



August 9, 2019

Hon. June Smith, Town Supervisor
Town of Sterling
1290 State Route 104A
Sterling NY 13156

Re: Preliminary Eligibility Determination
Town of Sterling, Water District No. 2

Supervisor Smith:

We are in receipt of your application for assistance from USDA, Rural Development for your proposed water project. The proposed project has been found eligible for funding under the Water and Environmental Program (WEP).

The Initial Application scored 110 priority points. The application will compete with similar applications through a priority ranking system for Fiscal Year 2019 funds.

We would like to schedule an application conference with you to discuss your eligibility and the next stage in processing your application. We will contact you to schedule a meeting within the next 10 business days. You will have 30 days from the date of this meeting to accept our funding offer or request your application be withdrawn (letter must be in writing). ***The project funding is subject to funding availability at the time your application is ready for approval.***

Based upon the information submitted to date the **estimated funding** package is proposed as follows:

Town Population: 3,040
Median Household Income (MHI): \$44,364

Estimated Rural Development Loan (2.125% - 38 yrs.)	\$2,008,000
Estimated Rural Development Grant	<u>\$3,323,000</u>
Total Project Cost	\$5,331,000

Rural Developments funding estimate is based upon the following proposed annual expenses:

Debt Service (Rural Development)	\$77,549 Annually
O & M	\$18,960 Annually

Rural Development • Watertown Office
PO Box 838 (21168 NYS Rt. 232)
Watertown, NY 13601
Voice (315)221-5890 • Fax (855)8891635 TDD (315)477-6447

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program discrimination Complaint Form, AD-3027, 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 the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Short Lived Assets

\$7,167 Annually

*This Project Funding Estimate is **not** to be construed or understood to be a commitment of funding. Please note that these loan and grant amounts may change depending on current interest rates and funding availability. Rural Development reserves the right to adjust these figures and make a final loan/grant determination.*

*If you have also applied for funding to the Environmental Facilities Corporation (EFC) or the Office of Community Renewal (OCR) or are deemed eligible for funding from any other funding source, it could jeopardize or change your potential funding from Rural Development. Your project will need to be **re-underwritten** and if you are still eligible for funding a **revised Preliminary Funding Estimate** will be issued.*

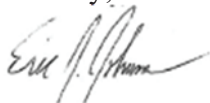
Approval of the Preliminary Engineering Report and satisfactory completion of the Environmental Review process must occur prior to the issuance of a letter of conditions and approval of funds. You are advised against incurring any obligations or taking any actions that would have an adverse effect on the environment.

Further consideration of your request will proceed when a final determination has been reached regarding the engineering report, environmental impacts of the project and the underwriting is complete.

Please note the following:

1. Interest rates change quarterly. Actual interest rate will be determined at the time of funding commitment.
2. Tribal consultation is required as per advisory council on historic preservation section 106. USDA - Rural Development will initiate this action on behalf of the applicant.
3. Grant listed is the maximum potential amount. Grant amounts may be reduced due to changes in underwriting, interest rates, and/or funding availability. If the project extending into Government Fiscal Year 2020, it could mean significant changes to funding estimate.
4. The project may be eligible for additional funding from other government programs. The Water and Sewer Infrastructure Co-Funding Initiative assists municipalities in obtaining optimum funding packages for their projects. For more information, contact the Co-Funding Coordinator at the NYS Environmental Facilities Corporation at 800-882-9721, or visit the Co-Funding website at www.nycofunding.org. Please note that Co-Funding contributions may impact your funding eligibility.

Sincerely,



Lead Loan Specialist

cc: Community Programs Director (e-mail)
Programs Specialist (e-mail)

