In 1997, Brazil passed water sector reforms mandating bulk water charges and decentralized and participatory decision-making at the river basin scale. Neoliberal natures researchers have suggested that similar governance trends may further neoliberalization. Economic instruments can promote commodification by reframing water as an economic good and prioritizing its economic value. Rescaled and decentralized participatory governance may be intended to render decision-making more equitable, accessible, and relevant but can instead legitimate, facilitate, and more deeply embed neoliberalizing processes. A case study of the São Francisco River Basin reveals, however, that the reforms’ articulation with robust competing political projects challenges both narratives. Governance patterns in the basin demonstrate greater continuity than rupture, largely dominated by a “traditional elite” whose enduring power derives from mediating the state-society relationship and (mis)using state resources and authority. Activists have employed elements of the reforms, including bulk water charges, in creative and unanticipated ways to advance a more just and equitable socio-environmental agenda. Neoliberalization’s relative contingency and subordinancy to these competing political projects offer an interesting perspective on variegation and contestation in neoliberal natures debates.