



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 29, 2008

H.R. 29

**An act to authorize the Secretary of the Interior
to construct facilities to provide water for irrigation, municipal,
domestic, military, and other uses from the Santa Margarita River,
California, and for other purposes**

*As reported by the Senate Committee on Energy and Natural Resources
on September 16, 2008*

SUMMARY

H.R. 29 would authorize the Secretary of the Interior to participate in designing, planning, and constructing facilities to make water available from the Santa Margarita River for domestic and military uses. The act would authorize the appropriation of \$60 million to build the project and such sums as are necessary to operate and maintain it. The authority to implement this project would end 10 years after the date of enactment of this legislation.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 29 would cost \$64 million over the 2009-2013 period, including adjustments for anticipated inflation. If funds were appropriated to build this project, local users would be required to repay about 40 percent of construction costs over a 40-year period following completion of the project. Enacting this legislation would not affect direct spending or revenues.

H.R. 29 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 29 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					2009-2013
	2009	2010	2011	2012	2013	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	6	19	19	20	0	64
Estimated Outlays	5	17	19	20	3	64

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 29 will be enacted at the beginning of fiscal year 2009 and that the necessary amounts will be appropriated over the 2009-2013 period.

H.R. 29 would authorize the Bureau of Reclamation to construct a water recharge and recovery system that would benefit the Fallbrook Public Utility District and the Marine Corps Base at Camp Pendleton in California. The feasibility study for this project will not be completed until the end of calendar year 2008. For this estimate, CBO assumes that construction would begin in 2009 and would be completed in 2013. The bill would authorize the appropriation of \$60 million, plus adjustments for inflation, to construct the project.

Funds appropriated for operations and maintenance would be offset by payments to the Treasury from the district, except for those costs allocated to Camp Pendleton. CBO expects no funds would be appropriated for this purpose until after 2013. The bureau has the authority to transfer the operations and maintenance responsibilities for the project to the district or another entity if an acceptable arrangement can be established.

After the project is constructed and water is made available, the district would begin repaying its share of the capital costs of this project. Based on information from the bureau, CBO expects that the district would be responsible for repaying about \$26 million over the 40-year period following construction.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 29 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit the Fallbrook Public Utility District, and any costs that it might incur in association with the authorized project would be incurred voluntarily.

PREVIOUS CBO ESTIMATE

On November 7, 2007, CBO transmitted a cost estimate for H.R. 29, a bill to authorize the Secretary of the Interior to construct facilities to provide water for irrigation, municipal, domestic, military, and other uses from the Santa Margarita River, California, and for other purposes, as ordered reported by the House Committee on Natural Resources on October 10, 2007. The two versions of the legislation are similar, as are the estimated costs.

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