

Two Lakes Collaborative Sewer Authority

Process for Submission of a Funding Application to the USDA Rural Development

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

The Notice of Intent was published on August 19, 2022. The TLSA has 60 days (October 18) from that date to submit a full application before they are required to have another public hearing.

If the TLCSA votes to proceed with the application submittal, the next steps would be as follows:

- Wade Trim would 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. Wade trim works directly with RD Staff (Blake Smith- RD area specialist, and Andy Granskog- RD State Engineer) to make sure the application is complete and correct prior to submission.
- 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.
- Since this project is beyond the funding levels of the Michigan Rural Development office, 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 or not 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, 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 them 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.