

May 18, 2026

The Honorable Katie Hobbs
1700 West Washington Street
Phoenix, Arizona 85007

Re: FY27 Budget Cuts to the Water Infrastructure Finance Authority (WIFA)

Dear Governor Hobbs,

We are respectfully requesting that you protect the funds appropriated to the Water Infrastructure Financing Authority (WIFA) when negotiating the state budget for FY 2027. In just over six months, Arizona will see a significant reduction to its Colorado River supply that will make it a less dependable water supply going forward. **Now, more than ever, Arizona needs to invest in the development of new water supplies. Draining the only statewide investment to safeguard water security endangers Arizona's future.**

In 2022, WIFA received a \$1 billion investment over three years to jumpstart developing Arizona's biggest water supply and infrastructure undertaking since the Central Arizona Project, along with \$200 million to finance crucial water supply development in rural Arizona. These projects are essential for providing long-term water security for the communities and businesses that power our state's economy. Without a well-funded plan for long-term water supplies after Colorado River cuts, Arizona risks losing out on future economic development opportunities.

With nearly two-thirds already cut from the state's commitment to water supply development, continuing to take money from WIFA sends the wrong message about Arizona's dedication to its future. Arizona needs to show that it is investing in new water supply projects, which takes time to develop, to ensure the long-term water security for homeowners, small businesses, and critical industries from semiconductor manufacturing and defense to agriculture.

All eyes are on Arizona—nationally and globally. The state tells developers, investors, and water users that it is serious about providing water security. We need to make sure our actions are consistent with our promises. Failing to invest now and going forward in new supplies means higher costs for ratepayers and raises questions about Arizona providing continual certainty to meet their water demands. In the face of unprecedented cuts to the Colorado River, we must show we are building, not undercutting, our future.

Please protect Arizona taxpayers' investment in the Water Infrastructure Finance Authority in the FY27 budget.

Sincerely,



Arizona Municipal
Water Users Association



Homebuilders Association
of Central Arizona



Valley Partnership



Freeport-McMoRan



NAIOP, Arizona Chapter



Arizona REALTORS®



Pinal Partnership



Global Water



East Valley Chambers of Commerce Alliance



West Valley Chambers of Commerce Alliance



Central Arizona Project



EPCOR



League of Arizona Cities and Towns



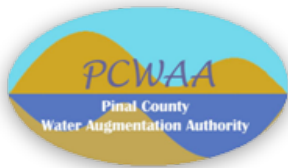
Central Arizona Groundwater Replenishment District



Arizona Water Company



Water Utilities Association of Arizona



Pinal County Water Augmentation Authority



Northern Arizona Municipal Water Users Association

Northern Arizona Municipal Water Users Association



Southern Arizona Water Users Association



Agribusiness & Water Council of Arizona



City of Avondale



City of Buckeye



City of Glendale



Town of Gilbert



City of Goodyear



City of Mesa



City of Peoria



City of Phoenix



City of Scottsdale



City of Surprise



City of Tempe



City of Tucson