

Monterey Peninsula Water Management District

Legislative Advocacy Committee

Federal Legislative Report

May 26, 2026

Prepared by The Ferguson Group

Congressional Outlook: Key Priorities

FY 2026 Corps Workplan Outcome

FY 2027 Earmark Strategy

WaterSMART FY 2027 Appropriations

MORE WATER Act / Western Water Legislation

Water Resources Development Act (WRDA) 2026

Farm Bill / DHS / Legislative Calendar

Groundwater Strategy

PFAS Developments

Executive Summary

- Corps FY 2026 workplan: District's \$750K EI request not funded (70 EI projects nationwide, 8 in CA, Monterey not included)
- FY 2027 Seaside earmark not submitted by Panetta, Padilla, or Schiff; CDS lists skew toward shovel-ready construction
- WaterSMART rebounding: House FY 2027 bill at \$83M total, nearly 2x FY 2026; Title XVI at \$41M (up from \$4M in FY 2025)
- District advocacy and broad western coalition contributed to strong House WaterSMART outcome
- MORE WATER Act: June markup scheduled, scope TBD
- WRDA 2026: House markup June, Senate July; WIFIA loan extension (35 to 55 years) in development
- Seaside Monitoring Wells: TFG Grants pursuing Reclamation Applied Science and Drought Response
- PFAS: EPA reaffirms PFOA/PFOS standards but proposes rescinding 4 other limits; \$1B ECSDC grant funding; Senate discussions ongoing

FY 2026 Corps Workplan & Earmark Update

Corps FY 2026 Construction Work Plan

- \$14.13M national EI allocation
- ~70 EI projects funded nationwide
- 8 California EI projects funded (Calaveras, Marin, North Richmond, Ontario, Roseville, Santa Rosa, South Perris, Yorba Linda)
- Monterey \$750K request: Not included
- TFG working with District on alternative pathways

FY 2027 CDS / Earmark Status

- Seaside Monitoring Wells: Not submitted by Panetta, Padilla, or Schiff
- Padilla: \$4M County of Monterey wells
- Schiff: \$1.4M Monterey One Water; \$4M San Lucas water quality
- Panetta portfolio shifted toward parks, accessibility, public safety
- CDS lists favor shovel-ready construction
- Path forward: Competitive grants (Reclamation) and FY 2028 repositioning

Groundwater Strategy & Seaside Grant Strategy

Federal Groundwater Policy

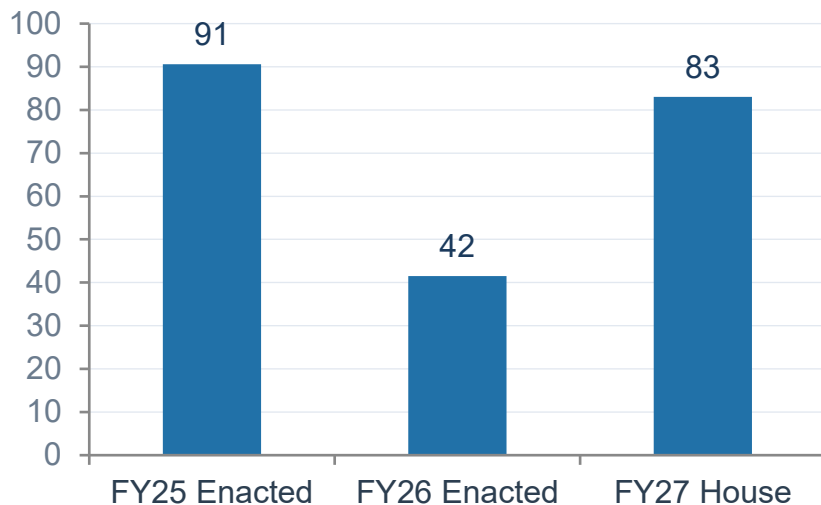
- Exploring opportunities to expand federal authorities for non-federal groundwater development
- California excluded from Groundwater Recharge Flexibility Act (NRDC litigation history)
- ASR, conjunctive use, and stormwater capture priorities for District
- TFG developing one-page District position paper by June

Seaside Monitoring Wells

- TFG Grants Division (Kristi More) engaged District staff (May 8)
- Reclamation Applied Science: strong fit for monitoring infrastructure
- Drought Response Phase II: addresses implementation
- Discovery meeting planned for early June
- First application: summer-fall 2026

WaterSMART: House FY 2027 Bill Signals Strong Rebound

WaterSMART Total (\$M)



Key House FY 2027 Allocations

- WaterSMART Grants: \$12M (down from \$33.7M FY25)
- Title XVI Recycling: \$41M (up from \$4M in FY25, \$12.5M FY26)
- Drought Response: \$20M (up from \$5M FY26)
- Cooperative Watershed: \$8M (up from \$6M FY26)

Report Language Highlights

- 90-day Reclamation briefing on timelines and delivery
- \$30M of \$41M Title XVI for WIIN Sec. 4009(c) recycling
- Encourages PFAS remediation from local water sources
- Precision irrigation, conveyance, digital modernization eligible

Legislative Tracker

MPWMD 119th Congress Legislative Tracker | Updated May 21, 2026

Bill	Title	Status
HR 132	Western Water Accelerated Revenue Repayment Act	In Committee
HR 337	Groundwater Recharge Technical Assistance Act	In Committee
HR 338	Every Drop Counts Act	Hearings Held
HR 1871	Water Conservation Rebate Tax Parity Act	In Committee
HR 1894	FISH Act of 2025	In Committee
HR 2766	Special District Fairness and Accessibility Act	Ordered Reported
HR 3035 / S 1760	Restoring WIFIA Eligibility Act	In Committee

Full tracker included in committee packet

MORE WATER Act (S. 3738)

Senator Alex Padilla | ENR Markup: June (scope TBD)

Large-Scale Water Recycling

Reauthorized through 2031
\$450M for FY2028-2032

Water Conveyance Program

50% federal cost-share
\$500M authorized FY2028-2032

WIIN Recycling Reauth

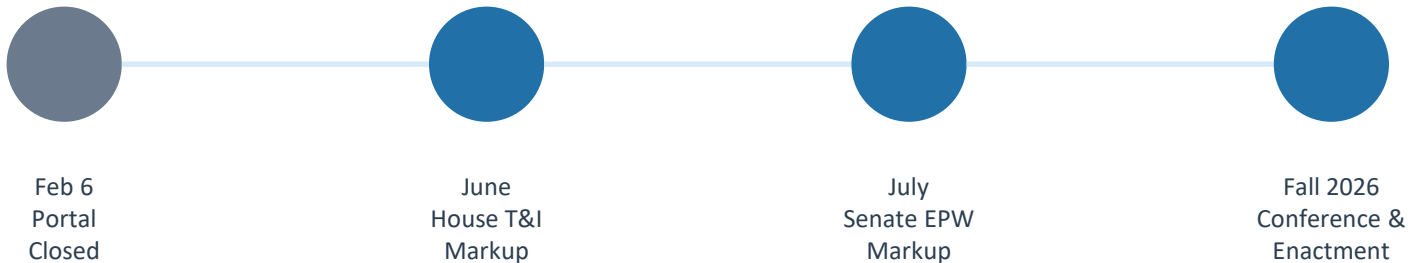
Per-project cap: \$50M
(up from \$30M)

Environmental Restoration

\$250M for habitat restoration
including salmon recovery

MPWMD Relevance: Multiple new funding pathways for recycling, conveyance, groundwater recharge, and conjunctive use projects

WRDA 2026 Timeline & WIFIA Loan Extension



MPWMD Priority: Section 219 Reimbursement Amendment **New: WIFIA Loan Repayment Extension**

- Submitted to Rep. Panetta and Senators Padilla and Schiff
- Reimbursement authority improves cash-flow flexibility for non-federal sponsors

- TFG working with Padilla's office on Senate markup language
- Extend WIFIA repayment from 35 years to 55 years or useful life
- Limited to new loans; refinancing within 3 years of substantial completion
- District and Monterey One Water have prior WIFIA loan experience

Agency Updates

Bureau of Reclamation

- \$1.6B FY26 enacted
- House FY27: WaterSMART \$83M
- Title XVI: \$41M
- Drought Response: \$20M
- Applied Science open for Seaside

Army Corps of Engineers

- \$10.4B FY26 funding
- Workplan: Monterey not funded
- 8 CA EI projects in workplan
- Nationwide permits renewed

EPA

- \$8.8B FY26 funding
- PFOA/PFOS standards reaffirmed
- 4 other PFAS limits may be rescinded
- \$90M rural/tribal water
- \$80M sewage overflow funds

EPA: \$1B ECSDC grant for PFAS in drinking water (\$5B over 5 years); compliance extension to 2031 proposed; Senate discussions ongoing

Opportunities & Risks

Opportunities

- MORE WATER Act: multiple new funding pathways
- Storage Act: 90% federal cost-share for nature-based projects
- WRDA 2026: Sec. 219 reimbursement + WIFIA extension
- Title XVI at \$41M with PFAS remediation language
- Reclamation grants open for Seaside monitoring wells
- Farm Bill passage strengthens rural water programs
- 3rd reconciliation package or supplemental appropriations package

Risks

- Corps workplan: District EI request not funded
- WaterSMART Grants below historic norms; Senate bill TBD
- Permitting reform stalemate affects water legislation
- PFAS: 4 standards may be rescinded; compliance extension to 2031; \$1B ECSDC grant available
- Midterm election dynamics compress calendar
- Agency staff shortages slow grant decisions

Immediate Next Steps

- Corps SF District follow-up on workplan rationale and future positioning (TFG, by mid-June)
- WaterSMART Senate talking points: emphasize House rebound, Title XVI at \$41M, Pure Water Monterey leverage (TFG, by mid-June)
- Seaside Monitoring Wells discovery meeting with TFG Grants (TFG Grants/Staff, early June)
- Groundwater recharge flexibility position paper (TFG, by next Committee meeting)
- MORE WATER Act and Storage Reauth engagement with Senate ENR staff (TFG, ongoing)
- WRDA 2026: Sec. 219 and WIFIA extension in chairmen's marks (TFG, through markup)
- Monitor EPA PFAS rulemaking comment periods, \$1B ECSDC grant eligibility, Senate discussions, permitting reform, ESA, and drought-related funding opportunities (TFG, ongoing)