

Two Lake Collaborative Sewer Authority
USDA Rural Development Funding Application Summary
Updated March 2023

The Two Lake Collaborative Sewer Authority (TLCSA) has submitted an application for funding to the USDA Rural Development (RD) for the construction of a sanitary sewer project. 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. Another Notice of Intent to File Application was published on February 23, 2023, and the application was submitted electronically on the Rural Development Website on March 17, 2023.

The proposed project includes wastewater collection and treatment for the areas around Bear Lake and Portage Lake in the municipalities of Onekama Township, Bear Lake Township, Pleasanton Township, and the Village of Bear Lake. Collection is anticipated to be a Septic Tank Effluent Pump (STEP) system with low pressure force mains routing the collected sewage to a main lift station and force main located in the service district of each lake area. The force mains will take the sewage to a proposed mechanical wastewater treatment plant (WWTP) located between the two service districts. A potential WWTP site has been identified in the Preliminary Engineering Report, however the TLCSA does not have a contract in place to use or purchase the identified site for a WWTP at this time. Further review of the identified site or other alternative sites will be needed if the project proceeds to design.

Proposed Total Project Construction Cost:	\$60,024,000
Anticipated Initial Service Connections:	979
Anticipated Special Assessment Parcels:	1,406

The next steps are expected to be as follows:

- 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. It does not award actual loan or grant amounts.
- 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 and has sufficient funding available, they will send the TLCSA a Letter of Conditions. This letter states the actual dollar amounts of grants and loans that RD is offering 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. There is not a specific time limit for the National Office's review and response.
- Once the Letter of Conditions is received, the TLCSA will need to assess the project costs after the grant/loan funding amounts are offered and decide whether to proceed with the project. TLCSA is under no obligation to use the funding and can withdraw their application at any time.

If the TLCSA decides to proceed with the project, the TLCSA 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 TLCSA. These costs are included in the total project cost estimated in the PER.

Two Lakes Sewer Authority

Estimated Project Schedule

Updated March, 2023

Planning Phase

<u>Milestone</u>	<u>Approximate Date</u>
Complete USDA Application Submitted	March 17, 2023
Receive Eligibility Letter from USDA (45 days)	May 1, 2023
Receive Letter of Conditions from USDA (estimated)	October 2023
Public Meetings to discuss project costs and receive input from Service District Members	October 2023
Decision whether or not to proceed with project	January 2024

Design & Construction Phase

<u>Milestone</u>	<u>Approximate Date</u>
USDA and TLCSA approval to begin design	January 2024
Finalize design/USDA submittal items/permits	October 2025
Open bids	January 2026
Start construction	May 2026
Construction completed	July 2028