



United States Department of Agriculture

Rural Development

April 11, 2023

Michigan State Office

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East Lansing, MI
48823

Voice 517.324.5156
Fax 855.813.7741

Two Lake Collaborative Sewer Authority
5435 Main Street
PO Box 458
Onkama, MI 49675

Dear Mr. Meister:

We are in receipt of your initial application dated March 23, 2023 for assistance from USDA, Rural Development, for your proposed sewer project. The proposed applicant and project have been found eligible for funding. Based upon the funds available for this program over the last two fiscal years and the number of applications reviewed or pending, we anticipate that funds for which you are competing may be available during Fiscal Year 2024 (possibly sooner). Your application will compete with similar applications through a priority ranking system.

In your application, you requested \$60,024,000 in federal assistance. We are agreeable to consideration of approximately this amount, subject to the availability of funds. The proportion of any loan and grant funding will be discussed with you at a later time. This project appears to be eligible for the poverty interest rate based on health and sanitary issues cited by the local health department.

This is not a commitment of funds or a representation as to the availability of funds, nor is it concurrence with your proposed scope of work. You are advised against taking any actions or incurring any obligations, which would limit the range of alternatives to be considered or have an adverse effect on the environment until funds from Rural Development are actually made available.

Satisfactory completion of the environmental review process must occur prior to the issuance of a letter of conditions and any funding proposal. Further consideration of your request will proceed when a final determination has been reached regarding the environmental impacts of the project and the underwriting is complete. We will contact you as further information is needed.

Sincerely,

Valarie Handy
Director, Community Programs

CC: Michelle Collins, Area Director
Blake Smith, Area Specialist

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Good afternoon Mr. Meister,

Thank you for reaching out this afternoon to discuss the FY23 allocation for USDA Rural Development's Water & Environmental Programs.

On March 9, 2023 the state Program Directors received Staff Instruction 1780-5 with subject line "Water and Environmental Programs Fund Allocations – FY 2023". This document provides loan and grant funding allocations for Fiscal Year (FY) 2023, in accordance with the Consolidated Appropriations Act, 2023, Public Law 117-328, dated December 29, 2022. Section 8 of this document discusses the use of methodology formulas stated in 7 CFR 1780.18 to determine how much loan and grant each state is allocated for the FY. Overall, based on this process, \$1,100,000,000 is available in FY23 for state allocations. Once further broken down across the country, Michigan received an allocation of \$1,609,000 in guaranteed loan dollars; \$40,389,000 in direct loan dollars; \$11,265,000 in regular grant funds. This is the amount of funding we are able to obligate across all the available applications throughout Michigan during the period of October 1, 2023 through September 30, 2024.

All that being said, Michigan often receives additional funding that other states don't utilize in August of each year through a "pooling" process. We can never guarantee additional funding from pooling for our applicants, but if other states don't use their full allocations Michigan often can.

With these realities taken into consideration I am attaching an eligibility notification issued in relation to your community's application. You are eligible for consideration of the full amount requested, but due to the large size of the request we are unlikely to be able to fund the project in FY23 (your request [\$60,024,000] is more than our entire FY23 allocation for MI [\$53,263,000]). We look forward to continuing to analyze the information you have submitted and will seek to support your community as much as possible while still considering the realities of the funding available and the priorities of the Agency.

We appreciate the patience that will likely be required in obtaining funding for this project. Please don't hesitate to reach out to me or Area Specialist Blake Smith (231-941-0951) if you have any additional questions.

Sincerely,

~Valarie