



VIRGINIA RURAL WATER ASSOCIATION

VDH-SERCAP

DRINKING WATER FUNDING WORKSHOP

SEPTEMBER 25, 2025



- The Rural Water Loan Fund (RWLF) is a funding program specifically designed to meet the unique needs of small water and wastewater utilities. The RWLF provides low-cost loans for short-term repair costs, small capital projects, or pre-development costs associated with larger projects. The RWLF is operated by NRWA and was established through a grant from USDA Rural Utilities Service.

ELIGIBLE PROJECTS

- Pre-development (planning) costs for infrastructure projects
- Replacement equipment, system upgrades, maintenance and small capital projects
- Energy efficiency projects to lower costs and improve system sustainability
- Disaster recovery or other emergency loans are available

KEY POINTS

- Reasonable, below market interest rate (currently 3.125%) and a maximum repayment period of 10 years
- Straightforward application process and quick turnaround time (just a few days if documents are in order)
- Loan amounts may not exceed \$200,000 or 75% of the total project cost, whichever is less
- Emergency loans are 90-day no interest, with immediate turn around on applications
- NRW charges no administrative or processing fees
- Systems must be public entities (municipalities, counties, special purpose districts, Native American Tribes, nonprofit corporations and cooperatives) serving up to 10,000 persons, or in rural areas with no population limits



COBANK LEASING PROGRAM

NATIONAL RURAL WATER ASSOCIATION'S LONGTIME PARTNER, COBANK, IS NOW OFFERING NOT-FOR-PROFIT, DISTRICT AND MUNICIPAL RURAL WATER AND WASTEWATER SYSTEMS A UNIQUE ALTERNATIVE TO TRADITIONAL BORROWING. LEASING ALLOWS YOU TO MATCH PAYMENTS TO THE LIFE OF THE ASSET AND BETTER MANAGE YOUR SYSTEM'S CASH FLOW.



COBANK LEASING PROGRAM

COBANK OFFER TERMS STARTING AT 24 MONTHS AND FULL CUSTOMIZATION FOR EACH LEASED ASSET. CHOOSE YOUR PREFERRED VENDOR, ORDER EVERYTHING TO YOUR SPECIFICATIONS, NEGOTIATE THE BEST PRICE AND COBANK WILL TAKE CARE OF THE FINANCING.



THE RURAL WATER FINANCING AGENCY (THE “AGENCY”) WAS CREATED IN ORDER TO PROVIDE TAX-EXEMPT FINANCING TO GOVERNMENTAL ENTITIES. THE AGENCY HAS TWO LOAN PROGRAMS, INTERIM AND FLEX TERM.

INTERIM

- Short-term Loan Involving Either a USDA or SRF Takeout Letter. The purpose of the program is to provide construction funding for water and sewer systems that have received a permanent loan commitment from the United States Department of Agriculture-Rural Development.
- The program structure provides communities access to short-term loan funds at favorable interest rates. Loan proceeds are utilized for the construction period only and are repaid with RD bond funds when the project is complete. RD will provide the permanent financing once the construction phase is complete and project conditions have been met.

FLEX TERM

- 1-30 year Loan Without USDA or SRF Takeout Letter. The Program provides financing for a variety of projects with loan terms up to thirty years. The program aims to make the process of obtaining funds less complicated than its alternatives and to have funds available as quickly as possible.

VRWA SERVICES

- Assistance provided for all aspects of water utility management, finance, operation and maintenance, regulatory compliance, cybersecurity, disaster response, energy efficiency, and loan/grant applications
- Improving financial sustainability through better management practices, more efficient operations & better maintained system components
- Identifying & evaluating affordable solutions to water problems in rural areas



VIRGINIA RURAL WATER ASSOCIATION

- Mike Ritchie
- Executive Director
- Virginia Rural Water Association
- 2138 Sycamore Ave.
- Buena Vista, Va 24416
- (540) 261-7178
- (540) 335-3000 cell
- mritchie@vrwa.org
- www.vrwa.org