



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 12, 2008

H.R. 5710
Eastern New Mexico Rural Water System Authorization Act

*As ordered reported by the House Committee on Natural Resources
on June 11, 2008*

SUMMARY

H.R. 5710 would authorize the Secretary of the Interior to provide financial and technical assistance to the Eastern New Mexico Rural Water Authority to help plan, design, and construct a water delivery project.

Based on information from the Bureau of Reclamation and assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 5710 would cost \$348 million over the 2009-2013 period. Enacting the legislation would not affect direct spending or revenues.

H.R. 5710 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. 5710 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	80	100	100	80	0	360
Estimated Outlays	48	80	97	88	35	348

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009 and that the necessary amounts will be appropriated for each year.

H.R. 5710 would authorize the appropriation of \$327 million, plus additional amounts to reflect changes in construction costs after January 1, 2007. Under the bill, the Secretary would not be able to provide federal funds for operation and maintenance costs of the project. The maximum federal share of any activity related to the project would be limited to 75 percent. Any federal funds contributed to construct the project would be non-reimbursable.

Based on information from the Bureau of Reclamation and assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would cost \$348 million over the 2009-2013 period, and an additional \$12 million thereafter.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5710 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 delivering water would benefit the Eastern New Mexico Rural Water Authority. Any costs the authority might incur would result from complying with conditions for receiving federal assistance.

PREVIOUS ESTIMATE:

On June 11, 2008, CBO transmitted a cost estimate for S. 2814, the Eastern New Mexico Rural Water System Authorization Act as ordered reported by the Senate Committee on

Energy and Natural Resources on May 7, 2008. The bills are similar, and the estimated costs of implementing them are identical.

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