

(5) Not more than \$2,500,000 shall be granted for projects in any one political subdivision.

(6) To be eligible for a grant, each county shall submit an annual inventory, as part of the county water and sewerage plan pursuant to Section 387C of Article 43 of the Annotated Code of Maryland, of specific locations where failing or inadequate individual sewerage systems occur, and proposed solutions.

(b) The balance of the proceeds shall be used exclusively to provide State grants to assist in the construction of sewage treatment plants and related facilities in Maryland, and to finance studies relating to water quality problems in Maryland approved or conducted by the Department of Natural Resources; provided however, that the Washington Suburban Sanitary Commission's portion of the capital costs for improvements to an enlargement of sanitary sewage facilities and systems operated by the District of Columbia pursuant to agreements between the Commission, the District of Columbia, and the United States Government shall be deemed a project eligible for a State grant hereunder. All grants authorized or made hereunder other than for water quality studies shall be subject to the following conditions and limitations:

(1) Except as provided in subsection (a) above, 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) Except as provided in paragraph (3) below, a State grant offer shall be made only for a project or part of a project on which a Federal grant offer is made, and the State grant offer shall BE IN AN amount UP to one-half of the eligible cost remaining after the maximum Federal grant has been applied. In the case of a project to be operated by a State owned institution or facility, the State grant offer may equal the total cost of the project.

(3) The Board of Public Works is authorized, in its discretion and upon recommendation of the Department of Health and Mental Hygiene, to approve a State grant not to exceed 87-1/2 percent of the eligible cost of a project or part of a project, if the Board finds (A) that the immediate initiation or continuation of such project is critical to the public health or compliance with water quality standards of the State, and (B) that a timely and sufficient Federal grant is not available for such project or part of a project. In