

factory to him; and (4) to arrange for the improvement of lands within the project boundaries, including clearing, leveling, and preparing them for distribution of irrigation water. Contracts between the United States and water users or water users' organizations for the lease or purchase of, or the improvement of, lands within such projects shall provide for annual or semiannual payments to the United States, of the number and amounts fixed by the Secretary of Agriculture. The lease, purchase, or improvement contracts for each tract of land shall provide in the aggregate for the return, in not to exceed fifty years from the date the land is first settled upon, of the costs incurred by the United States in acquiring and improving such tract of land with funds appropriated under authority of section 590z-10(2) of this title, except administrative expenses incurred in the District of Columbia, together with interest on unpaid balances of said costs at not less than 3 per centum per annum. Such lease, purchase, or improvement contracts shall also provide for the fulfillment of such obligations related to reimbursable construction costs and operation and maintenance charges as may be applicable to such lands in accordance with the repayment contract or contracts required by section 590z-2 of this title.

**(b) Utilization of other agencies**

For the purposes of this section, the Secretary of Agriculture may utilize (1) in such manner as the President may direct, services, labor, materials, or other property, including money, supplied by the Work Projects Administration, the Civilian Conservation Corps, the Office of Indian Affairs, the Department of Agriculture, or any other Federal agency to the extent that the President, upon the report and recommendations of the Secretary of Agriculture, finds that the same should be supplied in assistance of such improvement work, and for which the United States shall be reimbursed in such amounts as the President may fix for each project; and (2) such services, labor, materials, easements, or other property, including money, as may be contributed by any State or political subdivision thereof State agency, municipal corporation, or other organization, or individuals. Moneys received and accepted under (2) of this subsection shall remain available for expenditure for the purposes for which contributed in like manner as if said sums had been specifically appropriated for said purposes.

**(c) Advertisement for purchases or services**

Where the aggregate amount involved does not exceed \$300, the provisions of section 6101 of title 41 shall not apply to any purchase or service authorized for the Department of Agriculture under this subchapter or under the 1940 water conservation appropriation.

(Aug. 11, 1939, ch. 717, § 5, as added Oct. 14, 1940, ch. 861, 54 Stat. 1122; amended July 16, 1943, ch. 242, § 6, 57 Stat. 568.)

REFERENCES IN TEXT

For 1940 water conservation appropriation citation, referred to in subsec. (c), see section 590z-1(c) of this title.

CODIFICATION

In subsec. (c), "section 6101 of title 41" substituted for "section 3709 of the Revised Statutes (41 U.S.C. 5)" on authority of Pub. L. 111-350, § 6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

AMENDMENTS

1943—Subsec. (c). Act July 16, 1943, added subsec. (c).

TRANSFER OF FUNCTIONS

Works Projects Administration and its functions transferred to Federal Works Agency by Reorg. Plan No. 1 of 1939, §§ 301, 306, eff. July 1, 1939, 4 F.R. 2729, 53 Stat. 1426, set out in the Appendix to Title 5, Government Organization and Employees.

Functions of Federal Works Agency transferred to General Services Administration by act June 30, 1949, ch. 288, title I, § 103, 63 Stat. 380. See Historical and Revision Notes under section 303(b) of Title 40, Public Buildings, Property, and Works. Section 303(b) of Title 40 was amended generally by Pub. L. 109-313, § 2(a)(1), Oct. 6, 2006, 120 Stat. 1734, and, as so amended, no longer relates to the Federal Works Agency and Commissioner of Public Buildings. See 2006 Amendment note under section 303 of Title 40.

Civilian Conservation Corps and its functions consolidated with other agencies under Federal Security Agency, to be administered by Director of Corps under direction and supervision of Federal Security Administration by Reorg. Plan No. 1 of 1939, §§ 201, 207, eff. July 1, 1939, 4 F.R. 2728, 2729, 53 Stat. 1425, set out in the Appendix to Title 5, Government Organization and Employees.

Federal Security Agency abolished by section 8 of Reorg. Plan No. 1 of 1953, eff. Apr. 11, 1953, 18 F.R. 2053, 67 Stat. 631, set out in the Appendix to Title 5, and its functions transferred to Department of Health, Education, and Welfare by section 5 of Reorg. Plan. No. 1 of 1953.

Department of Health, Education, and Welfare redesignated Department of Health and Human Services by section 3508(b) of Title 20, Education.

**§ 590z-4. Cooperative agreements with other agencies**

The Secretary, by cooperative agreements, may arrange with the Department of Agriculture or with such other Federal or State agencies, as the President may deem desirable, for cooperation in the investigations and surveys of projects proposed under the authority of this subchapter; and in connection with any such project which is undertaken the Secretary by such cooperative agreements may arrange for such cooperation in the construction or operation and maintenance of the project as he deems desirable. Any such cooperative agreement with the Department of Agriculture may provide, among other things (1) that the Secretary of Agriculture shall enter into the repayment contracts, required by section 590z-2 of this title and shall handle the collections of repayments and shall take over the other administrative duties connected with the project, after the Secretary of the Interior announces that the project is ready for operation; (2) if such agreement be entered into after construction of the project has been undertaken by the Secretary of the Interior and after he has entered into the repayment contracts required by section 590z-2 of this title, that the Secretary of Agriculture shall take over the collection of repayments and other administrative duties connected with the project; (3) that no water shall be delivered to or

for any land or party while the owner of said land or said party is in arrears for more than twelve months in the payment to the United States of money due and payable under a land contract entered into pursuant to section 590z-3(a) of this title; and (4) that any repayment contract with a water user or water users' organization entered into pursuant to section 590z-2 of this title and any land contract with the same water user or organization entered into pursuant to section 590z-3(a) of this title, if said contracts involve the same land, may be combined in a single instrument. The Secretary of Agriculture is authorized to carry out the provision of any such cooperative agreements.

(Aug. 11, 1939, ch. 717, § 6, as added Oct. 14, 1940, ch. 861, 54 Stat. 1123.)

**§ 590z-5. Repealed. Aug. 17, 1954, ch. 751, § 2, 68 Stat. 736**

Section, act Aug. 11, 1939, ch. 717, § 7, as added Oct. 14, 1940, ch. 861, 54 Stat. 1124; amended June 10, 1949, ch. 195, 63 Stat. 171, related to limitations on expenditures under former sections 590r to 590x of this title.

**§ 590z-6. Disposition of receipts from repayment contracts and project operations**

All payments made to the United States under repayment contracts on account of reimbursable construction costs, including penalties collected for delinquencies in such payments, and all other receipts from project operations pursuant to sections 590z-2 and 590z-7 of this title shall be 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