**Section 362.104 Grant Assistance Availability**

a) For projects on the Project Priority List, the following grant assistance is available, subject to the availability of funding under federal appropriation:

1) Step 1 (facilities planning). No grant assistance is available for Step 1, except for amendments to existing Step 1 grants. If a Step 3 or Step 2 + 3 grant is later offered, an allowance for facility planning may be provided by the USEPA at the prevailing federal share.

2) Step 2 (design engineering and specifications). No grant assistance is available for Step 2, except for amendments to existing Step 2 grants. If a Step 3 grant is later offered, an allowance for design engineering and specifications may be provided by the USEPA at the prevailing federal share. If a Step 2 + 3 grant is offered, Step 2 will consist of an allowance for design engineering and specifications at the prevailing federal share.

3) Step 3 (building). Step 3 grants at the prevailing federal share are available in accordance with the approved Water Pollution Control Program Plan to grant applicants with a Grant Priority Index of 94 or higher as established under 35 Ill. Adm. Code 364. Funding for Step 3 for projects utilizing innovative or alternative wastewater systems with a Grant Priority Index of less than 94 is contingent upon the availability of funds for alternative and innovative projects. Where no Step 1 and Step 2 grants, or Step 1 grant and advance of allowance for Step 2, have been previously awarded, the Step 3 grant will include the federal share of the allowance for both facilities planning and design engineering and specifications. Where a Step 1 grant has been previously awarded, and no Step 2 grant or advance of allowance for Step 2 has been previously awarded, the Step 3 grant will include the federal share of the allowance for design engineering and specifications only. Step 3 grants will include the federal share of the total estimated eligible Step 3 costs.

4) Step 2 + 3 (design engineering and specifications and building). Step 2 + 3 grants at the prevailing federal share are available in accordance with the approved Water Pollution Control Program Plan to grant applicants with a Grant Priority Index of 94 or higher as established under 35 Ill. Adm. Code 364, and which have a population of 25,000 or less, a total estimated Step 3 building cost of $8 million or less, and a project that is not phased or segmented. Step 2 +3 funding for projects using alternative or innovative wastewater systems which qualify for a Step 2 + 3 grant, and with a Grant Priority Index of less than 94, is contingent upon the availability of funds for alternative and innovative projects. Where no Step 1 grant has been previously awarded, the Step 2 + 3 grant will include the federal share of the allowance for facilities planning and design. Where a Step 1 grant has been previously awarded, the Step 2 + 3 grant will include the federal share of the allowance for design engineering and specifications only. The Step 2 + 3 grant will include the federal share of the total estimated eligible Step 3 costs.

5) Advance of allowance

A) Advance of the federal share of an allowance is available to a community with a population of 25,000 or less and which is eligible for the advance under 40 CFR 35, Subpart I. The advance shall not exceed the federal share of the allowance for such costs received.

B) Where an advance of allowance has been awarded to a grantee that subsequently refuses to accept a Step 2 + 3 or Step 3 grant, the grantee shall repay the advance. Where a Step 2 + 3 or Step 3 grant is awarded to a grant recipient that has received an advance, the federal share of the allowance will be reduced by the amount of the advance.

b) The federal share for total eligible Step 3 costs, the allowance for both Step 1 and Step 2, the allowance for Step 2 only, and the advance of allowance, is as follows:

1) 75 percent for grant assistance awarded before October 1, 1984.

2) 55 percent for grant assistance awarded after September 30, 1984, except that grant assistance shall be available at 75 percent for sequential phases or segments of an eligible project under 40 CFR 35, Subpart I where such project is described in the facilities plan, and the Step 3 grant for the initial phase or segment was awarded prior to October 1, 1984.

3) 85 percent for grant assistance awarded before October 1, 1984 for projects utilizing innovative or alternative wastewater conveyance and treatment systems. After September 30, 1984, grant assistance for such projects is available at 75 percent, or 85 percent if the project is a sequential phase or segment of an eligible project under 40 CFR 35, Subpart I.