

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 Repealed.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, includ-

ing 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.