



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Report

## Office of the General Manager

### ● Report on Activities from Washington, D.C.

#### Summary

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This letter provides an update on activities in Washington, D.C.

#### Purpose

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Informational

#### Attachments

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None

#### Detailed Report

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##### Appropriations

Federal fiscal year 2023 ended on Sept 30<sup>th</sup> and the government was funded by a series of short duration continuing resolutions or CRs since then. The need for short-term FY 24 funding bills drew to a close in March. On March 8, half of the full-year appropriations bills were enacted into law, and the remainder were enacted into law on March 23.

Most of the funding for water programs in FY24 remains largely the same as it was in FY23. For example, FY24 funding for the Bureau of Reclamation's water recycling competitive program is \$20 million, the same as last year. This yearly appropriations money is on top of funding for the program available as part of the Infrastructure Investment and Jobs Act or IIJA. The water recycling program received \$550 million in the IIJA over five years, dwarfing yearly appropriations for the program. Reclamation spent \$310 million in IIJA act funds in FY22 for the water recycling program, \$150 million in FY23, and anticipates spending \$29 million in IIJA funds in FY24.

Funding for EPA's SRF program in FY 24 also remained constant \$1.1billion for the drinking water SRF and \$1.6 billion for the clean water SRF. Again, this funding is on top of the IIJA funds. For FY24 both the clean water and drinking water SRF will receive \$2.4 billion in IIJA funding. The IIJA continues to provide record funding for water programs for the next couple of years.

President Biden released his FY 25 budget proposal on March 11, and again funding for water programs is largely level. The budget release marks the official start of the FY 25 appropriations process, and Congress will spend the next several months holding hearings and crafting their own appropriations bills.

## Board Report (Report on Activities from Washington, D.C.)

The President's FY 25 budget proposal includes language allowing states to divert up to 2.7 percent of their low-income energy assistance funding to support low-income household water assistance efforts. However, the budget proposal does not seek direct appropriations for the Low-Income Household Water Assistance Program (LIHWAP). Congress provided \$1.1 billion through the American Rescue Plan and Consolidated Appropriations Act of 2021 for the LIHWAP program. This temporary assistance program was established at the height of the COVID-19 emergency and expired at the end of FY 23. Congress has not provided funding for the program since then, and Senator Padilla has a bill to authorize funding for the program and make it permanent.

### Legislation

Bipartisan-bicameral legislation was introduced to allow the Bureau of Reclamation to tap into stranded funds paid by Hoover power contractors for operations, maintenance, repair, and clean-up work at Hoover Dam. The Help Hoover Dam Act has many co-sponsors, including Senators Padilla and Butler and Representative Napolitano. Reclamation estimates the Hoover Dam requires \$110 million in repair and upgrade work over the next five years. This legislation will free up a stranded fund to help off-set this cost.

### PFAS Hearing

The Senate Environment and Public Works Committee held a hearing examining the impact of listing PFAS as hazardous substances under CERCLA on March 20. This committee has been working on developing PFAS legislation since last summer. The draft legislation does not include CERCLA liability protections for passive receivers such as drinking water, recycled water, and wastewater systems. Designating PFAS as hazardous substances is intended to make sure polluters are held responsible for paying for the cleanup of contaminated Superfund sites. However, water systems are passive receivers of PFAS that treat water to protect public health and the environment. These treatment processes generate residuals that may contain PFAS, and water systems need to be protected from liability.

Michal Witt with the Passaic Valley Sewerage Commission in New Jersey, testified on behalf of the Water Coalition Against PFAS. The Water Coalition Against PFAS was created by the national water associations, including AWWA, AMWA, and NACWA, to advocate on PFAS issues including liability protection from a CERCLA listing. Though EPA has said it does not plan to target passive receivers, as Mr. Witt noted in the hearing, "Even if EPA said it won't sue you, everyone else can sue you."

It remains to be seen where lawmakers are going on this. There appeared to be glimmers of bipartisan support for a passive receive exemption, but no legislative language was considered, and no timeline for action was provided.