

## DENVER WATER REUSE PROJECT

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SEPTEMBER 23, 2002.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HANSEN, from the Committee on Resources,  
submitted the following

### R E P O R T

[To accompany S. 491]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (S. 491) to authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Denver Water Reuse project, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of S. 491 is to authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act, to participate in the design, planning, and construction of the Denver Water Reuse project.

#### BACKGROUND AND NEED FOR LEGISLATION

A continually growing population in conjunction with the natural scarcity of fresh water make the discovery of new and untapped sources of water important to provide for the future. Recycled water is desirable because there is a constant supply, and, although recycled water is mostly used in irrigation and industry, it relieves pressure on local streams and aquifers that currently provide water for municipal and industrial use. The importance of this resource was officially recognized in 1992 by the passing of Public law 102-575. Title XVI of this law, also known as the Reclamation Wastewater and Groundwater Study and Facilities Act, authorized the Bureau of Reclamation to participate in the construction of five water recycling projects. Since 1992, the Act has been revised to in-

clude several other projects. S. 491 would authorize one more project under title XVI.

Title XVI has three prerequisites that must be met before appropriation of funds can take place. First, either the Bureau of Reclamation or the non-federal project sponsor must complete a feasibility study. Second, the non-federal sponsor must demonstrate that it is financially capable of funding its share. Third, the Bureau must ensure completion of appropriate environmental compliance under the National Environmental Policy Act. S. 491 provides for cost-sharing to fund the costs of complying with these prerequisites and the design, planning, and construction of a wastewater reclamation facility in Denver, Colorado.

Colorado is in the midst of the most severe drought the State has experienced in 100 years while at the same time facing unprecedented forest fires. S. 491 will provide assistance to the Denver Water Department of the city and county of Denver, Colorado, for planning, design, and construction of facilities to provide a reliable water supply and help mitigate future droughts.

#### COMMITTEE ACTION

S. 491 was introduced on March 8, 2001, by Senator Ben Nighthorse Campbell (R-CO). On September 4, 2001, the Senate passed the bill with an amendment by unanimous consent. In the House of Representatives, the bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power. On September 12, 2002, the Full Resources Committee met to consider the bill. By unanimous consent, the Subcommittee on Water and Power was discharged from further consideration of S. 491. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

#### COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

#### COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not

contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, September 19, 2002.*

Hon. JAMES V. HANSEN,  
*Chairman, Committee on Resources,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 491, an act to authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Denver Water Reuse project.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

BARRY B. ANDERSON  
(For Dan L. Crippen, Director).

Enclosure.

*S. 491—An act to authorize the Secretary of the Interior, pursuant to the provisions of the Reclamation Wastewater and Groundwater Study and Facilities Act to participate in the design, planning, and construction of the Denver Water Reuse project*

Summary: S. 491 would authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse Project. This project would recycle wastewater for the city and county of Denver, Colorado. Based on information from the Bureau of Reclamation, CBO estimates that implementing S. 491 would cost \$23 million over the 2003–2005 period, assuming appropriation of the necessary amounts. S. 491 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 491 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 491 is shown in the following table. The costs of this legislation fall within budget function 300 (nature resources and environment).

	By fiscal year, in millions of dollars—					
	2002	2003	2004	2005	2006	2007
Estimated authorization level .....	0	10	13	0	0	0
Estimated outlays .....	0	5	10	8	0	0

Basis of estimate: For this estimate, CBO assumes that S. 491 will be enacted near the start of fiscal year 2003 and that the necessary funds will be appropriated for each year. Based on information from the Bureau of Reclamation, CBO estimates that the total Denver Water Reuse project would cost \$140 million. S. 491 would allow any funds appropriated under section 1631 of the Reclamation Wastewater and Groundwater Study and Facilities Act to be used for the project. That act limits the federal contribution to 25 percent of a project's total cost, but no more than \$20 million, as adjusted for inflation since October 1996. Because 25 percent of the Denver Water Reuse project's total cost would exceed this threshold, CBO estimates that implementing S. 491 would involve a federal contribution of \$23 million over the 2003–2005 period. S. 491 would not authorize the federal government to fund the operation and maintenance of the project.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 491 contains no intergovernmental or private-sector mandates as defined in UMBA. State and local governments might incur some costs to match the federal funds authorized by this act, but these costs would be voluntary.

Previous CBO estimate: On May 31, 2001, CBO prepared a cost estimate for S. 491 as ordered reported by the Senate Committee on Energy and Natural Resources on May 16, 2001. The two versions of the legislation are identical, and our estimates of cumulative costs are the same. The earlier estimate assumed an earlier enactment and implementation of S. 491 over the 2002–2004 period, however, this estimate assumes implementation would occur over the 2003–2005 period.

Estimate prepared by: Federal costs: Julie Middleton; impact on State, local, and tribal governments: Marjorie Miller; impact on the private sector: Lauren Marks.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

#### COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

#### PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

#### CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.