(vi) Provided assistance only for eligible set-aside activities under §35.3535 and conducted activities consistent with workplans and other requirements of §35.3535 and §35.3540;
(vii) Provided loan assistance to small systems consistent with the requirements of §35.3525(a)(5) and §35.3555(c)(2)(iv);
(viii) Provided assistance to disadvantaged communities consistent with the requirements of §35.3525(b) and §35.3555(c)(7);
(ix) Used fees for eligible purposes under §35.3530(b)(2) and (b)(3) and assessed fees included as principal in a loan in accordance with the limitations in §35.3530(b)(3)(i) through (b)(3)(i1);
(x) Adopted and implemented procedures consistent with the requirements of §35.3530(c) and §35.3555(c)(8) if funds were transferred between the DWSRF program and CWSRF program;
(xi) Adopted and implemented procedures consistent with the requirements of §35.3525(b) and §35.3555(c)(9) if Fund assets of the DWSRF program and CWSRF program were cross-collateralized;
(xii) Reviewed all DWSRF program funded projects and activities for compliance with Federal cross-cutting authorities that apply to the State as a grant recipient and those which apply to assistance recipients in accordance with §35.3575;
(xiii) Reviewed all DWSRF program funded projects and activities in accordance with approved State environmental review procedures under §35.3580; and
(xiv) Complied with general grant regulations at 40 CFR part 31 and specific conditions of the grant.

(4) Joint report. A State which jointly administers the DWSRF program and the CWSRF program may submit a report that addresses both programs.


(2) A State must annually submit information to EPA on the amount of funds available and assistance provided by the DWSRF program.

§ 35.3575 Application of Federal cross-cutting authorities (cross-cutters).

(a) General. A number of Federal laws, executive orders, and government-wide policies apply by their own

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terms to projects and activities receiving Federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable. A few cross-cutters apply by their own terms only to the State as the grant recipient because the authorities explicitly limit their application to grant recipients.

(b) Application of cross-cutter requirements. Except as provided in paragraphs (c) and (d) of this section and in §35.3580, cross-cutter requirements apply in the following manner:

(1) All projects for which a State provides assistance in amounts up to the amount of the capitalization grant deposited into the Fund must comply with the requirements of the cross-cutters. Activities for which a State provides assistance from capitalization grant funds deposited into set-aside accounts must comply with the requirements of the cross-cutters, to the extent that the requirements of the cross-cutters are applicable.

(2) Projects and activities for which a State provides assistance in amounts that are greater than the amount of the capitalization grant deposited into the Fund or set-aside accounts are not subject to the requirements of the cross-cutters.

(3) A State that elects to impose the requirements of the cross-cutters on projects and activities for which it provides assistance in amounts that are greater than the amount of the capitalization grant deposited into the Fund or set-aside accounts may credit this excess to meet future cross-cutter requirements on assistance provided from the respective accounts.


(d) [Reserved]

(e) Complying with cross-cutters. A State is responsible for ensuring that assistance recipients comply with the requirements of cross-cutters, including initiating any required consultations with State or Federal agencies responsible for individual cross-cutters. A State must inform EPA when consultation or coordination with other Federal agencies is necessary to resolve issues regarding compliance with cross-cutter requirements.


§ 35.3580 Environmental review requirements.

(a) General. With the exception of activities identified in paragraph (b) of this section, a State must conduct environmental reviews of the potential environmental impacts of projects and activities receiving assistance.

(b) Activities excluded from environmental reviews. A State must conduct environmental reviews of source water protection activities under §35.3535, unless the activities solely involve administration (e.g., personnel, equipment, travel) or technical assistance. A State is not required to conduct environmental reviews of all the other eligible set-aside activities under §35.3535 because EPA has determined that, due to their nature, they do not individually, cumulatively over time, or in conjunction with other actions have a significant effect on the quality of the human environment. A State does not need to include provisions in its SERP for excluding these activities. Activities excluded from environmental reviews remain subject to other applicable Federal cross-cutting authorities under §35.3575.

(c) Tier I environmental reviews. All projects that are assisted by the State in amounts up to the amount of the capitalization grant deposited into the Fund must be reviewed in accordance with a SERP that is functionally equivalent to the review undertaken by EPA under the National Environmental Policy Act (NEPA). With the exception of activities excluded from environmental reviews in paragraph (b) of this section, activities for which a State provides assistance from capitalization grant funds deposited into set-aside accounts must also be reviewed in accordance with a SERP that is functionally equivalent to the review undertaken by EPA under the NEPA. A