



Making WEP Work for Your Community

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Grace Atwell, Wytheville Area Loan Specialist

VRWA Drinking Water Funding Workshop, Tazewell, VA, May 21, 2026



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

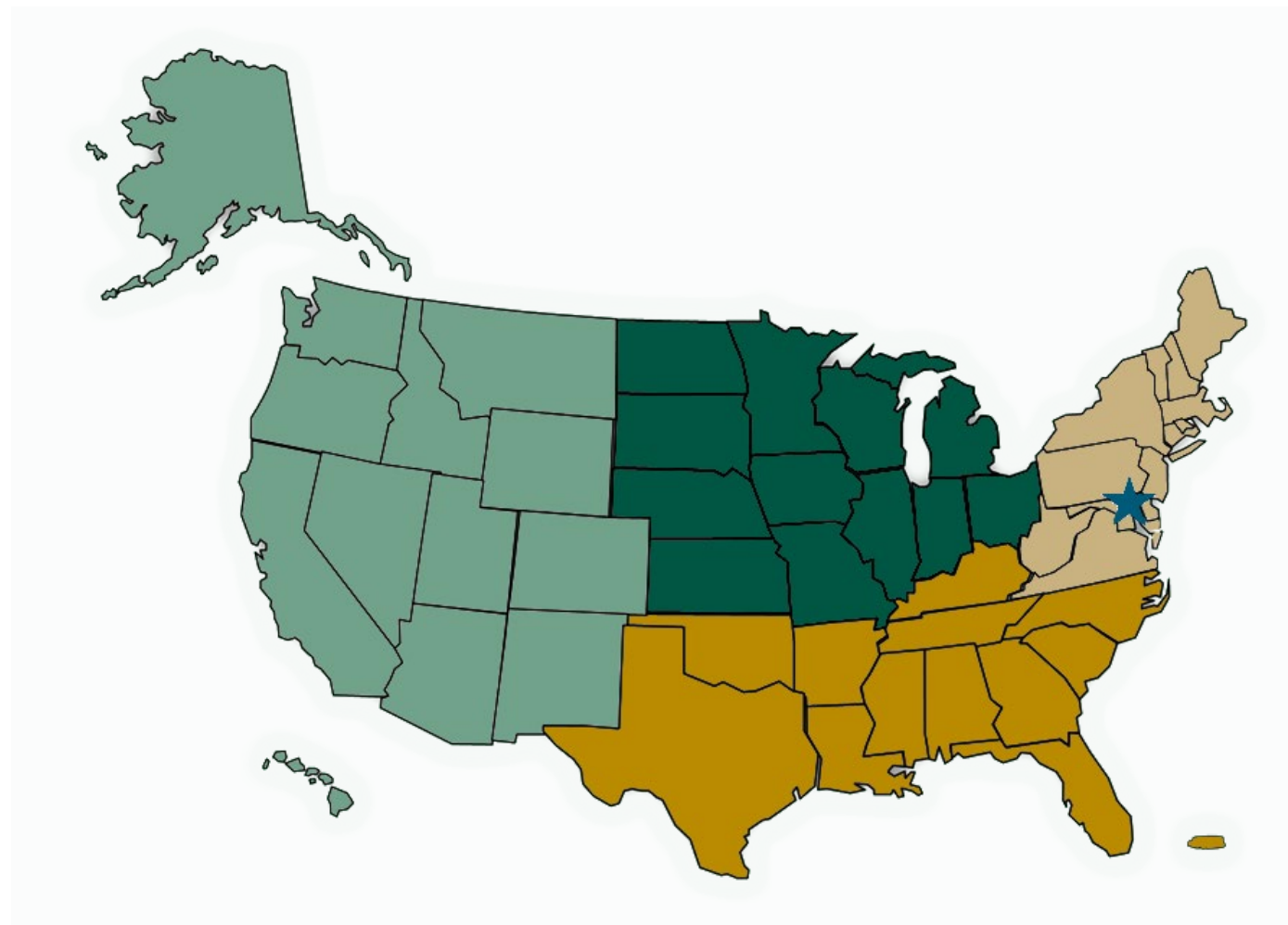
Structured to Support Rural People Nationwide

4 Regions

47 State Offices

400 Area Offices

1 National Office in DC

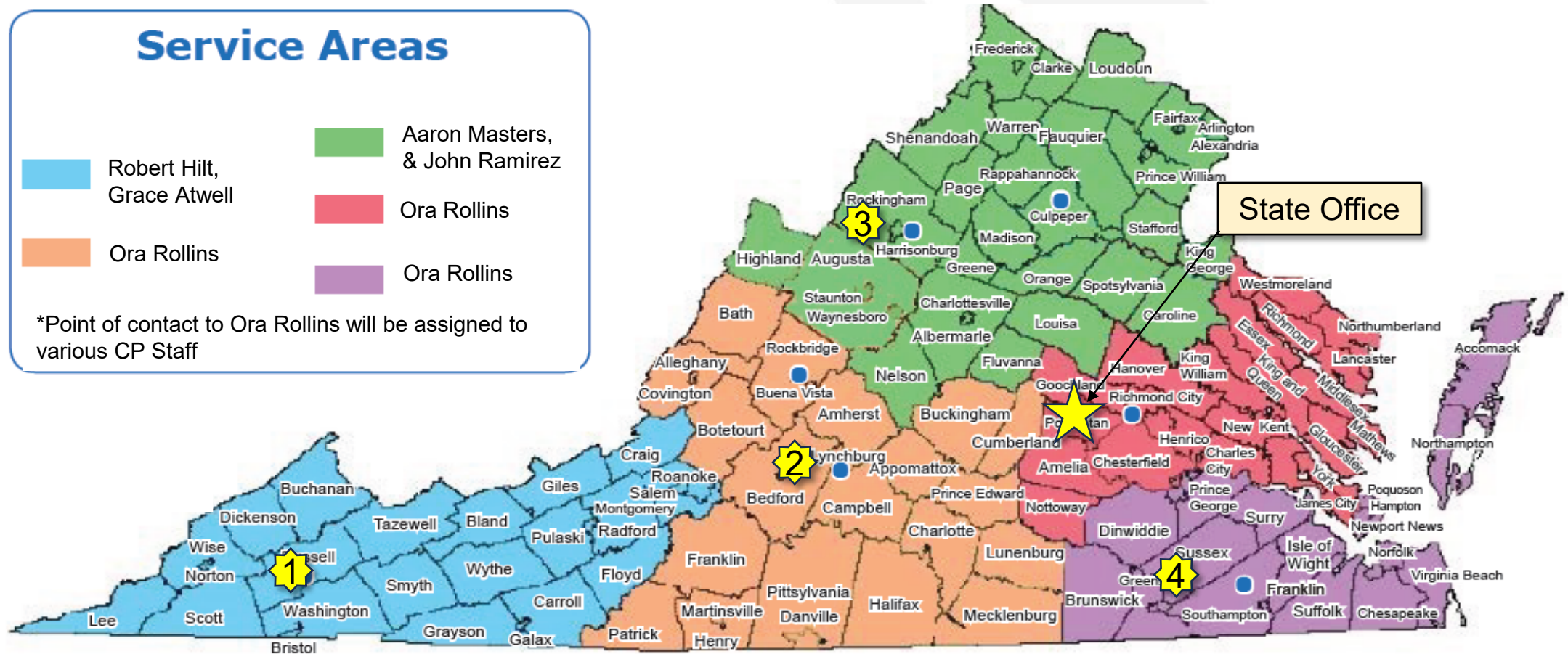


Rural Development Area Offices in Virginia

Service Areas

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	Ora Rollins		Ora Rollins
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*Point of contact to Ora Rollins will be assigned to various CP Staff



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Our Mission and Objective

- Increase economic opportunity and improve the quality of life in rural America
- Provide affordable financial assistance to help small rural communities:
 - Enhance business and economic development
 - Improve infrastructure
 - Support community development
 - Provide housing opportunities to rural citizens

Core Programs for Rural Development

- **Rural Business and Cooperatives** – Economic development and technical support
- **Housing** – Single and Multifamily
- **Community Programs** – Health care, public safety, public services, water, wastewater, solid waste disposal, storm water drainage, technical assistance, electric, telephone and broadband services, distance learning, and telemedicine
- **Water & Environmental Programs (WEP)** – Drinking water, wastewater, solid waste, and stormwater



WEP Applicant Eligibility

- **Applicant Types**

- Public Bodies – Town, City, County, District or Authority
- Nonprofits – Association, Cooperative or Private Corporation
- Indian Tribes – Federally Recognized Tribes

- **Applicant Must:**

- Own the system
- Have legal authority to operate and maintain it

- **Service area**

- Rural and incorporated areas with populations no greater than 10,000

WEP Project Eligibility

New construction, expansion and improvements to include, but not limited to:

- Line installation
- Treatment facilities
- Treatment capacity
- Related fees (legal, engineering, environmental, land, interest during construction, etc.)





WEP Interest Rates and Grant Eligibility

Based on Median Household Income (MHI) for service area:

Tier	MHI	Interest Rate*	Grant Eligibility
Poverty**	< \$54,819	2.875%	Up to 75%
Intermediate	\$54,819 to \$68,524	3.750%	Up to 45%
Market	> \$68,524	4.750%	None

* As of March 1, 2026 through June 30, 2026

**If the project is correcting a health or sanitary standard *and* the MHI limit is met.

WEP Direct Loan Terms

- May be necessary to reduce user costs to a reasonable level as compared to similar systems
- Monthly equivalent dwelling unit (EDU) costs compared to:
 - Similar Systems
 - Median Household Income
- Loan to grant ratio typically 70% loan / 30% grant
- Grants are based on MHI of the service area, the applicant's financial situation, available allocation, similar systems and rates being charged



WEP Grant Considerations

- Fixed interest rates with no prepayment penalty and up to 100% financing
- Loan repayment shall not exceed the useful life of the facility or 40 years, whichever is less
- Unable to finance the proposed project with existing resources or through commercial credit at reasonable rates and terms
- Interim financing required for all loans over \$500,000; after these funds have been disbursed, RD closes long-term financing which allows the municipality to retire the interim financing
- Loans must be adequately secured by a General Obligation Bond, a Revenue Bond or combination of both.

Funding Do's and Don'ts

- Funds may be used for:
 - Construction costs
 - Purchase of existing facilities to improve or prevent loss of service
 - Legal fees
 - Engineering fees
 - Land acquisition
 - Water and land rights
 - Permits
 - Equipment
 - Capitalized Interest
- Application preparation is not an eligible project expense



WEP Project Examples

Town of Elkton

Upgrade WWTP, pump station, and sewer lines

- Project Cost: \$27M
- RD Loan: \$15.6M
- RD Grant: \$7.7M
- Other funding (DEQ): \$3.7M



WEP Project Examples

Nelson County Service Authority

Schuyler WWTP & Sewer Line Upgrades

- Project Cost: \$5.2M
- RD Loan: \$1.3M
- RD Grant: \$3.9M



WEP Project Examples

Town of Strasburg

New WTP, pump station, and other improvements

- Project Cost: \$14M
- RD Loan: \$11.554M
- RD Grant: \$2.459M



Getting Started

1. Obtain Professional Engineering Services
 - Preliminary Engineering Report (PER)
 - Environmental Report (ER)
2. Prepare grant and/or loan applications
 - Accepted year-round
 - All WEP loan and/or grant applications are required to be submitted via RD Apply





WEP Predevelopment Planning Grants

- For development of Preliminary Engineering Reports (PER) and/or Environmental Reports (ER)
- Up to \$60,000 grant or 75% of eligible project costs with 25% match
- Eligibility
 - Public bodies, nonprofits, Native American tribes
 - Population < 10,000
 - MHI < \$54,819 (80% of average statewide MHI)



WEP SEARCH Grants

- Special Evaluation Assistance for Rural Communities and Households
- Used for development of Preliminary Engineering Reports (PER) and/or Environmental Reports (ER)
- Up to \$30,000 grant or 100% of eligible project costs (no matching funds)
- Eligibility
 - Public bodies, nonprofits, Native American tribes
 - Population < 2,500
 - MHI < \$54,819 (80% of average statewide MHI)



WEP ECWAG

- Emergency Community Water Assistance Grants
- Help eligible communities prepare or recover from an emergency that threatens the availability of safe, reliable drinking water
- Events included, but not limited to:
 - Drought or flood, earthquake, tornado or hurricane, disease outbreak, chemical spill leak or seepage.
- Water transmission line grants up to \$150,000
- Water source grants up to \$1,000,000
- Eligibility
 - Public bodies, nonprofits, Native American tribes
 - Population < 10,000

Acquiring the Best Financial Package

- Loans, grants, and combinations
- Partnerships with:
 - Virginia Dept. of Health (VDH)
 - Virginia Dept. of Housing and Community Development (DHCD)
 - Virginia Resources Authority
 - Virginia Tobacco Indemnification Commission
 - Virginia Dept. of Environmental Quality (DEQ)
 - U.S. Economic Development Administration
 - U.S. Environmental Protection Agency



Preparing your application

All new loan and/or grant applications are required to be submitted via RD Apply



1. To create an application a Level 2 eAuthentication ID is required to be able to access RDApply
2. You will need to be approved as an Authorized Representative for your organization

RD Apply Resources

- RD Apply Customer User Guide
 - <https://www.rd.usda.gov/media/file/download/water-and-environmental-customer-user-guide.pdf>
- RD Apply Authorized Representative Request
 - For any issues with sending the request or supporting documentation
 - Email: rd.va.general.inquiries@usda.gov
 - Please include in the subject line 'CP RD Apply Inquiry – Your Entity's Name'
 - A CP employee will reach out directly

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Questions?

For program information, regulations, and
forms, please visit our website:
www.rd.usda.gov



When Rural People Thrive, America Thrives