



Clean Water Construction Coalition August 2025 Report

Congress

FY 2026 Appropriations

The House and Senate have been on their extended August recess throughout this month, with no public action taken on the FY26 appropriations bills.

Before departing DC, the House and Senate Appropriations Committees made significant progress on spending bills for FY2, with both chambers releasing text and holding full committee markups for the Interior, Environment, and Related Agencies bill (which covers funding levels for the water infrastructure programs of the EPA).

The House bill makes a collective 24 percent cut to the Clean Water and Drinking Water State Revolving Fund (SRF) programs, and the Senate bill maintains flat funding for core water infrastructure programs including the SRFs. Both bills represent a firm rejection of the FY26 President's Budget request proposal for the EPA to cut SRF funding by nearly 90 percent, and the Senate bill's inclusion of flat funding for the SRF programs is a major win for the sector.

In both chamber's bills, earmark projects come out of the topline appropriation for the SRF programs – totaling \$1.05 billion in the House (50 percent of the topline SRF appropriation) and \$489.7 million in the Senate (22 percent of the topline SRF appropriation). Full lists of the proposed earmark projects in both chambers are linked here ([House SRF earmarks](#); [Senate SRF earmarks](#)). A listing of the proposed funding levels in each bill for all relevant EPA water infrastructure programs is also attached alongside this memo.

Banner and CWCC are working together alongside other water sector organizations to advocate strongly for the highest possible levels of funding to be carried in a final FY26 appropriations agreement. This includes continuing to highlight CWCC's appropriations requests with congressional stakeholders, as well as providing template materials for CWCC membership to reach out directly to their state congressional delegations (see "Appropriations Action Alert" section for more).

Members of Congress will return from August recess after Labor Day to continue considering spending bills. Given the lack of progress on several remaining appropriations bills and the large gap between House and Senate funding levels, a continuing resolution to avoid a September 30 government shutdown is considered the most likely pathway forward at this time. The details of a potential continuing resolution are uncertain, with some members pushing for a short-term deal to allow more time to finish appropriations bills and others pushing for a longer-term continuing



resolution, perhaps even a full-year agreement.

Reauthorization of EPA Water Programs

The five-year authorizations and direct appropriations for water infrastructure based under the 2021 Infrastructure Investment and Jobs Act (IIJA) are set to run out after FY26. Accordingly, the House and Senate committees of jurisdiction for water infrastructure issues are beginning to consider how they will advance legislation to reauthorize those programs.

In discussions with key House and Senate staffers, Banner has gathered that committees may begin the process of fielding member of Congress and stakeholder requests as soon as September, when they return from recess.

While specific details of this legislative package will not become clear until congressional leaders provide more specific information, we know that this package will serve to extend and/or amend the authorizations of programs that fund water infrastructure investment, including the SRFs, WIFIA, and the dozens of smaller, issue-specific programs to address things like lead contamination in schools, small and disadvantaged utility issues, cybersecurity issues, and more.

The package may also have the potential to provide direct appropriations for water infrastructure programs, in the same way the 2021 IIJA package directed an additional \$50 billion through the SRF model, wholly separate from the annual appropriations process.

Banner will work with CWCC to maximize the potential of this opportunity and advocate in conjunction with the broader water sector both for increased authorized levels of funding and an injection of direct appropriations. As we get clearer signals from Congress on the timing and substance of the bill, we will share the latest information and recommendations for engagement with CWCC members.

Water Policy Legislative Tracker

There have been hundreds of water-related bills introduced in the 119th Congress to date, approximately 60 of which have direct relevance to water infrastructure investment issues. Banner is currently conducting an analysis of these proposals, including summaries and status updates, and will share this tracker with CWCC members soon.

White House and Executive Branch

Permitting Reform

The Trump Administration has reshaped major aspects of the permitting process under the National Environmental Policy Act (NEPA) over the past seven months. After rescinding 50 years' worth of Council on Environmental Quality (CEQ) rules on NEPA in response to a court ruling, the



administration is allowing agencies to create their own NEPA procedures, paving the way for individual agencies to expedite NEPA reviews and limit instances where a review is required. The Departments of the Interior, Agriculture, Energy, and Defense, among others, have already issued new rules and guidance heavily modifying the NEPA process, with further changes expected soon from EPA and other agencies.

For more information on permitting reform efforts in the executive, legislative, and judicial branches, please see the Permitting Updates memo attached alongside this report.

EPA Water Contaminant Rulings

On August 4, the EPA revealed in a court filing and a subsequent public announcement that they intend to defend the Lead and Copper Rule Improvements (LCRI), which were finalized during the last year of the Biden Administration. The LCRI directs that water utilities identify and replace lead pipes within a 10-year window, with limited exceptions.

The agency had previously been granted multiple months-long pauses by the court in the ongoing lawsuit brought by drinking water utility groups. EPA revealed in the court filing that the agency will defend the rule and “develop new tools and information to support practical implementation flexibilities and regulatory clarity.” It is unclear what those flexibilities might be—potentially a longer implementation timeline for lead pipe replacement than the ten years currently prescribed by the rule. EPA’s motion indicates that next steps will be announced in the coming months. The defense of the rule is a huge win for the sector and for public health, and Banner will continue to monitor for additional flexibilities as they are announced this fall.

In May 2025, EPA Administrator Zeldin announced that EPA will continue to pursue strict regulations for PFAS with some changes. Regulations will move forward for PFOA and PFOS with delayed compliance deadlines and additional exemption flexibilities, while EPA will remove limits for other PFAS contaminants previously set to be regulated. The changes are expected to be formalized in a new rulemaking process this fall or winter. EPA is also defending the rule in a court case brought by water utility organizations.

Resources

Appropriations Action Alert

To urge members of Congress to support the highest practicable funding levels for the SRFs and other EPA water programs in FY26, Banner recommends that CWCC members reach out to their state’s congressional delegation to underscore the need for robust water infrastructure funding. This can be done via a simple email distribution, and we have sent over a form email that can be used as a template for this activity. Directions can be found in Kyle’s August 25 email.



Site Visit Toolkit Reminder

Banner has prepared a comprehensive toolkit, tailored to CWCC membership, to support successful congressional engagements and site visits. CWCC circulated the toolkit on June 26, which includes best practices, email templates, checklist for a visit, and more to guide you through the process. Though the August recess is over, there will be more opportunities over the rest of the year for your representatives to visit your district, and we recommend reaching out to schedule in-person site visits to showcase your facility, new project, or other work you're doing with the community.