



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 10, 2006

H.R. 5079

Oregon Water Resources Management Act of 2006

As ordered reported by the House Committee on Resources on June 21, 2006

SUMMARY

H.R. 5079 would authorize the appropriation of \$16.5 million over the 2007-2011 period, and another \$8 million over the 2012-2015 period for river restoration and water management projects in Oregon. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5079 would cost \$2 million in 2007 and \$14 million over the 2007-2011 period (the remaining funds would be spent after 2011).

The bill also would amend certain provisions of a contract between the Department of the Interior and Oregon's North Unit Irrigation District. Enacting this section would increase federal collections by less than \$100,000 a year. (Such collections are recorded as offsetting receipts, a credit against direct spending.) Enacting this bill would not affect revenues.

H.R. 5079 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); the bill would benefit state, local, and tribal governments and any costs to those governments would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5079 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				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Deschutes River Restoration Projects					
Authorization Level	2	2	2	2	2
Estimated Outlays	*	1	2	2	2
Wallowa Lake Dam Rehabilitation					
Estimated Authorization Level	2	2	2	0	0
Estimated Outlays	1	2	2	1	0
Water Management Study					
Authorization Level	0.5	0	0	0	0
Estimated Outlays	0.5	0	0	0	0
Total Changes					
Estimated Authorization Level	5	4	4	2	2
Estimated Outlays	2	3	4	3	2

NOTE: * = less than \$500,000.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5097 will be enacted near the start of fiscal year 2007 and that amounts specified will be appropriated beginning in 2007. Estimates of outlays are based on historical spending patterns for similar Bureau of Reclamation activities.

Spending Subject to Appropriation

H.R. 5079 would authorize the appropriation of \$16.5 million over the 2007-2011 period, and an additional \$8 million to be authorized over the 2012-2015 period. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5079 would cost \$2 million in 2007 and \$14 million over the 2007-2011 period (additional amounts would be spent after 2011). As described below, these amounts would be primarily used for the Bureau of Reclamation restoration and water management activities in Oregon.

Deschutes River Restoration Projects. Section 2 would authorize the appropriation of \$12 million over the 2006-2011 period and \$8 million over the 2012-2015 period for ecosystem projects administered by the bureau in the Deschutes River basin region.

Assuming appropriation of the authorized amounts, CBO estimates that the project would cost \$7 million over the 2007-2011 period, with the remaining funds to be spent after 2011.

Wallowa Lake Dam Rehabilitation. Section 3 would authorize the appropriation of \$6 million for the bureau's share of the cost to participate in the Wallowa Lake Dam rehabilitation. CBO expects that \$2 million would be provided each year over the 2007-2009 period. Appropriation of the authorized amount would result in discretionary spending of \$6 million over the 2007-2011 period.

Water Management Study. Section 4 would authorize the appropriation of \$500,000 to the bureau to participate in a water management study of the Little Butte and Bear Creek watersheds in Medford, Oregon. The study would identify ways to meet future water supply needs and to improve water quality, conservation, and storage measures. Assuming appropriation of the authorized amounts, the study would cost \$500,000 in 2007.

Direct Spending

H.R. 5079 would amend the North Unit's Irrigation District repayment contract with the Department of the Interior. Under current law, payments would be completed within the next 35 to 45 years. H.R. 5079 would amend the terms of the district's contract with the department by setting a fixed annual payment, and require the district's total obligation to be paid to the department by 2044. CBO estimates that enacting H.R. 5079 would increase offsetting receipts by less than \$100,000 a year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5079 contains no intergovernmental or private-sector mandates as defined in UMRA. Enacting this bill would benefit state, local, and tribal governments by authorizing funds for restoration projects; any costs that they might incur would result from complying with conditions for receiving federal assistance.

PREVIOUS CBO ESTIMATES

CBO transmitted three cost estimates for bills that include similar provisions to those contained in H.R. 5079. On February 14, 2005, CBO transmitted a cost estimate for S. 231, the Wallowa Lake Dam Rehabilitation and Water Management Act of 2005, as ordered reported by the Senate Committee on Energy and Natural Resources on February 9, 2005. Both S. 231 and H.R. 5079 authorize appropriations for Wallowa Lake Dam rehabilitation,

but H.R. 5079 limits the authorization of appropriations to phase I projects. H.R. 5079 would not result in an increase in direct spending by the Bonneville Power Administration as CBO estimated under S. 231.

On October 7, 2005, CBO transmitted a cost estimate for S. 166, the Deschutes River Conservancy Reauthorization Act of 2005, as ordered reported by the Senate Committee on Energy and Natural Resources on September 28, 2005. Both S. 166 and H.R. 5097 would authorize appropriations to restore the Deschutes River basin. The differences in the cost estimates for these provisions are due to different assumed dates of enactment.

On October 7, 2005, CBO transmitted a cost estimate for S. 251, the Little Butte/Bear Creek Subbasins Water Feasibility Act, as ordered reported by the Senate Committee on Energy and Natural Resources on September 28, 2005. Both S. 251 and H.R. 5079 would authorize the appropriation of \$0.5 million for a water management feasibility study.

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