



TO: Orange County Sanitation District
FROM: Eric Sapirstein
DATE: February 20, 2026
SUBJECT: Washington Update

Congress continues to address funding for the final Fiscal Year (FY) 2026 spending bill for the Department of Homeland Security (DHS). The effort to find common ground surrounding the funding of ICE and Border Patrol programs remains an obstacle to secure an agreement that could be passed and sent to the president. Congress recessed on Friday, February 13, without reaching an agreement on FY2026 DHS funding and will not return until the week of February 23. As a result, DHS shut down at midnight on February 13. In addition to this activity, most of the congressional activity surrounded votes on tariffs and committee consideration of cybersecurity issues. Two areas of activity of note for OC San during the past month include the introduction of water legislation and a Senate cybersecurity policy review.

Effort to Develop DHS Spending Bill Remains in Limbo

The House and Senate leadership, at this writing have been unsuccessful in developing a DHS funding and policy compromise that would impose limits on ICE and Border Patrol programs. Specifically, Democratic efforts to limit the use of force, require body cameras, and eliminate the use of masks have been opposed by Senate and House Republicans and the White House. Barring a final agreement, Congress would need to pass another short-term spending agreement to keep the department open. As a result of lawmakers not passing a spending bill, DHS was forced to shut down at midnight on February 13. However, DHS' immigrations duties are fully funded through the One Big Beautiful Bill that advanced funded \$1 billion to support immigration programs. Other agencies, including FEMA, would be effectively shuttered until a new spending agreement can be reached.

PFAS Passive Receivers Protection

Senator Pete Ricketts (R-NE) has drafted a proposal to provide passive receivers of PFAS, specifically the water, wastewater and biosolids management sectors, with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability protection from third party litigation.

The need for the legislation is because water and wastewater agencies must treat for PFAS and this action creates site or natural resources cleanup liability under the legal framework of CERCLA. The language was formally submitted to the Senate Committee on Environment and Public Works for committee consideration as part of its ongoing development of a new Water Resources Development Act, clean water, and safe drinking water reauthorization bills. Action on the provision is unlikely until late Spring.

Water Recycling and Agriculture Water Savings Legislation Introduced

Senator Alex Padilla introduced two bills, the MORE WATER Act (S.3738) and GROW SMART Act (S.3737). Both bills seek to address the declining availability of reliable water supplies in the West and the need for infrastructure modernization. The MORE legislation would renew the large-scale water recycling grants program to support projects with costs in excess of \$500 million. It would also authorize assistance to support the development of water conveyance facilities that could support, among other matters, the Delta Conveyance Project. The GROW legislation seeks to establish programs that would support the conservation of agricultural water supplies through incentives provided to irrigation stakeholders. Both bills are expected to receive a hearing in late February before the Senate Committee on Energy and Natural Resources as the first step toward Senate passage.

Senate Committee Examines Water Sector's Cybersecurity Challenges

The Senate Committee on Environment and Public Works held a [hearing](#) to examine the cybersecurity challenges facing the nation's water and wastewater sectors. The purpose of the hearing was to receive testimony from cybersecurity experts and water and wastewater trade groups, including Association of Metropolitan Water Agencies, and explore what role the federal government should play to improve the sectors' cybersecurity vulnerabilities. During the hearing, there was broad bipartisan consensus among Members and witnesses that the water and wastewater sectors lack sufficient cybersecurity protocols within their respective agencies, and that federal action would be helpful to create a baseline level of protection.

Committee leadership cautioned, though, such efforts must account for the financial, treatment, and workforce challenges utilities are already managing. Chairwoman Shelley Moore Capito (R-WV) cautioned that one-size-fits-all federal mandate could be overly burdensome and unworkable and could hinder utilities' ability to make meaningful progress. Ranking Member Sheldon Whitehouse (D-RI) stated the need to increase and expand federal support for agencies' adoption of cybersecurity protections, which could include rebuilding the federal cyber workforce, increased funding, and reauthorizing the U.S. Environmental Protection Agency's resilience programs. Members and witnesses agreed that federal cybersecurity mandates should be deliberate and tailored to reflect the varying needs of utilities of different sizes and locations. The committee did not identify next steps, but the hearing reaffirmed that cybersecurity concerns of the nation's critical infrastructure are a top concern for Congress, including the security of the water and wastewater sectors.