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Construction grants

(b) Of the actual cash proceeds from the sale of Certificates of Indebtedness to be issued under this Act, the sum of One Hundred Million Dollars (\$100,000,000), less a proportionate share of the costs specified in Section 4 of this Act, shall be used exclusively to provide State grants and prepay Federal grant offers to assist in the construction of sewage treatment plants and related facilities eligible for grants under the Federal Water Pollution Control Act. Any county, municipality, or any agency of the State or any of its subdivisions which is entitled to receive a State Grant pursuant to the provisions of Section 387(A) 2 of Article 43 of the Annotated Code of Maryland, as amended from time to time, that has received an order from the State Board of Health and Mental Hygiene pursuant to Section 392 of Article 43 to construct or improve sewerage facilities may petition the State for a grant equal to 25 percent of the eligible cost of the project as determined by the State and for an additional sum equal to 50 percent of the eligible cost in advance of a grant offer from the Federal Water Pollution Control Agency provided that the petitioner files an application for a Federal grant and meets all other conditions and requirements to be eligible for a Federal grant and further provided that the petitioner shall contract to repay to the State for deposit to the Water Quality Loan Account all subsequent Federal funds which the petitioner may receive as a result of the grant application to the Federal Water Pollution Control Administration, or has received a grant offer for a project in accordance with the provisions of the Federal Water Pollution Control Act or has been notified that the project is eligible for a Federal grant offer in a specified amount, but insufficient Federal Funds are available to make an offer in the amount for which the project has been found eligible, may petition the State Department of Health for a grant, or, recognizing that pursuant to statutory authority and through agreements with the District of Columbia and the Federal Government the Washington Suburban Sanitary District's sanitary sewerage systems include allocated capacities or reserved portions of the sanitary sewerage facilities and systems operated by the District of Columbia, any improvement to or enlargement of those facilities for the Maryland district's sewerage is for the use and benefit of the residents of the Washington Suburban Sanitary District and of the State and advances the broad goals and purposes of this Act, and on such basis the Washington Suburban Sanitary Commission's portion of the capital costs for the improvements to or enlargement of those facilities to be made hereafter is equivalent to construction by the Washington Suburban Sanitary Commission of a project within the purview of this Section, and that portion shall be treated as construction by the Commission with respect to eligibility for a grant hereunder, all within the following conditions and limitations:

1. That a State grant offer shall be made only for the construction of projects that meet the specifications required by the Federal Water Pollution Control Act and all applicable State legislation and regulations, as amended from time to time.

2. That a State grant offer shall be made for every project on which a Federal grant offer is made, or which has been found eligible for a Federal grant, and that the outright State grant shall be equal, when combined with the maximum Federal grant for which the