

REFERENCE TITLE: Central Arizona Project; debt forgiveness

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HM 2002

Introduced by
Representative Burges

A MEMORIAL

URGING THE UNITED STATES CONGRESS TO FORGIVE THE OUTSTANDING DEBT OWED FOR
THE CONSTRUCTION OF THE CENTRAL ARIZONA PROJECT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:

2 Your memorialist respectfully represents:

3 Whereas, the Central Arizona Project (CAP) is a 336-mile system that
4 brings Colorado River water to central and southern Arizona. It is this
5 state's single largest renewable water supply and serves 80% of Arizona's
6 population; and

7 Whereas, in 1971, the Central Arizona Water Conservation District
8 (CAWCD) was created to provide Arizona a means to repay the federal
9 government for the reimbursable costs of the construction of CAP and to
10 manage and operate the physical system. The master repayment agreement
11 requires CAWCD to make annual payments to the federal government over a
12 50-year period; and

13 Whereas, the Navajo Generating Station (NGS) was chartered by an act
14 of the United States Congress and President Lyndon B. Johnson as a
15 coal-fired electric generating station in northern Arizona on land leased
16 from the Navajo Nation; and

17 Whereas, the NGS was built to provide power to the CAP pumps and was
18 the only coal-fired electric generating station in the nation of which the
19 United States government was a financial partner or owner; and

20 Whereas, the total cost to build CAP was over \$4 billion, \$350
21 million of which was spent on the NGS; and

22 Whereas, power from the NGS that was not needed for CAP pumping was
23 sold to help repay the costs of constructing CAP; and

24 Whereas, the NGS ceased operations in December 2019 and is being
25 decommissioned; and

26 Whereas, the total obligation to the federal government was
27 originally set at over \$1.6 billion, of which CAP pays approximately \$55
28 million each year; and

29 Whereas, by the end of 2022, the balance is project to be \$938
30 million and by the end of 2023, the balance is projected to be \$897
31 million. This represents the total CAWCD debt to the federal government;
32 and

33 Whereas, before the closure of NGS in 2019, CAWCD used revenues from
34 NGS to help pay its debt to the federal government. Between 2012 and
35 2017, net revenues from the NGS surplus that were used to pay down the
36 debt were between \$11 million and \$24 million.

37 Wherefore your memorialist, the House of Representatives of the State of
38 Arizona, prays:

39 1. That the federal government forgive the debt that is still owed
40 for reimbursable construction costs of the Central Arizona Project.

41 2. That the Secretary of State of the State of Arizona transmit
42 copies of this Memorial to the President of the United States Senate, the
43 Speaker of the United States House of Representatives and each Member of
44 Congress from the State of Arizona.