



# Western States Water

## Addressing Water Needs and Strategies for a Sustainable Future

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### **ADMINISTRATION UPDATE**

#### **FY 2011 Budget Request**

On February 1, President Obama sent his \$3.8T FY 2011 budget request to Congress. "We have gone through every department's spending line by line, item by item, looking for inefficiency, duplication, and programs that have outlived their usefulness," he said. "Like any business, we're also looking for ways to get more bang for our buck, by promoting innovation and cutting red tape." The budget would reduce or eliminate over 120 programs for \$20B in savings, and would impose a three-year freeze in non-security discretionary government spending to save \$250B over ten years.

Under the budget, the U.S. Department of Agriculture would receive \$26B. Of this amount, the National Resources Conservation Service (NRCS) would receive \$2.7B, a \$648M increase, while the U.S. Forest Service's budget would drop to \$757M, a \$117M decrease. Of note, funding for NRCS' snow survey and water forecasting efforts would remain flat at \$11M. The Council supports increased spending for upgrading snow courses and expanding automated SNOTEL sites.

The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) would receive \$5.6B under the proposed budget, an increase of \$806M over the FY 2010 enacted level. Notable water-related funding for NOAA would include \$902M for the National Weather Service; \$10M for regional and national climate change assessments; and \$908M for the National Marine Fisheries Service.

The U.S. Army Corps of Engineers budget would drop down to \$4.9B, representing a \$565M cut from FY 2010 enacted levels. Under this request, Civil Works would receive a total of \$4B, of which \$2.4B would go to operation and maintenance and \$1.7B would go to construction, representing respective cuts of \$39M and \$339M. However, funding for the Corps' regulatory program would increase by \$3M for a total of \$193M.

Similarly, the President's request would cut funding for the Environmental Protection Agency by \$300M for a total allotment of \$10B. Funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) would also fall to \$2B and \$1.3B each. Although these figures represent a \$200M decrease from FY 2010

levels, they are still more than double the amount the programs received in FY 2009. EPA's budget also requests \$1.3B to support eligible states and tribes in the implementation of environmental programs, including a \$45M increase for state water pollution control grants.

The Department of Interior has requested \$12.2B in funding for FY 2011, a 0.3% decrease from 2010 levels. Within Interior, the Bureau of Reclamation would see funding decrease slightly by about \$23M to \$1.1B. Of this amount, \$489.9M would go to water, energy, and other resource management and development activities; \$423.7M would fund operation, maintenance and rehabilitation activities at Reclamation facilities, including dam safety; \$62M would be Reclamation's share of the WaterSMART Program (encompassing \$27M for grants, \$6M for basin studies, and \$29M for Title XVI projects); and \$11.5M in science and technology funding to support the establishment of Interior's Climate Science Centers.

Reclamation's budget also seeks funding for a number of projects in California, including \$171.7M for the Central Valley Project; \$40M for the California Bay-Delta Program; and \$49.9M for the Central Valley Project Restoration Fund. Funding for other programs of note includes \$25.1M for the Middle Rio Grande Project in New Mexico; \$22.5M for the Klamath Project in California and Oregon; and \$62M for ongoing construction on seven rural water projects in North Dakota, South Dakota, Montana, and New Mexico. Separately, the Central Utah Project request is \$43M, which includes \$2.5M for mitigation and conservation.

With respect to tribal projects, Reclamation is seeking \$12.5M for the Animas La Plata Project in Colorado and New Mexico; \$10M for the Navajo-Gallup Water Supply Project in New Mexico and Arizona; and \$4M for the Soboba Water Rights Settlement Project in California. Another \$7.4M would go to Reclamation's Native American Affairs Program, which provides technical support for Indian water rights settlements and helps tribes protect, manage, and develop water and related resources. The Bureau of Indian Affairs would also receive \$46.5M for Indian land and water settlements under Interior's budget request.

Of note, estimated FY 2011 appropriations from the Reclamation Fund would total \$867M. Total estimated Fund receipts are \$1.892B. The bulk of the receipts is

from mineral leasing revenues from federal lands. Estimated Fund receipts for FY 2010 total \$1.6B and expenditures \$948M. Actual Fund receipts for FY 2009 were \$1.822B, and expenditures were \$1.869B (with Reclamation's Water and Related Resources Account receiving \$1.6B - presumably due to Stimulus spending - which is nearly twice the \$806M request for FY 2011). The estimated unobligated balance at the end of FY 2011 is \$10.312B, compared to \$9.638B in FY 2009.

The U.S. Geological Survey (USGS) is requesting \$1.1B, an increase of \$21.6M. Land Remote Sensing would be funded at \$75.9M, including an increase of \$13.4M to accommodate new ground system requirements for the Landsat Data Continuity Mission. Another \$9M in new funding would go towards the Water Use and Availability Assessment, now part of the WaterSMART program. National Streamflow Information Program (NSIP) funding would decrease by \$578,000 to \$27M, while Cooperative Water Program (CWP) funding would fall \$1.9M to \$63.6M. The WSWC strongly supports full funding of the NSIP and the restoration of the CWP to a 50/50% match.

The Fish and Wildlife Services' FY 2011 budget request is \$1.6B, a decrease of \$5M from the 2010 enacted level. Funding for the Cooperative Endangered Species Conservation Fund would remain at \$85M, while funding for the Multinational Species Conservation Fund would decrease by \$1.5M to \$10M. In contrast, funding for the Bureau of Land Management (BLM) would jump \$8.0M to \$1.1B, which includes \$17.5M for Interior's Climate Change Adaptation Initiative.

### **CONGRESSIONAL UPDATE**

#### **SECURE Water Act/WaterSMART**

On February 9, the Senate Energy and Natural Resources Committee will hold a hearing on Reclamation's implementation of the SECURE Water Act (P.L. 111-11, Title 9501). Chairman Jeff Bingaman has said the oversight hearing will also address Reclamation's Water Conservation Initiative, including the Challenge Grants, Basin Study, and Title XVI Programs, which supports water reuse projects, etc. Because of the limited amount of time available for the hearing, only a few witnesses have been invited to testify in person, but others – including the Western States Water Council – have been encouraged to submit written testimony for the record, by February 23. The hearing will be webcast and accessible online at: [http://energy.senate.gov/public/index.cfm?Fuseaction=Hearings.Hearing&Hearing\\_ID=57f8252f-c018-10c9-61cf-04fcb37a989a](http://energy.senate.gov/public/index.cfm?Fuseaction=Hearings.Hearing&Hearing_ID=57f8252f-c018-10c9-61cf-04fcb37a989a).

The witness list includes: Commissioner Michael Connor; Melinda Kassen, Trout Unlimited; Dan Keppen, Family Farm Alliance; Pat Mulroy, Southern Nevada Water Authority, representing the Colorado River Basin States; and Tony Pack, Eastern Municipal Water

District, which is a freshwater, wastewater and recycled water service provider in the Moreno Valley and the 5<sup>th</sup> largest water district in California.

The new Administration announced its Sustain and Manage America's Resources for Tomorrow (WaterSMART) Program, together with Interior's FY 2011 budget request, including \$72.9M for related USGS and Reclamation programs. Interior's WaterSMART effort will emphasize water conservation to help meet our Nation's water needs and achieve a sustainable water strategy for the future. It includes Reclamation's former challenge grants, basin studies, and water reclamation and reuse (Title XVI) programs.

The Committee has also scheduled a hearing on the President's FY 2011 request for the Department of the Interior for February 10.

### **LITIGATION**

#### ***Tarrant Regional Water District v. Sevenoaks, et al.***

The Tarrant Regional Water District in Texas has renewed its challenge to an Oklahoma embargo on out-of-state water sales. Tarrant has been trying to appropriate Oklahoma water that feeds into the Red River and filed a lawsuit in federal court against the Oklahoma Water Resources Board (OWRB), alleging that the embargo violates the Commerce and Supremacy Clauses of the Constitution. In November 2009, a federal district reasoned that the Red River Compact (RRC), which apportions water between Arkansas, Louisiana, Oklahoma, and Texas, insulated the embargo from a Commerce Clause challenge. It also found that the embargo did not raise preemption issues under the Supremacy Clause because it did not conflict with the RRC.

Since the court limited its ruling to waters that are subject to the RRC, Tarrant filed an amended complaint that asserts the same constitutional challenges, but does so with respect to an agreement with the Apache Tribe of Oklahoma that Tarrant says is not within the scope of the RRC. The OWRB has filed a motion to dismiss. (WSW #1800 and #1854)

### **PEOPLE**

**Mary Sexton**, the Director of the Montana Department of Natural Resources and Conservation, has been appointed as an alternate member to the WSWC by Montana Governor Brian Schweitzer. We welcome Mary and look forward to working with her. Mary has a broad and diverse background having worked as the Administrator of the Nature Conservancy's Pine Butte Swamp Preserve near Choteau, Montana; as well as serving on the boards of the Public Wildlife/Private Lands Council, BLM Resource Advisory Council, and the Teton County Commission. She has degrees from Stanford University and the University of Montana.

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