



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

August 12, 2010

**H.R. 2522**

**A bill to raise the ceiling on the federal share of the cost  
of the Calleguas Municipal Water District Recycling Project,  
and for other purposes**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on August 5, 2010*

**SUMMARY**

H.R. 2522 would increase the amount authorized to be appropriated for a water recycling project at the Calleguas Municipal Water District in California by \$40 million. The additional funding would enable the Bureau of Reclamation (BOR) to complete a component of that project.

CBO estimates that implementing H.R. 2522 would cost \$16 million over the 2011-2015 period and \$24 million after 2015, assuming appropriation of the additional amounts. Enacting H.R. 2522 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2522 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. 2522 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					2011- 2015
	2011	2012	2013	2014	2015	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	3	3	3	4	4	17
Estimated Outlays	2	3	3	4	4	16

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 2522 will be enacted near the beginning of fiscal year 2011 and that the additional \$40 million authorized to be appropriated will be provided in roughly equal increments over the next 10 years. Estimated outlays are based on historical spending patterns for similar water resource projects.

The project was originally authorized in 1996 and in recent years has received funding totaling less than \$2 million annually. An additional \$5 million was provided for the project in the American Recovery and Reinvestment Act of 2009. H.R. 2522 would increase the amount authorized to be appropriated for the federal share of the Calleguas project from \$20 million to \$60 million. Based on information provided by the Bureau of Reclamation, CBO estimates that the total cost of constructing the next component of the multiphase Calleguas project would be about \$220 million. Costs above the amount authorized to be appropriated by the federal government would be paid for by local project participants.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2522 contains no intergovernmental or private-sector mandates as defined in UMRA and would benefit the Calleguas Municipal Water District.

## **PREVIOUS CBO ESTIMATE**

On September 18, 2009, CBO transmitted a cost estimate for H.R. 2522, as ordered reported by the House Committee on Natural Resources on September 10, 2009. The two versions of the legislation, and CBO's estimate of their costs, are similar.

## **ESTIMATE PREPARED BY:**

Federal Costs: Aurora Swanson

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Amy Petz

## **ESTIMATE APPROVED BY:**

Theresa Gullo

Deputy Assistant Director for Budget Analysis