

**Two Lakes Collaborative Sewer Authority**  
**Process for Submission of a Funding Application to the USDA Rural Development**  
Updated January 2023

This is a brief description of the process expected as the TLSA proceeds with the submittal of an application for funding from the USDA Rural Development (RD).

A Notice of Intent to File Application for funding was published on August 19, 2022, and a public hearing was held on August 30, 2022. Comments were received and submitted to RD. Rural Development completed the Environmental review process and published a Finding of No Significant Impact (FONSI) on November 9, 2022.

The next steps are expected to be as follows:

- Wade Trim will complete a final review of the Preliminary Engineering Report (PER) to update construction costs, verify the map and parcel lists match, and update timelines within the PER.
- Rural Development reviews and approves the PER prior to submitting it as part of the application.
- Wade Trim works directly with RD Staff (Blake Smith- RD area specialist, and Andy Granskog- RD State Engineer) to make sure all application information is complete and correct prior to submission.
- The TLCSA will publish another Notice of Intent to apply for RD Funding since it has been more than 60 days since the previous NOI was published. There is not another public hearing required.
- The fully prepared application is submitted electronically to RD by the TLSA signing authority, David Meister as Chairman of the TLSA.
- Rural Development begins their review and has 45 days to respond with an Eligibility Letter. This letter states what the project is eligible for in terms of % of grants, % of loans, and what interest rate category the project qualifies for.
- This project is beyond the funding levels of the Michigan Rural Development office, so it will automatically get sent on to the USDA Rural Development National Office for determination of actual funding amounts. When the National Office completes their review of the project, they will send the TLCSA a Letter of Conditions. This letter states the actual dollar amounts of grants and loans that RD can offer to the project along with the conditions required for utilizing the funding. It may take several months for the National Office to respond with their Letter of Conditions.
- Once the Letter of Conditions is received, the TLSA will need to assess the project costs after the grant/loan funding amounts are offered and decide whether to proceed with the project. TLSA is under no obligation to use the funding and can withdraw at any time.
- If TLSA decides to proceed with the project, the TLSA will sign the Engineering agreement to begin the design. Proceeding with design would also require setting up transitional funding sources for legal and design fees that happen prior to bid award when the RD funding becomes available to the TLSA. These costs are included in the total project cost estimated in the PER.

Once the TLSA receives the Letter of Conditions it is up to the Authority on how to proceed, the funding agency does not have any more required steps or public hearings to start the project. There is no application fee to submit the application to Rural Development.