



Sound water policy starts with the states that manage water.

WESTERN STATES WATER

Chair - Earl Lewis; Executive Director - J.D. Strong; Editor - Elysse Ostlund Campbell

WESTERN GOVERNORS **NGA/Data Centers**

WSWC Executive Director J.D. Strong attended the National Governors Association's (NGA) 2026 Summer Meeting in Oklahoma City on July 30-August 1.¹ Governors and other public- and private-sector leaders discussed energy and infrastructure development, artificial intelligence, workforce transitions, federalism and other issues confronting states. Western Governors participating in Friday's public sessions included Oklahoma Governor Kevin Stitt (R), Utah Governor Spencer Cox (R), Wyoming Governor Mark Gordon (R), Kansas Governor Laura Kelly (D), and Colorado Governor Jared Polis (D).

Of particular interest to western water leaders was a luncheon discussion between Governor Stitt and Intersect CEO Sheldon Kimber on the rapid growth of data centers and the energy and water infrastructure needed to support them. Stitt highlighted Oklahoma legislation enacted this year to address concerns about data-center water consumption. The new law restricts groundwater permits for data centers to closed-loop, dielectric-immersion or similarly low-consumptive cooling technologies that substantially recirculate water. During the discussion, Stitt said the requirement was intended to remove water consumption as one of the principal concerns surrounding new data-center development.

Kimber similarly argued that newer facilities can be designed to minimize both water and grid impacts, including through low-water cooling technologies and onsite—or “behind-the-meter”—power generation. He stressed the importance of early and sustained engagement with communities,

while Stitt emphasized the need for reliable, affordable energy and greater permitting certainty for major infrastructure investments. Their discussion highlighted the increasingly important intersection of water availability, energy development, data-center siting and infrastructure permitting—an issue of growing significance throughout the West.

Artificial intelligence was another recurring theme. Governors discussed how states can prepare workers for an AI-driven economy while serving as laboratories for new approaches to workforce development and responsible AI use. Governor Cox described a “pro-human AI” approach focused on human flourishing and maintaining people at the center of technological change. A separate session on state-government AI highlighted shared technology infrastructure, employee training and opportunities to redesign document-heavy processes such as permitting and procurement.

The meeting concluded Saturday with outgoing Governors Kelly, Stitt, Gordon, and Tim Walz (D) of Minnesota reflecting on their time in public service. Maryland Governor Wes Moore (D) then assumed the NGA chairmanship. Across the meeting, a consistent theme was the importance of state leadership and practical state-based solutions to rapidly changing national challenges—principles that continue to resonate strongly with western water policy.

ADMINISTRATION/WATER RESOURCES **BLM/Grazing Rule**

On July 13, the public comment period for the Bureau of Land Management (BLM) proposed rule “Revision of Regulations for Grazing Administration, Exclusive of Alaska”

closed (91 FR 26852).² The proposed rule represents a major administrative restructuring, most notably decoupling the “Fundamentals of Land Health” from the grazing program (currently 43 CFR Subpart 4180) and establishing them under a new, freestanding Part 1700 across all BLM resource programs.

While some western states support modernization, targeted grazing tools, and increased permittee flexibility, many raised concerns the removal of water quality as a land health fundamental and the proposed approach to stockwater rights.

Idaho

The Idaho Department of Water Resources (IDWR) opposed language regarding permanent range improvements (43 C.F.R. § 4120.3-2) and stockwater rights (43 C.F.R. § 4120.3-9(a)). Idaho argued that requiring federal ownership of permanent range improvements (fences, pipelines, wells, reservoirs, stock tanks) constructed or funded by permittees is inequitable and discourages long-term investment in range stewardship and infrastructure development. Permittees routinely spend substantial private resources on these features, which are vital to rangeland health and wildfire resilience.

The proposed 43 C.F.R. § 4120.3-9(a) directs that any right “adjudicated” to the U.S. for livestock watering on public land shall be acquired, perfected, maintained, and administered in the name of the United States to the extent allowed by state law. IDWR pointed out that the first sentence of § 4120.3-9(a) refers only to “adjudicated” water rights. In Idaho, water rights are established through compliance with substantive state water law, not through adjudication. Limiting the rule strictly to “adjudicated” rights excludes valid, state-recognized water rights and creates severe regulatory ambiguity.

IDWR warned that when read together, the two provisions could effectively place both physical improvements and associated water rights under federal control, even when permittees financed and built the infrastructure.

IDWR requested that the BLM incorporate explicit protective language such as “Nothing in this section requires permittees to assign existing and future livestock water rights to the United States where state water law allows permittees to acquire such rights in their own names.”

Wyoming

The Wyoming Department of Agriculture (WDA) supported removing air and water quality from the Fundamentals of Land Health (Section 1700), agreeing that state agencies possess the sole authority to address water quality exceedances. WDA warned that references to water quality remaining in § 1700.1(a) undermine the goal of keeping water quality regulation separate from BLM’s land health/grazing decisions, allowing federal range staff to restrict grazing on subjective water evaluations. They strongly urged the BLM to remove these references to ensure water quality is completely decoupled from BLM decisions.

The Wyoming Game and Fish Department (WGFD) supported the BLM’s new methods for assessing rangeland health, provided they utilize the best available science at a meaningful scale for on-the-ground decisions. They emphasized the critical need to maintain optimal field staffing to successfully implement these revisions.

Colorado

Colorado Parks and Wildlife (CPW) noted that removing water quality as a land health fundamental shifts protection away from BLM’s explicit grazing/land-health framework and toward reliance on state standards, permit-specific terms, and interagency coordination. CPW asked BLM to clarify how it will address grazing impacts on water quality going forward—during land health assessments, permit administration, allotment planning, and corrective actions—and specifically requested confirmation that assessments will continue to consider effects on “aquatic habitats, riparian function, wetlands, streambank stability, sediment delivery, stream temperature, nutrients,” and attainment of state water-quality standards.

CPW stressed that aquatic and riparian resources are “often among the most sensitive resources affected by livestock management,” and argued that retaining a clear link between grazing decisions and water quality protection would improve regulatory certainty, support interagency coordination, and help ensure consistent evaluation of aquatic-resource conditions across BLM-administered lands.

CPW warned that conducting assessments at a broad landscape scale could overlook significant localized impacts within individual allotments. They recommended a formalized reporting mechanism allowing stakeholders to flag failing allotments.

New Mexico

The New Mexico Department of Agriculture, Environment Department, and Department of Wildlife offered joint comments opposing the wholesale removal of the requirement to comply with state water quality standards. While New Mexico’s state agencies acknowledged that enforcing water quality standards is ultimately a state responsibility, they strongly opposed the BLM’s proposal to completely remove the federal requirement to comply with these state standards. The agencies argued that achieving true rangeland health requires an integrated approach. “To this end, the State Agencies are eager to work with all land management agencies and local, state, and federal partners to improve surface water quality.”

The New Mexico Environment Department (NMED) expressed concern that the proposed 10-year, watershed-scale assessments will fail to capture acute localized degradation in critical riparian zones. This regulatory gap would require NMED to substantially expand its own water monitoring, sampling, and Total Maximum Daily Load (TMDL) resources to fill the administrative vacuum left by BLM’s withdrawal. To address this, the agencies recommended that BLM standardize land health assessments at the HUC-10 watershed scale—large enough to detect

environmental change, yet smaller than a full allotment—and increase assessment frequency from every 10 years to every 3.

New Mexico cautioned against 43 C.F.R. § 1700.2(a)(11), part of the newly proposed Part 1700 (Fundamentals of Land Health and Standards for Program Administration), which allows the use of non-native, non-invasive species in ecosystem management. They warned that non-native species introduced near surface waters have the potential to exacerbate existing water scarcity and degrade water quality.

Oregon

The Oregon Department of Fish and Wildlife (ODFW) and Oregon Department of Agriculture (ODA) submitted joint comments recommending the retention of the water quality fundamental in § 1700.1. They argued that the BLM’s claim that state agencies enforce standards “conflates enforcement authority with management responsibility.” Oregon pointed out that BLM land management decisions—including where riparian areas are protected, how grazing is authorized, and how vegetation cover is maintained—directly determine whether state water quality standards are met on public lands. Removing the fundamental simply removes the BLM’s obligation to account for its own management outcomes.

Oregon recommended that the BLM prioritize Range Improvement Fund expenditures (§ 4120.3-8) specifically toward riparian restoration, invasive species control, and water developments designed to reduce grazing pressure on sensitive aquatic zones. Oregon urged the BLM to transparently document wild horse and burro populations as primary causal factors when land health standards are not being met, particularly regarding their severe pressures on riparian zones and water sources.

Western States Water Council

The WSWC submitted comments³ agreeing that water quality is best regulated by the state agencies responsible for enforcing state standards, but noting that

regulatory frameworks, technical capacity, and financial resources of states vary. WSWC urged the BLM to “engage and coordinate closely with states to ensure that the changes proposed do not create unintentional gaps in monitoring and administration of water quality responsibilities.”

WSWC provided analysis of how the proposed federal water mandate in § 4120.3-9(a) may conflict with complex western state water laws, noting that “perfecting and maintaining” water rights often depends on continuous beneficial use. If a grazing permittee ceases watering stock, or the BLM suspends grazing on an allotment, a valuable stockwater right may be lost through non-use, forcing any future operator to apply for a junior water right, potentially more vulnerable to drought.

WSWC noted that requiring water rights to be “acquired, perfected, maintained, and administered” in the name of the United States, where allowed by state law, implies that existing, privately held permittee water rights would have to be transferred to federal ownership. This is potentially an unconstitutional taking of a property right in some states.

In states where federal agencies are legally prohibited from holding stockwater rights, the proposed regulation could not be fulfilled. WSWC noted the rule’s silence on what happens in these jurisdictions, particularly whether private ownership of stockwater would become a barrier to receiving a federal grazing permit.

WSWC concluded by urging the BLM to engage with state water administrators, understand and comply with each state’s water laws and water quality standards, and work collaboratively with states toward shared solutions. WSWC also urged the BLM to adopt rule language encouraging flexible, state-specific cooperative mechanisms, such as memoranda of understanding (MOUs) and other administrative agreements.

WATER RESOURCES

NAWI/Regional Water Systems

On August 4, 2026, the National Alliance for Water Innovation (NAWI) hosted an informational webinar (recording available on NAWI’s YouTube Channel) introducing its renewed “NAWI 2.0” framework, supported by a five-year, \$75M Department of Energy renewal grant. The full session is archived on NAWI’s YouTube channel for those who could not attend live.⁴

NAWI leadership presented Regional Water Systems (RWS) as a new core pillar designed to complement its existing R&D in unit-level devices and modeled treatment trains. RWS shifts federal research focus toward integrating non-traditional water sources—such as brackish groundwater, fit-for-purpose reuse, and industrial effluents—into broader regional water supply portfolios while seeking to reduce treatment cost and energy intensity.

Presenters walked through the three operational pillars of the RWS initiative: supporting technology R&D, delivering tools for adaptive water management, and building a multi-sector community of practice. Referencing a map of California’s Hetch Hetchy conveyance system, Rinker illustrated how dynamic system interactions, source variability, and competing regional stakeholders complicate management decisions. Principal Engagement Manager Yishen Li presented findings from interviews with 165 sector representatives, noting that water managers routinely face “compound water system challenges, from uncertainty in water supply and demand, to jurisdictional and management fragmentation.”

Li emphasized that “technological innovation and water planning has to go hand in hand,” requiring federal R&D to support analytical modeling alongside physical technology. To translate these findings into future funding opportunities, Li detailed two planned investment streams: practitioner-led Regional Studies to pilot creative planning workflows, and expert-led Capability Refinement studies to advance source-water variability tracking and predictive modeling.

Presenters explained the newly released Request for Information (RFI)⁵, outlining eight inquiry topics intended to shape upcoming Requests for Proposals (RFPs). NAWI is seeking to gain a better understanding of (a) potential regional water system studies that can assess the role of non-traditional and decentralized water sources in affordable, energy-efficient, and reliable water systems, including but not limited to the potential for water technology to enable cross-sectoral benefits among water and electric power systems at the regional scale (b) modeling and analytic tools or methods that might be required to effectively conduct such studies, and (c) types of support NAWI can offer (funding, technical assistance, technical capability refinement, etc.) to maximize impact of such studies. Feedback should be submitted to NAWI's portal⁶ before September 9.

WSWC will host a workshop with NAWI in September, details will be posted to the WSWC [Upcoming Events](#)⁷ page as they become available.

WATER RESOURCES **Colorado River/Final EIS**

On July 31, the Bureau of Reclamation published the Final Environmental Impact Statement (FEIS) for Post-2026 Colorado River Operations⁸, establishing a new set of guidelines for Lake Powell and Lake Mead to replace the 2007 Interim Guidelines. The stated purpose of the proposed federal action was to update and expand coordinated management guidelines to improve annual water delivery predictability, provide enhanced water conservation and storage exchange mechanisms, and integrate unquantified tribal water rights once resolved.

Reclamation's cover letter to the Post-2026 FEIS explained that severe hydrologic decline has pushed Lake Powell and Lake Mead to their lowest combined levels since Powell first filled in 1963, threatening Glen Canyon Dam's operational reliability and the Basin's ability to meet downstream needs.

The gap between Compact allocation and reality is stark: the 1922 Compact apportioned

7.5 million acre-feet (maf) each to the Upper and Lower Basins based on an assumed 18 maf of average inflow, but actual inflows from 2000–2024 averaged only 12.9 maf, while consumptive use (2020–2024) ran higher at 13.1 maf. By July 2026, unregulated inflow into Powell hit a critical low of 3.5 maf.

Reclamation noted the measures it has taken since 2021, including extra Flaming Gorge releases and cuts to Powell releases, to protect critical elevations. With no long-term consensus reached between the Colorado River Basin states, despite extensive stakeholder engagement, Interior needed to complete its NEPA review and finalize a Preferred Alternative ahead of new operations starting October 1, 2026. According to Reclamation, that Preferred Alternative sets up an adaptive 10-year framework that can respond to changing hydrology while still leaving room for a consensus-based deal if Basin parties reach one.

Preferred Alternative

In the Preferred Alternative, the Secretary of the Interior proposed a 10-year adaptive decision framework, with two-year operating intervals to adjust to changing hydrology. The framework established critical operational "sideboards" to guide annual determinations. Under these sideboards, annual releases from Lake Powell are designed to range between 5.0 maf and 12.0 maf based primarily on reservoir elevations, while maximum annual shortages in the Lower Basin are capped at 3.6 maf (including assumptions about reductions to Mexico.)

For the first two years of the new guidelines, Reclamation is adopting the May 1, 2026, Lower Basin States Proposal as its primary operational sideboard. Under this proposal, Arizona, California, and Nevada agreed to a shared-contribution formula to split up to 1.25 maf of annual binding reductions, alongside an additional 700,000 acre-feet of voluntary system conservation. Under this formula, the first 1.25-1.5 maf of cuts are absorbed as follows: Arizona takes 760,000 acre-feet, California 440,000 acre-feet, and Nevada 50,000 acre-feet. Shortages

exceeding 1.5 maf are distributed based on priority. After 2028, shortages are distributed based on priority, unless agreements are reached. The guidelines stipulate future consultation to determine additional reductions if the projected Lake Mead elevation is less than 1,000 feet.

Under the Preferred Alternative, Lower Basin states were permitted to accumulate up to 7.0 maf of Intentionally Created Surplus (ICS) in a new program, alongside a 1.0 maf Federal Pool. To transition from the expiring guidelines, the framework dictated that existing pre-2027 ICS balances would be converted to the new program over a ten-year transition period. ICS water is operationally neutral and does not artificially trigger or alter release determinations at Glen Canyon Dam or Hoover Dam. Additionally, the proposed action explicitly allowed for expanded interstate water exchanges within each basin and established a new tribal water storage mechanism to facilitate voluntary water transfers.

Basin-State Responses

On July 31, 2026, the Arizona Department of Water Resources (ADWR) issued an official press statement in response to Reclamation's FEIS.⁹ ADWR observed that while the FEIS failed to advance expectations for a unified seven-state plan of shared sacrifice, the document's analysis did accommodate many core components of the Lower Basin's proposal. However, ADWR rejected several sideboards within the proposed federal framework as "unacceptable" to the state of Arizona. Specifically, ADWR warned that proposed Lower Basin reductions of up to 3 maf per year distributed in priority "would devastate Arizona's water users and its economy." The department also criticized the FEIS for failing to incorporate any mandatory reductions for the Upper Basin states or specifying a sufficient release of water stored in upstream Upper Initial Unit reservoirs.

ADWR said it expected that the forthcoming federal Record of Decision (ROD) would align 2027–2028 operations with the May 1 Lower Basin Proposal, which

outlined 1.25 million acre-feet of annual shared reductions among Arizona, California, and Nevada, alongside an additional 700,000 acre-feet of system conservation water. The department stated it would continue working to finalize the agreements necessary to implement the Lower Basin agreement while preserving Arizona's legal rights.

The Upper Basin Governors of Colorado, Wyoming, Utah, and New Mexico issued a joint statement¹⁰ noting that while the Upper Basin States are still analyzing the final details, they are encouraged that the new operating guidelines better reflect actual water supply. They cautioned that key elements of the final EIS and the forthcoming ROD depend on agreements that have not yet been finalized, making it difficult to fully assess the effectiveness of Basin operations until those agreements are completed and implemented.

The governors noted that extensive negotiations among the Basin states have already taken place and will continue, and they emphasized that the framework is not a final solution but a way to manage the river in the short term while the seven states and DOI keep working toward a consensus agreement. They stressed that the Basin's water supply realities cannot be ignored, that both Upper and Lower Basin states are feeling the effects of severe drought. "This is a reality that all states, and the federal government, will need to address practically, which is why a seven-state agreement will provide the best outcome for all water users in the Colorado River Basin. We are committed to continued good-faith discussions with our counterparts."

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