



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 1, 2010

H.R. 2741

A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the city of Hermiston, Oregon, water recycling and reuse project

*As ordered reported by the Senate Committee on Energy and Natural Resources
on June 21, 2010*

SUMMARY

H.R. 2741 would authorize the Bureau of Reclamation to participate in developing a project to reclaim and reuse groundwater in Hermiston, Oregon. Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 2741 would cost \$7 million over the 2011-2015 period.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 2741 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. 2741 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	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	7	0	0	0	0	7
Estimated Outlays	4	2	1	0	0	7

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2741 will be enacted in fiscal year 2010 and that the federal share of the project's costs will be appropriated in 2011. Estimated outlays are based on historical spending patterns for similar water recycling projects.

H.R. 2741 would authorize the Bureau of Reclamation to design, plan, and construct water recycling facilities in Hermiston, Oregon. The federal share of the project's costs would be limited to the lesser of 25 percent of the total project costs or \$20 million. Based on information from the bureau, CBO estimates that the total cost of the project would be about \$26 million. Under the bill, the federal share of the project's costs would be about \$7 million; the remaining \$19 million would be the responsibility of local governments, as would operation and maintenance of the facility.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2741 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would benefit Hermiston, Oregon, by authorizing federal assistance for planning, designing, and constructing water facilities.

PREVIOUS CBO ESTIMATE

On September 18, 2009, CBO provided a cost estimate for H.R. 2741 as ordered reported by the House Committee on Natural Resources on September 10, 2009. The two versions of the legislation are the same. Based on more recent information from the Bureau of Reclamation, CBO now estimates that the total cost of this project would be \$26 million, \$4 million more than we estimated in 2009. We now estimate that the federal share of the project's costs would be \$7 million.

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:

Peter H. Fontaine
Assistant Director for Budget Analysis