

A. Receive and File Federal Legislative Update from The Ferguson Group

Agenda Item: 6A

April 22, 2025

TO: THE COMMUNITY AND GOVERNMENT AFFAIRS COMMITTEE

Director Laura Roughton

Director Fauzia Rizvi

FROM: Sarah Macdonald, Assistant General Manager

RECEIVE AND FILE FEDERAL LEGISLATIVE UPDATE FROM THE FERGUSON GROUP

Western Municipal Water District Federal Affairs Report – April 2025

President’s FY 2026 “Skinny” Budget Request Expected in April

With the federal government now funded for FY 2025 through a year-long continuing resolution (CR), House Appropriations Chair Tom Cole (R-OK) met last week with White House budget director Russ Vought and Senate Appropriations Chair Sen. Susan Collins (R-ME) to discuss the president’s FY 2026 budget request. Cole expects a “skinny budget” like the Trump Administration’s 2017 outline to be released by late April. He emphasized the importance of receiving the outline soon to help appropriators proceed with FY 2026 spending bills and align on budget topline, aiming to expedite the committee process and provide leadership with options for floor consideration.

House GOP Attempts to Take Up Senate Passed Budget Resolution Before Easter Break

House Republicans will attempt to unify around a budget resolution passed by the Senate. House Speaker Mike Johnson’s (R-LA) plan is to take up the Senate resolution, which includes tax cuts, energy, and national security provisions, and get House approval before lawmakers leave for a two-week April recess. Speaker Johnson and President Trump are working to rally support among the slim GOP majority amid conservative pushback over limited spending cuts and other concerns with the Senate resolution.

The Senate’s version of the budget, adopted 51-48, includes provisions to raise the debt ceiling by \$5 trillion and potentially advance the REINS Act, which would require congressional approval of major federal regulations. However, the Senate blueprint proposes significantly fewer spending cuts than the House’s earlier plan, prompting resistance from some House Republicans who want deeper reductions, especially in safety net programs and clean energy tax credits.

During the Senate vote, Democratic senators forced dozens of amendment votes highlighting Republican goals to cut health care, energy, agriculture, and disaster relief programs. Some Republicans joined Democrats in opposing the resolution or supporting amendments to soften its impact, reflecting divisions within the GOP.

Failure to pass the Senate resolution in the House would be a major blow to Republican hopes of using the budget reconciliation process (simple majority vote in the Senate bypassing a filibuster) to advance President Trump’s policy agenda, including extending his tax cuts and adopting his new border policies without Democratic support.

U.S. Denies Special Colorado River Water Delivery to Tijuana Mexico

On March 20, 2025, the U.S. denied Mexico’s request for a special Colorado River water delivery to Tijuana, marking a first under the 1944 Water Treaty. The treaty mandates annual water exchanges between the two countries, but drought conditions in northern Mexico have led to significant shortfalls in its obligations, particularly affecting U.S. farmers in the Rio Grande Valley. With only 550,000 acre-feet delivered out of 1.75 million due by October 2025, tensions are rising. The unprecedented denial reflects the Trump Administration’s tougher stance on treaty compliance and adds strain to already fragile U.S.-Mexico relations. Mexico has not yet responded.

Senate ENR Approves Bipartisan Mining, Water Bills

The Senate Energy and Natural Resources (ENR) Committee has marked up several bills, including a bipartisan water measure to renew the *Colorado River Basin System Conservation Program* ([S. 154](#)). Sponsored by Senators John Hickenlooper (D-CO), Michael Bennet (D-CO), John Barrasso (R-WY), Cynthia Lummis (R-WY), and John Curtis

(R-UT), the bill would extend a \$125 million initiative to reduce water use in the Upper Colorado River Basin states: Colorado, New Mexico, Utah, and Wyoming.

The original program expired in 2023, and supporters say renewal is urgent amid ongoing drought and water shortages in the West. A similar version of the bill passed the Senate unanimously last year but stalled in the House. The House Natural Resources Committee advanced a companion bill, [H.R. 231](#), in February, boosting its chances this session.

House Subcommittees Hold Member Day Hearings on FY 2026 Energy/Water and Interior/Environment Spending Bills

House Energy and Water Development Appropriations Subcommittee began outlining their FY 2026 spending priorities for the Department of Energy, the Army Corps of Engineers, and the Bureau of Reclamation at a "member day" hearing last week. This marks the start of the appropriations process as Congress awaits a delayed President Trump's FY 2026 budget request.

Led by Subcommittee Chair Chuck Fleischmann (R-TN), the hearing gave members a platform to advocate for energy and water infrastructure funding. Democrats, led by Ranking Member Marcy Kaptur (D-OH), called for increased support for clean energy programs, while Republicans continued efforts to cut such funding. Water infrastructure programs received bipartisan support. House appropriations markups are anticipated to begin in late April when Congress expects to receive a "skinny" FY 2026 budget request from the Administration.

Earlier this month, the House Interior-Environment Appropriations Subcommittee held their "member day" hearing to begin discussions on FY 2026 funding for the EPA and the Department of the Interior. This comes as the Trump Administration seeks to cut EPA funding significantly and shift Interior's energy focus toward fossil fuel development. Republicans, led by Subcommittee Chair Mike Simpson (R-ID), largely support these cuts, while Democrats, including Rep. Chellie Pingree (D-ME), are expected to push for increased funding for environmental and renewable energy programs.

WOTUS Notice: "The Final Response to SCOTUS"

On March 12, 2025, the agencies announced a [Federal Register notice](#) publicizing a series of six listening sessions and a 30-day recommendations docket to solicit feedback on key aspects of the definition of "waters of the United States." The six listening sessions will be held in-person with a virtual option for States, Tribes, industry and agricultural stakeholders, environmental and conservation stakeholders, and the general public. The agencies are committed to obtaining targeted input from a full spectrum of co-regulators and stakeholders on key topic areas related to the definition of "waters of the United States" in light of *Sackett v. Environmental Protection Agency*, regarding "continuous surface connection," "relatively permanent," and jurisdictional versus non-jurisdictional ditches. The agencies also seek input on implementation challenges related to those key topic areas. This webpage will be updated with information about the upcoming listening sessions.

- [WOTUS Notice: The Final Response to SCOTUS \(pdf\)](#) (279.29 KB)
- [Submit written recommendations to Docket ID No. EPA-HQ-OW-2025-0093](#)
- Register for the listening sessions
 - [Listening Session for States](#): April 29, 2025, from 9:30 a.m. - 12:00 p.m. (Virtual and at EPA Headquarters in Washington, D.C.)
 - [Listening Session for Tribes](#): April 30, 2025, from 1:00 - 3:30 p.m. (Virtual)
 - [Listening Session for Industry and Agricultural Stakeholders](#): May 1, 2025, from 9:30 a.m. - 12:00 p.m. (Virtual and at EPA Headquarters in Washington, D.C.)
 - [Listening Session for Environmental and Conservation Stakeholders](#): May 1, 2025, from 1:00 - 3:30 p.m. (Virtual and at EPA Headquarters in Washington, D.C.)
 - Listening Sessions for the Public: To be Announced

Trump Pulls UN Nomination to Preserve GOP House Majority

President Trump has withdrawn Rep. Elise Stefanik's (R-NY) nomination to be U.S. Ambassador to the United Nations, citing concerns about maintaining the GOP's narrow House majority. Rep. Stefanik, who has continued

serving in the House while awaiting Senate confirmation, has been crucial for Speaker Mike Johnson (R-LA) in passing key legislation, including bills to prevent a government shutdown and advance Trump's policy agenda. With Republicans holding a slim 218-213 majority and four current vacancies, the party can't afford to lose Stefanik's vote. Two special elections in Florida will soon decide replacements for former Reps. Michael Waltz and Matt Gaetz—Waltz now serves as Trump's national security adviser, while Gaetz withdrew from consideration for Attorney General due to misconduct allegations.

Senate Confirms Nominee for Deputy OMB Director

The Senate last week confirmed former Rep. Dan Bishop (R-NC) as the White House Office of Management and Budget's (OMB) Deputy Budget Director in a 53-45 party-line vote, with all Democrats opposing him. Bishop, known for his hardline conservative views on fiscal policy, now serves under Russ Vought, Director of OMB.

During his confirmation hearings, Bishop expressed support for President Trump's plan to withhold congressionally approved funds, a move critics argue violates the Impoundment Control Act of 1974. However, Bishop and Vought claim the statute is unconstitutional.

Bishop's appointment comes as the OMB and Republican-controlled Congress are working to shrink federal agencies, temporarily freeze grants and loans, and cancel projects that conflict with their agenda, including those related to energy and climate initiatives of the previous Administration.

Senate Committees Panels Approve Trump Energy, Environment Nominees

Senate committees moved quickly to confirm President Donald Trump's energy and environment nominees ahead of the Easter recess. The Environment and Public Works (EPW) Committee voted to approve the nominations of Brian Nesvik for Fish and Wildlife Service director and two EPA nominees, Jessica Kramer (Office of Water) and Sean Donahue (General Counsel). Both Kramer and Nesvik faced little resistance in their confirmation hearings (see below).

The Energy and Natural Resources (ENR) Committee approved the nomination of Katharine MacGregor for Deputy Secretary of the Interior and James Danly for Deputy Energy Secretary, both expected to win confirmation with a Senate vote later this month. ENR held a confirmation hearing for Bureau of Land Management (BLM) nominee Kathleen Sgamma, who is a fossil fuel advocate whose nomination has sparked controversy. Democrats planned to challenge her views on oil and gas development, transparency over her industry ties, and her potential plans to relocate BLM headquarters.

Nominee for Director of the Fish and Wildlife Service Has Friendly Confirmation Hearing

Brian Nesvik appears poised to become the next Fish and Wildlife Service (FWS) director after a smooth Senate Environment and Public Works (EPW) Committee hearing. Nesvik, a Wyoming native with extensive experience in wildlife management and a retired Army National Guard brigadier general, received strong praise from Republicans and minimal pushback from Democrats on the Committee.

Nesvik highlighted his work on wildlife migration corridors, combating invasive species, and recovering endangered species in Wyoming. He emphasized his commitment to improving efficiencies in Endangered Species Act (ESA) consultations and prioritizing national wildlife refuges.

Despite opposition from environmental groups like the Center for Biological Diversity and the Sierra Club, Democrats largely focused their attention on EPA nominees at the hearing rather than actively challenging Nesvik's nomination.

EPA Office of Water Nominee to Focus on WOTUS, Wetlands, and PFAS Regulations

Jessica Kramer, nominee for the EPA Assistant Administrator for the Office of Water testified at her confirmation hearing last week that the agency's upcoming "waters of the U.S." (WOTUS) rulemaking aims to clarify ambiguous terms from the Supreme Court's 2023 *Sackett v. EPA* decision, which narrowed federal wetlands protections. Kramer said the effort will focus on defining what it means for wetlands to be "relatively permanent" and have a "continuous surface connection" to navigable waters.

Kramer, who previously worked at EPA and led Florida's regulatory program, also discussed the agency's plans to address PFAS contamination, acknowledging that defining success with PFAS is challenging. She expressed support for a "polluter pays model" but was not questioned about her views on existing drinking water rules.

Despite opposition from some Democrats, Kramer's nomination received praise from Republicans and is expected to proceed smoothly in Committee and beyond.

Toxicology Group Asks EPA to Reconsider Strict PFAS Risk Levels

The International Society of Regulatory Toxicology and Pharmacology (ISRTP), led by former Trump 45 EPA toxics nominee Michael Dourson, is urging EPA Administrator Lee Zeldin to reconsider the strict risk levels used to regulate PFAS in drinking water. ISRTP argues that the EPA's limits are overly restrictive compared to international standards and plans to file a legal brief supporting industry groups challenging the rule.

The group recommends the agency convene an expert panel to reassess PFAS regulations, particularly for PFOA and PFOS, and suggests reverting to an older advisory level of 70 ppt. The Trump Administration has paused the legal challenge to review the rule, with a court decision expected after April 8. Critics, including environmental groups, warn that ISRTP's stance reflects industry bias.

California Farmers' Drainage Lawsuit Rejected

A federal appeals court rejected a 14-year-old lawsuit from California farmers seeking compensation for cropland damage caused by the government's failure to provide congressionally promised irrigation drainage in the Westlands Water District. Westlands was not a party in the case but has been involved in related legal battles and settlement negotiations in the past.

The U.S. Court of Appeals for the Federal Circuit ruled unanimously that the farmers waited too long to file their case, missing the six-year statute of limitations that began in 2005.

The drainage system, intended to remove salty groundwater, was authorized by Congress in 1960 but halted in 1986 due to environmental and economic concerns. The ongoing drainage issue has been the subject of litigation for decades, with estimates of construction costs exceeding \$3.5 billion. The appellate panel concluded that the farmers were aware of the drainage problem for years, disqualifying their claims.

As always, it is a pleasure serving the Western Municipal Water District. If this report brings rise to any questions, please contact Mark Limbaugh at (202) 286-8887 or Christopher Kearney at (202) 549-1583.