

**Virginia Resources Authority  
Audit Committee Meeting  
Minutes of the Regular Meeting – DRAFT  
Held September 13, 2021**

The Audit Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 13, 2021, in the O'Brien Boardroom, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting during the meeting: Treasurer Manju Ganeriwala, Committee Chair, Ms. Mary Bunting, Mr. Thomas Hasty, and Dr. Charlette Woolridge. Committee member Mr. Dwayne Roadcap on behalf of Dr. Norman Oliver was absent.

VRA staff participants included: Ms. Stephanie L. Hamlett, Ms. Jean Bass, Mr. Peter D'Alema, Mr. Curtis Doughtie, and Ms. Stephanie Jones. Also present was Mr. Greg Bussink of CliftonLarsonAllen LLP.

#### **Call to Order**

Chair Ganeriwala called the meeting to order at 2:02 p.m.

#### **Approval of Agenda**

Dr. Woolridge made a motion to approve the agenda as presented. Mr. Hasty seconded. The motion carried.

#### **Presentation of FY2021 Audit**

Chair Ganeriwala called on Mr. Curtis Doughtie, VRA Director of Finance and Administration, to introduce the external auditor. Mr. Doughtie introduced Mr. Greg Bussink, a principal with CliftonLarsonAllen LLP, and thanked Mr. Bussink for the quick turnaround and hard work on the audit.

Mr. Bussink shared the audit opinion referenced on page nine of the Annual Comprehensive Financial Report (ACFR). He stated that the opinion was an unmodified opinion, which is the highest level of assurance that can be given by an auditor. Mr. Bussink acknowledged that there is a lot of time and effort on behalf of staff to prepare the annual financial statements. Mr. Bussink relayed there were no difficulties in performing the audit or working with staff to obtain the necessary documentation.

Mr. Bussink also reviewed the Uniform Grant Guidance report on page 106 of the ACFR. He noted that VRA is a low-risk auditee. He shared that there were no audit findings and a clean opinion was also provided on the Uniform Grant Guidance report which tracks federal dollars received.

Lastly, Mr. Bussink stated that page seven of the ACFR includes the fiscal year 2020 "Certificate of Excellence" to VRA from the Government Finance Officers Association. He commented that this certificate reflects an adherence to industry best practices in presenting financial statements.

### **Executive Session with Auditors**

Dr. Woolridge then made a motion to enter into a closed meeting with the auditor in accordance with Section 2.2-3711(A)(1) of the Code of Virginia, as amended, for the purpose of discussion and consideration of the performance, compensation, and promotion of specific public officers, employees or appointees of VRA in connection with the annual audit. Mr. Hasty seconded. The motion carried and the Committee entered into closed session.

The Committee then acted upon a motion to approve the resolution certifying the closed session. Mr. Doughtie read the following resolution:

*Whereas, the Audit Committee of the Board of the Virginia Resources Authority (the “Authority”) has on September 13, 2021 convened a closed session pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;*

*Where, Section 2.2-3712 of the Code of Virginia requires a certification by the Audit Committee of the Board that such closed meeting was conducted in accordance with Virginia law;*

*Now, therefore, be it resolved that the Audit Committee of the Board of the Virginia Resources Authority does hereby certify that, to the best of each member’s knowledge, (i) only the public business matters that were identified in the motion by which the closed session was convened and that were lawfully exempted by the Virginia Freedom of Information Act were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Audit Committee of the Board.*

Dr. Woolridge made a motion and Mr. Hasty seconded that the Committee approve the resolution. Mr. Doughtie then took a roll call vote of the Committee members with all present members voting affirmative. The closed session was duly certified.

### **FY2021 Financial Highlights**

Mr. Doughtie proceeded with a presentation of what he phrased significant financial activity during the fiscal year. He made specific mention that typically VRA shows an operating loss on its financial statements because of how grants are recorded as non-operating revenue. This year, however, VRA recognized an operating gain due to the timing of Combined Sewer Overflow (CSO) grants to the cities of Lynchburg and Richmond and to Alexandria Renew. There were \$0 disbursed for CSO grants during fiscal year 2021 compared to \$43.7 million disbursed in fiscal year 2020.

There was discussion among the Committee members about the Portfolio Risk Management Reserve and what the appropriate target should be. Staff stated that this topic is on the agenda for the December Board meeting and that it will coincide with a discussion on the strategic plan.

At the conclusion of Mr. Doughtie’s presentation, Ms. Bunting made a motion, to which Mr. Hasty seconded, to recommend Board approval for the fiscal year 2021 ACFR as presented. The motion carried.

### **Review of Audit Committee Charter**

Mr. Doughtie continued the presentation with a review of the Audit Committee Charter, noting there were no changes being proposed.

### **ARMICS Update**

Mr. Doughtie then provided a brief overview of the Agency Risk Management and Internal Control Standards (ARMICS) process and he thanked VRA staff member Catherine O’Brien for her work on ARMICS. He stated that there were no findings identified to date and that the final report is due to the Virginia Department of Accounts on September 30.

### **Old Business**

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

### **New Business**

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

### **Public Comment**

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

### **Adjournment**

Chair Ganeriwala adjourned the meeting at 2:56 p.m.

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Stephanie L. Hamlett, Executive Director  
Board Secretary

APPROVED:

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Ms. Manju Ganeriwala, Chair

**Virginia Resources Authority  
Portfolio Risk Management Committee Meeting  
Minutes of the Regular Meeting – DRAFT  
Held September 13, 2021**

The Portfolio Risk Management Committee of the Board of Directors of the Virginia Resources Authority (VRA) met on Monday, September 13, 2021, in the O'Brien Boardroom, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Committee members were present and acting during the meeting: Mr. Cliff Burnette on behalf of Mr. Mark Flynn, Treasurer Manju Ganeriwala, Mr. Thomas Hasty, and Ms. Valerie Thomson for Mr. David Paylor. Board member Mary Bunting was also present. Committee Chair Ms. Barbara Donnellan and Committee member Mr. Dwayne Roadcap on behalf of Dr. Norman Oliver were absent. The Board Chairman, Mr. Thomas Hasty, chaired the meeting in the absence of the Committee Chair.

VRA staff participants included: Ms. Stephanie L. Hamlett, Ms. Jean Bass, Mr. Shawn Crumlish, Mr. Peter D'Alema, Mr. Curtis Doughtie, and Ms. Stephanie Jones. Additional attendees were Mr. Arthur Anderson of McGuireWoods LLP and Mr. Ty Wellford of Davenport & Company, LLC.

#### **Call to Order**

Chairman Hasty called the meeting to order at 3:04 p.m.

#### **Approval of Agenda**

Treasurer Manju Ganeriwala made a motion, and Mr. Cliff Burnette seconded, to approve the agenda as presented. The motion carried.

#### **FY2022 SRF Shelf Resolution**

Chairman Hasty called on Mr. Shawn Crumlish, VRA Director of Financial Services, to present the Fiscal Year 2022 (FY2022) SRF Bond shelf resolution. Mr. Crumlish specifically stated that as with past shelf resolutions, the shelf resolution currently before the Committee does not obligate VRA to issue bonds but merely gives the parameters of issuance. At the conclusion of Mr. Crumlish's presentation, Treasurer Ganeriwala made a motion, to which Mr. Burnette seconded, to recommend approval by the VRA Board of the SRF Bond shelf resolution as presented by staff. The motion carried.

#### **Natural Bridge Transaction Status**

Mr. Crumlish, VRA Director of Financial Services, then shared an update on the Natural Bridge State Park loan assumption transaction by The Trust for Public Land. He noted that at the June Board meeting it was expected that the transaction would now be closed; it is not. He said the transaction was delayed due to a drinking water system issue. After explaining the issue and the Health Department's

concerns regarding it, Mr. Crumlish presented a motion for the Committee’s consideration that provides greater flexibility to VRA in determining the terms for the transaction.

Mr. Crumlish also stated that the cost to repair the drinking water system is not currently known. Treasurer Ganeriwala made a motion to recommend the VRA Board endorse the previously authorized loan to The Trust for Public Land and to structure the \$375,000 debt service payments so as to achieve maximum flexibility for water and sewer capital projects at the Natural Bridge property which may increase the final loan balance on December 31, 2024 of which shall not be more than \$5,764,488. Such authorization shall remain in place until June 30, 2022. Mr. Burnette seconded. The motion carried.

### **VPFP 2021B Transaction Summary**

Chairman Hasty then called on Mr. Peter D’Alema, VRA Director of Program Management, for a presentation on the Virginia Pooled Financing Program (VPFP). Mr. D’Alema provided general remarks regarding the VPFP Series 2021B summer issuance, including the pricing results which yielded a 1.83% all-in true interest cost.

### **VPFP Portfolio Updates**

Mr. D’Alema continued the presentation with a VPFP portfolio update. He also shared an update on VRA’s debt capacity as it pertains to the issuance of Commonwealth Moral Obligation (“MO”) - backed debt. Chairman Hasty asked how VRA’s issuance of Commonwealth MO-backed debt is reported on the Commonwealth’s financials. Mr. D’Alema responded that it is effectively a subject-to-appropriation contingent liability. Mr. Wellford mentioned that it is also included in the Commonwealth’s Debt Capacity Advisory Committee’s analysis.

### **VPFP 2021C Fall Pool Update**

Mr. D’Alema lastly provided an update on the VPFP Series 2021C planned issuance. He shared that there are no exceptions for Board consideration because all of the loan applications conform to VRA’s underwriting guidelines.

### **Old Business**

Chairman Hasty asked if there was any old business to come before the Committee. There was none.

### **New Business**

Chairman Hasty asked if there was any new business to come before the Committee. There was none.

**Public Comment**

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

**Adjournment**

Chairman Hasty adjourned the meeting at 3:53 p.m.

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Stephanie L. Hamlett, Executive Director  
Board Secretary

APPROVED:

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Mr. Thomas L. Hasty, III, Chairman of the Board, on behalf of  
Ms. Barbara McCarthy Donnellan, Chair

**Virginia Resources Authority**  
**Board Meeting**  
**Minutes of the Regular Meeting – DRAFT**  
**Held September 14, 2021**

The Board of Directors of the Virginia Resources Authority (VRA) met on Tuesday, September 14, 2021, in the O'Brien Boardroom, Bank of America Building, 19<sup>th</sup> Floor, Suite 1920, 1111 E. Main Street, Richmond, Virginia.

The following Board members were present and acting during the meeting: Mr. Thomas Hasty, Chairman, Ms. Cynthia Bailey, Ms. Mary Bunting, Mr. Cliff Burnette for Mr. Mark Flynn, State Treasurer Manju Ganeriwala, Mr. Bill Kittrell, Mr. Dwayne Roadcap for Dr. Norman Oliver, Ms. Valerie Thomson for Mr. David Paylor, and Dr. Charlette Woolridge. Ms. Barbara Donnellan and Mr. Cecil "Rhu" Harris were absent.

VRA staff participants included: Ms. Stephanie L. Hamlett, Ms. Jean Bass, Mr. Joe Bergeron, Mr. Shawn Crumlish, Mr. Peter D'Alema, Mr. Curtis Doughtie, and Ms. Stephanie Jones. Additional attendees were Mr. Arthur Anderson of McGuireWoods LLP, Mr. Greg Bussink of CliftonLarsonAllen LLP, and Mr. Ty Wellford of Davenport & Company, LLC.

**Call to Order**

Chairman Hasty called the meeting to order at 9:00 a.m. noting that the meeting would serve as VRA's Annual Meeting, as required by its bylaws.

**Approval of Agenda**

Chairman Hasty asked for a motion to approve the agenda. Dr. Woolridge made a motion, seconded by Ms. Bunting, to approve the agenda as presented. The motion carried.

**Approval of Meeting Minutes**

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

- Personnel Committee Meeting held June 14, 2021
- Budget and Investment Committee Meeting held June 14, 2021
- Portfolio Risk Management Committee Meeting held June 14, 2021
- Board of Directors Meeting held June 15, 2021

Ms. Bunting made the motion to which Mr. Burnette seconded. The motion to approve the minutes noted carried.

## **Report of the Executive Director**

Chairman Hasty called on the Executive Director to give her report. Ms. Hamlett first congratulated several Board members on notable achievements, including Ms. Bailey’s appointment as Counsel to the Governor, Ms. Bunting and the City of Hampton being selected for the Bloomberg Harvard City Leadership Initiative, and Dr. Woolridge’s appointment as the County Administrator of Greenville.

Ms. Hamlett shared that there have been some conversations with the Budget and Investment Committee Chair Rhu Harris regarding reserves and investments. She mentioned that since the topic of investments was added to the Committee’s purview in June, the Chair would like the Committee to have an opportunity to review the Investment Policy. Mr. Harris, she said, has also expressed interest in the objective of targeted reserves as expressed in the Strategic Plan adopted by the Board in June. Ms. Hamlett noted that staff will poll members of the Committee for their availability for a meeting in late October or early November so that it will precede the regularly-scheduled December Board meetings. She further expressed that it is planned that at the December meeting the Board will consider revisions to the Strategic Plan relating to reserves and the addition to the Strategic Plan of a stated objective to ensure equity and inclusion in VRA’s employment practices.

Ms. Hamlett continued her report by sharing information about the Tobacco Region Revitalization Commission’s (Commission) Community and Business Lending (CBL) Program. She stated that the *Code of Virginia* requires the program to have a financial viability manager and that the Commission selected VRA. She explained further that the Commission makes loans directly in the CBL program and that the program’s loans are not subject to VRA underwriting guidelines.

Ms. Hamlett also provided an update on the ongoing regional conflict between Rapidan Service Authority and its member jurisdiction Greene County. She shared that VRA would like to see mediation because both entities have debt obligations to VRA and so that service can continue to customers uninterrupted.

## **Re-Election of Vice-Chair**

In noting that this meeting has been designated VRA’s Annual Meeting, Chairman Hasty noted that the bylaws require the election of a Vice-Chair. He stated that the current Vice Chair is Rhu Harris who was agreeable to continuing in that role. Chairman Hasty asked the Board if there were any other nominations. Hearing none, Dr. Woolridge made a motion and Ms. Bunting seconded that Mr. Harris be re-elected as the Board’s Vice Chair. The motion carried.

## **Report of Audit Committee**

Chairman Hasty called on Treasurer Ganeriwala to deliver the Audit Committee Report. After preliminary opening remarks, Treasurer Ganeriwala called on Mr. Curtis Doughtie, VRA Director of Finance and Administration, to introduce the auditor Greg Bussink, a principal at CliftonLarsonAllen LLP. Mr. Bussink reported that a “clean”, unmodified opinion on the financial statements of VRA had

been issued, which, he said, is the highest form of assurance that can be given by an auditor. He further commented that there were no findings on internal controls and there was a clean opinion on the uniform grant guidance report. Continuing, Mr. Bussink commended VRA management for receiving the Government Finance Officers Association “Certificate of Excellence” Award. Finally, Mr. Bussink reported that he shared required communications with the Audit Committee in their closed session and that there were no disagreements with management during the audit.

Following Mr. Bussink’s remarks, Treasurer Ganeriwala asked Mr. Doughtie to give a brief presentation on the operational activities of VRA throughout the year. Mr. Doughtie’s presentation included 2021 financial highlights detailing total loans and grants across all programs, refunding totals, assets over liabilities, and a statistical section with trend data. Mr. Doughtie briefly mentioned that the Committee reviewed the Audit Committee Charter and received an update on the annual Agency Risk Management and Internal Control Standards (ARMICS) reporting process. The presentation was well received and upon its completion, Treasurer Ganeriwala made a motion on behalf of the Audit Committee to approve the fiscal year 2021 Annual Comprehensive Financial Report as presented. Mr. Burnette seconded and the motion carried.

### **Report of Portfolio Risk Management Committee**

Chairman Hasty delivered the Portfolio Risk Management Committee (PRMC) Report. He called on Mr. Shawn Crumlish, VRA Director of Financial Services, who noted the first action item for the Committee regarded the SRF Bond shelf resolution that supports the Clean Water and Drinking Water programs through September 30, 2022. Mr. Crumlish outlined the parameters of the resolution. Chairman Hasty then made a motion on behalf of PRMC to approve the shelf resolution authorizing the issuance and sale of up to \$300,000,000 in state revolving fund revenue bonds for the period ending September 30, 2022. Treasurer Ganeriwala seconded. The motion carried.

Mr. Crumlish then provided an update on the Natural Bridge State Park (Park) loan assumption transaction. He noted that the purpose of the acquisition is to have an interim stewardship period with the Trust for Public Land (TPL) until the Department of Conservation and Recreation (DCR) can gather the resources necessary to assume ownership of the Park. Mr. Crumlish stated that the transfer has been delayed due to water system issues that have recently been raised by the Lexington field office of the Virginia Department of Health (VDH) Office of Drinking Water. He said that the issues could cause a notice of violation from VDH which raises reputational concerns for TPL if they were the property owner. Board member Mr. Roadcap provided additional context explaining the need for an engineering analysis to determine the cause of the water leak. He also noted that repair costs are currently unknown. Since the transaction has not closed as was expected at the Board’s June meeting, staff is seeking flexibility in structuring the loan. Staff would like for the debt service payments to be able to be used towards capital projects which would mean that the final balloon payment would be higher in order to cover the remaining principal of the loan. The loan terms would give time for DCR to obtain an appropriation from the General Assembly. A target date of December 31, 2024 has been set for DCR acquisition of the Park with the final balloon payment date on the loan to TPL. Mr. Kittrell asked if there was an ideal closing date to which Mr. Crumlish replied there is an optional purchase agreement effective through November 30 so it would be ideal to close before then. On behalf of PRMC, Chairman Hasty

made a motion to endorse the previously authorized loan to the Trust for Public Land and to structure \$375,000 debt service payments so as to achieve maximum flexibility for water and sewer capital projects at the Natural Bridge property which may increase the final loan balance on December 31, 2024 of which shall not be more than \$5,764,488. Such authorization shall remain in place until June 30, 2022. Treasurer Ganeriwala seconded and the motion carried.

Chairman Hasty called on Mr. Peter D’Alema, VRA Director of Program Management, for updates on the Virginia Pooled Financing Program (VPFP). Mr. D’Alema made particular note of the interest rate of the summer pool, which, he said, was beneficial for the local participants. He shared an overview of the VPFP portfolio and also of VRA’s debt capacity as it pertained to the issuance of debt backed by the Moral Obligation (MO) of the Commonwealth. Regarding long-term strategies to reduce dependence on the Commonwealth’s MO, Ms. Bunting asked whether the Commonwealth’s MO-backing is what provides the best interest rates for the local borrowers. Ms. Hamlett, in replying yes also noted that VRA would employ additional strategies that would not necessarily impact the credit ratings which provide the competitive interest rates for local borrowers but would reduce VRA’s use of the Commonwealth’s MO. In clarifying, Ms. Hamlett said VRA’s triple-A rating is on the 70% of the portfolio that is not backed by the MO because of the level of reserves. Mr. Wellford stated that the VPFP has 1.4x coverage of pledged assets for the senior-lien bonds. Ms. Hamlett noted that further discussion regarding the use of the MO and VRA reserves could be taken up at a later date which could include a Board retreat. Mr. D’Alema concluded his remarks with an update on the VPFP 2021C fall pool including the financing calendar.

### **Old Business**

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

### **New Business**

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

### **Public Comment**

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

### **Adjournment**

Chairman Hasty adjourned the meeting at 9:54 a.m.

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Stephanie L. Hamlett, Executive Director  
Board Secretary

Minutes of the Board Meeting – DRAFT  
September 14, 2021

APPROVED:

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

# VIRGINIA RESOURCES AUTHORITY

## -RESOLUTION-

### **AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$300,000,000 IN STATE REVOLVING FUND REVENUE BONDS FOR THE PERIOD ENDING SEPTEMBER 30, 2022**

September 14, 2021

**A.** The Federal Water Quality Act of 1987, which amended the Clean Water Act of 1972 (the “Clean Water Act”), provides for the establishment of state revolving fund loan programs. The funds in these state revolving fund loan programs are to be used to provide financial assistance to various entities in connection with the construction of systems for the storage, treatment, recycling and reclamation of sewage, and certain other qualified water pollution control projects. The Clean Water Act requires, as a condition for the receipt of certain federal financial assistance, that each state establish a state revolving loan fund to receive grant proceeds. Under the Clean Water Act, states are also currently required to provide state matching funds equal to twenty percent of each federal capitalization grant.

**B.** The Federal Safe Drinking Water Act Amendments of 1996, which amended the Safe Drinking Water Act (the “Drinking Water Act”), also provide for the establishment of state revolving fund loan programs. The funds in these state revolving fund loan programs are to be used to provide financial assistance to various entities in connection with the construction of qualified drinking water projects. The Drinking Water Act requires, as a condition for the receipt of certain federal financial assistance, that each state establish a state revolving loan fund to receive capitalization grant proceeds. Under the Drinking Water Act, states are also currently required to provide state matching funds equal to twenty percent of each federal capitalization grant.

**C.** The 1986 Virginia General Assembly created the Virginia Water Facilities Revolving Fund (the “Clean Water RLF”) pursuant to Chapter 22, Title 62.1, Code of Virginia of 1950, as amended (the “VWFRF Act”), to provide a long-term renewing source of funding for water quality improvements in the Commonwealth of Virginia (the “Commonwealth”).

**D.** The 1987 Virginia General Assembly created the Virginia Water Supply Revolving Fund (the “Drinking Water RLF”) pursuant to Chapter 23, Title 62.1, Code of Virginia of 1950, as amended (the “VWSRF Act”), to provide a long-term renewing source of funding for drinking water improvements in the Commonwealth.

**E.** Section 62.1-225 of the VWFRF Act and Section 62.1-234 of the VWSRF Act provide that the Clean Water RLF and the Drinking Water RLF are separate, permanent, and perpetual funds, each of which is dedicated with limited exceptions to the making of loans to local governments and other eligible entities (“Participants”) for qualifying clean water projects (“Clean Water Projects”) and drinking water projects (“Drinking Water Projects” and, together with Clean Water Projects, “Projects”). Both the Clean Water RLF and the Drinking Water RLF are administered and managed by the Virginia Resources Authority (“VRA”), which is a public body corporate and a political subdivision of the Commonwealth created by the Virginia Resources

Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the “VRA Act and, together with the VWFRF Act and the VWSRF Act, the “Virginia Acts”), subject to the right of the State Water Control Board (in the case of the Clean Water RLF) and the Board of Health (in the case of the Drinking Water RLF), following consultation with VRA, to direct the distribution of loans to particular Participants and to establish the interest rates and repayment terms of such loans.

**F.** The programs for the application of the assets of the Clean Water RLF (the “Clean Water Program”) and the Drinking Water RLF (the “Drinking Water Program”) established by VRA, the State Water Control Board and the Board of Health, respectively, satisfy the criteria of the Clean Water Act and the Drinking Water Act and entitle the Commonwealth to receive the above-described capitalization grants to finance Projects. In addition, federal law allows for the cross-collateralization of the assets of the Clean Water Program and Drinking Water Program.

**G.** The Virginia Acts authorize and empower VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers, including making loans to Participants to finance or refinance the cost of any Projects from the proceeds of such bonds, and to pay all costs and expenses incurred in connection with the issuance of such bonds and to pledge all or any part of the assets of or under the control of VRA, including obligations in the Clean Water RLF and the Drinking Water RLF, to secure the payment of the bonds of VRA.

**H.** VRA has entered into a Second Amended and Restated Master Indenture of Trust dated as of September 1, 2020, as previously supplemented and amended (the “Master Indenture”), between VRA and U.S. Bank National Association, as trustee (the “Trustee”), under which VRA has provided for the issuance from time to time of bonds of VRA (as more particularly described in the Master Indenture, the “Bonds”) for the purpose of purchasing and acquiring obligations (“Obligations”) of certain Participants to finance and refinance certain Projects (including for purposes of evidencing the provision of the state matching funds for the federal capitalization grants), and for such other purposes as may be authorized under and pursuant to the Virginia Acts.

**I.** To further the purposes of the Virginia Acts, VRA has determined to issue one or more Series of Bonds under the Master Indenture in an aggregate principal amount of up to \$300,000,000 (the “2022 Bonds”) at one time or from time to time and to use the proceeds of the 2022 Bonds to purchase or acquire Obligations (including to evidence the provision of the state matching funds for the federal capitalization grants (the “state match”)) to finance certain Projects and to pay the cost of issuance of the 2022 Bonds.

**J.** The Master Indenture provides that, as a condition to the issuance and authentication of any Series of Bonds, VRA shall deliver to the Trustee a Supplemental Series Indenture, which Supplemental Series Indenture shall set forth the terms of such Series. As provided in the Master Indenture and the form of the model Supplemental Series Indenture presented to this meeting (the “2022 Model Supplement”), the debt service payments on the 2022 Bonds are expected to be made from revenues derived from Pledged Obligations (as defined in the Master Indenture) and the investment earnings on a Reserve Fund, if any, (as defined in the Master Indenture and to be funded as described in the 2022 Model Supplement) and certain other funds and accounts established pursuant to the Master Indenture.

**WHEREAS**, unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given it in the Master Indenture.

**After careful consideration and to further the public purposes for which VRA was created, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VRA AS FOLLOWS:**

**1. Authorization of 2022 Bonds.** The Board of Directors of VRA (the “Board”) determines that it is in the best interest of VRA to authorize the issuance of the 2022 Bonds at one time or from time to time in one or more Series under the Master Indenture to purchase or acquire Obligations to finance or refinance Projects (including to evidence the state match), and to pay the cost of issuance of the 2022 Bonds. The Board authorizes the issuance and sale of the 2022 Bonds, pursuant to the following terms and conditions: (i) the original aggregate principal amount of the 2022 Bonds shall not exceed \$300,000,000; (ii) no Series of the 2022 Bonds shall have a true interest cost in excess of 5.0%; and (iii) the final maturity any of the 2022 Bonds of any Series shall be no later than December 31, 2055. It is hereby found and determined that the debt service payments on the 2022 Bonds are not expected to be made, in whole or in part, directly or indirectly, from appropriations of the Commonwealth of Virginia within the meaning of Section 2.2-2416(7) of the Code of Virginia of 1950, as amended.

**2. Details of the 2022 Bonds.** Subject to the limitations outlined in paragraph 1 above, VRA's Chairman and Executive Director, either of whom may act, are authorized to determine and approve the final details of the 2022 Bonds of each Series, including without limitation, their series designation, dated date, original aggregate principal amount, interest rates, maturity dates, redemption provisions, sale prices and the principal amount of each maturity, the sale date, the sale price and the reoffering prices. The approval of the Chairman and Executive Director of such details shall be evidenced conclusively by their execution and delivery of the 2022 Bonds of the Series on VRA's behalf.

**3. Approval of Supplemental Series Indentures.** Each Series of 2022 Bonds shall be issued pursuant to the Master Indenture and a Supplemental Series Indenture in substantially the same form as the 2022 Model Supplement. With respect to each Series of 2022 Bonds authorized under this Resolution, the Chairman and Executive Director, either whom may act, are authorized to execute and deliver on VRA's behalf, and, if required, to affix and attest VRA's seal on the Supplemental Series Indenture in substantially the form of the 2022 Model Supplement, with such changes, insertions or omissions, including the establishment of additional reserve funds for all or any portion of the 2022 Bonds, as may be approved by the Chairman and Executive Director. Such approval shall be evidenced conclusively by the execution and delivery of each respective Supplemental Series Indenture on VRA's behalf.

**4. Preparation, Execution, Authentication and Delivery of 2022 Bonds.** The Executive Director is authorized and directed to have the 2022 Bonds of each Series prepared in substantially the form attached to the 2022 Model Supplement submitted to this meeting, to have such 2022 Bonds executed pursuant to the terms of the Master Indenture and the related Supplemental Series Indenture, to deliver such 2022 Bonds to the Trustee for authentication, and to cause such 2022 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 Supplemental Series Indenture.

**5. Sale of 2022 Bonds.** Each Series of 2022 Bonds may be sold to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities (“Underwriters”) to be selected by the Executive Director in accordance with VRA's previously adopted underwriter selection procedures or, if the Executive Director so elects, by competitive bidding to the qualified bidder with the lowest true interest cost to VRA. With respect to each Series of 2022 Bonds, the Executive Director is authorized to execute and deliver a bond purchase agreement with the Underwriters, or, if sold by competitive bidding, other appropriate documents with the successful bidder (the “Bid Documents”) providing for the sale and delivery of the 2022 Bonds upon terms and conditions to be approved by the Chairman and Executive Director within the parameters set forth in paragraph 1 above.

**6. Preliminary Official Statement.** VRA authorizes the preparation of a preliminary official statement, in such form as the Executive Director may approve (a “Preliminary Official Statement”), in connection with a public offering of any Series of 2022 Bonds authorized hereunder. 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 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.

**7. Official Statement.** Upon the public sale of any Series of the 2022 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 2022 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 2022 Bonds.

**8. Credit Enhancement.** The Executive Director is authorized to procure bond insurance for all or any portion of the 2022 Bonds or a surety bond, liquidity facility or similar instrument to provide for the funding of all or any portion of the Reserve Fund or any other reserve fund or account established pursuant to the Master Indenture, if the Executive Director determines such procurement to be in the best interests of VRA.

**9. Tax Matters.** The Executive Director is authorized and directed to (i) conduct public hearings in connection with the issuance of 2022 Bonds, if applicable, (ii) seek the approval of the Governor of the issuance of 2022 Bonds, if applicable, and (iii) execute and deliver on VRA's behalf simultaneously with the issuance of each Series of the 2022 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 2022 Bonds and include such covenants as may be necessary to qualify the interest on all or any portion of each Series of the 2022 Bonds for

exemption from gross income for federal income tax purposes or any 2022 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 2022 Bonds as she may deem to be in the best interests of VRA after consultation with VRA's bond counsel. The calculation of “true interest cost” of any 2022 Bonds or Notes (as defined in paragraph 12 below) for purposes of paragraphs 1 and 12 hereof may take into account the net benefit expected to be received by VRA from the issuance of 2022 Bonds with tax-advantaged status in any reasonable manner approved by the Executive Director. This Resolution is intended to be a declaration of “official intent” within the meaning of Treasury Regulations Section 1.150-2 evidencing VRA’s intent to use proceeds of the 2022 Bonds to reimburse original expenditures from the Clean Water RLF and Drinking Water RLF and the related administrative fee funds to purchase or acquire Obligations (including to evidence the state match) and to pay the cost of issuance of the 2022 Bonds.

**10. Investment of Proceeds.** Notwithstanding anything to the contrary contained in VRA's Investment Policy, the investment of all monies deposited in any of the funds or accounts established by the Master Indenture and any Supplemental Series Indenture related to a Series of the 2022 Bonds will be governed by the sections of the Master Indenture and such Supplemental Series Indenture related to 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 2022 Bonds.

**11. Approval of Obligation Documents.** The model Financing Agreement previously submitted to the Board is hereby approved for use in providing for the purchase or acquisition of Obligations related to the 2022 Bonds; provided, however, that the provisions therein may be altered to accommodate different terms agreed to by VRA and the various Participants.

**12. Interim Financing.** Prior to the offering of any Series of 2022 Bonds, if market or other conditions are such that the Chairman, in consultation with the Executive Director, determines that it is not advisable to enter into a long-term financing for all or any portion of the purchasing and acquiring of Obligations to finance or refinance the cost of any Project, the Executive Director, without further approval of the Board as to documentation or otherwise, may execute, deliver and issue short-term notes of VRA (“Notes”) at public or private sale in anticipation of the issuance of any or all series of 2022 Bonds; provided that the aggregate principal amount of the Notes shall not exceed \$300,000,000 (less the aggregate principal amount of any previously issued series of 2022 Bonds), the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 5.0% and the Notes shall be subject to such other terms and conditions contained in this Resolution to the extent not inconsistent with this paragraph 12. Any of the Notes may be extended or refinanced from time to time by or at the direction of the Executive Director, provided that no extension or refinancing matures later than five years from the date of the original issuance of such Note. The Executive Director is authorized and directed to affix the seal of VRA to such Notes and to attest the seal. The Notes may be secured in the same manner as the corresponding Series of 2022 Bonds and may be retired, in the discretion of the Board, from the proceeds of the corresponding Series of 2022 Bonds or by means of current

revenues or other funds, provided that the maximum amount of the series of 2022 Bonds authorized will be reduced by the amount of Notes retired by means of such current revenues or other funds.

**13. Authorization of Further Actions.** Each officer of VRA is authorized to execute and deliver on VRA'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 or contemplated by the Master Indenture and any Supplemental Series Indenture related to the 2022 Bonds, the Notes, the Obligations, including without limitation making of amendments to the Master Indenture that the Chairman and Executive Director may deem necessary or advisable to facilitate the administration of the Master Indenture and/or the operations of the Clean Water Program and the Drinking Water Program and have no material adverse effect on the owners of the Bonds outstanding under the Master Indenture. Any of the foregoing previously done or performed by any officer of VRA is in all respects approved, ratified and confirmed.

**14. Effective Date; Termination.** This Resolution shall be immediately effective. The authority to issue 2022 Bonds and Notes pursuant to this Resolution shall terminate on September 30, 2022.