

storage until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storage.

(Dec. 22, 1944, ch. 665, § 8, 58 Stat. 891; July 26, 1947, ch. 343, title II, § 205(a), 61 Stat. 501; Pub. L. 99-662, title IX, § 931, Nov. 17, 1986, 100 Stat. 4196.)

#### REFERENCES IN TEXT

Act of June 17, 1902, referred to in text, is popularly known as the Reclamation Act, which is classified generally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 371 of this title and Tables.

#### AMENDMENTS

1986—Pub. L. 99-662 inserted at end “In the case of any reservoir project constructed and operated by the Corps of Engineers, the Secretary of the Army is authorized to allocate water which was allocated in the project purpose for municipal and industrial water supply and which is not under contract for delivery, for such periods as he may deem reasonable, for the interim use for irrigation purposes of such storage until such storage is required for municipal and industrial water supply. No contracts for the interim use of such storage shall be entered into which would significantly affect then-existing uses of such storage.”

#### CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted “Title 10, Armed Forces” which in sections 3010 to 3013 continued Department of the Army under administrative supervision of Secretary of the Army.

#### TRANSFER OF FUNCTIONS

For transfer of certain real property and functions relating to real property, insofar as they pertain to Air Force, from Secretary of the Army and Department of the Army to Secretary of the Air Force and Department of the Air Force, see Secretary of Defense Transfer Order Nos. 14, eff. July 1, 1948, and 40 [App. B(133)], July 22, 1949.

#### EXTENSION OF VARIABLE PAYMENT PLAN

Authority of Secretary to extend benefits of variable payment plan to organizations with which he contracts or has contracted for the repayment of construction costs allocated to irrigation on any project undertaken by the United States, including contracts for the storage of water or for the use of stored water under this section, see section 2 of Pub. L. 85-611, Aug. 8, 1958, 72 Stat. 542, set out as a note under section 485h of this title.

#### SECTION AS UNAFFECTED BY SUBMERGED LANDS ACT

Provisions of this section as not amended, modified or repealed by the Submerged Lands Act, see section 1303 of this title.

### **§ 390a. Repealed. Pub. L. 105-362, title IX, § 901(e)(2), Nov. 10, 1998, 112 Stat. 3289**

Section, acts July 31, 1953, ch. 298, title I, 67 Stat. 266; Pub. L. 99-294, § 10, May 12, 1986, 100 Stat. 426, related to conditions precedent for construction of dams, reservoir, or water supply.

Provisions similar to those in this section were contained in act July 9, 1952, ch. 597, title I, 66 Stat. 451, prior to repeal by Pub. L. 105-362, title IX, § 901(e)(1), Nov. 10, 1998, 112 Stat. 3289.

### **§ 390b. Development of water supplies for domestic, municipal, industrial, and other purposes**

#### **(a) Declaration of policy**

It is declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, irrigation, or multiple purpose projects.

#### **(b) Storage in reservoir projects; agreements for payment of cost of construction or modification of projects**

In carrying out the policy set forth in this section, it is provided that storage may be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers or the Bureau of Reclamation to impound water for present or anticipated future demand or need for municipal or industrial water, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That the cost of any construction or modification authorized under the provisions of this section shall be determined on the basis that all authorized purposes served by the project shall share equitably in the benefits of multiple purpose construction, as determined by the Secretary of the Army or the Secretary of the Interior, as the case may be: *Provided further*, That before construction or modification of any project including water supply provisions for present demand is initiated, State or local interests shall agree to pay for the cost of such provisions in accordance with the provisions of this section: *And provided further*, That (1) for Corps of Engineers projects, not to exceed 30 percent of the total estimated cost of any project may be allocated to anticipated future demands, and, (2) for Bureau of Reclamation projects, not to exceed 30 per centum of the total estimated cost of any project may be allocated to anticipated future demands where State or local interests give reasonable assurances, and there is reasonable evidence, that such demands for the use of such storage will be made within a period of time which will permit paying out the costs allocated to water supply within the life of the project: *And provided further*, That for Corps of Engineers projects, the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of completion, with repayment contracts providing for recalculation of the interest rate at, five-year intervals, and for Bureau of Reclamation projects, the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the life of the project but in no event to exceed fifty years after the project is first used for the storage of water for water supply purposes, except that (1)

no payment need be made with respect to storage for future water supply until such supply is first used, and (2) no interest shall be charged on such cost until such supply is first used, but in no case shall the interest-free period exceed ten years. For Corps of Engineers projects, all annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis. For Corps of Engineers projects, any repayment by a State or local interest shall be made with interest at a rate to be determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or, when a recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs. For Bureau of Reclamation projects, the interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue. The provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) [43 U.S.C. 485 et seq.] relating to the same subject.

**(c) Application to other laws**

The provisions of this section shall not be construed to modify the provisions of section 701-1 of title 33 and section 390 of this title, as amended and extended, or the provisions of sections 372 and 383 of this title.

**(d) Approval of Congress of modifications of reservoir projects**

Modifications of a reservoir project heretofore authorized, surveyed, planned, or constructed to include storage as provided in subsection (b) of this section which would seriously affect the purposes for which the project was authorized, surveyed, planned, or constructed, or which would involve major structural or operational changes shall be made only upon the approval of Congress as now provided by law.

(Pub. L. 85-500, title III, §301, July 3, 1958, 72 Stat. 319; Pub. L. 87-88, §10, July 20, 1961, 75 Stat. 210; Pub. L. 99-662, title IX, §932(a), Nov. 17, 1986, 100 Stat. 4196.)

REFERENCES IN TEXT

The Reclamation Projects Act of 1939, referred to in subsec. (b), is act Aug. 4, 1939, ch. 418, 53 Stat. 1187, as amended, which is classified principally to subchapter X (§485 et seq.) of this chapter. For complete classification of this Act to the Code, see section 485k of this title and Tables.

AMENDMENTS

1986—Subsec. (b). Pub. L. 99-662 inserted in third proviso “(1) for Corps of Engineers projects, not to exceed 30 percent of the total estimated cost of any project may be allocated to anticipated future demands, and, (2) for Bureau of Reclamation projects,” inserted in fourth proviso “for Corps of Engineers projects, the Secretary of the Army may permit the full non-Federal contribution to be made, without interest, during construction of the project, or, with interest, over a period of not more than thirty years from the date of completion, with repayment contracts providing for recalculation of the interest rate at, five-year intervals, and for Bureau of Reclamation projects,” inserted after first sentence “For Corps of Engineers projects, all annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis. For Corps of Engineers projects, any repayment by a State or local interest shall be made with interest at a rate to be determined by the Secretary of the Treasury, taking into consideration the average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period, during the month preceding the fiscal year in which costs for the construction of the project are first incurred (or, when a recalculation is made), plus a premium of one-eighth of one percentage point for transaction costs.”, and substituted “For Bureau of Reclamation projects, the interest rate used” for “The interest rate used”.

1961—Subsec. (b). Pub. L. 87-88 substituted provisions permitting not more than 30 per centum of the total estimated cost of any project to be allocated to anticipated future demands where State or local interests give reasonable assurances, and there is reasonable evidence, that such demands for the use of such storage will be made within a period of time which will permit paying out the costs allocated to water supply within the life of the project for provisions which permitted not more than 30 per centum of the total estimated cost of any project to be allocated to anticipated future demands where States or local interests give reasonable assurance that they will contract for the use of storage for anticipated future demands within a period of time which will permit paying out the costs allocated to water supply within the life of the project.

SHORT TITLE OF 1961 AMENDMENT

Pub. L. 87-88, §11, July 20, 1961, 75 Stat. 210, provided that: “This Act [amending this section, and sections 1151, 1153 to 1155, 1157 to 1160, 1171 to 1173 of Title 33, Navigation and Navigable Waters, and enacting provisions set out as notes under sections 1151, 1157, and 1159 of Title 33] may be cited as the ‘Federal Water Pollution Control Act Amendments of 1961.’”

SHORT TITLE

Pub. L. 85-500, title III, §302, July 3, 1958, 72 Stat. 320, provided that: “Title III of this Act [enacting this section] may be cited as the ‘Water Supply Act of 1958.’”

AMENDMENT OF CONTRACTS EXISTING PRIOR TO  
NOVEMBER 17, 1986

Pub. L. 99-662, title IX, §932(b), Nov. 17, 1986, 100 Stat. 4197, provided that: “Nothing in this section [amending this section] shall be deemed to amend or require amendment of any valid contract entered into pursuant to the Water Supply Act of 1958 [this section], or Federal reclamation law and approved by the Secretary of the Army or the Secretary of the Interior prior to the date of enactment of this Act [Nov. 17, 1986].”

**§ 390c. Water reservoirs; interests of States and local agencies in storage space**

Cognizant that many States and local interests have in the past contributed to the Govern-