



Western States Water

Addressing Water Needs and Strategies for a Sustainable Future

682 East Vine Street / Suite 7 / Murray, UT 84107 / (801) 685-2555 / Fax 685-2559 / www.westernstateswater.org

Chairman - Jerry Rigby; Executive Director - Tony Willardson; Editor - Michelle Bushman; Subscriptions - Julie Groat

ADMINISTRATION/WATER RESOURCES FY2018 Budget Request

On May 23, President Donald Trump submitted his proposed FY2018 budget to Congress. The President requests \$17.9B for the Department of Agriculture (USDA), a \$4.7B, 21% decrease from the 2017 annualized continuing resolution (2017CR); \$5B for the Army Corps of Engineers (Corps), a \$1B, 16% decrease from the 2017CR; \$11.6B for the Department of the Interior (DOI), a \$1.5B, 12% decrease; \$5.7B for the Environmental Protection Agency (EPA), a \$2.6B, 31% decrease; and \$19.1B for the National Aeronautics and Space Administration (NASA), a \$200,000, 0.8% decrease.

The proposed budget cuts emphasize the importance of regulatory reforms and private sector funding to help improve the economy. The President declared, "As this Budget returns us to economic prosperity, it will also allow us to fund additional priorities, including infrastructure.... We must eliminate every outdated, unnecessary, or ineffective Federal regulation, and move aggressively to build regulatory frameworks that stimulate – rather than stagnate – job creation. Even for those regulations we must leave in place, we must strike every provision that is counterproductive, ineffective, or outdated...."

He added, "everyone believes in and supports safe food supplies and clean air and water. But the agencies of the Federal Government have gone way beyond what was originally intended by the Congress. The hallmark feature of these regulations has been a mind-numbing complexity that minimizes the understanding of what constitutes compliance, and maximizes the opportunity for arbitrary and ad hoc bureaucratic decision-making, often through vehicles that may not be a legitimate substitute for notice-and-comment rulemaking, such as guidance and interpretive documents." See <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>

Environmental Protection Agency

The EPA budget for water resources requests \$2.8B, focusing on core water programs authorized by statute. Water structure investments include \$2.3B for

the State Revolving Funds (SRFs) – an increase of \$2.6M for Clean Water SRFs (\$1.39B) and \$1.6M for Drinking Water SRFs (\$863M) – and maintains \$20M for the Water Infrastructure Finance and Innovation Act (WIFIA) program. The budget reduces funding for categorical grants to support state and tribal implementation of the Clean Water Act by \$481M, and non-SRF State and Tribal Assistance Grants (STAG) by \$200M.

Bureau of Reclamation

The budget request for the Department of the Interior's Bureau of Reclamation (Reclamation) is \$1.097B, in line with the Administration's goals of secure water supplies and fulfilling commitments to tribal nations. Secretary of the Interior Ryan Zinke said, "Being from the West, I've seen how years of bloated bureaucracy and D.C.-centric policies hurt our rural communities. The President's budget saves taxpayers by focusing program spending, shrinking bureaucracy, and empowering the front lines." Reclamation is the nation's largest wholesale water supplier and second-largest hydropower producer. Its projects and programs are an important economic driver in the West.

"President Trump's budget for Reclamation shows his strong commitment to our mission of managing water and producing hydropower in the West," Acting Commissioner Alan Mikkelsen said. "Reclamation's infrastructure needs are also a high in priority to keep dams safe for the public they serve."

The request for the Water and Related Resources account is \$960M for: Water and Energy Management and Development (\$313.7M); Land Management and Development (\$44.2M); Fish and Wildlife Management and Development (\$153.M); Facility Operations (\$296M); and Facility Maintenance and Rehabilitation (\$153.2M). It emphasizes Reclamation's core mission and assisting states, tribes and local entities in solving water resource issues. The budget supports water rights settlements to ensure sufficient resources to address the requirements of legislation passed by Congress.

Reclamation requests \$151.3M to help meet Interior's tribal trust and treaty obligations. Indian water rights settlements are among the highest priorities. The request includes \$98.6M for authorized settlements, including the

Claims Resolution Act of 2010, the Omnibus Public Land Management Act of 2009 and the newly enacted Water Infrastructure Improvements for the Nation Act of 2016. There is \$67.8M for the Navajo-Gallup Water Supply Project, \$12.8M for the Crow Tribe Water Rights Settlement, \$8M for the Aamodt Litigation Settlement, and \$10M for the Blackfoot Water Rights Settlement (as the first installment towards meeting required contribution of \$246.5M by 2025). In addition, these settlements will use available mandatory funding to continue project activities. In FY2018, the discretionary funds are requested within Water and Related Resources, as opposed to a separate appropriations account as requested in prior years.

Separate funding is also included for a number of projects that serve tribal communities, including the Mni Wiconi Project (\$13.5M), the Nez Perce Settlement and Columbia and Snake River Salmon Recovery Project (\$7.1M), the San Carlos Apache Tribe Water Settlement Act (\$1.6M) and the Ak Chin Indian Water Rights Settlement Act (\$16.2M).

The FY2018 request emphasizes preventing and combating the infestation of invasive quagga and zebra mussels across Reclamation states, impacting water and power project operations, disrupting the ecological balance, and threatening native species. This work will be pursued in close cooperation with the Western Governors' Association, and includes a focus on working with states and tribes to keep invasive mussels out of the Columbia River Basin in the Pacific Northwest. This includes research to develop improved methods for monitoring, detection and control of invasive mussels that continue to spread in the West, infesting Reclamation dams, power plants, and facilities of other water providers.

The FY18 budget request also includes: (1) \$41M for the Central Valley Project Restoration Fund offset by discretionary receipts, with \$2M in fees collected from Friant Division water users deposited in the San Joaquin Restoration Fund; (2) \$88.1M for the Safety of Dams Evaluation and Modification Program, including preconstruction and construction activities for several ongoing and planned modifications; (3) \$2.9M for desalination research for new and continued projects and programs, including produced waters from oil and gas extraction activities; (4) \$11.1M for continued science and technology projects, dissemination and outreach, and prize competitions in water management, hydropower generation, infrastructure management and environmental compliance; and (5) \$26.2M for ongoing physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities and security risk assessments.

Of note, the President's proposed budget for the WaterSMART program Sustain and Manage America's Resources for Tomorrow – is \$59.1M to assist

communities in optimizing the use of water supplies by improving water management. This includes: \$23.4M for Water SMART grants; \$5.2M for Basin Studies; \$21.5M for the Title XVI Water Reclamation and Reuse Program; \$4M for the Water Conservation Field Service program; \$1.75M for the Cooperative Watershed Management program; and \$3.25M for the Drought Response program. For the entire request, see <https://www.usbr.gov/budget>.

U.S. Geological Survey

The budget requests \$922M for the U.S. Geological Survey (USGS), a decrease of \$137M from 2017CR. The USGS priorities for FY2018 include developing the Landsat 9 ground system, tackling water challenges, and producing high resolution geospatial data. The budget includes a 16% reduction in workforce, and a reduction in water resources spending from \$210M to \$173M, through the elimination or reduction of several programs.

The Water Use Data and Research (WUDR) program would be eliminated, ending cooperative agreements with States to improve the availability, quality, compatibility, and delivery of water use data collected or estimated by States to manage long-term water supplies. The budget would eliminate collaborative State-Local-Federal Focus Area Studies, such as the Upper Rio Grande and Red River, which provide precipitation data, water models, and other decision-support tools to improve water resource management. The National Groundwater Monitoring Network would be reduced by \$1.7M, affecting cooperative agreements with States, the data portal, and support for the network of 130 groundwater wells in 20 states that monitor the effects of droughts and other factors on groundwater levels. Support for activities relating the National Streamgage Monitoring Network would also be reduced by \$742,000. The proposed budget would eliminate the Water Resources Research Act program, ending USGS involvement in coordination and administrative support for all grants to Water Resources Research Institutes.

Department of Agriculture

The USDA budget request fully funds wildfire preparedness and suppression activities at \$2.4B. It eliminates the \$498M CR2017 water and wastewater loan and grant program, considered "duplicative" of EPA's State Revolving Funds and other federal programs or private sector financing investing in rural water infrastructure. The Natural Resource Conservation Service would be reduced from \$4.4B to \$3.9B, continuing to provide technical assistance to develop conservation plans for farm sustainability, but with efforts to increase the private sector role. The budget would maintain Soil and Snow Surveys, but would eliminate funding for the Watershed Rehabilitation, Water Bank, and Emergency Watershed Protection Programs. It would reduce funding for the Environmental Quality Incentives Program from \$1.5B to \$1.4B.

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