

TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE C: WATER POLLUTION

CHAPTER II: ENVIRONMENTAL PROTECTION AGENCY

PART 363

PROCEDURE FOR ISSUING GRANTS FROM THE ANTI-POLLUTION
BOND ACT FOR SEWAGE TREATMENT WORKS

SUBPART A: INTRODUCTION

Section

- 363.101 Purpose
- 363.102 Definitions

SUBPART B: GENERAL CRITERIA

Section

- 363.201 Relationship to Title II Grants
- 363.202 Reimbursement
- 363.203 Allocation of Grant Funds
- 363.204 Supplemental Grants
- 363.205 Required Content and Filing of Applications for Bond Act Grants
- 363.206 Limitations Upon Grants for Collection Systems
- 363.207 State Owned Facilities

SUBPART C: STANDARD PRIORITY PROJECT GRANTS

Section

- 363.301 Project Priority Requirement
- 363.302 Consolidation of Priorities

SUBPART D: HEALTH RISK GRANTS

Section

- 363.401 Determination of Health Risk
- 363.402 Priorities for Issuance

SUBPART E: REGIONALIZATION PROJECT GRANTS

Section

363.501 Availability of Funding

363.502 Priorities for Issuance

SUBPART F: BACKLOG PROJECT GRANTS

Section

363.601 Availability of Funding

363.602 State/Federal Piggyback Grants

363.603 State Reimbursement Grants

SUBPART G: BUILD ILLINOIS BOND FUND GRANTS

Section

363.701 Availability of Funding

363.702 Build Illinois Bond Fund Grants

363.703 Supplemental State/Federal Piggyback Grants

363.704 Supplemental State Reimbursement Grants

363.705 Supplemental Build Illinois Bond Fund Grants

AUTHORITY: Implementing and authorized by Section 4 of the Anti-Pollution Bond Act (Ill. Rev. Stat. 1983, ch. 127, par. 454) and Section 4 of the Environmental Protection Act (Ill. Rev. Stat. 1983, ch. 111 1/2, par. 1004 as amended by P.A. 84-109, effective July 25, 1985), P.A. 83-1231 effective July 20, 1984 and P.A. 84-110, effective July 25, 1985.

SOURCE: Adopted and codified at 8 Ill. Reg. 15914, effective August 17, 1984; amended at 9 Ill. Reg. 3951, effective March 15, 1985; amended at 10 Ill. Reg. 216, effective December 20, 1985.

SUBPART A: INTRODUCTION

<BSection 363.101 Purpose>>

- a) The Anti-Pollution Bond Act, (Ill. Rev. Stat. 1983, ch. 127, pars. 451-464) provides that the State of Illinois may issue grants to units of local government for the planning, financing, and construction of sewage treatment works. Such grants are made under the direction of the Illinois Environmental Protection Agency. ("Agency")
- b) These rules set forth the procedures used by the Agency in the issuance of grants to units of local government for the planning, financing, and construction of sewage treatment works.

<BSection 363.102 Definitions>>

- a) Unless specified otherwise, all terms shall have the meanings set forth in the Environmental Protection Act and the federal Clean Water Act (33 U.S.C. 1251 et seq.) and regulations promulgated under those Acts 40 CFR 30, 33, and 35 (1983). No incorporation by reference in this Part, other than the Illinois Revised Statutes or the United States Code includes any later amendment or addition.
- b) For purposes of these rules the following definitions apply:
"Bond Act" means the Anti-Pollution Bond Act, (Ill. Rev. Stat. 1983, ch. 127, pars. 451-464).

"Title II" means Title II of the federal Clean Water Act, (33 U.S.C. 1281 et seq.).

"State Owned Facilities" means mental health or developmental centers or institutions for which the Department of Mental Health and Development Disabilities exercises executive and administrative supervision under Ill. Rev. Stat. 1983, ch. 91 1/2, par. 100-4, and correctional institutions or facilities for which the Department of Corrections maintains and administers control under the State Penitentiary System in accordance with Ill. Rev. Stat. 1983, ch. 38, par. 1003-2-2.

SUBPART B: GENERAL CRITERIA

<BSection 363.201 Relationship to Title II Grants>>

- a) Subject to Section 363.207, no grant shall be issued under the Bond Act for the planning financing or construction of sewage treatment works if a grant has been offered under Title II which would provide 75% or more of the eligible project costs.
- b) Subject to Section 363.207, no recipient shall receive any assistance under the Bond Act if the combination of assistance under the Bond Act and Title II equals or exceeds 75% of the eligible project costs; except as provided in Section 363.602 for Backlog Project Grants. The previous sentence shall not apply if an existing Bond Act grant offer, issued prior to January 1, 1973, specifies that the combination of assistance may not exceed 80% of the eligible project cost; in such case the recipient may not receive any assistance under the Bond Act if the combination of

assistance under the Bond Act and Title II equals or exceeds 80% of the eligible project cost.

(Source: Amended at 9 Ill. Reg. 3951, effective March 15, 1985)

<BSection 363.202 Reimbursement>>

If the recipient of a Bond Act grant is at any time offered a Title II grant to assist in the payment of expenses for which a Bond Act grant has been issued, the recipient shall reimburse the State of Illinois for any Bond Act grant funds used to pay expenses paid or offered to be paid under the Title II grant.

<BSection 363.203 Allocation of Grant Funds>>

- a) Grant funds available under the Bond Act and Title II will be subject to an equal division of total grant funds available to the State between the service area of the Metropolitan Sanitary District of Greater Chicago and the area which is comprised of the geographical balance of the state, to the extent that projects in either area in any grant year have qualified to receive Bond Act or Title II grant funds and the Agency has determined that the projects are ready to proceed in accordance with the criteria for grant award.
- b) If insufficient projects in either area are ready to proceed in any grant year to permit an equal division of the total grant funds available to the State, grants will be made to those projects in either area which are ready to proceed to the extent that funds are available.
- c) Any imbalance in the division of the total grant funds available to the State shall be carried forward from year to year and shall be applied as projects are ready to proceed to achieve an accumulatively equal distribution, if possible within the constraints of this Part, to both areas of the total of the grant funds available to the State.

<BSection 363.204 Supplemental Grants>>

A unit of local government which has received a state grant offer shall be eligible for a supplemental state grant not to exceed the appropriate percentage of eligible costs of the project. The issuance of a supplemental grant will be based on the availability of Bond Act funds.

(Source: Amended at 9 Ill. Reg. 3951, effective March 15, 1985)

<BSection 363.205 Required Content and Filing of Applications for Bond Act Grants>>

- a) Bond Act grants will be made only for the funding of eligible project costs which comply with the requirements of 40 CFR 35 Subpart I Appendix A and B (1984); as published on February 17, 1984, in the Federal Register. No later editions are included in the incorporation.
- b) Any of the requirements of 40 CFR 35 Subpart I (1984), except facilities planning, sewer system evaluation, user charges, sewer use ordinance, and initiation of construction may be waived in writing by the Agency, in whole or in part, if the purpose of the requirement has been accomplished or if the requirement waived is not considered by the Agency to be necessary to assure that the project attains pollution control goals in a cost-effective manner.
- c) Bond Act grants will not be offered for any project unless a complete application for the project is filed prior to the filing deadline and unless the Agency has entered the project on the priority list for the fiscal year in which the grant is requested as determined by Agency Rules entitled "Procedures and Requirements for Determining Construction Grant Priorities for Municipal Sewage Treatment Works Needs." (35 Ill. Adm. Code 364).

(Source: Amended at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.206 Limitations Upon Grants for Collection Systems>>

- a) Bond Act grants that may be used for planning, financing and construction of sewage collection systems will be limited as follows:
 - 1) The area within which the system will be constructed must have been within the incorporated boundaries of the grant recipient on October 18, 1972;
 - 2) Design capacity for the sewer system will not exceed one hundred fifty percent (150%) of the wastewater flows originating from the community as it existed on October 18, 1972. This limitation will be applied sewer line by sewer line; and
 - 3) The facilities which convey wastewater from individual structures or from private property to the public lateral

sewer are not eligible for grant funding, with the exception of pumping units and pressurized lines for individual structures or groups of structures when such units are cost effective and then only if such units are owned and maintained by the grant recipient.

- b) Eligible for grant funding are the common lateral sewers, within a publicly-owned treatment system, which are primarily installed to receive wastewaters directly from facilities which convey wastewater from individual structures or from private property, and which include service connection "Y" fittings designed for connection with those facilities.

<BSection 363.207 State Owned Facilities>>

- a) Bond Act grants for that portion of the local share of eligible project costs attributable to state owned facilities shall not be awarded unless the following conditions are met:
 - 1) The grant is in conjunction with and in addition to a Title II grant or a Bond Act grant under Subparts C, D or E awarded to an eligible unit of local government;
 - 2) The proposed treatment works project must provide service to residential, industrial and commercial users within the boundaries of the unit of local government in addition to providing service to the state owned facility;
 - 3) The proposed sewage treatment works must be owned and operated by a unit of local government and must be located on property which is also owned by the unit of local government.
 - 4) Grants to the applicant for a share of the local cost attributable to the state owned facility must be awarded to the unit of local government at the time that the Step 3 grant is awarded and prior to initiation of construction of the sewage treatment works.
 - 5) The grant for the share of the local cost attributable to the state owned facility shall not be awarded unless the Agency has approved a cost effective analysis of the treatment works configuration in facility planning.
 - 6) The grant for the share of the local cost attributable to the state owned facility shall not exceed 100% of the state share of eligible projects costs as determined pursuant to a signed written service agreement between the applicant and the state agency which operates the state owned facilities which is to be served by the treatment works.
- b) No grant under this section may be made if the state owned

facility is eligible and has been approved by the Capital Development Board for securing its share of the local funding under the Capital Development Bond Act (Ill. Rev. Stat. 1983, ch. 127, pars. 751 et seq.) or any other bonding program of the State of Illinois.

SUBPART C: STANDARD PRIORITY PROJECT GRANTS

<BSection 363.301 Project Priority Requirement>>

- a) Bond Act grants to units of local government under this Section shall be made in accordance with the grant applicant's priority as established under Agency rules entitled "Procedures and Requirements for Determining Construction Grant Priorities for Municipal Sewage Treatment Works Needs." (35 Ill. Adm. Code 364).
- b) Except as set forth in Subtitles D and E, the Director of the Agency shall not approve a project for funding under this Subpart unless the priority of the project is within the range of project priorities for which grant funding from combined state and federal resources is available.

<BSection 363.302 Consolidation of Priorities>>

- a) Notwithstanding Section 363.301, two or more needs of one or more applicants which are initially ranked at different priorities, may be consolidated into one need at the higher (highest) priority, and a grant may be issued under this Subpart for the consolidated need at the higher (highest) priority, if the following conditions are satisfied:
 - 1) The applicant must have a facilities plan approved by the Agency which concludes that the two or more needs will be most cost-effectively met by an integrated solution; and
 - 2) Available state and federal funding must be adequate to permit complete funding of the consolidated need.
- b) Such consolidations may include:
 - 1) Sewer rehabilitation work and sewage treatment plant improvements and/or intercepting sewer construction;
 - 2) Projects to eliminate on-system wet weather overflow and sewage treatment plant improvements and/or intercepting sewer construction;
 - 3) Projects to construct collection systems in currently unsewered communities and projects to construct a new sewage

treatment plant and/or intercepting sewer.

SUBPART D: HEALTH RISK GRANTS

<BSection 363.401 Determination of Health Risk>>

- a) Notwithstanding Subpart C, the Agency may, based on the availability of grant funds and criteria in this Part, provide grant assistance under this Subpart for construction of sewage treatment works if, in the judgment of the Director, an actual or potential severe health hazard exists because of a lack of adequate sewage treatment works.
- b) Prior to determining whether a grant will be offered under this Subpart, the Director will consult with other state agencies, including the Illinois Department of Public Health, to identify those projects for which the most severe health risk exists.
- c) In the event that alleviation of a health risk would require construction of a sewage collection system, the Director will consult with local health authorities to determine whether the health is of such an area-wide nature that installation of a collection system is appropriate. In making this determination the Director shall evaluate available information on the area-wide nature of:
 - 1) cases of gastro-intestinal illness
 - 2) probable body contact with exposed sewage from septic tanks
 - 3) formal complaints of odors from exposed sewage from septic tanks
 - 4) soil samples indicating unsatisfactory soil types.

<BSection 363.402 Priorities for Issuance>>

Projects eligible under this Subpart will be funded under the following priorities to the extent funds are made available by the General Assembly:

- a) First health risk priority is assigned to those projects that have already been notified by the Agency of the availability of grant funds under this Subpart, but have not yet completed the requirements of Section 363.205. If an applicant is to remain eligible, the Director must determine that the applicant is making satisfactory progress toward completing the requirements of Section 363.205 in accordance with the schedule contained in Step I grant.
- b) Second health risk priority is assigned those projects which will reduce contamination of a public water supply.

- c) Third health risk priority is assigned to those projects which will reduce the probability of primary contact with effluent from inadequately functioning septic tanks.
- d) Fourth health risk priority is assigned to those projects which will reduce the probability of primary contact with sewage overflows from inadequately sized sewage collection systems during periods of wet weather. This class includes basement backups.
- e) The following project costs are not eligible for funding under this Subpart:
 - 1) Project costs for collection systems or for facilities which convey wastewater from individual structures or from private property to the collector sewer.
 - 2) Project costs for on-system wet weather overflow facilities for interception and for storage of treatment overflows.

SUBPART E: REGIONALIZATION PROJECT GRANTS

<BSection 363.501 Availability of Funding>>

- a) Notwithstanding Subpart C, the Agency may provide grant assistance under this Subpart, to units of local government which are entirely or partially unsewered for the planning, financing and construction of interceptor or collector sewers if the following requirements are met:
 - 1) The proposed sewer system is included in an area of regionalization in which state or federal funds have been or will be obligated to construct a regional treatment facility; and
 - 2) The regional treatment facility has been planned to accommodate and designed with capacity to treat sewage to be conveyed by the proposed sewer system.
- b) Bond Act grants may be available to fund up to 75% of the eligible project costs for planning, design and construction of interceptor or collector sewers.
- c) The following projects and project costs are not eligible for funding under this Subpart:
 - 1) Projects of which federal or state standard priority construction grant funds are expected to be available;
 - 2) Projects costs for systems designed to intercept, store, or treat wet weather overflows; and
 - 3) Projects which consist of sewer systems for partially sewerred communities which are tributary to single-municipal treatment facilities.

<BSection 363.502 Priorities for Issuance>>

Projects eligible under this Subpart will be funded under the following priorities to the extent that funds are made available by the General Assembly:

- a) First regionalization priority is assigned to those projects that have already been notified by the Agency of the availability of grant funds for them under this Subpart but have not yet completed the requirements of Section 363.205. If an applicant is to remain eligible, the Director must determine that it is making satisfactory progress toward completing the requirements of Section 363.205.
- b) Second regionalization priority is assigned to sewer systems for entirely unsewered communities tributary to a multi-municipal regional treatment facility which is operational.
- c) Third regionalization priority is assigned to sewer systems for entirely unsewered communities tributary to a multi-municipal regional treatment facility where the regional treatment facility has been or can be funded (through Step 2 or Step 3 grant award) but is not operational.
- d) Fourth regionalization priority is assigned to sewer systems for partially sewerred communities tributary to a multi-municipal regional treatment facility which is operational.
- e) Fifth regionalization priority is assigned to sewer systems for partially sewerred communities tributary to a multi-municipal regional treatment facility which has been or can be funded (through Step 2 or Step 3 grant award) but is not operational.

SUBPART F: BACKLOG PROJECT GRANTS

<BSection 363.601 Availability of Funding>>

Eligible backlog projects include those projects listed in P.A. 83-1231 (effective July 20, 1984).

(Source: Amended at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.602 State/Federal Piggyback Grants>>

For those backlog projects receiving a Title II grant after September 30, 1984, a Bond Act grant may also be issued under this Section provided that:

- a) the total percentage of the grant funding does not exceed 70 percent,
- b) the State share of design will be an allowance in accordance with the criteria set forth in 35 Ill. Adm. Code 363.205.

(Source: Amended at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.603 State Reimbursement Grants>>

For those backlog projects not receiving a Title II grant, a Bond Act grant may be issued provided the State share does not exceed 70 percent. The State grant shall be issued in increments based on cash flow limitations relating to the sales of bonds.

(Source: Amended at 10 Ill. Reg. 216, effective December 20, 1985)

SUBPART G: BUILD ILLINOIS BOND FUND GRANTS

<BSection 363.701 Availability of Funding>>

Build Illinois Bond Fund grants to units of local government under this Section shall be made in accordance with the criteria set forth in 35 Ill. Adm. Code 363.301.

(Source: Added at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.702 Build Illinois Bond Fund Grants>>

For those projects not receiving a Title II grant, a Build Illinois Bond Fund grant may be issued provided:

- a) the State share does not exceed 70 percent,
- b) the State share of either planning or design, or both, will be an allowance in accordance with the criteria set forth in 35 Ill. Adm. Code 363.205.

(Source: Added at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.703 Supplemental State/Federal Piggyback Grants>>

For those projects which receive a State/Federal piggyback grant after September 30, 1984, as set forth in Section 363.602, a supplemental Build Illinois Bond Fund grant may be issued provided that the total percentage

of State/Federal grant funding does not exceed 70 percent.

(Source: Added at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.704 Supplemental State Reimbursement Grants>>

For those backlog projects not receiving a Title II grant, a supplemental Build Illinois Bond Fund grant may be issued provided that the State share does not exceed 70 percent. The State grant shall be issued in increments based on cash flow limitations relating to the sale of bonds.

(Source: Added at 10 Ill. Reg. 216, effective December 20, 1985)

<BSection 363.705 Supplemental Build Illinois Bond Fund Grants>>

To the extent that Build Illinois Bond Funds are available, a supplemental Build Illinois Bond Fund grant may be issued under this Section for those projects which received a Bond Act grant on or before September 30, 1984, and which did not receive full 75 percent funding of eligible project costs provided that:

- a) the Agency has received construction bids on the project, and
- b) the State share does not exceed 75 percent of the total eligible project cost.

(Source: Added at 10, Ill. Reg. 216, effective December 20, 1985)