



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 22, 2004

H.R. 5009

Montana Water Contracts Extension Act of 2004

As ordered reported by the House Committee on Resources on September 15, 2004

H.R. 5009 would authorize the Bureau of Reclamation to extend five specific water contracts in the Pick-Sloan Missouri River Basin in Montana. This bill would extend those contracts for two years beyond the current expiration dates or until new long-term contracts are executed, whichever is earlier. CBO estimates that enacting H.R. 5009 would have no significant effect on the federal budget.

Under current law, these five contracts result in an aggregate annual payment to the federal government of about \$125,000 plus reimbursements for operations and maintenance costs. Currently, three of the contracts are due to expire at the end of 2004, and the remaining two contracts will expire at the end of 2005. If those contracts expire, the bureau has the authority to enter into annual interim contracts with the water users (local irrigation districts and the city of Helena, Montana) under terms similar to the present contracts until long-term contracts are executed. Consequently, payments to the federal government under the bill are likely to be similar to the payments that would be received under current law.

H.R. 5009 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enacting this bill would benefit the affected contractors, which are local government entities.

The CBO staff contact for this estimate is Julie Middleton. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.