



**CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE**

October 26, 2000

H.R. 2984

An act to direct the Secretary of the Interior, through the Bureau of Reclamation, to convey to the Loup Basin Reclamation District, the Sargent River Irrigation District, and the Farwell Irrigation District, Nebraska, property comprising the assets of the Middle Loup Division of the Missouri River Basin Project, Nebraska

As cleared by the Congress on October 13, 2000

SUMMARY

H.R. 2984 would direct the Secretary of the Interior to convey certain facilities, lands, and rights to the Farwell Irrigation District, the Sargent Irrigation District, and the Loup Basin Reclamation District, in the state of Nebraska. Under the bill, these districts would pay the federal government about \$2.8 million for the Sherman Reservoir, Milburn Diversion Dam, Arcadia Diversion Dam, related canals and lands, and other associated rights and interests currently owned by the United States. H.R. 2984 would also require power customers of the Western Area Power Administration (WAPA) to pay \$2.6 million as a condition of the conveyance.

CBO estimates that enacting H.R. 2984 would result in net receipts of about \$5 million in fiscal year 2001.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO's estimate of the impact of H.R. 2984 on direct spending is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	-5	0	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable									

BASIS OF ESTIMATE

For this estimate, CBO assumes that the project will be conveyed to the districts in fiscal year 2001. The bill would require the water districts to pay about \$2.8 million for the facilities that would be conveyed, and WAPA power customers to pay \$2.6 million as a condition of the conveyance.

Currently, the water districts have fixed repayment and water service contracts with the Bureau of Reclamation. Those contracts result in payments of about \$300,000 a year through 2016 and about \$136,000 a year over the remaining life of the contract (through 2042). Under current law, WAPA customers also would make annual payments of about \$4 million each year over the 2036-2042 period. Once the assets are conveyed to the districts, those repayments would no longer occur, and would result in a loss of offsetting receipts to the federal government.

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