



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2009

H.R. 2950

A bill to allow prepayment of certain repayment contracts between the United States and the Uintah Water Conservancy District

*As ordered reported by the House Committee on Natural Resources
on September, 10, 2009*

H.R. 2950 would allow the Uintah Water Conservancy District in Utah to prepay the net present value of certain amounts the district owes to the U.S. Treasury for its share of the cost to build the Jensen Unit of the Central Utah Project. Under current law the district is expected to make annual payments totaling about \$6 million over the 2010-2019 period and about \$12 million more after 2020.

Based on information from the Bureau of Reclamation, CBO estimates that enacting H.R. 2950 would result in a payment from the district of about \$10 million in 2010. Following that payment, the district would no longer have to make annual payments to the Treasury. The net effect of those changes over the 2010-2019 period would be an increase in offsetting receipts totaling \$7 million over the 2010-2014 period and \$4 million over the 2010-2019 period. Over the 2010-2037 period the bill would result in a net loss of receipts totaling about \$8 million. Enacting the legislation would not affect revenues.

For this estimate, CBO assumes that H.R. 2950 will be enacted near the beginning of fiscal year 2010. While the bill would allow the district to repay the costs by the end of fiscal year 2019, CBO assumes that they would choose to make one lump sum payment upon enactment of the bill. As required by the bill, this estimate includes the costs currently allocated to the project as well as those expected to be included in the final cost allocation. For this estimate, CBO used its projection of the 30-year Treasury rate for 2010—4.86 percent—as the discount rate to calculate the district's estimated prepayment.

H.R. 2950 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.