

115TH CONGRESS
1ST SESSION

H. R. 434

To authorize a pilot project for an innovative water project financing program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2017

Mr. DENHAM (for himself, Mr. LAMALFA, Mr. NEWHOUSE, Mr. CALVERT,
Mr. COSTA, and Mr. GARAMENDI) introduced the following bill; which
was referred to the Committee on Natural Resources

A BILL

To authorize a pilot project for an innovative water project
financing program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “New Water Available To Every Reclamation State Act”
6 or the “New WATER Act”.

7 (b) **TABLE OF CONTENTS.**—The table of contents of
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Authority to provide assistance.
- Sec. 4. Applications.

- Sec. 5. Eligibility for assistance.
- Sec. 6. Selection criteria.
- Sec. 7. Federal requirements.
- Sec. 8. Secured loans.
- Sec. 9. Program administration.
- Sec. 10. State, tribal, and local permits.
- Sec. 11. Regulations.
- Sec. 12. Funding.
- Sec. 13. Report to Congress on pilot project implementation.
- Sec. 14. Definitions.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

3 (1) to promote increased development of critical
4 water resources infrastructure by establishing addi-
5 tional opportunities for financing water resources
6 projects;

7 (2) to attract new investment capital to infra-
8 structure projects that are capable of generating rev-
9 enue streams through user fees or other dedicated
10 funding sources; and

11 (3) to leverage private investment in water re-
12 sources infrastructure.

13 **SEC. 3. AUTHORITY TO PROVIDE ASSISTANCE.**

14 (a) IN GENERAL.—For 15 years after the date of the
15 enactment of this Act, the Secretary may provide financial
16 assistance under this Act to carry eligible projects with-
17 in—

18 (1) any Reclamation State;

1 (2) any other State in which the Bureau of
2 Reclamation is authorized to provide project assist-
3 ance; and

4 (3) the States of Alaska and Hawaii.

5 (b) SELECTION.—In selecting projects to receive fi-
6 nancial assistance under subsection (a), the Secretary
7 shall ensure diversity with respect to—

8 (1) project types; and

9 (2) geographical locations.

10 **SEC. 4. APPLICATIONS.**

11 To be eligible to receive assistance under this Act,
12 an eligible entity shall submit to the Secretary an applica-
13 tion at such time, in such manner, and containing such
14 information as the Secretary may require.

15 **SEC. 5. ELIGIBILITY FOR ASSISTANCE.**

16 (a) ELIGIBLE PROJECTS.—The following projects
17 may be carried out using assistance made available under
18 this Act:

19 (1) Any non-Federal water infrastructure
20 project that—

21 (A) the Secretary determines, through the
22 completion of an appraisal investigation and
23 feasibility study, would contribute to a safe,
24 adequate water supply for domestic, agricul-

1 tural, environmental, or municipal and indus-
2 trial use; and

3 (B) is otherwise eligible for assistance
4 under this Act.

5 (2) A project for enhanced energy efficiency in
6 the operation of a water system.

7 (3) A project for accelerated repair and replace-
8 ment of an aging water distribution facility.

9 (4) A brackish or sea water desalination
10 project.

11 (5) Acquisition of real property or an interest
12 in real property for water storage, reclaimed or recy-
13 cled water, or wastewater, if the acquisition is inte-
14 gral to a project described in paragraphs (1)
15 through (5).

16 (6) A combination of projects, each of which is
17 eligible under paragraphs (1) through (6), for which
18 an eligible entity or group of eligible entities submits
19 a single application.

20 (b) ELIGIBLE COSTS.—Assistance made available
21 under this Act (as paid by or for the account of an obligor)
22 may be used to cover the following costs with respect to
23 an eligible project:

24 (1) Development-phase activities, including
25 planning, feasibility analysis, revenue forecasting,

1 environmental review, permitting, preliminary engi-
2 neering and design work, and other preconstruction
3 activities.

4 (2) Construction, reconstruction, rehabilitation,
5 and replacement activities.

6 (3) Acquisition of real property (including water
7 rights, land relating to the project, and improve-
8 ments to land), environmental mitigation, construc-
9 tion contingencies, and acquisition of equipment.

10 (4) Capitalized interest necessary to meet mar-
11 ket requirements, reasonably required reserve funds,
12 capital issuance expenses, and other carrying costs
13 during construction.

14 (5) Refinancing interim construction funding,
15 existing long-term project obligations, or a secured
16 loan or loan guarantee made under this Act.

17 (c) ADDITIONAL ELIGIBILITY REQUIREMENTS.—To
18 be eligible to receive financial assistance under this Act,
19 a project shall meet the following criteria, as determined
20 by the Secretary:

21 (1) CREDITWORTHINESS.—

22 (A) IN GENERAL.—Subject to subpara-
23 graph (B), the project shall be creditworthy, as
24 determined by the Secretary, who shall ensure
25 that any financing for the project has appro-

1 appropriate security features, such as a rate cov-
2 enant, if applicable, and adequate coverage re-
3 quirements, to ensure repayment.

4 (B) OPINION LETTER.—

5 (i) PRELIMINARY RATING OPINION
6 LETTER.—The Secretary shall require each
7 applicant to provide a preliminary rating
8 opinion letter from at least one rating
9 agency indicating that the senior obliga-
10 tions of the project (which may be the
11 Federal credit instrument) have the poten-
12 tial to achieve an investment-grade rating.

13 (ii) FINAL RATING OPINION LET-
14 TERS.—The Secretary or the Adminis-
15 trator, as applicable, shall require each
16 project applicant to provide, prior to final
17 acceptance and financing of the project,
18 final rating opinion letters from at least
19 one rating agency indicating that the sen-
20 ior obligations of the project have an in-
21 vestment-grade rating.

22 (2) ELIGIBLE PROJECT COSTS.—The eligible
23 project costs of a project shall be reasonably antici-
24 pated to be not less than \$20,000,000.

1 (3) DEDICATED REVENUE SOURCES.—The Fed-
2 eral credit instrument for the project shall be repay-
3 able, in whole or in part, from dedicated revenue
4 sources that also secure or fund the project obliga-
5 tions.

6 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-
7 TIES.—In the case of a project carried out by an en-
8 tity that is not a State or local government or an
9 agency or instrumentality of a State or local govern-
10 ment, the project shall be publicly sponsored as dem-
11 onstrated by certification of the same by an agency
12 of the relevant State, inclusion in the relevant
13 State’s official improvement plan or by other means
14 acceptable to the Secretary.

15 (d) RECEIPT OF OTHER FEDERAL FUNDING.—Re-
16 ceipt of a Federal grant or contract or other Federal fund-
17 ing to support an eligible project shall not preclude the
18 project from being eligible for assistance under this Act.

19 **SEC. 6. SELECTION CRITERIA.**

20 (a) ESTABLISHMENT.—The Secretary shall establish
21 criteria for the selection of one or more projects that meet
22 the eligibility requirements section 5 in accordance with
23 paragraph (2). The Secretary may enter into a master
24 credit agreement for a projects secured by a common secu-
25 rity pledge on terms acceptable to the Secretary.

1 (b) CRITERIA.—The selection criteria shall include
2 the following:

3 (1) The extent to which the project is nationally
4 or regionally significant.

5 (2) The extent to which assistance under this
6 section would foster innovative public-private part-
7 nerships and attract private debt or equity invest-
8 ment.

9 (3) The likelihood that assistance under this
10 section would enable the project to proceed at an
11 earlier date than the project would otherwise be able
12 to proceed.

13 (4) The extent to which the project uses new or
14 innovative approaches.

15 (5) The amount of budget authority required to
16 fund the Federal credit instrument made available
17 under this Act.

18 (6) The extent to which the project helps main-
19 tain or protect the environment.

20 **SEC. 7. FEDERAL REQUIREMENTS.**

21 (a) EFFECT OF SECTION.—Nothing in this section
22 supersedes the applicability of other requirements of Fed-
23 eral law (including regulations).

24 (b) NEPA.—A Federal action carried out regarding
25 a loan or loan guarantee provided under this Act shall not

1 be considered to be a Federal action for purposes of the
2 National Environmental Policy Act of 1969 (42 U.S.C.
3 4321 et seq.).

4 **SEC. 8. SECURED LOANS.**

5 (a) AGREEMENTS.—

6 (1) IN GENERAL.—Subject to paragraphs (2)
7 through (4), the Secretary may enter into agree-
8 ments with one or more obligors to make secured
9 loans, the proceeds of which shall be used—

10 (A) to finance eligible project costs of any
11 project selected under section 6;

12 (B) to refinance interim construction fi-
13 nancing of eligible project costs of any project
14 selected under section 6; or

15 (C) to refinance long-term project obliga-
16 tions or Federal credit instruments, if that refi-
17 nancing provides additional funding capacity for
18 the completion, enhancement, or expansion of
19 any project that is selected under section 6.

20 (2) LIMITATION ON REFINANCING OF INTERIM
21 CONSTRUCTION FINANCING.—A secured loan under
22 paragraph (1) shall not be used to refinance interim
23 construction financing under paragraph (1)(B)—

1 (A) if the maturity of such interim con-
2 struction financing is later than 1 year after
3 the substantial completion of the project; and

4 (B) later than 1 year after the date of sub-
5 stantial completion of the applicable project.

6 (3) RISK ASSESSMENT.—Before entering into
7 an agreement under this subsection for a secured
8 loan, the Secretary, in consultation with the Director
9 of the Office of Management and Budget shall deter-
10 mine an appropriate capital reserve subsidy amount
11 for the secured loan, taking into account each such
12 preliminary rating opinion letter.

13 (4) INVESTMENT-GRADE RATING REQUIRE-
14 MENT.—The execution of a secured loan under this
15 section shall be contingent on receipt by the senior
16 obligations of the project secured by the same rev-
17 enue pledge of an investment-grade rating from at
18 least one rating agency.

19 (b) TERMS AND LIMITATIONS.—

20 (1) IN GENERAL.—A secured loan provided for
21 a project under this section shall be subject to such
22 terms and conditions, and contain such covenants,
23 representations, warranties, and requirements (in-
24 cluding requirements for audits), as the Secretary
25 determines to be appropriate.

1 (2) MAXIMUM AMOUNT.—The amount of a se-
2 cured loan under this section shall not exceed the
3 lesser of—

4 (A) an amount equal to 49 percent of the
5 reasonably anticipated eligible project costs; and

6 (B) if the secured loan does not receive an
7 investment-grade rating, the amount of the sen-
8 ior project obligations of the project.

9 (3) PAYMENT.—A secured loan under this sec-
10 tion—

11 (A) shall be payable, in whole or in part,
12 from State or local taxes, user fees, or other
13 dedicated revenue sources that also secure the
14 senior project obligations of the relevant
15 project;

16 (B) shall include a rate covenant, coverage
17 requirement, or similar security feature sup-
18 porting the project obligations; and

19 (C) may have a lien on revenues described
20 in subparagraph (A), subject to any lien secur-
21 ing project obligations.

22 (4) INTEREST RATE.—The interest rate on a
23 secured loan under this section shall not be less than
24 a rate equal to the yield on United States Treasury
25 securities of a similar maturity to the maturity of

1 the secured loan on the date of execution of the loan
2 agreement.

3 (5) MATURITY DATE.—The final maturity date
4 of a secured loan under this section shall be not
5 later than the earlier of—

6 (A) 35 years after the date of substantial
7 completion of the relevant project; and

8 (B) the final day of the useful life of the
9 capital asset being financed.

10 (6) NONSUBORDINATION.—A secured loan
11 under this section shall not be subordinated to the
12 claims of any holder of project obligations in the
13 event of bankruptcy, insolvency, or liquidation of the
14 obligor.

15 (7) FEES.—The Secretary may establish fees,
16 as provided for in section 10(b), at a level sufficient
17 to cover all or a portion of the costs to the Federal
18 Government of making a secured loan under this
19 section.

20 (8) NON-FEDERAL SHARE.—The proceeds of a
21 secured loan under this section may be used to pay
22 any non-Federal share of project costs required if
23 the loan is repayable from non-Federal funds.

24 (9) MAXIMUM FEDERAL INVOLVEMENT.—For
25 each project for which assistance is provided under

1 this Act, the total amount of Federal assistance
2 from all sources, including the assistance provided
3 under this Act, shall not exceed 80 percent of the
4 total project cost.

5 (c) REPAYMENT.—

6 (1) SCHEDULE.—The Secretary shall establish
7 a repayment schedule for each secured loan provided
8 under this section, based on the projected cash flow
9 from project revenues, other repayment sources, and
10 the useful life of the project.

11 (2) COMMENCEMENT.—Scheduled loan repay-
12 ment of principal or interest on a secured loan under
13 this section shall commence not later than 5 years
14 after the date of substantial completion of the
15 project.

16 (3) DEFERRED PAYMENTS.—

17 (A) AUTHORIZATION.—If, at any time
18 after the date of substantial completion of a
19 project for which a secured loan is provided
20 under this section, the project is unable to gen-
21 erate sufficient revenues to pay the scheduled
22 loan repayments of principal and interest on the
23 secured loan, the Secretary may allow the obli-
24 gor, subject to subparagraph (C), to add unpaid

1 principal and interest to the outstanding bal-
2 ance of the secured loan.

3 (B) INTEREST.—Any payment deferred
4 under subparagraph (A) shall—

5 (i) continue to accrue interest in ac-
6 cordance with subsection (b)(4) until fully
7 repaid; and

8 (ii) be scheduled to be amortized over
9 the remaining term of the secured loan.

10 (C) CRITERIA.—

11 (i) IN GENERAL.—Any payment defer-
12 ral under subparagraph (A) shall be con-
13 tingent on the project meeting such cri-
14 teria as the Secretary may establish.

15 (ii) REPAYMENT STANDARDS.—The
16 criteria established under clause (i) shall
17 include standards for reasonable assurance
18 of repayment.

19 (4) PREPAYMENT.—

20 (A) USE OF EXCESS REVENUES.—Any ex-
21 cess revenues that remain after satisfying
22 scheduled debt service requirements on the
23 project obligations and secured loan and all de-
24 posit requirements under the terms of any trust
25 agreement, bond resolution, or similar agree-

1 ment securing project obligations may be ap-
2 plied annually to prepay a secured loan under
3 this section without penalty.

4 (B) USE OF PROCEEDS OF REFI-
5 NANCING.—A secured loan under this section
6 may be prepaid at any time without penalty
7 from the proceeds of refinancing from non-Fed-
8 eral funding sources.

9 (d) SALE OF SECURED LOANS.—

10 (1) IN GENERAL.—Subject to paragraph (2), as
11 soon as practicable after the date of substantial
12 completion of a project and after providing a notice
13 to the obligor, the Secretary may sell to another en-
14 tity or reoffer into the capital markets a secured
15 loan for a project under this section, if the Secretary
16 determines that the sale or reoffering can be made
17 on favorable terms.

18 (2) CONSENT OF OBLIGOR.—In making a sale
19 or reoffering under paragraph (1), the Secretary
20 may not change the original terms and conditions of
21 the secured loan without the written consent of the
22 obligor.

23 (e) LOAN GUARANTEES.—

24 (1) IN GENERAL.—The Secretary may provide a
25 loan guarantee to a lender in lieu of making a se-

1 cured loan under this section, if the Secretary deter-
2 mines that the budgetary cost of the loan guarantee
3 is substantially the same as that of a secured loan.

4 (2) TERMS.—The terms of a loan guarantee
5 provided under this subsection shall be consistent
6 with the terms required under this section for a se-
7 cured loan, except that the rate on the guaranteed
8 loan and any prepayment features shall be nego-
9 tiated between the obligor and the lender, with the
10 consent of the Secretary.

11 **SEC. 9. PROGRAM ADMINISTRATION.**

12 (a) REQUIREMENT.—The Secretary shall establish a
13 uniform system to service the Federal credit instruments
14 made available under this Act.

15 (b) SERVICER.—

16 (1) IN GENERAL.—The Secretary may appoint
17 a financial entity to assist the Secretary in servicing
18 the Federal credit instruments provided under this
19 Act.

20 (2) DUTIES; FEE.—A servicer appointed under
21 paragraph (1) shall—

22 (A) act as the agent for the Secretary; and

23 (B) receive a servicing fee, subject to ap-
24 proval by the Secretary.

1 (c) ASSISTANCE FROM EXPERTS.—The Secretary
2 may retain the services, including counsel, of any organi-
3 zation or entity with expertise in the field of municipal
4 and project finance to assist in the underwriting and serv-
5 icing of Federal credit instruments provided under this
6 Act.

7 **SEC. 10. STATE, TRIBAL, AND LOCAL PERMITS.**

8 The provision of financial assistance for a project
9 under this Act shall not—

10 (1) relieve any recipient of the assistance of any
11 obligation to obtain any required State, local, or
12 tribal permit or approval with respect to the project;

13 (2) limit the right of any unit of State, local,
14 or tribal government to approve or regulate any rate
15 of return on private equity invested in the project;
16 or

17 (3) otherwise supersede any State, local, or
18 tribal law (including any regulation) applicable to
19 the construction or operation of the project.

20 **SEC. 11. REGULATIONS.**

21 The Secretary may promulgate such regulations as
22 the Secretary determines to be appropriate to carry out
23 this Act.

1 **SEC. 12. FUNDING.**

2 (a) IN GENERAL.—There is authorized to be appro-
3 priated to each of the Secretary and the Administrator
4 to carry out this Act, to remain available until expended—

5 (1) \$20,000,000 for fiscal year 2018;

6 (2) \$25,000,000 for fiscal year 2019;

7 (3) \$35,000,000 for fiscal year 2020;

8 (4) \$45,000,000 for fiscal year 2021; and

9 (5) \$50,000,000 for fiscal year 2022.

10 (b) ADMINISTRATIVE COSTS.—Of the funds made
11 available to carry out this Act, the Secretary may use for
12 the administration of this Act not more than \$2,200,000
13 for each of fiscal years 2018 through 2022.

14 **SEC. 13. REPORT TO CONGRESS ON PILOT PROJECT IMPLE-**
15 **MENTATION.**

16 Not later than 2 years after the date of enactment
17 of this Act, and every 2 years thereafter, the Secretary
18 shall submit to the Committee on Energy and Natural Re-
19 sources of the Senate and the Committee on Natural Re-
20 sources of the House of Representatives a report summa-
21 rizing the financial performance of the projects that are
22 receiving, or have received, assistance under this Act, in-
23 cluding an assessment of whether the objectives of this
24 Act are being met.

25 **SEC. 14. DEFINITIONS.**

26 In this Act:

1 (1) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means—

3 (A) a corporation;

4 (B) a partnership;

5 (C) a joint venture;

6 (D) a trust;

7 (E) a State, local or non-Federal govern-
8 mental entity, agency, or instrumentality; and

9 (F) a conservancy district, irrigation dis-
10 trict, canal company, mutual water company,
11 water users’ association, Indian tribe, agency
12 created by interstate compact, or any other en-
13 tity that has the capacity to contract with the
14 United States under Federal reclamation law.

15 (2) ELIGIBLE PROJECT COSTS.—The term “eli-
16 gible project costs” means the total cost of activities
17 deemed eligible for assistance in section 6(b) of this
18 Act.

19 (3) FEDERAL CREDIT INSTRUMENT.—The term
20 “Federal credit instrument” means a secured loan
21 or loan guarantee authorized to be made available
22 under this Act with respect to a project.

23 (4) INVESTMENT-GRADE RATING.—The term
24 “investment-grade rating” means a rating of BBB

1 minus, Baa3, bbb minus, BBB (low), or higher as
2 assigned by a rating agency to project obligations.

3 (5) LENDER.—

4 (A) IN GENERAL.—The term “lender”
5 means any non-Federal qualified institutional
6 buyer (as defined in section 230.144A(a) of
7 title 17, Code of Federal Regulations (or a suc-
8 cessor regulation) (commonly known as “Rule
9 144A(a) of the Securities and Exchange Com-
10 mission” and issued under the Securities Act of
11 1933 (15 U.S.C. 77a et seq.))).

12 (B) INCLUSIONS.—The term “lender” in-
13 cludes—

14 (i) a qualified retirement plan (as de-
15 fined in section 4974 of the Internal Rev-
16 enue Code of 1986) that is a qualified in-
17 stitutional buyer; and

18 (ii) a governmental plan (as defined in
19 section 414 of the Internal Revenue Code
20 of 1986) that is a qualified institutional
21 buyer.

22 (6) LOAN GUARANTEE.—The term “loan guar-
23 antee” means any guarantee or other pledge by the
24 Secretary to pay all or part of the principal of, and

1 interest on, a loan or other debt obligation issued by
2 an obligor and funded by a lender.

3 (7) MASTER CREDIT AGREEMENT.—The term
4 “master credit agreement” means an Agreement to
5 extend credit assistance for one or more projects se-
6 cured by a common security pledge (which shall re-
7 ceive an investment-grade rating from a rating agen-
8 cy), or for a single project that would—

9 (A) make contingent commitments of one
10 or more secured loans or other Federal credit
11 instruments at future dates, subject to the
12 availability of future funds being made available
13 to carry out this Act;

14 (B) establish the maximum amounts and
15 general terms and conditions of the secured
16 loans or other Federal credit instruments;

17 (C) identify the one or more dedicated
18 non-Federal revenue sources that will secure
19 the repayment of the secured loans or secured
20 Federal credit instruments;

21 (D) provide for the obligation of funds for
22 the secured loans or secured Federal credit in-
23 struments after all requirements have been met
24 for the projects subject to the master credit
25 agreement, including—

1 (i) completion of an environmental im-
2 pact statement or similar analysis required
3 under the National Environmental Policy
4 Act of 1969 (42 U.S.C. 4321 et seq.);

5 (ii) compliance with such other re-
6 quirements as are specified in this Act;
7 and

8 (iii) the availability of funds to carry
9 out this Act; and

10 (E) require that contingent commitments
11 result in a financial close and obligation of
12 credit assistance not later than 3 years after
13 the date of entry into the master credit agree-
14 ment, or release of the commitment, unless oth-
15 erwise extended by the Secretary.

16 (8) OBLIGOR.—The term “obligor” means an
17 eligible entity that is primarily liable for payment of
18 the principal of, or interest on, a Federal credit in-
19 strument.

20 (9) PROJECT OBLIGATION.—

21 (A) IN GENERAL.—The term “project obli-
22 gation” means any note, bond, debenture, or
23 other debt obligation issued by an obligor in
24 connection with the financing of a project.

1 (B) EXCLUSION.—The term “project obli-
2 gation” does not include a Federal credit in-
3 strument.

4 (10) RATING AGENCY.—The term “rating agen-
5 cy” means a credit rating agency registered with the
6 Securities and Exchange Commission as a nationally
7 recognized statistical rating organization (as defined
8 in section 3(a) of the Securities Exchange Act of
9 1934 (15 U.S.C. 78c(a))).

10 (11) RECLAMATION STATE.—The term “Rec-
11 lamation State” means any of the following States:

- 12 (A) Arizona;
- 13 (B) California;
- 14 (C) Colorado;
- 15 (D) Idaho;
- 16 (E) Kansas;
- 17 (F) Montana;
- 18 (G) Nebraska;
- 19 (H) Nevada;
- 20 (I) New Mexico;
- 21 (J) North Dakota;
- 22 (K) Oklahoma;
- 23 (L) Oregon;
- 24 (M) South Dakota;
- 25 (N) Texas;

1 (O) Utah;

2 (P) Washington; and

3 (Q) Wyoming.

4 (12) SECRETARY.—The term “Secretary”
5 means the Secretary of the Interior.

6 (13) SECURED LOAN.—The term “secured
7 loan” means a direct loan or other debt obligation
8 issued by an obligor and funded by the Secretary in
9 connection with the financing of a project under this
10 Act.

11 (14) SUBSIDY AMOUNT.—The term “subsidy
12 amount” means the amount of budget authority suf-
13 ficient to cover the estimated long-term cost to the
14 Federal Government of a Federal credit instrument,
15 as calculated on a net present value basis, excluding
16 administrative costs and any incidental effects on
17 governmental receipts or outlays in accordance with
18 the Federal Credit Reform Act of 1990 (2 U.S.C.
19 661 et seq.).

20 (15) SUBSTANTIAL COMPLETION.—The term
21 “substantial completion”, with respect to a project,
22 means—

23 (A) the initial operation of a project (after
24 completion of any startup tests), resulting in

1 producing, storage, delivery, receiving, or con-
2 serving water; or

3 (B) a comparable event, as determined by
4 the Secretary and specified in the master credit
5 agreement.

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