighting the need for locally tailored solutions rather than one-size-fits-all policies. Here's the link to the tool: [National Water Availability Assessment Data Companion](#).

11. ESA Rulemaking efforts advance

The Trump Administration is advancing two significant Endangered Species Act regulatory changes that could affect future species listings, critical habitat designations, and project permitting across the West. One proposal would eliminate the longstanding "blanket 4(d) rule," ending the automatic extension of endangered-species protections to species listed as threatened and instead requiring species-specific management plans. A second proposal would require federal agencies to consider economic, national security, and other impacts when designating critical habitat. Supporters argue the changes would create a more targeted, science-based approach while reducing unnecessary regulatory burdens on landowners, agriculture, energy development, and infrastructure projects. Opponents contend the changes could weaken protections for imperiled species and make recovery efforts more difficult. Both proposals are likely to remain closely watched by western water users, agricultural interests, and conservation groups given their potential implications for future ESA consultations and permitting decisions.

12. Mojave Groundwater Bank Project

The long-discussed Mojave Groundwater Bank project in California's Mojave Desert appears to be gaining renewed federal momentum, with recent support from both the U.S. Environmental Protection Agency and the Bureau of Reclamation. The project — led by Cadiz Inc. — aims to develop large-scale groundwater storage, conveyance, and exchange infrastructure capable of supplying and storing millions of acre-feet of water for California and the broader Southwest. Recent federal actions include advancement toward a potential \$194 million WIFIA loan and new agreements supporting technical and regulatory review, signaling growing interest in large-scale drought resilience and water banking projects as pressure mounts across the Colorado River Basin. The project remains controversial in some circles due to longstanding environmental concerns over groundwater extraction in the Mojave Desert, but supporters view it as one of the few major "shovel-ready" water supply and storage projects currently advancing in the West.

13. Steve Pearce confirmed as BLM Director

The Senate confirmed former New Mexico Congressman Steve Pearce as Director of the Bureau of Land Management, placing a longtime advocate of local control and multiple-use public land management at the helm of the agency overseeing 245 million acres of federal land. Almost immediately following his confirmation, the Administration finalized the repeal of the Biden-era Public Lands Rule, advanced proposed reforms to BLM grazing regulations, and announced a major oil and gas lease sale in New Mexico and Texas that generated more than \$4 billion in bids and revenue. Together, these actions signal a clear shift toward expanding energy development, increasing management flexibility for ranchers, and emphasizing active use of federal lands. Pearce has emphasized the importance of listening to state and local leaders, farmers, ranchers, and rural communities, arguing that public land decisions are most effective when informed by those who live and work on the landscape.

DEVELOPMENTS IN THE 119TH CONGRESS

14. Reconciliation 2.0...and 3.0???

Congress continues to focus heavily on budget reconciliation and appropriations as Republicans worked through a second reconciliation package focused on immigration enforcement funding while simultaneously laying the groundwork for a potential third reconciliation bill later this year. Early discussions around a "Reconciliation 3.0" package center on defense, energy, fraud reduction, affordability measures, and potentially additional natural resource and public lands provisions, although significant questions remain about whether Congress can assemble the votes necessary to move another major partisan package. At the same time, Senate appropriators have begun to advance FY2027 spending bills, including the Agriculture-FDA appropriations measure, while bipartisan permitting reform discussions continue. Looking ahead, both parties are increasingly positioning themselves for the 2026 midterm elections, with House Democrats already signaling plans for aggressive oversight of Trump Administration energy, public lands, and natural resource policies should they regain the majority.

15. Farm Bill (still, maybe)!!!

Farm Bill activity is beginning to accelerate in the Senate, with Senate Agriculture Committee Chairman John Boozman indicating that draft legislative text could be released soon and that committee action may occur later this summer. While bipartisan support remains for advancing a new Farm Bill, negotiations continue around several contentious issues, including pesticide liability protections, SNAP reforms, and budget constraints. Of particular interest to Western agriculture, the bipartisan CREP Improvement Act—which would expand drought-focused conservation options, support dryland farming, and increase incentives for water conservation in arid regions—was left out of the House bill but remains under consideration in the Senate. Meanwhile, the House-passed bill includes provisions supported by ranching groups that would streamline permitting for routine grazing infrastructure improvements on federal lands, helping producers better manage livestock, drought conditions, watershed health, and rangeland stewardship. Overall, the coming months will be critical as Senate leaders work to assemble a bill capable of attracting the bipartisan support needed for passage.

16. Senate ENR Markup on 30+ bills

The Senate Energy and Natural Resources (ENR) Committee held a legislative markup on June 10 to consider more than 30 bills covering public lands, energy, wildfire management, and water resources. Several water-related measures are on the agenda. The committee considered legislation from Sen. John Hickenlooper (D-CO) to reauthorize and expand federal snowpack monitoring and forecasting programs, a key tool for improving water supply forecasting across the West. Senators also reviewed Sen. Catherine Cortez Masto's (D-NV) bill to extend the Large-Scale Water Recycling Program, which helps fund large water reuse projects, and legislation requiring additional reporting on hydropower relicensing applications before the Federal Energy Regulatory Commission (FERC). Additionally, the committee considered Sen. Lisa Murkowski's (R-AK) FLOWS Act to streamline licensing for small hydrokinetic energy projects and a bill from Chairman Mike Lee (R-UT) directing the Department of the Interior to study opportunities to improve hydropower performance at Glen Canyon Dam.

Other water-related bills include legislation to authorize additional funding for the San Joaquin River Restoration Settlement Act (Padilla, D-CA); the Urban Canal Modernization Act (Risch, R-ID) to support rehabilitation and modernization of segments of aging Bureau of Reclamation canals that run through urbanized areas of the West; the Navigators Act (Hickenlooper, D-CO); and amendments and reauthorization of parts of the WIIN Act (Gallego, D-AZ). Beyond water issues, the committee dealt with legislation aimed at increasing forest management and wildfire prevention activities, advancing critical minerals development, reauthorizing the National Parks and Public Land Legacy Restoration Fund, and addressing numerous public lands priorities across the West.

17. Permitting reform – a bipartisan struggle

Congress continues to struggle to reach a bipartisan agreement on comprehensive permitting reform, despite broad recognition that lengthy federal reviews are slowing construction of critical infrastructure, including energy, water, transmission, and natural resource projects. Negotiations have been complicated by disagreements over renewable energy policies, environmental review requirements, and concerns about executive branch actions affecting previously permitted projects. While lawmakers in both parties generally agree that the current permitting system is too slow and unpredictable, the path to a comprehensive reform package remains uncertain. For western water interests, the ongoing debate is significant because permitting delays remain one of the biggest obstacles to developing and modernizing the water storage, conveyance, and resilience projects needed to address drought, population growth, and long-term water security.

18. Public lands policy shifts continue

Public lands policy remained a major focus in Washington this month, with the Trump Administration and congressional Republicans advancing several proposals aimed at expanding active management of federal lands. Senate Energy and Natural Resources Chairman Mike Lee is pursuing legislation that would repeal the longstanding Roadless Rule, potentially opening millions of acres of national forest lands to road construction, forest management, and timber harvest activities as part of broader wildfire prevention efforts. At the same time, the Administration finalized the repeal of the Biden-era Public Lands Rule and proposed updates to Bureau of Land Management grazing regulations intended to provide greater flexibility for livestock producers and reinforce multiple-use management principles. Supporters argue these changes will improve forest health, wildfire mitigation, grazing management, and rural economic opportunities, while critics contend they could reduce conservation protections and increase development pressures on public lands. Given the importance of federal lands to many western agricultural producers, ranchers, watersheds, and rural communities, these policy changes will continue to draw significant attention in the months ahead.

IN THE COURTS

19. United States files brief in Nebraska v. Colorado urging court to take the case

The Trump Administration's Solicitor General has urged the United States Supreme Court to hear Nebraska's claims that Colorado is violating the 1923 South Platte River Compact by overusing water that should flow downstream. The Solicitor General argued that disputes over interstate

water allocations are precisely the type of cases the Supreme Court is designed to resolve and recommended that the matter be referred to a special master for fact-finding. The case highlights the growing pressure on Western water supplies and serves as another reminder that competition over scarce water resources is likely to intensify as states work to meet agricultural, municipal, industrial, and environmental demands in an increasingly water-constrained future. The United States position was long awaited and, to many, unsurprising given the issues in play.

20. Supreme Court Did NOT Take Up Key WOTUS Wetlands Question

The U.S. Supreme Court has declined to review another challenge related to the definition of “Waters of the United States” (WOTUS), leaving lower court rulings in place and continuing the post-Sackett regulatory landscape. The decision means that, for now, the Supreme Court is not revisiting the scope of federal Clean Water Act jurisdiction after its 2023 ruling in *Sackett v. EPA*, which significantly narrowed federal authority over wetlands and rejected the broader “significant nexus” test previously used by regulators. For agricultural producers, landowners, and water users, the Court’s refusal to take up the dispute provides additional certainty that the narrower Sackett standard will remain the controlling framework in the near term. The ongoing legal and regulatory battles over WOTUS continue to be closely watched across the West because they directly affect permitting requirements, land use decisions, water infrastructure projects, and the extent of federal oversight of wetlands and other water features. We also continue to await a new WOTUS rule out of EPA, on which regulatory comments were due from the public last December.

21. ESA Litigation

A few days ago the Center for Biological Diversity filed a lawsuit against the U.S. Fish and Wildlife Service in the United States District Court for the District of Oregon (Portland) for missing a legally required deadline to determine whether the western ridged mussel should receive protection under the Endangered Species Act. The freshwater mussel, which is found in rivers and streams across the Pacific Northwest and parts of the Interior West, has declined due to habitat fragmentation, dams, degraded water quality, drought, and invasive species. Conservation groups argue that the species plays an important role in maintaining healthy river systems by naturally filtering water and supporting aquatic ecosystem health. The lawsuit seeks to compel the federal government to issue a formal listing decision and highlights the continued intersection of endangered species policy, river management, water quality, and aquatic habitat conservation in the West. This case could have broad implications for Alliance members and we will keep an eye on it as it proceeds.

22. NM and TX ranchers get big win shepherded by big energy

A federal court ruling and settlement tied to litigation in Texas has resulted in the U.S. Fish and Wildlife Service agreeing to remove Endangered Species Act protections for the dunes sagebrush lizard in the Permian Basin, resolving a lawsuit brought by Texas Attorney General Ken Paxton. The lizard, listed as endangered in 2024 due to alleged habitat loss from oil and gas development and related land uses, has been at the center of long-running disputes between conservation groups and energy interests over federal species protections in West Texas and southeastern New Mexico. The silent party in all of that were the ranchers who also scored a big win with this ruling.

Environmental organizations have criticized the decision as weakening ESA safeguards, while industry and state officials have argued that existing voluntary conservation efforts are sufficient and that the listing imposed unnecessary constraints on energy production. The case reflects broader, ongoing legal and policy battles over how endangered species protections are applied in energy-producing regions of the West. The case also has broad implications for the use of voluntary conservation efforts in place of forced regulatory measures in a wide range of ESA cases.

ALLIANCE INITIATIVES

23. Colorado River Basin crisis continues

The Colorado River system is moving deeper into a policy and legal standoff as Congress signals it will no longer remain passive in the ongoing deadlock among basin states. Senate Energy and Natural Resources Chair Mike Lee (Utah) warned that federal lawmakers are prepared to intervene as the seven states remain unable to agree on long-term operating rules. He emphasized congressional authority over interstate compacts and indicated that federal funding—particularly drought and conservation dollars—may be conditioned on state behavior, including discouraging litigation among states. The debate is increasingly split along basin lines, with Upper Basin states (Utah, Colorado, Wyoming, New Mexico) pressing for recognition of their hydrologic constraints while Lower Basin states (Arizona, California, Nevada) face the most immediate delivery cuts under proposed federal frameworks. At the same time, Congress is considering whether to provide additional drought funding, with proposals ranging from \$2 billion in conservation support to much larger infrastructure investments, even as Interior officials note that most existing Inflation Reduction Act drought funds are nearly exhausted.

Federal agencies are preparing to take a more direct role as the Bureau of Reclamation moves toward issuing a new interim management plan expected by mid-to-late summer, potentially imposing mandatory cuts if states fail to reach agreement. Current discussions include short-term, two-year operating cycles within a broader 10-year framework, alongside emergency actions already underway such as reservoir releases to stabilize Lake Powell and protect hydropower generation at Hoover Dam. In parallel, Reclamation and major water agencies in California, Nevada, and Arizona have signed a memorandum of understanding to explore desalination and water recycling exchanges across state lines, signaling a shift toward expanding supply-side tools in addition to demand reductions. System conditions remain severe, with Colorado River reservoirs at roughly a third of capacity and record-low inflows threatening both water deliveries and hydropower reliability, intensifying pressure for either federal intervention or a negotiated basin-wide settlement before current operating rules expire.

24. Drought and Wildfire – a connected conversation

Wildfire risk across the West is rising alongside worsening drought conditions, creating a compounding stress on landscapes already weakened by record-low snowpack and prolonged heat. Recent studies and forecasts show that wildfire ignitions remain above average across much of the region, while drought-stressed vegetation is increasing the likelihood of fast-moving, high-severity fires. States including Colorado, New Mexico, Arizona, Utah, Nevada, and Wyoming are all experiencing significant drought impacts, with many areas already under state-level drought

emergency declarations. In Colorado, Governor Jared Polis has issued a statewide drought emergency—along with similar long-standing or renewed declarations in Arizona and New Mexico—which unlocks state funding for farmers, ranchers, and water systems. Utah has also declared a drought emergency, while Nevada, Wyoming, and California continue to report widespread drought conditions affecting agriculture, municipal supplies, and rangeland health.

These drought emergencies are already triggering operational responses and financial relief mechanisms across the West. In Colorado, New Mexico, Arizona, and Utah, emergency declarations are enabling access to drought response funds, technical assistance, and support for agricultural producers facing reduced irrigation deliveries and rising input costs. Arizona’s long-standing drought declarations dating back decades remain in effect, reflecting persistent water scarcity, while New Mexico’s emergency declaration is tied to both drought and wildfire conditions. Across the region, officials warn that low snowpack, earlier runoff timing, and prolonged high temperatures are reducing reservoir storage and streamflows, with some irrigation districts preparing for curtailments or reduced allocations. These conditions are further complicated by the potential influence of a developing El Niño pattern, which could bring episodic moisture but is not expected to fully offset long-term drying trends.

Looking ahead, drought and wildfire risks are expected to remain closely linked through the peak summer season. While some forecasts suggest intermittent monsoon or El Niño-influenced precipitation may provide localized relief, broad uncertainty persists, particularly in the Rocky Mountain and Southwest regions where many areas require sustained precipitation to recover. Federal and state agencies are increasingly emphasizing adaptive land and water management strategies, including crop switching, improved irrigation efficiency, fuel reduction practices, and emergency funding programs tied to drought declarations. However, with large portions of the West—including Colorado, Utah, Arizona, New Mexico, Nevada, California, and Wyoming—already in active drought conditions, the combination of water shortages and heightened wildfire potential continues to place significant pressure on agricultural systems, rural communities, and natural resource infrastructure.

25. AI and Data Centers continue to dominate the conversation

AI and data center development is increasingly colliding with water availability concerns across the western United States, prompting growing attention from federal, state, and local policymakers. The Trump administration has signaled support for expanding AI infrastructure while acknowledging public concern over water use, with EPA officials encouraging industry adoption of recycled and nontraditional water sources such as treated wastewater. At the same time, a United Nations University report underscores the scale of the issue, estimating that global data centers already consume vast amounts of electricity, water, and energy-related emissions—levels comparable to major industrialized nations—and projecting that resource use could double within four years as AI demand accelerates.

Across the West, scrutiny is intensifying as proposed and existing data center projects raise questions about water rights, environmental impacts, and transparency. States including Utah, Idaho, Nevada, California, Colorado, Arizona, and New Mexico are actively debating or studying data center water use, with some local governments imposing moratoriums, requiring disclosure,

or reviewing environmental impacts tied to large-scale developments. In Utah and Idaho in particular, major proposed AI projects have sparked public opposition and legislative interest due to concerns over water consumption during ongoing drought conditions. In response, Congress is beginning to explore regulatory and efficiency frameworks, including bipartisan proposals to improve water recycling at industrial facilities and emerging discussions about federal oversight of data center energy and water efficiency. Overall, the policy landscape is still early and fragmented, but momentum is building toward greater regulation, transparency, and efficiency requirements as AI infrastructure expands. While federal agencies are framing AI growth as strategically important, state-level responses are increasingly shaped by water scarcity concerns, especially in drought-prone regions where competing demands from agriculture, cities, and industry are already strained.

26. Affordability and Food Security topics intersect in the news this past month

The past month saw a ton of press coverage on prices at the grocery store. Rising grocery prices are increasingly being driven by a convergence of global shocks — including geopolitical disruptions, energy price spikes, and weather-related production constraints — all of which are feeding inflation pressures that ultimately show up at the checkout counter. As recent inflation data shows consumer prices accelerating again, with early indicators pointing to continued upward pressure on food costs, the underlying vulnerability of the food system becomes more apparent. For Western states in particular, this reinforces a core reality: without sustained investment in water infrastructure, storage, and drought resilience, producers are left increasingly exposed to volatility in supply and input costs. Over time, underinvestment in water systems doesn't just strain farmers and ranchers — it translates directly into tighter supplies, higher production risk, and ultimately a more persistent food affordability crisis for consumers nationwide.

27. Food Security conversation continues to grow

Concerns over the future of agricultural research and pollinator health received increased attention this month. A widely discussed opinion piece highlighted growing concerns about pollinator declines and the potential implications for crop production, food security, and agricultural sustainability, emphasizing the important role bees and other pollinators play in supporting agricultural productivity. Scientists continue to warn that pollinator losses could have significant consequences for both food production and rural economies if not addressed through habitat conservation and improved management practices. At the same time, New Mexico Senators Martin Heinrich and Ben Ray Lujan raised concerns about USDA's ongoing reorganization of its research mission, seeking answers about potential impacts on agricultural research programs that support farmers, ranchers, and rural communities. Those concerns were echoed by reports from USDA scientists and researchers who worry that staffing reductions and organizational changes could affect the agency's ability to conduct the long-term research that has historically improved agricultural productivity, animal health, and food production efficiency.

28. Focus on groundwater amplifies

The past month has seen ample news highlights regarding how new groundwater regulations and court decisions across the West are increasingly reshaping agricultural operations as states respond

to declining aquifer levels and long-term overdraft. News has highlighted California's implementation of the Sustainable Groundwater Management Act (SGMA), evolving groundwater restrictions in Arizona, implementation of the TX v. NM Settlement Agreement in the Lower Rio Grande, and growing concerns over the Ogallala Aquifer and other heavily used groundwater systems. For agriculture, the implications are significant and consistent regardless of which state or aquifer is in focus: producers may face pumping restrictions, increased costs, new compliance requirements, and greater pressure to improve water-use efficiency. This underscores a broader trend that many Alliance members are already experiencing—groundwater management is becoming a central water policy issue alongside surface water discussions, reinforcing the need for balanced approaches that pair conservation with investments in storage, recharge, and alternative water supplies.

WESTERN WATER “HOT SPOTS”

29. There's something in the water – Golden Mussels

Golden mussels, a rapidly spreading invasive species recently detected at drinking water treatment facilities in San Jose, are prompting growing federal concern due to their potential to clog infrastructure and disrupt water delivery systems across the U.S. West. In response, lawmakers including Sen. Alex Padilla and Rep. Josh Harder have introduced the Golden Mussel Eradication and Control Act, which would establish a federal demonstration program for prevention, eradication, monitoring, and early detection, along with grant funding for state and local response efforts. The legislation reflects escalating concern that the species could spread quickly through interconnected waterways, threatening reservoirs, canals, and drinking water infrastructure if not contained early. Concern continues to grow over the spread of golden mussels in California, including their detection in and around Lake Oroville, where officials are monitoring and inspection efforts continue as boating season begins.

30. Renewed spotlight on dam removal

The past month has brought renewed attention to dam removal efforts both in the U.S. and internationally, with a growing emphasis on ecosystem restoration and river connectivity. International reporting highlighted a record number of dams and river barriers being removed across Europe, while in the West, attention continues to focus on the aftermath of the historic Klamath River dam removals and new discussions surrounding the future of the Potter Valley Project on California's Eel River. Recent research out of Oregon State University suggests that even historically opposed stakeholders — including farmers and conservation groups — are finding more common ground around collaborative river management and restoration approaches. At the same time, ongoing regulatory and political debates over the Eel River dams underscore the increasing scrutiny facing aging water infrastructure projects nationwide.

31. Oregon State University research regarding Klamath Dam removal

A recent study by researchers at Oregon State University found that the Klamath Basin is not defined solely by conflict between agriculture and conservation interests following the historic

Klamath dam removals. Through interviews with farmers, ranchers, and conservation groups, researchers identified several areas of common ground, including concerns about drought and climate uncertainty, a desire for greater collaboration and trust, support for ecosystem-based management approaches, and openness to innovative solutions. The findings suggest that even in highly contentious water disputes, stakeholders often share more priorities than commonly assumed, offering a potential roadmap for more collaborative water and natural resource management efforts in the future.

32. Texas and New Mexico explore produced water reuse

As Texas moves aggressively toward large-scale investment in water reuse — including the potential treatment and reuse of oilfield produced water — New Mexico is continuing to wrestle with the challenges and risks associated with managing the enormous volumes of wastewater generated by energy production in the Permian Basin. A recent incident involving a 70-foot geyser of produced water from a failed injection line near Loving, New Mexico, highlighted both the scale of the issue and the urgency surrounding long-term disposal and reuse strategies. While the spill itself was relatively small by industry standards, the event renewed debate over how produced water can be safely handled, treated, and potentially repurposed in increasingly water-scarce regions. Produced water reuse, while also a focal point in Texas, has been a priority of the New Mexico Governor for the last several years. The geyser incident underscores why western states are placing growing emphasis on developing science-based regulatory frameworks and advanced treatment technologies as they explore produced water reuse as part of broader drought resilience and water supply strategies.

33. PFAS regulations shifting

Federal PFAS policy is shifting as the EPA under the Trump administration moves to revise Biden-era approaches to regulating “forever chemicals” in drinking water and sewage sludge. The agency is expected to propose rolling back some existing PFAS drinking water limits while simultaneously issuing new guidance on PFAS in land-applied biosolids used as fertilizer, with officials saying prior federal assessments caused confusion and did not adequately reflect real-world exposure scenarios. PFAS chemicals—linked to cancer, thyroid disease, and other serious health impacts—are widely found in sewage sludge applied to farmland, rangeland, and recreational areas, raising concerns about soil and water contamination across multiple states. While EPA acknowledges risks in certain exposure contexts, it is not moving toward mandatory federal testing requirements, prompting criticism from advocates and affected communities who argue stronger national standards are needed.

34. Evapotranspiration research and use in decision-making

a. OpenET update

OpenET is continuing to expand the use of remote sensing technology beyond agricultural applications and into watershed and forest management. Working with the University of Wyoming, Wyoming state leaders, and several Family Farm Alliance members, OpenET has launched a new study in the Battle Creek watershed to evaluate whether forest thinning and other

management activities can produce measurable changes in evapotranspiration (ET) and streamflows. The project will compare pre- and post-treatment conditions using satellite-based data and stream gage information to help determine whether forest management can meaningfully increase water yield. The effort complements similar work underway in Wyoming's High-Savory-Baggs region and represents an important step toward developing better science and data to evaluate watershed restoration investments. OpenET also recently expanded its ET data coverage into the eastern United States, further broadening access to tools that support water management and planning nationwide.

b. Kansas State University research

Researchers at Kansas State University are testing irrigation scheduling methods that rely on evapotranspiration (ET) data to help producers make more precise water management decisions. By using real-time information on crop water use and environmental conditions, ET-based irrigation management can improve water-use efficiency, reduce unnecessary applications, and help maintain crop yields during periods of limited water supply. The research reflects a broader trend across Western agriculture toward data-driven irrigation tools that allow farmers to optimize every acre-foot of water while adapting to increasingly variable weather and drought conditions.

35. More on new technologies to help with watershed management

New advances in virtual fencing technology are creating additional opportunities for more adaptive pasture and watershed management across the West. Companies such as Halter are now deploying direct-to-satellite systems that allow ranchers to remotely monitor and manage livestock movements in real time, even across large and rugged landscapes where traditional infrastructure has been difficult to implement. The technology allows producers to respond more dynamically to changing forage, weather, and watershed conditions while also reducing labor demands and improving grazing efficiency. Importantly, one of our board members, Ea'mon O'Toole, has recently begun using the technology successfully on his operation, providing a practical example of how emerging tools can support both agricultural productivity and resource stewardship.

36. California weather and water supply

a. Water Supply update – general

California's water system is seeing short-term allocation increases even as long-term supply uncertainty and ecological concerns persist. The U.S. Bureau of Reclamation has boosted Central Valley Project deliveries to about 25% for south-of-Delta agricultural contractors (up from 20%), along with modest increases for cities and industrial users, citing improved reservoir conditions after spring storms. Federal officials also signaled stronger delivery support from Shasta Lake and related systems, while framing recent hydrology as "modest improvement" rather than full recovery. However, environmental and fishing groups warn that increased withdrawals—especially from Shasta—could reduce cold-water flows needed to protect endangered Chinook salmon in the Sacramento River later in the season.

Despite these near-term gains, California's broader water picture remains mixed and highly dependent on volatile climate patterns. Lake Oroville and other major reservoirs are currently near or above historical averages, but the state's unusually low snowpack raises concerns that supplies will not be fully replenished through summer melt, increasing risk for late-season shortages. At the same time, groundwater sustainability remains a growing issue, with state agencies highlighting continued overdraft in some basins and calls for improved metering and data transparency. Meanwhile, climate forecasts show a high likelihood of a developing El Niño, which could bring either beneficial rainfall or damaging extreme precipitation, adding further uncertainty to water planning across the state's urban and agricultural systems.

b. Increased focus on desalination and reuse technologies

Southern California water agencies are increasingly turning to water reuse, recycling, and desalination as core drought-response strategies, reflecting a broader shift away from reliance on imported water supplies. According to recent reporting, agencies across the region are accelerating investment in advanced treatment projects that convert wastewater into potable and non-potable supplies, including large-scale "toilet-to-tap" systems and groundwater recharge projects designed to create more drought-resilient local supplies. At the same time, desalination of seawater and brackish sources is gaining renewed attention as a complementary tool, particularly as imported Colorado River and State Water Project supplies become more variable and constrained. Together, these investments reflect a structural pivot toward diversified, locally controlled water portfolios that aim to stabilize supplies in the face of aridification and weather-driven uncertainty.

c. Solar over canals

California recently completed a pilot project in the Central Valley that places solar panels directly over irrigation canals to test whether the concept can simultaneously conserve water and generate renewable energy. Researchers will evaluate whether the canal-top solar arrays reduce evaporation, improve water quality, lower maintenance costs, and enhance the resilience of water infrastructure in drought-prone agricultural regions. Previous studies suggest that if deployed more broadly across California's canal network, the technology could conserve as much as 63 billion gallons of water annually while generating significant renewable energy without taking farmland out of production. The project is being closely watched as a potential example of the kind of innovative, multi-benefit infrastructure solutions needed to address growing water and energy challenges in the West. Oregon has also developing floating solar projects. [Oregon's first-ever floating solar project installed in Jackson County | Your Oregon News](#)

d. Subsidence in the San Joaquin Valley

This entire article is worth the read: <https://andthewest.stanford.edu/2026/in-search-of-water-farmers-undermined-the-san-joaquin-valley-can-collective-effort-raise-their-fields-canals-and-prospects/>

37. Columbia, Snake and Yakima River Basins (ID/OR/MT/WA)

a. Idaho farmers relying on groundwater reach agreement to keep pumping

The Idaho Surface Water Coalition announced significant irrigation curtailments for the upcoming season, reflecting one of the worst water outlooks on record as low snowpack and reduced runoff leave water supplies well below demand across the Snake River Basin. Water managers and irrigation districts warned that junior water users will face substantial cutbacks in deliveries to protect senior water rights and meet minimum flow requirements, a move that is expected to hit farms and ranches hardest during peak irrigation season. Officials pointed to persistent drought conditions, historically poor reservoir recharge, and ongoing groundwater–surface water imbalances as key drivers of the shortage. While some short-term mitigation tools and prior agreements have helped avoid even more severe shutoffs in recent years, this year’s hydrology is pushing the system back into crisis territory, raising concerns about crop losses and long-term reliability for Idaho agriculture.

b. Klamath Irrigation water use reduction programs

Interest in Klamath Basin irrigation reduction programs is strong as farmers respond to continued water scarcity and regulatory pressure following recent drought and operational constraints. The “no-irrigation” and “low-irrigation” programs, designed to compensate producers for voluntarily reducing or eliminating water use, are seeing significant enrollment as growers weigh economic tradeoffs against uncertain and limited water supplies. These programs are part of broader efforts to stabilize the basin by reducing demand on an already stressed system while providing financial relief to agricultural producers facing repeated water shortages and curtailments.

c. Yakima hydrology improves, somewhat

The U.S. Bureau of Reclamation’s June 2026 forecast for the Yakima Basin indicates continued water supply shortfalls driven primarily by low snowpack and reduced natural runoff, despite relatively strong reservoir storage levels heading into the irrigation season. Senior water rights are expected to receive full (100%) allocations, but junior water users are constrained to 52% of their normal entitlements, reflecting a basin-wide effort to balance limited supplies across competing demands. Reservoir storage has been above average, but snow water equivalent remains significantly below normal, meaning natural inflows from snowmelt will not be sufficient to meet total irrigation demand during the April–September period.

38. Colorado River Basin (AZ/CA/CO/NV/NM/UT/WY)

a. Arizona groundwater woes continue

Arizona's efforts to address groundwater shortages in the rapidly growing Phoenix region continue to face significant legal challenges. In the second major ruling against the Arizona Department of Water Resources (ADWR) in just two months, a Maricopa County judge struck down a state program that would have allowed new development to proceed if a portion of groundwater use was offset with alternative supplies. The decision follows an earlier ruling overturning ADWR's restrictions on new groundwater-dependent housing developments. In both cases, the court found

that the agency exceeded the authority granted to it under Arizona's 1980 Groundwater Management Act. The rulings create additional uncertainty around Arizona's groundwater management strategy and highlight the growing tension between water supply limitations, rapid population growth, and the legal frameworks states are using to address long-term aquifer sustainability.

b. Reclamation made money available to CO River District for Shoshone water rights

In a major victory for Western Colorado water users, the Trump administration released \$40 million in previously delayed federal funding to support the Colorado River District's landmark effort to secure the historic Shoshone water rights on the Colorado River. The funding brings the project to within approximately \$2 million of its \$99 million acquisition cost. The project, widely viewed as one of the most important long-term water security efforts in the basin, will preserve critical in-stream flows that support agriculture, recreation, endangered fish habitat, water quality, and municipal reliability across both the Western Slope and Front Range. By acquiring the senior water rights tied to the Shoshone Power Plant and ensuring they remain permanently connected to river flows, the Colorado River District and its broad coalition of partners are helping provide long-term certainty and stability for Colorado River operations while preventing future risks associated with ownership changes or retirement of the aging hydropower facility.

c. Colorado's Northern Water's storage project still hitting speedbumps

Northern Water's proposed Northern Integrated Supply Project (NISP) continues to move forward, but not without significant challenges. In recent months, several participating communities have withdrawn from the project due to rising costs, prompting Northern Water to scale back portions of the original plan, including delaying construction of the Galeton Reservoir component and reducing the overall project footprint. At the same time, other communities remain committed, and the utility is exploring new partnerships, including potential participation by the City of Fort Collins. Despite the setbacks, Northern Water has succeeded in keeping the core project alive and preserving momentum on what remains one of the largest new water storage and supply projects under development in the West. The situation serves as a continual reminder of both the growing need for new water infrastructure and the increasing financial, regulatory, and political hurdles facing major water projects nationwide.

39. Rio Grande Basin (CO/NM/TX)

a. New Mexico's Drought Emergency Declaration

New Mexico Governor Michelle Lujan Grisham recently issued Executive Order 2026-026 declaring statewide drought and severe fire conditions amid historically low snowpack, record-low runoff, and worsening wildfire risk across the state. The order directs state agencies to coordinate drought response efforts, urges local governments to implement water conservation measures and firework bans, and expands public access to drought monitoring and preparedness information through a new statewide drought portal. The action reflects growing concern throughout the Southwest over deteriorating hydrologic conditions, declining river flows, and the increasing need for coordinated drought resilience planning at both the state and local level.

b. Texas Senator Cornyn introduced legislation to protect South Texas Farmers

U.S. Senator John Cornyn (R-TX) has introduced the Water Assurance and Treaty Enforcement for the Rio Grande Farmers Act (WATER for Farmers Act) to address ongoing water shortages tied to Mexico's under-delivery under the 1944 Rio Grande water treaty. The bill would strengthen enforcement by authorizing U.S. tariffs or other penalties on Mexican goods if treaty obligations are not met, and would use resulting revenues to compensate U.S. farmers and ranchers harmed by reduced water deliveries. Supporters argue that repeated shortfalls have created significant economic instability for South Texas agriculture, making it difficult for producers to plan planting, irrigation, and livestock operations. The proposal also expands federal reporting and diplomatic pressure mechanisms, requiring regular assessments of Mexico's compliance and enabling escalation if deliveries remain insufficient. Cornyn and other supporters frame the measure as a way to ensure predictable water supplies for agriculture, stabilize rural economies, and reinforce accountability under long-standing international water-sharing agreements that allocate Rio Grande flows between the two countries

c. US Supreme Court approves settlement in TX v. NM

After nearly two decades of litigation, the U.S. Supreme Court formally brought the long-running Texas v. New Mexico Rio Grande dispute to a close on May 26, 2026 by entering the final decree and discharging the Special Master. The case, which began with predecessor Federal Court litigation in 2005–2006, a settlement there that led to another predecessor case in Federal Court in 2011, and ultimately consumed hundreds of millions of dollars and years of legal and political conflict, underscores both the importance and limitations of water litigation in the modern West. While the settlement largely preserves existing water operations and avoided major losses for New Mexico irrigation interests despite years of trying by the State of Texas, the underlying challenges of drought and water scarcity remain unresolved — particularly in a year where there is simply very little water in the Rio Grande system to allocate regardless of legal outcomes. The case serves as a powerful reminder for other basins, including the Colorado River, that prolonged legal battles alone cannot create new water supplies or replace the need for long-term infrastructure, management, and drought resilience solutions.

MISCELLANEOUS

- A controversy is emerging around the planned closure of the USDA's bee research lab at the Beltsville Agricultural Research Center in Maryland. The facility has long served as a key national resource for diagnosing honeybee diseases and supporting pollinator health research, particularly as U.S. beekeepers face record colony losses tied to mites, viruses, pesticides, and climate stress. Researchers and beekeepers warn that shutting down the lab could weaken the nation's ability to respond to future pollinator crises, with potential impacts on crop production and food security given the critical role bees play in agricultural pollination. The closure is part of a broader USDA restructuring and cost-cutting effort that has drawn concern from agricultural stakeholders and research groups.
- House Agriculture Chairman G. T. Thompson is circulating draft legislation that would significantly expand access to the H-2A agricultural guest worker program in response to ongoing farm labor shortages. A key provision would broaden the definition of

“temporary” agricultural work to include contracts under 350 days, even for year-round operations such as dairies — a major priority for agricultural producers. Supporters argue the proposal would provide farmers with a more stable and legal workforce amid tightening immigration policies and persistent labor challenges across the agricultural sector.

- Federal officials are increasing efforts to address growing conflicts between Wyoming sheep producers and golden eagles after reports of significant lamb losses on western rangelands. Following direction from both the U.S. Departments of Agriculture and Interior, wildlife officials are now focusing on capturing and relocating golden eagles away from active lambing areas in an effort to reduce predation pressure while longer-term nonlethal deterrent research continues. The issue highlights the ongoing challenges of balancing wildlife conservation with agricultural production across the West, particularly as ranchers and land managers continue navigating predator-related losses on working landscapes.
- Check out this blog on oxygen in streams during wildfire: [As Wildfires Burn, Rainfall Can Strip Oxygen From Rivers, Killing Fish | U.S. Geological Survey](#)
- This is an interesting article about the use of glyphosate by the Federal Government: [Federal government set to spray 'devastating' herbicide in Tahoe Basin](#)
- The livestock industry is closely monitoring the first confirmed U.S. cases of New World Screwworm (NWS), which USDA has now identified in a dog from Lea County, New Mexico, and a goat in Gillespie County, Texas. While the pest poses a serious threat to livestock, wildlife, pets, and occasionally humans, industry experts emphasize that the outbreak is expected to be a localized animal health challenge rather than a broader cattle market or food supply issue. NWS does not affect meat safety, is not expected to significantly impact beef production, and should have limited effects on national cattle markets. USDA and state agencies have launched surveillance, fly trapping, outreach efforts, and are preparing sterile insect releases if necessary to contain the pest. Ranchers are encouraged to inspect animals regularly for wounds, maggots, or unusual lesions and report suspected cases immediately.

ADMINISTRATIVE

- Last month the Alliance was busy on the Hill. We not only testified before Congress for the second time in just over 4 months, we also gave a staff briefing to staff for the members of the Congressional Western Caucus. Thanks to the Alliance Advisory Committee Members who joined us for that briefing and made it such a success! I also attended the Getches-Wilkinson Annual Conference on the CO River where I spoke about strategic planning for resolving the West’s water woes, rather than solely fallowing.
- This coming month I’ll be on the road again – a lot. I’m taking a week long trip through Colorado’s West Slope to meet with members. I’ll also be completing the planning for the Board’s upcoming Summer Retreat and America 250 Celebrations.

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 if you have specific questions or would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.