



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 6, 2006

H.R. 122
Eastern Municipal Water District Recycled Water System
Pressurization and Expansion Project
As ordered reported by the House Committee on Resources on March 29, 2006

SUMMARY

H.R. 122 would authorize the Secretary of the Interior to participate in the design, planning, and construction of facilities to recycle water in southern California. The bill would authorize the appropriation of \$12 million for the federal share of the project and would limit the federal share of the project to 25 percent of the total cost.

Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 122 would cost \$5 million over the 2007-2011 period and \$7 million after 2011. Enacting this legislation would not affect direct spending or revenues. H.R. 122 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. 122 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				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 122 will be enacted near the start of fiscal year 2007 and that the necessary amounts will be appropriated in equal installments over the 2007-2016 period.

The Bureau of Reclamation estimates that the project will cost \$48 million. In addition, it expects the project to take 10 to 15 years to build. For this estimate, CBO expects that about \$1 million a year would be needed to meet the federal share (25 percent) of the project costs. Based on historical spending patterns of similar projects, CBO estimates that implementing this bill would cost about \$5 million over the 2007-2011 period and \$7 million after that period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 122 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Funds authorized in the bill to design, plan, and construct a system for recycling water would benefit the Eastern Municipal Water District. Any costs they might incur would result from complying with conditions for receiving federal assistance.

ESTIMATE PREPARED BY:

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