VIRGINIA RESOURCES AUTHORITY
PORTFOLIO RISK MANAGEMENT COMMITTEE
MINUTES OF THE REGULAR MEETING
HELD JANUARY 8, 2019

The Portfolio Risk Management Committee of the Virginia Resources Authority met on Tuesday, January 8, 2019, in the Virginia Resources Authority Board Room, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting throughout the meeting: Ms. Barbara McCarthy Donnellan, Mr. David Branscome, Ms. Manju S. Ganeriwala, Ms. Valerie Thomson and Mr. Thomas L. Hasty, III. Other Board members present included Mr. Cecil R. Harris and Mr. Steve Pellei. Also present was Mr. Arthur Anderson and Mr. David Gustin of McGuireWoods LLP, Mr. Ty Wellford from Davenport & Company LLC, Ms. Megan Gilliland from Kaufman & Canoles, P.C., Mr. Ron Tillett from Raymond James & Associates, Mr. Bill Kittrell from The Nature Conservancy, and Ms. Karen Doran from the Department of Environmental Quality. VRA staff present were: Ms. Hamlett, Ms. Adams, Ms. Bass, Mr. Bergeron, Mr. Crumlish, Mr. D'Alema, Mr. Doughtie, Ms. Gordon, Ms. Jones, Mr. Murray, Ms. O'Brien and Ms. Pearson.

Ms. Donnellan served as Chair of the meeting, and Ms. Hamlett as Secretary.

The Chair called the meeting to order at 9:01 a.m. and asked if there were any additions or deletions to the agenda to which there were none. There being no amendments to the agenda, the agenda was accepted as presented.

DWSRF Portfolio Review

Ms. Pearson, Financial Services Manager, provided the Committee with a portfolio review of the Drinking Water State Revolving Fund (DWSRF) program, which celebrated its 20th anniversary in 2016. Under the DWSRF program, VRA and the Virginia Department of Health (VDH) partner to provide construction loans to community or non-profit waterworks, refund loans to community waterworks and provide set-asides for various purposes. VDH decides which projects are eligible and sets interest rates, while VRA serves as underwriter for the loans. The program receives funding from Federal Capitalization Grants and a 20% State match, which is required to obtain capitalization grants. On average, DWSRF awards about 17 loans annually totaling less than $1 million each. Comparisons of the Clean Water Revolving Loan Fund (CWRLF) to the DWSRF indicated a comparable number of loans, but outstanding balances tend to be significantly smaller in the DWSRF due to the size of the borrower and the nature of the projects. Ms. Pearson continued that the VDH program guidelines support small and/or disadvantaged waterworks noting that a minimum of 15% of loan assistance goes towards small waterworks serving less than 10,000 people, 30% of the Federal Capitalization Grant is used to subsidize disadvantaged waterworks through principal forgiveness, Median household income comprises nearly 20% of VDH's formula to prioritize projects and disadvantaged waterworks have special access to reduced interest rates and longer loan terms. In terms of the credit impact, advantages include: projects are undertaken that might not otherwise be completed; VDH and VRA often have leverage to require rate increases and changes in financial management practices; and system regionalization. Disadvantages include the fact that larger, non-disadvantaged localities do not seek or obtain DWSRF loans, which weakens the portfolio's credit quality as a whole because there are fewer investment grade credits in the portfolio. However, Ms. Pearson noted that things are changing in this regard due to pending loans to the NRV Regional Water Authority (Montgomery County) and Frederick Water (Frederick County).

According to Ms. Pearson, as of June 30, 2018, the top 10 borrowers in the DWSRF program are primarily concentrated in southwest Virginia and account for nearly 50% of the portfolio with no single borrower above 7.5%. Although none of the top 10 borrowers are rated, four associated counties are rated with two providing their moral obligation. The loans of seven of the top 10 borrowers include a moral obligation, which is a key credit enhancement. Ms. Pearson added that the borrower concentration could potentially change due to two large pending loan applications from the NRV Regional Water Authority (Montgomery County) and Frederick Water (Frederick County), which could have the effect of increasing borrower concentration and adding regional diversification. In June 2018, VRA approved three loans totaling $40 million to the NRV Regional Water Authority. The $36 million loan request from Frederick Water is to be presented to the credit committee this winter.

Ms. Pearson continued that given the unique characteristics of the DWSRF, additional compliance-related monitoring and communications with borrowers is warranted. As part of the portfolio review, VRA has increased its efforts to obtain and analyze FY2017 DWSRF borrower audits earlier than usual to identify potential fiscal distress. The results of this increased review indicated that of the 98 borrowers, 65 were cleared with no signs of fiscal distress. There were some concerning trends for 17 of the borrowers so VRA will accelerate looking at their FY2018 financials. For the remaining borrowers, VRA has either sent a letter asking for audits or is in ongoing communications with the borrower. Committee discussions ensued regarding whether there were any missed payments by borrowers to which Ms. Pearson replied that there have been late payments within the past 5 years but no missed payments. Mr. Crumlish added that there are some borrowers without audits, namely small towns with a small staff, and Ms. Hamlett provided that some new borrowers do not have audits as they are not required by the Commonwealth of Virginia. Ms. Pearson went on to add that late payments to the Virginia Retirement System (VRS) can be an early indicator of financial distress, and that VRA and VRS have agreed to report signs of locality distress to one another. Ms. Pearson concluded that given the two large pending loans, VRA will work with VDH on capacity and cash flow modeling to ensure the DWSRF can make loan disbursements while maintaining healthy cash flows.

Clean Water Revolving Loan Fund (CWRLF) – The Nature Conservancy

Mr. Bergeron, Financial Services Manager/Investment Officer, presented to the Committee The Nature Conservancy's (TNC) application for funding through the CWRLF in an amount of $20,125,000. TNC is requesting this loan in order to obtain a conservation easement on 23,800 acres located within the Clinch River watershed. This project is part of a larger transaction to acquire property within Southwest Virginia and would represent one of the largest land-protection and ecological-restoration opportunities in Virginia. The loan term would be 20 years with an interest rate of 3%. The security for the loan is an unsecured general obligation pledge from TNC. Mr. Bergeron noted that the credit was presented to VRA's credit committee on November 28, 2018, and the State Water Control Board approved it on December 13, 2018. The VRA underwriting guidelines contemplate localities and authorities, and thus, the TNC, as a 501(c)(3) does not qualify as one of those and the loan will not be secured by a Deed of Trust. He noted that the VRA general obligation guidelines contemplate tax supported debt. Given the unique loan structure, VRA staff is seeking Board approval. This loan is expected to close in 2019.

Mr. Bergeron introduced Mr. Bill Kittrell, Deputy Director of TNC, who provided the Committee with background on TNC and the proposed project. Mr. Kittrell discussed with the Committee the importance of the project stating that the property totals 153,000 acres with approximately 24,000 acres within the Clinch River watershed. Clinch River has the highest number of rare species in any river in North America. TNC started a program to help conserve, protect and restore the area and acquired land for protection of the Clinch River. The property is connected with other lands of state forests and parks and allows for protection of property and restoration of property which fits within the program's criteria. The Department of Environmental Quality and the State Water Control Board approved the project in December. Mr. Branscome asked whether anyone would be displaced to which Mr. Kittrell replied no.

Mr. Bergeron continued to provide the Committee with pertinent information regarding TNC. He stated that TNC was founded in 1951 and has over 4,000 employees worldwide. It is the largest fundraiser in the environmental sector and one of the largest in the United States. TNC has protected more than 119 million acres and thousands of miles of rivers worldwide with 350,000 of those acres in Virginia. In terms of the Virginia chapter, TNC has a staff of 65 spread across 5 offices across the Commonwealth of Virginia. TNC operates under an international Board of Directors who approved the project in October and operates under a voluntary Board of Trustees, which unanimously approved the proposed project. It maintains over $6.5 billion in net assets with operations supported by over $600 million in annual revenues. TNC's general obligation is rated Aa2/AA- by Moody's/S&P. Ms. Ganeriwala asked about TNC's source of annual revenue. Mr. Bergeron responded that contributions, endowment, government and state contracts and land sales are the primary sources of revenue. According to Moody's market position rating criteria, TNC is positioned well. In terms of operating performance, VRA observed that TNC grew expenses in response to revenue increases and has historically demonstrated operating expense flexibility and ability to scale. In terms of balance sheet/investments, in over half of the calculations TNC fell within the Aaa or Aa category, which is strong. Overall, TNC is supported by a solid history of fundraising, cash and investments, positive operating performance and ability to scale operations. Additional factors to support TNC's strong foundation include a diversified board, experienced management, strong policies and procedures, and the fact that TNC will provide a guarantee/letter of credit or prepay the loan if its rating drops below A3/A- by Moody's/S&P. Discussions ensued amongst the Committee members regarding the security and the Commonwealth of Virginia's interest in land conservation.

Motion by Ms. Donnellan, seconded by Ms. Ganeriwala, to recommend the Board approve The Nature Conservancy loan request from the CWRLF for up to $20.125 million, provided that the Department of Forestry or other eligible entity is the holder of the conservation easement. Motion carried.

Tobacco Region Revolving Loan Fund (TRRF)

Mr. Crumlish, Director of Financial Services, presented to the Committee background on the Tobacco Region Revolving Fund (TRRF). According to Mr. Crumlish, in 2015, the General Assembly created the TRRF program as part of a greater legislative package impacting the Tobacco Region Revitalization Commission (Commission). The Commission's mission under this program is to promote economic development. Under the program, the Commission may make up to $50 million available for the TRRF, and $5 million is currently budgeted. The Commission directs the distribution of loans from the TRRF for eligible projects, and VRA underwrites and services the loans similar to other partner agency type programs. Eligible applicants are localities in the 40 tobacco localities, primarily in Southwest and Southside Virginia. To date, 16 applications have been referred to the TRRF program but 8 have declined because of the desire for a grant instead of a loan. VRA has closed loans to the Town of St. Paul and the IDA of the Town of Bluefield, Virginia (for Bluefield College) in late 2018. Ms. Hamlett noted that there has been some disconnect with the applicants about the misconception that they are applying for a grant program, but VRA continues to have conversations with the Commission about how to make the program more efficient and transparent. According to Mr. Crumlish, this proposed loan does not fit into the VRA guidelines; therefore, VRA staff brought it to the Committee for consideration. He noted that the funding is coming from the Commission and VRA is purely servicing the loan. He introduced Ms. Pearson to provide the Committee with details on the proposed credit.

Ms. Pearson stated that the Industrial Development Authority of Dinwiddie County proposes to borrow funds through the TRRF for the benefit of Richlands Creamery, LLC (Creamery). The Creamery is a new enterprise located on the existing Richlands Dairy Farm and is jointly owned by members of the Jones family. The farm currently sells raw milk to a cooperative; however, a multi-year depression in milk commodity prices is creating a challenging operating environment, and the Creamery hopes to diversify the family's business by offering value-added, premium dairy products, namely ice cream and milk for sale via an on-farm retail store and wholesale sales. The request is for a $750,000 loan for the purchase of equipment for the Creamery. The TRRF loan would provide more favorable repayment terms than an existing interim equipment note with Colonial Farm Credit. She added that the security would be a first lien on the Creamery equipment, first lien deed of trust on 182 acres of farm land, and personal guarantees from the Jones family. Ms. Pearson provided background to the Committee regarding the project stating that the full cost of the project is expected to be around $1.9 million to come from various funding sources (i.e. grants, owner equity, existing loans with the Colonial Bank, TRRF funds, and a USDA grant). VRA has recommended an equipment loan for a 12-year term, interest-only for the first 24 months and a 3.01% fixed interest rate. Ms. Pearson continued that there are several factors that make this a high risk loan including: the start-up enterprise nature, national fluid milk pricing declines, no direct experience in operating a creamery, potentially diminishing values of the personal guarantees, the fact that there are several competitors in the region, and the fact that the available collateral may be challenging to sell. However, she indicated that a feasibility study conducted by an independent firm determined that the Creamery project is a viable endeavor and the security appears sufficient to cover principal. Additionally, the farm continues to collaborate with a successful family-owned creamery in North Carolina, has experienced success in other agritourism ventures and has solid loan repayment history. The VRA credit committee recommended that the Creamery get a letter of credit from a bank for the first few years of the loan; however, the bank declined to provide for the requested time period. The VRA credit committee has recommended that the Committee bring this to the Board for approval.

Motion by Ms. Donnellan, seconded by Mr. Branscome, to recommend the Board approve the requested loan with a security consisting of: a first lien on the Creamery equipment, a first lien deed of trust on 182 acres of farm land, and personal guarantees from six members of the Jones family, provided the Executive Director of the Tobacco Region Revitalization Commission accepts the risk of a loan for a start-up enterprise secured by equipment, land and personal guarantees to accomplish its mission of growing and diversifying the economies of southern and southwestern Virginia. Motion carried.

2018C VPFP Fall Pool Summary

Mr. D'Alema, Director of Program Management, provided the Committee with a summary of the 2018C VPFP Fall Pool. He noted that the Board has already been apprised of these results in the interim report due to the sale date of October 30. According to Mr. D'Alema, VRA sold $118.9 million of VPFP bonds on October 30, 2018, funding 13 loans on behalf of 11 local government borrowers. The 2018C loans financed or refinanced projects in seven of VRA's authorized project areas including: water, wastewater, local government buildings, public safety, parks and recreation, site acquisition and development for economic development and dam safety. He noted that interest rates were competitive, and the all-in true interest cost of funds came in under 4%, which is a strong result. As far as the transaction itself, the 2018C Infrastructure Revenue Bonds (Tax-Exempt and Taxable) and the State Moral Obligation Bonds (Taxable) were sold on a negotiated basis with Raymond James & Associates as the senior manager, and the State Moral Obligation Revenue Bonds (Tax-Exempt) were sold competitively. Mr. D'Alema introduced Mr. Tillett from Raymond James & Associates to discuss the transaction with the Committee. He stated that due to the volatile market, Raymond James focused on its couponing strategy and ultimately achieved a favorable transaction. He noted that there were some Tier 2 and Tier 3 investors, which is important because it gets VRA's name out in the market to a wider base of bond buyers.

Mr. D'Alema continued that under the 2018C VPFP, local borrowers refunded a total par amount of $5.35 million of prior debt obligations. Harrisonburg Rockingham County Regional Sewer Authority refunded $3.435 million for a net present value debt service savings of $105,818; Brunswick County refunded a Series 2012 bank financing to lock in the interest rate through FY2031; and $6.945 million CRF Bonds were refunded for a net present value savings of $1.137 million. Mr. D'Alema noted that the largest loan from the fall pooled issuance was made to Rivanna Water and Sewer Authority, and the combined total of the VPFP 2018C local loans exceeded $110 million.

Market Overview and Summary of 2018 Bond Sale Results

Mr. Wellford, from Davenport & Company, financial advisor to VRA, provided the Committee with a market overview and summary of the 2018 bond sale results. He discussed the current yield curve in comparison to the previous 3 years noting that generally yields increased, although not significantly, and there was a tight spread between the 10 and 30 year yields. In terms of supply and demand, on average the volume of bond issuances was down over the prior year due to tax reform and the elimination of advance refundings. However, the volume of new money issuances was the highest since 2009 with $167.2 million in issuance. Mr. Wellford presented to the Committee the results and summary statistics of each of the 2018 pool transactions. He concluded that tax-exempt borrowing rates remained attractive throughout the year but have trended upwards; VRA successfully issued $253 million in bonds through three separate financings; VRA financed $169 million of new money projects and refinanced existing debt for four borrowers, which produced $16.2 million of aggregate debt serve savings; and VRA maintained its existing credit ratings for the pool program, clean water and airport programs.

VPFP Portfolio Updates

Mr. D'Alema next provided the Committee with an overview of the VPFP portfolio (post Series 2018C bond issuance) noting that there was $2.42 billion in total borrower local loans outstanding; 138 local government borrowers totaling 310 loans; 76.2% of the portfolio has at least 'A-' assigned or enhanced rating from S&P; and 82.5% of the portfolio has at least 'A1' assigned or enhanced rating from Moody's. Therefore, from a portfolio quality standpoint VRA is in good shape. After the fall 2018 issuance, the top 10 borrowers represent 38.5% of the overall VPFP portfolio, which represents a decline from approximately 44% in FY2012. The largest borrower is the City of Suffolk which currently represents 7.99% of the overall portfolio.

Mr. D'Alema next updated the Committee on the status of the City of Petersburg. He stated that Petersburg remains current on its three outstanding VPFP loans and its October payments were received early by the trustee. On October 23, 2018, Petersburg updated the Joint Subcommittee on Local Government Fiscal Stress. VRA staff attended the meeting and met with Petersburg to discuss the City's continued efforts to improve operations and its overall credit profile. Petersburg successfully closed on a FY2019 Revenue Anticipation Note and plans to seek utility system capital financing as early as spring 2019 upon the completion of an updated rate study. VRA continues to monitor the situation and will update the Committee accordingly.

2019A VPFP Financing Calendar

Mr. D'Alema discussed the 2019A VPFP financing calendar with the Committee noting that, depending on demand, VRA is planning a summer issuance.

Continuing Disclosure Update

According to Mr. D'Alema, VRA staff posted the continuing disclosure documents for the required programs for fiscal year 2018.

Adjournment

There were no new items or any further business to come before the meeting. Ms. Hamlett thanked those in attendance for their presentations. Motion by Ms. Donnellan that the meeting be adjourned. Motion carried, and the meeting adjourned at 10:24 a.m.

Stephanie L. Hamlett, Executive Director/
Board Secretary

APPROVED:

Ms. Barbara McCarthy Donnellan, Chair

VIRGINIA RESOURCES AUTHORITY
BOARD MEETING
MINUTES OF THE REGULAR MEETING
HELD JANUARY 8, 2019

The Board of Directors of the Virginia Resources Authority met on Tuesday, January 8, 2019, in the Virginia Resources Authority Board Room, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Board members were present and acting throughout the meeting: Mr. Thomas L. Hasty, III, Ms. Mary B. Bunting, Ms. Barbara McCarthy Donnellan, Mr. David Branscome, Mr. Reginald E. Gordon, Mr. Cecil R. Harris, Jr., Mr. Mark K. Flynn, Ms. Valerie Thomson on behalf of Mr. David K. Paylor, Ms. Janet Aylor on behalf of Ms. Manju S. Ganeriwala, Mr. Steve Pellei on behalf of Mr. Dwayne Roadcap. Director Jennifer Bowles was absent from the meeting. Others present included Mr. Howard Eckstein from the Virginia Department of Health and Ms. Karen Doran from the Department of Environmental Quality. VRA staff present included: Ms. Hamlett, Ms. Adams, Ms. Bass, Mr. Bergeron, Mr. Crumlish, Mr. D'Alema, Mr. Doughtie, Mr. Farmer, Ms. Jones, Mr. Murray, Ms. Pearson, and Ms. O'Brien.

Mr. Hasty served as Chairman of the meeting, and Ms. Hamlett as Secretary.

The Chairman called the meeting to order at 10:36 a.m., and upon motion duly made by Ms. Donnellan and seconded by Mr. Branscome, the agenda as presented was approved.

The Board considered the next item on the agenda, which was approval of the minutes. Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Directors noted above as being present, the minutes of the Audit Committee meeting on September 10, 2018, the Portfolio Risk Management Committee meeting on September 10, 2018, and a regular meeting of the Board of Directors held on September 11, 2018, were approved as previously distributed.

Executive Director Report

Ms. Hamlett, Executive Director, presented the Executive Director's Report to the Board and encouraged the Board to review it. She highlighted to the Board that the Virginia Conservation Legacy Fund (VCLF) borrowed funds through the Clean Water Revolving Loan Fund (CWRLF) for the Natural Bridge State Park Project. VCLF has not complied with all of the terms under the management agreement entered into with the Department of Conservation and Recreation (DCR) including the commitment to provide funds for capital improvements. She noted that VRA, the Department of Environmental Quality, and DCR, which currently operates the facilities, met in August to discuss potential solutions including the use of $3 million that is currently available in the State Park Acquisition and Development Fund to purchase a portion of the land that includes Natural Bridge. VRA staff supports this concept as a viable means to facilitate the transfer of Natural Bridge to the Commonwealth of Virginia.

Committee Reports

Portfolio Risk Management Committee (PRMC)

Mr. Pellei provided a brief update to the Board on the Drinking Water State Revolving Fund (DWSRF). Mr. Pellei noted that historically funds from the DWSRF have gone to Southwest Virginia, but that area is becoming saturated. He added that the program is starting to move towards other areas and the borrowers and the projects in the fund are starting to look different.

Mr. Crumlish, Director of Financial Services, began his presentation by providing information to the Board regarding The Nature Conservancy (TNC) loan application through the CWRLF. He stated that Mr. Bill Kittrell, Deputy Director of the TNC, presented to the Committee background on TNC entity and an overview of the Clinch River watershed project. The loan requested is for an amount of $20,125,000 at an interest rate of 3% for a term of 20 years. He stated that the loan would be secured by the general obligation pledge of TNC. The purpose of the loan is the acquisition of a conservation easement to be held by the Department of Forestry or other qualified holder. The proposed project is part of a much larger project relating to 153,000 acres. He noted that TNC is a worldwide organization with annual revenues in excess of $600 million. The Committee heard from Mr. Kittrell about how important this project is to TNC and how important it is to the Commonwealth of Virginia. VRA staff and the PRMC have recommended Board approval of the loan request.

Motion by Ms. Donnellan, seconded by Mr. Flynn, that the Board approve The Nature Conservancy loan request from the CWRLF for up to $20.125 million, provided that the Department of Forestry or other eligible entity is the holder of the conservation easement. Motion carried.

Mr. Crumlish next provided to the Board an overview of the newly created Tobacco Region Revolving Fund (TRRF) program through the Tobacco Region Revitalization Commission (Commission). The Commission directs the distribution of loans from the TRRF for eligible projects, and VRA underwrites and services the loans similar to other partner agency type programs. VRA closed two loans in late 2018 under the TRRF including the Town of St. Paul and the IDA of Town of Bluefield, Virginia (Bluefield College). Currently, the Industrial Development Authority of Dinwiddie County has submitted an application to the TRRF as a conduit issuer for Richlands Creamery, LLC (Creamery). According to Mr. Crumlish, the Creamery is a new enterprise located on the existing Richlands Dairy Farm and is jointly owned by members of the Jones family. The farm currently sells raw milk to a cooperative; however, a multi-year depression in milk commodity prices is creating a challenging operating environment. The Creamery would help diversify the family's business by offering value-added, premium dairy products, namely ice cream and milk for sale via an on-farm retail store and wholesale sales. Mr. Crumlish noted that the loan request is for $750,000 for the purchase of equipment for the Creamery. The TRRF loan would provide more favorable repayment terms than an existing interim equipment note with Colonial Farm Credit. He indicated that the security for the loan would be a first lien on the Creamery equipment, first lien deed of trust on 182 acres of farm land, and personal guarantees from the Jones family. The cost of the project is expected to be around $1.9 million to come from various funding sources (i.e. grants, owner equity, existing loans with the Colonial Farm Credit, TRRF funds, and a USDA grant). VRA has recommended an equipment loan for a 12-year term interest-only for the first 24 months with a 3.01% interest rate. There are several factors that make this a high risk loan including: the start-up enterprise nature, national fluid milk pricing declines, no direct experience in operating a creamery, potentially diminishing value of personal guarantees, the fact that there are several competitors in the region, and the fact that the available collateral may be challenging to sell. However, a feasibility study conducted by an independent firm determined that the Creamery project is a viable endeavor and the security appears sufficient to cover principal. Additionally, the farm has experienced success in other agritourism ventures and has solid loan repayment history. Mr. Crumlish concluded that this is the type of project that aligns with the Commission's mission of economic development. Ms. Donnellan added that although this is not a typical credit, VRA staff has gone to great lengths to perform the necessary diligence and analysis on the project and security for the loan. Discussions ensued regarding conversations with the Commission regarding this type of loan.

Motion by Ms. Donnellan, seconded by Mr. Branscome, that the Board approve the loan to the Creamery at the requested loan amount with a security consisting of: a first lien on the Creamery equipment, a first lien deed of trust on 182 acres of farm land, and personal guarantees from six members of the Jones family, provided that the Executive Director of the Tobacco Region Revitalization Commission accepts the risk of a loan for a start-up enterprise secured by equipment, land and personal guarantees to accomplish its mission of growing and diversifying the economies of southern and southwestern Virginia. Motion carried.

Mr. D'Alema, Director of Program Management, provided the Board with a summary of the results of the VPFP 2018C transaction. He noted that Mr. Tillett from Raymond James & Associates, who served as senior manager on the Series 2018C bonds, spoke with the Committee about conditions in the market and strategy regarding the bond sale. Mr. D'Alema also added that Mr. Wellford from Davenport & Company, who serves as VRA's financial advisor, provided the Committee with an update regarding market overview and results of the 2018 bond sales noting that VRA's tax-exempt borrowing rates remained attractive throughout the year but have trended upwards, VRA successfully issued $253 million in bonds through three separate financings, financed $169 million of new money projects and refinanced existing debt for four borrowers, which produced $16.2 million of aggregate debt serve savings, and has maintained its existing credit ratings for the pool program, clean water and airport programs.

Mr. D'Alema next updated the Board on the VPFP program portfolio noting that the credit quality remains strong. Mr. D'Alema concluded by providing the Board with the anticipated 2019A VPFP financing calendar and updates regarding VRAs continuing disclosure undertakings.

Adjournment

There were no new items or any further business to come before the Board. Ms. Bass discussed with the Board the 2019 calendar and the upcoming Board meeting dates of March 11 and March 12, June 10 and June 11, September 9 and 10, and December 9 and 10. Ms. Bass stated that the Governor's conference has been rescheduled to April 3-5 at the Hotel Roanoke and provided details. Mr. Doughtie noted that the Board's Conflict of Interest disclosure filings are due by February 1st and to reach out if there were any questions/issues.

Motion by Mr. Hasty that the meeting be adjourned. Motion carried, and the meeting adjourned at 11:00 a.m.

Stephanie L. Hamlett, Executive Director/
Board Secretary

APPROVED:

Mr. Thomas L. Hasty, III, Chairman of the Board