**Section 662.130 Projects and Activities Eligible for Assistance**

a) Eligible public water supplies. Funds available under the PWSLP and this Part shall only be used for providing financial assistance to the following:

1) a local government unit; and

2) a privately owned community water supply.

b) Ineligible public water supplies. Funds available under the PWSLP and this Part may not be used for providing financial assistance to the following:

1) Federally-owned public water supply and for-profit non-community water supply;

2) Systems that lack the technical, financial, and managerial capability to ensure compliance with the requirements of the SDWA, unless the assistance will ensure compliance and the owners or operators of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long-term; and

3) Systems that are in significant noncompliance with any national primary drinking water regulation or variance, unless:

A) The purpose of the assistance is to address the cause of the significant noncompliance and will ensure that the systems return to compliance; or

B) The purpose of the assistance is unrelated to the cause of the significant noncompliance and the systems are on enforcement schedules (for maximum contaminant level and treatment technique violations) or have compliance plans (for monitoring and reporting violations) to return to compliance.

c) Eligible project categories. Funds available under the PWSLP and this Part shall only be used for the following types of projects and activities:

1) General. Projects that address present or prevent future violations of health-based drinking water standards are eligible for assistance. These include, but are not limited to, projects needed to maintain compliance with existing national primary drinking water regulations for contaminants with acute and chronic health effects. Projects to replace aging infrastructure are eligible for assistance if they are needed to maintain compliance or further the public health protection objectives of the SDWA.

2) Treatment. Examples of projects include, but are not limited to, installation or upgrade of facilities to improve the quality of drinking water to comply with primary or secondary standards and point of entry or central treatment under section 1401(4)(B)(i)(III) of the SDWA.

3) Transmission and Distribution. Examples of projects include, but are not limited to, installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes.

4) Source. Examples of projects include, but are not limited to, rehabilitation of wells or development of eligible sources to replace contaminated sources.

5) Storage. Examples of projects include, but are not limited to, installation or upgrade of eligible storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering a public water supply.

6) Consolidation. Eligible projects are those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons.

7) Creation of New Systems. Eligible projects are those that, upon completion, will create a community water supply to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources. Eligible projects are also those that create a new regional community water supply by consolidating existing systems that have technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional community water supply by consolidating existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. The applicant must give sufficient public notice to potentially affected parties and must have considered alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of a project.

d) Ineligible Project Categories. The following project categories are not eligible for assistance under the PWSLP:

1) Dams or rehabilitations of dams;

2) Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy;

3) Reservoirs or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are on the property where the treatment facility is located;

4) Projects needed primarily for fire protection; and

5) Projects needed primarily to serve future population growth. Projects must be sized only to accommodate a reasonable amount of population growth expected to occur over the useful life of the facility.

(Source: Amended at 43 Ill. Reg. 11209, effective October 1, 2019)