

covered into the Treasury to the credit of miscellaneous receipts. Charges collected during the development period of a project under section 590z-2(c)(1) of this title, excepting such amounts thereof as may be credited to reimbursable construction costs, and charges collected for the operation and maintenance of a project under section 590z-2(c)(2) of this title shall be available for expenditure for operation and maintenance of said project in like manner as if said funds had been specifically appropriated for said purposes.

(Aug. 11, 1939, ch. 717, §8, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124.)

**§ 590z-7. Provisions for furnishing surplus power and municipal or miscellaneous water supplies**

**(a) In general**

In connection with any project undertaken pursuant to this subchapter, provisions, including contracts of sale, may be made for furnishing municipal or miscellaneous water supplies, or for developing and furnishing power in addition to the power requirements of irrigation: *Provided*, That expenditures from appropriations made directly pursuant to the authority contained in section 590z-10(1) of this title to meet costs allocated to municipal or miscellaneous water supplies or surplus power shall not exceed \$500,000 for any one project: *Provided further*, That no contract relating to a water supply for municipal or miscellaneous purposes or to electric power shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. On any project where such provisions are made, the Secretary shall allocate to municipal or miscellaneous water purposes or to surplus power the part of the estimated construction costs of the project which he deems properly so allocable; and such allocations shall not be included in the reimbursable construction costs covered by the repayment contract or contracts required under section 590z-2 of this title. All right, title, and interest in the facilities provided for such municipal or miscellaneous water supplies or surplus power and the revenues derived therefrom shall be and remain in the United States. Contracts for such municipal or miscellaneous water supplies or for such surplus power shall be at such rates as, in the Secretary's judgment, will produce revenues at least sufficient to cover the appropriate share of the annual operation and maintenance cost of the project and such fixed charges, including interest, as the Secretary deems proper. Contracts for the sale of surplus power shall be for periods not to exceed forty years and contracts for water supply for municipal or miscellaneous purposes shall be for such periods as the Secretary may determine and may include such renewal options as the Secretary deems desirable: *And provided further*, That in sales or leases of such power, preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 [7 U.S.C. 901 et seq.] and any amendments thereof.

**(b) Certain leases authorized**

**(1) In general**

Notwithstanding subsection (a), the Secretary—

(A) may enter into leases of power privileges for electric power generation in connection with any project constructed pursuant to this subchapter; and

(B) shall have authority over any project constructed pursuant to this subchapter in addition to and alternative to any existing authority relating to a particular project.

**(2) Process**

In entering into a lease of power privileges under paragraph (1), the Secretary shall use the processes, terms, and conditions applicable to a lease under section 485h(c) of title 43.

**(3) Findings not required**

No findings under section 590z-1 of this title shall be required for a lease under paragraph (1).

**(4) Rights retained by lessee**

Except as otherwise provided under paragraph (5), all right, title, and interest in and to installed power facilities constructed by non-Federal entities pursuant to a lease under paragraph (1), and any direct revenues derived from that lease, shall remain with the lessee.

**(5) Lease charges**

Notwithstanding section 590z-6 of this title, lease charges shall be credited to the project from which the power is derived.

**(6) Effect**

Nothing in this section alters or affects any agreement in effect on December 19, 2014, for the development of hydropower projects or disposition of revenues.

(Aug. 11, 1939, ch. 717, §9, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124; Pub. L. 113-291, div. B, title XXX, §3087, Dec. 19, 2014, 128 Stat. 3857.)

REFERENCES IN TEXT

The Rural Electrification Act of 1936, referred to in subsec. (a), is act May 20, 1936, ch. 432, 49 Stat. 1363, as amended, which is classified generally to chapter 31 (§901 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see section 901 of Title 7 and Tables.

AMENDMENTS

2014—Pub. L. 113-291 designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

**§ 590z-8. Authority of Secretary of the Interior over lands, contracts, water rights, etc.**

**(a) Utilization of lands**

In connection with any project constructed pursuant to the provisions of this subchapter, the Secretary shall have the same authority, with regard to the utilization of lands owned by the United States, other than lands acquired under section 590z-3 of this title as he has in connection with projects undertaken pursuant to the Federal reclamation laws, Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto.

**(b) Contracts, land acquisitions, etc.**

In connection with the construction or operation and maintenance of a project undertaken