



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 7, 2018

### **S. 685**

### **Clean Water for Rural Communities Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on October 2, 2018*

#### **SUMMARY**

S. 685 would authorize the Bureau of Reclamation (BOR) to study, plan, and construct projects to secure water supplies in rural areas in Montana and North Dakota. Using information from BOR, CBO estimates that implementing the bill would cost \$52 million over the 2019-2023 period, assuming appropriation of the authorized and necessary amounts.

Enacting S. 685 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 685 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 685 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of S. 685 is shown in the following table. The costs of the legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					2019-2023
	2019	2020	2021	2022	2023	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Musselshell-Judith Rural Water System						
Estimated Authorization Level	5	12	12	13	13	55
Estimated Outlays	3	8	11	12	13	47
Dry-Redwater Feasibility Study						
Estimated Authorization Level	2	2	1	0	0	5
Estimated Outlays	1	2	1	1	0	5
Total						
Estimated Authorization Level	7	14	13	13	13	60
Estimated Outlays	4	10	12	13	13	52

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 685 will be enacted in 2019. The bill would authorize the appropriation of specific amounts but does not specify in which year the appropriation should be provided. CBO has estimated how much would need to be provided each year based on historical patterns. Estimated outlays are based on historical spending patterns for similar programs. CBO estimates that implementing the bill would cost \$52 million over the 2019-2023 period, assuming appropriation of the authorized and necessary amounts.

S. 685 would authorize BOR to construct the Musselshell-Judith Rural Water Project in central Montana. The project would include planning, designing, and constructing groundwater wells and distribution facilities to deliver water to rural communities. The federal share (65 percent) of costs to construct the project would total about \$57 million; the project could be completed in about six years. Including adjustments for anticipated inflation as authorized by the bill, CBO estimates that the federal cost to implement those provisions would total \$47 million over the 2019-2023 period; the remainder of the federal costs would occur after 2023.

The bill also would authorize BOR to study the feasibility of constructing the Dry-Redwater Rural Water Project in Montana. The project would provide water treatment and distribution facilities to deliver water to existing storage tanks in rural communities in eastern Montana and in northwestern North Dakota. CBO estimates that completing

the study would cost \$5 million over the 2019-2023 period, assuming the appropriation of the specified amount.

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

### **INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS**

CBO estimates that enacting S. 685 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 685 contains no intergovernmental or private-sector mandates as defined in UMRA.

### **ESTIMATE PREPARED BY**

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