



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 15, 2004

H.R. 4389

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 passed by the House of Representatives on October 4, 2004

SUMMARY

H.R. 4389 would authorize the Secretary of the Interior to participate in the design, planning, and construction of 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.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 4389 would cost \$48 million over the 2005-2009 period and an additional \$17 million over the following two to three years. Enacting this legislation would not affect direct spending or revenues.

H.R. 4389 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. 4389 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				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	0	19	19	20
Estimated Outlays	0	0	12	16	20

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4389 will be enacted near the start of fiscal year 2005 and that the authorized amount will be appropriated over the 2007-2010 period. Based on historical spending patterns of similar projects, CBO estimates that implementing this act would cost \$48 million over the 2005-2009 period and an additional \$17 million over the following two to three years.

H.R. 4389 would authorize the Bureau of Reclamation to construct a water recharge and recovery system that would benefit the Fallbrooke Public Utility District and the Marine Corps Base at Camp Pendleton in California. Currently, the feasibility study for this project is in the early stages of development and will not be completed until 2006. For this estimate, CBO assumes that construction would begin in 2007 and would be completed in 2010. The Bureau of Reclamation would operate and maintain the project until it is operating at full capacity, which is expected to take five to ten years. Once full capacity is reached, the district would start repaying its share of the capital costs for this project. For this estimate, CBO assumes that the district would not begin paying back its share of the capital costs until at least 2015.

Since the scope of the project is unclear, CBO cannot estimate the amount of funding needed for operations and maintenance. Any 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 that money would not be appropriated for this purpose until after 2009.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4389 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Implementing this act

would benefit the Fallbrook Public Utility District, and any costs that the district might bear in association with the authorized project would be incurred voluntarily.

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