

**Virginia Resources Authority
Personnel Committee Meeting
Minutes of the Regular Meeting
Held March 20, 2023**

The Personnel Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, March 20, 2023, in the O'Brien Boardroom, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Board members were present and acting during the meeting: Ms. Cynthia Bailey, Committee Chair; Director of the Department of Aviation Mr. Greg Campbell; Ms. Barbara Donnellan; Mr. Bill Kittrell; and Mr. Cecil "Rhu" Harris, Jr., Board Chairman. Ms. Donnellan participated via Microsoft Teams in accordance with the Board's adopted policy. She notified the Board Chairman prior to the meeting of a medical condition preventing her in-person attendance and participated from her residence in Clifton, Virginia.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Peter D'Alema; Mr. Curtis Doughtie; and Ms. Stephanie Jones. Ms. Megan Gilliland of Kaufman & Canoles, P.C. was also present.

Call to Order

Chair Bailey called the meeting to order at 12:30 p.m.

Approval of Agenda

Chair Bailey asked for a motion to approve the agenda. Mr. Harris made a motion, seconded by Mr. Kittrell, to approve the agenda as presented. The motion carried.

Ms. Gilliland added for the record that Ms. Donnellan was participating remotely as described in detail above.

Personnel Policies Manual Update

Chair Bailey turned the meeting over to Mr. Doughtie who provided a summary of the updates to the Personnel Policies Manual. He stated that the Manual is reviewed regularly, and such review was completed in February by VRA's employment counsel and staff.

Mr. Campbell arrived at 12:33 p.m.

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Mr. Doughtie noted that in reviewing the changes with the Chair, she recommended the insertion of “marijuana” in the second added sentence on page 50 regarding Drug-Free Workplace.

Chair Bailey asked for a motion to recommend the VRA Board approve revisions to the Personnel Policies Manual as presented, including the addition of “marijuana” as mentioned. Mr. Kittrell made a motion, seconded by Mr. Harris, to approve the agenda as presented. The motion carried.

Old Business

Chair Bailey asked if there was any old business to come before the Committee. There was none.

New Business

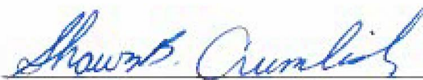
Chair Bailey asked if there was any new business to come before the Committee. There was none.

Public Comment Period

Chair Bailey asked if there were any comments from the public. There were none.

Adjournment

Chair Bailey adjourned the meeting at 12:40 p.m.



Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:



Cynthia Bailey, Committee Chair

**Virginia Resources Authority
Compliance Committee Meeting
Minutes of the Regular Meeting
Held March 20, 2023**

The Compliance Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, March 20, 2023, in the O'Brien Boardroom, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting during the meeting: Ms. Mary Bunting, Committee Chair; Mr. Bill Kittrell; Mr. Michael Rolband, Director of the Department of Environmental Quality (DEQ); and Mr. Cecil R. Harris, Jr., Board Chairman. Committee member Dr. Charlette Woolridge was absent. Board member Ms. Cynthia Bailey also attended.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Ms. Stephanie Jones; Mr. Spencer Murray; and Ms. Maisie Strawn. Ms. Megan Gilliland of Kaufman & Canoles, P.C. and Mr. Ty Wellford of Davenport & Company, LLC were also present.

Call to Order

Chair Bunting called the meeting to order at 1:00 p.m.

Approval of Agenda

Chair Bunting made a motion to approve the agenda as presented, which was seconded by Mr. Rolband. The motion carried.

Loan Monitoring and Compliance Database Presentation

Chair Bunting stated that the Board had updated the Loan Monitoring and Compliance Database at its last meeting and that this Report was inclusive of those updated metrics. She turned the meeting over to Ms. Jones for a presentation.

Ms. Jones thanked the Chair and the Committee for their contributions to the metrics review process. Ms. Jones shared the portfolio analysis by program and locality type, provided information on the new-to-VRA borrowers, and highlighted borrower concentration. Ms. Jones concluded the presentation by noting that most localities were close to the statewide unemployment rate and that the VRA team may bring that metric back for future review by the Board.

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Mr. Wellford asked how the Database handles localities with multiple loans with various security types. Ms. Jones replied that the Database only generates one risk category per locality so that a borrower is not Weak in one program and Strong in another. She stated that the liquidity metric defaults to the General Fund liquidity if the borrower has any tax-supported debt outstanding. Ms. Jones said that for borrowers with multiple types of revenue streams pledged, the debt service coverage and asset condition metrics default to the weakest. Ms. Jones mentioned that the addition of asset condition as a metric weakened some of the overall risk categories, particularly noteworthy when a borrower has multiple pledge types including revenues of a Landfill Fund which tend to have weaker metrics. The Chair acknowledged that after several iterations there may be opportunity to revise if needed once there are sufficient data points.

The Chair also noted that she thought the Database was moving away from the green/yellow/red color-coding but noticed that the metrics columns are color-coded in the Database Report. Ms. Jones indicated that for the overall risk category only the Weak category is shaded red but agreed that the metrics columns are color-coded as before. The Chair suggested changing the colors of the metrics columns, but voiced support for what was best for the staff's review.

Old Business

Chair Bunting asked if there was any old business to come before the Committee. There was none.

New Business

Chair Bunting asked if there was any new business to come before the Committee. There was none.

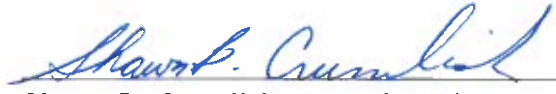
Public Comment

Chair Bunting asked if there were any comments from the public. There were none.

Adjournment

Chair Bunting adjourned the meeting at 1:23 p.m.

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A handwritten signature in blue ink, reading "Shawn B. Crumlish", written over a horizontal line.

Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:

A handwritten signature in blue ink, reading "Mary B. Bunting", written over a horizontal line.

Mary B. Bunting, Committee Chair

**Virginia Resources Authority
Portfolio Risk Management Committee Meeting
Minutes of the Regular Meeting
Held March 20, 2023**

The Portfolio Risk Management Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, March 20, 2023, in the O'Brien Boardroom, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting during the meeting: Ms. Barbara Donnellan, Committee Chair; Mr. Greg Campbell, Director of the Department of Aviation; Mr. Michael Rolband, Director of the Department of Environmental Quality; and Mr. Cecil "Rhu" Harris, Jr., Board Chairman. Board members Ms. Cynthia Bailey and Ms. Mary Bunting also attended. Ms. Kelly Ward, DWSRF Director at Virginia Department of Health Office of Drinking Water, was also present. Ms. Donnellan participated via Microsoft Teams in accordance with the Board's adopted policy. She notified the Board Chairman prior to the meeting of a medical condition preventing her in-person attendance and participated from her residence in Clifton, Virginia.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Ms. Stephanie Jones; Mr. Tony Leone; and Mr. Kevin O'Reilly. Additional attendees were Mr. Justin Curtis of AquaLaw; Ms. Megan Gilliland of Kaufman & Canoles, P.C.; Mr. David Gustin of McGuireWoods LLP; Mr. Joe Hines and Mr. Matt Miller of Timmons Group; Mr. Doug Stanley, County Administrator of Prince Edward County; and Mr. Jimmy Sanderson, Mr. Ty Wellford and Mr. Zach Lucanie of Davenport & Company, LLC.

Call to Order

Chair Donnellan called the meeting to order at 2:00 p.m.

Chair Donnellan acknowledged her remote participation as described in detail above.

Approval of Agenda

Board Chairman Harris made a motion to approve the agenda as presented, which was seconded by Mr. Rolband. The motion carried.

VPFP Updates

Chair Donnellan called on Mr. D'Alema for a presentation. Mr. D'Alema shared information about the spring pooled bond transaction of the Virginia Pooled Financing Program (VPFP), including the pool participants, the financing calendar, a portfolio update, and an update regarding Greene County's withdrawal from Rapidan Service Authority.

Prince Edward County Loan Request

Mr. D'Alema then introduced members of the Prince Edward County (the County) team, which included the County Administrator who was accompanied by financial, legal, and engineering consultants. The County Administrator described the importance of the start-up water system project to the Virginia Department of General Services as well as to the future economic development of the County.

After the County's team made remarks, Mr. D'Alema explained the credit analysis completed by the VRA team for financing through the VirginiaHELPS program. One of the risks of the County project, he said, was that the real estate tax rate per \$100 of assessed value may need to increase by up to \$0.21 in a short time horizon if financing for this loan application and a school financing were completed. Mr. D'Alema acknowledged that the County's financial advisor's estimate was a \$0.17 or \$0.18 increase rather than \$0.21 based on differing assumptions including property re-assessments. He noted that the County would be subsidizing the project in the early years until other possible users, including a potential data center, connected in the future.

Mr. Rolband expressed concerns about readiness of the project and urged VRA to include all discretionary pipeline permits as part of the loan conditions, not simply the water withdrawal permits in the recommendation. He used James River Water Authority as an example of a situation where permits had significantly delayed the completion of a new water system development project. The Committee agreed with the requirement for discretionary pipeline permits as a condition to draw funds, to recommend only allowing initial disbursements for upfront design and permitting costs.

The Committee discussed the three options presented by staff and requested a revised recommendation that focused on a Bond Anticipation Note or Line of Credit financing option. After the discussion, Mr. Rolband made a motion, seconded by Board Chairman Harris, to recommend that staff bring a revised recommendation to the VRA Board regarding the proposed VirginiaHELPS financing on behalf of Prince Edward County. The motion carried.

Chair Donnellan suggested a five-minute break at 3:27 p.m. Ms. Bunting, Mr. Curtis, Mr. Hines, Mr. Miller, Mr. Sanderson and Mr. Stanley left the meeting at that time.

Commonwealth Moral Obligation Debt Capacity

Mr. D'Alema next highlighted VRA's Commonwealth Moral Obligation debt capacity.

Proposed Updates to Certain Underwriting Criteria

Mr. D'Alema then presented proposed updates to the Appropriations-Only Backed Underwriting Criteria as well as the Lease Transaction Underwriting Criteria. He stated these updates are intended to provide more flexibility to local government borrowers while maintaining strong underlying loan security.

Mr. Rolband made a motion, seconded by Mr. Campbell, to recommend approval by the VRA Board of the proposed updates to the Appropriation-Only Backed Criteria and the Lease Transaction Criteria as presented by staff. The motion carried.

Unrestricted Net Assets – Proposed Other Uses for Consideration

Mr. Crumlish shared information regarding the Unrestricted Net Assets, noting that there may be around \$10 million that could be used to further support VRA's mission in the context of the Unrestricted Net Asset Policy updates adopted by the VRA Board in December 2022. He said that during the Fiscal Year 2024 budget cycle, which would be presented to the Board in June, that the team would bring a budget request for other proposed uses, to possibly include: subsidizing VPFP costs of issuance, short-term financing, or a small loan financing program. Board Chairman Harris asked if the Committee had concerns regarding those proposed uses, and there were no concerns raised and no discussion.

Old Business

Chair Donnellan asked if there was any old business to come before the Committee. There was none.

New Business


Chair Donnellan asked if there was any new business to come before the Committee. There was none.

Public Comment

Chair Donnellan asked if there were any comments from the public. There were none.

Adjournment

Upon an affirmative vote on a motion by Board Chairman Harris, seconded by Mr. Rolband, Chair Donnellan adjourned the meeting at 4:03 p.m.


Shawn B. Crumlish, Executive Director
Board Secretary

APPROVED:


Barbara M. Donnellan, Committee Chair

**Virginia Resources Authority
Board Meeting
Minutes of the Regular Meeting
Held March 21, 2023**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, March 21, 2023, in the O'Brien Boardroom, Bank of America Building, 19th Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Board members were present and acting during the meeting: Mr. Cecil R. Harris, Jr., Chairman; Ms. Cynthia Bailey; Mr. David Branscome; Ms. Mary Bunting; Mr. Greg Campbell, Director of the Department of Aviation; Ms. Barbara Donnellan; Mr. Bradley Jones for Mr. David Richardson, State Treasurer; and Mr. Michael Rolband, Director of the Department of Environmental Quality (DEQ). Ms. Kelly Ward, DWSRF Director at Virginia Department of Health Office of Drinking Water, was also present. Mr. Bill Kittrell and Dr. Charlette Woolridge were absent. Ms. Donnellan participated via Microsoft Teams in accordance with the Board's adopted policy. She notified the Chairman prior to the meeting of a medical condition preventing her in-person attendance and participated from her residence in Clifton, Virginia.

VRA staff participants included: Mr. Shawn B. Crumlish, Executive Director and Board Secretary; Ms. Kim Adams; Mr. Joe Bergeron; Mr. Peter D'Alema; Mr. Curtis Doughtie; Ms. Stephanie Jones; Mr. Spencer Murray; Mr. Kevin O'Reilly; Mr. Will Strain; and Ms. Maisie Strawn. Additional attendees were Mr. Justin Curtis of AquaLaw; Ms. Megan Gilliland of Kaufman & Canoles, P.C.; Mr. David Gustin of McGuireWoods LLP; Mr. Joe Hines of Timmons Group; Deputy Secretary of Finance John Markowitz; and Mr. Ty Wellford and Mr. Zach Lucanie both of Davenport & Company, LLC.

Call to Order

Chairman Harris called the meeting to order at 9:00 a.m.

Ms. Gilliland added for the record that Ms. Donnellan was participating remotely as described in detail above.

Approval of Agenda

Chairman Harris noted that a revised agenda was available on BoardDocs. He asked for a motion to approve the agenda as revised. Ms. Bunting made a motion, seconded by Mr. Rolband, to approve the agenda as presented. The motion carried.

Approval of Meeting Minutes

Chairman Harris asked if there was a motion to approve the following meeting minutes in a block:

- Compliance Committee Meeting held December 12, 2022
- Portfolio Risk Management Committee Meeting held December 12, 2022
- Board of Directors Meeting held December 13, 2022

Ms. Bailey made the motion to which Mr. Branscome seconded. The motion to approve the minutes in a block carried.

Report of the Executive Director

Chairman Harris called on Mr. Crumlish to give the Executive Director's Report.

Mr. Crumlish highlighted that the General Assembly had passed legislation to add housing to VRA's authorized project areas. In working with a local government, Department of Housing and Community Development, he said, suggested the authorizing legislation as another tool for affordable housing. Like the other project areas, Mr. Crumlish said VRA would finance projects exclusively for local governments and not for real estate developers which is achieved through the Virginia Housing Development Authority.

Mr. Crumlish noted that the Tobacco Region Revitalization Commission (Tobacco Commission) has a new Acting Executive Director, who is also the Deputy Secretary of Commerce and Trade. In consultation with VRA, he said, Tobacco Commission has paused its internally created Community and Business Lending Program to ensure that the Commission is meeting the program objectives and goals of the fund. Mr. Crumlish said that two loan applications that have been provided term sheets would still be permitted to close.

Mr. Crumlish also gave a presentation about the Drinking Water State Revolving Fund's Lead Elimination Assistance Program and invited Ms. Ward to give remarks. She shared that the program has been submitted to the US Environmental Protection Agency for an AQUARIUS Award.

VRA Bylaws

Chairman Harris called on Ms. Gilliland, General Counsel, to present recommended updates to the VRA Bylaws. She stated that the updates are to modernize the Bylaws which were last updated in 2000. Ms. Gilliland said she hoped that the Board would remove the

brackets around September as the designated annual meeting month. With that change, she recommended the Board adopt the Bylaws as presented.

Ms. Bunting made a motion to approve the Amended and Restated Bylaws as presented with the brackets surrounding September to be removed. Mr. Rolband seconded. The motion carried.

Procurement Manual Update

Chairman Harris called on Mr. Doughtie to present recommended updates to the Purchasing Policies and Procedures Manual. Mr. Doughtie noted that, like most public bodies, VRA is subject to the Virginia Public Procurement Act (VPPA) which guides VRA's procurement policy. Under the VPPA, VRA has some discretion in establishing its small purchasing procedures.

Ms. Bunting asked if the Manual directs staff to consider Small, Women and Minority Owned (SWaM) businesses in obtaining quotes for purchases. Mr. Doughtie said that the quote section does not specifically mention SWaM participation. Ms. Bunting said she did not think it has to be mandatory, but the Manual could direct staff to make best efforts to be inclusive of at least one SWaM business quote. Mr. Rolband indicated challenges with fulfilling mandatory requirements on minority business participation and expressed support for giving leeway to staff. Mr. Crumlish expressed support for the best-efforts language to be included in the Manual.

Ms. Bailey made a motion to approve the Purchasing Policies and Procedures Manual as presented with the addition of the best-efforts language discussed. Ms. Bunting seconded. The motion carried.

Report of Personnel Committee

Chairman Harris next called on Committee Chair Bailey to give the Personnel Committee Report. Committee Chair Bailey said the Personnel Committee met to review proposed updates to the Personnel Policies Manual and turned the meeting over to Mr. Doughtie.

Mr. Doughtie highlighted the significant updates to the Manual, noting the Committee recommendation to add "marijuana" to the second new sentence under the Drug-Free Workplace section.

On behalf of the Personnel Committee, Committee Chair Bailey made a motion to approve the Personnel Policies Manual as presented with the Committee's recommended addition described above. Mr. Campbell seconded. The motion carried.

Report of Compliance Committee

Chairman Harris next called on Committee Chair Bunting to give the Compliance Committee Report. Committee Chair Bunting said the Compliance Committee received the most recent iteration of the Loan Monitoring and Compliance Database Report. She said the Report is not an action item but reflected the impact of the new criteria adopted in December 2022. Directors complimented staff on the Report.

Report of Portfolio Risk Management Committee (PRMC)

Chairman Harris called on Committee Chair Donnellan. Committee Chair Donnellan turned the meeting over to Mr. D'Alema who shared brief remarks on the Virginia Pooled Financing Program (VPFP) and the status of Greene County withdrawing from Rapidan Service Authority.

Mr. D'Alema then provided an overview of the Prince Edward County (the County) loan request and the credit analysis completed by the VRA team for financing through the VirginiaHELPS program. Mr. Branscome asked if the \$56 million cost is vetted. Mr. Hines stated that the cost has been fully vetted and that a Comprehensive Agreement has been provided to the County with a guaranteed maximum price. The Comprehensive Agreement, he said, has not yet been signed by the County. During dialogue, it was stated that the Virginia Department of General Services (DGS) is the only definite customer of the project currently. Mr. Crumlish clarified that the loan request was for \$56 million plus capitalized interest plus costs of issuance.

Mr. Wellford explained that the County is in the position of wanting to sign the contract but needing the financing vehicle in place first. He said that VirginiaHELPS takes some risk out of the loan for VRA in that the state's Moral Obligation backing would not be behind it and that VRA can impose additional conditions before all of the money is drawn. Mr. Crumlish added that the County signing the Comprehensive Agreement is the trigger for DGS moving forward.

Mr. Rolband said the phase of the project currently being financed did not include extending the pipeline to the potential data center and the County would be subsidizing the waterline to DGS. He expressed concerns about the economics of the project not paying for itself. Mr. Branscome echoed that concern specifically regarding the increase to the real estate tax rate by almost 50%. Mr. Rolband acknowledged that Mr. D'Alema added more protection around the loan following the PRMC's request, but said he still has concerns about the project. Mr. Jones echoed Mr. Rolband's concerns about the loan only financing a waterline to the Nottoway County line and asked if there was precedent for the state constructing lines as long as the distance from DGS facilities to the Nottoway County line. Mr. D'Alema said DGS has a

budget appropriation designated for that purpose but that he was not sure regarding the precedent.

Committee Chair Donnellan said the tax rate increase was the biggest concern she had with the loan. However, she said that letting a reservoir sit unused seems unfortunate. Committee Chair Donnellan said that at the PRMC meeting Mr. Rolband had raised the permitting concerns and that Mr. D'Alema has augmented draw conditions to address permitting matters. She said there are still risks with the loan, but that the recommendation offers help to the County.

Mr. D'Alema shared the revised recommendation based on PRMC's requests. He noted one alteration to what the Committee had recommended which was that the reserve fund would need to simply require one-year of interest on the fully drawn amount instead of MADS [maximum annual debt service] since Bond Anticipation Notes typically have a balloon payment at final maturity. He said that conversations with the consulting engineers at Timmons Group indicated that \$6 million would be the initial amount needed to cover permitting and design costs. Mr. Rolband added concerns about acquiring land for easements to which Mr. Hines said the initial draws may also need to include costs associated with the prepurchase of equipment and easements.

Mr. Rolband said he did not think the project was ready for a loan because the County cannot fully fund the debt service with the anticipated project revenues. He also said he was concerned the County was waiting to extend the lines to the potential data center which had seemed to be the phase that would potentially make the project more financially feasible for the County. Mr. Rolband used James River Water Authority as an example of a project that was significantly delayed due to permitting problems.

Committee Chair Donnellan asked how much of a problem would be caused if a decision was deferred until June. Mr. Hines said DGS is on a three-year timeline. He said a delay with the Comprehensive Agreement could cause the costs to go up or down with the market and thought that the County would need pre-approval for contingency. Ms. Bunting asked if additional information could be supplied prior to a special meeting for a VRA Board decision in a month. Mr. D'Alema clarified which additional information the Board was seeking to which Mr. Rolband replied he wanted to know the cost to get the waterline to the industrial park where there was the potential for a data center. Mr. D'Alema said staff had not originally included information on the data center phase because that would not be financed by the current loan application. Mr. Rolband reiterated the example of James River Water Authority which made him think this loan could cause a financial crisis for the County.

Ms. Bunting left the meeting at 10:28 a.m.

Committee Chair Donnellan reminded the Board that staff brought the loan forward to the Board and asked Mr. Crumlish to comment. Mr. Crumlish said staff did not think the loan was appropriate for the VPFP and thus recommended a VirginiaHELPS financing package. He said that VRA routinely finances water and sewer projects that are not self-supporting, but that the needed tax increases are of a higher magnitude than most. Mr. Crumlish indicated June would be problematic for the County and suggested the Board meet soon if it was to defer a decision.

Committee Chair Donnellan said that Mr. Wellford gave her the most comfort on the VirginiaHELPS financing package in his remarks at the PRMC meeting because the financing could be more easily prepaid than a public bond issuance. She also indicated that VRA can control the authorization of disbursements until specified conditions are met. Ms. Gilliland added that the bank selected by the County for the private placement would likely have additional closing and/ or draw conditions.

Deputy Secretary Markowitz remarked that the economic development aspect of the project may be counter intuitive. He explained that while the water system would promote economic development opportunities for the industrial park, he said that the real estate rate increases could inhibit economic development for the County. The Deputy Secretary asked if there was a timeline for when the project would stabilize to which Mr. Hines replied that that has been modeled.

Committee Chair Donnellan recommended moving forward with the loan approval and suggested that the Board bring back the County's team to report to the Board in June with a project status update. Chairman Harris made a motion to approve the proposed VirginiaHELPS financing on behalf of Prince Edward County based on the revised terms and conditions presented by staff with the inclusion of easement-related costs in the cap of initial draws allowed. Ms. Bailey seconded.

Mr. Rolband made a substitute motion to defer the Board decision by approximately 30 days so that more information could be provided. Mr. Campbell seconded. Mr. Jones said that everyone wants to help the County and thought deferring the decision by a month was better. Ms. Bailey reminded the Board that VRA's role is to ensure debt repayment versus micro-managing local government projects. Chairman Harris said he thought the application is a viable loan but was amenable to the 30-day extension for Board members to have their questions answered. The motion carried.

Mr. D'Alema next described the recommended updates to underwriting criteria. He explained the updates were intended to provide more flexibility to local government borrowers while maintaining strong underlying loan security. Mr. D'Alema stated that Credit Committee

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would still make determinations based on specific loan applications but that the underwriting criteria updates would simply provide more flexibility. On behalf of PRMC, Committee Chair Donnellan made a motion to approve the proposed updates to the Appropriation-Only Backed Criteria and the Lease Transaction Criteria as presented by staff. Mr. Rolband seconded. The motion carried.

Mr. Crumlish explained that there would be a new proposed item in the upcoming June budget for utilizing unrestricted net position in innovative ways for local government borrowers.

Old Business

Chairman Harris asked if there was any old business to come before the Board. There was none.

New Business

Chairman Harris said there was an item of new business to facilitate the possibility of the Prince Edward County loan approval. Mr. Rolband made a motion to amend and restate the FY2023 VirginiaHELPS shelf resolution to increase the issuance amount to up to \$75 million for FY2023. Mr. Campbell seconded. The motion carried.


Chairman Harris asked if there was any other new business to come before the Board. There was none.

Public Comment

Chairman Harris asked if there were any comments from the public. There were none.

Adjournment

Chairman Harris adjourned the meeting at 11:19 a.m.


Shawn B. Crumlish, Executive Director
Board Secretary

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APPROVED:



Cecil R. Harris, Jr., Chairman of the Board

VIRGINIA RESOURCES AUTHORITY

– AMENDED AND RESTATED RESOLUTION –

**AUTHORIZING THE ISSUANCE OF UP TO ~~\$50,000,000~~\$75,000,000 IN BONDS TO
FUND THE VIRGINIAHELPS CONDUIT BORROWER PROGRAM IN FISCAL YEAR
2023**

~~June 14, 2022~~March 21, 2023

WHEREAS, the Virginia Resources Authority (the "Authority") is a public body corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") created by the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "Act"); and

WHEREAS, the Act provides that the Authority was created for the purpose of encouraging the investment of both public and private funds and to make loans, grants and credit enhancements available to local governments to finance or refinance the costs of the facilities or projects now or hereafter described in Section 62.1-199 of the Act (each a "Project" and, as a group, the "Projects"); and

WHEREAS, under the Act the Authority is authorized and empowered, among other things,

1. to borrow money and issue its bonds, notes, debentures, interim certificates, grants or revenue anticipation notes or any other evidences of indebtedness (collectively referred to hereinafter as the "Bonds") in amounts the Authority determines to be necessary or convenient to provide funds to carry out its purposes and powers and to pay all costs and expenses incurred in connection with the issuance of Bonds,

2. to refund any Bonds by the issuance of new Bonds, whether the Bonds to be refunded have or have not matured, whenever the Authority deems refunding expedient,

3. to secure Bonds issued by the Authority by a pledge of any local obligation owned by the Authority, any grant, contribution or guaranty from the United States of America, the Commonwealth or any corporation, association, institution or person, any other property or assets of or under the control of the Authority, or a pledge of any money, income or revenue of the Authority from any source,

4. to enter into a trust indenture pursuant to which the Authority may issue Bonds, and the trust indenture may contain provisions, which shall be part of the contract or contracts with the holders of such Bonds as to, among other things, the establishment of reserve funds, sinking funds and other funds and accounts and the regulation and disposition thereof, and

5. to purchase and acquire local obligations to finance or refinance the cost of any Project, using any funds of the Authority available for such a purpose; and

6. to require, as a condition to the purchase or acquisition of any local obligation, that the local government issuing the local obligation covenant to perform any of the acts enumerated in Section 62.1-216 of the Act, including producing sufficient revenue to pay the debt service on its local obligation and to create and maintain any required reserve, including any rate stabilization fund deemed necessary or appropriate by the Authority; and

WHEREAS, on June 13, 2017, the Authority authorized the establishment of a program called the "VirginiaHELPS Conduit Borrower Program" (the "Program") to aid local governments (including authorities with appropriate local government support) to gain access to financing in situations where other Authority programs are not an option due to credit concerns, pending litigation, or similar problems as determined by Authority staff, including the Credit Committee and the Executive Director; and

WHEREAS, under the Program the Authority will provide for the issuance from time to time of Bonds in a single-borrower conduit format to purchase and acquire local obligations to finance or refinance the cost of any Project, and for such other purposes as may be authorized under and pursuant to the Act, and have the other features described in the term sheet on file with the Authority; and

WHEREAS, the Bonds issued under the Program will be secured primarily by (i) revenues derived from the local obligations, and (ii) to the extent available, the "state-aid intercept" provision of Section 62.1-216.1 of the Act; provided, however, Bonds issued to fund the Program will not be secured by a "capital reserve fund" as described in Section 62.1-215 of the Act or otherwise be supported by the "moral obligation" of the Commonwealth; and

WHEREAS, the Board adopted a resolution entitled "Resolution Authorizing the Issuance of up to \$50,000,000 in Bonds to Fund the VirginiaHELPS Conduit Borrower Program in Fiscal Year 2023" on June 14, 2022 (the "Prior Resolution"), to authorize the Authority to issue Bonds at one time or from time to time in an aggregate principal amount of up to \$50,000,000 to fund the Program during the Authority's fiscal year ending June 30, 2023;

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WHEREAS, the Authority's staff and bond counsel have recommended that the Prior Resolution be amended and restated to increase the authorized aggregate principal amount of the Bonds to fund the Program during the Authority's fiscal year ending June 30, 2023 to up to \$75,000,000;

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WHEREAS, to further the purposes of the Act and the Program, the Board has determined to authorize the Authority to issue Bonds at one time or from time to time in an aggregate principal amount of up to ~~\$50,000,000~~ \$75,000,000 to fund the Program during the Authority's fiscal year ending June 30, 2023; and

After careful consideration and to further the public purposes for which the Authority was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY THAT:

1. Findings and Determinations; Amendment and Restatement of Prior Resolution. It is hereby found and determined that (i) there continues to exist in the Commonwealth a critical need for additional sources of funding to finance the present and future needs of the Commonwealth for the Projects, particularly to enable local governments (including authorities with appropriate local government support) to gain access to financing in situations where other Authority programs are not an option as described in the Recitals, (ii) the Program will alleviate in part this need by encouraging the investment of both public and private funds in a manner that is cost-effective, promotes the efficient use of the Authority's capacity to issue Bonds and does not increase the risk of any adverse effect to the credit rating of either the Authority or the Commonwealth, principally because none of the Bonds issued under the Program will be secured by a "capital reserve fund" as described in Section 2.1-215 of the Act or otherwise have the "moral obligation" support of the Commonwealth, and (iii) the establishment of the Program is in the public interest, will serve a public purpose and will promote the health, safety, welfare, convenience or prosperity of the people of the Commonwealth. The Prior Resolution is hereby amended and restated in full by this Resolution and the Prior Resolution is no longer in effect.

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2. Authorization of the Bonds. There is hereby authorized the issuance at one time or from time to time of one or more series of conduit revenue bonds of the Authority to further the purposes of the Act and the Program. The Authority shall apply the proceeds of the issuance and sale of each series of the Bonds as described in the Recitals above. It is hereby found and determined that the debt service payments on the Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

3. Details of the Bonds. VRA's Chairman, Vice Chairman, and Executive Director (collectively, the "VRA Officers," but any of whom may act) are authorized to determine and approve the final details of each series of the Bonds, including without limitation, their series designations, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices, and the principal amount of each maturity; provided, however, that (i) the original aggregate principal amount of the Bonds shall not exceed ~~\$50,000,000~~\$75,000,000; (ii) no series of the Bonds shall have a true interest cost in excess of 10%; and (iii) the final maturity any of the Bonds of any series shall be no later than December 31, 2053. The approval of the VRA Officers of such details with respect to any series of Bonds shall be evidenced conclusively by the execution and delivery thereof on the Authority's behalf.

4. Authorization of Bond Documents. Each series of Bonds authorized under this Resolution shall be issued and secured pursuant to an indenture or similar instrument containing the provisions authorized under Section 62.1-209 of the Act and approved by the VRA Officers (a "Bond Document"); provided that such Bond Document (i) shall provide for each series of Bonds to be issued in a single-borrower conduit format and (ii) shall not establish any "capital reserve fund" for such Bonds within the meaning of Section 62.1-215 of the Act or otherwise pledge or provide for any "moral obligation" or other credit support from the Commonwealth. The approval of any

Bond Document shall be evidenced conclusively by the execution and delivery thereof on the Authority's behalf.

5. Preparation, Execution, Authentication and Delivery of Bonds.

The Executive Director is authorized and directed to have the Bonds of each series prepared in appropriate form, to have such Bonds executed pursuant to the terms of the related Bond Document, to deliver such Bonds to the appropriate trustee or other fiduciary for authentication if required, and to cause such Bonds so executed and authenticated to be delivered to or for the account of the initial purchasers thereof upon payment of the purchase price thereof as provided in the related Bond Document.

6. Sale of Bonds. At the election of the Executive Director, each series of Bonds may be sold (i) in a negotiated sale to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("Underwriter") to be selected by the Executive Director in accordance with the Authority's previously adopted underwriter selection procedures, (ii) in a private placement to a bank or other institutional investor, or (iii) at public bid to the bidder with the lowest true interest cost to the Authority. With respect to the sale of a series of Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement or similar agreement with the Underwriter or private placement purchaser, or, if sold at public bid, other appropriate documents with the successful bidder (the "Bid Documents") providing for the sale and delivery of the Bonds upon terms and conditions to be approved by the VRA Officers within the parameters set forth in paragraph 3 above.

7. Preliminary Official Statement. The Board authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a "Preliminary Official Statement"), in connection with the offering of each series of Bonds authorized hereunder and sold in a public sale. The Executive Director is authorized to deem final each Preliminary Official Statement as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule") and to approve the distribution thereof. Distribution of a Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and other information permitted to be omitted, for purposes of the Rule.

8. Official Statement. After a public sale of a series of the Bonds, the Executive Director is authorized and directed to complete the Preliminary Official Statement therefor as an official statement in final form (the "Official Statement") to reflect the final terms and details of the related series of Bonds and the sale thereof. The Executive Director is authorized to execute each Official Statement, which execution shall constitute conclusive evidence of approval of the Official Statement on behalf of VRA and that it has been deemed final within the meaning of the Rule. The Executive Director is authorized to prepare, execute, publish and distribute any other disclosure or sale documents as the Executive Director deems necessary or appropriate to effect the sale of the Bonds.

9. Credit Enhancement. The Executive Director is authorized to procure bond insurance for all or any portion of the Bonds or a surety bond, liquidity

facility or similar instrument to provide for the funding of all or any portion of any reserve fund or account established pursuant to the related Bond Document, if the Executive Director determines such procurement to be in the best interests of the Authority.

10. Participating Local Governments. Without the need for additional approval by this Board, the Executive Director is authorized on behalf of the Authority to accept and approve applications from local governments to be participants in the Program. The criteria for approving an application shall include security and enhancements to ensure loan repayment including but not limited to rate and revenue coverage covenants, full faith and credit pledges where allowable, state-aid intercept, leasehold interests in collateral, commercial bank letters of credit and bond insurance.

11. Local Obligation Documents. Each local obligation purchased or acquired with the proceeds of series of Bonds authorized under this Resolution shall be purchased or acquired and secured pursuant to a loan or financing agreement, financing lease documents or a similar instrument containing the provisions authorized under Section 62.1-216 of the Act and approved by the VRA Officers. The approval of any such document shall be evidenced conclusively by the execution and delivery thereof on the Authority's behalf.

12. Tax Matters. The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of any of the Bonds, if applicable, (ii) seek the approval of the Governor of the issuance of any of the Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of the Bonds a Tax Regulatory Agreement and/or similar agreements or certificates. The Tax Regulatory Agreement and/or similar agreements or certificates shall set forth the expected use of and investment of all or any portion of the proceeds of each Series of the Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the Bonds for exemption from gross income for federal income tax purposes or any Bonds of a Series for tax-advantaged status under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption or status. The Executive Director is further authorized to make on behalf of VRA such elections under the Tax Code with respect to any Series of the Bonds as he may deem to be in the best interests of VRA after consultation with VRA's bond counsel and financial advisor. The calculation of "true interest cost" of any Bonds for the purpose of paragraph 1 hereof may take into account the net benefit expected to be received by VRA from the issuance of the Bonds with tax-advantaged status as determined by the Executive Director.

13. Investment of Proceeds. The investment of all monies deposited in any of the funds or accounts related to a series of Bonds will be governed by the sections of the related Bond Document regarding permitted investments. In addition, the Executive Director is authorized to contract with the Virginia State Non-Arbitrage Program and/or an arbitrage rebate consulting firm to provide investment and/or arbitrage compliance services with respect to the Bonds.

14. Interim Financing. Prior to the offering of any series of Bonds, if market or other conditions are such that the VRA Officers determine that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of local obligations in the Program, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of the Authority ("Notes") at public or private sale in anticipation of the issuance of any or all series of Bonds; provided that the aggregate principal amount of the Notes shall not exceed ~~\$50,000,000~~75,000,000 (less the aggregate principal amount of any previously issued series of Bonds), the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 10% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 14. Any of the Notes may be extended or refinanced from time to time by or at the direction of the VRA Officers, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The VRA Officers are authorized to affix the seal of the Authority to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding series of Bonds and may be retired, in the discretion of the VRA Officers, from the proceeds of the corresponding series of Bonds or by means of current revenues or other funds, provided that the maximum amount of the series of Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

15. Authorization of Further Actions. The Executive Director and any Authority employee designated by the Executive Director (the "VRA Representative") is authorized to execute and deliver on the Authority's behalf such other instruments, documents or certificates, and to do and perform such things and acts as he or she shall deem necessary or appropriate to carry out the transactions authorized by this Resolution. Any of the foregoing previously done or performed by any VRA Representative is in all respects approved, ratified and confirmed. The authorizations granted in this Resolution to the Executive Director may be carried out by any Interim or Acting Executive Director, as appropriate, in the absence of the Executive Director.

16. Effective Date; Termination. This Resolution shall be effective immediately. The authority to issue Bonds pursuant to this Resolution shall terminate on June 30, 2023 unless extended at the direction of VRA's Chairman for a period not to exceed three months or as needed if there exists a declared state of emergency in the Commonwealth of Virginia as of June 30, 2023.