

shall equal the total cost of the project less the amount of any Federal grant offer made therefor.

(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 the project is critical to the public health or to compliance with water quality standards of the State, and (b) that a timely and sufficient Federal grant is not available for the project or part of a project. In approving such grants, the Board of Public Works shall make all reasonable efforts not to jeopardize Federal grants for the remaining part of the projects.

(4) The Secretary of the Department of Health and Mental Hygiene shall report on or before January 1 of each year to the Governor and the General Assembly on the status of Bond Funds for the construction of sewerage facilities under this and previous Bond Authorization Acts. His report shall indicate funds expended, funds committed, and funds remaining; and a list of projects for which funds have been expended and are committed. It shall also contain his projection of projects to be constructed for the following two years for which grants are anticipated.

SECTION 9. AND BE IT FURTHER ENACTED, That Section 1(3) of Chapter 568 of the Acts of the General Assembly of 1983, be and it is hereby repealed and reenacted with amendments, to read as follows:

Chapter 568 of the Acts of 1983

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(3) The actual cash proceeds of the sale of the bonds shall be paid to the Treasurer and shall be first applied to the payment of the expenses of issuing and delivering the bonds unless funds for this purpose are otherwise provided and thereafter shall be credited on the books of the State Comptroller and expended, upon approval by the Board of Public Works, for the following public purposes, including any applicable architects' and engineers' fees; to provide State grants OR LOANS to assist in the construction and equipping of sewage treatment plants and related facilities and in the extension and improvement of existing public sanitary sewer systems. A project involving any improvement to or enlargement of sanitary sewerage facilities that are located outside the State but are required to serve the State, one or more of its political subdivisions, or one or more agencies of the State or of one of its political subdivisions is eligible for a State grant OR LOAN hereunder, if there is a written user's agreement between the agency undertaking the project and the State, or between the agency undertaking the project and the Maryland