



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 16, 2008

H.R. 1855 **Madera Water Supply Enhancement Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 7, 2008*

SUMMARY

H.R. 1855 would authorize the Bureau of Reclamation to participate in the study, design, and construction of water recharge, recovery, and delivery systems on the Madera Ranch in cooperation with the Madera Irrigation District in California.

Assuming appropriation of amounts authorized in the legislation, CBO estimates that implementing H.R.1855 would cost \$23 million over the 2009-2013 period. Under the act, the federal share of the costs of the project would be reimbursed by its users. Enacting this legislation would not affect direct spending or revenues.

H.R. 1855 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. 1855 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	5	10	8	0	0	23
Estimated Outlays	3	8	8	4	0	23

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1855 will be enacted near the start of fiscal year 2009 and that the necessary amounts will be appropriated over the 2009-2013 period.

H.R. 1855 would authorize the Bureau of Reclamation to enter into cooperative agreements with the Madera Irrigation District in California to design and construct an irrigation project. Based on information from the bureau, CBO estimates that the total cost of the project would be \$90 million and the federal share would not exceed 25 percent of that amount. Further, no federal funds would be available for the operation and maintenance of the project.

Based on information from the bureau and assuming appropriation of the necessary amounts, CBO estimates that implementing this act would cost \$23 million over the 2009-2013 period.

H.R. 1855 would not classify the federal share of the cost of the project as nonreimbursable. As such, CBO assumes that the Madera Irrigation District would be required to reimburse the federal share of the costs over a period of 20 years. Thus, if appropriations are provided to help build the project, there would be an increase in offsetting receipts (a credit against direct spending) over the life of the project to repay the federal investment.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1855 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The act would authorize the design and construction of water projects that would benefit the Madera Irrigation District. Any costs to the district for the project would be incurred voluntarily.

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