

4. The sewer facility must meet all requirements and regulations of the State and have the final approval of the State Department of Health pursuant to Section 390 of Article 43. No loan may be granted for a project that is not connected directly or indirectly through a sewer system of adequate capacity to a sewage treatment plant capable of maintaining the Water Quality Standards of the State. No loan shall be made for a project which is likely to cause untreated sewage to spill from an existing sewer or cause untreated or inadequately treated sewage to by-pass a sewage treatment plant.

5. The loan shall bear the same rate of interest as the Certificates of Indebtedness from which cash proceeds are used to provide the loan.

6. The loan shall be repaid within thirty (30) years, and the first payment shall be made at such time as stipulated by the Board of Public Works.

7. Before any loan has been allowed, the petitioner shall execute and acknowledge in a manner according to law, an agreement which will specify the purpose, amount, and manner of repayment of the loan and such other terms and conditions as may be required by regulations of the Board of Public Works. The agreement shall be signed on behalf of the State of Maryland by the Department of Health and shall be approved by the Board of Public Works.

#### ADMINISTRATION OF GRANTS AND LOANS

(d) Petitions in the first instance shall be directed to the State Department of Health, and copies of all petitions shall be sent by the State Department of Health to the Board of Public Works for the informational use of the latter agency. The State Department of Health shall study and investigate the several petitions from time to time, to ascertain the projects most necessary and desirable under the provisions of this Act; and the Department shall give first approval to those projects and petitions most likely to abate, prevent, and reduce pollution of the waters, rivers, streams, bays, and coastal areas of the State of Maryland. In approving petitions and projects, the Department shall specify the allocation of bond proceeds among the several programs "Construction Grants," "Loans for Sewer Construction," and "Comprehensive River Basin Programs." For those petitions approved, the State Department of Health shall submit a report to the Board of Public Works. The report shall certify the sum of the outright State grant or loan and the sum which is required to advance all or part of any Federal grant for which the project is eligible and shall incorporate a recommendation that the Board of Public Works shall make available the necessary funds as provided hereunder; and the Board of Public Works thereupon shall make the funds available from moneys available under this Act.

(e) The Board of Public Works may allocate from monies available under this Act, to every county, municipality, or any agency thereof, or any special governmental agency which is charged with providing a sanitary facility, whose plan is approved, the sum recommended by the State Department of Health. The Board of Public Works shall certify the allocation of State Funds to the Treasurer of the State and the Treasurer shall make them available to the local governments and agencies which submitted the petitions, when needed for the construction of the respective projects.